



2009: Challenges Mastered

2010: Successful Start

Year End Press and Analysts' Conference

Muenchen (Germany) - March 26, 2010

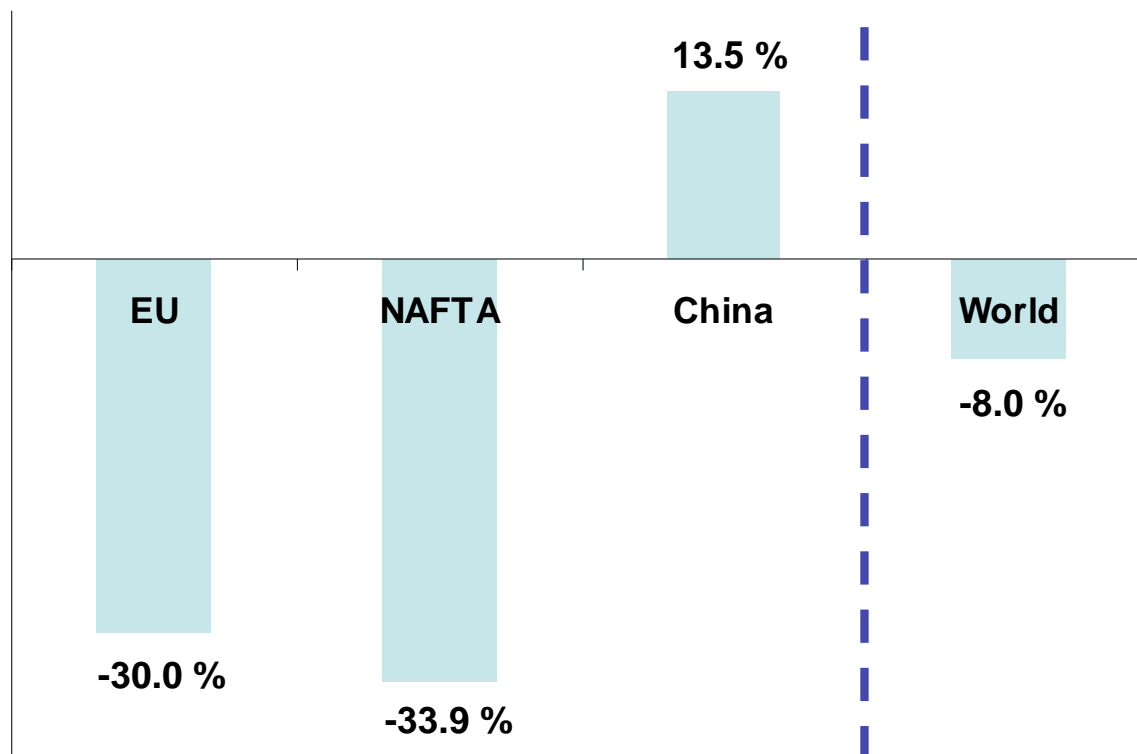
Business Year 2009 Affected by Global Recession



- Adjusted EBITDA of 9.4 mill. € despite decrease in revenues by 42% to 220.6 mill. €
- Extraordinary effects result in significant consolidated net loss
- Expansion in fast-growing emerging countries continued -
Total investments of 27.4 mill. €:
 - Acquisition of Tecnosulfur in Brazil
 - Significant progress in construction of calcium silicone and cored wire plant in Bhutan
 - Construction of cored wire production in Russia continued
- Dividend payment intended to be interrupted for one year
- Balance sheet quality significantly strengthened through capital increase:
 - Net proceeds of 23.5 mill. €
 - Oversubscription of about four times for subscription requests above 25:12 quota
- Return to profitable growth path in **2010** und 2011
 - Steel companies face considerable recovery =>
 - **Significant increase in SKW Metallurgie revenues**
 - **EBITDA in 2010: at least EUR 20.0 mill.**

Massive Decline in Global Steel Industry in 2009

Change in steel volume produced from 2008 to 2009



- More than 90% of SKW Metallurgie's revenues are with steel industry clients
- More than 80% of SKW Metallurgie's revenues (2009) are in EU and NAFTA countries
- Share of BRIC revenues has significantly increased since 12/09

