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Press Releases

Datum **07/26/2017**
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KLÖCKNER & CO SE ANNOUNCES BEST HALF-YEAR RESULTS IN SIX YEARS

- Operating income (EBITDA) of €140 million in first half of 2017, compared with €88 million in the prior-year period
- Share of sales generated through digital channels progressively raised to 15% in second quarter of 2017
- Full-year forecast of significant increase in EBITDA by more than 10% confirmed

Duisburg, Germany, July 26, 2017 – Klöckner & Co's sales increased in the first half of 2017 by a substantial 11.7% to €3.2 billion, driven chiefly by prices. Operating income (EBITDA) improved even more strongly by 58.6% to €140 million. Alongside the more favorable price situation, optimization measures were the other main driver of the earnings performance. Net income more than tripled to €59 million, compared with €19 million in the prior-year period. Earnings per share rose accordingly from €0.18 to €0.59.

Klöckner & Co is thus on track to attain its target of increasing full-year EBITDA by more than 10% relative to the €196 million prior-year figure. The forecast for third-quarter EBITDA, however, at €35 million to €45 million, is below the very strong level seen in the preceding quarters due to the less favorable price situation observed recently.

Klöckner & Co has made good progress in implementation of its "Klöckner & Co 2020" strategy. The share of sales generated via digital channels thus progressively increased to 15% in the second quarter of 2017. Plans are to further expand digital sales with measures including the newly launched online shops in Austria and the Netherlands. Beginning in Germany, the online

shops are also to be opened up to third-party vendors, initially for complementary products. That is an important precursor stage to an open industry platform that also includes competitors, the first version of which is to be launched before the end of this year.

The Company also further expanded business with higher value-added products and services. The first section of a service center that processes aluminum flat products for the automotive and manufacturing industries came into operation at Bönen in North Rhine-Westphalia, Germany. Marking a major investment of some €35 million, the center is planned to reach its full processing capacity of 80,000 tons of aluminum a year as early as 2018.

Klöckner & Co is also fully on schedule in implementing its "One Europe" optimization program. By further centralizing Klöckner's European activities, the program kicked off at the beginning of the year has already delivered a visible contribution to operating earnings of €5 million in the first six months. This figure is to increase to €30 million a year by 2019.

Gisbert Rühl, CEO of Klöckner & Co SE: "Under our 'Klöckner & Co 2020' strategy, we are optimizing our core business and investing in higher-margin, increasingly digital activities. With the confirmation provided by our positive earnings performance, we will systematically continue along the same path."

About Klöckner & Co: Klöckner & Co is one of the largest producer-independent distributors of steel and metal products and one of the leading steel service center companies worldwide. Based on its distribution and service network of around 170 locations in 12 countries, the Group supplies more than 130,000 customers. As a pioneer of the digital transformation in the steel industry, Klöckner & Co's target is to fully digitalize its supply and service chain and to support the launch of an independent open industry platform, which shall become the dominant vertical platform of the steel and metals industry. Currently Klöckner & Co has around 8,800 employees. The Group had sales of around €5.7 billion in fiscal 2016.

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 SDAX®-Index of Deutsche Börse.

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

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