SIMONA

Group Interim Report of SIMONA AG for the First Half of 2013

Contents

Preliminary Note

The amended requirements set out in accounting standard IAS 19 “Employee Benefits” (IAS 19R), whose application is mandatory as at 1 January 2013, have been applied for the first time to the consolidated interim financial statements for the first half of 2013. The reduction in the discount rate from 5.0 per cent to 3.5 per cent, which was required under the revised standard, has given rise to a deficit in respect of the pension obligations, which contrasts with a surplus in the previous year. Under IAS 19R, changes to the direct pension obligations (Defined Benefit Obligation) of SIMONA AG and the indirect pension obligations of SIMONA Sozialwerk GmbH shall be recognized in the equity of SIMONA AG. This has resulted in a reduction in equity in both the separate and the consolidated financial statements of SIMONA AG.

A small proportion of these effects was to be accounted for in staff costs presented in the income statement. The comparative figures of 2012 have been adjusted in order to ensure that the presentation of prior-year figures also conforms with IAS 19R. The extent of these changes has been disclosed in the Group management report and in the selected explanatory notes.

As a result of IAS 19R, future adjustments to the discount rate will have an effect on pension obligations, deferred taxes and equity presented in the separate and consolidated financial statements of SIMONA AG.

Group Management Report

1. BUSINESS PERFORMANCE

The SIMONA Group saw a further decline in sales revenue in the second quarter of 2013 compared to the same period a year ago. Sales revenue amounted to € 71.3 million, down 6.7 per cent on the figure posted in the second quarter of 2012. Compared to the preceding quarter (Q2 2013 vs. Q1 2013), sales revenue was up 3.1 per cent.

In the first half of the year, sales revenue totalled € 140.4 million, which was 5.8 per cent less than in the first half of 2012 (€ 149.0 million).

Economic conditions
The economic climate within the Group's core market, Europe, remains challenging. Despite favourable interest rates, investment spending in Germany and Europe as a whole has been extremely subdued for more than a year, thus reflecting a lack of confidence within the business community. This situation has had a detrimental effect of the core line of business centred around chemical tank and equipment engineering.

Germany
The German economy only narrowly avoided a technical recession during the winter half year. After a marked downturn in its gross domestic product (GDP) by 0.7 per cent in the fourth quarter of 2012, GDP edged up by a mere 0.1 per cent in the first quarter of 2013. Within this context, growth was driven almost entirely by private consumption. Exports, by contrast, provided hardly any impetus. The economic upturn originally predicted in the spring of 2013 – together with a higher propensity to invest – has yet to materialise. Gross capital investments contracted by 1.5 per cent compared to the previous quarter.

The key sectors served by SIMONA in Germany were faced with sluggish trading in the first half of 2013. Business within the chemical production industry remained stagnant between January and June compared to the same period a year ago. Having said that, the decline in domestic business was offset by forward momentum in foreign sales. Machine and plant production fell by 4.1 per cent in total in the first five months of 2013. Incoming orders fell by 1 per cent between January and May.

Eurozone
The eurozone economy shrank by 0.2 per cent in the first quarter of 2013. Spain (–0.5 per cent), Italy (–0.5 per cent) and France (–0.2 per cent) are mired in recession. The 1.6 per cent downturn in GDP was fuelled to some extent by sluggish gross capital investments.

Asia and South America
The rate of growth recorded in some of the emerging markets of Asia and South America was lower than expected. Growth has recovered again slightly in China, but at 7.7 per cent, it is still short of the figure recorded in the previous year (8.1 per cent). The South American economy has also been adversely affected by a lack of domestic demand and the repercussions of the European sovereign debt crisis. In Brazil, GDP rose by 1.9 per cent year on year in the first quarter. However, this figure is well below expectations.

United States
After marginal growth of 0.1 per cent in the fourth quarter of 2012, the US economy picked up slightly in the first quarter and expanded by 0.6 per cent compared to the preceding quarter. This, however, is well below the forecasts for the year as a whole. The economy continues to be dominated by budgetary constraints, high unemployment and low consumption.

