Q2 INTERIM FINANCIAL REPORT 2012 / 2013

HEIDELBERG

2nd Quarter at a Glance

> **Incoming orders:** At € 668 million, incoming orders in Q2 were at the same level as in the previous year; half-yearly figure in line with expectations and significantly higher than the previous year

> **Sales** in Q2 up 10 percent over the previous year to € 697 million; half-yearly figure slightly above the previous year

> **Result of operating activities** excluding special items registering a slight profit in Q2 of € 1 million, significantly up on Q1 (loss of € 58 million)

> **Free cash flow** in Q2 virtually break-even at € – 3 million; net financial debt stable against Q1 at € 357 million

> **New Management Board member:** Dr. Gerold Linzbach joined the Board as CEO on September 1, 2012

KEY PERFORMANCE DATA

Figures in € millions

	Q1 to Q2 prior year	**Q1 to Q2 2012/2013**	Q2 prior year	**Q2 2012/2013**
Incoming orders	1,333	**1,558** [1]	668	**668**
Net sales	1,180	**1,217** [2]	636	**697**
EBITDA [3]	26	**– 16**	28	**21**
Result of operating activities [4]	– 21	**– 57**	5	**1**
– in percent of sales	– 1.8 %	**– 4.7 %**	0.8 %	**0.1 %**
Net loss	– 66	**– 104**	– 20	**– 30**
– in percent of sales	– 5.6 %	**– 8.5 %**	– 3.1 %	**– 4.3 %**
Cash flow	– 13	**– 60**	9	**– 4**
– in percent of sales	– 1.1 %	**– 4.9 %**	1.4 %	**– 0.6 %**
Free cash flow	– 19	**– 115**	– 12	**– 3**
Research and development costs	69	**61**	32	**30**
Investments	34	**44**	17	**30**
Undiluted earnings per share in € [5]	– 0.28	**– 0.44**	– 0.08	**– 0.12**

[1] Including positive exchange rate effects totaling € 80 million (adjusted for exchange rate effects: € 1,478 million)
[2] Including positive exchange rate effects totaling € 63 million (adjusted for exchange rate effects: € 1,154 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

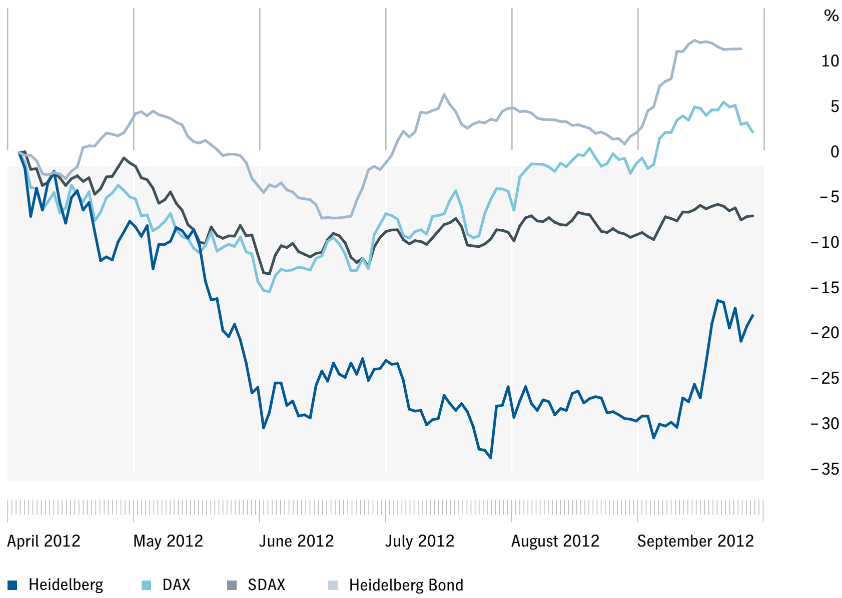
Interim Consolidated Financial Report 2nd Quarter

2012/2013

Heidelberg on the Capital Market

PERFORMANCE OF THE HEIDELBERG SHARE AND OF THE HEIDELBERG BOND

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



The Heidelberg Share

Following a poor showing in the second quarter of calendar year 2012, stock markets featured rising share prices in the third quarter. A gain of around 1,000 points gave the DAX one of the best quarters in its history. The underlying conditions have not changed much. The European sovereign debt crisis continued to smolder, albeit somewhat less, even after the ECB decided to purchase unlimited amounts of government bonds and the European Stability Mechanism came into force. Furthermore, the outlook for the global economy as a whole looks gloomier – there are no distinct or sustainable signs of a rapid improvement in the economy, either in China or the US. Over the course of a strong third quarter on the world's stock exchanges, the DAX achieved a

KEY PERFORMANCE DATA OF THE HEIDELBERG SHARE

Figures in €

ISIN: DE 0007314007	Q2 prior year	Q2 2012/13
Basic earnings per share [1]	– 0.08	– 0.12
Cash flow per share	0.04	– 0.02
Share price – high	2.85	1.21
Share price – low	1.23	0.96
Share price – beginning of the quarter [2]	2.80	1.10
Share price – end of the quarter [2]	1.57	1.19
Number of shares in thousands [3]	233,693	234,104
Market capitalization at the end of the quarter in € millions	368	279

[1] Determined based on the weighted number of outstanding shares
[2] Xetra closing price; source for prices: Bloomberg
[3] Weighted number of outstanding shares

gain of around 13 percent and the SDAX of around 4 percent. However, since the beginning of the year, the DAX is only up by around 2 percent while the SDAX saw corrections leading to a fall of around 7 percent.

At the beginning of the quarter, the Heidelberg share stood at € 1.10 and started to move laterally from August, finishing off with a slight gain at the end of the quarter. As of September 30, 2012, the share stood at € 1.19, around 8 percent higher than at the beginning of the reporting quarter. The shares have fallen around 18 percent since the beginning of the financial year.

Heidelberger Druckmaschinen AG's Annual General Meeting was held on July 26, 2012. Around 1,800 shareholders participated in this year's meeting at the Rosengarten Congress Center in Mannheim, representing just under 38 percent of Heidelberg's share capital. The Annual General Meeting approved all the items on the agenda by a significant majority.

At the Annual General Meeting, a large number of shareholders signed up for our annual tour of the production site in Wiesloch-Walldorf, giving them a first-hand impression of how a printing press is built.

At the end of the reporting quarter, Allianz SE informed us that it had reduced its share of the voting rights in Heidelberger Druckmaschinen AG. As of October 4, 2012, this share amounted to 2.11 percent (or 4,953,952 out of a total of 234,246,940 voting rights). This raised the free float in Heidelberger Druckmaschinen shares to 100 percent of the share capital comprising 234,246,940 shares.

www.heidelberg.com

Everything you need to know relating to this year's Annual General Meeting, and to previous ones, can be found on the Heidelberg homepage under Investor Relations.

