

Press Release
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LOGSTOR maintains its strong market position

LOGSTOR's annual report for 2011 shows that the world's leading supplier of pre-insulated pipe systems for district heating and cooling maintains its strong market position. In spite of declining prices in a competitive market with a low level of infrastructure investments across Europe, LOGSTOR increased total revenue by 2 percent.

LOGSTOR, the world's leading supplier of pre-insulated pipe systems for district heating and cooling, increased its revenue by 2 percent as compared to 2010.

Martin McCourt, CEO of LOGSTOR, said: "LOGSTOR has maintained its strong market position throughout the world and we see a positive market development in many of the regions – in the Central and Eastern European market we have been able to increase sales by 16 percent. We continue to win new orders. For example, we have just recently won a €14 million order for district heating in Rotterdam. We continue to focus on strengthening the company's position in emerging markets."

Pricing pressure, rising commodity prices and set-up costs in China, however, led to a decline in the 2011 EBITDA to DKK 151.8 million, as compared to DKK 214.2 million in 2010.

"LOGSTOR's EBITDA has decreased during the last year," he added "The primary reason for this is the increasing competition on the district heating market in Europe, which is affecting prices. Additionally, rising commodity prices have had a negative impact."

Martin McCourt stressed that LOGSTOR is expecting an upswing in demand in the coming year. The company has thus been investing heavily in its production sites.

"We expect growing demand for our products. Additionally, there is an increased political focus on energy savings and we expect EU austerity measures to be supplemented by growth initiatives, which should positively affect our business." he said.

Close to market strategy

Additionally, LOGSTOR keeps pursuing its close to market strategy, in order to increase market flexibility and reduce logistic expenses. In 2011, the company successfully produced two Oil & Gas pipelines using M3 technology (an abbreviation of "Mobile Mould Manufacturing"), a system that allows the establishment of local mobile production units at an unprecedented speed.

“We expect the mobile manufacturing platform to develop further and to increase our competitiveness. Market conditions are difficult, but we have the best systems in the world and we are repositioning LOGSTOR to be ready for an upturn in demand,” said Martin McCourt.

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About LOGSTOR

More than 50 years ago LOGSTOR invented the pre-insulated pipe system technology and is today the global leader when it comes to these pipe systems for energy-efficient transportation of liquids and gases for district heating and cooling, marine and industrial purposes as well as oil and gas. To this date, LOGSTOR has delivered more than 170,000 km of pre-insulated pipes. LOGSTOR is a business within the energy industry providing environmentally friendly solutions and thus contributing to reductions in CO2 emissions and improved energy efficiency.

Headquartered in Løgstør, Denmark, LOGSTOR has subsidiaries in Austria, China, Finland, France, Germany, Italy, Lithuania, the Netherlands, Poland, Romania, Russia, Sweden and Switzerland. A network of 30 agents and LOGSTOR's 14 sales offices support the Group's sales activities. The Group employs a total of approx. 1,400 people. Production is carried out in the Group's 10 factories situated in Denmark, Sweden, Finland, Poland, China, Rumania, and in its two Joint venture locations in Dubai and the Republic of Korea.

LOGSTOR is owned by Montagu Private Equity (www.montagu.com).

Please visit www.logstor.com for further information.