ECONOMIC CONSULTING SERVICES, LLC

BEFORE THE

UNITED STATES INTERNATIONAL TRADE COMMISSION

IN THE MATTER OF

# HOT-ROLLED STEEL FLAT PRODUCTS FROM AUSTRALIA, BRAZIL, JAPAN, KOREA, THE NETHERLANDS, TURKEY, AND THE UNITED KINGDOM

Inv. No(s). 701-TA-545-547 AND 731-TA-1291-1297 (Preliminary)

EXHIBITS TO TESTIMONY

OF

BRUCE MALASHEVICH

ECONOMIC CONSULTING SERVICES, LLC

AT

STAFF CONFERENCE

September 1, 2015

Washington, D.C.

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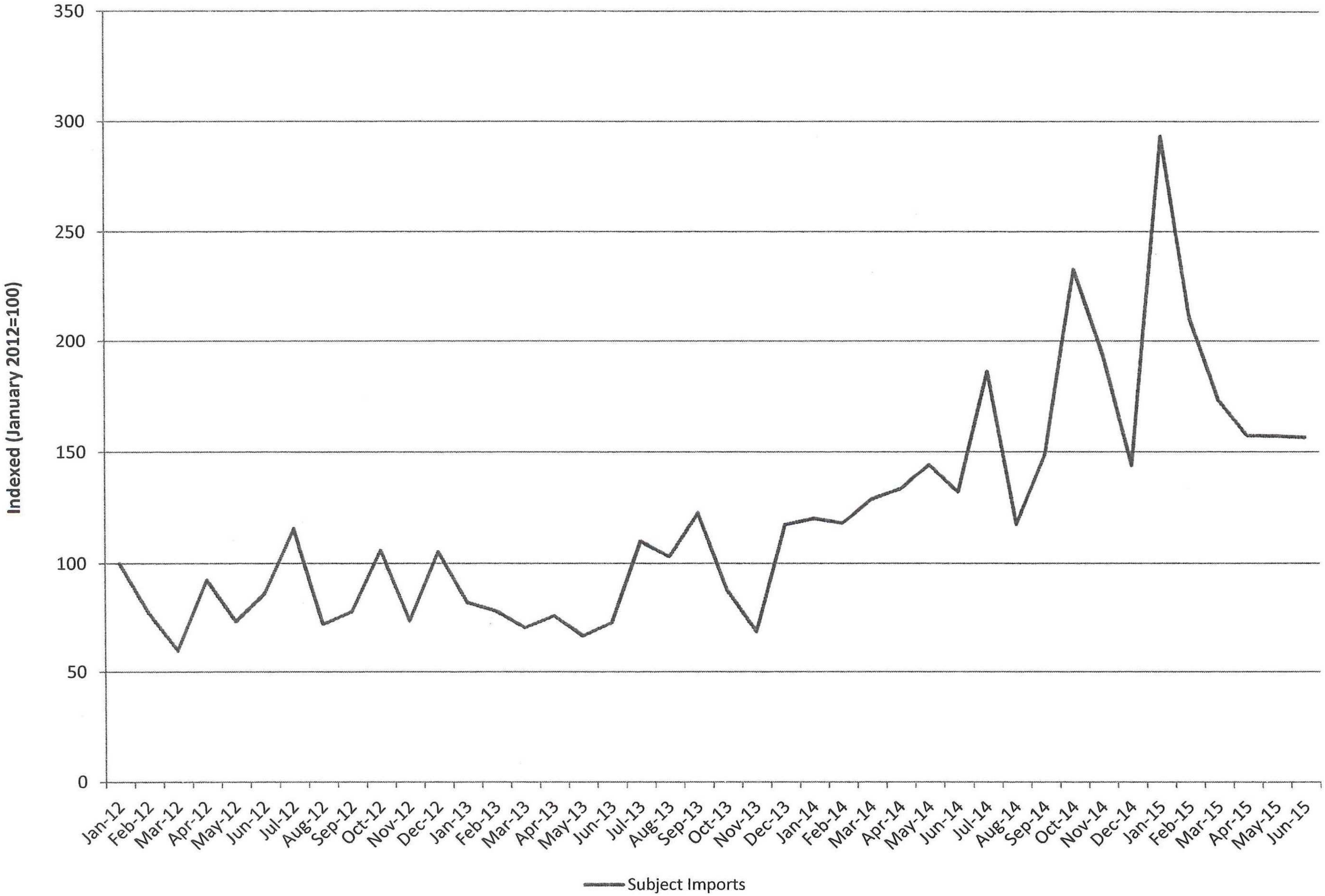
# Exhibit 1

## Exhibit 1 - Hot-Rolled Steel: Indexed Volume of Subject Imports




Source: U.S. Census Bureau Imports for Consumption. HTS Numbers as Presented in Petition

# Exhibit 2

## Exhibit 2 – Energy Market Correlation with Subject Imports of Hot-Rolled Steel

The oil and gas industry is typically divided into upstream, midstream, and downstream segments. OCTG pipes (Oil Country Tubular Goods) and connections are used in the upstream segment (downhole in oil and gas wells). Although OCTG is a steel product its consumption is highly correlated to drilling for oil and natural gas.

There are two demand trends that have emerged as a result of increased shale drilling activity in the U.S. The first is continued growth of the amount of OCTG used in each well. The OCTG that is used for hydraulic fracturing technology and horizontal drilling require a high level of performance from the OCTG. The second trend is that of overall consumption of OCTG products per well. The increased depth and lateral recovery systems have contributed to significantly higher rates of tubular consumption per well.

Drilling for oil and natural gas by E&P's is highly sensitive to oil and gas prices. The two aforementioned drivers of demand for OCTG involve drilling activity that is expensive in comparison to traditional drilling techniques. A study by IHS in 2014 concluded that about 80% of the tight oil capacity additions in 2105 will still be profitable at $50-$69 a barrel. So it is easy to conclude that with oil prices continuing to be low that demand for OCTG in the US will abate as drilling declines. According to OilPro, "An average of 750 rigs is all that's needed to keep U.S. oil production flat."[1]

Chart A shows the how closely related oil prices, the Wellhead Price[2] and the Cushing, OK WTI Spot Price[3] are correlated with the number of oil drilling rigs in use in the U.S. We created an index of these prices to make comparisons with an index of oil rig activity and an index of subject imports of OCTG. The number of drill rigs in use has a lagged response to oil prices and the number of rigs began to decline in October 2014 in response to the drop in oil prices that turned downward in June 2014. Monthly reported entries of subject imports of hot rolled steel followed the downturn in drilling rigs in use in January 2015 and continued to decline into mid-2015.

