Novolipetsk Steel

London, September 4, 2008

HSBC's 8th Annual CEEMEA Investor Forum

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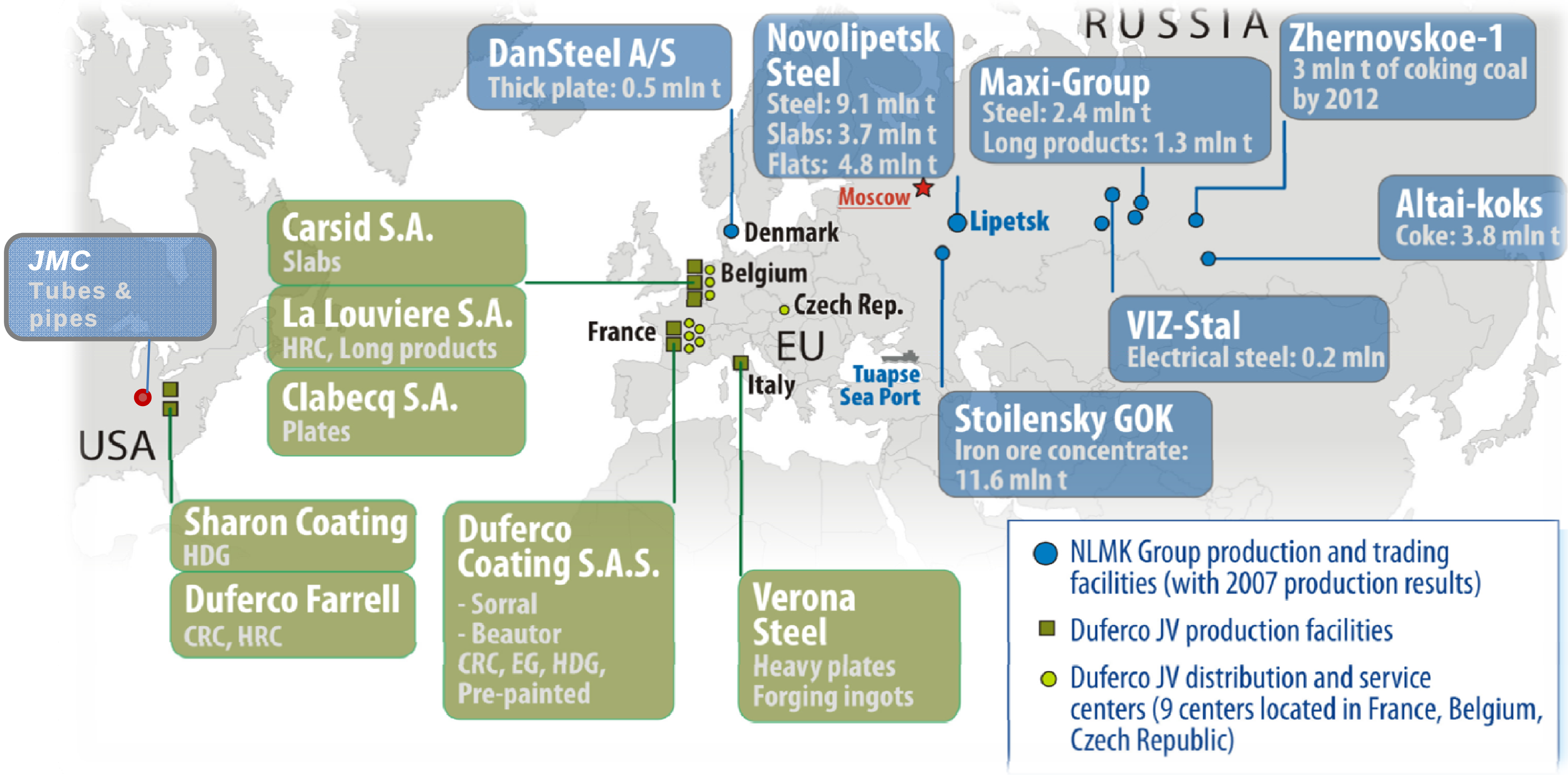
NLMK – Key Facts

Russian steel company with growing international presence



DanSteel A/S
Thick plate: 0.5 mln t

Novolipetsk Steel
Steel: 9.1 mln t
Slabs: 3.7 mln t
Flats: 4.8 mln t

Maxi-Group
Steel: 2.4 mln t
Long products: 1.3 mln t

Zhernovskoe-1
3 mln t of coking coal by 2012

Altai-koks
Coke: 3.8 mln t

VIZ-Stal
Electrical steel: 0.2 mln

Stoilensky GOK
Iron ore concentrate: 11.6 mln t

JMC
Tubes & pipes

Carsid S.A.
Slabs

La Louviere S.A.
HRC, Long products

Clabecq S.A.
Plates

Sharon Coating
HDG

Duferco Farrell
CRC, HRC

Duferco Coating S.A.S.
- Sorral
- Beautor
CRC, EG, HDG, Pre-painted

Verona Steel
Heavy plates
Forging ingots

● NLMK Group production and trading facilities (with 2007 production results)

■ Duferco JV production facilities

● Duferco JV distribution and service centers (9 centers located in France, Belgium, Czech Republic)

	Crude steel	Rolled steel		Crude steel	Rolled steel
NLMK Group[1]	9.2m t	5.4m t	**JV with Duferco**	2.1m t[2]	4.2m t[3]

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1. *2007 production includes Lipetsk production site, DanSteel , VIZ-Stal and Maxi-Group (December 2007 production results)*
2. *2007 production volumes*
3. *2007 shipments including Sharon Coating*

Compelling Investment Case

Gaining international leadership

- Efficiency leader with sustainable performance
  - Highly efficient steel company with superior EBITDA/tonne generation
  - Sustainable EBITDA margin over 40% for the last 5 years
  - Revenues +28% y-o-y, operating income +34% y-o-y, EBITDA +28% y-o-y (2007)
- Securing leadership in the Russian market
  - Increasing exposure to the dynamic domestic market – Maxi-Group acquisition
  - An ambitious growth plan covering the period of up to 2015 – USD8.5 bn Technical Upgrade Program*
  - Present in highly dynamic and diversified market segments
- Strengthening vertical integration
  - 100% iron ore concentrate requirements covered internally
  - 100% self-sufficiency in coke
  - Over 80% self-sufficiency in scrap**
  - Over 40% self sufficiency in electricity on the main production site
  - 50% of the Group’s rail freight handled by own logistics asset
- Increasing High Value Added (HVA) production
  - Production +51% in transformer steel, +11% in galvanized steel y-o-y (2007)
  - New downstream facilities commissioning on-track

**Excluding Maxi-Group and raw materials assets capex*

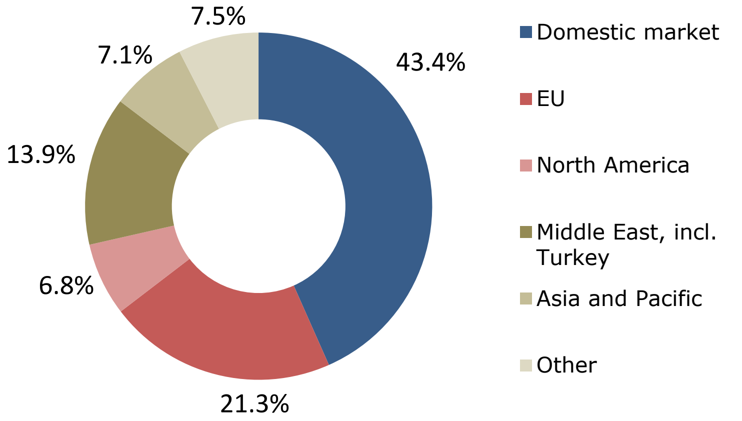
***Requirements of the main production site in Lipetsk*

NLMK – Key Facts

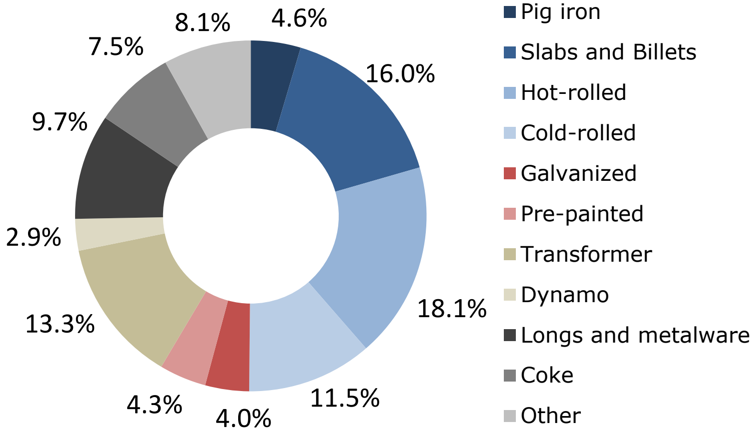
Market leadership in slabs and value-added products

Sales revenue:

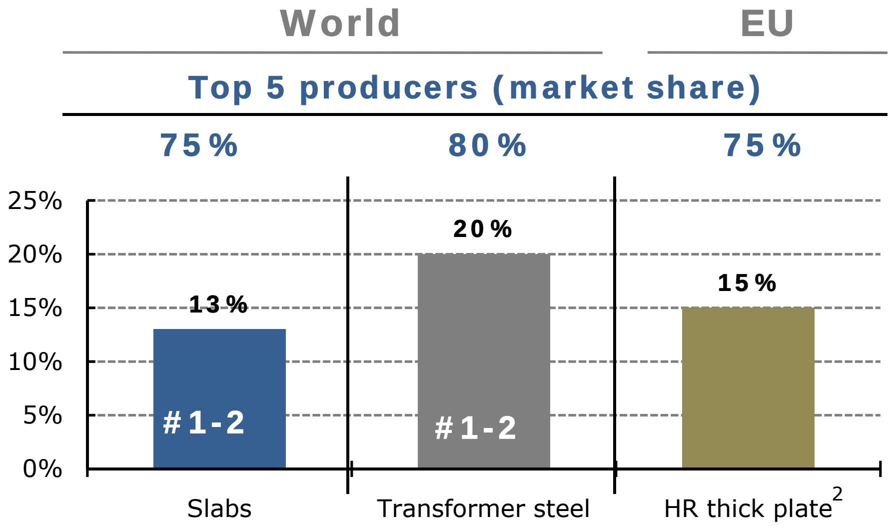
…by region[1]



