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Key Highlights

- 2009 has been challenging for the steel industry globally
- Lower steel prices impacted our profitability
- Unlike the majority of steelmakers around the globe, ezzsteel was able to operate profitably
- Egyptian steel demand remained strong and grew steadily
- Operational flexibility and modern technology enabled us to quickly adapt to changing market conditions
- Construction of additional DRI capacities to further increase our level of backward integration has already started
- During the EFS stoppage we have installed additional production flexibility
- ezzsteel is now better positioned to benefit from market improvements
- After an outstanding 2008 and a challenging 2009, the outlook for 2010 is positive
Steel Market Overview

World Crude Steel Production

Source: World Steel Association
Overview of Domestic Steel Market

Despite the global slowdown, domestic demand continued to grow steadily, particularly in respect of private homebuilding.

Government stimulus package includes large steel intensive infrastructure investments.
Domestic Market Leader...

**FY 09 Long Product Market Share Breakdown**
- **ezzsteel** 44%
- Beshay 7%
- Al Garhi 6%
- Bourieni 2%
- Marakby 1%
- Others 7%
- Imports 33%

**Estimated local market size of 7,307 thousand tonnes**
Source: Company estimates

**FY 09 Flat Product Market Share Breakdown**
- **ezzsteel** 41%
- EISCO 14%
- Imports 45%

**Estimated local market size of 1,122 thousand tonnes**
Source: Company estimates
Full Year 2009 Key Highlights

Production

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>'000 Tonnes</td>
<td>4,608</td>
<td>4,265</td>
</tr>
</tbody>
</table>

Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGP Millions</td>
<td>21,843</td>
<td>12,589</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGP Millions</td>
<td>4,489</td>
<td>1,662</td>
</tr>
</tbody>
</table>

Net Income

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGP Millions</td>
<td>1,233</td>
<td>88</td>
</tr>
</tbody>
</table>
Full Year 2009 Production

EZDK Long: FY 2008 1,812, FY 2009 1,806
EZDK Flat: FY 2008 695, FY 2009 978
ESR Long: FY 2008 1,373, FY 2009 1,480
EFS Flat: 729
ezzsteel continues to generate the largest portion of its revenues in its growing domestic market, where we enjoy a leading position.
### Full Year 2009 Revenues

<table>
<thead>
<tr>
<th></th>
<th>EGP Mn</th>
<th>ESR/ERM</th>
<th>EZDK</th>
<th>EFS</th>
<th>ezzsteel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long</strong></td>
<td>4,283</td>
<td>5,281</td>
<td></td>
<td></td>
<td>9,564</td>
</tr>
<tr>
<td><strong>Flat</strong></td>
<td>2,763</td>
<td></td>
<td>96</td>
<td></td>
<td>2,859</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>10</td>
<td>143</td>
<td>13</td>
<td></td>
<td>166</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,293</td>
<td>8,187</td>
<td>109</td>
<td></td>
<td>12,589</td>
</tr>
<tr>
<td><strong>Standalone</strong></td>
<td>4,293</td>
<td>8,161</td>
<td>318</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Consolidated revenues**
## Full Year 2009 Cost Breakdown

<table>
<thead>
<tr>
<th>FY 09</th>
<th>ESR/ERM</th>
<th>EZDK</th>
<th>EFS</th>
<th>ezzsteel Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EGP Million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>4,293</td>
<td>8,161</td>
<td>318</td>
<td>12,589</td>
</tr>
<tr>
<td>COGS</td>
<td>3,969</td>
<td>6,734</td>
<td>633</td>
<td>11,135</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>8%</td>
<td>18%</td>
<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

### Graph

- **ESR/ERM**
  - Depreciation & Overheads: 10%
  - Labour: 5%
  - Energy: 70%
  - Raw Materials: 15%

- **EZDK**
  - Depreciation & Overheads: 10%
  - Labour: 5%
  - Energy: 70%
  - Raw Materials: 15%

- **Ezz Steel Consolidated**
  - Depreciation & Overheads: 10%
  - Labour: 5%
  - Energy: 70%
  - Raw Materials: 15%
2009 profitability was largely impacted by:

- Slow demand from the global steel market
- Weakened steel prices
- The shutdown in production at EFS
- Proportionally higher costs at EZDK
Commitment to Growth Strategy

- **Existing Capacity**
  - Existing DRI: 3.2 mn tpa
  - Existing Finished Product: 5.8

- **Domestic Expansions**
  - Additional DRI: 3.8
  - Additional Finished Product: 1.2
  - Domestic DRI: 7.0
  - Domestic Finished Product: 7.0

- **Post Domestic Expansion**

- **Regional Expansions**
  - Algeria DRI: 3.0
  - Algeria Finished Product: 3.0

- **Post Regional Expansion**
  - Total DRI: 10.0
  - Total Finished Product: 10.0
Outlook

- ezzsteel remains confident about the continued strength of the Egyptian market, which has remained largely unaffected by the global economic slowdown.

- Local demand remains very strong, in particular house building and infrastructure projects.

