

## Platts steel assessments currency and unit comparisons

December 07

	Eur/mt	\$/mt	\$/st	\$/CWT		Prior assessment	
					\$/mt	\$ change	% change
<b>Hot-rolled coil</b>							
Ex-works, Ruhr*	<b>480.00</b>	703.34	638.07	31.91	701.33	2.01	0.29%
FOB Black Sea*	389.00	<b>570.00</b>	517.10	25.86	570.00	0.00	0.00%
CIF Antwerp*	<b>470.00</b>	688.69	624.78	31.25	686.72	1.97	0.29%
Ex-works, Indiana**	405.38	594.14	<b>539.00</b>	26.95	594.14	0.00	0.00%
CIF, US Gulf states, basis Houston**	400.49	586.97	<b>532.50</b>	26.63	586.97	0.00	0.00%
<b>Cold-rolled coil</b>							
Ex-works, Ruhr*	<b>550.00</b>	805.92	731.13	36.57	803.61	2.31	0.29%
FOB Black Sea*	426.53	<b>625.00</b>	567.00	28.36	625.00	0.00	0.00%
CIF Antwerp*	<b>515.00</b>	754.63	684.60	34.24	752.47	2.16	0.29%
Ex-works, Indiana**	469.31	687.83	<b>624.00</b>	31.20	687.83	0.00	0.00%
CIF, US Gulf states, basis Houston**	466.30	683.42	<b>620.00</b>	31.00	683.42	0.00	0.00%
<b>Plate</b>							
Ex-works, Ruhr*	<b>670.00</b>	981.75	890.64	44.54	978.94	2.81	0.29%
CIF Antwerp*	<b>655.00</b>	959.77	870.70	43.55	957.02	2.75	0.29%
Ex-works, US Southeast**	605.44	887.35	<b>805.00</b>	40.25	887.35	0.00	0.00%
CIF, US Gulf states, basis Houston**	579.11	848.77	<b>770.00</b>	38.50	848.77	0.00	0.00%
<b>Reinforcing bar</b>							
Ex-works, Northwest Europe*	<b>437.50</b>	641.07	581.58	29.09	639.23	1.84	0.29%
East Mediterranean, basis Turkey*	394.12	<b>577.50</b>	523.91	26.20	577.50	0.00	0.00%
Ex-works, US Southeast**	439.98	644.84	<b>585.00</b>	29.25	644.84	0.00	0.00%
CIF, US Gulf states, basis Houston**	456.90	669.64	<b>607.50</b>	30.38	669.64	0.00	0.00%

\*LN 16:30 Eur/\$ ex rate = 1.4653; \*\*NY 16:30 \$/Eur ex rate = 0.6823. Bold denotes the primary assessments and have not been converted

## News

## Clock ticking for Arcelor-Mittal on Sparrows Point

Chicago—A critical deadline is looming for ArcelorMittal to reach an agreement with the United Steelworkers union related to the \$1.35 billion sale of its Sparrows Point, Maryland, plant. But the head of a joint venture planning to buy the mill said his company expects to still be in a strong position to do a deal—no matter what

transpires.

Craig T. Bouchard, chairman and chief executive of E2 Acquisition Corporation, the joint venture, told Platts in a phone interview that the deadline for the sale of the plant is now December 11, after an earlier deadline of November 30 could not be met.

"November 30 was pushed out because Mittal and the steelworkers were unable to reach a resolution," Bouchard said. The union and ArcelorMittal have reportedly been at odds over the future status of a Voluntary Employee Benefit

Association, which the Sparrows Point plant would leave if the property is sold to E2.

"There's a lot of talking going on but I haven't noticed measurable progress," Bouchard said. "These aren't our discussions, so I'm not privy to the back and forth, but these are very serious discussions ... and they will be all the way through December 11."

### Approaching critical mass

In September, the US Department of Justice notified Mittal that it did not object to the divestiture of Sparrows Point to E2.

**platts** Steel Markets Daily

Volume 01 / Issue 218 / December 7, 2007

ISSN: 1935-7354

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In addition to Wheeling-Pittsburgh Steel and Esmark, E2 also initially included Brazilian mining giant Vale (formerly CVRD) and Ukrainian steelmaker Industrial Union of Donbass as partners.

Bouchard did acknowledge that, by missing the November 30 deadline, the shareholder subscription agreements for E2's joint venture partners (Vale and Donbass) had also expired. He said, however, that he was confident all the partners would re-subscribe if ArcelorMittal and the union were able to reach an agreement by December 11.

The transaction was to close at the earliest possible date, subject to oversight and approval by an appointed court trustee. A DOJ spokesperson on Thursday told Platts the transaction was still pending. An ArcelorMittal spokesman had no further details. But a United Steelworkers spokesman confirmed the December 11 deadline.

Back in February, the DOJ ruled that Mittal must sell Sparrows Point to satisfy an earlier consent decree calling for the divestiture of one of three Mittal mills supplying tin mill products to the eastern US.

The DOJ had asked the court to appoint attorney Joseph Krauss, a partner at Hogan & Hartson in Washington, as trustee to oversee the sale. Krauss is a former staff member at the Federal Trade Commission. Bound by confidentiality agreements, Krauss did not say much when contacted by Platts late Thursday. He did indicate, however, that if the deadline passes the entire process could begin anew. A report would need to be presented to the court and recommendations made.

**Partnership restructuring possible**

In fact, Bouchard did acknowledge there is the possibility that E2 might need to restructure its partnership. "The question is, what is the form of the deal that is going to happen," Bouchard said. "Is it going to be the same deal, or is it going to change?"

When asked whether the current equity partners might drop out, Bouchard chuckled. "I would say CVRD [Vale] and Donbass are very interested in closing the deal," he said.

While new bids might indeed be sought for the plant, Bouchard said he was confident that the deal would "come back in our direction because the steelworkers and Esmark have partnered and will continue to partner" on their strategies for the plant.

He said the union continues to have "total influence" over any Sparrows Point sale. "The Steelworkers have to approve the deal and we are—as we normally are—in full agreement with the Steelworkers

**EU hot-rolled coil spot price at about \$703/mt on exchange-rate basis**



Source: Platts

about the strategy at

Sparrows Point and what we are going to do with it." One of the lynchpins of that strategy involves Sparrows Point supplying steel slab to Wheeling-Pittsburgh.

"I'm 100% confident that Esmark either this week, next week, or any week thereafter is going to be the owner of Sparrows Point," Bouchard summarized.

—Philip Burgert with Joe Innace