GROUP INTERIM REPORT FOR THE FIRST HALF OF 2015

SIMONA AG

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1. BUSINESS REVIEW

1.1 Macroeconomic and sector-specific environment

Global economic performance in the year to date has been dominated by a sluggish first quarter for the US economy, the imminent danger of sovereign default by Greece and a process of readjustment within China's economy. Against the backdrop of a sustained dip in the price of oil together with favourable interest rates and a low euro/dollar exchange rate, however, the established economies remain buoyant based on their fundamental data. The German economy grew by 1.0 per cent year on year in the first quarter of 2015, with the domestic market providing the main stimulus. Capital expenditure on machinery and equipment, an aspect that is of particular importance to SIMONA's business activities, rose by 1.5 per cent. The eurozone economy also expanded by 1.0 per cent year on year in the first quarter of 2015.

Surprisingly, revenue generated by Germany's plastics-processing industry as a whole fell by 3.8 per cent to €19.3 billion in the period from January to May, according to data published by the Federal Statistical Office. The industry association GKV, however, is adamant that these figures do not adequately reflect the current situation for the majority of its members. Revenue from foreign sales stagnated, while business within the domestic market declined substantially. The production of sheets, foils and profiles accounted for €8.1 billion, down 5.0 per cent. The industry had to contend with spiralling commodity prices in the first half of the year, a situation compounded by supply-side shortages due to a number of production outages reported by suppliers of raw materials.

The first months of the year saw hardly any impetus from the key customer markets that are of importance to SIMONA's business. Revenue in Germany's chemical industry rose by 0.5 per cent year on year in the first half. Production volumes in Germany's mechanical and plant engineering industry were down 2.5 per cent on the prior-year figure in the first five months of the current year. In the first five months, revenue generated in Germany's principal construction sector declined by 2.9 per cent compared to the previous year.

1.2 Course of business

Sales revenue in the first half of 2015 was influenced primarily by the solid business performance seen in the core market of Europe and the Americas.

In total, the Group generated sales revenue of €185.3 million in the first half of 2015. This represents an increase of 12.4 per cent compared to the first six months of 2014 (€164.8 million). In the second quarter of 2015, sales revenue amounted to €97.6 million, up 12.4 per cent on the figure posted in the second quarter of 2014 (€86.8 million).

Europe

The region comprising "Europe" saw sales revenue increase by 2.7 per cent to €134.9 million in total (prev. year: €131.3 million). This region accounts for 72.8 per cent (prev. year: 79.7 per cent) of Group revenue. Sales revenue in Germany rose by 1.9 per cent to €49.5 million (prev. year: €48.6 million).

Americas

Following last year's corporate acquisitions in the United States, revenue from sales in the "Americas" surged by 63.3 per cent year on year in the first half of 2015. Sales revenue totalled €41.6 million (prev. year: €25.5 million; this figure includes sales generated by Boltaron Inc. as from the second quarter of 2014). As a sales region, the Americas accounted for 22.4 per cent of total revenue, up from 15.5 per cent a year ago.

Asia and Pacific

The region covering "Asia and Pacific" saw sales revenue increase to €8.8 million (prev. year: €8.0 million). This represents year-on-year growth of 10 per cent. As in the previous year, the region accounted for 4.8 per cent of total revenue.

In total, finished and semi-finished parts generated sales revenue of €144.6 million (prev. year: €125.4 million). This represents a year-on-year increase of 15.3 per cent.

The product category of pipes and fittings saw sales revenue increase to €40.7 million (prev. year: €39.4 million), which corresponds to year-on-year growth of 3.3 per cent.

1.3 Financial performance

Earnings
Group earnings before interest and taxes (EBIT) improved substantially in the first half of the financial year, taking the figure to €16.1 million (prev. year: €5.6 million). The EBIT margin totalled to 8.7 per cent (prev. year: 3.4 per cent), which is more than twice the level achieved a year ago. EBITDA improved significantly from €11.3 million a year ago to €22.6 million at the end of the reporting period. The EBITDA margin stood at 12.2 per cent, compared to 6.9 per cent for the same period a year ago.

At 6.8 per cent, ROCE at Group level was up significantly compared to the figure of 2.7 per cent reported for the same period a year ago.

