

RADICAL ACTIONS OF KREMIKOV TZI AD

We have done our job. Now it is the Ministry of Environment and Water's turn to issue the complex permit

We expect objective, unbiased and nationally responsible behavior from the Ministry and the government

On October 11th Alexander Tomov, CEO of Kremikovtzi AD, drew up a balance of what had been done about the execution of the ecology program during the last two months. Journalists were informed about the ecological projects scheduled for realization by the end of the year. The company has invested \$ 143 million in ecology.

"We are not going to open to suggestions and pressure for populist and pre-election allegations or private business interests concerning the land of Kremikovtzi," Mr. Tomov said. For just 1-2 months the company has solved some of its toughest



At a Press Conference

ecological problems. We will solve the rest by 2009, instead of 2011, which was the deadline given to us by the EU Commission. We do this with the desire and understanding that the air in

Kremikovtzi should be clean and the company should be re-structured to become a modern enterprise.

Unfortunately, this happens without the cooperation of the state or the municipality, the CEO added. Despite that, we will be successful because our strategy is right. We sign contracts with most prestigious international companies for utilization of waste products and emissions as raw materials. We also work with NGO's and licensed international consultancy and engineering companies. We have already signed several contracts of the kind. And results are at

hand. Our own investments are significant, too, Mr. Tomov announced.

Kremikovtzi is initiator of a large investment project for turning the area into a modern commercial & industrial zone. Interest towards the project is remarkable. Soon we will announce to the public the first practical steps to the realization of the project.

Kremikovtzi has nothing to be ashamed of because under extremely conditions it continues its development. Now, it is the government's turn to cooperate and work together with the management of the company and defend national interests, he concluded.

IN EXECUTION OF THE ARRANGEMENTS UNDERTAKEN ON THE ISSUING OF THE COMPLEX PERMIT AND THE VIABILITY PLAN OF THE COMPANY (August - December 2007)

The projects for technological renovation and modernizing of the environment preservation installations that are being executed amount to \$ 143 million. For the period September - December 2007 \$ 40 million will be assimilated.

In September 2007 Kremikovtzi AD signed a contact with one of the world's largest consulting firms Grontmij/Carl Bro a/s-Denmark. According to this contract, the Dutch firm takes upon itself the commitment to analyze the environmental program of the corporation for applying the best production practices, to take part in preparation of a project for attracting of outside investment funds and for accelerating their implementation. Thus we would like to answer to the public mood for accelerating the implementation of environmental projects before the final term of 2011.

In compliance with the adopted by the corporation policy of openness and public control is our choice of the French company Enviroconsult for supplier of one of the most modern stationary system for automatic monitoring of emissions in inhabited places around a metallurgic combine.

Besides our agreement with Grontmij/Carl Bro, Kremikovtzi AD provided funds for execution of projects for setting in line the production with the normative regulation on environment, and only in the last months the progress on projects is as follows:

Erection and putting in action of a new Technological electric-precipitator №2, during the Capital repair (CR) of Sinter machine No. 1. Dismantling of the metal construction and preparing the site for erection of a new electric-precipitator №2. In August, 2007 were paid 350 000 Euro and equipment was supplied by FLS Airtech from Denmark. A contract was signed for manufacture, supply and erection of the constructions - local production with the company ENEMONA.

Rehabilitation of the projects parameters of Technological electric-pre-

cipitator №5 to Sinter machine №5. Prepared contract with FLS Airtech from Denmark for change of the collecting and discharging electrodes and repair of the impulse transformers.

Building of equipment for dry transportation of dusts from the electric precipitators and their utilization. A contract is signed with the company SCHRAGE-Germany. Made advance payment of EUR 152 thousand, the technical design is ready.

Erection and putting in action of a new Aspiration electric precipitator No. 5, during the Capital repair of Sinter machine No. 1. A contract is signed with the company ELWO-Poland at the value of EUR 955 thousand.

Erection and putting in action of a new Technological electric-precipitator No. 1, during the Capital repair (CR) of Sinter machine No. 2. A draft-contract is prepared by FLS - Denmark. Its signing is expected for the middle of October 2007.

Finishing erection of the systems for own continuous measurement of emissions of dust, after technological electric precipitators No. 5 and No. 7 - Performed by Labconsult. The equipment has been installed in September 2007 and forthcoming is its calibration and setting in this month.

Erection and putting in exploitation of an installation for bio-chemical cleaning of phenol waters. The main contract is with Mutag-Germany. For doing the detailed engineering in August a contract was signed with the BALCON. The basic equipment is in the process of being elaborated.

Capital repair of the end verticals of Coke battery No. 4. Is being performed by HENTON Ltd.-Ukraine and the investments are in the amount of USD 2.7 million yearly. From August 2007 the work of new 18 Coke cameras has been restored, by which significantly the non-organized emissions are diminished.

