

IR news:

Company

DNick Holding expects profit despite economic downturn in 2009

- downturn-related decline in turnover and earnings
- unchanged difficult market environment in the iron-nickel segment
- sales volume in coin blanks segment increases by 34 percent

Schwerte, 07.09.09 – The DNick Holding plc today presented the report for the first half of 2009. According to the report, the listed manufacturer of nickel alloys and coin blanks was only partially able to escape the effects of the global economic crisis. While the order situation for coin blanks developed very positively, a decline in sales for the iron-nickel segment was evident.

"Despite the extremely difficult market environment, we anticipate a profit before taxes for the current business year", says Dr. Götz-Peter Blumbach, Chief Executive Officer of the DNick Holding. The turnover of the DNick group declined in the first six months of this year from 124.7 million to 89.6 million Euros, which means a decrease of 28% compared with the same period of the previous year. In addition to the decrease in sales volumes in the iron-nickel area, particularly the price drop on the metal markets has had a negative impact on turnover development. The nickel price in the first half year was thus on average approx. 50 percent lower than that of the previous year.

Operating EBITDA in the first half of the year amounted to 6.0 million Euros in comparison to 8.7 million Euros in the period of comparison for the previous year. The decline in earnings is primarily the result of the global low demand for iron-nickel products. In addition, due to the poor economic situation,

significant reduction of toll work has had a negative effect on the utilisation of the melting works in Schwerte. The measures for adjustment of costs initiated early in the year could only partly compensate for the effects on earnings of the decline in orders in the first half of the year. However, Blumbach anticipates that the cost reduction will take full effect in the second half of the year.

An opposite development was evident in the business areas of iron-nickel and coin blanks from January to June 2009. In the iron-nickel segment, the difficult market environment has resulted in a quantity-related decline in sales of 15 percent in comparison to the first half of 2008. On the other hand, in the coin blanks area, where the capacity was expanded in the previous year, utilisation continued to be good and the sales volume increased by 34 percent.

"We are very satisfied with business developments in the coin blanks segment", Blumbach says. Because government agencies are the main customers, the project business with coin blanks is largely unconnected to the global recession and compensates considerably for business with nickel alloys, which is dependent upon the economic situation.

The board continues to anticipate a reduction of the sales volume of 20 to 25 percent in the iron-nickel area for the year 2009 on the whole. An enlivening of the market and the clearance for delayed projects from customers is anticipated for the start of the 2010 business year. Developments in the past two months support this assumption. For the coin blanks area, good utilisation of capacity into 2010 is forecasted on the basis of a positive backlog of orders.

The joint venture Innovative Clad Solutions Private Ltd., founded in 2008 in India, is developing according to plan. The works to manufacture plated strips under construction in India is expected to be completed by the end of the third quarter 2009.

Additional key data and details of business development from the first half year can be found in the interim report presented today by the DNick group.

Additional information at: www.dnickholding.de

About DNick Holding plc:

DNick Holding plc is one of the leading manufacturers worldwide of special materials made of nickel and nickel alloys, as well as of metal products. From its administrative centre in Schwerte in North Rhine-Westphalia, the company bundles all business activities of the DNick group as a holding company. The group is divided into the business areas of iron-nickel and coin blanks. In the business area iron-nickel, the group acts with the operative subsidiary companies Deutsche Nickel GmbH (Schwerte), Auerhammer Metallwerk GmbH (Aue) and Deutsche Nickel America Inc. (USA). In the business area coin blanks, the SAXONIA EuroCoin GmbH (Halsbrücke) and Compania Europea de Cosepeles S.A. (Spain) are active. In the business year 2008 the group achieved sales of 237 million Euro. The founding of the DNick Holding plc as a public limited company in accordance with British law took place in 2005 in order to function as a holding for the business activities of the former Deutsche Nickel AG. Following successful restructuring of the entire company group, the DNick Holding plc was placed on the stock market in 2006. The stock is traded in the German unofficial regulated market at the stock exchange centres in Frankfurt, Berlin and on the XETRA platform.

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