

**13.09.2018****Severstal, RUSNANO and Windar Renovables to Manufacture Wind Turbine Towers in Russia**

PAO Severstal, RUSNANO and Windar Renovables have concluded an agreement to create a joint venture, WRS Bashni, LLC, to produce steel towers for wind-driven power plants (WDPP).

The renewable energy products, which will be the first of their kind in Russia, will be built in the Rostov Region. The wind energy equipment will be installed as part of a government programme to develop and stimulate the generation of renewable energy sources in Russia (RES).

During the first stage, total investment in the project will be more than RUB 750 mln. Windar Renovables will have a 51% stake in the joint venture, and RUSNANO and Severstal will each hold 24.5%. Windar Renovables, a Spanish company, will be responsible for delivering the technology to construct the WDPP towers to Russia. Severstal will have the opportunity to supply, on competitive terms, the steel plate necessary for production.

The JV enterprise's production capacity will reach 300 MWt per annum within next 2 years. Initially, its key customers will be the joint fund created by RUSNANO and FORTUM to establish wind energy production, and its [subsidiary], Vetroparki FRV, LLC, which won a competition for renewable energy projects, with a total installed power of 1.8 GWt. Vestas, a global WDPP supplier and technological partner, has been selected to be the main equipment supplier for the fund. One of the key selection criteria was the presence of a localisation programme in Russia. Windar Renovables is a global OEM partner of Vestas.

The steel WDPP towers constitute a hollow structure from a set of cylindrical sections shaped like a cone, on which a gondola and the wind turbine rotor are mounted in order to connect the rotor mechanism of the wind turbine to with the flow of wind. Towers will reach up to 120 metres in height, with a weight of up to 270 tonnes. Upon commissioning, the RES object under the capacity delivery agreement (CDA) programme, the towers will ensure a 13% WDPP localisation of the fixed level of 65%.

**Alisher Kalanov, head of RUSNANO Management Company's Perspective Energy Projects Unit:**

“Steel towers are one of the key components of a wind turbine. Due to their dimensions and weight, they have to be produced in close geographic proximity to the regions where the wind parks are to be developed. The development of a Russian wind power sector will be supported by the participation of a foreign technological investor and a large Russian industrial manufacturer in localising the towers. We estimate that products manufactured by WRS Bashni, LLC will contribute to more than half of the Russian wind energy market. RUSNANO projects, realised with global and Russian technological partners will account for 65% of WDPP localization, guaranteeing payment in accordance with the conditions of the RES CDA.”

**Alexander Shevelev, CEO of Severstal:**

“Wind power accounts for a growing share of the world’s electricity generation, and we are seeing the beginning of this trend in Russia as well. This project will enable the Company to start supplying steel to an attractive new market and be part of a new value-added product segment. Severstal plans to extend its activity in this area to support the development of further wind power capabilities in Russia.

Our participation in the JV is a demonstration of the Company’s updated marketing strategy, which is focused on closer cooperation with clients and providing customer-tailored solutions.”

**Justo Acedo, General Director of Windar Renovables s.l.:**

“We are very confident with the wind energy and its developing in Russia Federation. This new factory will increase the production capacity of the Rostov Region with a new technology and know-how imported from our factories around the world.”

***RUSNANO Joint-Stock Company** was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO’s shares are state owned. Thanks to RUSNANO’s investments, there are currently 95 factories and R&D Centers opened in 37 regions in Russia. JSC RUSNANO has profit for the last 4 years.*

***Management of assets of RUSNANO JSC** is carried out by Limited Liability Company established in December 2013, RUSNANO Management Company. Anatoly Chubais is the Chairman of its Executive Board.*

*Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO’s **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.*

*Further details: [www.rusnano.com](http://www.rusnano.com)*

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*The Spanish **Windar Renovables** is included in the DanielAlonso Group—one of the largest steel equipment companies manufacturer in the world. The company has been working in the renewable energy market since 2007 and is one of the world leaders in manufacturing towers for onshore and offshore WDPPs and offshore foundations. Possessing ten production sites in four countries plus the new one in Russia Federation, the company is a supplier of towers to the world’s main wind turbine manufacturers, such as Vestas, GE, Siemens-Gamesa, Alstom,*



*Suzlon, Inoxwind, Nordex-Acciona and offshore foundations for Iberdrola, Statoil, Siemens-Gamesa, Scottish Power, EDP Renewables, Geosea and Van Oord.*

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**PAO Severstal** is one of the world's leading vertically-integrated steel and steel related mining companies, with assets in Russia, Latvia and Poland. Severstal is listed on RTS and MICEX and the company's GDRs are traded on the LSE. Severstal reported revenue of \$7,848 million and EBITDA of \$2,577 million in 2017. Severstal's crude steel production in 2017 reached 11.7 million tonnes.

Further details: [www.severstal.com](http://www.severstal.com)

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