Interim Results 3-month figures FY 13

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HEIDELBERG

HEIDELBERG, AUGUST 8TH, 2012

Review Q1 FY 2012/2013

- **Order intake** increased to € 890m in Q1 (€ 665m previous year) – the highest order volume for 4 years. **Order backlog** significantly increased to € 856m.
- **Net Sales** slightly reduced as expected to € 520m in Q1 (€ 544m previous year) due to low order backlog at the beginning of the year.
- **EBIT** (excluding special items) of € -58m in Q1 (€ -25m previous year) burdened by lower sales volume and costs for drupa trade fair.
- **Free cash flow** of € -112m in Q1 within expectations (€ -6 m previous year), including outflows for Focus 2012 and higher inventories for drupa orders.
- **Net debt** at € 346m in Q1 (€ 243m previous quarter), corresponding with total debt facilities of approx. € 900m.
- Efficiency program **FOCUS 2012**, started in Jan-2012, is progressing according to plan. Target savings of € 180m by FY 2013/14, thereof up to 1/3 already in FY 2012/13.
- **Outlook** unchanged – higher uncertainties regarding global economic development are monitored closely.

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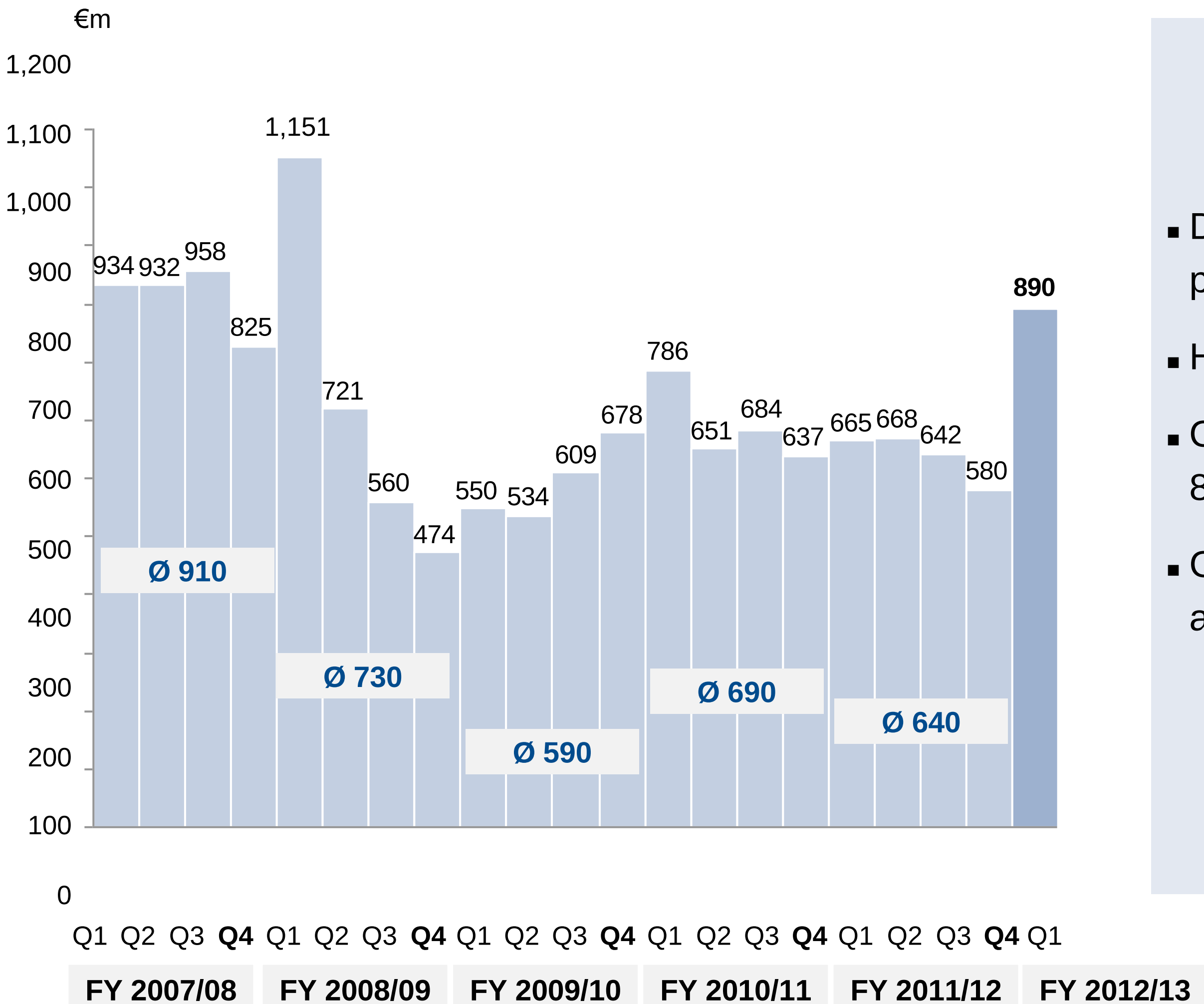
Business Development

