Suprasetter // Speedmaster SM 52 // Anicolor // Speedmaster SM 74 // Speedmaster XL 75 // Speedmaster SM 102 // Stahlfolder TH / KH // Speedmaster CD 102 // Speedmaster CX 102 // Stitchmaster // Speedmaster XL 105 // Speedmaster XL 145 and XL 162 // Eurobind // Varimatrix // Dymatrix // Easygluer //

Q3 INTERIM FINANCIAL REPORT 2011 / 2012

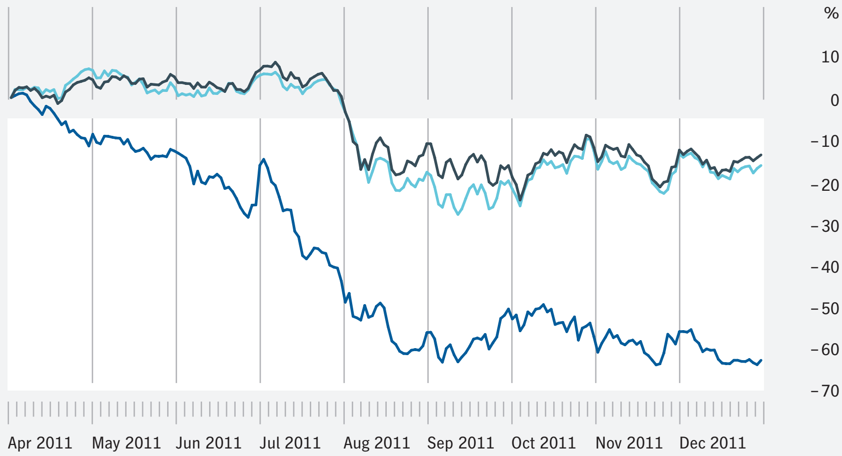
HEIDELBERG

Diana X // Financial Services // Suprasetter // Speedmaster XL 145 and XL 162 // Anicolor //

PERFORMANCE OF THE HEIDELBERG SHARE

1

compared with the DAX / MDAX (Index: April 1, 2011 = 0 percent)



KEY PERFORMANCE DATA

2

Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011 / 2012**	Q3 prior year	**Q3 2011 / 2012**
Incoming orders	2,120	**1,975**[1]	684	**642**
Net sales	1,883	**1,811**[2]	687	**631**
EBITDA[3]	47	**50**	39	**24**
Result of operating activities[4]	– 26	**– 19**	15	**2**
– in percent of sales	– 1.4 %	**– 1.0 %**	2.2 %	**0.3 %**
Net loss / profit	– 78	**– 79**	10	**– 13**
– in percent of sales	– 4.1 %	**– 4.4 %**	1.5 %	**– 2.1 %**
Cash flow	– 26	**– 7**	35	**6**
– in percent of sales	– 1.4 %	**– 0.4 %**	5.1 %	**1.0 %**
Free cash flow	91	**– 23**	22	**– 4**
Research and development costs	85	**99**	25	**30**
Investments	48	**46**	18	**12**
Basic earnings per share in €[5]	– 0.60	**– 0.34**	0.04	**– 0.06**

[1] Including negative exchange rate effects totaling € – 32 million (adjusted for exchange rate effects: € 2,007 million)
[2] Including negative exchange rate effects totaling € – 30 million (adjusted for exchange rate effects: € 1,841 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

HEIDELBERG 2011/2012

Contents

The Share

KEY PERFORMANCE DATA OF THE HEIDELBERG SHARE

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Figures in €

	Q3 prior year	Q3 2011/12
Basic earnings per share [1]	0.04	– 0.06
Cash flow per share [1]	0.15	0.03
Weighted number of shares in thousands	232,930	233,999
Share price – high	3.84	1.69
Share price – low	2.93	1.20
Share price – beginning of the quarter [2]	3.51	1.60
Share price – end of the quarter [2]	3.69	1.24
Market capitalization at the end of the quarter in € millions	861	290

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

The marked decline that started during the second quarterly reporting period in the two major German stock indices – the DAX and the MDAX – reached a floor at the beginning of the third quarter and began to move laterally. By the end of October 2011, the DAX had recovered as much as 20 percent from its low of 4,966 for the year reached in September. The MDAX also came back from its low. Triggered by a flare-up of the debt crisis following the downgrading of a number of European countries, the key indices gave up around 15 percent of the gains they had made by the end of November. During the year-end rally that started in December, the two indices had recovered slightly by year-end. As of December 30, 2011, the DAX stood just under the psychologically important 6,000 mark, a fall of around 16 percent since April 1, 2011. Over the same period, the MDAX dropped by around 14 percent, ending 2011 at 8,898.

The Heidelberg share was not unaffected by the performance of the key indices in the third quarter as described here.

In view of the uncertainty of the economic outlook for the second half of the fiscal year, Heidelberg had to lower its forecast for the financial year at the end of October 2011. Actions were planned related to this in order to safeguard our medium-term profitability targets.

Current developments in the printing press industry also added volatility to the stock price. For instance, a competitor had to file for bankruptcy at the end of November 2011, which put pressure on the whole sector. As of December 30, 2011, the Heidelberg share stood at € 1.24, around 63 percent below the price at the beginning of the financial year.

Active capital market communication is particularly important in these turbulent times for the market. Therefore, Heidelberg maintains a continuous dialog with the capital markets to ensure transparent and prompt communication. Heidelberg held numerous discussions with institutional and private investors as well as with financial analysts at domestic and international capital market conferences and road shows in order to present the Company and its equity story to current and potential Heidelberg shareholders.

Interim Consolidated Management Report

Overall Picture

As expected, uncertainties over the economic outlook dampened investment behavior within the industry and resulted in lower demand. The provisional insolvency of one of our competitors in November is raising the level of uncertainty within the industry for the short term.

As announced on January 17, 2012, while incoming orders of € 642 million were lower than in the preceding quarters and the previous year, they were in line with the reduced expectations. Net sales in the third quarter came to € 631 million, level with the figure for the previous quarter but 8 percent down year-on-year. Ongoing consistent cost management, combined with efficiency increases achieved through the reorganization, resulted in Heidelberg posting a third-quarter profit of € 2 million on operating activities excluding special items. The fall in profit contributions as a result of the lower sales volume was the main factor preventing achievement in the reporting quarter of the previous year's figure of € 15 million. The Heidelberg Equipment Division witnessed a decline in the third quarter as a result of restrained investment within the industry. The less cyclical Heidelberg Services Division performed better than in the previous quarters. The figure of € 10 million for special items in the first nine months is mainly the result of expenditure on further structural adjustments. The financial loss of € – 62 million improved due to the 40 percent year-on-year drop in financing expenses following our successful refinancing. The net loss for the quarter came to € – 13 million. Despite the net loss of € – 79 million in the first nine months, consistent asset management led to a negative free cash flow of only € – 23 million. With the successful issue of our high yield bond and Heidelberg's new credit facility that became effective at the same time, we managed a comprehensive refinancing at the beginning of the financial year. The success of our financial measures may also be seen in our stable equity ratio and net financial debt. The equity ratio at the end of the reporting quarter was nearly 30 percent as in the previous quarter, while net financial debt fell slightly against the previous quarter to end the reporting quarter at € 273 million.

Underlying Conditions

CHANGE IN GDP WORLDWIDE

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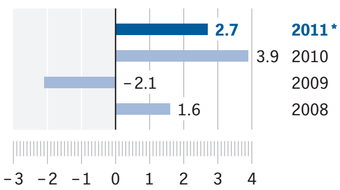
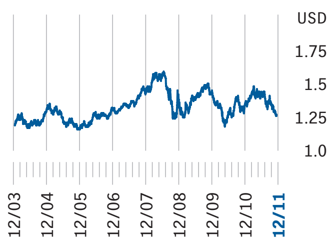
Figures in percent



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

EUR/USD EXCHANGE RATE

5



EUR/JPY EXCHANGE RATE

6

Source: Bloomberg

Uncertainties, not only in Europe, put a damper on economic momentum. The year started off strong, but **GROWTH IN THE GLOBAL ECONOMY** slowed as the year went on. The global economy grew by only 2.7 percent in 2011, following a strong previous year with a rate of 3.9 percent. While the sovereign debt crisis battered the economy in Europe, in the US it was fiscal policies and high unemployment. The drop in exports to industrialized countries and falling raw material prices also slowed economic expansion in emerging markets. Nevertheless, their growth continued to outstrip that of the industrialized countries. Economic research institutes have indicated an ongoing reduction in economic growth in 2012, primarily in the first half of the year.

Uncertainty on the financial markets is reflected in the development of **EXCHANGE RATES**. High volatility is the main feature of the US dollar/euro exchange rate. Although the exchange rate appears to be unchanged from a year ago, in the meantime there were fluctuations in excess of 13 percent.

