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COMP/M.5582 - GONVARRI / SEVERSTAL / JV

SECTION 1.2

Description of the concentration

The proposed concentration is the creation of a full function joint venture, which will build and operate a steel service centre in Kaluga, Russia. The steel service centre will be owned by Holding Gonvarri Russia, S.L. and a 100% subsidiary (“Gonvarri Russia”). In the transaction, Severstal (via its subsidiary Severstal Trade GesmbH) will acquire 50% of the shares of Gonvarri Russia, which is currently wholly owned by Gonvarri Corporación Financiera, S.L (“Gonvarri”) and both parties will then contribute capital for the creation of the new business.

The main business activities of the undertakings to the concentration are:

- Gonvarri: steel processing and distribution and the design, development and manufacture of metal parts for motor vehicles.
- Severstal: steel producing and mining activities.
- Gonvarri Russia: steel processing and distribution in Russia.