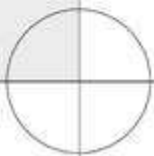




86th Koenig & Bauer AG Annual General Meeting 16.06.2011 in Würzburg

**Helge Hansen
President and CEO**

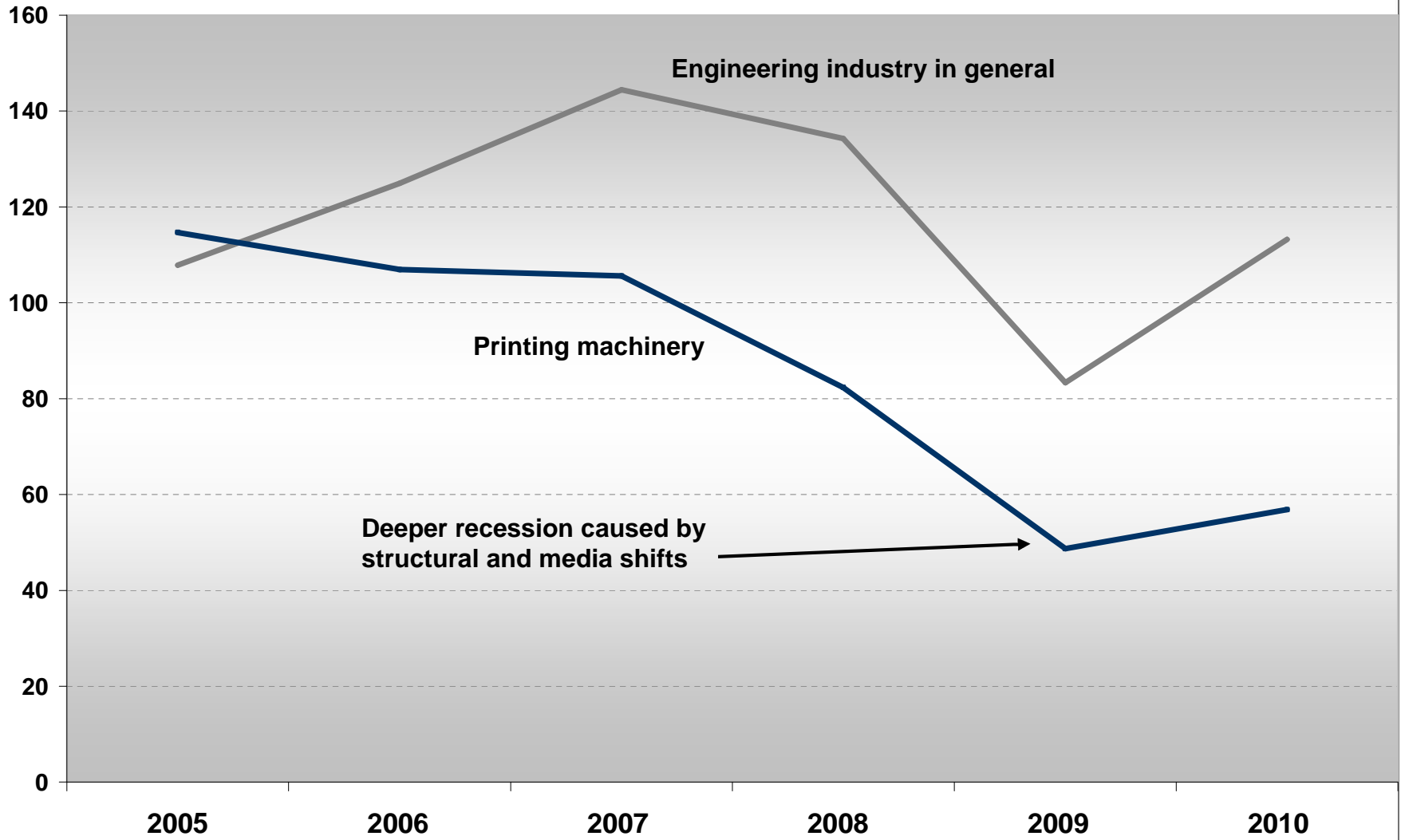


Perceptible upswing in demand for sheetfed offset presses and niche products

