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## Press release

17 January 2018

# Q4 AND 12M 2017 NLMK GROUP TRADING UPDATE\*

**In 2017, NLMK Group steel output increased by 3% yoy to 17.1 m t. Group steelmaking capacities were running at 98%. NLMK Group sales in 2017 grew to 16.5 m t, which is 3% higher than in 2016.**

**12M 2017 highlights:**

- Steel output increased to 17.1 m t (+3% yoy) due to the growth in productivity of main equipment.
- Group sales grew by 3% yoy to 16.47 m t amid recovering demand in its home markets of Russia, Europe and the US, and growing demand in external markets.
- Sales of finished steel increased by 5% yoy to 10.8 m t, accounting for more than 65% in the Group's total sales.
- Sales in home markets reached 10.75 m t (+4% yoy), mainly supported by the 21% yoy growth in sales in the US, and the 4% yoy growth in flat steel sales in Russia to 4.4 m t. NLMK Group sales in home markets accounted for 65% of total sales (flat yoy).

**Q4 2017 highlights:**

- Crude steel output grew by 2% yoy to 4.32 m t. A 2% qoq cutback was due to the seasonal slowdown in demand for long products, and planned maintenance.
- NLMK Group sales grew by 3% qoq to 4.4 m t due to the growth of sales in external markets against the backdrop of the seasonal slowdown in demand for finished steel in Russia.
- Growth of sales compared to Q4 2016 totalled 20% driven by increased demand for flat steel in Russia and the USA as well as by intensified sales of semi-finished products in external markets.
- NLMK Group sales in its home markets totalled 2.82 m t (-1% qoq and +19% yoy). Russian sales declined by 5% qoq (+26% yoy). NLMK Group sales in home markets accounted for 65% of total sales (-2 p.p. qoq and flat yoy).

\* Hereinafter, Q4 and 12M output and sales data is preliminary and can be updated. Hereinafter NLMK Group steel output is shown taking into account NBH performance. Sales by products are shown without taking into account NBH performance. Sales to NLMK Group home markets are understood to be sales by NLMK Group companies in the regions where the products are produced in Russia, the EU and the USA.



## NLMK Group's 12M 2017 operating performance

**Steel output** grew by 3% yoy to 17.1 m t driven by higher equipment productivity at the Lipetsk site and growth of capacity utilization rates at NLMK Russia Long and NLMK USA backed by improved demand in home and external markets.

NLMK Group's steelmaking capacity utilization rate gained 3 p.p. to 98%.

**Sales** climbed 3% to 16.5 m t, supported by growth of sales to home and external markets.

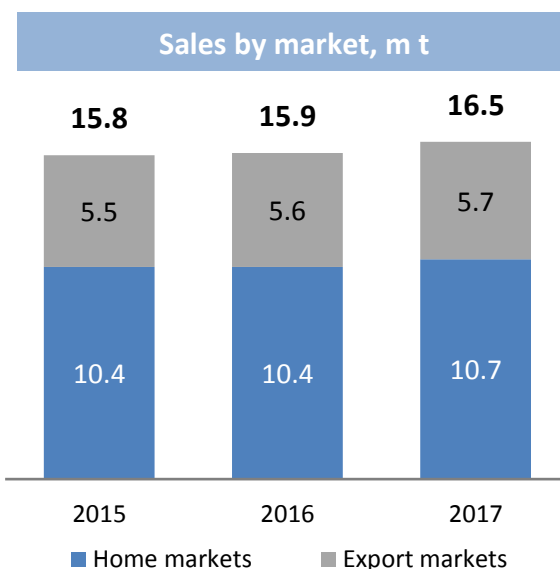
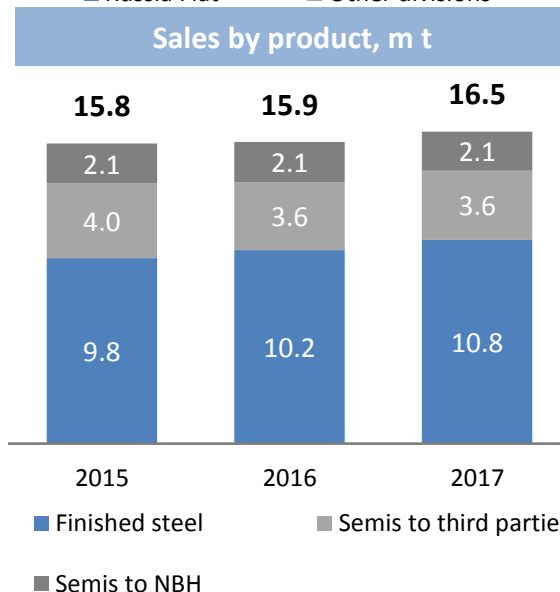
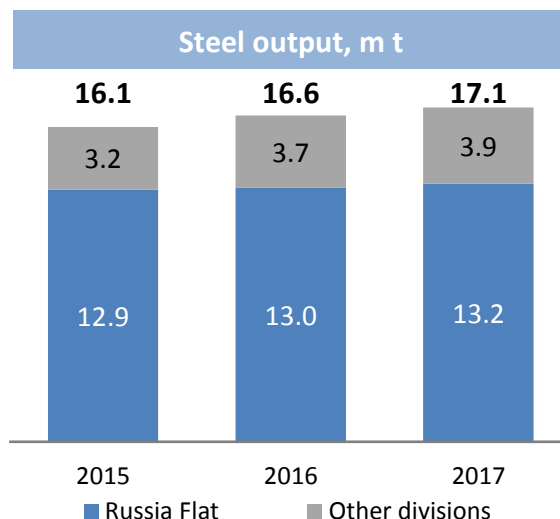
**Sales breakdown:** growth of finished product sales by 5% yoy, accounted for mainly by hot-rolled and galvanized steel. The share of finished products in total sales increased to 65% (+1 p.p. yoy).

Sales of semis to third parties grew by 1% yoy to 3.64 m t.

Slab deliveries to subsidiaries and affiliates (NBH) grew by 6% to 4.2 m t (accounting for 63% of NLMK Russia Flat's total sales, + 3 p.p.). The growth was driven by an increase in finished steel output at the Group's overseas plants.

**Sales to home markets** gained 4% to a record 10.7 m t backed by growing demand from key consumers in Russia, Europe and the US. Home sales accounted for 65% of total sales (flat yoy).

