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## **Mechel acquires 49% of Toplofikatsia Rouse in Bulgaria**

*Tuesday, 18 Dec, 2007*

Mechel announced that it has acquired 49% of the shares of Toplofikatsia Rouse JSC located at Rouse in the Republic of Bulgaria.

Following the approval by the Post Privatization Control Agency of Bulgaria and Antimonopoly Committee of Bulgaria of Mechel's right to acquire 49% of the shares of TPP Rouse, Mechel's subsidiary, Mechel International Holdings, acquired 49% of the shares of TPP "Rouse" from its 100% owner, Holding Slovenske elektrarne doo of Slovenia. The transaction amount was approximately EUR 50.2 million.

Mr Alexey Ivanushkin CEO of Mechel OAO said that "Mechel is the first Russian company to make significant investments in a power generating asset in Europe, a significant step that confirms Mechel's intentions to continue developing its power segment."

He said that "Due to a natural gas deficit and rising prices for energy resources, there is significant opportunity for steam coal consumption in Eastern Europe. As such, coal fired power plants are becoming more important. At a time of tight steam coal supply, Mechel's becoming a shareholder of the "Rouse" power plant secures the stability of coal deliveries to and the vitality of the power plant itself."

He added that "In addition, the acquisition of a large stake in a power plant in Bulgaria opens new markets for us to sell our steam coal and new potential markets for selling electric and heat energy produced by TPP Rouse to third parties. We are also interested in further expanding our presence in the growing Bulgarian energy market."

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