

NLMK

Capital Markets Day

London

10 February 2014

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TODAY'S PRESENTERS



VLADIMIR LISIN

Chairman of the
Board of Directors



OLEG BAGRIN

President and
Chief Executive Officer



GRIGORY FEDORISHIN

Chief Financial Officer

AGENDA



8:30	LEADERSHIP STEP BY STEP	VLADIMIR LISIN Chairman of the Board of Directors
8:50	EXECUTION IS KEY	OLEG BAGRIN President and Chief Executive Officer
9:30	NUMBERS MATTER	GRIGORY FEDORISHIN Chief Financial Officer
9:50	CONCLUDING REMARKS	VLADIMIR LISIN Chairman of the Board of Directors
10:00	Q&A	

LEADERSHIP STEP BY STEP

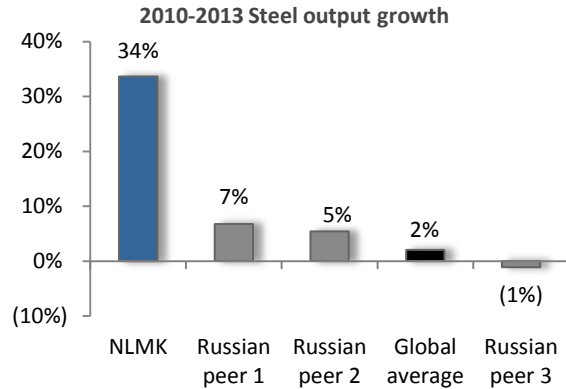
Vladimir Lisin

Chairman of the Board of Directors

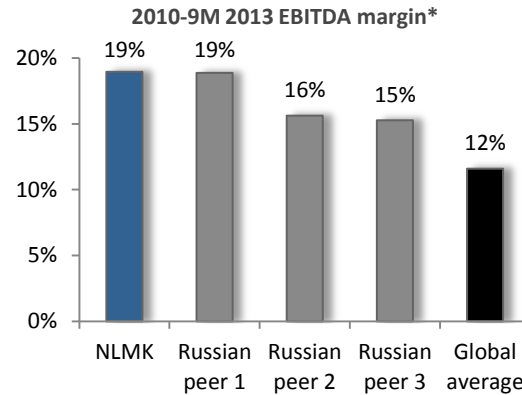
LEADER IN GROWTH, PROFITABILITY & BALANCE SHEET STRENGTH



IMPRESSIVE GROWTH STORY

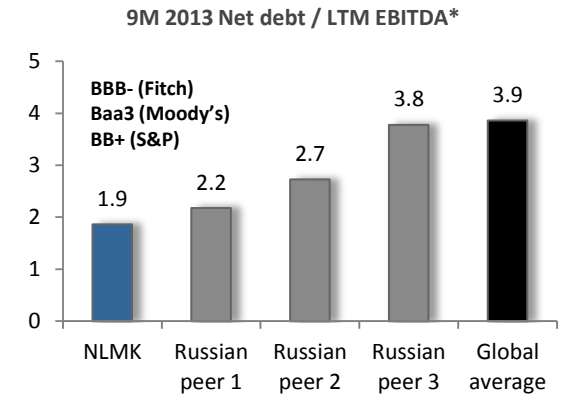


TOP TIER PROFITABILITY



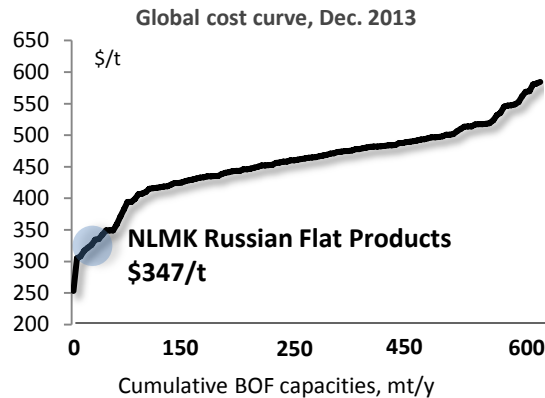
* Latest reported financials

CONSISTENTLY LOW LEVERAGE

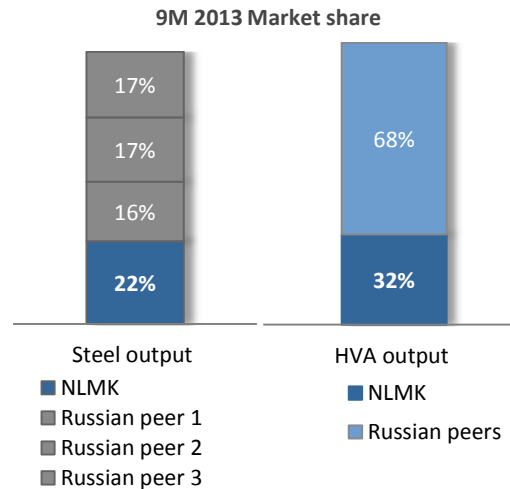


* Latest reported financials

1ST QUARTILE COST POSITION

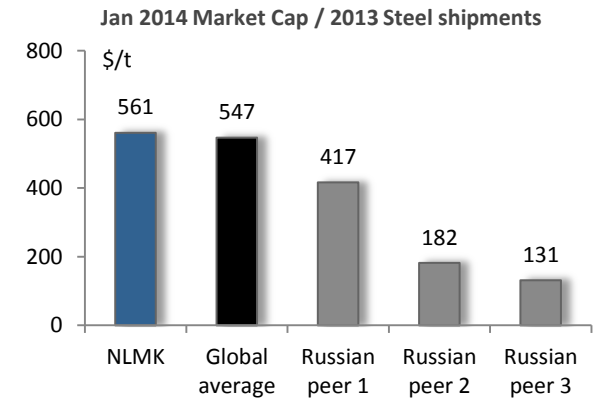


LARGEST STEEL SUPPLIER IN RUSSIA



High value added (HVA) flat steel: CR coils, coated steel, electrical steel.

HIGH QUALITY COMPANY



Source: public disclosure, Capital IQ
Global average based Bloomberg World Iron & Steel Index

Source: WSD December 2013 cost curve. Consolidated slab cash cost at NLMK Russian Flat Products, 9M13

"SUSTAINABLE GROWTH STRATEGY" 2007

- **Low cost steel platform expansion**
 - ✓ Russian Flat Products: from 9.4 m tpa to 12.4 m tpa (+40%)
 - ✓ Russian Long Products: from zero to 3.5 m tpa
 - ✓ Russian Flat Products: 100% of liquid steel can go through secondary treatment
- **Self-sufficiency in key raw materials**
 - ✓ ROM iron ore output from 26 to 30 m tpa (+20%)
 - ✓ Iron ore concentrate output from 11 to 14 m tpa (+27%)
- **Development of high value-added product portfolio**
 - ✓ 100% of increased steel output re-rolled at captive downstream assets
 - ✓ Russian Flat Products: 20% of current portfolio comprise grades developed since 2007
 - ✓ EU Plate Products: new rolling mill (Denmark), new Q&T line (Belgium)
- **Optimization of the asset structure**
 - ✓ Divested all material non-core assets: rail car operator (NTK), regional port (Tuapse), regional bank (LKB)
- **Operational efficiency and cost reduction**
 - ✓ Consistent 1st quartile cost position through the cycle
 - ✓ 60% labor productivity growth since 2007

Sustainable growth strategy 2007 -2011

Key elements of NLMK's strategy:

- Expansion based on 'profit before volume' approach ensuring sustainable growth of company's earnings
- Maximum utilization of core competitive advantages in low cost steel production
- Pursuing self-sufficiency in basic raw materials through vertical integration
- Further development of high value-added product portfolio through organic growth and downstream acquisitions
- Optimization of the asset structure; unlocking value of non-strategic assets
- Rise in efficiency and cost reduction through intensive capex program

Vladimir Lisin
UBS Conference,
September 2006

Note: all data for the period of 2007 - 2013

NLMK CORE STRENGTHS

- **Low cost position**

- One of the lowest cost steel producers globally

- **Balanced value chain**

- High degree of efficient vertical integration: from low cost raw materials and energy to distribution centers
- Low cost steelmaking in Russia connected to rolling assets close to key customers in Russia, EU, USA

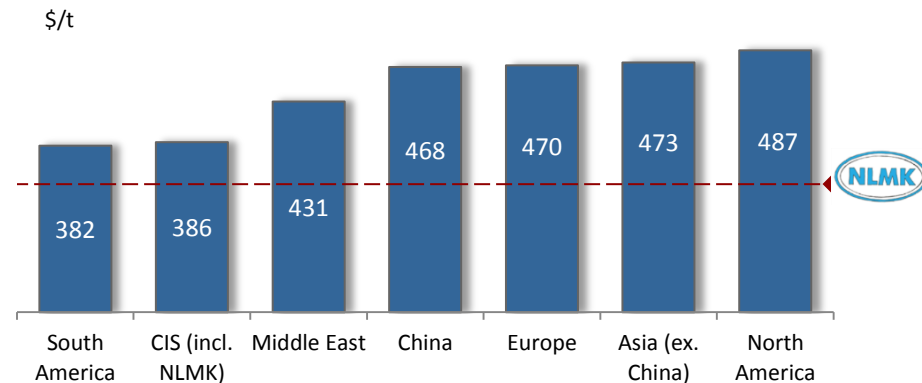
- **Diversified business model**

- Combination of integrated and scrap-based production routes: 70/30% BOF/EAF
- Diversified product portfolio (flat 85% and long 15%) with over 35% of high value added
- Broad customer base in more than 70 countries

- **Platform for long-term sustainable growth**

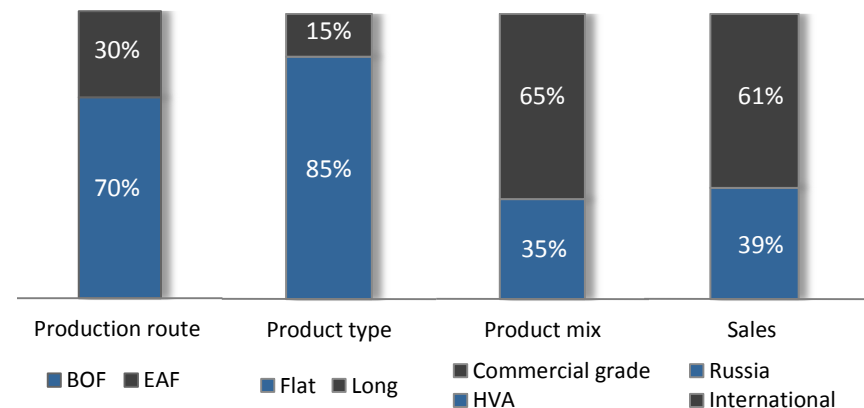
- Substantial asset investment: \$11 bn over ten years
- Scalable production chain: growth options in upstream, steelmaking and downstream
- Low capex requirement going forward

