

First Half 2010 Financial Results Presentation

26 August 2010



Disclaimer

ezzsteel (*formerly*: Al Ezz Steel Rebars S.A.E.) or “ESR” give notice that:

The particulars of this presentation do not constitute any part of an offer or a contract.

The information contained in this presentation may contain certain projections and forward-looking statements that reflect the company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company’s assumptions are correct. Actual results may differ materially from those projected

None of the statements contained in this presentation is to be relied upon as a statement or representation of fact.

All parties must satisfy themselves as to the correctness of each of the statements contained in this presentation.

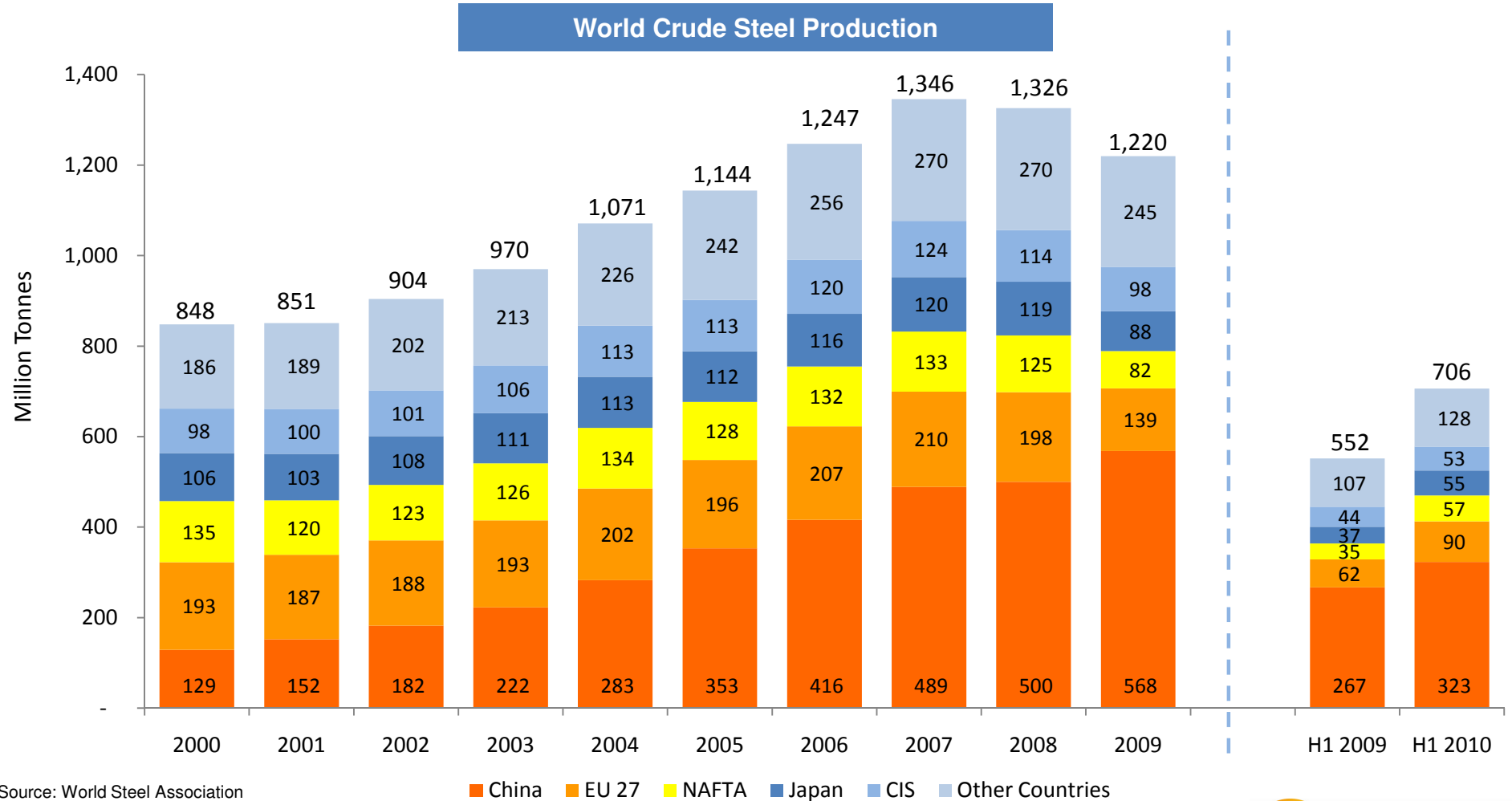
ezzsteel do not make or give, and neither it’s subsidiaries nor any of their directors or officers or persons in their employment or advisors has any authority to make or give, any representation or warranty whatsoever in relation to this presentation.

This presentation may not be stored, copied, distributed, transmitted, retransmitted or reproduced, in whole or in part, in any form or medium without the permission of ezzsteel.

