HEIDELBERG

Q1

Now!

Interim Financial Report
First Quarter
2015/2016

INTERIM FINANCIAL REPORT Q1 2015/2016

- Sales of € 563 million in Q1
- Incoming orders of € 703 million
- EBITDA excluding special items up from € 6 million to € 46 million
- Result of operating activities excluding special items (EBIT) improved from € – 11 million to € 28 million

Key performance data

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Incoming orders	588	703
Net sales	435	563
EBITDA [1]	6	46
in percent of sales	1.4	8.2
Result of operating activities [2]	– 11	28
Net result after taxes	– 34	– 4
in percent of sales	– 7.8	– 0.7
Research and development costs	31	30
Investments	11	12
Equity	295	337
Net debt [3]	297	277
Free cash flow	– 66	– 35
Earnings per share in €	– 0.15	– 0.02
Number of employees at end of quarter (excluding trainees)	12,454	11,865

[1] Result of operating activities before interest and taxes and before depreciation and amortization, excluding special items
[2] Excluding special items
[3] Net total of financial liabilities and cash and cash equivalents and current securities

In individual cases, rounding could result in discrepancies concerning the totals and percentages contained in this interim financial report.

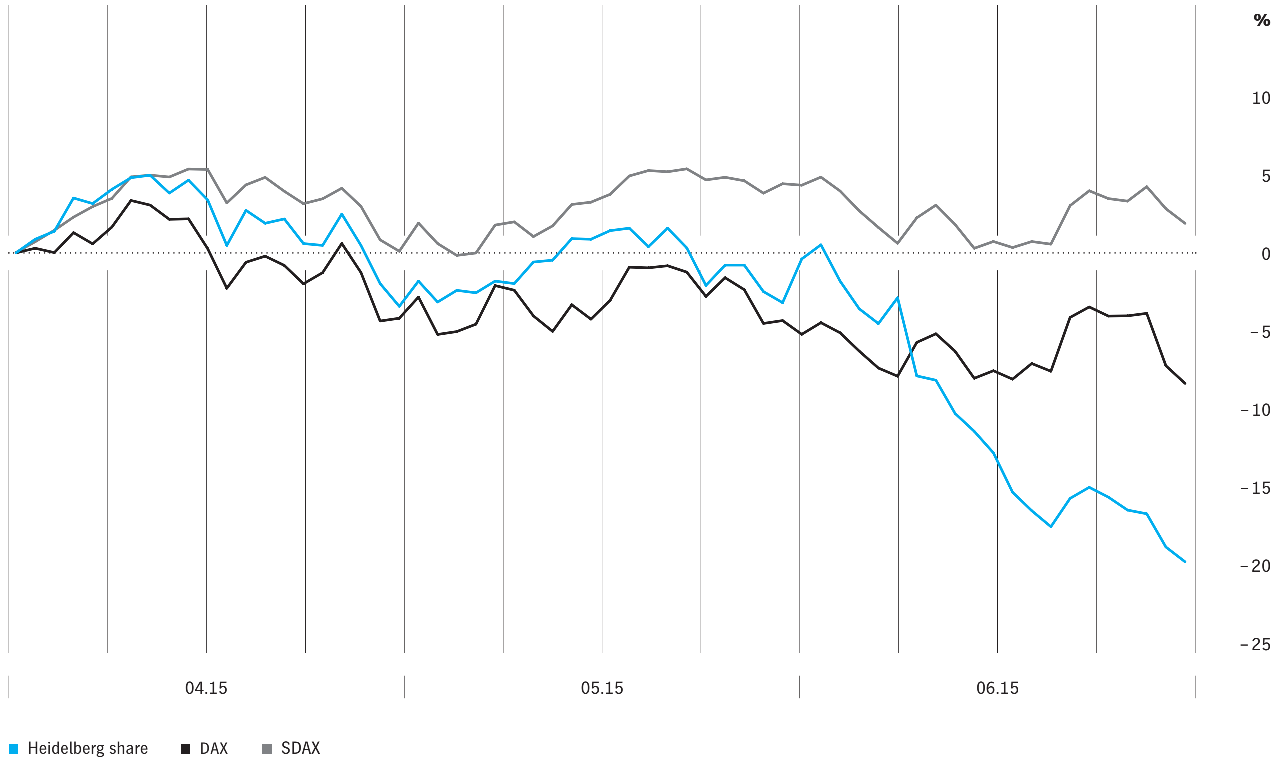
Interim consolidated financial report

Q1 2015/2016

Heidelberg on the capital markets

Performance of the Heidelberg share

Compared to the DAX and the SDAX (index: April 1, 2015 = 0 percent)



The Heidelberg share and the Heidelberg bonds

In the first quarter of the 2015/2016 financial year, the HEIDELBERG SHARE could not detach itself from the development of the DAX and closed the quarter at € 1.99 after a high of € 2.67 on April 10. The HEIDELBERG CONVERTIBLE BONDS saw a similar development in the first quarter of the 2015/2016 financial year and closed the period down on their price at the start of the quarter. The HEIDELBERG CORPORATE BONDS were traded almost continuously at over 100 percent.

German benchmark index DAX weak at end of quarter

After starting the quarter at over 12,000 points and reaching an all-time high of 12,391 points on April 10, the further development of the German benchmark index DAX was negatively impacted in particular by the Greece crisis, causing it to fall to 10,945 points as of the end of trading on June 30, 2015, down almost 9 percent on its level at the start of the quarter. The continuing crisis in Ukraine and the sanctions in Russia, as well as slower growth and turbulence on the Chinese market, also led to uncertainty among capital market participants.

Key performance data of the Heidelberg share

Figures in € ISIN: DE 0007314007	Q1 2014/2015	**Q1 2015/2016**
High	2.82	2.62
Low	2.21	1.99
Price at beginning of quarter [1]	2.41	2.51
Price at end of quarter [1]	2.67	1.99
Market capitalization at end of quarter in € millions	626	512
Outstanding shares in thousands (reporting date)	234,438	257,438

Key performance data of the Heidelberg 2011 corporate bond [2]

Figures in percent RegS ISIN: DE 000A1KQ1E2	Q1 2014/2015	**Q1 2015/2016**
Nominal volume in € millions	355.0	114.5
High	107.8	105.2
Low	105.5	103.9
Price at beginning of quarter [3]	106.1	104.6
Price at end of quarter [3]	107.6	104.7

Key performance data of the Heidelberg 2015 corporate bond [4]

Figures in percent RegS ISIN: DE 000A14J7A9	Q1 2014/2015	**Q1 2015/2016**
Nominal volume in € millions	–	205.4
High	–	105.6
Low	–	98.3
Price at beginning of quarter [3] [4]	–	98.4
Price at end of quarter [3]	–	103.4

Key performance data of the Heidelberg 2013 convertible bond

Figures in percent ISIN: DE 000A1X25N0	Q1 2014/2015	**Q1 2015/2016**
Nominal volume in € millions	60.0	60.0
High	129.7	119.7
Low	115.9	105.5
Price at beginning of quarter [3]	119.2	117.8
Price at end of quarter [3]	126.6	105.5

Key performance data of the Heidelberg 2015 convertible bond [5]

Figures in percent ISIN: DE 000A14KEZ4	Q1 2014/2015	**Q1 2015/2016**
Nominal volume in € millions	–	58.6
High	–	107.2
Low	–	95.1
Price at beginning of quarter [3]	–	104.5
Price at end of quarter [3]	–	95.1

[1] Xetra closing price, source: Bloomberg
[2] Partial repayments were made on April 30, 2015 and May 15, 2015
[3] Closing price, source: Bloomberg
[4] Placement on May 5, 2015
[5] Placement on March 30, 2015

ECONOMIC REPORT

Macroeconomic and industry-specific conditions

The global economy remains susceptible to disruption from geopolitical developments or turbulence on the financial markets. In the first two calendar quarters, the pace of economic growth slowed both in advanced economies, which posted growth of 1.8 percent, and in emerging economies with an increase of 3.7 percent. The Chinese government is thus expected to redouble its efforts to stabilize the economy in order to meet its growth target of around 7 percent in the current year. In this context, the recent massive slump in Chinese share prices represents an additional economic risk.

