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### **Press Release SIMONA AG's Report 2008**

SIMONA 2008 – Solid annual performance despite downturn in fourth quarter  
Slight growth in revenues and earnings – substantial cash flow from operating activities

**Kirn, 28/04/09.** SIMONA AG can look back on a successful financial year in 2008, despite the fact that the plastics processing company was severely buffeted by the economic crisis in the final quarter. Group revenue increased slightly to EUR 303.7 million in the financial year just ended. At the same time, earnings before taxes edged up to EUR 20.2 million. Net cash from operating activities was propelled upwards considerably to EUR 44.7 million. The company is bracing itself for an extremely difficult year in 2009, with revenue expected to decline noticeably. Against this backdrop, however, it will be targeting positive EBITDA.

Until the end of the third quarter, revenue had developed in line with forecasts at plus 4.5 per cent. However, SIMONA had to contend with a dramatic downturn in revenue in November and December. In the fourth quarter as a whole sales revenue contracted by almost 9 per cent year on year. Owing to the solid progression of business in the first three quarters, the Group managed to exceed its record sales performance of fiscal 2007 by 1.3 per cent, taking revenue to EUR 303.7 million in 2008.

In Germany, the significant slump in revenues generated in the chemical and mechanical engineering industry resulted in a decline in total revenue by 2.4 per cent to EUR 112.1 million in the fourth quarter. Despite these challenging market conditions, sales revenue in Europe (excluding Germany) and Africa rose by 4.6 per cent to EUR 158.3 million. At EUR 34.6 million, revenues in America/Asia/Australia remained stable despite a dramatic fourth-quarter decline in revenue in some areas.

Business with semi-finished products generated 2.9 per cent growth in revenue. Within this context, profiles, finished parts and extruded sheets proved to be the principal revenue drivers in the year just ended. By contrast, piping systems, which had contributed significant growth in recent years, was faced with a 2.2 per cent decline in revenue to EUR 85.7 million. Business within the area of fittings and international projects produced forward momentum. However, sales of standard pipes were down.

SIMONA significantly increased its net cash from operating activities in 2008. It amounted to EUR 44.7 million, compared to EUR 17.1 million in 2007.

The equity ratio increased to 64.4 per cent. At EUR 21.2 million (prev. year: EUR 13.8 million), SIMONA expanded its capital expenditure by a significant margin.



Earnings before taxes rose to EUR 20.2 million (prev. year: EUR 19.8 million). "Against the backdrop of a global economic crisis that has become increasingly severe since November 2008, we can be satisfied with the Group's overall performance," said Wolfgang Moyses, Chairman/CEO of SIMONA AG. "Inventory write-downs precluded us from achieving a more favourable bottom-line result. Having said that, we are particularly pleased with the significant improvement in cash flow, which will provide us with a more solid base for what is expected to be a difficult 2009 financial year."

SIMONA is anticipating extremely challenging market conditions in 2009. Both order intake and revenue have fallen heavily since November 2008. In the first quarter of 2009, sales revenue contracted by 31.8 per cent to EUR 53.0 million. Despite this, the Group managed to achieve positive earnings. At present, the future direction of business is impossible to predict. Since March 2009, the company has been operating short-time work at its German facilities in response to lower capacity utilisation at production level. In parallel, a far-reaching cost reduction programme has been launched, and both the executives at board level and the management team have given up their variable components of compensation. SIMONA is expecting a significant reduction in sales revenue to around EUR 200 million for the 2009 financial year as a whole. However, it will continue to target positive EBITDA.

"Among our key tasks in 2009 will be to keep an extremely close eye on costs. SIMONA can emerge from this crisis reinvigorated. We remain largely independent from third parties, have a solid financial base almost entirely without bank borrowings, as well as boasting process engineering capabilities that are unparalleled within the market. What is more, we have loyal, dedicated staff and a brand that has become synonymous around the globe with quality, diligence and reliability," said Wolfgang Moyses.

### Key Financials SIMONA Group

Key Financials SIMONA Group	2008	2007	2006
Revenue	EUR m 303.7	299.9	292.8
Year-on-year change	% 1.3	14.1	14.0
of which abroad	EUR m 191.8	185.0	185.3
Staff costs	EUR m 58.2	58.1	52.1
Earnings before tax	EUR m 20.2	19.8	15.1
Profit for the period	EUR m 13.0	14.1	10.1
Net cash from operating activities	EUR m 44.7	17.1	16.6
EBIT	EUR m 19.8	19.7	14.9
EBIT	% 6.5	6.6	5.1
EBITDA	EUR m 32.3	32.5	28.0
EBITDA	% 10.6	10.8	9.6
Total assets	EUR m 243.8	233.8	220.4
Equity	EUR m 157.6	143.3	139.8
Non-current assets	EUR m 97.1	88.3	90.6
Investments in property, plant and equipment	EUR m 21.2	13.5	18.1
Employees (annual average)	1,297	1,224	1,101

### Revenues and earnings SIMONA Group

