

Klöckner & Co SE

Am Silberpalais 1
47057 Duisburg
Deutschland

Press Releases

Phone: +49 (0) 203-307-2050

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

Datum **02/07/2012**
Seiten **3**

E-Mail: pr@kloeckner.com

Internet: www.kloeckner.com

KLÖCKNER & CO TAPS NEW MARKET: FIRST STEEL SERVICE CENTER IN CHINA OFF TO SUCCESSFUL START

- Another step forward in implementation of the “Klöckner & Co 2020” growth strategy
- Initial distribution and service agreements concluded
- Customer focus on machinery and mechanical engineering
- Expansion of product line still planned for this year

Duisburg, February 2012 – After almost three years of preparation, Kloeckner Metals, a subsidiary of global steel and metals distributor Klöckner & Co, has now opened its first Steel Service Center in China. With the tapping of a new market, Klöckner & Co takes another step forward with the implementation of its “Klöckner & Co 2020” growth strategy.

Gisbert Rühl, Chairman of Klöckner & Co SE's Management Board, observes as follows: “China, with a share of nearly 50%, is far and away the world's largest steel consumer. The Chinese market is growing by about 7% a year, notwithstanding a slowing global economy. This entry into the Chinese market follows through with our goal on greater diversification of Klöckner's global revenue distribution, thereby ensuring tomorrow's growth. We formulated this goal in our 'Klöckner & Co 2020' strategy, and now we are implementing it according to plan.”

Business to date at the Group's first Chinese Steel Service Center gives reason for optimism: In addition to major distribution and service agreements being concluded, Kloeckner Metals has already made initial deliveries and carried out first pre-fabrication services. “We are very much on the right track,” is how Rühl sums things up.



Great customer potential Kloeckner Metals' Steel Service Center is in Changshu, a city in eastern China located in an economically up-and-coming area. With harbor access of its own, from a logistics perspective the center's positioning is top-notch. "Thus far, a total of about 4000 German companies have put down roots in neighboring Shanghai and in China's eastern province of Jiangsu. There is great customer potential," says Thomas Krümmer, who heads up the Changshu office.

Up till now, Kloeckner Metals' deliveries have been primarily to machinery and mechanical engineers from Europe, located in the area around Changshu. In keeping with its customer focus, the product focus of the Company, which holds import and export licenses, is on heavy plates. An expansion of the product line to include round steel bars and other products for machinery engineering is being planned for this year.

High-quality, certified products The Klöckner & Co subsidiary procures products directly from leading Chinese steel mills. In addition to its high-quality, certified products, Kloeckner Metals also offers a variety of prefabrication services – blasting and flame cutting, for example. In addition, the range of services includes the ability to track all deliveries and custom logistics solutions, including just-in-time deliveries, smaller volumes and special products like S690QL, NM400 and Q390D.

Established locally, growing organically Following full establishment on the market, sales volumes are anticipated to amount to between 40 and 50 Tto per year. "What is important is for us to get established locally, and then expand our base of loyal customers. Once we've made a good name for ourselves, we will use our Steel Service Center in Changshu as a base for both organic growth and, when the time is right, for acquisitions as well," notes CEO/CFO Gisbert Rühl.



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 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 290 distribution and service locations by over 11,000 employees in more than 20 countries. 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.

ISIN: DE000KC01000; WKN: KC0100; Common Code: 025808576.

Contact: Christian Pokropp – Press Spokesperson
Head of Investor Relations & Corporate Communications
Telephone: +49 (0) 203-307-2050
Fax: +49 (0) 203-307-5025
Email: christian.pokropp@kloeckner.com