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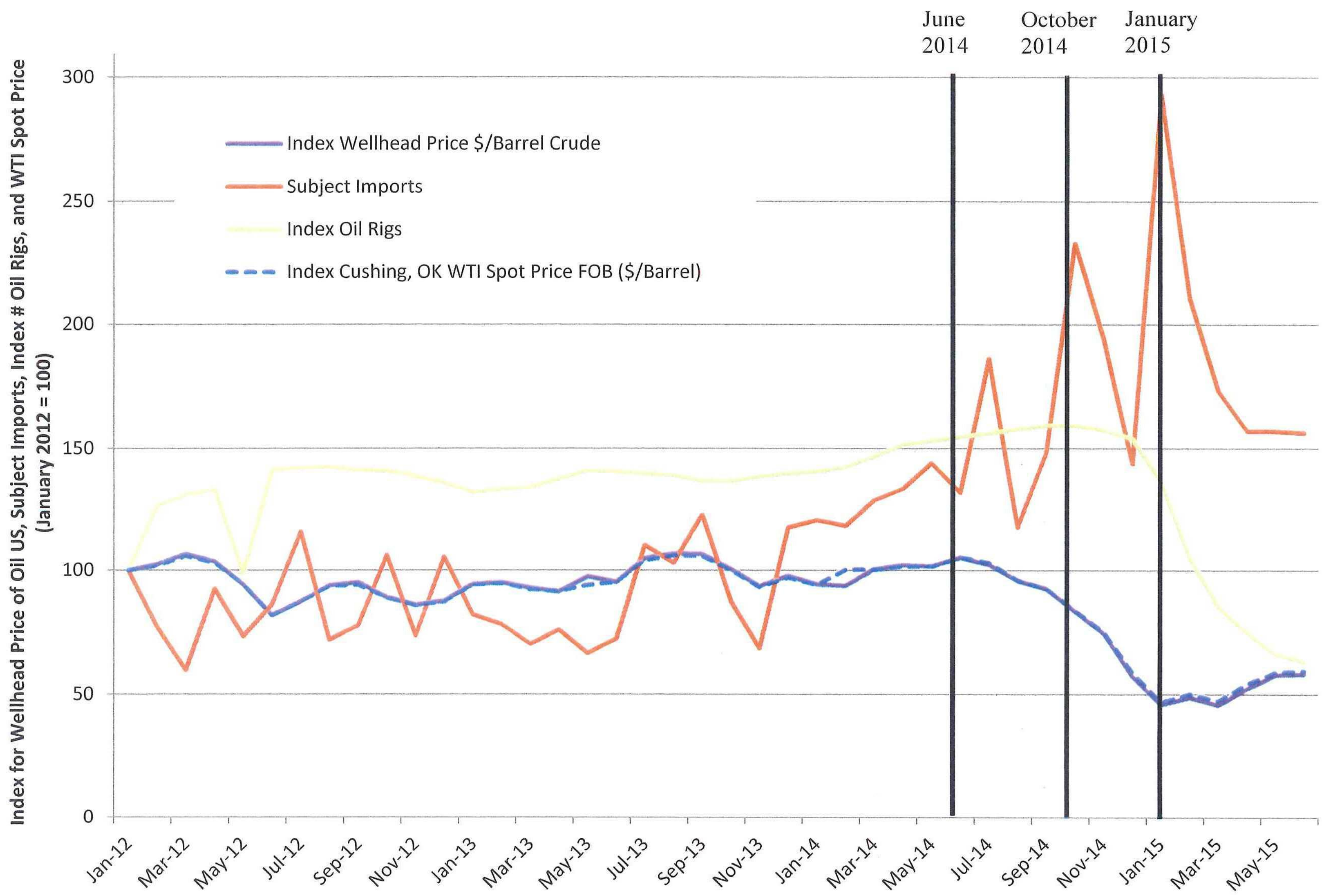
[1] OCTG Caught in The 'Muddle', by Susan Murphy, OILPRO - May, 2015.

[2] Wellhead price is the price for a barrel of oil less transportation costs charged by the producer.

[3] West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing.

## Chart A - Subject Imports, Oil Drill Rig Count, Wellhead and WTI Spot Prices of Oil.




Sources: Preston Pipe & Tube Report, U.S. Census Bureau – Imports for Consumption as Presented in Petition, Federal Reserve Bank of St. Louis

# Exhibit 3

**Exhibit 3 - Quotes Relating to OCTG, Tubular Goods, and the Energy Sector**

*Source: SSAB Financial and Operating Summary of Q2 2015*

1. Segment results for Tubular

"The decrease in Tubular results for the three months ended June 30, 2015 as compared to the same period in 2014 was primarily due to decreased shipment volumes (approximately $70 million) and increased operating costs primarily due to reduced production levels (approximately $40 million)."

2.

"The decrease in Tubular results for the six months ended June 30, 2015 as compared to the same period in 2014 was primarily due to decreased shipment volumes (approximately $110 million) and increased repairs and maintenance and other operating costs, primarily due to reduced production levels (approximately $75 million), partially offset by an increase in average realized prices (approximately $35 million) and lower raw materials costs (approximately $10 million)."

3.

"Gross margins for the three and six months ended June 30, 2015 as compared to the same period in 2014 decreased as a result of a decrease in steel shipments and related production costs inefficiencies."

*Source: Bloomberg Transcript: Arcelor Mittal, Q1 2015 Earnings Call 5/7/2015*

4. Charles A. Bradford

" Hi. With the U.S. Steel announcing at least a temporary closure of Granite City, that's pretty nearby mill to you. Presumably, I don't think that's closing yet, but there is going to be some customers looking for fuel supplies. Have you gotten much of that yet?"

5. James L. Wainscott

"We are aware of the Granite City situation. We're not sure it's entirely closed but it's pretty big move. Our sense is that relates to the market they serve and oil country tubular goods for the most part. But again we only know what we read. I think it's fair to say that we get inquiries from a number of sources including some of those customers. We've done our own idling if not curtailing throughout AK Steel and we'll continue to do that as we look at our own individual situation and balance supply and demand and I suppose others could say some of our customers are going to them. In any event it's very competitive business out there and we'll look to fill the voids and the spaces where we do that best."

6. Lakshmi Niwas Mittal

"While we have reported a net loss of $700 million in Q1 2015, this is largely the result of foreign exchange impacts on the value of deferred tax assets. A better reflection of our performance, I believe, is the ongoing progress on net debt. As expected, there were seasonal investments in working capital in the first quarter, so net debt increased to $16.6 billion comparing with quarter four. But if I compare net debt to where it was 12 months ago, I can see a decline of almost $2 billion."

7.

"Real underlying demand continues to grow across our key developed markets. The U.S. has been impacted by the weakening of energy investments and the strength of U.S. dollar. Although it is worth to note that underlying real demand continues to grow, particularly in the auto and machinery sectors, offsetting weakness in the energy sector."

8. Aditya Mittal

"Finally, let me now talk about our guidance and targets for 2015. While steel markets have evolved largely as per expectations, the subsequent deterioration of iron ore prices as well as the weaker U.S. market results in a headwind to earlier guidance. Although the company expects to benefit from further improvement in costs, both in mining and steel segments, including lower raw material costs, the company now expects 2015 EBITDA within the range of $6 billion to $7 billion."

9. Louis L. Schorsch

"Yeah. On the trade front, I think your – I'm not sure that I at least personally would agree with you that these cases and initiatives have limited impact as you indicate. Although I think the idea that they're the solution is also overstated. I think, in terms of the way we look at things, and this takes us back to the U.S. question that I just tried to answer previously, clearly, we're not counting on any trade actions providing any materials benefits. This is something we need to improve the results kind of on our own, and anything that happens on the trade front that's positive is just icing on the cake, if you will."

10.

" But I do think we look – if we take Mr. Mittal's – the numbers you gave overall for the market, the real growth versus the apparent decline, just work through the arithmetic that apparent decline, I think, has basically occurred more or less already. So I think we'd see that we see some – no further decline. Whether we'd see the uptick there, I think that we're not counting on that. As you say, there' some seasonal negatives for us into the second half. But I think that inventory adjustment, which was very sharp, very drastic, but I think that's –we're going – that's going to play out to be largely behind us. And we'll now see the underlying strength of the U.S. economy come back and show up in our markets and in our results. But again, I think it's more of a second half phenomenon, and we'll still see some overhang of this structural adjustment in the second quarter."

11. Pavel Sergeevich Tatyanin

"OCTG pipe demand will face severe headwinds in 2015, resulting from lower oil price and high inventory levels at the distributor's level. Hence, we expect utilization of our OCTG mills in the U.S. and Canada to be significantly lower than in 2014. We expect to run our steel-making capacities at full utilization rate. We remain very positive about our rail and large diameter pipe businesses in North America."

