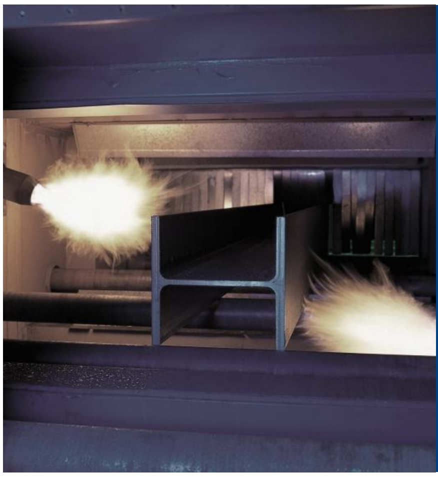
klöckner & co
multi metal distribution



Klöckner & Co SE

A Leading Multi Metal Distributor

Interim Report

as of September 30, 2013

INTERIM REPORT AS OF SEPTEMBER 30, 2013

KLÖCKNER & CO SE

Klöckner & Co Group Figures

Income statement		Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	Q3 2013	Q3 2012*)
Sales	€ million	**4,922**	5,755	**1,600**	1,847
Gross profit	€ million	**904**	989	**296**	306
Gross profit margin	%	**18.4**	17.2	**18.5**	16.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	**108**	95	**36**	18
EBITDA before restructuring expenses	€ million	**110**	115	**39**	18
Earnings before interest and taxes (EBIT)	€ million	**30**	−15	**10**	−9
Earnings before taxes (EBT)	€ million	**−26**	−82	**−8**	−31
Net income	€ million	**−31**	−80	**−11**	−29
Net income attributable to shareholders of Klöckner & Co SE	€ million	**−31**	−78	**−11**	−28
Earnings per share (basic)	€	**−0.31**	−0.78	**−0.11**	−0.28
Earnings per share (diluted)	€	**−0.31**	−0.78	**−0.11**	−0.28

Cash flow statement/Cash flow		Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	Q3 2013	Q3 2012*)
Cash flow from operating activities	€ million	**−2**	−86	**44**	-
Cash flow from investing activities	€ million	**−25**	−18	**−11**	−10
Free cash flow**)	€ million	**−27**	−104	**33**	−10

Balance sheet		Sep. 30, 2013	Dec. 31, 2012*)	Sep. 30, 2012*)	
Net working capital***)	€ million	**1,405**	1,407	**1,666**	
Net financial debt	€ million	**462**	422	**596**	
Equity	€ million	**1,512**	1,502	**1,625**	
Balance sheet total	€ million	**3,712**	3,880	**4,331**	

Key figures		Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012	Q3 2013	Q3 2012
Turnover	Tto	**4,953**	5,483	**1,617**	1,764

		Sep. 30, 2013	Dec. 31, 2012	Sep. 30, 2013	Sep. 30, 2012
Employees at end of period		**9,776**	10,595	**9,776**	11,073

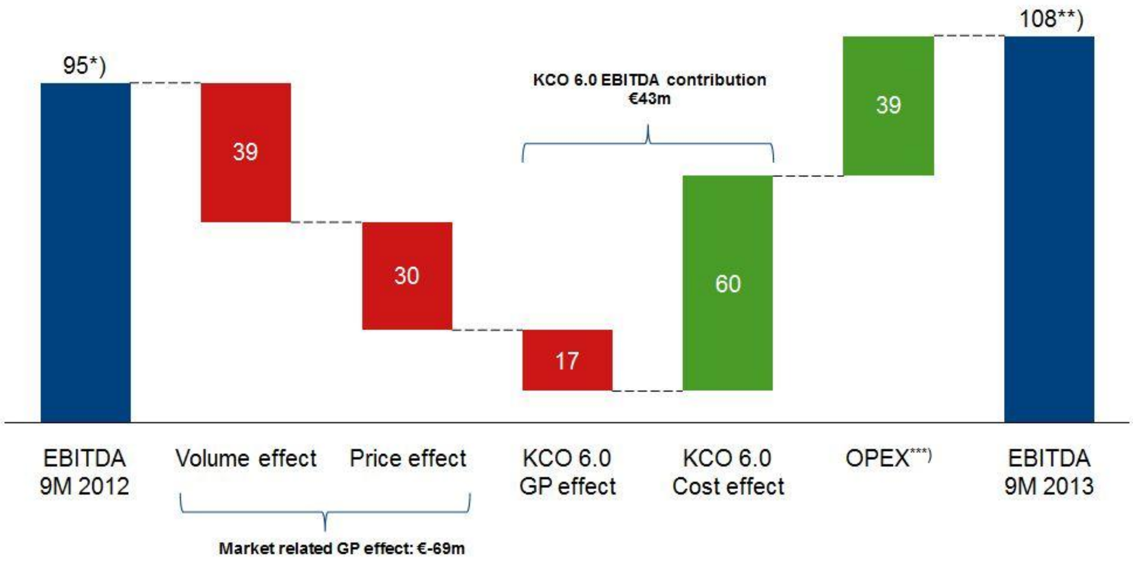
*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.
**) Free cash flow = Cash flow from operating activities plus cash flow from investing activities.
***) Net working capital = Inventories plus trade accounts receivable minus trade accounts payable.

Interim Group Management Report

Business performance in the first nine months of 2013

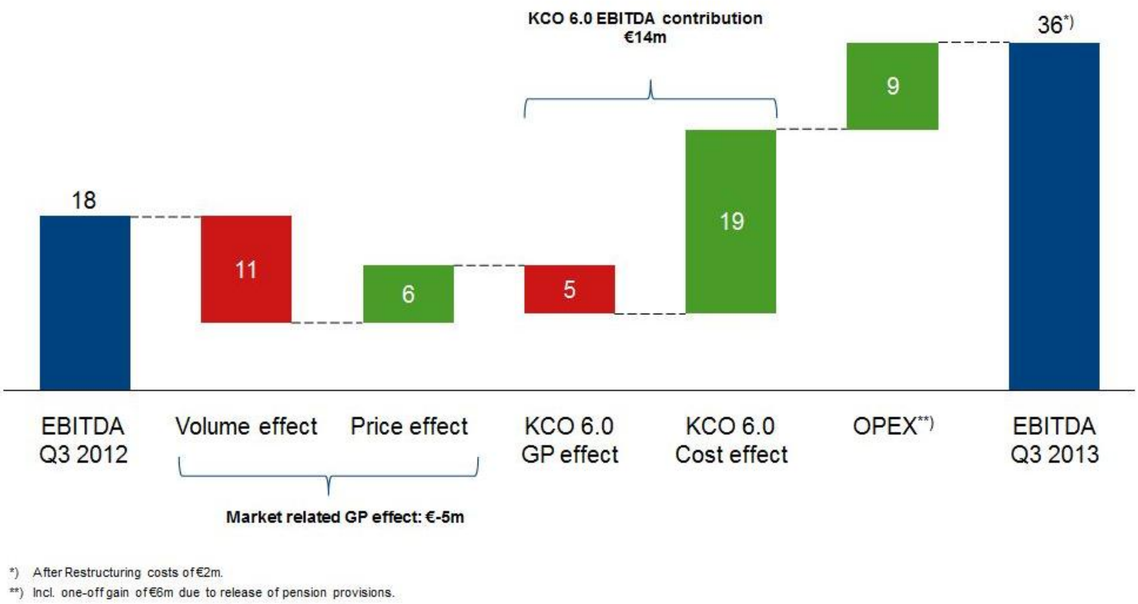
- Negative market trend largely compensated in earnings by restructuring measures
- Turnover down 9.7% on prior-year period
- 14.5% decline in sales to €4.9 billion compounded by lower price levels
- Gross margin increased from 17.2% to 18.4% due to improved mix
- EBITDA improved from €95 million to €108 million
- EBITDA before restructuring expenses at €110 million still slightly below prior-year period (€115 million)
- Group net loss reduced from €–80 million to €–31 million
- Basic earnings per share improved from €–0.78 to €–0.31
- Net financial debt down on prior-year quarter, from €596 million to €462 million
- Full-year EBITDA guidance of €140 million before restructuring expenses confirmed
- KCO 6.0 restructuring program largely implemented with overall EBITDA effect of €160 million
- KCO WIN optimization program launched with overall EBITDA effect of €50 million

