

Consolidated interim financial statements of
Klöckner & Co Aktiengesellschaft
(before Multi Metal Holding GmbH) (IFRS)
as of March 31, 2006 and for the period
from January 1, 2006 to March 31, 2006
(unaudited)

Consolidated balance sheet as of March 31, 2006
(unaudited)

	<u>March 31, 2006</u>	<u>December 31, 2005</u>
	EUR in thousands	EUR in thousands
Assets		
Long-term assets		
Intangible assets	14,967	14,982
Property, plant and equipment	535,045	548,968
Financial assets	4,348	4,538
Other assets	11,821	11,486
Deferred tax assets	14,833	15,425
Total long-term assets	<u>581,014</u>	<u>595,399</u>
Short-term assets		
Inventories	740,953	693,469
Trade receivables	927,227	799,606
Securities	90	79
Income tax assets	15,363	14,174
Other assets	46,402	51,352
Cash and cash equivalents	122,548	79,472
Subtotal short-term assets	<u>1,852,583</u>	<u>1,638,152</u>
Long-term assets held for sale	0	22,457
Total short-term assets	<u>1,852,583</u>	<u>1,660,609</u>
Total assets	<u>2,433,597</u>	<u>2,256,008</u>
Equity		
Subscribed capital	25	25
Capital reserves	44,649	44,649
Earnings reserves	211,827	185,712
Total majority interests	256,501	230,386
Minority interests	97,944	92,722
Total equity	<u>354,445</u>	<u>323,108</u>
Liabilities		
Long-term liabilities		
Provisions for pensions and similar obligations	191,005	192,862
Other provisions	55,153	55,325
Financial liabilities	545,199	588,779
Other liabilities	666	1,185
Deferred tax liabilities	81,014	82,897
Total long-term liabilities	<u>873,037</u>	<u>921,048</u>
Short-term liabilities		
Provisions	175,958	185,185
Income tax liabilities	22,471	19,592
Financial liabilities	228,205	189,823
Trade payables	687,875	536,055
Other liabilities	91,606	81,197
Total short-term liabilities	<u>1,206,115</u>	<u>1,011,852</u>
Total liabilities	<u>2,079,152</u>	<u>1,932,900</u>
Total equity and liabilities	<u>2,433,597</u>	<u>2,256,008</u>

Consolidated income statement for the period from January 1, 2006 to March 31, 2006
(unaudited)

	<u>January 1 – March 31, 2006</u>	<u>March 16 – March 31, 2005</u>	<u>Pro Forma January 1 – March 31, 2005⁽¹⁾</u>
	EUR in thousands	EUR in thousands	EUR in thousands
Sales	<u>1,322,895</u>	<u>211,970</u>	<u>1,207,196</u>
Other operating income	13,659	1,038	15,722
Change in inventories	723	120	1,032
Capitalized expenses for own work	29	9	31
Cost of materials	(1,038,403)	(170,451)	(966,812)
Personnel expenses excluding restructuring expenses	(114,899)	(17,469)	(111,409)
Depreciation	(14,672)	(2,049)	(14,549)
Exceptional depreciation of fixed assets because of impairment of value	(43)	0	(3,533)
Other operating expenses	<u>(104,672)</u>	<u>(14,288)</u>	<u>(92,065)</u>
Operating results before special income and expenses	<u>64,617</u>	<u>8,880</u>	<u>35,613</u>
Income from investments	9	5	5
Release of negative goodwill	0	147,094	138,541
Financial income	1,456	188	966
Financial expenses excluding transaction costs	<u>(15,621)</u>	<u>(2,146)</u>	<u>(7,559)</u>
Financial results before transaction costs	(14,165)	(1,958)	(6,593)
Transaction costs			(3,128)
Financial results	(14,165)	(1,958)	(9,721)
Income before taxes	50,461	154,021	164,438
Income taxes	(13,192)	(979)	(14,083)
Results before minority interests	37,269	153,042	150,355
Minority interests	6,384	560	3,066
Net income of parent company's shareholder	30,885	152,482	147,289

(1) Unaudited, not part of the consolidated financial statements of Multi Metal Holding GmbH (now Klöckner & Co Aktiengesellschaft) (IFRS) for the period between January 1, 2006 and March 31, 2006.

