SeverCorr Reaches Production in Record Time

SeverCorr has started up complete production at its next-generation steel mill, just two years after breaking ground on vacant prairie land in Lowndes County, Miss. The facility, a partnership between SeverStal and a group of steel-industry veterans led by John Correnti, was built to serve the growing demand for high quality steel in the Southern United States.

Designed for producing high-quality exposed steels, SeverCorr's meltshop utilizes an electric arc furnace capable of melting 1.7 million tons of steel annually, which can be further treated in the facility's ladle metallurgy furnace and vacuum degasser. The meltshop is supported by a state-of-the-art alloy feed system.

SeverCorr's caster, with a 74-inch mold, is the widest of any continuous strip production system in North America, according to the company. The caster features an electromagnetic brake that controls liquid steel fluid flow into the mold and a direct-drive hydraulic oscillator.

SeverCorr's six-stand hot mill will initially produce over 1.5 million tons of high-quality steels annually, with 350,000 of the 1.5-million-ton total available for direct sale to customers in a gauge range of .054 to .500 inches. The balance of the hot bands will be further processed into hot rolled pickled and oiled products, cold-rolled products, and as substrate for the facility's galvanizing line.

SeverCorr officials and their supporters celebrated the facility's accomplishments earlier this week in a ceremony attended by government and economic development officials and SeverCorr partners, customers and employees.

"We are America's next generation of steel," said John Correnti, SeverCorr's CEO. "We are redefining the industry. You can see it in our equipment—an electric arc furnace complimented by integrated finishing equipment like nowhere else in the world. You can see it in our customer partnerships—customers located right next to us, changing the distribution channel. We are doing things differently."

Joining Correnti were Mississippi Governor Haley Barbour and Alexey Mordashov, CEO of SeverStal, a leading global steel company, strategic partner and major SeverCorr shareholder. Mordashov noted SeverStal's partnership with SeverCorr made clear business and strategic sense.
"I've been in the steel industry since the beginning of my career and I've seen a lot of mills from all around the world," said Mordashov. "Based on this first-hand experience I can tell you that this operation is both one-of-a-kind and world-class. We are excited to be a part of its development. America is a very important focus for SeverStal – we are confident about its growth prospects and have high expectations for SeverCorr."

Correnti provided preliminary details on the Phase II expansion announced earlier this year. Projections call for an additional investment of approximately $500 million to install a second furnace, caster, pickle line, and coating line, which will more than double the mill's output by late 2009/early 2010. Details beyond those projections remain in development.

The celebration was concluded with a video tour of the facility, which can be viewed on the SeverCorr website or by clicking on this direct link.

SeverCorr was formed in 2003 to design, engineer, build and operate a state-of-the-art steel facility to service growing manufacturing opportunities in the Southern United States. SeverCorr broke ground in October of 2005 on a next-generation steel mill near Columbus, Miss., that will have the capacity to produce 1.7 million tons of high-quality steels annually. The facility provides products for use in the automotive, building, agricultural, pipe & tube, and appliance industries from a 1400-acre mega-site that has been designed to accommodate production partners and related manufacturers onsite.

Incorporated in 1993, OAO SeverStal is an international steel producer that focuses on high-value-added and unique niche products. The company has a successful track record of acquiring and integrating high-quality assets in North America and Europe. SeverStal owns mining assets in Russia, thus securing its supplies of raw materials. In 2006 SeverStal produced 17.6 million tonnes of steel and had revenues of $12.4bn, PBT of $1.8bn and EPS of $1.27.