



Q1 INTERIM FINANCIAL REPORT 2012 / 2013

HEIDELBERG

1st Quarter at a Glance

- > Trade show expectations more than met: **Incoming orders** at the highest level in four years
- > **Sales** in line with expectations: Drop due to low order backlog in the run-up to drupa, the leading trade show of the industry
- > **Focus 2012** efficiency program on target: Essential measures already implemented prior to drupa
- > Medium-term goals affirmed: **Result of operating activities** excluding special items of around € 150 million targeted for financial year 2013/2014
- > **Underlying conditions:** Economic uncertainties continue to increase

KEY PERFORMANCE DATA

Figures in € millions

	Q1 prior year	Q1 2012/2013
Incoming orders	665	890¹⁾
Net sales	544	520²⁾
EBITDA³⁾	- 2	- 37
Result of operating activities⁴⁾	- 25	- 58
- in percent of sales	- 4.6 %	- 11.2 %
Net loss	- 46	- 74
- in percent of sales	- 8.5 %	- 14.2 %
Cash flow	- 22	- 56
- in percent of sales	- 4.0 %	- 10.8 %
Free cash flow	- 6	- 112
Research and development costs	37	31
Investments	17	14
Undiluted earnings per share in €⁵⁾	- 0.20	- 0.32

¹⁾ Including positive exchange rate effects totaling € 47 million (adjusted for exchange rate effects: € 843 million)

²⁾ Including positive exchange rate effects totaling € 27 million (adjusted for exchange rate effects: € 493 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

Interim Consolidated Financial Report 1st Quarter

2012/2013

Interim Consolidated Management Report 2

HEIDELBERG ON THE CAPITAL MARKET 2

The Heidelberg Share 2

The Heidelberg High-Yield Bond 3

SITUATION OF THE COMPANY 4

Underlying Conditions 4

Focus 2012 Efficiency Program 6

Business Development 6

Results of Operations, Net Assets, and Financial Position 8

Segment Report 11

Regions 13

Employees 15

Risk and Opportunity Report 15

Future Prospects 16

Supplementary Report 18

Interim Consolidated Financial Statements 19

Interim Consolidated Income Statement
April 1, 2012 to June 30, 2012 20

Interim Consolidated Statement of Comprehensive Income
April 1, 2012 to June 30, 2012 21

Interim Consolidated Statement of Financial Position 22

Statement of Changes in Consolidated Equity 24

Interim Consolidated Statement of Cash Flows 26

Notes 27

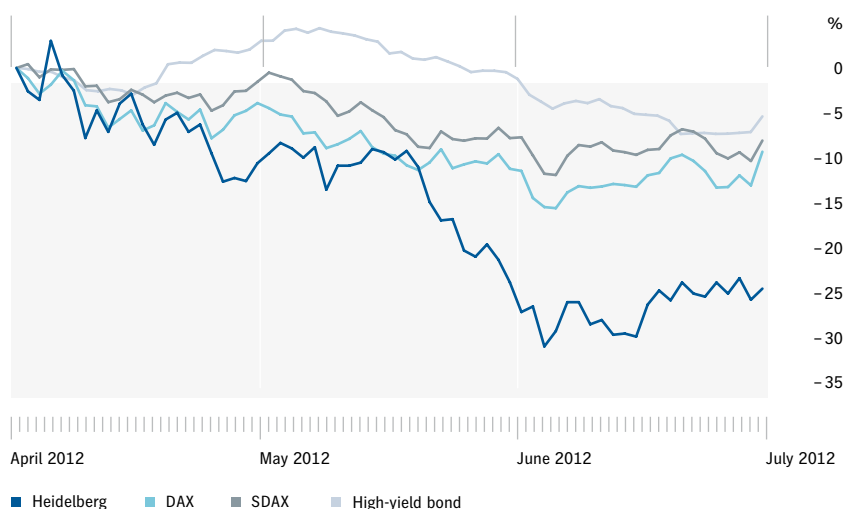
Executive Bodies of the Company 38

Financial Calendar 40

Heidelberg on the Capital Market

PERFORMANCE OF THE HEIDELBERG SHARE AND OF THE HIGH-YIELD BOND

Compared to the DAX/SDAX (Index: April 1, 2012 = 0 percent)



KEY PERFORMANCE DATA OF THE HEIDELBERG SHARE

Figures in €

ISIN: DE 0007314007	Q1 prior year	Q1 2012/13
Basic earnings per share ¹⁾	-0.20	-0.32
Cash flow per share	-0.09	-0.24
Share price – high	3.38	1.45
Share price – low	2.38	1.01
Share price – beginning of the quarter ²⁾	3.36	1.45
Share price – end of the quarter ²⁾	2.48	1.10
Number of shares in thousands ³⁾	233,274	234,104
Market capitalization at the end of the quarter in € millions	581	258

¹⁾ Determined based on the weighted number of outstanding shares

²⁾ Xetra closing price; source for prices: Bloomberg

³⁾ Weighted number of outstanding shares

The Heidelberg Share

While the general mood on the stock markets in the fourth quarter of the prior financial year was still positive, the renewed flare-up of the euro and sovereign debt crises at the beginning of April 2012 had a dampening effect on the world economy and thus on the DAX and SDAX indices. Heightened political uncertainties, in particular in Greece, as well as the delay in the decision concerning the European fiscal package also contributed to decreases in share prices. At the beginning of June 2012, the situation on the stock markets has improved, above all as a result of political decisions in Europe – such as the pro-EU election results in Greece, and Spain's making use of the rescue system. The European debt and confidence crises remain unsolved. At the end of the quarter, economic uncertainties caused by the smoldering crises prevailed and, as a result, both the DAX and the SDAX had to accept price corrections with drops of around 8 percent and 11 percent, respectively.

The Heidelberg share price was quoted at € 1.50 at the beginning of the reporting quarter. In conjunction with the announcement of the preliminary figures for the fourth quarter of the financial year 2011/2012, the share had to

accept price drops, since in spite of a positive development in sales, operating result, and free cash flow, it was not possible to realize the goal of an improvement of the operating result for the entire year due to a higher risk provision in conjunction with the Chapter 11 bankruptcy proceedings of Eastman Kodak Company. Upon the publication of the financial figures on June 14, 2012, the share then fell further and was listed at € 1.00. In the further course of the quarter, it moved sideways and at the end of the quarter was listed at € 1.10, around 27 percent below its value at the beginning of the quarter.

On June 14, 2012, the annual Press Conference, and Analysts' and Investors' Conference were held in Heidelberg in conjunction with the publication of the result for financial year 2011/2012. The Management Board presented the result for the past financial year and, alongside the new products, introduced the realignment of the sales and services organization which will be adapted to the changed market circumstances. For this purpose, sales and services processes in the industrial regions have been harmonized and increasingly centralized. Moreover, we are further expanding our presence in the newly industrializing countries. Since June 1, 2012, Marcel Kiessling has assumed overall responsibility for the sales and services organization on the Management Board. Together with stable financing, they form the foundation for a profitable future on a sustainable basis. Representatives of the media and analysts focused considerable attention on the presentations. Afterward many participants took the opportunity to view pioneering developments in the area of organic electronics in the "Innovation Lab" directly on-site in Heidelberg. Already at drupa, we presented our first organic light-emitting diodes (O-LEDs).

