

INTERNATIONAL BUSINESS CONFERENCE

A Project for Ecologically Clean Trade & Industrial Zone

The International Business Conference with a subject "KREMIKOV TZI - A Project for Ecologically Clean Trade & Industrial Zone" was held on October 15th 2007. The aim of the conference was to officially present the ecological program of Kremikovtzi in details and the project for building of trade & industrial zone in Kremikovtzi. The project of Kremikovtzi is to be realized by including Bulgarian and European consultancy companies and companies specialized in ecology.

The conference was attended by representatives of Bulgarian and foreign business companies, Bulgarian institutions, NGO's engaged in ecology, trade unions, and international institutions. Among the participants were the Deputy-minister of environment and water Mr. Atanas Kostadinov, representatives of the Ministry of economy and energy, Bulgarian Chamber of Trade, and the Bulgarian Economic Forum; a representative of the EU Parliament; a representative of the IMF; representatives of several foreign embassies (from the EU and Russia), participants from SIEMENS, Voest - Alpine, RHI, Balcon Ltd., ASPA Engineering, VAI, FLSmidth, Overgas, Ecometal Engineering, Ecopharm, Cemeko, Enemona, Blue Ribbon Partners, BC International, etc.

After the opening words by Mr. Paul Japsen from the Danish consultancy company Grontmij/Carl Bro a/s, which is a partner of Kremikovtzi AD, Mr. Alexander Tomov, CEO of Kremikovtzi AD, presented to the audience the 12 ecological projects Kremikovtzi and its partners were engaged in. Among them were the slag processing and usage of granulated slag; construction of Oxygen plant; possible investments in the Ferro alloy plant; metal extraction from the tailing pond; dust use - extraction of metals; development of solid waste dumps for industrial material, etc.



He also presented the ecological investments provided to ensure the fulfillment of the ecological requirements of the EU, as well as the plans for construction and investment in a trade & industrial zone in and around Kremikovtzi, which has been a very popular topic for the last weeks.

The Bulgarian and foreign partners of Kremikovtzi in

the fulfillment of the ecological projects presented their work and their projects concerning the plant.

Among the presented were Ecometal Engineering and EnviroARC - engaged in the slag usage; Enviroconsult, Environment

S.A., ISEO, ASPA Engineering - French companies engaged in the air quality monitoring; Ecopharm - the Bulgarian partner of Ashland - a German company specialized in production of chemicals for water treatment.

The Bulgarian institutions, represented on the forum by the Deputy-minister of environment and water and the representatives of the Ministry of economy and energy, supported the ecological program and the construction of trade & industrial zone by welcoming the pragmatic attitude for involvement of experts and NGO's from Europe.

The business conference is in compliance with the fulfillment of the Viability plan of Kremikovtzi AD approved by the EU Commission and the Bulgarian government whose aim is the re-structuring and modernization of the company according to the EU standards.



General Assembly of the Representatives

Vigorous Changes Are Necessary

Vigorous changes in the structure of the administrative units in the management of the company are necessary; the necessity for effective utilization of energy, and especially of electricity and natural gas is urgent; we must explicitly refuse to put up with alcohol consumption during work and non-compliance with the safety work requirements. These are the main tasks before the management of the company and the employees summarized during the general assembly of the representatives of Kremikovtzi. It took place in the hall of the Training Centre of the company on October 16th. The reason for the assembly

was the election of two new members of the Kremikovtzi Working Conditions Committee elected from the workers quota. The nominees were Mr. Angel Asparuhov from Blast furnaces and Mr. Biserin Kotzev from HSM - 1. They were approved with unanimity. During these meeting discussions started and the representatives and the trade unions, represented by the leaders of the two trade unions in Kremikovtzi - the CITUB and Podkrepa - Mr. Vassil Yanachkov and Mr. Lyudmil Pavlov, agreed that the company today more than ever needs consolidation around the idea for the modernization of the plant.