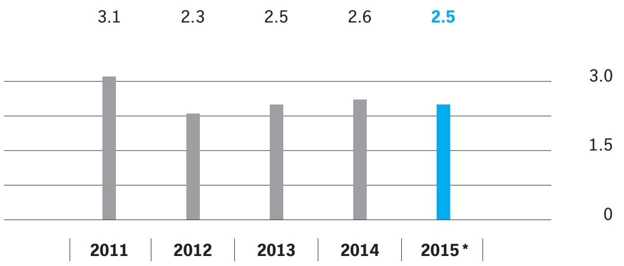
The US economy expanded further at a moderate rate of 2.6 percent in the first six months, thus overcoming its stagnation in the first three months of 2015. By contrast, economic sentiment in the euro zone has worsened since May. This is due to continuing uncertainty with regard to the situation in Greece, renewed uncertainty as to Spain's political future, and the conflict with Russia. However, the fundamental recovery process remains stable, supported by global growth, the depreciation of the euro and lower energy prices.

Following a brief recovery phase, the euro lost value again in relation to the US dollar in the context of escalation of the Greece crisis, falling from 1.13 EUR/USD to 1.10 EUR/USD. The Japanese yen has depreciated by around 35 percent against the euro since the new direction in economic policy was taken.

Owing to the high level of uncertainty with regard to the economic prospects, statistics published by the German Engineering Federation (VDMA) indicate that sales of printing presses by German manufacturers declined by 15 percent year-on-year in the period from January to May 2015. However, a 6 percent increase in incoming orders was recorded for the same period.

Change in global GDP [1)]

Figures in percent



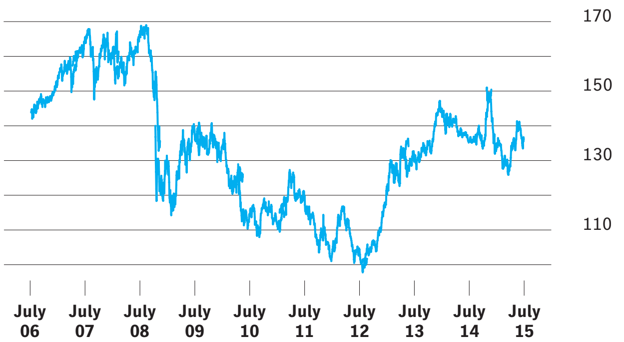
* Forecast
1) Data determined in accordance with the straight aggregate method

The chain-weighted method would deliver the following results:
2011: 3.1 %; 2012: 2.6 %; 2013: 2.6 %; 2014: 2.8 %; 2015: 2.6 %

Source: Global Insight (WMM); calendar year; as of June 2015

Development of EUR / JPY

July 2006 until July 2015



Source: Global Insight

Development of EUR / USD

July 2006 until July 2015

Source: Global Insight

Business development

The Heidelberg Group made a good start to the 2015/2016 financial year, with the Company's strategic reorientation bearing fruit in the first quarter of the year under review. Incoming orders and sales in the first quarter of the 2015/2016 financial year were positively influenced by the additional volume arising from the acquisition of the Printing Systems Group (PSG), amounting to around € 23 million in incoming orders and around € 40 million in sales, and by the Print China trade show. There was also a positive impact from exchange rate effects in the amount of approximately € 55 million in incoming orders and around € 40 million in sales.

At € 703 million, INCOMING ORDERS were considerably higher than in the same quarter of the previous year (€ 588 million), while SALES of € 563 million also exceeded the previous year's level (€ 435 million). TOTAL OPERATING PERFORMANCE amounted to € 602 million in the first quarter (previous year: € 530 million). As a result of the good order situation, the Heidelberg Group's ORDER BACKLOG as of June 30, 2015 increased by € 136 million compared with March 31, 2015 to € 638 million (previous year: € 542 million).

Business performance by quarter

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Incoming orders	588	703
Sales	435	563

Results of operations, net assets and financial position

As expected, both EBITDA and EBIT saw growth compared with the same period of the previous year. The result of operating activities excluding special items and before interest, taxes, depreciation and amortization (EBITDA) in the amount of € 46 million (previous year: € 6 million) also includes a positive effect of around € 19 million from the reversal in profit or loss of the negative difference from the first-time consolidation of the acquired PSG. This compensated for the special items in the amount of € – 15 million incurred in the quarter under review, which primarily resulted from subsequent expenses for partial retirement regulations agreed in the past financial year. The result of operating activities excluding special items (EBIT) thus improved from € – 11 million in the first quarter of the 2014/2015 financial year to € 28 million in the quarter under review; including special items, it amounted to € 13 million. At € – 14 million, the FINANCIAL RESULT was slightly better than in the same quarter of the previous year (€ – 17 million). The NET RESULT BEFORE TAXES was close to the break-even point at € – 1 million (previous year: € – 28 million), while the NET RESULT AFTER TAXES amounted to € – 4 million (previous year: € – 34 million).

Income statement

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Net sales	435	563
Change in inventories/other own work capitalized	95	39
Total operating performance	530	602
EBITDA excluding special items	6	46
Result of operating activities excluding special items	– 11	28
Special items	0	– 15
Financial result	– 17	– 14
Net result before taxes	– 28	– 1
Taxes on income	6	3
Net result after taxes	– 34	– 4

Despite the first-time consolidation of PSG, TOTAL ASSETS declined as expected by € 20 million compared with March 31, 2015 to € 2,273 million as of June 30, 2015 due to a partial repayment of the 2011 corporate bond and thus lower financial liabilities. At € 12 million, INVESTMENTS in property, plant and equipment and intangible assets were largely unchanged compared with the same period of the previous year (€ 11 million).

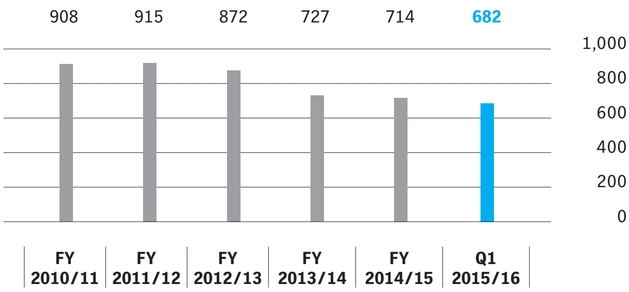
On the **ASSETS SIDE**, the Company's **INVENTORIES** increased to € 683 million compared with March 31, 2015 (€ 637 million); this was in line with expectations and serves to cover the higher sales volumes that are anticipated in the coming quarters. **NET WORKING CAPITAL** was reduced by a further € 32 million to € 682 million between the financial year-end at March 31, 2015 and June 30, 2015, thanks to systematic asset and net working capital management. In the quarter under review, our customers' financing requirements were covered largely externally with active mediation of the Heidelberg Financial Services segment; as a result, we provided customer financing directly to a limited extent only. **RECEIVABLES FROM SALES FINANCING** declined to € 77 million due to the repayments received and refinancing on the part of customers.

