



Report on the  
third Quarter of 2009

## Report on the third quarter of 2009

# Summary

	1 - 9 / 2009	1 - 9 / 2008	Deviation	1 - 12 / 2008
<b>Summary income statement (EUR m)</b>				
Revenue	336.0	501.9	-33.1 %	645.4
EBITDA	-7.7	40.7	-119.0 %	42.8
EBITDA, underlying <sup>1)</sup>	3.4	40.7	-91.8 %	42.8
<b>ROS (EBITDA / revenue)</b>	<b>-2.3 %</b>	<b>8.1 %</b>	<b>-128.4 %</b>	<b>6.6 %</b>
<b>ROS (EBITDA / revenue) underlying<sup>1)</sup></b>	<b>1.0%</b>	<b>8.1 %</b>	<b>-87.7 %</b>	<b>6.6 %</b>
Earnings before interest and tax (EBIT)	-22.0	29.1	-175.6 %	22.7
Earnings before interest and tax (EBIT), underlying <sup>2)</sup>	-8.4	29.1	-128.9 %	22.7
Profit on ordinary activities (POA)	-25.5	25.0	-201.8 %	17.1
Profit/loss after tax	-25.1	18.5	-235.9 %	11.5
Operating profit before working capital changes	-5.1	30.6	-116.8 %	32.4
Free Cash-Flow	-21.3	-17.9	-19.2 %	-1.0
<b>Summary balance sheet (EUR m)</b>				
Non-current assets	139.1	151.0	-7.9 %	150.8
Current assets	152.2	212.2	-28.3 %	174.3
Debt	214.8	252.1	-14.8 %	223.1
Equity	76.5	111.0	-31.1 %	102.1
<b>Equity ratio in %</b>	<b>26.3%</b>	<b>30.6%</b>	<b>-14.1 %</b>	<b>31.4 %</b>
Investment (additions to non-current assets)	8.1	17.9	-54.9 %	27.1
as % of revenue	2.4%	3.6%	-32.6 %	4.2 %
<b>Average head count</b>	<b>2,472</b>	<b>3,431</b>	<b>-28.0 %</b>	<b>3,327</b>
<b>Per employee ratios (in EUR '000)</b>				
Revenue	135.9	146.3	-7.1 %	194.0
EBIT	-8.9	8.5	-204.9 %	6.8
Operating profit before working capital changes	-2.1	8.9	-123.3 %	9.8
Shares in issue	9,434,990	9,434,990	0.0 %	9,434,990
Treasury shares	-261,390	-261,390	0.0 %	-261,390
Shares in circulation	9,173,600	9,173,600	0.0 %	9,173,600
<b>Per share ratios (in EUR)</b>				
EBITDA	-0.8	4.4	-119.0 %	4.7
EBIT	-2.4	3.2	-175.6 %	2.5
Profit/loss after tax	-2.7	2.0	-235.9 %	1.3
Operating profit before working capital changes	-0.6	3.3	-116.8 %	3.5
Free Cash-Flow	-2.3	-1.9	-19.2 %	-0.1
Equity	8.3	12.1	-31.1 %	11.1
Share price				
Ultimo	7.89	12.23	-35.5 %	6.58
High	8.19	22.88	-64.2 %	22.88
Low	5.00	12.23	-59.1 %	5.00
Dividend and bonus <sup>3)</sup>				0.0

1) Adjusted for deconsolidation EUR 6.3m and restructuring costs EUR 4.8m

2) Adjusted for deconsolidation EUR 6.3m and restructuring costs EUR 7.3m (thereof extraordinary depreciation EUR 2.5m)

3) Distribution proposed to the Annual General Meeting

## Operational review of the third quarter of 2009

### DEAR SHAREHOLDERS,

We are pleased to be able to tell you that the report on the third quarter of 2009 contains information on various positive developments at the Frauenthal Group.

- Thanks to the strength of the Wholesale Plumbing Supplies and Industrial Honeycombs divisions and the fact that the savings made by Automotive Components are now bearing fruit, third quarter (July – September) EBIT before one-time restructuring charges was positive by EUR 3.6 million (m) (Q2 2009: EUR -4.0m).
- Automotive Components' decline was halted in the third quarter. There are signs that the division has bottomed out, albeit at a low level.
- Restructuring is proceeding according to plan. Two of the 13 factories will be sold and another two closed at year end. Capacity will be expanded at the remaining nine sites in accordance with the changed industrial logic.
- Sustainable annual cost reductions of EUR 25m have been made, and their full impact will be felt from 2010 onwards.
- Accelerated product development in close cooperation with original equipment manufacturers (OEMs) has led to a number of substantial blanket contracts that will result in additional deliveries.
- The Wholesale Plumbing Supplies Division has opened a new logistics centre in Salzburg. This will supply customers in the provinces of Salzburg and Tyrol. Improved access to the division's outlets has been extremely well received by customers, and this is reflected in revenue growth.
- The expansion of the Industrial Honeycombs Division's module manufacturing capacity is proceeding on schedule and is due for completion in November.
- Thanks to its tight liquidity and inventory management the Group has access to ample finance, with open credit lines of about EUR 65m.
- We do not expect the trading environment to improve in the medium term (up to the end of 2010), but are confident that our ability to respond quickly and decisively to new business developments will stand us in good stead under conditions of sharply reduced volume.