**Sales to external markets** grew to 5.7 m t (+3% yoy) due to a 17% yoy increase in export sales of pig iron.





## NLMK Group's Q4 2017 operating performance

**Steel output** decreased by 2% qoq (+2% yoy) due to the seasonal weakening in demand mainly for long products in Russia, and planned maintenance activities.

**Sales** grew by 3% qoq, driven by the increase in sales in external markets by Russian divisions, and the increase in sales in home markets by international divisions.

On a yoy basis, sales grew by 20%, driven by improved demand in all the markets where the Group operates.

**Sales breakdown:** Finished steel sales lost 6% qoq totalling 2.61 m t due to the growth of margins for export supplies of semi-finished products and seasonally lower demand for finished steel in Russia.

On a yoy basis, finished steel sales grew by 14%, supported by stronger demand in home markets.

Growth of semis sales to third parties (+21% qoq, +49% yoy) was associated with the growth in demand for billets (+70% growth of sales qoq) and slabs (+20% growth of sales qoq) in external markets.

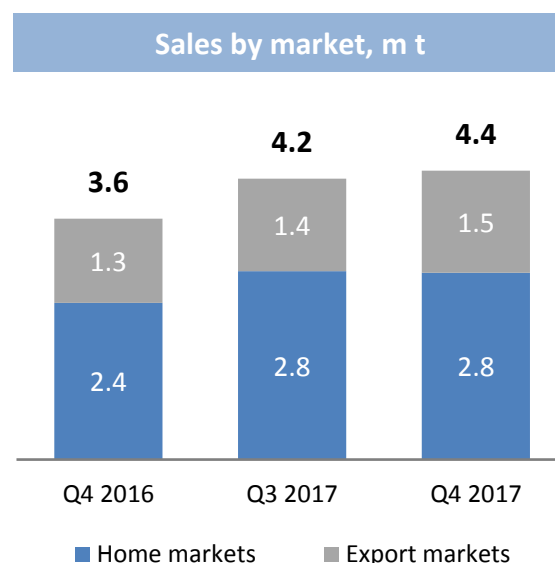
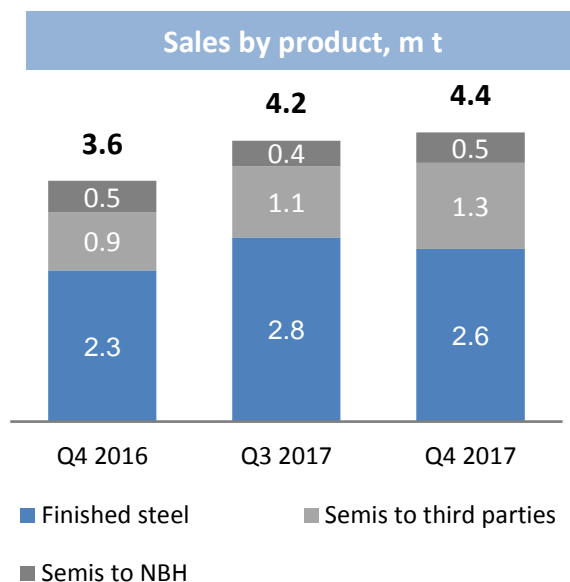
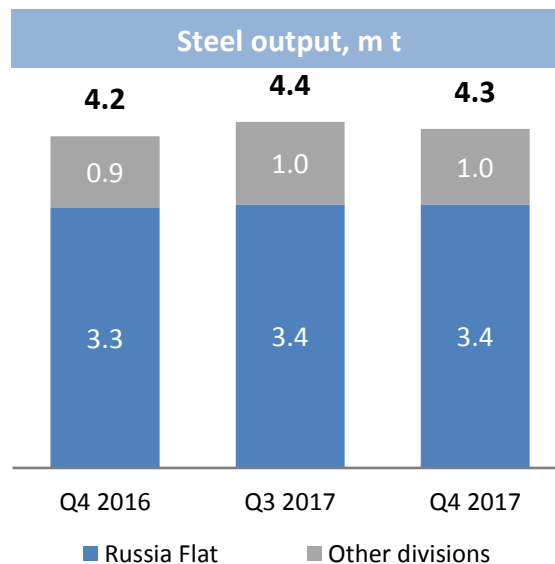
Slab supplies to associated companies (NBH) grew by 18% qoq (-5% yoy), driven by the +15% increase in NBH sales.

**The cutback in sales to home markets** (-1% qoq) to 2.82 m t, was mostly driven by the seasonal drop in buying activity in Russia.

Compared to Q4 2016, sales to home markets gained +19% yoy amid recovering demand in Russia and strong demand in the USA.

**Sales in external markets** grew by 10% qoq, against the backdrop of the seasonal decrease in demand in home markets.

The significant yoy growth of sales (+21%) was associated with the low base effect of Q4 2016.





## Price trends:

### 12M 2017

**Raw material prices** in the global market continued their upward trend:

- Global coal prices in 2017 climbed 26% yoy.
- Average iron ore prices grew by 22% yoy.

### Average steel product prices:

- Steel product prices in the US grew by 15-19% yoy backed by strong demand.
- In the EU, average prices gained 25-30% yoy.
- In the Russian market, prices in dollar terms grew by 20-30% yoy.
- Export prices (FOB Black Sea) grew by 25-35% yoy.

### Q4 2017

**Average raw material prices** in the global market:

- Average coal prices in the global market remained flat qoq (-28% yoy). That said, coal prices grew by 16% during the quarter against the background of limited supplies from Australia.
- Iron ore prices went down by 7% qoq (-8% yoy). The 15% growth throughout the quarter was supported by intensified demand for ore with high Fe content from Chinese manufacturers, aiming to maximize their output amid environmental restrictions.

### Average steel product prices:

- Steel product prices in the US dropped by 1% qoq (+7-16% yoy).
- In the EU, average prices continued to grow by 1-4% qoq (+15-20% yoy).
- In the Russian market, average prices for flat steel products in dollar terms grew by 8-13% qoq (+10-20% yoy), and average rebar prices increased by 9% qoq (+12% yoy).
- Export prices (FOB Black Sea) grew by 2-8% qoq (+20-30% yoy).



## SEGMENTAL PERFORMANCE

### NLMK RUSSIA FLAT PRODUCTS<sup>1</sup>

#### 12M 2017 performance

**Steel output** at the Lipetsk site increased by 2% to a record 13.2 m t driven by the growth of equipment productivity.

