FY2012 RESULTS PRESENTATION

APRIL 15, 2013

DISCLAIMER

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Mechel OAO (Mechel) or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Any purchase of securities should be made solely on the basis of information Mechel files from time to time with the U.S. Securities and Exchange Commission. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Mechel or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Mechel, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements. We refer you to the documents Mechel files from time to time with the U.S. Securities and Exchange Commission, including our Form 20-F. These documents contain and identify important factors, including those contained in the section captioned “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the achievement of anticipated levels of profitability, growth, cost and synergy of our recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of our shares or ADRs, financial risk management and the impact of general business and global economic conditions.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice

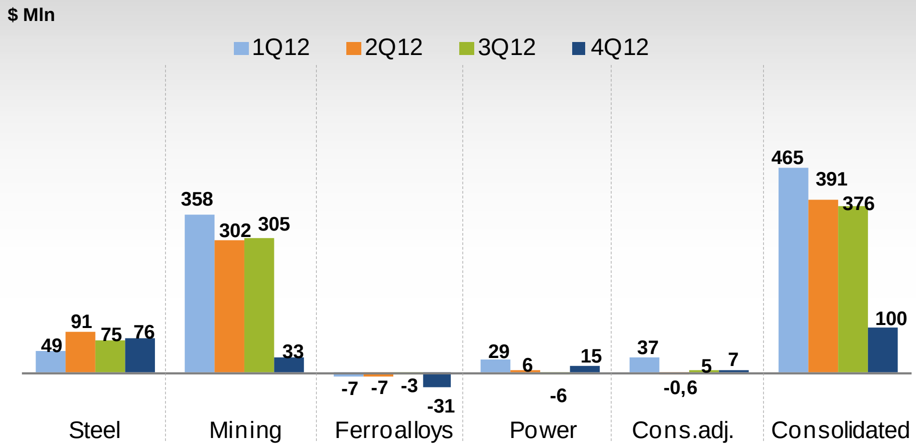
FINANCIAL HIGHLIGHTS

SEGMENTS OVERVIEW

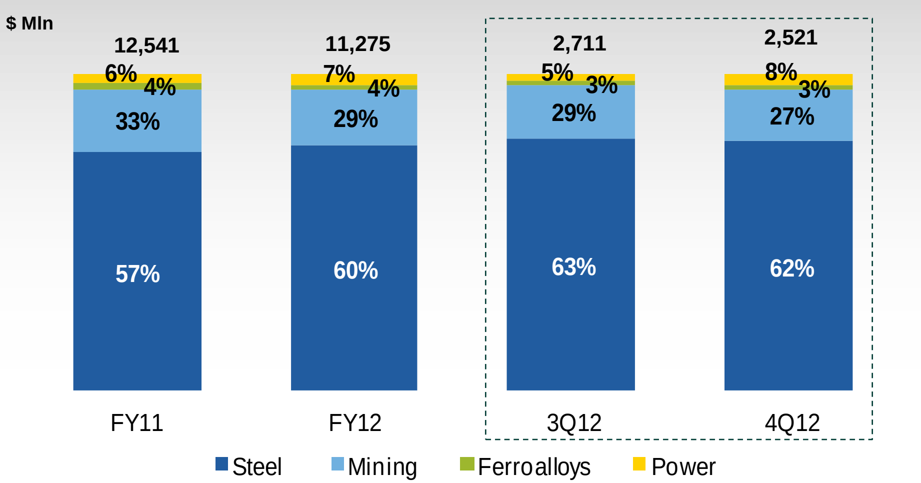
Diversified business model: Mining down while steel holds up.

- Consolidated revenue down 10% y-o-y to $11.3 bn on weaker commodity prices
- Bad debt provisions and write-off of $1.6 bn result in a Net Loss of $1.7 bn for 2012.
- A relatively stronger steel segment increased its share in the consolidated revenue to 60%
- The steel segment share in EBITDA grew to 23% on efficiency improvements

