Muehlhan AG

Interim report for the first half of 2011

The Muehlhan Group is a global specialist in high-quality surface protection and industrial services. Our five business divisions – Ship Newbuilding, Ship Repair, Energy, Industry and Other Services – enable us to provide a broad range of professional services to our maritime and industrial markets. The excellent quality of our service, our high degree of organization, our technical expertise and almost 130 years of experience are what set us apart.

With our workforce of around 2,300 employees at more than 30 locations worldwide, we generated sales revenues of EUR 165.0 million in 2010. In the years to come, we will utilize our leading position as a stable foundation for further expanding our business.

KEY FIGURES based on IFRS:

in kEUR		1st half of 2011	1st half of 2010
Result			
Sales		80,750	85,197
EBITDA[1]		5,302	7,046
EBIT[2]		2,376	3,768
EBT[3]		1,472	3,081
Earnings per share	in EUR	0.03	0.11
Consolidated earnings after non-controlling interests		524	2,155
Cash flow		4,344	6,886
Capital expenditures		2,309	2,472
Depreciation		2,926	3,278

	30 June 2011	31 December 2010
Balance sheet		
Balance sheet total	106,885	108,328
Fixed assets[4]	44,499	45,916
Equity	60,055	61,258

	1st half of 2011	1st half of 2010
Employees		
Number of employees[5]	2,074	2,324

[1] EBITDA: Profit from operations and depreciation
[2] EBIT: Profit from operations
[3] EBT: Earnings before taxes
[4] Fixed assets: Total of non-current assets less deferred tax assets
[5] Refers to average number of employees during the year, not the specific number as of the reporting date

Fire-proofing coating

CONTENTS

Cover: Construction of the New Oakland Bay Bridge /
Steel construction and welding work

FOREWORD

Dear shareholders
business partners, friends and employees!

After a modest start to the year, in the second quarter of 2011, Muehlhan managed to post a slight increase in sales (EUR 41.1 million) and a significant increase in pre-tax earnings (EUR 1.7 million). The Group ended the first half with consolidated net income of EUR 0.5 million.

While the impact of the final stage of the economic and financial crisis on Muehlhan's business is gradually receding, it may continue to affect some of our businesses through 2012. Some of our markets are still in a state of flux. In those cases where certain sub-markets are shrinking, Muehlhan's challenge is to stabilize and once again expand our market position.

In Europe, we have successfully expanded our business. For the first time since the onset of the crisis, we managed to increase sales revenues in this region. The U.S. business trend has also been stronger than in the previous year. Both regions contributed to the positive overall results. Earnings from the U.S. operations were around EUR 3.7 million higher than the year before. Bringing up the rear, the Asian businesses ended the first half below expectations, with sales falling to slightly less than 50% of the figure posted in 2010. Negative results from our businesses in the Middle East reduced consolidated net income by EUR 1.3 million.

A breakdown by business sectors shows that sales dropped in the maritime divisions. The general shift of the serial shipbuilding business to Asia, the repercussions of last year's cancellation of a contract in the USA and the continued reluctance of shipowners to invest in repair work all had a negative impact on the business trend. Nor is there much reason to be positive about the future prospects in this area. By contrast, sales revenues in the Energy, Industry and Other Services activities were higher than in the prior-year period.

All in all, it should be noted that some of the Muehlhan Group's relevant markets began to show signs of stabilizing by the middle of 2011, while others continued to be dominated by uncertainty about the future. We believe that, in the second half of the year, Muehlhan will continue to demonstrate that it is pursuing the right strategy in a complex environment that is full of challenges.

We are grateful to our shareholders, customers and suppliers for their confidence and to Muehlhan's employees for an overall positive first half of 2011!