The Heidelberg High-Yield Bond

Development of the price of our high-yield bond at the beginning of the reporting quarter was quite gratifying. The bond reached its high point at around 78 percent, but then dropped by the end of the quarter to 71 percent. By mid-July 2012, however, it was able to recover to around 78 percent.



ANNUAL REPORT 2011/2012

You will find more on the topic of organic electronics in our Annual Report on page 111 in the chapter COOPERATION AGREEMENTS.

KEY PERFORMANCE DATA OF THE HIGH-YIELD BOND ¹⁾

Figures in percent

RegS ISIN:000A1Q1E2	Q1 prior year	Q1 2012/13
Nominal volume in € millions	304	304
Share price – high	103.2	78.4
Share price – low	97.6	69.5
Share price – beginning of the quarter	102.2	75.0
Share price – end of the quarter	97.6	71.0

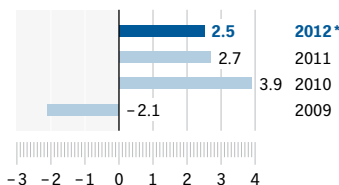
¹⁾ Source Bloomberg

Situation of the Company

Underlying Conditions

CHANGE IN GDP WORLDWIDE

Figures in percent



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

After the turn of the year 2011/2012, the world economy initially picked up speed. World trade as well as industrial production picked up strongly. Beginning mid-May 2012, concerns over the future of Greece and an intensification of developments in Spain and Italy led to renewed uncertainties on financial markets. Thus the world economy grew at 2.4 percent during the first half of 2012.

While the sovereign debt crises hamstrung the economy in Europe, the United States was able to fare well with respect to macro-economic development as a result of the recovery of private consumption and industrial investments. But in recent weeks, growth prospects for calendar year 2012 deteriorated again in the United States as well.

Against the backdrop of the weak economy in the industrialized countries, the **DEVELOPING AND EMERGING COUNTRIES** increasingly are proving to be the most important pillar of the world economy due to their robust economic development. In the year 2011, the growth of these countries on average was more than twice as strong as that of the industrialized countries and contributed more than half of the growth of world production.

The uncertainty on the financial markets is also reflected in the **EXCHANGE RATE DEVELOPMENT**, with the value of the euro falling against the dollar and the yen.

The sovereign debt crises and the necessity of budget consolidation have weighed heavily on the **EUROPEAN** economy. In addition to the lower domestic demand in the peripheral euro countries, more stringent financing terms for companies and households are retarding economic growth.

In **GERMANY**, the economy continues to benefit from the solid worldwide demand thanks to its high competitiveness. And thanks to good conditions in the labor market, private consumption is increasingly developing into an important pillar of the economy. But the German economy cannot uncouple itself from the uncertainty emanating from the sovereign debt crises. Added to this is the weak demand in the rest of the euro zone.

Among the industrialized countries, the **UNITED STATES** apparently will actually be among the countries with the strongest economic growth in 2012. Despite volatility of individual monthly economic indicators, the moderate recovery may well continue, thanks above all to rising profits and investments and to the progress in the real estate market.

EUR/USD EXCHANGE RATE



EUR/JPY EXCHANGE RATE



Source: Global Insight

The emerging countries in **LATIN AMERICA** have been only marginally affected by the currency turbulence in Europe and the moderate economy in the United States. On the other hand, falling prices for raw materials and foodstuffs significantly reduced export revenues in 2011 and led to a reduction in GDP growth. This weakening has initially continued in 2012.

The reconstruction work in **JAPAN** may well further spur on the economy and now also provide stimulus for investment in residential construction. Economic performance therefore should increase by around 2.5 percent.

In the Asian region, it was also notable that production in Thailand recovered following the flood in the fall. But in the first months of 2012, the economic momentum in **CHINA** cooled down in a controlled manner, so that the increase in the gross domestic product in the first quarter of 2012 was only 8 percent. Falling exports to the industrialized countries, in particular in Europe, could also negatively impact China's economic development.

According to the German Printing and Media Industries Federation (bdvm), the business situation in the **PRINT MEDIA INDUSTRY** in Germany has deteriorated since March of this year. In comparison with the previous year, current business expectations have dropped significantly and, in line with the Ifo index, give rise to expectations of a deterioration of the course of business during the coming quarter. For the United States, no uniform trend can be discerned. Thus, commercial print sales have been stagnating for several quarters. This is also reflected in the continuing low capacity utilization of the American printing industry.

Overall figures from the Association of **PRINTING AND PAPER TECHNOLOGY**, which is part of the German Engineering Federation (VDMA), show sales by German printing press manufacturers in the period from January through May 2012 virtually unchanged from the previous year. Developments at the drupa trade show were all the more gratifying for the industry. In the course of the trade show, more than 300,000 customers were able to inform themselves extensively concerning new products of the individual manufacturers, and many of them then placed orders in spite of the uncertain economic situation.



The appreciation of the Chinese renminbi against the US dollar has been ongoing since mid-2010; in 2011 it was 5 percent, and 3 percent is expected for 2012.



ANNUAL REPORT 2011/2012

Detailed information on the **FOCUS 2012 EFFICIENCY PROGRAM** may be found in our Annual Report beginning on page 28.

Focus 2012 Efficiency Program

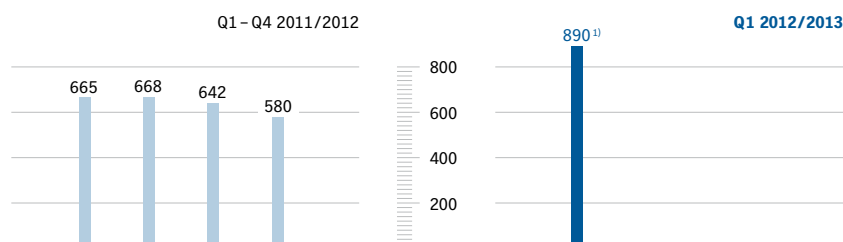
When underlying conditions started to change, the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft immediately responded to this trend and launched the Focus 2012 efficiency program to attain profitability goals. Thus, for financial year 2013/2014 Heidelberg continues to strive for a result of operating activities of around € 150 million excluding special items and a net profit for the year.

The implementation of the efficiency program is on schedule. The Company implemented the major measures of the efficiency program before the drupa industry trade show so that up to one-third of the planned annual savings in the amount of around € 180 million will already be effective in the current financial year. In the coming financial year, the cost reductions resulting from Focus 2012 will be fully effective and will result in annual savings of around € 180 million.

Business Development

INCOMING ORDERS PER QUARTER

Figures in € millions



¹⁾ Including positive exchange rate effects totaling € 47 million

As already published in advance on July 13, 2012, with the successful drupa trade show we have enjoyed a positive start for the new financial year 2012/2013. Thus **INCOMING ORDERS** rose in the first quarter to € 890 million, the highest amount in four years, exceeding the prior year value by € 225 million. Adjusted for exchange rate effects, incoming orders were € 843 million. The regions North America and Europe, Middle East and Africa (EMEA) especially

benefited from the successful course of drupa, the leading trade show of the industry. All other regions also recorded increased incoming orders in comparison with the prior year. The print media industry's increased worldwide propensity to invest is apparent in the Heidelberg Equipment segment. Incoming orders exceeded those of the prior year by 48 percent. Also the Heidelberg Services segment achieved an increase in orders of 12 percent in comparison with the first quarter of the prior year.

