Novolipetsk Steel (NLMK)

Q2 2009 Financial and Production Results

US GAAP

Consolidated Financial Statements

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Key highlights

Production, profitability and cash flow improvement

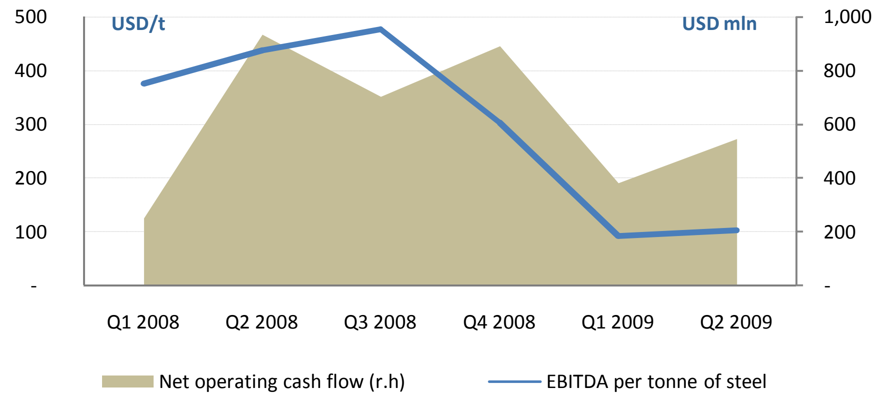
Financial performance H1 2009

- Revenue: $2 586 m (-56% to H1 2008)
- Operating profit: $205 m ($2 070 mln in H1 2008)
- Net operating cash flow: $927 m (-22% to H1 2008)
- Net loss[1]: $243 m

Financial performance Q2 2009

- Revenue: $1 293 m (in line with Q1 2009)
- Production costs: $795 m (-9% q-o-q)
- EBITDA[2] : $234 m (+19% q-o-q), margin 18%
- Net loss[1]: $49 m (-75% q-o-q)
- Net cash flow from operating activities: $545 m (+43% q-o-q)
- Cash and cash equivalents (including short-term investments) $2 058 m (+9% to 31.03.2009)
- Net Debt $737 m (-20% to 31.03.2009)

Solid operating cash flow with strong profitability



Operating results Q2 2009

- Crude steel production: 2.7 m t (+24% q-o-q)
- Steel sales : 2.3 m t (-2% q-o-q)
- Average selling price for steel products $475 (-7% q-o-q),
- Cash cost of slab production $202/t (-17% q-o-q)

[1] Net loss attributable to Novolipetsk Steel shareholders
[2] 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

Q2 2009 financial performance

Profitability supported by decreased production costs

- **Revenue remained flat q-o-q**
  - Stable sales volume (-2% q-o-q).
  - Lower average sales prices
  - Mitigated by
    - 3 rd parties coke and iron ore sales growth
    - Increased sales volumes of value added products in Russia (coated steel and metal ware)
    - Price rebound by the end of the quarter
- **EBITDA increased to $234 mln (+19% q-o-q)**
  - Decrease in cost of production
  - Change in product mix sold
- **Net loss of 49 mln**
  - Impacted by the one-off items

(USD mln)	Q2 2009[1]	Q1 2009	Q2 2009/Q1 2009 + / -	Q2 2009/Q1 2009 %	H1 2009	H1 2008	H1 2009/H1 2008 + / -	H1 2009/H1 2008 %
Revenue	1 292,9	1 293,3	(0,4)	(0,0%)	2 586,3	5 883,6	(3 297,4)	(56,0%)
Cost of sales	(921,6)	(971,0)	49,4	(5,1%)	(1 892,6)	(3 234,4)	1 341,8	(41,5%)
Production cost	*(795,5)*	*(874,4)*	*78,9*	*(9,0%)*	*(1 669,9)*	*(2 988,5)*	*1 318,7*	*(44,1%)*
D&A	*(126,1)*	*(96,6)*	*(29,5)*	*30,5%*	*(222,7)*	*(245,9)*	*23,1*	*(9,4%)*
Gross profit	371,3	322,3	49,0	15,2%	693,7	2 649,2	(1 955,5)	(73,8%)
Operating profit	105,5	99,1	6,4	6,4%	204,6	2 069,7	(1 865,2)	(90,1%)
- as% of net sales	8,2%	7,7%			7,9%	35,2%		
Net income[2]	(49,1)	(193,8)	144,7	(74,7%)	(242,9)	1 530,8	(1 773,7)	(115,9%)
- as% of net sales	(3,8%)	(15,0%)			(9,4%)	26,0%		
EBITDA	234,3	196,7	37,7	19,1%	431,0	2 234,1	(1 803,1)	(80,7%)
- as% of net sales	18,1%	15,2%			16,7%	38,0%		

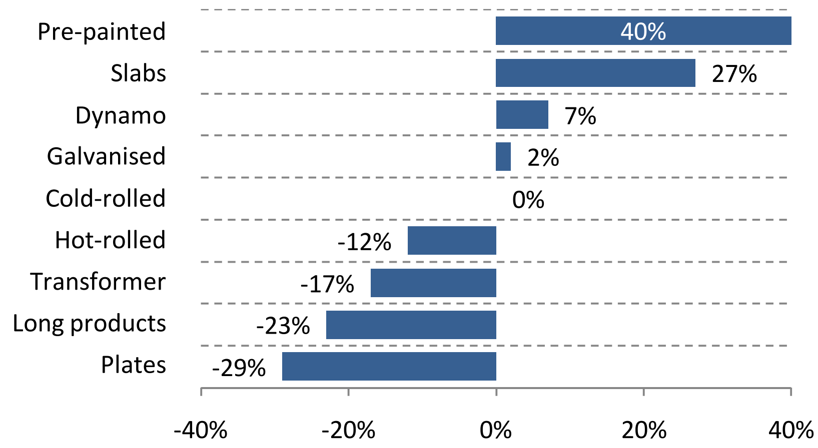
[1] Hereinafter reporting periods are Q1 and H1 2009 and 2008. Q2 2009 data is received by calculation.
[2] Net (loss) / income attributable to Novolipetsk Steel shareholders

Sales

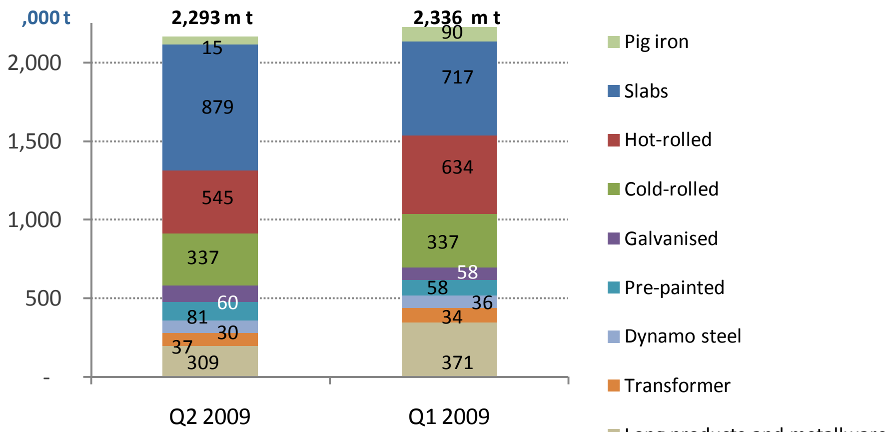
Active sales strategy

- **Q2 2009: 2 293 m t (-2.6% q-o-q)**
  - Low output in January - April
  - Delay in sales recognition
- **Market trends:**
  - Seasonal revival of construction market
  - Better export sales due to:
    - End of destocking
    - Improvement at end-markets demand

Change in product mix, Q2 2009/Q1 2009

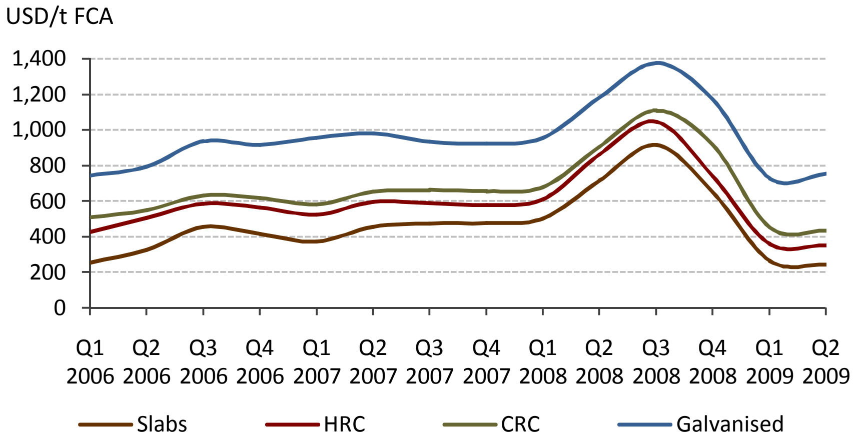


Sales Q2 2009 vs Q1 2009[1]



