

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

Second quarter of 2014

Closing of the purchase of ÖAG AG took place on 30 June 2014; the final purchase price is still to be determined. However, Frauenthal Holding AG gained control of the company on the closing date. ÖAG AG is therefore included in consolidation as of 30 June 2014 and in the interim financial statements for the half year.¹

Due to the disposal of the bulk of the steel spring and stabiliser business, due to be completed in the fourth quarter of 2014, profit for the period is broken down into continuing operations (Frauenthal Trade Division and the remainder of Frauenthal Automotive Division) and discontinued operations (steel spring and stabiliser business). The analysis below refers to the continuing operations. Profit for the comparative period (January to June 2013) is broken down in the same way.

- The total revenue of Frauenthal Automotive (including the Gnotec Group) and Frauenthal Trade rose by EUR 37.0 million (m) or 18.0% year on year, to EUR 242.3m. Revenue at Frauenthal Automotive grew by 55.6%, and at Frauenthal Trade by 0.7%. Gnotec contributed EUR 50.3m to consolidated revenue in the first half of 2014 following its inclusion in consolidation as of May 2013.
- At EUR 10.5m, Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the first half represented an improvement of EUR 9.3m on the comparative period of 2013 (Frauenthal Automotive: EUR 9.3m; Frauenthal Trade: EUR 3.2m).
- Consolidated earnings before interest and tax (EBIT) improved by EUR 7.9m year on year, to EUR 5.4m. The Frauenthal Automotive Division recorded EBIT of EUR 6.2m, with the Gnotec Group's contribution amounting to EUR 3.7m. 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 1.3m, a year-on-year improvement of EUR 0.7m.
- Profit for the period of EUR 2.9m represented a rise of EUR 6.3m on the first six months of 2013.
- Equity declined by EUR 7.0m to EUR 84.6m (31 December 2013: EUR 91.6m) as a result of the loss for the period (including discontinued and continuing operations) of EUR 4.4m. The equity ratio declined from 25.7% as at year-end 2013 to 17.4% as at 30 June 2014, due to the rise in total assets on acquisition of ÖAG AG.

EUR m	H1 2014	Change	H1 2013
Revenue from continuing operations	242.3	18.0%	205.3
EBITDA from continuing operations	10.5	761.4%	1.2
EBIT from continuing operations	5.4	320.1%	-2.5
Profit/loss for the period from continuing operations	2.9	185.1%	-3.4
Loss for the period from discontinued operations*	-7.3	-256.8%	-2.0
Loss for the period	-4.4	19.4%	-5.4
Equity	84.6	-28.0%	117.5
Equity ratio	17.4%	-12.2%	29.6%

*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 from discontinued operations declined by EUR 5.3m year-on-year. Of this amount, EUR 4.4m is accounted for by impairment (largely write-downs of assets to their fair value) and transaction costs.

In the Frauenthal Trade Division we expect moderate increases in revenue and earnings for 2014 as a whole, given the slight improvement in market share and the stable outlook for the plumbing and heating supplies market. The acquisition of ÖAG AG is expected to result in revenue growth of some EUR 140m in 2014. Results will be held down by the costs of integration, but provisions for these costs have already been made.

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 its broad customer mix 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.

In addition, the Group will continue its search for a new third division.

¹ Following 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 first half of 2014 can be downloaded from the Investor Relations > Reports > Interim Reports section of the www.frauenthal.at website.

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