Assets

Figures in € millions	31-Mar-2015	30-Jun-2015
Non-current assets	735	748
Inventories	637	683
Trade receivables	335	329
Receivables from sales financing	82	77
Other assets	218	236
Current securities and cash and cash equivalents	286	200
	2,293	2,273

Development of net working capital [1]

Figures in € millions



[1] The total of inventories and trade receivables less trade payables and advance payments

On the **EQUITY AND LIABILITIES SIDE**, the Heidelberg Group's **EQUITY** rose to € 337 million as of June 30, 2015 in comparison to the end of the financial year on March 31, 2015. This was primarily attributable to the increase in the domestic pension discount rate from 1.7 percent to 2.7 percent. The equity ratio thus increased to 14.8 percent at the end of the reporting period. Pension provisions accordingly recorded a significant decline from € 605 million to € 462 million, causing total **PROVISIONS** to fall to € 866 million. As a result of the higher level of inventories, **TRADE PAYABLES** increased compared with the end of the financial year, amounting to € 207 million as of June 30, 2015. **NET DEBT** increased slightly to € 277 million in the quarter under review (March 31, 2015: € 256 million), but remains at a low level. Consequently, **LEVERAGE** (the ratio of net debt to EBITDA excluding special items for the last four quarters) was maintained at below the target level of 2. At € 477 million, **FINANCIAL LIABILITIES** in the quarter under review were down slightly compared to the same quarter of the previous year (€ 490 million) and considerably lower than on March 31, 2015 (€ 542 million).

Equity and liabilities

Figures in € millions	31-Mar-2015	30-Jun-2015
Equity	183	337
Provisions	1,055	866
Financial liabilities	542	477
Trade payables	171	207
Other equity and liabilities	342	386
	2,293	2,273

Overview of net assets

Figures in € millions	31-Mar-2015	30-Jun-2015
Total assets	2,293	2,273
Net working capital	714	682
in percent of sales [1]	30.6	27.9
Equity	183	337
in percent of total equity and liabilities	8.0	14.8
Net debt [2]	256	277

[1] Net working capital in relation to sales for the last four quarters
[2] Net total of financial liabilities and cash and cash equivalents and current securities

The three pillars of our financing portfolio – corporate bonds, the syndicated credit line and other instruments such as convertible bonds – are well-balanced. Heidelberg currently has total credit facilities of around € 750 million with balanced diversification and a balanced maturity structure until 2022. Net debt currently amounting to € 277 million is financed by basic funding until 2022.

We supplement our financing with operating leases where economically appropriate. Other off-balance-sheet financing instruments do not have any significant influence on the economic position of the Group. Heidelberg continues to have stable liquidity. Our financial framework thus represents a solid foundation for the Company's continued strategic reorientation.

Primarily due to payments of around € 8 million net in relation to the acquisition of PSG and of around € 9 million in relation to portfolio optimization measures, FREE CASH FLOW after the first quarter of the 2015/2016 financial year amounted to € – 35 million (previous year: € – 66 million). The year-on-year improvement in the net loss for the quarter led to an improvement in CASH FLOW to € 14 million in the quarter under review after € – 11 million in the same period of the previous year. A net cash outflow of € – 32 million (previous year: € – 48 million) was reported in OTHER OPERATING CHANGES in the first quarter of the 2015/2016 financial year. At € – 17 million, mainly as a result of the PSG acquisition, CASH USED IN INVESTING ACTIVITIES was higher than in the same quarter of the previous year (€ – 7 million).

Statement of cash flows of the Heidelberg Group

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Income after taxes	– 34	– 4
Cash flow	– 11	14
Other operating changes	– 48	– 32
of which: net working capital	19	62
of which: receivables from sales financing	4	4
of which: other	– 70	– 98
Cash used in investing activities	– 7	– 17
Free cash flow	– 66	– 35
in percent of sales	– 15.2	– 6.2

Segment report

The realignment of the postpress business area in the past financial year involved a shift in our focus from in-house production to sales and marketing and service. The postpress business areas (postpress commercial and postpress packaging) have therefore been allocated to the Heidelberg Services segment since April 1, 2015. The figures for the 2014/2015 financial year were restated accordingly.

Sales in the HEIDELBERG EQUIPMENT segment climbed from € 195 million in the first quarter of the previous year to € 277 million in the first quarter of the 2015/2016 financial year. The segment accounted for around 50 percent of consolidated sales. The order backlog rose to € 548 million as of June 30, 2015. A significant increase in the result of operating activities excluding special items and before interest, taxes, depreciation and amortization (EBITDA) to € 8 million was achieved (previous year: € – 6 million), reflecting , among others, the effects of the portfolio optimization measures implemented. There was also a positive impact from the pro rata reversal in profit or loss of the negative difference from the first-time consolidation of PSG. Including the newly consolidated companies, the Heidelberg Services segment had a total of 7,368 employees as of June 30, 2015. On a year-on-year basis, the number of employees fell by 411.

Heidelberg Equipment [1]

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Incoming orders	327	403
Sales	195	277
Order backlog	459	548
EBITDA [2]	– 6	8
Result of operating activities [2]	– 19	– 4
Employees [3]	7,779	7,368

[1] Since April 1, 2015, the postpress business areas (postpress commercial and postpress packaging) have been allocated to the Heidelberg Services segment. The figures for the 2014/2015 financial year were restated.
[2] Excluding special items
[3] At end of quarter (excluding trainees)

With increased segment sales of € 284 million (previous year: € 238 million), the HEIDELBERG SERVICES segment also generated an improvement in its result of operating activities excluding special items and before interest, taxes, depreciation and amortization (EBITDA), which rose to € 36 million in the quarter under review, after € 11 million in the same quarter of the previous year. Here, too, there was a positive impact from the portfolio measures implemented and the pro rata reversal in profit or loss of the negative difference from the first-time consolidation of PSG. The share of sales attributable to the segment was approximately 50 percent. The Heidelberg Services segment had a total of 4,455 employees as of June 30, 2015.

Heidelberg Services [1]

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Incoming orders	259	298
Sales	238	284
Order backlog	83	90
EBITDA [2]	11	36
Result of operating activities [2]	7	31
Employees [3]	4,632	4,455

[1] Since April 1, 2015, the postpress business areas (postpress commercial and postpress packaging) have been allocated to the Heidelberg Services segment. The figures for the 2014/2015 financial year were restated.
[2] Excluding special items
[3] At end of quarter (excluding trainees)

Our strategy of primarily mediating customer financing to our external partners is accompanied by a reduction in the volume directly financed by us. Receivables from sales financing declined by € 11 million compared with the previous year to € 77 million as of June 30, 2015. The result of operating activities excluding special items and before interest, taxes, depreciation and amortization (EBITDA) in the HEIDELBERG FINANCIAL SERVICES segment was unchanged year-on-year at € 1 million.