Turnover was down 9.7% year on year in the first nine months of 2013, as a result of the weak market performance in Europe and location closures under the restructuring program. Sales declined at an even sharper rate of 14.5% due to lower price levels. Despite the negative price and turnover trend, EBITDA adjusted for restructuring expenses of €110 million was only slightly lower than the previous year's level of €115 million thanks to extensive cost-cutting measures and the discontinuation of low-margin businesses. Overall, operating income (EBITDA) was €108 million, compared with €95 million in the prior-year period.



*) After Restructuring costs of €20m.
**) After Restructuring costs of €2m.
***) Incl. one-off gain of €13m due to release of pension provisions.

The increasingly effective cost reductions are particularly apparent when looking at the third quarter: The market-driven €5 million decline in gross profit was more than offset by the €14 million boost to EBITDA from the KCO 6.0 restructuring program. In total, as a result of that and additional operating expenditure savings, EBITDA doubled, from €18 million in the prior-year period to €36 million. Even without a €6 million contribution to earnings from the reversal of pension provisions, EBITDA before restructuring expenses, at €39 million, was within the guided range of €30 million to €40 million.



KCO 6.0: Restructuring program almost completed

As early as September 2011, we launched a comprehensive restructuring program (KCO 6.0) in light of the crisis-induced ongoing decline in European steel demand and the uncertain outlook, and have since expanded it several times. Besides cutting administration and sales overhead expenses, the measures focus on closing unprofitable branches and discontinuing business activities that are insufficiently profitable on a lasting basis.

Since its inception, the program has already led to the closure or, in Eastern Europe, the sale of 61 locations. The workforce has been reduced by more than 2,000. All in all, by the year-end, 71 locations (24%) are to be closed and some 2,200 jobs (19%) cut from the workforce.

The restructuring program already contributed an additional €43 million to EBITDA in the first nine months of 2013, thus largely offsetting the market-driven €69 million decline in gross profit.

We expect the restructuring program to make an incremental contribution to EBITDA of €65 million in fiscal year 2013. With additional €45 million the program is expected to make the full annual contribution to EBITDA of around €160 million for the first time in 2014.

Provisions for the measures adopted in the prior year were already recognized in the 2012 annual financial statements. We anticipate that the extension to the program initiated in May 2013 will have an approximately €25 million negative impact on earnings in the current year. Most of this will be incurred in the fourth quarter. All measures are financed for the most part through the release of net working capital tied up at locations and through sale of locations, some of which are Group-owned.

KCO WIN: Focus now on measures that will deliver a short-term boost to earnings

In parallel to implementing the last restructuring measures, we also forged ahead with our Klöckner & Co 2020 strategy in the reporting period. As earnings remain unsatisfactory, we are concentrating initially on improvements that will help to boost earnings in the short term. Focal points include efficiency gains in procurement and sales as well as additional cost-cutting measures such as further resizing at the Group holding company and administrative streamlining in country organizations. The action plan is set to contribute around €20 million to EBITDA in the next year alone. The program is expected to make its full annual contribution to EBITDA of around €50 million for the first time in 2015.

Economic environment

Macroeconomic situation

Global economic growth accelerated steadily in the first nine months of 2013. The main contributors to growth were emerging markets and – albeit to a lesser extent than expected – the USA. In Europe, however, the economy continues to be adversely affected by the financial and structural crisis.

Economic performance in the euro zone was accordingly disappointing, with a decline of 1.2% in the first quarter. In the second quarter, the economy fell 0.6% year-on-year. Slightly rising foreign demand had a positive impact in the third quarter, further slowing the downward trend from July to September. A decline of 0.2% is expected overall for the third quarter.

In the USA, by contrast, moderate growth was recorded over the quarters. After 1.1% growth in the first quarter, the US economy grew by 2.2% in the second quarter. Growth rates thus remained short of expectations in the first half of the year due to uncertainties arising from fiscal and budget issues. Growth of 1.4% is expected for the third quarter, on aggregate estimates.

The rate of expansion of emerging economies remains relatively high, although growth rates did not quite reach the prior-year levels. In China, the economy grew by 7.7% year-on-year in the first quarter and by 7.5% in the second quarter. Growth of 7.8% is expected for the third quarter.

The Brazilian economy continued to recover at a moderate pace. Growth was boosted above all by the devaluation of the national currency and state infrastructure programs. Growth stood at 1.9% in the first quarter and at 3.3% in the second. In the third quarter, however, weak domestic demand as well as slower domestic and foreign investments had a negative impact on the economy, such that economic growth stood at just 2.5% on aggregate estimates.

Development of GDP in our core countries (in percent)	Q3 2013 vs Q3 2012
Europe	**−0.2**
Germany	0.6
United Kingdom	1.5
France	0.2
Spain	−1.3
Switzerland	1.7
China	**7.8**
Americas	
United States	1.4
Brazil	2.5

Source: Bloomberg; expert estimates (in some cases provisional).

Industry-specific situation

Global steel production increased by 2.7% in the first nine months of 2013 to some 1.12 billion tons of raw steel, although considerable regional differences persisted. According to the World Steel Association, production declined by 4.2% in the EU and 4.1% in North America in the first nine months of the year, whereas in Asia it grew again by 5.9%. This was driven in particular by China, which generated further growth of 8.0%.

As a result of customers reducing inventories, distribution in Europe was hit even harder than production by this trend, suffering a decline of 8.1% according to industry association Eurometal. In North America, by contrast, a slight increase in inventories meant that turnover declined by 1.7%, which was less than production, according to the Metals Service Center Institute (MSCI).

The global surplus capacity in production remains significantly problematic for the steel industry. Primarily in China, but also in Europe and, due to high import pressure, North America, there is no stable balance between supply and demand. At the end of September 2013, steel producers were therefore operating at 72% of capacity in Europe and 77% in the USA – and hence still well below the pre-crisis level of at times over 90%.

Trend in key customer industries

Automotive industry

In the first nine months of 2013, the performance of the global automotive industry varied from region to region. In Europe, demand fell sharply. It was particularly weak in southern European countries. New car registrations in the first nine months of 2013 were 4.0% down on the previous year overall, according to the German Association of the Automotive Industry (VDA).

In the USA, however, there was a very strong uptrend, with turnover increasing by 8.1%. Demand was stimulated by low interest rates and the labor market that is recovering slowly but surely. Turnover in China continued to grow apace, increasing by an estimated 20.8%. In Brazil, by contrast, a decrease of 0.9% is expected for the first nine months of 2013.

Machinery and mechanical engineering

The trend in demand in machinery and mechanical engineering also varied from region to region. In some regions of Europe, there were significantly fewer orders than expected due to economic weakness in a number of euro zone countries as well as the decreasing volume of orders from Asia, especially at the start of the year. After falling 7.4% in the first quarter, the demand trend recovered as the year progressed to a decrease of 3.1% in the second quarter and an expected 3.0% decrease in the third quarter, according to the industry association, Eurofer. By contrast, both the USA and China returned to growth again for the first time at the start of the second quarter, a trend which continued on into the third quarter.