**Sales growth of 3% yoy** was associated with the recovery in demand in Russia for finished steel and stable demand for semis in external markets.

**Sales breakdown:** finished steel sales gained 4% yoy thanks to a growing demand from end consumers in Russia.

Growth of semi-finished product sales to 7.16 m t (+2% yoy) was associated with the growth in slab supplies to NLMK Group subsidiaries and affiliates against the backdrop of improved market conditions in the USA and Europe.

Sales of high value added products climbed 5% yoy to 3.23 m t, supported by the recovery in demand in Russia.

**Sales markets:** Sales in Russia gained 2% yoy, with the Russian market accounting for 34% in segment sales (flat yoy). Export deliveries (with intragroup sales) increased by 3% driven by higher demand in the US.

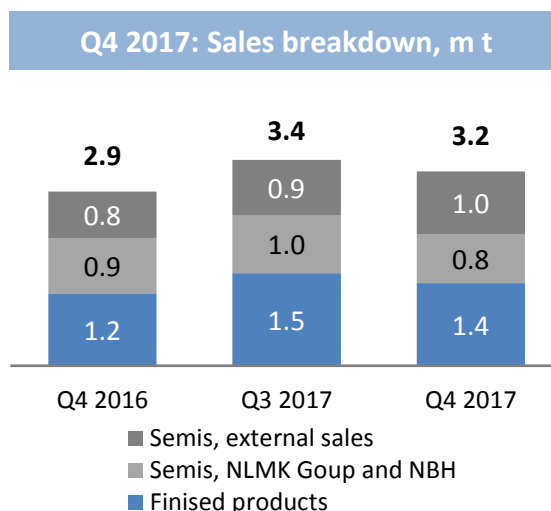
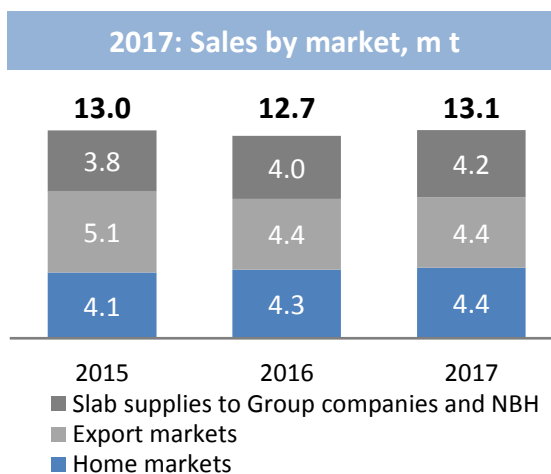
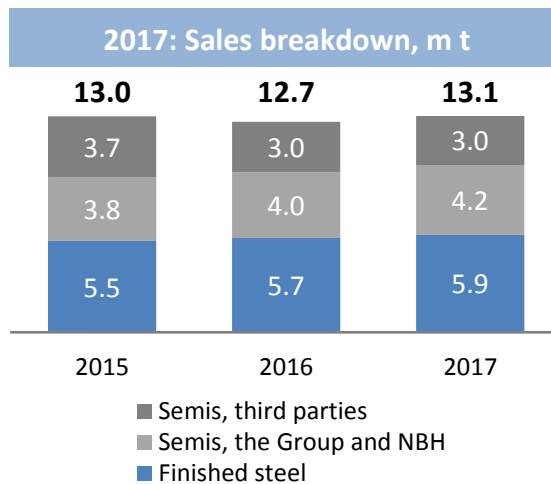
#### Q4 2017 performance

**Steel output** totalled 3.36 m t (flat yoy, +1% yoy).

The segment's **sales** were down by 6% qoq due to seasonal decline in demand in the Russian market.

The 12% yoy growth of sales was associated with the recovery in demand in Russia and growth of demand for semis from the Group's international companies.

**Sales breakdown:** finished steel sales decreased by 11% qoq due to the seasonal weakening of demand in the Russian market, and Mill 2000 maintenance. Sales of semis were down by 2% qoq (+10% yoy).





**Sales markets:** Due to the seasonal slump in demand, sales in Russia were down by 5% qoq. Third party sales in export markets grew by 3%.

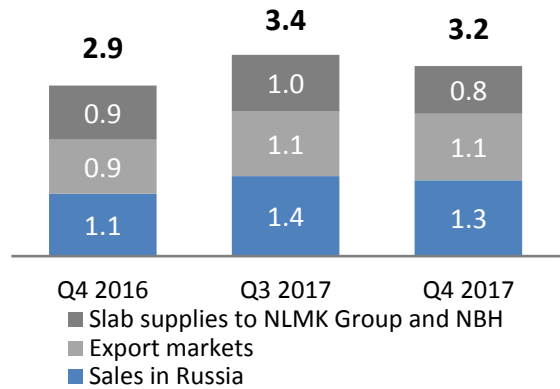
Intragroup sales to the Group's international companies decreased by 16% as they were normalizing stocks.

Compared to Q4 2016, sales in Russia increased by 22%: growth of finished product sales totalled 14% yoy, including +11% yoy for HVA sales due to the recovery in demand.

Export sales gained 6% yoy driven mainly by a significant increase in pig iron sales (4x yoy).

<sup>1</sup> NLMK Russia Flat companies include NLMK Lipetsk, VIZ Steel, and Altai-Koks. Export sales are calculated including the corresponding share of trading companies.

Q4 2017: Sales by market, m t





## NLMK RUSSIA LONG PRODUCTS<sup>2</sup>

### 12M 2017 performance

**Steel output** increased to 3.03 m t (+5% yoy) supported by recovering demand in Russia and improved conditions in external markets.

**Sales** went up by 6% yoy, due mainly to the growth of export (+24%).

**Sales markets:** export sales grew by 24% yoy to 1.37 m t, driven by improved conditions in external markets. Sales in Russia declined by 6% due to the late start of the construction season in 2017, and a favourable pricing environment for export sales.

**Scrap:** Scrap sales increased by 6% yoy to 4.88 m t against the backdrop of stronger demand from NLMK Group companies (intragroup sales accounting for 99%).

