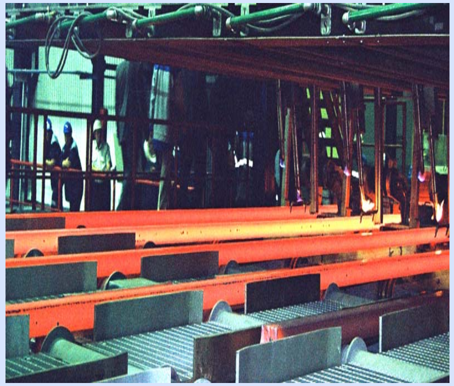

2006 First Quarter Results Presentation

July 21, 2006

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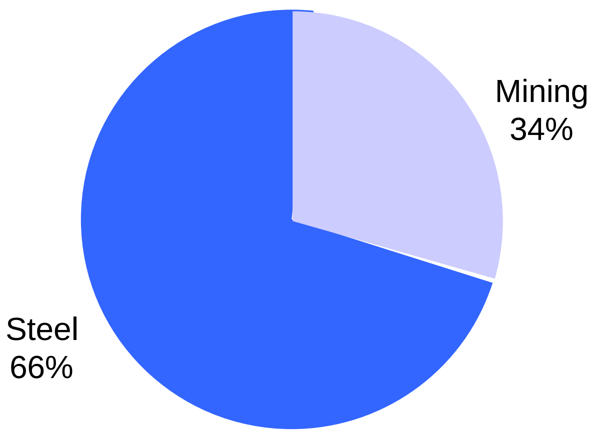
Introduction and Overview

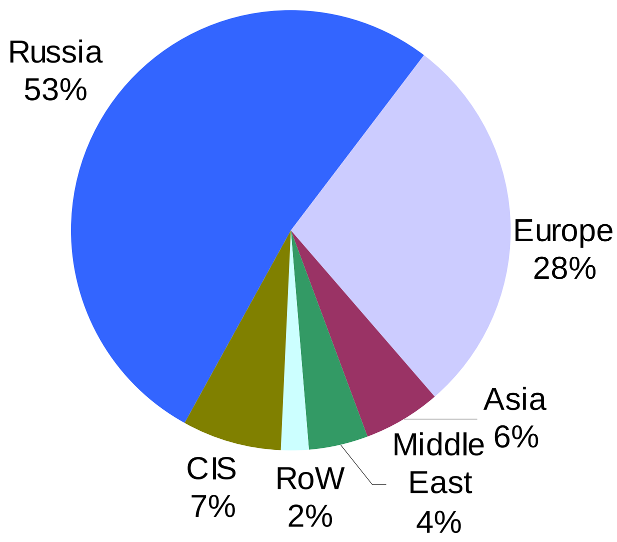
Results Overview

- Net income was $62.88 million in the first quarter of 2006 on revenues of $853.5 million
- Consolidated EBITDA margin of 15.8%
- Actions to further expand mining segment
- Efficiency improvement programs in the steel segment yielding results
- Maintained leadership in core products
  - — 2nd largest coking coal producer and largest exporter
  - — 2nd largest long product producer

