

Social investments of Metinvest as of the first six months of 2011

Metinvest, an international vertically integrated group of metals and mining companies, has summarized the consolidated efforts of the enterprises in terms of social investments. The investments in the implementation of social, sponsored, charitable and corporate programs in the areas of presence comprised almost UAH 400 mln during the first half of 2011.

During the first half of 2011 Metinvest's Ukrainian assets also paid UAH 5.3 bln. of taxes and levies, including the single social contribution – UAH 919.7 mln. All payments have been performed timely, in full and meet the principles of transparent and responsible business practices. Metinvest Group carries out its activity in full compliance with the applicable legislation being an exemplary tax payer.

Total labor costs of all the Assets of the Group in the first half of 2011 exceeded UAH 3.6 bln. and increased year-on-year by over 45% in the view of the larger number of Assets (new Assets include MMKI and Komsomolskoe Mining Administration) and general salary rise at the Company, which vs. 2010 at Ukrainian enterprises of the Group comprised 15% and by over 1/3 outpaced the salaries growth rate throughout Ukraine (11%).

Increased headcount at Ukrainian enterprises of the Group balanced the average salary rate, which as of the first six months, comprised UAH 4012 – by over 60% higher vs. the average salary in Ukraine (according to the State Statistics Service the average salary rate in Ukraine as of the same period comprised UAH 2495).

Raising standards and quality of living of the residents of the areas of the Company's presence is an important component of the social strategy. Investments into the implementation of the regional development programs are one of the most effective social investing mechanisms. During the first half of 2011, UAH 19.5 mln. was allocated for these purposes. Investments into city infrastructure during the first half of 2011 comprised UAH 2.7 mln. In total, in 2011, the planned volume of social investments into development of the cities comprised UAH 47 mln. 199.57 thous.

«We consider the corporate social responsibility programs of Metinvest as a tool of improving the living standards of each Ukrainian citizen. Growth of social investments is an important indicator of positive changes in lives of the cities and the areas of presence of the Group's enterprises, growth in prosperity and improved social security of people. The long-term development strategy of our company lays the foundation for provision of decent jobs, salaries and confidence in the future, comfortable present and future of the cities and regions», - noted the CEO of METINVEST HOLDING, LLC Igor Syry in his comment about the performance as of the first six months of 2011.

For editors:

Metinvest is an international vertically integrated steel and mining group of companies, managing every link of the value chain, from mining and processing iron ore and coal to making and selling semi-finished and finished steel products. The Group comprises steel and mining 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.