MECHEL

Full Year 2010 Results Presentation

April 11, 2011

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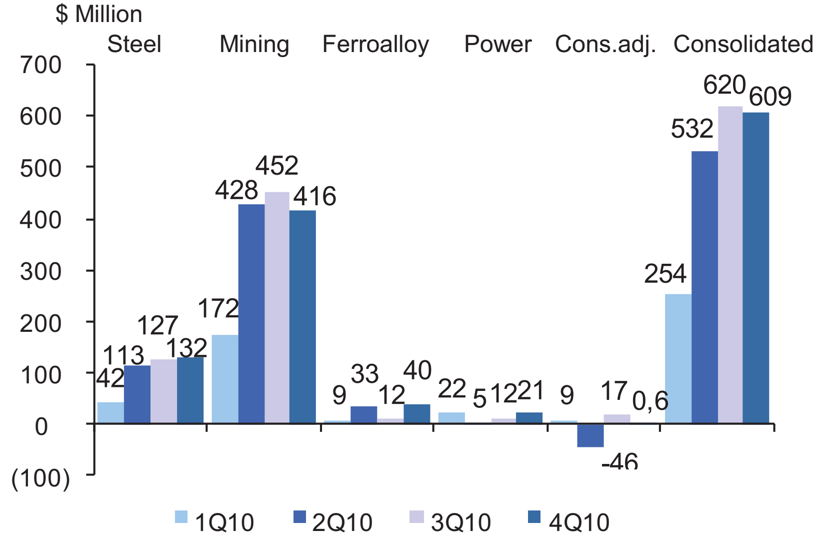
Financial Highlights

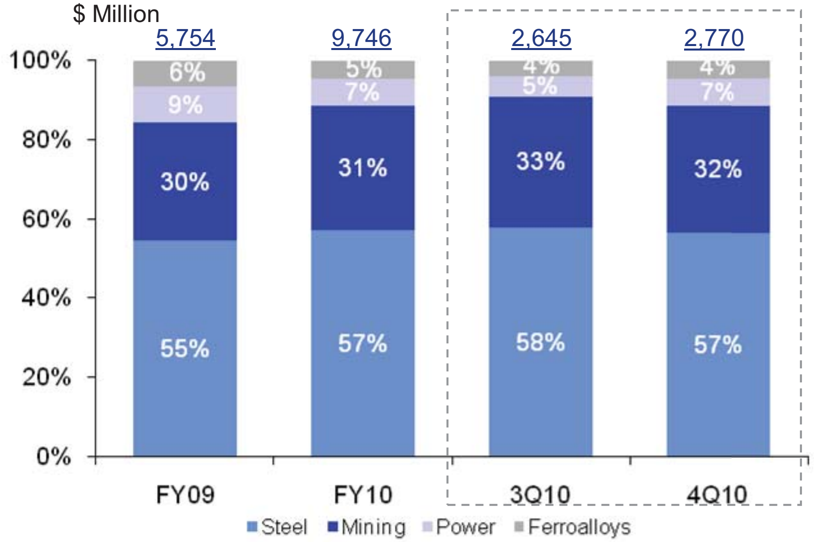
Segments Overview

- Revenue split between the segments remains comparable to 2009
- EBITDA margin up to 21% of the Revenue
- Mining, steel and ferroalloys demonstrate highest EBITDA dynamics.
- Steel increases its share in consolidated EBITDA to 21%

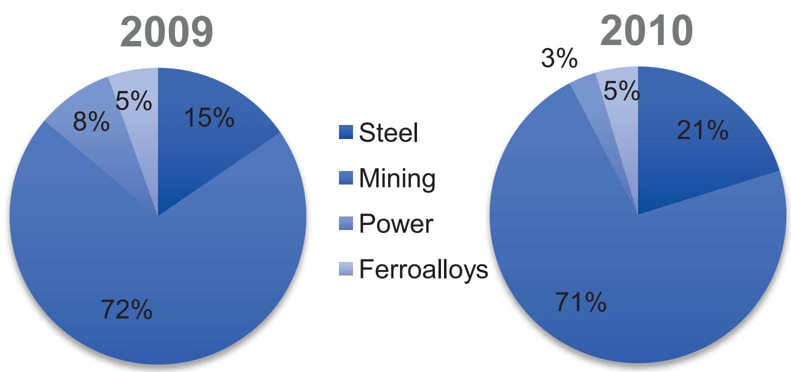
EBITDA[1] by segments



Revenue from third parties



EBITDA by segments

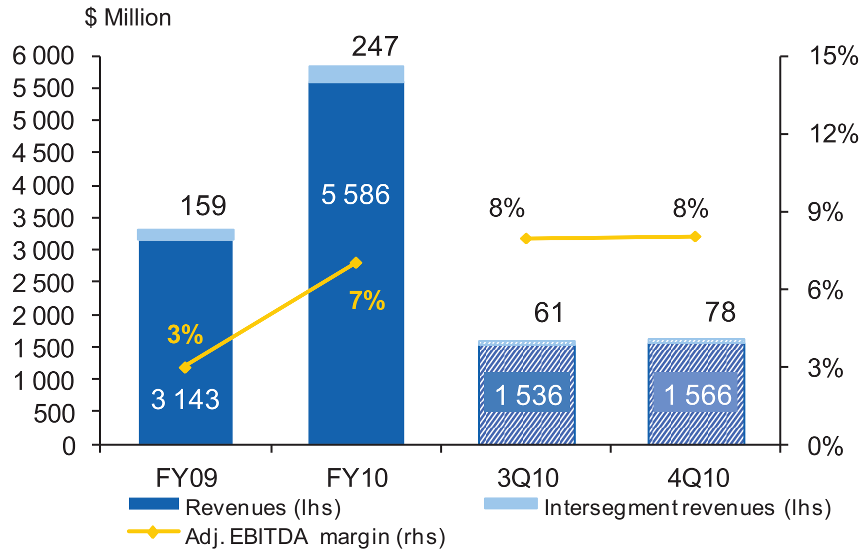


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests and gain/loss from remeasurement of contingent liabilities at fair value