As a result of the high order volume in the first quarter, the **ORDER BACKLOG** of the Heidelberg Group rose to € 856 million and thus was € 350 million above the amount as of the end of the last financial year. There was also an increase in the order backlog of € 138 million in comparison with the prior year.

In sales, our customers demonstrated reluctance to invest in the run-up to drupa: Heidelberg generated **SALES** of € 520 million during the first quarter of the financial year. The decline of 4 percent – or about 10 percent when adjusted for exchange rate effects – against the previous year was in line with expectations after the low order backlog as of March 31, 2012. A large portion of the drupa orders will likely be reflected as planned in Group sales of the second half of the financial year. Particularly affected by the drop in sales were the regions Europe, Middle East and Africa and South America. The North America region remained at the sales level of the prior year. By contrast, the Asia/Pacific and Eastern Europe regions were able to increase modestly compared to the same quarter of the previous year. The share of international sales was at about the same level as that of the same quarter of the previous year, reaching approximately 84 percent. While sales in the Heidelberg Equipment segment at € 255 million fell against the previous year, the Heidelberg Services segment at € 262 million achieved an increase of 9 percent in comparison with the previous year.

SALES BY SEGMENT

Figures in € millions

	Q1 prior year	Q1 2012/2013
Heidelberg Equipment	300	255
Heidelberg Services	241	262
Heidelberg Financial Services	3	3
Heidelberg Group	544	520
(adjusted for exchange rate effects)		493)

Results of Operations, Net Assets, and Financial Position

EBITDA excluding special items fell from €–2 million in the same quarter of the previous year to €–37 million in the reporting quarter. As expected, low profit contributions due to the lower sales volume in the first quarter as well as trade show expenses and costs for product launches had a negative impact on the **RESULT OF OPERATING ACTIVITIES** excluding special items. In the first quarter it was €–58 million, down by €33 million against the same quarter of the previous year. In the first quarter special items in the amount of around €–6 million were incurred, predominantly for the Focus 2012 efficiency program.

RESULT OF OPERATING ACTIVITIES ¹⁾

Figures in € millions

	Q1 prior year	Q1 2012/2013
Heidelberg Equipment	–39	–71
Heidelberg Services	10	10
Heidelberg Financial Services	4	3
Heidelberg Group	–25	–58

¹⁾ Excluding special items

The **FINANCIAL RESULT** in the first quarter was approximately €–19 million. This was an improvement of €3 million compared with the same quarter of the previous year. The financing costs required in connection with the expenditures for the Focus 2012 efficiency program had a negative effect on the financial result.

INCOME BEFORE TAXES decreased against the same quarter of the previous year from €–47 million to €–82 million. The loss for the first quarter of the current financial year amounted to €–74 million. **EARNINGS PER SHARE** fell from €–0.20 in the same quarter of the previous year to €–0.32 in the reporting quarter.

In the first quarter, **INVESTMENTS** in property, plant, and equipment and in intangible assets totaled €14 million and thus were 18 percent below the prior year amount, which still included investments in the expansion of our Chinese production site.

TOTAL ASSETS of the Heidelberg Group at € 2,529 million in the first quarter were almost unchanged compared with the 2011/2012 financial year-end. In comparison with the same quarter of the previous year, on the other hand, total assets fell by € 112 million.

BALANCE SHEET STRUCTURE

Figures in € millions

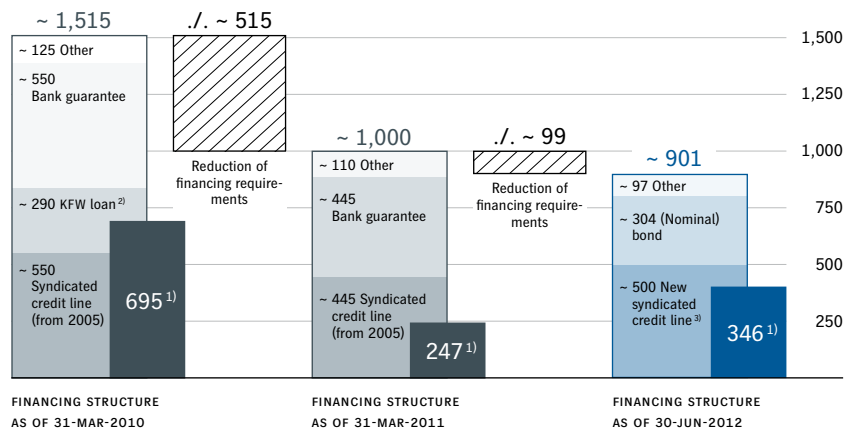
	31-Mar-2012	in percent of total assets	30-Jun-2012	in percent of total assets
Non-current assets	970	38.5	948	37.5
Current assets	1,545	61.4	1,578	62.4
Assets held for sale	3	0.1	3	0.1
Total assets	2,518	100.0	2,529	100.0
Equity	576	22.9	458	18.1
Non-current liabilities	1,082	42.9	1,124	44.4
Current liabilities	860	34.2	947	37.5
Total equity and liabilities	2,518	100.0	2,529	100.0

Among **ASSETS**, inventories at € 907 million were up, as expected, by € 122 million against the end of the previous financial year. The increase is attributable in particular to the fact that inventories were increased in conjunction with incoming orders in order to be able to meet the increased demand triggered by drupa. Trade receivables as well as receivables from sales financing dropped again in the reporting quarter compared with March 31, 2012.

Among **EQUITY AND LIABILITIES**, shareholders' equity fell to € 458 million, the result primarily of the loss for the quarter ending June 30, 2012. In addition, actuarial losses from the valuation of pension obligations and of plan assets led to a reduction of equity as well as a correspondingly higher pension provision. The equity ratio fell from just under 23 percent as of March 31, 2012 to 18 percent in the reporting quarter. Net financial debt, which as of the last financial year-end was € 243 million, has since increased as expected in the first quarter to € 346 million. This is attributable in particular to the funding requirements in order to be able to provide the machines ordered and to ensure the pro-rata expenditures for the Focus 2012 efficiency program. Heidelberg's financing structure is appropriately diversified both in terms of sources of financing and maturity of instruments. The Company has a stable liquidity framework with adequate room to act.

DEVELOPMENT OF THE FINANCIAL STRUCTURE

Figures in € millions

¹⁾ Net financial debt (balance of financial liabilities and cash and cash equivalents)²⁾ Initial credit line: € 300 million³⁾ As from July 1, 2012, reduction of the syndicated credit line to € 475 million

Provisions increased in the first quarter in the area of pension provisions due to lower interest rates. As of June 30, 2012, financial liabilities totaled € 475 million and thus are above the level of March 31, 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in € millions

	Q1 prior year	Q1 2012/2013
Cash flow	-22	-56
Net working capital	43	-18
Receivables from customer financing	9	10
Other	-29	-43
Other operating changes	23	-51
Cash used in investing activities	-7	-5
Free cash flow	-6	-112

The loss for the quarter contributed to the fact that the negative **CASH FLOW** increased from €-22 million in the previous year to €-56 million in the reporting quarter.

