

Neochimiki⁵

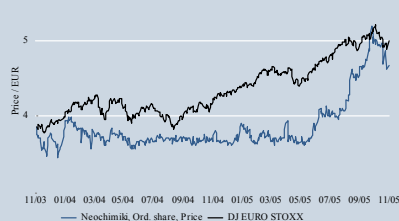
Chemicals

01 November 2005

Strong Buy

Price EUR 4.7 / Fair Value EUR5.9

Performance



12 month high/low €	5.2/3.60
Rel. %	1m -3.5 3m 14.3 12m 5.9
Abs. %	1m -6.8 3m 14.3 12m 25.9

Market Data

Reuters	NCHr.AT
Bloomberg	NEOCHI GA
Market cap. €bn	0.2
Number of shares m	36.0
Free float %	49.9
Daily turnover shares	103,000

Next Events

Full year results	n.a.
AGM	n.a.
Interim results	Q3 November 3

Key Changes

EPS %
Rating

Dr. Jürgen Reck, CEFA, Dipl. Chem
+ 49 (221) 145 - 2765
juergen.reck@oppenheim.de

Ludger Mues, Dipl. Kaufm., DVFA
+ 49 (221) 145 - 2764
ludger.mues@oppenheim.de 4

LAUNDRED STRONG GROWTH

We initiate coverage of the chemicals distribution and detergents company Neochimiki with a Strong Buy recommendation and a fair value of €5.90 based on a PER06e of 14.5 and a PEG06e of 0.44. Penetration of the Greek detergents market as a contract manufacturer and the penetration of the emerging Balkan states leads to a strong top-line growth of 37% (CAGR 2004-2008) and a similar bottom-line growth of 33%, conservatively based mainly on existing contracts e.g. biggest customer Henkel.

BENEFITING FROM OUTSOURCING TREND OF MULTINATIONALS

In Greece Neochimiki is the winner and market leader of the outsourcing trend of multinational detergents and chemical companies. In small emerging markets like the Balkan, the majors on their own have no critical size in production and logistics. Neochimiki is able to bundle these activities and reach a double-digit EBIT margin as it also earns the distribution gross margin of 18% for chemical raw materials used to produce detergents.

HIGH ENTRY BARRIERS

The long-lasting strong relationship to multinational companies in detergents as well as the distribution of chemicals and the high investments required to build up a chemical plant are high entry barriers for new competitors. In addition, the low market share of white label detergent products in the Greek market provides scope for further growth.

INTERNATIONAL EXPANSION INTO THE BALKANS

The Thessaloniki harbor is the entry harbor (most cost-efficient harbor) for the supply of bulk chemicals into Greece and the Balkan area. Neochimiki bundles the distribution service for major globals like Shell, BP, Solvay and BASF.

Key Data

	2003	2004	2005e	2006e	2007e
Revenues	56	83	122	168	212
EBIT	9	12	17	22	26
Net profit	5	8	12	15	18
adj. EPS	0.15	0.21	0.32	0.41	0.50
Dividend	0.06	0.06	0.07	0.07	0.08
PER	23.3	17.5	14.6	11.5	9.4
Div. yield %	1.6	1.6	1.4	1.5	1.7
EV/EBITDA	15.9	13.1	11.1	9.3	7.8
EV/Revenues	3.2	2.6	2.1	1.6	1.3
Price to book	5.0	2.6	2.8	2.3	1.9
EBIT margin %	15.3	14.8	14.0	12.9	12.4
ROE %	20.0	14.2	18.4	19.5	19.9
ROCE %	6.8	5.4	6.8	7.7	8.5
EPS CAGR 03-07: 35%				Equity ratio 05: 36%	Gearing 05: 140%

EXECUTIVE SUMMARY

Initiation of coverage with a strong buy recommendation

We initiate coverage of the chemicals distribution and detergents company Neochimiki with a strong Buy recommendation and a fair value of €5.90, based on a PER06 of 14.5. The penetration of the Greek detergents market as a contract manufacturer and the penetration of the emerging Balkan states lead to strong top-line growth of 37% (CAGR 2004-2008) and a similar bottom line based mainly on existing contracts.

We initiate coverage of Neochimiki with a Strong Buy recommendation due to the attractive valuation (PE06e: 11.5, PEG06e:0.33) for a growth stock (EPS CAGR 2003-07e: 35%; sales CAGR03-07e: 40%). We currently see this high double digit growth, both on the top and the bottom line, to be not at risk.

2 Company overview

Neochimiki is the leading producer of detergents and a leading distributor of chemical products in Greece. With more than 30 years of experience, Neochimiki is a one-stop-shop company for chemicals, providing products to the Greek and international markets in South East Europe. Approximately 60% of sales are generated by chemicals distribution (in 2005e: approximately 52% in Greece; 8% abroad) and 40% by the production of chemicals.

Production and distribution both very profitable

The production segments contribute approximately 55% to the gross margin of the whole group and the distribution segments approximately 45%. The ROE with 18.4% in 2005 is very high in a sector comparison.

Growth drivers

A key growth driver in the future is likely to be the further substitution of imports from multinationals into Greece due to cost competitiveness deriving from economies of scale of products manufactured by Neochimiki. Additional growth drivers are the upturn of growth of the private label segment in Greece (still small in an international comparison), gaining market share in the distribution segment and the expansion of the business into the growth region of South East Europe.

Success factor long-lasting relationships

In our view, the expected growth rates are well secured as Neochimiki has a long-lasting relationship with the multinationals which is based on the expertise of the company. In addition, any potential competitor faces high entry barriers due to the high investments necessary for a new production plant for detergents (investments of Neochimiki in the Atalanti production site were approximately €60m). The small size of the markets in Greece and South East Europe region builds the basis for the additional growth area of distribution services for international companies requiring one distribution partner for an entire area.

Experienced management makes Neochimiki a reliable partner

In addition, the competent management team with several former multinational managers from companies such as Henkel, DSM, BP or BASF makes Neochimiki a reliable partner for several companies wanting to tap local expertise.

High margins a reflection of long payment periods

The high margins of Neochimiki derive from economies of scale due to the bundling of distribution services for many international companies, but also from the high working capital needed for expanding the business in Greece. In Greece

payment conditions are very long in an international comparison (130-160 days). On the other hand, high amounts of working capital are needed when growing the business. For this reason, Neochimiki has up to 20% lower costs for the chemicals distribution than big international companies.

“Two margins” in the detergents production segment

The high margin in the production of detergents can be explained by the fact that Neochimiki is also the distributor of the raw materials for the production of detergents in Greece. This means that in the production segment Neochimiki has the production as well as the distribution margin.

Ideal partner for distribution in Greece

Greece, and therefore also Neochimiki, is the ideal partner for distributing chemicals in South East Europe. Chemical product imports from the Far and Middle East are increasing rapidly. The port of Thessaloniki is ideally located for supplying South East Europe and the Balkan region. As transport cost for chemicals amount to up to 30% of the product price, the delivery of commodities is thus much cheaper compared to the supply from the harbor of Rotterdam.

High barriers to entry also in distribution

The distribution segment also has high entry barriers for new companies. First of all, distribution is a business with high economies of scale. Furthermore, it takes considerable time (3-10 years) to obtain official licenses from international companies to become an official distributor for their chemicals. In our view, this means that barriers for entering the Neochimiki market are sufficiently high for strong margins and growth to be maintained.

Dynamic valuation of the share offers further upside

Given a PEG ratio (03-07) of 0.33, Neochimiki is one of the cheapest chemical growth stocks in our European chemicals universe, as the sector average of the PEG ratio is around 1.44. As we currently see no risk that strong growth is endangered (supported by high barriers to entry, fast growing underlying markets esp. in the Balkan region, huge potential to increase market penetration and market share in some of the markets), we would not overvalue the already high static valuation of the share (PER06e: 11.5, EV/EBITDA06e: 9.3). Given excellent growth opportunities on both the top and bottom line, we recommend Neochimiki as a strong buy.

