



**(AMM) Ferrostaal, CCC, Villacero tie steel trading knot**

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Man Ferrostaal AG, Coutinho Caro + Co. International Trading GmbH (CCC) and Grupo Villacero SA de CV will combine their global steel trading activities effective Jan 1.

The new company will be owned one-third each by Man Ferrostaal, a subsidiary of Munich-based Man AG, Grupo Villacero and MPC Münchmeyer Petersen & Co. GmbH, the parent of Coutinho Caro. It expects to have 2008 sales of around \$3.08 billion, trading slightly more than 5 million tonnes. It will maintain headquarters in Hamburg and Essen, Germany, and Houston. The two German locations are the present headquarters of Coutinho Caro and Ferrostaal, respectively, while Houston is the U.S. base of Grupo Villacero, which is headquartered in Monterrey, Mexico. The new trader has about 340 employees worldwide at 58 locations in 28 countries.

Involved in the combination is CCC Steel GmbH & Co. KG, a previously formed joint venture of MPC Münchmeyer and Grupo Villacero.

Mexican distributor, processor and industrial conglomerate Grupo Villacero late last year sold its Siderúrgica Lázaro Cárdenas Las Truchas SA de CV (Sicartsa) long-products mill in Lázaro Cárdenas, Mexico, to ArcelorMittal (AMM, Dec. 21).

The three-way tie-up essentially confirms a report that appeared in AMM Oct. 17. Chicago-based **Ferrostaal Metals Group** (FMG) will be brought into CCC Steel's fold "in exchange for the granting of shareholder rights."

The three companies said the merger "will achieve a strategic move that will have significance internationally." The merger is "a natural result of the sustained consolidation" in steel production," Uwe T. Schmidt, FMC's chairman and chief executive officer, said.

"We must meet our suppliers-who are becoming ever bigger and stronger-as equal partners or else there is the danger that in the future we will no longer have the ability to assume our function in this business," Schmidt said in a statement.