



DNick Holding plc
Annual Report 2007



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REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2007.

The directors have also prepared an annual report in German, which is available from the company's administrative centre or from the company's website. The directors advise that the German annual report will be an unaudited translation of the English annual report.

PRINCIPAL ACTIVITY

The principal activity of the DNick Group is the manufacture and sale of metal products and other materials. The parent company continues to be the investment holding and management company for the group's subsidiaries.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

At the end of the 2006 business year, the Board decided to concentrate the future operations of the DNick group on the iron-nickel segment through its production companies, Deutsche Nickel GmbH and Auerhammer Metallwerk GmbH. Together with the sales company Deutsche Nickel America Inc., which sells exclusively the products of these companies in the American market, further synergy effects and additional market opportunities are anticipated as a result of quantitative and qualitative growth through expansion of the product and application portfolio and international cooperation in this core business of the group. Furthermore, the aim was to pool the group's financial resources and use them specifically for growth of the core business.

At the remaining subsidiaries, there is either no or only very limited potential for cross-company added value to the group.

The Board of DNick Holding plc therefore made the decision in December 2006 to examine other options for those activities of Deutsche Nickel PressTec GmbH, SAXONIA Edelmetalle GmbH and SAXONIA EuroCoin GmbH not related to the core business of iron-nickel and to move away from these activities.

To implement this strategy of concentrating on the business of iron-nickel, the following transactions were executed in 2007:

- The business of Deutsche Nickel PressTec GmbH was sold as of 15 February 2007 through an asset deal with economic effect as of 1 January 2007. The company manufactures high-grade stamping parts and deep drawn components (cups) for the munitions industry. Total proceeds in the group from this sale were approx. EUR 7.25 million. The buyer furthermore assumed financial liabilities of Deutsche Nickel PressTec GmbH amounting to EUR 1.8 million. The company, renamed DN Service GmbH, retained the non-transferable pension liabilities.
- DNick Holding plc sold 100 % of its shares in SAXONIA Edelmetalle GmbH as of 23 May 2007 with economic effect as of 1 January 2007. SAXONIA Edelmetalle GmbH operates in the recycling and processing of precious metals into semi-finished products. Total proceeds from this sale, including the release of DNick Holding plc from amounts due to SAXONIA Edelmetalle GmbH, were approx. EUR 7.7 million. Financial debt of approx. EUR 15.5 million was retained by SAXONIA Edelmetalle GmbH. The purchase price was therefore on a debt-free basis approx. EUR 23.2 million.

Regarding the business of SAXONIA EuroCoin GmbH, with coin blanks not related to the core business of iron-nickel, negotiations on a possible sale were conducted with prospective buyers in 2007. However, after a submitted purchase offer failed to meet the expectations of DNick Holding plc, disposal activities were discontinued at the beginning of October 2007. Instead, DNick Holding plc will work on establishing and strengthening SAXONIA EuroCoin GmbH as an efficient and reliable supplier of coin blanks in the international market. SAXONIA EuroCoin GmbH will therefore continue to be held, together with its holding in Compania Europea de Cospeles S.A. (CeCo), Spain, as an independent segment within the DNick group alongside the iron-nickel core business. As far as the business of manufacturing coin blanks is concerned, for which there are only few cross-company synergies with the iron-nickel core business, DNick Holding plc is open long-term to cooperation or other cross-company options, provided that these also contribute to the further development of the operational business of SAXONIA EuroCoin and the going concern value of the DNick group.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group uses various financial instruments to hedge against foreign currency, interest rate and credit risk. These risks are described in more detail in Note 36 to the Group's consolidated financial statements.

KEY PERFORMANCE INDICATORS

The directors have monitored the progress of the overall group strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

Measures used by the directors include:

1. sales volume by business segment
2. review of gross profit by business segment and at group level
3. effectiveness of cash generation, through comparison of actual to budgeted results.

The Group met its targets during the 2007 financial year.

POST BALANCE SHEET EVENTS

On 7 February 2008, the company established a joint venture, "Innovative Clad Solutions Private Limited," in New Delhi, India. The new company will build a manufacturing facility to start metal cladding in India.

On 28 March 2008, the company allotted and issued 60,265 ordinary shares at par. The new shares rank pari passu with the existing ordinary shares of the company.

CREDITORS PAYMENT POLICY

The company's policy is to agree terms of payment prior to commencing trade with a supplier and to adhere to the terms on the timely submission of invoices.

The number of days' purchases for the Group outstanding at 31 December 2007 was 29.7 (2006: 19.7 days).

QUALIFYING THIRD PARTY INDEMNITY PROVISION

During the year, a qualifying third party indemnity provision for the benefit of 5 directors was in force.

DIRECTORS

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 31 December 2007 and at 1 January 2007 were as follows:

	Ordinary shares of £0.01 each Number 31/12/2007	Ordinary shares of £0.01 each Number 31/12/2006
Paul Felton-Smith	-	-
Dr Götz-Peter Blumbach	23,243	-
Franz Josef Seipelt	-	-
Edouard Altenhoven	22,269	-
Dr Hans-Joachim Krüger	-	-

During the year, all five directors participated in a share award scheme – the details of this scheme and the entitlement to shares in the company awarded under the scheme are disclosed in Note 23 to the Group consolidated financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

In so far as the directors are aware:

- there is no relevant audit information of which the group and company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Dr. Götz-Peter Blumbach
Director



Franz-Josef Seipelt
Director

London, 14 May 2008

MANAGEMENT REPORT

DESCRIPTION OF BUSINESS ACTIVITIES AND STRATEGY

DNick Holding plc was established in 2005 as a holding company for the former business activities of Deutsche Nickel AG. The company operates as an investment holding company.

At the end of the 2006 business year, the Board decided to concentrate the future operations of the DNick group on the iron-nickel segment through its production companies, Deutsche Nickel GmbH and Auerhammer Metallwerk GmbH. Together with the sales company Deutsche Nickel America Inc., which sells exclusively the products of these companies in the American market, further synergy effects and additional market opportunities are anticipated as a result of quantitative and qualitative growth through expansion of the product and application portfolio and international cooperation in this core business of the group. Furthermore, the aim was to pool the group's financial resources and use them specifically for growth of the core business.

At the remaining trading subsidiaries, there is either no or only very limited potential for cross-company added value in the group.

The Board of DNick Holding therefore made the decision in December 2006 to examine other options for those activities of Deutsche Nickel PressTec GmbH, SAXONIA Edelmetalle GmbH and SAXONIA EuroCoin GmbH, which are not related to the core business of iron-nickel, and to move away from these activities.

To implement this strategy of concentrating on the business of iron-nickel, the following transactions were executed in 2007:

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cooperation or other cross-company options, provided that these also contribute to the further development of the operational business of SAXONIA EuroCoin and the going concern value of the DNick group.

The structure of the DNick group at 31 December 2007 is therefore as follows:

Iron-nickel core activities

- Deutsche Nickel GmbH, Schwerte
- Auerhammer Metallwerk GmbH, Aue
- Deutsche Nickel America Inc., USA
- DN Real Estate GmbH, Schwerte

Coin blanks

- SAXONIA EuroCoin GmbH, Halsbrücke
- Compania Europea de Cospeles S.A. (CeCo), Spain (50 % holding)

Holding/ Other

- DNick Holding plc, UK
- DN Service GmbH, Schwerte

In the consolidated financial statements at 31 December 2006, the activities for sale including SAXONIA EuroCoin GmbH were shown as discontinued operations in accordance with IFRS 5. After the sales process with respect to SAXONIA EuroCoin GmbH ended in October 2007, the company is again included in the consolidated financial statements in 2007 as an operation to be continued as a going concern.

The activities of the operating companies of the DNick group are set out below.

IRON-NICKEL CORE ACTIVITIES

DEUTSCHE NICKEL GMBH

Deutsche Nickel GmbH is one of the world's leading manufacturers of nickel and nickel alloy materials. The production of all products, depending on the plant configuration, focuses on special alloys. Its smelting plant for the production of nickel-iron and cupronickel blocks for the manufacture of wire and bars, and for strips manufactured by Auerhammer Metallwerk GmbH, has a capacity of 9,000 to 10,000 tonnes p.a.

Deutsche Nickel GmbH's products at the production site in Schwerte are divided into the product segments wires, bars and semi-finished products. Wires manufactured in the wires segment are mainly used in the automotive, optics, light and electronics sectors. The wires programme comprises a number of alloyed wires used in high-tech products and everyday products. The bars segment manufactures materials in different nickel alloys and dimensions that are used primarily as semi-finished products in the construction of fittings, reactors and apparatus. Free capacity at the smelting plant is also increasingly being used for toll production, i.e. smelting services on behalf of third parties.

On 1 March 2005, the company took over the operations of the former Deutsche Nickel AG. In 2005 a range of action plans were already implemented to restructure operations and these were continued and widely implemented in 2006. They include measures to increase sales, to reduce materials consumption and costs, and to make optimum use of technology. Further measures introduced in the meantime and more minor targeted investments were the material drivers of further major improvement in performance in 2007.

AUERHAMMER METALLWERK GMBH

The company has continued to develop into a modern production facility for special metal products, in particular in the strips and foils segment, which are used in electronics, electrical engineering, vehicle electronics and control, measurement and regulation technology as well as in scientific tool-making. This successful product range is complemented by strip and cold-rolled products as well as stamped and drawn components and coils.

Auerhammer Metallwerk GmbH obtains a significant portion of its input material supplies from Deutsche Nickel GmbH in the form of smelted blocks.

DEUTSCHE NICKEL AMERICA INC.

Deutsche Nickel America Inc. operates as a sales and trading company on the North American market for Deutsche Nickel GmbH and Auerhammer Metallwerk GmbH. The company supplies nickel, nickel-based alloys, soft magnetic strips and thermostatic bimetals to a variety of customers in the USA, Canada and Mexico.

These activities account for around 25 % of the business volume of Deutsche Nickel GmbH and around 9 % of Auerhammer Metallwerk GmbH. Deutsche Nickel America Inc. does not carry out any sales activities for the activities sold by the group nor for the business in coin blanks.

COIN BLANKS

SAXONIA EUROCOIN GMBH

The manufacture of blanks comprises on the one hand the manufacture of the blanks from steel strips followed by electroplating with nickel, copper, brass and bronze and on the other hand the manufacture of non-ferrous metal blanks. The manufacture of gold and silver blanks for coins and medals completes the product range. Apart from the production facility in Halsbrücke, SAXONIA EuroCoin GmbH also has a 50 % holding in the joint venture Compañia Europea de Cospeles, S.A., Spain.

In 2006, considerable investments were made in the site at Halsbrücke to physically separate it from SAXONIA Edelmetalle GmbH, which has meanwhile been sold, and to integrate machinery and equipment of the former EuroCoin AG for the production of non-ferrous metal blanks. These activities were completed in the spring of 2007, and have considerably increased the company's capacity in the non-ferrous metal blanks division as a material prerequisite to increase sales markedly in 2007.

SALES

The group's customer base is widely distributed. Regional sales channels are therefore used in order to achieve fast and comprehensive customer care. European customers are handled directly by the sales departments and the sales force of each company. American iron-nickel customers are handled directly by the sales company in the USA, and Asian customers by sales representatives in China, Malaysia, Thailand and Korea.

RESEARCH AND DEVELOPMENT

In order to expand business operations and to respond to customer requirements and the demands of the market, various new products and applications are developed in the individual group companies, sometimes with the cooperation of the customer, and these are then tested by customers. Having its own smelting operation is important for the group in terms of successfully developing new materials and alloys in the iron-nickel segment which are both customer- and market-oriented. The measures introduced and widely implemented in the course of the operational restructuring contribute to the fact that a proprietary smelting operation, which is necessary for the manufacturing of speciality products, is an important prerequisite for ensuring economic and qualitative competitiveness and long-term customer relationships.

Existing certifications were confirmed in 2007. Regular customer audits were successfully completed.

ENVIRONMENTAL PROTECTION

Legal obligations are met for all segments. Demolition of buildings at the Aue site, which had been disused for years and were no longer operationally required, has started in agreement with the regional authorities. No significant additional investments in plant and machinery are required.

BUSINESS REVIEW

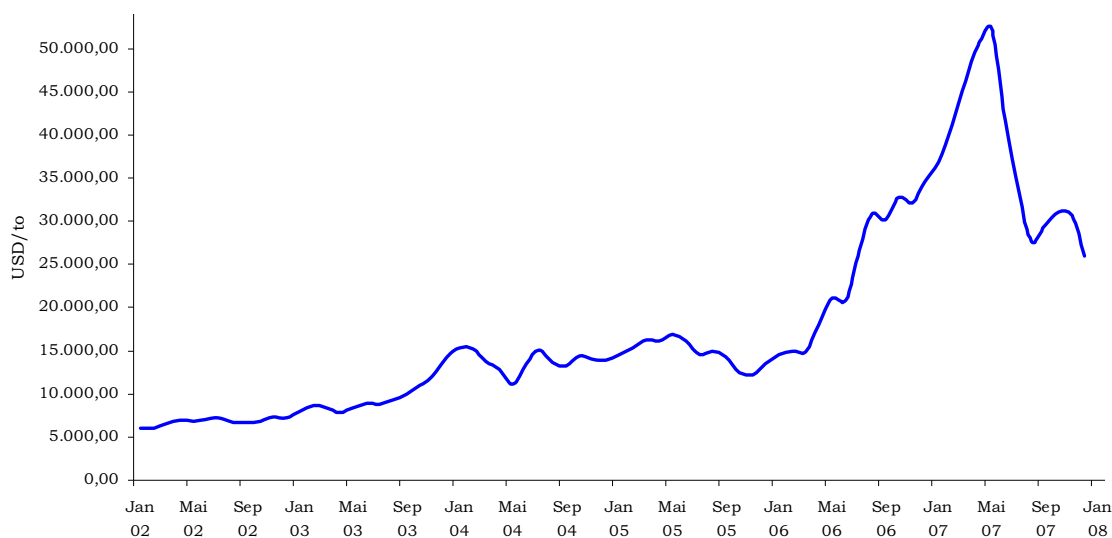
GENERAL BUSINESS ENVIRONMENT

The positive trend in the global economy continued in 2007. The economic upturn in Asia and in Western Europe, in particular in Germany, exceeded expectations. In the USA, growth was below expectations as a result of reduced consumption and investment combined with a further weakening dollar.

2007 was characterised by the extreme volatility of metal prices on the international market. While the nickel price was at a high but largely stable level until the spring of 2006, there was a dramatic price increase from April 2006 onwards which accelerated further at the beginning of 2007, and drove the nickel price in May 2007 to a record of around 54,000 USD/t. A clear price turnaround then set in at the beginning of June 2007 - triggered not least by changed regulations on the London Metal Exchange (LME). The nickel price then fluctuated in the 2nd half of 2007 ranging from 25 to 30,000 USD/t and closed the year at 31 December 2007 at about 25,000 USD/t. Despite the price reduction in the 2nd half of 2007, the nickel price is nevertheless markedly above the price level for 2004 and 2005 of around 12-15,000 USD/t.

The major reason for this price increase, which clearly differs from the price cycles of the past in terms of level and duration, is the sustained high level of steel production worldwide and its demand for steel and stainless steel and precious metal alloy components. The basic market situation, which is one of scarcity, led to unexpected major price movements. This aroused the interest of the capital markets for investments in raw materials which accelerated the price trend. This is especially true of nickel which is traded in significantly lower volumes than copper. The prices are mainly generated on the London Metal Exchange (LME), on which the major non-ferrous metals such as copper and nickel are traded.

Nickel price trend 2002 - 2007 (LME Settlement)



The nickel price trend should always be viewed together with the EUR/USD exchange rate trend, since trading takes place on the LME in USD. The fall in value of the USD in comparison with the EUR, which occurred at the same time, weakened the price increase accordingly in euros.

Alongside the dramatic increase in the price of nickel, the price of other metals, such as copper, cobalt and steel, also increased significantly in 2007.

Since the company essentially quotes the metal prices for the main alloys in the customer contracts on the basis of the LME prices in both the business of iron-nickel and coin blanks, invoiced sales, but not profits, are directly affected by fluctuations in the price of metals. Fluctuations in the price of metals may affect amounts required by customers, however, and in any case impact on tied-up working capital.

Despite the dramatic increase in nickel prices, customer demand remained at a high level. The group's good position on the market as a provider of high-quality speciality products has a positive impact. The technical specifications of products mean that they are only subject, at least short to medium-term, to a low substitution risk.

DEVELOPMENT OF THE DNICK GROUP

The DNick group continued to enhance the operating result significantly in the 2007 business year. The strategy of concentrating on the iron-nickel business adopted in 2006 was therefore convincingly reaffirmed. Sales and operating EBITDA were markedly ahead of the comparable period in the previous year (excluding the activities of DN PressTec und SAXONIA Edelmetalle GmbH sold in 2007) and also above expectations for the business year.

Sales rose to about EUR 220 million, an increase of around EUR 61 million compared with the comparable period in the previous year. Operating EBITDA (without revaluation of the non contract-related metal stock) rose to EUR 13,5 million, an increase of EUR 4,9 million. All group segments contributed to this increase in performance.

The group's net liabilities due to banks were reduced compared with the previous year to just under EUR 20 million at 31 December 2007 despite the substantial increase in the financing of working capital caused by the increase in metal prices. Financing of the restructuring is completed after the last instalment of the restructuring loans raised in 2005 was paid off according to plan in September 2007. The inflow of funds from disinvestments in the 2007 business year was also used to reduce the debt level.

DEVELOPMENT OF THE SEGMENTS

The group companies are divided into the following segments:

Iron-nickel core activities:

· Bars and wires	Deutsche Nickel GmbH Deutsche Nickel America Inc. DN Real Estate GmbH
· Strips	Auerhammer Metallwerk GmbH Deutsche Nickel America Inc.
Coin blanks:	SAXONIA EuroCoin GmbH (incl. the 50 % holding CeCo S.A.)
Holding / Other	DNick Holding plc DN Service GmbH

The group is structured in such a way that each segment essentially represents a separate independent group company. Only Deutsche Nickel America Inc. as a sales company is allocated the related segments for both bars/wires and strips. The segments basically reflect the internal reporting structure.

