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SVITZER CONTINUES ITS EXPANSION IN TOWAGE RESULTS ARE IMPACTED BY SALVAGE MARKET AND START UP COSTS

In highly challenged shipping and salvage markets, Svitzer delivered an underlying profit for Q2 2016 of USD 23m (USD 30m).

In the first 6 months of 2016, Svitzer expanded its market share in key markets. It is also in the midst of implementing several long term contracts in its terminal towage segment. The startup costs of new operations, including a subsequent newbuilding program, impacts Svitzer's return on invested capital (ROIC), which for the first 6 months of 2016 was satisfactory at 8.6% (11.3%). Svitzer continues to financially outperform many of its local towage competitors, not least in Europe and Australia. The salvage activities remain under pressure with low activity because of a weak salvage market.

"We are operating in very challenging shipping, salvage and offshore markets. In this environment, I am encouraged to see that we enjoy strong customer support coupled with satisfactory returns. Equally important, we are about to implement several long-term contracts in terminal towage, which will provide important future growth and income", says CEO Robert Ugglå.

Highlights (USD M) 2016	Q2		6 months	
	2016	2015	2016	2015
Revenue	162	161	325	339
NOPAT	24	32	51	61
NOPAT excl. special items	23	30	49	59
Invested Capital	1,233	1,114	1,233	1,114
ROIC	7.8%	11.6%	8.6%	11.3%

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ABOUT SVITZER

Since 1833, Svitzer has provided safety and support at sea. With 4,000 employees, a fleet of more than 430 vessels and operations all over the world, we are the global market leader within towage and marine related services.