

## Metinvest expands its sales network in Ukraine

Metinvest-SMC, retail sales channel of Metinvest Group in Ukraine, expanded its sales network in Western part of the country via the acquisition of all four of the service metal centers of private enterprise "Metal," the region's largest metals trading company.

The SMCs are located in the cities of Ternopil, Lviv and Khmel'nitsk and in the town of Broshniv-Osada (Ivano-Frankivsk oblast). They will be integrated into a single branch of Metinvest-SMC Western Ukraine, resulting in logistics optimisation and more efficient operations, allowing for improvements in the quality of service to regional clients.

The new SMCs will offer Metinvest Group's full range of products: rebar, angles, beams, channels, plates, pipes and other products. Inventory at the sites will be kept at a minimum of 15,000 metric tons.

The warehouse in Ternopil has a total floor space of 66,400 m<sup>2</sup>, six travelling-bridge cranes and two gantry cranes with a load capacity of 5-32 tons. The warehouse in Lviv has a total floor space of 11,000 m<sup>2</sup>, two travelling-bridge cranes and two gantry cranes with a load capacity of 10-20 tons. The warehouse in Khmel'nitsk has a total floor space of 13,400 m<sup>2</sup>, three travelling-bridge cranes and one gantry crane with a load capacity of 8-30 tons. The warehouse in Broshniv-Osada has a total floor space of 6,500 m<sup>2</sup> and two gantry cranes with a load capacity of 10.0-12.5 tons. All of the warehouses have open and covered storage areas, rail tracks, equipment, and everything necessary for the operation of a modern warehouse. These centers will process and deliver metals products to customers in the region.

"This year the Company has already opened five SMCs in Western Ukraine (including the SMC in Vinnitsya last spring," said Albert Avanesov, General Director of Metinvest-SMC, LLC. "We realize that successful sales through our distribution network depend on being close to our customers, making prompt deliveries, having a wide range of products and offering high-level customer service. That is why our team constantly works on trying to offer our customers and partners the most profitable and efficient solutions."

Editorial notice:

**Metinvest-SMC** is the largest and most actively developing network of service metal centers in Ukraine. The Company sells over 1,000 metals products from Metinvest Group and other companies in Ukraine and the CIS. Metinvest-SMC's network consists of 17 service metal centers in Kyiv, Donetsk, Dnipropetrovsk, Kharkiv, Kremenchuk, Kriviy Rih, Vinnitsya, Lviv, Khmel'nitsk, Broshniv-Osada, Ternopil, Mariupol, Mykolaiv, Odesa, Sevastopol and Simferopol.

**METINVEST GROUP** is a 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 two operating divisions: Metallurgical and Mining Divisions and has a strategic vision to become the leading vertically integrated steel producer in Europe, and to deliver sustainable growth and profitability resilient to business cycles, providing investors with returns at above the industry benchmarks. The Group generated US\$6.74 billion of revenues and a 16% EBITDA margin for the first half of 2012.

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

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

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