

Klöckner & Co SE

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Deutschland

Ad-hoc Announcements

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**KLÖCKNER & CO LAUNCHES OFFER OF APPROX. EUR 150 MILLION
GUARANTEED SENIOR UNSECURED CONVERTIBLE BONDS DUE
2023 CONVERTIBLE INTO SHARES OF KLÖCKNER & CO**

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Duisburg, Germany, September 1, 2016, 8:14am – The Management Board of Klöckner & Co SE ("**Klöckner & Co**") resolved today, with the approval of the Supervisory Board, to launch an offering (the "**Offering**") of unsubordinated 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 new or existing no par value ordinary registered shares of Klöckner & Co. The Bonds will be offered only to institutional investors outside of the U.S. The pre-emptive rights of shareholders of Klöckner & Co to subscribe to the Bonds will be excluded. Klöckner & Co intends to use the proceeds from the issue of the Bonds for general corporate purposes.

The offering size will be approximately EUR 150 million with up to 9.98 million shares underlying the Bonds. The Bonds will have a maturity of seven years and will be issued at 100% of the principal amount with a denomination of EUR 100,000 per Bond. Settlement and delivery of the Bonds are expected to take place on September 8, 2016 (the "**Settlement Date**"). The Bonds will be redeemed at par at maturity in cash.



The conversion price will be set at a premium between 25% and 30% above the volume weighted average XETRA price of Klöckner & Co's shares between the launch today and pricing of the Offering which is also intended to take place later today.

The coupon is expected to be between 1.75% and 2.50% per annum and, like the conversion premium, will be determined during an accelerated bookbuilding which is planned to take place today.

Holders of the Bonds will be entitled to require an early redemption of the Bonds on the fifth anniversary after the Settlement Date at the principal amount together with accrued interest. The Issuer cannot call the Bonds for redemption before the fifth anniversary of the Settlement Date, and thereafter only if the share price of Klöckner & Co (over a specified period) exceeds 130% of the then prevailing conversion price.

The Issuer intends to apply for the admission of the Bonds to trading in the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

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The offer referred to herein when made in member states of the European Economic Area (the "**EEA**") which have implemented the Prospectus Directive (each, a "**Relevant Member State**"), is only addressed to and directed at persons who are "qualified investors" (as defined in the Prospectus Directive (the "**Qualified Investors**")). For these purposes, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the **2010 PD Amending Directive**, to the extent implemented in a relevant member state), and includes any relevant implementing measure in the relevant member state and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In the United Kingdom, this announcement is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who fall within Article 49(2)(a) to (d) of the Order, and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Klöckner & Co's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Klöckner & Co group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made. Klöckner & Co and its affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.



Issuer: Klöckner & Co SE, Am Silberpalais 1, 47057 Duisburg, Germany.

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the SDAX®-Index of Deutsche Börse.

ISIN: DE000KC01000; WKN: KC0100; Common Code: 025808576.

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