

Registration of the Management Board of Kremikovtzi AD is completed

Press center of Kremikovtzi AD is authorized to announce that registration process of the Management Board was completed by the Bulgarian Registry Agency on 03.06.2008.

In January 2008 Sofia City Court was changed with Registry Agency as register authority as per legislative changes. Management Board, chaired by Mr. Guntupalli Jagannadham was approved through resolution of the Supervisory Board of Kremikovtzi in the beginning of February. CEO is a metallurgical engineer with management post graduation with 39 years of experience. He has been a part of GSHL team for last 5 years as a CEO of Coke & Chemical Plant in Bosnia which was revived and turned around after being closed for 13 years.



Recent 4 months have been tough for the plant from operative point of view but all decisions made by Management Board have been coordinated with support from the side of all stakeholders, including state authorities, state suppliers and social partners. Management Board has been cooperating with external and internal sources with objective of normal working process in Kremikovtzi.

Unique program in the plant

Dynamic moulding of the water system

"Kremikovtzi" is provided with unique system for dynamic moulding of its water consumption which is called SDM. The project is developed along with scientists from University of Arcgitecture in Sofia and their colleagues from Aachen University (Germany) and Exeter Universi-

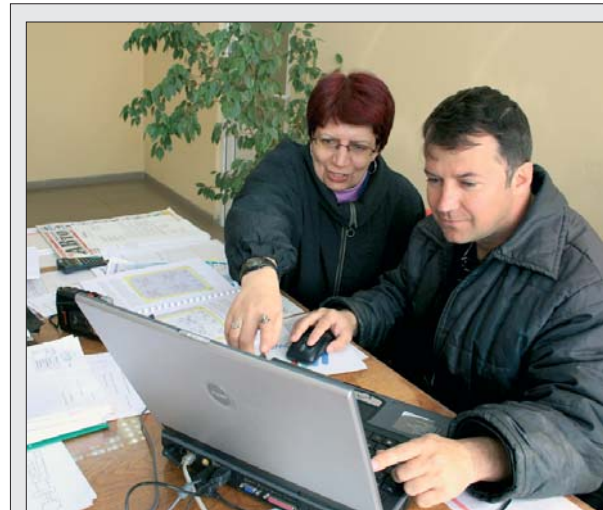
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SDM is a part of a bigger program called Control over waters of Gorni Iskar pond. Kremikovtzi influences this balance through the water which is consumed and emitted. It is very important, especially in case of long lasting drought that water consumption will be properly handled, which makes this equipment a very special achievement. The expert team is besides involved in developing a climate model of entire Europe. It is kind of global study of the problems. We are honoured by being invited to participate in this project, and this equipment is really modern and new in our practice, Head Engineer's team specified.

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of variants of climate conditions and respective water consumption. The system can be used in imagining huge number of situations – from flood to extreme drought. SDM is, therefore, a powerful tool on disposal of the engineers which control water consumption. Though the system suppos-



Eng. Nikolay Nikolov and Eng. Antoaneta Kirilova are part of the team which will have the newly installed SDM on disposal.

al for the plant is among biggest consumer of water in Sofia region.

Kremikovtzi is recommended to use Pancharevo pond because of its huge turnover. "Ognyanovo" pond remains a source,

also, but it is less efficient because of the huge water losses. The waters from Ore – dressing plant should be used to the best advantage further on for they are precious source according to the team. The experts basically recommend decrease of inner losses in this aspect. It is important for our experts that they are provided with a modern tool for controlling the consumption and prognosticating any further crisis situations. The equipment is, moreover, specially designed for the needs of Kremikovtzi.

International conference in Primorsko

Information and consultation in accordance with EU requirements



A conference in regards with "Information sharing and stimulating the circulation and exchange of good practices that aims at improving the communication flow and consultation between social partner in metallurgic branch in Bulgaria, Germany, Portugal and Macedonia" took place on 30-th and 31-st May in Primorsko city. The project is handled by a team of "Metalitzi" trade union in cooperation with Bulgarian Association of metallurgic industry, IG METAL - Germany, SIMA - Portugal and SIER from Macedonia and with the support of EC. The conference was participated by guests from Portugal and Macedonia, HR directors of the metallurgic plants

in the company, trade unions. Kremikovtzi was presented by Dr. Stoyan Pirlov, Head of Technical Issues and Technologic Development. Each company introduced a brief presentation in the course of the implementation of Directive 14/2002 European Unity in regards with informing and consulting the employees. Interesting opinions and statements about this important corporative issue were shared in the course of discussion. Kristina Bourova (University of Bochum, Germany) introduced an analysis of the social dialogue in new European members; it was rich in content indeed.