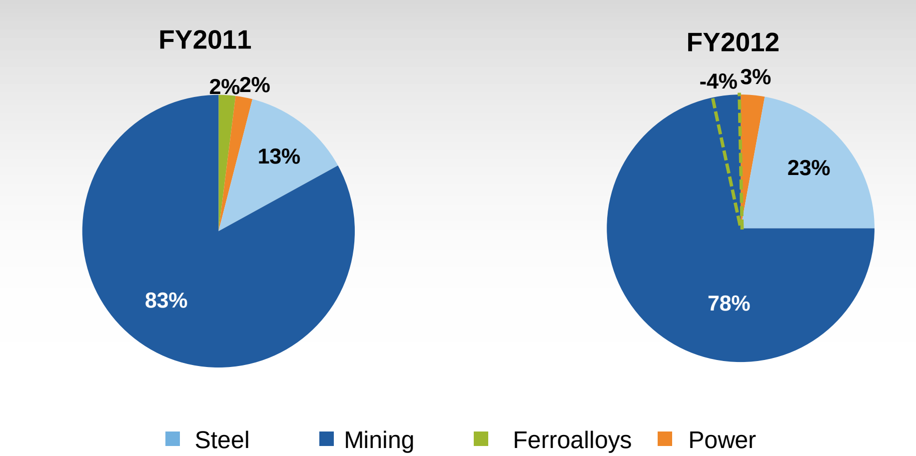
EBITDA[1] BY SEGMENTS



REVENUE FROM THIRD PARTIES



EBITDA BY SEGMENTS

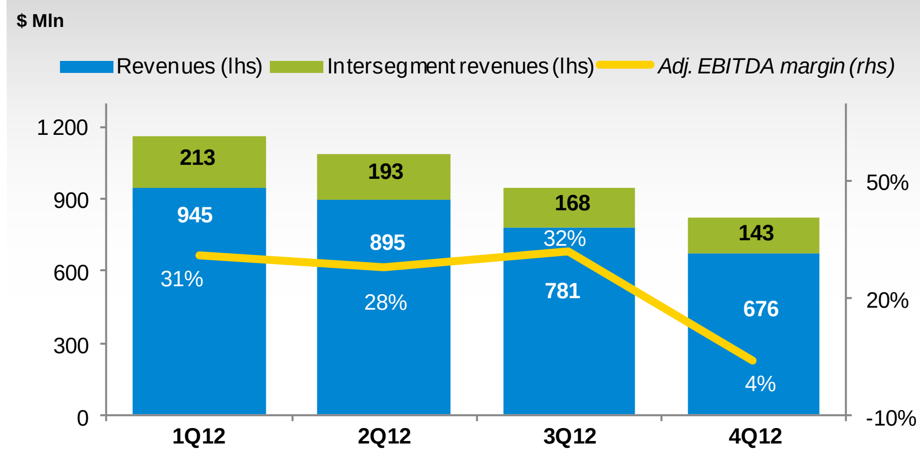


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

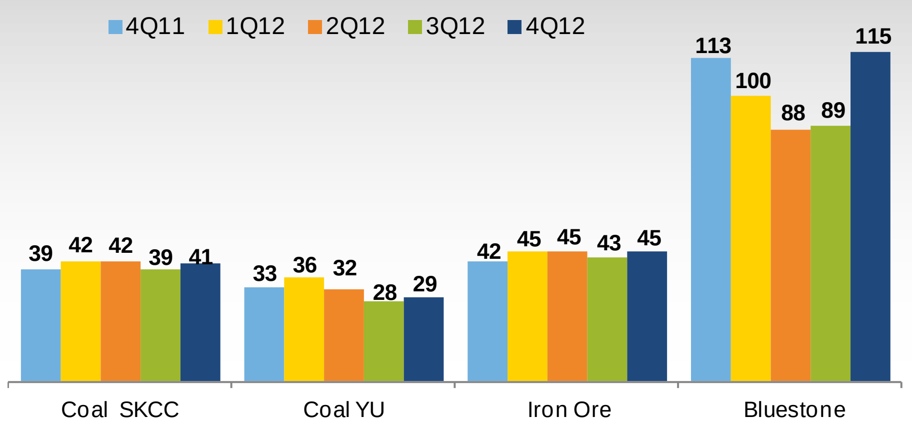
MINING SEGMENT
Demand volatility and one-offs affect the profitability

+	Segments EBITDA down to $33 mn due to: • 13% revenue decrease • 7% COGS growth (incl. $19 mn inventory write-down) • 12 % growth in S&D expenses due to geography change • $66 mn of reversals and one-off accruals for tax contingencies and trade dispute settlement
+	Cash costs slightly up on seasonal factors but still under control
+	Cash cost at Bluestone up due to temporary idling of operations

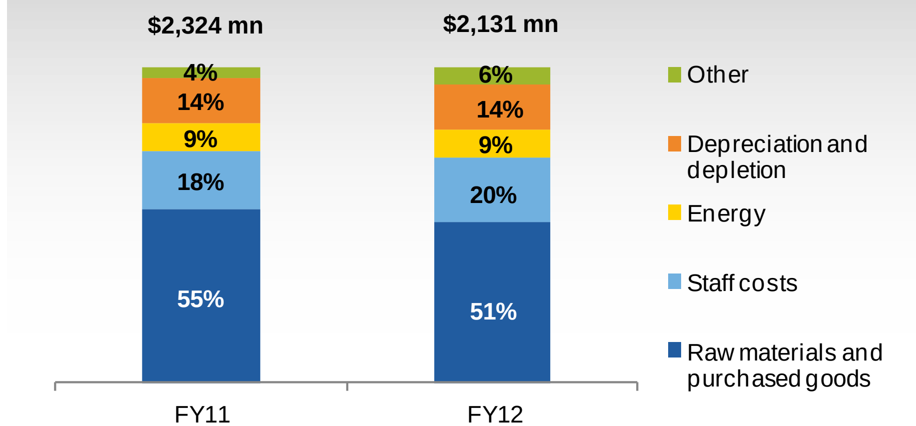
REVENUE, EBITDA[1]



CASH COSTS, US$/TONNE



COS STRUCTURE

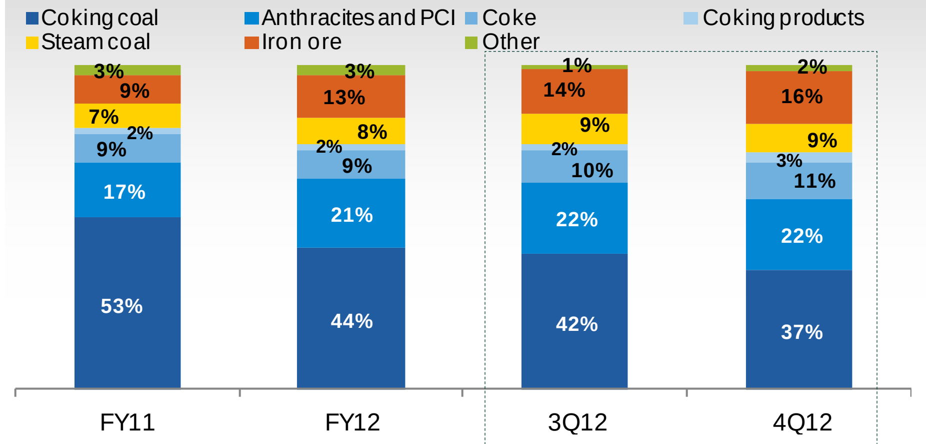


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

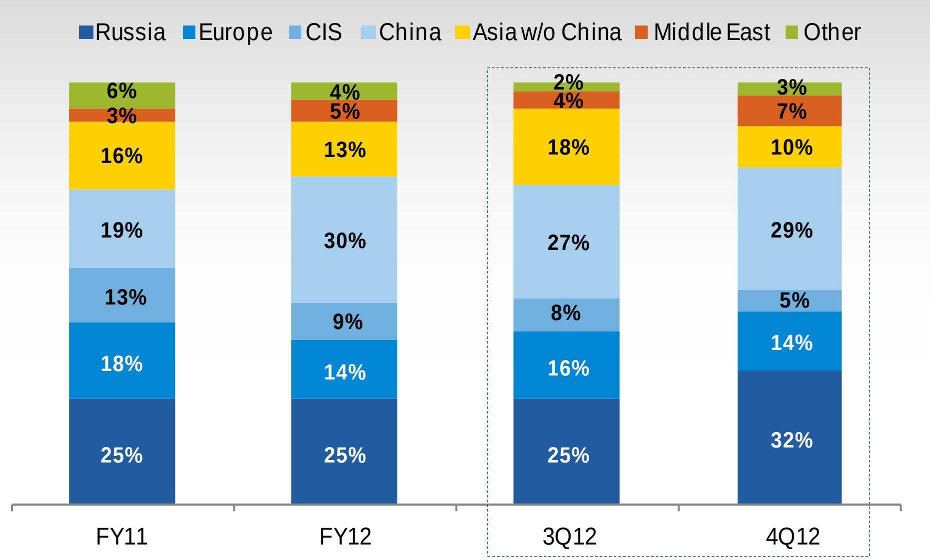
MINING SEGMENT
Solution: rebalancing geography of sales

- Coking coal sales down 25% q-o-q due to decrease in export sales to Europe and Ukraine by 16%.
- Sales to China grew to 29%, balancing out reduction of demand elsewhere although at a lower spot price.
- Iron ore sales volumes up 18% as domestic sales of iron ore grew 2x due to better pricing

