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Klöckner & Co SE

A Leading Multi Metal Distributor

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Roadshow MainFirst Bank

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- Downturns in the business cycle of the industries in which we compete;
- Increases in the prices of our raw materials, especially if we are unable to pass these costs along to customers;
- Fluctuation in international currency exchange rates as well as changes in the general economic climate
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Agenda

01 Distributor in the sweet spot

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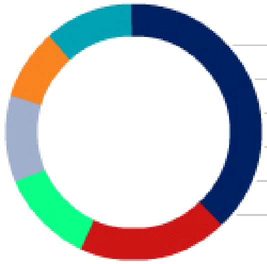
Suppliers	Sourcing	Products and services	Logistics/ Distribution	Customers
• Purchase volume p.a. of >5 million tons • Diversified set of worldwide approx. 70 suppliers	• Global Sourcing in competitive sizes • Strategic partnerships • Frame contracts • Leverage one supplier against the other • No speculative trading	• One-stop-shop with wide product range of high-quality products • Value added processing services • Quality assurance	• Efficient inventory management • Local presence • Tailor-made logistics including on-time delivery within 24 hours	• ~178,000 customers • No customer with more than 1% of sales • Average order size of €2,000 • Wide range of industries and markets • Service more important than price
Global suppliers	Klöckner & Co's value chain			Local customers

Klöckner & Co

- Leading producer-independent steel and metal distributor in the European and North American markets combined
- Network with around 250 distribution locations in Europe and North America

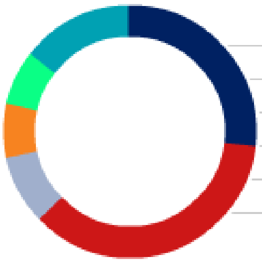
Sales split by industry



Construction	38%
Industrial machinery and equipment	19%
Automotive	12%
On-sellers	11%
Appl./durable goods manufacturers	9%
Other	11%

as of December 2009

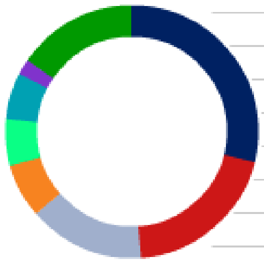
Sales split by product



Long products	27%
Flat products	36%
Tubes	9%
Quality steel/stainless steel	7%
Aluminium	7%
Others	14%

as of December 2009

Sales split by markets



Germany/Austria	29%
France/Belgium	20%
Switzerland	15%
UK	7%
Spain	6%
Netherlands	6%
Eastern Europe	2%
USA	15%

as of December 2009

Including Becker Stahl-Service Group pro-forma figures (year ending September)

01 How the Company structurally improved over the past two years

1. Procurement: Central European Sourcing levers procurement conditions
2. Inventories: International Product-Management steers inventories tightly
3. Processes: European operations centrally define best practice processes
4. Systems: IT systems upgraded to fully support renewed processes
5. Management: Country CEO's all changed to support new structure, lean board
6. Incentivation: Balance between entrepreneurial spirit and cross-country collaboration
7. Healthy balance sheet with prolonged maturities
8. 2 acquisitions already done again and €500m still available

Flexibility and efficiency increased, advantages of scale realized

01 Highlights Q1 2010 and until today

- First yoy improvements since beginning of the crisis for almost all key indicators
- Sequential improvement in volumes and EBITDA during Q1 with ramp up in March
- Breakeven at net income level
- Acquisitions of Becker Stahl-Service and Bläsi completed
- Capital basis further strengthened with placement of €145m Promissory Notes
- European ABS financing extended by another 2 years
- Extension of syndicated loan from €300m to €500m and maturity until 2014
- Standard & Poor’s confirmed it’s BB rating and changed outlook to stable
- Promising start into Q2 with further increasing volumes and prices
- Sales guidance revised from more than 20% to more than 25% growth

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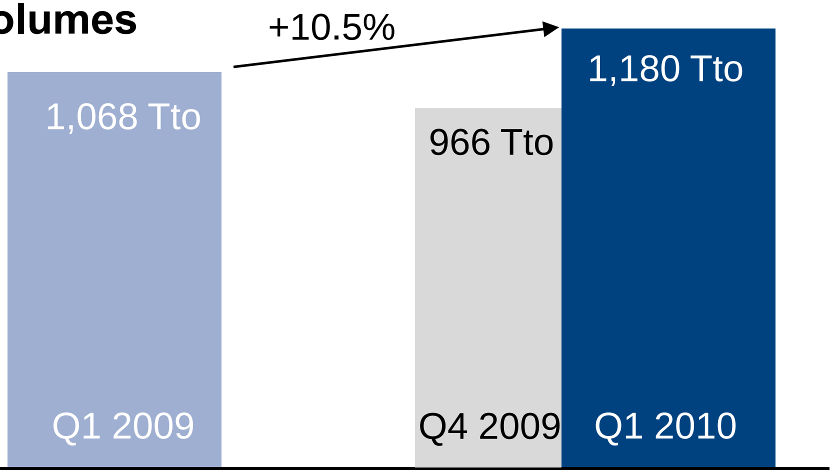
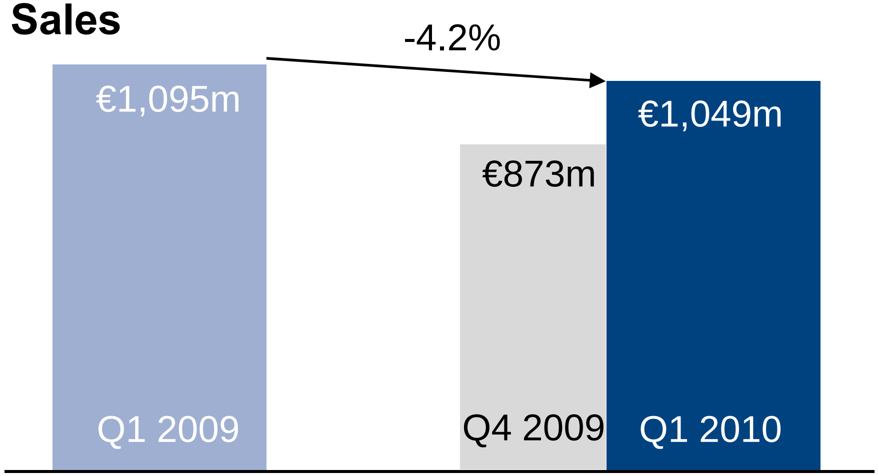
02 Improving financials in Q1 2010

