frauenthal
GROUP

REPORT ON THE FIRST QUARTER OF 2010

Strength through diversity

Summary

	1 – 3 / 2010	1 – 3 / 2009	Deviation in%	1 – 12 / 2009
Summary income statement (EUR m)				
Revenue	113.7	109.4	3.8 %	454.5
EBITDA	4.5	-3.9	214.0 %	-6.0
EBITDA, underlying	4.5	-3.9	214.0 %	-0.1 [2]
ROS (EBITDA / revenue)	**3.9 %**	**-3.6 %**	**209.6 %**	**-1.3 %**
ROS (EBITDA / revenue) underlying [2]	**3.9 %**	**-3.6 %**	**209.6 %**	**0.0 %**
Earnings before interest and tax (EBIT)	1.2	-8.0	115.4 %	-25.2
Earnings before interest and tax (EBIT) underlying [2]	1.2	-8.0	115.4 %	-19.4
Profit on ordinary activities (POA)	0.5	-9.2	104.9 %	-29.6
Profit/loss after tax	0.2	-9.1	102.1 %	-29.4
Operating profit before working capital changes	4.1	-4.3	195.0 %	-7.3
Summary balance sheet (EUR m)				
Non-current assets	134.5	148.4	-10.4 %	136.3
Current assets	154.1	171.5	-11.3 %	118.5
Total assets	288.6	319.9	-10.9 %	254.7
Debt	215.7	228.1	-5.8 %	182.7
Equity	72.9	91.8	-26.0 %	72.1
Equity ratio in %	**25.3 %**	**28.7 %**	**-13.6 %**	**28.3 %**
Investment (additions to non-current assets)	1.0	2.6	-171.8 %	12.1
as % of revenue	0.9 %	2.4 %	-182.5 %	2.7 %
Average head count	**2,294**	**2,877**	**-25.4 %**	**2,442**
Per employee ratios (in EUR ,000)				
Revenue	49.6	38.0	23.3 %	186.1
EBIT	0.5	-2.8	119.3 %	-10.3
Operating profit before working capital changes	1.8	-1.5	219.1 %	-2.8
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
Per share ratios (in EUR)				
EBITDA	0.5	-0.4	214.0 %	-0.7
EBIT	0.1	-0.9	115.4 %	-2.7
Profit/loss after tax	0.0	-1.0	102.1 %	-3.2
Operating profit before working capital changes	0.4	-0.5	195.0 %	-0.7
Equity	7.9	10.0	-26.0 %	7.6
Share price				
Ultimo	7.23	5.50	23.9 %	7.49
High	7.25	7.00	3.4 %	8.50
Low	6.93	5.00	27.8 %	4.25
Dividend and bonus [1]				0.0

1) Distribution proposed to the Annual General Meeting

2) 2009: adjusted by the deconsolidation of Styria Federn GmbH, Dusseldorf and A.S. Fabrika Opruga Styria Gibnjara Kraljevo, Serbia in the amount of 6 EUR m.

Operating review for the first quarter of 2010

DEAR SHAREHOLDERS,

We are delighted to present the following positive report on the business performance of the Frauenthal Group in the first quarter of 2010.

The key developments during the quarter were as follows:

- The restructuring measures implemented in 2009 are bearing fruit. Although there was only a modest increase in revenue from EUR 109.4m to EUR 113.7m, EBITDA turned positive by EUR 4.5m (Q1 2009: EUR -3.9m), and EBIT improved by EUR 9.2m, for a positive figure of EUR 1.2m (Q1 2010: EUR -8.0m).

- We are seeing signs of a moderate recovery in the Automotive Components Division, while the Industrial Honeycombs Division continues to grow rapidly and revenue in the Wholesale Plumbing Supplies Division is also edging up. Together, these trends brought a consolidated profit for the period of EUR 0.2m (Q1 2009: EUR -9.1m).

- In June the Automotive Components Division will lose the largest customer for the pressure vessels produced at the Ahlen plant. As a result it appears that production will have to be shut down in the fourth quarter of 2010.

- The Wholesale Plumbing Supplies Division (SHT) posted moderate revenue growth and a significant jump in earnings in the first quarter, in spite of the unfavourable weather conditions. Stable growth in private renovation demand continued, while contract business was flat because of the drop in construction activity. SHT claimed additional market share in its fiercely contested market thanks to its focus on expanding its service offerings and logistics network.

- The Industrial Honeycombs Division started the new financial year with record order books. It is continuing to grow very rapidly and is reporting significant rises in revenue and earnings. The new plate catalyst product line was successfully launched.

- Organic growth across all three divisions has increased liquidity requirements as expected, but available credit lines are more than sufficient. We are continuing to exercise great caution with regard to new investment projects.

Financial and market highlights

Group revenue was up by EUR 4.3m (4%) year on year; all three divisions contributed to the upturn. The Automotive Component Division returned a EUR 0.9m (2%) gain in revenue for the first three months of the year; March saw an impressive 24% surge in sales. The Wholesale Plumbing Supplies Division posted revenue growth of EUR 0.7m (1%), and the Industrial Honeycombs Division a rise of EUR 2.4m (14%). EBITDA improved by EUR 8.4m to EUR 4.5m, driven partly by the rise in revenue, but still more by the cost reductions in the Automotive Components Division. EBIT also turned around, advancing by EUR 9.2m to EUR 1.2m. Lower borrowing costs also had a positive effect, helping Frauenthal to a profit of EUR 0.2m for the first quarter. There were no significant restructuring expenses, as the restructuring programmes still in progress were provided for in 2009.

Last year's rundown of inventories of unsold vehicles brought an increase in production by the fourth quarter, and this continued in the first quarter of 2010. For several months now, output has been significantly outpacing vehicle sales, and in the EU registrations of heavy and medium trucks are still recording year-on-year declines.

Frauenthal's diversification — a key factor in weathering the crisis in 2009 — is again proving a source of strength as the Group consolidates its recovery. The fact that the divisions serve completely different markets reduces the Group's overall risk exposures.