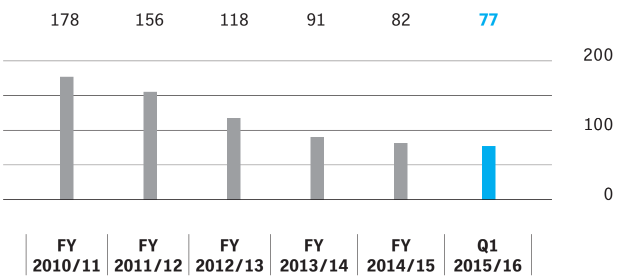
Heidelberg Financial Services

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
Sales	2	2
EBITDA [1]	1	1
Result of operating activities [1]	1	1
Employees [2]	43	42

[1] Excluding special items
[2] At end of quarter (excluding trainees)

Receivables from sales financing

Figures in € millions

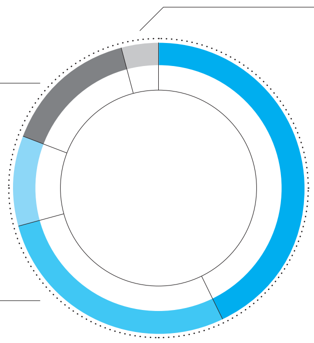


Report on the regions

In the first quarter of the 2015/2016 financial year, the EMEA (Europe, Middle East and Africa) region significantly increased both its incoming orders (€ 274 million; previous year: € 230 million) and its sales (€ 244 million; previous year: € 173 million). The British and Italian markets made particularly strong contributions to this growth. The ASIA/PACIFIC region also surpassed the previous year's figures, with incoming orders climbing by more than 40 percent to € 237 million, while sales were up a good 20 percent year-on-year at € 155 million. Incoming orders in the quarter under review were positively influenced by the Print China trade show and by exchange rate effects. Japan also posted an increase in incoming orders and sales. As expected, EASTERN EUROPE recorded a decline in incoming orders to € 58 million after € 74 million in the same quarter of the previous year. This was due to the effects of the crisis in Ukraine, including on neighboring countries such as Russia. Sales were up slightly at € 58 million (previous year: € 52 million). The NORTH AMERICA region posted a year-on-year increase in incoming orders, which amounted to € 102 million after € 92 million in the same quarter of the previous year, while sales climbed to € 84 million in the quarter under review after € 62 million in the same quarter of the previous year. Both figures were also positively affected by exchange rate effects. The SOUTH AMERICA region recorded a substantial increase in incoming orders from € 23 million in the same quarter of the previous year to € 32 million in the first quarter of the 2015/2016 financial year, whereas for sales there was a more modest improvement from € 20 million to € 23 million in the quarter under review. The increase in both of these figures was primarily attributable to smaller markets in the region.

Sales by region

Share of Heidelberg Group sales (in parentheses: previous year)



Incoming orders by region

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
EMEA	230	274
Asia/Pacific	169	237
Eastern Europe	74	58
North America	92	102
South America	23	32
Heidelberg Group	**588**	**703**

Sales by region

Figures in € millions	Q1 2014/2015	**Q1 2015/2016**
EMEA	173	244
Asia/Pacific	128	155
Eastern Europe	52	58
North America	62	84
South America	20	23
Heidelberg Group	**435**	**563**

Employees

In the first quarter of the 2015/2016 financial year, the number of employees in the Heidelberg Group declined, largely as a result of the portfolio optimization measures and including the additional employees as a result of the acquisition of PSG (384 people). As of June 30, 2015, the Heidelberg Group had a total of 11,865 employees (excluding 426 trainees), 86 fewer than on March 31, 2015. The number of employees decreased by 589 compared with one year previously (June 30, 2014: 12,454 employees).

Employees by region

Number of employees [1]	31-Mar-2015	**30-Jun-2015**
EMEA	8,601	8,540
Asia/Pacific	1,936	1,912
Eastern Europe	504	500
North America	738	744
South America	172	169
Heidelberg Group	**11,951**	**11,865**

[1] Excluding trainees

Risk and opportunity report

In the first quarter of the 2015/2016 financial year, there were no material changes in the assessment of the risks and opportunities of the Heidelberg Group compared with the presentation in the 2014/2015 Annual Report. The economic uncertainty resulting from the euro zone and sovereign debt crisis remains in place; the situation in Greece in particular is still tense and possible effects on Europe as a whole are difficult to estimate at present. We also continue to see a source of uncertainty in the political and economic developments in Russia and Ukraine. Our assessment of the risks and opportunities in China remains unchanged. Risks and opportunities still arise from changes in the discount rates for pension obligations with corresponding negative or positive effects on equity.

No risks that could jeopardize the Heidelberg Group's continued existence, either individually or together with other risk factors, are discernible at present or for the foreseeable future.

Future prospects

The development of global printing volumes is assumed to be stable and is expected to increase moving ahead thanks to the growth in the emerging nations, although media consumption and structural changes within the printing industry will continue to change in the industrialized nations. However, the investment behavior of the majority of our customers is also influenced by country-specific and general economic developments. The effects on the Heidelberg Equipment segment are generally considerably more pronounced and more direct than on the Heidelberg Services segment, which is less cyclical in nature. Owing to the economic risks and the ongoing consolidation of print shops in some industrialized nations, we are not anticipating an increase in the market volume for new sheetfed offset presses in the coming years and have adjusted our structures accordingly. At the same time, we have geared our portfolio towards profitability and further expanded the growth areas Services and Digital in the past financial year.

Outlook: Aiming to achieve an EBITDA margin of no less than 8 percent in financial year 2015/2016

In this context, we are aiming for SALES GROWTH of 2 to 4 percent in the current 2015/2016 financial year, which is now adjusted for expected positive exchange rate effects. As in the previous year, the share of sales is expected to be higher in the second half of the financial year than in the first half. Assuming that the initiatives to increase margins and optimize the portfolio take effect in the current financial year, we are anticipating an operating margin on EBITDA of at least 8 percent of sales, now adjusted for exchange rate effects, in the 2015/2016 financial year. The Heidelberg Equipment segment is expected to contribute within a range of 4 to 6 percent to this result and the Heidelberg Services segment 9 to 11 percent. In the Heidelberg Financial Services segment, we will continue to primarily externalize customer financing. The segment should continue to provide a positive EBITDA contribution. The planned earnings improvements together with the measures aimed at the reduction and efficient utilization of our capital commitment are intended to strengthen our capital structure and keep our net debt at a low level that sustainably does not exceed twice the result of operating activities before interest, taxes, depreciation and amortization excluding special items (EBITDA) (LEVERAGE).

Supplementary report

In July 2015, the early extension of the revolving credit facility with a future volume of € 250 million to the end of June 2019 was agreed with a consortium of banks.

As of July 14, 2015, the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft appointed CFO Dirk Kaliebe as Deputy Chairman of the Company's Management Board, since the recovery of the Chairman of the Management Board, Dr. Gerold Linzbach, is likely to be delayed longer than expected. In his new function, Dirk Kaliebe will take the chair of the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft as well as the tasks of the Chief Human Resources Officer until the return of Dr. Gerold Linzbach.

Interim consolidated financial statements

for the period April 1, 2015 to June 30, 2015

Interim consolidated income statement – April 1, 2015 to June 30, 2015

Figures in € thousands	Note	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Net sales		435,399	563,103
Change in inventories		91,356	35,359
Other own work capitalized		3,298	3,932
Total operating performance		**530,053**	**602,394**
Other operating income	3	23,868	36,098
Cost of materials	4	244,645	287,110
Staff costs		212,686	196,455
Depreciation and amortization		17,264	17,898
Other operating expenses	5	90,475	108,854
Special items	6	48	15,341
Result of operating activities		**– 11,197**	**12,834**
Financial income	7	1,525	2,948
Financial expenses	8	18,735	17,187
Financial result		**– 17,210**	**– 14,239**
Net result before taxes		**– 28,407**	**– 1,405**
Taxes on income		5,628	2,717
Net result after taxes		**– 34,035**	**– 4,122**
Basic earnings per share according to IAS 33 (in € per share)	9	**– 0.15**	**– 0.02**
Diluted earnings per share according to IAS 33 (in € per share)	9	**– 0.15**	**– 0.02**

Interim consolidated statement of comprehensive income – April 1, 2015 to June 30, 2015

