»Staying on track while remaining flexible: Heidelberg is in a position to achieve this.« // »Heidelberg has achieved an operational turnaround. Our focus is now on financial stability and value added.« // »Heidelberg continues to be the first choice for print shops worldwide.« // »The Heidelberg

Q1 INTERIM FINANCIAL REPORT 2011 / 2012

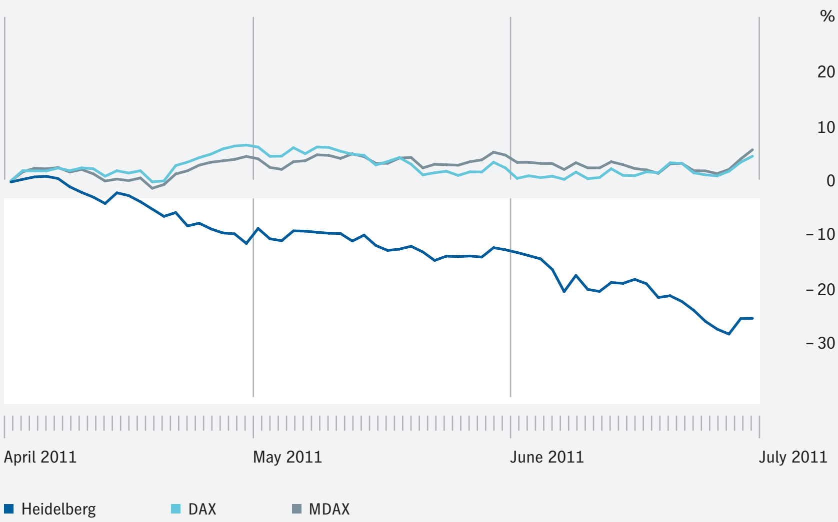
HEIDELBERG

Team helps print shops achieve success – throughout the world and in every way.« //

PERFORMANCE OF THE HEIDELBERG SHARE

1

compared with the DAX / MDAX (Index: April 1, 2011 = 0 percent)



KEY PERFORMANCE DATA

2

Figures in € millions

	Q1 prior year	Q1 2011 / 2012
Incoming orders	786	**665** [1]
Net sales	563	**544** [2]
EBITDA [3]	– 11	**– 2**
Result of operating activities [4]	– 35	**– 25**
– in percent of sales	– 6.2 %	**– 4.6 %**
Net loss	– 52	**– 46**
– in percent of sales	– 9.2 %	**– 8.5 %**
Cash flow	– 34	**– 22**
– in percent of sales	– 6.0 %	**– 4.0 %**
Free cash flow	62	**– 6**
Research and development costs	30	**37**
Investments	15	**17**
Undiluted earnings per share in € [5]	– 0.67	**– 0.20**

[1] Including negative exchange rate effects totaling € – 25 million (adjusted for exchange rate effects: € 690 million)
[2] Including negative exchange rate effects totaling € – 19 million (adjusted for exchange rate effects: € 563 million)
[3] Result of operating activities excluding special items and before depreciation and amortization
[4] Excluding special items
[5] Determined based on the weighted number of outstanding shares

HEIDELBERG 2011/2012

Contents

The Share

KEY PERFORMANCE DATA OF THE HEIDELBERG SHARE

3

Figures in €

	Q1 prior year	Q1 2011/12
Basic earnings per share [1]	– 0.67	– 0.20
Cash flow per share	– 0.43	– 0.09
Share price – high [2]	5.49	3.38
Share price – low [2]	3.36	2.38
Share price – beginning of the quarter [2] [3]	3.51	3.36
Share price – end of the quarter [2] [3]	4.68	2.48
Number of shares in thousands [4]	77,643	233,274
Market capitalization at the end of the quarter in € millions	580	581

1) Determined based on the weighted number of outstanding shares
2) Previous year's figures adjusted for the number of shares following the capital increase
3) Xetra closing price; source for prices: Bloomberg
4) Weighted number of outstanding shares

The two most important German share indices, the DAX and the MDAX, underwent price corrections at the beginning of the reporting quarter. This was attributable primarily to the profound uncertainty of capital market participants regarding the potential impact of the natural and nuclear catastrophe in Japan. Although these leading indices posted modest increases through mid-May, the renewed flare-up of the southern European debt crisis as well as news of a possible payment default by the US put a brake on this upward trend. The DAX recorded a slight increase of 4.8 percent through the end of the quarter, with the MDAX performing somewhat better, thereby posting growth of 6.0 percent.

The Heidelberg share suffered a marked, 25.7 percent price decline during the reporting period because the gradual global economic recovery had not yet made a favorable impact on the print media industry in all regions. The Heidelberg share price was quoted at € 3.36 at the beginning of the reporting quarter. The share suffered further price declines following publication of the 2010/2011 annual financial statements, closing out the end of the quarter at € 2.48.

Within the framework of the publication of the result for financial year 2010/2011, the annual Press and Analysts' Conference was held in Heidelberg on June 16, 2011. Representatives of the media and analysts focused considerable attention on the presentations.

Following years of legal proceedings, a settlement was reached with the previous shareholders of Linotype-Hell at the end of the prior financial year 2010/2011. Under the terms of the settlement, the petitioner was granted ownership of Heidelberg shares. To create these shares, the Management Board made partial use of the authorized capital of 2008 and issued 916,638 new shares. The scope of this capital increase corresponds to 0.39 percent of the overall share capital prior to the increase. At the end of the reporting quarter the number of outstanding shares totaled 234,246,940.

Interim Consolidated Management Report

Overall Picture

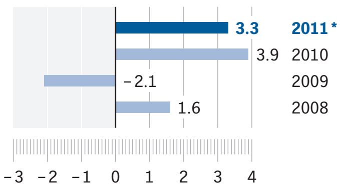
The stable global economic growth continued to favor our customers' propensity to invest. As we already disclosed in our press release of July 14, 2011, the incoming orders in the first quarter of € 665 million – adjusted for exchange rate effects, of € 690 million – were in line with expectations and considerably exceeded the previous quarter's figure. The higher volume of incoming orders generated during the same quarter the previous year of € 786 million – mainly the result of additional orders generated at the IPEX and ExpoPrint trade shows held during the reporting period – could not be matched. Net sales reached € 544 million. After adjusting for exchange rate effects of € 19 million, net sales remained at the previous year's level, albeit slightly below our own forecast. This resulted among others from the delay in sales to later quarters following the earthquake catastrophe in Japan as well as delays resulting from the greater liquidity shortage in the Chinese banking system. Nevertheless, because of ongoing strong demand and continuously favorable economic growth in the Chinese market, we believe that the regional impact on Heidelberg's business development will only be temporary. Thanks to the favorable economic situation, the Heidelberg Equipment Division continued its solid performance at the previous year's level, with growth generated after adjusting for exchange rate effects. The less cyclical Heidelberg Services Division continued at a solid level, with the figures falling somewhat short of the previous year's figures. The result of operating activities excluding special items of € – 25 million during the first quarter was considerably improved from the previous year thanks to the cost-reduction measures due to the reorganization and consistent cost management. No significant special items accrued during the first quarter. The special items had included income of € 15 million during the same quarter the previous year. The financial result of € – 22 million during the first quarter was considerably improved over the same quarter the previous year – the result of low financing expenses due to the successful refinancing. The loss for the quarter improved during the reporting quarter from € – 52 million during the same quarter the previous year to € – 46 million. Free cash flow amounted to € – 6 million during the reporting quarter. Heidelberg succeeded in comprehensive refinancing during the first quarter, including the successful issue of the high-yield bond on April 7, 2011 and the simultaneous establishment of a new credit facility. The success of our financial measures continues to be reflected in the equity ratio and our net financial debt, with the equity ratio at approximately 32 percent as of the end of the reporting quarter, compared with approximately 18 percent at the end of the same quarter the previous year. Net financial debt amounted to € 260 million as of June 30, 2011, compared with the corresponding previous year's figure of € 629 million.