TRADING ENVIRONMENT

Automotive Components

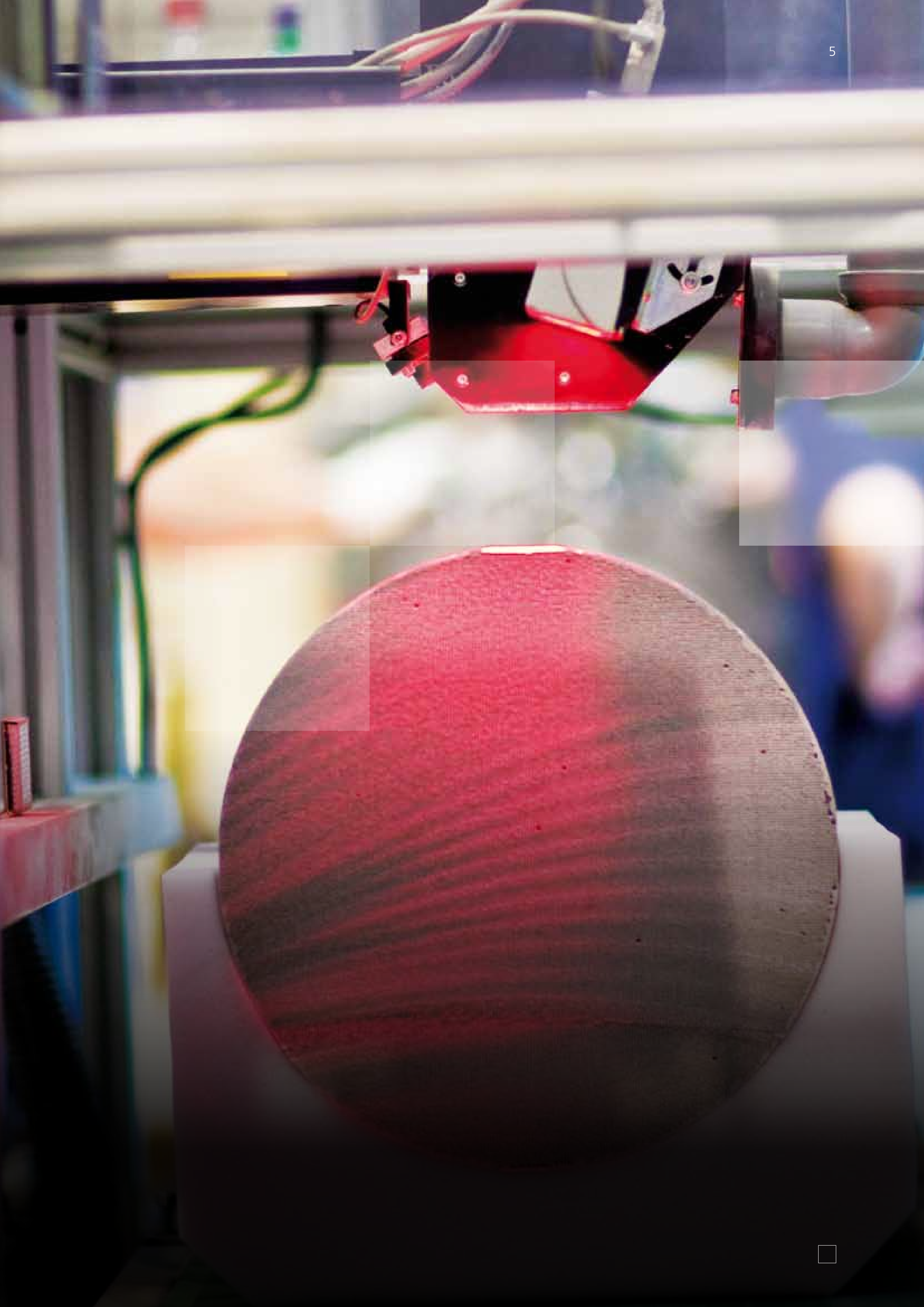
Trends in the commercial vehicle market varied widely according to product categories, regions and customer groups in the first quarter of 2010. The number of vehicle registrations of heavy and medium trucks in the EU in the first quarter was down 26% year on year, but the decline was lower in March at 10%. All the manufacturers are expecting registration figures to recover during the year. Exports — crucial to output volume — are reviving. The CEE region and Russia, where sales came to a virtual standstill at the start of the crisis, have been the quickest markets to pick up. In terms of product segments, light commercial vehicles are the strongest performers, with new registrations up 4 % in the first quarter. There is still little sign of a revival in demand for heavy trucks, and registrations were down by 31%. A regional perspective reveals a clear north-south divide in Europe. While the German and UK markets are already expanding by about 0.4%, South-eastern Europe is still mired in crisis. This weak market data stands in stark contrast to an increase in production caused by the fact that inventories of unsold trucks have now been largely worked off. New vehicles are now feeding into the distribution channels again. Cautious demand forecasts reflect the imbalance between climbing production and stagnant sales. Positive factors behind increased demand include an overall improvement in the economic climate which is buoying freight volumes, and the rise in the average vehicle age as the crisis wears on. Negative factors include the large volumes of idled trucks, the weak finances of many hauliers, and the incentive to postpone investment until Euro 6 compliant vehicles come on to the market in 2011. A conservative forecast of the overall situation would be for production growth in the order of 15%.

Wholesale Plumbing Supplies

In the first quarter the wholesale plumbing and heating supplies market contracted year on year. The private renovation segment (up 4%) was the main prop for growth. The heating segment also expanded robustly, driven by the trend towards environmentally-friendly products, and high and rising energy costs. Building construction, and the commercial segment in particular, is now in its third year of decline, and has dragged contract business down with it. Sales of plumbing supplies are edging down in consequence. Nevertheless, there are grounds for optimism, as the government stimulus measures are starting to feed through. We are certain that the overall market is contracting, but that we are winning market shares. The reasons for this are our focus on the growing renovation and heating segments, the drive to expand the service network.