Figures in € thousands	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Net result after taxes	**–34,035**	**–4,122**
Other comprehensive income not reclassified to the income statement		
Remeasurement of defined benefit pension plans and similar obligations	–34,880	161,618
Deferred income taxes	956	–1,416
	–33,924	**160,202**
Other comprehensive income which may subsequently be reclassified to the income statement		
Currency translation	6,546	–13,063
Available-for-sale financial assets	103	108
Cash flow hedges	–2,977	10,259
Deferred income taxes	100	–250
	3,772	**–2,946**
Total other comprehensive income	–30,152	157,256
Total comprehensive income	**–64,187**	**153,134**

Interim consolidated statement of financial position as of June 30, 2015

Assets

Figures in € thousands	Note	31-Mar-2015	30-Jun-2015
Non-current assets			
Intangible assets	10	210,457	218,765
Property, plant and equipment	10	487,404	496,511
Investment property		8,679	11,790
Financial assets		28,829	21,054
Receivables from sales financing		45,598	45,187
Other receivables and other assets	12	18,762	15,200
Deferred tax assets		62,036	59,106
		861,765	867,613
Current assets			
Inventories	11	637,074	683,451
Receivables from sales financing		36,182	31,625
Trade receivables		335,191	328,910
Other receivables and other assets	12	99,184	118,457
Income tax assets		24,261	24,520
Cash and cash equivalents	13	285,961	199,937
		1,417,853	1,386,900
Assets held for sale		13,620	18,368
Total assets		**2,293,238**	**2,272,881**

Interim consolidated statement of financial position as of June 30, 2015

Equity and liabilities

Figures in € thousands	Note	31-Mar-2015	**30-Jun-2015**
Equity	14		
Issued capital		658,676	658,676
Capital reserves, retained earnings and other reserves		– 402,799	– 317,236
Net result after taxes		– 72,403	– 4,122
		183,474	337,318
Non-current liabilities			
Provisions for pensions and similar obligations	15	605,009	462,210
Other provisions	16	175,132	169,101
Financial liabilities	17	493,369	445,886
Other liabilities	18	48,854	45,998
Deferred tax liabilities		10,499	10,320
		1,332,863	1,133,515
Current liabilities			
Other provisions	16	274,908	234,632
Financial liabilities	17	48,920	30,938
Trade payables		170,885	207,212
Income tax liabilities		1,104	1,499
Other liabilities	18	281,084	324,126
		776,901	798,407
Liabilities held for sale		–	3,641
Total equity and liabilities		**2,293,238**	**2,272,881**

Statement of changes in consolidated equity as of June 30, 2015 [1)]

Figures in € thousands	Issued capital	Capital reserves	Retained earnings
April 1, 2014	599,796	28,399	– 91,636
Profit carryforward	–	–	3,619
Total comprehensive income	–	–	– 33,924
Consolidation adjustments/other changes	–	–	542
June 30, 2014	**599,796**	**28,399**	**– 121,399**
April 1, 2015	658,676	29,411	– 331,660
Loss carryforward	–	–	– 72,403
Total comprehensive income	–	–	160,202
Consolidation adjustments/other changes	–	–	710
June 30, 2015	**658,676**	**29,411**	**– 243,151**

[1)] For further details please refer to note 14

Other retained earnings			Total other retained earnings	Total capital reserves, retained earnings and other retained earnings	Net result after taxes	Total
Currency translation	Fair value of other financial assets	Fair value of cash flow hedges				
– 182,691	– 847	2,164	– 181,374	– 244,611	3,619	358,804
–	–	–	–	3,619	– 3,619	0
6,546	103	– 2,877	3,772	– 30,152	– 34,035	– 64,187
–	–	–	–	542	–	542
– 176,145	**– 744**	**– 713**	**– 177,602**	**– 270,602**	**– 34,035**	**295,159**
– 87,537	– 360	– 12,653	– 100,550	– 402,799	– 72,403	183,474
–	–	–	–	– 72,403	72,403	0
– 13,063	108	10,009	– 2,946	157,256	– 4,122	153,134
–	–	–	–	710	–	710
– 100,600	**– 252**	**– 2,644**	**– 103,496**	**– 317,236**	**– 4,122**	**337,318**

Interim consolidated statement of cash flows – April 1, 2015 to June 30, 2015

Figures in € thousands	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Net result after taxes	– 34,035	– 4,122
Depreciation, amortization, write-downs and write-ups [1]	17,264	18,599
Change in pension provisions	5,719	1,908
Change in deferred tax assets/deferred tax liabilities/tax provisions	43	– 2,668
Result from disposals	– 160	240
Cash flow	**– 11,169**	**13,957**
Change in inventories	– 101,191	– 30,272
Change in sales financing	3,907	4,261
Change in trade receivables/payables	101,546	60,304
Change in other provisions	– 48,513	– 41,661
Change in other items of the statement of financial position	– 3,709	– 24,763
Other operating changes	**– 47,960**	**– 32,131**
Cash used in operating activities	**– 59,129**	**– 18,174**
Intangible assets/property, plant and equipment/investment property		
Investments	– 11,208	– 11,011
Income from disposals	4,079	1,943
Financial assets/company acquisitions		
Investments	– 3	– 7,571
Income from disposals	–	125
Cash used in investing activities	**– 7,132**	**– 16,514**
Change in financial liabilities	15,577	– 48,653
Cash generated by/used in financing activities	**15,577**	**– 48,653**
Net change in cash and cash equivalents	**– 50,684**	**– 83,341**
Cash and cash equivalents at the beginning of the reporting period	**232,657**	**285,961**
Changes in the scope of consolidation	–	1,001
Currency adjustments	1,640	– 3,684
Net change in cash and cash equivalents	– 50,684	– 83,341
Cash and cash equivalents at the end of the reporting period	**183,613**	**199,937**
Cash used in operating activities	– 59,129	– 18,174
Cash used in investing activities	– 7,132	– 16,514
Free cash flow	**– 66,261**	**– 34,688**

[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, 2015 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, 2015, which were prepared in line with the International Financial Reporting Standards (IFRS) as endorsed in the EU.

The interim consolidated financial statements were generally prepared using the same accounting policies as the consolidated financial statements for the 2014/2015 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, 2015. All amounts are generally stated in € thousands.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have approved and amended the following new standards, which are to be applied for the first time in financial year 2015/2016.

Standards	Publication by the IASB/IFRS IC	Effective date [1]	Published in the Official Journal of the EU	Effects
Amendments to standards				
Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	21-Nov-2013	1-Feb-2015	9-Jan-2015	None
Annual Improvements to IFRSs 2010 – 2012 Cycle	12-Dec-2013	1-Feb-2015	9-Jan-2015	No material effects
Annual Improvements to IFRSs 2011 – 2013 Cycle	12-Dec-2013	1-Jan-2015	19-Dec-2014	No material effects
New interpretations				
IFRIC Interpretation 21: Levies	20-May-2013	17-Jun-2014	14-Jun-2014	No material effects

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

Traditionally, Heidelberg generates more sales in the second half of the financial year than in 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 73 (March 31, 2015: 66) domestic and foreign companies in which Heidelberger Druckmaschinen Aktiengesellschaft has a controlling influence as defined by IFRS 10. Of these, 62 (March 31, 2015: 56) are located outside Germany. Subsidiaries that are of minor importance are not included.

As of April 13, 2015, Heidelberger Druckmaschinen Aktiengesellschaft acquired 100 percent of the shares and voting rights in Printing Systems Group Holding B.V. (PSG), Almere, the Netherlands.