Best regards,
Your Executive Board

Stefan Müller-Arends
Chairman of the Executive Board

Dr Andreas C. Krüger
Chief Operations Officer

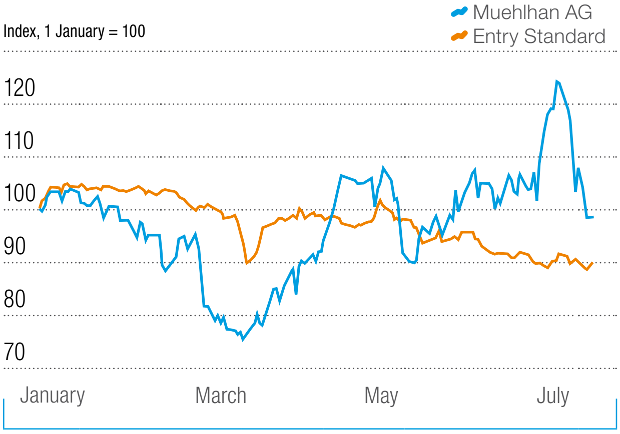
Carsten Ennemann
Chief Financial Officer

OUR SHARE

General price trend

The share price started fiscal year 2011 at around EUR 1.70. It moved sideways until the publication of the preliminary overall results for 2010, then dropped briefly to around EUR 1.35. During the second quarter, Muehlhan's share recovered markedly, ending the quarter at around EUR 2.00.

PRICE DEVELOPMENT IN THE FIRST QUARTER 2011



Share price attracts media interest

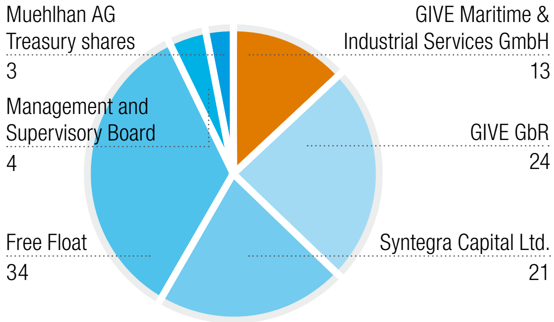
The share price attracted a great deal of interest in the first half of 2011. Heavier selling pressure caused by the 2010 figures to a large extent was absorbed by an increase in demand, so the share price was generally stable. As of the editorial deadline for this first-half report, around 1.9 million shares had been traded on Xetra. Another 800,000 shares were traded on the Frankfurt Stock Exchange alone.

In addition, press releases about the regional expansion of the wind-energy business in Canada and the partnership with another shipyard in Asia led to a significant increase in media interest. For example, the magazines “Der Aktionär” (“The Shareholder”) and “Nebenwerte Journal” (“Small and Mid Caps Journal”), as well as various online publications, had reports about Muehlhan. In addition, the Executive Board held several interviews with representatives of the trade press, providing a detailed overview of the last year as well as the outlook for 2011.

SHAREHOLDER STRUCTURE AS OF 30 JUNE 2011

	Number of shares held	Shareholding in %
GIVE Maritime & Industrial Services GmbH	2,573,242	13.20
Greverath Investment Verwaltungs- und Erhaltungs-GbR	4,650,000	23.85
Syntegra Capital Ltd.	4,110,847	21.08
Management and Supervisory Board		
Dr Andreas C. Krüger	425,153	2.18
Dr Wulf-Dieter H. Greverath	339,601	1.74
Dr Gottfried Neuhaus	40,000	0.21
Carsten Ennemann	6,000	0.03
Free Float	6,687,249	34.29
Muehlhan AG Treasury shares	667,908	3.43
	19,500,000	100.00

SHAREHOLDER STRUCTURE IN %



Annual General Meeting approves the work of the Executive Board

The shareholders attending the regular 2011 Annual General Meeting, after appointing Mr Stefan Müller-Arends as the new Chairman of the Executive Board, voted overwhelmingly to express their continued confidence in the expanded Executive Board – despite the business trend in recent years and the resulting performance. As scheduled, the Supervisory Board stood for reelection this year. All of the members were reelected and will continue to perform the same functions in the coming years.

INTERIM MANAGEMENT REPORT

for the first half of 2011

BUSINESS EARNINGS AND PERFORMANCE

Return to profitability

Despite persistent weakness in the level of incoming orders in its core markets – Ship Newbuilding, Ship Repair, Offshore and Wind Energy – the Group still managed to post net profit of EUR 0.8 million in the second quarter, continuing the first quarter's trend toward recovery, and recorded total net profit of EUR 0.5 million for the first half of the year. This improvement in performance was attributable primarily to significantly better results from the U.S. business, which were partially offset by significant charges relating to the start-up of a new shipyard site in Asia.

