



## Interim Results 3-month figures FY 11

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**HEIDELBERG**

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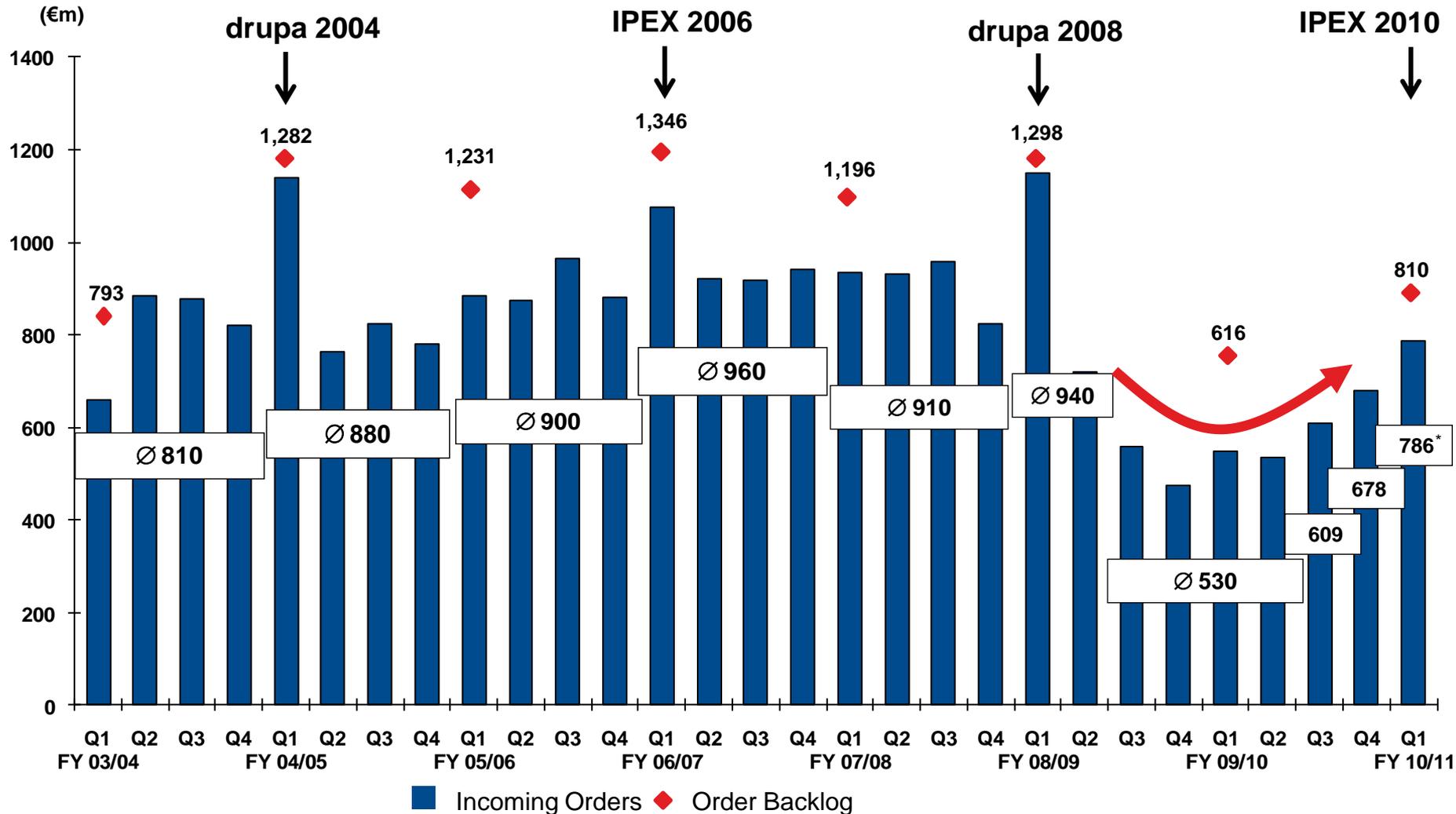
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## Highlights Q1 FY 11

