

GLOBAL MARKET SITUATION



25th September 2007, Madrid

Ricardo Hugas
Corporate Commercial Director
CELSA GROUP

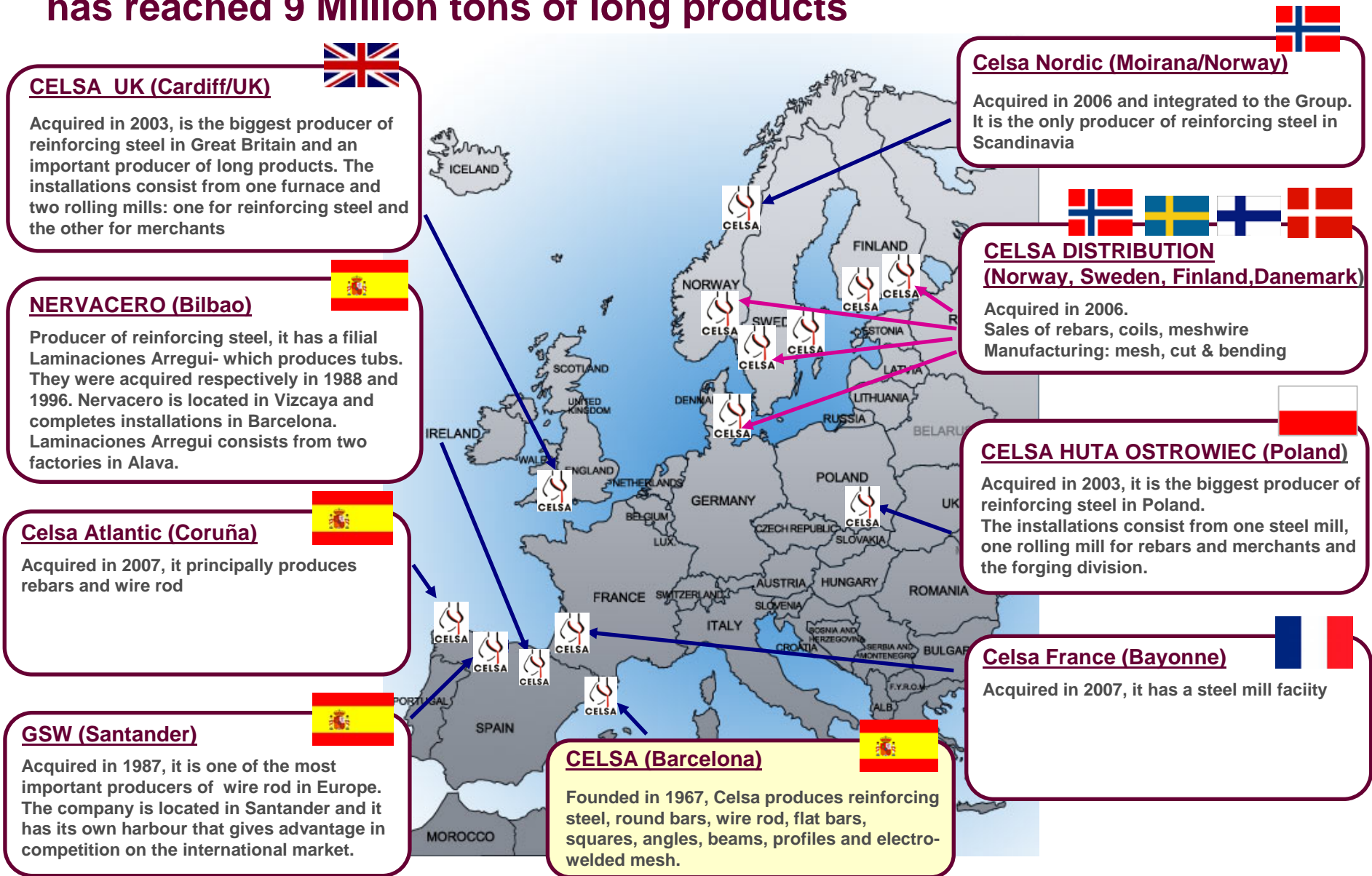
Table of Contents

- [01] Celsa Group
- [02] Macroeconomic Situation
- [03] Steel Consumption Situation
- [04] Long Products Market
- [05] Rebars Market
- [06] International Price Situation
- [07] Outlook

[01] Celsa Group

Celsa Group

Celsa owns mills all around Europe and its total production has reached 9 Million tons of long products



[02]

**Macroeconomic
situation**

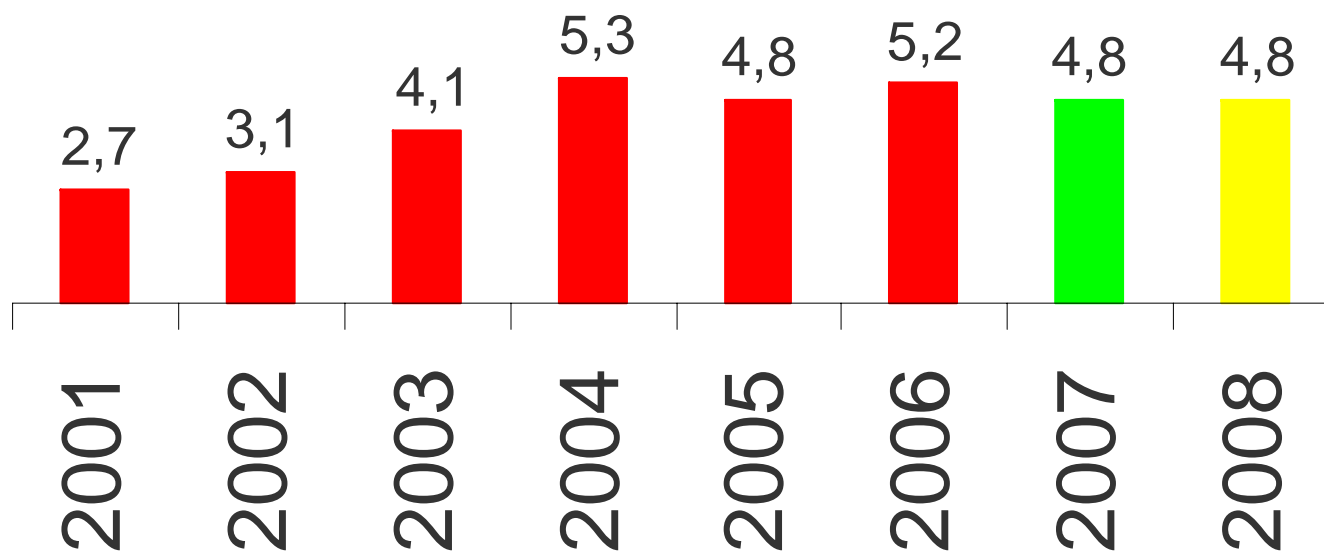
Macroeconomic situation

GDP Evolution



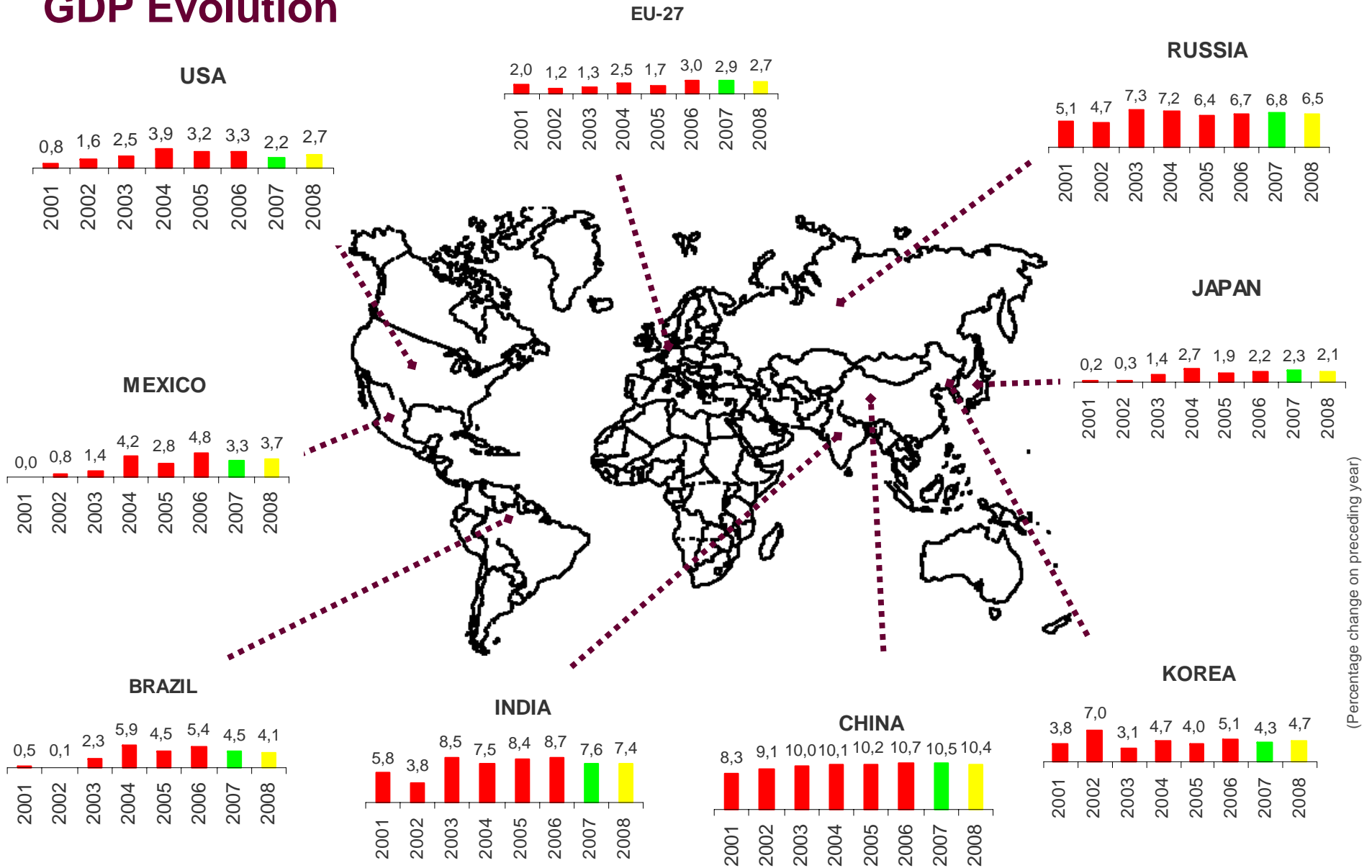
World GDP

(Percentage change on preceding year: 2001-2008)



Macroeconomic situation

GDP Evolution



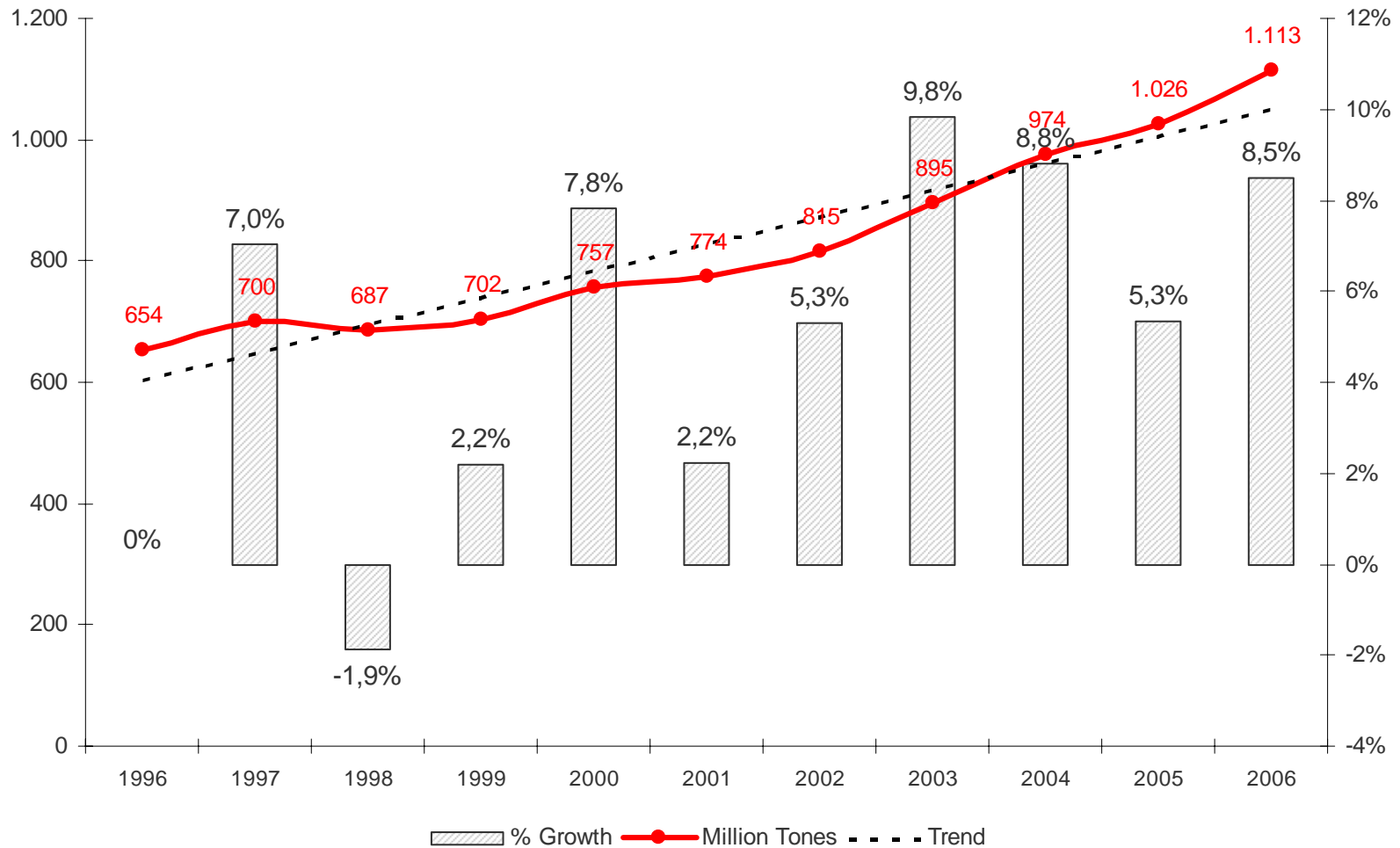
Source: EUROPEAN COMMISSION – Economic Forecasts – Spring 2007

