Klöckner & Co AG

- Q1 2008 Results –

Analysts' and Investors' Conference Call

May 15, 2008

Dr. Thomas Ludwig
CEO

Gisbert Rühl
CFO

Agenda

1. **Highlights Q1 2008, market and strategy**
   Dr. Thomas Ludwig, CEO

2. **Financials Q1 2008 and outlook**
   Gisbert Rühl, CFO

Appendix

Highlights Q1 2008 and until today

- Excellent results, supported by price increases
- Further expansion through the acquisition of Temtco in the US and also Multitubes in the UK
- Acquisition of remaining outside shareholdings in Swiss Company Debrunner Koenig Holding AG and as a consequence full integration into the Group
- Sale of the automotive-related Canadian Namasco Ltd.
- Business optimization program “STAR” fully on track
- All preparatory steps to transform Klöckner & Co AG into a European company (SE – Societas Europaea) completed
- Ulrich Becker joined the Management Board on April 1, 2008, responsible for Europe and Purchasing

Ongoing profitable growth

Financial highlights Q1 2008

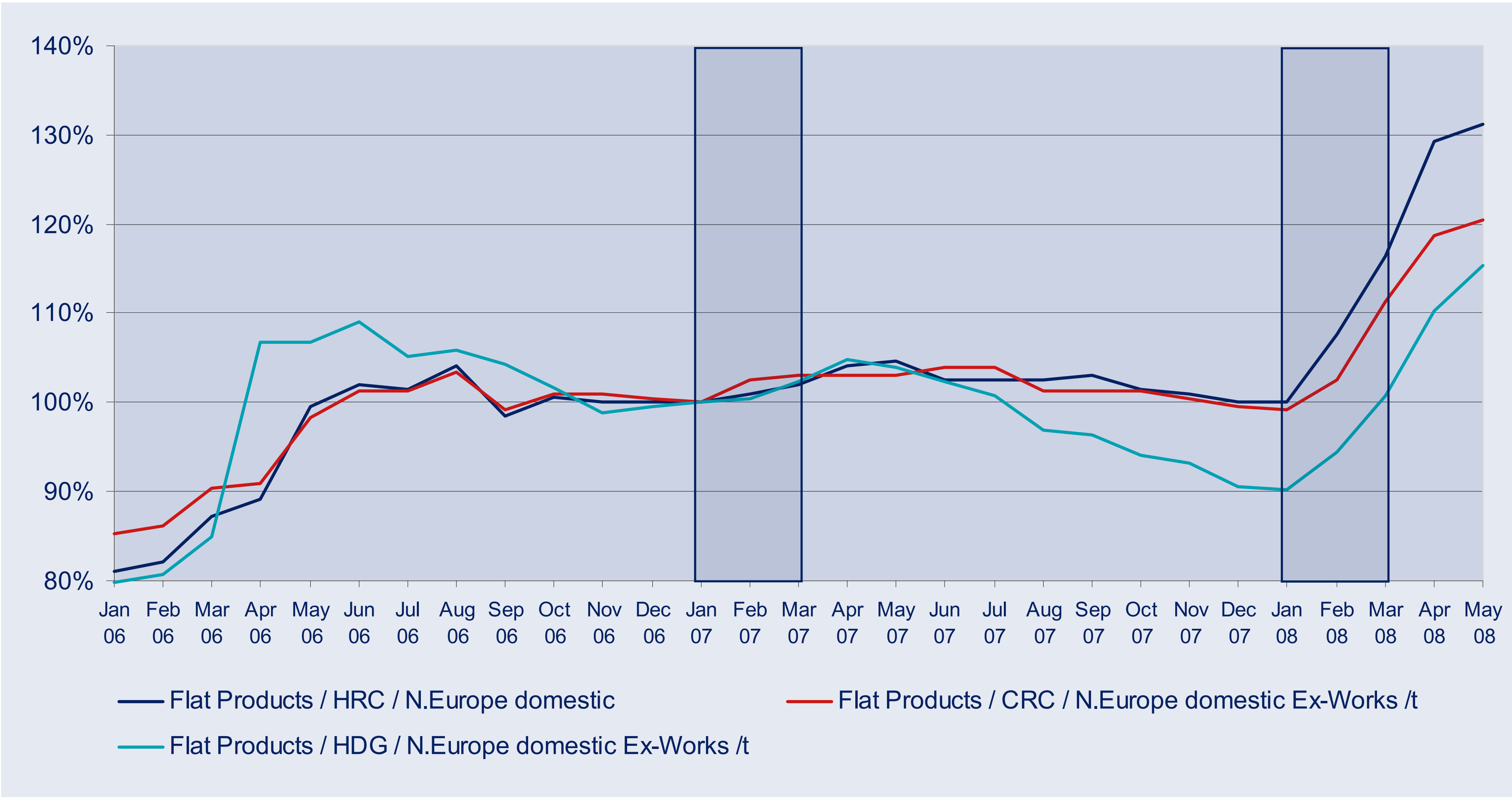
(€m)	Q1 2008	Q1 2007	Δ%
Volume (Ttons)	1,720	1,629	5.6
Sales	1,660	1,550	7.1
EBITDA	109	92	18.3
EBIT	93	78	18.6

