Media release
(free for publication)

Phoenix Mecano creates conditions for better 2003

Kloten/Stein am Rhein, 17 March 2003. The Phoenix Mecano Group's provisional operating result for 2002 in terms of EBIT before non-recurring expenses is €12 million (as against €17 million in 2001). This is equivalent to a drop of around 30%. At roughly €37 million (compared with €41 million in 2001), the Group's provisional operating cash flow before non-recurring expenses is down 10% on the previous year. As announced on 10 February 2003, provisional turnover in 2002 totalled €324 million, down from €342 million in 2001.

Over the past year, the Group launched extensive restructuring to improve its expense situation and boost competitiveness. Most of these measures, which generated expenses totalling €9 million, have now been implemented. In addition, worsening economic prospects necessitated a €2 million write-down of the Group's inventories and tangible assets. In view of uncertainty regarding the global economic situation, the Group continues to believe there is good reason to depreciate virtually all the goodwill shown on the balance sheet. This measure, which does not impact on the Group's cash flow, leads to an extraordinary charge of around €30 million on the Group's annual results.
The provisional net result for 2002 including non-recurring expenses is approximately €-38 million, compared with €5 million the previous year.
Adjusted for non-recurring expenses, the resulting net profit is around €2 million.

The group's equitiy ratio adjusted for goodwill remains very solid at 42%. Over the past year, the Group's net debt was reduced by around €12 million to €92, using free cash flow from operations.

Phoenix Mecano continues to anticipate difficult conditions for business in 2003. However, its restructuring has paved the way for substantially improved income, so the Group is looking to the future with cautious optimism. Having said that, the consequences of a potentially lengthy conflict in the Middle East are difficult to assess.

As decided at the shareholders' general meeting in 2002, at the end of June 2003 Phoenix Mecano will pay back the second and final installment of a reduction in nominal share value in the amount of CHF 6 per share. No withholding tax will be deducted from this payment, which replaces the distribution of a dividend. Moreover, it is tax-free for most private investors including residence of Switzerland and Germany.

See table for comparable figures in CHF below.

Forthcoming dates to note:

30 April 2003, 9.30 a.m.	Annual report press conference, Zurich, Hotel Widder
30 April 2003, 11.30 a.m.	Financial analysts' meeting, Zurich, Hotel Widder
30 May 2003, 3 p.m.	Shareholders' meeting, Stein am Rhein, Hotel Chlosterhof

For further information, contact:

Phoenix Mecano Management AG
Benedikt Goldkamp, CEO
Lindenstrasse 23
8302 Kloten
Switzerland

Tel.: +41 43 255 4 255

Comparable figures in CHF	**2002** millions of CHF	**2001** millions of CHF
EBDIT before non-recurring expenses	55	62
EBIT before non-recurring expenses	17	26
Non-recurring expenses		
• including goodwill	43	-
• including restructuring costs	13	9
• decreases in inventories/tangible assets	3	4
Net income/loss	- 56	8