BALDWIN TECHNOLOGY CO INC
Form 10-Q
May 15, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 10-Q

[Mark one]

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For quarter ended March 31, 2007

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to ___________

Commission file number 1-9334

BALDWIN TECHNOLOGY COMPANY, INC.
(Exact name of registrant as specified in its charter)

Delaware	13-3258160
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2 Trap Falls Road, Suite 402, Shelton, Connecticut 06484
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 203-402-1000

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: YES [X] NO [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]   Accelerated filer [ ]   Non-accelerated filer [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [ ] NO [X]

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2007
Class A Common Stock $0.01 par value	14,130,054
Class B Common Stock $0.01 par value	1,212,555

BALDWIN TECHNOLOGY COMPANY, INC.

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BALDWIN TECHNOLOGY COMPANY, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

ASSETS

	March 31, 2007 (unaudited)	June 30, 2006
CURRENT ASSETS:		
Cash and cash equivalents	$ 15,278	$ 14,986
Accounts receivable trade, net of allowance for doubtful accounts of $1,916 ($1,452 at June 30, 2006)	40,284	32,602
Notes receivable, trade	8,870	7,260
Inventories	30,669	22,657
Deferred taxes, net	2,438	475
Prepaid expenses and other	4,371	4,799
Total Current Assets	101,910	82,779
MARKETABLE SECURITIES:		
Cost $582 ($573 at June 30, 2006)	819	760
PROPERTY, PLANT AND EQUIPMENT:		
Land and buildings	1,058	1,024
Machinery and equipment	6,469	2,674
Furniture and fixtures	5,544	4,023
Capital leases	250	287
	13,321	8,008
Less: Accumulated depreciation and amortization	(7,788)	(4,391)
Net property, plant and equipment	5,533	3,617
INTANGIBLES, at cost, less accumulated amortization of $5,438 ($4,996 at June 30, 2006)	9,532	2,690
GOODWILL, less accumulated amortization of $3,384 ($3,419 at June 30, 2006)	20,742	11,059
DEFERRED TAXES, NET	7,551	8,109
OTHER ASSETS	5,736	3,749
TOTAL ASSETS	$151,823	$112,763

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

BALDWIN TECHNOLOGY COMPANY, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2007 (unaudited)	June 30, 2006
CURRENT LIABILITIES:		
Loans payable	$ 3,394	$ 2,622
Current portion of long-term debt	2,224	853
Accounts payable, trade	17,422	16,809
Notes payable, trade	8,755	7,987
Accrued salaries, commissions, bonus and profit-sharing	8,587	7,998
Customer deposits	5,564	4,113
Accrued and withheld taxes	1,660	2,036
Income taxes payable	2,703	1,015
Other accounts payable and accrued liabilities	18,377	9,581
Total current liabilities	68,686	53,014
LONG TERM LIABILITIES:		
Long-term debt	25,610	7,080
Other long-term liabilities	6,924	6,736
Total long-term liabilities	32,534	13,816
Total liabilities	101,220	66,830
SHAREHOLDERS' EQUITY:		
Class A Common Stock, $.01 par, 45,000,000 shares authorized, 17,655,791 shares issued at March 31, 2007 and 17,376,215 shares issued at June 30, 2006	177	174
Class B Common Stock, $.01 par, 4,500,000 shares authorized, 1,506,825 shares issued at March 31, 2007 and 1,537,681 shares issued at June 30, 2006	15	15
Capital contributed in excess of par value	58,937	57,943
Accumulated earnings/(deficit)	1,650	(1,374)
Accumulated other comprehensive income	3,294	2,626
Less: Treasury stock, at cost: Class A - 3,634,070 shares at March 31, 2007 and 3,630,202 shares at June 30, 2006 Class B - 294,270 shares at March 31, 2007 and June 30, 2006	(13,470)	(13,451)
Total shareholders' equity	50,603	45,933
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$151,823	$112,763

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

BALDWIN TECHNOLOGY COMPANY, INC.

CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	For the three months ended March 31,		For the nine months ended March 31,	
	2007	2006	2007	2006
Net sales	$53,211	$45,477	$144,586	$131,918
Cost of goods sold	35,774	30,384	97,269	88,013
Gross profit	17,437	15,063	47,317	43,905
Operating expenses:				
General and administrative	6,439	4,912	16,333	14,551
Selling	3,589	3,694	10,829	10,780
Engineering and development	4,247	3,537	12,173	11,135
Restructuring	--	--	994	--
	14,275	12,143	40,329	36,466
Operating income	3,162	2,920	6,988	7,439
Other (income) expense:				
Interest expense	749	256	1,532	803
Interest income	(44)	(31)	(132)	(92)
Royalty income, net	--	--	--	(200)
Other (income) expense, net	220	(43)	169	36
	925	182	1,569	547
Income before income taxes	2,237	2,738	5,419	6,892
Provision for income taxes	941	993	2,395	2,571
Net income	$ 1,296	$ 1,745	$ 3,024	$ 4,321
Net income per share - basic and diluted				
Income per share - basic	$ 0.09	$ 0.12	$ 0.20	$ 0.29
Income per share - diluted	$ 0.08	$ 0.11	$ 0.19	$ 0.28
Weighted average shares outstanding:				
Basic	15,203	14,966	15,100	14,947
Diluted	15,697	15,806	15,705	15,649

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

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BALDWIN TECHNOLOGY COMPANY, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARES) (UNAUDITED)

	Class A Common Stock		Class B Common Stock		Capital Contributed In Excess of Par	Accumulated Earnings/ (Deficit)	Accumulated Other Comprehensive Income
	Shares	Amount	Shares	Amount			
Balance at June 30, 2006	17,376,215	$174	1,537,681	$15	$57,943	$(1,374)	$2,626
Net income for the nine months ended March 31, 2007						3,024	
Translation adjustment							674
Unrealized gain on available -for-sale securities, net of tax							28
Amortization of stock based compensation					558		
Unrealized gain on forward contracts, net of tax							(39)
Minimum pension Liability							5
Comprehensive Income							
Shares converted Class B to Class A	30,856		(30,856)				
Shares issued under stock option and restricted stock plans	248,720	3			436		
Balance at March 31,							

