



Ad-hoc announcement of the Neschen AG – June 22nd, 2006

Stefan Zinn, speaker of the Board of the Neschen AG, informed the shareholders of the company's situation at the annual shareholders' meeting today.

The group turnover for the months Jan. – Mai 2006 was €57M.

The company profit, before taxes, amounted to €0.1M, slightly under the seasonal budget.

The group operative profit before tax, amounted to €1.5M. The result is adjusted for planned first-quarter costs, arising from consolidation measures in the USA, as well as costs for the completed operative restructuring programs throughout the Group.

The Board sees this positive result as a confirmation of the company's progress. It also represents the initial success of the restructuring measures of the last 15 months. Almost all the relevant key figures for the Group have significantly improved. An increased sales activity in our target markets is also to be noted.

The Board remains confident that after tax, the Group result will be at least break even for 2006.

The Executive Board, as agreed with the Neschen Advisory Board, is discussing ways of strengthening the present equity with potential investors. The goal is to reduce the level of debt and create a solid foundation for future profitable growth.