Investor and analyst webcast presentation

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CEMENTING A STRONGER FUTURE

H1 2013 Results - KHD Humboldt Wedag International AG

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Development in H1 2013

- Customers remain hesitant in awarding new orders - Order intake at € 40.4 million
- High order backlog drives increase in revenue (8.8%)
- Cost-saving measures take effect - decrease of overheard costs by € 3.9 million in H1 2013 compared to H1 2012
- Increase of € 0.9 million in earnings before interest and tax as well as improved EBIT margin
- Order backlog remained on a high level
- Significant improvement in EBIT margin compared to H1 2012
- Increasing investment in growing the service business
- Confirmation of guidance for 2013 financial year

Agenda

Business and Market

Financial Performance

Going Forward

Outlook and Actions 2013

Weak global economy leads to lower order intake in the industry

Market Environment in H1 2013

- Contrary to expectations, no significant recovery of world economy yet
- Emerging market economies and especially China running behind expectations, financing still difficult
- Positive trends for cement projects in Russia and North America
- Q1 2013 saw the least amount of new cement equipment orders (excl. China) in the last 12 quarters

Medium to long-term perspectives

- Cement consumption boosted by construction activities in developing countries
- Emerging markets and environmental projects are key drivers of future growth

India

- Continued low capacity utilization and margin pressure in cement
- Low construction demand

USA

- Economy improving – Housing sales increasing
- Environmental regulation driving new projects in cement

Russia

- Investments in infrastructure continue despite economic slowdown
- Financing still an issue

License agreement with WEIR minerals

- Exclusive and perpetual license agreement with Weir Minerals – *Replaces previous agency setup*
- Several KHD technical staff have transferred to Weir Minerals
- Mutual benefit for all R&D done in both companies
- KHD receives royalty payments on equipment and spare part sales
- Allows KHD to participate in the HPGR growth story in minerals without the cost – *KHD can concentrate on core business*
- One-off effect in Q2 due to license agreement

Key Figures

In € million	Jan. 1 - June 30, 2013	Jan. 1 - June 30, 2012	Variance in %
Order Intake	40.4	248.4	-83.7
Revenue	111.5	102.5	8.8
EBIT	3.1	2.2	40.9
EBIT Margin (in %)	2.8	2.1	
EBT	4.0	3.9	2.6
Group Net Profit	2.6	(0.2)	
EPS (in €)	0.05	0.00	
Cash flow from op. activities	(23.4)	(32.8)	28.7
Cash flow from inv. activities	(0.5)	(1.8)	72.2
Cash flow from fin. activities	(35.3)	14.1	
In € million	**June 30, 2013**	**Dec 31, 2012**	**Variance in %**
Equity	226.3	229.3*	-1.3
Equity ratio (in %)	53.6	52.6*	1.9
Cash and cash equivalents	253.9	282.6	-10.2
Order Backlog	419.9	491.0	-14.5

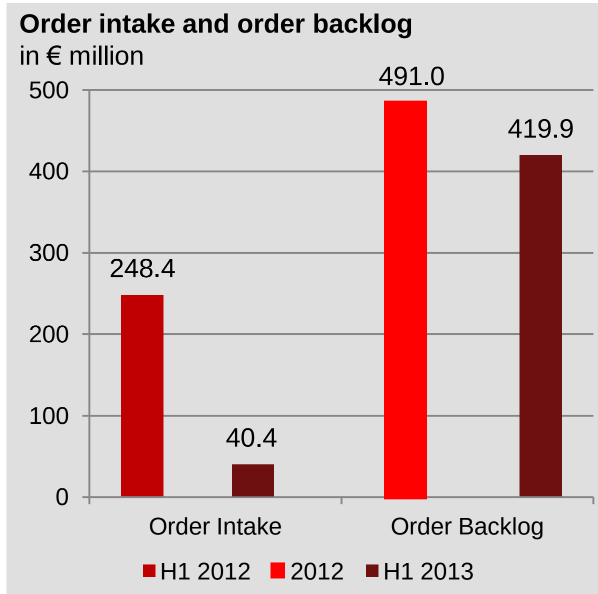
*Amounts adjusted due to change in accounting policy for pension benefit obligations

Agenda

- Business and Market
- Financial Performance
- Going Forward
- Outlook and Actions 2013