Installation for neutralizing of acid tar and reheating of sludges. A new technology

has been adopted and dumping of acid tar and sludges in pit No. 6 have been terminated. A working project is being elaborated for its re-cultivation.

Erection and putting in exploitation of a cleaning device with overall suction of outcoming gases from Electric furnace No. 3. A contract is signed and equipment is delivered for execution of the first stage of the reconstruction - new cooling camera, spark-extinguishing camera, and new water cooled gas duct from the Vuzhod-Plovdiv. Ordered, agreed and produced is a new sleeve filter from Intenziv filter-Germany. A contract is signed with Vuzhod-Plovdiv for production and erection of all gas dusts from the cooling camera to the sleeve filter, of a cooling and mixing camera. The first stage ended in 2007, and the second stage will be in the first half of 2008.

Reconstruction of the fuel installations, evaporating systems and air-heaters; The company "M&S" has been chosen for reconstruction of the fuel installations and by 16 -17 October the contract will be finalized.

Erection of a micro-processor system for control and management of the burning process to boiler-aggregates No. 4 and No. 5. A design has been prepared, the equipment is delivered, and forthcoming is the erection by the end of 2007 by Start Engineering.

Implementing of a System for continuous measurement (SCM) of dust-gas emissions after boiler-aggregates No. 4 and No. 5. At present it is in the process of performance. A contract for supply and erection of equipment is signed with Start Engineering.

Reconstruction of the fuel system of Methodological Furnace No. 1 for heating of casts for mill 1700. The greater part of equipment for EUR 1.2 million has been supplied. The civil works are being done at the moment. Reconstruction will be completed by the end of 2007.

Switching of the aggregate to natural gas with the reconstruction of its fuel

system. Accomplished in August 2007.

Simultaneously with the implementation of environmental projects, Kremikovtzi AD continues the technological modernization of production capacities, which also contributes to ameliorating of the environmental parameters and creating of safe working conditions.

Just by the end of 2007 are prepared and will be carried out basic repair works with modernization of the following installations:

Blast Furnace #1 - basic repair with change of the filling device and torqueting of the furnace pit for a value of EUR 2 million

Converter #1 - basic repair with change of the pipe serpentines of the boiler-utilizer for a value of EUR 2.5 million

Electric Arc Furnace #3 - repair and rehabilitation of the gas-dispensing system

Hot Strip Mill 1700 - basic repair with modernization at a value of EUR 12 million.

People of Kremikovtzi

Responsibility everywhere

Ms Anna Genkova has recently come to Kremikovtzi

Like all young people she is looking to find her profes-

sional way. She used to work in a petrol station



when she saw an advertisement of Kremikovtzi and came to work here. It is still too early to say whether pump-operator is "her" profession but for now she is learning the details of the job with interest. First she was engaged in maintaining the technological cycle in the pump station that supplies the RMP and Sinter plant. There shifts are 24/7, the job is responsible and requires full concentration in any given moment.

Anna also gets the help of her colleagues from WEP. One of them, Stanislav Petrovich, who has been in the plant for 11 years now, helps her any time she needs advice. "Young people need support", he says, while checking the pump together with his new colleague.

LME

Summer 2008: LME Starts Trading Steel



London Metal Exchange starts trading with steel next summer, LME's Chief Executive Martin Abbott announced. During a semi-

nar he explained that the introduction of steel contracts will be done stage-by-stage. "In 2007 we announced we would start trading steel in the Far East and the Mediterranean. Trade with all three platforms starts on April 28th 2008 with initial delivery date July 28th 2008", Mr. Abbott said. The Exchange will also support an electronic trade and online trade from February 2008.

Metal News

USA

US Steel Import Has Gone Down by 22 per cent in August

According to American Iron and Steel Institute steel import in the USA has been 2,558,000 t in August 2007, which includes 2,034,000 t final steel products. This is respectively 22 per cent and 18 per cent lower compared to previous months.

India

SAIL and Other Companies Raise Steel Prices

The Economic Times informs that leading steel-making companies in India, including the state SAIL, have announced an increase in the steel prices as of October 1st by Rs 500 - Rs 800 per tone caused by the increased expenses. "We have to raise our prices because our expenses are going up", a representative of Steel Authority of India Ltd. said. Other producers, including private companies, intend to raise their prices by Rs 400 - Rs 800 per ton.

China

ThyssenKrupp Wants to Expand in China

ThyssenKrupp announced its intention to double its sales in China to the amount of EUR 2 billion (\$ 2.85 billion) in the next five years. According to Ekkehard Schulz, CEO of the company, ThyssenKrupp intends to increase its potential in China. "Apart from increase of our sales, we intend to invest here EUR 500 million. We consider that such a decision will help increase the growth of the Chinese economy," he said.

Posco Raises Stainless Production Prices

According to Bloomberg agency the South Korean Posco intends to raise the prices of stainless production by minimum 8.6 per cent in the end of October because of the nickel prices increase.