



Press Release

HERRENKNECHT

New record for orders in 2014 financial year.

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Schwanau

With an order inflow of 1.2 billion euros the Herrenknecht Group closed the 2014 financial year with a new record high. The company's output and revenue rose slightly. Herrenknecht's global technology leadership and innovative strength prove their worth in a number of pioneering projects in Germany and abroad.

_____ Schwanau, Germany, June 2015. In 2014 the Herrenknecht Group's business gained momentum. The company achieved a new historical record in new orders, which increased significantly compared to last year with growth of 11.5 percent. Revenue and total output in the Herrenknecht Group also grew and passed the one billion mark for the fourth time in a row. Sales remain dynamic in the first quarter of 2015. To the end of April Herrenknecht was able to secure orders totaling over 500 million euros.

In the past year 2014, Herrenknecht's business grew in almost all sales regions. The top performer worldwide was the European sales region with an order inflow of 364 million euros. Around one third of all orders for tunnelling technology, accessories and services came from the Middle East region: Utility and Traffic Tunnelling projects brought Herrenknecht orders there totaling 341 million euros. The Asia Pacific region followed with an order volume of 321 million euros. Project business developed particularly well in the Traffic Tunnelling sector, which for the first time in the company's history secured contracts worth over 1 billion euros in total. As the largest Herrenknecht Business Unit, Traffic Tunnelling supplies innovative tunnel boring machines unique to each project with a diameter of more than 4.20 meters, which are used mainly for the construction of road, railway and metro tunnels and other large diameter tunnel systems. The Utility Tunnelling Business Unit (machines up to 4.20 meters in diameter) achieved an order inflow of 184 million euros and with 216 million euros a significant increase in revenue (+ 28.6 percent).

Herrenknecht AG
Schlehenweg 2
77963 Schwanau

Corporate Communications
Tel. +49 7824 302-5400
pr@herrenknecht.de

www.herrenknecht.com



Herrenknecht's total Group revenue in 2014 were 1.082 billion euros – three percent higher than the previous year. Total output rose significantly by 14.3 percent to hit 1.174 billion euros. "In an increasingly competitive global project business that is a respectable result," says company founder and Chairman of the Board of Management Dr.-Ing. E. h. Martin Herrenknecht. Total output comprises changes in inventory of finished and unfinished products. It includes manufacturing outputs for large-scale projects running longer than twelve months that are settled in the following year and can be in the tens of millions.

At the end of 2014, 4,939 employees (including contract workers) were employed in the Herrenknecht Group, 365 more than at the end of the previous year. The Group also trains 195 trainees, mainly in the trades. Since the Herrenknecht Group operates a global project business in a highly specialized niche market, the long-term securing of jobs plays a special role. Short-term changes in personnel requirements are offset by flexible temporary contracts, in particular in the assembly area and in production.

Herrenknecht is the machine supplier with the strongest global brand in the tunnel construction business and is involved in the leading pioneering projects. For the city-wide construction of four new metro lines in Doha that will be completed by 2022 as part of a gigantic infrastructure plan, Herrenknecht has supplied Qatar with 21 tunnel boring machines for more than 100 kilometers of tunnels. "This project is one of the most ambitious ventures in the world and impressive tunnelling results have already been achieved," says Dr.-Ing. E. h. Martin Herrenknecht. This applies both to the specified construction times as well as the required operational progress.

As more and more mega-cities are developing worldwide, project owners and construction companies are also systematically expanding underground infrastructures elsewhere with tunnel boring machines from Herrenknecht. An example is Malaysia's capital Kuala Lumpur, where work on a completely new transport system is underway. For the construction of the underground sections through difficult geology with karstified limestone, in 2014 six newly developed Variable Density Tunnel Boring Machines (Ø 6.62 m) from Herrenknecht were in operation. On April 21, 2015 the client Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) celebrated the completion of tunnelling of the first expansion phase. The tunnel boring machines can be used almost universally in loose rock and considerably increase flexibility and safety – a key innovative advance in mechanized tunnelling.

A significant milestone was the construction of a 4.4 kilometer long tunnel for the water supply of Las Vegas (U.S.A.). The connection runs under Lake Mead - the largest artificially created lake in the United States with a depth of up to 149 meters. The tailor-made tunnel boring machine (multi-mode TBM, Ø 7.18 m) safely withstood a pressure of up to 15 bar, setting a new world record. The breakthrough on

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December 10, 2014 is further evidence that Herrenknecht redefines the limits of feasibility in tunnelling.

Herrenknecht is involved in another groundbreaking project in the greater London area. During construction of the Crossrail railway link, eight of the Group's tunnel boring machines were in use over a distance of 2 x 21 kilometers. The twin tubes run straight under the city center of London, the Thames is also crossed. TBM tunnelling performances of up to 72 meters a day and comprehensive services provided by Herrenknecht contributed to the project's success. Rail operations are due to begin in 2018.

In Europe Herrenknecht is also involved in the expansion of the metros in the capital cities of Paris, Moscow and Berlin. In Germany, last year the Group won the contract to supply the tunnel boring machines to build the 4.3 kilometer long Rastatt railway tunnel, which passes under the entire metropolitan area. In the Stuttgart-Ulm rail project the company is involved with machines for the Bossler and the Filder Tunnels. Driving of the Bossler Tunnel began in April 2015. At the Filder Tunnel, on May 16, 2015 the thousandth segmental ring was installed already - marking 2,000 meters of mechanically excavated tunnel.

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Photos

Record order inflow thanks to technology leadership and worldwide operations



One of the most important orders from the Middle East region was the supply of a total of 21 tunnel boring machines to Qatar. In the capital Doha the emirate is building a metro system that is due to be operational in 2022 already.



For Crossrail, a 42 kilometer tunnel marathon through the center of London, Herrenknecht is supplying all eight tunnel boring machines and project-related services. The construction of a rail link through the middle of Great Britain's capital is the largest construction site in Europe.



Breakthrough of the first Variable Density machine on January 9, 2014: the TBM developed especially for the Klang Valley MRT project combines the advantages of EPB shields and Mixshields. The ability to adjust the suspension density in slurry mode expands the potential application range and makes the machine an all-round solution for loose rock advances of all kinds.

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The Group, headquartered in Schwanau, consists of Herrenknecht AG as the parent company and 82 domestic and overseas subsidiaries and associated companies working in related fields. Herrenknecht can support tunnel projects in all geologies and diameter ranges. Last but not least, in the future too, intact megatrends will continue to ensure high demand and the long-term success of the company.

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