



88th Koenig & Bauer AG Annual General Meeting 13.06.2013 in Würzburg

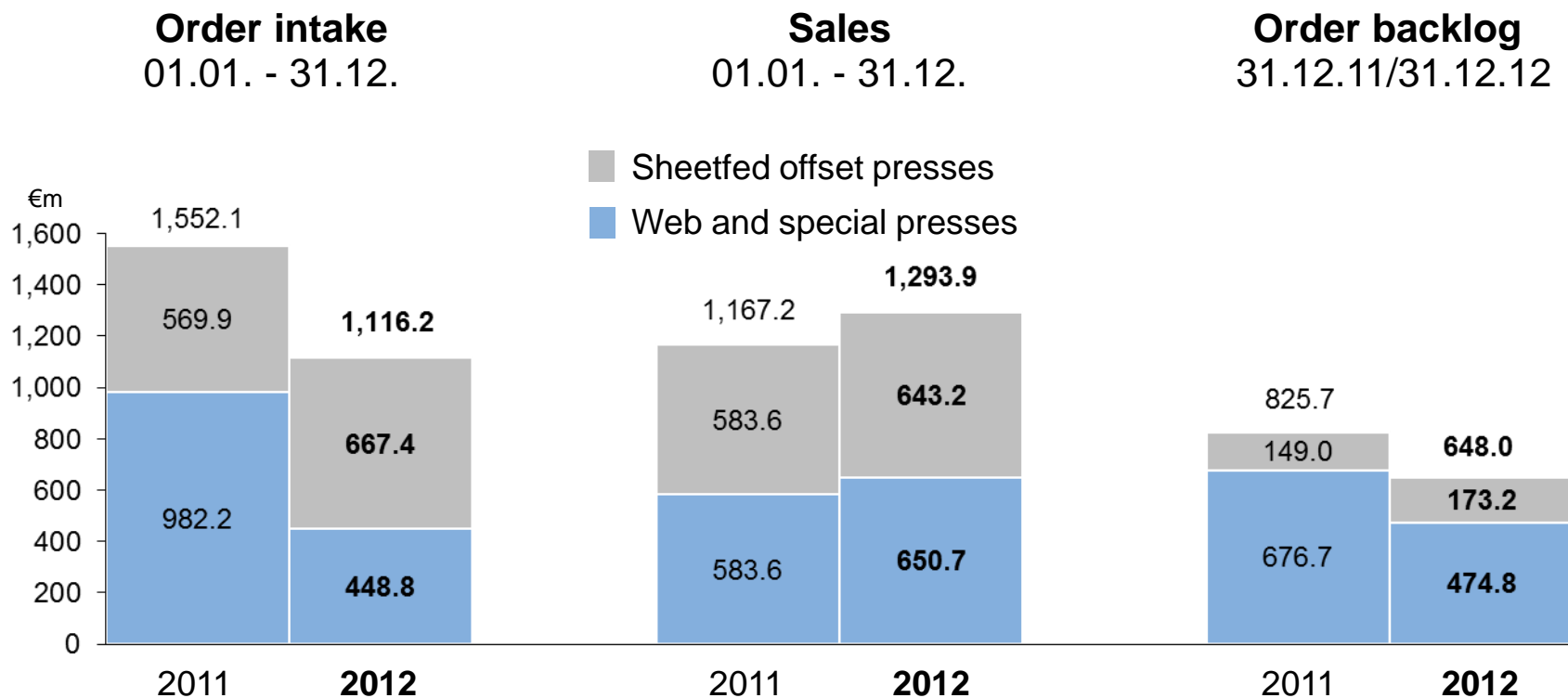
Claus Bolza-Schünemann, President and CEO

