



August 28, 2007 - Press Release

**SIMONA records double-digit growth -
Revenue up by more than 20% in first half –
New production facility planned for China and Czech Republic**

Kirn, 28/08/07. SIMONA AG, Kirn, maintained its forward momentum in the first six months of the 2007 financial year, generating sales revenue of EUR 151.0 million. This corresponds to growth of 20.8% compared with the first half of 2006. Operating within the global arena, the manufacturer of thermoplastics was able to extend its premier market position in all sales regions and product categories. Within this context, growth continued to be driven by buoyant demand in the key customer industries, as well as by SIMONA's successful entry into new international markets and its takeover of the plastics division formerly belonging to Deutsche Holzveredelung Alfons und Ewald Schmeing oHG (Dehoplast). SIMONA's target for the financial year as a whole is to generate revenue of more than EUR 280 million and earnings in excess of EUR 15 million. The company is currently in the process of establishing new production facilities in China and the Czech Republic, which will both commence operations as early as 2008.

SIMONA achieved significant revenue growth both within the area of semi-finished plastics (sheets, profiles and welding rods) and in the product category of pipes and fittings. Business within the area of semi-finished plastics was buoyed by the healthy economic climate within key sectors, such as the chemical industry, mechanical engineering and the advertising industry. SIMONA also succeeded in negotiating several large-scale contracts within the area of piping systems. In acquiring Dehoplast, SIMONA has further extended its product range, particularly when it comes to parts used in the mechanical engineering industry as well as in the area of transport and storage technology.

Sales revenue generated in Germany amounted to EUR 59.7 million, i.e. 24.8% more than in the same period a year ago. The level of domestic revenue in relation to total revenue rose from 38.3% to 39.6%, not least due to the significant expansion of export business among the company's German customer base. In Europe (excluding Germany) and Africa sales revenue was propelled upwards by 20.5% to EUR 77.0 million. Thus, sales revenue within this region accounted for 51.0% of total revenue. SIMONA reaped the rewards of buoyant economic growth in Asia and Eastern Europe by further extending its local market presence. In the United States, the company's relocation to larger production premises provided a solid basis for market growth, although bottom-line results were temporarily affected. Overall, revenue growth stood at 6.5% in the US market.

The company is currently building state-of-the-art production facilities in Litvinov, Czech Republic, and Jiangmen, China. "The establishment of multifunctional production facilities in China and the Czech Republic is a milestone in SIMONA's development. We will be able to serve foreign markets with greater speed and agility," said Wolfgang Moyses, CEO of SIMONA AG. Expansion in Asia and Eastern Europe will not affect jobs in Germany. "In Germany, too, we will be pursuing a targeted investment programme that includes new process technology and additional production capacity," said Moyses.



With the exception of SIMONA AMERICA Inc., all Group companies met management's earnings targets. Earnings before interest and taxes (EBIT) amounted to EUR 9.4 million (prev. year: EUR 10.0 million). Owing to the significant year-on-year rise in material and energy costs, the gross profit margin contracted from 45.9% to 42.2%. Site relocation and the considerable rise in freight and transport costs associated with SIMONA's subsidiary in the US resulted in a year-on-year increase in expenses by EUR 0.8 million, which had a detrimental effect on earnings. At 6.3%, the EBIT margin thus failed to match the short-term target of 7%. In the medium term, SIMONA has set itself a target of achieving an EBIT margin of 7-10%.

SIMONA continued to invest in the expansion and upgrade of its production plant over the course of the first half of 2007. During this period a new extrusion system for the production of polyolefin sheets was put into service. In addition, production capacity at the Group's US site was further expanded. In total, SIMONA invested EUR 5.5 million (prev. year: EUR 3.7 million) in property, plant and equipment as well as intangible assets.

Benefiting from the continued buoyancy of the global economy and the plastics market, SIMONA is committed to exceeding its revenue target of EUR 280 million in 2007. Although raw material prices are expected to produce continued pressure on margins, the Group has reaffirmed an earnings target in excess of EUR 15 million.

Selected key financials of the SIMONA Group:

SIMONA Group		30/06/07	30/06/06
Revenue	€m	151.0	125.0
of which abroad	€m	91.3	80.3
of which abroad	%	60.5	64.2
Earnings before interest and taxes	€m	9.4	10.0
EBIT margin	%	6.3	8.0
Profit before income taxes	€m	9.6	10.3
Net profit for the period	€m	6.0	6.6
Return on sales (after taxes)	%	4.0	5.4
Return on equity (after taxes)	%	8.5	10.1
Investments in property, plant and equipment	€m	5.5	3.5
Employees		1,233	1,056
Share price	€	365.00	250.48



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