The appreciation of the Chinese renminbi against the US dollar has been ongoing since mid-2010: in 2011 it rose by 5 percent. The yen also strengthened against the euro in absolute terms, following a brief pause as a result of the combined earthquake and nuclear disaster in the spring. The **US ECONOMY** managed not to fall into recession in 2011. Despite high unemployment and uncertainty in Washington about fiscal policies, it grew moderately by 1.7 percent thanks to US monetary policy and a revival in consumption. Growth of around 2 percent is expected once again in 2012.

The public debt crisis and the need to consolidate spending are proving to be a drag on the economy in **EUROPE**. Following a strong first quarter in 2011, the economy started to lose steam. A recession is expected for the winter of 2011/2012. Besides the drop in demand in the peripheral countries of the euro zone, financing terms are making growth difficult for companies and households. The economy is not expected to pick up steam until the second half of 2012.

As a result of the high share of exports to the euro zone, **GERMANY** is unlikely to escape the effects of a recession in Europe. Both the IFO index and the purchasing managers index indicate a recession. The business outlook is substantially worse than the current business situation. Following growth of around 3 percent in 2011, a mere stagnation is expected for 2012.

Strong growth in the third quarter enabled **JAPAN** to make up for some of the losses from the catastrophe of spring 2011. The strong yen and lower global demand, however, are leading to a fall in exports. Reconstruction is likely to be one of the factors generating economic growth of around 2 to 3 percent in 2012, following a year of stagnation.

Eastern Asia excluding Japan reports ongoing high growth rates for 2011. **CHINA**, for instance, is posting a rise in GDP of 9.5 percent. However, with export momentum dropping, a more restrictive monetary policy, and rising wages, growth is likely to slow down there, too, in 2012.

Emerging markets in **SOUTH AMERICA** grew by around 4 percent in 2011. Since the second half of the calendar year, their growth has slowed due to falling prices for raw materials and foodstuffs, combined with an appreciation in their currencies against those of the industrialized countries. This slow growth trend is expected to continue in 2012.

According to the Printing and Media Industries Federation (bvdm), the business situation in the **PRINT MEDIA INDUSTRY** in Germany stabilized in positive territory in the second half of 2011. However – in line with the IFO index – the business outlook for the coming year is for a significant deterioration. In contrast to this, rising profits in the US and growing demand for new printing presses indicate that the US print shop market has reached a floor.

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 for the first nine months virtually unchanged from the previous year. Following a solid first calendar half-year, they collapsed in the third quarter, leading to one of our competitors having to provisionally file for bankruptcy in November. The major significance of some regions for the industry is reflected in the latest export statistics. Amongst the regions importing German printing presses, countries in the EU take second place with 29 percent after Asia with 34 percent. This shows the significant influence of the region's economic performance on the business development. Markets in North and South America each account for 10 percent of exports and so can hardly make up for declines in Europe.

"FOCUS 2012" Efficiency Program

The Management Board of Heidelberger Druckmaschinen Aktiengesellschaft announced the "FOCUS 2012" efficiency program in January, aimed at achieving profitability targets. It is intended to ensure that in financial year 2013/2014, the target operating result of around € 150 million excluding special items will be reached, and the Company will continue to be able to expand its leading position on its own strength. The efficiency program is expected to significantly reduce Heidelberg's capacities and costs over the next two years. This will provide the basis for a positive business development to cope with changing market demands and volatile conditions. Most of the individual steps are due to be introduced and implemented in early 2012. In addition, the program also involves medium- and long-term measures to adapt the whole organization to the changing structures.

Overall, financial year 2013/2014 should see sustainable savings in the region of € 180 million. Depending on the results of negotiations with staff representatives and other factors, one-off expenditures required to achieve this are estimated to be up to € 150 million.

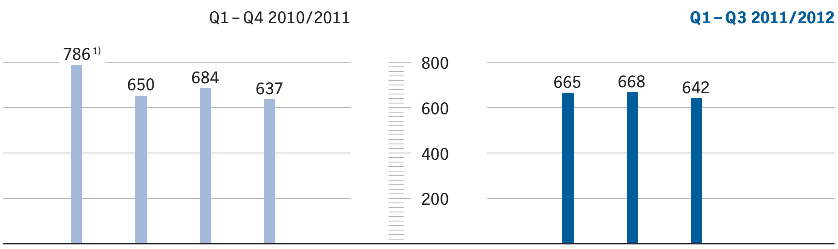
As part of the short-term measures, production capacities will be reduced by 15 percent and the service capacities in the regions will be adapted to the level of sales expected in the medium term. Research and development expenditure will fall as a result of the capacity reduction and the continued optimization of the internal research and development processes as well as an accompanying reprioritization of projects. Sales and marketing as well as structural costs should continue to fall substantially. To this end, sales activities will be bundled and individual markets restructured. At the same time, global customer care will continue to be guaranteed.

Subject to talks with employee representatives, up to 2,000 jobs will be cut worldwide with this package of measures. According to current plans, this figure comprises around 1,200 production, development, administrative, sales and marketing jobs in Germany, and around 800 jobs abroad. Negotiations between the Management Board and employee representatives on the implementation of "FOCUS 2012" began in January 2012.

Business Development

INCOMING ORDERS PER QUARTER

Figures in € millions



1) Includes special effects due to trade shows

As expected, the uncertain economic situation and the consequent restraint on investment behavior within the industry have resulted in weaker demand. Although **INCOMING ORDERS** of € 642 million were lower than in the preceding quarters and the previous year, they were in line with reduced expectations. While the less cyclical Heidelberg Services Division succeeded in achieving higher incoming orders against the previous quarter reaching the previous year's level, the Heidelberg Equipment Division posted a drop of 10 percent year-on-year.

At € 1,975 million, incoming orders in the first nine months were 7 percent lower than the figure for the previous year. Investment restraint was most evident in the EMEA region (Europe, Middle East and Africa), but the Asia/Pacific and South America regions also reported slightly lower incoming orders. At the end of the third quarter, neither division succeeded in achieving the high figures posted in the previous year, which were boosted by a number of successful trade shows.

The Heidelberg Group's **ORDER BACKLOG** stood at the level of the previous quarter, reaching a figure of € 728 million as of December 31, 2011. The IPEX and the ExpoPrint trade shows were major factors behind the high figure for the previous year, which – as expected – could not be matched.

Heidelberg generated **SALES** of € 631 million during the third quarter. This figure matched the level of the previous quarter but was 8 percent lower than the figure for the previous year. The Heidelberg Services Division also succeeded in matching

ORDER BACKLOG PER QUARTER

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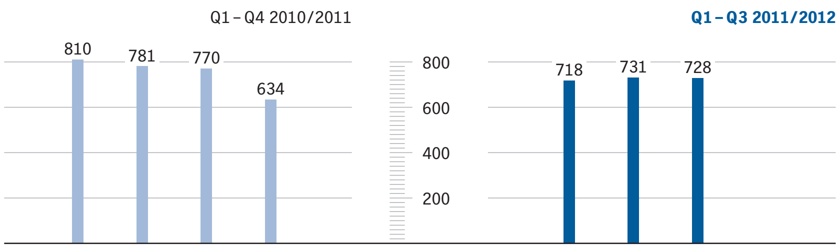
Figures in € millions



its previous year's figure for net sales in the reporting quarter while the Heidelberg Equipment Division posted significant declines. At € 1,811 million, net sales for the first nine months of the financial year are 4 percent lower than the figure for the previous year; adjusted for exchange rate effects, they are at virtually the same level as in the previous year. While the North America region reported significant growth, the South America and Asia/Pacific regions, after adjusting for exchange rate effects, stood at the same level as in the previous year. The Eastern Europe and Europe, Middle East and Africa (EMEA) regions reported a drop in sales. At 84 percent, the proportion of foreign sales fell slightly against financial year-end. While sales in the financial year to date in the Heidelberg Equipment Division, after adjusting for exchange rate effects, are at the same level as in the previous year, the Heidelberg Services Division has posted a slight drop in sales after adjusting for exchange rate effects of 3 percent; the main reason for this is the drop in sales in the remarketed equipment business.

SALES BY DIVISION

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Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011/2012**	Q3 prior year	**Q3 2011/2012**
Heidelberg Equipment	1,066	1,031	417	357
Heidelberg Services	805	768	267	270
Heidelberg Financial Services	12	12	3	4
Heidelberg Group	1,883	**1,811**	687	**631**
(adjusted for exchange rate effects		1,841		632)

Results of Operations, Net Assets, and Financial Position

EBITDA excluding special items reached € 24 million in the third quarter. The figure for the first nine months was € 50 million, slightly above the figure for the previous year. The **RESULT OF OPERATING ACTIVITIES** excluding special items in the third quarter was once again in the black, amounting to € 2 million. The high figure of € 15 million achieved in the reporting period for the previous year could not be achieved, mainly due to the lack in profit contributions as a result of the lower volume of sales, but also due to the drupa-related higher research and development costs and more sales activities in the run-up to the drupa trade show. At the end of the third quarter, Heidelberg posted a result of operating activities excluding special items of € – 19 million compared with € – 26 million in the previous year. This means that against the same period in the previous year, despite lower net sales, the loss was reduced by 27 percent. Primarily the ongoing consistent cost management and efficiency increases achieved as part of the reorganization have been the major factors behind this improved result. The **SPECIAL ITEMS** in the current financial year totaling € 10 million mainly reflect expenditure on further structural adjustments. The previous year posted income of € 26 million.