### Q4 2017 performance

**Steel output** declined to 0.75 m t (-12% qoq; +3% yoy) due to the seasonal decrease in demand in the Russian market.

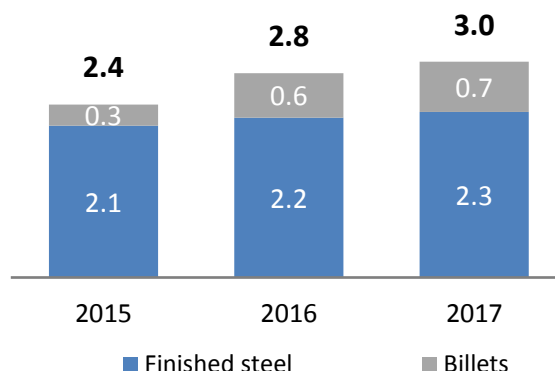
**Sales** increased by 11% qoq (+21% yoy) due to the growth in demand for billets in export markets and the recognition of export sales carried over from Q3 (+35% qoq total growth of export sales), coupled with the seasonal drop in demand for long products (-13.5% qoq) from the construction sector in Russia.

**Sales markets:** The share of export sales gained 9 p.p. qoq to 49%.

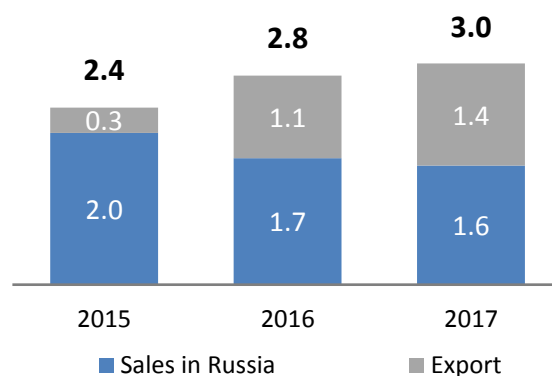
**Scrap:** Scrap sales lost 2% qoq (+13% yoy) down to 1.42 m t against the backdrop of the seasonal slowdown in scrap collection rates.

<sup>2</sup> NLMK Russia Long companies include NLMK Ural, NLMK Metalware, NLMK Kaluga and scrap collecting facilities. Export long product sales are calculated including the corresponding share of trading companies.

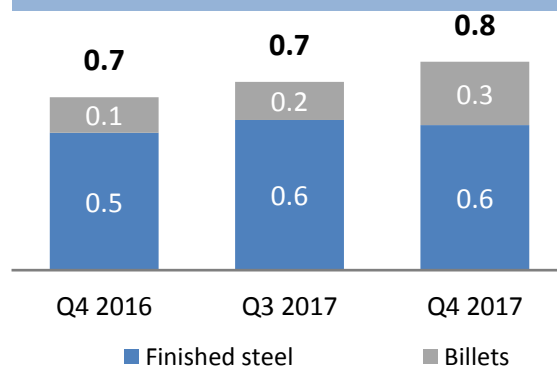
2017: Sales breakdown, m t



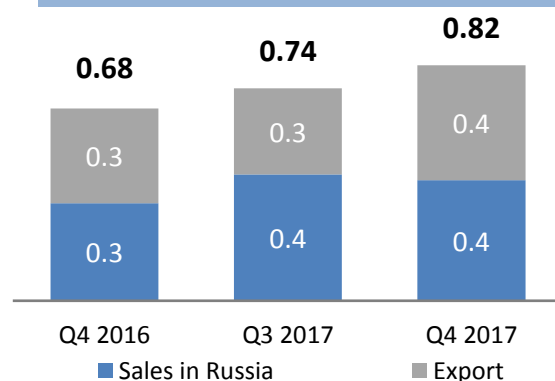
2017: Sales by market, m t



Q4 2017: Sales breakdown, m t



Q4 2017: Sales by market, m t





## MINING AND PROCESSING OF RAW MATERIALS

### 12M 2017 performance

**Iron ore output** (concentrate and pellets) remained flat at 17.1 m t.

**Pellet output** grew to 6 m t.

**Iron ore sales** amounted to 17.14 m t (-1% yoy), including pellet sales of 6 m t.

**Sales breakdown:** 100% of Stoilensky's products were supplied to NLMK Lipetsk site.

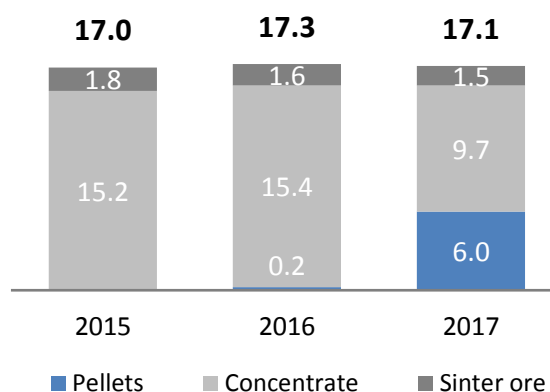
### Q4 2017 performance

**Iron ore output** totalled 4.28 m t (-1% qoq) due to planned maintenance and installation of High Pressure Grinding Rolls that boosted Stoilensky productivity by 800,000 t of concentrate per year (see [press release](#)). In yoy terms, output grew by 2%, due to increased productivity of beneficiation equipment.

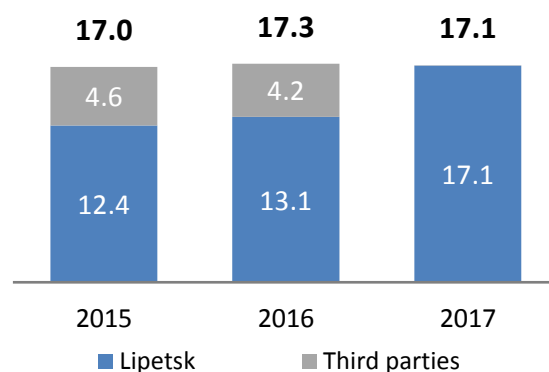
**Pellet output** totalled 1.64 m t (-1% qoq).