Order Intake – boost from drupa

Order Intake (Q development)

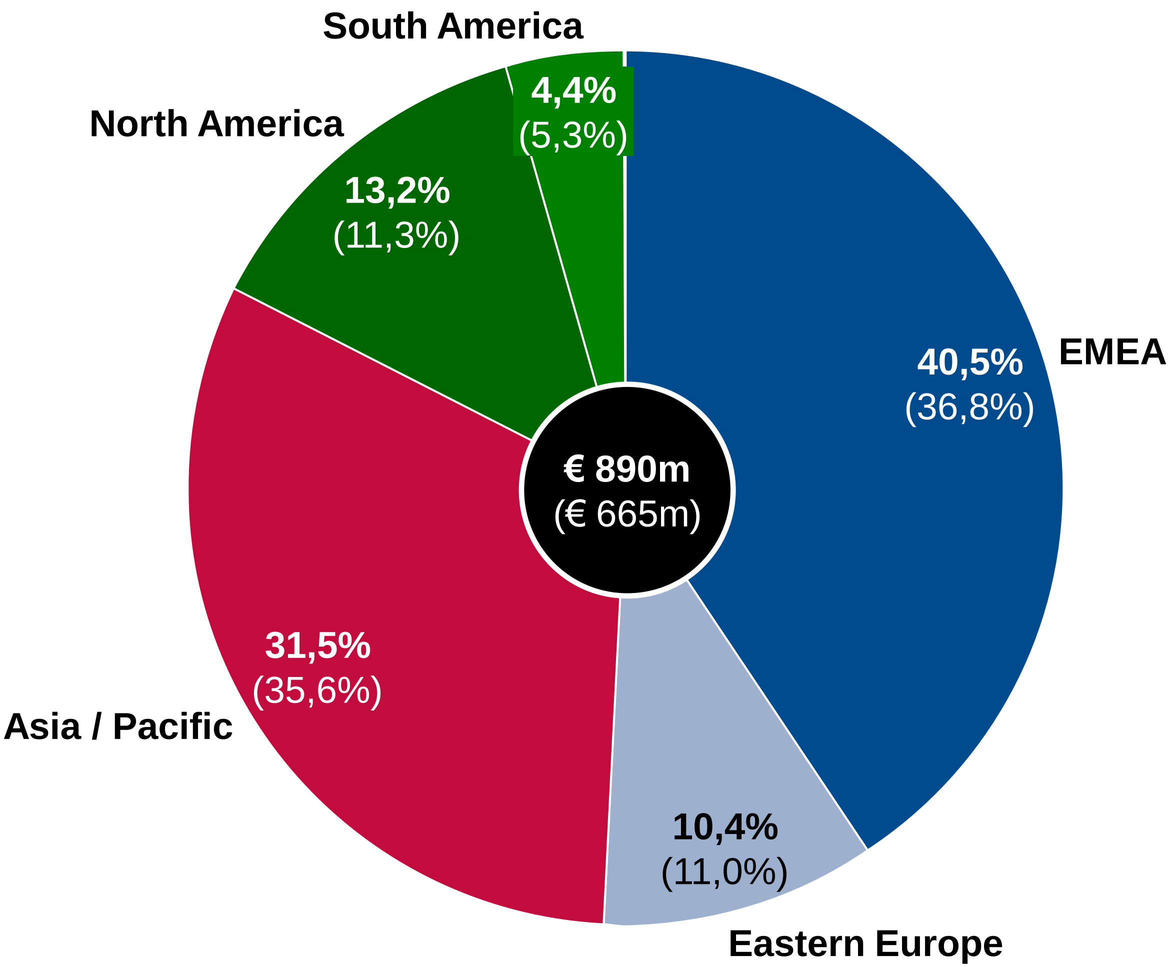


- Drupa trade fair exceeds expectations: positive impact on orders in all regions
- Highest order intake in a quarter for 4 ys
- Order backlog increased by € 350m to € 856m
- Global economic uncertainties intensified and have to be monitored closely