[03]

**Steel consumption
situation**

Steel consumption situation

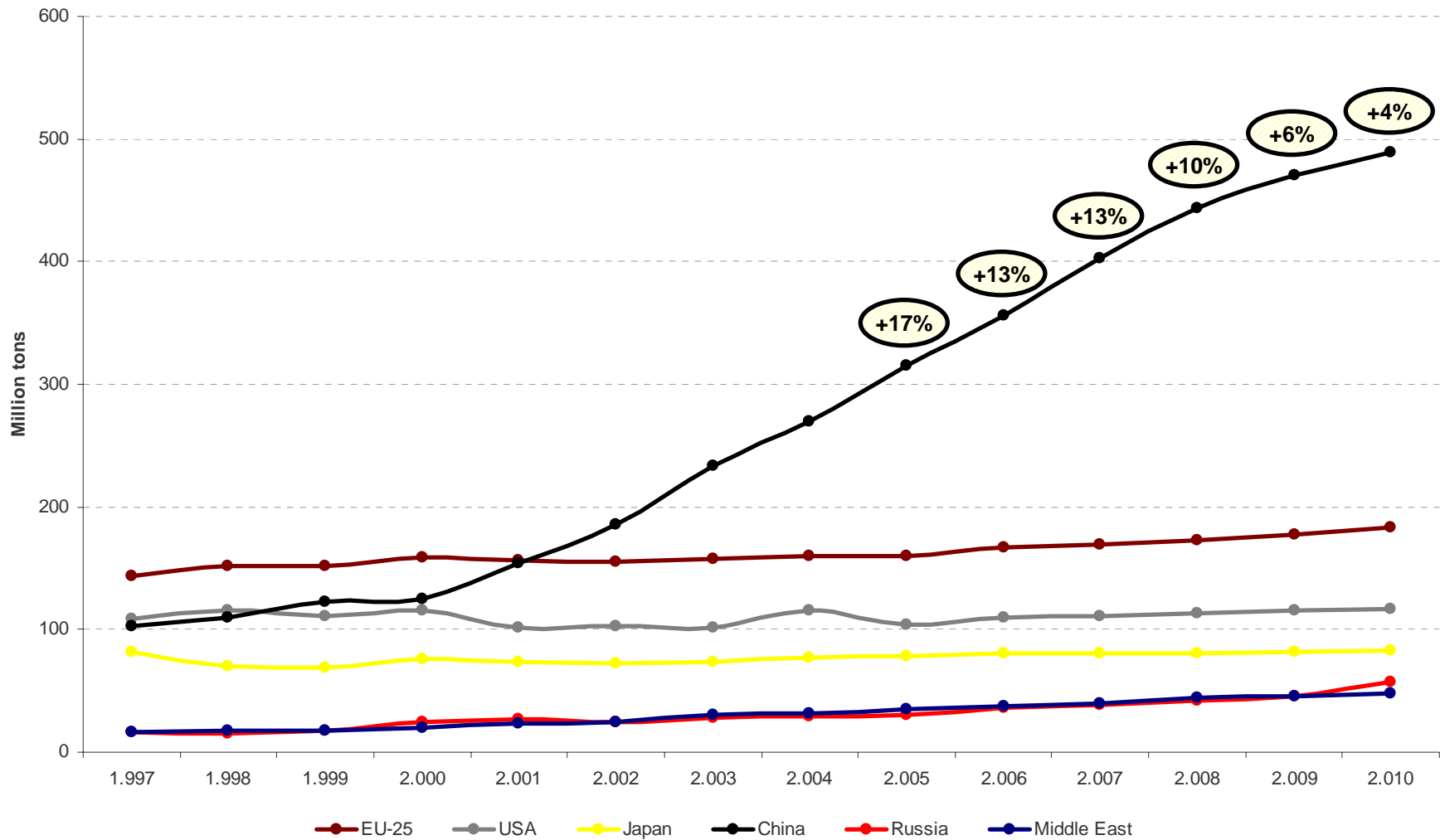
World finished steel consumption



Source: IISI – Short Range Outlook, March 2007

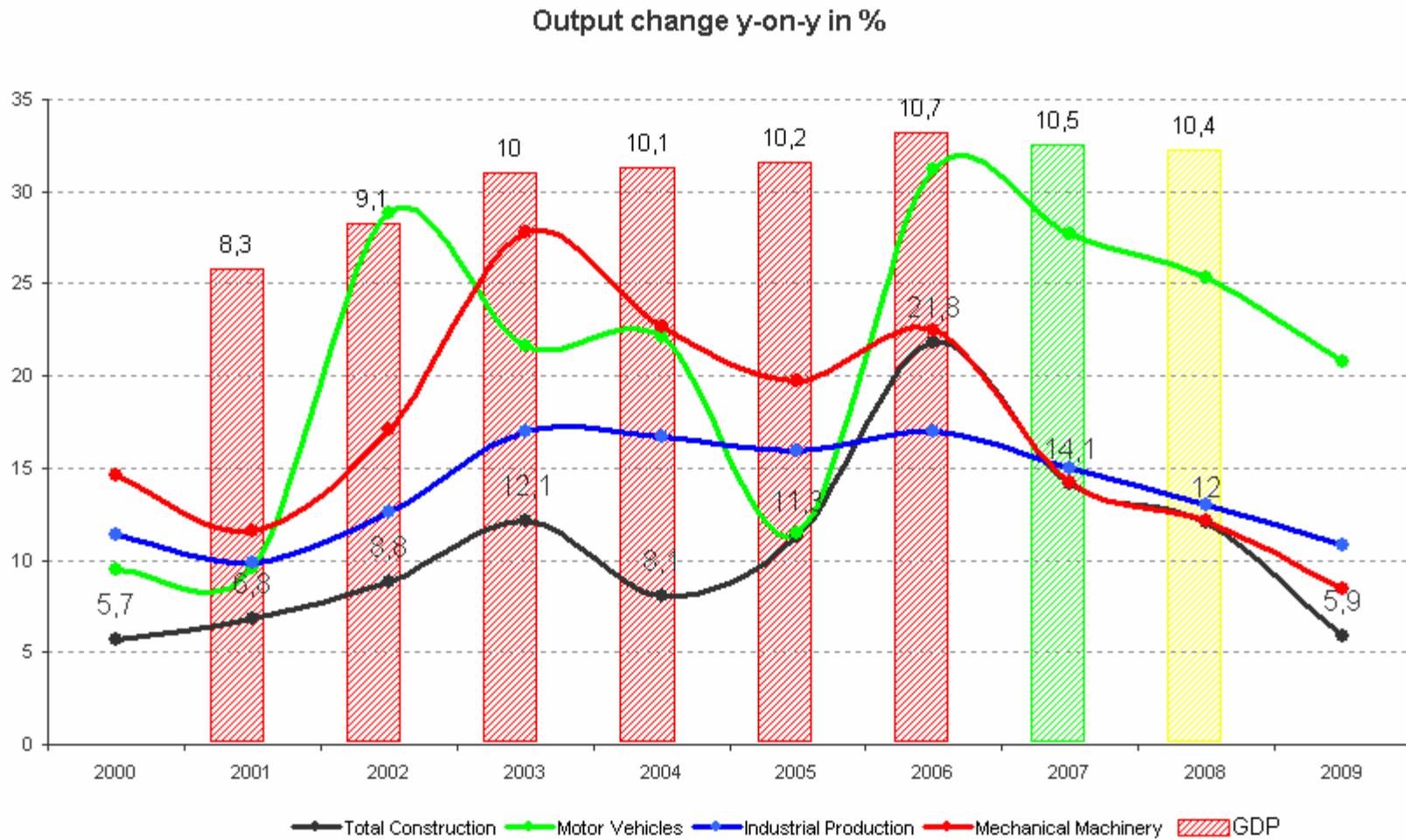
Steel consumption situation

World finished steel consumption per area



Source: IISI – Short Range Outlook, March 2007

Steel consumption situation China – Total growth (%)

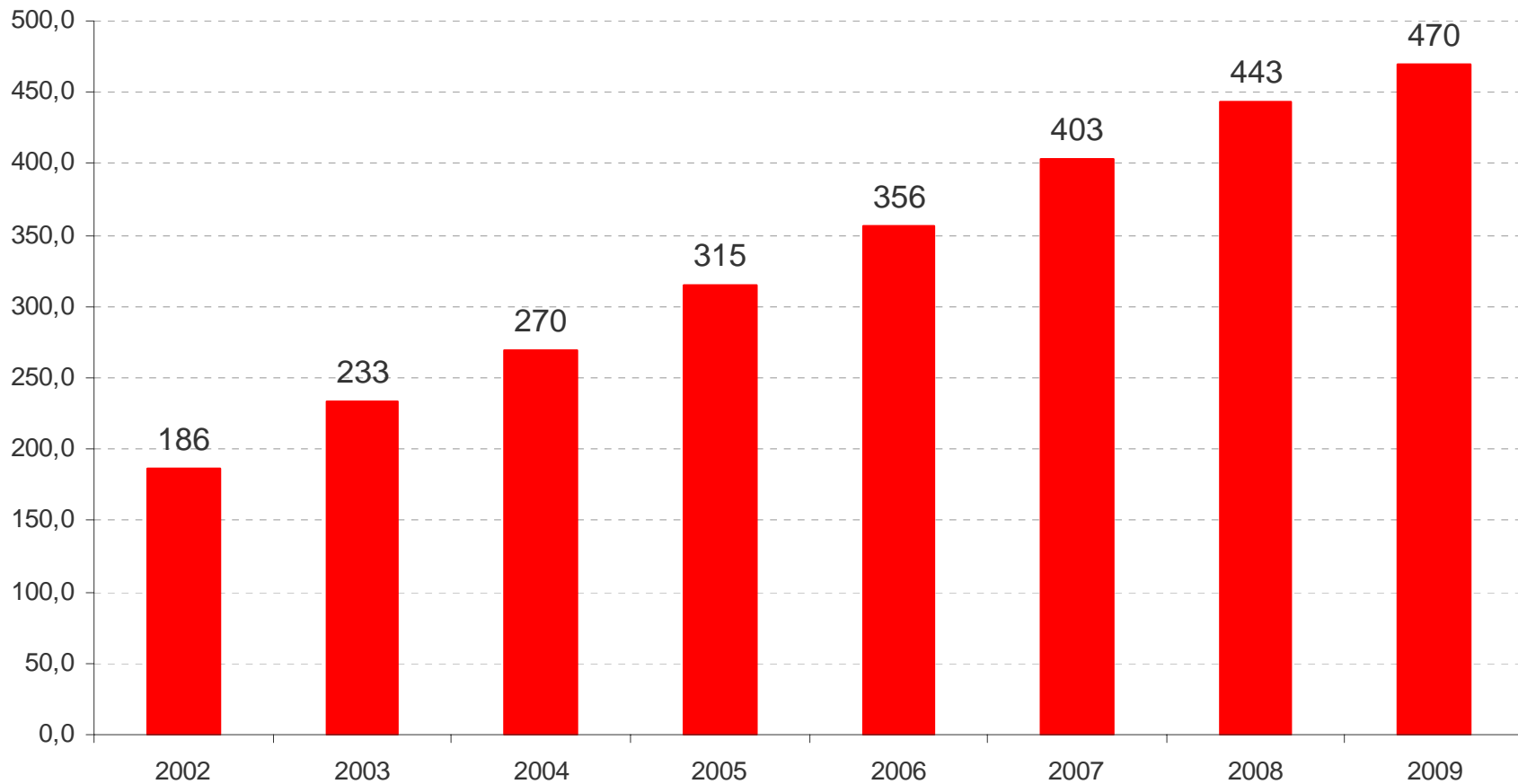


Steel consumption situation

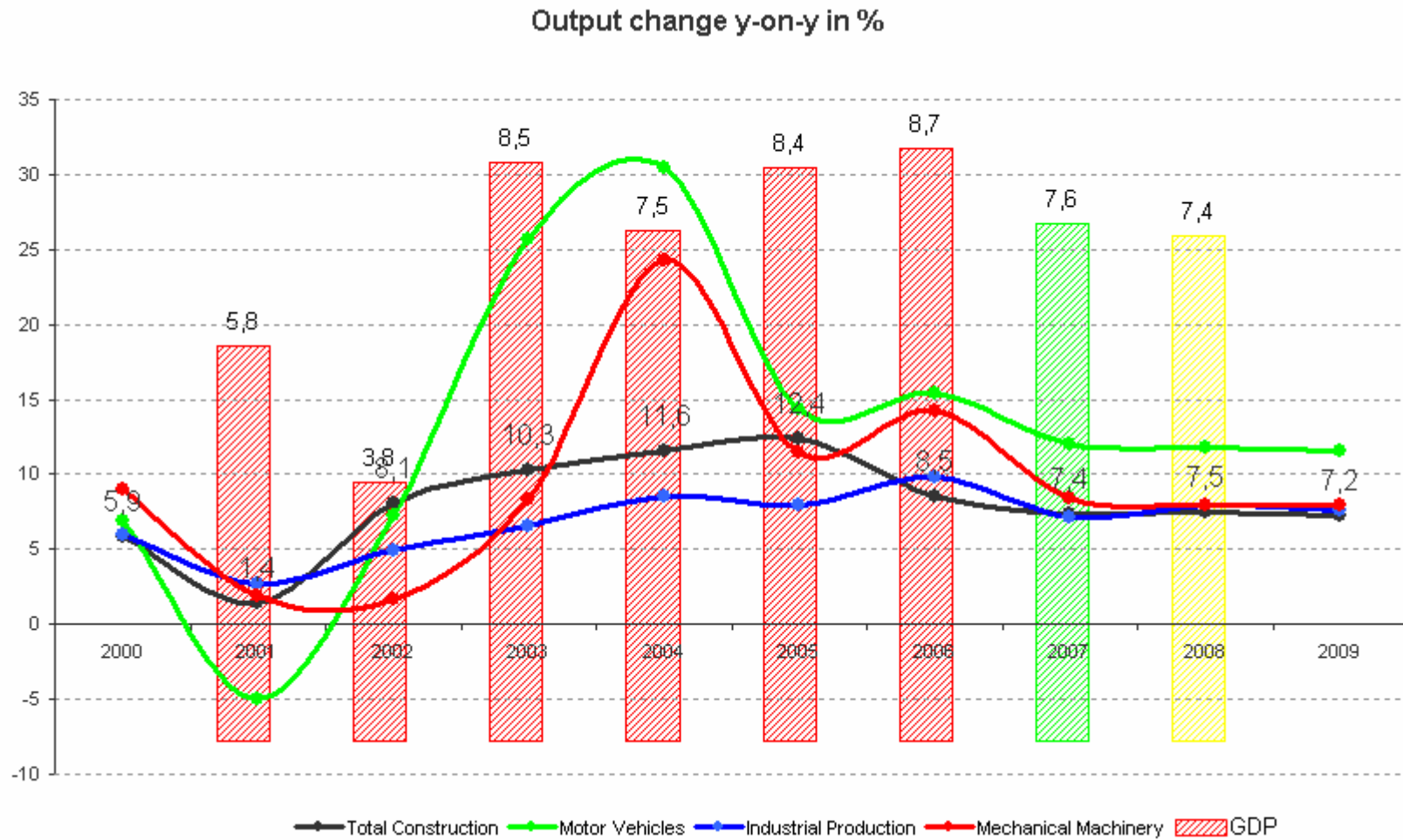
China – Steel consumption



Apparent Steel Use (million tones)



