

Press release**10 November 2011****NLMK Group Q3 2011 RAS Financial Results**

NLMK (LSE: NLMK) today announces its Q3 2011 Russian Accounting Standards (RAS) financial results for its major companies¹.

Note: Russian Accounting Standards (RAS) accounting results differ materially from US GAAP accounting results and are not comparable to financial statements prepared in accordance with US GAAP. Reference should be made only to consolidated financial statements prepared in accordance with US GAAP for information with respect to NLMK Group's financial condition and results of operations to be published in November 2011.

Q3 2011 RAS Financial Results for NLMK Group,
(‘000 RUR, except for percentages)

Novolipetsk (NLMK's Parent company)

| | | | | Change, % | |
|------------------|------------|------------|------------|---------------------|---------------------|
| | Q3 2011 | Q2 2011 | Q3 2010 | Q3 2011/ Q2 2011 | Q3 2011/ Q3 2010 |
| Revenue | 57 802 797 | 60 594 089 | 47 786 514 | -4.61% | 20.96% |
| Gross profit | 11 719 601 | 15 644 036 | 12 934 071 | -25.09% | -9.39% |
| Operating profit | 6 807 351 | 10 182 539 | 8 002 040 | -33.15% | -14.93% |
| Net profit | 3 677 704 | 28 063 781 | 13 841 724 | -86.90% | -73.43% |

VIZ-Stal

| | | | | Change, % | |
|------------------|-----------|-----------|-----------|---------------------|---------------------|
| | Q3 2011 | Q2 2011 | Q3 2010 | Q3 2011/ Q2 2011 | Q3 2011/ Q3 2010 |
| Revenue | 2 532 053 | 2 182 884 | 2 400 949 | 16.00% | 5.46% |
| Gross profit | 473 258 | 320 784 | 771 419 | 47.53% | -38.65% |
| Operating profit | 173 419 | 94 913 | 562 022 | 82.71% | -69.14% |
| Net profit | 217 998 | 77 356 | 454 330 | 181.81% | -52.02% |

Stoilensky

| | | | | Change, % | |
|--------------|------------|------------|-----------|---------------------|---------------------|
| | Q3 2011 | Q2 2011 | Q3 2010 | Q3 2011/ Q2 2011 | Q3 2011/ Q3 2010 |
| Revenue | 10 773 167 | 10 818 849 | 7 338 464 | -0.42% | 46.80% |
| Gross profit | 8 271 886 | 8 311 939 | 5 277 245 | -0.48% | 56.75% |

¹ VIZ-Stal, Stoilensky, NSMMZ (key asset of our Long Products Division), and Altai-Koks

| | | | | | |
|------------------|-----------|-----------|-----------|--------|--------|
| Operating profit | 7 799 981 | 7 813 323 | 5 002 165 | -0.17% | 55.93% |
| Net profit | 7 860 004 | 6 235 328 | 3 990 387 | 26.06% | 96.97% |

NSMMZ²

| | | | | Change, % | |
|------------------|-----------|-----------|-----------|---------------------|---------------------|
| | Q3 2011 | Q2 2011 | Q3 2010 | Q3 2011/ Q2 2011 | Q3 2011/ Q3 2010 |
| Revenue | 8 500 012 | 9 612 749 | 9 277 002 | -11.58% | -8.38% |
| Gross profit | 1 267 727 | 1 252 109 | 2 192 608 | 1.25% | -42.18% |
| Operating profit | 474 184 | 119 767 | 1 235 468 | 295.92% | -61.62% |
| Net profit | -664 396 | -811 007 | -190 065 | -18.08% | 249.56% |

²NSMMZ is the key asset of NLMK's Long Products Division

Altai-Koks

| | | | | Change, % | |
|------------------|------------|------------|-----------|---------------------|---------------------|
| | Q3 2011 | Q2 2011 | Q3 2010 | Q3 2011/ Q2 2011 | Q3 2011/ Q3 2010 |
| Revenue | 10 846 165 | 10 280 286 | 7 592 289 | 5.50% | 42.86% |
| Gross profit | 1 242 247 | 2 133 579 | 1 891 574 | -41.78% | -34.33% |
| Operating profit | 701 674 | 1 446 362 | 1 762 155 | -51.49% | -60.18% |
| Net profit | 463 465 | 1 142 487 | 1 020 793 | -59.43% | -54.60% |

Key Results

- **Novolipetsk: revenue up 21% year-on-year**

Q3 sales remained largely in line with Q2 at 2.6 million tonnes (-0.5% q-o-q). Revenue reduced (-4.6%) due largely to lower average sales prices in Q3.

In year-on-year terms, revenue increased 21%, driven by higher sales volumes and prices.

Q3 gross profit dropped 25% quarter-on-quarter and 9% year-on-year, mainly as a result of a tougher pricing environment on the back of high raw material prices.

An 87% drop in net profits quarter-on-quarter can be attributed lower financial results from main activities, as well as to one-off factors reflected in the Company's Q2 financial performance (proceeds from the divestment of the Independent Transportation Company (NTK), dividends from affiliates, and adjustments to valuation provisions).

- **Improved financial performance for VIZ-Stal**

Demand for transformer steel, mainly in the export markets, drove production and sales volumes up, +3% and +9%, respectively, quarter-on-quarter. The growth in turnover in addition to a mild increase in prices in Q3 drove revenues up 16% quarter-on-quarter. Year-on-year revenue increased 5%, mainly as a result of higher sales volumes.

Operating profit increase and FX gains in Q3 had a significant impact on net profit growth (+182%) quarter-on-quarter.

- **Higher net profit for Stoilensky**

In Q3 Stoilensky's extraction and beneficiation capacities were running at 100%. Iron ore concentrate output and sales remained at Q2 levels, largely in line with blast furnace operations at the Lipetsk site, supporting high revenue throughout the reporting period.

Year-on-year revenue grew 47% on the back of higher prices and sales, as well as the launch of additional beneficiation capacities that resulted in a 2 million tonne increase in Stoilensky's total iron ore production capacity (to 14 mtpy).

FX gains as part of other income resulted in a 26% quarter-on-quarter increase in net profit.

The year-on-year improvement in Stoilensky's financials is attributable to higher sales volumes, as well as higher prices. Gross profit and operating profit were up 57% and 56% respectively.

- **Higher revenues for NSMMZ**

In Q3 billet output reduced as a result of idling one of the two Electric Arc Furnaces, contributing to lower sales volumes. Processing billets purchased from third parties allowed to partially offset the reduced steel output and, consequently, revenue (-11.6% in Q3).

Lower transportation and administrative costs resulted in higher operating profits, up 296% quarter-on-quarter.

Interest expenses due to a high level of debt was the key factor behind the Company's net loss.

- **Higher revenue for Altai-Koks**

Sales grew 8% in Q3. On the back of stable prices for finished products, this was the main factor behind revenue growth, up 5.5% quarter-on-quarter to RUR10.8 billion.

The 43% year-on-year revenue growth was supported by higher sales and prices. Altai-Koks' profit and operating profit margin decreased (-8% quarter-on-quarter) due to higher coking coal prices in Q2 and Q3.

NLMK

Investor Relations

Tel: +7 495 915 1575

Email: ir@nlmk.com