Plastics industry

Revenues generated by the plastics processing industry fell by around 3 per cent year on year in the first quarter of 2013, which was coupled with a sharp decline in order intake.

Segment reporting

The sales region covering Germany saw a disproportionately large reduction in revenue by 9.6 per cent to € 42.6 million (prev. year: € 47.1 million) in the first half of the year. Sales revenue generated in the region encompassing the Rest of Europe and Africa fell by just 2.5 per cent from € 75.7 million to € 73.8 million thanks to stable business in Eastern Europe. The region covering Asia, Americas and Australia saw its revenue decline by 8.3 per cent year on year following a sharp drop in sales revenue in the United States. Revenue from sales in this region as a whole totalled € 24.0 million (prev. year: € 26.2 million). The decline in revenue generated in the United States is attributable primarily to the company's strategic realignment, with a strong focus on its core business.

The two product groups comprising semi-finished and finished parts as well as pipes and fittings had to contend with lower revenue.

2. FINANCIAL PERFORMANCE

The Group saw a further deterioration in it's financial performance compared with the earnings situation in the first quarter of 2013. Owing to the business performance in the first half of 2013, earnings before interest and taxes (EBIT) fell sharply by 52.9 per cent to € 2.4 million (prev. year: € 6.5 million and € 5.2 million after applying IAS 19R). The EBIT margin amounted to 1.7 per cent (prev. year: 4.3 per cent and 3.5 per cent after applying IAS 19R). The company announced its decision to increase market prices to at least partly compensate increases in energy costs. In the medium to long term, the company's programme of strategic realignment, as discussed in the Report on Expected Development, is aimed at bringing about further improvement.

Due to the reduction in sales volumes and revenue, gross profit fell by € 5.1 million to € 60.3 million.

The cost of materials fall at a faster rate in relation to the downturn in revenue (–5.8 per cent), down by 8.0 per cent to € 83.6 million. Having initially spiralled upwards in the first quarter 2013, raw material prices were down again on average during the second quarter.

Staff costs amounted to € 29.5 million (prev. year: € 31.0 million). However, the comparative prior-year figure (€ 29.7 million) was up by € 1.3 million due to the mandatory application of the revised IAS 19.

Owing to a further increase in the EEG fee payable under the German Renewable Energy Act, energy costs – which were already high – continued to surge in the first half of the year.

Other operating expenses continued to fall, down from € 23.6 million a year ago to € 22.6 million in the period under review. In particular, first-half expenses relating to maintenance work and temporary staff were lower than in the same period a year ago.

The majority of bottom-line results posted by the operating subsidiaries in the first half of 2013 were in positive territory. The subsidary in the United States posted a loss in the first half of the year. As a start-up operation, the plant in China has yet to generate a profit.

Profit for the first six months totalled € 1.2 million (prev. year: € 4.4 million and € 3.5 million after applying IAS 19R).

3. FINANCIAL ASSETS AND LIABILITIES

The Group's cash and cash equivalents totalling € 21.0 million (31/12/2012: € 36.9 million) mainly consist of short-term bank deposits.

Other financial assets amounting to € 21.6 million (31/12/2012: € 21.0 million) comprise a bonded loan issued by Bank of China Limited as well as fixed-term deposits denominated in euros and foreign currencies.

The Group's non-current financial liabilities remained unchanged at € 0.1 million at the end of the period under review.
Current financial liabilities stood at € 3.8 million, unchanged on the figure posted at the end of 2012.

In the first half of 2013, interest income fell from € 0.4 million to € 0.2 million and was attributable mainly to short- and medium-term investments of cash. Interest expense, by contrast, amounted to € 0.1 million. This expense item was mainly due to loans denominated in US dollars.

4. FINANCIAL POSITION

As at 30 June 2013, total assets were largely unchanged year on year at € 260.2 million (31/12/2012: € 260.1 million and € 262.8 million after applying IAS 19R).

In the first half of 2013, SIMONA made investments of € 6.9 million (prev. year: € 3.9 million) within the Group.

