



KBA financial press conference

15 May 2012 at Drupa in Düsseldorf



- **Opening address**

Claus Bolza-Schünemann, President & CEO

- **Group performance in the first quarter of 2012**

Dr Axel Kaufmann, CFO

- **KBA at Drupa: innovating for change**

Klaus Schmidt, Director Marketing and Communications

- **Initial verdict on Drupa and outlook for 2012**

Claus Bolza-Schünemann, President and CEO

Questions from the floor

Guided tour of the KBA stand in hall 16 with Claus Bolza-Schünemann

Refreshments



Group performance in the first quarter of 2012

Dr Axel Kaufmann, CFO



€m

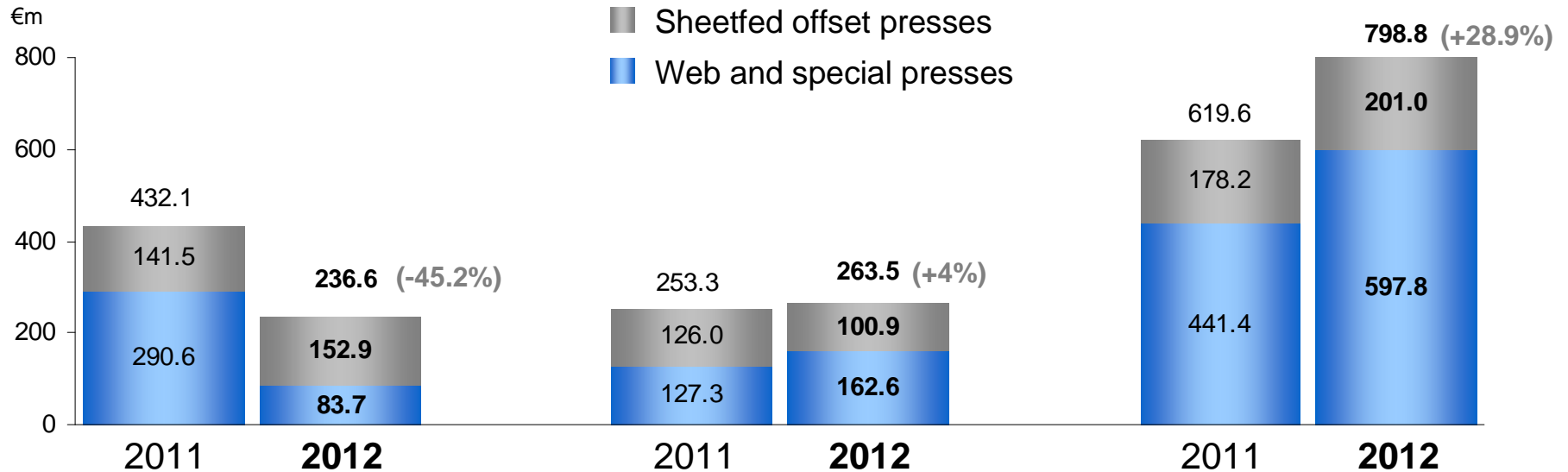
	Q1 2011	Q1 2012	Change
Order intake	432.1	236.6	-45.2%
Sales	253.3	263.5	+4%
Book-to-bill ratio	1.71	0.9	-47.4%
EBT	-3.9	0.2	+€4.1m
Free cash flow	36.3	-30.0	-€66.3m

- 8 % more orders for sheetfed offset presses; order intake for web and special presses below the prior-year record figure that had been boosted by some major contracts
- Sales up 4 % on previous year, order backlog 29 % higher

Order intake
01.01. - 31.03.

Sales
01.01. - 31.03.

Order backlog
31.03.11/31.03.12

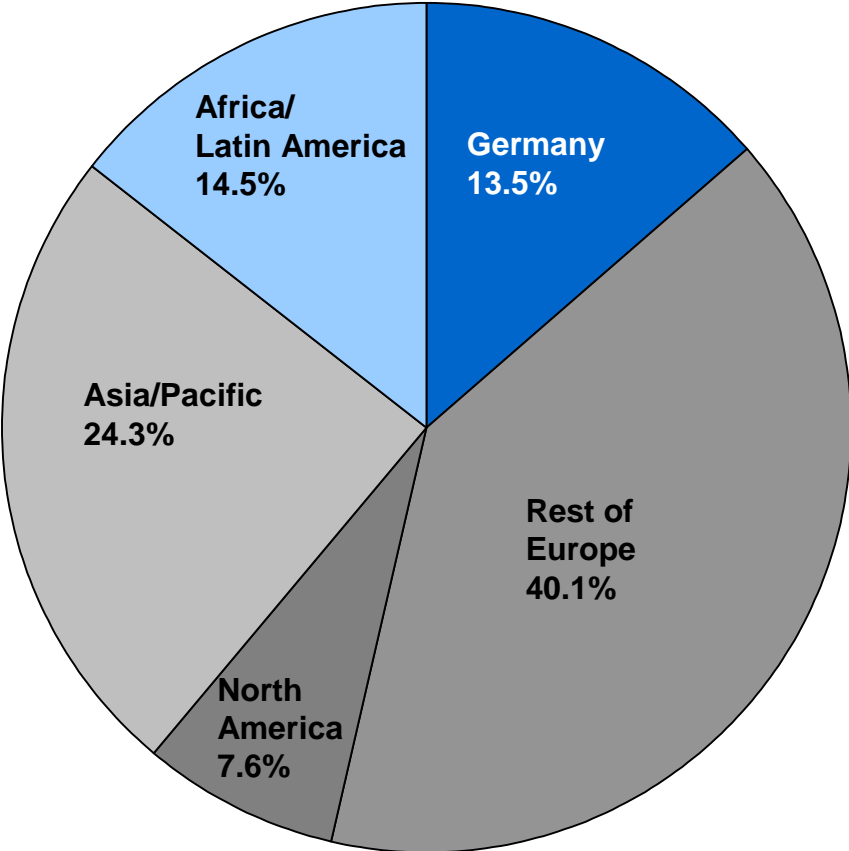


- Despite weak first-quarter sales, high outlay on R&D and Drupa
- Improvement largely due to shipment of more profitable products and cost savings

