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**VERY SOUND START INTO THE FINANCIAL YEAR 2008**

- Sales volumes and sales up considerably
- Earnings improvement of over 18%
- Continuation of expansion strategy and focus on the core business
- Positive outlook on financial year 2008

In the first quarter of 2008, the Klöckner & Co Group improved its sales volume by 5.6%, supported by its successful acquisition strategy, and boosted its sales by 7.1% against the first quarter of the previous year. The operating result (EBITDA) was improved by 18.3% to EUR 109 million in the same period and the consolidated net profit for the period by 12.4% to EUR 52 million. The Group, which is excellently positioned in Europe and North America, benefited from the ongoing good demand situation and the favorable price and margin trend against the end of 2007.

As a result of the acquisitions of Multitubes in Great Britain and especially Temtco Steel in the USA, the expansion strategy was successfully continued. As part of the further focus on the core business, the agreement to sale the Canadian subsidiary Namasco Limited to the Canadian company, Samuel, Son & Co. Ltd., was signed on May 14, 2008. The acquisition is still subject to the approval of the Canadian antitrust authorities. Following the full takeover of the Swiss country operation, Klöckner & Co is currently examining the disposal of one of its Swiss subsidiaries, Koenig Verbindungstechnik (KVT), whose products (fastening technology and Koenig sealing plugs) are not part of the core business at Klöckner & Co. The company generated sales of around EUR 120 million in financial year 2007.



“By selling the Canadian subsidiary, which mainly operates in the automotive sector, and purchasing Temtco Steel, which specializes in plates, we have substantially expanded our product portfolio in North America in faster-growing areas with a high share of preprocessing. By selling KVT, we would be continuing to concentrate on our core business and freeing up additional funds for further expansion,” explains Dr. Thomas Ludwig, CEO of Klöckner & Co AG.

The good first quarter and the unchanged bright prospects for the second quarter form a solid foundation for further earnings growth in the current financial year. “We are very satisfied with our start in the financial year 2008. The expansion driven by acquisitions, the continuous optimization of the company and the sound demand and price development have all had a significantly positive effect. We expect earnings growth in the second quarter to be even better due to the sharp increases in prices for steel products and the integration of Temtco Steel. We also anticipate that the sound demand and price development will continue throughout the rest of the year and expect net profit for 2008 that is substantially higher than the previous year’s level,” Dr. Thomas Ludwig.

