

# Novolipetsk Steel (NLMK) FY'09 and Q4'09 Financial and Production Results

US GAAP

Consolidated Financial Statements

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## **1. Group Financial and Operating Performance**

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# Key highlights

## Continuous improvement in operating performance

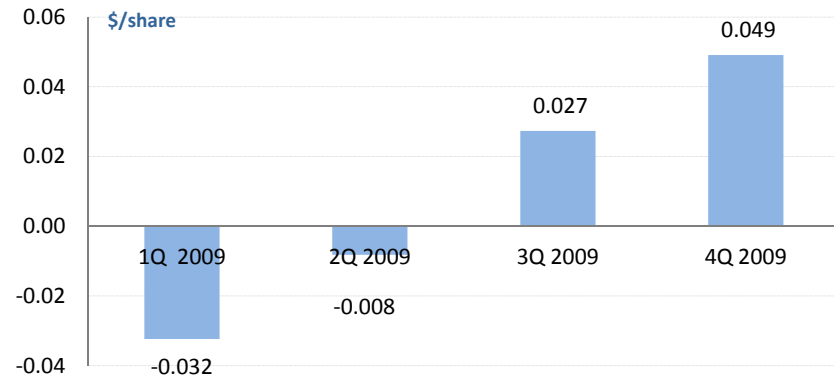
### Financial performance 2009

- Sales 10.6 m t, +1% y-o-y
- Revenue: \$ 6,140 m, -48% y-o-y
- EBITDA: \$1,444 m, -68% y-o-y
- Net income: \$215 m, -91% y-o-y
- Debt profile improvement via bond issues
- Active production costs management
- Investments exceeded \$ 1 bn directed to:
  - Increase of crude steel production volume
  - Growth of HVA products output
  - Improvement in production efficiency

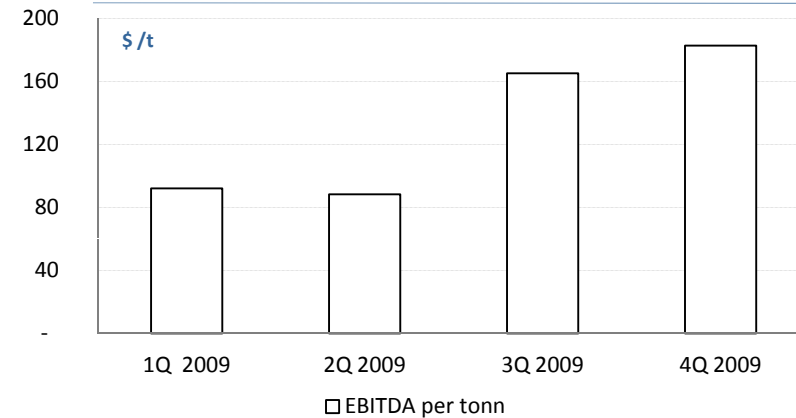
### Q4 2009 Financial performance

- Revenue: \$ 1,815 m, +4% q-o-q
- EBITDA: \$528 m, +9% to q-o-q
- Steel sales : 2.8 m t, -12% q-o-q
- Average selling price for steel products \$690, +2% q-o-q,
- Cash cost of slab production \$240/t, 20% q-o-q

2009 Earnings per share



2009 EBITDA per tonne

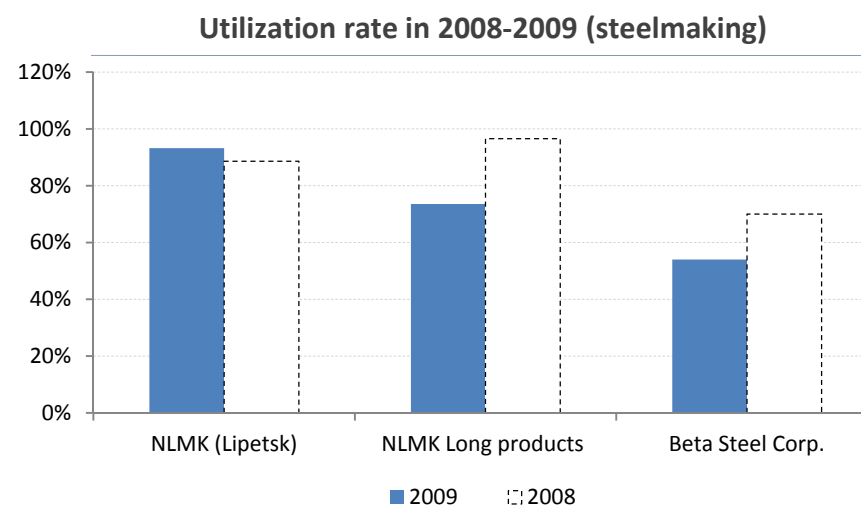
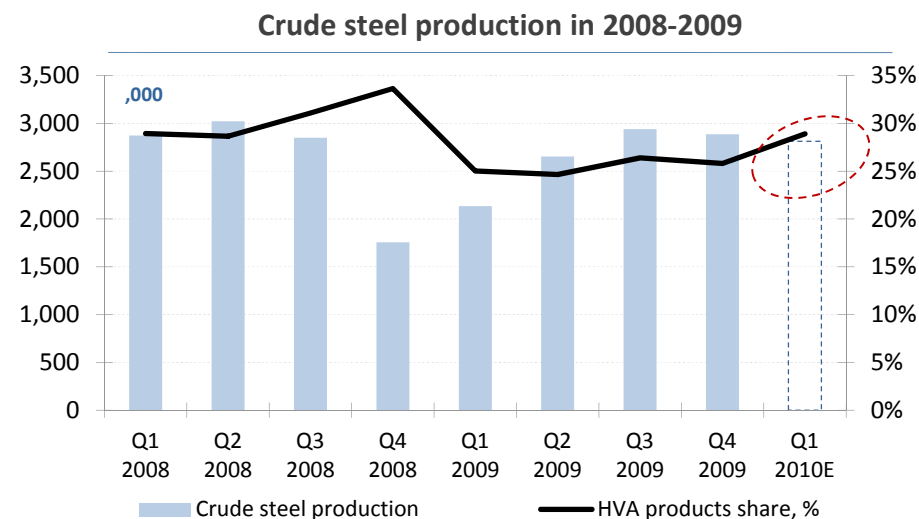


<sup>1</sup> EBITDA is calculated as the sum total of net profit, net interest expense, income tax, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, depreciation and amortization (without gain | loss) on investments, income from discontinued operations, gain from disposal of subsidiaries, foreign currency exchange, settlement agreement on the dispute, debt issuing cost and gain on loan restructuring) and other items

# Production highlights

## Global demand and new assets ensured record production level

- **Strong recovery to 10.6 m t, +1% yoy**
  - Lipetsk site – 8.5 m t
  - Beta Steel Corp. – 0.4 m t
  - NLMK Long products – 1.7 m t
- **Utilization rate (steel production), Q4 2009**
  - Lipetsk site – 99%
  - NLMK Long products – 75%
  - Beta Steel – 60%
- **Growth in steel production in 2010 by over 10% y-o-y to 11.6 m t**
  - Improved production numbers due to higher utilization rates in H1'10 vs H1'09 as demand stabilizes

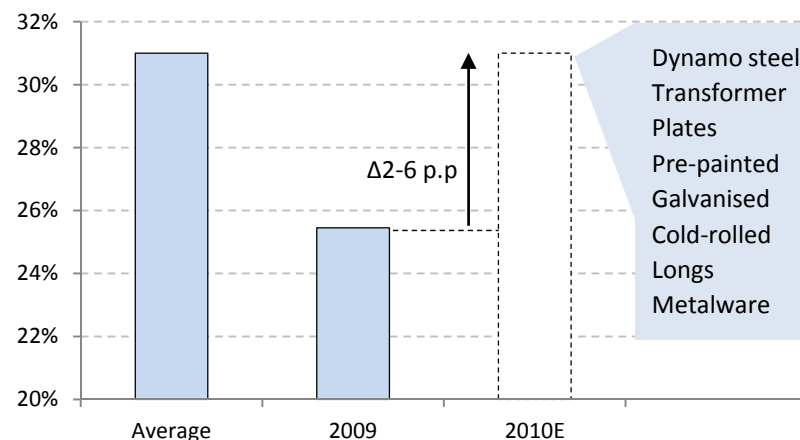


# Sales: volumes and prices

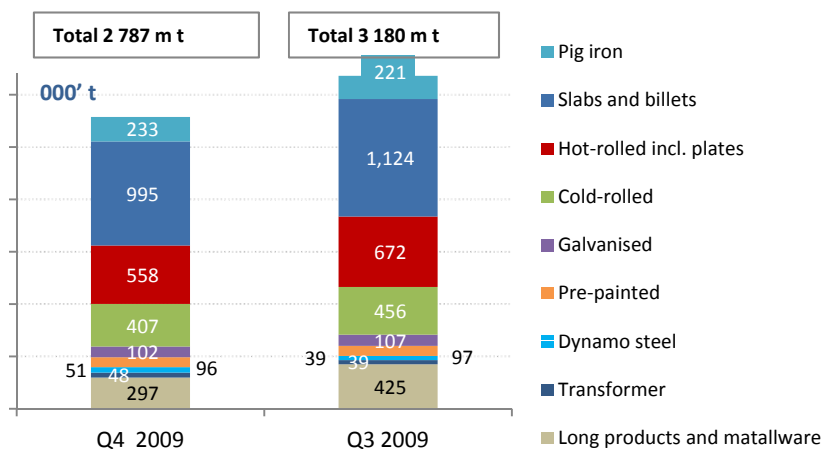
## Seasonal decrease in Q4 2009 sales offset by higher HVA share

- **Q4 2009: 2 787m t (-12% q-o-q)**
  - Seasonal decrease in sales volumes
  - Decline of construction activity
- **Growth in HVA products**
  - Transformer +22%
  - Dynamo steel +31%
  - 16% increase in sales of plates
- **Q4'09 average selling prices +2%**
  - Due to improved product mix and
  - Lag in revenue recognition of high prices of Aug/Sept

