

03.07.2001 - 10:38 Uhr

## Heidelberg achieves record profits in fiscal year 00/01 - sales rise by more than 15 percent to Euro 5.3 billion

*Heidelberg (ots) -*

Successful start to the year - company expects sales and profits to be above last year's figures

Heidelberger Druckmaschinen AG (Heidelberg) has closed the last 2000/2001 fiscal year (April 1, 2000 to March 31, 2001) with record profits. Sales of the Heidelberg Group rose by more than 15% to Euro 5.3 billion (previous year: Euro 4.6 billion). Orders received also exhibited pleasing growth in all divisions, standing at around Euro 5.5 billion. This is more than 18 percent up on the comparable figure for the highly successful previous year (just under Euro 4.7 billion), which means that the company has further extended its leading position in the graphic arts industry. "In the current fiscal year, we expect Heidelberg to achieve sales and profits in excess of last year's levels", stated Bernhard Schreier, Chairman of the Heidelberg Management Board.

The rise in profits in 2000/2001 demonstrates the company's potential for growth. "We have increased our operating profit by around 10% from Euro 463 million to Euro 506 million", explained Chief Financial Officer Dr. Herbert Meyer. The Heidelberg Group's net profit increased from Euro 251 million to Euro 283 million after adjustment and, after accounting for special influences, totaled Euro 342 million.

The non-recurring item of around Euro 60 million (Euro 100 million before tax) relates to the application of new accounting procedures for the treatment of special investment funds. Unlike in previous years, special funds are no longer listed at the historical procurement costs of around Euro 280 million, but instead the stocks, securities, cash and pensions included in the funds are now listed at their market values of around Euro 380 million. The earnings per share rose from Euro 2.91 to Euro 3.30 after adjustment. At the Annual General Meeting, Heidelberg will propose that, in view of the highly favorable 2000/2001 fiscal year, a dividend of Euro 1.80 will be issued - an increase of 10 cents on last year's dividend. This corresponds to a net dividend yield of 3.1% calculated on the current share price (average Euro 58).

During the period under review, Heidelberg's total workforce increased by 1,759 to 25,936 (as at March 31, 2001).

High double-figure growth in divisions and regions

In the 2000/2001 fiscal year, sales in all divisions were boosted by a highly favorable economic climate and the high number of orders received at drupa in May 2000.

Digital buoyant

Sales in the Digital division rose by just under 16% from Euro 659 million to some Euro 763 million. With more than 2,000 black/white digital printing systems already shipped, Heidelberg has now achieved a market share of 17% in this sector. The company's goal is to increase this share to 30% in the next five years. The operating loss rose from Euro 26 million to Euro 64 million. This is due to the financial outlays required for the development of digital presses and the expansion of the company's sales organization. A further factor was the unfavorable profit development in the prepress sector.

Sheetfed division continues to be successful

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%. The operating result increased from Euro 491 million to Euro 543 million. Heidelberg's goal is to expand its strong market position in this sector further.

#### Web Systems division breaks even

Heidelberg's Web Systems division achieved sales of Euro 801 million which, when compared to Euro 695 million last year, represents a growth of more than 15%. The operating result reached break-even point, despite the expansion of newspaper press business and following a loss of Euro 7 million in 1999/2000.

#### Finishing set to grow

In the Finishing division, sales rose from Euro 398 million to Euro 408 million. The operating profit climbed from Euro 5 million to Euro 27 million. Heidelberg is looking to achieve stronger growth than the market average in this sector in future.

#### Global orientation pays off

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 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 growth well in excess of 30% compared with last year. Asia/Pacific achieved sales of almost Euro 1 billion. 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: Heidelberg looking to achieve sales of Euro 8 billion in five years

We are expecting a slight deterioration in economic conditions in the 2001/2002 fiscal year. Growth in the USA will slow down further in the first half of the 2001/2002 fiscal year. However, we are expecting a slight recovery in the second half of the year. China in particular will continue to exhibit strong growth.

"Heidelberg expects to outperform the industry as a whole in 2001/2002, at a time when business is likely to be quite subdued", commented Bernhard Schreier, referring to Heidelberg's prospects for the current fiscal year. "Because of our rigorous positioning as a solutions provider for the entire graphic arts industry, I am highly optimistic that we will be able to achieve a growth in sales running into almost double figures in the years to come", stated Schreier. But this can only be achieved, he added, if there are no unforeseen economic downturns on markets that are relevant to Heidelberg. In five years, Schreier predicts sales of around Euro 8 billion for the Heidelberg Group. "We will achieve this by developing new products and by extending our market shares in all divisions".

The new Annual Report for the 2000/2001 fiscal year can also be found on the internet at [www.heidelberg.com](http://www.heidelberg.com).

Further information is available on the Internet at [www.journalist.heidelberg.com](http://www.journalist.heidelberg.com).

#### Important Note:

This press release contains forward-looking statements which are based on assumptions and estimations by the management board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the management board is of the opinion that those assumptions and estimations are realistic the future development and the projected results may deviate substantially from the forward-looking statements. Those deviations can be due to several factors including but not limited to changes in the macro-economic situation, in the exchange rates, in the interest rates and in the graphic arts industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume the liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements.

HEIDELBERG GROUP March 31, 2001 March 31, 2000 Change in %

	EUR m.	EUR m.	
Net sales	5,303	4,601	15.3
Digital	763	659	15.8
Sheetfed	3,331	2,849	16.9
Web Systems	801	695	15.3
Finishing	408	398	2.5
Incoming orders	5,537	4,694	18.0
Digital	774	670	
Sheetfed	3,488	2,911	
Web Systems	858	704	
Finishing	417	409	
Result of ordinary operations	506	463	9.3
Digital	-64	-26	
Sheetfed	543	491	
Web Systems	0	-7	
Finishing	27	5	
Earnings before taxes	531	487	
Net profit	283	251	12.7
Net profit w/o extraordinary profit effects (Special funds)	342		
Cash Flow	524	447	
CAPEX	237	321	
Employees	25,936	24,177	7.3
Digital	4,670	4,169	
Sheetfed	16,331	15,148	
Web Systems	3,196	2,964	
Finishing	1,739	1,896	

Sales by regions March 31, 2001 March 31, 2000 Change in %  
in % in %

Central Europe	1,914	1,911	0.2
Eastern Europe	291	190	52.7
NAFTA	1,794	1,550	15.7
Central+South America	163	111	46.6
Asia/Pacific	997	736	35.5
Middle East/Africa	144	104	38.3

ots Original Text Service: Heidelberger Druckmaschinen AG  
Internet: <http://www.presseportal.de>

For further information:  
Heidelberger Druckmaschinen AG  
Corporate Communications  
Thomas Fichtl  
Tel: +49 (0)6221-92-4747  
Fax: +49 (0)6221-92-5069  
E-mail: [thomas.fichtl@de.heidelberg.com](mailto:thomas.fichtl@de.heidelberg.com)