

Media release

(free for publication)

Phoenix Mecano establishes joint venture in China

Stein am Rhein/Kloten, 23 November 2010. The Phoenix Mecano Group, a leading technology company active in the production of enclosures and industrial components, is to acquire a 90% stake in the newly founded joint-venture (JV) company OKIN Refined Electric Technology Co., Ltd., based in Jiaxing City, China, with effect from 22 November 2010. The JV will take over the development, production and sale of electrical linear drives for the furniture and care industry in the Asian market and parts of the North American market. With its Okin and Dewert brands, Phoenix Mecano is one of the world's leading companies in electrical drive technology for adjustable comfort and healthcare furniture. Its partner in the JV is Okin's long-standing Chinese production and sales partner in the Asian market. The move will allow Phoenix Mecano to benefit from its JV partner's expertise and local market access. The JV will assume responsibility for the JV partner's production assets, customer base and experienced team of employees. The parties have agreed not to disclose the purchase price for the investment. The new company will employ 235 people and is scheduled to take over the relevant business operations in early December 2010, once the outstanding regulatory approvals have been issued. Sales from the business operations being taken over by the JV totalled approximately €16 million in 2009. The move means that Phoenix Mecano has sales and production capacities in all major market regions worldwide under its leading Dewert and Okin brands.

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