The upturn in earnings was driven in particular by growth in revenue, US earnings that were well within positive territory, efficiency gains in Europe as part of the reengineering project, positive currency effects and an improved product mix.

Raw material prices for polyethylene, polypropylene and PVC decreased over the course of the first two months. As from March, however, prices began to spiral upwards. In Germany, energy costs incurred by SIMONA AG remained high at €6.3 million, which is comparable to the figure reported a year ago.

Staff costs totalled €36.5 million (prev. year: €31.8 million). The year-on-year rise in staff costs by €4.7 million was attributable primarily to expenses relating to old-age provision as well as ongoing collective pay increases. Additionally, staff costs from the consolidation of Boltaron Inc. were included in the prior-year figure only as from second quarter of 2014.

Depreciation of property, plant and equipment and amortisation of intangible assets amounted to €6.5 million (prev. year: €5.7 million).

Other expenses rose by €2.7 million to €30.5 million, mainly as a result of higher selling expenses associated with the more expansive volume of business.

The sales entities in Europe recorded positive operating results in the period under review. Business in Russia continued to be adversely affected by the political uncertainties in this region.

Profitability at the production company in the Czech Republic remained good.

The US-based companies posted positive earnings in the first half of the year.

Overall, the sales enterprises in Asia recorded a positive operating result. While the plant in China was still unable to push EBIT into positive territory, it managed to further cement its positive EBITDA compared to the previous year.

1.4 Financial position

As at 30 June 2015, total assets were up €27.3 million to €325.4 million compared to the figure reported on 31 December 2014.

Changes to assets
Intangible assets totalled €28.3 million (31 December 2014: €28.6 million), mainly consisting of goodwill from the US acquisitions in 2014.

Property, plant and equipment increased from €107.3 million at the end of 2014 to €113.0 million, primarily as a result of additions to assets under construction. Investments in property, plant and equipment amounted to €8.1 million within the Group. Depreciation and write-downs of property, plant and equipment totalled €6.0 million.

Inventories of raw materials and consumables (€29.6 million) as well as finished goods, work in progress and merchandise (€43.4 million) were higher at the end of the reporting period as a result of an expansion of stock levels.

At the end of the reporting period trade receivables were up by €13.7 million to €69.6 million compared to 31 December 2014, which is mainly a reflection of the positive direction taken by business.

At €6.9 million, other assets and income tax assets were comparable to the level reported at the end of 2014.

Cash and cash equivalents stood at €19.4 million at the end of the reporting period.

Assets held for sale amounted to €4.0 million and relate to property, plant and equipment.

Changes to equity and liabilities
The Group recorded an increase in non-current and current liabilities in the period under review.

At the end of the reporting period, Group equity amounted to €165.6 million (31 December 2014: €156.3 million). The main contributing factors were profit of €11.2 million for the period, positive effects from currency translation of €5.5 million as well as a dividend payment of €4.8 million for the 2014 financial year. Group equity was impacted by the revaluation of pension provisions by €2.1 million in total.

The equity ratio for the Group was 51 per cent at the end of the reporting period (31 December 2014: 52 per cent).

At €18.7 million, trade payables rose by €5.6 million compared to the end of 2014 as a result of more expansive business.

Non-current and current provisions for pensions amounted to €97.8 million (31 December 2014: €92.5 million). This increase was attributable primarily to the revaluation of provisions due to the reduction of the IFRS discount rate.

At €5.6 million, non-current and current provisions were comparable to the figure recorded at the end of the 2014 financial year.

Non-current and current liabilities rose by €18.0 million to €159.8 million in total.

Capital expenditure
Group capital expenditure on property, plant and equipment amounted to €8.1 million in the period under review (prev. year: €5.9 million). This relates mainly to investments in the new Technology Centre at the company's headquarters in Kirn as well as technical equipment at sites in Germany. In total, net investments in property, plant and equipment amounted to €2.0 million at Group level (prev. year: €0.2 million).

1.5 Financial management and cash flows

At the end of the reporting period the Group had undrawn borrowing facilities of €15.6 million from German and foreign banks, in addition to approved funds of €26.5 million from publicly financed programmes.

Cash flows
In the first half of the financial year, the inflow of cash from operating activities (gross cash flow) was €9.8 million (prev. year: €0.7 million). Net cash used in investing activities amounted to €–8.0 million (prev. year: €–41.8 million). The cash outflow attributable to financing activities was €–5.0 million (prev. year: cash inflow of €7.7 million) and mainly included the dividend payout in respect of the 2014 financial year.

