

## **PRESS RELEASE**

05 September 2008

### **Half-year report 2008**

## **DNick continues to perform successfully**

DNick Holding plc is pleased to report excellent performance in the first half of 2008. In comparison with the first half of last year, group sales increased by 15.2 mn Euros to 124.7 mn Euros. Despite an ongoing decline in metal prices, turnover increased by around 14%. All business units contributed to this growth.

Operating EBITDA (excluding impact of revaluation of inventory) increased in the first half of 2008 to 8.7 mn Euros, compared with 6.0 mn Euros during the same period in the previous year. This represents an increase in earnings of 2.7 mn Euros or around 45%. This further increase in earnings can be attributed in particular to consistent, continued process-focused improvements and higher level of employment at largely unchanged fixed costs.

Earnings per share (adjusted) rose by 62% from 0.42 Euro/share in the first half of 2007 to 0.68 Euro/share in the first half of 2008.

“We are very satisfied with the figures in the half-year report. As the figures show, customer demand in the iron-nickel segment has continued to hold up well in the first half of 2008. Our products cover a wide range of applications and we have a broad customer base in various sectors and regions. Therefore we are not overly dependent on any specific sectors or regions. And our intensified level of sales activities in previous years is now bearing fruit, especially in Asian markets“, was how Dr. Götz-Peter Blumbach, CEO of DNick Holding, explained these developments.

“The coin blanks segment has also gathered speed and we have several interesting international coin projects on our books. This will provide us with a good capacity utilisation rate long into 2009, and we have in the meantime increased our capacity,” reported Dr. Blumbach further.

Based on existing order intake, the DNick Group expects this positive performance to continue in the second half of 2008 and assumes sales of approx. 240 mn Euros for the full year. Assuming constant metal prices (as at 30 June 2008), this will enable the Group to reduce working capital during the second half of the year to below the 30 June 2008 level. This can be explained by the fact that currently declining nickel price has not yet been fully reflected in inventory and trade receivables due to the period between the closure of metal hedging transactions and order fulfilment. In the second half of 2008 this should generate a material positive contribution to operating cash flow, although future metal price trends are hard to predict.

For the full year 2008 the DNick Group anticipates a further increase in operating EBITDA (excluding impact of revaluation of inventory) of around 10% to 15%, compared with the previous year. If business develops according to plan, a substantial increase in the net income for the year is also expected.

DNICK Holding plc incorporates the following companies: Deutsche Nickel GmbH, Auerhammer Metallwerk GmbH, Deutsche Nickel America Inc., DN Real Estate GmbH and SAXONIA Eurocoin GmbH.

Key figures – half-year report 2008:

			1st half-year 2008	1st half-year 2007	Change
Sales	€ mn		124.7	109.5	14%
Operating EBITDA <i>as % of sales</i>	€ mn		8.7 7.0%	6.0 5.5%	45%
Operating Cash Flow	€ mn		2.0	-10.2	
Earnings per share (adjusted)	€/share		0.68	0.42	62%
Equity (as at 30.6 and 31.12.)	€ mn		61.2	59.2	3%
Book value per share (as at 30.6. and 31.12.)	€/share		10.90	10.68	2%

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