Construction industry

The construction industry remains the main driver for the global trend in steel consumption. In the first half of the year, the industry development in Central Europe was dominated in particular by bad weather conditions and, in Southern Europe, by the ongoing sovereign debt crisis. According to Eurofer, European construction activity consequently declined by 4.2% overall in the first nine months. In the USA, however, the positive trend continued, due in particular to the dynamic private-sector residential construction business. As a result, the construction investment volume rose substantially in the first nine months. However, in the commercial construction sector, which is important for steel consumption, no significant recovery has yet emerged. In China, the slowdown in the construction industry observed in the first half of the year continued.

Results of operations, cash flows and financial position

The key figures for the results of operations, cash flows and financial position for the first nine months of 2013 are as follows:

Key figures

(€ million)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)
Sales	**4,922**	5,755
Gross profit	**904**	989
EBITDA	**108**	95
Restructuring expenses	**2**	20
EBITDA before restructuring expenses	**110**	115
Free cash flow	**–27**	–104

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

(€ million)	Sep. 30, 2013	Sep. 30, 2012	Dec. 31, 2012
Net working capital	**1,405**	1,666	1,407
Net financial debt	**462**	596	422

Turnover and Sales

	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012
Turnover (Tt)	**4,953**	5,483
Sales (€ million)	**4,922**	5,755

Group turnover in the first nine months of 2013, at 5.0 million tons, was 9.7% down on the prior-year period (5.5 million tons). While both operating segments registered declining turnover volumes driven by the market and restructuring, the turnover decrease in the Americas segment was less significant than that in the Europe segment.

In the Europe segment, the still-challenging economic environment and the effects of streamlining the portfolio under the KCO 6.0 restructuring program resulted in a reduction in turnover of 13.9% compared with the first nine months of 2012. Germany, France and Spain were particularly hard hit. Turnover at Becker Stahl-Service (BSS), which serves the automotive business, was also slightly down year on year due to the weak European automotive industry. Driven by a sustained solid trend in the Swiss construction industry, our country organization in Switzerland generated a turnover volume at approximately the prior-year level.

Turnover in the Americas segment during the first nine months declined by a total of 3.7% compared with a year earlier, due to the scaling-back of low-margin businesses. The turnover decrease in the USA amounted to 2.6%.

Due to low price levels compared with the prior year, sales declined at a sharper rate than turnover, falling by a total of 14.5% to €4.9 billion in the first nine months of 2013. The Americas segment was particularly affected, with continuous price pressure resulting in sales falling at a much sharper rate, dropping by 14.3%, whereas in the Europe segment, the 14.6% decline in sales only slightly outpaced the decline in turnover.

Results

(€ million)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)
Gross profit	**904**	989
EBITDA	**108**	95
Restructuring expenses	**2**	20
EBITDA before restructuring expenses	**110**	115
Earnings before interest and taxes (EBIT)	**30**	–15
Earnings before taxes (EBT)	**–26**	–82
Net income	**–31**	–80

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

The rise in the gross margin from 17.2% in the prior-year period to 18.4% meant that gross profit dropped at a slower pace, by 8.7% to €904 million. A substantial part of the €85 million decline in gross profit was offset by restructuring measures, for which reason operating income (EBITDA) adjusted for restructuring expenses, at €110 million, was down only slightly compared with €115 million in the previous year. In the third quarter, however, the cost-cutting measures associated with the KCO 6.0 restructuring program, with a positive impact of €19 million, were able for the first time to more than offset the market and restructuring-related €10 million negative impact on gross profit.

Earnings before interest and taxes (EBIT) for the first nine months of fiscal 2013 was €30 million after minus €15 million in the previous year. It should be noted that the EBIT for the comparative period had been significantly more severely affected by restructuring expenses of €20 million for the European companies and impairment losses in Eastern Europe, Spain and Brazil of €30 million.

The financial result also improved, increasing from minus €66 million to minus €56 million. The main alleviating factor has been in interest expense on redemption of a convertible bond (€11 million) in the third quarter of the prior year. The prior-year figure also includes positive one-off effects in the amount of €6 million from reversal of the put option liability from the Frefer acquisition.

The Group loss before taxes improved accordingly to €26 million, compared with €82 million in the prior-year period. In line with this, the Group's net loss was reduced from €80 million in the prior-year period to €31 million.

Basic earnings per share amounted to a negative €0.31 compared with a negative €0.78 in the prior-year period.

EBITDA before restructuring expenses by segments

(€ million)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	Q3 2013	Q3 2012*)
Europe	**68**	69	**26**	12
Americas	**60**	64	**20**	12
Headquarters	**– 18**	– 18	**– 7**	– 7
Klöckner & Co Group	**110**	**115**	**39**	**18**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

EBITDA before restructuring expenses amounted to €68 million in the Europe segment in the first nine months of 2013, down from €69 million a year earlier. The first half of 2013 was particularly impacted by the very long winter. Furthermore, overcapacity at every link in the value chain continued to lead to high competitive pressure. BSS and the Swiss country organization continue to be the main drivers of segment EBITDA, even though their own EBITDA was market-driven below prior-year levels. Segment EBITDA includes a €13 million one-off income item from the reversal of pension provisions at our Dutch country organization in connection with the switch from a defined benefit pension plan to a defined contribution plan.

The ongoing decline in market prices and lower volumes led to a minor decrease in the Americas segment's EBITDA before restructuring effects from €64 million a year earlier to €60 million in the first nine months of fiscal 2013. In contrast, despite ongoing low volumes, third-quarter EBITDA, at €20 million, was well over the comparative prior-year figure of €12 million.

Headquarters EBITDA was on a par with a year earlier at a negative €18 million.

Consolidated balance sheet (condensed)

(€ million)	Sep. 30, 2013	Dec. 31, 2012*)
Long–term assets	**1,039**	1,107
Current assets		
Inventories	**1,168**	1,254
Trade receivables	**843**	787
Other current assets	**103**	122
Liquid funds	**559**	610
Total assets	**3,712**	**3,880**
Equity	**1,512**	1,502
Non–current liabilities and provisions		
Financial liabilities	**792**	914
Other non–current liabilities and provisions	**382**	470
Current liabilities		
Financial liabilities	**219**	110
Trade payables	**606**	634
Other current liabilities and provisions	**201**	250
Total equity and liabilities	**3,712**	**3,880**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

Of the €68 million decline in non-current assets, the majority (€46 million) relates to intangible assets and €18 million is attributable to property, plant and equipment.

The reduction in other current assets reflects lower supplier bonuses during the course of the year and lower other tax refund entitlements. Taking into consideration the repayment of promissory notes with a volume of €75 million liquidity amounted to €559 million, compared with €610 million at the end of the prior year.

The 41% equity ratio as of September 30, 2013 is slightly above the level of December 31, 2012 and reflects the solid balance sheet.

The decrease in other non-current liabilities (by €88 million) relates primarily to lower pension provisions (down €80 million) and higher deferred tax liabilities (up €18 million). The reduction in pension provisions was caused by a slight increase in the discount factors and the above-mentioned effect of switching to defined contribution pension plans at our Dutch country organization.