RESULT OF OPERATING ACTIVITIES [1]

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Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011 / 2012**	Q3 prior year	**Q3 2011 / 2012**
Heidelberg Equipment	– 95	– 70	– 8	– 14
Heidelberg Services	58	39	21	11
Heidelberg Financial Services	11	12	2	5
Heidelberg Group	– 26	**– 19**	15	**2**

[1] Excluding special items

The **FINANCIAL RESULT** for the fiscal year to date amount to charges of € – 62 million. Thanks to the successful refinancing and the lower financing costs as a result of successful asset management, this figure was 40 percent lower than in the previous year.

The **RESULT BEFORE TAXES** for the third quarter totaled € – 25 million. Over the course of the financial year, the result before taxes improved from € – 103 million in the previous year to € – 91 million. The net loss at the end of the third quarter totaled € – 79 million, of which € – 13 million is attributable to the reporting quarter. Basic earnings per share at the end of the third quarter came to € – 0.34 compared to € – 0.60 in the previous year.

INVESTMENTS in property, plant, and equipment and intangible assets came to € 12 million in the third quarter; accordingly, at the end of the third quarter of the current financial year, they stood at € 46 million, a similar figure to that of the previous year.

At € 2,688 million, the Heidelberg Group's **TOTAL ASSETS** remained stable compared to the second quarter and the previous financial year-end; compared to the figure at the same time in the previous year, they fell by around € 91 million.

BALANCE SHEET STRUCTURE

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Figures in € millions

	31-Mar-2011	in percent of total assets	31-Dec-2011	in percent of total assets
Non-current assets	1,115	42.2	1,057	39.3
Current assets	1,527	57.8	1,629	60.6
Assets held for sale	1	0.0	2	0.1
Total assets	2,643	100.0	2,688	100.0
Equity	869	32.9	779	29.0
Non-current liabilities	763	28.9	1,090	40.5
Current liabilities	1,011	38.2	819	30.5
Total equity and liabilities	2,643	100.0	2,688	100.0

Under **ASSETS**, seasonally adjusted inventories rose to € 890 million compared to the last quarter. A renewed decline in receivables from sales financing had a counteractive effect.

Under **EQUITY AND LIABILITIES**, it was mainly exchange rate effects that accounted for an increase to € 779 million compared to the previous quarter despite the net loss for the quarter as of December 31, 2011. The equity ratio in the reporting quarter was nearly 30 percent, as in the previous quarter. Provisions for the third quarter were virtually the same as in the previous quarter. Financial liabilities as of December 31, 2011, amounted to € 435 million, € 7 million lower than in the previous quarter.

The success of our asset management is also reflected in our financial stability. Net financial debt dropped slightly once again in the third quarter, standing at € 273 million, compared to € 695 million at the beginning of the previous financial year. Detailed information on our refinancing may be found in our annual report 2010/2011 beginning on page 66.

DEVELOPMENT OF THE FINANCIAL STRUCTURE

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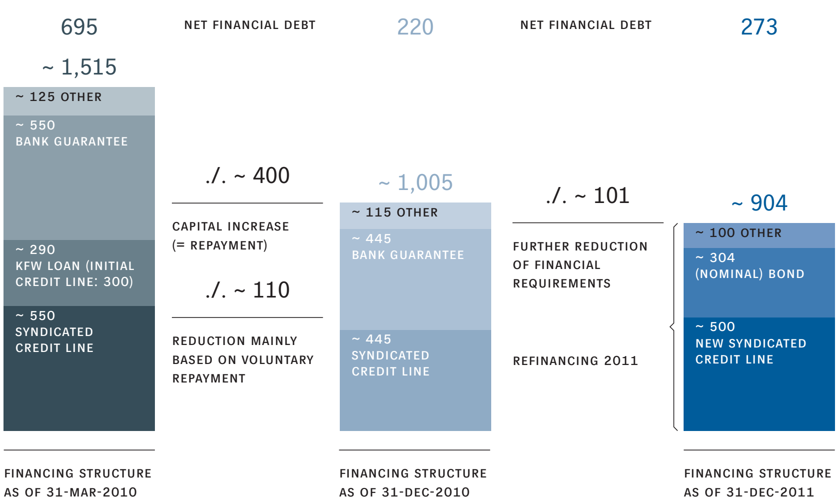
Figures in € millions



CONSOLIDATED STATEMENT OF CASH FLOWS

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Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011/2012**
Cash flow	– 26	– 7
Net working capital	126	15
Receivables from customer financing	37	43
Other	– 43	– 41
Other operating changes	120	17
Cash used in investing activities	– 3	– 33
Free cash flow	91	– 23

As a result of the improved operating and financial results, **CASH FLOW** improved year-on-year from € –26 million to € –7 million. Moreover, the previous year's figure included high cash outflows arising from disposals of assets. Although cash flow of € 6 million in the third quarter was in positive territory, it did not reach the high figure of € 35 million posted in the same quarter of the previous year.

In the area of **OTHER OPERATING CHANGES**, cash inflows of € 17 million were posted in the first nine months. In the net working capital items, thanks to increased trade payables and reduced trade receivables, Heidelberg more than made up for capital committed as a result of the increase in inventories. The Company also once again reduced the receivables from sales financing, thus generating a high cash inflow.

At the end of the third quarter, **CASH USED IN INVESTING ACTIVITIES** amounted to € –33 million; a large part of these investments are attributable to the expansion of the plant in Qingpu. In the previous year, the cash outflow as a result of disposals of assets was very low.

At € –4 million, **FREE CASH FLOW** was almost completely made up for in the third quarter: the total figure was € –23 million. The reason for this is mainly the net loss for the year combined with the cash outflow for the expansion of the plant in China.

Divisions

HEIDELBERG EQUIPMENT: INCOMING ORDERS PER QUARTER

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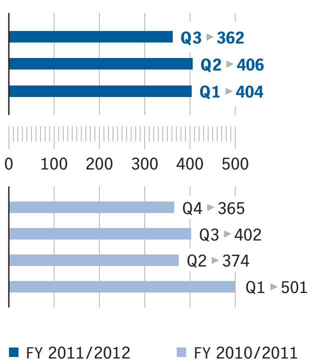
Figures in € millions



Incoming orders for the **HEIDELBERG EQUIPMENT** Division fell as a result of restrained investment within the industry. At € 362 million, incoming orders were € 40 million lower than in the third quarter of the previous year. After three quarters, incoming orders stood at € 1,172 million, 8 percent lower than in the previous year. The high incoming orders in the previous year include the special effects of the IPEX and ExpoPrint trade shows.

The division's net sales developed in line with the incoming orders and, at € 357 million, were 14 percent lower than in the previous year. After adjusting for exchange rate effects, however, the division's net sales ended up at € 1,031 million, similar to the figure in the previous year. The division accounted for a 57 percent share of Group sales for the financial year to date. The very large format class in the sheetfed offset press segment managed to generate an increase in sales despite adverse economic conditions.

The result of operating activities excluding special items was € – 14 million in the reporting quarter, failing to meet the previous year's figure due to the fall in sales. The lack in profit contributions due to the lower sales volume led to a lower result for the quarter, which was additionally hampered by higher expenditures primarily in research and development in the run-up to the drupa trade show. However, despite the drop in sales, we succeeded in raising the overall result for the first nine months by around 25 percent. The result of operating activities excluding special items improved from € – 95 million for the same period in the previous year to € – 70 million. Amongst the factors making up for the higher research and developments costs were the efficiency-enhancing measures undertaken as part of the reorganization and a consistent cost management. Expenses included under special items amounted to € 8 million. At € 38 million, the division's investments were € 4 million lower than in the previous year, and thus at a very low level. Most of it was attributable to investments in the Chinese production site.

The division had a total of 10,202 employees as of December 31, 2011. This corresponds to 52 fewer employees compared to the beginning of the financial year. The headcount in China rose because of the expansion of the plant.

In the less cyclical HEIDELBERG SERVICES Division, incoming orders rose in the third quarter, surpassing the figures for the previous quarters. At € 277 million, they were at a similar level to the previous year. Overall incoming orders of € 792 million were 5 percent below the figure for the previous year.

