

Press Release

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Date 3 July 2006
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klöckner & co

multi metal distribution

Klöckner & Co sells B.V. Aluminium Verkoop Zuid (AVZ) in the Netherlands / Rating raised

- **Divestment of non core assets**
- **Standard & Poors raises rating**

Duisburg, 3 July 2006 – Today, an affiliate of Klöckner & Co Aktiengesellschaft has entered into an agreement for the sale of its interest in AVZ in the Netherlands with CRH Nederland B.V., which is part of the CRH plc. Group, Dublin.

AVZ is responsible for the sun protection products in the Klöckner & Co group. By disposing of this non-core business activity, Klöckner & Co Aktiengesellschaft is consistently focussing on its core business. The indebtedness of the Klöckner & Co group can be further reduced by using the sale proceeds.

AVZ is active in the business sectors of „outdoor sun protection/blinds“ and has approx. 150 employees. In the financial year 2005, the revenues of AVZ amounted to EUR 54 million.

The proceeds of the sale will further reduce the indebtedness of Klöckner & Co Aktiengesellschaft, thus generating additional headroom for growth.

Klöckner & Co Aktiengesellschaft had already announced that it expected to realize up to approx. EUR 110 million from divestments in the financial year 2006, including the sale of interests in the Netherlands. The sale of AVZ was realized faster than anticipated. By disposing of assets that are not essential for its core business and as a result of the capital increase in connection with the initial public offering, Klöckner & Co Aktiengesellschaft already realized nearly EUR 180 million in cash during the financial year 2006. Klöckner & Co Aktiengesellschaft intends to use these proceeds to further reduce its indebtedness.

Against the background of the successful initial public offering, Klöckner & Co Aktiengesellschaft and the opportunity to reduce its indebtedness, Standard & Poors has already raised its rating for Klöckner's long-term liabilities from B+ to BB on 30 June 2006.



Klöckner & Co Aktiengesellschaft thus continues its course of playing an active role in the ongoing consolidation of the industry by further strengthening its financial position.

About Klöckner & Co:

Klöckner & Co is the largest producer-independent steel and metal distributor 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 200,000 active customers are supplied through approximately 240 distribution locations in 14 countries in Europe and North America.

Klöckner & Co was founded 100 years ago by Peter Klöckner. During the financial year 2005, the company achieved sales of approximately 5 billion Euros with around 10,000 employees.

The shares of Klöckner & Co Aktiengesellschaft 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.

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