### Financial and market highlights

Group revenue was down by EUR 165.9m or 33% year on year. While the Automotive Components Division recorded a drop in revenue of EUR 185.5m or 66%, Wholesale Plumbing Supplies (up 4%) and Industrial Honeycombs (up 44%) posted combined revenue growth of EUR 25.4m. The increase in non-automotive revenue led to an improvement in EBITDA of EUR 2.3m.

Following the free fall in truck production during the first two quarters, industry indicators are signalling that demand is flattening out. The recovery in output reflects inventory rundowns, and no help from end user demand for trucks is in sight at present.

Negative EBIT of EUR 22.0m for the first three quarters reflects falling volume and productivity in the Automotive Components Division. These factors were responsible for a divisional operating loss of EUR 17.Xm for the Division. Restructuring costs of EUR 13.6m were also incurred. The other divisions contributed EUR 8.9m to EBIT – a year-on-year gain of EUR 0.5m.

It should be noted once again how positively the Frauenthal Group's diversified structure, and the fact that it operates in markets driven by completely different forces, impacts over risk exposure.



**ECONOMIC CLIMATE****Automotive Components**

The commercial vehicle market continues to be one of those most severely affected by the economic crisis. A protracted boom, particularly on export markets, means that truck fleets have now largely been modernised. The crisis has resulted in countless bankruptcies in the transport sector. Freight forwarders are cutting their capacity – particularly in the long haul area – by taking vehicles off the road. While registrations of heavy goods vehicles have fallen by some 40% in the EU, demand on the main East European markets is almost at a standstill and has contracted by around 70%. The introduction of the new Euro 6 emission standard should help stimulate demand, but not before 2012. With these factors in mind, we remain very cautious about market trends. Particularly in the long haul segment (semis and trailers), we see only a very slow recovery. Vehicle scrappage schemes have boosted sales of light goods vehicles, especially in Germany. With stocks of unsold vehicles gradually returning to normal production has stopped falling. After – in some cases very long – plant shutdowns, output began to come into line with sales in July and August. This was reflected in a marked pick-up in production that began towards the end of the third quarter.

**Wholesale Plumbing Supplies**

The renovation market was again the main driver of growth in demand for sanitary and heating products in the third quarter. Following the downturn in commercial construction in the first half, the outlook for home building has also darkened. The announced government stimulus measures have not yet had a noticeable effect, and the medium-term indicators all point to a shrinking market. Market surveys for the period under review show a nominal decline of about 1% in demand, meaning that the division has grown its market shares by over 4%. Weaker competitors are looking for a life belt in ruinous pricing. As a result margins are under immense pressure, and they are unlikely to improve under current market conditions.

**Industrial Honeycombs**

Demand for power station catalysts remained strong across all regional markets. While China continued to be the main growth market the Industrial Honeycombs Division also won major contracts in Europe and the USA. The markets for heat exchangers and foundry filters have been dragged down by the crisis, and demand has contracted by about a third year on year. Sales of some of these products depend on the automotive sector. Fortunately, they play on a minor role for the Frauenthal Group as a whole.

**BUSINESS PERFORMANCE:  
IN-DEPTH DIVISIONAL REVIEW****Automotive Components**

In 2009 we made major progress towards laying the groundwork for a successful future for the Automotive Components Division by selectively restructuring its operations. All of the restructuring measures were implemented on schedule, although the market continued to provide scant support for our endeavours.

