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## Alchevsk to start 2nd converter in September

*Saturday, 16 Aug, 2008*

According to Metal Courier, Alchevsk Steelworks intends to launch its second converter this September. It will have the same technical characteristics as the one launched in November 2007.

This converter will reach full capacity after the plant introduces its new blast furnace #2. The two year construction of the furnace will end in 2009. Increased pig iron production will be guaranteed by additional sinter produced at a new sinter plant.

Millennium Capital analyst said that “We believe the news is positive for the stock as the management is sticking to its modernization plans. For the second year running ALMK is leading the sector by CAPEX. Last year investments were USD 0.73 billion and a similar amount will be spent in 2008. ALMK is expected to be the sector growth-leader in the short term by increasing its steelmaking capacities to 7.5 million tonnes per annum in 2009. They will exceed those of AZST- the third largest domestic steelmaker. By then the share of steel smelted by the cost efficient converter method will grow to 80%. Moreover, a Pulverized Coal Injection unit, which is intended to eliminate natural gas and decrease coke usage, will be launched in Q3 2008 and is expected to reach full capacity by 2009.”

(Sourced from Millennium Capital)

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