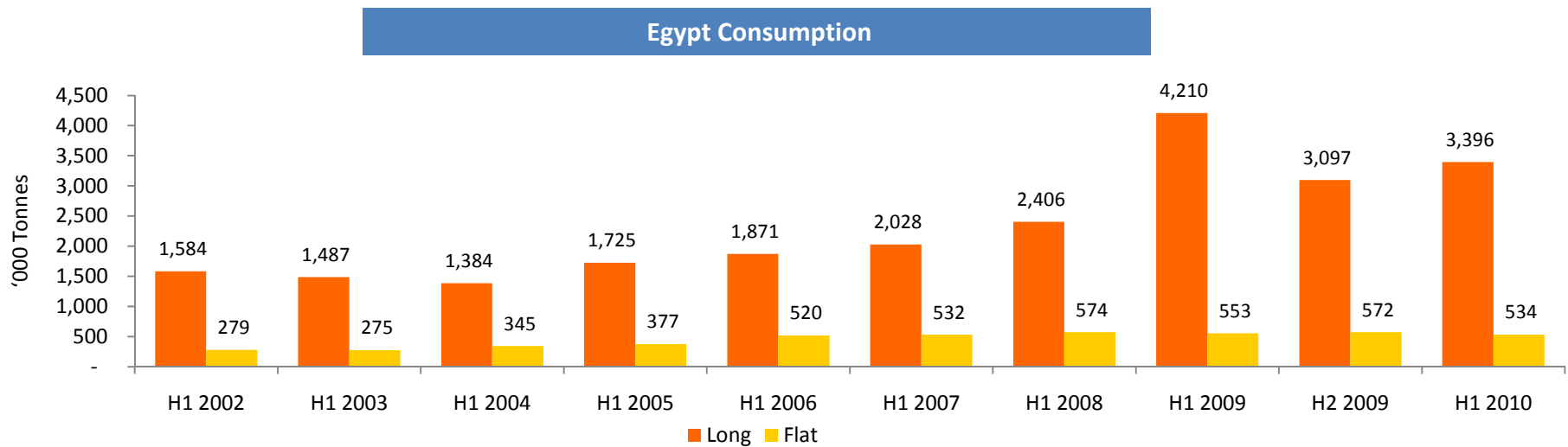
Key Highlights

- Global steel demand has started to show signs of recovery
- Improved financial performance in H1 2010
 - Revenues have increased 17% year-on-year
 - Net profit at EGP 241mn; up 150% on H1 2009
- Our flat steel facility, EFS, returned to production at the start of Q2 2010
- We have installed additional flexibility during the stoppage at this site
- Operational flexibility and modern technology have enabled us to quickly adapt to market volatility

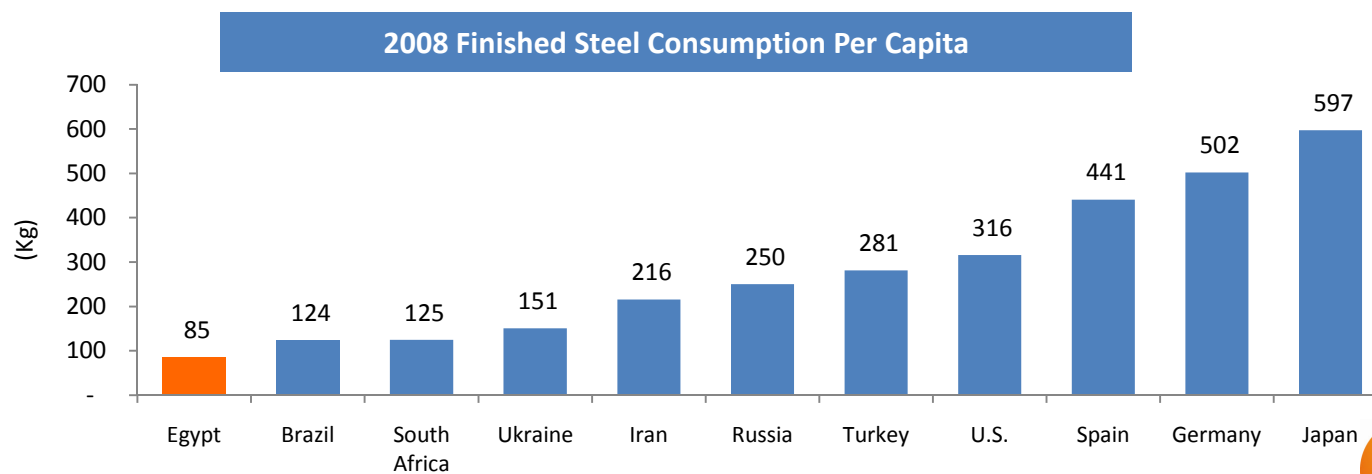
Steel Market Overview



Overview of Domestic Steel Market



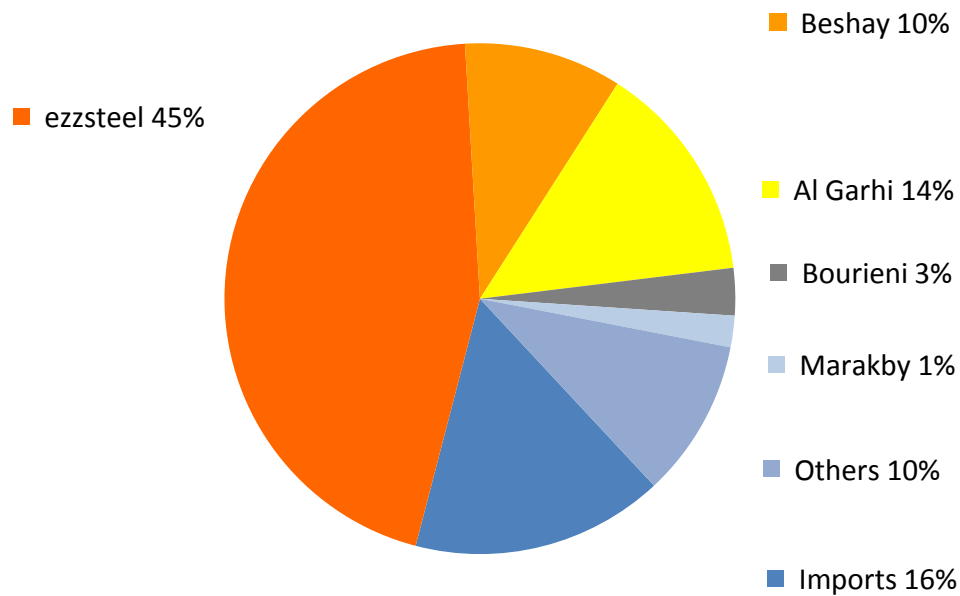
Source: Company estimates.



