

STOCK REPORTS

GICS Sector: Industrials
Sub-Industry: Industrial Machinery
Peer Group: Specialty Equipment (Specialized)

Summary: Based in Connecticut, BLD is a global manufacturer of press accessories and controls for the commercial printing and newspaper publishing industries.



Business Profile - December 16, 2005

An element of Baldwin Technology's growth strategy is to seek acquisitions that would strengthen its position in accessories and controls, enable it to enter new end-user market segments and extend existing markets, and add new products that could benefit from BLD's manufacturing and marketing expertise and financial support. In October 2005, the company said it was recently selected as a major supplier for ancillary equipment to be fitted on new press lines ordered by West Australian Newspapers. BLD expects these newspaper press configurations, which are to be equipped with MAXIMA and WORLD spray dampening systems and IMPACT GLOBAL cleaning systems, to be installed during 2006.

Operational Review - December 16, 2005

Net sales for the first quarter of FY 06 (Jun.) rose 6.6%, year to year, led by increased demand in Germany for cleaning systems, water systems, and web controls. In the Americas, primarily in the U.S., sales were up on increased revenues for commercial cleaning systems, web controls, and parts and service. In Asia, sales were virtually flat. Profitability benefited from the higher sales volume and reductions in both material costs and interest expenses, partly offset by lower royalty income. Pretax income surged 63%. After taxes at a reduced effective rate, net income was up 66%, to \$1.2 million (\$0.08 a share) from \$719,000 (\$0.05).

Stock Performance - Dec 16, 2005

In the past 30 trading days, BLD's shares have increased 8%, compared to a 4% rise in the S&P 500. Average trading volume for the past five days was 27,600 shares, compared with the 40-day moving average of 23,790 shares.

Key Stock Statistics

Dividend Rate/Share	Nil	Shareholders	1,500
Shs. outstg. (M)	14.9	Market cap. (B)	\$0.054
Avg. daily vol. (M)	0.022	Inst. holdings	46%
Tang. Bk. Value/Share	1.73		
Beta	NA		

Value of \$10,000 invested five years ago: \$ 32,080

Fiscal Year Ending June 30

	2006	2005	2004	2003	2002	2001
Revenues (Million \$)						
1Q	42.65	40.00	34.51	32.80	38.54	44.96
2Q	—	41.23	39.44	35.29	36.17	45.76
3Q	—	43.67	42.77	31.06	38.92	47.58
4Q	—	48.28	41.39	35.06	31.99	45.32
Yr.	—	173.2	158.1	134.2	145.6	183.6

Earnings Per Share (\$)

1Q	0.08	0.05	0.05	-0.42	-0.08	0.07
2Q	—	0.05	0.08	0.03	0.01	0.08
3Q	—	0.10	0.05	-0.07	0.07	0.02
4Q	—	0.13	0.28	-0.30	-1.07	-1.10
Yr.	—	0.33	0.46	-0.76	-1.07	-0.95

Next earnings report expected: late-January

Dividend Data

No dividends have been paid since 1992.

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Business Summary - December 16, 2005

Baldwin Technology Company, Inc. is an international manufacturer of accessories and controls for the printing and publishing industry. The company offers a broad range of products designed to enhance the quality, productivity and cost-efficiency of the print manufacturing process, while addressing environmental concerns and safety issues. BLD's products include cleaning systems, fluid management and ink control systems, web press protection systems, and drying systems.

Cleaning Systems accounted for 55% of total sales in FY 05 (Jun.), Fluid Management Systems 23%, and Other Accessory and Control Products 22%. Business in Europe accounted for 47% of total sales, Asia 39%, and the Americas 14%. One customer, Koenig and Bauer Aktiengesellschaft, accounted for 17% of sales.

Cleaning Systems products, which are used to clean the cylinders of an offset press, include: Press Washer, Automatic Blanket Cleaner, Newspaper Blanket Cleaner, Chill Roll Cleaner, Digital Plate Cleaner, and Guide Roll Cleaner. These products are designed to reduce paper waste, volatile organic compound (VOC) emissions and press downtime, as well as improve productivity, print quality, and safety of operation for the press operator.

Fluid Management Systems are used to control the supply,

temperature, cleanliness, chemical composition, and other characteristics of the fluids used in the lithographic printing process. Among the most important of these products are the company's Refrigerated Circulators and Spray Dampening Systems.

Other Accessory and Control products include Web Press Protection Systems, Ink Control Systems, and Ultraviolet and Infrared Dryers, and Gluing Systems.

Designed in response to the increasing number of web leads used in printing today's colorful newspapers as well as to a growing demand for high speed commercial web presses, Web Press Protection Systems (web severers and web catchers) provide an auto-arming electronic package offering press protection in the event of a web break. Designed to limit ink and paper waste, Ink Control Systems include Ink Agitators, Ink Mixers, and Ink Level Systems.

