



NEWS RELEASE

Monday, October 13, 2014

Essar Steel Algoma Reports Strong Second Quarter Results for Fiscal Year 2015

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. reported today CDN \$85.2 million in EBITDA for the three month period ended September 30, 2014. This improvement in earnings is attributable, in part to a 28% increase in shipments with 680,092 tons shipped during the quarter as compared to 530,038 tons in the previous quarter, coupled with higher selling prices. EBITDA is a non-GAAP measure of profitability, used by management as an indicator of the operational health of the business. The net income for the quarter was CDN \$52.9 million compared to a net loss of CDN \$80.8 million for Q1 FY2015.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on the quarter's results, "As we enter into the final stage of the refinancing process this week we are starting to witness the results of our turnaround efforts. Step changes in both productivity and conversion costs combined with improving macro economic indicators are positively reflected in our second quarter results. As we commence our seasonal raw material build we continue to optimize production levels to ensure reliable supply to our customers over the coming winter."

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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.

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