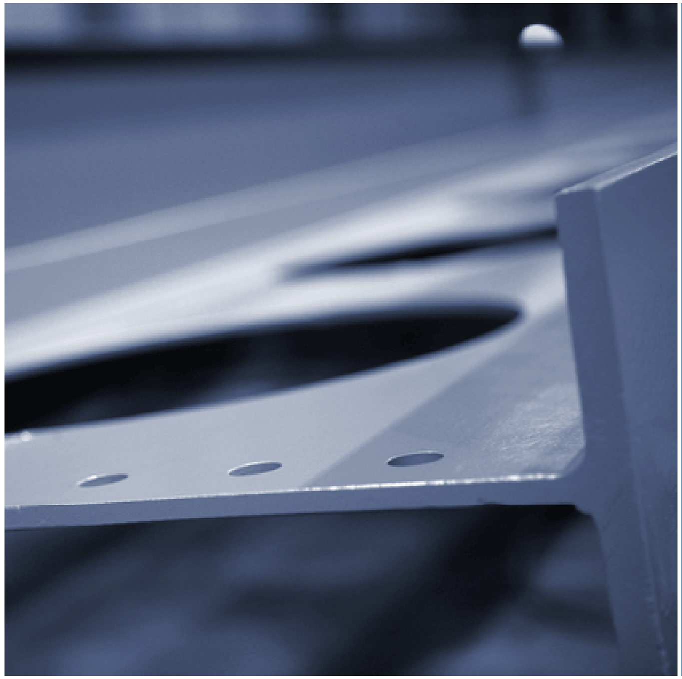

Klöckner & Co SE

A Leading Multi Metal Distributor

Kaha Avaliani
CEO ASD

ASD metal services

Great Britain

Capital Market Days 2010

ASD metal services
klöckner & co multi metal distribution

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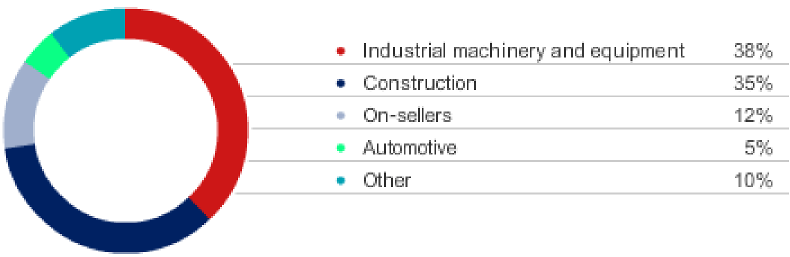
Key Figures

2009	
Sales	€313m
Turnover	396 Tto
Stocks end of year	75 Tto
Market position	Largest Independent in the UK
Employees end of year	1,017
Main product groups	Sheets, Plates Merchant Bars/Sections Tubes/Hollow Sections Stainless Steel Aluminium

Sales by industry



Sales by product

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Historic milestones of ASD metal services

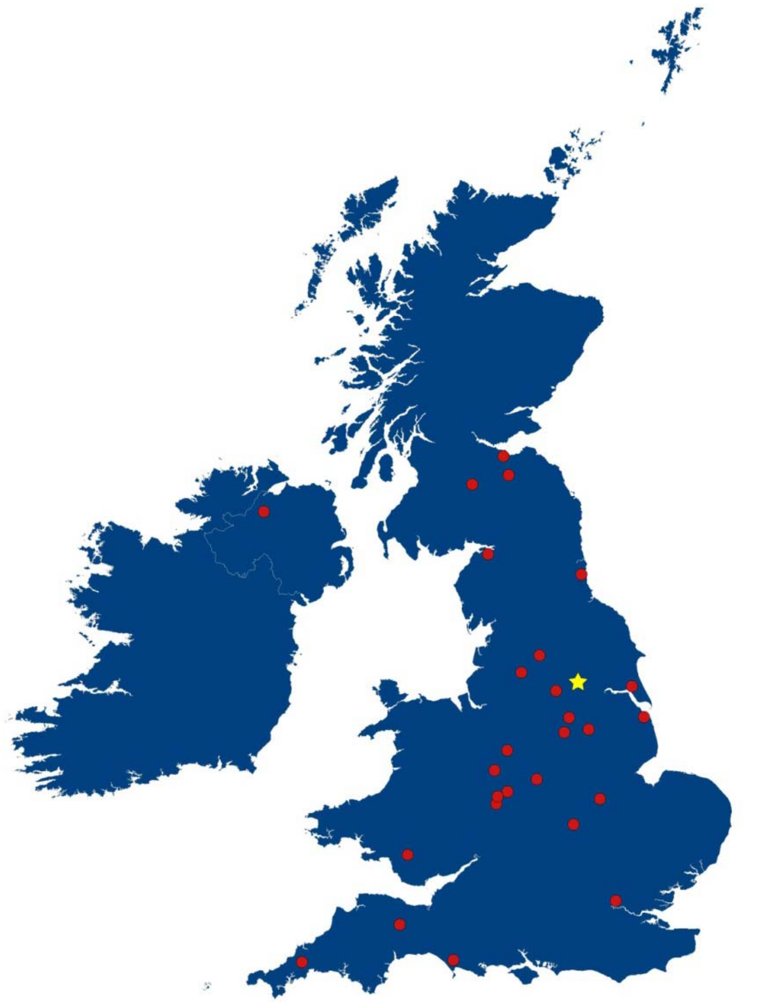
- Incorporated in 1986
- The company‘s main warehouse in Leeds is also home to our Head Office
- Becoming a part of Klöckner & Co in 1996 has enforced our position as the largest mill-independent multi metal distributor in the UK and Ireland
- The result of a number of mergers and acquisitions, the UK group is comprised of 6 legal and trading companies:
  - ASD Ltd
  - Armstrong Steels Ltd and
  - Klöckner metal services Ltd

  make up the core product base of the company

  - Westok Ltd (2007)
  - Interpipe Ltd (2007)
  - Multitubes Ltd (2008)