SWOT PROFILE

Neochimiki

Neochimiki L.V. Lavrentiadis S.A.

Strengths

- Monopolist for the production of detergents for multinationals in Greece
- One of the leading companies in chemicals raw materials distribution in Greece (approx. 7% market share)
- Solid balance sheet ratios in sector comparison (e.g. equity ratio 35%)
- High margin due to captive use of chemical raw materials in detergent production

Weaknesses

- Company relies on products of multinationals
- Only limited synergies between the trading and production segments
- Contracts with multinationals have duration of approximately 10 years and might not be extended
- Still no access to complete range of production technologies (e.g. tablets)

Future opportunities for investment

- Entering the strongly growing market for the distribution of chemicals in Eastern Europe
- Further strengthening of market position in Greece

Future risks for investment

- In an international comparison company still very small
- Only limited free cash flow in coming years due to high capital spending to grow the company
- Competitors might enter the profitable production segment for multinationals
- High price fluctuations of raw materials

Industry

Average score 7.2
Scoring range 1-10 (high score is good)

Power of suppliers 7 Moderate and stable

No dependency on single supplier (broad spread of supplier)

Substitute products 7 Low

- Only limited number of real product or production innovations

Rivalry 6
Medium to High

- Supplier to multinational consumer goods producer in a sandwich position as they will use supplier only if prices are lower than own production costs, only limited unique selling proposition (USP)

New entrants 9
Limited

- No new competitors visible due to economies of scale of larger production facilities

Power of customers 7
Moderate

- Rivalry in contract manufacturing and distribution high, but advantages due to local expertise

Source: Oppenheim Research

PEER GROUP & DCF ANALYSIS

5 Two valuation approaches To calculate the Neochimiki equity value, we used two valuation methods. Firstly, we used our DCF model to determine the fair value. Secondly, we compared Neochimiki with specialty chemicals companies. No direct comparison is possible, as all companies have a different product focus and there are some major accounting differences. However, overall, Neochimiki can be compared against the peer group average of specialty chemicals in relative terms.

DCF value €5.90
Peer group comparison:
€5.75 per share

Fair value €5.90

Our DCF model generates a fair value of approximately €5.90 per share. With the peer group comparison of the key ratios, we derive a value of approximately €5.75 per share. According to both models, the Neochimiki share thus currently exhibits upside potential of approximately 23-28%. However, as the different valuation categories vary greatly, we focus the calculation of the fair value solely on the DCF approach. The peer group analysis underpins our view of a significant undervaluation of the share. We thus rate the Neochimiki share as a Strong Buy with a fair value of €5.90.

DISCOUNTED CASH FLOW ANALYSIS

The Oppenheim DCF model

We calculate the Neochimiki fair value using a three-stage DCF model. Oppenheim's DCF model first calculates enterprise value on the basis of the free cash flows, and then reduces this by the amount of borrowing. The weighted capital costs are determined using a cost of equity rate based on fundamentally estimated betas. The risk-free interest rate for each period is derived from the forward rates for government bonds. A figure of 5.5% is used as the risk premium, a figure Oppenheim uses for small-caps. For the period to 2007, the detailed forecasts are used for the DCF model. For the second period to 2013, the assumption is made that growth rates and costs will move to the level of the third period, representing the terminal value.

DCF value: €5.90

Under the above premises, a DCF value of €5.90 is derived for Neochimiki. The share thus currently has a price potential of approximately 28%.

PEER GROUP ANALYSIS

Peer group comparison against specialty chemical companies

In addition to a DCF model analysis, we also made a peer group valuation against companies in the specialty chemicals area. Here we have included some of the European specialty chemical companies, as most of them are also active in the production of detergent ingredients, such as surfactant raw materials, silicates, zeolites, optical brighteners, enzymes, phosphates, perborates and percarbonates, perfumes, etc. A comparison with large bulk chemicals such as BASF (also manufacturing detergent raw materials) or chemical hybrids such as Solvay and Akzo Nobel is in our view not meaningful, due to the size of the comparable activities. However, Neochimiki as a supplier and manufacturer of detergent raw materials, as well a company providing chemical distribution services to Eastern European countries, has a unique business model. Therefore comparability to the peer group is only partly meaningful.

Heterogeneous valuation of the peer group

The peer-group comparison shows a relatively heterogeneous valuation, as a result of different business models and some company specific items (e.g. restructuring charges, expensive acquisitions in the past). With PERs (06e) between 8.0 (Clariant) and more than 15.7 (Degussa) and EBITDA margins of 11.7% (Clariant) to 23.8% (Givaudan), the peer group provides a relatively heterogeneous valuation at first sight. However, it should be considered that the product portfolios of some suppliers still include some basic chemicals (DSM) or balance sheet problems (high debt, underfunding of pension schemes: Clariant, ICI) for which the stock exchange has priced in a discount. However in a static view, the valuation of Neochemiki in EV/EBITDA06e- and PER06e-terms already looks challenging, showing a premium of 55% and 8% respectively to the average of the peer group.

Peer-group valuation										
		Price on	EPS CAGR	EV/EBITDA	PER	EBIT-Margin	EV/Sales	EBITDA-Margin	Dividend yield	PEG
		10/31/2005	03-07e	06e	06e	06e	06e	06e	06e	03-07e
CibaSC	CHF	74.04	5.59	6.70	14.13	8.07	0.90	13.39	4.05	2.53
Clariant	CHF	17.20	21.62	4.80	7.97	8.36	0.56	11.73	4.18	0.37
Degussa	EUR	34.59	17.59	6.78	15.72	8.95	0.99	14.61	3.18	0.89
DSM	EUR	29.95	40.80	4.32	9.36	10.95	0.75	17.43	3.51	0.23
Givaudan	CHF	831.00	9.89	10.34	13.88	19.86	2.47	23.85	2.35	1.40
ICI	GBP	2.88	12.78	6.98	10.31	9.86	0.88	12.65	3.21	0.81
Lonza	CHF	74.30	3.61	7.76	13.83	14.96	1.70	21.95	2.17	3.83
Neochimiki	EUR	4.68	34.74	9.27	11.51	12.90	1.57	16.93	1.54	0.33
Average			13.47	5.96	10.65	10.13	1.03	14.45	2.83	1.44

Source: IBES, Oppenheim Research

Dynamic valuation by means of PEG ratios offering significant upside for the share price

We use EBIT- and EBITDA-margin, to calculate the operating profitability of Neochimiki in comparison to the peer group. We have thus largely based our peer group comparison on the EBIT- and EBITDA-margin and the dynamic PEG ratio. The comparison of the EBITDA margin shows that the Neochimiki figure is almost 17% above the sector average. When taking into account the strong growth opportunities of Neochimiki in the coming years, shown in the earnings CAGR of nearly 35% p.a. (based on EPS 03-07), the PEG ratio of Neochimiki shows a discount of 77% to the

average of the peer group. This is in our view clearly not justified, given the excellent positions of Neochimiki in the respective markets and strong growth opportunities.

To calculate the fair value of Neochimiki by peer group analysis, we have set up three categories: static (PER06e, EV/EBITDA06e) and dynamic (PEG ratio 03-07e) valuation and a comparison of the operating profitability in margin terms (EBIT06e and EBITDA06e).

