

Klöckner & Co. Prices Initial Public Offering

Duisburg - 6/27/06

Klöckner & Co Aktiengesellschaft, the selling shareholder Multi Metal Investment S.à r.l. and the Joint Bookrunners UBS Investment Bank, Deutsche Bank and JPMorgan jointly determined the offer price at EUR 16.00 per share. At the offer price the Klöckner & Co shares were oversubscribed.

"We are very pleased with the success of our roadshow, especially as we celebrate our 100th anniversary on the first day of trading. Despite difficult market conditions, investors believe in the sustainability of our business model and in our strong upward potential in the long term," said CEO Thomas Ludwig. Based on the issue price, and including the new shares from the capital increase, the market capitalization will amount to €744 million. The company will receive gross proceeds of €104 million from a capital increase consisting of a total of 6.5 million new shares. The first day of trading on the Prime Standard Market of the Frankfurt Stock Exchange will be June 28, 2006.

Based on the offer price, the offer size will be €264 million and €296 million if the greenshoe option is fully exercised. 10 million shares are being placed from the holdings of the selling shareholder, 6.5 million new shares from a capital increase and further 2 million additional shares from the holdings of the selling shareholder in connection with the overallotments. The free float will amount to around 40 percent if the greenshoe option is fully exercised. 98.7 percent of the 18.5 million offered shares were placed with institutional investors and 1.3 percent with private investors. All shares carry a full dividend entitlement for the financial year, which has commenced on January 1, 2006. The shares were allotted to private investors in Germany in compliance with the "Principles for the Allotment of Share Issues to Private Investors" issued by the Stock Exchange Commission of Experts at the Federal Ministry of Finance on June 7, 2000. The allocation to private investors was based upon uniform criteria by the Joint Bookrunners, i.e., each private investor received an identical percentage allotment of their demand.

The selling shareholder will retain an interest of around 60 percent in the company if the greenshoe option is fully exercised. Under a lock-up agreement, the selling shareholder has undertaken to retain its remaining shares for a period of twelve months from the delivery of the shares. The company has agreed not to announce or effect any increases from authorized capital during this period, or to propose such increases to its general meeting.

The company will receive gross proceeds of €104 million. After deduction of commissions, these will be used to further improve the capital structure of the Klöckner & Co Group and to repay third-party debt, thus generating additional headroom for growth. Specifically, the company is considering a partial redemption of the notes issued by Klöckner Investment S.C.A.

About Klöckner & Co

Klöckner & Co is the largest producer-independent steel and metal distributor in the European and North American markets combined. The core business is the warehouse distribution of steel and non-ferrous metals. Around 200,000 active customers are served from around 240 distribution and service centers in 14 countries across Europe and North America.

Klöckner & Co was founded by Peter Klöckner a century ago. In the financial year 2005, the company reported sales of around €5 billion, with a staff of around 10,000.