Group Interim Report
Third Quarter 2013

KBA
Koenig & Bauer Group

KBA Group in Figures

01.01. - 30.09. in €m	2012*	**2013**
Order intake	826.0	**709.6**
Sales	916.2	**729.9**
Order backlog at 30.09.	735.5	**627.7**
Export level in %	89.5	**80.4**
Operating profit/loss	18.9	**–10.7**
Earnings before taxes	10.8	**–16.3**
Net profit/loss	4.5	**–20.2**
Balance sheet total at 30.09. (prior year: 31.12.)	1,181.4	**1,199.6**
Equity at 30.09. (prior year: 31.12.)	447.5	**418.3**
Investment in intangible assets, property, plant and equipment	25.4	**23.3**
Depreciation on intangible assets, property, plant and equipment	27.9	**21.9**
Payroll at 30.09.	6,312	**6,218**
- thereof apprentices/trainees	411	**444**
Cash flows from operating activities	66.1	**30.0**
Earnings per share in €	0.27	**–1.22**

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

Title photo
Along with addressing book, direct mail and commercial printers, KBA presented its high-speed RotaJET inkjet web press as an industrial solution for digital newspaper printing at the World Publishing Expo in Berlin in October

Even though the markets were predominantly less brisk at €265m the volume of new orders in the KBA Group in the third quarter was 7.4% up on the corresponding figure for 2012, also thanks to some rare web press orders. However, due to a weaker economy in many parts of the world order intake of nearly €710m for the first nine months was 14.1% down on the prior-year figure boosted by Drupa. Business with web presses, which has shrunk considerably over the last years, was very disappointing. Our order and sales targets for sheetfed offset and security presses were also not reached. In addition, special press shipments were postponed. To 30 September Group sales of €730m were over 20% less than the previous year.

The shortfall in sales and restructuring expenses had negative impacts and resulted in an operating loss of €5.8m and a pre-tax loss (EBT) of €7.5m in the third quarter. For the first nine months KBA posted a pre-tax loss of €16.3m, following a €10.8m profit in 2012. The race to reduce the shortfall in sales and earnings started in the second quarter suffered a setback in summer and demands that we continue to push forward over the remainder of the year.

Despite the expectation of a strong fourth quarter we will not achieve our initial target of similar Group sales to last year (approx. €1.3bn), as already indicated at the AGM in June and in the half-year report in August. From today's point of view sales in both segments at the end of the year will be lower than in 2012 and Group annual sales will come to around €1.1bn. Excluding the not yet foreseeable one-off effects associated with restructuring expenses or impairments, management considers it possible to generate a positive operating result as well as balanced pre-tax earnings.

Print media and the printing industry have been undergoing a fundamental structural change for many years. Media-related print products, such as newspapers, magazines or catalogues, increasingly have to share subscribers and advertising expenditure with online channels, and thus lose revenue. In contrast non-media related print sectors, such as packaging, are growing as prosperity and consumption increases primarily in young industrial countries in Asia, Latin America and on the outskirts of Europe. Such market developments have a direct impact on our business. Over the last five years the KBA Group has adapted its traditional core segments in several steps to a significantly reduced market volume and has cut payroll by over a quarter. KBA is the only one of the four largest press manufacturers to post a pre-tax profit for the last four years. However, there has been no fundamental and sustained improvement to the unsatisfactory profitability with previous measures taken. The number of employees is much smaller than in the past. However, the Group's structure and corresponding production sites, which were created before the financial crisis for a higher sales volume, have changed less significantly than our individual market segments. The management and the supervisory boards see a need for action to sustainably secure the company and its profitability. Therefore we are working intensively on a further realignment and we aim to present the initial results shortly.

The realignment encompasses dealing with growing print technologies and market segments. In the third quarter we had positive developments regarding this topic. Following initial success in June, we have sold a further KBA RotaJET to a German customer outside the previously dominating applications for high-volume digital printing. Furthermore, KBA is expanding its portfolio for the packaging market with the takeover of Kammann Maschinenbau in Bad Oeynhausen, Germany, completed at the beginning of September and the majority stake in the Italian press manufacturer Flexotecnica, which is to be finalised soon. As previously reported, Kammann serves the cosmetics and spirituous beverage industry with screen and recently digital printing presses for directly decorating premium-quality hollow containers predominantly made of glass. Flexotecnica delivers printing systems to the further expanding flexible packaging market, which we have not addressed yet. With these two new acquisitions we expect to generate revenue in the middle double-digit million euro range next year and a positive contribution to Group earnings.

