



HALF YEAR REPORT

2016

Roermond, The Netherlands – 25 August 2016



Sif

Key figures and highlights

- > Contribution increased by 54% to € 65.2 million (HY 2015: € 42.3 million)
- > Normalized EBITDA reached a level of € 36.9 million (HY 2015: € 24.2 million)
 - including non-recurring IPO costs, EBITDA HY 2016 amounts to € 32.1 million
- > Revenue increased to € 205.3 million (HY 2015: € 98.1 million)
- > Operating Working Capital equaled € 2.7 million (YE 2015: € 19.3 million)
- > Net Debt amounted to € 30.6 million (YE 2015: € 26.9 million)
- > Production expansion program in Rotterdam (Maasvlakte 2) and Roermond is on schedule
- > Tonnage increased to 97.4 ktons (HY 2015: 60.4 ktons)

CEO Jan Bruggenhijs comments:

"The high asset utilization realized in the first quarter continued throughout the second quarter, resulting in a very strong operational result for the first half year. Contribution, which is a leading financial indicator to measure performance of our business, showed an increase of 54% compared to the first half year 2015. The high production levels throughout the first half year resulted in a normalized EBITDA of € 36.9 million, 52% higher compared to the same period last year, when utilization levels were substantially lower. Including non-recurring IPO related costs, EBITDA amounted to € 32.1 million, 33% higher compared with the same period last year. During the second half of the year, maintenance to the production lines is scheduled, which will have a downward effect on the production volumes to be realized."

The order book for Offshore Wind for 2016 is full and at base loading level for Offshore Oil & Gas. For 2017 and 2018, the order book for both Offshore Wind and Oil & Gas is building up and focus is put on confirming orders for 2017 in the second half year of this year. The Offshore Wind market is developing rapidly and we are witnessing an increasing demand compared to previous market projections. 3 jacket based projects in the UK have been cancelled and more cost efficient foundations are expected to be deployed, the reserved budgets for these projects are expected to be re-invested in other wind projects.

While BREXIT appears to have caused a slowdown of UK projects, the UK remains committed to offshore wind. The recent outcome of the Dutch tender process for the development of the Borssele I and II wind parks in the North Sea is worthwhile mentioning. A main target of offshore wind is to lower the production price of offshore wind energy. Much faster than foreseen, the sector has reached an important milestone and has proven that it is able to produce offshore wind energy at much lower prices than anticipated thus far. It is expected that Germany will follow the Dutch tendering system as used for Borssele I and II.

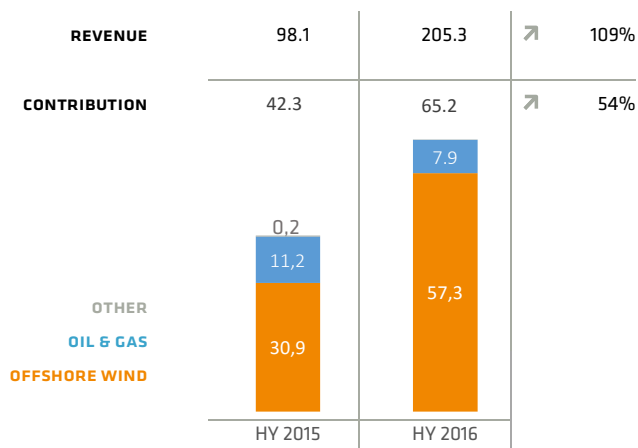
The offshore oil & gas market is, as anticipated, still at relatively low levels, but Sif has been able to secure orders for all major projects in the market at present, while margins remain under pressure.

The construction of the new facility in Rotterdam is on schedule. In response to the latest developments in the offshore wind market, a number of improvements were made to the buildings. These improvements are expected to result in an additional capex of approximately € 14 million. Management is focused on achieving a successful start-up of the Rotterdam facility and production is planned to start in the third quarter of this year.



