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Schaltbau Group again lowers earnings forecast for 2016 and announces guidance for 2017

Munich, 9 November 2016 – In view of continually falling demand on the highly profitable Chinese market during the year, Schaltbau's Components segment is predicted to experience an unexpectedly steep decline in sales in the fourth quarter due to a significant reduction in orders from China's railway authority. Affected are both the joint venture in Xian, of which Schaltbau GmbH has a 50 per cent shareholding, and Schaltbau's export business directly from Germany. Furthermore, worsening sales performance in both the Mobile Transportation Technology segment and the Brake Systems business field again in the fourth quarter is having an impact on the Group's profitability.

At the same time, the Executive Board has decided to tackle earnings problems in several Schaltbau subsidiaries by introducing restructuring programmes aimed at optimising processes and reducing costs in various Group entities.

For the fiscal year 2016, the Schaltbau Group therefore now expects profit before financial result and taxes to total € 10.2 million after the most recent forecast of € 21 million (originally: € 41.5 million). Group net profit is now expected to come in at € 5.4 million after recently forecasting € 11 million (originally: € 27.3 million). Earnings per share are now predicted to amount to € 0.28 (originally: € 3.50). Schaltbau has adjusted its sales target downwards to around € 500 million. The Executive Board will submit a proposal to the Supervisory Board not to pay a dividend for 2016.

In 2017, the Schaltbau Group aims to report sales of € 550 million. The contributions of Albatros, which was newly consolidated in 2016, will fully impact the 12-month period for the first time. According to the Group's forecast, profit before financial result and taxes (EBIT) should be in the region of € 27.5 million. Here, strongly declining demand from the Chinese market and continued sluggish order placement in the Rail Infrastructure business field have made themselves felt. Group net profit for the year is forecast at € 16.0 million and earnings per share at around € 2.00.

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