Source: World Steel Association.

Domestic Market Leader...

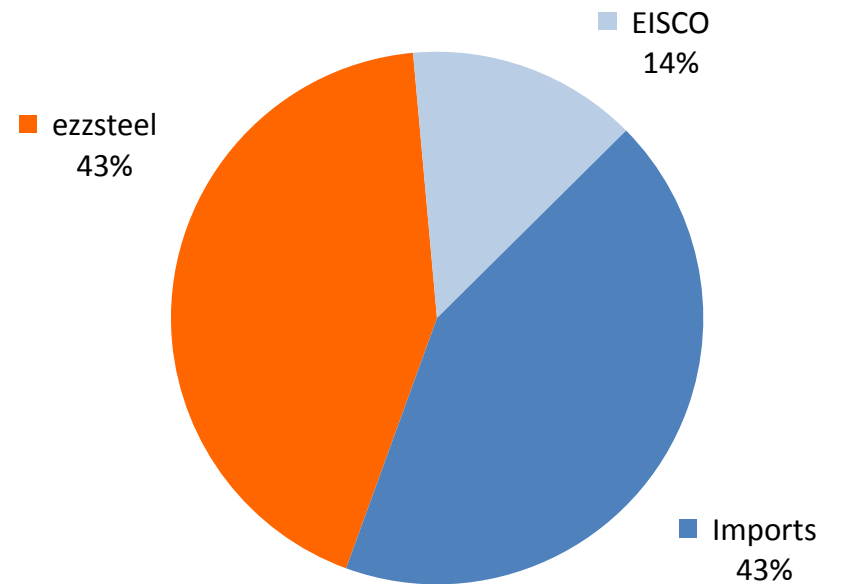
H1 10 Long Product Market Share Breakdown



