The Steel Company of Canada

Stelco Reports Fourth Quarter and Full Year 2017 Results

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- ***Fourth quarter 2017 revenue of $452 million a 45% increase year-over-year***
- ***Fourth quarter 2017 operating income increased to $54 million***
- ***Fourth quarter 2017 adjusted EBITDA of $69 million a 245% increase year-over-year***
- ***Board of Directors declares regular quarterly cash dividend of $0.10 per share***

HAMILTON, ONTARIO, February 21, 2018 – Stelco Holdings Inc. ("**Stelco Holdings**"), (TSX: STLC), a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America, today announced financial results of Stelco Inc. ("Stelco" "Stelco Inc." or "the Company") for the three months and full year ended December 31, 2017. Stelco Holdings is the 100% owner of Stelco, the operating company.

Stelco Inc. Highlights:

Financial Summary:

(in millions, except volume and per nt figures)	Q4 2017	Q4 2016	Change	2017	2016	Change
Revenue ($)	452	312	45%	1,601	1,302	23%
Operating income (loss) ($)	54	(17)	N/A	115	(9)	N/A
Net income (loss) ($)	16	(83)	N/A	3,579	(236)	N/A
Adjusted net income (loss)* ($)	49	(47)	N/A	45	(137)	N/A
Adjusted EBITDA* ($)	69	20	245%	216	88	145%
Average selling price per nt* ($)	764	674	13%	799	659	21%
Adjusted EBITDA per nt* ($)	117	43	172%	108	45	140%
Shipping volume* (in thousands of nt)	592	463	28%	2,003	1,976	1%

* See "Non-IFRS measures" for a description of Non-IFRS measures used in this Press Release and "Non-IFRS Measures Reconciliation" below.

Note All dollar figures herein are Canadian dollars, unless otherwise noted.

“Our initiatives designed to increase production, improve efficiency and expand margins started to take hold during the fourth quarter, resulting in a significant increase in revenues and an improvement in profitability,” said Alan Kestenbaum, Stelco Holdings Executive Chairman and Chief Executive Officer. “We ended 2017 by setting a new single-month steel production record for our Lake Erie Works (LEW) facility in December, giving us momentum and increased confidence as we move into 2018.”

Fourth Quarter Financial and Operational Highlights:

- Revenue increased 45% from $312 million in Q4 2016 to $452 million in Q4 2017 driven by 28% increase in shipping volumes and a 13% increase in average selling prices
- Operating income increased $71 million period-over-period from a Q4 operating loss of $17 million in 2016 to an operating profit of $54 million in Q4 2017
- Net income increased $99 million period-over-period from a net loss of $83 million in Q4 2016 to a net profit of $16 million in Q4 2017
- Adjusted net income increased $96 million period-over-period from an adjusted net loss of $47 million in Q4 2016 to an adjusted net profit of $49 million in Q4 2017
- Adjusted EBITDA increased $49 million, or 245%, period-over-period from $20 million in Q4 2016 to $69 million in Q4 2017
- Stelco Holdings (on a consolidated basis) ended 2017 with total liquidity of $519 million, including $250 million in cash and $269 million of revolver capacity
- Stelco Holdings Inc. Board of Directors declared a quarterly cash dividend of $0.10 per share payable on March 12 for shareholders of record on March 7

Full-Year Financial and Operational Highlights:

- 2017 Revenue increased 23% year-over-year from $1.3 billion in 2016 to $1.6 billion in 2017 driven by 21% higher average selling prices and slightly higher shipping volumes
- 2017 Operating income increased $124 million year-over-year from an operating loss of $9 million in 2016 to an operating profit of $115 million in 2017
- 2017 Net income was $3,579 million (including a $3,653 million gain on CCAA emergence) compared to a net loss of $236 million in 2016
- 2017 Adjusted net income was $45 million in 2017 compared to an adjusted net loss of $137 million in 2016
- 2017 Adjusted EBITDA increased $128 million, or 145%, year-over-year to $216 million in 2017

“2017 was a pivotal year for Stelco, highlighted by strong financial performance, a successful initial public offering, and a number of operational initiatives which position us well to optimize our assets, increase production and expand margins,” said Alan Kestenbaum, Stelco Holdings Executive Chairman

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and Chief Executive Officer. “The improvements we are advancing at our LEW dock will position us to access existing and new markets via lower-cost water transportation. During the fourth quarter, we began making trial shipments to certain automotive accounts including OEMs that are being well received and we have entered into commercial quantity contracts with automotive accounts for delivery in 2018. In addition to organic growth opportunities, we will continue to pursue inorganic growth opportunities to create shareholder value.”

