



NEWS RELEASE

Midrex Technologies, Inc
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Metalloinvest Chooses Siemens and MIDREX® Technology for its New HBI Production Facility

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Linz, Austria – Siemens Metals Technologies and consortium partner Midrex Technologies, Inc. signed a contract with the Russian Metalloinvest Company to expand the hot briquetted iron (HBI) production at Lebedinsky Mining and Processing Integrated Works (Lebedinsky GOK) in Gubkin (Belgorod Region, Russia). The contract has a total volume of € 270 million. The new plant with a rated capacity of 1.8 million metric tons/year of hot briquetted iron will be the largest single HBI module in the world to date.

The consortium with Siemens and Midrex is responsible for the process turnkey including engineering, manufacturing and supply of mechanical and electrical equipment and level 1 and level 2 automation. The MIDREX® Direct Reduction Process was chosen for LGOK's second module in 2005, and now Metalloinvest has decided that its third HBI facility will also use proven MIDREX® Technology to produce high quality HBI. The existing MIDREX® HBI plant, delivered by the consortium of Siemens and Midrex, began operation in 2007 and is currently the world's largest briquetting module, producing 1.4 million tons/year.

The expansion of Metalloinvest—the largest iron ore producer in Russia—meets the growing demand for hot briquetted iron in Russia, Europe, Asia and the Middle East. Eduard Potapov, Chief Executive Officer of Metalloinvest, commented: "HBI production growth is one of the top priorities of Metalloinvest's development strategy. Construction of the new plant will allow it to strengthen the company's positions on the global HBI market and significantly increase production volume of high value added iron ore products".

Iron ores, comprised mostly of magnetite, are first concentrated and processed to DR grade pellets. These pellets are then fed into a MIDREX® Furnace where they are reduced to metallic iron followed by discharging into hot briquetting machines, producing HBI with a metallization degree exceeding 93 percent. The briquettes have an apparent density exceeding 5.0 g/cm³ and are well suited for transport due to the low quantity of fines generated during handling.

About Metalloinvest

Metalloinvest is a leading global iron ore and HBI producer and supplier and one of the regional steel producers. Metalloinvest was the leading producer of merchant HBI globally with approximately 36% global market share in 2011 and is the largest HBI/DRI producer in the CIS, according to CRU. Currently, LGOK operates two HBI plants producing 2.4 million tons/year in total. The feed for the new HBI plant consist of 100% pellets produced from Lebedinsky GOK iron ore.

Metalloinvest also owns Oskol Electrometallurgical Works (OEMK), a mini-mill in the same region operating four MIDREX® Plants that produce DRI for onsite EAF's. Metalloinvest is a global player in the production of beneficiated iron ore products, processing the majority of its primary iron ore concentrate production into value-added products, such as high-grade iron ore concentrate, iron ore pellets, HBI/DRI and finished steel products.



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About Siemens

The Metals Technologies Business Unit (Linz, Austria), part of the Siemens Industry Sector, is one of the world's leading lifecycle partners for the metallurgical industry. The Business Unit offers a comprehensive technology, modernization, product and service portfolio as well as integrated automation and environmental solutions covering the entire lifecycle of plants. For more information, visit www.siemens.com/metals.

The Siemens Industry Sector (Erlangen, Germany) is the world's leading supplier of innovative and environmentally friendly products and solutions for industrial customers. With end-to-end automation technology and industrial software, solid vertical-market expertise, and technology-based services, the Sector enhances its customers' productivity, efficiency and flexibility. With a global workforce of more than 100,000 employees, the Industry Sector comprises the Divisions Industry Automation, Drive Technologies and Customer Services as well as the Business Unit Metals Technologies. For more information, visit www.siemens.com/industry.

About Midrex

Midrex Technologies, Inc. is an international process engineering and technology company providing steelmakers with commercially proven solutions for greater profitability and has been the leading innovator and technology supplier for the direct reduction of iron ore for more than 40 years. The company offers eco-friendly technologies for ironmaking that provide high productivity, outstanding product quality, and cost competitiveness. Midrex has built its foundation upon the MIDREX® Direct Reduction Process that converts iron ore into high-purity direct reduced iron (DRI) for use in steelmaking, ironmaking and foundry applications. Each year, MIDREX® Plants produce about 60 percent of the world's DRI. For more information visit: <http://www.midrex.com>.