Directive 14/2002/EO was approved in March 2002 on purpose of creating a common frame in terms of employee information within European Unity; the document regulates those minimal requirements regarding that basic human's right in process of implementation.

The Directive contains some main conditions of the common frame of managing the relations during information and consultation processes between management body and

employees, and respectively, social partners – employer and trade unions. On this purpose, the employer and consultants meet an agreement which manages: information content and terms to introduce; terms and subjects of consultations; terms of response from the side of employees' representatives; employer's representatives who will be appointed in consultation activities.

The general assembly (or representatives assembly, in case staff is huge in num-

bers) nominates its representative in Committee for Information and Consultation; their authorization will be meant in a 1 to 3 years duration. 9 people have been nominated in Kremikovtzi. The Directive settles such terms in case have not been agreed.

In case some information contains data which could harm employer's legal interests if being circulated, employer could share it requesting for confidentiality. The employer could reject information or con-

sultations sharing when it can seriously harm company's operation or its legal interests.

The Directive decrees rights and obligations of the information and consultation nominees. That include: informing the employees; keep data's confidentiality and never use it for personal purposes or third parties' interests as long as they are appointed, or even afterwards, too. They would be responsible for any possible damages against employer in result of lapses in implementation. The representatives are supposed to participate in procedures of consultations with employer and share their standpoint on the measures provided by competent authorities. All working places in the company are available for them. They have to also participate in trainings in regards with their functions.

The project, accomplished by "Metalitzi" trade union aims at implementing the idea within full rights in local conditions. It also aims at creating optimum conditions and mechanisms for increasing employers – and - employ-

ees' knowledge in the branch as well as consolidating some interdepartmental communication mechanisms which will enable the employers in been informed about employees' goals, desires and intentions. Project's main purpose is to contribute to working environment's improvement and to support corporative policy which is oriented to stability, loyalty and knowledge among social partners. Last, but not least, the project aims at creating good conditions for information exchange between social partners at Europe's level in terms of good practice existing and tools for optimizing the relations between labour and capital.

This international conference allowed practical experience share in terms of Directive's implementation; it also allowed participants to get informed about different standpoints in accomplishing this main right – of informing and consulting. "Information specialists are in sympathy to corporative policy", Vassil Yanachkov ("Metalitzi" trade union), chairman of the project, generalized.

Information means data share: from employer to employees' representative in order to keep them informed about essentiality and understand it. Information is submitted in time, way and content which are appropriate in helping employees' representatives study it adequately and get ready to consult, when required.

Consultation means opinions share and dialogue between employees' representatives and employer. They should be accomplished at appropriate level of management body and representatives in according with concrete issues discussed. Representatives of employees can meet employer in consultations and receive an answer as well as explanations of the motives of any answer they may receive additionally.

MEPS forecast global steel output to reach 1.6 billion tonnes by 2011

MEPS forecast that the global crude steel output in 2007 at 1350 million tonnes. MEPS added that "Further growth is anticipated rising to 1600 million tonnes in 2011. This represents an increase of more than 350 million tonnes over the period from 2006. In the previous five years, the volume of production expanded by almost 400 million tonnes."

MEPS said that "Most of the increase in iron and steel production over the next five years will take place in the developing/emerging nations of Asia. We estimate that around 71% of global growth in steel-making to 2011 will occur in these countries. In contrast, we predict that steel producers in the industrialized world will contribute less than 7% of the higher output over the period."

MEPS added that "In the longer term, when blastfurnaces and converters in the industrialized nations reach the end of their useful life, a number of them will not be rebuilt. Supplies of semi finished products are likely to be made at parent companies or subsidiaries in the low cost manufacturing countries of the world."

