



Klöckner & Co SE

A Leading Multi Metal Distributor



Ralf Moysig
CEO KSM

Klöckner Stahl- und Metallhandel

Germany

Capital Market Days 2010

Klöckner Stahl- und Metallhandel

klöckner & co multi metal distribution

Disclaimer

This presentation contains forward-looking statements. The statements use words like “believe”, “assume”, “expect” or similar formulations. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual results, financial situation, development or performance of our company and those either expressed or implied in these statements. The factors include, among other things:

- Downturns in the business cycle of the industries we compete in;
- Increases in our raw material prices, especially if we are unable to pass these costs along to customers;
- Fluctuations in international currency exchange rates as well as changes in the general economic climate
- and other factors identified in this presentation.

In view of these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We assume no liability whatsoever to update these forward-looking statements or to have them conform with to future events or developments.

This presentation is not an offer for sale or a solicitation of an offer to purchase any securities of Klöckner & Co SE or any of its affiliates ("Klöckner & Co").

Klöckner & Co securities, including, but not limited to, rights, shares and bonds, may not be offered or sold in the United States or to or for the account or benefit of U.S. citizens (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) unless registered under the Securities Act or have an exemption from such registration.



Key figures

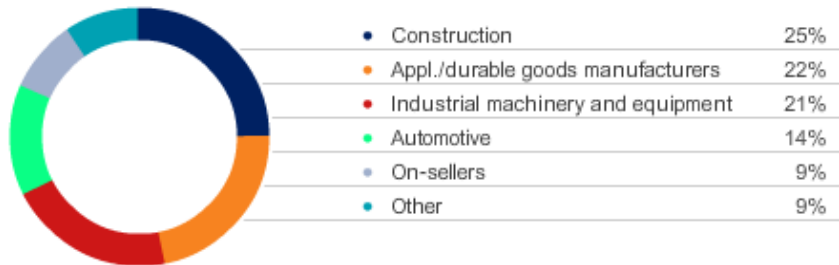
2009

Sales	€755m
Turnover	775 Tto
Stocks end of year	135 Tto
Market position	No. 1 independent; No. 2 market
Employees end of year	1,287

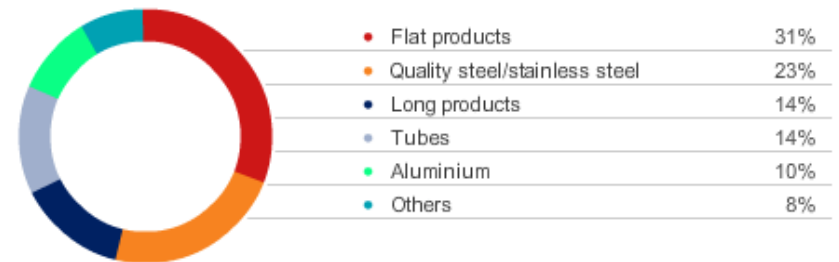
Main product groups

Section steel & broad flanged beams, Flat steel products,
 Special profiles, Sectional steel tubes, Structural hollow sections
 Steel tubing, Bright steel, High-quality and high-grade structural steel
 Stainless steel products, Aluminium