**Consolidated cash flow statement for the period from January 1, 2006 to March 31, 2006
(unaudited)**

	January 1 – March 31, 2006	March 16 – March 31, 2005
	<u>EUR in thousands</u>	<u>EUR in thousands</u>
Results before taxes and transaction costs	50,461	154,021
Interest	14,165	1,958
Depreciation/write-ups of fixed assets	14,715	2,049
Other non-cash expenses/income	0	(147,094)
Results from the disposal of fixed assets and assets held for sale	(4,196)	0
Changes in provisions	1,006	(990)
Changes in current assets and liabilities		
Inventories	(49,548)	(244)
Trade receivables	(132,774)	(3,602)
Other current assets	6,914	2,507
Trade payables	149,684	813
Other liabilities	(3,276)	(13,209)
Income tax payments	(7,022)	0
Cash flow from operating activities	<u>40,129</u>	<u>(3,791)</u>
Inflow from the disposal of fixed assets and assets held for sale	26,933	915
Outflow for investments in fixed assets	(8,545)	0
Cash flow from investing activities	<u>18,388</u>	<u>915</u>
Dividend distributions of Group Companies to shareholder/to third parties	(224)	0
Borrowing	48,968	0
Redemption of financial liabilities	(60,837)	0
Interest paid	(3,757)	0
Interest received	1,075	0
Cash flow for financing activities	<u>(14,775)</u>	<u>0</u>
Changes in cash and cash equivalents	<u>43,742</u>	<u>(2,876)</u>
Effect of exchange rate changes and other changes in cash and cash equivalents	(655)	0
Cash and cash equivalents at the beginning of the period	79,551	146,240
Cash and cash equivalents at the end of the period	<u>122,638</u>	<u>143,364</u>

**Consolidated development of shareholders' equity and minority interests
for the period from January 1, 2006 to March 31, 2006**

	<u>Subscribed capital</u>	<u>Capital reserves</u>	<u>Earnings reserves</u>	<u>Currency adjustments</u>	<u>Total majority interests</u>	<u>Minority interests</u>	<u>Total equity</u>
	EUR in thousands	EUR in thousands	EUR in thousands	EUR in thousands	EUR in thousands	EUR in thousands	EUR in thousands
Initial consolidation as of March 16, 2005	25	67,349	(3,128)		64,246	90,720	154,966
Net income from March 16 to March 31, 2005			152,482		152,482	560	153,042
— of which negative goodwill			(147,094)		(147,094)		(147,094)
Status as of March 31, 2005	<u>25</u>	<u>67,349</u>	<u>149,354</u>	<u>0</u>	<u>216,728</u>	<u>91,280</u>	<u>308,008</u>
Changes not affecting net income							
— in the scope of consolidation							
Dividends/changes						(11,613)	(11,613)
Contribution to capital reserves		38,494			38,494		38,494
Withdrawal from capital reserves		-61,194	61,194				
— by currencies				6,606	6,606	-358	6,248
Net income from April 1 to December 31, 2005			(31,442)		(31,442)	13,413	(18,029)
Status as of December 31, 2005	<u>25</u>	<u>44,649</u>	<u>179,106</u>	<u>6,606</u>	<u>230,386</u>	<u>92,722</u>	<u>323,108</u>
Changes not affecting net income							
— in the scope of consolidation							
Dividends/changes						(44)	(44)
— by currencies				(4,770)	(4,770)	(1,118)	(5,888)
Net income from January 1 to March 31, 2006			30,885		30,885	6,384	37,269
Status as of March 31, 2006	<u>25</u>	<u>44,649</u>	<u>209,991</u>	<u>1,836</u>	<u>256,501</u>	<u>97,944</u>	<u>354,445</u>

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