Business Development

Order Intake – EMEA and North America benefit from drupa

Order Intake – Split by region

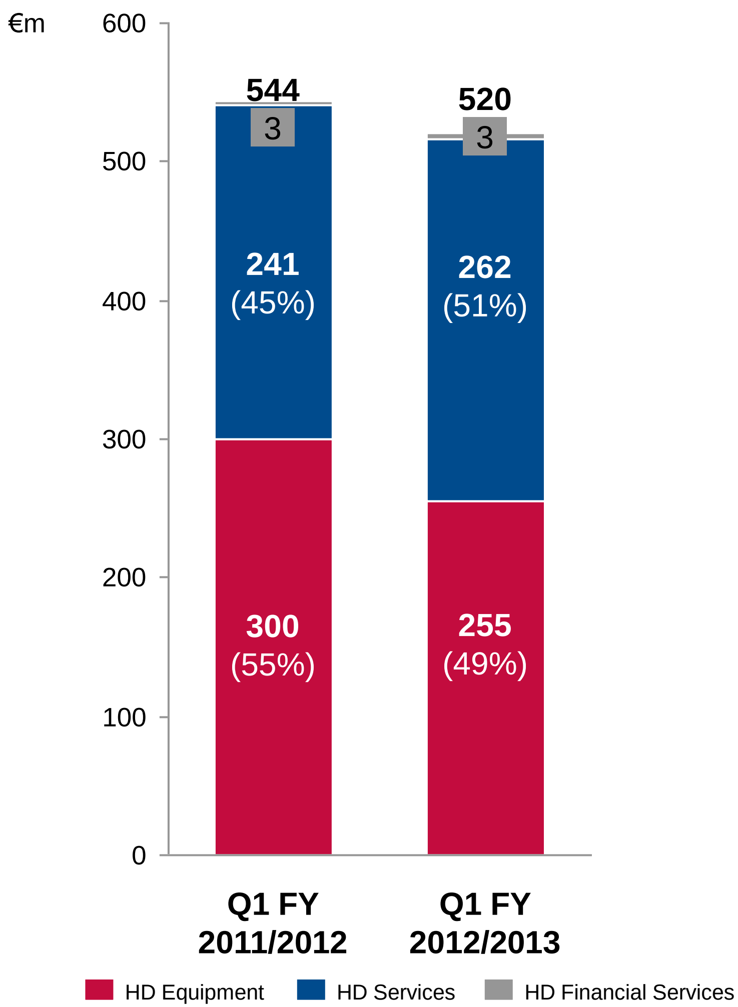


- All markets with higher order intake
- EMEA: drupa has positive impact on investment behavior, especially in UK and Germany
- South America: Smaller markets in the region show increasing volumes. Brazil suffers from weak currency.
- North America: US Printing industry starts to invest
- Asia / Pacific: China still with high investment volume, Japan recovers
- Eastern Europe: Higher orders in Russia, Czech Republic and Turkey

Business Development

Sales – by division

Net Sales

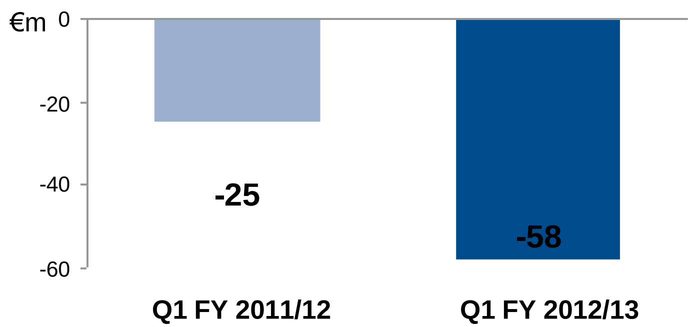


- Slight decrease of group sales (-4%), especially in EMEA and South America
- HD Equipment: Low order backlog in the quarter before drupa leads to declining sales volume in Q1 (-15%)
- HD Services: increased sales volume (+9%) with consumables and used equipment
- Sales in Financial Services Division reduced as planned due to declining direct financing portfolio

