



### CMC – Business Model

- Vertical Integration
- Product Diversification
- Global Geographic Dispersion

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### Current Market Conditions & Outlook

- Global Liquidity Crisis has Paralyzed the Steel Markets
- Markets Lack Confidence that Bottom is in Sight
- Inventory Destocking Universal as Cash Regains Cache
- CMC Production Cutbacks – 69% in First Quarter; Heading Lower in the Second Quarter
- Sharp Ferrous Scrap Declines Abated; Some Upward Stability
- Largest Commercial Exposures – Unwarranted Contract Cancellations, Market Claims, Price Renegotiations; May Lead to Unexpected Inventory Positions

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### North America

- Ferrous Scrap Prices – After Falling to \$125 GT Recovering to \$230-240
- Ferrous Scrap Price Stabilization Near Term as Winter Limits Supply
- December Slow With Year-End Balance Sheet Cleanup
- Rebar Fabrication Backlogs Refilling at 60% Rate
- Large Rebar Jobs Still Scarce
- Merchant Products Hit Harder than Rebar as Service Centers Buy on Needs Only; Use Mills as JIT Warehouses

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## North America



- Rebar Imports Continue Downward Trend
  - Only 21,000 MT Imported in November (Turkey/Mexico)
  - Only 80,000 MT / Month Average YTD 2008
  - Compare with 144,000 MT / Month in 2007
  - Future Deliveries from Turkey - 40,000 MT (January); 20,000 MT (February)
  - Houston Warehouse (Inbesa) Inventories – 49,500 MT at 1,200 MT Daily Volume
- Latest Turkish Offers \$480-490 MT CFR Houston; Few Takers
  - Long Lead Times
  - Must Commit to Larger Quantities
  - Price Volatility Fears
  - Credit / Working Capital Constraints
- Collapse of Freight Rates (90-98% Off Highs) Not Enough Incentive; U.S. \$ Weaker
- Infrastructure Stimulus Spending Favorable But Lacking in Details; Will Not Impact Until Later in 2009

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## Europe / Middle East



- Widespread Reports of Mill Production Cutbacks; Weakness into 2009
- Middle East Rebar Positions Being Sold Off; Billets Remain the Overhang
- Polish Economy Remains Strong Relative to Neighbors; Still Awaiting Boost from Infrastructure Spending
- Numerous Governments Announcing Stimulus Packages

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## China



- Using All Means at its Disposal to Maintain Growth
- Target Remains 8-9% GDP in 2009
- Fiscal Stimulus
  - Announced Higher Building Standards for Schools After Earthquake Disaster
  - US \$590 Billion Infrastructure Spending
  - Focus Major Infrastructure Projects – Rail, Ports, Highways
  - Continued Emphasis on Public Housing
  - Lowering Taxes (Including Income Taxes?)
  - Reducing Export Taxes
- Monetary
  - Rapidly Cutting Interest Rates, Latest by 1.08% (11/27/08)
  - Providing More Export Subsidies
  - Currency Now Depreciating to US \$ (6.83-6.85)

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## China



- Steel Mills Cut Back Production 30-50%
- Long Products Demand and Prices Improving Slightly; Flat Products Remain Weak
- November Finished Steel Exports Decline 28% from November 2007
- YTD Export Decline Only 3%; Bullish Pricing in 1H Overcame Additional Export Taxes
- Pressure to Cutback – AD Threats; Iron Ore Negotiations; Pollution; Consolidation

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## China



- Steel Mills Starting to Buy Imported Scrap
- Spot Iron Ore Prices Now \$70-73 MT (Bottom Mid November at \$65/MT)
- Chinese Mills Buying Only on Spot Markets; No One Buys at Benchmark (Contract) Prices
- Large Inventory of Iron Ore at Ports (60-70 Million MT); Likely to Take One to Two Quarters to be Significantly Reduced