Steel market development in Q2 2008

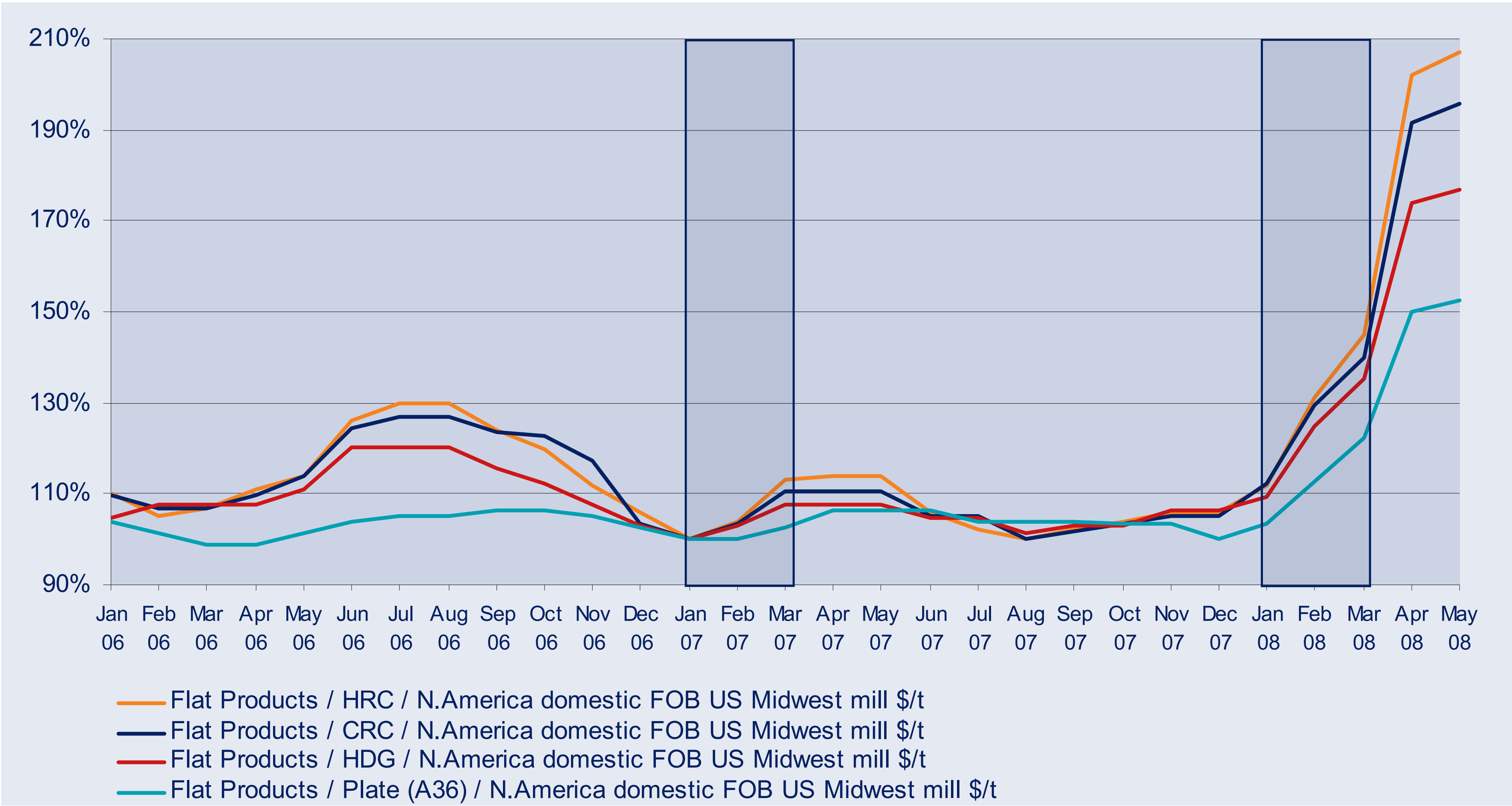
- Strong price increases despite a softer economic growth due to a favorable supply and demand relation especially in the US but also in Europe
  - Structural change due to the fact that steel prices are now driven primarily by raw material costs
  - Higher discipline on the producer side due to consolidation
  - High capacity utilization
  - Low stock levels and low import volumes
- Further price increases already announced for the upcoming months