Investors holding more than 3 percent of Heidelberg shares as of September 30, 2012, include SEB Investment GmbH (5.02 percent), RWE AG (4.22 percent), the Capital Research and Management Group (3.14 percent).

The Heidelberg Bond

The price of our bond rose in the reporting quarter. By mid-July 2012, it had recovered from around 72 percent at the beginning of the quarter to around 78 percent, beating the price at the beginning of the financial year. From September, it rose sharply finishing off at around 84 percent at the end of the quarter.

KEY PERFORMANCE DATA OF THE HEIDELBERG BOND [1)]

Figures in percent

RegS ISIN: DE 000A1KQ1E2	Q2 prior year	Q2 2012/13
Nominal volume in € millions	304.0	304.0
Share price – high	98.2	84.3
Share price – low	62.2	72.0
Share price – beginning of the quarter	98.0	72.0
Share price – end of the quarter	62.4	83.6

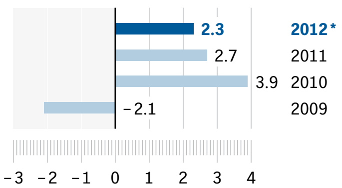
1) Source Bloomberg

Situation of the Company

Underlying Conditions

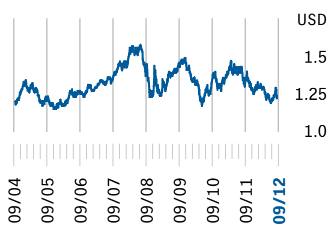
CHANGE IN GDP WORLDWIDE

Figures in percent

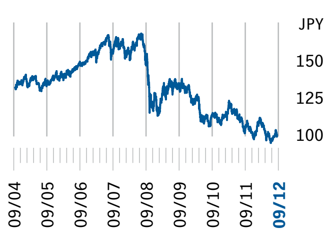


* Projected
Source: Global Insight (WMM); calendar year; as of September 2012

EUR/USD EXCHANGE RATE



EUR/JPY EXCHANGE RATE



Source: Global Insight

With growth of 2.3 percent over the first three quarters of calendar year 2012, the **GLOBAL ECONOMY** expanded year-on-year at a slower pace. The European debt crises and the ongoing uncertainty about developments in Greece, Spain, and Italy, but also the slowdown in the Chinese economy and the high price of oil, led to the lowest quarterly growth since the end of the global recession in 2009.

Economic expansion in the **DEVELOPING AND EMERGING COUNTRIES** also slowed down year-on-year. This means that growth in the emerging markets in 2012 will likely not be enough on its own to keep the performance of the global economy at the high level it has achieved until now. Besides the lack of any boost from foreign demand, most emerging markets have domestic problems that drag down their economies.

Uncertainty on the financial markets continues to be the dominant factor affecting **EXCHANGE RATE DEVELOPMENTS**, even if the euro has regained value against the dollar and the yen since August 2012.

The sovereign debt crises still have a firm grip on the European economy. The slowdown in the **EURO ZONE** can be blamed on the tough austerity measures in the peripheral countries, lower global demand and the high level of uncertainty due to the sovereign debt crises. At least this uncertainty will likely be reduced somewhat by the announcement from the European Central Bank (ECB) that it will purchase unlimited amounts of government bonds and by the European Stability Mechanism (ESM) that has now come into force.

GERMANY is increasingly unable to keep out of the European debt crises. Although Germany was not as badly affected as other economies, allowing it to retain its top position in Europe with growth of 0.9 percent in the first three quarters of calendar year 2012, the steam has nevertheless steadily gone out of the German economy. The fall in new orders and the collapse in market sentiment indicators suggest that the economy has further to fall. Private consumption is increasingly coming to the rescue.

The **US ECONOMY** continued to recover moderately (by 2.2 percent in the first nine months of calendar year 2012), making it still one of the industrialized countries with the fastest growth.

Despite poor demand from the industrialized countries and the cyclical slowdown in China, the economy in LATIN AMERICA continued to look robust. Virtually all of the economies in Latin America saw average growth of 3.0 percent in the first nine months of the calendar year 2012. Only Brazil recorded growth of just 1.1 percent.

Despite all the reconstruction work following the tsunami and a good start to 2012, the outlook for the JAPANESE economy now looks dimmer. The poor global economy had a negative impact on Japanese exports resulting in domestic demand falling as well.

Emerging markets in SOUTHEAST ASIA saw their gross domestic product rise sharply by 4.6 percent in the first nine months of calendar year 2012, with Indonesia making a disproportionately high contribution.

CHINA'S economy grew by 7.6 percent in the third quarter of calendar year 2012, a reduction from the previous year. China's industry saw profits fall by 4.1 percent year-on-year, although the weakness in the economy is currently concentrated on specific sectors, such as the iron and steel industry. Politicians have already reacted to the slowdown by accelerating and bringing forward the approval of projects.

The German Printing and Media Industries Federation (bvdm) advise that the business situation in the PRINT MEDIA INDUSTRY in Germany has now recovered significantly following a sharp drop in the first half of the year. However, business expectations, which had been solidly upbeat since the beginning of the year, have fallen sharply since the summer of 2012 and are at a much lower level than in the previous year. For the United States, no uniform trend can be discerned. Although commercial print sales were nominally up by 6 percent in the first nine months of calendar year 2012 compared to the previous year, capacity utilization is still at a very low level. 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 September 2012 rising year-on-year by 8 percent.

Focus 2012 Efficiency Program

ANNUAL REPORT 2011/2012

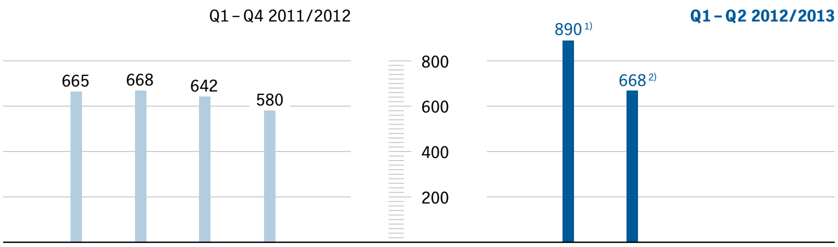
Detailed information on the Focus 2012 efficiency program may be found in our Annual Report beginning on page 28.

The implementation of the Focus 2012 efficiency program continues on schedule. The Company implemented the major measures of the program before the drupa industry trade show, so around 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 for the first time and will result in annual savings of € 180 million.

