competitive strength enhanced

Fiscal Year 2011 Results of KHD Humboldt Wedag International AG ··· Investors‘ and Analysts‘ webcast presentation ··· Jouni Salo, CEO ··· Yizhen Zhu, COO

March 30, 2012

2011 in a nutshell: Difficult conditions – strengthened position

Business Performance

- Order Intake
- Revenue
- EBIT and EPS

Financials

- Cash Position
- Equity
- Bonding Line

Competitive Strength

- Global Footprint
- Value Chain
- Cost Effectiveness

Agenda

Business Performance

Financial Performance

Strategic Achievements in 2011

Outlook

Global cement market growth weakened in 2011

China

- Slack in real estate and construction sector due to stricter regulations
- By far the largest single market

India

- Slowing growth and rising energy costs delay projects
- capacity utilization fell from 60 to 70%

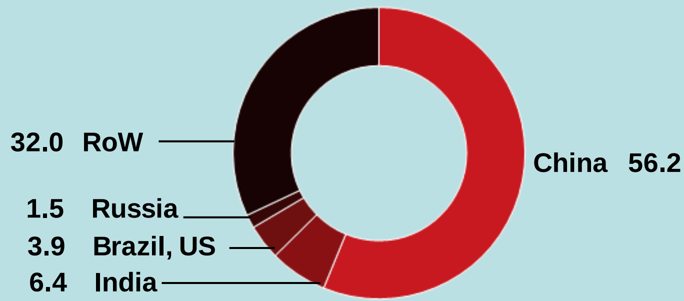
Russia

- Investment below expectations due to significant growth risks

Overall

- Customers more pessimistic
- Insufficient capacity utilization
- Challenging financing conditions

Global cement consumption
in %

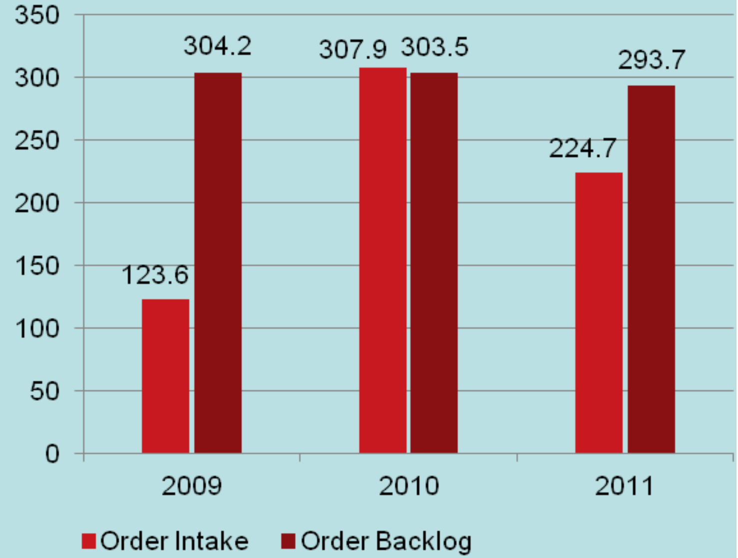


Source: Global Cement Report, 9. Edition (2011)

Order intake down, order backlog stable

- Economic slow down is felt: Lower order intake in our two biggest markets India and Russia
- Stable development in Turkey: 3 new orders
- Additional order of € 80 million in Q3 (details not disclosed)
- Working closely with AVIC on several tenders - no order intake impact in 2011
- Partnership with Weir Minerals has generated additional sales

Order backlog and order intake (2009 – 2010 Pro-forma)
in € million



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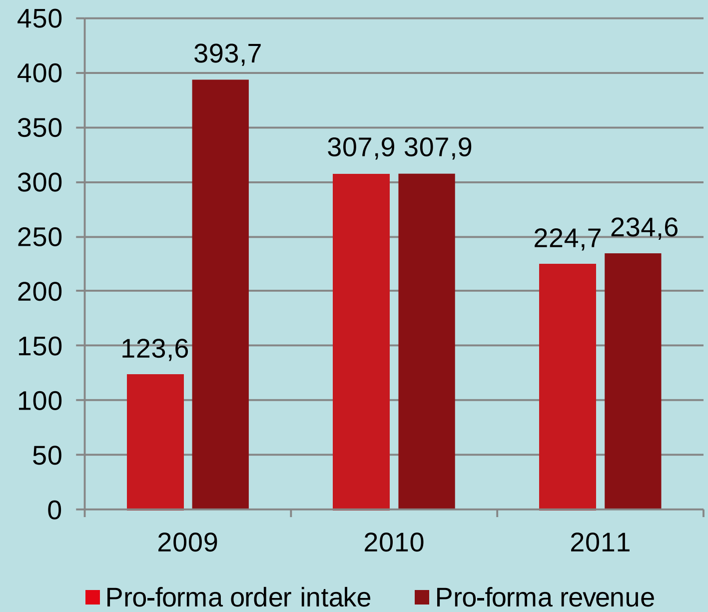
Revenue declines due to tough market conditions