2007	17,655,791	$177	1,506,825	$15	$58,937	$ 1,650	$3,294
	==========	====	=========	===	=======	=======	======

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

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BALDWIN TECHNOLOGY COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	For the nine months ended March 31,	
	2007	2006
Cash flows from operating activities:		
Net income	$ 3,024	$ 4,321
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	1,399	1,053
Accrued retirement pay	167	600
Provision for losses on accounts receivable	159	74
Stock based compensation	558	332
Write off of fixed assets	--	55
Deferred income taxes	7	57
Restructuring	994	--
Changes in assets and liabilities:		
Accounts and notes receivable	(1,875)	(3,352)
Inventories	(1,391)	(1,221)
Prepaid expenses and other	1,240	4
Other assets	184	443
Customer deposits	(918)	1,775
Accrued compensation	(803)	(487)
Payments against restructuring and integration accruals	(737)	--
Accounts and notes payable, trade	(135)	1,367
Income taxes payable	1,496	608
Accrued and withheld taxes	(386)	(523)
Other accounts payable and accrued liabilities	(1,900)	(924)
Interest payable	35	(37)
Net cash provided by operating activities	1,118	4,145
Cash flows from investing activities:		
Acquisition of Oxy-Dry, net of acquired cash	(18,242)	--
Additions of property, plant and equipment	(619)	(630)
Additions of patents and trademarks	(511)	(296)
Net cash (used for) investing activities	(19,372)	(926)
Cash flows from financing activities:		
Long-term and short-term debt borrowings	66,491	899
Long-term and short-term debt repayments	(46,364)	(2,230)

Capitalized finance costs	(2,135)	--
Principal payments under capital lease obligations	(102)	(74)
Proceeds of stock option exercises	439	127
Other long-term liabilities	61	(6)
Net cash provided by (used in) financing activities	18,390	(1,284)
Effects of exchange rate changes	156	(319)
Net increase in cash and cash equivalents	292	1,616
Cash and cash equivalents at beginning of period	14,986	15,443
Cash and cash equivalents at end of period	$ 15,278	$17,059

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

BALDWIN TECHNOLOGY COMPANY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

	For the nine months ended March 31,	
	2007	2006
Cash paid during the period for:		
Interest	$1,497	$ 840
Income taxes	$ 389	$1,921

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

BALDWIN TECHNOLOGY COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION:

Baldwin Technology Company, Inc. and its subsidiaries ("Baldwin" or the "Company") are engaged primarily in the development, manufacture and sale of accessories and controls for the printing industry.

The accompanying unaudited consolidated financial statements include the accounts of Baldwin and its subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in compliance with the rules and regulations of the Securities and Exchange Commission. These financial statements reflect all adjustments of a normal recurring nature, which are in the opinion of management, necessary to present a fair statement of the results for the interim periods. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's latest Annual Report on Form 10-K for the fiscal year ended June 30, 2006.

NOTE 2 - RECENTLY ISSUED ACCOUNTING STANDARDS:

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements", which established a framework for measuring fair value and will be effective beginning July 1, 2008. The Company is evaluating the impact, if any, that SFAS 157 will have on the financial statements.

In September 2006, the FASB issued SFAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans". SFAS 158 requires companies to recognize the over-funded and under-funded status of defined benefit pension and other postretirement plans as assets or liabilities on their balance sheets and to recognize changes in that funded status, in the year in which changes occur, through other comprehensive income in shareholders' equity. As of June 30, 2006, the unrecognized defined benefit pension plan assets, consisting primarily of unrecognized actuarial gains, totaled $166,000. The Company will adopt SFAS 158 as of the end of the current fiscal year.

In September 2006, the Securities and Exchange Commission staff issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB 108 established an approach that requires quantification of financial statement errors based on the effects of an error on a company's balance sheet and income statement and related disclosures. The Company is required to apply the provisions of SAB 108 in connection with the preparation of its annual financial statements for the fiscal year ended June 30, 2007.

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NOTE 3 - LONG TERM DEBT:

	(IN THOUSANDS)			
	MARCH 31, 2007		JUNE 30, 2006	
	CURRENT	LONG-TERM	CURRENT	LONG-TERM
Revolving Credit Facility due November 21, 2011, interest rate three-month LIBOR rate 5.35% plus 2.25%	$ --	$11,300	$ --	$ --
Revolving Credit Facility due November 21, 2011, interest rate three-month EURIBOR				

rate 3.62% plus 2.25%	--	1,160	--	--
Term loan payable by foreign subsidiary due November 21, 2011, with quarterly payments interest rate three-month EURIBOR rate 3.62% plus 2.25%	1,812	12,944	--	--
Revolving Credit Facility due October 1, 2008, interest rate three-month EURIBOR rate 3.775% plus 3.233%	--	--	--	6,560
Term loan payable by foreign subsidiary due September 2008, interest rate 1.81% ...	283	142	291	364
Term Loan payable by foreign subsidiary due December 8, 2006, interest rate 1.5% ..	--	--	437	--
Note payable by foreign subsidiary through 2008, interest rate 6.70%	129	64	125	156
	$2,224	$25,610	$853	$7,080

On November 21, 2006 the Company entered into a credit agreement (the "Agreement") with LaSalle Bank National Association ("LaSalle"). Under the terms of the Agreement, the Company received a $35,000 bridge loan, the proceeds of which were used to repay the Company's previously existing obligations with Maple Bank GmbH and fund the acquisition of Oxy-Dry and associated closing cost. The Agreement provided for the bridge loan to be converted to a permanent facility, consisting of a $15,000 term loan (the "Term Loan") and $35,000 of revolving lines of credit. On January 19, 2007, the Company initiated a draw on this permanent financing facility using the proceeds to repay the aforementioned bridge loan and associated interest. The term of the permanent facility is five years maturing on November 21, 2011.

