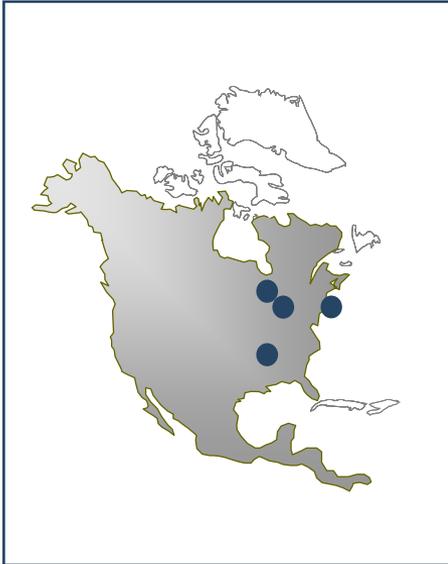


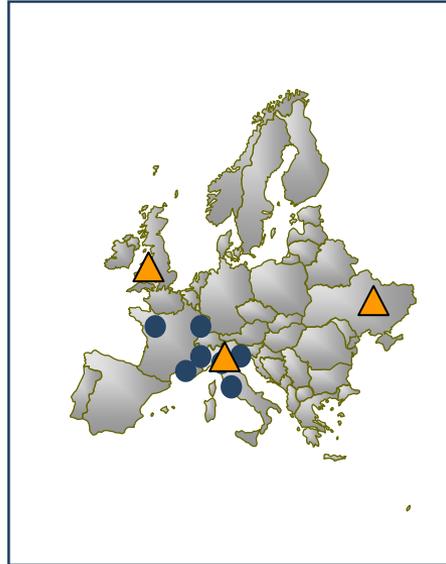


## North American Steel



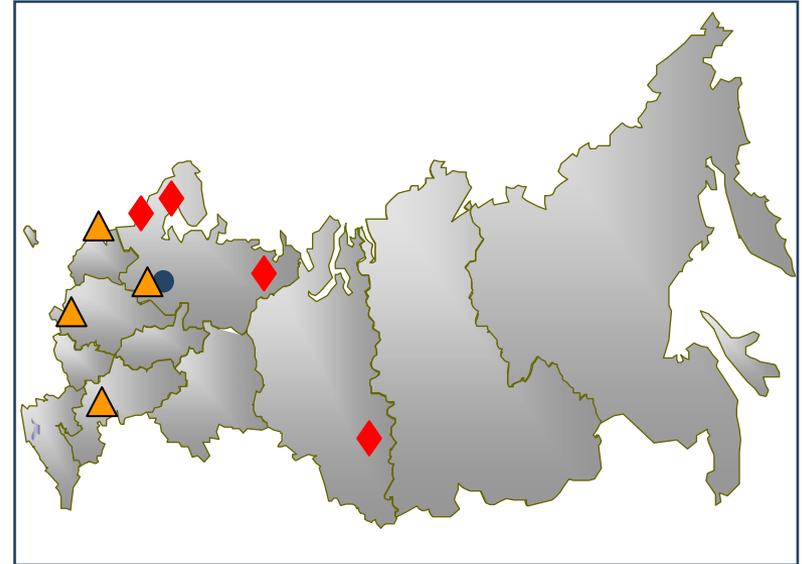
- Columbus
- Dearborn
- Warren
- Sparrows Point
- Wheeling
- Capacity 12 mt

