

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

Annual results for 2014

Due to the disposal of the heavy steel springs and stabilisers business (finalised on 23 December 2014), 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 December 2013) is broken down in the same way.

- The total revenue of Frauenthal Automotive and Frauenthal Trade (including ÖAG AG, acquired on 30 June 2014) rose by EUR 170.4 million (m) or 36.5% year on year, to EUR 637.4m. Revenue at Frauenthal Automotive grew by 18.2%, and at Frauenthal Trade by 46.0%. This increase was attributable to the acquisition of ÖAG AG (which contributed EUR 142.5m in the period from July to December) and the inclusion of the Gnotec Group in consolidation for the first full year.
- At EUR 35.1m, Group earnings before interest, tax, depreciation and amortisation (EBITDA) represented an improvement of EUR 16.5m on the same period a year earlier. After adjustment for extraordinary items, EBITDA amounted to EUR 26.9m, an increase of EUR 6.0m (of which ÖAG AG contributed EUR 3.9m for the period from July to December and the Gnotec Group EUR 2.3m for the full year).
- Divisional earnings before interest and tax (EBIT) at Frauenthal Automotive increased by EUR 6.4m to EUR 13.8m. Adjusted for recognition of EUR 0.6m in negative goodwill relating to Gnotec Motala (acquired in October 2014) and deconsolidation expense relating to the Frauenthal Automotive Ahlen GmbH and Frauenthal Automotive Westphalia GmbH sites in 2013, EBITDA amounted to EUR 13.2m, an increase of EUR 3.5m. The increase in operating profit is attributable to the higher contribution to earnings made by the Gnotec Group and restructuring of the airtanks business undertaken in 2013.
- In spite of the adverse trading environment, Frauenthal Trade posted EBITDA of EUR 24.1m, up EUR 9.9m on the same period a year earlier. After adjustment for the negative goodwill recognised in connection with the consolidation of ÖAG AG and impairment losses on inventories amounting to EUR 1.3m in 2014, divisional EBITDA was EUR 16.5m (up EUR 2.3m).
- Equity declined by EUR 6.0m to EUR 85.6m (31 December 2013: EUR 91.6m) as a result of the loss for the period of EUR 1.8m (continuing operations: profit of EUR 15.1m; discontinued operations: loss of EUR 16.9m). It also reflects actuarial losses of EUR 3.1m arising from a change in the discount rate used to calculate the provisions for staff benefits. The equity ratio was down from 25.7% as at year-end 2013 to 22.9% as at 31 December 2014 as a result of the increase in liabilities in connection with the consolidation of ÖAG AG and the loss for the year.

EUR m	2014	Change	2013
Revenue from continuing operations	637.4	36.5%	467.0
EBITDA from continuing operations	35.1	88.7%	18.6
EBITDA from continuing operations (adjusted)	26.9	28.7%	20.9
EBIT from continuing operations	22.1	*	1.6
EBIT from continuing operations (adjusted)	15.1	34.8%	11.2
Profit/loss for the period from continuing operations	15.1	*	-5.4
Loss for the period from discontinued operations*	-16.9	33.7%	-25.5
Loss for the period	-1.8	94.2%	-30.9
Equity	85.6	-6.6%	91.6
Equity ratio	22.9%	-2.8%	25.7

*The disposal of the heavy steel spring and stabilisers business was completed on 23 December 2014. The gains on disposal and the profit up to the time of the disposal are included in profit from discontinued operations in accordance with IFRS 5. This includes impairment losses, provisions for obligations arising from the acquisition, transaction costs and deconsolidation expense.

In 2015 Frauenthal Trade will focus on bringing the integration programme for SHT and ÖAG to a successful conclusion. There are no significant measures planned to extend the Austrian sales and service network. Optimisation of purchasing processes and terms and conditions of sale should contribute to further improvements in profitability over the next few years.

Following a challenging trading environment for the Division in 2014, there are initial signs of a slight improvement for Frauenthal Automotive in 2015. However, experience shows that assessments for the passenger vehicle and truck markets are highly uncertain, as economic instability is always capable of causing unrest, particularly in the sensitive commercial vehicle market. Frauenthal Automotive expects revenue to grow thanks to the acquisition of Gnotec Motala, the start of production at Gnotec Kunshan in China and positive developments in the passenger vehicle market.

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

The full text of the annual report (German version) is downloadable from the Investor Relations > Reports > Annual Reports section of the Frauenthal website (www.frauenthal.at).

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