In addition, on April 19, 2007 the Company entered into a $5,000 credit facility with a foreign lender. The interest rate for Euro-based borrowings is 7.5%; the interest rate for U.S. dollar-based borrowings is 8.75%.

The Company maintains relationships with both foreign and domestic banks, which combined have extended short and long term credit facilities to the Company totaling $54,861 including $50,000 available under the LaSalle Credit Agreement. As of March 31, 2007, the Company had $33,705 outstanding (including letters of credit) under these credit facilities, including $29,693 under the LaSalle Credit Agreement.

NOTE 4 - NET INCOME PER SHARE:

Basic net income per share includes no dilution and is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution of securities that could share in the earnings of an entity. The weighted average shares outstanding used to compute diluted net income per share includes 494,000 and 605,000 of potentially dilutive shares, respectively, for the three and nine months ended March 31, 2007 and 840,000 and 702,000 of potentially dilutive shares, respectively, for the three and nine months ended March 31, 2006. Outstanding options to purchase 99,000 and 179,000 shares of the Company's

common stock for the nine months ended March 31, 2007 and 2006, respectively, are not included in the above calculation to compute diluted net income per share as their exercise prices exceeded the current market value of these shares.

NOTE 5 -OTHER COMPREHENSIVE INCOME (LOSS):

Accumulated Other Comprehensive Income (Loss) ("AOCI") is comprised of various items, which affect equity that result from recognized transactions and other economic events other than transactions with owners in their capacity as owners. AOCI is included in stockholders' equity in the consolidated balance sheets. AOCI consists of the following:

	(in thousands)	
	March 31, 2007	June 30, 2006
Cumulative translation adjustments	$3,262	$2,588
Unrealized gain on investments, net of tax	137	109
Unrealized gain (loss) on forward contracts, net of tax	--	39
Minimum pension liability, net of tax	(105)	(110)
	$3,294	$2,626

NOTE 6 - INVENTORIES:

Inventories consist of the following:

	(in thousands)	
	March 31, 2007	June 30, 2006
Raw materials	$14,594	$11,285
In process	4,689	4,236
Finished goods	11,386	7,136
	$30,669	$22,657

Foreign currency translation effects increased inventories by $432 from June 30, 2006 to March 31, 2007.

NOTE 7 -- GOODWILL/OTHER INTANGIBLE ASSETS:

The changes in the carrying amount of goodwill for the nine months ended March 31, 2007 are as follows:

	(in thousands)		
	Gross Carrying	Accumulated	Net

	Amount	Amortization	Book Value
Balance as of July 1, 2006	$14,478	$3,419	$11,059
Purchase of Oxy-Dry	9,480	--	9,480
Effects of currency translation	168	(35)	203
Balance as of March 31, 2007	$24,126	$3,384	$20,742

Intangible assets subject to amortization are comprised of the following:

	(in thousands)			
	As of March 31, 2007		As of June 30, 2006	
Intangible Assets:	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents and trademarks	$ 8,225	$5,302	$7,686	$4,996
Customer relationship	528	12	--	--
Trademark	1,645	20	--	--
Existing product technology	4,499	100	--	--
Non-compete/solicitation agreements	73	4	--	--
Other	1,636	935	1,397	778
Total	$16,606	$6,373	$9,083	$5,774

Amortization expense associated with these intangible assets was $307 and $599, respectively, for the three and nine months ended March 31, 2007 and $118 and $360, respectively, for the three and nine months ended March 31, 2006. The Other category is included in "Other Assets" on the accompanying consolidated balance sheets.

NOTE 8 - PENSION AND OTHER POST-RETIREMENT BENEFITS:

The following table sets forth the components of net periodic benefit costs for the Company's defined benefit plans for the three and nine months ended March 31, 2007 and 2006:

	(in thousands)			
	Pension Benefits For the three months ended March 31,		Pension Benefits For the nine months ended March 31,	
	2007	2006	2007	2006

Service cost	$71	$64	$213	$192
Interest cost	12	12	36	36
Expected return on plan assets	(4)	(4)	(12)	(12)
Amortization of transition obligation	(1)	3	(3)	9
Amortization of net actuarial gain	(1)	(3)	(3)	(9)
Net periodic benefit cost	$77	$72	$231	$216

During the nine months ended March 31, 2007 and 2006 the Company made contributions to the plans of $531 and $307, respectively. During the nine months ended March 31, 2007, the Company recognized $147 of income before tax, in Other Income, related to the cancellation of an insurance contract in Japan used to fund a supplemental retirement obligation. Of the $147 of income before tax recognized, $143 ($83 after tax) is related to income earned in prior periods.

NOTE 9 - CUSTOMERS:

During the three and nine months ended March 31, 2007, one customer accounted for more than 10% of the Company's net sales. Koenig and Bauer Aktiengesellschaft ("KBA") accounted for approximately 15% and 18% of the Company's net sales for the three and nine months ended March 31, 2007, respectively, and 17% for both the three and nine months ended March 31, 2006.

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NOTE 10 - WARRANTY RESERVE:

The Company's standard contractual warranty provisions are to repair or replace, at the Company's option, product that is proven to be defective. The Company estimates its warranty costs as a percentage of revenues on a product by product basis, based on actual historical experience within the Company. Hence, the Company accrues estimated warranty costs, included in other accounts payable and accrued liabilities, at the time of sale. In addition, should the Company become aware of a specific potential warranty claim, a specific charge is recorded and accounted for separate from the percent of revenue discussed above.