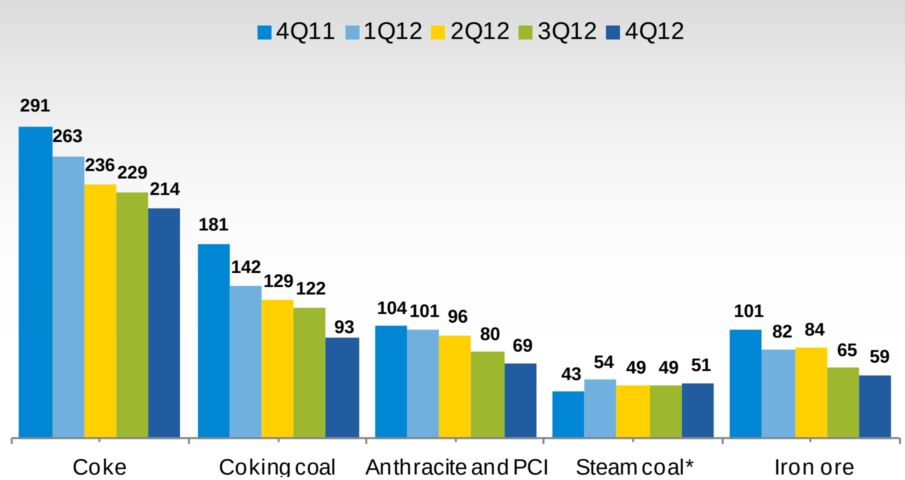
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE

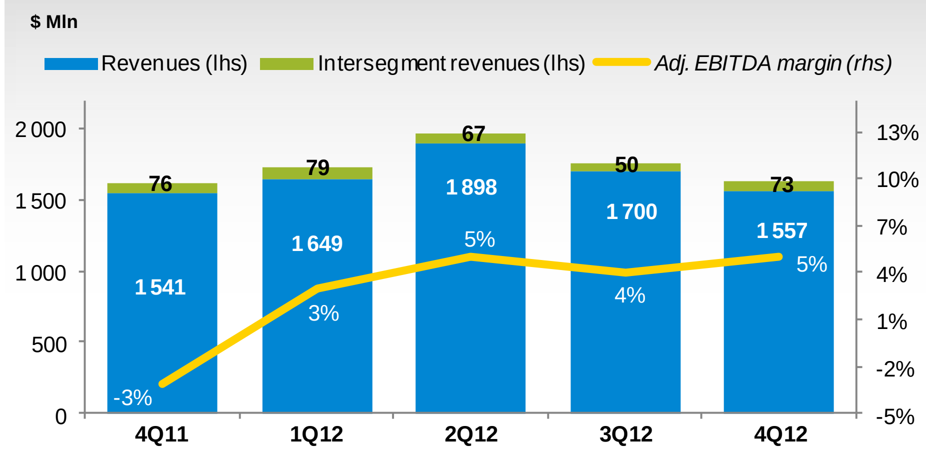


*Restated to include middlings

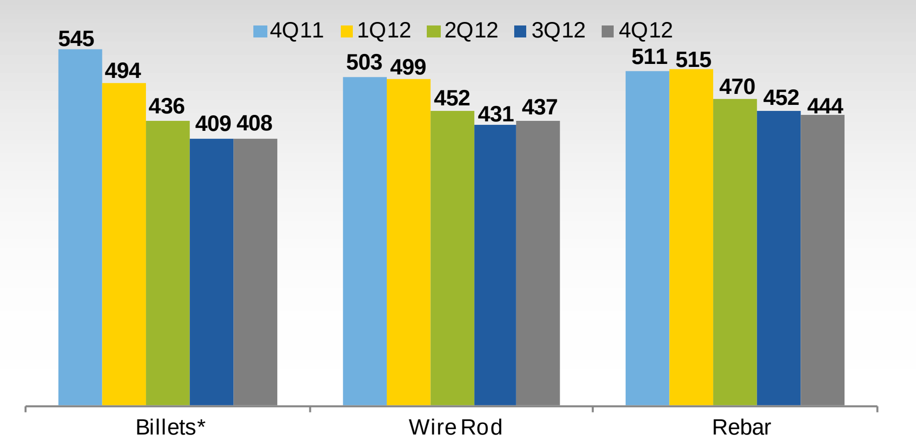
STEEL SEGMENT
Structural changes improve EBITDA margin…

- Revenue down 8% q-o-q due to seasonal demand slowdown
- Structural adjustments relieve pressure on profitability…
- … resulting in stable EBITDA at $76 mn
- Bottom line affected by $887 mn of write-downs and bad debt provisions.

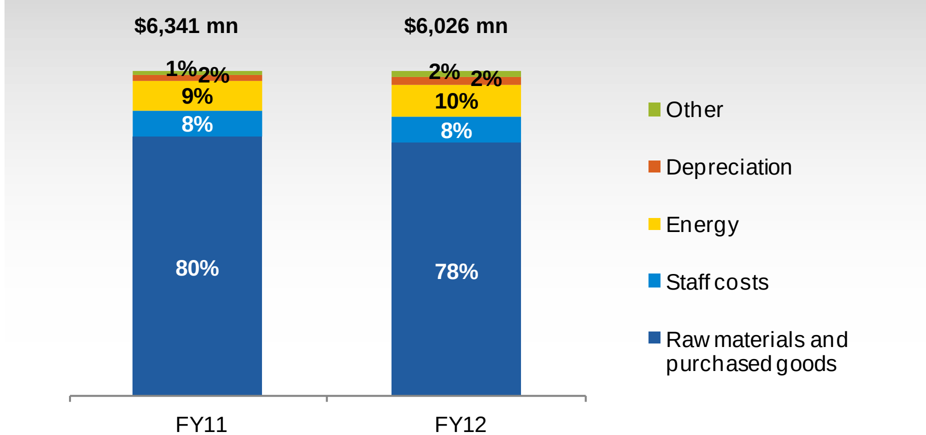
REVENUE, EBITDA(1)



CASH COSTS, US$/TONNE



COS STRUCTURE



*Carbon and low-alloyed billets

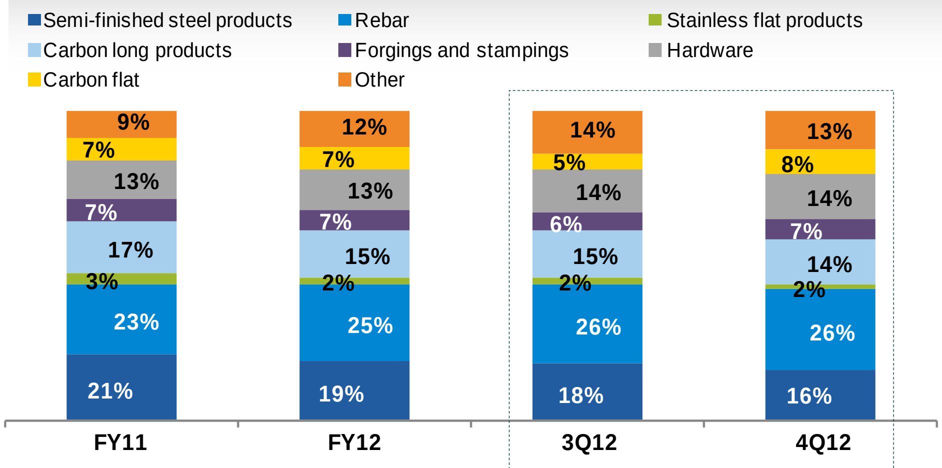
(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

