Group Interim Report
First Half-Year 2013

KBA
Koenig & Bauer Group

KBA Group in Figures

01.01. - 30.06. in €m	2012*	**2013**
Order intake	579.3	**444.6**
Sales	590.5	**502.2**
Order backlog at 30.06.	814.5	**590.4**
Export level in %	89.7	**80.3**
Operating profit/loss	12.5	**–4.9**
Earnings before taxes	6.7	**–8.8**
Net profit/loss	3.6	**–10.6**
Balance sheet total at 30.06. (prior year: 31.12.)	1,181.4	**1,226.0**
Equity at 30.06. (prior year: 31.12.)	447.5	**426.8**
Investment in intangible assets, property, plant and equipment	18.8	**15.8**
Depreciation on intangible assets, property, plant and equipment	18.5	**14.6**
Payroll at 30.06.	6,252	**6,158**
- thereof apprentices/trainees	329	**338**
Cash flows from operating activities	65.7	**12.1**
Earnings per share in €	0.22	**–0.64**

* incl. amendments in accordance with IAS 19 (revised)

Title photo
The new, flexibly automatable KBA Commander CL newspaper web press has been well received by the market with 10 press lines sold so far

KBA made good progress in the second quarter with regards to earnings and strategic developments. However, compared to 2012 our order and sales figures after six months mirror the slump in economic momentum in large parts of the world. The causes for this slowdown range from the euro crisis, the realignment of the Chinese economic policy up to numerous conflicts in the Middle East and Latin America. Other branches in the export industry are also affected. In the press manufacturing sector statistical effects of last year's trade fair Drupa and media shifts additionally burden the figures for the first half of 2013.

The uncertainty of many decision-makers given future media trends acts as a brake on investment in traditional web offset presses. At the same time demand for special presses for other market segments was also sluggish. Ultimately, order intake in the web and special press division fell short of last year's figure by €60m. Business with sheetfed presses was more stable. Orders in the first six months approached €300m thanks to our strengths in packaging printing and a good second quarter, yet last year's above-average high boosted by Drupa in May 2012 was not reached.

By the end of June we were able to nearly halve the first quarter's shortfall in Group sales. However, we have to continue to push forward in the second half of the year to approach last year's sales figure. Nevertheless, KBA made major improvements to earnings in the recent quarter. A €10m pre-tax profit generated in the second quarter reduced our pre-tax loss (EBT) from €18.8m at the end of March to €8.8m at 30 June. We expect this trend to continue and that the KBA group will once again achieve positive pre-tax earnings similar to 2012.

In this highly competitive industry environment we are vigorously working on making the necessary improvements to earnings. Given media and industry developments, demand for web presses is declining faster than expected. Along with the capacity adjustments already carried out and those still necessary, management is considering which business model could make the web press business more profitable in the longer term, even at a significantly reduced volume.

The printing industry has been undergoing a radical transformation for a couple of years. Digital printing technologies complement or even replace analogue technologies in some applications. Traditional print media, such as newspapers and magazines, are seeing a drop in circulations due to the internet. In contrast, consumer-dependant print areas, such as packaging, are growing as prosperity in emerging countries increases. KBA aims to actively shape this change by cutting back in one area and expanding in another. This is why we moved into digital printing 15 months ago with the KBA RotaJET manufactured in Würzburg. In the second quarter of 2013 we were able to win the first customer. In the mid-term we aim to compensate at least in part for the declining sales volume in traditional web offset with digital printing technology.

Within the growing packaging segment a few months ago we announced the planned acquisition of Italian press manufacturer Flexotecnica to enter the growing market for flexible packaging more quickly. With the takeover of Kammann Maschinenbau, Germany, we are addressing a further new packaging field for KBA. Kammann mainly offers screen printing presses for directly decorating premium-quality hollow containers made from glass, plastic and metal. Directly decorated glass containers are mainly used for cosmetics, perfume and spirituous beverages in the top price class and are in growing demand.

KBA is moving forward on several fronts. We will continue to keep you informed and wish to thank you, our shareholders, for the trust you have placed in our company.