Restructuring costs of EUR 13.6m were made up of EUR 6.3m in non-cash deconsolidation expenses due to the disposal of the Styria Federn GmbH (Düsseldorf) and Styria Gibnjara Kraljevo (Serbia) subsidiaries, as well as EUR 3.6m arising from social plans and other personnel reduction actions, EUR 3.5m in impairments of non-current assets and inventories, and EUR 0.2m in other restructuring costs. EBIT from continuing operations was negative by EUR 17.1m. This includes EUR 1.9m in additional costs incurred as a result of widespread short-time working. The sharp cost reductions achieved were already feeding through by the third quarter, and the EBIT loss for the period narrowed to EUR 2.8m. Earnings should improve further in the fourth quarter, when the full effects of the cost savings will be felt and output volume will be rising. To the best of management's knowledge all of the main restructuring exercises are reflected in the third quarter results. We recorded an EBITDA loss of EUR 21.8m for the first three quarters, compared to positive EBITDA of EUR 51.4m in the like period in 2008 – a record-breaking year. EBITDA from continuing operations was negative by a cumulative EUR 10.7m, but the loss was down to EUR 1.1m by the third quarter. The decisions of many customers to reopen plants led to a rise in revenue in September and a significant improvement in EBITDA from continuing operations.





## Report on the third quarter of 2009

The following major restructuring actions have now been implemented:

- Part-closure of the steel air reservoir production operation in France (Styria Elesfrance S.A.S. in St. Avold);
- Disposal of the interests in Styria Federn GmbH, Düsseldorf and Gibnjara Kraljevo S.A., Serbia
- Part-closure of the Slovenian site (Styria Vzmeti d.o.o.) by mothballing the parabolic spring production line;
- Radical streamlining of the holding company by relocating the central functions previously sited in Germany (Düsseldorf) and France (Châtenois);
- Reduction of 808 in the permanent and 39 in the agency workforce since the start of the year;
- Reduction of about 1,200 (about 46%) in the total headcount since the start of the economic crisis.

On a full-year basis these measures will cut costs by about EUR 25m.

Other restructuring measures currently under way or being prepared for are:

- Closure of Styria Elesfrance S.A.S., St. Avold and relocation of the remaining production operations to other Group sites.
- Closure of the trapezoidal spring production operation in Slovenia (Styria Vzmeti d.o.o., Ravne) and its relocation to Styria Arcuri S.A., Sibiu, Romania by the end of 2009. Depending on market conditions in 2010, possible resumption of parabolic spring production in Slovenia. These measures will result in 125 phased redundancies; the closure costs will be between EUR 1.0–1.4m.

Despite the sharp cost reductions we have only downsized our steel spring capacity by about 30%, meaning that we will not face capacity bottlenecks if the market recovers more rapidly than expected.

The capacity realignment efforts are being accompanied by an intense effort to develop our customer relationships. The focus is on winning multi-year contracts and exploiting the cross-selling potential of our broad product range to win new orders. We are confident that the progress made with new product developments will also strengthen our market position.

### Wholesale Plumbing Supplies

Cut-throat price competition has cut margins by more than one percent. On the earnings side this is made up for by volume increases and cost savings – especially on advertising and logistics – and a reduction in bad debts. We have extended our market leadership by focusing on service quality and introducing trendsetting innovations such as the mySHT e-commerce platform for trade customers and consumers.

The construction of a combined sales and logistics centre in Innsbruck will give the brand a fresh impetus.

### Industrial Honeycombs

Growth of 44% in the first three quarters of the year, full capacity utilisation and continued peak order intake underlines the importance of the Industrial Honeycombs Division to the Frauenthal Group.

Strong demand is having a positive impact on prices. The fact that the US dollar exchange rate is falling again will have little impact on earnings for the current financial year.

The commissioning of the module fabrication facility marks the completion of the investments aimed at increasing value added and security of supply.

The investments in a new plate catalyst product line are scheduled for completion towards the end of the year. This new type of SCR catalyst is particularly suited to the Asian market, but there is also a demand for it in the USA and Europe.

Ceram Catalyst GmbH – the diesel catalyst subsidiary – has been merged with Porzellanfabrik Frauenthal GmbH with retroactive effect from 1 January 2009. This completes the integration of our stationary and mobile honeycomb businesses. This action has resulted in annual savings of around EUR 1m at the Frauenthal site. The diesel catalyst development programme is making rapid strides. Despite the current crisis in the commercial vehicle industry we believe that this product has major growth potential, particularly in the light of the stricter Euro 6 emission standards which are due to come into force in 2013 at the latest.

## LIQUIDITY

The increased liquidity needs arising from the operating losses of the Automotive Components Division were made good by reductions in working capital. However, cash outflows from restructuring and ongoing investment projects in the Division resulted in liquidity requirements totalling about EUR 9m. The Group's cash requirements rose by almost EUR 22m as compared to the position at year end 2008. This was due to the normal seasonal rise in working capital needs in the Wholesale Plumbing Supplies Division, and organic growth in the Industrial Honeycombs Division, as well as investments in both divisions. Our credit lines are sufficient and have been significantly expanded by additional agreements with existing and new partner banks.

