Media release on financial year 2009 and Q1 2010
(free for publication)

Phoenix Mecano financial year 2009: Profitable despite extremely challenging market conditions, counter-cyclical acquisition of Okin, first net cash position in the company's history
Financial year 2010: best quarterly performance ever in Q1

Stein am Rhein/Kloten, 27 April 2010. The Phoenix Mecano Group recorded consolidated gross sales of EUR 396.9 million in 2009, down 4.9 % on the previous year (EUR 417.3 million). Corrected for differences in foreign-exchange rates, sales were down by 4.8 %. Corrected for changes in the scope of consolidation, sales revenue fell by 18.7 %. Consolidated incoming orders stood at EUR 407.5 million, compared with EUR 403.8 million the previous year.
Its strong balance sheet enabled the Phoenix Mecano Group to exploit counter-cyclical acquisition opportunities in 2009, despite the global financial crisis and a temporary reduction in business volume in its traditional markets. It took over the bedding, seating and office businesses of its former competitor Okin, representing a sales volume of around EUR 60 million. At the same time, the Group significantly expanded its photovoltaic components business.

Sales by division

Sales in the Mechanical Components division rose by 19.9 % in the reporting year. Corrected for differences in foreign-exchange rates, sales were up by 20.5 %. By contrast, the ELCOM/EMS division saw its sales fall by 8.2 % and the Enclosures division by 26.0 %.

Operating result

The operating result fell by 68.5% in 2009, from EUR 42.8 million to EUR 13.5 million, while the operating margin stood at 3.4 %, compared with 10.3 % the previous year. The companies acquired in 2009 depressed the operating result by EUR 6.8 million. The Group's operating result was EUR 9.9 million in H2 2009, compared with EUR 3.7 million in H1. This pleasing improvement in result reflects the improved order situation and the savings achieved through cost-cutting measures.

Result of the period

The result of the period fell by 62.1 % in 2009, from EUR 30.6 million to EUR 11.6 million. This decrease was slightly under-proportional to the operating result, owing to a lower tax rate.

Equity ratio and net indebtedness

The equity ratio remained largely unchanged at 64.2 %, despite the acquisitions, the 2009 share buyback programme worth EUR 4.7 million and an increase in the dividend from CHF 9.00 to CHF 10.00.

As at 31 December 2009, the Group achieved a net cash position (of EUR 3.8 million) for the first time in its history. In other words, its cash and cash equivalents and current securities exceeded its total interest-bearing liabilities. Consequently, Phoenix Mecano has a very sound capital structure with scope for further bolt-on acquisitions, standing it in good stead for the still tough economic climate in 2010.

Q1 2010

The positive trend witnessed in the last quarter of 2009 continued in early 2010. At EUR 134.1 million, incoming orders were up by 42.4 % on the same quarter the previous year and by 19.4 % compared with Q4 2009. Sales were up by 26.7 % on the same quarter the previous year, at EUR 120.5 million. Compared with Q4 2009, the increase in sales was 16.2 %. The operating result (EBIT) rose to EUR 14.0 million, an increase of 250 % compared to the previous year's quarter. Compared to Q4 2009 the increase stood at 233.3 %.

Phoenix Mecano achieved high growth rates in all major regions in Q1 2010.

In the Enclosures division, sales rose by 0.3 %. The operating result was EUR 6.7 million, around 37 % higher than the previous year. The EBIT margin was 19.3 %. In the Mechanical Components division, sales were up by 23.5 %. The operating result was EUR 3.3 million, including special costs of some EUR 0.7 million for the integration of Okin. The EBIT margin was 6.5 %.The ELCOM/EMS division saw its sales grow by 79.4 %. Its operating result rose to EUR 4.5 million, an 800 % increase on the previous year. The EBIT margin was 12.9 %.

These results for the first three months of 2010 are Phoenix Mecano's best quarterly performance ever.

Outlook

As reported in February, the company anticipates organic growth of at least 10 % and a net result of more than EUR 20 million in 2010. Due to the reduced visibility, no more precise forecast can be envisaged until the end of H1 at the earliest. However, the current market situation offers some cause for cautious optimism. If the positive market trend continues in the coming years, there is every chance that the sales and income of the bumper years 2007 and 2008 can be clearly surpassed.

Dividend

The very high equity ratio of 64.2 %, the excellent cash flow even during the economic crisis and the much improved business outlook for 2010 mean that the Group can continue its consistent dividend policy. The Board of Directors will therefore propose to the Shareholders' General Meeting of 28 May 2010 the same dividend as last year, namely CHF 10.00 per share.

For additional information please contact:

Phoenix Mecano Management AG
Mr. Benedikt Goldkamp, CEO
Lindenstrasse 23
CH-8302 Kloten
Phone +41 (0)43 255 4 255 Fax +41 (0)43 255 4 256
www.phoenix-mecano.com