Consolidated Income Statement

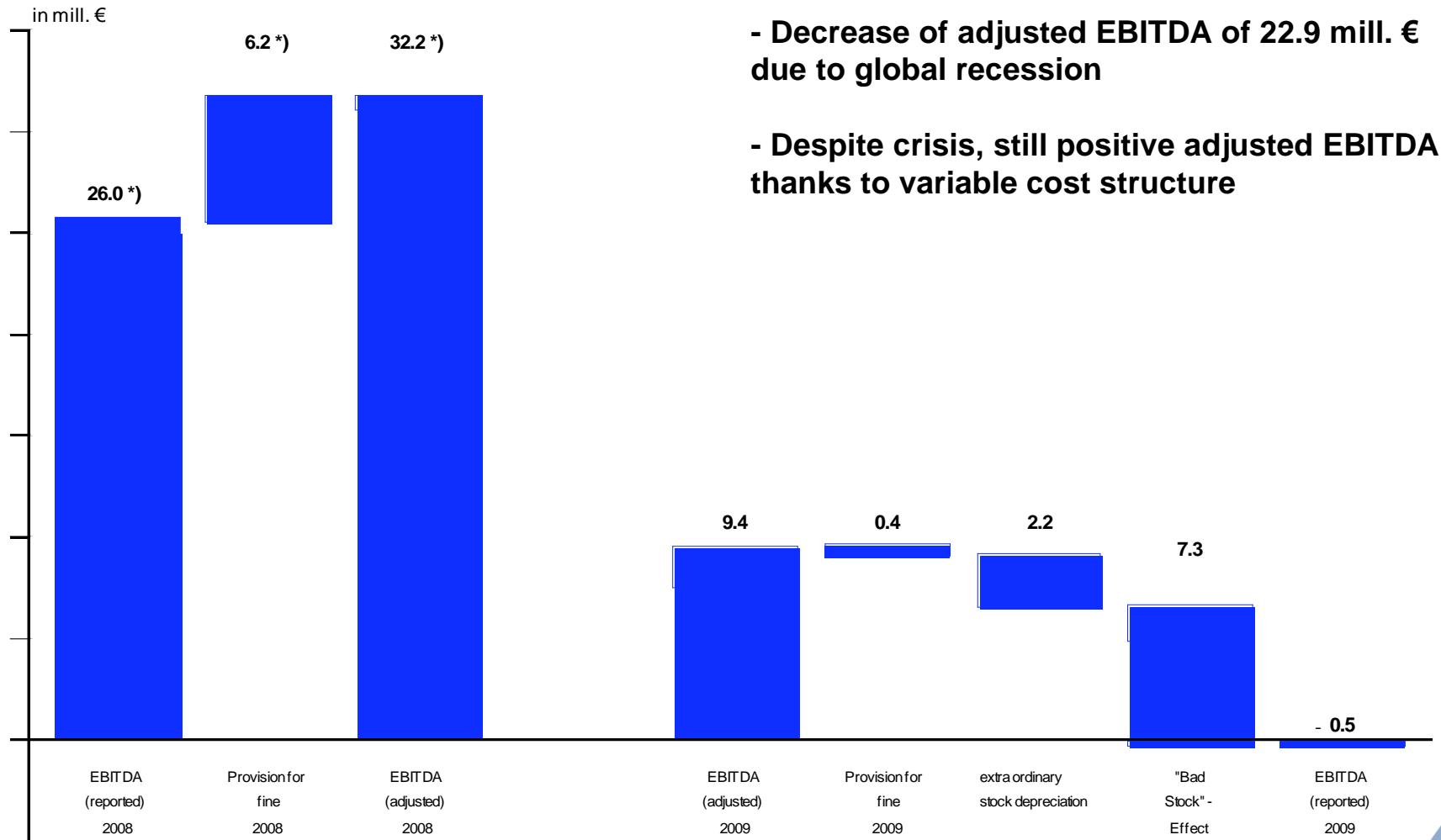
in mill. €	2009	2008
Revenues	220.6	377.8
EBITDA	-0.5	26.0
EBITDA (adjusted)	+9.4	32.3
EBIT	-7.0	19.7
EBIT (adjusted)	+2.9	25.9
EBT	-9.5	17.0
Result after tax (before min.)	-5.1	9.9
Gross margin	21.5%	25.1%
EBITDA margin (adjusted)	4.3%	8.5%
Earnings per share in €*	-0.77	1.54