Revenue breakdown by product, 1Q06



Revenue breakdown by region, 1Q06

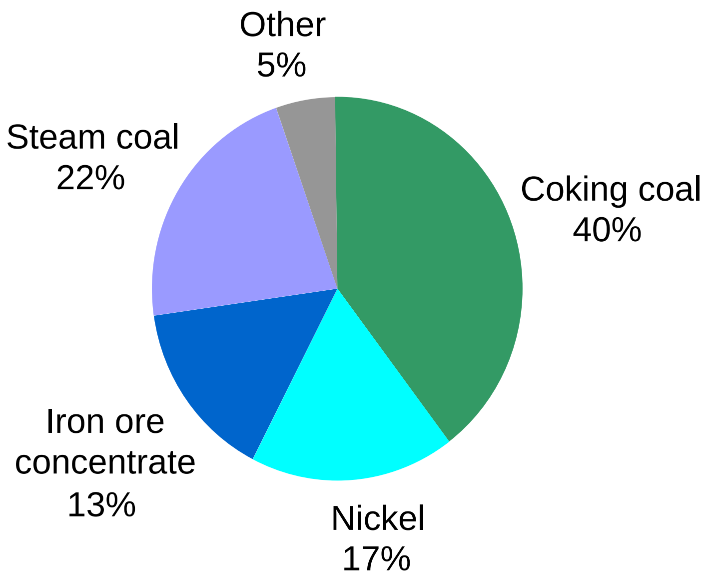


1Q 2006: Mining Segment

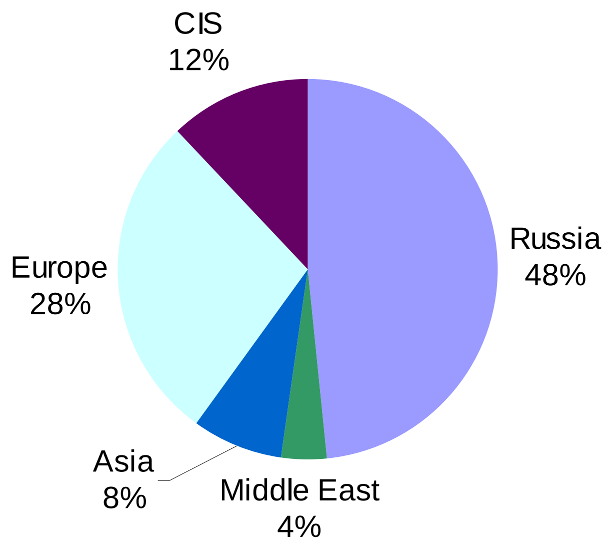
- Operating income of $29.28 million on revenues of $289.45 million; Operating margin of 8.0%
- EBITDA margin of 15.9% (EBITDA margin for 1Q 2005 was corrected for comparison with other companies, margin is calculated out of consolidated revenues of the segment, including intersegment sales). Mining segment EBITDA represented 43.2% of consolidated EBITDA
- Decline in coking coal prices substantially impacted profitability
- One-time charges: $20 million in tax add-on at Korshunov plant
- Sales to 3rd parties increased to 79% of total segment revenues
- Solid output growth in iron ore concentrate further strengthens our self-sufficiency in raw materials

Product output	1Q06, thousand tonnes	1Q06 vs. 1Q05, %
Coal	4,011	-2.0
Coking coal	2,225	-5.0
Steam coal	1,786	+2.0
Iron ore concentrate	1,127	+8.0
Nickel	3.4	+42.0

Revenue breakdown by product, 1Q06



Revenue breakdown by destination, 1Q06

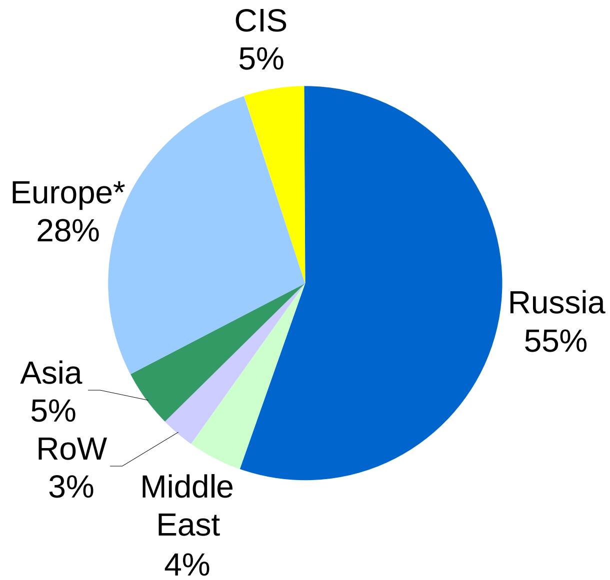


1Q 2006: Steel Segment

- Revenues from 3rd parties of $564.06 million in 1Q06
- EBITDA margin of 13.4% (EBITDA margin for 1Q 2005 was corrected for comparison with other companies, margin is calculated out of consolidated revenues of the segment, including intersegment sales). Steel segment EBITDA constituted 56.8% of consolidated EBITDA
- Operational losses in Romania negatively impacted profitability, decision is expected to be taken at the end of 3rd quarter
- Improved outlook due to stabilized global pricing, combined with efficiency and cost-saving programs
- $350 million of CapEx throughout 2010 to be directed to steel segment to improve performance