Net working capital

(€ million)	Sep. 30, 2013	Sep. 30, 2012	Dec. 31, 2012
Inventories	**1,168**	1,356	1,254
Trade receivables	**843**	1,035	787
Trade payables	**–606**	–725	–634
Net working capital	**1,405**	**1,666**	**1,407**

At €1,405 million, net working capital remained at approximately the same level as at the end of fiscal 2012 (€1,407million). However, it was significantly below the figure for September 30, 2012 of €1,666 million.

Net financial debt

(€ million)	Sep. 30, 2013	Sep. 30, 2012*)	Dec. 31, 2012*)
Net financial debt	**462**	596	422
Gearing (Net financial debt/shareholders' equity**))	**31 %**	37 %	29 %

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.
**) Gearing: Net debt/Equity attributable to shareholders of Klöckner & Co SE less goodwill from business combinations subsequent to May 23, 2013.

Net financial debt increased to €462 million compared with €422 million as of December 31, 2012. However, this figure represents a sharp decline on the €596 million reported as of September 30, 2012. At 31% (September 30, 2012: 37%%; December 31, 2012: 29%), gearing is far below the 150% maximum applicable for financing purposes.

The Group continues to have sufficient financial leeway following the extension, in each case to May 2016, of the €360 million European ABS program and of the syndicated loan likewise with a facility amount of €360 million. The average remaining term for all credit facilities is around three years.

Consolidated statement of cash flows

(€ million)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)
Cash flow from operating activities	**–2**	–86
Cash flow from investing activities	**–25**	–18
Free cash flow	**–27**	**–104**
Cash flow from financing activities	**–21**	–227

Net of the smaller increase in net working capital year-on-year, the cash outflow from operating activities of €2 million was substantially below the prior-year cash outflow of €86 million. Despite higher capital expenditure of €25 million compared with €18 million, free cash flow, at minus €27 million, showed a distinct improvement on the comparative prior-year figure of minus €104 million. Cash flow from financing activities amounted to minus €21 million (2012: minus €227 million).

Subsequent events

There were not events after the end of the reporting period which would require disclosure in the interim consolidated financial statements.

Macroeconomic outlook including key opportunities and risks

Expected global economic growth

The global economy will continue to be impacted by uncertainty in Europe and unresolved fiscal and budget issues in the USA. Growth of 2.9% is expected for 2013. For 2014, the International Monetary Fund (IMF) anticipates that growth will increase to 3.6%. This will be driven primarily by the emerging economies, although growth rates in these countries will be slower than in prior years. Only slight growth of 0.3% is expected for Europe in 2013, despite the gradual improvement experienced in recent quarters. For 2014, the IMF expects a rise in growth to 1.4% in the euro zone.

In the USA, growth is put at 1.6% in the current year, increasing on aggregated estimates to 2.6% in 2014 with help from lower energy costs. Risks continue here due to the fact that a lasting solution still has to be found to the budget dispute.

China is expected to see its economy grow by 7.6% this year and by a slightly slower rate of 7.3% in 2014.

In Brazil, the recent decision by the Central Bank of Brazil to raise the base interest rate is adversely impacting the economy and will likely put the brakes on recovery. Growth of 2.5% is expected for both the current year and for 2014.

Expected development of GDP in our core countries (in percent)	2013	2014
Europe	**0.3**	**1.4**
Germany	0.5	1.4
United Kingdom	1.4	1.9
France	0.2	1.0
Spain	–1.3	0.2
Switzerland	1.7	1.8
China	**7.6**	**7.3**
Americas		
United States	1.6	2.6
Brazil	2.5	2.5

Source: International Monetary Fund, Bloomberg

Expected sector trend

In its October projection, the World Steel Association predicted that global steel consumption would grow by 3.1% in 2013. This growth will mainly be driven by China, where growth is expected to reach 6.0%. By contrast, an overall decline of 1.6% is expected for industrial nations. Europe (EU-27) is particularly affected, with a projected decrease of 3.8%, whereas for North America (NAFTA), slight growth of 0.2% is expected. This would put European steel consumption about 32% down on its pre-crisis 2007 level at year-end, compared with a rise of over 64% in consumption in China. In North America, more dynamic growth than in Europe is expected to mean that steel consumption will fall only about 9% short of its pre-crisis level.

The steel distribution sector was hit particularly hard in Europe, with Eurometal projecting an 8% fall in demand for long products and 6% for flat products this year.

Expected trend in our core customer sectors

Automotive industry

Experts expect continued growth of 2.9% for the global automotive market in 2013, with a very varied picture from region to region. For Europe, the German Association of the Automotive Industry (VDA) forecasts a drop in demand of around 5% due to ongoing uncertainty. By contrast, an increase of 6.7% is projected in the USA for 2013. This trend is being driven above all by persistently strong replacement demand and the decrease in energy costs. Experts estimate that the Chinese market will increase by 13.5% in 2013. For Brazil, a decline in demand for passenger vehicles of around 1% is expected.

Machinery and mechanical engineering

The German Engineering Federation (VDMA) projects a 1% decrease in global machinery and mechanical engineering turnover in 2013. Europe is also particularly affected here, with Eurofer forecasting a decline in turnover of 3.7% for the current year. For the USA, the VDMA is projecting growth of 4% due to continued strong replacement demand. For China, it is forecasting growth of 5%.

Construction industry

According to Euroconstruct estimates, construction industry sales in Europe will contract by some 2.8% in the current year because of the continued uncertainty and subdued public-sector demand. In the USA, however, an increase of 8.9% is expected, mainly driven by residential housing construction. The outlook is also gradually improving in the commercial construction sector, which is important to steel consumption. In China, growth is expected to become more stable thanks to strong demand for housing.

Current assessment of opportunities and risks

The detailed information provided in the Opportunities and Risks section on pages 59 to 70 of the Annual Report 2012 continues to apply. For a detailed description of the risk management system in the Klöckner & Co Group, please see pages 60 et seq. of the 2012 Annual Report.

Market risk for Klöckner & Co as a stockholding multi metal distributor is mostly determined by trends in demand and prices.

Having initially risen slightly at the beginning of the year, steel and metal prices started falling back in the mid first quarter until the end of the second quarter. Following a further increase at the start of the third quarter, prices have stabilized since the third quarter at a level slightly below that of the end of 2012. Although steel prices consequently remain on a par with production costs, the persistent surplus capacity means it is impossible to rule out a further decline in prices, which would impact negatively on our earnings performance.

Risk could also result from the continuing uncertainty on the financial markets in the face of high sovereign debt levels in a number of European countries, potentially resulting in increased borrowing costs for customer industries, combined with a further decrease in capital investment. Furthermore, economic recovery in Europe and the USA could turn out to be weaker than generally expected. Like other companies, Klöckner & Co is acting with heightened caution in light of the above and reacting quickly to changes in expectations regarding the economic environment.

We are relatively optimistic about the Americas segment on account of developments in the USA, including the reindustrialization anticipated as a result of low energy costs. However, the fiscal and budget issues which have not yet been resolved for the long term could still have a dampening effect on the economy.

In summary, the Management Board is confident that the systems for managing risks and opportunities in the Klöckner & Co Group are working well. Sufficient allowance has been made and adequate provisions recognized – including third-party guarantees – to cover all risks identifiable at the time of preparing the financial statements and required to be accounted for. Steps have been taken as necessary to cushion the impact of impending market risks. Given the current financing structure, no liquidity shortfalls are to be expected. There are no identifiable risks that raise doubt about the Company's ability to continue as a going concern.

