



Klöckner & Co SE

A Leading Multi Metal Distributor



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Switzerland

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Key figures

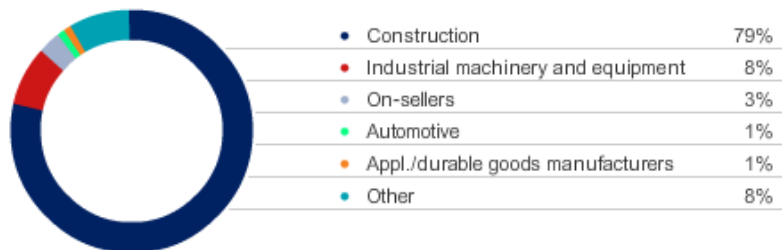
2009

Sales	€656m
Turnover	443 Tto
Stocks end of year	97 Tto
Employees end of year	1,640

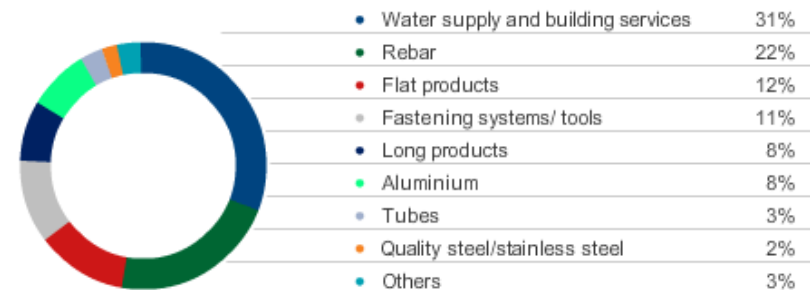
Main product groups

- Rebar
- Steel/metals
- Water supply and building services
- Fastening systems and tools