Fourth Quarter 2017 Financial Results:

Revenue for the quarter ended December 31, 2017 was $452 million, an increase of $140 million, or 45%, from revenue of $312 million in the fourth quarter of 2016. The period-over-period revenue increase was due to both higher shipping volumes and higher average selling prices. Shipping volumes increased from 463 thousand net ton (nt) in the fourth quarter of 2016 to 592 thousand nt in the fourth quarter of 2017, a 28% increase. Average selling price in the fourth quarter of 2017 was $764 per nt, a 13% increase from the $674 per nt average selling price in the fourth quarter of 2016.

Gross profit for the quarter increased by $81 million, from a gross loss of $12 million in the fourth quarter of 2016 to a gross profit of $69 million in the fourth quarter of 2017, primarily due to increased revenue levels, reflecting higher sales volumes and selling prices, partly offset by increased operating costs from higher volumes and increased scrap metal, zinc, and metallurgical coal prices.

Selling, general and administrative (SG&A) expenses increased approximately $10 million period-over-period, from $5 million in the fourth quarter of 2016 to $15 million in the fourth quarter of 2017. The increase was due to ERP implementation costs, professional fees related to post-CCAA administration, repatriation costs of functions previously performed by the Company’s prior owner, in addition to Bedrock management fees.

Finance costs decreased by $40 million, or 66%, from $61 million in the fourth quarter of 2016 to $21 million in the fourth quarter of 2017 primarily due to a decrease in interest on loans and borrowings extinguished through the CCAA process and $11 million related to the gross impact of foreign exchange translation, partly offset by $19 million of accretion and remeasurement expenses associated with our employee benefit commitment obligation.

Net income for the quarter increased by $99 million, from a net loss of $83 million in the fourth quarter of 2016 to net income of $16 million in the fourth quarter of 2017. The period-over-period increase reflects improved revenue and lower finance cost, offset by higher operating costs due to increased volumes and raw material cost increases, and to SG&A costs. Adjusted net income increased $96 million period-over-period, from an adjusted net loss of $47 million in the fourth quarter of 2016 to adjusted net income of $49 million in the fourth quarter of 2017.

Adjusted EBITDA in the fourth quarter of 2017 totaled $69 million, an increase of $49 million from adjusted EBITDA of $20 million in the fourth quarter of 2016. The period-over-period improvement reflects the increase in revenue, partially offset by higher operating costs in connection with volume increases, higher raw material costs and SG&A expenses.

Full-Year 2017 Financial Results:

Revenue for the year ended December 31, 2017, totaled $1,601 million, an increase of $299 million, or 23%, from revenue of $1,302 million in 2016. The year-over-year increase was primarily due to the improved selling price per nt and slightly higher volumes. Average selling price per nt increased by $140 per nt, or 21%, from $659 per nt in 2016, to $799 per nt in 2017, due to improved market price of steel. Shipping volumes increased from 1,976 thousand nt in 2016 to 2,003 thousand nt in 2017, a 1% increase. The planned blast furnace outage in Q3 2017 negatively impacted production volumes for the year, as did a reduction in blast furnace production that occurred in the early months of 2017 in order to maintain furnace stability ahead of the third quarter outage. However, as previously noted, steel production improved significantly after completion of the outage in mid-September, as indicated by LEWs' new single-month steel production record in December 2017.

Gross profit increased by $177 million, from $15 million in 2016 to $192 million in 2017, mainly due to the revenue increase, partially offset by an increase in cost of goods sold. The higher cost of goods sold was attributed to an increase in raw material costs, unabsorbed manufacturing cost variances and incremental expenses incurred due to our planned blast furnace outage during the third quarter of 2017. Additionally, the company incurred additional maintenance and operating inefficiencies in the months leading up to the outage. Raw material costs increased year-over-year due to price increases for material such as metallurgical coal and scrap metal, partially offset by lower iron ore costs.