## OUTLOOK

We expect the output growth in the Automotive Components Division which began towards the end of the third quarter to continue until year end. We do not anticipate a significant recovery in demand for heavy trucks before the end of 2010 – but in the absence of relevant information from customers such forecasts are subject to major uncertainties. The full effects of cost savings in the Automotive Components Division combined with the increase in output, and the good performance put in by the Wholesale Plumbing Supplies and Industrial Honeycombs divisions point to positive Group EBIT from continuing operations in the fourth quarter. Some of the restructuring expenses, including impairments of assets which will no longer be required for operations, are already in the third quarter results. It is still too early to tell whether further impairments will be required, as this will be determined on our end-of-year market forecasts.

**In the Automotive Components Division we have adjusted our cost base to significantly reduced volume, realigning our production network to future requirements and strengthening our development expertise. This strategy appears to have been highly successful. Our future prospects will largely depend on our ability to position ourselves as a long-term partner for our customers.**

**In the Wholesale Plumbing Supplies Division an expanded market presence, as well as numerous technical, logistical and product innovations, accompanied by tighter management of receivables have laid the groundwork for future success in a market that is also likely to be impacted by the crisis.**

**Thanks to recent capacity expansion the Industrial Honeycombs Division is set to profit from the massive opportunities in Asia, and to record strong growth for the foreseeable future. All in all, the third quarter has seen us move a lot closer to our goal of emerging from the crisis as a structurally stronger business.**

Vienna, November 2009

Frauenthal Holding AG

The Executive Board





## Notes to the interim report on the third quarter

The interim report of Frauenthal Holding AG (Frauenthal Group) for the nine months ended 30 September 2009 has been drawn up in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting. This report has neither been audited nor has it been reviewed by an independent auditor.

### CONSOLIDATION AND ACCOUNTING POLICIES

The scope of consolidation was determined in accordance with IAS 27.11. The number of companies included in consolidation has fallen from 27 to 26 since 31 December 2008 following the divestment of the majority interest in Styria Federn GmbH, Düsseldorf and its subsidiary A.D. Fabrika Opruga Styria Gibnjara Kraljevo, Serbia, the formation of two entities and one merger. The consolidated statements thus comprise the results of the parent, Frauenthal Holding AG and 26 subsidiaries which are under the common control of Frauenthal Holding AG, and in which the latter or one of its subsidiaries holds a majority of the voting rights.

The accounting policies used to prepare the financial statements for the year ended 31 December 2009 were applied without change to the third quarter of 2009. The main differences between the policies applied and the provisions of the Austrian Business Code (UGB) lie in the use of the percentage of completion (PoC) method to value construction contracts, in the treatment of deferred tax and the amortisation of goodwill, and in the recognition of provisions for employee benefit obligations.

### NOTES TO THE CONSOLIDATED INCOME STATEMENT

#### Revenue

The consolidated income statement is presented using the nature of expense method.

Consolidated IFRS revenue for the third quarter fell by 33.1% to EUR 336m (Q1–Q3 2008: EUR 501.9m). Revenue in the Automotive Components Division declined by EUR 185.5m year on year, while cumulative divisional revenue for the year plunged by 66%, from EUR 281m to EUR 95.5m.

The Wholesale Plumbing Supplies Division recorded revenue growth of EUR 7.6m or 4.1% on the back of robust renovation activity and gains in market shares. Growing demand for power station catalysts boosted revenue in the Industrial Honeycombs Division by 43.9% to EUR 52.3m (Q1–Q3 2008: EUR 36.3m).

Sales to the EU area accounted for 88% of total revenue, those to the USA for 4% and the rest of the world for 8%.

#### Earnings

Group EBITDA for the first three quarters of 2009 was EUR 48.4m lower year on year, turning negative by EUR 7.7m.

The disposal of the Styria Federn factory in Düsseldorf and the A.D. Fabrika Opruga Styria Gibnjara Kraljevo plant in Serbia resulted in deconsolidation expense of EUR 6.3m.

This and other restructuring costs amounting to EUR 4.8m were charged to the Automotive Components Division.

Like-for-like Group EBITDA, adjusted for deconsolidation expense and the aforementioned restructuring costs, was positive by EUR 3.4m.

EBITDA in Automotive Components worsened by 173.3% and was negative by EUR 21.8m (Q1–Q3 2008: EUR 29.7m). Underlying EBITDA, after EUR 11.1m in adjustments, was negative by EUR 10.7m.

In the Wholesale Plumbing Supplies Division earnings lagged behind revenue growth due to fierce price competition. Tight margins meant that EBITDA fell to EUR 6.8m (Q1–Q3 2008: EUR 7.6m). This decline was also partly attributable to insurance income realised in 2008.