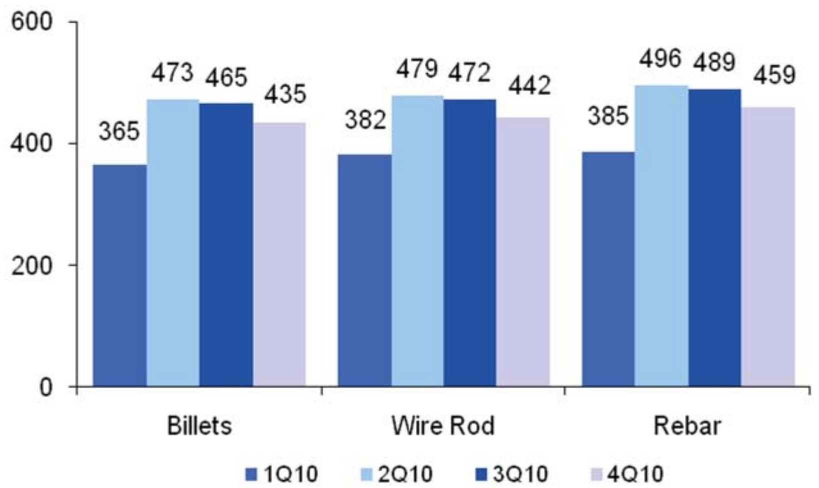
Steel Segment Performance

- Segment's Revenue up 78% to $5.6 bn y-o-y
- Net loss of $262 mn for 2009 turns into a Net income of $91 mn in 2010
- Cash costs kept under control
- Over 4 times growth of Segment's EBITDA y-o-y
- Growing EBITDA(1) margin despite rising input prices.

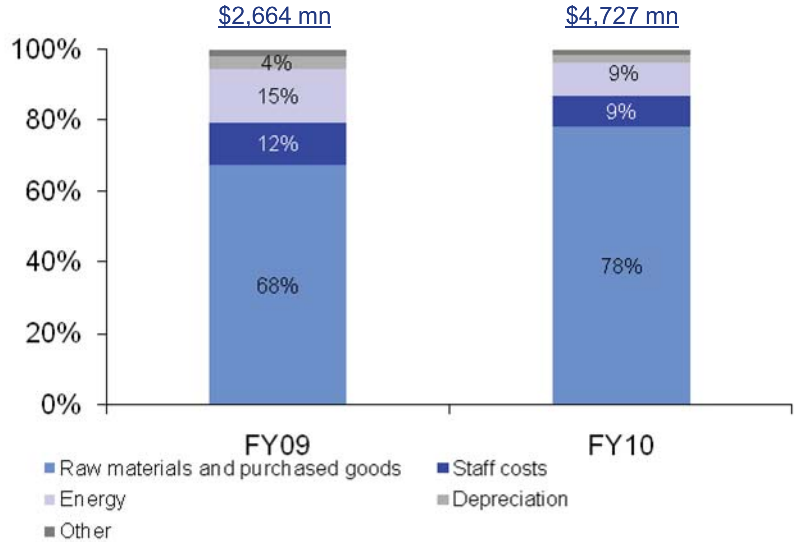
Revenue, EBITDA(1)



Cash costs, US$/tonne



COS structure



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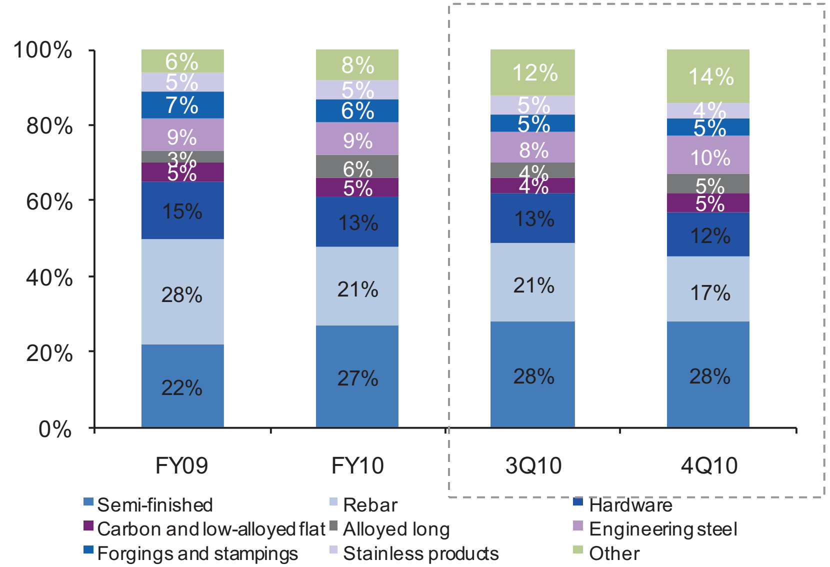
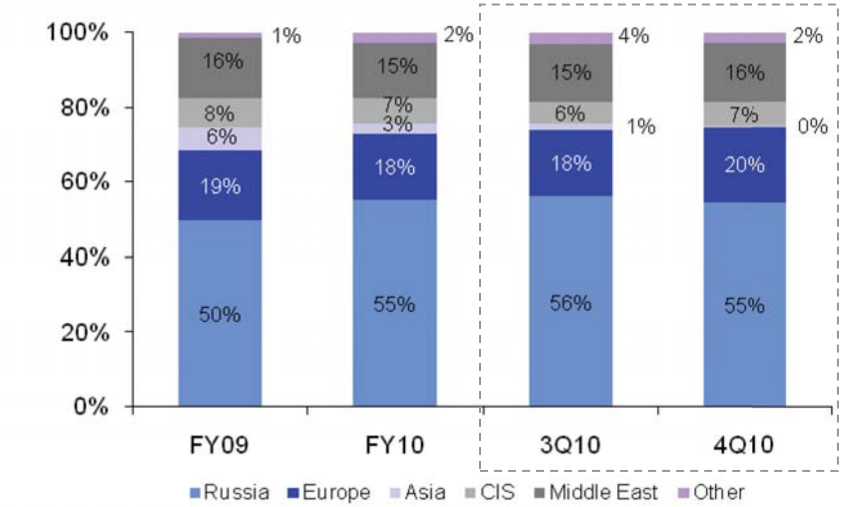
Steel Segment Performance

- Improved pricing environment across most of our steel products q-o-q
- 23% q-o-q growth in Flat steel sales after the launch of the 2nd slab caster in Chelyabinsk
- Ongoing modernization led to a 38% y-o-y growth in HVA sales volume-wise.
- MSG's sales reached 3 bn tonnes in 2010
- 27% of Segment's Revenue in 2010 generated by resale operations

