



August 30, 2006 - Press Release

**SIMONA acquires plastics business from Deutsche Holzveredelung  
Alfons und Ewald Schmeing oHG**

SIMONA AG, Kirn (Rhineland Palatinate/Germany) will acquire the plastics business of Deutsche Holzveredelung Alfons und Ewald Schmeing oHG, based in Kirchhudem-Würdinghausen (North Rhine-Westphalia/Germany), effective from 1 October 2006. The plastics operations of Deutsche Holzveredelung, which encompass the Dehoplast brand, generate revenues of approx. 18 million and include the manufacture and sale of pressed sheets, extruded sheets, solid rods, profiles and finished parts made principally of polyethylene (PE) and polypropylene (PP). Both parties have agreed not to disclose details of the purchase price.

In acquiring Dehoplast, SIMONA will be able to complement its existing product range of semifinished technical plastics and add to its portfolio by including finished parts. The finished-parts business includes the manufacture of components deployed within the area of mechanical engineering as well as in transportation and storage technology. The acquisition will allow SIMONA to enhance its position as a leading supplier of semi-finished plastics for industrial applications.

Deutsche Holzveredelung was established in Kirchhudem (Sauerland region) in 1934 by Alfons and Ewald Schmeing, focusing on the manufacture of compressed laminated wood. Some 37 years ago, production was extended to include the manufacture of plastics, the initial focus being on semi-finished plastics. This area was later complemented by finished-parts processing and extrusion. Today, compressed laminated wood is marketed worldwide under the dehonit® brand, while the plastics portfolio is covered by the dehoplast® brand. The plastics business also includes the manufacture of cutting boards, which are marketed under the frislyen® brand.

The production and sales activities associated with dehonit® compressed laminated wood will continue to be managed by Deutsche Holzveredelung, which is directed by the two senior partners Marc and Christian Schmeing. In future, Deutsche Holzveredelung intends to focus on its traditional core business, with the express purpose of capturing an additional share of the expanding global market of compressed laminated wood. Over the coming years, Deutsche Holzveredelung aims to expand significantly its dehonit® operations at the company's production sites in Germany and the Czech Republic.

The Dehoplast unit produces its semi-finished plastics and finished parts at two factories, located in Kirchhudem-Würdinghausen and in Hilchenbach-Lützel, Siegerland region. The Würdinghausen plant employs a team of 80 people, while the Lützel site has 20 members of staff. All staff members of the Dehoplast plants will be taken on by SIMONA. As part of the takeover, the technical expertise associated with the various locations of Dehoplast and SIMONA is to be further extended within the framework of a new business location concept yet to be drawn up.



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