Industrial Honeycombs

Demand for power station catalysts remains strong across all regional markets. The greatest growth potential is in China, which accounts for around 30% of Industrial Honeycombs' divisional revenue. However new projects are also proceeding in Europe and the USA. High demand for replacement parts for SCR catalysts in these mature markets is a major source of revenue. The markets for heat exchangers and foundry filters are recovering, having declined significantly in 2009 due to the dependence of demand on the crisis-hit automotive industry. First quarter order intake leapt by 41% year on year. Increased truck production led to a 55% jump in orders for diesel catalysts. Work is continuing in this business on the development of high-volume diesel catalyst prototypes designed to comply with the Euro 6 emissions limits scheduled to enter into force in 2013. Investment in the plate catalyst, a new product line for power stations, was completed. The first prototypes are ready.



Katrin Groß, 43, welder, Linnemann-Schnetzer Deutschland GmbH

BUSINESS PERFORMANCE: IN-DEPTH DIVISIONAL REVIEW

Automotive Components

The root-and-branch restructuring and cost reduction measures taken by the Automotive Components Division began to bear fruit in the first quarter of 2010. Following the closure of four of the 13 production facilities and a reduction of about 1,200 in the total headcount — measures that gave rise to EUR 17m in restructuring costs in 2009 — the division now has a fully optimised production network at its command. Production relocations from the discontinued operations and green shoots of recovery mean that divisional capacity utilisation is now significantly better than it was at the height of the crisis. While total volumes are still too low for full capacity utilisation, results for the first quarter of 2010, including EBITDA of EUR 0.9m, are evidence of turnaround. With EBIT negative by EUR 0.6m in the first quarter the division is still not out of the red, but the positive EUR 0.4m figure in March is highly encouraging. Restructuring has resulted in a significant decline in the minimum volume required for EBIT breakeven, and this is now reached at just 50% of the level needed in 2008. It is particularly gratifying that the production relocations went smoothly and customers gave all the necessary approvals without any problems. The new structure gives a key role to the Styria Arcuri S.A. plant in Sibiu, Romania. From now on this site, which has room for expansion, will supply all the major OEM customers. Even the plant in Judenburg, a specialist supplier of links for trailer axels, returned positive EBITDA despite being particularly hard hit by the crisis. The relative production ramp-up there is significantly higher than elsewhere, owing to the low starting point. Short-time working has been scaled back at some locations, and some hiring is taking place.

Quarterly revenue was up EUR 0.9m (+2%) year on year, and EBIT likewise improved, by EUR 7.9m, mainly as a result of the cost reduction programmes. The improvement in earnings is also partly explained by the absence of significant restructuring costs, as provisions were recognised for all measures in progress in the financial statements for 2009.

The following restructuring measures were either concluded in the first quarter or are close to completion:

- Closure of the French facility for manufacturing steel and aluminium vessels and tubular stabiliser bars (Styria Elesfrance S.A.S. in Saint Avold) and relocation of the machinery; discontinuation of the production of trapezoidal springs at Styria Vzmeti d.o.o. (in Ravne, Slovenia) and transfer to Sibiu, Romania (Styria Arcuri S.A.). These actions resulted in 98 redundancies at the start of 2010. Production of parabolic springs at Saint Avold had already been discontinued in mid-2009.

- Increased capacity at the Sibiu plant (Styria Arcuri S.A.) where there is still has plenty of room for expansion.

As things currently stand, there is only one more restructuring project scheduled for 2010.

- The steel air reservoir works in Ahlen has been hit by a strategic decision by its most important customer to start sourcing its reservoirs from a competitor from the fourth quarter of 2010. The Ahlen site also manufactures formed parts and welded component groups for other companies in the Automotive Components Division and non-Group customers. This product segment holds considerable scope for expansion for Ahlen to tap into. Production of steel air reservoirs will probably be discontinued permanently following the expiry of the contracts with this customer. We are working with the works council and union on a solution that will minimise hardship for employees who cannot be taken on in the formed parts and welded components operations. Up to 120 employees will be affected by the partial closure.

The drives to develop customer relationships and products are bringing results. The product development programmes are vital in light of the fact that new vehicle generations are due to come on to the market next year, in time for the entry into force of the stricter Euro 6 emission standard in 2013. Progress has been made with all key customers on retaining their business and expanding it in future. A number of new framework agreements have already been signed, and other contracts are currently under negotiation. Prototypes of innovative products for the new vehicle generations are being tested by customers, and collaborative development projects have been launched with some of them. Our sales organisation has been strengthened to leverage the cross-selling potential offered by our broad based product portfolio.

All in all, restructuring in the Automotive Components Division has not only brought the necessary cost reductions, it has also created a far more efficient production network that scores highly with customers on product quality, reliable logistics and development expertise.

Wholesale Plumbing Supplies (SHT)

The prevailing mood on the market is positive in spite of the year-on-year contraction in overall demand in the first quarter, if only because of the growth in public sector contracts. Political initiatives such as the mandatory installation of solar arrays at all new buildings in the province of Styria from 2011 are having a positive impact. This is tempered by declines in some key indicators such as the number of building permits, and the gloomy overall outlook for the building construction sector. The construction season did not get properly underway until March due to harsh winter weather conditions. However SHT posted first-quarter revenue gains despite this unfavourable setting. Despite the unrelentingly fierce price competition the margin has widened by 0.3%. The main factor driving this increase was rapid growth in private renovation (up 4%). After a slow start on the heating segment it, too, is picking up quickly. On the earnings side, solid revenue and margin growth, coupled with stable costs have contributed to an EUR 0.4m improvement in EBIT. SHT is continuing to focus on improving its range of services with a view to fostering long-term customer relationships.

