

## **Severstal North America Will Resume Modernization Programs at Severstal Dearborn and Severstal Columbus**

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Severstal North America will be resuming modernization programs at its Severstal Dearborn, Mich., and Severstal Columbus, Miss., facilities to provide the highest quality products to its customers.

"While we remain cautious about the market outlook, we are encouraged that the more positive trends we saw towards the end of last year are being sustained. These projects are critical to furthering Severstal North America's leadership position in the production of innovative, high-quality light flat rolled products and strengthening our commitment to the North American steel market," said Sergei A. Kuznetsov, chief executive officer of Severstal North America.

Work will be resuming at Severstal Dearborn on the coupled pickle line and tandem cold rolling mill (PLTCM) and hot dip coating line (HDCL) for the production of automotive exposed hot dip galvanize and galvanneal coatings. The PLTCM will allow Severstal North America to meet the highest quality needs of the automotive industry as well as other end-user markets. The mill will also provide Severstal Dearborn an expanded product capability which will include dual phase, TRIP and high-reduction interstitial free steel products in delivered widths up to 72 inches. With this expanded product range, the Dearborn facility will increase its total output of cold rolled sheet from 1.65 million tons to 2.1 million tons per year.

The new PLTCM equipment consists of a five-stand, six-high mill that links pickling and rolling in one line, which is the newest and most productive cold rolling technology in the world. The result will be a more cost-efficient mill with significant improvements in product quality capability for shape, gauge, surface characteristics and mechanical properties. At the conclusion of this project, Severstal North America will operate three of the seven combined pickling/tandem mills that exist in North America. The primary PLTCM equipment provider is Mitsubishi-Hitachi Metals Machinery, Inc.

The HDCL is a new high-speed continuous line, capable of applying a precise coating of either zinc or zinc alloy to the surface of the steel strip. The line will produce the "best-in-class" product quality and yield for the exposed automotive market. The new hot dip galvanizing process equipment has been manufactured by Cockerill Maintenance & Ingénierie (CMI).

The future PLTCM and galvanizing facilities are located in adjacent buildings to minimize material handling requirements and improve delivery capabilities.

Work is also resuming at Severstal Columbus to complete its Phase II project, which will increase the plant's crude steel capacity to 3.4 million tons, matching Columbus' hot strip mill capacity and allowing the plant to achieve greater economies of scale. In addition, Phase II will increase the capacity of Severstal Columbus' downstream operations by about 30 to 120 percent depending on the unit, including a continuous pickling line, batch annealing, temper mill and continuous galvanizing line. The expansion will further increase Severstal Columbus' participation in the growing industrial markets in the southern United

States and in Mexico. Products from Severstal Columbus are purchased primarily by the distributor, automotive, construction and pipe and tube end markets.

The project includes a second electric arc furnace complex with a ladle metallurgy facility, vacuum degasser expansion, a second thin strip caster, a second shuttle-type tunnel furnace, and a second downcoiler at the hot mill. The finishing side expansion will feature the addition of a fourth pickle tank to the existing continuous pickle line/tandem mill, additional hydrogen batch annealing bases and furnaces, a push/pull pickle line and a second galvanizing line. The primary equipment suppliers are SMS, TMEIC, GE Power, ABB, Schust, Bricmont, Core and Ebner.

The Dearborn and Columbus projects are expected be completed in second half of 2011 and 2012 depending on commissioning schedules of respective units. The modernization projects were put on hold in the wake of the unprecedented fall in steel demand and pricing experienced in the fourth quarter of 2008.