Underlying Conditions

CHANGE IN GDP WORLDWIDE

4

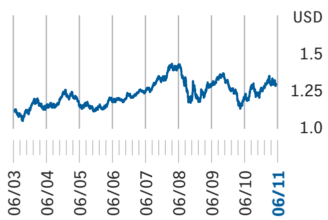
Figures in percent



* Projected
Source: Global Insight (WMM); calendar year

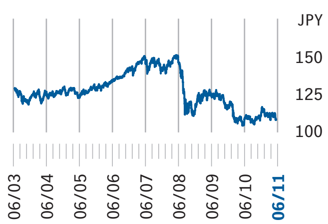
EUR/USD EXCHANGE RATE

5



EUR/JPY EXCHANGE RATE

6



Source: Bloomberg

Although the **GLOBAL ECONOMY** grew by a robust 3.3 percent during the first quarter, the pace of growth was highly differentiated. For example, China, Brazil, and Germany, which have not been directly impacted by the debt crisis, experienced strong growth. By contrast, the US, the UK, and southern European countries are only very slowly recovering. The Japanese economy is suffering the consequences of last spring's tsunami and the nuclear catastrophe. The global economy is expected to grow at a reduced pace of over 3 percent in calendar year 2011. The risks to the global economy from such factors as the debt crisis in Europe, the high government debt in the US, and the possible absence of China as an economic engine for growth have increased again compared with the end of the previous financial year.

The uncertainties arising from the business cycle risks are also reflected in the development of **EXCHANGE RATES**. The US dollar continues to be characterized by a high degree of volatility due to the European debt crisis and the US budget deficit. Following the marked weakness of the Japanese yen immediately following the catastrophes in the spring, the yen subsequently recovered vis-à-vis the euro.

US GDP is expected to grow by 2.5 percent in calendar year 2011. Expectations have thereby worsened slightly compared with the financial year-end. The inability of growth to pick up momentum in the US is due to consumer restraint. The high rate of unemployment and strong rise in costs are preventing greater consumer demand. Cutbacks in government outlays are additionally hampering growth.

The highly differentiated development of the economies continues in **EUROPE**. Overall growth of approximately 2 percent is expected, which is unchanged from the previous financial year-end. The upswing in **GERMANY**, which had been driven by exports the previous year, is increasingly resting on a more solid foundation due to a rise in domestic investments and growing consumer spending. Growth has continued to be strong in Germany and modest in France and the UK, while Italy and Spain at present are not posting any growth. The economies of Greece and Portugal continue to contract. The debt crisis persists and entails risks for German exports.

Driven by the still very high growth in China and India, the overall ASIAN REGION is undergoing vigorous growth of over 4 percent. Growth in CHINA is accompanied by a high rate of inflation. The key interest rate has been boosted several times in order to restrict inflation and gradually cool down the economy. Economic research institutes nevertheless expect the annual growth rate to remain unchanged at approximately 9 percent. In JAPAN, following a brief standstill of the economy in the spring subsequent to the catastrophes, the overall situation and economic expectations have again improved. Although stagnation is expected for the year, this is the result of the negative developments during the first half-year.

Following the very rapid growth in the previous year, growth in Brazil, the biggest economy in SOUTH AMERICA, slowed somewhat. Nevertheless, the region recorded robust growth of 4 percent for the first half of 2011 – a development that is expected to continue for the year as a whole.

The Printing and Media Industries Federation (bvdm) expects developments in the German PRINT MEDIA INDUSTRY to again remain unaffected by overall economic conditions during the current calendar year. Nielsen Media Research has a more differentiated view of the print advertising market, viewing only newspaper printing as the loser burdening the overall market. Sales are reported by bvdm to again increase somewhat during the first quarter, although to a considerably lesser extent than the overall industry. The index of the business expectations of the printing industry is again optimistic, with the latest developments in June showing a further rise. Industry indicators remain unchanged in the US. Little has changed in the capacity utilization of the printing industry in that country, which remains below its pre-crisis level.

According to the Association of PRINTING AND PAPER TECHNOLOGY, which is part of the German Engineering Federation (VDMA), the result of this development for printing press manufacturers is that markets are shifting away from the US and Europe towards Asia – on a long-term basis as well. Sales volumes in South America are also growing, although at a slower pace than in Asia.

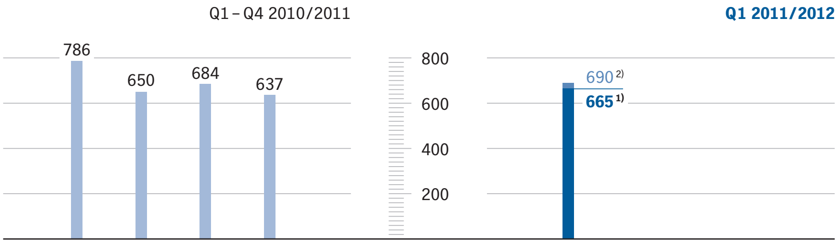
VDMA expects sales to rise by 5 percent and the favorable development in the printing and paper technology sector to continue in calendar year 2011.

Business Development

INCOMING ORDERS PER QUARTER

7

Figures in € millions



1) Including negative exchange rate effects totaling € – 25 million
2) Adjusted for exchange rate effects

As was previously announced on July 14, 2011, the figure for **INCOMING ORDERS** for the first quarter of € 665 million – adjusted for exchange rate effects: € 690 million – was in line with our expectations. Heidelberg thereby succeeded in noticeably surpassing the previous quarter's figure of € 637 million. The higher volume of incoming orders posted during the same quarter the previous year of € 786 million was not attained because that figure was attributable mainly to additional orders generated at the IPEX and ExpoPrint trade shows, which had been held during the reporting period. Incoming orders in the Asia/Pacific region benefited from the successful course of the Print China trade show in April 2011. The various divisions continued to reflect varying degrees of cyclical dependency. Whereas incoming orders in the less cyclical Heidelberg Services Division only declined slightly from the previous year, compared with the high previous year's level the incoming orders of the Heidelberg Equipment Division were down by 19 percent – adjusted for exchange rate effects, by 16 percent. The developments of this division strongly reflected the additional orders generated at the IPEX trade show.

The Heidelberg Group's **ORDER BACKLOG** rose by € 84 million from the previous quarter and amounted to € 718 million at the end of the reporting quarter. A decline of 11 percent was posted compared with the preceding year, which included the additional incoming orders generated at IPEX.

Heidelberg generated **SALES** of € 544 million during the first quarter of the financial year. Although after adjusting for exchange rate effects of € 19 million this figure is at the previous year's level, it is slightly below our own forecast. This was the result, among others, of a shift in sales to later quarters due to the earthquake catastrophe in Japan as well as delays resulting from the growing liquidity squeeze in the Chinese banking system. Whereas the Eastern Europe, North America, and South America regions recorded slight increases in sales after adjusting for exchange rate effects, sales adjusted for exchange rate effects in the Europe, Middle East and Africa (EMEA), and Asia/Pacific regions fell somewhat against the same quarter of the previous year. The share of international sales declined slightly from 87 percent the same quarter of the previous year to 84 percent. Whereas the sales of the Heidelberg Equipment Division of € 300 million continued to be stable compared with the previous year, and when adjusted for exchange rate effects even grew by 5 percent, the sales of the Heidelberg Services Division of € 241 million were down by 8 percent, or by 5 percent adjusted for exchange rate effects.

SALES BY DIVISION

8

Figures in € millions

	Q1 prior year	**Q1 2011/2012**
Heidelberg Equipment	297	300
Heidelberg Services	261	241
Heidelberg Financial Services	5	3
Heidelberg Group	563	**544**
(adjusted for exchange rate effects		563)

Results of Operations, Net Assets, and Financial Position

EBITDA excluding special items improved during the reporting quarter from € – 11 million in the same quarter the previous year to € – 2 million. The **RESULT OF OPERATING ACTIVITIES** excluding special items developed similarly, rising from € – 35 million in the comparable quarter of the previous year to € – 25 million during the first quarter. This is attributable to a more favorable sales mix, which includes products with higher profit margins, as well as to our efficiency-boosting program within the framework of the reorganization and our consistent cost management. There were no significant special items during the first quarter. In the same quarter the previous year, special items still included income of € 15 million.

RESULT OF OPERATING ACTIVITIES [1)]

9

Figures in € millions

	Q1 prior year	Q1 2011/2012
Heidelberg Equipment	– 48	– 39
Heidelberg Services	10	10
Heidelberg Financial Services	3	4
Heidelberg Group	– 35	**– 25**

1) Excluding special items

As expected, expenses included in the **FINANCIAL RESULT** of € – 22 million during the first quarter were down by € 13 million from the previous year – due primarily to the lower charges as a result of the successful refinancing, which Heidelberg realized on April 7, 2011 with the issue of the high-yield bond, and the simultaneous establishment of the new credit facility.