Industrial Honeycombs

Revenue growth of 14% in the first quarter, full capacity utilisation and continued high order intake and backlog ensured there was no let up in the strong performance of the catalyst business. It is particularly encouraging that orders are coming in from all regional markets. Demand for replacement parts is playing an increasingly important role in the division's business model and is contributing to long-term stability, since demand does not fluctuate in the way that the call for equipment for new projects inevitably does. At EUR 0.9m, first quarter EBIT was up by more than 60% year on year. The factors behind this improvement were strong capacity utilisation, a more favourable product mix with a higher proportion of diesel catalysts, the climbing US dollar exchange rate, and savings made by manufacturing modular parts in-house instead of outsourcing them as before. The investments in a new plate catalyst product line were completed during the period. Prototypes of this type of SCR catalyst — new to the division — are currently being tested. These products are tailored to the needs of the Asian market. This addition to the product portfolio allows the division to tap into the 25% of the power station market (including lignite-fired generating stations) for which its core product, honeycomb catalysts, are unsuitable owing to the higher particulate content of emissions from such plants. The division is now the world's only manufacturer with substantial capacity for both types of stationary SCR catalysts.

CHANGES IN LIQUIDITY

First quarter Group cash flow before working capital changes amounted to EUR 3.4m. Growth in all three Divisions, as well as the temporary termination of factoring arrangements are reflected in the increase in working capital to EUR 23.3m. Investment restraint and a tendency to defer projects until the second half kept capital expenditure to just EUR 1m, restricting cash burn in the first quarter to EUR 21m. At EUR 68m the Group's unused credit lines are more than sufficient to cope with any sharper than expected revenue gains.

OUTLOOK

We are expecting a continuation of the moderate recovery of the commercial vehicle market on the back of the inventory rundown and the gradual revival of exports, and therefore regard revenue growth of 15–20% as a realistic full-year target for the Automotive Components Division in 2010. However at present it is only possible to make reasonably reliable forecasts for short periods ahead, and performance in the second half of 2010 is still a matter of conjecture. That said, we do not expect any significant upturn in demand for heavy trucks before the first quarter of 2011, when the arrival of Euro 6 compliant trucks could bring a sharp jump in revenue. We are confident that our strengthened production network, progress on product development and broad product range will present good opportunities of boosting output volume and building on existing customer relationships.

We are forecasting moderate revenue growth and increased market shares for the Wholesale Plumbing Supplies Division. An integrated sales and service centre, due to open in Innsbruck in July, should deliver revenue gains in a region where SHT is still heavily underrepresented.

In the Industrial Honeycombs Division, full honeycomb capacity utilisation throughout the year looks realistic. Additional opportunities have been generated by the launch of the new plate catalyst product line. Short-term revenue forecasts for this product family are impossible as it is still at the market launch stage and industrial ceramics projects have long lead times. The division will continue to give high priority to developing high-volume catalysts for Euro 6 compliant diesel engines.

The Frauenthal Group's diversified structure has shown its worth, and will continue to do so as markets recover and the Group consolidates. The strong showings by the Wholesale Plumbing Supplies and Industrial Honeycombs divisions, and the stabilisation of the Automotive Components Division point to a significant improvement in full-year earnings. All three divisions have opportunities to grow organically, by gaining market shares, and penetrating new product and geographical markets, as well as by acquisition. All the available options are being weighed up carefully. However, 2010 will not be a year of bold ventures. We will keep to our cautious liquidity management policy and restrictive investment strategy as we continue to build solid foundations for the Group.

Vienna, May 2010

Frauenthal Holding AG

The Executive Board

Mag. Hans-Peter Moser
Member of the Executive Board

Dr. Martin Sailer
Member of the Executive Board

Notes to the interim report on the first quarter

The interim report of Frauenthal Holding AG (Frauenthal Group) for the quarter ended 31 March 2010 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 paragraph 12. The number of companies included in consolidation has not changed since 31 December 2009. The company Linnemann-Schnetzer Formparts Ahlen, Germany, was founded in January. The consolidated statements thus comprise the results of the parent, Frauenthal Holding AG and 27 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 and measurement policies used to prepare the financial statements for the year ended 31 December 2009 were applied without change to the first quarter of 2010. The main differences between these policies and the provisions of the UGB (Austrian Business Code) lie in the use of the percentage of completion (PoC) method to value long-term construction contracts, in the treatment of deferred tax and goodwill amortisation, and in the calculation of 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 first quarter rose by 4.0% year on year to EUR 113.7m (Q1 2009: EUR 109.4m). Revenue in the Automotive Components Division rose by EUR 0.9m or 2.3% year on year, to EUR 39.9m (Q1 2009: EUR 39.0m). Despite having to contend with a contracting overall market, the Wholesale Plumbing Supplies Division posted a year-on-year revenue gain of EUR 0.7m (1.2%) thanks to the growth of the private renovation market segment. Expanding demand for power station catalysts boosted revenue in the Industrial Honeycombs Division by 14.3% to EUR 19.1m (Q1 2009: EUR 16.7m). The EU area accounted for 87% of total revenue, the USA for 7% and the rest of the world for 6%.

