



PRESS RELEASE

IMH OPERATIONAL RESULTS FOR 9M 2018

02.11.2018

Industrial Metallurgical Holding (IMH), one of the world's leading supplier of merchant pig iron and the biggest merchant coke producer in Russia, announces operational results for 9M 2018.

Key operational indicators:

Production, '000 tonnes	9M 2018	9M 2017	Change, % Y/Y
Pig iron	1,720	1,662	+3
Coal	2,127	2,174	(2)
Coal concentrate	1,841	1,868	(1)
Coke (6% moisture content)	1,856	2,023	(8)
Iron ore	3,700	3,788	(2)
Iron ore concentrate	1,648	1,673	(2)

Total pig iron production for the first 9M 2018 increased by 3.5% compared to the same period of 2017 due to better operational efficiency of Tulachermet after maintenance procedures carried out in July-August 2017 and in August 2018.

Ash content reduction program implemented at the Butovskaya mine since March 2018 was the main reason for a slight decline in total volume of coal mined during the first 9M 2018 to compare with the same period of the previous year. The program resulted in improvement of coal quality, reduction of polluting agents content and stabilization of the mine's operations on the back of reducing gas-and-dynamic phenomena. Thus, despite lower operational results, the Group had positive effect from these measures.

Coal concentrate production volume for three quarters of 2018 is the same as for the first 9M 2017. After a decrease in 2Q, production rose in 3Q and exceeded the level of the beginning of the year on the back of higher quality of coal supplied from the Group's mines to Berezovskaya coal washing plant.

Coke production in 2Q 2018 decreased by almost 12% compared to 1Q because of changes in the main supply routes and testing of new logistics. In 3Q 2018 production returned to the level comparable to the results of 1Q.

Iron ore concentrate production in 3Q 2018 decreased compared to the previous quarter driven by the lower demand for this type of product from KMAruda's main consumer, Tulachermet, where blast furnace No.2 was staying idle under maintenance works in August 2018.

Industrial Metallurgical Holding (IMH) is a Russian vertically integrated company specializing in production of pig iron, extraction and procession of coking coal and iron ore, foundry castling and powder metallurgy. IMH is one of the world's largest suppliers of merchant pig iron and Russia's biggest producer of merchant coke. The Group's key production facilities are located in Kemerovo, Belgorod, Tula and Kaluga Regions of the Russian Federation.

Ekaterina Popova
Head of Strategic Communications
Phone.: +7 495 725-56-82, ext. 654
Email: popova@metholding.com
www.metholding.ru