



KUMZ TODAY

MONTHLY NEWS BULLETIN FOR OUR CUSTOMERS AND PARTNERS

Issue 3, November 2007

PRODUCTION

New plate production plant 'Chkalovsky' is launching

There are less than two months left before the Grand Opening of the high-tech plant 'Chkalovsky' for heat treated plate production.

The new plant will manufacture about 22,300 tons of aluminium plate per year. Project costs including expenses, purchased equipment, installation, construction work, commissioning and start-up equal to \$81 Mln.

Valery K. Kravchenko, Managing Director of 'Chkalovsky': 'Installation of equipment and commissioning are of a very high quality. It is important because in Russia there is no similar production to 'Chkalovsky' with such technology intensiveness and engineering solution. New facilities raise an intense interest among customers and users of large-size plates as there is a high demand for this product on the market. This new plant is primarily focused on the demands of the aerospace customers.'

SCIENCE

International conference held at KUMZ site

October 4 – 5, 2007 KUMZ held IV International conference 'Current trends in application of aluminium alloy semi-finished products, technology and equipment for their production'.

Vladimir I. Skorniyakov, President of 'Aluminium Products' Managing Company, Vladimir M. Chertovikov, First Vice-President, Victor V. Yakimov, Mayor of Kamensk Uralsky, Aleksey V. Filippov, Managing Director of KUMZ together with the main specialists of the plant have taken part in the conference. Current market trends in Russia and abroad, world experience in manufacture of semi-finished products, new alloys and products, state-of-the-art equipment, technology and requirements to semi-finished products existing on the market were discussed at the conference. Representatives of research institutes, main suppliers of equipment and consumers of semi-finished products manufactured at KUMZ delivered their speeches on these subjects. Also participants and guests of the conference visited casting and rolling workshops at KUMZ site as well as Chkalovsky plant.

Andrey V. Kurganskiy, Commercial Director of KUMZ:

'Each conference is a progression in mutual communication and exchange of new relevant information. It is no longer easy to gather so many people at one place. But when it is achieved a number of other tasks are also performed such as on-line interaction between science and production.

Aerospace subject gathers pace and, for sure, it has become the key subject within the framework of this conference. For this KUMZ implements a number of new major projects, one of which is the new plate facility 'Chkalovsky' that made a strong impression on the participants of the conference. KUMZ fortifies its position in supply to the domestic market; in particular KUMZ supplies die-forgings for 'SUKHOI SUPERJET 100' project and for modified 'Ilyushin – 76' project.

Participants of the conference have noted that KUMZ in comparison with all the other Russian aluminium semi-finished products suppliers is more open to innovations, new ideas and is ready for serious scientific experiments. Conference is over; now we process and analyze the materials and sum up preliminary results.'

EXHIBITION ACTIVITY

KUMZ participates in MAKS 2007, VIII International Aerospace Salon

Interview with Vladimir I. Skorniyakov, President of 'Aluminium Products' Managing Company:

'International Aerospace Salon in Zhukovskiy is getting more and more significant in Russia. It attracts people from all over the world, shows the power of Russian aircrafts which do not have any analogues in the world. MAKS is a special event. If we speak about stagnancy, air show in Zhukovskiy is more spectacular than in Le Bourget. People can see the show from different places. In Le Bourget halls are located very close to each other and if you, for example, stay between two halls you are unlikely to see the air show.

If we speak about stands which are presented at Le Bourget airfield, yes, it is true Le Bourget is more powerful aerospace salon. It has its own traditions, it is the centre of Europe, and I would say it is the centre of the world: from the USA or Japan you will have approximately the same flight distance as from Brazil. A lot of different companies have been presented at the

show such as aerospace, tooling companies etc.

We are interested in MAKS because there we establish those contacts and business relations which turn to contracts later. KUMZ participation in such salons is getting more and more essential. We occupy better places in the hall as it is important where stand is located and how many people pass through. This year total area of KUMZ exposition stand took 50 square meters.'

KUMZ is going to participate in Metal-Expo'2007, the 13th International Industrial Exhibition which will be held on November 13-16, 2007 at the All-Russian Exhibition Center in Moscow. It has been forecast that about 600 companies from around the world will take part in this Exhibition. Number of participants is expanding due to expositions' increase of manufacturing companies and suppliers of different equipment for metal working, warehouses etc. KUMZ will occupy 107 square m of the exposition area. We would much appreciate if we had the honor of welcoming you at KUMZ' stand (200E02).

NEWS BRIEFS / PEOPLE

In September KUMZ held a trade union conference. Participants of the conference have analyzed the activity of KUMZ trade union organization for the last four years; they determined basic tasks and strands of work for the next period and held elections of trade union management board. The trade union activity is considered to be satisfactory.

A corporate contest game among young managers and specialists are continuing at KUMZ. The main targets are identification, training and effective use of the personnel reserve. Managers and specialists having a true management potential are discovered during these training courses and business games; their professional level is increasing.