## European Steel



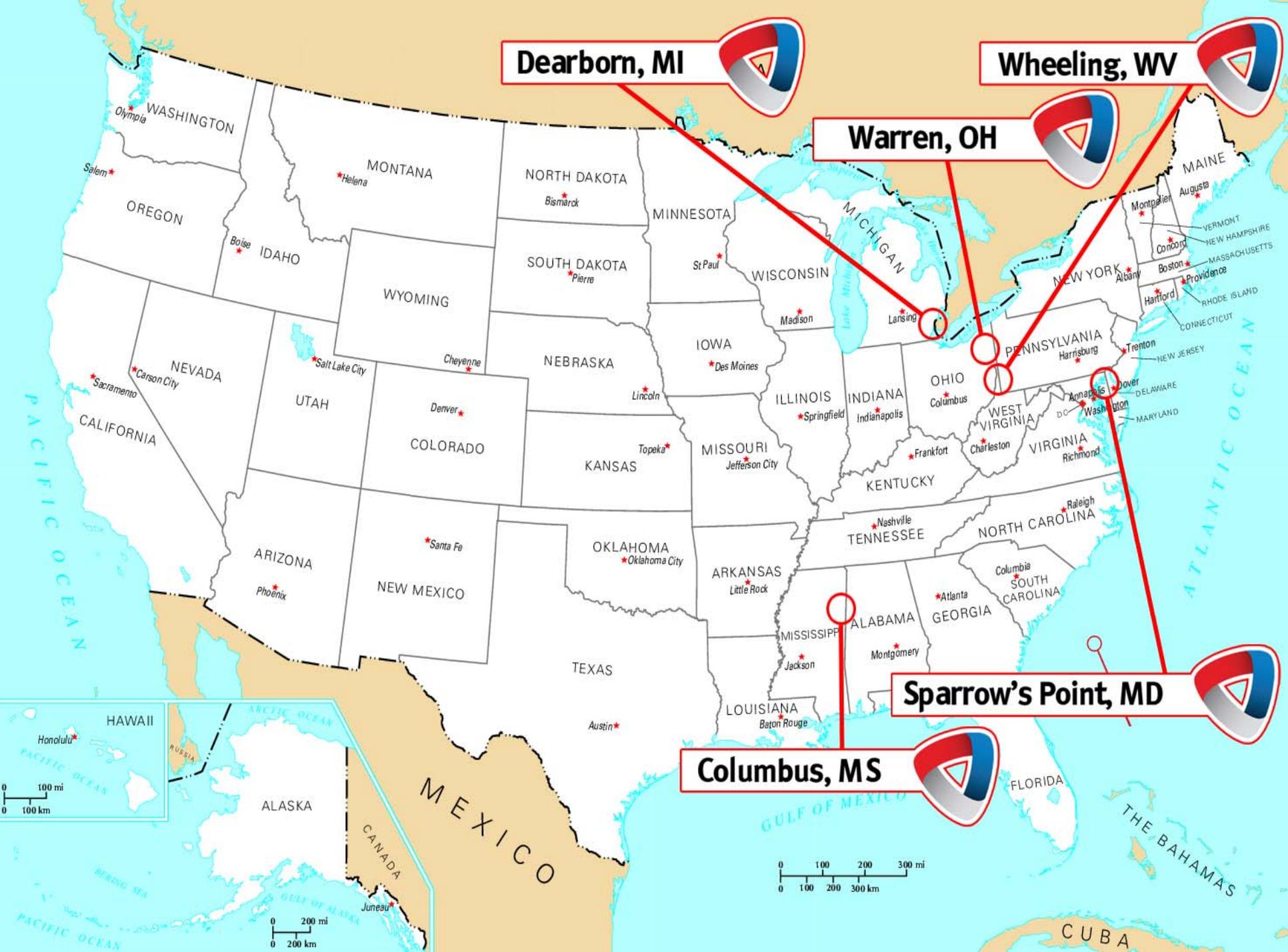
- Lucchini
- Ascometal
- Capacity 4 mt

## Russian Steel & Resources



- Steelmaking capacity of 11.6 mt
- Sevelgal exposed HDG & Galvanneal
- Largest supplier to Russian auto industry