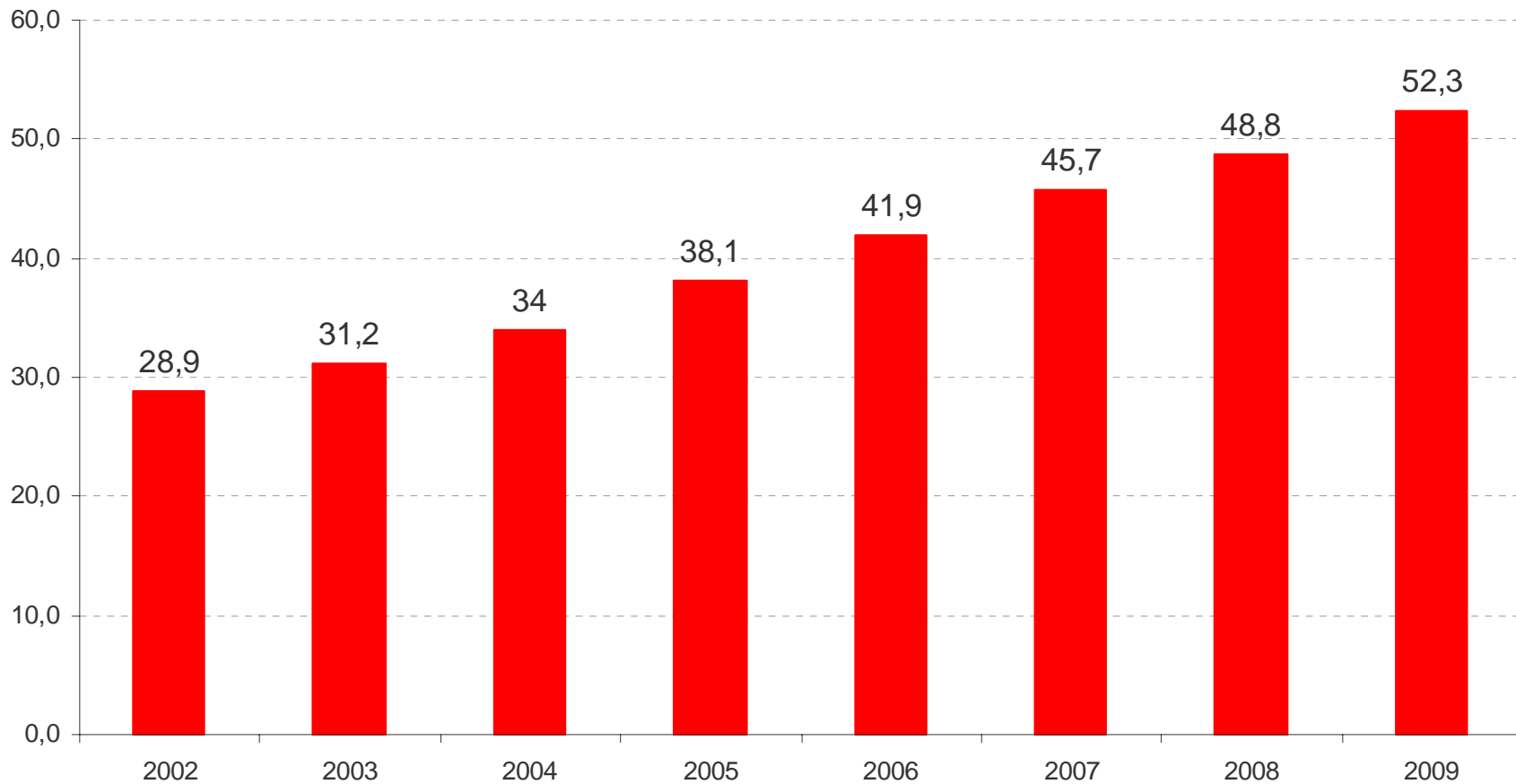
Steel consumption situation India – Total growth (%)



Steel consumption situation India – Steel consumption

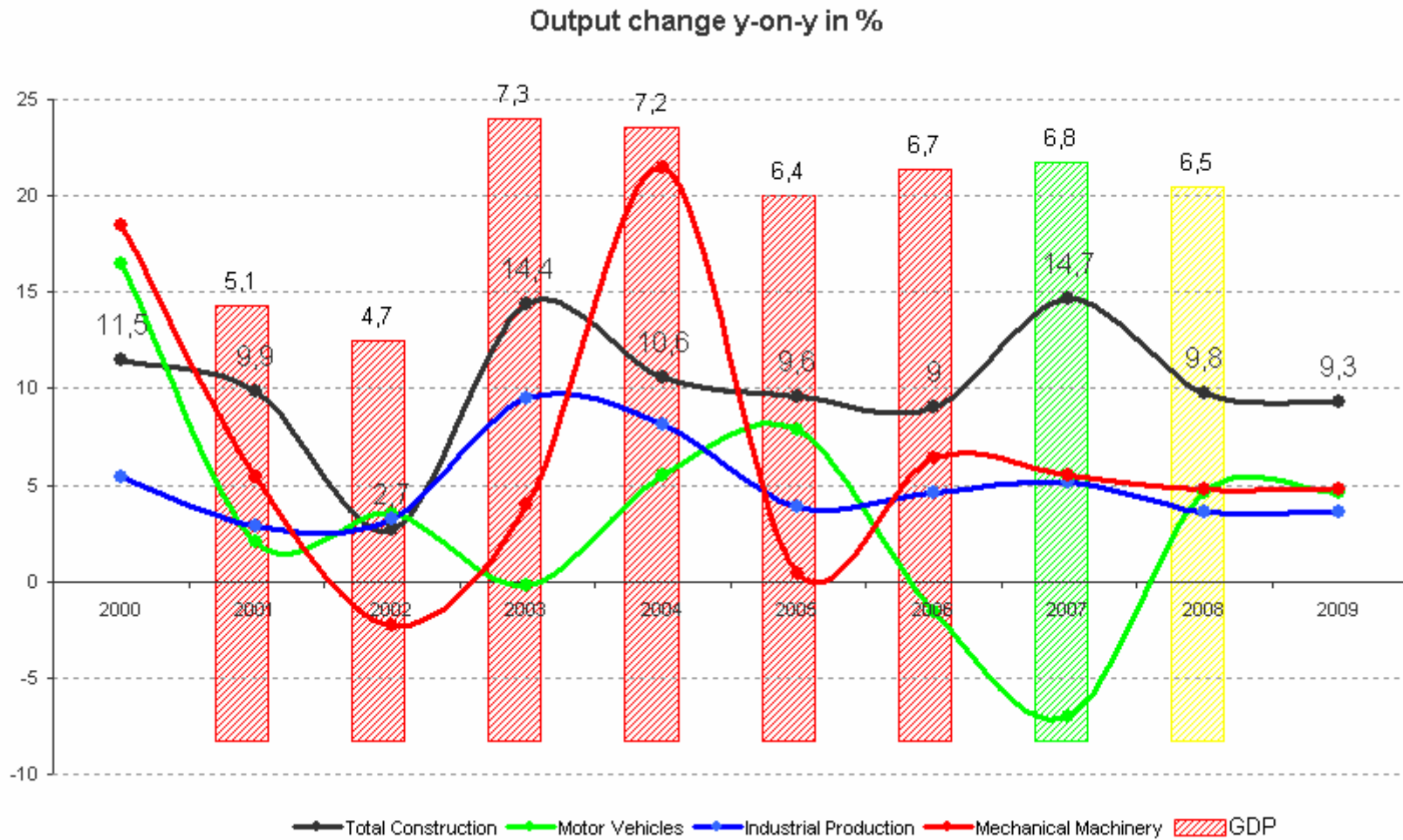


Apparent Steel Use (million tones)



Steel consumption situation

Russia – Total growth (%)

