



April 26, 2007 - Press Release: SIMONA AG's Report 2006

**SIMONA Group records double-digit growth.  
Earnings develop in line with expectations.**

SIMONA AG, a leading manufacturer of semi-finished plastics, based in Kirn, Rhineland-Palatinate/Germany, increased its revenue by 12.9 per cent to €227.7 million in the 2006 financial year, while the SIMONA Group as a whole achieved revenue growth of 14.0 per cent, taking its total to €262.8 million.

Annual growth was driven mainly by buoyant demand for SIMONA semi-finished plastics within the core markets of chemical equipment engineering, tank construction and mechanical engineering, as well as the advertising industry and piping system producers. Exports again produced significant momentum. In parallel, domestic demand was reinvigorated for the first time since the year 2000. Against this backdrop, sales volumes attributable to Germany rose by 12.3 per cent to €97.5 million. Sales revenue also benefited from the takeover by SIMONA of the plastics division of Deutsche Holzveredelung Alfons & Ewald Schmeing, Kirchhundem-Würdinghausen/Germany, in October 2006.

Revenue in Europe and Africa edged up by 8.5 per cent to €133.3 million, thus accounting for 50.7 per cent of total sales revenue within the Group. Propelled upwards by 49.6 per cent to €36.2 million, revenue generated in Asia, the Americas and Australia was particularly buoyant in 2006. Within this context, the principal growth driver was US subsidiary SIMONA AMERICA Inc., based in Pennsylvania. Local production was relocated to Hazleton at the beginning of 2007, allowing the enterprise to expand its output volumes of plastic sheets and rods.

Despite encouraging revenue performance and favourable conditions for business, earnings within the SIMONA Group failed to improve significantly over the course of the financial year. Although profit from operations increased by €2.5 million to €14.9 million, the EBIT margin (earnings before interest and taxes) of 5.7 per cent fell short of the original target of 7 per cent. This was mainly attributable to a surge in the cost of materials by more than 19 per cent on the back of spiralling prices for crude oil and naphtha, which both reached record levels in 2006. Operating against the backdrop of intense competition, SIMONA was unable to pass the full extent of these price hikes on to its customers. This situation was compounded by higher staff costs and a significant rise in energy- and freight-related expenses, which placed additional pressure on profit from operations.

The SIMONA Group is targeting revenue growth of 6 per cent for the 2007 financial year as a whole, which would take sales revenue to over €280 million. This growth forecast is based on the Group's favourable business performance in its core market over the course of the first three months of the current financial year. In parallel, new areas of application, such as the automotive and structural engineering sectors, have been identified as potential growth drivers. International expansion, focused mainly on Eastern Europe and Asia, is also likely to generate forward momentum. Consolidated earnings before interest and taxes (EBIT) for 2007 are to be stabilised at the level achieved for the 2006 financial year. These efforts will be supported by a range of measures aimed at achieving efficiency gains throughout the company and optimising cost structures.

SIMONA celebrates its 150th anniversary in 2007. In establishing the leather-processing company Carl Simon Söhne in 1857, Theodor Simon, the eldest son of Carl Friedrich Simon, laid the foundation of what was later to become SIMONA. In the heyday of leather manufacturing at the beginning of the 20th century, Carl Simon Söhne employed more than 1,200 people. However, the company became engulfed in a severe financial crisis after the Second World War. Converting its operations to plastics manufacturing in the early 1960s, SIMONA regained its footing and gradually evolved into a major player of international repute. To celebrate this occasion, SIMONA will be organising several events for its staff, its customers and the public.

In addition to a dividend of €7.50, shareholders are to receive an anniversary bonus of 150 cents to commemorate the company's 150th anniversary. Thus, the Supervisory Board and Management Board will be proposing to the Annual General Meeting a total dividend payment of €9.00 per share.

### SIMONA Group – Key Facts & Figures

		2006	2005	2004
Revenue	€m	262.8	230.6	212.8
Year-on-year change	%	14.0	8.4	22.4
of which abroad	€m	165.3	143.8	131.8
of which abroad	%	62.9	62.4	61.9
Staff costs	€m	52.1	47.4	47.0
Profit from operations	€m	14.9	12.4	14.6
Profit before taxes	€m	15.1	13.0	15.1
Net profit for the year	€m	16.1	7.8	10.2
Cash flow from operating activities	€m	16.6	17.1	12.2
EBIT	€m	14.9	12.5	14.6
EBIT	%	5.7	5.4	6.8
EBITDA	€m	28.0	24.9	20.9
EBITDA	%	10.7	10.8	9.8
Total assets	€m	226.4	210.5	199.2
Equity	€m	139.8	128.6	125.3
Non-current assets	€m	90.6	85.5	88.2
Investments in property, plant and equip.	€m	18.1	7.2	7.5
Average number of employees		1,101	1,034	1,052
Dividend	€	9.00	7.50	7.50
Earnings per share	€	26.96	13.03	17.04
at share price 31.12.	€	300.00	245.00	216.00



**Further Information:**

**SIMONA AG**

Marketing Department

Teichweg 16

D - 55606 Kirn

Germany

Phone: +49 (0) 67 52 14-383

Fax: +49 (0) 67 52 14-738

[marketing@simona.de](mailto:marketing@simona.de)