The Industrial Honeycombs Division delivered the largest positive earnings contribution at EUR 7.3m. Rising demand for power station catalysts buoyed EBITDA which jumped by 64.6% year on year.

On the basis of the net loss attributable to equity holders of the parent of EUR 21.9m (Q1–Q3 2008: profit of EUR 17.3m) and an average of 9,173,600 shares in issue (Q1–Q3 2008: 9,173,600), both the basic and the diluted loss per share was EUR 2.38 (Q1–Q3 2008: EPS of EUR 1.89).

Since revenue and earnings in all divisions are subject to seasonal fluctuations extrapolations from results for the first nine months of 2009 do not yield reliable forecasts for the year as a whole.



## NOTES TO THE CONSOLIDATED BALANCE SHEET

The Group's total assets dropped by EUR 33.9m or 10.4% from their level at the balance sheet date for the past financial year (31 December 2008: EUR 325.2m) to stand at EUR 291.3m. The divestment of the interests in Styria Federn GmbH, Düsseldorf, and its subsidiary A.D. Fabrika Opruga Styria Gibnjara Kraljevo, Serbia, accounted for EUR 16.5m of the decline.

The decrease in current and non-current assets mainly stems from the rundown in inventories in the Automotive Components Division due to weak sales in the first three quarters. Inventory rundowns in the division totalled EUR 20m (of which EUR 7.5m was due to the disposal of the two subsidiaries). In contrast, the strong performances recorded by the Wholesale Plumbing Supplies Division and the Industrial Honeycombs Division resulted in inventory builds of EUR 5.1m and EUR 1.7m, respectively. The disposal of the two subsidiaries reduced property, plant and equipment by EUR 5.2m, and Group trade receivables by EUR 2.8m. In total trade receivables and other receivables (reported under "Other assets") fell by EUR 2.2m. The reduction in non-current assets also reflects a cutback in investment as well as non-recurring impairment losses of EUR 2.5m, in particular at the Slovenian plant. Cash and cash equivalents were down from EUR 16.3m year end 2008 to EUR 4.3m.

On the liabilities side total borrowings fell by EUR 8.2m from their level at 31 December 2008, due to a decline of EUR 11m in trade payables, and other current and non-current liabilities. Total bank borrowings grew by EUR 10.4m. This was mainly due to increased borrowing requirements in the Industrial Honeycombs Division – as a result of increased capital expenditure – and the Automotive Components Division. Short and long-term provisions shrank by EUR 6.8m to EUR 23.7m (30 September 2008: EUR 30.5m). The cumulative loss for 2009 reduced consolidated equity including minorities and currency translation to EUR 76.5m – a fall of EUR 25.6m compared to 31 December 2008. No distribution was made to shareholders and minority interests from the profit for 2008. Owing to the loss for the period the equity ratio declined from 31.4% as at 31 December 2008 to 26.3% at the interim balance date, despite the decrease in total assets.

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

There was an operating loss for the period before working capital changes of EUR 5.1m, compared to a profit of EUR 35.8m in the like period of 2008. The operating loss before working capital changes arose from the consolidated loss of EUR 25m, depreciation and amortisation of non-current assets amounting to EUR 2.7m, and a decline in deferred tax assets of EUR 2.3m. This item was adjusted for the EUR 6.3m in noncash deconsolidation expense arising from the divestiture of Styria Federn GmbH and A.D. Fabrika Opruga Styria Gibnjara Kraljevo.

The lower revenue returned by the Automotive Components Division led to negative cash flows from operating activities of EUR 11.9m (Q1–Q3 2008: EUR -3.2m).

Net cash used in investing activities was negative by EUR 9.4m, a year-on-year improvement of EUR 5.3m reflecting lower investment in the current year. Group investment spending was in the first nine months of this year was EUR 8.1m – a reduction of EUR 9.8m from the comparative period. In the Automotive Components Division investment projects initiated in 2008 resulted in spending of EUR 1.8m during the period under review. In 2008 some EUR 11.2m was invested in expanding capacity. The Wholesale Plumbing Supplies Division invested EUR 4.3m in the new regional logistics centre in Salzburg, a new Bäderparadies branch in Innsbruck, completion of the automated small parts warehouse at the central warehouse in Vienna, and vehicle fleet replacements (Q1–Q3 2008: EUR 4.2m). Investment in the Industrial Honeycombs Division was EUR 1.8m (Q1–Q3 2008: EUR 2.5m).