Sales by industry



Sales by product

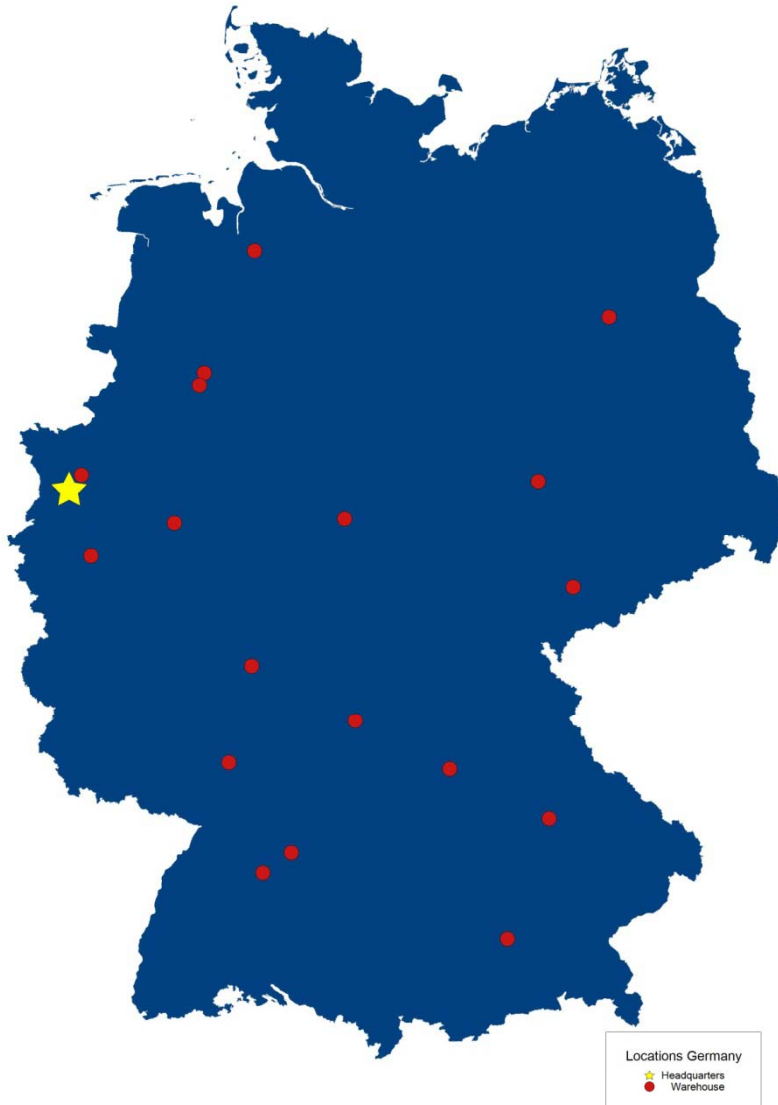


Historic milestones of KSM

Year	Milestone
1906	Foundation of Klöckner & Co Trading company
1906 1940	Foundation of branch offices across Germany
1940 1953	Development of metal distribution
1953 1997	Extension of metal stockist business
1990	Acquisition of Klöckner & Co. by VIAG
1997	Focus on metal distribution of KSM
1997 today	Portfolio optimization by several divestments (e.g. Hadrag) and different acquisitions (e.g. Zweygart)



Locations



Warehouses
(incl. 2 processing centers) **18**

of which with central stock function **3**

of which with regional stock function **8**
(4 Region North, 4 Region South)

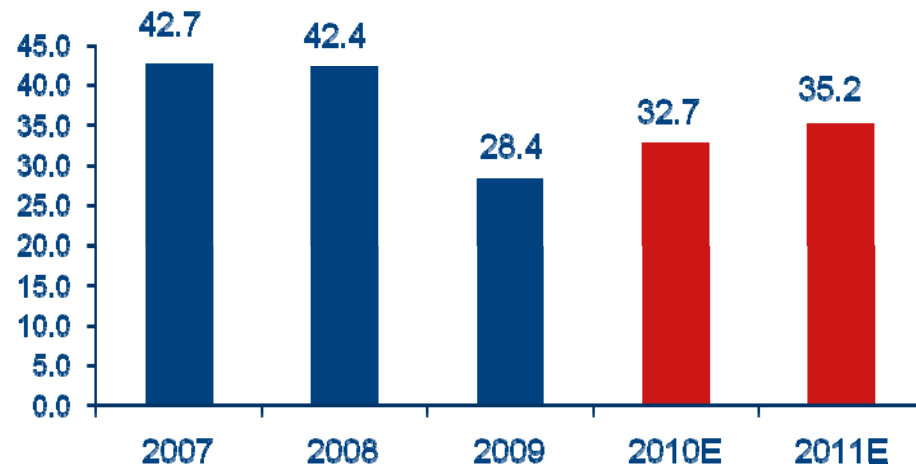
Others
(e.g. sales office, administration) **3**