Overall, the company generated **sales** of EUR 80.8 million between January and the end of June 2011, compared with EUR 85.2 million in the prior-year period. **EBITDA** (profit from operations, plus depreciation) totaled approximately EUR 5.3 million as of 30 June 2011 (previous year: EUR 7.0 million). **EBIT** (profit from operations) totaled EUR 2.4 million, thereby falling short of the EUR 3.8 million recorded in the same period last year. **Consolidated profit** attributable to the equity holders of Muehlhan AG amounted to EUR 0.5 million, compared with just under EUR 2.1 million for the first half of 2010.

Uneven trend in expense items

Despite cuts that reduced the number of employees to 2,074 (first half of 2010: 2,324), the Group's **personnel expenses** remained almost unchanged from the previous year at EUR 31.6 million (first half of 2010: EUR 31.3 million). This was due to the short-time work in Germany and Poland the previous year, which significantly lowered personnel expenses for 2010. Furthermore, workforce reductions in low-wage countries such as Singapore during the current year have only resulted in relatively slight cost reductions.

The **Cost of materials and purchased services** totaled EUR 33.3 million at 30 June 2011. Compared to expenditures of approximately EUR 38.7 million in the first half of 2010, this represents a disproportionately large reduction of 14%, due mainly to lower subcontractor fees resulting from the reduction in business volume.

Other operating expenses, on the other hand, rose by EUR 0.6 million to EUR 12.3 million. Exchange losses of EUR 1.0 million contributed to the increase, but were partially offset by EUR 0.9 million of exchange gains, which are included in other operating income.

Total **depreciation and amortization** also dropped further in the second quarter of 2011. At the end of June, depreciation and amortization totaled EUR 2.9 million – below the prior-year value of EUR 3.3 million.

Investments

During the first half of 2011, the company invested a total of EUR 2.3 million, which in addition to the usual equipment replacements went toward expanding a new shipyard site in Asia. In the prior-year period, investments totaled EUR 2.5 million.

Stable liquidity position;

Repair work on bulkhead, platform Mittelplate

* The photos and captions on these pages are not a part of the audited Group management report.

renegotiated bond covenants met

The Muehlhan Group's liquidity position continues to be solid, with **cash and cash equivalents** of EUR 10.1 million (31 December 2010: EUR 12.2 million). During the first half, Muehlhan also met the conditions of the corporate bond, as adjusted at the end of the first quarter of 2011.

Despite the consolidated profit, **equity** decreased to EUR 60.1 million as of the balance-sheet date of 30 June 2011 (31 December 2010: EUR 61.3 million). The negative impact of currency-translation adjustments totaled approximately EUR 1.7 million.

ENVIRONMENT AND BUSINESS TREND

Growth in Europe and America; significant decline in Asia

Of total sales of EUR 80.8 million, the lion's share – EUR 64.6 million – was again generated by the **European business**. For the first time since the onset of the financial and economic crisis, the Group managed to increase business volumes, posting an increase of 2% (first half of 2010: EUR 63.3 million). This trend was supported by significant increases in the steel construction business and a further increase in demand in the scaffolding segment.

1st half of 2011

in kEUR	Europe	America	Asia	Corporate areas	Reconciliation	Group
External revenues	64,525	9,509	6,395	320	0	80,750
Intersegment sales	75	102	43	1,392	-1,612	0
Sales	64,600	9,611	6,439	1,712	-1,612	80,750
EBITDA	5,665	2,527	-675	-2,254	39	5,302
Depreciation and amortization	-1,683	-352	-674	-295	79	-2,926
EBIT	3,982	2,174	-1,349	-2,550	118	2,376

Rounding differences may occur.

1st half of 2010

in kEUR	Europe	America	Asia	Corporate areas	Reconciliation	Group
External revenues	62,984	9,065	13,075	73	0	85,197
Intersegment sales	295	0	2	1,821	-2,118	0
Sales	63,279	9,065	13,076	1,895	-2,118	85,197
EBITDA	6,210	-965	2,235	-593	159	7,046
Depreciation and amortization	-1,751	-591	-672	-315	52	-3,278
EBIT	4,459	-1,557	1,563	-908	210	3,768

Rounding differences may occur.