STEEL SEGMENT

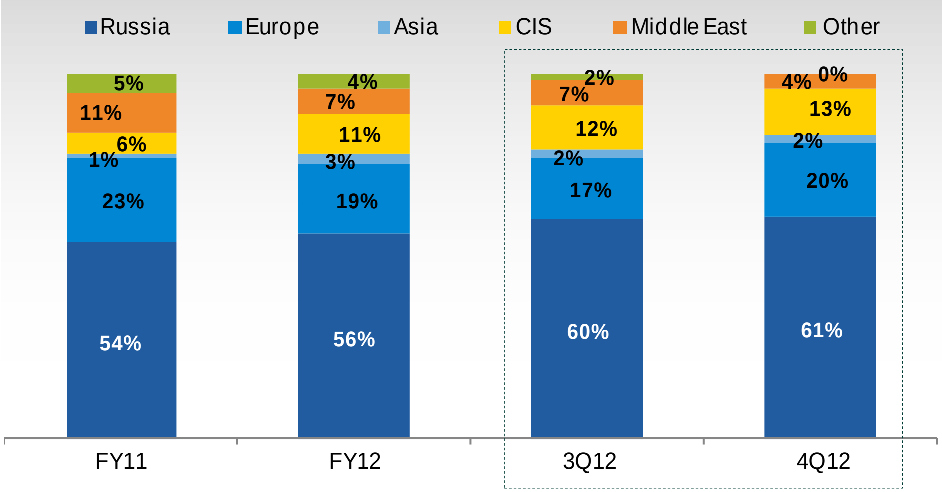
… and withstand demand slowdown with better product mix

- Downward price trend countered by a change in product mix
- Sales of semi-finished steel products down in Q4 due to a shut-down of DEMZ
- Share of sales to Europe and share of flat products sales up after consolidation of Cognor

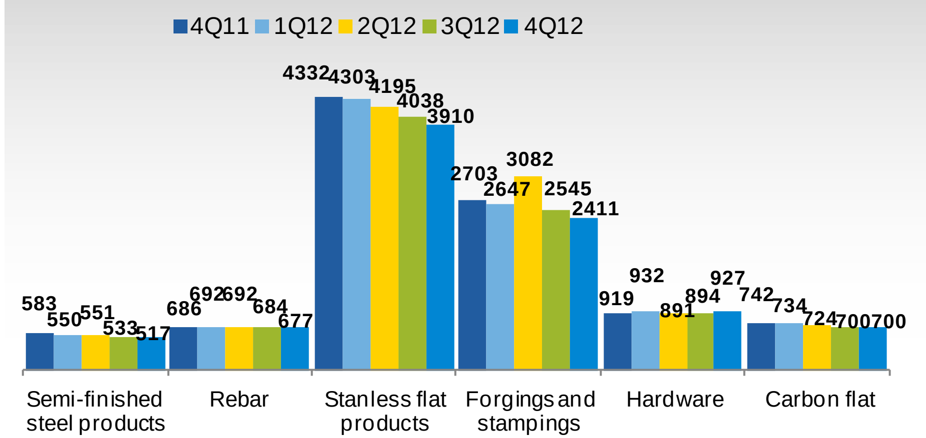
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE



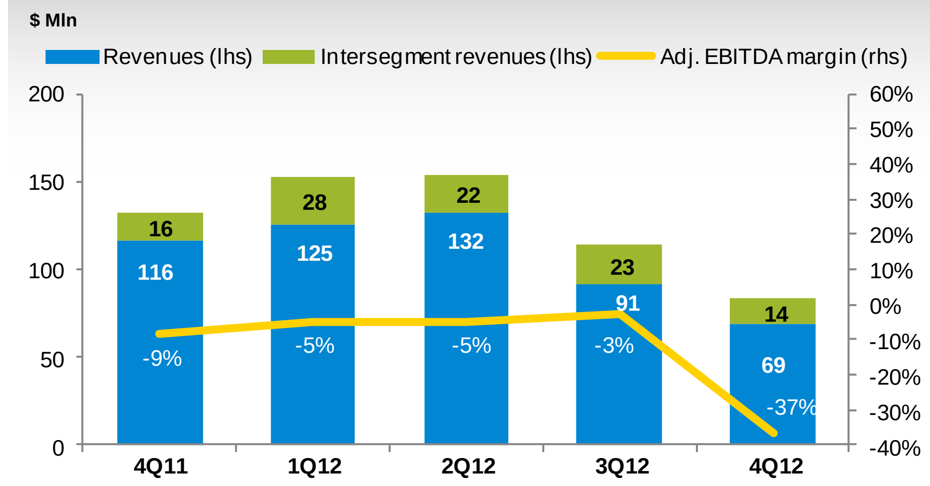
(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

FERROALLOYS SEGMENT

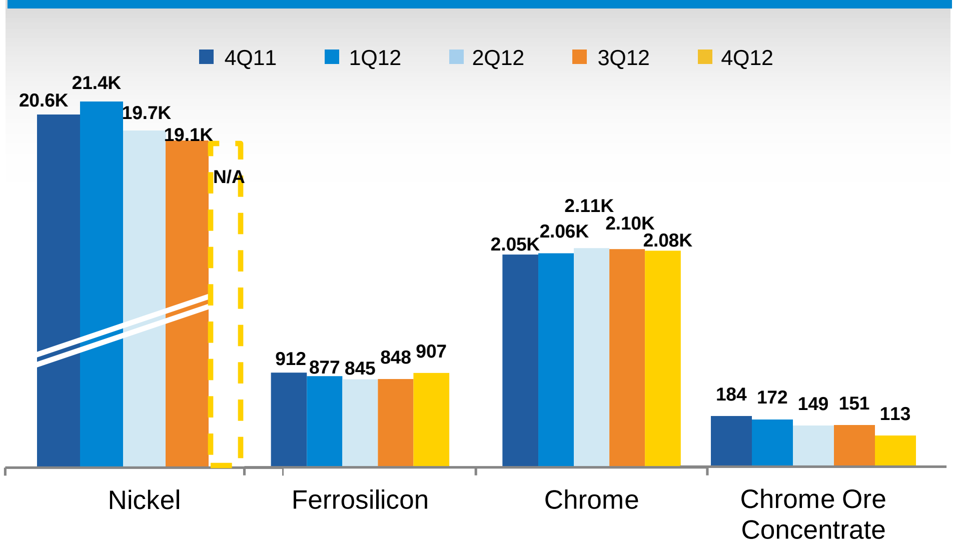
Shutdown of nickel plant and one-offs depress profitability in Q4

