

PRESS RELEASE

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LINET Group announces another record revenue

LINET Group, the leading European producer of healthcare beds, closed its 2013/2014 financial year with record net revenues of EUR 146.7 million. In a year-on-year comparison, that represents an increase of 8.4 percent; recurring EBITDA reached EUR 22.6 million constituting an increase by even 8.7 percent. To achieve these results a total number of 66 thousand beds has been produced and sold. Throughout the year, the Group also made several investments to further strengthen its position as a global market player: New wholly-owned subsidiaries in Russia and Mexico have been founded, and in addition full control over Desan LINET in Spain has been acquired. With an equity ratio of more than 70 % and a strong operating cash flow the Group is in a solid position to continue its growth strategy.

These results have been generated in a challenging economic environment. High debt levels and refinancing issues on the capital market as well as significant unemployment rates in most European and other advanced economies like the United States or Japan impacted public spending levels for healthcare investments and payment terms in realized projects unfavorably for suppliers. On top, the currencies of numerous emerging countries like Brazil, India or Turkey weakened against the Euro and limited healthcare spending levels of these countries. Finally, political crises especially in Middle East and North Africa slowed down investments. Despite these constraints LINET Group grew its business organically through market share gains and geographic expansion. With 74 % of total turnover Europe remained the most important sales region. Worth mentioning are strong revenue contributions from the United States and Middle East.

"The global market continues to offer a number of opportunities for further growth. With our long-term business strategy, we are primarily responding to the demand for higher-quality healthcare services in the BRIC countries as well as to the continuing trend in developed markets to replace aging mechanical beds with electric ones. Furthermore, we took important steps that will enable us to capitalize on opportunities in the nursing care segment; its global potential is remarkable considering the aging population not only in Europe, but also in China," says Zbyněk Frolík, Managing Director and co-owner of LINET Group.

"Our outlook for the current period remains optimistic. Despite ongoing conflicts in Ukraine, Syria and Iraq and the impact of the Ebola virus disease on Western Africa the Group has achieved double-digit revenue growth in the first six months of the business year 2014/2015. Thus, we expect to beat our results from the previous year," adds LINET Group Managing Director Dr. Michael Rosada.

LINET Group has continued to reinforce its position as a global technology leader. Throughout 2013/2014, it unveiled several new products alongside improved versions of existing ones. Primarily in the United States, but also in other countries, the flagship bed "Multicare" for Intensive Care Units has achieved outstanding customer acceptance. It is now supplied with the i-Drive Power system, which eases overall handling thanks to a motorized wheel. The new Image 3 bed offers a unique combination of hospital bed robustness with low entry height, ergonomics well suited for patients with reduced mobility, and unparalleled design. On top the high-tech nursing care bed Sentida 7-i now completes the Sentida bed portfolio and sets new standards for nursing care markets.

LINET Group

LINET Group is a leading European supplier of innovative high-quality beds, anti-decubitus mattresses, furniture and complete package solutions for hospitals and nursing homes worldwide. Managed from its headquarters in Dordrecht, the Netherlands, nearly 900 employees manufacture

beds, furniture, mattresses and accessories in two production sites, i.e. in Wickede, Germany, and in Slaný, Czech Republic, and then market and sell these products to customers in more than 100 countries so far. To secure organic growth new products are strictly designed to customer needs; competitive advantages mainly derive from a proven combination of technology and design competences as well as from the implementation of efficient production processes. To date, several hundreds of prestigious university hospitals and nursing care institutions worldwide have chosen the sophisticated, high-quality solutions of the Group. LINET Group operates with daughter companies in Europe, in Latin America and in the United States; furthermore, a strong network of partners has been established.