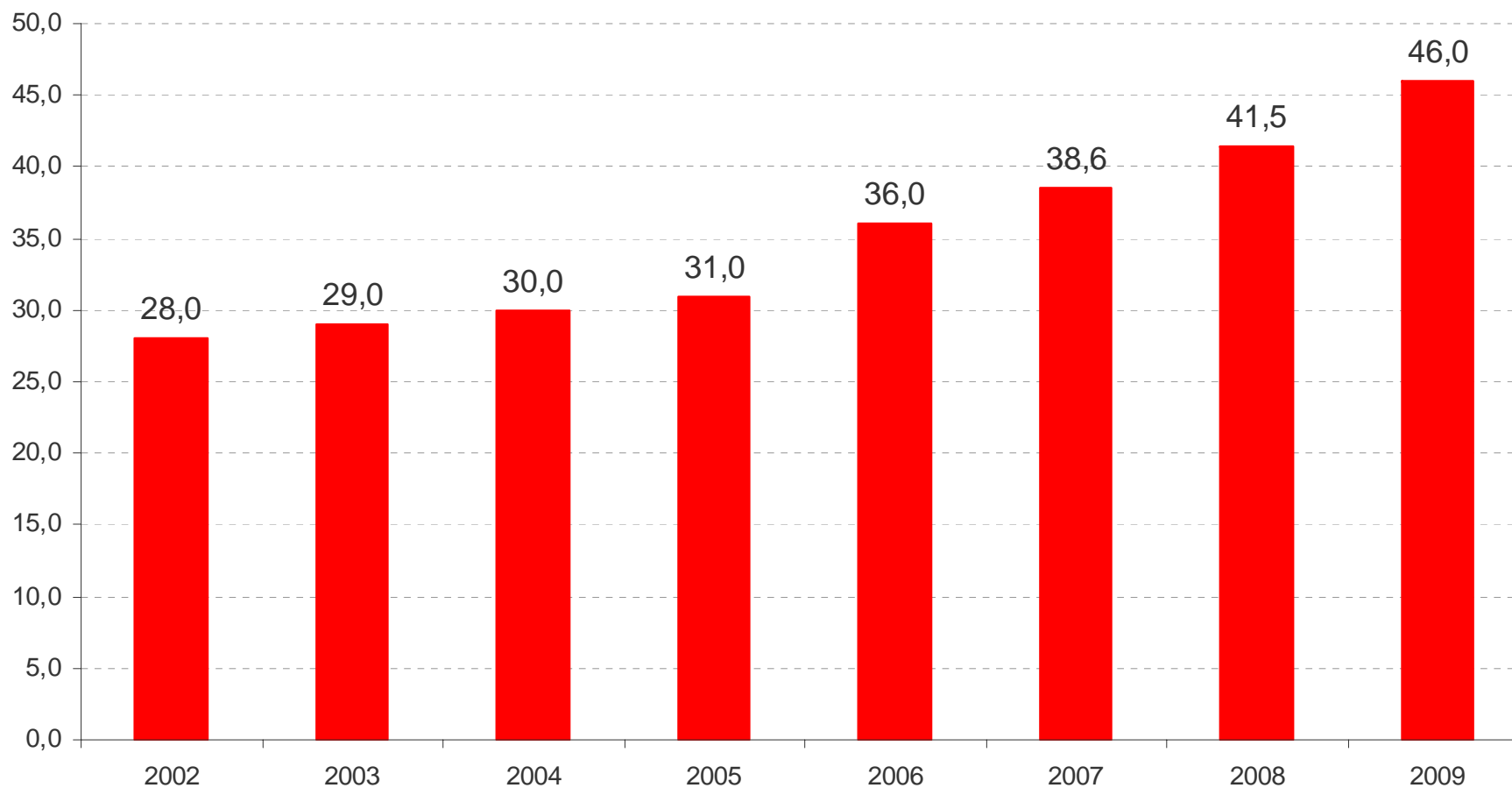


Steel consumption situation

Russia – Steel consumption

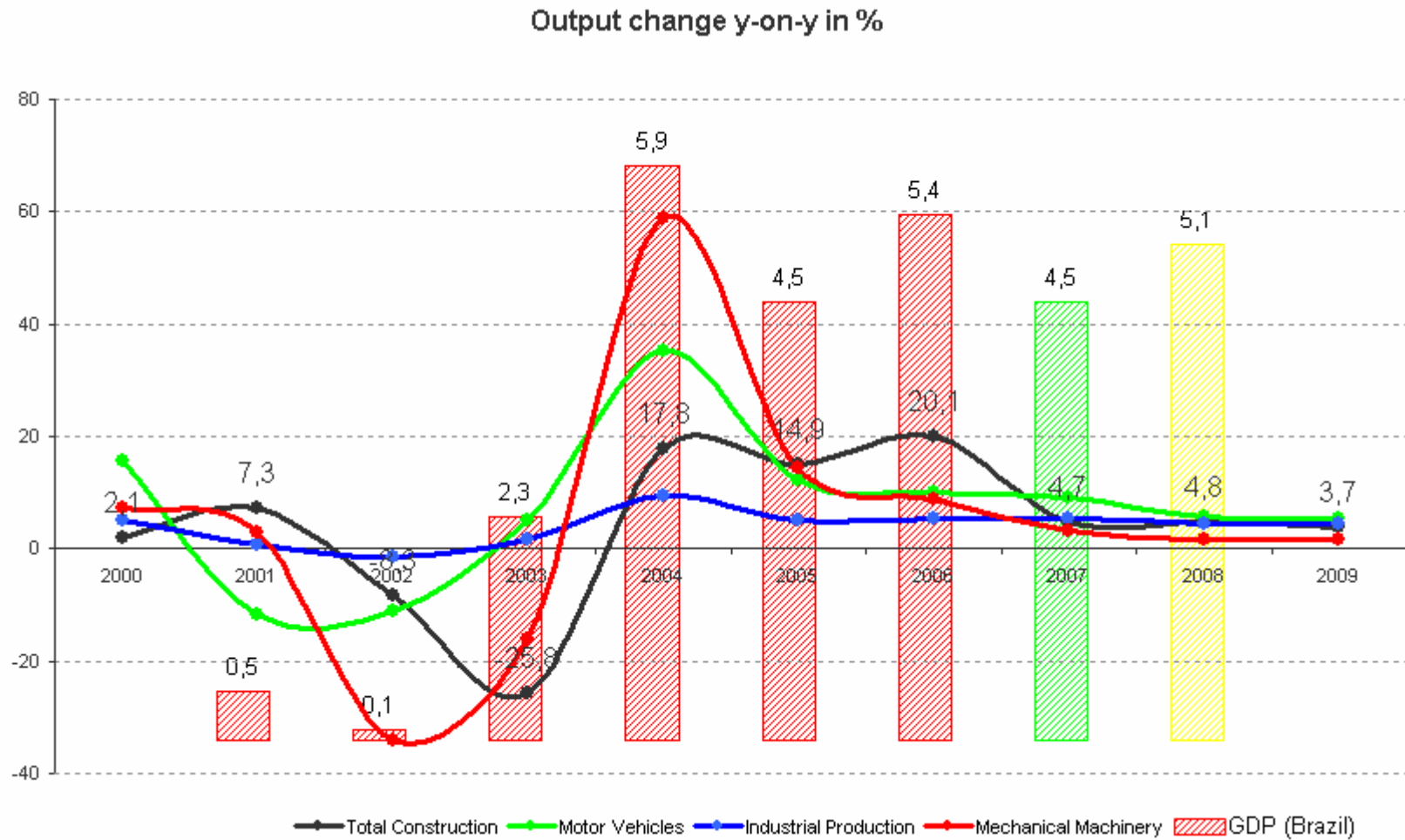


Apparent Steel Use (million tones)



Steel consumption situation

South America – Total growth (%)

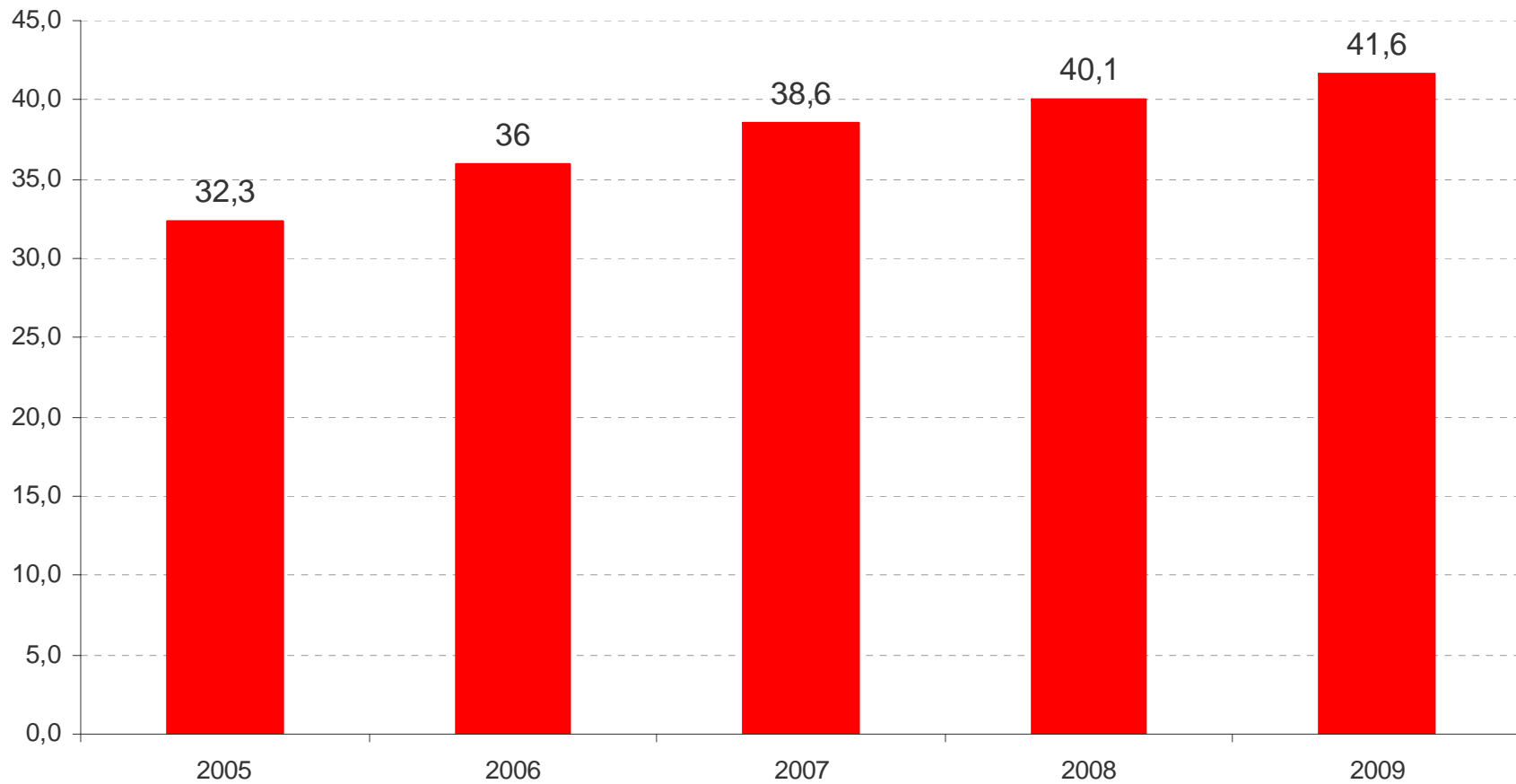


Steel consumption situation

South America – Steel consumption



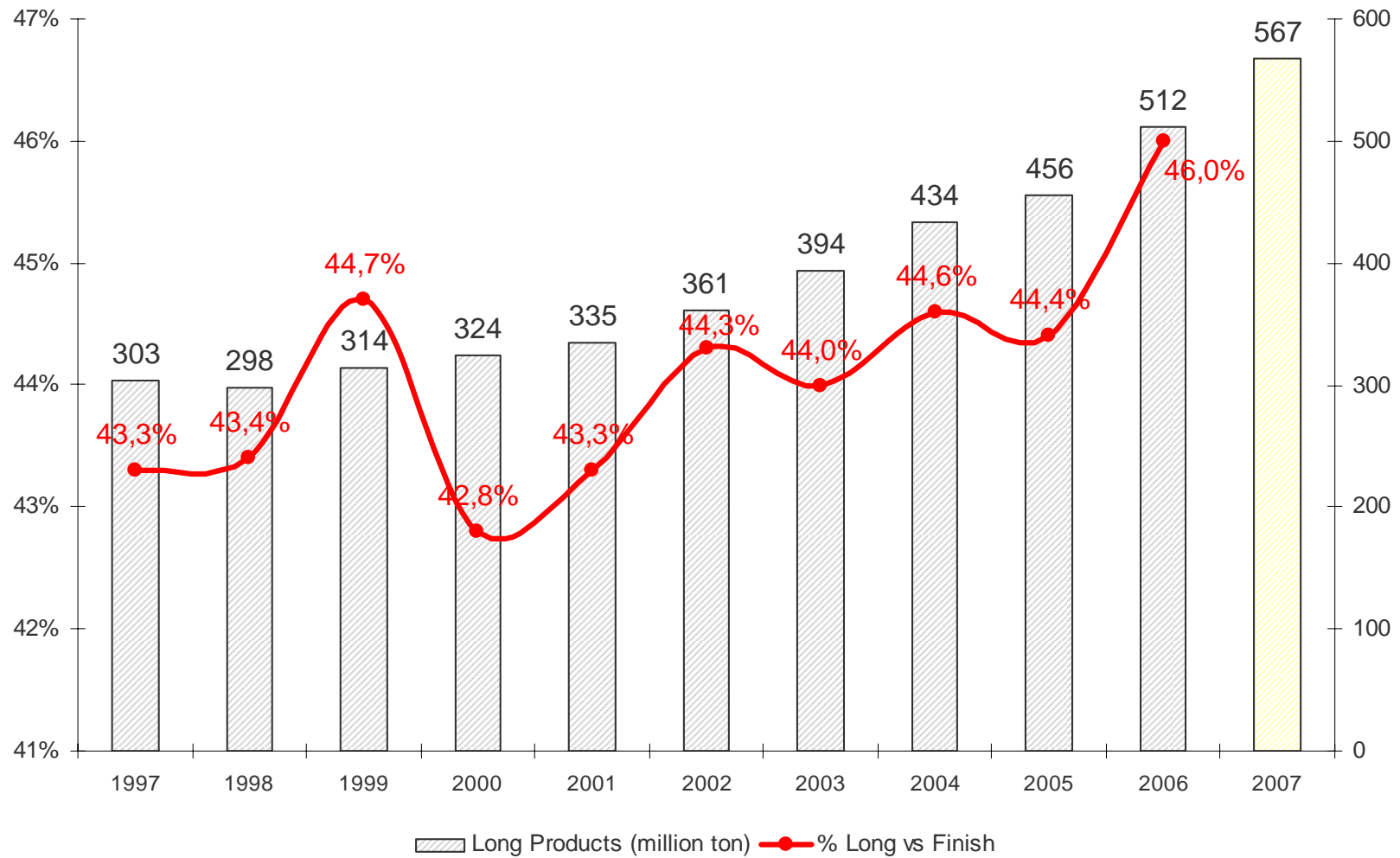
Apparent Steel Use (million tones)



[04] Long products market

Long products market

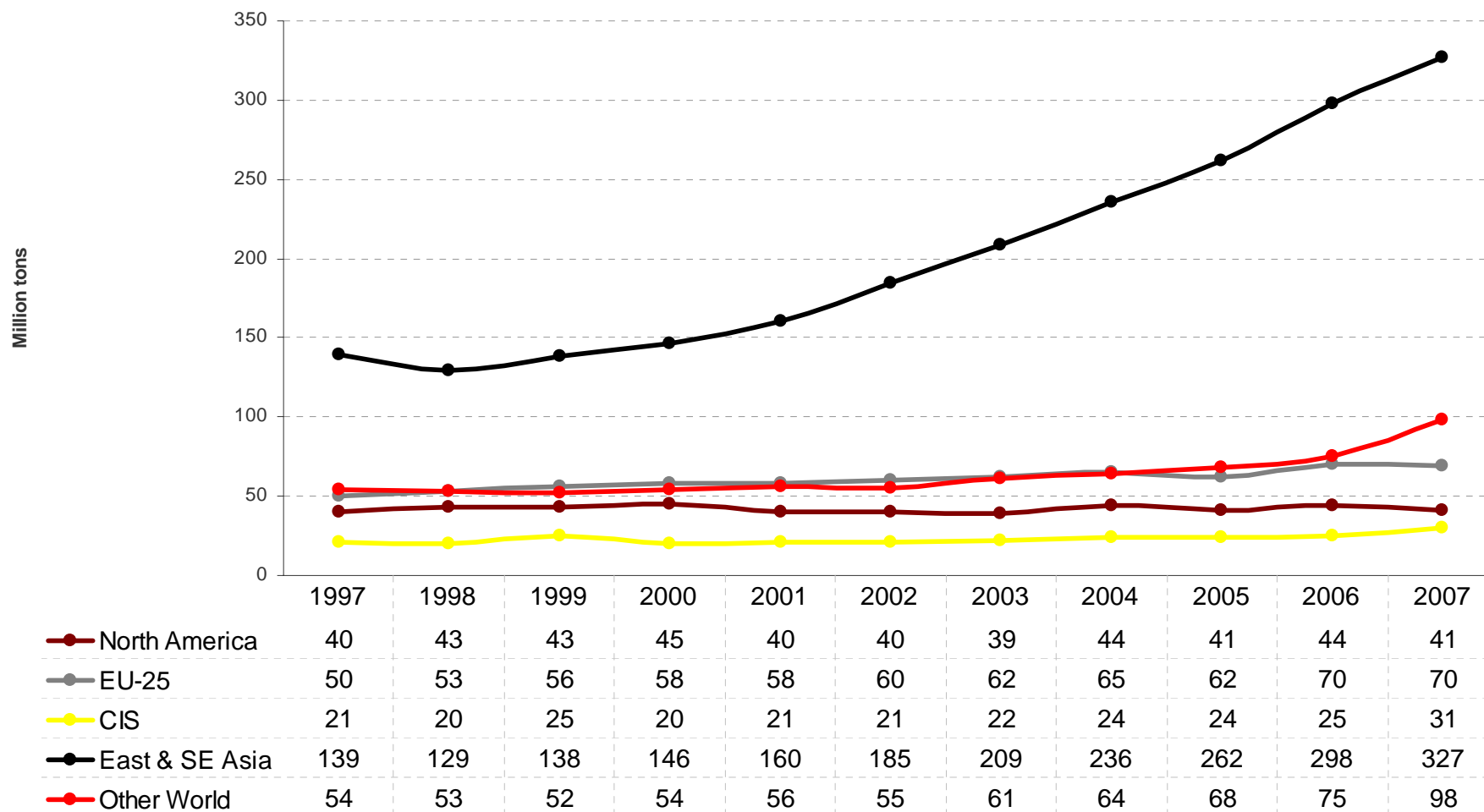
Worldwide long products consumption evolution