Business Development

INCOMING ORDERS PER QUARTER

Figures in € millions



1) Including positive exchange rate effects totaling € 47 million
2) Including positive exchange rate effects totaling € 33 million

At € 668 million, **INCOMING ORDERS** in the second quarter were at the same level as in the previous year. As expected, the trade show pushed incoming orders up against the prior year by € 225 million to € 1,558 million in the first half of the year. In the regions, a comparison with the previous year produces the following picture: The North America region performed well in the second quarter. While the Asia/Pacific region also reported a slight rise in incoming orders, orders in the Eastern Europe, South America and Europe, Middle East and Africa (EMEA) regions fell in the second quarter. At € 275 million, incoming orders in the second quarter at the less cyclical Heidelberg Services segment were above the level of the previous year. In the Heidelberg Equipment segment, incoming orders in the second quarter declined by 4 percent to € 390 million. Owing to the trade show, the half-yearly figures for both segments were above the figures for the previous year.

The Heidelberg Group's **ORDER BACKLOG** stood at € 790 million at the end of the first half of the year, compared to € 731 million in the previous year.

SALES in the second quarter compared with the same quarter in the previous year rose, as expected, by 10 percent to € 697 million. At the end of the first half of the year, sales revenues for the current financial year stood at € 1,217 million, slightly higher than the figure for the previous year and in line with our expectations. While the Eastern Europe, Asia/Pacific, and North America regions reported growth in the first half of the year, the Europe, Middle East and Africa region remained stuck at the previous year's level. Sales in the South America region lagged behind the previous year. At 85 percent, the foreign share of Group sales in the first half of the year was unchanged against the end of the previous financial year. In the first half of the year, the Heidelberg Equipment segment achieved the same level of sales as in the previous year (€ 669 million). There was a positive boost to first-half sales in the Heidelberg Services segment, with half-yearly sales rising year-on-year by 9 percent to € 542 million.

SALES BY SEGMENT

Figures in € millions

	Q1 to Q2 prior year	**Q1 to Q2 2012/2013**	Q2 prior year	**Q2 2012/2013**
Heidelberg Equipment	674	669	374	414
Heidelberg Services	498	542	257	280
Heidelberg Financial Services	8	6	5	3
Heidelberg Group	1,180	**1,217**	636	**697**
(adjusted for exchange rate effects		1,154		662)

Results of Operations, Net Assets, and Financial Position

EBITDA excluding special items fell year-on-year in the reporting quarter from € 28 million to € 21 million. The figure for the half-year of € – 16 million accordingly remained, as expected, at € 42 million lower than the figure for the previous year. As a result of the higher sales and the consequent increase in profit contributions, THE RESULT OF OPERATING ACTIVITIES EXCLUDING SPECIAL ITEMS in the second quarter was just in positive territory at € 1 million and significantly better, by € 59 million, than in the first quarter. In the first half of the year, the costs for the trade show and for product launches as well as the lack of profit contributions arising from the lower sales in the first quarter were a particular drag on performance. At € – 57 million, the cumulative result of operating activities excluding special items was considerably lower than in the previous year. The SPECIAL ITEMS amounting to € 22 million were mainly the result of personnel-related expenses under the terms of the Focus 2012 efficiency program.

RESULT OF OPERATING ACTIVITIES [1]

Figures in € millions

	Q1 to Q2 prior year	Q1 to Q2 2012/2013	Q2 prior year	Q2 2012/2013
Heidelberg Equipment	– 56	– 90	– 17	– 19
Heidelberg Services	28	29	18	19
Heidelberg Financial Services	7	4	4	1
Heidelberg Group	– 21	**– 57**	5	**1**

[1] Excluding special items

At € – 37 million the FINANCIAL RESULT reflected an improvement in the first half of the year of € 5 million compared with the same period in the previous year. Still, 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 fell in the second quarter from € – 19 million in the previous year to € – 33 million. Income before taxes also dropped in the first half of the year from € – 66 million in the previous year to € – 116 million. The loss in the second quarter amounted to € – 30 million and in the first half-year to € – 104 million. Undiluted **EARNINGS PER SHARE** at the end of the first half of the year came to € – 0.44 compared to € – 0.28 in the previous year.

INVESTMENTS in property, plant, and equipment and intangible assets came to € 30 million in the second quarter; as a result, they stood at € 44 million at the end of the first half-year, 29 percent higher than the figure for the previous year. The reason for this development is the Print Media Center located in Heidelberg which was recently equipped with our product innovations introduced at the trade show. Based on our booth at drupa, it now presents a fully integrated print shop covering all production stages in order to give customers the best possible overview of Heidelberg's offerings and innovations.

At € 2,470 million, the Heidelberg Group's **TOTAL ASSETS** dropped slightly further, both against the first quarter and the end of the previous financial year. In comparison with the figure at the end of the same quarter of the previous year, total assets fell by € 204 million.

BALANCE SHEET STRUCTURE

Figures in € millions

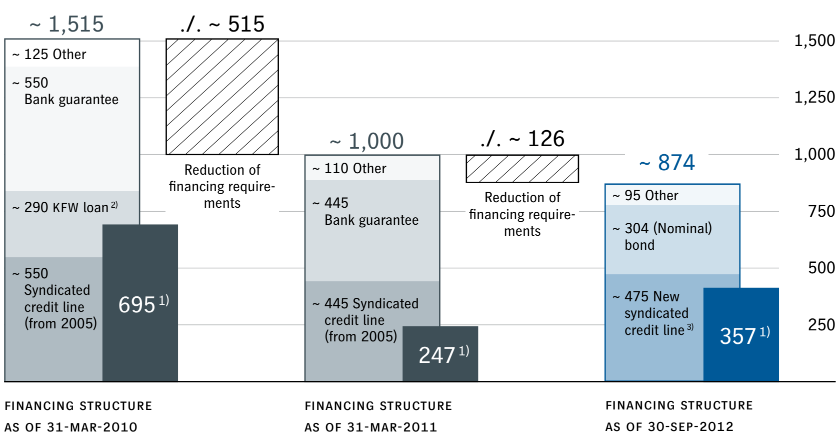
	31-Mar-2012	in percent of total assets	30-Sep-2012	in percent of total assets
Non-current assets	970	38.5	945	38.3
Current assets	1,545	61.4	1,522	61.6
Assets held for sale	3	0.1	3	0.1
Total assets	2,518	100.0	2,470	100.0
Equity	576	22.9	390	15.8
Non-current liabilities	1,082	42.9	1,164	47.1
Current liabilities	860	34.2	916	37.1
Total equity and liabilities	2,518	100.0	2,470	100.0

Under **ASSETS**, inventories dropped slightly compared with the prior quarter to € 858 million; they rose compared with the end of the previous financial year, in order to be able to service the increased demand arising from the trade show. In return, trade receivables as well as receivables from sales financing dropped as of the end of the first half of the year against the end of the previous financial year.