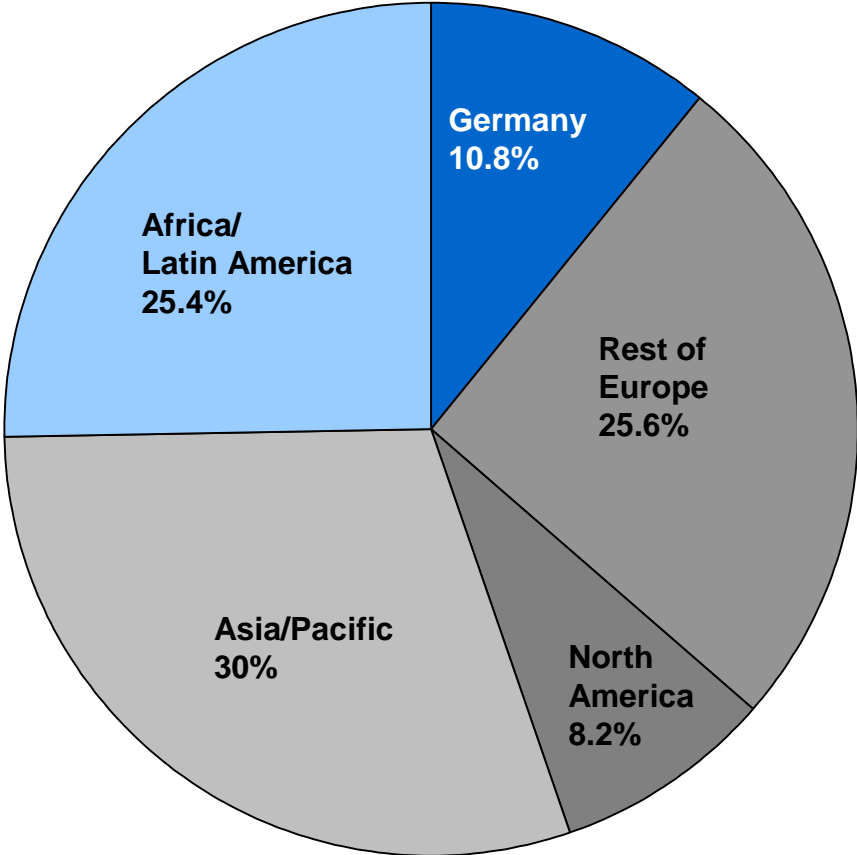
	Q1 2011	Q1 2012
Gross profit margin	23.8%	27.9%
Operating profit/loss	-€1.8m	€2.0m
Earnings before taxes	-€3.9m	€0.2m
Net loss	-€5.8m	-€0.8m
Earnings per share	-€0.35	-€0.05







Geographical breakdown

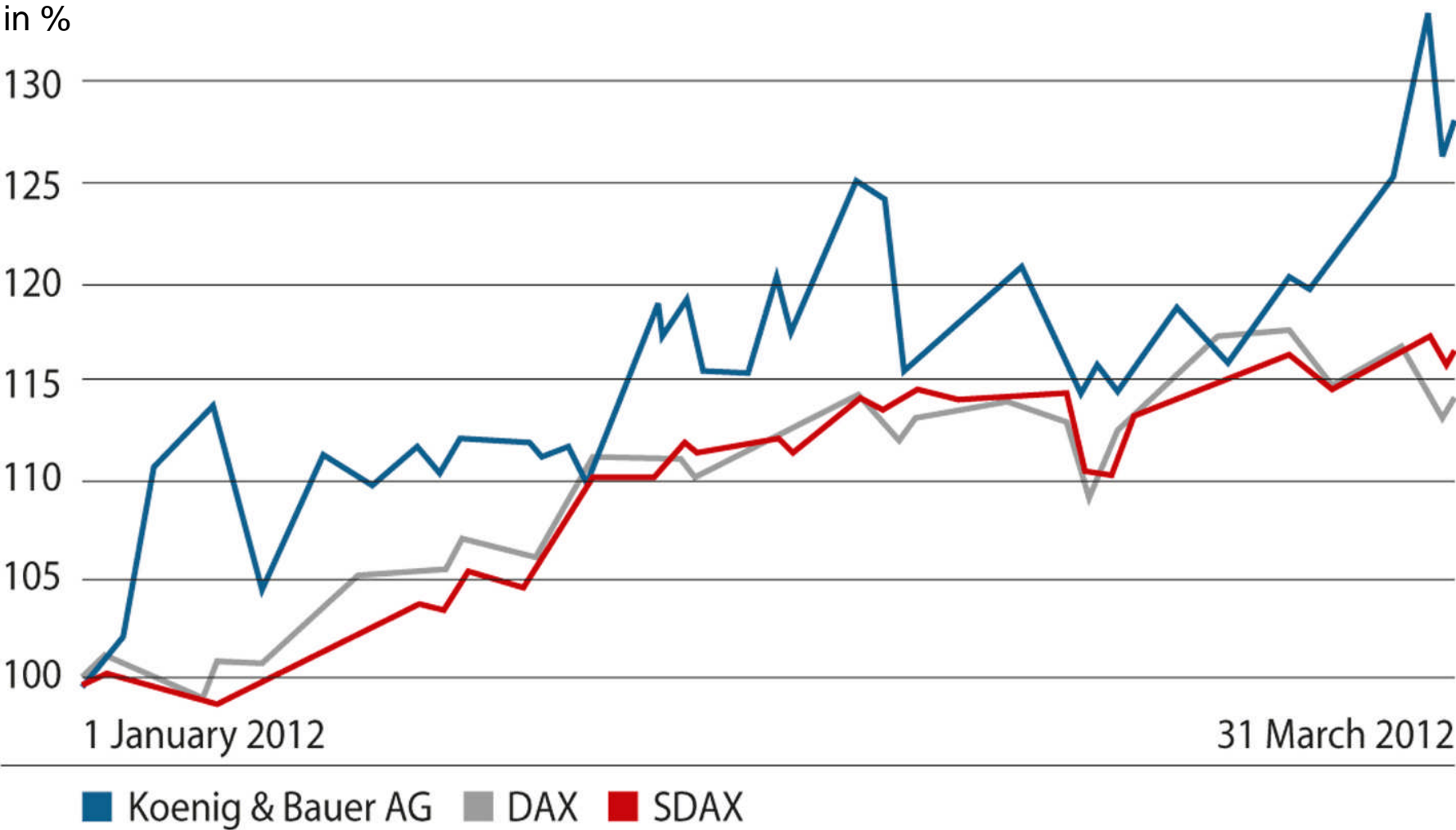
Q1 2011



Q1 2012



	31.12.2011	31.03.2012	Change	
Above-average equity ratio	38.2%	38.6%	+1%	
Few bank debts	€35.9m	€36.1m	+0.6%	
Liquid assets at high level	€145.6m	€119.0m	-18.3%	
Comfortable net liquidity	+€109.7m	+€82.9m	-24.4%	
Free cash flow in Q1 2012 lower prior to bigger shipments in Q2 to Q4	€57.8m	-€30.0m	-€87.8m	
Adequate credit lines	€100m	€100m	--	