We wish to thank you, our shareholders, for your loyalty and we will continue to work intensively towards adapting the KBA Group to a challenging printing market. We will keep you posted on all major developments.

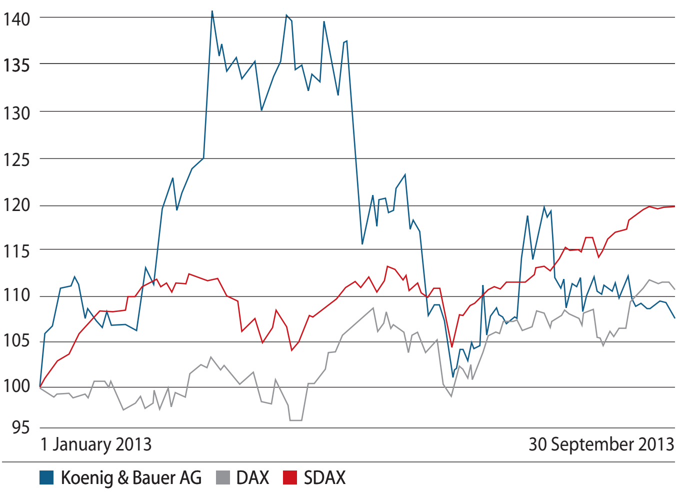
Claus Bolza-Schünemann
President and CEO of Koenig & Bauer AG

KBA Shares

After starting the year at €13.12, Koenig & Bauer shares profited from positively assessed news from our company and a friendly stockmarket environment in the months that followed. At €18.50 on 15 March shares hit this year's high to date and by mid-May the KBA share price fluctuated around the €18 mark. Our figures from the first quarter which failed to meet capital market expectations and the slightly scaled down outlook for 2013 indicated at the AGM in June subsequently pushed shares under €14. Following a temporary high of €15.68 on 7 August our half-year figures, which disappointed investors, led to a further decline in share price. The closing figure of €14.06 on 30 September was a 10.2% improvement on the year-end figure for 2012. The DAX and SDAX climbed by 12.9% and 21.8% in this nine-month period. In October shares continued to fluctuate from just below €14 to €15.

Koenig & Bauer shares

in %



Group Management Report

Market and Industry Environment

In 2013 the global market for sheetfed and web offset presses has been once again weaker than expected. Along with structural influences resulting from changes in media use and digital printing technologies, economic weakness in key markets has had a negative impact on the export-orientated German press manufacturers. Political conflicts, unsolved budgetary problems and volatile foreign exchange rates contributed to investment reluctance in many countries.

Thanks to a strong market position in folding carton and metal-decorating systems, KBA achieved the highest quarterly figure since the second quarter of 2012 in its sheetfed offset segment with new orders from July to September totalling €164.7m. However, at €458.5m order intake in this division after nine months was 11.5% lower than last year's high figure boosted by Drupa (2012: €517.8m). In the third quarter the volume of new orders for web and special presses of over €100m slightly reduced the first half-year's shortfall compared to 2012. Along with security and newspaper presses, the first orders for our new RotaJET digital press contributed towards this. Notwithstanding, at €251.1m order intake for the first nine months was 18.5% down on the prior-year figure (€308.2m). One reason for this was the pronounced reluctance to invest in traditional web presses. The cyclical business with special presses was also noticeably lower than in the last two years. To sum up at €709.6m **Group order intake** to the end of September was 14.1% below last year's figure (€826m).

Group order backlog at 30 September came to €627.7m, around €40m higher than after six months. At the same time last year the order volume totalled €735.5m. The order backlog for web and special presses stood at €377.4m and €250.3m for sheetfed offset presses at the end of the quarter.

Earnings, Finances and Assets

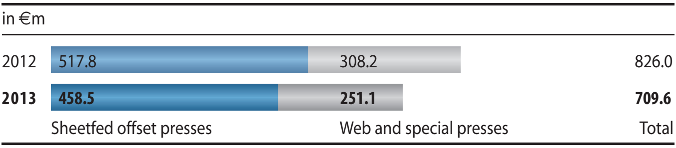
Earnings

After nine months **Group sales** of €729.9m remained below our expectations following a weak order intake in the first quarter and postponed shipments on the customers' side. Sales were down 20.3% compared to 2012 (€916.2m).

