# Group Interim Report
## Third Quarter 2011

KBA
Koenig & Bauer Group

## KBA Group in Figures

| 01.01. - 30.09.<br>in €m | 2010 | **2011** |
|---|---|---|
| Order intake | 1,001.2 | **1,155.7** |
| Sales | 772.1 | **785.7** |
| Order backlog at 30.09. | 564.1 | **810.8** |
| Export level in % | 87.8 | **84.6** |
| Operating loss | –2.0 | **–20.4** |
| Earnings before taxes | –6.7 | **–26.6** |
| Net loss | –9.2 | **–32.5** |
| Balance sheet total at 30.09. (prior year: 31.12.) | 1,164.4 | **1,183.1** |
| Equity at 30.09. (prior year: 31.12.) | 461.3 | **434.3** |
| Investment in intangible assets, property, plant and equipment | 13.2 | **29.8** |
| Depreciation on intangible assets, property, plant and equipment | 24.2 | **26.9** |
| Payroll at 30.09. | 6,437 | **6,446** |
| Cash flows from operating activities | 11.6 | **64.6** |
| Earnings per share in € | –0.56 | **–1.97** |

Title photo: The KBA Commander CL, a new web press with an intelligent modular design, was launched in October at the IFRA Expo newspaper trade fair in Vienna

This preface to the quarterly report for the KBA Group is the first to bear my signature since the supervisory board appointed me president and CEO of Koenig & Bauer AG from 1 November following Helge Hansen's decision to retire at the end of October. Rather than following a linear trend, Group figures mirror the current widespread volatility. While our performance has been satisfactory in some areas, and far better than other players in the sector, many of you will feel that elsewhere it requires some clarification.

One cause for satisfaction is the fact that in the nine months to October the volume of incoming orders at Group level climbed by 15.4% to over €1.1bn compared to the previous year, with our web and special press division posting a jump of almost 27% in contracts for niche products to €683m. The backlog of orders on hand topped the €800m mark again for the first time since summer 2008.

But these sizeable double-digit increases cannot conceal the fact that the volume of web and sheetfed offset presses put out to tender was well below pre-crisis levels. Fierce competition and declining investment among printers in certain regions meant that we were unable to achieve all our sales targets one hundred per cent. Our strong presence in less volatile, media-dependent markets – of which security printing, metal decorating and industrial coding technology are just a few examples – is therefore all the more vital, and a major advantage.

Our sales and earnings to date are unsatisfactory. Group sales to the end of September, i.e. three-quarters through the year, stood at €785m, little more than 60 per cent of our €1.2bn target. It seems to be an iron rule in the engineering sector that over one-third of annual sales are generated in the fourth quarter, and the reasons are not always homemade. This, and the time lost over Christmas, place a considerable strain on employees, resources and earnings. Off-target sales in both divisions, and provisions for restructuring our web press activities, resulted in a pre-tax loss of €15.6m in the third quarter and €26.6m for the full nine months.

But this dip, which was unforeseeable in the summer, will be reversed in the fourth quarter, when we calculate that high-margin products will deliver a substantial lift in sales, a pre-tax profit for the quarter that is well into double digits, and thus a pre-tax profit for the year.

In view of the current economic and market environment the improved performance we were still targeting in August is no longer realistic. Nonetheless, there is a good chance that KBA will be the only major press manufacturer to post a pre-tax profit after interest for the third year in succession. A realistic increase in sales would consolidate our strong position as the world's second-largest press manufacturer.

I wish to express my personal thanks and those of the entire board for the outstanding contribution Helge Hansen has made for the good of the KBA Group. Under my leadership the board will continue to make every effort to achieve our objectives and maintain a stable course in a turbulent economic environment.

Claus Bolza-Schünemann
President and CEO of Koenig & Bauer AG

# KBA Shares

After climbing above €19 at the beginning of January and slipping to €15.10 in March following the concatenation of disasters in Japan, Koenig & Bauer shares fluctuated sharply around the €16 mark until well into the summer. In early August, with investors reacting skittishly to market turbulence triggered by the sovereign debt crisis and mounting economic anxiety, our share price slid below €11. At the end of September it stood at €11.34, roughly one-third below the closing price of €17.50 on 30 December 2010. Our stockmarket performance was thus weaker than both the SDAX and DAX, which during the same nine-month period fell by 16.7% and 20.4% respectively. In October and November 2011 KBA shares fluctuated between a low of less than €11 and a high of €13-plus. There is every indication that volatility will continue to plague investors in coming weeks and months.