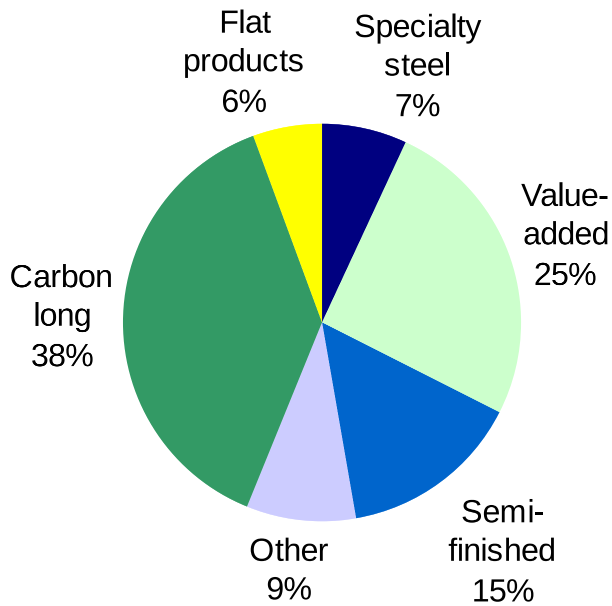
Product output 1Q06, thousand tonnes		1Q06 vs. 1Q06, %
Hardware	134	-8.0
Rolled products	1,067	-20.0
Steel	1,367	-15.0
Pig iron	820	-18.0
Coke	526	-27.0

Revenue by region, 1Q06



Note: * including sales to Glencore

Revenue by product, 1Q06



2006: Strategy

Management focus on profitability of operations

Mining

- Expand the mining segment, both through organic growth and acquisitions
- Maintain control over costs

Steel

- Focus on improving profitability of steel operations through cost control and efficiency gains as primary goals going forward
- Establishment of Mechel Hardware OOO

Sales

- Diversification of the sales structure to give impetus to value-added, hardware products sales

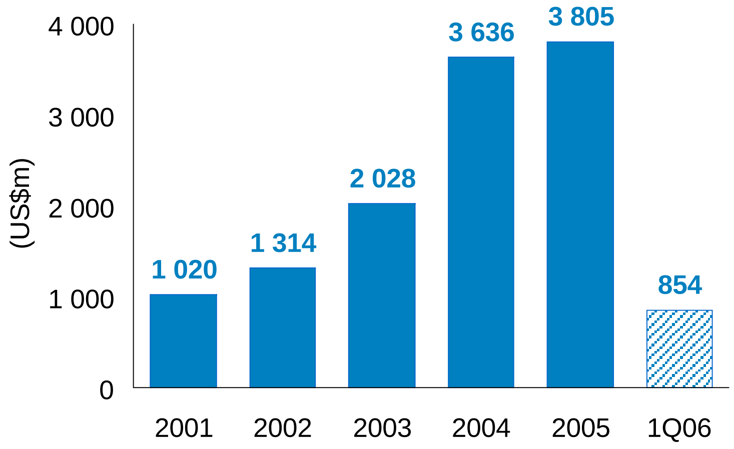
Corporate

- Corporate restructuring – Mechel OAO and Mechel Management OOO
- Continue to implement best corporate governance practices