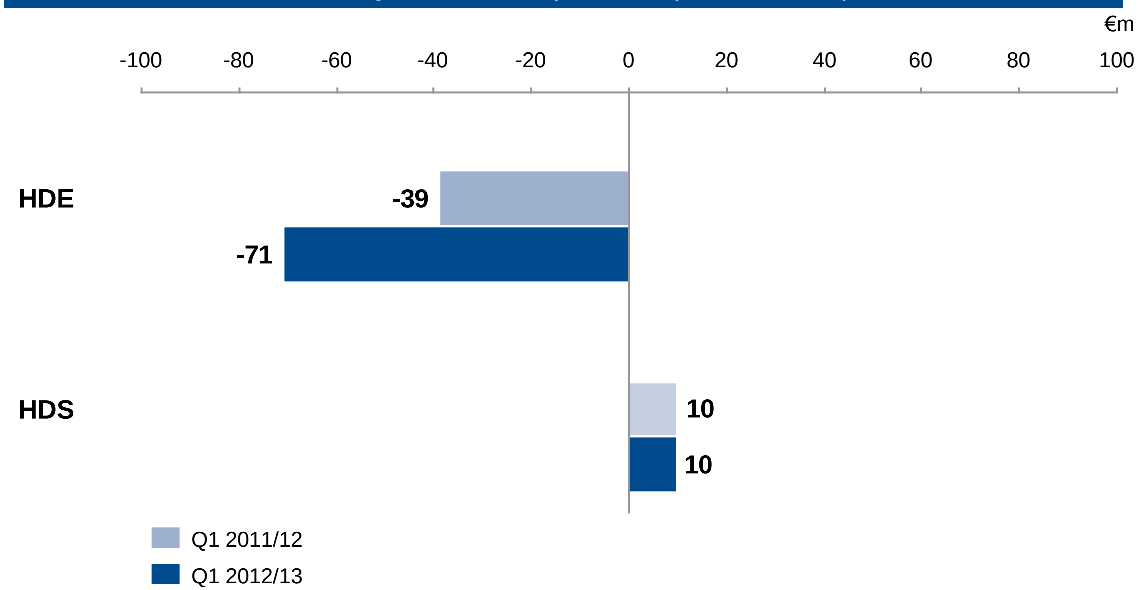
Business Development

Operating Profit – affected by low sales volume and drupa costs

EBIT



EBIT by Division* (before special items)



- Operating result declines considerably due to low sales volume and drupa expenses
- HD Equipment: lower sales volume and costs for drupa trade fair affect the segment disproportionately
- HD Services: positive sales development but affected by drupa costs and higher share of used machines

** Heidelberg Financial Services: Q1 FY 11/12: €4m; Q1 FY 12/13: €3m)*

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Key Figures

in €m	FY 2012 Q1	FY 2013 Q1	*Δ to pY*
Order intake	665	890	*33.9%*
Net Sales	**544**	**520**	*-4.4%*
EBITDA	-2	-37	*-35*
EBIT before Special items	**-25**	**-58**	*-33*
Special items	0	6	*6*
Financial result	-22	-19	*3*
Profit before Tax	**-47**	**-82**	***-35***
Net profit/Net loss	-46	-74	*-28*
Free Cash Flow	**-6**	**-112**	*-105*
Net debt	**260**	**346**	*86*

- EBITDA before special items declines from € -2m to € -37m
- Special items include € 6m expenses for personnel and structural measures relating to Focus 2012
- Financial result improves by € 3m – burdened by costs related to Focus 2012 and higher NWC
- Profit before taxes clearly negative
- FCF negative due to increase in NWC and costs related to Focus 2012
- Net debt increased to approx. € 350m with sufficient headroom to total debt facilities of € 900m

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Balance Sheet

in €m	FY 2012 30.06.2011	FY 2012 31.03.2012	FY 2013 30.06.2012		FY 2012 30.06.2011	FY 2012 31.03.2012	FY 2013 30.06.2012
Fixed assets	**856**	**835**	**819**	**Shareholder's equity**	**848**	**576**	**457**
Current assets	**1,642**	**1,624**	**1,637**	**Provisions**	**752**	**933**	**940**
thereof inventories	*839*	*786*	*907*	*thereof provisions for pensions*	*199*	*326*	*382*
thereof receivables from cufi	*167*	*156*	*148*	**Other Liabilities**	**965**	**933**	**1,058**
thereof trade receivables	*291*	*361*	*330*	*thereof trade payables*	*171*	*165*	*187*
thereof liquid assets	*177*	*195*	*129*	*thereof financial liabilities*	*437*	*438*	*475*
Def tax assets, Prepaid expenses, other	**144**	**59**	**72**	**Def. tax liabilities, deferred income**	**76**	**76**	**73**
thereof deferred tax assets	*111*	*39*	*39*	*thereof deferred tax liabilities*	*9*	*8*	*8*
thereof deferred income	*31*	*18*	*30*	*thereof deferred income*	*67*	*68*	*65*
Total assets	**2,641**	**2,518**	**2,528**	**Total equity and liabilities**	**2,641**	**2,518**	**2,528**