Valuation comparison of Neochimiki

		Price on	EPS CAGR	EV/EBITDA	PER	EBIT-Margin	EBITDA-Margin	PEG
		10/31/2005	03-07e	06e	06e	06e	06e	03-07e
CibaSC	CHF	74.04	5.6	6.7	14.1	8.1	13.4	2.5
Clariant	CHF	17.20	21.6	4.8	8.0	8.4	11.7	0.4
Degussa	EUR	34.59	17.6	6.8	15.7	9.0	14.6	0.9
DSM	EUR	29.95	40.8	4.3	9.4	11.0	17.4	0.2
Givaudan	CHF	831.00	9.9	10.3	13.9	19.9	23.8	1.4
ICI	GBP	2.88	12.8	7.0	10.3	9.9	12.6	0.8
Lonza	CHF	74.30	3.6	7.8	13.8	15.0	22.0	3.8
Average			13.5	6.0	10.7	10.1	14.5	1.4
Neochimiki EUR		4.68	34.7	9.3	11.5	12.9	16.9	0.3
Discount/Premium to the sector avg. in %				55.5	8.0	27.4	17.2	-77.0
Valuation categorie				static	static	margin	margin	dynamic

Sources: Reuters, Oppenheim Research

Calculation of fair value by different peer group valuation approaches

Valuation categorie		static	margin	dynamic	total
Valuation premium (-) /discount (+) of Neochimiki in comparison to	PER06e	-8.0%			
different terms	EV/EBITDA06e	-55.5%			
	EBIT-margin06e		27.4%		
	EBITDA-margin06e		17.2%		
	PEG03-07e			77.0%	
	Average	-31.8%	22.3%	77.0%	22.5%

Sources: Reuters, Oppenheim Research

Peer group analysis underpins our DCF valuation

Based on our peer group analysis in the table, the Neochimiki share shows an upside potential of 22.5% to €5.75 per share. However, as the different valuation categories vary greatly, we focus the calculation of the fair value solely on the DCF approach. The peer group analysis underpins our view of a significant undervaluation of the share.

COMPANY PROFILE

9

Market leader in production of detergents and distribution of chemicals in Greece

The activities of the group are mainly divided into the two categories production and distribution.

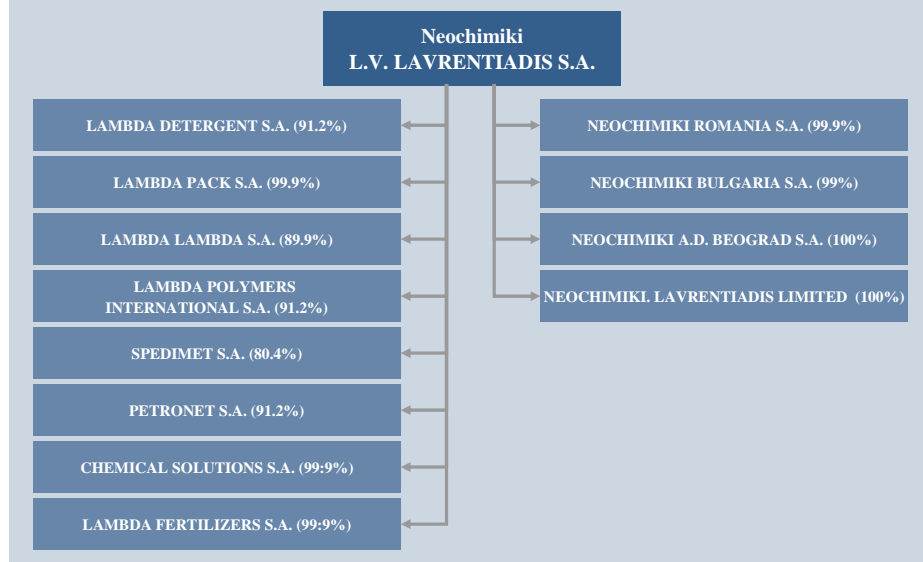
Neochimiki operates in the production of detergents for multinationals and private labels in Greece. The second activity is the distribution of chemical raw materials in Greece and Eastern Europe, with subsidiaries in Bulgaria, Romania, Cyprus, Ukraine and Serbia. Neochimiki distributes products, packaging and repackaging products, with clients including Shell, BP, Sasol, Rhodia and Solvay. It is also the largest distributor of chemical products in Greece. The strategic objective for 2005 and the future is expanding the distribution business into Eastern Europe. Currently Neochimiki generates sales of €20m in this region and thus has a market share of only 0.13% in a dynamically growing market which has a size of approximately €15bn.



Source: Neochimiki, Oppenheim Research

The group structure includes 13 companies, in which the mother companies holds stakes of at least 80%.

Company structure



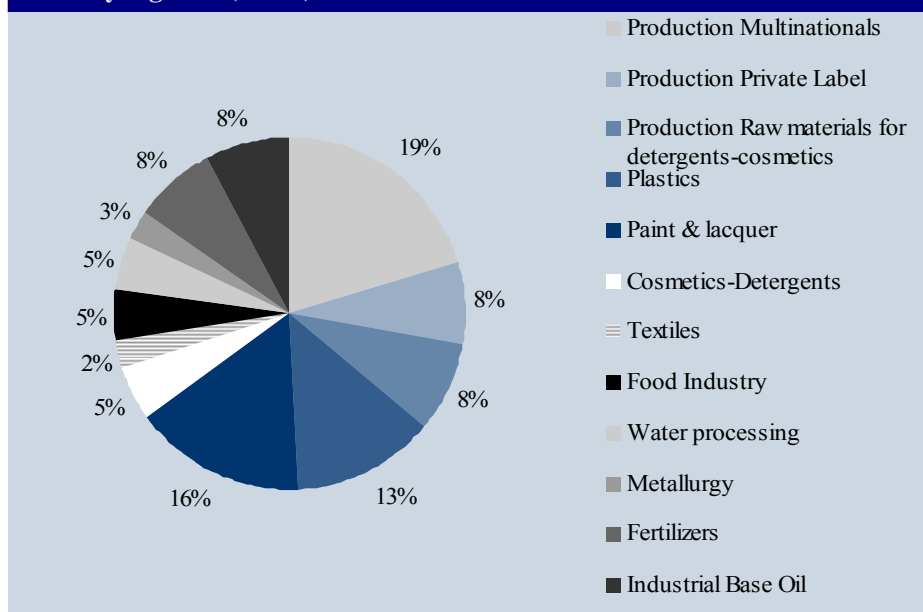
Source: Neochimiki, Oppenheim Research

10

Sales split: 40% production; 60% distribution.
 Net profit split: 55% production; 45% distribution

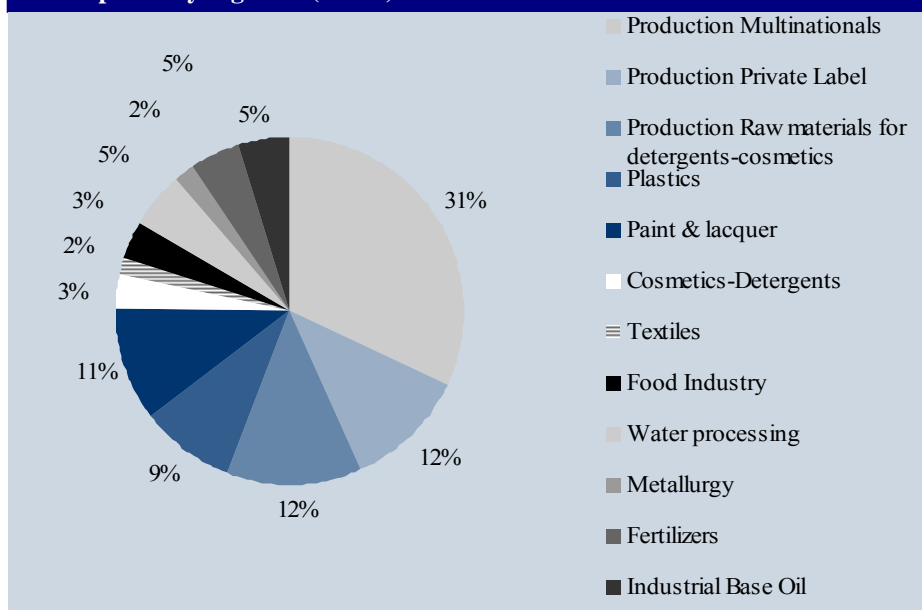
Approximately 40% of sales are generated by the production of detergents and raw materials for detergents and cosmetics as well as paints and lacquer, whereas 60% of sales are generated by the distribution of chemicals. In our view, the contribution to profitability is the reverse, with production contributing more than 55% to net profit, whereas the distribution segments contribute nearly 45% to net profit.