- € 786 million order intake up significantly vs. Q1 FY 10 (+43% yoy), and +16% quarter on quarter (Q4 FY 10: € 678 million), positively influenced by € 45 million currency effects. Order backlog increased to € 810 million.
- Sales at € 563 million slightly above previous year, positively influenced by € 36 million currency effects
- Successful trade shows IPEX in the UK and ExpoPrint in Brazil
- EBIT (excluding special items) at € -35 million improved compared to Q1 FY 10 (€ -63 million)
- Free cash flow at € 62 million positive compared to the same period of the previous year at € -29 million
- Net debt decreased to € 629 million compared to 31 March 2010 at € 695 million
- Negotiations on planned package of cost-cutting measures successfully concluded
- New divisional structure implemented

# Order development shows clear improvement trend



Source: Heidelberg; data based on Heidelberg fiscal year (FYE 31 Mar); actuals

\* Positively influenced by € 45 million currency effects

## IPEX trade fair affects order intake positively in EMEA China with continuously strong orders<sup>1)</sup>

million EUR	FY2010 Q1	FY2010 Q2	FY2010 Q3	FY2010 Q4	FY2011 Q1	yoy
<b>EMEA</b>	<b>227</b>	197	249	260	<b>316</b>	+39.2%
<b>Eastern Europe</b>	<b>53</b>	62	75	83	<b>84</b>	+58.5%
<b>North America</b>	<b>66</b>	76	62	68	<b>80</b> <sup>2)</sup>	+21.2%
<b>Latin America</b>	<b>19</b>	27	31	46	<b>44</b>	+131.6%
<b>Asia / Pacific</b>	<b>185</b>	172	192	221	<b>262</b> <sup>3)</sup>	+41.6%
<b>Heidelberg-Group</b>	<b>550</b>	534	609	678	<b>786</b> <sup>4)</sup>	+42.9%

<sup>1)</sup> Markets have been re-classified according to internal lead market sales structure; prior year has been restated accordingly

<sup>2)</sup> Positively influenced by € 8 million currency effects

<sup>3)</sup> Positively influenced by € 26 million currency effects

<sup>4)</sup> Positively influenced by € 45 million currency effects

## New segmentation implemented to better reflect strategic positioning of Heidelberg

Bernhard Schreier (CEO)		
Stephan Plenz	Marcel Kießling	Dirk Kaliebe
<b>Heidelberg Equipment</b>	<b>Heidelberg Services</b>	<b>Financial Services</b>
<ul style="list-style-type: none"> <li>▪ Press</li> <li>▪ Postpress Commercial</li> <li>▪ Postpress Packaging</li> <li>▪ Linoprint</li> </ul>	<ul style="list-style-type: none"> <li>▪ Systemservice</li> <li>▪ Heidelberg Spare Parts</li> <li>▪ Saphira Consumables</li> <li>▪ Prinect Software</li> <li>▪ CtP</li> <li>▪ Business Consultancy</li> <li>▪ Remarketed Equipment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financing Partners</li> <li>▪ Export Credit Insurance</li> <li>▪ Heidelberg Print Finance</li> </ul>

Pro Forma Data FY 09/10:

Sales:	€ 1,271m	Sales:	€ 1,016m	Sales:	€ 19m
EBIT*:	€ -153m	EBIT*:	€ 12m	EBIT*:	€ 11m