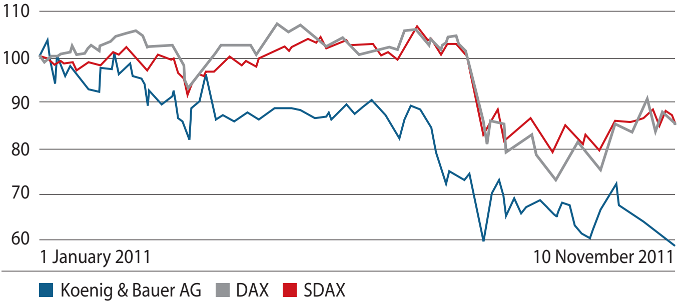
# Management Report

## Market and Industry Environment

Softer demand in major foreign markets, and thus diminished business prospects, were not confined to the export-intensive press engineering sector this summer but were also evident in the southern EU countries whose economies are burdened by excessive sovereign debt, in the USA, in conflict-torn countries in the Mediterranean, and in China, where a more restrictive monetary policy is acting as a brake on a booming market. The November report published by the VDMA (German Machinery and Plant Manufacturers' Association) indicates a slowdown in growth and a year-on-year drop of 9% in the volume of

**Koenig & Bauer shares**

in %



new orders for printing equipment between the end of June and the end of September. The figure for the full nine months was 5%. Printers of commercial and promotional products, who are heavily exposed to market volatility, have seen the biggest decline in growth following an upturn in spring 2010. For press manufacturers the impact has been exacerbated by the spread of the internet, which has long unsettled printers of newspapers, magazines and catalogues and made them reluctant to invest in new kit.

Volume markets for sheetfed and web offset presses have suffered much more than specialised niche markets for packaging or security presses, which have remained virtually unscathed. KBA's uniquely varied product palette has enabled us to profit from their unabated dynamism.

At €472.8m, the value of new contracts booked during the summer quarter was the highest since the record year of 2006. The Group **order intake** in the nine months to October totalled €1,155.7m, a 15.4% increase on the equivalent figure for last year of €1,001.2m and well above the average for the printing and papermaking industry. Buoyant demand for niche products boosted the volume of incoming orders for web and special presses by 26.8% to €683.7m (prior year: €539.2m). And while investment in big, multi-unit installations remained glacial, the launch of new models brought an increase in contracts for commercial web presses compared to 2010. In the sheetfed offset sector, where demand is generally weak during the holiday season, we booked orders worth a substantial €161.9m in the summer quarter. Following strong regional and sectoral fluctuations in demand, the total volume of incoming orders for the full nine months was up a modest 2.2% at €472m (2010: €462m), but failed to meet our more optimistic expectations.

The Group **order backlog** at the end of September passed the €800m mark for the first time since summer 2008, standing at €810.8m, or 43.7% up on the previous year (€564.1m). The volume of unfilled orders for sheetfed presses swelled by 14% to €237.3m (2010: €208.2m) and for web and special presses by 61.1% to €573.5m (€355.9m). In both instances the higher figures were partially due to the fact that some presses had not yet been shipped.

# Earnings, Finances and Assets

## Earnings

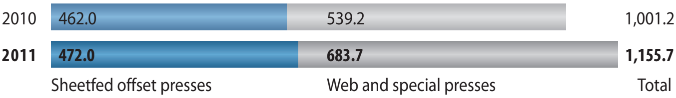
Following market-related and internal delays in shipments, some of which were attributable to labour disputes, **Group sales** for the third quarter came to €276m – only marginally better than twelve months earlier and below expectations. Revenue for the full nine months rose by just 1.8% to €785.7m (2010: €772.1m). In the press engineering sector over one-third of annual sales are routinely posted in the fourth quarter. At KBA, a large proportion will be generated by niche products with an above-average profit margin. The shortfall in sales and the substantial provisions booked in July for additional personnel measures at our under-utilised web press production plants caused a drop in third-quarter **earnings**. This resulted in a pre-tax loss of €15.6m for the same period, compared to a loss of €7.1m twelve months earlier, and of €26.6m for the full nine months (2010: –€6.7m).

