



Apr 23, 2008 - Interim Announcement within the first half of 2008

## **SIMONA grows in line with targets**

*Note: SIMONA AG disposed of its 50% interest in Georg Fischer SIMONA Fluorpolymer Products GmbH, Ettenheim, retrospectively as of January 1, 2008. Up until December 31, 2007, Georg Fischer SIMONA Fluorpolymer Products GmbH was accounted for in the consolidated financial statements of SIMONA AG, Kirn, on a proportionate basis. Therefore, comparability of the consolidated figures for 2008 with those of the previous periods is limited in scope.*

The SIMONA Group was able to benefit from the favourable economic climate still in evidence during the first three months of the 2008 financial year. Despite the deconsolidation of Georg Fischer SIMONA Fluorpolymer Products GmbH, revenue grew to €77.7 million, up 6.2 per cent on what had been a highly dynamic first quarter in 2007. This was slightly higher than the total growth rate of 5 per cent forecast for the Group in 2008.

Within this context, the semi-finished products segment continued to be driven mainly by business in the area of chemical equipment and tank engineering as well as the mechanical engineering industry. Benefiting from mild weather conditions, the piping systems unit gained additional momentum in the first three months of the financial year. By contrast, a visible slowdown within the construction sector gave cause for concern, prompted mainly by the economic uncertainties associated with the financial crisis as well as the appreciation of the euro against the US dollar and the British pound. However, SIMONA has counteracted its dependence on exchange rates in the US and Asian markets by expanding its production capacities in North America and establishing a manufacturing facility in China.

There were no significant changes to the company's financial position or cash flows in the first three months of 2008, with liquidity remaining solid at all times. The risks of future development remained largely unchanged compared with the assessment presented in the 2007 financial statements. The high costs associated with raw materials continue to exert pressure on earnings performance. In spite of this, however, SIMONA succeeded in meeting its earnings target for the first quarter, benefiting in particular from a high level of capacity utilisation and measures initiated for the purpose of safeguarding bottom-line results.

From the current perspective, the targeted operating return of 7% appears attainable. For this figure to be met, it is essential that further opportunities are leveraged from the programme aimed at safeguarding earnings. At the same time, prices quoted on the raw materials markets will have to stabilise and the rate of economic slowdown in general will have to be stemmed.

The number of people employed by SIMONA contracted slightly from 1,224 to 1,220.

**Kirn, April 2008**

**The Management Board**



**Further Information:**

**SIMONA AG**

Marketing Department

Teichweg 16

D - 55606 Kirn

Germany

Phone: +49 (0) 67 52 14-383

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

[marketing@simona.de](mailto:marketing@simona.de)