Outlook

The trend in steel demand was once again unsatisfactory in the first nine months of 2013, primarily in Europe but also in the USA. This mainly reflected the ongoing construction industry crisis in large parts of Europe, fears in connection with a repeat of the European debt crisis, and investment restraint in response to the budget dispute in the USA. Despite the recently observed slight pickup in demand, both in the USA and in Europe, we continue to expect steel demand to decline in Europe by up to 5%, whereas we anticipate growth of up to 1% at best in the USA. In the years ahead, however, US steel demand ought to benefit tangibly from the general economic recovery, the shale gas boom and the resulting return of energy-intensive industries.

We expect the restructuring measures to have an increasing effect in the fourth quarter. Operating income (EBITDA) should therefore reach around €30 million before restructuring expenses in the final quarter of the year, despite the usual seasonal fall in demand in December. Accordingly, we confirm the forecast for full-year EBITDA before restructuring expenses of some €140 million. Net income will improve by more than €100 million, but will still be a high double digit negative amount.

Of the planned incremental €65 million contribution to EBITDA by the restructuring program for the current year, €43 million has already been achieved after nine months. For next year, we expect that once the program has been completed at the end of the year, it will make an effective contribution of an additional €45 million. Owing to the continued unsatisfactory earnings situation in Europe, we introduced further improvement measures in the reporting period as part of the KCO WIN program, to improve earnings in the short term. The action plan, which focuses on improving sales efficiency, is to contribute around €20 million to EBITDA in the next year alone. The program's full annual contribution to EBITDA of around €50 million will then be realized for the first time in 2015. The Group holding company will also once again be subjected to resizing as part of the program.

The majority of the expected restructuring expenses of around €25 million for the current year will be incurred in the final quarter. Despite this effect, we confirm our full-year target for 2013 of once again attaining a positive free cash flow with a corresponding further reduction in net financial debt.

Thanks to the completion of our restructuring measures as of year-end as well as the additional contribution to earnings from our improvement measures, we are able to generate a positive pretax result again next year from our own resources, i.e., even if the generally expected recovery of the steel markets fails to materialize. On this basis, we expect to be once again in a position to pay dividends.

Duisburg, November 6, 2013

Klöckner & Co SE

The Management Board

KLÖCKNER & CO SHARE

Klöckner & Co share: Key data

ISIN DE000KC01000 – German Securities Code (WKN) KC0100
Stock exchange symbol: KCO
Bloomberg: KCO GR
Reuters Xetra: KCOGn.DE
MDAX® listing since January 29, 2007

Share price performance

Klöckner & Co shares outperformed the European steel industry index in the first quarter of 2013. In the second and early on in the third quarter, however, they were unable to decouple from the weak price performance being turned in by steel stocks and, in July, fell to €8.16, their lowest level thus far this year. As the third quarter progressed, the outlook for the steel industry improved and the progress made on the restructuring program met with a positive response from investors. The third quarter consequently saw the shares climb again, thereby outperforming the European steel industry index again.

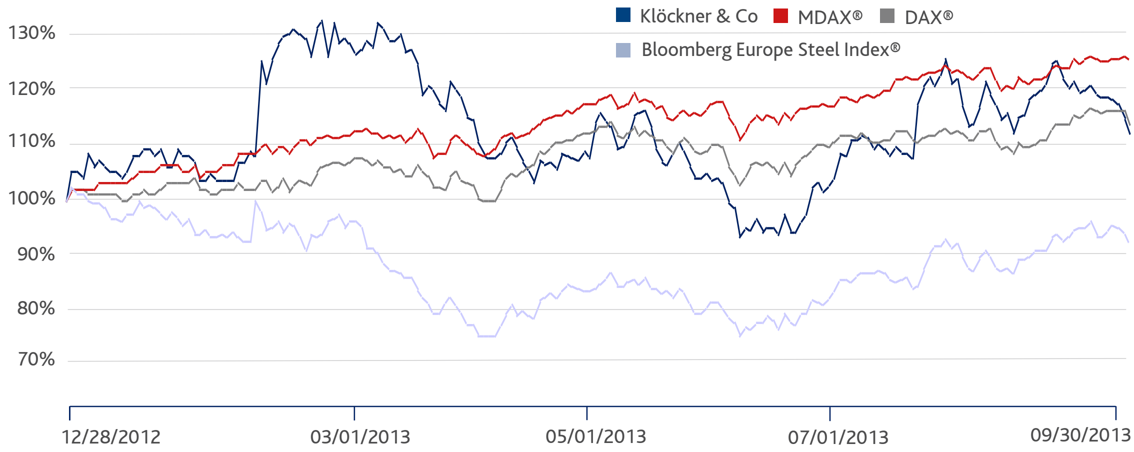
At the end of September, Klöckner & Co shares were trading at €9.99, an increase of around 11% on the 2012 closing price. In the same period, the DAX® gained around 13% and the MDAX® as much as 26%, while the steel industry index lost around 9%.

The average daily trading volume in Klöckner & Co shares during the third quarter was around €5.2 million per day, a significant decrease on the first half of the year (around €6.8 million per day). Klöckner & Co shares therefore ranked 25th on trading volume in Deutsche Börse AG's ranking for MDAX® stocks in October.

Key data – Klöckner & Co share

		Q3 2013	Jan. 1 – Sep. 30, 2013	Q3 2012
Number of shares	in shares	**99,750,000**	99,750,000	99,750,000
Closing price (Xetra, Close)	€	**9.99**	9.99	7.46
Market capitalization	€ million	**997**	997	744
High (Xetra, Close)	€	**10.90**	11.53	8.79
Low (Xetra, Close)	€	**8.16**	8.16	6.62
Average daily trading volume	in shares	**533,339**	688,912	1,028,034

Performance Klöckner & Co share in comparison to DAX®, MDAX® and Bloomberg Europe Steel Index® *(values indexed)*



Ownership structure

At the time of preparation, our largest shareholders were, with a shareholding of between 5% and 10%, Interfer Holding GmbH, and with shareholdings of between 3% and 5% each, Franklin Templeton Investments Corp., Dimensional Holdings Inc./Dimensional Fund Advisors LP and Templeton Investment Counsel, LLC. At the present time, we have received no notification that any other shareholder has exceeded or fallen below the statutory notification thresholds. Based on Deutsche Börse AG's definition, the free float therefore stands at 92.2% due to the shares held by Interfer.

Capital market communications

Besides reporting to shareholders at the Annual General Meeting, the management and members of the IR team of Klöckner & Co SE provided interested capital market participants with information on the Group's results and strategy at eleven roadshows and 14 conferences in Germany and internationally, as well as during additional one-on-one discussions from the first through the third quarter of 2013. Discussions with investors focused primarily on the full-year and quarterly results, the progress of the ongoing restructuring measures and the changes in the ownership structure.

In the first nine months, Klöckner & Co was covered by 31 banks and securities houses in over 120 research reports. As of the end of September, 14 of the securities houses rated Klöckner & Co shares a "buy". Twelve gave a "hold" recommendation and five rated Klöckner & Co shares a "sell".

Klöckner & Co also provides information on current Group developments at all times in the Investors section of the corporate website, www.kloeckner.com/en/investors.php. This includes information on our convertible bonds, financial reports, the financial calendar and corporate governance together with current data on share and convertible bond performance. Shareholders and other interested individuals can also sign up for our newsletter at ir@kloeckner.com.

The Investor Relations team looks forward to your questions and suggestions.