12.

"And coming back to your second question on the U.S. demand outlook, indeed, we expect significant headwinds on the OCTG side of things. Clearly, we are on the middle of the spring break now, which in Canada in particular, when the drilling activity usually stops, coming out of the spring break is going to be extremely important to see how much of real contraction I the OCTG demand we're going to have. So far us it's a little premature to get estimates of the contraction. But we hear people saying that the overall capital budgets are cut between 25% to 35% year-on-year. How much of that is going to really be there for us and how much is going to be absorbed by competitors, that is something that we will still see coming out of the spring break.

*Source: United States Steel Corporation Form 10-Q, Quarterly Period Ended March 31, 2015*

13.

"During the first quarter of 2015, the Company adjusted its operating footprint by temporarily reducing its production levels within its Flat-Rolled and Tubular segments as well as permanently shutting down certain of its coke production facilities. Management may continue to further adjust the Company's operations in 2015. Customer order rates for our products, market demand, economic conditions as well as import levels will determine the size and duration of these adjustments."

14. RESULTS OF OPERATIONS: Net Sales

| | **Three Months Ended March 31,** | | |
|---|---|---|---|
| **(Dollars in millions, excluding intersegment sales)** | **2015** | **2014** | **% Change** |
| Flat-Rolled Products (Flat-Rolled) | **$2,194** | $3,027 | (28)% |
| [...] | | | |
| Tubular Products (Tubular) | **$371** | $643 | (42)% |

15.

"The decrease in sales for the USSE segment was primarily due to the strengthening of the U.S.

dollar versus the euro in the three months ended March 31, 2015 as compared to the same period in 2014 (decrease in average exchange rate of 0.24) and the lower average realized euro-based prices."

16.

"The decrease in Flat-Rolled results for the three months ended March 31, 2015 compared to the same period in 2014 resulted from higher repairs and maintenance and other operating costs (approximately $115 million), lower shipment volumes (approximately $75 million), lower average realized prices excluding USSC, see footnote (a) to the table above, (approximately $60 million), and lower steel substrate sales to our Tubular segment (approximately $40 million)."

*Source: Bloomberg Transcript: Arcelor Mittal, Q1 2015 Earnings Call 4/29/2015*

17. Dan Lesnak

"Thank you, Dave. On slide five. First quarter results for our Flat-rolled segment decreased significantly compared to fourth quarter, primarily due to lower shipments, including intersegment shipments to our Tubular segment."

18.

"On slide six, first quarter results for our Tubular segment decreased significantly compared with fourth quarter, primarily due to lower shipments. Shipments were adversely impacted by reduced drilling activity caused by low crude oil prices and the significant amount of tubular import volumes. Inefficiencies from reduced operating levels into all of our tubular facilities also negatively affected the first quarter results."

19. Mario Longhi Filho

"The base and magnitude of the drop in both oil prices and drilling rig counts has resulted in decreased steel demand for both finished tubular products and substrates supplied by our Flat-rolled segment for the production of tubular products. Lower order rates for both flat-rolled and tubular products have resulted in lower utilization rates and increased operational inefficiencies at all of our facilities in North America."

20.

"Well, I think the decline in the Tubular is continuing, certainly, in the second quarter. Luke. I think we'll be seeing close to very, very low bottom at that point. And then we're just going to have to see how much CapEx is going to begin to flow back."

*Source: U.S. Steel, Q1 2015 Earnings Call 4/29/2015*

21.

"The base and magnitude of the drop in both oil prices and drilling rig counts has resulted in decreased steel demand for both finished tubular products and substrates supplied by our Flat-rolled segment for the production of tubular products. Lower order rates for both flat-rolled and tubular products have resulted in lower utilization rates and increased operational inefficiencies at all of our facilities in North America."

*Source: "Nucor mulling downstream growth: Ferriola," American Metal Market, 6/9/2015*

22.

"Several U.S. welded pipe and tube mills in the energy, structural and conduit sectors are for sale, which would make ideal acquisitions for a flat-rolled steelmaker looking to channel excess value added hot-rolled tons, conference attendees said. Hot-rolled coil is the substrate used to make welded pipe and tube."

# Exhibit 4

**Exhibit 4**

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**Quotes Relating to Customer De-stocking in 2015**

*Source: SSAB "Presentation of the Q2/2015 result," July 22, 2015:*

1. SSAB's outlook for Q3/2015

"In North America, the destocking in H1/2015 is expected to spill over into the third quarter

- Underlying demand from end-customers is expected to be relatively good"

2. SSAB Americas

"Lower prices due to destocking at Steel Service Centers"

*Source: Bloomberg Transcript: ArcelorMittal, Q1 2015 Earnings Call 5/7/2015*

3. Michael E. Flitton

"And just in terms of the second half recovery in NAFTA, how much you, I guess, looking for a restock in the second half as opposed to just the de-stocking abating?" –

Louis L. Schorsch

"I think to start on the NAFTA trajectory, let's say, I think you're right to say that this is really a first half phenomenon for us. So I think that you're seeing that de-stocking. We have, I think some indications that our expectation that this was just an inventory adjustment, even if a particularly sharpened and drastic one, and that we'd be seeing the end to that by kind of May to June, I don't want to declare with certainty that that's the case here. But I think we are seeing lead times extend out."

4. Louis L. Schorsch

"...I think the lead times have moved out as we understand from our customers to four weeks to five weeks, and spot markets, a month ago, I would say, they were typically one to two weeks. So I think customers are coming back into the market again where I wouldn't say things like a boom is here, but I think we are seeing the end of that de-stocking process."

*Source: ArcelorMittal, PR Report Q2 and H1 2015*

5. Outlook and Guidance

"Whilst underlying demand continues to expand in the US, due to the destock that occurred during the first six months of the year, ASC is expected to decline by -3% to -4% in 2015; nevertheless, ASC in the US in the 2H 2015 is expected to be approximately +2% to +3% above the 1H 2015 level."

*Source: United States Steel Corporation, Second Quarter 2015 Earnings Conference Call and Webcast, p.15*

6. Major end-market summary

"Service center: Inventory drops 106k tons, falls to 2.4 months supply (unadjusted); -0.3 months drop from end of May."

*Source: SSAB, Presentation of the Q2/2015 Result*

7 . Service Centers (US)

Demand did not pick up in Q2
Destocking throughout Q2

*Source: NLMK , Q2 and H1 U.S. GAAP Consolidated Financial Results Moscow, August 5, 2015*

8. Foreign Rolled Products Segment

- Segment Sales Up By 11% QOQ
    - Increase in NLMK USA sales volumes by 11% qoq due to re-stocking/better demand

9. Q3'15 Outlook

- USA: expected re-stocking supported by stable demand, lower inventories and higher risk of imports

*Source: Bloomberg Transcript: Steel Dynamics, Q1 2015 Earnings Call 4/21/2015*

10. Mark D. Millet

"As the inventory overhang subsides in the coming months, the underlying market demand should give support to steel product pricing."

## Quotes Relating to Declines in Raw Material Prices

*Source: AK Steel, Form 10-Q for period ended June 30, 2015*

1.

"Beginning in the third quarter of 2014, Magnetation experienced tight liquidity conditions in the face of several challenges to its business and operations. The significant decline in the IODEX that began in early 2014 accelerated in the first quarter of 2015, with an approximate 20% decline in the daily IODEX index and substantial futures pricing declines toward the end of the quarter. These iron ore price declines further strained Magnetation's liquidity during a period in which it experienced lower sales because of a slower-than-expected ramp-up of operations of its pellet plant."

