



## Outotec Partners with GIW Industries in Metals Mining and Processing

Outotec has agreed with GIW Industries, Inc., a subsidiary of KSB Partners, to enter into partnership for the sales and marketing of GIW® slurry pumps and related services to metal mining customers globally. The partnership will not impact Outotec's financial guidance for 2015.

GIW Industries is an international leader in design of high performance slurry pumps, which are used in minerals processing grinding, flotation and dewatering circuits. Outotec's complete sales and service network will be available for the two companies' new and existing metals mining and processing customers. The partnership will expand

Outotec's service offering and enhance the value to customers. The global market for high performance slurry pumps in metal mining applications is estimated to be around EUR 1.3 billion.

"GIW® Minerals products and services fit extremely well into our portfolio. Together with GIW we are able to offer more complete solutions and expanded services to our customers. Our joint technological breadth of experience and



applications, extensive research and development capabilities together with life-cycle services will ensure profitable and sustainable operations for our customers", says Kalle Härkki, President of Outotec's Minerals Processing business area.

## Steel Turmoil Places Caparo Industries in Danger



The crisis in Britain's steel industry could be about to claim another victim, with parts of Labour peer Lord Paul's Caparo empire under enormous pressure.

Caparo Industries, a major producer of steel products with 1,800 staff across 20 sites, was understood to be looking at all funding options over the weekend.

Lord Paul one of the country's 50 wealthiest people, with a fortune estimated at £2bn has a large stake in the privately owned business through its parent company, Caparo Group. Sources indicated that the company could go into administration as soon as possible, with legal advisers and potential administrators on standby.

PwC is thought to be likely to take the lead role, with the work potentially worth up to £10m. However, there remains a chance that a rescue deal could be reached.

Britain's steel industry is buckling under pressure from cheap Chinese imports, high electricity prices caused by green levies, and

the strong pound. The situation with Caparo threatens to overshadow the start of Chinese president Xi Jinping's state visit to the UK, which is due to begin on soon.

Recently, Business Secretary Sajid Javid chaired a high-powered summit aimed at helping the sector, following the closure of SSI's plant in Redcar with the loss of almost to 2,000 jobs.

As revealed by The Telegraph, Tata Steel UK is expected to announce more than 1,000 job losses at its giant Scunthorpe plant and mills in Scotland as it feels the strain. Over the summer, Tata shed almost 1,000 jobs in Yorkshire and Wales as the crisis intensified.

Gareth Stace, director of trade body UK Steel, said after the summit "I cannot emphasize enough that there is an urgency here and very little time before we start to see more job losses and companies facing intolerable pressure. This really is about saving Britain's steel industry and time is of the essence."

Sterling's strength, making exports more expensive, and poor trading in the steel industry are understood to be major factors in Caparo's troubles. It is unclear which parts of Caparo Industries are under threat, with many understood to be viable businesses with lucrative contracts that could allow them to

trade their way out of trouble. However, filing for administration could give the business the breathing space needed to identify the healthiest parts while it restructures or seeks buyers.

According to its 2014 accounts, Caparo Industries' turnover slipped 1.3pc to £368.1m, and the business fell into the red with a £700,000 operating loss, down from a £3.1m profit last time around.

However Caparo Industries' UK operation made a £2.5m operating loss in the year, reversing the £1.7m profit made the previous year.

The directors' report said "The majority of the decline in underlying UK operating profits reflects the difficult trading condition for the commodity-based businesses; these businesses typically perform better when steel prices are increasing. The second half of the year saw rapid falls in steel prices and adverse exchange movements."

Caparo was founded by Indian-born Swraj Paul in the 1960s after he moved to Britain. Starting with a single company making pipes for the gas industry, it grew to become an international business operating in the UK, Europe, India and the US with an annual turnover of \$1.5bn and 10,000 staff. Its founder was ennobled in 1996.

As well as steel, Caparo's global business is also involved in product development, materials testing services, hotels, media, furniture and interior design, financial services, energy and private equity investment.