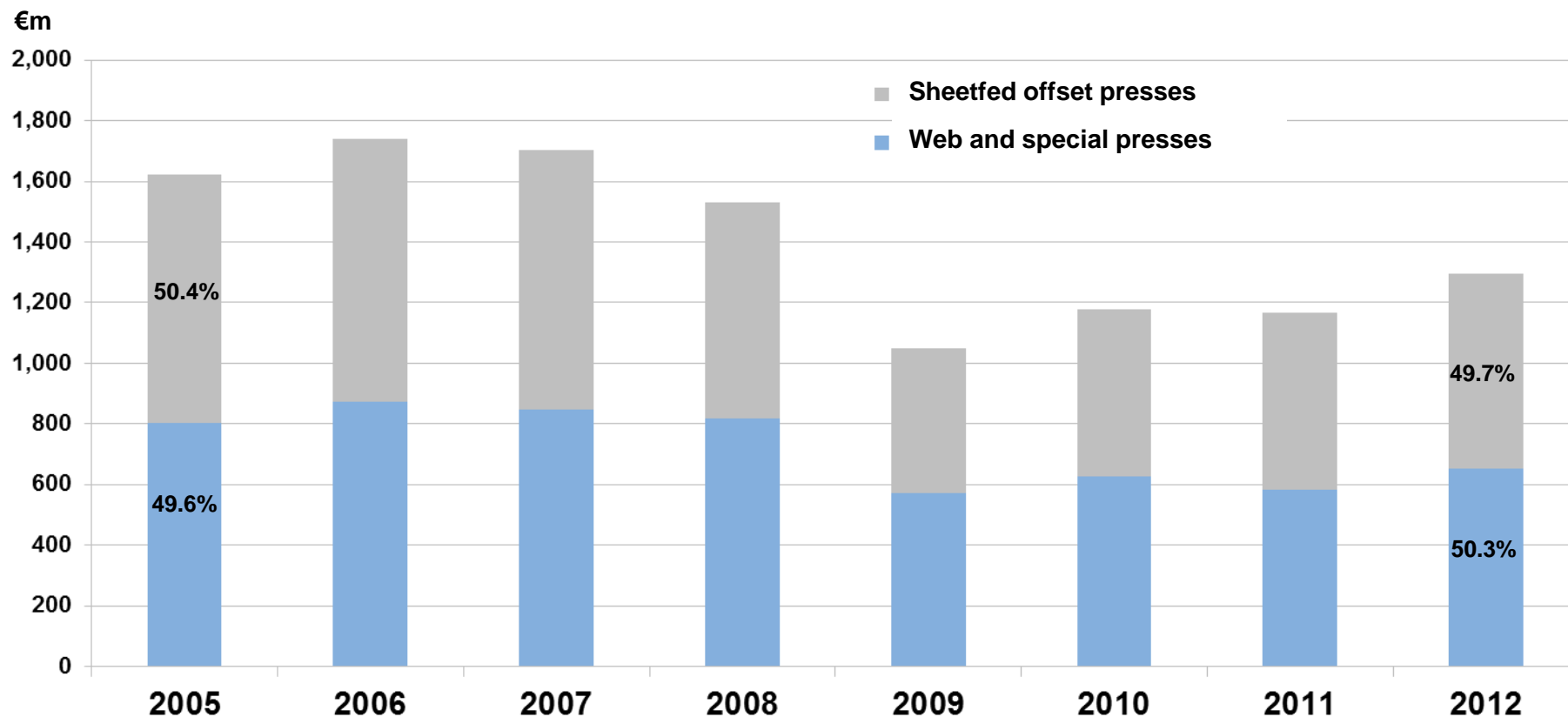


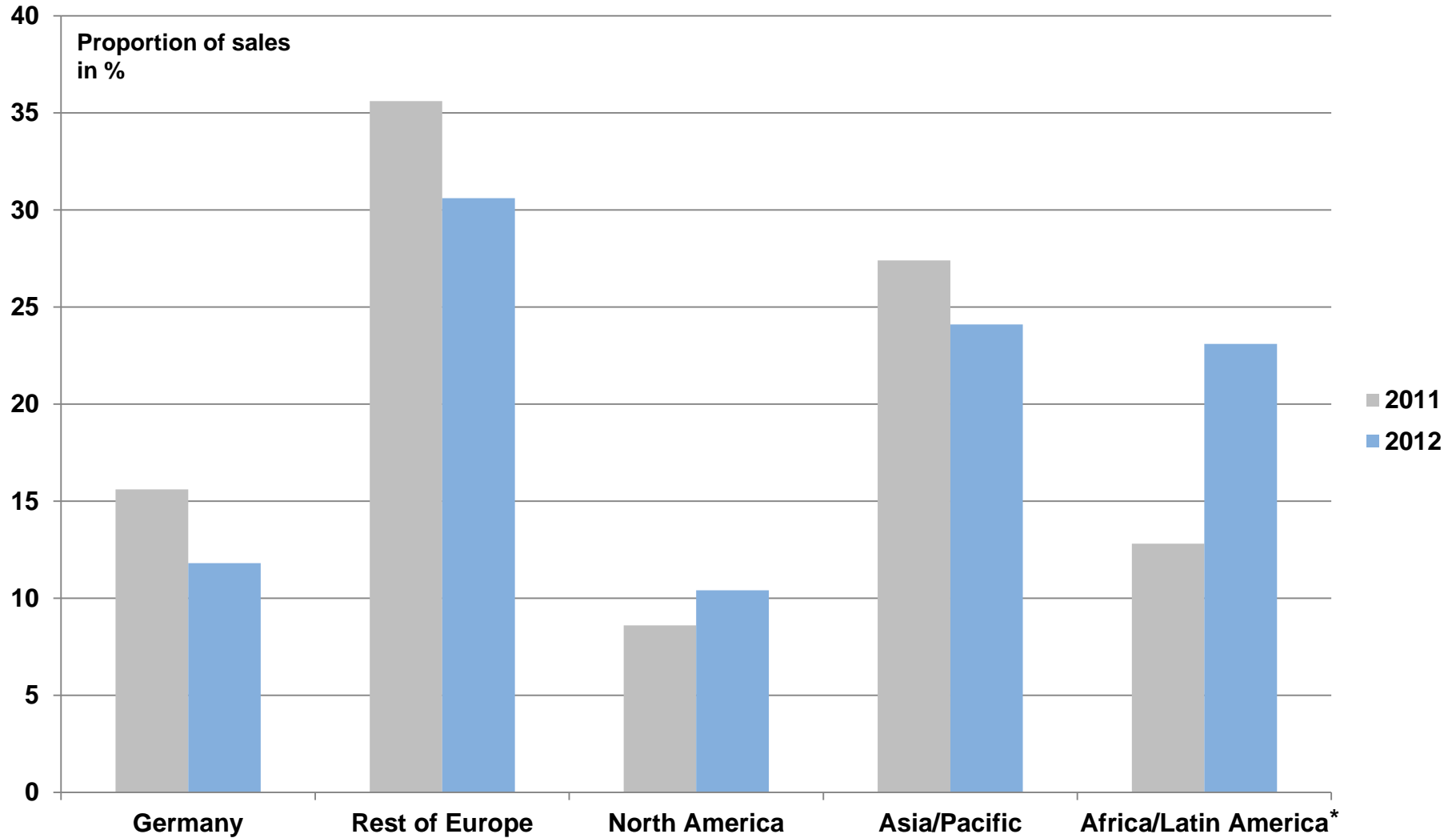
- Drupa boosted sheetfed business in 2012, fewer large orders for web and special presses as in record prior year
- Group operating profit quadrupled due to cost savings, increase in sales and more profitable product mix
- Special depreciation reflects results-orientated business strategy in sheetfed division
- Additional turn-around programme to sustainably improve earnings of web and sheetfed offset presses
- Expansion of profitable service business with new offerings
- Future: Focus on growth markets digital printing and packaging
- Outlook 2013: Similar annual Group sales and Group pre-tax earnings to 2012



- Sheetfed offset sales up 17.1% on prior year thanks to Drupa
- Order intake for web and special presses below last year's figure boosted by large orders
- Sales 10.9% higher than 2011, web and special press sales up 11.5%











