

Klöckner & Co SE

A Leading Multi Metal Distributor

Goldman Sachs - Global Steel CEO Forum
December 3/4, 2008 in New York

Dr. Thomas Ludwig
CEO

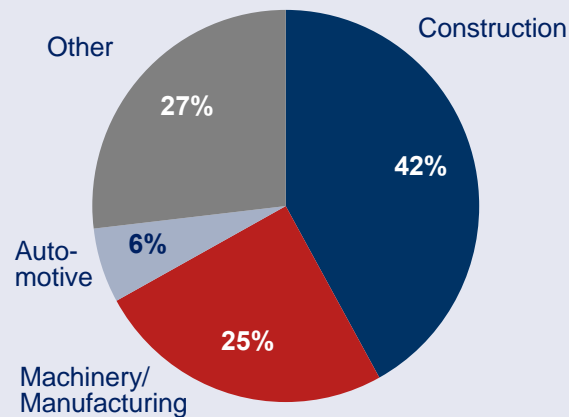


Klöckner & Co at a glance

Klöckner & Co

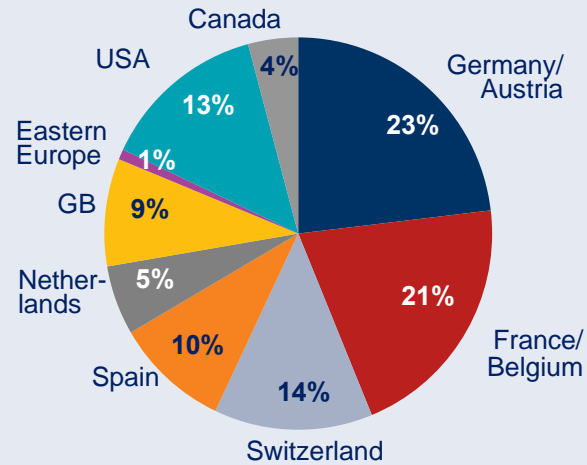
- Leading producer-independent steel and metal distributor in the European and North American markets combined
- Network with more than 260 distribution locations in Europe and North America
- More than 10,000 employees

Sales split by industry



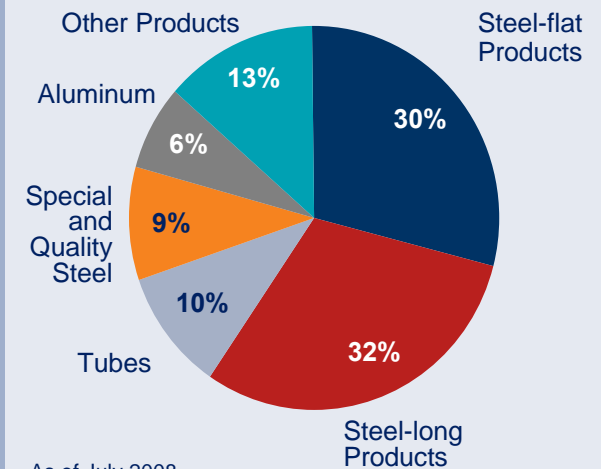
As of December 2007

Sales split by markets



As of December 2007

Sales split by product



As of July 2008



Highlights 9M 2008 and until today

- Excellent result development continued from H1 to Q3
- Significant reduction of net debt per September 30 and ongoing until December 31
- Sale of Canadian Namasco Ltd. and Koenig Verbindungstechnik concluded
- Shareholding in Metalsnab (Bulgaria) close to 100%
- Global settlement of all Balli related cases concluded
- Immediate action program in response to current economic developments started
- Despite weak economic environment in Q4 record result 2008 confirmed