\* excluding special items

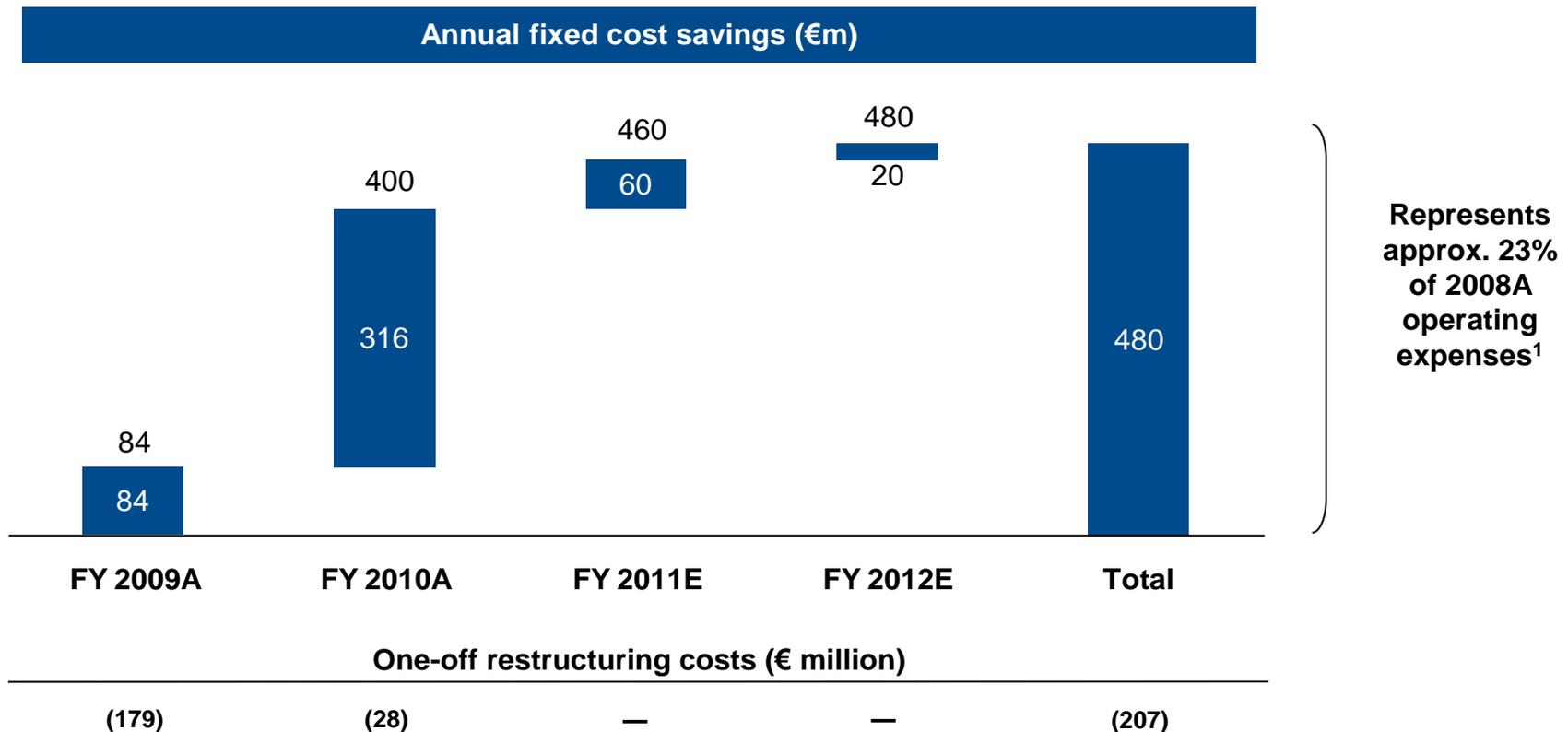
## Visible recovery leads to strong EBIT improvement especially in Heidelberg Services

million EUR	Sales			EBIT		
	FY2010 Q1	FY2011 Q1	yoy	FY2010 Q1	FY2011 Q1	yoy
Heidelberg Equipment	278	<b>297</b>	<b>+7%</b>	-53	<b>-48</b>	<b>+5 mEUR</b>
<i>Currency adjusted</i>			+1.1%			
Heidelberg Services	231	<b>261</b>	<b>+13%</b>	-11	<b>10</b>	<b>+21 mEUR</b>
<i>Currency adjusted</i>			+4.6%			
Heidelberg Financial Services	5	<b>5</b>	-	1	<b>3</b>	<b>+2 mEUR</b>
Heidelberg-Group	514	<b>563</b>	<b>+10%</b>	-63	<b>-35</b>	<b>+28 mEUR</b>
<i>Currency adjusted</i>			+2.5%			
<i>Special items</i>				2	<b>-15*</b>	
EBIT incl. special items				-65	<b>-20</b>	

\* After agreement between management and employee representatives, a portion of the provision formed for this purpose in the previous year has been released

## Expected total fixed cost savings of €480m to reduce cost base sustainably

Improvement program of €400m already concluded in FY 2010, further cost measures planned until FY 2012



Source: Heidelberg; financial data based on Heidelberg fiscal year (FYE 31 Mar); 2009-2010: actual (as per annual report); 2011-2012: estimates (as per Heidelberg press releases (19/07/2010, 15/06/2010, 22/04/2010, 30/03/2010, 07/10/2009, 26/03/2009))

(1) Operating expenses incl. personnel, D&A and other operating expenses, excluding cost of materials

