



August 15, 2006 - Press Release: SIMONA Interim Report 2006

SIMONA Group improves revenue and earnings in first half of 2006

The SIMONA Group recorded double-digit growth in the first six months of 2006. At 30 June 2006 Group revenue stood at 125.0 million, compared with consolidated revenue of 230.6 million in 2005 as a whole. Earnings before interest and taxes (EBIT) amounted to 10.0 million; the EBIT margin was 8.0 per cent. As the interim report for the first six months was prepared on the basis of International Financial Reporting Standards (IFRS) for the first time, year-on-year comparability is not possible.

The Group's performance was in line with that of the plastics processing industry as a whole in the first half of the year, both in terms of sales volumes and revenue. Overall, the global economy gained momentum in the first six months of 2006. This also proved beneficial to Germany's highly export-oriented plastics industry. Mechanical engineering, the chemicals sector as well as the automobile and electronics industries recorded a particularly substantial increase in orders, thus driving demand for plastics in the first six months. SIMONA reaped the rewards of favourable market conditions and further bolstered its position in the respective sales regions covered by the company.

The EBIT figure of 10.0 million was due to higher revenues associated with improved sales volumes worldwide as well as the positive earnings contribution made by the Group's US subsidiary SIMONA AMERICA, which contrasts with the below-par annual results posted by this particular unit in 2005. Group revenue increased to 125.0 million, while material expenses stood at 70.1 million. This corresponds to an increase of approx. 8.0 per cent and is attributable to higher sales volumes as well as spiralling raw material prices. Staff costs increased slightly due to higher staffing levels. Owing to a more stringent expenditure policy, other operating expenses remained virtually unchanged year on year, despite increased volumes as well as higher energy costs and freight charges. As a result, the EBIT margin was lifted to 8.0 per cent for the first half of 2006, compared with 5.4 per cent for the full 2005 financial year. Earnings of 10.3 million before taxes on income were only slightly higher than EBIT due to the negligible effect of net finance income. The consolidated net profit, after taxes, amounted to 6.6 million. Based on this, the return on equity was 10.1 per cent.

Provided that the economy continues to develop at a stable level, the Group expects to achieve consolidated revenue of over 240 million. Consolidated EBIT is forecast to exceed the result for 2005, with the EBIT margin falling within the target range of 7 to 10 per cent set by the company. Within this context, Group EBIT is expected to match the target of 15.0 million. However, this will depend to a large extent on the future development of raw material prices. Given the current political uncertainties, this forecast is also associated with a number of risks.



SIMONA Facts & Figures at a Glance

For the first time, the interim report for the first half was prepared in accordance with International Financial Reporting Standards (IFRS). These also encompass International Accounting Standards (IAS), which continue to be valid. Therefore, comparisons with financial statements for the first half previously prepared in accordance with the provisions set out in the German Commercial Code (Handelsgesetzbuch HGB) are not possible. The figures relating to the 2005 annual report have been included for comparative purposes.

SIMONA Group		30/06/06	31/12/05
Revenue	€m	125.0	230.6
of which abroad	€m	80.3	143.8
of which abroad	%	64.2	62.4
Earnings before interest and taxes (EBIT)	€m	10.0	12.4
EBIT margin	%	8.0	5.4
Earnings before taxes on income	€m	10.3	13.0
Net profit for the period	€m	6.6	7.8
Return on sales (after taxes)	%	5.4	3.4
Return on equity	%	10.1	6.1
Investments in property, plant and equipment	€m	3.5	7.2
Employees		1,056	1,044
Share price	€	250.48	245.00

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