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Press release issued by SCHMOLZ+BICKENBACH AG, 5 August 2013

SCHMOLZ+BICKENBACH AG's Board of Directors unanimously rejects Renova's takeover offer

The Renova/S+B KG Group is offering CHF 2.85 per share, even though a fairness opinion puts the fair value at between CHF 3.95 and CHF 5.70 per share

The Board of Directors of SCHMOLZ+BICKENBACH AG and the independent committee it set up to evaluate the offer have unanimously decided to recommend that the company's shareholders reject the takeover offer made by the Renova/S+B KG Group on 12 July 2013. This decision is based in large part on the result of the fairness opinion prepared by Bank J. Safra Sarasin, which showed that the price per share of CHF 2.85 offered by the Renova/S+B KG Group is not appropriate to the actual value of the company. According to Bank J. Safra Sarasin's calculations, which use several different valuation methods and analyses, a financially appropriate value would be somewhere within the range of CHF 3.95 to CHF 5.70 per share. The price of CHF 2.85 offered by the Renova/S+B KG Group is also lower than the current stock market price and the stock market price on any day since the takeover offer was announced. This confirms that the offer does not correspond to the actual value and potential of SCHMOLZ+BICKENBACH AG. The reason why the offer has been made at such an inappropriately low price is that Renova, as stated in its offer prospectus, does not actually intend to make a full takeover of the company.

Gebuka AG, Neuheim, which as the second largest shareholder in SCHMOLZ+BICKENBACH AG holds 6% of voting rights in the company, has already informed the Board of Directors that it will not accept the offer.

Uncertainty about Renova's future exercise of control

As the Board of Directors goes on to say in its report on the takeover offer, the acquisition of a 20.46% stake by Renova on 28 June 2013, followed by another 4.83% - giving Renova 25.29% of all shares – in conjunction with the shareholder agreement with the founder families, which hold 15.17%, has created a new control situation. In this situation there is a danger that increasing uncertainty among the funding banks, suppliers and business partners could destabilize the company. As already communicated, this has prompted the Board of Directors to conclude an agreement with the Renova/S+B KG Group in order to ensure an orderly assumption of control by the Renova/S+B KG Group, as well as to ensure that the company gets the capital increase it needs. However, the Board of Directors did not commit itself to either recommending the takeover offer or taking a neutral stance.

In its report, the Board of Directors advised public shareholders that the transactions mentioned and the shareholders' agreement would make Renova/S+B KG Group the company's controlling shareholder group and that Renova could and would exert a decisive influence over the fate of the company. Given the company's existing shareholder structure, it is likely that Renova will control general meeting resolutions and, in particular, the composition of the Board of Directors and the decisions it makes.

Little is known about Renova's precise intentions with regard to exercising this control. In particular it is uncertain whether and in what way the strategic reorientation initiated by the company will be implemented, and especially what plans the new main shareholder has with regard to the Distribution Germany department. Renova has already announced that the Board of Directors should in future have seven members. Five candidates have already been announced, and two will apparently be proposed later. The current Board of Directors has fixed the date of 13 September 2013 for an extraordinary general meeting at which a new Board of Directors should be elected.

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About SCHMOLZ+BICKENBACH
SCHMOLZ+BICKENBACH was established in 1919 in Dusseldorf by Arthur Schmolz and Oswald Bickenbach. Since 1937 the company bearing their names has been a synonym for tradition in steel. Since the acquisition of the former Swiss Steel AG in 2003, SCHMOLZ+BICKENBACH has been listed on the SIX Swiss Exchange (STLN). Today, the SCHMOLZ+BICKENBACH Group is one of the world's largest manufacturers, processors and distributors of special-steel long products. The Group has a total of approximately 10 000 employees. SCHMOLZ+BICKENBACH is one of the leading producers of stainless long steels as well as tool steels, and is one of the ten largest companies for alloy and high-alloy special and engineering steels.

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