*Source: Bloomberg Transcript: AK Steel Holding, Q1 2015 Earnings Call 4/28/2015*

2. Douglas O. Mitterholzer

" The IODEX index where iron ore has fallen by nearly 40% in the past six months and finds itself near its lowest point in a decade. For reference sake, the IODEX averaged just over $80 in October of 2014 and the current average month-to-day for April 2015 is $50."

*Source: Steel Dynamics Inc, Form 10-Q for period ended June 30, 2015*

3.

" Our metallic raw material cost per net ton consumed in our steel operations decreased $109, or 30%, in the second quarter of 2015, compared with the second quarter of 2014, as the market cost of scrap decreased significantly, consistent with overall scrap market pricing. In the first half of 2015, our metallic raw material cost per net ton consumed decreased $91, or 25%, compared to the same period in 2014."

*Source: Bloomberg Transcript: Steel Dynamics, Q1 2015 Earnings Call 4/21/2015*

4.

"As predicted in January, steel input levels remained high but lower scrap and raw material prices allowed steel product pricing to decline to globally competitive levels, which we believe will result in decreased steel import activity in the coming months."

*Source: Bloomberg Transcript: AK Steel Holding, Q1 2015 Earnings Call 4/28/2015*

5.

"So we've been reducing that and as you're aware roughly three-fourths of our business is contract business, but about a fourth of that is still subject to pricing fluctuations which will be driven by what's happening with raw materials."

*Source: SSAB Financial and Operating Summary of Q2 2015*

6. SSAB Americas

- Profit in line with Q2/2014. Significantly lower prices offset by lower costs

*Source: Nucor Reports Results for Second Quarter and First Half of 2015*

7.

"The average scrap and scrap substitute cost per ton used in the second quarter of 2015 was $271, a 16% decrease from $324 in the first quarter of 2015 and a decrease of 29% from $384 in the second quarter of 2014. The average scrap and scrap substitute cost per ton used in the first half of 2015 was $297, a decrease of 24% from $391 in the first half of 2014."

*Source: SSAB Financial and Operational Summary of Q2 2015*

(Cara insert chart)

*Source: AK Steel 10-Q for Q2 2015*

8.

"Cost of products sold for the three and six months ended June 30, 2014, were negatively affected by extreme winter weather conditions in early 2014 and an incident at the company's Ashland Works blast furnace in February 2014. Extra costs of approximately $45.0 were recognized for the first six months of 2014 for higher energy costs and additional costs for transportation and operations related to weather-delayed deliveries of iron ore pellets. The incident at the Ashland Works resulted in unplanned outage costs of approximately $18.0 in the six months ended June 30, 2014."

*Source: SDI Consolidated Financial Statements June 2015*

9.

"Metallic raw materials used in our electric arc furnaces represent our single most significant steel manufacturing cost. During the second quarter 2015 and 2014, our metallic raw material costs represented 57% and 66%, respectively, of our steel operations' manufacturing costs, excluding the operations of The Techs, which purchases, rather than produces, the steel it further processes. Our metallic raw material costs per net ton consumed in our steel operations decreased $109 or 30% in the second quarter of 2015, compared with the second quarter of 2014, as the market cost of scrap decreased significantly, consistent with overall scrap market pricing. In the first half of 2015, our metallic raw material cost per net ton consumed decreased $91, 0r 25% compared to the same period in 2014."

**Quotes Relating to use of Inventory Accounting, Causing Understatement of 2015 Profits**

*Source: Bloomberg Transcript: Steel Dynamics, Q1 2015 Earnings Call 4/21/2015*

1. Theresa E Wagler, Executive VP and CFO:

"The full benefit of lower scrap prices was not fully realized in the first quarter as we first used the higher price scrapping inventory because of our FIFO accounting. We will realize the benefit of lower price scrap in the upcoming second quarter."

2. Q – Evan L. Kurtz:

"You mentioned that in February we have this big scrap move down, but you're not really going to see any benefit of that until we get into the second quarter here just given the inventories and FIFO accounting. So how should we think about the second quarter?"

A - Mark D. Millett:

"We'll certainly see on the sheet side the benefit of scrap move as that inventory – well, the high-priced inventory got consumed in March and April and lower-priced stuff gets consumed later in the quarter. So we anticipate some margin expansion, it's difficult to quantify right this minute."

*Source: Nucor Corporation, Form 8-K Dated July 23, 2015*

3.

"The performance of the steel mills segment in the second quarter of 2015 decreased from the first quarter of 2015. Pricing has begun to stabilize, but we experienced some margin erosion as the steel mills worked through higher cost scrap, work-in-process and finished goods inventories."

*Source: NLMK Q2 and H1 2015 US GAAP Consolidated Financial Results*

4. Q2' 15 Profitability

"Foreign Rolled Products Segment – Negtive results in US driven by a consumption of expensive slabs accumulated in 2H' 14."

**Quotes Relating to Expectation of Robust Future Results**

*Source: SSAB Half-year report 2015*

1.

- "In North America, the destocking in H1/2015 is expected to spill over into the third quarter
    - Underlying demand from end-customers is expected to be relatively good"

*Source: Bloomberg Transcript: ArcelorMittal, Q1 2015 Earnings Call 5/7/2015*

2. Louis L. Schorsch

" I think you're right to say that this is really a first half phenomenon for us. So I think that you're seeing that de-stocking. We have, I think, some indications that – our expectation that this was just an inventory adjustment, even if a particularly sharpened and drastic one, and that we'd be seeing the end to that by kind of May to June, I don't want to declare with certainty that that's the case here. But I think we are seeing lead times extend out. [...] I think the lead times have moved out as we understand from our customers to four weeks to five weeks, and spot markets, a month ago, I would say, they were typically one to two weeks. So I think customers are coming back into the market again where I wouldn't say things like a boom is here, but I think we are seeing the end of that de-stocking process."

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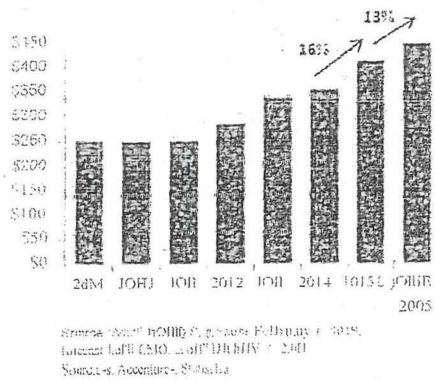
"Real underlying demand continues to grow across our key developed markets. The U.S. has been impacted by the weakening of energy investments and the strength of U.S. dollar. Although it is worth to note that underlying real demand continues to grow, particularly in the auto and machinery sectors, offsetting weakness in the energy sector."

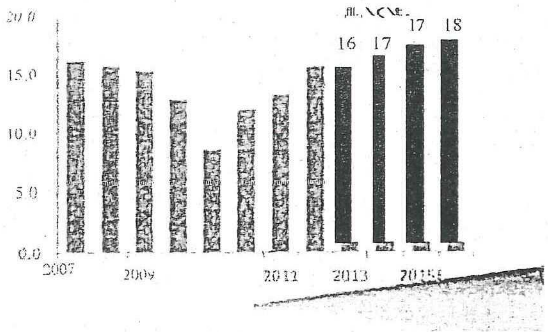
*Source: Source: Steel Dynamics, Inc. "Company Investor Presentation June 2015"*

4.

USA TOTAL RESIDENTIAL SPENDING




NORTH AMERICA AUTOMOTIVE ANNUAL PRODUCTION OF AUTOS AND TRUCKS SEASONALLY ADJUSTED



*Source: Bloomberg Transcript: Steel Dynamics, Q1 2015 Earnings Call 5/7/2015*

5. Mark D. Millett

"The steel market is at an interesting point. The U.S. has strong demand dynamics in place. Consumer confidence and spending continue to improve boosted by significantly lower prices at the gas pump and bullish equity markets. Durable goods and construction investment continue to grow, both key measures of U.S. steel consumption."