Sheetfed offset sales climbed by 14.9% to €397.4m (2010: €346m), primarily thanks to a brisk trade in large-format Rapidas for the packaging sector and revived demand for metal-decorating presses. However, the figure for the nine months to October was lower than anticipated, and while the fourth quarter will see an improvement we shall just miss our target for the year. The shortfall was even more noticeable in our web and special press division, which posted an 8.9% drop in revenue to €388.3m (2010: €426.1m). As so often in the past, sales will be very much higher in the fourth quarter.

The export level sank from 87.8% to 84.6% following a 28% jump in domestic sales from €94.5m to €121m. Alongside sheetfed presses this increase was once again driven by a larger number of web press installations. Sales to the rest of Europe surged by 21.4% from €233.7m to €283.6m and the proportion of Group sales generated in this region rose from 30.3% to 36.1%. In North America, sluggish market demand

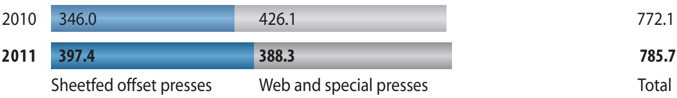
**Group order intake**

in €m




**Group sales**

in €m



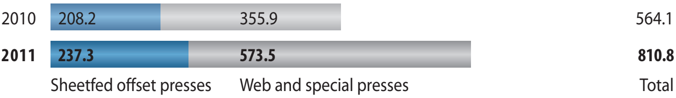
has been exacerbated by structural and media upheavals which have continued to impact on sales of web presses. However, our sheetfed business picked up and resulted in a 9.4% lift in sales to €81.8m, or 10.4% of the Group total (2010: 9.7%). While sales to Asia and the Pacific eased up from €206.7m to €209.8m, their contribution barely changed (26.7% compared to 26.8% in 2010). Regional conflicts in North Africa, and fewer shipments of web and special presses, caused a drop in African and Latin American sales from €162.4m to €89.5m, or 11.4% of Group sales. This is closer to the historical average than was the high prior-year level of 21%.

Our **gross profit margin** narrowed from 27.1% twelve months earlier to 22.5%. This was partly due to fierce price competition and a less profitable product mix. While there was a big drop in distribution costs and administrative expenses (to €102.2m and €47.7m respectively), the negative balance between other operating expenses and income widened from –€40.3m to –€47.4m. Our **operating loss** swelled from €2m in 2010 to €20.4m as a result of delays in shipments (and therefore sales) until the fourth quarter, underutilisation at our web press production plants and a substantial charge for subsequent capacity adjustments. Nonetheless, our web and special press division posted a modest profit at the end of September. Despite substantial cost savings, profit margins in our sheetfed offset division remained tight, and together with the high up-front expense associated with developing new products in preparation for the Drupa trade fair next year, wiped out any operating profit.

A financial loss of €6.2m contributed to a **pre-tax loss** (EBT) of €26.6m, compared to a loss of €6.7m the previous year. Our **Group net loss** of €32.5m was also much bigger than the €9.2m loss incurred twelve months earlier and corresponds to **earnings per share** of –€1.97 (2010: –€0.56). This quarterly dip notwithstanding, we stand by our forecast of a profit for the year after interest and taxes.

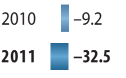
**Group order backlog**

in €m




**Group net loss**

in €m



### Finances

While inventories swelled in preparation for a larger volume of sales in the fourth quarter, an increase in customer prepayments and a drop in trade receivables boosted **cash flows from operating activities** to €64.6m, against €11.6m a year before. After deducting cash flows for investing activities the **free cash flow** was also much higher than in 2010 (€40.7m compared to €0.4m). **Funds** totalling €128.1m at the end of September, and ample credit lines, underscore our strong financial position. After deducting bank loans of €36.2m (31.12.2010: €43.1m), net liquidity was a comfortable €91.9m. Compared to the higher balance sheet total our equity ratio was a sound 36.7%.

