


## STELCO INC.

Consolidated Statements of Financial Position of Stelco Inc. as of December 31, 2006 and March 31, 2006 and the related Consolidated Statements of Loss, Retained Deficit, and Cash Flows for the nine month period ended December 31, 2006

Consolidated Statement of Loss	




Note 3. Summary of sign	ificant accounting policies		
Basis of Valuation			

## Note 4. Fresh Start Reporting

(in millions)	At March 31, 2006 (Predecessor)
Liabilities subject to compromise	
Settlement	
Excess of claims over distribution	
Total adjustment to retained deficit	

Note 5. Restricted Cash

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Note 10. Revolving Term Loans		
(in millions)	At December 31,	At March 31, 2006

Asset Based Loan Facility

Note 11. Long-term Debt		
(in millions)	At December 31, 	At March 31, 2006

Note 12. Employee Future Benefits		
Defined contribution plans		
Defined benefit plans		
Pension Plan Funding Arrangements		

Cash	payments	to benefit	plans
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Nine months ended December 31, 2006	At March 31, 2006

Estimated average remaining service life

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At December 31, 2006		At March 31, 2006		
	Pension benefit	Other benefit	Pension benefit	Other benefit
(in millions)	plans	plans	plans	plans
Pension Plan Assets				
Percentage of plan assets			2006	

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ASEE Net benefit plan cost

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		December 31, 2006	
(in millions)		Pension benefit plans	Other benefit plans
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Measurement and valuation			
Plan Amendments			
<b>Employment Reductions</b>			
Significant assumptions			

At December 31, 2006		At March 3	
Pension	Other	Pension	Other
benefit plans	benefit plans	benefit plans	benefit plans
benefit plans	benefit plans	beliefit plans	benemi pians
	<del></del>		
		Nine months ended	
		December 31, 20063	
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(in millions) increase (decrease)	One percentage point increase	One percentage point decrease
13. Components of Consolidated Income Taxes		
re Income Taxes		
ne Tax Reconciliation		
(in millions)		Nine months ended December 31, 2006
(III IIIIIIVIIS)		December 31, 2000
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Sensitivity Analysis

(in millions)	At December 31, 2006	At March 31, 2006
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Note 16. Earnings (loss) per common share D

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Note 17. Stock-based compensation **Incentive Stock Option Plan** 

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## Note 18. Proportionately Consolidated Joint Ventures

(in millions)	At December 31, 2006	At March 31, 2006
a		Nine months ended
(in millions)		December 31, 2006
(in millions)		Nine months ended December 31, 2006
(iii iiiiiiiiiiiii)		December 31, 2006

Note 19. Commitments and Contingencies
Capital Programs and Other Commitments

Operating lea	as				
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Note 24. Canadian GAAP vs. US GAAP Differences		
Canadian GAAP	US GAAP	
Joint Venture Investments		
Financial Instruments and Hedging Activities		
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Employee Future Benefits - Funded Status		

Canadian GAAP	US GAAP
Employee Future Benefits – Pension Valuation	
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Inventory	
Income Taxes	

Canadian GAAP	US GAAP	
Capitalization of Interest		
Comprehensive Income/Loss		

Statement of Cash Flows



## STELCO INC.

Consolidated Statement of Financial Position, Statement of Loss, Statement of Retained Deficit and Statement of Cash Flows as of and for the nine-months ended September 30, 2007

These consolidated financial statements have not been reviewed or audited in accordance with generally accepted auditing or review standards in the United States.

Consolidated Statement of Loss	
(Canadian dollars in millions, except per share amounts) (unaudited)	Nine months ended Sept. 30, 2007
Net Sales	\$ 1,960
Oneseting counings (loss) before the followings	

amounts) (unaudited)	Sept. 30, 2007
Net Sales	\$ 1,960
perating earnings (loss) before the following:	44

(Canadian dollars in millions) (unaudited)	At September 30 2007	At December 31 2006
Assets		
Current assets		
Other assets		
Total Assets	<u>\$ 2,657</u>	\$ 2,738
Liabilities and Shareholders' Deficit		
Current liabilities		
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At Sentember 30, 2007	
At September 30, 2007 Assets held for sale	
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Note 6. Assets Held for Sale and Impairments

Note	10.	Emp	lovee	Future	Benefits	
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## Benefit Plan Cost

(in millions)	Nine months ended September 30 2007

**Defined Benefit Plans** 

Pension Plans				
(in millions)	At June 30 2007 before Re-measurement	Re-measurement	At June 30 2007 after Re-measurement	At December 31 2006
Total accrued benefit obligation net of valuation allowance	\$ (35a			
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## Six months ended June 30, 2007

June 30, 2007	June 30,
Pension Other benefit plans benefit plans	Pension benefit plans

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Canadian GAAP	US GAAP

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Canadian GAAP	US GAAP	
Capitalization of Interest		

Statement of Cash Flows

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