*Source: Bloomberg Transcript: AK Steel Holding, Q1 2015 Earnings Call*

6. James L. Wainscott

"I think as you've seen the auto business is incredibly robust. We're on track here for the best April sales in a decade. Analysts continue to say probably those at JP Morgan as well looking north of 17 million units this year. It's a fantastic market to be in right now, but it's a very, very tough market to serve and to serve well."

*Source: AK Steel 10-Q for Q2 2015*

7.

"For a variety of reasons, the Company expects to generate improved results for the third quarter and for the second half of 2015 as compared to the second quarter and first half of 2015. Chief among these reasons are anticipated higher shipments, improving carbon steel spot market prices, increased production levels resulting in lower per ton operating costs, and the continuing benefit of lower raw materials costs, in particular, iron ore. The Company expects shipments to customers in its largest market, automotive, to remain strong."

8.

"The company has been accelerating its development efforts in a broad range of product and process technologies. These efforts resulted in the implementation of several improved automotive advanced high-strength steel grades, such as Dual Phase 780 and 980, as well as the introduction and growth of innovative new products such as Chromeshield® 22 Stainless Steel, THERMAK™ 17 Stainless Steel and ULTRALUME® Press Hardenable Steel."

9.

"Dearborn also provides AK Steel the opportunity to capture significant cost-based synergies. The Company has begun realizing operation, purchasing, transportation and overhead cost savings. The Company originally anticipated annual cost-based synergies in excess of $50.0, and of that total, approximately $25.0 was expected to be realized in 2015. Despite unfavorable market conditions, the Company achieved approximately $27.0 in cost-based synergies for the six months ended June 30, 2015, by focusing on opportunities that are controllable, such as safety performance, product quality and improved production processes. However, for the Company to realize cost-based synergies that are a function of increased production, market conditions must support sufficient demand for AK Steel's products."

*Source: Nucor Reports Results for Second Quarter and First Half of 2015*

10.

"Overall operating rates at our steel mills increased to 73% in the second quarter of 2015 as compared with 65% in the first quarter of 2015 and decreased from 79% in the second quarter of 2014. Steel mill utilization decreased to 69% in the first half of 2015 from 77% in the first half of 2014

11.

"Our liquidity position remains strong with $1.69 billion in cash and cash equivalents and short-term investments and an untapped $1.5 billion revolving credit facility that does not expire until August 2018. Cash provided by operating activities in the first half of 2015 was robust at $1.20 billion compared to $443.3 million in the first half of 2014."

12.

"Earnings in the third quarter of 2015 are expected to be improved compared to the second quarter of 2015 mainly due to improved performance of the steel mills segment. The steel mills segment will benefit from a lower average cost of inventories to begin in the third quarter. The strongest end markets continue to be automotive and construction. We expect improved performance in the downstream products segment in the third quarter of 2015 as compared to the second quarter of 2015 due to the continuing gradual improvement in nonresidential construction markets. The performance of the raw materials segment in the third quarter of 2015 is expected to be comparable to the second quarter of 2015."

*Source: SSAB Financial and Operational Summary of Q2 2015*

13. Summary of Q2/2015 Strong Cash flow generation

- EBIT amounted to SEK 301m
- Result in line with Q2/2014
    - Impact of lower prices more than SEK 1bn
    - Compensated by lower costs (incl. synergy realization) and higher volumes

- Strong cash flow due to positive result and lower inventories

*Source: U.S. Steel Consolidated Statement of Operations June 2015*

13.

"Management believes its actions with regard to the Company's operations will have a positive impact on the Company's annual cash flows of approximately $140 million to $160 million over the course of subsequent annual periods as a result of decreased payroll and benefits costs, capital savings and other idle facility costs. Also, the actions will result in other non-cash savings of approximately $90 million, primarily related to be reduced depreciation expense in future periods. Additionally, management does not believe there will be any significant impacts related to the Company's revenues as a result of these actions."

14.

"Capital expenditures for the six months ended June 30, 2015, were $276 million, compared with $186 million in the same period in 2014. Flat-Rolled capital expenditures were $188 million and included spending for the ongoing implementation of an enterprise resource planning (ERP) system, the Granite City Works Shop Tap and Charging Emission Control System, a blast furnace reline at Mon Valley Works, blast furnace maintenance at Granite City Works and various other infrastructure, environmental and strategic projects."

*Source: SSAB Presentation of the Q2/2015 Result*

15.

- SSAB's Key customer segments – outlook
  - "Service Centers (US) – Demand expected to slowly recover once destocking activity is completed"

*Source: BlueScope Steel Limited – 1H FY 2015 Earnings Report*

16. Hot Rolled Products North America

- Key Financial & Operational Measures
  - Reported EBIT 1H FY2015 – 67.1, 1H FY2014 – 48.7

"The $18.4M increase in underlying EBIT was largely due to higher spreads, driven primarily by higher selling prices and lower scrap costs, higher volumes and favorable foreign exchange translation impacts from a weaker AUD:USD exchange rate."

"Despatches for 1H FY2015 were up 11.1kt on 1H FY2014, at 501.0kt(BSL share."

## Quotes Relating to Poor Profitability or Facility Closure due to Declines in Pig Iron/Pellets prices

*Source: AK Steel 10-Q for Period Ended March 31, 2015*

1.

"As of March 31, 2015, the Company concluded that its 49.9% equity interest in Magnetation was impaired and therefore recorded a non-cash impairment charge of $256.3 for the quarter ended March 31, 2015, to fully impair the amount of the Company's investment in Magnetation. Key significant market decline in global iron ore pellet pricing during the first quarter of 2015 and resulting negative cash flow effects on Magnetation's pricing, in the event of a bankruptcy filing, the likely loss of the Company's equity interest in Magnetation; and Magnetation's existing capital structure and the inability of Magnetation to raise additional capital from third parties or the equity holders to date. Prior to March 31, 2015, the Company believed that the fair value of the Company's interest in Magnetation exceeded its carrying amount."

*Source: Steel Dynamics, Inc. "Company Investor Presentation June 2015"*

2.

"MINNESOTA OPERATIONS *IRON-MAKING INITIATIVES*

"Company announced indefinite idle of Minnesota operations (May 26, 2015)

- Elected to effectuate an initial twenty-four month idle period of all operations given continued significant decline in pig iron pricing, which is below the cost of production."

*Source: Bloomberg Transcript: Nucor Corp., Q1 2015 Earnings Call 4/23/2015*

3. James D. Frias

"The first quarter of 2015 performance of the raw materials segment includes an operating loss of approximately $44 million, or $0.09 per diluted share at our new DRI facility in Louisiana. That is larger than the approximately $35 million operating loss Nucor Steel Louisiana experienced in the four quarter."

*Source: Bloomberg Transcript: ArcelorMittal, Q1 2015 Earnings Call 5/7/2015*

4.

"Our NAFTA performance was further impacted by inventory write-downs at the end of the quarter. [...] Our mining segment profitability has clearly been impacted by the drop in iron ore price. [...] As mentioned, Iron ore prices have declined by 48% over the past 12 months. We cannot do anything about this."

*Source: Nucor Reports Results for Second Quarter and First Half of 2015*

5.

"Nucor Steel Louisiana had an operating loss of approximately $20 million ($0.04 per diluted share). Nucor Steel Louisiana's second quarter operating loss reflects the impact of working through higher costs iron ore inventory that was purchased in 2014."

*Source: Steel Dynamics, Inc. Consolidated Financial Statements June 30, 2015: Results Overview*

6.

