

HUBER+SUHNER on solid path of growth after three quarters

Order intake and net sales after nine months

in CHF million	2016	2015	Change as %
Order intake	567.8	531.1	7
Radio Frequency	168.0	148.0	13
Fiber Optics	246.2	211.3	17
Low Frequency	153.6	171.7	-11
Net sales	558.8	534.5	5
Radio Frequency	163.8	157.4	4
Fiber Optics	230.0	210.5	9
Low Frequency	165.0	166.6	-1

After the third quarter HUBER+SUHNER once again confirms substantial growth compared with the previous year. Order intake amounted to CHF 567.8 million, representing a plus of 7%. Net sales during the same period increased by 5% to CHF 558.8 million. In organic terms, i.e. adjusted for portfolio, currency and copper effects, net sales grew by 4.4%.

The business volume was slightly below the average recorded in the first half year (order intake CHF 179.4 million, net sales CHF 177.6 million). In addition to seasonal effects two factors were mainly responsible for this: The sizeable investments in telecommunication infrastructure in India represented an important growth factor during the first semester. These roll-outs were suspended in the third quarter, leading to a temporarily lower business volume in the communication market. Implementation of these large-scale projects is likely to be resumed during the fourth quarter. In addition, the situation in the railway market continues to be restrained. The expected orders in China were further delayed. Nevertheless, the signals from the market indicate a revival in the fourth quarter in this area as well.

The business volume generated by the recently acquired business units Astrolab and Cube Optics continued at a high level. The latest acquisition, Polatis, which is active in the field of optical switching, recorded a marked increase in order intake and was able to attract reference orders from potential large-scale customers. This confirms the growing demand in the target markets. The company's main focus over the coming months is on expansion of production capacities.

Date 25 October 2016
City Herisau / Pfäffikon
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Radio Frequency continues to grow

The Radio Frequency division continued its positive development during the third quarter. After nine months, the division generated an increase of 13% in order intake and 4% in net sales compared with the previous year.

Fiber Optics records marked growth

Despite the project interruption of the LTE roll-outs in India, a plus in net sales of 9%, and of 17% in order intake resulted. The Fiber Optics division is therefore continuing the positive trend recorded in the first half year.

Low Frequency remains restrained

In the first three quarters the Low Frequency division maintained the net sales level at just under that of the previous year but recorded a significantly lower order intake due to the situation in the railway market. Net sales remained 1% lower than in the previous year and order intake dropped by 11%.

Outlook

Taking into account the project delays in India and China, HUBER+SUHNER anticipates growth in net sales for 2016 as a whole of around 5% compared with the previous year, assuming that the currency situation remains unchanged. The continuing low business volume in the railway market and the preliminary investment for rapid expansion of the production capacity of Polatis will temporarily somewhat subdue the earnings situation in the second term. For 2016 HUBER+SUHNER anticipates an EBIT margin at the upper end of the medium-term target range of 6 to 9%.

This press release can be found on our homepage under Company/Media.

HUBER+SUHNER Group

HUBER+SUHNER, a global company with headquarters in Switzerland, develops and produces components and system solutions for electrical and optical connectivity. The company serves customers in the three markets of Communication, Transportation and Industrial, providing them with cables, connectors and systems developed for the three core technologies of radio frequency, fiber optics and low frequency. HUBER+SUHNER products deliver the highest performance, quality, reliability and durability – even under the toughest external conditions. The company's global production network, combined with group companies and agencies, ensures that HUBER+SUHNER maintains a close relationship with its customers in over 60 countries. Further information on the company is available at www.hubersuhner.com.