

## Metinvest reorganizes its sales channels in Ukraine

Metinvest Group, a vertically integrated metals and mining company, started to re-organize its sales channels in Ukraine on 1 February 2015 in order to create a single sales channel for its buyers.

As part of the reorganization, the core seller of steel products will be Metinvest-SMC, LLC. Metinvest Ukraine, LLC, which previously managed wholesale deliveries to end customers, will focus on niche products.

Metinvest-SMC will realize a "one face to the customer" approach, a single effective partnership channel, with improved and more rapid response service, based on systemic principles for placing, processing and fulfilling customer orders.

Via Metinvest-SMC's regional sales network, Metinvest's retail and wholesale customers will be able to purchase steel products via their closest outlet regardless of the volume or product.

The company will place a special focus on developing relationships with wholesale customers: enterprises in the heavy machine building, ship building, railcar manufacturing, metals and mining, hardware metal products, coal, and railway sectors in Ukraine and the CIS. The reorganization process will merge the expertise from both of Metinvest's trading companies: some employees from Metinvest-Ukraine, LLC will be transferred to respective business units in Metinvest-SMC, LLC. The change will be completed within two months and sales will commence in the new format in Ukraine in April.

## Dmytro Lyppa, general director of Metinvest-SMC, LLC:

"Customer focus is a key vector for Metinvest's development. Our customers' dynamically changing needs require new and effective partnership arrangements. The merger of Metinvest's sales channels in Ukraine into a single channel will optimize processes and provide buyers with the best service both for wholesale and retail customers."

Metinvest-SMC, LLC is Metinvest's wholesale and retail sales channel in Ukraine. The Company sells products from Metinvest's enterprises and other steel producers in Ukraine and the CIS. Due to Metinvest's vertical integration, the Company provides favourable terms from its largest manufacturers. Metinvest-SMC possesses a network of service metal centers with a total inventory of steel products of over 100,000 tons and a broad product range of over 1,000 products.

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