The division's net sales also continued to rise over the course of the financial year. At € 270 million in the third quarter, they stood at the level of the previous year. Overall net sales of € 768 million were 5 percent lower than in the previous year. The main reason for this was the fall in sales in the remarketed equipment business. In the consumables area, Heidelberg's record has been steady. The division accounted for a 42 percent share of Group sales at the end of the third quarter of the financial year.

At € 11 million, the result of operating activities excluding special items in the third quarter was in positive territory. Overall, it fell over the course of the three quarters from € 58 million in the previous year to € 39 million. This lower result is

HEIDELBERG SERVICES: INCOMING ORDERS PER QUARTER

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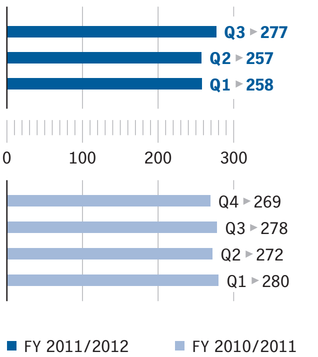
Figures in € millions



mainly due to the fall in profit contributions as a result of the lower volume of sales. Higher research and development costs in the run-up to the drupa trade show as well as increased costs for the development of consumables sales activities also played a role. Expenses covered under special items for the Heidelberg Services Division amounted to € 2 million. Investments in the Heidelberg Services Division at the end of three quarters of the current financial year amounted to € 8 million and continue to be low.

The division's headcount dropped by 112 compared to the beginning of the financial year and stood at 5,410 at the end of the third quarter.

At € 146 million, receivables from sales financing of the **HEIDELBERG FINANCIAL SERVICES** Division as of December 2011 were at their lowest level to date and were down again compared to € 178 million at financial year-end because projects realized by customers were mainly financed by third parties. The division once again posted a positive result of operating activities, so that the result at the end of the third quarter stood at a solid € 12 million. There were 54 employees in the division as of December 31, 2011.

Regions

The incoming orders of the **EUROPE, MIDDLE EAST AND AFRICA** region totaled € 239 million during the third quarter, 13 percent lower than the figure for the previous year. Incoming orders of € 715 million after three quarters of the current financial year, also 13 percent below the figure for the previous year, reflect the uncertain economic situation and the consequent investment restraint within the industry. Incoming orders in the UK, in particular, contributed to this trend, as incoming orders from the IPEX trade show were included in the previous year. Germany, too, reported a drop in orders. The picture for the region as a whole is similar. With sales of € 228 million in the third quarter, the region is 12 percent behind the previous year. Overall, sales of € 666 million are 9 percent below the figure for the previous year.

INCOMING ORDERS BY REGION

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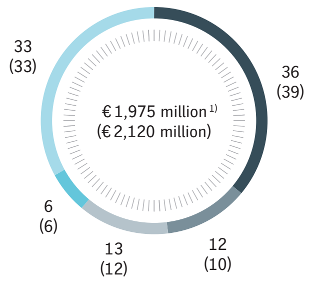
Shares in the Heidelberg Group in percent
(in parentheses: previous year)



Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011/2012**
EMEA	820	715
Eastern Europe	227	232
North America	249	250
South America	131	123
Asia/Pacific	693	655

[1)] Including negative exchange rate effects totaling € – 32 million

The **EASTERN EUROPE** region generated incoming orders in the third quarter of € 83 million, equivalent to a 4 percent increase over the previous year – or 6 percent after adjusting for exchange rate effects. At € 232 million, incoming orders for the financial year to date are slightly (2 percent) higher than the figure for the previous year. There was a significant rise in incoming orders from Russia. The region's net sales did not develop so positively and, at € 74 million for the third quarter, were 18 percent below the figure for the previous year. At € 204 million, net sales at the end of the third quarter of the current financial year were 7 percent below the figure for the previous year. Poland suffered a particularly sharp drop in net sales.

In the **NORTH AMERICA** region, incoming orders of € 88 million in the third quarter were at a similar level to the previous year. The willingness of customers in the region to invest improved so that incoming orders for the three quarters totaling € 250 million were 7 percent higher than in the previous year, after adjusting for exchange rate effects. Net sales in the third quarter amounted to € 86 million; after adjusting for exchange rate effects, this is equivalent to a 20 percent year-on-year rise. They also rose against the previous quarter. After adjusting for exchange rate effects, the figure for the region at the end of the third quarter was 18 percent higher than that for the previous year, with sales of € 235 million. This positive trend is mainly down to sales in Mexico and the US.

In the **SOUTH AMERICA** region, we raised incoming orders in the third quarter to € 42 million, an 8 percent year-on-year rise after adjusting for exchange rate effects. At the end of the third quarter of the current financial year, however, incoming orders for the region of € 123 million were 6 percent lower than in the previous year. The reason for this is the ExpoPrint trade show in the previous year, which generated large orders. Sales in the region in the third quarter were 19 percent lower than the high figure achieved in the same period in the previous year, albeit at a similar level (€ 34 million) to the previous quarter. Overall, we achieved sales in the region of € 99 million, in line with the level of the previous year. Sales in Brazil also remained stable at a similar level to the figure for the previous year.

The **ASIA/PACIFIC** region generated incoming orders in the third quarter of € 190 million, 6 percent lower than the figure for the previous year – or 8 percent after adjusting for exchange rate effects. At € 655 million, the figure for the financial year to date shows a slight (3 percent) drop after adjusting for exchange rate effects. Sales developed in line with incoming orders. In the third quarter they stood at € 209 million, 7 percent below the previous year. Overall, however, the region generated sales of € 607 million; after adjusting for exchange rate effects this is on a similar level to the previous year. Sales remain stable in China.

SALES BY REGION

17

Figures in € millions

	Q1 to Q3 prior year	**Q1 to Q3 2011/2012**	Q3 prior year	**Q3 2011/2012**
Europe, Middle East and Africa	728	666	258	228
Eastern Europe	220	204	90	74
North America	212	235	73	86
South America	101	99	42	34
Asia/Pacific	622	607	224	209
Heidelberg Group	1,883	**1,811**	687	**631**
(adjusted for exchange rate effects		1,841		632)

Employees

The number of employees in the Heidelberg Group continued to decline in the third quarter of the current financial year. There were a total of 15,666 employees as of the reporting date of December 31, 2011 – down by 162 since March 31, 2011; or 315 fewer than in the previous year. We cushioned the effects of temporary excess capacity by introducing short-time work. Savings continue to be made by foregoing provisions of collective bargaining agreements and the introduction of an additional working hour allotment.

The comprehensive "FOCUS 2012" package of measures announced in January will affect the numbers employed by Heidelberg around the world. Subject to discussions with workforce representatives, a reduction of 2,000 jobs worldwide is planned. According to current plans, this figure comprises 1,200 jobs in Germany in the Production, Development, Administration and Sales divisions and around 800 jobs abroad.

EMPLOYEES BY DIVISION

18

Number of employees

	31-Mar-11	31-Dec-11
HD Equipment	10,254	10,202
HD Services	5,522	5,410
HD Financial Services	52	54
Heidelberg Group	15,828	**15,666**

Risk and Opportunity Report

Part of our management strategy is to recognize risks as soon as possible, assess them realistically, and either tackle them systematically or make appropriate provisions. We also intend to assess opportunities at the earliest possible time and make systematic use of them. The Management Board and Supervisory Board are kept regularly informed about Heidelberg's current risk environment. There is a detailed Risk and Opportunity Report starting on page 127 of our Annual Report.

There are no current or foreseeable future risks that could threaten the existence of the Heidelberg Group. Since the print media industry is especially strongly impacted by cyclical trends, the future development of the overall economy represents the Heidelberg Group's greatest risk factor. The distortions on the capital markets, concern about the stability of the euro, and the weaker overall momentum of the economy mean that uncertainty about future developments in the economy has risen significantly once again since the second quarter. Moreover, in the context of structural changes in the media and communication market, it is apparent, on the one hand, that established printing applications, for instance the field of newspapers and magazines in the Western world, are suffering significantly; on the other hand, we expect substantial growth in the packaging market and with small print runs as well as in print-on-demand and web-to-print productions. In addition, print production is growing in the emerging markets. With its own range of services, Heidelberg is creating a direct link to the most important market trends in the printing industry. With “FOCUS 2012” and its products and services, Heidelberg takes systematic account of the fact that, although the net volume of printing products is not changing, local markets and, increasingly, specific market segments are developing at different speeds.

Structural change, on the other hand, is reflected in the ongoing consolidation within the print media industry, which has very recently led to problems and insolvencies amongst a number of competitors. This not only gives Heidelberg additional opportunities to make sales but also allows us to differentiate ourselves more distinctly from the competition as, thanks to the trust we have built up over many years, we have a reputation for protecting investments, long-term service, and guaranteeing to replace spare parts.

Our financial risks are much smaller than in the previous year. The successful refinancing agreement in April 2011 has secured the Group’s liquidity for the medium term.