2013 SLAB PRODUCTION COST



Source: WSD December 2013 cost curve. Consolidated slab cash cost at Russian Flat Products, 9M13

DIVERSIFIED BUSINESS



Note: 2013 sales, tonnes. All numbers include NBH unless otherwise stated

GLOBAL STEEL INDUSTRY

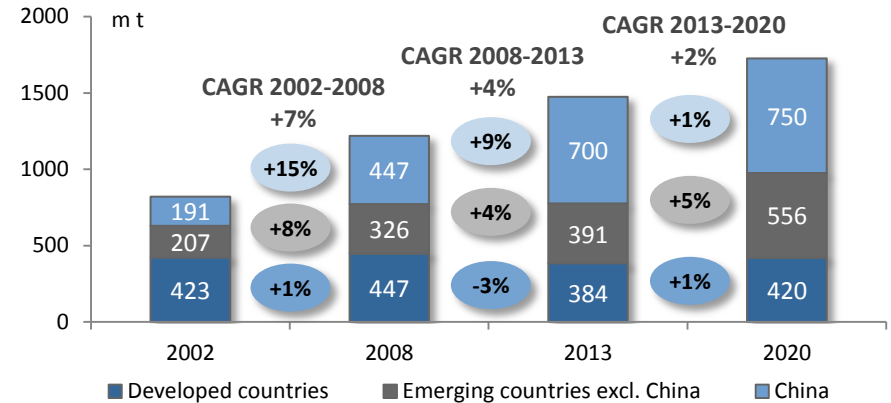
INDUSTRY TRENDS:

- Demand in developed markets stabilized, post-crisis recovery on track
- Less steel intensive growth in China
- Strong fundamentals for long-term consumption growth in emerging economies ex-China
- Global steel overcapacity
- Localization of steel demand

OPPORTUNITIES:

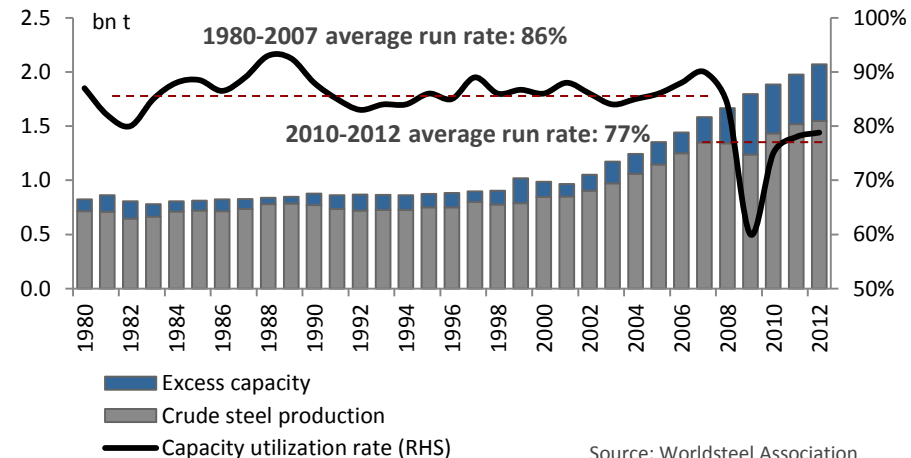
- Taking advantage of domestic growth through increasing sales to Russia and CIS
- Achieving better run rates at our US and European facilities

CHANGING PATTERN OF STEEL DEMAND



Source: Worldsteel Association

GLOBAL STEEL CAPACITY AND UTILIZATION



Source: Worldsteel Association

GLOBAL STEEL INDUSTRY (CONT.)

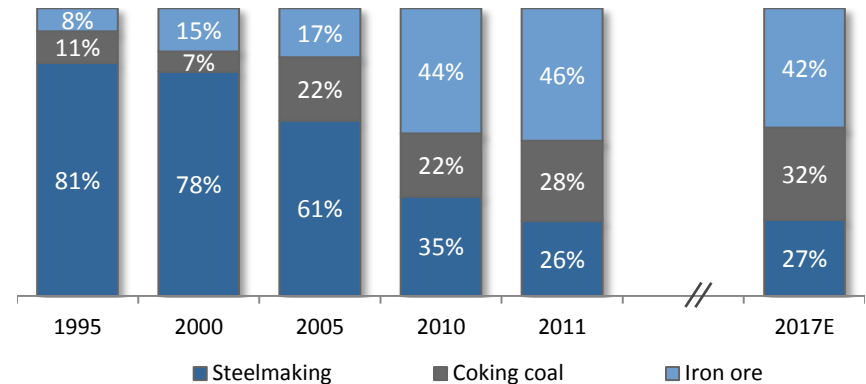
INDUSTRY TRENDS:

- Profitability has shifted from steelmaking to mining over the last decade
- Current margin distribution over the value chain is the new normal

OPPORTUNITIES:

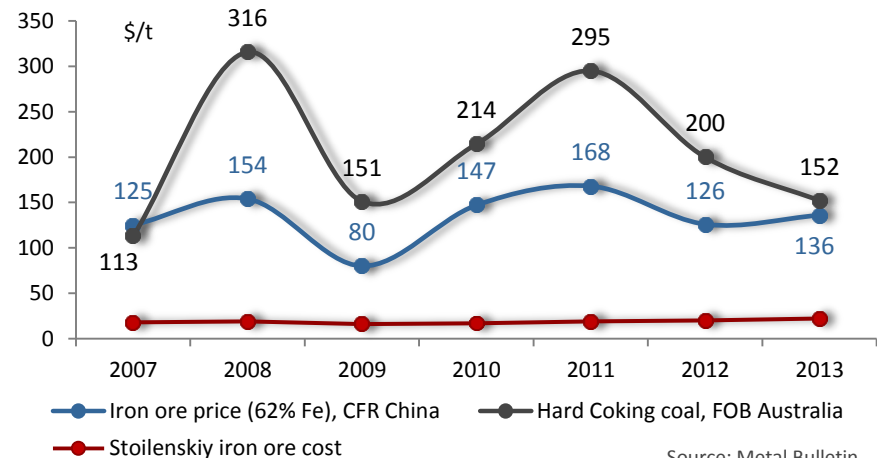
- Current raw materials pricing environment to provide support to steel prices
- Maintaining margins at existing mining assets
- Brownfield expansion of low cost iron ore mining platform to unlock value

MARGINS MIGRATED UPSTREAM



Source: McKinsey research

IRON ORE AND COKING COAL PRICE



Source: Metal Bulletin

RUSSIAN STEEL INDUSTRY

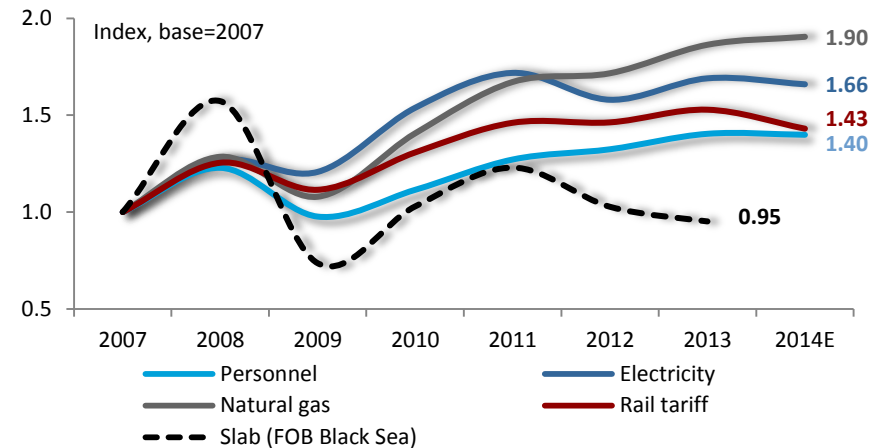
INDUSTRY TRENDS:

- Russian steel industry cost inflation decelerates
- Freeze of utilities and transportation tariffs
- Weaker currency

OPPORTUNITIES:

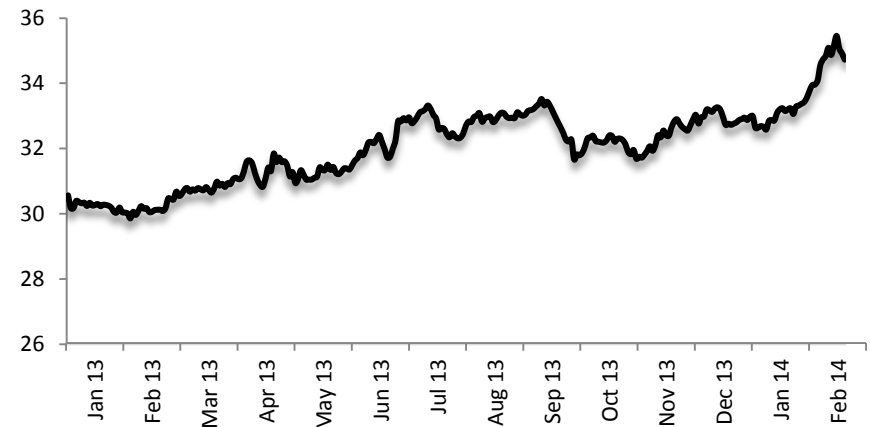
- Significant potential for operational efficiency gains at newly expanded and upgraded facilities
- Larger footprint and higher vertical integration create economies of scale

RUSSIAN STEEL INPUT COSTS*



Source: Company data. * Indexes are calculated in dollar base

RUB/US\$ FX RATE



Source: Bloomberg

STRATEGY 2017: SECURING FUTURE LEADERSHIP



1

Leadership in operational efficiency

- Achieve best-in-class operational efficiency standards across production chain

2

World-class resource base

- Scale up efficient iron ore mining platform
- Reduce consumption of expensive resources

3

Leading positions in strategic markets

- Increase market share in Russia/CIS
- Improve utilization rates at the US and European facilities

4

Leadership in sustainability & safety

- Minimize environmental footprint
- Promote safe operating practices
- Develop motivated and engaged workforce

CHAIRMAN REMARKS

- NLMK responds to industry challenges and consistently delivers on its strategy
- Changing landscape of the steel industry will widen the gap between leaders and laggards
- NLMK has preserved competitive advantages and built a platform for further sustainable growth
- NLMK aims to strengthen its leadership by executing the next phase of its strategy



