

Fact Sheet: Steel Americas

(May 2012)

Overview

Business Area:

Steel Americas

Sales: € 1,139 m
EBIT adj.: € (1,071) m
Employees: 4,060

Sales and EBIT adj. FY 2010/11
Employees as of September 30, 2011

Operating Units:

**ThyssenKrupp
CSA Siderúrgica
do Atlântico**

**ThyssenKrupp
Steel USA**

- The Business Area Steel America encompasses the steelmaking and processing plants in Brazil and in the USA, as well as the handling of the slab logistics between Brazil, Germany and the USA.
- Steel Americas concentrates on the production, processing, and marketing of premium flat carbon steel products.

Products

- Hot strip
- Hot strip, pickled & oiled
- Cold strip
- Coated products

Key strategic elements

- Based on the efficient production of high-quality slabs at the Brazilian Atlantic coast as well as on state-of-the-art steel processing with a premium product mix and service portfolio in Southern USA, our aim is to realize
 - attractive margins and
 - grow our share of the NAFTA flat carbon steel market to over 5%.

Key figures

(in € m)

	2009/10	2010/11
Order intake	69	1,293
Sales	68	1,139
EBITDA	(564)	(886)
EBIT	(600)	(3,145)
EBIT adj.	(600)	(1,071)
FCF	(2,897)	(2,678)
TKVA	(1,111)	(3,813)
Ø Cap. Employed	5,678	7,416
Employees	3,319	4,060
Slab production	0.0 m t	2.8 m t
Ship. Steel USA	0.0 m t	1.2 m t

Assessment of Strategic Perspective for Steel Americas

Key consideration

Situation

Technology position



- Positive mid-term perspective: leading technology and competitive cost position achievable

Quality position



- State-of-the-art slab plant in Brazil and rolling & coating plant in Southern US

Processing efficiency



- Benchmark potential in Latin America & NAFTA after consequent optimization

Integrated slab cost advantage in NAFTA

- Decreasing cost advantages ex Brazil
 - input cost inflation (esp. labor)
 - appreciation of BRL vs USD
- Change of iron ore price level/price models

Premium margin potential

- Price premium for auto grades achievable against increasing competition
- Market entry includes significant exposure to highly price sensitive SSC and sale of excess inventory

Next steps:

- completion of technical ramp-up and continuation of operational optimization
- challenge expected business case against all strategic options to potentially leverage existing strength in an alternative concept

Key features ThyssenKrupp CSA

- Sepetiba bay, Santa Cruz, Rio de Janeiro, Brazil
- 9 square kilometer site
- Sea port
- Coking plant: 1.9 m t/yr of coke
- Sinter plant: 5.7 m t/yr of sinter
- 2 blast furnaces: 5.3 m t/yr of hot metal
- Steel shop: 5 m t/yr of slabs
 - 2 converters / 2 continuous casters
- Power plant: 490 MW
- 1st slab: September 7, 2010

Key features ThyssenKrupp Steel USA

- Site on the Tombigbee River, Mobile County, AL, USA
- River terminal
- Hot strip mill: 5.2 m t/yr
 - up to 74" width
 - up to 1" thickness
 - 7 stands
- Pickling line: 1 m t/yr
- Tandem / cold strip line: 2.5 m t/yr
- 4 galvanizing lines: >1.5 m t/yr
- 1st coil: July 31, 2010