Nevertheless, profitability in the European business during the first half of 2011 lagged behind prior-year results. EBIT was slightly less than EUR 4.0 million for the first half of this year, compared to the EBIT figure of EUR 4.5 million posted in the first half of 2010 (which benefited from accounting gains of EUR 0.9 million on the sale of a property).

The **North American** businesses, which began showing signs of stabilizing in the first quarter, continued this positive trend through the end of June 2011, with good sales and earnings figures. Sales of EUR 9.6 million were higher than the prior-year figure of EUR 9.0 million. This positive trend was mainly attributable to the new bridge construction segment and the ship repair business. Muehlhan's U.S. EBIT of EUR 2.2 million was more than EUR 3.7 million higher than the prior-year figure (first quarter of 2010: EUR -1.6 million).

The only area where sales were down was the **Asian region, including the Middle East**, where sales dropped significantly. There, revenues fell by more than 50%, from EUR 13.1 million the previous year to just EUR 6.4 million this year. All the local sites contributed to this trend, but the delayed start-up of a new shipyard site had a particularly negative impact. EBIT deteriorated from around EUR 1.6 million the previous year to a loss of more than EUR 1.3 million for the current fiscal year. Still, even here, there were signs of a recovery in the business trend in the second quarter, especially in view of increasingly higher and continuous capacity utilization at the new shipyard site.

On account of the structural shifts in its business, at the beginning of the year Muehlhan started reclassifying its business activities into the **Ship Newbuilding, Ship Repair, Energy, Industry and Other Services** divisions. They contributed to sales revenues as follows:

In the **Ship Newbuilding** business, sales dropped further, to EUR 21.9 million, compared to EUR 30.8 million the previous year (a decline of more than 28%). This was seen as further evidence that the persistent trend toward a permanent shift of essential parts of this business from Europe to Asia is continuing. The business trend was also negatively affected by the cancellation last year of a large-scale production order from a shipyard in Philadelphia and by the temporary shutdown of a shipyard site in the Mississippi delta due to flooding in the second quarter of 2011.

The **Ship Repair** segment also suffered additional setbacks. The continued deep reluctance on the part of shipowners to undertake maintenance work caused sales revenues to drop by another 10% to EUR 14.0 million (prior year: EUR 15.6 million). Unlike the situation in the Ship Newbuilding segment, this trend could change as soon as freight and charter rates begin pointing toward a sustainable upswing, thanks to the growing repair backlog.

Since the beginning of the year, the wind-energy, Oil & Gas Offshore and petrochemical businesses have been combined into the new **Energy** division. It generated total sales of EUR 16.7 million for the first half of 2011 (prior year: EUR 16.8 million). The refinery business in Qatar, which declined substantially due to project delays, was offset by substantial growth in the Oil & Gas Offshore business in Europe.

The **Industry** business was also reorganized in 2011 and now encompasses the bridge-coating, passive fire-proofing and other surface-protection services segments. From January to the end of June 2011, revenues totaled EUR 12.9 million, compared to EUR 12.7 the previous year. While sales in the fire-proofing segment were again significantly lower than the previous year, the bridge division posted positive figures. The construction of the New Oakland Bay Bridge in California will generate significantly more business for Muehlhan's local subsidiary there than the previous year. In the Middle East, although the construction boom in Dubai has subsided for the time being, we forecast increased demand for our services in Qatar. Because the emirate will host the 2022 World Cup, it plans to invest billions in infrastructure projects over the next few years.

In the future, sales revenues from the **Other Services** segment will make it a significant contributor to the reorganized Group. In addition to steel construction work for maritime and industrial customers, this business segment also includes scaffolding and access technology services. Both business segments significantly exceeded expectations in the first quarter. Scaffolding revenues improved thanks to lucrative structural engineering projects and a 33% expansion of the business to include access in the construction of complex steel foundations for offshore wind turbines; Muehlhan's sales revenues in the steel construction business more than doubled from the previous year. Overall, the **Other Services** division posted total sales of EUR 14.9 million (first half of 2010: EUR 9.2 million).

