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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**KLÖCKNER & CO SE: STRONGEST QUARTERLY OPERATING INCOME SINCE ESCALATION OF THE FINANCIAL CRISIS – GROWTH GUIDANCE RAISED, CAPITAL INCREASE PLANNED**

- Sales up 51.3% to €1.6 billion*
- Operating income (EBITDA) from €29 million to €104 million*
- Net income significantly improved to €44 million
- Growth guidance for current fiscal year raised: Sales volumes and sales to grow by more than 25%
- Acquisitions of Macsteel in the US and Frefer in Brazil concluded
- Capital increase of up to 50% planned for the summer to finance further growth

*) data refer to the first three months in comparison with same period in previous year

Duisburg, May 11, 2011 – Klöckner & Co takes advantage of the economic tailwind and achieved with its Q1 EBITDA of €104 million the strongest operating income since the escalation of the financial and economic crisis. The Company's sales volumes, sales and earnings all profited from dynamic growth trends in the first quarter, which saw further recovery in customer segments and a seasonal improvement of the construction industry. Gisbert Rühl, Chairman of the Executive Board of Klöckner & Co: "From the very beginning of the year we set the impulse for future growth by acquiring Macsteel in the US and Frefer in Brazil. We will see the benefits this year already. That's why we have increased our sales volumes and sales guidance from more than 10% to over 25% growth for the fiscal year 2011. This is again a significant boost in growth after having increased sales last year already by 35%."



Strong growth in sales volumes, sales and earnings Klöckner & Co was able to increase sales volumes compared to Q1 2010 by 26.9% to 1.5 million tons thanks to the continuing recovery in the market and the full contribution from Becker Stahl-Service (BSS). The increase in sales volumes in Europe amounted to 28.1% and in North America 23.0%. The increase in sales was even higher at 51.3% to €1.6 billion due to a higher pricing level.

In addition to the increase in sales volumes and sales, the ongoing price rises for steel and metals throughout the quarter were responsible for the 49.9% uptake in gross profit to €353 million. With that and costs not rising as much as sales, the operating result (EBITDA) improved from €29 million to €104 million in Q1 2011. This translates into an EBITDA margin of 6.6%. The EBIT for the first three months of the current fiscal year was €86 million (Q1/2010: €11 million), the pre-tax earnings were €66 million compared to €−4 million in the same period for the previous year. At the same time Group net income was €44 million compared to €2 million in the previous year. Basic earnings per share were €0.65 compared to €0.02 in the previous year.

Acquisitions as milestones in the strategy “Klöckner & Co 2020” The acquisition of Macsteel Service Centers USA that Klöckner & Co announced in January and closed in April is the largest acquisition in the Company's recent history and elevated the Company into the US top 3 steel and metal distributors. Furthermore, it successfully gained a foothold in emerging markets. In May Klöckner & Co acquired a majority stake in Brazil's third largest independent steel and metal distributor, Frefer, and will be able to benefit from strong growth in the region's steel consumption. The company is growing even faster than the rapidly expanding market and is very profitable. Both acquisitions are milestones in the growth strategy “Klöckner & Co 2020”. The intermediate 2015 volume target of 8 to 10 million tons could therefore be reached as early as 2012.

Continuation of strong balance sheet and financial structures The continuing improvement in sales volumes along with rising prices required further funds to be tied up in net working capital increasing to €1,163 million. As a result at the end of the quarter net debt was €227 million, compared to €137 million at the end of 2010. The equity ratio was around 35% due to a business related increase in the balance sheet compared to 37% at end of the fiscal year 2010.

Klöckner & Co has spent most of the €700 million funds available for acquisitions of Macsteel and Frefer. "We always made it clear that we shall pursue continuous growth financing via the capital markets once the funds available for acquisitions have been spent", says Gisbert Rühl. "We are currently preparing a capital increase of up to 50% for the summer in order to realize further growth opportunities on the one hand and with a view to the lingering financial crisis to maintain our solid financial and balance sheet structure on the other hand."



Outlook Due to the acquisitions of Macsteel and Frefer Klöckner & Co increases its guidance in sales volumes and sales growth from 10% to more than 25% for 2011. The Company anticipates that sales will increase more than sales volumes due to the expected higher price level for steel and metal.



About Klöckner & Co: Klöckner & Co is the largest producer-independent distributor of steel and metal products and one of the leading steel service center companies in the European and North American markets combined. The core business of the Klöckner & Co Group is the warehousing and distribution of steel and non-ferrous metals. More than 170,000 active customers are supplied through around 250 distribution and service locations by around 10,000 employees in 15 countries in Europe and North America. The Company had sales of around €5.2 billion in the fiscal year 2010.

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the MDAX®-Index of Deutsche Börse.

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