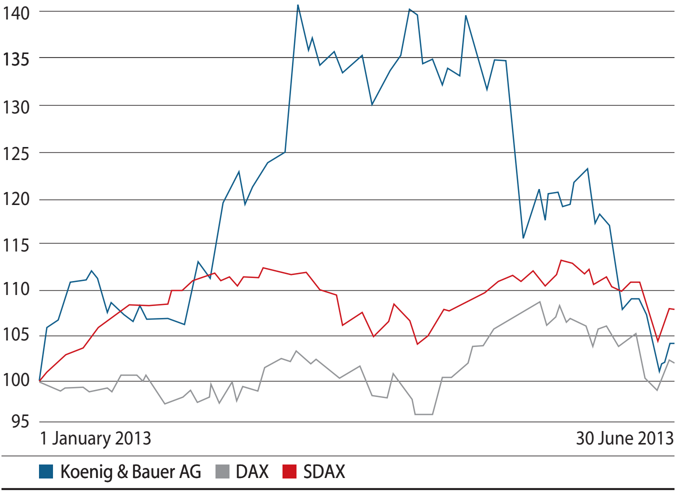
Claus Bolza-Schünemann
President and CEO of Koenig & Bauer AG

KBA Shares

The central banks' continuing expansive monetary policy and hopes for a speedy stabilisation of the global economy resulted in many stock indexes temporarily hitting new highs in the first six months of 2013. By the end of June the DAX and SDAX were 4.6% and 10.4% respectively up on the beginning of the year. In the first quarter KBA shares also benefitted from a friendly stockmarket environment and positive corporate news. On 15 March shares hit a new high of €18.50. However, the figures from the first quarter published on 14 May disappointed investors. At the same time gloomy growth outlooks and concerns about a stricter federal bank policy in the U.S. triggered consolidation on the stock markets. Both pushed our share price under €16. Slightly reduced sales and earnings projections for 2013 announced at the AGM on 13 June in view of the subdued economic climate led to a setback in share price to around €13. At the end of June shares stood at €13.71, or 7.4% up on last year's closing figure, and climbed to over €15 in July.

Koenig & Bauer shares

in %



Management Report

Market and Industry Environment

In the first half-year 2013 demand for printing presses was considerably lower than at the same time last year due to the weak economy in key export markets, greater reluctance to invest within Germany and shifts in the print and media landscape. Slower investment activity was noticeable in the majority of the market segments addressed by KBA, with web presses for newspapers and publications affected the most. This followed the trend apparent in other sectors of the engineering and export industry. In July the German Machinery and Plant Manufacturers' Association (VDMA) adjusted its original production forecast for 2013 accordingly from 2% to –1%.

In an economic environment characterised by the debt crisis in key European markets and a slowdown in growth in important threshold countries, **Group order intake** stood at €444.6m after six months. This was 23.3% less than the previous year's €579.3m boosted by the global trade fair Drupa. In the sheetfed division successful exhibitions, such as China Print in Beijing and Printtek in Istanbul in May, contributed to €161m in new orders in the second quarter, thus compensating in part for sluggish order intake in the first three months of 2013. However, at €293.8m the volume of new orders over the first half-year was 19.3% down on last year's €364m driven by Drupa. Our medium- and large-format Rapidas were particularly popular with commercial and packaging printers. At 60% the proportion of KBA packaging presses sold was considerably higher than the industry average. KBA-MetalPrint recorded a pleasing gain in orders for its metal-decorating presses and coating systems.

Despite several orders from Germany, France and the Middle East, the reluctance of newspaper, illustration and magazine printers to invest resulted in an unsatisfactory volume of new orders, which in turn led to insufficient capacity utilisation. Special press orders for security printing and industrial marking systems were down on last year and the record year of 2011. The volume of new orders in the web and special press division placed in the first six months stood at €150.8m, 30% lower than the prior-year figure of €215.3m.

Group order backlog at 30 June came to €590.4m, 27.5% less than in 2012. The volume of orders on hand for sheetfed presses totalled €220.2m and for web and special presses €370.2m.

