

**LIBERTY Ostrava a.s.**

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## **LIBERTY Ostrava to temporarily idle Blast Furnace No. 2 due to coronavirus market impact**

**Ostrava, April 16, 2020 – After an assessment of market conditions resulting from the COVID-19 pandemic, LIBERTY Ostrava has decided to temporarily idle its Blast Furnace No 2 until the end of August. The plant’s Blast Furnace No 3 will remain in production. This will allow LIBERTY Ostrava to better adapt to the significant slowdown in the European steel market by reducing hot metal production by 20 % and more efficient management of inventories. It will also allow the business to remain operationally and commercially flexible, so it can adapt to changes in customer demand in the most effective manner.**

In recent years, the period of May – July had been the seasonal peak of construction market with the highest steel dispatches whereas now the company customers are reporting 30% lower demand.

Pascal Genest, CEO of LIBERTY Ostrava, said: *“Liberty Ostrava can fully leverage its flexibility in the current environment. The idling of BF2 has been carefully prepared for over the last few weeks and will be effective from the end of April. We plan to return the furnace to full operational capacity by end of August, which could be brought forward by one month if market conditions allow. The COVID-19 pandemic has caused disruption across the European steel industry and our customers are no exception. We will continue to be in a position to meet their current and future requirements.”*

Blast Furnace No 2 is to be placed under a “care and maintenance” regime, enabling it to be re-opened swiftly once the economic environment improves. The 400 employees affected, i.e. less than 7 %, will be redeployed where there are vacancies while others will be rotated on temporary unemployment with 70 % salary, so they maintain regular access to the plant, can continue their professional development and to ensure the impact on each individual and their families is minimized.

In the meantime, the company continues to work on the implementation of the strategic investment announced in February. The business expects to submit an Environmental Impact Assessment (EIA) application for its new hybrid furnace to the Ministry of Environment this month and believes that, with fast track approval by authorities, the furnaces will be operational in 2022.

*“In spite of the pandemic, we remain ambitious for the future of the Ostrava steelworks and look forward to serving the regional Central European steel market, working closely with our dedicated employees, as well as the Government, Trade Unions, and other stakeholders to achieve that goal,”* added Genest.

*LIBERTY Ostrava is an integrated steel business with an annual production capacity of approximately 3.6 million tonnes per annum serving construction, machinery and oil & gas industries. The company is a domestic leader in the manufacture of road barriers and tubes. In addition to the Czech market, it supplies its products to more than 40 countries around the world. Together with its subsidiaries in Ostrava, the company has 6,000 employees. The company manufactures its products with a minimum possible environmental footprint. It is part of LIBERTY Steel Group, which is part of GFG Alliance, a collection of global businesses and investments owned by Sanjeev Gupta and his family. The Alliance is structured into three core industrial pillars: LIBERTY Steel Group, ALVANCE Aluminium Group and SIMEC Energy Group. Headquartered in London, GFG Alliance employs 35,000 people, across 10 countries and has revenues of USD \$20bn.*