IRON-NICKEL CORE ACTIVITIES

BARS AND WIRES SEGMENT

Economic activity remained strong in Germany in 2007 so that the demand for semi-finished products, both for bars and wires, remained at a welcome level. Furthermore, sales activities, which were intensified in the previous year, produced their first successes with orders from new regions and new applications.

Driven by high oil prices, the demand for bars remained high. In the light of the price development of nickel and therefore the necessary inventory financing, new order bookings with a high nickel percentage in the bars segment were subject to restrictive handling by the group, especially in the second quarter of 2007. The subsequent fall in price confirmed this decision was correct.

On the US sales market, which is important for both the wires segment and for bars, deteriorating currency parities were compensated for as far as possible in 2007 through price increases so that margins were not adversely affected by the falling US dollar rate. Given rising nickel prices, the sale of products from a small, non order-related stock on site of around EUR 0.5 million also had a positive influence on performance in the USA.

An extensive action program to improve operative competitiveness, which was already introduced in 2005, was continued in 2006 and implemented to the greatest possible extent. This included measures to intensify sales, reduce materials consumption and costs, and optimise technology. Other measures introduced in the meantime and smaller targeted investments were the material drivers of further marked improvement in performance in 2007.

These measures led to an increase in sales in 2007 of EUR 36.9 million to EUR 110.7 million. Operating EBITDA (excluding revaluation of inventories) was increased to EUR 7.1 million compared with a comparable result of EUR 3.5 million the previous year.

STRIPS SEGMENT

Business in the strips segment came from four product groups in various markets with a broad customer base from different branches. The product groups are: thermostatic bimetals, plated strips, metal strips, and metallic foils. This range has provided stability in recent years and also the ability to respond quickly to the demands of the market. The component manufacture of anodes and pins was terminated at the end of 2006 due to the fall in demand on the monitor and television tube markets, combined with a sharp drop in prices. Only residual quantities which were pre-produced for customers were sold in 2007.

Sales increased and the market position continued to improve overall in 2007 in the two strongest selling product groups, thermostatic bimetal strips and plated strips. The falling US dollar rate, however, impacted on the sales trend in the American market and on the slight weakening of the market share on the Asian market. Instead business in Europe was extended further through projects prepared with customers and individual technical support. The position of market leader for thermostatic bimetal products in Europe was further strengthened.

Sales for 2007 in the strips segment are around EUR 66.9 million with operating EBITDA (excluding revaluation of inventories) of EUR 5.8 million, a further reassurance of the good results for the previous year.

COIN BLANKS SEGMENT

Considerable capital expenditure, beginning in 2006, was made in the site at Halsbrücke to physically separate it from SAXONIA Edelmetalle GmbH and to integrate the facilities of the former EuroCoin AG for the production of non-ferrous metal blanks. These activities were completed in spring 2007 and have considerably increased the company's capacity in non-ferrous metal blanks as an essential prerequisite for a marked increase in sales in 2007.

Capacity utilisation of blank production facilities is determined solely by successful tendering and has been solely project-based since the introduction of the euro was completed.

In the 2007 business year, top priority was to press ahead with the further improvement of the market position with the aim of achieving a sustained high level of capacity utilisation, especially in terms of project business, by enhancing customer potential. The high level of capacity utilisation in 2007 underlines the success of this strategy. The company has a reputation in the high-volume South American and Asian markets in particular as an efficient supplier of high-quality products. The export quota for the coin blanks business in 2007 was around 93 %.

In the electroplated blanks segment, the lower price level compared with non-ferrous metal blanks was countered by measures such as diversifying the order portfolio through to manufacturing more technically sophisticated blanks. Margins in this segment were improved compared with the previous year. The company also profited from a major order with a good return from a South American customer for the introduction of a new coinage system.

A fierce price competition continues in the non-ferrous metal blanks segment. The company has profited from a high number of orders to be processed from the previous year at a reasonable price level. On-going strong competitive pressure is expected in this segment.

Delays in delivery occurred through order overlapping partly due to the extensive work of physical separation at the Halsbrücke site and late availability of full capacity, above all of the stamping lines, and partly due to the project nature of the business. Some customers affected by these delays have asserted late delivery damages. Provision against this risk was accordingly made in the annual financial statements.

The joint venture Compania Europea de Cospes S.A. (CeCo), Spain, also enjoyed a good level of work in 2007 and realised sales of EUR 33,1 million in 2007. The 50 % holding is valued under the equity-method and in 2007 produced a result of EUR 0,3 million.

The 50 % holding in the joint venture AB Myntverket, Sweden, was sold to the joint venture partner in 2007. After conclusion of a coin project in Sweden, this holding was no longer strategically important and SAXONIA EuroCoin saw no potential for developing the market position of this joint venture on the Scandinavian market. Including a special dividend from the joint venture, proceeds from the sale amounted to EUR 4.0 million and a profit of EUR 0.4 million which is disclosed outside operating EBITDA.

Sales in the coin blanks segment as a whole increased, due to the rise in sales realised after reconstruction work was completed, by EUR 19.7 million to EUR 65.8 million. Operating EBITDA (excluding revaluation of

inventories) increased disproportionately compared to the increase in sales to EUR 3.4 million compared with EUR 2.1 million the previous year.

BUSINESS RISKS

During the course of its operational activities, the group is exposed to various risks, in particular fluctuations in the price of metals and currencies.

METALS MARKET

The individual group companies manufacture products mainly from nickel and copper alloys and from precious metals. Steel is also used for coated products. The entire product range is therefore greatly dependent on changes in the price of metals.

Since metal prices for the main alloys, such as nickel, are generally quoted to customers in their orders on the basis of the market values on the LME (London Metal Exchange) and the price of metals are hedged through appropriate exchange contracts at the date when an order is received, order earnings are basically unaffected by fluctuations in the price of metals. Only sales revenues and corresponding materials costs vary according to changes in the price of metals. Fluctuations in metal prices can affect the demand for finished products in these metals, however, and therefore affect the business trend of the group.

The risks of changes in the price of metals currently relate mainly to the price of nickel, which has increased dramatically since April 2006. Further price developments and risks from sudden price movements in particular cannot currently be predicted, since there is also a speculative element, as well as basic market data, affecting this comparatively small market volume. This makes the group's existing principle of consistently hedging metal prices to minimise risk all the more important.

Alongside the dramatic increase in the price of nickel, there were also significant price increases for copper and accessory metals as well as for steel strips which are an essential material component in the production of electroplated coin blanks.

The increase in metal prices at unchanged sales volumes results in a corresponding increase in value of working capital and therefore in additional tying up of funds or increased financing requirements. The financing of inventories in the iron-nickel segment is particularly important here, since the complex production processes and comparatively long processing times result in lower inventory turnover. Business in non-ferrous metal blanks is also affected.

INTEREST

Existing loans to finance working capital are subject to a variable interest rate. In order to hedge the interest rate risk, interest rate hedging transactions (interest rate swap) are concluded for 2/3 of the EUR 21 million domestic credit lines. The future interest charge would rise for the remaining number of domestic credit lines and the credit lines in the USA, if the prevailing basic interest rates for these loans increased (EONIA and USD prime rate respectively).

FOREIGN CURRENCIES

The US dollar is the most important foreign currency for the DNick group. Almost all sales on the American market as well as to Asia are invoiced in US dollars, which corresponds to approx. 33 % of group sales.

Since orders in foreign currencies are basically hedged using appropriate exchange futures when the order is received, there are no significant foreign currency differences in hedged transactions. First-class international banks act as trading partners for related financial transactions.

Where sales are invoiced in US dollars, the continued weakening of the US dollar compared with the euro initially results in a correspondingly lower equivalent value in euros. However, it should be remembered here that the major metals, such as nickel, are also quoted in US dollars, and a falling US dollar rate leads to a corresponding opposite effect on material purchases. Finally, a lower US dollar rate only affects earnings from sales invoiced in US dollars in terms of conversion and processing margins. It has so far been possible to compensate for this to a large extent through price increases for deliveries on the American market. Whether this can be achieved, however, if the US dollar rate falls yet further is still open to question.

Further weakening of the US dollar in comparison with the euro may also indirectly result in decreased demand for European products, and therefore have a negative effect on the group's business developments.

FINANCING OF WORKING CAPITAL

As described above, the companies commercially need a high volume of inventories, in particular in the iron-nickel operations, while the comparatively long production time can take up to 20 weeks, depending on the product. The order-to-cash cycle therefore requires a large amount of capital tie-up despite factoring. This capital tie-up or financing requirement intensifies greatly when the price of metals increases. The group is therefore dependent on securing working capital financing.

The assets-based borrowing financing arrangement introduced in 2006 and extended in 2007 is the appropriate instrument to cover financing requirements resulting from fluctuating working capital financing.

The only way to reduce working capital financing if prices do not change is by reducing inventory quantities significantly. Following the reduction of inventories using targeted measures mainly in 2005, and also in 2006, resulting in a positive cash flow amount being achieved, no further significant reduction in quantities is expected at unchanged or slightly increased production levels and given processing times.

DEFAULT RISKS

The main risk of loss of assets arises in terms of the risk of loss of a trading partner. The principles of risk management set out how the risk arising from a company's own operations is to be minimised. This includes obtaining information about new customers and also regular updates on existing customers. Payment terms are basically only given to customers with the appropriate cover from credit sale insurance or from other securities such as L/C (letter of credit). Furthermore, a large part of the receivables are sold through factoring, which is also an effective instrument in guarding against loss. Losses of receivables outstanding are rare and small in size.

FINANCING

The last instalment of the restructuring loans taken out in 2005 was paid back according to plan in September 2007, thus completing the financing of the restructuring. Restructuring loans totalling EUR 20.5 million plus interest were paid back in 2006 and 2007. While the ultimate holding company DNick Holding plc is now free of debt, bank loans exist at the level of the operating subsidiaries only to finance working capital.

In 2007, the borrowing-based credit lines of the domestic operating subsidiaries in the iron-nickel segment were standardised and raised to EUR 21.0 million. These lines are each separate credit facilities with a contractual term to February 2009. Alongside these credit facilities is a credit line for Deutsche Nickel America Inc. of USD 15.0 million, which is also borrowing-based, with a term to December 2008. The aim is to extend these credit lines and this is accordingly under discussion with the financing banks.

Existing credit lines in the iron-nickel segment are adequate to finance current working capital including planned internal growth based on current prices of metals plus a variation range of approx. 10 - 20 %. Borrowing-based financing covers fluctuations in current financing. Sudden price movements in excess of this, above all in the price of nickel, would necessitate additional financing of working capital over and above the existing credit lines. This additional financing requirement can be covered by a temporary increase in the credit lines such as occurred mid-2007 against the background of extreme increases in the price of nickel. Without this additional financing, it would be necessary to limit the business volume accordingly.

Project financing for the coin blanks business of SAXONIA EuroCoin GmbH is concluded on a case-to-case basis. The aim is to conclude a medium-term credit line for this business, in particular for depositing bank guarantees which is customary in project business. Without this credit line, participation in bidding procedures would be limited, especially in key international projects for coin business.

The group's further development requires the continued improvement of maturity patterns in financing. Following essential measures, which were implemented in 2007 to secure sound financing of the iron-nickel business, it should be possible to align the group's financing even more long-term based on the continuing and stable business trend in 2008.

FINANCIAL POSITION AND PERFORMANCE

In the annual financial statements of the previous year, the individual assets, liabilities and results of the discontinued activities were shown as summarised items in the balance sheet and income statement. After the sales process with respect to SAXONIA EuroCoin GmbH was terminated in October 2007, its assets, liabilities and its earnings and expenses were again included in the individual balance sheet items in the 2007 annual financial statements. The previous year comparative amounts have been restated in accordance with IFRS 5, this results in restatement of the income statement but not the balance sheet, as disclosed in the business year.

To improve transparency and facilitate comparison with the previous year, the group's financial position at 31 December 2006 is shown below, including pro forma SAXONIA EuroCoin GmbH data in addition to data as reported in the business year. Explanations given below concerning comparisons with the previous year relate to this pro forma balance sheet at 31.12.2006.

ASSET POSITION

Assets	31.12.2007		31.12.2006 pro forma		31.12.2006	
	EUR ('000s)	%	EUR ('000s)	%	EUR ('000s)	%
Cash	6,696	5.7 %	2,863	2.1 %	1,776	1.3 %
Derivative financial instruments	1,151	1.0 %	2,679	2.0 %	2,254	1.7 %
Receivables	12,061	10.4 %	13,971	10.5 %	11,009	8.3 %
Inventories	68,273	58.5 %	49,649	37.3 %	45,224	34.0 %
Assets held for sale	0	0.0 %	33,692	25.3 %	56,424	42.4 %
Other	3,830	3.3 %	3,708	2.8 %	2,318	1.7 %
Current assets	92,011	78.9 %	106,562	80.0 %	119,005	89.4 %
Property, plant and equipment	17,691	15.2 %	16,662	12.5 %	11,963	9.0 %
Financial assets	3,831	3.3 %	6,761	5.1 %	78	0.1 %
Deferred taxes	2,686	2.3 %	3,145	2.4 %	2,084	1.5 %
Other	419	0.3 %	16	0.0 %	16	0.0 %
Non-current assets	24,627	21.1 %	26,584	20.0 %	14,141	10.6 %
Total	116,638	100.0 %	133,146	100.0 %	133,146	100.0 %

Compared with the previous year the balance sheet total decreased by EUR 16.5 million. This is primarily due to the disposal of assets held for sale, i.e. the disposal of assets in the consolidated financial statements connected with the sale of shares in SAXONIA Edelmetalle GmbH and the sale of the operational business activities of DN PressTec GmbH.

Inventories rose by EUR 18.6 million in 2007. This rise compared with the previous year is due to the increase of EUR 10.6 million in metal prices and increased inventory volume of EUR 8.0 million. The marked increase in inventory volume in 2007 was mainly caused by smelting production being reduced at the end of the previous year as a result of the rapid increase in the price of nickel and working capital financing not yet being fully

available, while inventory work in process were significantly increased at the end of 2007 to cover the high level of deliveries at the beginning of 2008.

Short-term receivables from operations decreased by EUR 1.9 million. Trade accounts receivable were reduced despite the increase in the price level on the one hand through extending factoring and on the other hand maintained at a low level through consistent accounts receivable management.

The book value of the property, plant and equipment increased slightly on the balance sheet compared with the previous year. Investments of EUR 3.5 million are balanced by depreciation of EUR 2.4 million and special write-offs of EUR 0.2 million. Apart from the conclusion of building measures at SAXONIA EuroCoin GmbH, the investments mainly relate to capital expenditure on rationalisation and replacements.

The reduction in financial assets is due to the sale of the shares in AB Myntverket.

FINANCIAL POSITION

Liabilities	31.12.2007		31.12.2006 pro forma		31.12.2006	
	EUR ('000s)	%	EUR ('000s)	%	EUR ('000s)	%
Bank debts < 12 months	25,676	22.0 %	25,613	19.2 %	25,586	19.2 %
Derivative financial instruments	782	0.7 %	20	0.0 %	3	0.0 %
Trade accounts payable	19,220	16.5 %	15,128	11.4 %	7,405	5.5 %
Provisions	6,523	5.6 %	5,590	4.2 %	4,657	3.5 %
Liabilities associated with assets held for sale	0	0.0 %	21,512	16.2 %	31,423	23.6 %
Other liabilities	1,302	1.1 %	5,812	4.3 %	5,049	3.8 %
Current liabilities	53,503	45.9 %	73,675	55.3 %	74,123	55.6 %
Bank debts > 12 months	293	0.2 %	0	0.0 %	0	0.0 %
Provisions	2,388	2.0 %	2,701	2.0 %	2,455	1.8 %
Other liabilities	258	0.2 %	71	0.1 %	71	0.1 %
Deferred taxes	986	0.9 %	2,163	1.6 %	1,961	1.5 %
Non-current liabilities	3,925	3.3 %	4,935	3.7 %	4,487	3.4 %
Equity	59,210	50.8 %	54,536	41.0 %	54,536	41.0 %
Total	116,638	100.0 %	133,146	100.0 %	133,146	100.0 %

Short-term and long-term liabilities due to banks amounted to EUR 26.0 million, EUR 25.6 thereof were exclusively from borrowing-based loans to finance working capital and EUR 0.4 million investment financing. Restructuring loans of EUR 8.0 million still in existence in the previous year were repaid by September 2007 according to plan. The borrowing-based lines were extended to finance the increased working capital requirement of the group companies.

Liabilities due to suppliers increased by EUR 4.1 million. This was mainly due to significantly higher smelting production towards the end of the business year and the metal supplies required for this compared with the

previous year. Furthermore, once restructuring was completed, customary payment terms were agreed again with suppliers.

The reduction of other liabilities was almost exclusively due to the assumption of liabilities by the buyer in the sale of SAXONIA Edelmetalle GmbH amounting to EUR 4.2 million.

Provisions increased slightly compared with the previous year. This was mainly due to higher provisions for income taxes because of improved performance in the business year.

The decline in deferred tax liabilities primarily resulted from the reduction in the valuation differences for inventories as valued under IFRS.

Equity amounts to approx. EUR 59.2 million at 31 December 2007, and shows an increase of EUR 4.7 million compared with the previous year. This increase results from the 2007 net income plus expenses from share-based remuneration which reduces the net income but not equity. The equity ratio is now 50.8 % and therefore significantly higher than the corresponding ratio of 41.0 % for the previous year. The increase in the equity ratio is due on the one hand to the result for 2007, and on the other hand to the reduction in the balance sheet total because of the disposal of assets held for sale.

EARNINGS POSITION

	2007		2006	
	EUR ('000s)	%	EUR ('000s)	%
Sales	220,624		159,620	
Other operating income	2,631		4,667	
Change in inventories	19,358		5,889	
Capitalised cost of self constructed assets	0		141	
Operating income	242,613	100.0 %	170,317	100.0 %
Cost of materials	-190,967	-78.7 %	-124,819	-73.3 %
Personnel expenses	-17,978	-7.4 %	-17,317	-10.1 %
Other operating expenses	-21,521	-8.9 %	-17,649	-10.4 %
Income from Investments	674	0.3 %	862	0.5 %
EBITDA	12,821	5.3 %	11,394	6.7 %
Depreciation	-2,607	-1.1 %	-2,665	-1.6 %
Exceptional income / expenses	761	0.3 %	-2,658	-1.6 %
Interest income / expenses	-3,309	-1.4 %	-3,412	-2.0 %
Exchange losses	-320	-0.1 %	-894	-0.5 %
Losses / gains from derivatives	-2,659	-1.1 %	2,659	1.6 %
EBT	4,687	1.9 %	4,424	2.6 %
Taxes on income	-1,339	-0.5 %	-1,362	-0.8 %
Profit and loss transfer	0	0.0 %	773	0.5 %
Annual results before result from discontinued operations	3,348	1.4 %	3,835	2.3 %
Results from discontinued operations	0	0.0 %	-7,602	-4.5 %
Annual profit (loss)	3,348	1.4 %	-3,767	-2.2 %

Sales rose 38 % in 2007 from EUR 159.6 million to EUR 220.6 million. They were affected mainly by increases in the prices of metals which were passed on. Prices of nickel in particular were on average significantly higher in 2007 than in the previous year, also including hedging transactions. At the same time, sales volumes also increased. The reason for this was greater customer demand and the further expansion of sales activities.