INCOME BEFORE TAXES improved from the previous year, rising from € – 56 million to € – 47 million. The loss for the first quarter of the current financial year amounted to € – 46 million. **EARNINGS PER SHARE** improved during the reporting quarter, rising from € – 0.67 in the same quarter the previous year to € – 0.20.

INVESTMENTS in intangible assets and property, plant, and equipment amounted to € 17 million during the first quarter. Although they were up slightly over the previous year, they continued to be low and within the framework of Heidelberg's projections.

The Heidelberg Group's **TOTAL ASSETS** of € 2,641 million at the end of the first quarter continued to be stable compared with the previous financial year-end.

BALANCE SHEET STRUCTURE

10

Figures in € millions

	31-Mar-2011	in percent of total assets	30-Jun-2011	in percent of total assets
Non-current assets	1,115	42.2	1,085	41.1
Current assets	1,527	57.8	1,554	58.8
Assets held for sale	1	0.0	2	0.1
Total assets	2,643	100.0	2,641	100.0
Equity	869	32.9	848	32.1
Non-current liabilities	763	28.9	1,036	39.2
Current liabilities	1,011	38.3	757	28.7
Total equity and liabilities	2,643	100.0	2,641	100.0

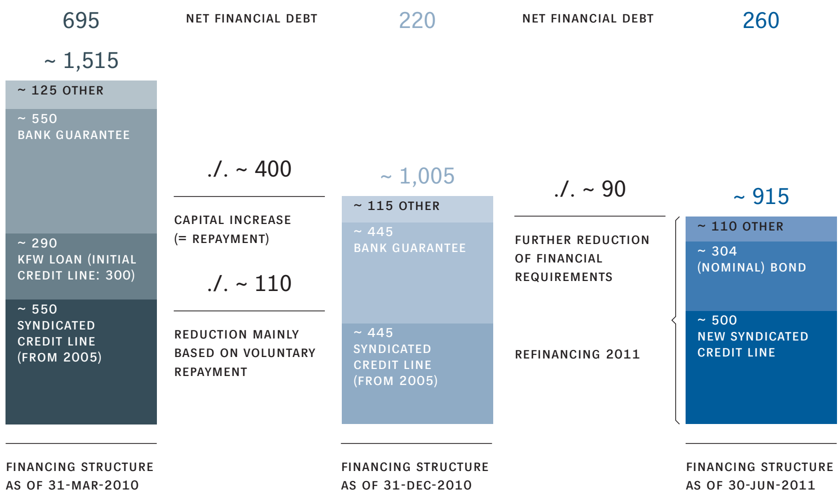
AMONG ASSETS, inventories of € 839 million were up by € 92 million compared with the end of the previous financial year. On the other hand, we were simultaneously successful in reducing trade receivables as well as receivables from sales financing, as a result of which we were able to hold the commitment of funds steady.

AMONG EQUITY AND LIABILITIES, equity fell to € 848 million, the result primarily of the loss for the quarter ending June 30, 2011. An opposing effect resulted not only from actuarial gains arising from the calculation of the pension provisions, but also from the capital increase in connection with the implementation of the court-ordered settlement with the former shareholders of Linotype-Hell Aktiengesellschaft, and the amicable settlement of a legal dispute regarding the derecognition of a provision for risks that had been formed the previous year. The equity ratio fell slightly from approximately 33 percent at the end of the previous quarter to around 32 percent at the end of the reporting quarter. The success of our refinancing is clearly reflected by the corresponding figure of 18 percent at the end of the same quarter the previous year. The success of our financial measures is also reflected in the continuing stable net financial debt of € 260 million at the end of the first quarter, compared with € 629 million at the end of the same quarter the previous year. Detailed information concerning Heidelberg's refinancing is presented in the Annual Report 2010/2011 beginning on page 66.

DEVELOPMENT OF THE FINANCIAL STRUCTURE

11

Figures in € millions



Among provisions, pension provisions declined during the first quarter due to slightly higher interest rates. As of June 30, 2011, financial liabilities totaled € 437 million. Thanks to the successful issue of the high-yield bond on April 7, 2011 as well as the establishment of the new credit facility, which went into effect at the same time, Heidelberg succeeded in reducing financial liabilities by € 327 million from the same quarter the previous year.

CONSOLIDATED STATEMENT OF CASH FLOWS

12

Figures in € millions

	Q1 prior year	Q1 2011/2012
Cash flow	– 34	– 22
Net working capital	95	43
Receivables from customer financing	14	9
Other	– 10	– 29
Other operating changes	99	23
Cash used in investing activities	– 3	– 7
Free cash flow	62	– 6

Thanks to the reduced loss for the quarter, the previous year's quarterly negative CASH FLOW of € – 34 million was reduced to € – 22 million during the reporting quarter.

Among OTHER OPERATING CHANGES, cash was generated during the first quarter, which primarily arose from the continued optimization of net working capital, which was largely the result of reduced trade receivables and higher trade payables. The further reduction in receivables from sales financing also had a favorable impact.

As a consequence of our low level of investments and the results of fixed-asset disposals, the CASH USED IN INVESTING ACTIVITIES of € – 7 million continued to be very low during the first quarter.

FREE CASH FLOW was a negative € – 6 million during the reporting quarter – a result primarily of the loss for the quarter.

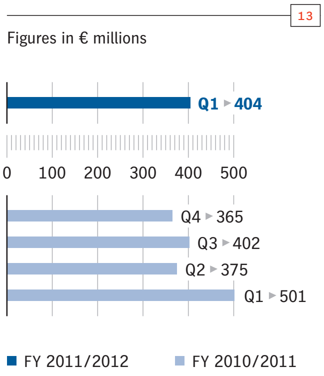
Divisions

The incoming orders of the HEIDELBERG EQUIPMENT Division during the first quarter of € 404 million reflected solid growth thanks to the favorable economic situation. The previous quarter's figure of € 365 million was thereby considerably exceeded. As expected, the high figure for the same quarter the previous year was not attained – a result of the high volume of incoming orders generated at the IPEX trade show in the UK and the ExpoPrint show in Brazil, which were held during the first quarter of the previous year. Incoming orders therefore declined from the same quarter the previous year by 19 percent – adjusted for exchange rate effects, by 16 percent.

This division's net sales amounted to € 300 million during the reporting quarter, thereby reaching the level of the same quarter the previous year. Adjusted for exchange rate effects, the net sales of this division were up by 5 percent. Although this division accounted for 53 percent of overall sales in the same quarter the previous year, this figure rose to 55 percent during the reporting quarter. The net sales of very large format sheetfed offset printing presses grew at an especially rapid pace.

Despite nearly unchanged sales, this division's result of operating activities excluding special items grew by 19 percent to € – 39 million over the same period the previous year. The attained cost-reduction measures from the reorganization and our consistent cost management contributed to this development. The special items

HEIDELBERG EQUIPMENT: INCOMING ORDERS PER QUARTER



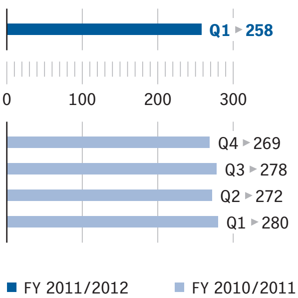
were nearly zero during the first quarter. This division's investments of € 14 million during the first quarter remained at the previous year's low level. Investments in new capacities at our production site in Qingpu were undertaken according to plan.

This division had a total of 10,233 employees as of June 30, 2011 – down by 21 during the reporting quarter. Because of the favorable business development in China, we hired additional employees at our Qingpu production site during the reporting quarter.

HEIDELBERG SERVICES: INCOMING ORDERS PER QUARTER

14

Figures in € millions



The incoming orders of the **HEIDELBERG SERVICES** Division reached a solid level of € 258 million during the reporting quarter, thereby falling short of the high figure reached in the same quarter the previous year. This division's incoming orders fell by 8 percent – adjusted for exchange rate effects, by 5 percent.

This division's sales of € 241 million developed in line with incoming orders, falling from the same quarter the previous year by 8 percent, or by 5 percent adjusted for exchange rate effects. The share in overall sales fell from 46 percent in the same quarter the previous year to 44 percent during the reporting quarter.