Sales by segment (2005e)



Source: Oppenheim Research

Gross profit by segment (2005e)



Source: Oppenheim Research

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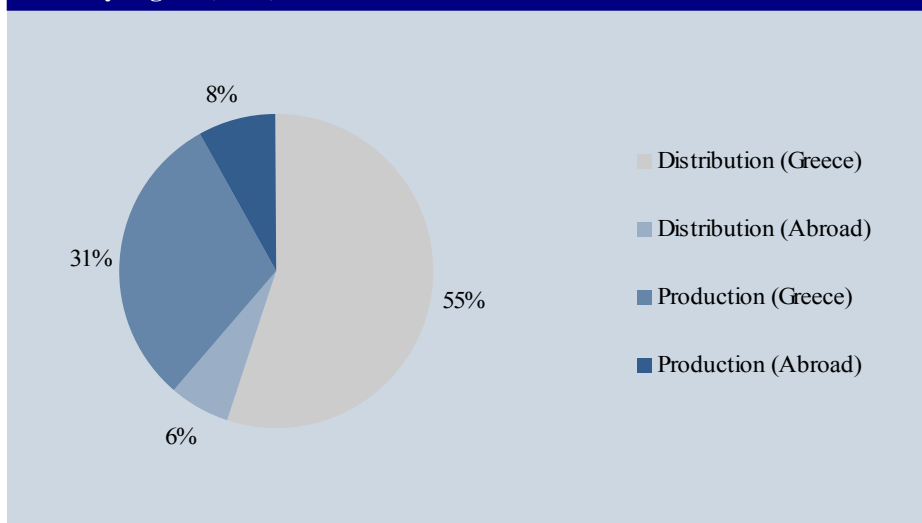
Market share of approximately 30% in detergents and raw materials for detergents in Greece

The production segment consists of four strategic business units, of which the production of detergents for multinationals accounts for 50% of sales of the production segment or sales of approximately €24-25m in 2005. Here, Neochimiki already achieved a monopolistic market position. Furthermore, Neochimiki produces detergents for private labels (8% of sales; market share in Greece 26%), raw materials for detergents (7%; 80%), paints and lacquers (5%; 7%) in the remaining three production SBUs (strategic business units). Overall, Neochimiki has a market share of more than 30% in the production of detergents and raw materials for detergents in Greece.

Market share of approximately 7% in chemicals distribution business in Greece

In addition, Neochimiki operates in distributing chemicals in Greece. The Greece chemical sector (2004: €5bn market) is completely dependent on the import of raw materials. Nine Neochimiki SBUs supply raw materials to Greek industries for the production of plastics (13% of sales; 21% market share in Greece), paints and lacquers (11%; 20%), industrial base oil (8%; 5%), fertilizers (7.5%; 2%), water processing (5%; 6%), cosmetics detergents (5%; 13%), food industry (5%; 21%), metallurgy (3%; 11%) and textiles (2.5%; 7%). In the chemicals distribution market where Neochimiki operates, the company has an overall market share of approximately 7% in Greece. Neochimiki distributes chemical raw materials on behalf of large foreign companies. Major suppliers are Shell, BP, BASF, FMC Foret, Sasol, Rhodia, ADM and Solvay. Neochimiki has access to approximately 2,500 clients.

Sales by region (2004)



Source: Neochimiki, Oppenheim Research

12

Weight of production segment will decline in coming years

In 2004, Neochimiki generated approximately 55% of its sales with the distribution of chemicals for international companies in Greece. The distribution business in other regions contributed approximately 6% to sales. In our view, this segment will be the growth driver over the next years. We expect the sales proportion to increase to 8% of total sales. In 2004, the production of detergents and other raw materials for the detergents and cosmetics industries contributed 31% to overall sales for the Greece region and 8% for markets abroad. As growth rates of the wholesale business will be higher than for the product segment, we expect the sales proportion of the production business to decline to approximately 31% in 2008.

PRODUCTION AND LOGISTIC FACILITIES

Neochimiki has two production sites in Greece in Atalanti und Avlida and two larger logistics centers in Avlida and Thessaloniki.

The Atalanti detergents factory of Lamda detergents is a 91.2% Neochimiki subsidiary with an annual production capacity of 100,000t for both liquid and powder detergents and 25,000t raw materials (mainly anionic surfactants for example LAS – linear alkyl benzene sulfonates). Currently capacity utilization is only 40% which gives scope for further growth in the future. The factory is certified in line with ISO 9002 and approved by many multinational detergent companies (e.g. Henkel, Unilever, Ecolab). In addition, the factory has a logistics storage area which was recently doubled to 30,000m² and tanks for 10,000m³ (up from 7,000m³). Currently, the bottleneck for stronger growth is the packing unit. To cope with an annual growth of more than 30%, Neochimiki will invest in further packaging lines. Assuming growth rates remain at the current high level of 30-40%, there should be full capacity utilization in 2009/10, generating a sales volume of approximately €120m. In 2004, sales were approximately €31m.

The second production facility in Avlida (former owner of the plant: Clariant) is much smaller and had sales of approximately €1.4m in 2004.

Due to the large distribution service of Neochimiki across Greece, the company has several large storage areas. The most important are the two logistics centers in Avlida and Thessaloniki.

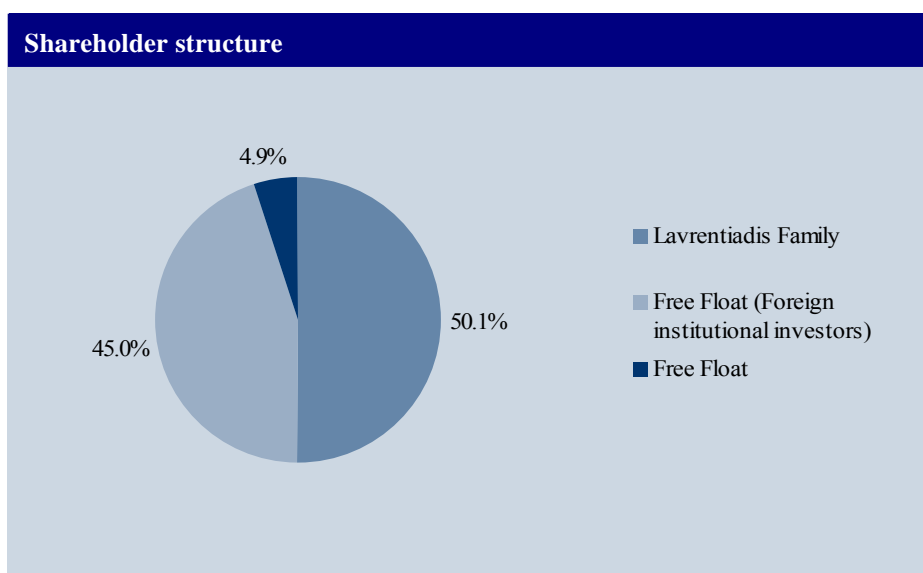
The logistics center in Avlida has a capacity of 3,000m² and tanks for 3,000m³ and generated sales of €30.5m in 2004. The total area has a size of 20,000m² and is owned by Neochimiki.

