

GS INDUSTRIES

*Global
leadership*



in special steel products

Corporate Profile



GS Industries is a global leader and technological innovator in special steel products, mainly wire rod used in automotive, construction and consumer applications, and grinding products and mill liners used in the world's growing mining industry.

GSI companies produce more high carbon wire rod, and more steel grinding balls and abrasion resistant mill liners than any other manufacturer in North America.

GSI was formed in 1995 by the merger of two leading minimill steel producers — Georgetown Industries of Charlotte, North Carolina, and GS Technologies of Kansas City, Missouri.

The merger consolidated diverse manufacturing operations and joined the best available technologies and practices to establish GS Industries — a one-of-a-kind,

vertically integrated, global steel manufacturing group. Now headquartered in Charlotte, GSI employs more than 3,000 people and operates manufacturing facilities around the world.

GSI's U.S. manufacturing operations include Georgetown Steel Corporation in Georgetown, South Carolina, GST Steel Company in Kansas City, Missouri, and ME International, which has offices in Minneapolis, Minnesota and plants in Duluth, Minnesota and Tempe, Arizona.

With international manufacturing facilities in Chile, Peru, The Philippines and Italy, as well as partnerships operating in Canada, Mexico, Peru, Australia and Italy, GSI is strategically positioned to support customers, deliver products and pursue business opportunities around the world.

A Message from CEO Mark G. Essig



GS Industries reaches around the globe with our operations and our products. Few other companies manufacture the variety of special steel products, maintain the overall quality of products, or provide the level of international technical and customer support and market knowledge that we do at GSI.

We are in a unique situation here at GS Industries. At first glance, our products represent the most basic manufacturing processes and materials — furnaces, foundries and rolling mills making wire rod, steel balls and cast metal shapes.

But these are not ordinary commodity items. On closer inspection, you see that GSI's strength lies in our ability to design and manufacture highly specialized products whose exacting metallurgical properties, surface quality and dimensional characteristics fulfill the rigorous demands of our customers worldwide.

Accomplishing this high level of service and quality requires a dynamic management approach. We have drawn from a pool of leaders at the various companies that came together to form GS Industries, and melded them with rising stars and proven performers brought in from other companies. In doing so, we created an outstanding team of experts in operations, technology, customer service, safety, domestic and international markets, human resources, finance, and sales & marketing.

At each of our locations, we have assembled teams of managers and specialists who are familiar with the local markets and who have the expertise to recognize opportunities and respond to customer needs within those markets.

We place heavy emphasis on communication and exchange of information between all GSI companies. By conferring on a weekly basis, corporate officers

“With our growth, GSI has gained a global perspective. We understand world markets, and we operate effectively within diverse cultures. Our diversity gives us the experience, creativity and flexibility to compete in the world marketplace, and the resources to be innovators and leaders. Looking forward, we plan to strengthen our position in existing markets and expand into new areas.”

Mark G. Essig, President and Chief Executive Officer

and managers from each of our operating companies pool their knowledge to solve problems, share best practices and develop ideas for creating new business opportunities.

The operating companies of GS Industries form a strategic network of manufacturing operations, technical expertise and customer support that stretches around the globe. We enjoy tremendous strength in North America and South America, with well-managed companies that lead their respective industries in quality and market share. We also have formed strategic joint venture partnerships with leading industrial companies in Europe and Australia.

This framework of key individuals and complementary manufacturing facilities combines to form a tremendous global framework of market-leading products, processes and people to serve a broad array of customers.

With our growth, GSI has gained a global perspective. We understand world markets, and we operate effectively within diverse cultures. Our diversity gives us the experience, creativity and flexibility to compete in the world marketplace, and the resources to be innovators and leaders.

Looking forward, we plan to strengthen our position in existing markets and expand into new areas. We will enhance our worldwide facility utilization to reduce costs and improve productivity, and seek new customer partnerships and joint ventures to better position our products, technologies and systems around the world. Most importantly, we will remain focused on the basics of innovation, service and quality that have elevated GS Industries to our current leadership position.



Mark G. Essig
President and Chief Executive Officer

Vertical integration

Application engineering

Customer-driven approach

Proprietary process controls

Global resources

Research & development

INNOVATIONS

PEOPLE | PROCESS | PRODUCT

North American Operations



Using a vertically integrated process, GSI teams manufacture special steel products for two distinct markets: wire rod and grinding systems, which include grinding balls, rods and abrasion-resistant mill liners for the global mining industry.

GSI's primary U.S. operations are located in Georgetown, South Carolina; Kansas City, Missouri; Duluth, Minnesota; and Tempe, Arizona.

As a manufacturer, we recognize the important role we can play in assuring our customers' successes.

We help our customers evaluate their steel needs by assisting in the identification of key properties demanded by each application.

