



Conference Call

Financial Results Q1-Q3 2008

November 12, 2008





Q1-Q3 2008 at a Glance



- Turnover increased by 86% to € 296.0 million
- Comparable EBITDA up approx. 150% to € 28.9 million
- Comparable EBITDA margin improved from 7.3% to 9.8%
- EPS climbs from € 1.45 to € 3.32
- Guidance for 2008 with increased operational EBITDA
 - Sales: previous guidance of € 330 - 350 million confirmed
 - Operational EBITDA: new guidance min. € 32 million
(previous guidance: € 28 - 30 million)



Group Profit and Loss Statement



in € million	Q1-Q3 2008	Q1-Q3 2007*	Q3-2008	Q3-2007
Sales	296.0	158.5	112.7	52.5
EBITDA	28.9	15.8	12.3	4.0
EBITDA (comparable)	28.9	11.6	12.3	4.0
EBIT	24.0	13.9	10.8	3.3
EBIT (comparable)	24.0	9.7	10.8	3.3
EBT	22.0	14.0	10.0	3.5
Net profit**	14.7	10.7	6.8	2.2
Net profit** (comp.)	14.7	6.5	6.8	2.2
Gross margin	25.9%	24.7%	27.2%	29.5%
EBITDA margin (comparable)	9.8%	7.3%	10.9%	7.6%
EPS in € (comparable)	3.32	1.45	1.54	0.51

* Quab business consolidated as of Jan. 16, 2007

** Before minorities

„Comparable“ indicates adjustments for bargain purchase realized in H1/07 as a result of the „Quab“ acquisition



Cored Wire: Record Sales and Earnings

in € million	Q1-Q3 2008	Q1-Q3 2007	Q3-2008	Q3-2007
Sales (external)	120.2	102.0	45.1	31.6
EBITDA	10.1	8.4	5.1	2.1
EBITDA margin	8.4%	8.2%	11.3%	6.6%

- Strong demand, especially from North American steel clients
- Restructuring in France bears fruit in Q2 and Q3 2008
- Targets will be achieved in Q4 2008
- Further expansion into emerging markets develops as expected
 - New plant in Mexico started production in Q3 2008
 - New plant in Russia to be opened in Q1 2009



Powder and Granules: Strong Magnesium Business in 2008

in € million	Q1-Q3 2008	Q1-Q3 2007	Q3-2008	Q3-2007
Sales (external)	158.2	36.5	61.6	12.9
EBITDA	21.1	2.8	9.1	1.0
EBITDA margin	13.3%	7.7%	14.7%	7.8%

- Significant increase (approx. five times) in segment figures due to ESM (consolidated since Q4 2008)
- Underlying business very strong in both ESM and other segment companies (sales and earnings also improved on a pro-forma basis without ESM)
- Magnesium business was particularly strong in Q1-Q3 2008 (Olympic Games)



Quab: In Line with Expectations

in € million	Q1-Q3 2008	Q1-Q3 2007*	Q3-2008	Q3-2007
Sales (external)	17.6	20.0	6.0	8.0
EBITDA (comparable)**	1.0	2.3	0.2	1.4
EBITDA margin (comparable)**	5.7%	11.5%	3.3%	17.5%

* As of Jan. 16, 2007

** „Comparable“ indicates adjustments for bargain purchase realized in H1/07 as a result of the „Quab“ acquisition

- Weak US-Dollar and natural disaster (flooding at client's site) negatively impacted business in 2008
- Segment expected in line with expectations for full year (strong Q4 expected)



Very Solid Balance Sheet Ratios



in € million	Sep. 30, 2008	Dec. 31, 2007
Total equity&liabilities	224.4	181.3
Equity	88.4	76.2
<i>Equity ratio</i>	39.4%	42.0%
Net financial position	-54.5	-41.8

- Equity ratio and net debt impacted by higher working capital (raw material price impact)
- No negative effects of financial crisis (neither occurred in the past, nor expected for the future)
- Reduction of net debt expected by year end





Working Capital Impacted by Raw Material Price Increase

in € million	Q1-Q3 2008	Q1-Q3 2007
Operating cash flow	20.1	9.4
Change in working capital	-28.0	-9.4
Net cash flow	-7.9	0

- Increased raw material prices require significantly higher working capital
- Raw material price increases are passed on to clients



SKW Metallurgie and the Financial Crisis



Working Capital financing

- HVB/Unicredito
- KBC Bank
- Société Générale
- and other first class banks

Of which approx. 90% HVB/Unicredito (ESM acquisition), no covenants based on market cap etc.



