

Stock exchange announcement pursuant to section 48d(1) Stock Exchange Act

Third quarter of 2014

Although the acquisition of ÖAG AG was concluded on 30 June 2014, the final purchase price is still to be finalised. However, Frauenthal Holding AG gained control of the company upon conclusion of the transaction. ÖAG AG is therefore included in consolidation as of 30 June 2014 and in the Group's financial statements from the first half of 2014 onwards¹.

Due to the disposal of the bulk of the steel springs and stabilisers business (which is set to be finalised in the fourth quarter of 2014 or at the start of 2015), profit for the period is broken down into continuing operations (the Frauenthal Trade Division and the remainder of the Frauenthal Automotive Division) and discontinued operations (steel springs and stabilisers). The analysis below refers to the continuing operations. Profit for the comparative period (January to September 2013) is broken down in the same way.

- The total revenue of Frauenthal Automotive (including the Gnotec Group) and Frauenthal Trade (including ÖAG AG) rose by EUR 110.2 million (m) or 32.7% year on year, to EUR 446.8m. Revenue at Frauenthal Automotive grew by 30.9%, and at Frauenthal Trade by 33.6%. The Gnotec Group (included in consolidation with effect from May 2013) contributed EUR 70.6m to consolidated revenue in the first three quarters of 2014. ÖAG's contribution from July to September 2014 amounted to EUR 76.0m (the company was included in consolidation with effect from 30 June 2014).
- At EUR 20.6m, Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the first three quarters represented an improvement of EUR 11.4m on the same period a year earlier. Frauenthal Automotive accounted for EBITDA of EUR 12.1m (Gnotec Group: EUR 7.3m) and Frauenthal Trade 11.1m (ÖAG: EUR 2.7m).
- Consolidated earnings before interest and tax (EBIT) improved by EUR 9.1m year on year, to EUR 12.3m. The Frauenthal Automotive Division recorded EBIT of EUR 7.4m, with the Gnotec Group's contribution amounting to EUR 4.3m. Another reason for the improved result is the restructuring of the air tank business implemented in 2013. The Frauenthal Trade Division reported EBIT of EUR 7.6m (ÖAG: EUR 2.0m), a year-on-year improvement of EUR 1.5m.
- Profit for the period of EUR 9.1m represented a year-on-year increase of EUR 9.3m.
- Equity declined by EUR 6.5m to EUR 85.1m (31 December 2013: EUR 91.6m) as a result of the loss for the period (from both continuing and discontinued operations) of EUR 3.9m. The equity ratio fell from 25.7% as at year-end 2013 to 17.9% as at 30 September 2014, due to the rise in total assets relating to the acquisition of ÖAG AG.

EUR m	9M 2014	Change	9M 2013
Revenue from continuing operations	446.8	32.7%	336.6
EBITDA from continuing operations	20.6	77.0%	9.2
EBIT from continuing operations	12.3	278.4%	3.3
Profit/loss for the period from continuing operations	9.1	*	-0.2
Loss for the period from discontinued operations*	-13.0	-461.3%	-2.3
Loss for the period	-3.9	-55.9%	-2.5
Equity	85.1	-29.7%	121.0
Equity ratio	17.9%	-12.2%	30.2%

*The profit from the steel spring and stabiliser operations held for disposal is included in profit from discontinued operations in accordance with IFRS 5. Profit for the period from discontinued operations declined by EUR 10.7m year on year. Of this amount, EUR 8.2m is accounted for by impairment (largely write-downs of assets to fair value), provisions for obligations arising from the acquisition, and transaction costs.

Assuming a small increase in market share and a slight contraction in the plumbing and heating supplies sector, the acquisition of ÖAG is expected to account for the entire increase in full-year revenue and earnings in the Frauenthal Trade Division. Although earnings will be tempered by the costs of integrating the new company and the necessary provisions have been recognised, we expect ÖAG's consolidation – following finalisation of the purchase price allocation process – to have a positive effect.

For the Frauenthal Automotive Division, no long-term improvement in the demand for heavy commercial vehicles is expected, but the Group is optimistic that because of positive developments among key customers and the start of deliveries to a car manufacturer in China, the Division's passenger vehicle business (Gnotec Group) will see its markets grow. Thanks to the acquisition of the Gnotec Group, which will complete its first full year as part of the Frauenthal Group in 2014, divisional revenue for the current financial year is expected to grow by around EUR 40m.

The Group will continue its search for a new third division.

¹Following the acquisition of ÖAG AG, the Wholesale Plumbing Supplies Division has been renamed as the Frauenthal Trade Division, comprising Frauenthal Handels- und Dienstleistungs GmbH, SHT Haustechnik AG, ÖAG AG, SHT Finance, 1a Installateur, SHT Termocom trgovina d.o.o. and SHT Slovensko s.r.o.

The full text of the interim report for the third quarter of 2014 is downloadable from the Investor Relations > Reports > Interim Reports section of the www.frauenthal.at homepage.

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