

**NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY LAW.**

*Information contained herein in respect of the GDRs is not intended for any persons located within the territory of the Russian Federation, who are not "qualified investors" within the meaning of Article 51.2 of the Russian Federal Law "On the Securities Market" No. 39-FZ dated 22 April 1996, as amended, and must not be distributed or circulated into the Russian Federation, or made available in the Russian Federation, to any persons who are not qualified investors, unless and to the extent they are otherwise permitted to access such information under Russian law.*

**PLACING OF 158 MILLION ORDINARY SHARES IN PUBLIC JOINT STOCK COMPANY "NOVOLIPETSK STEEL" (THE "COMPANY") BY FLETCHER GROUP HOLDINGS LTD**

28 June 2019

NLMK Group, an international steel company with operations in Russia, the United States, and Europe, has been informed by FLETCHER GROUP HOLDINGS LTD, a company connected with Mr. Vladimir Lisin, Chairman of the Board of Directors of the Company, that it has sold 158 million shares in the Company, representing approximately 2.6 per cent of the issued share capital of the Company.

The shares were sold to Goldman Sachs International, which plans to sell the shares in the form of shares and GDRs to institutional investors outside the US in accordance with Regulation S under the US Securities Act of 1933 (the "Securities Act") and to qualified institutional buyers in the US in accordance with Rule 144A under the Securities Act.

Following the sale, FLETCHER GROUP HOLDINGS LTD continues to own 81 per cent of the issued share capital of the Company, whilst the free float will increase to 19 per cent. The increase in the free float is expected to lead to increased liquidity in the Company's shares.

Under the terms of the Placing, FLETCHER GROUP HOLDINGS LTD has agreed not to dispose of further shares in the Company for a period of at least 90 days.

The Company will not receive any proceeds from the Placing.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

Enquiries:

Dmitry Kolomytsyn, CFA

Director, Capital Markets & IR

Mobile: +7 (495) 544-54-29

E-mail: [ir@nlmk.com](mailto:ir@nlmk.com)

*The distribution of this announcement and the offer and sale of the Company's ordinary shares in the form of shares and/or GDRs (the "Placing Securities") in certain jurisdictions may be restricted by law. The Placing Securities may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any prospectus or offering document relating to the Placing Securities in such jurisdiction. No action has been taken by FLETCHER or Goldman Sachs International or any of their respective affiliates that would permit an offering of the Placing Securities or possession or distribution of this announcement or any other offering or publicity material relating to such securities in any jurisdiction*

*where action for that purpose is required. This announcement is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful.*

*This announcement is not for publication, distribution or release, directly or indirectly, in or into the United States of America (including its territories and dependencies, any State of the United States and the District of Columbia), Australia, Canada, Japan or any other jurisdiction where such an announcement would be unlawful. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession this announcement or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.*

*The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither this announcement nor the information contained herein constitutes or forms part of an offer to sell or the solicitation of an offer to buy securities in the United States. There will be no public offering of any securities in the United States or in any other jurisdiction.*

*The information with respect to GDRs contained herein is not for release, publication or distribution in whole or in part in or into the Russian Federation subject to certain exceptions. These written materials are not, and under no circumstances are to be construed as, a public offer or advertising or an invitation to make offers to sell, purchase, exchange or otherwise transfer or dispose of any securities, including securities of foreign issuers, or other financial instruments in the Russian Federation within the meaning of Russian securities laws or to or for the benefit of any persons or entities resident, incorporated, established or having their usual residence in the Russian Federation, or to or for the benefit of any person located within the territory of the Russian Federation, who, in respect of GDRs, is not a "qualified investor" within the meaning of Article 51.2 of the Russian Federal Law "On the Securities Market" No. 39-FZ dated 22 April 1996, as amended, and must not be distributed or circulated into the Russian Federation or made available in the Russian Federation, to any persons who are not qualified investors, unless and to the extent the recipients are otherwise permitted to access such information under Russian law. The GDRs referred to herein have not been registered in Russia or admitted to placement and/or public circulation in the Russian Federation and the information contained herein is not to be made publicly available in the Russian Federation or passed on to third parties in the Russian Federation, unless otherwise permitted under Russian law. The securities are not intended for "offering", "placement" or "circulation" (each as defined in Russian securities laws) in the Russian Federation, except as permitted by Russian law.*

*In member states of the European Economic Area ("EEA") which have implemented the Prospectus Directive (each, a "Relevant Member State"), this announcement and any offer if made subsequently is directed exclusively at persons who are 'qualified investors' within the meaning of the Prospectus Directive ("Qualified Investors"). For these purposes, the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU and Regulation (EU) 2017/1129), and includes any relevant implementing measure in the Relevant Member State. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated.*