9 Months Results Presentation

December 14, 2010

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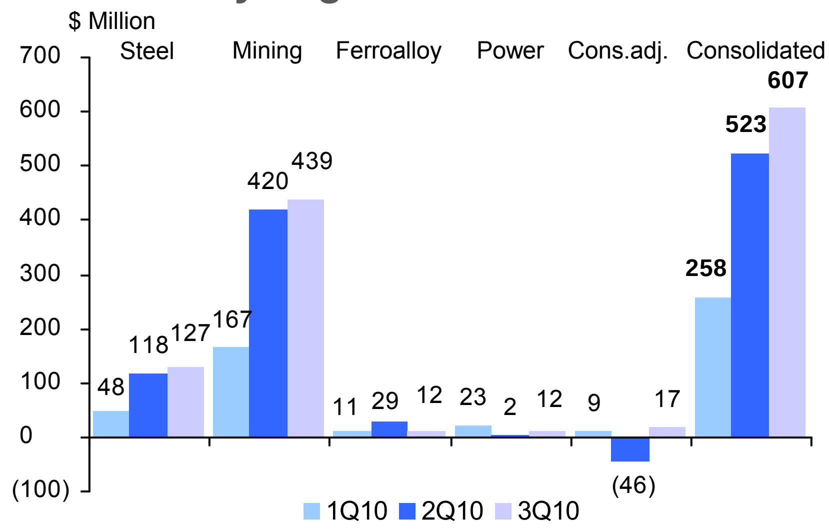
Financial Highlights

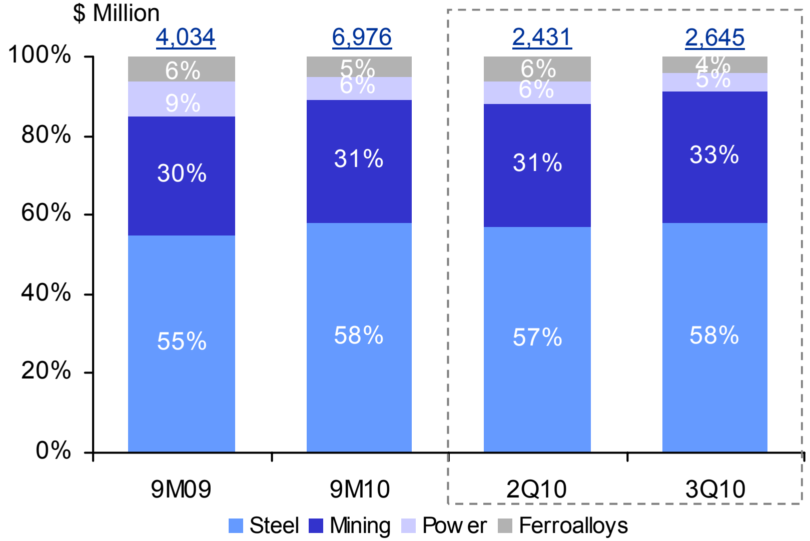
Segments Overview

- Steel and mining performance leads the 9% growth in consolidated Revenue in 3Q10
- Gross margin up to 39% of the Revenue in 3Q10
- EBITDA[1] up 16% q-o-q to $607 mn
- EBITDA[1] improved to 23% of the Revenue in 3Q10
- Net Income – up 9x q-o-q to $341 mn

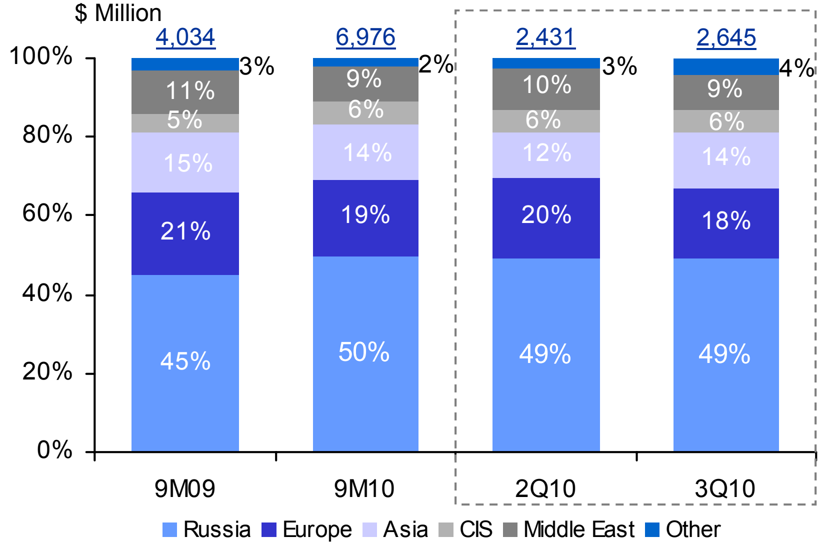
EBITDA[1] by segments



Revenue from third parties



Revenue by market

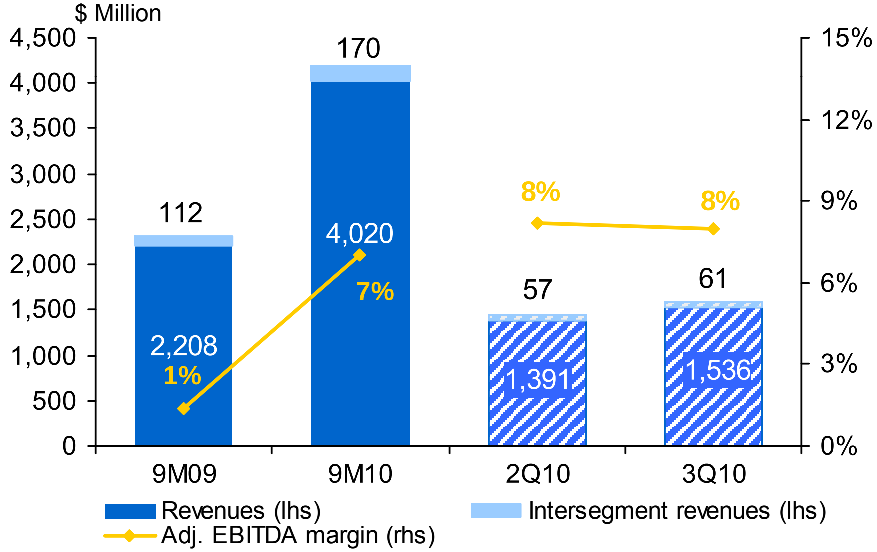


[1] Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income and gain/loss from remeasurement of contingent liabilities at fair value

