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DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
STEEL COMMITTEE

Cancels & replaces the same document of 14 May 2007

CONSOLIDATION IN THE WORLD STEEL INDUSTRY

18 May 2007

Presentation by Mr. Scott MacDonald, Corus. Roundtable on Consolidation in the World Steel Industry. 18 May 2007, Istanbul, Turkey.

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Consolidation in the World Steel Industry

Scott MacDonald
OECD Round Table
18th May 2007

Global consolidation

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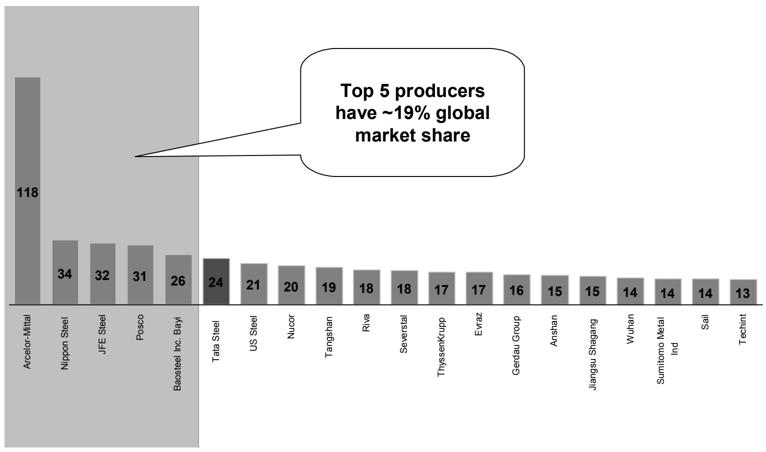
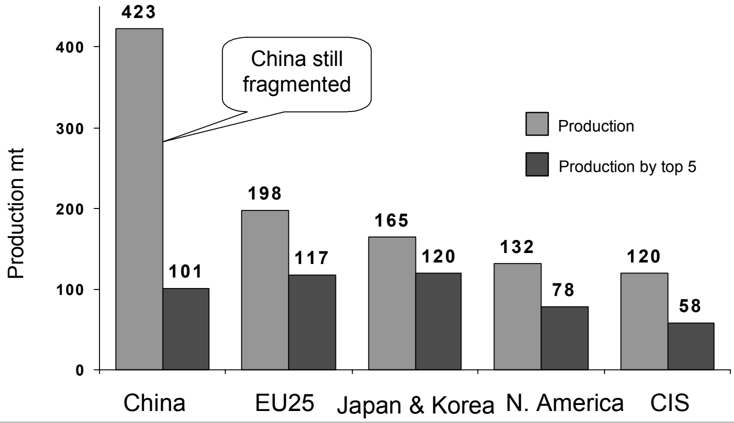
Top 20 largest steel makers - 2006 (mt)



Source: Metal Bulletin, company information. Arcelor-Mittal pro-forma (includes Dofasco), Tata Steel pro-forma (includes Corus), Techint is sum of Ternium and Tenaris, Evraz includes Oregon. Baosteel includes Bayi Steel.

1

Regional consolidation

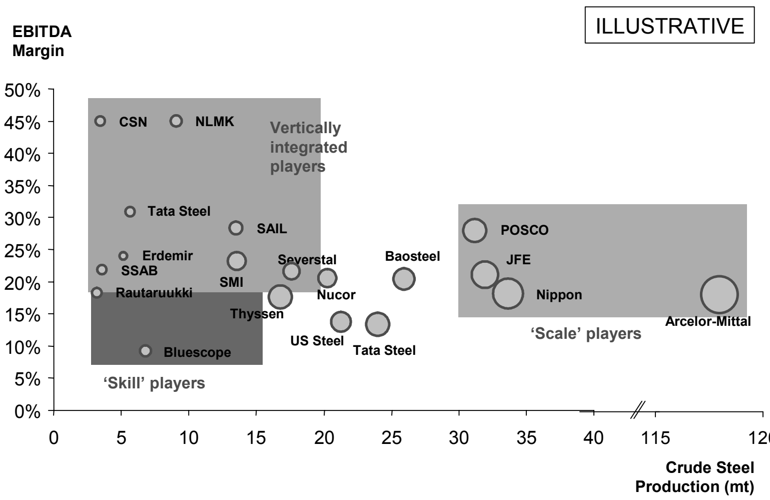


	China	EU25	Japan & Korea	N. America	CIS
Top 5 share of production	24%	59%	73%	59%	49%

Source: Metal Bulletin, company information. Arcelor-Mittal pro-forma (includes Dofasco), Tata Steel pro-forma (includes Corus), Techint is sum of Ternium and Tenaris, Evraz includes Oregon. Baosteel includes Bayi Steel.

2

Competitive Arena



c. 2006. Source: Metal Bulletin, Reuters, company information. Arcelor-Mittal pro-forma (includes Dofasco), Tata Steel pro-forma (includes Corus). Severstal & NLMK: Steel operations only. Baosteel includes Bayi Steel.

3

BRIC players target developed markets

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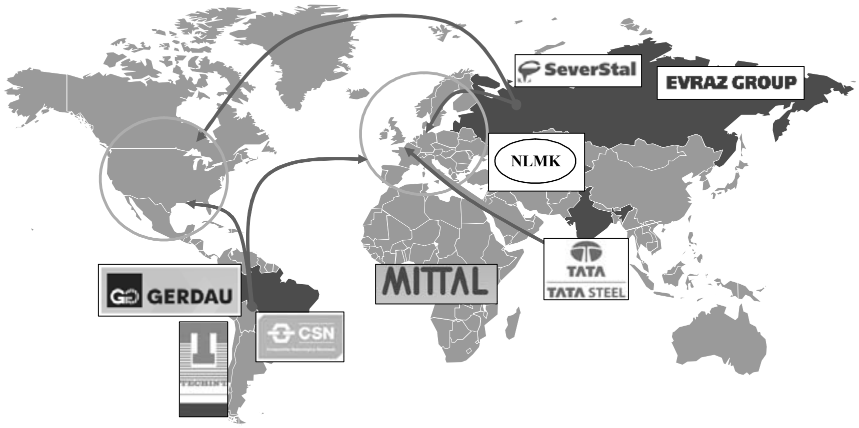
BRICs producers on an acquisition path



Source: Company information, Corus

4

Decoupling strategies

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Steel making close to raw material….. Finishing close to market

5

Conclusions

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- Consolidation in the industry has started.
- There is a high level of consolidation in most regions with China the exception.
- Today Arcelor Mittal is the only true global player and even they have limited presence in China.
- Further consolidation is needed to translate into a positive impact for the industry.
- We believe that decoupling strategies will drive some of the consolidation.
- Cash generated by raw material integrated producers in BRIC countries likely to fund consolidation

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