EXECUTION IS KEY

Oleg Bagrin

Chief Executive Officer

1

Leadership in operational efficiency

Russian Mining

Russian Flat Products

Russian Long Products

EU Strip Products

EU Plate Products

US Plate Products

2

World-class resource base

MEN AT WORK

MANAGEMENT INITIATIVES

- Operational efficiency programs initiated in all divisions
- Zero or nominal capital spending
- 600 initiatives in the portfolio covering process technology, energy consumption, procurement and labor productivity
- Multiplier effects due to assets scale and tight integration

3

Leading positions in strategic markets

\$

INVESTMENT PROJECTS

- 100 projects in the portfolio
- Initiation at divisional level, approval and regular monitoring by the Board Strategy Committee
- Trough market assumptions backing feasibility studies
- Hurdles of 20% IRR, low sensitivity of returns to market factors and execution flexibility

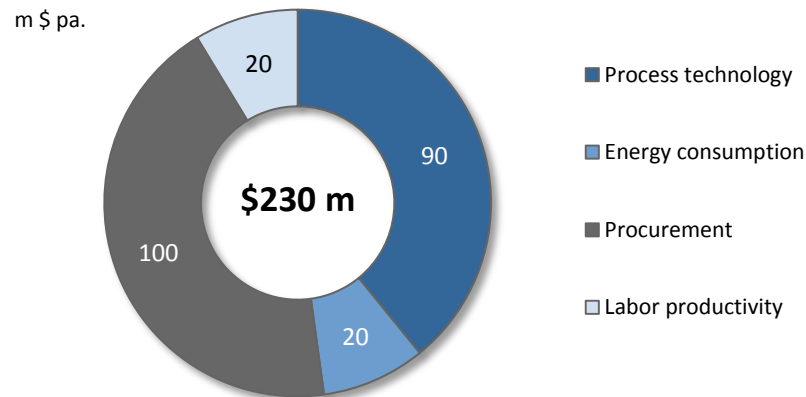
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Leadership in sustainability & safety



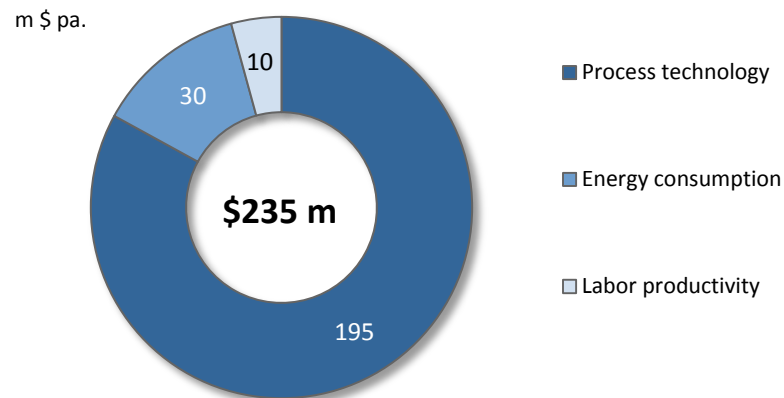
- **NLMK Production System: single process for all operations**
 - Roll-out at all divisions, sites and production processes
 - Affects process technology, equipment and practices
 - Clear cost, productivity and quality targets
 - Continuous process monitoring and control
 - Lean manufacturing tools
 - Incentivizing and engaging personnel
 - On-site training programs
- **Efficiency improvement reinforced by management systems**
 - Financial controls
 - MBO and remuneration
- **Streamlining corporate processes**
 - Centralized procurement and supplier management
 - Rationalizing and outsourcing support functions
- **Efficiency program tried and tested in 2013 with achieved structural savings of \$235 m pa.**
- **Additional cost savings of \$230 m pa. targeted by 2018**

TARGETED COST SAVINGS 2018 VS 2013*



*Including NBH savings of \$20 m

COST SAVINGS REALIZED IN 2013**



**Including NBH savings of \$15 m



- **Portfolio of small to medium-size efficiency projects across the production chain**

- Reducing conversion costs and rework
- Increasing labor productivity (NLMK Europe)
- Reducing external processing cost (NLMK Europe)

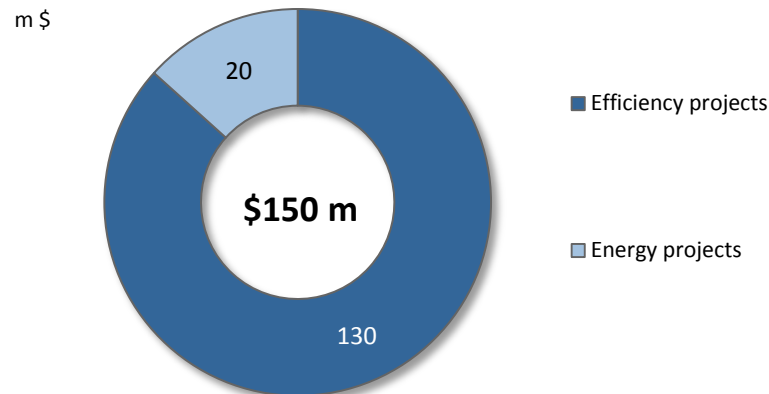
- **Reducing energy consumption**

- Targeted reduction in Russian Flat Products from 5.9 Gcal/t to 5.7 Gcal/t

- **Option to increase in-house energy generation in Russian Flat Products**

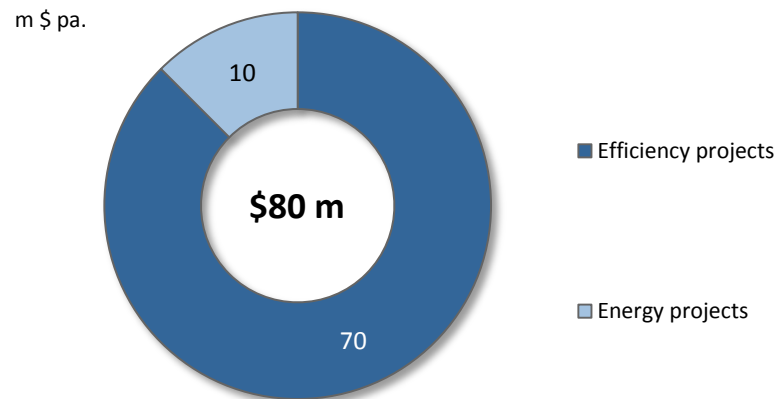
- Potential to increase energy self-sufficiency from 50% in 2013 to 70%
- Additional projects may be implemented if Russian energy tariffs growth restarts

REQUIRED CAPEX*



* Including NBH capex of \$60 m

TARGETED ANNUAL NET GAINS 2018 VS 2013**



** Including NBH effect of \$30 m



- **Restructuring program in implementation since 2009**

- Change in asset structure and full transition to a re-rolling model
- Consistent cost reduction

- **EU Flat Products**

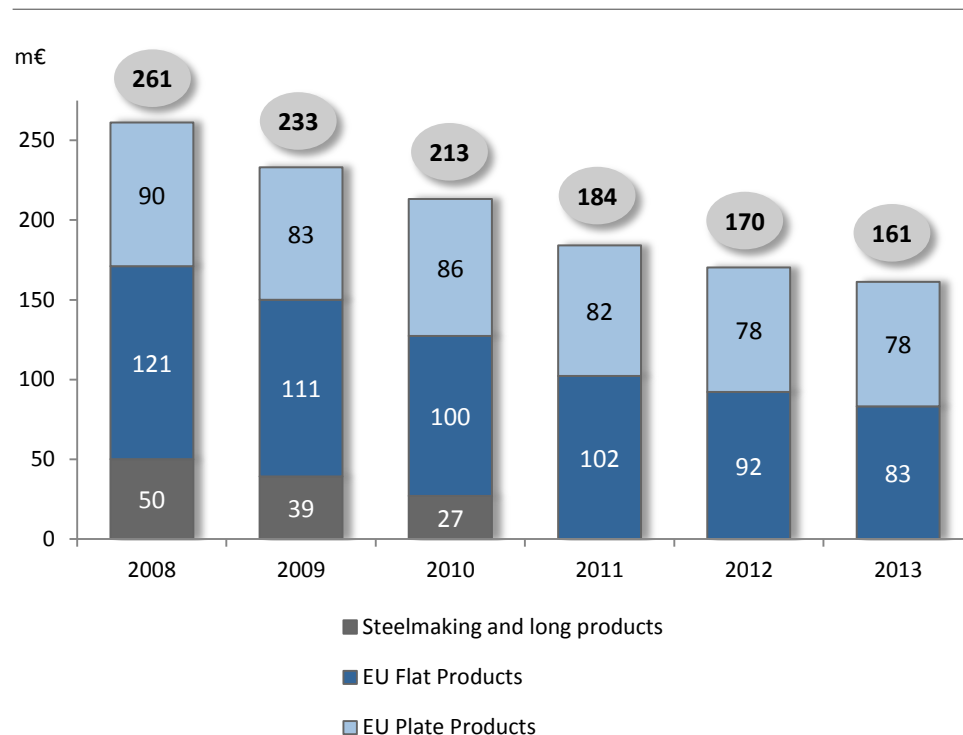
Union Agreement (March 2013)

- Headcount reduction by 30%
- Structural cost reduction of \$30 m pa.

- **Sale of 20.5% stake in EU assets (NBH)* to a Belgian state-owned company, SOGEPA, for \$123 m**

- **Restructuring process started at EU Plate Products**

NLMK EUROPE** FIXED COSTS

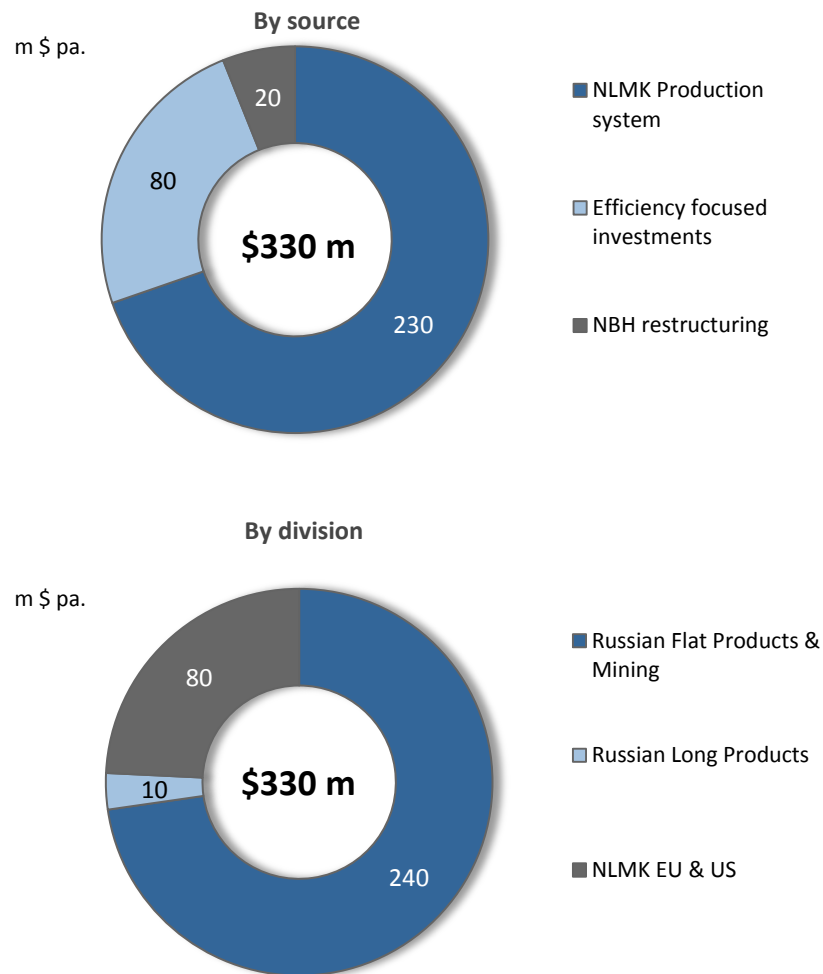


** NLMK Europe = EU Plate Products + EU Flat Products

* NLMK Belgium Holdings (NBH) comprises NLMK La Louvière (Belgium), NLMK Coating (France), NLMK Strasbourg (France), NLMK Clabecq (Belgium), NLMK Verona (Italy) and a network of service centres. SOGEPA stands for Societe Wallonne de Gestion et de Participations S.A.