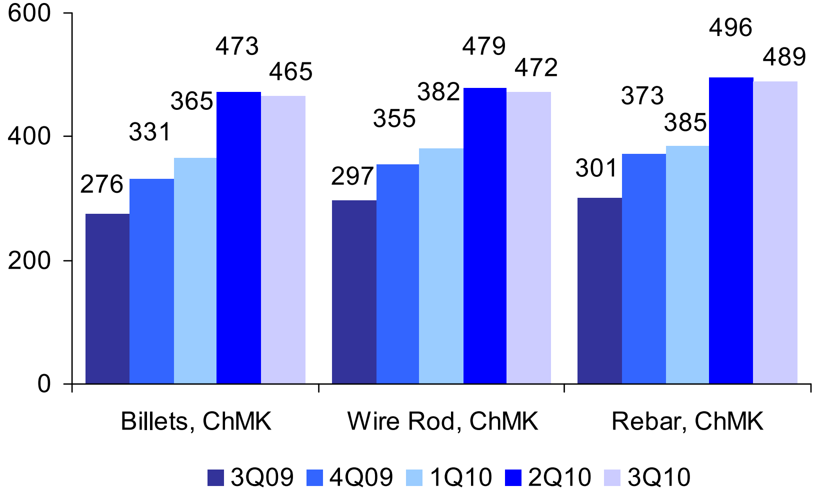
Steel Segment Performance

- Segment's Revenue grew 10% to $1.6 bn in 3Q10
- Cash costs kept under control
- Administrative expenses decreased by 17% q-o-q – or 3% of the Revenue
- Positive Net results of $55 mn in 3Q10
- EBITDA[1] grew 8% to $127 mn in 3Q10

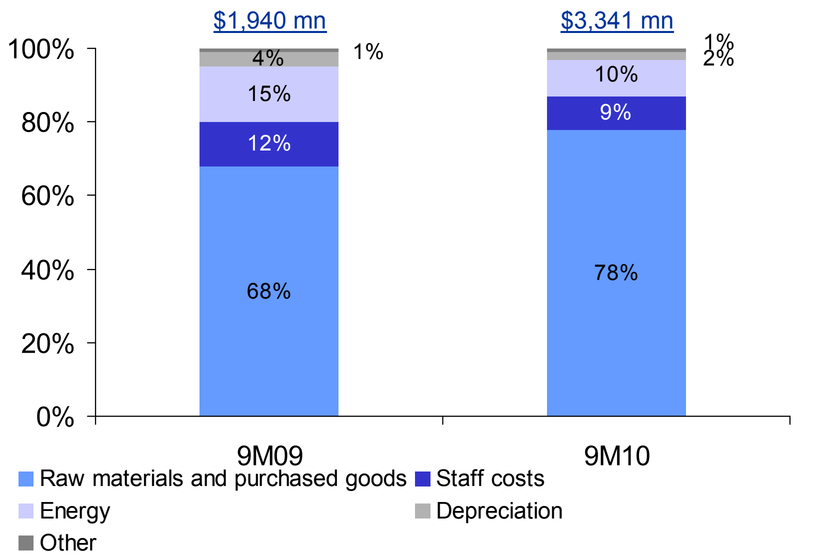
Revenue, EBITDA[1]



Cash costs, US$/tonne



COS structure



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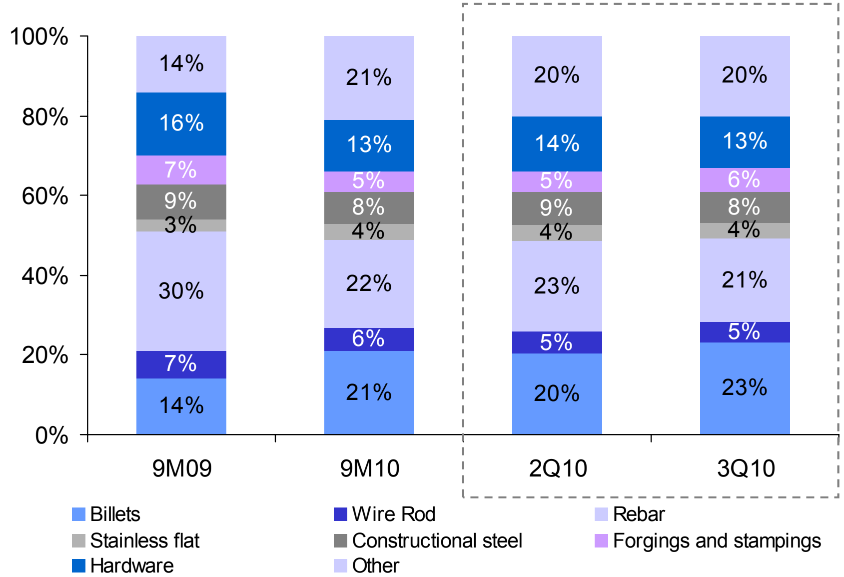
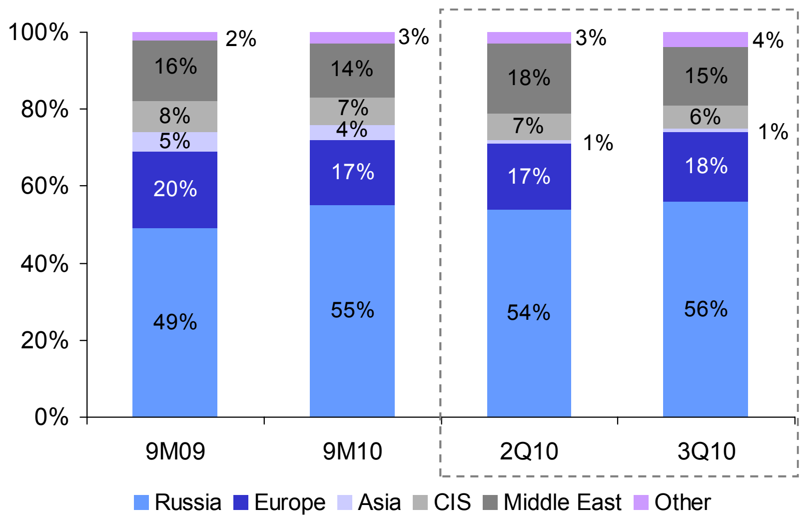
Steel Segment Performance