Foundation structure for offshore wind form

OPPORTUNITIES AND RISKS

Major financial risks – primarily impairments to goodwill and bad-debt expense – have already been disclosed at the end of 2010. There are currently no signs of any risks of similar magnitude. Nevertheless, we cannot definitively rule out the possibility that specific risks will require a financial outlay in 2011. Among other things, this includes the lawsuit against a U.S. shipyard and the underlying receivable of EUR 1.9 million.

Project losses cannot be completely ruled out. However, we are not aware of any signs indicating that large-scale project losses might be incurred during the rest of this year.

At the beginning of 2011, our violation of the corporate bond covenants meant that there was a risk that the bond creditor might call the bond early. This risk was eliminated by adjusting the covenants; this also secured the company's future financing. Nevertheless, this risk could reappear in the event of another violation of the updated bond covenants.

Some segments of the Muehlhan Group's relevant markets began to show the first signs of stabilizing toward the middle of 2011 – mainly the steel construction and scaffolding segments and the Oil & Gas Offshore business. However, the tail-end of the financial and economic crisis is continuing to affect other activities, in particular Ship Repair. In the Ship Newbuilding business, structural changes in the market mean that, based on currently available information, there will never be anything even close to a return to the pre-crisis situation.

Although the year began poorly in Singapore, the repair business there is already reporting improvements in the order situation. At the same time, attracting new customers will also put business at this location on a broader foundation. Likewise, the increasing capacity utilization at the new shipyard site in the Middle East should provide a noticeable improvement in earnings.

For more information about additional opportunities and risks, please see our detailed discussion in the 2010 Annual Report.

OUTLOOK

Despite the fact that some parts of our business are showing initial signs of stabilizing, the Group is still exposed to unforeseeable risks, such as the political upheavals in the Middle East and North Africa or the flooding on the Mississippi. For this reason, at the Annual General Meeting in May, the new Chairman of the Executive Board did not comment on the Guidance for 2011 (sales of between EUR 150 and 175 million and EBIT of between EUR 4 and 7 million). Based on currently available information, the company expects results to be at the lower end of this range.

GROUP CONSOLIDATED FINANCIAL STATEMENTS
as of 30 June 2011

CONSOLIDATED BALANCE SHEET

Assets in kEUR	30.06.2011	31.12.2010
NON-CURRENT ASSETS		
Intangible assets	22,555	22,628
Property, plant and equipment	21,914	23,258
Financial assets	30	30
Deferred tax assets	2,096	2,696
Total non-current assets	**46,595**	**48,613**
CURRENT ASSETS		
Inventories	4,106	3,673
Trade receivables	39,143	37,377
Cash and cash equivalents	10,130	12,241
Assets for current income tax	496	438
Other current assets	6,413	5,987
Total current assets	**60,289**	**59,715**
BALANCE SHEET TOTAL	**106,885**	**108,328**

Rounding differences may occur.

Equity & Liabilities in kEUR	30.06.2011	31.12.2010
EQUITY		
Subscribed capital	19,500	19,500
Capital reserves	28,165	28,105
Other reserves	9,288	9,830
Retained earnings	2,857	3,508
Non-controlling interests	1,823	1,893
Treasury shares	-1,578	-1,578
Total equity	**60,055**	**61,258**
NON-CURRENT LIABILITIES		
Pension accruals	725	725
Non-current financial liabilities	16,860	948
Deferred tax liabilities	100	173
Total non-current liabilities	**17,685**	**1,845**
CURRENT LIABILITIES		
Provisions	559	898
Current financial liabilities	5,207	21,308
Trade payables	11,781	11,616
Liabilities for current income tax	752	375
Other current liabilities	10,845	11,028
Total current liabilities	**29,145**	**45,225**
BALANCE SHEET TOTAL	**106,885**	**108,328**

Rounding differences may occur.