SG&A increased $53 million year-over-year, from $24 million in 2016 to $77 million in 2017, primarily due to a $19 million increase in ERP implementation expenses relating to the separation from the Company's prior owner, $18 million of acquisition related costs associated with the purchase of the Company by Bedrock, higher professional, consulting, and legal fees related to post-CCAA administration, and repatriation costs of functions previously performed by the Company's prior owner.

Finance costs decreased by $43 million, or 22%, from $197 million in 2016 to $154 million in the fourth quarter of 2017 primarily due to a decrease in interest on loans and borrowings extinguished through the CCAA process, partly offset by $27 million of accretion and remeasurement expenses associated with our employee benefit commitment obligation.

Net income for the year was $3,579 million and included a $3,653 million gain related to emergence from CCAA, among other costs as discussed below. Compared to a net loss of $236 million in 2016, the year-over-year increase in net income reflects the gain on CCAA emergence, as well as improved revenue and lower finance costs, partly offset by higher operating and SG&A costs.

Adjusted net income for the year was $45 million compared to an adjusted net loss of $137 million in 2016. The year-over-year increase in adjusted net income reflects improved revenue and lower finance cost, offset by higher operating and SG&A costs.

Adjusted EBITDA in 2017 totaled $216 million, an increase of $128 million, or 145%, year-over-year from adjusted EBITDA of $88 million in 2016. The year-over-year improvement reflects the increase in revenue, partially offset by higher operating costs due to volume increases and higher raw material costs, as well as increases in SG&A expenses.

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Summary of Net Tons Shipped by Product for Periods Ended December 31:

(in thousands of nt)

Tons Shipped by Product	Q4 2017	Q4 2016	Change	2017	2016	Change
Hot-rolled	473	322	47%	1,471	1,446	2%
Coated	77	104	-26%	379	412	-8%
Cold-rolled	15	8	88%	58	14	314%
Other	27	29	-7%	95	104	-9%
Total	592	463	28%	2,003	1,976	1%
Shipments by Product (%)						
Hot-rolled	80%	70%		73%	73%	
Coated	13%	22%		19%	21%	
Cold-rolled	3%	2%		3%	1%	
Other	4%	6%		5%	5%	
Total	100%	100%		100%	100%	

Inventory Monetization Arrangement:

As previously announced, in December 2017, Stelco Inc. entered an inventory monetization arrangement which is subject to a financing rate of LIBOR plus a margin of 3.5%. Under the terms of the arrangement, Stelco receives cash proceeds based upon an agreed pricing formula, less a required cash margin, and the quantity of certain raw materials on-site. Currently, iron ore and metallurgical coal inventory are monetized under the arrangement up to a specified maximum volume. Upon consumption of the raw materials, amounts monetized under the arrangement are repaid to the counterparty. Any amount remaining outstanding under the arrangement in respect of raw material inventory that is not consumed during the term, is due and payable on October 31, 2018 with an option to terminate the arrangement earlier, on either August 31, 2018 or September 28, 2018. The arrangement also provides the parties an option to renew the agreement for additional one-year terms, subject to both parties electing to renew.

Stelco Holdings Highlights:

Stelco Holdings Inc. was incorporated on September 25, 2017 under the Canada Business Corporations Act and issued 10 shares to its immediate parent, Bedrock Industries B.V. on that date. Stelco Holdings was formed for the purposes of completing an initial public offering (“IPO”) of its common shares. On November 10, 2017, Stelco Holdings completed its IPO, listing its common shares on the Toronto Stock Exchange (the “TSX”) under the symbol ‘STLC’. On November 10, 2017, Stelco Holdings acquired all of the issued and outstanding shares of Stelco under a common control transaction resulting in Stelco becoming a wholly owned subsidiary of Stelco Holdings effective July 1, 2017 for accounting purposes.

Stelco Holdings’ consolidated statement of loss for the six months ended December 31, 2017, includes Stelco’s financial results for the period, reflecting as if the combination of these entities under common control had occurred from the beginning of the period. In addition, Stelco Holdings’ operating results during the period include its standalone SG&A expenses and certain purchase accounting adjustments related to Bedrock Industries' acquisition of Stelco as at June 30, 2017. Stelco Holdings' SG&A expenses for the six months ending December 31, 2017, were $20 million, substantially all of which were related to the IPO, including commissions, professional fees, listing fees, and other IPO related costs.