The Thessaloniki storage facilities have a total area of 40,000m² with capacities of 5,000m² and tanks for 5,000m³. In 2004, Neochimiki generated approximately €18m sales here. As the Thessaloniki port is one of the most efficient, the growing demand of South East Europe and Greece can be supplied from this facility.

Neochimiki has high market share in the distribution business of chemicals in the centre of Greece (approximately 20%) and the Thessaloniki region (approximately 25%) whereas market share in the North and South of Greece is still limited. All in all Neochimiki has a market share of 7% in Greece.

13

SHAREHOLDER STRUCTURE



Source: Neochimiki, Oppenheim Research

In recent months, the family Lavrentiadis reduced its stake to the current level of approximately 50.1% by selling shares to foreign institutional investors. The family will retain at least the majority. Of the 49.9% free float, approximately 4.9% is widely held by investors in Greece and 45% is held by foreign institutional investors. The placement of the share has clearly increased the liquidity of the share in recent months. Average daily trading has improved by nearly 200% from 102,000 in 2004 to approximately 304,000 in 2005.

CORPORATE STRATEGY

14

Success factor close cooperation with multinationals

The success factor of the whole business at Neochimiki is that it is too expensive for large international companies to have their own distribution centers, local expertise and administration in each small country of the world. They therefore want reliable regional partners which can distribute their products in a larger region (e.g. South East Europe including Greece). Neochimiki therefore bundles distribution and production for several companies in this region.

Outsourcing trend of multinationals is key growth driver

As the outsourcing trend at multinational companies is continuing, this opens up growth perspectives for national partners which assume production / distribution for these companies. Barriers to entry into the outsourcing market for multinationals are high as production requires high investments (e.g. Neochimiki invested approximately €60m which are depreciated over ten years) and a high quality of products as the brands of the multinationals are one of their most valuable assets.

Second growth driver is expansion in distribution of chemicals in Eastern Europe

The second growth driver for Neochimiki over the next few years will be expansion into South Eastern countries. To do this, Neochimiki has set up 5 subsidiaries in Romania, Bulgaria, Cyprus and two in Serbia. Currently Neochimiki has sales of approximately €20m in a growing market with sales of €15bn. For the current year the strategic goal is to expand the Eastern European wholesale activities. To achieve this, Neochimiki has also set up an office in Düsseldorf, Germany (Atlantic Polymers), to deliver plastics into Eastern Europe.

Experienced management makes Neochimiki a reliable partner

In addition, competent management with several former multinational managers from companies such as DSM, BP or BASF makes Neochimiki a reliable partner for several companies which also want to use local expertise.

Mid term target €300m sales

To 2009-10, Neochimiki intends to increase sales to approximately €300m by expanding the chemicals distribution business and the chemicals production segment. Approximately one third of sales should then be generated by the production segment and two thirds by distribution services. Overall, distribution of chemicals in South East Europe should then contribute approximately one third to sales (approximately €100m.).

BUSINESS UNITS AND PRODUCTS

15

THE FOUR PRODUCTION SEGMENTS

Monopolist for production of detergents for multinationals

____ Production of detergents for multinationals

In Greece Neochimiki is the market leader (monopoly) for the production of detergents in liquid and powder form for multinationals which have a market share of approximately 26%. Major clients are international players such as Henkel, Unilever, Ecolab, Johnson Diversey and Sara Lee. The production unit in Atalanti is operated by the subsidiary Lamda detergents. Neochimiki benefits from the trend at multinationals like Henkel or Unilever of outsourcing part of their own production (in 2000, Neochimiki bought the Henkel production facilities in Greece). With Henkel (1% of total sales by Neochimiki), Neochimiki agreed a 10-year exclusive agreement to produce detergents in liquid and powder form, moving into the production of Dixan, Persil and other products and giving Neochimiki substantial support for the growth expected in the future.

High gross and net margins

We consider this SBU has a gross margin of approximately 49% which should decline to approximately 45% in the coming years as economies of scale will go primarily to the multinationals. Net margin should reach a level of approximately 20%.

Top line growth rate not above 50% in production

In our opinion, future top-line growth is not likely to be significantly above 40% as Neochimiki would not be able to manage higher growth rates. That means that the packaging lines and the logistics chain have to be extended. On the other hand, improvements in these areas should enable Neochimiki to grow with only a limited number of new employees.

Only limited competition from other producers of detergents in Greece

In our view, competitors in Greece operating in the production of white label products are not able to compete with Neochimiki in the market for the production for international companies. There are two reasons for this. Firstly and most importantly, these multinationals can not afford to deliver inferior quality to their customers in order not to lose their positive brand perception at the customer. We are of the opinion that no competitor in Greece is able to deliver the same stable and

high quality as Neochimiki. Secondly, competitors in the white label segment are usually very small and are only able to produce liquids.

Expected economies of scale mainly attributable to multinationals

Higher production utilization levels are already reflected in the contracts with the multinationals. This means that it is largely the multinational partners which benefit from the expected economies of scale with purchasing prices moving down in the future. Gross margins in production for multinationals should therefore stay virtually at the current level of approximately 33-35%.

The Greek detergents market

The Greek market for detergents has a size of approximately 800,000t, 650,000t of which is imported and 150,000t produced in the country. This means that the market has a size of €450-500m. The market is saturated with growth rates of only approximately 1% p.a. or below. Branded products still have a market share of approx 90%, but white labels are growing. Compared to the German or UK markets where white label products have garnered market share of 20% and 25% respectively, this segment should still have further upside potential.

16

Market share of liquids increasing

The Greek detergents market is still largely a powder market which accounts for 75% of the market, but market share is declining. The liquids segment is growing and currently has a market share of approximately 20%. Tablets do not play an important role and have a market share of only 2%, so that Neochimiki does currently not intend to enter this market segment.

Procter market leader in Greek detergents market

Market leader in the Greek market is Procter & Gamble with a market share of more than 30%, followed by Unilever with 25%. Henkel is No.3 with sales of approximately €100m or approximately 12% which also includes sales of surface technology products for the aluminum industry. Smaller competitors with market shares of 5-6% are Colgate and Reckitt Benckiser.

Margins in private labels slightly lower than with multinationals

_____ Production of private label detergents

In addition, Neochimiki is also the market leader for the production of private label detergents with a market share of more than 25%. Neochimiki generates approximately 8% of its sales in this SBU. It produces detergents for eight of the ten largest supermarket chains in Greece. Major clients are Carrefour, AB Vassilopoulos, Veropoulos and Metro. Gross margins for the private label business are likely to be somewhat lower (approximately 1-2%) than the margin of the business with the multinationals. The net margin should be at the level of 15%.

Raw materials with lowest margin in production segment

_____ Raw materials for the detergent industry

With a market share of approximately 80%, Neochimiki is the leading producer of raw materials for the detergents industry in Greece. Neochimiki generates approximately €8-9m sales (7% of sales) in this SBU. Gross margin of this segment is likely to be in the range of approximately 45% and is therefore the lowest in the production segment. Net margin should reach approximately 10%.

The subsidiary Lamda Detergents (91.2%) is the operating company of the three SBUs mentioned above. There is production capacity of 100,000t for each liquid and powder detergent and for 25,000t raw materials. Currently capacity utilization is only 60%, providing scope for future growth. If demand increases as planned, the plant will reach full capacity utilization in 2010. We expect after reaching full capacity utilization that Neochimiki will stop the delivery of third parties.

