

The Payne Firm, Inc. was the Environmental Consultant assisting The Carlyle Group in this deal. Below is the press release issued by The Carlyle Group.

Novolipetsk Steel to Acquire John Maneely Company from The Carlyle Group for \$3.53 Billion

Moscow, Russia and Washington, DC – Novolipetsk Steel (LSE: NLMK), the leading Russian steel producer, has signed a definitive agreement to acquire U.S. steel pipe and tube manufacturer John Maneely Company (JMC) from a shareholder group including global private equity firm The Carlyle Group and the Zekelman family for US\$3.53 billion, acquiring the company on a debt free, cash free basis. The transaction is subject to customary regulatory approvals and is expected to close in the fourth quarter of 2008.

JMC is the largest independent tubular manufacturer in North America, with the most diverse product platform in the North American pipe and tube industry. Through its Wheatland and Atlas Tube divisions, it maintains a #1 market position in North America in each of its three core product categories: Hollow Structural Sections (HSS), standard pipe and electrical conduit. During Carlyle's ownership, sales increased by US\$800 million, a 36% percent rise, from US\$2.2 billion in fiscal 2006 to an estimated US\$3 billion in fiscal 2008.

Formed through the combination of John Maneely Company and Atlas Tube in December 2006 and headquartered in Beachwood, Ohio, JMC operates eleven plants in five U.S. states and one Canadian province and has a total production capacity of more than 3 million tons of steel pipe and tube per annum. In the twelve months ended June 30, 2008, JMC shipped 2.1 million tons of pipe and generated revenue of US\$2.4 billion and EBITDA of US\$485 million.

The acquisition of JMC fits with NLMK's stated strategy of portfolio diversification and downstream integration in the core markets of the company. It strengthens NLMK's position in North America and provides an entry point into an important and high margin end market.

NLMK, through its joint venture with Duferco Group, has two manufacturing facilities in the U.S., Duferco Farrell Corp. and Sharon Coating, LLC. Duferco Farrell is currently the key supplier of hot rolled coils (HRC) to JMC and in particular the largest supplier of HRC to JMC's Wheatland division, to which it is closely located. NLMK is therefore in an excellent position to extract synergies (estimated to be around US\$35 million per annum) from the vertical integration of its steel assets in North America with JMC's low cost processing capabilities.

Vladimir Lisin, Chairman of NLMK, said, "We are delighted to have secured an entry into the highly attractive U.S. pipe and tube market and we are confident that the incorporation of JMC's quality assets into the NLMK group will prove to be a highly attractive investment for NLMK's shareholders as well as a beneficial development for JMC's customers and employees."

Barry Zekelman, Chief Executive Officer of JMC, said, "Our hard work these past few years has demonstrated that Atlas and Wheatland are formidable players in their served markets. We are proud to become part of the NLMK steel family and believe the future is bright for the company and its dedicated employees."

Tom Conway, International Vice President (Administration) USW, said, "The United Steelworkers has had long-standing productive relationships with both companies. We look forward to working with the new owners."

Daniel A. Pryor, Managing Director on the Carlyle Industrial team, said, "In the face of intense global competition, JMC's remarkable management team and work force have built the premier global steel pipe

and tube manufacturer. They have created economies of scale through two strategic acquisitions, improved operations with lean manufacturing and six sigma techniques, and grown sales through an intense focus on customer service. At many plants, the workforce has shared the benefits of this transformation via gainsharing programs. This is a great example of how private equity can help create value. NLMK is the right owner to carry on JMC's proud tradition of quality and innovation and to take JMC to the next level."

The transaction will be financed from available bank commitments, including the recently established US\$1.6 billion Pre Export Finance (PXF) facility and a US\$2.0 billion bridge commitment provided by Merrill Lynch, Deutsche Bank and Societe Generale.

Merrill Lynch is the exclusive financial advisor and Debevoise & Plimpton is the legal counsel to NLMK. JP Morgan, Goldman Sachs and GMP Securities provided financial advice to JMC and Latham & Watkins is the legal counsel.

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