[1] *Tonnage-wise*

Average sales price[2]



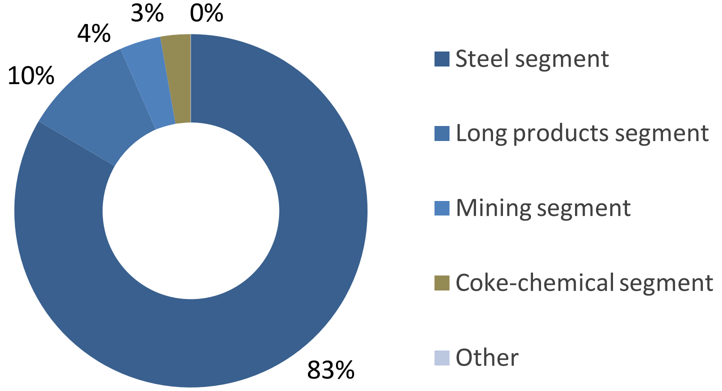
[2] *Parent company's prices*

Revenues

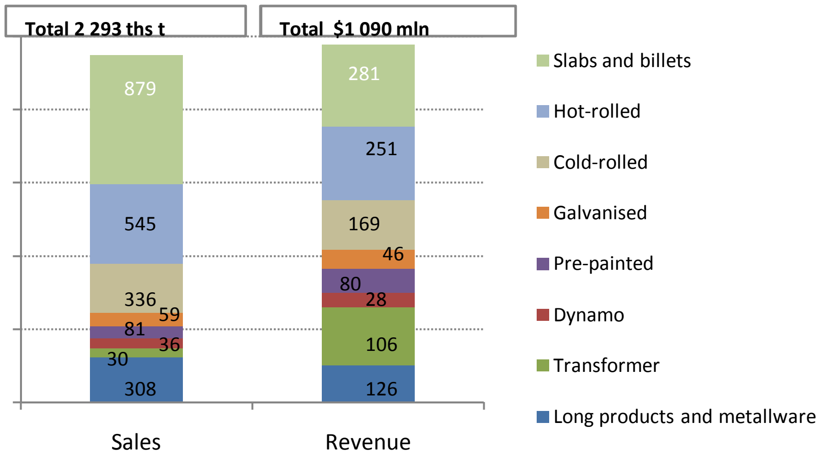
Russia, Asia, Middle East and EU - our key markets

- **H1 2009 revenues $2 586 mln (-56% y-o-y)**
- **Q2 2009 revenues $1 293 mln (0% q-o-q)**
- **Sales to Russia: 38% of revenues vs 28% m t supplies**
- **35% of revenues – high value added products**
  - Cold-rolled 14%
  - Electrical 12%
  - Coated 8%
  - Metalware 1%

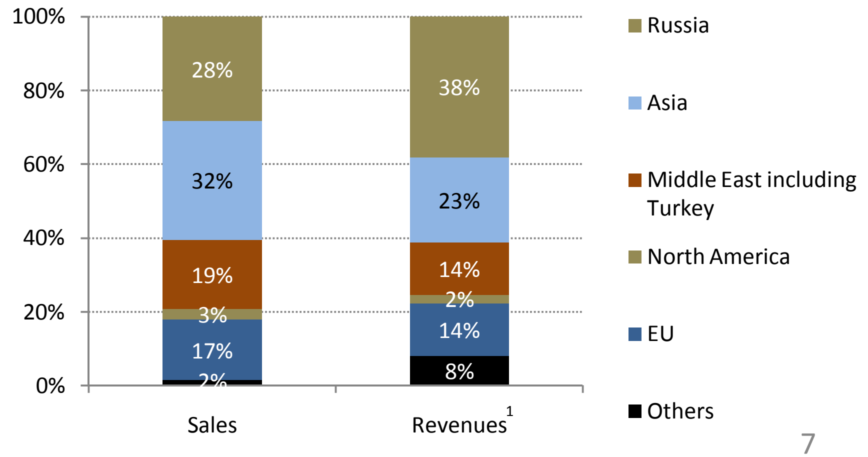
Sales revenues by segment



Steel sales and revenues by product mix



Steel sales and revenues by markets



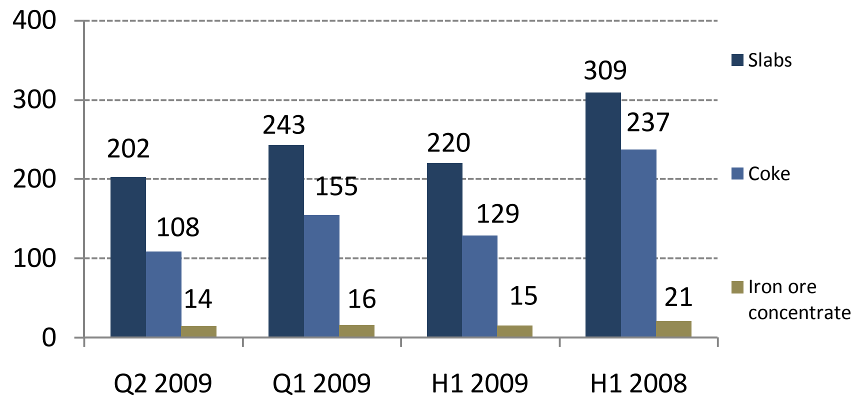
1. Including other products sales

Production cost

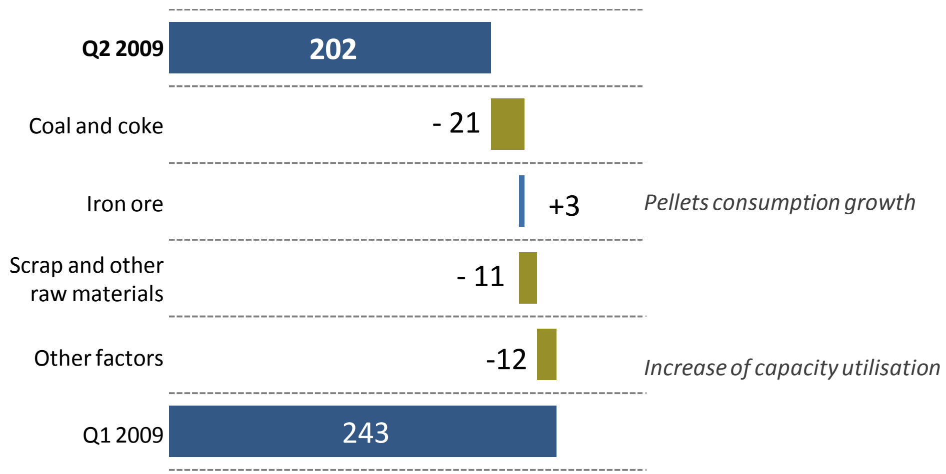
NLMK remains a costs leader

- **Significant cost reduction in Q2 2009**
  - Highly priced inventories exhausted in Q1 2009
  - Higher utilization rates
  - Flexible production patterns