The company markets its products throughout the world through direct sales representatives, distributors, and dealer networks to printing press manufacturers (OEMs), newspaper publishers, and commercial printers. About 54% of net sales in FY 05 were to OEMs, and the balance directly to printers.

R&D and engineering expenditures in FY 05, FY 04 and FY 03 were \$16 million, \$14 million, and \$16 million, respectively, representing 9%, 9%, and 12% of net sales in each fiscal year, respectively.

Per Share Data (\$)

(Year Ended June 30)	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Tangible Bk. Val.	1.73	1.42	0.93	1.47	1.99	2.45	1.90	1.70	1.26	1.57
Cash Flow	0.44	0.57	-0.63	-0.95	-1.01	0.55	0.54	0.74	-1.95	0.41
Earnings	0.33	0.46	-0.76	-1.07	-0.95	0.31	0.33	0.52	-2.21	0.14
S&P Core Earnings	0.32	0.45	-0.71	0.73	-1.26	NA	NA	NA	NA	NA
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices - High	5.03	4.22	3.15	1.85	2.00	2.62	6.37	6.50	5.75	5.18
- Low	2.21	2.30	0.18	0.20	0.55	1.00	1.68	4.25	2.37	2.31
P/E Ratio - High	15	9	NM	NM	NM	8	19	13	NM	37
- Low	7	5	NM	NM	NM	3	5	8	NM	17

Income Statement Analysis (Million \$)

Revs.	173	158	134	146	184	199	233	231	244	259
Oper. Inc.	10.7	8.47	-0.75	-3.18	0.03	7.06	15.7	18.4	12.8	17.0
Depr.	1.63	1.76	1.93	1.86	3.30	3.76	3.66	3.98	4.30	4.80
Int. Exp.	2.41	4.99	2.41	1.79	2.01	1.82	2.30	2.79	3.52	4.03
Pretax Inc.	8.72	5.31	-8.84	-9.30	-17.5	-0.84	10.2	14.4	-35.4	7.22
Eff. Tax Rate	42.3%	NM	NM	NM	NM	NM	44.5%	38.3%	NM	65.2%
Net Inc.	5.04	6.99	-11.4	-16.0	-18.2	4.84	5.63	9.02	-38.0	2.52
S&P Core Earnings	4.76	6.87	-10.6	10.8	-18.7	NA	NA	NA	NA	NA

Balance Sheet & Other Fin. Data (Million \$)

Cash	15.4	12.6	7.36	5.54	6.59	7.91	10.7	15.1	9.42	9.79
Curr. Assets	77.0	80.7	67.3	78.2	94.3	98.4	98.2	118	108	124
Total Assets	109	115	96.8	109	134	160	159	175	162	217
Curr. Liab.	51.5	72.3	63.2	55.8	71.9	70.2	69.0	89.9	78.3	78.2
LT Debt	12.2	1.79	0.52	11.9	8.43	11.9	16.5	17.0	20.3	33.6
Common Equity	39.2	34.5	26.3	33.8	45.5	70.4	66.5	63.5	58.3	97.1
Total Cap.	51.5	36.3	26.8	45.6	53.9	82.3	83.1	80.4	78.5	131
Cap. Exp.	0.64	0.53	0.87	1.68	2.52	2.91	2.33	1.97	1.40	5.90
Cash Flow	6.66	8.75	-9.48	-14.1	-14.9	8.59	9.29	13.0	-33.7	7.32
Curr. Ratio	1.5	1.1	1.1	1.4	1.3	1.4	1.4	1.3	1.4	1.6
% LT Debt of Cap.	23.8	4.9	1.9	26.0	15.6	14.4	19.9	21.1	25.8	25.7
% Net Inc. of Revs.	2.9	4.4	NM	NM	NM	2.4	2.4	3.9	NM	1.0
% Ret. on Assets	4.5	6.6	NM	NM	NM	NM	3.4	5.3	NM	1.2
% Ret. on Equity	13.7	23.0	NM	NM	NM	NM	8.7	14.8	NM	2.6

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. Bold denotes primary EPS - prior periods restated. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Office—2 Trap Falls Rd, Ste 402, Shelton, CT 06484. **Telephone**—203-402-1000. **Email**—info@baldwintech.com **Website**—http://www.baldwintech.com **Chrmn & CEO**—G.A. Nathe. **Pres & COO**—K.S. Puehringer. **VP, CFO & Treas**—V.C. Tharani. **Chief Acctg Officer & Cntrl**—L. Richards. **Secy & Investor Contact**—H.P. Oster 203-402-1004. **Dir**s—M. T. Becker, R. Bergstrom, S. B. Fortenbaugh, III, A. Hara, J. A. Mulholland, G. A. Nathe, R. R. Whitney, Jr. **Founded**—in 1918. **Domicile**—Delaware. **Empl**—534. **S&P Analyst**: N.J.DeVita/AE

NEWS HEADLINES

■ **October 28, 2005** NEW YORK (Standard & Poor's)--Oct 27, 2005, Baldwin Technology Company Inc., announced 1Q EPS \$0.08 vs. \$0.05.