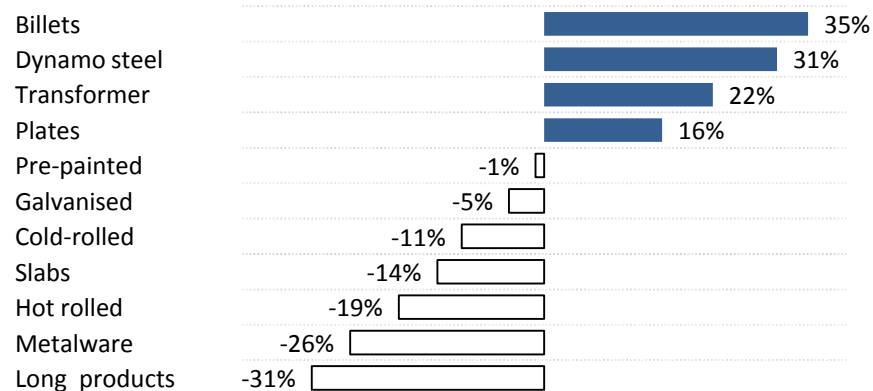
HVA products sales share



Sales Q4 2009 vs Q3 2009<sup>1</sup>



Change in product mix, Q4 2009/Q3 2009<sup>1</sup>



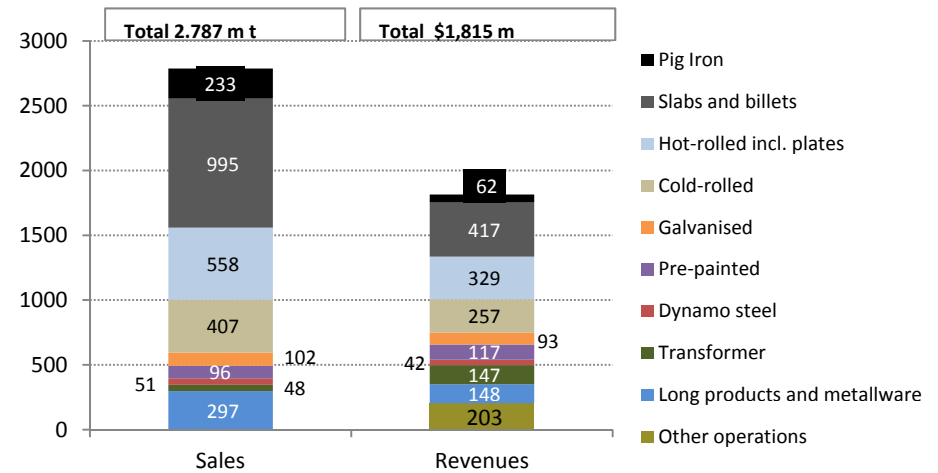
<sup>1</sup> Tonnage-wise

# Revenue

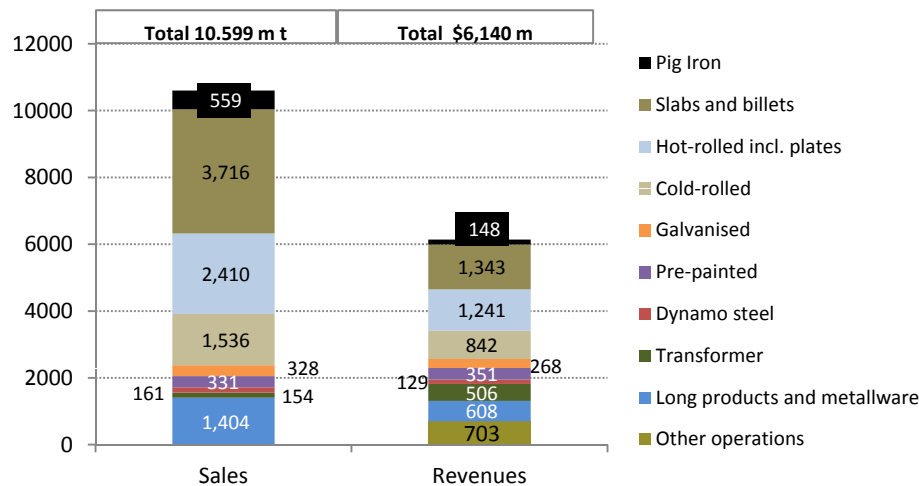
## Sequential revenue growth supported by diversified product mix

- Seasonally weaker demand offset by
  - higher average selling prices in Q4 2009 due to improved product mix
- Sequential growth in HVA products:
  - Revenue: Q4 '09: +13% (q-o-q), HVA share – 38%

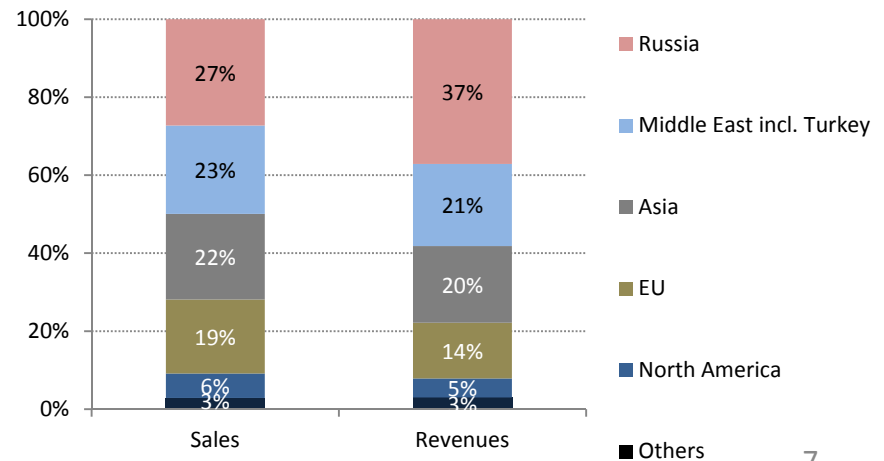
Q4 steel sales and revenues<sup>1</sup> by product mix



FY 2009 steel sales and revenues by product mix



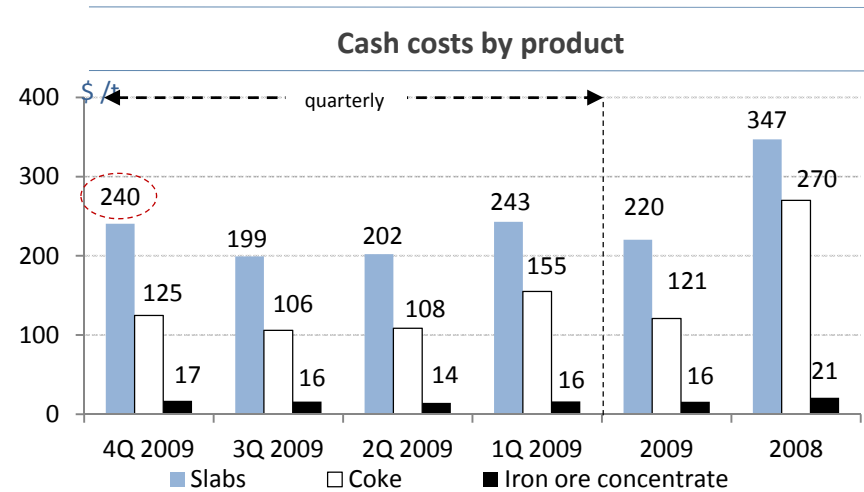
FY 2009 steel sales and revenues by markets



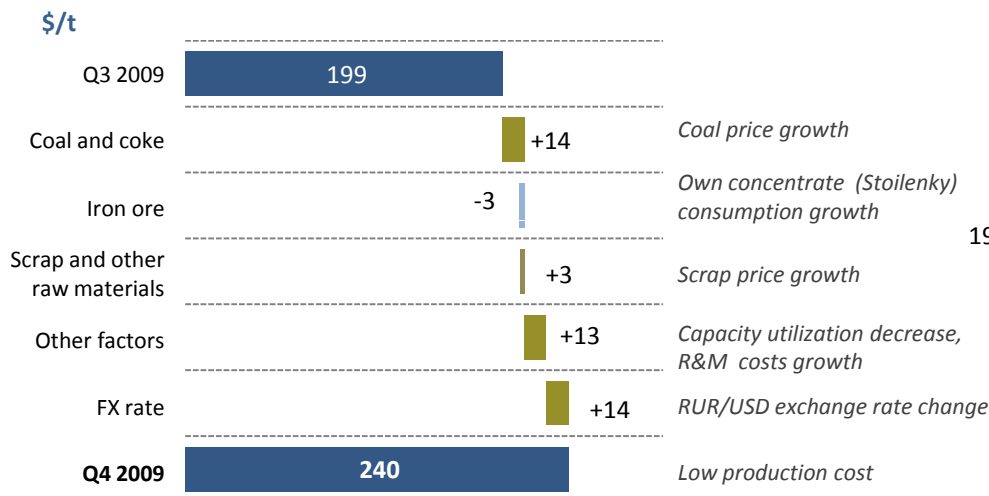
# Production costs

## Vertical integration and high utilization rate drove cost to record low level

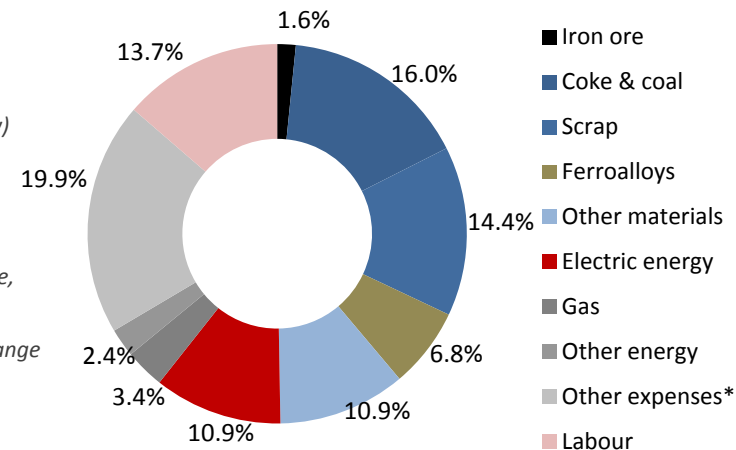
- **High level of capacity utilization**
- **Improvement in production efficiency**
  - Including reduction in fixed costs through the closure of obsolete coke batteries and other initiatives
- **Efficient vertical integration in almost all raw materials**
- **FX rate movements**
  - as ~90% of costs nominated in RUR
- **Remained the lowest cost producer in the world**