In the area of **OTHER OPERATING CHANGES**, an outflow of cash was generated due to the inventory increase as a result of the incoming orders received in the first quarter. The reduced trade receivables and increased trade payables were not able to offset this cash outflow. We were able to further reduce receivables from sales financing.

As a result of our investment level, which we continued to keep at a minimum, **CASH USED IN INVESTING ACTIVITIES** at €-5 million remained low in the first quarter.

Along with the buildup of inventory, the pro-rata expenditures for Focus 2012 and the loss for the quarter had a significant negative effect on **FREE CASH FLOW**. In the reporting quarter it was €-112 million as expected, and thus was clearly below that of the same quarter of the previous year.

Segment Report

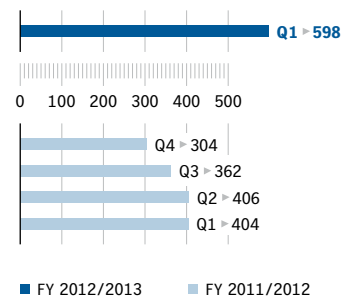
The positive outcome of drupa, the leading trade show of the industry, resulted in orders of € 598 million in the **HEIDELBERG EQUIPMENT** segment, and thus 48 percent above the previous year's level. Incoming orders for large-format sheetfed offset printing presses achieved particularly large increases. Furthermore, the market introduction of the Speedmaster SX was impressively successful. This new printing press platform was presented for the first time at drupa.

As expected, however, sales in the segment at € 255 million were lower in the first quarter by 15 percent compared with the previous year. Contributing to this was our customers' investment restraint in the run-up to the drupa trade show. The segment's share of sales fell from 55 percent in the same quarter of the previous year to 49 percent. In the area of contract manufacturing for outside parties, however, significant growth in sales was generated compared with the level of the previous year.

Our customers' reluctance to invest in the run-up to drupa as well as the trade show expenses and product launch costs led to a result of operating activities in the segment of €-71 million excluding special items. In the same period of the previous year, the operating result totaled €-39 million. Special

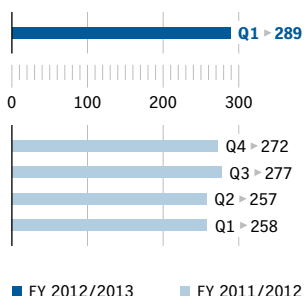
HEIDELBERG EQUIPMENT: INCOMING ORDERS PER QUARTER

Figures in € millions



HEIDELBERG SERVICES: INCOMING ORDERS PER QUARTER

Figures in € millions



items were incurred in the amount of € -4 million, predominantly for the Focus 2012 efficiency program. This segment's investments at € 11 million during the first quarter continued to be low and were below the previous year's level.

The segment had a total of 9,597 employees as of June 30, 2012. Thus, in the course of the reporting quarter, the number of employees fell by 455 compared with the level as of March 31, 2012, as a result of our structural and flexibilization projects in the framework of Focus 2012.

The **HEIDELBERG SERVICES** segment also benefited from the successful outcome of the drupa trade show: incoming orders of the reporting quarter at € 289 million were 12 percent above the level of the previous year. The development of incoming orders was especially gratifying in the growth segments of consumables and our Prinect print shop workflow. In addition, the new maintenance agreement products found strong customer interest.

Sales of the segment at € 262 million were 9 percent above the level of the previous year. The segment's share of sales increased from 44 percent in the same quarter of the previous year to 50 percent in the quarter under review.

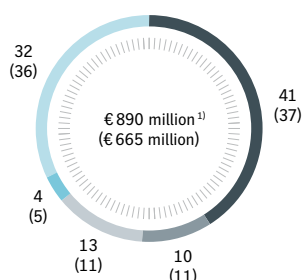
Heidelberg Services benefited from the positive development of sales during the first quarter of the current financial year. But the higher share of remarketed equipment and costs for the drupa trade show appearance, among other things, had the effect that the result of operating activities excluding special items remained at € 10 million, the level of the same quarter of the previous year. There were special items in this segment in the amount of around € -2 million. At € 3 million in the reporting quarter, investments in the Heidelberg Services segment were at the level of the previous year. As of June 30, 2012, the segment had 5,252 employees and thus 57 fewer than at the beginning of the financial year.

Receivables from sales financing of the **HEIDELBERG FINANCIAL SERVICES** segment again were at a very low level of € 148 million as of June 30, 2012, declining further from the figure of € 156 million reached at the end of the previous financial year, as most customer projects could be arranged with third-party financial providers. At € 3 million, the result of operating activities excluding special effects was slightly below the level of the same quarter the previous year. There were 50 employees in the segment as of June 30, 2012.

Regions

INCOMING ORDERS BY REGION

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



Figures in € millions

	Q1 prior year	Q1 2012/2013
■ EMEA	245	361
■ Eastern Europe	73	93
■ North America	76	117
■ South America	35	39
■ Asia/Pacific	236	280

¹⁾ Including positive exchange rate effects
totaling € 47 million

Benefiting from the drupa trade show, the region **EUROPE, MIDDLE EAST AND AFRICA** realized incoming orders in the amount of € 361 million in the first quarter. Thus, compared with the previous year's figure there was an increase of 47 percent. The UK in particular, but also Germany, benefited from the orders generated at the trade show. At € 182 million, sales for the region were 17 percent lower than in the previous year.

In the **EASTERN EUROPE** region, Heidelberg generated incoming orders totaling € 93 million in the first quarter of the financial year, an increase of 27 percent against the previous year. Along with Russia, the development of orders was especially positive in the Czech Republic and in Turkey. Net sales in the first quarter of € 63 million exceeded the previous year's level by 5 percent. Russia had increases in incoming orders as well as in net sales.

Incoming orders in the region **NORTH AMERICA** were also very gratifying. Our customers' propensity to invest increased significantly, in particular in the United States. At € 117 million, there was an improvement of 54 percent in the region over the previous year's figure. At € 68 million, sales of the region are at the level of the same quarter in the previous year. In this regard, the low level of order backlog at the beginning of the financial year became apparent. The United States, however, also had a mildly positive development in the area of sales.

Incoming orders in the region **SOUTH AMERICA** also improved in the first quarter compared with the same period of the previous year. With an increase of 11 percent, they reached € 39 million. The increase was realized primarily

in the smaller markets. A better order performance in Brazil was blocked as a result of the extremely weak domestic currency during that period. The low backlog of orders at the beginning of the financial year was likewise reflected in sales. At € 26 million in the first quarter, sales were below the level of the previous year by 13 percent. The reduction in sales is predominantly attributable to Brazil.

At drupa, our solutions were also able to convince our customers in China and Japan. In the **ASIA/PACIFIC** region we realized incoming orders in the amount of € 280 million. Compared with the previous year's figure, they increased by 19 percent. In Japan investment volume again increased significantly, and in China it remained high. Net sales in the region totaled € 181 million during the first quarter. Compared with the previous year's figure, we were able to achieve an increase of 7 percent. A very good sales volume was achieved in Japan. In the first quarter of the previous year, sales in Japan were impaired as a result of the earthquake disaster.