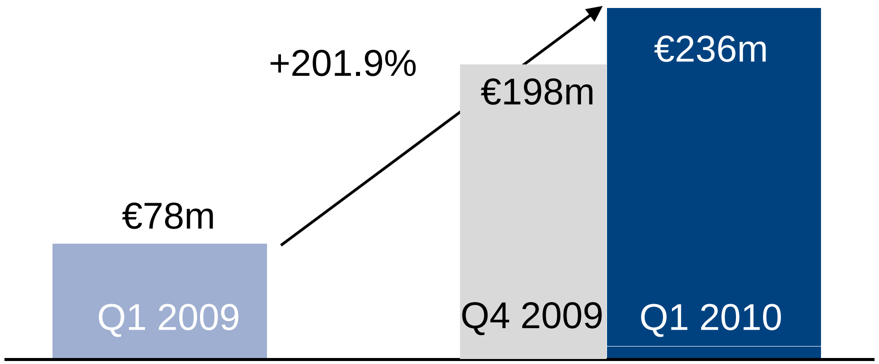
Volumes



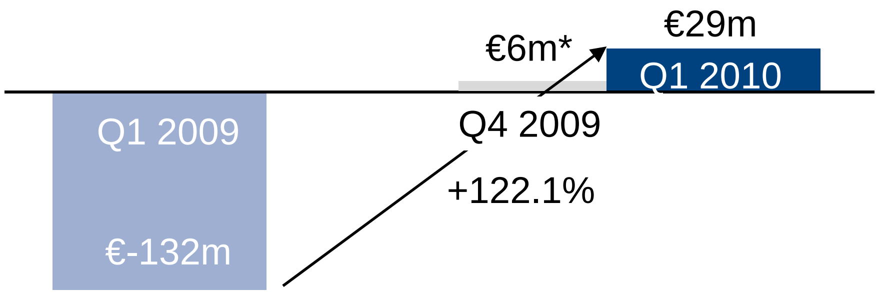
Sales



Gross profit

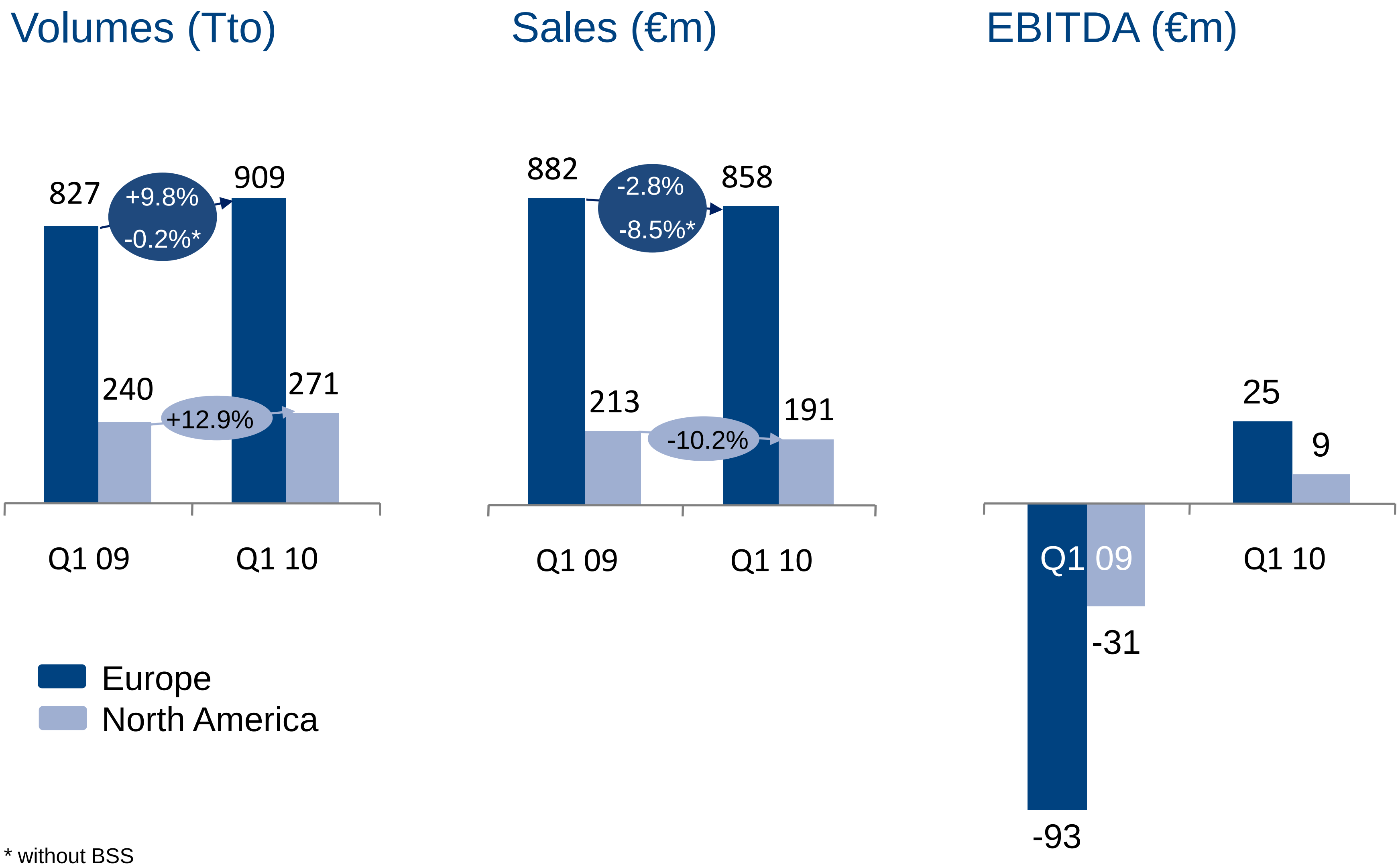