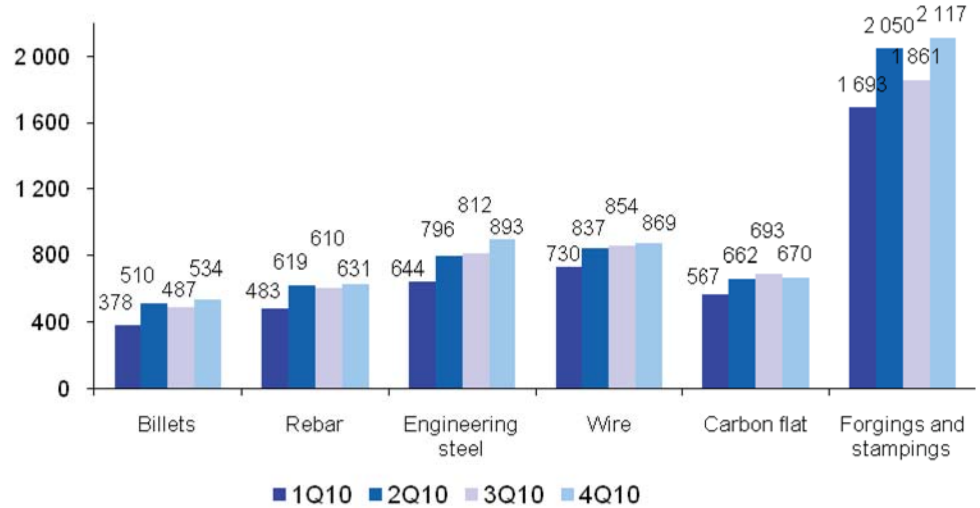
External sales structure



Revenue breakdown by region



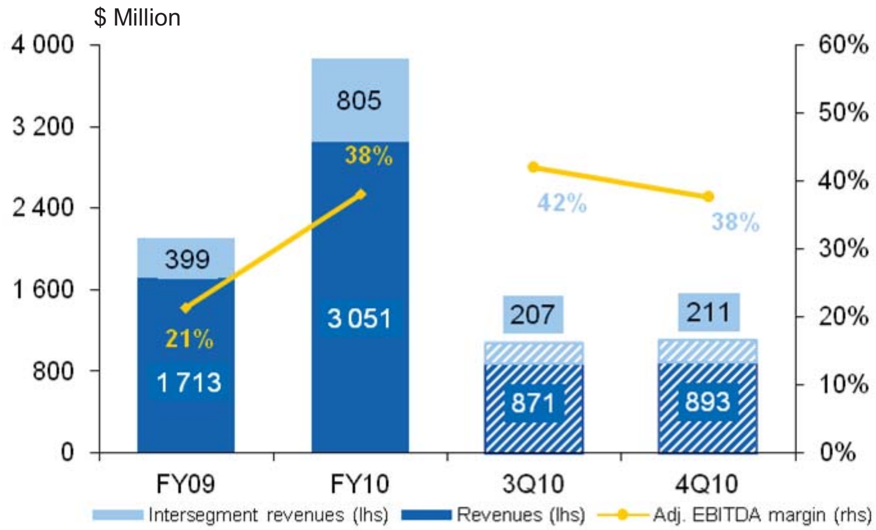
Average sales prices FCA, US$/tonne



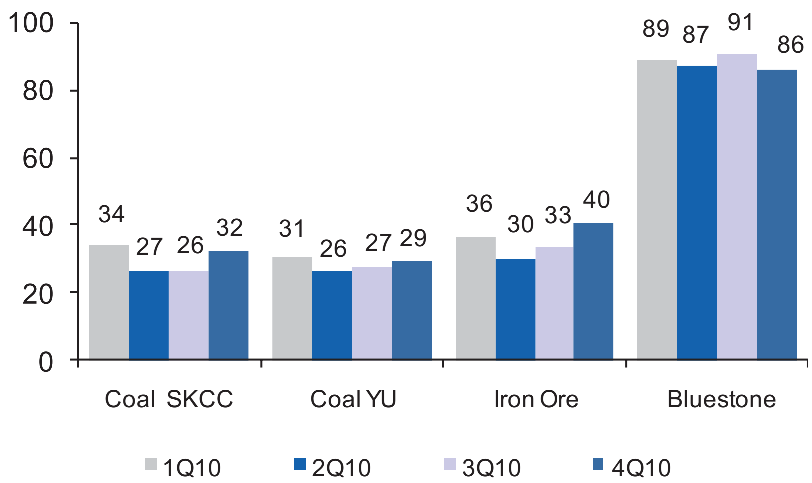
Mining Segment Performance

- Significant improvement in financial results:
  - Revenue up 78% y-o-y
  - EBITDA[1] more than 3x up y-o-y
  - EBITDA margin reaches 38%
- Cash costs slightly up on seasonal factors
- CVR extinguishment cancels contingent payment obligations with respect to Bluestone acquisition.

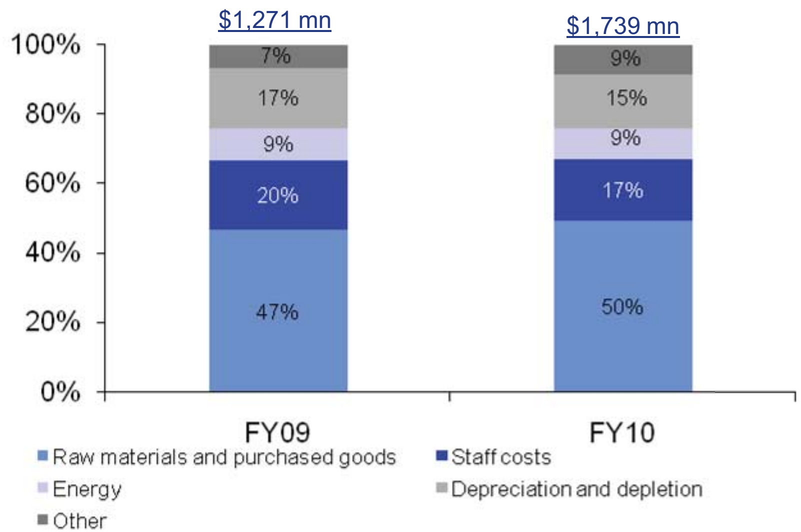
Revenue, EBITDA[1]