Q2 2012

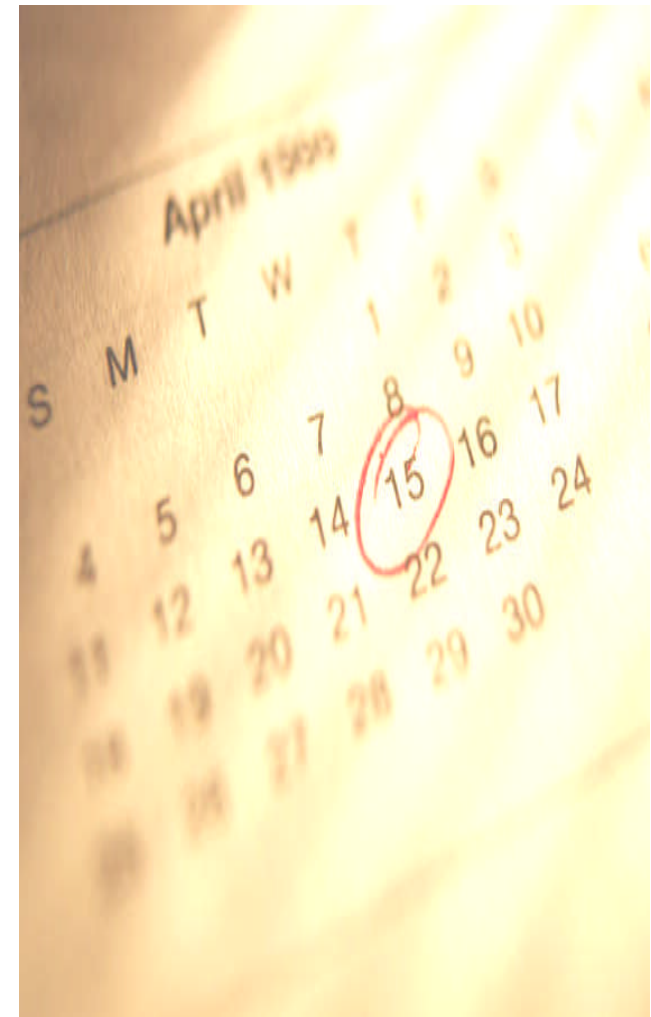
- One-to-one talks with investors
- 14 June: annual general meeting
Vogel Convention Center, Würzburg

Q3 2012

- 14 August: 2nd quarter report
- 25 or 26 September: participation in
10th German Investment Conference, Munich

Q4 2012

- 14 November: 3rd quarter report
- 14 November: participation in
German Equity Forum, Frankfurt





KBA at Drupa: innovating for change

Klaus Schmidt, Director Marketing and Communication



Sheetfed offset presses

- 1 KBA Rapida 145-6+C ED3 SIS SPC **NEW**
(B0, commercial, packaging, etc)
- 2 KBA Rapida 106-4+CDD+4+C P7 ED2 SIS SPC **NEW**
(B1, commercial, magazines, perfecting + coating)
- 3 KBA Rapida 105-M+5+C ED2 CX **NEW**
(B1, commercial, packaging with inkjet imprinting)
- 4 KBA Rapida 76-5+C ED2 CX **NEW**
(B2, commercial, packaging)
- 5 KBA Rapida 106-5+C UV-WL ED2 **NEW**
(B1, film, special papers) on the Toray stand

High-volume digital inkjet press

- 6a KBA RotaJET 76 web-fed inkjet press **NEW**
(commercials, books, magazines, etc)
- 6b Müller Martini SigmaLine

Solution Center

- 7 CTP: Kodak Magnus 800 MCU imagesetter
- 8 KBA LogoTronic (JDF, JMF), KBA ProductivityPlus (Process Automation), MIS Integration
- 9 Technology Lounge, ClimatePartner, consumables

KBA-Metronic

- 10 udaFORMAXX, separation with inkjet addressing **NEW**

Double-width newspaper press

- 11 KBA Commander CL **NEW**
printing unit with automatic plate changer and ErgoTronic control console

Commercial web offset press

- 12 KBA C16 printing unit with automatic plate changer and ErgoTronic control console
- 13 New quarterfold

KBA-MePrint

- 14 KBA Genius 52UV, WL (B3, film, board, paper)
- 15 KBA Varius 80 UV, WL **NEW**
(web offset, variable format, flexible packaging)

Newspaper press

- 16 The Printers House (TPH), India



Hall 16, stand 16 C47

around 3,500m²

Genius 52UV (KBA-MePrint)

The ingenious choice for fresh ideas in the B3 format class

Rapida 76:

Automation redefined for the B2 format class

Rapida 105:

Rapida 106 inside – designed for performance

Rapida 106:

World makeready champion in B1 format with new features

Rapida 145:

Trust the leader in large format and packaging printing

KBA RotaJET 76:

High-volume inkjet printing from offset professionals

KBA C16:

The best of 16pp web offset technology

KBA Commander CL:

Compact four-high tower press with flexible automation

Varius 80 (KBA-MePrint)



Variable-format waterless UV offset web press for flexible packaging

Uda FORMAXX with **BetaJET** (KBA-Metronic)