Earnings, Finances and Assets

Earnings

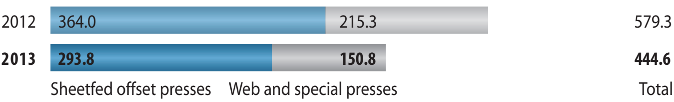
We have taken a huge step towards achieving our sales targets for 2013 with revenue of €311.5m generated in the second quarter. However, at €502.2m **Group sales** after six months were 15% lower than twelve months ago (€590.5m). Significantly more than half of deliveries are scheduled for the second half of the year, typical for our industry. Accordingly, sales of €255.4m generated by our web and special press division fell 26.5% short of last year's figure (€347.5m). Sheetfed sales rose slightly to €246.8m compared to 2012 (€243m), buoyed by our best-selling presses the medium-format Rapida 106 and Rapida 105.

Our export ratio eased down from 89.7% in 2012 to 80.3% in the first half-year 2013, a low level for KBA. Domestic sales jumped from €60.8m to €98.9m resulting from more installed web presses. In contrast, economic weakness in southern and other parts of Europe saw shipments to the rest of Europe fall by 23% to €129.8m (2012: €168.6m). The proportion of sales generated in this traditional market came to only 25.8% after six months. The volume of sales to printers in the Asia-Pacific region reached €122.5m, while business in central and south America and Africa came to €87.9m. Together these future markets contributed a considerable 41.9% to Group sales. Sales in North America rose due to a significant increase in sheetfed press sales and deliveries of some newspaper web presses from €41.6m to €63.1m. Accordingly, the proportion of sales climbed from 7% to 12.6%.

Earnings significantly improved in the second quarter compared to the first three months of 2013 (–€18.8m) with a pre-tax profit of €10m. Considerably higher quarterly sales, a healthier product mix and growing service business all contributed to this. However,

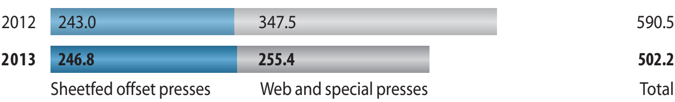
Group order intake

in €m



Group sales

in €m



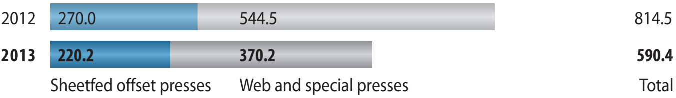
in comparison to the previous year sales at the half-year mark were €88.3m less than in 2012. This and the lower portion of profitable special presses also had an impact on earnings. Our **gross profit margin** sank from 28.9% to 26.6% accordingly. At €27.6m R&D costs remained roughly the same as 2012 (€27.9m). Distribution costs of €65.7m were significantly less than last year's high figure of €82.4m driven by special expenses associated with Drupa and large customer events. Cost-saving measures trimmed administrative expenses from €38.2m to €34.2m. Other operating income and expenses came to –€11.2m. To sum up we posted an **operating loss** of €4.9m (2012: +€12.5m).

Market-related insufficient capacity utilisation at our web press facilities, postponed shipments to the second half of the year and expenses associated with optimising the RotaJET 76 digital press reduced operating profit in our web and special press division from €30.5m in 2012 to €4.5m. Strict cost management helped to nearly halve last year's operating loss (–€18m) in the sheetfed division to –€9.4m. Given unsatisfactory earnings and current very restrained market developments, we are pushing forward with the turn-around programmes in place in our traditional core business with sheetfed and web presses. They cover Group purchasing, administrative efficiency, the division of work between the different production sites and capacity-orientated flexible working hours. We expect to see an improvement to operating earnings in both business divisions over the course of the year. However, the trend towards diminishing demand for web presses requires further capacity adjustments.

A financial loss of €3.9m in the first half of the year contributed to a **pre-tax loss** (EBT) of €8.8m (2012: +€6.7m). After deducting income taxes **Group results** came to −€10.6m at the end of June, compared to +€3.6m in 2012. This corresponds to **earnings per share** of −€0.64 (2012: +€0.22).