SALES BY REGION

Figures in € millions

	Q1 prior year	Q1 2012/2013
Europe, Middle East and Africa	218	182
Eastern Europe	60	63
North America	67	68
South America	30	26
Asia/Pacific	169	181
Heidelberg Group	544	520
(adjusted for exchange rate effects)		493)

Employees

The number of employees of the Heidelberg Group declined further during the first quarter of the current financial year as planned. As of the June 30, 2012 quarterly reporting date, Heidelberg had a total of 14,899 employees and thus 515 fewer people than at the beginning of the financial year. The reduction in personnel is predominantly the result of the adoption of the age structure model for older employees.

In the framework of the Focus 2012 efficiency program, we adapted our capacity to the changed general conditions, reducing it by around 15 percent. At our German production sites, working hours – and accordingly also compensation – were reduced by 10 percent to 31.5 hours a week. On that basis, individual working hours can be adapted using time accounts to match the capacity utilization situation, significantly increasing Heidelberg's flexibility with respect to working hours. The tools for the necessary personnel adaptation in Germany were agreed upon with the social partners through reconciliation of interests and a social plan. Around 80 percent of the individual personnel measures derived in this way have already been implemented. The first employees have already left the Company on a mutually agreed basis. Beyond this, the number of employees is to be reduced to less than 14,000 by the middle of the year 2014 in part through socially responsible measures.

EMPLOYEES BY SEGMENT

Number of employees

	31-Mar-12	30-Jun-12
HD Equipment	10,052	9,597
HD Services	5,309	5,252
HD Financial Services	53	50
Heidelberg Group	15,414	14,899

Risk and Opportunity Report

There are no significant changes to the assessment of risks and opportunities for the Heidelberg Group in the first quarter 2012/2013, as compared to the corresponding statements in the 2011/2012 Annual Report.

However, economic uncertainties have worsened as a result of the increasingly smoldering euro and sovereign debt crisis. As of midyear 2012, the world economy continues to be dominated by the effects of the euro zone crises. Although at the beginning of the year it looked as though the economy would overcome the lingering weakness, recently with the renewed rise of risk premiums on Spanish and Italian government bonds and the increased concern over Greece's future it has become evident that the European debt crisis and



ANNUAL REPORT 2011/2012

You will find our detailed **RISK AND OPPORTUNITIES REPORT** in the Annual Report beginning on page 119. A description of our risk and opportunity management system begins on page 36 of our Annual Report. The statements made therein essentially remain unchanged.

crisis of confidence remain unresolved. The prospect of supportive measures from sources such as the European Central Bank (ECB) could at least partially alleviate the uncertainty in the markets.

No risks can be discerned currently or in the foreseeable future that, in themselves or in concert with other risk factors, could threaten the continued existence of the Heidelberg Group.

Future Prospects



A potential downgrading of countries within the euro zone could result in a further rise of interest costs and slow down expected growth more strongly.

According to the International Monetary Fund (IMF), global economic and market risks continue to be high. The worldwide upswing is again showing “signs of weakness” – above all due to the sovereign debt crises in Europe and gridlock in the budget dispute in the United States. Also the growth potential in newly industrializing countries such as China, India and Brazil appears to be weaker than had been thought.

It will continue to be difficult to make concrete statements on business developments because the underlying macroeconomic conditions are characterized by cyclical uncertainties. We continue to expect that the demand for printing presses will remain at a high level in the emerging countries and that the investment activity in the industrialized countries that could be discerned at drupa will further increase. This is supported by the forecast of the German Engineering Federation which assumes a moderate increase in sales this year.

The printing industry which, according to analyses of the Printing and Media Industries Federation, will continue to show disproportionately low growth compared with other branches, is nevertheless characterized by stable global print production volume. While in the industrialized countries the increased use of electronic media is being felt specifically in publishing and business printing products, packaging products, digital printing, and the strong momentum in the newly industrializing and developing countries provide prospects for growth.

Outlook for the current and the coming financial year unchanged

Due to the reluctance to invest in the run-up to drupa, the world's largest industry trade show, the Company expects a definite shifting of sales benefiting from the orders placed at the trade show toward the second half of the financial year, with correspondingly improved profit contributions. For the current financial year, Heidelberg continues to expect a clearly positive **RESULT OF OPERATING ACTIVITIES** excluding special items, which, however, will be negatively impacted especially in the first half of the year by costs incurred for drupa and product launches. Up to one-third of the savings from the Focus 2012 efficiency program of around € 180 million will already take effect in the current financial year. The expenditures required for this purpose, however, will negatively impact the **FINANCIAL RESULT**. Due to the financial result, **INCOME BEFORE TAXES** will be negative. In the financial year 2012/2013, free cash flow will be considerably burdened by the pro-rata expenditures for Focus 2012; thus the net financial debt will temporarily increase. As soon as further macroeconomic developments and the post-trade-show business can be better assessed, the forecast will be further substantiated.

In the coming financial year, the cost reductions resulting from Focus 2012 will be fully effective and will result in annual savings of some € 180 million. Thus, in financial year 2013/2014, Heidelberg will continue to aim for a result of operating activities excluding special items of around € 150 million and a net profit.



ANNUAL REPORT 2011/2012

You will find our detailed report on **FUTURE PROSPECTS** beginning on page 125 of the Annual Report. In this section we also describe expected developments in the segments and the assumptions our planning is based upon.

Supplementary Report

Bernhard Schreier, Chief Executive Officer of Heidelberger Druckmaschinen Aktiengesellschaft, will not extend his management contract when it expires midyear 2013, and will leave the Company at the end of 2012. The Supervisory Board unanimously appointed Dr. Gerold Linzbach to succeed him as Chief Executive Officer with effect from September 1, 2012.

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 overall economic situation, in interest rates, and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume any liability for losses 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 to assume 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.

Interim Consolidated Financial Statements

of Heidelberger Druckmaschinen Aktiengesellschaft for the period April 1, 2012 to June 30, 2012

2012/2013

INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Interim Consolidated Income Statement	
April 1, 2012 to June 30, 2012	20
Interim Consolidated Statement of Comprehensive Income	
April 1, 2012 to June 30, 2012	21
Interim Consolidated Statement of Financial Position	22
Statement of Changes in Consolidated Equity	24
Interim Consolidated Statement of Cash Flows	26
Notes	27

Executive Bodies of the Company	38
---------------------------------------	----

INTERIM CONSOLIDATED INCOME STATEMENT APRIL 1, 2012 TO JUNE 30, 2012

Figures in € thousands

	Note	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Net sales		544,156	520,073
Change in inventories		70,301	95,005
Other own work capitalized		2,618	1,943
Total operating performance		617,075	617,021
Other operating income	3	31,180	22,816
Cost of materials	4	286,837	303,137
Staff costs		236,852	240,953
Depreciation and amortization		23,227	20,803
Other operating expenses	5	126,534	133,064
Special items	6	-94	5,554
Result of operating activities		-25,101	-63,674
Financial income	7	3,394	6,065
Financial expenses	8	25,291	24,668
Financial result		-21,897	-18,603
Income before taxes		-46,998	-82,277
Taxes on income		-887	-8,530
Consolidated net loss		-46,111	-73,747
Basic earnings per share according to IAS 33 (in €/share)	9	-0.20	-0.32
Diluted earnings per share according to IAS 33 (in €/share)	9	-0.20	-0.32

