

Klöckner & Co SEAm Silberpalais 1
47057 Duisburg
Deutschland**Press Releases**Datum **12/16/2010**
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Phone: +49 (0) 203-307-2050

Fax: +49 (0) 203-307-5025

E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**KLÖCKNER & CO PRICES CONVERTIBLE BOND OFFERING**

- Convertible bond with coupon of 2.50 % p.a. and 7 years maturity
- Conversion price set at EUR 28.00 / premium of 35.07%
- Proceeds of EUR 186.2 million to support long-term growth Strategy Klöckner & Co 2020

The Management Board of Klöckner & Co SE ("Klöckner & Co") announces the pricing of its offering of EUR 186.2 million unsubordinated unsecured convertible bonds (the "Bonds") which may be initially converted into 6,650,000 common shares of Klöckner & Co. The placement of the Bonds took place today by way of an accelerated bookbuilding to institutional investors outside of the U.S. only. Klöckner & Co intends to use the issue proceeds for its stated external expansion strategy "Klöckner & Co 2020" and for general corporate purposes.

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 shares of Klöckner & Co.

The Bonds will have a maturity of 7 years. The coupon of the Bonds was fixed at 2.50 % per annum being at the low end of the indicated range of 2.50 % to 3.00 % per annum. Holders of the Bonds will be entitled to require the early redemption of the Bonds on the fifth anniversary of 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 conversion price has been set at EUR 28.00, which represents a premium of 35.07% above the reference price of EUR 20.73.



Gisbert Rühl, CEO/ CFO of Klöckner & Co SE: “Today’s issuance of the convertible bond is a further important step in the pursuit of our Klöckner & Co 2020 strategy and will support us in achieving our growth target to become the first global multi metal distributor.”

Credit Suisse and Goldman Sachs International are acting as Joint Bookrunners, Joint Lead Managers and sole syndicate members for the offering.

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This press release contains certain future-oriented statements. Such future-oriented statements rely on current estimates and assumptions the Company has made to the best of its knowledge. Said statements are affected by risks, uncertainties and other factors, which may cause actual company results, including the company's assets, financial condition and profitability, to differ materially from or be more negative than any results explicitly or implicitly assumed or described in these statements. Our business operations are subject to a number of risks and uncertainties that can lead to future-oriented statements, estimates or forecasts becoming invalid. In view of such risks, uncertainties and assumptions, future events mentioned in this press release may also not occur.

This press release 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 press release 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 press release 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 press release 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.

CHRISTIAN POKROPP

Head of Corporate Communications

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Contact info

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