Group order backlog

in €m



Group net profit/loss

in €m

Finances

Inventories have swelled in preparation for a larger volume of sales in the second half of the year. Positive **cash flows from operating activities** of €12.1m in the first six months (2012: €65.7m) were due to higher provisions and more importantly to a €69.1m increase in customer prepayments to €233.4m. After deducting cash flows for investing activities the **free cash flow** came to −€1.1m (2012: €55.8m) and **funds** stood at €188.9m at the end of June (31.12.2012: €206.3m). Bank loans were reduced by €8.6m to €23m in the first half of the year. At 30 June net liquidity, the difference between funds and bank loans, was a considerable €165.9m. There are also ample credit lines. Equity of €426.8m represented 34.8% of the balance sheet total.

Assets

At 30 June 2013 the **Group balance sheet total** of €1,226m was €44.6m higher than the year-end figure for 2012 (€1,181.4m). A major contributory factor was a €43.4m increase in current assets, primarily due to higher inventories. €15.8m invested in intangible assets, property, plant and equipment (2012: €18.8m) stood just above depreciation totalling €14.6m. Non-current assets came to €312.9m, up slightly on the figure at the end of 2012 (€311.7m).

Research and Development

We are continuing to develop our product portfolio technologically for changing market requirements. In June 2013 the new large-format Rapida 164 press series was showcased at a well-attended customer event at our sheetfed facility in Radebeul. Over 300 printing professionals from some 20 countries took a closer look at the Rapida 164's enhanced output to 15,000sph and extensive automation resulting in a shorter makeready compared to previous press generations. It joins the large-format Rapida 145 unveiled at

Geographical breakdown of sales

in %	2012	**2013**
Germany	10.3	19.7
Rest of Europe	28.6	25.8
North America	7.0	12.6
Asia/Pacific	27.4	24.4
Africa/Latin America	26.7	17.5

Drupa and targets primarily packaging, point-of-sale and book printing. Forward-looking newspaper printers are looking for new solutions to raise print‘s profile in the media arena despite –or even because of– the advance of online media. Volksfreund-Druckerei Nikolaus Koch in Trier, Germany, ordered a waterless KBA Cortina offset web press with two integrated coaters to produce high-quality print products on newsprint. This innovative and environmentally-friendly solution is only offered by KBA.

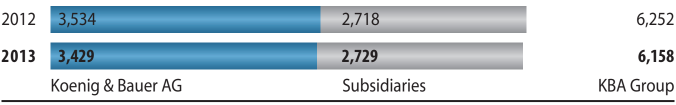
Human Resources

At the end of June 2013 there were 6,158 employees on the Group payroll, 94 fewer than twelve months earlier (6,252). Excluding apprentices, student trainees, temporary employees and staff on phased retirement schemes, the number of Group employees was down to 5,431. Given market trends in the web press sector, management believes that further consolidation is indispensable and is in discussion with employee representatives at the sites affected. In addition, efforts to realign capacities for waterless UV printing systems at our subsidiary KBA-MePrint in Veitshöchheim, Germany, have been introduced.

Risk Management

The Koenig & Bauer AG risk management system and the Group’s current risk profile are also described on pages 46 to 51 of the Group financial statements for 2012. There have been slight changes to the risk profile detailed there regarding a lower order intake than expected and the product mix to be delivered. Despite these issues and given current economic and political uncertainties, we can discern no risks that could pose an existential threat to Group activities. Our solid capital resources, liquidity and strong position in less cyclical markets help constrain our risk potential.

Payroll at 30 June



Outlook

Along with industry-specific factors, such as media consumption habits and digital printing, global economic growth and the resulting advertising expenditures determine demand for print and printing presses. Economic issues in Europe and the weaker economy in key non-European sales markets have put a damper on investment for over nine months. According to the VDMA order intake of printing presses in the first six months of 2013 were down 15% on last year which benefited from Drupa. VDMA statistics do not include digital printing technology, however this half-year restraint was also evident in this sector.

Business with web presses is suffering disproportionately from competition from the internet. This is particularly true for newspapers, but also for books, magazines, catalogues and promotional materials which due to sinking circulations are now often printed in sheetfed offset or digital. On the other hand sheetfed offset is feeling the impact of competition from digital printing more than our web business. With this in mind KBA's strong position in the media-independent growing packaging market is an advantage we will exploit further.

