

Press Release

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klöckner & co

multi metal distribution

Klöckner & Co prices convertible bond offering

- Coupon of 1.50%
- Conversion price set at EUR 80.75

Duisburg, 18 July 2007 - The management board of Klöckner & Co AG ("Klöckner & Co") announces the pricing of its offering (the "Offering") to institutional investors outside of the US only of EUR 325 million, senior unsecured convertible bonds (the "Bonds"), including the immediate exercise of the increase option of EUR 25 million. "We are pleased about the successful placement of the convertible bonds. The proceeds from the sale of the convertible bonds will be partly used for continuing our successful acquisition strategy," commented Dr. Thomas Ludwig, CEO at Klöckner & Co AG.

The Bonds will be issued by Klöckner & Co Finance International S.A. (the "issuer"), a wholly-owned Luxembourg subsidiary of Klöckner & Co, guaranteed by Klöckner & Co, and will be convertible into existing or new shares of Klöckner & Co.

The Bonds will have a maturity of five years and a coupon of 1.50 per cent. The conversion price has been set at EUR 80.75, which represents a premium of 35 per cent above the reference price of EUR 59.8146 and approximately 405 per cent above the IPO price.

Deutsche Bank AG and JPMorgan are acting as joint bookrunners and lead managers for the Offering.

The issuer has granted the lead managers a greenshoe option of up to EUR 25 million to cover over-allotments (if any) exercisable until the settlement date (27 July 2007). The issue size can therefore reach up to EUR 350 million which, based on the conversion price, could result in up to approximately 4.3 million shares underlying the bond at the outset.



About Klöckner & Co AG:

Klöckner & Co is the largest independent producer and 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 200,000 active customers are supplied through approximately 250 distribution locations in 15 countries in Europe and North America.

Klöckner & Co was founded more than 100 years ago by Peter Klöckner. During the financial year 2006, the Company achieved sales of approximately €5.5 billion 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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In connection with the offering of the convertible bonds, Deutsche Bank (the "Stabilising Manager") or any person acting on behalf of the Stabilising Manager, may over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action shall begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Settlement Date and 60 days after the allotment of the Bonds.

Stabilisation FSA

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