Sales by industry



Sales by product

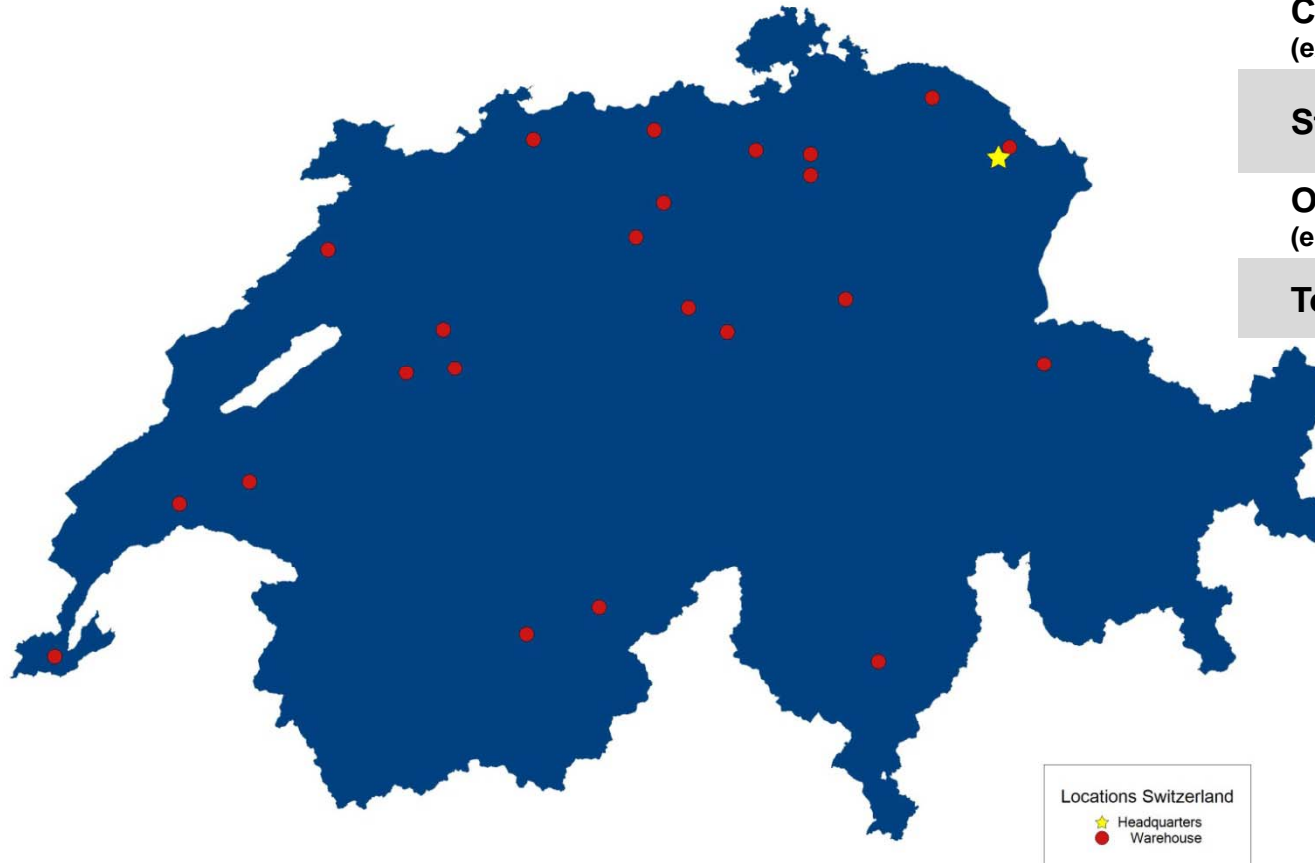


Historic milestones of Debrunner Koenig Group

Year	Event	Sales CHF m	Acquisitions rationale
1992	Klöckner main shareholder		
1996	Acquisition Acifer group	156	Turnaround, restructuring
1997	Acquisition Davum group	89	Turnaround, new central stock steel, significant staff reduction
1999	Acquisition Ibag	77	Improvement of the result, stabilisation of the management
2002	Acquisition Tavelli	33	Turnaround, important market player for water supply and building services
2005	Acquisition Metall Service Menziken	53	Increase of the tonnages
2008	Desinvestment of KVT Group	-198	Sales price: CHF531m
2009	Acquisition of Bläsi	45	Market leader in the region of Berne for water supply and building services



Where we are



Warehouses
(including shops) 23

Central stock only
(excluding sales to 3rd parties) 2

Steel Service Centers 2

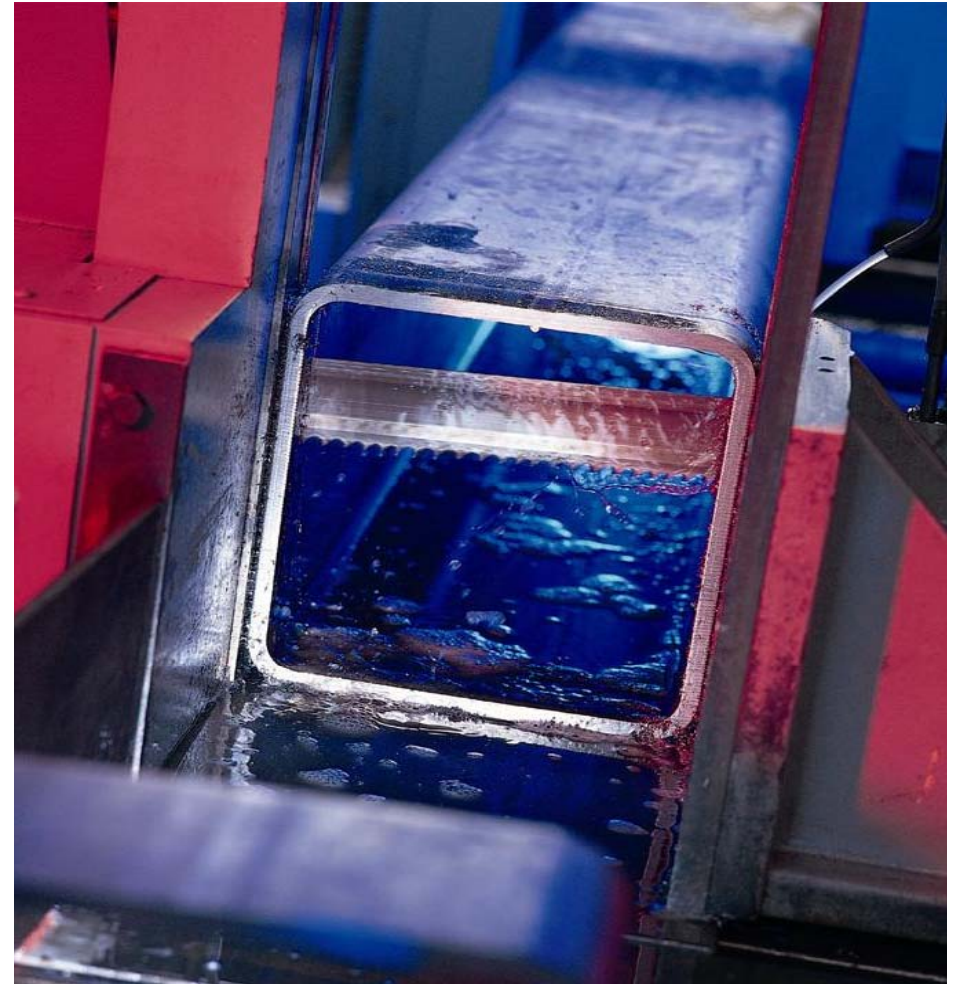
Others
(e.g. sales office, administration) 3

