

€ 147,800,000 2.00 % Convertible Bonds due 2023

**issued by Klöckner & Co Financial Services S.A. (the “Issuer”)
unconditionally and irrevocably guaranteed by Klöckner & Co SE (the “Guarantor”)**

ISIN DE000A185XT1

(the “Bonds”)

Notice to holders of the Bonds

Capitalised terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions of the Bonds (the “Terms and Conditions”).

In accordance with the Terms and Conditions, the Issuer hereby gives notice to holders of the Bonds that, as a result of the Cash Dividend of EUR 0.20 per Share payable on 17 May 2017 to holders of the Shares of record on 16 May 2017, pursuant to the Terms and Conditions (including but not limited to § 10(e) thereof) the Conversion Price has been adjusted to EUR 14.5219 (from previously EUR 14.82), and consequently the conversion ratio per €100,000 principal amount of Bonds is now 6,886.1513 (rounded to 4 decimal places solely for the purpose of specifying a number in this notice), all effective as at 15 May 2017.

Klöckner & Co Financial Services S.A.
15 May 2017

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