### Assets

We invested €29.8m (2010: €13.2m) in intangible assets, property, plant and equipment. A €14m refurbishment of the foundry at our Würzburg facility included a big new hall for which the topping-out ceremony was held at the end of September. Depreciation came to €26.9m (2010: €24.2m). On balance, the value of property, plant and equipment rose from €243m at the end of last year to €245.1m. Trade receivables fell by €111.9m, while current assets climbed by €12.5m to €843.1m, primarily due to an increase of €75.4m in inventories and €37.1m in funds. The **Group balance sheet total** of €1,183.1m at 30 September was €18.7m higher than at the end of last year.

## Research and Development

Our research and development activities continued to focus on optimising new products and processes ready for launching at the Drupa print-media trade fair in Düsseldorf next May. Building, commissioning and optimising prototypes and beta models with a view to generating future sales initially tie up substantial financial and personnel resources. Some new products that will be exhibited at Drupa have already been previewed within the sector and orders accepted. One example is an all-new version of our versatile Rapida

**Geographical breakdown of sales**

| in % | 2010 | **2011** |
|---|---|---|
| Germany | 12.2 | 15.4 |
| Rest of Europe | 30.3 | 36.1 |
| North America | 9.7 | 10.4 |
| Asia/Pacific | 26.8 | 26.7 |
| Africa/Latin America | 21.0 | 11.4 |

105 based on the same platform as our high-end Rapida 106. Another, unveiled in October this year at IFRA Expo in Vienna, is our Commander CL, a classic four-high web offset press which rounds off the lower end of our highly successful compact platform, offering a wide choice of automation levels at a lower initial outlay than our high-tech Commander CT.

KBA's innovative power was officially confirmed once again when we were ranked an outstanding 21st – well above all our competitors – among the 119 international manufacturers of heavy industrial equipment listed in the US Patent Board's Patent Scorecard™ published by the *Wall Street Journal* in September.

## Human Resources

At the end of September there were 6,446 employees on the Group payroll, nine more than in 2010. Excluding the Milan, Hong Kong and Shanghai subsidiaries consolidated for the first time this year there would have been 52 fewer. Once the capacity adjustments at our web press plants have been completed the Group workforce will total some 6,000 people. A new intake of apprentices and student trainees in September raised their number from 419 to 433, or 6.7% of the workforce.

## Risk Management

Potential risks to Group activities are described in our risk management report on pages 39 to 40 of the Group financial statements for 2010, and also in the outlook on pages 43 to 46. In the first nine months of the present year there were no significant changes in the risk profile detailed there. Despite the current political and economic uncertainties we can discern no risks that could pose an existential threat to Group activities.

**Payroll at 30 September**

| | Koenig & Bauer AG | Subsidiaries | KBA Group |
|---|---|---|---|
| 2010 | 4,482 | 1,955 | 6,437 |
| **2011** | **4,409** | **2,037** | **6,446** |

## Outlook

Following a sluggish recovery from the financial and economic meltdown of autumn 2008, markets the world over have been unsettled this year by excessively high levels of sovereign debt, anti-inflationary measures in China, catastrophes in Japan and conflicts in the Mediterranean. Initial signs of a slowdown are already perceptible and business prospects for the next few months are being viewed in the industry with much greater scepticism than in the spring.

Structural changes triggered by the spread of online media have meant that the export-driven press engineering sector has not benefited as fully from an upturn in demand over the past eighteen months as have other branches of the engineering industry. Global demand for newspaper presses in the nine months to October was more than one-third lower than in 2010 and thus well below pre-crisis levels for the fourth year in succession. Orders for commercial web presses were also marginally down on the previous year. Most of our new orders were booked in Germany and western Europe.

The double-digit growth rates posted by our web and special press division, and thus by the Group as a whole, are well above the average for the sector and largely attributable to niche markets demanding specialised technology that KBA has successfully provided for decades. They include security presses and industrial coding systems. At present there is every indication that business in these niche markets will remain brisk in 2012 and, as in previous years, will help to stabilise our sales and earnings.

