



EANS-Adhoc: RHI AG / Results of the third quarter 2014

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Financial Figures/Balance Sheet

In the third quarter of 2014 the RHI Group's revenues declined by 4.9% compared with the second quarter of 2014 and amounted to EUR 415.6 million. This is primarily due to a lack of new construction business in the Industrial Division and postponements of planned installations to the fourth quarter of 2014.

As a result of weaker business in the Industrial Division, the operating result dropped from EUR 37.7 million in the preceding quarter to EUR 28.3 million in the third quarter of 2014. Consequently, the operating result margin decreased from 8.6% to 6.8% in the past quarter.

EBIT amounted to EUR 25.3 million in the third quarter of 2014 and includes restructuring costs of EUR 3.0 million, which resulted from the closure of the plant in Duisburg, Germany. Contrary to the original plans regarding the winding-up of the site, no appropriate utilization options have arisen for the use of existing plant and equipment.

9M/2014 - comparative period 2013 includes net income from termination of US Chapter 11 proceedings

In the first nine months of the year 2014, revenues of the RHI Group were down 3.3% on the comparative period of 2013 and amounted to EUR 1,254.7 million. While revenues of the Steel Division decreased slightly by 0.4%, the Industrial Division recorded a drop in revenues of 9.9% year-on-year due to the weak development of new construction projects. Especially the contribution to revenues of the nonferrous metals business unit dropped sharply as a result of lower metal prices and that of the glass business unit due to low investment activities in the relevant customer industries.

The operating result of the RHI Group in the first nine months of this year totaled EUR 100.1 million and was thus 8.0% lower than in the comparative period of 2013, at EUR 108.8 million. While the Steel Division benefited from an improved product mix of higher-grade products and better utilization of fixed costs as a result of the closure of the site in Duisburg, Germany, at the beginning of the financial year, the operating result of the Industrial Division decreased as a result of low construction activities and the related lower capacity utilization in the production plants. The operating result margin declined from 8.4% in the first nine months of the year 2013 to 8.0% in the current financial year.

EBIT amounted to EUR 97.4 million in the first nine months of the current year and includes restructuring costs amounting to EUR 3.5 million, which result from the closure of the plant in Duisburg, Germany, and income from the reversal of provisions of EUR 0.8 million due to a reassessment of the scope of obligations in the context of the termination of the US Chapter 11 proceedings in the previous year. In the comparative period of 2013, EBIT included among other things restructuring provisions amounting to EUR 19.0 million, which were formed for the announced closure of the site in Duisburg, Germany, and net income of EUR 76.2 million from the termination of the US Chapter 11 proceedings.

At September 30, 2014, equity amounted to EUR 506.1 million, compared with EUR 485.5 million at December 31, 2013. The equity ratio consequently rose from 28.2% at the end of the financial year 2013 to 28.5% at September 30, 2014. Cash and cash equivalents decreased from EUR 112.4 million to EUR 90.5 million, which was among other things due to the dividend payment of EUR 29.9 million and the increase in working capital compared with December 31, 2013. Payment from the *Schuldscheindarlehen* of EUR 170 million was received in early October. Net debt rose from EUR 422.9 million at the beginning of the year to EUR 451.2 million.

Net cash flow from operating activities totaled EUR 40.1 million in the first nine months of 2014, after EUR 117.0 million in the comparative period of 2013. This is primarily attributable to a strong increase in working capital in the

course of the year and payments of roughly EUR 12 million made in the context of the social plan related to the closure of the plant in Duisburg, Germany.

Outlook

Provided that the macroeconomic environment and exchange rates remain stable, RHI expects similar revenues in the fourth quarter of 2014 as in the fourth quarter of 2013. In the Industrial Division, the fourth quarter should bring the highest revenues of the current financial year.

For the full year 2014, RHI expects revenues slightly below and an operating result slightly above the level of the previous year. Due to a decrease in production volume, RHI is currently evaluating the closure of a site in Europe as part of the plant concept. As a result, the reported EBIT margin may decline by 0.5 percentage points in the full year 2014 due to possible restructuring costs arising in this context.

in EUR million	9M/2014	9M/2013	Delta	Q3/2014	Q2/2014	Delta
Revenues	1,254.7	1,298.1	(3.3)%	415.6	436.8	(4.9)%
EBITDA	148.1	218.3	(32.2)%	43.1	54.8	(21.4)%
EBITDA margin	11.8%	16.8%	(5.0)pp	10.4%	12.5%	(2.1)pp
Operating result 1)	100.1	108.8	(8.0)%	28.3	37.7	(24.9)%
Operating result margin	8.0%	8.4%	(0.4)pp	6.8%	8.6%	(1.8)pp
EBIT	97.4	164.1	(40.6)%	25.3	38.5	(34.3)%
EBIT margin	7.8%	12.6%	(4.8)pp	6.1%	8.8%	(2.7)pp
Result before income taxes	80.7	141.4	(42.9)%	18.1	33.8	(46.4)%
Result from continued operations	51.6	101.2	(49.0)%	9.0	22.8	(60.5)%

1) EBIT before impairment and restructuring expenses and result from Chapter 11 proceedings

The report for the third quarter of 2014 is available for download on the RHI website: [www.rhi-ag.com/ Investor Relations / Financial Reports](http://www.rhi-ag.com/Investor%20Relations/Financial%20Reports)

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