KBA has a leading position in folding carton printing with the Rapida presses. The same is true for KBA-MetalPrint in metal decorating. In addition, industrial marking systems from KBA-Metronic are a feature of numerous packaging lines. If the planned takeover of Italian manufacturer Flexotecnica can be finalised in the third quarter, we will be in a position to also address the growing market for flexible packaging with cutting-edge flexo presses in the future. The majority takeover of Kammann Maschinenbau announced at the end of July opens up a further interesting niche for us within the wide-ranging packaging market. Kammann is the market leader in screen printing presses for directly decorating luxury glass containers for the cosmetics and spirits industry. These are popular for growing numbers of high-end consumers in threshold countries, such as China, Brazil and Russia.

The entry into the high-performance digital print market with the KBA RotaJET at Drupa in May 2012 has begun to bear fruit with an order from a German customer this quarter. A further major project will be finalised soon. Management is endeavouring to compensate for the slump in web offset sales in the medium term with the RotaJET and other digital products to come. We are pursuing the same target with the expansion of our service activities for KBA customers as well as with the newly founded PrintHouseService for third party systems. PHS is already known on the market as a competent service provider and has already booked retrofit orders for systems supplied by competitors.

We expect a significant increase in sales in the second half of the year due to scheduled deliveries. Overall, however, we anticipate sales in our web and special press division to be lower than last year given the current order volume. We have been working for a long time to combat the shortfall in web business with additional areas of activities at the plants affected, but we have to implement further capacity adjustments in this area.

The considerable shortfall in order intake after six months compared to the first half of 2012 boosted by Drupa will decrease over the next quarters due to statistical effects. We anticipate that under present market circumstances order intake will not entirely reach the previous year's figure (€1.1bn).

The volume of orders obtained in the next three months is crucial to just how close Group sales in 2013 will come to last year's figure of nearly €1.3bn. Taking into account the usual risks associated with the delivery process as well as the current economic climate, management cannot rule out a single-digit percentage decline in sales compared to 2012. The product mix delivered at the end of the year will have an additional impact on our annual result. But in view of the above-mentioned points, management is targeting positive Group pre-tax earnings (EBT) similar to last year (€6.1m).

Group Balance Sheet

Assets

in €m	31.12.2012*	**30.06.2013**
Non-current assets		
Intangible assets, property, plant and equipment	243.1	243.0
Investments and other financial receivables	16.4	16.8
Other assets	0.1	0.1
Deferred tax assets	52.1	53.0
	311.7	**312.9**
Current assets		
Inventories	331.4	384.7
Trade receivables	255.1	256.4
Other financial receivables	18.5	23.3
Other assets	28.1	29.7
Securities	30.3	30.1
Cash and cash equivalents	206.3	188.9
	869.7	**913.1**
Balance sheet total	**1,181.4**	**1,226.0**

Equity and liabilities

in €m	31.12.2012*	**30.06.2013**
Equity		
Share capital	42.9	42.9
Share premium	87.3	87.5
Reserves	317.3	296.4
	447.5	**426.8**
Liabilities		
Non-current liabilities		
Pension provisions	138.3	142.8
Other provisions	58.9	61.0
Other financial payables	17.9	16.4
Other liabilities	2.8	3.2
Deferred tax liabilities	22.2	21.0
	240.1	**244.4**
Current liabilities		
Other provisions	148.5	153.6
Trade payables	65.7	61.0
Bank loans	31.6	23.0
Other financial payables	59.4	61.8
Other liabilities	188.6	255.4
	493.8	**554.8**
Balance sheet total	**1,181.4**	**1,226.0**

* incl. amendments in accordance with IAS 19 (revised)

Group Income Statement

01.01. - 30.06. in €m	2012*	2013
Sales	590.5	502.2
Cost of sales	–419.8	–368.4
Gross profit	**170.7**	**133.8**
Research and development costs	–27.9	–27.6
Distribution costs	–82.4	–65.7
Administrative expenses	–38.2	–34.2
Other operating income and expenses	–9.7	–11.2
Operating profit/loss	**12.5**	**–4.9**
Financial result	–5.8	–3.9
Earnings before taxes	**6.7**	**–8.8**
Income tax	–3.1	–1.8
Net profit/loss	**3.6**	**–10.6**
Earnings per share (in €, basic/dilutive)	**0.22**	**–0.64**

