

**Liberty Ostrava a.s.**

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## **The new owner of the Ostrava steelworks and the Ministry of Industry and Trade sign memorandum to support the sustainable development of steelmaking in the Czech Republic**

**Ostrava 17 September 2019 – Sanjeev Gupta, executive chairman of the GFG Alliance, has signed today, during the inauguration ceremony on the occasion of the change of ownership, the Memorandum of Understanding with Karel Havlicek, the Czech Republic’s Deputy Prime Minister and Minister of Industry and Trade, on cooperation between Liberty Steel and the Ministry to support the sustainable development of steelmaking in the Czech Republic. The Memorandum follows and reinforces the agreement between Liberty Steel and the local trade unions concluded earlier this month covering investments, production and employment levels as well as the extension of the collective agreement until 2023.**

*“I am extremely proud to welcome the thousands of skilled and committed staff at Ostrava into the GFG family. With the support of the team here, we will define a sound growth strategy so that Liberty Ostrava can once again become a beacon of strength and prosperity in the region,”* said Sanjeev Gupta, GFG executive chairman during the inauguration ceremony.

The inauguration ceremony, whose peak was the signature of the Memorandum, was also attended by Nick Archer, the British Ambassador, Ivo Vondrak, the Governor of the Moravian-Silesian Region, Tomas Macura, Mayor of the city of Ostrava, community leaders, customers, suppliers and employees of the steelworks.

The Memorandum reflects the mutual commitment of Liberty Steel and the Ministry of Industry and Trade to the strategic development and future sustainable growth of the Ostrava Steelworks and its important contribution to the regional and national economy. It specifies areas where both parties have found understanding. These are energy and infrastructure, human resources development, research and development and common trade policy.

*„We have been saying from the very beginning, maintaining the production in the Moravian Silesian region and competitiveness of Czech steel are key to the Ministry. Therefore, besides the strategic development and sustainable growth the Memorandum logically deals with the protection of employee rights, reflecting the intention of the Ministry to engage in the Ostrava steelworks activity. So among other things, the Czech republic will have a member in the Supervisory Board of the company,”* said Karel Havlicek, the Czech Republic’s Deputy Prime Minister and Minister of Industry and Trade.

The completion of the acquisition triggered the start of a 100-day review, a comprehensive analysis of the business, which explores investment opportunities and develops detailed plans to boost competitiveness, extend product range and support sales growth. Liberty is also undertaking further due diligence on the potential purchase of the TAMEH Czech power plant, which supplies the steelworks.

*“The Ostrava mill is a strategically located operation, with an excellent and highly skilled workforce that has the flexibility to adjust its product mix in order to drive profitability. We intend to stabilise production before we look to grow it significantly in the future through potential investments to capitalise on unused rolling capacity,”* added Jon Bolton, CEO of Liberty Steel Continental Europe.

**Liberty Ostrava a.s. is an integrated steel business with a production capacity of 3.6 million tonnes of steel. At present it annually produces c. 2.2 million tonnes of steel, which is mainly used in construction, machinery and oil**

*& gas industries. The company is a domestic leader in the manufacture of road barriers and tubes. In addition to the Czech market, it supplies its products to more than 40 countries around the world. Together with its subsidiaries in Ostrava, the company has 6,300 employees. The 2018 average monthly income was CZK 39,180. As a result of the above-standard greening, the company manufactures its products with a minimum possible environmental footprint. It is part of Liberty Steel, a global steel and mining business. Liberty Steel is part of the GFG Alliance, a global group of energy, mining, metals, engineering, logistics and financial services businesses, headquartered in London, with a presence in around 30 countries worldwide. The Alliance has a global workforce of around 30,000 people and a turnover exceeding US\$20 billion.*



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