

Three-Month-Results 2016

United Power Technology: Positive revenue development due to stronger demand for commercial generators in the first quarter of 2016

- **Revenue increase of 8.7 per cent to 29.2 million Euros**
- **EBIT of 2.1 million Euros due to foreign exchange loss**
- **Positive outlook for 2016 confirmed**

Eschborn, Germany, May 31, 2016 – United Power Technology AG (United Power), one of the leading manufacturers of engine-driven power equipment in China, had a positive start into the 2016 fiscal year. United Power achieved a revenue growth in the first three months of 8.7 per cent to a total of 29.2 million Euros (3M 2015: 26.9 million Euros). The main reason for this increase was a strong demand for commercial generators especially in China and other regions. In terms of RMB, the functional currency of the Company, revenue increased by even 14.5 per cent.

However, while the sales figures continued to improve, the on-going consolidation process in the industry triggering downward price adjustments further impacted the profitability of United Power. In this light, the company was able to keep the gross profit stable at the previous year's level at 4.2 million Euros. In line with the expectations, the gross profit margin decreased by 1.3 percentage points to 14.4 per cent in the first three months of 2016 (3M 2015: 15.7 per cent). The EBIT in the first three months of 2016 amounted to 2.1 million Euros (3M 2015: 4.1 million Euros). The decrease was mainly due to foreign exchange losses that incurred this year, while the company posted 1.7 million Euros foreign exchange gains for the first quarter of last year. As a result, the EBIT margin declined to 7.2 per cent (3M 2015: 15.1 per cent). The profit for the reporting period amounted to 1.2 million Euros (3M 2015: 3.1 million Euros).

Cash and cash equivalents were 18.4 million Euros as at March 31, 2016, which represents a decrease of 7.2 per cent from 19.8 million Euros as at December 31, 2015. This was due to a partial repayment of a bank loan.

“We are pleased to see an increasing market demand for our commercial generators. Despite the lower profitability, altogether we are confident that over the course of the full 2016 fiscal year, we will be able to catch up the downturn in the earnings development. Therefore, we confirm our financial outlook for the 2016 fiscal year”, says Zhong Jiayang, CFO of United Power Technology AG.

The complete interim statement for the first three months of 2016 of United Power Technology AG is available under the following link: http://www.unitedpower.de.com/en/ip_node/4.

About United Power Technology Group

United Power Technology Group designs, develops, manufactures and sells engines and an extensive range of engine-driven power equipment, including generators, outdoor power equipment, as well as components. Its major products comprise residential as well as commercial generators, which are currently delivered to end users in more than 70 countries around the world. The operational companies of United Power Technology Group are incorporated under the laws of the People's Republic of China and located in Fuzhou and Shanghai, China.

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