

## Metinvest purchased the major shareholding of Closed Joint-Stock Company “Belgorodmetalloznab” (Russia)

Metinvest Eurasia LLC, the wholesale and retail sales channel of Metinvest Group in Russian Federation, declared on purchasing 85,21% of shares of CJSC ‘Belgorodmetalloznab’, a large warehouse complex and steel products transshipment center in Belgorod (Russia), within implementing the strategy on developing the own distribution center at the market of Russia.

Metinvest Eurasia shipping the products to Russian customers from over 30 warehouses and steel products centers in Central, South, North-Caucasus, Northwestern and Volga Federal Districts, is aimed at establishing the own storage yards in target regions of Russia in order to improve the customer service and optimize the current goods traffic. That is why it was decided on purchasing the major shareholding of CJSC ‘Belgorodmetalloznab’ that was implemented as the first step on launching the strategy which will balance the deliveries to 3<sup>rd</sup> party and own storage yards during several years.

Belgorodmetalloznab founded in 1954 within USSR State Logistics Committee, is able to ensure the stable full-service steel products flow to the extent not less than 30 thous. t (acceptance, storing and shipment) and one-time storing to the amount of at least 50 thous. t. The asset complex is comprised of 7,5 ha of the land, around 30 thous. m<sup>2</sup> of open and covered storage areas, customs temporary storage warehouse, crane equipment, own railway, locomotives, and other equipment and infrastructure required for the warehouse complex functioning.

“Purchase and integration of CJSC ‘Belgorodmetalloznab’ to the Metinvest Group is an important step from the strategic point of view that allows us entering the whole new service level rendered to Russian customers, optimizing the supply chain, and reducing the cargo handling costs. Opportunities of this new center provide us both with the retail shipments that can be made to the customers not only in Belgorod region but in Central Black Earth Region in whole, and with a distribution center established for efficient small-scale wholesale shipments of the customers from Moscow region and other regions of Central and Northwestern Federal Districts”, - so Roman Rybalov, General Director of Metinvest Eurasia.

Yuliya Popova who previously held the position of Director of Metinvest Eurasia subsidiary in Belgorod is appointed to the General Director of CJSC ‘Belgorodmetalloznab’.

### Reference note:

**Metinvest Eurasia LLC** is a wholesale and retail sales channel for Metinvest Group steel products in Russian Federation. The Company sells the products of MMKI, Zaporozhstal, Azovstal, EMZ and other manufacturers at the Russian market through the subsidiaries network comprising of over 30 warehouses and service metal centers in Central, South, North-Caucasus, Northwestern and Volga Federal Districts of RF. The main consumers of Metinvest Eurasia products are represented with the enterprises working in machine building, metallurgy and construction, as well as steel structures plants, metal trading companies and SMC — over 3000 assets of Russia.

**Metinvest** is an international vertically integrated group of companies. Manufacturing capacities of Metinvest assets allow not only meeting the own demands in raw materials, liquid steel and semi-finished products, but also ensuring the large part of Ukrainian and European enterprises, and the metallurgy in Asia as well. Shareholders of Metinvest are SCM Group (71.25%) and SMART Holding (23.75%), partnering in Company’s management.

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