Total locations **21**



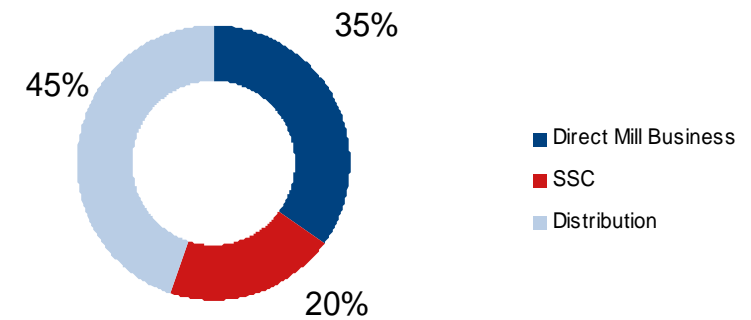
Market structure and our position

- Steel Apparent Consumption (mio to) (*):



(* Source: World steel)

- Mill, SSC and Distribution market share (*):



(* Source: BDS)

Market structure and our position

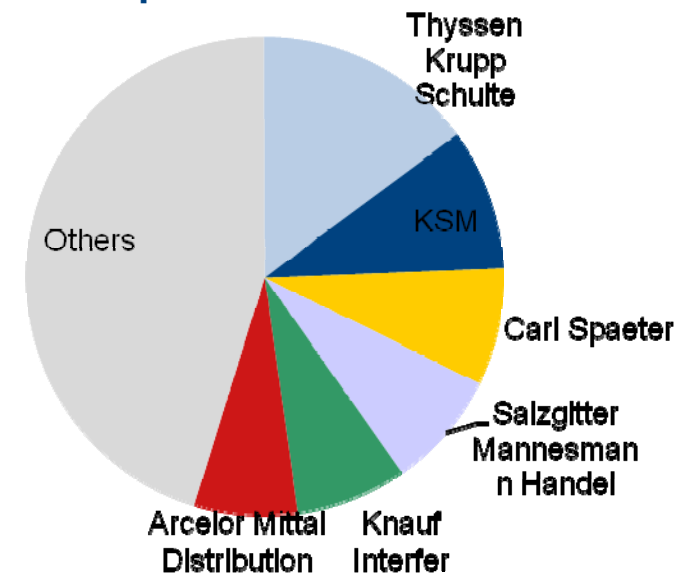
- Our 2009 market share (%):