"In May 2015, we indefinitely idled our Minnesota ironmaking operations due to significant and sustained decreases in selling prices to levels that are below our cash costs to produce iron nuggets. In conjunction with the idling, we also made the decision to sell the associated raw material inventory, resulting in a $21.0 million (inclusive of noncontrolling interests of $3.6 million), lower-of-costs or market charge in the second quarter 2015."

7. Metals Recycling and Ferrous Resources Operations.

"This operating segment primarily includes our metals recycling operations (OmniSource); our liquid pig iron production facility, Iron Dynamics (IDI); and our idled Minnesota ironmaking operations. Our metals recycling and ferrous resources operations segment accounted for 23% and 31% of our consolidated net sales in the second quarter and first half of 2015 and 2014, respectively. Segment operating losses were $35.2 million in the second quarter of 2015, a decline of $29.1 million compared to the second quarter of 2014. Increased losses were primarily driven by increased costs at our Minnesota ironmaking operations in connection with its idling in May 2015, and losses at IDI related to a planned major furnace maintenance outage. Similarly, operating losses for the segment increased $30.7 million in the first half of 2015, to $52.2 million, compared to the first half of 2014."

**Quotes Relating to Acquisitions and Investments by U.S. Producers during POI**

*Source: AK Steel Holding Corp., Form 10-Q for Period Ended June 30, 2015*

1.

"On September 16, 2014, the Company acquired Severstal Dearborn, LLC ("Dearborn") from Severstal Columbus Holdings, LLC ("Severstal"). [...] Immediately after the acquisition, Dearborn was merged with and into AK Steel. The final cash purchase price was $690.3, net of cash acquired."

2.

"As of March 31, 2015, the Company concluded that its 49.9% equity interest in Magnetation was fully impaired and therefore recorded a non-cash impairment charge of $256.3 for the quarter ended March 31, 2015." [1]

*Source: Steel Dynamics Inc., Form 10-Q for Period Ended June 30, 2015*

3.

"The company completed its acquisition of 100% of Severstal Columbus, LLC (Columbus) on September 16, 2014, for a purchase price of $1.625 billion, with additional working capital adjustments of $44.4 million."

*Source: ArcelorMittal, Form 20-F for Fiscal Year ended December 31, 2014*

4.

"On February 26, 2014, ArcelorMittal, together with NSSMC, completed the acquisition of ThyssenKrupp Steel USA ("TK Steel USA"), a steel processing plant in Calvert, Alabama. The transaction is a 50/50 joint venture, Calvert, with NSSMC, and was completed for an agreed price of $1,550 million plus working capital and net debt adjustments"

[1] See Exhibit 4

*Source: ArcelorMittal, PR Report Q2 and H1 2015*

5. Analysis of results for the six months ended June 30, 2015 versus results for the six months ended June 30, 2014

"Impairment charges for 1H 2015 were $19 million relating to the closure of the Georgetown facility in the US, compared to nil in 1H 2014."

6. Joint Venture Projects

"USA AM/NS Calvert Slabyard expansion: Increase coil production level up to 5.3 mt/year coils, forecast completion 2H 2016."

*Source: AK Steel Investor, Presentation May 8, 2015*

7. Reconciliation of Adjusted Net Income (Loss)

- 2014 - Acquisition-related expenses -$31.7 million

*Source: U.S. Steel Consolidated Statement of Operations, June 2015*

8.

"During the six months ended June 30, 2015, the Company recorded a net charge at $172 million, which is reported in restructuring and other charges in the consolidated statement of operations, primarily related to the permanent shutdown of the cokemaking operations at Gary Works and Granite City Works, within our Flat-Rolled segment."

"On May 29, 2015, the Company purchased the 50 percent joint venture interest in Double Eagle Steel Coating Company (DESCO) that it did not previously own for $25 million. DESCO's electrolytic galvanizing line (EGL) has become part of the larger operational footprint of U.S. Steel's Great Lakes Works within the Flat-Rolled segment. The EGL is increasing our ability to provide industry leading advanced high strength steels, including Gen 3 grades under development, as well as to provide high quality exposed steel for automotive body and closure applications.

9.

"During the first six months of 2015, the Company adjusted its operating configuration by temporarily reducing its production levels within its Flat-Rolled and Tubular segments as well as permanently shutting down certain of its coke production facilities. Management may continue to further adjust the Company's operations in 2015."

*Source: SDI Consolidated Financial Statements June 2015*

10. Interest Expense, net of Capitalized Interest.

"During the first half of 2015, interest expense increased \$19.6 million to \$80.3 million, when compared to the same period in 2014. The increase in interest expense is due primarily to the addition of the \$1.2 billion senior notes in September 2014, in conjunction with our acquisition of Columbus, partially offset by the conversion or payoff at maturity of \$287.5 million of 5.125% convertible notes in June 2014, and the call of our \$350.0 million 7 $^{5/8}$% Senior Notes due 2020 in March 2015."

**Quotes Relating to Positive Trends in Demand for Major End-Use Sectors**

*Source: Bloomberg Transcript: Steel Dynamics Q1 2015 Earnings Call 4/21/2015*

1. Mark D. Millett

"The U.S. has strong demand dynamics in place. Consumer confidence and spending continue to improve boosted by significantly lower prices at the gas pump and bullish equity markets. Durable goods and construction investment continue to grow, both key measures of U.S. steel consumption.

Forecast for the two largest domestic steel consuming sectors, automotive and construction remain intact. Automotive is forecasted to grow to almost 18 million units over the next few years. Overall, construction spending and domestic manufacturing continue to trend favorably."

2. Mark D. Millett

"I believe that underlying demand, our picture of the underlying demand remains relatively intact with the exception of thoughts in energy [...] Automotive remains incredibly strong, manufacturing appears solid to us and we do believe construction is, continues to recover."

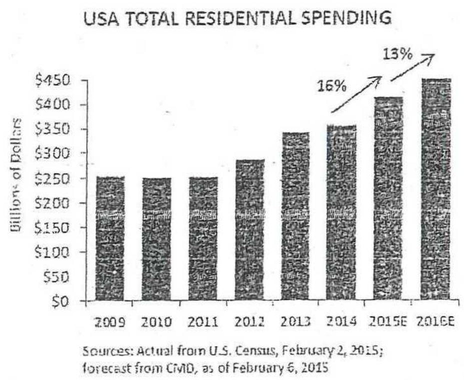
*Source: Bloomberg Transcript: AK Steel Holding Q1 2015 Earnings Call 4/28/2015*

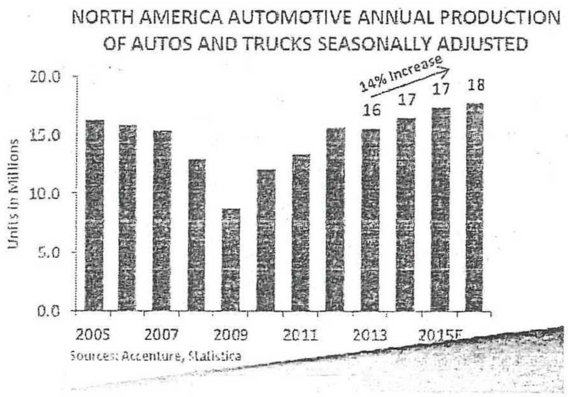
3. James L. Wainscott

"It's really different business sand I think as you've seen the auto business is incredible robust. We're on track here for the best April sales in a decade. Analysts continue to say probably those at JP Morgan as well looking north of 17 million units this year."

*Source: Source: Steel Dynamics, Inc., Company Investor Presentation June 2015*

4.




