



*Platts Commodity News*

## **Steel distributor Esmark to merge with Wheeling-Pittsburgh**

Friday, March 16 2007, 15:33

US steel distributor Esmark has reached a definitive merger agreement with steelmaker Wheeling-Pittsburgh and renegotiated the latter's debt terms in preparation for forming a public steelmaking and distribution company, executives of both companies said in a conference call Friday afternoon.

The new company would be known as Esmark Inc. and would seek to raise \$200 million in equity by listing its shares on the New York Stock Exchange.

Under terms of the agreement, existing shareholders of Wheeling-Pittsburgh would exchange their shares for those of the new company in a deal that would value the shares at around \$20 apiece.

"So on the first day of the merger, the company will have \$200 million in equity and a committed, short-term line of credit of \$400 million," said Craig Bouchard, an Esmark executive who is also vice chairman of Wheeling-Pittsburgh.

Bouchard added that the merger is expected to be completed by June, pending approval by Wheeling-Pittsburgh shareholders.