PHOENIX MECANO

Media release
(free for publication)

Phoenix Mecano Group's provisional accounts for 2009

Faster headway made during Q4 2009. This positive trend expected to continue in 2010.

Kloten/Stein am Rhein, 18 February 2010. In 2009, the Phoenix Mecano Group's provisional consolidated gross sales dipped by 4.9% from €417.3 million to €396.9 million. Corrected for differences in foreign-exchange rates gross sales dropped by 4.8%. Corrected for changes in the scope of the Group the decline amounted to 18.7%. During Q4 2009, growth in sales was 17% up on the comparable period in 2008. Over 2009 as a whole, the consolidated volume of incoming orders totalled €407.5 million. Accordingly, driven by the higher volume of incoming orders received during the latter half of 2009, the Group's book-to-bill ratio was 103%.

Operating result and result for the period under review
The provisional operating result (EBIT) went down by 68% from €42.8 million to around €13.5 million, resulting in a margin of 3.4%, down from 10.3% the previous year. The reasons for this were firstly the decline in business prompted by the economic crisis, and secondly the planned integration and restructuring costs of around €5 million incurred in connection with the acquisition of parts of the Group's insolvent former competitor Okin.
The Group's operating cash flow (EBITDA) decreased by 47%, from €59.3 million to around €31.5 million. The (not yet audited) figures suggest a result of approximately €11.5 million, equivalent to a decline of 62% on the previous year.

Development of the Group's divisions
The Enclosures division, which strives to generate a substantial proportion of its sales in the capital goods sector, was clearly affected by the global economic crisis. However, the new target markets (renewable energies and oil & gas) exerted a stabilising influence, and business related to railway and medical technology was also barely affected by the difficult broader economic situation. Savings enabled by the Group's flexible organisation enabled the achievement of a result which, all things considered, was satisfactory.

In the Mechanical Components division, market conditions prompted a sharp decline in business development. Linear positioning systems, profile assembly systems and pipe connection elements for custom machine building and automation technology are primarily used as components in the capital goods sector. Here there was a marked decline in the volume of business, especially in the division's core market, Europe.

The crisis only partially affected sales of linear drives for the hospital, nursing and comfort furniture sectors. The division's operating loss was due mainly to planned special costs associated with Okin's integration into the Group. During the integration process, Dewert's business activities were systematically geared towards the medical technology and nursing market, whereas Okin is well-established brand serving the comfort furniture segment. The integration process will be concluded during the ongoing 2010 financial year. The new structure with Dewert and Okin makes Phoenix Mecano a leader in this market segment in Europe, Asia and America.

The ELCOM/EMS division was affected by the decline in the difficult industrial markets in Europe and the USA, but its Datatel arm, which manufactures and distributes transformers and chokes for solar inverters, achieved very positive results, especially during H2 2009. Phoenix Mecano will be investing heavily in this dynamic growth market in 2010, in a bid to continue meeting rising future demand for innovative, high-quality products in optimal fashion.

Outlook
There are growing signs that the severest economic crisis since the Great Depression of the 1930s has passed its low point in some of the target markets served by the Phoenix Mecano Group. Nonetheless, some key segments in which Phoenix Mecano has always been firmly anchored, like mechanical engineering or measurement and control technology, are still a fair way away from returning to 'normal'. Fortunately, business in the medical and furniture technology sectors and renewable energy segment are currently becoming substantially more important to the Group and thus serve as a welcome, strong counterpart to the weak markets characterising cyclical sectors. The first signs of recovery are already visible in 2010. In the photovoltaic sector, sales in 2010 could rise to €60-80 million (compared with €30 million in 2009). Thanks to the Group's reconfiguration, we believe that sales and results from 2011 onwards may well exceed those achieved in the solid years 2007 and 2008. In 2010 we are anticipating that sales will go up by least 10% and that net earnings will rise to at least €20 million.

Dates for your diary

Balance sheet media conference	27 April 2010	9.30 a.m.
Meeting with financial analysts	27 April 2010	11.30 a.m.
General Meeting	28 May 2010	3.00 p.m.

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Phoenix Mecano is a leading technology company active in the production of enclosures and industrial components.