KLÖCKNER & CO SE

Consolidated statement of income for the nine-month period ending September 30, 2013

(€ thousand)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	Q3 2013	Q3 2012*)
Sales	**4,922,357**	5,755,284	**1,599,890**	1,846,527
Other operating income	**22,348**	23,610	**3,157**	7,580
Change in inventory	**3,154**	–1,867	**2,847**	–987
Cost of materials	**–4,021,931**	–4,764,224	**–1,306,880**	–1,539,798
Personnel expenses	**–426,243**	–479,928	**–133,768**	–154,799
Depreciation and amortization	**–78,432**	–110,534	**–26,058**	–27,526
thereof impairment losses	-	*–29,614*	-	-
Other operating expenses	**–391,393**	–437,949	**–128,802**	–140,307
Operating result	**29,860**	**–15,608**	**10,386**	**–9,310**
Income from investments	-	**125**	-	-
Finance income	**1,694**	11,991	**539**	1,766
Finance expenses	**–57,867**	–78,065	**–19,075**	–23,950
Financial result	**–56,173**	**–66,074**	**–18,536**	**–22,184**
Income before taxes	**–26,313**	**–81,557**	**–8,150**	**–31,494**
Income taxes	**–4,718**	1,968	**–3,208**	2,606
Net income	**–31,031**	**–79,589**	**–11,358**	**–28,888**
thereof attributable to				
– shareholders of Klöckner & Co SE	***–30,758***	*–78,268*	**–11,350**	–28,282
– non–controlling interests	***–273***	*–1,321*	**–8**	–606
Earnings per share (€/share)				
– basic	**–0.31**	**–0.78**	**–0.11**	**–0.28**
– diluted	**–0.31**	**–0.78**	**–0.11**	**–0.28**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

KLÖCKNER & CO SE

Statement of comprehensive income for the nine-month period ending September 30, 2013

(€ thousand)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	Q3 2013	Q3 2012*)
Net income	**–31,031**	**–79,589**	**–11,358**	**–28,888**
Other comprehensive income not reclassifiable				
Actuarial gains and losses (IAS 19)	69,689	–66,488	17,474	–27,886
Related income tax	–14,830	10,798	–1,923	4,487
Total	**54,859**	**–55,690**	**15,551**	**–23,399**
Other comprehensive income reclassifiable				
Foreign currency translation	–15,486	–1,811	–7,285	–9,984
Gain/loss from net investment hedges	–2,311	–3,187	–277	–1,689
Gain/loss from cash flow hedges	4,619	1,713	1,154	548
Reclassification to profit and loss due to sale of foreign subsidiaries	–15	-	-	-
Related income tax	–977	356	–202	440
Total	**–14,170**	**–2,929**	**–6,610**	**–10,685**
Other comprehensive income	**40,689**	**–58,619**	**8,941**	**–34,084**
Total comprehensive income	**9,658**	**–138,208**	**–2,417**	**–62,972**
thereof attributable to				
– shareholders of Klöckner & Co SE	*11,117*	*–135,593*	*–1,933*	*–62,085*
– non–controlling interests	*–1,459*	*–2,615*	*–484*	*–887*

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

KLÖCKNER & CO SE

Consolidated statement of financial position as of September 30, 2013

Assets

(€ thousand)	Sep. 30, 2013	Dec. 31, 2012*)	Jan. 1, 2012*)
Long–term assets			
Intangible assets	**414,809**	461,237	559,874
Property, plant and equipment	**587,698**	605,773	639,481
Investment property	**10,486**	10,486	10,486
Financial assets	**1,931**	2,415	2,664
Other assets	**11,268**	11,680	13,748
Deferred tax assets	**12,435**	14,824	69,440
Total non–current assets	**1,038,627**	**1,106,415**	**1,295,693**
Current assets			
Inventories	**1,167,830**	1,253,989	1,362,191
Trade receivables	**842,531**	786,504	921,758
Current income tax receivable	**9,238**	11,466	31,899
Other assets	**90,389**	97,535	105,203
Cash & Cash equivalents	**559,103**	610,215	986,632
Assets held for sale	**4,176**	13,462	3,610
Total current assets	**2,673,267**	**2,773,171**	**3,411,293**
Total assets	**3,711,894**	**3,879,586**	**4,706,986**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

Equity and liabilities

(€ thousand)	Sep. 30, 2013	Dec. 31, 2012*)	Jan. 1, 2012*)
Equity			
Subscribed capital	**249,375**	249,375	249,375
Capital reserves	**900,759**	900,759	900,759
Retained earnings	**321,550**	368,376	568,803
Accumulated other comprehensive income	**19,064**	−38,879	16,867
Equity attributable to shareholders of Klöckner & Co SE	**1,490,748**	**1,479,631**	**1,735,804**
Non–controlling interests	**21,281**	22,740	28,345
Total equity	**1,512,029**	**1,502,371**	**1,764,149**
Non–current liabilities and provisions			
Provisions for pensions and similar obligations	**238,060**	317,599	268,006
Other provisions and accrued liabilities	**17,161**	29,769	29,060
Financial liabilities	**791,612**	913,762	1,067,862
Other liabilities	**34,300**	47,221	85,077
Deferred tax liabilities	**93,159**	74,568	155,470
Total non–current liabilities	**1,174,292**	**1,382,919**	**1,605,475**
Current liabilities			
Other provisions and accrued liabilities	**126,608**	140,378	114,091
Income tax liabilities	**3,851**	29,999	19,014
Financial liabilities	**219,237**	110,284	377,327
Trade payables	**605,402**	633,523	749,816
Other liabilities	**70,475**	76,314	77,114
Liabilities associated with assets held for sale	**-**	3,798	-
Total current liabilities	**1,025,573**	**994,296**	**1,337,362**
Total liabilities	**2,199,865**	**2,377,215**	**2,942,837**
Total equity and liabilities	**3,711,894**	**3,879,586**	**4,706,986**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

KLÖCKNER & CO SE

Consolidated statement of cash flows for the nine-month period ending September 30, 2013

(€ thousand)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)	3. Quartal 2013	3. Quartal 2012
Net income	– 31,031	–79,589	– 11,358	–28,888
Income taxes	4,718	–1,968	3,208	–2,606
Financial result	56,173	66,074	18,536	22,184
Depreciation and amortization	78,432	110,534	26,058	27,526
Other non–cash expenses/income	– 5,719	–3,493	– 4,868	–475
Gain on disposal of non–current assets	– 1,270	–623	– 181	–171
Change in net working capital				
Inventories	70,519	6,808	17,265	92,932
Trade receivables	– 65,536	–108,638	111,790	109,496
Trade payables	– 20,810	–28,996	– 92,808	–200,722
Change in other operating assets and liabilities	– 27,601	–2,061	– 11,498	–3,068
Interest paid	– 39,217	–46,193	– 3,620	–13,246
Interest received	2,681	7,718	468	1,474
Income taxes paid	– 23,903	–5,197	– 8,576	–4,601
Cash flow from operating activities	**– 2,564**	**–85,624**	**44,416**	**–165**
Proceeds from the sale of non–current assets and assets held for sale	3,864	5,834	409	1,748
Proceeds from the sale of consolidated subsidiaries	6,705	3,334	-	-
Payments for intangible assets, property, plant and equipment	– 35,302	–26,808	– 11,142	–12,177
Cash flow from investing activities	**– 24,733**	**–17,640**	**– 10,733**	**–10,429**
Dividend payments to non–controlling interests	-	–980	-	–980
Net change of financial liabilities	– 21,312	–226,406	– 44,282	–304,558
Cash flow from financing activities	**– 21,312**	**–227,386**	**– 44,282**	**–305,538**
Changes in cash and cash equivalents	**– 48,609**	**–330,650**	**– 10,599**	**–316,132**
Effect of foreign exchange rates on cash and cash equivalents	– 2,503	–415	– 642	–2,050
Cash and cash equivalents at the beginning of the period	610,215	986,632	570,344	973,749
Cash and cash equivalents at the end of the reporting period as per statement of financial position	**559,103**	**655,567**	**559,103**	**655,567**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