At GSI, we take an active interest in our customers' businesses by becoming familiar with their people,

processes and products. Our sales, technical and operations personnel regularly visit customer plants and talk with their operators and engineers.

We then develop manufacturing specifications and procedures to ensure that the proper chemistry, mechanical properties and other quality characteristics are consistently met for each application. This helps customers use our steel products to reduce their manufacturing costs. Listening to customers helps drive us toward new products and new market opportunities.

GS Industries is the largest producer of wire rod in the United States. With primary manufacturing facilities in Kansas City, Mo., and Georgetown, S.C., we are



GS Industries' core production units in Kansas City, Missouri, and Georgetown, South Carolina, are now ISO 9002 certified, recognizing compliance with international quality standards, including planning, design, quality assurance, process control, documentation and continuous improvement. This important accomplishment solidifies our leadership position in the markets we serve. It means that our many customers can now rest assured that they are receiving the highest levels of quality and customer service from GST Steel and Georgetown Steel.

strategically positioned to serve all parts of the country, as well as export markets.

Both manufacturing locations include minimill facilities to melt steel in electric arc furnaces and form it into billets and blooms using modern continuous casting equipment. Our plant locations offer exceptional access to raw material sources and enable us to deliver by truck, rail and ship.

GS Industries is also the only U.S. steelmaker operating on-site direct reduced iron (DRI) facilities. The DRI process creates exceptionally pure metallized iron. Blended with steel scrap, DRI improves the quality of our finished products and helps insulate the company from fluctuating scrap metal prices and supply issues.

Competitive Advantages

GSI's two mills offer important competitive advantages. Unlike other manufacturers, we provide customers with the security of our own back-up source to ensure timely delivery. Maintaining multiple production sites provides unique scheduling flexibility, economies of scale, and the ability to choose between different manufacturing methods to better meet customer requirements.

Our vertical integration gives GS Industries significant control over the quality of materials throughout the entire manufacturing process. This, combined with our rigorous standards, controls, precise proprietary metallurgical processes and attention to detail, allows us to produce special steel products that consistently add value to our customers.



Quality

Wire Rod

Approximately two-thirds of the two million tons of billets we produce each year are used in the production of wire rod to be used in high-carbon, cold heading, wool wire and other special low-carbon wire rod products.

In the automotive industry, our wire rod is used in many applications, including tire cord, tire bead, hose wire, springs, shock absorbers, brake pads and fasteners. Consumer end-uses include upholstery springs, steel wool, coathangers and fish hooks.

General industrial uses include screws and bolts, ball bearings, cutting wire, baling wire and wire rope.

Much of GSI's wire rod is used in the production of prestressed concrete strand and galvanized guy strand,

which are used in parking garages, cable-stay bridges, railroad cross ties, guywires for pole and tower support, messenger cable for carrying telephone and cable TV wire, traffic signal support wires, cross bracing used in metal buildings, and highway barrier strand.

Each one of these applications demands specific metallurgical and surface characteristics to create the proper hardness, strength, formability, flexibility, and adherence of external materials required by the customer.

Our computerized process control systems generate comprehensive quality documentation. We provide that information to customers, who share it with their customers to verify the integrity of their products.



S o l u t i o

Mining Products

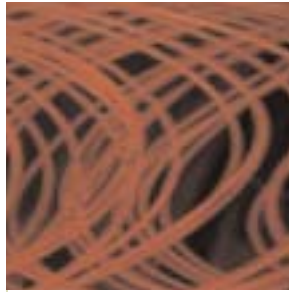
GSI's success as the leading supplier of consumable mining products is largely attributable to our strong global presence, time-tested technical expertise, high quality standards and modern facilities. We provide customers with maximum product value, reliability and predictability by paying close attention to customer needs, and focusing on successful designs and metallurgy.

Our Moly-Cop companies are the world's undisputed experts in the manufacture of grinding media, and our ME International unit is the market leader in the production of cast metal liners and other wear parts for the enormous grinding mills used for ore extraction by the hard-rock mining industry. In these markets,

our products are known to fit better and last longer than anyone else's.

When mill liners wear out, it becomes necessary to suspend the milling process to replace them. Grinding mills run 24 hours a day, seven days a week, and our products allow our customers to reduce unwanted downtime. When grinding balls wear out too quickly, they must be replaced more often, which means added cost. Moly-Cop grinding balls are known for their durability.

To accomplish this goal of superior quality and service, we deploy our product development engineers around the world. These technical specialists with service capabilities meet with customers to determine their



Wire rod is used in automotive, industrial and consumer applications.

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needs, help develop the appropriate products, and study the ongoing performance of our products to enable continuous improvements.

Grinding Systems

Grinding balls and grinding rods account for about three-quarters of GSI's mining products business. North American production of these products takes place in Kansas City, and at joint venture operations in Canada and Mexico.