Total locations 30



What we do – Further processing

- Bending of reinforcing steel
- Flame cutting of dimensioned metal sheets in any form desired
- Sawing of rod, bright and stainless steel, pipes and metals
- Chamfering of bright steel; deburring of rod steel and pipes
- Longitudinal and transverse parts made of aluminium plates (MSM) and steel plates (KFS)
- S+Z and water-based primer



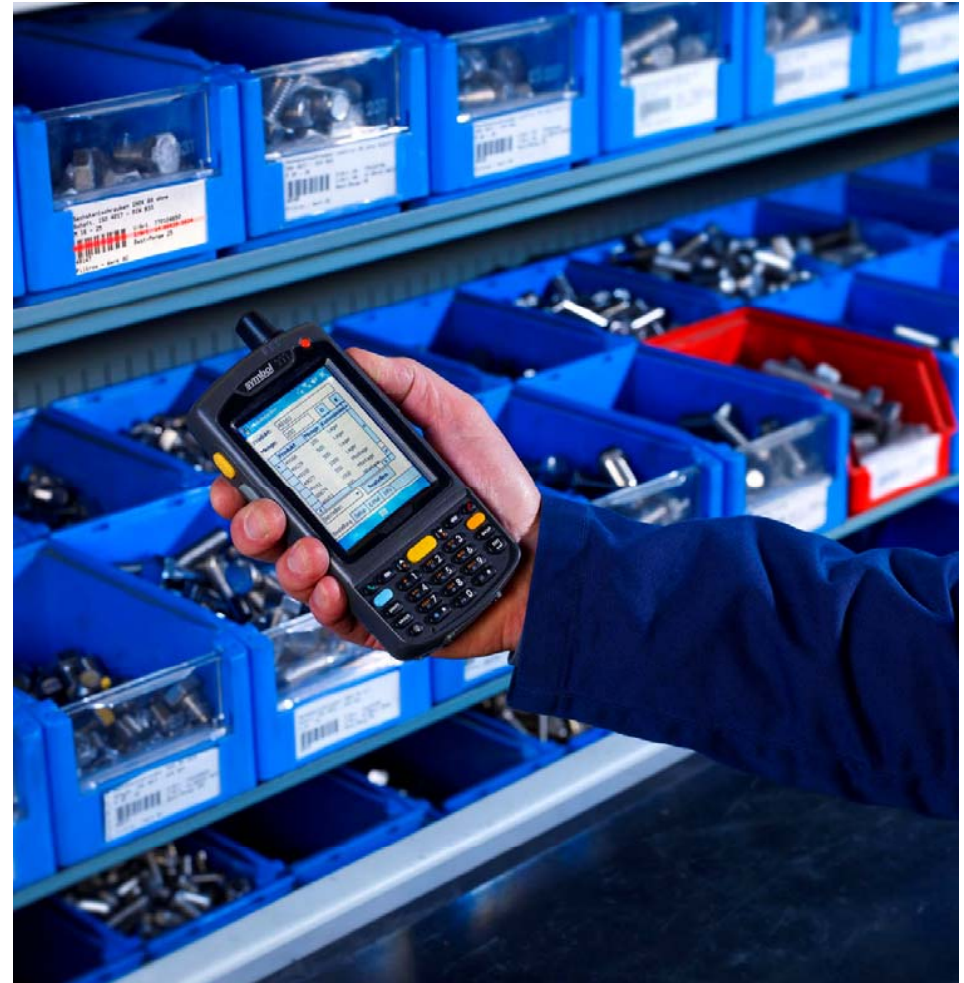
Retail stores for professionals

- Products and services for builders, craftsmen and industrial customers
- Wide range of products in 25 warehouse locations in Switzerland
- Competent counseling
- Sales proportion of craftsmen shops