Under **LIABILITIES**, as a result of the first half-year loss and actuarial losses arising from the valuation of pension obligations, equity declined to € 390 million as of September 30, 2012. The equity ratio dropped from 18 percent in the first quarter to 16 percent at the half-year end. Pension provisions rose as of the end of the half-year, in particular as a result of the lower discount rate. Net financial debt remained stable in comparison with the previous quarter at € 357 million; at the end of the financial year, it stood at € 243 million. The rise is attributable in particular to the need for cash and cash equivalents in order to supply the machines ordered at the drupa trade show and to ensure the pro-rata expenditures for the Focus 2012 efficiency program. Heidelberg's financing structure is reasonably diversified, both in terms of sources of financing and maturity of instruments. Heidelberg has access to a stable volume of liquidity 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 million
3) Initial credit line: € 500 million: reduced by € 25 million since July 1, 2012

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in € millions

	Q1 to Q2 prior year	**Q1 to Q2 2012/2013**	Q2 prior year	**Q2 2012/2013**
Cash flow	-13	-60	8	-4
Net working capital	20	-16	-23	2
Receivables from customer financing	19	25	10	15
Other	-22	-32	9	11
Other operating changes	17	-23	-4	28
Cash used in investing activities	-23	-32	-16	-27
Free cash flow	-19	-115	-12	-3

At € – 3 million, **FREE CASH FLOW** in the second quarter was virtually break-even thanks to still consistent asset management. The main contributor to this positive development was **CASH FLOW**, which significantly improved against the previous quarter, by € 52 million to € – 4 million.

OTHER OPERATING CHANGES in the second quarter produced overall cash inflows of € 28 million. This was due not only to the reduction in inventories under net working capital, but also to the further drop in receivables from sales financing.

CASH USED IN INVESTING ACTIVITIES was spent in part on newly equipping the Print Media Center in Heidelberg. In the second quarter this item amounted to € – 27 million.

Free cash flow in the half-year was € – 115 million. The main reasons for this were the first half-year loss, the expenditures for Focus 2012, and cash used in investing activities.

Segment Report

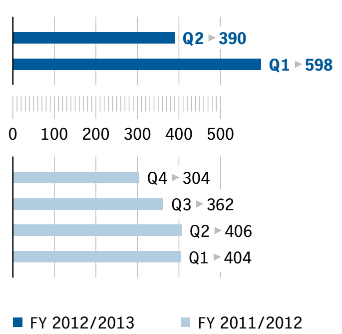
While the **HEIDELBERG EQUIPMENT** segment lived up to expectations and profited from the leading industry trade show drupa in the first quarter, incoming orders in the second quarter amounted to € 390 million – 4 percent lower than the figure for the previous year. Incoming orders for the half-year were 22 percent higher than in the previous year, reaching a figure of € 988 million.

The segment's net sales in the second quarter rose in comparison with the previous year, in line with expectations, by 11 percent to € 414 million. At € 669 million, the segment achieved the same level as in the previous year when the two half-years are compared. In the area of contract manufacturing for outside parties, significant growth in sales was generated compared with the level of the previous year. The Heidelberg Equipment segment's total share in Group sales stood at 55 percent in the half-year.

The result of operating activities excluding special items in the second quarter came to € – 19 million; for the first half-year overall, the segment reported a loss of € – 90 million, € 34 million higher than in the previous year. This was mainly the result of trade show and product launch costs; a lack of profit contributions in view of the low level of sales also affected the result. The special items generated an expense of € 17 million. The segment's investments for the half-year amounted to € 37 million. The increase compared with the previous year was primarily due to newly equipping the Print Media Center in Heidelberg with innovations presented at the trade show.

HEIDELBERG EQUIPMENT: INCOMING ORDERS PER QUARTER

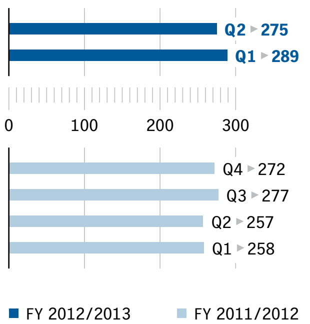
Figures in € millions



The Heidelberg Equipment segment had a total of 9,523 employees as of September 30, 2012. This lowers the headcount over the course of the reporting quarter by another 529 employees compared with the beginning of the financial year as a result of our projects aimed at improving structures and flexibility.

HEIDELBERG SERVICES: INCOMING ORDERS PER QUARTER

Figures in € millions



In the **HEIDELBERG SERVICES** segment, incoming orders in the second quarter rose year-on-year by 7 percent, reaching a figure of € 275 million. The figure for the half-year rose by 10 percent year-on-year as a result of the trade show, ending at € 564 million.

The segment's net sales rose slightly, in line with its incoming orders. At € 280 million in the second quarter, they were 9 percent higher than in the previous year. When the two half-years are compared, net sales also rose by 9 percent, reaching a figure of € 542 million. Sales of consumables and in the service business rose further. Sales also did well with regard to the Prinect print shop workflow. The Heidelberg Services segment's share in Group sales stood at 45 percent in the half-year.

The result of operating activities excluding special items totaled € 19 million in the second quarter, slightly above the prior-year level. Comparing the two half-year periods, the result of operating activities excluding special items of € 29 million also slightly surpassed the comparable figure of the previous year; the costs of the drupa trade show had a negative impact on this figure. There were special items in the Heidelberg Services segment in the amount of € 5 million. Investments for the half-year by the Heidelberg Services segment amounted to € 7 million.

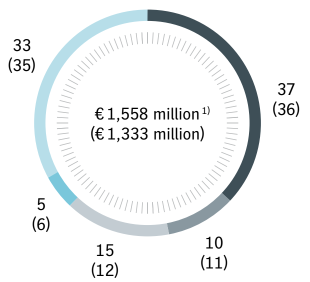
The segment's headcount fell by 137 compared with the beginning of the financial year. As of September 30, 2012 the segment had 5,172 employees.

As of September 30, 2012, receivables from sales financing for the **HEIDELBERG FINANCIAL SERVICES** segment remained at a low level of € 133 million, down again from the figure of € 156 million at the end of the previous financial year. Projects realized by customers could again be arranged primarily with third-party financial providers. The segment's operating activities excluding special items in the second quarter generated a slight profit of € 1 million; the figure for the half-year stood at € 4 million. The result was € 3 million lower than in the previous year mainly because the reduction in the level of receivables meant a fall in interest income. There were 50 employees in the segment as of September 30, 2012.

