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SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A.

ANNOUNCEMENT

New 10 million euro investment in the Thessaloniki plant

Following the decision of the General Meeting of Public Power Corporation (PPC) on 28/02/2014 regarding the reduction of the price of electricity for industry, a positive measure for the recovery of competitiveness, SIDENOR S.A. announces a new 10 million euro investment in its Thessaloniki plant.

The objective of the new investment is to avoid the reheating of billets - as done in the classical reheating method in gas-fired furnaces – by installing an electric induction furnace in line with the continuous caster, which will raise the temperature of the already hot billets to the required rolling temperature, before cooling. Thanks to this investment significant energy saving will be achieved and at the same time total carbon footprint will be reduced, since steel rolling will then have a zero direct carbon footprint (no use of natural gas).

Furthermore, the possibility to increase the number of shifts for the operation of the Thessaloniki plant during weekends will be examined.

With this new innovative investment the international competitiveness and export orientation of the SIDENOR Group is further enhanced, making it one of the most competitive steelmakers in Southeastern Europe.

The recent decision of PPC's General Meeting for the reduction of the energy price in the low demand zone (night and weekend) by 25% adapts to some extent pricing on the electrical characteristics of the industrial units, as required by European and national legislation, which strengthens the competitiveness and exports of the company. However, only this price reduction is not sufficient to make the final electricity price competitive internationally, if not accompanied by the immediate implementation of the already announced measures, such as the compensation of carbon leakage cost and the adoption of interruptible service contracts.