

Press release

Wednesday May 15, 2013

Interim report on the first quarter of 2013

ALBA SE achieves results at the previous year's level

- + EBT slightly above the previous year's comparative figure
- + Steel crisis and material shortages cause decline in sales and pressure on margins in the Steel and Metals Recycling segment
- + Focus set on further internationalisation and new markets

Cologne. The listed environmental services provider and raw materials trader ALBA SE, a subsidiary of ALBA Group, achieved earnings before taxes (EBT) of EUR 7.8 million during the first quarter of 2013 (previous year's figure: EUR 7.3 million). Earnings before interest and taxes and shares in earnings of associated companies (EBIT) amounted to EUR 10.1 million (previous year's figure: EUR 9.7 million).

EBT in the Steel and Metals Recycling segment turned out lower than at this time in the previous year because of the continuing steel crisis whereas EBT in the Services segment increased.

Consolidated sales revenue for the group amounted to EUR 446.5 million in the first three months of the current financial year (previous year: EUR 553.3 million).

"Our business has been greatly affected by the economic conditions. The requirements for an upturn in Germany have already been in place for some time. This has however failed to materialise due to the intensification of the crisis in the Eurozone. In addition, the continuing severe European steel crisis and shortage of materials of both ferrous and non-ferrous recovered metal has also contributed. In this market environment ALBA SE group has been able to hold its own in the first quarter of 2013," said Dr. Axel Schweitzer, Chairman of the Board of Directors. "Our strategy of internationalisation of sales and procurement routes has proven itself. We're feeling the crisis but when comparing within the sector we are much less affected than our competitors."

Working capital has increased at the end of the first quarter compared with the balance sheet date of December 31, 2012, because the business has expanded since the end of the year. As a result, the balance sheet total also increased. The net cash and cash equivalents – defined as the balance of debts and current liabilities from cash pooling with the ALBA Group, short and long-term liabilities to banks as well as liquid funds – has clearly decreased since December 31, 2012.

Development of the segments

Sales in the Steel and Metals Recycling segment amounted to EUR 368.2 million in the first three months of the current financial year (previous year: EUR 474.1 million). Lower prices than in the first quarter of 2012 and a lower marketed tonnage caused the decline in

turnover. Margins were under pressure due to the intense competition in a market environment shaped by shortage of materials.

In the first quarter of 2013, raw steel production from the German steel industry remained steady at the level of the same period last year, however in the EU-27 steel production decreased by 5.4% in the same period.

Recovered steel prices stayed on the level they were at the end of 2012, and were still below the level of the first quarter of 2012. For instance the average warehouse sale price of leading scrap type 2 decreased from EUR 327.40 per ton in the first three months of 2012 to EUR 310.77 per ton in the first quarter of 2013.

The demand for non-ferrous metals from China was stable. Sales were however impeded by material shortages in the European procurement market.

INTERSEROH Scrap and Metals Holding GmbH, Dortmund, acquired 65 per cent of ZG Balkan Holding GmbH at the end of 2012 (now trading under ALBA Balkan Holding GmbH). Altogether the purchase, through its subsidiary, covers twelve scrap yards in Croatia, Bosnia-Herzegovina, Serbia, Montenegro and Romania. The antitrust authorities granted their approval on February 7, 2013.

The Services segment generated sales of EUR 80.7 million in the first quarter of 2013 (previous year's figure: EUR 81.6 million). EBT has increased in comparison with the same period last year.

In the area of sales packaging the portfolio was adjusted for further below-cost contracts in the first three months of 2013, which helped to stabilise the result. As before, it is difficult to react sustainably in this market. Reasons for this are unclear wording in the Packaging Regulation and a lack of checks by the enforcement authorities. However, it is encouraging that the BDE certificate co-initiated by Interseroh is increasingly applied as self-regulation of the economy. Lower marketing prices and amounts strained sales and the result of the business unit transport packaging. Business Unit Recycling Solutions Interseroh raised sales and results in particular through new acquisitions in facility management and by expanding branch waste disposal.

Outlook

The Board of Directors is not counting on a considerable change in the Steel and Metals Recycling segment in the second quarter of the current financial year. However, for the second half of 2013 there are the first signs of a recovery in the steel industry which assumes a steel production equal to at least 2012 levels. From China there are also new demands both for recovered metal and for non-ferrous metals. Furthermore the development of the European Single Market is seen as critical by the Board of Directors. "Our most important goal can and must be the further internationalisation of sales and procurement routes as well as the bundling of quantities. The acquisition of shares in the Balkan companies was an important step towards this," stressed Schweitzer. "However emerging countries in South America such as Brazil are increasingly interesting partners in particular with regard to the procurement of recovered metals."

In the Services segment the Board of Directors does not expect any considerable changes in the marketing situation and a stable economic development. However, the management is concerned about the development of the dual system: In 2012, 2.4 million tons of plastic waste were recovered in yellow bins and bags. However, trade and industry only paid the stipulated licence fees for 1.1 million tons. "Our focus in the Services segment is on the

further development of new business areas and in new markets to support sustainable growth,” said the Chairman of the Board of Directors. Furthermore, cross selling is promoted within the segment and also within the whole ALBA Group in 2013. The interlinking of the Steel and Metals Recycling segment with the waste disposal business of the ALBA Group is being intensified. Considerable goals of these measures are the more efficient utilisation of resources and the achievement of synergies.

About ALBA SE:

ALBA SE is a subsidiary of the recycling services provider and raw material supplier ALBA Group. The ALBA Group and its two brands ALBA and Interseroh with around 200 subsidiary and associate companies is active in Germany and Europe as well as in Asia and the United States. With a total of almost 9,000 employees* it generates an annual sales volume of about 3 billion euros (2012) thus making ALBA Group one of the leading environmental services and raw materials providers worldwide. The operating activities of Interseroh focus on organising the recovery of packaging and products and on the sale of secondary resources, particularly recovered steel and metals. ALBA's operating activities focus on waste disposal services in municipal and commercial sectors, the sale of secondary resources, the development and operation of recycling and production plants as well as the design and performance of facility services.

** Staff (including minority holdings)*

You can find further information on ALBA SE at www.alba-se.com. Information on the ALBA Group can be found at www.albagroup.de. Visit www.albagroup.de/presse to subscribe to all ALBA Group press releases as RSS Feeds.

Please also look at our online portal containing information on the topic of raw materials and recycling: www.recyclingnews.info.

Press contact:

Verena Köttker
Head of Investor Relations
Tel.: +49 30 35182 5050
Verena.Koettker@albagroup.de

ALBA SE
Stollwerckstraße 9a
51149 Cologne
Germany
alba-se@albagroup.de