* Based on „new“ number of 6.55 mill. shares



Dividend payment to be interrupted for one year due to recession-coined results and high investments in future growth

One-time Effects Strain Group Results



- Decrease of adjusted EBITDA of 22.9 mill. € due to global recession

- Despite crisis, still positive adjusted EBITDA thanks to variable cost structure

*) 26.0+6.2=32.2 due to rounding

Cored Wire: New Business Areas Developed



in mill. €	2009	2008
Revenues	92.6	152.1
EBITDA	-3.0	11.0
EBITDA adjusted	1.6	11.0
EBITDA margin	-3.2%	7.2%
EBITDA margin (adjusted)	1.7%	7.2%

- Decrease in revenues due to decreased demand from steel industry
- “Bad Stock” effect has an EBITDA impact of 3.0 mill. €; stock depreciation of another 1.6 mill. €
- Successful entrance into new technologies and markets: Cored Wire for foundry industry and copper industry
- Additional cored wire plants in Russia and Bhutan: Inauguration in 2010

Powder and Granules: Positive Results Despite Massive Decrease in Demand

in mill. €	2009	2008
Revenues	112.3	201.6
EBITDA	3.6	15.5
EBITDA (adjusted)	8.6	21.7
EBITDA margin	3.2%	7.7%
EBITDA margin (adjusted)	7.7%	10.8%

- Recession-caused decrease and sales volumes and development of raw material prices (mainly decreased price for Magnesium) have affected business development
- “Bad Stock” effect has an EBITDA impact of 4.3 mill. €
- Provision for antitrust fine increased by 0.4 mill. € to 6.7 mill. €
- Positive EBITDA underlines structural strength of segment: High share of variable cost

Balance Sheet Structure Further Improved by Capital Increase



in mill. €	2009	2008
Total equity and liabilities	231.7	196.8
Equity*	109.0	83.8
<i>Equity ratio*</i>	<i>47.0%</i>	<i>42.6%</i>
Net financial debt	32.8	44.8
<i>Gearing **</i>	<i>0.30</i>	<i>0.54</i>