____ Paints & Lacquer

The smallest production SBU is Paints & Lacquer. With sales of approximately €6m, Neochimiki currently has a market share of approximately 7% in Greece in this segment. We consider that the net margin is of the order of 10%.

Additionally Neochimiki intends to enter the production segment of cosmetics for multinationals. It intends to produce shampoos and shower gels which have a production procedure very similar to detergents.

THE NINE DISTRIBUTION SBUS

____ Plastics

This SBU trades polymers for the plastics industry and will generate sales of approx €15-16m in 2005. The two operating units Neochimiki and Lamda Pak hold a market share of approximately 21% in a market which is estimated to have a market size of approximately €75m. Net margin of this segment is likely to be of the order of 8%.

____ Paints & Lacquer

With sales of approximately €13m in 2005, Neochimiki has a market share of approximately 20% in the Greece paints and lacquer distribution industry which has a size of approximately €75m. Competitors are Interchem, Chima Petrobras as well as the multinationals BP and Shell. Gross margin in this segment is approximately 20-21%. Net margin is likely to be of the order of 5%.

____ Industrial base oil

Trading industrial base oils is a relatively new business and was established in 2004. With sales of nearly €10m in 2005, Neochimiki has a market share of approximately 5% in its home market which has a size of approximately €95-100m. Gross profit of approximately 19% is one of the lowest at Neochimiki. Nevertheless, it is likely that a net margin in the region of nearly 5% is generated.

____ Fertilizers

With sales of €9m in 2005 and an expected market share of 2%, Neochimiki is one of the smaller players on the Greek fertilizer trading business which has a size of approximately €450m. Main competitors in this lower-margin business (gross margin approximately 19%, net margin 3%) are Veterin and B.F.L.

Water processing

This business unit is to contribute approximately 5% to overall sales in 2005. With sales of €5m, Neochimiki has a market share of approximately 6% in this market with a volume of €100m. Gross margin is more than 36% and net margin is likely to be in the range of 10%. The main competitors in this high-margin market are Elton and Avlis.

Cosmetics - detergents

In the cosmetics and detergents distribution segment, Neochimiki has a high market share of approximately 13% in Greece. Nonetheless, with sales of €6m in 2005, this SBU is small due to the relatively small Greek market with a volume of €45m. The gross margin is approximately 20%, whereas net margin is likely to be of the order of 6%. The main competitors are Elton, Astron, Dichem and Rouboulakis.

Food industry

In the distribution segment for the food industry, Neochimiki has a market share of more than 20% and sales of approximately €6m in Greece. This market with a size of €25m is likely to grow only moderately in the future, at the same time generating high margins. With an estimated gross margin of approximately 20% and a net margin of 7-8%, this segment is one of the most profitable distribution segments.

Metallurgy

We are of the opinion that this business will contribute approx €3-4m to 2005 sales. With a market share of 11%, Neochimiki competes against companies like Kaplanoglou and Tsopanelis in the Greece market which has a size of approximately €35m. Gross margin is likely to be of the order of 19% and net margin approximately 5%.

Textiles

The textiles distribution SBU is the smallest unit with sales of approximately €3m in 2005. With a market share of 7%, Neochimiki competes against the Greek companies Mosxolios and Balis in a market with a size of €45m. Gross margin is likely to be in the range of 20% and net margin approximately 6%.

Competitive position of the thirteen SBUs

Business Unit	% of turnover (2005e)	Market share in %	Competition (Greece)	Competition (Abroad)	
Production: €48m	Detergents for multinationals	20	100	Monopoly	Mc Bride, Da Silva, Persan, Chenotechnica
	Detergents for private label	8	26	Rolco, Vianyl, Minolvara	Hayat, Interstar, Persan, Mc Bride
	Raw materials for detergents	7	80	Kapachem	Cognis, BASF, Sasol
	Paints & Lacquer	5	7	Interchem, Chima, Petrobras, BP, Shell	Brenntag, Univar
Distribution: €72m	Plastics	13	21	Sigas, Skeberis Pentaplast	Ultra Polymers Biesterfeld
	Paints & Lacquer	11	20	Interchem, Chima, Petrobras, BP, Shell	Brenntag, Univar
	Industrial base oil	8	5	Motor oil	Brenntag, Univar
	Fertilizers	7.5	2	V.F.L., Veterian	Haifa, Bayer
	Water processing	5	6	Avlis, Elton	Brenntag
	Cosmetics detergents	5	13	Elton, Astron, Dichem, Rouboulakis	Brenntag, Univar
	Food industry	5	21	Elton, Moscolios, Astron	Brenntag, Univar
	Metallurgy	3	11	Kapalanoglou, Tsopanelis	Brenntag, Univar
	Textiles	2.5	7	Mosxolios, Bialis	Brenntag, Univar

Source: Neochimiki, Oppenheim Research

Neochimiki – P&L (Cost of sales)

EURm	2003	2004	2005e	2006e	2007e
Revenues	55.8	82.9	122.1	167.7	212.5
Cost of revenues	36.8	55.0	83.8	120.7	154.0
Gross operating result	19.0	27.9	38.3	47.1	58.5
Selling costs	5.7	8.1	11.4	14.6	18.9
Administrative costs	2.1	3.2	3.6	4.0	5.2
R&D costs	0.1	0.1	0.1	0.1	0.1
Other operating income/expenses	0.1	0.1	0.0	0.0	0.0
EBITDA	11.2	16.7	23.2	28.4	34.3
EBIT pre exceptionals	8.5	12.2	17.1	21.6	26.4
Exceptionals	0.0	0.0	0.0	0.0	0.0
EBIT	8.5	12.2	17.1	21.6	26.4
Participation result & other fin. result	0.0	0.0	0.0	0.0	0.0
Interest result	-2.2	-3.3	-4.0	-4.3	-5.0
Financial result	-2.2	-3.3	-4.0	-4.3	-5.0
Other income/expenses	0.0	0.0	0.0	0.0	0.0
Earnings before tax	6.6	8.7	13.0	17.3	21.3
Taxes	1.0	1.0	1.4	2.7	3.4
Tax rate %	15	12	11	15	16
Profit/loss for the year	5.6	7.7	11.6	14.7	17.9
Minority interest	0.2	0.0	0.0	0.0	0.0
Net profit	5.4	7.7	11.6	14.6	17.9
Adjustments	0.0	0.0	0.0	0.0	0.0
Adjusted net profit	5.4	7.7	11.6	14.6	17.9

Key ratios and numbers

Data per share					
Number of total shares	36.0	36.0	36.0	36.0	36.0
EPS (reported)	0.15	0.21	0.32	0.41	0.50
adj. EPS	0.15	0.21	0.32	0.41	0.50
Dividend per share	0.06	0.06	0.07	0.07	0.08
Sustainable FCFPS	-0.02	0.30	0.26	0.22	0.29
FCFPS	-0.68	-0.64	-0.07	-0.09	-0.02
Book value per share	0.70	1.43	1.68	2.01	2.43
Growth rates %					
Revenues change	19.3	48.5	47.2	37.4	26.68
EBIT change	41.4	43.2	39.6	26.8	21.9
Earnings before tax change	48.8	31.3	49.5	33.1	23.0
Net profit change	90.5	40.9	51.2	26.5	22.3
adj. EPS change	90.5	40.9	51.2	26.5	22.3
Margins %					
Gross margin	34.1	33.6	31.4	28.1	27.5
EBITDA margin	20.1	20.1	19.0	16.9	16.2
EBIT margin	15.3	14.8	14.0	12.9	12.4
Net profit margin	9.7	9.2	9.5	8.7	8.4
ROE	20.0	14.2	18.4	19.5	19.9
ROCE	6.8	5.4	6.8	7.7	8.5
Expense ratios %					
Personnel Costs to Revenues	0.0	0.0	0.0	0.0	0.0
Material Costs to Revenues	0.0	0.0	0.0	0.0	0.0
R&D to Revenues	0.1	0.1	0.1	0.0	0.0
Depreciation to Revenues	4.8	5.3	5.0	4.0	3.8
Other ratios					
EVA ® SOP			15.1	19.3	24.9
ΔEVA ® SOP				4.2	5.6
Sustainable FCF yield %	-0.7	8.1	5.5	4.7	6.2
Interest cover	4.0	3.7	4.2	5.0	5.2
Equity ratio %	30.8	34.6	36.4	38.5	41.4
Gearing %	180.3	155.4	140.4	125.9	108.8
Net financial liabilities/EBITDA	4.5	5.1	3.9	3.4	2.9

