

THE ECHO

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SUSTAINABLE

The development
of new industries in
South Africa

SUCCESSFUL

On the expansion
of business activities
in growth markets

REMARKABLE

The major transition
of a country in only a
few decades

A new major player in the steel trade: Coutinho & Ferrostaal

Coutinho Caro, Villacero and MAN Ferrostaal launch one of the largest supplier-independent steel trading companies in the world.



Uwe T. Schmidt, Member of the Management Board of MAN Ferrostaal and Chairman and CEO of the Ferrostaal Metals Group, will continue to control the destiny of the steel business together with representatives from the other groups.

The worldwide steel trading activities of CCC Steel, Hamburg, and MAN Ferrostaal, Essen, will be merged on January 1, 2008 under the name "Coutinho & Ferrostaal GmbH & Co. KG". This will result in one of the leading global steel trading companies. The steel trading business area, which is currently named Ferrostaal Metals Group, will be integrated into CCC Steel, with the rights of the shareholders being guaranteed.

CCC Steel is a joint venture of the MPC Münchmeyer Petersen & Co. GmbH Group, Hamburg, and the Mexican industrial group Grupo Villacero, Monterrey. CCC can look back on a history in the worldwide steel trade which began in the late 19th century and it has gone to great lengths to bring about the merger with the Ferrostaal Metals Group. Dr. John Benjamin Schroeder, spokesperson of the Management Board of CCC Steel and joint partner at MPC Münchmeyer Petersen & Co., confirms this: "We made every effort because we knew from the outset that Ferrostaal Metals and CCC are two steel trading companies which complement each other perfectly. There are few overlaps, the business philosophy of the trading players is identical, and we see excellent opportunities for mutual growth."

The new company, of which MPC Münchmeyer Petersen & Co., Grupo Villacero and MAN Ferrostaal will each own one third (33.33%), will occupy a leading position in the international steel trade. With 320 employees worldwide at 56 locations in 34 countries, the company anticipates sales amounting to 2.1 billion euros in 2008, trading just under five million tonnes per year. The central locations in Hamburg, Houston and Essen will be retained; no reductions in personnel are planned.

With the merger of these two renowned steel traders, MPC Münchmeyer Petersen & Co. and MAN Ferrostaal have taken a step which is of international importance. It actively underlines the companies' excellent position in the market. Villacero is continuing its consistent strategy of taking on a leading international position in the sector of global marketing, procurement and logistics in the steel trade.

Uwe T. Schmidt, Member of the Management Board of MAN Ferrostaal AG and Chairman and CEO of the Ferrostaal Metals Group, is extremely pleased about this promising solution and regards the merger of the two companies as a natural consequence of the continuing consolidation in the steel production sector: "We must meet our partners on the supplier side, who are becoming larger and stronger, as an equal partner, otherwise there is a danger that in future we will not be strong enough to play our role in this business in the required scope. The merger with CCC could serve as a role model in the market."

Dr. Israel Gutierrez, Head of the Strategy and International Business segments at Villacero, says: "With this transaction we have come a significant step closer to realising our strategic goal of expanding our core business and our worldwide steel trading activities and to facing up effectively to the challenges of consolidation and globalisation on the steel markets. The merger of CCC Steel and Ferrostaal Metals is a decisive step towards enhancing our competitive position in the global environment."

The existing, experienced management teams of both companies want to ensure the continued success of Coutinho & Ferrostaal in the future under the leadership of Dr. John Benjamin Schroeder, Uwe T. Schmidt and Dr. Israel Gutierrez.