

## Interim Announcement within the First Half of 2012

### **SIMONA slightly below target in first quarter – Earnings performance satisfactory**

Kirn, 25 April 2012. The slowdown in the global economy since the fourth quarter of 2011 was also felt by the SIMONA Group in the first quarter of 2012. Sales revenue totalled €72.7 million in this period, down 5.5 per cent on the figure recorded in the very solid first quarter of 2011. However, compared with the preceding quarter (Q1 2012 vs. Q4 2011), the Group again managed to generate growth. Sales revenue was up 8.0 per cent on the figure posted for the fourth quarter of 2011.

Confidence within the manufacturing industry has generally deteriorated at a global level. This has adversely affected investment spending and exports among customers operating in the chemical and mechanical engineering industries, which are of particular importance to SIMONA's business. Against this backdrop, sales volumes of PP and fluoroplastic sheets used in chemical tank and apparatus engineering were hit particularly hard. By contrast, pipes and fittings made of PE, which are used primarily in the area of water supply and disposal, generated growth with regard to both sales revenue and sales volumes.

Earnings performance was satisfactory. Owing to lower sales revenue, however, profit was down on the solid figure posted for the same period a year ago. The continued surge in commodity prices during the first quarter exerted downward pressure on the Group's gross profit margin as well as earnings. Profit before taxes amounted to €3.4 million, or 4.6% of sales revenue, in the first three months of 2012. In the same period a year ago, profit before taxes had stood at €5.4 million, or 7.0% of sales revenue. EBIT for the first quarter was €3.3 million.

There were no significant changes to the company's financial position or cash flows in the first three months of 2012.

For the financial year 2012 as a whole, the SIMONA Group has set a revenue target in excess of €300 million. Eastern Europe is expected to provide the main stimulus for growth. SIMONA will be targeting an EBIT margin of at least 5 per cent.

The Management Board