



Ad hoc announcement from 11.04.2006

Neschen AG –2005 results burdened by restructuring programme

Neschen Group will return a net loss after tax (per IFRS) of approx. -9.4 m€ (2004 -15.1 m€). This includes extraordinary expenses of approx. 7.9 m€ for the restructuring programme (previous year also 7.9 m€). These expenses were incurred due to the closure of SEAL Graphics Europe B.V. in Raalte, Netherlands and personnel downsizing in Bückeberg, Germany.

The result before extraordinary expenses improved by 5.8 m€ to -1.4 m€. The goal of achieving break even before extraordinary expenses was not achieved yet.

The EBIT lay by -2.9% (2004: -6.6%), the EBITDA by 1.8% (2004: -1.5%). The turnover was 136.2 m€ (previous year 140.3 m€). Sales decreased by 1.7% after adjustments of discontinued sales.

The financial statements, for the first time per IFRS, show a shareholder equity of 1.2 m€ (2004: 8.4 m€) and reflects the reduction due to the restructuring programme.

Shareholder's equity of Neschen AG (accord. to commercial code) lay by 10.2 m€ (previous year 22.7 m€). The loss of 12.6 m€ set against the financial reserves.

After completion of the restructuring programme which cost approx. 16 m€, Neschen AG aims to increase its group equity basis.

To optimize the cost structure, a consolidation of the US-companies took place in March 2006. The two-brand-strategy ("Neschen" and "SEAL") will continue with the new company "Neschen Americas".

The group sales-budget for the current year is 135 m€. Up to the end of February, the budgeted sales and results were on target; with the preliminary sales for March the results are expected to be achieved.