

Half-Year-Results 2016

United Power Technology reports a significant decline in revenue and profitability for the first six months of 2016

- **Revenue decrease of 14.6 per cent to 53.5 million Euros**
- **A drop in EBIT of 56.0 per cent to 3.4 million Euros**
- **Revised outlook for full financial year 2016 confirmed**

Eschborn, Germany, August 18, 2016 – United Power Technology AG (United Power), one of the leading manufacturers of engine-driven power equipment in China, reports a significant decline in revenue and profitability for the first six months of 2016. The main driver of these results were the adverse-market conditions that have already burdened the demand for engine-driven power equipment for quite some time. In addition to that, a stronger Euro compared to the same period last year further impacted the company's results. Thus, in terms of United Power's functional currency RMB, revenue declined by 9.3 per cent.

Due to these circumstances revenue in the reporting period decreased by 14.6 per cent to 53.5 million Euros (H1 2015: 62.6 million Euros). According to the overall lower demand, which was amplified by further price reductions for some of United Power's products, the EBIT for the first six months of 2016 decreased to 3.4 million Euros. Year-on-year this represents a decline of 56.0 per cent (H1 2015: 7.7 million Euros). Thus, the corresponding EBIT margin dropped from 12.3 per cent to 6.3 per cent. Finally, the Group's profit for the period decreased by 61.4 per cent to 2.0 million Euros as it was 5.1 million Euros in the first six months 2015.

Cash and cash equivalents amounted to 16.5 million Euros as of June 30, 2016. This represents a decline of 3.3 million Euros since the end of the fiscal year 2015. In the same time the Group's total equity decreased to 133.4 million Euros (December 31, 2015: 136.7 million Euros).

On the basis of preliminary results, which were published on August 2, 2016, United Power had already revised its guidance for the full financial year 2016 and confirms this revised outlook. For the full financial year 2016 the Group thus expects revenue to fall between 20 and 30 per cent with the gross profit margin to decrease between 2 to 4 percentage points and the EBIT margin to decline by up to 9 percentage points.

The complete report on the first six 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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