Heinrich Brunnbauer, 50 and Thomas Zendron, 37  
wholesale plumbing supplies

## EMPLOYEES

In the first nine months of 2009 the Frauenthal Group employed an average of 2,472 people (Q1–Q3 2008: 3,431). Personnel reductions in the Automotive Components Division also reflect the Styria Federn and Fabrika Opruga Styria Gibnjara Kraljevo disposals. Head count in the Automotive Components Division fell by an average of 1,038 compared to the like period in 2008, while the merger of Ceram Catalysts GmbH and Porzellanfabrik Frauenthal GmbH led to an increase of 86 employees in the Industrial Honeycombs Division. Head count in Wholesale Plumbing Supplies remained virtually unchanged.

## SHARE PRICE PERFORMANCE

Frauenthal has been listed on the Vienna Stock Exchange prime market since 23 July 2007. During the first half our share price was relatively stable given the negative overall market trend. The price edged down from EUR 6.58 at year end 2008 to EUR 6.24 on 30 June 2009. It rallied in the third quarter, hitting a high of EUR 8.19 on 10 September and closing at EUR 7.89 on 30 September.

For more information on our share price performance visit our website at [www.frauenthal.at](http://www.frauenthal.at).

## COMPOSITION OF THE EXECUTIVE BOARD

As at 30 September 2009 the Executive Board consisted of Hans-Peter Moser, who is in overall charge of the Automotive Components and Wholesale Plumbing Supplies divisions, and Martin Sailer who heads up the corporate finance function and the Industrial Honeycombs Division.

## DECLARATION BY THE EXECUTIVE BOARD PURSUANT TO SECTION 87(1) AUSTRIAN STOCK EXCHANGE ACT

The Executive Board hereby declares that to the best of its knowledge the interim report of the Frauenthal Group for the third quarter, prepared in accordance with International Financial Reporting Standards (IFRS), to the maximum extent possible gives a true and fair view of the assets, finances and earnings of the companies included in consolidation. The operating review likewise as far as possible gives a true and fair view of the assets, finances and earnings of the Frauenthal Group, and provides information on the course of business, and the impact of existing and future risks on the Group's business activities.

Vienna, 11 November 2009

Frauenthal Holding AG

The Executive Board



Mag. Hans-Peter Moser  
Member of the Executive Board



Dr. Martin Sailer  
Member of the Executive Board

## Consolidated income statement

	EUR '000	1-9 / 2009	1-9 / 2008
<b>Revenue</b>		<b>335,970</b>	<b>501,892</b>
Changes in inventories of finished goods and work in progress		-3,764	5,583
Work performed by the entity and capitalised		0	481
Other operating income		6,057	6,680
Raw material and consumables used		-224,006	-326,379
Staff costs		-77,682	-100,149
Depreciation, amortisation and impairment		-14,281	-11,557
Other operating expenses		-44,320	-47,416
<b>Profit from operations</b>		<b>-22,026</b>	<b>29,135</b>
Interest income		204	200
Interest expenses		-3,652	-4,332
Other financial income		0	15
<b>Net finance costs</b>		<b>-3,448</b>	<b>-4,117</b>
<b>Profit before tax</b>		<b>-25,474</b>	<b>25,018</b>
Income tax expense		-264	-4,809
Change in deferred tax		654	-1,745
<b>Profit after tax</b>		<b>-25,084</b>	<b>18,464</b>
Attributable to minority interests		3,208	-1,146
<b>Attributable to equity holders of the parent</b>		<b>-21,876</b>	<b>17,318</b>



## Report on the third quarter of 2009

## Consolidated balance sheet

	EUR '000	30. Sep. 2009	31. Dez. 2008
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets		40,972	42,038
Property, plant and equipment		75,595	86,801
Investments in associates		690	690
Other financial assets		1,319	1,319
Deferred tax assets		20,505	19,977
		<b>139,081</b>	<b>150,825</b>
<b>Current assets</b>			
Inventories		71,355	83,645
Trade receivables		68,498	60,016
Other assets		7,595	13,893
Available-for-sale investments		479	479
Cash and cash equivalents		4,281	16,302
		<b>152,208</b>	<b>174,335</b>
<b>Total assets</b>		<b>291,289</b>	<b>325,160</b>