Moly-Cop is one of the few companies in the industry that carries out Research & Development in all areas of manufacturing, including product, process, and application. We are the only company in the industry

providing application engineers to work with customers to develop and improve their systems. As a result, new products and alloys are always in development at GSI.

ME International's foundries in Duluth, Minn., and Tempe, Ariz., are among the largest steel foundries built in North America since the 1940s, producing more than 175 tons of castings per day. All parts are heat-treated to improve hardness and durability, and every one is inspected and gauged to make sure it meets the customer's specifications.

By constantly working to understand customer expectations, and by providing them with the best solutions and value, GSI helps customers succeed. At the same time, we reinforce our own leadership position.

Inter

Shared experience
Technical expertise

CONNECTIONS

Strong local management

**GSI – a regional supplier in
markets around the world.**

International Operations



GS Industries operates manufacturing facilities and enjoys partnership arrangements with regional market leaders around the world. The international operations are mainly involved in the production of grinding balls and rods under the Moly-Cop brand name.

Our largest concentration of offshore operations is located in South America. Moly-Cop production plants in Peru, Chile and The Philippines serve mining markets in those countries, as well as Brazil, Argentina and surrounding areas. Other facilities are located in Italy, with joint venture partnerships in Canada, Mexico, Italy and Australia.

GSI also led a group of investors in the privatization of Siderperu, Peru's only integrated producer of long and flat steel products. GSI owns one-third of the company

and is operating partner of the business. Siderperu also supplies important raw materials to Moly-Cop units in Peru and Chile.

Strong local management and seasoned technical specialists give each international location the ability to serve its regional markets. By their number and strategic location, the GSI companies form a network of product availability, sales and technical personnel, market knowledge and customer service that reaches around the world.

Through open and constant communications between GSI representatives worldwide, we monitor the activities in the global mining industry and shape them with our innovative solutions.



Siderperu, the steel company co-owned by GS Industries in Chimbote, Peru, funded a new vocational-technical school open to young people of the area to provide training for future operators, technical employees and support staffers at the company. The school enrolled about 180 people in its first year, and is in the process of training them in the operation and maintenance of manufacturing equipment and computers, as well as providing business and clerical training. Students must be high school graduates, ages 16-19, and they must undergo a rigorous screening process to gain admission to the school. Tuition is paid by the company.

GSI operates on a matrix model, meaning that all engineering, technology, operating experience, and R&D innovations are shared by every GSI plant engineer throughout the world. This sharing of information and knowledge creates an environment of group problem-solving and continuous improvement.

Beyond delivering mining products to the mineral processing industry, GSI provides proprietary services and engineering systems to help customers optimize their manufacturing processes.

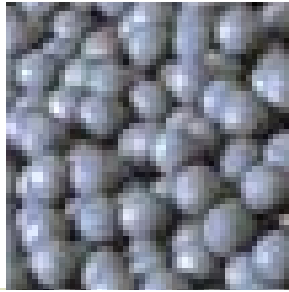
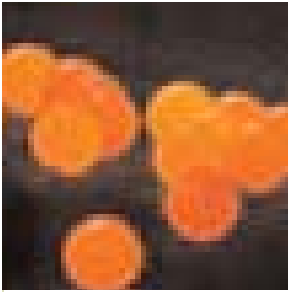
For example, our Custom Engineered Support Program at ME International aims to extend the wear life of abrasion resistant grinding mill liners — and improve cost performance for our customers — by providing

R&D, process control, and application engineering from GSI experts.

Global Competitor

With a strong presence in all of the world's key mining areas, GSI is positioned to respond quickly and intelligently to opportunities wherever and whenever they arise. Products from our wire rod business are shipped around the world from originating points in the United States. Some mining-related products — the cast mill liners from ME International and grinding balls from GST Steel — also are shipped from U.S. production facilities.

In order to fully serve the international market, GSI has extended our manufacturing and technical



GSI's grinding media and mill liners are known to last longer and fit better than anyone else's, thereby reducing customers' operating costs.

expertise to production facilities and joint venture operations around the world. Approximately 25 percent of GSI's employees are located outside of the United States.

Due to increasing demand for copper in the construction, communications, industrial equipment and consumer products industries, copper mining is the largest segment of the world mining industry today. Moly-Cop is the dominant supplier of grinding media and services for this robust market.

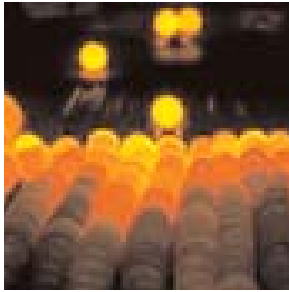
Industry Leader

Moly-Cop Philippines in Manila serves the Asian market. In South America, Moly-Cop Chile is the market leader and strategic supplier of grinding media

to the mining industry in Chile, and an exporter to Brazil and Argentina. Its main production facility is located in Concepcion, Chile.

