

SKW Stahl-Metallurgie Holding AG, Unterneukirchen

ISIN DE000SKWM021

German Securities Code (WKN) SKWM02

Invitation to the Annual General Meeting:

The Executive Board of SKW Stahl-Metallurgie Holding AG, Unterneukirchen (Germany) herewith invites its shareholders to its Annual General Meeting on

Thursday, June 14, 2012
at **10.00 am** (CET+DST)

in

Haus der Bayerischen Wirtschaft
Max-Joseph-Str. 5
80333 München (Munich)
Germany

I. Agenda

- 1. Presentation of the adopted and audited annual financial statements and the approved and audited consolidated financial statements and the combined management report as well as the Supervisory Board's report for SKW Stahl Metallurgie Holding AG as well as the explanatory report by the Executive Board on the information within the meaning of Sections 289 (4) and 5 (4) and 315 (4) of the Handelsgesetzbuch (HGB – German Commercial Code), for business year 2011 in each case.**

These documents and the Executive Board's proposal for the appropriation of net profits can be viewed in the offices of SKW Stahl-Metallurgie Holding AG at the company's registered office (Rathausplatz 11, 84759 Unterneukirchen, Germany) during business hours. Copies of these documents will be sent to shareholders free of charge and without delay upon request. From the date on which the General Meeting is called, these documents are available on SKW Stahl-Metallurgie Holding AG's Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>) and are available for viewing during the Annual General Meeting.

The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the financial statements are thus adopted. In line with the statutory regulations, no resolution thus has to be passed on agenda item 1.

- 2. Resolution on the appropriation of the distributable profit**

The Executive and Supervisory Boards propose utilizing the net retained profits of SKW Stahl-Metallurgie Holding AG totaling EUR 10,188,901.92 recorded in business year 2011 as follows:

Disbursement of a dividend of EUR 0.50
per entitled share = EUR 3,272,465.00

and carrying forward the remaining amount to new account =
EUR 6,916,436.92

The above total dividend and the above remaining amount to be carried forward to new account are based on the dividend-entitled share capital of EUR 6,544,930 comprising 6,544,930 shares on March 14, 2012 (date on which the annual financial statements were prepared). If the number of dividend-entitled shares for the past business year 2011 should change prior to the Annual General Meeting, the Executive and Supervisory Board will propose a correspondingly modified motion to the Annual General Meeting, which will also include an unchanged dividend of EUR 0.50 per dividend-entitled share and a correspondingly adjusted profit carried forward.

The dividend will be paid directly after the Annual General Meeting. Payment is expected to be made on June 15, 2012.

3. Resolution to ratify the acts of the members of the Executive Board for business year 2011

It is intended that the resolution on this agenda item will be made separately for each individual member.

The Executive and Supervisory Boards propose:

- a) to ratify Mrs. Ines Kolmsee's acts for her period of office as a member of the Executive Board in business year 2011,
- b) to ratify Mr. Rainer Bunnenberg's acts for his period of office as a member of the Executive Board in business year 2011,
- c) to postpone the resolution on the ratification of Mr. Gerhard Ertl's acts for his period of office as a member of the Executive Board in business year 2011,

4. Resolution to ratify the acts of the members of the Supervisory Board for business year 2011

It is intended that the resolution on this agenda item will be made separately for each individual member.

The Executive and Supervisory Boards propose:

- a) to ratify Mr. Titus Weinheimer's acts for his period of office as a member of the Supervisory Board in business year 2011,
- b) to ratify Mr. Armin Bruch's acts for his period of office as a member of the Supervisory Board in business year 2011,
- c) to ratify Mrs. Sabine Kauper's acts for her period of office as a member of the Supervisory Board in business year 2011,
- d) to ratify Dr. Dirk Markus' acts for his period of office as a member of the Supervisory Board in business year 2011,
- e) to ratify Mr. Jochen Martin's acts for his period of office as a member of the Supervisory Board in business year 2011,
- f) to ratify Dr. Christoph Schlünken's acts for his period of office as a member of the Supervisory Board in business year 2011,

5. Resolution to appoint the auditors for the single-entity and consolidated financial statements for the business year 2012

The Supervisory Board, supported by the audit committee's recommendation, moves to appoint Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 München (Munich), Germany, as the auditor for the single-entity and consolidated financial statements for business year 2012.