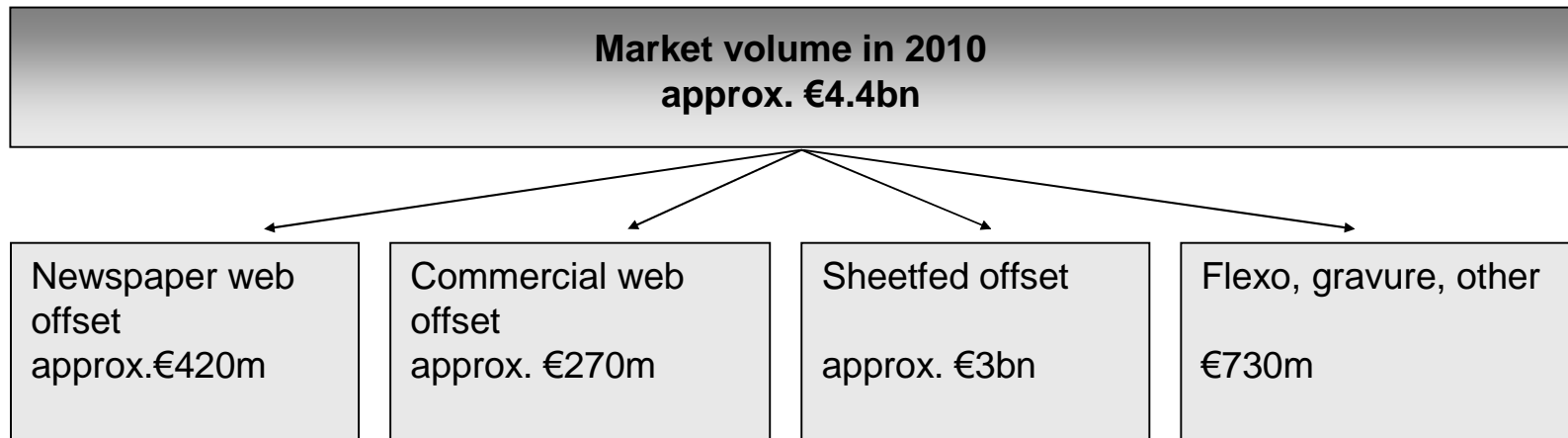
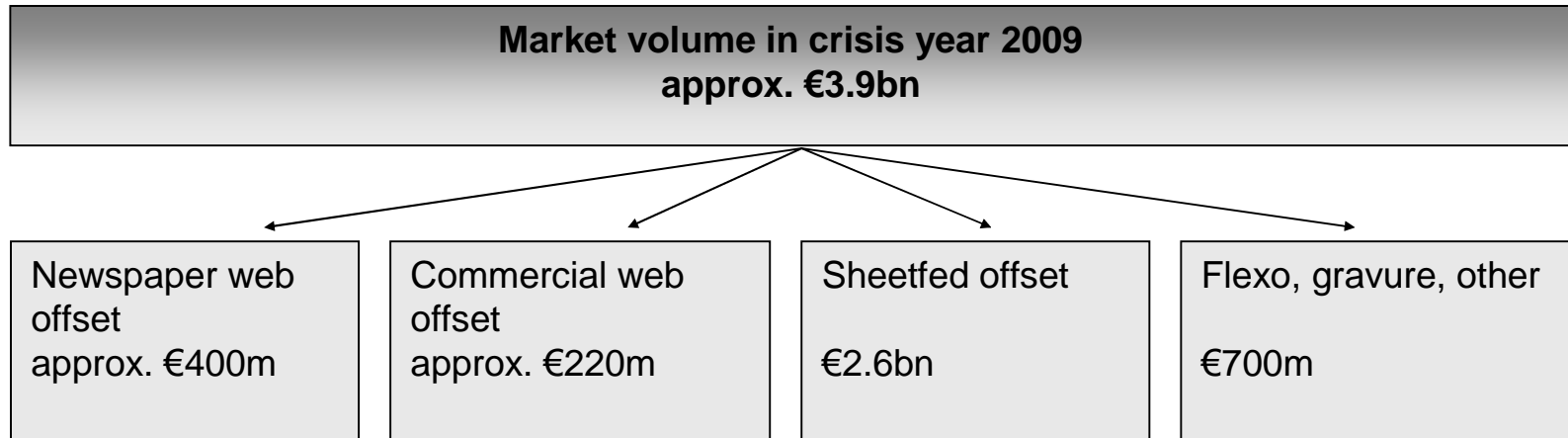
Modest market prospects, need for further consolidation in web press sector

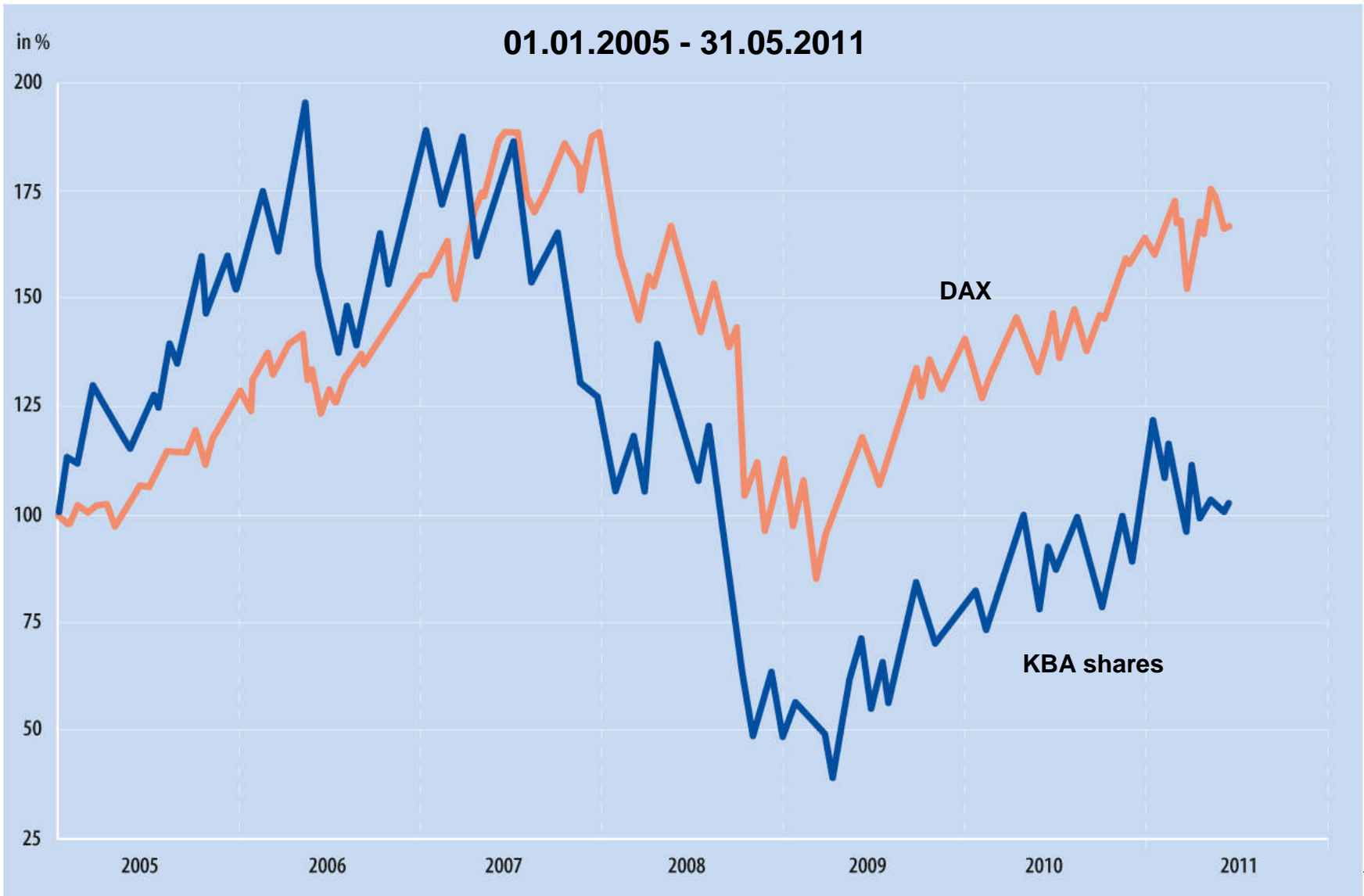
Substantial gains in order intake, sales and earnings in first quarter 2011

