DNICK Holding plc
Interim report as at 30 June 2006

Information on the business development of DNICK Holding for the six-month period to June 30 2006 is presented in this interim report. Since 2005 Deutsche Nickel GmbH, Auerhammer Metallwerk GmbH, Deutsche Nickel-Press Tec GmbH, SAXONIA Edelmetalle GmbH, SAXONIA Eurocoin GmbH and Deutsche Nickel America Inc. have been included in the consolidated financial statements of DNICK Holding. The interim report is unaudited and does not comply with the requirements of IAS 34 with regard to form and content.

The Group recorded sales for the first six months of 2006 of approx. Euro 163 million, which is significantly above the level of the prior year period. However, in comparing the figures, it should be noted that amounts for Deutsche Nickel GmbH were only included in the prior year period as from 1 March 2005. Sales increased by approximately 14% on a comparable basis. This increase in sales was caused beside an expansion in business activities above all related to the passing on of the effect of the significant increases in metal prices experienced during the first six months of 2006.

Operating EBITDA of Euro 7.4 million is in line with the plan for the first six months of 2006. All Group segments made a positive contribution. Operating EBITDA and the profit on ordinary activities of Euro 3.5 million have been adjusted for non-recurring costs totalling Euro 1.2 million.

Group financial debt amounted to some Euro 36.8 million as at 30 June 2006 and is higher by Euro 3.5 million than the amount disclosed as at 31.12. 2005. However this amount includes the short-term loan taken out by DNICK Holding to finance the acquisition of the remaining liability of Euro 8.0 million under the joint and several liability agreement with regard to the former VDN loan, for which a provision had been made as at 31.12.2005. After adjusting for this loan amount the Group reduced net financial debt (financial debt less liquid funds) by some Euro 6.3 million in the first six months of 2006.

Euro 27.6 million of the financial liabilities outstanding as at 30 June 2006 are due and payable until 31.12.2006. The refinancing of the repayment of these loans on their due dates as well as the flexibility required to finance operating activities is currently being negotiated with the financing banks. Loans due as of 30 September 2006 have been repaid and new credit lines have been arranged with banks to partially refinance the Group. It is expected to complete remaining refinancing on time.

Based on the existing order book it is expected that a stable level of the sales will be generated by the DNICK Group in the second six months of 2006. The impact of the significant increases in metal prices, in particular nickel, will significantly affect the figures for the second six months of 2006, as the orders in the order book and due for delivery in the second six months of the year were hedged against increases in metal prices on the acceptance of the order. The profitability of such individual orders is in fact not affected by the hedging transactions entered into, however the level of the increase in sales is contingent on the increase in metal prices. Due to the given lead-time of the orders the working capital required in the second half of the year will also be above the planned amount as a result of the higher metal prices.

An operating EBITDA on prior year level or a slight increase is currently planned for the whole of 2006. Any impact resulting from the valuation of inventories as at the balance sheet date at the then applicable market prices has not been taken into account as the significant volatility in metal prices cannot be estimated.