- Customers delay completion of orders and postpone projects
- Main reasons: pessimistic outlook, difficult financing conditions
- Revenue contribution from new orders below expectations

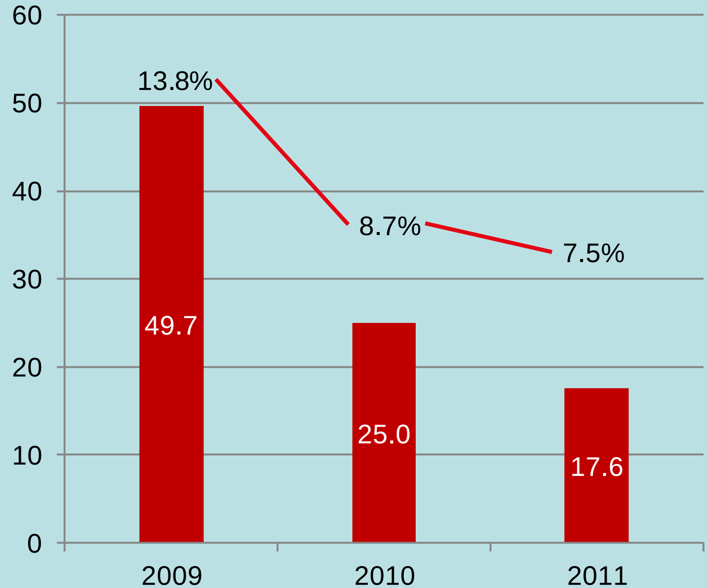
Order intake and revenue
in € million



Operating profit reflects completion of high-margin projects

- Operating profit more stable (- 8.6%) than revenue
- Operating margin at satisfactory level thanks to completion of high-margin projects and flexible cost structures
- Other operating profit rose to € 4.3 million mainly due to consolidation of 50% stake in KHD OOO
- Increase of sales expenses due to intensified key account management
- Administrative and other expenses reduced by € 1.2 million