Cash and cash equivalents
Cash and cash equivalents fell by €2.0 million compared to 31 December 2014 and mainly consist of short-term bank deposits totalling €19.4 million (31 December 2014: €21.3 million). These changes are presented in the statement of cash flows in the notes.

Net finance cost
Based on finance income (including investment income) of €1.1 million and finance cost of €1.2 million, net finance cost (including investment income) amounted to €–0.1 million in the first half of 2015 (prev. year €–0.6 million).

1.6 Non-financial indicators

Employees

Since the beginning of the year, the SIMONA Group's total headcount has fallen by 23 to 1,277 (31 December 2014: 1,300). The number of people employed at SIMONA AG has fallen by 13 to 779 (31 December 2014: 792).

2. EVENTS AFTER THE REPORTING PERIOD

There were no events of material significance to the state of affairs of the SIMONA Group in the period between the end of the first half of 2015 and the preparation of this Group interim management report.

3. REPORT ON OPPORTUNITIES AND RISKS

3.1 Report on opportunities

The medium- to long-term prospects for growth within the market for plastics-based applications are positive. As regards growth potential, the largest regions for business expansion remain in Asia, where per-capita consumption of plastics is expected to increase twice as fast as that in Europe over the coming years. In extending its production capacity in China and acquiring Laminations and Boltaron in the United States, the SIMONA Group has further strengthened its international presence, thus allowing it to participate in the growing global trend towards applications centred around plastics. The trend within the spectrum of applications continues to be towards increasingly lightweight plastics with next-generation properties.

3.2 Risk report

On the basis of the risk map drawn up by the company, the risk management system of SIMONA controls the following material risks associated with the Group: risks relating to the general business environment and sector, business strategy risks, financial risks, risks attributable to procurement and purchasing as well as IT-specific risks.

Business environment and sector-specific risks

The risks associated with the general business environment and the sector in which the company operates relate mainly to the economic performance of customer segments served by SIMONA. They also include exchange rate and commodity price volatility, political conflicts and the availability of raw materials. Among the primary sector-specific risks are the substitution of plastics with other materials, new developments within the competitive environment, the loss of key customers and changes to customer requirements. These risks are mitigated by a diversified product portfolio, thorough monitoring of markets and structured procurement management. Expansion of production in the United States through the acquisition of Boltaron and manufacturing operations at the plants located in China and the Czech Republic provide greater flexibility when it comes to meeting new customer requirements in close proximity to their sites of operation. Geopolitical risks are still extremely high, particularly with regard to the region of Eastern Europe as a result of the crisis in Ukraine. The outlook for this sales region remains bleak in the short to medium term. Overall, the probability of damages occurring from exposure to sector-specific risks is considered low.

Business strategy risks

These encompass the risk of misjudgements with regard to the future direction taken by the market. In order to mitigate this risk, SIMONA monitors the market and competition closely and regularly conducts strategy meetings within its sales team as well as with major customers. The probability of damages occurring from exposure to business strategy risks is considered low.

Financial risks

They encompass, above all, currency risks, default risks, product liability risks, risks of a change in interest rates and risks associated with the company pension scheme. Due to the takeover of Laminations and Boltaron as well as the expansion of production within the US market, SIMONA has been able to further reduce its high level of dependence on the euro within the Group. The most pronounced risk to economic performance in the first half of 2015 stemmed from the financial crises in Europe and the conflict in Ukraine, which had an adverse effect on growth in Russia, as well as proving detrimental to confidence among German companies that are particularly reliant on exports. The risk of bad debt losses has increased in particular within the Eastern European market. Within this context, thorough assessments of credit ratings and continuous monitoring within this area help to mitigate risk as a whole as well as risk associated with individually identifiable items. As regards transactions in Russia, a separate directive for the conclusion of business agreements relating to this country was introduced for the purpose of limiting associated risks. Default-related risk associated with specific customers is limited by credit insurance and the cut-off of deliveries in the case of outstanding payments. The carrying amounts of inventories are assessed on a regular basis, and adjustments in the form of allowances are made for specific unsaleable products. The interest rate swap entered into for the purpose of hedging the risk of changes to interest rates has no material impact. The risks associated with occupational pension schemes are considered to be significant and the probability of their occurrence is deemed to be high.