* incl. amendments in accordance with IAS 19 (revised)

01.04. - 30.06. in €m	2012*	2013
Sales	327.0	311.5
Cost of sales	–229.6	–218.4
Gross profit	**97.4**	**93.1**
Research and development costs	–13.7	–13.9
Distribution costs	–44.5	–37.6
Administrative expenses	–19.4	–18.2
Other operating income and expenses	–8.8	–11.4
Operating profit	**11.0**	**12.0**
Financial result	–3.9	–2.0
Earnings before taxes	**7.1**	**10.0**
Income tax	–2.2	–2.1
Net profit	**4.9**	**7.9**
Earnings per share (in €, basic/dilutive)	**0.30**	**0.48**

* incl. amendments in accordance with IAS 19 (revised)

Statement of Changes in Group Equity

in €m	Share capital	Share premium
31.12.2011	**42.9**	**87.3**
Amendments in accordance with IAS 19 (revised)	–	–
01.01.2012	**42.9**	**87.3**
Net profit	–	–
Losses recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Other changes	–	–
30.06.2012*	**42.9**	**87.3**
01.01.2013	**42.9**	**87.3**
Net loss	–	–
Losses recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Capital increase from authorised capital	–	0.2
Dividend	–	–
30.06.2013	**42.9**	**87.5**

* incl. amendments in accordance with IAS 19 (revised)

Statement of Comprehensive Group Income

01.01. - 30.06. in €m	2012*	**2013**
Net profit/loss	**3.6**	**–10.6**
Items, which later will be reclassified to consolidated profit/loss		
Foreign currency translation	1.4	–1.4
Measurement of primary financial instruments	0.9	–0.3
Measurement of derivatives	1.4	0.3
Deferred taxes	–0.4	0.1
	3.3	**–1.3**
Items, which later will not be reclassified to consolidated profit/loss		
Defined benefit plans	–19.9	–3.4
Deferred taxes	5.9	1.0
	–14.0	**–2.4**
Losses recognised directly in equity	**–10.7**	**–3.7**
Total comprehensive income	**–7.1**	**–14.3**

* incl. amendments in accordance with IAS 19 (revised)

Reserves		
Recognised in equity	Other	**Total**
42.6	**293.8**	**466.6**
–5.9	1.7	–4.2
36.7	**295.5**	**462.4**
–	3.6	3.6
–10.7	–	–10.7
–10.7	**3.6**	**–7.1**
–	–0.7	–0.7
26.0	**298.4**	**454.6**
21.9	**295.4**	**447.5**
–	–10.6	–10.6
–3.7	–	–3.7
–3.7	**–10.6**	**–14.3**
–	–	0.2
–	–6.6	–6.6
18.2	**278.2**	**426.8**

Group Cash Flow Statement

01.01. - 30.06. in €m	2012*	2013
Earnings before taxes	6.7	–8.8
Non-cash transactions	24.5	19.1
Gross cash flow	**31.2**	**10.3**
Changes in inventories, receivables and other assets	–5.7	–61.7
Changes in provisions and payables	40.2	63.5
Cash flows from operating activities	**65.7**	**12.1**
Cash flows from investing activities	**–9.9**	**–13.2**
Free cash flow	**55.8**	**–1.1**
Cash flows from financing activities	**0.7**	**–15.1**
Change in funds	**56.5**	**–16.2**
Effect of changes in exchange rates and consolidated companies	3.1	–1.2
Funds at beginning of period	145.6	206.3
Funds at end of period	**205.2**	**188.9**

* incl. amendments in accordance with IAS 19 (revised)

Notes to the Interim Accounts to 30 June 2013

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 Revised Standards (IFRS)

The following amendments to IFRS standards impact upon the financial statements and accounting policies. Standards that are required to be applied for periods beginning on or after 1 January 2013 are:

IAS 19 (revised) – Employee Benefits

All actuarial gains and losses of pension obligations and plan assets are to be immediately recognised in other comprehensive income and the interest income on plan assets is to be calculated at a rate based on the discount rate for pension obligations. Provisions for contributions within the framework of phased retirement schemes are accrued in instalments.

