

PRESS RELEASE

from Schaltbau Holding AG, Munich

Schaltbau Group reports sales increase and sharp earnings improvements for first six months of year

- Order intake and order book both higher than in the previous year
- Negative organic growth more than offset by the impact of acquisitions
- EBIT negatively affected by project delays and acquisitions – exceptional one-time gain on consolidation nevertheless gives rise to record earnings

Munich, 24 July 2014 – Based on provisional figures, the Schaltbau Group increased order intake by 6.7 per cent to €227.7 million in the first six months of 2014. Group sales edged up by 1.6 per cent to €196.7 million during the same period. Sales generated by the Polish subsidiary RAWAG, which has been fully consolidated since April, and by ALTE Technologies, the operations of which have been included since the end of April, were the main sources of growth. Adjusted for the impact of first-time consolidation, the order book grew by 3.2 per cent, while sales went down by 4.5 per cent.

The modest organic sales performance in the six-month period was attributable to a large extent to project postponements. The volume of business recorded in the Rail Infrastructure business field was particularly down on the previous year, reflecting the fact – among other factors – that some of the orders anticipated in conjunction with the required modernisation of signalling and safety systems were not issued. Door and brake systems business was slightly down on the previous year's comparable figure. Component sales came very close to the previous year's high level, with the dip in sales in North America mostly offset by additional sales in Europe and China.

The profit from operating activities (EBIT) fell to €12.3 million (January to June 2013: €17.6 million), with RAWAG making a positive contribution to the six-month result. In addition to

the impact of project postponements, earnings were held down in particular by substantial upfront expenditure for future growth as well as by expenses for projects, for which sales will only be recognised from 2015 onwards. Acquisition-related expenses also had a negative impact on earnings. In addition to these factors, personnel and non-personnel expenditure rose in connection with the modernisation of the enterprise's IT infrastructure. The operations taken over from ALTE Technologies also adversely affected EBIT during the period under report.

These negative factors were more than compensated by the revaluation gain recognised on the 42.6 per cent shareholding in RAWAG already held prior to the acquisition of a majority shareholding. The one-time gain of €11.8 million included in the result from investments contributed to profit before tax of €23.2 million (January to June 2013: €16.6 million) and to group net profit of €20.3 million. The profit attributable to shareholders of Schaltbau Holding AG amounted to €18.0 million or €2.93 (January to June 2013: €1.71) per share.

As previously announced, the forecast for the full year is now for sales of approximately €425 million, EBIT in the region of €31 million and earnings per share of €4.15. “The current EBIT margin of 7.3 per cent reflects some temporary negative factors and, above all, our substantial investments in growth,” pointed out Dr Jürgen H. Cammann, Spokesman of the Executive Board. “As from 2015 we will begin to reap the benefits.”

The Interim Report for the six-month period to 30 June 2014 will be published on 11 August.

Contact:

Wolfdieter Bloch • Schaltbau Holding AG • Hollerithstr. 5 • 81829 Munich, Germany
Tel: +49 89 93005 209 • Fax: +49 89 93005 318 • E-mail: bloch@schaltbau.de