The increase in sales of EUR 61.0 million and the build up of semi-finished and finished inventory of EUR 19.4 million is balanced by an increase in the cost of materials of EUR 66.1 million which is also directly related to the higher prices of metals and to higher volumes, especially in the business of coin blanks, and to changes in the product mix.

The group shows EBITDA of EUR 12.8 million for the 2007 business year and EUR 11.4 million for the comparative previous year. When reporting under IFRS, the group values stock using the average cost method, as permitted by IAS 2. The LIFO method to value non product-related raw materials, the so-called metal stock, applied to the unconsolidated financial statements according to valuation standards under German GAAP, is

not permissible according to IFRS in consolidated financial statements. While the average value method applied under IFRS led to a positive revaluation of the metal stock by EUR 2.8 million compared with the LIFO valuation in 2006 because of the substantial increase in the price of nickel, the average value which initially increased further in the first half of 2007 exceeded the market price of nickel which fell towards the end of 2007, and therefore had to be written down to net realisable value. This resulted in a devaluation of EUR 0.7 million in the balance sheet. The effect of this is that the group reports results which are affected by increases and decreases in the market price of metals, even if the cost and quantity of stock were to be held constant, which impacts significantly on the comparability of operating results. Given the policy the group practises to cover metal risks, these results produce neither taxable nor distributable results and could only be realised in the event of liquidation.

While the earnings position of the group is explained using the average cost method for the metal stock as well in accordance with IAS 2, we have, for transparency, separated the effect on results of the revaluation of inventories in order to provide comparable sustained operating EBITDA. In order to manage and assess the earnings position, management uses information and key data based on the LIFO valuation:

	2007	2006 restated
	EUR ('000s)	EUR ('000s)
EBITDA according to income statement	12,821	11,394
Less impact of revaluation of stocks	702	-2,794
Operating EBITDA (excluding impact of revaluation of stocks)	13,523	8,600

Operating EBITDA of EUR 13.5 million was realised in the 2007 business year, an increase of EUR 4.9 million or 57 % compared with the previous year. This very welcome improvement in performance is reflected in the persistent continuation of process-oriented improvement processes, increases in margin in material product segments including enhanced product mix and the sales increases achieved. Operating EBITDA as stated above includes the parent company's net expense of EUR 2.8 million.

Net interest expenses of EUR 3.3 million still includes interest paid on the restructuring loans until September 2007 with exceptional high interest margins.

Losses from derivative financial instruments of EUR 2.7 million result from fluctuations in the market value of derivatives from the previous year to be treated as income in order to hedge against fluctuations in the price of metals and foreign currencies according to IFRS / IAS 39. After the corresponding income from positive market values had to be shown at the balance sheet date in the previous year, expenses in 2007 result from the settlement of this item from the previous year. New hedging transactions as of 1 January 2007 are qualified as cash flow hedges according to IAS 39 without affecting income and included in equity without affecting the income statement. As the IAS 39 criteria's are now met, accounting of hedging instruments will not impact the income statement so significantly going forward.

Please refer to the notes concerning the content of individual items in the income statement.

CASH FLOW

Comparison of the cash flow statement with the previous year is also limited because business segments are included which have meanwhile been sold and an adjustment of the previous year's figures has not been made for the cash flow statement.

The DNick group generated a gross cash flow of EUR 13.1 million in the 2007 business year.

Including changes in working capital, business operations (before exceptional items) result in an outflow of funds of EUR 6.0 million. There is a considerable charge to cash flow mainly from the increase of EUR 19.3 million in inventories. Compared with the previous year, the increasing price of metals of EUR 11.3 million and higher inventory volumes of EUR 8.0 million have impacted on this increase in inventories. The increase in trade accounts payable due to a higher purchase volume of metals could only compensate the outflow of funds from the higher inventories to a minor extent because payment terms exist, especially for purchases of crude metals, which are shorter than the actual production cycle.

The cash flow statement shows an inflow of funds of EUR 10.4 million from investment activity which originates mainly from net inflows from the sale of the active operations of Deutsche Nickel PressTec GmbH and the shares in SAXONIA Edelmetalle GmbH. Further proceeds result from the sale of the AB Myntverket joint venture.

The inflow of funds from financing activity is balanced by loan repayments totalling EUR 15.3 million and borrowing of EUR 15.9 million. The loan repayments include EUR 8.0 million for the repayment of the last restructuring loan of DNick Holding plc to Bear Stearns Bank plc as planned. Funds from disinvestments were used for this repayment. New borrowing or the extension of existing lines however is solely for the purpose of financing working capital.

Liquid funds at 31 December 2007 increased to EUR 6.7 million compared with EUR 2.9 million the previous year.

FORECASTS

According to economic experts, the development of the global economy in the current business year will be markedly more restrained than in the previous year. High or even rising prices of raw materials and energy will continue to be a burden on the economic situation in industrial nations. In the USA, stagnation or even a recession in the American economy cannot be excluded not least as a result of the financial crisis. The high growth rates to date in Asian growth markets such as China and India will be reduced. Given the deterioration in the currency parity of the USD in relation to the euro, the European economy will have to adapt to a pronounced stiffening of the competitive position in exports.

Despite this deterioration in the framework of the global economy, the DNick group expects customer demand for iron-nickel to remain at a stable level. The reason for this is that iron-nickel products cover a wide application area, and they are sold to a broadly diversified customer base in different business segments and regions. This means that there is no reliance or just a slight reliance on specific branches or regions. For example, therefore, a temporary weakness in demand for certain products on the American market could be offset by increased order volumes from the Asian market. Sales activities which were intensified in previous years have shown corresponding results. The iron-nickel segment as a whole started the 2008 business year with a good order backlog. Orders received in the first quarter of 2008 are in line with planning and confirm expectations. As far as incoming orders in the future are concerned, however, a wait-and-see attitude must be adopted with respect to the impact of further global economic development and the development of the USD rate.

The coin blanks segment also started the 2008 business year with a good order backlog. Capacities are fully utilised. Interesting international coin projects, where SAXONIA EuroCoin participates in bidding procedures, are expected to produce a good capacity utilisation in the second half of the 2008 business year as well. This will focus on electroplated coins. Additional new production capacities will be available for this in 2008.

Following the implementation of the series of measures in 2006 and 2007, the focus lies on the bars and wires segment in terms of continuing to improve processes and further reducing production and delivery times. Capacity in the smelting plant in Schwerte for in-house processing hitherto unused will be used increasingly for toll manufacturing for third parties. In the strips segment, the focus is on achieving a further increase in sales of plated strips along with developing new applications. Capacity bottlenecks at individual processing stages which currently still exist will be eliminated through targeted investments in equipment which currently causes bottlenecks. In the coin blanks segment, the focus is on optimizing in-house processes and systems according to the investment programme concluded in the previous year.

As far as the essential ingredient nickel is concerned, a more stable price situation is expected in 2008 compared with the previous year with a band of fluctuation between 28 – 32,000 USD/t. As in the previous year, greater fluctuations cannot be excluded if speculative elements intervene in pricing. The price spread of nickel is therefore clearly above the 2004 and 2005 price spread of about 12-15,000 USD/t. This price increase, however, is balanced by the distinctly falling USD rate which weakened further at the beginning of 2008. The performance of the DNick group is not directly affected by these fluctuations in the price of metals because the price of metals for the main alloys is essentially quoted in the customer contracts on the basis of the LME prices. This affects the amount of sales invoiced and cost of materials only. The physical supply of nickel requirements is assured through relevant master agreements with different suppliers.

Given the persisting high level of metal prices, above all nickel, working capital will continue at a high in 2008. Taking into account the planned increase in sales volumes in 2008, working capital will remain at about the

same level as at the end of 2007 if metal prices are constant, and will therefore not be a strain on cash flow as in 2007.

Investments in the group's property, plant and equipment in 2008 will be slightly above the level of the depreciation at approx. EUR 2.6 million. After conclusion of the investments in 2006 and 2007, which were due to the relocation of SAXONIA EuroCoin GmbH to the Halsbrücke site, no major investment projects are pending in 2008.

In February 2008, DNick established the joint venture "Innovative Clad Solutions Private Limited" in India together with two industrial partners as part of corporate strategy to develop the core iron-nickel business consistently by expanding and strengthening the market position. The joint venture will build a new production plant for plated strips in India. Profit contributions from the joint venture are planned from 2010 onwards following a one-year start-up phase prior to commencement of production which is planned in spring 2009.

Given a stable economic environment, the DNick group expects sales and operating EBITDA (excluding revaluation of inventories) in 2008 of at least the same figure as in the 2007 business year. On this basis, net income for the year should therefore increase significantly.

INFORMATION ON SHARES

Shares in DNick Holding plc have been traded on the unofficial market on the Frankfurt securities exchange since 18 April 2006.

ISIN: GB00B06ZX541
WKN: A0D9RZ
Stock exchange symbol: D2H

The appointed paying agent and depository is the Bank of New York, London, United Kingdom (UK).

Key data of the DNick share

		2007	2006
Closing price in Frankfurt at year-end	in euros	6.40	9.45
High	in euros	10.92	13.70
Low	in euros	6.04	8.70
Market capitalisation at year-end	in million euros	35.5	51.0
Number of shares issued at year-end	in number	5,544,484	5,402,103

The share price fell in value towards the end of 2006 after it was admitted to be traded on the unofficial market, and it was quoted at EUR 9.45 on 31 December 2006. The share was traded between EUR 8 - 11 until the middle of 2007, then contrary to the general stock market trend weakened at the end of the year, at a closing price of EUR 6.40. It should be remembered here that following the conclusion of the CVA, former bond holders made use of the fungibility of the share achieved after the debt/equity swap and sold accordingly. The average trading volume was comparatively low in 2007 as well and was almost 5,500 shares per day with some substantial fluctuations.

Undiluted earnings per share according to IAS 33 are as follows:

	2007 EUR ('000s)	2006 EUR ('000s)
Group's result	3,348	-3,767
Less result from discontinued activities	0	-7,602
Result from continuing activities	3,348	3,835
Weighted average number of shares	5,485,696	5,402,103
Undiluted result per share (in EUR)	0.61	0.71

Excluding the revaluation impact according to IAS 2 of the non contract-related metal stock, the losses/gains from derivatives as well as the expensed share based remuneration, all of these without any cash flow impact, and excluding the exceptional results, earnings per share – in consideration of respective deferred taxes - would be at EUR 1.13 /share (2006 on a comparable basis: EUR 0.70 /share).

On the balance sheet date 31 December 2007, options existed of up to 126,834 shares in line with a management incentive plan. Should these options be taken up in their entirety, the number of issued shares would increase to 5,671,318. Correspondingly, this would result in diluted earnings per share of EUR 0.60/share.

Confirmed by the Board and signed by:



Dr. Götz-Peter Blumbach
Director



Franz-Josef Seipelt
Director

London, 14 May 2008

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DNICK HOLDING PLC

We have audited the group and parent company financial statements (the "financial statements") of DNick Holding plc for the year ended 31 December 2007 which comprise the group income statement, the group balance sheet, the group statement of changes in equity, the group cash flow statement, the principle accounting policies, notes 1 to 37 to the group financial statements, the parent company profit and loss account, the parent company balance sheet and notes 1 to 20 of the parent company financial statements. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Directors and the Management Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

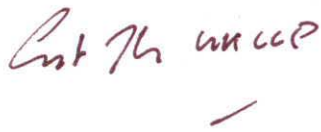
In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2007 and of its profit for the year then ended;
- the group financial statements have been properly prepared in accordance with the Companies Act 1985;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the parent company's financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Separate opinion in relation to IFRSs

As explained in the accounting principles section to the group financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the group financial statements give a true and fair view, in accordance with IFRSs, of the state of the group's affairs as at 31 December 2007 and of its profit for the year then ended.



GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

LONDON
14 MAY 2008

Note: The maintenance and integrity of the DNick Holding PLC website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



DNick Holding plc
Group Accounts 2007



DNick Holding plc - Group Income Statement for the Year 2007

	Notes	2007 EUR	2006 EUR Restated
1. Sales	(24)	220.624.464	159.620.422
2. Other operating income	(25)	2.631.271	4.667.020
3. Changes in inventories of finished goods and work in process		19.357.147	5.888.775
4. Own work capitalised		0	140.954
Operating income		242.612.882	170.317.171
5. Cost of materials		-190.966.786	-124.819.241
a) Cost of raw materials, consumables and supplies and of purchased merchandise		-177.827.917	-114.852.409
b) Cost of purchased services		-13.138.869	-9.966.832
6. Staff costs		-17.977.867	-17.317.040
a) Wages and salaries		-15.094.683	-14.314.360
b) Social security and other pension costs		-2.883.184	-3.002.680
7. Other operating expenses	(26)	-21.446.018	-17.608.826
8. Other taxes		-75.150	-40.414
Sub-total (5.-8.)		-230.465.821	-159.785.521
9. Share in profit and loss of associates and joint ventures accounted for at equity		674.218	785.057
10. Income from other investments		0	76.729
Earnings before interest, taxes and depreciation / amortisation (EBITDA)		12.821.279	11.393.436
11. Amortisation / depreciation of intangible assets and property, plant and equipment	(27)	-2.607.334	-2.664.601
12. Exceptional income	(28)	1.818.692	242.643
13. Exceptional expenses	(28)	-1.058.091	-2.900.207
14. Interest and similar income	(29)	191.368	343.739
15. Interest and similar expenses	(29)	-3.500.173	-3.755.759
16. Exchange losses	(30)	-320.400	-894.716
17. Losses / gains from derivatives	(30)	-2.659.023	2.659.023
Earnings before taxes and income from profit and loss transfer agreements		4.686.318	4.423.558
18. Taxes on income	(31)	-1.338.750	-1.361.410
a) Actual taxes		-2.029.261	-1.290.312
b) Deferred taxes		690.511	-71.098
19. Income from profit and loss transfer agreements		0	772.739
Net profit for the year before result from discontinued operations		3.347.568	3.834.887
20. Result from discontinued operations	(32)	0	-7.601.559
Net profit / loss for the year		3.347.568	-3.766.672
Basic earnings per share from continuing operations	(33)	0,61	0,71
Diluted earnings per share from continuing operations	(33)	0,60	0,66
Basic earnings per share from discontinued operations		0,00	-1,41
Diluted earnings per share from discontinued operations		0,00	-1,30
Basic earnings per share		0,61	-0,70
Diluted earnings per share		0,60	-0,65

DNick Holding plc - Group
Balance Sheet as at 31 December 2007

	Notes	2007		2006	
		EUR	EUR	EUR	EUR
A. Current assets					
I. Cash and cash equivalents	(2)		6.695.572		1.775.674
II. Trade receivables / other assets					
1. Trade receivables	(3)	12.042.718		9.254.365	
2. Receivables from affiliates	(4)	0		1.744.939	
3. Receivables from associates	(5)	18.698		9.094	
4. Derivatives	(6)	1.150.703		2.253.935	
5. Other assets	(7)	3.342.512		2.167.495	
Total receivables / other assets			16.554.631		15.429.828
III. Inventories					
1. Raw materials, consumables and supplies		11.166.554		7.862.204	
2. Work in process		40.148.876		24.882.036	
3. Finished goods and merchandise		16.890.833		11.990.987	
4. Prepaid inventories		66.631		489.047	
Total inventories	(8)		68.272.894		45.224.274
IV. Prepaid expenses					
1. Other prepaid expenses		488.355		151.413	
Total prepaid expenses			488.355		151.413
Total current assets			92.011.452		62.581.189
B. Disposal group assets held for sale	(9)		0		56.423.552
C. Non-current assets					
I. Intangible assets					
1. Concessions, industrial rights, licences, etc.		66.167		29.951	
Total intangible assets	(10.1)		66.167		29.951
II. Property, plant and equipment					
1. Land, land rights		3.139.502		3.359.630	
2. Buildings, buildings on third-party land		7.166.355		4.686.555	
3. Technical equipment and machinery		5.644.670		2.849.020	
4. Other equipment, furniture, fixtures and office equipment		1.625.536		1.028.628	
5. Prepayments and assets under construction		48.615		9.297	
Total property, plant and equipment	(10.2)		17.624.678		11.933.130
III. Investments					
1. Investment in joint venture		3.234.027		0	
2. Other investments		1		0	
Total investments	(10.3)		3.234.028		0
IV. Non-current receivables					
1. Other loans		596.821		78.039	
Total non-current receivables	(10.3)		596.821		78.039
V. Deferred tax assets	(11)		2.686.176		2.083.927
VI. Other assets	(7)		418.938		15.778
Total non-current assets			24.626.808		14.140.825
Total assets			116.638.260		133.145.566