CONSOLIDATED INCOME STATEMENT

in kEUR		1st half of 2011	1st half of 2010	2nd quarter of 2011	2nd quarter of 2010
Sales		80,750	85,197	41,067	41,666
Other operating income		1,702	3,563	940	2,333
Cost of materials and purchased services		-33,269	-38,663	-15,872	-18,693
Personnel expenses		-31,615	-31,325	-16,266	-15,509
Depreciation and amortization		-2,926	-3,278	-1,444	-1,631
Other operating expenses		-12,266	-11,726	-6,261	-5,753
Profit from operations		**2,376**	**3,768**	**2,164**	**2,413**
Income from investments		-9	9	-9	9
Interest income		23	148	6	133
Interest expenses		-918	-845	-476	-406
Financial result		**-904**	**-687**	**-479**	**-264**
Earnings before taxes		**1,472**	**3,081**	**1,685**	**2,149**
Income tax expense		-1,018	-1,014	-895	-709
Consolidated profit		**454**	**2,067**	**790**	**1,440**
Thereof attributable to:					
non-controlling interests		-70	-88	18	-34
equity holders of Muehlhan AG		**524**	**2,155**	**772**	**1,474**
NET EARNINGS PER SHARE					
Shares	number	18,832,092	19,094,491	18,832,092	19,094,491
basic	in EUR	0.03	0.11	0.04	0.08
diluted	in EUR	0.03	0.11	0.04	0.08

Rounding differences may occur.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in kEUR	1st half of 2011	1st half of 2010	2nd quarter of 2011	2nd quarter of 2010
Consolidated profit	**454**	**2,067**	**790**	**1,440**
Other result				
(+/-) Currency translation differences (legally independent entities abroad)	-1,717	3,307	-319	1,513
Other result after tax	**-1,717**	**3,307**	**-319**	**1,513**
Total result	**-1,262**	**5,374**	**471**	**2,953**
Thereof attributable to:				
non-controlling interests	-70	-47	18	-30
equity holders of Muehlhan AG	**-1,192**	**5,421**	**453**	**2,983**

Rounding differences may occur.

CONSOLIDATED CASH FLOW STATEMENT

in kEUR	1st half of 2011	1st half 2010
Profit from operations	2,376	3,768
Depreciation / amortization (+) on non-current assets	2,926	3,278
Decrease (-) in deferred government grants	0	-217
Gain (-) on disposal of fixed assets	-70	-1,167
Unrealized currency gains, losses	-749	1,285
Decrease (-) in provisions	-139	-60
Cash flow	**4,344**	**6,886**
Increase (-) in inventories, trade receivables and other assets (excluding payments received on account)	-3,393	-6,400
Increase (+), decrease (-) in trade payables and other liabilities	250	-177
Net inflow / outflow from ordinary activities	**1,201**	**309**
Payments of income taxes	-370	-1,036
Payments of interest	-805	-797
Net outflow of funds from operating activities	**26**	**-1,524**
Receipts of interest	14	158
Proceeds from disposals of non-current assets (+) in respect of tangible assets	665	4,870
Capital expenditures (-) in respect of		
intangible assets	-33	-71
tangible assets	-2,309	-2,472
Cash outflow / inflow from investing activities	**-1,662**	**2,485**
Cash outflow for purchase of treasury shares	0	-505
Payments to equity holders and non-controlling interests (dividends)	0	-1,326
Increase (+), decrease (-) in payments received on account	249	-2,936
Payments (-), receipts (+) on current bank liabilities	-184	969
Payments (-) on non-current bank liabilities	-119	-25
Net outflow of funds from financing activities	**-55**	**-3,824**
Effect of exchange rate related fluctuations of cash and cash equivalents*	-420	901
Total changes in cash and cash equivalents*	-2,111	-1,962
Cash and cash equivalents* at the beginning of the period	12,241	12,478
Cash and cash equivalents* at the end of the period	**10,130**	**10,516**

* Cash and cash equivalents correspond to the balance sheet item "Cash and cash equivalents".

Rounding differences may occur.

CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

in kEUR	Equity applicable to equity holders of the parent company				
	Subscribed capital	Capital reserves	Other reserves		
			Revenue reserves	Translation adjustments	Adjustment resulting from currency translation
At 1 January 2010	**19,500**	**28,060**	**5,326**	**589**	**-2,354**
Share buyback					
Transfer to revenue reserves			4,550		
Dividends paid					
Other changes					40
Total result					3,266
At 30 June 2010	**19,500**	**28,060**	**9,876**	**589**	**952**
At 1 January 2011	**19,500**	**28,105**	**9,876**	**589**	**-634**
Contribution share-based payment		60			
Transfer to revenue reserves			1,240		
Other changes					-65
Total result					-1,717
At 30 June 2011	**19,500**	**28,165**	**11,116**	**589**	**-2,416**

At 31 December 2010 an amount of kEUR 13,964 (previous year: kEUR 17,467) was available for distribution to shareholders of the parent company.

