

# ThyssenKrupp Selling Stainless Steel Unit

BERLIN (AP) — German steelmaker ThyssenKrupp AG said Tuesday it is selling its stainless steel unit Inoxum to Finland's Outokumpu Oyj in a euro2.7 billion (\$3.54 billion) deal.

The German company said an agreement in principle had been reached between the two companies and that ThyssenKrupp's management board had already approved the deal.

Essen-based ThyssenKrupp will get euro1 billion in cash from Outokumpu and would keep a minority stake of 29.9 percent in the new company.

The Finnish firm would take over Inoxum's pension liabilities from ThyssenKrupp, as well as assuming other liabilities to third parties.

The company said an agreement was also reached early Tuesday with union representatives on site and employment protection. The company agreed to keep its facility for melting scrap metal in Krefeld, Germany running through the end of 2013 and a similar one in Bochum through 2016. The deal excludes forced layoffs through 2015, and foresees the loss of 850 jobs in Germany. ThyssenKrupp would offer alternative jobs within Thyssen for up to 600 Inoxum employees.

ThyssenKrupp's shares were up 1.7 percent to euro21.59 in morning trading in Frankfurt.

Companies belonging to the Inoxum group employ 11,500 people in Germany, Italy, Mexico, China and the U.S.

In October, Outokumpu announced 1,300 layoffs worldwide to cut costs and improve profitability as its third-quarter net loss doubled to euro135 million (\$186 million).

Hit by weakening demand, the world's second largest stainless steel maker said the job cuts and streamlining operations were aimed at saving \$140 million by 2012. Most of the layoffs will be in Sweden and Finland.

Based in Espoo near the Finnish capital, Outokumpu employs 8,000 people in more than 30 countries. It has stainless steel plants in Finland, Sweden, Britain and the United States.

In recent years, the Finnish company has increasingly divested other production in a move to reach a declared goal of becoming the world's No. 1 stainless steel maker.

## **ThyssenKrupp Selling Stainless Steel Unit**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

**Source URL (retrieved on 01/27/2015 - 6:41am):**

<http://www.impomag.com/news/2012/01/thyssenkrupp-selling-stainless-steel-unit>