Estimated local market size of 3,396 thousand tonnes

Source: Company estimates

H1 10 Flat Product Market Share Breakdown

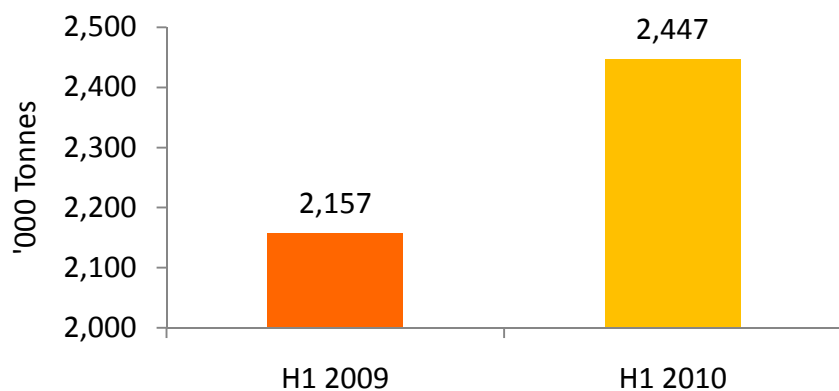


Estimated local market size of 534 thousand tonnes

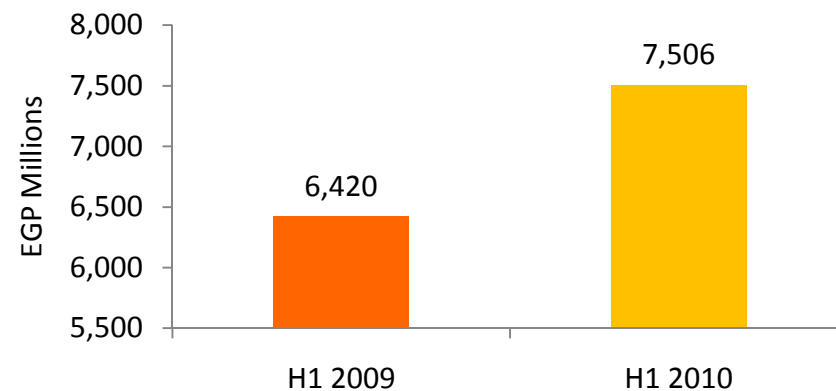
Source: Company estimates

H1 2010 Key Highlights

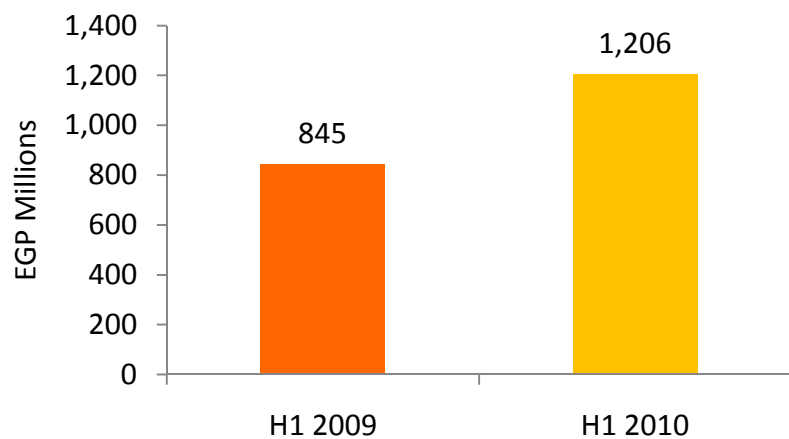
Production



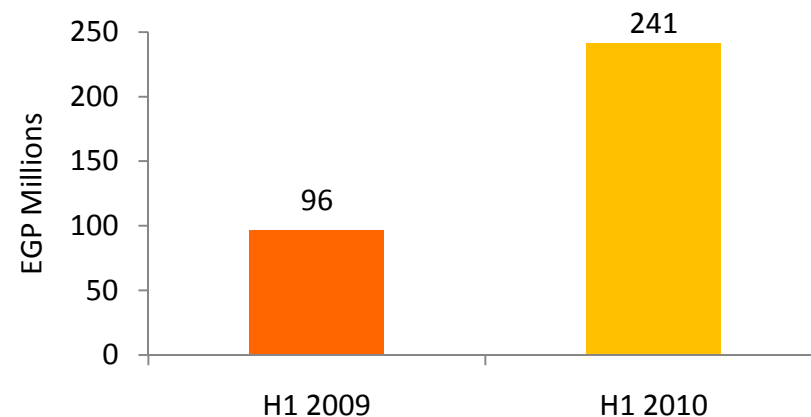
Revenue



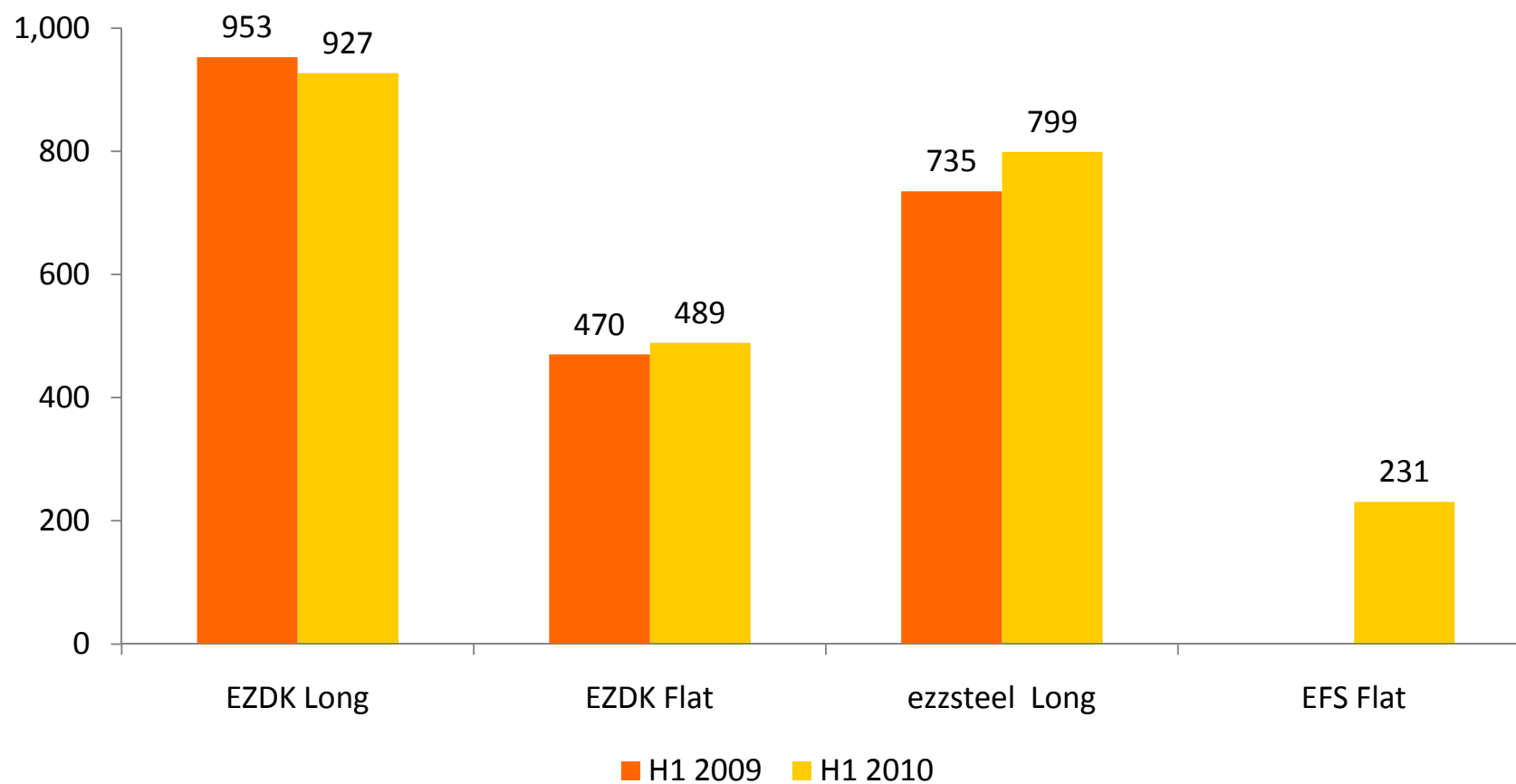
EBITDA



Net Income

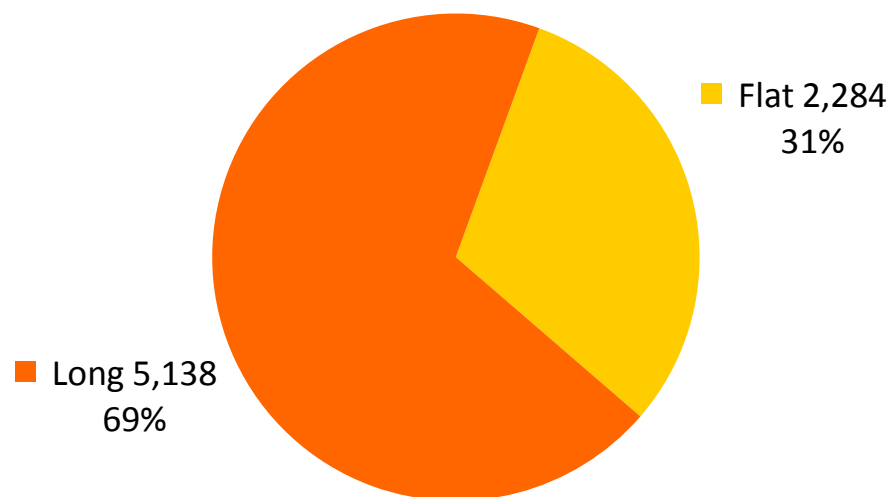


H1 2010 Production