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME APRIL 1, 2012 TO JUNE 30, 2012

Figures in € thousands

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Consolidated net loss	-46,111	-73,747
Pension obligations	24,945	-48,167
Currency translation	-2,234	10,690
Available-for-sale financial assets	83	-353
Cash flow hedges	701	-8,327
Deferred income taxes	-6,686	1,437
Total other comprehensive income	16,809	-44,720
Total comprehensive income	-29,302	-118,467

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2012

> ASSETS

Figures in € thousands

	Note	31-Mar-2012	30-Jun-2012
Non-current assets			
Intangible assets	10	245,832	244,430
Property, plant, and equipment	10	547,660	536,758
Investment property		7,358	7,303
Financial assets		27,488	23,639
Receivables from sales financing		85,830	78,948
Other receivables and other assets	12	16,598	17,514
Income tax assets		422	422
Deferred tax assets		38,646	39,203
		<u>969,834</u>	<u>948,217</u>
Current assets			
Inventories	11	785,726	907,469
Receivables from sales financing		70,460	69,030
Trade receivables		360,958	329,803
Other receivables and other assets	12	116,418	127,720
Income tax assets		17,428	14,142
Cash and cash equivalents	13	194,556	129,500
		<u>1,545,546</u>	<u>1,577,664</u>
Assets held for sale		<u>2,694</u>	<u>2,652</u>
Total assets		<u>2,518,074</u>	<u>2,528,533</u>

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2012

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2012	30-Jun-2012
Equity	14		
Issued capital		599,308	599,308
Capital reserves and retained earnings		206,482	-67,984
Consolidated net loss		-230,093	-73,747
		<u>575,697</u>	<u>457,577</u>
Non-current liabilities			
Provisions for pensions and similar obligations	15	326,080	382,363
Other provisions	16	284,209	269,639
Financial liabilities	17	339,137	337,594
Other liabilities	18	124,998	126,838
Deferred tax liabilities		7,987	7,737
		<u>1,082,411</u>	<u>1,124,171</u>
Current liabilities			
Other provisions	16	322,740	288,378
Financial liabilities	17	98,559	137,866
Trade payables		165,051	187,336
Income tax liabilities		2,372	959
Other liabilities	18	271,244	332,246
		<u>859,966</u>	<u>946,785</u>
Total equity and liabilities		<u>2,518,074</u>	<u>2,528,533</u>

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY¹⁾ AS OF JUNE 30, 2012

Figures in € thousands

	Issued capital	Capital reserves			
			Pension obligations	Currency translation	Fair value of other financial assets
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
April 1, 2012	599,308	27,098	- 203,401	- 160,836	- 1,158
Loss carryforward	0	0	0	0	0
Total comprehensive income	0	0	- 46,806	10,690	- 353
Consolidation adjustments/ other changes	0	0	0	0	0
June 30, 2012	599,308	27,098	- 250,207	- 150,146	- 1,511

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			
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
- 2,059	546,838	179,384	206,482	- 230,093	575,697
0	- 230,093	- 230,093	- 230,093	230,093	0
- 8,251	0	- 44,720	- 44,720	- 73,747	- 118,467
0	347	347	347	0	347
- 10,310	317,092	- 95,082	- 67,984	- 73,747	457,577

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS APRIL 1, 2012 TO JUNE 30, 2012

Figures in € thousands

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Consolidated net loss	-46,111	-73,747
Depreciation and amortization, write-downs and reversals ¹⁾	23,227	23,003
Change in pension provisions	3,845	5,997
Change in deferred tax assets/ deferred tax liabilities/tax provisions	-2,780	-11,226
Result from disposals ¹⁾	-42	55
Cash flow	-21,861	-55,918
Change in inventories	-92,512	-113,210
Change in sales financing	8,830	10,198
Change in trade receivables/payables	125,286	60,618
Change in other provisions	-33,093	-46,921
Change in other items of the statement of financial position	13,982	38,504
Other operating changes	22,493	-50,811
Cash used in/generated by operating activities	632	-106,729
Intangible assets/property, plant, and equipment/ investment property		
Investments	-15,390	-13,156
Income from disposals	8,269	8,129
Financial assets/business acquisitions		
Investments	-28	0
Income from disposals	29	0
Cash used in investing activities	-7,120	-5,027
Change in financial liabilities	33,448	43,177
Cash generated by financing activities	33,448	43,177
Net change in cash and cash equivalents	26,960	-68,579
Cash and cash equivalents at the beginning of the reporting period	147,934	194,556
Currency adjustments	1,987	3,523
Net change in cash and cash equivalents	26,960	-68,579
Cash and cash equivalents as of the end of the reporting period	176,881	129,500
Cash generated by/used in operating activities	632	-106,729
Cash used in investing activities	-7,120	-5,027
Free cash flow	-6,488	-111,756

¹⁾ Relates to intangible assets, property, plant, and equipment, investment property, and financial assets

NOTES
**1
ACCOUNTING POLICIES**

The interim consolidated financial statements as of June 30, 2012 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, 2012, 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 2011/2012 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, 2012. All amounts are stated in € thousands.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have not issued any new standards and interpretations or amendments to existing standards and interpretations, which are to be applied for the first time in financial year 2012/2013:

The IASB and IFRS IC have approved and amended the following standards and interpretations, whose application during financial year 2012/2013 is not yet compulsory or which have not yet been endorsed by the European Union (EU).

- > Amendments to IAS 1: Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income
- > Amendments to IFRS 12: Deferred Tax: Recovery of Underlying Assets
- > Amendments to IAS 19: Employee Benefits
- > IAS 27: Separate Financial Statements
- > IAS 28: Investments in Associates
- > Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities
- > Amendments to IFRS 1: Hyperinflation and Deletion of Fixed Date References for First-time Adopters
- > Amendments to IFRS 1: Government Loans with a Below-market Rate of Interest
- > Amendments to IFRS 7: Financial Instruments: Disclosures: Transfers of Financial Assets

- > Amendments to IFRS 7: Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities
- > IFRS 9: Financial Instruments
- > Amendments to IFRS 9 and IFRS 7: Date of Mandatory First-time Adoption and Transition Disclosures
- > IFRS 10: Consolidated Financial Statements
- > IFRS 11: Joint Arrangements
- > IFRS 12: Disclosure of Interests in Other Entities
- > Amendments to IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements, and IFRS 12: Disclosure of Interests in Other Entities: Transition Guidance
- > IFRS 13: Fair Value Measurement
- > Improvements to the International Financial Reporting Standards 2009–2011 Cycle
- > IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

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 70 (March 31, 2012: 70) domestic and foreign companies in which Heidelberger Druckmaschinen Aktiengesellschaft has a controlling influence as defined by IAS 27. Of these, 59 (March 31, 2012: 59) are located outside Germany. Subsidiaries that are of minor importance are not included.

3

**OTHER OPERATING
INCOME**

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Reversal of other provisions/deferred liabilities	9,308	9,088
Recoveries on loans and other assets previously written down	6,765	4,269
Income from operating facilities	2,801	3,329
Hedging/exchange rate gains	5,934	1,717
Income from disposals of intangible assets, property, plant, and equipment and investment property	528	74
Other income	5,844	4,339
	<u>31,180</u>	<u>22,816</u>

The income from hedging/exchange rate gains is offset by expenses for hedging/exchange rate losses reported under other operating expenses (see note 5).

