

Contact

Eric Schönel

Head of Marketing & Communication

Tel.: +49 (0) 67 52 14-997

Fax: +49 (0) 67 52 14-738

eric.schoenel@simona.dewww.simona.de

SIMONA 2009 – Steering safely through the crisis

Severe slump in revenue in all regions and markets – Earnings in positive territory – Slight forward momentum towards end of Q1 2010

Kirn, 28 April 2010. 2009 proved to be the most challenging financial year in the recent history of SIMONA AG. With the majority of its sales markets having been affected, the company was faced with a global slump in order intake and revenue of unprecedented proportions. However, benefiting from intensive marketing efforts and the swift execution of a cost-reduction programme, the Group ended the year with a positive bottom-line result. Group revenue fell markedly to €215.1 million. **Pre-tax profit stood at €7.1 million.** After a tentative start in the first quarter of the new financial year, the company expects to see a slight improvement in business for 2010 as a whole and double-digit growth that would take revenue to €250 million.

The decline in sales revenue by 29.2 per cent to €215.1 million in 2009 was attributable primarily to extremely sluggish investment spending within SIMONA's key sales markets, the chemical industry and the mechanical engineering sector, which also had to contend with a dramatic plunge in exports. Having said that, all customer groups and sales regions targeted by SIMONA were affected by the escalation of the financial crisis, as a result of which there was no room for manoeuvre with regard to offsetting shortfalls in specific areas.

In Germany, the significant downturn in business within the area of chemical and mechanical engineering saw sales revenue plummet by 31.7 per cent to €76.5 million. Drawing on its solid position in Western Europe, the company was able to partially offset the dramatic decline experienced in Eastern Europe. At -27.1 per cent, sales revenue generated in Europe (excluding Germany), which amounted to €115.4 million in 2009, fell at a less pronounced rate than total sales revenue. Revenue from sales in America, Asia and Australia fell by 29.6 per cent to €24.3 million.

The most significant decline in revenue within the area of semi-finished products was attributable to extruded PP sheets and pressed sheets. Business within the area of PVC foam sheets contracted less severely. The overall sales volume of finished parts rose slightly year on year. In total, revenue within the semi-finished products segment fell by 31.5 per cent to €149.5 million. Revenue from sales generated in the area of piping systems fell at a slower rate than total revenue, buoyed mainly by stable business within the PE and PP fittings portfolio. In total, revenue generated from piping systems stood at €65.5 million, a year-on-year decline of 23.2 per cent.

Despite the marked decline in revenue, SIMONA managed to post above-par earnings. Pre-tax profit stood at €7.1 million, compared with €20.2 million in the previous year. The Group recorded a further rise in cash and cash equivalents, and net cash from operating activities amounted to €28.1 million. The equity ratio remained stable at an elevated level of 64.4 per cent.

"In a year dominated by an unprecedented decline in revenue and order intake, our goal was to achieve positive earnings. Thanks to intensive marketing activities and rigorous efforts to safeguard our bottom-line result, we succeeded in achieving our target. Short-time work proved to be an effective tool in terms of retaining our core workforce. On a less positive note, we were forced to close our plant in Würdinghausen due to significant losses. This, however, was attributable mainly to structural issues," explained Wolfgang Moyses, CEO of SIMONA AG, adding, "SIMONA emerged safely from the crisis in 2009 and retained its financial independence. This has made us strong when it comes to tackling future challenges."

SIMONA is bracing itself for a period of continued volatility in the first half of 2010. After a difficult start to the year, revenue in the first quarter was boosted by a strong performance in March and stood at €59.7 million, i.e. 12.6 per cent up on last year's first-quarter figure and thus on target. Profit before taxes on income was €2.6 million. SIMONA is looking to achieve growth in 2010 as a whole, with a total revenue target of €250 million and positive earnings before taxes.

"We want to return to growth in 2010, regardless of our subdued first-quarter performance. We have been actively positioning ourselves in high-potential segments of the market: water supply, environmental and energy technology, mobility and life sciences. We are also fully committed to international expansion, and our new plant in China, which was officially opened in April, will provide us with fresh impetus in the growth region of Asia/Pacific," said Wolfgang Moyses.

For further details and downloads relating to the financial results press conference, please refer to the Investor Relations section of the company's website (Link: <http://www.simona.de/de/ir/Bilanzpressekonferenz/>).

About SIMONA: SIMONA AG is a manufacturer of thermoplastic products with production facilities and sales offices around the globe. The company's product portfolio includes semi-finished products (sheets, profiles, welding rods), pipes and fittings as well as finished parts. SIMONA employs more than 1,200 people worldwide. In total, 35,000 products for a diverse range of applications are manufactured at facilities in Germany and abroad. Annual production exceeds 100,000 tonnes. SIMONA AG is a stock corporation listed in the General Standard. The company's registered office is in Kirn, Rhineland-Palatinate (Germany).

Copy of article appreciated