  All acquired more recently to improve our specialist product offerings
- Since 2005 ASD has been organized in three divisions: General Steels, Flat Products and Stainless & Aluminium

Locations



Locations Great Britain

Headquarter

Warehouse

Warehouses (including shops)	27
Central stock only (excluding sales to 3rd parties)	0
Steel Service Centers	0
Others (e.g. sales office, administration)	5
Total locations	32

ASD metal services

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Market structure and our position

- The UK market has reduced in size from around 7.2m tons in 2008 to 6.6m tons in 2009 of which the mill-tied market share is approximately 30%

- **Our 2009 market share (%):**

Product	Market share
Sheets	◔
Heavy Sections	◕
Merchant Bars	◑
Hollow Sections	◕
Qual./Stainl.	◑
Aluminium	○
Total	◑

○ < 5% ◔ 5-10% ◑ 10-15% ◕ 15-20% ● >20%

Source: ASD Estimation

Growth expectations

- Growth expectations for steel consumption is expected to be ca. 5% in the UK in 2011

- Main drivers for growth in 2010 - moderate growth in building and construction sector, manufacturing (especially export oriented) and re-stocking. Growth in 2011 will be driven by some sub-sectors of the building and construction sector, manufacturing and renewable energy

Strategy Klöckner 2020: Impact on ASD

Product portfolio strategy

- Long Products/Beams:
  - Maintain our market position in the construction sector
  - Seek expansion in other sectors like manufacturing, energy, etc.
- Tubes/Hollow Sections:
  - Expand product range and applicable sectors
  - Allocate more warehouse space and improved logistics (part of the L2 project)
- Flat Products:
  - Maintain our market position in low margin high volume product segments
  - Grow our presence in high margin niche products like coated steel, aluzinc, etc.
- Stainless and Aluminium:
  - Grow our market share through organic growth and acquisitions
  - Focus on sectors like nuclear energy, petrochemical, catering, etc.

Wave 3 measures and their contribution so far

- Wave 3 projects in 2010 are split across 3 product divisions
- Flat Products - 4 projects looking at organic growth in product and geographical areas. To the end of June they have generated an additional 5.8Tto
- Stainless & Aluminium - 4 projects, 3 focusing on product development and 1 on improved logistics. These projects have generated an additional 2.9Tto
- General Steels - projects generating 4.9Tto
- Additionally, there are 4 projects related to “L2” which will start in late 2010 and be completed in 2011

Specific Project UK: Leeds - L2

- 42,858m^2 site adjacent to our present facility at Leeds. The total warehouse space is 19,000m^2

- Move specialist businesses (Westok (Cellular Beams) and Interpipe (Hot Finished Hollow Sections)) as well as one of the existing General Steels warehouses to L2, and move one of the branches of the Stainless & Aluminium division and Multitubes business into the ex-Interpipe warehouse in Dudley

- Key rationales:
  - Move warehouses from expensive and/or unsuitable sites into cheaper/company owned and purpose built locations
  - Apply Lean Manufacturing to Westok's production processes – increase efficiency
  - Cost reduction based on improved logistics and transportation solutions
  - Complementary to ASD's overall strategy to enhance sales of Tubes and Hollow Sections – highly profitable products

- Existing Central Stocks facility at Leeds, combined with L2 creates one location for all structural steel requirements – One Stop Shop, first of its kind in the UK

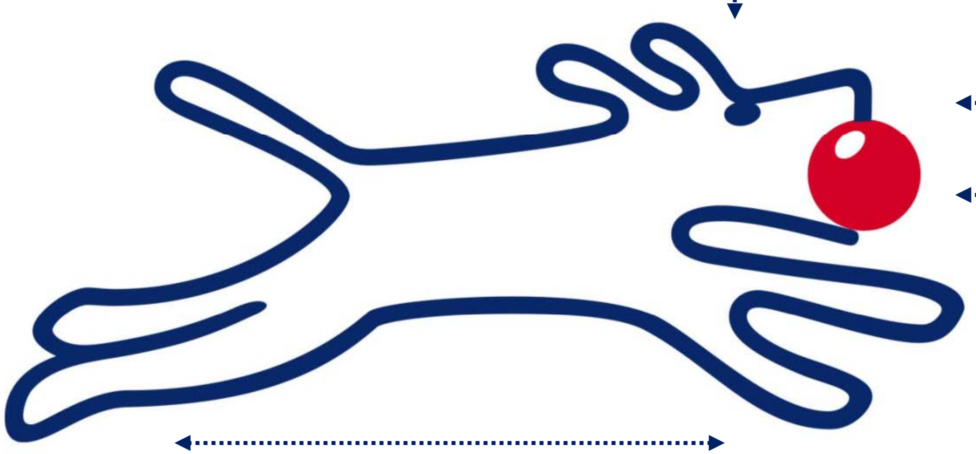
Key challenges for the upcoming years

- Uncertain future growth potential for the building and construction sector due to the overall economic outlook and pending significant public budget cuts directly affecting this industry
- Business opportunities in growing sectors like energy (whether renewable or nuclear)
- Emphasis on organic growth especially in the non-construction sector and in more profitable product ranges
- Acquisition and integration of companies that will complement our overall sector/product portfolio strategy
- Successful implementation of the corporate-wide operational improvement project

Our symbol

the ears
attentive to customer needs

the eyes
looking forward to new developments



the nose
sniffing out opportunities
to improve performance

the ball
symbolic of our role to fetch
and carry for our customers

the legs
always moving fast to keep up with
the demands of the customers