

Severstal North America, Inc.
Steel Mill Upgrade & Retention
Summary Estimates
(all estimates in 2005 dollars)

TOTAL JOBS RETAINED	11,300
Direct	2,005
Indirect	9,295
NET POSITIVE STATE REVENUE IMPACT	\$889,643,000
Revenue Foregone	\$28,787,000
Revenue Gain	\$918,430,000
Personal Income Generated Over Life of MEGA Agreement	\$11,943,170,000
Average Weekly Wage	\$820
Statewide Employment Multiplier	4.80

**Economic and Fiscal Effects on Michigan of the Severstal North America, Inc., Facility Retention
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2011	2012	2013	2015	2020	2025	2027	Total 2006-2027
Total employment	8,813	10,799	9,617	9,150	8,754	8,556	8,479	8,366	8,558	9,572	10,813	11,300	—
Manufacturing	2,621	2,760	2,506	2,388	2,294	2,240	2,209	2,182	2,188	2,269	2,352	2,377	—
Nonmanufacturing	6,192	8,039	7,111	6,762	6,460	6,316	6,270	6,184	6,370	7,303	8,461	8,923	—
Retail trade	1,136	1,362	1,188	1,098	1,023	975	948	920	928	1,046	1,203	1,265	—
Services	2,096	2,634	2,253	2,065	1,910	1,839	1,812	1,773	1,855	2,276	2,809	3,021	—
Other	2,960	4,043	3,670	3,599	3,527	3,502	3,510	3,491	3,587	3,981	4,449	4,637	—
In current dollars (thousands):													
Personal income	471,200	640,000	636,200	650,500	659,600	675,000	693,700	709,600	768,900	991,800	1,299,000	1,449,200	19,777,500
Gross state revenue	36,235	49,216	48,924	50,023	50,723	51,908	53,346	54,568	59,128	76,269	99,893	111,443	1,520,890
MEGA cost	0	0	1,667	1,728	1,731	1,734	1,737	1,811	1,981	2,553	3,428	3,907	48,606
State revenue net of MEGA cost*	36,235	49,216	47,257	48,295	48,992	50,174	51,609	52,757	57,147	73,716	96,465	107,536	1,472,284
Adjusted for inflation (thousands of 2005 dollars):													
Personal income	383,778	492,927	466,819	462,942	458,810	461,191	466,733	470,073	493,314	577,289	677,332	720,344	11,943,170
Gross state revenue	29,513	37,906	35,899	35,600	35,283	35,465	35,892	36,149	37,936	44,393	52,087	55,394	918,430
MEGA cost	0	0	1,223	1,230	1,204	1,185	1,168	1,200	1,271	1,486	1,787	1,942	28,787
State revenue net of MEGA cost*	29,513	37,906	34,676	34,370	34,079	34,280	34,724	34,949	36,665	42,907	50,300	53,452	889,643

*These estimates do not include any state government revenue losses due to the Investment Tax Credit or the property tax abatement.