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Press Release

NMDC and Severstal sign an Implementation Protocol in Moscow in the presence of the Hon'ble Minister of Steel

November 10, 2011, Moscow – A high level delegation from India comprising the Honorable Minister of Steel Mr Shri Beni Prasad Verma, Secretary of Steel Mr. P.K.Mishra, the CMD of NMDC Limited Mr Rana Som as well as Director(Technical) and Executive Director (BD) from NMDC held discussions with OAO Severstal, one of the world's leading vertically integrated steel and steel related mining companies in their office in Moscow Russia.

This visit to Russia was the Hon'ble Minister of Steel's first international business trip in his current position. During the visit Shri Beni Prasad Verma together with Mr. P.K. Mishra and Mr Rana Som met Mr. Viktor Khristenko, the Minister of Industry and Trade of the Russian Federation.

Severstal's and NMDC executives discussed progress in establishing their joint project in Karnataka, India. Alexey Mordashov and Rana Som signed the Implementation Protocol in the presence of Shri Verma, elaborating upon the Memorandum of Understanding dated December 2010.

The Protocol defines the target initial plant capacity which would be 3 mn tonnes finished steel. It also confirms the intention of NMDC and Severstal to fully meet the joint venture's captive requirements of both iron ore and coking coal so that it becomes fully integrated for these primary raw materials. Until the captive assets are fully developed, NMDC and Severstal take the responsibilities to supply, respectively, iron ore and coking coal to the JV at market basis from their existing assets or alternative sources.

Alexey Mordashov, Chief Executive of OAO Severstal, said: "We at Severstal are delighted to welcome the Honorable Minister of Steel Mr Verma and our partners from NMDC to Russia. Our joint venture project in India with NMDC, the country's leading iron ore producer, provides a very good fit with Severstal's vertically-integrated, growth-focused Business Model".

Shri P.K.Mishra, Secretary (Steel), Govt of India said "The joint venture of Severstal and NMDC will be another milestone in India-Russia economic cooperation and will be an important investment for the Indian Steel industry.

Rana Som, Chairman and Managing Director of NMDC Limited thanked Mr. Mordashov and his team for the progress made so far and confirmed that NMDC is working towards realizing its dream to make the project not only financially strong but also socially meaningful and economically relevant to meet the needs of India.

Executive Director (L&CC)