EBITDA



* adj. for cartel fine reduction

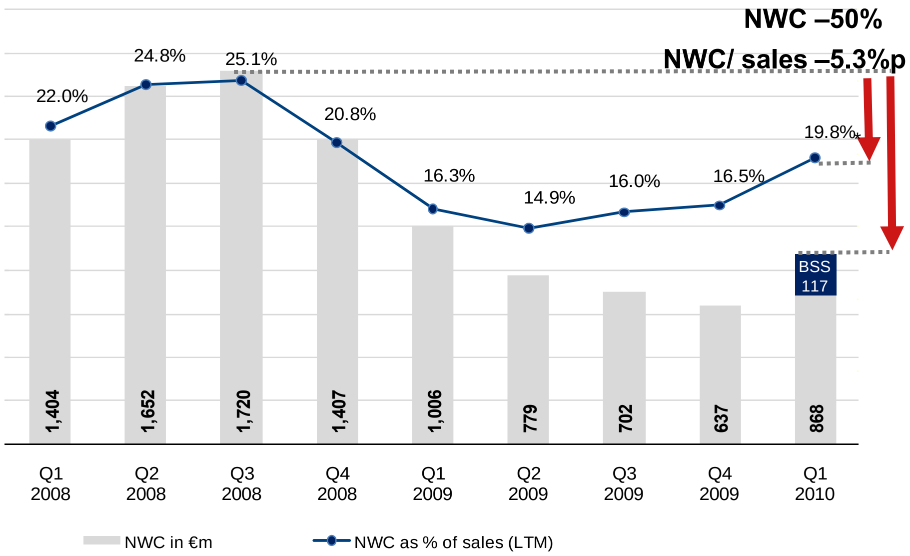
02 Both segments improved performance in Q1 2010



