



Apr 28, 2010

Press Release

Interim Announcement within the First Half of 2010

SIMONA with positive performance in first quarter

Kirn, 28 April 2010. The SIMONA Group had an overall positive start to the first quarter. After a weak performance in January and February, followed by significant forward momentum in March, sales revenues stood at €59.7 million at the end of the period. This corresponds to an increase of 12.6 per cent compared to the same quarter a year ago, which, however, had been dominated by a marked decline in revenue as a result of the financial and economic crisis. Thus, sales revenue for the first quarter of 2010 remained on target. The situation with regard to incoming orders from the company's principal sales segments, the chemical and mechanical engineering sectors, improved visibly to some extent. However, investment spending within these industries – an important factor with regard to SIMONA's business performance – remains extremely weak against the backdrop of continued uncertainty as to future developments. Additionally, the severe winter in 2009/10 adversely affected business within the area of pipes and fittings.

Procurement costs were impacted by commodity price trends, as a result of which profit margins came under significant pressure. Benefiting from its ongoing cost-reduction programme, the Group managed to achieve earnings before taxes of €2.6 million in the first quarter of 2010.

There were no significant changes to the company's financial position or cash flows in the first three months of 2010, with liquidity remaining solid at all times.

SIMONA anticipates that business will remain challenging in 2010, at least within the first half of the year. The world economy is on a path to slow recovery. However, this positive performance is being driven to a certain extent by basis effects following the severe downturn. Overall, the propensity to invest is expected to remain weak as long as excess production capacities persist. SIMONA will continue to use the instrument of shorttime work on a flexible basis, depending on the company's order intake. The Group believes that it will take at least until the second half before there is a tangible and sustainable recovery. Despite this situation, the SIMONA Group will be looking to grow revenue to a level of €250 million. Against the background of the anticipated challenges of the first half and the added risks associated with commodity prices, SIMONA will be targeting positive earnings before taxes.

Kirn, April 2010

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