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Deutschland**Press Releases**Datum **05/04/2016**
Seiten **3**

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E-Mail: pr@kloeckner.comInternet: www.kloeckner.com**KLÖCKNER & CO SE LIFTS EARNINGS SIGNIFICANTLY IN Q1 2016**

- EBITDA of €16 million, slightly higher than the forecast of €10 million to €15 million
- Further progress made in the digital transformation of the business model
- Positive outlook for the second quarter; full-year earnings targets confirmed

Duisburg, Germany, May 4, 2016 – Klöckner & Co generated operating income (EBITDA) of €16 million in the first quarter of 2016, significantly exceeding the prior-year figure of €10 million. Net income remained negative, at €–14 million (prior year: €–22 million). However with an EBITDA in Q2 expected to increase further to between €50 million and €60 million, a positive net income is forecasted for the second quarter; and the year as a whole. The main drivers of this development will likely be the contributions from the KCO WIN+ optimization and restructuring program as well as an improved price environment.

Gisbert Rühl, CEO of Klöckner & Co SE: "After the first four months of 2016, we are well on track to achieving our full-year targets –significantly higher operating income and a return to positive net income."

Klöckner & Co also made progress in implementing its digitalization strategy. Bucking the usual seasonal trend, net working capital remained virtually unchanged compared with prior year-end, supported by digital integration with suppliers. In addition, customer feedback on the new online shop in Germany and the implemented contract portal in the USA, among other countries, has been very positive. Via the "Kloeckner Connect" service platform, customers can now centrally access all digital tools launched to date.



Gisbert Rühl: "By integrating competitors, our aim is to turn the service platform into an industry platform by 2017. This will set new industry standards for our customers in terms of product diversity and price transparency."

The restructuring measures under KCO WIN+, with a focus on France, are largely complete. A total of 16 locations were closed and the headcount was reduced by over 600. As a result, shipments decreased by 6.3% to 1.6 million tons amid continued weak demand. Sales declined at an even stronger rate, falling by 18.4% to €1.4 billion due to the lower price levels compared with the prior year.

Despite the achieved restructuring successes supported by a stabilized market, profitability levels for the traditional European distribution activities of Klöckner & Co are still unsatisfactory. Consequently, potential options to further optimize the structure of Klöckner & Co in Europe are currently being explored.



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 200 locations in 14 countries, the Group supplies around 140,000 customers. In addition to companies in the construction industry as well as machinery and mechanical engineering, Klöckner & Co serves customers in the automotive and chemical industry, in shipbuilding and in fields of household appliances, consumer goods and energy. Currently Klöckner & Co has around 9,200 employees. The Group had sales of around €6.4 billion in fiscal 2015.

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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