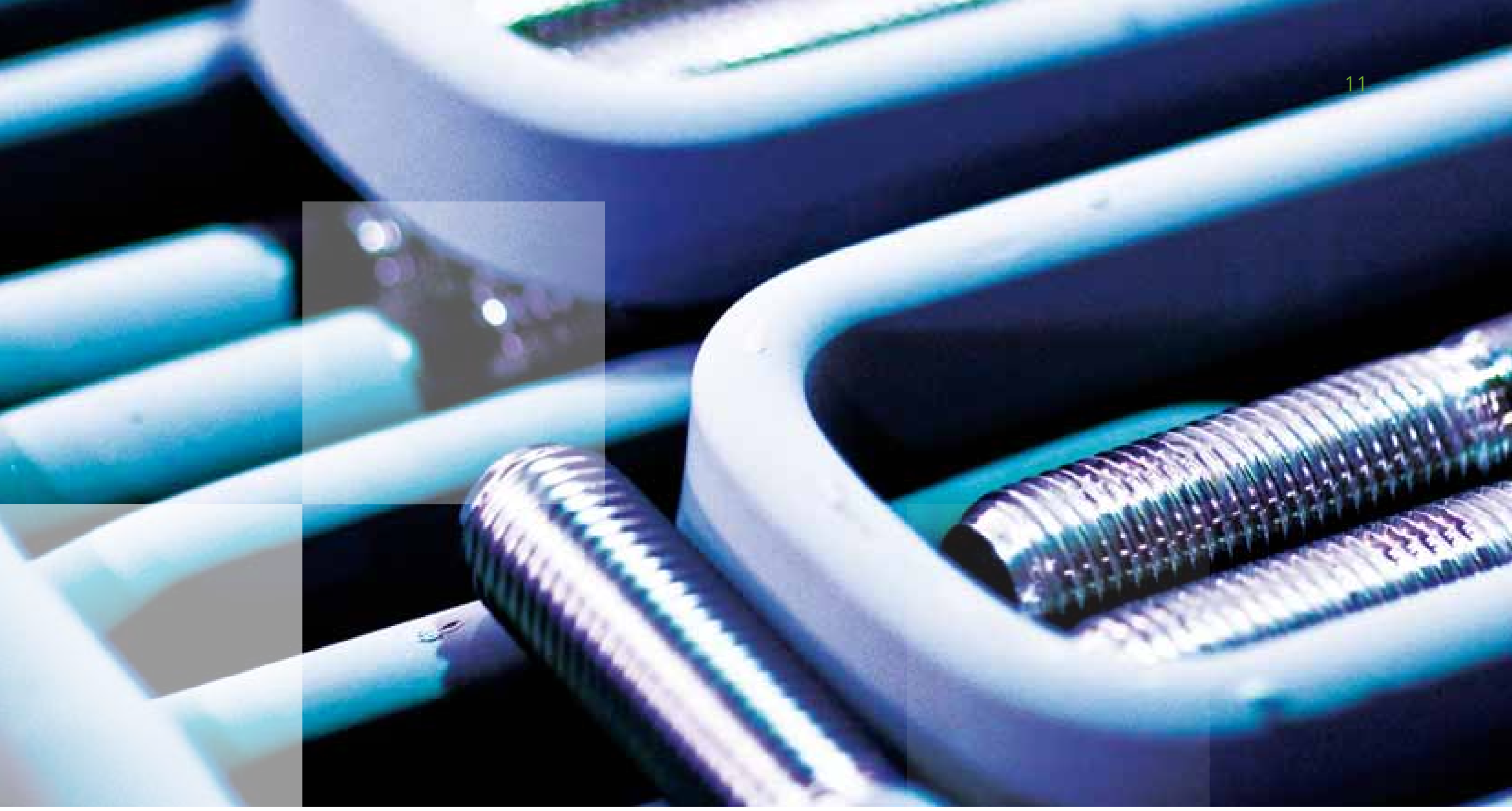
Earnings

At EUR 4.5m, Group EBITDA for the first quarter of 2010 represented an improvement of EUR 8.4m on the comparative figure for 2009. EBITDA in the Automotive Components Division turned positive by EUR 0.9m, following a loss of EUR 5.9m in the like period of 2009. The Wholesale Plumbing Supplies Division returned EBITDA of EUR 0.5m — up by EUR 0.2m — despite tight profit margins; earnings growth was driven by the upturn in private renovation demand. The Industrial Honeycombs Division delivered the largest earnings contribution, at EUR 3.2m. Rapid revenue growth was reflected in a EUR 1.4m or 75.6% year-on-year increase in divisional EBITDA.

Group EBIT improved by EUR 9.2m to a positive EUR 1.2m. In the first quarter of 2010 the Automotive Components and Wholesale Plumbing Supplies divisions made negative contributions of EUR 0.6m and EUR 0.5m, respectively (the latter owing to seasonal factors) to Group EBIT, while the Industrial Honeycombs Division made a positive contribution of EUR 2.5m. There were no significant restructuring expenses, as the restructuring programmes still in progress were provided for in 2009.

On the basis of the profit attributable to equity holders of the parent of EUR 327,000 (Q1 2009: EUR -8,065,000) and an average of 9,173,600 shares in circulation (Q1 2010: 9,173,600), both basic and diluted earnings per share were EUR 0.04 (Q1 2009: EUR -0.88).

Revenue and earnings in all divisions are subject to seasonal fluctuations, meaning that extrapolations from first quarter results do not yield reliable forecasts for the year as a whole.



NOTES TO THE CONSOLIDATED BALANCE SHEET

The Frauenthal Group's total assets grew by EUR 33.8m from year end, to stand at EUR 288.6m (31 Dec. 2009: EUR 254.7m). The increase stems largely from higher receivables of EUR 29.3m. In turn, this is caused by the cessation of the ABS financing facility previously used by the Automotive Components Division. Last year the introduction of this form of factoring for sales to a major truck manufacturer led to a EUR 9.7m improvement in outstanding amounts. The seasonal nature of the Wholesale Plumbing Supplies Division's business resulted in a EUR 6.2m increase in inventories. Cash and cash equivalents were up from EUR 2.3m to EUR 4.5m.

On the liabilities side of the balance sheet, bank borrowings were up by EUR 20.4m as a result of the increased cash requirements generated by growth across all three divisions. Trade payables rose from EUR 37.1m to EUR 46.9m.

The increase in total assets led to a drop in the equity ratio from 28.3% at year end to 25.3% as at 31 March 2010.