Inventories grew by € 2.1 million in total compared to 31 December 2012. Compared to the figure posted at the end of 2012, trade receivables rose by € 10.9 million to € 54.2 million. In a year-on-year comparison (30/06/2012), trade receivables remained largely unchanged (€ 53.0 million).

As at 30 June 2013, Group equity amounted to € 163.7 million (31/12/2012: € 180.7 million and € 167.7 million after applying IAS 19R), which corresponds to a Group equity ratio of 63 per cent (31/12/2012: 69 per cent and 64 per cent after applying IAS 19R). The significant decline is attributable primarily to the actuarial gains/losses recognised directly in equity following the mandatory application of IAS 19R retrospectively as at 1 January 2012 as well as the dividend payment executed in June 2013.

As part of the amendments to IAS 19, non-current provisions for pensions increased significantly to € 59.8 million as at 30 June 2013 (31/12/2012: € 40.2 million and € 59.2 million after applying IAS 19R).

For further information on pensions and similar obligations, please refer to point [10] in the notes to the condensed consolidated interim financial statements.

Trade payables rose by € 2.2 million to € 13.5 million due to factors solely relating to the end of the reporting period.

5. RISKS ASSOCIATED WITH FUTURE DEVELOPMENT

The risk management system of SIMONA AG controls the following material risks associated with the Group: risks relating to the general business environment and sector, financial risks and 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 as well as 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. The production facilities in the United States, China and the Czech Republic provide greater flexibility when it comes to meeting new customer requirements in close proximity to their sites of operation.

Financial risks
They encompass, above all, currency risks, default risks, product liability risks and risks associated with the company pension scheme. Price risks associated with exchange rates tend to increase in proportion to revenue generated outside the eurozone. The most significant risk with regard to business development in the first half of 2013 was again attributable to the sovereign debt crisis in the eurozone, which has also had a negative impact on the world economy.

High and extremely volatile commodity prices constitute another key risk to the Group's earnings performance. We expect to see a further structural upturn in commodity prices over the medium to long term. Additionally, the risk of default has increased as a result of the difficult economic climate. 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. 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.

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. Risks attributable to information technology are controlled Group-wide by the company's own IT department, whose task is to manage, maintain, refine and protect the IT systems on a continual basis.

At the end of the first half of 2013, we are of the opinion that the overall risk situation for the company remains unchanged from that of the previous year. At the time of preparing this report, there were no identifiable risks that might jeopardise the company's existence as a going concern.

6. REPORT ON EXPECTED DEVELOPMENTS

The outlook for the global economy gradually weakened over the course of the first half. The International Monetary Fund (IMF) downgraded its original forecast issued in April. The IMF currently projects global economic growth of 3 per cent, which is more or less the same as in the previous year. The risk of a downward trend has become more pronounced. Alongside the existing challenges associated with the European sovereign debt crisis, there are signs of new risks in connection with a protracted slowdown in growth within some of the emerging markets. According to the IMF, the eurozone will continue to languish in recession, with economic output expected to contract by 0.5 per cent in 2013. With projected growth of 1.8 per cent, the US economy will develop at a less dynamic rate than previously anticipated. In China, meanwhile, growth is likely to remain largely unchanged year on year (7.8 per cent). However, the general outlook has become much bleaker.

SIMONA is determined to pursue its route of strategic realignment. It is aimed at reducing the company's dependence on the core market of Europe by generating growth in selected emerging markets as well as moving into new fields of application by unlocking innovatory potential and thus achieving a sustained increase in revenue and earnings. The fundamental elements of the new strategy are to be approved by the Supervisory Board over the course of the coming weeks. The first positive results of this strategic realignment are expected in 2014.

Outlook for the 2013 financial year as a whole

In the second half of the year, SIMONA will continue to be exposed to economic uncertainties and the challenges associated with a lower propensity to invest, particularly in its core market of Europe. The competitive arena in Europe in particular is governed by highly aggressive pricing policies, which is exerting downward pressure on margins. SIMONA anticipates that business will continue to develop at a sluggish pace in the second half of the year, although it should be noted that slightly more favourable trends have emerged in some areas and demand has remained stable at the current level.