- Global steel markets have stabilised and are starting to show signs of improvement, a trend we expect will continue.

- We are experiencing a pick up in steel prices and similarly in demand.

- Our current expansion efforts are focused on vertical integration and flexibility, which includes expanding our DRI capacity and adding long product production capabilities at EFS.
Summary

- Strong operational flexibility helped to offset weak price environment

- Buoyant local market demand for long product, signs of strengthening international market for flat steel

- Benefit of flexible model being seen, down cycle used to install additional flexibility at EFS

- Growth strategy to continue
### Divisional Review: EZDK

#### EZDK (Alexandria)

**Sales:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Volume</th>
<th>Exports as % of Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>EGP 11.6bn</td>
<td>1,785 thousand ton</td>
<td>1%</td>
<td>EGP 4.3bn</td>
</tr>
<tr>
<td>FY 2009</td>
<td>EGP 8.2bn</td>
<td>1,799 thousand ton</td>
<td>3%</td>
<td>EGP 1.6bn</td>
</tr>
</tbody>
</table>

- **Volume:**
  - Long: 1,785 thousand ton
  - Flat: 687 thousand ton
  - Long: 1,799 thousand ton
  - Flat: 973 thousand ton

- **Exports as % of Sales:**
  - Long: 1%
  - Flat: 41%
  - Long: 3%
  - Flat: 52%

- **EBITDA:**
  - FY 2008: EGP 4.3bn
  - FY 2009: EGP 1.6bn

**Production:**

- **Long Products:** 1,812 thousand ton
- **Flat Products:** 695 thousand ton
- **Billets:** 1,911 thousand ton
- **Long Products:** 1,806 thousand ton
- **Flat Products:** 978 thousand ton
- **Billets:** 2,020 thousand ton

- Egypt’s largest steel complex
- Capacity to produce 2 million tonnes of long products and 1 million tonnes of Flat products per year
- Capable of long and flat production to international standards, including thin gauge flat steel
- Privately operated port that can dock ships of up to 150,000 dwt - few other producers have this benefit
- DRI for internal meltshop use is supplied by the plant’s MIDREX direct reduction units
Divisional Review: ESR/ERM

**ESR/ERM (Sadat City & 10th of Ramadan)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>EGP 6.6bn</td>
<td>EGP 4.3bn</td>
</tr>
<tr>
<td>Volume</td>
<td>1,382 thousand ton</td>
<td>1,466 thousand ton</td>
</tr>
<tr>
<td>Exports as % of Sales</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>EGP 148mn</td>
<td>EGP 264mn</td>
</tr>
</tbody>
</table>

**Production:**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Products</td>
<td>1,373 thousand ton</td>
<td>1,481 thousand ton</td>
</tr>
<tr>
<td>Billets</td>
<td>748 thousand ton</td>
<td>842 thousand ton</td>
</tr>
</tbody>
</table>

- Mini-mill in the strategic location of Sadat City, commissioned in 1995
- Also operate a plant at the 10th Ramadan, which comprises of rolling mill and wire mesh factory
- Capacity to produce 1.5 million tonnes of long products per year
Divisional Review: EFS

**EFS (Suez)**

<table>
<thead>
<tr>
<th>Sales:</th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value:</td>
<td>EGP 3.8bn</td>
<td>EGP 0.318bn</td>
</tr>
<tr>
<td>Volume:</td>
<td>771 thousand ton</td>
<td>42.5 thousand ton</td>
</tr>
<tr>
<td>Exports as % of Sales:</td>
<td>80%</td>
<td>96%</td>
</tr>
<tr>
<td>EBITDA:</td>
<td>EGP 21mn</td>
<td>EGP -179mn</td>
</tr>
</tbody>
</table>

**Production:**

<table>
<thead>
<tr>
<th>Flat Products:</th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>729 thousand ton</td>
<td>1.2 thousand ton</td>
</tr>
</tbody>
</table>

- One of the few producers in the world to operate thin slab casting technology, to produce thin gauges of steel sheets with a minimum thickness of 1mm
- Capacity to produce 1.3 million tonnes of either flat or long products per year
- Installation of billet caster at EFS to enable flexibility in producing either flat steel or semi-finished long products at times when the flat steel market is in a low cycle
ezzsteel at a Glance

- The largest steel producer in the Middle East and Africa with a total actual capacity of 5.8mn tonnes per annum
  - 3.5mn tonnes of long products (Rebar)
  - 2.3mn tonnes of flat products (HRC)

- ezzsteel is listed on the EGX and the LSE (through a GDR program) and has a market capitalisation of EGP 10.2bn as at 21 March 2010

Note: Ezzsteel direct and indirect stake in EFS: 63.10%
Relative Share Performance Vs EGX30

Share Data:

- 52wk High on 16th of February 2010: 19.47 EGP
- 52wk Low on 25th of March 2009: 7.12 EGP
- Avg. Daily Traded Volume: 2.7 mn Shares
- Market Cap: 10.2 bn EGP

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