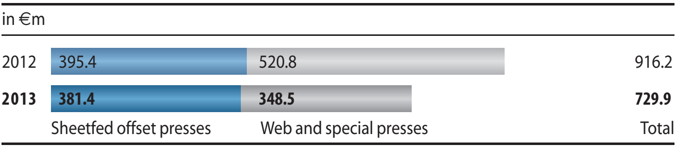
At €381.4m sales in the sheetfed division were 3.5% lower than the previous year's figure of €395.4m. Despite considerable market success with our medium-format Rapidas, metal-decorating systems and service offerings, revenue fell short of our planning targets after nine months. Although we anticipate a strong fourth quarter in our sheetfed division, revenue is not expected to reach last year's figure. To 30 September sales of web and special presses came to €348.5m, around two-thirds of the prior year figure of €520.8m. The further shrinking business with newspaper and commercial web presses had a strong negative effect on the sales volume, as well as subdued demand and delivery postponements for special presses. Even though larger shipments are scheduled for the fourth quarter in this segment, sales at the end of 2013 will be considerably lower than last year.

An increase in deliveries to Germany pushed our domestic sales, which rose by €46.5m to €142.8m compared to 2012. Our export ratio eased down from 89.5% to 80.4% accordingly. Following €271.8m the previous year shipments to other parts of Europe sank to €183.9m due to the economic situation. The proportion of Group sales attributable to this region, which historically contributed over 50%, halved to 25.2%. Despite an improvement in our sheetfed business, sales in North America fell by 11.3% to €81.8m, driven by weak demand for web presses. Revenue in the growth region Asia/

Group order intake



Group sales



Pacific reached €211.4m and contributed 28.9% to Group sales. The corresponding figures for the emerging markets Africa and Latin America totalled €110m and 15.1%.

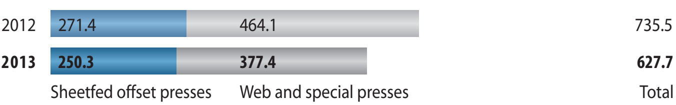
Earnings to 30 September were affected by lower contribution margins due to slower sales, a significantly smaller earnings contribution of the special press business compared to last year and additional expenses for the Frankenthal site where capacity was only utilised to a small extent. Despite positive effects from amendments to wage agreements, our **gross profit margin** sank from 28.2% to 25.3% accordingly. There was a slight reduction in R&D costs to €41.4m (2012: €42.3m) and distribution costs dropped from €124.6m to €93m given lower sales commissions and a decrease in expenses for trade fairs and events. Administrative expenses eased down from €56.8m to €52.5m. Other operating income and expenses came to –€8.1m, following –€15.4m in 2012. To sum up we posted an **operating loss** of €10.7m, compared to last year's profit of €18.9m.

The significantly shrunken business volume, postponed shipments and start-up costs associated with the new business line digital printing reduced operating result in our web and special press division from €40.2m in 2012 to –€2.9m. Advances in cost cutting and slightly better prices in the sheetfed segment narrowed last year's loss of –€21.3m to –€7.8m.

After deducting the financial loss which was reduced from –€8.1m in 2012 to –€5.6m, we posted a **pre-tax loss** (EBT) of €16.3m compared to the prior-year profit of €10.8m. At the end of September **Group results** came to –€20.2m (2012: +€4.5m). This corresponds to **earnings per share** of –€1.22 (2012: +€0.27).

Group order backlog

in €m



Group net profit/loss

in €m

Finances

Even though inventories for upcoming shipments have swelled by €86.1m and the pre-tax result was lower than last year, **cash flows from operating activities** were clearly positive at €30m (2012: €66.1m). Key reasons for this were a €73.9m rise in customer prepayments to €238.2m and a €62.3m reduction in trade receivables. After deducting cash flows for investing activities, the **free cash flow** came to €2.1m (2012: €49.9m). Along with ample credit lines, **funds** at the end of September stood at €183.7m (31.12.2012: €206.3m). With bank loans more than halved to €14.9m compared to the end of 2012, net liquidity was a considerable €168.8m. Our equity ratio was an above-average 34.9% of the slightly higher balance sheet total.

