



Q1-2012

Growth in revenues

despite ongoing economic uncertainties

Conference Call

May 15, 2012





Highlights Q1-2012

- Continued revenue growth of 12% to 113.2 million €, based on increasing global steel production and contribution from global expansion
- Earnings affected by start-up costs for new production sites, especially Bhutan
 - EBITDA at 6.0 million € (comparable Q1-2011: 7.3 million €)
- High-quality balance sheet structure supported by comprehensive refinancing in Q1-2012
- Capex spending significantly reduced, as forecast
- Guidance for 2012 updated
- Positive outlook for 2013 confirmed



Operative performance affected by start-up costs for new production facilities

in million €	Q1-2012	Q1-2011
Revenues	113.2	101.0
EBITDA comparable ¹	6.0	7.3
EBITDA	6.0	10.0
EBIT comparable ¹	3.5	4.3
EBIT	3.5	7.0
Consolidated net result ²	0.8	4.3
Gross margin	26.7%	28.6%
EBITDA margin (comparable)	5.3%	7.2%
EPS in €	0.13	0.65

¹: Q1-2011 adjusted for bargain purchase effect of 2.7 million € for acquisition in Sweden

²: Share of SKW Metallurgie shareholders



Cored Wire: Continued revenue growth, positive contribution from new facilities as of H2-2012

in million €	Q1-2012	Q1-2011
Revenues	51.9	47.8
EBITDA	1.4	3.3
EBITDA margin	2.7%	6.9%

- Start-up costs from new plants (mainly Bhutan): H1 estimate in low one-digit million € range
- Positive EBITDA contribution from new plants expected as of H2-2012, full contribution as of 2013
- First deliveries to clients from new Russian production facility in Q1-2012



Powder and Granules: EBITDA margin at 9.6% despite negative result from new Swedish plant

in million €	Q1-2012	Q1-2011
Revenues	58.6	45.6
<i>EBITDA adjusted</i>	5.6	5.3
<i>EBITDA margin adjusted</i>	9.6%	11.6%
EBITDA	5.6	8.0

- Sweden:
 - Revenues included for three months of 2012 (2011: February and March only), positive effect of 2.2 million €
 - EBITDA in Q1-2011 includes one-off from bargain purchase of Swedish production site in the amount of 2.7 million €
 - Operative EBITDA still negative, turnaround expected during 2012
- Expansion of production facilities in Brazil (sinterslag): trial production has started, full contributions to revenues and earnings expected as of 2013



Solid balance sheet structure strengthened by comprehensive refinancing of debt in Q1-2012

in million €	March 31, 2012	Dec. 31, 2011
Total equity & liabilities	320.8	315.7
Equity*	126.6	128.4
Equity ratio*	39.5%	40.7%
Net financial debt	82.2	77.9
Gearing**	0.65	0.61

- Net financial debt increased to 82.2 million € due to net investments of 4.6 million € in Q1-2012
- Solid balance sheet structure with equity ratio of 39.5% and gearing of 0.65
- Comprehensive refinancing of debt in Q1-2012:
 - Maturities matching significantly improved
 - Long-term, secure financing for 90 million €
 - Thereof issuance of promissory note loan for 45 million €
 - Thereof new master credit agreement for 45 million €

* Incl. non-controlling interests ("minorities") ** Net financial debt divided by equity*



Investment activities significantly lowered

in million €	Q1-2012	Q1-2011
Gross Cash Flow	+1.2	+3.3
+/- Changes in Working Capital	-0.6	-4.4
= Cash Flow from operating activity	+0.6	-1.1
- Cash Outflow for investments	-4.6	-12.5
= Free Cash Flow	-4.0	-13.6
+ Cash Inflow from finance activities	+13.6	+11.9
= Changes in cash on hand	+9.6	-1.6

- Successful Working Capital management continued
- Investment Cash Outflow significantly lowered from 12.5 million € in Q1-2011 to 4.6 million €
- Investments FY 2012 expected well below FY 2011
- Final earn-out payment for Brazil (Tecnosulfur) in Q2-2012 (6.4 million €)



Growth projects on track, lessons learnt in Bhutan

Full earnings contributions as of 2013

- Brazil: Plant expansion (sintered synthetic slag) successfully completed, test production has started, full-scale deliveries to clients expected for H2-2012
- Sweden: Restructuring on track, break-even targeted for H2-2012
- Russia: First deliveries to clients in Q1-2012; step-by-step increase of production and sales volumes during the course of 2012; positive EBITDA contribution expected for H2-2012
- Bhutan:
 - Significant start-up costs expected for H1-2012
 - Positive EBITDA contribution expected as of H2-2012



2012 affected by start-up costs and macroeconomic uncertainties; positive outlook for 2013 confirmed

- Macroeconomic uncertainties (mainly due to sovereign debt crisis)
- SKW Metallurgie operations in 2012 coined by ramp-up costs of new facilities (in particular H1-2012)
- Revenues for 2012:
 - Depend on macroeconomic development
 - Currently expected above 2011 figures
- EBITDA for 2012:
 - At or above level of 2011 operative EBITDA

SKW Metallurgie Group in 2013: Full sales and EBITDA contributions from growth projects should lead to significant increases in revenues and earnings



Financial calendar 2012 (remaining)

- June 14, 2012:
AGM in München (Munich), Germany
- August 16, 2012:
Release of financial figures for H1 2012
- November 12, 2012:
Analysts' Conference 2012 at "Eigenkapitalforum" in Frankfurt/Main, Germany
- November 15, 2012:
Release of financial figures for first nine months of 2012



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