Rounding differences may occur.

			Non-controlling interests	Group equity
Retained earnings	Treasury shares	Equity		
13,646	**-672**	**64,094**	**2,226**	**66,320**
	-505	-505		-505
-4,550				
-1,143		-1,143	-184	-1,326
-40				
2,155		5,421	-47	5,374
10,068	**-1,177**	**67,867**	**1,995**	**69,863**
3,508	**-1,578**	**59,364**	**1,893**	**61,258**
		60		60
-1,240				
65				
524		-1,192	-70	-1,262
2,857	**-1,578**	**58,232**	**1,823**	**60,055**

NOTES

INFORMATION ON THE COMPANY AND THE GROUP

Muehlhan AG, whose registered office is at Schlinckstrasse 3, Hamburg, Germany, is registered in the Commercial Register at the Hamburg Municipal Court under HRB 97812. Muehlhan AG and its subsidiaries (the Muehlhan Group) primarily provide surface-protection services and industry services.

PRINCIPLES USED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements for the period from 1 January through 30 June 2011 were prepared in accordance with IAS 34, “Interim Financial Reporting”. The interim consolidated financial statements should be read in conjunction with the Group consolidated financial statements for the period ending on 31 December 2010.

ACCOUNTING AND VALUATION METHODS

International Financial Reporting Standards (IFRS) were applied to measure the amounts reported in this interim report. The same accounting and valuation methods used in the 2010 Group consolidated financial statements were applied to the interim consolidated financial statements. These statements were prepared under the going-concern principle.

In preparing the interim consolidated financial statements, the Executive Board has to make judgments, estimates and assumptions that affect the Company’s application of accounting principles and the reporting of assets, liabilities, income and expenses. Actual results may differ from these estimates. Business performance for the first six months of the fiscal year is not necessarily indicative of the expected performance for the entire year, and one should also remember that impairment tests, particularly with regard to goodwill amounts reported, are always carried out only at the end of the year, taking into account the budget planning done in the fourth quarter for the next fiscal year.

Expenditures incurred on a regular basis during the fiscal year are reported and / or accrued in the consolidated financial statements only to the extent that such accruals would be appropriate at year-end.

CONSOLIDATED GROUP

The consolidated group has changed since 31 December 2010. On 27 June 2011, Muehlhan Canada Inc. was founded as a wholly owned subsidiary of Muehlhan AG and is headquartered in Windsor, Ontario. The consolidation of this company will not limit comparability with the prior-year financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date that could have a material impact on the Muehlhan Group’s business.

Hamburg, 27 July 2011
Muehlhan AG
The Executive Board

Stefan Müller-Arends   Dr Andreas C. Krüger   Carsten Ennemann

RESPONSIBILITY STATEMENT

To the best of our knowledge, we affirm that, in accordance with the applicable reporting principles for interim group reporting, the interim consolidated financial statements, which have been subjected to a review by the audit firm BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, give a true and fair view of the net assets, financial position and results of operations of the Group and that the consolidated interim management report includes a fair review of the earnings and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the fiscal year.

Hamburg, 27 July 2011
Muehlhan AG
The Executive Board

Stefan Müller-Arends   Dr Andreas C. Krüger   Carsten Ennemann

CONTACT AND FINANCIAL CALENDAR

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INVESTOR RELATIONS
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15 November 2011	Publication of nine-month figures 2011
End of February 2012	Publication of preliminary financial figures 2011
End of March 2012	Publication of year-end results 2011

Notes

The Interim report is published in German and English. The German version is authoritative. For further information about the company visit the website at www.muehlhan.com.

Forward-looking statements

This report contains forward-looking statements related to the prospects and progress of Muehlhan AG. These statements reflect the current views of the management and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee.

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