## Profit & loss statement

million EUR	FY2010 Q1	FY2011 Q1	yoy
<b>Sales</b>	514	<b>563<sup>1)</sup></b>	+10%
<b>Total operating performance</b>	478	<b>594</b>	+24%
<b>EBIT before Special items</b>	-63	<b>-35</b>	+28 mEUR
Special items	2	<b>-15<sup>2)</sup></b>	-
<b>EBIT after Special items</b>	-65	<b>-20</b>	+45 mEUR
<b>Financial result</b>	-22	<b>-35</b>	-13 mEUR
<b>Income before Tax</b>	-86	<b>-56</b>	+30 mEUR
<b>Net profit/Net loss</b>	-69	<b>-52</b>	+17 mEUR

<sup>1)</sup> Positively influenced by € 36 million currency effects

<sup>2)</sup> After agreement between management and employee representatives, a portion of the provision formed for this purpose in the previous year has been released

# Balance Sheet

Million EUR

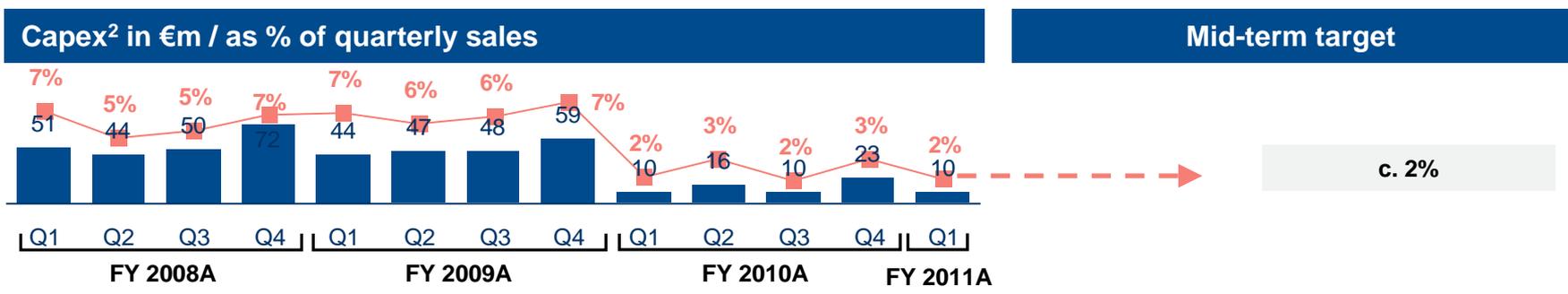
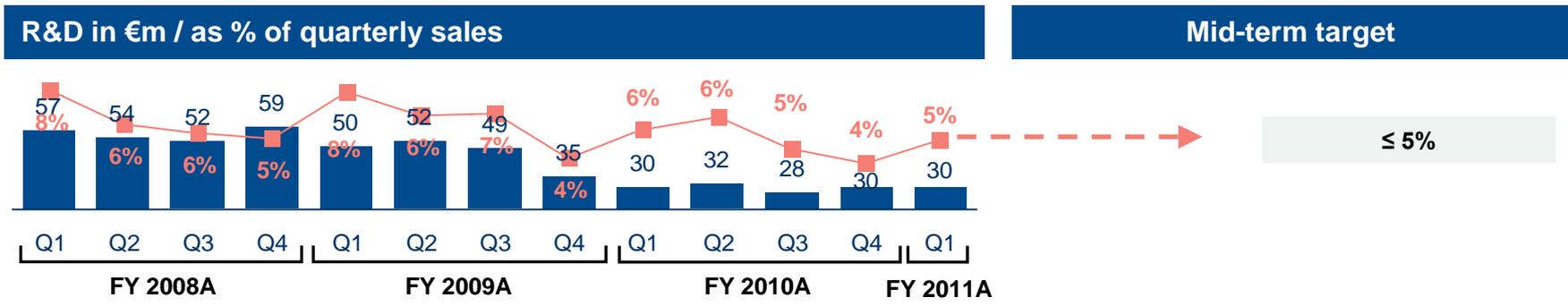
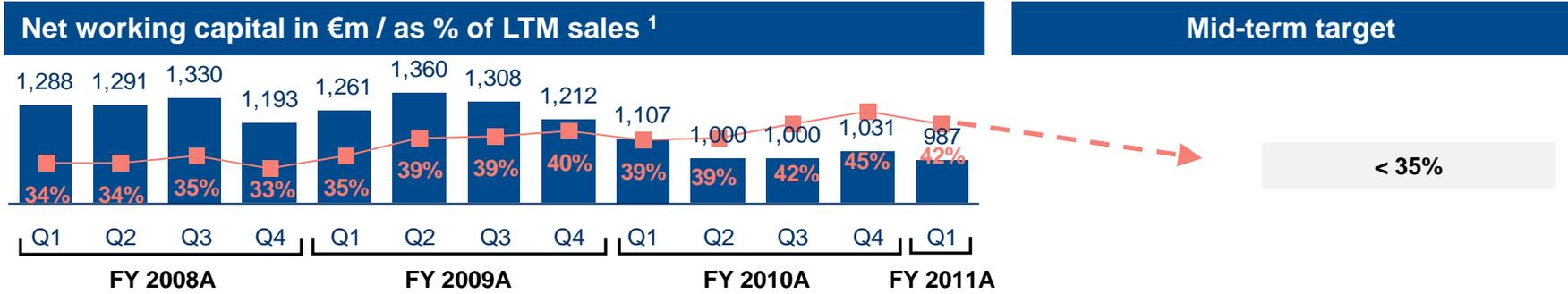
	06/30/2009	03/31/2010	06/30/2010		06/30/2009	03/31/2010	06/30/2010
<b>Fixed assets</b>	<b>989</b>	<b>924</b>	<b>915</b>	<b>Shareholder's equity / minorities</b>	<b>728</b>	<b>579</b>	<b>534</b>
<b>Current assets</b>	<b>1,911</b>	<b>1,769</b>	<b>1,795</b>	<b>Provisions</b>	<b>903</b>	<b>938</b>	<b>952</b>
<i>thereof inventories</i>	994	827	874	<i>thereof provisions for pensions</i>	145	225	280*
<i>thereof receivables from customer financing</i>	253	212	211	<b>Other Liabilities</b>	<b>1,305</b>	<b>1,262</b>	<b>1,332</b>
<i>thereof trade receivables</i>	344	396	349	<i>thereof trade payables</i>	150	132	147
<i>thereof cash and cash equivalents</i>	94	121	135	<i>thereof financial liabilities</i>	804	816	764
<b>Def tax assets, Prepaid expenses, other</b>	<b>154</b>	<b>186</b>	<b>204</b>	<b>Def. tax liabilities, deferred income</b>	<b>118</b>	<b>100</b>	<b>97</b>
<i>thereof deferred tax assets</i>	89	151	187	<i>thereof deferred tax liabilities</i>	26	13	13
<i>thereof assets - held for sale</i>	16	17	0	<i>thereof deferred income</i>	92	88	84
<b>Total assets</b>	<b>3,054</b>	<b>2,879</b>	<b>2,914</b>	<b>Total equity and liabilities</b>	<b>3,054</b>	<b>2,879</b>	<b>2,914</b>