	(in thousands) Warranty Reserve	
	2007	2006
Warranty reserve at June 30, 2006 and 2005	$ 3,049	$ 2,840
Additional warranty expense accruals	2,398	2,610
Payments against reserve	(3,092)	(2,685)
Acquired Oxy-Dry balance	1,983	0
Effects of currency rate fluctuations	84	(18)
Warranty reserve at March 31, 2007 and 2006	$ 4,422	$ 2,747

NOTE 11 - ACQUISITION:

On November 21, 2006 the Company completed its previously announced acquisition of Oxy-Dry Corporation. Oxy-Dry is a global supplier of accessories and controls to the printing industry. The acquisition strengthens the Company's presence in its core market of accessories and controls by affording it the ability to provide a broader range of product offerings to its customers. Aggregate and preliminary consideration paid, in cash, at closing consisted of a purchase price of approximately $18,000, working capital and other contract related adjustments of $1,077, subject to post closing adjustments and $1,452 in fees and expenses. Determination of the final purchase price is subject to the completion of an audit of the closing consolidated balance sheet and income statement of Oxy-Dry as stated in the calculation and payment adjustment section of the stock purchase agreement.

The table below represents the preliminary allocation of the total consideration to the Oxy-Dry tangible and identifiable intangible assets and liabilities based on the Company's assessment of their respective fair values as of the date of acquisition. The preliminary valuation, presented below, is subject to change based upon finalization of the post closing adjustments.

	(in thousands)
Cash	$ 2,287
Accounts receivable	7,136
Inventory	5,960
Other assets	914
Property, plant and equipment	2,149
Identifiable intangible assets	6,745
Accounts payable	(1,723)
Deposits	(2,156)
Accrued expenses	(7,360)
Liabilities assumed	(3,000)
Deferred taxes	1,248
Other liabilities	(1,151)
Total fair value of net assets acquired	11,049
Goodwill	$ 9,480

Identifiable intangibles include product technology, $4,499 (15 year life), trade name $1,645 (30 year life), customer relationships $528 (13 year life), and non-compete agreements $73 (5 year life).

On December 20, 2006, the Company committed to the principal features of a plan to restructure and integrate the operations of MTC Corporation and its wholly-owned subsidiary Oxy-Dry Corporation. The objective is to achieve operational efficiencies and eliminate redundant costs resulting from the acquisition as well as to achieve greater efficiency in sales, marketing, administrative and operational activities, primarily in Germany, the United States and the United Kingdom. In particular, the U.S. and U.K. plan involves consolidation of former Oxy-Dry leased locations into existing Company locations. In addition, the plan in the U.S. and U.K. includes elimination of redundant manufacturing and support personnel. In Germany, the plan consists of consolidation and elimination of support functions while maintaining the former Oxy-Dry manufacturing location. The actions under the plan commenced during December 2006; and the Company expects to substantially complete the plan by the end of the Company's current fiscal year. The liabilities recognized in connection with the acquisition include $2,300 of employee termination and associated costs and $700 of facilities and other one-time costs included in other accounts payable and accrued liabilities.

The results of the acquisition of Oxy-Dry have been included in the consolidated financial statements since the date of acquisition November 21, 2006.

The following unaudited pro forma consolidated financial information reflects the results of operations for the three and nine months ended March 31, 2007 and 2006 as if the acquisition of Oxy-Dry had occurred at the beginning of each period, after giving effect to certain purchase accounting adjustments, including assumed amortization of acquired intangibles and higher interest expense due to higher debt level. These pro forma results are not necessarily indicative of what the Company's operating results would have been had the acquisition actually taken place at the beginning of each period.

	(in thousands, except per share data)			
	For the three months ended March 31,		For the nine months ended March 31,	
	2007	2006	2007	2006
Revenue	53,211	54,786	158,574	162,347
Net income	1,296	730	927	2,835
Income per share - basic	$ 0.09	$ 0.05	$ 0.06	$ 0.19
Income per share - diluted	$ 0.08	$ 0.05	$ 0.06	$ 0.18

NOTE 12 - STOCK BASED COMPENSATION:

Pursuant to SFAS123(R) "Share-Based Payment", companies must recognize the cost of employee services received in exchange for awards of equity instruments based on the grant date fair value of those awards.

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Total share-based compensation for the three and nine months ended March 31, 2007 and 2006 are summarized in the following table:

	(in thousands)			
	For the three months ended March 31,		For the nine months ended March 31,	
	2007	2006	2007	2006

Share based compensation				
Stock options	$100	$153	$291	$256
Restricted stock	106	46	267	76
Total share-based compensation	$206	$199	$558	$332

NOTE 13 - RESTRUCTURING:

On December 20, 2006, the Company committed to the principal features of a plan to restructure some of its existing operations. The objective is to achieve operational efficiencies and eliminate redundant costs resulting from the acquisition of Oxy-Dry (See Note 11) as well as to achieve greater efficiency in sales, marketing, administrative and operational activities, primarily in Germany, the United States and the United Kingdom. The actions under the plan commenced in December 2006; and the Company expects to substantially complete the plan by the end of the Company's current fiscal year.

Activity related to the restructuring plan during the nine months ended March 31, 2007 included in other accounts payable and accrued liabilities is as follows:

(in thousands)	Initial Reserve	Payment against Reserve	Balance at March 31, 2007
Restructuring costs:			
Employee termination costs	$810	$260	$550
Contract termination costs	72	--	72
Other associated costs	112	14	98
Total restructuring costs	$994	$274	$720

NOTE 14 - SUBSEQUENT EVENT:

On April 11, 2007 the Company announced that it had acquired Hildebrand Systeme GmbH, a leader in the field of high performance web cleaning systems, for approximately $2.5 million in cash.

