

IR-News:

Company

DNick Holding reports marked upturn in business

- Core iron-nickel business profits from economic recovery
- Operating EBITDA below the result of the previous year
- Earnings forecast for the year unchanged

Schwerte, 31.08.10 – DNick Holding plc is registering a marked recovery in demand in its core iron-nickel business. This is the conclusion of the interim report for the first half of 2010 which the publicly quoted manufacturer of nickel, nickel alloys and coin blanks presented today. Capacities in the coin blanks business segment continued to be well utilized but margins are currently affected by intensive price competition. The group's operating EBITDA at EUR 4.7 million was below the previous year's result (EUR 6.0 million). Operating EBITDA for the whole of 2010 is expected to remain at the level of the previous year.

“The iron-nickel segment has once again seen a strong upswing,” comments Dr. Götz-Peter Blumbach, Chief Executive Officer of DNick Holding. The company's core business is benefiting from the improved economic outlook and from the fact that customers had completed their stock reduction the previous year. This has resulted in a very positive development in order intake with significantly improved utilisation of capacities. Short-time working introduced at the Schwerte and Aue sites the previous year was therefore ended.

According to Blumbach, the improved order position in the iron-nickel segment will impact on sales and income especially in the second half of the year. Sales of the DNick group meanwhile rose by 8 % to EUR 96.8 million in the first six months of the year. The sales upturn is due on the one hand to changes in the product mix,

and on the other hand to income from passing on increases in the price of metals to customers.

Operating EBITDA was EUR 4.7 million in the first half of the year, compared with EUR 6.0 million in the same period the previous year. The decline in performance according to Blumbach is primarily due to fiercer price competition in the coin blanks segment where operating EBITDA decreased from EUR 4.6 million to EUR 2.6 million. In contrast, EBITDA in the iron-nickel segment rose from EUR 2.2 to 2.9 million. The reasons for this according to Blumbach were the cost reductions introduced the previous year and the improved utilisation of production capacities. Expansion of the business volume led to an increase in working capital in the group. The rising price of metals also required higher working capital financing.

For 2010 as a whole, management anticipates as before operating EBITDA at the level of the previous year (EUR 9.3 million). In the iron-nickel segment, the group assumes a significant increase in total sales volume for the year as a whole compared with the previous year. Management confirms this forecast given the current positive development of order intake. As already announced when the 2009 annual report was presented, the exceptionally good results of 2008 and 2009 in the coin blanks segment cannot be repeated this year. However, significant profits are still to be expected in this segment, also in 2010.

Further key data and details on the development of business in the first half of the year can be taken from the interim report of the DNick group presented today.

Further information is available 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 2009 business year, profit before tax of the group amounted to EUR 5.3 million. 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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