- 100% rollout of NLMK Production System
- Investment projects in the portfolio: >80
- Required capex: \$150 m
- Management initiatives in the portfolio: 600
- Net gains targeted in 2018: + \$330 m pa.
- Reduction of slab cost* targeted in 2018: -\$12/t vs. 2013

TARGETED ANNUAL NET GAINS 2018 VS 2013**



* Hereinafter cost of slab is consolidated cash cost of slab at Russian Flat Products

**Including NBH effect of \$70 m.

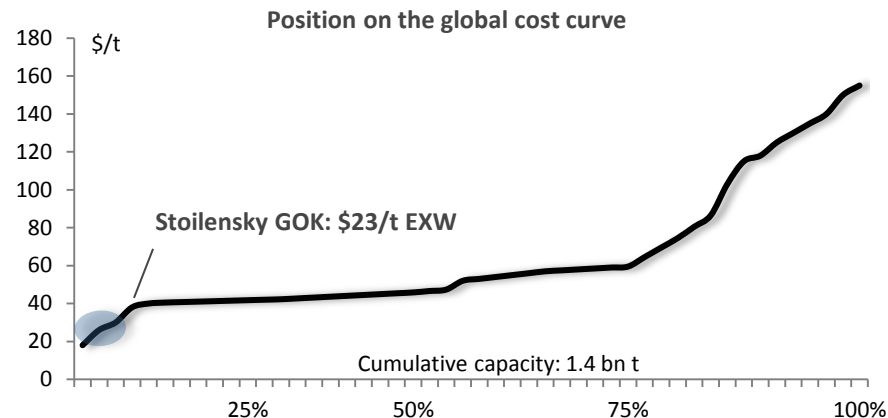
World class resource base

- **Upstream integration value drivers**
 - Low cost position on the global cost curve
 - Development capex below industry average
 - Low maintenance capex
- **Stoilensky GOK contributes to long term value creation**
 - One of the lowest cost mining operations globally
 - Potential for efficient brownfield expansion
- **Coking coal greenfields remain a long-term option in the current pricing environment**
 - Zhernovsky-1 deposit (4.5 m tpa of HCC/SHCC)
 - Usinsky-3 deposit (4.5 m tpa of HCC)

ONLY EFFICIENT UPSTREAM INTEGRATION CREATES VALUE

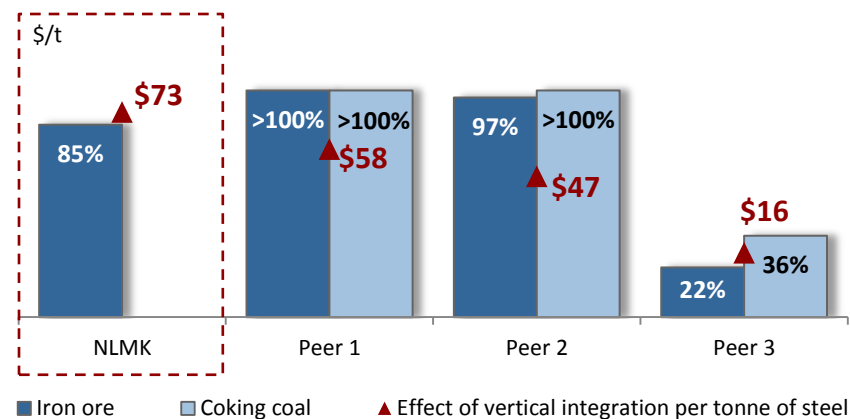


2013 IRON ORE PRODUCTION COSTS



Source: Bloomberg industries. Iron ore concentrate cash cost.

UPSTREAM INTEGRATION EFFECT



Source: Company estimates. Based on 2013 steel cash cost and average raw materials prices. Iron ore and coking coal self-sufficiency % calculated as a ratio of total production to total consumption.



- **Pelletizing plant construction**

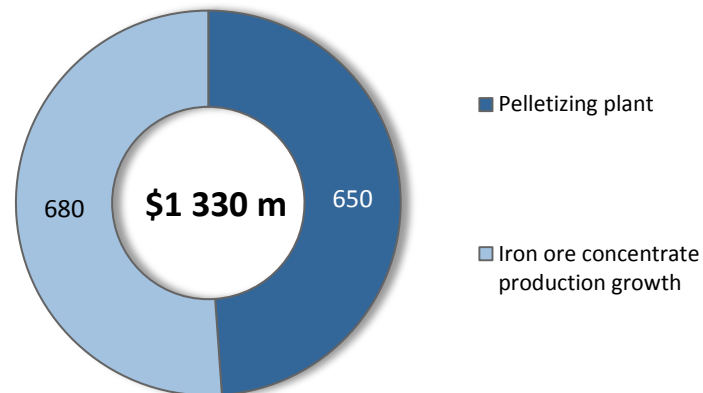
- Iron ore pellets production of 6 m tpa with expansion potential to 7.2 m tpa
- 100% of increased output will be consumed internally resulting in a balanced value chain
- Launch: 2016

- **Iron ore concentrate production growth**

- Operational improvements and debottlenecking: +0.5-1.0 m tpa of concentrate, 2014-2015
- ROM iron ore output: +12 m tpa (to 42 m tpa)
- New beneficiation facility: +5.0 m tpa (to 19.5 m tpa)
- Launch: 2017-2018

TOTAL REQUIRED CAPEX 2014-2017*

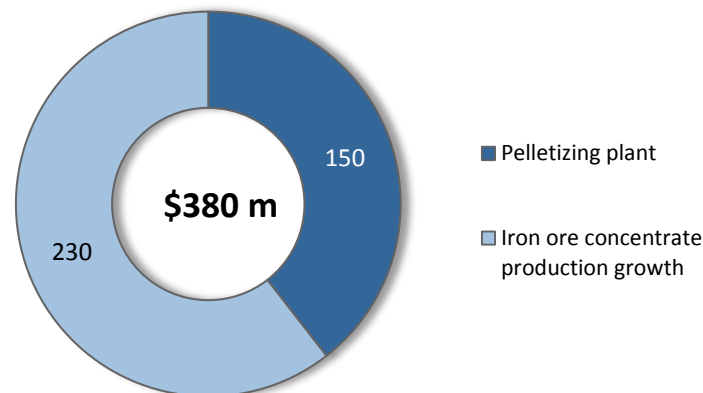
m \$



* Does not include \$160 m invested in 2013.
Includes tails treatment facilities capex of \$110 m.

TARGETED ANNUAL NET GAINS 2018 VS 2013

m \$ pa.





UTILIZING ALTERNATIVE RESOURCES AND TECHNOLOGIES



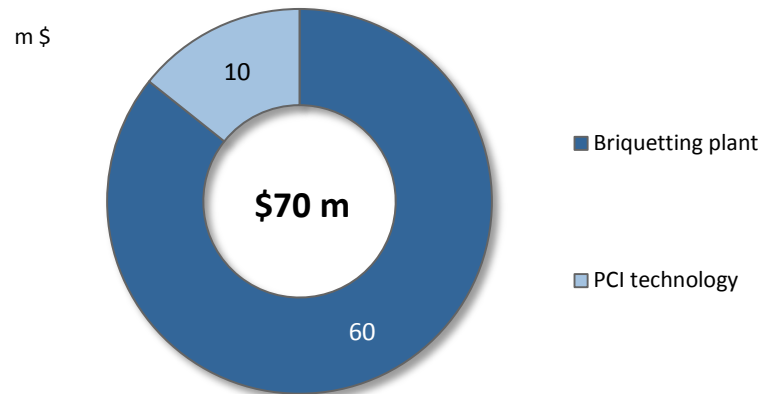
IRON ORE AND SCRAP

- **Iron briquetting plant**
 - Recycling of accumulated iron-rich waste
 - Substitution of pellets feed by 0.5 m tpa
 - Launch: 2017
- **Substituting scrap by other metallics**
 - Increasing internal consumption of pig iron and recycled slag

COKE AND FUEL

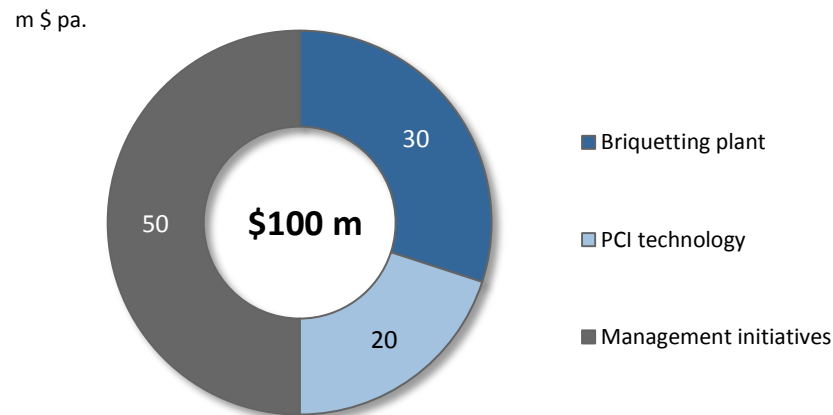
- **PCI technology rollout**
 - Will cover 50% of Russian BF operations in 2014 with option to expand to 100%
 - Reduction of coke consumption by 20%, natural gas consumption by 50%
- **Coke quality improvements**
- **Zero imported coking coal consumption**

