



Conference Call

Results First Quarter 2009

May 15, 2009

- Significant impact from global recession
- Steel production Q1 in SKW Metallurgie's core markets between -39% (Germany) and -55% (Canada)
 - SKW Metallurgie revenues drop by 38% to €50 million
- High cost flexibility due to high proportion of variable costs
 - SKW Metallurgie EBITDA of €1.9 million, EBITDA margin of 3.8%
- Solid balance sheet structure:
 - Equity ratio (incl. minorities) increased to 47.1%
 - Net financial debt decreased to €40 million
- Outlook:
 - Positive results for 2009, subject to a certain economic recovery in H2-2009
 - Confidence to achieve operative EBITDA margin of 9% in 2011

- More than 90% of SKW Metallurgie sales go to the steel industry and depend mainly on the steel volume produced
- Most steel plants operate below capacity or are shut down altogether; global steel production down 23% (Q1-2009 compared to Q1-2008):
 - EU -44%
 - USA -53%
 - China +1.4%
- Worldsteel Association anticipates global drop in steel demand by ~20% (excl. China) in 2009 (year-on-year):
 - Weak H1 expected
 - Some hope in H2 from massive interventions by governments and their central banks
 - EU demand expected to decline by 29%, US demand by 37%
 - Emerging nations in Asia continue to expand, albeit at less dynamic pace

Consolidated Income statement



€ million	Q1-2009	Q1-2008
Revenues	50.0	81.0
EBITDA	1.9	7.1
EBIT	0.4	5.1
EBT	-0.2	4.5
Consolidated net income (w/o min.)	0.1	3.3
Gross margin	28.0%	27.1%
EBITDA margin	3.8%	8.7%
Earnings per share in €	0.00	0.76

Cored Wire: Profitable even in challenging times



€ million	Q1-2009	Q1-2008
Revenues	20.7	33.1
EBITDA	0.8	1.9
EBITDA margin	3.9%	5.7%

- High share of variable costs
- Cost savings due to reduction of headcount in the USA and Mexico
- Short time work (“chômage partiel”) in main production site (France)

Powder and Granules: High proportion of variable costs contributes to profitability

€ million	Q1-2009	Q1-2008
Revenues	25.1	41.7
EBITDA	1.1	5.1
EBITDA margin	4.4%	12.2%

- High share of variable costs
- Cost savings due to reduction of headcount in the USA
- Outlook (Q2 ff.):
 - Short time work (“Kurzarbeit”) in German trading unit (SKW Metallurgie)
 - Further 10% personnel cost reduction expected in the USA

Solid balance sheet structure further strengthened

€ million	Q1-2009	2008
Total assets&liabilities	181.4	196.8
Equity *	85.8	83.8
<i>Equity ratio *</i>	<i>47.3%</i>	<i>42.6%</i>
Net financial debt	40.0	44.9
<i>Gearing **</i>	<i>0.47</i>	<i>0.54</i>

- Equity ratio* increased to 47.3%
- Gearing improves to 0.47
- Net financial debt declines to €40 million

* Including minority interests
** Net financial debt divided by equity



Continued focus on debt reduction and cash flow management

Significant improvement in operating cash flow



€ million	Q1-2009	Q1-2008
Gross cash flow	1.0	5.2
Change in working capital	5.5	-1.3
Net cash flow from operating activities	6.5	3.9

- Working capital significantly reduced
- Strong cash flow achieved from operating activities

BRIC countries: SKW Metallurgie continues expansion



- Brazil
 - Steel demand declined by 42.1% (Q1-2009 compared to Q1-2008), full year projection relatively bright at -14.5%
 - Brazil considered a prospering location for steel plants due to proximity to key raw materials
 - SKW Metallurgie has a ten-year-LOI to supply ThyssenKrupp CSA
- Russia
 - Steel demand declined by 33.0% (Q1-2009 compared to Q1-2008)
 - Cored Wire plant construction continued, time table adjusted
- India
 - Steel demand declined by 7.9% (Q1-2009 compared to Q1-2008)
 - Outlook for 2009 brighter than for most other countries (+1,7%)
 - Vertical integration continues as scheduled (Calcium Silicon in Bhutan)

Outlook: 2011 Guidance confirmed



2009:

- Expansion into BRIC countries continues as scheduled
- Sales and EBITDA will be significantly below 2008 level
- Positive net result expected due to efficient cost management, subject to general economic development in H2-2009

2010:

- Expansion into BRIC countries continues as scheduled
- Return to profitable growth track based on improved economic environment

2011:

- Guidance confirmed subject to general economic recovery: Revenues of €360 million, and operative EBITDA margin of ~9%

June 4, 2009

Annual General Meeting in Muenchen (Germany)

August 14, 2009

Publication of Q2-2009 figures

November 9 - 11, 2009

Publication of Q3-2009 figures and
analysts' conference as part of "Eigenkapitalforum"

Christian Schunck

Head of Investor Relations and Corporate Communications

SKW Stahl-Metallurgie Holding AG
Fabrikstrasse 6
84579 Unterneukirchen
Germany

Phone: +49 8634 617596 | Fax: +49 8634 617594

ir@skw-steel.com | www.skw-steel.com

This presentation is exclusively for publication in Germany and some other select countries. It may not, in particular, be sent to, disseminated or published in or otherwise made accessible either in whole or in part in the USA, Canada, Japan, Australia, or in these countries' dependent territories. This also applies to other legislations in which this type of action is restricted or prohibited by law, provisions or other legal acts. This presentation contains statements on future developments that are based on currently available information and involve risks and uncertainties that could cause the actual results to differ from these forward-looking statements. These risks and uncertainties include, for example, unpredictable changes in political and economic conditions, particularly in the steel and paper industry, the competitive situation, interest and currency risks, technological development as well as other risks and unexpected circumstances. SKW Metallurgie does not make any undertaking to update these forward-looking statements. We believe that there are further risks, including in price developments, unanticipated developments in connection with companies acquired and consolidated, ongoing restructuring activities and unforeseen events.

This presentation is neither an offer to sell nor an instruction to subscribe for or an instruction or recommendation to buy securities. In addition, neither this document nor the statements contained therein form the basis for an agreement or any obligation, and they are not conceived as being a recommendation for action in connection with such an agreement or obligation. SKW Metallurgie does not make any assurances nor does it assume any guarantee that the information and opinions included in this presentation are complete or correct. SKW Metallurgie is also not liable for losses that result from the dissemination and/or use of this presentation, or for losses that are associated with the dissemination and/or use of this presentation in a certain manner. This presentation does not replace personal investment advice. Any decision regarding an investment in securities issued by SKW Metallurgie must be formed based on the information in the prospectus. The prospectus is available at SKW Metallurgie's Web site (www.skw-steel.com).

For several cities quoted in this presentation, different names and/or transcriptions into the Latin alphabet may possibly be in use. The use of a certain name or transcription is solely to express company news and is not intended to imply any political statement. Maps that may be contained in this presentation are for illustration only and are not intended to induce any political statements, such as the legitimacy of borders.