

The background of the slide is a vibrant pyrotechnic display at night. A large, bright explosion of golden sparks and light fills the upper right portion of the frame. On the left, a person wearing a blue helmet and a red face mask is visible, looking towards the fireworks. The overall scene is dark, with the bright light of the fireworks providing the primary illumination.

## Q4 AND 12M'14 US GAAP CONSOLIDATED FINANCIAL RESULTS

Moscow, 27 March 2015

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# CONTENT

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- **1. Key results**
- 2. Financial highlights
- 3. Segment results
- 4. Annex

# OPERATING RESULTS

## • ALL TIME RECORD STEEL OUTPUT IN 2014

- 15.9 m t (+3 yoy), key driver: increase in Lipetsk site productivity and NLMK Kaluga run rate ramp up

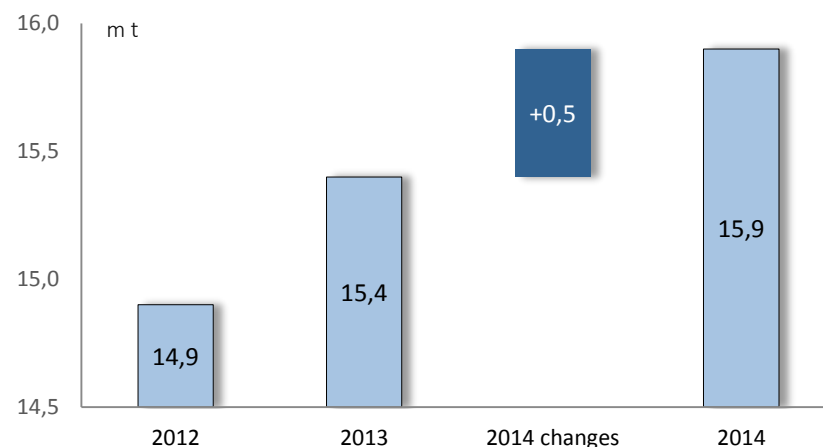
## • 2014 STEEL SALES +2% YOY

- 15.1 m t (+2% yoy), key drivers: growth in sales of long product (+20% yoy) and semis (+12% yoy)

## • Q4'14 OPERATING RESULTS

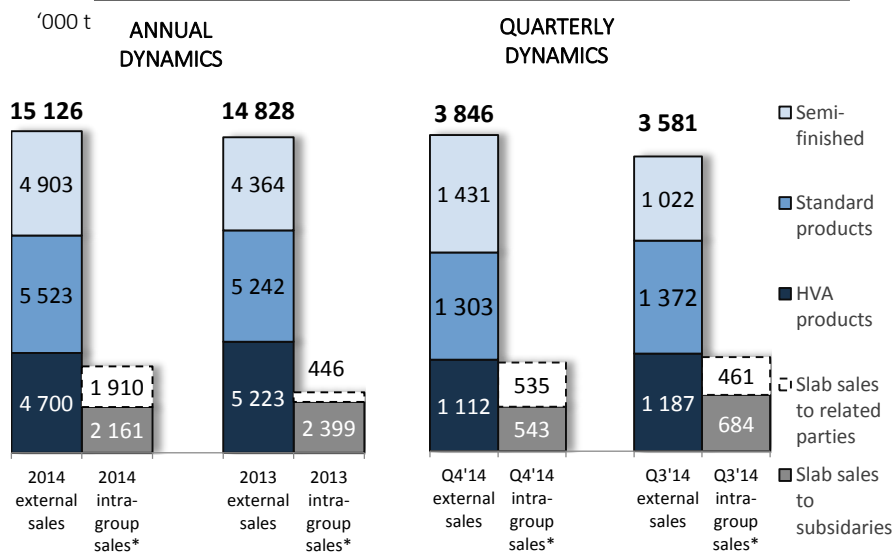
- Steel production 4.1 mt (-1% qoq): seasonal decrease in NLMK Long was offset by record output at the Lipetsk site
- Growth of sales +7% qoq: delayed recognition of long steel sales; increase in export sales