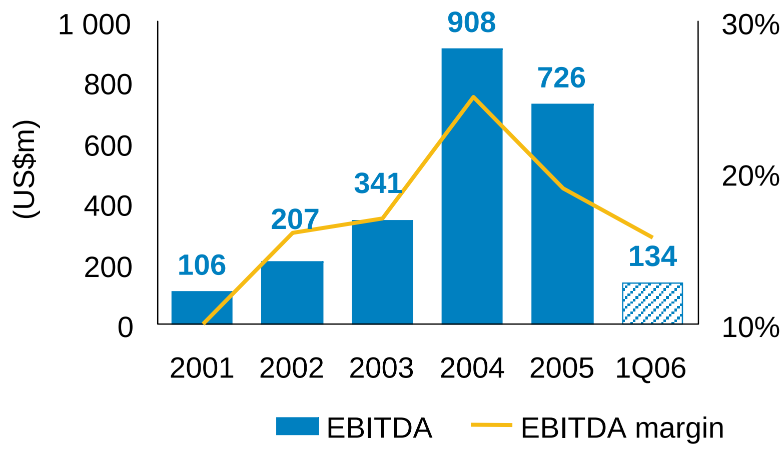
Financial Review

Financial performance

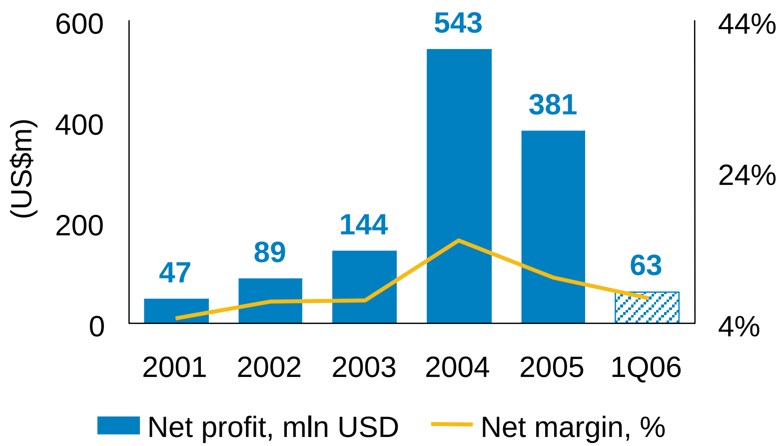
Revenues



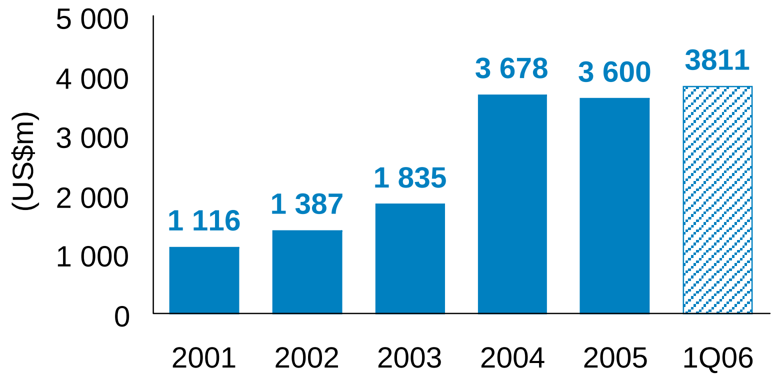