* Incl. minorities

** Net financial debt div. by equities

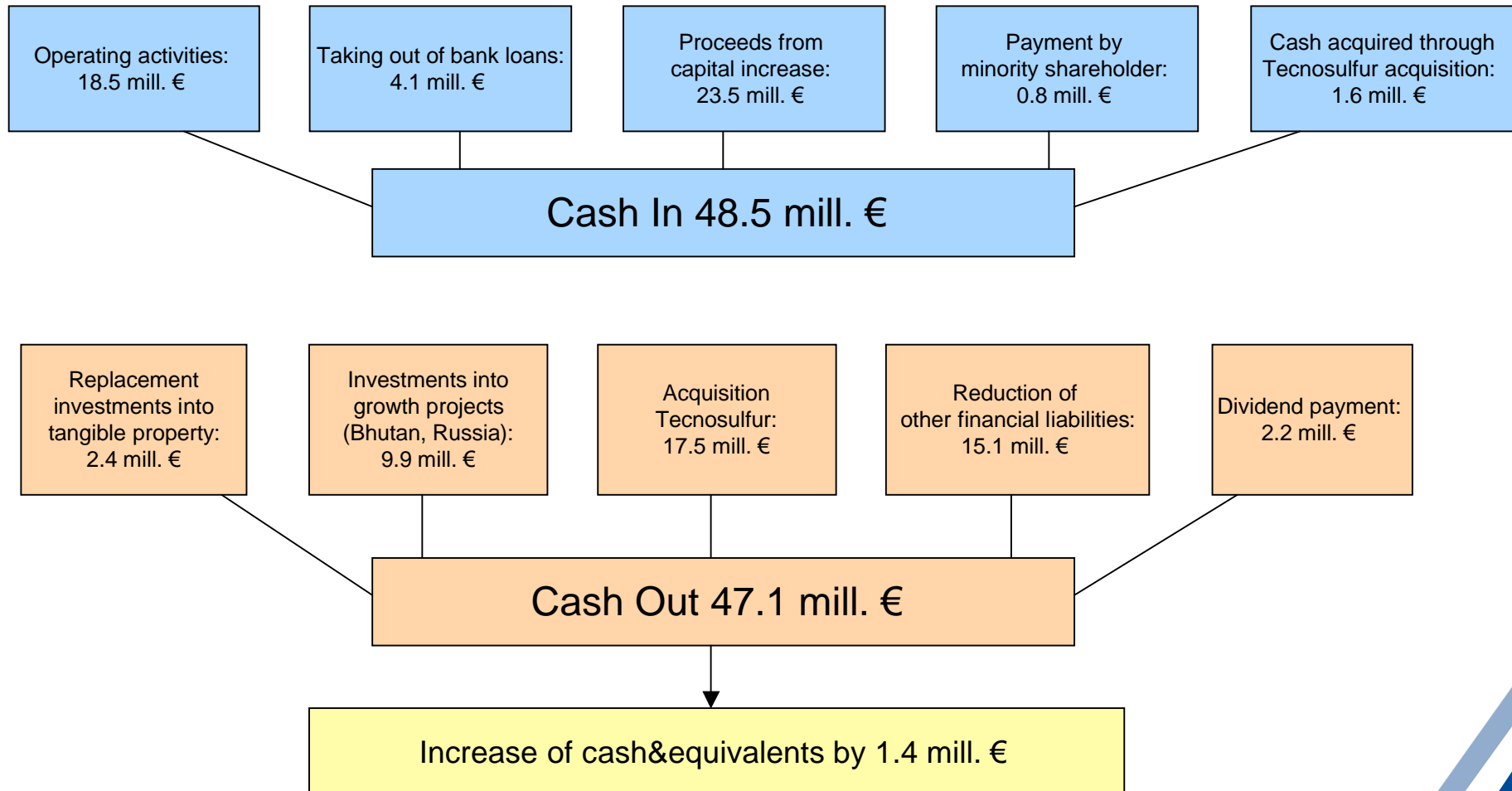
- Increase of total equity and liabilities by 34.9 mill. € mainly due to acquisition of two thirds of Tecnosulfur (effect on total equity and liabilities: 48.5 mill. €)
- Increase of equity by 25.2 mill. € mainly influenced by net proceeds of 23.5 mill. € from successful capital increase
- Net debt reduced by 27% to 32.8 mill. € despite strong investment activities
- Gearing at 0.3 at very low level

Cash Flow Influenced by Decrease in Working Capital and High Investments

in mill. €	2009	2008
Gross Cash Flow	1.5	18.3
Net Cash Received From Operating Activities	18.5	5.0
Net Cash Used in Investing Activities	-28.2*	-5.9
Free Cash Flow	-9.7	-0.9
Proceeds from Capital Increase	23.5	0.0
Payment by Minority Shareholder	0.8	0.0
Dividend Payment	-2.2	-2.2
Repayment/Taking out of Loans (Banks and Others)	-11.0	5.7
Change in Cash and Cash Equivalentents	1.4	2.6

* Thereof acquisition Tecnosulfur: -17.5 mill. €

High Operating Cash Inflow as Well as Net Proceeds from Capital Increase Enable Debt Reduction Despite Significantly Increased Investment Activities



