

**Invitation to the ordinary Shareholders' General Meeting to be held at 3 p.m. on Friday, 27 May 2011 in Hotel Chlosterhof, Stein am Rhein, Switzerland (Doors open at 2.30 p.m.)**

Agenda and proposals by the Board of Directors

**1 Adoption of the 2010 annual report including the directors' report, Group accounts and financial statements and the acceptance of the auditors' report**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting adopt the 2010 annual report containing the directors' report, Group accounts and financial statements.

**2 Discharge of the members of the Board of Directors and Management**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting grant discharge to the members of the Board of Directors and the Management of Phoenix Mecano.

**3 Decision on the appropriation of retained earnings and determination of dividends**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting appropriate the earnings retained from 2010 as follows:

Net income for the year 2010	CHF	12 259 533
Retained earnings brought forward 2009	CHF	41 048 167
Difference between par value and balance sheet value of own shares in connection with capital decrease	CHF	- 3 613 718
Release of reserve for own shares	CHF	5 539 887
<b>Retained earnings</b>	<b>CHF</b>	<b>55 233 869</b>

The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

Dividend of CHF 13.00 per share <sup>1</sup>	CHF	12 714 000
Carried forward to new account	CHF	42 519 869
<b>Total</b>	<b>CHF</b>	<b>55 233 869</b>

<sup>1</sup> Total dividends are calculated based on the 978'000 bearer shares. Dividends will not be paid on own shares held by the company at the time of the payout.

**4 Election of an auditor**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting elect KPMG AG in Zurich as its auditor for a one-year term.

**Documentation**

From 27 April 2011 onwards, the 2010 annual report, including the directors' report, Group accounts and financial statements as well as the auditors' report and proposals by the Board of Directors regarding the use of the retained earnings from 2010 may be consulted by shareholders at the company's headquarters and at our subsidiary Phoenix Mecano Management AG, at Lindenstrasse 23, CH-8302 Kloten. Shareholders requesting a copy of the 2010 annual report will immediately be sent one. The annual report can also be downloaded from the Internet (see our website [www.phoenix-mecano.com](http://www.phoenix-mecano.com)).

**Admittance**

Shareholders who wish to attend or be represented at the Shareholders' General Meeting may obtain their admission ticket with voting card by 24 May 2011 at the latest by depositing their shares or submitting corresponding confirmation from their custodian bank to the following bank:

UBS, Zurich

Shares must remain deposited until the day after the Shareholders' General Meeting.

**Appointing proxies**

Shareholders who are unable to attend the Shareholders' General Meeting in person, may be represented by another shareholder, their bank (proxy holder for deposited shares), a Board of Directors of the company (corporate proxy) or by the lawyer Hans Rudi Alder, Peyer Alder Keiser Rechtsanwälte, Pestalozzistrasse 2, CH-8200 Schaffhausen as an independent

proxy within the meaning of Article 689c of the Code of Obligations (CO). Shareholders should use their admission ticket to appoint a proxy. For the vote on Agenda Item 2 (Discharge of the members of the Board of Directors and Management) the corporate proxy will transfer its proxy to the independent proxy who, unless otherwise instructed, will use its voting rights to support the proposals made by the Board of Directors.

**Proxy holders for deposited shares**

Proxy holders within the meaning of Article 689d CO are requested to notify the company in good time, and by noon on 25 May 2011 at the latest, of the number of shares they will be representing. Proxy holders include the establishments governed by the federal law of 8 November 1934 on banks and savings banks and also commercial asset managers.

CH-8260 Stein am Rhein, Hofwissenstrasse 6  
28 April 2011

Phoenix Mecano AG  
For the Board of Directors, the Chairman:  
Ulrich Hocker