These IPO costs, as well as the effect of certain other purchase accounting adjustments, specifically the fair value adjustment related to Stelco's inventory at June 30, 2017, were adjusted in the calculation of Stelco Holdings' adjusted net income and adjusted EBITDA for the six months ending December 31, 2017.

Financial Summary:

(in millions, except volume and per nt figures) Six months ending December 31,	2017
Revenue ($)	788
Operating income ($)	25
Net loss ($)	(15)
Net loss per share ($)	(0.19)
Adjusted EBITDA* ($)	76
Adjusted Net Income* ($)	41
Adjusted net income per share* ($)	0.52
Adjusted EBITDA per nt * ($)	76
Average selling price per nt* ($)	786
Shipping volume* (in thousands of nt)	1,003

* See "Non-IFRS measures" for a description of Non-IFRS measures used in this Press Release and "Non-IFRS Measures Results" below.

Statement of Financial Position and Liquidity:

During the fourth quarter of 2017, Stelco Holdings continued to improve its balance sheet strength with the successful completion of its IPO. Gross proceeds from the IPO were approximately $230 million, or net proceeds of $207 million after commissions, professional fees, and other IPO related costs, including $3 million of costs capitalized as an element of equity. On a consolidated basis, Stelco Holdings ended 2017 with total liquidity of $519 million, including cash of $250 million and $269 million of revolver capacity under the ABL credit facility.

The following table shows selected information regarding the Stelco Holdings consolidated statement of financial position as at the noted dates:

(millions of Canadian dollars) As at	December 31, 2017	June 30, 2017
Assets		
Current		
Cash and cash equivalents	**250**	30
Trade and other receivables	**204**	169
Inventories	**448**	282
Total current assets	**932**	562
Total assets	**1,223**	846
Liabilities and equity		
Trade and other payables	**309**	94
Total current liabilities	**374**	154
Total liabilities	**726**	561
Total equity	**497**	285

In addition to its sound liquidity position, Stelco Holdings and its subsidiaries ended 2017 with current assets of $932 million, which exceeded current liabilities of $374 million by $558 million. Stelco Holdings and its subsidiaries had no long-term debt as at December 31, 2017, and $344 million of employee benefit commitments. Stelco Holdings consolidated equity totaled $497 million as at December 31, 2017.

Declaration of Dividend

Mr. Kestenbaum concluded, "Earlier today, the Stelco Holdings Board of Directors approved payment of a quarterly cash dividend in the amount of $0.10 per share payable on March 12, 2018 to shareholders of record on March 7, 2018. This decision is consistent with our stated strategy to maximize shareholder returns while maintaining a conservative capital structure that positions us to pursue growth opportunities."

Quarterly Results Conference Call

Stelco management will host a conference call to discuss its results tomorrow, Thursday, February 22, 2018 at 9 a.m. EST. To access the call, please dial 1-800-289-0438 (U.S. and Canada) or 1-323-794-2423 (international) and reference conference ID 4877607. The conference call will also be webcasted live on the Investor Relations section of Stelco's web site at https://www.stelco.com/investors. A presentation that will accompany the conference call will also be available on the website prior to the conference call.

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Following the conclusion of the live call, a replay of the webcast will be available on the Investor Relations section of the Company's website for at least 90 days. A telephonic replay of the conference call will also be available from 12 p.m. ET on February 22, 2018 until 11:59 p.m. ET on March 8, 2018 by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (international) and using the pin number 4877607

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's (including both Stelco Holdings Inc. and Stelco Inc.) audited annual condensed consolidated financial statements for the period ended December 31, 2017, and Management's Discussion & Analysis thereon are available under the Company's profile on SEDAR at www.sedar.com.

About Stelco

Stelco is a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America. Stelco produces flat-rolled value-added steels, including premium-quality coated, cold-rolled and hot-rolled steel products. With first-rate gauge, crown, and shape control, as well as reliable uniformity of mechanical properties, our steel products are supplied to customers in the construction, automotive and energy industries across Canada and the United States as well as to a variety of steel services centres, which are regional distributers of steel products.

