



Baldwin Technology Company, Inc.  
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## Baldwin Reports Increased Q1 FY'07 Net Income

**Shelton, CT, October 26, 2006** -- Baldwin Technology Company, Inc. (AMEX: BLD), a leading global manufacturer of printing press accessories and control equipment, announced today that net income for the first fiscal quarter ended September 30, 2006 increased 11% to \$1,326,000, or \$0.09 per basic and \$0.08 per fully diluted share. This compares to \$1,193,000, or \$0.08 per basic and fully diluted share, for the same quarter in the prior fiscal year.

Net sales for the quarter increased approximately \$562,000 to \$43,207,000, compared to \$42,645,000 for the first quarter in the prior year. Excluding the effects of currency translation, net sales were comparable to those reported in last year's first quarter.

Orders for the quarter totaled \$45,922,000, compared to \$46,467,000 reported for the quarter a year earlier. Backlog was \$51,882,000 on September 30, 2006, up from \$49,167,000 at June 30, 2006.

Vice President and Chief Financial Officer Vijay Tharani said, "Our results for the quarter were even with last year's performance and generally in line with internal expectations. Sales strengthened in most of Europe, offset by a softening of shipments, primarily newspaper products, in Japan."

President and Chief Operating Officer Karl Puehringer said, "Fiscal 2007 appears to be off to a solid start. Given the weakness in sales in Japan, we are particularly pleased by the receipt of several large orders at Baldwin Japan during the quarter, which will lead to

improved shipments in that market. During October, we participated in two printing industry trade shows, IFRA in Amsterdam and Graph Expo in Chicago. Both were well attended and were successful exhibitions for Baldwin.

“We are very excited about the proposed acquisition of Oxy-Dry Corporation. The addition of its brush cleaning to our existing cloth technology will further strengthen our cleaning product capabilities in the marketplace. We are working diligently to close this transaction in November,” Puehringer continued. “In addition, we have recently signed an exclusive distribution alliance with Robatech, a leading gluing system manufacturer based in Switzerland. This alliance complements and supplements our existing web products in this market niche.”

Baldwin will host a conference call today, October 26 at 11 a.m. Eastern Time to review the financial results, discuss the company’s business outlook and conduct a question-and-answer session. To participate, call (888) 655-9181 any time after 10:55 a.m. Eastern Time. The toll dial-in number is (210) 839-8504. The pass code for this call is “Baldwin Q1.” Participating in the call will be Baldwin Chairman and Chief Executive Officer Gerald A. Nathe, Baldwin President and Chief Operating Officer Karl S. Puehringer and Vice President and Chief Financial Officer Vijay C. Tharani.

A replay audiotape of the conference call, in its entirety, will be available one hour after the end of the call until Thursday, November 2. To hear that replay call toll free (800) 728-5839 in the U.S. or (203) 369-3326 from outside the U.S.

A live and archived webcast will be available for 90 days through the Investor Relations section of the Baldwin website at [www.baldwintech.com](http://www.baldwintech.com). Callers will need Windows Media Player to listen to the broadcast.

In other news, the company noted that it will hold its annual stockholders meeting in the boardroom on the 14th floor at the American Stock Exchange in New York on Tuesday, November 14 at 10 a.m.

### **About Baldwin**

Baldwin Technology Company, Inc. is a leading international manufacturer of press accessories and controls for the commercial printing and newspaper publishing industries. Baldwin offers a broad range of products focused on improving the quality, safety, environmental compliance and productivity of the printing process. Headquartered in Shelton, Ct., the company has sales and service centers, product development and manufacturing operations strategically located in major graphic arts markets worldwide. Baldwin's products include cleaning systems, fluid management and ink control systems, web press protection systems and drying systems. For more information, visit <http://www.baldwintech.com>.

Investors may contact Frank Hawkins or Julie Marshall, Hawk Associates, at (305) 451-1888 or e-mail [info@hawkassociates.com](mailto:info@hawkassociates.com). For an online investment kit, visit <http://www.hawkassociates.com>. For an investment profile about Baldwin, visit <http://www.hawkassociates.com/bldprofile.aspx>.

*CAUTIONARY STATEMENT--This release may contain statements regarding expected future order, backlog and sales rates, operating margins and profitability or other statements, which may constitute "forward-looking" information as defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and actual results may differ. See Item 1A "Risk Factors" and Exhibit 99 to the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006.*

Baldwin Technology Company, Inc.  
Condensed Consolidated Statements of Income  
(In thousands, except per share data)  
(Unaudited)

	<u>Quarter ended September 30,</u>	
	<u>2006</u>	<u>2005</u>
Net sales	\$ 43,207	\$ 42,645
Cost of goods sold	<u>28,945</u>	<u>28,589</u>
Gross profit	14,262	14,056
Operating expenses	<u>12,147</u>	<u>11,902</u>
Operating income	2,115	2,154
Interest expense	224	298
Interest income	(31)	(28)
Other expense (income), net	<u>(226)</u>	<u>(133)</u>
Income from operations before income taxes	2,148	2,017
Provision for income taxes	<u>822</u>	<u>824</u>
Net Income	<u>\$ 1,326*</u>	<u>\$ 1,193</u>
Net Income per share – basic	<u>\$ 0.09</u>	<u>\$ 0.08</u>
Net Income per share – diluted	<u>\$ 0.08</u>	<u>\$ 0.08</u>
Weighted average shares outstanding:		
Basic	<u>15,003</u>	<u>14,923</u>
Diluted	<u>15,726</u>	<u>15,474</u>

Condensed Consolidated Balance Sheets  
(In thousands, Unaudited)

	<u>September 30,</u>	<u>June 30,</u>
	<u>2006</u>	<u>2006</u>
Current assets:		
Cash and equivalents	\$ 14,696	\$ 14,986
Trade receivables	41,439	39,862
Inventory	23,120	22,657
Prepaid expenses and other	<u>4,435</u>	<u>5,274</u>
Total current assets	83,690	82,779
Property, plant and equipment, net	3,553	3,617
Intangible assets	13,544	13,749
Other assets	<u>11,002</u>	<u>12,618</u>
Total assets	<u>111,789</u>	<u>112,763</u>
Current liabilities:		
Loans payable	\$ 3,386	\$ 2,622
Current portion of long-term debt	828	853
Other current liabilities	<u>47,015</u>	<u>49,539</u>
Total current liabilities	51,229	53,014
Long-term debt	6,912	7,080
Other long-term liabilities	<u>6,708</u>	<u>6,736</u>
Total liabilities	64,849	66,830
Shareholders' equity	<u>46,940</u>	<u>45,933</u>
Total liabilities and shareholders' equity	<u>\$ 111,789</u>	<u>\$ 112,763</u>

\* includes \$91K of other income in Japan, subject to final resolution