Heidelberg has various business relationships with Eastman Kodak Company, New Jersey. Now that Eastman Kodak Company has filed for bankruptcy protection of the group and its US subsidiaries under Chapter 11 of the US Bankruptcy Code, there could be risks for Heidelberg. This sort of Chapter 11 procedure is aimed toward reorganizing and restructuring the company involved and not toward liquidating or breaking it up. All that we have heard from reports in the media and from Kodak indicate that Kodak should continue as a going concern. We therefore do not expect any material changes but will keep an eye on developments and, if appropriate, adjust the risk rating accordingly.

Besides the risk of a sluggish economic recovery, there is, of course, the possibility that demand for our products will substantially recover as a result of more favorable economic developments; and the drupa trade show coming in May could have a positive impact on investment. There could be additional opportunities if we manage to benefit over the medium term from the current favorable exchange rates, which give German manufacturers an advantage over their Japanese competitors.

Future Prospects

The global economy weakened over the course of the year, with growth of only 2.7 percent in 2011. For 2012, economic research institutes are indicating a further slowdown in global economic growth, mainly in the first half of the calendar year. The German Printing and Media Industries Federation (bvdm) currently expects business in Germany to be significantly worse for the print media industry. Heidelberg also assumes the industry's recovery will be held up further by ongoing economic uncertainties. For this reason the share in total sales of the HEIDELBERG EQUIPMENT and the HEIDELBERG SERVICES divisions will remain on the same level as in the previous year; Heidelberg intends to keep the directly financed portfolio in the HEIDELBERG FINANCIAL SERVICES Division as low as possible. Meanwhile, weaker demand in the industrialized nations stands in contrast to greater growth potential in the emerging markets.

Due to the economic outlook, we continue to assume that demand will be weaker than originally anticipated during the remainder of the financial year, and that sales and the operating result will not reach the level aimed at by Heidelberg. As a consequence, the original goal of a balanced pre-tax result will not be attained. The Company expects that the OPERATING RESULT excluding special items for financial year 2011/2012 as a whole will be noticeably better than that of the previous year. Thanks to the substantial reduction in debt, the FINANCIAL RESULT will weigh much less heavily than in the previous year. In an effort to increase operating profitability in the current financial year, measures relating to non-personnel costs and the human resources area that can be implemented quickly have been introduced.

Heidelberg's medium-term profitability goals will continue in effect, even if the planned sales increase to over € 3 billion is likely to be delayed due to weak demand. The "FOCUS 2012" efficiency program is intended to ensure that, as before, financial 2013/2014 will see achievement of the target operating result of around € 150 million excluding special items, and that the Company will once again be able to expand its leading position on its own strength. This will provide the basis for positive business development in order to cope with the changing market demands and volatile conditions. Most of the individual steps are due to be introduced and implemented in early 2012. In addition, the program also involves medium- and long-term measures to adapt the whole organization to the changing structures.

Supplementary Report

In January 2012 the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft announced the “FOCUS 2012” efficiency program to achieve the Company’s profitability targets. The program’s objective is to help significantly reduce capacities and costs at Heidelberg over the next two years. Subject to talks with employee representatives, up to 2,000 jobs will be cut worldwide with this package of measures. Based on current plans, around 1,200 production, development, administrative, sales and marketing jobs in Germany, as well as some 800 jobs abroad, will go. Negotiations between the Management Board and employee representatives on the implementation of “FOCUS 2012” began in January 2012. For more detailed information please refer to the chapter “FOCUS 2012” Efficiency Program on page 6.

Eastman Kodak Company, New Jersey, filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code in January 2012. There are a number of supply and service relationships between Heidelberg and Eastman Kodak Company. As Chapter 11 insolvency proceedings are not aimed at breaking up the company involved but at a restructuring based on the general provisions of insolvency law, our current assumption is that this will not lead to any material changes to or effects on our business relationships. For further information please refer to the Risk and Opportunity Report starting on page 17.

IMPORTANT NOTE

This Interim Report contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that these assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the overall economic situation, in interest rates, and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume any liability for losses in case the future development and the projected results do not correspond with the forward-looking statements contained in this Interim Report. Heidelberg does not intend to assume and does not assume any obligation to update the forward-looking statements contained in this Interim Report to reflect events or developments that have occurred after this Interim Report was published.

THIRD QUARTER 2011/2012

In Review

OCTOBER

- > Trade Shows:
  Major success at the Polygraphinter 2011 trade show in Moscow
- > Cooperations:
  Heidelberg and Papier Union agree on strategic partnership

NOVEMBER

- > Postpress:
  Postpress Commercial Information Days in Leipzig
- > Trade Shows:
  "HEI Lights 2011" at the São Paulo Open House

DECEMBER

- > Trade Shows:
  Heidelberg launches drupa communication

THIRD QUARTER 2011/2012

In Review

Q3 2011

OCTOBER | NOVEMBER

1 October 4 – 8, 2011
2 October 21, 2011
3 November 1 – 11, 2011

1 TRADE SHOWS

Major success at the Polygraphinter 2011 trade show in Moscow
October 4 – 8, 2011

> Market launch of Speedmaster CX 102 in Russia

The Polygraphinter 2011 trade show in Moscow attracts more than 15,000 visitors. With over 80 purchase orders signed, this most important trade show in Russia proves to be a great success for the Company. Apart from the launch of the Speedmaster CX 102 on the Russian market, the intended digital printing collaboration with Ricoh in Russia is announced. Additionally, huge demand for consumables is registered. A seminar presents the environmentally friendly Saphira Eco product portfolio – including chemical-free plates, as well as low-odor and low-migration inks for food packaging. There is also great demand for service contracts from Heidelberg.

2 COOPERATIONS

Heidelberg and Papier Union agree on strategic partnership
October 21, 2011

> Strategic partnership for the sale of Saphira consumables

Heidelberger Druckmaschinen Aktiengesellschaft and Papier Union GmbH, a subsidiary of the international Inapa Group headquartered in Portugal, agree on a strategic partnership for the sale of Saphira consumables in Germany. With immediate effect, customers of Papier Union in Germany have the option of buying products from the comprehensive Saphira portfolio using the Company's standard ordering channels. Customers will benefit in particular from the renowned Heidelberg prime quality and the efficient and industry-specific logistics network of Papier Union.

3 POSTPRESS

Postpress Commercial Information Days in Leipzig
November 1 – 11, 2011

> Customers increase competitiveness and profitability with postpress solutions from Heidelberg

More than 500 customers – among them commercial and digital print companies, and postpress specialists – from Eastern and Central Europe, the United States, India, and Egypt attend the Leipzig Postpress Information Days. Live demonstrations of the entire product portfolio can be seen – from folding machines and saddle stitchers to adhesive binders. One highlight is the premiere of the Eurobind Pro adhesive binder which is linked inline with a digital book production line from Heidelberg's partner Hunkeler AG, Switzerland, making it possible to switch between digital and offset print production on a single machine.

DECEMBER

4 November 17 – 19, 2011

5 December 7 – 8, 2011

4 TRADE SHOWS

“HEI Lights 2011” at the São Paulo Open House
November 17 – 19, 2011

> The big success of the September event induces Heidelberg to arrange another Open House in November

Under the slogan “HEI Lights 2011” customers in Brazil are presented highly productive printing solutions in the 70 × 100 format. A combination of the Speedmaster SM 102-8-P with Prinect Inpress Control and a Stahlfolder TD 94 is demonstrated for the first time. The September Open House event provides information on offset and digital printing solutions around the theme of “HEI Flexibility”. The Ricoh Pro C901 Graphic Arts Edition is presented at the event. All in all, more than 300 customers attend the Open House events. The sales figures exceed Heidelberg Brazil’s expectations by far.

5 TRADE SHOWS

Heidelberg launches drupa communication
December 7 – 8, 2011

> Heidelberg presents solutions for growth in the light of the current market environment

In accordance with the theme “Discover HEI” the company spotlights its comprehensive portfolio of state-of-the-art technologies and services at the trade show taking place in May 2012. Heidelberg exhibits solutions that enable print shops and postpress businesses to meet the latest market requirements. The focus of the trade show presentation will be on lean production, green printing, web-to-print, print-on-demand, differentiation through coatings and special effects, the future of packaging printing, and gaining an edge through up-to-date know-how. Heidelberg has taken on the task of demonstrating to customers that printed communication is here to stay.

