

Slight year-on-year increase in revenue for first half of 2005

SIMONA AG generated revenue of 97.6 million in the first half of 2005, a year-on-year increase of 3.1 per cent. Within this context, domestic revenue rose by 1.5 per cent to 40.3 million, while revenue generated abroad edged up by 4.2 per cent to 57.3 million. In contrast, the overall sales volume declined by 3.3 per cent in the first six months of the 2005 financial year. Within this area, domestic business proved to be relatively robust in the first half, whereas foreign sales volumes receded slightly year on year.

As regards the company's product portfolio, pipes and fittings benefited considerably from project-specific business, while activities within the area of semi-finished products were relatively subdued in the first six months. After a sluggish first quarter, orders picked up in the second quarter and gained considerable pace.

To a certain extent, SIMONA AG's first-half performance in terms of sales volumes and revenue mirrored the general economic situation within the plastics processing industry during this period. However, performance throughout the industry was inconsistent over the course of the first six months. A third of the plastics processing companies reported that business had remained stable, while around a third of the enterprises operating in this sector were faced with a decline in their financial results. In general, companies dependent on export sales were under greater pressure than those focusing on domestic markets.

Earnings recede slightly

While revenue increased by 2.9 million in the period under review, the surge in expenses associated with raw materials and services purchased was even more pronounced at 4.8 million. Thus, gross profit fell to 42.3 million expressed as a percentage, it declined from 46.2 per cent in the first half of 2004 to 42.5 per cent in the period under review. This was mainly attributable to the higher cost of raw materials compared with the first quarter. Staff costs rose by 2.9 per cent to 21.6 million in the first six months. The headcount increased by 5 to 907. Pre-tax profit declined by 2.9 million year on year to 6.7 million, prompted by the significant decline in gross profit.

Outlook remains conservative

Given the inconsistent economic data associated with the company's core sales markets, chemical and mechanical engineering, financial forecasting is limited. Overall, the company is of the opinion that its order situation will stabilise in the second half. As a result, annual sales volumes are expected to be only slightly lower than in 2004.



At present, market forecasts would appear to suggest stable or higher raw material prices. On this basis, SIMONA AG anticipates that prices for semi-finished plastics will remain solid or rise slightly in the second half. Overall, revenues are expected to increase by around 3 per cent to 196 million within the AG, i.e. the parent company. The revenue target for the Group is 220 million. Provided raw material prices remain stable, earnings before taxes are likely to be higher than the forecast of 10 million presented at the General Meeting of Shareholders.

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Key Facts & Figures

SIMONA AG		30 June 05	30 June 04	30 June 03
Revenue	€ million	97.6	94.7	82.1
of which: foreign sales	€ million	57.3	55.0	45.6
of which domestic sales	€ million	40.3	39.7	36.5
Percentage of foreign sales	%	58.7	58.1	55.6
Capital expenditure	€ million	4.2	5.6	3.5
Depreciation/amortisation	€ million	3.9	4.0	4.7
Staff costs	€ million	21.6	21.0	19.7
Profit before taxes	€ million	6.7	9.6	6.1
EBITDA	€ million	11.7	14.8	11.2
EBITDA	%	12.0	15.7	13.7
EBIT	€ million	6.6	9.6	6.1
EBIT	%	6.8	10.1	7.4
Net cash flow	€ million	9.5	11.0	9.3
Profit margin	%	6.9	10.1	7.4
Employees	as at 30 Jun.	907	902	887
Share price	as at 30 Jun.	241	220	213

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