

## Ukrainian President takes part in the inauguration of continuous casting machine at Ilyich Steel

Ukrainian President Petro Poroshenko took part in the inauguration of continuous casting machine no. 4 at Ilyich Steel, a unique project for Ukraine, in which Metinvest invested some US\$150 million.



The facility features technology that complies with European environmental standards and will increase the plant's steel smelting capacity by almost 40%. Modern continuous casting equipment enables steelmakers to improve efficiency and product quality, while increasing the rate of hot metal conversion to high value-added products.

The work, which represents the largest industrial construction project of its kind in Ukraine since independence, began in September 2016. Over 40 contractor companies took part in the construction, while over 850 specialists were involved in the project overall.

The facility, which was supplied by Primetals Technologies, consists of a high-performance, two-strand continuous casting machine, a twin ladle-furnace with a modern gas cleaning plant, a reverse-osmosis water preparation plant, a compensation filter system and a heat coordination system, which are already in operation.

The continuous casting machine also features one of the most progressive dust removal technologies and a water recycling system for cooling. Its gas cleaning equipment is compliant with EU environmental requirements: the top-grade de-dusting system mitigates the environmental impact.



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The facility, which is based on Austrian technology, will allow Ilyich Steel to produce 2.5 million tonnes of 170-250 mm x 900-1550 mm cast slabs a year by partly abolishing pig iron exports and diverting hot metal to high-

quality steelmaking. High-quality steel exports is expected to bring an additional US\$1 billion of foreign-currency revenues to Ukraine. The facility has also created 347 jobs at basic oxygen furnace shop and auxiliary operations at Ilyich Steel.

To finance the project, the Group secured a seven-year buyer credit facility of some EUR43.2 million, covered by an Austrian export guarantee from Oesterreichische Kontrollbank Aktiengesellschaft (OeKB). Raiffeisen Bank International AG acted as the sole lender. The interest rate has been set at the six-month EURIBOR plus margin, while the facility matures in September 2025.

**Speaking at the inauguration, Petro Poroshenko said:**

“Five years ago, it seemed incredible that multi-million dollar investments would come to the iron and steelmaking industry of Donbas. Today, Ukraine is rising in the ranks of steelmaking countries. My mission here is not just to take part in launching a continuous casting machine at an integrated steelmaking plant in Mariupol. My duty is to thank the steelmakers and residents of Mariupol for the changes taking place in the industry, the city and the country. Together, we are restoring the glory of Ukraine’s metals and mining industry.”

**Yuriy Ryzhenkov, Chief Executive Officer of Metinvest, commented:**

“Achieving international environmental standards is a key task for Metinvest today. We are investing in the environmental modernization of our production enterprises. The launch of this equipment marks further development for Mariupol and a new page in the history of Ukraine’s iron and steelmaking industry. This large-scale project will ensure cleaner production, new jobs, additional foreign-currency revenues of around US\$1 billion, and guaranteed prospects for the industry, region and city.”