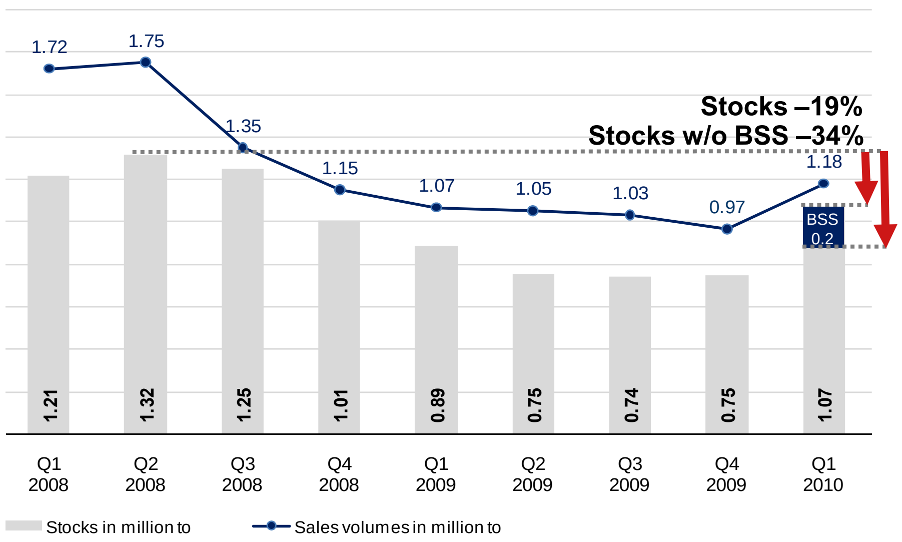
* without BSS

02 Consistent NWC management

NWC and NWC as % of sales



Stocks and sales volumes

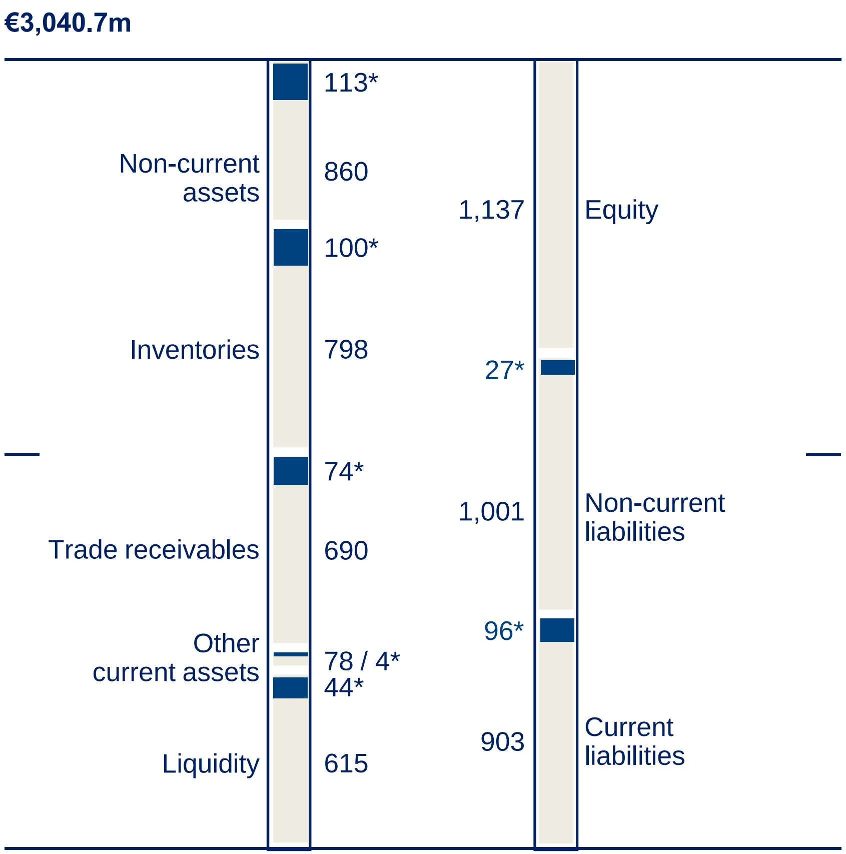


- NWC/ sales ratio still not above maximum target level of 20% despite opportunistic inventory build-up with orders dated back to December

* adj. for acquisitions

02 Strong balance sheet

Q1 2010



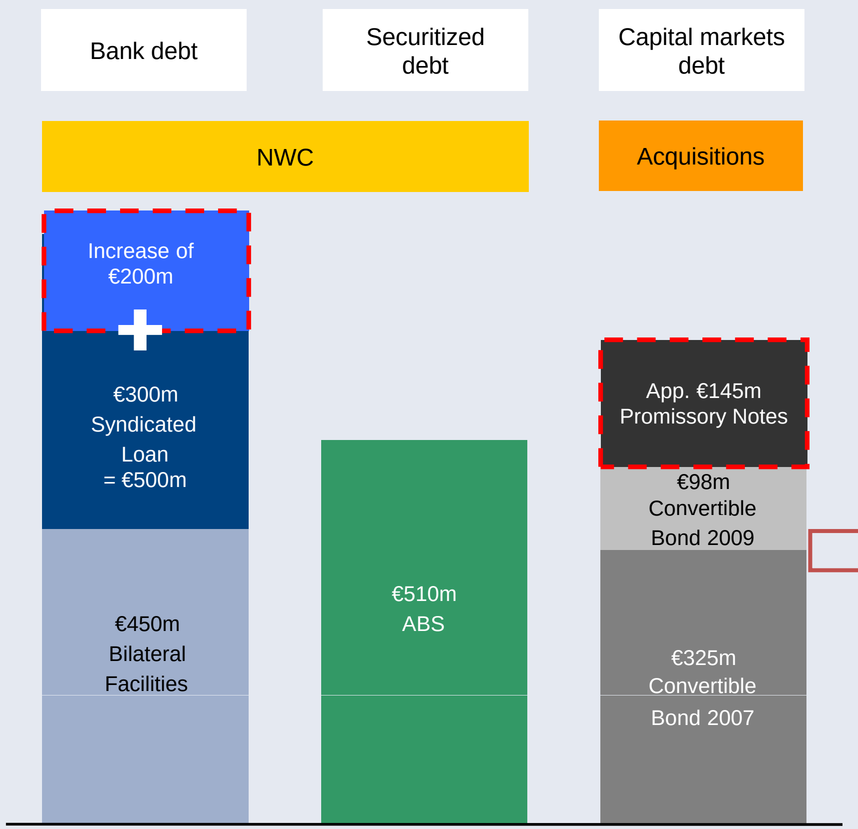
*BSS proportion, transaction volume offset against Group liquid funds (€207m)