Modernization

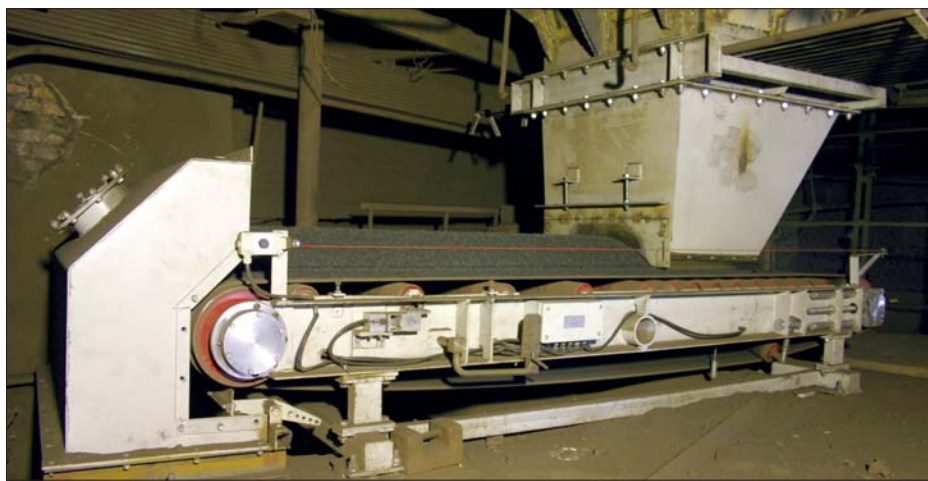
Ecology and Technologic Provision in Sinter Plant

Seven projects are ready to implement in Sinter Plant. They all are provided with contracts and can be started immediately. The projects mainly aim at technologic strengthening of operation process and at ensuring the ecologic efficiency.

First of the projects is actually a complex of a new sinter machine which replaces the old one along with its precipitators. The equipment meant for the second technologic precipitator has already been supplied. The

two precipitators and the sinter machine will be designed as a complex.

The other task – overhaul of 5th technologic electric precipitator – is seriously prepared. A contract is currently being prepared to agree with Dutch company of FLS Airtech which supplies the equipment. That is one of those projects which do not suppose much means to put in but is highly required by ecologic point of view. 5th precipitator can not be used at present



because of some breakdown in operation system. Therefore, Kremikovtzi's

engineers and their Dutch colleagues have focused their efforts on the opportu-

nities of completing the repair duly. A couple of technical specifications have

already been done; a Dutch expert has studied the equipment. Control aggregates are priority to repair; instead of removing them one by one and having them repaired in Germany, Dutch experts have assumed the assignment of replacing them with Bulgarian precipitators at place. It will reduce time for repair to 12 – 16 days. Damaged areas of the precipitators will also be replaced with Dutch expert's decision. One more aim of engineers' team of Sinter Plant is constructing a system of dry removal of the dust into the so called "old" Sinter Plant – Sinter Shop N1.

Steel Market

China

IT SEEMS THERE WILL BE CONCORD FOR 85% INCREASE IN THE PRICES OF THE IRON ORE?

According to Reuters, China may finally agree to accept the Australian demands and to include the freight premium in the cost of the iron ore for the contractual year 2008, which means increase of the prices with 85%. During the first half of May similar information was given by other industrial journals and newspapers. For example, Australian Financial Review registers that "China was forced to accept the 85% increase in the prices of the iron ore, since the market demand for imported raw material is very high and the prices on the spot market can be way higher than that". Other metallurgical and industrial sources do not exclude similar scenario, because the demand of the steel producing companies for ferrous raw material maintain the tendency for price increase". Representatives of Australian raw material suppliers were very persistent and firm during the discussions, since they were confident that the Chinese will agree with their proposal in order to maintain the level of steel production and demand. The steel production in China is likely to increase by 10% up to 550 m tones during 2008.

India

THE DEMAND FOR STAINLESS STEEL WILL INCREASE WITH 5-7% IN 2008

Reuters agency forecasts that the demand for stainless steel in India during the current year may increase with 5 - 7% - less than expected - due to the high prices of manganese and chromium. According to Mr. NC Mathur, the Director of Indian SS Major Jindal Stainless Limited and President of India Stainless Steel Development Institute "Since the beginning of January 2008 at time when the prices of nickel were settling, the expenses for chromium and manganese have practically doubled, due to the high growth of the demand from China. The demand of the domestic market in India is expected to be at 1, 3 m. tones, although the previous forecasts were for 10% increase."

