

KHD Humboldt Wedag International AG publishes 2010 business results

- **Strong order intake in 2010**
- **Strategic partnerships provide new growth opportunities**
- **Management Board expects 2011 new orders and revenue approximately at previous year's level**

Cologne – March 31, 2011: KHD Humboldt Wedag International AG ("KHD"), one of the world's leading providers of equipment and services for the cement industry, publishes its 2010 annual report today. Although Group revenue fell from €360 million in the previous year to €287 million due to the lower order intake during the 2009 economic crisis, KHD nevertheless booked a significant increase in new orders in 2010. Order Intake was up to €308 million on the basis of pro forma figures (previous year: €123 million). On December 31, 2010 order backlog was at a solid €304 million.

The Group restructured in March 2010 so that several of the Group's legal entities were reported through Q1 under the former parent company. Therefore, the legal reporting in 2010 does not reflect the full performance of the Group. Group EBIT amounted to €25.0 million on a legal reporting basis, or 8.7% of Group revenue (EBIT-margin). The consolidated net income for the year amounted to €15.8 million.

The most important events included two extensive cooperation agreements. An exclusive long-term global sales agreement was concluded with Weir Minerals in May 2010, which will allow KHD to further expand its roller press technology and market presence in the minerals processing sector.

The strategic partnership with CATIC Beijing Co. Ltd., subsidiary of major Chinese state enterprise AVIC, was also a milestone for KHD. Group management launched the partnership in 2010 and it went into full effect in February 2011. CATIC demonstrated its commitment to the strategic partnership by acquiring 20% of KHD's share capital as part of a capital increase. KHD and CATIC aim to become a market leader and are already jointly tendering on a number of cement projects, particularly for turn-key plants. The partnership will also help

KHD gain entry in the important Chinese market – the world's largest market for cement. KHD anticipates that this partnership will have a larger impact on revenue and earnings in 2012.

To get the most out of the strategic partnership, the KHD Supervisory Board appointed Yizhen "Mario" Zhu as its third Management Board member on March 29, 2011. He will be in charge of KHD's global EPC business as well as for developing KHD's new customer service center in the Asia Pacific region. Before moving to KHD, he held a variety of senior management positions at CATIC (AVIC) and has been a major force in developing their cement plant construction business. Mr. Zhu has both an MBA as well as an engineering degree.

In September 2010 KHD signed an order of € 85 million for 2 x 10.000 kiln lines with Indian cement producer UltraTech Cement Ltd., who is one of the largest cement producers in the world and the largest in India. At the time of signing KHD was the only supplier in India with a reference plant for 10.000 tpd clinkerization in operation. KHD's efficient COMFLEX® grinding technology for both clinker and raw material were also convincing factors in securing the deal.

"We are satisfied with business development in 2010. Our order intake figures show that cement producers are again making larger investments following the economic crisis. The partnerships with Weir Minerals and CATIC also offer us additional international growth potential that we absolutely aim to exploit," commented Jouni Salo, KHD's CEO. The Management Board is confident that the positive economic trends, particularly in the BRIC states, will continue, which will drive global cement consumption. Economic conditions have nevertheless been overshadowed by the reactor catastrophe in Japan, and the continued disturbances in some of the Arabic-speaking countries.

Looking at the current 2011 financial year, the Management Board consequently expects order intake and revenues on 2010 levels. Due to the newly-founded business partnerships and the general economic outlook, KHD anticipates increased order intake and revenues for 2012. At the same time, the Management Board is of the opinion that continuing price pressure in the sector will have a greater impact on margins in 2011. For this reason, 2011 margin may be slightly lower than in 2010. However, improvement is expected in 2012.

KHD Humboldt Wedag International AG's full 2010 annual report will be available today under www.khd.com / investor relations.

KHD Group

KHD is a global leader for cement plant technology, equipment and services with over 150 years of experience in the cement industry. Process engineering and project management are among the core competencies of the technology-focused group. KHD offers a wide spectrum of products and aftermarket services for the cement industry and is a leader in energy-efficient and environmentally friendly products for the cement grinding and pyro processing sections of the plants. The holding company KHD Humboldt Wedag International AG is based in Cologne, Germany. The group has over 767 employees worldwide with customer service centers in growing markets like India and Russia. Other major customer service centers include the USA covering both North and South America and Cologne is home to the EMEA (Europe, Middle East and Africa) customer service center. KHD Humboldt Wedag International AG (ISIN: DE0006578008, WKN: 657800) is listed on the Frankfurt stock exchange (General Standard).

More information: www.khd.com

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