- Flat prices across all main products q-o-q
- MSG's sales reached $570 mn and stock turnover ratio improved to 2 months in 3Q10
- 28% of Segment's Revenue generated by resale operations
- Sales mix helps to benefit from markets trends

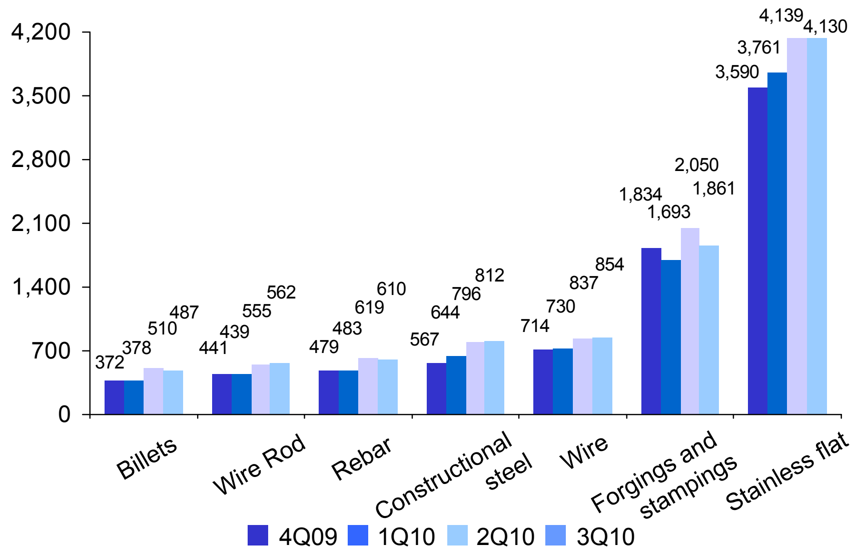
External sales structure



Revenue breakdown by region



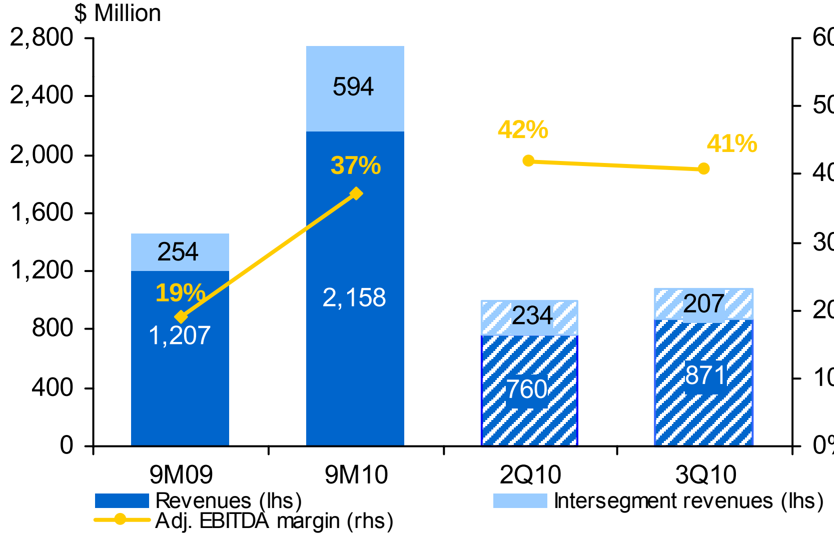
Average sales prices FCA, US$/tonne



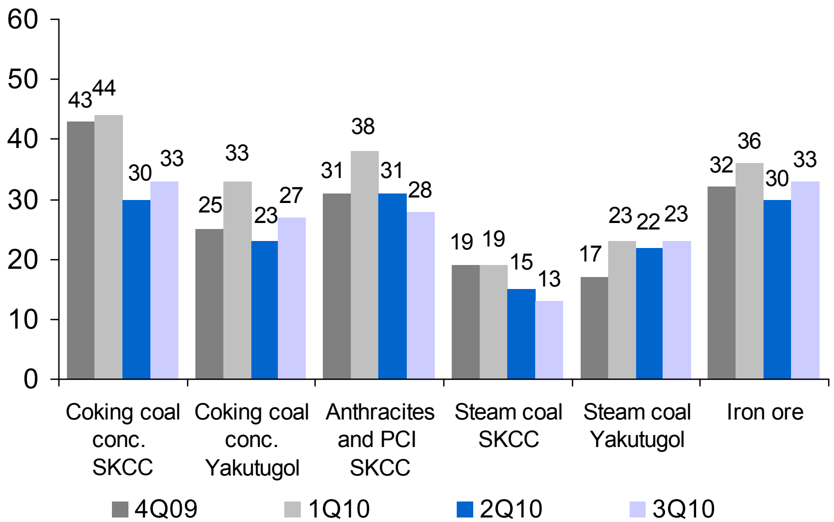
Mining Segment Performance

- Continuing improvement in financial results:
  - Revenue up 15% q-o-q
  - EBITDA[1] up 5%, EBITDA[1] margin at 41% in 3Q10
  - Net profit up 97% q-o-q
- Cash costs reflect seasonal factors

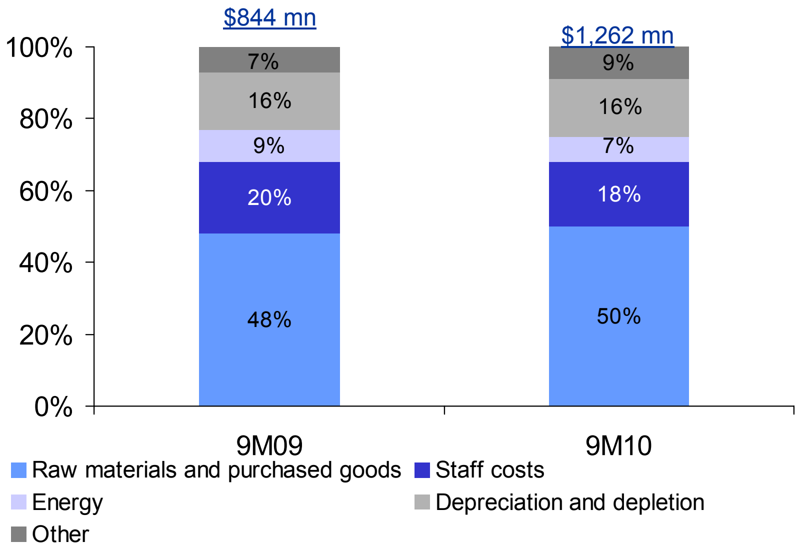
Revenue, EBITDA[1]



