2011: Record revenues and earnings

Further growth potential for 2012 and 2013

Year-end Press Conference and

Investors‘ Telephone Conference

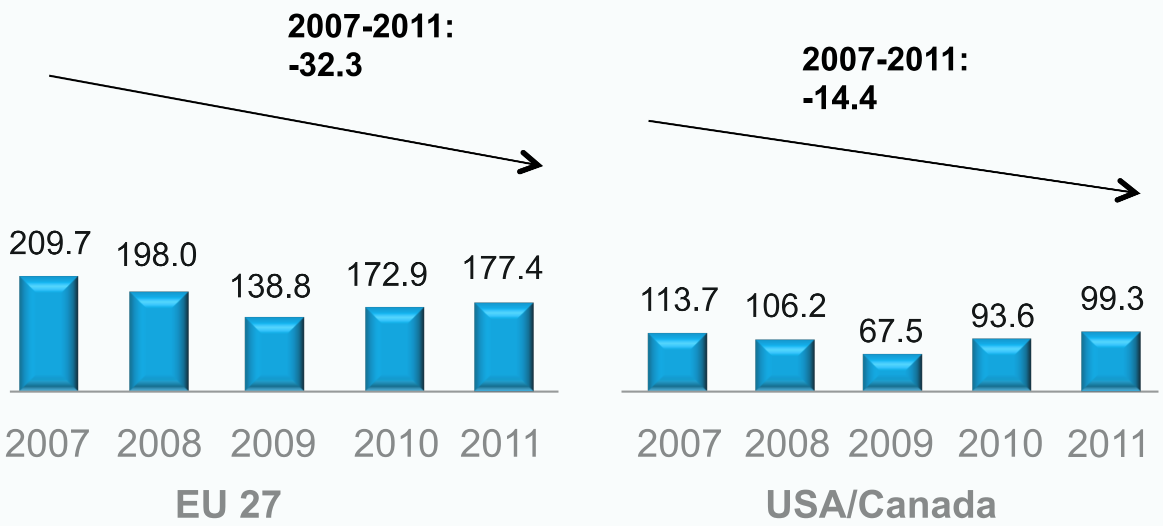
München (Munich), March 23, 2012

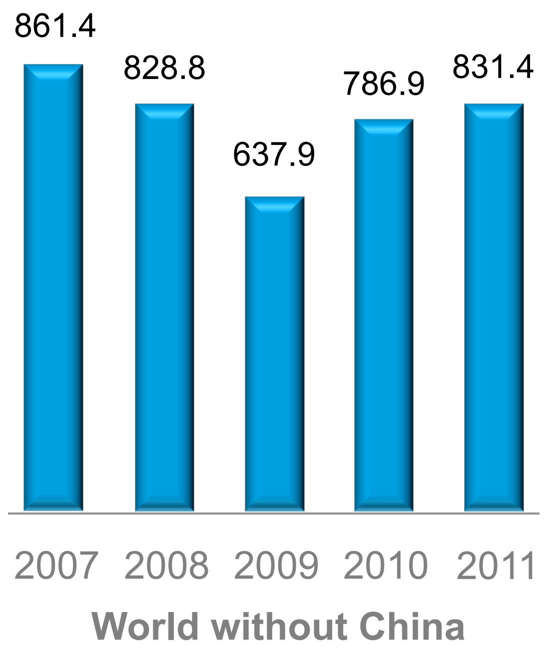
Highlights business year 2011

- Increasing global steel production and SKW Metallurgie expansion in Sweden again lead to record figures for corporate revenues
  - Revenues +12.6% to 428.9 million €
- Significant increase in earnings: EBITDA from 28.8 million € to 31.7 million € and thereby improved to new record level
  - Multitude of non-operative one-off effects, which almost compensate one another
- Continously solid balance sheet quality despite expansion-related record level for capex
- Comprehensive refinancing provides long-term financial security for future investments
- Dividend proposal: 0.50 € per share
- Further growth potential for 2012 and 2013

Recovery of steel production continues – Record figures of 2007 not yet reached again

Steel production in million tons





About 75% of revenues (2011) of the SKW Metallurgie Group in the EU and USA/Canada