\* As of June 30, 2010 a discount rate of 4.5 percent (June 30, 2009: 6.00 percent; March 31, 2010: 4.75 percent) was used to determine actuarial gains and losses for domestic entities.

## Net Working Capital

million EUR			
	30.06.2009	31.03.2010	30.06.2010
Inventories	994	827	<b>874</b>
+ Trade receivables	344	396	<b>349</b>
./. Trade payables	150	132	<b>147</b>
./. Advance payments	81	60	<b>89</b>
<b>Net Working Capital</b>	<b>1,107</b>	<b>1,031</b>	<b>987</b>

# Tighter cash management



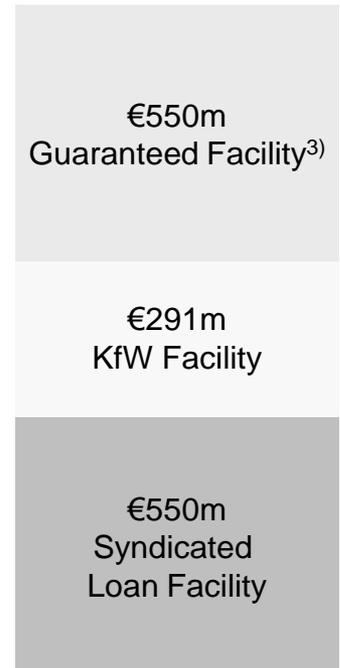
Source: Heidelberg quarterly reports; financial data based on Heidelberg fiscal year (FYE 31 Mar); actuals  
 (1) Net working capital ("NWC") includes inventory and trade receivables net of trade payables and advance payments; "LTM": last twelve months  
 (2) Capex is defined as investments in intangible assets, tangible assets and investment property

