

AK Steel Falls On 4Q Outlook And Stock Sale

The Associated Press

CHESTER, Ohio (AP) — Shares of AK Steel Holding Corp. fell Tuesday after the company forecast a larger-than-expected loss in the fourth quarter on lower steel prices and a large income tax charge.

AK Steel expects to lose between 67 and 72 cents per share in the quarter. That includes a charge of \$35 million, or 33 cents per share, related to the value of AK Steel's deferred tax assets. The company said it will ship more steel than it did in the third quarter, but prices will fall by about 5 percent.

Analysts estimated a loss of 22 cents per share, according to FactSet.

Shares of AK Steel lost 51 cents, or 9.3 percent, to \$4.95 in morning trading.

Last month AK Steel reported a third-quarter loss and said it would take a loss in the fourth quarter. At the time, analysts expected a loss of 11 cents per share.

AK Steel also announced an offering of 25 million shares of its stock. The company plans to use the proceeds from the stock sale to repay debt under a revolving credit facility and for general corporate purposes. The underwriters of the offering will have an option to buy another 3.8 million shares to cover over-allotments.

AK Steel had 110.6 million shares on the market as of Oct. 24.

The company also announced an offering of \$350 million in secured senior notes due in 2018 and a \$125 million offering of exchangeable senior unsecured notes due in 2019. The underwriters of the second offering will have an option to buy another \$18.8 million in notes.

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