Source: Estimation

Long products market

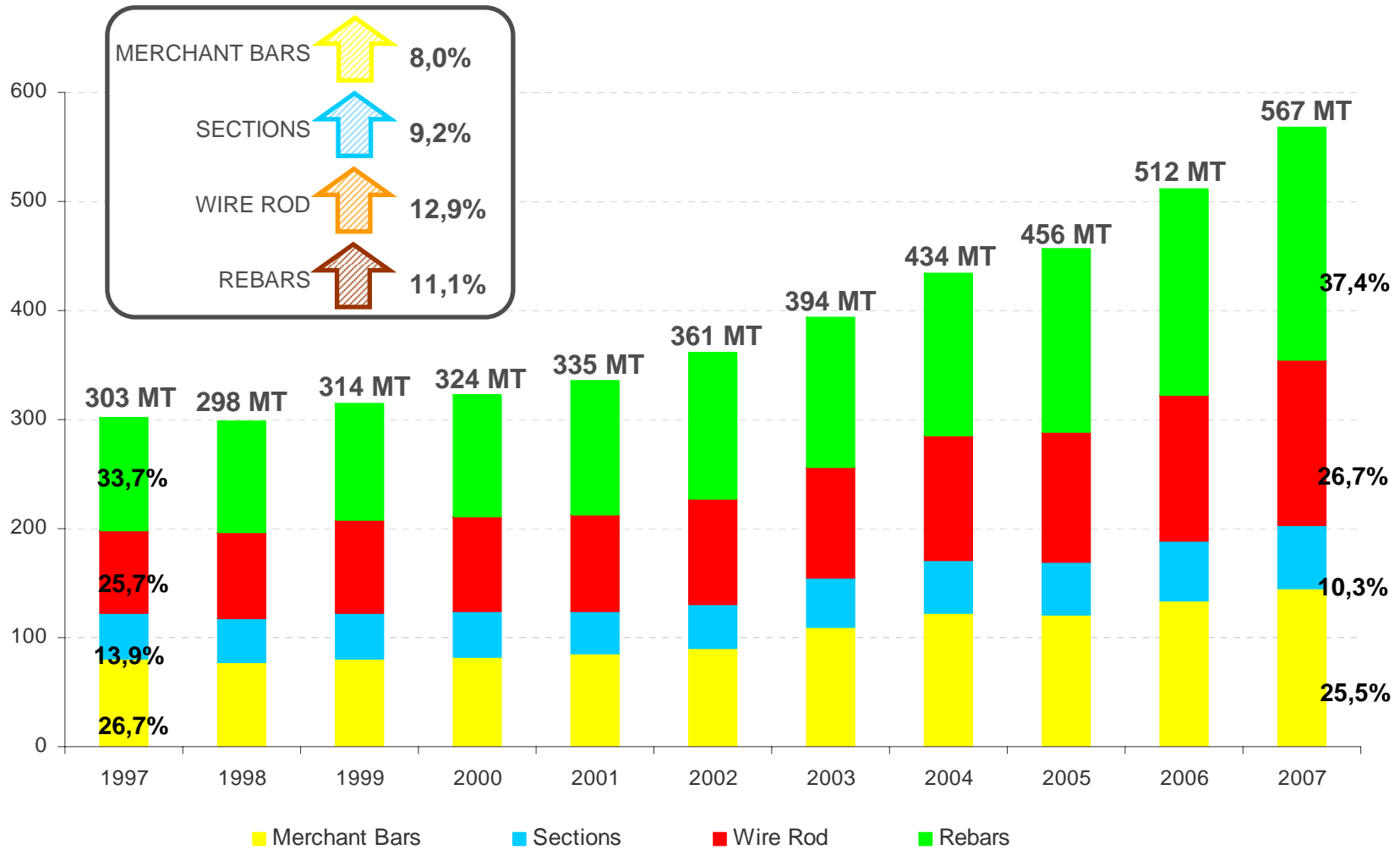
World long products consumption per area



