

Interim Announcement within the Second Half of 2011

SIMONA in Q3 2011: Slowdown in revenue growth – Good earnings performance despite persistently high cost of materials

Kirn, 09/11/11. The SIMONA Group again recorded growth both in terms of sales volumes and revenues over the course of the third quarter of 2011. However, the overall pace of growth has decelerated. This is attributable primarily to the bank and national debt crisis, which has been a cause for increasing concern within the markets since mid-2011. Market uncertainty, in turn, generally has an adverse effect on the propensity to invest within key customer segments, particularly the photovoltaic and solar energy industry. In total, the Group generated sales revenue of €241.2 million (prev. year: €199.7 million) in the financial year up to 30 September 2011, which was 20.8 per cent more than in the same period a year ago. In the first half of 2011, by contrast, year-on-year revenue growth had stood at 25.1 per cent. In the third quarter of 2011, Group revenue amounted to €78.9 million, compared to €70.0 million in the third quarter of 2010. This corresponds to an increase of 12.8 per cent.

Within the area of semi-finished products, extruded and pressed sheets made of polypropylene achieved the highest level of growth. Business expanded at a less pronounced rate within the area of PVC sheets. In the piping systems division, fittings made of PE generated significant revenue growth, whereas revenue from PE pipes declined.

Commodity prices remained very high in the third quarter, although there were signs of a slight downward trend. In spite of the fact that the high cost of materials remained almost unchanged, the Group managed to increase EBIT to €5.5 million (Q3 2010: €1.7 million). The EBIT margin stood at 7.0 per cent. Profit before tax totalled €5.5 million in the third quarter of 2011 (Q3 2010: €1.5 million).

There were no significant changes to the company's financial position or cash flows in the first nine months of 2011.

Given the noticeable signs of global economic cooling, the SIMONA Group anticipates that the general business environment will become more challenging in the fourth quarter. In their Autumn Report, the country's leading economic research institutes forecast a contraction in economic output in Germany within the fourth quarter. Despite the more challenging economic climate in the second half, the Group's targets for the 2011 financial year as a whole, set at €290 million in sales revenue and €15 million in profit before tax, are considered attainable and may possibly be exceeded.