	EUR '000	30. Sep. 2009	31. Dez. 2008
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		9,435	9,435
Capital reserves		21,093	21,093
Retained earnings		67,408	55,560
Translation reserve		-2,360	-1,937
Other reserves		359	359
Own shares		-396	-396
Minority interest		2,829	6,159
Profit for the year		-21,876	11,848
		<b>76,492</b>	<b>102,121</b>
<b>Non-current liabilities</b>			
Bond		70,000	70,000
Bank borrowings		17,917	8,262
Other liabilities		2,665	3,373
Provisions for termination benefits		9,928	9,685
Provisions for pensions		7,128	9,746
Provisions for deferred taxes		2,365	2,453
Other long-term provisions		5,405	9,170
		<b>115,408</b>	<b>112,689</b>
<b>Current liabilities</b>			
Bond		678	1,375
Bank borrowings		30,550	29,775
Trade payables		43,248	49,757
Other liabilities		23,714	27,538
Tax provisions		219	672
Other short-term provisions		980	1,233
		<b>99,389</b>	<b>110,350</b>
<b>Total equity and liabilities</b>		<b>291,289</b>	<b>325,160</b>



## Cash flow statement

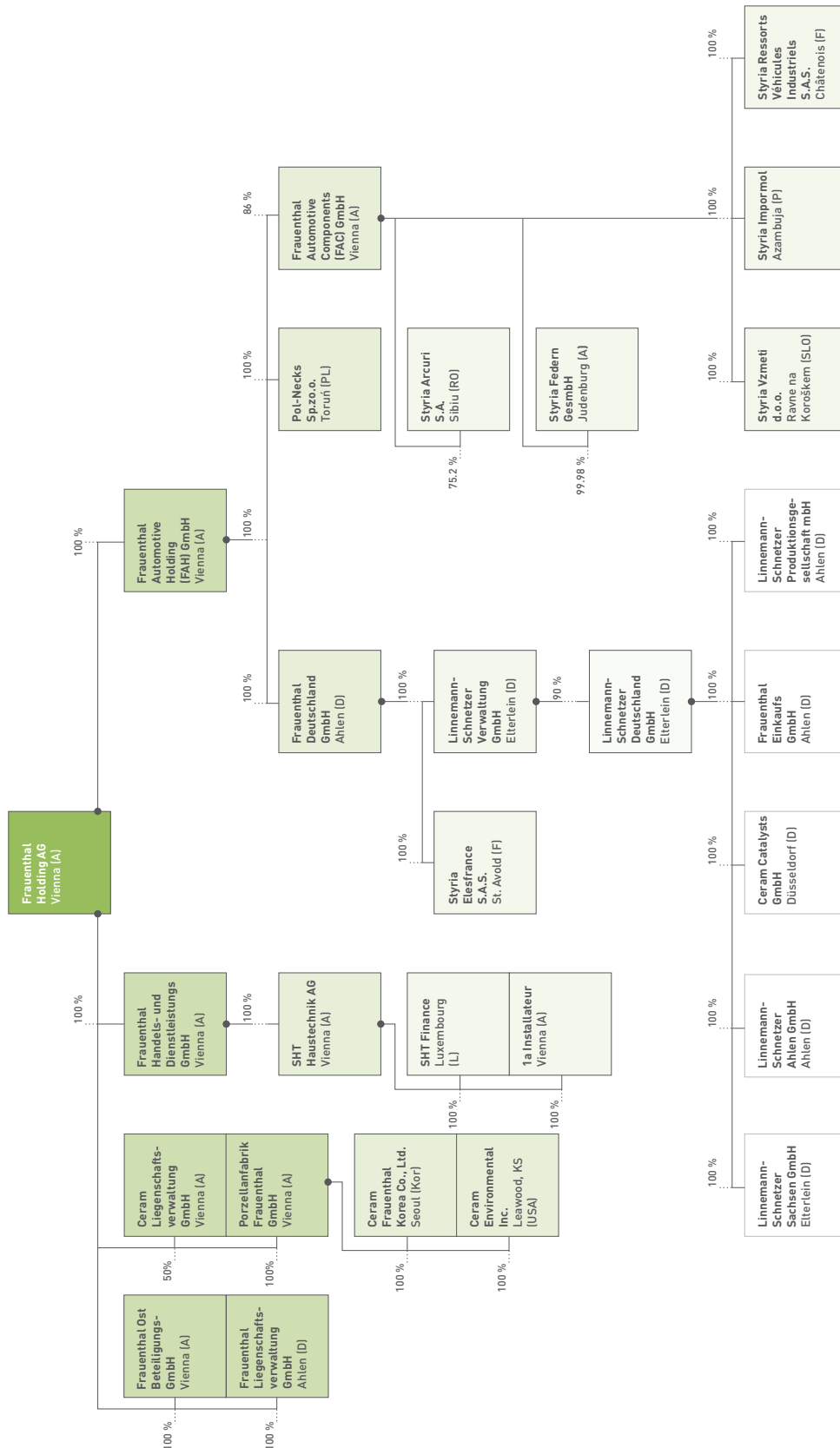
	EUR '000	1-9 / 2009	1-9 / 2008
Net profit/loss before minority interests		-25,084	18,464
Deconsolidation expense		6,248	0
Depreciation and amortisation of non-current assets		14,281	11,557
Gains on disposal of non-current assets		0	-26
Losses on disposal of non-current assets		124	0
Change in deferred tax		-530	1,769
Change in long-term provisions		-137	-501
Other non-cash transactions		-42	-624
<b>Operating profit before working capital changes</b>		<b>-5,140</b>	<b>30,639</b>
Change in inventories		4,783	-15,048
Change in trade receivables		-9,863	-27,389
Change in other receivables		4,962	-3,119
Change in short-term provisions		-840	-418
Change in trade payables		-5,237	5,802
Change in liabilities to Group companies		-118	-197
Change in other liabilities		-529	6,489
Translation related changes		80	76
<b>Net cash from operating activities</b>		<b>-11,902</b>	<b>-3,165</b>
Investments in non-current assets		-8,073	-17,890
Proceeds from sale of non-current assets		54	879
Proceeds from investment grants		-581	2,279
Proceeds from repayment of loans		31	81
Changes arising on consolidation		-803	-34
<b>Net cash used in investing activities</b>		<b>-9,372</b>	<b>-14,685</b>
Dividends paid		0	-2,115
Change in financial liabilities		9,253	15,046
<b>Net cash from financing activities</b>		<b>9,253</b>	<b>12,931</b>
<b>Change in cash and cash equivalents</b>		<b>-12,021</b>	<b>-4,919</b>
Cash and cash equivalents at beginning of period		16,302	10,218
Cash and cash equivalents at end of period		4,281	5,299