Source: Estimation

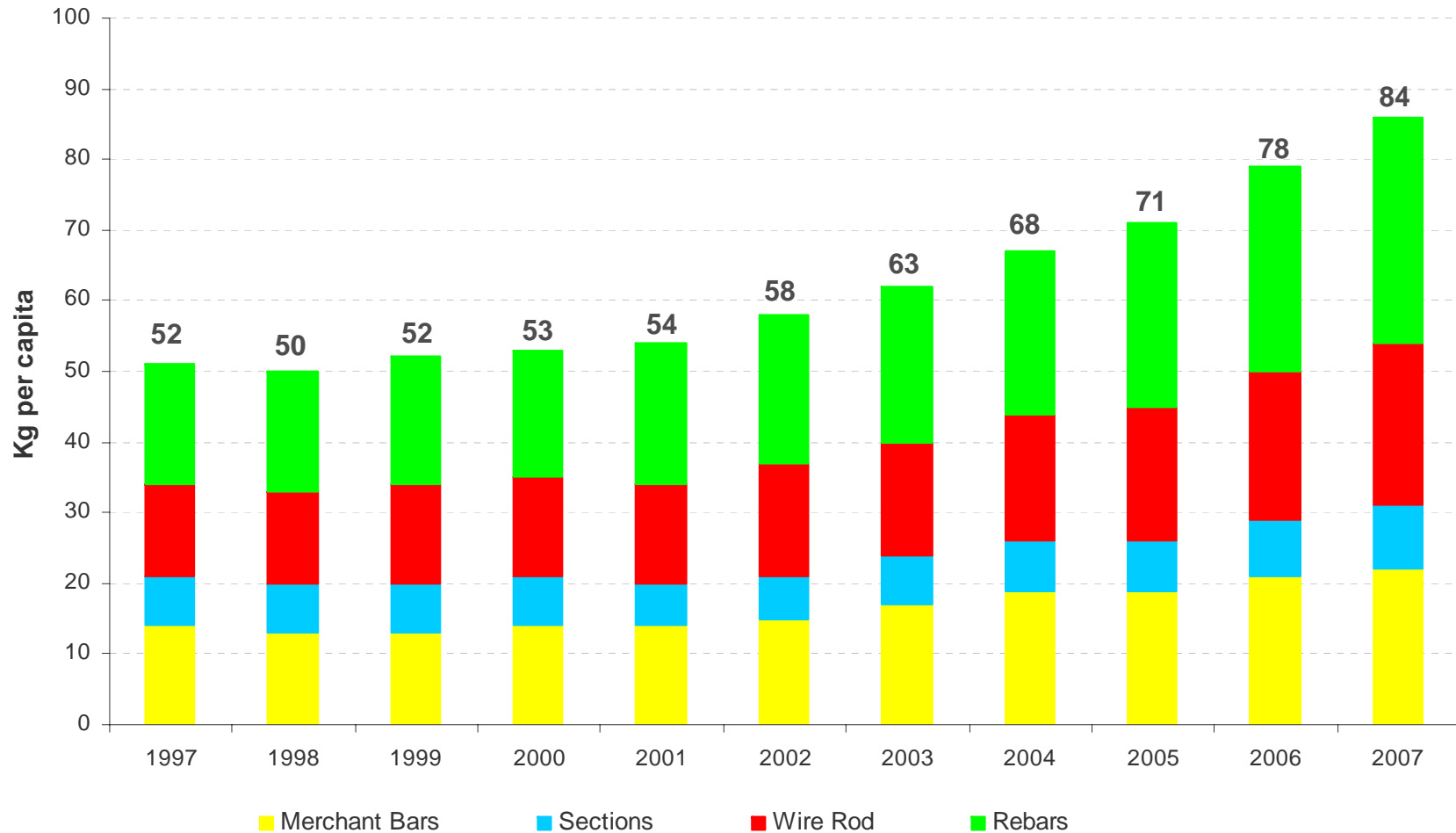
Long products market

World consumption evolution per product



Long products market

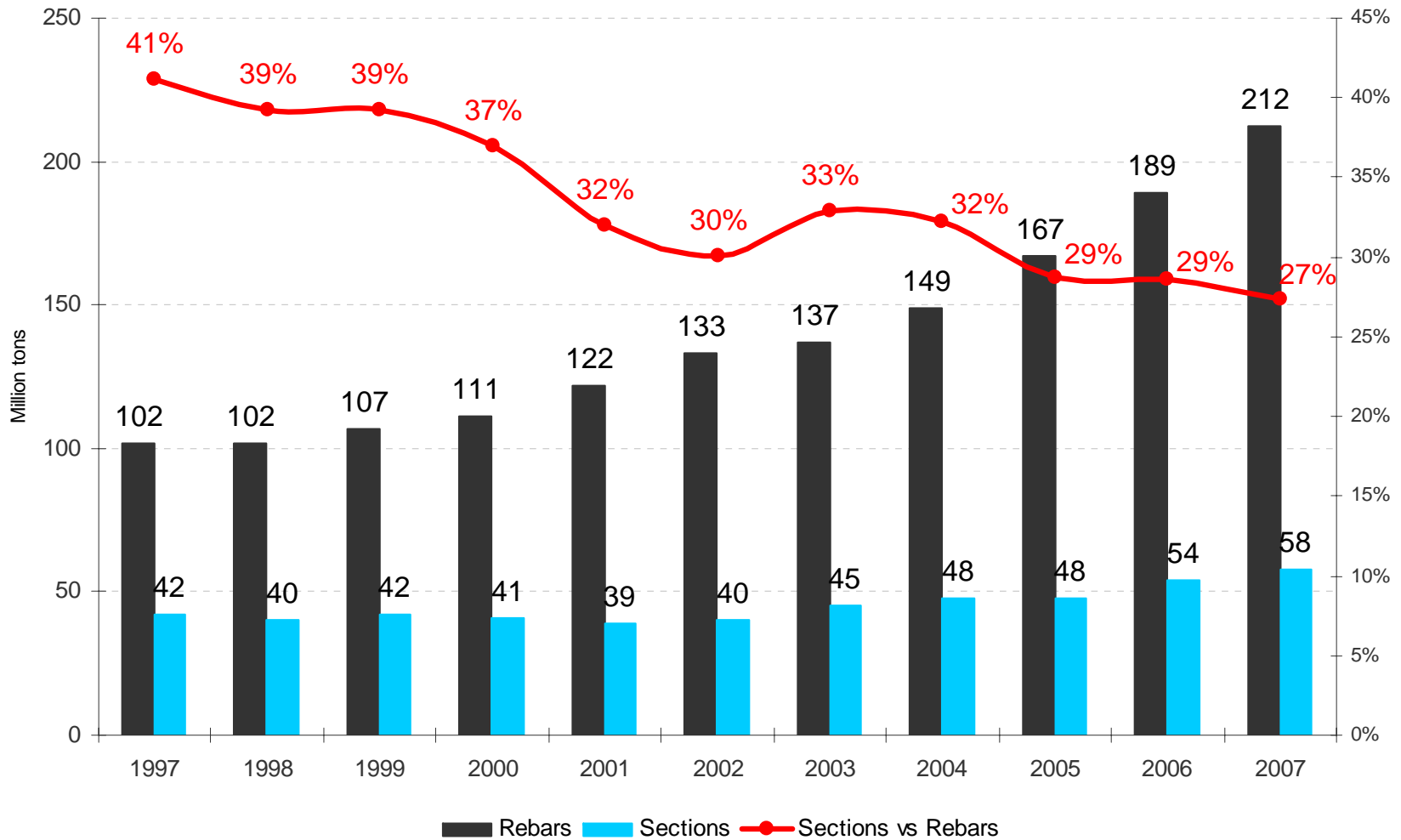
World consumption evolution per capita



Source: Estimation

Long products market

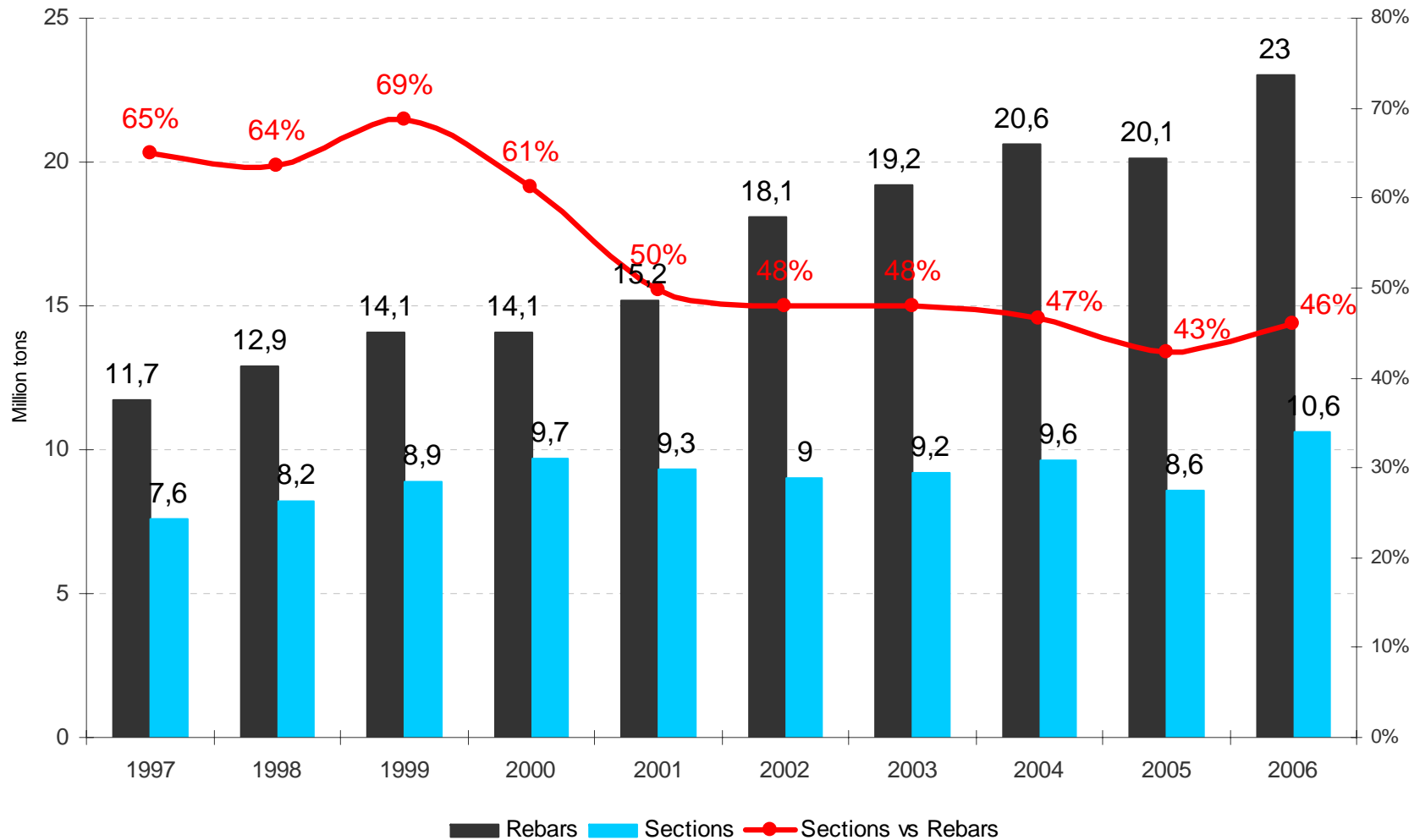
World sections vs. rebars consumption



Source: Estimation

Long products market

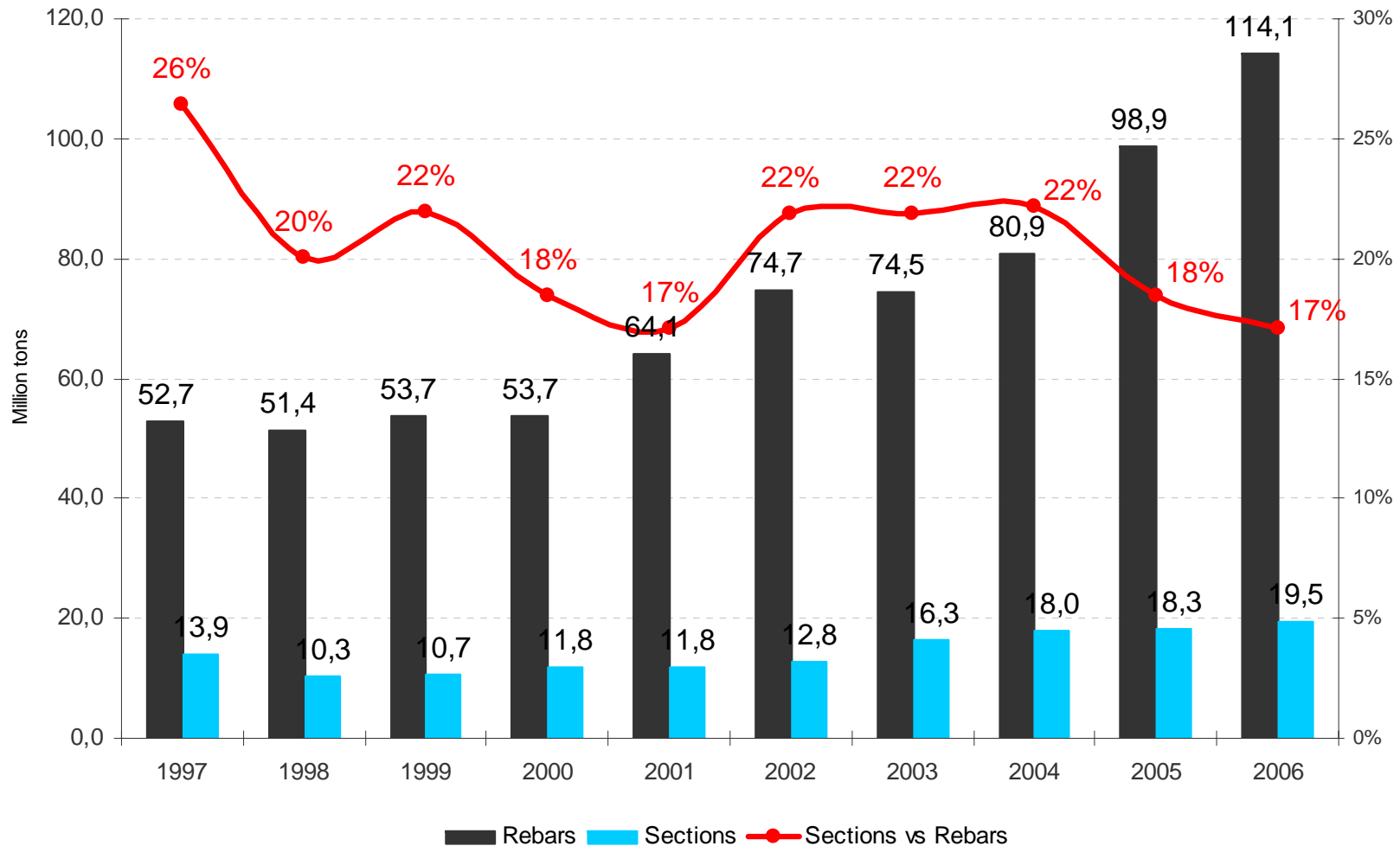
EU-25 sections vs. rebars consumption



Source: Estimation

Long products market

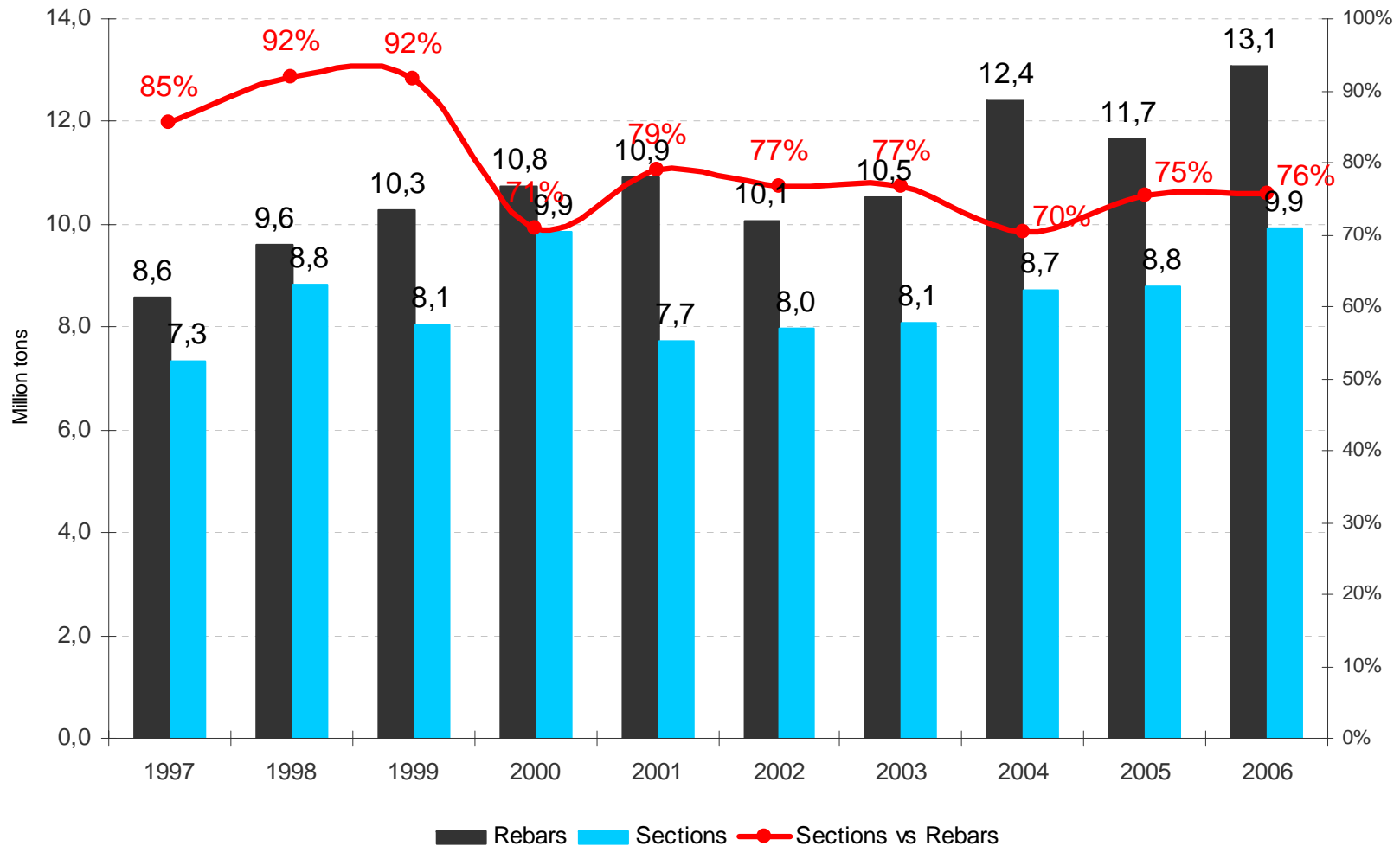
E & SE Asia sections vs. rebars consumption