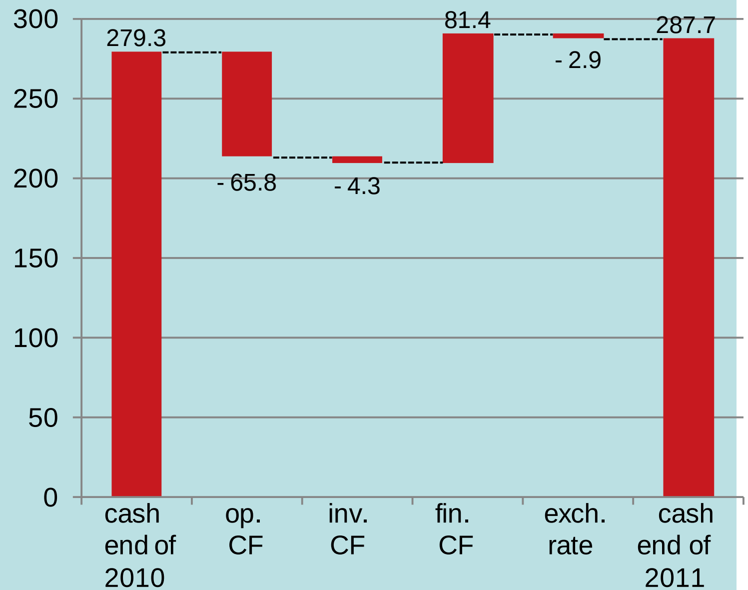
EBIT and EBIT margin
in € million and %



Cash Flow: unrestricted cash position almost unchanged

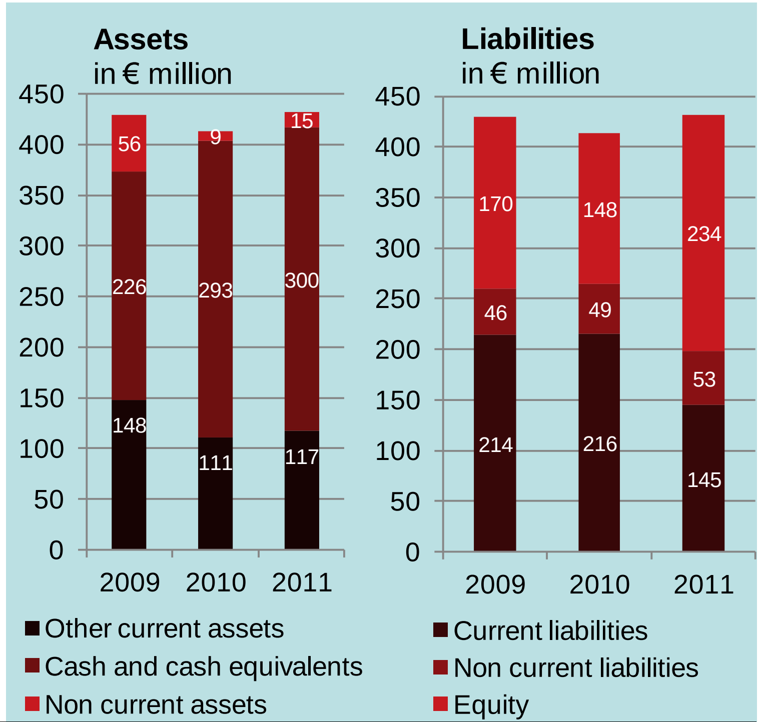
- CF from operating activities: lower order intake, postponed projects, tax payments
- CF from investing activities: SAP project and acquisition of remaining stake KHD OOO
- CF from financing activities reflects capital increase and interest received

Cash Flow
in € million



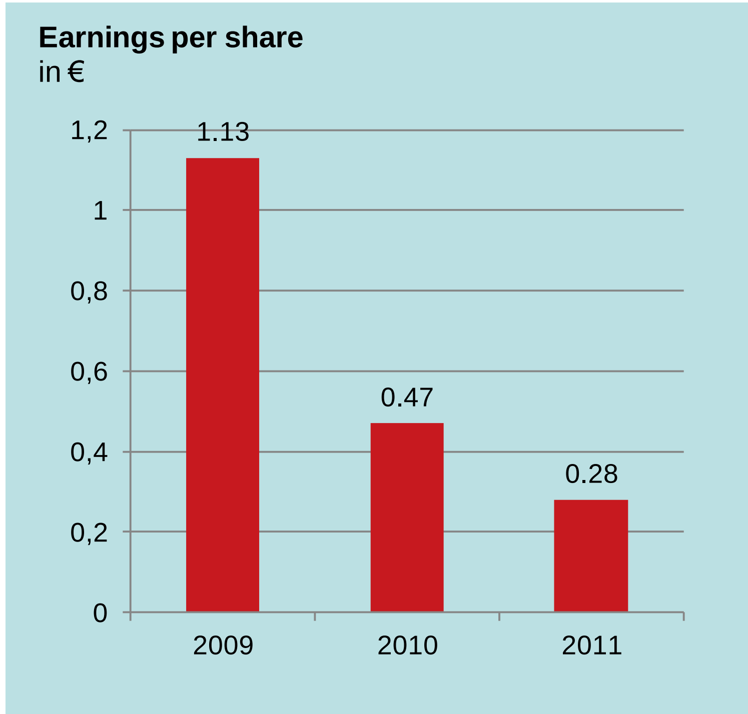
Balance Sheet: Asset-light business model, strong capital base

- Low level of non-current assets – additional goodwill due to acquisition of remaining stake of KHD OOO
- Decrease in business volume results in decline of current assets and liabilities
- Equity ratio up to 54.1% thanks to successful capital increase in Q1 (20% shareholding by AVIC)
- New bonding line in Q1 12 with € 130 million volume