Comments

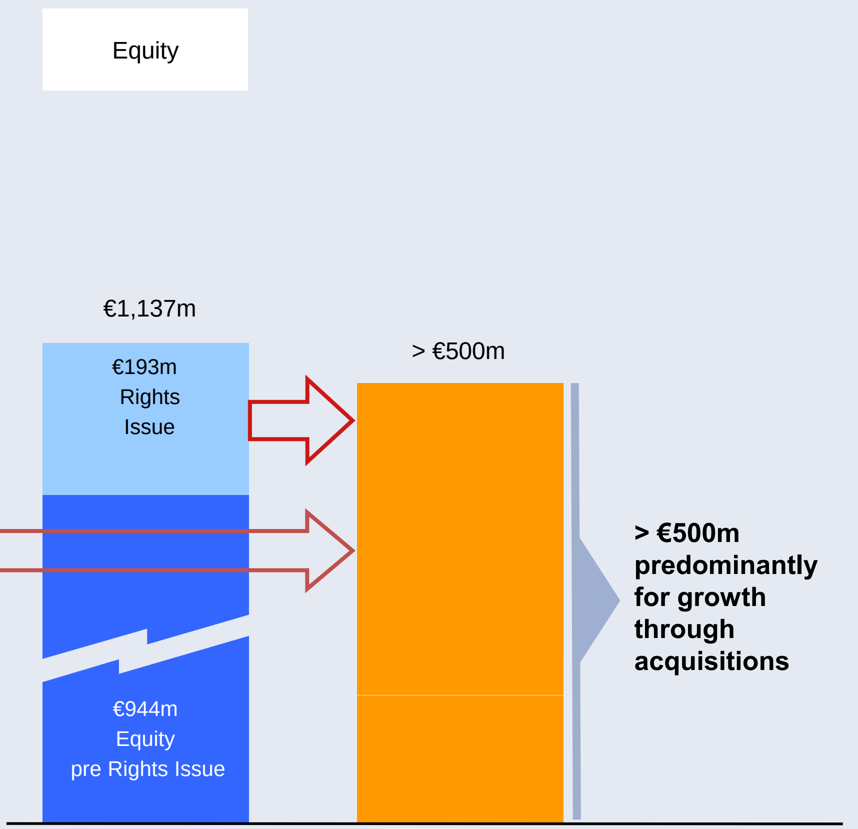
- Equity ratio at 37%
- Impact of BSS integration (purchase price allocation as of March 1, 2010):
  - Non-current assets include additions to intangible assets (customer relations, trade name) of €35.7m and goodwill of €5.6m as well as property, plant and equipment of €69.6m
  - Net working capital contribution of €115.3m
  - Transaction volume €207m
  - D&A for the Group will increase in 2010 by ~€20m (incl. PPA BSS) and thereafter annual run rate ~€10m

02 Financial power for growth through acquisitions

Financial structure



Funds for future growth



- Standard & Poor's rating „BB" with outlook „stable"
- Moody's rating „Ba2" with outlook „stable"

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03 Real growth beyond restocking?

- Apparent demand increased impressively so far driven by end of destocking, gradual restocking and strong demand from the automotive industry

- What do we expect in H2 2010 for our main customer segments?
  - Construction is expected to remain weak overall. In Europe impacts from the various stimulus programs will be limited. Positive impacts for infrastructure in the US have so far been compensated by weaker than expected housing.
  - Automotive will probably soften in H2 2010 especially in Europe as restocking eases and the wreckage premiums have expired. Increasing exports will limit the contraction.
  - Significantly increasing order intakes for machinery and mechanical engineering will be translated into higher demand for distribution in H2 2010.

- What are the main downside risks for demand?
  - Demand could be negatively affected when stimulus programs expire
  - Increasing European sovereign debt risk and budget cuts
  - Tightening measures in China could affect exports

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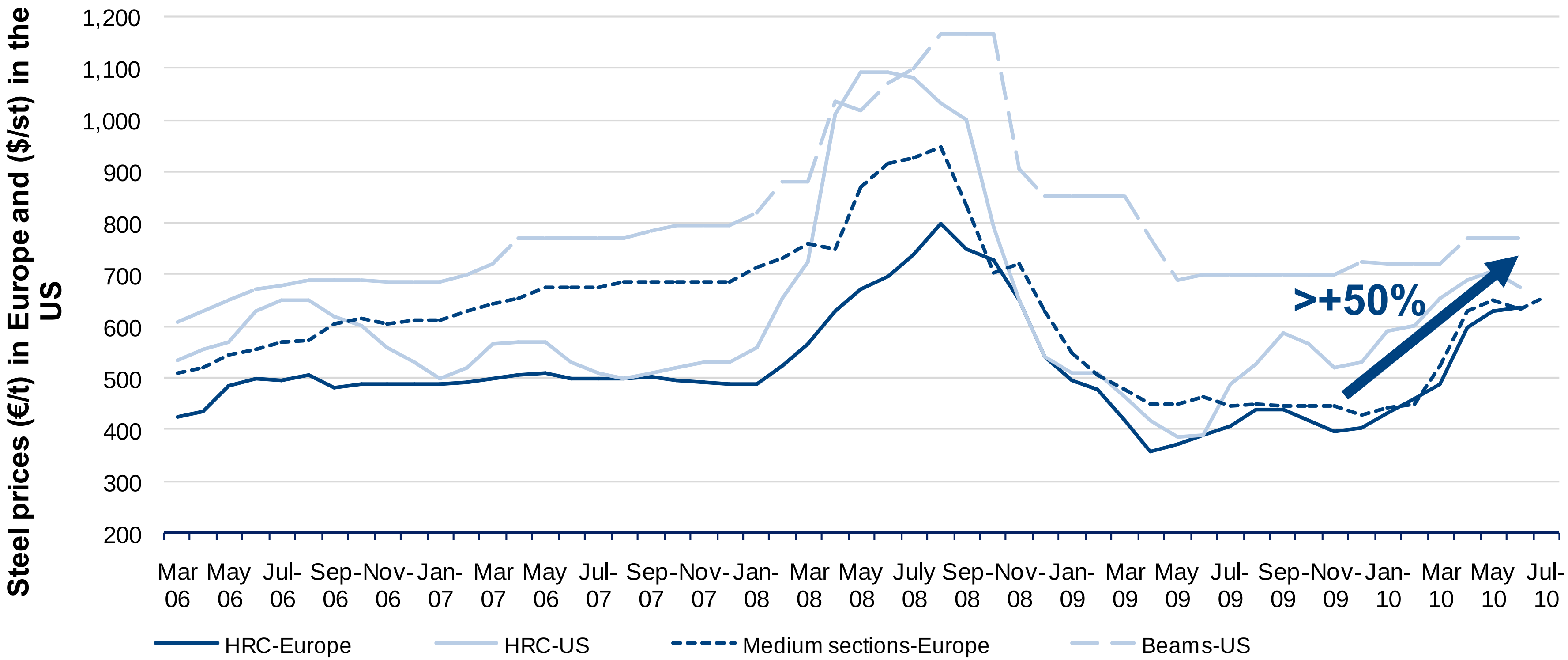
03 Steel prices have rallied for six consecutive months



