

The Macsteel Group has been evaluating various opportunities over the past 3 years in particular, mostly in the USA. We have looked at a number of potential acquisitions, and in the course of this activity, we were approached by Klöckner & CO of Germany.

It became clear that there are substantial benefits to be had in combining the activities of Macsteel Service Centers USA Inc and those of the Klöckner Group in the USA (trading as Namasco). Discussions have resulted in the proposed transaction outlined in the attached announcement.

This is of course a big step for us, but we are convinced that it will be for the substantial benefits of all our stakeholders, be they employees, management, customers, suppliers or shareholders. The prospects are tremendous.

In addition to his duties in the USA, Michael Hoffman's Macsteel Group positions will remain unchanged, as will my own.

We wish all colleagues in the USA and Klöckner every success in the future.

ERIC SAMSON
Founder and Co-Chairman
Macsteel Global B.V.