



Press Release

A.S. Création Tapeten AG, Gummersbach

(ISIN DE0005079909)

A.S. Création reports weak earnings performance in Q3 2011

A.S. Création Tapeten AG, Europe's leading wallpaper manufacturer, has today published the interim report on the nine-month period ended September 30, 2011. A summary is provided below:

Sales at record level

The A.S. Création Group increased its sales revenues by 6.1% in the third quarter of 2011. The company thus continued the good performance of the first half of 2011, when sales rose by 5.7%. All told, the A.S. Création Group realised sales of EUR 146.6 million in the first nine months of 2011, up 5.8% on the prior-year's figure of EUR 138.5 million and marking a new record in the company's history. Growth has primarily been driven by Germany and non-EU Eastern European countries. The Managing Board regards the good sales performance as a vindication of its own strategy of continuing to develop the product range and the marketing concepts even when faced with a challenging economic environment.

Adverse impacts on earnings higher than expected

In spite of the sales growth, earnings fell short of expectations, especially in the third quarter. Net profit for the first nine months totalled EUR 4.6 million, down 32.1% on the previous year's EUR 6.7 million. This decline was much higher than provided for in the full-year budget for 2011, which assumes a decline by between 10.7% and 22.6% in consolidated net profit to between EUR 6.5 million and EUR 7.5 million. This was primarily attributable to the sharp rise in commodity and energy costs. From today's point of view, the price increases implemented for parts of the product range effective March 1, 2011 were insufficient. At 46.0%, the gross profit margin was therefore below the prior year level of 48.7%. Based on the total output of EUR 148.5 million in the first nine months of 2011, this translates into a gross profit shortfall of EUR 4.0 million. The start-up costs incurred in conjunction with the construction of the Russian production facility also weighed on the bottom line.

Projections for full year 2011 confirmed only partially

The macroeconomic environment in the EU, the largest output market of A.S. Création, is currently being influenced by the euro crisis and the discussion of recession scenarios. In some countries, this has already had an adverse impact on private consumption. In spite of these uncertainties, the Managing Board believes that, building on its strong product range, the company will be able to increase its sales revenues also in the last quarter, which means that consolidated sales in the full year 2011 would be in line with plans, i.e. between EUR 195 million and EUR 205 million. Due to the unexpectedly poor earnings performance

in the third quarter, the Managing Board believes, however, that net profit for the full year 2011 will be below the projected range of EUR 6.5 million to EUR 7.5 million. The amount by which the earnings target will be missed largely depends on the sales revenues generated in the fourth quarter of 2011 and on the trend in average sales prices. As new collections are launched in the market, a positive effect on average sales prices is possible.

The Managing Board is convinced that sufficient profitability is an important precondition for sustainable company growth, as it is the only way to finance the necessary capital expenditures in replacements and new capacity in the long term. In view of the deterioration in earnings described above, A.S. Création Tapeten AG has therefore announced an increase in its sales prices with effect from February 1, 2012. Another focus will be on the ongoing optimisation of the internal cost structures.

The Group's key figures for the first nine months of 2011 are summarised below:

| | | 01.01.-30.09. 2011 | 01.01.-30.09. 2010 | Change |
|---|-----------|-------------------------------|-----------------------|---------|
| Sales | EUR '000 | 146,602 | 138,540 | 5.8% |
| Earnings before interest and taxes (EBIT) | EUR '000 | 8,474 | 11,247 | - 24.7% |
| Earnings before income taxes | EUR '000 | 6,989 | 9,859 | - 29.1% |
| Net profit | EUR '000 | 4,581 | 6,748 | - 32.1% |
| Earnings per share | EUR/share | 1.66 | 2.45 | - 32.2% |
| Cash flow | EUR '000 | 11,667 | 14,034 | - 16.9% |
| Capital expenditures | EUR '000 | 16,735 | 5,106 | 227.8% |
| Depreciation | EUR '000 | 7,558 | 7,577 | - 0.3% |
| Number of employees (average) | | 792 | 772 | 2.6% |

Gummersbach, November 3, 2011

A.S. Création Tapeten AG

The Managing Board

Inquiries:

Maik Krämer, Chief Financial Officer, phone +49-22 61-542 387, fax +49-22 61-542 304,
e-mail m.kraemer@as-creation.de

The full interim report is available at
www.as-creation.de

or from

A.S. Création Tapeten AG, Mrs. Börngen, Südstr. 47, D - 51645 Gummersbach, phone +49-22 61-542 350,
e-mail investor@as-creation.de