*Source: United States Steel Corporation, Second Quarter 2015 Earnings Conference Call and Webcast*

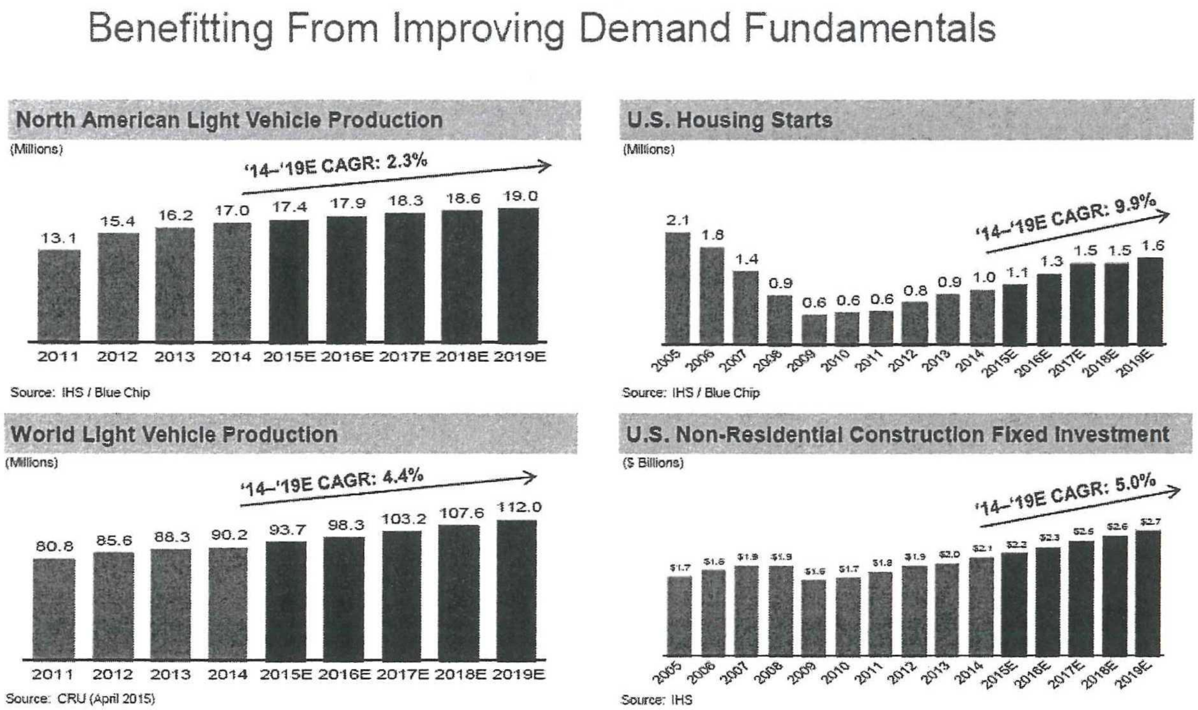
5. Market Updates

"Flat-Rolled

May and June are first back-to-back months with auto sales levels over $17 million SAAR since 2006
May construction spend is the highest since October 2008
June Architectural Billing Index rose 7% over May; all US regions grew"

*Source: AK Steel Investor, Presentation May 8, 2015*

6. <u>Benefitting from Improving Demand Fundamentals</u>



*Source: Bluescope, Earnings Report for the six months ending December 31, 2014*

7. Hot Rolled Products North America

"This segment is comprised primarily of BlueScope's 50% interest in North Star BlueScope Steel, a single site electric arc furnace producer of hot rolled coil in Ohio, in the U.S.

KEY FINANCIAL & OPERATIONAL MEASURES

Table 11: Segment performance

| $M unless marked | 1H FY2015 | 1H FY2014 | Var % | 2H FY2014 |
|---|---|---|---|---|
| Sales revenue [1] | - | - | - | - |
| Reported EBIT [2] | 67.1 | 48.7 | 38% | 52.9 |
| Underlying EBIT [2] | 67.1 | 48.7 | 38% | 55.9 |
| NOA (pre-tax) | 131.0 | 112.5 | 16% | 103.3 |
| Production [3] | 520.6kt | 509.9kt | 2% | 503.1kt |
| Despatches [3] | 501.0kt | 489.9kt | 2% | 497.7kt |

"The $18.4M increase in underlying EBIT was largely due to higher spreads, driven primarily by higher selling prices and lower scrap costs."

"Despatches for 1H FY2015 were up 11.1kt on 1H FY2014, at 501.0kt (BSL share)"

*Source: AK Steel 10-Q for Q2 2015*

8.

"Despite the challenges, the Company continued to benefit from strong shipments of carbon and stainless steels to the automotive market throughout the first half of 2015. The Company also experienced stable and consistent operations, with no major unplanned outages, during the first half of 2015 compared to the first half of 2014. The Company continued to make strong progress with the integration of Dearborn Works, including improving safety performance, product quality, environmental compliance, and production processes, among many other areas. In addition, the Company benefited from reduced raw material (principally carbon scrap and iron ore pellets) and energy costs, which in some cases touched multi-year lows."

Source: AK Steel 10-Q for Q2 2015

9.

"The second quarter also marked two significant steps taken by the Company to remain a leader in research and innovation in the flat-rolled steel industry. First, the Company unveiled its plans to introduce one of the first commercially available families of Next-Generation Advanced High Strength Steels ("AHHS") in the world. The Company expects to utilize this new technology to produce steels that provide significantly improved formability at higher ultimate tensile strength levels, providing automotive customers greater opportunities for lightweighting as they strive to meet higher standards for fuel efficiency and safety. The $29.0 investment will be implemented at the Company's Dearborn Works and includes modifying the current hot-dip galvanizing line to produce both coated and cold-rolled Next-Generation AHSS on the same line. The project is expected to be completed by the fall of 2016, with new products being shipped to automotive and other customers by early 2017. Second, the Company broke ground on its new, world-class Research and Innovation Center in Middletown, Ohio. The new facility, which the Company expects to be completed in late 2016, will be customer-focused, providing advanced technical support to the Company's customers and enhancing its capabilities to bring new products to the marketplace, including new stainless steels, high efficiency electrical steels and Next-General AHSS carbon products."

"Total shipments were 1,811,700 tons and 1,397,500 tons for the three months ended June 30, 2015 and 2014, respectively. Total shipments were 3,562,200 tons and 2,659,600 tons for the six months ended June 30, 2015 and 2014, respectively. The 30% increase in total shipments in the second quarter and the 34% increase in the first half of 2015 compared to the prior year periods were attributable principally to the addition of shipments from Dearborn Works as a result of the acquisition of that facility in September 2014, as well as continued strong shipments to the automotive market."

