

news release

Record Profit for Rolling Mill Last Year

Ostrava, June 2, 2008 – Financial results have been ramping up for ArcelorMittal Frýdek-Místek (former Válcovny plechu) during the last 4 years. “This is mainly thanks to transformer sheet and better production efficiency. We beat previous year’s record profit last year again,” says Marcela Blachová-Mikšová, financial director and vice-chair of the board.

Transformer sheet is ArcelorMittal Frýdek-Místek’s most profitable commodity. “We want to maximize transformer sheet output this year. In addition to commencing new equipment to further boost production, we are working on production efficiency measures and the elimination of bottlenecks,” says Blachová-Mikšová. She says, the company is sharpening focus on its core business and unique competences, and transformer sheet know-how is certainly one of them. “In 2008 we want to finalize preparations to jettison assets that do not match our production needs. The real estate market is thriving and we will want to make the most of it,” the director added. The management has launched improvement programs for better production quality and customer relations. “This is to follow the line of ArcelorMittal, the transnational group we belong to, where good customer relations are a fundamental value,” says Blachová-Mikšová.

ArcelorMittal Frýdek-Místek, member of ArcelorMittal Ostrava, Czech Republic’s largest steel company, closed last year with audited pre-tax profit of 530.5m CZK, a year-on-year plus of 28 %. Profit after tax reached 416m CZK last year. Earnings from the sales of products and services grew to 3.5bn CZK from 3.17bn CZK the year before. Company performance in added value terms grew 131m CZK year on year reaching 866m CZK.

Last year’s sheet sales totalled at 143,000 tonnes compared with 138,000 tonnes the year before. The sales of transformer sheet grew by 6,500 t to reach 21,633 t. Credit for the growth goes to the technical expert team led by managing director and chairman of the board Tomáš Mischinger and their focus on step-for-step efficiency increase throughout our complex production processes.

Only a few companies in Europe manufacture transformer sheet: ArcelorMittal Frýdek-Místek gets the company of Bochnia, Poland, Thyssen Krupp ES, Orb ES. “Our objective is to become a major producer of transformer sheet putting out multiples of the present quantity and reaching better quality than we do today. Our strategy is clear and all workers know what our objectives are,” explains Mr. Mischinger stressing that electrical sheet is the future for his company.

The management of ArcelorMittal's Frýdek-Místek-based subsidiary has decided to continue investments in electrical sheet production equipment and in the development of more energy-efficient technology. ArcelorMittal Frýdek-Místek's development investments will exceed 1 bn CZK this year.