With 384 employees in the Benelux countries and Southern Europe, PSG benefits from established structures in the printing industry and a strong market position. Its partnership with Heidelberg dates back decades. PSG already generates over half of its sales through the sale of services and consumables, which means it meets the target criteria set by Heidelberg for a future sales structure. Heidelberg products account for the majority of the company's equipment sales. Integrating PSG into the Heidelberg Services and Heidelberg Equipment segments will ensure the customer base continues to enjoy the best possible support. The acquisition of PSG is another milestone for Heidelberg in its strategy of further promoting stable, high-margin services and consumables business. The acquisition of PSG will result in additional sales of more than € 100 million for the Heidelberg Group, primarily through services and consumables business. The medium-term goal at Heidelberg is for services and consumables to account for over 50 percent of total Group sales. The figure currently stands at around 40 percent.

The purchase price for this acquisition was € 25,071 thousand and was paid in cash. Total transaction costs of € 1,013 thousand were incurred in connection with this acquisition. € 337 thousand of this related to the first quarter of the 2015/2016 financial year and € 676 thousand to the 2014/2015 financial year. The transaction costs were reported in profit or loss in the result of operating activities under other operating expenses. The purchased assets and liabilities were carried at fair value in the context of purchase price allocation in accordance with IFRS 3. The fair values of the identified assets and liabilities at the date of acquisition were as follows:

Figures in € thousands	Fair value at date of acquisition
Non-current assets	
Intangible assets, property, plant and equipment, and investment property	28,612
Other assets	2,612
	31,224
Current assets	
Inventories	24,338
Trade receivables	45,624
Cash and cash equivalents	17,502
Other assets	1,133
	88,597
Total assets	**119,821**
Non-current liabilities	
Provisions	15,305
Current liabilities	
Provisions	5,979
Trade payables	25,993
Other liabilities (including deferred income)	28,712
	60,684
Total liabilities	**75,989**
Net assets at fair value	**43,832**

The biggest influencing factors in purchase price allocation to the statement of financial position and the income statement resulted from the adjustment of intangible assets and property, plant and equipment to fair value and the reversal of the remaining difference (€ 18,761 thousand) reported under "Other operating income". The intangible assets include the existing customer relationships in particular. The gross amounts of the purchased trade receivables were € 51,057 thousand at the acquisition date; the best estimate of uncollectible trade receivables amounted to € 5,433 thousand. At the date of acquisition other assets include receivables under finance leases at a gross amount of € 799 thousand; the best estimate of uncollectible receivables under finance leases amounted to € 0 thousand. The negative difference recognized for the corporate acquisition was caused by the purchase price, which is ultimately the result of the purchase price negotiations conducted.

The pro rata net sales, which represent the additional sales for the Heidelberg Group and consequently do not include internal group sales generated by Heidelberg affiliates with PSG affiliates, for the period after the acquisition date amount to € 40,997 thousand assuming a pro rata net result after taxes of € 3,292 thousand. The net result after taxes also includes depreciation and amortization on the purchase price allocation adjustments on intangible assets and property, plant and equipment to fair value, but without consideration of the reversal in profit or loss of the negative difference from the first-time consolidation or the expenses attributable to the integration of PSG in the Heidelberg Group. Had this acquisition already been included in the consolidated financial statements of the Heidelberg Group as of April 1, 2015, net sales would have been € 6,266 thousand higher with a negligible effect on the net result after taxes.

3 Other operating income

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Reversal of negative difference from first-time consolidation	–	18,761
Reversal of other provisions/deferred liabilities	5,628	8,320
Income from operating facilities	2,153	2,434
Recoveries on loans and other assets previously written down	6,730	1,750
Hedging/exchange rate gains	2,040	1,128
Income from disposals of intangible assets, property, plant and equipment and investment property	316	80
Other income	7,001	3,625
	23,868	**36,098**

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 € 481 thousand (April 1, 2014 to June 30, 2014: € 560 thousand); interest income from sales financing of € 1,629 thousand (April 1, 2014 to June 30, 2014: € 1,710 thousand) is reported in sales.

5 Other operating expenses

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Other deliveries and services not included in the cost of materials	23,661	28,660
Special direct sales expenses including freight charges	12,347	21,194
Rent and leases	13,531	13,370
Travel expenses	9,191	9,850
Hedging/exchange rate losses	1,071	4,628
Additions to provisions and accruals relating to several types of expense	3,777	3,042
Insurance expense	2,729	2,975
Bad debt allowances and impairment on other assets	4,025	2,019
Costs of car fleet (excluding leases)	1,594	1,661
Other overheads	18,549	21,455
	90,475	**108,854**

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 included under special items in the reporting period totaling € 15,341 thousand (April 1, 2014 to June 30, 2015: € 48 thousand) are primarily the result of subsequent expenses for partial retirement agreements concluded in the previous year relating to the adjustment of personnel capacities at company sites in Germany.

7 Financial income

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Interest and similar income	1,351	1,221
Income from financial assets/loans/securities	174	1,727
Financial income	**1,525**	**2,948**

8 Financial expenses

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Interest and similar expenses	17,805	15,901
Expenses for financial assets/loans/securities	930	1,286
Financial expenses	**18,735**	**17,187**

9 Earnings per share

Earnings per share are calculated by dividing the net result after taxes 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 257,294,860 (April 1, 2014 to June 30, 2014: 234,294,860). The weighted number of shares outstanding was influenced by the holdings of treasury shares. As of June 30, 2015, the Company held 142,919 (March 31, 2015: 142,919) treasury shares.

The calculation of diluted earnings per share assumes conversion of outstanding debt securities (convertible bond) to shares. Due to the fact that the net result after taxes is concurrently adjusted for the interest expense recognized for the convertible bond in the financial result, taking into account the respective number of shares from the convertible bonds issued on July 10, 2013 and on March 30, 2015 did not have a dilutive effect on earnings per share during the period from April 1, 2015 to June 30, 2015. In the future, these instruments may have a fully dilutive effect.

10 Intangible assets and property, plant and equipment

In the period from April 1, 2015 to June 30, 2015, there were additions to intangible assets of € 5,707 thousand (April 1, 2014 to June 30, 2014: € 2,342 thousand) and to property, plant and equipment of € 6,519 thousand (April 1, 2014 to June 30, 2014: € 8,894 thousand). In the same period, the carrying amount of disposals from intangible assets was € 94 thousand (April 1, 2014 to June 30, 2014: € 30 thousand) and € 2,106 thousand (April 1, 2014 to June 30, 2014: € 3,899 thousand) for property, plant and equipment.

11 Inventories

Inventories include raw materials and supplies totaling € 98,690 thousand (March 31, 2015: € 90,447 thousand), work and services in progress amounting to € 301,278 thousand (March 31, 2015: € 299,577 thousand), finished goods and goods for resale of € 280,480 thousand (March 31, 2015: € 245,015 thousand), and advance payments of € 3,003 thousand (March 31, 2015: € 2,035 thousand).

12 Other receivables and other assets

The Other receivables and other assets item includes receivables from derivative financial instruments of € 3,576 thousand (March 31, 2015: € 4,667 thousand) and prepaid expenses of € 29,113 thousand (March 31, 2015: € 17,681 thousand).

13 Cash and cash equivalents

Restrictions on disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 41,060 thousand (March 31, 2015: € 27,950 thousand).

14 Equity

The same as at March 31, 2015, the Company still held 142,919 treasury shares on June 30, 2015. 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 in the notes to the consolidated financial statements as of March 31, 2015 for information on the contingent capital and the authorized capital as of March 31, 2015.

Significant changes as against March 31, 2015 resulted from the resolutions of the Annual General Meeting of July 24, 2015.