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## Project Review



- Arizona Micro Mill
  - Full Scale Construction Began in August When Required Permits Received
  - Expected Commissioning Date - 9/9/09
  - \$155 Million Total Cost; FY 2009 Expected Spending \$105 Million
  - 280,000 Tons of Rebar
- Polish Flexible Section Mill
  - Construction Underway
  - \$190 Million Total Cost ; FY 2009 Expected Spending \$180 Million
  - 850,000 MT
  - Increased Product Range; Higher Quality Wire Rod / Larger Sizes
  - Expected Commissioning January 2010
  - Permanent Financing Already in Place
- Croatian Melt Shop and Caster Upgrade
  - Quick Payback; Aim is Cost Reduction and Yield Improvement
  - "Previously Owned" but Massively More Efficient Furnace Purchased
  - Will Allow Current Furnace to Become LMS
  - Caster Improvements Will Allow Production of Round Billets; Better Yields and Possible Outside Sales
  - Commissioning End of FY 2009
  - \$55 Million Total Cost
- SAP
  - Fourth Rollout (2 Domestic Mills; 3 Recycling Yards) on 1/1/09
  - By End of FY 2009, 70% of Earnings Power of CMC on SAP
  - Benefit Realization Begins in FY 2010

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## CMC Steel Arizona Update



Cooling Bed Passline

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## CMC Steel Arizona Update



Mill Pulpit

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## CMC Steel Arizona Update



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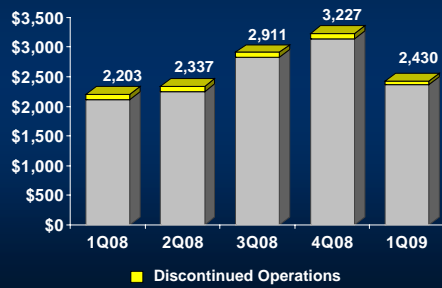


## Financial Statistics

## Quarterly Net Sales

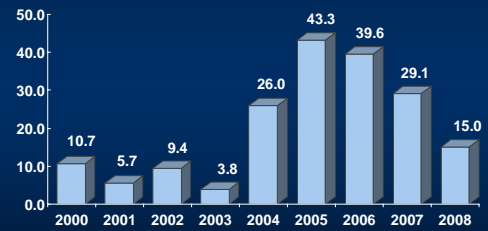


(\$ in Millions)



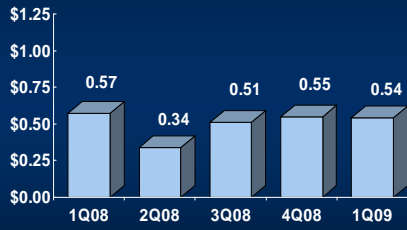
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## Return on Beginning Equity



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## Quarterly Earnings Per Diluted Share

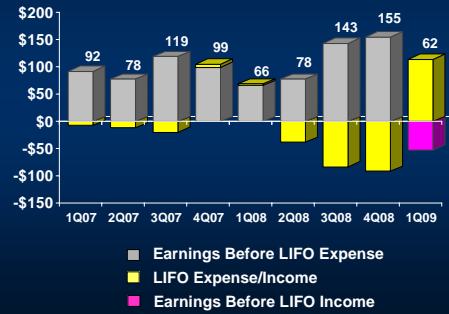


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## LIFO Earnings Analysis



(\$ in Millions)



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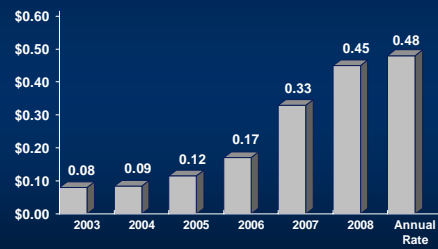
## LIFO Expense (Income) Pre-Tax



