



# ATI and Tsingshan Announce Formation of Joint Venture

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PITTSBURGH--(BUSINESS WIRE)-- Allegheny Technologies Incorporated (NYSE: ATI) stated today that it formed its previously announced 50-50 joint venture (JV) with an affiliate company of Tsingshan Group (Tsingshan) to produce 60-inch wide stainless sheet products for sale in North America. Initial customer shipments are expected in the first half of 2018.

"We are pleased that we received all required regulatory and anti-trust clearances in a timely manner and are excited about the long-term opportunities for profitable growth that this JV represents for ATI," said Rich Harshman, ATI's Chairman, President and Chief Executive Officer. "We continue to believe that this JV will offer very cost competitive stainless sheet products for the North American market through a unique combination of Tsingshan's unparalleled Indonesian mining, refining, and castings assets, along with ATI's innovative, low-cost Hot Rolling and Processing Facility (HRPF), and the JV's unique Direct Roll Anneal and Pickle (DRAP) facility in Midland, PA.

"This JV will directly create approximately 100 manufacturing jobs in Western Pennsylvania with industry-leading compensation and benefits. It supports ATI's significant investment in U.S. manufacturing operations, particularly at our world-class HRPF, which will provide value-add processing services for the JV's finished products. Today, ATI's Flat Rolled Products group employs more than 2,000 people in the U.S., and each will benefit from a business that is sustainably profitable and growing. This JV helps to lay the foundation for those longer-term objectives. Additionally, the JV supports hundreds of U.S.-based jobs in the communities located along the supply chain."

"Our customers are enthusiastic about receiving 60-inch wide stainless sheet products finished on the JV's DRAP line and have provided positive feedback on product quality from their initial trial materials. The 60-inch wide product offering is consistent with ATI's well recognized reputation for service and quality excellence," said Bob Wetherbee, Executive Vice President Flat Rolled Products Group. "The quick slab-to-coil production cycle time, coupling the power of the HRPF with the DRAP finishing line, is a game-changer for our industry."

The JV will be treated as a 50-50 equity investment with the partners sharing JV operating profit and cash flows. JV sales will not be consolidated into ATI's sales. ATI's FRP segment will benefit from the conversion services provided by ATI's HRPF to the JV, increased utilization of the HRPF, and ATI's share of the JV operating profits.

## ***Creating Value Thru Relentless Innovation™***

ATI is a global manufacturer of technically advanced specialty materials and complex components. With revenue of \$3.5 billion for the twelve month period ending December 31, 2017, our largest market is aerospace & defense, particularly jet engines. We also have a strong presence in the oil & gas, electrical energy, medical, automotive, and other industrial markets. ATI is a market leader in manufacturing differentiated specialty alloys and forgings that require our unique manufacturing and precision machining capabilities and our innovative new product development competence. We are a leader in producing powders for use in next-generation jet engine forgings and 3D-printed aerospace products. [ATIMetals.com](http://ATIMetals.com)

Tsingshan Group, founded in 1998, is a multi-national fully integrated stainless steel producer engaged in nickel ore mining, ferronickel and ferrochrome smelting, stainless steel making, hot rolling, and cold rolling with captive supportive power plants and ports. Tsingshan produces stainless sheet, plate, bar, rod, wire, pipe, and tube. Tsingshan Group, along with other partners, have been investing significantly in Indonesia and India. Tsingshan Group, as the global leader in the production of crude stainless steel, produced 7.5 million tons of crude steel in 2017. Tsingshan Group continues in persistent pursuit of the company culture of "Dare to be the First, Incorruptible and Dedicated."

Yongqing Limited Liability Company (Yongqing) is the Tsingshan Group affiliated company mentioned in the first paragraph of this news release.

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