● Steel & Rolling    ♦ Mining    ▲ Downstream



**Dearborn, MI**

**Wheeling, WV**

**Warren, OH**

**Sparrow's Point, MD**

**Columbus, MS**



GTR Airport  
Golden Triangle

- 2.3 Square Miles
- 5.7 Square Kilometers

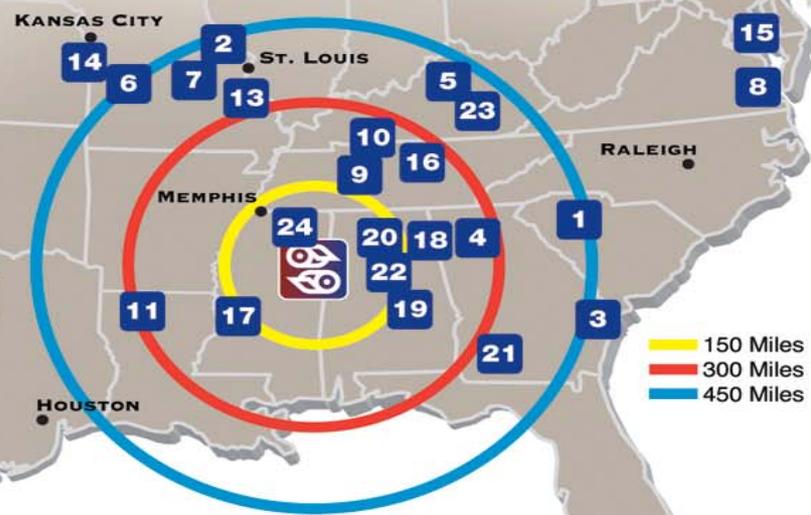
August 2005





## 19 of 25 Southern Auto makers within 450 Miles

-  1. GREER, SC
-  2. ST. LOUIS, MO
- 3. POOLER, GA
-  4. HAPEVILLE, GA
- 5. LOUISVILLE, KY
- 6. CLAYCONO, MO
- 7. ST. LOUIS, MO
- 8. NORFOLK, VA
-  9. SPRING HILL, TN
- 10. BOWLING GREEN, KY
- 11. SHREVEPORT, LA
- 12. ARLINGTON, TX
- 13. WENTZVILLE, MO
- 14. KANSAS CITY, KS
- 15. BALTIMORE, MD
-  16. SMYRNA, TN
- 17. CANTON, MS
-  18. LINCOLN, AL
-  19. MONTGOMERY, AL.
-  20. PINSON, AL
-  21. WEST POINT, GA
-  22. VANCE, AL
-  23. GEORGETOWN, KY
- 24. TUPELO, MS
- 25. SAN ANTONIO, TX



## Key Segments:

- Appliance
- Agriculture
- Automotive
- Building Products
- Components Mfg.
- Construction
- Containers
- Fasteners
- Furniture
- Hardware
- Heavy Truck Mfg.
- HVAC
- Lawn & Garden
- Metal Buildings
- Pipe & Tube
- Power Distributions
- Service Centers
- Storage Fixtures & Racks
- Truck Trailers Mfg.



# IGNORANCE

IT'S AMAZING HOW MUCH EASIER IT IS FOR A TEAM TO WORK TOGETHER  
WHEN NO ONE HAS ANY IDEA WHERE THEY'RE GOING.