Financial Results (in EUR millions)

CONTRIBUTION

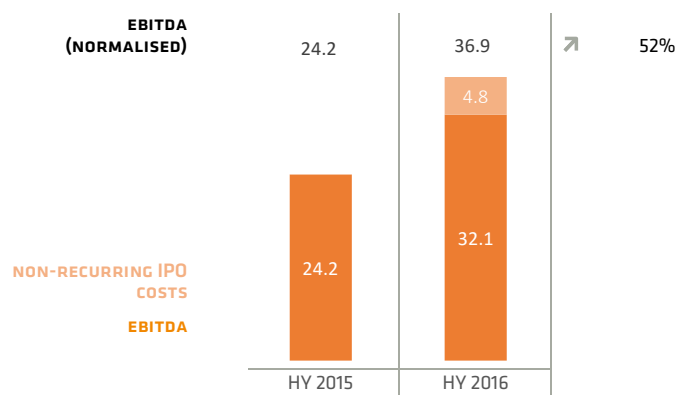


Contribution amounted to € 65.2 million compared to € 42.3 million in the same period last year, an increase of 54%. This increase was mainly driven by high production volumes throughout the first half year of 2016, reaching full utilization of production capacity for the Offshore Wind business.

In the first half of 2016, Offshore Wind Contribution was 88% of the total Contribution compared to the same period last year.

Contribution is calculated as revenues minus cost of sales which includes costs for raw materials, subcontracted work, logistic and other external project related charges and is considered a key financial indicator for Sif.

EBITDA



Normalized EBITDA increased by 52% to € 36.9 compared to € 24.2 million in the same period last year. This was primarily due to maximizing asset utilization of both the Offshore Oil & Gas and Offshore Wind production lines. Including non-recurring IPO related costs, EBITDA amounted to € 32.1 million, representing an increase of 33% compared to the same period last year.

The total IPO related costs amounts to € 10.4 million, of which an amount of € 5.5 million is recorded as prepayment and will be amortized over the next 22 months in relation to the secured clawback arrangement for management.

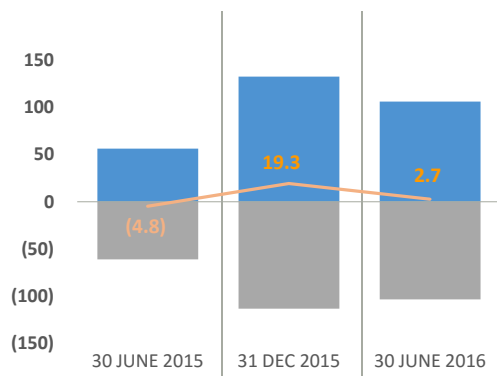
NET DEBT

Net debt amounted to € 30.6 million by the end of the first half year of 2016 (YE 2015: € 26.9 million)



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OPERATING WORKING CAPITAL



Operating Working Capital resulted in an amount of € 2.7 million by the end of the first half year of 2016, a reduction of € 16.6 million compared to the period ending on 31 December 2015.

CURRENT OPERATING ASSETS 1

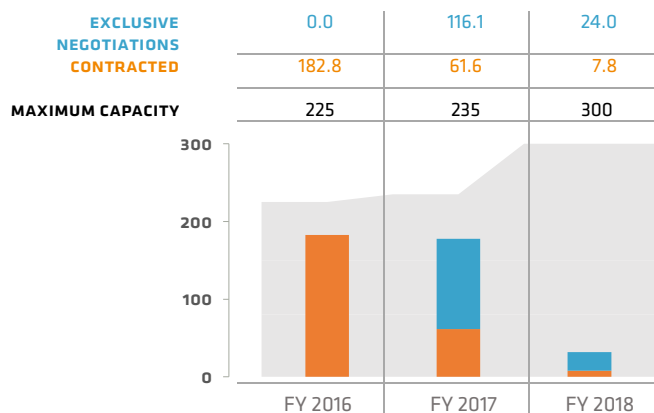
CURRENT OPERATING LIABILITIES 2

OPERATING WORKING CAPITAL

1 Current operating assets include inventories, work in progress – amounts due from customers, trade receivables and prepayments

2 Current operating liabilities include trade payables and work in progress – amount due to customers

ORDER BOOK IN KTONS



The order book for Offshore Wind in 2016 is full and the order book for Offshore Oil & Gas is filled to the base load level. For the entire year 2016 Sif expects to produce 183 ktons.