Cash costs, US$/tonne



COS structure



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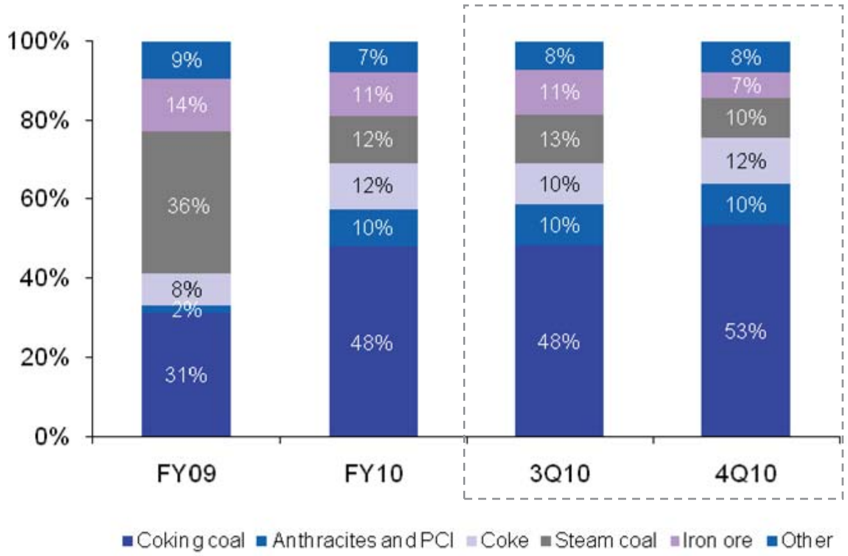
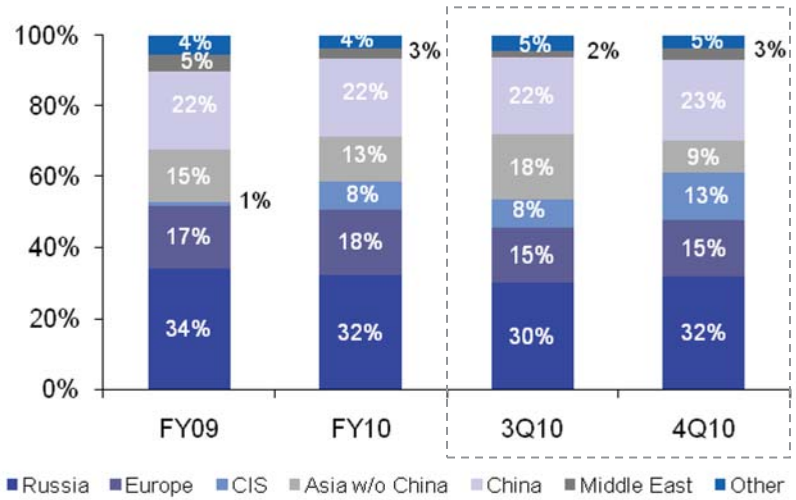
Mining Segment Performance

- Coking coal sales increased 170% y-o-y and reached 48% of Segment's Revenue in 2010
- Anthracite and PCI sales up 10x to 10% of Segment's Revenue in 2010
- Coke sales up 160% y-o-y or 12% of Segment's revenue in 2010.
- Steam coal sales dwindle in line with the Company's policy to concentrate on metallurgical coal.