BALDWIN TECHNOLOGY COMPANY, INC.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

OVERVIEW

Baldwin Technology Company, Inc. is a leading global manufacturer of press accessories and controls for the commercial and newspaper printing industries. Baldwin offers its customers a broad range of market-leading technologies, products and systems that enhance the quality of printed products and improve the economic and environmental efficiency of printing presses. Headquartered in Shelton, CT, the Company has sales and service centers and product development and manufacturing operations in the Americas, Asia and Europe. Baldwin's technology and products include cleaning systems, fluid management and ink control systems, web press protection systems and drying systems.

The Company manages its business as one reportable business segment built around its core competency in accessories and controls.

On November 21, 2006 the company completed its previously announced acquisition of the Oxy-Dry group of companies ("Oxy-Dry"). Aggregate and preliminary consideration paid, in cash, at closing consisted of a purchase price of approximately $18,000,000, working capital and other contract related adjustments $1,077,000, subject to post closing adjustments and $1,452,000 in fees and expenses. Oxy-Dry, a privately held company with annual sales of approximately $38,000,000 produces accessories and controls for the printing industry. The results of the acquired company are included in the financial statements as reported and are addressed specifically in the discussion below.

In conjunction with the Oxy Dry transaction, and as previously announced, the Company also negotiated a new credit facility consisting of a term loan of $15,000,000 and a $35,000,000 revolving line of credit. Proceeds of the new facility were used to finance the acquisition and extinguish the Company's existing credit facility.

For the three and nine months ended March 31, 2007 net sales were $53,211,000 and $144,586,000, respectively, representing approximately a 17% and 10% improvement, respectively, over the previous year's corresponding period as reported. Revenues during the three and nine month periods, have been favorably impacted by the acquisition of Oxy-Dry and currency exchange rates as more fully described in the sections below. During the three and nine months periods, sales have been negatively impacted by lower domestic demand in the newspaper and commercial print markets in Japan and reduced newspaper project activity with OEM customers particularly in the spray dampening product offering in Europe.

For the three and nine months ended March 31, 2007 and 2006, gross margins as reported remained stable at approximately 33%, while operating income as reported remained stable at about 5% to 6% of sales.

During the nine months ended March 31, 2007 the Company recorded a restructuring charge of $994,000. In addition, the interest expense increased in both the three and nine months ended March 31, 2007 versus the previous year's corresponding periods as a result of higher debt levels associated with the acquisition of Oxy-Dry.

Since the Company has made significant progress in its integration plans, the numbers presented for the acquired entity exclude the numbers for the now fully integrated U.S. accessories and control business of Oxy-Dry, except for the discussion on net sales.

THREE MONTHS ENDED MARCH 31, 2007 VS. THREE MONTHS ENDED MARCH 31, 2006

CONSOLIDATED RESULTS

NET SALES

Net sales for the three months ended March 31, 2007, excluding the acquisition of Oxy-Dry increased by $1,048,000, or 2.3%, to $46,495,000 from $45,447,000 for the three months ended March 31, 2006. Currency rate fluctuations attributable to the Company's overseas operations increased net sales by $1,911,000 in the current period; otherwise, net sales would have decreased by $863,000 or 1.9%. Sales of the acquired operations for the three months ended March 31, 2007 of $6,716,000 brought reported sales to $53,211,000.

The net sales decrease (adjusted for currency effects) reflects lower sales volumes in Europe $1,400,000 and the Americas $447,000 partially offset by increased revenues in Asia $983,000. In Europe, the decrease in demand for the Company's cleaning and spray dampening systems in the newspaper markets primarily account for the decreased revenue. In the Americas decreased demand in the commercial market for cleaning systems decreased shipments in the U.S. Partially offsetting these declines were higher revenues in Asia, primarily due to higher revenue for cleaning systems in the Japanese commercial printing market.

GROSS PROFIT

Gross profit for the three months ended March 31, 2007, excluding the effects of the acquisition, was $15,908,000 (34.2% of net sales) as compared to $15,063,000 (33.1% of net sales) for the three months ended March 31, 2006, an increase of $845,000 or 5.6%. Currency rate fluctuations increased gross profit by $748,000 in the current period. Excluding the effects of currency rate fluctuations, gross profit would have remained relatively flat for the quarter as reduced volumes and under absorption of overhead in Germany and Sweden were offset by higher volumes and lower material costs in Japan. Gross profit of $1,529,000 of the acquired business brought reported gross profit to $17,437,000.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses, (SG&A), excluding the acquired company were approximately $8,931,000 (19.2% of net sales) for the three months ended March 31, 2007 as compared to $8,606,000 (18.9% of net sales) for the same period in the prior fiscal year, an increase of $325,000 or 3.8%. Currency rate fluctuations increased these expenses by $309,000 in the current period; otherwise, selling, general and administrative expenses would have remained relatively flat. Selling expenses decreased by $807,000. This decrease is mainly due to lower commissions, trade show, advertising and subcontractor costs in the current year period. General and administrative expenses increased by $823,000. This increase is primarily due to higher severance, recruiting, tax, audit, and compliance costs partially offset by lower incentive compensation accruals. Selling, General and Administrative expenses of the acquired company of $1,097,000 brought total reported SG&A expenses to $10,028,000 as reported.

ENGINEERING AND DEVELOPMENT EXPENSES

Engineering and development expenses, excluding $243,000 for the acquired company, increased by $466,000 over the three months ended March 31, 2007. Currency rate fluctuations increased these expenses by $238,000 in the current period. Excluding the effects of currency rate fluctuations, engineering and development expenses would have increased by $228,000 in the current period. This increase relates primarily to higher product management costs in Japan. As a percentage of net sales, engineering and development expenses as reported remained relatively flat at approximately 8.0% for the three months ended March 31, 2007 compared to the three months ended March 31, 2006.