Regions

INCOMING ORDERS BY REGION

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



Figures in € millions

	Q1 to Q2 prior year	**Q1 to Q2 2012/2013**
EMEA	476	584
Eastern Europe	149	152
North America	162	227
South America	81	79
Asia/Pacific	465	516

[1] Including positive exchange rate effects totaling € 80 million

Following the high volume of orders generated at the leading industry trade show drupa, incoming orders for the EUROPE, MIDDLE EAST AND AFRICA region dropped slightly in the second quarter to € 223 million. As a result of the trade show, the figure of € 584 million for the half-year exceeded the previous year's figure by 23 percent. Second-quarter sales in the region of € 254 million were 16 percent higher than in the previous year. At € 436 million, sales for the half-year were on a par with the previous year. Sales in Germany were stable year-on-year; while the UK recorded a rise in sales, Italy had to report a significant fall.

The EASTERN EUROPE region generated incoming orders in the amount of € 59 million in the second quarter. At € 152 million, the figure for the half-year was in line with expectations, coming in at the previous year's level. Orders continued to develop favorably in Russia. The region beat the previous year's sales figures by 11 percent in the second quarter (9 percent for the half-year).

Incoming orders in the NORTH AMERICA region continued to be gratifying, reaching € 110 million in the second quarter. Orders in the US alone developed favorably in the second quarter. The greater willingness of our customers to make investments pushed up the half-yearly figure in the North America region year-on-year by 40 percent to € 227 million. Net sales in the reporting quarter were up by 9 percent and in the first six months by 5 percent. This positive development is mainly down to Canada and the US. Mexico had much lower sales, although they are expected to rise again in the second half of the year.

Incoming orders in the **SOUTH AMERICA** region of € 40 million in the second quarter and € 79 million for the half-year were both lower than in the previous year. This development is mainly the result of the fall in orders in Brazil, which is currently experiencing a low growth rate. The picture is much the same for sales: they were 9 percent lower than in the second quarter year-on-year and 11 percent lower for the first six months.

The **ASIA/PACIFIC** region recorded incoming orders in the second quarter of € 236 million, slightly above the level for the previous year. An increase in China in the second quarter made up for the fall in Japan. The region generated incoming orders of € 516 million over the half-year, representing an 11 percent increase over the previous year. Sales in the region were up by around 7 percent both for the second quarter and the half-year. This increase was mainly generated in Japan, while half-yearly sales in China remained stagnant.

SALES BY REGION

Figures in € millions

	Q1 to Q2 prior year	**Q1 to Q2 2012/2013**	Q2 prior year	**Q2 2012/2013**
Europe, Middle East and Africa	438	436	220	254
Eastern Europe	130	141	70	78
North America	149	157	82	89
South America	65	58	35	32
Asia/Pacific	398	425	229	244
Heidelberg Group	1,180	**1,217**	636	**697**
(adjusted for exchange rate effects		1,154		662)

Employees

As of September 30, 2012, the Heidelberg Group had 14,745 employees, down by 669 during the first half of the year or 1,037 fewer than in the previous year. The reduction in personnel is largely the result of the adoption of the age structure model for older employees.

In the framework of the Focus 2012 efficiency program, we have adapted our capacity to the changed general conditions. Individual working hours can now 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. We made substantial progress in implementing the personnel measures by the reporting date. The first employees have already left the Company on a mutually agreed basis. The number of employees is to be reduced to less than 14,000 by the middle of 2014 in part through socially responsible measures.

As of September 1, 2012, 142 young people started apprenticeships at our German locations. The percentage of apprentices in the Company's workforce has been steady for years and, at around 6 percent, is disproportionately high for an engineering company.

EMPLOYEES BY SEGMENT

Number of employees

	31-Mar-12	**30-Sep-12**
HD Equipment	10,052	9,523
HD Services	5,309	5,172
HD Financial Services	53	50
Heidelberg Group	15,414	**14,745**

Risk and Opportunity Report

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

Economic uncertainties continue to be considerable: the risk of a further escalation in the sovereign debt crisis is particularly high in the euro zone. The outcome of the election in Greece reduced for the time being the risk of an immediate default and a potential exit by Greece from the euro zone. However, Spain's request for aid to recapitalize its banks demonstrates how tense the overall situation continues to be. The uncertainty in the markets is likely to ebb at least somewhat following the positive decision in mid-September by Germany's Constitutional Court, which allowed the European Central Bank (ECB) to announce its willingness to buy an unlimited number of government bonds and enabled the European Stability Mechanism (ESM) to come into force.

ANNUAL REPORT 2011/2012

You will find our detailed Risk and Opportunity Report in the Annual Report beginning on page 119. A description of our risk and opportunity management system begins on page 36 of the Annual Report. The statements made there essentially remain valid without any need for alteration.

Following the slowdown in China's economic growth in recent months, the extent of the overall economic cooldown is still not clear. A collapse in the country's domestic demand would have noticeable effects on production – and not only in other Asian markets.

But there are also considerable uncertainties in the US due to the impending expiration of tax cuts and the automatic budget reductions at the end of the year, as well as the postponement of financial policy decisions. This would promptly result in a massive dampening effect not only in the US economy but throughout the world.

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

The threat of downgrades to the ratings of euro-zone countries could push interest expense up further and slow down growth more than expected.

In its October 2012 report, the International Monetary Fund (IMF) lowered its growth outlook for the global economy compared to the summer forecast. At the same time, it has demanded decisive action on the part of Europeans and Americans to prevent a recession in the industrialized countries. In the developing and newly industrializing countries, the IMF foresees lower but nevertheless quite solid growth.

Future prospects are therefore crucially dependent on developments of the European sovereign debt crisis, the uncertainty over US monetary policy, and the extent of the economic slowdown in China. The launch of the European Stability Mechanism (ESM) should at least prevent a further worsening of the European sovereign debt crisis. All this continues to make it difficult to provide specific forecasts about business developments. Business expectations expressed by the German printing industry, which had been constantly positive since February 2012, have now declined sharply since the latest Ifo survey on the economy. However, growth in packaging and digital printing, and dynamic momentum in the emerging markets, should continue to ensure that the global volume of printing production remains stable.

The forecast of the German Engineering Federation (VDMA) assumes a moderate increase in sales in 2012 for the whole printing and paper technology sub-sector. But the difficult macroeconomic environment is likely to have more of an impact on ongoing market developments in the first half of 2013. That is why we do not expect any major boost to investment until the overall economic risks have settled down on a long-term basis.

