

Klöckner & Co SE

A Leading Multi Metal Distributor



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ASD metal services

Great Britain

Capital Market Days 2010

ASD metal services

klöckner & co multi metal distribution

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# Key Figures

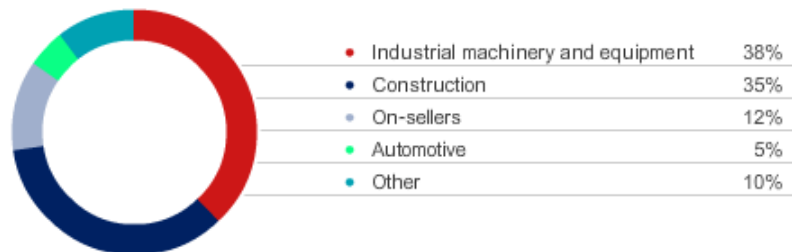
2009

|                       |                               |
|-----------------------|-------------------------------|
| Sales                 | €313m                         |
| Turnover              | 396 Tto                       |
| Stocks end of year    | 75 Tto                        |
| Market position       | Largest Independent in the UK |
| Employees end of year | 1,017                         |

Main product groups

Sheets, Plates  
Merchant Bars/Sections  
Tubes/Hollow Sections  
Stainless Steel  
Aluminium

## Sales by industry



## Sales by product

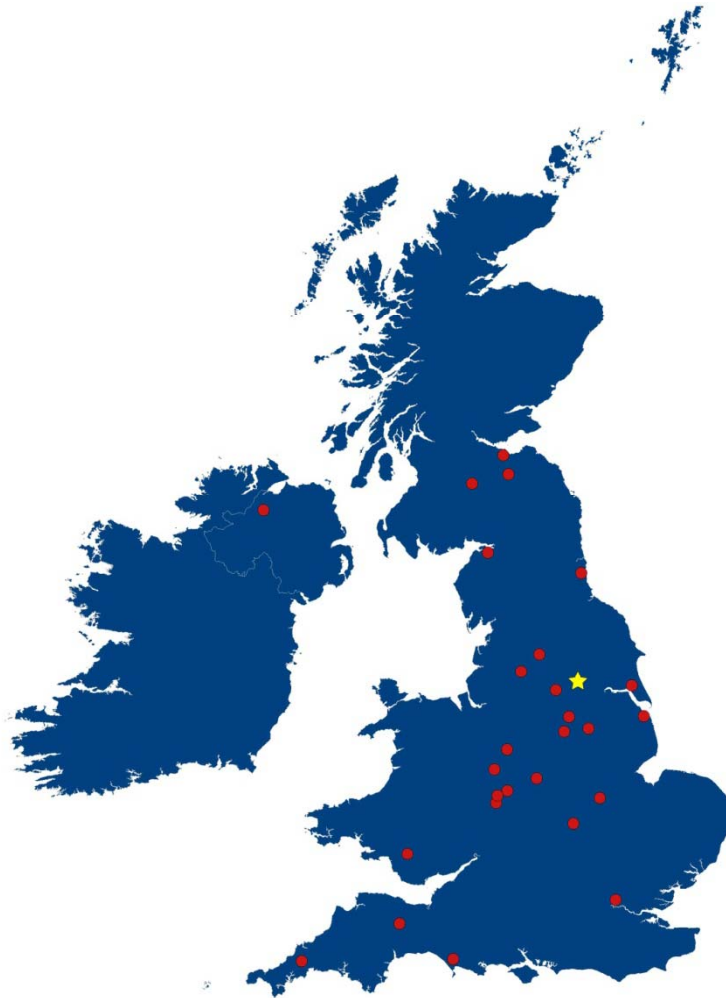


## Historic milestones of ASD metal services

- Incorporated in 1986
  - The company's main warehouse in Leeds is also home to our Head Office
  - Becoming a part of Klöckner & Co in 1996 has enforced our position as the largest mill-independent multi metal distributor in the UK and Ireland
  - The result of a number of mergers and acquisitions, the UK group is comprised of 6 legal and trading companies:
    - ASD Ltd
    - Armstrong Steels Ltd and
    - Klöckner metal services Ltd } make up the core product base of the company
  - Westok Ltd (2007)
  - Interpipe Ltd (2007)
  - Multitubes Ltd (2008)
- } All acquired more recently to improve our specialist product offerings
- Since 2005 ASD has been organized in three divisions: General Steels, Flat Products and Stainless & Aluminium



# Locations










Locations Great Britain  
★ Headquarter  
● Warehouse

|   |           |
|---|-----------|
| <b>Warehouses</b><br>(including shops)                        | <b>27</b> |
| <b>Central stock only</b><br>(excluding sales to 3rd parties) | <b>0</b>  |
| <b>Steel Service Centers</b>                                  | <b>0</b>  |
| <b>Others</b><br>(e.g. sales office, administration)          | <b>5</b>  |
| <b>Total locations</b>  | <b>32</b> |



## Market structure and our position

- The UK market has reduced in size from around 7.2m tons in 2008 to 6.6m tons in 2009 of which the mill-tied market share is approximately 30%
- **Our 2009 market share (%):**

| Product         | Market share  |
|-----------------|---|
| Sheets          |    |
| Heavy Sections  |    |
| Merchant Bars   |    |
| Hollow Sections |    |
| Qual./Stainl.   |  |
| Aluminium       |  |
| Total           |  |



Source: ASD Estimation



## Growth expectations

- Growth expectations for steel consumption is expected to be ca. 5% in the UK in 2011
- Main drivers for growth in 2010 - moderate growth in building and construction sector, manufacturing (especially export oriented) and re-stocking. Growth in 2011 will be driven by some sub-sectors of the building and construction sector, manufacturing and renewable energy



### Product portfolio strategy

- Long Products/Beams:
  - Maintain our market position in the construction sector
  - Seek expansion in other sectors like manufacturing, energy, etc.
- Tubes/Hollow Sections:
  - Expand product range and applicable sectors
  - Allocate more warehouse space and improved logistics (part of the L2 project)
- Flat Products:
  - Maintain our market position in low margin high volume product segments
  - Grow our presence in high margin niche products like coated steel, aluzinc, etc.
- Stainless and Aluminium:
  - Grow our market share through organic growth and acquisitions
  - Focus on sectors like nuclear energy, petrochemical, catering, etc.



## Wave 3 measures and their contribution so far

- Wave 3 projects in 2010 are split across 3 product divisions
- Flat Products - 4 projects looking at organic growth in product and geographical areas. To the end of June they have generated an additional 5.8Tto
- Stainless & Aluminium - 4 projects, 3 focusing on product development and 1 on improved logistics. These projects have generated an additional 2.9Tto
- General Steels - projects generating 4.9Tto
- Additionally, there are 4 projects related to “L2” which will start in late 2010 and be completed in 2011



## Key challenges for the upcoming years

- Uncertain future growth potential for the building and construction sector due to the overall economic outlook and pending significant public budget cuts directly affecting this industry
- Business opportunities in growing sectors like energy (whether renewable or nuclear)
- Emphasis on organic growth especially in the non-construction sector and in more profitable product ranges
- Acquisition and integration of companies that will complement our overall sector/product portfolio strategy
- Successful implementation of the corporate-wide operational improvement project



## Our symbol