**Q3 vs. Q4 '09: Slab cash costs drivers**



**Consolidated production costs, Q4 2009**



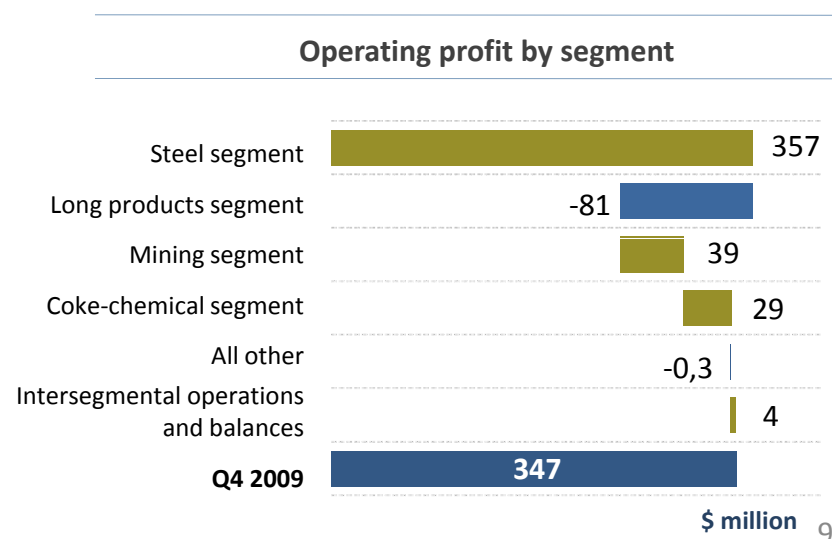
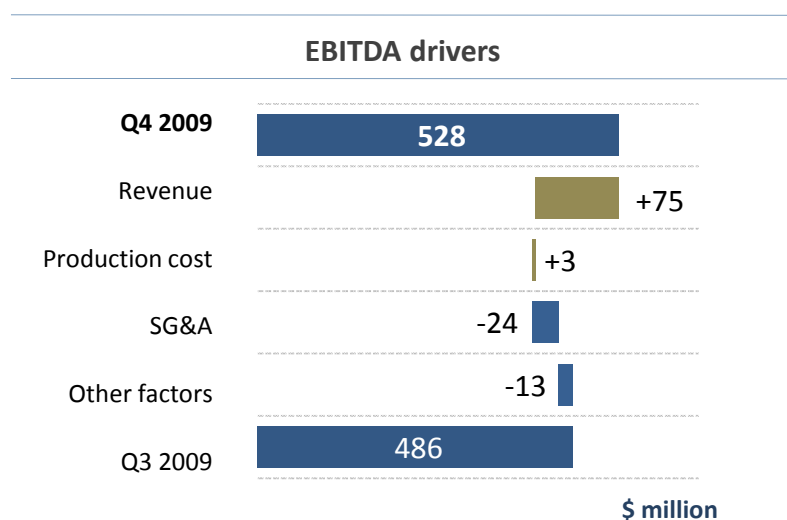
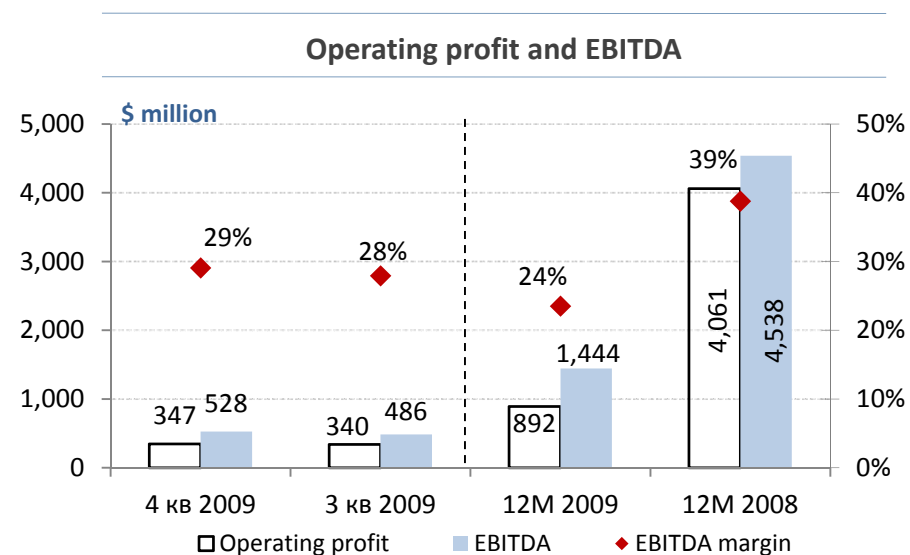
\* incl. auxiliary materials, repair expenses, change in WIP and semi finished balances and other expenses



# Profitability

## Continuous improvement in profitability

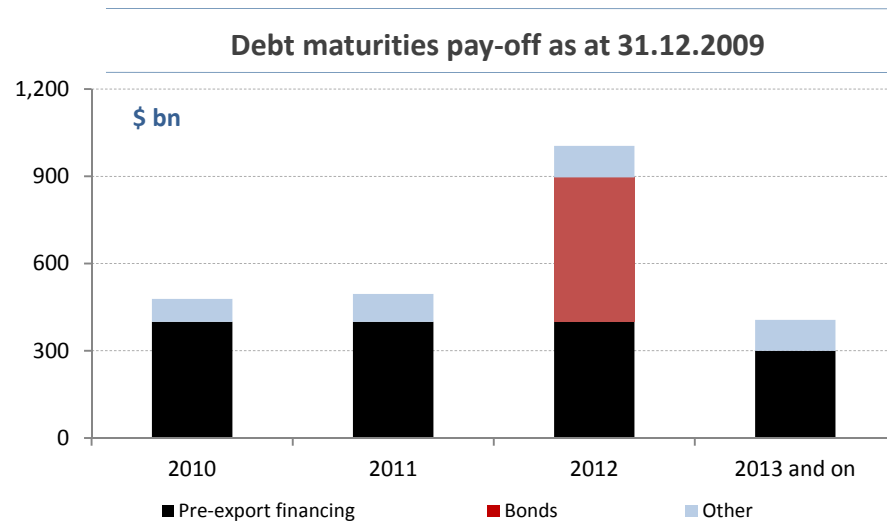
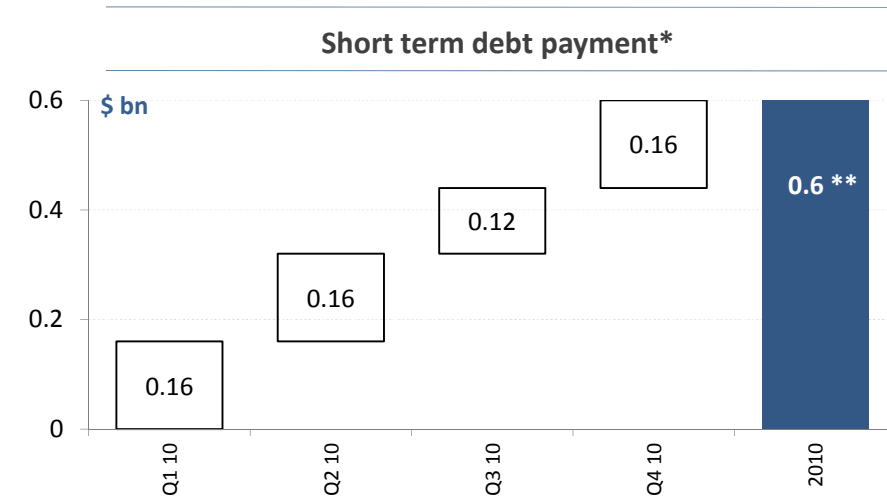
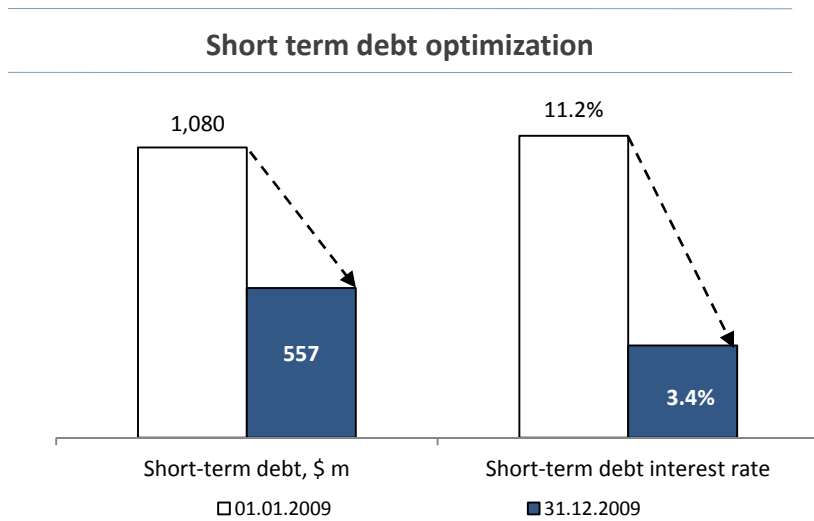
- Quarterly EBITDA margin improved by 14 p.p YTD
- Q4'09 EBITDA +9% (q-o-q), margin of 29%
  - Increase of average prices
  - Strong control of costs
  - Profit growth from main activity
- Segment with higher operating profit
  - Steel, \$357 m
  - Mining, \$39 m
  - Coke-chemical, \$29 m



