

**STEICO AG: Growth expected to continue in 2011.**

**Corporate News**  
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- **STEICO Group forecasting sustained growth in revenues and earnings.**

Feldkirchen, Munich, 7 February 2011 – STEICO AG (ISIN DE000A0LR9369) is looking forward optimistically to 2011 and anticipates sustained growth as well as a renewed increase in earnings. Stricter building efficiency guidelines, the trend towards natural building products and the recent pick-up in construction activity promise to increase the company's sales potential.

	<b>Forecast 2010</b>	<b>Outlook for 2011</b>
Revenues	EUR 135 – 145 million	EUR 148 – 158 million
Total operating revenue	Not published	EUR 150 – 160 million
EBITDA	EUR 15.5 – 17.5 million	EUR 19.5 – 21.5 million
EBIT	EUR 7.5 – 10.0 million	EUR 10.0 – 12.0 million
Net income	EUR 4.4 – 6.0 million	EUR 6.0 – 7.5 million
Earnings per share	EUR 0.34 – 0.47	EUR 0.47 – 0.59

**Looking back at 2010**

Important groundwork was laid in 2010 for the continued growth of the STEICO Group, for example with the introduction of the new production facility for manufacturing wood fibre insulating materials using a dry process. In addition, with the closure of an unprofitable production facility for beaverboard (hard wood fibre building board) the

STEICO Group focused increasingly on the future market for natural insulating materials and construction products. Sales of wood fibre insulating materials again grew significantly in 2010, although the early onset of winter did somewhat curb this positive trend.

Following the strategic closure of the hard fibre line, revenue for the year as a whole is likely to be just below the forecast range. Nevertheless, thanks to the positive growth in the company's core business, the Managing Board expects that earnings will be at the upper end of the range. STEICO AG expects to announce precise figures for fiscal year 2010 in April 2011 with the publication of the annual report.

### **Outlook for 2011**

The Managing Board anticipates continued growth in 2011. The recovery of the economic environment and the ever-stricter statutory requirements governing energy efficiency for buildings (the lowest-energy buildings will become the mandatory standard throughout the EU from 2020) are expected to have the strongest favourable impact. The trend towards natural building products has also become noticeably more pronounced.

Strong demand is anticipated in the company's core wood fibre insulating materials business in particular, while products for structural applications are also again expected to make a greater contribution to growth in 2011.

With regard to the company's earnings, the Managing Board expects raw materials such as wood and energy to continue to become more expensive and plans to compensate for this through continued rationalization measures as well as adjustments to selling prices.

It remains possible that the balance sheet and income statement will be influenced by a shift in the exchange rate between the Polish zloty and the euro beyond planned levels of around 4% (consolidation rate). In order to prevent exchange rate fluctuations from having an impact on the

company's liquidity, however, STEICO AG engages in extensive currency forward contracts in order to stabilize the calculation basis. In this way, a significant portion of the purchase volume in zloty for 2011 has already been hedged at a favourable level above the current exchange rate.

The STEICO Group continues to invest heavily in the future market of natural construction products and is pursuing an ambitious programme to develop its production and selling capacity. Its goal is to further expand its market leadership position in this rapidly-growing market and to secure it for the long-term. To this end, the company plans to develop a further production site, among other things. Takeovers and acquisitions may also be of benefit to secure the company's growth. These measures are not included in the current outlook for 2011.

**Company profile:**

The STEICO Group develops, produces and sells ecological building products from renewable raw materials. STEICO is European market leader in the wood fibre insulating materials segment.

STEICO positions itself as a system provider for ecological building construction and offers a unique variety of products and production depth within the industry. Aside from wood fibre insulating materials, the company's core business also includes I-joists and formwork girders as structural building elements as well as veneer laminates as merchandise. The STEICO Group also manufactures beaverboard and is active in the lumber trade.

The Munich-based company's products are successfully used for new builds and for the renovation of roofing, internal walls, ceilings, flooring and building facades.

STEICO products allow the construction of future-proof, healthy buildings with exceptionally high living conditions. In this way, STEICO products reliably protect against cold, heat and noise and make lasting improvements to buildings' energy efficiency.

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