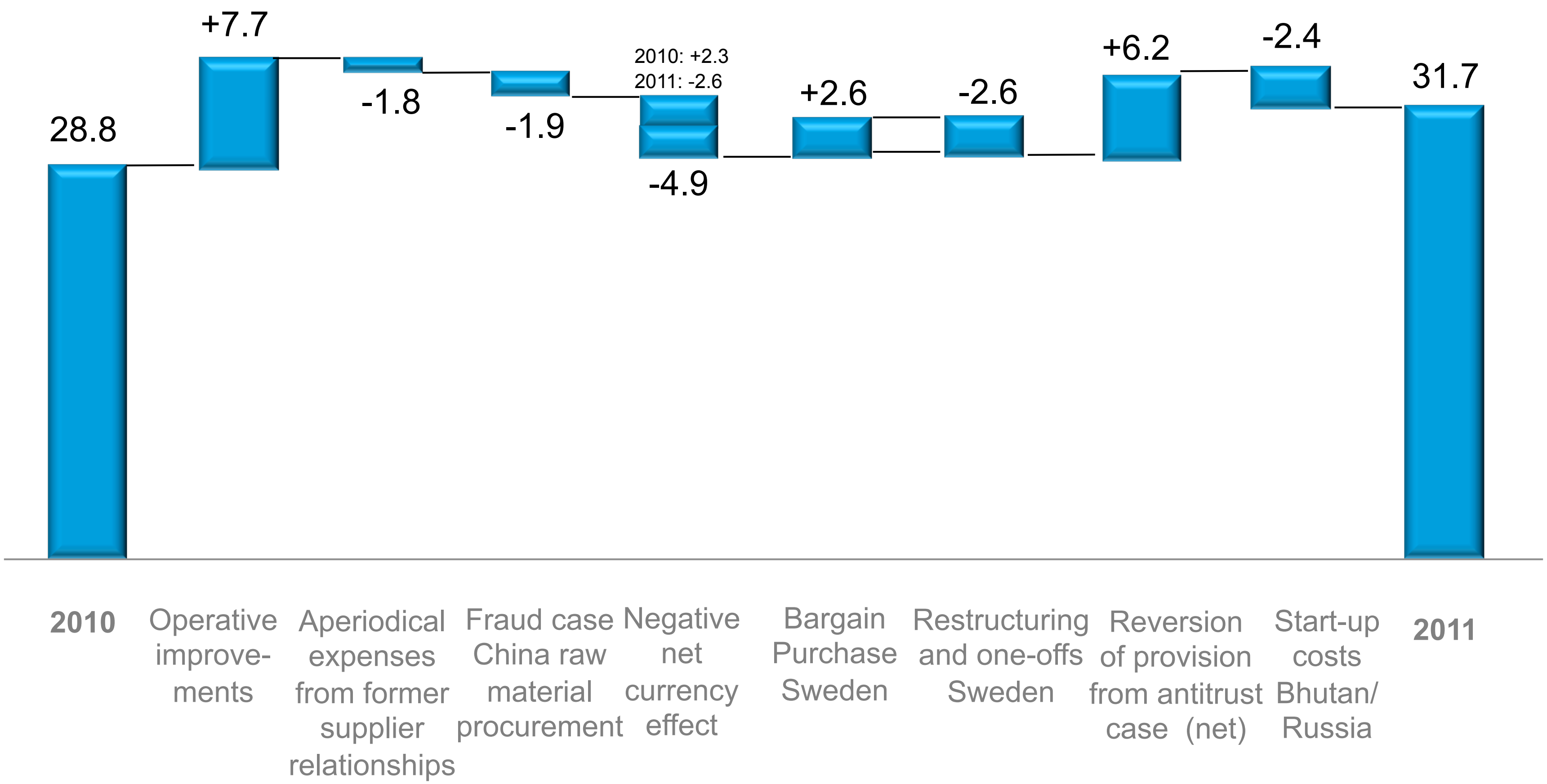
Operative performance on high level – Dividend continuity for 2011

in million €	2011	2010	Δ
Revenues	428.9	380.8	+12.6%
EBITDA	31.7	28.8	+10.0%
EBIT	18.4	17.3	+6.4%
EBT	16.2	15.0	+8.1%
Consolidated net result	11.8	9.1	+29.7%
thereof shareholders of SKW Metallurgie	12.2	7.5	+62.7%
Gross margin	27.6%	27.2%	-
EBITDA margin	7.4%	7.6%	-
EPS in €	1.86	1.15	+61.7%

➡ Dividend continuity (proposal to AGM):
Unchanged dividend of 0.50 € (pre-tax) per dividend-entitled share

Development of 2011 earnings coined by numerous one-offs

EBITDA in million €



Positive court judgement related to European antitrust case

- In July 2009, the European Commission issued penalty notices due to anti-competitive behaviour in the calcium carbide and magnesium sectors
- Thereof, a maximum of 13.3 million € is to be paid by the SKW Metallurgie Group, in joint liability with former parent companies (in particular today's Gigaset AG)
- In the SKW Metallurgie Group, a corresponding provision was booked as of December 31, 2010 in the amount of 6.65 million € (due to joint liability: 50% of 13.3 million €)
- Legal action by the SKW Metallurgie Group against the penalty notice, based on procedural errors, still pending
- Former corporate parents, in particular Gigaset AG (former ARQUES Industries AG), sued the SKW Metallurgie Group for indemnity from resp. compensation of their penalties inter se => rejected also in second instance
- OLG München (Upper Court) has rather confirmed compensation right of SKW Metallurgie Group against former parent companies => economic expense of SKW Metallurgie Group from penalty therefore so unlikely that provision was reversed (net 6.2 million € due to 0.5 million € additional legal fees)

