

PRESS RELEASE



KME SIGNED AN AGREEMENT TO TAKE OVER MKM

Osnabrück — July 7, 2018.

KME AG (“KME”), one of the leading player in the European copper and copper alloy semifinished product industry, informs that it has reached an agreement with European Acquisition Midco Limited for the acquisition of 100% indirect interest in MKM Mansfelder Kupfer und Messing GmbH (“MKM”), another major player in the relevant market. The aim of the transaction is to strengthen the performances of both companies through the implementation of synergies. The future strategy will be focused on differentiating each of the relevant plants based on its specific production strengths.

The agreed Purchase Price is € 80 million plus a participation of the Seller in the future value creation of the combined entity. The Purchase Price will be financed by group own resources and ongoing divestments of assets. The closing of the transaction is subject to certain conditions precedent, such as merger control clearance by relevant antitrust authorities. In this respect, KME and MKM already filed into the relevant EU Commission on June 4, in advance of the signing of the agreement. MKM is based in Hettstedt, eastern Germany, with around 1.100 employees. The turnover of the company of around € 1 bn is dedicated to copper based rolled products, tubes, copper rods and wire rods. After the transaction, the entity will combine a turnover of around € 3 bn, with around 4.900 employees.