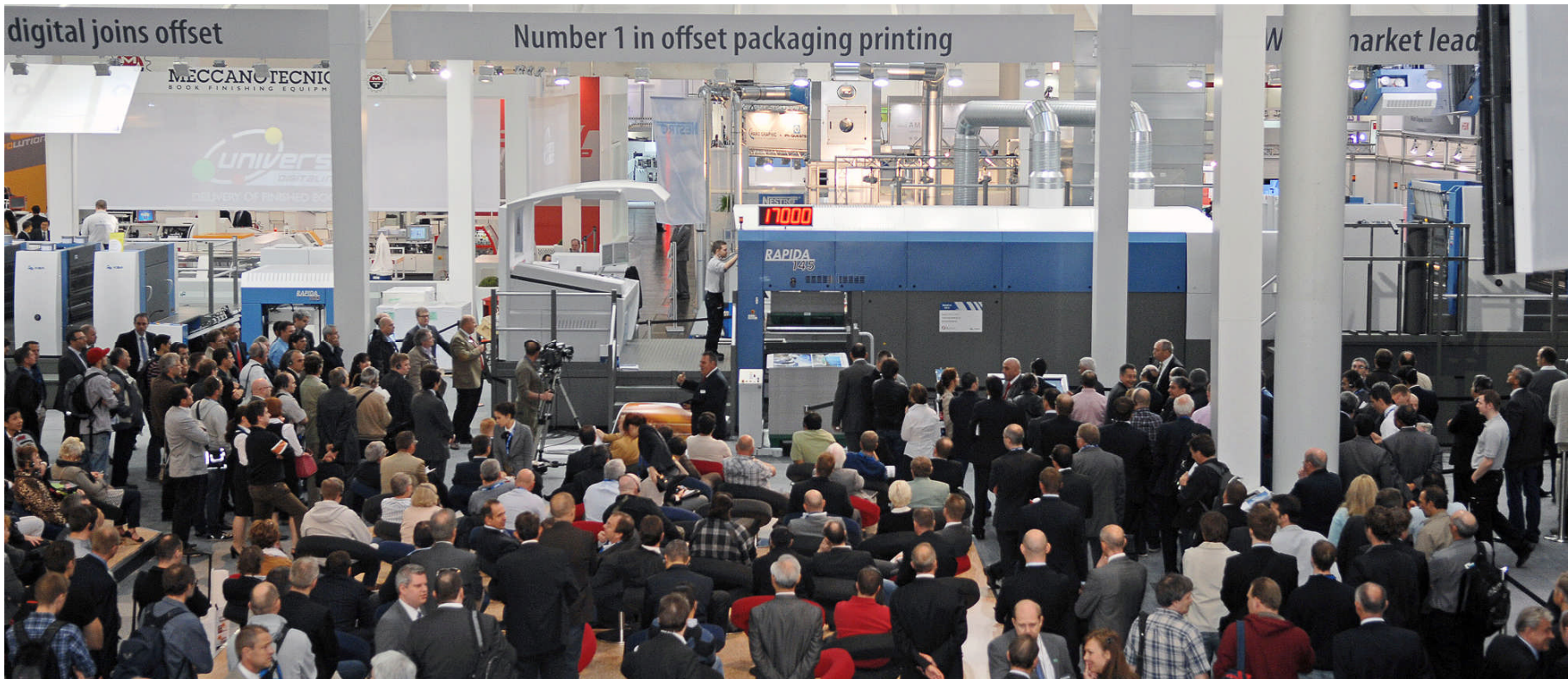
Innovative post-press technology for inkjet and laser marking and coding



KBA Rapida 145-6+C-ED3-SPC: packaging printing with automated pile logistics

- The fastest large-format press with the shortest makeready times on the market
- Maximum rated speed of 17,000sph straight and 15,000sph in perfecting mode 
- Automation modules originally engineered for the world makeready champion, the Rapida 106, now in large format
- DriveTronic SPC dedicated drives; DriveTronic SIS sidelay-free infeed; CleanTronic Synchro washing etc, etc 
- The Rapida 145 reaffirms KBA's pole position in large format and packaging printing

Targets commercial, internet and packaging printers

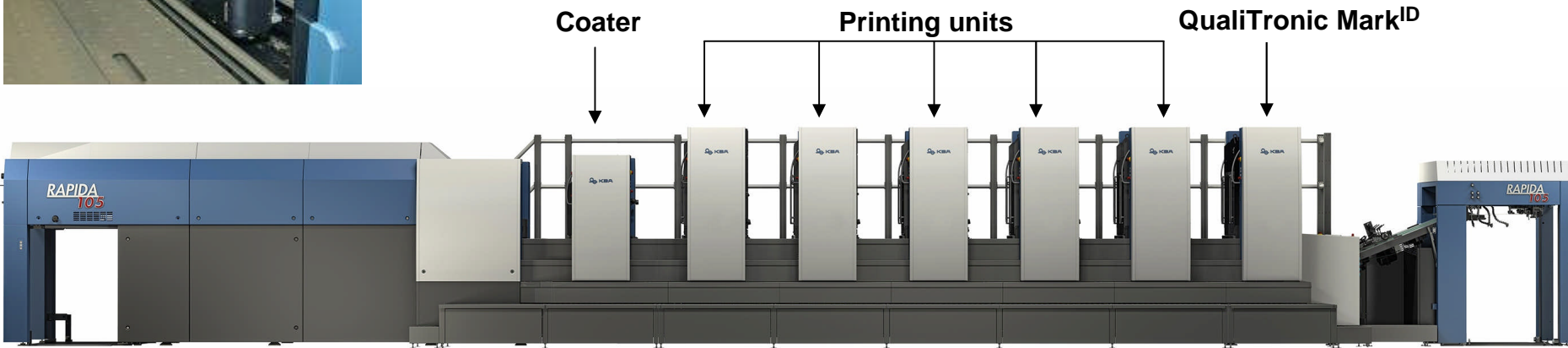


KBA Rapida 105-5+M+C



- New series based on the Rapida 106 platform
- Maximum production speed 17,000sph (with high-speed package), 16,000sph standard
- Also available as a long perfecter for four-backing-four or five-backing-five (first order place by French printer)
- AirTronic drum (vacuum cylinder) supports inkjet and other inline options
- QualiTronic Mark^{ID} inkjet printing unit for brand protection, marking, coding or personalisation
- UV LED drying for inkjet etc
- Best-selling Rapida at Drupa 2012 (particularly popular in China)

