



MEDIA RELEASE  
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## Essar Steel Algoma Closes First Quarter with Positive EBITDA

**SAULT STE. MARIE, ON** — Essar Steel Algoma Inc. reported today CDN \$5.6 million EBITDA for the first quarter of fiscal 2016 ending June 30, 2015, versus CDN \$12.4 million in the same period year prior. The Company maintained strong production throughout the quarter and is currently operating at 90% capacity utilization. This translated into higher shipments, though not enough to counter the sustained low price environment, which resulted in a CDN \$28.9 million operating loss for the quarter. Shipments for the quarter ending March 31, 2015 were up 19% at 632,000 tons as compared to the same three month period ended June 30, 2014.

On June 10, 2015, the Canada Border Services Agency (“CBSA”) announced that it had initiated anti-dumping and countervailing investigations in respect of steel plate from the Republic of India and the Russian Federation. The CBSA will now determine whether said imports of steel plate have been dumped into Canada and/or have benefitted from countervailable subsidies. On August 10, 2015 the Canadian International Trade Tribunal (“CITT”) announced their preliminary determination finding dumped and subsidized imports have caused material injury or threaten to cause material injury to the Canadian industry. The CBSA ruling is expected on September 8, 2015 at which time there is a reasonable expectation that duties will be imposed, potentially retroactive to June 10, 2015.

Essar Steel Algoma President and CEO Kalyan Ghosh commented on the market, “This past year dumped imports have wreaked havoc on North American markets, displacing domestic market share and placing downward pressure on price. Despite recovering demand, we are just now witnessing some price recovery and with the prudent application of trade remedies we anticipate the return of a level playing field.” He went on to say, “On a more positive note, I am pleased to advise we have commenced work on our comprehensive Modernization and Expansion Program which will enable us to adopt best-in-class technologies that will improve our productivity, further enhance our competitive cost structure, and increase our offering of advanced steel grades.”

EBITDA is a non-GAAP measure of profitability, used by management as an indicator of the operational health of the business.

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### **About Essar Steel Algoma Inc.**

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. Founded in 1901 as Algoma Steel, the company was acquired in June 2007 by Essar Steel Holdings Limited. Its products are sold to customers in the automotive, light manufacturing, construction, shipbuilding, energy, mining and steel distribution industries.

For more information, please visit [www.essarsteelalgoma.com](http://www.essarsteelalgoma.com) or follow Essar Steel Algoma on Twitter [@EssarAlgoma](https://twitter.com/EssarAlgoma).

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