The revenue target of € 280-290 million outlined as part of the results for the first quarter is considered to be ambitious but is still achievable. As regards earnings, from the current perspective, the best the company can hope for is to reach the lower end of its EBIT margin forecast of 3-4 per cent.

Group Interim Financial Statements

Group Income Statement of SIMONA AG

in € '000	Notes	01/01 – 30/06/2013	01/01 – 30/06/2012*
Revenue		140,401	149,028
Other operating income		2,906	3,436
Changes in inventories of finished goods		646	3,831
Cost of materials		83,636	90,901
Staff costs	[10]	29,539	30,959
Amortisation of intangible assets and depreciation of property, plant and equipment		5,703	5,613
Other operating expenses		22,631	23,630
Interest income		212	353
Interest expense		135	151
Profit before tax		**2,521**	**5,394**
Income tax expense	[6]	1,325	1,863
Profit for the period		**1,196**	**3,531**
of which attributable to:			
Owners of the parent company		1,158	3,491
Non-controlling interests		38	40

EARNINGS PER SHARE

in €			
– basic, calculated on the basis of profit for the period attributable to ordinary shareholders of the parent company		1.93	5.82
– diluted, calculated on the basis of profit for the period attributable to ordinary shareholders of the parent company		1.93	5.82

* Prior-year figures adjusted due to mandatory application of IAS 19R.

Group Statement of Comprehensive Income of SIMONA AG

in € '000	Notes	01/01 – 30/06/2013	01/01 – 30/06/2012*
Profit for the period		**1,196**	**3,531**
Actuarial gains/losses from defined benefit obligations	[10]	0	–22,151
Deferred taxes on actuarial gains/losses from defined benefit obligations	[10]	0	6,887
Exchange differences on translating foreign operations during the year		–726	624
Amount recognised directly in equity		**–726**	**–14,640**
Total comprehensive income		**470**	**–11,109**
of which attributable to:			
Owners of the parent company		482	–11,159
Non-controlling interests		–12	50

* Prior-year figures adjusted due to mandatory application of IAS 19R.

Group Statement of Financial Position of SIMONA AG

ASSETS

in € '000	Notes	30/06/2013	31/12/2012*
Intangible assets		1,133	1,175
Property, plant and equipment	[8]	91,794	90,879
Financial assets		23	23
Non-current tax assets		2,608	2,612
Deferred tax assets	[6]	1,741	3,021
Non-current assets		**97,299**	**97,710**
Inventories	[9]	59,072	56,932
Trade receivables		54,232	43,283
Other assets and prepaid expenses		6,999	6,916
Other financial assets		21,600	20,994
Cash and cash equivalents	[4]	20,957	36,934
Current assets		**162,860**	**165,059**
Total assets		**260,159**	**262,769**

EQUITY AND LIABILITIES

in € '000	Notes	30/06/2013	31/12/2012*
Equity attributable to owners of the parent company			
Issued capital		15,500	15,500
Capital reserves		15,274	15,274
Revenue reserves		133,106	136,448
Other reserves		–452	224
		163,428	**167,446**
Non-controlling interests		227	239
Total equity		**163,655**	**167,685**
Financial liabilities		67	66
Provisions for pensions	[10]	59,786	59,166
Other provisions		4,982	4,994
Other liabilities		97	118
Deferred tax liabilities	[6]	50	844
Non-current liabilities		**64,982**	**65,188**
Financial liabilities		3,835	3,812
Provisions for pensions		1,457	1,457
Other provisions		1,910	2,024
Trade payables		13,481	11,266
Income tax liabilities		39	1,960
Other liabilities and deferred income		10,741	9,299
Derivative financial instruments		59	78
Current liabilities		**31,522**	**29,896**
Total equity and liabilities		**260,159**	**262,769**

* Prior-year figures adjusted due to mandatory application of IAS 19R.

Selected notes to the first half of the 2013 financial year of SIMONA AG

[1] COMPANY INFORMATION

The condensed consolidated interim financial statements for the first half of 2013 were released for publication on 23 July 2013, following a resolution passed by the Management Board.