Targets commercial, magazine and packaging printers



KBA Rapida 106-4+C+D+D+4+C P7 ED2 SIS SPC

- Medium-format press with the maximum level of automation to support simultaneous makeready processes
- At Drupa flying job changes and pre- and post-perfect coating in four-backing-four production
- Coater with simultaneous forme change and anilox roller loader
- AirTronic delivery with dynamic suction roller
- QualiTronic professional, DensiTronic PDF and inline register (10µm)
- Maximum rated speed 20,000sph in straight mode, 18,000sph in perfecting mode

New

New

USP



USP

Targets commercial, magazine, book and packaging printers (depending on configuration)



KBA Rapida 76-5+C SIS SPC



- Transfer of cutting-edge KBA technology from the Rapida 106 to the new B2 Rapida 76 USP
- Following on from medium and large formats KBA offers a makeready champion for diminishing runs in B2
- Options: DriveTronic SIS sidelay-free infeed, DriveTronic SPC dedicated plate-cylinder drives and more USP
- Automatic plate changers, ColorTronic ink ducts, automatic disengagement of unused inking units etc
- New sheet guiding with AirTronic delivery for high-speed production, KBA VariDry^{BLUE} IR/hot air dryers
- New console and new operating concept similar to that in medium format
- Maximum rated production speed in straight printing 18,000sph, 15,000 in perfecting

Targets commercial and packaging printers



Ingeniously simple printing in small format

Established technology (waterless, keyless) for sensitive substrates

- Compact, environmentally friendly and economical for short runs thanks to minimal waste
- Innovations: blade chamber for ink storage, rainbow printing, envelope feeder etc

Targets film, packaging and niche printers, card producers and similar



Rapida 106-5+C-ED2 UV and Genius 52UV

- Waterless UV offset on costly, challenging substrates (films, aluminium-coated paper, etc)
- Climate-friendly and economical production by eliminating fount solution and minimising waste
- Energy-saving on-press HR-UV curing in Rapida 106
- Differentiation through quality excellence and green printing for the luxury sector

Targets film, packaging and niche printers, card producers and similar



KBA RotaJET: high-volume inkjet web press

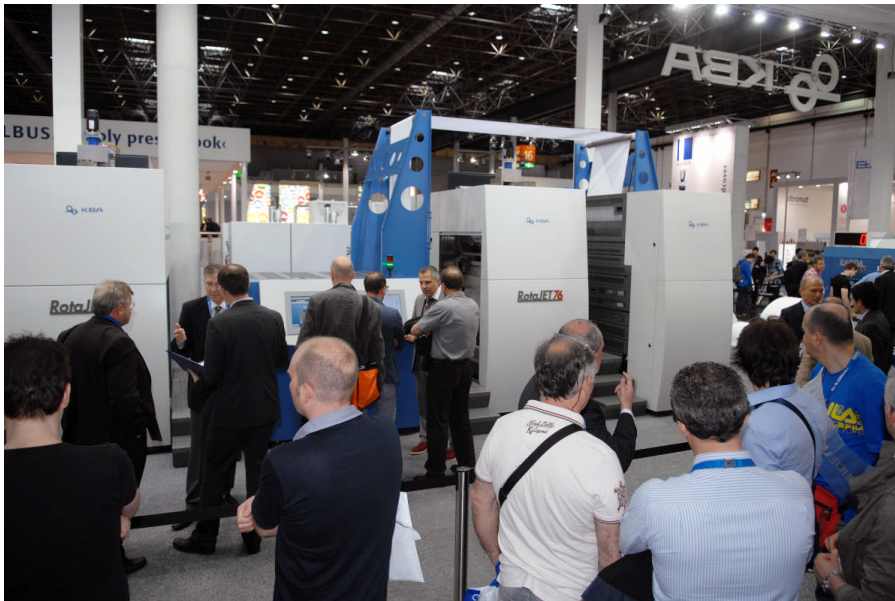
Digital inkjet made by KBA in Germany



High-volume inkjet printing with water-soluble inks

- 4/4 production for personalisation or short runs
- Up to 3,000 colour A4 pages per minute; 85 million A4 pages per month
- Application of engineering and offset know-how for digital print
- Exhibited at Drupa with Müller Martini SigmaLine finishing system

Targets book, commercial, direct mail and magazine printers (packaging and newspaper printers later)



Entry into high-growth flexible packaging market with variable-format web offset press

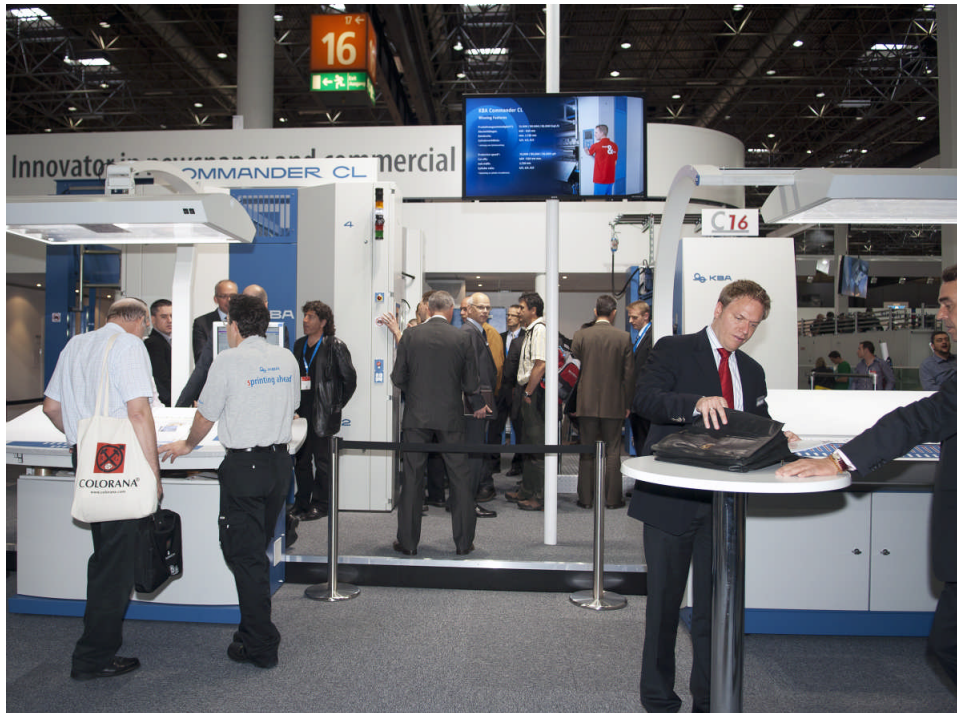
- Waterless UV offset press with keyless inking units for film, paper and lightweight carton
- Maximum web width 800mm, maximum image width 760mm, cylinder circumference 20 to 34in
- Automatic cylinder change supports choice of formats (job change in approx. 6 minutes)
- Maximum web speed 400mpm, UV interdeck curing
- Drupa: four-colour reel-to-reel printing plus flexo coating
- Further inline modules planned (gravure, flexo, die-cutting etc)

