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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**KLÖCKNER & CO SE: PERFORMANCE POSITIVE IN NORTH AMERICA BUT WEAK IN EUROPE, EBITDA €45 MILLION, FURTHER PROGRESS IN IMPLEMENTING PROFITABILITY ACTION PLAN, EBITDA GUIDANCE FOR Q2 €50 TO €60 MILLION**

- Turnover raised by 24.0% to 1.9 million tons and sales by 22.6% to some €1.9 billion due to acquisitions
- EBITDA €45 million, compared with €104 million boosted by windfall profits in prior year
- Net income accordingly €-10 million, compared with €44 million in prior year
- Earnings per share a €-0.10 as against a €0.65 in prior year
- Profitability action plan on track
- EBITDA guidance for Q2 €50 to €60 million with further improvement in turnover compared with Q1
- Full-year guidance: Turnover growth of 5% and also sales above prior year; increase in EBITDA only attainable, if economic environment in Europe improves in second half-year

Figures relate to first three months relative to first three months of prior year

Duisburg, May 9, 2012 – Turnover and sales sharply increased in Q1 2012, primarily due to the acquisition of Macsteel Service Centers USA. At €45 million, operating income (EBITDA) was down on the strong first quarter of 2011 – which was boosted by windfall profits – but €31 million up on the preceding quarter and so within the forecast range of €40 to €50 million.

Gisbert Rühl, Chairman of the Management Board of Klöckner & Co SE: “The Macsteel acquisition meant we could particularly benefit from the robust economic trend in the USA. In Europe, as we expected, the environment remains difficult. With substantial overcapacity



dominating the market, competition is very fierce. On top of this, customers continue to be unsettled by the ongoing sovereign debt crisis.”

Strong growth in turnover and sales, earnings down on prior year Klöckner & Co increased turnover in the first three months of fiscal 2012 by 24.0% to 1.9 million tons compared with the prior-year quarter (1.5 million tons), as a result of acquisitions. Compared with Q4 2011, turnover showed an increase of 13.5% due to the seasonal upturn in business.

The divergent trend in the turnover performance of the Europe and Americas segments experienced in 2011 continued in even more pronounced form in the first quarter. In the Europe segment, turnover was 5.1% down on the prior year owing to the difficult economic environment and portfolio streamlining. Germany was the only country where Klöckner & Co generated slight growth in turnover, whereas business conducted in Spain once again declined substantially.

In contrast, turnover in the Americas segment increased by 125.4% compared with Q1 2011, mainly due to the acquisition of Macsteel. Also on an organic basis, however, Americas segment turnover was well ahead of both, the market and the prior-year period, with growth of 11.8%. Organic turnover for the Group as a whole showed a slight 1.4% decrease due to the ground lost in Europe.

Sales followed the trend in turnover, increasing by 22.6% relative to the prior-year period to some €1.9 billion in Q1 2012. Excluding acquisitions, Group sales were broadly on a par with the prior year (–0.5%).

Operating income (EBITDA), at €45 million, was below the prior-year figure of €104 million – which was boosted by large windfall profits – but tripled compared with the figure for Q4 2011. EBIT for the first three months of the fiscal year came to €18 million (Q1 2011: €86 million) and earnings before taxes (EBT) to €–6 million (Q1 2011: €66 million). Net income accordingly dropped from €44 million to €–10 million. Basic earnings per share came to €–0.10, compared with a €0.65 in the prior-year quarter.

Strong balance sheet and financing structure retained Total assets increased reflecting the usual seasonal upturn in business activity following the winter. The main driver behind the increase was a rise in funds tied up in net working capital from €1,534 million to €1,656 million. The increased need for net working capital was also reflected in net financial debt, which rose as expected from €471 million at the year-end to €573 million. Net financial debt was nonetheless kept low relative to equity, with gearing of 35%. The equity ratio stood at roughly 38% as of March 31, 2012, compared with 39% at the 2011 year-end. Liquidity remains at a high level of €937 million, compared with €987 million as of December 31, 2011.



Further progress on profitability action plan Back in September 2011, Klöckner & Co responded to the reduced growth forecasts as a result of the ongoing sovereign debt crisis in Europe by initiating a profitability action plan. Alongside cuts in administration costs and sales overheads, the plan centers on the discontinuation of insufficiently profitable business activities. The number of jobs in Europe is to be cut by 700 as a result. Some 400 jobs had been cut by the end of the first quarter. Initial steps were also completed in the first quarter to close unprofitable locations and business activities. Subsidiaries in Spain and Eastern Europe are particularly affected. The profitability improvement measures will be fully implemented by the middle of the year. Alongside implementation of the restructuring measures in Europe, an additional focus was on the further integration of Macsteel. To this end, the branding was standardized, management structures, administration and procurement brought together, and the groundwork laid for IT integration in the second quarter. In addition to the increased significance of the US business, the considerable synergies and cross-selling effects resulting from completion of the integration are leading to an above-average contribution to earnings from the Americas segment.

Outlook for 2012 For fiscal year 2012 Klöckner & Co continues to expect a rise in turnover by 5% and also a rise in sales compared with the prior year. The increase is expected – despite portfolio streamlining measures and the weak market development in Europe – to be achieved by last year's acquisitions. The targeted improvement in operating income (EBITDA) for the full year is only achievable if the economic environment in Europe improves in the second half-year. If not, the Company expects from today's perspective that operating income will be broadly on a par with the prior year. An expected increase in EBITDA in the USA from the Macsteel acquisition and a more robust overall economic trend would be countered here – along with the earnings improvement from the profitability action plan – by weaker operating performance in Europe.

For the second quarter, the Company anticipates operating income (EBITDA) of between €50 and €60 million, provided the economic growth prospects do not further deteriorate in Europe and prices for steel products do not plummet. The Americas segment will once again make an above-average contribution to this result compared to their sales impact.

While the first half of the year is focused entirely on implementing the profitability action plan in Europe and completing the integration of Macsteel acquired in the prior year, Klöckner & Co's financial headroom and solid balance sheet mean the company is best placed to continue its long-term growth strategy, "Klöckner & Co 2020", in the second half of the year.



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 American markets combined. The core business of the Klöckner & Co Group is the warehousing and distribution of steel and nonferrous metals as well as the operation of steel service centers. Based on the Group's distribution and service network, more than 170,000 customers are supplied through around 290 locations in more than 20 countries. Currently Klöckner & Co employs around 11,200 employees. The Group had sales of around €7.1 billion in the fiscal year 2011.

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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