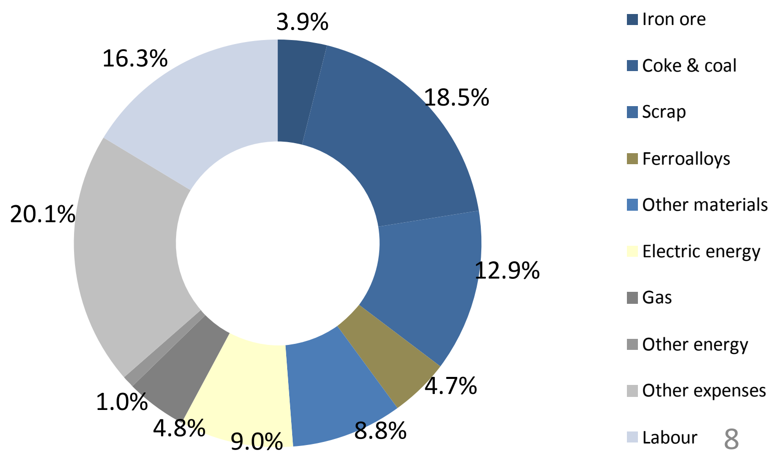
Cash cost by product



Cash cost drivers



Consolidated production cost of sales, Q2 2009

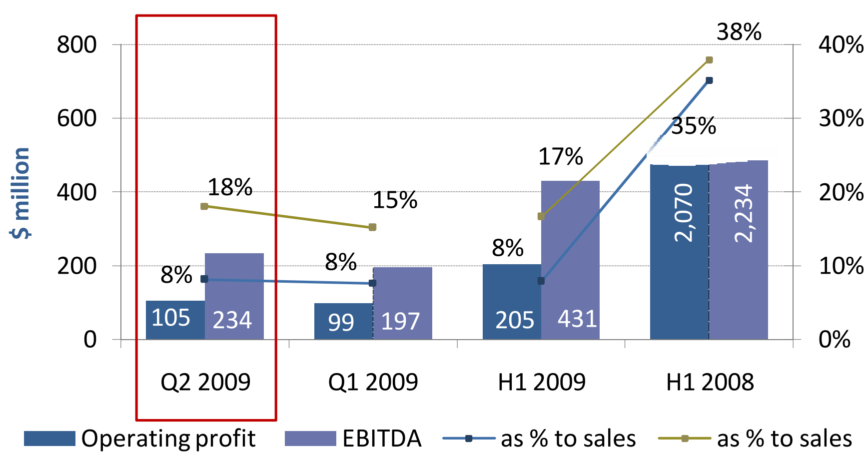


Q2 2009 Profitability

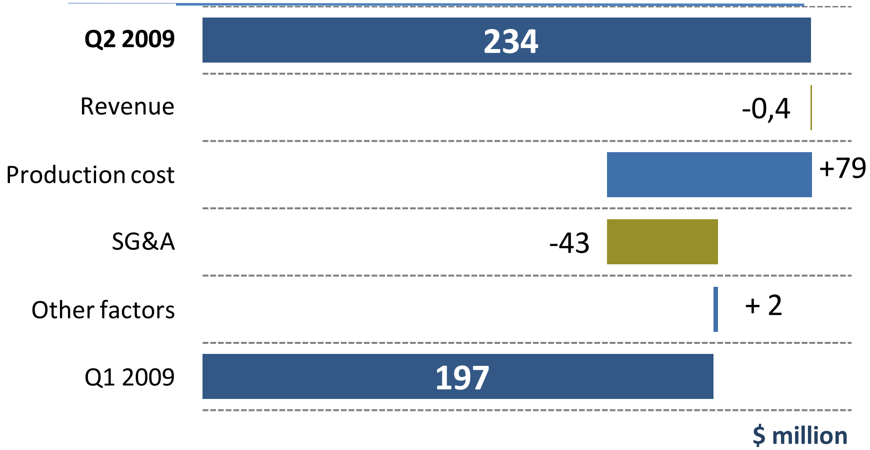
Production costs optimisation enhances EBITDA

- **Operating profit**
  - $105 m, +6% q-o-q
- **EBITDA**
  - $234 m, +19% q-o-q
  - Margin 18%, +3pp q-o-q
- **Segment impact**
  - Steel + $74 m
  - Mining + $49 m

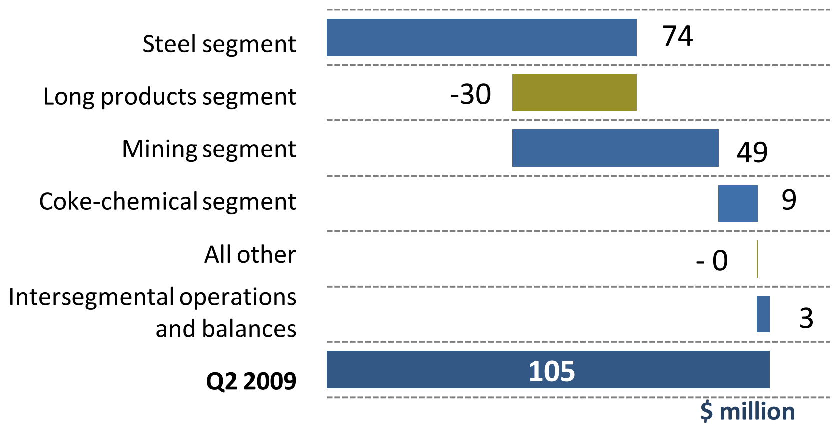
Operating profit and EBITDA



EBITDA drivers



Operating profit by segment

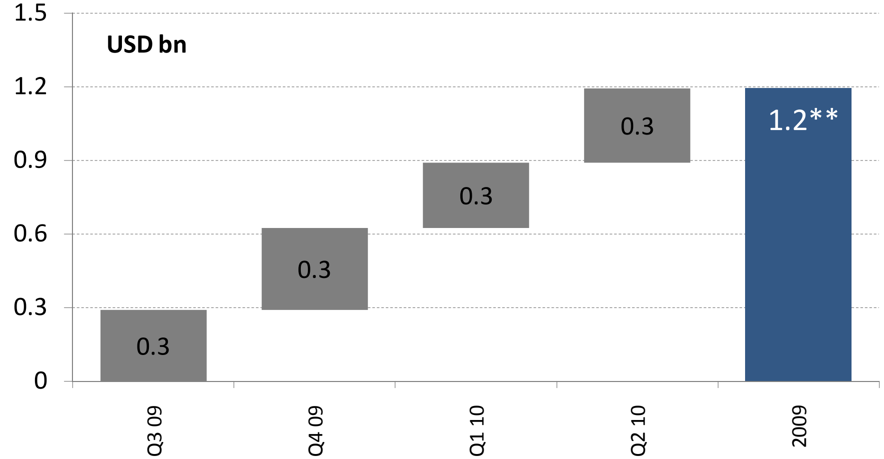


Debt position

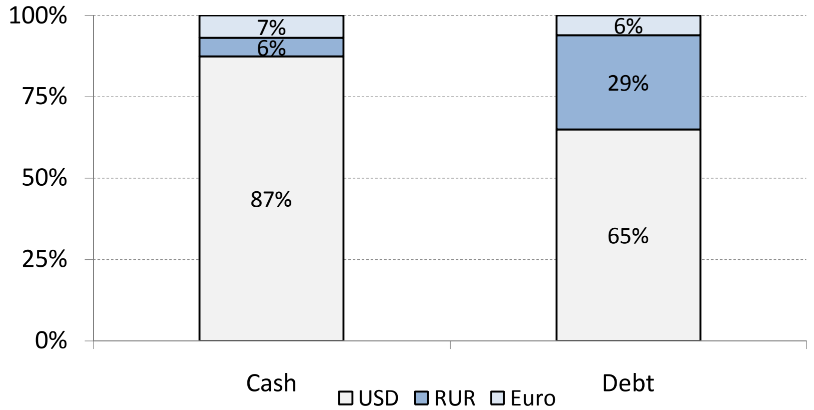
Solid financial position

- **Total debt position of $2.8 bn including:**
  - ST debt (Q3 09 to Q2 10) $1.1 bn*
  - LT debt $1.7 bn
  - Net debt $0.7 bn
- **$2.1 bn of cash and short-term investments as of June 30, 2009**