SKW Metallurgie's financing activities not affected by the financial crisis

Net financial debt as at Sep. 30, 2008:
€54.5 million





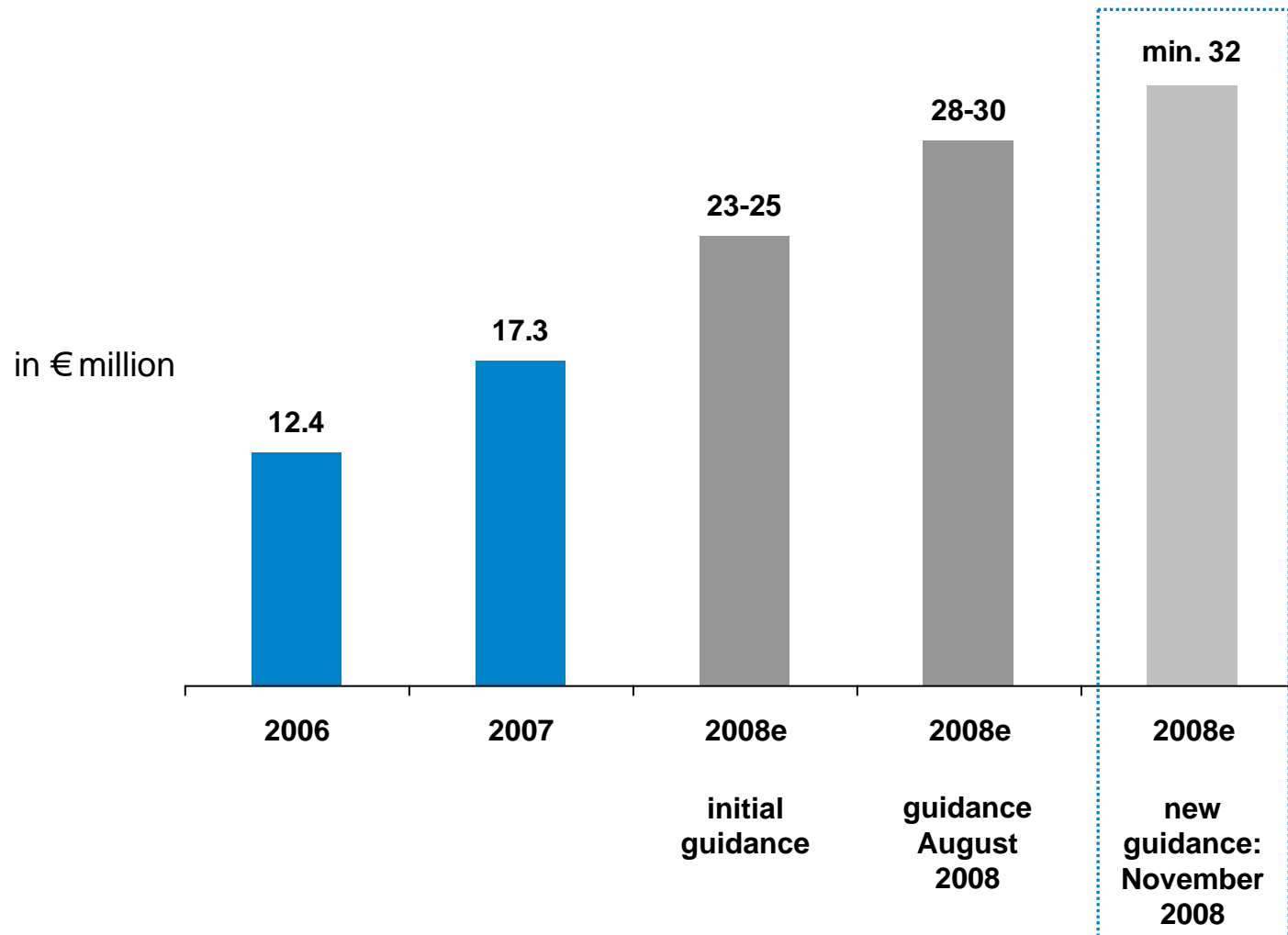
Outlook Q4 2008 and Beyond



- SKW Metallurgie financing activities are not affected by the financial crisis
- Neither is any expansion project (e. g. Russia, Bhutan, Brasil) affected
- Some clients from the steel industry have announced partial reductions of production in Q4 2008 and Q1 2009 to carry out regular maintenance work

→ Despite that and due to the better than expected development of the first three quarters, SKW Metallurgie increases its full year operational EBITDA guidance for 2008 again!

Guidance for 2008 Increased Again – Operational EBITDA





Financial Calendar 2009



2009

- March 20 Year-end press and analysts' conference
- May 15 Report on the first quarter
- June 4 Annual General Meeting
- August 14 Report on the first half year
- November 9-11 (tbd) Report on the first nine months





Christian Schunck
Head of Investor Relations

SKW Stahl-Metallurgie Holding AG
Fabrikstrasse 6
84579 Unterneukirchen
Germany

Tel: +49 8634 617596 • Fax: +49 8634 617594

ir@skw-steel.com • www.skw-steel.com



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