# Debt position

## Short-term debt optimization

- **Total debt position of \$2.495 bn including:**
  - ST debt \$0.556 bn
  - LT debt \$1.939 bn
- **Net debt \$0.796 bn**
- **\$1.699 bn of cash and short-term investments as of Dec 31, '09**
- **Net debt / EBITDA at 0.55 (as at 31.12.2009)**



\* Short term debt position of the company can differ from the numbers presented in the consolidated financial statement due to accounting policy requirements under US GAAP

# Capex Program continues to drive growth

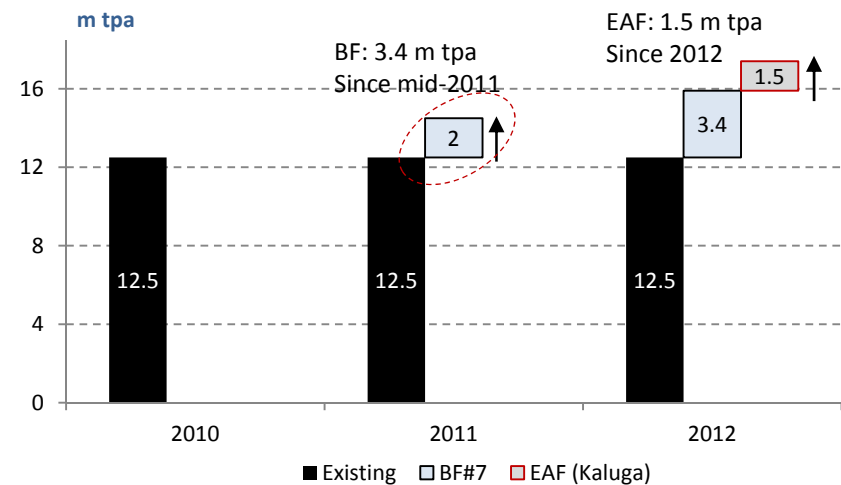
## Key projects continued, timeline maintained

- **Continuing implementation of Growth Strategy**
  - Construction of Blast Furnace №7
    - 60% investments done
  - Continued construction of Kaluga plant
  - Modernization and expansion of steel-making facilities
    - Ladle furnace and BOF shops revamp
  - Increase of HVA products share
    - Galvanizing line +300 k t pa
  - Strengthening of vertical integration
    - Iron ore beneficiation section commissioned

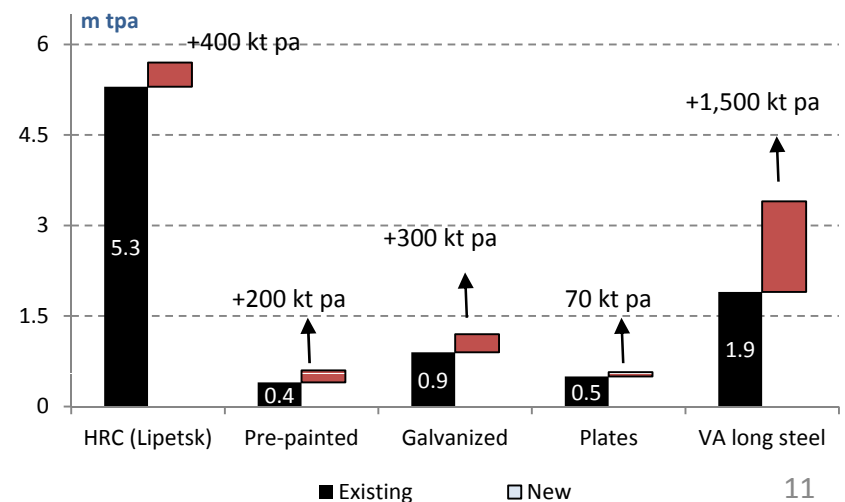
- **Investments in 2010**

- Base case ~ \$1.9 bn
- Continued realization of main projects

Crude steel capacity growth, 2009-2012



Finished steel capacity growth



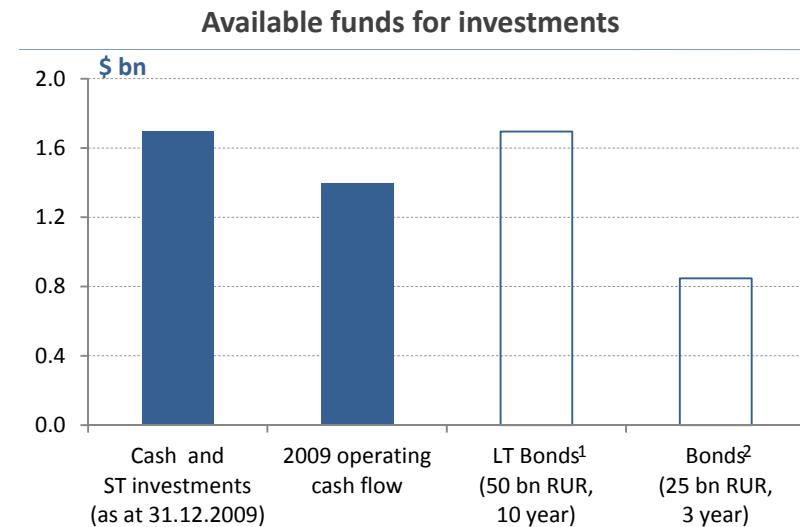
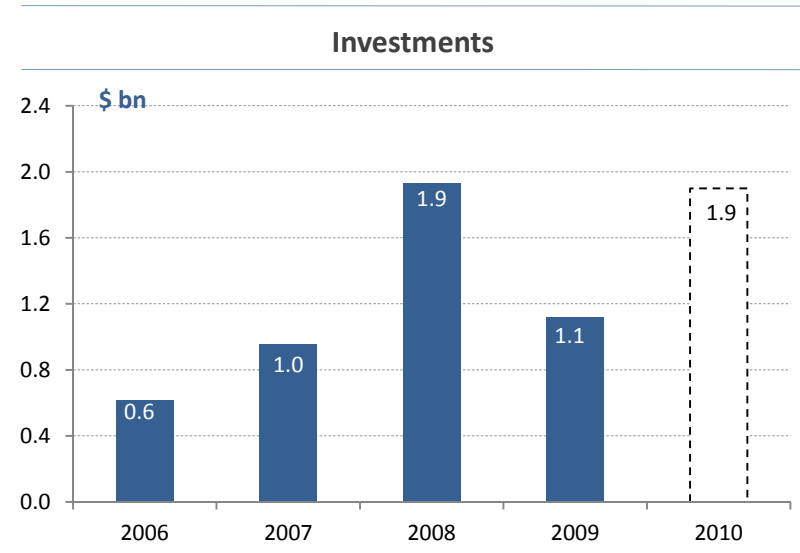
# Investments

## Key goals

- Expand low cost crude steel production platform
- Develop HVA product portfolio
- Add new niche products
- Improve quality
- Increase exposure to key markets
- Further improve vertical integration

## Sources of funding

- Own cash funds
- Available low cost debt instruments

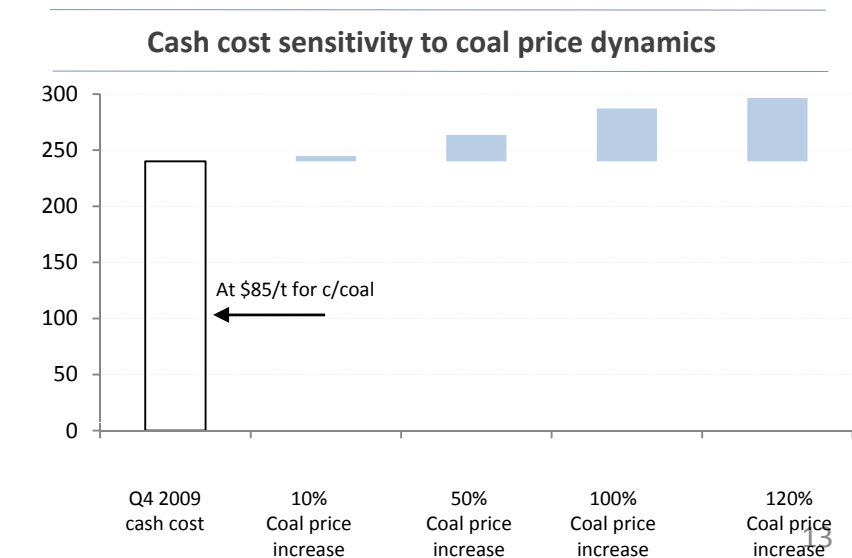
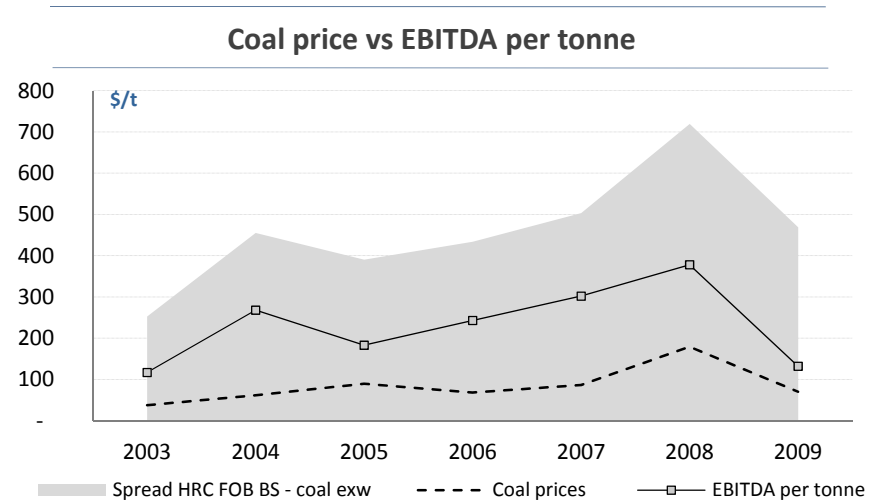