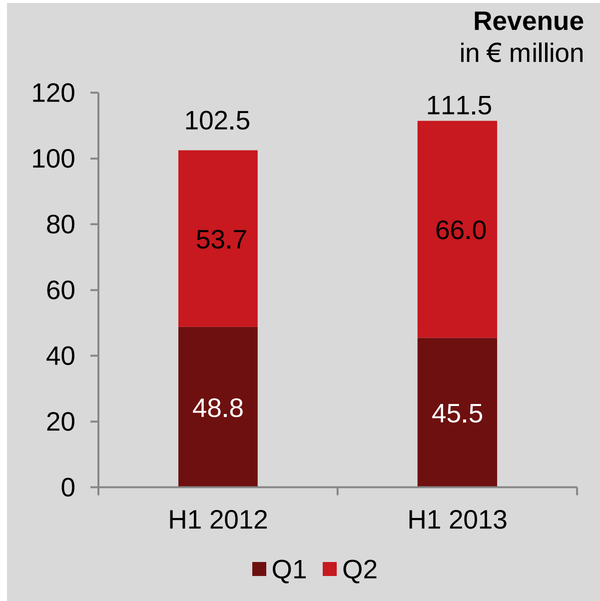
Order backlog remains high

- Continued high level of order backlog mainly from previous year's orders in Malaysia, Russia, India and Italy
- No new major projects in H1 2013 order intake – *Previous year's figure impacted by orders from Malaysia and Venezuela*
- Increase in order intake expected – *KHD is well-positioned in tenders for strategic projects in several important regions*
- Major portion of order intake in H1 2013 comes from spare parts and service business



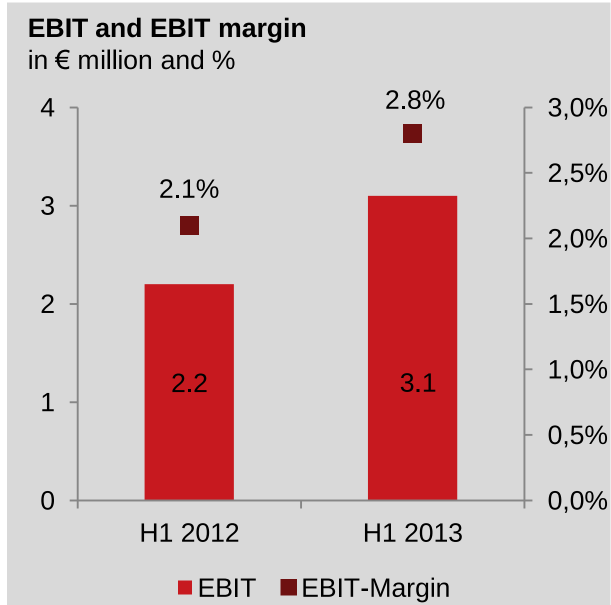
Increased revenue due to execution of major projects

- Significant revenue contributions from projects in Malaysia and Venezuela – won in 2012 – as well as from the parts and services business
- Other major projects still in early stages of execution, with full revenue potential during the remainder of 2013 and in the following years
- H2 2013 will see higher revenues than H1 2013



Decreased gross profit set off by cost savings and one-off effect

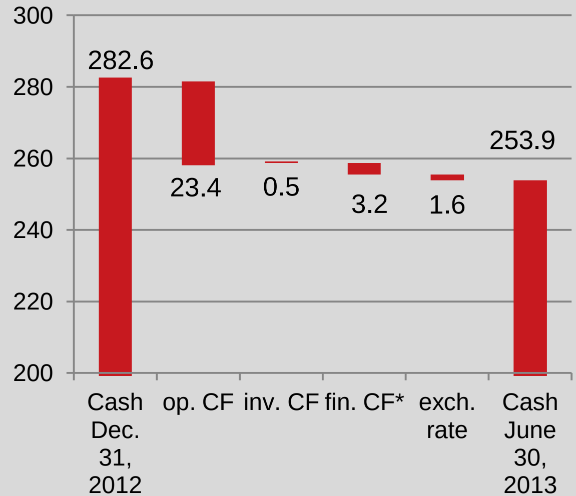
- Orders won under fierce competition and execution of order with a high amount of pass-through revenues continue to affect margins
- Gross profit margin decreased from 19.9% to 15.8% - improvement in Q2 due to one-off effect
- Due to overhead cost savings EBIT increased to € 3.1 million (previous year: € 2.2 million).
- Net result of the period at € 2.6 million (previous year: € -0.2 million) translates to diluted and basic EPS of € 0.05 (previous year: € 0.00)



Negative operating and financial cash flows reduce liquidity

- Operating cash flow (€ - 23.4 million) reflects low order intake as well as payouts for projects which are close to completion (previous year: € -32.8 million)
- Financial cash flow (€ - 35.3 million; previous year: € 14.1 million) mainly reflects collateral for existing bonding line (€ 32.2 million) and dividend payment
- No significant impact on cash and cash equivalents from investing activities (€ -0.5 million)