**Iron ore sales** totalled 4.23 m t (-4% qoq and -3% yoy) in line with NLMK Lipetsk demand.

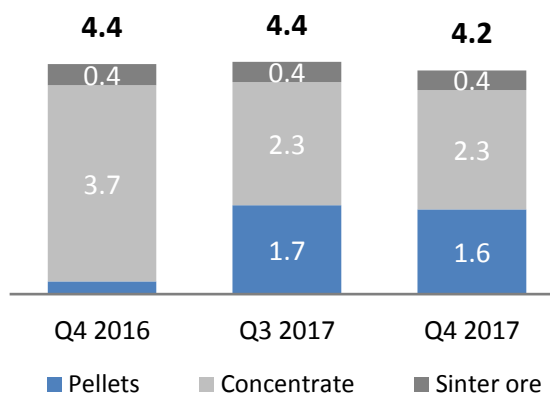
2017: Sales breakdown, m t



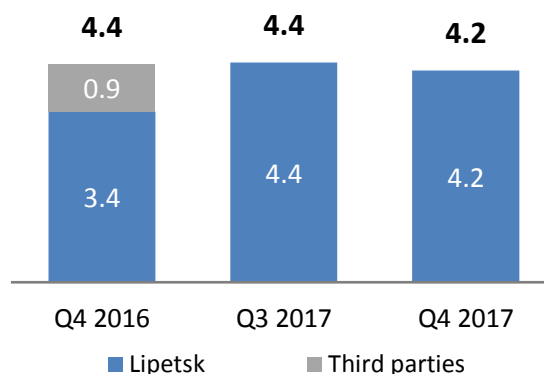
2017: Sales by destination, m t



Q4 2017: Sales breakdown, m t



Q4 2017: Sales by destination, m t







## NLMK USA <sup>3</sup>

### 12M 2017 performance

**Crude steel output growth** by 11% yoy to 0.62 m t was driven by favourable conditions in the US market.

**Finished steel output** grew 21% yoy to 2.16 m t, supported by growing demand for the Division's products.

**Sales** went up by 21% yoy to an all-time high 2.24 m t backed by high demand from key consumers in the US, including pipe manufacturers, construction companies and machine-builders.

**Slab supplies** from NLMK Lipetsk were up by 25% yoy to 1.59 m t to cover the growing needs of the Division's rolling capacities.

### Q4 2017 performance

**Sales:** Down by 3% qoq to 0.55 m t due to the seasonal weakening of demand and reduced buying activity during the Christmas break.

The 31% yoy growth was associated with the relaunch of the second galvanizing line at Sharon Coating (see [press release](#)), and restocking by traders and consumers driven by reduced competition with imports.

<sup>3</sup> NLMK USA includes NLMK Indiana, NLMK Pennsylvania, and Sharon Coating. Operating data for NLMK USA are shown in metric tonnes.

## NLMK DANSTEEL

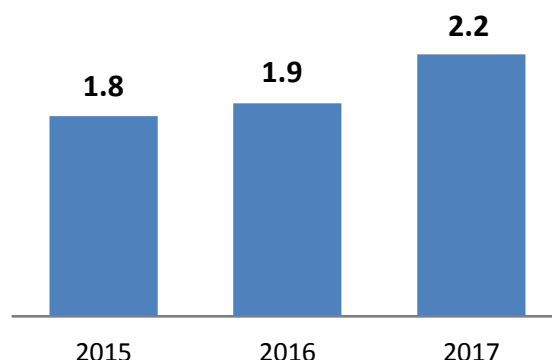
### 12M 2017 performance

**Plate sales** totalled 0.48 m t (-1% yoy).

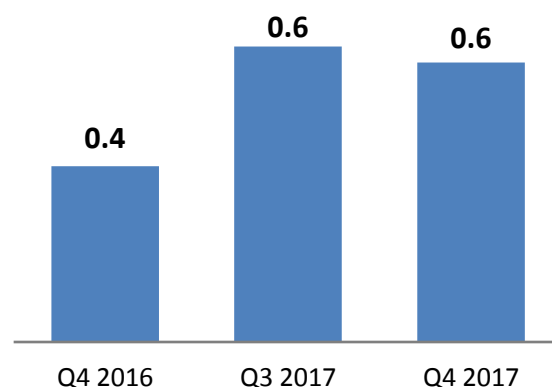
### Q4 2017 performance

**Plate sales** were up by 14% qoq (+1% yoy) supported by the seasonal uptick in activity in the European market from traders and service centres.

