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Heidelberg realigns postpress portfolio

Heidelberg (ots) -

- * Postpress Packaging: improved competitiveness thanks to strategic partnership with Chinese manufacturer
- * Postpress Commercial: folding machine business to be restructured, manufacture of all other own products in this business area to be discontinued, and Leipzig site to be closed
- * Measures expected to improve result by a total of approx. EUR 30 million annually, largely taking effect from next financial year
- * Important step in achieving target EBITDA margin of at least 8 percent in financial year 2015/2016

As already announced, Heidelberger Druckmaschinen AG (Heidelberg) realigns its postpress portfolio. In-house production at the Heidelberg sites in Germany is no longer competitive under the new market conditions. The relevant operations are therefore being discontinued, except for production of folding machines at the Ludwigsburg site.

Postpress Packaging products and solutions will in future be developed and manufactured by the new Chinese OEM partner Masterwork Machinery Co., Ltd, with Heidelberg retaining responsibility for sales and service activities.

In the Postpress Commercial business area, Heidelberg will only continue to market the established folding machines and cutters. Swiss company Müller Martini will take over service activities for installed equipment from discontinued series. These measures will not affect business with Polar cutters and Heidelberg folding machines.

"We were able to win two renowned suppliers as partners for our realigned Postpress portfolio," said Stephan Plenz, Member of the Board, Heidelberg Equipment. "They will help us provide our customers with competitive products and ensure continuity in services and service parts."

The reduction of in-house capacities will result in the closure of the Leipzig site and a corresponding reduction in the workforce at the Ludwigsburg and Wiesloch-Walldorf sites. A total of around 650 employees worldwide will be affected.

Important step in optimizing portfolio to achieve target EBITDA margin of at least 8 percent in financial year 2015/2016

At its Annual Press Conference, Heidelberg announced the development of new business models for products with weak margins as part of its portfolio optimization.

"The competitiveness of postpress product lines at Heidelberg was limited, so these activities are being placed on an entirely new footing", said Heidelberg CEO Gerold Linzbach. "Realigning these areas is an important step in improving the company's economic situation and getting closer to the target EBITDA margin of at least 8 percent."

Important note:

This press release contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that those assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the macro-economic situation, in the exchange rates, in the interest rates and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements contained in this press release. Heidelberger Druckmaschinen AG

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