■ **August 12, 2005** NEW YORK (Standard & Poor's)--Aug 11, 2005, Baldwin Technology Company Inc., announced 4Q EPS \$0.13 vs. \$0.28 and annual EPS \$0.33 vs. \$0.46.

■ **June 20, 2005** June 20, 2005--Baldwin Technology Company, Inc. (AMEX:BLD) announced that it elected Karl S. Puehringer as president and chief operating officer. Mr. Puehringer has been serving as BLD's vice president, European Operations.

■ **January 31, 2005** NEW YORK (Standard & Poor's)--Jan 27, 2005,

Baldwin Technology Company Inc., announced 2Q EPS \$0.05 vs. \$0.08 and 6 mos. EPS \$0.10 vs. \$0.13.

■ **November 1, 2004** NEW YORK (Standard & Poor's)--Oct 28, 2004, Baldwin Technology Company Inc., announced 1Q EPS \$0.05 vs. \$0.05.

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SUB-INDUSTRY OUTLOOK

The S&P Industrial Machinery Index fell 2.8% year to date through November 11, versus a 2.6% rise in the S&P 1500. In 2004, the index advanced 18.4%, versus a 10.0% gain for the 1500. Companies in this index have a historical five-year compound annual growth rate of approximately 10.9%, versus a negative 2.6% for the S&P 1500. We believe that companies in this industry should generally fare well in 2005, due to anticipated economic growth, a favorable interest rate environment and pent-up replacement demand. Longer term, we think that large gluts in global industrial production capacity could hamper earnings growth for many years. We maintain our neutral fundamental outlook, as we believe that the positive operating fundamentals we foresee over the next 12 months are already reflected in industry stock prices.

We expect continued growth in sales and profits for companies in the S&P Industrial Machinery Index in 2005, al-

beit at a slower pace than last year. More specifically, as of October 10, S&P estimates operating earnings growth of 18%, versus 44% in 2004. In addition, so far this year, most manufacturers, with the exception of some of the more commoditized product producers, have demonstrated a modest amount of pricing power via surcharges and select price increases to help cope with rising raw material costs (particularly for steel and copper).

This industry encompasses a wide range of industrial firms that supply the equipment that other companies need to run their manufacturing operations. Longer term, we believe Asian-driven industrial overcapacity could trigger a deflationary cycle, and with corporate profit margins likely to get squeezed in that environment, this could also cause manufacturers to cut back on production, employment levels and spending on machinery and equipment.

--Anthony M. Fiore, CFA

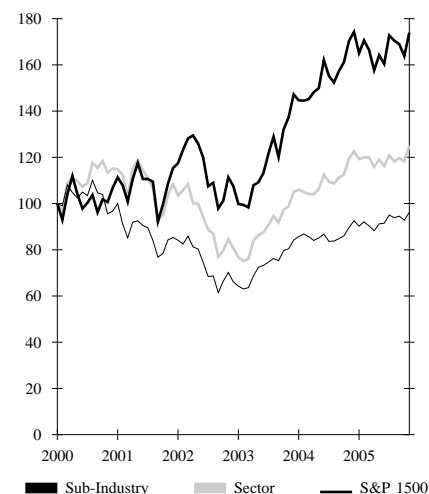
STOCK PERFORMANCE

GICS SECTOR: Industrials

SUB-INDUSTRY: Industrial Machinery

Based on S&P 1500 Indexes

Month-end Price Performance
As of 11/30/05



NOTE: All Sector & Sub-Industry Information is based on the Global Industry Classification Standard (GICS)

SUB-INDUSTRY: INDUSTRIAL MACHINERY

*PEER GROUP: SPECIALTY EQUIPMENT (SPECIALIZED)

Peer Group	Stock Symbol	Recent Stock Price	P/E Ratio	12-mth. Trail. EPS	30-day Price Chg %	1-year Price Chg. %	Beta	Yield %	Quality Ranking	Stk. Mkt. Cap. (mil. \$)	Ret. on Equity %	Pretax Margin %	LTD to Cap. %
Baldwin Technology	BLD	4.14	12	0.36	6%	45%	NA	Nil	B-	54	13.7	5.0	23.8
Albany International	AIN	36.70	17	2.15	-4%	8%	1.00	1.0	B	1,064	1.9	1.4	27.9
Global Payment Tech	GPTX	2.62	NM	-0.02	-7%	-55%	0.90	Nil	C	16	NM	NM	10.9
Lancer Corp.	LAN	21.83	21	1.02	1%	73%	NA	Nil	B	208	17.6	12.2	Nil
Nordson Corp.	NDSN	41.87	20	2.14	9%	7%	0.81	1.6	B+	1,367	18.0	11.8	27.4
Valmont Industries	VMI	33.90	22	1.56	0%	37%	0.17	1.0	B+	832	9.5	4.4	50.4

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