



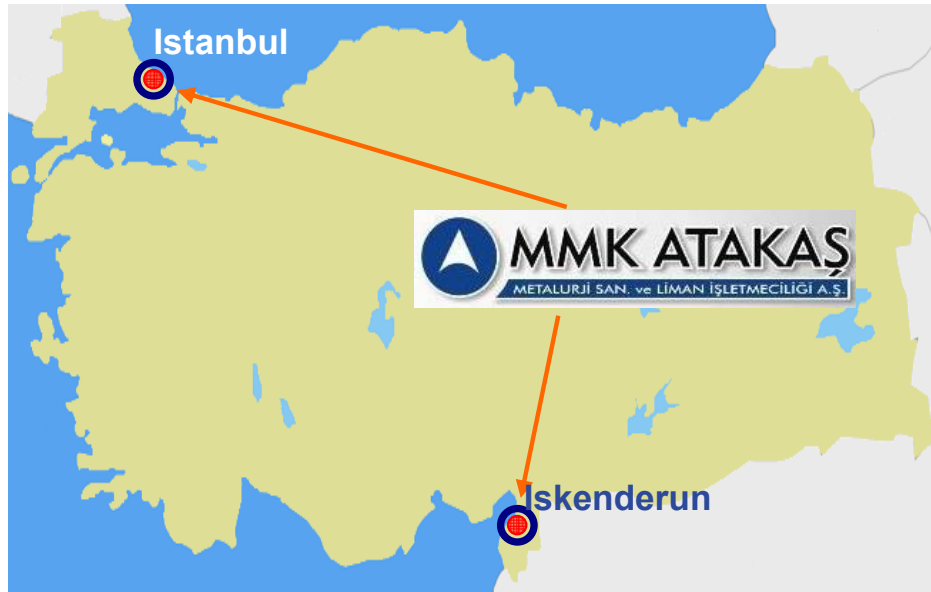
# MAGNITOGORSK IRON & STEEL WORKS

## MMK-Atakas project

December 2009



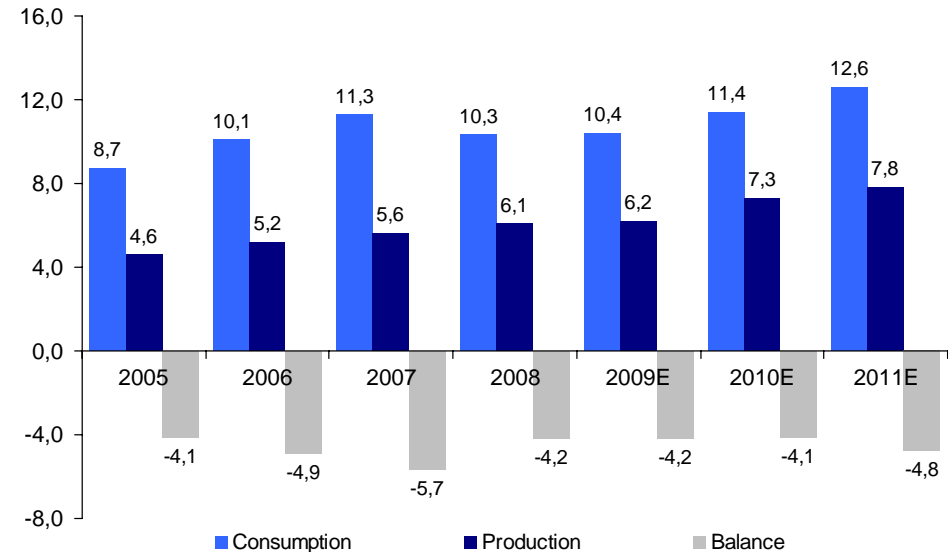
## Project geography, Turkey



## MMK – Atakas Project

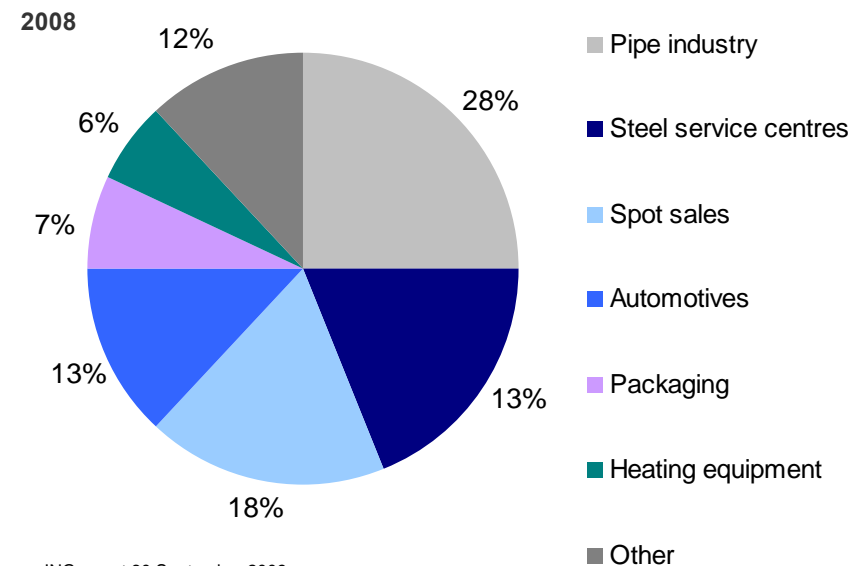
- Production capacity :
  - 2 300 ktpy of HR sheet
  - 750 ktpy of CR sheet
  - 900 ktpy of galvanized coils
  - 400 ktpy of polymer coated sheet
- 2 service centers :
  - 340 ktpy
  - 340 ktpy
- Project completion time: 3 years

## Flat steel production/consumption balance in Turkey, mt



Source: ING report 30 September 2009, without MMK-Atakas production capacity

