

Repurchase of own shares by way of a voluntary public offering in accordance with sections 4 et seq. *Übernahmegesetz* (Austrian Takeover Act)

Frauenthal Holding AG (**FHAG**) hereby announces that the Company's Executive and Supervisory boards have today decided to repurchase up to 671,043 bearer shares in FHAG listed on the Official Market of the Vienna Stock Exchange under the authorisation given by the Annual General Meeting on 6 June 2012. The shares are being repurchased by way of a voluntary public offering in accordance with sections 4 et seq. Austrian Takeover Act.

The decision to repurchase the shares is subject to the following terms and conditions, and to the non-prohibition of the publication of the offer document by the Austrian Takeover Commission.

Terms of the repurchase of own shares	
Commencement and expected offer period	As the repurchase is to take place by way of a public offering in accordance with sections 4 et seq. Austrian Takeover Act, publication of the offer document in accordance with the Austrian Takeover Act is necessary. This offer document will provide binding information on the commencement and duration of the public offering period, and hence of the share repurchase period. The aim is to carry out the repurchase quickly.
Share class	Bearer shares (ISIN AT0000762406)
Number of shares	Up to 671,043 bearer shares (approx. 7.11% of the Company's share capital)
Purchase price	EUR 10 per bearer share
Form of purchase	By way of a public offering in accordance with sections 4 et seq. Austrian Takeover Act
Purpose	In accordance with the resolution adopted by the Annual General Meeting of FHAG on 6 June 2012, for all the purposes permitted by section 65 <i>Aktiengesetz</i> (Companies Act), and in particular: (i) as consideration for the acquisition of companies, business operations or parts thereof, or interests in one or more companies in Austria or abroad; or (ii) for the purpose of conducting an employee share programme including for members of the Executive board and senior executives or exclusively for members of the Executive board and senior executives or an employee share option plan including or exclusively for members of the Executive board and senior executives, in any case of the Company and Group companies; or (iii) to satisfy an over-allotment option (Greenshoe); or (iv) to eliminate fractional shares.

Effect of the repurchase on admission to listing	Basically, the repurchase will have no effect on the listing of the bearer shares on the Official Market of the Vienna Stock Exchange. In particular, FHAG does not intend to delist its shares. However, as things stand it appears that the repurchase could result in the FHAG bearer shares no longer meeting the requirements for listing in the Prime Market segment. FHAG is, in any case, examining the possibility of moving to a different market segment.
Date of the authorisation resolution	6 June 2012
Date and manner of publication of the authorisation resolution	The resolution was published on 7 June 2012 and 27 August 2012, pursuant to section 82(8) <i>Börsengesetz</i> (Stock Exchange Act).
Publication	The publication duties under section 10 <i>Veröffentlichungsverordnung</i> (Publication Ordinance) 2002 must be fulfilled in accordance with the requirements of the Austrian Takeover Act. FHAG reserves the right to fulfil these publication duties by posting information on a publicly accessible website (www.frauenthal.at).

Several minor shareholders of FHAG have given irrevocable undertakings to the Company to sell approximately 290,000 bearer shares in FHAG to FHAG during the offering provided that it commences no later than 5 October 2012.

The principal shareholder in FHAG, FT Holding GmbH, Chemnitz, has given an undertaking to FHAG to take up the offer of bearer shares directly held by it to the extent that such shares are not purchased by minority shareholders, provided that the offering commences no later than 5 October 2012.

FHAG will file the offer document regarding the public offering in sections 4 et seq. Austrian Takeover Act with the Austrian Takeover Commission quickly, and in all events within the statutory time limit of ten (10) stock exchange trading days, and currently intends to publish the offer document in the last week of September 2012, unless the Austrian Takeover Commission prohibits such publication. The current intention is for the offer period to run for two weeks from the offer document's publication date. As soon as the final details are known, FHAG will publish them in accordance with the statutory requirements.