

Baltimore Sun

Deal to sell Sparrows Point plant killed

ArcelorMittal said it was advised by trustee to terminate sale to E2; Esmark Inc. plans to bid again

By Allison Connolly

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Esmark Inc. plans to make a second run at buying the Sparrows Point steel mill after owner ArcelorMittal pulled the plug on a pending deal.

Craig T. Bouchard, Esmark co-founder and head of a global joint venture that had a preliminary agreement to buy the plant, said today in an e-mail that he is preparing a new bid. He did not say whether he has signed on new partners and financing.

ArcelorMittal announced late last night that it had terminated its agreement to sell the Baltimore County plant for \$1.35 billion to E2 Acquisition Corp. because it could not secure financing.

ArcelorMittal said it was advised by the court-appointed trustee overseeing the sale to terminate the purchase and sale agreement announced Aug. 2 after two deadlines passed.

The trustee, Joseph G. Krauss, a partner at the Washington law firm Hogan & Hartson LLP, intends to hire an investment bank to find a new buyer for the plant, ArcelorMittal said.

"ArcelorMittal will continue to work closely with the DOJ and the court-appointed trustee to satisfy the terms of the consent decree," the steelmaker said in a statement.

The Justice Department forced Mittal Steel Co. NV, of the Netherlands, to sell the Baltimore County plant to satisfy antitrust concerns related to its \$38 billion merger with Luxembourg-based Arcelor SA.

In addition to Esmark, which recently won control of Wheeling Pittsburgh Corp., E2 included Franklin Mutual Advisers, Companhia Vale do Rio Doce, a Brazilian iron ore producer, and Industrial Union of Donbass Corp., a Ukrainian steel company. Esmark would have a minority stake in the plant but would have been responsible for day-to-day operations.

ArcelorMittal will continue to operate the plant until a sale is completed.