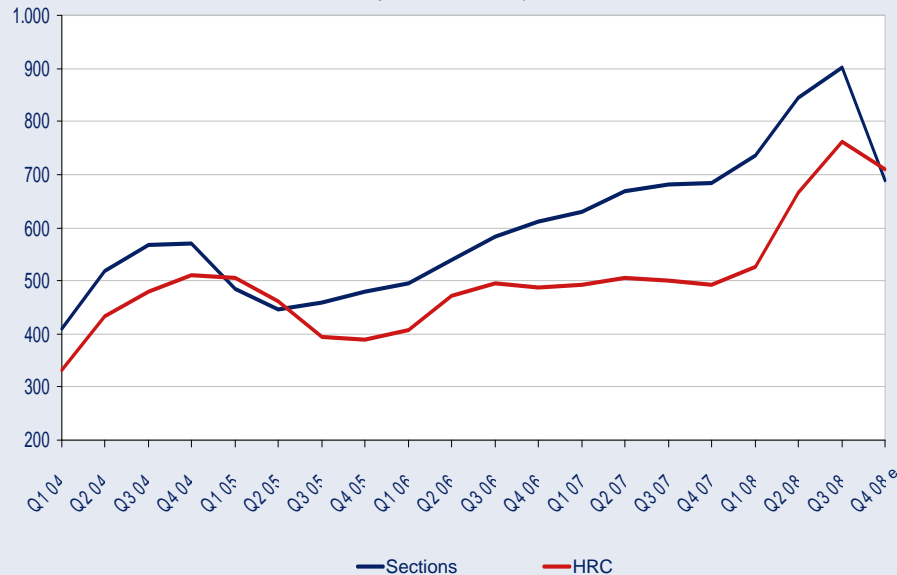
Record result for 2008 confirmed, but weak outlook for 2009



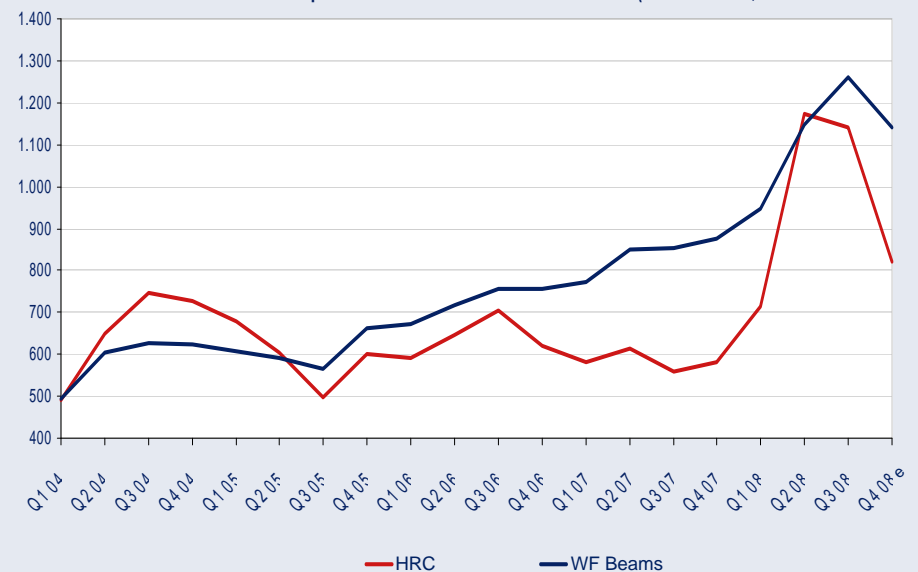
Steel market currently under severe pressure

- Sharp decline in prices
- Significant slow down of demand expected
- Strong destocking
- Heavy production cuts necessary to stabilize prices

EU domestic prices in EUR/to (source: SBB)



NA domestic prices FOB US Midwest mill in USD/to (source: SBB)



Main steel producers have announced product cuts for the next months

EU – 27	AMERICAS	CIS	CHINA	OTHER ASIA
ARCELORMITTAL: WORLDWIDE - 30/35 %				
SEVERSTAL -30%	SEVERSTAL -30%	SEVERSTAL -25%	HEBEI -10-20 %	ISPAT -15 %
TK STEEL - 20/30? %		EVRAZ - ? %	BAOST. – 1 MT	JAPAN: ? %
CORUS - 20 %		NMLK -20-40 % ?	MAANSHAN -20 %	
SALZGITTER -30 %		MMK - 15 %		
RIVA -12 %				

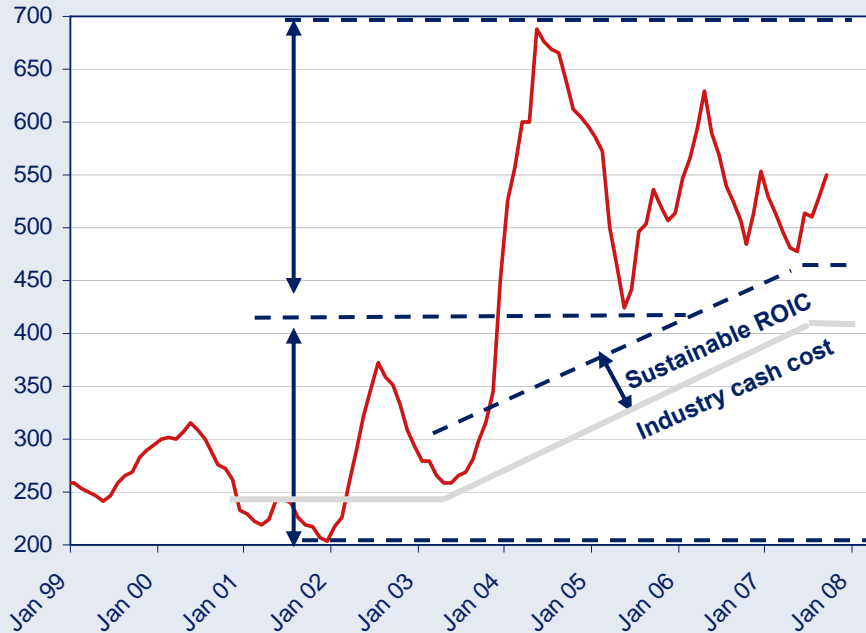
**Balancing Steel supply and steel demand will be key
More steel producers will follow in next weeks**