Overview Charts, Graphs, and Illustrations

* Cover

HEIDELBERG 2011/2012

Interim Consolidated Financial Statements

OF HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
FOR THE PERIOD APRIL 1, 2011 TO DECEMBER 31, 2011

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED INCOME STATEMENT APRIL 1, 2011 TO DECEMBER 31, 2011

Figures in € thousands

	Note	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Net sales		1,883,498	1,811,417
Change in inventories		– 3,539	100,945
Other own work capitalized		5,148	6,665
Total operating performance		1,885,107	1,919,027
Other operating income	3	89,550	78,661
Cost of materials	4	909,161	911,647
Personnel expenses	5	632,079	679,836
Depreciation and amortization		73,210	68,532
Other operating expenses	6	386,211	356,433
Special items	7	– 26,290	10,114
Result of operating activities		286	– 28,874
Financial income	8	21,929	14,908
Financial expenses	9	124,844	76,695
Financial result		– 102,915	– 61,787
Income before taxes		– 102,629	– 90,661
Taxes on income		– 24,287	– 11,272
Consolidated net loss		– 78,342	**– 79,389**
Basic earnings per share according to IAS 33 (in €/share)	10	– 0.60	**– 0.34**
Diluted earnings per share according to IAS 33 (in €/share)	10	– 0.60	**– 0.34**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME APRIL 1, 2011 TO DECEMBER 31, 2011

Figures in € thousands

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Consolidated net loss	– 78,342	– 79,389
Pension obligations	– 10,019	– 31,509
Currency translation	41,136	44,890
Financial assets available for sale	– 400	– 485
Cash flow hedges	– 7,811	– 23,001
Deferred income taxes	4,052	– 5,972
Total other comprehensive income	26,958	– 16,077
Total comprehensive income	– 51,384	**– 95,466**

INTERIM CONSOLIDATED INCOME STATEMENT OCTOBER 1, 2011 TO DECEMBER 31, 2011

Figures in € thousands

	1-Oct-2010 to 31-Dec-2010	**1-Oct-2011 to 31-Dec-2011**
Net sales	687,495	631,015
Change in inventories	–26,456	19,955
Other own work capitalized	2,436	2,149
Total operating performance	663,475	653,119
Other operating income	15,524	23,547
Cost of materials	301,146	318,686
Personnel expenses	215,950	223,746
Depreciation and amortization	23,970	22,322
Other operating expenses	122,812	110,098
Special items	–4,338	6,838
Result of operating activities	19,459	–5,024
Financial income	8,442	4,979
Financial expenses	24,387	24,601
Financial result	–15,945	–19,622
Income before taxes	3,514	–24,646
Taxes on income	–5,846	–10,876
Consolidated net profit/loss	9,360	**–13,770**
Basic earnings per share according to IAS 33 (in €/share)	0.04	**–0.06**
Diluted earnings per share according to IAS 33 (in €/share)	0.04	**–0.06**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OCTOBER 1, 2011 TO DECEMBER 31, 2011

Figures in € thousands

	1-Oct-2010 to 31-Dec-2010	**1-Oct-2011 to 31-Dec-2011**
Consolidated net profit/loss	9,360	–13,770
Pension obligations	107,809	1,176
Currency translation	30,200	31,676
Financial assets available for sale	157	–110
Cash flow hedges	–12,506	–7,168
Deferred income taxes	–26,744	783
Total other comprehensive income	98,916	26,357
Total comprehensive income	108,276	**12,587**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011

> ASSETS

Figures in € thousands

	Note	31-Mar-2011	31-Dec-2011
Non-current assets			
Intangible assets	11	266,667	249,648
Property, plant, and equipment	11	569,972	554,728
Investment property		5,664	5,353
Financial assets		19,547	27,168
Receivables from sales financing		90,419	72,431
Other receivables and other assets	12	42,920	32,410
Income tax assets		499	400
Deferred tax assets		118,927	115,169
		1,114,615	1,057,307
Current assets			
Inventories	13	747,680	890,216
Receivables from sales financing		87,582	73,686
Trade receivables		376,928	340,551
Other receivables and other assets	12	153,523	143,491
Income tax assets		13,862	18,519
Cash and cash equivalents	14	147,934	162,517
		1,527,509	1,628,980
Assets held for sale		908	1,749
Total assets		2,643,032	**2,688,036**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2011	31-Dec-2011
Equity	15		
Issued capital		596,302	599,308
Capital reserves and retained earnings		401,180	259,087
Consolidated net loss		–128,890	–79,389
		868,592	779,006
Non-current liabilities			
Provisions for pensions and similar obligations	16	221,011	267,435
Other provisions	17	303,014	299,049
Financial liabilities	18	105,256	392,506
Other liabilities	19	127,670	118,828
Deferred tax liabilities		6,298	12,661
		763,249	1,090,479
Current liabilities			
Other provisions	17	291,239	255,408
Financial liabilities	18	289,361	42,626
Trade payables		129,726	184,498
Income tax liabilities		1,842	1,908
Other liabilities	19	299,023	334,111
		1,011,191	818,551
Total equity and liabilities		2,643,032	**2,688,036**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2011 [1)]

Figures in € thousands

	Issued capital	Capital reserves	Pension obligations	Currency translation	Fair value of other financial assets
April 1, 2010	198,767	19,025	– 114,638	– 200,541	– 253
Capital increase	397,535	6,812	0	0	0
Loss carryforward	0	0	0	0	0
Total comprehensive income	0	0	– 8,176	41,136	– 238
Consolidation adjustments/ other changes	0	2,201	0	0	0
December 31, 2010	596,302	28,038	– 122,814	– 159,405	– 491
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	– 37,415	44,890	– 485
Consolidation adjustments/ other changes	659	– 921	0	0	0
December 31, 2011	**599,308**	**27,098**	**– 144,289**	**– 151,394**	**– 1,378**

[1)] For further information see note 15

		Retained earnings	Total capital reserves and retained earnings	Consolidated net loss	Total
Fair value of cash flow hedges	Other retained earnings	Total retained earnings			
– 6,685	911,782	589,665	608,690	– 228,507	578,950
0	0	0	6,812	0	404,347
0	– 228,507	– 228,507	– 228,507	228,507	0
– 5,764	0	26,958	26,958	– 78,342	– 51,384
0	– 13,607	– 13,607	– 11,406	0	– 11,406
– 12,449	669,668	374,509	402,547	– 78,342	920,507
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
– 23,067	0	– 16,077	– 16,077	– 79,389	– 95,466
0	3,470	3,470	2,549	0	3,208
– 17,227	**546,277**	**231,989**	**259,087**	**– 79,389**	**779,006**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS APRIL 1, 2011 TO DECEMBER 31, 2011

Figures in € thousands

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Consolidated net loss	– 78,342	– 79,389
Depreciation and amortization, write-downs and reversals [1]	73,498	71,239
Change in pension provisions	11,226	11,811
Change in deferred tax assets/ deferred tax liabilities/tax provisions	– 22,578	– 10,076
Result from disposals [1]	– 10,202	– 988
Cash flow	– 26,398	**– 7,403**
Change in inventories	19,651	– 124,260
Change in sales financing	37,352	42,924
Change in trade receivables/payables	60,676	118,043
Change in other provisions	– 74,101	– 39,450
Change in other items of the statement of financial position	76,624	19,664
Other operating changes	120,202	**16,921**
Cash generated by operating activities	93,804	**9,518**
Intangible assets/property, plant, and equipment/ investment property		
Investments	– 42,949	– 42,996
Income from disposals	30,549	18,319
Financial assets/corporate acquisitions		
Investments	– 138	– 8,264
Income from disposals	9,632	441
Cash used in investing activities	– 2,906	**– 32,500**
Income from capital increase	398,435	0
Change in financial liabilities	– 469,924	28,914
Cash used in/generated by financing activities	– 71,489	**28,914**
Net change in cash and cash equivalents	19,409	**5,932**
Cash and cash equivalents as of the start of the reporting period	120,696	147,934
Currency adjustments	8,766	8,651
Net change in cash and cash equivalents	19,409	5,932
Cash and cash equivalents as of the end of the reporting period	148,871	162,517
Cash generated by operating activities	93,804	9,518
Cash used in investing activities	– 2,906	– 32,500
Free cash flow	90,898	**– 22,982**

[1] Relates to intangible assets, property, plant, and equipment, investment property, loans, and other securities

NOTES

1 ACCOUNTING POLICIES

The interim consolidated financial statements as of December 31, 2011 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, 2011, 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 2010/2011 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, 2011. All amounts are stated in € thousands.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have issued the following new standards and interpretations as well as amendments to existing standards and interpretations, which are to be applied for the first time in financial year 2011/2012:

Standard	Publication by the IASB / IFRS IC	Date of adoption [1]	Published in Official Journal of the EU	Effects
Amendments to standards				
IAS 24: Related Party Disclosures (Revised 2009)	4-Nov-2009	1-Jan-2011	20-Jul-2010	> None
Amendment to IFRS 1: Limited Exemption for First-time Adopters from IFRS 7 and to IFRS 7: Financial Instruments: Disclosures	28-Jan-2010	1-Jul-2010	1-Jul-2010	> None
Improvements to International Financial Reporting Standards 2010	10-May-2010	Various, 1-Jul-2010 at earliest	19-Feb-2011	> None [2]
Amendments to interpretations				
Amendments to IFRIC Interpretation 14: Prepayments of a Minimum Funding Requirement	26-Nov-2009	1-Jan-2011	20-Jul-2010	> None
New interpretations				
IFRIC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	26-Nov-2009	1-Jul-2010	24-Jul-2010	> None

[1] For financial years beginning on or after this date
[2] Effects on accounting for business acquisitions and for transactions with non-controlling interests that did not occur in the reporting period and effects on disclosures on financial instruments at the end of the financial year that are currently being examined

The IASB and IFRS IC approved and amended the following standards and interpretations, whose application during financial year 2011/2012 is not yet compulsory or which have not yet been endorsed by the European Union (EU).

