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**Statement regarding the meeting of the Economic Affairs Committee Business Area  
Steel Europe on April 7, 2017**

Last year thyssenkrupp’s steel division launched the “one steel” strategy program with a view to securing its long-term competitiveness. The first step was to align the organization more closely to the markets and start upgrading the IT systems. “one steel” is a comprehensive strategic development program aimed at securing the company’s efficiency so as to consistently earn its cost of capital. Key levers include transforming the corporate culture, a stronger focus on markets and customers, further improvements to production efficiency, continued optimization of the product range toward high-margin grades, faster development of innovations and time to market, and significant efficiency improvements in the supply chain.

At a scheduled meeting of the Economic Affairs Committee today, the Board of thyssenkrupp Steel Europe presented the employee representatives with further necessary steps to increase efficiency in the coming years. Alongside investment in sustainable businesses and applications, it is also planned to improve Steel Europe’s cost base by around €500 million in the next three years. This will include improving cost efficiency in areas such as HR, maintenance and repair, logistics, sales and administration. The detailed measures will now be discussed with the employee representatives in various working groups and committees, and the workforce will then be informed of the decisions reached.

The plans put forward by the Board of Steel Europe also include immediate earnings improvements at the Heavy Plate business unit. This will involve the closure of some production facilities. It is not yet clear how many jobs will be affected. All restructuring steps will be discussed and carried out in a careful and measured way and in close consultation with the employee representatives.

In addition to the planned cost reduction measures, thyssenkrupp Steel Europe will continue to invest in upgrading its facilities and in research and development. Spending of more than €8 billion has been budgeted for the strategic development of the steel business over the next five years.

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