



Press Release

A.S. Création Tapeten AG, Gummersbach

(ISIN DE0005079909)

A.S. Création reports 21% earnings growth in H1 2010 and projects significant improvement in earnings for the full year 2010.

A.S. Création Tapeten AG, Europe's leading wallpaper manufacturer, today published the report for the six-month period ended June 30, 201. A summary is provided below:

Sales hit new record

A.S. Création boosted its consolidated first-half sales by 2.0% from EUR 91.9 million in the previous year to a new historical high of EUR 93.8 million in 2010. This successful performance is attributable to sales revenues generated in the European Union, which increased by 3.2%. This region meanwhile accounts for 82.3% of A.S. Création's total Group sales. The Managing Board was disappointed with the sales trend in non-EU Eastern European countries, where first-half sales were 9.7% below the low level of the previous year.

Improved earnings position in both divisions

Commodity prices have picked up markedly since the end of the first quarter 2010. Nevertheless, A.S. Création's product range policy enable the company to maintain the gross profit margin at 50.0%, i.e. above the prior year level of 48.6%. Together with the higher sales revenues, this led to an improved earnings position. At EUR 7.0 million, earnings before taxes were up by 24.1% on the previous year's EUR 5.7 million, while the return on sales before taxes rose to 7.5% (previous year: 6.2%). The Managing Board of A.S. Création is extremely satisfied that both the Wallpaper Division and the Furnishing Fabrics Division contributed to the improvement in earnings and that the Furnishing Fabrics Division was profitable and reported a pre-tax profit of EUR 0.1 million, compared to a loss of EUR 0.2 million in the first half of 2009. Net income after taxes amounted to EUR 4.8 million in the first half of the year, which represents an increase by 20.7% on the previous year's EUR 4.0 million.

Very stable financial position

The improvement in the company's financial position, which began already in 2009, continued in the first six months of 2010. Net financial liabilities were reduced by EUR 1.3 million from EUR 20.6 million on December 31, 2009 to EUR 19.3 million on June 30, 2010 and the equity ratio stood at 51.5% on June 30, 2010 (June 30, 2009: 49.8%). The financial structure of A.S. Création thus remains robust and sound.

Guidance for 2010 put into more concrete terms

The Managing Board is satisfied with the results of the first half of 2010. Uncertain conditions are expected for the second half of the year. In particular, the continued upward trend in commodity prices and the aggressive price competition on the sales side are likely to weigh on the gross profit margin. The Managing Board of A.S. Création nevertheless expects both sales revenues and earnings to improve, with Group sales projected to come in at EUR 185 million to 190 million (2009: EUR 181.3 million) and net income expected to amount to EUR 8.5 million to 9.5 million (2009: EUR 7.5 million).

The Group's key figures for the first six months of 2010 are summarised below:

		01.01.-30.06. 2010	01.01.-30.06. 2009	Change
Sales	EUR' 000	93,764	91,900	2.0 %
Earnings before interest and taxes (EBIT)	EUR' 000	8,046	6,712	19.9 %
Earnings before income taxes	EUR' 000	7,034	5,667	24.1 %
Net profit	EUR' 000	4,800	3,976	20.7 %
Earnings per share	EUR/share	1.74	1.44	20.8 %
Cash-flow	EUR' 000	9,434	8,450	11.6 %
Capital expenditures	EUR' 000	3,348	2,557	30.9 %
Depreciation	EUR' 000	4,892	4,558	7.3 %
Number of employees (average)		769	802	- 4.1 %

Gummersbach, August 2, 2010

A.S. Création Tapeten AG

The Managing Board

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The full interim report is available at
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