

AK Steel Holding Corp.

AK Steel Holding Corp. (NYSE: AKS)
703 Curtis St.
Middletown, OH 45043
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Website: <http://www.aksteel.com>

Employees : 11,300
Revenue : \$ 3,994,100,000
Net Income(Loss) : (\$92,400,000)
Assets : \$ 5,225,800,000
Liabilities : \$ 4,192,500,000
Estimated Insurance
Recoveries: \$ 23,900,000
(For the year ended December 31, 2001)

Description: AK Steel Holding Corporation, through its wholly owned subsidiary, AK Steel Corp. and, together with AK Holding, is a fully integrated producer of flat-rolled carbon, stainless and electrical steels. Its operations include those previously conducted by Armco Inc., which merged with and into AK Steel on September 30, 1999. In addition to its steel operations, the company owns and operates a snow and ice control products company as well as pipe and tubing businesses and an industrial park.

Asbestos Discussion from SEC filings:

From the Company's Form 10-K for the period ending December 31, 2002 at
<http://www.sec.gov/Archives/edgar/data/918160/000095013003002264/d10k.htm>
Filed On: March 21, 2003

As of December 31, 2002, the Company is named as a defendant in approximately 250 lawsuits alleging personal injury as a result of exposure to asbestos. The majority of these suits have been filed in Texas on behalf of people who claim to have been exposed while visiting the premises of a former Armco facility in Houston that has been closed since 1984. Most of these lawsuits do not include a specific dollar claim for damages and many include a number of plaintiffs and multiple defendants. Specific dollar claims for damages have been asserted in only 58 cases, involving over 3,400 named defendants (in addition to the Company) and a total of 241 plaintiffs. A total of 13 cases involve claims of \$200,000 or less, 11 cases involve claims between \$200,000 and \$5 million, 31 cases involve claims of \$15 million, two cases involve claims of \$20

million and one case sets forth a claim of \$50 million. In all but four cases, each involving a claim of less than \$200,000, the amount claimed is for compensatory damages and a separate claim in an equal amount is asserted for punitive damages. Most claimants fail to allocate their alleged claims of liability among the various named defendants. It has been the Company's experience, however, that, as a result of discovery, only a small percentage of claimants ultimately identify AK Steel as a defendant from whom they are actually seeking damages and most of these claims ultimately are either dismissed or settled for a small fraction of the damages initially claimed. For example, during 2001, the Company disposed of 26 claims either through dismissal or settlement, with

total settlement payments of approximately \$300,000. During 2002, the Company disposed of 54 claims with total settlement payments of less than \$100,000. Since the beginning of 1990, the Company has disposed of a total of 269 claims with total settlement payments of approximately \$2 million and has not experienced a significant increase in the cost of settlement during this period. In addition, only one case against AK Steel has ever proceeded to trial and that case concluded with a verdict for the defense. The Company intends to continue its practice of vigorously defending these cases. Based upon its present knowledge, and the factors set forth above, the Company believes it is unlikely that the resolution of these claims in the aggregate

will have a material adverse effect on its results of operations, cash flows or financial condition. However, predictions as to the outcome of pending litigation, particularly claims alleging asbestos exposure, are subject to substantial uncertainties. These uncertainties include (1) the significantly variable rate at which new claims may be filed, (2) the impact of bankruptcies of other companies currently or historically defending asbestos claims, (3) the uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, (4) the type and severity of the disease alleged to be suffered by each claimant, and (5) the potential for enactment of legislation affecting asbestos litigation.

From the Company's Form 10-K for the fiscal year ended December 31, 2000

<http://www.sec.gov/Archives/edgar/data/918160/000095013001000946/0000950130-01-000946-0001.txt>

Filed On: October 20, 2001

A number of lawsuits regarding asbestos exposure are pending and continue to be filed arising out of the operations of former Armco facilities. The majority of these lawsuits are filed in Texas and arise out of Armco's former Houston Works facility. Such cases typically involve a large number of plaintiffs claiming against a large

number of defendants. Armco is normally named as a defendant by a small percentage of the overall plaintiffs who are typically frequenters (independent contractors, delivery personnel, etc.) claiming that Armco exposed them to asbestos while they were on the premises. AK Steel is actively and vigorously defending these cases.

Asbestos-Related News:

[Enters Settlement Agreements in Pending Asbestos Liabilities](#)