Faster, stronger revival in general engineering industry than in press engineering sector



Normal pre-crisis volume approx. €9bn p.a.

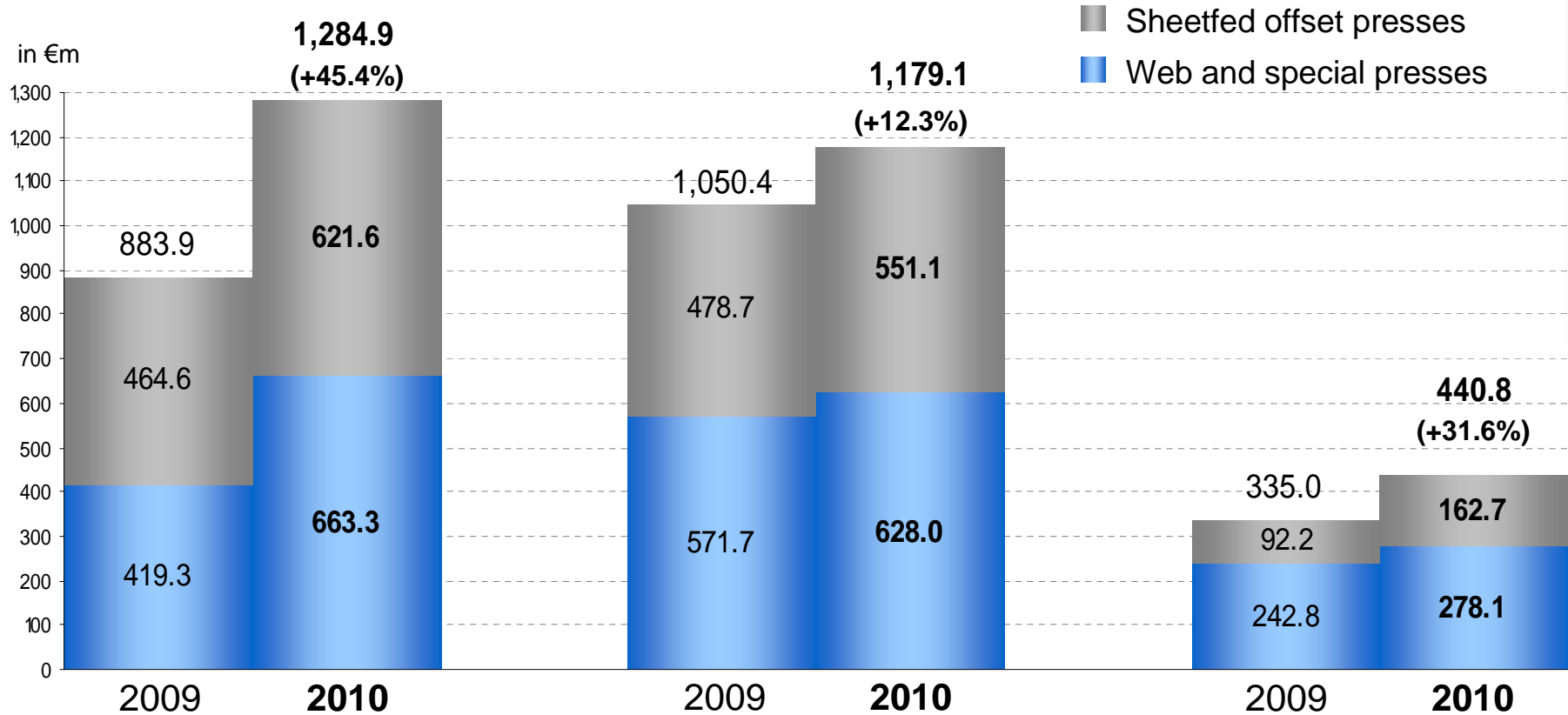


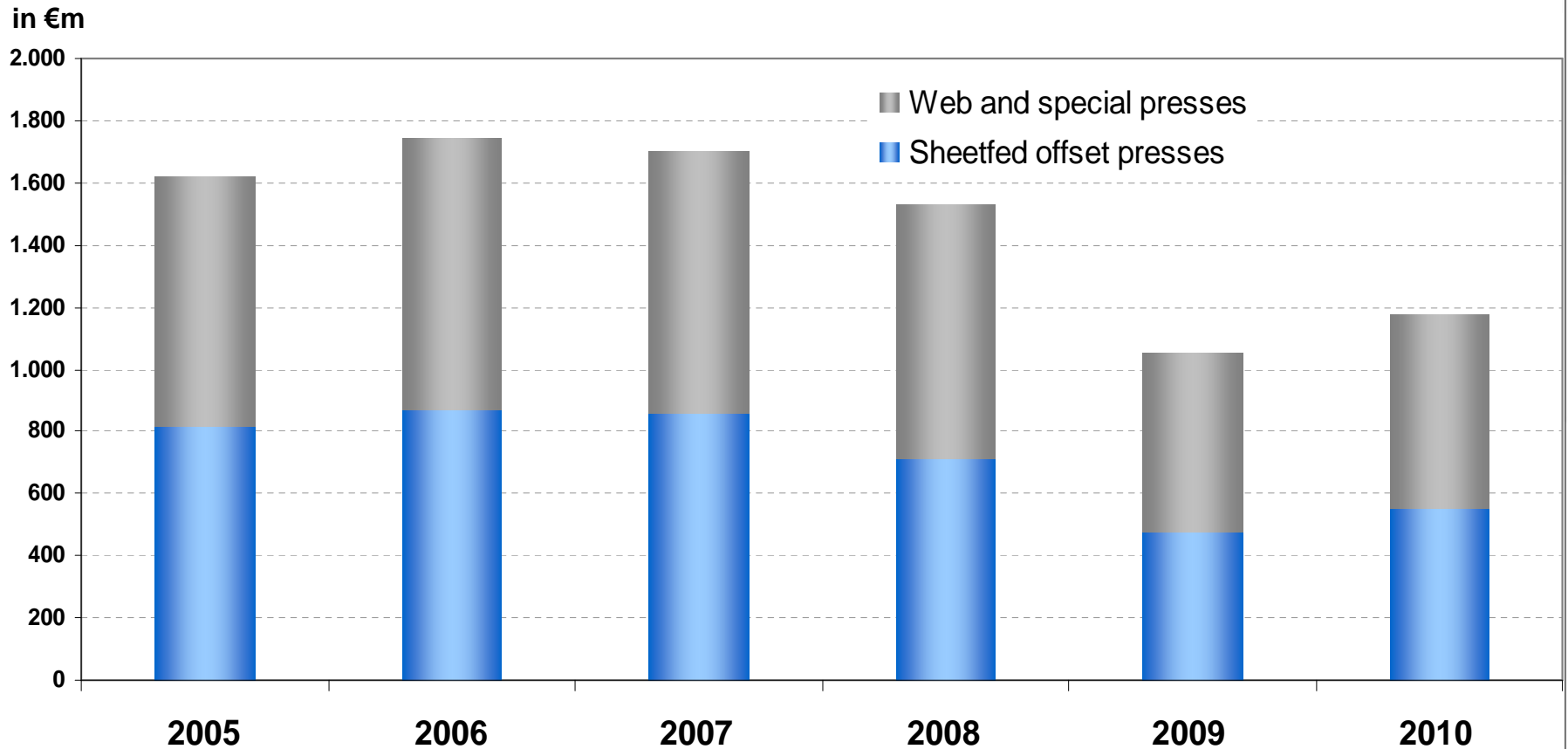


Order intake 1.1. - 31.12.

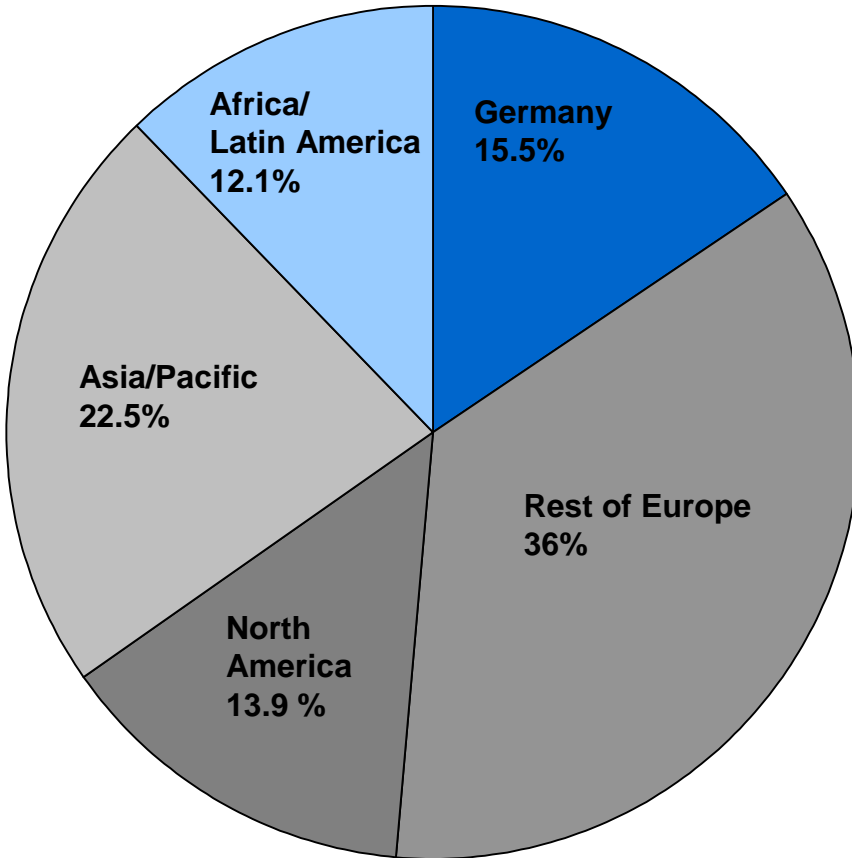
Sales 1.1. - 31.12.

