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PRESS RELEASE

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## **NLMK Group and Belgian SOGEPA agree on changes to NLMK Belgium Holdings' ownership structure and governance**

NLMK Group (LSE: NLMK), the largest steelmaker in Russia, and the Walloon Region-owned SOGEPA (Societe Wallonne de Gestion et de Participations S.A.) have signed an agreement providing for the increase of SOGEPA's stake in NLMKBelgiumHoldings(NBH) and joint management of NBH's businesses.

NBH comprises the production companies and service centres of the NLMK Europe Strip Division (NLMK La Louvière, NLMKStrasbourg, NLMKCoating, NLMKJemappes SteelCenter, NLMKManage SteelCenter and NLMKProfil Batiment), and two NLMK Europe Plate production companies (NLMKVerona and NLMKClabecq).

Under the agreement, SOGEPA's interest in NBH will increase from 20.5% to 49%. NLMK Group's and SOGEPA's existing respective put and call options over the SOGEPA shares will be terminated, and the NBH board of directors will be increased to include four representatives of NLMK Group and three representatives of SOGEPA. SOGEPA will also receive board seats at the principal production subsidiaries of NBH.

NLMK Group and SOGEPA have agreed to support NBH in obtaining financing of its working capital. The shareholders will also make pro-rata contributions to the share capital of NBH.

NLMK Group and SOGEPA have also agreed on a new stage of operational improvement programmes, targeting a return to profitability for the main NBH production companies, as well as the optimization of the structure of the entity's auxiliary strip production companies.

Oleg Bagrin, NLMK Group CEO, said:

*"NLMK Group is confidently and successfully implementing its strategy, which is based on improving operational efficiency. NLMK Group's operational efficiency programme, covering both our Russian and international production assets, has already generated operational improvements and positive results in 2014. We view SOGEPA as a trusted and constructive state-level partner that supports the necessary restructuring of NBH's European assets in order to improve their efficiency and create a solid platform for long-term growth."*

Renaud Witmeur, President of SOGEPA, said:

"This agreement underscores the commitment of SOGEPA to its successful partnership with NLMK Group in Europe and confirms the shared belief of shareholders in the business prospects of NBH. SOGEPA is confident that the operational improvement programs launched at the NBH production companies is the right strategy to ensure their efficiency and sustainability in the long-term, as well as economic stability and development in the Walloon Region".

For reference

NLMK initiated its European assets restructuring programme in 2008. Pig iron and steelmaking assets, as well as long products operations, were carved out of NLMK's European companies in 2011. In the next stage of restructuring initiated in 2013, SOGEPA acquired a 20.5% stake in NLMK Belgium Holdings S.A., as well as the right to participate in the governance of NBH and its subsidiaries, including joint decision-making with NLMK Group on key issues.

## **About NLMK Group**

NLMK Group is the largest steelmaker in Russia and one of the most efficient in the world. NLMK's high-quality metal products are used in various industries, from construction and engineering to the manufacture of power-generating equipment and offshore wind turbines.

NLMK's production assets are located in Russia, Europe, and the United States. The Company's liquid steel production capacity is over 17 million tonnes per year, of which about 16 million tonnes are produced in Russia.

NLMK's ordinary shares are traded on the Moscow Stock Exchange (ticker symbol: NLMK), and its global depositary shares are traded on the London Stock Exchange (ticker symbol: NLMK:LI).

For more information about NLMK Group, please visit [www.nlmk.com](http://www.nlmk.com).

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