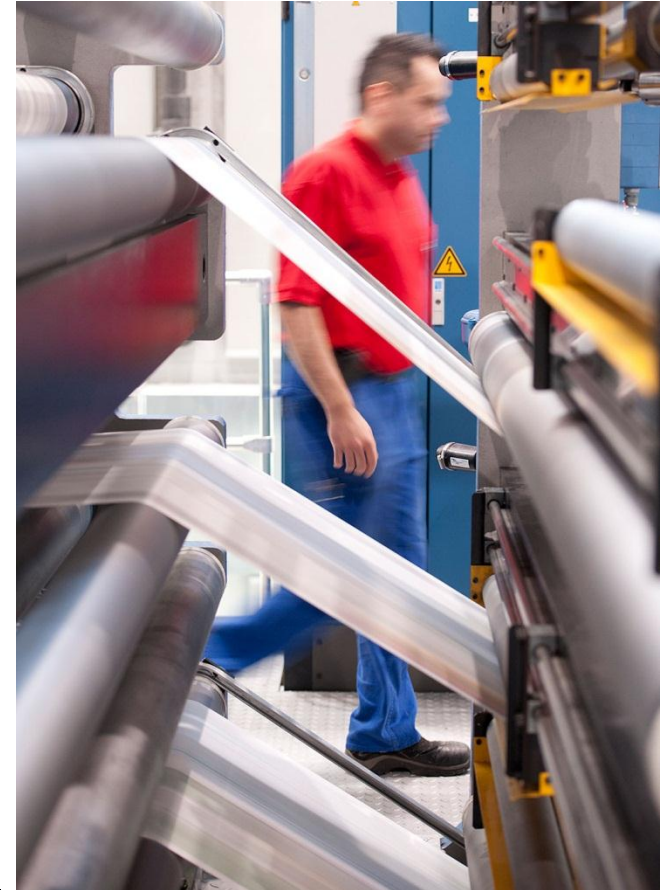
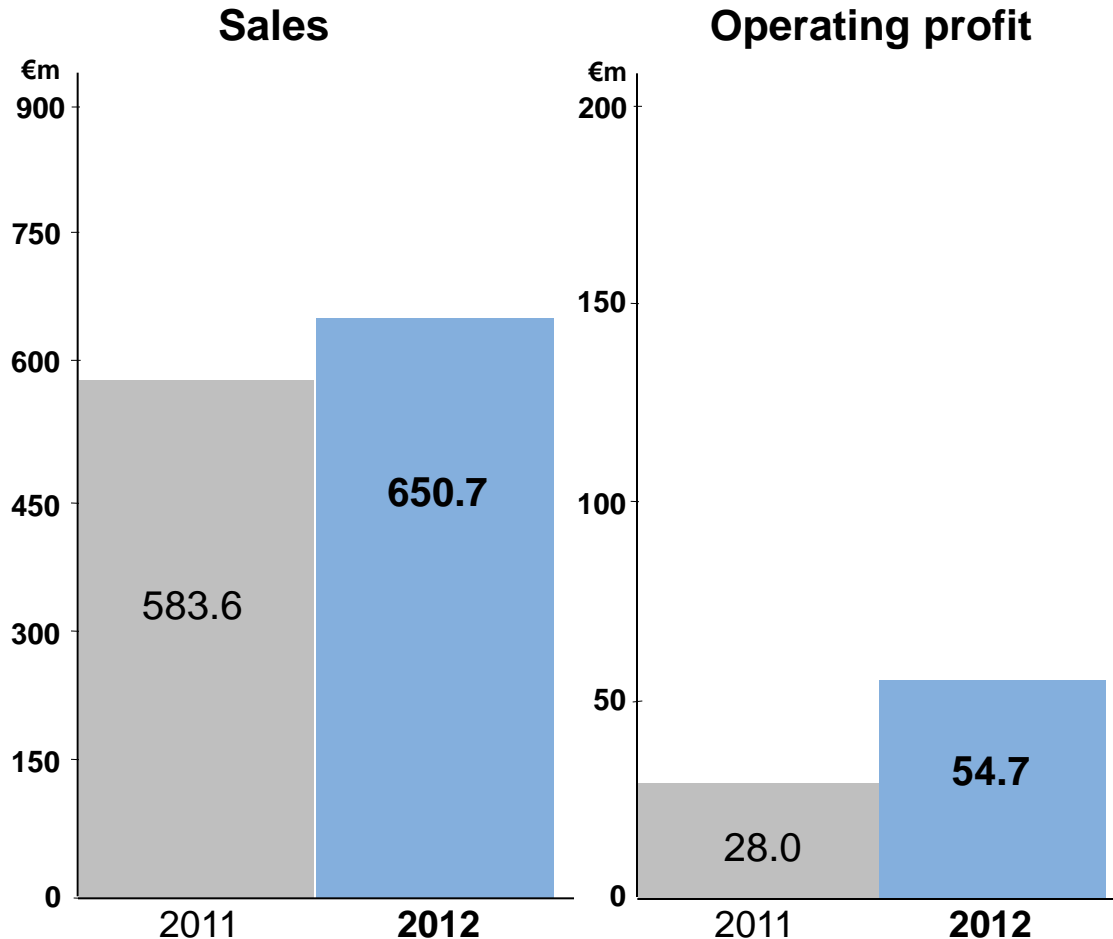


* In 2011/2012 sales in Latin America and Africa were above average due to special press deliveries

in €m	2011	2012	Change
Operating profit before special items	9.9	43.1	+€33.2m
Operating profit after special items	9.9	16.0	+€6.1m
Earnings before taxes	3.3	6.1	+€2.8m
Group net profit	0.4	2.3	+€1.9m
Earnings per share in €	0.02	0.14	+€0.12

	31.12.2011	31.12.2012	Change
Above-average equity ratio	38.2%	40.2%	
Fewer bank debts	€35.9m	€31.6m	
Much higher volume of liquid assets	€145.6m	€206.3m	
Comfortable net liquidity	+€109.7m	+€174.7m	
Free cash flow still strong	€57.8m	€61.2m	
Adequate credit lines	€100m	approx. €200m	

- 11.5% increase in sales of web and special presses
- Improvement in earnings due to cost savings, service business and niche markets



- Media shifts and economic weakness in parts of Europe act as a brake on demand
- We have adapted to a considerably smaller market volume
- 3 contracts signed in Germany recently
- Further projects in the pipeline abroad
- Along with the Commander CT compact press series, the new Commander CL is becoming increasingly popular
- 9 Commander CLs sold, 3 in operation (2 in Germany and 1 in the USA)
- Newspaper house in Trier opts for environmentally friendly KBA Cortina



Certificate

Congratulations to the Times Union of Albany, New York for the installation of the first KBA Commander CL web press in the Americas!

With great pride, KBA hereby certifies that the Times Union is the first newspaper in the world to begin full daily newspaper production with the KBA Commander CL on March 19, 2013.

We wish the Times Union a very successful future serving the Capital Region of upstate New York bringing the latest local, national, and international news to its loyal readers and advertisers.