Strong steel market development expected to continue in Q3

Flat prices Northern Europe (SBB, Jan 2007 = 100)



Flat products prices North America (SBB, Jan 2007 = 100)



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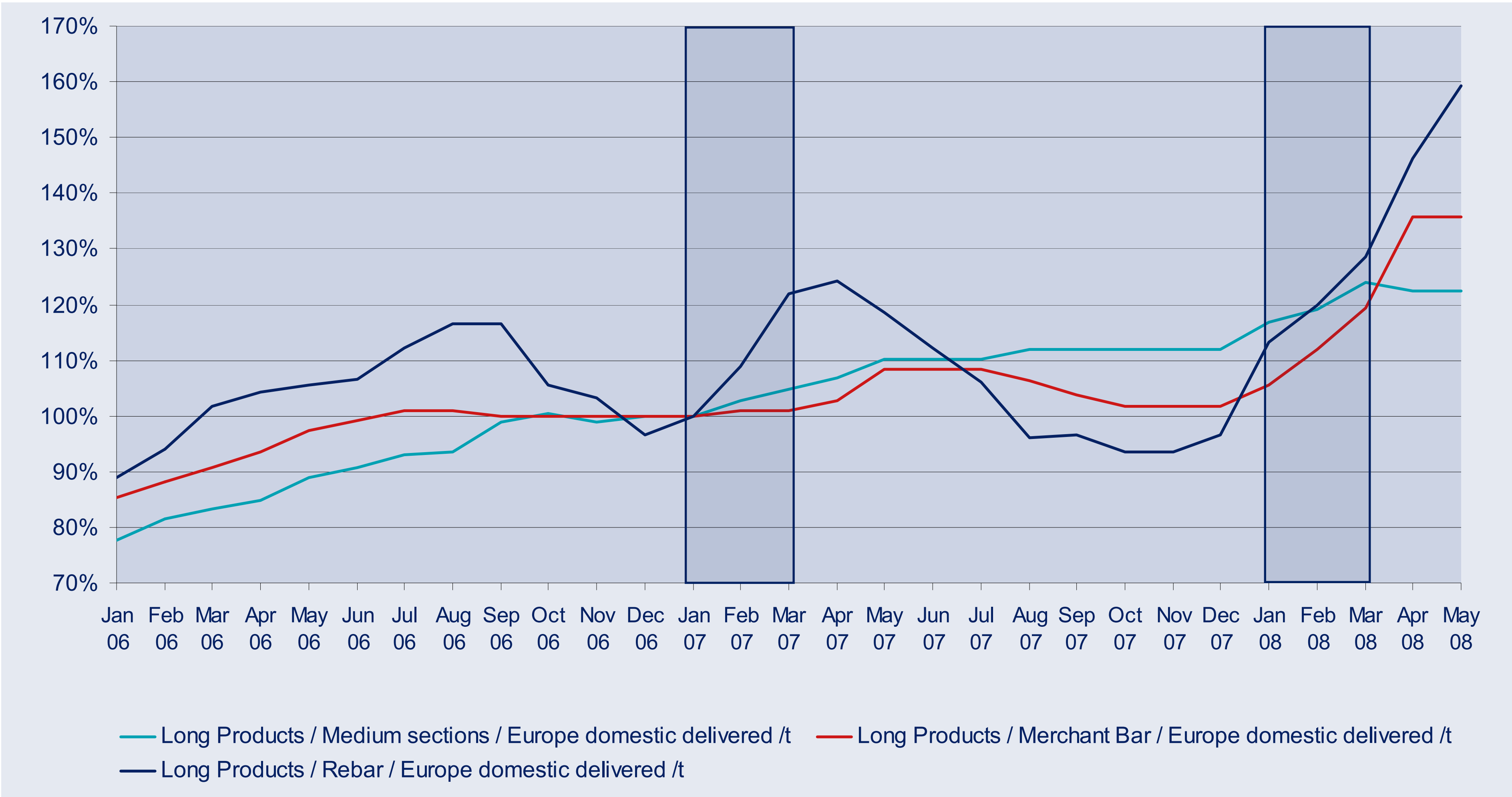
Long products prices Europe (SBB, Jan 2007 = 100)