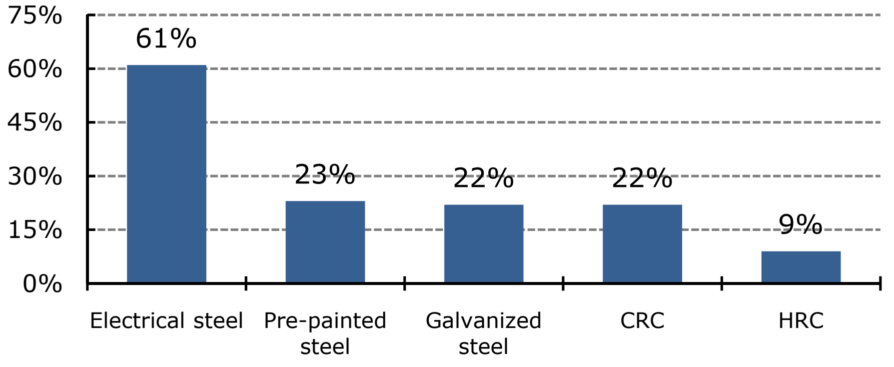
…by product[1]



Global market position



Domestic market position[3]



1. Q1 2008 US GAAP financial results 2. including JV with Duferco Group production volumes 3. Metal Expert, company estimates

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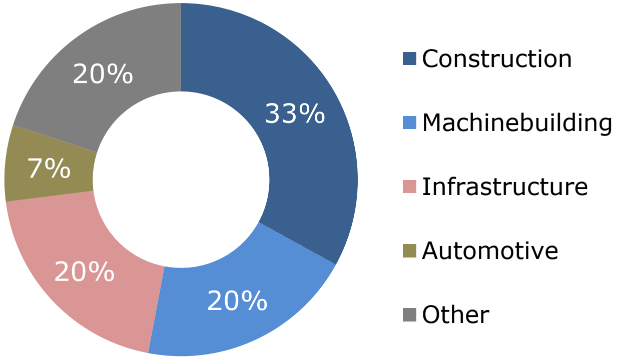
Russia: Market Development Trends

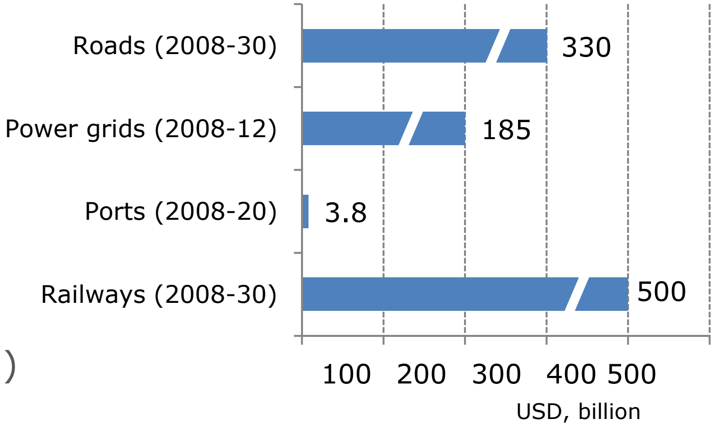
Sustainable growth and attractive opportunities

- A GDP growth of 135% from 2007 to 2012* supported by …
  - industrial production growth of 6.3% y-o-y
  - 21% y-o-y growth of fixed assets investments
- Projected finished steel consumption to grow by 100%
  - from 36 m t to over 70 m t** in 2015, a CAGR of 8%
- Substantial incremental demand for steel will come from
  - Construction industry (18%)
  - Power utilities sector (5%)**
  - Machine-building (19.3%)
  - Consumer goods (16%)
  - Equipment and vehicles (16%)***
- Governmental initiatives in…
  - Housing space per person to increase 60% by 2020
  - Infrastructure spending over USD 550 bn by 2015
  - Power generation to grow by 200 m kWh/h (2007-20)

Steel demand by industry



Investments in infrastructure*,**



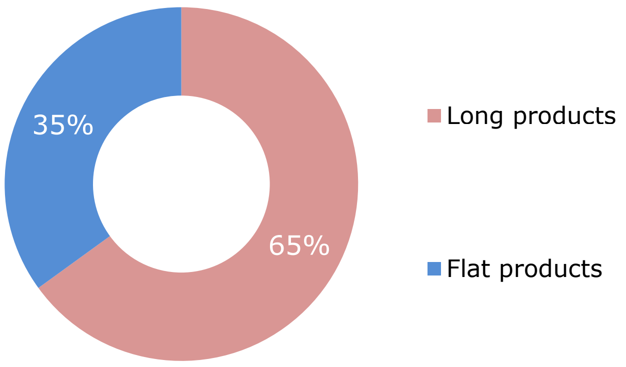
** Ministry for Economic Development report, May 2008*
*** Company estimates , RenCap, Mi*
**** 2007 sector growth on y-o-y basis*

Domestic Market Strategy – Construction (64% of sales)

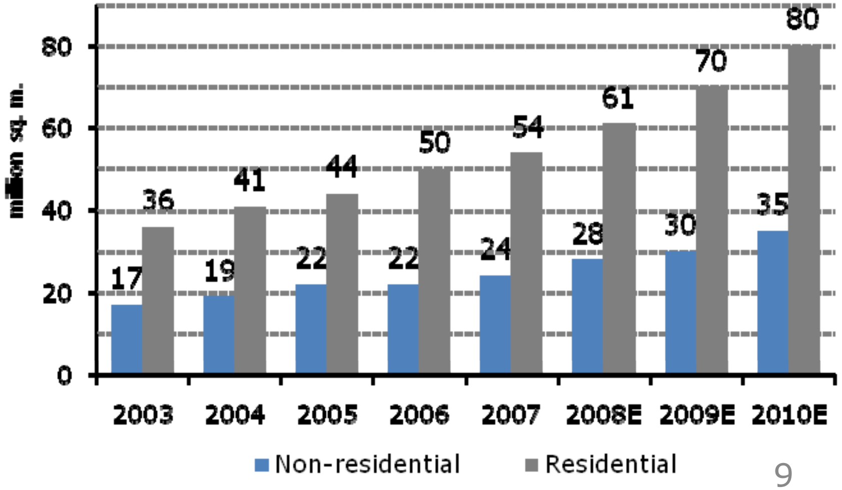
Growing multi-product segment

- Sector highlights:
  - Government plans to increase new housing construction from 50m m^2 in 2006 to 170m m^2 by 2020*
  - Fast development of mortgage market
- NLMK's plans for output growth by 2015
  - Flats: 6.9 m t**
  - Long: 4.4 m t
- Main steps
  - M&A: Maxi-Group acquisition
  - Capex to increase output and quality
- Market position in 2007
  - Over 30% share in the Russian construction flat steel segment
- Targeted market position***
  - Over 30% in flat
  - Over 30% in long products

Steel consumption by product in construction industry***



Construction growth



Source: Goskomstat, company estimates

** Ministry for Economic Development report, May 2008*
*** Main production site in Lipetsk*
**** Company estimates*

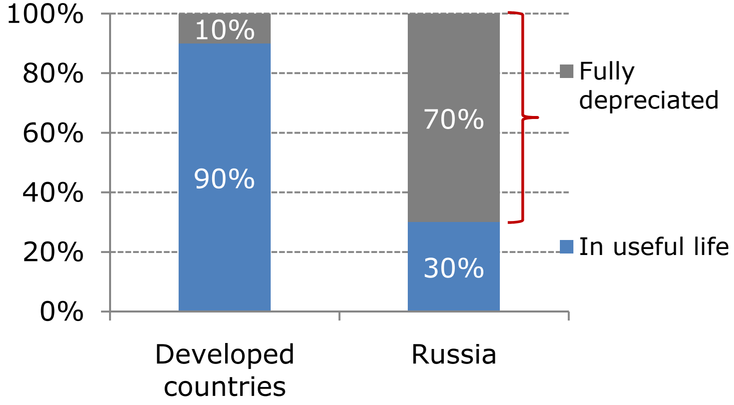
Domestic Market Strategy – Machinery (23% of sales)

Maintain leadership and capture growth

- Sector highlights
  - Machine building and white goods segments enjoy strong investment inflow and government support
  - Investments into machinery and equipment manufacturing increased 2 fold (y-o-y)*
- NLMK plans for output growth
  - +30% saleable products (HRC, CRC, galvanized and pre-painted steel) increase by 2012
- Main steps
  - 3 CR mills, 1 pre-painting and 1 galvanizing line
  - High grade transformer steel output increase
- Market share in 2007
  - C.35% in machine-building
  - C.50% in white goods manufacturing

- Our products go to:
  - Machinery and equipment
  - Automotive
  - White goods
  - Yellow goods

Condition of industrial fixed assets*



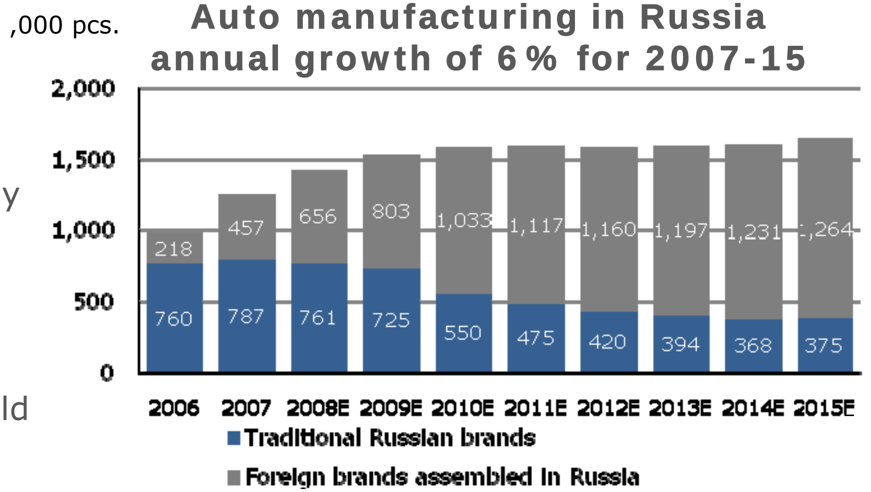
*Goskomstat, company estimates

Domestic Market Strategy – Automotive (9% of sales)

Bid for higher quality and for global customers

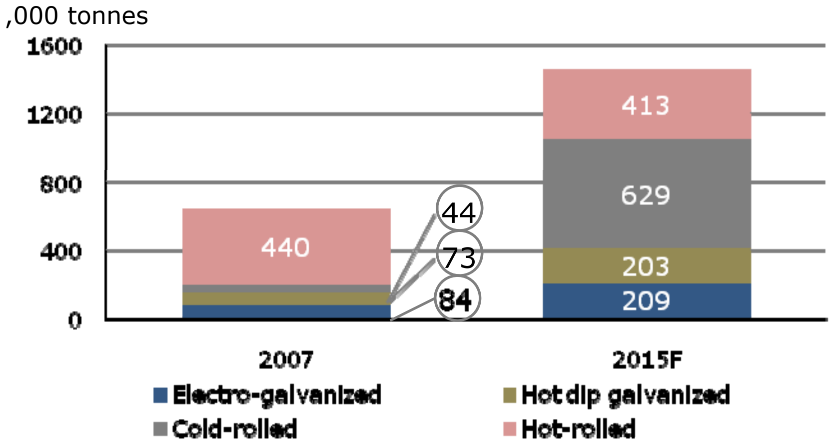
- Sector highlights
  - Fifth largest auto market and the largest sales market in Europe (USD 34.0 bn in H1 2008)*
  - 67% market growth in 2007 to c.USD53 bn in money terms and by 35% to 2800 pcs**
  - Russia will contribute 12% in global growth of auto production during 2007-15*
  - Government targets 80% local production of cars sold to domestic market
  - Increase in disposable income coupled with booming financing markets boost market growth
- NLMK plans for output growth
  - +30% saleable products (HRC, CRC, galvanized and pre-painted steel) increase by 2012
- Main steps
  - Investing in quality
  - Long-term contracts with Russian and global producers
  - Cooperation with stamping parts producers