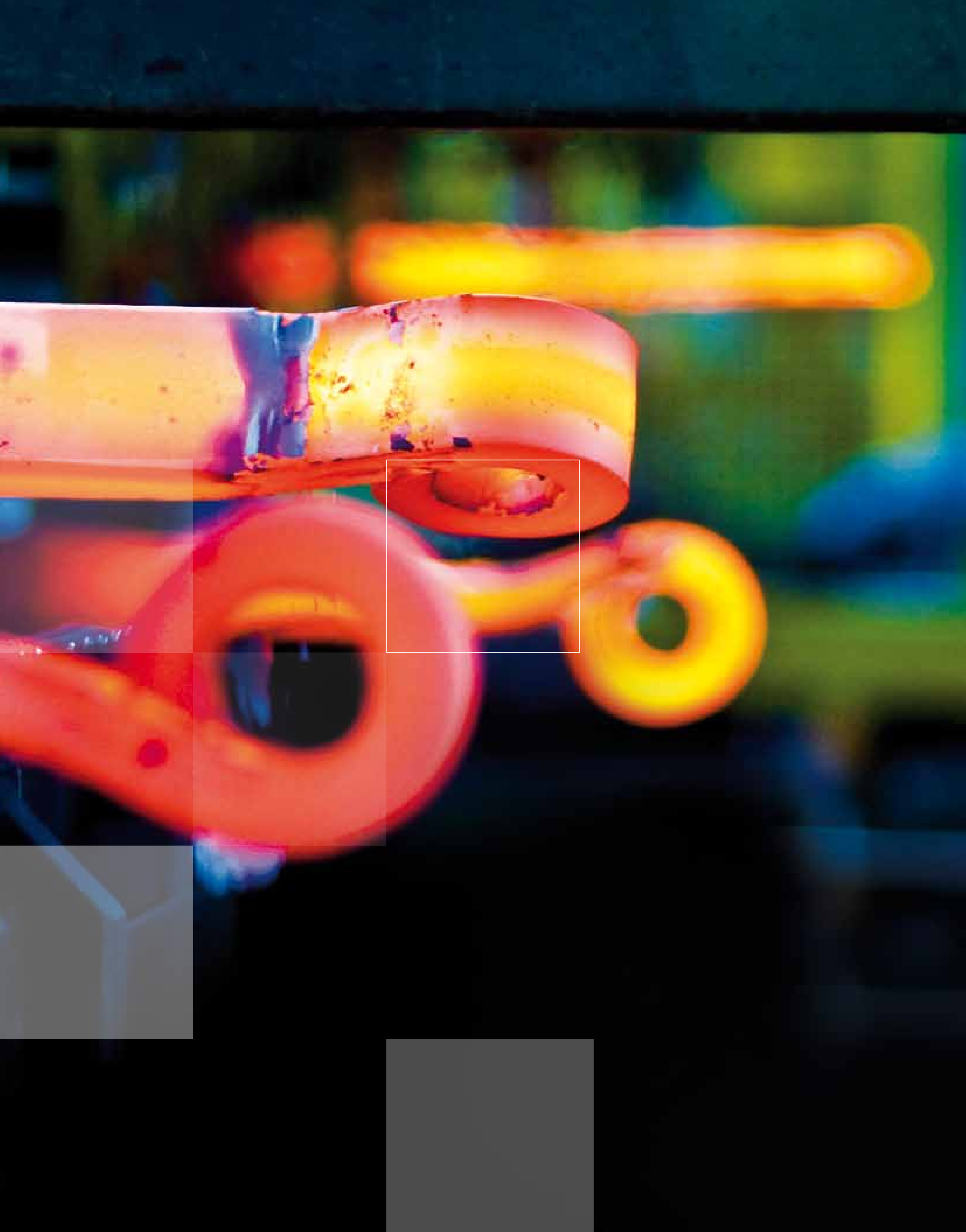
NOTES TO THE CASH FLOW STATEMENT

Due to the profit after tax of EUR 0.2m, operating profit before working capital changes improved by EUR 8.5m year on year, to reach EUR 4.1m.

Higher trade receivables resulted in net cash used in operating activities of EUR 19.9m (Q1 2009: EUR 3.0m).

Net cash used in investing activities fell by EUR 1.3m to EUR 1.0m, reflecting the decision to rein back investment this year to conserve liquidity.

As shown in the cash flow statement, cash and cash equivalents at the end of the first quarter includes a pledged deposit at a bank amounting to EUR 0.4m.



EMPLOYEES

In the first quarter of 2010 the Frauenthal Group employed an average of 2,294 people (Q1 2009: 2,877). The fall in the head count of the Automotive Components Division includes the personnel reductions due to the Styria Federn and Fabrika Opruga Styria Gibnjara Kraljevo disposals. Average head count in the Automotive Components Division was down by 673 year on year, while in the Industrial Honeycombs Division it increased by 93 as a result of the merger of Ceram Catalysts GmbH with Porzellanfabrik Frauenthal GmbH. The number of employees in the Wholesale Plumbing Supplies Division remained almost unchanged.

SHARE PRICE PERFORMANCE

Frauenthal has been listed on the Vienna Stock Exchange prime market since 23 July 2007. Our share price ended 2009 almost 14% up on the year. During the first quarter of the year the price was relatively stable in line with the overall market situation, and edged down from EUR 7.49 at year end 2009 to EUR 7.23 on 31 March 2010.

For more information on our share price performance visit our website at www.frauenthal.at.

COMPOSITION OF THE EXECUTIVE BOARD

As at 31 March 2010 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 first quarter of 2010, 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 potential impact of existing and future risks on the Group's business activities.

Vienna, 17 May 2010

Frauenthal Holding AG

The Executive Board

Mag. Hans-Peter Moser
Member of the Executive Board

Dr. Martin Sailer
Member of the Executive Board

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.