## Statement of changes in equity

	EUR '000	Share capital	Capital reserve	Retained earnings	Translation reserve	Other reserves	Treasury shares	Net profit / loss	Equity attributable to equity holders of the parent	Minority interests	Total equity
<b>At 1 Jan. 2008</b>		<b>9,435</b>	<b>21,093</b>	<b>39,890</b>	<b>-132</b>	<b>0</b>	<b>-396</b>	<b>17,505</b>	<b>87,395</b>	<b>6,604</b>	<b>93,999</b>
Consolidated net profit for 2007				17,505				-17,505	0		0
Consolidated net profit for 2008								11,848	11,848	-349	11,499
Dividends				-1,835					-1,835	-280	-2,115
Exchange differences on translating foreign operations and change in minority interests					-1,805				-1,805	184	-1,621
Direct changes in equity											
Cash Flow Hedges						479			479		479
Deferred taxes						-120			-120		-120
<b>At 31 Dec. 2008 = 1 Jan. 2009</b>		<b>9,435</b>	<b>21,093</b>	<b>55,560</b>	<b>-1,937</b>	<b>359</b>	<b>-396</b>	<b>11,848</b>	<b>95,962</b>	<b>6,159</b>	<b>102,121</b>
Consolidated net profit for 2008				11,848				-11,848	0		0
Consolidated net profit 1-9/2009								-21,876	-21,876	-3,208	-25,084
Exchange differences on translating foreign operations and change in minority interests					-423				-423	-122	-545
<b>At 30 Sep. 2009</b>		<b>9,435</b>	<b>21,093</b>	<b>67,408</b>	<b>-2,360</b>	<b>359</b>	<b>-396</b>	<b>-21,876</b>	<b>73,663</b>	<b>2,829</b>	<b>76,492</b>

# Our structure

Status as of 30 September 2009



# Imprint

## 2010 FINANCIAL CALENDAR

29 April 2010	Publication of annual results 2009
17 May 2010	Publication of the interim report on the first quarter of 1 / 2010
02 June 2010	21 <sup>st</sup> Annual General Meeting
08 June 2010	Ex-dividend date
11 June 2010	Dividend payment day
12 August 2010	Publication of the interim report on the first half of 2010
11 November 2010	Publication of the interim report on the third quarter of 2010

## SHAREHOLDER INFORMATION

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Vienna Stock Exchange: Prime Market

Symbol: FKA

ISIN: AT 0000762406 (shares)

Bloomberg-code: FKA AV

Reuters-code: FKAV.V1

Market capitalisation: EUR 59m (30 September 2009)

Vienna Stock Exchange: Listing on the Vienna Stock Exchange official market

Symbol: FKA

ISIN: AT 0000492749 (bonds)

In addition to detailed information on Group companies, our website offers downloads of quarterly reports, AGM documents, press releases, stock exchange announcements, product photographs, and the latest annual report in German and English.

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### Note:

Editorial changes have been made to this report in the interests of readability (including the colour scheme and lay-out). The original can be viewed at the Company's headquarters.