Cash costs, US$/tonne



COS structure

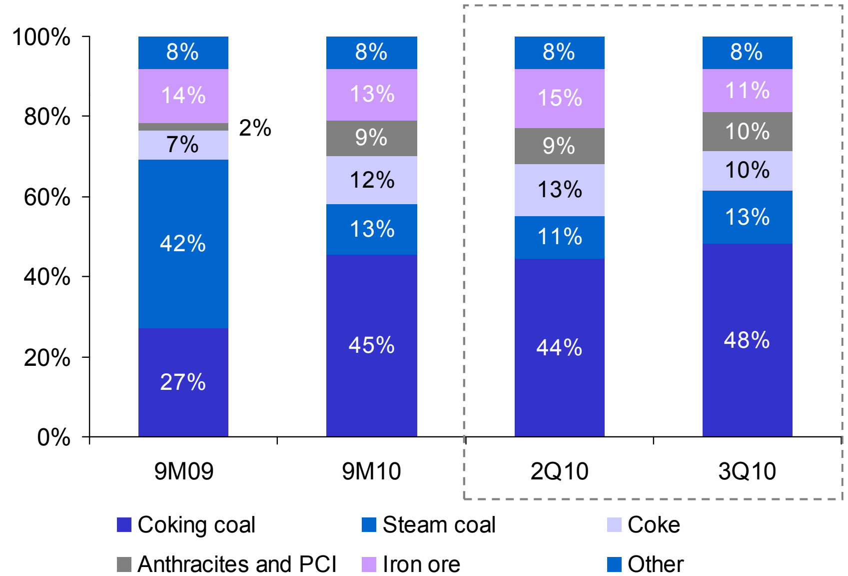


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income and gain/loss from remeasurement of contingent liabilities at fair value

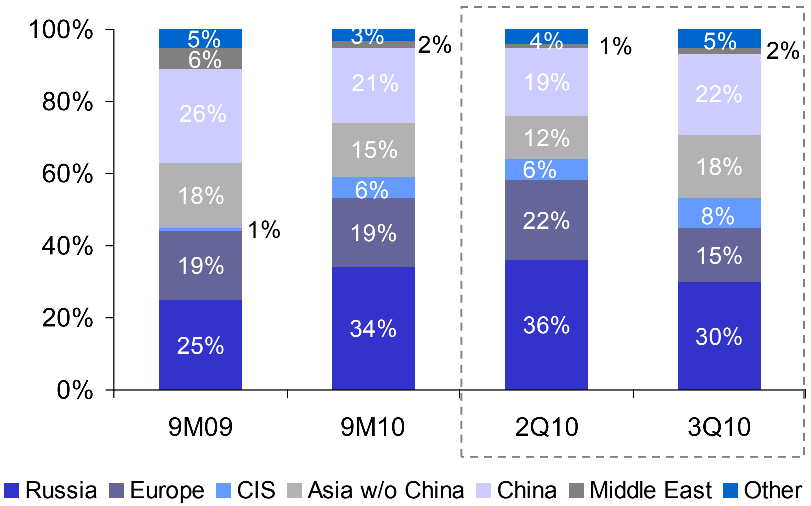
Mining Segment Performance

- Prices for all major products follow market trends
- Coking coal sales reached 48% of Segment's Revenue in 3Q10
- Sales of PCI and anthracite up 24% q-o-q
- Sales in Asia generate 40% of Segment's Revenue

