

MEDIA RELEASE

Reappraisal of photovoltaic business outlook following cancellation of major customer contract

Kloten/Stein am Rhein, 27 September 2012. Phoenix Mecano, a leading technology company active in the production of enclosures and industrial components, expects an impairment of tangible and intangible assets in its ELCOM/EMS division as at 31 December 2012 owing to the cancellation of a long-term framework supply contract for photovoltaic components with a major customer. In this connection, Phoenix Mecano anticipates an impairment loss of approximately €6-8 million. This requires the result forecast for 2012 to be adjusted. Whereas the Group had previously expected to generate an operating result (EBIT) at the lower end of the €43-53 million range, it now anticipates an EBIT for 2012 in the €32-37 million range. Furthermore, Phoenix Mecano believes that the crisis in the photovoltaic industry could bottom out in 2013; as a result, sales in this division could fall by around €25 million in 2013 compared with 2012.

The expected impairment will have no impact on the Group's cash flow and will not therefore affect its ability to pay dividends. Given the challenging economic climate, the Group's performance in its other business areas currently remains stable and within the expected parameters. More information about current business performance will be available on 5 November 2012, when the Group publishes key data for Q3 2012.

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