



## PRESS RELEASE

### **GFG Alliance company, Liberty Steel USA, completes \$320m acquisition of Keystone Consolidated Industries and pledges additional investment**

#### **Keystone and Georgetown to provide foundation for expansion into North America**

**New York, NY - 2 January 2019** - [Sanjeev Gupta](#)'s global [GFG Alliance](#) took a substantial step towards its ambition to become a major US steel producer by completing its purchase of [Keystone Consolidated Industries \(KCI\)](#), for US\$320m from Contran Corporation.

The London-headquartered Alliance said the addition of KCI to Liberty Steel USA creates one of the country's largest producers of wire rod and provides a platform for GFG to grow its US GREENSTEEL capacity to 5m tons per annum by 2020.

Completion of the deal, which was supported by large North American banks including Wells Fargo NA and BMO Harris Bank (BMO Harris), along with funds managed by BlackRock Financial Management Inc., a subsidiary of BlackRock Inc., the world's largest asset manager, helps pave the way towards a proposed US IPO of Liberty Steel USA, which will be led by Credit Suisse. The transaction follows closely on the completion of Liberty Aluminium's US\$500m purchase of Dunkirk, Europe's largest aluminium smelter, which was arranged by Bank of America Merrill Lynch and a syndicate of top tier international banks.

The acquisition of KCI reinforces GFG's credentials as a significant foreign direct investor in North America. The business is moving into a new regional head office on Madison Avenue in New York and is targeting several other major investment opportunities in the North American industrial, energy and financial sectors.

KCI's family of companies include Keystone Steel & Wire, Engineered Wire Products, Strand Tech Manufacturing and Keystone Bar Products. The KCI range of products is made of 100% American produced steel and consists of a diverse line of high-quality value-added steel products, including steel billet, wire rod, reinforcement mesh, welded wire, agricultural wire fence, prestressed concrete strand, bar and coiled rebar used in the construction, agricultural, automotive industries. KCI has been consistently profitable and has substantially improved its financial performance over the last 5 years as it expanded significantly into

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value-added products to augment its original position as a pre-eminent supplier of low carbon wire rod.

The acquisition strengthens Liberty's position in the US market with the addition of a top-producing wire rod facility with a 1.1m-ton capacity electric arc furnace (EAF), the market leading agricultural fence products of RedBrand®, industrial wire, an MBQ/SBQ bar mill, three welded wire reinforcement mesh facilities and a PC strand facility.

KCI will be combined with Liberty Steel Georgetown to give Liberty Steel USA a total of up to 1.8m tons per annum of EAF melting capacity, 2m tons per annum of wire rod rolling capacity, significant value-added downstream businesses and over 1,300 employees. The combined company will have operations in Illinois, Ohio, South Carolina, New Mexico, Texas and Georgia.

Liberty was advised by Deutsche Bank Securities Inc., Wyelands Capital Ltd. Norton Rose Fulbright US and Alvarez & Marsal. The total \$320m consideration includes the acquisition by Liberty of certain liabilities.

GFG Executive chairman Sanjeev Gupta said: "Today is an exciting milestone in our ambitious journey in the United States. I warmly welcome all Keystone employees to the global GFG family. The long history, strong management, excellent work force and industry position of KCI will pair well with our existing Georgetown plant and will serve as a strong base for our continued expansion to 5mmtpa of steel capacity in the region.

"We are very pleased to be working with Wells Fargo, BMO Harris and BlackRock to help build this business. Their support will help us grow our platform in the North American steel value chain and other businesses. 2019 will be an exciting year as we plan to continue to grow our presence in North America and access the public markets."

Grant Quasha, Chief Investment Officer – North America of the GFG Alliance said:

"Keystone is a high-performing, profitable asset with modern equipment, excellent downstream operations, connections to key markets, highly-skilled workers and strong managers. The company's outstanding reputation for low carbon wire rod and extensive downstream operations complement our existing expansion and revitalization program at our Georgetown, South Carolina plant."

"Following the expansion of Liberty's steel business in the US, we look forward to working with partners to introduce other GFG businesses to the region including GFG's extensive resources, power and financial services arms."

CEO of Keystone Consolidated Industries, Chris Armstrong, added:

"I am excited that KCI is joining the GFG group and what this means for the future of the company, its market leading brands, its employees and its customers. GFG is the best possible new parent and partner for KCI's storied history and future growth. I look forward to being a part of GFG's unparalleled international growth and to continue KCI's expansion of its steel and value-added operations in the US and the region."

**ENDS**



**Background:**

**Liberty Steel USA**

Liberty Steel USA is part of the GFG Alliance; a global group of energy, mining, metals, engineering, logistics and financial services businesses, headquartered in London, with additional hubs in Dubai, Hong Kong, Singapore, Sydney, New York and a presence in around 30 countries worldwide. The Alliance, which has a global workforce exceeding 14,000 people and a profitable turnover of over US\$15 billion, comprises integrated industrials and metals businesses under the "Liberty" banner; a resources, energy, transportation and infrastructure group under "SIMEC"; Wyelands; a banking and financial services arm as well as its property arm, JAHAMA Estates.

**Keystone Consolidated Industries**

Keystone Consolidated Industries, Inc. (KCI) is headquartered in Dallas, Texas and is composed of Keystone Steel & Wire, Engineered Wire Products, Strand Tech Manufacturing and Keystone Bar Products. In addition to steel billet and wire rod, the family of companies that make up KCI produce a diverse line of high-quality value-added steel products, including welded wire reinforcement mesh, agricultural woven wire fence, prestressed concrete strand, MBQ/SBQ bar and coiled rebar. All products are 100% made in the USA. As a result, KCI is poised to leverage its robust list of capabilities to support the manufacturing industry and America’s infrastructure with Buy America Compliant materials. KCI’s family of companies provides industry expertise, competitive pricing and responsive customer service. But most of all, its reliable inventory of steel and strategically located facilities promise to deliver in the most cost efficient and timely manner.

**Contran Corporation**

Contran Corporation, a holding company, operates through its wholly owned and majority owned subsidiaries, including Valhi, Inc., NL Industries, Inc., Kronos Worldwide, Inc. (“Kronos”) and CompX International Inc. (“CompX”). Kronos is a leading global producer and marketer of value-added titanium dioxide pigments (“TiO2”), which are used to impart whiteness, brightness and opacity to a wide variety of products, including paints, plastics, paper, fibers and ceramics. Additionally, TiO2 is a critical component of everyday applications, such as coatings, plastics and paper as well as many specialty products such as inks, foods and cosmetics. Kronos’ manufacturing facilities are located in North America and Europe. CompX is a leading manufacturer of security products used in the recreational transportation, postal, office and institutional furniture, cabinetry, tool storage, healthcare and a variety of other industries. CompX is also a leading manufacturer of stainless-steel exhaust systems, gauges, throttle controls and trim tabs for the recreational marine industry. CompX’s manufacturing facilities are located in the United States.

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## Notes to Editors

The GFG Alliance is a London-headquartered international group of businesses, founded and owned by the British Gupta Family, with annual revenue of over US\$15 billion and 14,000 staff. It combines energy generation, metal manufacturing, engineering, natural resources and financial services, working together to deliver a common business strategy. The Alliance comprises Liberty - an integrated industrial and metals business — SIMEC – an energy, resources and infrastructure group - Wyelands — a banking and financial services arm – and JAHAMA Estates —the Alliance’s global property division. Through its GREENSTEEL and GREEN ALUMINIUM strategies, the GFG Alliance promotes industrial revival based on low-carbon and sustainable production methods.

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