TOTAL REQUIRED CAPEX 2014-2017*



* Does not include \$100 m invested as of the end of 2013

TARGETED ANNUAL NET GAINS 2018 VS 2013

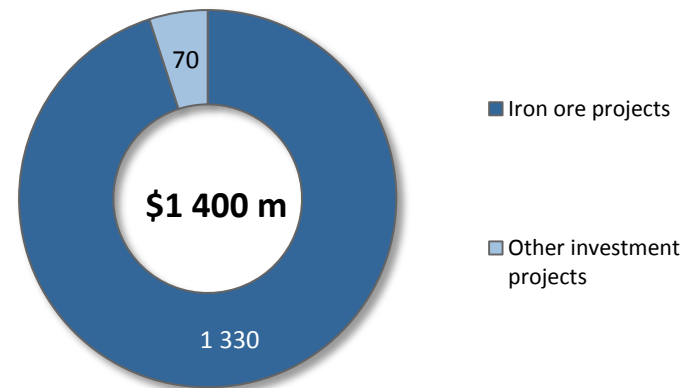


STRATEGY OBJECTIVES (RESOURCES)

- **100% self-sufficiency in iron ore concentrate and pellets with a flexible feed structure**
 - ROM iron ore output: 42 m tpa
 - Iron ore concentrate: 19.5 m tpa
 - Pellets: 6 m tpa
- **Investment projects in the portfolio: 5**
- **Required capex: \$1 400 m**
- **Management initiatives in the portfolio: 30**
- **Net gains targeted in 2018: + \$480 m pa.**
- **Reduction of slab cost targeted in 2018: - \$36/t vs. 2013**

TOTAL REQUIRED CAPEX 2014-2017*

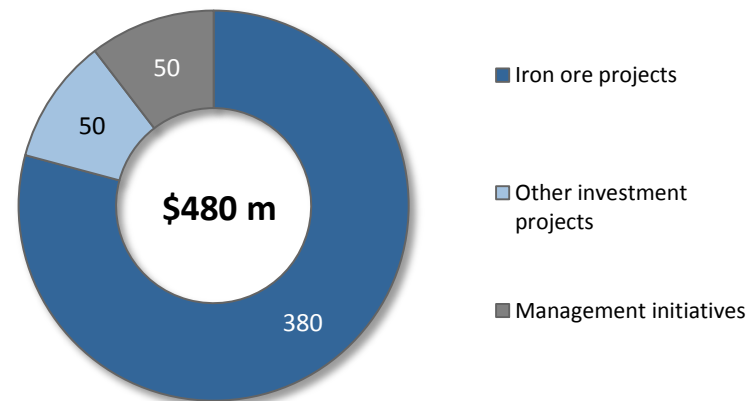
m \$



* Does not include \$260 m invested as of the end of 2013

TARGETED ANNUAL NET GAINS 2018 VS 2013

m \$ pa.



Leading positions in strategic markets



GAINING MARKET SHARE IN RUSSIA



- NLMK is well positioned in the Russian market**

- Largest steel producer with 22% market share
- Exposure to growing sectors: construction (77%), pipe and tubes (13%)
- Leading supplier of value-added products: 32% share of HVA products market

- Russian Flat Products:**

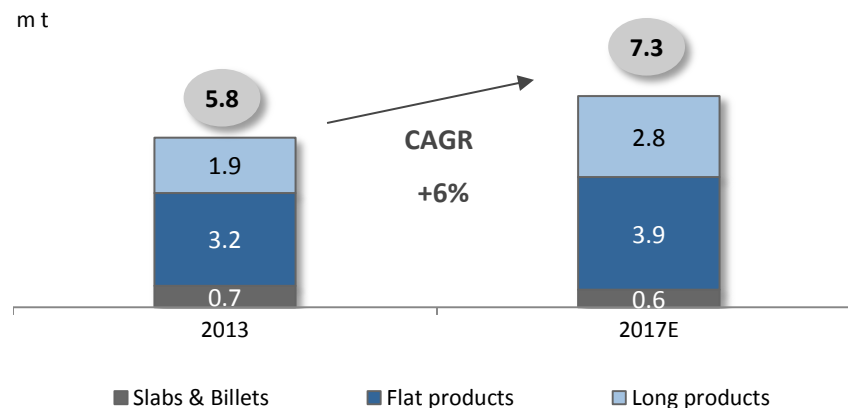
- HDG: +0.12 m tpa through an upgrade in 2015
- CRC: quality improvement targeting automotive and white goods industry
- Launch of high permeability transformer steel
- Shifting finished products exports to domestic market

- Russian Long Products:**

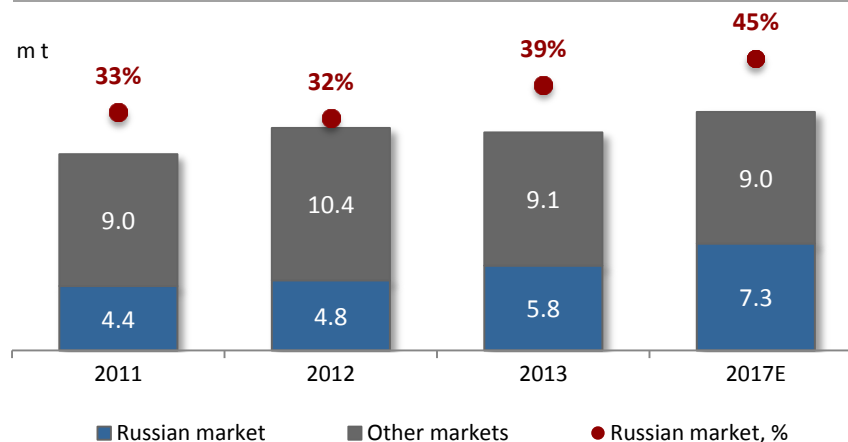
- Full ramp-up of NLMK Kaluga mini-mill
- Product mix expansion in metalware and other value added products

- Developing service and distribution network**

SALES TO THE RUSSIAN MARKET



TOTAL STEEL PRODUCTS SALES





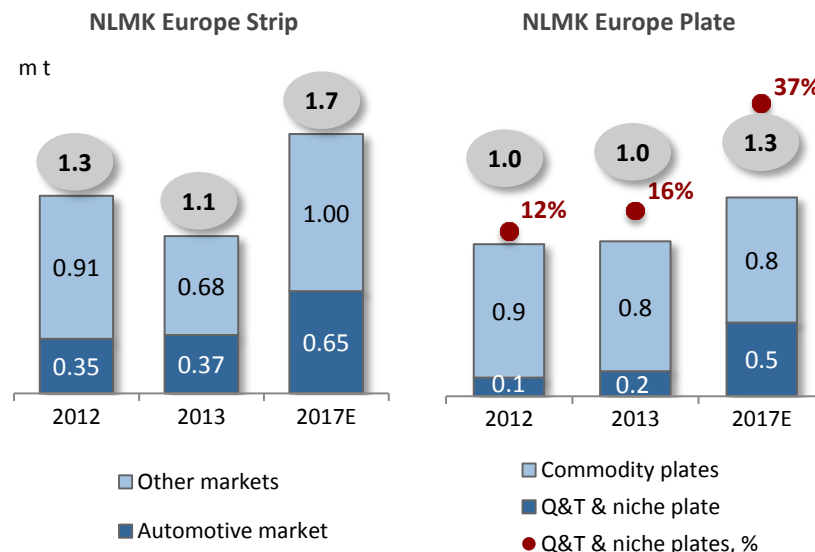
- Improving utilization rates at the international assets

- EU Plate Products: ramp-up of newly upgraded rolling capacity at NLMK Dansteel (0.45 m tpa)
- EU Flat Products: restructuring completed, sales growth to be supported by competitive slabs supplies from Russian Flat Products

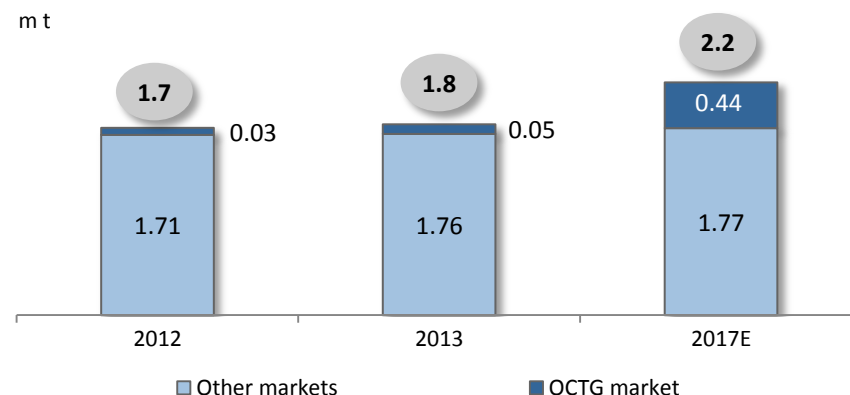
- Product development and distribution network growth

- EU Plate Products: Q&T and niche plate sales growth (e.g. offshore platforms and wind turbines)
- EU Flat Products: automotive sales growth
- US Flat Products: OCTG sales growth

NLMK EUROPE SALES



NLMK USA SALES



Leading positions in strategic markets

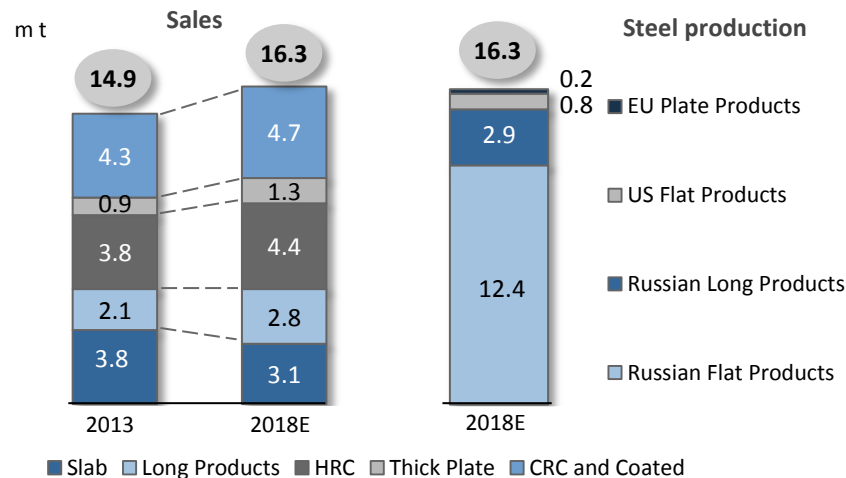
- **Steel production: 16.3 m t vs 15.5 m t in 2013**
- **Steel products sales: 16.3 m t vs 14.9 m t 2013**
- **HVA* products share: 40% vs. 35% in 2013**
- **Sales to Russian market: 45% vs. 39% in 2013**
- **Investment projects in the portfolio: 15**
- **Required capex: \$50m**
- **Net gains targeted in 2018: +\$190 m pa.**

* HVA stands for high value added products that include thick plates, cold-rolled and coated steel, electrical steel and metalware.

