

Neschen AG won't achieve previous years result in 2004

Neschen AG will not achieve its result from the previous year of EUR –2.5M due mainly to increased raw material prices and the soft market conditions in the traditionally strong fall months.

The gross sales of the Group in 2004 will be approximately EUR 140M. Factoring in consolidation changes, the organic growth will be approximately 4.0%. As of October 31st the equity ratio of the Group is 19.0%.

In the newly developed Business Unit „Industry“, the first successful steps to improve the production utilisation have been taken. The measures introduced in the SEAL-companies to improve gross sales and yield are taking effect and will be more evident in the next financial year.

The plan for 2005 is based on the positive turnover development of the current year. With the measures initiated to increase the gross margin, Neschen expects a positive pre-tax result in 2005.