

## Stock exchange announcement, 24 August 2011: Interim report for the first half of 2011

### Results for the first half of 2011

The Frauenthal Group's financial performance continued to improve in the first half of 2011. Group revenue was up by 15.1% to EUR 287.5 million (m), and the net profit after tax rose by EUR 3.2m to EUR 6.1m. At EUR 16.7m, EBITDA for the first half of 2011 represented an improvement of EUR 4.6m on the comparative figure for 2010, with more than half of the total contributed by the Automotive Components Division. Group EBIT advanced by 75.9%, from EUR 5.8m to EUR 10.2m. Two of the Frauenthal Group's three divisions are growing, and posted increased first-half revenue and earnings.

The Automotive Components Division returned a year-on-year increase in revenue of EUR 36.9m (42.3%), reflecting the recovery of the European commercial vehicle market and catch-up investment by road haulage companies.

The revenue contribution from the Industrial Honeycombs Division decreased by EUR 2.7m or 6.6%. The decline was due not to lower sales volumes, but entirely to stronger downward pressure on prices in both the diesel and the power station catalyst segments. Demand for diesel catalysts surged by 107%, while in the power station catalyst business order intake from Asia fell sharply, with Chinese order bookings particularly hard hit. Demand for power station catalysts in Europe and the USA remained strong. However, significant increases in the prices of important materials, and competitors' aggressive pricing policies are squeezing margins in the power station catalyst business. Chinese environmental legislation currently in the pipeline sends a positive message, but potential clients are still holding back and waiting to see the details of implementation.

The Wholesale Plumbing Supplies Division (SHT) registered growth of EUR 2.6m or 2% in a flat overall market. Thanks to its focus on the private renovation market, the division's exposure to the stagnant and fiercely contested contract business is limited.

In the light of the latest production forecasts from customers, the Automotive Components Division is expected to enjoy steady demand growth, at least in the third quarter. The Industrial Honeycombs Division is set for full capacity working for the rest of the year, but divisional earnings are seen lower year on year, due to input prices, the dollar exchange rate and downward pressure on diesel catalyst prices. The Wholesale Plumbing Supplies Division is forecast to record moderate full-year revenue growth and further gains in market shares.

The full text of the 2011 interim report is downloadable at [www.frauenthal.at](http://www.frauenthal.at) / Investor Relations / Reports.

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