**Media release on financial year 2011 and Q1 2012**

## Phoenix Mecano financial year 2011: Record sales. One-off impairment losses and restructuring provisions led to a reduction in operating result and result of the period. Q1 2012: Still on course.

Stein am Rhein/Kloten, 24 April 2012. The Phoenix Mecano Group's consolidated gross sales rose by 5.6% in 2011 to a record high of EUR 529.8 million (previous year EUR 501.6 million). The currency effect was minimal at 0.1%. Corrected for changes in scope, sales were up by 1.6%. Incoming orders rose by 0.3% to EUR 524.3 million. The Group's capital structure remains extremely sound, with an equity ratio of 63.7% and net indebtedness as a percentage of equity at 7.0%. Although 2011 was an economically challenging year, Phoenix Mecano successfully held its ground and is back on the dynamic growth path of the years preceding the crisis.

### Sales by division

Thanks to a good market climate for capital goods, the Enclosures division managed to increase its sales by 12.5%. For the ELCOM/EMS division, declining sales in the photovoltaic sector resulted in an 8.5% drop in overall sales (10.9% in organic terms). Sales in the Mechanical Components division increased by 12.6%; adjusted for acquisitions, growth was 3.5%. In the electrically adjustable comfort furniture business, consumer caution in Europe was offset by dynamic growth overseas. Worldwide, the division's industrial components business performed well.

## Operating result

The operating result was affected by one-off charges and fell by 31.4% in 2011, from EUR 52.6 million to EUR 36.1 million. Without one-off expenses of around EUR 16 million, the result would be roughly equal to that of the previous year. EUR 11.6 million of those expenses relate to an impairment loss on intangible and tangible assets in the ELCOM/EMS division's photovoltaic components business and just under EUR 4 million to the restructuring of the subsidiary DewertOkin in Germany. The operating margin was 6.8%, compared with 10.5% the previous year.

## Result of the period

The result of the period was down by 46.1% in 2011, from EUR 43.9 million to EUR 23.6 million.

## Equity ratio and net indebtedness

The equity ratio rose to 63.7% (previous year 61.9%), despite an increase in dividend from CHF 10 to CHF 13 and the lower result for the period in 2011. Net indebtedness was reduced in the reporting year to EUR 17.3 million, despite the acquisition of Platthaus GmbH (D) on 1 June 2011. In the previous year, net indebtedness stood at EUR 24.9 million. Considering the uncertain economic environment in 2012, the Group has a very solid capital structure, enabling it to also make further acquisitions.

## Q1 2012

In the current relatively stable economic environment, Phoenix Mecano remains on course. Compared with the same quarter the previous year, incoming orders were up by 1.5% to EUR 146 million and sales by 1.3% to EUR 138.7 million. However, at EUR 14.4 million, the operating result fell short of the outstanding performance achieved in the first quarter of 2011 (EUR 18.2 million). The operating margin was 10.3%, compared with 13.3% the previous year.

In the Enclosures division, sales totalled EUR 44.8 million (down 1.3%). The operating result was EUR 8.8 million (down 14.1%). The operating margin was 19.6%. The ELCOM/EMS division increased its sales by 7.6% compared with the previous year, to EUR 35.8 million. The operating result was EUR 2.4 million (down 19.9%). The operating margin was 6.8%. Sales in the Mechanical Components division remained practically unchanged at EUR 58.1 million (EUR 58.3 million the previous year). The operating result was down by 34.3% to EUR 4.0 million. The operating margin was 6.9%.

**Outlook**

Based on the results of the first quarter, we expect sales to be at roughly the same level as in 2011, assuming reasonably stable market conditions. In the event of a further significant deterioration in the photovoltaic components market, the likeliest scenario would be a small, low-single-digit percentage decline in Group sales. As regards operating result, we are aiming for an EBIT of between EUR 43 and 53 million, within these scenarios.

**Dividend**

In view of the Group’s balance sheet ratios, which remain extremely sound, and in expectation of steadily increasing free cash flows, the Board of Directors will propose to the Shareholders’ General Meeting an unchanged dividend of CHF 13.00 per bearer share, despite the reduction in profit compared with 2010.

*For further questions, please contact:*

Phoenix Mecano Management AG
Mr Benedikt Goldkamp, CEO
Lindenstrasse 23, 8302 Kloten
Tel.  +41 (0)43 255 4 255
Fax  +41 (0)43 255 4 256

info@phoenix-mecano.com
www.phoenix-mecano.com