

WestLB AG Sells Klöckner & Co AG to Lindsay Goldberg

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WestLB is selling its entire 94.9% stake in Klöckner & Co AG to Lindsay Goldberg (LG), the New York-based investment company. Subject to approval by the relevant competition authorities, all operating units and subsidiaries will be sold to LG under the deal. Both sides agreed not to disclose details of the sale. A positive result will be reflected in WestLB's balance sheet for 2005. LG will also acquire the 5.1% stake previously held by HSH Nordbank AG.

The LGB fund is managed in Europe by Prof. Dr. Dieter Vogel, the former Chairman of the Managing Board of Thyssen AG.

“Our aim is to ensure the continued development of the Klöckner & Co Group as a whole and to increase its value as a going concern in the long term. The company will not only be preserved in its entirety but will be expanded with the help of growth capital from the LG fund. Headcount reductions are not envisaged. The codetermination procedure will be fully complied with. There are no plans to relocate elsewhere,” said Dr. Vogel in Düsseldorf.

WestLB AG's Managing Board expressed satisfaction with the successful conclusion of the selling process, which had been under way since July 2004. LG was successful in competition with a large number of other prospective buyers.

Klaus-Michael Geiger, the WestLB Board member who led the negotiations on behalf of the Bank, said: “The sale of Klöckner is a further important step in our declared strategy of disposing of non-core investments. We are delighted to be able to place Klöckner in the hands of first-class industry experts and responsible investors.”

Both Klöckner's Managing Board and representatives of the company's employees on its supervisory board were closely involved in the sales process.

Klöckner & Co is one of the leading distributors of metal materials worldwide and is active primarily in the steel sector. The group employs almost 10,000 people at 280 locations in ten countries. In 2003 the company reported sales of € 3.8 billion and generated a net profit of € 27 million.

LG is an industrial fund with equity in excess of US\$ 2 billion. The fund is currently invested in seven portfolio companies with a total turnover of € 3 billion.

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