



PRESS STATEMENT

S.I.M.B.I. NOT CLOSING

STEELMAKERS ZIMBABWE would like to draw attention to a false impression caused by an article published in The Standard Newspaper dated 2nd -8th March 2008, titled 'Masvingo's Steelmakers plant faces closure' The article has been published without any reference to the company whatsoever and bereft of facts, causing prejudice and harm to the company's' good standing.

Steelmakers Masvingo (SIMBI) is a viable operation running at optimal capacity at present. At no given time has the plant been under stress and thus under no threat of any possibility of closure then, or now.

The plant is currently running at phase I of a three-phase programme which will see production increasing from the current 100tons to 500 tons of Sponge Iron per day. The plant is designed to run between 100-120 days non-stop. Thereafter the plant is taken for maintenance work for a week before resumption of operation. The plant has just undergone major routine maintenance work recently. The routine shutdowns for the purposes of maintenance should not be confused with closure owing to viability problems. These procedures are standard in the steel industry.

SIMBI Masvingo is a key operation within the Steelmakers' Group of Companies in Zimbabwe and is a source of basic raw material for the company's operations at the Steel Plant in Redcliff. The option of closing this integral operation does NOT exist.

The company has recently commissioned two additional furnaces at the Steel plant in Redcliff to effectively double capacity and output. That also equates to an increase in demand for Sponge Iron from SIMBI Masvingo. The ongoing installation of the Continuous Casting Machine (CCM) at Redcliff is also expected to be commissioned during the first half of this year.

It is inconceivable to suggest that SIMBI Masvingo is facing viability problems when infact the company is growing, moreso considering that the sister organs of the Group rely on SIMBI for raw material. We would like to allay these fears from all our suppliers, customers and investors, and Stakeholders in general that STEELMAKERS ZIMBABWE has and will continue consolidating its position as a quality steel producer in Zimbabwe for both the local and export markets.

By Management
STEELMAKERS ZIMBABWE

Driven by Challenges, Led by Innovation