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RESULT NEGATIVELY IMPACTED BY PRICE DECLINES IN THE THIRD QUARTER

- Sales growth remains intact

On the basis of its provisional figures, Klöckner & Co AG improved year-on-year sales by roughly 15% to €4.75 billion in the first nine months of financial year 2007.

However, due to the unsatisfactory development of certain steel prices in the third quarter, especially for stainless steel, Klöckner & Co will post an EBITDA some 10% under the figure of the previous year of €395 million in the 2007 financial year, thus under the previous forecast.

While the volumes in Europe and North America remained satisfactory, Klöckner & Co experienced increasing pressure on the gross margins in the distribution of steel products during the third quarter. It was particularly prices for stainless steel which developed negatively, the result of a dramatic fall in the nickel price over the last few months. This resulted in a major negative impact on gross margins for stainless steel and a write-down on inventories as of September 30, 2007.

"Even if the development of steel and in particular the stainless steel prices in the third quarter mean that we will not achieve our original target for the current year, we will post the second



best result in the history of Klöckner & Co. The profitable growth track remains intact”, stated Dr. Thomas Ludwig, CEO of Klöckner & Co AG.