Demand for sheetfed offset presses has lost momentum, partly because business in China has slowed. The year-on-year percentage increase in new orders and sales per quarter in 2011 is lower than for 2010 because it is calculated from a higher statistical base. As the market leader in board-printing presses KBA has benefited from revived investment in the packaging sector. Our activities in another packaging niche, metal-decorating presses, have also helped to boost sales. However, sales to commercial printers have been hit by the economic issues confronting major markets like Italy, Spain, the UK and the USA. Keener competition from digital print is impacting most severely on small format. Financial market turbulence has exacerbated funding problems, seriously affecting sales not just in a number of industrialised countries but also in growth-focused threshold markets such as Latin America.

It remains to be seen whether, as some fear, investment in new kit will be put on hold in the run-up to the Drupa print media trade fair in May 2012. Ongoing political and economic developments will also play a decisive role.

Additional provisions for restructuring efforts at our web press production plants, and a major rescheduling of shipments (and hence sales) to the fourth quarter, contributed to the poor third-quarter results compared to the two previous quarters and the previous year. There is no point in annualising the nine-month figure since little more than 60% of our projected Group sales for 2011 were realised in that period.

Our new president and CEO, Claus Bolza-Schünemann, reaffirms management's belief that buoyant sales and high revenues in the fourth quarter will enable us to achieve the increase in Group sales (2010: €1.18bn) that we projected in the spring. As in the two previous years, we shall once again disclose a modest pre-tax profit (EBT) for the Group and thus constitute an exception in a press engineering sector that is being rocked by changes in the media environment. However, with market and other risks rising once again, obliging us to reassess certain items in our annual accounts, we shall no longer achieve the moderate improvement we had anticipated on our prior-year Group EBT of €15.3m.

In view of the challenging business environment and uncertainty concerning investment in print prior to the Drupa trade fair next May, we feel it would be inadvisable at the present time to venture a more detailed prognosis for sales and earnings in 2012, and shall therefore refrain from issuing any forecast until the spring.

## Group Balance Sheet

### Assets

| in €m | 31.12.2010 | **30.09.2011** |
|---|---|---|
| **Non-current assets** | | |
| Intangible assets, property, plant and equipment | 269.4 | 271.5 |
| Investments and other financial receivables | 27.4 | 26.5 |
| Other assets | 0.2 | 0.4 |
| Deferred tax assets | 36.8 | 41.6 |
| | **333.8** | **340.0** |
| **Current assets** | | |
| Inventories | 296.7 | 372.1 |
| Trade receivables | 368.6 | 256.7 |
| Other financial receivables | 10.0 | 13.6 |
| Other assets | 40.6 | 48.8 |
| Securities | 23.7 | 23.8 |
| Cash and cash equivalents | 91.0 | 128.1 |
| | **830.6** | **843.1** |
| **Balance sheet total** | **1,164.4** | **1,183.1** |

### Equity and liabilities

| in €m | 31.12.2010 | **30.09.2011** |
|---|---|---|
| **Equity** | | |
| Share capital | 42.8 | 42.9 |
| Share premium | 87.1 | 87.4 |
| Reserves | 331.4 | 304.0 |
| | **461.3** | **434.3** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Pension provisions | 104.6 | 106.6 |
| Other provisions | 71.7 | 76.3 |
| Bank loans | 8.8 | 8.1 |
| Other financial payables | 6.2 | 3.9 |
| Other liabilities | 0.5 | 0.1 |
| Deferred tax liabilities | 22.2 | 27.0 |
| | **214.0** | **222.0** |
| **Current liabilities** | | |
| Other provisions | 162.7 | 146.7 |
| Trade payables | 69.4 | 65.5 |
| Bank loans | 34.3 | 28.1 |
| Other financial payables | 49.9 | 68.7 |
| Other liabilities | 172.8 | 217.8 |
| | **489.1** | **526.8** |
| **Balance sheet total** | **1,164.4** | **1,183.1** |