## 2008 flat steel domestic sales in Turkey

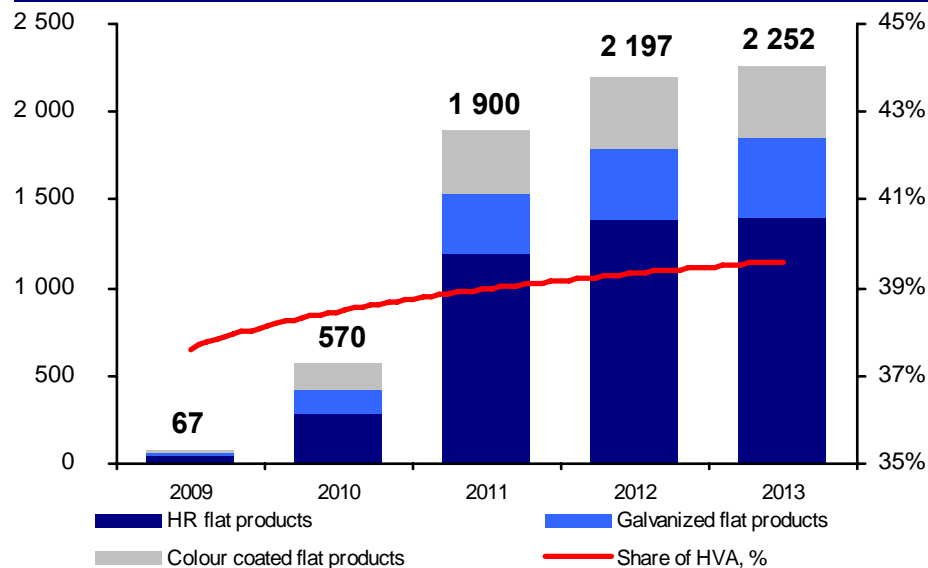


Source: ING report 30 September 2009

# MMK-Atakas project parameters

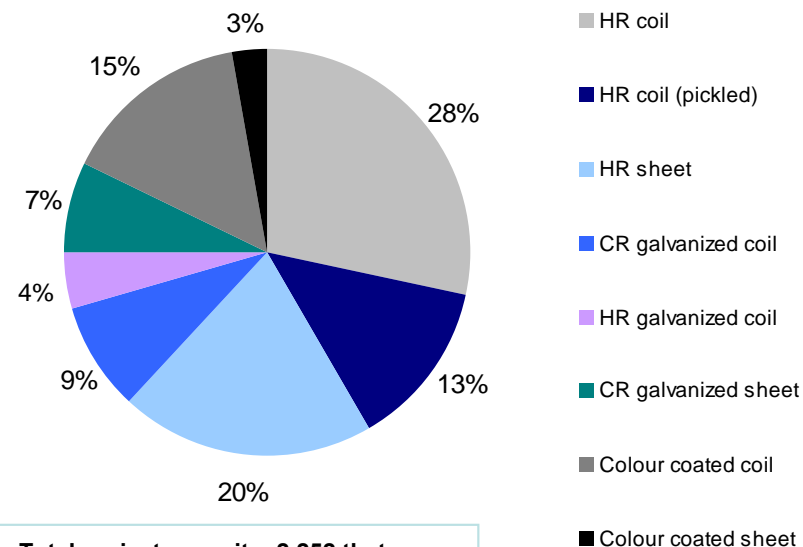


## Finished steel output, kt



Source: MMK estimates

## Finished steel output structure, kt



Total project capacity: 2 252 th. tons

## Sources of financing, mIn USD

SACE credit	522
Commercial credit	450
Working capital facility	60
Shareholders' contribution	481
Cost of land in Iskenderun	100
Generated cash-flow	78
<b>Total</b>	<b>1 691</b>