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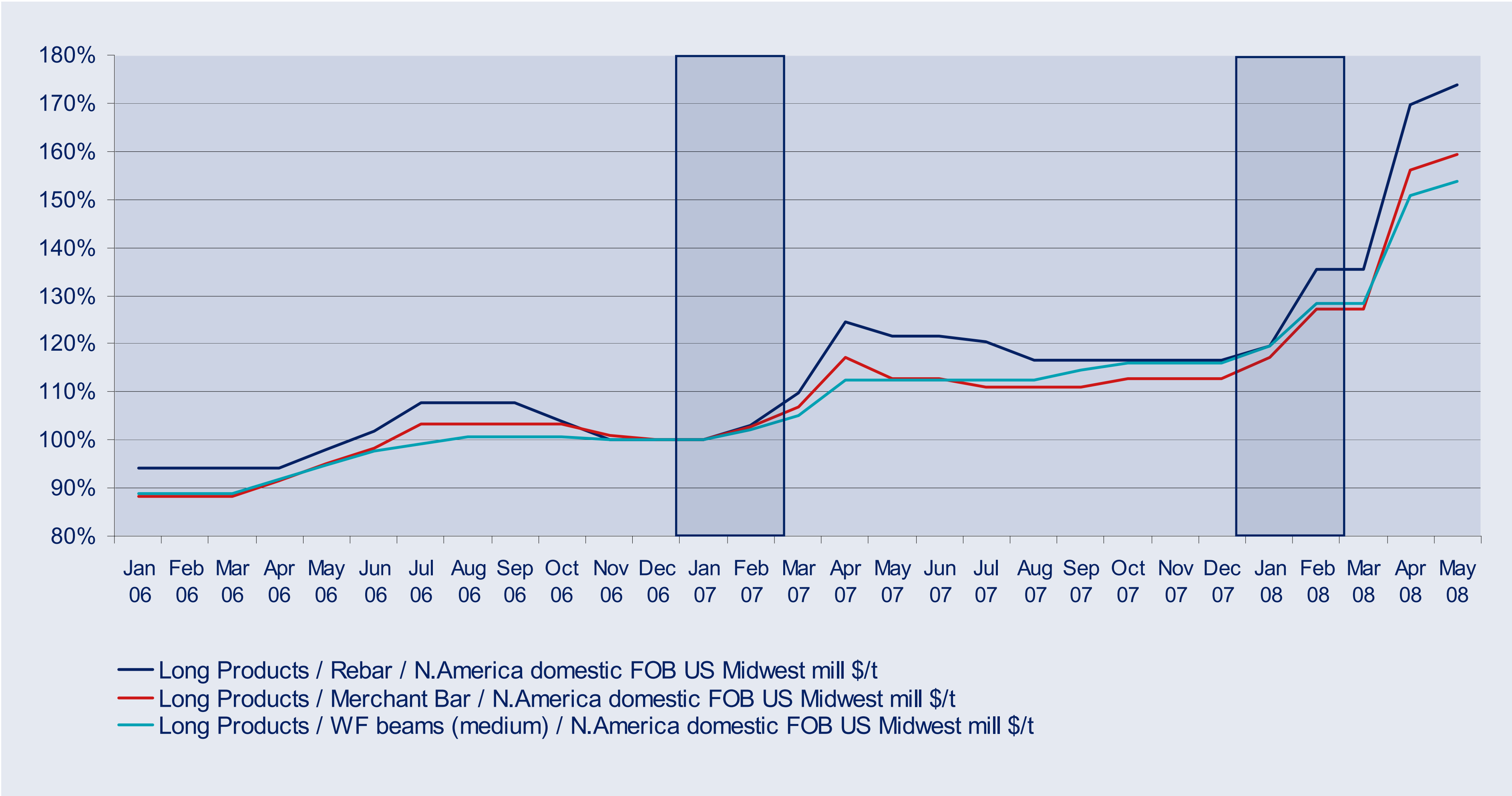
Long products prices North America (SBB, Jan 2007 = 100)



