



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**

February 10, 2011

### **Essar Steel Algoma Reports Results for Third Quarter of Fiscal 2011**

**SAULT STE. MARIE, ONTARIO** – Essar Steel Algoma reported a net loss of \$194.9 million for the quarter ended December 31, 2010. For the comparable quarter ended December 31, 2009 the net loss was \$63.3 million. The Company also reported an EBITDA of negative \$155.7 million for the quarter compared to an EBITDA of \$16.7 million for the comparable quarter in the prior year. EBITDA is a meaningful indicator of the Company's profitability. The change in results is primarily due to higher cost of sales per ton, which were impacted by the arbitration decision in the iron ore pricing dispute with Cleveland Cliffs, and partially offset by higher selling prices and increased shipments.

Shipments for the quarter were 629,501 tons, representing a 33.6% increase from the same period in the prior year. Sales for the quarter were \$436.6 million.

The Company confirmed its No. 7 Blast Furnace has been successfully restarted and the Company expects to return to normal operations this week.

-30-

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)