Risks attributable to procurement and purchasing
These risks relate in particular to the direction taken by commodity prices as well as supply-side disruptions. In the second quarter of 2015, in particular, commodity markets were dominated by an upsurge in prices together with supply-side shortages. Pressure on sales prices remains high, particularly in view of the recent increase in raw material prices and persistently intense competition. SIMONA expects to see a further structural upturn in commodity prices over the medium to long term. The probability of damages occurring from exposure to risks attributable to procurement and purchasing has decreased now that production outages at raw material facilities (force majeure) have been rectified.

Information technology risks
Information technology risks relate mainly to the disruption of IT systems, loss of data and attacks on IT systems together with industrial espionage. SIMONA controls these risks by maintaining its own IT department, whose task is to manage, maintain, refine and protect the IT systems on a continual basis. Additionally, the company regularly invests in hardware and software, as well as using virus scanning applications, firewall systems and access control. The risks associated with external attacks on IT systems in particular could be considered elevated.

At the end of the first half of 2015, we are of the opinion that the overall risk situation for the Group remains largely unchanged from that applicable at the end of 2014. At the time of preparing this report, there were no identifiable risks that might jeopardise SIMONA AG’s existence as a going concern.

4. REPORT ON EXPECTED DEVELOPMENTS

Economic conditions
In July 2015, the International Monetary Fund (IMF) revised downward slightly its forecast for global economic performance. The IMF now predicts growth of 3.3 per cent for the world economy as a whole in 2015. This growth will be underpinned by the established economies, while the emerging and developing markets are expected to be less dynamic in their performance. Among the favourable factors are a sustained dip in the oil price, historically low interest rates and the depreciation of the euro against the US dollar, which has been fuelling European exports. At the same time, however, the risks to the global economy continue to be high.

Sector-specific conditions
The German Association of the Plastics Processing Industry has forecast a year-on-year expansion in revenue for the year as a whole. Due to the unexpected declines seen in the first five months, the second half of 2015 will have to produce significant growth if industry targets are to be met.

Future performance
SIMONA has managed to return to growth by consistently pursuing its programme of strategic realignment. This positive trend was maintained over the course of the first half, despite surging commodity prices and a subdued economy. As part of the interim announcement within the first half of 2015, the company issued a forecast of revenue of €340 – 350 million and EBIT of €15 – 20 million for the 2015 financial year as a whole. As a result of growth

generated in the first two quarters, this forecast has been revised upwards. SIMONA now anticipates that it can achieve revenue of €345 – 355 million and EBIT of €22 – 26 million if there is no fundamental change to business conditions.

Forward-looking statements and forecasts

This Group interim management report contains forward-looking statements that are based on the current expectations, presumptions and forecasts of the Management Board of SIMONA AG as well as on information currently available to the Management Board. These forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialise. Rather, future circumstances and results depend on a multitude of factors. These include various risks and imponderables, as well as being based on assumptions that may conceivably prove to be incorrect. SIMONA AG shall not be obliged to adjust or update the forward-looking statements made in this report.

Responsibility Statement

We hereby declare that, to the best of our knowledge, the Group interim management report includes a fair review of the development and performance of the business and the position of the SIMONA Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Kirn, 28 July 2015
SIMONA Aktiengesellschaft

Wolfgang Moyses   Dirk Möller   Fredy Hiltmann

GROUP INTERIM FINANCIAL STATEMENTS

GROUP INCOME STATEMENT OF SIMONA AG

in € '000	Notes	01/01/–30/06/2015	01/01/–30/06/2014
Revenue		185,320	164,820*
Other income		5,581	2,279*
Changes in inventories of finished goods and work in progress		4,084	3,602
Cost of materials		105,416	99,820
Staff costs		36,475	31,847
Depreciation of property, plant and equipment, and amortisation of intangible assets		6,499	5,705
Other expenses		30,463	27,726
Income from equity investments		1,062	0
Finance income		53	108
Finance cost		1,199	687
Profit before taxes		**16,048**	**5,024**
Income tax expense	[5]	4,813	2,344
Profit for the period		**11,235**	**2,680**
of which attributable to:			
Owners of the parent company		11,206	2,660
Non-controlling interests		29	20

EARNINGS PER SHARE:

in €			
– basic, calculated on the basis of profit for the period attributable to ordinary shareholders of the parent company		18.68	4.43
– diluted, calculated on the basis of profit for the period attributable to ordinary shareholders of the parent company		18.68	4.43

*Figures adjusted due to first-time recognition of freight and packaging revenues in sales revenue (€882 thousand).