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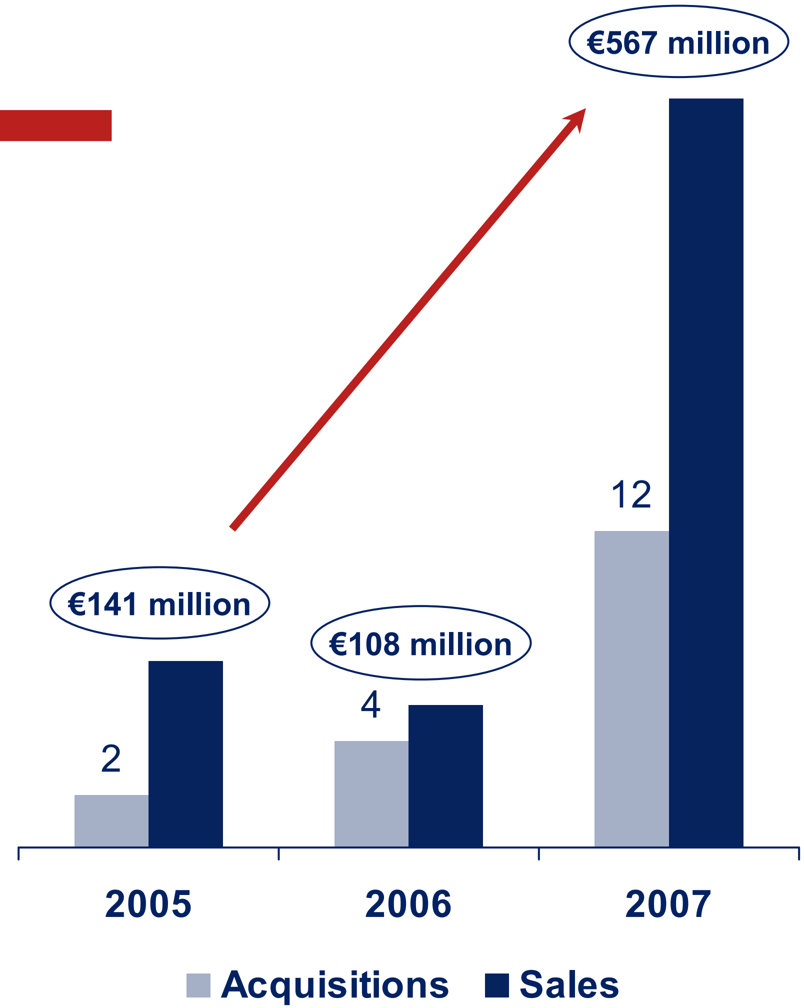
1 Continued expansion through acquisitions

