Metinvest to expand its high-strength steel products mix.

Metinvest – the international vertically integrated metals and mining group of companies, – is proceeding with the active phase of the $63 million project on revamping of the Heavy Plate Mill 3600 at its Azovstal Iron & Steel Works. This also includes commissioning of the facility equipment for production of X80 and X90 high-strength pipe plate of SMS-Siemag make, a German machine building group chosen as the general contractor and vendor of the equipment. The project is being realized within the framework of Metinvest’s long-term modernization and reconstruction programme.

SMS-Siemag is a world-renowned manufacturer of metallurgical equipment and rolling mills technology provider and has a broad experience of cooperation with leading steel companies from China, South Korea and Russia. According to the signed $20 million contract SMS-Siemag is to supply and install the technological equipment complex, including Hot Plate Leveller, Automatic Gauge Control, Automatic Metal Tracking System for revamping of the Plate Mill and to install the previously purchased Accelerated Cooling Unit (ACU) and Water Treatment System. The first equipment batch will is to be delivered in the end of July 2011.

In September 2011 operations at Plate Mill 3600 will be stopped for an overhaul during which the assembly and installation of the ACU and Hot Plate Leveller will be performed. SMS-Siemag will provide project supervision work as well as perform personnel training. The whole production complex is to be commissioned after the overhaul in October of 2011.

Commissioning of these units will see the application of a thermal-mechanical controlled process of plate production followed by controlled accelerated cooling of rolled steel, thus providing the required mechanical properties of plates without additional alloying of steel. The expected 20% reduction of the alloys content in the steel, while maintaining its required strength characteristics, will decrease pipe plate production costs by 3%.

"Steel rolling is one of the important directions of our production chain development. Reconstruction of the Heavy Plate Mill 3600 marks a new phase of our plant’s modernization. With the help of advanced technologies and equipment, we will be able to make our products less steel intensive and reduce productions costs", emphasized Enver Tskitishvili, Director General of PJSC "Azovstal Iron & Steel Works".

Supply of higher strength pipe plate from Azovstal will allow to reduce the wall thickness of SAW LD high-strength line pipes manufactured at Khartsyzsk Pipe Plant for high pressure oil and gas pipelines.

"The projects like this help us to retain our competitive edge and meet the changing requirements and expectations of our customers. We ought to become even more client-oriented and continue developing further", noted Aleksander Pogozhev, Director of Metinvest’s Steel and Rolled Products Division.

Editorial notice: SMS-Siemag is a large supplier of the equipment for metallurgical enterprises, specialized in rolling. The company has a long-time experience of cooperation with the metallurgical enterprises all over the world. It is included into the international holding SMS Group. The stile of SMS-Siemag work lies in development of complex service solutions, being not a standard service package, but a solution individually developed in compliance with the requirements of the customer.

Public Joint Stock Company "Azovstal Iron & Steel Works" is a modern high-tech enterprise manufacturing a wide range of steel products: slabs, bars, shapes, railway rails, rail fasteners, square billets, plates and products of metallurgical slag.

Production facilities of the enterprise allow to produce over 5.5 mln. t of iron per year, over 6.4 mln. t of steel per year (with the purpose of reaching 7 mln. t of steel per year), and more than 4.4 mln. t of rolled products. Design capacities for rail fasteners production are 285 thous. t per year, milling balls - 170 thous. t per year.

METINVEST GROUP is an international vertically integrated steel and mining 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. Metinvest Group is structured
into three operating divisions: Coke and Coal Division, Iron ore Division, Steel and Rolled Products Division and has a strategic vision to become the leading vertically integrated steel producer in Europe, delivering sustainable growth and profitability resilient to business cycles and providing investors with returns at above the industry benchmarks.

The major shareholders of the Company METINVEST B.V (a holding company of Metinvest Group) are SCM Group (71.25% ownership) and Smart-Holding (23.75% ownership) partnering in Company’s management.

METINVEST HOLDING LLC is the managing company of Metinvest Group.