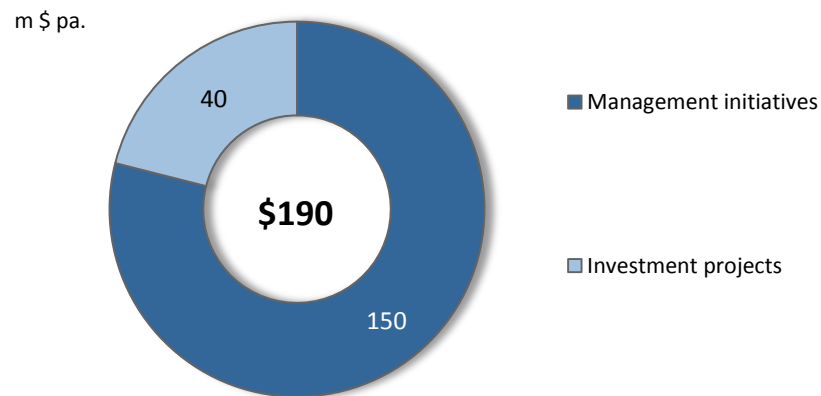
STRATEGY OBJECTIVES (MARKETS)



SALES AND PRODUCTION



TARGETED ANNUAL NET GAINS 2018 VS 2013*



* Including NBH effect of \$100 m

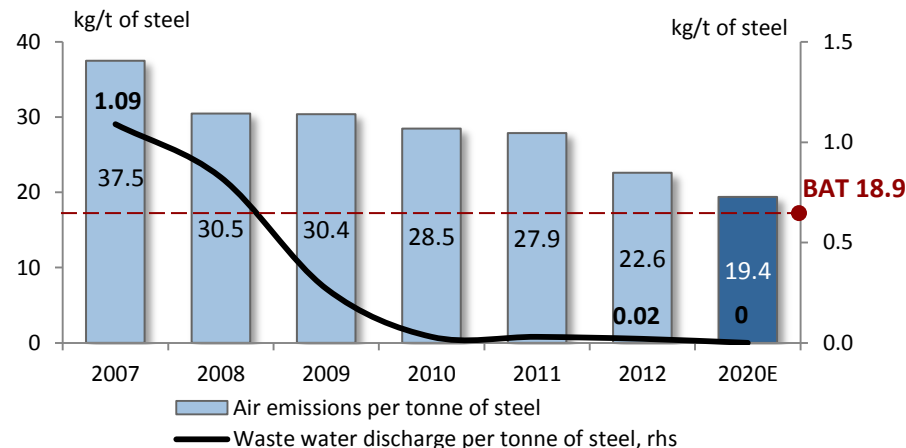


MINIMIZE ENVIRONMENTAL FOOTPRINT



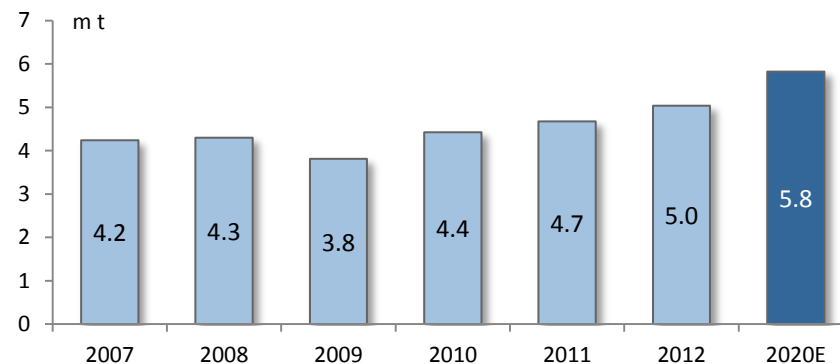
- **NLMK has a track record of environmental footprint reduction**
- **Since 2007:**
 - Air emissions reduced by 40%
 - Water consumption declined by 60%
 - Zero waste water discharge at Lipetsk site
 - Waste utilization increased by 20% to 95%
- **Long-term environmental program extends to 2020**
 - Air emissions to decline to 19.4 kg/t vs. BAT of 18.9 kg/t
 - Zero waste water discharge at all production sites
 - Waste utilization to exceed 95%
 - Full utilization of accumulated waste at Russian steelmaking sites

AIR EMISSIONS AND WASTE WATER DISCHARGE



Note: NLMK Russia average. BAT = "Best available technology".

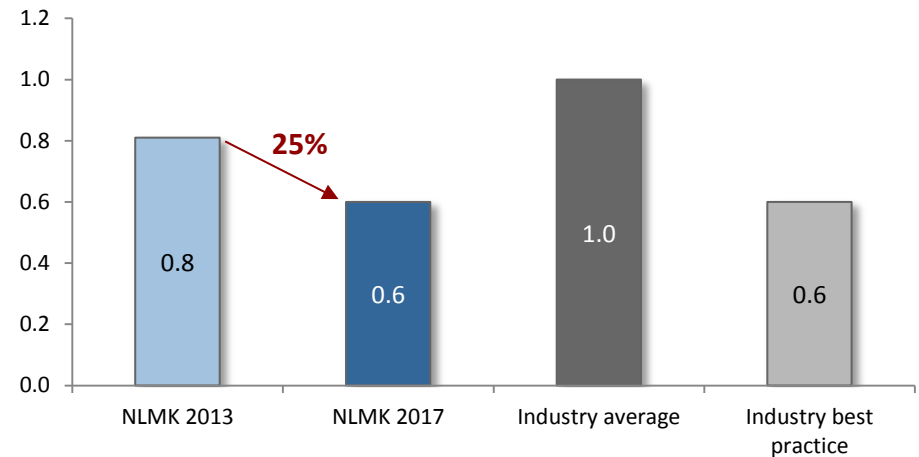
WASTE UTILIZATION AT NLMK RUSSIA





- **Full compliance of production processes with the best industry health and safety standards**
 - Providing clean, safe and healthy working conditions for the employees
 - Proactive management of risks to life and health of employees and contractors
 - Improvement of employees' H&S awareness, competence and motivation
- **Focus on health and safety at all levels**
 - H&S function at the corporate level to ensure consistency of H&S practices
 - H&S programs and initiatives at all sites
- **Objectives:**
 - Fatality-free operations
 - 25% reduction of LTIFR by 2018 vs. 2013 to reach industry best practice level

LTIFR* FOR RUSSIAN FLAT PRODUCTS



* Lost Time Injury Frequency Rate



- **Attraction and retention of talent**

- Working closely with educational centers: 2 000 interns per year
- Professional training programs for 50% of workforce every year

- **Building strong management team**

- Continuous management assessment and training
- MBO to cover Top 500 in 2014 and Top 1000 in 2015

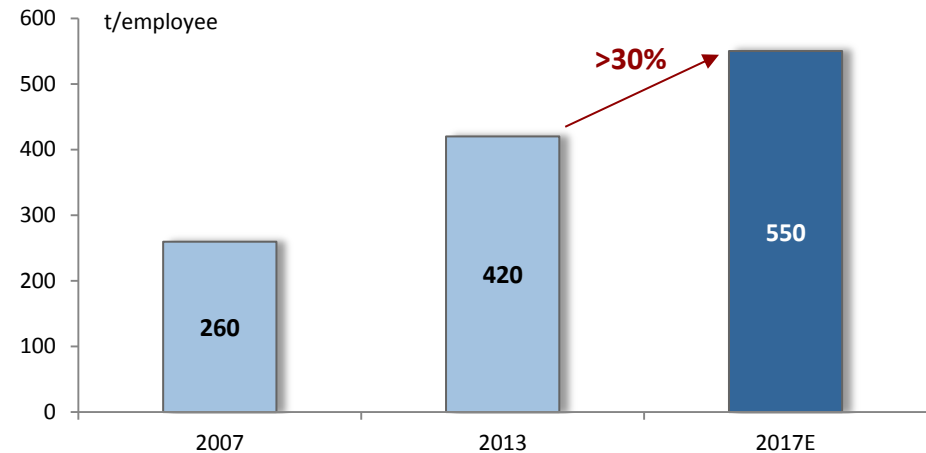
- **Ensure objective appraisal and equal career opportunities**

- Professional assessment covers 5 000 employees in 2013
- 360° feedback to cover 100% of senior and line management by 2015

- **Industry leadership in labor efficiency**

- Targeting labor productivity growth of more than 30% in 2014-2017

LABOUR PRODUCTIVITY GROWTH*



*Russian Flat Products

CEO REMARKS



- **Strategy 2017 has a modular structure combining large number of management initiatives and investment projects across all divisions**
- **Strategy pursues the following key objectives:**
 - ① **Leadership in operational efficiency:**
achieving industry best standards in operational efficiency and quality of business processes
 - ② **World class resource base:**
brownfield expansion of the low cost iron ore platform, reducing consumption of expensive resources
 - ③ **Leading positions in strategic markets:**
improving utilization of the newly-built and upgraded facilities, increasing market share in growth segments
 - ④ **Leadership in sustainability and safety:**
continuing to reduce environmental footprint, renewed focus on industrial safety and human capital development