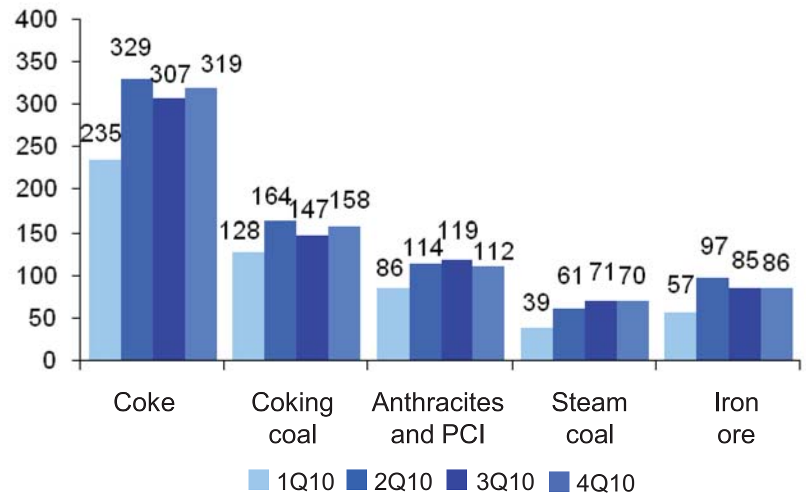
External sales structure



Revenue breakdown by region



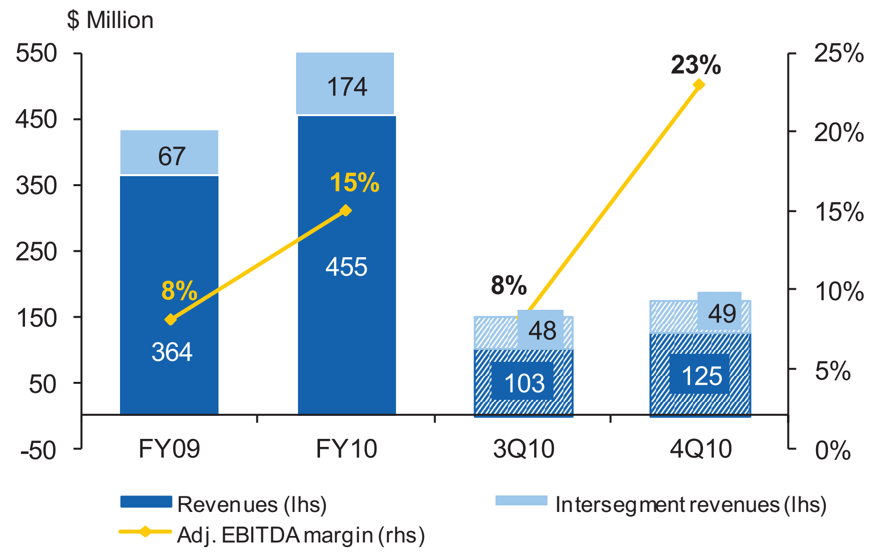
Average sales prices FCA, US$/tonne



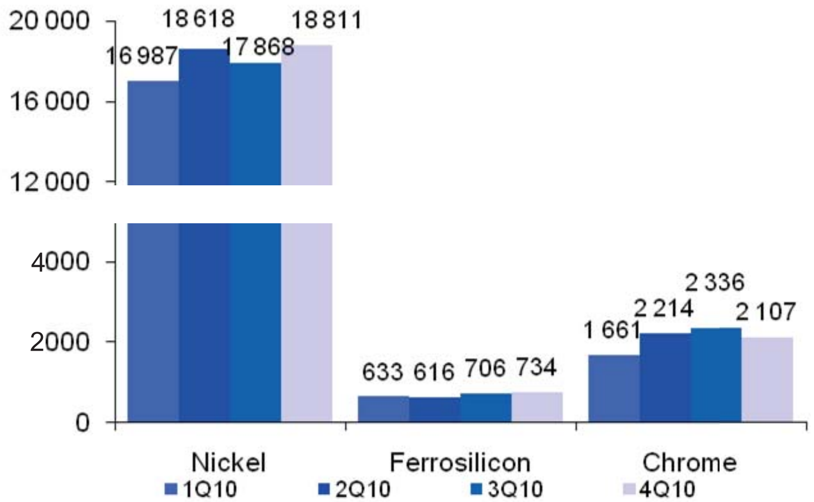
Ferroalloys Segment Performance

- EBITDA[(1)] up 2.7x to $94 mn y-o-y
- EBITDA[(1)] margin grew from 8% in 2009 to 15% in 2010
- EBITDA[(1)] margin in 4Q10 reached record level of 23%
- Cash costs in Cr improve as mining works at Voskhod recover

Revenue, EBITDA[(1)]



Cash costs, US$/tonne



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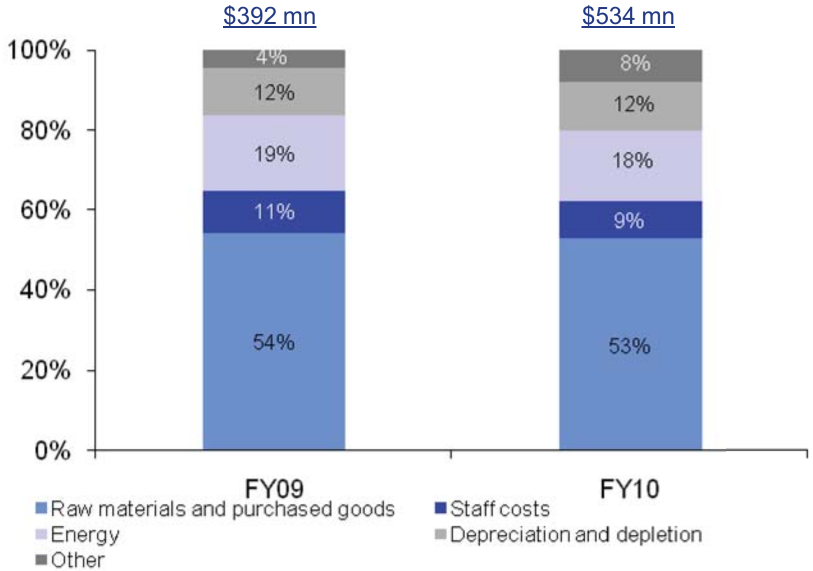

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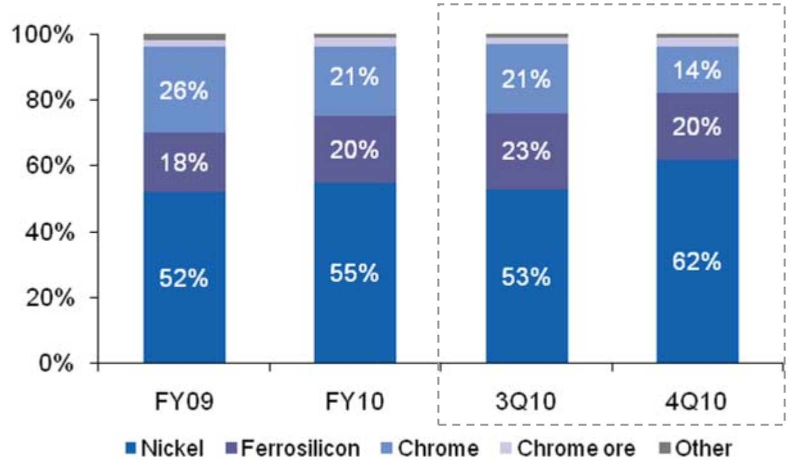
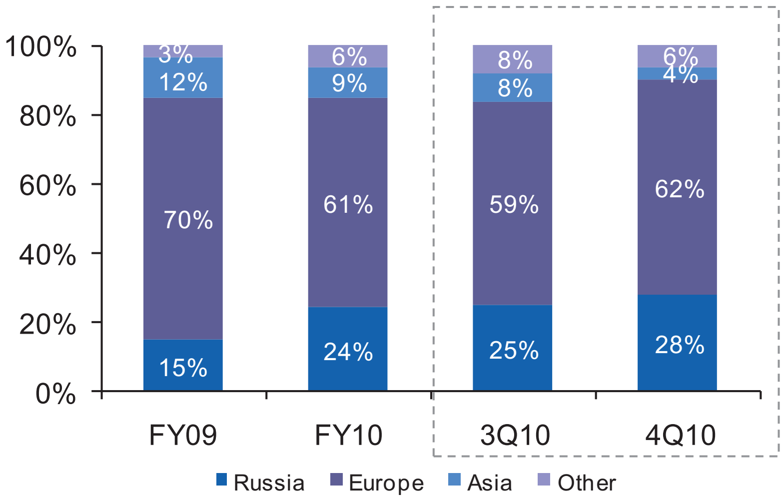
Ferroalloys Segment Performance

- Ferroalloys prices followed market trends in 4Q10:
  - Ni up 13%
  - FeSi up 19%
  - Cr up 4%
- FeSi domestics sales increased due to better pricing environment from 47% to 74% y-o-y
- $60 mn non-cash write-up in deferred income tax due to a change in Kazakh corporate tax law.

