

PRESS RELEASE

Muehlhan AG publishes Q1 2013 interim results

- Sales increase of 6.4%, EBIT improved by € 0.5 million
- After consolidation, North America once again driving earnings

Hamburg, 14 May 2013 - Muehlhan AG (Entry Standard; ISIN DE000A0KD0F7) completed the first quarter with sales revenue of € 46.0 million (prior year: € 43.2 million) with earnings before interest and taxes (EBIT) of € 0.4 million (prior year: € -0.1 million). Owing to high interest expense resulting from corporate bond and continued above average tax expense, earnings after taxes amounted to € -0.4 million.

As is the case with many other companies in the industry, the extremely long winter led to distinct additional expenditures that impacted first quarter earnings. Nonetheless, in the traditionally weak first quarter, EBIT significantly increased as compared to the negative start to the prior year.

A **geographic analysis** of sales revenue and earnings (EBIT) shows a differentiated picture:

Europe, with an around 80% share in the Group's core region sales, was able virtually to reach the budgeted sales targets, even recording a slight increase at € 36.7 million as compared to the prior year (€ 35.5 million). The earnings side, however, felt the extremely long winter, which required additional expenditures in almost all European Muehlhan companies, leading to the corresponding impact on earnings. At € 0.5 million (prior year: € 2.1 million), EBIT in the European companies was therefore accordingly low.

In **North America**, on the other hand, the Group made distinct progress both in regard to sales at € 4.9 million (prior year: € 3.6 million) and EBIT at € 1.4 million (prior year: € -0.6 million). A one-time effect of some € 0.5 million resulting from the favorable outcome of a litigation also contributed to a higher EBIT. However, earnings to date have distinctly improved even without this one-time effect.

In the **Middle East** and **Asia** regions, on the other hand, because of order postponements (Middle East) and weakness in the industry (China), sales continued to trend below expectations at € 4.0 million (prior year: € 4.1 million). Accordingly, at € -0.6 million (prior year: € -0.3 million), EBIT was also distinctly disappointing.

In the **business segments**, with sales of € 7.0 million in the first quarter of 2013 the shrinking **Ship Newbuilding** segment, which has faced difficulties since the financial crisis, remained at the same level as last year (€ 6.9 million). However, because of two large orders in Germany that

impacted earnings, at € -1.3 million the EBIT figure is below the even earnings of last year (€ 0.0 million).

The opposite applies in the **Ship Repair** segment. In this area, in spite of the continuing repair backlog and the associated decline in sales to € 9.2 million (prior year: € 10.2 million), Muehlhan's earnings rose to € 1.1 million (prior year: € 0.1 million).

In the **Energy** segment, sales in the first quarter of 2013 amounted to a total of € 10.0 million as compared to € 10.7 million in the previous year. EBIT amounts to € -0.2 million, (previous year: € -0.1 million). In addition to the long winter, this segment was affected by extraordinary events in the North Sea oil and gas business. A no-fly order for supply helicopters of a specific type as a result of an emergency water landing as well as a leak on a North Sea platform significantly reduced the activities of our offshore personnel.

The **Industrial segment business**, which also includes infrastructure projects, performed better in the first quarter as concerns both sales and earnings. Sales rose to € 10.6 million (prior year: € 7.2 million), EBIT improved to reach € 1.0 million as compared to € 0.4 million in the prior year. A substantial part of this growth was due to our successful participation in the key New Oakland Bay Bridge project.

The **Other Services** segment delivered a stable sales and earnings contribution also in the first quarter of 2013. In addition to steel construction work for maritime and industrial customers, this business segment also includes scaffolding and access technology services. At € 8.6 million, sales were € 0.3 million above those of the previous year (€ 8.3 million). However, and mostly due to weather conditions, earnings decreased from € 0.9 million to € 0.7 million. Order postponements were seen especially in the scaffolding construction in the high margin civil engineering and industrial construction segments.

In spite of the usual mixed start into the new financial year, a profit of € 0.4 million was achieved in the first quarter of 2013 (prior year: € -0.1 million). While taking all influencing factors into account, the Board maintains its forecast for 2013. For 2013, earnings before interest and taxes (EBIT) of between € 3.0 million and € 6.0 million are expected based on a total sales volume of between € 180 million and € 200 million.

The most significant corporate key figures are set forth in the following table:

In € '000s	1. 1st quarter 2013	1. 1st quarter 2012
Sales revenue	45,996	43,232
EBITDA	1,762	1,479
EBIT	420	-114
EBT	-115	-700
Earnings per share in €	-0.01	-0.04
Consolidated earnings after non-controlling interests	-248	-836
Cash flow	1,992	1,572
	31. March 2013	31. December 2012
Fixed assets	42,604	42,369
Equity	57,603	57,761
Balance sheet total	109,425	113,547
Headcount (average)	2,304	2,266

About Muehlhan:

Worldwide, the Muehlhan Group is a reliable partner for 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 standard expected in professional industrial services. Our customers benefit from our exceptional organizational skills, the technical expertise that differentiates us from our competitors and our more than 130 years of experience.

Our operations are divided into five business fields: Ship Newbuilding, Ship Repair, Energy, Industry and Other Services. With our workforce of over 2,200 employees we generated a turnover of € 186m in about 30 locations worldwide in 2012. We intend to use this stable foundation to further expand our business in the coming years and to continue to move our company forward through our proximity to our customers in the global market.

More information at www.muehlhan.com.

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