

Update on Strategic Way Forward – Exit of Steel Americas Completed

Ticker: TKA (Share) TKAMY (ADR)

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Strategic Way Forward execution – Steel Americas exit completed

Multi-step asset optimization

Closing
Feb 2014

US steel assets divested

- Sale to MT/NSSMY
- plus slab supply contract for Brazilian steel mill tk CSA until Sep 2019

Closing
May 2016

100% ownership tk CSA

- Purchase stake held by Vale (26.87%) for symbolic price

Approval
Sep 2016

tk CSA operational license

FY 2015/
2016

Positive business cash flow Steel Americas

Signing
Feb 2017

tk CSA divested

- Sale to Ternium;
price (EV) of €1.5 bn (Sep 30, 2016)

Exit

Further important milestone in sharpening of Group's strategic profile

- Portfolio optimization
- Risk mitigation
- Significant net debt reduction and lower gearing on closing
- Increased sales share of CapGoods and Services to > 75%

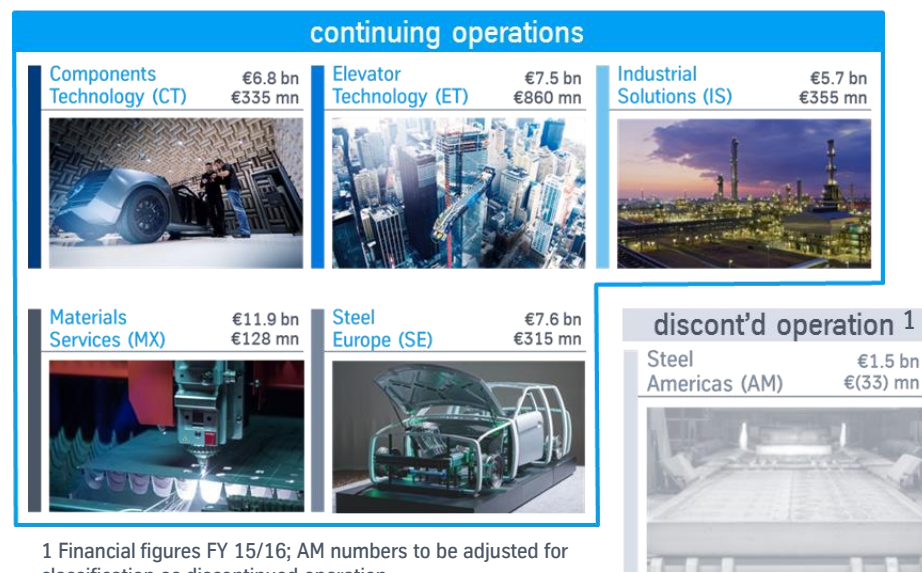


Strategic Way Forward execution – tk CSA transaction overview

Key facts

- Sale of Brazilian steel mill tk CSA to Ternium signed on Feb 21, 2017
- Price (EV): €1.5 bn (Sep 30, 2016)
+/- customary adjustments until closing (i. a. NWC adjustments)
- Subject to regulatory approval
- Closing expected by Sep 30, 2017
- Impairment of ~€0.9 bn after signing
- Net debt and gearing reduction on closing
- Discontinued operation as of Oct 1, 2016

Steel Americas classified as discount'd operation

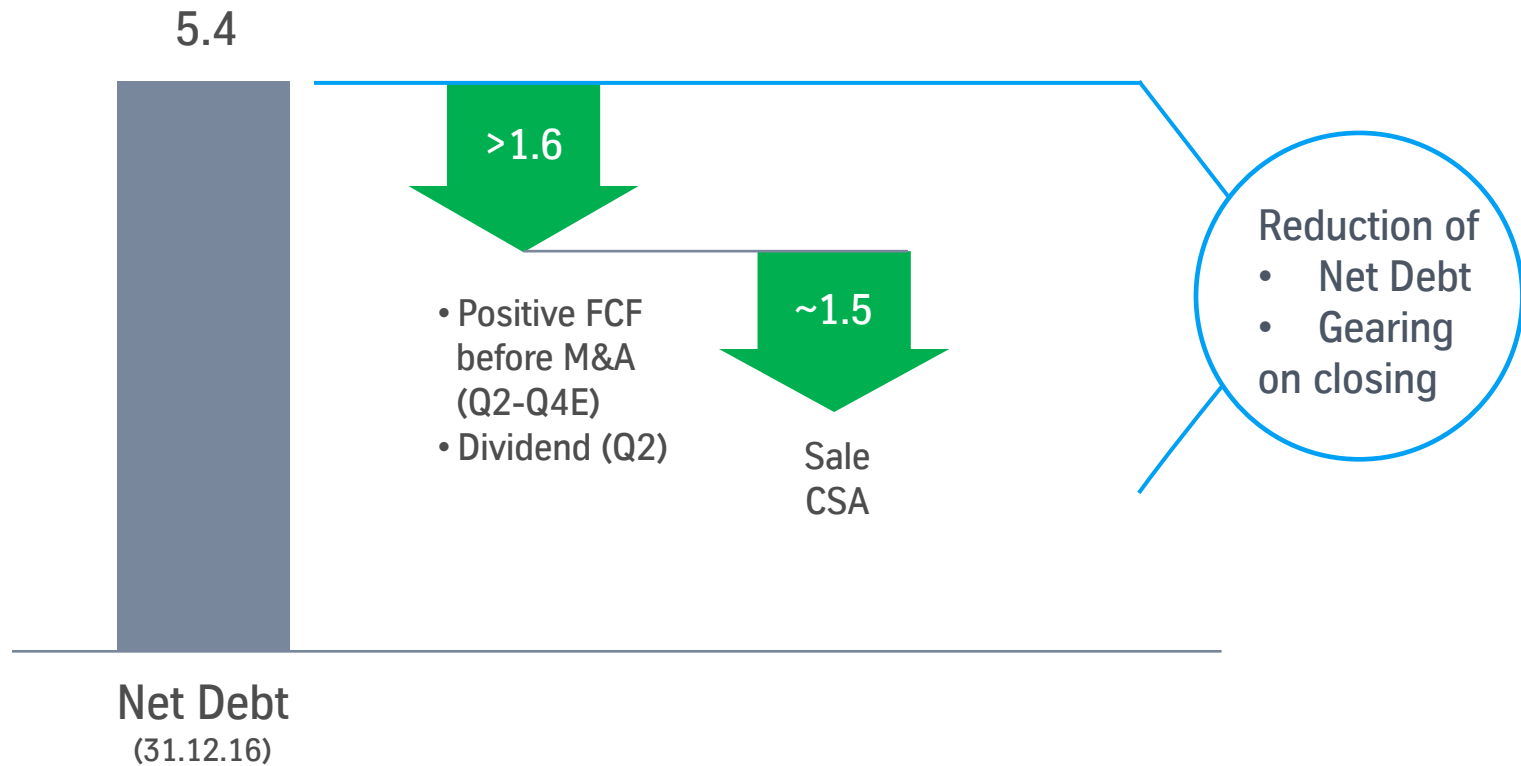


- No impact from transaction on EBIT adj. and FCF bef. M&A targets for continuing ops. for current FY; outlook and financial figures to be updated with fiscal Q2 reporting



Transaction based on sound industrial logic, improves balance sheet ratios

Schematic net debt bridge in billion €



Delivering on our strategic plan



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- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
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