Auto manufacturing in Russia annual growth of 6% for 2007-15



Source: Company estimates

Russian auto-steel market



Source: company estimates

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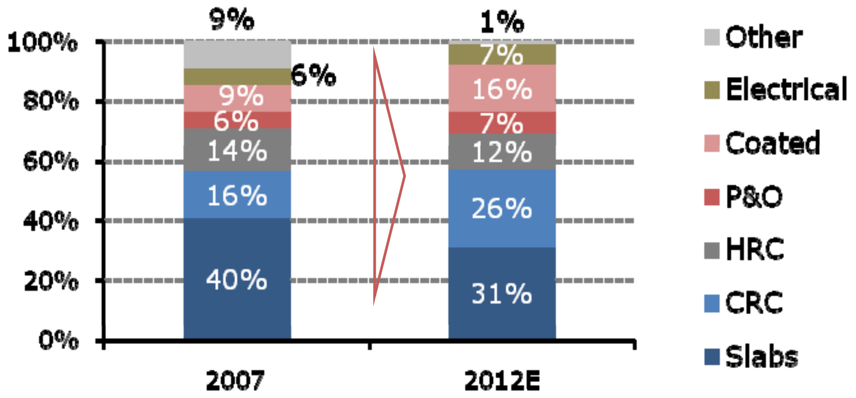
* H1 2008 results. PWC report .
** Including produced and imported cars. Company estimates.

Portfolio Development and Earnings Growth

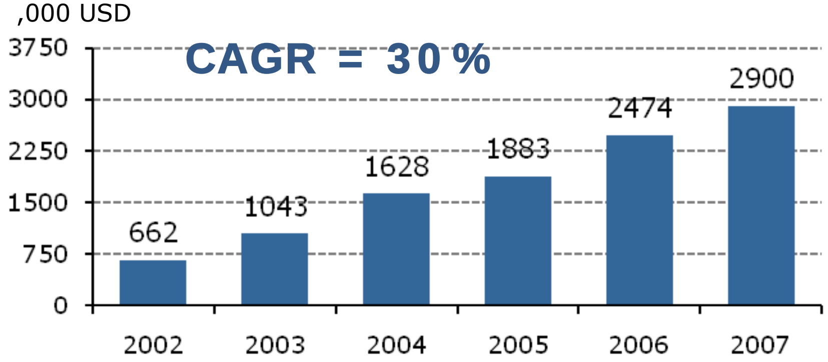
A key supplier of HVA products in Russia to meet accelerating demand

- HVA products sales are concentrated in Russia
- Domestic economy growth drives earnings increase
- Customer base located in the European Russia close to main production site

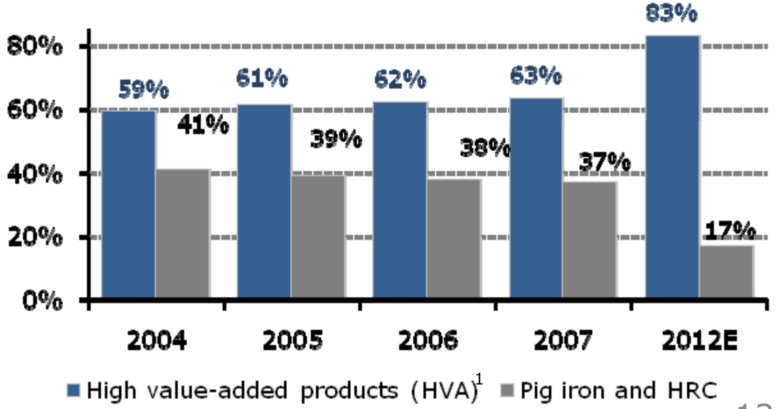
NLMK main site production 2007 vs. 2012E



NLMK domestic market sales (2002–2007E)



Domestic sales revenue distribution



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1. includes CRC, HDG, pre-painted and electrical steels

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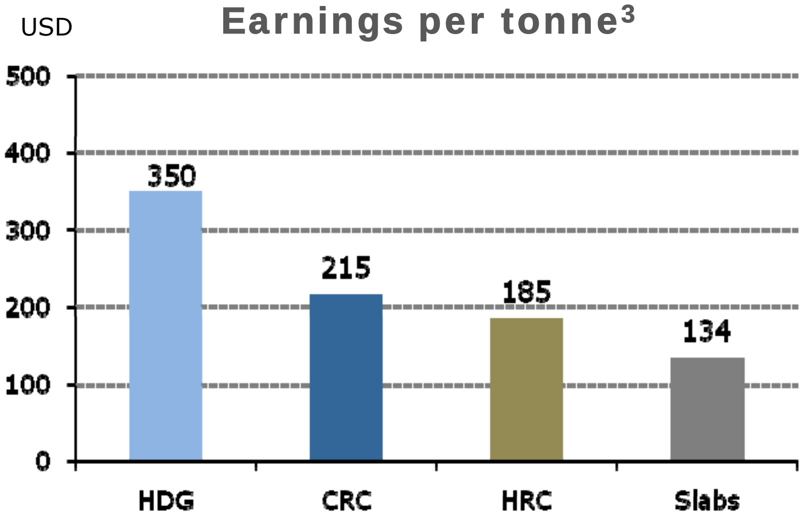
Global Growth Strategy

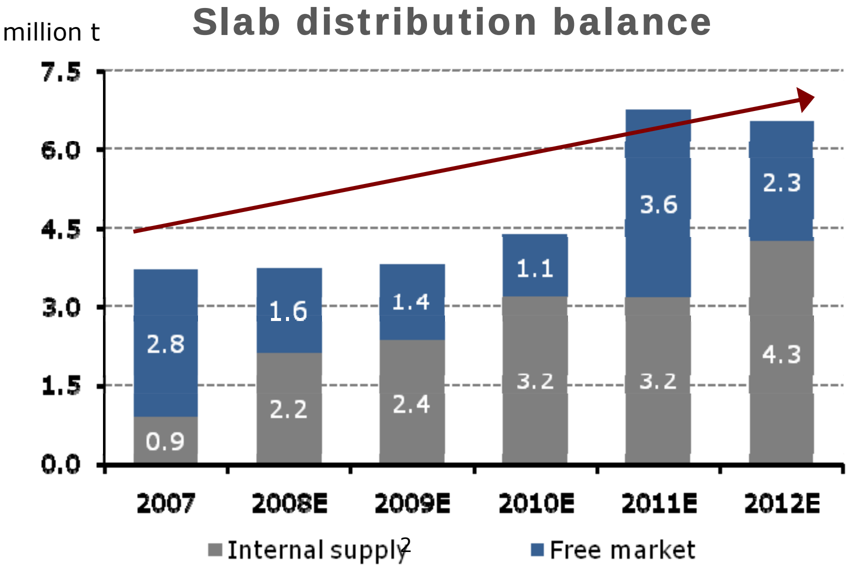
Improving earnings quality by increasing internal slab re-rolling

- Long term volatility of slab market is high
- NLMK aims to secure slab supply to rolling facilities in its main markets
- Slab processing helps to increase earnings and penetrate stable markets

Slab supply

	2007	2012E
DanSteel A/S	**0.6 m t**	**0.6 m t**
Duferco JV	**0.3 m t**	**3.6 m t**
Free market[1]	**2.8 m t**	**2.3 m t**
Share of sales	**30%**	**19%**





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1. excluding sales to DanSteel and Duferco JV companies
2. supply to DanSteel and Duferco JV companies
3. FY 2007 results for Lipetsk production site based on Russian Accounting Standards (RAS) management accounts

Global High-value-added Market Presence

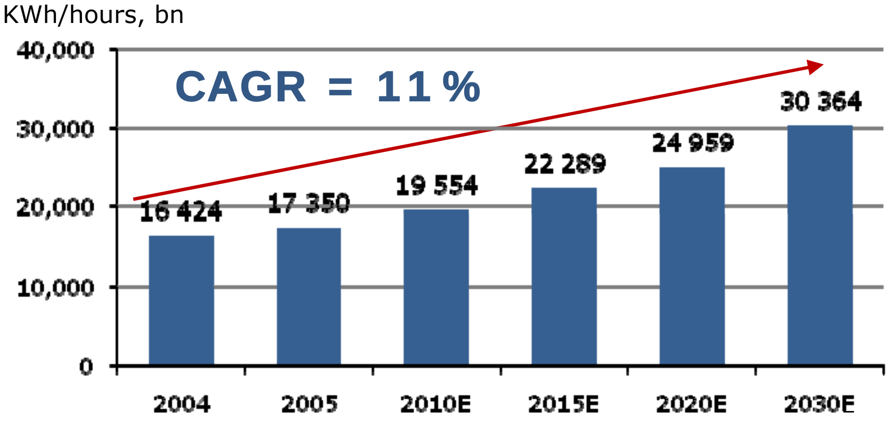
Global niche player – high-margin product development

- NLMK commands 20% of global transformer steel market
- Over 20% EBITDA generated from only 5% of sales by volume
- 4 producers maintain over 60% global transformer steel market share
- Margins in the segment are protected by high entry barriers
- ~USD400 m Capex to upgrade to higher grades

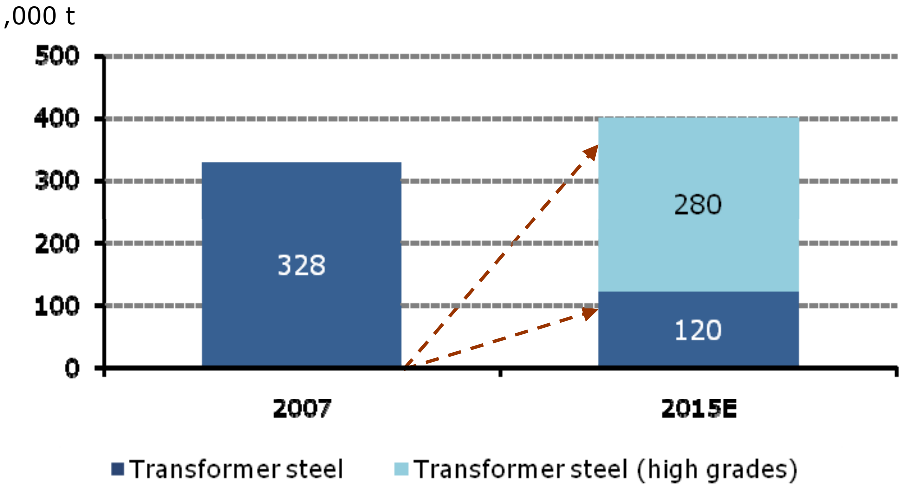
2007 Key facts:

- 328,000 t of transformer steel
- 395,000 t of dynamo steel

World electric power generation



NLMK's transformer steel production



Source: Energy Information Administration (EIA); World Markets Research Center, company estimates

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Enhancement of Production Platform

Capex drives output growth and improvements in efficiency

Over USD 10 billion[1]

Total Investment Capex 2007-15

Main Goals
- Increase steel production
- Quality improvements
- Fast growth of HVA products
- Efficiency gains

		2015 output	Change	Major projects[2]
Midstream	Crude steel	22 m t	>100%	BF #7 (+3.4 m tpy) - Novolipetsk EAF (+1.5 m tpy) - Novolipetsk EAF (+3.6 m tpy) - Maxi-Group (to reach 6.0 m tpy)
Downstream	Finished steel products (Flat and long steel)	6.9 m tpy of HRC 0.6 m tpy of HR thick plate 5.9 m tpy of longs and pipes[3]	>30% >20% 3 x	3 CR mills (+0.57 m tpy) - Novolipetsk Pre-painting line (+0.2 m tpy) – Novolipetsk Galvanizing line No.4 (+0.3 m tpy) – Novolipetsk Wire-rod (+1.0 m tpy) – Maxi-Group Rebar and shaped profile (+2m tpy) – Maxi-Group
Upstream	Pellets	6.0 m tpy		Pelletizing plant – Stoilensky GOK
	Coking coal	3 m tpy (by 2012)		Coal deposit development – Zhernovskoe 1
	Coke	6.5 m tpy	~30%	Battery #6 construction – Altai-koks
	Scrap	~7.8 m tpy	~160%	Scrap collecting yards expansion – Maxi-Group
	Energy	>60% of requirements[4]	~40%	Additional electric generating capacities to be installed – Novolipetsk

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1 Excluding raw materials assets capex;

2 Go to slides #30-31 for more detailed information;

3 The numbers are preliminary and could be further changed; 4. Numbers for the main production site

Joint Venture with Duferco Group

Pursuing growth in finished output

- Production profiles make NLMK and Duferco natural partners
- Access to distribution and service network
- Technology transfer and certification of upstream products with EU customers
- Total investment capex of EUR400 million

Duferco JV production by 2012E:

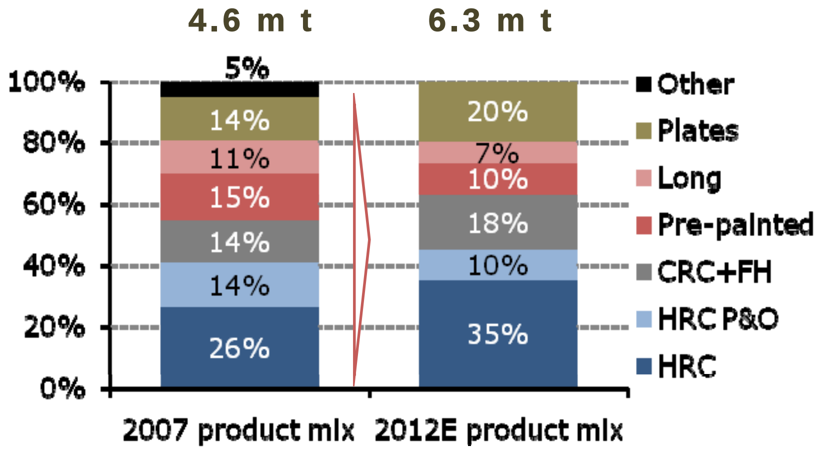
+39% of finished products

+56% of HVA products

JV slab supply balance

	2007	2012E
JV internal slabs	1.7 m t	2.8 m t
NLMK slabs to JV	0.4 m t	3.6 m t
External slabs to JV	2.1 m t	0

JV saleable product mix
2007 vs. 2012E

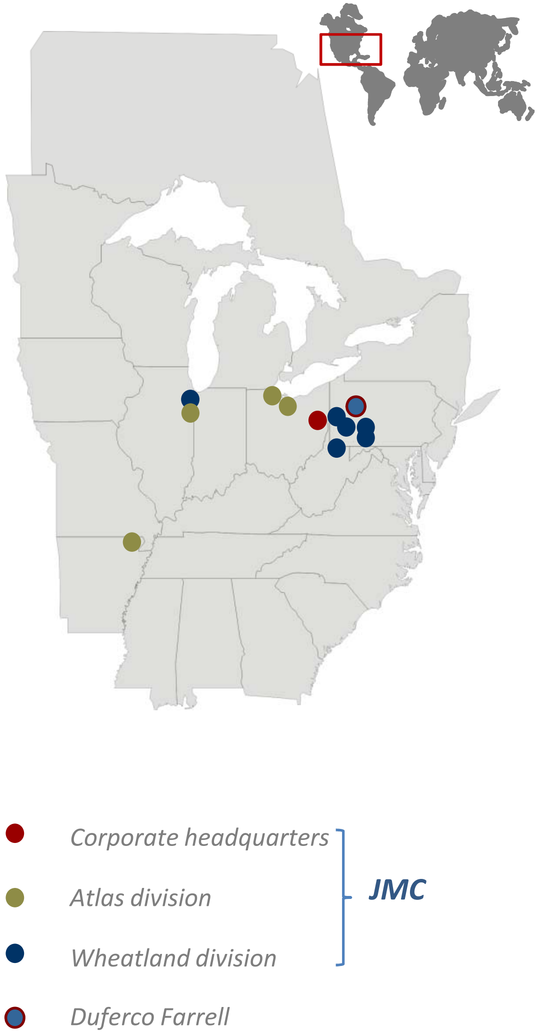


Future M&A Approach

Pursuing value enhancing opportunities

	Key drivers	Examples
Downstream vertical integration	• Securing slab supply • Improving earnings quality • Technology transfer	• Sharon Coating (former Winner Steel) acquisition • Definitive agreement to acquire John Maneely Co (JMC) signed
Niche market share gains	• Commercial synergies due to market share increase • Optimization of product mix and logistics • Cost savings on R&D	• VIZ-Stal acquisition • DanSteel plate market share
Regional and product diversification	• Fast growth of earnings • Regional and product diversification • One-time sizable growth	• Maxi-Group acquisition • Joint venture with Duferco • Definitive agreement to acquire John Maneely Co (JMC) signed

Acquisition of *John Maneely Co (JMC)*



- Agreement to acquire 100% in JMC for USD3.53 on a cash/debt free basis. The deal to be closed in Q4 2008.
- Attractive valuation of 6.6x EV/Ebitda
- A leading pipe manufacturer with 3.0 m tpa capacity with a diversified portfolio of value-added products and modern facilities
- Financial performance:
  - Revenue: USD2.4 m* and Ebitda: USD USD485 m* Last 12M as of 06.2008
- Rationale
  - Enhances vertical integration of US assets and
  - Strengthens positions in USA and diversifies product portfolio
- Synergistic effect
  - of c. USD35 m per year coming from…
  - better working capital management at JMC and improved production efficiency at Duferco Farrell
- Source of finance of the deal:
  - Syndicated loan of USD1.6 bn (Libor +1.2%) and USD2.0 bn bridge facility
- Positively accepted by leading credit rating agencies and investment community
  - S&P reaffirmed BBB- NLMK being the only Russian steel company with investment grade rating

** Last 12 months ending of June 2008*

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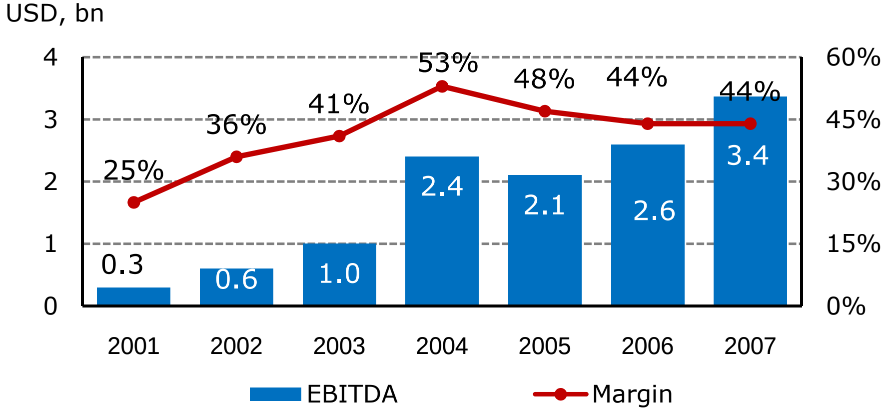
Sustainable Financial Performance

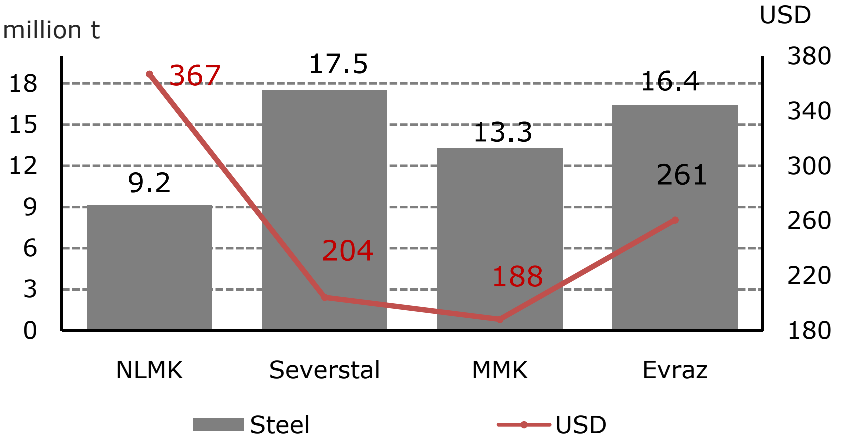
Strong cash generation through the cycle

- Historical performance 2001-2007
  - EBITDA CAGR of 50%
  - Average EBITDA margin above 40%
  - Average ROE of ~35%
- 2007 financial highlights
  - Sales revenue of USD 7,719 m
  - EBITDA of USD 3,366 m, margin of 44%
  - Operating cash flow of USD 2,524 m
  - Net income of USD 2,247 m
  - EPS USD 0.375 (+9%)
  - Operating cash flow: USD 2,524 million