6. Resolution on setting remuneration for the Supervisory Board

The remuneration for the members of the Supervisory Board set in the Annual General Meeting on June 4, 2009 in line with the requirements of the German Corporate Governance Code is to be adjusted. Remuneration for the Supervisory Board is to be changed to fixed remuneration. The Executive and Supervisory Board are preempting the resolution proposed by the German Corporate Governance Code Government Commission to change Item 5.4.6 (2) of the German Corporate Governance Code; the draft of the Corporate Governance Code for 2012 no longer includes any recommendation for performance related remuneration components. The Executive and Supervisory Boards thus propose the following resolution:

- “1. In addition to reimbursement of their out-of-pocket expenses, the members of the Supervisory Board receive fixed annual remuneration of EUR 12,000.00 per member.
2. The Chairman of the Supervisory Board receives 1.5 times, and each Deputy receives 1.25 times the amounts to be granted under paragraph 1.
3. In addition to the remuneration under paragraphs 1 and 2, each member of the Supervisory Board also receives a meeting fee of EUR 1000.00 per face-to-face meeting of the entire Supervisory Board.
4. In addition to the remuneration under paragraphs 1, 2 and 3, each member of a committee also receives a meeting fee of EUR 1,000.00 per face-to-face meeting of the committee. The Chairman of a committee receives 1.5 times the meeting fee.

5. Compensation is paid to the Supervisory Board with any VAT incurred on such a payment. The Supervisory Board's remuneration according to Items 1 and 2 above is paid in each case for the previous calendar year on the day after the company's Annual General Meeting which resolves on the Supervisory Board's ratification. Meeting fees according to Items 3 and 4 above are paid in each case at the latest 14 days after the corresponding meeting.
6. Members of the Supervisory Board who only belonged to the Supervisory Board for part of the business year receive pro-rata remuneration for each commenced month of their activities. If a member of the Supervisory Board joins or leaves the Board during the year, this does not impact the due date for the remuneration.
7. This resolution applies for the first time to remuneration payable in calendar year 2012 and from this period it replaces the regulations on remuneration resolved by the Annual General Meeting on June 9, 2009 on agenda item 11. With regard to remuneration due for calendar year 2011, the regulations on remuneration resolved by the Annual General Meeting on June 9, 2009 on agenda item 11 apply with the exception of its Item 2b) (Remuneration based on long-term company profits - "Variable remuneration 2"). If claims should already have arisen from Item 2b) of the resolution on remuneration by the Annual General Meeting on June 9, 2009 (Remuneration based on long-term company profits - "Variable remuneration 2"), these are compensated by the regulations reached in Items 1 to 6 above. The members of the Supervisory Board already agreed to this regulation prior to the Annual General Meeting in the event that the Annual General Meeting passes this resolution."

II. Further information:

1. Total number of shares and voting rights

The company's share capital comprised 6,544,930 ordinary shares on the date the General Meeting was called. The shares are registered shares.

Each share grants one vote. As a rule, the company is not due any voting rights from its treasury shares. On the date the General Meeting was called, the company did not hold any treasury shares. As a result there are 6,544,930 voting rights.

2. **Conditions for participation in the Annual General Meeting and exercising voting rights**

Shareholders are authorized to participate in the Annual General Meeting of SKW Stahl-Metallurgie Holding AG ("Company") and to exercise their voting rights - personally or via proxies - if the register with the company **at the latest by midnight CET+DST on June 7, 2012** and are entered in the share register for the shares registered when registrations close (midnight CET+DST on June 7, 2012). The company must receive the registration for participation in the General Meeting in text form (Section 126b of the *Bürgerliches Gesetzbuch*) in German or in English. Registrations can be performed as follows:

- by mail at the following address:

SKW Stahl-Metallurgie Holding AG
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Germany

- by fax using the fax number: +49 (0) 621 / 71 77 213 or
- by e-mail using the address: eintrittskarte@pr-im-turm.de

After receipt of the registration, the shareholders or their authorized representatives will be sent entry tickets for the Annual General Meeting. In order to ensure that the entry tickets are received in good time, we ask our shareholders to ensure that their registration is sent to the company in good time. Receipt of an entry ticket is not a condition for participation in the Annual General Meeting and exercising voting rights, but rather it eases the organization and processing. Additional information on how to

register can be found in the response form sent to shareholders together with the invitation. This can be used for registration and to order entry tickets and also to issue proxies and instructions. The company's Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>) also includes information on how to register.