Order backlog 31.12.09/31.12.10

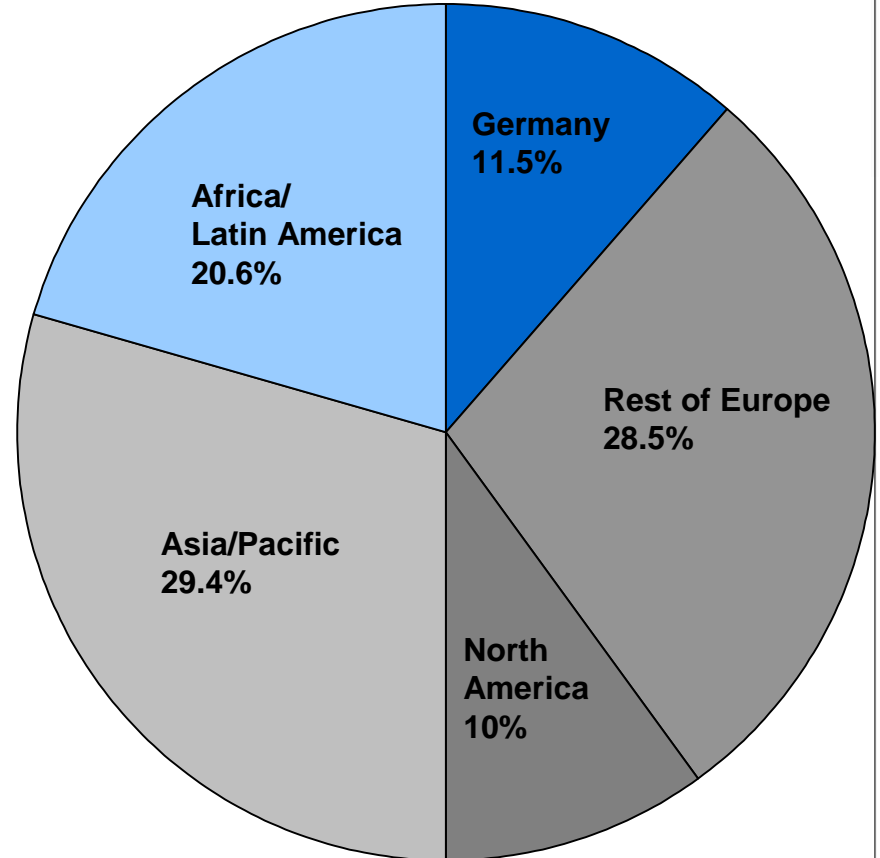




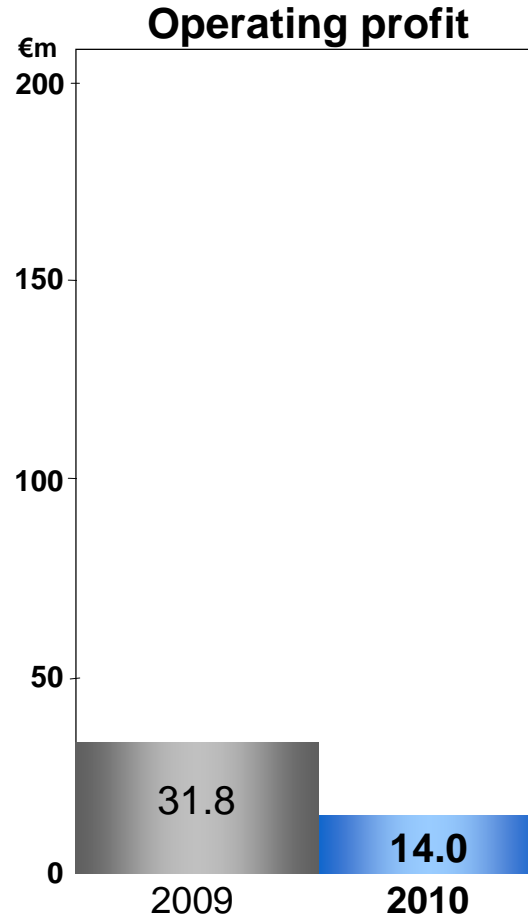
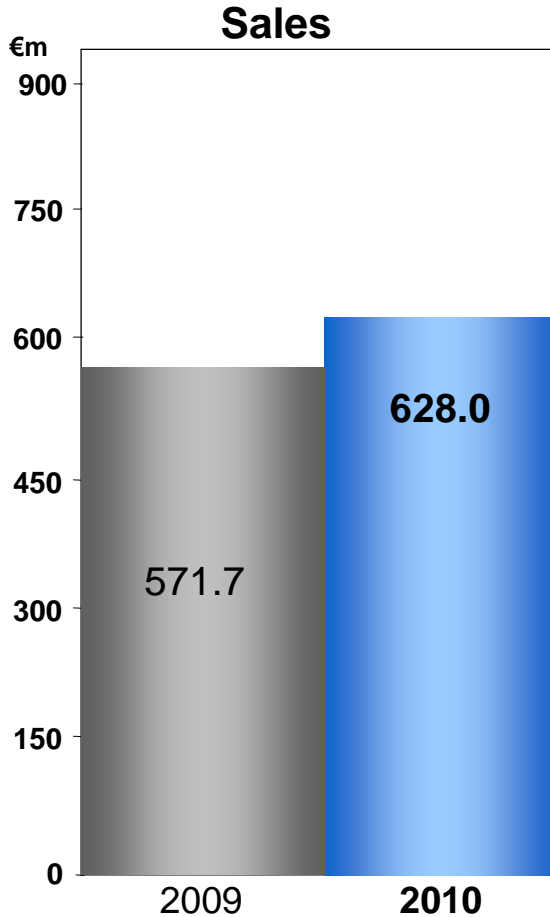
2009