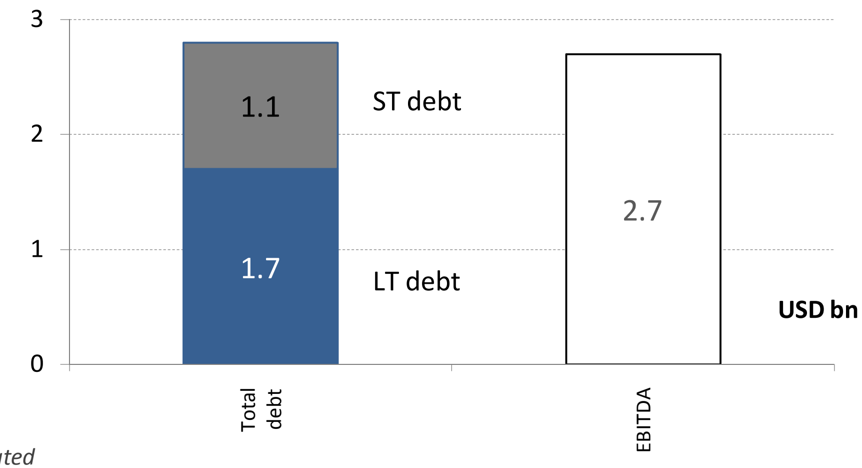
Short term debt payment*



Currency share: debt vs. cash



Total debt vs. Ebitda***



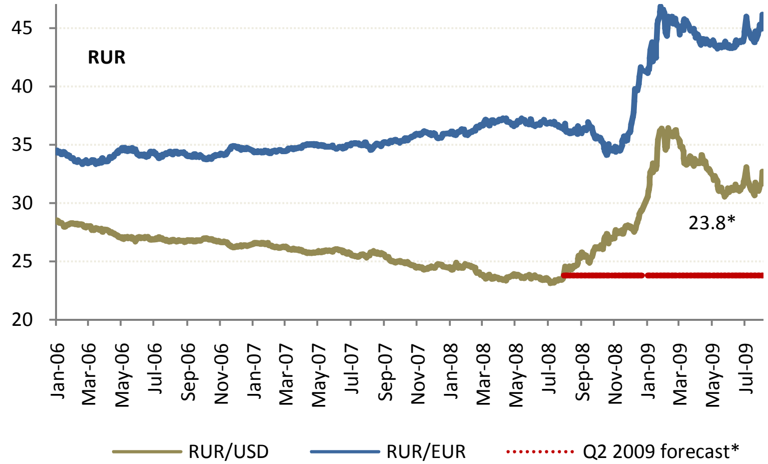
** Short term debt position of the company can differ from the numbers presented in the consolidated financial statement due to accounting policy requirements under US GAAP*
*** Incl. interest payments*
**** Trailing 12M EBITDA*

FX hedge policy

FX hedge policy

- About 90% of costs are RUR denominated
- About 60% of revenues in foreign currencies
- Hedging started in 2006 after RUR strengthening began
- Forward FX contracts is the main tool

Forex dynamics and historical forecasts



* Source: Bloomberg, banks consensus in the mid-2008

Forward contracts

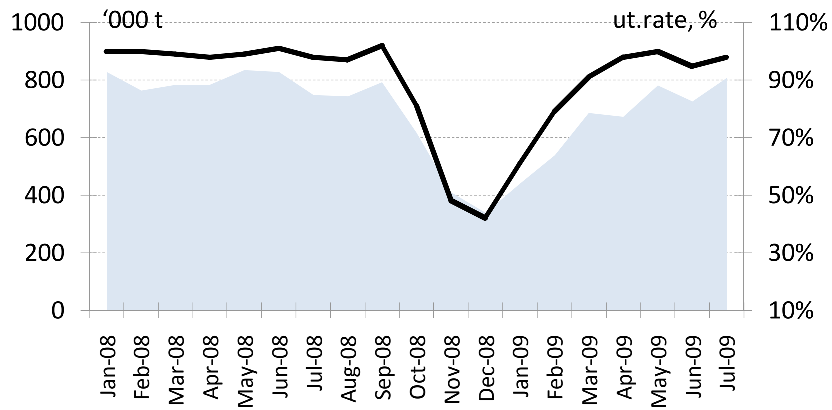
- 2006 - 9M 2008 FX gain of over USD100 million
- In mid-2008 hedged $2.4 bn or 30% of expected in mid-2008 export revenues for 2009
  - Negative fair value of forward contracts reduced by $170 mln in H1 2009
  - Total effect of hedging depends on FX rate change

Production highlights

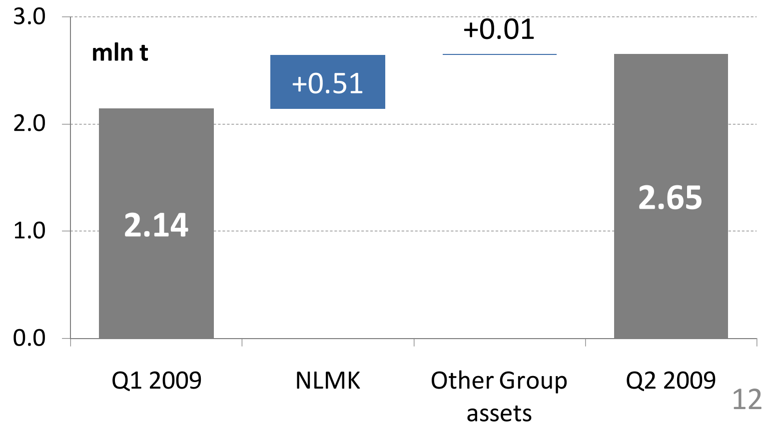
Capacity utilisation growth to bolster Q3 09 performance

- **Production Q2 2009:**
    - BFs 3.6 m tpa restarted in Q1-Q2 09 on the main production site (Lipetsk)
    - Utilization rate increase on other group steel facilities
- **Utilization rate (steel production), Q2 2009**
    - Lipetsk site – 98%
    - Maxi-Group – 73%
    - Beta Steel – 55%

Crude steel month production, Lipetsk site



Q2 2009 crude steel production, NLMK Group



Summary and outlook

- **Summary**
  - Production fully restored in Q2 09
  - Sings of market recovery
  - Stable financial performance
  - Solid financial position
- **Outlook**
  - Q3 steel production to reach 2.9 m t, +12% q-o-q
  - Q3 Average selling prices to increase by 10-15% q-o-q
  - EBITDA margin to achieve 20-25%
  - Demand growth on “downstream” products, including transformer and coated steel
  - FY 2009 crude steel production of 10.5 m t, flat y-o-y

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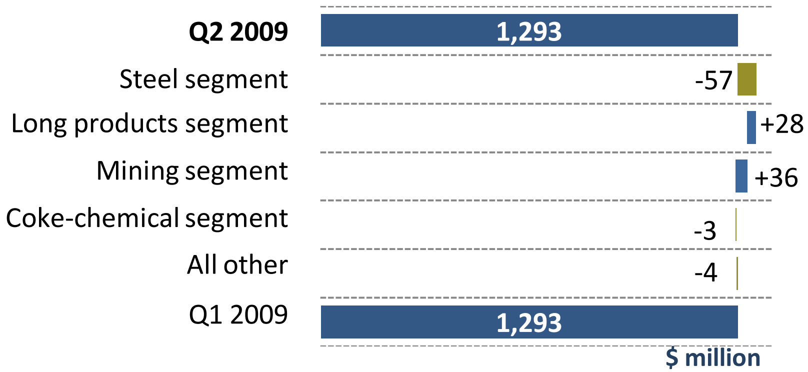
Segments' impact

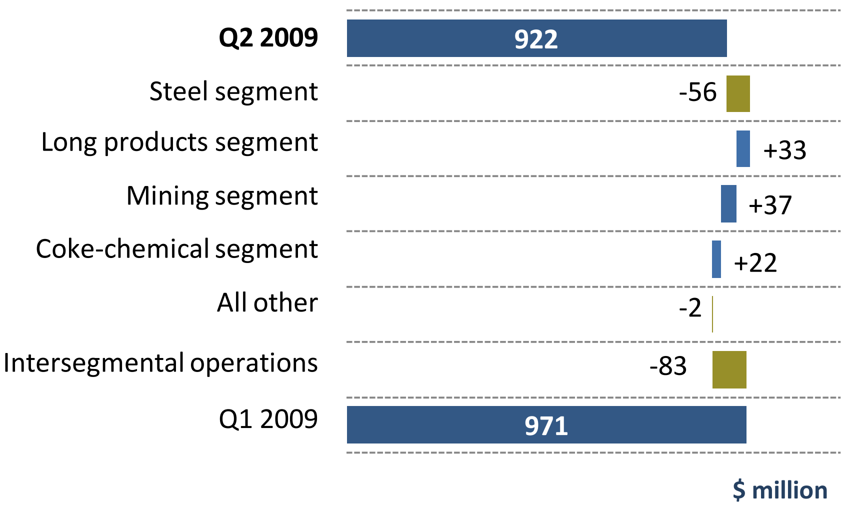
Slight change in group revenue and operating profit

- **Key drivers on changes**
  - Iron ore, coke, and scrap sales growth
  - Operating profit decrease from steel segment sales