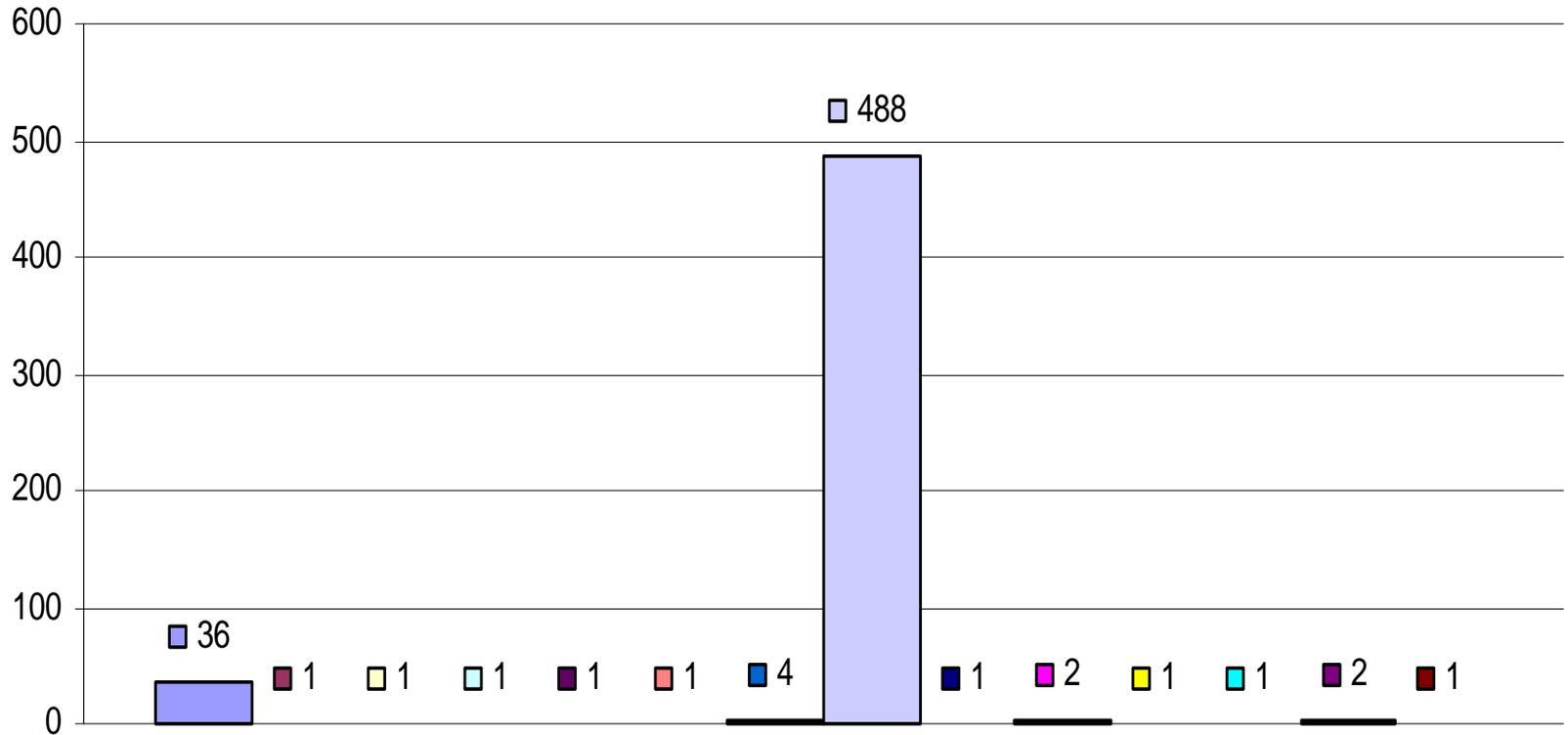
# ACHIEVEMENT

YOU CAN DO ANYTHING YOU SET YOUR MIND TO WHEN YOU HAVE VISION,  
DETERMINATION, AND AN ENDLESS SUPPLY OF EXPENDABLE LABOR.

- Started with State and EMCC support
  - Finding candidates-MDES
  - Testing-EMCC
  - Training-EMCC