> Amendments to IAS 1: Presentation of Financial Statements
> Amendments to IFRS 12: Deferred Tax: Recovery of Underlying Assets
> Amendments to IAS 19: Employee Benefits
> IAS 27: Consolidated and Separate Financial Statements
> IAS 28: Investments in Associates
> Amendments to IAS 32: Offsetting a Financial Asset and a Financial Liability
> Amendments to IFRS 1: Hyperinflation and Deletion of Fixed Date References for First-time Adopters
> Amendments to IFRS 7: Financial Instruments: Disclosures: Transfers of Financial Assets
> Amendments to IFRS 7: Financial Instruments: Disclosures: Offsetting a Financial Asset and a Financial Liability
> IFRS 9: Financial Instruments
> Amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures
> IFRS 10: Consolidated Financial Statements
> IFRS 11: Joint Arrangements
> IFRS 12: Disclosure of Interests in Other Entities
> IFRS 13: Fair Value Measurement
> IFRIC Interpretation 20: “Stripping Costs in the Production Phase of a Surface Mine”

The effects of first-time adoption of the IFRS relevant to Heidelberg on the financial statements of the Heidelberg Group are currently being examined. Heidelberg is not currently planning to apply these standards at an early date.

Traditionally, Heidelberg generates more sales in the second half of the financial year than the first. Income that is generated due to seasonal reasons, economic reasons, or only occasionally within the financial year is not brought forward or deferred in the interim consolidated financial statements. Expenses that are incurred irregularly during the financial year are deferred in cases in which they would also be deferred at the end of the financial year.

The interim report has neither been audited according to Section 317 HGB, nor reviewed by the auditors.

2 SCOPE OF CONSOLIDATION

The interim consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft include a total of 72 (March 31, 2011: 75) domestic and foreign companies in which Heidelberger Druckmaschinen Aktiengesellschaft has a controlling influence as defined by IAS 27. Of these, 61 (March 31, 2011: 64) are located outside Germany. Subsidiaries that are of minor importance are not included.

During financial year 2011/2012, Heidelberg Latvija SIA, Riga, Heidelberg Lietuva UAB, Wilna, and Heidelberg Finland Oy, Vantaa, were merged into Heidelberg Baltic Finland OÜ, Tallinn.

3 OTHER OPERATING INCOME

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Reversal of other provisions/deferred liabilities	22,055	27,105
Recoveries on loans and other assets previously written down	17,768	13,208
Hedging/exchange rate gains	7,877	9,248
Income from operating facilities	10,341	9,020
Income from disposals of intangible assets, property, plant, and equipment, and investment property	8,456	1,792
Other income	23,053	18,288
	89,550	**78,661**

The income from hedging/exchange rate gains is offset by expenses for hedging/exchange rate losses reported under other operating expenses (see note 6).

4 COST OF MATERIALS

The cost of materials includes the pro rata interest expense in connection with the Heidelberg Financial Services segment of € 1,831 thousand (April 1, 2010 to December 31, 2010: € 2,918 thousand); the interest income from sales financing of € 11,639 thousand (April 1, 2010 to December 31, 2010: € 12,544 thousand) is reported in sales.

5 STAFF COSTS

The increase in staff costs is due, among others, to the reduction of short-time work at the German locations as against the previous year.

6 OTHER OPERATING EXPENSES

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Other deliveries and services not included in the cost of materials	79,716	80,532
Special direct sales expenses including freight charges	81,609	77,654
Rent and leases	49,835	47,103
Travel expenses	31,283	32,715
Hedging/exchange rate losses	24,636	14,596
Bad debt allowances and impairment on other assets	13,261	13,446
Insurance expense	10,986	9,588
Costs of car fleet (excluding leases)	6,283	6,108
Additions to provisions and accruals relating to several types of expense	15,186	2,641
Other overheads	73,416	72,050
	386,211	**356,433**

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

7 SPECIAL ITEMS

Special items include expenses and income in connection with both our Heidelberg 2010 program and our efficiency enhancement measures.

Expenses amounting to € 10,114 thousand reported under special items in the period under review (April 1, 2010 to December 31, 2010: € 26,290 thousand) result predominantly from expenditures for further structural adjustments which mainly include impairment losses on inventories and intangible assets.

8

FINANCIAL INCOME

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Interest and similar income	12,855	12,411
Income from financial assets/loans/securities	9,074	2,497
	21,929	**14,908**

9

FINANCIAL EXPENSES

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Interest and similar expenses	124,699	74,901
Expenses for financial assets/loans/securities	145	1,794
	124,844	**76,695**

10

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 233,999,381 (April 1, 2010 to December 31, 2010: 130,917,031). The weighted number of shares outstanding was influenced by the capital increase to implement the court settlement with the former shareholders of Linotype-Hell Aktiengesellschaft (see note 15) and the holdings of treasury shares. In the reporting period, 257,081 treasury shares were issued to employees of Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries as employee shares. As of December 31, 2011, the Company still held 142,919 treasury shares (March 31, 2011: 400,000).

11

INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

In the period from April 1, 2011 to December 31, 2011, there were additions to intangible assets of € 2,870 thousand (April 1, 2010 to December 31, 2010: € 2,416 thousand) and to property, plant, and equipment of € 43,330 thousand (April 1, 2010 to December 31, 2010: € 45,415 thousand). In the same period, the carrying amount of disposals from intangible assets was € 4 thousand (April 1, 2010 to December 31, 2010: € 1,165 thousand) and € 17,328 thousand (April 1, 2010 to December 31, 2010: € 15,961 thousand) for property, plant, and equipment.

12 OTHER RECEIVABLES AND OTHER ASSETS

The Other receivables and other assets item includes receivables from derivative financial instruments of € 38,305 thousand (March 31, 2011: € 38,818 thousand) and prepaid expenses of € 17,154 thousand (March 31, 2011: € 14,734 thousand).

13 INVENTORIES

Inventories include raw materials, consumables and supplies of € 121,036 thousand (March 31, 2011: € 113,572 thousand), work in progress of € 383,283 thousand (March 31, 2011: € 332,086 thousand), finished goods and goods for resale of € 382,962 thousand (March 31, 2011: € 299,160 thousand) and advance payments of € 2,935 thousand (March 31, 2011: € 2,862 thousand).

14 CASH AND CASH EQUIVALENTS

Restrictions on disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 71,731 thousand (March 31, 2011: € 70,650 thousand).

15 EQUITY

As of March 31, 2011, the Company held 400,000 treasury shares (cost: € 13,258 thousand). These 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.

As part of the agreement reached at the start of the previous year between the management and employee representatives on the coordination of interests for German locations it was agreed to set up an employee share participation program. The issuance of shares is therefore free of charge for employees. In the first quarter of the 2011/2012 financial year, 257,081 treasury shares were used for this employee share program. As of June 30, 2011, the Company still held 142,919 treasury shares.

Please see note 26 of the consolidated financial statements as of March 31, 2011 for information on the contingent and authorized capitals as of March 31, 2011.

There were significant changes due to the capital increase to implement the court settlement with the former shareholders of Linotype-Hell Aktiengesellschaft and the resolutions of the Annual General Meeting of July 28, 2011.

Under the amicable settlement of the court dispute with the former shareholders of Linotype-Hell Aktiengesellschaft regarding the exchange ratio on March 30, 2011, it was agreed by way of court settlement to compensate the shareholders in shares of Heidelberger Druckmaschinen Aktiengesellschaft. For this purpose, the Management Board resolved, with the approval of the Supervisory Board, to increase the share capital by € 2,346,593.28 by issuing 916,638 new shares. Shareholders' preemptive subscription rights were disapplied with the approval of the Supervisory Board. To create new shares, the Management Board partially exercised its authorization under the resolution of the Annual General Meeting on July 18, 2008 to increase the share capital by issuing new shares against contributions (Authorized Capital 2008). The capital increase resolution was entered in the commercial register on June 6, 2011. The amicable settlement of the court dispute led to a derecognition increasing retained earnings in the reporting period.

As the authorization of the Executive Board to increase share capital by issuing new shares against contributions granted by the Annual General Meeting of July 18, 2008 expired on July 1, 2011, Authorized Capital 2008 has been irrelevant since July 2, 2011.