Non-IFRS Measures

This news release refers to certain non-IFRS measures that are not recognized under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "adjusted net income", ''adjusted EBITDA'', ''adjusted EBITDA per nt'', ''selling price per nt'', and ''shipping volume'' to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management uses these non-IFRS financial measures to facilitate operating performance comparisons from period-to-period, to prepare annual operating budgets and forecasts, and drive performance through our management compensation program. For a reconciliation of certain of these non-IFRS measures refer to the Company's "Non-IFRS Measures Results" section below and in the "Non-IFRS Performance Measures" in our Management Discussion and Analysis for the period ended December 31, 2017 available on SEDAR at www.sedar.com (the "MD&A"). For a definition of certain non-IFRS measures, refer to the "Non-IFRS Performance Measures" section of the Company's MD&A.

Note All dollar figures herein are Canadian dollars, unless otherwise noted.

Forward-Looking Information

This release contains ''forward-looking information'' within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as ''plans'', ''targets'', ''expects'' or ''does not expect'', ''is expected'', ''an opportunity exists'', ''budget'', ''scheduled'', ''estimates'', ''outlook'', ''forecasts'', ''projection'', ''prospects'', ''strategy'', ''intends'', ''anticipates'', ''does not anticipate'', ''believes'', or variations of such words and phrases or state that certain actions, events or results ''may'', ''could'', ''would'', ''might'', ''will'', ''will be taken'', ''occur'' or ''be achieved''. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances may be forward looking statements. Forward-looking statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. The forward-looking statements contained herein are presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

The forward-looking information includes, among other things, statements relating to the continuation of the strong production performance enhancements tour LEW dock facilities, the Company's position to grow organically and the future actions relating thereto and the anticipation of creating value.

Undue reliance should not be placed on forward-looking statements. This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Such forward-looking information is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including those described in the MD&A and referred to under the heading "Risk Factors" in the Company's final supplemented prep prospectus dated November 2, 2017 in respect of the Company's initial public offering that closed on November 10, 2017 and available on SEDAR at www.sedar.com. The forward-looking statements contained in this release are made as of the date hereof. Stelco undertakes no obligation to update publicly or revise any forward-looking statements, whether written or oral, whether as a result of new information, future events or otherwise, except as required by law.

For Further Information

For investor enquiries: Don Newman, Chief Financial Officer, 905.577.4432, don.newman@stelco.com
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Note All dollar figures herein are Canadian dollars, unless otherwise noted.

Selected Financial Information

The following includes financial information prepared by management in accordance with IFRS. This financial information does not contain all disclosures required by IFRS, and accordingly should be read in conjunction with Stelco Holdings Inc.'s and Stelco Inc.'s Consolidated Financial Statements and MD&A for the period ended December 31, 2017, which is available on the Company's website and on SEDAR.

Stelco Inc.

Consolidated statements of income (loss)
For the noted periods ending December 31,
(unaudited)

	Three months ended December 31,		Years ended December 31,	
(millions of Canadian dollars)	**2017**	**2016**	**2017**	**2016**
Revenue from sale of goods	**452**	312	**1,601**	1,301
Commission income	**-**	-	**-**	1
	452	312	**1,601**	1,302
Cost of goods sold	**383**	324	**1,409**	1,287
Gross profit (loss)	**69**	(12)	**192**	15
Selling, general and administrative expenses	**15**	5	**77**	24
Operating income (loss)	**54**	(17)	**115**	(9)
Finance costs	**21**	61	**154**	197
Finance income	**-**	(1)	**(1)**	(1)
Share of loss of joint ventures	**1**	1	**2**	1
Gain on disposal of property, plant and equipment	**-**	(2)	**-**	(2)
Restructuring costs	**5**	10	**38**	36
(Gain) Loss on emergence from CCAA	**12**	-	**(3,653)**	-
Other income	**(1)**	(3)	**(4)**	(4)
Income (loss) before income taxes	**16**	(83)	**3,579**	(236)
Income tax expense	**-**	-	**-**	-
Net income (loss) for the year	**16**	(83)	**3,579**	(236)

Stelco Holdings Inc.

