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|  | Steel |
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|  | 04.12.2015Page 1/2 |

**Steel division of thyssenkrupp launches “one steel” strategic program:
Goals are culture change and sustainable performance improvement**

The steel business of thyssenkrupp has launched a “one steel” strategic program to secure its long-term competitiveness. Following a strong focus on cost reduction measures in recent years and successful financial stabilization, the steel business now aims to maintain and continuously improve its performance with the ‘one steel’ strategic program. “The only way we can make our business sustainable and achieve success in a difficult market environment is from a position of strength,” says Andreas Goss, CEO of thyssenkrupp Steel Europe AG. Under the program, strategic initiatives will be bundled together, managed centrally and implemented systematically in the coming years. “The aim of one steel is for us to continually earn more than our cost of capital,” says Goss.

“one steel” bundles together key levers and success factors for the steel business in twelve initiatives, grouped into the four categories “Change Management”, “People Success”, “Performance Orientation” and “Customers & Markets”. Important levers are a stronger market and customer orientation, further efficiency gains in production, further optimization of the product range towards high-margin grades, accelerated development and delivery of innovations, and clear performance improvements in the supply chain.

“Generally speaking we have to rethink the way we do things, the way we produce steel and bring it to market, and make our business more efficient and more customer-oriented. ‘one steel’ will help us in this,” explains Goss. “The program aims to strengthen our internal competences – also through further cultural change – and is therefore designed for a period of five years,” says the CEO. “At the end of this period we will have created a sustainable company, with an effective IT infrastructure, efficient processes and a performance- and customer-oriented culture, that is number one in Europe in all relevant markets and generates sustainable value.”

With the optimization program “Best-in-Class Reloaded” launched in 2013 Steel Europe has already achieved significant efficiency gains totaling over 600 million euros, thereby securing the profit of the steel division. In fiscal year 2014/15 the European steel business increased its earnings to around 500 million euros and earned its cost of capital. However the situation on the steel markets has not stabilized as hoped but has worsened considerably in recent months. Chinese overproduction is increasingly being diverted to Europe, resulting in regional supply overhangs. In addition the European steel industry could face further unilateral burdens such as the need for additional CO**2** allowances. These adverse factors are putting considerable pressure on the European steel business.

Contact:

thyssenkrupp Steel Europe AG

Erik Walner

Head of Media Relations

T: +49 203 52 - 45130

erik.walner@thyssenkrupp.com

www.thyssenkrupp-steel.com

Company blog: <https://engineered.thyssenkrupp.com>https://engineered.thyssenkrupp.com