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ACQUISITION OF PRIMARY STEEL LLC IN USA

- Latest acquisition, Primary Steel, increases sales in USA by over 60 percent

The Namasco Corporation with headquarters in Atlanta, Georgia, USA, a country operation of Klöckner & Co Aktiengesellschaft, has signed a contract for acquisition of the distribution company Primary Steel LLC, whose headquarters are in Middletown, Connecticut, USA. The takeover is still subject to approval by the US Antitrust Division. Primary Steel LLC is a steel distribution company with seven branches in North America. The enterprise is specialized in the distribution and pre-processing of flat steel products, particularly plates. Primary Steel LLC has around 412 employees and achieved sales of \$467 million in 2006. The main customers of the distribution company are smaller distributors and sectors including manufacturers of heavy-duty construction machinery (building cranes and excavators), the energy industry, structural steel engineering, railway car production, shipbuilding, etc.

"We are extremely pleased about the addition of Primary Steel. The acquisition of this company will result in an increase in sales of the Klöckner & Co Group in the USA of over 60 percent. The addition of Primary Steel to the existing operations of Klöckner & Co expands the company's geographic market area throughout the US. The acquisition represents consistent continuation of Klöckner & Co's growth strategy through the acquisition of large companies," states Dr. Thomas Ludwig, Chairman of the Board of Management of Klöckner & Co AG.



Through Primary Steel's activities Klöckner & Co's US subsidiary Namasco Corporation gains a strong position on the US market for plates. Currently Namasco Corporation, with headquarters in Atlanta, Georgia, has over 17 branches in the USA.