## Group Income Statement

| 01.01. - 30.09. in €m | 2010 | **2011** |
| --- | --- | --- |
| Revenue | 772.1 | 785.7 |
| Cost of sales | –563.0 | –608.8 |
| **Gross profit** | **209.1** | **176.9** |
| Distribution costs | –107.9 | –102.2 |
| Administrative expenses | –62.9 | –47.7 |
| Other operating income and expenses | –40.3 | –47.4 |
| **Operating loss** | **–2.0** | **–20.4** |
| Financial result | –4.7 | –6.2 |
| **Earnings before taxes** | **–6.7** | **–26.6** |
| Income tax | –2.5 | –5.9 |
| **Net loss** | **–9.2** | **–32.5** |

| 01.07. - 30.09. in €m | 2010 | **2011** |
| --- | --- | --- |
| Revenue | 298.9 | 276.0 |
| Cost of sales | –210.8 | -214.9 |
| **Gross profit** | **88.1** | **61.1** |
| Distribution costs | –36.5 | -35.8 |
| Administrative expenses | –22.3 | –15.9 |
| Other operating income and expenses | –12.4 | –22.5 |
| **Operating profit/loss** | **16.9** | **–13.1** |
| Financial result | –1.6 | –2.5 |
| **Earnings before taxes** | **15.3** | **–15.6** |
| Income tax | –4.2 | –2.2 |
| **Net profit/loss** | **11.1** | **–17.8** |

## Statement of Comprehensive Group Income

| 01.01. - 30.09. in €m | 2010 | **2011** |
| --- | --- | --- |
| **Net loss** | **–9.2** | **–32.5** |
| Foreign currency translation | 12.7 | 9.9 |
| Measurement of primary financial instruments | 0.2 | 0.1 |
| Measurement of derivatives | 1.2 | –2.7 |
| Deferred taxes | –3.5 | 0.6 |
| **Gains recognised directly in equity** | **10.6** | **7.9** |
| **Total comprehensive income** | **1.4** | **–24.6** |

## Statement of Changes in Group Equity

| in €m | Share capital | Share premium |
|---|---|---|
| 01.01.2010 | **42.7** | **87.0** |
| Total net loss | – | – |
| Gains recognised directly in equity | – | – |
| Profit/loss for the period | **–** | **–** |
| Capital increase from authorised capital | 0.1 | 0.1 |
| **30.09.2010** | **42.8** | **87.1** |
| | | |
| 01.01.2011 | **42.8** | **87.1** |
| Total net loss | – | – |
| Gains recognised directly in equity | – | – |
| Profit/loss for the period | **–** | **–** |
| Capital increase from authorised capital | 0.1 | 0.3 |
| Dividend | – | – |
| Other changes | – | – |
| **30.09.2011** | **42.9** | **87.4** |

| Reserves: Recognised in equity | Reserves: Other | Total |
| --- | --- | --- |
| **5.5** | **284.6** | **419.8** |
| – | –9.2 | –9.2 |
| 10.6 | – | 10.6 |
| **10.6** | **–9.2** | **1.4** |
| – | – | 0.2 |
| **16.1** | **275.4** | **421.4** |
| | | |
| **34.3** | **297.1** | **461.3** |
| – | –32.5 | –32.5 |
| 7.9 | – | 7.9 |
| **7.9** | **–32.5** | **–24.6** |
| – | – | 0.4 |
| – | –4.9 | –4.9 |
| – | 2.1 | 2.1 |
| **42.2** | **261.8** | **434.3** |

## Group Cash Flow Statement

| 01.01. - 30.09.<br>in €m | 2010 | 2011 |
|---|---|---|
| Earnings before taxes | –6.7 | –26.6 |
| Non-cash transactions | 31.1 | 30.8 |
| **Gross cash flow** | **24.4** | **4.2** |
| Changes in inventories, receivables and other assets | –56.3 | 46.6 |
| Changes in provisions and payables | 43.5 | 13.8 |
| **Cash flows from operating activities** | **11.6** | **64.6** |
| **Cash flows from investing activities** | **–11.2** | **–23.9** |
| **Cash flows from financing activities** | **–5.0** | **–11.6** |
| **Change in funds** | **–4.6** | **29.1** |
| Effect of changes in exchange rates | –3.6 | 8.0 |
| Funds at beginning of period | 76.1 | 91.0 |
| **Funds at end of period** | **67.9** | **128.1** |

