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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**GROSS MARGIN IMPROVED, COSTS REDUCED, SMALLER NET LOSS, NEGATIVE MARKET TREND INCREASINGLY COMPENSATED BY RESTRUCTURING PROGRAM**

- Turnover down in first half year due to market trend and restructuring by 10.3% to 3.3 million tons and sales down 15.0% to approximately €3.3 billion.
- Gross profit of €608 million down 11.1% on the prior-year figure (€683 million), gross margin improved from 17.5% to 18.3%.
- As a result of €70 million cost reduction, EBITDA, at €72 million, is down only slightly on prior-year figure of €77 million (€97 million before restructuring), despite sharp fall in turnover.
- EBIT up €25 million to a positive €19 million. Prior year negative €6 million impacted by extraordinary effects.
- Net loss narrowed similarly from €51 million in the prior-year to €20 million, including a reduction from €39 million to €4 million in the second quarter.
- Basic earnings per share a negative €0.19 compared with a negative €0.50 in the prior-year period.
- Restructuring program far advanced and further extended.
- Q3 EBITDA expected to be between €30 million and €40 million (before restructuring expenses).
- Despite market turmoil in Europe, full-year EBITDA target around prior-year level of approximately €140 million before restructuring expenses of approximately €18 million (without compensating effects), compared with €77 million in 2012.



Figures relate to first six months of 2013 relative to first six months of prior year.

Duisburg, Germany, August 7, 2013 – Turnover was in total 10.3% down in the first six months mainly due to the plight of the market and portfolio adjustment in Europe as part of the restructuring. As a result of the lower price level, sales declined at an even sharper rate, falling by 15.0%. Cost reductions of €70 million meant that despite the sharp fall in turnover it was possible to limit the decline in operating income (EBITDA), which came to €72 million, compared with €77 million (€97 million before restructuring expenses) in the prior-year period.

Gisbert Rühl, CEO of Klöckner & Co SE: “While we are anything but happy with the earnings situation, the numbers plainly show that thanks to the restructuring measures we are making headway under our own power against the pressure on earnings from the ongoing negative market trend.”

Turnover, sales and earnings below prior year, restructuring measures increasingly compensating negative market impact

Group turnover in the first six months of 2013, at 3.3 million tons, was 10.3% down on the prior-year period (3.7 million tons). Excluding the low-margin operations discontinued in the restructuring program and the location closures, the decrease would have been 6.2%.

Turnover in the Europe segment was 15.1% down on the first half of 2012 due to the ongoing difficult economic environment, the long winter and the effects of portfolio streamlining. Without the portfolio adjustment, turnover would be down 7.4%, compared with a 10.9%* (*Contains data until May) contraction in the market.

Turnover in the Americas segment declined by 3.5% compared with a year earlier, and 2.1% in the USA. The decline in turnover in the USA was thus likewise smaller than that across the market as a whole (down 4.6%).

Under additional pressure from the low price level, Group sales in the first six months of 2013, at approximately €3.3 billion, were 15.0% down on the prior-year period.

Mirroring the trend in turnover and sales, albeit with a smaller decrease, gross profit was down by 11.1% to €608 million and therefore also below the prior-year figure of €683 million. The fall in gross profit was almost entirely offset by cost cuts totaling €70 million, of which €40 million was attributable to the restructuring program.

In the first half year, therefore, the Klöckner & Co 6.0 restructuring program contributed an additional €29 million to EBITDA compared with the prior-year period (€40 million through cost



cuts less €11 million of gross profit forgone on discontinued low-margin business). The gross margin rose accordingly from 17.5% to 18.3%.

EBITDA came to €72 million in the first half year, of which €43 million was generated in the second quarter. EBITDA was thus within the projected range of €35 million to €45 million even without a non-recurring €7 million earnings boost from the reversal of pension provisions. EBIT for the first half year increased by €25 million from a negative €6 million to a positive €19 million and the net loss was narrowed from €51 million to €20 million. Basic earnings per share was a negative €0.19 compared with a negative €0.50 in the prior-year period.

Ongoing strong balance sheet and financing structure At 39%, the equity ratio was broadly on a par with the 2012 year-end. Due to the increase in resources tied up in net working capital, net financial debt came to €489 million, compared with €422 million at the prior year-end. Gearing (i.e. the ratio of debt to equity) was stabilized at a low level of 33%. Cash resources remain very comfortable at €570 million. The Group's financing remains solid with ample leeway: Both the European ABS program and the syndicated loan, each amounting to €360 million, were extended in the second quarter to May 2016.

Restructuring far advanced and further extended In light of the crisis-induced decline in European steel demand and the uncertain outlook, Klöckner & Co on several occasions – most recently in May 2013 – substantially expanded the restructuring program launched in September 2011. Besides cutting administration and sales overhead, the restructuring measures focus on closing or selling unprofitable branches and discontinuing business activities that are insufficiently profitable on a lasting basis. Since its inception in September 2011, the program has already led to the closure or, in Eastern Europe, the sale of 60 locations and a reduction in the workforce by some 1,800. In light of the difficult market situation, notably in France, and the development of further scope for improvement in the USA following the acquisition and integration of Macsteel, Klöckner & Co decided a further extension to the program in May 2013. This will result in the closure or consolidation of further locations in France and the USA as well as a further reduction in the workforce by 200 employees. The extended restructuring program thus comprises the closure or sale of a total of 70 locations (24%) and a reduction in the workforce by more than 2,000 (17%). All measures are to be implemented and the program thus completed by the end of this year.

In total, Klöckner & Co expects that the restructuring measures will contribute an additional €65 million to EBITDA in the current fiscal year, of which €29 million were already attained in the first half of 2013, compared with the prior year and another €45 million in 2014.

Outlook For the second half of the year, Klöckner & Co expects that the generally anticipated economic recovery in the USA, additional contributions to earnings from the restructuring program will at least be able to compensate for the usual seasonal drop in demand. The



Company consequently projects operating income (EBITDA) of between €30 million and €40 million for the third quarter before restructuring expenses. As things currently stand, Klöckner & Co expects full-year operating income to be around the prior-year level at approximately €140 million before restructuring expenses.

Gisbert Rühl: “Even if we cannot expect any tailwind from the European steel market, we anticipate that, given the timely, radical restructuring measures, we will regain profitability under our own power next year. Additional impetus can come from the generally expected recovery in the USA, our growth market, and from the currently improving price environment.”



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 Klöckner & Co is the warehousing and distribution of steel and non-ferrous metals as well as the operation of steel service centers. Based on the Group's distribution and service network, more than 160,000 customers are supplied through around 230 locations in 15 countries. Currently Klöckner & Co employs around 10,000 employees. The Group had sales of around €7.4 billion in fiscal 2012.

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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