



Major milestone in Sietas redevelopment

Shipyard secures sureties from City of Hamburg and federal government

A key milestone was reached in the redevelopment and realignment of the Sietas shipyard in the Hamburg district of Neuenfelde – the shipyard has been granted 80 percent deficiency suretyships by the Free and Hanseatic City of Hamburg and the German federal government. The sureties will guarantee loans totalling €75 million, thus facilitating long-term corporate financing.

“The granting of sureties is a key building block in terms of the redevelopment of the Sietas shipyard, and therefore the survival of the business”, says Rüdiger Fuchs, CEO for the Sietas Group. “We have managed to make big strides into our redevelopment programme in a short space of time. When we started out on this course of realignment, State Minister Gedaschko assured us of the backing of the Hamburg Ministry of Economic and Labour Affairs. This assurance has now taken concrete shape in the form of sureties that will deliver critical support for the shipyard. We would like to extend our thanks to both the Hamburg Senate and the federal government for their commitment. This partnership between business and politics amounts to a clear vote of confidence for shipbuilding in Germany.”

State minister Axel Gedaschko, President of the Ministry of Economic and Labour Affairs for the Free and Hanseatic City of Hamburg, believes that, “Thanks to the sureties and the current level of orders on hand, the Sietas shipyard has laid solid foundations in spite of the extremely difficult market situation. As a result, the company is well placed to face the immediate future and perform effectively against the competition. Working together over recent months, we have done everything in our power to assist the shipyard and save jobs in the southern region of Hamburg. An assessment carried out by management consultants PricewaterhouseCoopers concluded that the new direction adopted by Sietas, with its focus on ship categories and new business processes, puts the company in a strong position. The PwC report was the basis for the sureties granted by Hamburg and the federal government.



Following intensive negotiations, the surety from the city of Hamburg was approved by the credit commission, which was involved at all times. For its part, the Federal Ministry of Economics played a highly constructive role; its surety proves that the ministry is persuaded by the business plan of the Sietas shipyard.”

HSH Nordbank stated that, “We are convinced the new concept sets the shipyard on the right course – a course that bears the hallmark of its new management team, which will play a central role in the realisation of the concept. As the bank for the region, HSH Nordbank will continue to offer its support to Sietas.”

The sureties – granted jointly by the City of Hamburg and the federal government – will serve to finance the company for the long term by securing loans from HSH Nordbank, the world’s largest shipping financier and principal bank of the Sietas shipyard.

Safeguarding liquidity for the shipyard was a central precondition in terms of realising the new business plan that Managing Directors Rüdiger Fuchs and Rüdiger Wolf have introduced with a view to transforming Sietas from a traditional shipbuilding operation into a modern, industrial shipyard dedicated to special-purpose shipbuilding. Aside from gaining the sureties, two other critical steps have now been taken in pursuance of this aim: “Sietas has won two orders for special-purpose ships, and has also reached agreement on essential personnel measures with the IG Metall Küste union and the works committee”, reveals Rüdiger Fuchs.

So far this year, the Sietas shipyard has successfully delivered five ships whilst stabilising and expanding its order balance. The company has received orders in recent weeks for one ferry and two special-purpose ships, and is supplying sections for cruise liners. The company’s order book currently comprises eight new ships: seven special-purpose ships and one container ship. Taken together with personnel adjustment measures, this ensures work for the shipyard to the end of 2010. The transformation into an industrial operation characterised by faster turnaround times



and higher productivity has begun – the first section produced in line with the new manufacturing principle is already in dock.

www.sietas-werft.de

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