Outlook confirmed for the current financial year 2012/2013; amendments to IAS 19 taken into account in the forecast for financial year 2013/2014

The sovereign debt crises and the volatile overall economic and market environment continue to make it difficult to forecast how business will develop. For the current **FINANCIAL YEAR 2012/2013**, Heidelberg expects a clear shift into the second half-year of the sales favored by orders generated at the trade show, with a consequent improvement in profit contributions. Heidelberg continues to expect a clearly positive result of operating activities excluding special items, which, however, was negatively impacted especially in the first half of the year by costs incurred for drupa and product launches. Around one-third of the planned savings from the Focus 2012 efficiency program of approximately € 180 million will already take effect in the current financial year. The expenditures required for this purpose, however, will weigh on the financial result. As a consequence, income before taxes will be negative. In the financial year 2012/2013, free cash flow will see a significant negative impact from the pro-rata expenditures for Focus 2012; thus, net financial debt will also increase in the meantime.

Heidelberg will apply the new version of the international accounting standard IAS 19, which aims to improve transparency and comparability when reporting pension commitments, for the first time from financial year 2013/2014. Depending on how pension commitments have been recognized previously, there will be consequent effects on the key performance data in the statements of financial position and income statements of companies reporting under international accounting standards.

In the coming **FINANCIAL YEAR 2013/2014**, the cost reductions resulting from Focus 2012 will be fully effective for the first time and will result in annual savings of approximately € 180 million. The compulsory adoption of the new version of IAS 19 from the coming financial year will have effects – depending on the performance of various parameters – on Heidelberg's income statement. In particular, income estimated to be between € 25 million and € 30 million currently included under the result of operating activities excluding

ANNUAL REPORT 2011/2012

You will find our detailed Future Prospects beginning on page 125 of the 2011/2012 Annual Report. In it we also describe the developments in the segments and the premises on which we based our planning.

special items will be reclassified under the financial result. Heidelberg intends to make up as soon as possible for the negative effects of this reclassification on its target of achieving a result of operating activities excluding special items of around € 150 million. As income before taxes is virtually unaffected just by the change in reporting, the current forecast of income before taxes being clearly positive and accordingly of achieving a net profit for the year remains valid.

Supplementary Report

No further 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 overall economic situation, in exchange rates, in 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.

Interim Consolidated Financial Statements

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

2012/2013

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

Figures in € thousands

	Note	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Net sales		1,180,402	1,217,315
Change in inventories		80,990	65,043
Other own work capitalized		4,516	19,157
Total operating performance		1,265,908	1,301,515
Other operating income	3	55,114	41,181
Cost of materials	4	592,961	636,123
Staff costs		456,090	462,378
Depreciation and amortization		46,210	40,950
Other operating expenses	5	246,335	260,426
Special items	6	3,276	21,940
Result of operating activities		– 23,850	– 79,121
Financial income	7	9,929	13,027
Financial expenses	8	52,094	49,665
Financial result		– 42,165	– 36,638
Income before taxes		– 66,015	– 115,759
Taxes on income		– 396	– 11,999
Consolidated net loss		– 65,619	**– 103,760**
Basic earnings per share according to IAS 33 (in € per share)	9	– 0.28	**– 0.44**
Diluted earnings per share according to IAS 33 (in € per share)	9	– 0.28	**– 0.44**

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

Figures in € thousands

	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Consolidated net loss	– 65,619	– 103,760
Pension obligations	– 32,685	– 90,223
Currency translation	13,214	8,258
Available-for-sale financial assets	– 375	– 511
Cash flow hedges	– 15,833	– 2,868
Deferred income taxes	– 6,755	2,202
Total other comprehensive income	– 42,434	– 83,142
Total comprehensive income	– 108,053	**– 186,902**

INTERIM CONSOLIDATED INCOME STATEMENT JULY 1, 2012 TO SEPTEMBER 30, 2012

Figures in € thousands

	1-Jul-2011 to 30-Sep-2011	**1-Jul-2012 to 30-Sep-2012**
Net sales	636,246	697,242
Change in inventories	10,689	– 29,962
Other own work capitalized	1,898	17,214
Total operating performance	648,833	684,494
Other operating income	23,934	18,365
Cost of materials	306,124	332,986
Staff costs	219,238	221,425
Depreciation and amortization	22,983	20,147
Other operating expenses	119,801	127,362
Special items	3,370	16,386
Result of operating activities	1,251	– 15,447
Financial income	6,535	6,962
Financial expenses	26,803	24,997
Financial result	– 20,268	– 18,035
Income before taxes	– 19,017	– 33,482
Taxes on income	491	– 3,469
Consolidated net loss	– 19,508	**– 30,013**
Basic earnings per share according to IAS 33 (in € per share)	– 0.08	**– 0.12**
Diluted earnings per share according to IAS 33 (in € per share)	– 0.08	**– 0.12**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME JULY 1, 2012 TO SEPTEMBER 30, 2012

Figures in € thousands

	1-Jul-2011 to 30-Sep-2011	**1-Jul-2012 to 30-Sep-2012**
Consolidated net loss	– 19,508	– 30,013
Pension obligations	– 57,630	– 42,056
Currency translation	15,448	– 2,432
Available-for-sale financial assets	– 458	– 158
Cash flow hedges	– 16,534	5,459
Deferred income taxes	– 69	765
Total other comprehensive income	– 59,243	– 38,422
Total comprehensive income	– 78,751	**– 68,435**

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

> ASSETS

Figures in € thousands

	Note	31-Mar-2012	30-Sep-2012
Non-current assets			
Intangible assets	10	245,832	240,850
Property, plant, and equipment	10	547,660	547,050
Investment property		7,358	7,400
Financial assets		27,488	23,774
Receivables from sales financing		85,830	70,161
Other receivables and other assets	12	16,598	17,177
Income tax assets		422	422
Deferred tax assets		38,646	38,010
		969,834	944,844
Current assets			
Inventories	11	785,726	858,498
Receivables from sales financing		70,460	62,519
Trade receivables		360,958	336,326
Other receivables and other assets	12	116,418	112,849
Income tax assets		17,428	28,080
Cash and cash equivalents	13	194,556	124,084
		1,545,546	1,522,356
Assets held for sale		2,694	2,406
Total assets		2,518,074	**2,469,606**