## Net debt

million EUR	30.06.2009	31.03.2010	30.06.2010
Financial liabilities	804	816 <sup>1)</sup>	764 <sup>1)</sup>
./. Cash and cash equivalents	94	121	135
<b>Net debt</b>	<b>710</b>	<b>695</b>	<b>629</b>
Provisions for pensions	145	225	280

- Strong cash flow performance decreased net debt by € 81 million yoy
- Funding fully secured until end of July 2012

### Total debt facilities of €1.4bn<sup>2</sup>



1) Thereof approx. €291m from KfW facility

2) Maturity date July 2012

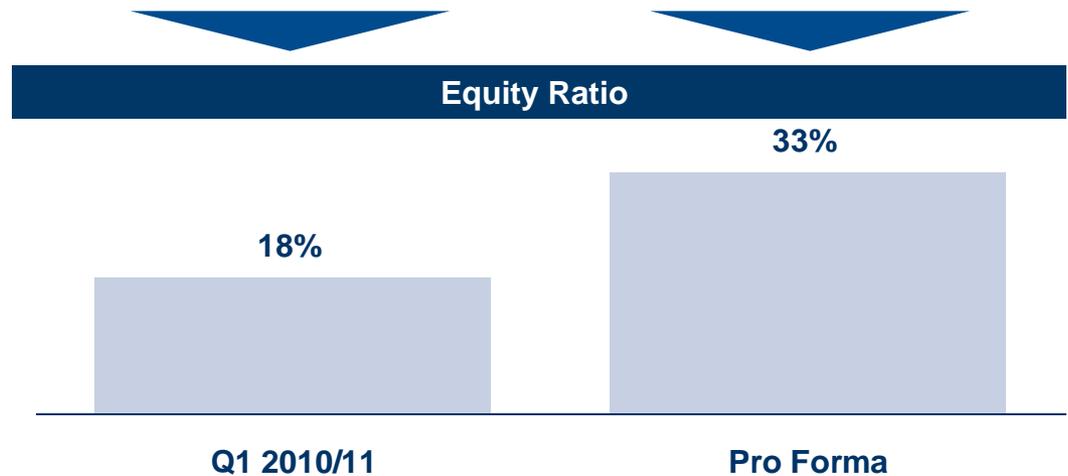
3) 90% of credit facility guaranteed for by German federal and state governments

## Cash Flow statement

Million EUR	01.04.09	01.04.10
	-30.06.09	-30.06.2010
<b>Cash Flow</b>	<b>-70</b>	<b>-34</b>
<b>Other operating changes</b>	<b>47</b>	<b>99</b>
<i>thereof inventory</i>	28	-24
<i>thereof sales financing</i>	14	14
<i>thereof trade receivables/trade payables</i>	67	95
<b>Net cash from operating activities</b>	<b>-23</b>	<b>66</b>
<b>Outflow of funds from investment activity</b>	<b>-5</b>	<b>-3</b>
<b>Free Cash Flow</b>	<b>-29</b>	<b>62</b>

## Planned capital raising of c. €420m to strengthen balance sheet

million EUR	Q1 2010/11		Pro-forma <sup>1</sup>
	30/06/2010		30/06/2010
Equity	534		954
Financial liabilities	764		344
Other liabilities	1,616		1,616
<b>Total liabilities and equity</b>	<b>2,914</b>		<b>2,914</b>



**With envisaged capital raising, Heidelberg aims for a mid-term leverage of  $\leq 2.5x$  net debt / EBITDA**

Source: Heidelberg

(1) Pro-forma data based on financials as of 30/06/2010 and planned capital increase of c. €420m (before transaction costs)

## Outlook and financial targets - Management fully committed to reposition Heidelberg on a path of sustained profitability

Heidelberg on track with respect to its targets with performance as expected.

