



Adhoc announcement from 27.08.2002 for the 2<sup>nd</sup> quarter 2002

**Neschen grows through market leadership and innovation**

The Neschen AG increased its turnover in the first half year of 2002 by 69.1%, as compared to last year, to EUR 82.093M.

The turnover development from the activities of the Seal Group, taken over as of October 1<sup>st</sup> 2001, are proceeding positively. Adjusted of the Seal activities, the organic growth of Neschen amounts to 4.4% and is therefore clearly above the weak market development.

Due to their market leading position and the high level of investment in research and development, as well as modern technical equipment, Neschen was able to expand its activities in all of its core product fields.

The EBIT ran to 4.23% and lay by EUR 3.472M. This represents an increase of 13.6% as compared to the EBIT 2001. The EBIT per share is EURO 0.58 and therewith clearly higher than the previous years level for the same time period (EURO 0.51)

The integration of the new locations, arising from the Seal acquisition, is by and large completed. This includes the necessary investment and personnel measures. As of June 30<sup>th</sup> 2002, Neschen employs 783 people with a per person turnover of EURO 215,000 (previous year EURO 192,700). The foreign percentage amounts to 86% (previous year 80%).

Due to the generally depressed economic situation in this the first year after the Seal acquisition, the ambitious target of an EBIT of at least 6.5% for 2002 will probably not be reached. Nevertheless, Neschen is well prepared for the traditionally strong 2<sup>nd</sup> half of the year and awaits a further increase in turnover and yield.

Particularly promising are the new developments in the area of varnishing technology for pictures and prints in small format right up to 5 meters in width. Based on a technological exclusivity, and strong international partners, Neschen awaits an enormous surge in the future turnover and yield from this business sector.