- Steel prices are globally rising since November 2009
- HRC quotes in Europe and North America >50% above November 2009

Source: SBB

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03 Limited steel price correction expected

- Since prices for long products are already under pressure we expect that prices for sheets will peak in Q3 and softening slightly thereafter mainly because of:
  - Steel producing capacity has been brought back too quickly while real demand outlook remains relatively weak overall
  - End-users and service centers have sufficient refilled stocks and becoming increasingly hesitant to accept further price increases
  - Leading steel price indicators like scrap, spot iron ore and Chinese steel prices have softened
  - European steel price levels are higher than everywhere else in the world

- However, we remain confident that the price correction will be limited and possibly short term mainly because of:
  - Low inventories throughout the value chain
  - High raw material costs
  - Obvious willingness of producers to cut back capacity again

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03 Steel production is significantly outstripping steel consumption

	Crude steel production 4 months 2010 compared to 4 months 2009	Apparent steel consumption estimate 2010 as compared to 2009
World	+32%	+11%
EU 27	+44%	+14%
CIS	+22%	+11%
Other Europe	+15%	+14%
North America	+59%	+24%
South America	+33%	+20%
Asia	+29%	+8%
of which: China	+25%	+7%
Middle East	+13%	+10%

Source: Eurometal Newsletter Nr. 32, May 2010

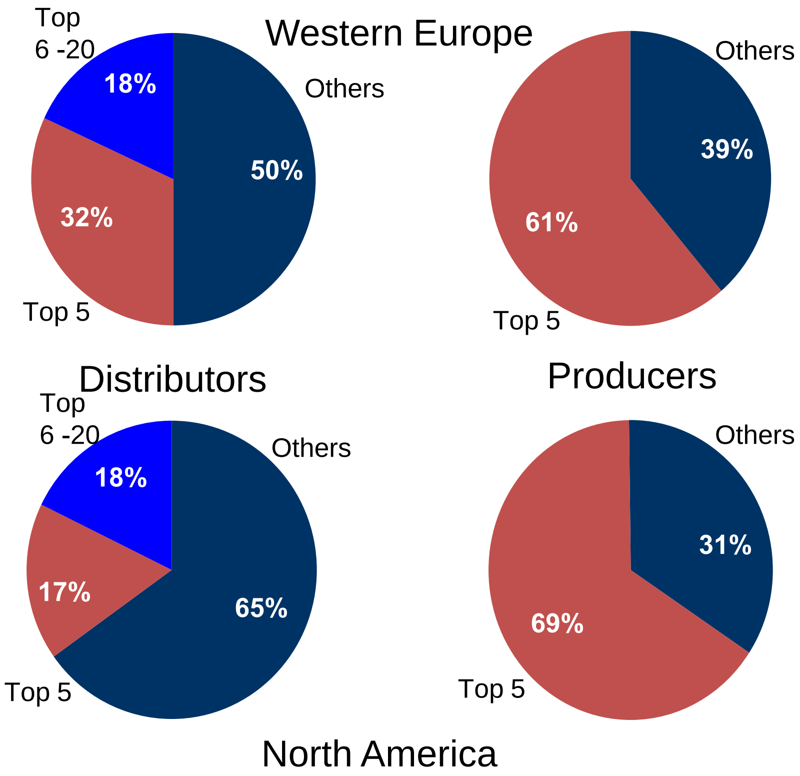
03 We anticipated current development

- We mentioned already in our FY 2009 Results Analysts‘ and Investors‘ Conference on March 9, 2010 the risk of overcapacities in H2 in our outlook statement:
  - “Risk of reversal of prices in H2 if real demand is not picking up to support utilization of the mills”

- We accordingly started to reduce orders already a few weeks ago to avoid buying at high price levels