Country	Acquired	Company	Sales (FY)
	Mar 2008	Temtco	€226 million
	Jan 2008	Multitubes	€5 million
	2008 Ytd	2 acquisitions	€231 million
	Sep 2007	Lehner & Tonossi	€9 million
	Sep 2007	Interpipe	€14 million
	Sep 2007	ScanSteel	€7 million
	Aug 2007	Metalsnab	€36 million
	Jun 2007	Westok	€26 million
	May 2007	Premier Steel	€23 million
	Apr 2007	Zweygart	€11 million
	Apr 2007	Max Carl	€15 million
	Apr 2007	Edelstahlservice	€17 million
	Apr 2007	Primary Steel	€360 million
	Apr 2007	Teuling	€14 million
	Jan 2007	Tournier	€35 million
	2007	12 acquisitions	€567 million
	2006	4 acquisitions	€108 million



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Acquisition of Temtco, a leading plate distributor

TEMTCO Steel

North America/USA – 03/08: Temtco

Comments

- High quality product portfolio: High strength quenched & tempered steel, wear-resistant steels and security steels
- Sales 2007: $310 million (€226 million) with 180 employees
- More than 60% of sales are processed products
- Excellent customer base in application sectors such as energy, machinery and mechanical engineering, mining and transport

40% of the 2007-level of acquisition-related sales already achieved

Investment highlights

TEMTCO Steel

Leading position in plate segment	● The acquisition of Temtco supports significantly the leading position of Primary and Namasco in the plate distribution segment ▪ Securing continuing specialty plate supply through Temtco's supplier relations ▪ Leveraging Temtco's customer base for sale of Namasco/Primary's commodity plate and vice versa ▪ Broad geographic coverage with five locations
Synergies	● Complementary sales coverage combined with an additional product range offers synergy potential ▪ Namasco's and Primary's market coverage hugely expanded ▪ Enlarged purchasing power helps to counterweight the strong supplier consolidation (top 3 account for more than 80% of market) ▪ Additional (typical) synergies in admin, finance, IT, etc.

1 Organic growth and expansion into new markets

Further expansion in Eastern Europe and into new markets

- Closing of acquisition of Metalsnab in Bulgaria in January 2008
- Additional acquisitions and opening of new branches
- Evaluation of market entry in other countries (e.g. Turkey, Russia)

Expansion of strong market position in core markets

- Concentrate product range and expand higher margin products
- Increase value-added services

2 STAR: Status Quo Q1 2008

Purchasing

- Extension of European sourcing
- Improvement of the European stock management

Distribution network

- Ongoing SAP roll-out across European countries
- Improving performance of distribution network

STAR program fully on track

② STAR: Phase I finalized in 2008, further potential in phase II

Phase I (2005 - 2008)

Overall targets:

- Central purchasing on country level, especially in Germany
- Improvement of distribution network
- Improvement of inventory management

Upside potential

2006:	~ €20 million ✓
2007:	~ €40 million ✓
2008:	~ €20 million
	~ €80 million

Phase II (2008 onwards)

Overall targets:

- European sourcing
- Ongoing improvement of distribution network

Upside potential

2008	~ €10 million
2009:	~ €30 million
2010:	~ €20 million
	~ €60 million

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Summary income statement Q1 2008

(€m)	Q1 2008	Q1 2007	Δ%
Volume (Ttons)	**1,720**	**1,629**	**5.6**
Sales	**1,660**	**1,550**	**7.1**
Gross profit	**340**	**307**	**10.8**
% margin	*20.5*	*19.8*	*3.5*
EBITDA	**109**	**92**	**18.3**
% margin	*6.6*	*5.9*	*11.9*
EBIT	**93**	**78**	**18.6**
Financial result	-17	-10	63.7
Income before taxes	**76**	**68**	**11.7**
Income taxes	-24	-22	10.3
Minority interests	2	6	-74.9
Net income*	**51**	**40**	**26.3**
EPS basic (€)	**1.09**	**0.86**	**26.7**
EPS diluted (€)	**1.06**	**0.86**	**23.3**