Shares are not blocked by registering for the Annual General Meeting; shareholder can thus freely dispose of their shares after they have successfully registered.

In order to exercise participation and voting rights, the shareholding registered in the share register at midnight CET+DST on June 7, 2012 applies; applications for changes in the share register, which the company does not receive by the end of June 7, 2012, through to the date of the Annual General Meeting on June 14, 2012 (inclusive) will only be executed in the company's share register with effect after the date of the Annual General Meeting. The share register on the date of the Annual General Meeting corresponds to the status of the share register at midnight CET+DST on June 7, 2012.

According to Section 135 of the Aktiengesetz (AktG - German Public Limited Companies Act), a bank may only exercise voting rights for shares that it does not own, however for which it is registered as the holder in the share register, with an authorization.

3. Voting by use of authorized representatives

- a) Shareholders who are registered in the share register can have an authorized representative represent them at the Annual General Meeting. Voting rights can be exercised by an authorized representative, for example a bank, a shareholders' association or another person. In these cases, the shareholder or the authorized representative must ensure timely registration.

If neither a bank nor a shareholders' association nor another person/institution named in Section 135 (8) of the Aktiengesetz (AktG – German Public Limited Companies Act) or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG is authorized as representative, the power of attorney must be issued in text form according to Section 134 (3) of the AktG, Article 15 (2) of the Articles of Incorporation (Section 126b of the BGB). The requirement for the text form (Section 126b of the BGB) also applies when revoking the power of attorney and for verification of the power of attorney vis-à-vis the company. The following address, fax-number and e-mail address can be used to issue a power of attorney to the company, to transfer evidence of a power of attorney issued to the authorized representative, and to revoke powers of attorney:

- by mail:

SKW Stahl-Metallurgie Holding AG
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Germany

- by fax: +49 (0) 621 / 71 77 213 or
- by e-mail: eintrittskarte@pr-im-turm.de

On the date of the Annual General Meeting, the following address, fax-number and e-mail address can be used to send evidence of a power of attorney issued to the authorized representative, and to revoke powers of attorney by 9.00am (CET+DST), including the entry and exit control at the Annual General Meeting, Haus der Bayerischen Wirtschaft, Max-Joseph-Str. 5, 80333 München (Munich), Germany.

If a shareholder issues a power of attorney to more than one person, the company may reject one or several of these persons.

Banks, shareholders' associations or other persons/institutions named in Section 135 (8) of the Aktiengesetz (AktG – German Public Limited Companies Act) or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG may have different regulations for their powers of attorney. As a result, if they intend to engage a bank, a shareholders' association or another person/institution named in Section 135 (8) of the AktG or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG, shareholders are asked to contact the proxy in good time with regard to any form for the power of attorney that they may require.

- b) We offer our shareholders the possibility of having their voting rights exercised in the Annual General Meeting in line with their instructions by a proxy designated for this purpose by the company. Ms. Juliane Drerup and Mr. Christian Schunck have each been appointed as proxies for the company with individual powers of representation and with the right to issue sub-proxies. Ms. Drerup is General Counsel, Mr. Schunck is Head of Investor Relations. In this case too, the shareholder must also register for the Annual General Meeting in time as described above. If a shareholder wishes to issue a power of attorney to one of the proxies named by the company, he must issue voting instructions for each agenda item for which a vote is to be taken. If no instructions have been issued for a voting item, the proxies will abstain from voting with the voting rights for the shareholder issuing the power of attorney, or, depending on the voting method, they will not participate in voting. The proxies appointed by the company undertake to vote in line with the instructions issued to them.

Shareholders receive a form to issue a proxies and instructions together with voting. The form can also be found online at www.skw-steel.com in the section "Investor Relations", "Annual Shareholders' Meeting", "Annual Shareholders' Meeting 2012" (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>).