Moly-Cop Adesur in Arequipa, Peru, leads the Peruvian market with the production of high-quality grinding balls. Its products, which are made from steel produced at GSI-managed Siderperu, also are imported throughout the Andean region.

As managing partner at Siderperu, GSI supplies the technology and operating systems experience — developed in our U.S. minimills — to modernize the plant, improve equipment utilization and expand market position. The improvements ensure that Siderperu can keep up with the demand for quality bar stock to



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supply our Moly-Cop grinding media forging plants in South America.

Service and systems solutions such as these enable our customers to perform more efficiently and improve their cost structures, with the added benefit of renewed confidence in GSI's ability to meet their needs.

Partnerships

GS Industries also further expands our international scope by joining with leading manufacturers in selected strategic regions. GSI is the market leader through these joint ventures in each market area.

In North America, joint ventures in Kamloops, British Columbia, and Guadalajara, Mexico produce forged grinding balls under the Moly-Cop name.

The GSI-Lucchini joint venture in Italy produces grinding balls for customers in the key markets of Europe, West Africa and the Middle East.

In Australia, GSI operates three steel grinding ball plants in partnership with Donhad Pty. Ltd. to serve that country's burgeoning mineral processing industry.

In the United States, we have expanded our production and our expertise in the production of Direct Reduced Iron with the creation of a joint venture with Birmingham Steel Corp. in Convent, Louisiana. Commissioned in January, 1998, the new production facility has an annual capacity of 1.2 million tons of high quality scrap substitute for both partners.

Product development engineers work with customers to determine their needs, help develop new products, and study the performance of our products to enable continuous improvements. Technical information is shared among all GSI companies, meaning customers benefit from advances anywhere in the world.



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These joint ventures create dynamic pooling of knowledge and expansion of resources to benefit our customers and create new business opportunities.

No other specialty steel company in the world boasts the same high level of technical expertise, of quality, durability and reliability, or scope of distribution as GS Industries. Each GSI company complements the others with our people, products and processes, and through the partnerships we have created with our customers and with other leading manufacturers, we offer a powerful combination of service and leadership.

Continuous Improvement

This atmosphere of teamwork inside and outside the company helps develop the best ideas, and support constant change and growth.

We use fundamental steelmaking processes to manufacture basic products, but the knowledge and energy of GSI's people elevate these products to higher ranks of excellence, and differentiate them from the competition.

Our customers rely on GSI products to enhance the quality of their end products and to increase their productivity. The interconnected network of GSI operations and representatives spread across five continents make possible the highest level of customer satisfaction.

At GSI, we believe that our leadership position demands constant attention to improving our products through innovation, education, training and teamwork. Investing in our people is the foundation for continuing improvements and performance advances for years to come.

Worldwide Operations

	Products	Markets	Applications
Georgetown Steel Corporation Georgetown, South Carolina, U.S.A.	High carbon and special grade steel wire rod	Construction, automotive, industrial, consumer	Tire cord and tire bead, prestressed concrete strand, bridge cables, music wire, consumer goods
GST Steel Company Kansas City, Missouri, U.S.A.	High carbon and special grade steel wire rod, steel grinding balls and rods	Construction, automotive, industrial, consumer, mining	Upholstery springs, prestressed concrete strand, consumer goods, music wire, grinding mills
ME International Minneapolis, Minnesota, U.S.A.	Consumable grinding mill liners	Mining & mineral processing	Consumable wear parts for mineral processing mills
Moly-Cop Chile Concepcion, Chile	Grinding balls	Mining & mineral processing	Grinding mills
Moly-Cop Adesur Arequipa, Peru	Forged grinding balls	Mining & mineral processing	Grinding mills
Moly-Cop Philippines Manila, The Philippines	Grinding balls	Mining & mineral processing	Grinding mills
GSI-Lucchini SpA* Piombino, Italy	Grinding balls	Mining & mineral processing	Grinding mills
Siderperu* Chimbote, Peru, South America	Long and flat-rolled steel products	Industrial, construction, manufacturing	Steel end products
American Iron Reduction* Convent, Louisiana, U.S.A.	Direct reduced iron	Steelmaking	Electric arc furnace raw materials
Moly-Cop Canada* Kamloops, British Columbia, Canada	Forged grinding balls	Mining & mineral processing	Grinding mills
Donhad Pty. Ltd.* Townsville and Perth, Australia	Forged grinding balls	Mining & mineral processing	Grinding mills
Simec Moly-Cop* Guadalajara, Mexico	Forged grinding balls	Mining & mineral processing	Grinding mills

**Joint Ventures*



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