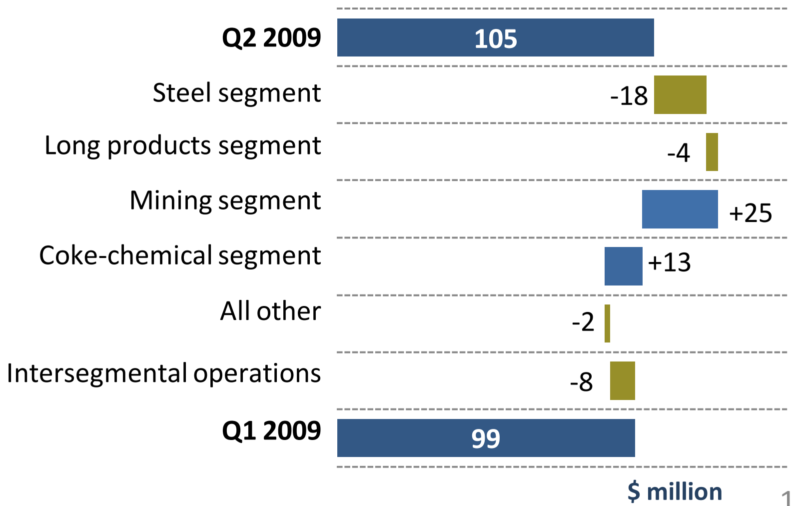
Changes in revenue from third parties



Cost of goods sold



Changes in operating profit



Steel Segment

Performance highlights

- **2.2 m t of steel production (+26% q-o-q)**
- **Sales volumes of steel products 2.0 m t (-4% q-o-q)**
- **Steel segment revenue: $1,103 m (-4% q-o-q)**
- **Operating profit: $74 m (-19% q-o-q)**

(tonnes`000)	**Q2 2009**	**Q1 2009**	**Q2 2009/Q1 2009** + / -	%	**H1 2009**	**H1 2008**	**H1 2009/H1 2008** + / -	%
Steel production	2 217	1 755	461	26%	3 972	4 845	(873)	(18%)
Steel sales	2 023	2 107	(84)	(4%)	4 130	4 822	(693)	(14%)
(USD mln)								
Revenue	1 103	1 155	(52)	(4%)	2 257	4 851	(2 593)	(53%)
incl. external customers	1 079	1 136	(57)	(5%)	2 215	4 698	(2 483)	(53%)
Cost of sales	(831)	(887)	56	(6%)	(1 718)	(2 861)	1 143	(40%)
Operating profit	74	91	(18)	(19%)	165	1 606	(1 441)	(90%)
- as % of revenue	7%	8%			7%	33%		

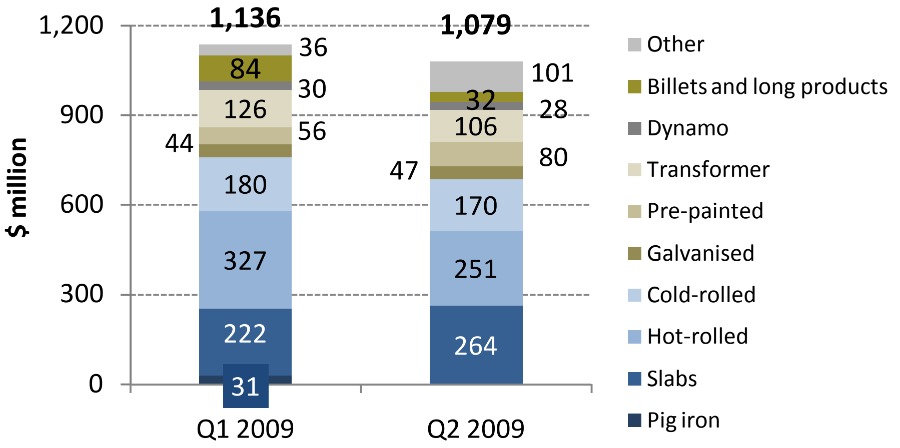
1. Incl. sales of other segment's products by traders of steel segment

Steel Segment

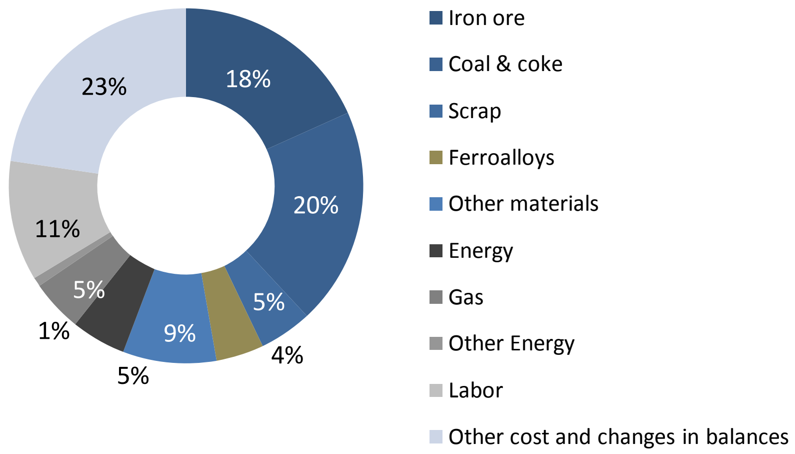
Sales revenues and cost structure

- **Decrease in revenue mainly due to declining of steel prices**
- **Sales revenue growth q-o-q:**
  - coated steel +26%
  - slabs +19%
- **Sales revenue decrease q-o-q:**
  - hot-rolled steel -23%
  - electrical steel -13%

Sales revenues from external customers by product



Steel Segment production cost of sales, Q2 2009



Long Products Segment

Performance highlights

- **436,000 tonnes of steel production (+15% q-o-q)**
- **Steel sales – 397,000 tonnes (+25% q-o-q), incl. sales to traders – 127,000 tonnes (+44% q-o-q)**
- **Segment revenue $194 million (+27% q-o-q) including $130 million (+27% q-o-q) from external customers**

	Q2 2009	**Q1 2009**	**Q2 2009/Q1 2009**		**H1 2009**	**H1 2008**	**H1 2009/H1 2008**	
(tonnes`000)			**+ / -**	**%**			**+ / -**	**%**
Steel production	436	380	56	15%	816	1 050	(234)	(22%)
Steel sales	397	317	80	25%	715	1 000	(286)	(29%)
in NLMK Group [1]	127	88	39	44%	216	106	110	103%
(USD mln)								
Revenue	194	152	41	27%	346	989	(643)	(65%)
incl. external customers	130	102	28	27%	233	757	(524)	(69%)
Cost of sales	(179)	(146)	(33)	23%	(325)	(665)	341	(51%)
Operating profit	(30)	(26)	(4)	15%	(55)	224	(279)	(125%)
- as % of revenue	-15%	-17%			-16%	23%		

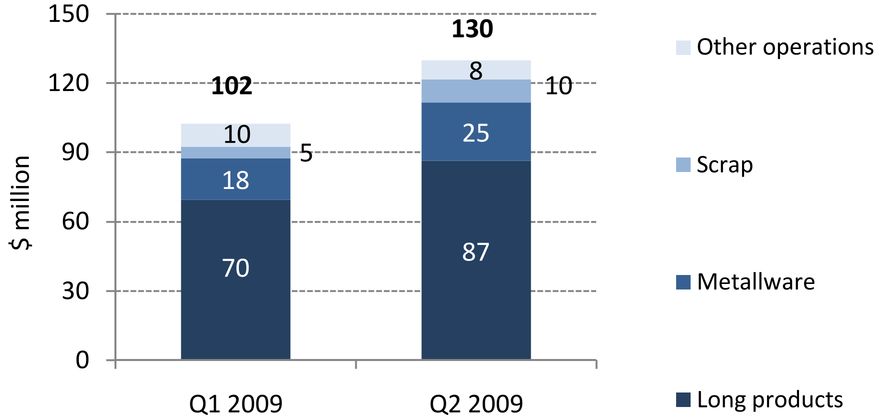
1. Incl. sales of segment's products to traders of steel segment

Long Products Segment

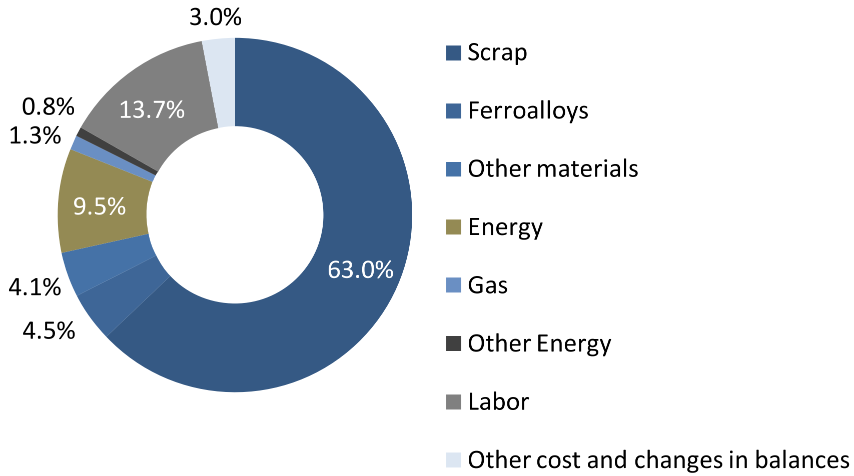
Revenue and costs

- 10% contribution to consolidated revenue
- Rebar sales contributed mostly to sales revenue
- Scrap - 63% of production costs
- Increased sales of metallware

