



9M-2012

On track to achieve targets
for 2012 and 2013


Conference Call
November 15, 2012





Highlights 9M-2012

- Slight decrease of revenues to 315.4 million € (-3%)
 - Temporary decline of steel production in USA in Q3-2012 (down from H1-2012: +8,4%)
 - Slowdown in EU and Brazil continued in Q3
- EBITDA for 9M-2012 at 19.8 million € (comparable 9M-2011: 23.2 million €), despite significant start-up costs for new production sites (especially Bhutan) in H1-2012
- EBITDA in Q3 up 4.5% to 6.3 million € due to significant improvements at new production sites (positive EBITDA contribution from Bhutan)
- Strong improvement of cash flow from operating activities to 13.8 million € due to efficient working capital management
- Guidance for 2012 and 2013 subject to increasing economic uncertainties



EBITDA improvement in Q3 based on improvements in new plants

in million €	9M-2012	9M-2011	Q3-2012	Q3-2011
Revenues	315.4	324.7	95.4	109.1
EBITDA (comparable) ¹	19.8	23.2	6.3	6.2
EBITDA	19.8	25.8	6.3	6.1
EBIT (comparable) ¹	12.4	13.4	3.8	3.1
EBIT	12.4	16.0	3.8	3.0
Consolidated net result	5.0	9.0	1.3	0.9
EPS in €	0.87	1.22	0.21	0.09
<i>Gross margin</i>	<i>28.4%</i>	<i>27.5%</i>	<i>28.8%</i>	<i>25.8%</i>
<i>EBITDA margin (comparable) ¹</i>	<i>6.3%</i>	<i>7.1%</i>	<i>6.6%</i>	<i>5.7%</i>

¹: 2011 adjusted for bargain purchase effect of 2.6 million € for acquisition in Sweden, thereof -0.1 million € in Q3



Cored Wire: Positive EBITDA contribution from Bhutan

in million €	9M-2012	9M-2011
Revenues	143.9	153.1
EBITDA	6.1	7.8
EBITDA margin	4.2%	5.1%

- Revenue decline based on slow-down in steel production in Q3-2012 compared to Q3-2011
- New SKW Metallurgie plants in Bhutan and Russia:
 - H1: Earnings impacted by start-up costs from both new plants
 - Q3: Start-up costs close to zero, positive EBITDA contribution from Bhutan
 - Q3: Positive technical developments in Bhutan (high quality CaSi production stabilized)
 - Full year 2012: Contribution to remain negative
 - Full year 2013: Improvements in EBITDA contribution, as announced





Powder and Granules: Temporary slow-down in Brazilian economy affected Q3 results

in million €	9M-2012	9M-2011
Revenues	149.9	148.4
EBITDA	13.4	19.3
EBITDA (comparable) ¹	13.4	16.7
EBITDA margin (comparable) ¹	8.9%	11.3%

¹: 2011 adjusted for bargain purchase effect of 2.6 million € for acquisition in Sweden

- Sweden:
 - Operative EBITDA still negative in 2012, negatively affected by the European economic crisis
 - Improvements expected for 2013
- Brazil:
 - Temporary slow-down in economy with negative impact on earnings in Q3
 - Plant expansion sintered synthetic slag
 - First deliveries to clients in July 2012 as announced
 - Full contributions to revenues and earnings expected as of 2013



Net financial debt reduction targeted for 2013 ff.

in million €	Sep 30, 2012	Dec 31, 2011
Total equity & liabilities	321.1	315.7
Equity*	125.4	128.4
Equity ratio*	39.1%	40.7%
Net financial debt	86.6	77.9
Gearing**	0.69	0.61

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

- Net financial debt increased to 86.6 million € due to investments in property, plant, and equipment, as well as final payments (earn-out) for acquisition of Tecnosulfur
 - Outlook: CapEx significantly reduced as of H2-2012, focus on reduction of net financial debt from 2013 onwards
- Solid balance sheet structure
 - Decrease of equity ratio from 40.7% to 39.1%, mainly due to negative FX impact
 - Gearing of 0.69 (December 31, 2011: 0.61)
- Comprehensive refinancing of debt successfully completed in Q1-2012



Efficient working capital management – Cash flow significantly improved

in million €	9M-2012	9M-2011
Gross cash flow	+8.5	+13.0
+/- Changes in working capital	+5.3	-3.3
= Cash flow from operating activity	+13.8	+9.7
- Cash outflow for investments	-19.0	-26.7
= Free cash flow	-5.2	-17.0
+ Cash inflow from finance activities	+14.6	+16.6
= Changes in cash on hand*	+9.3	-0.5

- Successful working capital management across all Group companies
- Cash outflow for investments: mainly H1, thereof 8.0 million € for final payments for Tecnosulfur
- Investments FY 2012 expected well below FY 2011
- Positive free cash flow expected from 2013 onwards

* Minor FX adjustment excluded



Update on global growth projects – On track to achieve improved EBITDA contributions as of 2013

- Bhutan:
 - CaSi production successfully restarted in Q3-2012
 - Significant start-up costs in H1-2012, positive EBITDA contribution as of Q3-2012
 - Still negative EBITDA contribution for FY 2012
 - Full operations, and positive EBITDA contribution expected for 2013
- Brazil:
 - First deliveries of sintered synthetic slag from new plant to clients in July 2012
 - Full annual production volumes expected from 2013 onwards



Guidance for 2012 and 2013 subject to increasing economic uncertainties

Economic conditions:

- Global economic outlook significantly lowered
- Steel production Q3-2012 negatively affected by macroeconomic uncertainties
- Based on Worldsteel projections:
 - Stable Q4 expected
 - Some optimism for 2013 despite continuously challenging environment

Guidance 2012:

- Revenues around 2011 figures
- EBITDA below reported 2011 figure of 31.7 million € (as announced)
- Q4 EBITDA influenced by macroeconomic development

Guidance 2013:

- Sales (Bhutan: mainly internal sales) and EBITDA contributions from growth projects should lead to increases especially in earnings (subject to stabilization of global economy)



Financial calendar 2013

- March 26: Publication of business figures full year 2012 incl. Year-end Press Conference in Muenchen, Germany
- May 15: Publication of business figures first quarter 2013 (Conference Call)
- June 11: Annual General Meeting in Muenchen, Germany
- August 14: Publication of business figures first half year 2013 (Conference Call)
- November 15: Publication of business figures first nine months 2013 (Conference Call)
- November: Analysts' Conference 2013 during "Eigenkapitalforum" in Frankfurt/Main, Germany





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