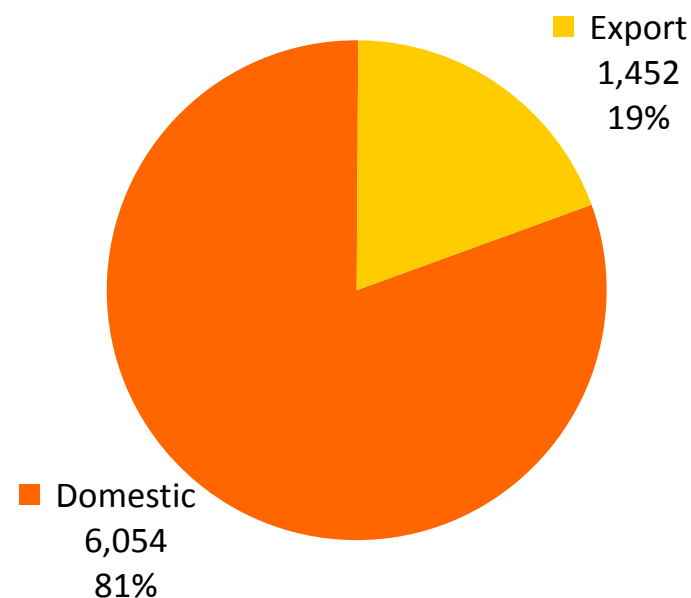


H1 2010 Sales Breakdown

By product in EGP million



By market in EGP million



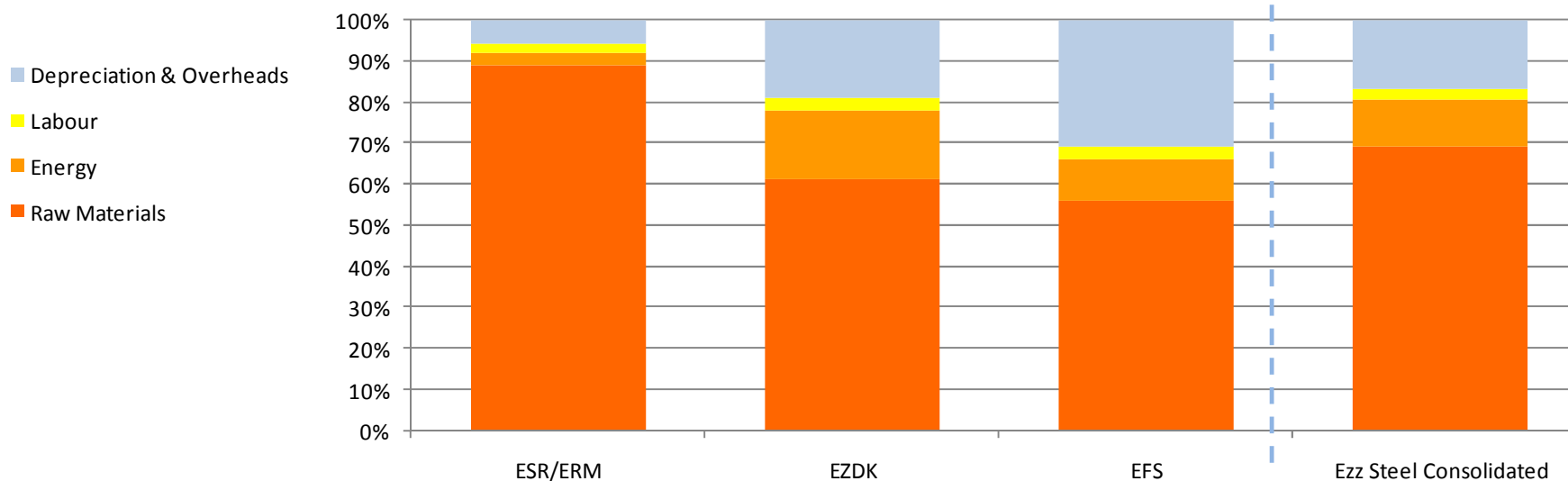
○ ezzsteel continues to generate the largest portion of its revenues in its growing domestic market, where we enjoy a leading position

H1 2010 Revenues

Consolidated revenues				
<i>EGP Mn</i>	ESR/ERM	EZDK	EFS	Ezzsteel Consolidated
Long	2,404	2,734	-	5,138
Flat	-	1,620	665	2,284
Others	-	79	5	84
Total	2,404	4,433	670	7,506
Standalone Revenues	2,728	4,372	681	