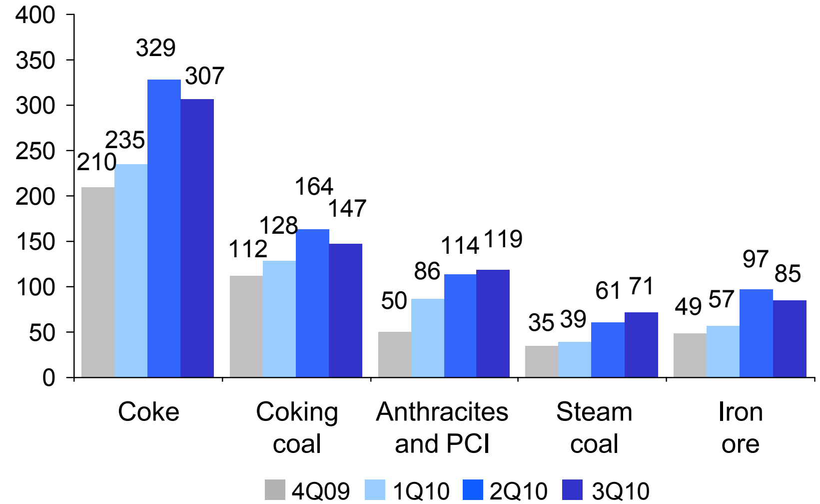
External sales structure



Revenue breakdown by region



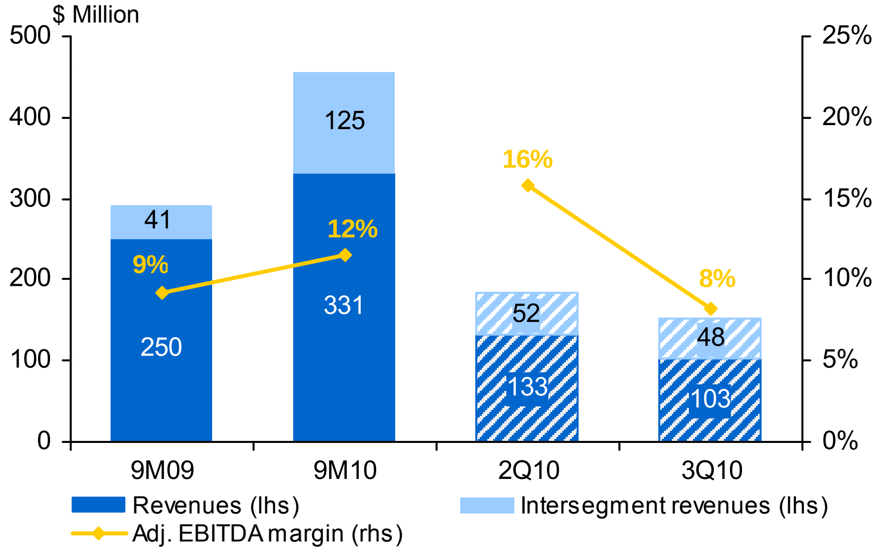
Average sales prices FCA, US$/tonne



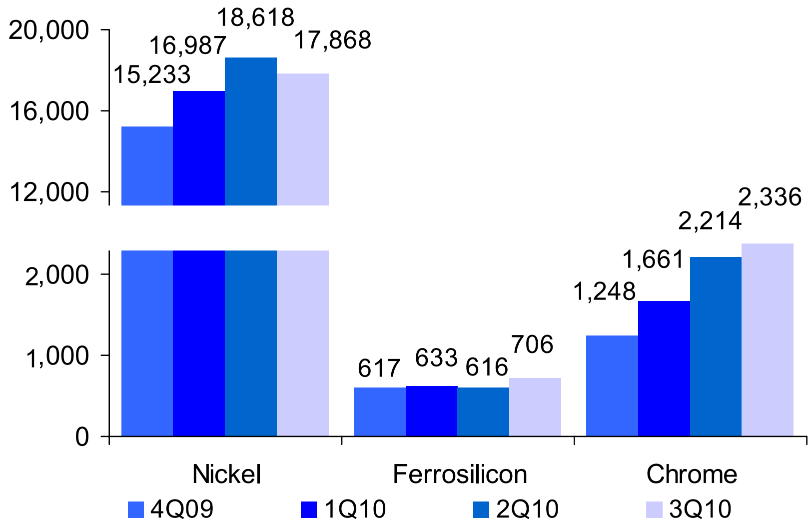
Ferroalloys Segment Performance

- Intersegment sales share of 32% in 3Q10 is supported by stable ferroalloys consumption in steel production
- Cr and FeSi cash cost grew on the back of rising power tariffs, Ni cash cost down on lower coke prices
- Operating expenses down to 9% of Revenue
- EBITDA[1] up 2x to $52 mn y-o-y

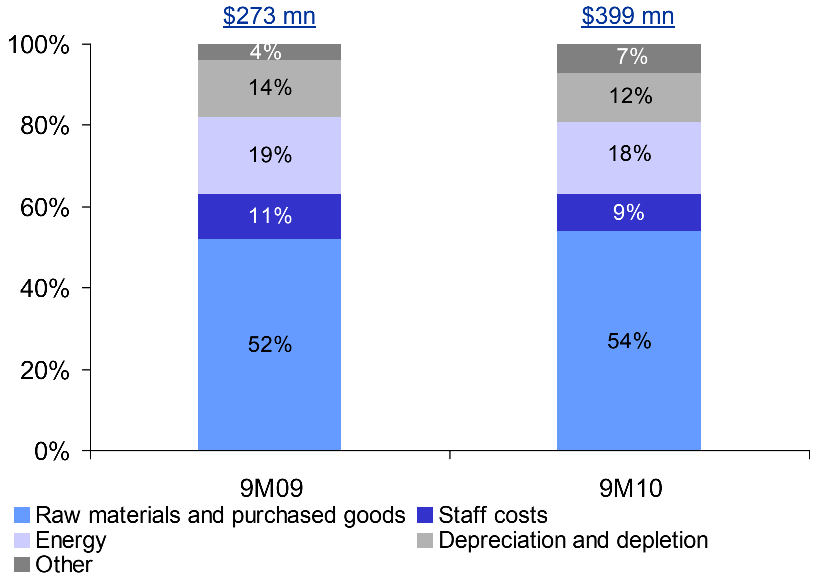
Revenue, EBITDA[1]



Cash costs, US$/tonne



COS structure



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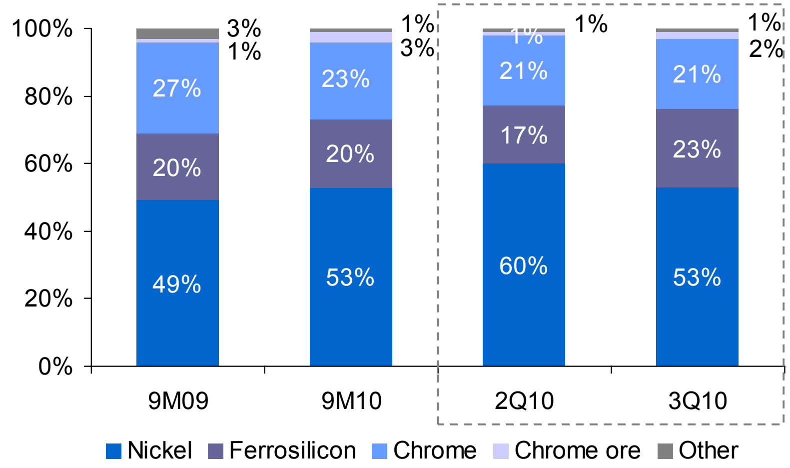
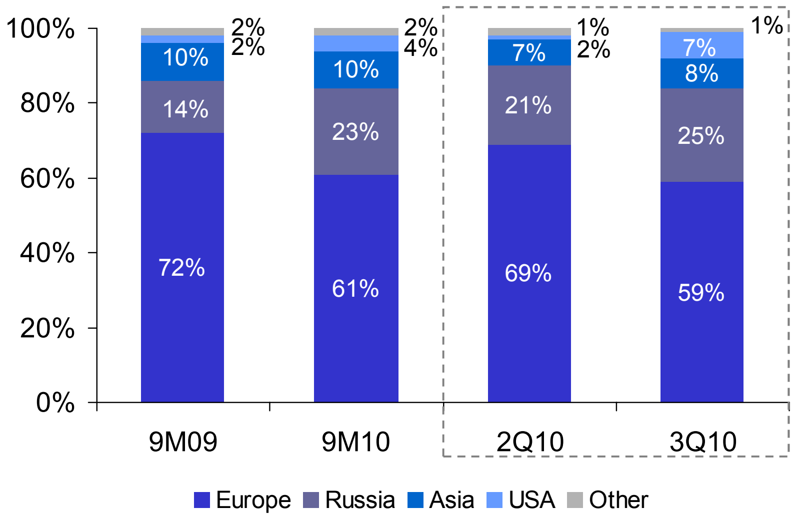
Ferroalloys Segment Performance

- Ferroalloys prices followed market trends in 3Q10:
  - Ni down 9%
  - FeSi down 4%
  - Cr down 7%
- Share of FeSi grew to 23% of Revenue in 3Q10
- Sales to Russia increased due to better pricing environment