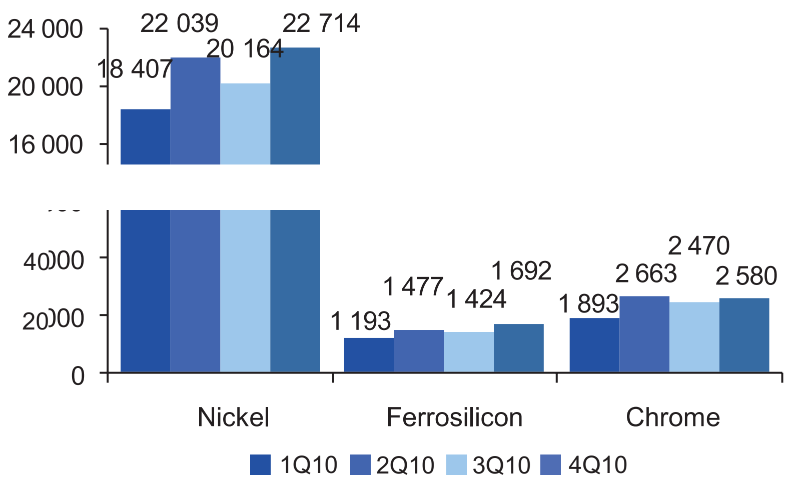
External sales structure



Revenue breakdown by region



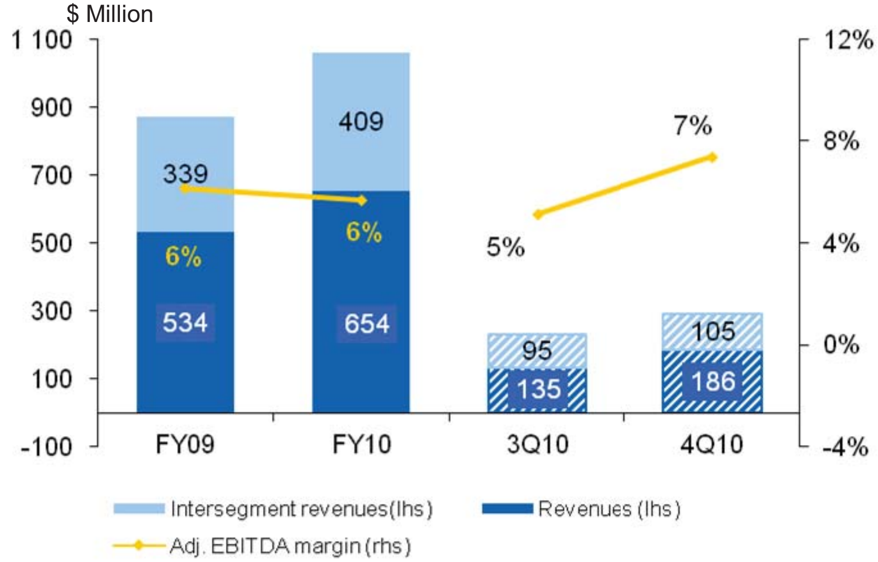
Average sales prices FCA, US$/tonne



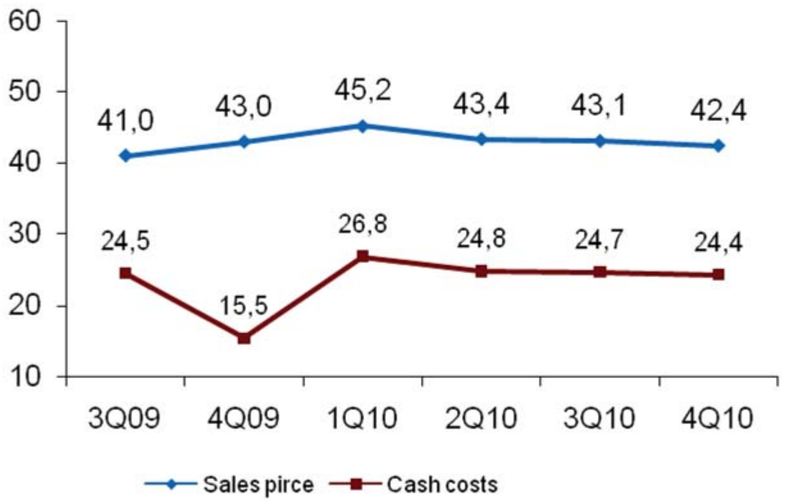
Power Segment Performance

- Electricity market liberalization helped Revenue grow 22% to $654 mn y-o-y
- EBITDA[1] margin increased from 5% in 2009 to 7% in 2010.
- Net income grew over 9x y-o-y
- Acquisition of Toplofikatsia Rousse in Q4 2010 offers opportunity in the European electricity market and extends steam coal value chain.

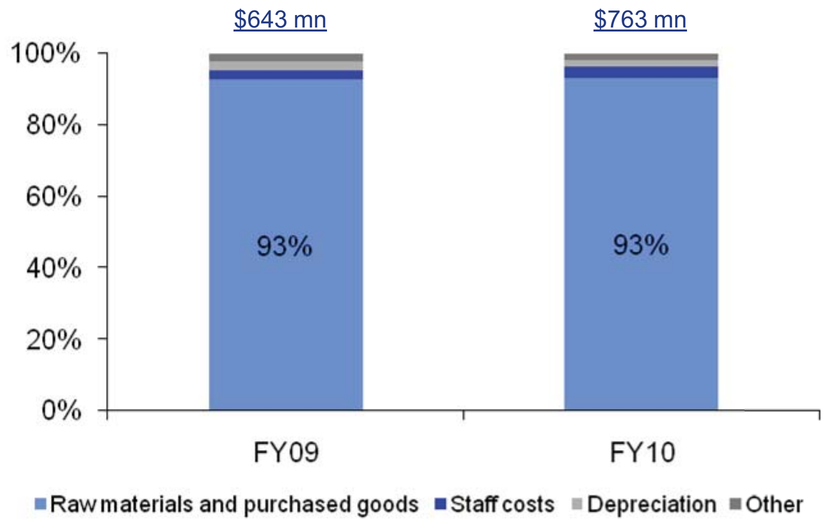
Revenue, EBITDA[1]