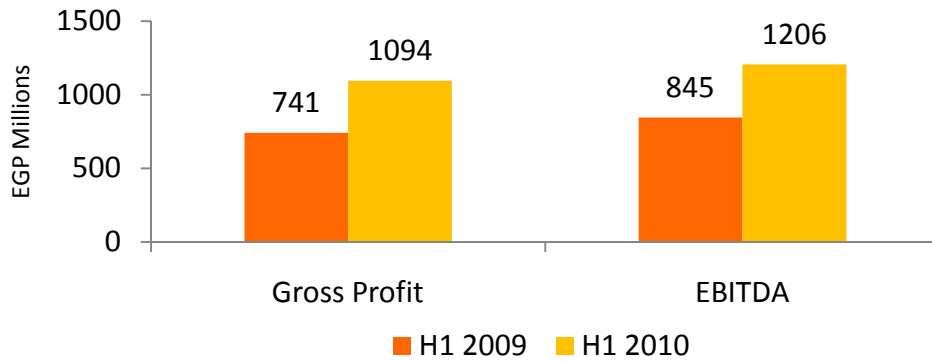
H1 2010 Cost Breakdown

<i>EGP Million</i>	ESR/ERM	EZDK	EFS	ezzsteel Consolidated
Sales	2,728	4,372	681	7,506
COGS	2,605	3,365	737	6,412
COGS/Sales	95%	77%	108%	85%

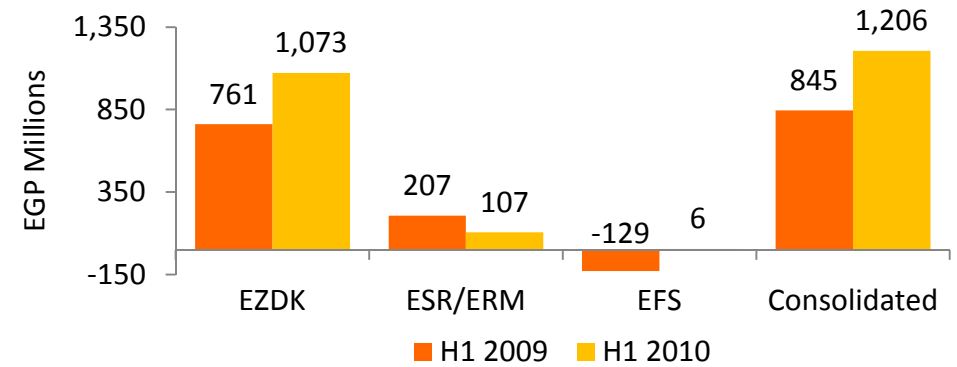


H1 2010 Profitability

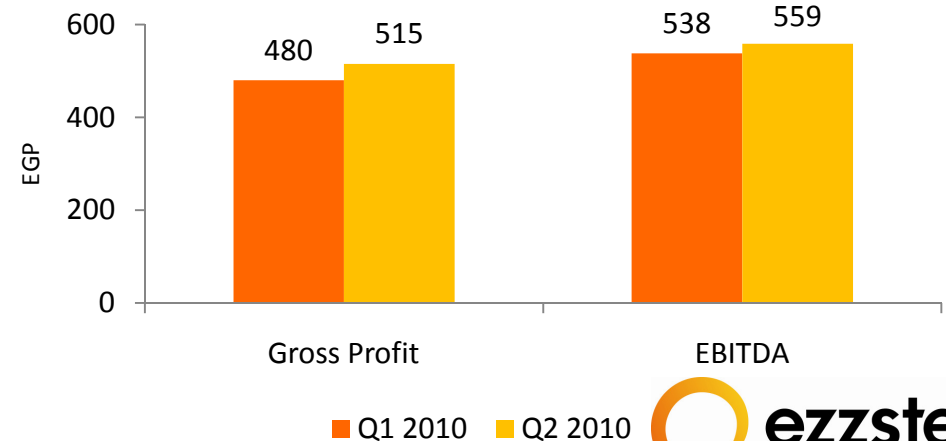
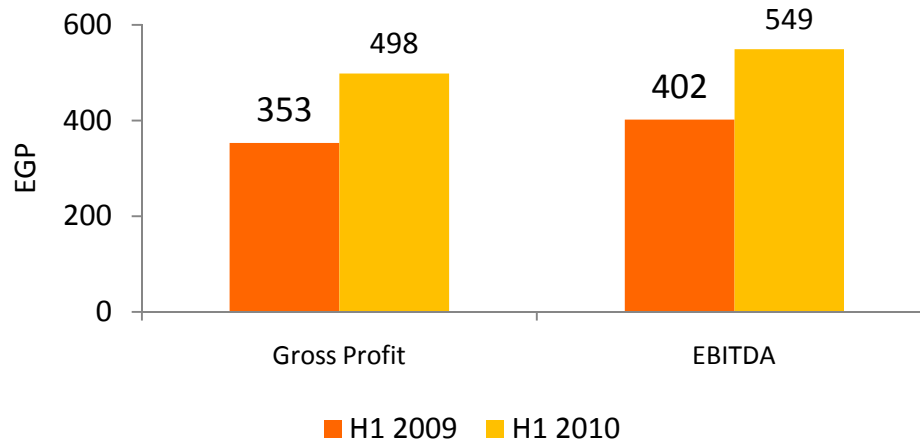
Operational profits