The retrospective application of IAS 19 (revised) led to the following amendments to the opening balances of the balance sheet to 1 January 2012: other financial receivables decreased by €2.8m, pension provisions rose by €3.2m and other provisions fell by €2.5m. After deducting deferred taxes, equity sank by €4.2m.

To 31 December 2012 the amendments resulted in a €30.3m increase in pension provisions and a €25.6m reduction in equity.

In the group income statement for the second quarter 2012 the amendments reduced operating profit by €1.1m and the financial result by €0.1m. After deducting deferred taxes, net profit decreased by €0.9m and earnings per share by 5 cents.

Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income

Components of other income, recognised directly in equity, that would be reclassified to profit/loss at a future point in time are to be presented separately.

This amendment can be seen in the statement of comprehensive group income on page 16.

3 Consolidated Companies and Consolidation Principles

There were no changes in our consolidated companies and 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.

4 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the year.

Würzburg, 9 August 2013
Management Board

Claus Bolza-Schünemann
President and CEO

Dr Axel Kaufmann
Deputy president

Michael Kummert

Christoph Müller

Ralf Sammeck

5 Segment Information

5.1 Business Segments

01.01. - 30.06.	Web and special presses		Sheetfed offset presses	
in €m	2012*	**2013**	2012*	**2013**
Sales	347.5	255.4	243.0	246.8
Operating profit/loss	30.5	4.5	–18.0	–9.4
Capital investments	6.1	9.5	12.7	6.3

* incl. amendments in accordance with IAS 19 (revised)

5.2 Geographical Breakdown of Sales

01.01. - 30.06.		
in €m	2012	**2013**
Germany	60.8	98.9
Rest of Europe	168.6	129.8
North America	41.6	63.1
Asia/Pacific	161.7	122.5
Africa/Latin America	157.8	87.9
Sales	**590.5**	**502.2**

6 Earnings per Share

01.01. - 30.06.		
in €	2012*	**2013**
Earnings per share	0.22	–0.64

* incl. amendments in accordance with IAS 19 (revised)

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 (16,496,896 no-par shares, previous year: 16,485,953 no-par shares).

7 Balance Sheet

7.1 Intangible Assets, Property, Plant and Equipment

in €m	Purchase or manufacturing cost	Accumulated depreciation	Carrying amount
Intangible assets	71.2	48.0	23.2
Property, plant and equipment	669.5	449.6	219.9
Total at 31.12.2012	**740.7**	**497.6**	**243.1**
Intangible assets	75.8	48.3	27.5
Property, plant and equipment	667.6	452.1	215.5
Total at 30.06.2013	**743.4**	**500.4**	**243.0**

Investment in property, plant and equipment totalling €10.9m (first half-year 2012: €9.4m) primarily refers to assets under construction and additions of plant and machinery, factory and office equipment.

7.2 Inventories

in €m	31.12.2012	**30.06.2013**
Raw materials, consumables and supplies	67.2	74.0
Work in progress	233.7	285.2
Finished goods and products	30.5	25.5
	331.4	**384.7**

7.3 Liabilities

Current and non-current liabilities rose by €65.3m, compared to the end of 2012. This was largely due to an increase in customer prepayments by €69.1m, in parallel financial liabilities were reduced by €8.6m.

Events after the balance sheet date

In July 2013 Koenig & Bauer AG announced the 85% takeover of Kammann Maschinenbau GmbH in Bad Oeynhausen, Germany. Kammann mainly offers presses for decorating hollow containers made from premium-quality glass, plastic and metal. The acquisition is still subject to minor formal conditions.

Key Financial Dates

Interim report on 3rd quarter 2013
11 November 2013

Annual report 2013
28 March 2014

Interim report on 1st quarter 2014
9 May 2014

Koenig & Bauer Annual General Meeting
28 May 2014
Vogel Convention Center, Würzburg

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