GROUP STATEMENT OF COMPREHENSIVE INCOME OF SIMONA AG

in € '000	01/01/ – 30/06/2015	01/01/ – 30/06/2014
Profit for the period	**11,235**	**2,680**
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligations	–3,099	0
Deferred taxes on remeasurement of defined benefit obligations	914	0
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	5,062	866
Other comprehensive income recognised directly in equity	**2,877**	**866**
Total comprehensive income	**14,112**	**3,546**
of which attributable to:		
Owners of the parent company	14,097	3,526
Non-controlling interests	15	20

GROUP STATEMENT OF FINANCIAL POSITION OF SIMONA AG

ASSETS

in € '000	Notes	30/06/2015	31/12/2014
Intangible assets		28,300	28,628
Property, plant and equipment	[8]	113,016	107,285
Financial assets		511	415
Income tax assets		1,376	1,335
Deferred tax assets		9,260	9,467
Non-current assets		**152,463**	**147,130**
Inventories	[9]	72,977	63,296
Trade receivables		69,613	55,916
Other assets		6,209	5,879
Income tax assets		739	792
Cash and cash equivalents	[7]	19,351	21,313
Assets held for sale		4,022	3,706
Current assets		**172,911**	**150,902**
Total assets		**325,374**	**298,032**

EQUITY AND LIABILITIES

in € '000	Notes	30/06/2015	31/12/2014
Equity attributable to owners of the parent company			
Issued capital		15,500	15,500
Capital reserves		15,274	15,274
Revenue reserves		127,879	123,658
Other reserves		6,709	1,633
		165,362	**156,065**
Non-controlling interests		**266**	**251**
Total equity		**165,628**	**156,316**
Financial liabilities		4,249	4,271
Provisions for pensions		96,240	90,958
Other provisions		4,033	4,013
Other liabilities		2,109	3,814
Deferred tax liabilities		1,432	188
Non-current liabilities		**108,063**	**103,244**
Financial liabilities		3,149	3,229
Provisions for pensions		1,571	1,571
Other provisions		1,534	1,458
Trade payables		18,665	13,054
Income tax liabilities		1,042	2,185
Other liabilities		25,714	16,960
Derivative financial instruments		8	15
Current liabilities		**51,683**	**38,472**
Total equity and liabilities		**325,374**	**298,032**

GROUP STATEMENT OF CASH FLOWS OF SIMONA AG

in € '000	Notes	01/01/ – 30/06/2015	01/01/ – 30/06/2014
Profit before taxes		16,048	5,024
Income taxes paid		–1,983	–1,677
Finance income and finance cost		66	129
Depreciation of property, plant and equipment, and amortisation of intangible assets		6,499	5,705
Other non-cash expenses and income		–3,637	693
Change in pensions		5,282	–101
Result from disposal of non-current assets	[8]	–60	–118
Change in inventories		–9,681	–10,172
Change in trade receivables		–13,697	–15,244
Change in other assets		–318	–1,097
Change in assets held for sale		–316	0
Change in liabilities and other provisions		11,606	17,536
Net cash from operating activities		**9,809**	**678**
Investments in intangible assets and property, plant and equipment	[8]	–8,100	–5,849
Acquisition of subsidiaries and other business units less net cash acquired		0	–40,604
Proceeds from the disposal of assets		69	519
Proceeds relating to the short-term financial management of cash investments		0	4,000
Interest received		45	96
Net cash used in investing activities		**–7,986**	**–41,838**
Proceeds from financial liabilities taken on by the Group		0	11,604
Repayment of financial liabilities		–102	–11
Payment of prior-year dividend	[6]	–4,800	–3,600
Payment of prior-year dividend, non-controlling interests		0	–40
Interest paid and similar expenses		–119	–238
Net cash used in (from) financing activities		**–5,021**	**7,715**
Effect of foreign exchange rate changes on liquidity		1,236	92
Change in cash and cash equivalents		**–1,962**	**–33,353**
Cash and cash equivalents at 1 January	[7]	21,313	47,477
Cash and cash equivalents at 30 June	[7]	19,351	14,124
Change in cash and cash equivalents		**–1,962**	**–33,353**