Equity ratio	*32%*	*23%*	*18%*
Net debt	*260*	*243*	*346*

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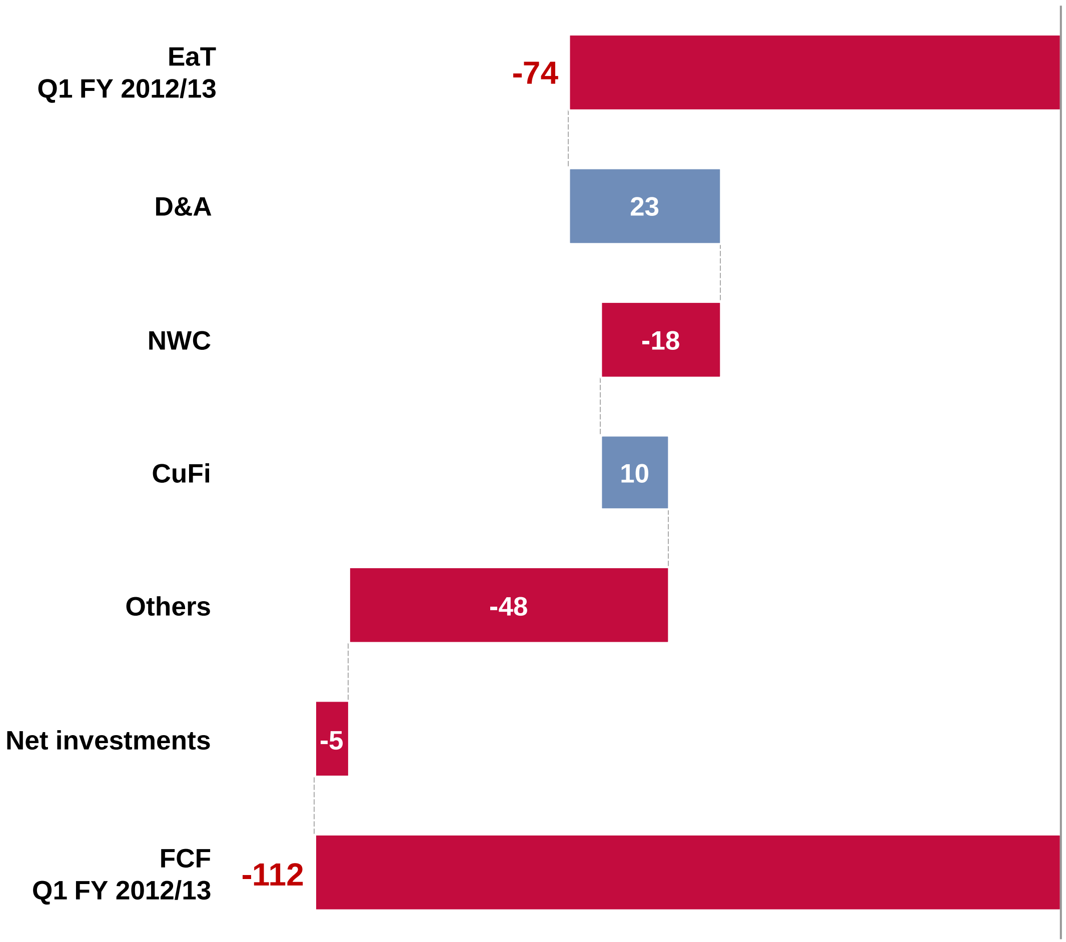
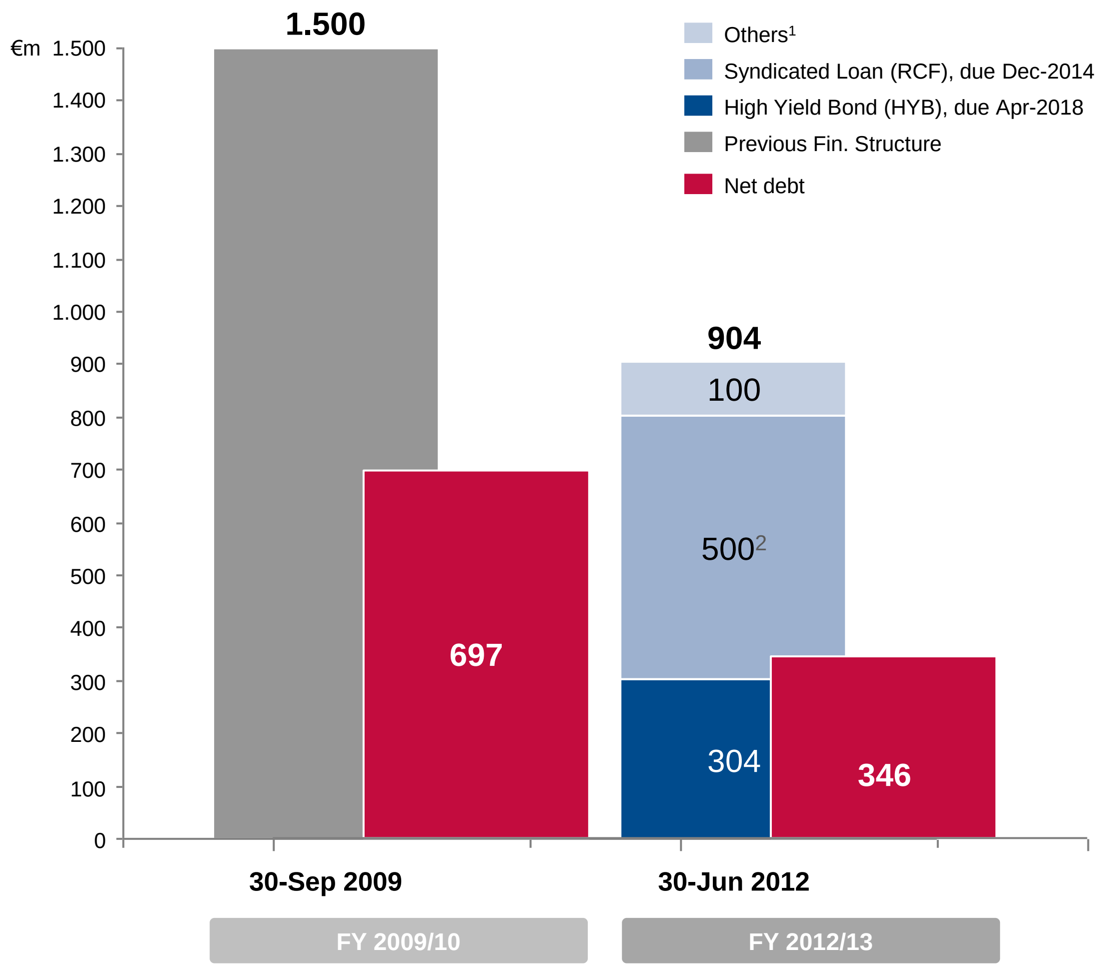
Cash flow statement