Source: Estimation

Long products market

North America sections vs. rebars consumption



Source: Estimation

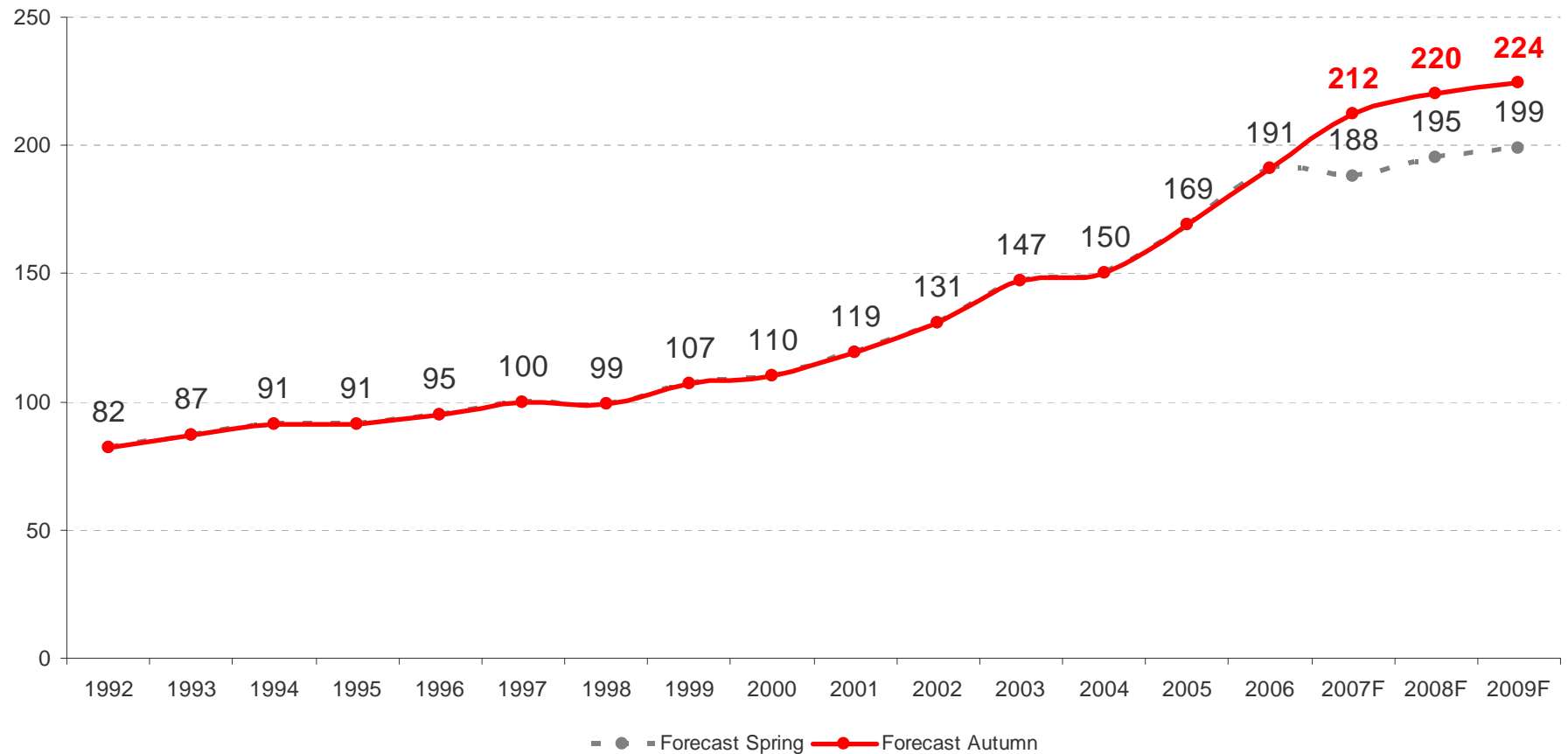
[05] Rebars market

Rebars market

World rebar consumption

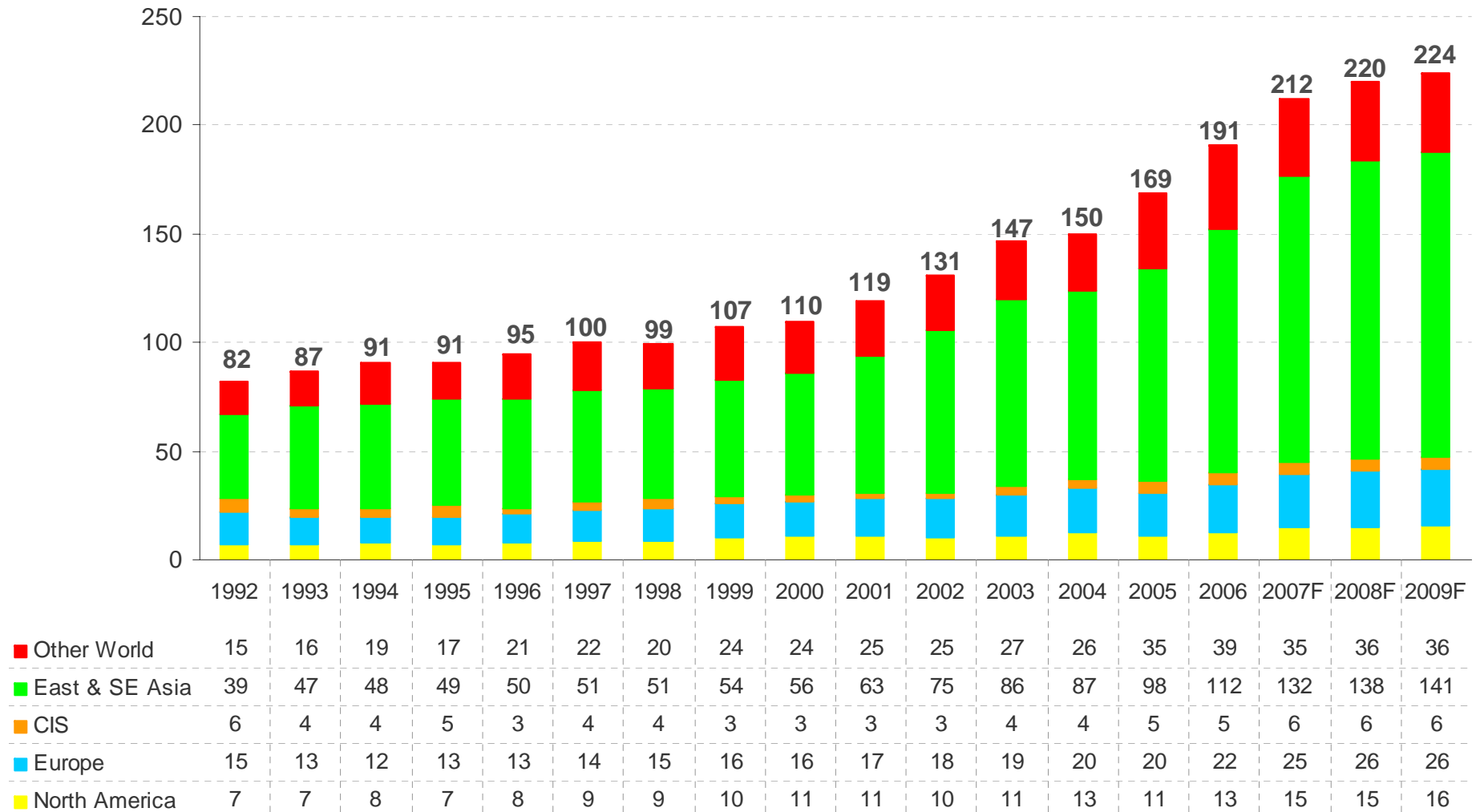


World Rebar Consumption (Million tons)



Rebars market

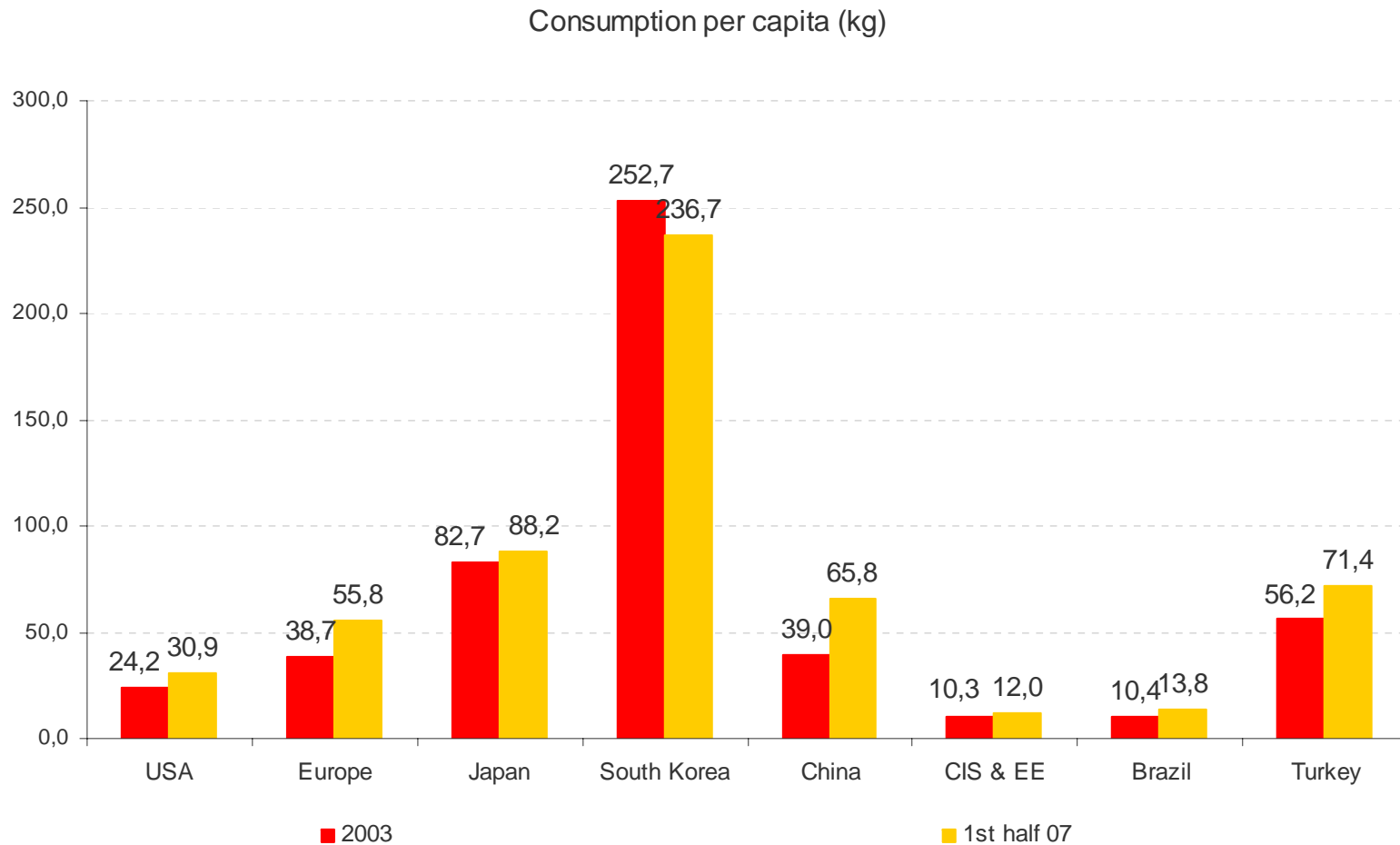
World rebar consumption per area



Source: Estimation

Rebars market

World rebar consumption per capita: 2003 vs. 1st half 2007

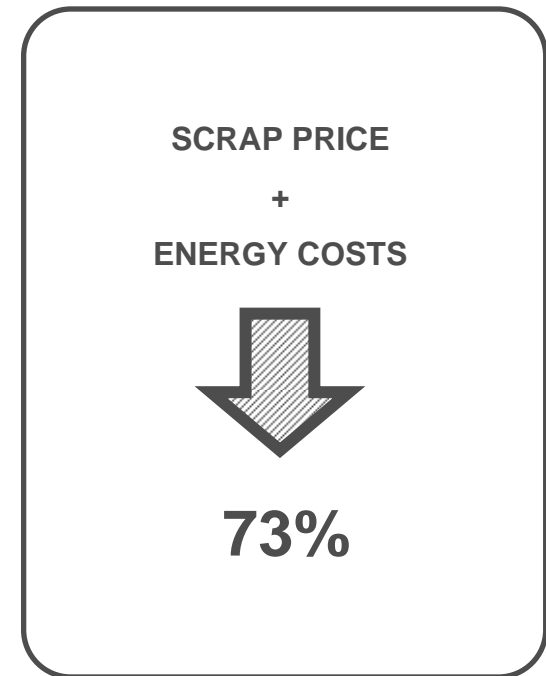
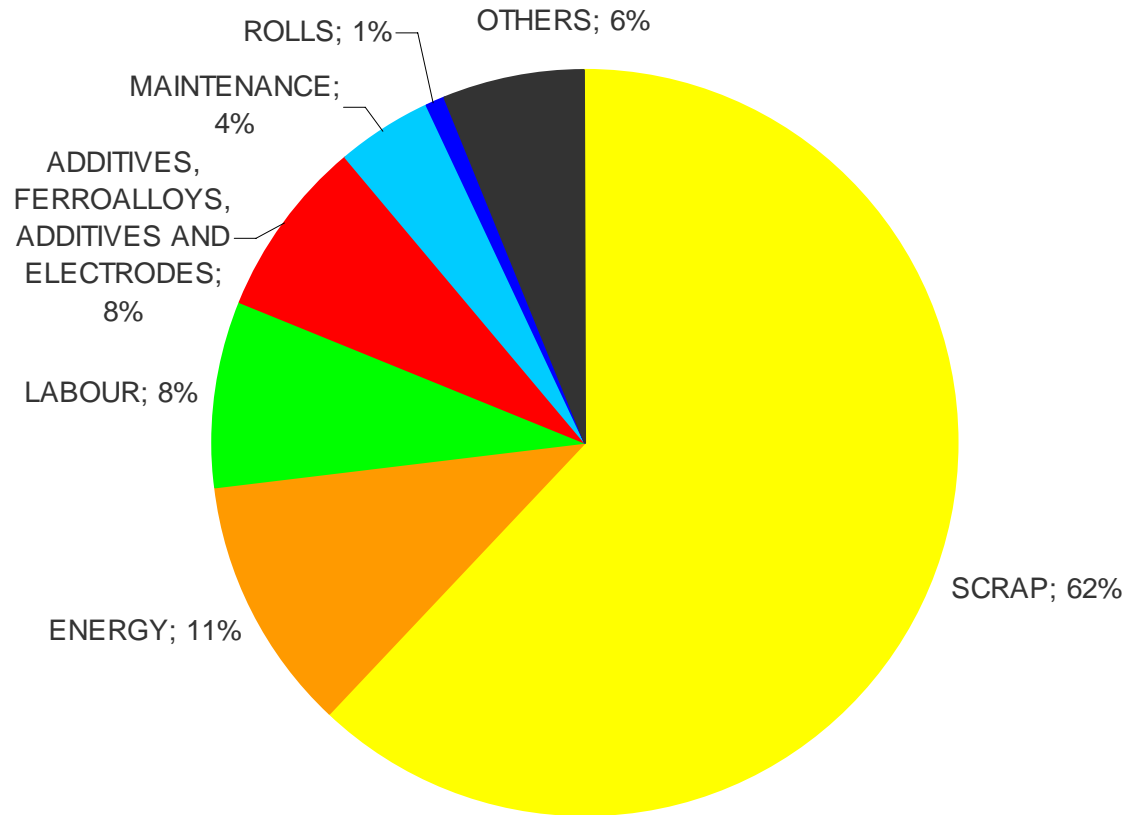


[06]

