

Klöckner & Co SE

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Deutschland

Ad-hoc Announcements

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Seiten **4**

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KLÖCKNER & CO LAUNCHES CONVERTIBLE BOND OFFERING

The Management Board of Klöckner & Co SE ("Klöckner & Co") with approval by the Supervisory Board resolved today to issue senior unsecured convertible bonds (the "Bonds"). The Bonds will be issued by Klöckner & Co Financial Services S.A. (the "Issuer"), a wholly-owned Luxembourg subsidiary of Klöckner & Co, guaranteed by Klöckner & Co, and will be convertible into existing or new shares of Klöckner & Co. The Bonds will be offered only to institutional investors outside of the US. The pre-emptive rights of shareholders of Klöckner & Co to subscribe to the Bonds are excluded.

The offering size will be approx. EUR 95 million with up to 4,625,000 shares underlying the Bonds. The Bonds will have a maturity of five years. The Bonds will be issued at 100% of the principal amount; issue of the Bonds and settlement are expected to take place on 9 June 2009 (the "Settlement Date"). The conversion price will be set at a premium between 30% - 35% above the volume weighted average XETRA price of Klöckner & Co's shares during the period from today's Management board resolution on the issue of the Bonds and the ultimate allocation of the Bonds due to take place later today. The coupon will be between 6.00% - 7.00%; it will be determined during a bookbuilding process planned to take place today. The Bonds cannot be called by the Issuer for the first three years, and are callable thereafter if the stock exchange price of Klöckner & Co's shares (over certain periods) exceeds 130% of the conversion price.

Klöckner & Co intends to list the Bonds in the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.



JPMorgan and Deutsche Bank are acting as Joint Bookrunners, Joint Lead-Managers and sole syndicate members for the Offering.

Klöckner & Co intends to use the proceeds from the sale of the convertible bonds for general corporate purposes and to continue its stated external expansion at a later stage.

IMPORTANT NOTE

NOT FOR DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OF AMERICA (OR TO US PERSONS), AUSTRALIA, CANADA OR JAPAN, OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW

This ad-hoc announcement is for information purposes only and does not constitute or form part of, and should not be construed as an offer or an invitation to sell, or issue or the solicitation of any offer to buy or subscribe for, any securities. In connection with this transaction there has not been, nor will there be, any public offering of the Bonds. No prospectus will be prepared in connection with the offering of the Bonds. The Bonds may not be offered to the public in any jurisdiction in circumstances which would require the Issuer of the Bonds to prepare or register any prospectus or offering document relating to the Bonds in such jurisdiction. The distribution of this ad-hoc announcement and the offer and sale of the Bonds in certain jurisdictions may be restricted by law. Any persons reading this ad-hoc announcement should inform themselves of and observe any such restrictions.

This ad-hoc announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities referred to herein (including the Bonds and the shares of Klöckner & Co) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the laws of any state within the U.S., and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons, except in a transaction not subject to, or pursuant to an applicable exemption from, the registration requirements of the Securities Act or any state securities laws. This ad-hoc announcement and the information contained herein may not be distributed or sent into the United States, or in any other jurisdiction in which offers or sales of the securities described herein would be prohibited by applicable laws and should not be distributed to United States persons or publications with a general circulation in the United States. No offering of the Bonds is being made in the United States.

In the United Kingdom, this ad-hoc announcement is only being distributed to and is only directed at (i) persons who have professional experience in matters relating to investments



falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and (ii) high net worth entities falling within Article 49(2) of the Order and (iii) persons to whom it would otherwise be lawful to distribute it (all such persons together being referred to as “relevant persons”). The Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this ad-hoc announcement or any of its contents.

From the announcement of the final terms of the Bonds, the Joint Bookrunners may, to the extent permitted by and in accordance with applicable laws and directives, effect transactions with a view to supporting the market price of the Bonds and the Shares at a level higher than that which might otherwise prevail. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end no later than the earlier of 30 days after the settlement date and 60 days after the date of allotment of the Bonds. If commenced, such stabilising may lead to a market price of the Bonds or the Shares which may be higher than the level that would exist if no such stabilising measures were taken and may indicate to the market a price stability which without such stabilising might not prevail. However, there is no obligation on the Joint Bookrunners to engage in such stabilisation activities and such stabilisation, if commenced (which may not occur before the final terms of the Bonds have been announced), may be discontinued at any time.



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ISIN: DE000KC01000; WKN: KCO0100

Listed: Amtlicher Markt / Prime Standard; Frankfurter Wertpapierbörse

Further information can be obtained on the webpage of Klöckner & Co: www.kloeckner.de

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