- Negative Earnings after Taxes in Q1 FY 2012/13 due to low sales volume and burdened by drupa costs
- Depreciation below previous year
- Increase in inventories leads to higher Net Working Capital (NWC)
- Lower direct financing portfolio
- Other operating changes esp. due to Focus 2012 (€ 18m)
- Net investments still on low level
- Negative FCF as expected

Financing Structure

Financial framework of approx. € 900m



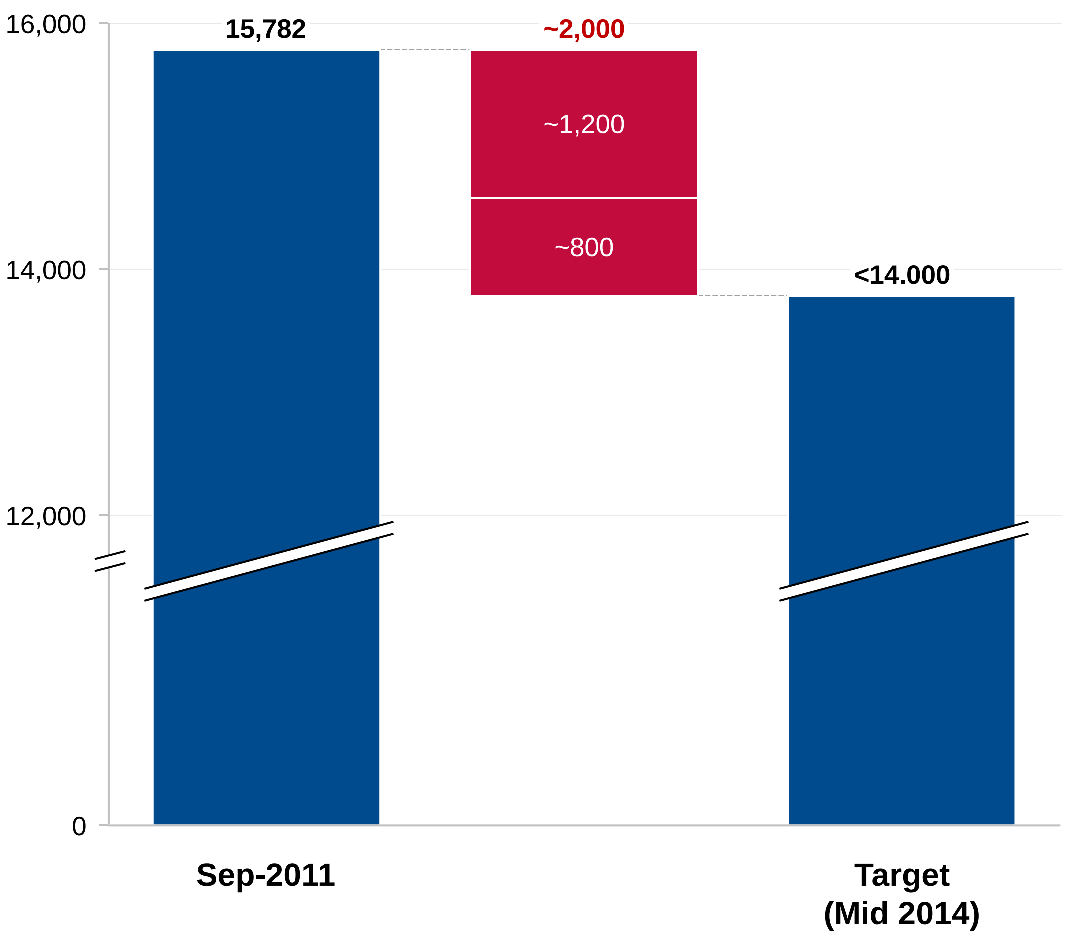
[1] Promissory notes, real estate lease
[2] Adjustment to € 475m starting Jul-2012