Assets

There was a modest increase in current assets to €880.6m compared to 31 December 2012 (€869.7m). Higher inventories, which are expected to decline due to a large volume of shipments in the fourth quarter and measures to reduce working capital, were compensated in part by lower trade receivables and funds. At €243.3m intangible assets, property, plant and equipment remained virtually the same as the year-end figure for 2012 (€243.1m) with investment and depreciation totalling €23.3m and €21.9m respectively. To 30 September the €7.3m rise in non-current assets to €319m is mainly due to increased shares in new affiliates resulting from the acquisition of Kammann Maschinenbau, which has not yet been consolidated, and of other enterprises. At 30 September 2013 the **Group balance sheet total** stood at €1,199.6m compared to €1,181.4m at the end of 2012.

Research and Development

In sheetfed offset the ongoing integration of new technologies and processes in finishing, quality control and energy saving was once again a focus of our research and development activities this quarter.

Geographical breakdown of sales

in %	2012	**2013**
Germany	10.5	19.6
Rest of Europe	29.7	25.2
North America	10.1	11.2
Asia/Pacific	24.4	28.9
Africa/Latin America	25.3	15.1

Such inline processes contribute to the increasing automation in print production. Along with enhancing productivity and cost efficiency via fewer process steps in production, differentiation of premium-quality packaging and publications at the point of sale is the driving force behind ever more sophisticated product finishing. New processes, such as HR or LED UV printing, support the trend towards energy saving. In the web and special press segment a focus of our engineers was enhancing the KBA RotaJET digital press. In banknote printing our new intaglio press series, Super Orlof Intaglio III, went into operation successfully.

Human Resources

At the end of September 2013 there were 6,218 employees on the Group payroll, 94 fewer than twelve months earlier (6,312). Including 114 career starters, 444 apprentices are being trained in future-oriented professions. Excluding apprentices, trainees, temporary employees and staff on phased retirement schemes, the Group workforce totalled 5,414. With additional realignment measures given the stronger than expected shrunken market volume the total is expected to fall further. On the other hand, next year 170 employees will join the Group payroll following the first consolidation of Kammann Maschinenbau, as the takeover was completed this quarter.

Risk Management

The Koenig & Bauer AG risk management system and a detailed list of the risks facing our company are described on pages 46 to 51 of the Group financial statements for 2012. We have discerned risks compared to the risk profile detailed there due to the lower order intake of new presses than expected, which leads to reduced sales and possible changes to the product mix delivered. These risks prompted management to adjust its original sales and earnings forecasts for 2013 already at the AGM in June and on publishing the half-year figures in August. Additionally, we expect extraordinary expenses

Payroll at 30 September

	Koenig & Bauer AG	Subsidiaries	KBA Group
2012	3,557	2,755	6,312
2013	**3,482**	**2,736**	**6,218**

following the further restructuring of our core business and the annual impairment tests.

Outlook

German machinery manufacturers expect a slight decline in production given the economic effects of the Euro crisis and slower economic growth in many emerging countries. Development within the industry is extremely diverse. According to the latest statistics issued by the VDMA order intake of machinery for the printing press industry in the first nine months was down 7.4% on last year.

The web press segment in particular is suffering from the effects of the growing trend of consumers and advertisers towards online media, resulting in investment restraint in print. Despite our strong market position in newspaper printing, order intake of new presses was considerably lower than our already subdued expectations. This combined with lower demand for security presses compared to 2012 will have a noticeable impact on our annual sales figures for web and special presses. Given structural shifts in the media sector, we do not expect demand for web offset presses to recover fundamentally in 2014 and beyond. Management has adjusted its planning accordingly and considers further changes beyond the previous measures as necessary to secure a sustainable business model. In parallel management aims to compensate at least in part for the decline in web offset market volume with the KBA RotaJET digital press, as well as expanding our service activities further.