On this date, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to issue warrants, convertible bonds and/or participating bonds as well as profit-sharing rights including combinations of these instruments (collectively also referred to as "bonds") up to a total nominal amount of € 200,000,000.00 dated or undated, on one or several occasions by July 23, 2020, and to grant or impose on the bearers or creditors of option warrants or option profit-sharing rights or option participating bonds, option rights or obligations, or to grant or impose on the bearers or creditors of convertible bonds, convertible profit-sharing rights or convertible participating bonds conversion rights or obligations to up to 51,487,555 bearer shares of the Company with a pro rata amount of share capital of up to € 131,808,140.80 in total, in accordance with the further conditions of these bonds. Shareholders' preemptive subscription rights may be disapplied in accordance with the further conditions of this authorization. For this purpose, the share capital was contingently increased by up to € 131,808,140.80 (Contingent Capital 2015). In addition, the Annual General Meeting on July 24, 2015 resolved the cancellation of Contingent Capital 2012 and Contingent Capital 2014 to the extent that these are not intended to serve rights under the 2013 or 2015 convertible bonds. The share capital of Heidelberger Druckmaschinen Aktiengesellschaft is now contingently increased by up to € 58,625,953.28 (Contingent Capital 2012) and by up to € 48,230,453.76 (Contingent Capital 2014). The resolutions will become effective only upon entry of the amendments to the Articles of Association in the Commercial Register; they have not been registered yet.

In accordance with the resolution of the Annual General Meeting on July 24, 2015, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to € 131,808,140.80 on one or more occasions against cash or non-cash contributions by July 23, 2020 (Authorized Capital 2015). The Management Board was authorized, with the approval of the Supervisory Board, to determine the further content of share rights and the conditions for the issue of shares. In addition, the Annual General Meeting on July 24, 2015 canceled the authorization of the Management Board it resolved on July 26, 2012 to increase the share capital of the Company, with the approval of the Supervisory Board, by up to a total of € 119,934,433.28 by July 25, 2017 by issuing new shares on one or more occasions against cash or non-cash contributions (Authorized Capital 2012), effective from the date of registration of Authorized Capital 2015, to the extent it has not been used so far. The authorization will not become effective until entry of the amendment to the Articles of Association in the Commercial Register; it has not been registered yet.

15 Provisions for pensions and similar obligations

A discount rate of 2.70 percent (March 31, 2015: 1.70 percent) was applied as of June 30, 2015 as an assumption for the calculation of the actuarial gains and losses of German companies. With a domestic discount rate of 1.70 percent the present value of employee benefits would have been € 165,454 thousand higher.

16 Other provisions

Other provisions relate to tax provisions of € 55,865 thousand (March 31, 2015: € 59,116 thousand) and other provisions of € 347,868 thousand (March 31, 2015: € 390,924 thousand). Other provisions include staff obligations of € 57,595 thousand (March 31, 2015: € 92,626 thousand), sales obligations of € 90,401 thousand (March 31, 2015: € 93,463 thousand) and miscellaneous other provisions of € 199,872 thousand (March 31, 2015: € 204,835 thousand). The latter also include, among others, provisions in connection with our Focus efficiency program and portfolio adjustments.

17 Financial liabilities

			31-Mar-2015			**30-Jun-2015**
	Current	Non-current	Total	Current	Non-current	**Total**
Corporate bonds	26,264	352,582	378,846	4,791	307,005	311,796
Convertible bonds	1,155	108,399	109,554	1,148	108,909	110,057
Amounts due to banks	18,037	29,022	47,059	20,367	25,919	46,286
From finance leases	1,454	3,366	4,820	1,541	4,053	5,594
Other	2,010	–	2,010	3,091	–	3,091
	48,920	493,369	**542,289**	30,938	445,886	**476,824**

On May 5, 2015, Heidelberger Druckmaschinen Aktiengesellschaft issued a further unsecured corporate bond of € 205 million with a maturity of seven years and a coupon of 8.00 percent. With the full utilization of the net issue proceeds from the convertible bond issued on March 30, 2015 and this additional corporate bond, the existing corporate bond was repaid early in the first quarter of the 2015/2016 financial year to a level of approximately € 115 million. With the existing financing portfolio, Heidelberg has total credit facilities with balanced diversification and a balanced maturity structure until 2022.

With regard to our financing, please refer to note 29 in the notes to the consolidated financial statements as of March 31, 2015.

18 Other liabilities

Other liabilities include advance payments on orders of € 123,285 thousand (March 31, 2015: € 87,295 thousand), liabilities from derivative financial instruments of € 5,518 thousand (March 31, 2015: € 15,909 thousand), and deferred income of € 65,103 thousand (March 31, 2015: € 68,945 thousand).

19 Additional information on financial instruments

Financial assets and financial liabilities are allocated to the three levels of the fair value hierarchy as set out in IFRS 13 depending on the availability of observable market data.

The individual levels are defined as follows:

LEVEL 1: Financial instruments traded on active markets whose quoted prices can be used to measure fair value without adjustment.

LEVEL 2: Measurement on the basis of measurement procedures whose inputs are derived from observable market data, either directly or indirectly.

LEVEL 3: Measurement on the basis of measurement procedures whose inputs are not derived from observable market data.

The Heidelberg Group is exposed to market price risks in the form of interest rate and exchange rate fluctuations. In general, derivative financial instruments are used to limit these risks. Their fair values correspond to changes in value arising from a notional revaluation taking into account the market parameters applicable at the end of the reporting period. The fair values are calculated using standardized measurement procedures (discounted cash flow and option pricing models). This corresponds to level 2 of the fair value hierarchy set out in IFRS 13, as only input data observable on the market, such as exchange rates, exchange rate volatilities and interest rates, is used.

Securities are classified as financial assets available for sale. In line with IAS 39, these financial instruments are also carried at fair value. The underlying quoted prices for the measurement of the vast majority of securities correspond to level 1 of the fair value hierarchy set out in IFRS 13, as only quoted prices observed on active markets are used in measurement. If the fair value of securities cannot be reliably determined, they are carried at cost.

The following table provides an overview of financial assets and financial liabilities measured at fair value in accordance with the IFRS 13 fair value hierarchy:

				31-Mar-2015				**30-Jun-2015**
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	**Total**
Securities	3,446	–	–	3,446	3,413	–	–	3,413
Derivative financial assets	–	4,667	–	4,667	–	3,576	–	3,576
Financial assets measured at fair value	**3,446**	**4,667**	**–**	**8,113**	**3,413**	**3,576**	**–**	**6,989**
Derivative financial assets	–	15,909	–	15,909	–	5,518	–	5,518
Financial liabilities measured at fair value	**–**	**15,909**	**–**	**15,909**	**–**	**5,518**	**–**	**5,518**

Shares in subsidiaries in the amount of € 13,759 thousand (March 31, 2015: € 21,477 thousand) and other investments in the amount of € 3,456 thousand (March 31, 2015: € 3,455 thousand) are classified as financial assets available for sale and carried at cost, as their fair values cannot be reliably determined due to the lack of a market for these items.

The fair value of receivables from sales financing essentially corresponds to the reported carrying amount. This fair value is based upon expected cash flows and interest rates with matching maturities taking into account the customer-specific credit rating.

The carrying amount of trade receivables, other financial receivables reported in other receivables and other assets, and cash and cash equivalents is generally assumed as an appropriate estimate of the fair value.

