

August 18, 2010

Interim management statement acc. to § 37x WpHG within the 2nd half of fiscal year 2009/10

- **Third quarter new orders up 35 percent over previous year to €197.9 million**
- **Further strong growth in customer orders expected in fourth quarter of fiscal year 2009/10**
- **Positive operating result (EBIT) forecast for fiscal year 2009/10**

In the third quarter of fiscal year 2009/10, **new orders** received by the Schuler Group grew by 35% – from €146.5 million in the same period last year to €197.9 million. In the first nine months of the current fiscal year (October 1, 2009 to June 30, 2010) new orders amounted to €491.8 million, compared to €443.0 million in the previous year.

Orders from Germany amounted to €185.9 million in the first nine months of fiscal year 2009/10, after reaching €156.6 million in the previous year. Orders from the rest of Europe fell from €91.6 million to €64.0 million. In North and South America, the order volume rose from €49.6 million last year to €125.9 million. New orders from Asia and the rest of the world fell to €116.1 million, compared to €145.1 million in the previous year. However, Schuler received several major contracts in July 2010 from car manufacturers in China.

Consolidated **sales** in the period under review reached €447.1 million, compared to €620.8 million in the previous year.

In Germany, the Group generated revenue of €161.5 million in the first nine months of fiscal year 2009/10, compared to €255.0 million in the same prior-year period, while sales in the rest of Europe reached €71.5 million, following an amount of €125.4 million in the previous year. In North and South America, sales in the first three quarters of 2009/10 reached €97.4 million, after €146.2 million last year; in Asia and the other

regions of the world the figure amounted to €116.8 million, compared to €94.1 million last year.

Around 64% of consolidated sales were generated outside Germany, compared to around 59% in the same prior-year period.

The **order backlog** as of June 30, 2010 amounted to €551.8 million, compared to €561.9 million on the same date last year.

Earnings

Earnings before interest and taxes (EBIT) for the first three quarters of the current fiscal year amounted to €-3.6 million (prior year: €-46.5 million, including special items of €53.5 million). Earnings before taxes (EBT) in the period under review amounted to €-28.1 million, compared to €-66.9 million in the previous year. Due to the expected strong increase in sales in the final quarter of 2009/10, Schuler anticipates an improvement in earnings for this period and a positive operating result (EBIT) for the year as a whole.

Financial position

Compared to the last balance sheet date, net financial liabilities were reduced by €48.2 million to €125.5 million as of June 30, 2010. This improvement resulted mainly from funds released by a significant reduction in working capital as well as cash proceeds received in the period under review from the sale of real estate assets of the Group's Brazilian subsidiary in late September 2009.

The volume of capital expenditures remained moderate. Additions to intangible assets and property, plant and equipment amounted to €9.4 million, compared to €7.5 million in the previous year. Investments focused mainly on replacement purchases and self-created intangible assets, especially capitalized development costs for wind turbines. Depreciation and amortization allowances on non-current assets amounted to €15.5 million during the nine-month reporting period. The prior-year figure of €32.8 million included non-

scheduled write-downs of €12.0 million due to fallen market prices or decreased value in use.

Employees

As of June 30, 2010 the Schuler Group employed 4,970 people (including apprentices). This corresponds to a decrease of 362 persons compared to the end of fiscal year 2008/09 and is due to the continued implementation of measures designed to adjust capacities at the Group's various facilities. As of June 30, 2010, a total of 3,960 persons were employed in Germany (September 30, 2009: 4,275) and 1,010 abroad (September 30, 2009: 1,057).

Outlook

Schuler's order position is recovering strongly, as illustrated by the development of new orders in the third quarter of fiscal year 2009/10. The company is negotiating numerous projects in both its Automotive and Non-Automotive business, which it now expects to be converted into firm orders. Due to the typically longer lead times of the large-scale machine construction sector, there is always a certain time delay before sales improve. The current fiscal year 2009/10 is thus still a year of transition. Nevertheless, we already expect to post a positive operating result (EBIT) in the current fiscal year. Based on our very strong order position at present, we anticipate a sustained improvement in sales in fiscal year 2010/11 with a return to positive figures for all key earnings ratios.

Subsequent events

Schuler AG conducts successful capital increase

On July 15, 2010, the Board of Management and Supervisory Board of Schuler AG resolved to increase the company's capital stock by €4.55 million, from €54.6 million divided into 21 million no-par-value common bearer shares, to €59.15 million. The capital increase was made under partial utilization of authorized capital amounting to €22.75 million and in exchange for cash contributions. A total of 1.75 million no-par-value common shares made out to the bearer were issued with full dividend entitlement as of fiscal year 2009/10. Subscription rights of shareholders were excluded on the basis of the authorization in § 4 (3) of the company's articles. The new shares were subscribed by Joh.

Berenberg, Gossler & Co. KG and successfully placed with investors at an offering price of €4.20 per share by means of an accelerated bookbuilding process.

The capital increase resulted in gross issue proceeds (before deduction of commission and transaction costs) of €7.35 million for Schuler AG. The company intends to use the issue proceeds to strengthen its equity base, to reduce financial liabilities and to finance the further expansion of its Non-Automotive business.

Supervisory Board appoints Stefan Klebert as new CEO of Schuler AG

At its meeting on August 4, 2010, the Supervisory Board of Schuler AG appointed Stefan Klebert as the new CEO of Schuler AG as of October 1, 2010. Stefan Klebert will use the coming upswing to secure the company's leading position on its international markets and thus ensure attractive returns once more. As a member of the Management Board of ThyssenKrupp Services AG, he was responsible for the "Industrial Services" division from 2006 onward and replaces Juergen Tonn, who will retire on September 30, 2010 at his own request. Juergen Tonn had announced his retirement from Schuler for 2011 at the latest with the option of leaving earlier if a suitable successor was found.