Average electricity sales prices and cash costs, US$/MWh



COS structure



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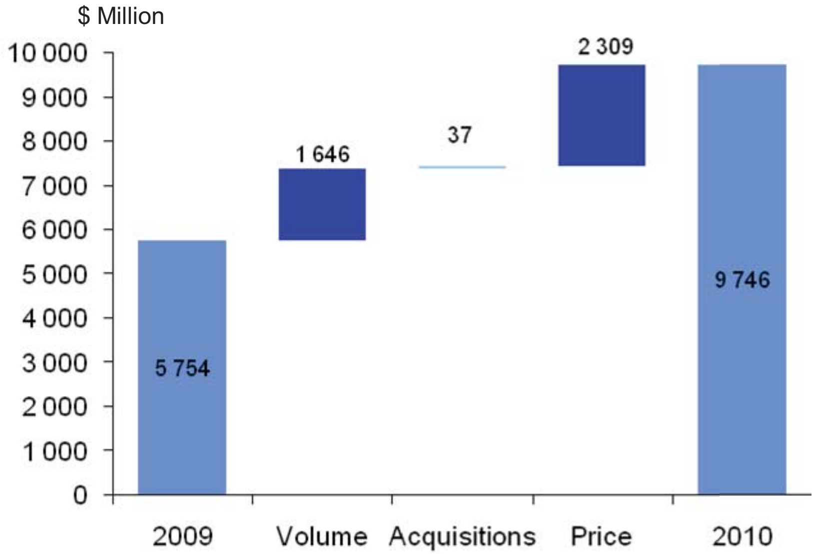
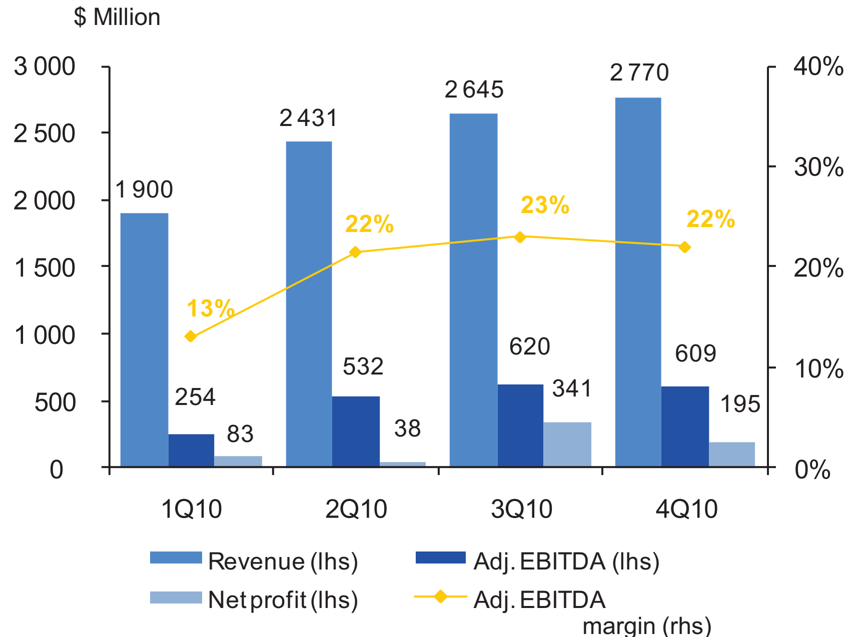
Improving Financial Performance

- Sensible improvement in 2010 financial performance y-o-y:
  - 69% growth in Revenue to $9.7 bn
  - EBITDA[(1)] grew 3x to $2.0 bn
  - EBITDA[(1)] margin doubled from 12% to 21%
  - Consolidated Net Income up 9x to $657 mn

Revenue Dynamics



Revenue, EBITDA[(1)] and Net profit



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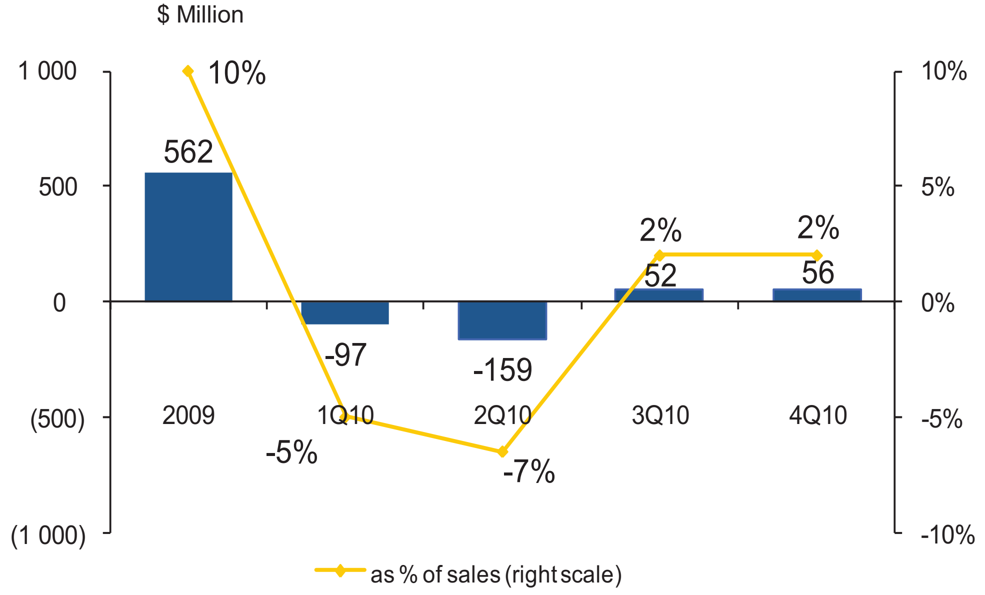
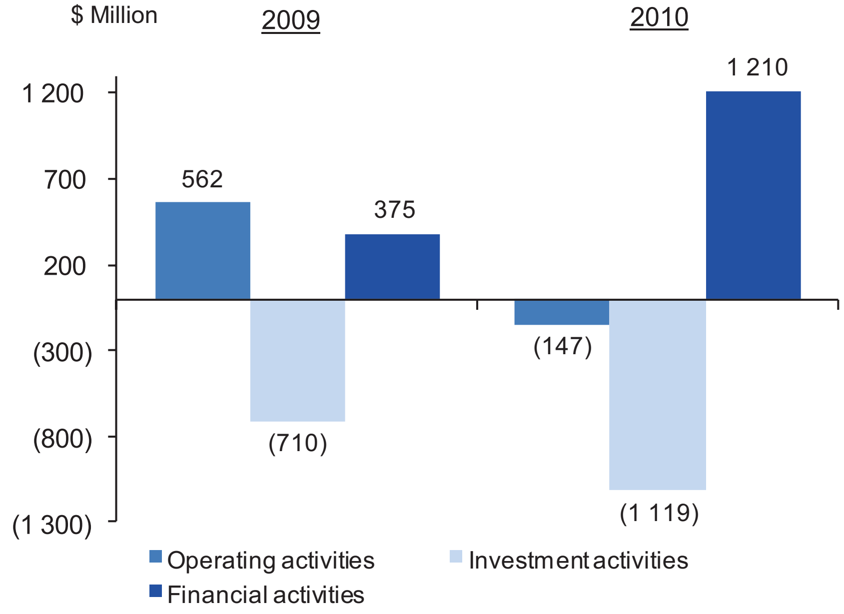
Cash Generation Capacity