Consolidated balance sheet

EUR '000	31.03.2010	31.12.2009
Assets		
Non-current assets		
Intangible assets	40,138	40,608
Property, plant and equipment	73,303	74,637
Investments in associates	698	698
Other financial assets	1,435	1,435
Deferred tax assets	18,884	18,891
	134,458	**136,269**
Current assets		
Inventories	68,037	61,863
Trade receivables	74,641	45,364
Other assets	6,971	8,986
Cash and cash equivalents	4,488	2,267
	154,137	**118,480**
Total assets	**288,595**	**254,749**

EUR '000	31.03.2010	31.12.2009
Equity and liabilities		
Equity		
Share capital	9,435	9,435
Capital reserves	21,093	21,093
Retained earnings	40,924	67,408
Translation reserves	-1,584	-2,161
Other reserves	65	65
Own shares	-396	-396
Minority interests	3,030	3,103
Profit/loss for the year	327	-26,484
	72,894	**72,063**
Non-current liabilities		
Bond	70,000	70,000
Bank borrowings	13,112	11,069
Other liabilities	2,531	2,858
Provisions for termination benefits	8,389	8,500
Provisions for pensions	6,373	6,379
Provisions for deferred tax	838	816
Other long-term provisions	5,103	4,983
	106,346	**104,605**
Current liabilities		
Bond	2,053	1,375
Bank borrowings	36,760	16,386
Trade payables	46,891	37,053
Liabilities to Group companies	66	10
Other liabilities	22,090	22,170
Tax provisions	302	171
Other current provisions	1,193	916
	109,355	**78,081**
Summe Passiva	**288,595**	**254,749**

Statement of changes in equity

EUR '000	Share capital	Capital reserve	Retained earnings	Translation reserve	Cash flow hedge reserve	Revaluation reserve	Treasury shares	Profit/loss for the year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 Jan. 2009	**9,435**	**21,093**	**55,560**	**-1,937**	**359**	**0**	**-396**	**11,848**	**95,962**	**6,159**	**102,121**
Consolidated profit for 2008			11,848					-11,848	0		0
Consolidated profit for 2009								-26,484	-26,484	-2,925	-29,409
Other comprehensive income				-224	-359	65			-518	-131	-649
Balance at 31 Dec. 2009 / 1 Jan. 2010	**9,435**	**21,093**	**67,408**	**-2,161**	**0**	**65**	**-396**	**-26,484**	**68,960**	**3,103**	**72,063**
Consolidated profit for 2009			-26,484					26,484	0		
Consolidated profit for 1-3/2010								327	327	-136	191
Other comprehensive income				577					577	63	640
Balance at 31 March 2010	**9,435**	**21,093**	**40,924**	**-1,584**	**0**	**65**	**-396**	**327**	**69,864**	**3,030**	**72,894**

Consolidated income statement

EUR '000	1-3 / 2010	1-3 / 2009
Revenue	**113,708**	**109,386**
Changes in inventories of finished goods and work in progress	-806	-3,046
Other operating income	1,760	1,780
Raw material and consumables used	-72,907	-70,565
Staff costs	-25,259	-26,993
Depreciation and amortisation expense and impairment	-3,228	-4,075
Other operating costs	-12,042	-14,470
Profit from operations	**1,226**	**-7,983**
Interest income	63	73
Interest expense	-839	-1,248
Net finance costs	**-776**	**-1,175**
Profit before tax	**450**	**-9,158**
Income tax expense	-227	-131
Change in deferred tax	-32	222
Profit after tax	**191**	**-9,067**
Attributable to non-controlling interests	-136	-1,002
Attributable to owners of the parent (consolidated profit/loss for the year)	**327**	**-8,065**
Earnings per share (basic/diluted)	0.04	-0.88

Consolidated statement of comprehensive income

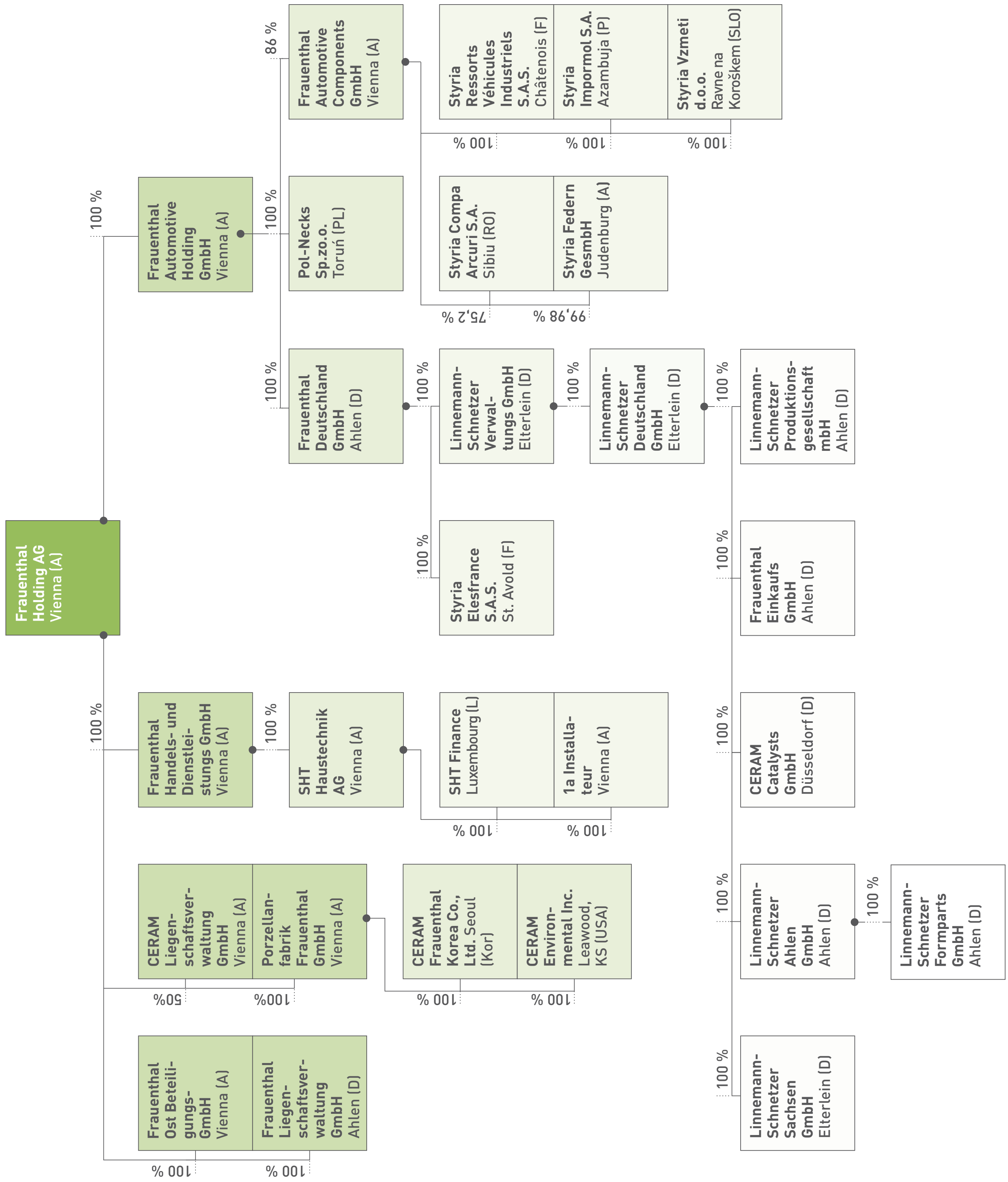
EUR '000	1-3 / 2010	1-3 / 2009
Profit after tax	**191**	**-9,067**
Gains and losses on currency translation and on changes in non-controlling interests	640	-1,235
Other comprehensive income	640	-1,235
Total comprehensive income	**831**	**-10,302**
Attributable to non-controlling interests	-73	-1,784
Attributable to owners of the parent	**904**	**-8,518**