®EVA, ΔEVA is a registered trademark

Neochimiki - Statement of Cash Flows

EURm	2003	2004	2005e	2006e	2007e
Cash flow from operating activities					
EBIT	8.5	12.2	17.1	21.6	26.4
Depreciation / amortization	2.7	4.4	6.1	6.8	8.0
Change in other provisions	0.0	-0.2	0.2	0.1	0.1
Non Cash Items	-0.1	-0.3	0.0	0.0	0.0
Taxes / tax refunds	1.0	1.0	1.4	2.7	3.4
Change in other assets & liabilities	-1.1	1.0	0.0	0.0	0.0
Change in Working Capital	7.9	2.3	8.4	11.9	12.9
Extraordinary result	0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities	1.2	13.9	13.6	13.9	18.2
Cash flow from investing activities					
Investments in tangible assets	-21.6	-26.2	-12.0	-13.0	-14.0
Investments in financial assets	0.0	-5.6	0.0	0.0	0.0
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0
Disinvestments	-1.9	-1.6	0.0	0.0	0.0
Changes in other L.T. assets / acquisitions	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-23.5	-33.4	-12.0	-13.0	-14.0
Cash flow from financing activities					
Financial result	-2.2	-3.3	-4.0	-4.3	-5.0
Change in financial liabilities	17.0	25.7	5.3	6.6	3.9
Change in shareholder's Equity	10.2	0.0	0.0	0.0	0.0
Change in pensions and similar provisions	0.0	0.0	0.0	0.0	0.0
Dividend payments in previous year	2.0	2.2	2.4	2.6	2.8
Other	0.0	0.0	0.0	0.0	0.0
Cash flows from financing activities	23.0	20.2	-1.1	-0.3	-4.0
Change in cash and cash equivalents	0.6	0.6	0.5	0.6	0.2
Cash and cash equivalents (begin. of period)	0.6	1.2	1.8	2.4	3.0
Cash and cash equivalents (end of period)	1.2	1.8	2.4	3.0	3.2

Ratios and key figures

Free cash flow to entity	-22.3	-19.6	1.6	0.9	4.2
Free cash flow to shareholder	-24.5	-22.9	-2.4	-3.4	-0.9
FCFPS	-0.68	-0.64	-0.07	-0.09	-0.02
Free cash flow yield	-19.4	-17.1	-1.4	-2.0	-0.5
Sustainable free cash flow to entity	-0.9	10.9	9.2	7.9	10.5
Sustainable free cash flow to shareholder	-3.0	7.6	5.2	3.6	5.5
Sustainable FCFPS	0.0	0.3	0.3	0.2	0.3
Sustainable FCF yield	-0.7	8.1	5.5	4.7	6.2
Operating cash flow/Capex	-0.1	-0.5	-1.1	-1.1	-1.3
Operating cash flow/avg. net financial pos.	0.0	-0.2	-0.2	-0.2	-0.2
Maintenance capex/revenues	3.6	3.6	3.6	3.6	3.6
Depreciation/capex	-12.3	-16.9	-50.9	-52.0	-56.9
Net working capital/revenues	45.4	33.9	29.9	28.9	28.9

Neochimiki - Cash Flow					
EURm	2003	2004	2005e	2006e	2007e
Cash flow Quick					
EBIT before exceptionals	8.5	12.2	17.1	21.6	26.4
Depreciation / amortization	2.7	4.4	6.1	6.8	8.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Change in Working Capital	7.9	2.3	8.4	11.9	12.9
Other changes from BS	-1.1	1.0	0.0	0.0	0.0
Gross cash flow	2.2	15.3	14.8	16.5	21.5
Financial result	-2.2	-3.3	-4.0	-4.3	-5.0
Taxes / tax refunds	1.0	1.0	1.4	2.7	3.4
Other	0.0	0.0	0.0	0.0	0.0
Net cash flow	-0.9	11.0	9.3	9.5	13.0
Capex	-21.6	-26.2	-12.0	-13.0	-14.0
Free cash flow to shareholder	-24.5	-22.9	-2.4	-3.4	-0.9
M&A	0.0	0.0	0.0	0.0	0.0
Dividend payments in previous year	2.0	2.2	2.4	2.6	2.8
Change in share capital	0.0	0.0	0.0	0.0	0.0
Change in debt	-57.4	-70.8	-5.8	-6.8	-3.9
Change in cash	0.6	0.6	0.5	0.6	0.2
Cash at 1.1.	0.6	1.2	1.8	2.4	3.0

21

Ratios and key figures					
Free cash flow to entity	-22.3	-19.6	1.6	0.9	4.2
Free cash flow to shareholder	-24.5	-22.9	-2.4	-3.4	-0.9
FCFPS	-0.68	-0.64	-0.07	-0.09	-0.02
Free cash flow yield	-19.4	-17.1	-1.4	-2.0	-0.5
Sustainable free cash flow to entity	-0.9	10.9	9.2	7.9	10.5
Sustainable free cash flow to shareholder	-3.0	7.6	5.2	3.6	5.5
Sustainable FCFPS	0.0	0.3	0.3	0.2	0.3
Sustainable FCF yield	-0.7	8.1	5.5	4.7	6.2
Operating cash flow/Capex	-0.1	-0.5	-1.1	-1.1	-1.3
Operating cash flow/avg. net financial pos.	0.0	-0.2	-0.2	-0.2	-0.2
Maintenance capex/revenues	3.6	3.6	3.6	3.6	3.6
Depreciation/capex	-12.3	-16.9	-50.9	-52.0	-56.9
Net working capital/revenues	45.4	33.9	29.9	28.9	28.9