EBITDA*



Net profit *



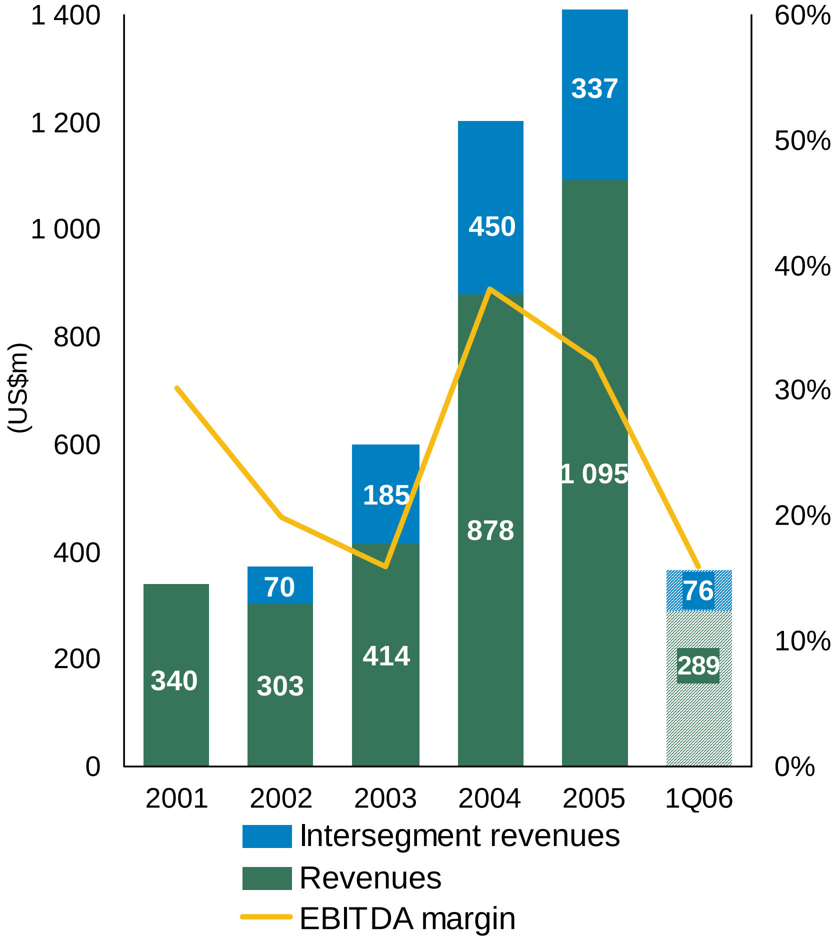
Total assets



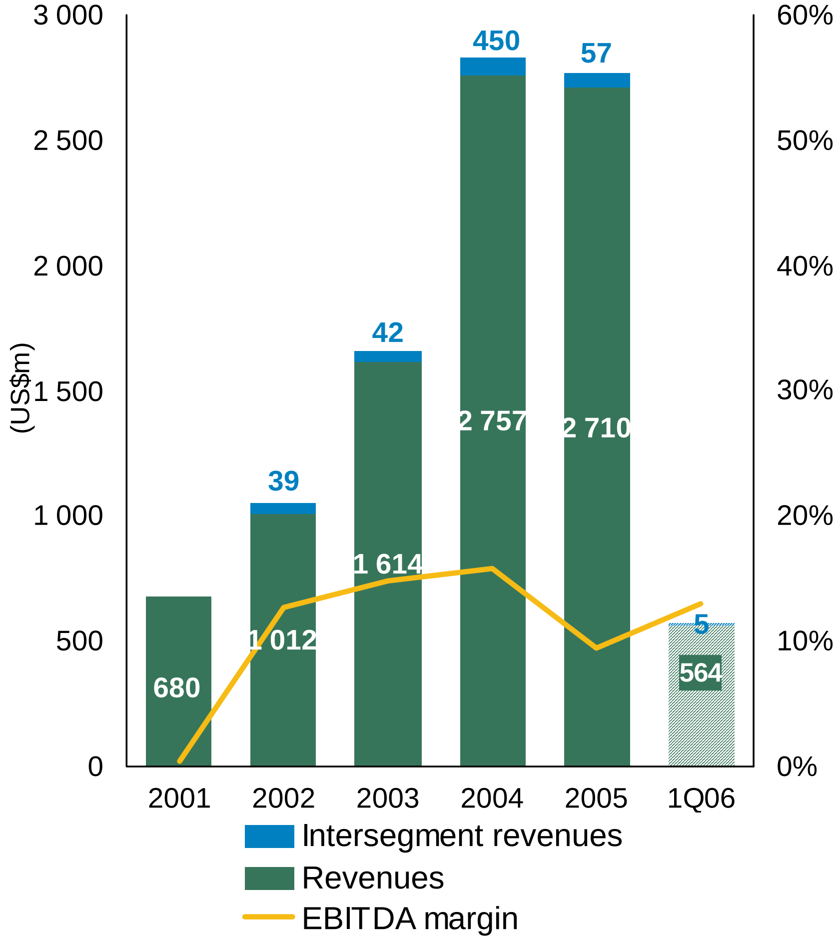
* Excluding gain on the sale of the stake in MMK in 2004