INTEREST AND OTHER

Interest expense for the three months ended March 31, 2007 was $749,000 as compared to $256,000 for the three months ended March 31, 2006. Currency rate fluctuations increased interest expense by $30,000 in the current period. Otherwise, interest expense would have increased by $463,000. This increase reflects the higher debt level of approximately $16,000,000 versus the debt level for the period ended March 31, 2006. In addition, interest expense for the three months ended March 31, 2007 included $105,000 amortization of capitalized finance costs. As noted above, the increase in debt is primarily associated with the acquisition of Oxy-Dry in late November 2006. Interest income amounted to $44,000 and $31,000 for the three months ended March 31, 2007 and 2006, respectively.

Other income (expense), net, amounted to expense of $220,000 for the three months ended March 31, 2007 compared to income of $43,000 for the three months ended March 31, 2006. Other income (expense), net, for the three months ended March 31, 2007 and 2006, respectively, includes: net foreign currency transaction (losses) of $(174,000) and gains of $5,000.

INCOME TAXES

The Company recorded an income tax provision of $941,000 for the three months ended March 31, 2007 as compared to $993,000 for the three months ended March 31, 2006. The effective tax rate of 42.1% for the three months ended March 31, 2007 differs from the statutory rate and the 36.3 % March 31, 2006 rate. The rate differences reflect the distribution of taxable income in higher tax jurisdictions and no recognition of tax benefit for losses incurred in certain countries as the realization of such benefits was not more likely than not. Additionally, the quarter ended March 31, 2007 includes a net benefit of $265,000 related to several discrete items, including the reversal of valuation allowance in the UK and France as realization of the deferred tax assets in those countries was deemed to be more likely than not. The quarter ended March 31, 2006 was negatively impacted by discrete items totaling approximately $200,000.

NET INCOME

The Company's net income amounted to $1,296,000 for the three months ended March 31, 2007, compared to a net income of $1,745,000 for the three months ended March 31, 2006. Currency rate fluctuations increased net income by $150,000 in the current period. Net income per share amounted to $0.09 basic and $0.08 diluted for the three months ended March 31, 2007, as compared to a net income per share of $0.12 basic and $0.11 diluted for the three months ended March 31, 2006.

NINE MONTHS ENDED MARCH 31, 2007 VS. NINE MONTHS ENDED MARCH 31, 2006

CONSOLIDATED RESULTS

NET SALES

Net sales for the nine months ended March 31, 2007, excluding the acquisition of Oxy-Dry, increased by $1,627,000, or 1.2%, to $133,545,000 from $131,918,000 for the nine months ended March 31, 2006. Currency rate fluctuations attributable to the Company's overseas operations increased net sales by $4,479,000 in the current period; otherwise, net

sales would have decreased by $2,852,000 or 2.2%. Sales of the acquired operations for the nine months ended March 31, 2007 of $11,041,000 brought reported sales to $144,586,000.

The net sales decrease, excluding the effects of the acquisition and currency effects, reflects decreased sales in Europe, $1,826,000, particularly in Germany, as a result of lower demand for cleaning systems in the commercial market. In the Americas, particularly the U.S., sales decreased $650,000 again driven by lower demand in the commercial market for cleaning systems. In Asia, particularly Japan, net sales decreased $378,000 as softness in the Japanese newspaper market for spray dampening equipment was partially offset by higher cleaning systems sales and by the market served by the Company's Australian subsidiary.

GROSS PROFIT

Gross profit for the nine months ended March 31, 2007, excluding the acquisition was $44,800,000 (33.5% of net sales) as compared to $43,905,000 (33.2% of net sales) for the nine months ended March 31, 2006, an increase of $895,000 or 2.0%. Currency rate fluctuations increased gross profit by $1,882,000 in the current period. Excluding the effects of currency rate fluctuation, gross profit would have decreased by $987,000. Gross profit as a percentage of net sales decreased primarily as a result of the lower sales volumes noted above, unfavorable cost absorption associated with the lower volume coupled with higher technical service costs. Gross profit of $2,517,000 of the acquired business brought reported gross profit to $47,317,000.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses (SG&A), excluding the acquisition, amounted to $25,533,000 (19.1% of net sales) for the nine months ended March 31, 2007 as compared to $25,331,000 (19.2% of net sales) for the same period in the prior fiscal year, an increase of $202,000. Currency rate fluctuations increased these expenses by $771,000 in the current period. Otherwise, selling, general and administrative expenses would have decreased by $569,000. Selling expenses decreased by $1,140,000. This decrease is primarily driven by decreased travel costs, commissions, and trade show expenses. General and administrative expenses increased by $571,000. This increase primarily reflects increased cost for professional services (related to compliance, tax, audit and other financial services), severance costs, stock-based compensation costs, recruiting and relocation costs, partially offset by reduced incentive compensation accruals. Selling, general and administrative expense of $1,629,000 of the acquired company brought reported SG&A expense to $27,162,000.

ENGINEERING AND DEVELOPMENT EXPENSES

Engineering and development expenses, excluding $257,000 of expenses of the acquired company, increased $781,000 over the same period in the prior fiscal year. Currency rate fluctuations increased these expenses by $509,000 in the current period. Excluding the effects of currency rate fluctuations, engineering and development expenses would have increased by $272,000 in the current period. This increase related primarily to higher employee compensation and related costs associated with product management activities. As a percentage of net sales, engineering and development expenses as reported remained at approximately 8.4% for the nine months ended March 31, 2007 and March 31, 2006.

RESTRUCTURING

The Company recorded $994,000 of restructuring costs during the nine months ended March 31, 2007 versus $0 in the comparable prior year period. The restructuring plan, designed to achieve efficiencies in sales, marketing, administrative and operational activities primarily in Germany, the U.S and the U.K., included employee termination costs of $710,000, facility and lease termination costs of $175,000 and other associated cost of $109,000.