**International price
situation**

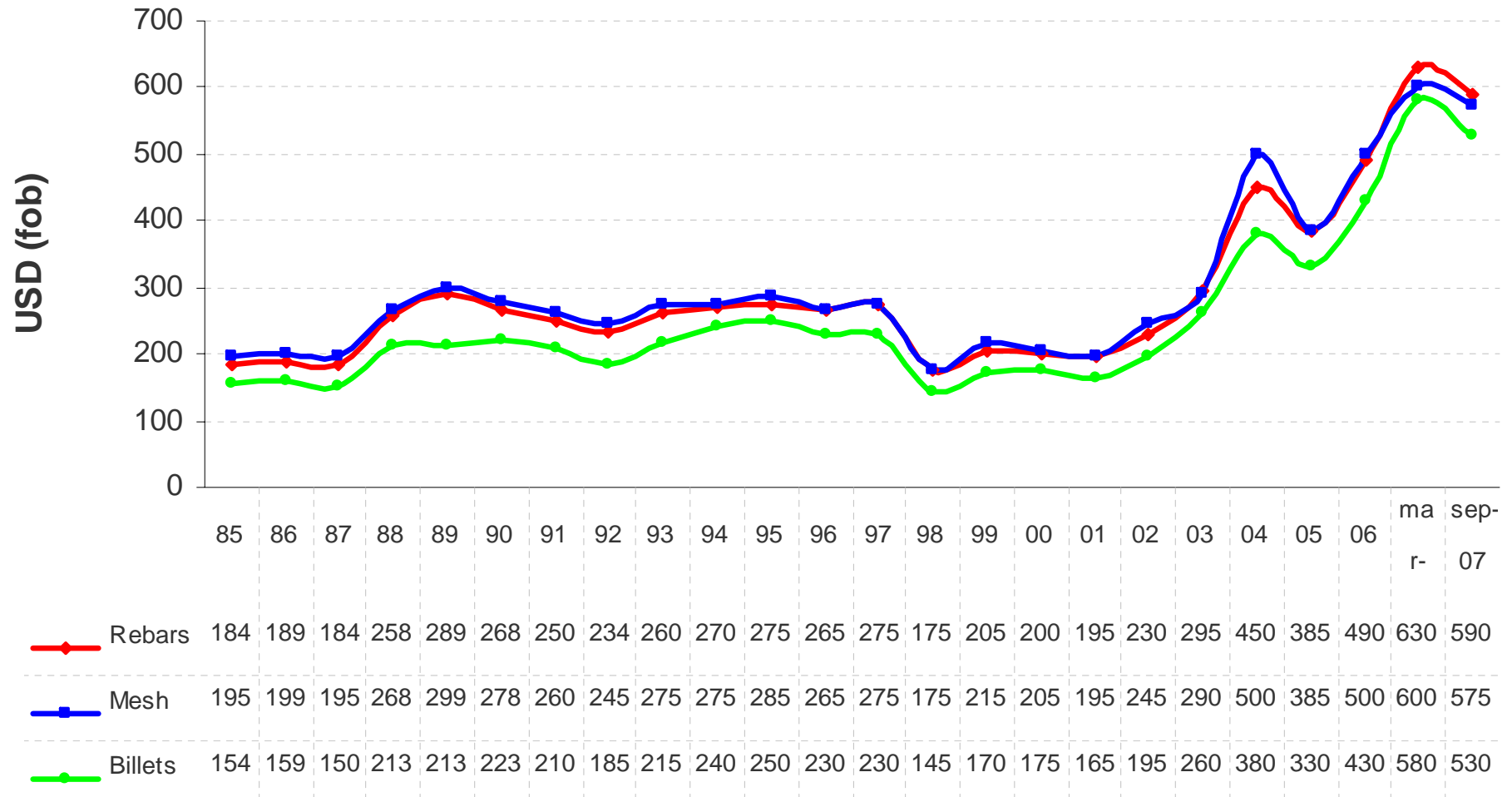
International price situation

Standard melt shop and rolling mill costs



International price situation

International historical prices (FOB in \$/ton)



International price situation

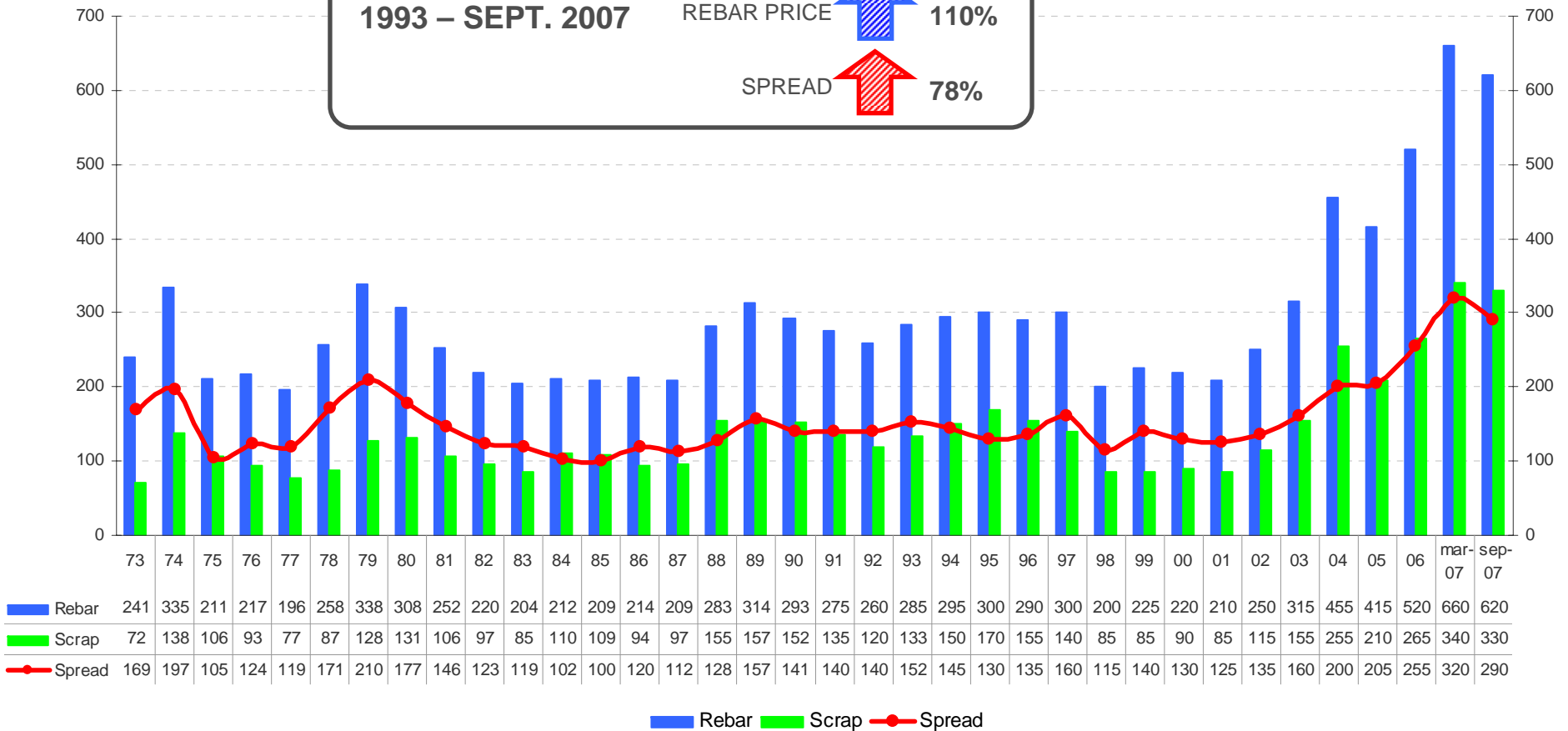
International rebars market (C&F in \$/ton)

**COMPARISON
1993 – SEPT. 2007**

SCRAP PRICE  148%

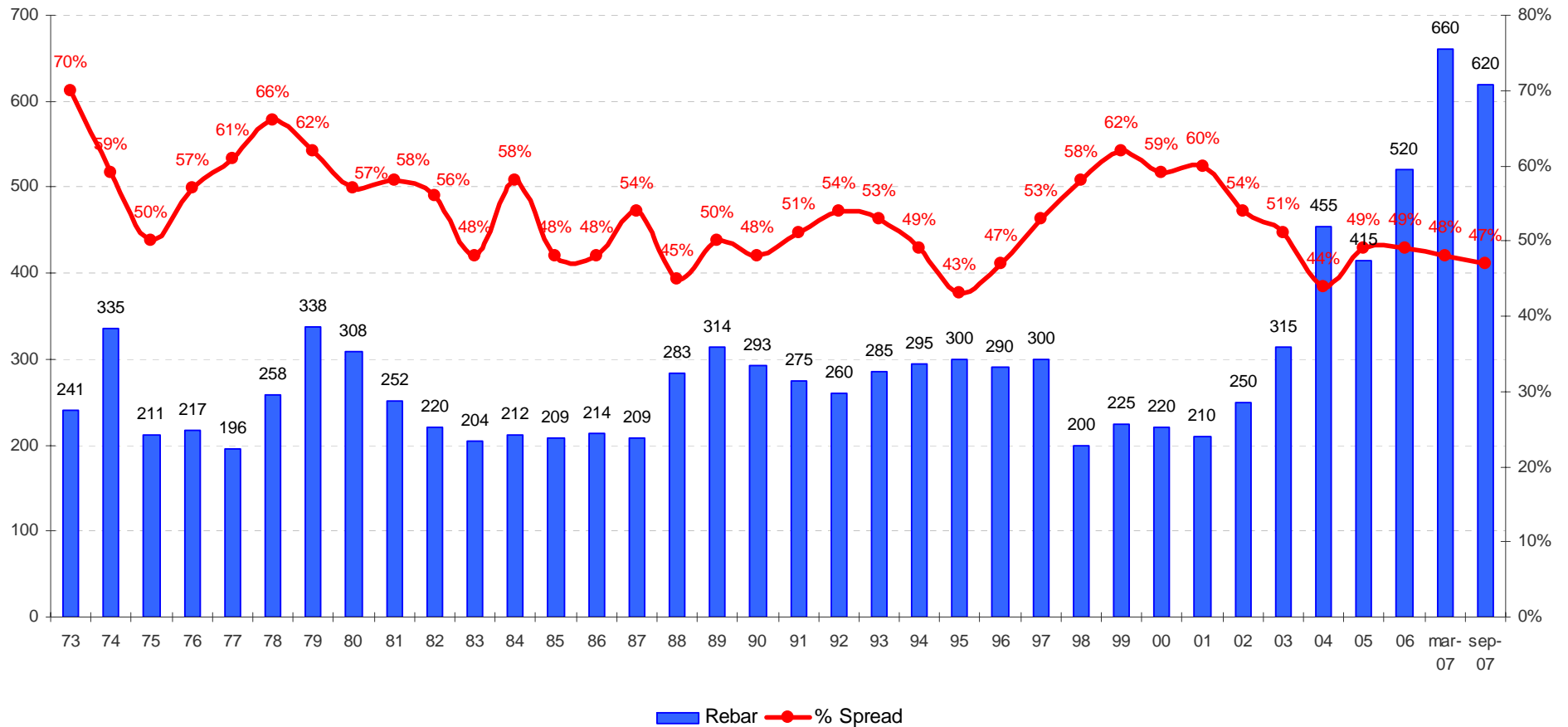
REBAR PRICE  110%

SPREAD  78%



International price situation

International rebars market (spread vs. rebar price in %)



Source: IREPAS

[07] Outlook

Outlook

Outlook for the nearest future

GLOBALIZATION



Outlook

Outlook for the nearest future

- ✓ Strong rebars demand **all over the world, with the major exception of North America**
- ✓ Specially in developing markets. Only China, representing 40% of the worldwide rebars market, grew 10% in 2007 1st half
- ✓ Strong **scrap prices and high energy & transport costs inflation**

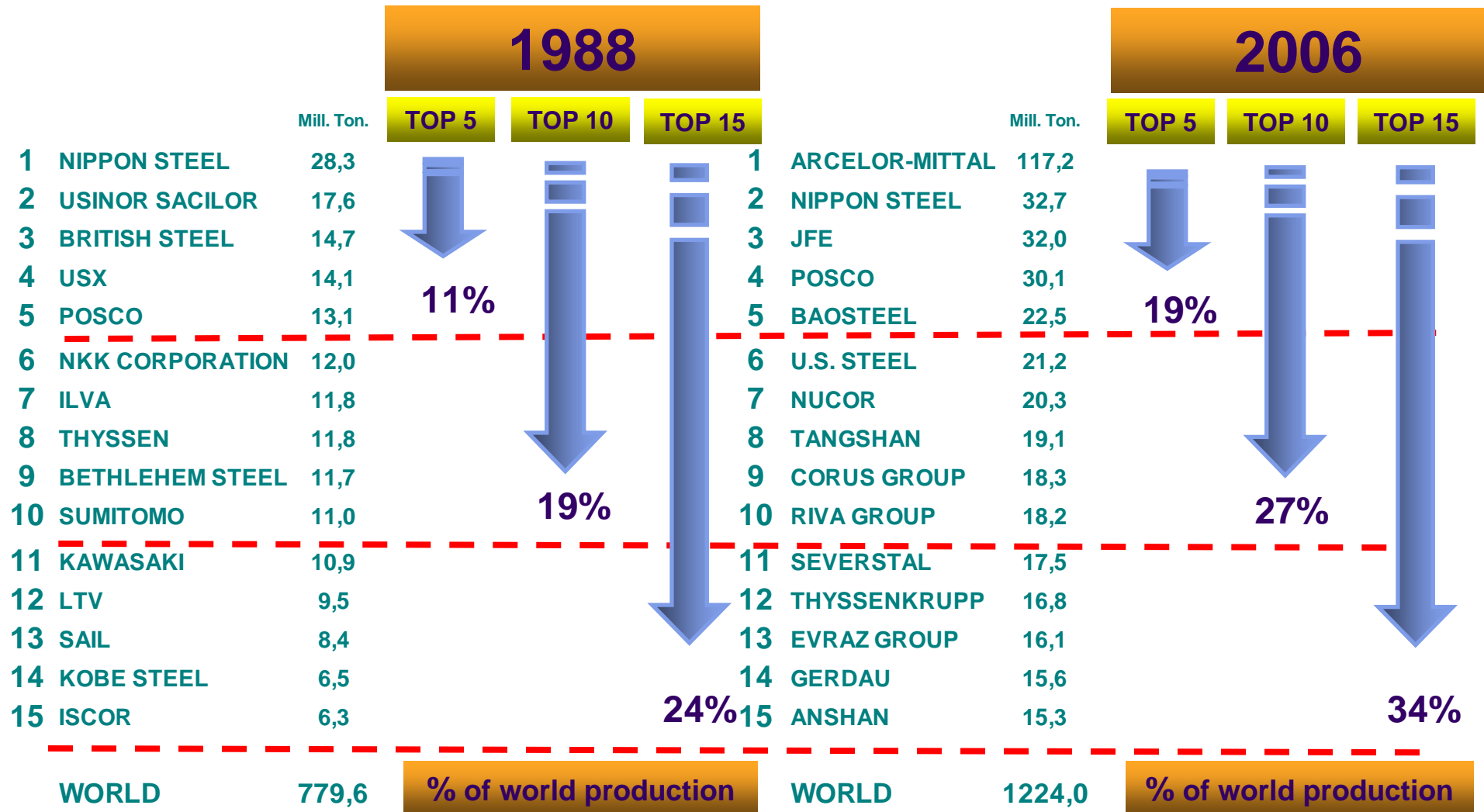
CONCLUSION OF THIS SCENARIO:

Upwards price trend and healthy

marketplace situation in a growing market

Outlook

Top steel production companies – Crude steel output



Thank you for your attention