KLÖCKNER & CO SE

Summary of changes in equity

(€ thousand)	Subscribed capital of Klöckner & Co SE	Capital reserves of Klöckner & Co SE	Retained earnings
Balance as of January 1, 2012	**249,375**	**900,759**	**568,803**
Initial application of IAS 19R*)			
Balance as of January 1, 2012 as restated for effects of IAS 19R	**249,375**	**900,759**	**568,803**
Other comprehensive income			
Foreign currency translation			
Gain/loss from net investment hedges			
Gain/loss from cash flow hedges			
Actuarial gains and losses (IAS 19)			
Related income tax			
Other comprehensive income			
Net income			–78,268
Total comprehensive income			
Dividends			
As of September 30, 2012	**249,375**	**900,759**	**490,535**
As of January 1, 2013	**249,375**	**900,759**	**368,376**
Other comprehensive income			
Foreign currency translation			
Gain/loss from net investment hedges			
Gain/loss from cash flow hedges			
Actuarial gains and losses (IAS 19)			
Reclassification pursuant to IAS 1.122			–16,068
Related income tax			
Reclassification to profit and loss due to sale of foreign subsidiaries			
Other comprehensive income			
Net income			–30,758
Total comprehensive income			
Balance as of September 30, 2013	**249,375**	**900,759**	**321,550**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

	Accumulated other comprehensive income					
	Currency translation adjustment	Actuarial gains and losses (IAS 19)	Fair value adjustments of financial instruments	Equity attributable to shareholders of Klöckner & Co SE	Non-controlling interests	Total
	101,393		−5,594	1,814,736	28,503	1,843,239
		−78,932		−78,932	−158	−79,090
	101,393	−78,932	−5,594	1,735,804	28,345	1,764,149
	−679			−679	−1,132	−1,811
			−3,187	−3,187		−3,187
			1,713	1,713		1,713
		−66,326		−66,326	−162	−66,488
		10,798	356	11,154		11,154
				−57,325	−1,294	−58,619
				−78,268	−1,321	−79,589
				−135,593	−2,615	−138,208
					−980	−980
	100,714	−134,460	−6,712	1,600,211	24,750	1,624,961
	93,945	−127,267	−5,557	1,479,631	22,740	1,502,371
	−14,263			−14,263	−1,223	−15,486
			−2,311	−2,311		−2,311
			4,619	4,619		4,619
		69,652		69,652	37	69,689
		16,068				
		−14,830	−977	−15,807		−15,807
	−15			−15		−15
				41,875	−1,186	40,689
				−30,758	−273	−31,031
				11,117	−1,459	9,658
	79,667	−56,377	−4,226	1,490,748	21,281	1,512,029

Selected explanatory notes to the interim consolidated financial statements of Klöckner & Co SE for the nine-month period ending September 30, 2013

(1) Basis of presentation

The condensed interim consolidated financial statements of Klöckner & Co SE for the nine-month period ending September 30, 2013 were prepared for the interim presentation in accordance with Sec. 37x para. 3 WpHG in connection with Sec. 37w, para. 2 no. 1 and 2, para. 3 and para. 4 WpHG as well as International Financial Reporting Standards (IFRS) and the respective interpretations issued by the International Accounting Standards Board (IASB) as adopted for use within the EU.

The interim consolidated financial statements were not reviewed by an independent auditor.

Except for the changes discussed in note 2 below, the accounting policies applied to the interim financial statements as of September 30, 2013 are generally consistent with those used for the consolidated financial statements of Klöckner & Co SE as of December 31, 2012 under consideration of the IAS 34 regulations (Interim Financial Reporting). A detailed description of those policies is provided in the notes to the consolidated financial statements on pages 83 to 95 of the 2012 Annual Report. In contrast to the previous year, value changes in the underlying transactions in net investment hedges are offset against the changes in the value of the hedging instruments. The comparative figures were adjusted accordingly.

As part of the preparation of an interim consolidated financial statement in accordance with the IAS 34 for the period ending September 30, 2013, Klöckner & Co SE's management is required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual amounts can differ from these estimates.

In the opinion of the Management Board, the interim consolidated financial statements reflect all adjustments deemed necessary to provide a true and fair view of the results. The results for the period ending September 30, 2013 are not necessarily indicative of future results.

The present interim consolidated financial statements for the nine-month period ending September 30, 2013 were authorized for issuance by the Management Board after discussion with the Audit Committee of the Supervisory Board on November 6, 2013. Unless otherwise indicated, all amounts are stated in million euros (€ million). Discrepancies to the unrounded figures may arise.

(2) New accounting standards and interpretations

In the fiscal year 2013, Klöckner & Co initially applied IAS 19 rev. 2011 (Employee Benefits) and IFRS 13 (Fair Value Measurement) as well as changes to IAS 1 (Presentation of Financial Statements).

IFRS 13 serves as a guideline for fair value measurement and thus replaces the regulations of various standards by one single standard. In addition, additional disclosures must be made. The standard does not have a significant impact on Klöckner & Co SE's consolidated financial statements.

IAS 1 requires separate subtotals for recyclable and non-recyclable items in the presentation of the statement of comprehensive income. These changes were applied accordingly.

With the introducton of IAS 19 rev. 2011 (Employee Benefits), the application of the corridor method allowing delayed recognition of actuarial gains and losses is no longer acceptable. Such changes of pension-related assets and obligations including the effect of changes in the assumptions are now to be recognized in other comprehensive income not affecting profit and loss.

The revised standard had the following impact on the Group's financial statements:

(€ thousand)	As previously reported	Initial application of IAS 19R	As restated after inital application of IAS 19R
Balance as of January 1, 2012			
Other assets	37,955	–24,207	**13,748**
Deferred tax assets	44,092	25,348	**69,440**
Provisions for pensions and similar obligations	182,745	85,261	**268,006**
Deferred tax liabilities	160,500	–5,030	**155,470**
Equity attributable to shareholders of Klöckner & Co SE	**1,814,736**	**–78,932**	**1,735,804**
Total equity	**1,843,239**	**–79,090**	**1,764,149**
Balance as of September 30, 2012			
Other assets	40,120	–26,695	**13,425**
Deferred tax assets	34,561	4,015	**38,576**
Provisions for pensions and similar obligations	180,121	153,719	**333,840**
Deferred tax liabilities	129,324	–38,002	**91,322**
Equity attributable to shareholders of Klöckner & Co SE	1,738,302	–138,091	**1,600,211**
Total equity	1,763,358	–138,397	**1,624,961**
Personnel expenses	–478,441	–1,487	**–479,928**
Financial result	–63,457	–2,617	**–66,074**
Income taxes	1,202	766	**1,968**
Net income attributable to shareholders of Klöckner & Co SE	**–74,915**	**–3,353**	**–78,268**
Net income	**–76,251**	**–3,338**	**–79,589**
Earnings per share (€/share)			
– basic	–0.75	–0.03	**–0.78**
– diluted	–0.75	–0.03	**–0.78**
Balance as of December 31, 2012			
Other assets	40,717	–29,037	**11,680**
Deferred tax assets	11,415	3,409	**14,824**
Provisions for pensions and similar obligations	176,699	140,900	**317,599**
Deferred tax liabilities	108,697	–34,129	**74,568**
Equity attributable to shareholders of Klöckner & Co SE	1,611,758	–132,127	**1,479,631**
Total equity	1,634,770	–132,399	**1,502,371**
Personnel expenses	–657,268	–1,990	**–659,258**
Financial result	–75,650	–4,133	**–79,783**
Income taxes	–19,060	1,010	**–18,050**
Net income attributable to shareholders of Klöckner & Co SE	**–194,876**	**–5,133**	**–200,009**
Net income	**–197,579**	**–5,113**	**–202,692**
Earnings per share (€/share)			
– basic	–1.95	–0.05	**–2.00**
– diluted	–1.95	–0.05	**–2.00**

Without the application of the revised standard the net loss for the first nine months in 2013 would have been lower by €3.4 million.