EBITDA



EBITDA per tonne, 2007

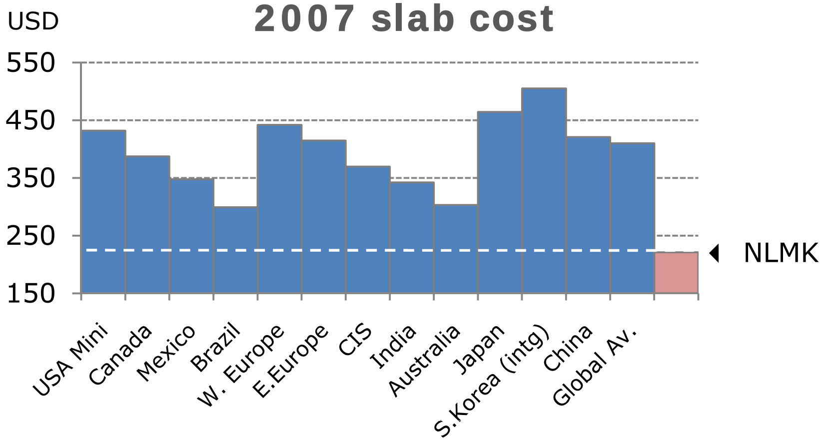


Strong Cost Position

One of the lowest cost producers worldwide

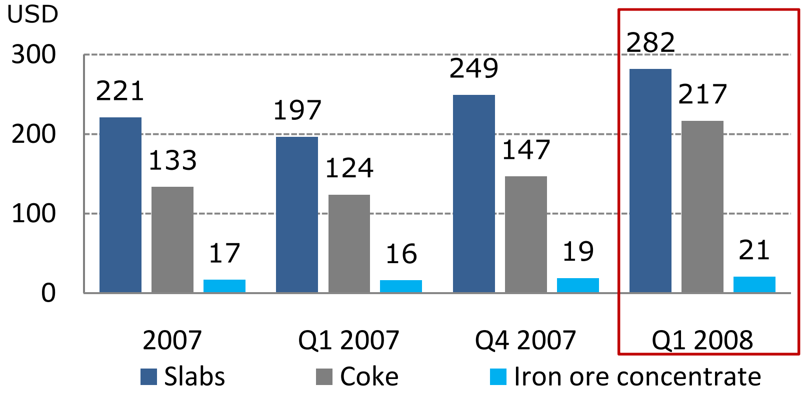
- FY2007 slab cash cost on a consolidated basis is USD 221
- Iron ore accounts for 7.2% of consolidated production cost
- Major cost items: coal, scrap, labour and energy

2007 slab cost

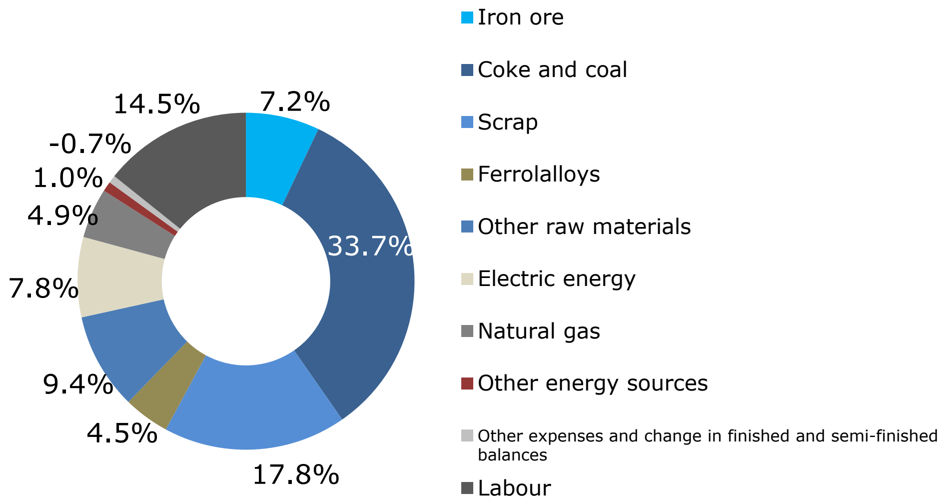


Source: World Steel Dynamics

Cash cost by product



Consolidated cash cost, Q1 2008



Solid Basis for Industry Leadership

Key company’s strengths

- Balanced portfolio of efficient assets
    - Main site with optimal size and composition of modern facilities (Novolipetsk)
    - Lowest cost iron ore producer in Russia (Stoilensky GOK)
    - Largest and most efficient coke-making facility in Russia (Altai-koks)
    - EAF production expansion platform (Maxi-Group, Novolipetsk)
    - Highly efficient auxiliary assets (transport & logistics, secondary raw materials, sales & distribution)
    - Continuous investment into asset modernization since 1998

- Geographic location
    - Main production located in regions with developed infrastructure
    - Easy access to ports in Baltic and Black sea for export efficiency
    - Major domestic customers within 1,500km from the main production site
    - Immediate proximity to iron ore and other raw materials

- High degree of vertical integration
    - Group is self-sufficient in main raw materials (iron ore, scrap, coke) and is planning to develop a captive coking coal production

- Well-diversified sales and products mix
    - Efficient balance between export and domestic sales tapping growth opportunities
    - A wide variety of steel products from slabs to HVA protects margins in variable market conditions

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Outlook

Revised steel price forecast for 2008

- Current forecast
  - Favorable market situation with global steel prices stable or increasing compared to 2007
  - We expect 2008 revenue to grow up to 70% y-o-y
  - EBITDA is expected to exceed the 2007 level by 60%
- Key market drivers
  - Commodities cycle on the rise with iron ore and coal prices to grow in 2008
  - Slowdown in the growth rate of Chinese steel industry. Removal of export tax rebates by the Chinese government
  - Growing demand in the Russian market supported by strong economic growth, infrastructure boom. No significant plans announced to introduce new rolling capacity in 2008
  - Price discipline due to high degree of concentration in core markets (EU, US, Russia, Brazil) and ongoing industry consolidation

Strategic Outlook

Long-term sustainable development

- Increase efficient self-sufficiency in basic raw materials
- Maintain key competitive advantage in low cost production of slabs
- Fully capture growing demand in the Russian market
- Strengthen market presence in HVA product niches in core export markets
- Sustain profitability leadership in steel industry
- Participate in international industry consolidation

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Sustainable Operating Performance

… supported by NLMK’s resilience to rising input costs

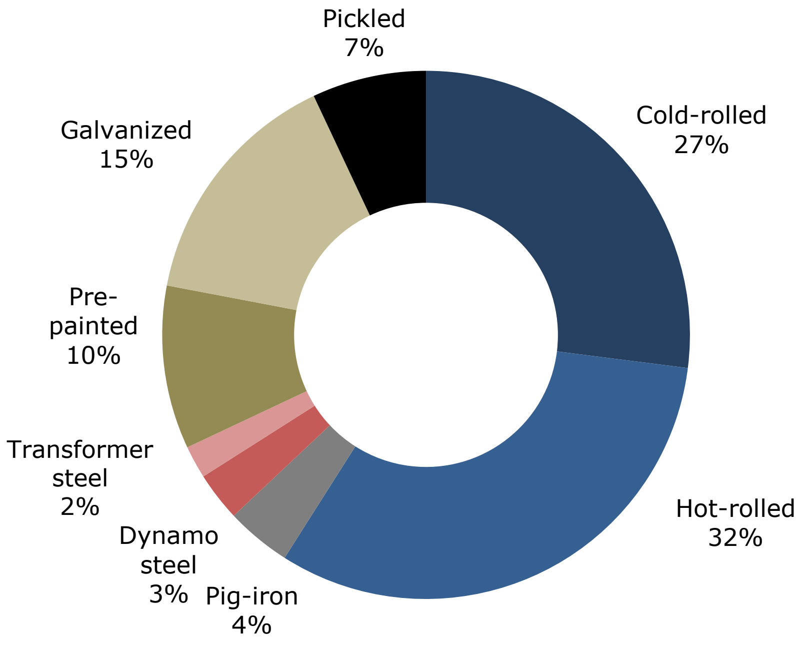
- Backwards vertical integration mitigates increasing cost inflation

Iron ore	Self-sufficient in iron ore (except iron ore pellets) Plan to develop a pelletising plant on Stoilensky GOK with 3 m tpy capacity, which would cover 60% of NLMK’s requirements
Coke	>100% self-sufficient
Scrap	Own scrap collecting facilities allow substantially cover scrap requirements
Coking coal	No integration in coking coal mitigated by the positive correlation between steel prices and coking coal prices and Altai-koks’ strategic location near Russia’s main coking coal mining area (Kuzbass Region) Potential project to develop the Zhernovskoe-1 coal mine by 2011 with reserves estimated at 240 m t, covering 22% of needs
Energy	43% self-sufficient at the Lipetsk site Plan to increase the self-sufficiency to 60% by 2012

2007 Sales

Domestic vs. export, tonnes

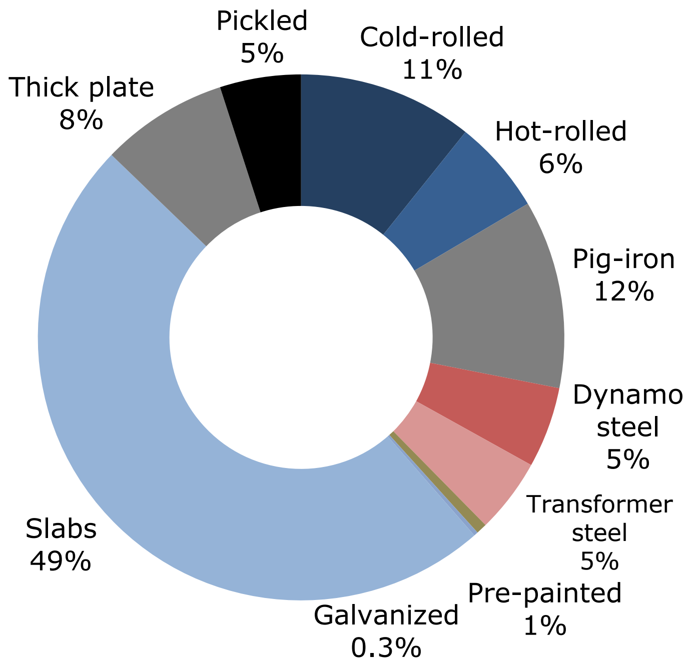
Domestic market



Total Domestic sales in 2007

2.8 million tonnes

Export market



Total Export sales in 2007

6.3 million tonnes

Enhancement of Production Platform

Capex drives output growth and improvements in efficiency

Main Goals

- Increase steel production
- Quality improvements
- Fast growth of HVA products
- Efficiency gains

