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## **Shareholders overwhelmingly approve Wheeling-Pitt-Esmark deal**

By TIM HUBER

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CHARLESTON, W.Va. (AP) - Shareholders of Wheeling-Pittsburgh Steel's parent company overwhelmingly approved the Wheeling-based steelmaker's takeover by steel distributor Esmark Inc. on Tuesday, a company official said.

"It's a great day," said Wheeling-Pitt President Craig Bouchard. "It was a landslide victory; 93 percent of the votes cast voted in favor of the merger."

Shares of the combined Esmark are scheduled to begin trading under the symbol ESMK on the Nasdaq Stock Market on Wednesday.

The deal culminates more than a year of effort by Craig and Jim Bouchard, the brothers behind Esmark, to add a steelmaker to their distribution business that serves about 2,000 customers in the Midwest. Esmark won control of Wheeling-Pitt in a proxy fight last December.

Wheeling-Pitt shareholders were allowed to choose between standing pat; keeping their original stake and buying new shares at \$19 apiece; or selling to Esmark for \$20 in cash. The company, which has about 3,000 employees at plants in Ohio, Pennsylvania and West Virginia, has not yet released details of how many shareholders took which option.

The deal is not expected to be the last for the Bouchards.

They've talked openly about a deal that would add ArcelorMittal NV's Sparrows Point steel mill in Maryland to the growing collection of companies they've amassed over the past four years. Esmark owns a small piece of E2 Acquisition Corp., which has agreed to buy Sparrows Point for \$1.35 billion.

A discussion of the Sparrows Point deal was on the agenda for a board meeting Tuesday morning, Craig Bouchard said. Also up for discussion were modernizing plants and developing natural gas and coal properties.

Key to Esmark's takeover was the opportunity to straighten out Wheeling-Pitt's finances. The company, which has survived two bankruptcies, lost \$56.54 million as revenue declined 18.6 percent in the third quarter, compared with a profit of \$17.35 million in the

same period of 2006. It also was mired in approximately \$525 million in debt, a figure that the Bouchards say will be reduced to \$275 million by the end of the year.

The combined companies' finances look sharply different, Bouchard said. The new company's debt to equity ratio goes to 60 percent equity and 40 percent debt, compared with 70 percent debt and 30 percent equity for Wheeling-Pitt, Bouchard said. The combined company also has \$167 million in liquidity. Wheeling-Pitt ended the third quarter with \$38.6 million in cash and available credit.

"Wheeling-Pitt hasn't had that kind of liquidity in two decades," Bouchard said. "For the first time, Wheeling-Pitt is not struggling to breathe."

Key to Esmark's takeover was support from the United Steelworkers labor union. Ken Aspenlieter, president of USW Local 1190 in Steubenville, Ohio, said he's glad the transaction is over.

"We finally have some liquidity," Aspenlieter said. "We'll just wait and see what the future brings."

Wheeling-Pitt's stock fell 14 cents, or 0.72 percent, to \$19.28 in Tuesday morning trading.