

Press release – 21 March 2013

Märklin's future is secure

A long-awaited decision has now been taken: Michael Sieber, with the firm he established with his son, Sieber & Sohn GmbH & Co. KG, is taking over model railway manufacturer Märklin. The signatures required to make the takeover complete have already been notarised. The headquarters will remain intact in their current location, in Baden-Württemberg, Germany. The move secures a mainstay for the economy of the City of Göppingen and the surrounding districts and retains all jobs at the same time.

The success story continues. Through Sieber & Sohn GmbH & Co. KG, Michael Sieber, a pioneer of the German toy industry, will become the new majority shareholder at Märklin. This secures the future of the company with a long tradition in Germany's Swabia region. All of the current positions in both locations – Göppingen, Germany and Győr, Hungary – will remain intact, and all outstanding liabilities to banks and other creditors will be settled.

Under the takeover agreement, Florian Sieber will join the current dual leadership of the company as the third Managing Director of equal rank, working alongside Wolfram Bächle and Stefan Löbich. Sieber is well-aware of the responsibilities that his new role involves. 'The Märklin name is synonymous with a whole category of toys, and has stood for top German quality since 1859', he explains. 'That is why it is my great pleasure to help shape the future of this traditional brand with a history dating back more than 150 years.'

The new ownership will also secure the business location of Göppingen and the surrounding districts over the long term: the key provisions of the existing Company agreement with the workforce have successfully been extended beyond 2014. For salaried employees in Göppingen, this means a safeguarding of positions until 2019 – a provision signed by 98 percent of the employees.

A large share in the arrangements is played by liquidator Michael Pluta, who has been assisting with developments at Märklin since March 2009. 'During the past four years, we have managed to place the Company back on a stable footing. Having Sieber & Sohn GmbH & Co. KG join as new owners ultimately confirms the success of the decisions we have made to date.' Pluta endorses the new ownership structure. 'The agreement guarantees complete

service of outstanding claims and continuation of business operations – a very positive development indeed.'

Sieber echoes the assessment: 'Mr Pluta and his team have chosen the right course for the future. All things considered, I see great potential for growth for Märklin and the subsidiary companies Trix and LGB.' Above all, the multi-brand strategy will be pursued and expanded. Sieber also sees children and teens returning as the focus for the future business strategy. The basis for this already exists in the 'Märklin my world' and 'LGB Toy Train' lines. 'Anyone who, like me, was enthusiastic about Märklin even as a child will remain loyal to the brand as an adult.'

The Märklin headquarters in Baden-Württemberg will remain the centre for the development and production of high-quality, special articles in future as well. Győr, Hungary, will remain the centrepiece of the Company's core production. Additional production lines will be returned to Europe from China over the medium term.

The takeover is currently awaiting approval by the German Federal Cartel Office [*Bundeskartellamt*]. It is expected, however, that the plans will be found consistent with applicable legal norms.

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