The fair values of the 2011 corporate bond and the 2015 corporate bond – which are reported under financial liabilities – as calculated on the basis of the quoted price are € 119,926 thousand (March 31, 2015: € 370,769 thousand) and € 212,318 thousand (March 31, 2015: € 0 thousand) respectively, compared to the carrying amounts of € 114,674 thousand (March 31, 2015: € 378,846 thousand) and € 197,122 thousand (March 31, 2015: € 0 thousand). The fair value of the 2013 convertible bond and of the 2015 convertible bond determined on the basis of the stock exchange listing, which is also reported under financial liabilities, amounts to € 62,743 thousand (March 31, 2015: € 69,777 thousand) and € 55,702 thousand (March 31, 2015: € 60,882 thousand) respectively, compared to the carrying amount of € 58,964 thousand (March 31, 2015: € 58,777 thousand) and € 51,093 thousand (March 31, 2015: € 50,777 thousand). The fair value of the corporate bonds and the convertible bonds corresponds to the first level in the fair value hierarchy according to IFRS 13.

In connection with the arranging of a long-term loan of € 23,536 thousand (March 31, 2015: € 25,526 thousand), which is also reported in financial liabilities, the lender was granted usufructuary rights to three developed properties. The basis of this is a sale (usufructuary rights) and leaseback transaction in accordance with SIC 27, which provides for a fixed basic term for the lease agreement of ten years and two renewal options of four years each. The usufructuary rights each have a term of 18 years. The usufructuary rights can be commuted after ten years. The fair value of this loan amounts to € 24,174 thousand (March 31, 2015: € 26,264 thousand).

The fair value of the amortizing loan issued in April 2014, which is reported under financial liabilities, is € 15,867 thousand (March 31, 2015: 16,933 thousand) compared to the carrying amount of € 14,739 thousand (March 31, 2015: € 15,792).

The fair value of each of these two financial liabilities was calculated on the basis of the discounted cash flow method using market interest rates and corresponds to the second level in the fair value hierarchy according to IFRS 13.

The carrying amount of other financial liabilities, trade payables and other liabilities is generally assumed as an appropriate estimate of the fair value.

20 Contingent liabilities and other financial liabilities

As of June 30, 2015, the contingent liabilities for warranties and guarantees amounted to € 2,220 thousand (March 31, 2015: € 4,879 thousand).

Other financial liabilities amounted to € 199,255 thousand as of June 30, 2015 (March 31, 2015: € 208,045 thousand). Of this amount, € 179,470 thousand (March 31, 2015: € 188,095 thousand) related to lease and rental obligations and € 19,785 thousand (March 31, 2015: € 19,950 thousand) related to investments and other purchase commitments.

21 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, service parts 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 the sections “Management and Control” and “Segments and Business Areas” in the Group management report as of March 31, 2015.

From April 1, 2015, the Postpress Commercial BA and the Postpress Packaging sub-area were moved to the Management Board division for Services. The figures for the previous year were adjusted accordingly.

Segment information April 1, 2015 to June 30, 2015:

	Heidelberg Equipment		Heidelberg Services		Heidelberg Financial Services		**Heidelberg Group**	
	1-Apr-2014 to 30-Jun-2014[1]	**1-Apr-2015 to 30-Jun-2015**	1-Apr-2014 to 30-Jun-2014[1]	**1-Apr-2015 to 30-Jun-2015**	1-Apr-2014 to 30-Jun-2014[1]	**1-Apr-2015 to 30-Jun-2015**	1-Apr-2014 to 30-Jun-2014[1]	**1-Apr-2015 to 30-Jun-2015**
External sales	195,235	277,265	238,454	284,209	1,710	1,629	435,399	563,103
EBITDA excluding special items (segment result)	– 6,071	8,462	11,314	36,347	872	1,264	6,115	46,073
EBIT excluding special items	– 19,169	– 3,894	7,149	30,807	871	1,262	– 11,149	28,175

[1] Prior-year figures were adjusted accordingly

The segment result is reconciled to the net result before taxes as follows:

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
EBITDA excluding special items (segment result)	6,115	46,073
Depreciation and amortization	17,264	17,898
EBIT excluding special items	– 11,149	28,175
Special items	48	15,341
Financial result	– 17,210	– 14,239
Net result before taxes	**– 28,407**	**– 1,405**

External sales relate to the different regions as follows:

	1-Apr-2014 to 30-Jun-2014	**1-Apr-2015 to 30-Jun-2015**
Europe, Middle East and Africa		
Germany	77,277	64,386
Other Europe, Middle East and Africa region	96,007	179,306
	173,284	243,692
Asia/Pacific		
China	70,533	81,232
Other Asia/Pacific region	57,035	73,278
	127,568	154,510
Eastern Europe	52,296	58,486
North America		
USA	46,206	65,681
Other North America region	15,570	17,849
	61,776	83,530
South America	20,475	22,885
	435,399	**563,103**

22 Supervisory Board/Management Board

The composition of the Supervisory Board and the Management Board as at March 31, 2015 is presented on pages 158 to 160 of the consolidated financial statements as per March 31, 2015.

The following changes in the Supervisory Board took place in the first quarter of financial year 2015/2016:

On May 17, 2015, Robert J. Koehler, Chairman of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft, passed away. He had been a member of the Company's Supervisory Board since 2003 and chaired the Supervisory Board from 2011 until his death. From May 18, 2015 until a successor was appointed, Deputy Chairman of the Supervisory Board, Rainer Wagner, assumed the rights and obligations of the Chairman of the Supervisory Board. On June 2, 2015, the Supervisory Board elected Dr. Siegfried Jaschinski as the new Chairman of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft. Dr. Jaschinski will hold this position for the remainder of the term of office until the Annual General Meeting in 2018.

On July 24, 2015, with effect from the end of the Annual General Meeting on July 24, 2015 until the end of the Annual General Meeting that resolves discharges for the 2019/2020 financial year, the Annual General Meeting elected Kirsten Lange, managing director of Voith Hydro, who had been appointed a new member of the Supervisory Board by the court earlier, to the Supervisory Board as a shareholder representative.

23 Related party transactions

As described in note 41 of the notes to the consolidated financial statements as of March 31, 2015, business relationships exist between numerous companies and Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries in the course of ordinary business. This also includes associated companies, which are regarded as related companies of the Heidelberg Group.

In the reporting period, transactions were performed with related parties that resulted in liabilities of € 4,578 thousand (March 31, 2015: € 5,879 thousand), receivables of € 12,319 thousand (March 31, 2015: € 10,941 thousand), expenses of € 818 thousand (April 1, 2014 to June 30, 2014: € 4,167 thousand) and income of € 1,379 thousand (April 1, 2014 to June 30, 2014: € 941 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 € 128 thousand (April 1, 2014 to June 30, 2014: € 137 thousand) from Heidelberger Druckmaschinen Aktiengesellschaft in line with employment contracts in the reporting period.

24 Significant events after the end of the reporting period

In July 2015, the early extension of the revolving credit facility with a future volume of € 250 million to the end of June 2019 was agreed with a consortium of banks.

As of July 14, 2015, the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft appointed CFO Dirk Kaliebe as Deputy Chairman of the Company's Management Board, since the recovery of the Chairman of the Management Board, Dr. Gerold Linzbach, is likely to be delayed longer than expected. In his new function, Dirk Kaliebe will take the chair of the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft as well as the tasks of the Chief Human Resources Officer until the return of Dr. Gerold Linzbach.

Heidelberg, August 12, 2015

HEIDELBERGER DRUCKMASCHINEN
AKTIENGESELLSCHAFT
The Management Board

Financial calendar 2015/2016

November 13, 2015	Publication of Half-Year Figures 2015/2016
February 10, 2016	Publication of Third Quarter Figures 2015/2016
June 8, 2016	Press Conference, Annual Analysts' and Investors' Conference
July 28, 2016	Annual General Meeting

Subject to change

Publishing information

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