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.

[2] STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The condensed consolidated interim financial statements for the first half of 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial statements do not comprise all information and disclosures required for consolidated financial statements and should thus be read in conjunction with the consolidated financial statements for the annual period ended 31 December 2012.

Summary of significant accounting policies
With the exception of adjustments made as a result of the amendments to IAS 19, Employee Benefits (revised 2011, IAS 19R), which are to be applied as at 1 January 2013, the accounting policies applied to the condensed consolidated interim financial statements are consistent with those applied to the consolidated financial statements for the annual period ended 31 December 2012. The amended prior-year columns have been labelled accordingly with an asterisk (*).

Consolidated group
There were no changes in the consolidated group compared with 31 December 2012. As at 30 June 2013, the consolidated interim financial statements comprised 17 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] 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	**30/06/2013**	**31/12/2012**
Bank balances and cash on hand	20,957	36,934
Cash and cash equivalents	**20,957**	**36,934**

[5] PAID DIVIDEND

During the first half-year the Annual General Meeting of Shareholders passed a resolution on 7 June 2013 for a dividend of € 7.50 per share (prev. year: € 9.50 per share) for all ordinary shares attributable to the parent company. The total dividend distribution, which took place on 10 June 2013, amounted to € 4,500 thousand.

In the previous financial year payment of the dividend amounting to € 5,700 thousand was executed in the first half of the financial year 2012 as well.

[6] INCOME TAXES

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

in € ‘000	01/01 – 30/06/2013	01/01 – 30/06/2012*
Current tax		
Current tax expense	881	3,564
Income from measurement of credits for the reduction of corporation tax	–64	–77
Deferred tax		
Origination and reversal of temporary differences	508	–1,624
	1,325	**1,863**

* Prior-year figures adjusted due to mandatory application of IAS 19R.

[7] SEGMENT REPORTING

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

- Germany
- Rest of Europe and Africa
- Asia, Americas and Australia

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 country in which the customer is domiciled.

SEGMENT INFORMATION BY REGION

in € '000	Germany 01/01 – 30/06/13	Germany 01/01 – 30/06/12*	Rest of Europe and Africa 01/01 – 30/06/13	Rest of Europe and Africa 01/01 – 30/06/12	Asia, Americas and Australia 01/01 – 30/06/13	Asia, Americas and Australia 01/01 – 30/06/12	Eliminations 01/01 – 30/06/13	Eliminations 01/01 – 30/06/12	Group 01/01 – 30/06/13	Group 01/01 – 30/06/12*
Revenue from sales to external customers	42,563	47,099	73,791	75,700	24,047	26,229	0	0	140,401	149,028
Revenue from sales to other segments	8,964	10,476	26,184	25,633	6,452	6,528	–41,600	–42,637	0	0
Segment revenue									**140,401**	**149,028**
Segment result	1,667	1,970	1,529	3,365	–752	–143	0	0	2,444	5,192
Reconciliation to profit before tax:										
Interest income									212	353
Interest expense									135	151
Profit before tax									**2,521**	**5,394**

* Prior-year figures adjusted due to mandatory application of IAS 19R.

[8] PROPERTY, PLANT AND EQUIPMENT

In the period from 1 January to 30 June 2013, the Group purchased property, plant and equipment at a cost amounting to € 6,841 thousand (prev. year: € 3,737 thousand).

Other operating income includes gains of € 26 thousand (prev. year: € 10 thousand) from the disposal of property, plant and equipment; other operating expense includes losses of € 59 thousand (prev. year: € 10 thousand) from the disposal of property, plant and equipment.

[9] INVENTORIES

In the first half of the 2013 financial year inventory impairments fell by € 695 thousand to € 2,558 thousand compared to 31 December 2012.

[10] PENSIONS

The consolidated interim financial statements for the first half of 2013 as well as the comparative figures of the previous year and the comparative figures as at 31 December 2012 have been prepared for the first time by applying the amended requirements set out in IAS 19, Employee Benefits (revised 2011, IAS 19R).

