

A close-up photograph of a metal profile. The profile has a red-painted surface and a silver metal edge. The background is blurred, showing a blue sky and some greenery.

**klöckner & co**

multi metal distribution

## Company Profile

June 2008



## BRIEF PORTRAIT OF KLÖCKNER & CO AG

Klöckner & Co AG is the largest producer-independent multi metal distributor in the European and North American markets combined. It has been publicly listed since mid-2006 and generated sales of around €6.3 billion in 2007.

Klöckner & Co is represented in 15 countries worldwide at more than 260 locations and employs more than 10,000 people in total.

As a mill-independent international steel and metal distributor, Klöckner & Co AG is a key link in the value chain that extends from multi metal production to small and mid-size customers. Klöckner & Co purchases metals in vast quantities worldwide and supplies customers via an international distribution system that includes local warehousing sites.

Its product range consists of long products (e.g. steel girders for the construction industry), flat products (e.g. sheet steel for machine builders), hollow sections (e.g. for structural purposes), stainless and quality steel (e.g. high alloy round steel rods for machinery engineering applications), aluminum products (e.g. sectional rods for plant construction) and special products, such as plastics ironware and accessories.



In addition to unmachined metals and intermediate products, the Klöckner & Co Group offers its customers extensive services, including cutting and splitting steel strip, cutting to length, flame-cutting and surface treatments. With this range of products and services, the Klöckner & Co Group serves about 210,000 customers in total from a wide selection of industries. Its main industries are construction, machinery and mechanical engineering industries.

Business performance is largely determined by management of the product range and inventories and customer-specific management of order-related income and expenses.

Its ability to engage in global procurement from around 70 main suppliers gives the Klöckner & Co Group a further crucial competitive edge. Its independence from individual steel producers provides high flexibility and thus a solid basis for negotiating with suppliers. At the same time, the annual purchasing volume of about 6 million metric tons allows the company to engage in strategic partnerships and arrange attractive supply agreements.



## HIGHLIGHTS 2007

### **Sales growth/strong earnings performance in 2007**

In financial year 2007, the Klöckner & Co Group generated sales of €6.3 billion. The sales increase from €5.5 billion in 2006 to €6.3 billion in 2007 was largely the result of acquisitions and price increases. At around €371 million, Klöckner & Co generated its second-best earnings (EBITDA) in the more than hundred-year history of the company.

### **Acquisition goals for 2007 achieved ahead of schedule**

Klöckner & Co AG successfully continued its expansion strategy in financial year 2007. By September, it had achieved its goal of carrying out ten to twelve acquisitions in 2007. In total, twelve companies with total sales of around €570 million were acquired in Europe and North America in 2007.



### **Further improvement in Group financing basis**

In 2007, key steps were taken towards further optimizing Group financing. For example, a syndicated holding loan of €600 million was successfully placed and a convertible bond of €325 million with a 1.5% coupon was issued. Thus, Klöckner & Co AG's Group financing is on a sound footing and offers further potential for the company's growth strategy.

### **Successful implementation of the "STAR" performance program**

The company continued to implement the measures of the "STAR" performance program on schedule. The aim of "STAR" is to identify and implement operating potential for value enhancement. In particular, this includes bundling global sales and optimizing of the distribution network.



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### **Inclusion in MDAX**

In January 2007, just seven months after the company's IPO, Klöckner & Co shares were unexpectedly included in the MDAX of Deutsche Börse. The shares had previously been included in Deutsche Börse's SDAX in September 2006.

### **100% free float**

Since April 2007, all of Klöckner & Co AG's shares have been held in free float. The former majority shareholder of Klöckner & Co, Multi Metal Investment S.à r.l. ("MMI") sold its remaining 15.5% of shares in Klöckner & Co in April to predominantly German and international institutional investors. In October 2006, the then majority shareholder MMI sold 20% of shares as part of a re-placement, followed by a further 30% in January 2007.

### **First public Annual General Meeting in June 2007**

In June 2007, Klöckner & Co held its first Annual General



Meeting since its IPO. Around 300 shareholders and shareholder representatives attended the Klöckner & Co Annual General Meeting in Düsseldorf on June 20, 2007.

#### Stock data of our shares

ISIN	(International Securities Identification Number)	DE000KCO1000
German Securities Identification Number (WKN)		KCO100
Ticker Symbol		
	Deutsche Börse	KCO
	Ticker Symbol Bloomberg	KCO GR
	Ticker Symbol Reuters	KCOGn.DE
Number of Shares		46,500,000
Listing		Official Market (Prime Standard) at Frankfurt Stock Exchange
		<b>MDAX</b>

## KLÖCKNER & CO GROUP – KEY FIGURES

### Income Statement

Sales	€ million
Earnings before interest, tax depreciation and amortization (EBITDA)	€ million
Earnings before interest and taxes (EBIT)	€ million
Earnings before taxes (EBT)	€ million
Earnings after taxes (EAT)	€ million
Earnings per share (basic)	€
Earnings per share (diluted)	€

### Cash Flow Statement

Cash flow from operating activities	€ million
Cash flow from investing activities	€ million

### Balance Sheet

Working capital**)	€ million
Net cash indebtedness	€ million
Equity	€ million
Balance sheet total	€ million

### Key Figures

Sales volume	to'000
Employees at end of period (Dec. 31)	

\*) Excluding release of negative goodwill in the amount of €139 million, restructuring expenses of €17 million, results from disinvestment of €2 million and, in the EBT and EAT, excluding transaction costs in the amount of €39 million

\*\*) Working capital = inventories plus trade receivables less trade payables

\*\*\*) Including Namasco Ltd.; €1,276 million excluding Namasco Ltd.



