

MOSCOW, April 17, 2017 (GLOBE NEWSWIRE) -- Mechel PAO (MICEX:MTLR) (NYSE:MTL), one of the leading Russian mining and metals companies, reports that the Expert Council of Russia's Industry and Trade Ministry's Industrial Development Fund approved a loan for Mechel's Chelyabinsk Metallurgical Plant (ChMK PAO) to implement a project for production of rails, beams and other structural rolls meant for export.

The project's cost totals 1.52 billion rubles, including 300 million rubles to be loaned by the Industrial Development Fund. The project includes acquiring technological equipment in order to set up manufacturing of products according to European standards on the basis of Chelyabinsk Metallurgical Plant's universal rolling mill.

Part of export-oriented products within the project's framework will be made this year. The project is planned to be fully launched in the second quarter of 2019. Chelyabinsk Metallurgical Plant had already received a European certificate of compliance for its beams, and the plant has the status of a potential rail supplier for Deutsche Bahn, Germany's railroad operator.

"The Industrial Development Fund's financial support will enable the plant to implement the project and make high-margin products that are in demand abroad. European and Middle Eastern markets have a stable demand for quality rails, beams and other types of structural rolls. The plant already has requests for future supplies. As Mechel Group owns a well-developed international service and sales network, we can quickly enter foreign markets with our new products," Mechel-Steel Management Company OOO's Chief Executive Officer Andrey Ponomarev noted.

*Note to editors:*

Chelyabinsk Metallurgical Plant's universal rolling mill was launched in 2013. It is one of Russia's largest facilities for producing high-quality structural rolls and rails up to 100 meters in length. Rails are produced using the technology of heat treatment in an organic polymer solution, which has no analogies in Russia and which makes rails highly wear-resistant, contact-enduring and with high fatigue strength. Currently the mill produces nearly 40 profiles of structural shapes and rails. The mill's chief customers are Russian Railways, metalworks factories, steelmaking plants, mining plants and wagon-building facilities.

Mechel is an international mining and steel company. Its products are marketed in Europe, Asia, North and South America, Africa. Mechel unites producers of coal, iron ore concentrate, steel, rolled products, ferroalloys, heat and electric power. All of its enterprises work in a single production chain, from raw materials to high value-added products.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Mechel, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements. We refer you to the documents Mechel files from time to time with the U.S. Securities and Exchange Commission, including our Form 20-F. These documents contain and identify important factors, including those contained in the section captioned "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the achievement of anticipated levels of profitability, growth, cost and synergy of our recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of our shares or ADRs, financial risk management and the impact of general business and global economic conditions.

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