This is what we want.

Heidelberger Druckmaschinen AG, July 24, 2014

Annual General Meeting for FY 2013/2014

Translation for convenience
We have achieved much.

We have re-entered the profit zone.
...after five years of losses we have succeeded in getting back into the black

€4,000,000 Net result after taxes
€143,000,000 EBITDA
€2,434,000,000 Sales
Profitable despite difficult underlying conditions

- Unfavorable foreign currency conversion into Euro
- Restrained investment activity in countries with weak currencies
- Drop in sales affecting primarily new machine sales
  (Equipment down from €1.7b to €1.5b)
- Service operations stable after adjustment for exchange rate movements
  (Services at approx. €1.0b in sales)
Target achieved
For the first time in five years net profit achieved

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Thanks to operating performance and asset management, cash flow and free cash flow are positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>€143 million</td>
<td>The operating margin has doubled from around 3 percent to almost 6 percent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leverage 1.7</th>
<th>Share price up 36 percent since the last Annual General Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset and net working capital management reduce debt and improve operating profitability at the same time</td>
<td></td>
</tr>
</tbody>
</table>
We want to achieve more!

In the next step, we want to achieve sustainable profitability.
Managing a **dynamic portfolio** as a basis for sustainable profitability

Utilizing our own achievable market potential

**Resources:**
- R&D
- CapEX
- Personnel

- **Growth products**
- **State-of-the-art products**
- **Fully developed products**

- **Selective development, safeguarding access**
- **In-house development or joint venture**
- **Reducing expenditure to a minimum**
## Digital
Focus: Utilizing medium-term growth potential

### Targets:
- Develop new, needs-based products
- Strengthen the business area through partnerships
VANISHING CREME
Hydra intensive

dневной крем
Гидро-интенсивный
Sheetfed offset
Focus: Continuously improving profitability in the core business

Targets:
• Optimize the product and price mix
• Maximize efficiency and flexibility
Escada folding carton:

- Sheetfed offset press
- Speedmaster XL 106-9+L UV with Foilstar
- 15,000 sheets/hour
- **Customized machine** from Wiesloch, Germany, for high-finish print products
Bicycle and fashion brochure:

- Sheetfed offset press
- 4-color Speedmaster CD 102
- 15,000 sheets/hour
- **Standard machine** from Qingpu, China, for four-color jobs
Service/consumables

Focus: Leveraging growth potential in the short term

Targets:
- Establish innovative business models
- Make better use of the world’s largest service and logistics network
24/7/365
Interplay

Press
UV dryer
UV ink
### Fully developed products
Focus: Generating cash for financing growth

<table>
<thead>
<tr>
<th>Targets:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reduce losses quickly</td>
</tr>
<tr>
<td>• Invest less, earn more, and stay flexible</td>
</tr>
</tbody>
</table>
Our balanced target portfolio forms the basis for sustainable profitability.
CHANCE
“Dual focus” means Offset and digital printing Continuity and change Leveraging our strengths with strong partners Machine and man Art and commerce
Heidelberg strives to always remain the most trusted partner for tomorrow’s graphics industry. The depth of our customer knowledge enables our customers:

- Economic investment
- Efficient and reliable operations
- Smart access to all application-enabling materials

The success of our customers is the foundation of our success.
Our benchmarks

We want to increase our **EBITDA margin** to at least **8 percent**

We want to continuously increase **the company’s value**.

We want to return to **dividend distribution** in the medium term