	2007	2006	Pro-Forma*) 2005
	6,274	5,532	4,964
	371	395	197
	307	337	135
	210	273	81
	156	235	52
	2.87	4.44	–
	2.87	4.44	–

	2007	2006	Pro-Forma 2005
	109	132	121
	– 378	10	– 44

	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005
	1,323***)	1,135	957
	746	365	719
	845	799	323
	2,966	2,552	2,256

	2007	2006	Pro-Forma 2005
	6,478	6,127	5,868
	10,581	9,688	9,901

**Explanation of pro-formas:**

The pro forma 2005 financial information aims to provide improved insight into the consolidated results of operations and the financial situation of the Group. It assumes that the change in shareholder and corporate structure occurred on January 1, 2005, instead of March 16, 2005.

## IMPORTANT ADDRESSES

### Head Office

**Klöckner & Co AG**  
 Am Silberpalais 1  
 D-47057 Duisburg  
 Telephone: +49 203 307-0  
 Fax: +49 203 307-5000

Management Board:  
 – Dr. Thomas Ludwig (CEO)  
 – Ulrich Becker  
 – Gisbert Rühl

### Service

**Klöckner Global Sourcing GmbH**  
 Am Silberpalais 1  
 D-47057 Duisburg  
 Telephone: +49 203 307-2312  
 Fax: +49 203 307-5310  
 Management:  
 – Friedhelm Wagner (CEO)  
 – Hans Jürgen Weißer

### Klöckner Information Services GmbH

Am Silberpalais 1  
 D-47057 Duisburg  
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 Fax: +49 203 307-5022  
 Management:  
 – Dr. Peter Chylla (CEO)  
 – Ralf Jordan

### Multi metal distribution

#### Europe

##### Austria

**Metall- und Service-Center GmbH Nfg. Co KG**  
 Percostrasse 12  
 A-1220 Vienna  
 Telephone: +43 1 259 463 60  
 Fax: +43 1 259 463 639  
 Management:  
 – Marcus Oberhofer



### Belgium

#### **Buysmetal N.V.**

50, Keizersstraat

B-8530 Harelbeke

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Fax: +32 56 2019 42

Management:

– Philippe Buyschaert

### Bulgaria

#### **Klöckner Metalsnab AD**

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+359 293 11 246

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Management:

– Ivan Kashukeev (CEO)

– Paul Spranger

– Ralf Oberhuber

### France

#### **Klöckner Distribution**

#### **Industrielle S.A.**

173–179, bd Félix-Faure

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Telephone: +33 148 397 777

Fax: +33 148 397 778

Management:

– Philippe Muller (CEO)

– Jean Coeur

### Germany

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#### **Metallhandel GmbH**

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Telephone: +49 203 307-0

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Management:

– Ulrich Becker (CEO)

– Dr. Oliver Falk

### Czech Republic

#### **Klöckner Stahlhandel CZ, s.r.o.**

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Telephone: +420 2 6603 9216

Fax: +420 2 6603 9228

Management:

– Petr Mares



### **Great Britain/Ireland**

#### **ASD Limited**

Valley Farm Road, Stourton

GB-Leeds LS10 1SD

Telephone: +44 113 254 0711

Fax: +44 113 272 1689

Management:

– Martin Joyce (CEO)

### **Lithuania/Baltic States**

#### **UAB Klockner Baltija**

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Management:

– Wolfgang Duschek

### **Netherlands**

#### **ODS B.V.**

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Management:

– Ulrich Becker (CEO)

– Dr. Oliver Falk

### **Poland**

#### **Klößner Stal i Metal**

**Polska Sp. z o.o.**

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PL-61-485 Poznań

Telephone: +48 61 835 8200

Fax: +48 61 835 8210

Management:

– Christoph Schmidt

### **Romania**

#### **S.C. Klößner Romania S.R.L.**

Ap. 1, Et. 3

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Telephone: +40 21 6830 935

Fax: +40 21 6830 905

Management:

– Daniel Farkas

### **Switzerland**

#### **Debrunner Koenig Holding AG**

Hinterlauben 8

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Telephone: +41 71 227 2990

Fax: +41 71 227 2972

Management:

– Ueli Hartmann (CEO)

– Philippe Dietziker



## Spain

### **Comercial de Laminados S.A.**

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E-28108 Alcobendas

Telephone: +34 91 369 7410

Fax: +34 91 571 4171

Management:

– Oliver Bosse (CEO)

– Angel Menéndez

## North America

### USA

#### **Namasco Corporation**

Corporate Headquarters

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USA-Roswell, GA 30076

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Management:

– Bill Partalis (CEO)

– Kirk A. Johnson

– Mark Breckheimer

## Representative Office

### China

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Beijing Representative Office

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[www.kloeckner.de](http://www.kloeckner.de)

### Design

EGGERT GROUP GmbH & Co. KG, Düsseldorf



## FINANCIAL CALENDAR 2008

June 20	Annual General Meeting 2008 Düsseldorf
June 23	Dividend Payout
August 14	Q2 Interim Report 2008
October 14, 15	Analysts' and Investors' Conference
November 14	Q3 Interim Report 2008

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