- Revenue down 25% due to price volatility and reduction of Ni sales.
- Cash cost demonstrate different dynamics:
  - FeSi up 7% due as electricity price grows
  - Cr flat
  - Cr concentrate down 25% due to better geological conditions
- Provisions related to SUNP shut-down and bad receivables result in a negative EBITDA of $31 mn in 4Q12
- Bottom line affected by $23 mn write-down on mineral licenses in Shevchenko nickel deposit

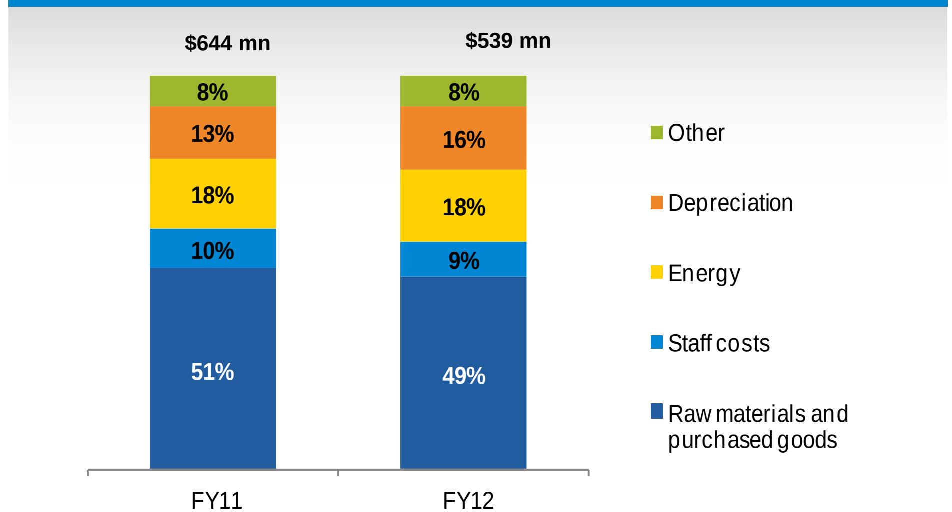
REVENUE, EBITDA(1)



CASH COSTS, US$/TONNE



COS STRUCTURE

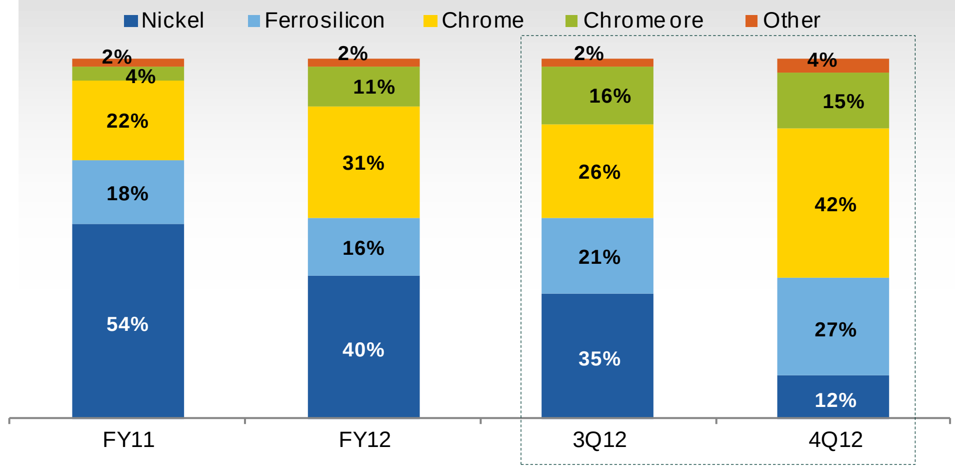


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

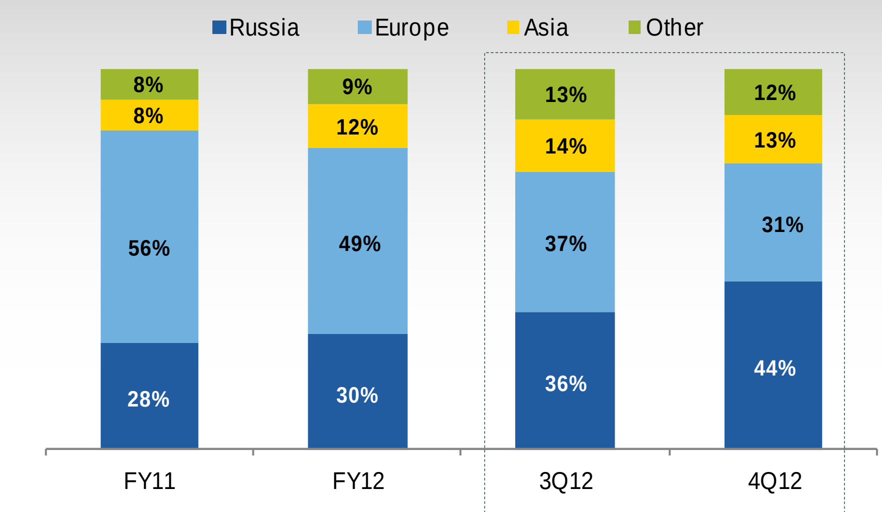
FERROALLOYS SEGMENT
… but lay ground for better performance in the future

- Share of Ni sales down q-o-q due to halting production at Southern Urals Nickel Plant in 4Q12
- Cr sales up due to inventories liquidation
- Cut of Ni production led to Russia sales grow to 44% of the total

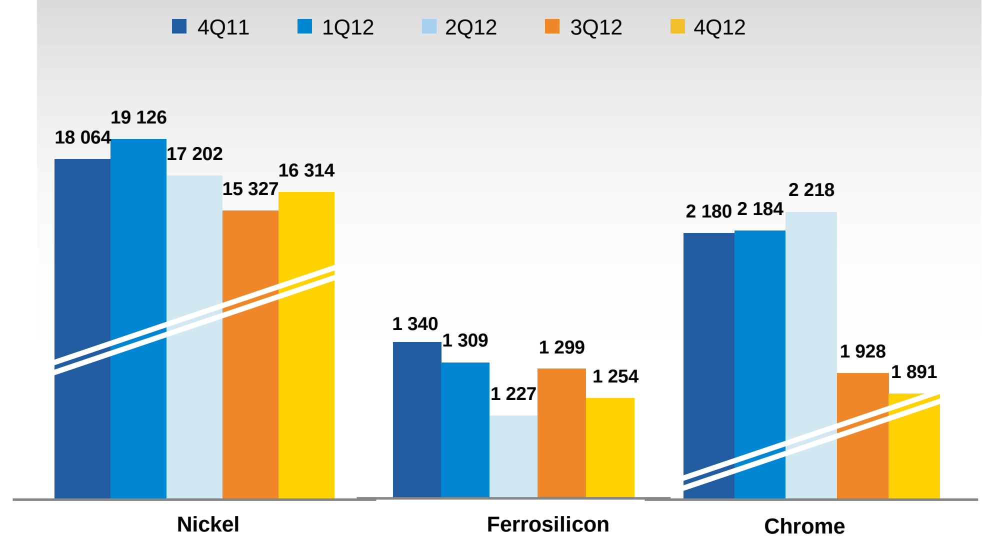
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



