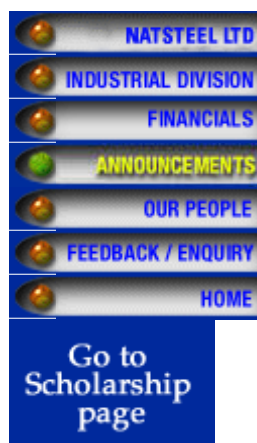




# ANNOUNCEMENTS

20 November 2002  
BT Clarification



## BT Clarification

The Editor  
The Business Times

### "Was Sale to 98 a moment too soon?"

We refer to the above article in the Business Times dated 14 November 2002. The article refers to the table "What is NatSteel Worth". The conclusion of this table was that, amongst other things, at S\$2.03 per share:

- 98 Holdings was paying 1.43 times estimated EBITDA for the steel and industrial businesses, compared to an industry standard of 4 times EBITDA.

We would like to highlight the following corrections in relation to the table:

(Correct) Evaluation of the 98H Offer		What the BT Article Said	
	S\$ m		S\$ m (except per share data)
Offer consideration at S\$2.03 <sup>(1)</sup>	784.2	Cash from Brasil sale	251
		Cash from Broadway sale	335
Add: Consolidated net debt (excluding NatSteel Brasil and NatSteel Broadway) as at 30 June 2002 (this was not taken into account in the calculation in the article referred to above)	181.7	Outstanding shares (units)	365,225,737
		98H bid per share	2.03
		Cash per share	1.64
Less: Proceeds from sale of NatSteel Brasil and NatSteel Broadway	(586.7)	Consideration paid for all NatSteel's non-cash assets	142.5
Less: additional estimated cash <sup>(2)</sup>	(14.0)	Less: Liquidation value of Electronics, Property & Investment	(42)
Implied enterprise value paid for the "continuing" business, assets and liabilities of NatSteel ("Enterprise Value")	365.2	Consideration paid for steel and industrial businesses	100.5
		Estimated EBITDA of	

Pre-exceptional EBITDA for "continuing" business in first 6 months ending 30 June 2002	<b>45.4</b>	steel and industrial businesses for year	<b>70</b>
Implied Enterprise Value / annualised <sup>(3)</sup> pre-exceptional EBITDA multiple for "continuing businesses"	<b>4.02x</b>	Implied value / EBITDA multiple for steel and industrial businesses	<b>1.43x</b>

(1) Fully diluted number of shares = 386.3m shares  
The article referred to above had assumed 365,225,737 number of shares

(2) Based on estimated proceeds to be received from the exercise of options, and interest income from the Brasil Proceeds and the Broadway Proceeds less estimated costs and expenses, as per page 28 of the Offeree Board Circular. Not clear what the assumptions were in the article referred to above.

(3) Extrapolated from results for first 6 months ending 30 June 2002.

We would also note that the liquidation value of S\$42m referred to in the EGM Circular and Offeree Board Circular was in relation to selected assets in the Industrial Division and NOT in relation to the assets in the Electronics and Property and Investment Division, as was assumed in the article referred to above.

We would be grateful if you would correct these errors.

LIM SU-LING  
COMPANY SECRETARY  
20 NOVEMBER 2002

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