On July 28, 2011, the Annual General Meeting authorized 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). 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. This authorization takes place upon entry of the amendment to the Articles of Association in the commercial register, which was effected on August 5, 2011. In addition, the Annual General Meeting on July 28, 2011 revoked its authorization of the Management Board resolved on July 23, 2009, 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 € 39,958,236.16 on one or more occasions against cash contributions until July 1, 2014 (Authorized Capital 2009), effective from the date Authorized Capital 2011 is entered in the commercial register.

16 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

A discount rate of 5.00 percent (March 31, 2011: 5.00 percent) was used to calculate the actuarial gains and losses of German companies as of December 31, 2011.

17 OTHER PROVISIONS

Other provisions relate to tax provisions of € 190,236 thousand (March 31, 2011: € 203,677 thousand) and other provisions of € 364,221 thousand (March 31, 2011: € 390,576 thousand). Other provisions include staff obligations of € 96,717 thousand (March 31, 2011: € 109,436 thousand), sales obligations of € 129,233 thousand (March 31, 2011: € 134,622 thousand), and miscellaneous other provisions of € 138,271 thousand (March 31, 2011: € 146,518 thousand). Among other things, the latter include provisions for onerous contracts.

18 FINANCIAL LIABILITIES

			31-Mar-2011			**31-Dec-2011**
	Current	Non-current	Total	Current	Non-current	Total
Borrower's note loans	4,518	50,000	54,518	0	50,000	50,000
Amounts due to banks	264,679	49,727	314,406	18,159	43,308	61,467
High-yield bond	0	0	0	4,367	292,320	296,687
From finance leases	2,152	5,529	7,681	2,190	6,878	9,068
Other	18,012	0	18,012	17,910	0	17,910
	289,361	105,256	394,617	42,626	392,506	**435,132**

On March 25, 2011, Heidelberg agreed a comprehensive refinancing of the credit lines due in summer 2012. Firstly, this included the high-yield bond of € 304 million with a term of seven years successfully issued on April 7, 2011. Heidelberg used the net proceeds for the early repayment of the two partially government-backed credit lines and for general refinancing of the Company. Secondly, the lines previously in place were replaced by a new revolving credit facility of € 500 million from a banking syndicate, maturing at the end of 2014. The agreement on the new credit facility contains standard financial covenants regarding the financial situation of the Heidelberg Group.

19 OTHER LIABILITIES

Other liabilities include advance payments on orders of € 111,736 thousand (March 31, 2011: € 86,610 thousand), liabilities from derivative financial instruments of € 46,113 thousand (March 31, 2011: € 25,720 thousand), and deferred income of € 68,282 thousand (March 31, 2011: € 70,674 thousand).

20 CONTINGENT LIABILITIES AND OTHER FINANCIAL LIABILITIES

As of December 31, 2011, the contingent liabilities for warranties and guarantees amounted to € 4,398 thousand (March 31, 2011: € 3,476 thousand).

The other financial liabilities amounted to € 330,838 thousand as of December 31, 2011 (March 31, 2011: € 328,277 thousand). Of this, € 293,491 thousand (March 31, 2011: € 285,225 thousand) related to lease and rental obligations and € 37,347 thousand (March 31, 2011: € 43,052 thousand) related to investments and other purchase commitments.

21 GROUP SEGMENT REPORTING

The 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 the sections “Product Portfolio” and “Group Corporate Structure and Organization” in the Group management report as of March 31, 2011.

SEGMENT INFORMATION APRIL 1, 2011 TO DECEMBER 31, 2011:

	Heidelberg Equipment		Heidelberg Services		Heidelberg Financial Services		**Heidelberg Group**	
	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
External sales	1,066,148	1,031,237	804,806	768,541	12,544	11,639	1,883,498	1,811,417
Result of operating activities (segment result)	– 70,205	– 77,610	58,959	37,136	11,532	11,600	286	– 28,874
Investments	41,603	38,290	6,228	7,897	0	13	47,831	46,200

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

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Result of operating activities (segment result)	286	– 28,874
Financial result	– 102,915	– 61,787
Income before taxes	– 102,629	**– 90,661**

External sales relate to the different regions as follows:

	1-Apr-2010 to 31-Dec-2010	**1-Apr-2011 to 31-Dec-2011**
Europe, Middle East and Africa		
Germany	286,012	281,761
Other Europe, Middle East and Africa regions	442,742	384,334
	728,754	**666,095**
Asia / Pacific		
China	316,375	314,862
Other Asia / Pacific regions	305,397	292,410
	621,772	**607,272**
Eastern Europe	220,210	**203,953**
North America	211,980	**234,992**
South America	100,782	**99,105**
	1,883,498	**1,811,417**

22 SUPERVISORY BOARD / MANAGEMENT BOARD

The members of the Supervisory Board and the Management Board are presented on pages 46 and 47.

23 RELATED PARTY TRANSACTIONS

As described in note 41 of the notes to the consolidated financial statements as of March 31, 2011, 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 € 9,490 thousand (March 31, 2011: € 5,101 thousand), receivables of € 21,340 thousand (March 31, 2011: € 14,157 thousand), expenses of € 11,987 thousand (April 1, 2010 to December 31, 2010: € 9,445 thousand) and income of € 15,331 thousand (April 1, 2010 to December 31, 2010: € 14,105 thousand), which essentially comprises sales. All transactions were again conducted as at arm's length and did not differ from relationships with other companies.

Enterprises controlled by a member of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft provided advisory services to Heidelberger Druckmaschinen Aktiengesellschaft and fully consolidated companies amounting to € 469 thousand (April 1, 2010 to December 31, 2010: € 214 thousand).

24 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2012 the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft announced the FOCUS 2012 efficiency program to achieve the Company's profitability targets. The program's objective is to help significantly reduce capacities and costs at Heidelberg over the next two years. Subject to talks with employee representatives, up to 2,000 jobs will be cut worldwide with this package of measures. Based on current plans, around 1,200 production, development, administrative, sales and marketing jobs in Germany, as well as some 800 jobs abroad will go. Negotiations between the Management Board and employee representatives on the implementation of "FOCUS 2012" began in January 2012. For more detailed information please refer to the chapter "FOCUS 2012" Efficiency Program on page 6 of the interim consolidated management report.

Eastman Kodak Company, New Jersey, filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code in January 2012. There are a number of supply and service relationships between Heidelberg and Eastman Kodak Company. As Chapter 11 insolvency proceedings are not aimed at breaking up the company involved but at a restructuring based on the general provisions of insolvency law, our current assumption is that this will not lead to any material changes to or effects on our business relationships. For further information please refer to the Risk and Opportunity Report starting on page 17 of the interim consolidated management report.

Heidelberg, February 8, 2012

HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT
The Management Board

The Supervisory Board

Dr. Mark Wössner
Chairman of the Supervisory Board
– through July 28, 2011 –

Robert J. Koehler
Chairman of the Supervisory Board
– Chairman since July 28, 2011 –

Rainer Wagner*
Deputy Chairman of the Supervisory Board

Dr. Werner Brandt
– through July 28, 2011 –

Edwin Eichler

Wolfgang Flörchinger*

Martin Gauss*

Mirko Geiger*

Gunther Heller*

Jörg Hofmann*

Dr. Siegfried Jaschinski

Dr. Herbert Meyer
– since July 28, 2011 –

Dr. Gerhard Rupprecht

Beate Schmitt*

Lone Fønss Schrøder
– since July 28, 2011 –

Prof. Dr.-Ing. Günther Schuh

Dr. Klaus Sturany

Peter Sudadse*

* Employee representative

Committees of the Supervisory Board

Management Committee
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Rainer Wagner
Martin Gauss
Mirko Geiger
Dr. Gerhard Rupprecht
Dr. Klaus Sturany

Mediation Committee under Article 27 Paragraph 3 of the Codetermination Act
Dr. Mark Wössner
– through July 28, 2011 –
Robert J. Koehler
– since July 28, 2011 –
Rainer Wagner
Wolfgang Flörchinger
Dr. Gerhard Rupprecht

Committee on Arranging Personnel Matters of the Management Board
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Rainer Wagner
Dr. Gerhard Rupprecht
Beate Schmitt

Audit Committee
Dr. Klaus Sturany (Chairman)
Dr. Werner Brandt
– through July 28, 2011 –
Mirko Geiger
Dr. Herbert Meyer
– since July 28, 2011 –
Rainer Wagner

Nomination Committee
Dr. Mark Wössner (Chairman)
– through July 28, 2011 –
Robert J. Koehler (Chairman)
– since July 28, 2011 –
Dr. Klaus Sturany

The Management Board

Bernhard Schreier
Chief Executive Officer

Dirk Kaliebe

Marcel Kiessling

Stephan Plenz

Financial Calendar 2011/2012

JUNE 14, 2012	Annual Press Conference, Analysts' and Investors' Conference
JULY 26, 2012	Annual General Meeting

Subject to change

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