

## Interim Announcement within the Second Half of 2012

### **SIMONA in Q3 2012: Sales revenue up on second quarter – Earnings performance stable but not fully satisfactory**

Kirn, 7 November 2012. Sales generated by the SIMONA Group developed at a satisfactory level over the course of the third quarter of 2012. Sales revenue amounted to €78.1 million, thus almost reaching the level achieved in the third quarter of 2011 (€78.9 million). Compared to the second quarter of 2012 (€76.4 million), the Group managed to lift sales revenue by 2.2 per cent. In total, the SIMONA Group generated sales revenue of €227.2 million in the period up to 30 September 2012. This corresponds to a decline of 5.8 per cent compared to the same period a year ago (€241.2 million), which was attributable mainly to the significant downturn in sales revenue during the first two quarters.

The global business environment in which SIMONA operates continues to be dominated by a general lack of confidence within the processing industry and a concomitant reduction in investment spending. Against this backdrop, sales volumes relating to sheets made of PE, PP and fluoroplastics, with a particular focus on chemical tank and equipment engineering as well as the solar energy industry, remain below target. Gains made within the area of PE pipes, which are used primarily within the water utilities industry, provided forward momentum for the Pipes and Fittings product category.

Although earnings were stable, they failed to reach fully satisfactory levels after the very strong performance in the previous year. Commodity prices fell slightly at the beginning of the third quarter. However, the decline was only temporary, with prices now having returned to levels beyond those recorded in the first half of 2012. Overall, the elevated and volatile raw material prices continue to exert downward pressure on gross profit margins. Earnings before taxes (EBT) for the first nine months of 2012 totalled €10.6 million (prev. year: €16.3 million), or 4.7 per cent of sales (prev. year: 6.7 per cent). EBIT amounted to €10.0 million (prev. year: €16.2 million), or 4.4 per cent of sales (prev. year: 6.7 per cent).

There were no significant changes to the company's financial position or cash flows in the first nine months of 2012. The Group saw a further increase in liquidity compared to 31 December 2011 (+€3.5 million), with the figure rising to a solid €59.9 million.

The target of Group revenue in excess of €300 million and an EBIT margin of 5 per cent for the 2012 financial year as a whole will only be achievable if the global economy puts in a particularly strong performance in the fourth quarter.

The Management Board