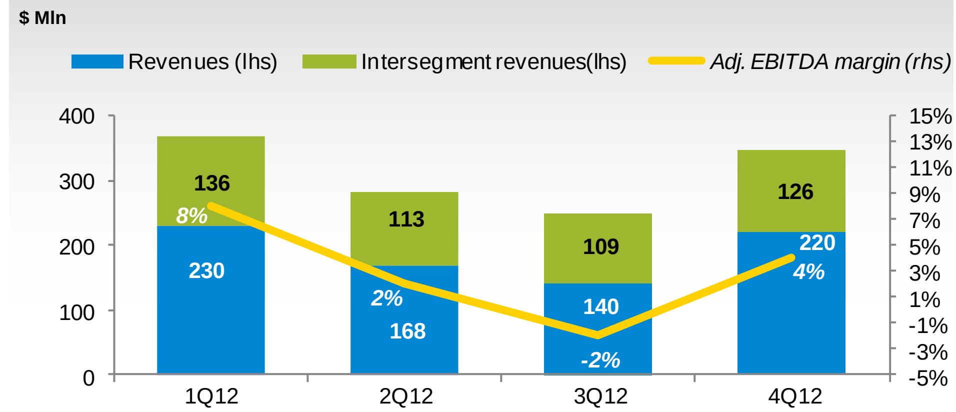
AVERAGE SALES PRICES FCA, US$/TONNE



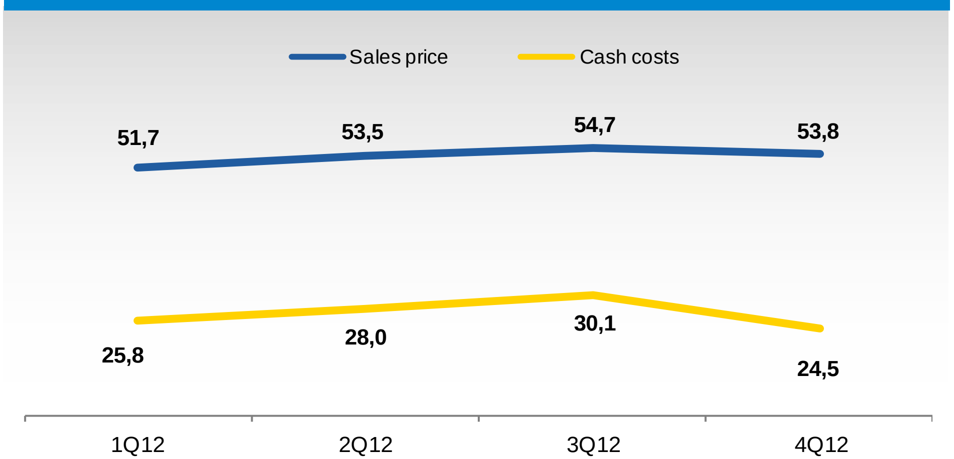
POWER SEGMENT
A steady contribution to diversification

- **+** Revenue up 57% q-o-q due to high season
- **+** Cash costs down 19% as sales of heat and electricity grow
- **+** EBITDA back to black with $15 mn

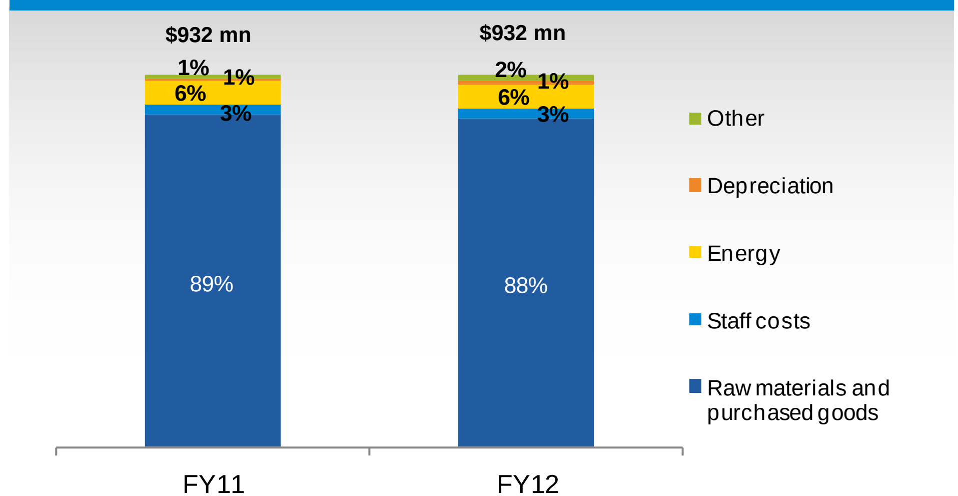
REVENUE, EBITDA[1]



AVERAGE ELECTRICITY SALES PRICES AND CASH COSTS (RUSSIA), US$/MWH



COS structure



(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 gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

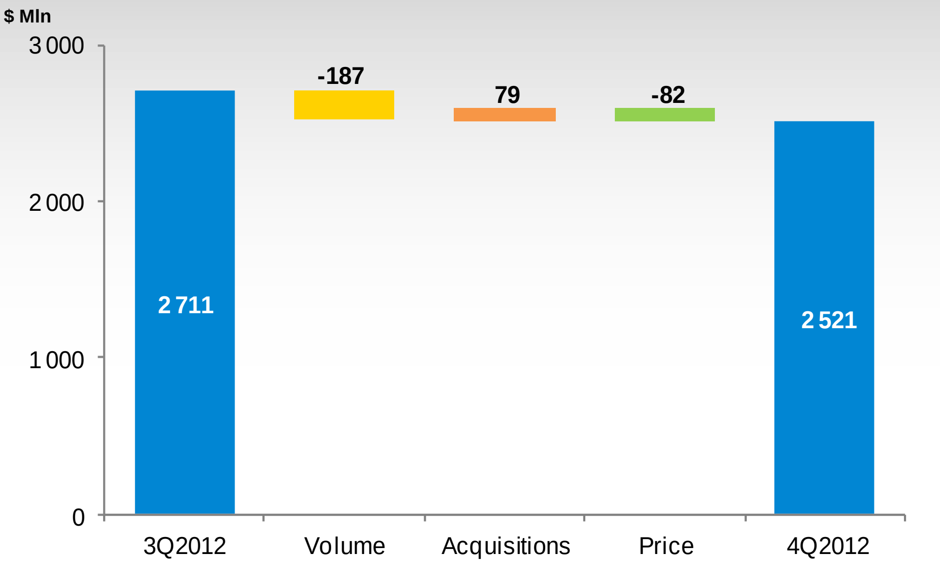
Consolidated P&L

Q4 takes the hit… but clears the path for a bounce back in 2013.