Sales revenues from external customers by product



Long products production cost of sales, Q2 2009



Mining Segment

Performance highlights

- **Mining segment covers 100% of NLMK's requirements in iron ore concentrate, flux and dolomite**
- **Segment's low cost production is a key driver of high profitability**

	Q2 2009	Q1 2009	Q2 2009/Q1 2009		H1 2009	H1 2008	H1 2009/H1 2008	
(tonnes`000)			+ / -	%			+ / -	%
Production								
iron-ore concentrate	2 883	2 168	715	33%	5 051	5 907	(856)	(14%)
sinter ore	595	234	361	154%	829	823	6	1%
dolomite	366	417	(51)	(12%)	783	1 127	(344)	(30%)
limestone	798	540	258	48%	1 338	1 713	(375)	(22%)
Sales								
iron-ore concentrate	3 772	2 235	1 537	69%	6 007	5 829	178	3%
in NLMK Group	2 872	2 082	790	38%	4 954	5 800	(846)	(15%)
sinter ore	612	329	283	86%	941	800	141	18%
in NLMK Group	402	279	123	44%	681	506	175	35%
dolomite	377	355	22	6%	732	1 075	(344)	(32%)
in NLMK Group	212	178	34	19%	390	496	(106)	(21%)
limestone	741	406	336	83%	1 147	1 716	(569)	(33%)
in NLMK Group	576	376	201	53%	952	1 274	(322)	(25%)
(USD mln)								
Revenue	160	89	71	79%	249	533	(284)	(53%)
incl. external customers	48	12	36	288%	61	41	20	48%
Cost of sales	(92)	(55)	(37)	68%	(147)	(179)	32	(18%)
Operating profit	49	24	25	105%	73	316	(242)	(77%)
- as % of revenue	31%	27%			29%	59%		

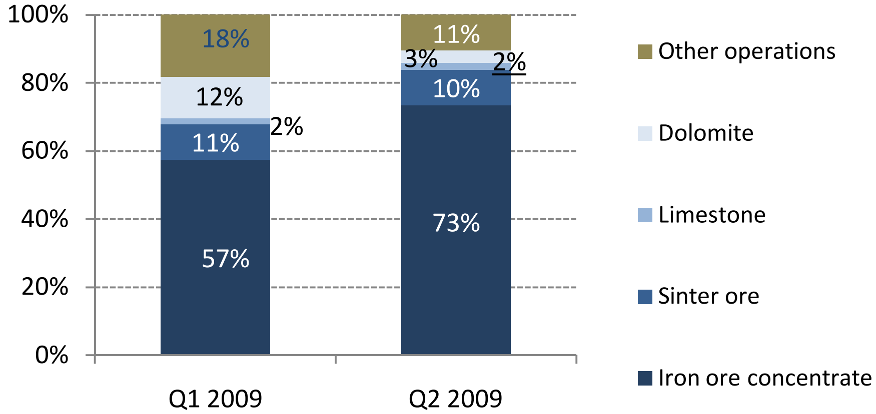
1. Incl. sales of other segment's products by traders of steel segment

Mining Segment

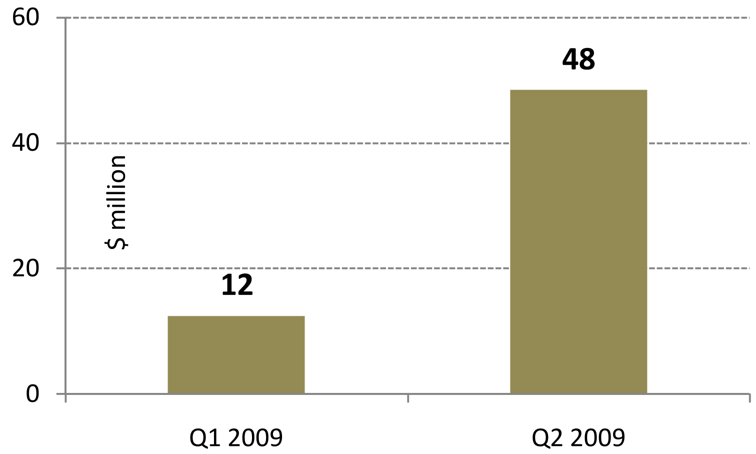
Sales revenues and cost structure

- **Over 70% is generated from intersegmental sales**
- **Sales revenue from external customers**
    - $48 million (increased by 3.8 times q-o-q)

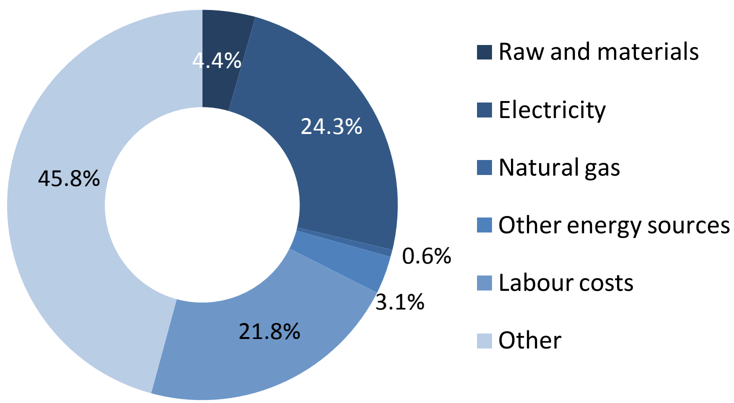
Sales revenues from external customers by product



Sales revenues from external customers



Mining Segment production cost of sales, Q2 2009



Coke-chemical Segment
Performance highlights

Altai-koks is the leading coke producer in Russia

- **Sufficient growth in sales both intercompany and 3rd parties (through trading companies of NLMK)**
- **Profitability recovery**

(tonnes`000)	**Q2 2009**	**Q1 2009**	**Q2 2009/Q1 2009** + / -	%	**H1 2009**	**H1 2008**	**H1 2009/H1 2008** + / -	%
Production								
coke 6% moisture	813	597	216	36%	1 410	1 877	(468)	(25%)
Sales								
dry coke	830	551	279	51%	1 381	1 826	(445)	(24%)
in NLMK Group[1]	680	344	336	98%	1 024	708	316	45%
(USD mln)								
Revenue	114	81	33	41%	195	569	(374)	(66%)
incl. external customers	35	38	(3)	(7%)	73	346	(273)	(79%)
Cost of sales	(96)	(74)	(22)	29%	(170)	(441)	270	(61%)
Operating profit	9	(3)	13	(371%)	6	74	(68)	(92%)
- as % of revenue	8%	-4%			3%	13%		

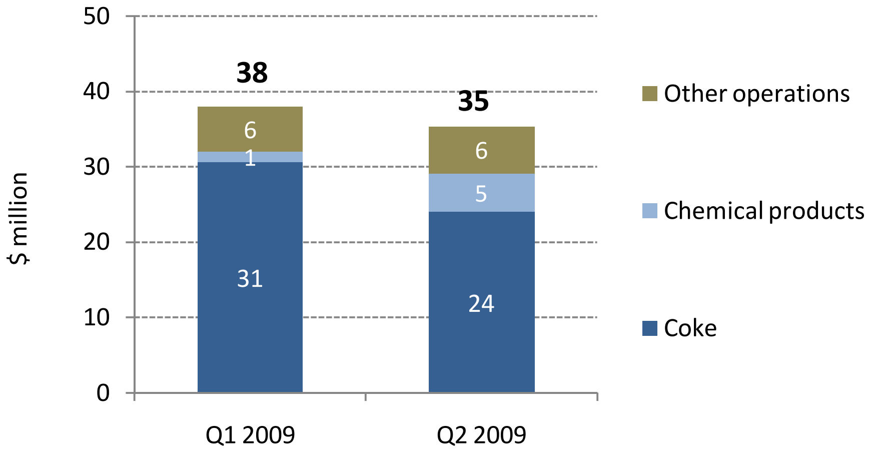
1. Incl. sales of other segment's products by traders of steel segment