How we do it exactly – Management systems

- Modern concepts in Supply Chain Management
- Emphasis on cost saving potentials
- Tailored to customers' needs
Kanban, BWSclassic, BWSlight, E-shop



What we have to offer – a compelling range of products...

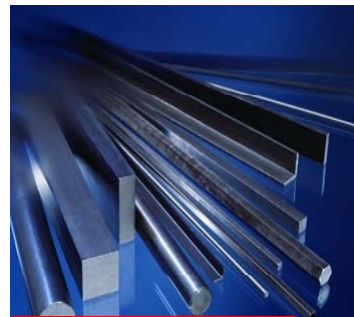
...with about 160,000 articles.



Reinforcement technology



Steel



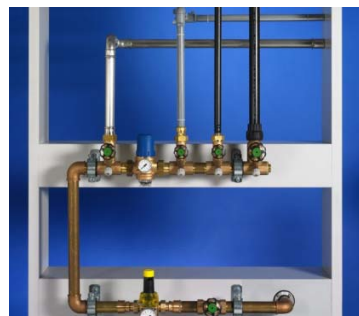
Metals



Water supply



Civil engineering



Building services



Tinsmith+Roofing needs



Fastening systems



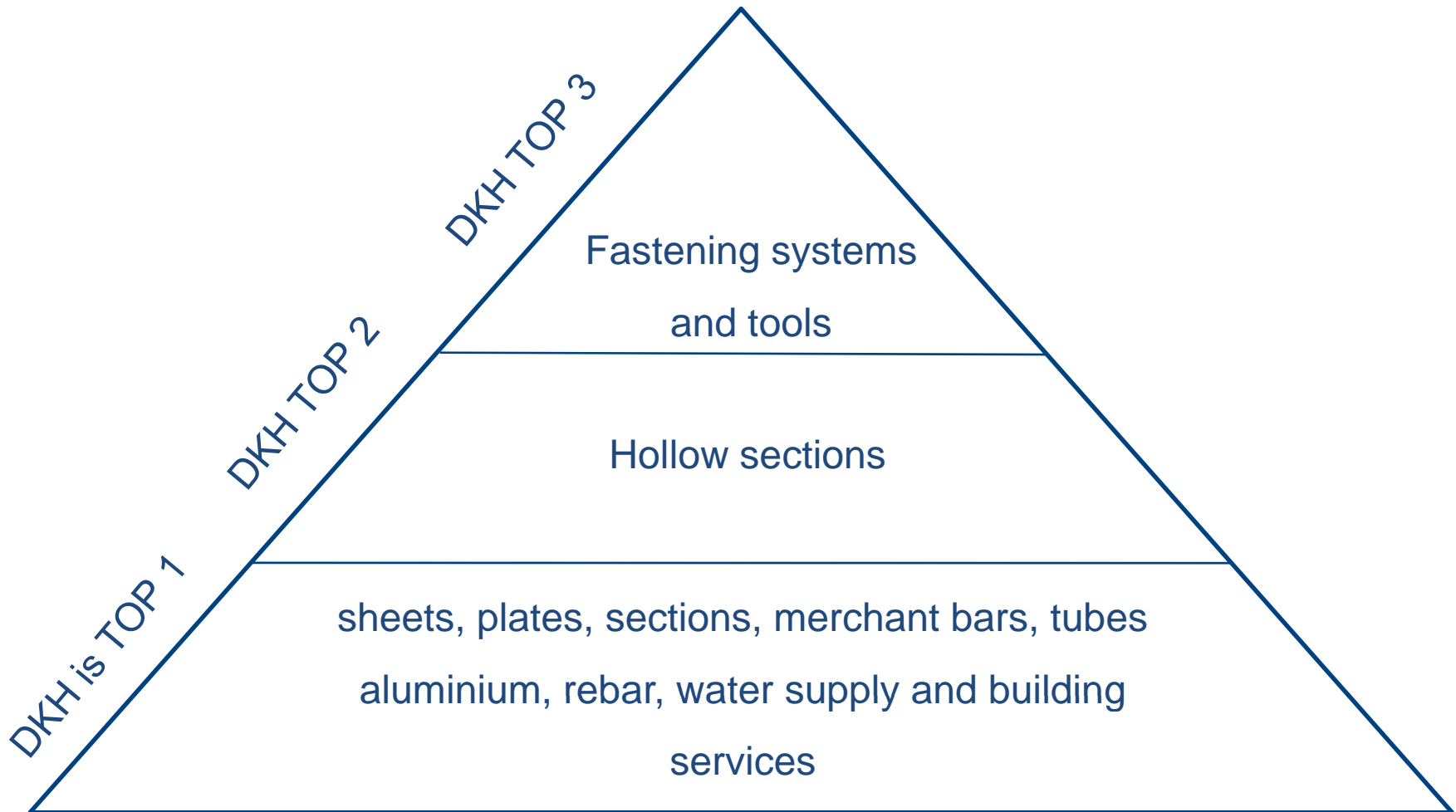
Tools



Heating



Market structure and our position



Market structure and our position

- Within the last 15 years, a market consolidation has taken place
- The market segments of stainless and quality steels are dominated by product specialists
- Regarding the market segment of rebar steel, we successfully have managed to assure our position as market leader thanks to the launch of self created products and to technical consulting services
- With the acquisition of Bläsi AG it was possible to increase our market share in the segment of water supply and building services as well as to strengthen our market position in the agglomeration of Berne



Strategy Klöckner 2020: Impact on Debrunner Koenig

- Increase the market share in the stainless segment
- Enlargement of the tube assortment and increase of the technical consulting
- Synergy potentials, which have been opened by the acquisition of Becker SSC, should be used for our SSC Koenig Feinstahl AG
- In order to comply with the high requirements of the metal working industry, our steel value added services will have to be further developed



Strategy Klöckner 2020: Impact on Debrunner Koenig

- Our widely appreciated services and tools like the supply logistic system, B2B and the E-Shop are subject to continuous enhancement
- By means of a focused enlargement of the purchasing volume for fastening technology and tool products from Asia, our market position will be strengthened
- The national key account management will be professionalized in order to serve nationwide operating customers optimally



- **Construction in general**

- Construction sector in general remains strong and on high level
- 2009 was a very good year, because of major publicly supported infrastructure projects. These effects are slowing down.