- Sufficient financial headroom: Clearly reduced net financial debt (comp. to Sep-2009)
- Net debt increased to € 346m due to higher inventories for drupa-orders and payments related to Focus 2012
- Financial framework of approx. € 900m arranged – Successful asset management enables reduction of credit line by € 25m as of July 2012
- Diversification of financing structure with regard to sources of financing and maturities (Dec-2014 and Apr-2018)
- Amendment of credit conditions and financial covenants of the revolving credit facility in March 2012, to model in the additional financial burdens arising from Focus 2012

Efficiency program Focus 2012

Implementation well on track with significant capacity reduction

Headcount Target



Headcount as of Mar-2012: 15,414

- ✓ **Nov-2011**: Announcement of further cost cutting measures
- ✓ **Jan-2012**: Efficiency program Focus 2012 and negotiations regarding measures to further reduce capacities started
- ✓ **Mar-2012**: Conclusion of negotiation to reduce global headcount to below 14,000 until mid 2014
- ✓ **May-2012:** Shortening of weekly working hours to 31.5 hours for German staff and according reduction of remuneration level lead to immediate capacity reduction
- ✓ **Jun-2012:** Headcount reduced to 14,899 (Mar-2012: 15,414)

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drupa Trade Show Gets Financial Year 2012/2013 off to a Positive Start

Outlook

- Planning assumptions: Sovereign debt crises in Europe does not escalate and no major distortions in the real economy occur. Continued stable developments in Asia and especially in China.
- FY 2012/13:
  - Positive stimulus of drupa leads to higher order intake in the first half of the financial year and higher sales in the second half
  - Excluding special items, the result of operating activities should be clearly positive despite costs incurred for the major drupa trade show and product start-up costs
  - Savings of up to € 60m relating to Focus 2012 efficiency program
- FY 2013/14:
  - Total savings of € 180m p.a. effective
  - Result of operating activities excluding special items of approx. € 150m expected as well as achieving a net profit

DISCOVER

Interim Results 3-month figures FY 13

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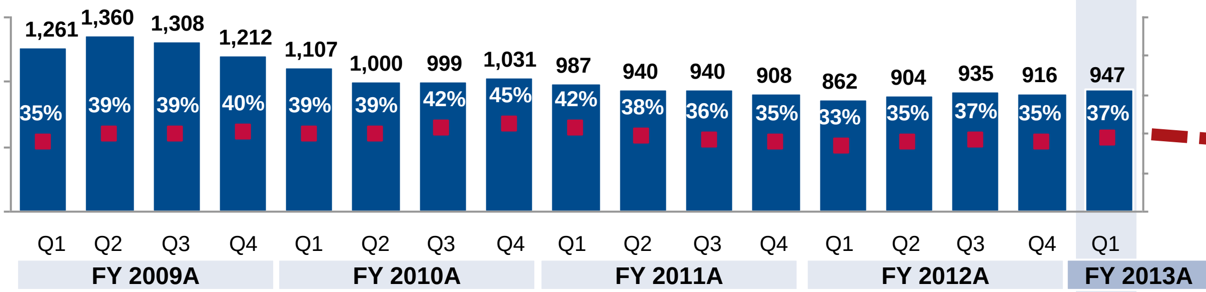
BACKUP