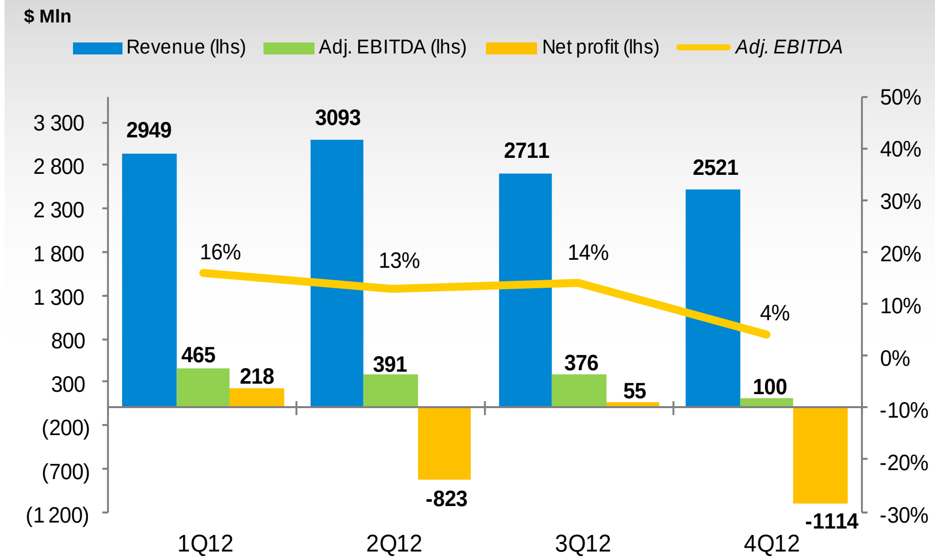
4Q2012 FINANCIAL PERFORMANCE Q-O-Q HIGHLIGHTS:

- Consolidated EBITDA down 73% q-o-q to $100 mn due to lower profitability and one-offs in the mining and ferroalloys segments
- Q4 net result affected by $910 mn of one-off write-downs and $44 mn of loss from discontinued operations totaling $1,114 mn of net loss

REVENUE DYNAMICS



REVENUE, EBITDA(1) AND NET PROFIT

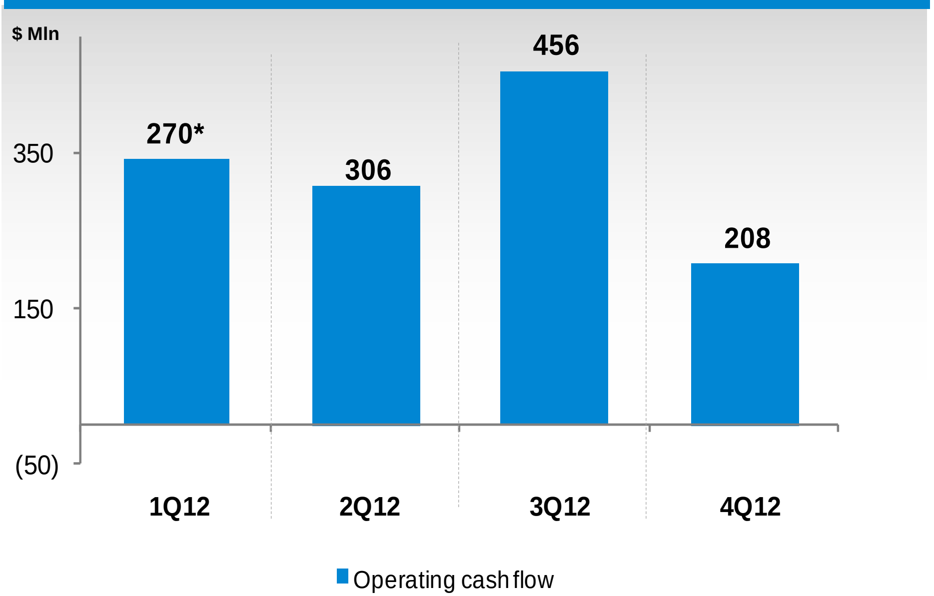


(1) Adjusted EBITDA represents EBTIDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax.

Cash Flow Statements
Record operating cashflow despite volatile markets

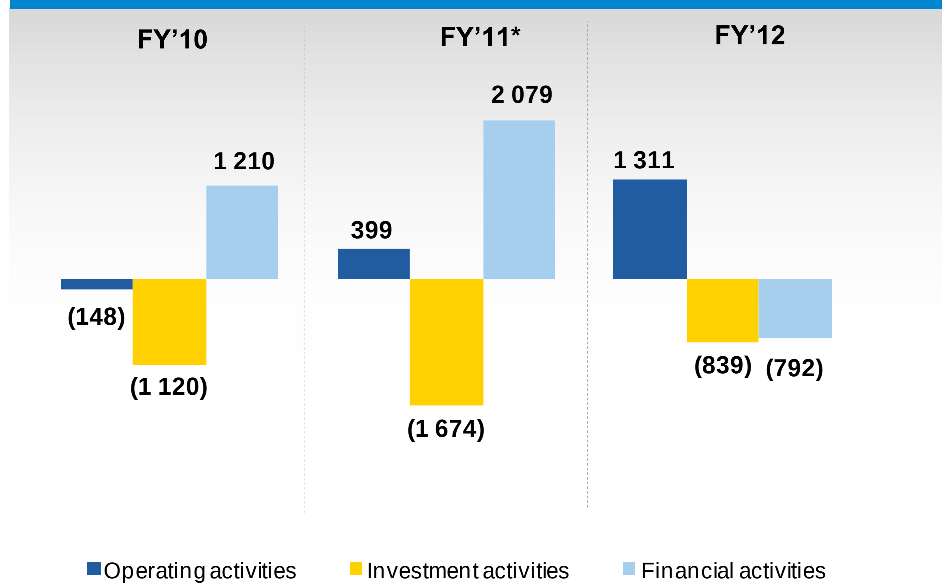
- Continuing production adjustment and working capital management added another $208 mn to the CFO in Q4 resulting in a record $1,31 bn operating cashflow in 2012.
- Investment cashflow minimized to $43 mn in Q4 allowing for debt reduction
- Superior CFO in 2012 allowed to finance the entire capex and repay $577 mn of debt before FX adjustments

