

Frauenthal Holding AG announces annual results for 2008

In 2008 the Frauenthal Group posted consolidated revenue of EUR 645 million (m) — up by 9% on the previous year. This did not fully translate into increased earnings, due to restructuring actions in the Automotive Components Business initiated in the fourth quarter.

Despite the restructuring costs incurred during the year EBITDA rose by 1% year on year, to EUR 43m. Headline EBIT — also depressed by EUR 4.8m in impairments — was a respectable EUR 23m, providing a solid foundation for Frauenthal to weather the economic crisis.

The equity ratio climbed from 29.9% to 31.4%. Net borrowings were up from EUR 90m to EUR 93m, driven by organic growth.

The first three quarters of 2008 saw strong growth in demand for commercial vehicle components, and despite a sharp decline in orders from October onwards the Automotive Components Division recorded an 11% gain in revenue for 2008 as a whole.

In the Industrial Honeycombs Division order backlog reached an all-time high, and revenue also set a new record, advancing by 22%. The fourth quarter witnessed the first major orders from Chinese power generators and the conclusion of a framework agreement for additional contracts, pointing to strong growth potential for the division.

The stable performance of the Group's Wholesale Plumbing Supplies Division (SHT) reflected gains in market shares, as well as the acquisition of central heating supplies wholesaler Röhrich which raised SHT's profile in the growing heating business. Divisional revenue expanded by almost 5% year on year. The crisis has not yet impacted the building industry.

Management is forecasting an operating loss for 2009, owing to the 60% decline in volume in the Automotive Component Division. The current volatility of the automotive component market makes it impossible to give any reliable guidance on the profit for the year. The rapid growth of the industrial honeycomb business and SHT's stable performance are unlikely to compensate for the losses sustained by the automotive components business.

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The full text of the annual report (in German) can be downloaded from www.frauenthal.at/InvestorRelations/Reports