Provisions for pensions were increased as at 31 December 2012 by the previously unrecognised liability arising from actuarial gains and losses relating to direct defined benefit obligations of SIMONA AG totalling € 6,798 thousand. The deficit created – primarily through the reduction of the discount rate – in respect of the indirect defined benefit obligations of SIMONA Sozialwerk GmbH totalling € 12,137 thousand is also to be accounted for as a provision. Therefore, the non-current provisions for pensions have increased by a total of € 18,935 thousand, up from € 40,231 thousand prior to the amendment of IAS 19 to € 59,166 thousand as at 31 December 2012 subsequent to IAS 19R.

Owing to the amendments to IAS 19, staff costs in 2012 rose by € 1,263 thousand (prev. year: € 29,696 thousand and € 30,959 thousand after applying IAS 19R). In respect of this amount, the company recognised deferred tax assets of € 372 thousand.

As regards the previously unrecognised actuarial prior-year gains of €4,478 thousand and the deferred tax liabilities of €1,319 thousand recognised in respect of the aforementioned item as at 1 January 2012 as well as the previously unrecognised actuarial losses of €22,151 thousand and the deferred tax assets of €6,887 thousand recognised in respect of the aforementioned item, a total of €12,105 thousand was accounted for directly in equity in the financial year 2012.

Therefore, the reduction in Group equity as at 31 December 2012 totalled € 12,996 thousand (31/12/2012: € 180,681 thousand and 167,685 thousand after applying IAS 19R).

[11] CONTINGENT LIABILITIES

Compared with 31 December 2012, contingent liabilities from investment projects already initiated (obligation to purchase property/plant/equipment) decreased by € 4,817 thousand to € 5,636 thousand at the end of the reporting period.

[12] RELATED PARTY DISCLOSURES

Compared to the financial year ended 31 December 2012, the entities and persons with whom the SIMONA Group had a related party relationship, as well as the scope and nature of related party transactions, changed within the Supervisory Board.

At the Annual General Meeting held on 7 June 2013, a candidate was specially elected onto the Supervisory Board after Dr. Horst Heidsieck, Büdingen, had stepped down from the Supervisory Board effective from 30 November 2012.

Based on the management's proposal, the following candidate was elected onto the Supervisory Board:

- Joachim Trapp
  Volljurist
  Member of the Management Board of Kreissparkasse Biberach, Biberach
  Managing Director of Sparkassenimmobilien BC GmbH, Biberach
  Managing Director of Sparkassenimmobilien BC Grundstücksverwaltungsgesellschaft mbH, Biberach

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.

[13] EVENTS AFTER THE REPORTING PERIOD

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

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.

Disclosure in accordance with Section 37y WpHG in conjunction with Section 37w (2) No. 3 WpHG
"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements 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, July 2013
SIMONA Aktiengesellschaft

The Management Board

Group Statement of Cash Flows of SIMONA AG

in € '000	Notes	01/01 – 30/06/2013	01/01 – 30/06/2012*
Profit before tax		2,521	5,394
Income taxes paid		–839	–1,984
Interest expense/income		–77	–202
Amortisation of intangible assets and depreciation of property, plant and equipment		5,703	5,613
Other non-cash expenses and income		–256	182
Change in pensions		620	758
Result from disposal of non-current assets	[8]	–24	0
Change in inventories		–2,140	–5,541
Change in trade receivables		–10,949	–10,425
Change in other assets		–80	–19
Change in liabilities and other provisions		1,572	7,502
Net cash used in/from operating activities		**–3,949**	**1,278**
Investments in intangible assets and property, plant and equipment	[8]	–6,885	–3,864
Proceeds from disposal of non-current assets		28	188
Payments relating to investments as part of short-term financial arrangements		–606	3,897
Net cash used in/from investing activities		**–7,463**	**221**
Repayment of financial liabilities		–11	–1,071
Dividend paid to owners of the parent	[5]	–4,500	–5,700
Dividend paid to non-controlling interests		0	–35
Interest received		232	331
Interest paid		–135	–151
Net cash used in financing activities		**–4,414**	**–6,626**
Effect of foreign exchange rate changes on liquidity		–151	139
Change in cash and cash equivalents		**–15,977**	**–4,988**
Cash and cash equivalents at 1 January	[4]	36,934	26,107
Cash and cash equivalents at 30 June	[4]	20,957	21,119
Change in cash and cash equivalents		**–15,977**	**–4,988**

* Prior-year figures adjusted due to mandatory application of IAS 19R.

