



**Steel Fund Strategy**



## Develop a market leading high ROI strategy to enter the steel industry

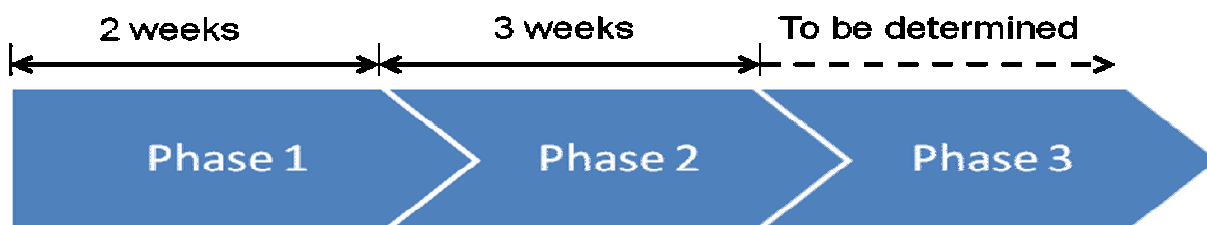
### Goals

- High return on Investment
- 3 to 5 year liquidity potential
- Minimize investment risks
- Leverage existing business relationships

### Guiding principles

- Geographical focus
  - MENA
  - Emerging markets in Asia, Europe and Africa
- PPM – 3<sup>rd</sup> week Aug
- US\$5-8 billion investment potential

- Hierarchical strategy – global to regional to minimize risks
- Demand and supply projections
- Constraints – raw material, technology, labor etc
- Determine location specific plant options – integrated, up or down stream only
- Evaluate all reasonable options
  - Greenfield projects
  - Acquisition
  - partnership potentials



### Focus of current engagement

- Define global potential
- Narrow range of options – what, where
- Preliminary investment model – when, how
- Preliminary risk assessment
- Financial model
- Detailed regional model
- Narrowed build vs. buy options
- Feasibility of investments
- Market penetration strategy
- Implementation strategy

### To be defined...

- Detailed design of green field projects
- Due diligence and valuation for acquisition targets
- Equipment and raw material acquisition support
- Program management
- Partner selection support
- Operational support
- etc



**Evaluate global situation...**

- High level overview of historic and projected regional demand and supply patterns
- Market trends and emerging patterns along supply and demand dimensions
- Identification of potential constraints and opportunities
- Raw material – availability, sourcing, pricing and overview of supply and demand patterns
- Region specific technology options
- Pricing trends and product strategy
- Internal capability building – plant visit

**To define**

- Key markets for integrated, up or downstream investments
  - Asia (with emphasis on India)
  - Eastern Europe
  - Africa (with emphasis on NA)
  - Middle East
- Fund strategy including sequencing of investments – location, technology, capacity, raw material sources, product mix etc
- Financial model to justify investments including sensitivity analysis for risk management

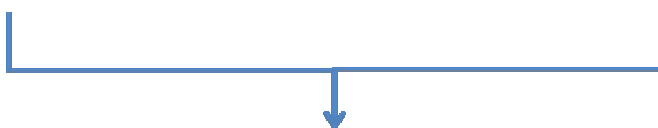
**For key markets identified in Phase 1**

**Green field opportunities**

- Demand-supply
- Technology
- Raw material

**Acquisition opportunities**

- Preliminary due diligence
- Feasibility analysis
- Strategic fit assessment



- Evaluation of logistics alternatives
- Fine tuning of market strategy
- Market entry strategy
- Implementation strategy
- Financial model



**Support creation of Private Placement Memorandum**