

Chicago Sun-Times

Independent Steel bought by Esmark for \$21 million

Friday, August 4, 2006

Esmark Inc. continued its buying spree Thursday as the steel service center disclosed its 10th acquisition since it was founded in 2003, bringing the total price paid to \$221 million.

The privately held company -- named in honor of one of Chicago's premier food companies in the 1980s -- bought Cleveland-based Independent Steel, a steel services center, for \$21 million in cash.

"The acquisition demonstrates Esmark's commitment to growth and investment in the Ohio Valley," said Esmark Chairman and CEO James P. Bouchard. "This is another important strategic step towards completing our downstream-growth platform between the Pittsburgh-Chicago growth corridor."

Esmark is leading an investment group to buy Wheeling-Pittsburgh Steel Corp., which so far has spurned Esmark's advances.

Wheeling Pitt is pursuing an alliance with Brazil's Companhia Siderurgica Nacional, and Esmark has responded by nominating a slate of directors that would give it control over Wheeling Pitt.

Thursday, the Brazilian steel maker said it was "very pleased" with negotiations with Wheeling Pitt that could lead to a takeover.

Under the Esmark proposal, Wheeling-Pitt would issue 26.5 million new common shares to Esmark shareholders and would offer to buy back up to 50 percent of its own outstanding stock, or 7.3 million shares, at \$20 per share. The offer amounts to a 12 percent premium over Wheeling-Pitt's closing price on the day before the Esmark offer.