(Thousands)	1 <sup>st</sup> Qtr. 2008	2 <sup>nd</sup> Qtr. 2008	3 <sup>rd</sup> Qtr. 2008	4 <sup>th</sup> Qtr. 2008	1 <sup>st</sup> Qtr. 2009
Americas Recycling	1,832	4,969	15,187	(5,094)	(24,729)
Americas Mills	(3,863)	18,193	55,327	40,152	(75,259)
Americas Fab & Dist.	4,307	35,160	57,023	100,945	(7,425)
International Fab & Dist.	(6,538)	632	(385)	3,893	(6,201)
<b>Total</b>	<b>(4,262)</b>	<b>58,954</b>	<b>127,152</b>	<b>139,896</b>	<b>(113,614)</b>

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## Dividend Payout Per Share by Fiscal Year

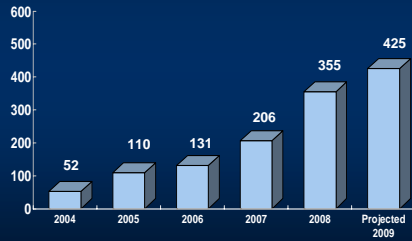


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## Capital Expenditures



(\$ in Millions)



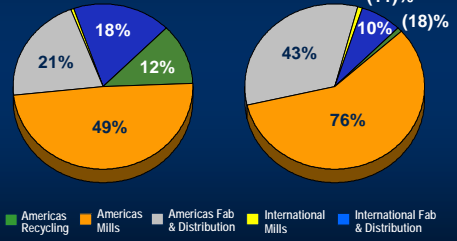
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## Adjusted Operating Profit by Segment



1<sup>st</sup> Qtr. 2008

1<sup>st</sup> Qtr. 2009

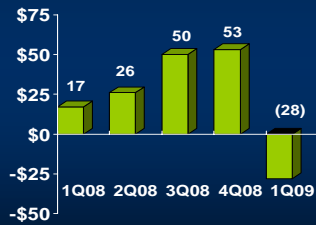


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## Americas Recycling



Adjusted Operating Profit  
(\$ in Millions)