	FY 2011
Sales	moderate growth
EBIT <sup>1)</sup>	break-even
Net profit / loss	net loss
Free cash flow before restructuring and interest <sup>2)</sup>	positive

	Mid-term targets
Sales	€3bn+
EBIT margin	>5%
ROCE	~15%
Net debt / EBITDA	≤ 2.5x

1) Before special items; assuming stable economic developments

2) FY 2011 free cash flow after restructuring and interest expected „negative“



## Interim Results 3-month figures FY 11

Bernhard Schreier, CEO

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Andreas Trösch, Head of Investor Relations

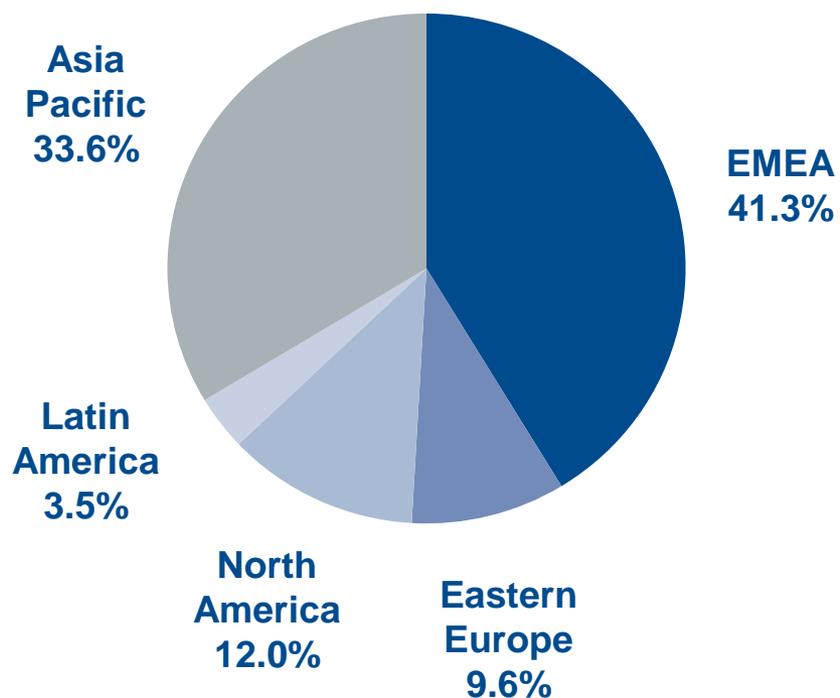
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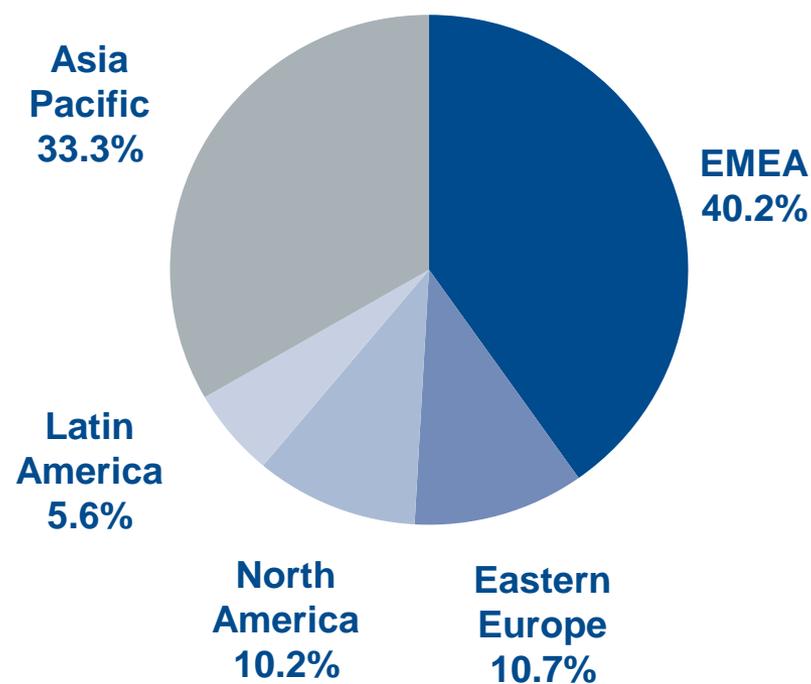
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## Regions

Regional split of order intake in Q1 FY10 (€550m)