Cash position (cash and cash equivalents)
in € million



*excluding collateral for bonding line (€ 32.2 million)

Detail on cash flow from operating activities

In € thousand	H1 2013
Cash flow from construction contracts (including progress billings)	(37,861)
Cash flow from current liabilities and incoming invoices	7,308
Cash flow from decrease in trade receivables	7,646
Cash flow from utilization of provisions	(3,280)
Cash flow from result of the period (EBITDA)	4,149
Other cash inflows and outflows	1,400
Cash flow operating activities	**(23,438)**

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Going Forward

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Aligning interest

Operational Strategy

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Balanced Financial Strategy

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Operational strategy – Roadmap 2013 and onwards

- Strong emphasis on project execution and increasing profitability
- Continued improvement of KHD competiveness by strengthening our resources and capabilities in low-cost regions
- Significant reduction in SG&A costs in 2013
- Long-term global investments to enhance our premium brand in the areas of
  - Services
  - Environmental technology and
  - Engineering and operations in our key emerging markets

Operational strategy – Roadmap 2013 and onwards

- Going forward with two separate business units starting in January 2014
    - CAPEX business unit – strengthen project business to increase competitiveness and profitability in ever tougher markets
    - Parts & Service business unit - logical next step in implementing our strategic objective to capture profitable, long-term sustainable growth

Balanced financial strategy - Elements to be considered

Investor relations policy / Share

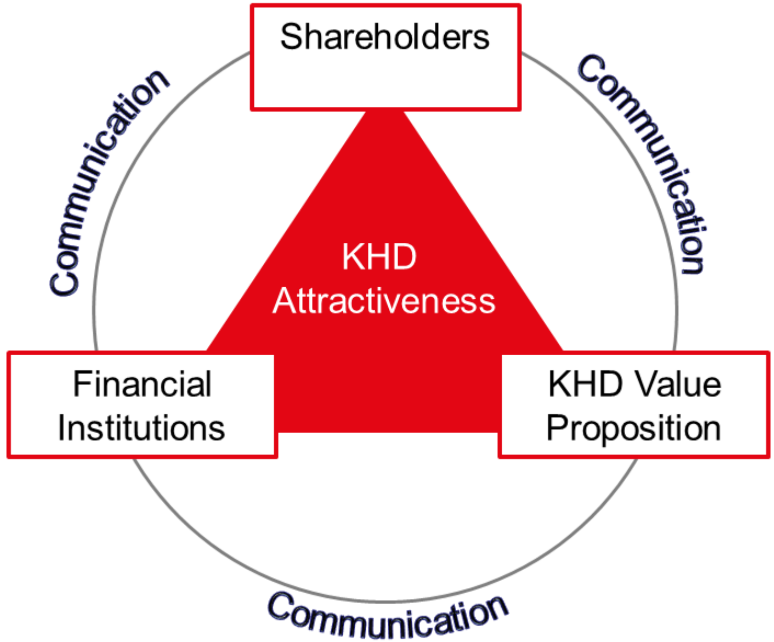
- Regular communication
- Analyst coverage
- Road shows and investor forums
- Prime standard listing
- Enhanced reporting

Balance Sheet Management

- Dividend policy
- Share buybacks
- Acquisitions

Management Incentives

- Align objectives with stakeholders



Dividend policy

Dividend

- € 5.94 million distributed in 2012
- € 4.45 million distribution in 2013 as per shareholder resolution

Cornerstones of KHD dividend policy

- KHD to distribute 40 – 60% of its Group net profit to its shareholders
- In case of a Group net loss in previous years a dividend should only be proposed after all losses from previous years have been compensated
- Maintain equity ratio at KHD Group at a level above 45%

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Unchanged Outlook for 2013

- Cement markets remain sensitive and uncertain with overcapacities in many regions
- High level of order backlog should trigger significant increase in revenue for full year
- Lower gross profit margin projected in 2013 due to execution of lower margin projects, won under fierce competition
- Thanks to ongoing cost optimization and increased competitiveness a slight increase in EBIT margin should be achievable

Project Execution

- Strong focus on executing existing projects to secure 2013 revenues and profitability

Strengthening service business

- Separation of project and service business
- New structure from 2014

Increasing profitability

- Expansion in low-cost regions
- Investments in environmental technology and services

Cost optimization

- Further reductions in overhead costs expected

Disclaimer for Forward-Looking Information

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