NUMBERS MATTER

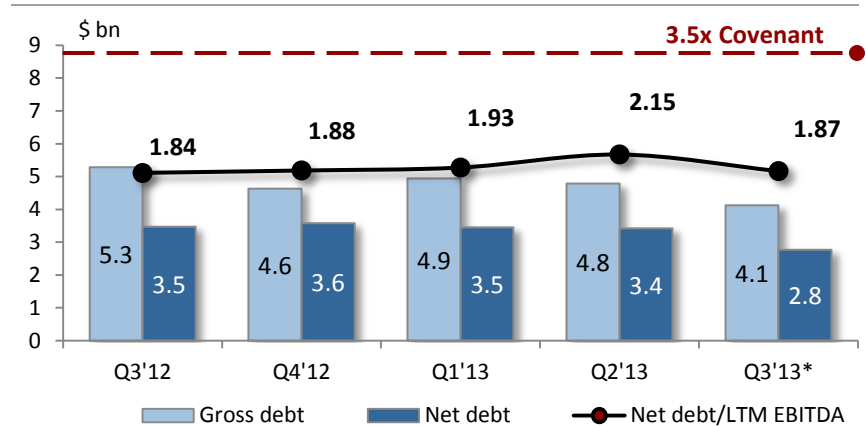
Grigory Fedorishin

Chief Financial Officer

SOLID FINANCIAL STANDING

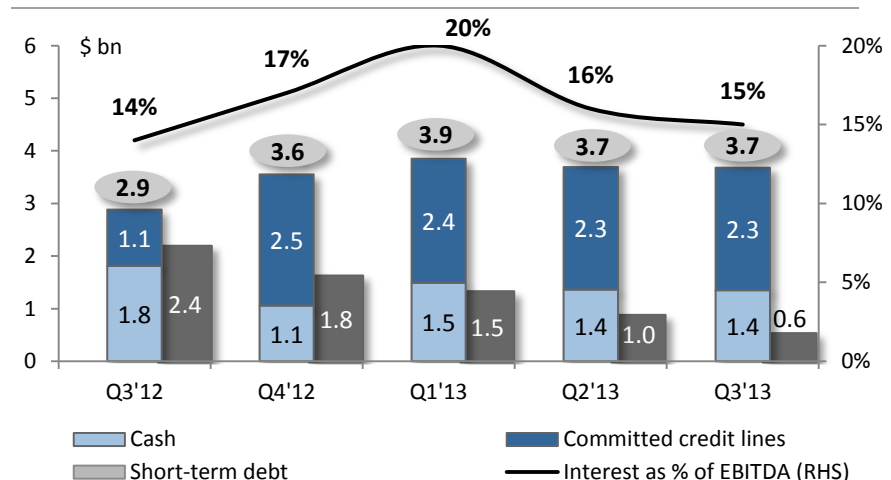
- **Maintaining leverage at comfortable level**
 - Net debt/EBITDA of 1.9x one of the lowest in the industry
 - Deleveraging remains a priority
 - Targeting positive free cash flow on a quarterly basis
- **Substantial liquidity cushion vs. debt service**
 - Cash at hand and credit lines comfortably cover short-term debt
 - Low financing costs
- **Investment grade credit rating from two agencies**

FINANCIAL DEBT



* NBH debt deconsolidated from Q3 2013

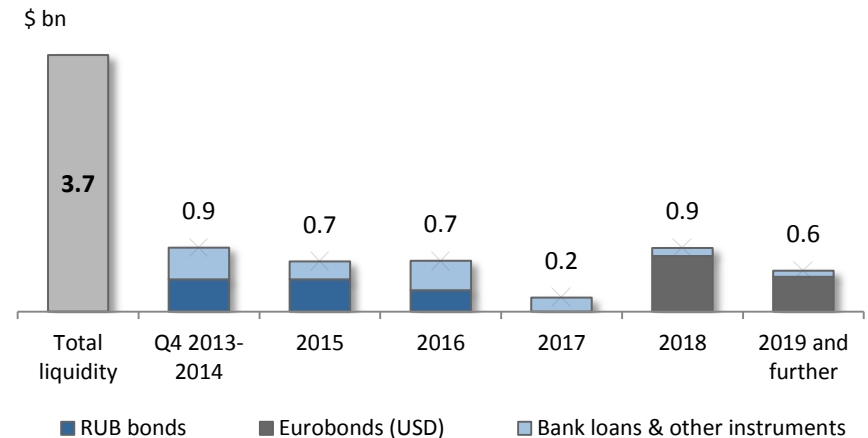
AVAILABLE LIQUIDITY



SOLID FINANCIAL STANDING (CONT.)

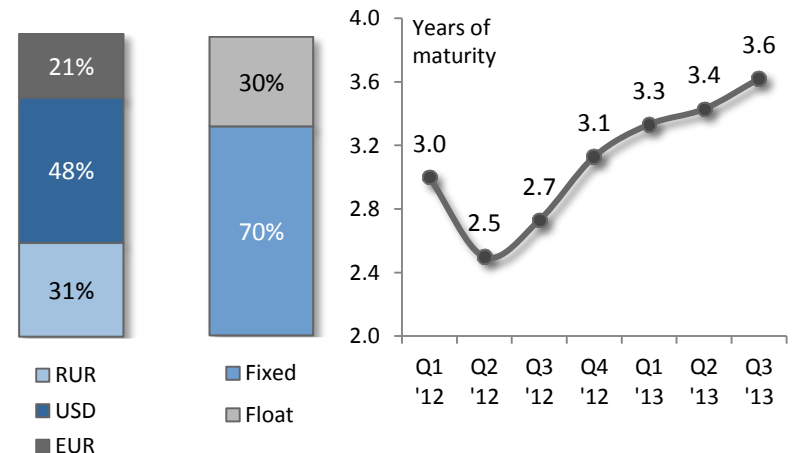
- **Comfortable debt payments schedule**
 - Long term financing of 85% of total debt
 - Weighted average debt maturity increased to 3.6 years
- **Efficient debt structure**
 - 85% of unsecured
 - 70% of fixed rate
 - Comfortable currency mix
- **Access to a variety of financial markets and instruments**

DEBT REPAYMENT SCHEDULE*



* Not including accrued interest

DEBT STRUCTURE AND MATURITY**

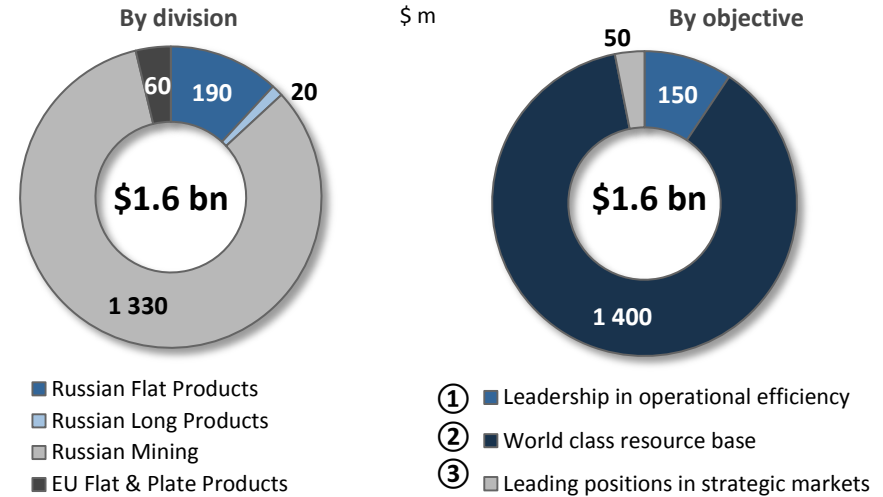


**Debt structure as at the end of Q2'13

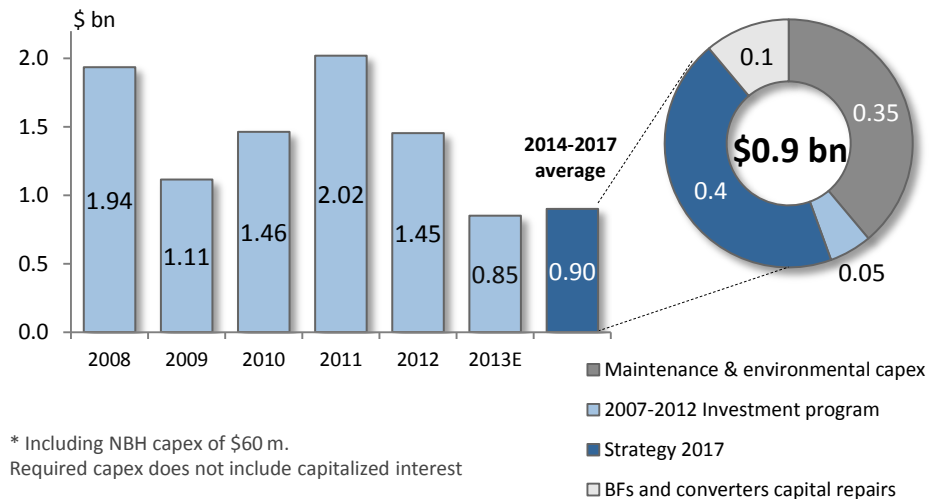
CAPEX SCHEDULE AND STRUCTURE

- **Entering less capital intensive stage**
- **Projecting average annual capex of \$900 m**
 - Total 2014-2017 capex of \$1 600 m
 - 80% is allocated to iron ore projects
 - Long-term average level of maintenance and environmental capex of \$350 m pa.
 - Capex of approx. \$100 m pa. to prepare for a one-off BF's and converters capital repair in 2018-2019
 - All 2007-2012 capex carryovers are included in 2014 spending

TOTAL REQUIRED CAPEX 2014-2017*



CAPEX HISTORY AND PROJECTIONS



STRATEGY IMPACT ON EARNINGS

- Total net gains targeted in 2018: + \$1.0 bn pa.**

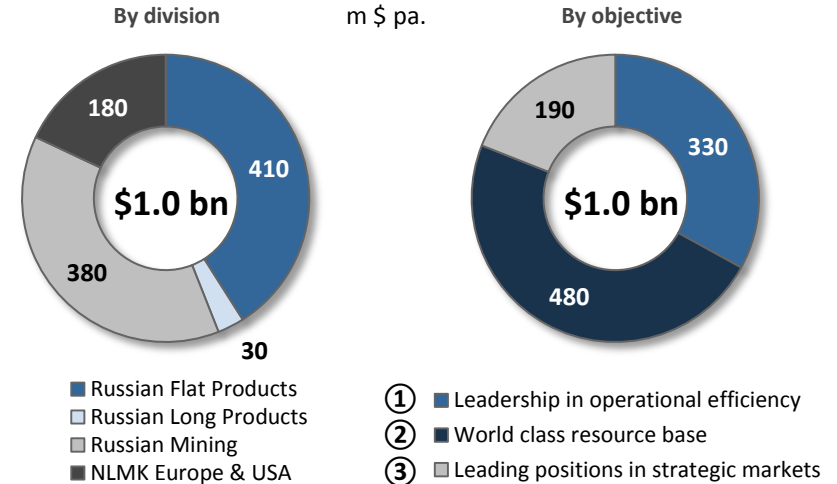
- Strategy results in improved earnings quality and lower costs
- Full structural effect to be realized by 2018
- NLMK Production System aimed to contribute \$230 m on top of \$235 m savings in 2013
- Russian Flat Products and Mining account for 80% of targeted contribution

- Slab cash cost reduction targeted in 2018: -\$45-50/t vs. 2013**

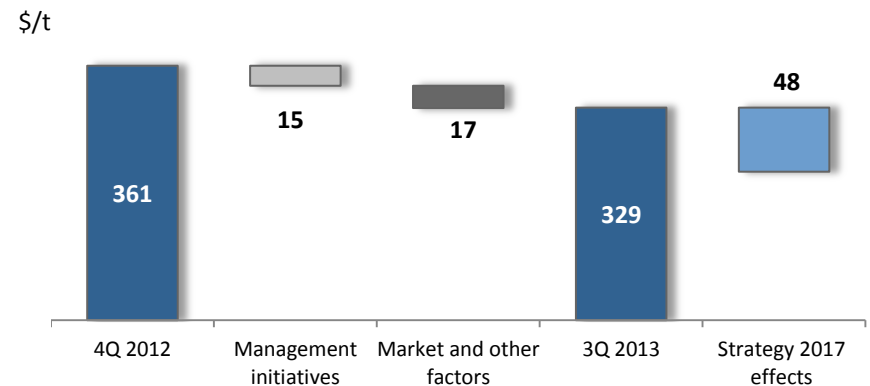
- Conservative assumptions behind projected strategy effects**

- Actual 2013 (cycle trough) steel products spreads
- No projected price improvements
- Long term iron ore price of \$110/t CFR China equals industry marginal costs
- Energy tariffs are assumed to grow with CPI

TARGETED ANNUAL NET GAINS 2018 VS 2013*



EFFECT ON SLAB COST



* Including NBH effects of \$170 m.