Segment operations

Mining segment



Steel segment

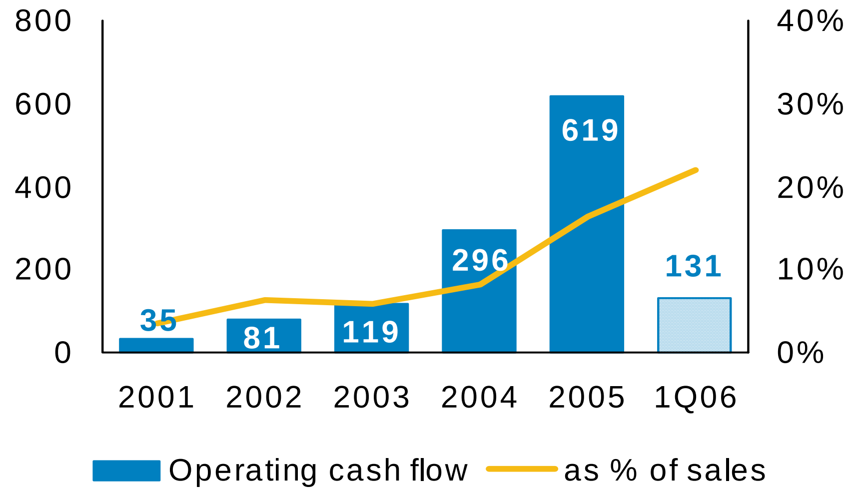


NOTE: EBITDA margin calculated by dividing reported EBTIDA by total revenues, including intersegment revenues

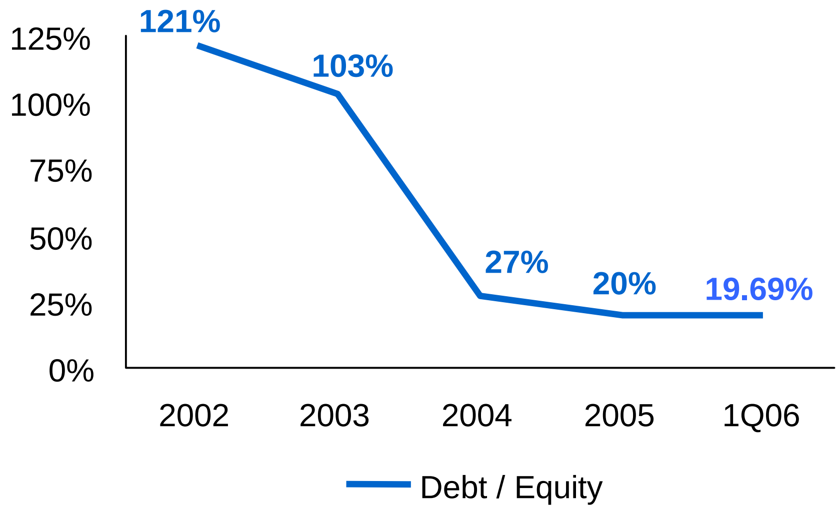
Strong balance sheet to support growth

- Sound cash flow generation
- Strong balance sheet
- US$129m net debt position provides significant financial flexibility to:
  - — Fund capex program
  - — Pursue value enhancing M&A opportunities
  - — Pay dividends in line with the new dividend policy

Operating cashflow



Debt / equity

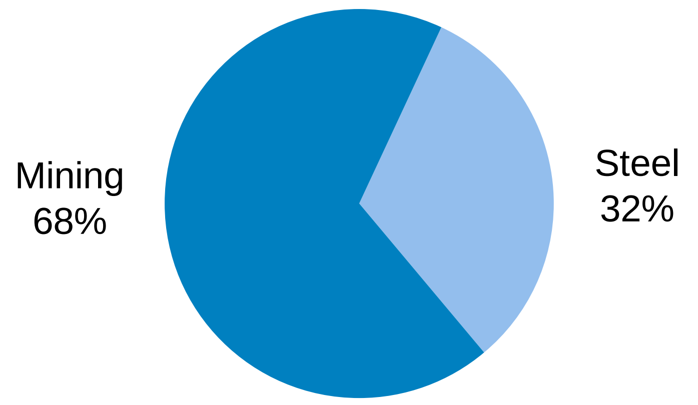


Disciplined approach to spending

2006-2010 Capex program

	US$m	Comments
Mining		
Coal	680	◆ Mine development: Olzherassky, Erunakovskaya-1, Sibirginsky ◆ Construction of Sibirginsky washing plant ◆ Mining equipment
Iron ore	70	◆ Mine development: Krasnoyarovskoye
Steel	350	◆ Concaster ◆ Coke battery ◆ Maintenance
TOTAL	**1,100**	

2006-2010 Capex breakdown



Compelling investment case

Low-cost vertically integrated producer, almost fully self-sufficient in key raw materials

Strong mining business: 2nd largest coking coal producer and the largest exporter

NYSE-listed, Commitment to highest corporate governance standards

Strong platform for growth supported by conservative balance sheet

Track record of realizing synergies on the back of integration between subsidiaries

Able to increase production and lower costs with targeted capex