



KROMI Logistik AG concludes extensive strategic alliance with the IMC Group

Hamburg, June 17, 2009 – KROMI Logistik AG ("KROMI") has concluded an extensive strategic alliance with the global cutting tools manufacturer, the IMC Group ("IMC"). Being one of the world's largest carbide cutting tool manufacturers for the global metal removal industry, IMC will also make a capital investment in KROMI through which it will acquire an equity participation in KROMI. Corresponding agreements were signed today.

The IMC Group, which is 80% owned by Berkshire Hathaway and with the remaining 20% being owned by the Wertheimer family, operates in over 65 countries through well-known cutting tool manufacturers which are all residing under its roof. These include Iscar, Ingersoll, Tungaloy, TaeguTec and other IMC satellite niche companies such as IT.TE.DI., Unitac, UOP, Wertec and others.

To strengthen its position amongst customers with whom IMC cooperates in tool management projects, and to facilitate provision of professional and first-rate service for such customers, IMC has decided to tighten hands with KROMI. This cooperation constitutes also a significant boost for KROMI, one of the leading providers for the end-to-end supply of machining tools, thereby reinforcing its international strategy.

Under this strategic alliance, KROMI will continue to operate manufacturer independently, under the same utmost standards by which it has been guided thus far, and with a view to continue providing its customers with a broad range of tools from all reputed and first-class manufacturers. At the same time, both partners' customers will benefit from the focus on their respective core competences.

To allow both of the companies to jointly participate in the success of this cooperation, and as a reflection of its aspiration for a long-term strategic alliance with KROMI, IMC makes a capital investment in KROMI. In this regard, KROMI will avail of the existing authorization for a cash capital increase, excluding shareholders' subscription rights, and will issue for IMC a total of 374,900 new shares. IMC will acquire these shares, at a placement price of EUR 10.00 per share, upon conclusion of which acquisition its interest in KROMI will consist of a total of 9.09%. The capital increase is expected to generate additional funds of around EUR 3.75 million for KROMI. This will finance the expansion of the anticipated additional business.

**Ad hoc disclosure within the meaning of
Section 15 of the Wertpapierhandelsgesetz
(WpHG – German Securities Trading Act)**



Issuer:

KROMI Logistik AG

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22419 Hamburg, Germany

ISIN: DE000AoKFUJ5

German Securities Code Number (WKN): AoKFUJ

Exchanges: Regulated Market in Frankfurt (Prime Standard); OTC in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart

⟨End of ad hoc disclosure⟩

Explanation

Assuming IMC's tool management projects by KROMI provides significant confirmation for KROMI that its business model is a success. "We are very pleased that IMC has chosen us, because our concept is of end-to-end tool supply that is independent of a specific manufacturer leads the market. One of the most important tool manufacturers is giving its tool management activities to us – and that really is a crowning glory," commented Jörg Schubert, KROMI Logistik AG's CEO. "A constant supply of tools from various manufacturers and optimizing these tools and production processes are key factors for the manufacturing sector – and there is only one business model that can guarantee this kind of end-to-end supply. And that's ours." he added. "That is why we are a key partner for the IMC Group."

The IMC Group also has a very positive view of the strategic alliance: "KROMI is the ideal partner for IMC, as we both aim to boost our customers' productivity and efficiency," explained Jacob Harpaz, the IMC Group's President and CEO. "As a part of our commitment to deliver real value to our customers through provision of our innovative and market-leading products, we are confident that partnering with KROMI will facilitate guaranteeing provision of professional, dedicated and first-rate services also to our tool-management customers", he added.

IMC Group profile

The IMC Group focuses on developing, producing and selling cutting tools for the global metal removal industry. As a global end-to-end provider, it offers innovative and leading solutions for all branches of industry, through provision of all standard and special cutting tools and tooling solutions, as such are needed over the entire spectrum of users and customers over the world. The IMC Group is one of the world's largest manufacturers and suppliers of carbide cutting tools for the metal removal industry, with a double-digit annual growth, and with a remarkable rise in market share. The IMC Group operates through a large number of well-known and leading manufacturers, such as ISCAR (Israel),

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Ingersoll (USA, Germany), TaeguTec (Korea, India), Tungaloy (Japan), as well as other satellite niche IMC companies, such as Outiltec (France), Métaldur (Switzerland), Unitac (Japan), IT.TE.DI (Italy), UOP (Italy), Wertec (Italy), Micro-Tools and CTMS (both Israel). Since May 2006, the IMC Group is 80% owned by the US investment company, Berkshire Hathaway, which is controlled by the private US investor, Mr. Warren Buffett. The remaining 20% are held by the company's founders, the Wertheimer family.

Company profile KROMI Logistik AG

KROMI Logistik AG offers manufacturing companies end-to-end outsourcing for the supply of precision tools (tool management) that is independent of a specific manufacturer, and it focuses on machining tools for metalworking and plastics. The Company combines classical tool trading with a peripheral tool supply that includes output machines in the customer's production area and an IT-based tool management and controlling system. The objective of KROMI's business operations is to effectively optimize the supply of tools for its clients and to secure the availability of the appropriate tools at the right time and at the right place. The company is already present at five locations in Germany and two abroad (Slovakia, Czech Republic), and is active in six other European countries. Additionally, in September 2008 KROMI founded a subsidiary in Brazil. To date, KROMI has primarily focused on customers in the engineering, shipbuilding and aerospace sectors as well as automotive suppliers. In fiscal year 2007/08, the company recorded revenues of EUR 40.1 million, EBIT of EUR 3.4 million and consolidated net income of EUR 2.3 million. KROMI Logistik AG has its roots in Krollmann & Mittelstädt GmbH, now known as Tarpenring 11 Vermögensverwaltungs GmbH. It was spun off from this company on November 1, 2002 together with Krollmann & Mittelstädt Hamburg GmbH.

On the Internet at www.kromi.de.

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