1. Announced in February'2010 10-years bond program valued at RUR 50 bn  
 2. Announced in September'2009 3-years bond program valued at RUR 50 bn, RUR25 bn already issued

# Coal supplies

## ... risk mitigation

- **Key risks**
  - Growing coal prices put additional pressure on overall cash cost
- **Risks mitigated by**
  - Diversified suppliers' base
  - Integration into coke operations
  - Option to develop own coal deposit
  - Diversified business model (EAF)
- **Russian coal market**
  - Russian market has no deficit
  - Further expansion plans of coal miners
  - Increase in consumption of coke coupled with tight coke supply
- **Future strategy**
  - Supplier base diversification
  - Exploring an opportunity of integration into efficient coal production
  - New technology installation to reduce by 30% coke consumption per 1 tonne of steel
  - An option to import high grade HCC to improve coke quality



# Outlook

- **Q1 2010 Outlook**

- Q1 2010 steel production at ~2.8 m t, flat q-o-q
- Moderate impact on average selling prices due to lag in revenue recognition
- EBITDA margin above 20%
- Demand increase of niche products, incl. transformer and pre-painted

- **FY2010 Outlook**

- Increase of crude steel production and sales 10-15% y-o-y
- Consumption growth on domestic market and recovery of sales share in Russia up to 30-35%
- Average price increase at 20-25% y-o-y
- Stable profitability due to (1) low production costs, (2) higher utilization rate and (3) improved product mix

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**2. Segmental Performance**

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3. Key Financial Indicators

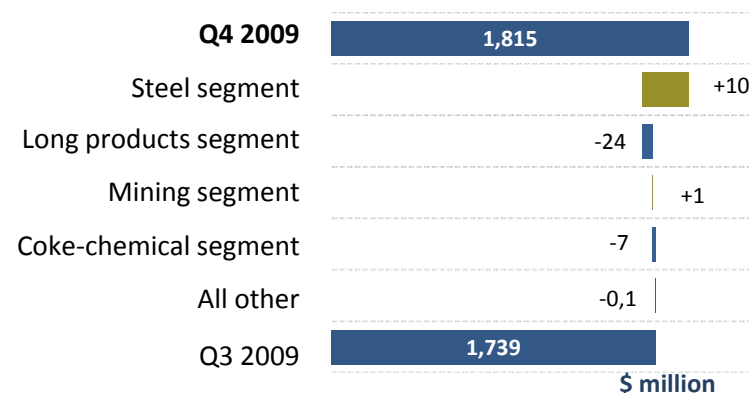
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# Segments' impact

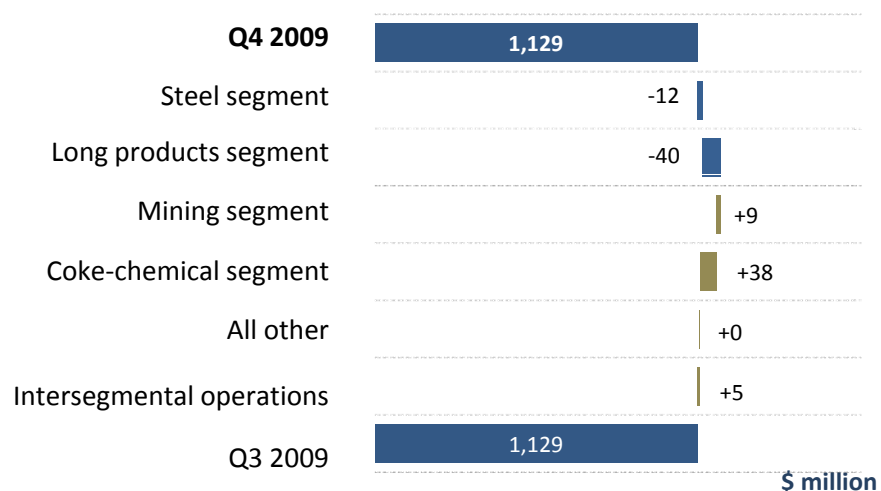
## Key factor – Steel segment sales growth

- In Q4'09 Steel segment drove financial performance of the Group
  - Revenue +\$105 m (q-o-q)
  - Operating profit +\$94 m
- Growth of intersegment sales due to
  - Increase of raw material prices
- Strong cost control at all stages of production – from upstream to downstream

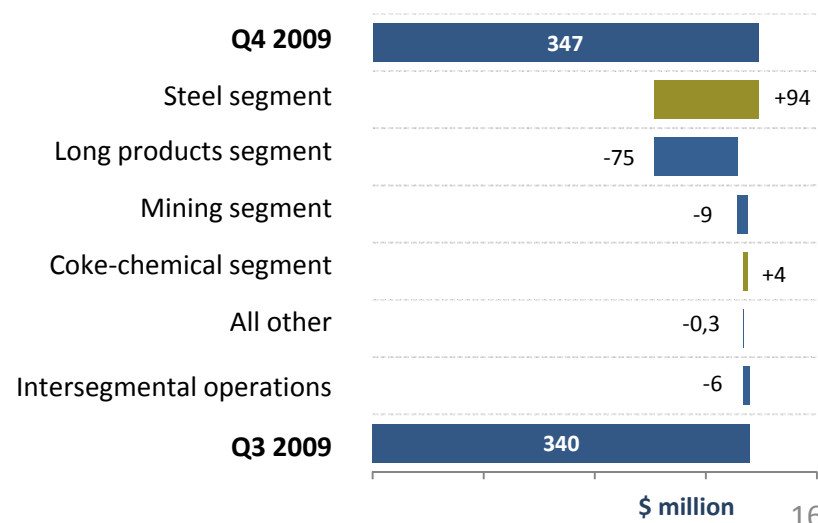
### Changes in revenue from third parties



### Cost of goods sold



### Changes in operating profit



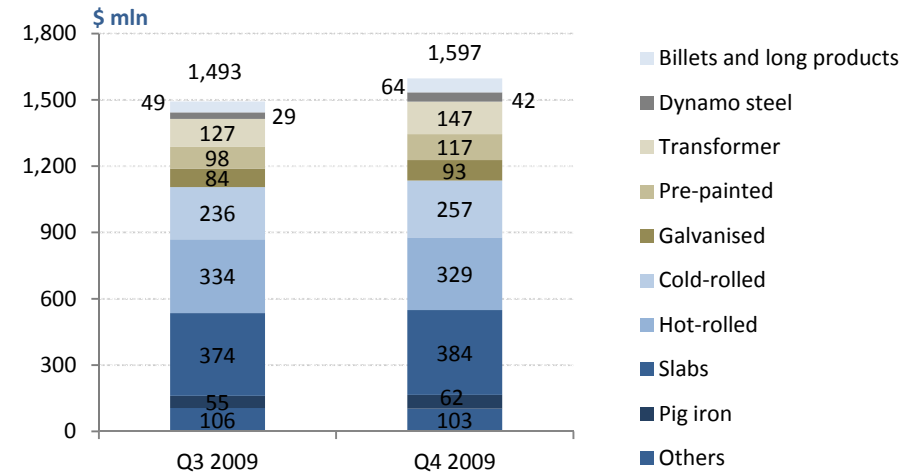


# Steel Segment

## Key growth driver

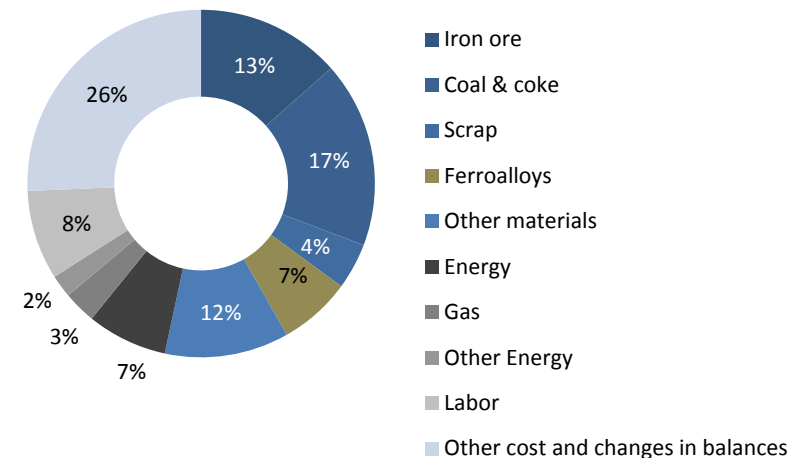
- Q4 '09 declined driven by a seasonal softening in domestic demand
- Increase of HVA products sales
- Growth of 4Q financial indicators:
  - Revenue from external customers +6% (q-on-q)
  - Operating profit +36% (q-on-q)
  - Operating profit margin 22%
- Increase of production results on a y-o-y basis

Sales revenues from external customers by product



(tonnes '000)	Q4 2009	Q3 2009	Change	2009	2008	Change
Steel production	2 472	2 455	1%	8 899	8 569	4%
Steel sales <sup>1</sup>	2 580	2 821	(9%)	9 518	8 927	7%
<b>(USD mln)</b>						
Revenue	1 622	1 525	6%	5 404	9 886	(45%)
incl. external customers	1 597	1 493	7%	5 305	9 643	(45%)
Cost of sales	(1 044)	(1 056)	(1%)	(3 817)	(5 846)	(35%)
Operating profit	357	263	36%	785	3 227	(76%)
- margin	22%	17%		15%	33%	

