



Essar Steel Algoma Inc.  
105 West Street  
Sault Ste. Marie, Ontario  
Canada P6A 7B4

T +1 - 705 - 945 2351  
F +1 - 705 - 945 2203  
[www.essarsteelalgoma.com](http://www.essarsteelalgoma.com)

**NEWS RELEASE**  
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## **Essar Steel Algoma Reports a Loss for Fiscal Year 2010**

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma reported a net loss of \$398.9 million for the fiscal year ended March 31, 2010. The loss was attributable to lower sales volumes and lower prices in steel markets. For the three month period ending March 31, 2010, Essar Steel Algoma reported a net loss of \$68.4 million. Shipments for fiscal year 2010 were 2,223,966 tons, down 14% from the prior year. Shipments for the quarter were 697,639 tons. Sales for fiscal 2010 were \$1,409.4 million, down \$1,138.1 million compared to the prior fiscal year. Sales for the fourth quarter were \$464.8 million.

The Company reported EBITDA earnings, excluding exceptional items, of \$49.5 million for the fiscal year compared to \$453.4 million of EBITDA for fiscal year 2009. In the fourth quarter, the EBITDA earnings were \$24.8 million. EBITDA is a meaningful indicator of the Company's profitability. Weak steel markets in fiscal 2010, as compared to the prior year, resulted in poor financial performance for the year.

Chief Executive Officer Armando Plastino commented on the quarter, "More aggressive cost control measures are required in light of the cyclicality of steel markets in combination with volatile input costs. We are confident that our employees and stakeholders are aware of this challenge and will continue working together to ensure a viable and sustainable business going forward."

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A member of the Essar Group, Essar Steel Algoma Inc. is based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, the Company derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

### **COMPANY CONTACT:**

Brenda Stenta  
Manager Corporate Communications  
Phone: +1.705.945.2209  
E-mail: [brenda.stenta@essar.com](mailto:brenda.stenta@essar.com)