Targets packaging printers working with non-absorbent, flexible substrates



KBA C16

- 16pp commercial press with a rated output of 55,000 or 65,000iph
- Engineered for fast job changes and diminishing print runs
- Printing unit with automatic plate change in less than 60 seconds
- Automatic roller locks and 2 dedicated drives per printing unit
- Quarterfold for press speeds of up to 65,000iph
- Console with EasyStart and EasyStop functions to cut waste



KBA Commander CL

- Compact, modular four-high tower press
- Printing unit with automatic and semi-automatic plate change (retrofitable)
- Film inking units from Commander CT
- ErgoTronic console
- Option: KBA PressNet for simpler scheduling and presetting

udaFORMAXX c with betaJET



- Separation and feeding system with freely programmable betaJET thermal inkjet unit
- Folding cartons, blanks etc are transported from pile to pile at up to 90mpm and addressed or coded with the betaJET unit
- Stand-alone system enhances flexibility and reduces inventory storage
- Recommended for anti-counterfeiting in the pharmaceuticals industry, brand protection and/or just-in-time production in the textiles and cosmetics industries
- Substrate size: from 30 x 60mm to 368 x 500mm
- Substrate thickness from 80gsm to approx. 8mm



KBA Technology Lounge

- UV LED curing module (KBA LEDReady-UV); press preparation for later deployment
- HR UV curing module from KBA for energy saving of 20-30%
- Energy management: heat recovery for printing plants (installed in customer showroom)
- Niche applications: cold foil; printing on 0.8mm corrugated, metal decorating

KBA PressConsum

Advice on KBA PressConsum consumables

KBA sheetfed and web press service

New, expanded service offering, also for users of non-KBA presses

Kodak

CtP pre-press with Magnus 800 MCU imagesetter

ClimatePartner

New models for climate-neutral print production (option of carbon-neutrally manufactured sheetfed offset press)

TPH India

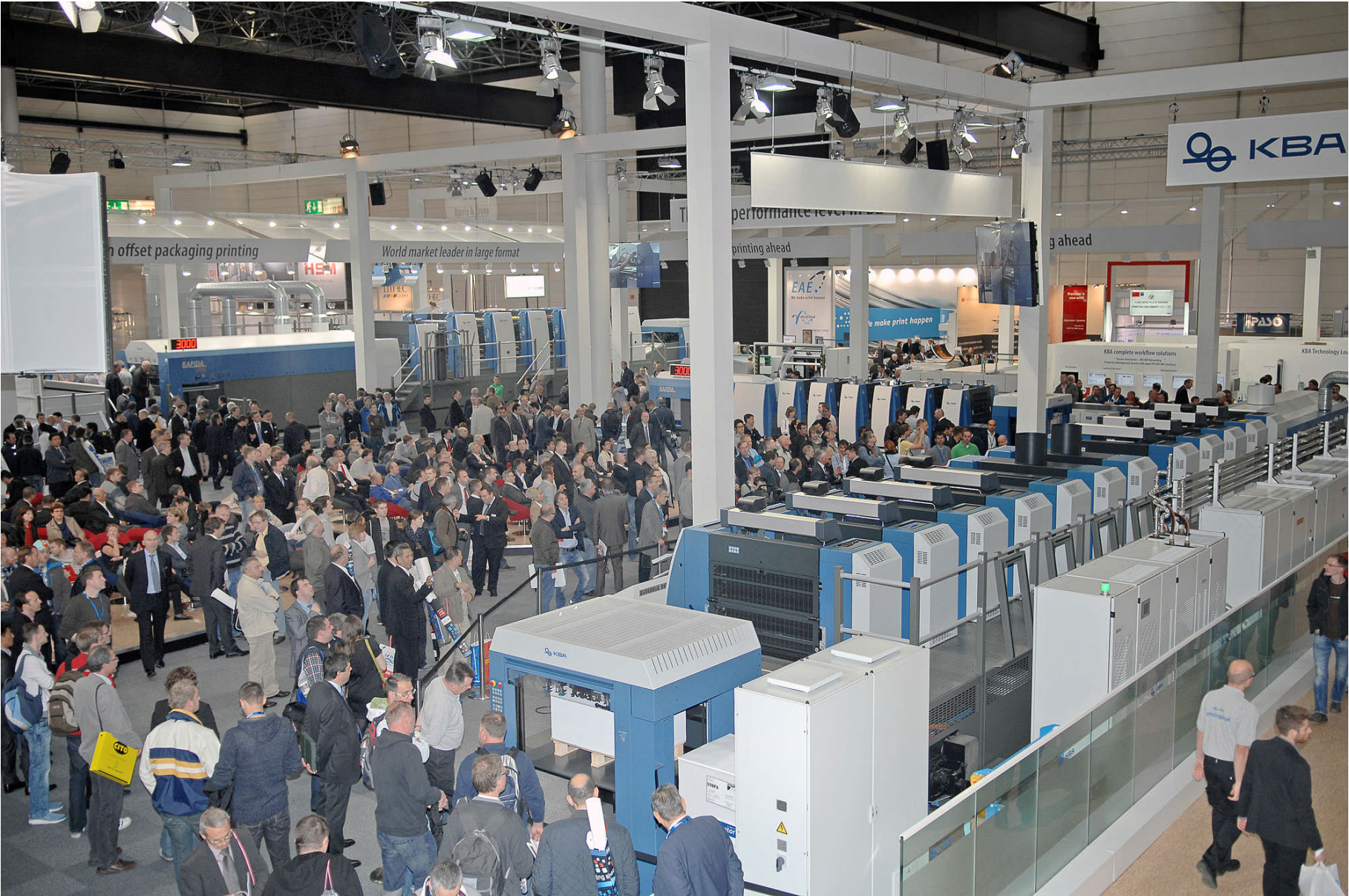
Co-exhibitor of web presses (2/1 tower and folder)