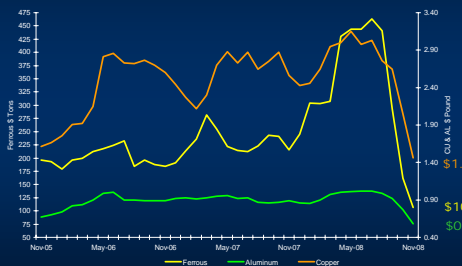


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## Americas Recycling



Average Selling Prices



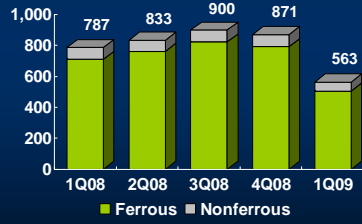
Source: CMC

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## Americas Recycling



### Quarterly Scrap Shipments (Tons 000's)

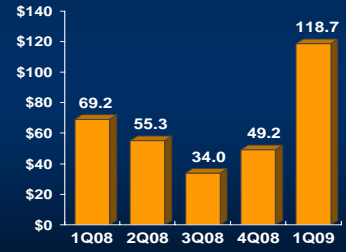


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## Americas Mills



### Adjusted Operating Profit (\$ in Millions)

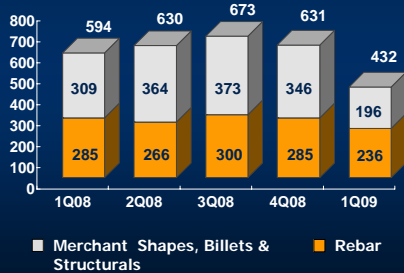


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## Americas Mills



### Product Mix (Tons 000's)

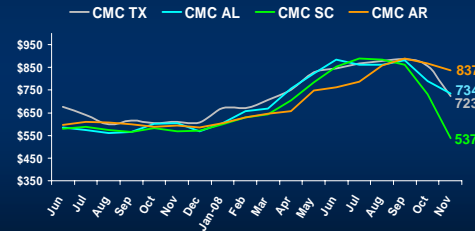


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## Americas Steel Mills



### Average Selling Prices (\$ per Ton)



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## Americas Mills



### Americas Steel Mill Margins

1<sup>st</sup> Quarter Comparisons

	FY 2009	FY 2008	Change
Avg. Selling Price	\$796	\$585	211
Cost of Scrap Utilized	\$336	\$246	90
Metal Margin	\$460	\$339	121
Tons Shipped*	432	594	(162)
Billet Tons Shipped*	39	90	(51)

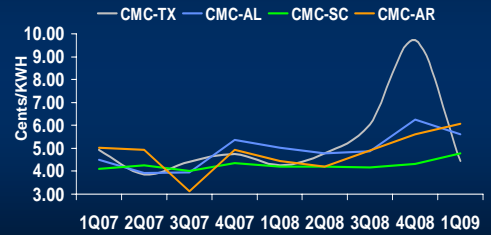
\*Tons in thousands

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## Americas Mills



### Electric Rates by Quarter

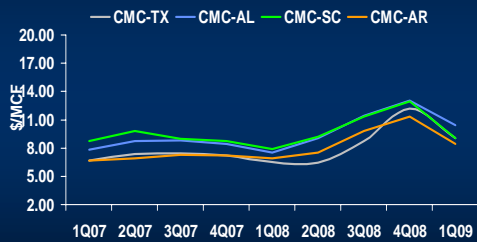


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## Americas Mills



### Natural Gas Rates by Quarter



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## Americas Mills



### Percentage of Manufactured Cost per Ton

Average of Mills in Texas / Alabama / South Carolina

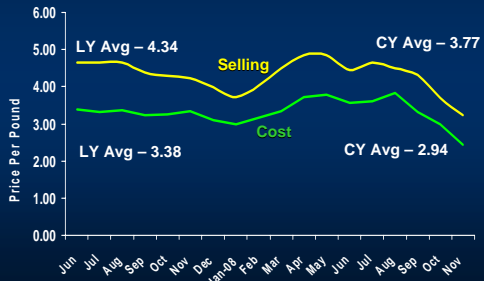
	YTD 11/30/08	Year Ended 8/31/08	Year Ended 8/31/07
Material (Scrap)	52%	60%	35%
Supplies (Electrodes/Alloys)	12%	10%	15%
Utilities (Electricity/Gas)	7%	8%	13%
Maintenance	8%	5%	8%
Labor	5%	4%	8%
Depreciation	3%	2%	6%
Other	13%	11%	15%

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## Americas Mills



### Copper Tube Manufacturing Average Prices



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## Americas Mills



### Copper Tube Manufacturing Pounds Shipped (in Millions)

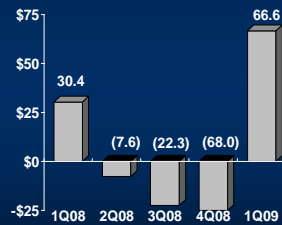


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## Americas Fabrication & Distribution



### Adjusted Operating Profit (\$ in Millions)

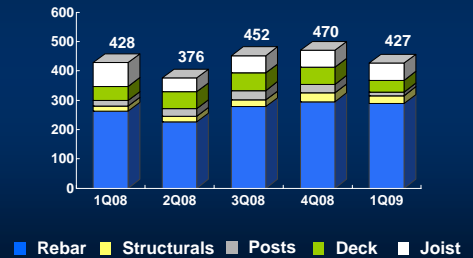


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## Americas Fabrication & Distribution



### Shipments (Tons 000's)



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## Americas Fabrication & Distribution



### Average Selling Prices\*

	1st Quarter	
	2009	2008
Rebar	\$1,117	\$849
Joist	\$1,505	\$1,296
Deck	\$1,564	\$1,297
Structural	\$3,362	\$2,246
Fence Post	\$1,131	\$730

