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## PRESS RELEASE

### MMK and ERG sign a strategic agreement for iron ore delivery

OJSC Magnitogorsk Iron and Steel Works (MMK) and Eurasian Resources Group (ERG), a leading diversified natural resources producer, have signed a strategic agreement for the supply of iron ore. The agreement provides for the supply of more than 30 million tonnes of iron ore, including pellets and concentrate, from the Sokolovsko-Sarbayaskaya mine (JSC SSGPO, part of ERG) to OJSC MMK through 2020. This is the largest agreement of its kind in the industry in recent years.

This new contract provides OJSC MMK, a leader in the Russian metals industry, with the iron ore it will require for the next four years, while for SSGPO, a leading producer and exporter of iron ore in the Eurasian region, it secures guaranteed sales volumes.

The new agreement, which continues the long-standing partnership between two companies, was signed by the CEO of OJSC MMK, Pavel Shilyaev, and the Sales and Executive Director of ERG Sales, Yuri Sentsov. The signing was attended by the Chairman of OJSC MMK, Viktor Rashnikov, and the Chairman of ERG, Alexander Mashkevich.

*Viktor Rashnikov said: "MMK continues to develop its partnership with ERG, which is one of the biggest suppliers of high quality iron ore. Our relationship is based on long-term and mutually beneficial cooperation. This long-term agreement with ERG is at core of our corporate development programme, which aims to secure OJSC MMK's supply of raw materials."*

*Alexander Mashkevich said: "The long-term agreement with MMK reinforces our reputation as a reliable partner and a customer-oriented business. The contract is also key to securing the long-term sustainable growth of JSC SSGPO which is a major enterprise not only for the Kostanay Region but for Kazakhstan as a whole. We very much look forward to a successful partnership with MMK over the coming years."*

#### **Notes for editors:**

*MMK is one of the world's largest steel producers and a leading Russian metals company. The company's operations in Russia include a large steel-producing complex encompassing the entire production chain, from the preparation of iron ore to downstream processing of rolled steel. MMK turns out a broad range of steel products with a predominant share of high-value-added products. In 2015, the company produced 12.2 million tonnes of crude steel and 11.2 million tonnes of commercial steel products. MMK Group had sales in 2015 of USD 5,839 million and EBITDA of USD 1,668 million.*

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