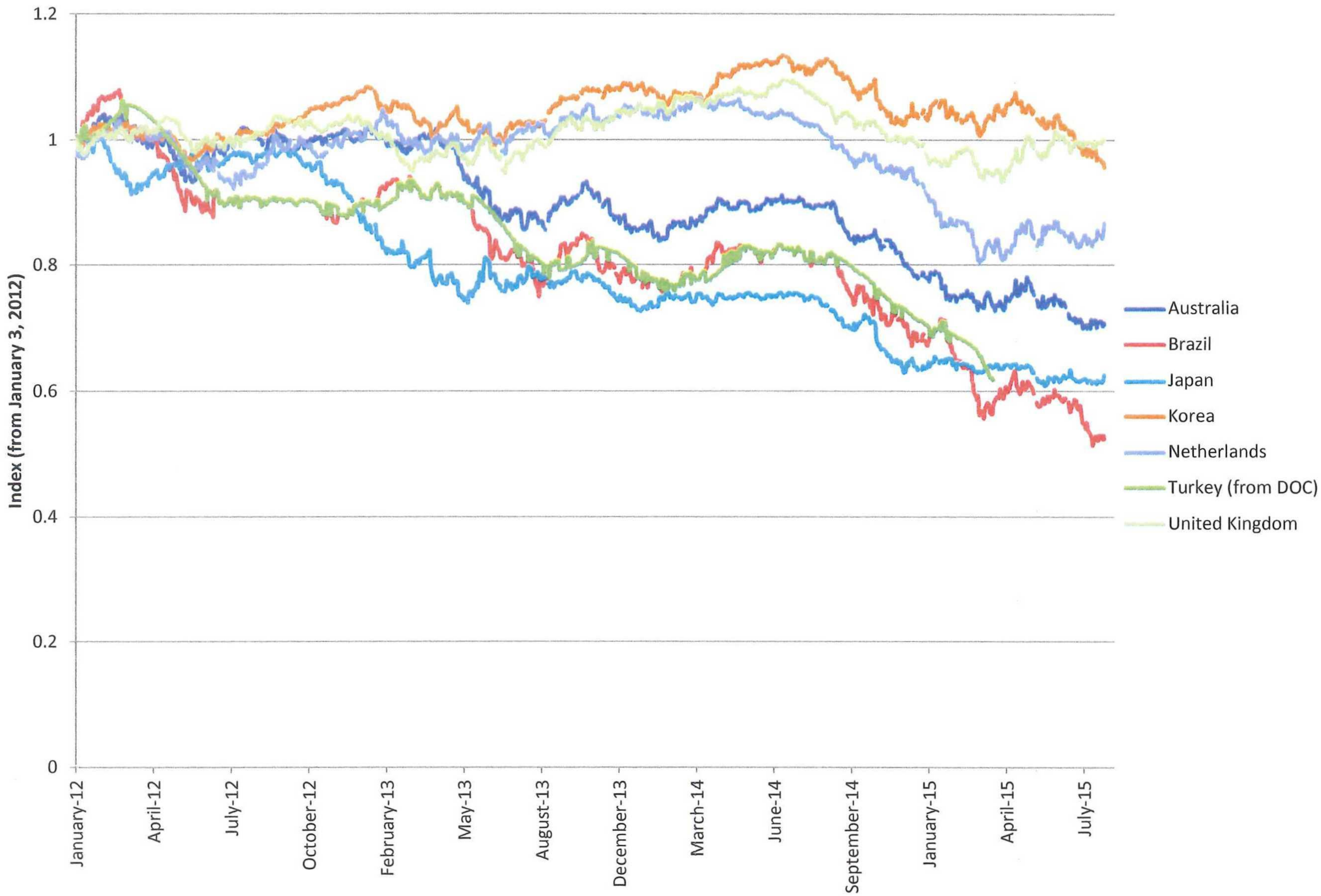
*Source: AK Steel 10-Q for Q2 2015*

10.

"The Company's total cost of products sold was higher in the second quarter of 2015 compared to the year-ago second quarter, reflecting the higher level of sales as a result of the acquisition of Dearborn. However, the amount of the increase was moderated somewhat by lower per-unit input costs for energy and certain raw materials (primarily carbon scrap and iron ore pellets) in the second quarter of 2015 compared to the second quarter of 2014."

# Exhibit 5

## Exhibit 5 - Indexed Daily Exchange Rate: U.S. Dollar / Foreign Currency




*Source: Department of Commerce Foreign Currency Exchange Rates (Turkey), Federal Reserve Foreign Exchange Rates (All others)*

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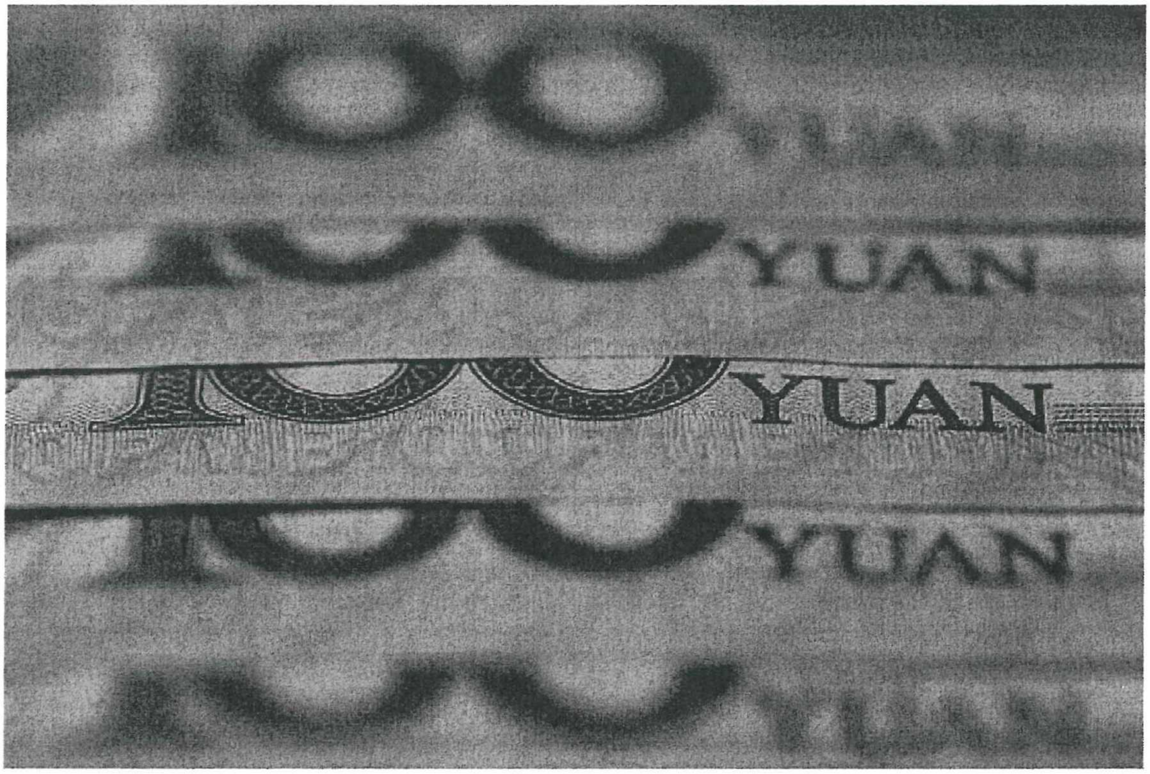
# Swings In Asian Currencies Drive FX Volatility Back Up

ByChiara Albanese




Tomohiro Ohsumi/Bloomberg News

The unexpected devaluation of China's tightly managed yuan earlier this month has lit a fuse under currency markets.

As the dollar rose sharply against most emerging market currencies, including the yuan, ruble and the South African rand, a measure of average market volatility crept higher.

The index measuring volatility of the dollar against other currencies is now 1.5 times higher than the average for the last five years, according to data by Bank of Montreal.

"There is upward pressure on the dollar in virtually every corner of the currencies space, as expectations for monetary policies in the U.S. and internationally head in opposite directions," says Stephen Gallo, analyst at the bank.

Volatility in the market is now at its highest level since 2010, he says, but below the levels observed in 2008/2009, which were around three times the 5-year average.

The sharp volatility pick up has been led by the yuan, which has suffered some turbulence after the country central bank devalued it against the dollar. Volatility in the currency was nearly flat before the announcement of the devaluation, but it has increased by 300% over the past month. The cumulative increase in the volatility of the renminbi has been the highest of all 21 currencies tracked by the bank .

"Chinese growth anxiety has a lot to do with the recent sharp falls in commodity prices and commodity-linked currencies," says Mr. Gallo.

The volatility pick-up could be a welcome development by policy makers.

"Excessively-low volatility leads to excessive risk-taking and complacency," Mr. Gallo says.