



**PRESS RELEASE - 13 March 2007**

## **HELM AG - INTERNATIONAL MARKETING IN CHEMICALS**

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The 2006 financial year confirmed the positive trend experienced by the HELM Group in the last five years.

Global sales revenues across the Group soared once more by a good 22% in the past financial year.

International marketing as well as national and regional distribution continued to grow, a development that was started some years ago. Both volumes and market share were boosted substantially for numerous key products. As in 2005, Petrochemicals and Pharmaceuticals in particular contributed to this success in 2006.

Only the Fertilizers Division was not able to generate a positive operating result – despite good revenues. This meant that the Group's profit for the year as a whole after taxes was down by 8% year on year.

The Group's parent company, HELM AG in Hamburg, once again accounted for the lion's share of sales revenues and earnings.

Thanks to substantial increases in the volume of methanol sold – with 4.6 tons p.a. the Group's main product – unusually high profits were achieved in this division as a result of soaring prices.

As regards the subsidiaries, England, Mexico, the Benelux, Portugal and the USA all put in solid performances.

The preliminary figures of the global consolidated annual financial statements are as follows:

- in EUR million -

	<u>2006</u>	<u>2005</u>	<u>Percentage change</u>
<u>SALES REVENUES</u>			
- Global sales revenues	<b>5,800</b>	4,745	+ 22.2
- External sales revenues, cons.	<b>3,100</b>	2,668	+ 16.2
<u>EARNINGS</u>			
- Earnings on ordinary business activities	<b>45.0</b>	53.3	- 15.6
- Profit for the year after taxes	<b>32.0</b>	34.8	- 8.0



The Group succeeded in strengthening its capital structure even more in 2006. Shareholders' equity was increased from EUR 25 mn. to EUR 50 mn. and total equity will be increased from EUR 161 mn. to EUR 185 mn. probably. This will give HELM the independence it needs for the further forward-looking expansion of its international chemicals marketing activities.

The capital structure as a family company with the shareholders Hermann Schnabel and Dieter Schnabel has not changed and will also remain so in future.

The current sales network, with subsidiaries and holdings in 31 countries, will be reinforced at a regional level with sales offices being established at new locations - to be precise in

- Oslo, Norway
- Manchester, England

Following a construction period of a good 2 years, the new joint production venture for methanol in Oman will be launched in August 2007 at the latest, with an annual capacity of 1 mn. tons. This means that in future HELM will sell a total of 5.6 mn. tons of methanol p.a. As a result, the Group will become the second largest distributor in the world.

In the coming years, the marketing rights will be greatly extended in the Group by means of new joint production ventures. The following production facilities are being built:

- Al Jubail, Saudi Arabia  
150,000 mt of acetic acid p.a.  
production scheduled to start in 2009
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180,000-240,000 mt of vinyl acetate monomers p.a.  
production scheduled to start in 2009
- Trinidad & Tobago  
1,400,000 mt of liquid urea ammonium nitrate p.a.  
production scheduled to start in 2009
- Trinidad & Tobago  
60,000 mt of melamine p.a.  
production scheduled to start in 2009

In the HELM Group, 1,214 employees (previous year 1,173) work throughout the world.

The impact of REACH, the legislation passed in 2006 on the registration, evaluation and authorization of chemicals in the EU, will be considerable in the coming years. HELM AG will face up to the new challenges by systematically increasing the expertise of its staff. Qualified specialists have already been employed for this specific area, which means that competent staff will be available for HELM's customers and suppliers to talk to.



On the whole, we expect a shakeout in the market, which the HELM Group can certainly benefit from.

Expectations for the current financial year are reflected in the consolidated figures below:

- in EUR million -	<u>2007</u>	<u>2006</u>
- Global sales revenues	<b>6,200</b>	5,800
- Earnings on ordinary business activities	<b>50</b>	45

The positive revenue and earnings expectations for 2007 are being driven by a further increase in market shares in all divisions. The Fertilizers Division will also produce solid earnings figures again so that, under normal conditions, past achievements will be consolidated in order to form a basis for further controlled growth.

**HELM AG**