Heidelberg Services benefited from a more favorable sales mix during the first quarter of the current financial year. Despite the lower net sales, thanks to a combination of consistently low research and development costs, cost-reduction measures from the reorganization, and determined cost management measures, the result of operating activities excluding special items reached the favorable previous year's level of € 10 million. During the reporting quarter, no significant special items arose in this division. The investment level of the Heidelberg Services Division during the current financial year rose slightly to € 3 million compared with the same quarter the previous year. This figure includes investments in the US for Heidelberg's own production site for coatings, thereby following our strategy of further expanding our consumables business. This division had a total of 5,433 employees as of June 30, 2011 – down by 89 from the beginning of the financial year.

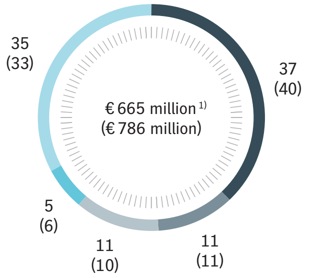
Receivables from sales financing of the **HEIDELBERG FINANCIAL SERVICES** Division reached the very low figure of € 167 million as of June 30, 2011, declining further from the figure of € 178 million reached at the end of the previous financial year – the result of customers' success in arranging most of their project financing with third-party financial providers. The result of operating activities was again in the black during the reporting quarter. At € 4 million, the figure was above the level of the same quarter the previous year. As in the past, this division had a total of 52 employees.

Regions

INCOMING ORDERS BY REGION

15

Shares in the Heidelberg Group in percent
(in parentheses: previous year)



Figures in € millions

	Q1 prior year	Q1 2011/2012
EMEA	316	245
Eastern Europe	84	73
North America	80	76
South America	44	35
Asia/Pacific	262	236

[1] Including negative exchange rate effects totaling € – 25 million

Incoming orders of € 245 million in the **EUROPE, MIDDLE EAST AND AFRICA** region during the first quarter were in line with our expectations. This figure fell short of the high level generated during the same quarter the previous year due to the IPEX trade show in the UK, which had been held the previous year. In Germany, incoming orders remained stable at the previous year's level. This region's net sales also remained stable, with a figure of € 218 million posted during the first quarter, nearly at the previous year's level – adjusted for exchange rate effects, down by 3 percent from the previous year's figure. Germany was particularly successful in achieving growth over the previous year.

Heidelberg generated incoming orders totaling € 73 million in the **EASTERN EUROPE** region during the first quarter of the financial year. This figure was down from the previous year by 13 percent – by 14 percent adjusted for exchange rate effects. Net sales of € 60 million exceeded the previous year's level by 7 percent – by 6 percent adjusted for exchange rate effects. The sales in Eastern European newly industrializing countries developed especially favorably.

Although the incoming orders in the **NORTH AMERICA** region of € 76 million were down by 5 percent from the previous year's figure, adjusted for exchange rate effects this figure was 6 percent higher than in the previous year. Sales, which totaled € 67 million, developed similarly, falling by 6 percent from the previous year but posting 6 percent growth adjusted for exchange rate effects. Developments were especially favorable in Mexico.

We generated incoming orders of € 35 million during the first quarter in the **SOUTH AMERICA** region – 21 percent below the previous year's figure due to the high incoming orders realized at the ExpoPrint trade show in the same quarter the previous year. This region's sales developed more favorably, which during the first quarter of the financial year amounted to € 30 million – up by 9 percent, or by 8 percent adjusted for exchange rate effects – compared with the same quarter the previous year. Brazil continued to develop especially favorably.

Thanks to the successful business generated at the China Print trade show, the **ASIA/PACIFIC** region posted incoming orders of € 236 million during the reporting quarter – down by 10 percent from the strong previous year's figure, although, adjusted for exchange rate effects, the figure held steady at the previous year's level. Net sales totaled € 169 million during the first quarter. Here as well, the strong sales of the same quarter the previous year could not be attained, with sales falling by 10 percent from the previous year – although adjusted for exchange rate effects this figure also remained at the previous year's level. This was the result, among others, of a shift in sales to later quarters due to the earthquake catastrophe in Japan as well as to delays resulting from the growing liquidity squeeze in the Chinese banking system. However, due to the continuing high level of demand and the ongoing strong economic growth in the Chinese market, we believe that the regional impact of this trend on Heidelberg's business development will only be temporary.

SALES BY REGION

16

Figures in € millions

	Q1 prior year	**Q1 2011/2012**
Europe, Middle East and Africa	221	218
Eastern Europe	56	60
North America	72	67
South America	27	30
Asia/Pacific	187	169
Heidelberg Group	563	**544**
(adjusted for exchange rate effects		563)

Employees

The number of employees of the Heidelberg Group declined further during the first quarter of the current financial year. As of the June 30, 2011 quarterly reporting date, Heidelberg had a total of 15,718 employees – down by 110 during the first quarter. We hired additional employees at our Qingpu production site.

Temporary overcapacities in Germany were again absorbed through the application of short-time work. Cost reductions resulted from foregoing provisions of collective bargaining agreements as well as an additional working hour allotment. An employee share participation program was introduced at the beginning of the preceding year within the framework of the agreement between the Management Board and the staff representatives. Approximately 260,000 treasury shares were utilized during the first quarter of the financial year 2011/2012 under this employee share participation program.

EMPLOYEES BY DIVISION

17

Number of employees

	31-Mar-11	30-Jun-11
HD Equipment	10,254	10,233
HD Services	5,522	5,433
HD Financial Services	52	52
Heidelberg Group	15,828	**15,718**

Risk and Opportunity Report

Part of our management philosophy is to recognize risks as soon as possible, to assess them realistically, and to either systematically cope with them or to make appropriate provisions. We also intend to assess opportunities at the earliest possible time and make systematic use of them. The Management Board and Supervisory Board are kept regularly informed about Heidelberg's current risk environment. Please refer to page 127 of our Annual Report 2010/2011 for a complete version of our Risk and Opportunity Report.

There are no current or foreseeable future risks that could threaten the existence of the Heidelberg Group. Since the print media industry is especially strongly impacted by cyclical trends, the further development of the overall economy represents the Heidelberg Group's greatest risk factor. Our expansion of the business units Services and Consumables, Packaging Printing, and Job Manufacturing serve to make the Group's result more non-cyclical in the medium term. We have the densest service and sales network in our industry, and we are the only European manufacturer to produce locally in China. Both of these factors give Heidelberg important competitive advantages.

Our financial environment risks decreased considerably from the previous year. The successfully completed refinancing in April 2011 secures the Group's liquidity in the medium term.

As opposed to the risk of a sluggish economic turnaround, there is, of course, also an opportunity for a more rapid and sustainable growth of the world economy than has so far been expected. Further opportunities may occur if we are able to benefit from the currently favorable exchange rate structures – in the medium term as well – which result in advantages for German manufacturers vis-à-vis their Japanese competitors.

Future Prospects

Like most leading economic research institutes, we continue to assume that the impetus of the world economy will only be slightly weakened during the current financial year. Nevertheless, the global risks arising from the economy and the market continue to be high and have in general intensified significantly over the past few days. The worsening of the debt crisis in some European countries and in the US as well as the latest distortions on the financial markets around the globe could put a brake on overall economic momentum and negatively impact investment behavior.

We expect demand for printing presses in the newly industrializing countries to remain high and to further pick up in the industrialized countries. The German Engineering Federation (VDMA) is also projecting a modest boost in sales for the printing and paper technology during the calendar year. According to the bvdm, by contrast, a considerable gap still exists vis-à-vis the development of overall industry. Moreover, only with considerable reservations would we be able to forecast whether, and to what extent, the run-up to drupa 2012 might lead to a degree of restrained consumer spending on the part of print shops.

The global printing volume continues to be stable and will require investments in production equipment. Over the next two to three years, Heidelberg intends to achieve an annual sales target in the medium-term of over € 3 billion. Assuming that the economic environment will continue to be generally stable, Heidelberg expects to gradually approach this target during the current and next financial year. Due to drupa 2012 and the ongoing recovery in the print media industry, the increase in sales in the next financial year should be greater than in the current financial year. As in the previous year, growth in the HEIDELBERG EQUIPMENT Division is expected to be stronger than in the less cyclically sensitive HEIDELBERG SERVICES Division during the current financial year. Heidelberg further intends to keep the directly financed portfolio in the HEIDELBERG FINANCIAL SERVICES Division as low as possible.