Cash flow statement

EUR ´000	1-3 / 2010	1-3 / 2009
Profit for the year before minority interests	191	-9,067
Interest income and expense	776	1,175
Depreciation and amortisation of non-current assets	3,228	4,075
Losses on disposal of non-current assets	0	14
Change in deferred tax assets	7	-130
Change in long-term provisions	26	-156
Interest paid	-167	-326
Interest received	63	73
Operating profit before working capital changes	**4,124**	**-4,342**
Change in inventories	-6,174	2,363
Change in trade receivables	-29,277	2,418
Change in other receivables	2,014	4,841
Change in short-term provisions	408	787
Change in trade payables	9,510	-7,586
Change in liabilities to Group companies	56	-118
Change in other liabilities	-746	-1,225
Translation related changes	190	-104
Net cash from operating activities	**-19,895**	**-2,966**
Investments in non-current assets	-974	-2,647
Proceeds from sale of non-current assets	0	7
Proceeds from investment grants	-5	369
Proceeds from repayment of loans	0	31
Net cash used in investing activities	**-979**	**-2,240**
Change in borrowings	23,095	12,074
Cash flows from financing activities	**23,095**	**12,074**
Change in cash and cash equivalents	**2,221**	**6,868**
Cash and cash equivalents at beginning of period	1,888	16,302
Cash and cash equivalents at end of period	4,109	23,170

Our Structure

Status as of 31 March 2010



Imprint

FINANCIAL CALENDER 2010

29 Apr. 2010	Press conference, Annual Results 2009
17 May 2010	Quarterly Report 1/2010
23 May 2010	Record Day
02 June 2010	General Assembly Meeting
08 June 2010	Ex-Day
11 June 2010	Dividend-Payment
12 Aug. 2010	Interim financial report for the half year ended 30 June 2010
11 Nov. 2010	Quarterly Report 3/2010

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: MEUR 54.5 (31.03.2010)

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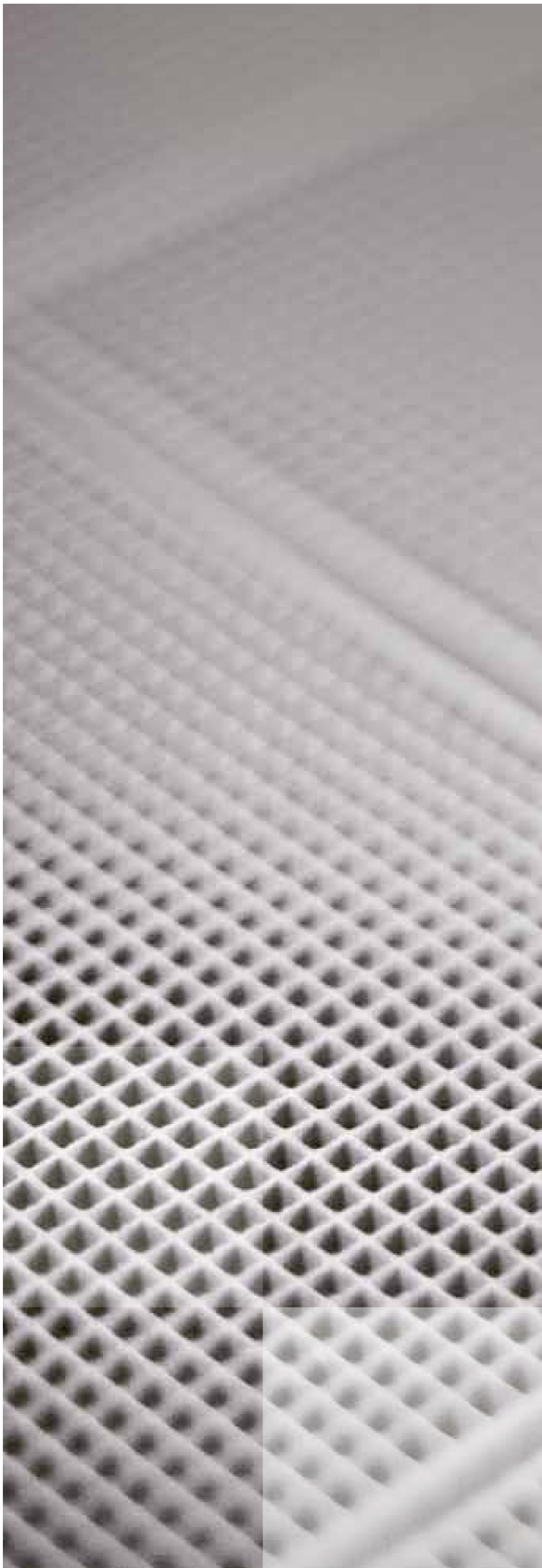
Note:
Editorial changes (including the colour scheme and lay-out) have been made to this quarterly report in the interests of readability.
The original can be viewed at the Company's headquarters.



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