On March 29, 2013 and on May 21, 2013, respectively, the IASB published the changes to IAS 36 (Impairment of Assets) and interpretation IFRIC 21 (Levies), for which the EU endorsement is pending.

The changes to IAS 36 cancel disclosure requirements introduced with IFRS 13 relating to the fair values of cash generating units. IFRIC 21 governs recognition of levies, which are applied disproportionally within a year or if certain limits are exceeded, e.g. sales thresholds, and which are not covered by IAS 12 (Income Taxes). The changes of IAS 36 and IFRIC 21 must be applied to fiscal years beginning on or after January 1, 2014. Klöckner is currently evaluating the effects on the consolidated financial statements.

(3) Earnings per share

Earnings per share are calculated by dividing net income of the interim period attributable to shareholders by the weighted average number of shares outstanding during the period. In accordance with IAS 33.41, 13,364 thousand dilutive potential shares of the convertible bonds (2012: 18,447 thousand shares) were not included in the computation of diluted earnings per share as the quarterly result would be increased.

		Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)
Net income attributable to shareholders of Klöckner & Co SE	(€ thousand)	−30,758	−78,268
Weighted average number of shares	(thousands of shares)	99,750	99,750
Basic earnings per share	**(€/share)**	**−0.31**	**−0.78**
Diluted earnings per share	**(€/share)**	**−0.31**	**−0.78**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

(4) Inventories

(€ million)	Sep. 30, 2013	Dec. 31, 2012
Cost	1,208.4	1,298.0
Valuation allowance (net realizable value)	−40.6	−44.0
Inventories	**1,167.8**	**1,254.0**

(5) Financial liabilities

(€ million)	Sep. 30, 2013	Dec. 31, 2012
Non–current financial liabilities		
Bonds	167.9	250.2
Liabilities to banks	229.1	235.4
Promissory notes	204.9	266.9
Liabilities under ABS programs	189.0	159.7
Finance lease liabilities	0.7	1.5
	791.6	913.7
Current financial liabilities		
Bonds	102.5	12.4
Liabilities to banks	48.6	16.9
Promissory notes	66.6	79.6
Liabilities under ABS programs	0.4	0.3
Finance lease liabilities	1.1	1.1
	219.2	110.3
Financial liabilities as per consolidated balance sheet	1,010.8	1,024.0

Net financial debt developed as follows:

(€ million)	Sep. 30, 2013	Dec. 31, 2012
Financial liabilities as per consolidated balance sheet	1,010.8	1,024.0
Transaction costs	10.6	8.9
Gross financial liabilities	1,021.4	1,032.9
Cash and cash equivalents*)	–559.1	–611.0
Net financial debt Klöckner & Co Group	462.3	421.9

*) December 31, 2012: Including net cash balances stated as "Assets held for sale".

In April and May 2013, the European ABS program with a volume of €360 million as well as the syndicated loan now likewise showing a base volume of €360 million, were extended until May 2016.

(6) Subsequent events

There were no events after the end of the reporting period which would require disclosure in the interim consolidated financial statements.

(7) Related party transactions

Within the framework of its ordinary business activities, the Klöckner & Co Group has business relationships with numerous companies. These also include related parties that were accounted for at cost. Business relations with these companies do not fundamentally differ from trade relationships with other companies. No material transactions were conducted with any of these companies in the reporting period.

Certain members of the Supervisory Board were or are members of the Supervisory Board or Management Board of other entities. Klöckner & Co holds business relations to certain of such entities. Business with such entities is transacted at arm's length.

(8) Segment reporting

	Europe		Americas		Headquarters/ Consolidation		Total	
(€ million)	9M 2013	9M 2012*)	9M 2013	9M 2012*)	9M 2013	9M 2012*)	9M 2013	9M 2012*)
Segment sales	**3,083.7**	3,609.5	**1,838.6**	2,145.8	**-**	-	**4,922.3**	5,755.3
EBITDA (segment result)	**67.8**	49.9	**58.5**	63.6	**– 18.0**	– 18.4	**108.3**	95.1
EBIT	**32.2**	4.5	**17.9**	0.3	**– 20.2**	– 20.3	**29.9**	– 15.5
Net working capital as of September 30, 2013 (December 31, 2012)	**856.6**	825.5	**544.3**	579.1	**4.0**	2.4	**1,404.9**	1,407.0
Employees as of September 30, 2013 (December 31, 2012)	**7,022**	7,672	**2,644**	2,815	**110**	108	**9,776**	10,595

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

Reconciliation of EBIT to income before taxes:

(€ million)	Jan. 1 – Sep. 30, 2013	Jan. 1 – Sep. 30, 2012*)
Earnings before interest and taxes (EBIT)	**29.9**	–15.5
Financial result	**–56.2**	–66.1
Income before taxes	**–26.3**	**–81.6**

*) Comparative amounts for 2012 restated due to the first-time adoption of IAS 19 rev. 2011. Further information can be taken from note 2 to the financial statements.

Duisburg, November 6, 2013

Klöckner & Co SE

Management Board

FINANCIAL CALENDAR

March 6, 2014	Annual Financial Statement 2013 Conference call with journalists Conference call with analysts
May 8, 2014	Q1 interim report 2014 Conference call with journalists Conference call with analysts
May 23, 2014	Annual General Meeting 2014, Düsseldorf
August 7, 2014	Q2 interim report 2014 Conference call with journalists Conference call with analysts
November 6, 2014	Q3 interim report 2014 Conference call with journalists Conference call with analysts

Subject to subsequent changes

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Disclaimer

This Report (particularly the “Forecast” section) contains forward-looking statements that are based on the current estimates of the Klöckner & Co SE management with respect to future developments. They are generally identified by the words “expect”, “anticipate”, “assume”, “intend”, “estimate”, “target”, “aim”, “plan”, “will”, “endeavor”, “outlook” and comparable expressions and include generally any information that relates to expectations or targets for economic conditions, sales or other performance measures.

Forward-looking statements are based on current plans, estimates and projections. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Klöckner & Co’s control. Among the relevant factors are the impacts of important strategic and operating initiatives, including the acquisition or disposal of companies. If these or other risks or uncertainties materialize, or if the assumptions underlying any of the statements prove incorrect, Klöckner & Co’s actual results may be materially different from those stated or implied by such statements. Klöckner & Co SE can offer no assurance that its expectations or targets will be achieved.

Without prejudice to existing legal obligations, Klöckner & Co SE does not assume any obligation to update forward-looking statements to take information or future events into account or otherwise. In addition to the figures prepared in line with IFRS or HGB (Handelsgesetzbuch – German Commercial Code), Klöckner & Co SE presents non-GAAP financial performance measures, e.g. EBITDA, EBIT, net working capital and net financial debt.

These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS or HGB. Non-GAAP measures are not subject to IFRS or HGB or to other generally accepted accounting principles. Other companies may define these terms in different ways.

There may be rounding differences in the percentages and figures in this report.

This English version of the interim report is a courtesy translation of the original German version; in the event of variances, the German version shall prevail over the English translation.