	Notes	2007		2006	
		EUR	EUR	EUR	EUR
A. Current liabilities					
1. Current liabilities to banks	(12)	25.675.563		25.585.722	
2. Current finance lease liabilities		61.560		156.551	
3. Prepayments received		319.631		198.876	
4. Trade payables	(13)	18.901.024		7.206.417	
5. Provisions					
a) Current tax provision	(14)	2.095.604		718.588	
b) Other provisions	(15)	4.427.549		3.938.040	
6. Liabilities to affiliates	(16)	0		4.154.553	
7. Derivatives	(6)	781.745		2.937	
8. Deferred income	(17)	202.903		32.438	
9. Other current liabilities	(18)	1.037.676		705.795	
Total current liabilities			53.503.255		42.699.917
B. Liabilities associated with disposal group assets held for sale	(9)		0		31.422.780
C. Non-current liabilities					
1. Non-current liabilities to banks	(19)	292.742		0	
2. Non-current finance lease liabilities		197.034		0	
3. Deferred tax liabilities	(11)	985.958		1.961.429	
4. Non-current provisions					
a) Provisions for Pensions	(20)	1.419.977		1.648.366	
b) Other provisions	(21)	968.366		806.362	
5. Other non current liabilities		61.164		70.664	
Total non-current liabilities			3.925.241		4.486.821
D. Equity					
1. Issued capital		80.686		78.601	
2. Capital reserve		52.671.539		94.241.928	
3. a) Merger reserve		-10.827.314		-12.018.191	
b) Revaluation reserve		258.270		1.032.734	
c) Foreign exchange translation reserve		-712.743		-205.997	
4. Retained profits / accumulated losses brought forward		14.391.758		-24.826.355	
5. Net profit / loss for the year		3.347.568		-3.766.672	
Total equity	(22) / (23)		59.209.764		54.536.048
Total equity and liabilities			116.638.260		133.145.566

Approved by the Board and signed on its behalf by:



Dr. Götz-Peter Blumbach
Director



Franz-Josef Seipelt
Director

London, 14 May 2008

DNick Holding plc - Group
Statement of Changes in Equity for the Year 2007

EUR ('000s)	Notes	Share Capital	Capital Reserve	Merger Reserve	Revaluation Reserve	Translation Reserve	Profit Reserve	Total
Balance as at 01/01/06		73	93.579	-12.018	-703	186	-24.826	56.291
1. Joint venture and associate valuation	(22)				1.736			1.736
2. Currency translation differences	(22)					-392	-89	-481
3. Net loss for the year							-3.678	-3.678
Total recognised income and expense for the period		73	93.579	-12.018	1.033	-206	-28.593	53.868
4. Issued Capital	(22)	6						6
5. Share award costs	(23)		662					662
Total equity as at 31/12/06		79	94.241	-12.018	1.033	-206	-28.593	54.536

EUR ('000s)	Notes	Share Capital	Capital Reserve	Merger Reserve	Revaluation Reserve	Translation Reserve	Profit Reserve	Total
Balance as at 01/01/07		79	94.241	-12.018	1.033	-206	-28.593	54.536
1. Revaluation of hedge instruments	(22)				369			369
2. Deferred taxes on hedge instruments	(22)				-111			-111
3. Currency translation differences	(22)					-507		-507
4. Net profit for the year							3.348	3.348
Total recognised income and expense for the period		79	94.241	-12.018	1.291	-713	-25.245	57.635
5. Issued Capital	(22)	2						2
6. Share award costs	(23)		1.572					1.572
7. Share award costs realised on share issue	(22)		-1.325				1.325	0
8. Reserves transfers	(22)		-41.817	1.191	-1.033		41.659	0
Total equity as at 31/12/07		81	52.671	-10.827	258	-713	17.739	59.209

DNick Holding plc - Group
Cash Flow Statement for the Year 2007

	2007 EUR ('000s)	2006 EUR ('000s)
EBITDA from continuing operations	12.821	11.393
EBITDA from discontinued operations	0	13.058
EBITDA	12.821	24.451
+/- Increase/decrease in non-current accruals	-312	258
-/+ Other non-cash income/expenses	1.438	-255
- Payments for taxes on income	-803	-1.658
Gross-Cash-Flow	13.144	22.796
-/+ Increase/decrease in inventories	-19.327	-17.246
-/+ Increase/decrease in trade receivables	-360	-1.642
+/- Increase/decrease in trade payables	3.757	8.683
+/- Increase/decrease in short term accruals	-456	-9.157
-/+ Increase/decrease in other working capital	1.127	-3.185
- Currency losses	-320	-1.077
- Interest payments	-3.533	-5.102
Cash used by operating activities excluding exceptional business transactions	-5.968	-5.930
+/- Cash used by exceptional business transactions	-772	-2.024
Cash used by operating activities including exceptional business transactions	-6.740	-7.954
Cash-Flow from investing activities		
- Capital expenditure	-3.485	-5.298
+ Proceeds from disposal of non-current assets	308	616
+ Cash received from the divestment of discontinued operations	9.621	0
+ Cash received from the divestment of associated companies	3.987	0
Cash provided / used by investing activities	10.431	-4.682
Cash-Flow from financing activities		
+ Capital issued	2	6
-/+ Cash used / received for the redemption of other loans	-19	2.545
+ Cash received from the issue of bankloans	15.932	31.114
- Cash paid for the redemption of bankloans	-15.339	-21.589
+/- Borrowing / repayment payables of finance lease	102	-174
Cash provided by financing activities	678	11.902
Net change in cash and cash equivalents	4.369	-734
+/- Effect of foreign exchange rate changes	-536	-227
+ Cash at beginning of the year	2.863	5.057
Cash and cash equivalents at year end	6.696	4.096
Cash and cash equivalents of continuing operations	6.696	2.863
Cash and cash equivalents of discontinued operations	0	1.233

NOTES TO THE GROUP ACCOUNTS

ACCOUNTING POLICIES

GENERAL

DNick Holding plc is a public limited company under English Law which is registered in London, United Kingdom. The registered office of DNick Holding plc is No 1 Poultry, London, EC2R 8JR, United Kingdom (UK). The business place and administrative centre of the company is Rosenweg 15, 58239 Schwerte, Germany.

The business is registered at Companies House in the United Kingdom under number 5398216. It was registered on 18 March 2005. A branch in Germany has been registered at the local court of Hagen under number HRB 7769. It was registered on 3 December 2007.

Shares in DNick Holding plc are traded on the unofficial market on the Frankfurt stock exchange with the security identification number A0R9R7.

The principal business activities of DNick Holding plc and its subsidiaries are the manufacture and sale of metal products and other materials, in particular in the field of semi-finished products as well as circular blanks for coins and medals.

The group's activities can be divided into the following segments:

- bars and wires
- strips
- blanks for coins and medals
- Holding company activities / Other

The recycling and processing of precious metals and cups segments, which were part of the business of the DNick group in the previous year, were sold during the 2007 business year.

The consolidated financial statements are presented in Euro. Unless otherwise indicated, all amounts are given in thousand euros (EUR '000s).

The business year of DNick Holding plc and all companies included in the consolidated financial statements corresponds to the calendar year.

The income statement has been presented using the total cost method.

GOING CONCERN

The consolidated financial statements are prepared on the "going concern" basis. All restructuring loans were paid back in full during the business year; the only credit lines are to finance working capital of the operating group companies. These loans or credit lines will be payable within 14 months from the balance sheet date. The Board assumes that renewed credit facilities will be assured in the group to continue business operations and to finance working capital. If existing loans and credit lines are not renewed or extended, contrary to expectations, there would be an unavoidable impact on the business development and operations.

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the International Accounting Standard Board.

APPLICATION OF AMENDED AND NEW STANDARDS AND INTERPRETATIONS

The following revised standards have been applied for the first time in the 2007 business year:

- IFRS 7 Financial Instruments: Disclosures
- Amendments to IFRS 1
- Amendment to IAS 1 Capital Disclosures

The following interpretations have been applied for the first time in the 2007 business year:

- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8 Scope of IFRS 2
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment

The accounting regulations applied for the first time have no significant effect on the DNick group, other than the adoption of IFRS 7, as detailed below.

No new accounting regulations were published in the 2007 business year.

The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the Group's 2007 financial statements:

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
- Amendment to IAS 32 Financial Instruments: Presentation (effective 1 January 2009)
- IAS 27 Consolidated and Separate Financial Statements (revised 2008) (effective 1 July 2009)
- Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (effective 1 January 2009)
- IFRS 3 Business Combinations (revised 2008) (effective 1 July 2009)
- IFRS 8 Operating Segments (effective 1 January 2009)
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

Based on the Group's current business model and accounting policies, management does not expect material impacts on the Group's consolidated financial statements when the pronouncements become effective.

Pronouncements which become effective from 1 January 2009 will be applied for the first time in the Group's 2009 consolidated financial statements; pronouncements which become effective from 1 July 2009 will be applied for the first time in the Group's 2010 consolidated financial statements. The Group does not intend to apply any of these pronouncements early.

The layout of the balance sheet by maturity corresponds to that specified by IAS 1. Assets and liabilities are considered to be short term if they are due within one year. Accordingly, assets and liabilities are classed as long term if they remain in the group for longer than one year. Receivables and trade accounts payable as well as inventories are shown as short-term items. Deferred tax claims and liabilities on the other hand are shown as long term.

ADOPTION OF IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES

Disclosure is mandatory for reporting periods beginning on 1 January 2007 or later. The new Standard replaces and amends disclosure requirements previously set out in IAS 32 "Financial Instruments: Presentation" and has been adopted by the Group in its 2007 consolidated financial statements. All disclosures relating to financial instruments, including all comparative information, except for activities, assets and liabilities classified as held for sale / discontinued in the prior year, have been updated to reflect the new requirements. In particular, DNick Holding plc's consolidated financial statements now feature:

- a sensitivity analysis to explain the Group's market risk exposure in regards to its financial instruments; and
- a maturity analysis that shows the remaining contractual maturities of financial liabilities,

at each balance sheet date. The first-time adoption of IFRS 7, however, has not resulted in any prior period adjustments of cash-flows, net income or balance sheet line items.

APPLICATION OF IAS 39 HEDGE ACCOUNTING CRITERIA

The group uses financial instruments which include cash flow hedges. The group has met and applied the IAS 39 hedge accounting criteria for the first time for hedging contracts entered into from 1 January 2007. In accordance with the Standard, no restatement of prior period data has been made; the impact of meeting the hedge accounting criteria is set out in further detail under "Derivative Financial Instruments," below.

RECLASSIFICATION OR COMPARATIVE DATA

As disclosed in Note 9, the company classified the operations of three group companies as discontinued in the consolidated financial statement for 2006, in accordance with IFRS 5. During the current year, one of these operations was reclassified as part of continuing operations which has resulted in a prior period restatement to the income statement and associated notes. In accordance with IFRS 5 no restatement of the balance sheet has been made.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include DNick Holding plc as well as all domestic and foreign companies controlled by it. As a rule, control is deemed to exist if DNick Holding plc owns indirectly or directly a majority of the voting rights of the subscribed capital of a company and / or can determine the financial and business policy of this company. The parent company has a 100 % holding in each subsidiary.

The following companies are included in the consolidated statements:

- Deutsche Nickel GmbH, Schwerte / Germany
- Deutsche Nickel America Inc., Lincoln, RI / USA
- Auerhammer Metallwerk GmbH, Aue / Germany
- DN Real Estate GmbH, Schwerte / Germany
- DN Service GmbH, Schwerte / Germany (formerly DN PressTec GmbH)
- SAXONIA EuroCoin GmbH, Halsbrücke / Germany

DN PressTec GmbH, Schwerte, to which the cup segment was allocated, and which was included in the consolidated financial statements in the previous year, sold its entire operational business activities through an asset deal with economic effect as of 1 January 2007. The company retained mainly pension liabilities towards employees who had already left the company. The company was renamed DN Service GmbH during the year; the company's object is solely to provide administration and service in connection with the remaining pension liabilities.

SAXONIA Edelmetalle GmbH GmbH, Halsbrücke, which was included in the consolidated financial statements in the previous year, was sold with economic effect as of 1 January 2007. Deconsolidation was effected as of 1 January 2007.

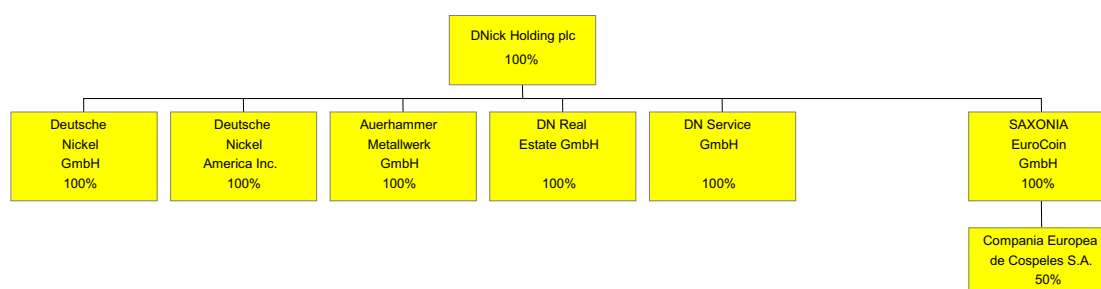
EU Coin InterCo Ltd., London / UK, which was included in the consolidated financial statements in the previous year, had already ceased activities in the 2006 business year and no longer had any assets or liabilities. The company was wound up in the 2007 business year; deconsolidation was effected as of 1 January 2007.

The following entity is classified as a joint venture and is included in the consolidated financial statements under the equity method:

- Compania Europea de Cospeles S.A., Madrid / Spain

In the prior year, the company also held an investment in AB Myntverket, Eskilstuna / Sweden, which was classified as an associate and accounted for under the equity method. On 1 August 2007, SAXONIA EuroCoin GmbH sold its 50 % shares in AB Myntverket. The company is no longer included in the consolidated financial statements.

The group structure of the fully consolidated companies and those included using equity accounting is as follows:



CONSOLIDATION PRINCIPLES

The consolidated financial statements include DNick Holding plc as well as all domestic and foreign companies controlled by it. As a rule, control is deemed to exist if DNick Holding plc owns indirectly or directly more than 50 % of the voting rights of the subscribed capital of a company and as a result can determine the financial and business policy of this company to its economic advantage. The company is included in the consolidation from the date on which control is considered to exist and is excluded from the date on which control ceases to exist.

The subsidiaries acquired during the year 2005 through the restructuring of the former Deutsche Nickel AG (subsequently: DNick Ltd. (CVA)) have been accounted for using merger accounting principles. Each of the subsidiaries was acquired as part of the reconstruction of the former Deutsche Nickel AG group. Since this reconstruction was made to enable those former subsidiaries of Deutsche Nickel AG acquired by DNick Holding plc to continue their operations as going concerns, rather than a purchase by an unrelated third party, the directors consider merger accounting to be the most appropriate basis to inform readers of the financial statements of the results and statement of affairs of the group. Since the subsidiaries were incorporated, these transactions do not fall within the scope of application of mergers regulated in IFRS 3.

Under merger accounting principles, no adjustment is made to fair values of the assets and liabilities acquired, and the results are included throughout the year with no elimination of the pre-acquisition period.

Capital consolidation is implemented by offsetting the investment book values against the equity of the subsidiaries at the time of the initial consolidation, the difference being offset against the consolidation reserves. Changes to the investment book values and/or equity of the subsidiaries are eliminated in subsequent consolidation.

The respective assets and liabilities, including any related goodwill or difference from the first consolidation of the holding being sold, are compared with the amount realised in the deconsolidation. Any difference is reported in the income statement.

The acquisition costs of joint venture and associate investment holdings, consolidated using equity accounting, are increased or decreased annually according to changes in the equity of the investee of the DNick group. The principles applying to full consolidation are applied for the allocation and adjustment of any differences between the acquisition costs of the investment and the proportionate equity of the investee under the equity method. There is no market price for the investments valued using equity accounting.

In principle, the assets, liabilities and deferred items as well as income and expense contained in the corresponding individual financial statements are included in the consolidated financial statements.

Intra-group receivables and payables are netted against each other and eliminated. Intra-group sales, profits and losses as well as all other income and expense are eliminated on consolidation.

Intra-group profits on inventories transferred within the group that relate to deliveries between group companies are eliminated on consolidation.

Intra-group profits on the transfer of property, plant and equipment within the group that relate to deliveries made and services provided between group companies are also eliminated on consolidation.

The consolidated financial statements have been prepared applying uniform accounting and valuation principles.

Investments in associates, which normally involve a share of between 20 and 50 % in the equity capital, and joint ventures are recognised using the equity method. The company performs an annual review of the value of its investments in associates and joint ventures. The investment book values for these investments are increased or decreased annually according to the changes in equity relating to the proportion of share capital held.

CURRENCY CONVERSION

Foreign subsidiaries included in the basis of consolidation are independent from a financial, economic and organisational standpoint. Their reporting currency is the currency of the country in which they are located. The balance sheets of the foreign subsidiaries are translated using the exchange rate prevailing at the year-end, profit and loss items are translated using the average exchange rate for the year. All resultant exchange differences are recognised in accumulated currency differences within equity. In the event that a foreign subsidiary is sold, the accumulated amount of currency differences is recognised as income or expense in the same period in which the profit or loss is realised.

In general, transactions denominated in foreign currency are translated using the exchange rate applicable on the date the transaction is entered into. Any exchange differences are recognised in profit or loss.

For the purposes of converting foreign currency transaction amounts during the period into euros, the applicable transaction rate is used. At the year end, open foreign currency balances are converted using the market rate on the reporting date and the currency differences are recorded within net income.

The exchange rates against the euro affecting the group accounts have changed as follows:

Exchange rates

		Middle price in € on the balance sheet date		Middle price in € as annual average	
		31.12.2007	31.12.2006	2007	2006
USA	1 USD	0.67942	0.75798	0.72842	0.79641
United Kingdom	1 GBP	1.35707	1.48516	1.46148	1.46688

ACCOUNTING AND VALUATION METHODS

The individual financial statements included in the consolidated financial statements have been prepared in accordance with the IFRS/IAS international accounting standards and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The accounting and valuation principles as prescribed by IFRS were implemented as set out in IFRS 1 as if IFRS/IAS standards had always been applied, i.e. retrospectively, unless otherwise stated. The adjustments required to be made on the first-time adoption of the IFRS/IAS accounting and valuation principles were recognised in equity through retained earnings.

The amounts stated in the consolidated financial statement are determined solely by the economic substance of the asset, financial and earnings position in the context of the requirements of the IASB and unaffected by tax regulations.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements.

The balance sheet format is on the basis of maturity, in accordance with IAS 1.

In the 2006 consolidated financial statements SAXONIA EuroCoin GmbH was classified as a discontinued operation, its assets being disclosed in the single line item "disposal group assets held for sale" and liabilities in the single line item "liabilities associated with disposal group assets held for sale". During 2007 SAXONIA EuroCoin GmbH was reclassified as a continuing operation and the assets and liabilities of the company are split out in full; no restatement of the balance sheet in the prior year has been made.

FINANCIAL ASSETS

Financial assets other than hedging instruments are divided into the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses is recognised in profit or loss or directly in equity. See Note 1 for a summary of the Group's financial assets by category.