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

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2012	30-Sep-2012
Equity	14		
Issued capital		599,308	599,308
Capital reserves and retained earnings		206,482	–105,763
Consolidated net loss		–230,093	–103,760
		575,697	389,785
Non-current liabilities			
Provisions for pensions and similar obligations	15	326,080	429,587
Other provisions	16	284,209	263,478
Financial liabilities	17	339,137	336,742
Other liabilities	18	124,998	126,688
Deferred tax liabilities		7,987	7,522
		1,082,411	1,164,017
Current liabilities			
Other provisions	16	322,740	314,078
Financial liabilities	17	98,559	144,419
Trade payables		165,051	156,666
Income tax liabilities		2,372	2,734
Other liabilities	18	271,244	297,907
		859,966	915,804
Total equity and liabilities		2,518,074	**2,469,606**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF SEPTEMBER 30, 2012 [1)]

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	– 39,427	13,214	– 375
Consolidation adjustments/ other changes	659	– 921	0	0	0
September 30, 2011	599,308	27,098	– 146,301	– 183,070	– 1,268
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	– 88,156	8,258	– 511
Consolidation adjustments/ other changes	0	0	0	0	0
September 30, 2012	**599,308**	**27,098**	**– 291,557**	**– 152,578**	**– 1,669**

[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
– 15,846	0	– 42,434	– 42,434	– 65,619	– 108,053
0	5,138	5,138	4,217	0	4,876
– 10,006	547,945	207,300	234,398	– 65,619	768,087
– 2,059	546,838	179,384	206,482	– 230,093	575,697
0	– 230,093	– 230,093	– 230,093	230,093	0
– 2,733	0	– 83,142	– 83,142	– 103,760	– 186,902
0	990	990	990	0	990
– 4,792	**317,735**	**– 132,861**	**– 105,763**	**– 103,760**	**389,785**

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

Figures in € thousands

	1-Apr-2011 to 30-Sep-2011	1-Apr-2012 to 30-Sep-2012
Consolidated net loss	–65,619	–103,760
Depreciation and amortization, write-downs and reversals [1]	48,726	43,176
Change in pension provisions	8,146	10,968
Change in deferred tax assets/deferred tax liabilities/tax provisions	–3,955	–10,038
Result from disposals [1]	–680	161
Cash flow	–13,382	**–59,493**
Change in inventories	–103,972	–66,802
Change in sales financing	18,669	24,879
Change in trade receivables/payables	109,375	21,063
Change in other provisions	–29,911	–23,165
Change in other items of the statement of financial position	24,130	20,725
Other operating changes	18,291	**–23,300**
Cash used in/generated by operating activities	4,909	**–82,793**
Intangible assets/property, plant, and equipment/investment property		
Investments	–31,280	–42,311
Income from disposals	15,217	10,222
Financial assets/business acquisitions		
Investments	–7,467	–294
Income from disposals	48	0
Cash used in investing activities	–23,482	**–32,383**
Change in financial liabilities	29,042	41,528
Cash generated by financing activities	29,042	**41,528**
Net change in cash and cash equivalents	10,469	**–73,648**
Cash and cash equivalents at the beginning of the reporting period	147,934	**194,556**
Currency adjustments	4,504	3,176
Net change in cash and cash equivalents	10,469	–73,648
Cash and cash equivalents at the end of the reporting period	162,907	**124,084**

Cash generated by/used in operating activities	4,909	–82,793
Cash used in investing activities	–23,482	–32,383
Free cash flow	–18,573	**–115,176**

[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 September 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 financial year 2011/2012. 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) has issued the following amendments to an existing standard, which are to be applied for the first time in financial year 2012/2013:

Standard	Publication by the IASB/IFRS IC	Date of adoption [1]	Published in Official Journal of the EU	Expected effects
Amendments to standards				
Amendment to IFRS 7: Financial Instruments: Disclosures – Transfers of Financial Assets	7-Oct-2010	1-Jul-2011	23-Nov-2011	> No significant effects

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

The IASB and the IFRS Interpretations Committee (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: 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
- Amendments to IFRS 10, IFRS 12, and IAS 27: Investment Entities
- 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.

In line with the mandatory adoption of IAS 19 (2011) (Amendments to IAS 19: Employee Benefits) in financial year 2013/2014, the return on plan assets is no longer offset against staff costs at individual entity level up to the amount of the expenses for pension claims. As a consequence, in future – ceteris paribus – the result of operating activities will decrease and the financial result will increase. The future substitution of the concept of an expected return on plan assets by the so-called net interest approach as well as the modification of the recognition of top-up payments in line with partial retirement agreements have an impact on the currently appropriate quantification of the effects. For further explanations, please refer to the chapter Future Prospects in the interim consolidated management report.

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.

The present interim financial report was neither audited according to Section 317 HGB (German Commercial Code) nor revised by the auditor.

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-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Reversal of other provisions/deferred liabilities	16,553	15,308
Recoveries on loans and other assets previously written down	11,233	6,975
Income from operating facilities	5,744	6,798
Hedging/exchange rate gains	7,919	2,769
Income from disposals of intangible assets, property, plant, and equipment and investment property	1,349	344
Other income	12,316	8,987
	55,114	**41,181**

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 € 1,120 thousand (April 1, 2011 to September 30, 2011: € 1,214 thousand); the interest income from sales financing of € 6,069 thousand (April 1, 2011 to September 30, 2011: € 8,461 thousand) is reported in sales.

5 OTHER OPERATING EXPENSES

	1-Apr-2011 to 30-Sep-2011	1-Apr-2012 to 30-Sep-2012
Other deliveries and services not included in the cost of materials	55,125	63,782
Special direct sales expenses including freight charges	56,437	51,725
Rent and leases	31,410	32,844
Travel expenses	21,224	22,030
Additions to provisions and accruals relating to several types of expense	5,059	15,272
Bad debt allowances and impairment on other assets	12,023	8,234
Insurance expense	6,425	6,130
Hedging/exchange rate losses	10,864	4,548
Costs of car fleet (excluding leases)	4,076	3,991
Other overheads	43,692	51,870
	246,335	**260,426**

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 € 21,940 thousand (April 1, 2011 to September 30, 2011: income of € 3,276 thousand) mainly result from staff-related outlays in connection with our Focus 2012 efficiency program.

7 FINANCIAL INCOME

	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Interest and similar income	7,499	8,428
Income from financial assets/loans/securities	2,430	4,599
	9,929	**13,027**

8 FINANCIAL EXPENSES

	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Interest and similar expenses	50,446	48,705
Expenses for financial assets/loans/securities	1,648	960
	52,094	**49,665**

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 September 30, 2011: 233,693,184). The weighted number of shares outstanding was influenced by the holdings of treasury shares. As of September 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 September 30, 2012, there were additions to intangible assets of € 4,845 thousand (April 1, 2011 to September 30, 2011: € 2,012 thousand) and to property, plant, and equipment of € 38,725 thousand (April 1, 2011 to September 30, 2011: € 32,323 thousand). In the same period, the carrying amount of disposals from intangible assets was € 31 thousand (April 1, 2011 to September 30, 2011: € 1 thousand) and € 10,351 thousand (April 1, 2011 to September 30, 2011: € 14,536 thousand) for property, plant, and equipment.