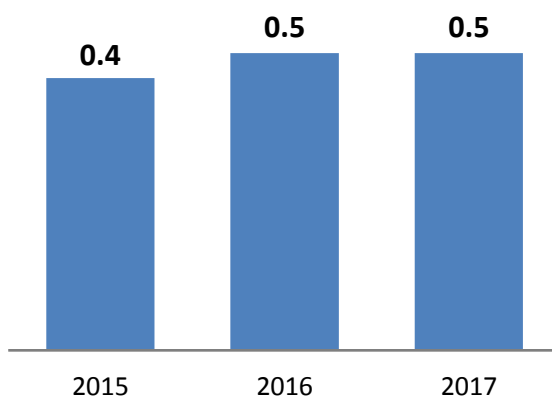
2017: NLMK USA sales, m t



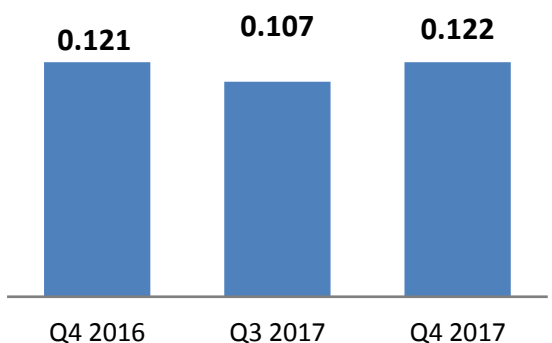
Q4 2017: NLMK USA sales, m t



2017: NLMK DanSteel sales, m t



Q4 2017: NLMK DanSteel sales, m t





## ASSOCIATED COMPANIES - NLMK Belgium Holdings (NBH)<sup>4</sup>

### 12M 2017 performance 2017

**NBH sales** were down by 1% yoy to 2.12 m t due to pressure from imports from Asia and the CIS (thick plate).

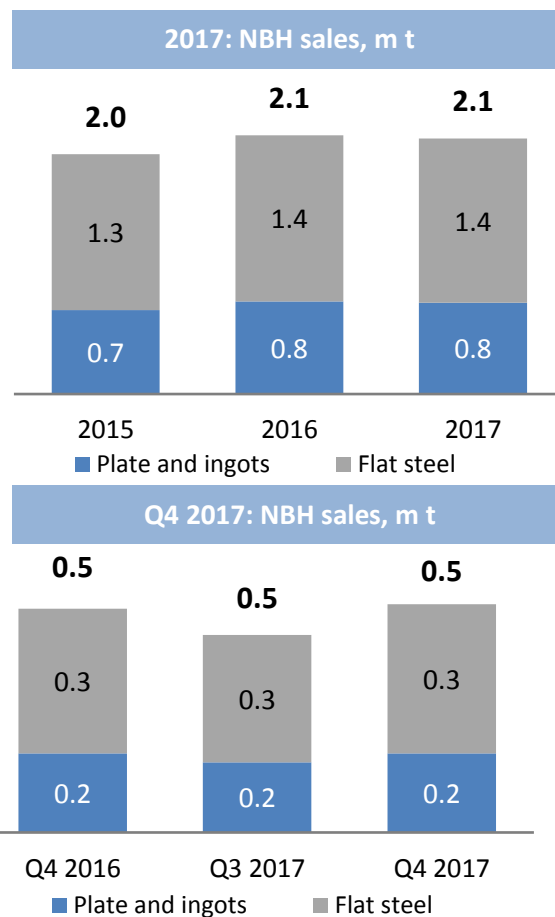
**Flat steel sales** decreased by 1% to 1.36 m t.

**Plate and ingot sales** dropped by 1% yoy to 0.76 m t.

**Slab supplies** from NLMK Lipetsk in 12M 2017 totalled 2.07 m t (-2% yoy) due to stocks being normalized and growth of steel output at NLMK Verona by 11%.

### Q4 2017 performance

**NBH sales** were up by 15% qoq to 0.51 m t (-1% yoy) supported by the seasonal recovery in consumer activity in the construction sector.



<sup>4</sup> NBH assets include producers of thick plates NLMK Clabecq (Belgium), NLMK Verona (Italy) and producers of flat steel NLMK La Louvière (Belgium) and NLMK Strasbourg (France).

*Note: figures from the diagrams can be found in the tables in the Appendix. They can also be downloaded as a separate Excel file.*



## Appendices

### Appendix 1. NLMK Group operating highlights

Production, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Crude steel output (without NBH)	4,253	4,363	-3%	4,172	2%	16,850	16,438	3%
Crude steel output (with NBH)	4,315	4,406	-2%	4,223	2%	17,076	16,641	3%
Capacity utilization, %	99%	100%	-1 p.p.	95%	+4 p.p.	98%	95%	+3 p.p.
<b>Consolidated sales</b>								
Semi-finished steel <sup>5</sup>	1,757	1,461	20%	1,352	30%	5,710	5,714	0%
Finished steel	2,605	2,779	-6%	2,283	14%	10,761	10,211	5%
Flat products	2,040	2,191	-7%	1,746	17%	8,485	8,015	6%
Long products and metalware	0,565	0,589	-4%	0,537	5%	2,277	2,195	4%
<b>Total consolidated sales</b>	<b>4,362</b>	<b>4,240</b>	<b>3%</b>	<b>3,635</b>	<b>20%</b>	<b>16,471</b>	<b>15,925</b>	<b>3%</b>
Sales to home markets of the Group <sup>6</sup>	64%	67%	-3 p.p.	64%	0 p.p.	64%	64%	0 p.p.
Sales to external markets	36%	33%	+3 p.p.	36%	0 p.p.	36%	36%	0 p.p.
For reference:								
Slab sales to international subsidiaries and affiliates	0,807	0,958	-16%	0,915	-12%	4,214	3,960	6%
<b>Segment sales</b>								
Russia Flat Products	3,231	3,425	-6%	2,896	12%	13,053	12,691	3%
Russia Long Products	0,818	0,737	11%	0,678	21%	2,962	2,807	6%
Mining	4,231	4,387	-4%	4,345	-3%	17,137	17,273	-1%
NLMK USA	0,550	0,568	-3%	0,421	31%	2,239	1,856	21%
NLMK DanSteel	0,122	0,107	14%	0,121	1%	0,475	0,481	-1%
<b>For reference: NBH sales</b>	<b>0,515</b>	<b>0,448</b>	<b>15%</b>	<b>0,518</b>	<b>-1%</b>	<b>2,117</b>	<b>2,147</b>	<b>-1%</b>

<sup>5</sup> Including merchant pig iron, slabs and billets

<sup>6</sup> Home markets: Russia for the Russian assets of NLMK Group, North America for NLMK USA and the EU market for NLMK DanSteel and NBH

### Appendix 2. NLMK Russia Flat sales by product

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Pig iron	0,143	0,178	-20%	0,086	66%	0,435	0,435	0%
Slabs incl.	1,712	1,706	0%	1,605	7%	6,728	6,567	2%
Slab sales to foreign subsidiaries and affiliates, incl.	0,807	0,958	-16%	0,915	-12%	4,214	3,960	6%
NLMK USA, NLMK DanSteel	0,351	0,572	-39%	0,436	-20%	2,144	1,839	17%
NBH	0,456	0,386	18%	0,479	-5%	2,070	2,121	-2%
Hot-rolled steel	0,597	0,659	-9%	0,504	18%	2,658	2,599	2%
Cold-rolled steel	0,367	0,396	-7%	0,300	23%	1,556	1,479	5%
Galvanized steel	0,176	0,227	-23%	0,162	9%	0,713	0,620	15%
Pre-painted steel	0,096	0,133	-27%	0,112	-14%	0,406	0,459	-12%
Dynamo steel	0,068	0,062	10%	0,075	-9%	0,299	0,285	5%
Transformer steel	0,072	0,063	13%	0,054	34%	0,257	0,245	5%
incl. VIZ-Steel	0,044	0,041	9%	0,031	42%	0,161	0,153	5%
<b>Total steel products</b>	<b>3,231</b>	<b>3,425</b>	<b>-6%</b>	<b>2,896</b>	<b>12%</b>	<b>13,053</b>	<b>12,691</b>	<b>3%</b>
Coke sales from Altai-Koks <sup>5</sup>	0,949	1,029	-8%	1,044	-9%	4,026	4,074	-1%
incl. to NLMK Lipetsk	0,662	0,743	-11%	0,814	-19%	2,965	3,110	-5%



