

PRESS RELEASE

Muehlhan publishes 2013 annual result

- **Group forges ahead with restructuring**
- **Consolidated sales and EBIT increased**
- **Upward trend expected to continue**

Hamburg, 3 April 2014 - The Muehlhan Group (Entry Standard; ISIN DE000A0KD0F7) succeeded in continuing its upward trend during fiscal year 2013, despite continuing difficulties in the maritime markets. With higher sales in all regions, the Group reported earnings of €1.5 million. Consolidated sales increased 12% to €207.8 million and EBIT improved by €0.7 million to €5.2 million. Consolidated after-tax income improved from €0.1 million to €1.5 million.

The improved earnings data confirm the decision by the Executive Board and the Supervisory Board to respond to the decline in the maritime segment by shifting the Group's focus to the Oil & Gas and Industry segments. At the same time, the positive earnings trend reflects management's persistent, albeit unglamorous, work on numerous operating parameters.

A regional breakdown shows that sales again rose significantly in **Europe**, increasing 11.1% to €167.7 million. The EBIT remained at a high level of €9.8 million.

Sales in **America** stood at €19.2 million, €2.9 million higher than in the previous year – despite the fact that two companies ceased operations. EBIT improved from -€0.6 million to €2.9 million, €2.3 million of which represented settlements from two pending lawsuits.

In **Asia and the Middle East**, Muehlhan managed to increase sales from €18.8 million to €20.4 million, in spite of massive problems in China and Qatar. The disappointing business performance and lack of future prospects in both locations led to the closure of businesses in the Ship Newbuilding and Ship Repair segments. In addition to operating losses totaling €1.8 million, the Group's EBIT figure was impacted by closure charges and impairment losses to goodwill totaling €3.3 million. For the Asian region as a whole, the Group posted EBIT of -€4.7 million, compared to -€1.5 million the previous year.

The **Ship Newbuilding** segment continued to suffer from poor market conditions. However, this segment recovered during the second half, thanks again to the restructuring success by Muehlhan Deutschland. Overall, though, the segment reported a loss of €0.8 million on sales of €28.9 million.

The **Ship Repair** segment was unable to repeat its 2012 sales performance and result. Ship Newbuilding and Ship Repair together now account for only 32% of consolidated sales; due to the impairment loss to goodwill, their contribution to earnings was a negative €0.5 million.

The **Energy** business segment reported the biggest increase in earnings, despite the negative impact of the loss of helicopter capacity in the North Sea. Its contribution to earnings rose from -€0.1 million to €2.7 million.



Sales in the **Industry** segment again increased by 37% to €49.7 million, placing sales in this business segment on the same level as sales in the Energy business segment. During the year under review, the return was an unsatisfactory 1%.

Both of the businesses included in the **Other Services** segment, Scaffolding and Steel Construction, reported stable sales and earnings, contributing €40.6 million to consolidated sales and €5.3 million to the Group's EBIT.

During the past year, the bond covenants and the terms of the working capital loan were satisfied at all times, as during the previous year. Efforts to refinance were suspended, as the high cost of redeeming the existing bond would be justifiable only if this would result in a significant increase in financial flexibility. That is not necessary at this time.

The Executive Board believes the Group is on the right track for 2014 and future years. It is proceeding on the assumption that the Muehlhan Group will be able to reinforce and expand on the current upward trend – both in sales and earnings.

For additional information on fiscal year 2013 and the detailed outlook for 2014, please consult the Annual Report published on 3 April 2014.

The Company's key financial indicators are shown in the following table:

in EUR million	Fiscal year 2013	Fiscal year 2012
Sales	207.8	186.2
EBITDA	13.4	10.7
EBIT	5.2	4.5
Net profit for the year	1.5	0.1
Cash flow	12.6	9.9
Fixed assets	39.7	42.4
Equity	58.3	57.8
Equity ratio in %	52	51
Balance sheet total	112.7	113.5
Employees (annual average)	2,390	2,266

About Muehlhan: Worldwide, the Muehlhan Group is a reliable partner in industrial services and high-quality surface protection. As one of the few full-service providers, we offer our customers a broad range of services designed to meet the exacting quality standards expected in professional industrial services. Our customers benefit from our exceptional organizational skills, on-time delivery, the technical expertise that differentiates us from our competitors and our more than 130 years of experience.

Our operations are divided into five business segments: Ship Newbuilding, Ship Repair, Energy, Industry and Other Services. With our workforce of more than 2,300 employees at over 30 locations worldwide, we generated sales revenues of €208 million in 2013. We intend to use this stable foundation to further expand our business in the coming years and to continue moving our Group forward through proximity to our customers in the global market. For more information, visit www.muehlhan.com.

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