11
INVENTORIES

Inventories include raw materials and supplies totaling € 123,128 thousand (March 31, 2012: € 121,925 thousand), work and services in progress amounting to € 368,459 thousand (March 31, 2012: € 334,796 thousand), finished goods and goods for resale of € 363,826 thousand (March 31, 2012: € 325,264 thousand), and advance payments of € 3,085 thousand (March 31, 2012: € 3,741 thousand).

12
OTHER RECEIVABLES AND OTHER ASSETS, INVENTORIES

The Other receivables and other assets item includes receivables from derivative financial instruments of € 11,155 thousand (March 31, 2012: € 15,801 thousand) and prepaid expenses of € 23,113 thousand (March 31, 2012: € 17,597 thousand).

13
CASH AND CASH EQUIVALENTS

Restrictions on disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 51,059 thousand (March 31, 2012: € 63,644 thousand).

14
EQUITY

As at March 31, 2012, the Company still held 142,919 treasury shares on September 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.

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.

There were significant changes compared to March 31, 2012 as a result of the resolutions of the Annual General Meeting of July 26, 2012.

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 was entered in the commercial register on August 13, 2012. Additionally, the Annual General Meeting decided to cancel existing contingent capital (Contingent Capital 2008/I, Contingent Capital 2008/II, and Contingent Capital 2006).

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 took effect only upon entry of the amendment to the Articles of Association in the commercial register; the entry was registered on August 13, 2012/August 24, 2012. 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

The determination of the discount rate, based on Bloomberg data for the first time, and the adjustment of the expected pension increase, resulted in an overall reduction of actuarial losses at domestic affiliates by € 64,231 thousand as of September 30, 2012. In this respect, a discount rate of 3.75 percent (March 2012: 4.50 percent), which without adjustment would have been 0.25 percentage points lower, and an expected pension increase of 1.75 percent (March 31, 2012: 2.00 percent) were applied.

16 OTHER PROVISIONS

Other provisions relate to tax provisions of € 105,519 thousand (March 31, 2012: € 117,953 thousand) and other provisions of € 472,037 thousand (March 31, 2012: € 488,996 thousand). Other provisions include staff obligations of € 90,888 thousand (March 31, 2012: € 105,756 thousand), sales obligations of € 122,262 thousand (March 31, 2012: € 127,803 thousand), and miscellaneous other provisions of € 258,887 thousand (March 31, 2012: € 255,437 thousand). The latter include provisions in connection with our Focus 2012 efficiency program.

17 FINANCIAL LIABILITIES

	31-Mar-2012			30-Sep-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	12,966	292,024	304,990
Amounts due to banks	15,276	41,103	56,379	63,519	37,892	101,411
From finance leases	1,955	6,790	8,745	2,018	6,826	8,844
Other	18,362		18,362	15,916	0	15,916
	98,559	339,137	437,696	144,419	336,742	**481,161**

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 credit line was reduced 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 € 97,149 thousand (March 31, 2012: € 66,145 thousand), liabilities from derivative financial instruments of € 19,812 thousand (March 31, 2012: € 17,826 thousand), and deferred income of € 64,591 thousand (March 31, 2012: € 68,155 thousand).

19 CONTINGENT LIABILITIES AND OTHER FINANCIAL LIABILITIES

As of September 30, 2012, the contingent liabilities for warranties and guarantees amounted to € 4,072 thousand (March 31, 2012: € 4,729 thousand).

The other financial liabilities amounted to € 306,333 thousand as of September 30, 2012 (March 31, 2012: € 299,965 thousand). Of this amount, € 251,690 thousand (March 31, 2012: € 245,046 thousand) related to lease and rental obligations and € 54,643 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 SEPTEMBER 30, 2012:

	Heidelberg Equipment		Heidelberg Services		Heidelberg Financial Services		**Heidelberg Group**	
	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
External sales	673,548	668,674	498,393	542,572	8,461	6,069	1,180,402	1,217,315
Result of operating activities (segment result)	– 57,416	– 108,070	26,263	24,542	7,303	4,407	– 23,850	– 79,121
Investments	27,674	36,943	6,649	6,625	13	2	34,336	43,570

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

	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Result of operating activities (segment result)	–23,850	–79,121
Financial result	–42,165	–36,638
Income before taxes	–66,015	**–115,759**

External sales relate to the different regions as follows:

	1-Apr-2011 to 30-Sep-2011	**1-Apr-2012 to 30-Sep-2012**
Europe, Middle East and Africa		
Germany	181,254	183,712
Other Europe, Middle East and Africa regions	256,435	251,985
	437,689	**435,697**
Asia/Pacific		
China	215,227	214,475
Other Asia/Pacific regions	183,386	210,994
	398,613	**425,469**
Eastern Europe	129,727	**141,587**
North America	148,900	**156,768**
South America	65,473	**57,794**
	1,180,402	**1,217,315**

21 SUPERVISORY BOARD/ MANAGEMENT BOARD

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

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 € 6,929 thousand (March 31, 2012: € 9,502 thousand), receivables of € 17,316 thousand (March 31, 2012: € 17,872 thousand), expenses of € 9,280 thousand (April 1, 2011 to September 30, 2011: € 8,010 thousand) and income of € 6,921 thousand (April 1, 2011 to September 30, 2011: € 8,490 thousand), which essentially comprises sales. All transactions were again conducted as at arm’s length and did not differ from trade relationships with other companies.

Members of the Supervisory Board received a remuneration of € 264 thousand from Heidelberger Druckmaschinen Aktiengesellschaft in line with services rendered under consulting, service, and employment contracts in the reporting period (April 1, 2011 to September 30, 2011: € 676 thousand).

23 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

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

Heidelberg, November 7, 2012

HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
The Management Board

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Heidelberg, November 7, 2012

HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
The Management Board

Dr. Gerold Linzbach

Dirk Kaliebe

Marcel Kiessling

Stephan Plenz

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
– through August 31, 2012 –

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

Dr. Gerold Linzbach
Chief Executive Officer and
Chief Human Resources Officer
– since September 1, 2012 –

Bernhard Schreier
Chief Executive Officer and
Chief Human Resources Officer
– through August 31, 2012 –

Dirk Kaliebe

Marcel Kiessling

Stephan Plenz

FINANCIAL CALENDAR 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

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