Unity is extremely important to face the outer attacks directed at Kremikovtzi, especially fierce during the last months. Corporate behavior and action should be strengthened. Good results were reported in the significant lowering of electricity consumption in the plant achieved by organizational measures in September. People also had a very straight discussion about the lack of discipline, breach of labor and technological discipline, thefts and alcohol consumption at work. The management of the company will sanction severely these breaches but it needs everyone's cooperation to deal with

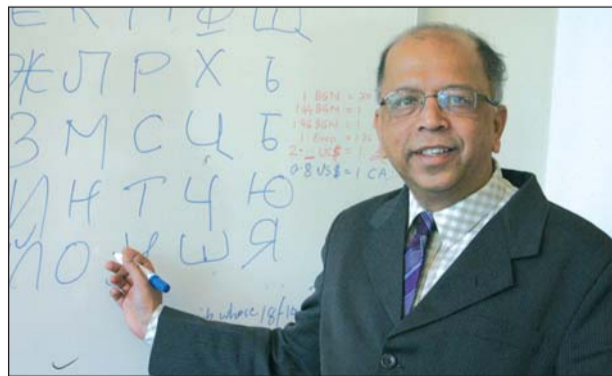
these problems successfully. There will be radical changes connected to the re-structuring of the company. We rely on achieving consensus in the matter of the renovation of the company, Alexander Tomov, CEO of the company, said. We expect that the assembly of the representatives, being an extremely important body, will act as a partner and ally in the performance of these changes. The general assembly unanimously supported the proposals of the management and engaged in outlining special measures and informing the employees about them.

New Management Members

Finances With a Taste of Poetry

On the very day of his 50th anniversary Rammohan Bhavne comes to Bulgaria. He says probably it was God who decided to make it like that

In Kremikovtzi Mr. Bhavne works as Chief Financial Director. He defines his job as a real challenge. He says he has met challenges of such kind in his career before. "Our company Kremikovtzi is in a very challenging situation, which is challenging to me and I find it interesting", he says. We need to realize knowledge management, which in simple words means that on high level in each company there are very intelligent people, educated people, and people with knowledge. If we manage to successfully synergize their knowledge through sharing of this knowledge, we can achieve great things, he emphasizes.



Mr. Bhavne was born in the city of Pune, the state of Maharashtra, India. This city is known as the "city of most educated people" because of the great amount of colleges and universities. He says, though, that in India "university" has a bit different meaning as organization. He himself has successfully passed all the three levels of the university education in the field of Accountancy and Finance. There are only about 100 people in India who have achieved to do that.

After graduation Mr.

Bhavne has worked in companies in the fields of Engineering, Chemicals, IT, Telecoms, and Infrastructure. "My field is money and money is money in every field", he says. From this point of view he defines his priorities in Kremikovtzi. "We need to go in one and the same direction. This is one of my important tasks together with my colleagues - directors. We need to focus on achieving success. There are two sides in management: one is the director level that gives the long-term direc-

tion and the strategy of the company, while the other is the functional level - the so called finance management. Our company has very big challenges before it and we must follow them", Mr. Bhavne points out. He says he believes in teamwork and quite often uses the word "our". He also believes this teamwork can be achieved here in Bulgaria, like it did in his previous working destinations - India, the USA, Singapore, Australia and Oman.

Rammohan Bhavne was born on August 30th 1957. His wife is a college principal and she has graduated in HR. His son is at the moment doing his Master's degree in Computer Engineering in the USA.

Mr. Bhavne is a big fan of squash. He plays regularly in a club in Sofia and has even started to teach some Kremikovtzi employees to this interesting sport.

His other hobby is teaching. Until recently he used

Metal News

China

Steel Export Goes Down in September

The Chinese Customs Service announced that in September China has exported 4.44 million t of final steel products, which is 940,000 t less than the indices for August. Since July Chinese export has gone down for a third time. The main reason is the slowing down of the steel industry's growth as well as the high domestic prices of the steel that have distracted exporters' attention from the foreign markets.

Coal

African and Australian Prices Go Up

Reuters informed that FOB prices of coal [with delivery to the port of Antwerp] have recently gone up due to continuing demand increase and delivery deficit. As is well known, traders and consumers agreed there were grounds to increase prices. The African deliveries are negotiated at AUD 68.25 per tone, FOB. Traders say there are no deals below this price level including for November. As for the December delivery prices are at level of AUD 69.70 per tone, FOB. Coal prices of DES ARA are AUD 110 per tone for amount of 50,000 tones for December deliveries. Until recently the company offered European customers prices of AUD 115 per tone, CIF. Market sources inform that Australian coal prices have been stable recently. The latest deliveries in the port of Newcastle kept the level of AUD 77 per tone, FOB.

We Need Knowledge Management

Briefly

Mitsui Bussan Commodities: Lead will go up by 37 per cent in 2008.

Kobe Steel reported bigger profit for the half-year than expected and improved its prognosis for 2007.

Steel production in Kazakhstan has gone up by 10.8 per cent for the last nine months.

Jindal Stainless plans to build ferrochrome plant with capacity of 200,000 tones in Vietnam.

The Ukrainian steel pipes production has gone down by 7.3 per cent in September.