Tight cash management measures implemented as a basis for continuous positive development of Free Cash Flow

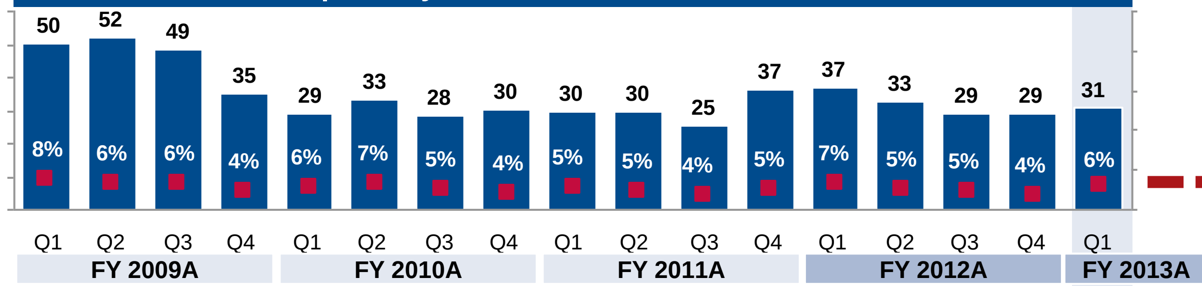
Net working capital in €m / as % of LTM sales [1]



Mid-term target

< 35%

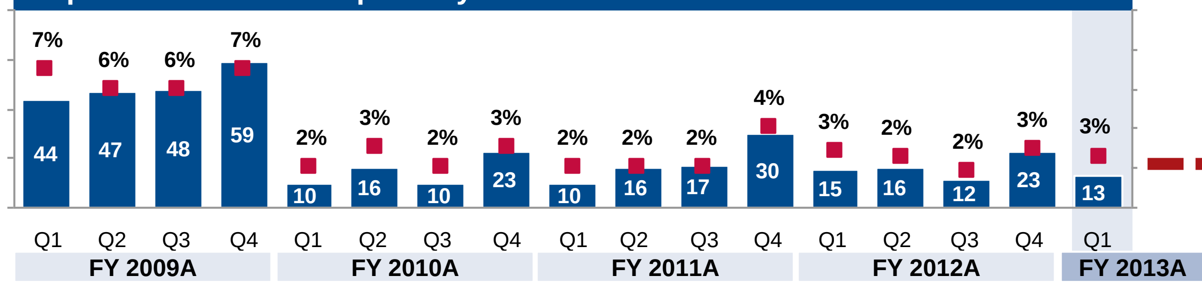
R&D in €m / as % of quarterly sales



Mid-term target

≤ 5%

Capex[2] in €m / as % of quarterly sales



Mid-term target

c. 2%

Source: Heidelberg quarterly reports; financial data based on Heidelberg fiscal year (FYE 31 Mar); actuals
(1) Net working capital ("NWC") includes inventory and trade receivables net of trade payables and advance payments; "LTM": last twelve months
(2) Capex is defined as investments in intangible assets, tangible assets and investment property

Order intake per region

million EUR	FY 2012 Q1 01.04.2011 - 30.06.2011	FY 2012 Q2 01.07.2011 - 30.09.2011	FY 2012 Q3 01.10.2011 - 31.12.2011	FY 2012 Q4 01.01.2012 - 31.03.2012	**FY 2012** **01.04.2011 - 31.03.2012**	FY 2013 Q1 01.04.2012 - 30.06.2012	**FY 2013** *Δ to pY*
EMEA	244	232	239	198	**914**	361	*47.7%*
Eastern Europe	73	76	82	74	**305**	92	*26.0%*
Asia / Pacific	236	228	190	190	**845**	280	*18.6%*
North America	75	86	88	76	**326**	117	*55.6%*
South America	35	46	42	42	**166**	39	*11.6%*
Heidelberg-Group	665	668	642	580	**2,555**	890	***33.9%***

Sales per division

million EUR	FY 2012 Q1 01.04.2011 - 30.06.2011	FY 2012 Q2 01.07.2011 - 30.09.2011	FY 2012 Q3 01.10.2011 - 31.12.2011	FY 2012 Q4 01.01.2012 - 31.03.2012	**FY 2012 01.04.2011 - 31.03.2012**	FY 2013 Q1 01.04.2012 - 30.06.2012	FY 2013 *Δ to pY*
HDE	300	374	358	491	**1,523**	255	*-14.9%*
HDS	241	258	270	290	**1,059**	262	*8.6%*
HDF	3	5	3	3	**15**	3	*-1.2%*
Heidelberg-Group	544	636	631	784	**2,596**	520	***-4.4%***

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