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Heidelberg increases sales by more than 15 percent to Euro 5.3 billion / Preliminary figures for the 2000/2001 fiscal year - profit exceeds expectations

Heidelberg, Germany (ots) -

Sales at Heidelberger Druckmaschinen

AG (Heidelberg) rose in the year ending March 31, 2001 by more than 15% to Euro 5.3 billion (previous year: Euro 4.6 billion). This impressive result means that the company has further extended its leading position in the graphic arts industry. "With this new record, we have shown that we are by far the world's favorite business partner for manufacturers of professional print media", stated Bernhard Schreier, Chairman of the Management Board of Heidelberger Druckmaschinen AG. Incoming orders exhibited pleasing growth in all divisions, standing at around Euro 5.5 billion. This was 18% higher than the comparable figure for the previous year, which had also been characterized by strong growth (just under Euro 4.7 billion).

"The results have exceeded our expectations. We have increased our operating profit by 10% from Euro 463 million to Euro 506 million", explained Dr. Herbert Meyer, CFO of Heidelberger Druckmaschinen AG. The Heidelberg Group's provisional net profit increased from Euro 251 million to Euro 283 million after adjustment and, after accounting for special influences, totaled Euro 343 million.

The non-recurring item of around Euro 60 million net (around Euro 100 million before tax) is due to the use of new accounting procedures for special investment funds.

In contrast to previous years, special funds are no longer listed in the historical acquisition costs of around Euro 280 million. Instead, the shares, marketable securities, liquid cash and bonds held by the funds are listed at their market values of around Euro 380 million. The earnings per share rose from Euro 2.91 to Euro 3.29 after adjustment.

The number of staff employed by the Heidelberg Group rose from 24,177 to 25,936 (as at March 31), primarily due to the extension of the service and sales network.

Impressive double-figure growth rates for divisions and regions

In the 2000/2001 fiscal year, sales in all divisions were influenced by the highly favorable economic development and by the high number of incoming orders at drupa in May 2000.

Sales in the Digital division rose by just under 16% from Euro 659 million to some Euro 763 million. The Sheetfed division (sheetfed offset presses) also continued its success story, with sales increasing from Euro 2.8 billion to Euro 3.3 billion - a growth of almost 17%. Heidelberg's Web division achieved sales of Euro 801 million which, when compared to Euro 695 million last year, represents a growth of more than 15%. In the Finishing division, sales rose from Euro 398 million to Euro 408 million.

Heidelberg experienced high demand from all regions. Despite the economic slowdown in the second half of the last fiscal year, sales in the NAFTA region rose by just under 16% to Euro 1.8 billion. In Central Europe, Heidelberg once again reported high sales, achieving a figure of Euro 1.9 billion. The Middle East/Africa, Asia/Pacific and Central & South America regions demonstrated sales increases well in excess of 30% compared with last year.

Asia/Pacific achieved almost Euro 1 billion in sales, making it the third largest region. The highest percentage growth was seen in Eastern Europe, with sales in the region growing by 53% to Euro 291 million.

Prospects for the future: Further increase in sales expected

"The economic slowdown affecting certain parts of the world has so far had hardly any effect on our business. Because of this, we expect a further increase in sales over the coming months", commented Bernhard Schreier, speaking about the prospects for the current fiscal year.

Heidelberg will announce further details of the 2000/01 fiscal year at its Annual Accounts Press Conference on July 3, 2001 (10:00 am, Print Media Academy, Heidelberg).

Further information is available on the Internet at www.journalist.heidelberg.com.

Heidelberg Group March 31, 2001 March 31, 2000 Change
in EURO million in EURO million in %

Sales	5,303	4,602	15.2%
Digital	763	659	15.8%
Sheetfed	3,331	2,849	16.9%
Web	801	695	15.3%
Finishing	408	398	2.5%
Incoming orders	5,537	4,694	18.0%
Operating profit	506	463	9.3%
Adjusted profits			
after taxes	283	251	12.7%
Profit after taxes, incl. non-recurring item	343		
Earnings per share (adjusted)	3.29 Euro	2.91 Euro	13.1%
Employees*	25,936	24,177	7.3%
Sales by region			
Central Europe	1,914	1,910	0.2%
NAFTA	1,794	1,550	15.7%
Asia / Pacific	997	736	35.5%
Eastern Europe	291	190	53.2%
Central & South America	163	111	46.8%
Middle East / Africa	144	104	38.5%

*Staffing level as of March 31

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