With best regards from Wuerzburg, Germany




Albrecht Szeitzsam
Project Manager


Claus Bolza-Schünemann
President

Christian Reichert
Project Manager


Christoph Müller
Executive Vice President

Winfried Schenker
Sales Manager


Bruce Richardson
Sen. Sales Manager

- Very slow demand in 2012
- KBA does not offer all press variations due to costs
- Presses from the new 16- and 48-page C series were sold
- C16 with 6 printing units for printing magazines and wrappers has successfully gone live at B&K Offsetdruck in Ottersweier, Germany
- B&K specialises in special forms of advertising



Before-and-after effect with segment binding



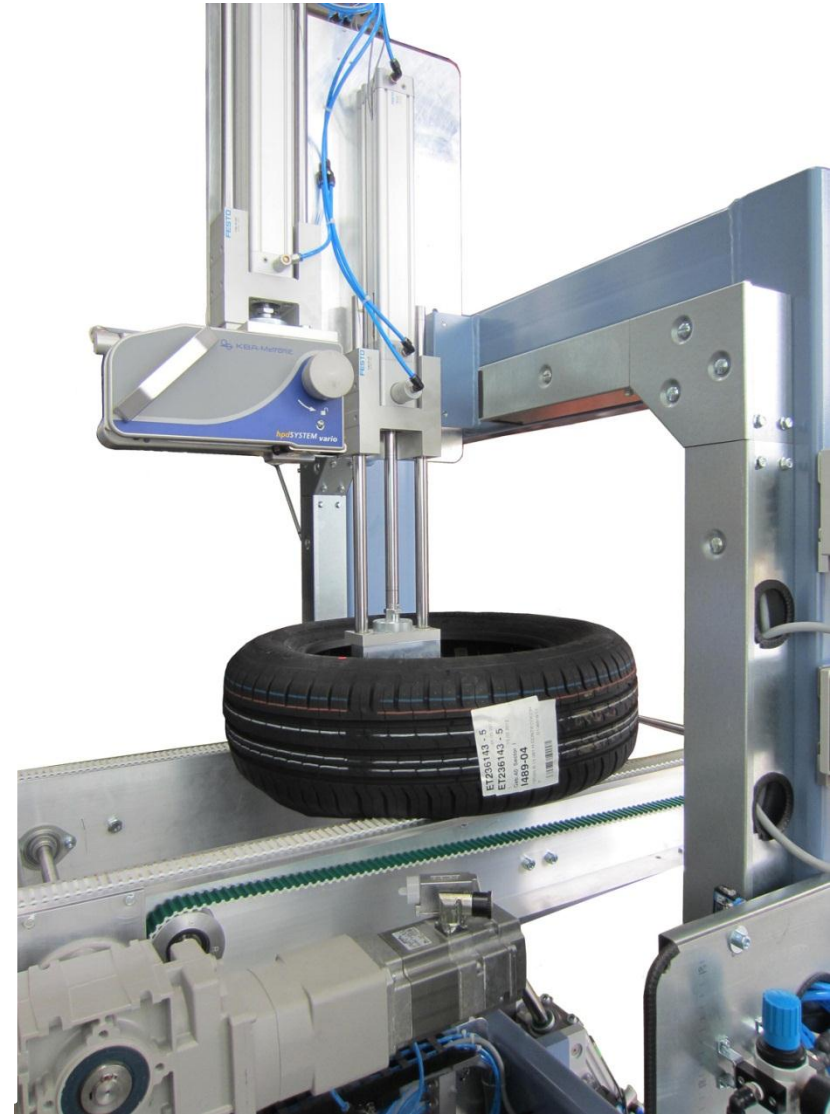
The spectacular before-and-after effect can be seen once all three segments are folded over



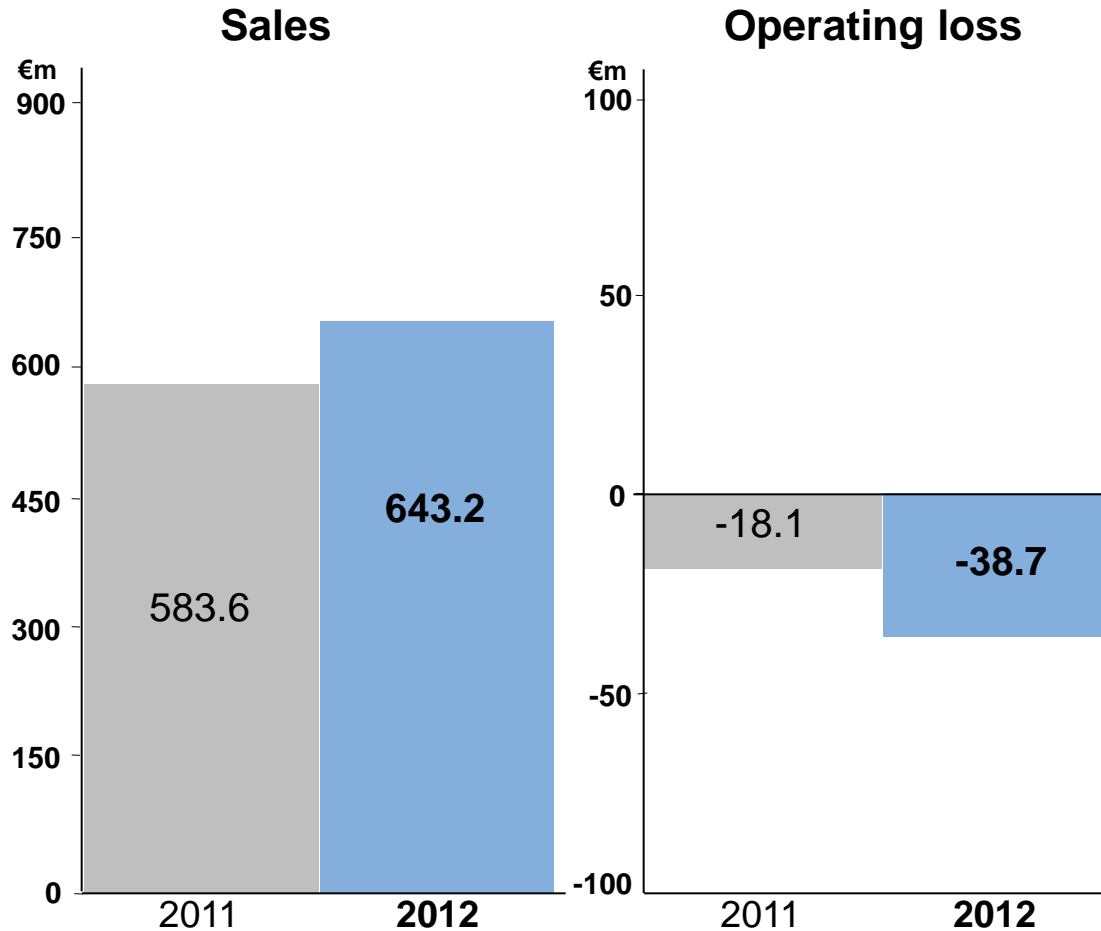
- Global market leader KBA-NotaSys has been successful for decades
- Extraordinarily high order volume in 2011
- Market has returned to normal in 2012, as expected
- Sales in 2012 significantly higher than previous year
- Order backlog remains considerable
- In 2012 a complete production line was installed in South Africa
- New South African *Rand* banknotes also designed by KBA-NotaSys