Galvanizing line No.4
(300,000 t)

2 Ladle furnaces

2008E

9.4 m t

5.3 m t[3]

Pre-painting line No.3
(200,000 t)

Cold-rolling mills
(110,000 t x 2)

Vacuum degasser

2 Ladle furnaces

2009E

9.5 m t

5.3 m t[3]

Blast furnace No.7
(3.4 m t)

Pulverized coal injection (PCI)

Cold-rolling mill
(350,000 t)

2010E

11.3 m t

5.4 m t[3]

60% energy self-sufficiency

Pelletizing plant
(3.0 m tpy)

EAF steel & flats
(1.5 m tpy)

2011E

11.7 m t

5.8 m t[3]

BF No.4 revamp

Pelletizing plant
(6 m tpy)

Zhernovskoe-1
(3 m t of coking coal)

2012-15E

16 m t

6.9 m t[2,3]

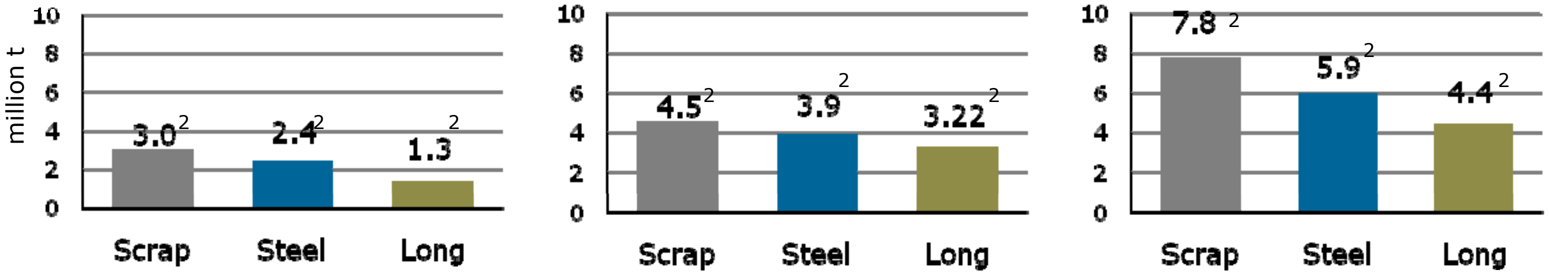
🟥 — Crude steel production
🟦 — Flat steel production[2]

1. *Excluding Maxi-Group and raw materials assets capex*
2. *Numbers for the main production site*
3. *Projected production capacity by the end of 2015*

Maxi-Group Development Plan

Pursuing capacity growth and value enhancing opportunities

	Existing facilities (2007 capacity)	New facilities 2008-2011 Capex: USD 1.8 bn[1]	New facilities 2012-2015 Capex: USD 2.0 bn[1]
Urals	Billets: 2.4 m t Re-bar: 1.32 m t Metal-ware: 0.55 m t Urals Scrap Division* 300 scrap yards: 3 m t scrap	Seamless pipes: 0.45 m t Wire rods: 1.0 m t (2008)	Channels: 0.5 m t Seamless pipes: +0.5 m t (TBC)
Central Russia		Long products: 0.9 m t Billets: +1.5 m t Center Scrap Division*	Billets: +2.0 m t Long products: +0.8 m t Flat products: +1.9 m t (TBC)
Siberia			Siberia Scrap Division* Seamless pipes:1.0 m t (TBC)



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1. Maxi-Group investment program is currently under review and may therefore undergo material changes.
2. Volumes does not include to-be-confirmed (TBC) projects.

Automotive industry

Russia is at the top of the agenda for global automotive producers

European Russia

Vsevolozhsk
Ford Motor Company

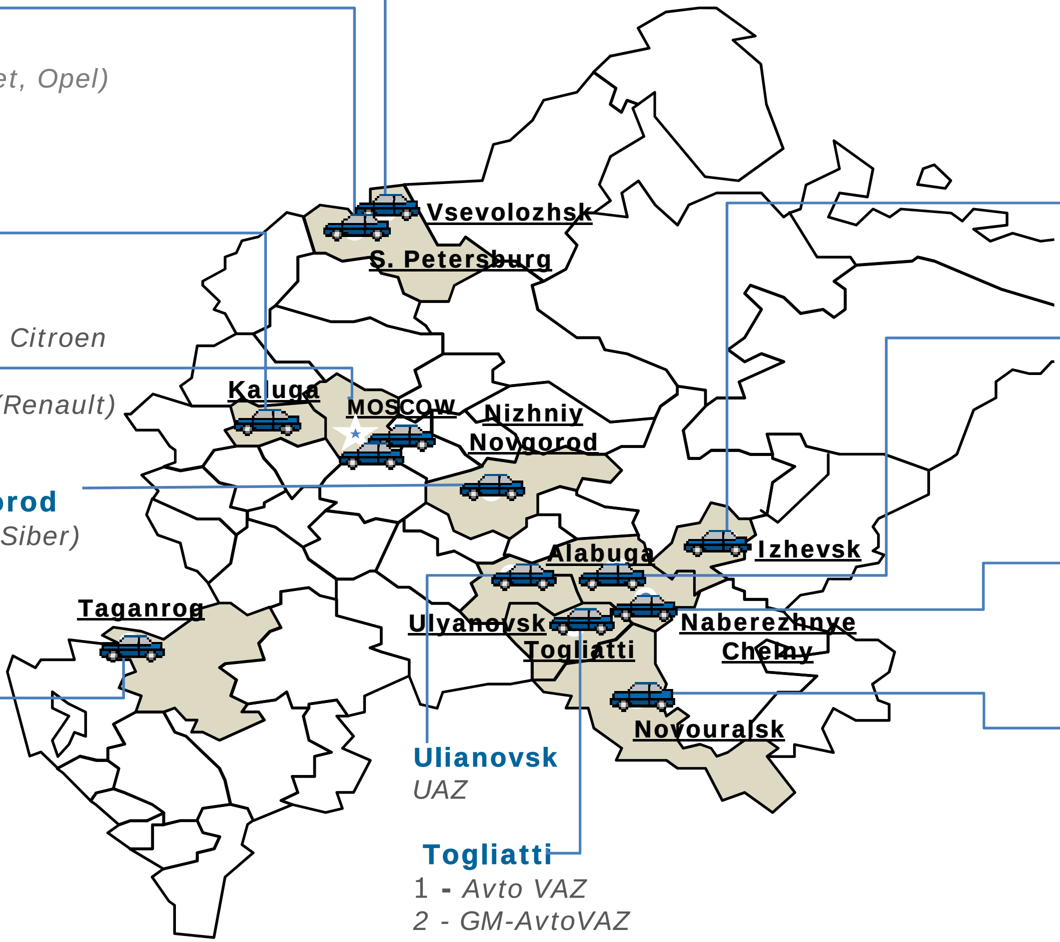
S.Peterburg
1 - *Toyota*
2 - GM (Chevrolet, Opel)
3 - Nissan
4 – Suzuki
5 - Hyundai

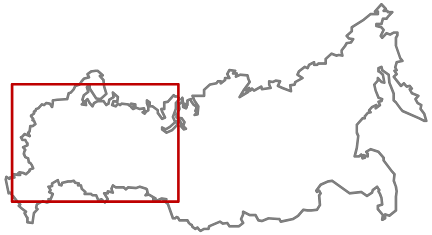
Kaluga
1 - *Volkswagen*
2 – Mitsubishi
3 – PSA Peugeot Citroen

Moscow
1 - *Avtoframos (Renault)*
2 - SeAZ (Oka)

Nizhniy Novgorod
1 - *GAZ (Volga, Siber)*
2 - GAZ-GM
3 – ZAZ

Taganrog
Tagaz (Hyundai)





Izhevsk
1 - *Izh-Avto (KIA)*
2 - Izh-Avto (Lada)

Special economic zone Elabuga
1- *Great Wall*
2 - Severstal-Avto

Naberezhnye Chelny
ZMA (Severstal-avto)
- Ssang Yong
- Fiat

Novouralsk
Autos and engines of Urals (AMUR) (Geely, ZX)

Ulianovsk
UAZ

Togliatti
1 - *Avto VAZ*
2 - GM-AvtoVAZ

"White goods" sector

… and for manufacturers of domestic appliances

European Russia

S.Peterburg
1 – "BSH"
2 – "Electrolux"

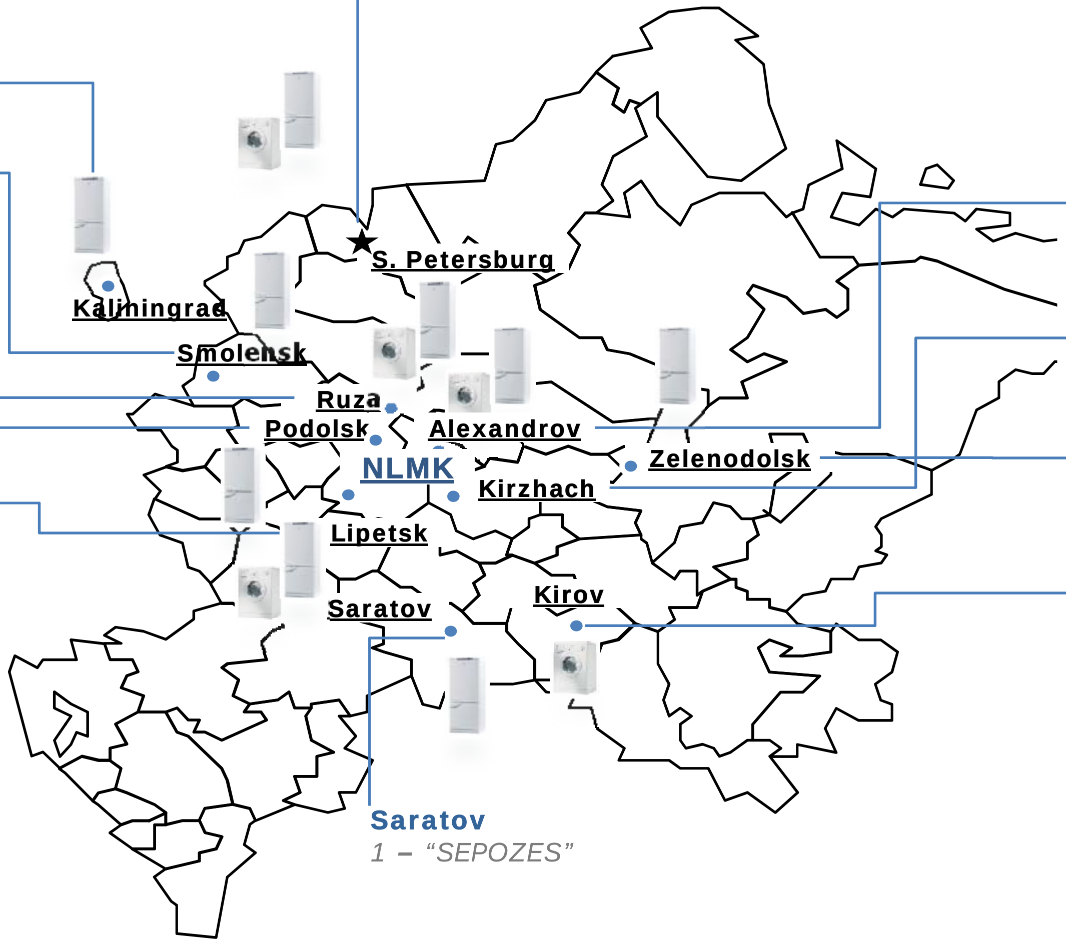
Kaliningrad
1 - *Snaige*

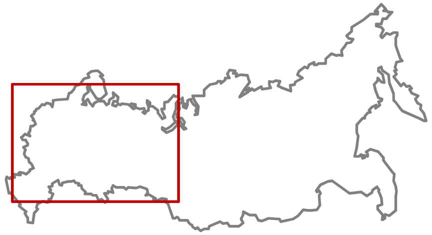
Smolensk
1 – *"Smolensk"*

Ruza
1 – *"LG"*

Podolsk
1 – "Exquisit"