OPERATING CASH FLOW DYNAMICS



* Excluding the effect of loan to Estar

NET CASH FLOW

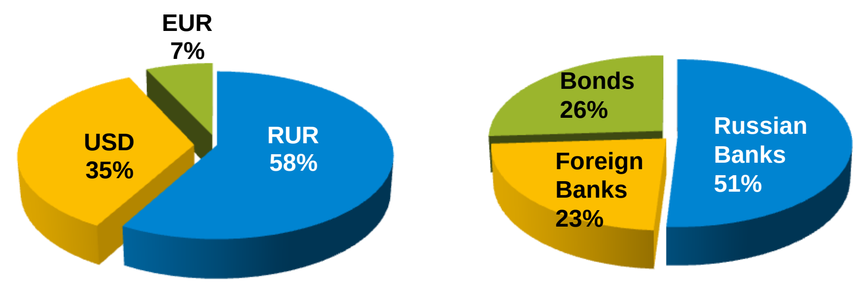


* Excluding the effect of loan to Estar

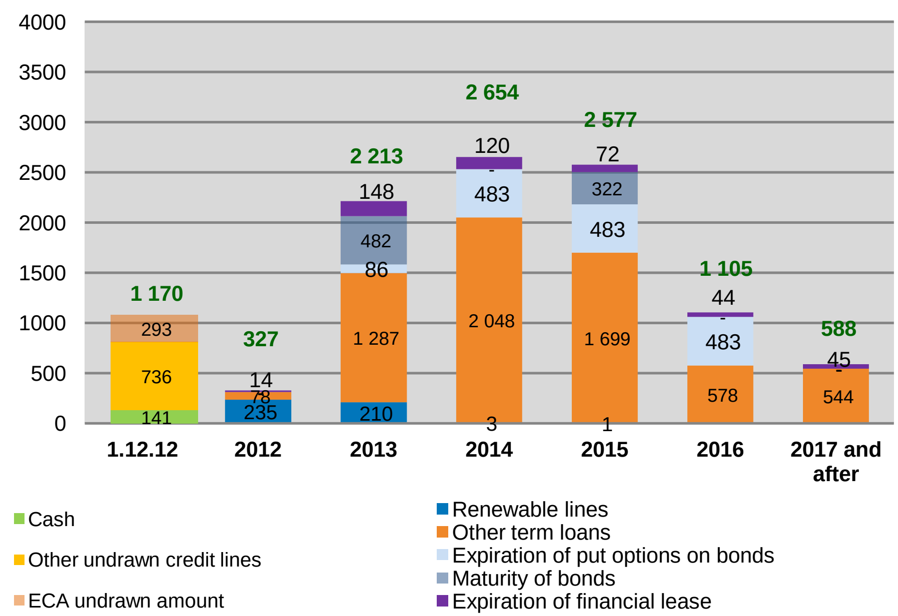
IMPROVING DEBT MATURITY PROFILE

- Net debt stable at USD 9.6 bln (including financial lease) as of April 10, 2013
- Debt repayments of approximately USD 0.32 bln in 2012 (reduction of gross debt excluding FX effect)
- Cash and available credit lines total USD 1.1 bln as of April 10, 2013; in line with remaining 2013 maturities
- A new RUR 40 bln (~ USD 1.3 bln) 5 year facility from VTB has substantially eased the liquidity pressure from repayments in 2013.

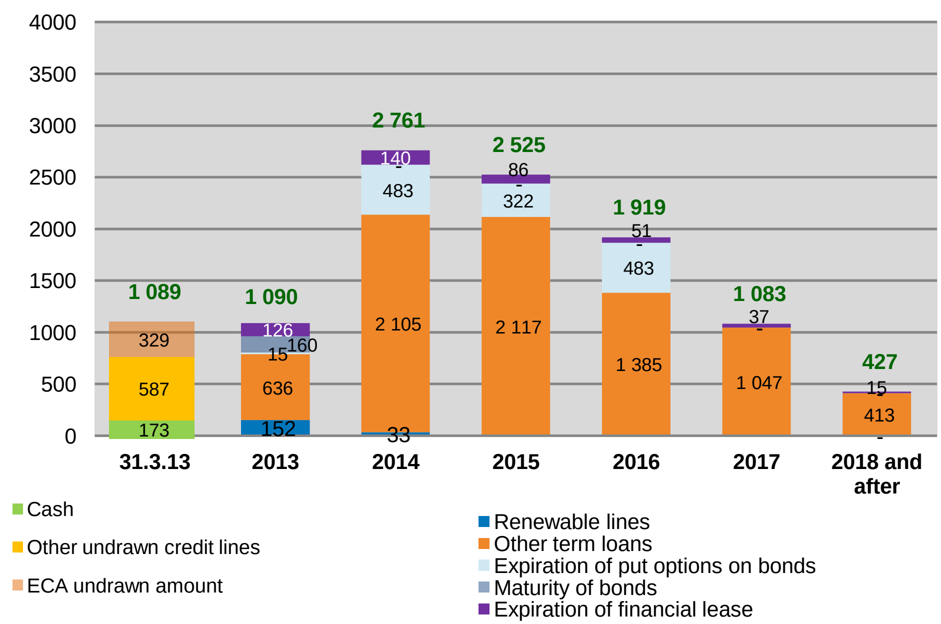
DEBT PROFILE AS OF APRIL 10, 2013 (W/O PRO FORMA)



DEBT MATURITY SCHEDULE AS OF DECEMBER 1, 2012



DEBT MATURITY SCHEDULE AS OF APRIL 10, 2013 WITH PRO FORMA



FINANCIAL RESULTS OVERVIEW

US$ MILLION UNLESS OTHERWISE STATED	4Q12	3Q12	CHANGE, %
Revenue	2,521	2,711	-7.0%
Cost of sales	(1,882)	(1,978)	-4.9%
Gross margin	25.4%	27.1%	
Operating profit / (loss)	(933)	129	-
Operating margin	-37.0%	4.8%	
Adjusted EBITDA[1]	100	376	-73.3%
Adjusted EBITDA[1] margin	4.0%	13.9%	
Net Income / (loss)	(1 114)	55	-
Net Income margin	-44.2%	2.0%	

Sales volumes[2], '000 tonnes			
Mining segment	5,570	5,862	-5.0%
Steel segment	1,872	2,072	-9.7%

(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 gain/loss from remeasurement of contingent liabilities at fair value, impairment of long-lived assets and goodwill, provision for amounts due from related parties and losses from discontinued operations, net of income tax..

(2) Includes sales to the external customers only