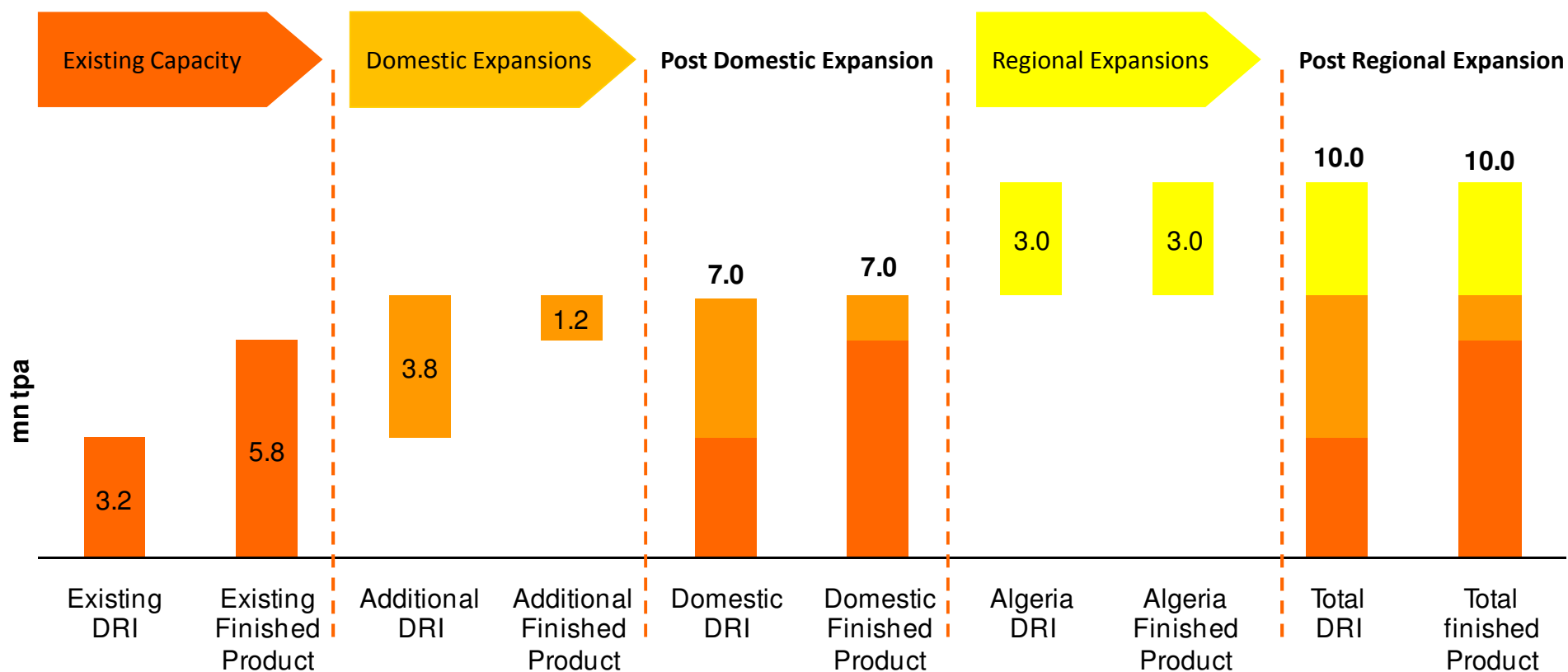
EBITDA breakdown by division



Profitability per tonne



Commitment to Growth Strategy



Outlook

- In a general context of sharp volatility, we expect demand and prices of steel products to improve gradually during the second half of 2010
- 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 our dedicated flat steel facility

Q&A



Divisional Review: EZDK

EZDK (Alexandria)	H1 2009	H1 2010
Sales:		
Value:	EGP 4.3bn	EGP 4.4bn
Volume:		
Long:	925 thousand ton	817 thousand ton
Flat:	492 thousand ton	450 thousand ton
Exports as % of Sales:		
Long:	2%	4%
Flat:	55%	46%
EBITDA:	EGP 0.8bn	EGP 1.1bn
Production:		
Long Products:	953 thousand ton	927 thousand ton
Flat Products:	470 thousand ton	489 thousand ton
Billets:	1,014 thousand ton	906 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/ESR

ESR/ERM (Sadat City & 10th of Ramadan)		H1 2009	H1 2010
Sales:			
	Value:		
	Long:	EGP 2.1 bn	EGP 2.4bn
	Other:		324 thousand ton
	Volume:		
	Long:	657 thousand ton	728 thousand ton
	EBITDA:	EGP 207mn	EGP 107mn
Production:			
	Long Products:	735 thousand ton	799 thousand ton
	Billets:	418 thousand ton	399 thousand ton