GROUP STATEMENT OF CHANGES IN EQUITY OF SIMONA AG

in € '000	Notes	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY: Issued capital	Capital reserves	Revenue reserves	Other reserves – Currency translation differences	Total	NON-CONTROL-LING INTERESTS	TOTAL EQUITY
Balance at 01/01/2014		**15,500**	**15,274**	**138,734**	**–1,963**	**167,545**	**277**	**167,822**
Amount recognised directly in equity		0	0	0	866	866	0	866
Profit for the period		0	0	2,660	0	2,660	20	2,680
Total comprehensive income for the period		**0**	**0**	**2,660**	**866**	**3,526**	**20**	**3,546**
Dividend payment	[6]	0	0	–3,600	0	–3,600	0	–3,600
Distribution in respect of non-controlling interests		0	0	0	0	0	–40	–40
Balance at 30/06/2014		**15,500**	**15,274**	**137,794**	**–1,097**	**167,471**	**257**	**167,728**
Balance at 01/01/2015		**15,500**	**15,274**	**123,658**	**1,633**	**156,065**	**251**	**156,316**
Amount recognised directly in equity		0	0	–2,185	5,076	2,891	–14	2,877
Profit for the period		0	0	11,206	0	11,206	29	11,235
Total comprehensive income for the period		**0**	**0**	**9,021**	**5,076**	**14,097**	**15**	**14,112**
Dividend payment	[6]	0	0	–4,800	0	–4,800	0	–4,800
Balance at 30/06/2015		**15,500**	**15,274**	**127,879**	**6,709**	**165,362**	**266**	**165,628**

NOTES TO THE CONDENSED GROUP INTERIM FINANCIAL STATEMENTS OF SIMONA AG

[1] COMPANY INFORMATION

SIMONA AG is a stock corporation (Aktiengesellschaft) founded in Germany – registered office at Teichweg 16, 55606 Kirn, Germany. Its shares are traded within the General Standard of the Frankfurt and Berlin Stock Exchanges.

These condensed Group interim financial statements (consolidated interim financial statements) for the first half of 2015 were released for publication on 28 July 2015, following a resolution passed by the Management Board.

[2] STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated interim financial statements for the first half of 2015 have been prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting" and, under Section 315a (1) HGB, pursuant to International Financial Reporting Standards (IFRS), to which they comply. The consolidated interim financial statements have been prepared in euro. The reporting period covers the period from 1 January 2015 to 30 June 2015. The consolidated annual financial statements as at 31 December 2014 provide the basis for the consolidated interim financial statements, and reference shall be made to the aforementioned consolidated annual financial statements for further information.

Summary of significant accounting policies
The accounting policies applied to the consolidated interim financial statements are consistent with those applied to the consolidated financial statements for the annual period ended 31 December 2014.

Consolidated group
There were no changes in the consolidated group compared with 31 December 2014. As at 30 June 2015, alongside the parent company the consolidated interim financial statements comprised 19 domestic and foreign entities.

[3] SEASONAL EFFECTS ON BUSINESS ACTIVITIES

Owing to seasonal factors, all business segments are generally expected to generate lower revenue and lower operating results in the second half of the year than in the first six months. Lower revenue is mainly attributable to declining demand in the principal holiday months of July and August, as well as reduced customer inventory levels towards the end of the calendar year (December).

[4] SEGMENT REPORTING

For company management purposes, the Group is organised according to geographic regions and has the three following reportable operating segments:
- Europe
- Americas
- Asia and Pacific

The reportable segments have been redefined compared to the same reporting period a year ago. The segments have been allocated on the basis of the region in which the revenue-generating business unit has its registered office. The Americas are presented as a separate segment alongside Asia and Pacific. The prior-year figures have been adjusted accordingly.

All three segments generate their revenues mainly through the sale of semi-finished plastics and pipes, as well as fittings and finished parts.

Management assesses the operating results of these segments for the purpose of making decisions as to the distribution of resources and determining the profitability of the business units. Segment profitability is determined on the basis of operating results from operating activities before the effects of financing activities and excluding income tax effects.

