

Nine-Month-Results 2016

United Power Technology: Revenue and profitability decline in the first nine months of 2016 in line with expectations

- **Revenue decreased by 27.8 per cent to 66.0 million Euros**
- **EBIT dropped by 69.2 per cent to 3.1 million Euros**
- **Results in line with the outlook for full financial year as revised in August 2016**

Eschborn, Germany, November 17, 2016 – United Power Technology AG (United Power), one of the leading manufacturers of engine-driven power equipment in China, reports a decline in revenue and profitability for the first nine months of 2016. Year-on-year the revenues decreased by 25.3 million Euros to 66.0 million Euros representing a decline of 27.8 per cent. The main driver for this result is the prolonged industrial contraction that has already burdened the demand for engine-driven power equipment during the last year. At United Power's portfolio the commercial as well as the residential sector in particular faced a sharp decline.

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 nine months of 2016 decreased to 3.1 million Euros. Year-on-year this represents a decline of 69.2 per cent (9M 2015: 10.1 million Euros). Thus, the corresponding EBIT margin dropped from 11.1 per cent to 4.7 per cent. Year-on-Year the Group's profit for the period decreased by 77.4 per cent to 1.5 million Euros as it was 6.7 million Euros in the first nine months 2015.

Cash and cash equivalents amounted to 25.0 million Euros as of September 30, 2016. This represents an increase of 5.2 million Euros since the end of the fiscal year 2015. In the same time the Group's total equity decreased to 131.7 million Euros (December 31, 2015: 136.7 million Euros).

These results are in line with the expectations of the Management Board as published in the revised guidance 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 interim statement on the first nine months of 2016 of United Power 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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