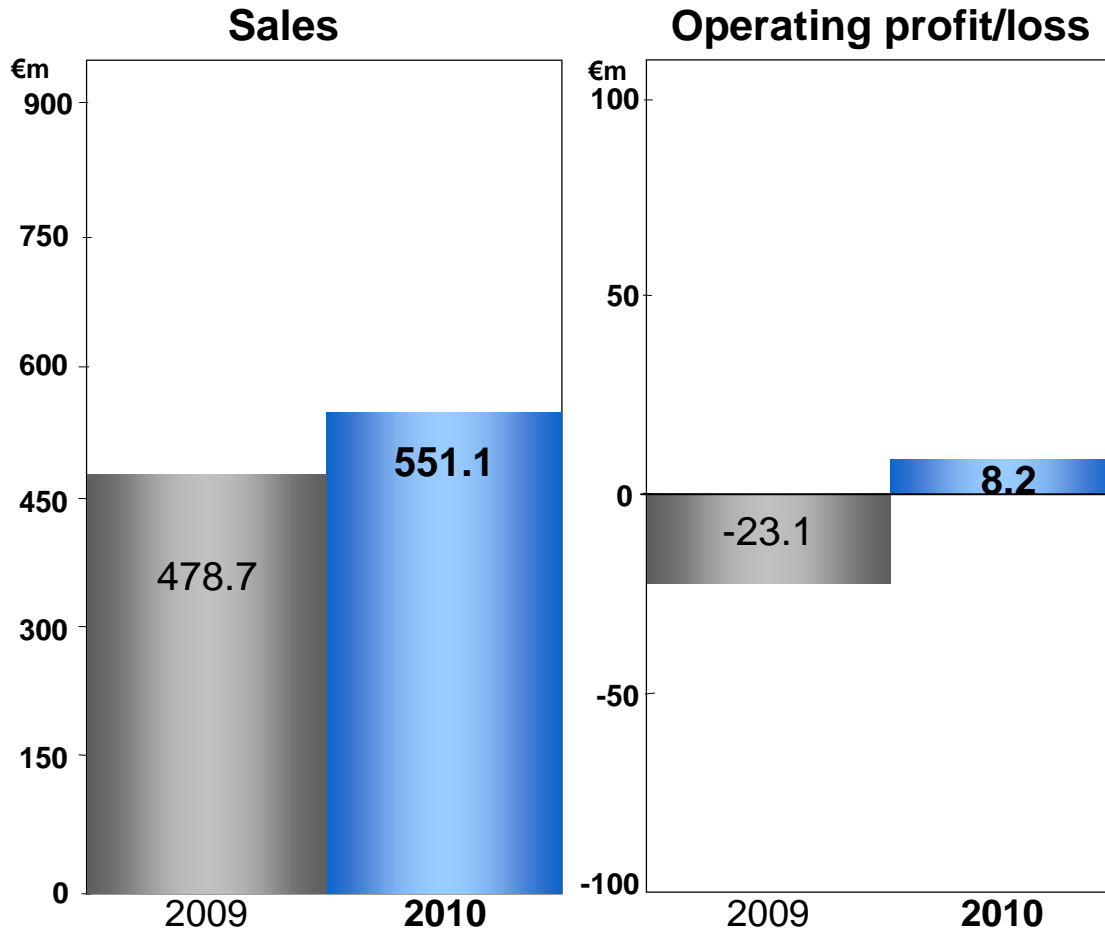
2010



- Sales approx. 10% higher than in previous year
- Weak demand for web presses impacted on earnings



- Sales 15% higher than in previous year
- Higher sales and cost savings boosted earnings



- Subsidiaries' niche business less affected by structural and media shifts
- Security printing, metal decorating, UV offset, industrial coding technology and air purification
- Early differentiation strategy paid dividends in the crisis
- Broad product mix has stabilising impact on sales and revenue