Generally, the Group recognises all financial assets using settlement day accounting. An assessment of whether a financial asset is impaired is made at least at each reporting date. All income and expense relating to financial assets are recognised in the income statement line item "Other operating income" or "Other operating expenses," respectively, other than interest income and expense, which is recognised under "Interest and similar income" and "Interest and similar expenses" respectively.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their fair value is recognised in profit or loss. The Group's trade and most other receivables fall into this category of financial instruments. Discounting, however, is omitted where the effect of discounting is immaterial.

Significant receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default.

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. By definition, all derivative financial instruments that do not qualify for hedge accounting fall into this category. The Group has no other type of financial instruments which currently fall within this category. Any gain or loss

arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

CURRENT ASSETS

CASH AND CASH EQUIVALENTS

Cash includes cash on hand and balances at banks.

Cash equivalents are short-term highly liquid assets, which can be quickly converted into cash and have an original maturity of up to 3 months and are not subject to any substantial fluctuations in value. These include cash deposits amounting to 10 % on the receivables sold and assigned to factoring companies, which are released as available cash following payment of the original receivable by the customer.

RECEIVABLES AND OTHER ASSETS

Receivables and other assets are recognised at their recoverable value. Receivables denominated in foreign currency are translated using the exchange rate prevailing at the balance sheet date. Receivables and other assets denominated in foreign currency that have been translated into euros as part of the consolidation of foreign subsidiaries were translated using the spot rate prevailing at the balance sheet date.

All receivables and other assets are reviewed annually for impairment at the balance sheet date.

INVENTORIES

Inventories include, in accordance with IAS2, those assets which are held for sale in the normal course of business (finished products and goods), those which are in production for sale (unfinished products) or those which are used in the course of production or the provision of services (raw materials, auxiliary materials, supplies). Inventories are valued at the lower of the acquisition or production costs identified using the average cost method and their net value on realisation, i.e. the sales revenue achievable in the normal course of business less the estimated finishing and sales costs.

The production costs of unfinished and finished products include all costs which are directly attributable to the production process plus a proportionate amount of production-related overheads. Financing costs are not included. The allocated fixed and variable overheads are based on detailed cost calculations prepared as part of the current cost accounting statements. General administration costs are not included. Write-down to the net value on realisation is carried out as necessary.

Commodities are recognised at the lower of acquisition cost and their fair value.

PREPAID EXPENSES

These include payments made for expenses relating to future periods, these all have a term of up to one year.

DISPOSAL GROUP ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Individual assets or groups of assets previously held in the long term, the sale of which is expected within the next twelve months, are capitalised at the lower of the updated book value at the time of reclassification and the estimated achievable net value on realisation.

If the conditions for disclosure according to IFRS 5 no longer exist under the assets held for sale, these assets will be disclosed under the respective balance sheet items.

NON-CURRENT ASSETS

INTANGIBLE ASSETS

Intangible assets acquired for consideration are measured at acquisition or production cost in accordance with IAS 38 and are amortised systematically on a straight-line basis over their useful lives. Software is amortised over a period of between 3 and 5 years. Costs of debt raised for general working capital use are not capitalised.

Expected permanent loss of value which exceeds normal wear and tear is accounted for by recording impairment, affecting operating results. Where events indicate or there is evidence of a reduction in value, a recoverability test is carried out to compare the book value of an asset with the recoverable amount.

If the basis of an impairment loss recognised in previous years no longer applies, appropriate revaluation is recorded as other income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, excluding land and buildings, are recognised in accordance with IAS 16 at acquisition or production cost and are depreciated on a systematic basis over their useful lives.

The original acquisition and production costs include the purchase price as well as any directly attributable ancillary purchase costs and any costs attributable to bringing the asset to the condition necessary for it to be capable of being operated. A proportion of overhead costs are included in the production costs of self-constructed assets in addition to the direct costs.

Property, plant and equipment are depreciated over their estimated useful lives. To the extent permitted, movable assets are depreciated under the diminishing balance method. The depreciation period and method are reviewed annually at the end of the financial year. The remaining property, plant and equipment are depreciated on a straight-line basis.

The depreciation periods in years are as follows:

Property, plant and equipment	years
Buildings	10 – 40
Plant and machinery	3 – 20
Furniture and office equipment	2 – 10

Buildings are carried at their cost less any accumulated depreciation. Freehold land is not subject to depreciation.

Expected permanent loss of value which exceeds normal wear and tear is accounted for by recording impairment, affecting operating results. Where events indicate, or there is evidence of a reduction in value, a recoverability test is carried out to compare the book value of an asset with the recoverable amount. Material residual value estimates are updated as required, but at least annually.

If the basis of an impairment loss recognised in previous years no longer applies, appropriate revaluation is recorded as other income.

Leased property, plant and equipment, which are regarded economically as asset purchases with long-term financing, i.e. finance leases, are reported in the balance sheet at the time of acquisition at fair value in accordance with IAS 17. Depreciation is recognised over the economic life.

INVESTMENTS

Investments in associates and joint ventures are accounted for using the equity method in accordance with IAS 28, whereby the initial acquisition cost is adjusted annually for post-acquisition changes in the proportionate share of equity of the associates/joint ventures, including profits and losses.

Other investments are recognised at acquisition cost and relate to simple investments where no significant influence or control can be exercised. If there are indications of an impairment, an impairment loss is recognised on the investment. If the reasons for the impairment cease to exist, the impairment loss is reversed up to a maximum of the original acquisition cost.

NON-CURRENT RECEIVABLES

Non-current receivables include other loans and are valued and recognised at their recoverable amount.

Non-current receivables are discounted to a lower value on the balance sheet date, where impairment is expected to be permanent.

DERIVATIVE FINANCIAL INSTRUMENTS / CASH FLOW HEDGE ACCOUNTING

A specific accounting treatment is required for derivatives that are designated as hedging instruments in cash flow hedge relationships. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence, hedge effectiveness and reliability of measurement. All other derivative financial instruments are accounted for at fair value through profit or loss.

For the year to 31 December 2007, the Group has designated certain forward currency contracts and metal price forwards as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate the fluctuations in future currency and metal prices respectively. For the year to 31 December 2007, this results in recognition of financial assets and liabilities which are presented within "Derivatives" within current assets and current liabilities respectively, on the face of the balance sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are reported in equity and "recycled" when the hedging relationship ceases - normally, when the hedged transaction occurs. At the time the hedged item affects profit or loss, any gain previously recognised in equity is released to the income statement. However, if a non-financial asset or liability

is recognised as a result of the hedged transaction, the gains and losses previously recognised in equity are included in the initial measurement of the hedged item. If a forecast transaction is no longer expected to occur or if the hedging instrument becomes ineffective, any related gain or loss recognised in equity is immediately transferred to the income statement.

The Group's hedging instruments did not meet the documentation requirements of IAS 39 hedge accounting criteria in the previous year and were therefore accounted for as held-for-trading at fair value through profit or loss.

DEFERRED TAXES

Deferred taxes are determined under the liability method in accordance with IAS 12 and reflect the tax effect of temporary differences between the carrying amount of assets and liabilities recognised in the consolidated financial statements and in the separate tax balance sheets. Deferred tax assets and liabilities are determined using the expected tax rates applicable for the accounting periods in which these differences in assets and liabilities are expected to reverse. The current applicable tax rates were applied under the assumption that these tax rates will remain in force in the future. At the balance sheet date, tax rates of 30 %, valid under corporate tax reform as of 1 January 2008 in Germany, were applied.

Deferred tax assets are recognised where a tax benefit is expected to arise from future carry forward of tax losses and for temporary differences between the tax balance sheet and the consolidated balance sheet. No impairment on deferred taxes on temporary differences has been made. A deferred tax asset is not recognised where tax losses are not expected to be utilised in future periods.

Any tax consequences arising on profit distributions are first accounted for on the date the resolution regarding the appropriation of profits is passed.

Deferred tax assets and liabilities are not offset.

FINANCIAL LIABILITIES

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method. A summary of the Group's financial liabilities by category is given in note 1.

All of the Group's derivative financial instruments that are not designated as hedging instruments in accordance with the strict conditions explained above under "Cash Flow Hedge Accounting" are accounted for at fair value through profit or loss by definition.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements in the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss, are included in the income statement lines items "interest and similar expenses".

CURRENT LIABILITIES

CURRENT FINANCIAL LIABILITIES

Financial liabilities include liabilities to banks, current leasing liabilities, deposits received, trade accounts payable, liabilities to affiliated companies, liabilities to associated companies, derivative financial instruments with negative fair values and other financial liabilities.

Current financial liabilities are recognised at the time they come into effect after debt issuance cost at fair value less transaction costs. Liabilities which are not subject to interest at the market interest rate are initially measured at fair value and thereafter at amortised cost using the effective interest rate method.

Liabilities from finance leases are shown at the fair value of the leased item or the cash value of the minimum lease payment, where this is lower, at the time the contract is agreed.

PROVISION FOR TAXES ON INCOME

Taxes on income paid or owing by companies under the applicable local tax legislation as well as deferred taxes are disclosed under provision for taxes on income.

Tax provisions include the amounts owing for current income taxes and any additional tax assessments resulting from tax audits.

The income tax charge is calculated on the basis of the reported results taking into account any tax losses carried forward.

OTHER CURRENT PROVISIONS

Under IAS 37 a provision is only recognised if the company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and that the amount can be determined reliably.

Provisions are reviewed at each balance sheet date and adjusted in line with the current best estimate. If the adjusted estimate results in a reduction in the size of the obligation, the provision is remeasured and the income is recorded as other operating income.

No discounting to cash value is made because the provisions are current.

Amounts owing for deliveries and services that have already been made or provided in full and therefore have a substantially higher degree of certainty with regard to the amount and the timing of the settlement of the obligation, so-called outstanding purchase invoices, are disclosed under trade payables.

NON-CURRENT LIABILITIES

NON-CURRENT FINANCIAL LIABILITIES

In the case of non-current financial liabilities to credit institutions, the discount deducted on payment is accounted for and recognised across the loan period. The remaining amount of the discount which is to be

recognised across the remaining period of the loan in future is deducted from the loan liability carried as a liability on the balance sheet.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The actuarial valuation of the pension liabilities is performed in accordance with the rules set out in IAS 19 for pension benefits (Projected-Unit-Credit-Method), whereby expected future increases in salaries and pensions are also taken into account in addition to the known pensions and entitlements at the balance sheet date.

All actuarial gains and actuarial losses are recognised within social security and other pension costs through the income statement.

OTHER NON-CURRENT PROVISIONS

Provisions for jubilee benefits and obligations under partial retirement agreements are included here. They represent long-term benefits and are stated at their discounted value using a discount rate of 5,5 % p.a. at the balance sheet date.

EQUITY CAPITAL AND RESERVES

During the group restructuring process in 2005, certain subsidiaries were transferred to DNick Holding plc via capital contribution. Where these subsidiaries are subsequently disposed, the respective component of the capital reserves is realised and a corresponding transfer is made to the profit and loss reserves. The capital reserves therefore include the respective current status of the values of contributions of the companies belonging to the DNick group.

Differences between the carrying amounts of shares in affiliated companies to be eliminated and the related carrying amounts of equity capital of the companies at the time of the initial consolidation, resulting from capital consolidation, are reported in equity under the merger reserve. Where subsidiaries are subsequently disposed, these respective differences are eliminated again in the course of deconsolidation and a corresponding transfer is also made to the profit and loss reserves. The merger reserve therefore includes the respective current status of the values of consolidated group companies.

The revaluation reserves result from the fair values of derivative cash flow hedges from commodity futures transactions and forward exchange deals to hedge against fluctuations in commodity prices and foreign currencies.

Land and buildings were not revalued in the financial year.

Exchange differences arising on the translation of foreign currency financial statements included in the consolidated financial statements are reported under the foreign exchange line item in equity capital. Any increase or decrease in exchange differences arising in future reporting periods is also directly recorded in this line item.

SHARE-BASED REMUNERATION

A share-based remuneration system was introduced for the first time in the business year 2006. A valuation was carried out in accordance with IFRS 2 for share-based liabilities for a management bonus scheme. The obligation is carried as a component of equity on the basis of the fair values determined under the valuation, taking into account the period left to run on the scheme. Details on the assumptions used in the model and the structure of the bonus scheme are disclosed in the notes 23.

LEASING ARRANGEMENTS

Under IAS 17, a lease is classified as a finance lease if it transfers substantially all of the risks and rewards incidental to ownership to the lessee. Classification depends on the economic substance of the individual lease agreement.

At the inception of a finance lease the assets and liabilities under the lease are recognised in the balance sheet. The initial values correspond to the fair value of the leased item or the present value of the minimum lease payment, if this is lower. Lease payments are apportioned using the interest rate implicit in the lease between the finance charge, which is recognised in profit or loss, and the reduction of the outstanding liability. Furthermore the capitalised assets are subject to annual depreciation charges.

A lease is classified as an operating lease if substantially all the risks and rewards relating to the asset remain with the lessor. Lease payments under operating leases are recognised as expense over the lease term on a straight-line basis.

GRANTS FROM THE PUBLIC SECTOR

Public sector grants are only recognised in profit or loss if there is sufficient certainty that the company has met the associated terms and conditions and that the company has actually received the funds.

The company has received investment grants and statutory investment allowances. As a rule they are subject to conditions under which the subsidised assets are to be held and used for operating activities throughout the entire grant period, which is between 3 and 5 years.

The grants received are recorded under other liabilities and are credited annually to other operating income on a straight-line basis over the grant period.

REVENUE RECOGNITION

A sale is recorded if it is probable that the transaction will result in an inflow of economic benefits to the company and the amount can be determined reliably. This is normally the case if a delivery has been made or a service provided and the risks and rewards incidental to ownership have been transferred substantially to the purchaser.

Reported under the line item sales, in the income statement, are sales generated on the sale of finished goods and merchandise as well as any related ancillary services and services provided by the group, net of any applicable value added taxes and less any discounts and rebates as well as credit notes issued in respect of complaints.

Operating costs associated with income arising on performance of services are recognised as the services are performed. Interest earnings and expenditure are accrued.

Dividends receivables from non-group companies are recognised at the time they are distributed.

EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the income statement as these are of significant importance with regard to the presentation of the financial performance of the group. The amounts reported in the exceptional result have no connection with the operating result of business activities.

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Assets held for sale and associated liabilities were reported at 31 December 2006 in aggregate items under assets and liabilities respectively in the balance sheet according to IFRS 5. The conditions for classification as a disposal group for some of these assets and liabilities were no longer met during 2007, IFRS 5 requires restatement of the income statement, but not the balance sheet.

Comparison of the balance sheet accounts and corresponding notes is therefore limited.

1. FINANCIAL ASSETS AND LIABILITIES AND ASSOCIATED INCOME AND EXPENSE

Financial assets included in the balance sheet relate to the following IAS 39 categories:

	2007 EUR ('000s)	2006 EUR ('000s)
Financial assets held for trading (carried at fair value through profit or loss)	0	2,254
Loans and receivables	22,520	14,967
Total	22,520	17,221

Financial assets included in the balance sheet are classified within the following headings:

	2007 EUR ('000s)	2006 EUR ('000s)
Current Assets		
Cash and cash equivalents	6,696	1,776
Trade receivables	12,043	9,254
Receivables from affiliates	0	1,745
Receivables from associates	19	9
Derivatives	0	2,254
Other assets	3,343	2,167
	22,101	17,205
Non-current Assets		
Other assets	419	16
Total	22,520	17,221

Financial liabilities included in the balance sheet relate to the following IAS 39 categories:

	2007 EUR ('000s)	2006 EUR ('000s)
Financial liabilities held for trading (carried at fair value through profit or loss)	0	3
Financial liabilities measured at amortised cost	50,344	40,263
Total	50,344	40,266

Financial liabilities included in the balance sheet are classified within the following headings:

	2007 EUR ('000s)	2006 EUR ('000s)
Current Liabilities		
Current liabilities to banks	25,676	25,586
Current finance lease liabilities	62	156
Trade payables	18,901	7,206
Current tax provision	2,096	719
Other provisions	2,020	1,664
Liabilities to affiliates	0	4,155
Derivatives	0	3
Other current liabilities	1,038	706
	49,793	40,195
Non-current Liabilities		
Non-current liabilities to banks	293	0
Non-current finance lease liabilities	197	0
Other non-current liabilities	61	71
	551	71
Total	50,344	40,266

For the year ended 31 December 2007, total interest income amounted to EUR 191 thousands (2006: EUR 344 thousands), of which EUR 156 thousands (2006: EUR 176 thousands) was generated on bank balances and a further EUR 35 thousands (2006: EUR 178 thousands) interest income due on a receivable, both classified as loans and receivables as a category of financial assets.

For the year ended 31 December 2007, total interest expense amounted to EUR 3,500 thousands (2006: EUR 3,687 thousands), which includes EUR 8 thousands (2006: EUR 2 thousands) payable on finance leases and the remaining balance payable on credit facilities, both classified as financial liabilities at amortised cost as a category of financial liabilities.

For the year ended 31 December 2007, a loss of EUR 2,659 thousands (2006: gain EUR 2,659 thousands) was recognised under "Loss/gains from derivatives" in respect of fair value losses on forward exchange contracts held for trading.

For the year ended 31 December 2007, an expense of EUR 246 thousands (2006: EUR 324 thousands) was recognised in respect of accounts receivable balances, which are classified as loans and receivables as a category of financial assets.

Financial income and financial expense is summarised by category as follows:

	2007 EUR ('000s)	2006 EUR ('000s)
Loans and receivables income	191	344
Loans and receivables expense	-246	-324
Financial liabilities measured at amortised cost	-3,500	-3,687
Financial instruments held for trading	-2,659	2,659
Total	-6,214	-1,008

2. CASH AND CASH EQUIVALENTS

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Cash in bank accounts	3,211	519
Cash at factoring banks	3,483	1,255
Cash in hand	2	2
Total	6,696	1,776

The factoring banks acquired receivables with a total value of EUR 15,231 thousands (2006: EUR 5,160 thousands) at the balance sheet date. Of this, funds of EUR 3,483 thousands (2006: EUR 1,255 thousands) were available at the balance sheet date. This contains the contractually agreed security deposit amounting to 10 % of the volume of sold receivables, corresponding to EUR 1,523 thousands (2006: EUR 516 thousands), which will become free in the short-term following payment of invoices by customers.

3. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are shown on the balance sheet as EUR 12,043 thousands (2006: EUR 9,254 thousands). This includes allowances for doubtful accounts amounting to EUR 840 thousands (2006: EUR 652 thousands).

The receivables quoted on the balance sheet amounting to EUR 12,043 thousands (2006: EUR 9,254 thousands) are receivables of the group against customers over and above the receivables acquired by the factoring banks. The volume of receivables sold at the balance sheet date is EUR 15,231 thousands (2006: EUR 5,160 thousands).

Some of the unimpaired trade receivables are passed due at the reporting date. The age of the trade receivables passed due but not impaired is as follows:

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Not more than 3 month	2,573	2,453
More than 3 month but not more than 6 month	82	103
More than 6 month but not more than 1 year	21	49
More than 1 year	0	0
Total	2,676	2,605

4. RECEIVABLES FROM AFFILIATES

There are no receivables from affiliates at the balance sheet date. Accounts receivable from affiliated companies from the previous year relate solely to discontinued operations.

5. RECEIVABLES FROM ASSOCIATES

Accounts receivable from associated companies mainly concern trade accounts receivable from the joint venture *Compania Europea de Cospeles S.A.*.

6. DERIVATIVES

Derivative financial instruments include the following positive and negative market values from the hedging of metal price risks and from hedging of currency exchange rate risks on receivables and order volumes:

Positive market values	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
from metal hedging transactions – cash flow hedge	150	0
from metal hedging transactions – held for trading	0	1,649
from forward exchange contracts – cash flow hedge	1,001	0
from forward exchange contracts – held for trading	0	605
Total	1,151	2,254
Negative market values	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
from metal hedging transactions – cash flow hedge	766	0
from metal hedging transactions – held for trading	0	3
from forward exchange contracts – cash flow hedge	16	0
from forward exchange contracts – held for trading	0	0
Total	782	3

There were no impairment losses in the business year. All derivatives are due within one year.

At 31 December 2007, a cumulative gain of EUR 369 thousands (2006: EUR 0) has been recorded within equity in relation to these instruments.

In addition to the above, the group has entered into interest rate swaps to fix a component of the group's variable rate credit facilities. The fair value of the swaps approximates to the nominal value.

7. OTHER ASSETS

Short-term other assets are categorised as follows:

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Value added taxes refund	1,435	757
Insurance claim	717	0
Balances from metal hedges	539	863
Deferred consideration receivable on sale of DN PressTec	320	0
Reinsurance claims for partial retirement obligations	225	0
Receivables from finance lease company	0	452
Other	107	95
Total	3,343	2,167

Balances from metal hedges relate to deposits from completed metal hedges, in particular nickel and copper.

Claims arising from tax refunds were mainly the result of value added tax refunds for the month of December 2007, respectively 2006.

Long-term other assets are broken down as follows:

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Deferred consideration receivable on sale of DN PressTec	367	0
Reinsurance claims for partial retirement obligations	30	16
Other	22	0
Total	419	16

The deferred consideration receivable on sale of DN PressTec relates to the agreed retention of parts of the purchase price from the sale of the business operations of DN PressTec GmbH to cover any potential warranty claims of the buyer, amounting to EUR 700 thousands plus interest. This receivable, including interest, will be due in 2 instalments, of EUR 320 thousands due in 2008 and EUR 367 thousands due in 2009. There were no impairment losses in the business year.

8. INVENTORIES

Inventories are categorised as follows:

31.12.2006	Gross carrying EUR ('000s)	Impairment EUR ('000s)	Net carrying EUR ('000s)
Raw materials and supplies	7,955	93	7,862
Work in progress	25,190	308	24,882
Finished goods and goods for resale	12,286	295	11,991
Prepaid inventories	489	0	489
Total	45,920	696	45,224
31.12.2007	Gross carrying EUR ('000s)	Impairment EUR ('000s)	Net carrying EUR ('000s)
Raw materials and supplies	14,185	3,019	11,166
Work in progress	42,978	2,829	40,149
Finished goods and goods for resale	16,929	38	16,891
Prepaid inventories	67	0	67
Total	74,159	5,886	68,273

Impairments of EUR 1,082 thousands (2006: EUR 696 thousands) were recorded in the inventories in the business year for slow-moving items in order to report the corresponding assets at the lower net-realizable value. Furthermore, value adjustments were made to the metal stock of EUR 4,804 thousands (2006: 0) to devalue the average value in accordance with IAS 2 to the lower market value at the balance sheet date. Inventories of EUR 63,696 thousands (2006: EUR 45,224 thousands) were assigned as security for bank debts to finance working capital within asset-based borrowing lines.

9. DISPOSAL GROUP ASSETS HELD FOR SALE / LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

In line with the DNick group's strategy of focusing on the iron-nickel business, the following operations (companies) were classified as discontinued operations at 31 December 2006 and their assets and liabilities were correspondingly reported separately according to IFRS 5:

- cups (DN PressTec GmbH)
- recycling and processing of precious metals (SAXONIA Edelmetalle GmbH)
- coin blanks and medals (SAXONIA EuroCoin GmbH)

The sale of the operating business of DN PressTec GmbH and the shares in SAXONIA Edelmetalle GmbH was successfully carried out in the 2007 business year. Excluding deferred taxes, assets of DN PressTec GmbH amounting to EUR 12.2 million and liabilities of EUR 6.5 million were sold for EUR 7.2 million. Assets of SAXONIA Edelmetalle GmbH amounting to EUR 27.1 million and liabilities of EUR 19.8 million were disposed of for an amount of EUR 7.7 million. Taking into account disposal costs of EUR 0.4 million, sales of the business segments disposed of resulted in capital gains of EUR 1.5 million.

After the sales activities with respect to SAXONIA EuroCoin GmbH were terminated in 2007, the assets of EUR 22.7 million and liabilities of EUR 9.9 million, also reported the previous year under this separate balance sheet item, were reclassified and included in the individual balance sheet items.

The reclassification of SAXONIA EuroCoin GmbH from a discontinued operation in 2006 to a continuing operation in 2007 has been accounted for with effect from 1 January 2007. In accordance with IFRS 5 no restatement in the 2006 comparative data in the balance sheet has been made. Comparative data in the income statement has been represented to show SAXONIA EuroCoin GmbH as part of continuing operation in both the prior and current year. The impact of the reclassification in the income statement is shown in note 32.

10. NON-CURRENT ASSETS

The development of the individual items of the non-current assets is shown below. The special feature of the 2006 business year meant that, in accordance with IFRS 5, the assets held for sale were no longer shown in the non-current assets so these values were reported in 2006 on a separate disposals line. As the prerequisites for reporting assets held for sale no longer existed for a business segment, they were again allocated to the non-current assets, and this is also shown in a separate additions line.

10.1 INTANGIBLE ASSETS

EUR ('000s)	Concessions, property rights, licences, etc.	Acquired Goodwill	Total
Acquisition and production costs			
Position at 01.01.2006	1,399	1,361	2,760
Additions	12	0	12
Reclassification to held for sale	-1,067	-1,361	-2,428
Position at 31.12.2006	344	0	344
Depreciation			
Position at 01.01.2006	1,260	0	1,260
Provided in year	105	0	105
Reclassification to held for sale	-1,051	0	-1,051
Position at 31.12.2006	314	0	314
Book values as at 01.01.2006	139	1,361	1,500
Book values as at 31.12.2006	30	0	30
EUR ('000s)			
Acquisition and production costs			
Position at 01.01.2007	344	0	344
Reclassification from held for sale	674	0	674
Additions	65	0	65
Disposals	-431	0	-431
Transfers	12	0	12
Position at 31.12.2007	664	0	664
Depreciation			
Position at 01.01.2007	314	0	314
Reclassification from held for sale	672	0	672
Provided in year	43	0	43
Disposals	-431	0	-431
Position at 31.12.2007	598	0	598
Book values as at 01.01.2007	30	0	30
Book values as at 31.12.2007	66	0	66

Concessions, property rights and licences relate exclusively to software.

10.2 PROPERTY, PLANT AND EQUIPMENT

EUR ('000s)	Land	Buildings	Machinery	Other equipment	Assets under constr.	Total
Acquisition and production costs						
Position at 01.01.2006	4,984	18,332	40,555	6,829	138	70,838
Additions	310	570	1,172	785	2,449	5,286
Disposals	-3	0	-571	-397	-9	-980
Currency differences	0	-1	-7	-37	0	-45
Reclassification	10	1,453	-58	3	-1,800	-392
Reclassification to held for sale	-1,922	-8,795	-27,369	-3,903	-769	-42,758
Position at 31.12.2006	3,379	11,559	13,722	3,280	9	31,949
Depreciation						
Position at 01.01.2006	746	10,897	30,992	4,273	0	46,908
Provided in year	205	672	3,432	570	0	4,879
Disposals	-42	0	-396	-315	0	-753
Currency differences	0	-2	-6	-29	0	-37
Reclassification	0	0	-211	-8	0	-219
Reclassification to held for sale	-889	-4,695	-22,938	-2,240	0	-30,762
Position at 31.12.2006	20	6,872	10,873	2,251	0	20,016
Book values as at 01.01.2006	4,238	7,435	9,563	2,556	138	23,930
Book values as at 31.12.2006	3,359	4,687	2,849	1,029	9	11,933
EUR ('000s)						
Acquisition and production costs						
Position at 01.01.2007	3,379	11,559	13,722	3,280	9	31,949
Reclassification from held for sale	101	2,102	12,461	354	613	15,631
Additions	0	1,006	1,554	815	45	3,420
Disposals	-51	-1,453	-1,559	-237	-8	-3,308
Currency differences	0	-1	-5	-13	0	-19
Transfers	0	19	574	5	-610	-12
Position at 31.12.2007	3,429	13,232	26,747	4,204	49	47,661
Depreciation						
Position at 01.01.2007	20	6,872	10,873	2,251	0	20,016
Reclassification from held for sale	34	65	10,471	131	0	10,701
Provided in year	236	583	1,305	440	0	2,564
Disposals	0	-1,453	-1,542	-237	0	-3,232
Currency differences	0	-1	-5	-7	0	-13
Position at 31.12.2007	290	6,066	21,102	2,578	0	30,036
Book values as at 01.01.2007	3,359	4,687	2,849	1,029	9	11,933
Book values as at 31.12.2007	3,139	7,166	5,645	1,626	49	17,625

The book values of land and buildings are EUR 10,305 thousands (2006: EUR 8,046 thousands). Land and buildings are unencumbered.

No technical equipment, plant and machinery and other equipment (2006: EUR 67 thousands) are used as security for existing bank debts.

Assets from finance leasing agreements capitalised in fixed assets having net carrying amount of EUR 275 thousands (2006: EUR 166 thousands).

Additions to depreciation in the 2007 business year include impairment of EUR 236 thousands (2006: EUR 193 thousands).

10.3 INVESTMENTS AND NON-CURRENT RECEIVABLES

EUR ('000s)	Investments	Non-current receivables	Total
Acquisition costs			
Position at 01.01.2006	1,748	5,796	7,544
Additions	5,525	69	5,594
Disposals	-155	-5,534	-5,689
Reclassification to held for sale	-7,118	-253	-7,371
Position at 31.12.2006	0	78	78
Amortisation			
Position at 01.01.2006	505	0	505
Disposals	-70	0	-70
Reclassification to held for sale	-435	0	-435
Position at 31.12.2006	0	0	0
Book values as at 01.01.2006	1,243	5,796	7,039
Book values as at 31.12.2006	0	78	78
EUR ('000s)			
Acquisition and production costs			
Position at 01.01.2007	0	78	78
Reclassification from held for sale	6,618	500	7,118
Additions	674	18	692
Disposals	-4,058	0	-4,058
Position at 31.12.2007	3,234	596	3,830
Amortisation			
Position at 01.01.2007	0	0	0
Reclassification from held for sale	435	0	435
Disposals	-435	0	-435
Position at 31.12.2007	0	0	0
Book values as at 01.01.2007	0	78	78
Book values as at 31.12.2007	3,234	596	3,830

Investments at the balance sheet date show the shares in the joint venture Compania Europea de Cospeles S.A., Spain, included using the equity method. The additions movement relates to the adjustment to the carrying value of the investment, under the equity method, for the year ended 31 December 2007.

Shares in AB Myntverket, Sweden, included using the equity method at a book value of EUR 3,623 thousands, were disposed of during the business year.

11. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes result from temporary balance sheet variations due to valuation differences between carrying amounts according to IFRS and the tax balance sheets of the individual group companies and from tax losses carried forward where they can be used by the individual companies for tax purposes.

Deferred taxes are allocated to the following assets:

	2007 EUR ('000s) Assets	2007 EUR ('000s) Liabilities	2006 EUR ('000s) Assets	2006 EUR ('000s) Liabilities
Loss carry forward	882	0	1,538	0
Property, plant and equipment	358	0	2	0
Derivative financial instruments	234	345	1	868
Inventories	98	628	357	1,076
Accounts receivable	882	9	11	17
Pension reserves	57	0	61	0
Other provisions	114	0	110	0
Accounts payable	61	4	4	0
Total	2,686	986	2,084	1,961

Deferred taxes were carried forward at 30 % (2006: 38.5 %). This corresponds to the tax rates expected for future periods as of 1 January 2008 in the course of the 2008 corporate tax reform in Germany.

Tax losses carried forward of EUR 17.0 million exist at the balance sheet date. The deferred tax asset thereon amounts to EUR 5.1 million. This value was adjusted by EUR 4.2 million on the basis of estimated non-usability.

12. CURRENT BANK DEBTS

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Short-term loans	0	8,236
Bank overdrafts	0	4,839
Asset-based borrowing	25,599	10,011
Short-term element of long-term loans	77	2,500
Total	25,676	25,586

The restructuring loan of EUR 8.0 million plus interest accrued was repaid as planned in 2007. Interest was applied during the business year of 12.0 % p.a. above the 3-month EURIBOR. The loan was secured against shares in subsidiaries, which were assigned as security. These share pledges have been cancelled.

Bank overdraft facilities of EUR 2,339 thousands of the previous year were settled on maturity at 28 February 2007. Overdraft financing of EUR 2.5 million also included in the previous year to finance foreign receivables

was repaid during the business year. Interest was applied at rates of between 4.75 % and 8.75 % p.a.

The asset-based borrowing lines include a variable USD credit line of EUR 8,286 thousands (2006: EUR 5,613 thousands) for financing trade accounts receivable and inventories of Deutsche Nickel America Inc. For this purpose, the accounts receivable and inventories of this company are assigned as security corresponding to this amount. The interest rate is USD prime rate minus 0.25 % p.a.

In addition, further financing exists at the balance sheet date in the form of asset-based borrowing lines for the variable financing of the inventories of Deutsche Nickel GmbH amounting to EUR 12.0 million (2006: EUR 4.5 million), which was utilised to the sum of EUR 10.058 thousands (2006: EUR 4,397 thousands), and lines for the variable financing of the inventories of Auerhammer Metallwerk GmbH amounting to EUR 9.0 million (2006: EUR 0), which were utilised to the sum of EUR 7,254 thousands (2006: EUR 0). The inventories financed in this way are assigned as security for this credit line and trade accounts receivable are assigned. The interest rate is 2.5 % p.a. above the EONIA base rate.

13. TRADE PAYABLES

All trade accounts payable are due within one year and there is standard business reservation of ownership. The book values stated for the monetary liabilities entered under this item correspond to the market values.

14. CURRENT TAX PROVISIONS

Tax provisions were made for anticipated income taxes for the business year and for anticipated payment of taxes for previous years.

15. OTHER CURRENT PROVISIONS

Other short-term provisions have been made as follows:

EUR ('000s)	01.01.07	Reclass.	Utilisa- tion	Rever- sal	Addition	31.12.07
Warranty	290	68	2	0	115	471
Interest	36	0	36	0	49	49
Discounts	115	0	115	0	105	105
Annual audit and annual general meeting	306	62	343	23	304	306
Onerous contracts	169	569	576	3	85	244
Public obligations	1,105	0	595	0	500	1,010
In relation to employees	1,207	83	1,204	25	1,499	1,560
Other	710	0	539	101	613	683
Total	3,938	782	3,410	152	3,270	4,428

Provision for public obligations relates mainly to obligations to safeguard against hazards for disused buildings at the Aue site which utilised EUR 595 thousands in the business year. Provision was increased by a further EUR 500 thousands.

The reclassification column refers to provisions in SAXONIA EuroCoin GmbH, which was reclassified from discontinued to continuing operations during the year.

16. LIABILITIES TO AFFILIATES

There were no accounts due to affiliates at the balance sheet date. The previous year's value related primarily to liabilities due to SAXONIA Edelmetalle GmbH. The group was released from these liabilities by the buyer in the course of the sale.

17. DEFERRED INCOME

Accrued expense items include only public grants and allowances already received for acquiring property, plant and equipment. As a result of the condition attached to these benefits to retain the economic goods acquired in the company for a period of between 3 and 5 years, the benefits are allocated proportionately to future periods. The amount deferred of EUR 203 thousand (2006: EUR 32 thousand) has a remaining period of up to one year at the balance sheet date.

18. OTHER CURRENT LIABILITIES

Other current liabilities include:

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Wages and salaries December 2007/2006	364	252
Tax on wages and salaries December 2007/2006	178	177
Social security contributions December 2007/2006	30	14
Value added taxes December 2007/2006	26	10
Interest	0	48
Other	440	205
Total	1,038	706

The book values stated for the monetary liabilities entered under these items correspond to the fair values.

19. NON-CURRENT BANK DEBTS

Long-term bank debts at the balance sheet date amounted to EUR 292 thousands for the long-term portion of new financing loans taken up (2006: EUR 0).

20. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Some of the group companies provide defined benefit pension plans for their employees. Provisions for pension obligations are made for payments due in the form of old-age and survivors' pensions. The level and extent of payments depends on the number of years' service and the salary received. Employees can achieve a pension level of up to 25 % of their last monthly income. Payment commences when an employee reaches the pensionable age of 65.

The obligations arising from defined benefit pension plans are calculated using the projected unit credit method. Here, future obligations are valued on the basis of proportionate performance entitlements at the balance sheet date.