* Attributable to shareholders of Klöckner & Co AG

Underlying EBITDA Q1 2008

(€m)	Q1 2008
EBITDA as reported • One-offs	**109,0** 0,2
Operating EBITDA • Windfall effects • Exchange rate effects • Special expense effects	**109,2** -8,0 4,1 -6,5
Underlying EBITDA	**98,8**
• Acquisitions (LTM*)	-13,5
Underlying EBITDA excluding Acquisitions	**85,3**

* LTM: Last twelve months

Again strong underlying EBITDA

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Segment performance Q1 2008

(€m)	Europe	North America	HQ/ Consol.	Total
Volume (Ttons)				
Q1 2008	1,211	509	-	1,720
Q1 2007	1,230	399	-	1,629
Δ %	-1.5	27.5	-	5.6
Sales				
Q1 2008	1,358	301	-	1,660
Q1 2007	1,339	211	-	1,550
Δ %	1.5	42.7	-	7.1
EBITDA				
Q1 2008	84	26	-1	109
% margin	*6.2*	*8.8*	*-*	*6.6*
Q1 2007	85	14	-7	92
% margin	*6.4*	*6.6*	*-*	*5.9*
Δ % EBITDA	-2.0	88.6	-	18.3

Comments

- Includes sales of M€40 for Q1 2008* in Europe and sales of M€101.4 for Q1 2008* in North America

* Sales of acquired companies for the first twelve months of their consolidation

Balance sheet as of March 31, 2008

(€m)	March 31, 2008	December 31, 2007
Long-term assets	753	735
Inventories	1,020	956
Trade receivables	1,083	930
Cash & Cash equivalents	108	154
Other assets	188	191
Total assets	**3,152**	**2,966**
Equity	771	845
Total long-term liabilities	1,255	1,152
- thereof financial liabilities	914	813
Total short-term liabilities	1,126	969
- thereof trade payables	740	610
Total equity and liabilities	**3,152**	**2,966**
Net working capital*	**1,404**	**1,323**
Net financial debt*	**904**	**746**

* Including Namasco Ltd. / Canada

Comments

Financial debt as of March 31, 2008:

- Syndicated loan: €311million
- ABS: €301 million
- Bilateral credits: €120 million
- Convertible: €271 million

Net Working Capital:

- Seasonal effect; sales-, acquisition- and price-driven

Statement of cash flow

(€m)	Q1 2008	Q1 2007
Operating CF	107	92
Changes in net working capital	-88	-164
Others	-29	-16
Cash flow from operating activities	**-10**	**-88**
Inflow from disposals of fixed assets/others	3	1
Outflow from investments in fixed assets	-144	-18
Cash flow from investing activities	**-141**	**-17**
Changes in financial liabilities	111	51
Net interest payments	-5	-3
Cash flow from financing activities	**106**	**48**
Total cash flow	**-45**	**-58**

Comments

- Operating CF more than fully covered the investments in net working capital
- Investing CF mainly impacted by increased stake in Swiss Holding
- CF from financing activities reflects the increased utilization of debt instruments

General financial targets/limits and guidance

	General target/limit	Actual Q1 2008
Top line sales growth	> 10% p.a.	7.1%
Underlying EBITDA margin*	> 6%	5.94%
Leverage (Net financial debt/EBITDA LTM)	< 3.0x	2.3x
Gearing (Net financial debt/Equity)	< 150%	117%

* According to new definition

Challenging financial targets throughout the cycle

Outlook 2008

- Based on good Q1 results, Q2 and H1 EBITDA are expected to be higher than last year supported by an on-going favorable market environment for the steel distribution
- Positive development expected to continue. Thus, we expect the 2008 results to exceed the 2007 results supported by
  - €30 million additional EBITDA from STAR program
  - Positive contribution of additional €25-30 million EBITDA from acquisitions made in 2007
  - Positive contribution of €15-20 million EBITDA from acquisitions made in 2008
  - High likelihood of further stock gains in the course of 2008

Raised outlook – 2008 results above 2007

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Quarterly results and FY results 2007/2006/2005