- Operating CF continued to recover despite heavy investment into working capital of trading operations.
- Exceedingly improving economics facilitated capital raising for the ambitious investment program, which incurred over $1 bn of expenditure in 2010
- $538 mn cash and cash equivalents as of December 31, 2010

Operating cash flow



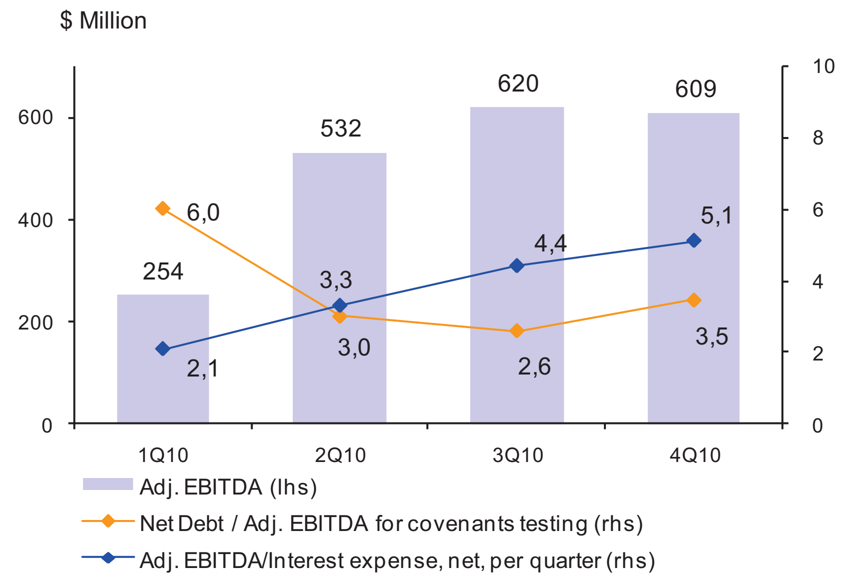
Net Cash Flow



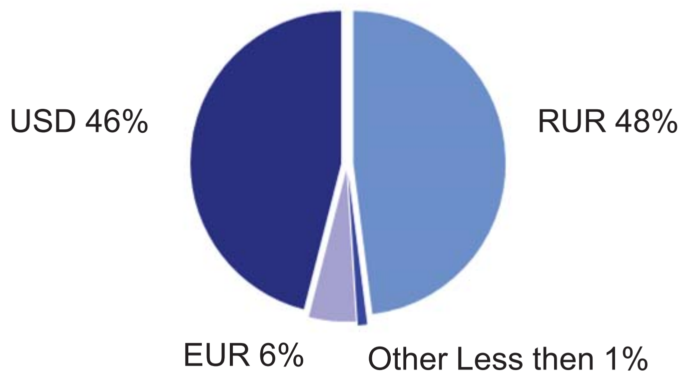
Debt Profile

- 1st successful refinancing of $2 bn syndicated facility post crisis in September 2010.
- RUR10 bn of 10 year bonds (with 3 year put option) with a coupon 8,25% placed in Feb. 2011 to refinance short-term debt
- $1.8 bn of unutilized committed credit lines as of March 2011
- Credit portfolio evenly split between RUR and US$ reflecting revenue in these currencies.

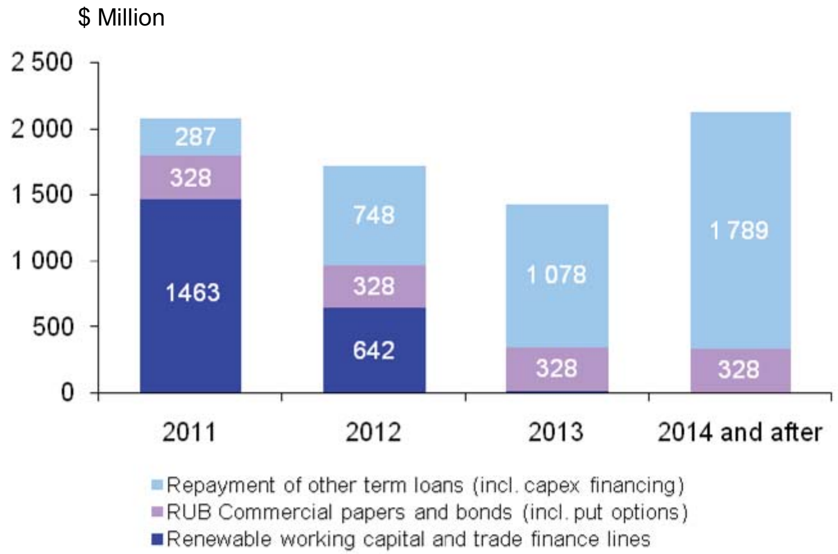
Financial ratios



Debt profile as at December 31, 2010



Loans repayment schedule as at December 31, 2010



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Financial Results Overview

US$ million unless otherwise stated	4Q10	3Q10	Change, %
Revenue	2,770	2,645	5%
Cost of sales	(1,767)	(1,623)	9%
Gross margin	*36.2%*	*38.7%*	
Operating profit	496	481	3%
Operating margin	*17.9%*	*18.2%*	
Adjusted EBITDA(1)	609	620	- 2%
Adjusted EBITDA(1) margin	*22.0%*	*23.4%*	
Net Income	195	341	- 43%
Net Income margin	*7.0%*	*12.9%*	
Sales volumes(2), '000 tonnes			
Mining segment	5,526	5,764	- 4%
Steel segment	1,906	1,968	- 3%

(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests and gain/loss from remeasurement of contingent liabilities at fair value
(2) Includes sales to the external customers only