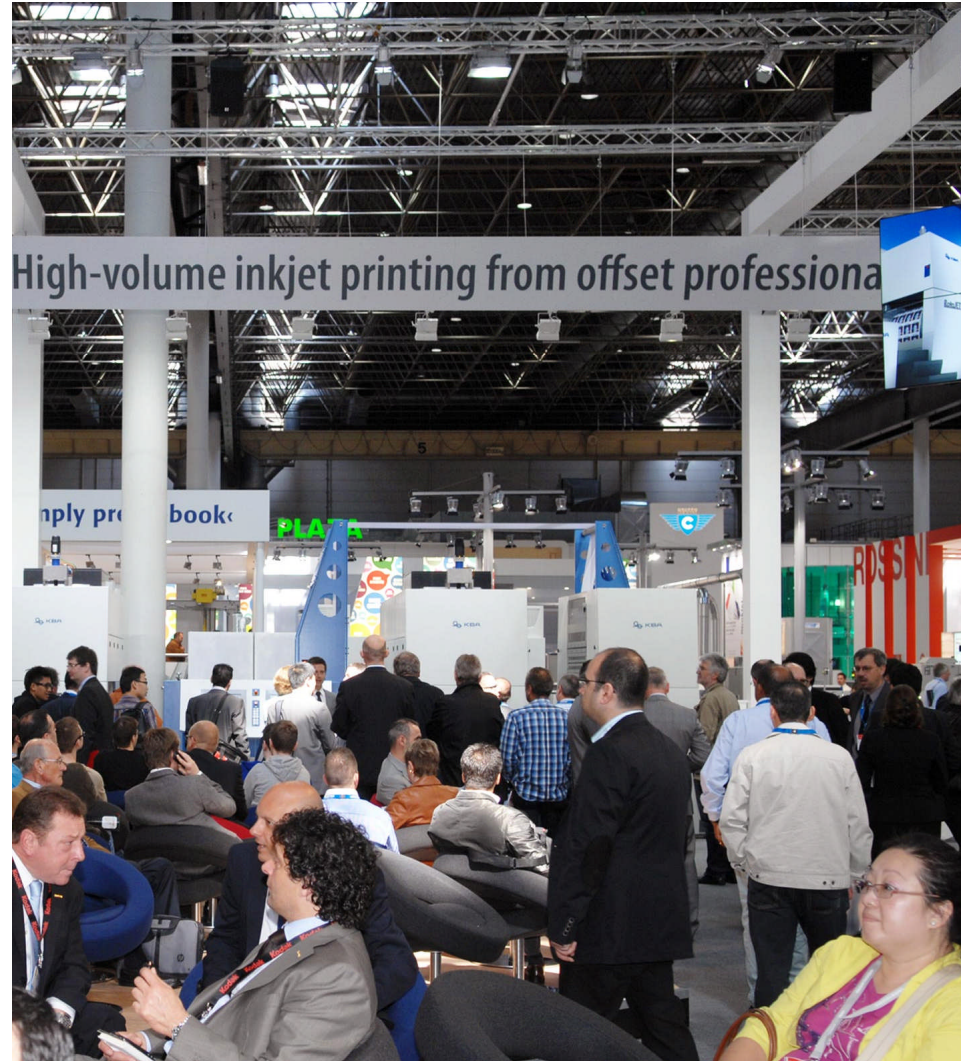
Initial verdict on Drupa and outlook for 2012