The Company was successful in drastically reducing its operating break-even point in recent years, and thereby in generating an operationally break-even RESULT OF OPERATING ACTIVITIES excluding special items during the preceding year. Assuming that the volume of business will increase, Heidelberg therefore expects the result of operating activities to improve in the current and next financial year. In the medium term, the Company is striving for a return on sales of 5 percent with sales exceeding € 3 billion. Thanks to the large reduction in debt, the FINANCIAL RESULT will have a substantially reduced dampening effect than in the previous year. Despite the above-mentioned risks and assuming stable developments of underlying macroeconomic conditions and of the industry, Heidelberg continues to strive for a break-even pre-tax result during the current financial year 2011/2012 on the basis of a higher operating result and lower financing expenses. If favorable trends continue into the year of the drupa trade show, the Company expects its after-tax result to be in the black in financial year 2012/2013. Please refer to page 134 ff of our annual report 2010/2011 for our detailed report on Future Prospects.

Supplementary Report

No significant events occurred following the financial reporting date.

IMPORTANT NOTE:
This Interim Report contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that these assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the macro-economic situation, in the exchange rates, in the interest rates, and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements contained in this Interim Report. Heidelberg does not intend, and does not assume any obligation, to update the forward-looking statements contained in this Interim Report to reflect events or developments that have occurred after this Interim Report was published.

FIRST QUARTER 2011/2012

In Review

APRIL

> Finance:
Heidelberg issues high-yield bond and negotiates new credit facility

> Trade Shows:
Print China 2011 trade show underlines China's importance as the industry's largest sales market

MAY

> Trade Shows:
High buying interest in Ricoh products at Expográfica 2011 in Mexico

> Products:
Heidelberg presents laser technologies for industrial applications

JUNE

> Company:
Forthcoming changes on the Heidelberg Supervisory Board

> Products:
Heidelberg develops 1-TAG technology for protection against counterfeiting

FIRST QUARTER 2011/2012

In Review

Q1 2011

APRIL

MAY

April 7, 2011 1

2 April 9 – 13, 2011

1 FINANCE

Heidelberg issues high-yield bond and negotiates new credit facility
April 7, 2011

> Guarantees from the German Federal Government and States repaid prior to maturity and in full

On April 7, Heidelberg successfully issued a high-yield bond of € 304 million with a term to maturity of seven years. Part of the proceeds were used to immediately repay the partially government-backed credit lines. The listing on the Luxembourg stock exchange took place on June 1, 2011. Simultaneously with the bond issue, a new revolving credit facility of € 500 million running through the end of 2014 came into effect. With the refinancing and the capital increase in the past financial year, Heidelberg succeeds in reducing the Group's dependency on banks and in diversifying its sources of financing.

2 TRADE SHOWS

Print China 2011 trade show underlines China's importance as the industry's largest sales market
April 9 – 13, 2011

> Successful launch of the Speedmaster CX 102 and of Saphira products in China

Close to 150,000 visitors gather information at Print China 2011. More than 4,500 customer inquiries are registered at this trade show where the Speedmaster CX 102 makes its debut on the Chinese market. By the end of the event, orders for more than 40 presses with a total of over 200 printing units are generated. The Heidelberg Services Division also arouses great interest at the trade show. Numerous orders for Saphira consumables are placed, and new customer contacts bode well for the future. The Saphira Eco line meets with great interest, as eco-friendly printing is becoming increasingly important in China as well. Next to drupa, Print China is well on its way to becoming one of the most important trade shows of the industry.

3 TRADE SHOWS

High buying interest in Ricoh products at Expográfica 2011 in Mexico
May 17 – 20, 2011

> Numerous orders generated for Heidelberg printing presses and postpress equipment

Some 16,000 visitors attend the Expográfica trade show in Mexico. During a joint press conference with Ricoh, Heidelberg announces the new partnership and outlines the opportunities offered to the Mexican market. Additionally, the Company introduces new solutions, such as Anicolor, which are presented in Mexico for the first time, and new offerings by the Print Media Academy in Mexico. This meets with a correspondingly positive response: High buying interest in Ricoh products and in printing machines and platesetters is generated.

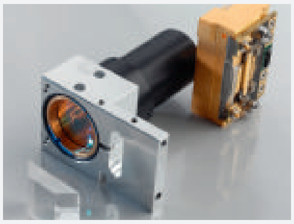
JUNE

3 May 17 – 20, 2011 4 May 23 – 26, 2011 5 June 9, 2011 June 29, 2011 6

4 PRODUCTS

Heidelberg presents laser technologies for industrial applications
May 23 – 26, 2011

> Customers appreciate reliability and productivity of the laser unit developed by Heidelberg



In line with the opening up of new business areas, Heidelberg presents its self-developed laser technology at the LASER World of Photonics 2011 trade show in Munich. The modules are suitable for all industrial applications requiring an individually controllable and scalable laser system. Heidelberg has comprehensive expertise in the area of automation technologies and in the development of laser technology.

5 COMPANY

Forthcoming changes on the Heidelberg Supervisory Board
June 9, 2011

> As planned, Dr. Mark Wössner resigns as Chairman of the Supervisory Board

After the Annual General Meeting on July 28, Dr. Mark Wössner resigns as Chairman of the Supervisory Board. The Supervisory Board intends to elect Robert J. Koehler, Chief Executive Officer of SGL Carbon SE, Wiesbaden, Germany, to succeed as Chairman of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft. Lone Fønss Schrøder, non-managerial member of the administrative bodies of several foreign companies, and Dr. Herbert Meyer, until June 30, 2011 President of the German Financial Reporting Enforcement Panel and former CFO of Heidelberg, are put forward as new members of the Supervisory Board. Dr. Werner Brandt, board member of SAP Aktiengesellschaft, resigns as a member of the Supervisory Board on his own request.

6 PRODUCTS

Heidelberg develops 1-TAG technology for protection against counterfeiting
June 29, 2011

> Checking the authenticity of products reliably, quickly, and easily

The 1-TAG technology from Heidelberger Druckmaschinen AG offers brand goods manufacturers protection against product piracy and thus provides a solution for minimizing the resultant economic damage. The 1-TAG security labels comprise a pattern randomly generated from copper threads and an accompanying unique two-dimensional quick response code (QR code). The code is imprinted on labels by means of Linoprint's digital drop-on-demand system. To check the authenticity of a labeled product, end customers only need to use their smartphones and the free 1-TAG app.

Overview charts, graphs, and illustrations

* Cover

HEIDELBERG 2011/2012

Interim Consolidated Financial Statements

OF HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
FOR THE PERIOD APRIL 1, 2011 TO JUNE 30, 2011

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED INCOME STATEMENT APRIL 1, 2011 TO JUNE 30, 2011

Figures in € thousands

	Note	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Net sales		562,762	544,156
Change in inventories		29,979	70,301
Other own work capitalized		1,303	2,618
Total operating performance		594,044	617,075
Other operating income	3	52,990	31,180
Cost of materials	4	301,035	286,837
Staff costs	5	218,934	236,852
Depreciation and amortization		24,505	23,227
Other operating expenses	6	137,968	126,534
Special items	7	– 14,564	– 94
Result of operating activities		– 20,844	– 25,101
Financial income	8	9,212	3,394
Financial expenses	9	44,177	25,291
Financial result		– 34,965	– 21,897
Income before taxes		– 55,809	– 46,998
Taxes on income		– 3,572	– 887
Consolidated net loss		– 52,237	**– 46,111**
Basic earnings per share according to IAS 33 (in €/share)	10	– 0.67	**– 0.20**
Diluted earnings per share according to IAS 33 (in €/share)	10	– 0.67	**– 0.20**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME APRIL 1, 2011 TO JUNE 30, 2011

Figures in € thousands

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Consolidated net loss	– 52,237	– 46,111
Pension obligations	– 53,432	24,945
Currency translation	63,928	– 2,234
Available-for-sale financial assets	0	83
Cash flow hedges	– 28,875	701
Deferred income taxes	20,464	– 6,686
Total other comprehensive income	2,085	16,809
Total comprehensive income	– 50,152	**– 29,302**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2011

