



## PRESS RELEASE

15<sup>th</sup> January 2019

### **Steel entrepreneur Sanjeev Gupta welcomes American workers to GFG Alliance and promises strong US growth following \$320m deal**

International industrialist Sanjeev Gupta today (January 15<sup>th</sup>) visited Illinois to welcome over 1,000 US steelworkers to the global GFG Alliance and pledged to establish Liberty Steel USA as the country's largest producer of wire rod within the next year.

The GFG Alliance employs more than 15,000 workers worldwide in metal manufacturing, engineering, energy, mining, financial services and property.

During a visit today to the flagship Peoria, Illinois steelworks, following his acquisition of Keystone Consolidated Industries (KCI) for \$320m this month, Mr Gupta promised a big increase in output from Liberty's US mills and signalled further American acquisitions.

He disclosed that Liberty is already examining proposals to boost permitted liquid steel production at Peoria from 800,000 to 1.1m tons a year and, as part of its GREENSTEEL strategy, is exploring the potential to build a combined-cycle natural gas power plant on the site to cut carbon emissions by half, slash energy costs and enable further expansion of output from the site's electric arc furnace (EAF).

In addition, he announced that Liberty is looking closely at restarting the second EAF at Liberty Steel Georgetown, South Carolina, adding up to 500,000 tons of capacity there. Liberty, which entered the US with the successful reopening of Georgetown last year, is aiming to secure total US GREENSTEEL production capacity of 5m tons per annum by the end of 2020.

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The KCI acquisition raises Liberty Steel USA's current total EAF melting capacity to 1.8m tons per annum and gives it pivotal plants on the East Coast and in the Midwest manufacturing heartland, as well as 1.5m tons of wire rod rolling capacity, substantial value-added downstream businesses and over 1,300 employees based across Illinois, Ohio, South Carolina, New Mexico, Texas, Georgia, Florida and New York City.

Speaking to management, workers and civic representatives during an inauguration event at Peoria today, GFG founder and executive chairman Mr Gupta said: "This investment is a major vote of confidence in the American steel industry and its workforce. There is a growing desire to buy American-made rather than imported steel and we are very well placed with excellent skills and resources to serve that rising demand. The USA is the largest exporter of scrap and the largest importer of steel in the world so clearly there is an opportunity to produce more steel in the US for the local market from domestic scrap, and we intend to seize this opportunity."

He said Peoria's location right at the heart of North America's largest scrap accumulation area made it an immensely valuable resource in driving Liberty's nationwide GREENSTEEL strategy which will involve recycling at least 1m tonnes of scrap in the US in 2019 alone, with a target of reaching 5m tonnes within the coming two years.

Chris Armstrong; CEO of KCI said that becoming part of the GFG Alliance would bring multiple benefits to his customers. "Our operations will now benefit from the experience, backing and support of a global business that can also think and act locally. For example, many loyal customers of our downstream products in the US have long asked for our support abroad, so we can now help them take our market-leading US products to their customers worldwide. Also, as part of GFG, we can potentially service customers from many more rod and wire mills, giving them assurance of supply in all circumstances. This improved customer offering, combined with a wider pool of knowledge and stronger operational support will make our US mills more resilient and protect American jobs for the future."

Congressman Darin LaHood, United States Representative for Illinois's 18<sup>th</sup> Congressional District; sent a message of support to the Peoria inauguration event. He said: "It's encouraging to see a global business such as Liberty investing heavily in the future of American steel and particularly putting its faith in the city of Peoria, which has such an amazing heritage of manufacturing industry and a high-skilled labor force. In view of Sanjeev Gupta's ambition to grow and add value to his businesses, I am confident that he will work extremely well with the talented team here in Illinois and across other US operations to create a new era of success for this historic enterprise."

Mayor of Peoria, Jim Ardis said: "This city has an outstanding history of steelmaking, going back well over 100 years, and this investment by the GFG Alliance opens up an exciting new future for the industry here, securing high-quality skilled jobs and, in particular, offering young people the opportunity for attractive and challenging careers."



**Further information from:**

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**Background notes**

**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 and New York and a presence in around 30 countries worldwide. The Alliance, which has a global workforce exceeding 15,000 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 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, pre-stressed concrete strand, MBQ/SBQ bar, coiled rebar and agricultural woven wire fence including the market leading agricultural fence products of RedBrand®, industrial wire. 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. Over the last 5 years KCI has expanded significantly into value-added products to augment its original position as a pre-eminent supplier of low carbon wire rod.