03 We follow our strategy of growth through acquisitions…

Consolidation among steel producers is well ahead of highly fragmented distribution sector



M&A Strategy

- Achieve profitable growth
- Strengthen country power vs. suppliers for core group products
- Strengthen country specific market positions
- Expand footprint outside construction industry
- Focus on geographical core markets in EU, NA and EEC to leverage existing network

Target selection criteria

- Profitability above group average
- Strong synergy potential in purchasing, admin and warehousing with low integration risk
- EV/EBITDA multiple between 4x and 6x EBITDA
- EPS-accretive from year one

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03 …organic growth…

Crisis management → Managing growth again

Wave 1

Wave 2

Wave 3

- **Market / customer segmentation**
  - Focus on under-penetrated regions/ customer segments
  - Leverage existing product/ service offering and competitive strength
  - Increase share of wallet with current accounts
- **Product portfolio management**
  - Improve product mix by expanding higher margin business
  - Drive value added services
- **Pricing strategy**
  - Adjust pricing to segment/ product approach

October 08 — Summer 09

03 …and continuous optimization

Areas of optimization

Sourcing

- Centralization of procurement to reach scale
- Standardized sourcing
- Global sourcing

Product Management

- Product portfolio optimization
- Increasing share of value added services
- Inventory management

Logistics

- Network management
- Location concepts
- Central stock structure
- Cross-border logistics

Standardized processes and IT-systems

Key-Performance-Indicators

Asset-Management

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03 We stick to our longterm targets

Financials

Financial Targets

Roadshow Presentation April 2006

	Target	Actual 2006
Underlying sales growth	> 10% p.a	11%
Underlying EBITDA margin	> 6%	7.1%
Leverage (Net financial debt/EBITDA)	< 3.0x	0.9x
Gearing (Net financial debt/Equity)	< 150%	50%

Challenging financial targets throughout the cycle

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Underlying sales growth	> 10% p.a.	Starting 2010
Underlying EBITDA-margin	> 6%	Starting 2011
Gearing (Net financial debt/ Equity)	< 75%	Revised

03 Outlook 2010

- Q2 expected to deliver significantly higher results than Q1 due to price and volume trends
- Sales to grow by more than 25% (before >20%) including acquisition impact with only limited contribution from real demand but normalization of customers' stock levels and higher prices
  - Automotive: Europe so far strong but risk of decline in H2
  - Machinery & Equipment: High order entry should translate into demand in H2 esp. in Germany
  - Construction: No recovery expected neither in the US nor in Europe
- Significant positive EBITDA in 2010 but not back to target margin of 6%
- Still more than €500m available for acquisitions to further drive consolidation

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04 Appendix

Financial calendar 2010	
August 11, 2010:	Q2/H1 interim report 2010
November 10, 2010:	Q3 interim report 2010

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04 Quarterly results and FY results 2005-2010

(€m)	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005*
Volume (Ttons)	**1,180**	**966**	**1,033**	**1,053**	**1,068**	**1,151**	**1,348**	**1,755**	**1,720**	**4,119**	**5,974**	**6,478**	**6,127**	**5,868**
Sales	**1,049**	**873**	**934**	**959**	**1,095**	**1,394**	**1,773**	**1,922**	**1,660**	**3,860**	**6,750**	**6,274**	**5,532**	**4,964**
Gross profit	**236**	**198**	**208**	**161**	**78**	**173**	**391**	**462**	**340**	**645**	**1,366**	**1,221**	**1,208**	**987**
% margin	22.5	22.6	22.3	16.8	7.1	12.4	22.0	24.0	20.5	16.7	20.2	19.5	21.8	19.9
EBITDA	**29**	**83**	**11**	**-31**	**-132**	**-133**	**413**	**212**	**109**	**-68**	**601**	**371**	**395**	**197**
% margin	2.8	9.5	1.2	-3.2	-12.0	-9.6	23.3	11.0	6.6	-1.8	8.9	5.9	7.1	4.0
EBIT	**11**	**26**	**-7**	**-48**	**-149**	**-152**	**395**	**197**	**93**	**-178**	**533**	**307**	**337**	**135**
Financial result	-15	-16	-14	-15	-16	-18	-18	-17	-17	-62	-70	-97	-64	-54
Income before taxes	**-4**	**9**	**-21**	**-63**	**-165**	**-171**	**378**	**180**	**76**	**-240**	**463**	**210**	**273**	**81**
Income taxes	6	3	-2	16	38	29	-30	-55	-24	54	-79	-54	-39	-29
Net income	2	12	-23	-47	-127	-141	348	125	52	-186	384	156	235	52
Minority interests	1	3	0	1	-2	-15	-4	3	2	3	-14	23	28	16
Net income KlöCo	**1**	**9**	**-23**	**-48**	**-126**	**-126**	**352**	**122**	**51**	**-188**	**398**	**133**	**206**	**36**
EPS basic (€)	**0.02**	**0.56**	**-0.42**	**-1.04**	**-2.70**	**-2.72**	**7.56**	**2.63**	**1.09**	**-3.61**	**11.28**	**2.87**	**4.44**	**-**
EPS diluted (€)	**0.02**	**0.56**	**-0.42**	**-0.85**	**-2.43**	**-2.44**	**7.01**	**2.48**	**1.06**	**-3.61**	**10.60**	**2.87**	**4.44**	**-**

* Pro-forma consolidated figures for FY 2005, without release of negative goodwill of €139 million and without transaction costs of €39 million, without restructuring expenses of €17 million (incurred Q4) and without activity disposal of €1.9 million (incurred Q4).