Summary: SKW Metallurgie has Mastered the Recession Year Very Well



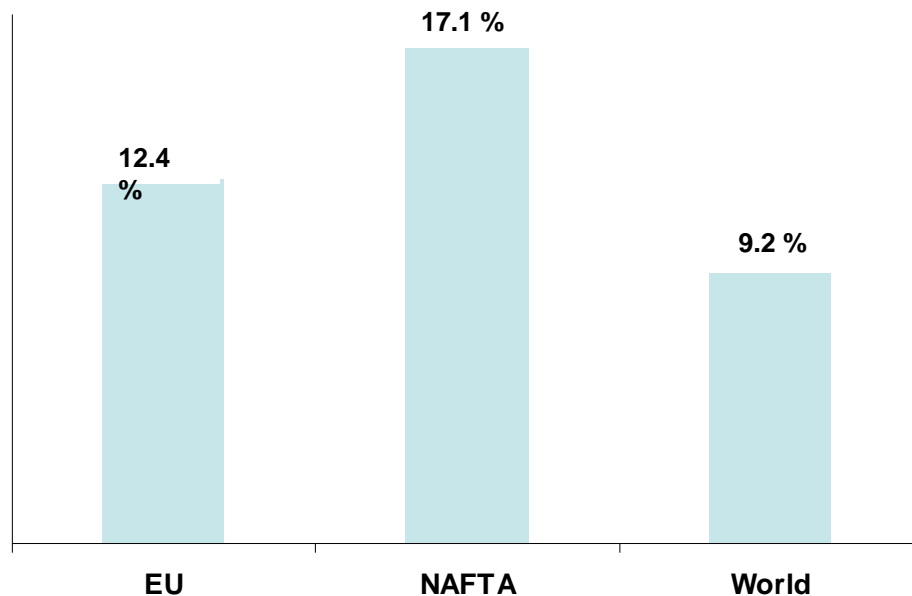
- ➔ Adjusted EBITDA of 9.4 mill. € while revenues decreased by 42%
- ➔ Liquidity of SKW Metallurgie Group secured in the long run by:
 - Successful placement of capital increase in December 2009
 - Signing of long-term loan contracts in Q1/2010
- ➔ Sufficient provisions have been made in the accounts for all known risks
- ➔ Expansion into growth regions continued

➔ Basis laid for sustainable and profitable growth despite challenging economic environment

Steel Demand:

- Need to Catch up in Europe and North America
- Long-term Increase in Share of BRIC Countries

Change in steel demand from 2009 to 2010e:



- World steel production 2010e: 1,205 mill. tons
- Capacity utilization of steel works 2010e: 75 to 85%

12  SKW Metallurgie: Business development in Q1 (y-to-d) very positive

- Share of BRIC countries:
 - 2010e: 55%
 - 2020e: 66%
- Increase of world steel production from currently 1.2 bill. tons to 2.3 bill. tons expected for 2020 (Source: PwC Study)

Completion of Bhutan Expansion Project in 2010



- Start of raw material production in fall 2010 = vertical integration to secure cost-effective CaSi-raw material supply (~7,000 t p. a.)
- Cored wire production for Indian market
- High contribution to earnings from 2011, low contribution to revenues (mainly internal revenues)
- Investment volume 2009: 8.1 mill. €

High Contribution to Revenues and Earnings by Tecnosulfur from 2010



- First consolidation on Dec. 23, 2009
- Profit and loss contribution 2010:
 - Revenues: >30 mill. €
 - EBITDA margin significantly above corporate average
- Clear market leader in hot metal desulphurization
 - All major Brazilian steel plants are on client list
 - Supply to new ThyssenKrupp steel plant for at least ten years starting at plant's inauguration (LoI already signed)
- Brazilian steel market to grow around 9% in 2010:
 - High potential due to numerous infrastructure projects
 - Additional positive impact of Olympic Summer Games and Men's Soccer World Cup
 - Large steel producers have announced significant increase of production capacities by 2016
- Purchase price:
 - Paid in 2009: 17.5 mill. € (incl. expenses of ac.)
 - Further 4.6 mill. € to be paid quarterly, subject to certain conditions
 - Potential further payment until 2012 (earn out) => current value 0 €

	2009	2010e	2011e
Revenues	220 mill. €	Significant increase in revenues	Ca. 360 mill. €
EBITDA	Adjusted 9.4 mill. €	Minimum 20.0 mill. €	Operative EBITDA margin ca. 9%
Analysis	Economic and financial crisis/Global recession	<ul style="list-style-type: none"> • Clearly improving steel economy • Tecnosulfur contribution • No extra-ordinary effects expected 	<ul style="list-style-type: none"> • Further improving steel economy • Bhutan contribution • Russia contribution • Increasing importance of new markets

- March 26, 2010:
Year-end Press and Analysts' Conference, Conference Call
- May 12, 2010:
Publication of Q1 Report, Conference Call
- June 9, 2010:
Annual General Meeting, Muenchen (Germany)
- August 13, 2010:
Publication of H1 Report, Conference Call
- November 2010
Publication of Q3 Report, Analysts' Conference, Conference Call

May be subject to changes.

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