Source: Eurometal Newsletter No. 19, November 2008



Recent consolidations have contributed to much lower and shorter business cycle volatilities than ten years ago

**HRC – North America domestic FOB US
Midwest mill \$/short ton**



**Analysis Steel Downturns in the US market
since 1997**

Date	Length of the downturn	Drop in HRC price during period
April 1997 to March 1999	24 months	-33%
April 2000 to December 2001	21 months	-36%
July 2002 to July 2003	13 months	-33%
August 2004 to July 2005	12 months	-39%
July 2006 to January 2007	7 months	-23%
April 2007 to August 2007	5 months	-12%

Consolidation has seen considerable stabilization in steel prices and offers a sustainable environment for steel distributors and consumers

Source: Eurometal Newsletter No. 19, November 2008



Response of Klöckner & Co

Klöckner & Co executed an immediate action program as a response to the current economic environment

- Acquisitions are postponed for the time being
- Focus on further reduction of stocks and debts
- Lower turnover and cost cutting program with reduction of more than 500 jobs will reduce OPEX in 2009 by €20 Mio. (without STAR effect)

Immediate action program executed, but mid term strategy is valid



STAR Program on track

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

€27 million realized until Q3

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



Financial highlights Q3/9M 2008

(€m)	Q3 2008	Q3 2007	Δ%	9M 2008	9M 2007	Δ%
Volume (Ttons)	1,348	1,601	-15.8	4,823	4,893	-1.4
Sales	1,773	1,583	12.0	5,355	4,783	12.0
EBITDA	413	93	343.2	735	288	155.1
EBIT	395	76	419.2	685	242	183.5