Earnings per share and profit appropriation

- Group net profit at € 13.5 million, down from € 15.8 million
- Due to higher number of issued shares, decrease of EPS
- Proposal to carry forward the net retained profits of KHD AG (€ 6.4 million)
- Rational:
    - Strong capital base needed for internal and external growth



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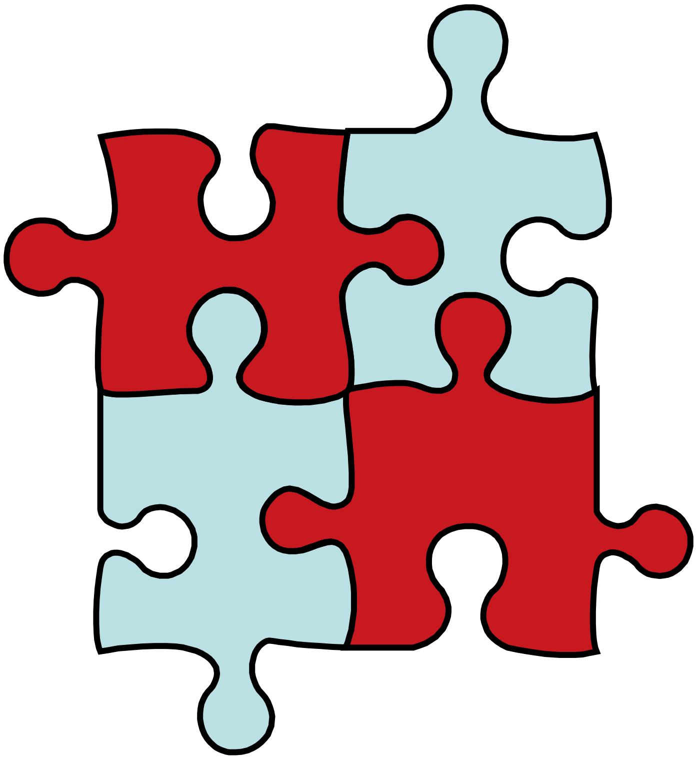
Key Pieces of our Group Strategy

Operational excellence and commitment

Customer-focused growth



Technical leadership

Strategic partnerships

Customer-focused growth (I): Taking the global view

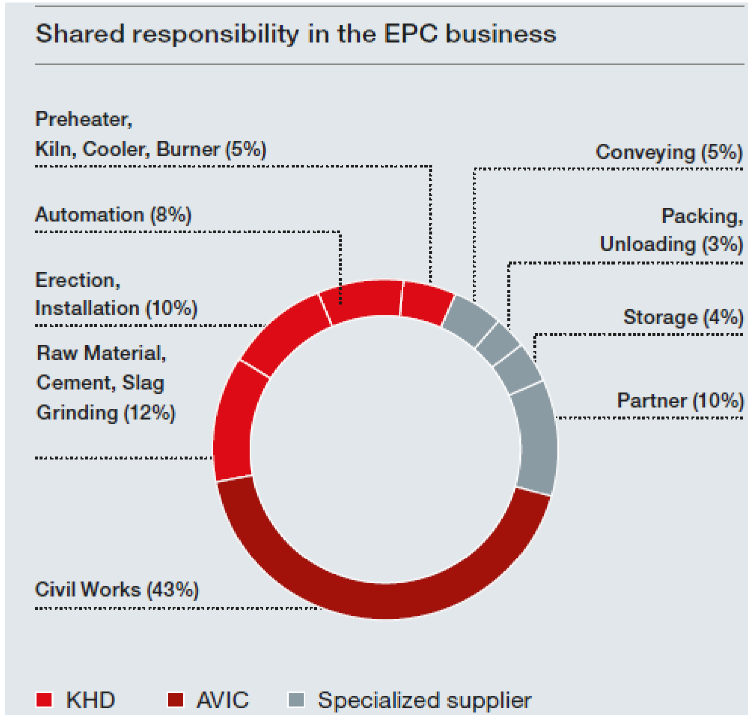
- Expansion and empowerment of Customer Service Centers
- New CSC Asia-Pacific strengthens market position in China and other Asian growth markets
- New sales offices in key regions Turkey, Saudi Arabia and Brazil
- Stronger position in Russia after buyout of KHD OOO
- Intensified service activities
- Active marketing

Customer-focused growth (II): Advanced technology-based services

- Focused services in line with technological core competence add to our asset-light business model
- New roller-press refurbishment line near New Delhi strengthens customer relationships
- Technical plant audits implemented in Russia and other regions
- CRM management system established, group-wide roll-out in 2012

Strategic partnerships: AVIC

- Unique market position: premium technology + efficient and cost-effective construction expertise
- Together we almost cover 80% of the value creation of a cement plant
- Chinese market access in attractive niches
- Procurement center, established in 2011, helps to exploit cost advantages of Chinese supply market



Strategic partnerships: Weir Minerals

- Already 14% of total KHD order intake in the mineral-processing sector in 2011
- More volume and better economies of scale
- Our highly energy-efficient roller presses supplement our cooperation partner‘s product portfolio.