Source: MMK estimates

## Usage of financing, mIn. USD

Construction expenses	1 175
Administrative expenses	38
Reserve account (DSRA)	94
Working capital	136
Cost of land in Inskanderun	100
Interest expenses and fees	148
<b>Total</b>	<b>1 691</b>

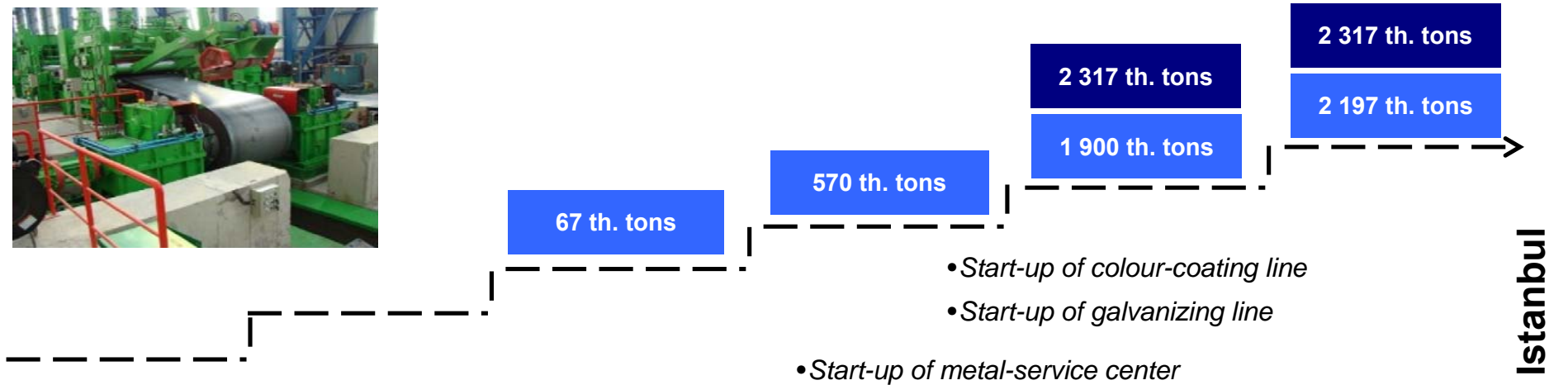
Source: MMK estimates

# Start-up schedule and construction expenses

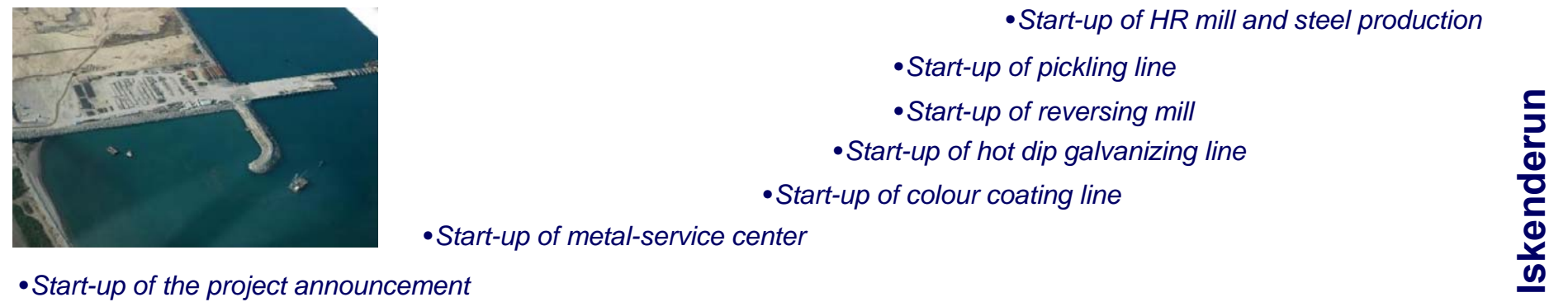


■ Crude steel output

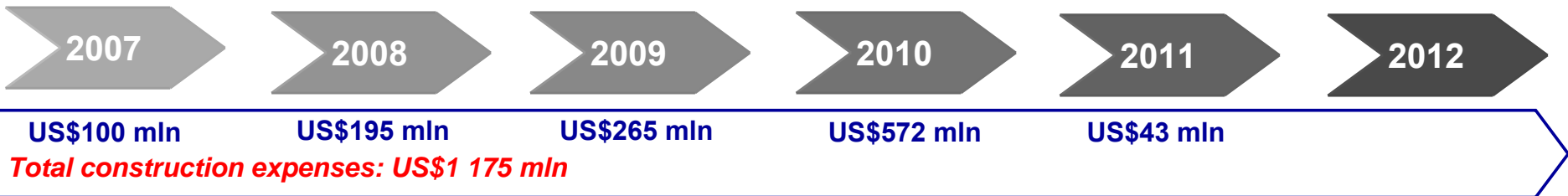
■ Expected finished steel output



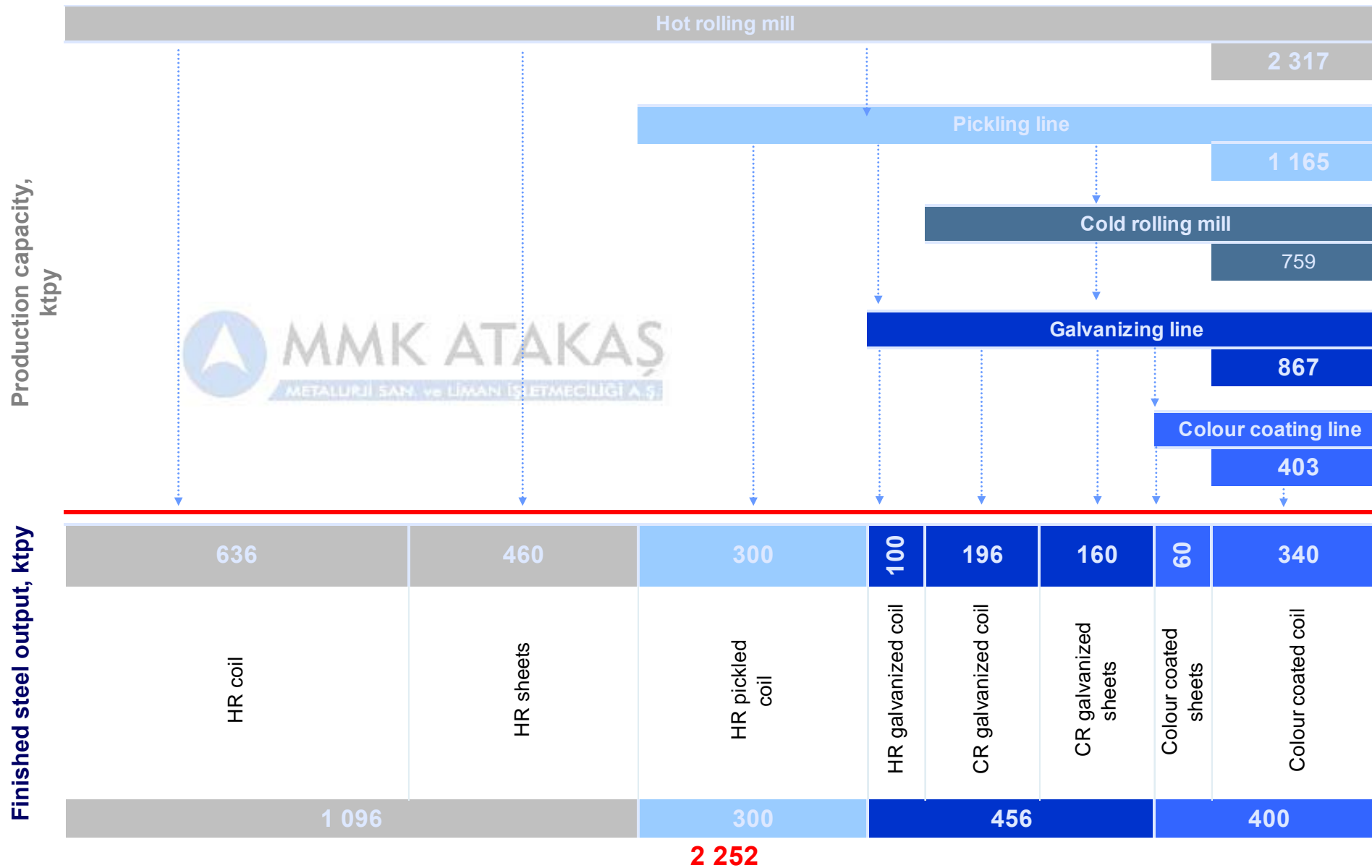
Istanbul



Iskenderun



# MMK-Atakas production layout



# MMK-Atakas ownership and financing structure



## MMK-Atakas ownership structure



50% +1 share



50% -1 share



## MMK-Atakas moorage in Iskenderun



## MMK-Atakas financing package structure



384 mln €

main equipment supply contract

450 mln \$

commercial credit

60 mln \$

working capital facility



MMK-Atakas



Service center equipment



Service center equipment



Galvanizing line by Danieli





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