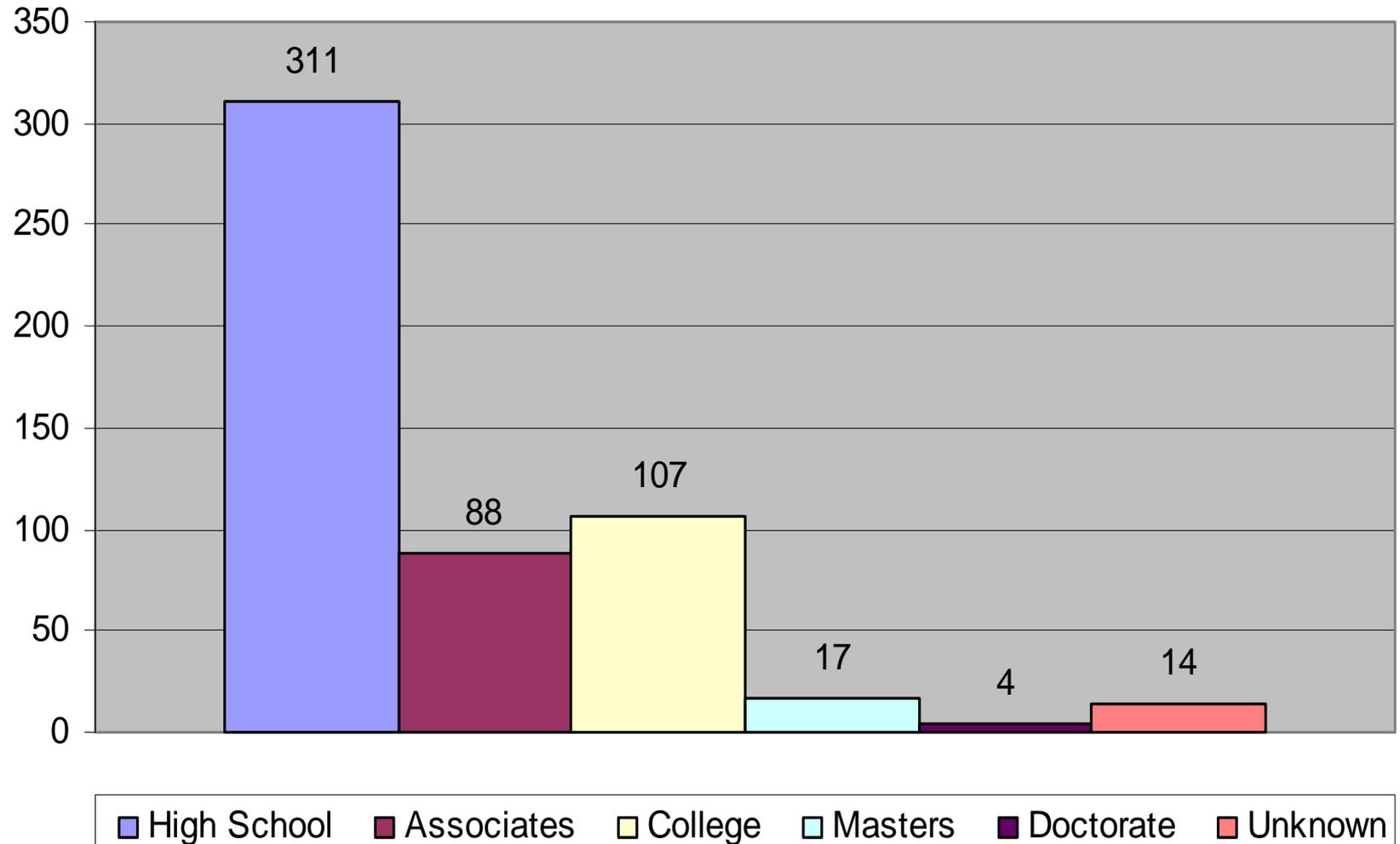
- ❑ Refresher Training in Reading and Math
- ❑ Full facility exposure
- ❑ Process Education
- ❑ Job Specific Training
- ❑ Welding
- ❑ Automation
- ❑ Electronics
- ❑ Hydraulics
- ❑ Crane maintenance
- ❑ On going specialized skills as identified
- ❑ Manufacturing Skills
- ❑ Safety and Health
- ❑ EMCC graduates in multiple programs

# State



- |             |                |            |              |                |           |         |
|-------------|----------------|------------|--------------|----------------|-----------|---------|
| Alabama     | Arkansas       | California | Florida      | Georgia        | Illinois  | Indiana |
| Mississippi | North Carolina | Ohio       | Pennsylvania | South Carolina | Tennessee | Texas   |

## Level of Education



- Work Ethic
  
- Communications
  - Listening
  - Oral
  - Written
  
- Ability to Keep Learning
  - Reading
  - Writing
  - Math

- Contacts---9
- Hires covered---170
- Contracts Completed--- 97%

- Operators-Greatest volume
  - Skilled
  - Semi skilled
  
- Technicians
  - Mechanical
  - Electrical
  
- ❖ Contract Hours-typical 650 to 850 hours

- People Embracing Change
- Old vs New Work Systems
- Ability to Learn-Eroded Skills

## The Dynamics of Leadership-Team Behavior

### Teams on the Way Down

1. People shield those in power-Fear penalties and criticism
2. People assert strong opinions without data
3. Leaders have low questions to statements ratio
4. Members acquiesce without unifying
5. Members seek credit, but do not have confidence of peers
6. Members argue to further interest without support for overall cause
7. Team conducts "autopsies with blame"
8. Members often fail to deliver exceptional results and blame others or outside factors

### Teams on the way up

1. People bring forth grim facts without being criticized
2. People bring data, logic and solid arguments to discussions
3. Leaders us a high questions to statements ratio
4. Members unify behind a decision and work to make it succeed
5. Members credit others for success, yet enjoy peer respect
6. Team member argue and debate to find the best answers
7. Team conducts autopsies without blame seeking learning
8. Members deliver exceptional results yet accept responsibility and learn from setbacks

## At Severstal we see Opportunity

This crisis is creating opportunities for change:

- Leaner, faster, more responsive, more innovative.
- We're taking the best of everything that we've done or seen elsewhere and applying it to help us forge a new, more efficient, model that will position us to thrive in the coming recovery.

# Our Biggest Advantage

