

PRESS RELEASE

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Business performance in 2007

DNick confirms leap in profits and sales

The DNick Group substantially increased sales and profits in 2007. The 2007 annual report, published today, states that DNick Group sales increased to around 220 million Euros. This corresponds to an increase of 61 million Euros or 38 %, compared with the previous year (not including DN PressTec and Saxonia Edelmetalle activities, which were sold in 2007).

It was above all the increases in metal prices, passed on to customers, which resulted in this increase. In particular, average 2007 nickel prices were clearly at levels above those of the previous year, even factoring in hedging transactions. Sales volumes also increased. The reason for this was greater customer demand and enhanced sales activities.

Group operating EBITDA (i.e. based on the LIFO valuation of non order-related metals inventory) improved in 2007 to 13.5 million Euros. This very impressive improvement in profits by 4.9 million Euros or more than 50%, compared with the previous year, reflects the rigorous continuation of process-oriented improvement processes, margin increases in crucial product areas, including an improvement in the product mix and increases in sales volumes achieved. All divisions of the Group contributed to this increase in profits. Annual net profits last year amounted to 3.3 million Euros.

Earnings per share, adjusted for valuation and extraordinary effects, amount to 1.13 Euros (previous year 0.70 Euros).

The Group's net bank debt decreased to nearly 20 million Euros as at 31st December 2007, compared with the previous year. After the last instalment of the restructuring loans taken out in 2005 was repaid on schedule in September 2007, restructuring has now therefore also been completed in financial terms. Whilst the holding company DNick Holding plc is now free of financial debt, bank loans at the operating subsidiary level are practically the Group's only method of financing working capital.

Group equity as at 31st December 2007 amounts to 59.2 million Euros. This gives an equity ratio of at least 50% of the balance sheet total. Equity per share is thus around 10.70 Euros.

Given full order books, the DNick Group has also made a successful start to the new 2008 financial year. Sales and profits are above the figures for the corresponding period in the previous year. Assuming a stable economic environment and largely stable metal prices, the DNick Group expects sales and operating EBITDA for the 2008 financial year to be at least at the same level as in the completed 2007 financial year. On this basis annual net profits are expected to increase substantially.

Core activities of the DNick Group include iron-nickel, with the operating subsidiaries Deutsche Nickel GmbH, Auerhammer Metallwerk GmbH and Deutsche Nickel America Inc. as well as the business with coin blanks, which is concentrated in Saxonia Eurocoin GmbH.



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