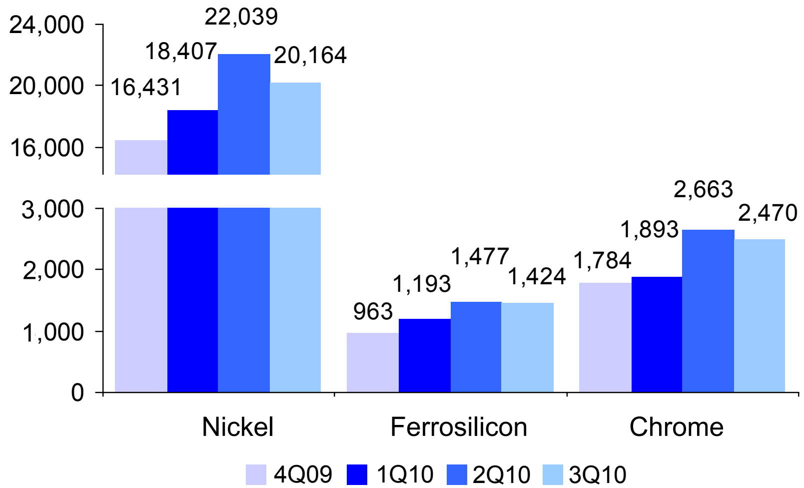
External sales structure



Revenue breakdown by region



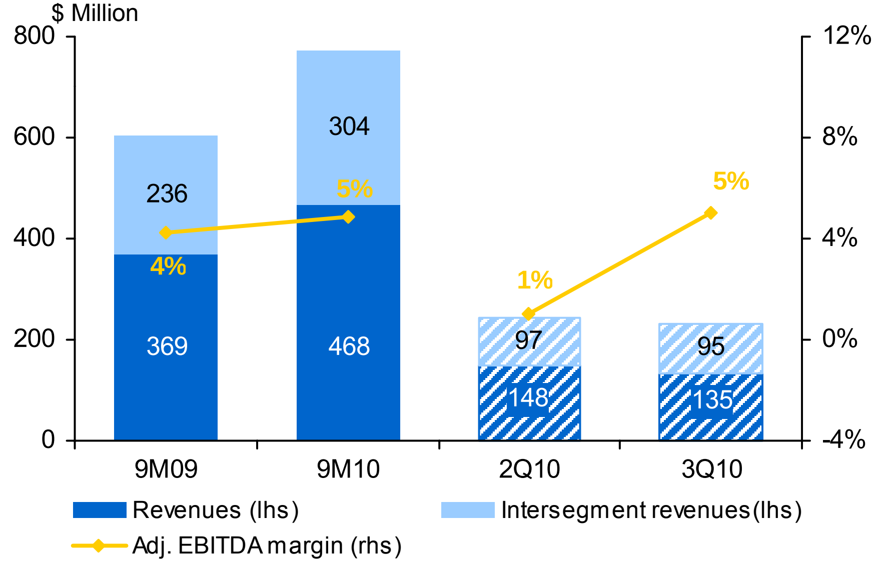
Average sales prices FCA, US$/tonne



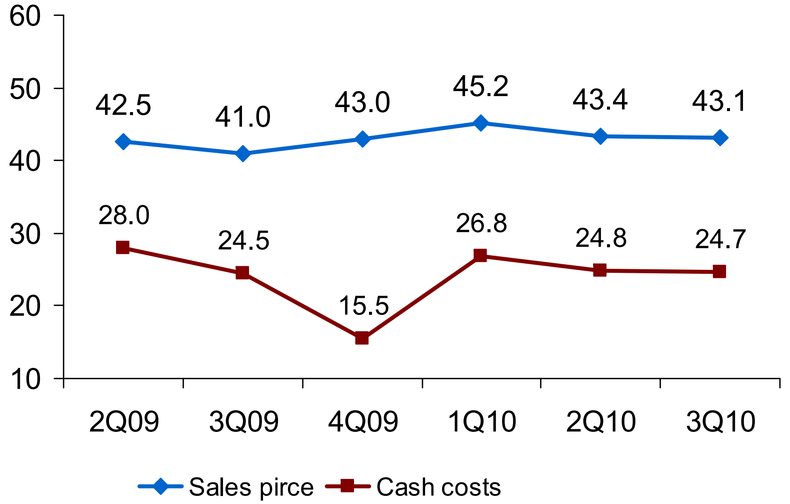
Power Segment Performance

- Segment's sales decrease 6% q-o-q due to seasonal factors
- Falling operating expenses led to an operating profit in 3Q10
- Over 4x growth in EBITDA(1) in 3Q10
- Positive Net result of $3 mn in 3Q10

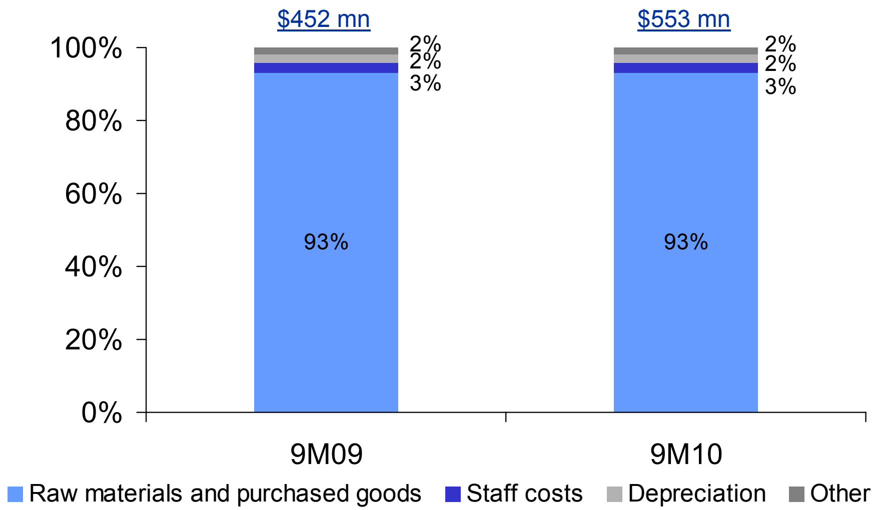
Revenue, EBITDA(1)