Our targets for the sheetfed offset division were also not met fully in the first nine months as the markets were less dynamic. Despite the brisk business typical for the fourth quarter, in 2013 a single-digit percentage decline in revenue is expected compared to last year's figure boosted by Drupa. A clear advantage in this market is KBA's strong position in packaging printing. Here the prospects are significantly better than for commercial and book printing, where financing issues, insolvencies, digital printing technologies and the growing popularity of electronic books (eReaders) impact upon sales opportunities. A further advantage of KBA is the focus on medium and large-format presses which has been less affected by structural shifts in the printing industry than small and half-format presses. Given the ongoing volatile economic and industry environment, management is concentrating less on growth and more on the intended improvement to earnings in our sheetfed offset segment for 2014. In this context we also recognise the need for further adjustment measures to adapt to a shrinking market.

Demand for solutions from KBA-MetalPrint for the packaging niche metal-decorating has been strong and business with coding systems from KBA-Metronic has also been stable. Both subsidiaries will either reach or exceed their targets for 2013. The addition of Kammann Maschinenbau, the market leader in printing systems for directly decorating glass containers, to the KBA Group signals the expansion into a further growth niche in the packaging market.

Our sales and earnings targets announced in March for 2013 are no longer attainable due to market developments. Although we anticipate a considerable rise in Group sales in the fourth quarter typical for our industry, in 2013 we estimate revenue of around €1.1bn compared to last year's €1.29bn which benefited from Drupa.

Along with the volume and mix of sales generated in the fourth quarter, extraordinary expenses for restructuring and non-cash effective impairments, the amount of which is not yet foreseeable, will have a significant impact on the annual result in the Group. Management will provide further information as soon as the planned concept for Group realignment is adopted. This is expected by the end of the year. Excluding special items, management targets a positive operating result and balanced Group earnings before taxes (EBT).

Group Balance Sheet

Assets in €m	31.12.2012*	30.09.2013
Non-current assets		
Intangible assets, property, plant and equipment	243.1	243.3
Investments and other financial receivables	16.4	24.5
Other assets	0.1	0.1
Deferred tax assets	52.1	51.1
	311.7	**319.0**
Current assets		
Inventories	331.4	417.5
Trade receivables	255.1	192.8
Other financial receivables	18.5	24.4
Other assets	28.1	28.8
Securities	30.3	33.4
Cash and cash equivalents	206.3	183.7
	869.7	**880.6**
Balance sheet total	**1,181.4**	**1,199.6**

Equity and liabilities in €m	31.12.2012*	30.09.2013
Equity		
Share capital	42.9	42.9
Share premium	87.3	87.5
Reserves	317.3	287.9
	447.5	**418.3**
Liabilities		
Non-current liabilities		
Pension provisions	138.3	142.2
Other provisions	58.9	64.8
Other financial payables	17.9	14.9
Other liabilities	2.8	2.7
Deferred tax liabilities	22.2	21.6
	240.1	**246.2**
Current liabilities		
Other provisions	148.5	138.7
Trade payables	65.7	61.2
Bank loans	31.6	14.9
Other financial payables	59.4	67.4
Other liabilities	188.6	252.9
	493.8	**535.1**
Balance sheet total	**1,181.4**	**1,199.6**

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

Group Income Statement

01.01. - 30.09. in €m	2012*	2013
Sales	916.2	729.9
Cost of sales	–658.2	–545.6
Gross profit	**258.0**	**184.3**
Research and development costs	–42.3	–41.4
Distribution costs	–124.6	–93.0
Administrative expenses	–56.8	–52.5
Other operating income and expenses	–15.4	–8.1
Operating profit/loss	**18.9**	**–10.7**
Financial result	–8.1	–5.6
Earnings before taxes	**10.8**	**–16.3**
Income tax	–6.3	–3.9
Net profit/loss	**4.5**	**–20.2**
Earnings per share (in €, basic/dilutive)	**0.27**	**–1.22**

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

01.07. - 30.09. in €m	2012*	2013
Sales	325.7	227.7
Cost of sales	–238.4	–177.2
Gross profit	**87.3**	**50.5**
Research and development costs	–14.4	–13.8
Distribution costs	–42.2	–27.3
Administrative expenses	–18.6	–18.3
Other operating income and expenses	–5.7	3.1
Operating profit/loss	**6.4**	**–5.8**
Financial result	–2.3	–1.7
Earnings before taxes	**4.1**	**–7.5**
Income tax	–3.2	–2.1
Net profit/loss	**0.9**	**–9.6**
Earnings per share (in €, basic/dilutive)	**0.05**	**–0.58**