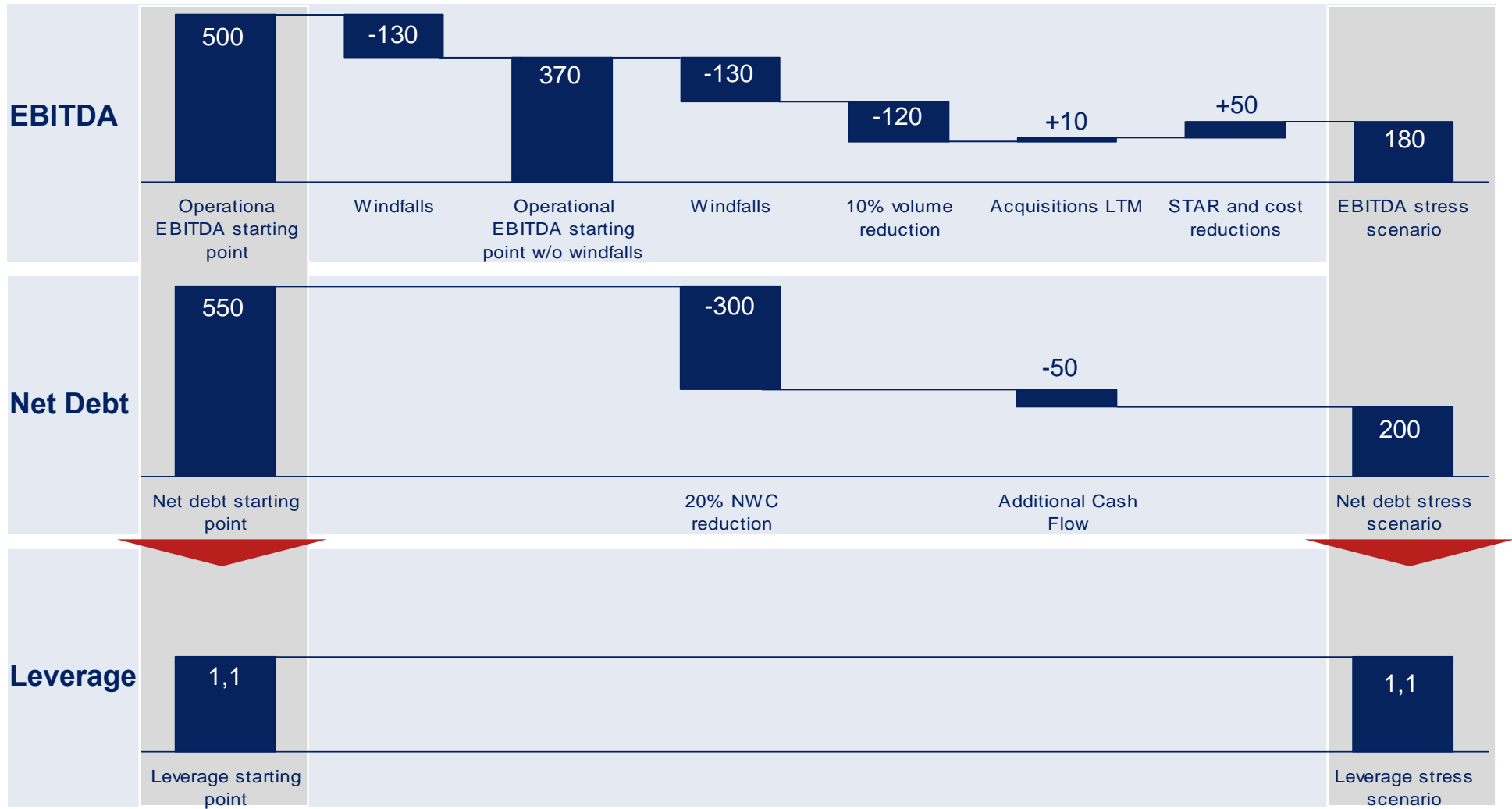


No maturity of central financial instruments before 2010

	ABS	Syndicated Loan	Convertible
Volume	€505 Mio.	€600 Mio.	€325 Mio.
Maturity Date	May 2010 (Europe) June 2012 (US)	May 2011 + 1 year extension	July 2012
Covenants	5x EBITDA Interest coverage ratio: 2 * net interest expense	3x EBITDA Interest coverage ratio: 4 * net interest expense	-



Leverage remains in hypothetical stress scenario



Outlook 2008

For the full year 2008, we expect the following key figures:

- **Sales** slightly below €7 billion
- **Net debt** is expected to decrease down to €550 million
- **EBITDA** of €500 million will only be achieved if steel prices are not declining further into 2009
- No further guidance for **reported EBITDA** and **net income** due to uncertain market development

Record results despite dramatic market slowdown



Financial calendar 2009 and contact details

Financial calendar 2009

February:

Capital Market Days

April 1:

Full Year Results 2008

May 14:

Q1 Interim Report

May 26:

Annual General Meeting

August 13:

Q2/H1 Interim Report

November 13:

Q3 Interim Report

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Our symbol

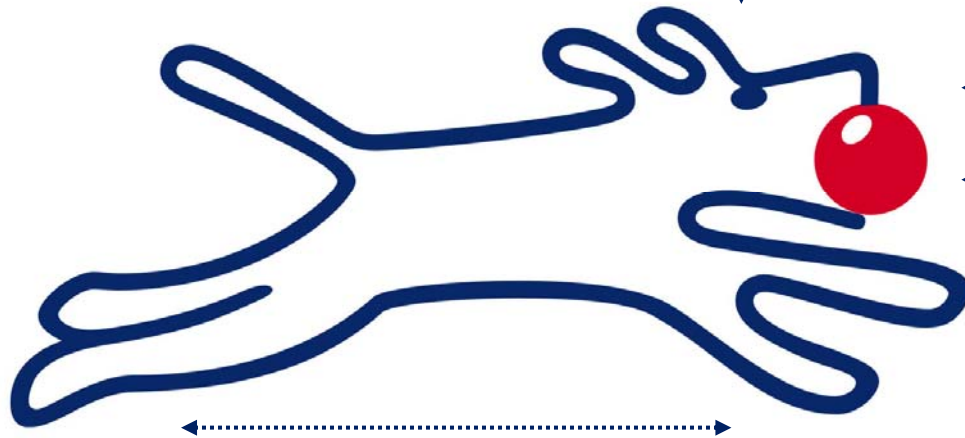
the ears:
attentive to customer needs

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.