INTEREST AND OTHER

Interest expense for the nine months ended March 31, 2007 was $1,532,000 as compared to $803,000 for the nine months ended March 31, 2006. Currency rate fluctuations increased interest expense by $68,000 in the current period. Otherwise, interest expense would have increased by $661,000. This increase reflects the higher debt level of approximately $16,000 versus the period ended March 31, 2006. In addition, interest expense for the nine months ended March 31, 2007 included $142,000 amortization of capitalized finance costs. As noted above, the increase in debt is primarily associated with the acquisition of Oxy-Dry in late November 2006. Interest income amounted to $132,000 and $92,000 for the nine months ended March 31, 2007 and 2006, respectively.

Net royalty income for the nine months ended March 31, 2007 was $0 as compared to $200,000 for the nine months ended March 31, 2006. The income in fiscal year 2006 was as a result of final royalty payments and true ups for a group of patents which were the source of the royalty income.

Other income (expense), net, amounted to expense of $169,000 for the nine months ended March 31, 2007 compared to expense of $36,000 for the nine months ended March 31, 2006. Other income (expense), net, for the nine months ended March 31, 2007 and 2006, respectively, included: net foreign currency transaction (losses) of ($324,000) and ($115,000). In addition, the nine months ended March 31, 2007 includes income related to the cancellation of an insurance contract in Japan of $147,000 of which $143,000 is related to income earned in prior periods.

INCOME TAXES

The Company recorded an income tax provision of $2,395,000 for the nine months ended March 31, 2007 as compared to $2,571,000 for the nine months ended March 31, 2006. The effective tax rate of 44.4% for the nine months ended March 31, 2007 and 37.3 % for the nine months ended March 31, 2006 differs from the statutory rate and is impacted by taxable income earned in higher tax jurisdictions in which tax loss carry-forwards were not available and no recognition of tax benefit for losses incurred in certain countries as the realization of such benefits was not more likely than not. Additionally, the nine months ended March 31, 2007 reflects reversal of the valuation allowance in the U.K. and France as the realization of deferred tax assets in those countries is more likely than not offset by charges related to international tax audits in Germany and France. The Company continues to assess the need for its deferred tax asset valuation allowance in the jurisdictions in which it operates. Any adjustments to the deferred tax asset valuation allowance either positive or negative would be recorded in the income statement of the period that the adjustment was determined to be required. In particular, the Company is monitoring positive earnings trends and other positive evidence in the U.S. to determine if such trends could possibly require a reversal of the valuation allowance in the U.S.

NET INCOME

The Company's net income amounted to $3,024,000 for the nine months ended March 31, 2007, compared to $4,321,000 for the nine months ended March 31, 2006. Currency rate fluctuations increased net income by $404,000 in the current period. Net income per share amounted to $0.20 basic and $0.19 diluted for the nine months ended March 31, 2007, as compared to net income per share of $0.29 basic and $0.28 diluted for the nine months ended March 31, 2006.

LIQUIDITY AND CAPITAL RESOURCES AT MARCH 31, 2007

Cash flows from operating, investing and financing activities, as reflected in the nine months ended March 31 in the Consolidated Statement of Cash Flows, are summarized as follows:

Cash provided by (used for):	2007	2006
Operating activities	$ 1,118,000	$ 4,145,000
Investing activities	(19,372,000)	(926,000)
Financing activities	18,390,000	(1,284,000)
Effect of exchange rate changes on cash	156,000	(319,000)
Net increase in cash and cash equivalents	$ 292,000	$ 1,616,000

Cash provided by operating activities decreased $3,027,000 during the nine months ended March 31, 2007 versus the prior year period. This decrease primarily reflects the timing of accounts payable, lower customer deposits and restructuring payments partially offset by improved collections on accounts receivable.

The Company utilized $19,372,000 for investing activities for the nine months ended March 31, 2007. The amount utilized during the nine month period ended March 31, 2007 primarily reflects the acquisition of Oxy-Dry, (net of acquired cash) $18,242,000. In addition cash utilized for investing includes additions to property, plant and equipment and patents and trademarks of $1,130,000 and $926,000 for the nine months ended March 31, 2007 and 2006, respectively.

On November 21, 2006 the Company entered into a credit agreement (the "Agreement") with LaSalle Bank National Association ("LaSalle"). Under the terms of the Agreement, the Company received a $35,000,000 bridge loan, the proceeds of which were used to refinance the Company's previously existing obligations with Maple Bank GmbH and fund the acquisition of Oxy-Dry and associated closing cost. The Agreement provided for the bridge loan to be converted to a permanent facility, consisting of a $15,000,000 term loan (the "Term Loan") and $35,000,000 of revolving lines of credit. On January 19, 2007, the Company initiated a draw on this permanent financing facility using the proceeds to repay the aforementioned bridge loan and associated interest. The term of the permanent facility is for a period of five years maturing on November 21, 2011.

Commencing on February 21, 2007, the Company must repay the Term Loan in quarterly installments as defined in the Agreement through November 21, 2011.

Interest rates under the permanent facility, depending on which option the Company exercises under the Agreement, are based on London Interbank Offering Rates ("LIBOR") or, in the case of U.S., dollar loans at the prime rate. Loans based on LIBOR bear interest at LIBOR plus i) 2.50% when total debt to EBITDA ratio is greater than 3.00:1 ii) 2.25% when total debt to EBITDA ratio is greater than 2.50:1 but less than or equal to 3.00:1 iii) 2.00% when total debt to EBITDA ration is greater than 2.00:1 but less than or equal to 2.50:1 and, iv) 1.75% when total debt to EBITDA ratio is less than or equal to 2.00:1. Loans base on the prime rate bear interest at the prime rate plus i) 1.00% when total debt to EBITDA ratio is greater than 3.00:1 ii) 0.75% when total debt to EBITDA ratio is greater than 2.50:1 but less than or equal to 3.00:1 iii) 0.50% when total debt to EBITDA ratio is greater than 2.00:1 but less than or equal to 2.50:1 and, iv) 0.25% when total debt to EBITDA ratio is less than or equal to 2.00:1.