Cored Wire: Significant plus in revenues, earnings coined by one-offs

in million €	2011	2010
Revenues	202.1	183.0
EBITDA	7.6	11.9
EBITDA margin	3.8%	6.5%
EBITDA adjusted	*12.5*	*12.2*
EBITDA margin adjusted	*6.2%*	*6.7%*

- Adjustment: Majority of negative currency effect arose in segment “Cored Wire“; start-up costs in Bhutan and Russia in total amount of 2.4 million € (EBITDA w/o currency effects)
- Positive EBITDA contribution from Bhutan postponed to H2-2012, full contribution as of 2013
- Pending permits for Russia have been obtained in the meantime; full contribution to revenues and earnings as of 2013

Powder and Granules: New production facility for sintered synthetic slag as of 2012

in million €	2011	2010
Revenues	197.3	175.1
EBITDA	26.8	21.7
EBITDA margin	13.6%	12.4%
EBITDA adjusted	*24.5*	*19.8*
EBITDA margin adjusted	*12.4%*	*11.3%*

- Adjustment: Reversion of antitrust provision (net +6.2 million €) is offset by aperiodical expenses from former supplier relationships (-1.8 million €) and a fraud case regarding raw material procurement in China (-1.9 million €); low segmental currency effects (-0.2 million €)
- One-offs for new plant in Schweden compensate Bargain Purchase, as guided
- Increase in revenues through solid demand development und first-time consolidation of calcium carbide plant in Sweden (as of February 1, 2011)
- Go live of new production facility for sintered synthetic slag (Brazil) early 2012, full contributions to revenues and earnings as of 2013

Balance sheet structure continously solid despite record investments

in million €	2011	2010
Total e&I	315.7	275.8
Equity*	128.4	122.3
Equity ratio*	40.7%	44.3%
Net financial debt	77.9	47.3
Gearing**	0.61	0.39
Net financial debt / EBITDA	2.46	1.64

- Increase of total e&I by 39.9 million €, mainly influenced by growth projects in Sweden and Bhutan
- Net financial debt significantly increased to 77.9 million € due to record investments
- Solid balance sheet structure with equity ration of 40.6% and gearing of 0.61

* Incl. non-controlling interests (“Minorities “) ** Net financial debt divided by equity*

Comprehensive refinancing of debt

- Issuance of promissory note loan in the amount of 45 million € at conditions favorable to the SKW Metallurgie Group (early March 2012)
  - New finance source and new investors
  - Six pieces with maturities of 3, 5 and 7 years (fix and variable interest for each duration)
- New credit frame agreement with four leading banks for 45 million €

➔ Long-term, secure finance for scheduled future growth

Investments on record level coin cash flow development

in million €	2011	2010
Gross Cash Flow	16.5	14.9
+/- Changes in working capital	-10.4	-2.4
= Cash Flow from operating activity	6.1	12.5
- Cash Outflow for investments	-33.9	-24.7
= Free Cash Flow	-27.8	-12.2
+ Cash Inflow from finance activities	27.3	11.6
= Changes in cash on hand	-0.5	-0.6

- Working Capital increase due to increased revenue as well as reversal of EU provision
- Investment activity on record level (net 33.9 million €) mainly financed by debt
- Investment emphasis 2011: Bhutan, expansion USA and Brazil
- 2012: Earn-out Brazil; otherwise, significant decrease of investments scheduled for 2012

Growth projects:
Full earnings contributions as of 2013

- Brazil: Plant expansion (sintered synthetic slag) successfully completed in early 2012
- Sweden: Restructuring on track, conversion to standard operations during the course of 2012
- Russia: Pending permits for Russia have been obtained in the meantime; step-by-step increase of production and sales during the course of 2012
- Bhutan:
  - Production of ferro silicone and calcium silicone interchangeably; calcium silicone production will be stabilized during the course of 2012
  - Cored wire production in completion (target market: India)

Further growth potential in 2012 und 2013 despite economic uncertainties

- Stable economic growth and increased contributions from new production facilities form basis for optimism
- IMF prognosis (1/2012) for global growth: 2012: +3.3%; 2013: +3.9%
- Prognosis of World Steel Association (10/2011): Global steel consumption +5.4 % (EU +2.5%; NAFTA +4.9%)
- Increased revenue and earning contributions from growth projects as of 2012: Russia, Sweden, new production sites for sintered slag in Brazil; positive EBITDA contribution Bhutan as of H2-2012
- Significantly reduced one-offs (Assumption: low net currency effects in 2012 and 2013)

➔ SKW Metallurgie Group: Further improvements in revenues and earnings

Risk factor: Influence of sovereign debt crisis onto operative development

Financial calendar 2012 (remaining)

- May 15, 2012:
  Release of financial figures for Q1 2012
- June 14, 2012:
  AGM in München (Munich), Germany
- August 16, 2012:
  Release of financial figures for H1 2012
- November 15, 2012:
  Release of financial figures for first nine months 2012
- November 2012:
  Analysts‘ Conference 2012 at “Eigenkapitalforum“ in Frankfurt/Main, Germany

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