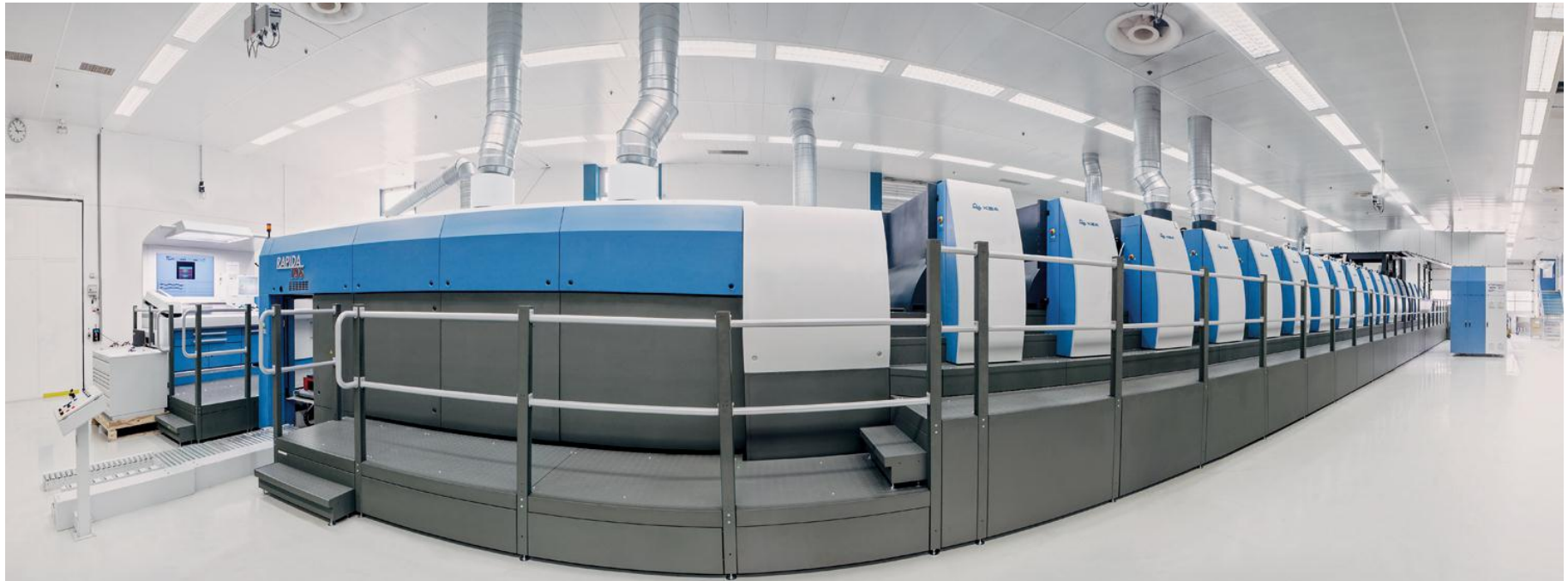
- KBA-Metronic has a technologically strong market position producing digital and analogue coding systems
- Inkjet, laser, hot stamping, thermal transfer etc. on synthetics, glass, ceramics, cartons, tyres etc.
- Increase in new orders and sales
- Opportunities for growth through increasing internationalisation and new products
- New inkjet printer launched at FachPack in Nuremberg
- Preparations for expanding own sales and service organisation are well underway as well as the mounting of some components in China



- Sheetfed sales up 10.2%
- Margin pressure and special depreciation totalling €27.1m strained operating results



- Medium-format Rapida 106 with 19 printing, coating and drying units
- Premiere at the global corporation Amcor Tobacco Packaging in Switzerland
- UV production with migration-free inert curing and cold-foil finishing
- Streamlining production of intricately finished packaging



- KBA-MetalPrint has a strong position in the niche market metal decorating offering complete printing, coating and drying lines, incl. air purification systems
- Used in the production of high-quality packaging for food, cosmetics, cigars etc.
- New orders and sales in 2012 up by over 15%
- Stable business performance with new products and solutions



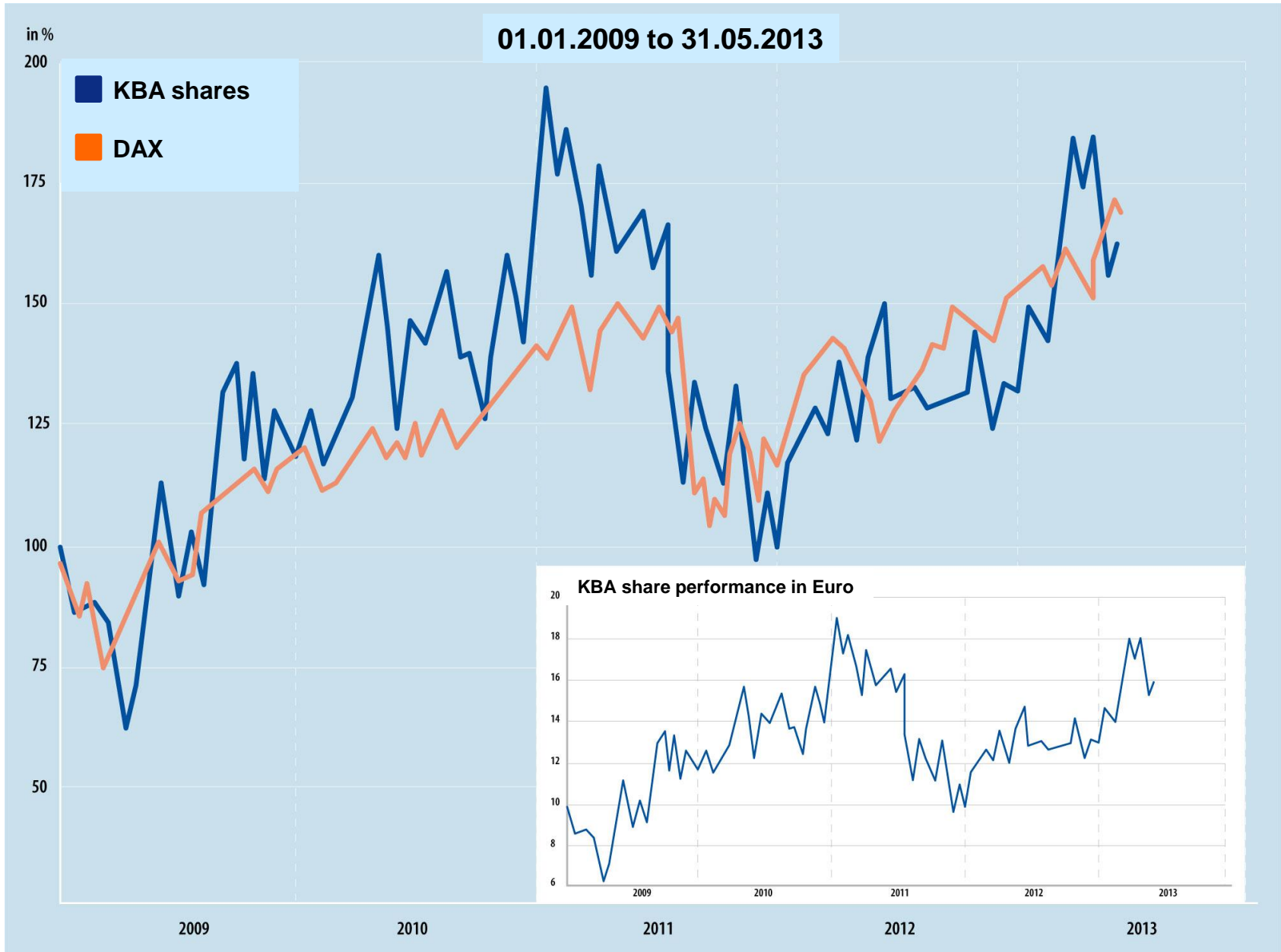
- Spun off in 2011, Albert-Frankenthal has 299 employees manufacturing components and rollers for KBA
- Capacity utilisation with work for KBA and contract work/assembly services for third parties not satisfactory
- KBA-FT Engineering, with 216 employees, is the engineering centre for folders and is responsible for their field installations, inauguration and service
- Also affected by weaker web press demand
- Employee count to fall further by 2015, continuing poor utilisation requires additional measures