FINANCIAL POLICY TARGETS

- **Stronger free cash flow**

- Strategy results in better cash flow generation
- Investment portfolio can be managed depending on market conditions

- **Consistent and conservative financial policy**

- Further deleveraging is a priority
- Targeting Net Debt / EBITDA of 1.0x
- High level of available liquidity
- Financing investments through operating cash flow

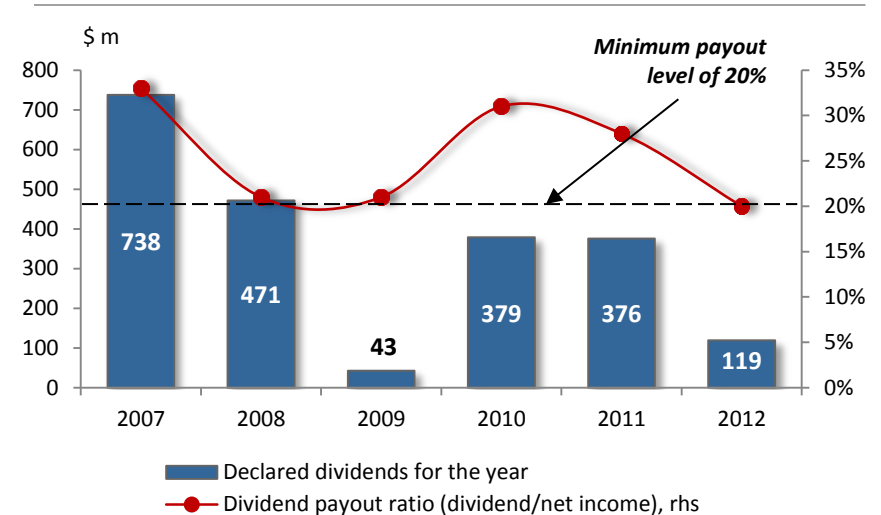
- **Commitment to investment grade credit rating**

- In constant dialogue with major credit ratings agencies

- **Clear and consistent dividend policy**

- Established track record with minimum payout of 20% of net income and average of 27% in 2007-2012
- Target average of 30% of US GAAP Net Income over 5 years

DIVIDEND HISTORY



CFO REMARKS

- Strong financial profile with substantial liquidity, low leverage and balanced debt
- Strategy 2017 is less capital intensive compared to 2007-2012
- Investment portfolio will be actively managed depending on market conditions
- Strategy 2017 is expected to contribute to better free cash flow generation
- In pursuing its strategy NLMK will continue adhering to a conservative financial policy
- Generating superior shareholder returns remains top priority



CONCLUDING REMARKS

Vladimir Lisin

Chairman of the Board of Directors



ENHANCED VALUE CREATION PLATFORM

NLMK Platform

1 Best-In-Class Growth & Profitability

- ✓ Impressive growth story
- ✓ Well invested asset base
- ✓ #1 in Russia by steel output
- ✓ 1st quartile cost position
- ✓ High EBITDA margin
- ✓ Strong history of free cash flow generation

2 Stable Financial Position

- ✓ Low leverage
- ✓ Balanced debt structure
- ✓ Substantial liquidity
- ✓ Investment grade rating

3 Consistent Dividend Policy

- ✓ >20% dividend payout
- ✓ 27% average payout in 2007-2012

4 History of Shareholder Value Creation

- ✓ One of the best total shareholder returns among steel companies
- ✓ Commitment to solid corporate governance
- ✓ Reputable board of directors



STRATEGY 2017 TARGETS

- Net gains of \$1.0 bn pa. vs. 2013
- Reduction of annual capex to \$0.9 bn pa.
- Conservative leverage: Net debt/EBITDA of 1.0x
- Stable positive free cashflow
- 30% dividend payout throughout the cycle

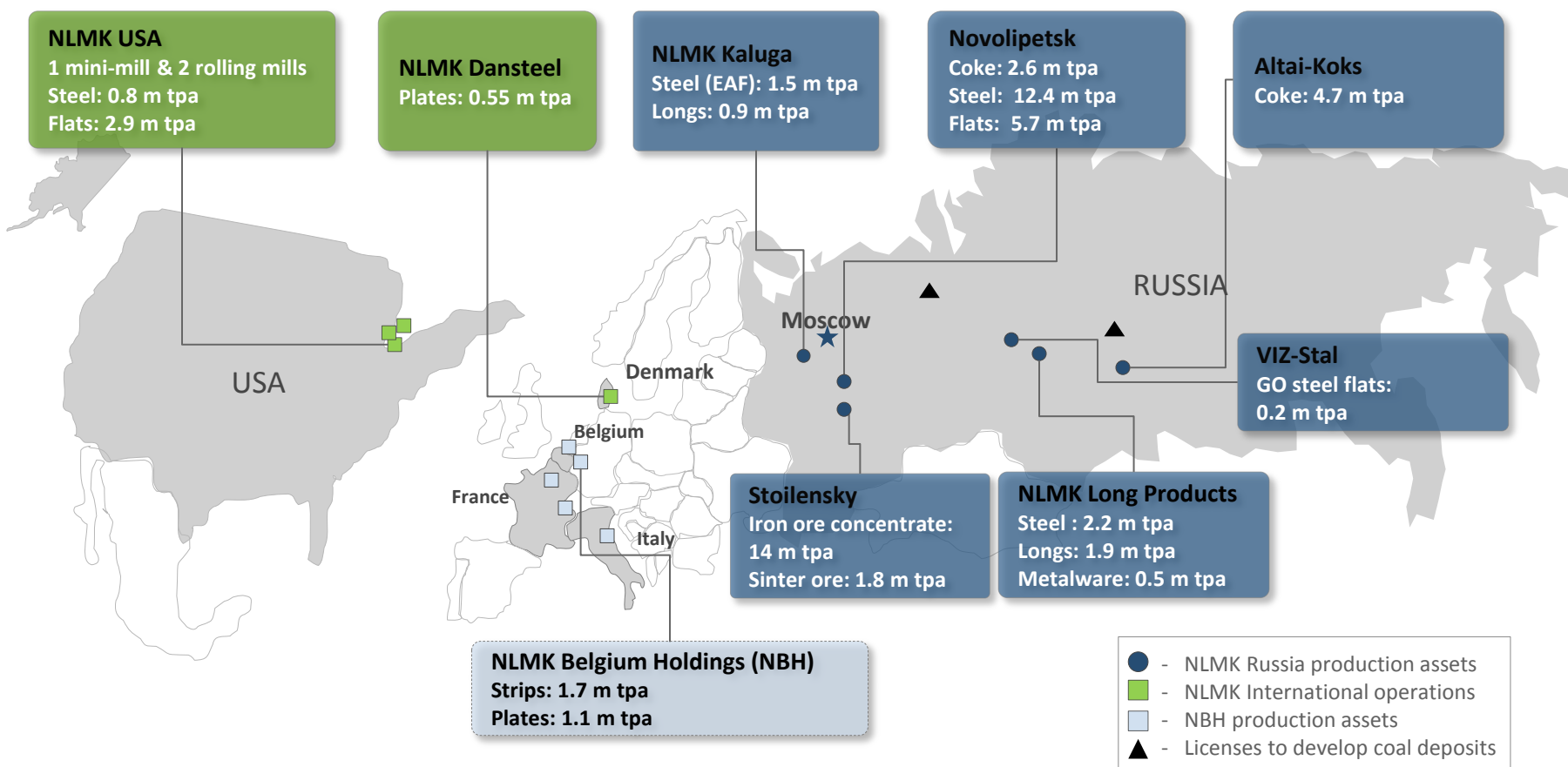
Q&A



APPENDIX



NLMK ASSET PORTFOLIO



Crude steel capacity	17.2 m t
Flat products capacity	12.2 m t
Long products capacity	3.0 m t

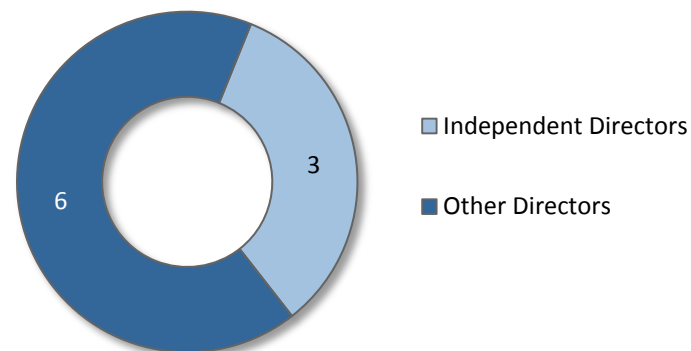
Note: Numbers represent current effective capacity

COMMITMENT TO SOLID CORPORATE GOVERNANCE



- **Experienced and involved Board**
- **Three independent directors on the Board, four non-Russian persons**
- **Board committees meet regularly**
 - Strategy Committee
 - Audit Committee
 - HR Committee
- **Corporate governance guided by international standards and follows best practices**
 - Corporate governance in compliance with OECD guidance
- **Management is focused on governance**
 - Internal controls and risk management set as a group function reporting to the Audit Committee
 - Corporate Secretary set as a group function
- **One of the industry's most transparent companies**
 - Best Financial Disclosure and Best Investor Relations in Europe and Russia
 - 2008-2013 awards include Institutional Investor and Extel Survey Awards for Best IR (Equity and Debt)

INDEPENDENT DIRECTORS ON THE BOARD



DIRECTORS' EXPERIENCE IN METAL AND MINING