Examination of the workability of the Profilometer

Important and complicated operation was conducted during the planned repair of Hot Strip Mill namely, inspection of the sources of ionizing radiation and repair of the processing containers of the profilometer. For the purpose of measuring the thickness and wideness of the hot-rolled strip a profilometer with two sources of ionized radiation is installed on the unit. The profilometer is a licensed device also called "device for technological control". Periodically the containers of the ionization sources are subject to preventive maintenance and repair which is the essence of the problem. Due to the presence of radiation sources the procedure is to be conducted in a very strict manner - dismounting of the processing containers, transportation to the special laboratory of "Yadrena Tehnika" in Sofia, where the radiation sources are taken out, transportation of the empty containers back to the workshop of the plant, followed by maintenance and another "trip" to

Sofia for putting back the radiation sources in the containers. Here comes again transportation to the plant and remounting in the ordinary place. This procedure was held in a good synchronicity by the specialists in the Radiation Protection division of the "Labor Safety and Health" department, "Instrumentation and Automation" department of the Hot Strip Mill and the respective specialists in "Yadrena Tehnika" OOD - Sofia. The well-calculated actions helped the on-time remounting of the profile meter to happen in accordance with the planned repair of the mill.

"The main objective was to examine the state of the sources, since their warranty period is close to expiration. The assessment can be carried out



only by the colleagues in "Yadrena Tehnika", and on the basis of their report we can prolong the exploitation period. The assessment is conducted in the so called "hot cameras" of "Yadrena Tehnika", through remote-controlled manipu-

lators. The radiation sources in the profilometer of our mill are among the most powerful in Bulgaria and are controlled in a very strict way", some of the participants in the risky operation explained for Kremikovski Metalurg.

Scheduled repair of the Hot Strip Mill

Hard Work and Good Quality

The traditional monthly repair of the HSM was conducted on 13 and 14 May. The operation was calculated to last 40 hours and included few important

dies in four-high and six-high stands. The back-up rolls of four of the stands were replaced.

The replacement of the loopers has started during

out-table of third blast furnace, in order to preserve the bearing rollers from damages caused by falling slabs.

One of the most important tasks during the operation was taking a picture of the run-out-table. The whole rout between sixth stand and the coilers was measured by the geodetic division of the Chief Mechanic Department. After this a correction of the level, where required, was performed. This has not been done for more than 4 years, clarified people from the Mechanical Repair Shop of the stand. As a consequence of the intensive exploitation and the replacement of the rollers this has not happened until now. The operation will guarantee better quality of the rolls and consequently of the finished material, explained the Chief Mechanic of the HSM, eng. Krastyo Dinchev.

The repair was carried out mainly by the team for repair of metallurgical equipment "Sofia Engineering" and by the maintenance divisions of the unit.



tasks. The major among them were to reconstruct coiler no: 1 as well as elements from the finishing group of the mill. The cartridge, the pinch rolls, the levering system and the bronze bushes of the coiler were replaced, the geometry of the side guides was repaired. The looper of the four-high stand in the section of the clearing group was replaced, as well as the bronze pads and the spin-

the previous repairs and will continue in stages. The new spare parts are delivered and just need to be mounted in the place of the worn out once. This is happening along with the replacement of the countershafts, produced in Repair Mechanical Plant. The blades of the flying shears were as well replaced. In the area of the furnaces the main attention is concentrated on the reconstruction of the run-

Analysis and Forecasts

THE REVIVAL OF THE USA ECONOMY WILL PUT THE PRICES OF METAL IN A NEW SPYRAL?

The prices of copper - on the top of the blade

After the problem with the strike in Chile got worse, the prices of the stock metals should get lower; this is the opinion of Mark Pervan, analyst from ANZ. After all, the low levels of copper reserves in LME may be able to hold-up the prices for some-time. According to Shean Hackett, president of Hackett Financial Advisors the prices of the copper and other nonferrous metals may "receive support" from the high prices of petroleum. "The copper market is balancing on the Blade of the razor expecting and fearing even the most insignificant supply problems. This state will

be kept for some more time, although the general feeling will be getting better." Shean Hackett registers that the investors are waiting for signs of revival of the US economy and if this happens the market may literally erupt, especially since the prices are managing to keep the historical maximum even in such crisis.

MEPS forecasts record breaking production levels for stainless steel in 2008

MEPS agency announced that "the world's steel making industry will maintain its high levels and will achieve a new record of 29 m tones in 2008." MEPS also

explained that most of the world's markets have stayed stable during the first quarter and this is result from the unsuccessful for the stainless steel production end of the 2007 in Europe and China.

MEPS is changing its previous forecast for 2008 on the basis of new analysis on 2007 data. Assessment of the agency in the EU shows that "during the last 2 years the companies have decreased the import volumes of stainless steel from China. The domestic demand is sufficient but there is no significant growth. As a conclusion MEPS forecasts that the total output of stainless steel in the region will increase in comparison to 2007, but it will be less than it was in 2006.