* 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	–	–
30.09.2012*	**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	–	–
30.09.2013	**42.9**	**87.5**

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

Statement of Comprehensive Group Income

01.01. - 30.09. in €m	2012*	**2013**
Net profit/loss	**4.5**	**–20.2**
Items, which later will be reclassified to consolidated profit/loss		
Foreign currency translation	1.2	–1.9
Measurement of primary financial instruments	1.5	0.1
Measurement of derivatives	2.1	0.8
Deferred taxes	–0.8	–0.2
	4.0	**–1.2**
Items, which later will not be reclassified to consolidated profit/loss		
Defined benefit plans	–23.4	–1.9
Deferred taxes	6.9	0.5
	–16.5	**–1.4**
Losses recognised directly in equity	**–12.5**	**–2.6**
Total comprehensive income	**–8.0**	**–22.8**

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

Reserves: Recognised in equity	Reserves: Other	**Total**
42.6	**293.8**	**466.6**
–5.9	1.7	–4.2
36.7	**295.5**	**462.4**
–	4.5	4.5
–12.5	–	–12.5
–12.5	**4.5**	**–8.0**
–	–0.7	–0.7
24.2	**299.3**	**453.7**
21.9	**295.4**	**447.5**
–	–20.2	–20.2
–2.6	–	–2.6
–2.6	**–20.2**	**–22.8**
–	–	0.2
–	–6.6	–6.6
19.3	**268.6**	**418.3**

Group Cash Flow Statement

01.01. - 30.09. in €m	2012*	2013
Earnings before taxes	10.8	–16.3
Non-cash transactions	36.1	28.5
Gross cash flow	**46.9**	**12.2**
Changes in inventories, receivables and other assets	9.6	–30.4
Changes in provisions and payables	9.6	48.2
Cash flows from operating activities	**66.1**	**30.0**
Cash flows from investing activities	**–16.2**	**–27.9**
Free cash flow	**49.9**	**2.1**
Cash flows from financing activities	**–5.2**	**–23.2**
Change in funds	**44.7**	**–21.1**
Effect of changes in exchange rates and consolidated companies	3.1	–1.5
Funds at beginning of period	145.6	206.3
Funds at end of period	**193.4**	**183.7**

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

Notes to the Interim Accounts to 30 September 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 third quarter 2012 the amendments reduced operating profit by €1.6m and the financial result by €0.1m. After deducting deferred taxes, net profit decreased by €1.4m and earnings per share by 9 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 Segment Information

4.1 Business Segments

01.01. - 30.09.	**Web and special presses**		**Sheetfed offset presses**	
in €m	2012*	**2013**	2012*	**2013**
Sales	520.8	348.5	395.4	381.4
Operating profit/loss	40.2	–2.9	–21.3	–7.8
Capital investments	10.0	13.5	15.4	9.8

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

4.2 Geographical Breakdown of Sales

01.01. - 30.09.		
in €m	2012	**2013**
Germany	96.3	142.8
Rest of Europe	271.8	183.9
North America	92.2	81.8
Asia/Pacific	223.9	211.4
Africa/Latin America	232.0	110.0
Sales	**916.2**	**729.9**

5 Earnings per Share

01.01. - 30.09.		
in €	2012*	**2013**
Earnings per share	0.27	–1.22

* 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 (16,500,090 no-par shares, previous year: 16,485,953 no-par shares).

6 Balance Sheet

6.1 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	76.0	48.3	27.7
Property, plant and equipment	673.5	457.9	215.6
Total at 30.09.2013	**749.5**	**506.2**	**243.3**

Investment in property, plant and equipment totalling €17.9m (third quarter 2012: €24.8m) primarily refers to assets under construction and additions of plant and machinery, factory and office equipment.

6.2 Inventories

in €m	31.12.2012	**30.09.2013**
Raw materials, consumables and supplies	67.2	75.4
Work in progress	233.7	309.9
Finished goods and products	30.5	32.2
	331.4	**417.5**

6.3 Liabilities

Current and non-current liabilities rose by €47.4m compared to the end of 2012, primarily due to an increase in customer prepayments by €73.9m. In parallel bank loans were reduced by €16.7m and tax liabilities by €7.9m.

Key Financial Dates

Annual report 2013
21 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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