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MEDIA RELEASE

Interim report on the 1st quarter of 2011

INTERSEROH SE: Strong domestic demand shapes the course of business during the first quarter

Earnings before taxes up slightly / prices drive sales / margins in the steel and metals recycling segment further improved by optimised structures

Cologne, May 13, 2011 The publicly quoted environmental services provider and raw materials trader INTERSEROH SE achieved EBIT of EUR 10.8 million for the first three months of the current fiscal year at the Group level compared to EUR 11.3 million in the same quarter last year. EBT improved from EUR 7.0 million in the first quarter of 2010 to EUR 7.5 million in the months of January to March of 2011.

Markets for scrap, paper and PET were influenced by prices that exceeded the same period in the previous year. The Group's consolidated sales rose from EUR 438.6 million in the previous year's quarter to EUR 594.1 million in the first quarter of 2011.

"Strong domestic demand was also experienced by the Interseroh Group in the first three months of 2011. Above all revived demand for steel products from Germany, as well as copper from Asia, had a positive impact on prices and trade in secondary resources," stated Dr. Axel Schweitzer, INTERSEROH SE's Chairman of the Board of Directors.

Working capital is up in the first quarter of 2011 compared to the December 31, 2010, balance sheet date. The main reason for this increase is higher purchase and sale prices in the markets for steel and non-ferrous metal scrap. Consequently, total assets and net debt rose compared to December 31, 2010.

Developments in the segments

Revived demand in the domestic markets had an especially positive impact on the *Steel and Metals Recycling* segment. German steel companies were the main buyers of scrap treated and traded by Interseroh during the first quarter. Prices were significantly above those of the first three months of 2010. The average warehouse sales price of leading scrap type 2 rose from EUR 211.90 per ton in the first quarter of 2010 to EUR 335.03 per ton in the first quarter of

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2011. Sales revenues in the steel and metals recycling segment rose from EUR 308.3 million in the first quarter of 2010 to EUR 444.8 million in the first three months of the current fiscal year. Alloyed metals developed well. In addition to the location built in Dortmund in 2009, a second location in North Germany is currently being erected. Progressive interaction of the operating sites in the segment resulted in margin improvement.

INTERSEROH Scrap and Metals Holding GmbH acquired the remaining 51 percent of fm Beteiligungsgesellschaft mbH, Lübbenau, effective January 1, 2011. The latter holds all shares in TVF Altwert GmbH, Lübbenau, a leading European company in the field of demolition, reconstruction and waste disposal projects. Furthermore, it holds all shares in the Brandenburgische Boden Gesellschaft für Grundstücksverwaltung und -verwertung mbH, Zossen.

Also as at January 1, 2011, INTERSEROH Scrap and Metals Holding GmbH raised its investment in Europe Metals B.V., Heeze, the Netherlands, from 60 to 100 percent.

INTERSEROH-Metallaufbereitung Rostock GmbH, Rostock, has functioned under the name of INTERSEROH Metallaufbereitung Ost GmbH, Rostock, since January 1, 2011. INTERSEROH Berlin GmbH, Berlin, was merged upon entry into the commercial register on March 8, 2011, into INTERSEROH Metallaufbereitung Ost GmbH, Rostock.

During the same period of the previous year a portion of sales revenues related to investments that were sold during the course of 2010.

Sales revenues in the *Services* segment climbed from EUR 100.7 million in the first quarter of 2010 to EUR 119.2 million in the first three months of the current fiscal year, due in large part to higher transaction volumes in the field of sales packaging and Interseroh Pool (returnable transport packaging). Nevertheless, developments in the market environment in the field of light packaging (LVP) in the Dual System Interseroh business unit resulted in a reduction in earnings.

Interseroh joined an initiative of the National Association of German Waste Disposal, Water Management and Raw Materials Sectors (BDE) by signing a certificate to 'assure packaging disposal'. Under this agreement Interseroh commits to allowing an external auditor to check proper compliance with the packaging ordinance. The objective is to confirm externally compliance with the legal regulations, with a view to assuring customers with respect to legality. The associated audit process has already been instituted.

Sales revenues in the *Raw Materials Trading* segment rose from EUR 35.1 million to EUR 40.4 million compared to the same time last year. The beginning of the year was marked by healthy

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Asian demand for recovered paper, which, however, dropped a bit subsequently. This effect was able to be offset by higher order activity from European customers. Price levels were significantly above the same period of the previous year on the other hand. Demand for foil remained at the previous year's level. Price levels for lower-quality foil remained the same as the same period in the previous year, while prices for higher-quality foil were considerably below the previous year's. At the beginning of the second quarter prices of all foil types fell enormously. Considerable overcapacity among European PET recyclers, seasonally lower collection quantities and rising prices for new goods meant that the PET recycling market's prices were almost twice as high as in the first quarter of 2010. In the first quarter of 2011 input and output prices in the timber domain hovered around the previous year's levels. Adjusted by quantities from the Wuppertal wood site, which has been sold, tonnage sold by Interseroh has risen.

Effective January 1, 2011, RDB plastics GmbH raised its share in ISR Interseroh Italia S.r.l., Genoa, Italy, from 50 to 100 percent.

In the previous year, sales revenues included the investments in INTERSEROH France S.A.S., Pantin, France, as well as in the Wuppertal wood site, which are now no longer part of the Interseroh Group.

Further industry perspectives

The optimised structures of the Interseroh Group form the basis for participation in the forecast growth of the recycling industry and rising requirements for secondary resources. The markets for secondary resources will, however, continue to be extremely volatile due to trouble spots around the world. Prospects for the market are, however, very promising in the medium to long term.

"Consistent with the principle of margin over volume, we place great emphasis on sustainable growth. Furthermore, we will expand our innovative business fields in which we follow a zero-waste approach. Recycling has become an indispensable part of the raw material supply chain, thus helping secure the future of industry," Schweitzer says. "This is true not only for Germany, but for all developed countries; it is also increasingly recognised in high-growth emerging markets."

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