



April 21, 2005 - Press Release: SIMONA AG's Report 2004

SIMONA with revenue surge in 2004 - Earnings fall slightly short of target

SIMONA AG Germany, one of the leading manufacturers of semi-finished plastics, recorded revenue growth of 17.3 per cent in the 2004 financial year, taking overall sales to EUR 190.1 million. Within the Group, annual sales increased by 21.8 per cent to EUR 211.7 million, thus breaching the EUR 200 million threshold for the first time in the company's history. Earnings before taxes increased by EUR 3.9 million to EUR 14.7 million in the AG. However, the profit margin only moved up by one percentage point to 7.1 per cent.

Growth was driven by strong demand for semi-finished plastics within the area of chemical equipment engineering, mechanical engineering and waste-water technology. New fields of application within the automotive and building construction sectors also provided fresh impetus. SIMONA AG significantly outperformed the plastics-processing industry as a whole, which recorded revenue growth of just 3.6 per cent in 2004.

Foreign sales were particularly buoyant in 2004, thus also contributing to the company's revenue growth. The AG's share of foreign business increased by 2.0 percentage points to 54.5 per cent, while the export ratio within the Group rose by an impressive 3.5 per cent to 61.7 per cent. SIMONA AG was particularly successful in capturing additional market share and expanding its business in Eastern Europe. In contrast, growth in Western Europe was more subdued. For the first time, the US subsidiary SIMONA AMERICA, which was established by SIMONA AG at the beginning of 2004, contributed to results.

Earnings for the 2004 financial year were affected by the ever-increasing level of competition within SIMONA's immediate trading environment. This contributed to the further erosion of prices for semi-finished plastics. In parallel, raw material prices for polyolefins and PVC spiralled upwards, thereby adversely affecting margins. It took until the end of the year to implement a gradual price adjustment of semi-finished plastics in order to cover a proportion of the cost increases witnessed in the raw materials sector.

On the basis of the Group's financial results and net profit carried forward from the previous year, the Supervisory Board and the Management Board will be proposing an increase in the company's dividend from 7.00 per share to 7.50 per share, to be voted upon by the General Meeting of Shareholders. This represents a dividend yield of 3.5 per cent.

Against the backdrop of prevailing market conditions, providing an outlook for the current financial year is extremely difficult. Forecasts published by the key demand-side sectors for the plastics-processing industry have been rather tentative. This is reflected in the slight downturn in sales volumes and revenues over the course of the first quarter. On this basis, the company has targeted 2.4 per cent growth in terms of sales volume and revenue growth of 5 per cent. One of the main objectives is to push up pre-tax profits to EUR 15.4 million.



Facts & Figures at a Glance:

		SIMONA Group		SIMONA AG	
		2004	2003	2004	2003
Revenue	EUR m	211.7	173.8	190.1	162.0
Year-on-year change	%	+21.8	+0.5	+17.3	(0,5)
Proportion of foreign sales	EUR m	130.7	101.1	108.1	88.9
Proportion of foreign sales	%	61.7	58.2	56.9	54.9
Staff costs	EUR m	47.0	45.5	41.2	40.6
Profit before taxes	EUR m	14.7	11.5	14.7	10.8
Net profit for the year	EUR m	9.4	6.4	9.9	5.9
Cash flow	EUR m	17.4	17.4	17.4	16.7
EBITDA	EUR m	22.7	23.2	22.3	22.4
EBITDA	%	10.7	13.4	11.7	13.9
Yield on turnover	%	6.3	6.0	7.1	6.1
Total assets	EUR m	153.7	145.8	148.9	140.3
Stockholders' equity	EUR m	101.9	96.7	102.7	97.1
Non-current assets	EUR m	50.2	49.2	53.2	49.1
Investments in property, plant and equipment	EUR m	7.5	12.1	6.6	10.0
Depreciation of property, plant and equipment	EUR m	8.0	9.2	7.4	8.9
Employees at year end		1,050	1,020	914	891
Average number of employees for the year		1,052	1,032	906	893
Revenue per employee	EUR '000	201	168	210	181
		2004	2003		
Earnings per share (DVFA)	EUR	14.7	10.8		
Dividend	EUR	7.50	7.00		
Dividend yield		3.5	3.5		
Price-earnings ratio		14.7	18.6		
Market capitalization-over-equity ratio		1.27	1.24		
Share price as at 31 December	EUR	216	201		

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