4

COST OF MATERIALS

The cost of materials includes the pro rata interest expense in connection with the Heidelberg Financial Services segment of € 577 thousand (April 1, 2011 to June 30, 2011: € 574 thousand); the interest income from sales financing of € 3,372 thousand (April 1, 2011 to June 30, 2011: € 3,413 thousand) is reported in sales.

5

**OTHER OPERATING
EXPENSES**

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Other deliveries and services not included in the cost of materials	27,658	38,157
Special direct sales expenses including freight charges	28,314	23,547
Rent and leases	15,691	17,672
Travel expenses	10,704	10,698
Hedging/exchange rate losses	8,931	3,902
Bad debt allowances and impairment on other assets	6,107	3,708
Insurance expense	3,151	3,024
Costs of car fleet (excluding leases)	2,076	2,006
Additions to provisions and accruals relating to several types of expense	2,822	1,683
Other overheads	21,080	28,667
	<u>126,534</u>	<u>133,064</u>

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

6

SPECIAL ITEMS

Expenses recognized under special items in the reporting period of € 5,554 thousand (April 1, 2011 to June 30, 2011: income of € 94 thousand) mainly result from outlays for additional structural adjustments in connection with our Focus 2012 efficiency program.

7
FINANCIAL INCOME

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Interest and similar income	1,425	1,515
Income from financial assets/loans/securities	1,969	4,550
	<u>3,394</u>	<u>6,065</u>

8
FINANCIAL EXPENSES

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Interest and similar expenses	24,379	24,229
Expenses for financial assets/loans/securities	912	439
	<u>25,291</u>	<u>24,668</u>

9
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 234,104,021 (April 1, 2011 to June 30, 2011: 233,273,567). The weighted number of shares outstanding was influenced by the holdings of treasury shares. As of June 30, 2012, the Company held 142,919 treasury shares.

10
**INTANGIBLE ASSETS
AND PROPERTY, PLANT,
AND EQUIPMENT**

In the period from April 1, 2012 to June 30, 2012, there were additions to intangible assets of € 3,406 thousand (April 1, 2011 to June 30, 2011: € 1,410 thousand) and to property, plant, and equipment of € 10,611 thousand (April 1, 2011 to June 30, 2011: € 15,476 thousand). In the same period, the carrying amount of disposals from intangible assets was € 23 thousand (April 1, 2011 to June 30, 2011: € 0 thousand) and € 8,161 thousand (April 1, 2011 to June 30, 2011: € 8,226 thousand) for property, plant, and equipment.

11
INVENTORIES

Inventories include raw materials and supplies totaling € 126,532 thousand (March 31, 2012: € 121,925 thousand), work and services in progress amounting to € 391,942 thousand (March 31, 2012: € 334,796 thousand), finished goods and goods for resale of € 383,462 thousand (March 31, 2012: € 325,262 thousand), and advance payments of € 5,533 thousand (March 31, 2012: € 3,741 thousand).

12 OTHER RECEIVABLES AND OTHER ASSETS, INVENTORIES	<p>The Other receivables and other assets item includes receivables from derivative financial instruments of € 13,074 thousand (March 31, 2012: € 15,801 thousand) and prepaid expenses of € 30,240 thousand (March 31, 2012: € 17,597 thousand).</p>
13 CASH AND CASH EQUIVALENTS	<p>Restrictions on disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 56,188 thousand (March 31, 2012: € 63,644 thousand).</p>
14 EQUITY	<p>As at March 31, 2012, the Company still held 142,919 treasury shares on June 30, 2012. The repurchased 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.</p> <p>Please see note 26 of the consolidated financial statements as of March 31, 2012 for information on the contingent and authorized capitals as of March 31, 2012.</p> <p>There were significant changes compared to March 31, 2012 as a result of the resolutions of the Annual General Meeting of July 26, 2012.</p> <p>On that day, the Annual General Meeting decided to authorize the Management Board to issue bonds with warrants and convertible bonds, profit-sharing rights, or participating bonds, or a combination of these instruments, and to exclude subscription rights on these bonds with warrants or convertible bonds, profit-sharing rights, or participating bonds, or a combination of these instruments, until July 25, 2017 and the creation of Contingent Capital 2012. According to this resolution of the Annual General Meeting, the share capital is contingently increased by up to € 119,934,433.28 by issuing up to 46,849,388 new bearer shares (Contingent Capital 2012). The authorization will take effect upon entry of the amendment of the Articles of Association in the commercial register; this entry has not been effected yet. Additionally, the Annual General Meeting decided to cancel existing contingent capital (Contingent Capital 2008/I, Contingent Capital 2008/II, and Contingent Capital 2006).</p>

According to the decision of the Annual General Meeting of July 26, 2012 and with the approval of the Supervisory Board, the Management Board was authorized to increase the Company's share capital on one or more occasions against cash contributions by up to a total of € 119,934,433.28 until July 25, 2017 (Authorized Capital 2012). 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. The authorization takes effect upon entry of the amendment to the Articles of Association in the commercial register; the entry has not been registered yet. In addition, on July 26, 2012 the Annual General Meeting revoked its authorization of the Management Board resolved on July 28, 2011, 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 € 119,934,433.28 on one or more occasions against cash contributions until July 27, 2016 (Authorized Capital 2011), effective from the date Authorized Capital 2012 is entered in the commercial register.

15
**PROVISIONS FOR
 PENSIONS AND SIMILAR
 OBLIGATIONS**

A discount rate of 4.25 percent (March 31, 2012: 4.50 percent) was used to calculate the actuarial gains and losses of German companies as of June 30, 2012. Assuming an interest rate of 4.50 percent, the present value of the defined benefit obligation for employees would have increased by € 33,138 thousand.

16
OTHER PROVISIONS

Other provisions relate to tax provisions of € 106,235 thousand (March 31, 2012: € 117,953 thousand) and other provisions of € 451,782 thousand (March 31, 2012: € 488,996 thousand). Other provisions include staff obligations of € 82,151 thousand (March 31, 2012: € 105,756 thousand), sales obligations of € 123,567 thousand (March 31, 2012: € 127,803 thousand), and miscellaneous other provisions of € 246,064 thousand (March 31, 2012: € 255,437 thousand). The latter primarily include provisions in connection with our Focus 2012 efficiency program.

17 FINANCIAL LIABILITIES

	31-Mar-2012			30-Jun-2012		
	Current	Non-current	Total	Current	Non-current	Total
Borrower's note loans	50,000	0	50,000	50,000	0	50,000
High-yield bond	12,966	291,244	304,210	5,935	291,501	297,436
Amounts due to banks	15,276	41,103	56,379	63,171	38,957	102,128
From finance leases	1,955	6,790	8,745	1,954	7,136	9,090
Other	18,362	0	18,362	16,806	0	16,806
	<u>98,559</u>	<u>339,137</u>	<u>437,696</u>	<u>137,866</u>	<u>337,594</u>	<u>475,460</u>

In line with the refinancing agreed on March 25, 2011, Heidelberg issued an unsecured high-yield bond totaling € 304 million with a term of seven years and a coupon of 9.25 percent annually. At the same time, a new revolving credit facility of € 500 million from a banking syndicate, maturing at the end of 2014, became effective. Due to Heidelberg's reduced funding requirement as a result of its successful asset management, the Company agreed with the banking syndicate to reduce the credit line by € 25 million starting from July 1, 2012. The financing agreements on the new credit facility contain standard financial covenants regarding the financial situation of the Heidelberg Group.