- High level of unfilled orders (CHF12 bn.), decreasing tendency in 2011, but on a high level

- **Residential construction**

- Sector represents the real backbone of the construction industry. Nevertheless, compared to the previous year, investments will slightly slow down.
- Major impulses are resulting from immigration, low interest rate level and therefore easy access to mortgages, low unemployment rate as well as a general good economic outlook.
- However, these positive factors are not strong enough to boost demand for housing to previous year's level



- **Commercial construction**

- Commercial construction is suffering considerably. Level of unfilled order -15% compared to previous year.
- Decline would be even higher, but major projects are still in the building phase which had been projected during the economic boom some years ago (shopping centers, prestigious tower buildings)
- Sector is very sensitive to investment cycles of the real economy. Therefore, in combination with the economic recovery this sector will surely contribute a part to new growth.

- **Machinery industry**

- Is recovering from the hardest rock bottom since the last 50 years, but only slowly and on quite low level.
- In spite of double digit growth rate of order entries, the level of backlog of orders remains on modest level (productions capacity is with 77% considerably below long-time level of 86%).
- However, good perspectives in the near future with further positive growth rates.
- Highest risks: Exchange rate fluctuations (CHF has risen approx. 15% to EUR in 2010)



Key challenges for the upcoming years

- Put into action the basic ideas of the ongoing optimization process. And that not only for the steel segments, but also for the rebar and technical product segments
- Change-over from our present IT-solutions to SAP always with objective to reproduce our processes optimally and to realize Group synergies
- Systematic and strict use of chances resulting from the Klöckner & Co Group network
- Development of added values for customers, as for example technical product advice, offering system solutions, steel prefabrication services, optimization of purchasing procedures as well as the stock handling at the customer



Our symbol

