

FREQUENTIS responds to weak market environment with precautionary measures

Information for the media, customers, partners and suppliers (July 2009)

As customers feel the effects of the global economic crisis, action is needed to ensure a positive outcome to the 2009 business year.

The Frequentis Group is an international supplier of communication and information systems in two safety-critical areas: Air Traffic Management (civil and military) and Public Safety & Transport (police, fire and ambulance services; inland and maritime shipping; rail). Thousands of users across the world place their trust in Frequentis solutions.

The current economic and financial crisis has finally begun to have impact on the markets served by Frequentis. At the turn of the year, changing market conditions were already responsible for a growing climate of uncertainty among customers and the situation has since become more challenging. Various customers may need to reduce budgets and delay projects due to broad cost cutting requirements.

Active countermeasures

The Frequentis AG board developed an initial package of countermeasures as part of the 2009 business plan.

Management has now put together a further package of measures to address the current situation and ensure that ongoing activities and the 2009 plan are not put at risk. These measures take a very selective and focussed approach. "Our priority is to ensure that come what may, projects and new sales efforts continue as intended", says Hannes Bardach, CEO of Frequentis AG.

In its current phase, the package of measures includes company-wide accelerated consumption of unused holiday allowances, as well as reductions in capital investments, advertising expenses and training budgets. No employees will be made redundant: a deliberate decision. Instead, human resource costs will be cut by reducing the number of freelancers hired and ending contracts with consultants. Travel costs will also decline following the introduction of modern web conferencing tools.

"Our desire is to do all within our power to retain the existing employee team despite the weak nature of the current market environment", notes Bardach. The company employs some 650 staff at its headquarters in Vienna, Austria.

Background information on Frequentis AG

Frequentis is an international supplier of communication and information systems in two core markets: Air Traffic Management (civil and military) and Public Safety & Transport (police, fire and ambulance services; inland and maritime shipping; rail). Frequentis products are characterised by continuous connectivity, a high degree of failsafe operation, connection setup in milliseconds, and user-friendly design.

Frequentis has installed over 12,000 operator workspaces throughout the world and can draw on enormous reserves of project know-how built through numerous international engagements. The Austrian high-tech company focuses on technology and innovation, particularly on the design of optimised human-machine interfaces. Frequentis is the world's leading producer of voice communication systems in air traffic management, with a dominant 30% share of the market.

The company's international success is reflected in an export rate of 90%. Frequentis has a network of subsidiaries, branch offices and representatives with locations in over 50 countries. Local sales offices manage the successful on-site implementation of projects, helped by their particularly close relationships with customers. Frequentis is headquartered in Vienna and has some 900 employees around the world. Operating income (EBIT) in 2008 was EUR 6.23 million, with a total operating performance of EUR 141 million.

You'll find more information at www.frequentis.com.