Qualified staff are a competitive strength

- Group workforce reduced by 2,000 since 2009 given market developments
- Original target reached, but smaller market-related adjustments in some areas are required
- Qualified staff are a global competitive strength
- Big investment in training and qualifications
- Above-average training level of 6.9%
- Continued demand for employee shares every year





- Group operating profit not including special items rose to €43.1m
- The Parent, Koenig & Bauer, also significantly improved its operating profit
- Retained earnings of €6.6m after reinvesting 50% of the sum of 2012's net profit and the previous year's profit carried forward

Proposal:

Payment of a dividend of 40 cents per ordinary share on 16,506,373 no-par shares

€6,602,549.20

Transferred to other reserves

€9,961.58

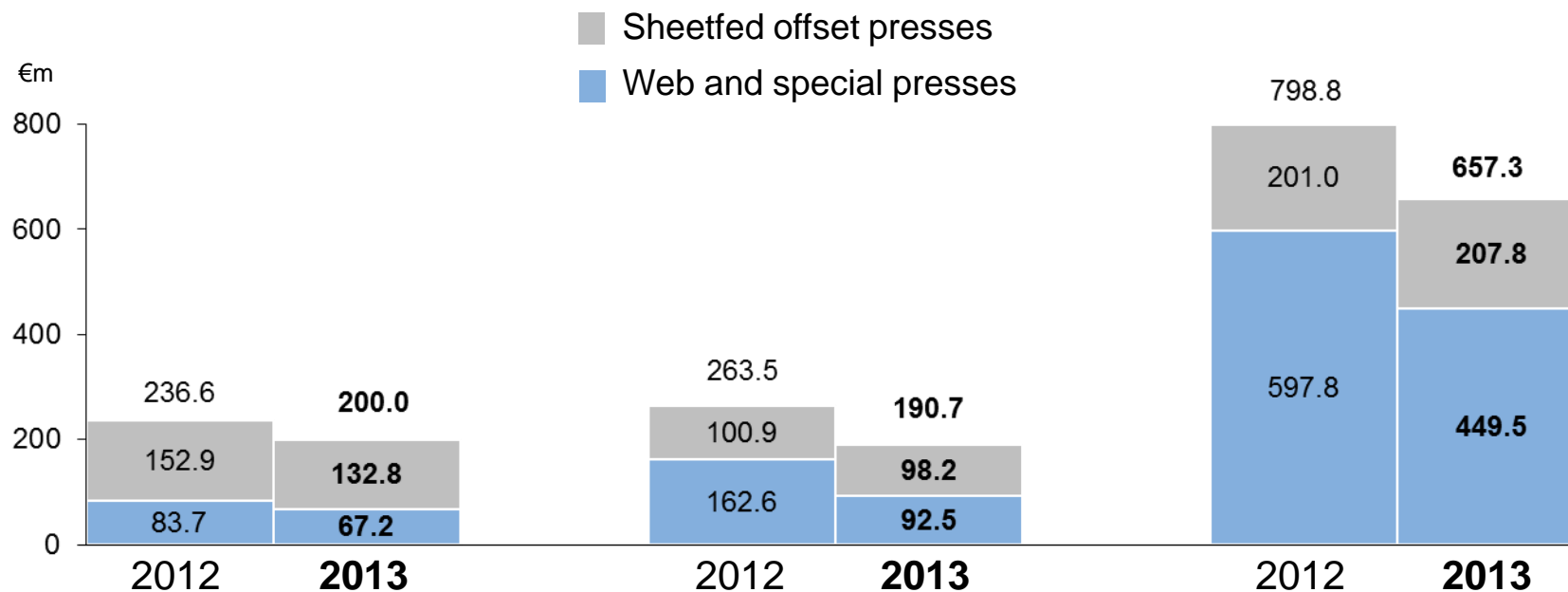


- Industry-specific weak sales in first quarter
- Order intake 15.5% down on previous year
- Continued high order backlog of €657m

Order intake 01.01. - 31.03.

Sales 01.01. - 31.03.

