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ENTRY INTO EMERGING MARKETS: KLÖCKNER & CO SE ACQUIRES MAJORITY OF THE THIRD-LARGEST INDEPENDENT STEEL AND METAL DISTRIBUTOR IN BRAZIL

- Klöckner & Co acquires 70% of Brazilian Frefer Group with sales in 2010 of approx. BRL 340 million (approx. €150 million)
- Company grows outpacing the very rapidly expanding market and is very profitable
- Another significant move forward in the implementation of the "Klöckner & Co 2020" growth strategy
- Transaction value represents a multiple of 6.5 times five year projected average EBITDA

Duisburg, May 06, 2011 – As part of its "Klöckner & Co 2020" strategy, Klöckner & Co has started its planned entry into emerging markets by acquiring a 70% share of the third-largest independent steel and metal distributor in Brazil. The acquisition is partly conducted by way of a capital increase at Frefer Group, and thus, further funds for expansion will be available in the company.

The Frefer Group is a flat steel focussed distribution and service center company with around 360 employees at 14 locations in Brazil and 2010 sales of approx. BRL 340 million (approx. €150 million). The company even outpaced the already strong market growth in recent years. The EBITDA margin for the company is higher than the group target average of 6%, which is the aim for acquisitions.

Gisbert Rühl, Chairman of the Executive Board of Klöckner & Co: "This acquisition creates our first foothold in the emerging markets of South America. We are thus making a further important



step in the implementation of our Klöckner & Co 2020 strategy after the acquisition of Macsteel USA a few days ago. Our entry into the emerging markets is intended to help us to pursue the goal of participating in the strong growth in steel consumption within this region and will put us into a better position to balance out the various world market phases. The entry into the Brazilian market is particularly attractive, not least because of the increased steel consumption that will result from its hosting of the Soccer World Cup and the Olympic Games. With Frefer we will take advantage of a strong market position right from the start, which allows us to participate disproportionately in these developments."

Key financial figures for the acquisition: The acquisition is taking place at a price that is 6.5 times the projected average EBITDA over a five-year planning horizon. The owner, who will retain ownership of the remaining 30% shares, will continue in his capacity as CEO of the company. Put and call options have been negotiated for the possible subsequent transfer of minority interests which guarantee exclusivity and whose parameters have already been determined.



About Frefer: The Frefer Group is the third-largest independent steel and metal distributor in Brazil. At 14 locations with its 360 employees, the company realized sales of approx. BRL 340 million (approx. €150 million) in the fiscal year 2010. Sales volumes were close to 200 Tto accordingly. Frefer is specialized in distribution of flat steel products.



About Klöckner & Co: Klöckner & Co is the largest producer-independent distributor of steel and metal products and one of the leading steel service center companies in the European and North American markets combined. The core business of the Klöckner & Co Group is the warehousing and distribution of steel and non-ferrous metals as well as the operation of steel service centers. More than 170,000 active customers are supplied through around 280 distribution and service locations by around 10,900 employees in 15 countries in Europe and North America. The Company had sales of around €5.2 billion in the fiscal year 2010.

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 MDAX®-Index of Deutsche Börse.

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