As a matter of course, segment information is based on the same principles of presentation and the same accounting policies as those applied to the consolidated interim financial statements. Revenues and expenses as well as profit/

loss between the individual segments are eliminated as part of reconciliation. Internal transfer pricing between the business segments is determined on the basis of competitive market prices charged to unaffiliated third parties (regular way transaction). External sales revenue relates to the registered office of the revenue-generating business unit.

SIMONA GROUP SEGMENT INFORMATION FOR THE FIRST HALF OF 2015

	Europe		Americas		Asia and Pacific		Eliminations		Group	
in € '000	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from sales to external customers	134,879	131,372	41,631	25,489	8,810	7,959	0	0	185,320	164,820
Revenue from sales to other segments	21,679	22,531	0	0	0	0	–21,679	–22,531	0	0
Segment revenue									**185,320**	**164,820**
Segment result	12,732	7,622	4,192	–1,170	–792	–849			16,132	5,603

RECONCILIATION TO PROFIT BEFORE TAXES

Income from equity investments									1,062	0
Finance income									53	108
Finance cost									1,199	687
Profit before taxes									**16,048**	**5,024**

NOTES TO THE GROUP INCOME STATEMENT

[5] INCOME TAXES

The principal components of income tax expense reported in the Group income statement are as follows:

in € '000	01/01 - 30/06/2015	01/01 - 30/06/2014
Current tax		
Current tax expense	2,829	1,880
Adjustments of current tax attributable to previous periods	–57	10
Deferred tax		
Origination and reversal of temporary differences	2,041	454
Income tax expense reported in Group income statement	**4,813**	**2,344**

[6] DIVIDEND PAID

During the first half-year the Annual General Meeting of Shareholders passed a resolution on 12 June 2015 for a dividend of €8.00 per share (prev. year: €6.00 per share) for all ordinary shares attributable to the parent company. The total dividend distribution, which was effected on 15 June 2015, amounted to €4,800 thousand (prev. year: €3,600 thousand).

NOTES TO THE GROUP STATEMENT OF FINANCIAL POSITION

[7] CASH AND CASH EQUIVALENTS

For the purpose of preparing a cash flow statement, cash and cash equivalents shall be comprised of the following items:

in € '000	30/06/2015	31/12/2014
Cash and cash equivalents	19,351	21,313
Total	**19,351**	**21,313**

[8] PROPERTY, PLANT AND EQUIPMENT

In the period from 1 January to 30 June 2015, the Group purchased property, plant and equipment at a cost amounting to €8,060 thousand (prev. year: €13,882 thousand), of which €0 was attributable to first-time consolidation (prev. year: €8,123 thousand).

Other income includes gains of €79 thousand (prev. year: €142 thousand) from the disposal of property, plant and equipment; other expense includes losses of €22 thousand (prev. year: €24 thousand) from the disposal of property, plant and equipment.

[9] INVENTORIES

Compared to 31 December 2014, the amount attributable to inventory impairments fell by €354 thousand to €3,227 thousand in the first half of 2015.

OTHER INFORMATION

[10] CONTINGENT LIABILITIES

Compared to 31 December 2014, contingent liabilities from investment projects already initiated (obligation to purchase property, plant and equipment) increased by €938 thousand to €6,162 thousand.

[11] RELATED-PARTY DISCLOSURES

Compared to the financial year ended 31 December 2014, there were no changes to the entities and persons with whom the SIMONA Group had a related-party relationship.

As part of its ordinary operating activities, SIMONA AG provides various services for the subsidiaries included in the consolidated interim financial statements. Conversely, the respective Group companies render services within the SIMONA Group in the context of their business purpose. These business transactions relating to the supply of goods and the rendering of services are made at market prices.

[12] EVENTS AFTER THE REPORTING PERIOD

No events occurred after the reporting period that would necessitate a change to measurements or recognised amounts.

[13] DISCLOSURE IN ACCORDANCE WITH SECTION 37W (5) WPHG

The consolidated interim financial statements and the Group interim management report have been neither reviewed nor audited in accordance with Section 317 HGB.

[14] RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements, in accordance with German principles of proper accounting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.”

Kirn, 28 July 2015
SIMONA Aktiengesellschaft

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