# Notes to the Interim Accounts to 30 September 2011

## 1 Accounting Policies

This interim report for the Koenig & Bauer Group is based on international financial reporting standards (IFRS). The consolidated financial statements were prepared in accordance with the standards valid on that date, as issued by the International Accounting Standards Board (IASB), London, and all binding interpretations by the International Financial Reporting Interpretation Committee (IFRIC), with due regard for EU directives.

The interim accounts conform to IAS 34. Taxes on income were disclosed at the average national tax rate applicable.

Individual items in the balance sheet and the income statement were aggregated to clarify presentation. Figures represent million euros (€m), unless stated otherwise.

## 2 Consolidated Companies and Consolidation Principles

Three subsidiaries – KBA-Italia S.p.A. in Milan/Italy, KBA (HK) Company Ltd. in Hong Kong/China, and KBA Printing Machinery (Shanghai) Co., Ltd. in Shanghai/China – were consolidated in the Group accounts for the first time on 1 January.

There were no changes in our consolidation principles.

The financial statements of foreign entities were translated at the closing rate or at an average exchange rate for the period, as specified in IAS 21.

## 3 Segment Information

### 3.1 Business segments

| 01.01. - 30.09. | Web and special presses | | Sheetfed offset presses | |
|---|---|---|---|---|
| in €m | 2010 | **2011** | 2010 | **2011** |
| Revenue | 426.1 | 388.3 | 346.0 | 397.4 |
| Depreciation | 14.8 | 14.1 | 9.4 | 12.8 |
| Capital investments | 9.2 | 16.4 | 4.0 | 13.4 |

### 3.2 Geographical breakdown of revenue

| 01.01. - 30.09. in €m | 2010 | **2011** |
|---|---|---|
| Germany | 94.5 | 121.0 |
| Rest of Europe | 233.7 | 283.6 |
| North America | 74.8 | 81.8 |
| Asia/Pacific | 206.7 | 209.8 |
| Africa/Latin America | 162.4 | 89.5 |
| **Revenue** | **772.1** | **785.7** |

## 4 Earnings per share

| 01.01. - 30.09. in € | 2010 | **2011** |
|---|---|---|
| Earnings per share | –0.56 | –1.97 |

Basic earnings per share were calculated in accordance with IAS 33 by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (16,464,927 no-par shares, previous year: 16,426,902 no-par shares).

# 5 Balance Sheet

## 5.1 Intangible assets, property, plant and equipment

| in €m | Purchase or manufacturing cost | Accumulated depreciation | Carrying amount |
|---|---|---|---|
| Intangible assets | 69.6 | 43.2 | 26.4 |
| Property, plant and equipment | 645.8 | 402.8 | 243.0 |
| **Total at 31.12.2010** | **715.4** | **446.0** | **269.4** |
| | | | |
| Intangible assets | 71.6 | 45.2 | 26.4 |
| Property, plant and equipment | 672.1 | 427.0 | 245.1 |
| **Total at 30.09.2011** | **743.7** | **472.2** | **271.5** |

Investment in property, plant and equipment totalling €28.1m (third quarter 2010: €8.3m) primarily refers to assets under construction, additions of plant and machinery, and factory and office equipment.

## 5.2 Inventories

| in €m | 31.12.2010 | **30.09.2011** |
|---|---|---|
| Raw materials, consumables and supplies | 56.1 | 63.8 |
| Work in progress | 198.0 | 258.9 |
| Finished goods and products | 42.6 | 49.4 |
| | **296.7** | **372.1** |

### 5.3 Liabilities

**Current and non-current liabilities** were €45.7m higher than at 31 December 2010. This was largely due to a €42.7m jump in customer prepayments.

## Key Financial Dates

Financial statements on 2011
End of March 2012

Interim report on 1st quarter 2012
15 May 2012

Koenig & Bauer Annual General Meeting
14 June 2012
Vogel Convention Center, Würzburg

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