

Metinvest launches debt restructuring transaction

Metinvest B.V., the parent company of a vertically integrated group of steel and mining companies (jointly referred to as “Metinvest” or “the Group”), is pleased to announce that the principal finance documents have been agreed with the majority of noteholders and PXF lenders for its debt restructuring and Metinvest has issued a practice statement letter (the “Practice Statement Letter”) in connection with a proposed scheme of arrangement to implement the debt restructuring.

Launch of Restructuring

Metinvest is pleased to announce that the principal finance documents (the “**Restructuring Documents**”) for a restructuring of, among other things, the Notes and certain pre-export finance facilities with four syndicates of lenders (the “**PXF Facilities**”) to implement the proposal contained in the non-binding restructuring heads of terms published by Metinvest on 25 May 2016 (the “**Restructuring**”) has been agreed between Metinvest, certain noteholders including an ad hoc co-ordinating committee of holders of the Notes (the “**Noteholder Committee**”) and a coordinating committee of lenders under the PXF Facilities (the “**PXF CoCom**”).

Practice Statement Letter

Metinvest is also pleased to announce that it has issued the Practice Statement Letter in connection with its proposed scheme of arrangement (the “**Restructuring Scheme**”) pursuant to Part 26 of the Companies Act 2006 to the holders of all the Notes and all the lenders under the PXF Facilities. The Practice Statement Letter has been issued to the holders of the Notes through the Depository Trust Company, Euroclear and Clearstream, Luxembourg and has also been made available at

www.lucid-is.com/metinvest

to holders of the Notes that register on the website. The Practice Statement Letter has also been made available to the lenders under the PXF Facilities by the relevant facility agent.

The purpose of the Restructuring Scheme is to, among other matters, give effect to the Restructuring Documents and implement the Restructuring. Further details in relation to the Restructuring Scheme are contained in the Practice Statement Letter.

Noteholder Lock-up Agreement

Metinvest is also pleased to announce that it has entered into a lock-up agreement (the “**Noteholder Lock-Up Agreement**”) with certain noteholders and certain members of the Noteholder Committee, together representing in excess of 50% of the outstanding principal amount of the Notes. Pursuant to the Noteholder Lock-Up Agreement, among other things, noteholders who become a party to the Noteholder Lock-Up Agreement agree to support and vote (or instruct any proxy appointed by it to vote) in favour of the Restructuring Scheme. Metinvest also invites the remaining noteholders to accede to the Noteholder Lock-Up Agreement and encourages any noteholder who has not yet done so to accede as soon as possible. Noteholders who have entered into/acceded to the Noteholder Lock-Up Agreement by 16 January 2017 will be entitled to a lock-up fee following implementation of the Restructuring Scheme, further details of which are set out in the Noteholder Lock-Up Agreement. The effective date of the Noteholder Lock-Up Agreement was conditional on the effective date of a lock-up agreement between Metinvest and certain lenders under the PXF Facilities and the members of the PXF CoCom (the “**PXF Lock-Up Agreement**”). The PXF Lock-Up Agreement has been signed by the members of the PXF CoCom representing in aggregate in excess of 60% of the outstanding Existing PXF Facilities. The effective date of both the Noteholder Lock-Up Agreement and the PXF Lock-Up Agreement is 23 December 2016. Further details are contained in the Noteholder Lock-Up Agreement, which has also been made available to all noteholders at

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Transaction Documents

In connection with non-disclosure agreements between Metinvest, certain noteholders and certain members of the Noteholder Committee, Metinvest is required to publish certain transaction documents (in addition to the Practice Statement Letter) which are listed below (the “**Transaction Documents**”) in relation to the Restructuring and the Restructuring Scheme on a publicly accessible page on a public website by 23 December 2016. Accordingly, Metinvest hereby announces that it has uploaded the Transaction Documents to the following website:

www.lucid-is.com/metinvestrestructuring

The Transaction Documents (in the form agreed for the purposes of the non-disclosure agreements between Metinvest and the Noteholder Committee) are:

1. the terms and conditions of the new notes to be issued pursuant to the Restructuring Scheme (the “**New Notes**”);
2. the intercreditor agreement (the “**Intercreditor Agreement**”) between, among others, the holders of the New Notes and the lenders under the PXF Facilities, as amended and restated pursuant to the Restructuring Scheme (the “**Amended and Restated PXF Facility**”);
3. the pro forma version of the Noteholder Lock-up Agreement;
4. a draft of the sections to be included in the explanatory statement in relation to the Restructuring Scheme describing the following:
 - i. the Amended and Restated PXF Facility;
 - ii. the Intercreditor Agreement; and
 - iii. the shared common security which the holders of the New Notes and lenders under the Amended and Restated PXF Facility will benefit from following the Restructuring;
5. the most recent draft of the Restructuring Scheme; and
6. the Practice Statement Letter.

<https://metinvestholding.com/pl/media/news/7354>