Metal decorating

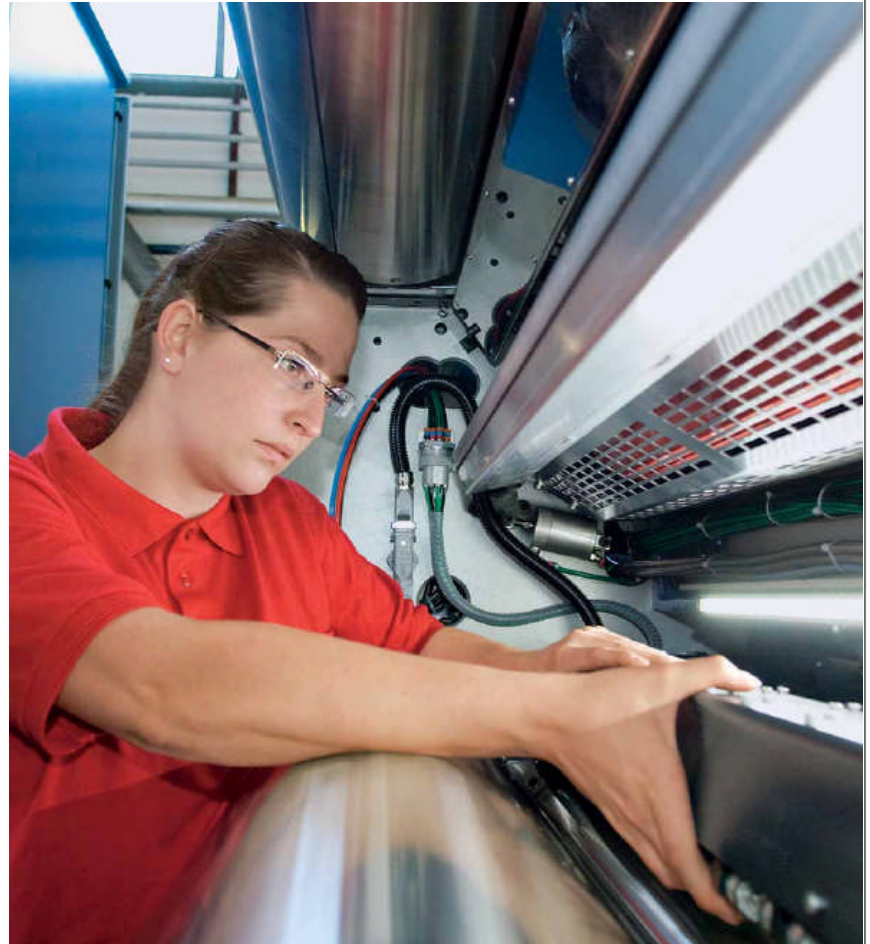


Coding and marking technology

	2009	2010
➤ Gross profit margin	20.8%	26.6%
➤ Operating profit	+€8.7m	+€22.2m
➤ Earnings before taxes	+€2.7m	+€15.3m
➤ Earnings after taxes	+€6.6m	+€12.5m
➤ Earnings per share	+€0.41	+€0.76

	31.12.2009	31.12.2010
➤ Above-average equity ratio	39.6%	39.6%
➤ Fewer bank debts	€48.3m	€43.1m
➤ Big jump in liquid assets	€76.1m	€91m
➤ Comfortable level of net liquidity	+€27.8m	+€47.9m
➤ Higher free cash flow	+€4.9m	+€20.4m
➤ Ample cash credit lines	around €100m	around €100m

- High standard of training
- Four top regional rankings in qualifying exams
- Training level remains high at 6.5%
- KBA apprentices not offered permanent employment are highly prized in the labour market
- Core team of technicians, engineers, qualified sales staff and specialists
- Further training a top priority



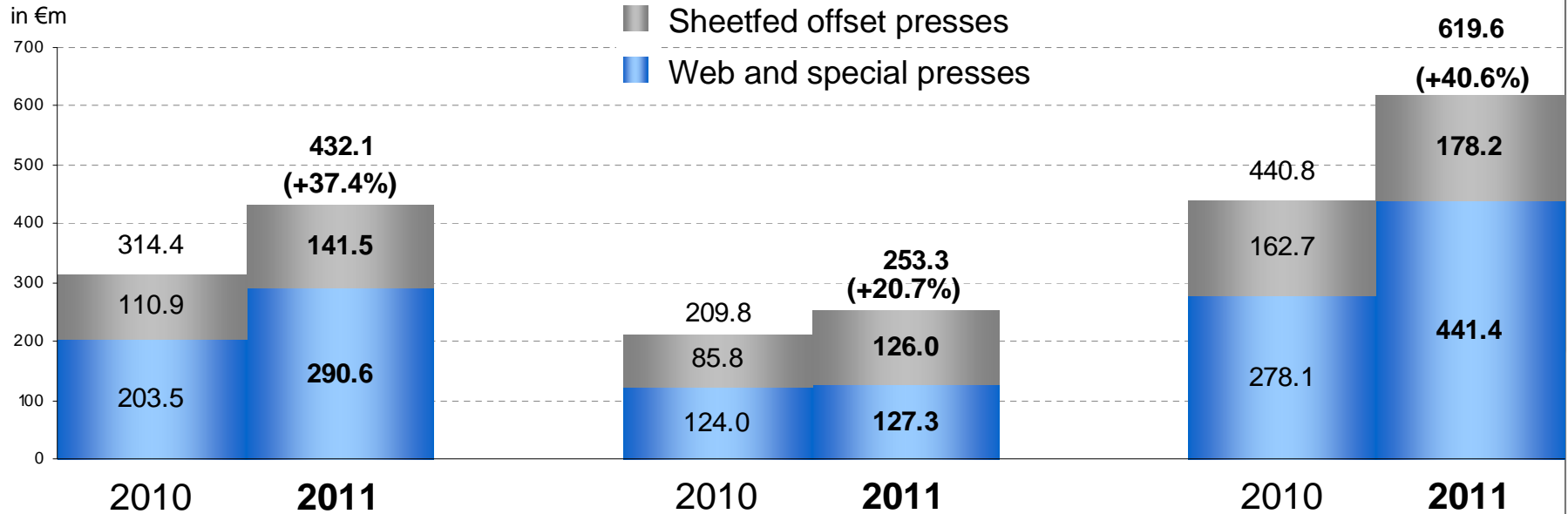
- Property, plant, equipment and IT the primary focus
- Current project: extension and technical upgrade for the foundry in Würzburg
- Production plants well equipped
- R&D spending represents well over 4% of sales