Coke-chemical Segment

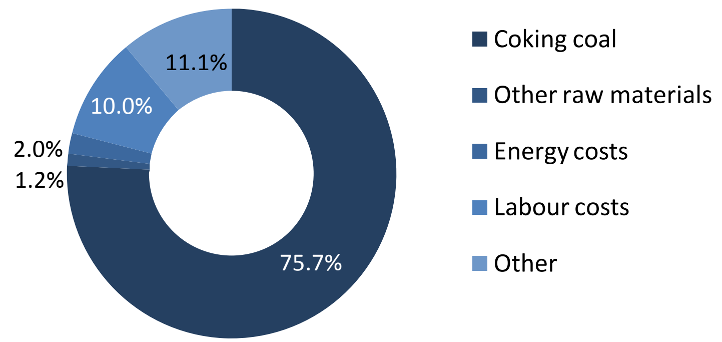
Sales revenues and cost structure

- **Coke sales contribution is 68% of segment revenue**
- **Altai-Koks sources coking coal mostly from Kuznetsk Coal Basin companies**
- **Coal accounts for $67 million of segment production costs**

Sales revenues from external customers by product



Coke-chemical production cost of sales



$ million

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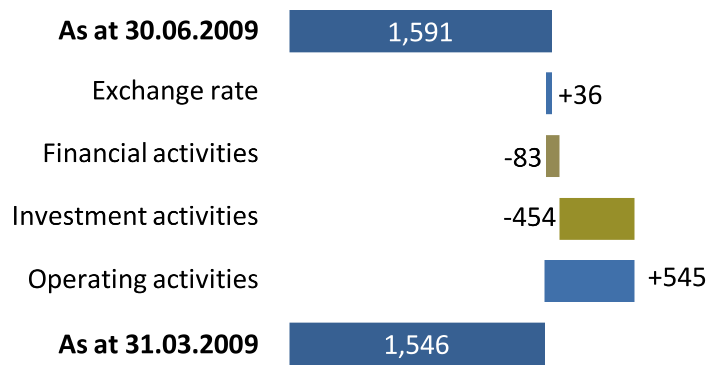
Key cash flow items

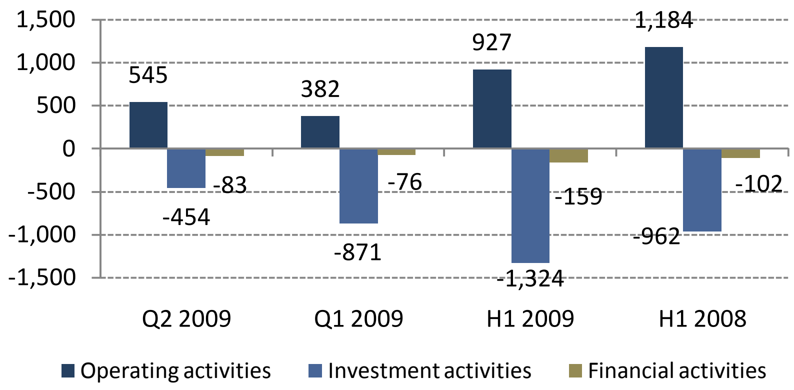
- **Net operating cash flow increase (+43% q-o-q)**
  - operating cash flow enhanced through additional working capital release
  - shorter length of trading cycle
- **Capex expenditures reduction (measures adopted in crisis period)**
- **ST debt restructuring**
  - 0.7 bn of net debt as of 30.06.09 (-19% to 31.03.09)

Cash and cash equivalents



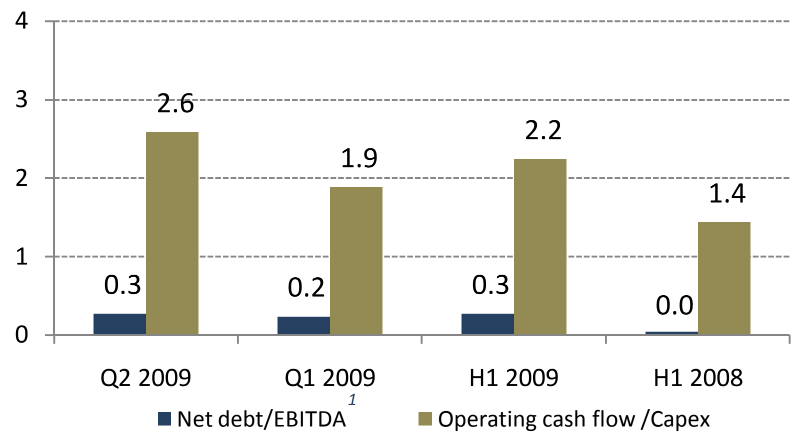
$ million

Net cash flow



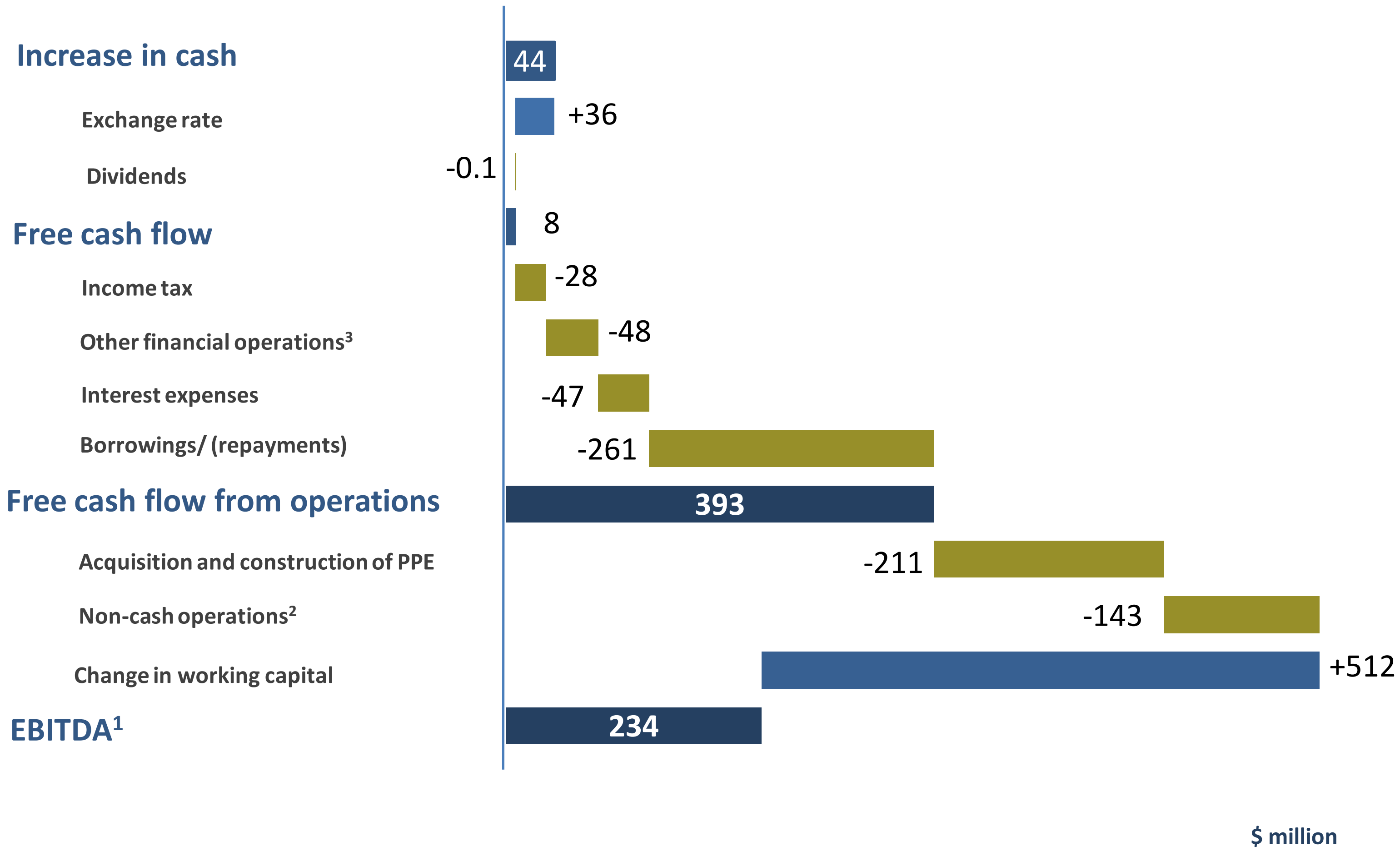
$ million

Financial ratios



[1] *12M EBITDA*

Q2 2009 EBITDA to Cash Bridge



[1] 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.