04 Balance sheet as of Mar. 31, 2010

(€m)	Mar. 31, 2010	Dec. 31, 2009
Non-current assets	860	712
Inventories	798	571
Trade receivables	690	464
Cash & Cash equivalents	615	827
Other assets	78	139
Total assets	**3,041**	**2,713**
Equity	1,137	1,123
Total non-current liabilities	1,001	927
thereof financial liabilities	668	619
Total current liabilities	903	663
thereof trade payables	620	398
Total equity and liabilities	**3,041**	**2,713**
Net working capital	**868**	**637**
Net financial debt	**150**	**-150**

Comments

Shareholders' equity:

- Decreased from 41% to 37% due to BSS
- Would be at 47% if cash would be used for debt reduction

Financial debt:

- Gearing at 13%
- Net debt position due to purchase price payment for BSS and Bläsi AG and NWC build-up

NWC:

- Swing mainly driven by BSS consolidation and pickup in business

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04 Statement of cash flow

(€m)	Q1 2010	Q1 2009
Operating CF	29	-136
Changes in net working capital	-96	414
Others	7	-17
Cash flow from operating activities	**-60**	**261**
Inflow from disposals of fixed assets/others	1	5
Outflow from acquisitions	-124	0
Outflow from investments in fixed assets/others	-4	-10
Cash flow from investing activities	**-127**	**-5**
Changes in financial liabilities	34	-106
Net interest payments	-2	-5
Repayments of shareholder loan BSS	-58	0
Cash flow from financing activities	**-26**	**-111**
Total cash flow	**-214**	**145**

Comments

- NWC changes due to built up of inventories
- Investing CF impacted by acquisitions of BSS and Bläsi

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04 Segment performance Q1 2010

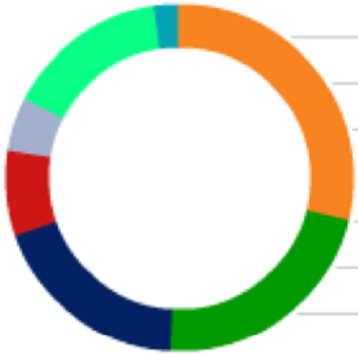
(€m)	Europe	North America	HQ/ Consol.	Total
Volume (Ttons)				
Q1 2010	909	271	-	1,180
Q1 2009	827	240	-	1,068
Δ %	**9.8**	**12.9**	**-**	**10.5**
Sales				
Q1 2010	858	191	-	1,049
Q1 2009	882	213	-	1,095
Δ %	**-2.8**	**-10.2**	**-**	**-4.2**
EBITDA				
Q1 2010	25	9	-5	29
% margin	2.9	4.8		2.8
Q1 2009	-93	-31	-8	-132
% margin	*-10.5*	*-14.5*		*-12.0*
Δ % EBITDA	**-126.4**	**-129.5**		**-122.1**

Comments

- Excl. BSS Europe would have been stable in volumes and total would be at 2.8% yoy
- Sales still negative yoy due to lower average prices
- Without BSS total sales would be -8.9% yoy

04 Current shareholder structure

Geographical breakdown of identified institutional investors



UK	29%
USA	22%
Germany	19%
France	8%
Finland	5%
Rest of Europe	15%
Rest of the world	2%

as of March 2010

Comments

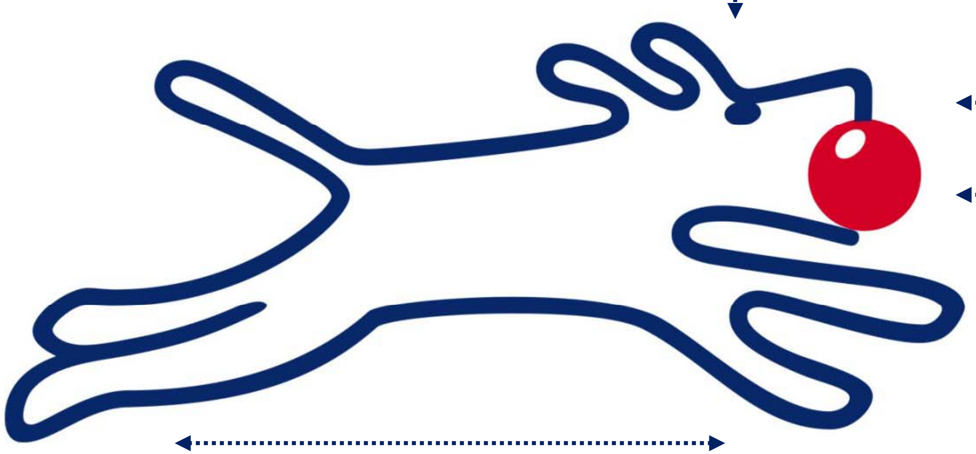
- Identified institutional investors account for 59%
- UK based investors dominate (Franklin remains Klöckner's biggest investor with 9.41% of the total shares outstanding)
- Top 10 shareholdings represent around 28%
- Retail shareholders represent 22%
- 100% free float

04 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