



## MMK STARTS NEW SINTER PLANT PROJECT

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OJSC Magnitogorsk Iron and Steel Works ("MMK") today announces that it has signed a contract with Sinosteel Equipment & Engineering Co., Ltd (China) regarding the supply of equipment for MMK's new sinter plant №5.

The contract was signed by MMK CEO Pavel Shilyaev and Sinosteel Corporation Vice President Lu Pengcheng.

The contract value of the equipment is RUB 6.7 bln. Overall MMK will invest around RUB 22 bln into the sinter plant, including building and installation works. The new facility is scheduled for commissioning by the end of 2019.

The sinter plant will have annual capacity of 5.5 mln tonnes, allowing MMK to decommission outdated equipment at sinter plant №4 (4.2 mln tons per year capacity). The new plant will help MMK process sinter more efficiently, reduce the production costs of pig iron by ensuring output of suitable materials, and fully unlocking the potential of MMK's blast furnaces.

The new sinter plant will produce cooled sinter with a stable composition including iron content of 57.95%; the share of fine concentrates in the sintering mix will be 89.2%. Commissioning of the new sinter plant will provide MMK's blast furnaces with high-quality sinter produced using state-of-the-art energy-saving and environmentally safe technologies.

The new project will help significantly reduce MMK's environmental impact, with emissions of dust and sulphur dioxide expected to decline by 490 tonnes and 3,280 tonnes per year, respectively. Discharge of suspended particles into the water supply system will be reduced by 600 tonnes per year. Reduced output of side-products will improve working conditions at the plant.

Companies from Russia, Japan, Germany, Austria, Finland, Luxembourg, and China submitted bids for the tender.

Viktor Rashnikov, Chairman of the Board of Directors of MMK, said:

"MMK and Sinosteel have already completed an environmental project crucial both for the mill and the city. This company also supplied equipment for the reconstruction of sulphur capture system №2.

"Construction of the new sinter plant addresses a number of issues – from enhancing quality of our end products and reducing costs to improving working conditions and the environmental situation both at the mill and in the city."

### Notes for editors:

MMK is one of the world's largest steel producers and a leading Russian metals company. The company's operations in Russia include a large steel-producing complex encompassing the entire production chain, from the preparation of iron ore to downstream processing of rolled steel. MMK turns out a broad range of steel products with a predominant share of high-value-added products. In 2015, the company produced 12.2 million tonnes of crude steel and 11.2 million tonnes of commercial steel products. MMK Group had sales in 2015 of USD 5,839 million and EBITDA of USD 1,668 million.

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