



## PRESS RELEASE

### SHW AG reports record figures for financial year 2011

- Group revenues grow by 24.2 percent to € 360.6 million between January and December 2011
- Consolidated net income for the year climbed 25.8 percent to € 17.0 million
- Net bank debt reduced to € 8.6 million

Aalen, 15 February 2012. SHW AG, one of the leading suppliers of CO<sub>2</sub>-relevant pumps and engine components as well as brake discs, today presented the preliminary, unaudited key financial figures for the year 2011. After a strong Q4 2011, both Group revenues and consolidated net income for the year reached new record levels.

Group revenues rose by 24.2 percent to € 360.6 million (previous year: € 290.3 million). This increase is attributable to a multitude of production start-ups and the high capacity utilisation of the existing production facilities. Consolidated net income for the year climbed to € 17.0 million (previous year: € 13.5 million). Earnings per share amounted to € 2.93 (previous year: € 2.46). Between January and December 2011, Group operating result before interest and taxes (adjusted EBIT) increased by € 3.4 million to € 26.2 million. At 7.3 percent, the EBIT margin was below the previous year's 7.8 percent. This was mainly due to additional expenses incurred in conjunction with the start-up of a large number of new production lines.

"This first fiscal year of SHW AG after the IPO was very successful," said CEO Dr. Wolfgang Krause, who is in charge of the Pumps and Engine Components business segment.

### Further reduction in net liabilities to banks in spite of increased investments

Due to the large number of start-ups in the financial year 2011, investments in property, plant and equipment increased from € 7.5 million to € 18.8 million. At the same time, research and development costs rose by 38.4 percent to € 5.2 million (previous year: € 3.8 million).

"Despite those significant investments we have been able to generate positive free cash flow. This allowed us to reduce net bank debt from € 13.4 million to a low € 8.6 million," said Oliver Albrecht, CFO of SHW. "The equity ratio improved from 22.6 percent to 31.7 percent."



### **Strong growth in both business segments**

Revenues in the Pumps and Engine Components business segment were up by 26.8 percent on the previous year to € 268.3 million (previous year: € 211.6 million). Reporting a 25.6 percent increase in revenues, the Passenger Car division benefited from the high demand for variable oil pumps and start-stop pumps as well as numerous production start-ups. The Truck & Off-Highway division continued the strong growth of the previous quarters and boosted its revenues by 36.6 percent to € 31.7 million. Operating result before interest and taxes (adjusted EBIT) for the Pumps and Engine Components business segment climbed by € 3.6 million between January and December 2011 and reached a new record level of € 26.7 million. The EBIT margin declined from 10.9 percent to 10.0 percent due to increased start-up costs.

Revenues in the Brake Discs business segment rose by 17.2 percent to € 92.2 million (previous year: € 78.7 million). This increase is primarily attributable to increased demand by one third for processed brake discs. The business segment's operating result before interest and taxes (adjusted EBIT) climbed € 0.2 million to € 0.8 million. "Indeed, we were able to improve on the previous year. Due to the higher coke prices and additional expenses for the start-up of a new production line, operating margin was still unsatisfying", said Andreas Rydzewski, member of the Management Board and in charge of the Brake Discs business segment. "With continued good capacity utilization, however, we expect a further increase in earnings in 2012."

### **Good start into the current fiscal year**

The signs for the current financial year are promising. "The high level of incoming orders in the fourth quarter of 2011 will support the continued growth of SHW in the first quarter of the current fiscal year," said Dr. Wolfgang Krause. "We are well positioned for the future as our products essentially contribute to the necessary reduction of CO<sub>2</sub> emissions of motor vehicles."

The entire financial statements for the year 2011 and the outlook on the year 2012 will be published together with SHW's annual report on 27 March 2012.



## Preliminary figures for financial year 2011

<b>Key figures - SHW Group</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Revenues	360,6	290,3	24,2%
EBITDA	33,9	30,7	10,3%
as % of revenues	9,4%	10,6%	
EBIT	23,8	20,2	17,8%
as % of revenues	6,6%	7,0%	
Net profit	17,0	13,5	25,8%
Adjusted EBITDA <sup>1)</sup>	36,1	32,3	11,7%
as % of revenues	10,0%	11,1%	
Adj. EBIT <sup>1)</sup>	26,2	22,8	14,9%
as % of revenues	7,3%	7,8%	
Equity	55,1	35,8	54,1%
Equity ratio	31,7%	22,6%	
Net bank debt	8,6	13,4	-35,6%

<b>Key figures - Pumps and Engine Components</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Revenues	268,3	211,6	26,8%
EBITDA	33,7	29,5	14,0%
as % of revenues	12,5%	14,0%	
EBIT	26,7	22,2	20,0%
as % of revenues	9,9%	10,5%	
Adj. EBITDA <sup>1)</sup>	33,7	29,6	13,8%
as % of revenues	12,5%	14,0%	
Adj. EBIT <sup>1)</sup>	26,7	23,1	15,6%
as % of revenues	10,0%	10,9%	

<b>Key figures - Brake Discs</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Revenues	92,2	78,7	17,2%
EBITDA	3,6	3,3	8,7%
as % of revenues	3,9%	4,2%	
EBIT	0,7	0,3	145,4%
as % of revenues	0,7%	0,3%	
Adj. EBITDA <sup>1)</sup>	3,6	3,4	3,5%
as % of revenues	3,9%	4,4%	
Adj. EBIT <sup>1)</sup>	0,8	0,6	37,0%
as % of revenues	0,9%	0,7%	

- 1) 2011: Adjusted for IPO costs and depreciation and amortisation as a result of purchase price allocation  
2010: Adjusted for depreciation and amortisation as a result of purchase price allocation, restructuring expenses and expenses from bargaining agreement with works council



### **About SHW**

The enterprise was established in 1365, making it one of the oldest industrial enterprises in Germany. Today, the SHW Group is a leading supplier for the automotive industry with products that contribute to a reduction of fuel consumption and consequently CO<sub>2</sub> emissions. In its Pumps and Engine Components business segment, the SHW Group develops and produces pumps for passenger vehicles and truck and off-highway applications, e.g. trucks, farm and construction vehicles, stationary motors and wind power stations. The Brake Discs business segment develops and produces monobloc ventilated brake discs made of cast iron and lightweight brake discs made from a combination of an iron friction ring and an aluminium pot. Customers of the SHW Group include leading producers of passenger cars and commercial vehicles with manufacturing facilities in Europe and North America. The SHW Group has four manufacturing sites in Germany, located in Bad Schussenried, Aalen-Wasseralfingen, Tuttlingen-Ludwigstal and Neuhausen ob Eck. Via its 50 percent interest in the Canadian company STT Technologies Inc., the company also has production sites in Canada and Mexico. With more than 1,000 employees, the SHW Group generated approx. € 360 million in revenues in 2011. Further information is available at: [www.shw.de](http://www.shw.de)

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### **Future-oriented statements**

This press release contains certain future-oriented statements that are based upon current assumptions and forecasts made by the management of SHW AG. Various known and unknown risks, uncertainties and other factors may lead to the actual results, financial position, development or performance of the company deviating considerably from the appraisals specified here. The company assumes no obligation to update future-oriented statements of this nature or adapt them to future events or developments.

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