

Metinvest exercises option to buy 50% of Industrial group's mining and metals business

Metinvest B.V. announced today that it has exercised an option to purchase a 50% stake in the Industrial Group's mining and metals business. As a result, Metinvest and a group of investors have consolidated more than a 50% stake in Zaporozhstal's shares.

The option to acquire the remaining 50% interest in the Industrial Group's mining and metals business was acquired by Metinvest during July, 2011 in the first phase of a deal between Metinvest and the Industrial Group. Following the transactions, Metinvest, jointly with a group of investors, became owner of 50.0032% of the Zaporozhstal I&SW shares (Metinvest owns 49.0032%, and the group of investors owns 1%) as well as shares in a number of other former Industrial Group companies in the mining and metals sector.

Metinvest plans to complete consolidation of the controlling stake in the future. The company has obtained all required permits for consolidation of the controlling stake in Zaporozhstal I&SW from anti-monopoly authorities in Ukraine and other countries.

Metinvest intends to finalize an in-depth analysis soon as the first step toward developing measures intended to improve Zaporozhstal's competitive ability.

"Acquisition of these mining and metals assets from the Industrial Group is part of our long-term development strategy, which foresees establishment of a world-class vertically integrated Metinvest that is strongly positioned at every stage of the supply chain," said Metinvest CEO Igor Syry. "A key element of the strategy is to increase the production of high-quality rolled steel and high added-value products in Ukraine."

Metinvest B.V. is the parent company of the international vertically integrated steel and mining group of companies jointly referred to as Metinvest.