### Appendix 3. NLMK Russia Flat sales by region and product

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
<b>Russian market</b>	<b>1,292</b>	<b>1,364</b>	<b>-5%</b>	<b>1,058</b>	<b>22%</b>	<b>4,419</b>	<b>4,313</b>	<b>2%</b>
Semi-finished products	0,269	0,247	9%	0,278	-3%	0,736	0,937	-21%
Hot-rolled steel	0,466	0,512	-9%	0,306	52%	1,642	1,458	13%
Cold-rolled steel	0,275	0,261	5%	0,189	45%	0,917	0,790	16%
Galvanized steel	0,162	0,190	-15%	0,151	7%	0,633	0,582	9%
Pre-painted steel	0,094	0,129	-28%	0,109	-14%	0,394	0,451	-13%
Dynamo steel	0,015	0,013	16%	0,014	6%	0,055	0,054	2%
Transformer steel	0,012	0,011	12%	0,010	19%	0,042	0,040	5%
<b>Export markets</b>	<b>1,939</b>	<b>2,061</b>	<b>-6%</b>	<b>1,838</b>	<b>6%</b>	<b>8,634</b>	<b>8,377</b>	<b>3%</b>
Semi-finished products	1,587	1,637	-3%	1,413	12%	6,427	6,065	6%
Hot-rolled steel	0,131	0,147	-11%	0,198	-34%	1,016	1,141	-11%
Cold-rolled steel	0,092	0,134	-31%	0,110	-16%	0,639	0,689	-7%
Galvanized steel	0,014	0,038	-62%	0,011	33%	0,080	0,037	> 100%
Pre-painted steel	0,003	0,003	-18%	0,002	29%	0,012	0,009	38%
Dynamo steel	0,053	0,049	8%	0,061	-12%	0,244	0,231	6%
Transformer steel	0,059	0,052	14%	0,043	37%	0,216	0,205	5%
<b>Total sales</b>	<b>3,231</b>	<b>3,425</b>	<b>-6%</b>	<b>2,896</b>	<b>12%</b>	<b>13,053</b>	<b>12,691</b>	<b>3%</b>

### Appendix 4. NLMK Russia Long sales by product

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Merchant billets	0,252	0,148	70%	0,141	79%	0,686	0,612	12%
Rebar	0,419	0,434	-3%	0,412	2%	1,686	1,725	-2%
Sections	0,015	0,011	42%	0,003	> 100%	0,038	0,035	8%
Wire rod	0,066	0,069	-5%	0,058	14%	0,282	0,176	60%
Metalware	0,065	0,075	-13%	0,065	1%	0,271	0,260	4%
<b>Total steel products</b>	<b>0,818</b>	<b>0,737</b>	<b>11%</b>	<b>0,678</b>	<b>21%</b>	<b>2,962</b>	<b>2,807</b>	<b>6%</b>
<b>Ferrous and non-ferrous scrap, incl.</b>	<b>1,424</b>	<b>1,451</b>	<b>-2%</b>	<b>1,265</b>	<b>13%</b>	<b>4,883</b>	<b>4,610</b>	<b>6%</b>
to NLMK Ural	0,442	0,558	-21%	0,371	19%	1,696	1,484	14%
to NLMK Kaluga	0,412	0,397	4%	0,377	9%	1,409	1,373	3%
to NLMK Lipetsk	0,546	0,482	13%	0,500	9%	1,707	1,659	3%

### Appendix 5. Mining Division sales

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
<b>Iron ore concentrate</b>	<b>2,259</b>	<b>2,333</b>	<b>-3%</b>	<b>3,709</b>	<b>-39%</b>	<b>9,656</b>	<b>15,399</b>	<b>-37%</b>
incl. to NLMK Lipetsk	2,259	2,333	-3%	2,808	-20%	9,646	11,456	-16%
<b>Pellets</b>	<b>1,605</b>	<b>1,675</b>	<b>-4%</b>	<b>0,236</b>	<b>&gt; 100%</b>	<b>5,996</b>	<b>0,236</b>	<b>&gt; 100%</b>
incl. to NLMK Lipetsk	1,605	1,675	-4%	0,236	> 100%	5,996	0,236	> 100%
<b>Sinter ore</b>	<b>0,367</b>	<b>0,378</b>	<b>-3%</b>	<b>0,400</b>	<b>-8%</b>	<b>1,486</b>	<b>1,638</b>	<b>-9%</b>
incl. to NLMK Lipetsk	0,367	0,378	-3%	0,365	1%	1,486	1,389	7%



## Appendix 6. NLMK USA sales

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Hot-rolled steel	0,306	0,320	-4%	0,213	44%	1,232	0,943	31%
Cold-rolled steel	0,115	0,115	0%	0,114	1%	0,493	0,544	-9%
Galvanized steel	0,126	0,131	-3%	0,093	36%	0,503	0,359	40%
<b>Total NLMK USA <sup>7</sup></b>	<b>0,550</b>	<b>0,568</b>	<b>-3%</b>	<b>0,421</b>	<b>31%</b>	<b>2,239</b>	<b>1,856</b>	<b>21%</b>

<sup>7</sup> Alongside finished steel, NLMK USA also sells non-significant volumes of merchant slabs not included into total rolled steel sales. In Q1 2017 slab sales totalled 4,000 t.

## Appendix 7. NLMK DanSteel sales

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Plate	0,122	0,107	14%	0,121	1%	0,475	0,481	-1%

## Appendix 8. NBH (associated company) sales

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Hot-rolled steel	0,240	0,214	12%	0,226	6%	0,989	0,967	2%
Cold-rolled steel	0,012	0,009	33%	0,017	-27%	0,053	0,061	-14%
Coated steel	0,084	0,063	35%	0,090	-6%	0,319	0,351	-9%
<b>Total flat steel</b>	<b>0,337</b>	<b>0,286</b>	<b>18%</b>	<b>0,333</b>	<b>1%</b>	<b>1,360</b>	<b>1,379</b>	<b>-1%</b>
Semi-finished (ingots)	0,021	0,017	24%	0,018	21%	0,081	0,081	1%
Plate	0,157	0,145	8%	0,167	-6%	0,676	0,687	-2%
<b>Total steel products incl. flat steel</b>	<b>0,515</b>	<b>0,448</b>	<b>15%</b>	<b>0,518</b>	<b>-1%</b>	<b>2,117</b>	<b>2,147</b>	<b>-1%</b>