Order backlog 31.03.12/31.03.13



- Quarterly loss due to a lack of profit contributions following weaker sales
- Improvement in sheetfed earnings
- Turn-around programme beginning to bear fruit
- Significant improvement in earnings expected during the course of the year

	Q1 2012	Q1 2013
Gross profit margin	27.8%	21.3%
Operating profit/loss	€1.5m	-€16.9m
Earnings before taxes	-€0.4m	-€18.8m
Net loss	-€1.3m	-€18.5m
Earnings per share	-€0.08	-€1.12

Order income

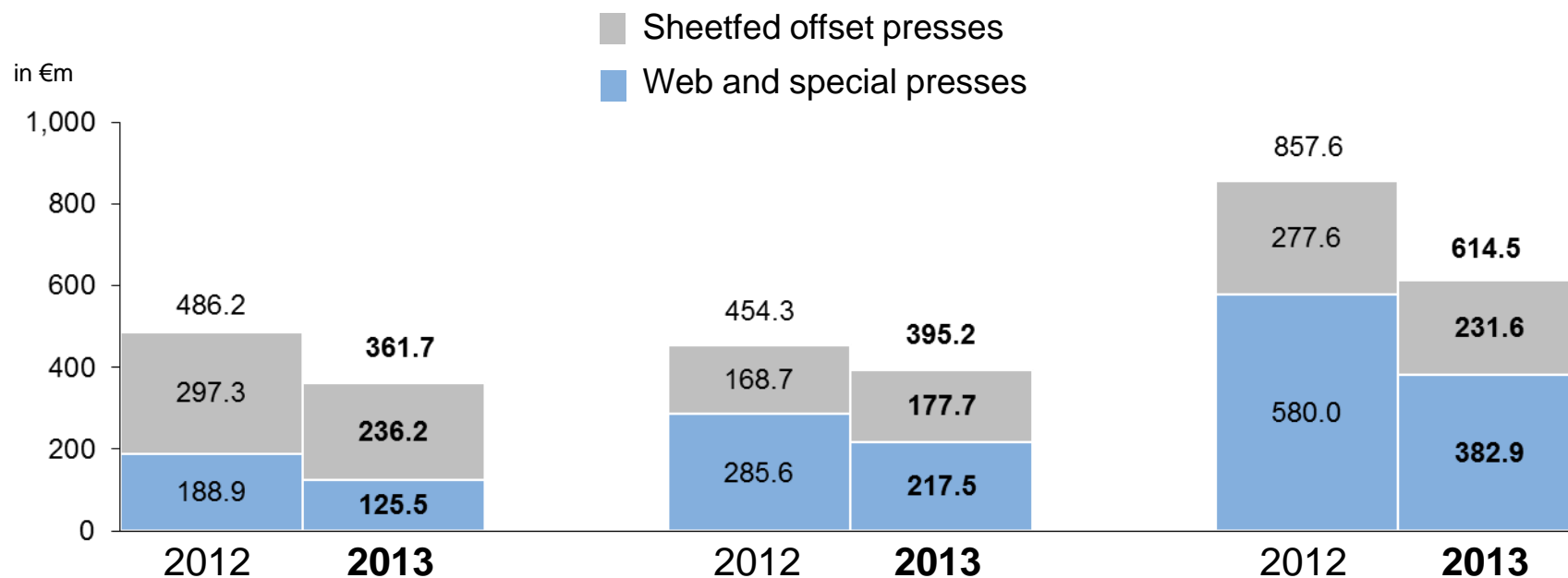
01.01. - 31.05.

Sales

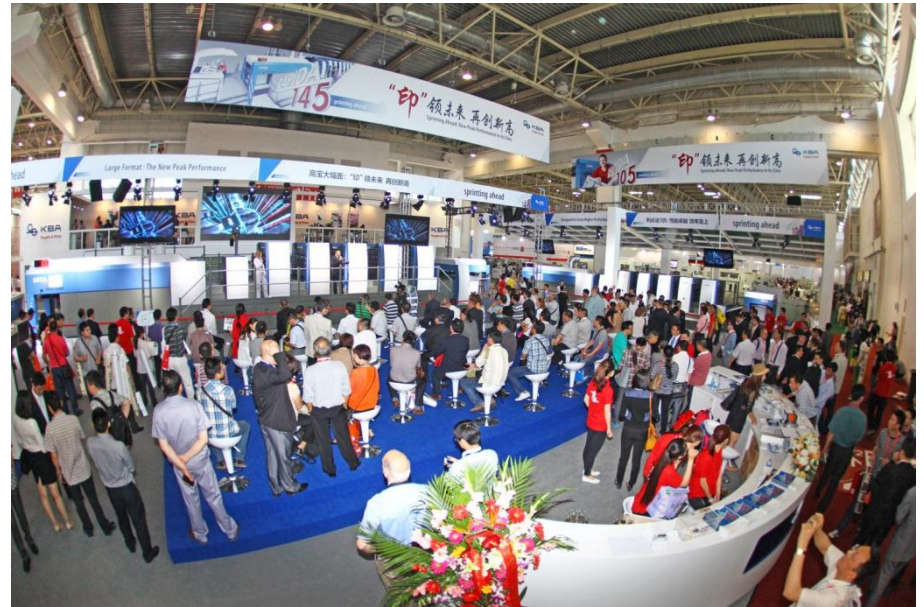
01.01. - 31.05.

Order backlog

31.05.12/31.05.13

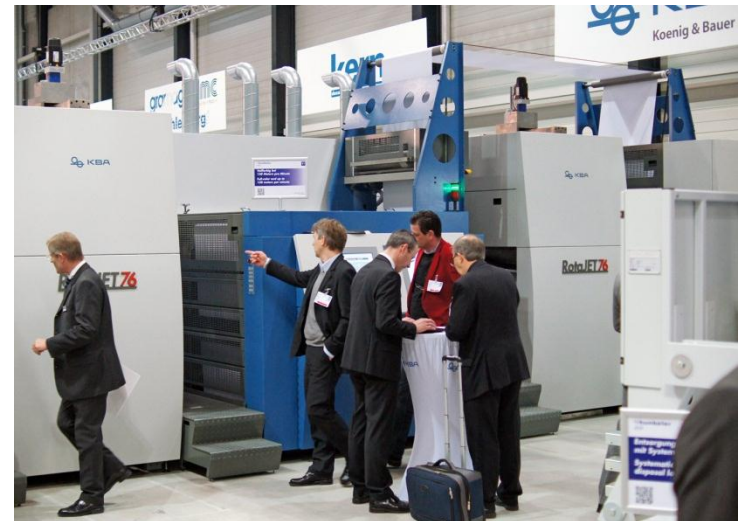


- World's second-biggest trade show
China Print in Beijing was very successful for KBA
- Contracts signed with many existing and new customers
- China no. 1 sales market for sheetfed presses
- Printtek trade show in Istanbul ran nearly at the same
- Both shows were popular and successful for KBA
- For KBA Turkey is a key growth market situated on the edge of Europe