> ASSETS

Figures in € thousands

	Note	31-Mar-2011	30-Jun-2011
Non-current assets			
Intangible assets	11	266,667	261,527
Property, plant, and equipment	11	569,972	561,481
Investment property		5,664	5,657
Financial assets		19,547	19,621
Receivables from sales financing		90,419	85,660
Other receivables and other assets	12	42,920	38,756
Income tax assets		499	1,520
Deferred tax assets		118,927	110,649
		1,114,615	1,084,871
Current assets			
Inventories	12	747,680	839,226
Receivables from sales financing		87,582	81,555
Trade receivables		376,928	291,059
Other receivables and other assets	12	153,523	152,799
Income tax assets		13,862	12,732
Cash and cash equivalents	13	147,934	176,881
		1,527,509	1,554,252
Assets held for sale		908	1,853
Total assets		2,643,032	**2,640,976**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2011

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2011	30-Jun-2011
Equity	14		
Issued capital		596,302	599,308
Capital reserves and retained earnings		401,180	294,595
Consolidated net loss		– 128,890	– 46,111
		868,592	847,792
Non-current liabilities			
Provisions for pensions and similar obligations	15	221,011	199,355
Other provisions	16	303,014	299,492
Financial liabilities	17	105,256	394,440
Other liabilities	18	127,670	133,525
Deferred tax liabilities		6,298	9,336
		763,249	1,036,148
Current liabilities			
Other provisions	16	291,239	253,453
Financial liabilities	17	289,361	42,856
Trade payables		129,726	171,490
Income tax liabilities		1,842	1,924
Other liabilities	18	299,023	287,313
		1,011,191	757,036
Total equity and liabilities		2,643,032	**2,640,976**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY [1] AS OF JUNE 30, 2011

Figures in € thousands	Issued capital	Capital reserves	Pension obligations	Currency translation	Fair value of other financial assets
April 1, 2010	198,767	19,025	– 114,638	– 200,541	– 253
Loss carryforward	0	0	0	0	0
Total comprehensive income	0	0	– 41,705	63,928	0
Consolidation adjustments/ other changes	0	2,098	0	0	0
June 30, 2010	198,767	21,123	– 156,343	– 136,613	– 253
April 1, 2011	596,302	27,694	– 106,874	– 196,284	– 893
Capital increase	2,347	325	0	0	0
Loss carryforward	0	0	0	0	0
Total comprehensive income	0	0	18,332	– 2,234	49
Consolidation adjustments/ other changes	659	– 918	0	0	0
June 30, 2011	**599,308**	**27,101**	**– 88,542**	**– 198,518**	**– 844**

[1] Please see note 14 for further information

	Retained earnings					
			Total capital reserves and retained earnings	**Consolidated net loss**	**Total**
Fair value of cash flow hedges	Other retained earnings	Total retained earnings			
– 6,685	911,782	589,665	608,690	– 228,507	578,950
0	– 228,507	– 228,507	– 228,507	228,507	0
– 20,138	0	2,085	2,085	– 52,237	– 50,152
0	2,878	2,878	4,976	0	4,976
– 26,823	686,153	366,121	387,244	– 52,237	533,774
5,840	671,697	373,486	401,180	– 128,890	868,592
0	0	0	325	0	2,672
0	– 128,890	– 128,890	– 128,890	128,890	0
662	0	16,809	16,809	– 46,111	– 29,302
0	6,089	6,089	5,171	0	5,830
6,502	**548,896**	**267,494**	**294,595**	**– 46,111**	**847,792**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS APRIL 1, 2011 TO JUNE 30, 2011

Figures in € thousands

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Consolidated net loss	– 52,237	– 46,111
Depreciation and amortization, write-downs and reversals [1]	25,386	23,227
Change in pension provisions	5,044	3,845
Change in deferred tax assets/deferred tax liabilities/tax provisions	– 7,897	– 2,780
Result from disposals [1]	– 3,934	– 42
Cash flow	– 33,638	**– 21,861**
Change in inventories	– 24,365	– 92,512
Change in sales financing	13,794	8,830
Change in trade receivables/payables	94,505	125,286
Change in other provisions	– 61,694	– 33,093
Change in other items of the statement of financial position	76,919	13,982
Other operating changes	99,159	**22,493**
Cash generated by operating activities	65,521	**632**
Intangible assets/property, plant, and equipment/investment property		
Investments	– 9,794	– 15,390
Income from disposals	6,682	8,269
Financial assets/business acquisitions		
Investments	– 101	– 28
Income from disposals	26	29
Cash used in investing activities	– 3,187	**– 7,120**
Change in financial liabilities	– 57,132	33,448
Cash generated by/used in financing activities	– 57,132	**33,448**
Net change in cash and cash equivalents	5,202	**26,960**
Cash and cash equivalents as of the start of the reporting period	120,696	147,934
Currency adjustments	8,935	1,987
Net change in cash and cash equivalents	5,202	26,960
Cash and cash equivalents as of the end of the reporting period	134,833	176,881
Cash generated by operating activities	65,521	632
Cash used in investing activities	– 3,187	– 7,120
Free cash flow	62,334	**– 6,488**

[1] Relates to intangible assets, property, plant, and equipment, investment property, loans, and other securities

NOTES

1 ACCOUNTING POLICIES

The interim consolidated financial statements as of June 30, 2011 are consistent with and were prepared in line with the regulations of IAS 34 (Interim Financial Reporting). They should be read in conjunction with the consolidated financial statements as of March 31, 2011, which were prepared in line with the International Financial Reporting Standards (IFRS) as endorsed in the EU.

The interim consolidated financial statements were prepared using the same accounting policies as the consolidated financial statements for the 2010/2011 financial year. In accordance with the regulations of IAS 34, a condensed scope of reporting was chosen as against the consolidated financial statements as of March 31, 2011. All amounts are stated in € thousands.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have issued the following new standards and interpretations as well as amendments to existing standards and interpretations, which are to be applied for the first time in financial year 2011/2012:

Standard	Publication by the IASB / IFRS IC	Date of adoption [1]	Published in Official Journal of the EU	Effects
Amendments to standards				
IAS 24: Related Party Disclosures (Revised 2009)	4-Nov-2009	1-Jan-2011	20-Jul-2010	> None
Amendment to IFRS 1: Limited Exemption for First-time Adopters from IFRS 7 and to IFRS 7: Financial Instruments: Disclosures	28-Jan-2010	1-Jul-2010	1-Jul-2010	> None
Improvements to International Financial Reporting Standards 2010	10-May-2010	Various, 1-Jul-2010 at earliest	19-Feb-2011	> None [2]
Amendments to interpretations				
Amendments to IFRIC 14: Prepayments of a Minimum Funding Requirement	26-Nov-2009	1-Jan-2011	20-Jul-2010	> None
New interpretations				
IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	26-Nov-2009	1-Jul-2010	24-Jul-2010	> None

[1] For financial years beginning on or after this date

[2] Effects on accounting for business acquisitions and for transactions with non-controlling interests that did not occur in the reporting period and effects on disclosures on financial instruments at the end of the financial year that are currently being examined

The IASB approved and amended the following standards, whose application during financial year 2011/2012 is not yet compulsory or which have not yet been endorsed by the European Union (EU).

> Amendments to IAS 1: Presentation of Financial Statements
> Amendments to IFRS 12: Deferred Tax: Recovery of Underlying Assets
> Amendments to IAS 19: Employee Benefits
> IAS 27: Consolidated and Separate Financial Statements
> IAS 28: Investments in Associates
> Amendments to IFRS 1: Hyperinflation and Deletion of Fixed Date References for First-time Adopters
> Amendments to IFRS 7: Financial Instruments: Disclosures: Transfers of Financial Assets
> IFRS 9: Financial Instruments
> IFRS 10: Consolidated Financial Statements
> IFRS 11: Joint Arrangements
> IFRS 12: Disclosure of Interests in Other Entities
> IFRS 13: Fair Value Measurement

The effects of first-time adoption of the IFRS relevant to Heidelberg on the financial statements of the Heidelberg Group are currently being examined. Heidelberg is not currently planning to apply these standards at an early date.

Traditionally, Heidelberg generates more sales in the second half of the financial year than the first. Income that is generated due to seasonal reasons, economic reasons, or only occasionally within the financial year is not brought forward or deferred in the interim consolidated financial statements. Expenses that are incurred irregularly during the financial year are deferred in cases in which they would also be deferred at the end of the financial year.