Lipetsk
1 – "Indesit"





Alexandrov
1 – *"Vestel"*

Kirzhach
1- *"Beko"*

Zelenodolsk
1- *"Pozis"*

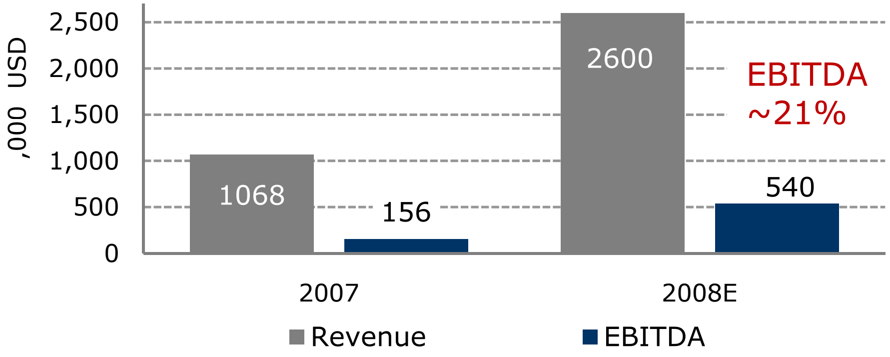
Kirov
1 – "Vesta"

Saratov
1 – "SEPOZES"

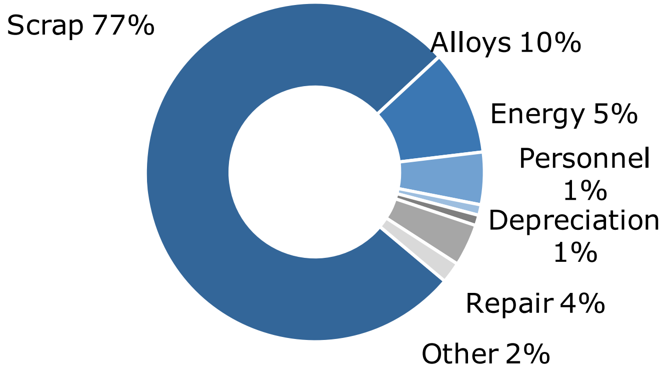
Maxi-Group Financial Highlights

- 2007 highlights
  - Revenue **USD 1,068 m**
  - EBITDA **USD 156 m**
  - EBITDA margin **15 %**
  - External debt **USD 1.7 bn** as at 31.12.2007
- Production costs are 77% scrap, 1H 2008
  - 100% of scrap supplied internally
  - New technology and equipment lower costs
  - Low transportation costs due to local scrap collection and customers
- Production costs, 1H 2008
  - Billets USD 526 per tonne
  - Rebar USD 570 per tonne
  - Wire rod USD 581 per tonne

Revenue and EBITDA[1]



Billets cost structure H1 2008



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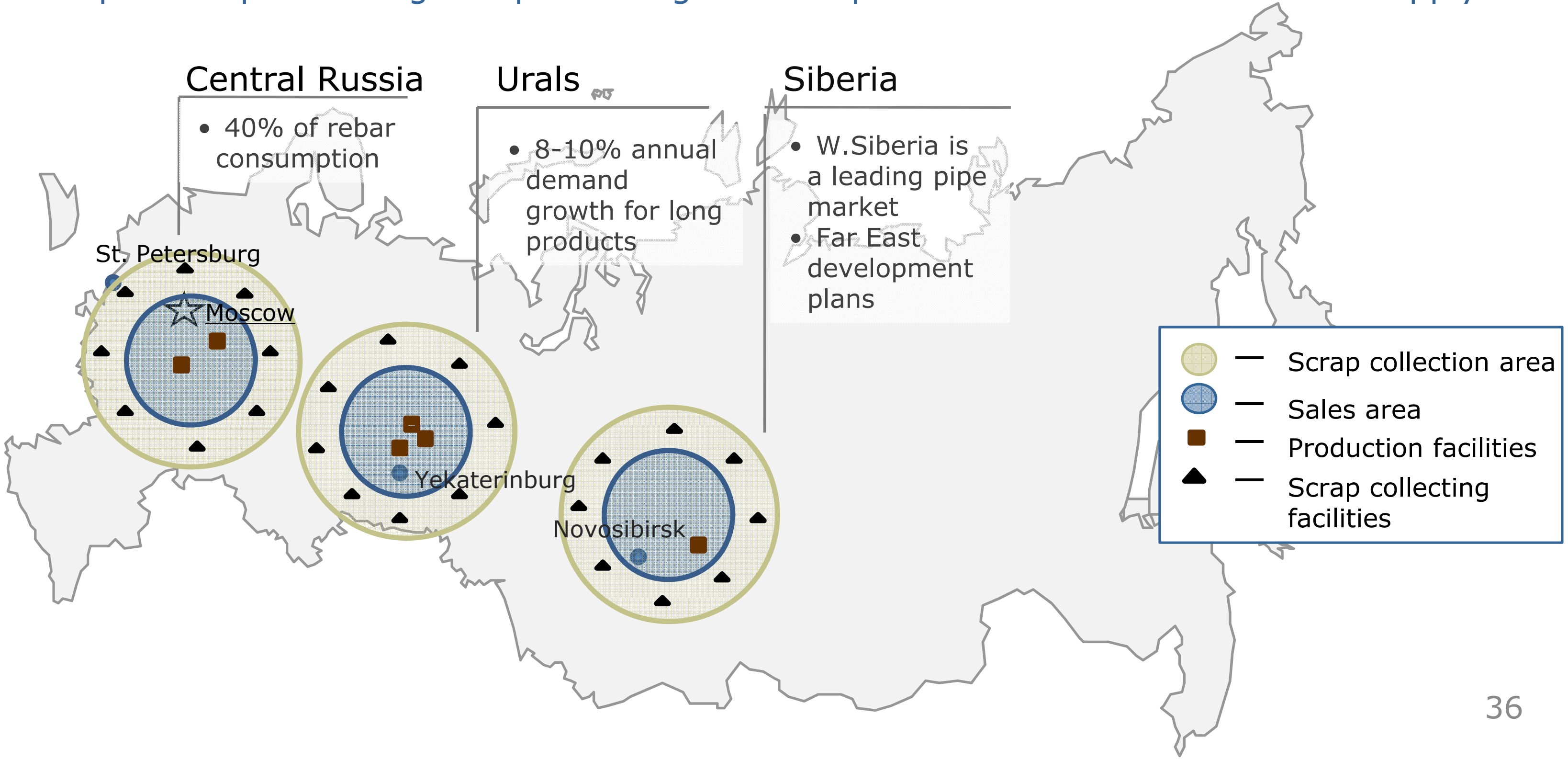
1. *Management estimate based on Russian Accounting Standards (RAS)*
2. *Based on non-consolidated Russian Accounting Standards*

Maxi-Group Business Model

Dynamic regionalized production and distribution model

- Maxi-Group's targets supply of simple product mix to regional consumers using cost advantages in local scrap sourcing, local mini-mill production and local distribution
- Maxi-Group wins customers when proximity to demand and quick turnaround times are important
- Maxi-Group targets regions with demand/supply imbalances to develop new production facilities
- Well-developed scrap collecting and processing facilities provide efficient raw materials supply



Central Russia

- 40% of rebar consumption

Urals

- 8-10% annual demand growth for long products

Siberia

- W.Siberia is a leading pipe market
- Far East development plans

● – Scrap collection area
● – Sales area
■ – Production facilities
▲ – Scrap collecting facilities

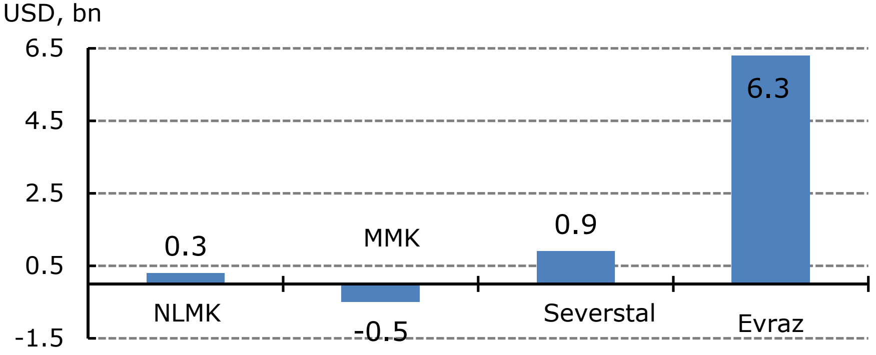
Financial Position

Strong balance sheet and corporate ratings

- Highest credit ratings among Russian peers
- NLMK targets 30% gearing
- Strong financial position and cash flow provides flexibility for further growth
- Capex coverage ratio for 2007[1] is 2.6

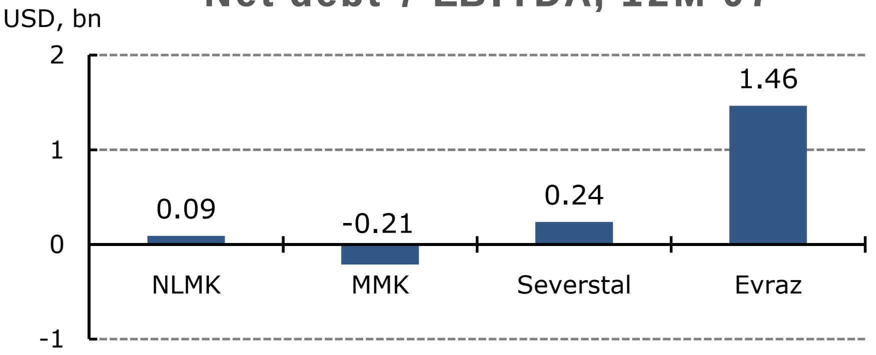
S&P	**BB-**	**BB**	**BBB-**
	Evraz	MMK Severstal	NLMK
Moody's	**Ba3**	**Ba2**	**Ba1**
		MMK Severstal Evraz	NLMK
Fitch	**BB-**	**BB**	**BB+**
	Severstal	Evraz MMK	NLMK