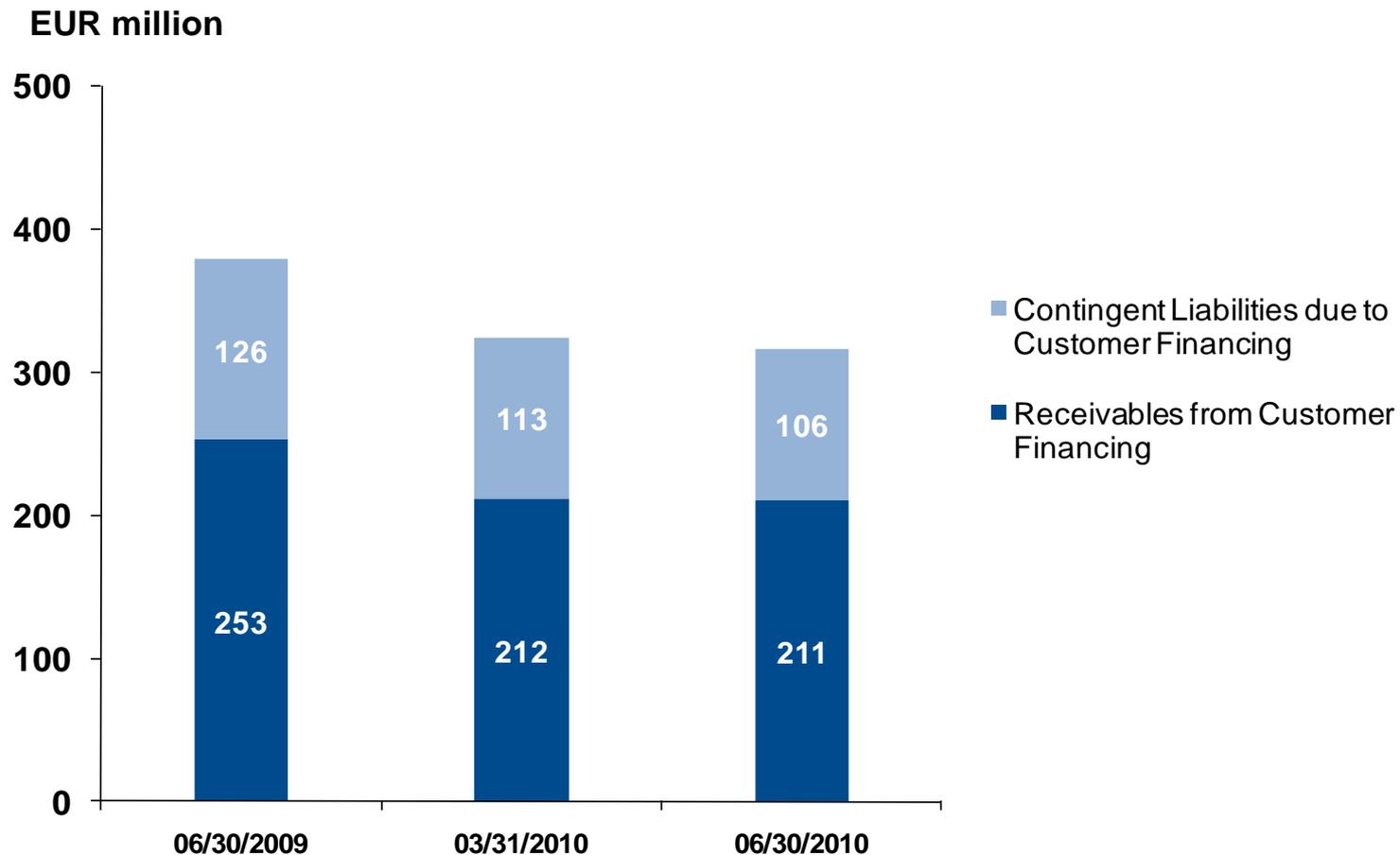


Regional split of order intake in Q1 FY11 (€ 786m)



\*Markets have been re-classified according to internal lead market sales structure; prior year has been restated accordingly

## Ongoing reduction of customer financing achieved in difficult economical and financing situation



## Financial Calendar 2010/2011

Event	Date
Release of the figures for Q2 FY 11	November 10, 2010
Release of the figures for Q3 FY 11	February 9, 2011
Release of the preliminary figures FY 11	May 11, 2011
Annual Analysts' and Investors' conference	June 16, 2011

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