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Press Releases

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KLÖCKNER & CO SE PRICES CONVERTIBLE BOND OFFERING

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- Convertible bond with coupon of 2.00% p.a. and 7 years maturity
- Conversion price set at EUR 14.82 / premium of 27.5%
- Proceeds of EUR 147.8 million for general corporate purposes

Duisburg, Germany, September 1, 2016 – The Management Board of Klöckner & Co SE (“**Klöckner & Co**”) announces the successful placement of EUR 147.8 million unsubordinated unsecured convertible bonds (the “**Bonds**”). The Bonds were offered only to institutional investors outside of the U.S. Klöckner & Co intends to use the proceeds from the issue of the Bonds for general corporate purposes.

The Bonds will be issued by Klöckner & Co Financial Services S.A. (the “**Issuer**”), a wholly-owned Luxembourg-based subsidiary of Klöckner & Co, guaranteed by Klöckner & Co, and will be convertible into new or existing ordinary registered shares of Klöckner & Co.

Following today’s accelerated book-building, the semi-annual coupon was set at 2.00% per annum and the conversion premium was fixed at 27.5%, corresponding to an initial conversion price of EUR 14.82, being the volume weighted average XETRA price of Klöckner & Co’s



shares between launch and pricing of the accelerated book-building process multiplied by 1 plus the conversion premium.

As a result of the above, the total placement volume is EUR 147.8 million with 9.973 million shares (initially) underlying the Bonds. The Bonds will have a maturity of seven years. Settlement and delivery of the Bonds are expected to take place on September 8, 2016 (the “**Settlement Date**”). The Bonds will be redeemed at par in cash.

Holders of the Bonds will be entitled to require an early redemption of the Bonds on the fifth anniversary after the Settlement Date at the principal amount together with accrued interest. The Issuer cannot call the Bonds for redemption before September 29, 2021, and thereafter only if the share price of Klöckner & Co (over a specified period) exceeds 130% of the then prevailing conversion price.

The pre-emptive rights of shareholders of Klöckner & Co to subscribe for the Bonds have been excluded. The Issuer intends to apply for admission of the Bonds to trading in the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

BNP Paribas and Credit Suisse Securities (Europe) Limited are acting as Joint Bookrunners. Commerzbank AG, HSBC, Landesbank Baden-Württemberg and UniCredit Bank AG are acting as Co-Lead Managers.

IMPORTANT NOTE

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The offer referred to herein when made in member states of the European Economic Area (the "**EEA**") which have implemented the Prospectus Directive (each, a "**Relevant Member State**"), is only addressed to and directed at persons who are "qualified investors" (as defined in the Prospectus Directive (the "**Qualified Investors**")). For these purposes, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a relevant member state), and includes any relevant implementing measure in the relevant member state and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

In the United Kingdom, this announcement is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who fall within Article 49(2)(a) to (d) of the Order, and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Klöckner & Co's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Klöckner & Co group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as



of the date they are made. Klöckner & Co and its affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.



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.

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