

IR news:

Company

DNick Holding reports profits for 2009 despite difficult market situation

- EBITDA, pre-tax profit and net profit positive
- Difficult market environment leads to decline in sales and earnings
- Equity ratio and cash flow considerably improved

Schwerte, 21 May 2010 – DNick Holding plc today presented the annual report for 2009. The listed manufacturer of nickel, nickel alloys and coin blanks was thus able to achieve its own forecast in the context of the interim report and announce a profit for all figures. However, sales and earnings declined as the consequence of the difficult market environment and a strained order situation. Nonetheless, equity ratio and cash flow have significantly improved while bank debt was reduced.

"We have met our forecast submitted in September 2009 and made a profit in a very challenging market environment", says Dr. Götz-Peter Blumbach, Chief Executive Officer of DNick Holding. Despite a market-related decline in sales in the core business of iron-nickel, the net profit of the DNick group in the business year 2009 amounted to 1.5 million Euros (previous year: 3.9 million Euros). Turnover declined by 70.3 million Euros to 166.3 million Euros. In addition to the lower sales in the iron-nickel segment, particularly the price drop on the metal markets has had a negative impact on turnover.

Operating EBITDA reached 9.3 million Euros and was thus 6.5 million Euros lower than the result of the previous year. Despite good capacity utilisation in the coin blanks business area and the cost reduction measures initiated in the iron-nickel sector, the decline in sales in the core business area could only be partially

compensated for in this way. The adjusted earnings per share amounted to 0.24 Euros as opposed to 1.54 Euros in the previous year. This ratio was also negatively affected by a special item related to deferred taxes.

Net equity developed clearly positively: this item improved in comparison with the previous year by 5 million Euros to 66.1 million Euros. This was accompanied by an increase in the equity ratio from 51.3 % to 62.6 %. In addition, a strict reduction of working capital in line with the reduced capacity utilisation in the iron-nickel sector resulted in a cash flow from operations of 21.8 million Euros. This enabled net bank debt (bank debt minus liquid funds) to be reduced from 21.8 million Euros to 3.4 million Euros by 31 December 2009.

Management expects moderate market recovery in the iron-nickel area for 2010. It is expected that the reduction of stock by many customers initiated in the previous year is completed, resulting in an increase in order volume. Early indications for this positive development are confirmed by current order intake. On the whole, the DNick Group assumes that the anticipated sales increases as well as implemented cost reduction measures will lead to an increase in profits in the iron-nickel business area.

In addition, the company assumes that lesser projects for technically sophisticated coins will be available in the current year. Given that, it is not be anticipated that the coin blanks segment will be in a position to repeat the very good result of the previous year.

The joint venture Innovative Clad Solutions Private Limited (India), founded in 2008, has started commercial production at the beginning of this year following trial operations. The joint venture should be able to achieve break even in the second half of 2010 and provide increasing positive contributions to the group results from 2011 onwards.

For the DNick Group, management expects operating result in 2010 to remain at the level of the previous year. Additional key data and details of business development from the business year can be found in the annual report of the DNick Group presented today.

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 Cospeles S.A. (Spain) are active. In the business year 2009 the group achieved profit before taxes of 5.3 million Euros. 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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