
Nippon Steel Consortium to buy 55pct stake in Latinusa

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Nippon Steel Corporation, as part of its global player strategy, has decided to invest in PT Pelat Timah Nusantara in Indonesia with the objective of capturing the robust tinplate demand in Asia. As a result, Nippon Steel will acquire control of Latinusa, and Latinusa will become a consolidated subsidiary of Nippon Steel.

PT Krakatau Steel, an Indonesian state owned steel company, has been preparing for the initial public offering of Latinusa's shares, with a view to privatizing its subsidiary which manufactures and sells tinplates, while at the same time inviting tenders from potential strategic partners for the sale of a majority block of Latinusa's shares.

Nippon Steel responded to it by forming a consortium with Mitsui & Co Ltd, Metal One Corporation and Nippon Steel Trading Co Ltd. Nippon Steel and these consortium members signed a share purchase agreement with Krakatau, by which the consortium will acquire 55% of total issued shares of Latinusa, counting after the initial public offering. With Nippon Steel's 35% holdings, representing a controlling stake in the consortium, Latinusa is expected to become a consolidated subsidiary of Nippon Steel.

Consortium members' shares in Latinusa

Nippon Steel Corporation - 35%

Mitsui & Co Ltd - 10%

Metal One Corporation - 5%

Nippon Steel Trading Co Ltd - 5%

Company Overview of Latinusa (PT Pelat Timah Nusantara)

Foundation: 1982

Representative: Ardhiman TA, President Director

Location: Jakarta (Head office), Cilegon (Works)

Capital: IDR 101.9 billion

Business: Production and sale of tinplate

Financial Year-end: End of December

Sales: IDR1465.9 billion (FY2008) (JPY14.7 billion)

Shareholder: PT Krakatau Steel: 93.9%, other: 6.1%

Setting sights on capturing the expanding demand for tinplates in Indonesia by enhancing competitiveness of Latinusa through stable supplies of substrates and technical assistance, Nippon Steel intends to strengthen its tinplate business in the growing market in Asia by securing a manufacturing base in Indonesia, in addition to the production bases located in Japan and two Nippon Steel Group companies overseas, namely Guangzhou Pacific Tinplate Co Ltd PATIN in China and Siam Tinplate Co Ltd STP in Thailand.

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