Consolidated statements of loss and comprehensive loss
(unaudited)

(millions of Canadian dollars)	
Six months ended December 31,	**2017**
Revenue from sale of goods	**788**
Commission income	**-**
	788
Cost of goods sold	**716**
Gross profit	**72**
Selling, general and administrative expenses	**47**
Operating income	**25**
Finance costs	**33**
Share of loss of joint ventures	**1**
Restructuring costs	**6**
Loss before income taxes	**(15)**
Income tax expense	**-**
Loss for the period	**(15)**

Note All dollar figures herein are Canadian dollars, unless otherwise noted.

Stelco Inc.
Consolidated statements of financial position
(unaudited)

(millions of Canadian dollars)		
As at December 31,	**2017**	**2016**
Assets		
Current		
Cash and cash equivalents	**45**	188
Restricted cash	**12**	9
Trade and other receivables	**203**	237
Inventories	**448**	314
Prepaid expenses	**18**	47
Total current assets	**726**	795
Property, plant and equipment	**305**	378
Investment property	**-**	21
Investment in joint ventures	**4**	6
Total non-current assets	**309**	405
Total assets	**1,035**	1,200
Liabilities and equity (deficiency)		
Current		
Trade and other payables	**310**	457
Current portion of long-term debt	**-**	1,822
Other liabilities	**33**	1,172
Employee benefit commitment	**32**	-
Total current liabilities	**375**	3,451
Provisions	**5**	5
Pension and other post-employment benefits	**-**	1,030
Other liabilities	**34**	1
Employee benefit commitment	**312**	-
Total non-current liabilities	**351**	1,036
Total liabilities	**726**	4,487
Equity (deficiency)		
Common shares	**2,325**	2,325
Contributed surplus	**500**	430
Retained deficit	**(2,516)**	(6,042)
Total equity (deficiency)	**309**	(3,287)
Total liabilities and equity	**1,035**	1,200

Note All dollar figures herein are Canadian dollars, unless otherwise noted.

Stelco Holdings Inc.

Consolidated statements of financial position

(millions of Canadian dollars) As at	**December 31, 2017**	**June 30, 2017**
Assets		
Current		
Cash and cash equivalents	**250**	30
Restricted cash	**12**	22
Trade and other receivables	**204**	169
Inventories	**448**	282
Prepaid expenses	**18**	59
Total current assets	**932**	562
Property, plant and equipment	**279**	270
Intangible assets	**7**	8
Investment in joint ventures	**5**	6
Total non-current assets	**291**	284
Total assets	**1,223**	846
Liabilities and equity (deficiency)		
Current		
Trade and other payables	**309**	94
Other liabilities	**33**	31
Employee benefit commitment	**32**	29
Total current liabilities	**374**	154
Long-term debt	**-**	79
Provisions	**5**	5
Other liabilities	**35**	23
Employee benefit commitment	**312**	300
Total non-current liabilities	**352**	407
Total liabilities	**726**	561
Equity		
Common shares	**512**	285
Retained deficit	**(15)**	-
Total equity	**497**	285
Total liabilities and equity	**1,223**	846

Note All dollar figures herein are Canadian dollars, unless otherwise noted.

Non-IFRS Measures Results

The following tables provides a reconciliation of net income (loss) to adjusted net income (loss) for the periods indicated, for further information, see "Non-IFRS Measures":

Stelco Inc.

	Three months ended December 31,		Years ended December 31,	
(millions of Canadian dollars)	**2017**	2016	**2017**	2016
Net income (loss)	**16**	(83)	**3,579**	(236)
Add back/(Deduct):				
(Gain) Loss related to emergence from CCAA[1]	**12**	-	**(3,653)**	-
Acquisition related costs[2]	**-**	-	**18**	-
Remeasurement of employee benefit commitment[3]	**10**	-	**10**	-
Provision on pension and other post-employment benefits[4]	**-**	23	**26**	60
Restructuring costs[5]	**5**	10	**38**	36
Separation costs related to USS support services[6]	**6**	3	**27**	3
Adjusted net income (loss)	**49**	(47)	**45**	(137)

1. Represents the gain from the implementation of the CCAA plan on June 30, 2017. Refer to note 25 of the 2017 consolidated financial statements for further details. For the three months ended December 31, 2017, loss on emergence from CCAA relates to a $12 million adjustment associated with a change in the expected timing of payments and total cashflows impacting our measurement of the Company's employee benefit commitment liability at the date of Stelco's emergence from CCAA.
2. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
3. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
4. Represents difference between total cash funding obligation for pensions and OPEBs.
5. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
6. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.