Group Statement of Changes in Equity of SIMONA AG

		EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*			
	Notes	Issued capital		Capital reserves	Revenue reserves
in € '000		Share capital	**Total**		Legal reserve
Balance at 01/01/2012		15,500	15,500	15,274	397
Effect of changes in accounting policies under IAS 8 from the retrospective application of IAS 19R	[10]	0	0	0	0
Balance at 01/01/2012 after changes under IAS 19R		**15,500**	**15,500**	**15,274**	**397**
Amount recognised directly in equity		0	0	0	0
Profit for the period		0	0	0	0
Total comprehensive income for the period		**0**	**0**	**0**	**0**
Appropriations to other revenue reserves		0	0	0	0
Dividend payment to owners of parent	[5]	0	0	0	0
Dividend payment to non-controlling interests		0	0	0	0
Balance at 30/06/2012		**15,500**	**15,500**	**15,274**	**397**
Balance at 01/01/2013		15,500	15,500	15,274	397
Effect of changes in accounting policies under IAS 8 from the retrospective application of IAS 19R	[10]	0	0	0	0
Balance at 01/01/2013 after changes under IAS 19R		**15,500**	**15,500**	**15,274**	**397**
Amount recognised directly in equity		0	0	0	0
Profit for the period		0	0	0	0
Total comprehensive income for the period		**0**	**0**	**0**	**0**
Appropriations to other revenue reserves		0	0	0	0
Dividend payment to owners of parent	[5]	0	0	0	0
Dividend payment to non-controlling interests		0	0	0	0
Balance at 30/06/2013		**15,500**	**15,500**	**15,274**	**397**

* Prior-year figures adjusted due to mandatory application of IAS 19R.

Statutory reserves	Other revenue reserves	Accumulated profit for the period	Profit/loss recognised directly in equity	**Total**	**Other reserves** Currency translation differences	NON-CONTROLLING INTERESTS	TOTAL EQUITY*
2,847	92,417	48,041	0	143,702	–45	201	174,632
0	0	0	3,159	3,159	0	0	3,159
2,847	**92,417**	**48,041**	**3,159**	**146,861**	**–45**	**201**	**177,791**
0	0	0	–15,264	–15,264	614	10	–14,640
0	0	3,491	0	3,491	0	40	3,531
0	**0**	**3,491**	**–15,264**	**–11,773**	**614**	**50**	**–11,109**
0	4,204	–4,204	0	0	0	0	0
0	0	–5,700	0	–5,700	0	0	–5,700
0	0	0	0	0	0	–35	–35
2,847	**96,621**	**41,628**	**–12,105**	**129,388**	**569**	**216**	**160,947**
2,847	96,621	49,579	0	149,444	224	239	180,681
0	0	–891	–12,105	–12,996	0	0	–12,996
2,847	**96,621**	**48,688**	**–12,105**	**136,448**	**224**	**239**	**167,685**
0	0	0	0	0	–676	–50	–726
0	0	1,158	0	1,158	0	38	1,196
0	**0**	**1,158**	**0**	**1,158**	**–676**	**–12**	**470**
0	5,715	–5,715	0	0	0	0	0
0	0	–4,500	0	–4,500	0	0	–4,500
0	0	0	0	0	0	0	0
2,847	**102,336**	**39,631**	**–12,105**	**133,106**	**–452**	**227**	**163,655**

SIMONA AG
Investor Relations
Teichweg 16
D-55606 Kirn

Phone +49 (0) 67 52 14-383
Fax +49 (0) 67 52 14-738

ir@simona.de
www.simona.de