Steel Segment production cost of sales, Q4 2009



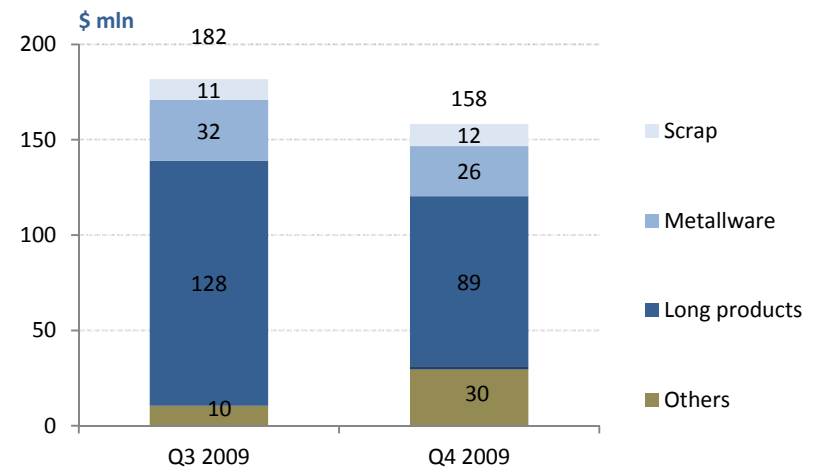
1. Incl. sales of other segment's products by traders of steel segment

# Long Products Segment

## Seasonal correction in demand

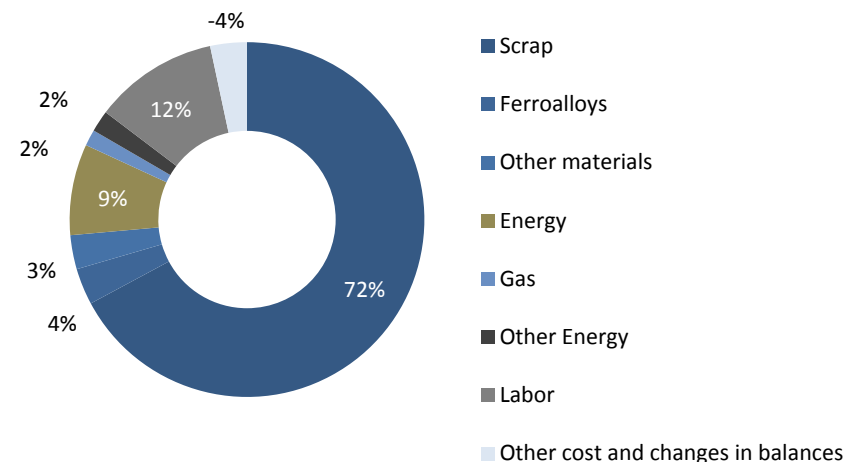
- Seasonal decrease of sales on domestic market due to slowdown in construction during winter period
- Negative financial results coming from (a) goodwill impairment in LPS and (b) substantial debt burden of the assets

Sales revenues from external customers by product



(tonnes `000)	Q4 2009	Q3 2009	Change	2009	2008	Change
Steel production	414	485	(15%)	1 715	1 931	(11%)
Steel sales	333	495	(33%)	1 544	1 867	(17%)
in NLMK Group <sup>1</sup>	108	141	(23%)	462	525	(12%)
(USD mln)						
Revenue	244	293	(17%)	882	1 837	(52%)
incl. external customers	158	182	(13%)	572	1 178	(51%)
Cost of sales	(233)	(273)	(15%)	(831)	(1 304)	(36%)
Operating profit	(81)	(6)	1309%	(142)	177	(180%)
- margin	-33%	-2%		-16%	10%	

Long products production cost of sales, Q4 2009



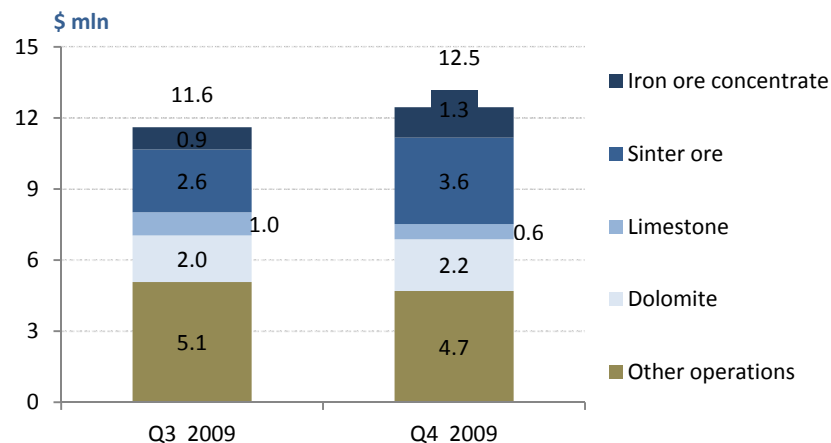
1. Incl. sales of segment's products to traders of steel segment

# Mining Segment

## Iron ore production in line with Parent plant utilization

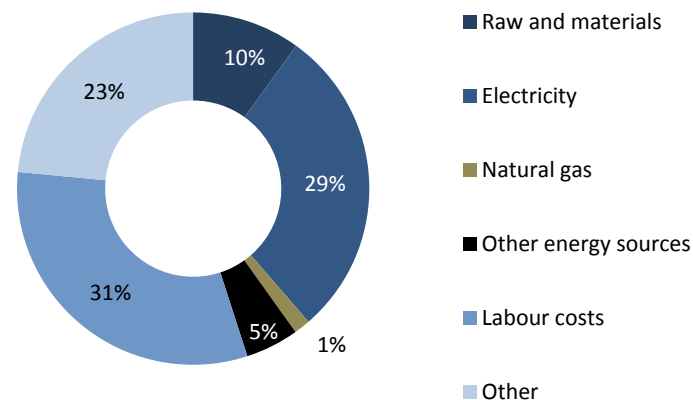
- Control over raw material supplies allow to hedge risks against rising raw material prices
- Maximum utilization of captive iron-ore in Q4 '09:
  - Low level of external customer sales
  - Supplies to NLMK – about 100% of gross sales
- Growth of revenue by 5% (q-o-q)

Sales revenues from external customers by product



(tonnes `000)	Q4 2009	Q3 2009	Change	2009	2008	Change
<b>Production</b>						
iron-ore concentrate	2 945	2 935	0%	10 931	11 484	(5%)
sinter ore	431	430	0%	1 690	1 630	4%
<b>Sales</b>						
iron-ore concentrate	2 941	2 927	0%	11 875	10 592	12%
in NLMK Group	2 937	2 925	0%	10 815	10 585	2%
sinter ore	510	545	(6%)	1 996	1 299	54%
<b>(USD mln)</b>						
Revenue	136	130	5%	515	933	(45%)
incl. external customers	12	12	7%	85	63	35%
Cost of sales	(80)	(71)	13%	(299)	(321)	(7%)
Operating profit	39	48	(20%)	160	548	(71%)
- margin	28%	37%		31%	59%	

Mining Segment production costs, Q4 2009



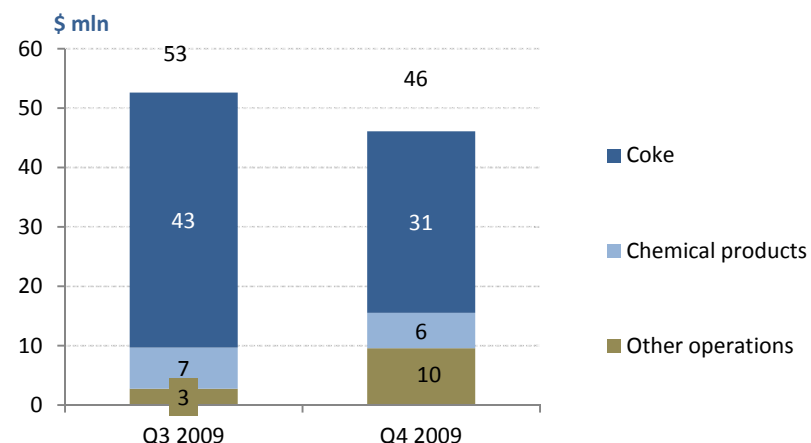
1. Incl. sales of other segment's products by traders of steel segment

# Coke-chemical Segment

## Increase of coke deliveries to Lipetsk site

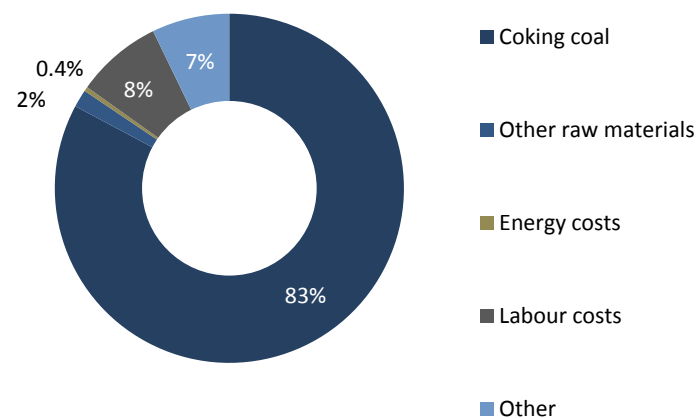
- Increase of coke and coal prices in Q4 2009
- Improvement in financial performance in Q4 2009:
  - Revenue +25% (q-o-q)
  - Operating profit +16% (q-o-q)
- Doubled internal sales compared to 2008
- 2009 operating profit margin went up to 12% (+4 ppt y-o-y)

Sales revenues from external customers by product



(tonnes`000)	Q4 2009	Q3 2009	Change	2009	2008	Change
<b>Production</b>						
coke 6% moisture	822	915	(10%)	3 147	3 506	(10%)
<b>Sales</b>						
dry coke	785	877	(10%)	3 043	3 249	(6%)
in NLMK Group <sup>1</sup>	648	654	(1%)	2 327	1 172	99%
<b>(USD mln)</b>						
Revenue	171	136	25%	502	1 147	(56%)
incl. external customers	46	53	(12%)	172	732	(77%)
Cost of sales	(135)	(97)	39%	(402)	(945)	(57%)
Operating profit	29	25	16%	60	88	(32%)
- margin	17%	19%		12%	8%	