Stelco Holdings Inc.

(millions of Canadian dollars, except where otherwise noted)	
Six months ended December 31,	**2017**
Net loss	**(15)**
Add back/(Deduct):	
Initial public offering costs[1]	**20**
Remeasurment of employee benefit commitment[2]	**10**
Fair value impact on acquired inventory recorded in cost of sales[3]	**11**
Provision on pension and other post-employment benefits[4]	**2**
Restructuring costs[5]	**6**
Separation costs related to USS support services[6]	**7**
Adjusted net income	**41**

1. Represents IPO costs that relate to advisory, professional and legal fees, as well as printing costs incurred which were not eligible for capitalization to equity as a cost of capital.
2. Includes remeasurement of employee benefit commitment related to changes in future funding requirements.
3. Included in cost of sales for the period is the difference between the fair value of inventory acquired by the Company and book value of Stelco's inventory at the date of acquisition. This difference has been added back to calculate Adjusted Net Income as it is considered to be a non-cash expense and not reflective as a cost of sale in nature
4. Represents difference between total cash funding obligation for pensions and OPEBs.
5. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The CCAA plan was implemented on June 30, 2017.
6. Relates primarily to ERP implementation costs associated with the process of separating from USS.

The following tables provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods indicated:

Stelco Inc.

	Three months ended December 31,		Year ended December 31,	
(millions of Canadian dollars, except where otherwise noted)	**2017**	**2016**	**2017**	**2016**
Net income (loss)	**16**	(83)	**3,579**	(236)
Add back/(Deduct):				
Depreciation	**9**	7	**28**	29
Finance costs	**21**	61	**154**	197
Finance income	**-**	(1)	**(1)**	(1)
EBITDA	**46**	(16)	**3,760**	(11)
Add back/(Deduct):				
(Gain) Loss related to emergence from CCAA[1]	**12**	-	**(3,653)**	-
Acquisition related costs[2]	**-**	-	**18**	-
Provision on pension and other post-employment benefits[3]	**-**	23	**26**	60
Restructuring costs[4]	**5**	10	**38**	36
Separation costs related to USS support services[5]	**6**	3	**27**	3
Adjusted EBITDA	**69**	20	**216**	88
Adjusted EBITDA as a percentage of total revenue	**15%**	6%	**13%**	7%

1. Represents the gain from the implementation of the CCAA plan on June 30, 2017. Refer to note 25 of the 2017 consolidated financial statements for further details. For the three months ended December 31, 2017, loss on emergence from CCAA relates to a $12 million adjustment associated with a change in the expected timing of payments and total cashflows impacting our measurement of the Company's employee benefit commitment liability at the date of Stelco's emergence from CCAA.
2. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
3. Represents difference between total cash funding obligation for pensions and OPEBs and amount already reflected in EBITDA.
4. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
5. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.

Stelco Holdings Inc**.**

(millions of Canadian dollars, except where otherwise noted)

Six months ended December 31,	**2017**
Net loss	**(15)**
Add back/(Deduct):	
Depreciation	**12**
Finance costs	**33**
Finance income	**-**
EBITDA	**30**
Add back/(Deduct):	
Initial public offering costs[1]	**20**
Fair value impact on acquired inventory recorded in cost of sales[2]	**11**
Provision on pension and other post-employment benefits[3]	**2**
Restructuring costs[4]	**6**
Separation costs related to USS support services[5]	**7**
Adjusted EBITDA	**76**
Adjusted EBITDA as a percentage of total revenue	**10%**

1. Represents IPO costs that relate to advisory, professional and legal fees, as well as printing costs incurred which were not eligible for capitalization to equity as a cost of capital.
2. Included in cost of sales for the period is the difference between the fair value of inventory acquired by the Company and book value of the Company's inventory at the date of acquisition. This difference has been added back to calculate Adjusted EBITDA as it is considered to be a non-cash expense and not reflective as a cost of sale in nature.
3. Represents difference between total cash funding obligation for pensions and OPEBs and amount already reflected in EBITDA.
4. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The CCAA plan was implemented on June 30, 2017.
5. Relates primarily to ERP implementation costs associated with the process of separating from USS.

Note All dollar figures herein are Canadian dollars, unless otherwise noted.