(€m)	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	FY 2007	FY 2006	FY 2005*
Volume (Ttons)	**1,720**	**1,585**	**1,601**	**1,663**	**1,629**	**1,453**	**1,467**	**1,605**	**1,601**	**6,478**	**6,127**	**5,868**
Sales	**1,660**	**1,492**	**1,583**	**1,650**	**1,550**	**1,398**	**1,394**	**1,418**	**1,323**	**6,274**	**5,532**	**4,964**
Gross profit	**340**	**300**	**286**	**328**	**307**	**294**	**313**	**316**	**285**	**1,221**	**1,208**	**987**
% margin	*20.5*	*20.1*	*18.0*	*19.8*	*19.8*	*21.0*	*22.5*	*22.3*	*21.5*	*19.5*	*21.8*	*19.9*
EBITDA	**109**	**83**	**93**	**103**	**92**	**70**	**143**	**104**	**79**	**371**	**395**	**197**
% margin	*6.6*	*5.6*	*5.9*	*6.2*	*5.9*	*4.9*	*10.3*	*7.3*	*6.0*	*5.9*	*7.1*	*4.0*
EBIT	**93**	**65**	**76**	**87**	**78**	**55**	**128**	**89**	**64**	**307**	**337**	**135**
Financial result	-17	-17	-17	-52	-10	-12	-24	-14	-14	-97	-64	-54
Income before taxes	**76**	**48**	**59**	**35**	**68**	**43**	**105**	**75**	**50**	**210**	**273**	**81**
Income taxes	-24	-6	-14	-12	-22	16	-20	-22	-13	-54	-39	-29
Minority interests	2	4	8	4	6	5	8	9	6	23	28	16
Net income	**51**	**37**	**37**	**19**	**40**	**54**	**76**	**45**	**31**	**133**	**206**	**36**
EPS basic (€)	**1.09**	**0.80**	**0.79**	**0.41**	**0.86**	**1.16**	**1.64**	**0.97**	**-**	**2.87**	**4.44**	**-**
EPS diluted (in €)	**1.06**	**0.80**	**0.78**	**-**	**-**	**1.16**	**-**	**-**	**-**	**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).

Financial calendar 2008 and contact details

Financial calendar 2008	
June 20:	**Annual General Meeting**
August 14:	Q2 Interim Report
October 14/15:	Capital Market Days
November 14:	Q3 Interim Report

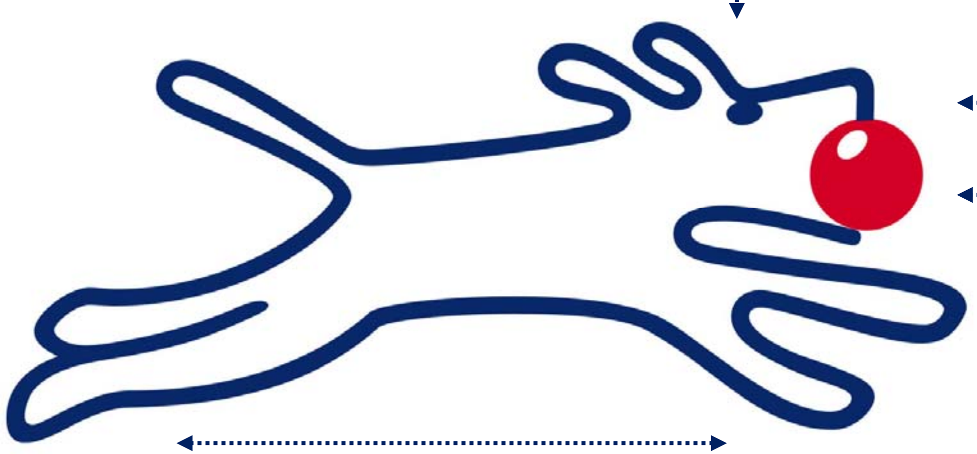
Contact details Investor Relations	
Claudia Nickolaus, Head of IR	
Phone:	+49 203 307 2050
Fax:	+49 203 307 5025
E-mail:	claudia.nickolaus@kloeckner.de
Internet:	www.kloeckner.de

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

Disclaimer

This presentation contains forward-looking statements. These statements use words like "believes, "assumes," "expects" or similar formulations. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of our company and those either expressed or implied by these statements. These factors include, among other things:

- 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

and other factors identified in this presentation.

In view of these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We assume no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.