Coke-chemical production costs, Q4 2009



1. Incl. sales of other segment's products by traders of steel segment

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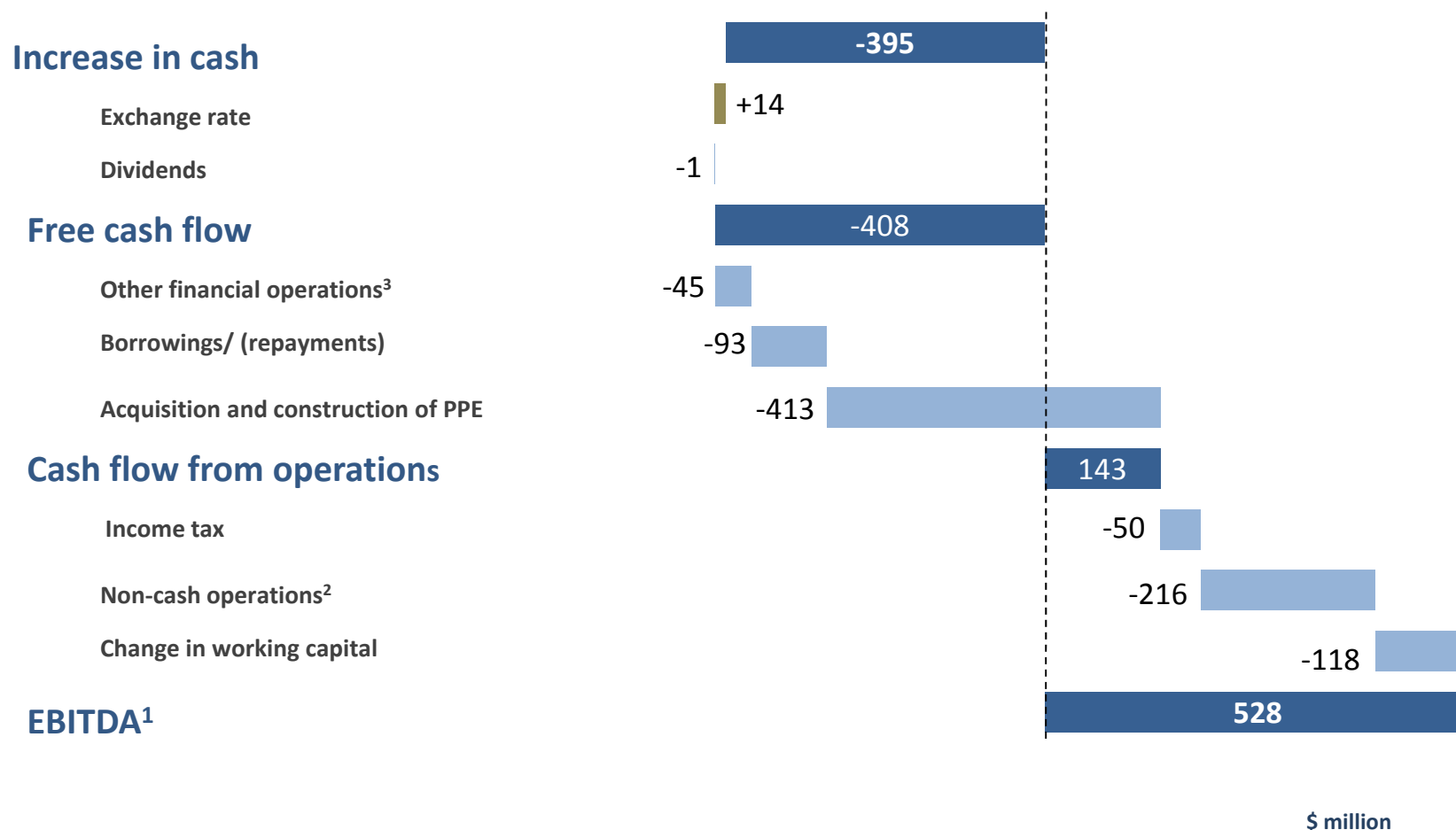
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**3. Key Financial Indicators**

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# Q4 2009 EBITDA to Cash Bridge



<sup>1</sup> EBITDA = Net income (after minorities) + income tax ± interest expense/(income) + depreciation ± losses/(gains) on disposals of property, plant and equipment and impairment losses ± losses/(gains) on financial investment ± losses/(gains) from disposal of subsidiaries + accretion expense on asset retirement obligations – gains on loan restructuring-(+)gains (losses) on discontinued operations + equity in net (earnings) / losses of associates –(+) net foreign currency exchange + settlement of agreement on the dispute and other extraordinary expenses.

<sup>2</sup> Non-cash transactions include corrections for coordinating net profit and net operating cash flow excluding depreciation & amortization, losses/(gains) on disposals of property, plant and equipment, accretion expense on asset retirement obligations, losses/(gains) on financial investment and losses/(gains) from discontinued operations

<sup>3</sup> Other financing activities include losses/(gains) on disposals of property, plant and equipment, gain from disposal of subsidiaries, acquisitions of stake in existing subsidiaries and settlement of abandoned acquisition and change in restricted cash funds as well as other financial corrections

# Consolidated Statement of Income

<i>(mln USD)</i>	Q4 2009	Q3 2009	Q4 2009/Q3 2009		2009	2008	2009/ 2008	
			+ / -	%			+ / -	%
Sales revenue	1 815	1 739	75	4%	6 140	11 699	(5 559)	(48%)
Production cost	(1 000)	(1 003)	3	(0%)	(3 672)	(5 809)	2 137	(37%)
Depreciation and amortization	(129)	(126)	(3)	3%	(478)	(499)	21	(4%)
<b>Gross profit</b>	<b>686</b>	<b>610</b>	<b>75</b>	<b>12%</b>	<b>1 990</b>	<b>5 391</b>	<b>(1 304)</b>	<b>(24%)</b>
General and administrative expenses	(64)	(68)	4	(6%)	(297)	(367)	69	(19%)
Selling expenses	(204)	(176)	(29)	16%	(655)	(734)	80	(11%)
Taxes other than income tax	(26)	(27)	1	(2%)	(102)	(100)	(2)	2%
Impairment losses	(44)		(44)					
<b>Operating income</b>	<b>347</b>	<b>340</b>	<b>7</b>	<b>2%</b>	<b>892</b>	<b>4 061</b>	<b>(3 169)</b>	<b>(78%)</b>
Gain / (loss) on disposals of property, plant and equipment	9	(5)	14		(4)	(10)	5	(54%)
Gains / (losses) on investments	(9)	(0)	(9)	3106%	(11)	(21)	10	(49%)
Interest income	7	18	(12)	(64%)	60	100	(41)	(40%)
Interest expense	(39)	(31)	(9)	28%	(171)	(217)	46	(21%)
Foreign currency exchange loss, net	(0)	12	(12)		(78)	(367)	289	(79%)
Other expense, net	(20)	1	(21)	0%	(93)	(415)	322	(78%)
<b>Income from continuing operations before income tax</b>	<b>294</b>	<b>335</b>	<b>(41)</b>	<b>(12%)</b>	<b>595</b>	<b>3 132</b>	<b>(2 537)</b>	<b>(81%)</b>
Income tax	(50)	(105)	55	(52%)	(182)	(703)	522	(74%)
<b>Income from continuing operations, net of income tax</b>	<b>273</b>	<b>145</b>	<b>128</b>	<b>88%</b>	<b>98</b>	<b>2 277</b>	<b>(2 179)</b>	<b>(96%)</b>
Equity in net earnings/(losses) of associate	29	(85)	115		(315)	(151)	(164)	108%
<b>Net income</b>	<b>273</b>	<b>145</b>	<b>128</b>	<b>88%</b>	<b>98</b>	<b>2 277</b>	<b>(2 179)</b>	<b>(96%)</b>
Less: Net loss / (income) attributable to the non-controlling interest	21	19	2	12%	117	2	115	6661%
<b>Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders</b>	<b>294</b>	<b>164</b>	<b>130</b>	<b>80%</b>	<b>215</b>	<b>2 279</b>	<b>(2 064)</b>	<b>(91%)</b>
<b>EBITDA</b>	<b>528</b>	<b>486</b>	<b>42</b>	<b>9%</b>	<b>1 444</b>	<b>4 538</b>	<b>(3 094)</b>	<b>(68%)</b>