18 OTHER LIABILITIES

Other liabilities include advance payments on orders of € 102,540 thousand (March 31, 2012: € 66,145 thousand), liabilities from derivative financial instruments of € 26,272 thousand (March 31, 2012: € 17,826 thousand), and deferred income of € 65,119 thousand (March 31, 2012: € 68,155 thousand).

19 CONTINGENT LIABILITIES AND OTHER FINANCIAL LIABILITIES

As of June 30, 2012, the contingent liabilities for warranties and guarantees amounted to € 4,418 thousand (March 31, 2012: € 4,729 thousand).

The other financial liabilities amounted to € 325,991 thousand as of June 30, 2012 (March 31, 2012: € 299,965 thousand). Of this amount, € 269,962 thousand (March 31, 2012: € 245,046 thousand) related to lease and rental obligations and € 56,029 thousand (March 31, 2012: € 54,919 thousand) related to investments and other purchase commitments.

20
**GROUP SEGMENT
REPORTING**

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" in the Group management report as of March 31, 2012 (pages 30 and 31).

SEGMENT INFORMATION APRIL 1, 2012 TO JUNE 30, 2012:

	Heidelberg Equipment		Heidelberg Services		Heidelberg Financial Services		Heidelberg Group	
	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
External sales	299,863	255,155	240,880	261,546	3,413	3,372	544,156	520,073
Result of operating activities (segment result)	-38,747	-75,694	9,971	8,579	3,675	3,441	-25,101	-63,674
Investments	13,816	11,460	3,061	2,557	9	0	16,886	14,017

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

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Result of operating activities (segment result)	-25,101	-63,674
Financial result	-21,897	-18,603
Income before taxes	-46,998	-82,277

External sales relate to the different regions as follows:

	1-Apr-2011 to 30-Jun-2011	1-Apr-2012 to 30-Jun-2012
Europe, Middle East and Africa		
Germany	87,226	81,021
Other Europe, Middle East and Africa regions	130,775	101,204
	<u>218,001</u>	<u>182,225</u>
Asia/Pacific		
China	94,769	83,375
Other Asia/Pacific regions	74,148	97,576
	<u>168,917</u>	<u>180,951</u>
Eastern Europe	60,135	63,405
North America	67,467	67,493
South America	29,636	25,999
	<u>544,156</u>	<u>520,073</u>

21
SUPERVISORY BOARD/
MANAGEMENT BOARD

The members of the Supervisory Board and the Management Board are presented on pages 38 and 39.

22
RELATED
PARTY TRANSACTIONS

As described in note 41 of the notes to the consolidated financial statements as of March 31, 2012, 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 € 7,111 thousand (March 31, 2012: € 9,502 thousand), receivables of € 18,431 thousand (March 31, 2012: € 17,872 thousand), expenses of € 5,034 thousand (April 1, 2011 to June 30, 2011: € 3,721 thousand) and income of € 3,990 thousand (April 1, 2011 to June 30, 2011: € 4,951 thousand), which essentially comprises sales. All transactions were again conducted as at arm's length and did not differ from relationships with other companies.

Members of the Supervisory Board have received a remuneration of € 147 thousand from Heidelberger Druckmaschinen Aktiengesellschaft in line with services rendered under consulting, service, and employment contracts in the reporting period.

**23
SIGNIFICANT EVENTS
AFTER THE END OF THE
REPORTING PERIOD**

Bernhard Schreier, Chief Executive Officer of Heidelberger Druckmaschinen Aktiengesellschaft, will not extend his management contract when it expires midyear 2013 and will leave the Company at the end of 2012. The Supervisory Board unanimously appointed Dr. Gerold Linzbach with effect from September 1, 2012.

Heidelberg, August 8, 2012

HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
The Management Board

The Supervisory Board

Robert J. Koehler

Chairman of the Supervisory Board

Rainer Wagner*

Deputy Chairman of the
Supervisory Board

Edwin Eichler**Wolfgang Flörchinger*****Martin Gauß*****Mirko Geiger***

Gunther Heller***Jörg Hofmann*****Dr. Siegfried Jaschinski****Dr. Herbert Meyer****Dr. Gerhard Rupprecht****Beate Schmitt*****Lone Fønss Schrøder****Prof. Dr.-Ing. Günther Schuh****Dr. Klaus Sturany****Peter Sudadse***

* Employee representative

Committees of the Supervisory Board

MANAGEMENT COMMITTEE

Robert J. Koehler (Chairman)
Rainer Wagner
Martin Gauß
Mirko Geiger
Dr. Gerhard Rupprecht
Prof. Dr.-Ing. Günther Schuh

MEDIATION COMMITTEE UNDER ARTICLE 27 PARAGRAPH 3 OF THE CODETERMINATION ACT

Robert J. Koehler
Rainer Wagner
Wolfgang Flörchinger
Dr. Gerhard Rupprecht

COMMITTEE ON ARRANGING PERSONNEL MATTERS OF THE MANAGEMENT BOARD

Robert J. Koehler (Chairman)
Rainer Wagner
Dr. Gerhard Rupprecht
Beate Schmitt

AUDIT COMMITTEE

Dr. Herbert Meyer (Chairman)
Dr. Siegfried Jaschinski
Mirko Geiger
Rainer Wagner

NOMINATION COMMITTEE

Robert J. Koehler (Chairman)
Dr. Gerhard Rupprecht

The Management Board

Bernhard Schreier

Chief Executive Officer and
Chief Human Resources Officer

Dirk Kaliebe

Marcel Kiessling

Stephan Plenz

Financial Calendar 2012/2013

NOVEMBER 7, 2012	Publication of Half-Year Figures 2012/2013
FEBRUARY 7, 2013	Publication of Third Quarter Figures 2012/2013
JUNE 13, 2013	Press Conference, Annual Analysts' and Investors' Conference
JULY 23, 2013	Annual General Meeting

Subject to change

PUBLISHING INFORMATION

COPYRIGHT © 2012

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

This report was published on August 8, 2012.

Produced on Heidelberg machines using Heidelberg technology.

All rights and technical changes reserved.

Printed in Germany.



HEI EMOTIONS HEI INTEGRATION
HEI END HEI FLEXIBILITY HEI
ECO HEI PRODUCTIVITY HEI END
HEI EMOTIONS HEI ECO HEI
INTEGRATION HEI PRODUCTIVITY
HEI ECO HEI FLEXIBILITY HEI
PRODUCTIVITY HEI INTEGRATION
HEI EMOTIONS HEI END HEI

Heidelberger Druckmaschinen AG

Kurfürsten-Anlage 52 – 60

69115 Heidelberg

Germany

www.heidelberg.com

FLEXIBILITY HEI PRODUCTIVITY
HEI INTEGRATION HEI EMOTIONS
HEI ECO HEI FLEXIBILITY HEI