The power of attorney and instructions granted to the proxies appointed by the company can be issued prior to the Annual General Meeting in text form by mail, fax or by e-mail to the following address:

- by mail at the following address:

SKW Stahl-Metallurgie Holding AG
c/o PR IM TURM HV-Service AG
Römerstraße 72-74
68259 Mannheim
Germany

- by fax using the fax number: +49 (0) 621 / 71 77 213 or
- by e-mail using the address: eintrittskarte@pr-im-turm.de

Powers of attorney and instructions to the proxies appointed by the company can be issued, changed or revoked until June 13, 2012, 7.00 pm (CET+DST) using the above addresses. On the day of the Annual General Meeting, powers of attorney and instructions to the proxies appointed by the company can also be issued, changed or revoked from 9.00 am at the entry and exit controls.

Please note that the proxies appointed by the company cannot be instructed to raise objections to resolutions by the Annual General Meeting, to exercise the right of speech or to ask questions, or to file applications, and that they are also not available to vote on motions for which there are no proposed resolutions in this invitation or for which resolutions are only announced later.

III. Shareholders' rights

Prior to and during the Annual General Meeting, the shareholders are due the following rights.

1. Additional requests for the agenda within the meaning of Section 122 (2) of the Aktiengesetz

Shareholders whose interests total at least 5% of the share capital or a proportionate amount of EUR 500,000 can demand that items be placed on the agenda and announced. Each new item must be accompanied with

reasons or a motion. This demand must be made in writing to the SKW Stahl-Metallurgie's Executive Board and must reach the company at least 30 days prior to the Annual General Meeting, i.e., at the latest by the end of May 14, 2012 (midnight CET+DST) at the following address:

SKW Stahl-Metallurgie Holding AG
Investor Relations – General Meeting
Prinzregentenstraße 68
81675 München (Munich)
Germany

The party/parties making the application according to Section 122 (1) Sentence 3, (2), 142 (2) Sentence 2 of the AktG must prove that they have held the shares for at least three months prior to the date of the General Meeting.

2. Countermotions and proposals for election by shareholders according to Sections 126 (1) and 127 of the Aktiengesetz

In addition, shareholders of the company can make countermotions to the motions by the Executive and/or Supervisory Boards on specific agenda items, and may also make proposals for election. Countermotions must include reasons. Countermotions and election proposals by shareholders for the Annual General Meeting must be made, stating the shareholder's name, exclusively to

- SKW Stahl-Metallurgie Holding AG
Investor Relations – General Meeting
Prinzregentenstraße 68
81675 München (Munich)
Germany
- or by fax to +49 (0)89 / 599 89 23 29
- or by e-mail to ir@skw-steel.com

We will publish counter motions and election proposals from shareholders that are to be made accessible together with the shareholder's name and any reasons for which access is to be provided once these are received on our Web site www.skw-steel.com in the "Investor Relations" section, under "Annual Shareholders' Meeting", "Annual Shareholders' Meeting 2012" (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>). In this regard, counter motions and election proposals on agenda items received at the above address by midnight (CET+DST) on May 30, 2012 are to be considered. Any opinions by management will also be published at the same URL.

3. Right to information within the meaning of Section 131 (1) of the Aktiengesetz

In the Annual General Meeting, each shareholder or shareholder representative can demand information on company issues, the company's legal and business relationships with associated companies, and the Group's position and that of the companies included in the consolidated financial statements from the Executive Board to the extent that this information is required for a proper assessment of the agenda item. According to Section 16, Item 2, Sentence 3 of the Articles of Incorporation, the Chairman of the General Meeting is authorized to place a reasonable time constraint on shareholders' rights to ask questions and speak. In addition, the Executive Board can determine that it refuses to provide information in cases regulated in Section 131 (3) of the AktG. These cases are presented on the company's Web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>.

4. Additional explanations

Further information on shareholders' rights within the meaning of Sections 122 (2), 126 (1), 127 and 131 (1) of the Aktiengesetz can be found online at in the "Investor Relations" section, "Annual Shareholders' Meeting",

“Annual Shareholders’ Meeting 2012” (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>).

IV. Publications on the company’s Web site

The information within the meaning of Section 124a of the Aktiengesetz can be found online on SKW Stahl-Metallurgie Holding AG’s Web site at in the “Investor Relations” section, “Annual Shareholders’ Meeting”, “Annual Shareholders’ Meeting 2012” (<http://www.skw-steel.com/investor-relations/hauptversammlung/hauptversammlung-2012/>). The results of voting will be announced using the same URL after the Annual General Meeting.

Unterneukirchen (Germany), May 2012

SKW Stahl-Metallurgie Holding AG
The Executive Board

Courtesy Translation Only