Pension costs are essentially included in personnel costs and are composed as follows:

	2007 EUR ('000s)	2006 EUR ('000s)
Current service costs	89	102
Interest	-46	59
Expected income from plan assets	0	0
Actuarial losses (net)	0	0
Past service cost to be included	0	0
Personnel expenses	43	161

The amount shown on the balance sheet for obligations from defined benefit pension plans is derived as follows:

	31.12.2007 EUR ('000s)	31.12.2006 EUR ('000s)
Cash value of pension commitments financed by provisions	1,420	1,648
Actuarial losses not yet entered	0	0
Service costs not yet entered	0	0
Cash value of plan assets	0	0
Total	1,420	1,648

Movements in net liability in the business year were as follows:

	2007 EUR ('000s)	2006 EUR ('000s)
Position at the beginning of the business year	1,648	2,147
Reclassification from held for sale	21	0
Disposal	-153	0
Pension expenses (net)	43	160
Pension payments	-139	-95
Allocation of discontinued operations	0	-564
Total	1,420	1,648

Pension obligations arising from pension commitments are determined using the projected unit credit method, taking into account future remuneration and pension adjustments.

The assumptions on which the calculation is based are as follows:

	2007 %	2006 %
Interest rate for accounting purposes	5.50	4.25
Expected interest on plan assets	0.00	0.00
Future wage and salary increases	2.00	2.00
Future pension increases	1.50	1.50

21. OTHER NON-CURRENT PROVISIONS

EUR ('000s)	01.01.07	Interest rate	Reclass.	Utilisation	Reversal	Addition	31.12.07
Partial retirement	352	5.5 %	213	108	0	8	465
Employee jubilee	454	5.5 %	12	78	0	76	464
Other	0	5.5 %	0	0	0	39	39
Total	806		225	186	0	123	968

Provisions correspond to the discounted cash values.

22. EQUITY

Changes in the individual items of equity during the business year are shown in Statements of Changes in Equity.

At 31 December 2007, the issued capital of DNick Holding plc was GBP 55,444.84 (EUR 80,686.35). This is divided into 5,544,484 shares with a nominal value of GBP 0.01 per share. Authorised capital amounts to a total of 10,000,000 shares.

At 9 March 2007, the issued capital was increased through cash contribution by issuing 26,287 shares with a total nominal value of GBP 262.87. At the same time, the 853 shares withdrawn in the debt equity swap were issued. The capital was increased through the partial exercise of an option granted to DNick Ltd. (option contract of 8 March 2006), according to which DNick Ltd. respectively the administrators of the Company Voluntary Arrangement were granted the right to up to 160,000 shares to pay additional claims by creditors of DNick Ltd.

68,755 shares were issued at 3 May 2007 and 46,486 shares at 5 September 2007 as share bonus in line with the management incentive plan concluded in 2006 after the relevant conditions were fulfilled.

On 28 March 2008, the company allotted and issued 60,265 ordinary shares at par. The new shares rank pari passu with the existing ordinary shares of the company.

During the group restructuring process in 2005, certain subsidiaries were transferred to DNick Holding plc via capital contribution. Where these subsidiaries are subsequently disposed, the respective component of the capital reserves is realised and a corresponding transfer is made to the profit and loss reserves. The capital reserves therefore include the respective current status of the values of contributions of the companies belonging to the DNick group.

The capital reserve also contains obligations from share-based remuneration agreements valued at fair value of EUR 909 thousands (2006: EUR 662 thousands). The total amount of the addition in the business year of EUR 1,572 thousands was reported under other operating expenses. The amount of EUR 1,325 thousands valued at fair value for the shares issued in the 2007 business year was reclassified to profit and loss reserve. The portion of the share-based remuneration offset as expense, which has not yet resulted in the issue of shares, is maintained in the capital reserve.

The merger reserve includes the net differences between the book value of shares in affiliated companies and the relevant equity valuation of the subsidiaries incorporated in the consolidation at the time of the first

consolidation. The respective differences of disposed companies are eliminated again in the course of deconsolidation and a corresponding transfer is also made to the profit and loss reserves. The merger reserve therefore includes the respective current status of the values of consolidated group companies.

The revaluation reserve includes the positive and negative market values of derivative financial instruments, so-called cash flow hedges, after the requirements for this were fulfilled in accordance with IAS 39 Hedge Accounting for instruments from 1 January 2007. Deferred taxes relating to the derivatives are offset within the revaluation reserve.

The differences between the equity values of foreign subsidiaries incorporated in the consolidation resulting from exchange rate fluctuations in the period between the time of the initial consolidation and the balance sheet date are included in the foreign exchange translation reserve.

23. SHARE-BASED REMUNERATION SCHEMES

DNick Holding plc granted a share bonus in 2006 and 2007 to a total of five directors and a managing director of a subsidiary as part of a management incentive plan concluded in 2006. This management incentive plan represented the implementation of consent given to DNick Ltd. in the creditor agreement of 29 June 2005 to create a performance incentive scheme for the management, which over a period of two years granted the management of DNick Holding plc a right to a share package of approximately 5 % in DNick Holding plc.

As part of this management incentive plan, a share bonus of a total of 265,318 shares was committed for the beneficiaries. The prerequisite for exercising the share bonus and the provision of the shares is that certain performance milestones are reached. These performance milestones are the conclusion of the Company Voluntary Arrangement of DNick Ltd. (tranche 1), the repayment of the financial liabilities of DNick Holding plc (tranche 2) and the achieving of certain performance targets of the DNick group for the 2006 and 2007 business years (tranches 3 and 4). There is on principle also an additional vesting period of one year in each case after the performance milestone is reached before the beneficiaries can access the shares, subject to special regulations in case of leaving the company or in case of a change of control. Where one of the above-mentioned conditions is not met, the share bonus for that particular tranche will be forfeited.

115,241 shares were issued to the respective beneficiaries in 2007 after the respective prerequisites were fulfilled. A share bonus for 23,243 shares was forfeited. If the condition for fulfilling the respective prerequisites is met, a further 126,834 shares can be issued to the beneficiaries as a share bonus. The plan participants are required to pay the nominal value of the shares when issued.

The market value of the share bonus committed is valued in accordance with IFRS 2 using the stock exchange price of the DNick share at the reference date of each commitment which was on average about EUR 11.40/share. According to this, the market value of the share bonus at 31 December 2007 for the 4 tranches was a total of EUR 2,766 thousands. Based on the share price at 31.12.2007, the market value would amount to EUR 1,549 thousands. The 2007 consolidated results contain share bonus expenses of EUR 1,572 thousands (2006: EUR 662 thousands), which are shown within other operating expenses.

24. SALES

Sales revenues are divided by region as follows:

Region	2007 EUR ('000s)	2006 EUR ('000s)
Germany	61,187	39,022
European Union excluding Germany	70,363	55,881
Rest of Europe	14,015	12,090
North America	36,372	27,315
Central and South America	21,923	370
Rest of the World	16,764	20,615
Sales to discontinued operations	0	4,327
Total	220,624	159,620

Sales revenues of the previous year also include sales of EUR 4,327 thousands to group companies reclassified as discontinued operations. Sales revenues between continuing and discontinued operations have not been consolidated as they already show sales which take place on the basis of continued trading relationships with the companies, as if they were third parties.

Sales by segment are shown in the Segment Reporting note 35.

25. OTHER OPERATING INCOME

Other operating income includes:

	2007 EUR ('000s)	2006 EUR ('000s)
Rental income	578	151
Profits from the sale of property, plant and equipment	517	420
Recharges of expenses	454	47
Grants receivable	159	392
Reversal of provisions	152	1,086
Reversal of trade receivable allowances	49	204
Insurance claims	5	69
Other	717	1,526
Other operating income from discontinued operations	0	0
Total	2,631	4,667

Other operating income of the previous year also includes income of EUR 772 thousands from group companies reclassified as discontinued operations. This income between continuing and discontinued operations was not consolidated as it already shows income which takes place on the basis of continued trading relationships with the companies, as if they were third parties. These generally resulted from rents, media cost transfers or auxiliary services between individual companies at the same location.

26. OTHER OPERATING EXPENSES

Other operating expenses include:

	2007 EUR ('000s)	2006 EUR ('000s)
Freight/Packaging/Commissions	6,721	4,505
Repair and maintenance	2,555	1,777
Legal and consulting fees/Annual audit/AGM	2,003	2,162
Share-based remuneration	1,572	662
Waste disposal	1,156	811
Insurance	983	889
Operating lease expense	850	439
Travel/Advertising/Trade fairs	786	693
Contributions and fees	692	739
Bank charges	648	545
Temporary workers	455	368
Telephone/Postage/Office supplies	282	319
Trade receivable allowances	246	324
Other third-party services	245	134
Additions to provisions	232	814
IT expenses	227	150
Security services	191	150
Losses from the sale of fixed assets	53	30
Other	1,549	2,098
Total	21,446	17,609

27. DEPRECIATION

The depreciation of intangible assets and property, plant and equipment of EUR 2,607 thousands (2006: EUR 2,665 thousands) include impairments of EUR 236 thousands (2006: EUR 193 thousands).

28. EXCEPTIONAL INCOME AND EXPENSES

Exceptional results include on the one hand capital gains from divestments and on the other hand the expenses of restructuring the group and a provision for obligations to safeguard against hazards. The item comprises the following main items:

	2007 EUR ('000s)	2006 EUR ('000s)
Restructuring	381	1,435
Obligation to safeguard against hazards for old property	500	1,000
Other	177	465
Total expenses	1,058	2,900
Capital gains from divestments	1,819	53
Other	0	189
Total income	1,819	242
Total income / expenses (net)	761	-2,658

Restructuring expenses were incurred in the business year at the completion of the restructuring process and contain mainly the final invoices from the English insolvency administrator of DNick Ltd. and EU Coin Ltd., which DNick Holding plc had committed to assume in 2005.

Obligations to safeguard against hazards for the disused business premises, which existed at the Aue site at 31 December 2006, were extended in 2007. A further provision of EUR 0.5 million was made in the business year for the additional necessary measures.

Exceptional income from divestments of EUR 1.5 million relate to sales from the operating business of DN PressTec GmbH and shares in SAXONIA Edelmetalle GmbH. Furthermore EUR 0.3 million relates to the profit from the sale of the shares in AB Myntverket.

29. INTERESTS AND SIMILAR INCOME AND INTERESTS AND SIMILAR EXPENSES

The interest income from bank balances is EUR 191 thousands (2006: EUR 176 thousands).

The interest expenses of EUR 3,500 thousands (2006: EUR 3,687 thousands) relate to short-term and long-term bank debts, finance lease obligations and factoring.

The prior year also includes interest income of EUR 168 thousands and interest expenses of EUR 69 thousands from companies in discontinued operations.

30. EXCHANGE DIFFERENCES

There were profits and losses from exchange differences during the business year amounting to EUR -320 thousands (2006: EUR -895 thousands).

The losses/gains from derivatives are the realisation of market values from derivative financial instruments concluded prior to 31 December 2006 to hedge against exchange rate and metal price risks for the 2007 business year. As the prerequisites only existed for instruments from 1 January 2007 for reporting according to hedge accounting and therefore for recording differences in market values from hedging transactions in equity without affecting the result, the previous year's market values had to be shown in the business year as expenses in the exchange results.

31. TAXES ON INCOME

	2007 EUR ('000s)	2006 EUR ('000s)
Current taxes	-2,029	-1,290
Deferred taxes	690	-71
Total	-1,339	-1,361

Taking into account the tax losses carried forward from previous years, which were mainly the result of restructuring expenses in the individual companies, income taxes for the business year were EUR 2,029 thousands (2006: EUR 1,290 thousands).

Deferred taxes are the result of valuation differences between balance sheet item valuation in accordance with IFRS and the tax balance sheet and the result of tax losses carried forward, provided that they are usable in the coming periods through offset against anticipated taxable profits.

The transition from expected to actual tax expenditure is shown below. In order to calculate expected tax expenditure, results before income taxes are multiplied by a flat income tax rate of 38.5 %, which is determined by the group. The expected tax expenditure is compared with the actual tax expenditure.

	2007 EUR ('000s)	2006 EUR ('000s)
Pre-tax profit/loss	4,686	5,196
Group tax rate	38.5 %	38.5 %
Expected tax expenses	-1,804	-2,000
Tax reductions resulting from tax-free valuation of shares at equity	259	302
Tax reductions resulting from tax-free other income	253	22
Tax increases resulting from non-tax-deductible expenses	-122	-450
Write down of deferred tax assets	-376	-1,455
Effects of tax differences	-52	332
Capitalisation of additional temporary differences	1,296	0
Change in tax rate to 30 %	-513	0
Additional tax loss carry forward of prior years	0	992
Utilisation of tax losses brought forward	0	620
Tax reductions resulting from tax-free profit and loss transfer agreements	0	298
Permanent differences	0	259
Other tax effects	-280	-281
Actual tax expenditure	-1,339	-1,361

32. RESULTS FROM DISCONTINUED OPERATIONS

The previous year's results from discontinued operations were EUR -7,602 thousands. The restated result of discontinued operations in 2006 is as follows and comprises DN PressTec GmbH and SAXONIA Edelmetalle GmbH:

	2006 EUR ('000s)
1. Revenues	173,751
2. Expenses	-172,694
3. Pre-tax profit before item 5.	8,123
4. Income tax expense	-2,956
5. Gain or loss recognised on measurements to fair value less costs to sell or on the disposal of the assets disposal group	-18,516
6. Income tax credit on 5.	5,747

33. EARNINGS PER SHARE

Basic earnings per share is calculated in accordance with IAS 33 as a ratio of the group annual profit due to the shareholders of DNick Holding plc and the weighted average number of shares in circulation during the business year.

	2007 EUR ('000s)	2006 EUR ('000s)
Group's result	3,348	-3,767
Less result from discontinued activities	0	-7,602
Result from continuing activities	3,348	3,835
Weighted average number of shares	5,485,696	5,402,103
Basic earnings per share of continuing operations in EUR	0.61	0.71

Options for issuing up to 126,834 shares as part of a management incentive plan existed at the balance sheet date 31 December 2007. If these options are exercised in full, the number of shares issued would increase to 5,671,318. Accordingly, this would produce a diluted result per share of EUR 0.60/share for 2007.

34. CASH FLOW STATEMENT

A cash flow statement was prepared in accordance with IAS 7. It shows the changes in the group's cash and cash equivalents during the business year through the inflow and outflow of funds. This eliminates the effects within the scope of the consolidated financial statements. A distinction is made between payment flows from operating and investment activities as well as from financial activities. The liquidity shown in the cash flow statement covers only liquid cash and cash equivalents.

The effects of exchange rate fluctuations on cash and cash equivalents in foreign currencies is shown separately.

The payment flows for the business year 2006 are consolidated for all companies of the group; for transition to the balance sheet as of 31 December 2006, the cash and cash items for continuing operations and discontinued operations are shown separately.

35. SEGMENT REPORTING

According to the rules of IAS 14, the items in the annual report are to be shown divided by segment and this division of segments and the selected key data is to be oriented towards internal reporting, which enables reliable estimates to be made of the risks and income of the group.

The segments are defined according to existing independent decision-making and management units (management approach).

Each company in the group essentially represents a separate segment. The definition of the segments is given in the management report.

Trading within the group is invoiced at market prices, as if with third parties. This ensures that each segment and each group company displays its own economic earning power, irrespective of whether goods and services are provided within the group or for third parties.

All income and expenses within the group are consistently recorded at and allocated to the group companies. Income and expenses and their eliminations are shown separately for the individual segments in the segment report.

The Sales with third parties by geographic regions are disclosed in the note 24. The segmental assets of the DNick-Group are located in the regions Germany amounting to EUR 97,376 thousands (2006: EUR 118,026 thousands), USA amounting to EUR 17,983 thousands (2006: EUR 13,686 thousands) and England amounting to EUR 1,279 thousands (2006: EUR 1,434 thousands). Additions to intangible assets and property, plant and equipment in the business year 2007 were made in Germany with an amount of EUR 3,681 thousands (2006: EUR 5,281 thousands) and in USA with an amount of EUR 27 thousands (2006: EUR 18 thousands).