Net Debt, 2007



Source: Bloomberg LP

Net debt / EBITDA, 12M 07



Source: Bloomberg LP

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1 Capex coverage ratio = Free cash flow from operations / Capex
2 Free cash-flow = Cash flow from operations – total Capex

Consolidated Statement of Income

	2007	2006	2007/2006		Q4 2007	Q3 2007	Q4 2007/ Q3 2007	
(mln. USD)			+ / -	%			+ / -	%
Sales revenue	7,719	6,046	1,673	27.7%	2,174	1,936	237	12.2%
Production cost	(3,569)	(2,716)	(853)	31.4%	(1,044)	(862)	(182)	21.1%
Depreciation and amortization	(408)	(358)	(50)	13.9%	(111)	(99)	(11)	11.2%
Gross profit	3,742	2,971	771	25.9%	1,019	975	44	4.5%
General and administrative expenses	(215)	(189)	(26)	13.9%	(56)	(52)	(4)	8.4%
Selling expenses	(443)	(325)	(117)	36.1%	(125)	(106)	(18)	17.4%
Taxes other than income tax	(80)	(57)	(23)	39.8%	(21)	(19)	(2)	8.1%
Impairment losses		(137)	137	(100.0%)				
Accretion expense on asset retirement obligations	(6)	(20)	14	(68.7%)	(0.1)	(0.0)	(0.0)	66.7%
Operating income	2,998	2,243	755	33.7%	817	797	19	2.4%
Loss on disposals of property, plant and equipment	(27)	(4)	(24)	661.7%	(3)	(5)	2	(43.4%)
Gains / (losses) on investments	(24)	401	(424)	(105.9%)	(20)	()	(20)	-
Interest income	100	112	(12)	(10.8%)	32	23	8	34.3%
Interest expense	(31)	(30)	(2)	5.8%	(17)	(3)	(14)	511.0%
Foreign currency exchange loss, net	80	(75)	155	(207.4%)	25	41	(16)	(39.3%)
Gain from disposal of subsidiaries	83		83	-	1	1		66.3%
Other expense, net	(23)	(27)	4	(14.5%)	(19)	(5)	(15)	299.5%
Income from continuing operations before income tax and minority interest	3,157	2,621	536	20.4%	815	850	(34)	(4.0%)
Income tax	(837)	(707)	(130)	18.5%	(196)	(217)	21	(9.8%)
Income from continuing operations before minority interest	2,320	1,914	405	21.2%	619	632	(13)	(2.1%)
Minority interest	(23)	(26)	2	(8.9%)	(5)	(6)	1	(20.4%)
Equity in net earnings/(losses) of associate	(50)	1	(51)	-	(24)	(34)	9	(27.0%)
Income from continuing operations	2,246	1,889	357	18.9%	590	592	(3)	(0.4%)
Income from discontinuing operations	1	177	(176)	(99.3%)				
Net income	2,247	2,066	181	8.8%	590	592	(3)	(0.4%)
EBITDA	3,366	2,631	735	27.9%	903	893	10	1.2%

Consolidated Balance Sheet

(mln. USD)	as at 31.12.2007	as at 30.09.2007	as at 30.06.2007	as at 31.03.2007	as at 31.12.2006
ASSETS					
Current assets	**4,388**	**3,904**	**3,629**	**3,484**	**3,050**
Cash and cash equivalents	1,155	1,388	1,349	898	665
Short-term investments	153	144	137	37	37
Accounts receivable, net	1,696	1,194	1,110	1,252	1,150
Inventories, net	1,236	1,043	936	874	857
Other current assets, net	147	134	97	370	331
Restricted cash				9	8
Current assets, held for sale				44	
Non-current assets	**8,688**	**6,105**	**5,783**	**5,821**	**5,667**
Long-term investments, net	819	880	861	856	810
Property, plant and equipment, net	6,450	4,409	4,128	3,985	3,988
Intangible assets	189	192	191	195	199
Goodwill	1,189	591	571	567	560
Other non-current assets, net	41	33	32	104	110
Non-current assets, held for sale				114	
Total assets	**13,076**	**10,009**	**9,412**	**9,305**	**8,717**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities	**3,002**	**992**	**980**	**943**	**993**
Accounts payable and other liabilities	1,395	860	830	718	664
Short-term borrowings	1,537	52	72	99	249
Current income tax liability	71	80	78	84	80
Current liabilities, held for sale				41	
Non-current liabilities	**975**	**640**	**597**	**819**	**781**
Long-term borrowings	73	19	19	51	48
Deferred income tax liability	586	593	564	552	538
Other long-term liabilities	317	28	14	41	195
Non-current liabilities, held for sale				175	
Total liabilities	**3,978**	**1,631**	**1,576**	**1,762**	**1,774**
Minority interest	107	119	109	136	133
Stockholders' equity	**8,992**	**8,258**	**7,726**	**7,406**	**6,809**
Common stock	221	221	221	221	221
Statutory reserve	10	10	10	10	10
Additional paid-in capital	52	52	52	52	2
Other comprehensive income	1,182	1,038	738	680	590
Retained earnings	7,526	6,936	6,704	6,443	5,986
Total liabilities and stockholders' equity	**13,076**	**10,009**	**9,412**	**9,305**	**8,717**

Consolidated Cash Flow Statement

	2007	2006	2007/2006		Q4 2007	Q3 2007	Q4 2007/ Q3 2007	
(mln. USD)			+ / -	%			+ / -	%
Cash flow from operating activities								
Net income	2,247	2,066	181	8.8%	590	592	(3)	(0.4%)
Adjustments to reconcile net income to net cash provided by operating activities								
Minority interest	25	26	(1)	(4.6%)	5	6	(1)	(20.3%)
Depreciation and amortization	408	358	50	13.9%	111	99	11	11.2%
Loss on disposals of property, plant and equipment	27	4	24	661.7%	3	5	(2)	(43.4%)
(Gain)/loss on investments	24	(401)	424	(105.9%)	20		20	
Gain from disposal of subsidiaries	(83)		(83)		(1)	(82)	81	
Gain from operations of discontinued subsidiary	(1)	(228)	226	(99.4%)	()	80	(80)	(100.0%)
Equity in net earnings of associate	50	(1)	51	(10142.3%)	24	34	(9)	(27.0%)
Defferd income tax (benefit)/expense	38	(39)	77	(197.9%)	(19)	10	(29)	(300.8%)
Gain on loan restructuring								
Impairment losses		137	(137)	(100.0%)				
Accretion expense on asset retirement obligations	6	20	(14)	(68.7%)				66.7%
Other movements	16	21	(5)	(23.6%)	12	6	6	100.1%
Changes in operating assets and liabilities								
Increase in accounts receivables	(92)	(141)	49	(34.9%)	(30)	(44)	13	(30.7%)
Increase in inventories	(200)	(160)	(40)	25.1%	(48)	(72)	24	(33.3%)
Decrease/(increase) in other current assets	(44)	(17)	(27)	158.1%	(1)	(33)	32	(97.6%)
Increase in loans provide by the subsidiary bank	(106)	(70)	(36)	52.3%	(1)	(1)	(1)	66.3%
Increase in accounts payable and oher liabilities	243	(23)	266	(1150.1%)	(106)	11	(118)	
Increase/(decrease) in current income tax payable	(34)	32	(66)	(204.1%)	(13)	(0.2)	(13)	
Net cash provided from operating activities	2,524	1,585	939	59.2%	545	612	(67)	(11.0%)
Cash flow from investing activities								
Acquisitions of subsidiaries		(1,348)	1,348	(100.0%)				
Acquisitions of associates	24	(806)	830	(103.0%)	24		24	
Proceeds from disposal of discontinued operations		303	(303)	(100.0%)				
Proceeds from adjustment of the original purchase price of subsidiaries	37		37		(1)		(1)	(327.0%)
Proceeds from sale of property, plant and equipment	12	16	(3)	(21.1%)	5		5	1700.0%
Purchases and construction of property, plant and equipment	(958)	(619)	(339)	54.8%	(342)	(221)	(121)	54.9%
Proceeds from sale of investments	12	465	(454)	(97.5%)	5		5	
Purchase of investments	(199)	(55)	(145)	264.3%	(154)	(9)	(145)	1548.3%
Loan issued	(134)		(134)		2	(3)	6	(164.8%)
Disposal of subsidiaries, net of cash disposed $106,800	(60)		(60)		(0.2)	(0.4)	0.2	(51.2%)
Movement of restricted cash	(1)		(1)	(400.9%)				
Net cash used in investing activities	(1,268)	(2,043)	775	(37.9%)	(461)	(233)	(227)	97.4%
Cash flow from financing activities								
Proceeds from borrowings and notes payable	269	225	44	19.6%	229	10	219	2226.6%
Repayments of borrowings and notes payable	(452)	(183)	(268)	146.5%	(193)	(34)	(159)	472.8%
Capital lease payments	(3)		(3)		(1)	(1)	()	87.5%
Proceeds from disposal of assets to the company under common control	78		78					
Payments to controlling shareholders for transfer of interests in subsidiary		(104)	104	(100.0%)				
Dividends paid to previous shareholder of acquired company		(84)	84	(100.0%)				
Dividends paid to minority shareholder of existing subsidiaries	(19)	(20)	1	(5.3%)	2	(13)	16	(117.9%)
Dividends to shareholders	(703)	(767)	64	(8.3%)	(355)	(343)	(12)	3.5%
Net cash used in financing activities	(830)	(933)	104	(11.1%)	(318)	(381)	63	(16.6%)
Net increase /(decrease) in cash and cash equivalents	427	(1,391)	1,818	(130.7%)	(234)	(2)	(231)	9799.9%
Effect of exchange rate changes on cash and cash equivalents	63	132	(69)	(52.4%)	(0.3)	42	(43)	(100.7%)
Cash and cash equivalents at the beginning of the period	665	1,924	(1,259)	(65.4%)	1,388	1,349	40	3.0%
Cash and cash equivalents at the end of the period	1,155	665	489	73.6%	1,155	1,388	(234)	(16.8%)

NLMK
Investor Relations

18, bldg 1 Bakhrushina str.
115054, Moscow
Russia

t. +7 495 915 15 75
f. +7 495 915 79 04
email: info@nlmk.msk.ru

www.nlmksteel.com