2 SCOPE OF CONSOLIDATION

The interim consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft include a total of 75 (March 31, 2011: 75) domestic and foreign companies in which Heidelberger Druckmaschinen Aktiengesellschaft has a controlling influence as defined by IAS 27. 64 (March 31, 2011: 64) of these are located outside Germany. Subsidiaries that are of minor importance are not included.

3 OTHER OPERATING INCOME

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Reversal of other provisions/deferred liabilities	21,918	9,308
Recoveries on loans and other assets previously written down	6,620	6,765
Hedging/exchange rate gains	5,811	5,934
Income from operating facilities	3,871	2,801
Income from disposals of intangible assets, property, plant, and equipment and investment property	5,978	528
Other income	8,792	5,844
	52,990	**31,180**

The income from hedging/exchange rate gains is offset by expenses for hedging/exchange rate losses reported under other operating expenses (see note 6).

4 COST OF MATERIALS

The cost of materials includes the pro rata interest expense in connection with the Heidelberg Financial Services segment of € 574 thousand (April 1, 2010 to June 30, 2010: € 956 thousand); the interest income from sales financing of € 3,413 thousand (April 1, 2010 to June 30, 2010: € 4,633 thousand) is reported in sales.

5 STAFF COSTS

The increase in staff costs is essentially due to the reduction of short-time work at the German locations as against the previous year.

6

OTHER OPERATING EXPENSES

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Special direct sales expenses including freight charges	26,340	28,314
Other deliveries and services not included in the cost of materials	26,110	27,658
Rent and leases	17,677	15,691
Travel expenses	10,061	10,704
Hedging/exchange rate losses	12,376	8,931
Bad debt allowances and impairment on other assets	6,160	6,107
Insurance expense	3,985	3,151
Additions to provisions and accruals relating to several types of expense	2,871	2,822
Costs of car fleet (excluding leases)	2,126	2,076
Other overheads	30,262	21,080
	137,968	**126,534**

The expenses for hedging/exchange rate losses are offset by income from hedging/exchange rate gains reported under other operating income (see note 3).

7

SPECIAL ITEMS

Special items include expenses and income in connection with both our Heidelberg 2010 program and our efficiency enhancement measures.

The income of € 94 thousand reported in the period under review (April 1, 2010 to June 30, 2010: € 14,564 thousand) resulted predominantly from the reversal of provisions in Germany due to the agreements between the management and employee representatives on the coordination of interests for German locations.

8 FINANCIAL INCOME

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Interest and similar income	6,870	1,425
Income from financial assets/loans/securities	2,342	1,969
	9,212	**3,394**

9 FINANCIAL EXPENSES

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Interest and similar expenses	43,082	24,379
Expenses for financial assets/loans/securities	1,095	912
	44,177	**25,291**

10 EARNINGS PER SHARE

Earnings per share are calculated by dividing the earnings for the period attributable to shareholders by the weighted number of shares outstanding in the period. The weighted number of shares outstanding in the period under review was 233,273,567 (April 1, 2010 to June 30, 2010: 77,643,434). The weighted number of shares outstanding was influenced by the capital increase to implement the court settlement with the former shareholders of Linotype-Hell Aktiengesellschaft (see note 14) and the holdings of treasury shares. In the reporting period, treasury shares were issued to employees of Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries as employee shares. As of June 30, 2011, the Company still held 142,418 treasury shares (March 31, 2011: 400,000).

11 INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

In the period from April 1, 2011 to June 30, 2011, there were additions to intangible assets of € 1,410 thousand (April 1, 2010 to June 30, 2010: € 347 thousand) and to property, plant, and equipment of € 15,476 thousand (April 1, 2010 to June 30, 2010: € 14,282 thousand). In the same period, the carrying amount of disposals from intangible assets was € 0 thousand (April 1, 2010 to June 30, 2010: € 3 thousand) and € 8,226 thousand (April 1, 2010 to June 30, 2010: € 5,628 thousand) for property, plant, and equipment.

12 OTHER RECEIVABLES AND OTHER ASSETS, INVENTORIES

The “Other receivables and other assets” item includes receivables from derivative financial instruments of € 38,760 thousand (March 31, 2011: € 38,818 thousand) and prepaid expenses of € 31,177 thousand (March 31, 2011: € 14,734 thousand).

Inventories include raw materials, consumables and supplies of € 121,196 thousand (March 31, 2011: € 113,572 thousand), work in progress of € 352,743 thousand (March 31, 2011: € 332,086 thousand), finished goods and goods for resale of € 361,139 thousand (March 31, 2011: € 299,160 thousand) and advance payments of € 4,148 thousand (March 31, 2011: € 2,862 thousand).

13 CASH AND CASH EQUIVALENTS

Restrictions on disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 64,818 thousand (March 31, 2011: € 70,650 thousand).

14 EQUITY

As of March 31, 2011, the Company held 400,000 treasury shares (cost: € 13,258 thousand). These shares can only be utilized to reduce the capital of Heidelberger Druckmaschinen Aktiengesellschaft or for employee share participation programs and other forms of share distribution to the employees of the Company or a subsidiary or to individuals who are or were employed by Heidelberger Druckmaschinen Aktiengesellschaft or one of its associates.

As part of the agreement reached at the start of the previous year between the management and employee representatives on the coordination of interests for German locations it was agreed to set up an employee share participation program. The issuance of shares is therefore free of charge for employees. In the first quarter of the 2011/2012 financial year, approximately 260,000 treasury shares were used for this employee share program. As of June 30, 2011, the Company still held 142,418 treasury shares.

Please see note 26 of the consolidated financial statements as of March 31, 2011 for information on the contingent and authorized capitals as of March 31, 2011.

There were significant changes due to the capital increase to implement the court settlement with the former shareholders of Linotype-Hell Aktiengesellschaft and the resolutions of the Annual General Meeting of July 28, 2011.

Under the amicable settlement of the court dispute with the former shareholders of Linotype-Hell Aktiengesellschaft regarding the exchange ratio on March 30, 2011, it was agreed by way of court settlement to compensate the shareholders in shares of Heidelberger Druckmaschinen Aktiengesellschaft. For this purpose, the Management Board resolved, with the approval of the Supervisory Board, to increase the share capital by € 2,346,593.28 by issuing 916,638 new shares. Shareholders’ preemptive subscription rights were disapplied with the approval of the Supervisory Board. To create new shares, the Management Board partially exercised its authorization under the resolution of the Annual General Meeting on July 18, 2008 to increase the share capital by issuing new shares against contributions (Authorized Capital 2008). The capital increase resolution was entered in the commercial register on June 6, 2011. The amicable settlement of the court dispute led to a derecognition increasing retained earnings in the reporting period.

As the authorization of the Executive Board to increase share capital by issuing new shares against contributions granted by the Annual General Meeting of July 18, 2008 expired on July 1, 2011, Authorized Capital 2008 has been irrelevant since July 2, 2011.

On July 28, 2011, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to increase the share capital of the Company by up to a total of € 119,934,433.28 on one or more occasions against cash contributions until July 27, 2016 (Authorized Capital 2011). The Management Board was authorized, with the approval of the Supervisory Board, to determine the further content of the shares' rights and the conditions for their issue. This authorization takes place upon entry of the amendment to the Articles of Association in the commercial register, which was effected on August 5, 2011. In addition, the Annual General Meeting on July 28, 2011 revoked its authorization of the Management Board resolved on July 23, 2009, which allowed the Management Board, with the approval of the Supervisory Board, to increase the share capital of the Company by up to a total of € 39,958,236.16 on one or more occasions against cash contributions until July 1, 2014 (Authorized Capital 2009), effective from the date Authorized Capital 2011 is entered in the commercial register.

15 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

A discount rate of 5.25 percent (March 31, 2011: 5.00 percent) was used to calculate the actuarial gains and losses of German companies as of June 30, 2011. Assuming an interest rate of 5.00 percent, the present value of the defined benefit obligation for employees would have increased by € 26,920 thousand.

16 OTHER PROVISIONS

Other provisions relate to tax provisions of € 197,181 thousand (March 31, 2011: € 203,677 thousand) and other provisions of € 355,764 thousand (March 31, 2011: € 390,576 thousand). Other provisions include staff obligations of € 81,940 thousand (March 31, 2011: € 109,436 thousand), sales obligations of € 129,596 thousand (March 31, 2011: € 134,622 thousand), and miscellaneous other provisions of € 144,228 thousand (March 31, 2011: € 146,518 thousand). In turn, the latter include provisions in connection with our efficiency enhancement activities.