New business line: inkjet digital printing

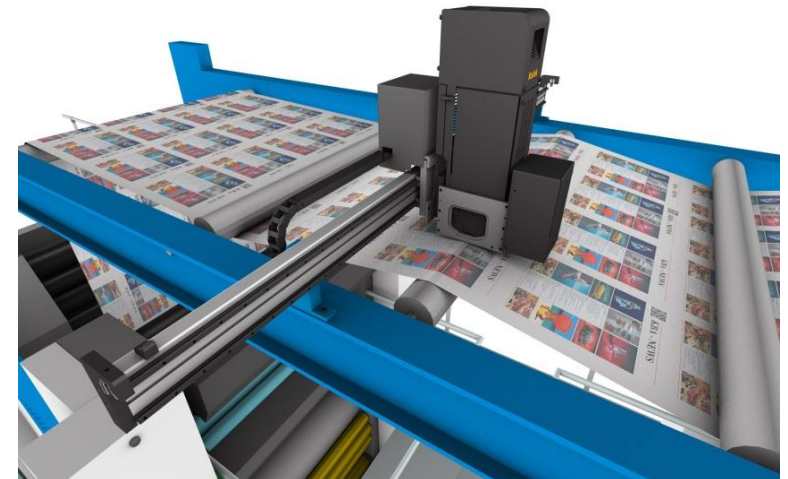
- Launch of the new RotaJET 76 at Drupa 2012
- Only high-volume press made in Germany
- RotaJET impressed visitors with its performance at Hunkeler Innovationdays in Lucerne in February 2013
- Focus on applications for books, direct mail, advertising and newspapers
- Customer interest also from other areas
- Target groups: medium to large print operations
- First RotaJET sold, multiple projects soon to be finalised



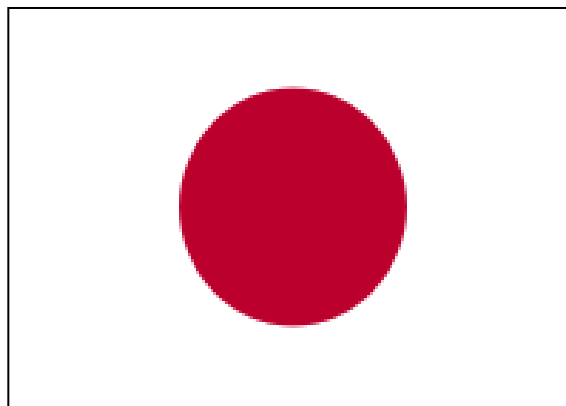
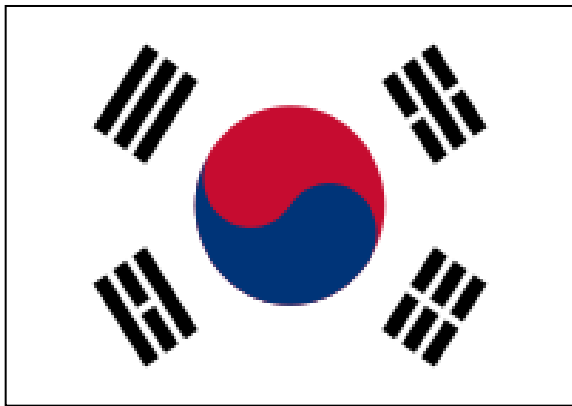
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- Expansion of profitable service business with new offerings
- Example: complete service packages with on-site staff deployment
- New PrintHouseService (PHS) also offers vendor-independent services
- Major order for PHS: retrofit and re-location of a manroland newspaper web press
- KBA is retrofitting web presses with inkjet systems for various imprinting at Axel Springer's contract printers



- In 2012 new KBA sales and service branches were founded in Korea, Japan und Mexico
- Further office to be founded in Brazil
- Target: intensify market development in growth markets in Asia and Latin America
- A positive start with new customers

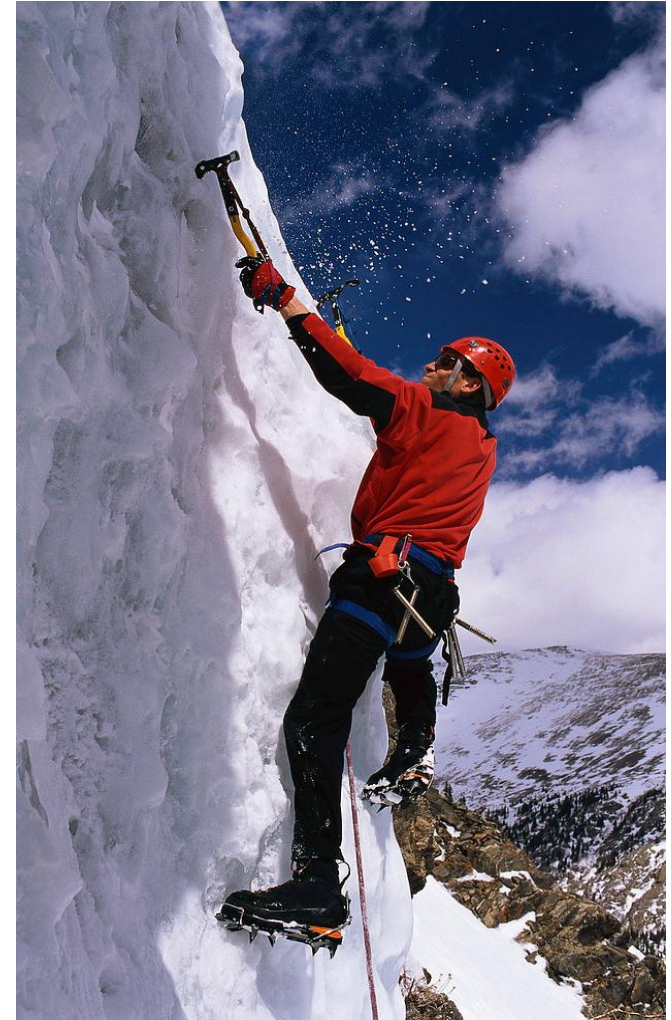


Target: enhance efficiency of web and sheetfed press activities

- Optimise Group purchasing
 - Bundle Group purchasing
 - Creation of a purchasing board
 - Material group management worldwide
 - Reduce number of subsuppliers
 - Strategic key suppliers
 - Initial success with reducing material costs
- Introduction of a product-house organisation
- Amendments to wage agreements
- Closure of Trennfeld plant
- Reduction of administrative costs
- Bundling of certain production activities at individual locations



- Similar annual Group sales to 2012
- Continued optimisation of internal processes
- Push forward with diversification in future markets
- Continued consolidation in web business
- Group pre-tax earnings similar to last year
- Earnings projections are based on:
 - broad product mix and expanded service activities
 - positive impact from cost savings from turn-around measures
 - initiatives to reduce manufacturing costs



This outlook contains no meaningful portfolio effects and influences relating to legal and official matters. It also depends on ongoing earnings growth and the absence of disruptive temporary market changes..



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