

Metinvest places US\$ 750 million 7-year eurobond

Metinvest (the "Company"), the international vertically integrated mining and steel group of companies, announced that it has successfully placed a US\$ 750 million 7-year Eurobond with a coupon of 8.75%. The bond matures on February 14, 2018. The placement was implemented within the framework of a US\$ 1 billion Euro Medium Term Notes (EMTN) programme. The proceeds from the issue will be used to finance the Company's capital expenditure programme and for general corporate purposes.

The orderbook was more than 3 times oversubscribed, comprising orders from over 200 international investors, with US-based investors accounting for 40% of the book, CIS and other European investors for 32%, UK investors for 18%, Swiss investors for 8% and investors from other countries for 2%. The notes were admitted to the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market of the Irish Stock Exchange on February 14, 2011.

The EMTN programme was arranged, and the issue managed, by Credit Suisse Securities (Europe) Limited, ING Bank N.V., London Branch, The Royal Bank of Scotland plc, VTB Capital plc, Deutsche Bank AG, London Branch, and Sberbank of Russia.

The international rating agency Fitch Ratings has assigned Metinvest's Eurobond issue an expected senior unsecured B rating, while Moody's Investors Service has assigned a provisional B2 rating.

Metinvest believes that it is the first and, to date, only Ukrainian corporate issuer to have established a listed EMTN programme. The Company was able to issue the largest and the longest tenor ever benchmark Eurobond in the Ukrainian non-sovereign space paying zero new issue premium.

Sergiy Novikov, Chief Financial Officer of Metinvest, commented: "It is extremely important to have quick access to the debt capital markets in the rapidly changing market environment. Efficient financial activity requires the maintenance of an optimal capital structure which would enable a company not only to properly manage its business and improve its financial results, but also to timely create the most favorable conditions for strong and consistent growth. Our Eurobond issue will assist us in reaching these goals. The success of this placement reflects the high level of interest in our business from foreign investors, as well as their confidence in our reputation as a reliable borrower."

In May 2010, Metinvest placed a debut US\$ 500 million 5-year Eurobond with a coupon of 10.25%.

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Metinvest is an international vertically integrated mining and steel group of companies, operating assets in each link of the production chain from iron ore and coal mining and coke production, through to semi-finished and finished steel production, pipe rolling and coil production and production of other value-added products. The Group comprises mining and steel production facilities located in Ukraine, Europe and the USA and has a sales network covering all key global markets. The major share-holders of Metinvest are

SCM Group (75% ownership) and Smart-Holding (25% ownership) partnering in Company's management.

METINVEST HOLDING, LLC is the managing company of Metinvest Group.

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