17 FINANCIAL LIABILITIES

			31-Mar-2011			**30-Jun-2011**
	Current	Non-current	Total	Current	Non-current	Total
Borrower's note loans	4,518	50,000	54,518	4,546	50,000	54,546
Amounts due to banks	264,679	49,727	314,406	12,718	47,169	59,887
High-yield bond	0	0	0	4,941	291,081	296,022
From finance leases	2,152	5,529	7,681	2,325	6,190	8,515
Other	18,012	0	18,012	18,326	0	18,326
	289,361	105,256	394,617	42,856	394,440	**437,296**

On March 25, 2011, Heidelberg agreed a comprehensive refinancing of the credit lines due in summer 2012. Firstly, this included the high-yield bond of € 304 million with a term of seven years successfully issued on April 7, 2011. Heidelberg used the net proceeds for the early repayment of the two partially government-backed credit lines and for general refinancing of the Company. Secondly, the lines previously in place were replaced by a new revolving credit facility of € 500 million from a banking syndicate, maturing at the end of 2014. The agreement on the new credit facility contains standard financial covenants regarding the financial situation of the Heidelberg Group.

18 OTHER LIABILITIES

Other liabilities include advance payments on orders of € 97,082 thousand (March 31, 2011: € 86,610 thousand), liabilities from derivative financial instruments of € 25,992 thousand (March 31, 2011: € 25,720 thousand), and deferred income of € 66,511 thousand (March 31, 2011: € 70,674 thousand).

19 CONTINGENT LIABILITIES AND OTHER FINANCIAL LIABILITIES

As of June 30, 2011, the contingent liabilities for warranties and guarantees amounted to € 4,147 thousand (March 31, 2011: € 3,476 thousand).

The other financial liabilities amounted to € 324,441 thousand as of June 30, 2011 (March 31, 2011: € 328,277 thousand). € 285,625 thousand (March 31, 2011: € 285,225 thousand) of this related to lease and rental obligations and € 38,816 thousand (March 31, 2011: € 43,052 thousand) related to investments and other purchase commitments.

20 GROUP SEGMENT REPORTING

The segment reporting is based on the management approach.

The Heidelberg Group consists of the business segments Heidelberg Equipment, Heidelberg Services, and Heidelberg Financial Services. Heidelberg Equipment essentially comprises new machinery business. Services, consumables, and remarketed equipment business are bundled in the Heidelberg Services segment. The Heidelberg Financial Services segment comprises sales financing business. Further information on the business activities, products, and services of the individual segments can be found in “Group Corporate Structure and Organization” and “Product Portfolio” in the Group management report as of March 31, 2011.

SEGMENT INFORMATION APRIL 1, 2011 TO JUNE 30, 2011:

	Heidelberg Equipment		Heidelberg Services		Heidelberg Financial Services		**Heidelberg Group**	
	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
External sales	297,263	299,863	260,866	240,880	4,633	3,413	562,762	544,156
Result of operating activities (segment result)	– 35,725	– 38,747	12,018	9,971	2,863	3,675	– 20,844	– 25,101
Investments	12,425	13,816	2,204	3,061	0	9	14,629	16,886

The segment result is reconciled to earnings before taxes as follows:

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Result of operating activities (segment result)	– 20,844	– 25,101
Financial result	– 34,965	– 21,897
Income before taxes	– 55,809	**– 46,998**

External sales relate to the different regions as follows:

	1-Apr-2010 to 30-Jun-2010	**1-Apr-2011 to 30-Jun-2011**
Europe, Middle East and Africa		
Germany	71,811	87,226
Other Europe, Middle East and Africa regions	149,609	130,775
	221,420	**218,001**
Asia/Pacific		
China	92,294	94,769
Other Asia/Pacific regions	94,282	74,148
	186,576	**168,917**
Eastern Europe	55,953	**60,135**
North America	71,590	**67,467**
South America	27,223	**29,636**
	562,762	**544,156**

21 SUPERVISORY BOARD/ MANAGEMENT BOARD

The members of the Supervisory Board and the Management Board are presented on pages 42 – 43.

22 RELATED PARTY TRANSACTIONS

As described in note 41 of the notes to the consolidated financial statements as of March 31, 2011, business relationships exist between numerous companies and Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries in the course of ordinary business. This also includes associated companies, which are regarded as related companies of the Heidelberg Group.

In the reporting period, transactions were performed with related parties that resulted in liabilities of € 4,981 thousand (March 31, 2011: € 5,101 thousand), receivables of € 15,661 thousand (March 31, 2011: € 14,157 thousand), expenses of € 3,721 thousand (April 1, 2010 to June 30, 2010: € 2,229 thousand) and income of € 4,951 thousand (April 1, 2010 to June 30, 2010: € 4,371 thousand), which essentially comprises sales. All transactions were again conducted as at arm's length and did not differ from relationships with other companies.

Enterprises controlled by a member of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft provided advisory services to fully consolidated companies amounting to € 13 thousand (April 1, 2010 to June 30, 2010: € 33 thousand).

23 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events after the end of the reporting period.

Heidelberg, August 9, 2011

HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
The Management Board

The Supervisory Board

Dr. Mark Wössner
Chairman of the Supervisory Board
– through July 28, 2011 –

Robert J. Koehler
Chairman of the Supervisory Board
– Chairman since July 28, 2011 –

Rainer Wagner*
Deputy Chairman of the
Supervisory Board

Dr. Werner Brandt
– through July 28, 2011 –

Edwin Eichler

Wolfgang Flörchinger*

Martin Gauss*

Mirko Geiger*

Gunther Heller*

Jörg Hofmann*

Dr. Siegfried Jaschinski

Dr. Herbert Meyer
– since July 28, 2011 –

Dr. Gerhard Rupprecht

Beate Schmitt*

Lone Fønss Schrøder
– since July 28, 2011 –

Prof. Dr.-Ing. Günther Schuh

Dr. Klaus Sturany

Peter Sudadse*

* Employee representative

Committees of the Supervisory Board

Management Committee
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Rainer Wagner
Martin Gauss
Mirko Geiger
Dr. Gerhard Rupprecht
Dr. Klaus Sturany

Mediation Committee under Article 27 Paragraph 3 of the Codetermination Act
Dr. Mark Wössner, (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Rainer Wagner
Wolfgang Flörchinger
Dr. Gerhard Rupprecht

Committee on Arranging Personnel Matters of the Management Board
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Rainer Wagner
Dr. Gerhard Rupprecht
Beate Schmitt

Audit Committee
Dr. Klaus Sturany (Chairman)
Dr. Werner Brandt
– through July 28, 2011 –
Mirko Geiger
Dr. Herbert Meyer
– since July 28, 2011 –
Rainer Wagner

Nomination Committee
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Dr. Klaus Sturany

The Management Board

Bernhard Schreier
Chief Executive Officer

Dirk Kaliebe

Marcel Kiessling

Stephan Plenz

Financial Calendar 2011/2012

NOVEMBER 8, 2011	Publication of Half-Year Figures 2011/2012
FEBRUARY 8, 2012	Publication of Third Quarter Figures 2011/2012
JUNE 14, 2012	Annual Press Conference, Analysts' and Investors' Conference
JULY 26, 2012	Annual General Meeting

Subject to change

Heidelberger Druckmaschinen
Aktiengesellschaft
Kurfuersten-Anlage 52–60
69115 Heidelberg
Germany
www.heidelberg.com
investorrelations@heidelberg.com

This report was published on August 9, 2011.

Photo credits:
First Quarter in Review – Archive Heidelberger Druckmaschinen AG
Produced on Heidelberg machines using Heidelberg technology.

Printed in Germany.

Print CO_2 compensated
Id-No. 1112739
www.bvdm-online.de

FSC
www.fsc.org
MIX
From responsible sources
FSC® C021982

»Staying on track while remaining flexible: Heidelberg is in a position to achieve this.« // »Heidelberg has achieved an operational turnaround. Our focus is now on financial stability and value added.« // »Heidelberg continues to be the first choice for print shops worldwide.« // »The Heidelberg

Heidelberger Druckmaschinen AG
Kurfuersten-Anlage 52 – 60
69115 Heidelberg
Germany
www.heidelberg.com

Team helps print shops achieve success – throughout the world and in every way.« //