Product	Market share
Flat	
Long	
Tubes	
Qual./Stainl.	
Aluminium	
Total	

 < 5%
  5-10%
  10-15%
  15-20%
  >20%

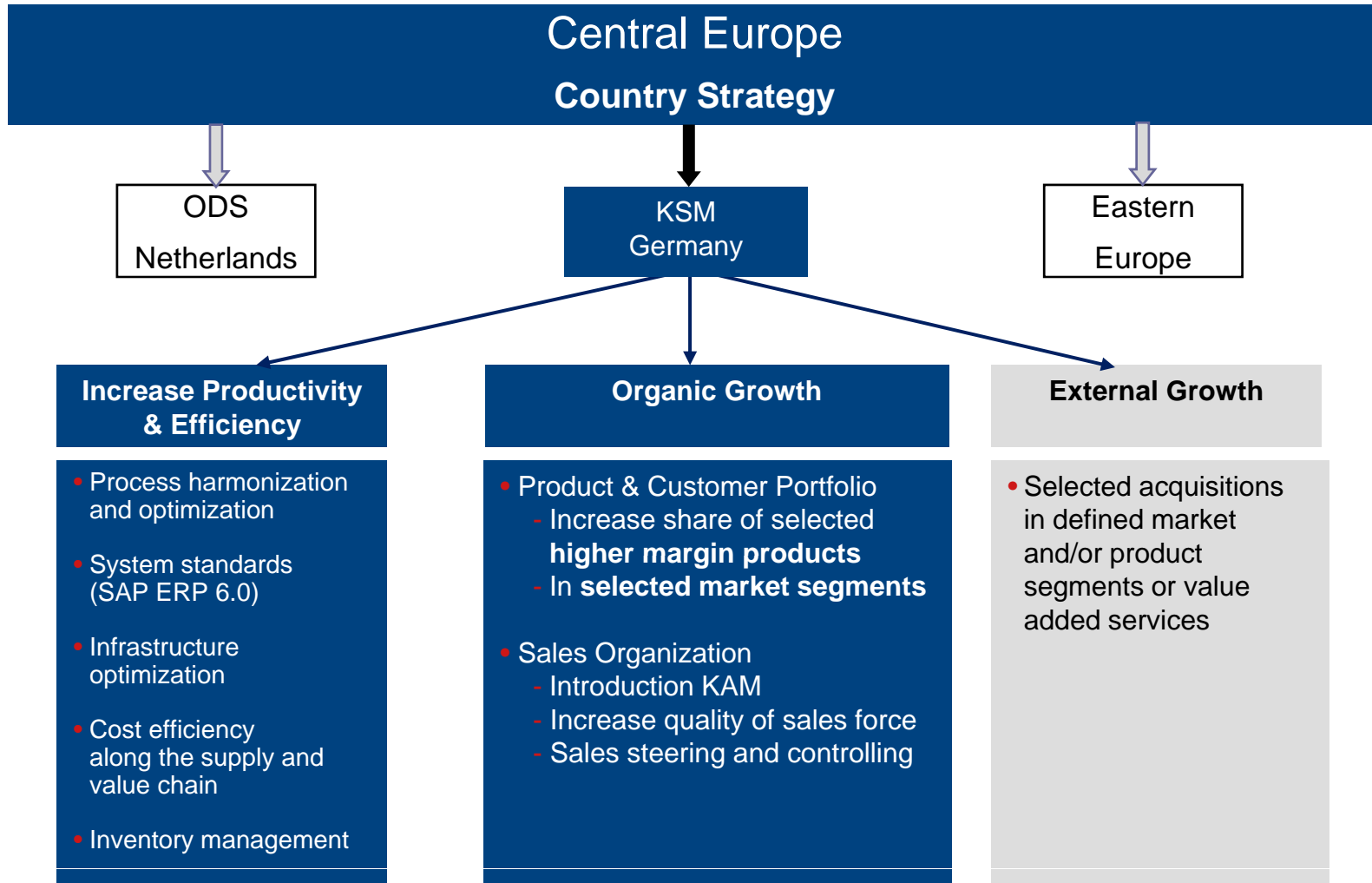
Source: KSM Estimation

- Main competitors:



Source: Handbuch Stahl 2010/2011

Strategy Klöckner 2020: Impact on KSM



Wave measures and their contribution so far

	Initiative	Status
Margin improvement	New pricing concept based on replacement prices	On track
	Improvement of sales price calculation based on new customer classification	On track
Internal growth	Product diversification "Plates"	On track
	Product diversification "Sheets"	On track
	Product diversification "Stainless welded tubes"	Setup phase
	Increase flame cutting services	On track
Service level & efficiency	PLO (product and warehouse optimization)	Ongoing



Central Stock Frechen



- High rack stock with exchangeable cartridges for combined picking of plates and long products
- Fully automated processes in separated areas for outbound and inbound delivery
- Product-specific automatic packaging and labelling unit
- Regional coverage: Region North; until end of 2010: Germany; in 2011 European Neighbours
- Diversification of stainless and aluminium product program implemented



Central Stock Frechen



- Use of warehouse management system „fehr atlaswms“ with full SAP integration, specially developed for the steel trading branch
- 3,400 storage locations for stainless and aluminium products
- Start up from building application until handing over within only 8 months while at the same time running warehouse operations



- Construction
 - Recovery not expected before 2011
 - Construction activities in the renewable energy market are going to remain supportive
- Machinery
 - Promising outlook due to high order entry in H1
 - Recovery expected from a low base
- Automotive
 - H1 benefited from wreckage premiums especially for mass market producers and restocking
 - Second half production expected to be lower, but still continued strong demand



Key challenges for the upcoming years

- Improve market intelligence
- Reduction of cost to serve by more efficiency along the value chain
- Grow in a stagnant market within fierce competition
- Attract the right people to implement our ambitious goals



Our symbol

