

Press Release

Klöckner & Co SE
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Pages 2

klöckner & co

multi metal distribution

Klöckner & Co: Operating result climbs steeply in the first half of 2008, record performance expected for entire year

- At €3.6 billion, sales increased 12% year-on-year
- Sales volume climbed 5.5% to 3.5 million tons
- EBITDA rose 65.0% to €321 million
- Consolidated net profit for the period increased by 155.2% to €178 million
- Conversion into a European Company (SE) concluded
- Continued focus on core business

Duisburg, August 13, 2008 – After the Klöckner & Co Group performed exceptionally well in Q1 2008, the company's position improved even further during Q2 2008 as a result of continuing favorable market conditions for steel and metal products. In H1 2008, sales volume of the Klöckner & Co Group totaled – particularly as a result of acquisitions – 3.5 million tons, 5.5% above the level of a year earlier. Sales climbed to €3.6 billion and rose – primarily as a result of prices – by 12.0% year-on-year. EBITDA reached €321 million during the period, 65.0% higher than year-earlier results. The consolidated net profit for the period increased by 155.2% to €178 million during H1 2008. "We have successfully turned increased prices into higher gross margins. This is the basis of our satisfying earnings growth," said Dr. Thomas Ludwig, Chairman of the Management Board of Klöckner & Co SE.

Against the backdrop of continuing positive business conditions for steel distribution, Klöckner & Co expects that EBITDA before one-offs will exceed €500 million for fiscal year 2008. Including non-recurring income from divestments in Canada and Switzerland in the third quarter, reported EBITDA is expected to double year-on-year to more than €770 million and the consolidated net profit for the period is forecast to triple to more than €500 million. "The record result expected for the entire year of 2008 and the high inflow of funds create an excellent platform for the Group's strategic growth," Dr. Ludwig said.

With the entry into the Commercial Register of the Duisburg Municipal Court on August 8, 2008, the transformation of Klöckner & Co Aktiengesellschaft into a European Company (Societas Europaea, SE) was concluded. "The legal form underscores the international and open corporate culture of the Klöckner & Co Group and, as a result, represents a major step in the company's history," Dr. Thomas Ludwig said.



In addition, the company was able to move forward with its focus on core business activities: the acquisition of Temtco Steel, a US specialist in heavy-plate distribution, was concluded. The sale of the Canadian subsidiary Namasco Ltd. to the Canadian company Samuel, Son & Co. Ltd. was completed in July 2008. A contract signing to sell the wholly owned subsidiary Koenig Verbindungstechnik (KVT) to the private equity firm Capvis via the Swiss subsidiary Debrunner Koenig Holding AG (DKH) also took place in July. The sale is still subject to approval by anti-trust authorities.

Figures

| | | Q2 2008 | Q2 2007 | YTD 2008 | YTD 2007 | Δ% |
|----------------------------------------------------------------------------|-----------|------------|------------|-------------------|-------------------|--------|
| Income Statement | | | | | | |
| Sales | € million | 1,922 | 1,650 | 3,582 | 3,199 | 12.0% |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | € million | 212 | 103 | 321 | 195 | 65.0% |
| Earnings before interest, taxes (EBIT) | € million | 197 | 87 | 290 | 166 | 75.3% |
| Earnings before taxes (EBT) | € million | 180 | 35 | 256 | 103 | 149.4% |
| Earnings after taxes (EAT) | € million | 125 | 23 | 178 | 70 | 155.2% |
| Basic earnings per share | € | 2.63 | 0.41 | 3.72 | 1.28 | 190.6% |
| Diluted earnings per share | € | 2.48 | 0.41 | 3.54 | 1.28 | 176.6% |
| | | | | | | |
| Key figures | | | | | | |
| Turnover | to '000 | 1,755 | 1,663 | 3,475 | 3,292 | 5.5% |
| | | | | 30.06.2008 | 31.12.2007 | |
| Employees at end of period | | | | 11,096 | 10,581 | |

About Klöckner & Co:

Klöckner & Co is the largest producer-independent distributor of steel and metal products in the European and North American markets combined. The core business of the Klöckner & Co Group is the storage and distribution of steel and non-ferrous metals. About 210,000 active customers are supplied through more than 260 distribution locations in 15 countries in Europe and North America. During the financial year 2007, the Company achieved sales of approximately €6.3 billion with more than 10,000 employees.

The shares of Klöckner & Co SE are admitted to trading on the official market segment (*Amtlicher Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment (Prime Standard) to the official market with further post-admission obligations. ISIN: DE000KC01000; WKN: KC0100; Common Code: 025808576. Klöckner & Co shares are listed in the MDax® Index of Deutsche Börse.

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