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SALES AND EARNINGS FOR FISCAL YEAR 2008 RISE MARKEDLY ABOVE PREVIOUS YEAR'S LEVELS – OUTLOOK UNCLEAR

EBITDA (earnings before interest, taxes, depreciation and amortization) climbed by about 60%, rising from €371 million in 2007 to about €595 million. This figure includes non-recurring items resulting from a book gain of about €260 million generated by the sale of business units and assets as well as a charge totaling €79 million arising from a reserve for the anti-trust fine imposed on the French subsidiary of Klöckner & Co SE, KDI SAS.

Excluding non-recurring items, operating EBITDA amounted to about €415 million in 2008, climbing around 25% over 2007.

The amount of tonnage sold during the year fell by 8% to about 6 million tons. The figure reflects the impact of the sale of the Canadian company Namasco Ltd., a loss that could not be offset by the newly acquired businesses.

Net cash indebtedness, which peaked at €1,072 million towards the end of the second quarter of 2008, was cut significantly to €570 million, or nearly in half. This decrease was achieved through the sale of business units and the capital release from a reduction in net working capital, in particular from destocking.

While Klöckner & Co SE generated another strong overall result in fiscal year 2008, this performance was only the result of positive developments in the first nine months of the year. Business developments in the fourth quarter reflected the impact of negative economic developments around the world. During the fourth quarter of 2008, plunging prices and sales volumes produced a 7% decrease in sales compared with the fourth quarter of 2007. The



operational loss of around €65 million recorded in the fourth quarter of 2008 resulted primarily from price-related inventory write-downs of about €60 million.

In response to growing problems in the real economy and financial markets, Klöckner & Co initiated an extensive cost-cutting program in September 2008. Nonetheless, negative economic effects on sales and margins will be reflected in earnings. At the same time, prevailing economic uncertainties make it impossible to issue any guidance about the direction of fiscal year 2009 at this point in time.

Klöckner & Co will release detailed information and its final results for fiscal year 2008 on March 31, 2009. The information will be available on the Internet beginning at 8 a.m. (CEST) at www.kloeckner.de.