Order intake 1.1. - 31.03.

Sales 1.1. - 31.03.

Order backlog on 31.12.10/31.03.11



- **Operating loss** -€1.8m (prior year: -€19.4m)
- **Earnings before taxes** -€3.9m (prior year: -€21.3m)

- **37.4% jump in order intake following brisk demand for sheetfed offset presses and niche products**
- **20.7% higher sales compared to 2010**
- **40% bigger order backlog**
- **Earnings in weaker first quarter much better than in previous year**
- **Strong cash flow, high net liquidity**



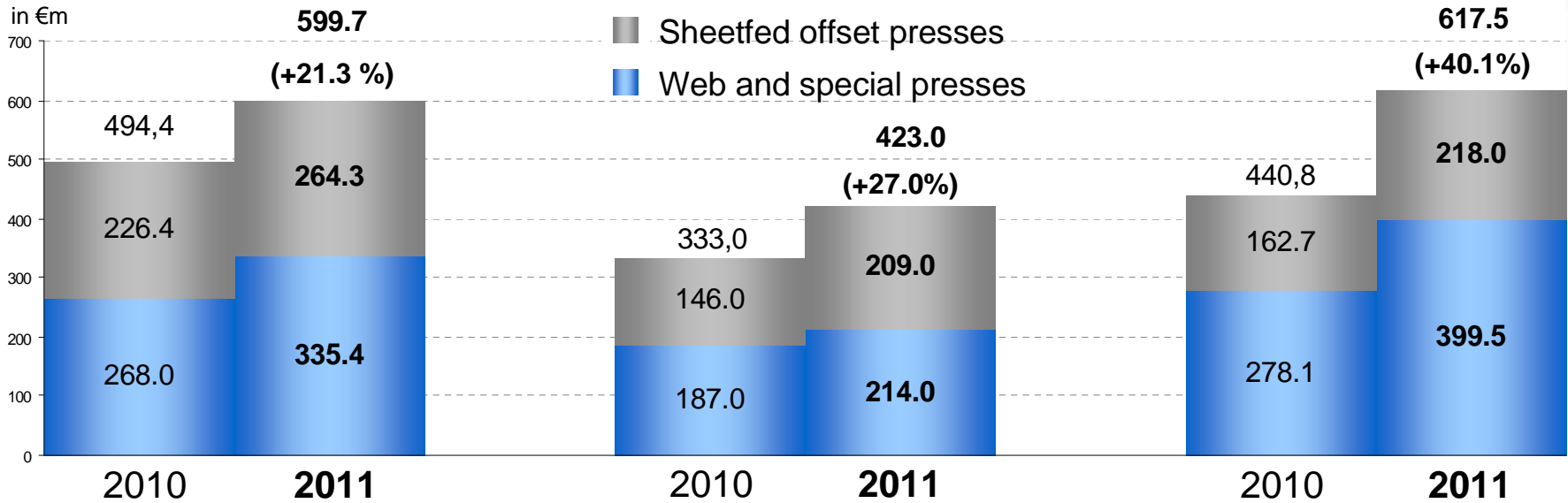
- Over 250 sheetfed offset printing units and two commercial web presses sold
- KBA focus on green printing well received
- China is growth market no. 1 for sheetfed offset presses



Order intake 01.01. - 31.05.

Sales 01.01. - 31.05.

Order backlog 31.12.10/31.05.11



- **World's second-largest press manufacturer**
- **Broad, highly advanced product portfolio**
- **Technological trailblazer**
- **No. 1 in newspaper press technology**
- **No. 1 in large-format sheetfed offset**
- **No. 1 in packaging offset, security printing and metal decorating**
- **No. 2 in sheetfed offset**
- **No. 3 in web offset (potential for improvement)**
- **Strong position in green printing**



- **Single-digit increase in Group sales**
- **Moderate improvement in earnings**
- **Further adjustment at web press production plants to more muted market prospects**
- **Preparations in full swing for Drupa, the world's biggest print media trade fair**



- Agreement with RR Donnelley to develop, manufacture and distribute own-brand digital presses
- Digital printing systems for multiple applications
- Primary target groups: mid-size to large-scale printing plants
- The first KBA digital printing system will be unveiled at Drupa 2012





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