The order book for 2017 for both Offshore Wind and Offshore Oil & Gas is building up. For Offshore Oil & Gas the order book for 2017 is filled to the base load level. For Wind, in total 62 ktons is already contracted for 2017. In addition, Sif is in exclusive negotiations for production in 2017 for 116 ktons.

The order book for 2018 is also building up and Sif has contracted a total of 8 ktons and is in exclusive negotiations for another 24 ktons.

With the completion of the new production facility in Rotterdam, the capacity for XL monopiles will increase in the second half of 2017, reaching a maximum capacity of 300 ktons by the end of 2017.



PRODUCTION EXPANSION PROGRAM

The progress of the assembly facility in Rotterdam (Maasvlakte 2) is on schedule and the production of the first monopiles in Rotterdam is expected to start in the second half of September 2016 and first load-out is scheduled to take place in the last quarter of this year.



In response to the rapid development of the offshore wind market, a number of changes and improvements were made to the design of the construction of the assembly hall and the coating hall. With these changes in the layout, Sif can construct monopiles taking into account the latest developments in specifications.

The improvements in the design have resulted in an additional investment of € 14 million. In respect of the assembly hall this improvement includes a second inner harbor basin, a stronger crane system, additional rails for ground transportation and a flexible electrical feeding system. The coating hall has been re-designed in order to meet the latest coating specifications. The additional investments will create more flexible production lines and enable Sif to increase production in the future with a second assembly hall, without any concessions to the present output of the facility.

The Oil & Gas line in Roermond has been modified and optimised to be fully supportive for smaller diameter Wind projects.



EMPLOYEES

The number of employees by the end of the first half of 2016 was 504 representing a total of 500.2 FTE's. In connection with the expansion plan in Rotterdam, a number of employees will be seconded to the Rotterdam location. In addition new employees will be hired for the production facility in Rotterdam. Interviews are ongoing. The first employees for Rotterdam are expected to start working in September 2016 when the first production in Rotterdam is planned to start. During the startup of the production in the Rotterdam facility, a group of experienced personnel, mainly from Roermond and the temporarily facility in Flushing (Vlissingen) are committed.

	Headcount	FTE
FIXED CONTRACTS	215	211,2
EXTERNALLY HIRED*	289	289
TOTAL	504	500,2

* Externally hired on a temporary basis

Headcount is calculated on the basis of the actual number of hired employees

LISTING OF SIF HOLDING NV

On May 12 Sif Holding nv completed its listing on the Euronext Amsterdam stock exchange. Currently the free float is approximately 33%. No new shares were issued by the Sif Holding nv as part of the listing. Sif is traded with symbol SIFG.

ANNEXES

> Interim financial statements dated 30 June 2016

DECLARATION OF THE MANAGEMENT BOARD

ROERMOND
THE NETHERLANDS
25 AUGUST 2016

JAN BRUGGENTHIJS (CEO)
BOUDEWIJN NIJDAM (CFO)

The Management Board of Sif Holding nv ("Sif") hereby declares that, to the best of its knowledge, the unaudited interim condensed financial statements for the period ending 30 June of 2016 as prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting gives a true and fair view of the assets, liabilities, financial position and the profit and loss of Sif and its jointly consolidated companies included in the consolidation as a whole, and that the report by the management board included in this half year report 2016 gives a fair view of the information required in accordance with Section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).



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FINANCIAL CALENDAR

11 NOVEMBER 2016	Trading Update Q3 2016
29 MARCH 2017	FY 2016 Earnings
19 MAY 2017	AGM and Trading Update Q1 2017
24 AUGUST 2017	HY 2017 Earnings (to be confirmed)
10 NOVEMBER 2017	Trading Update Q3 2017

CONTACT INFORMATION

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DISCLAIMER

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