

PRESS RELEASE

from Schaltbau Holding AG, Munich

- **Schaltbau Group reports significantly higher EBIT margin for 2010**
- **First quarter 2011 better than expected – international base strengthened**

Munich, 20 April 2011 – After a successful year in 2009, the Schaltbau continued to perform well in the fiscal year 2010. With revenues up and benefits of scale coming through in the form of lower costs, EBIT increased by € 3.5 million to € 23.8 million. The EBIT margin improved accordingly from 7.5% to 8.5%. As highlighted by Dr Jürgen Cammann, Spokesman of the Executive Board of Schaltbau Holding AG, at the Accounts Press Conference in Munich, group net profit for the year climbed by € 0.7 million to € 14.8 million.

The profit attributable to shareholders of Schaltbau Holding AG amounted to € 12.1 million, only marginally down on the previous year's figure of € 12.3 million, despite the previous year's figure having included the gain on the sale of the investment in Bode Beijing. Earnings per share of € 6.50 were well above management's own expectations for the fiscal year 2010. Based on this performance, the Executive Board and Supervisory Board will propose to the shareholders at the Annual General Meeting that a dividend of € 1.10 per share be paid, continued Dr Cammann. The figure is € 0.40 up on the previous year, when Schaltbau, alongside the normal dividend of € 0.50, additionally paid a special dividend of € 0.20 per share related to the gain on the sale of Bode Beijing.

Parallel to these developments, balance sheet ratios for the Schaltbau Group have continued to improve. The equity ratio improved from 12.2% to 17.5% at the balance sheet date 2010. Including participation rights capital, which is similar in nature to equity, the group equity in economic terms was 21.2% at the end of 2010. Net liabilities to banks decreased by € 2.4 million to € 31.5 million, despite working capital having increased from € 53.8 million to € 66.8 million.

Despite a modest start to the first quarter 2010, order-intake for the full year rose by 14.7% to € 288.7 million, with all segments contributing to the increase at double-digit growth rates. Revenues went up by 3.9% to € 280.4 million.

Looking ahead, Dr Cammann explained that, in spite of the global recovery, some economic risks still persist on the main markets on which the Schaltbau Group does business. In his opinion a major source of uncertainty emanates from extremely high public sector debt levels in many countries. It is therefore likely to have a negative impact on infrastructure capital expenditure in various countries, regardless of the growing need for public transportation in the light of increasing urbanisation and rising crude oil prices. However, developments are predicted to differ significantly from one region to the next. "For this reason we see it as

essential to diversify and internationalise our regional business basis to an even greater degree," explained Dr Cammann. "We will not make any rash decisions, but move ahead in thoughtful, measured steps, as in the past.

In keeping with this strategy, the Schaltbau Group acquired a majority interest in Bode Corp. at the beginning of 2010 with a view to purposefully stepping up its activities on the highly promising rail and bus market in North America. The remaining 50% of the shares of Schaltbau North America Inc. were acquired at the beginning of 2011, further strengthening the Group's position in the components business segment in North America. Furthermore, the joint venture contract relating to Xi'an Schaltbau Electric Corporation Ltd. has also been extended to 2024, earlier than the foreseen date. "The signing secures our long-term position in China," stated Dr Cammann. In another move, the Group's involvement in the bus and train door business in Eastern Europe has been expanded by increasing the investment in the Polish company Rawag to 30%.

Order-intake for the Schaltbau Group in the first quarter 2011 rose to a record level of € 101.1 million, almost 30% ahead of the previous year's figure of € 78.2 million. Revenues for the three-month period increased from € 62.1 million to € 74.1 million, with all lines of business making their contribution. The operating profit (EBIT) jumped to € 7.2 million (January – March 2010: € 4.2 million) on the back of the good revenues performance. Group net profit for the period rose to € 7.1 million (January – March 2010: € 2.5 million), also benefitting from exceptional gains arising on consolidation and from measurement gains in the result from investments totalling approximately € 2 million. The first-quarter profit attributable to shareholders of Schaltbau Holding AG amounted to € 6.1 million, as compared with € 1.9 million in the previous year, while earnings per share rose from € 1.01 to € 3.21. Working capital went up from € 66.4 million to € 76.9 million as a result of the increase in revenues and timing factors around the period-end, pushing up the balance sheet total to € 200.8 million (31 December 2010: € 189.6 million). The equity ratio nevertheless improved to 20.5% (31 December 2010: 17.5%) thanks to the net profit for the period and the conversion of convertible bonds (€ 2.1 million).

Based on the better-than-expected business performance and in view of the continuing positive outlook for the coming months – assuming that underlying business conditions remain unchanged – the Executive Board of Schaltbau Holding AG has raised its forecast for the financial year 2011. Group revenues are now expected to rise to approximately € 300 million in 2011 (previous forecast: € 290 million). EBIT is now predicted at € 26.0 million (previous forecast: € 23.5 million) and group net profit at € 18.6 million (previous forecast: € 15.8 million), helped by the exceptional first-quarter gains mentioned above. Earnings per share are accordingly expected to amount to € 8.00 per share. The forecast is made on the assumption that the convertible bond 2007/2012 will be fully converted.

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