Average electricity sales prices and cash costs, US$/MWh



COS structure



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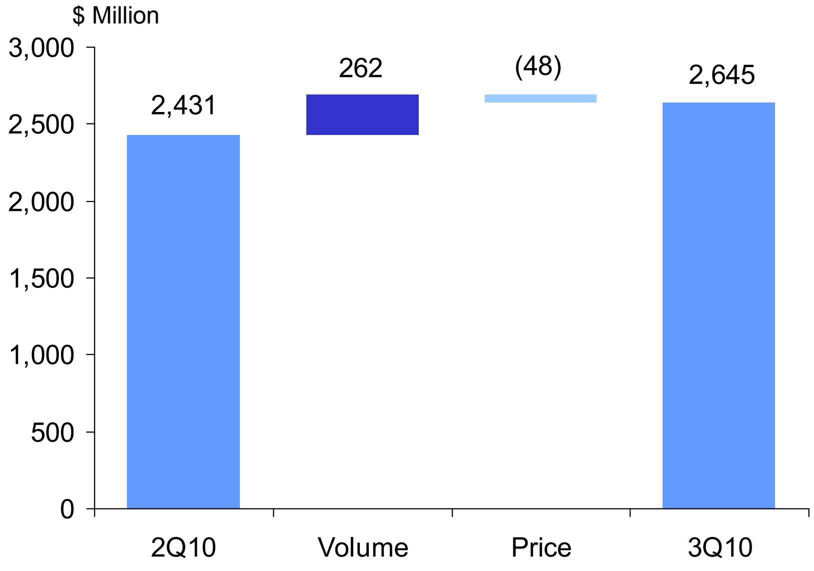
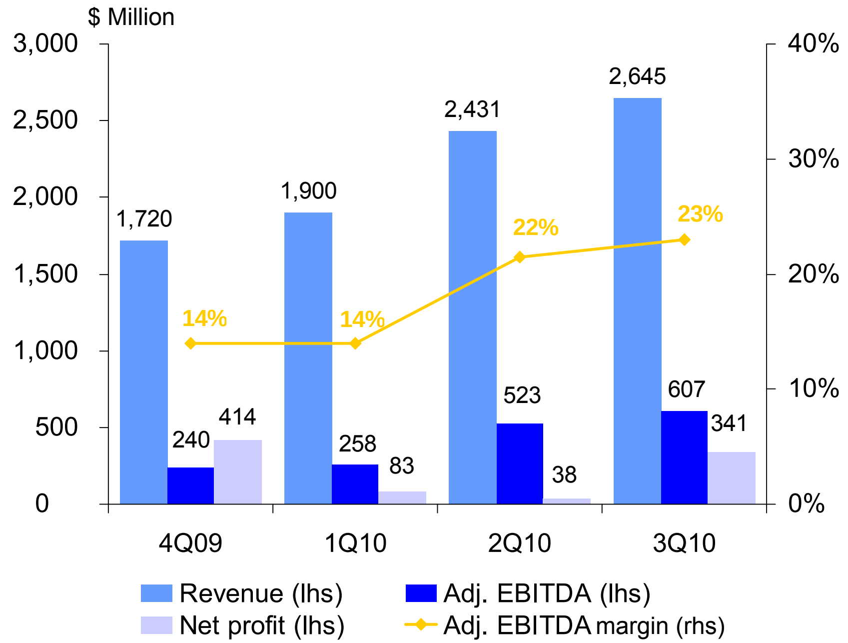
Improving Financial Performance

- Sensible improvement in 3Q10 financial performance q-o-q:
  - 9% growth in Revenue to $2.6 bn
  - 10% growth in Gross Income to $1.0 bn
  - 18% growth in Operating Income to $481 mn
  - 9x increase in Net Income to $341 mn
  - 16% growth in EBITDA[1] to $607 mn

Revenue Dynamics



Revenue, EBITDA[1] and Net profit



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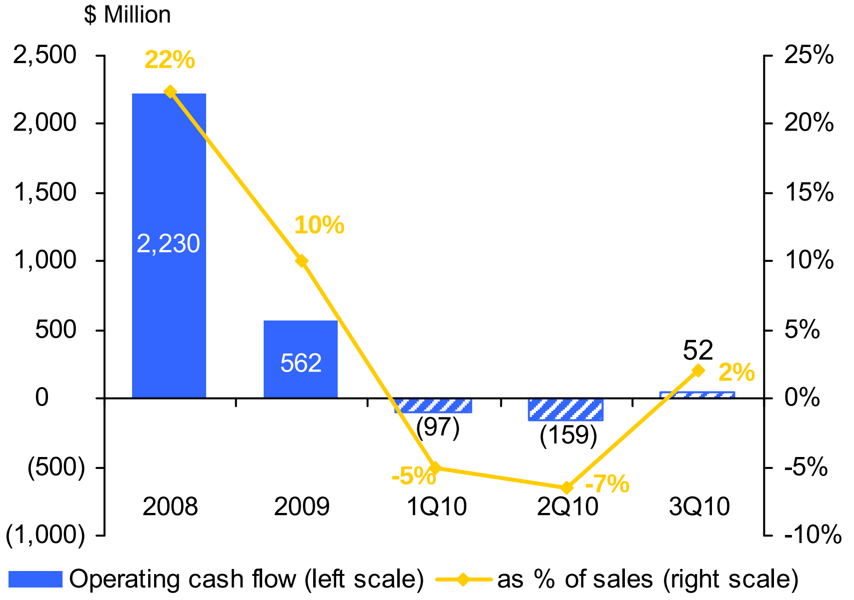
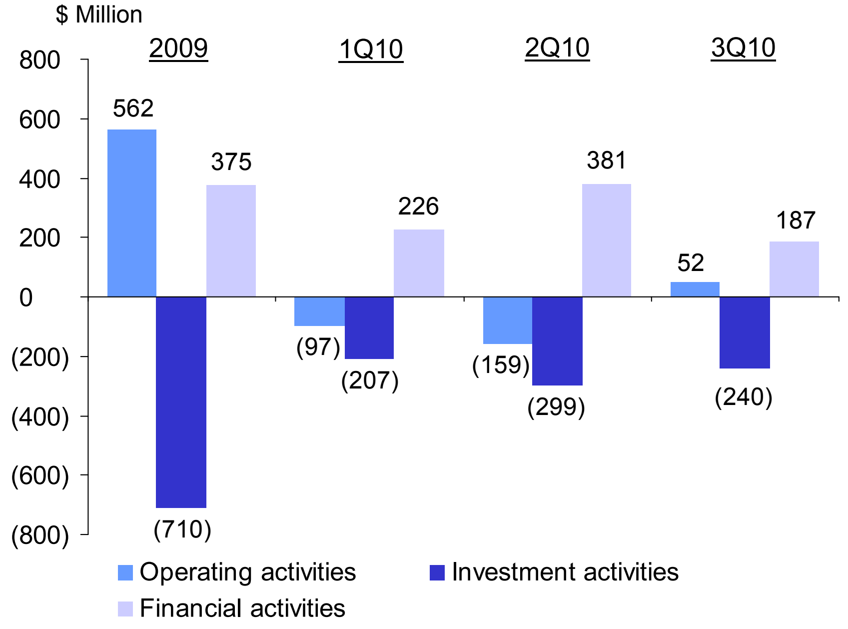
Cash Generation Capacity

