

## **Frauenthal Holding AG announces results for first quarter of 2010**

The restructuring measures implemented by the Frauenthal Group in 2009 are bearing fruit. Although consolidated revenue for the first quarter of 2010 increased by only 4% from EUR 109.4 million (m) to EUR 113.7m, EBITDA turned positive primarily as a result of cost reductions in the Automotive Components Division. First-quarter EBITDA amounted to EUR 4.5m having been negative by EUR 3.9m in the first three months of 2009. EBIT advanced by EUR 9.2m to EUR 1.2m (Q1 2009: EUR -8.0m). At EUR 0.2m (Q1 2009: EUR -9.1m) consolidated profit returned to positive territory, thanks in no small measure to lower borrowing costs.

These improvements were attributable to a moderate recovery in the Automotive Components Division, which had to contend with a collapse in demand in 2009. The Industrial Honeycombs Division continued to grow rapidly, and revenue in the Wholesale Plumbing Supplies Division also edged up. Consequently all three of the divisions made a contribution to revenue growth. The Frauenthal Group's diversified structure has shown its worth, and will continue to do so as markets recover and the Group consolidates. Frauenthal will retain its cautious liquidity management policy and restrictive investment strategy as it continues to build solid foundations for the Group in the year ahead. As things currently stand, management is aiming to post a significant improvement in full-year earnings.

The **Automotive Components Division** recorded a 2% gain in revenue for the first three months of the year, and saw an impressive 24% surge in sales in March. EBITDA of EUR 0.9m was also evidence of the Division's successful turnaround.

The site in Ahlen, Germany will lose its most important customers for steel air reservoirs at the start of June. As a result, production of pressure vessels will be gradually phased out before being shut down in the fourth quarter of 2010. Up to 120 employees will be affected by the partial closure. The Group is in talks with the works council and the union aimed at drawing up a solution to minimise the impact on employees. Around 75 employees will continue manufacturing other product groups for the Automotive Components Division at the Ahlen site.

As things currently stand these restructuring measures will be the last to be implemented at the Division. Once they have been completed, and given that key segments of the commercial vehicle market are showing strong signs of recovery, the outlook for Automotive Components will be extremely positive. Measures undertaken last year to reduce the cost base and enhance the production network mean that the group is excellently placed to exploit this potential.

The **Wholesale Plumbing Supplies Division (SHT)** posted moderate revenue growth and a significant jump in earnings in the first quarter of 2010, in spite of the unfavourable weather conditions. The growth in private renovation demand continued, while contract business was flat owing to the drop in construction activity. Divisional revenue was up by 1%, and EBIT jumped 47% to EUR 0.4m. SHT claimed additional market share and reported moderately better margins in its fiercely contested market by focusing on expanding its service offerings and logistics network.

The **Industrial Honeycombs Division** (Porzellanfabrik Frauenthal GmbH) started the new financial year with record order books and is continuing to grow very rapidly. The Division reported a 14% surge in first-quarter revenue, while EBIT jumped more than 60% due to strong capacity utilisation, a favourable product mix, exchange rate gains and reduced costs. The new plate catalyst product line was successfully launched during the first quarter of 2010.

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The full text of the quarterly report is downloadable at [www.frauenthal.at](http://www.frauenthal.at) / Investor Relations / Reports.