## Appendix 9. NLMK Group steel output

Production, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
NLMK Lipetsk	3,356	3,356	0%	3,319	1%	13,198	12,985	2%
NLMK Long Products	0,755	0,860	-12%	0,735	3%	3,029	2,892	5%
incl. NLMK Kaluga	0,347	0,375	-7%	0,347	0%	1,354	1,345	1%
NLMK Indiana (NLMK USA)	0,142	0,146	-3%	0,118	20%	0,623	0,561	11%
<b>NLMK Group (without NBH)</b>	<b>4,253</b>	<b>4,363</b>	<b>-3%</b>	<b>4,172</b>	<b>2%</b>	<b>16,850</b>	<b>16,438</b>	<b>3%</b>
<i>for reference</i>								
NBH, NLMK Europe (EAF)	0,062	0,043	45%	0,051	22%	0,226	0,203	11%
<b>NLMK Group (with NBH)</b>	<b>4,315</b>	<b>4,406</b>	<b>-2%</b>	<b>4,223</b>	<b>2%</b>	<b>17,076</b>	<b>16,641</b>	<b>3%</b>



### Appendix 10. NLMK Group steel product output (without NBH)

Production, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Merchant pig iron	0,254	0,187	36%	0,080	> 100%	0,573	0,462	24%
Merchant slabs	1,495	1,105	35%	1,337	12%	4,589	4,722	-3%
Flat steel	2,081	2,125	-2%	1,918	8%	8,509	8,081	5%
Merchant billets	0,229	0,219	4%	0,140	63%	0,716	0,661	8%
Long products	0,453	0,541	-16%	0,513	-12%	1,947	1,915	2%
Metalware	0,064	0,077	-17%	0,066	-2%	0,272	0,260	5%
<b>Total steel products</b>	<b>4,576</b>	<b>4,254</b>	<b>8%</b>	<b>4,054</b>	<b>13%</b>	<b>16,607</b>	<b>16,100</b>	<b>3%</b>

### Appendix 11. NLMK Russia Flat steel product output

Production, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
Merchant pig iron	0,254	0,187	36%	0,080	> 100%	0,573	0,462	24%
Merchant slabs	1,846	1,677	10%	1,773	4%	6,733	6,561	3%
Hot-rolled steel	0,625	0,620	1%	0,626	0%	2,618	2,655	-1%
Cold-rolled steel	0,361	0,392	-8%	0,329	10%	1,528	1,512	1%
Galvanized steel	0,204	0,193	6%	0,174	17%	0,755	0,654	15%
Pre-painted steel	0,094	0,102	-7%	0,122	-22%	0,414	0,466	-11%
Dynamo steel	0,071	0,072	-1%	0,080	-11%	0,299	0,295	1%
Transformer steel	0,072	0,067	7%	0,042	70%	0,258	0,230	12%
<b>Total steel products</b>	<b>3,528</b>	<b>3,310</b>	<b>7%</b>	<b>3,227</b>	<b>9%</b>	<b>13,177</b>	<b>12,836</b>	<b>3%</b>

### Appendix 12. Output of main raw materials

Production, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
<b>Coke (dry weight)</b>	<b>1,567</b>	<b>1,662</b>	<b>-6%</b>	<b>1,651</b>	<b>-5%</b>	<b>6,492</b>	<b>6,512</b>	<b>0%</b>
NLMK Lipetsk	0,616	0,627	-2%	0,613	0%	2,463	2,452	0%
Altai-Koks	0,951	1,034	-8%	1,038	-8%	4,029	4,059	-1%
<b>Iron ore</b>	<b>4,279</b>	<b>4,316</b>	<b>-1%</b>	<b>4,208</b>	<b>2%</b>	<b>17,112</b>	<b>17,182</b>	<b>0%</b>
Iron ore concentrate	2,262	2,270	0%	3,518	-36%	9,574	15,311	-37%
Sinter ore	0,375	0,382	-2%	0,402	-7%	1,515	1,583	-4%
Pellets	1,642	1,664	-1%	0,288	> 100%	6,023	0,288	> 100%
<b>Scrap</b>	<b>0,673</b>	<b>0,661</b>	<b>2%</b>	<b>0,539</b>	<b>25%</b>	<b>2,286</b>	<b>2,059</b>	<b>11%</b>



### Appendix 13. NLMK Group steel product sales (without NBH)

Sales, m t	Q4 2017	Q3 2017	QoQ	Q4 2016	YoY	2017	2016	YoY
<b>Semi-finished products</b>	<b>1,757</b>	<b>1,461</b>	<b>20%</b>	<b>1,352</b>	<b>30%</b>	<b>5,710</b>	<b>5,714</b>	<b>0%</b>
Pig iron	0,141	0,176	-20%	0,041	> 100%	0,429	0,365	18%
Slabs	1,363	1,136	20%	1,170	17%	4,595	4,737	-3%
Billet	0,252	0,148	70%	0,141	79%	0,686	0,612	12%
<b>Flat products</b>	<b>2,040</b>	<b>2,191</b>	<b>-7%</b>	<b>1,746</b>	<b>17%</b>	<b>8,485</b>	<b>8,015</b>	<b>6%</b>
Plate	0,122	0,107	14%	0,121	1%	0,475	0,481	-1%
Hot-rolled steel	0,903	0,979	-8%	0,717	26%	3,890	3,542	10%
Cold-rolled steel	0,476	0,489	-2%	0,413	15%	1,940	2,024	-4%
Galvanized steel	0,302	0,358	-16%	0,255	19%	1,216	0,979	24%
Pre-painted steel	0,096	0,133	-27%	0,112	-14%	0,406	0,459	-12%
Transformer steel	0,072	0,063	13%	0,054	34%	0,257	0,245	5%
Dynamo steel	0,068	0,062	10%	0,075	-9%	0,299	0,285	5%
<b>Long products</b>	<b>0,565</b>	<b>0,589</b>	<b>-4%</b>	<b>0,537</b>	<b>5%</b>	<b>2,277</b>	<b>2,195</b>	<b>4%</b>
Long products	0,500	0,514	-3%	0,472	6%	2,006	1,936	4%
Metalware	0,065	0,075	-13%	0,065	1%	0,271	0,260	4%
<b>Steel product sales</b>	<b>4,362</b>	<b>4,240</b>	<b>3%</b>	<b>3,635</b>	<b>20%</b>	<b>16,471</b>	<b>15,925</b>	<b>3%</b>