



PRESS RELEASE

SHW AG confirms positive outlook for 2012

- Groups sales grow by 13.3 percent to € 202.0 million in the first half of 2012
- Group earnings before interest, taxes, depreciation and amortisation (EBITDA) climb 22.8 percent to € 23.2 million
- Low leverage supports profitable realization of the growth strategy

Aalen, 6 August 2012. SHW AG, one of the leading suppliers of CO₂-relevant pumps and engine components as well as brake discs, continued its success story in the first half of 2012, when both Group sales and Group net income for the period reached new record levels.

Group sales improved by 13.3 percent to € 202.2 million (previous year: € 178.2 million). This growth is mainly attributable to a large number of production start-ups and the stable demand of SHW customers. Group earnings before interest, taxes, depreciation and amortisation (EBITDA) in the January to June 2012 period were up by € 4.3 million on the previous year¹ to € 23.2 million. At 11.5 percent, the EBITDA margin clearly exceeded the prior year level of 10.6 percent. Net income for the period rose by 16.2 percent to € 11.1 million (previous year: € 9.5 million). Earnings per share amounted to € 1.90 (previous year: € 1.66).

“The good half-year figures reconfirm our consequent orientation on CO₂-relevant products,” said CEO Dr. Wolfgang Krause, who is in charge of the Pumps and Engine Components business segment. “The European Commission has just presented much stricter CO₂ targets for the year 2020, which will benefit SHW.”

Further improved equity ratio; low leverage ratio

At the six-month stage of the financial year 2012, the net assets and financial position of SHW was again very solid. The equity ratio stood at 34.1 percent on 30 June 2012, compared to 29.1 percent in the previous year.

Due to upcoming production start-ups, investments in the first six months of 2012 climbed from € 8.5 million to € 8.9 million. “In spite of the high investments and the dividend distribution of € 5.9 million, our leverage ratio – the relation between net bank debt and EBITDA – stands at a very low 0.44,” emphasised CFO Oliver Albrecht. “This gives us a high degree of financial flexibility and is the basis for our ability to invest and the profitable realization of our growth strategy in the coming years.”

¹ In the first half of the previous year, EBITDA was adjusted by IPO costs of € 2.2 million.



Pumps and Engine Components business segment remains main growth driver

First-half sales in the Pumps and Engine Components business segment were up by 19.8 percent on the previous year to € 156.1 million (previous year: € 130.3 million). Reporting a 25.0 percent increase in sales to € 125.7 million, the Passenger Car division benefited from high demand for variable oil pumps and start-stop pumps and the production start of an oil/vacuum pump. EBITDA in the Pumps and Engine Components business segment were up by € 3.9 million to € 20.6 million in the January to June 2012 period. The EBITDA margin improved from 12.8 percent to 13.2 percent.

Sales in the Brake Discs business segment decreased by 4.3 percent to € 45.8 million (previous year: € 47.9 million). At € 3.1 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) were on a par with the previous year. The EBITDA margin increased from 6.4 percent in the previous year to 6.9 percent. "The measures initiated to improve our profitability are increasingly bearing fruit," said Andreas Rydzewski, member of the Management Board and in charge of the Brake Discs business segment. "An EBIT margin of 4.3 percent in the second quarter of 2012 means that we have come a great deal closer to our target range."

Guidance confirmed

The risks to the economy – especially for the Eurozone – increased again in the second quarter as the sovereign debt crisis remains unsolved. According to industry experts, this will reduce the output of light vehicles (vehicles < 6 t) in the European Union by about 5 percent. SHW will probably not be able to isolate itself entirely from such a trend. "But the good first-half figures make us confident that we will reach the targets we have set ourselves for this year," said Dr. Wolfgang Krause. "At this stage, we expect to generate Group sales of between € 370 and 385 million." If this sales growth is achieved, Group earnings before interest, taxes, depreciation and amortisation (EBITDA) should grow at a slightly higher rate than sales.



H1 2012 figures (in K EUR)

Key figures - SHW Group	Q2 2012	Q2 2011	Change in %	H1 2012	H1 2011	Change in %
Sales	101.484	89.713	13.1%	201.968	178.194	13.3%
EBITDA	11.979	8.991	33.2%	23.159	16.695	38.7%
as % of sales	11.8%	10.0%		11.5%	9.4%	
EBIT	8.375	6.463	29.6%	16.195	11.531	40.4%
as % of sales	8.3%	7.2%		8.0%	6.5%	
Net income for the period	5.893	6.497	-9.3%	11.093	9.547	16.2%
Earnings per share (in €) ¹⁾	1.01	1.11	-9.3%	1.90	1.66	14.1%
Adjusted EBITDA ²⁾	11.979	10.017	19.6%	23.159	18.863	22.8%
as % of sales	11.8%	11.2%		11.5%	10.6%	
Adjusted EBIT ²⁾	8.415	7.529	11.8%	16.275	13.779	18.1%
as % of sales	8.3%	8.4%		8.1%	7.7%	
Cash flow from operating activities	7.097	7.684	-7.6%	5.705	8.289	-31.2%
Cash flow from operating activities / sales	7.0%	8.6%		2.8%	4.7%	
Equity	-	-		60.703	46.796	29.7%
Equity ratio	-	-		34.1%	29.1%	
Net bank debt as of 30 June	-	-		17.574	13.641	28.8%
Key figures - Pumps and Engine Components	Q2 2012	Q2 2011	Change in %	H1 2012	H1 2011	Change in %
Sales	78.755	66.958	17.6%	156.128	130.288	19.8%
EBITDA	10.808	9.048	19.5%	20.593	16.724	23.1%
as % of sales	13.7%	13.5%		13.2%	12.8%	
EBIT	8.018	7.365	8.9%	15.255	13.266	15.0%
as % of sales	10.2%	11.0%		9.8%	10.2%	
Adjusted EBITDA ²⁾	10.808	9.048	19.5%	20.593	16.724	23.1%
as % of sales	13.7%	13.5%		13.2%	12.8%	
Adjusted EBIT ²⁾	8.028	7.375	8.9%	15.275	13.286	15.0%
as % of sales	10.2%	11.0%		9.8%	10.2%	
Key figures - Brake Discs	Q2 2012	Q2 2011	Change in %	H1 2012	H1 2011	Change in %
Sales	22.729	22.755	-0.1%	45.840	47.906	-4.3%
EBITDA	1.743	1.347	29.4%	3.142	3.060	2.7%
as % of sales	7.7%	5.9%		6.9%	6.4%	
EBIT	0.967	0.581	66.4%	1.592	1.528	4.2%
as % of sales	4.3%	2.6%		3.5%	3.2%	
Adjusted EBITDA ²⁾	1.743	1.347	29.4%	3.142	3.060	2.7%
as % of sales	7.7%	5.9%		6.9%	6.4%	
Adjusted EBIT ²⁾	0.997	0.611	63.2%	1.652	1.588	4.0%
as % of sales	4.4%	2.7%		3.6%	3.3%	

¹⁾ Q2/2011: on the basis of an average of 5,851,100 shares; H1/2011: on the basis of an average of 5,744,412 shares; 2012: on the basis of an average of 5,851,100 shares.

²⁾ 2012: Adjusted for depreciation arising from purchase price allocation; 2011: adjusted for IPO costs and depreciation arising from purchase price allocation.



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 CO₂ 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 sales in 2011. Further information is available at: www.shw.de

Contact person

Michael Schickling

Head of Investor Relations & Corporate Communications

SHW AG

Telephone: +49 (0) 7361 502 462

Email: michael.schickling@shw.de

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