Neochimiki - Balance Sheet

EURm	2003	2004	2005e	2006e	2007e
Assets	88.2	155.5	172.9	194.7	217.4
Fixed assets	52.6	113.0	118.9	125.1	131.1
Intangible assets	1.7	6.0	6.0	6.0	6.0
thereof goodwill	0.0	0.0	0.0	0.0	0.0
thereof act. development expenditure	0.0	0.0	0.0	0.0	0.0
Property, plant + equipment (PPE)	50.9	107.0	112.9	119.1	125.2
Financial assets	0.0	0.0	0.0	0.0	0.0
Other items in fixed assets	0.0	0.0	0.0	0.0	0.0
Items btw fixed and current assets	0.0	0.0	0.0	0.0	0.0
Current assets	35.3	42.5	54.0	69.6	86.3
Inventories	11.2	19.1	22.2	29.5	35.9
Accounts receivable	22.8	21.6	29.4	37.1	47.2
thereof trade receivables	22.8	21.4	29.3	37.0	47.0
Marketable securities	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	1.2	1.8	2.4	3.0	3.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Deferred income + prepaid expenses	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.4	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0
Total assets	88.2	155.5	172.9	194.7	217.4
Liabilities & Shareholders' equity	88.2	155.5	172.9	194.7	217.4
Shareholders' equity	27.2	53.8	63.0	75.0	90.1
Capital subscribed	10.8	10.8	10.8	10.8	10.8
Reserves	16.4	43.0	52.2	64.2	79.3
thereof additional paid-in reserves	6.5	5.7	5.7	5.7	5.7
thereof retained earnings	9.8	37.3	46.5	58.5	73.6
Other equity capital	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0
Items btw shareholders' equity + debt	1.3	0.3	0.3	0.3	0.3
Debt	58.9	99.0	107.1	116.9	124.5
Provisions	0.0	1.1	1.3	1.4	1.6
Pension provisions	0.0	0.1	0.1	0.1	0.2
Other provisions	0.0	1.0	1.2	1.3	1.4
Liabilities	58.9	97.9	105.8	115.4	122.9
Financial liabilities	50.2	85.3	90.7	97.3	101.1
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	8.7	12.6	15.1	18.2	21.8
thereof trade liabilities	8.7	12.6	15.1	18.2	21.8
Deferred income	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	0.9	2.4	2.5	2.5	2.5
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total liabilities	88.2	155.5	172.9	194.7	217.4
Ratios and key figures					
Current assets %	40.0	27.4	31.2	35.7	39.7
Long-term assets %	59.6	72.6	68.8	64.3	60.3
Equity ratio %	30.8	34.6	36.4	38.5	41.4
Book value per share	0.70	1.43	1.68	2.01	2.43
Gearing %	180.3	155.4	140.4	125.9	108.8
Interest cover	4.0	3.7	4.2	5.0	5.2
Net working capital	25.3	28.1	36.5	48.4	61.3
Net financial position	-49.0	-83.6	-88.4	-94.4	-98.1
Net financial liabilities/EBITDA	4.5	5.1	3.9	3.4	2.9
Enterprise value	178.0	217.4	257.3	263.1	266.8

Neochimiki - Divisional breakdown

EURm	2003	2004	2005e	2006e	2007e
Revenues					
Multinationals	9.4	16.9	24.7	32.6	39.1
Chg. %		79.8	46.3	32.0	19.7
Private Label	4.1	6.0	9.2	12.8	16.1
Chg. %		46.3	53.8	39.2	25.0
Raw materials for detergents-	4.8	8.0	10.2	12.6	15.2
Chg. %		66.7	27.5	23.5	20.8
Plastics	6.5	10.6	15.8	22.9	27.0
Chg. %		63.1	49.2	44.7	18.2
Paint & lacquer	5.0	9.7	19.4	31.2	40.6
Chg. %		94.0	99.8	61.0	30.0
Cosmetics-Detergents	5.0	5.0	6.0	6.8	8.3
Chg. %		0.0	20.0	12.7	23.1
Textiles	4.5	3.0	3.0	3.1	3.3
Chg. %		-33.3	0.0	4.0	6.7
Food Industry	4.5	4.5	6.0	8.3	12.5
Chg. %		0.0	33.3	38.7	50.0
Water processing	4.6	4.6	5.5	6.2	7.3
Chg. %		0.0	19.6	13.5	16.7
Metallurgy	3.4	3.4	3.5	3.6	3.7
Chg. %		0.0	2.9	4.0	2.9
Fertilizers	4.0	4.0	9.2	15.5	23.8
Chg. %		0.0	129.5	69.1	53.3
Industrial Base Oil	0.0	7.2	9.5	11.9	15.5
Chg. %			31.9	25.3	30.4
Total	55.8	82.9	122.0	167.7	212.4
Chg. %		48.6	47.2	37.4	26.7
Gross profit					
Multinationals	4.7	8.3	11.8	14.4	17.6
Chg. %		76.6	42.2	22.2	21.9
Private Label	1.9	2.8	4.3	5.5	6.7
Chg. %		47.4	53.6	27.0	22.6
Raw materials for detergents-	2.2	3.7	4.6	5.5	6.4
Chg. %		68.2	24.3	18.7	17.0
Plastics	1.7	2.6	3.3	4.2	5.0
Chg. %		52.9	26.9	28.0	19.5
Paint & lacquer	1.3	2.4	3.9	5.9	7.6
Chg. %		26.0	26.0	50.5	29.8
Cosmetics-Detergents	1.3	1.2	1.2	1.2	1.5
Chg. %		-7.7	0.0	3.0	25.0
Textiles	1.1	0.7	0.6	0.6	0.6
Chg. %		-36.4	-14.3	3.0	0.0
Food Industry	1.1	1.1	1.2	1.5	2.4
Chg. %		0.0	9.1	28.8	53.3
Water processing	1.8	1.7	2.0	2.2	2.6
Chg. %		-5.6	17.6	10.0	17.0
Metallurgy	0.9	0.8	0.7	0.7	0.7
Chg. %		-11.1	-12.5	4.6	-1.5
Fertilizers	1.0	0.9	1.7	2.9	4.5
Chg. %		-10.0	88.9	70.6	56.3
Industrial Base Oil	0.0	1.7	1.8	2.1	2.8
Chg. %			5.9	16.7	32.4
Total	19.0	27.9	37.1	46.8	58.5
Chg. %		46.8	33.0	26.0	25.0
Margins					
Gross margin %					
Multinationals	50.0	49.1	47.7	44.2	45.0
Private Label	46.3	46.7	46.6	42.5	41.7
Raw materials for detergents	45.8	46.3	45.1	43.3	41.9
Plastics	26.2	24.5	20.9	18.5	18.7
Paint & lacquer	26.0	24.7	20.1	18.8	18.8
Cosmetics-detergents	26.0	24.0	20.0	18.3	18.6
Textiles	24.4	23.3	20.0	19.8	18.6

Food Industry	24.4	24.4	20.0	18.6	19.0
Water processing	39.1	37.0	36.4	35.3	35.4
Metallurgy	26.5	23.5	20.0	20.1	19.3
Fertilizers	25.0	22.5	18.5	18.7	19.0
Industrial Base oil		23.6	18.9	17.6	17.9
Total	34.1	33.7	30.4	27.9	27.5

Analysts:	Sal. Oppenheim jr. & Cie. KGaA	Oppenheim Research GmbH	Bank Sal. Oppenheim jr. & Cie. (Schweiz) AG
Dr. Jürgen Reck, CEFA Telephone + 49 (221) 145 - 2765 juergen.reck@oppenheim.de	Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 01	Unter Sachsenhausen 4 50667 Köln Telephone +49 (2 21) 1 45 – 02	Uraniastrasse 28 CH-8022 Zürich Telephone + 41 (1) 2 14 22 14
Ludger Mues Telephone + 49 (221) 145 – 2764 ludger.mues@oppenheim.de	Untermainanlage 1 60329 Frankfurt am Main Telephone +49 (69) 71 34 – 0	Untermainanlage 1 60329 Frankfurt am Main Telephone +49 (69) 71 34 – 0	Sal. Oppenheim jr. & Cie. Securities Inc. 444 Madison Avenue, 34 th Floor New York, N.Y. 10022 USA Telephone + 1 (2 12) 8 88 52 46
Publishing Team Jane Morgan (Editor) Eleonora Ivancevic (DTP)	Odeonsplatz 12 80539 München Telephone +49 (89) 29 00 74 – 0	www.oppenheim-research.de research@oppenheim.de	
Press contact: Tel. +49 221 145-2998 presse@oppenheim.de	www.oppenheim.de info@oppenheim.de		

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Rating Distribution	Coverage Universe		Investment banking-relationship	
	No.	in %	No.	in %
Recommendation				
Strong Buy	7	2.4	2	28.6
Buy	113	39.2	16	14.2
Neutral	133	46.2	9	6.8
Reduce	25	8.7	2	8.0
Sell	4	1.4	0	0.0

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