[2] 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

[3] 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

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Consolidated Statement of Income

(mln USD)	Q2 2009	Q1 2009	Q2 2009/Q1 2009 +/-	Q2 2009/Q1 2009 %	H1 2009	H1 2008	H1 2009/H1 2008 +/-	H1 2009/H1 2008 %
Sales revenue	1 293	1 293	(0)	(0,0%)	2 586	5 884	(3 297)	(56,0%)
Production cost	(795)	(874)	79	(9,0%)	(1 670)	(2 989)	1 319	(44,1%)
Depreciation and amortization	(126)	(97)	(29)	30,5%	(223)	(246)	23	(9,4%)
Gross profit	371	322	49	15,2%	694	2 649	(322)	(12,2%)
General and administrative expenses	(76)	(90)	14	(15,7%)	(165)	(171)	6	(3,3%)
Selling expenses	(164)	(111)	(53)	47,8%	(275)	(344)	69	(20,1%)
Taxes other than income tax	(26)	(23)	(4)	16,7%	(49)	(65)	16	(24,3%)
Operating income	105	99	6	6,4%	205	2 070	(1 865)	(90,1%)
Gain / (loss) on disposals of property, plant and equipment	(6)	(2)	(4)	183,0%	(8)	(1)	(7)	1289,5%
Gains / (losses) on investments	(0)	(1)	1	(92,7%)	(2)	4	(6)	
Interest income	17	18	(1)	(6,5%)	35	45	(11)	(23,7%)
Interest expense	(47)	(54)	7	(12,2%)	(101)	(110)	9	(8,2%)
Foreign currency exchange loss, net	23	(113)	136		(90)	36	(126)	
Other expense, net	(17)	(57)	40	(70,6%)	(74)	(54)	(20)	36,1%
Income from continuing operations before income tax	76	(110)	186		(35)	1 990	(2 025)	
Income tax	(28)	1	(29)		(26)	(475)	449	(94,4%)
Income from continuing operations, net of income tax	48	(109)	157		(61)	1 515	(1 577)	
Equity in net earnings/(losses) of associate	(116)	(143)	26	(18,6%)	(259)	43	(302)	
Net income	(69)	(252)	183	(72,8%)	(320)	1 558	(1 878)	
Less: Net loss / (income) attributable to the non-controlling interest	19	58	(38)	(66,4%)	77	(27)	105	
Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders	(49)	(194)	145	(74,7%)	(243)	1 531	(1 774)	
EBITDA	234	197	38	19,1%	431	2 234	(1 803)	(80,7%)

Consolidated Balance Sheet

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

Consolidated Cash Flow Statement

(mln. USD)	Q2 2009	Q1 2009	Q2 2009/Q1 2009 +/-	Q2 2009/Q1 2009 %	H1 2009	H1 2008	H1 2009/H1 2008 +/-	H1 2009/H1 2008 %
Cash flow from operating activities								
Net income	(69)	(252)	183	(72,8%)	(320)	1 558	(1 878)	
Adjustments to reconcile net income to net cash provided by operating activities								
Depreciation and amortization	126	97	29	30,5%	223	246	(23)	(9,4%)
Loss on disposals of property, plant and equipment	6	2	4	183,0%	8	1	7	1289,5%
(Gain)/loss on investments	0	1	(1)	(92,7%)	2	(4)	6	
Equity in net earnings of associate	116	143	(26)	(18,6%)	259	(43)	302	
Defferd income tax (benefit)/expense	4	(27)	31		(23)	(63)	41	(64,2%)
Loss / (income) on forward contracts	(154)	17	(170)		(137)		(137)	
Other movements	3	10	(7)	(71,1%)	13	48	(35)	(72,8%)
Changes in operating assets and liabilities								
Increase in accounts receivables	396	98	298	303,5%	495	183	311	169,7%
Increase in inventories	107	294	(187)	(63,6%)	402	74	327	441,7%
Decrease/(increase) in other current assets	4	(4)	8		(0)	(18)	18	(99,2%)
Increase in accounts payable and oher liabilities	4	(15)	19		(11)	(871)	860	(98,7%)
Increase/(decrease) in current income tax payable	0	18	(17)	(99,5%)	18	73	(55)	(75,8%)
Net cash provided from operating activities	545	382	163	42,6%	927	1 184	(257)	(21,7%)
Cash flow from investing activities								
Acquisitions of subsidiaries						(126)	126	
Payment for acquisition of interests in new subsidiaries						(300)	300	
Proceeds from sale of property, plant and equipment	3	2	2	124,1%	5	6	(1)	(18,6%)
Purchases and construction of property, plant and equipment	(211)	(203)	(8)	3,8%	(414)	(822)	409	(49,7%)
Settlement of abandoned acquisition		(234)	234		(234)		(234)	
Proceeds from sale of investments	143	0	143		143	20	124	627,8%
Placement of bank deposits and purchases of other investments	(202)	(307)	105	(34,1%)	(508)	(25)	(484)	1975,0%
Net cash received in acquisition of interests in new subsidiaries						298	(298)	
Loan issued	(188)	(129)	(59)	46,0%	(316)		(316)	
Movement of restricted cash						(13)	13	
Net cash used in investing activities	(454)	(871)	417	(47,9%)	(1 324)	(962)	(363)	37,7%
Cash flow from financing activities								
Proceeds from borrowings and notes payable	111	263	(152)	(57,6%)	374	937	(563)	(60,1%)
Repayments of borrowings and notes payable	(185)	(321)	136	(42,3%)	(506)	(977)	471	(48,2%)
Capital lease payments	(9)	(18)	9	(48,8%)	(27)	(53)	27	(50,0%)
Dividends paid to minority shareholder of existing subsidiaries		(0)	0		(0)	(6)	6	(99,9%)
Dividends to shareholders	(0)	(1)	1	(87,4%)	(1)	(3)	2	(68,1%)
Net cash used in financing activities	(83)	(76)	(6)	8,3%	(159)	(102)	(57)	56,4%
Net increase / (decrease) in cash and cash equivalents	8	(565)	573		(556)	121	(677)	
Effect of exchange rate changes on cash and cash equivalents	36	(49)	85		(13)	50	(63)	
Cash and cash equivalents at the beginning of the period	1 546	2 160	(614)	(28,4%)	2 160	1 155	1 005	87,1%
Cash and cash equivalents at the end of the period	1 591	1 546	44	2,9%	1 591	1 325	265	20,0%

Segmental Information

Q2 2009 (million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 079	130	48	35	0,3	1 293		1 293
Intersegment revenue	24	64	111	79	0,0	278	(278)	
Gross profit	272	15	67	18	0,1	373	(1)	371
Operating income/(loss)	74	(30)	49	9	(0,1)	102	3	105
as % of net sales	*6,7%*	*(15,3%)*	*30,8%*	*8,1%*	*(33,4%)*	*6,5%*		*8,2%*
Income / (loss) from continuing operations before minority interest	569	(66)	41	(6)	0,3	579	(435)	144
as % of net sales	*51,6%*	*(34,1%)*	*25,8%*	*(5,2%)*	*85,1%*	*36,8%*		*11,1%*
Segment assets including goodwill[1]	9 597	2 063	945	763	39	13 408	(1 068)	12 339

Q1 2009 (million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 136	102	12	38	4	1 293		1 293
Intersegment revenue	18	50	77	43		188	(188)	
Gross profit	268	6	34	7	2	316	6	322
Operating income/(loss)	91	(26)	24	(3)	2	88	11	99
as % of net sales	*7,9%*	*(16,8%)*	*26,9%*	*(4,2%)*	*42,6%*	*5,9%*		*7,7%*
Income / (loss) from continuing operations before minority interest	(63)	(97)	25	8	2	(124)	15	(109)
as % of net sales	*(5,5%)*	*(63,8%)*	*28,1%*	*10,2%*	*59,3%*	*(8,4%)*		*(8,4%)*
Segment assets including goodwill[2]	9 047	1 934	1 232	820	34	13 067	(1 270)	11 797

[1] *as at 30.06.2009*

[2] *as at 31.03.2009*

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