The Agreement requires the Company to maintain minimum EBITDA, Fixed Charge Coverage Ratio and Total Funded Debt Ratio. The Agreement provides that total EBITDA, as defined in the Agreement, must not be less than i) $10,000,000 for each of the computation periods ending on December 31, 2006 and March 31, 2007 ii) to not be less than $11,000,000 for each of the computation periods ending on June 30, 2007 and September 30, 2007 and iii) any computation period ending on December 31, 2007 and thereafter to not to be less than $12,000,000. The Fixed Charge Coverage Ratio, as defined in the Agreement, shall not be less than 1.25 to 1.0 commencing with the computation period ending on December 31, 2006. Total Funded Debt Ratio, as defined in the Agreement, i) shall not exceed 3.50 to 1.0 for any

computation period ending on or after December 31, 2006 and on or before March 31, 2009 and ii) shall not exceed 3.00 to 1.0 for any computation period on or after June 30, 2009.

Borrowings under the Agreement in the U.S. are secured by substantially all of the domestic assets and in Europe by a pledge of the stock of the Company's European subsidiaries.

The Company incurred $2,100,000 of deferred financing costs in association with the refinancing which are being amortized over the 60 months.

In addition, during the quarter ended December 31, 2006 the Company announced a restructuring plan of some of its existing locations and integration plan of the acquired company, in an effort to achieve operational efficiencies and eliminate redundant costs in sales, marketing, administrative and operational activities. The Company expects to incur aggregate cash expenditures of approximately $4,600,000 primarily during fiscal year 2007 in relationship to these actions. Annual estimate savings from these actions is approximately $3,700,000.

The Company maintains relationships with both foreign and domestic banks, which combined have extended credit facilities to the Company totaling $54,861,000. As of March 31, 2007, the Company had $33,705,000 (including letters of credit) outstanding under these credit facilities.

In addition, on April 19, 2007 the Company entered into a $5,000,000 credit facility with a foreign lender. Interest under the agreement for Euro based borrowings is at 7.50% and 8.75% for U.S. dollar based borrowings.

The Company believes that its cash flows from operations, along with the available bank lines of credit and alternative sources of borrowings, if necessary, are sufficient to finance its working capital and other capital requirements through the term of the LaSalle Agreement.

At March 31, 2007 and June 30, 2006, the Company did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance entities, special purpose entities or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, the Company is not exposed to any financing, liquidity, market or credit risk that could arise if the Company had engaged in such relationships.

The following summarizes the Company's contractual obligations at March 31, 2007 and the effect such obligations are expected to have on its liquidity and cash flow in future periods (in thousands):

		Fiscal Years ending June 30,				
	Total at March 31, 2007	2007*	2008	2009	2010	201
Contractual Obligations:						
Loans payable	$ 3,394	$3,394	$ --	$ --	$ --	$
Capital lease obligations	453	33	125	119	105	
Long-term debt (1)	27,834	633	2,341	2,951	3,365	4,1
Non-cancelable operating lease obligations	25,050	1,565	4,806	3,735	2,576	2,0
Restructuring and integration payments	3,252	2,238	870	144	--	
Interest expense (2)	8,466	707	2,121	1,932	1,691	1,4
Total contractual cash obligations	$68,449	$8,570	$10,263	$8,881	$7,737	$7,6

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* Includes only the remaining three months of the fiscal year ending June 30, 2007.

(1) refer to Footnote 3 for additional information related to the long term debt

(2) the anticipated future interest payments are based on the Company's current indebtedness and interest rates at March 31, 2007, with consideration given to debt reduction as the result of expected payments.

IMPACT OF INFLATION

The Company's results are affected by the impact of inflation on manufacturing and operating costs. Historically, the Company has used selling price adjustments, cost containment programs and improved operating efficiencies to offset the otherwise negative impact of inflation on its operations.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK:

A discussion of market risk exposures is included in Part II Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006. There have been no material changes during the three months ended March 31, 2007.

ITEM 4: CONTROLS AND PROCEDURES:

The Company maintains disclosure controls and procedures designed to ensure that the information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of these disclosure controls and procedures as of the end of our fiscal quarter March 31, 2007, the period covered by this report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to achieve their stated purpose. However, there is no assurance that the Company's disclosure controls and procedures will operate effectively under all circumstances. No changes were made to the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2007, that have materially affected, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1A. RISK FACTORS

Information regarding risk factors is contained in Item 1A "Risk Factors" and Exhibit 99 filed with the Company's Report on Form 10-K for the fiscal year ended June 30, 2006. There have been no material changes in the Company's risk factors from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2006.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There has been no activity under the Company's stock repurchase program for the quarter ended March 31, 2007.

ITEM 5: OTHER INFORMATION

Baldwin Technology Company, Inc. (the "Company") and various of its subsidiaries entered into a Credit Agreement with the Baden-Wurttembergesche Bank (the "Bank") effective April 19, 2007 under which the Bank agreed to make available to the Company a credit facility in the amount of 5 million euro. Unless sooner terminated, the Credit Agreement will terminate on February 28, 2008. Interest rates payable on loans are at 7.50% for euro based borrowings and 8.75% for U.S. dollar based borrowings.

ITEM 6. EXHIBITS

31.01 Certification of the Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

31.02 Certification of the Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

32.01 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (filed herewith).

32.02 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BALDWIN TECHNOLOGY COMPANY, INC.

BY /s/ John P. Jordan

Vice President, Chief Financial Officer and Treasurer

Dated: May 15, 2007