DNick Holding plc - Group
Segment Reporting for the year 2007

EUR ('000s)	WIRES / BARS		STRIPS		OTHER		CONSOLIDATION	
	2007	2006	2007	2006	2007	2006	2007	2006
Sales								
1. Sales to third parties	90.728	61.415	64.141	48.181	0	0	0	0
2. Sales to group companies	19.956	12.508	2.766	7.031	0	0	-19.942	-12.488
Total Sales	110.684	73.923	66.907	55.212	0	0	-19.942	-12.488
Operating EBITDA under LIFO method	7.149	3.466	5.770	5.767	-2.812	-2.734	-19	47
3. Effect of stock revaluation under IFRS	-558	1.070	-144	1.724	0	0	0	0
EBITDA as per Income Statement	6.591	4.536	5.626	7.491	-2.812	-2.734	-19	47
4. Amortisation / Depreciation	-848	-1.220	-1.019	-755	0	0	0	0
5. Exceptional income and expenses	-100	-536	-500	-1.000	997	-778	0	-47
6. Interest and similar income and expense	-1.784	-815	-972	-992	-205	-1.423	0	0
7. Gain / Loss on currency differences	-58	-606	-140	-20	3	-10	0	0
8. Gain / Loss from derivatives	-2.183	2.183	-68	68	0	0	0	0
EBT as per Income Statement	1.618	3.542	2.927	4.792	-2.017	-4.945	-19	0
9. Actual taxes	-732	-475	-1.187	-579	0	-1	0	0
10. Deferred taxes	1.015	601	150	-607	-107	0	0	0
11. Income from profit and loss transfer agreement	0	0	0	0	0	0	0	0
Profit / Loss before exceptional impairment	1.901	3.668	1.890	3.606	-2.124	-4.946	-19	0
12. Income from discontinued operations								
13. Exceptional impairment								
Profit / loss for the year	1.901	3.668	1.890	3.606	-2.124	-4.946	-19	0
Other disclosures								
14. Segmental assets	66.794	50.668	26.565	27.663	7.499	8.498	-7.274	-10.185
15. Other financial assets / loans	97	78	0	0	59.554	75.709	-47.251	-47.251
16. Assets held for sale								
17. Segmental liabilities	20.405	14.989	4.484	7.168	1.868	5.301	-5.424	-7.535
18. Current tax provision	519	305	1.357	413	0	0	0	0
19. Short-term bank debts	16.902	7.822	8.774	9.528	0	8.236	0	0
20. Long-term bank debts	0	0	293	0	0	0	0	0
21. Liabilities held for sale								
22. Investment in property, plant and equipment	1.104	458	1.201	249	0	0		
23. Employees (average)	211	224	146	151	0	0		

EUR ('000s)	TOTAL FENI GROUP		COIN BLANKS / MEDALS		CONSOLIDATION		DNICK GROUP	
	2007	2006	2007	2006	2007	2006	2007	2006
Sales								
1. Sales to third parties	154.869	109.596	65.755	45.697	0	0	220.624	155.293
2. Sales to group companies	2.780	7.051	0	385	-2.780	-3.109	0	4.327
Total Sales	157.649	116.647	65.755	46.082	-2.780	-3.109	220.624	159.620
Operating EBITDA under LIFO method	10.088	6.546	3.435	2.107	0	-53	13.523	8.600
3. Effect of stock revaluation under IFRS	-702	2.794	0	0	0	0	-702	2.794
EBITDA as per Income Statement	9.386	9.340	3.435	2.107	0	-53	12.821	11.394
4. Amortisation / Depreciation	-1.867	-1.975	-740	-690	0	0	-2.607	-2.665
5. Exceptional income and expenses	397	-2.361	364	-465	0	168	761	-2.658
6. Interest and similar income and expense	-2.961	-3.230	-348	-182	0	0	-3.309	-3.412
7. Gain / Loss on currency differences	-195	-636	-125	-258	0	0	-320	-894
8. Gain / Loss from derivatives	-2.251	2.251	-408	408	0	0	-2.659	2.659
EBT as per Income Statement	2.509	3.389	2.178	920	0	115	4.687	4.424
9. Actual taxes	-1.919	-1.055	-110	-121	0	-115	-2.029	-1.291
10. Deferred taxes	1.058	-6	-262	-65	-106	0	690	-71
11. Income from profit and loss transfer agreement	0	0	0	773	0	0	0	773
Profit / Loss before exceptional impairment	1.648	2.328	1.806	1.507	-106	0	3.348	3.835
12. Income from discontinued operations					0	5.167	0	5.167
13. Exceptional impairment					0	-12.769	0	-12.769
Profit / loss for the year	1.648	2.328	1.806	1.507	-106	-7.602	3.348	-3.767
Other disclosures								
14. Segmental assets	93.584	76.644	20.309	17.231	-1.086	-1.182	112.807	92.693
15. Other financial assets / loans	12.400	28.536	2.156	6.683	-10.725	-28.458	3.831	6.761
16. Assets held for sale					0	33.692	0	33.692
17. Segmental liabilities	21.333	19.923	8.279	9.810	-248	883	29.364	30.616
18. Current tax provision	1.876	718	219	151	0	0	2.095	869
19. Short-term bank debts	25.676	25.586	0	27	0	0	25.676	25.613
20. Long-term bank debts	293	0	0	0	0	0	293	0
21. Liabilities held for sale					0	21.512	0	21.512
22. Investment in property, plant and equipment	2.305	707	1.403	3.481			3.708	4.188
23. Employees (average)	357	375	58	49			415	424

36. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risk, specifically to currency risk, interest rate risk and certain other price risks, from its operating activities and uses financial instruments to hedge against these risks.

The Group's risk management is coordinated at its head office in Schwerte, Germany, in close co-operation with the Board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also note 1 for a summary of the Group's financial assets and financial liabilities by category.

FOREIGN CURRENCY SENSITIVITY

Most of the Group's transactions are carried out in Euros. Exposure to currency exchange rate movements arises principally from Group companies holding accounts payable and accounts receivable balances which are denominated in foreign currencies, principally the US Dollar.

Whilst the Group enters into other transactions denominated in foreign currencies - principally the Pound Sterling - the value of transactions is small, both individually and in aggregate, and no significant exposure existed during either the current or prior year.

Assets and liabilities denominated in foreign currencies are principally short-term in nature.

To mitigate the Group's exposure to foreign currency risk, non-Euro cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

US Dollar denominated financial assets and liabilities translated into Euros at the closing rate are as follows:

	2007 USD ('000s)	2007 EUR ('000s)	2006 USD ('000s)	2006 EUR ('000s)
Trade receivables	732	498	1,617	1,226
Trade liabilities	-2,184	-1,484	-4	-3
Net amount	-1,452	-986	1,613	1,223

There are no long-term financial assets or liabilities denominated in US Dollars.

The following illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the US Dollar - Euro exchange rate. This percentage has been determined by comparing the year-end rate to the highest and lowest rates during the year.

If the Euro had strengthened against the US Dollar by 1.7 % (2006: 1.3 %) then this would have resulted in an increase in the pre-tax net result for the year of EUR 17 thousands (2006: decrease of EUR 16 thousand) and equity would have increased / decreased by the same amount respectively.

If the Euro had weakened against the US Dollar by 14.4 % (2006: 12.0 %) then this would have resulted in a decrease in the pre-tax net result for the year of EUR 142 thousands (2006: increase of EUR 147 thousands) and equity would have decreased / increased by the same amount respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas' transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

INTEREST RATE SENSITIVITY

During 2006, the Group held debt which arose from the Group's restructuring in 2005 which was repaid in full during 2007. Since then, the Group only has credit facilities to finance working capital requirements, the amount of working capital needs being principally dependent on the market price of raw materials, mostly nickel and copper. Both the debt and credit facilities are on variable interest rates.

The following table illustrates the sensitivity of the pre-tax net result for the year and equity to a reasonably possible change in interest rates with effect from the beginning of the year. These changes are expected to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at each balance sheet date.

	2007 EUR ('000s) +0.25 %	2007 EUR ('000s) -0.25 %	2006 EUR ('000s) +0.25 %	2006 EUR ('000s) -0.25 %
Pre-tax net result for the year / equity	-115	115	-116	116

The group has entered into interest rate swaps to fix a component of the group's variable rate credit facilities, which will reduce the group's exposure to market interest rate fluctuations during the next 12 months.

CREDIT RISK ANALYSIS

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	2007 EUR ('000s)	2006 EUR ('000s)
Financial assets held for trading (carried at fair value through profit and loss)	0	2,254
Cash and cash equivalents	6,696	1,776
Trade and other receivables	15,824	13,191
Total	22,520	17,221

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and / or reports on customers and other counterparties are obtained and used, as are letters of credit. The Group's policy is to deal only with creditworthy counterparties.

Group management considers that all of the above financial assets that are not impaired for each of the above reporting dates under review are of good credit quality, including those that are past due. See Notes 3 for further information on impairment or financial assets that are past due.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

LIQUIDITY RISK ANALYSIS

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities (all repaid in full during the year), repayment of credit line obligations as well as cash flows due in day-to-day business.

Liquidity needs are monitored in various time bands, short-term requirements being monitored on a day-to-day and week-to-week basis on a rolling 3 month projection.

The Group maintains cash balances and credit facilities to meet short-term financing requirements. Funding for long-term liquidity needs is additionally secured by allocation of liquid resources to meet liabilities as they fall due and securing additional financing, where necessary. Long-term liquidity requirements relate to credit facilities required to finance ongoing working capital requirements.

As at 31 December 2007, the Group's liabilities have contractual maturities which are summarised below:

	up to 1 year EUR ('000s)	1 up to 5 years EUR ('000s)
Bank loans	25,676	293
Finance lease obligations	74	234
Trade payables	18,901	0
Other financial liabilities	5,069	61
Total	49,720	588

This compares to the maturity of the Group's financial liabilities in the previous year, as follows:

	up to 1 year EUR ('000s)	1 up to 5 years EUR ('000s)
Bank loans	25,923	0
Finance lease obligations	165	0
Trade payables	7,206	0
Derivatives	3	0
Other financial liabilities	7,244	71
Total	40,541	71

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

37. OTHER INFORMATION

CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date.

JOINT AND SEVERAL LIABILITY

At the balance sheet date on 31 December 2007, joint liability obligations of EUR 0.6 million existed for guarantees due within the group to SAXONIA Edelmetalle GmbH which was sold in the 2007 business year. These were cancelled after the balance sheet date so there are no longer any obligations arising from them.

OTHER FINANCIAL OBLIGATIONS

Orders for metal requirements were placed to hedge purchase risks. This resulted in order commitments at the balance sheet date of EUR 31.8 million.

Rental and operating leasing obligations amount to EUR 608 thousands for up to one year, to EUR 1,161 thousands for between one and five years, and to EUR 314 thousands for over five years.

POST BALANCE SHEET EVENTS

In February 2008, DNick Holding plc established the joint venture "Innovative Clad Solutions Private Limited" in India together with two industrial partners as part of its corporate strategy to develop the core iron-nickel business consistently. The new company will construct a plant in India to manufacture plated materials.

HEDGING POLICY AND FINANCIAL DERIVATIVES

The business operations and financial transactions of the DNick group are exposed to financial risks. These risks arise in particular from price fluctuations.

According to the DNick group's risk management system, not only are these risks identified, analysed and assessed, they are also limited by the use of derivative financial instruments. These instruments are not permitted to be held for speculative purposes.

The business partners of the DNick group for contracts concerning derivative financial instruments are exclusively domestic and foreign banks with excellent credit standing. This minimises the risks of default of contractual parties in meeting their payment obligations.

One source of risk is the fluctuation in the prices of raw materials, in particular of nickel and copper. These metals are traded on the London Metal Exchange (LME) at their daily quotations. The companies mainly manufacture to order. Orders received are confirmed at the applicable daily quoted price and at the same time futures contracts are made for the acquisition of raw materials in order to hedge against future price movements. Here the order and purchase hedge form one unit, so that the effects on the company's earnings position are covered.

The rising trend in the price of metals impacts on the amount of working capital which increases although current capital remains unchanged. The group companies have made financing available in the form of asset-based borrowing lines for variable financing of working capital.

Exchange risks arise for foreign currency receivables. Open items exposed to exchange risk are hedged as required using derivative financial instruments. Only exchange futures are used for this.

EMPLOYEES

The employees in the business year, without taking into account the business segments sold in 2007, averaged 415, thereof 133 administrative staff, 262 industrial workers and 20 trainees.

AUDITOR REMUNERATION

Fees payable to the Company's auditor for the audit of the annual financial statements amount to EUR 79,809 (2006: EUR 165,208).

Other services relating to taxation - compliance and advice amount to EUR 100,045 (2006: EUR 7,750).

RELATIONSHIPS AND TRANSACTIONS BETWEEN RELATED PERSONS AND COMPANIES

DNick Ltd., London, was a related party of the group of DNick Holding plc until April 2006. DNick Ltd. held all shares in DNick Holding plc and EU Coin Ltd. until the exchange in April 2006.

The director of DNick Ltd. is also a director of DNick Holding plc. An amount of EUR 122,860 was accrued in the 2006 business year for the management and winding up of DNick Ltd. An amount of EUR 55,639 was outstanding at 31 December 2007.

A Company Voluntary Arrangement (CVA) was concluded concerning the assets of DNick Ltd., and this was part of the restructuring of the DNick group. Costs were advanced or assumed in the course of the restructuring process mainly by DNick Holding plc as the new management company with the holdings and available funds. Expenses incurred by DNick Holding plc in the business year amounted to EUR 231 thousands (2006: EUR 740 thousands).

An amount of EUR 500 thousands (2006: EUR 500 thousands) is due from EU Coin Ltd., which is a related party due to a common director.

There were no other significant relationships to affiliated companies.

DIRECTORS OF THE PARENT COMPANY AND THEIR REMUNERATION

The directors during the business year were:

- Paul Felton Smith (Chairman, Non-Executive Director)
- Dr. Götz-Peter Blumbach (Executive Director)
- Franz-Josef Seipelt (Executive Director)
- Edouard Altenhoven (Non-Executive Director)
- Dr. Hans-Joachim Krüger (Non-Executive Director)

The directors received remuneration totalling EUR 2,085 thousand (2006: EUR 1,701 thousand) for their work including pro rata share based remuneration amounting to EUR 1,014 thousand (2006: EUR 415). No directors accrued pension benefits during the current or preceding year.

The directors are entitled to a share bonus under a management incentive scheme. Details are explained in note 23. The 2007 group result includes expenses from the share bonus of EUR 1,572 thousands including the expenses applicable to a former managing director of a subsidiary.

LEGAL STATUS

REGISTERED OFFICE, INCORPORATION, CAPITAL, REGISTER, PURPOSE

DNick Holding plc is a public limited company under English Law with its registered office at No, 1 Poultry, London, EC2R 8JR, United Kingdom (UK). The business place and administrative centre of the company is Rosenweg 15, 58239 Schwerte, Germany.

The business is registered at Companies House in the United Kingdom under number 5398216.

The company's business year runs from 1st January of each year to 31st December of the same calendar year.

DNick Holding plc was formed to act as a holding company for the former business activities and to be used as the vehicle for the financial, balance sheet and legal restructuring of Deutsche Nickel AG. For this reason, DNick Holding plc was established by a declaration on 17 March 2005 made by DNick Ltd., London, United Kingdom (hereinafter referred to as "DNick Ltd") and Mr Edouard Altenhoven, with an authorised share capital of GBP 100,000, divided into 100,000 ordinary shares with a nominal value of GBP 1.00 per share.

50,000 shares with a total nominal value of GBP 50,000.00 were initially issued, of which 49,999 shares were issued to DNick Ltd. and one share to Mr Edouard Altenhoven in trust for DNick Ltd.

At 31 May 2005, the authorised capital was redistributed into 10 million shares with a nominal value of GBP 0.01 per share. The 50,000 shares already issued were converted accordingly into 5.0 million shares.

In March 2006, the subscribed capital was increased through cash contribution, initially by issuing 12,714 shares with a total nominal value of GBP 127.14. This increase related to the implementation of a debt/equity swap in April 2006, in which a total of 5,012,713 shares were transferred to the creditors of DNick Ltd. and EU Coin Ltd. One share remained with DNick Ltd. Of the shares made available in the course of the debt/equity swap, 853 shares were initially withdrawn again because of a technical correction to the amount of the accepted creditor claims.

During the restructuring process, DNick Holding plc issued certified options in an option contract of 22 March 2005, which entitled the option holders to hold a total of around 7.7 % of the share capital of DNick Holding plc. These options were provided in respect of a bridging loan, which was used to finance the acquisition of shares in Deutsche Nickel AG by DNick Ltd. on 24 December 2004 as well as the initial liquidity requirements of DNick Ltd. The options, which were issued in relation to the loan, entitled the lenders to a holding of the share capital of DNick Holding plc in addition to the repayment of the loan. In April 2006 the option holders exercised their option rights. In fulfilment of this option, DNick Holding plc issued a total of 390,242 new shares with a nominal value of GBP 3,902.42 and transferred them to the option holders. This option is thereby fulfilled.

On 31 December 2006, the issued share capital of DNick Holding plc subsequently amounted to GBP 54,021.03, divided into 5,402,103 shares with a nominal value of GBP 0.01 per share.

On 9 March 2007, the issued share capital was increased through cash contribution by issuing 26,287 shares with a total nominal value of GBP 262.87. At the same time, the 853 shares withdrawn in the course of the debt/equity swap were issued. The increase in share capital was achieved through the partial exercising of an option granted to DNick Ltd. (option contract of 8 March 2006), whereby DNick Ltd. or the administrators of the

Company Voluntary Arrangement were granted the right to up to 160,000 shares for servicing additional claims of creditors of DNick Ltd.

On 3 May 2007, 68,755 shares and on 5 September 2007, 46,486 shares were issued as a share bonus as part of the Management Incentive Plan agreed in 2006, after the relevant conditions were fulfilled.

On 31 December 2007, the issued share capital of DNick Holding plc subsequently amounted to GBP 55,444.84, divided into 5,544,484 shares with a nominal value of GBP 0.01 per share. The authorised capital was unchanged at 10.0 million shares.

On 28 March 2008, the company allotted and issued 60,265 ordinary shares at par. The new shares rank pari passu with the existing ordinary shares of the company.

SHARE OPTIONS

DNick Holding plc has granted the following options on the issue of shares:

DNick Ltd. or the administrators of the Company Voluntary Arrangement were granted the option for up to 160,000 shares in the option contract of 8 March 2006 to service any additional claims from creditors of DNick Ltd. The share option could be drawn or terminated in whole or in part within 3 years if no further creditors' claims were pending. 26,287 shares were drawn from the option contract in the 2007 business year. The option contract was therefore fulfilled and terminated.

In the 2006 business year, DNick Holding plc granted a share bonus to three directors and a managing director of a subsidiary as part of a management incentive plan. This management incentive plan represented the implementation of consent given to DNick Ltd. in the creditor agreement of 29 June 2005 to create a performance incentive scheme for the management, which over a period of two years granted the management of DNick Holding plc a right to a share package of approximately 5 % in DNick Holding plc.

As part of this management incentive plan, a share bonus of 249,967 shares is committed for beneficiaries. In 2007, additional commitments were made on a total of 15,351 shares to two directors. Accordingly a total of 265,318 shares were committed under the share bonus, 115,241 shares thereof were allocated. A share bonus for 23,243 shares lapsed. On condition of fulfilment of the respective requirements, on 31 December 2007 126,834 shares can accordingly still be issued to the beneficiaries as share bonus, of which 60,265 shares were issued on 28 March 2008.

SHAREHOLDERS WITH A HOLDING OF MORE THAN 5 %

DNick Holding plc has received the following reports of shareholders who held more than 5 % of the shares issued, a total of 5,544,484 shares as of 31 December 2007:

Shareholder	Percentage holding
Goldman Sachs Group, Inc.	17.96 %
Bear Stearns International Limited	15.86 %
Värde Partners Europe Limited	9.83 %
Morgan Stanley Securities Limited	7.73 %
Axxion S.A.	5.51 %

FORM AND EVIDENCING OF SHARES

The shares are evidenced in a global certificate. The shareholders have a claim to individual evidencing of the shares. This claim only applies to the shareholder entered in the share register, the Bank of New York, London. The Bank of New York holds the shares for the actual shareholders in its capacity as nominee. The actual shareholders, who have beneficial ownership under English Law, have no claim for the evidencing of the shares.

Confirmed by the Board and signed by:



Dr. Götz-Peter Blumbach
Director



Franz-Josef Seipelt
Director

London, 14 May 2008