- Turnaround in Operating CF: $52 mn after reinvestment of $338 mn in working capital in 3Q10 to facilitate growth of sales
- Improved economics and liquidity helped to control Net Debt and progress with main investment projects
- $282 mn cash balance as of September 30, 2010

Operating cash flow



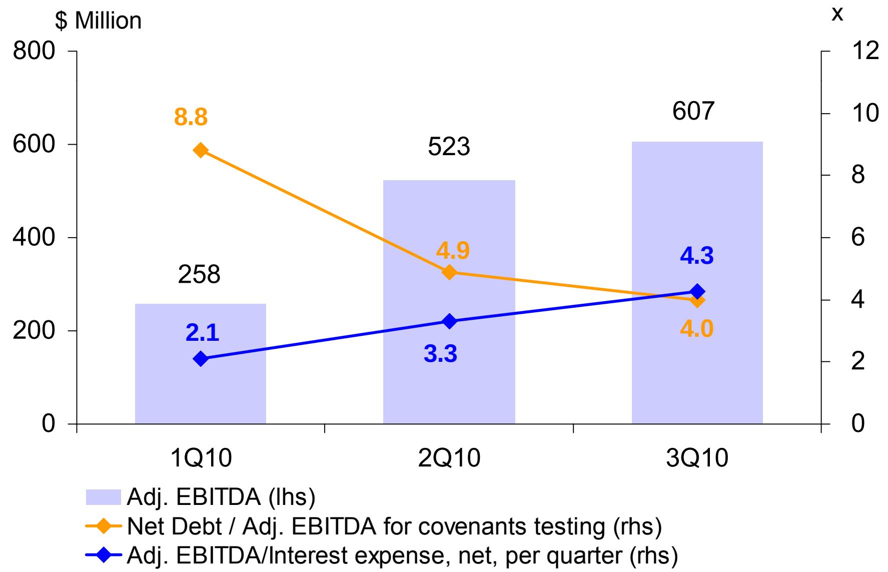
Net Cash Flow



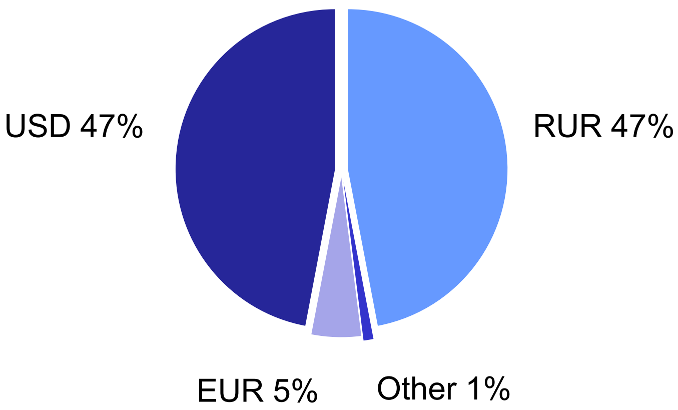
Debt Profile

- $607 mn of short-term debt reclassified to long-term upon a successful refinancing of a syndicated facility in September 2010
- $1.8 bn of unutilized committed short-term and long-term facilities as of December 1, 2010
- Working capital requirements fully covered with existing loan commitments in 2010

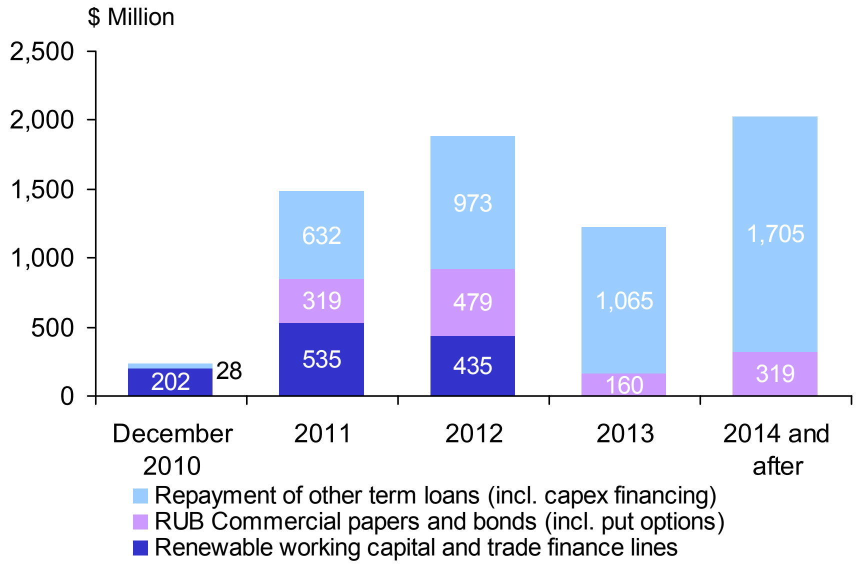
Financial ratios



Debt profile as at December 1, 2010



Loans repayment schedule as at Dec. 1, 2010



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Financial Results Overview

US$ million unless otherwise stated	3Q10	2Q10	Change, %
Revenue	2,645	2,431	9%
Cost of sales	(1,623)	(1,504)	8%
Gross margin	*38.7%*	*38.1%*	
Operating profit	481	408	18%
Operating margin	*18.2%*	*16.8%*	
Adjusted EBITDA[(1)]	607	523	16%
Adjusted EBITDA[(1)] margin	*23.0%*	*21.5%*	
Net Income	341	38	793%
Net Income margin	*12.9%*	*1.6%*	
Sales volumes[(2)], '000 tonnes			
Mining segment	5,764	4,852	19%
Steel segment	1,968	1,724	14%

(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income and gain/loss from remeasurement of contingent liabilities at fair value
(2) Includes sales to the external customers only