# Consolidated Balance Sheet

	as at 31.12.2009	as at 30.09.2009	as at 30.06.2009	as at 31.03.2009	as at 31.12.2008	as at 30.09.2008	as at 30.06.2008	as at 31.03.2008	as at 31.12.2007	as at 31.12.2006
(mln. USD)										
<b>ASSETS</b>										
<b>Current assets</b>	<b>3 877</b>	<b>3 854</b>	<b>4 161</b>	<b>4 271</b>	<b>5 346</b>	<b>6 702</b>	<b>5 249</b>	<b>5 094</b>	<b>4 388</b>	<b>3 050</b>
Cash and cash equivalents	1 247	1 642	1 591	1 546	2 160	2 735	1 325	1 181	1 155	665
Short-term investments	452	126	467	338	8	14	181	177	153	37
Accounts receivable, net	913	908	882	1 187	1 488	1 779	1 822	2 040	1 696	1 150
Inventories, net	1 134	1 052	1 031	1 050	1 556	2 033	1 735	1 527	1 236	857
Deferred income tax assets	72	33	95	45						
Other current assets, net	58	93	94	90	100	129	172	169	147	331
Restricted cash						11	13			8
Current assets, held for sale					34					
<b>Non-current assets</b>	<b>8 625</b>	<b>8 596</b>	<b>8 178</b>	<b>7 526</b>	<b>8 718</b>	<b>9 816</b>	<b>9 864</b>	<b>9 318</b>	<b>8 688</b>	<b>5 667</b>
Long-term investments, net	468	720	748	719	816	1 022	894	864	819	810
Property, plant and equipment, net	7 316	7 026	6 612	6 032	6 826	7 305	7 348	6 969	6 450	3 988
Intangible assets	203	211	213	211	235	253	278	191	189	199
Goodwill	557	603	577	530	614	1 161	1 284	1 242	1 189	560
Other non-current assets, net	68	36	28	34	34	75	60	53	41	110
Deferred income tax assets	12									
Non-current assets, held for sale					194					
<b>Total assets</b>	<b>12 502</b>	<b>12 450</b>	<b>12 339</b>	<b>11 797</b>	<b>14 065</b>	<b>16 519</b>	<b>15 112</b>	<b>14 413</b>	<b>13 076</b>	<b>8 717</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>										
<b>Current liabilities</b>	<b>1 417</b>	<b>1 998</b>	<b>2 264</b>	<b>2 279</b>	<b>2 980</b>	<b>3 208</b>	<b>3 517</b>	<b>3 248</b>	<b>3 002</b>	<b>993</b>
Accounts payable and other liabilities	841	997	1 109	1 162	1 879	1 724	1 757	1 220	1 395	664
Short-term borrowings	557	957	1 126	1 090	1 080	1 345	1 608	1 934	1 537	249
Current income tax liability	19	44	29	27	10	139	152	94	71	80
Current liabilities, held for sale					11					
<b>Non-current liabilities</b>	<b>2 475</b>	<b>2 059</b>	<b>2 149</b>	<b>2 111</b>	<b>2 361</b>	<b>2 625</b>	<b>939</b>	<b>1 025</b>	<b>975</b>	<b>781</b>
Long-term capital lease liability										
Long-term borrowings	1 939	1 571	1 668	1 709	1 930	1 992	77	170	73	48
Deferred income tax liability	396	371	358	288	297	509	552	538	586	538
Other long-term liabilities	140	116	123	113	129	123	310	317	317	195
Non-current liabilities, held for sale					5					
<b>Total liabilities</b>	<b>3 892</b>	<b>4 057</b>	<b>4 414</b>	<b>4 390</b>	<b>5 341</b>	<b>5 833</b>	<b>4 456</b>	<b>4 273</b>	<b>3 978</b>	<b>1 774</b>
Minority interest						140	53	94	107	133
<b>Stockholders' equity</b>						<b>10 546</b>	<b>10 604</b>	<b>10 046</b>	<b>8 992</b>	<b>6 809</b>
Common stock	221	221	221	221	221	221	221	221	221	221
Statutory reserve	10	10	10	10	10	10	10	10	10	10
Additional paid-in capital	112	112	118	138	52	52	52	52	52	2
Other comprehensive income	(797)	(738)	(1 066)	(1 659)	(550)	825	1 641	1 618	1 182	590
Retained earnings	9 171	8 877	8 713	8 762	8 956	9 437	8 679	8 144	7 526	5 986
<b>NLMK stockholders' equity</b>	<b>8 718</b>	<b>8 483</b>	<b>7 997</b>	<b>7 472</b>	<b>8 690</b>					
<b>Non-controlling interest</b>	<b>(108)</b>	<b>(89)</b>	<b>(71)</b>	<b>(64)</b>	<b>33</b>					
<b>Total stockholders' equity</b>	<b>8 610</b>	<b>8 393</b>	<b>7 926</b>	<b>7 408</b>	<b>8 723</b>					
<b>Total liabilities and stockholders' equity</b>	<b>12 502</b>	<b>12 450</b>	<b>12 339</b>	<b>11 797</b>	<b>14 065</b>	<b>16 519</b>	<b>15 112</b>	<b>14 413</b>	<b>13 076</b>	<b>8 717</b>



# Consolidated Cash Flow Statement

(mln. USD)	Q4 2009	Q3 2009	Q4 2009/Q3 2009		2009	2008	2009/ 2008	
			+ / -	%			+ / -	%
<b>Cash flow from operating activities</b>								
<b>Net income</b>	273	145	128	88,4%	98	2 277	(2 179)	(95,7%)
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>								
Depreciation and amortization	129	126	3	2,8%	478	499	(21)	(4,2%)
Loss on disposals of property, plant and equipment	(9)	5	(14)		4	10	(5)	(53,9%)
(Gain)/loss on investments	9	0	8,8	3106,4%	11	21	(10)	(48,9%)
Equity in net earnings of associate	(29)	85	(115)		315	151	164	108,2%
Defferd income tax (benefit)/expense	(2)	59	(62)		34	(259)	294	0,0%
Impairment losses	44		44		44	128	(85)	(66,0%)
Loss / (income) on forward contracts	(156)	(178)	22	(12,5%)	(471)	653	(1 124)	0,0%
Other movements	2	7	(4)	(66,7%)	22	68	(46)	(68,0%)
<b>Changes in operating assets and liabilities</b>								
Increase in accounts receivables	(10)	9	(20)		494	(698)	1 192	0,0%
Increase in inventories	(89)	19	(109)		331	(364)	696	
Decrease/(increase) in other current assets	12	5	7	146,0%	17	46	(28)	(62,4%)
Increase in accounts payable and other liabilities	(6)	28	(34)		11	90	(79)	(88,3%)
Increase/(decrease) in current income tax payable	(25)				6	(64)	70	0,0%
<b>Net cash provided from operating activities</b>	143	324	(181)	(55,8%)	1 394	2 781	(1 387)	(49,9%)
<b>Cash flow from investing activities</b>								
Acquisitions of subsidiaries						(514)	514	
Payment for acquisition of interests in new subsidiaries						(300)	300	0,0%
Proceeds from sale of property, plant and equipment	2	5	(3)	(56,7%)	13	10	3	29,9%
Purchases and construction of property, plant and equipment	(413)	(294)	(119)	40,6%	(1 121)	(1 934)	813	(42,1%)
Settlement of abandoned acquisition					(234)		(234)	
Proceeds from sale of investments	8	359	(351)		510	96	415	432,7%
Placement of bank deposits and purchases of other investments	(25)	(3)	(22)	804,5%	(536)	(33)	(503)	1505,8%
Net cash received in acquisition of interests in new subsidiaries						298	(298)	0,0%
Loan issued	(70)	(17)	(53)	304,9%	(404)	(13)	(391)	3043,5%
Movement of restricted cash						(1)	1	0,0%
<b>Net cash used in investing activities</b>	(498)	50	(548)		(1 771)	(2 399)	627	(26,1%)
<b>Cash flow from financing activities</b>								
Proceeds from borrowings and notes payable	506	197	309	157,4%	1 077	3 735	(2 658)	(71,2%)
Repayments of borrowings and notes payable	(529)	(506)	(23)	4,6%	(1 540)	(2 249)	708	(31,5%)
Capital lease payments	(30)	(12)	(19)	154,8%	(69)	(91)	22	(23,8%)
Dividends paid to minority shareholder of existing subsidiaries	(0)		(0)		(0)	(12)	12	(99,0%)
Dividends to shareholders	(1)	(0)	(1)	917,6%	(2)	(843)	841	(99,8%)
<b>Net cash used in financing activities</b>	(54)	(321)	267	(83,0%)	(535)	799	(1 333)	0,0%
<b>Net increase / (decrease) in cash and cash equivalents</b>	(409)	53	(462)	0,0%	(912)	1 181	(2 093)	0,0%
<i>Effect of exchange rate changes on cash and cash equivalents</i>	14	(2)	16		(1)	(176)	174	(99,4%)
<b>Cash and cash equivalents at the beginning of the period</b>	1 642	1 591	51	3,2%	2 160	1 155	1 005	87,1%
<b>Cash and cash equivalents at the end of the period</b>	1 247	1 642	(395)	(24,0%)	1 247	2 160	(913)	(42,3%)

# Segmental Information

Q4 2009								
(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 597	158	12	46	0,4	1 815		1 815
Intersegment revenue	24	86	124	125	0,0	3 586	(359)	
Gross profit	578	11	56	36	0,1	681	4	686
Operating income/(loss)	357	(81)	39	29	(0,3)	344	4	347
<i>as % of net sales</i>	22,0%	(33,2%)	28,3%	17,1%	(62,6%)	6,4%		19,1%
Income / (loss) from continuing operations before minority interest	443	(183)	34	18	(0,6)	311	(67)	244
<i>as % of net sales</i>	27,3%	(75,2%)	24,7%			5,8%		13,4%
Segment assets including goodwill <sup>1</sup>	10 543	2 105	1 001	753	42	14 444	(1 942)	12 502

Q3 2009								
(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 493	182	12	53	0,5	1 739		1 739
Intersegment revenue	32	111	118	84	0,0	346	(346)	
Gross profit	470	20	59	39	0,3	588	22	610
Operating income/(loss)	263	(6)	48	25	0,0	331	9	340
<i>as % of net sales</i>	17,2%	(2,0%)	36,9%	18,6%	5,3%	15,9%		19,5%
Income / (loss) from continuing operations before minority interest	290	(54)	40	20	0,3	257	(123)	134
<i>as % of net sales</i>	19,0%	(18,5%)	31,1%	14,6%		12,3%		7,7%
Segment assets including goodwill <sup>2</sup>	10 117	2 163	988	761	42	14 072	(1 622)	12 450

<sup>1</sup> as at 31.12.2009

<sup>2</sup> as at 30.09.2009

Novolipetsk Steel (NLMK)  
Investor relations

Russia, 115054, Moscow  
Bakhrushina str, 18, bldg 1

t. +7 495 915 15 75

f. +7 495 915 79 04

[www.nlmk.com](http://www.nlmk.com)