HUMBOLDT WEDAG

Technical Leadership

- 1.6% of revenue for research and development and 40 patents in 2011
- Our COMFLEX® system is one of the most energy-efficient grinding processes
- KHD’s Combustion Chamber wins award for ‘Most innovative technology for alternative fuels use’ at the 6th Global CemFuels Conference (Feb. 12)
- Industry leader in calcining technology with low NO_X
- Highly-efficient equipment helps reduce CO_2

Operational Excellence and Commitment

- True international team
- Group-wide emphasis on customer and service orientation, underlined by new management structure
- Intense management training and regular exchange of information and ideas
- Standardizing processes using SAP and CRM system
- Performance-based remuneration takes into account customer and service-related KPIs

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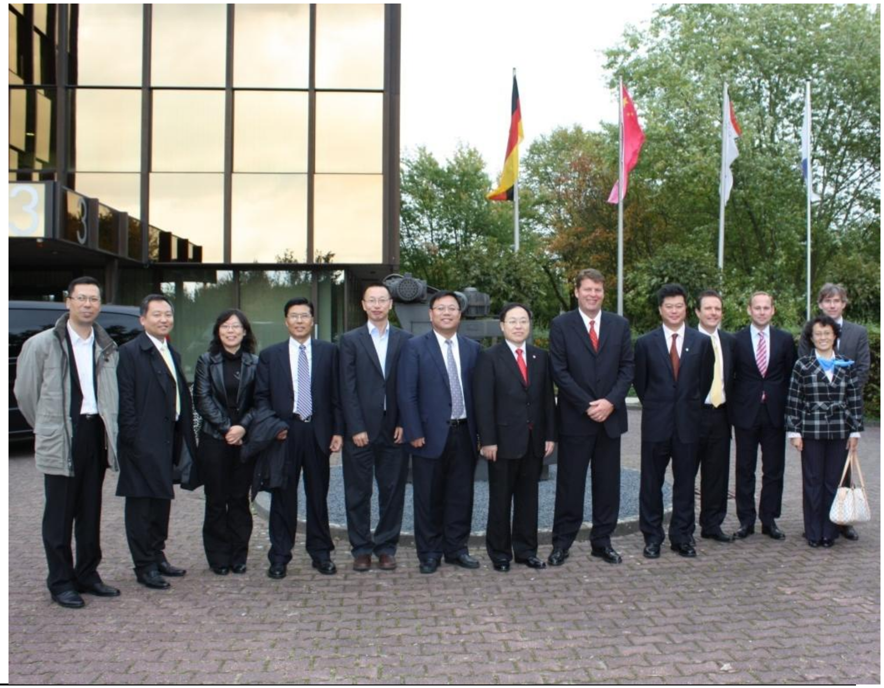
Outlook for 2012

- Worldwide economic and cement industry conditions remain difficult
- Plan to increase order intake, also through projects with AVIC
- Continued expansion of parts and service business
- Delayed execution in some projects will challenge planned revenue growth
- EBIT margin for 2012 is forecast to fall short of the 7.5% achieved in 2011

Major Achievements in Q1 2012

- First joint project for KHD and AVIC in **Venezuela** (January)
  - EPC project for new 2,400 tpd line
  - KHD supplier of core equipment, engineering and services
- KHD awarded € 100 million project in **Malaysia** (March)
  - Environmentally-friendly, cost-efficient solution
  - KHD-AVIC partnership continues to gain momentum



Promising long-term perspectives

- Growth will be driven by the emerging markets
- The BRIC countries will account for 80% of future growth
- Service business will become increasingly important
- Decision making will continue to be driven by environmental requirements and cost cutting

Disclaimer for Forward-Looking Information

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