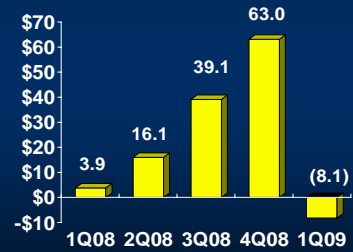
\*Excludes Stock and Buyout Sales

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## International Mills



### CMCZ (Poland) Adjusted Operating Profit (\$ in Millions)

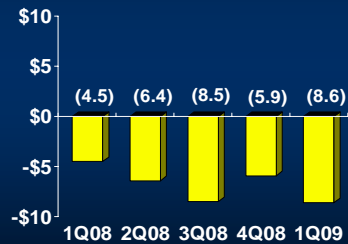


CMC 1<sup>st</sup> Quarter 2009

## International Mills



### CMCS (Croatia) Adjusted Operating Profit (\$ in Millions)



CMC 1<sup>st</sup> Quarter 2009

## International Mills



### CMCZ (Poland) Mill Margins 1<sup>st</sup> Quarter Comparisons

	2009	2008
Avg. Selling Price (PLN)	1,714	1,489
Cost of Scrap Utilized (PLN)	947	866
Metal Margin (PLN)	767	623
Rebar Tons Shipped*	152	137
Wire Rod Tons Shipped*	108	98
Billet Tons Shipped*	35	33
Total Tons Shipped*	295	268
% Domestic	69%	73%

\*Tons in thousands

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## International Mills



### CMCS (Croatia) 1<sup>st</sup> Quarter Comparisons

	2009	2008
Tons Melted	19,567	1,900
Tons Rolled	18,081	4,900
Tons Shipped	17,743	9,400
Welded Tons Shipped	4,914	3,700
Drawn Tons Shipped	771	700
Seamless Tons Shipped	12,058	5,000
% Domestic	11%	26%

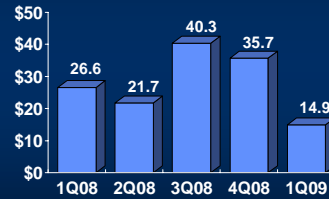
\*Tons in thousands

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## International Fabrication & Distribution



### Adjusted Operating Profit (\$ in Millions)



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## Investor Information



### Non-GAAP Financial Measures and Regulation G

This written and verbal presentation may use financial statement measures considered non-GAAP financial measures by the Securities and Exchange Commission (SEC). In compliance with the SEC's Regulation G, we have provided on our web site at

[www.cmc.com](http://www.cmc.com)

a reconciliation to the most comparable GAAP measure and other information that may be of interest to investors.

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This written and verbal presentation may contain forward-looking forward-looking statements regarding the outlook for the Company's financial results including net earnings, economic conditions, credit availability, product pricing and demand, production rates, inventory levels, and general market conditions. These forward-looking statements generally can be identified by phrases such as the company or its management "expect," "anticipates," "believe," "ought," "should," "likely," "appears," "projected," "forecast," "outlook," "will" or other words or phrases of similar impact. There is inherent risk and uncertainty in any forward-looking statements. Variances will occur and some could be materially different from management's current opinion. Developments that could impact the Company's expectations include the success or failure of government efforts to stimulate the economy including restoring credit availability and confidence in a recovery, construction activity, difficulties or delays in the execution of construction contracts resulting in cost overruns or contract disputes, metals pricing over which the Company exerts little influence, interest rate changes, increased capacity and product availability from competing steel minimills and other steel suppliers including import quantities and pricing, court decisions, industry consolidation or changes in production capacity or utilization, the ability to integrate acquisitions into operations; global factors including political and military uncertainties, currency fluctuations, energy and supply prices and decisions by governments impacting the level of steel imports and pace of overall economic activity, particularly China.

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