- 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

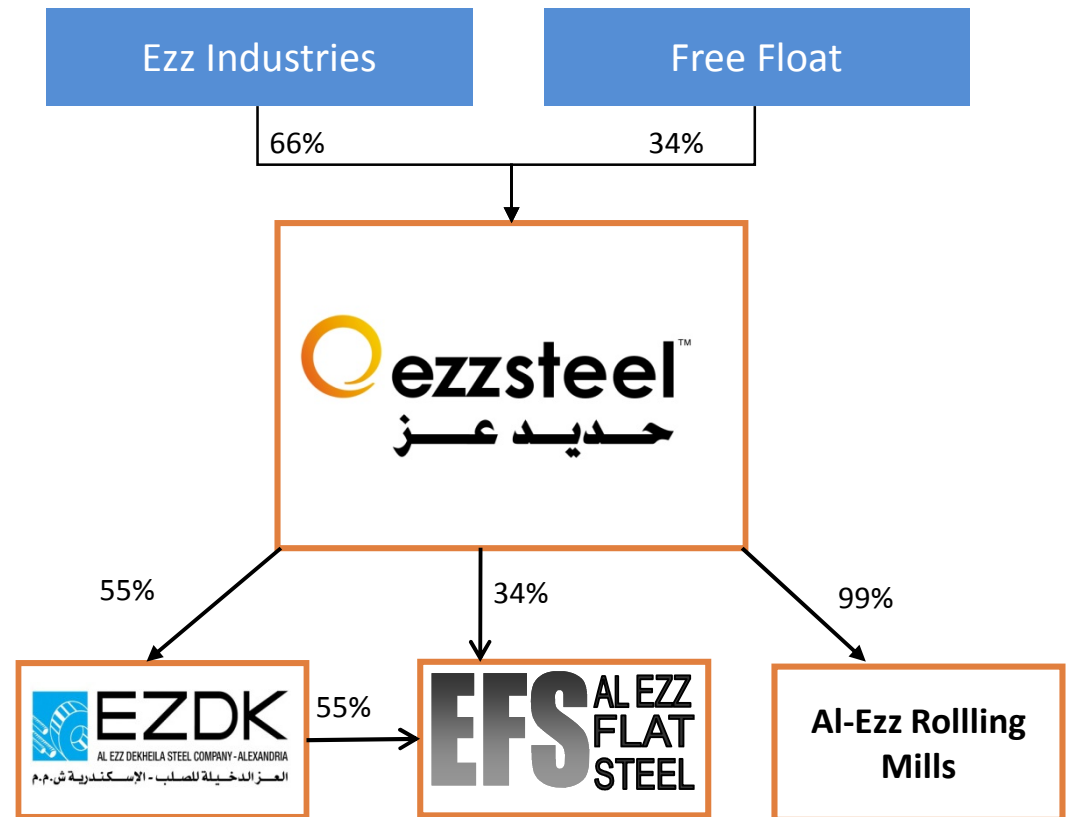
Divisional Review: EFS

EFS (Suez)	H1 2009	H1 2010
Sales:		
Value:	EGP 257mn	EGP 681mn
Flat:	EGP 65mn	EGP 665mn
Other:	EGP 191mn	EGP 16mn
Volume:		
Flat:	31 thousand ton	194 thousand ton
Exports as % of Sales:	100%	92%
EBITDA:	EGP -129mn	EGP 6mn
Production:		
Flat Products:		231 thousand ton

- 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 Egyptian Stock Exchange and the London Stock Exchange (through a GDR program) and has a market capitalisation of EGP 10 bn as at August 25th, 2010

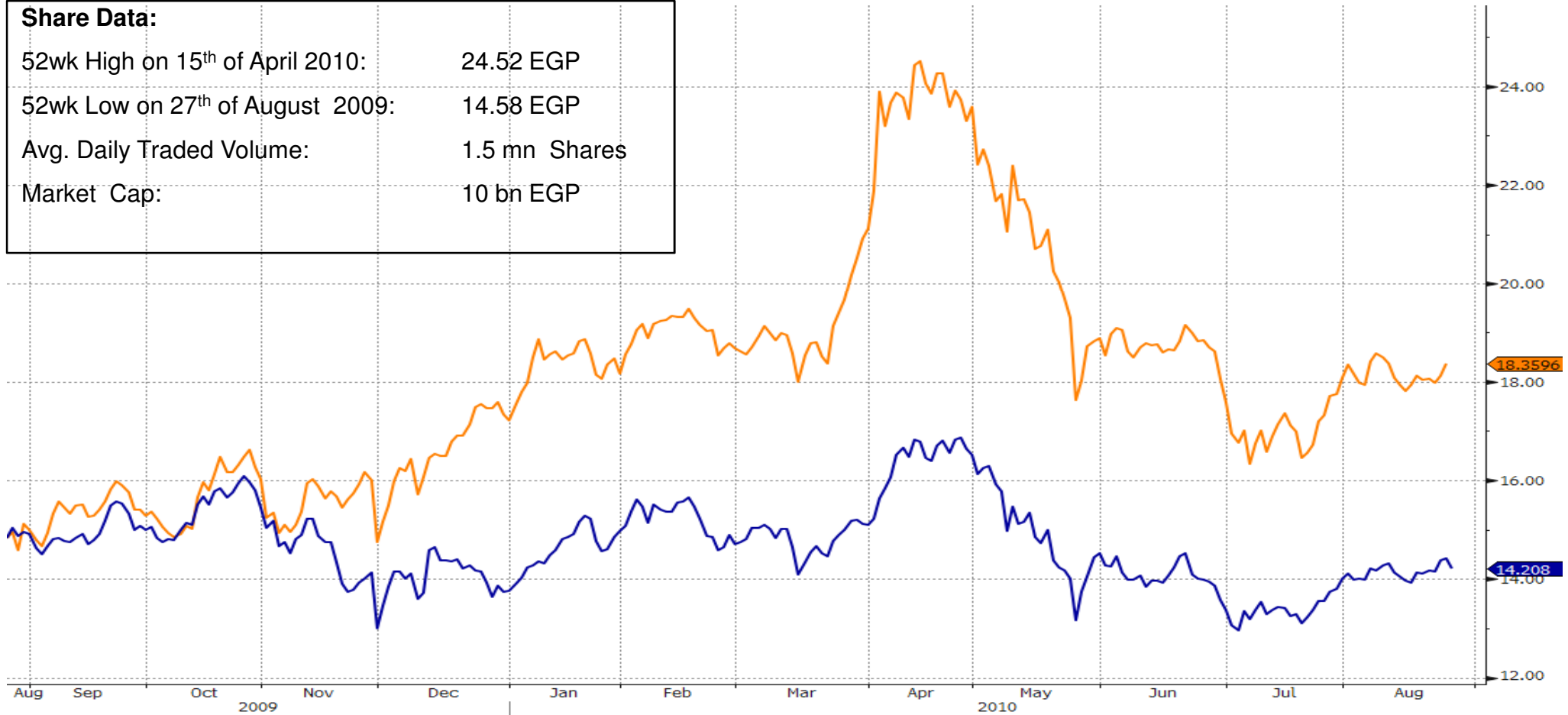


Note: Ezzsteel direct and indirect stake in EFS: 64%

Relative Share Performance Vs EGX30

Share Data:

52wk High on 15 th of April 2010:	24.52 EGP
52wk Low on 27 th of August 2009:	14.58 EGP
Avg. Daily Traded Volume:	1.5 mn Shares
Market Cap:	10 bn EGP



Copyright 2010 Bloomberg Finance L.P.

25-Aug-2010 13:06:07

— ESRS — EGX30