Claus Bolza-Schünemann, President and CEO



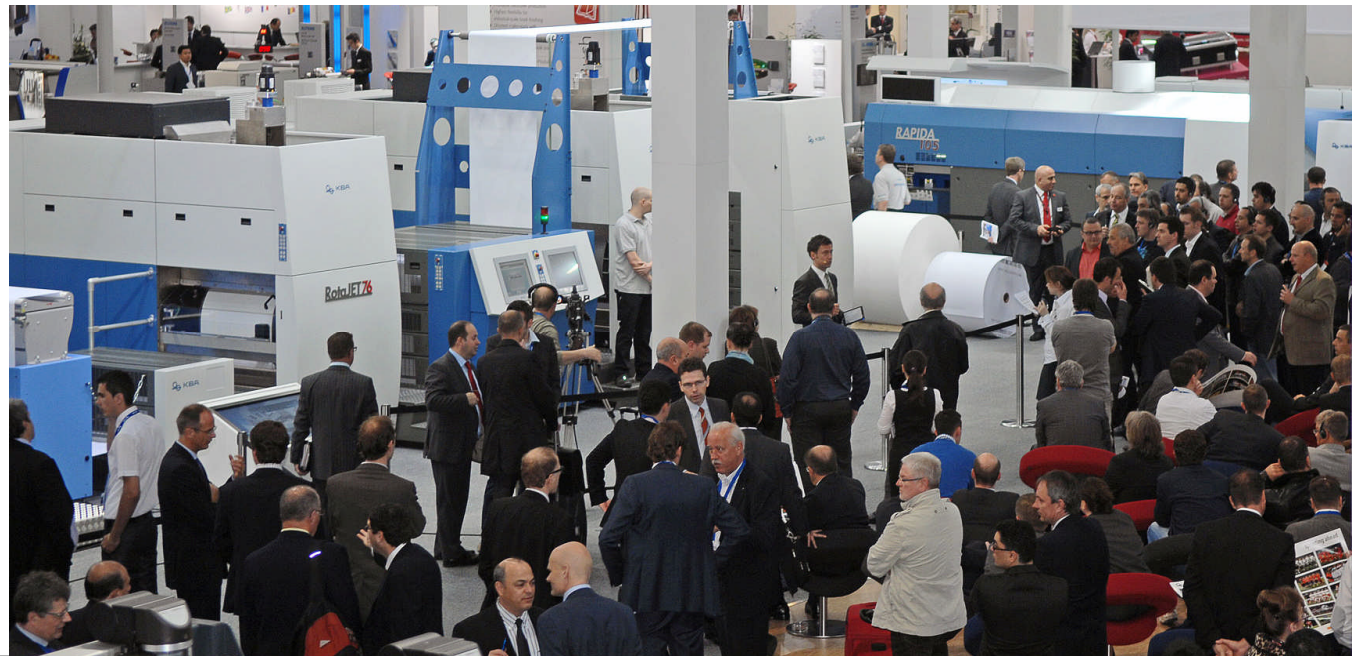


- Attendance some 20% down on 2008, but high-calibre decision-makers
- Attendance high on KBA stand
- KBA respected as an innovator
- More orders than expected in run-up
- Primarily sheetfed offset presses
- Focus on medium and large format
- Small-format sheetfed, one web press sold
- Orders from some 30 countries
- China no. 1, but also Europe, North and South America, Africa, Far East and Australia
- Final figures available in a few months, when financing has been clarified
- Brisk post-Drupa business anticipated
- 2nd and 3rd quarter boost to order intake



New business line: high-volume digital print

- Development and commissioning of an inkjet web press in less than 12 months in alliance with RR Donnelley
- Only high-volume press built in Germany
- Multiple projects being negotiated for new KBA RotaJET 76
- At Drupa KBA demonstrated a merging of offset and digital printing
- Targets medium and large print operations



- The packaging sector has long been a growth market for KBA
- Entry into the high-growth flexible packaging sector with the Varius 80 variable-format web offset press built by KBA-MePrint
- Expansion of KBA-Metronic's product portfolio for packaging lines (coding, branding, marking)
- Development of cross-process engineering and workflow competence in packaging production
- Acquisitions relating to packaging technology possible



- Good position in premium packaging and book sectors with high-tech presses from Europe (Rapida 105/106 and large format)
- Growing presence in high-performance commercial sector with Rapida 105 and Rapida 75
- One Chinese commercial printer placed an order at Drupa for five Rapida 105 presses!
- 2010: acquisition of Mabeg Shanghai, a manufacturer of press components
- Target 2012: acquisition of a majority interest in a Chinese manufacturer of medium- and large-format sheetfed offset presses
- Expansion of lower end of sheetfed product range through products produced locally

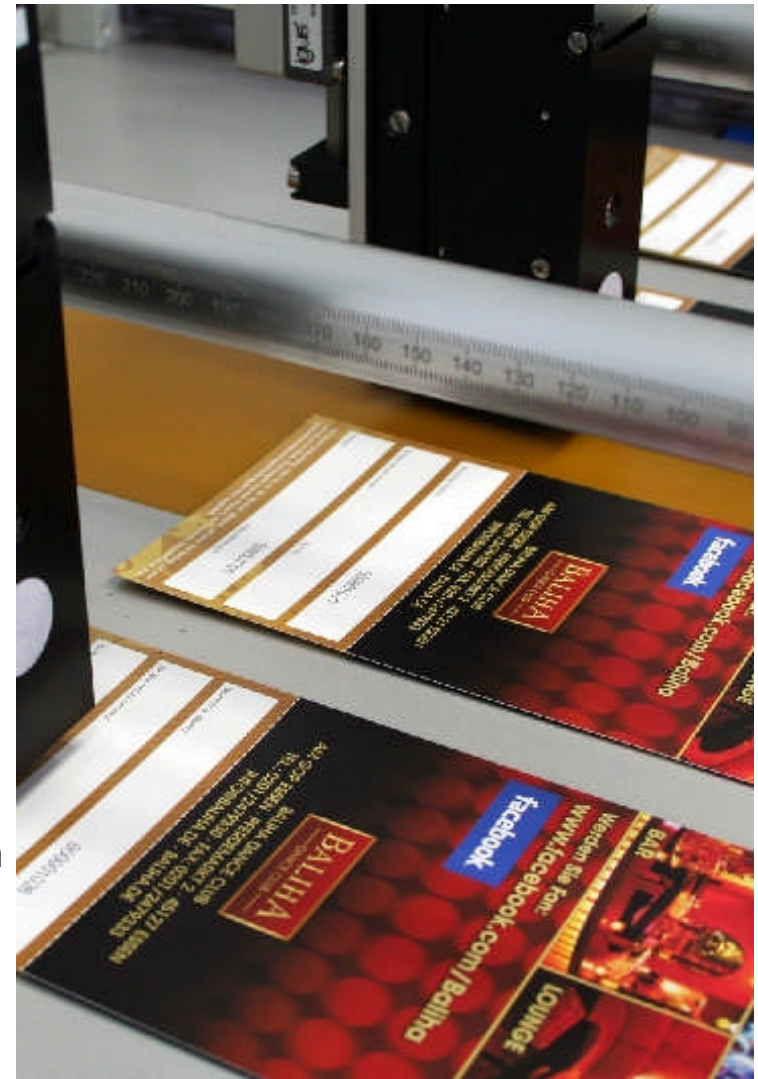


- We anticipate sales of more than €1.2bn and an order intake that is bigger than sales (book-to-bill ratio >1)
- Notwithstanding pricing pressures and restructuring expenses we also anticipate an increase in pre-tax profit
- Our short- and medium-term earnings projections are based on
 - our broad and competitive product mix
 - cost savings (operational expenditure – opex) from restructuring
 - positive impact of initiatives to reduce manufacturing costs (cost of goods sold – CoGS)



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.

- KBA was the only major press manufacturer to post a profit, albeit a small one, in 2009, 2010 and 2011
- KBA weathered the financial crisis with no external aid
- KBA is liquid and has no net debts
- We are expanding our sales and service network with ex-manroland agencies
- KBA offers third-party customer services via PHS
- KBA is considered an innovator and game-changer
- Top ranking in international patent statistics
- KBA invests some 5% of sales in R&D
- We have highly motivated development engineers with extensive know-how
- KBA offers partners financial stability and dependability





Koenig & Bauer AG
www.kba.com