## STEEL OUTPUT\*



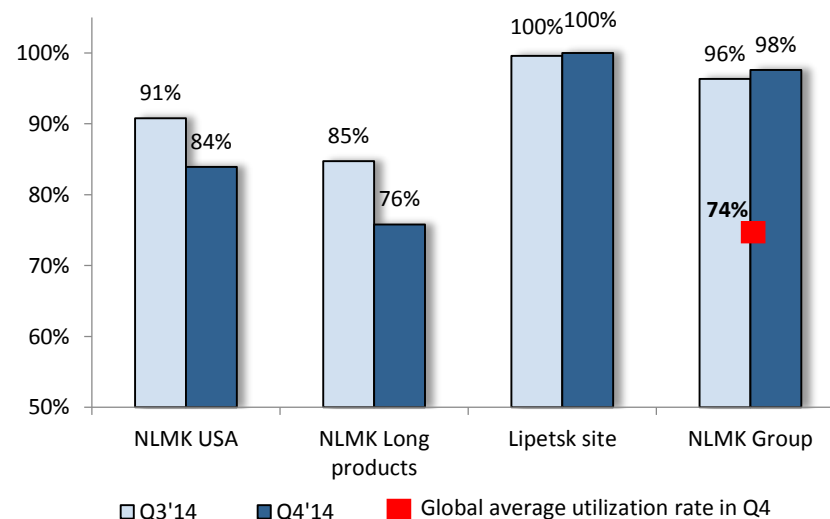
\* Without NLMK Verona production starting from Q4'13

## SALES



\* since Q4'13 sales of slab to NBH reclassified as external sales

## UTILIZATION RATES BY SITE



# FINANCIAL HIGHLIGHTS

## • 2014 KEY RESULTS

○ Revenue	\$10,396 m (-5% yoy)
○ EBITDA	\$2,383 m (+58% yoy)
○ EBITDA margin	23% (+9 p.p. yoy)
○ EBITDA per tonne of sales	\$158 (+55% yoy)
○ Free cash flow*	\$1,155 m (+174% yoy)
○ Net Debt	\$1,590 m (-41% yoy)
○ Net Debt/EBITDA	0.67x

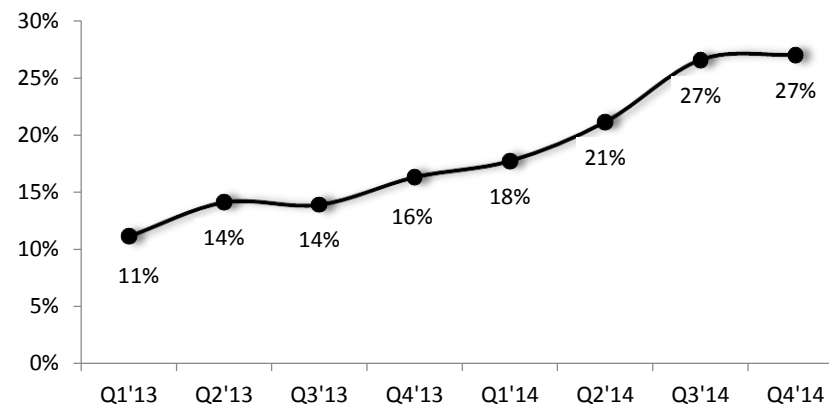
## • Q4'14 HIGHLIGHTS

○ Revenue	\$2,343 m (-10% qoq)
○ EBITDA	\$627 m (-9% qoq)
○ EBITDA margin	27% (flat qoq)
○ EBITDA per tonne of sales	\$163 (-16% qoq)

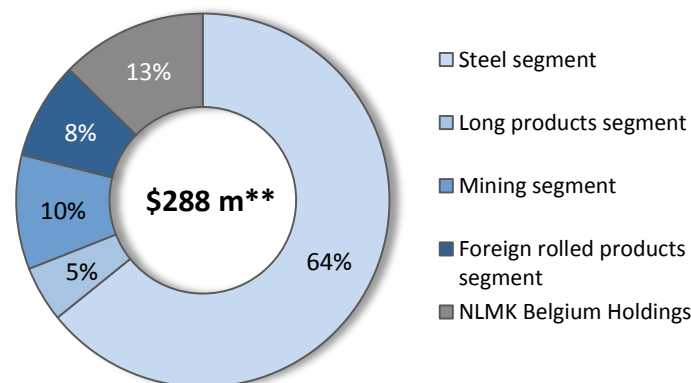
## • OPERATIONAL EFFICIENCY PROGRAM

- 12M'14 cost saving effect of \$288 m\*\*
- Q4'14 effect totaled \$105 m\*\* (compared to 2013)

## EBITDA MARGIN, %



## 12M'14 OPERATIONAL EFFICIENCY GAINS BY SEGMENT



\* Free cash flow to firm is determined as net cash from operational activity (with net interest expenses) net of capital investment

\*\* Included effect of operational efficiency program on NLMK Belgium Holdings: in Q4'14 in the amount of \$13m, in 12M'14 – \$36m

# Q1'15 OUTLOOK

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- **MARKET**

- Russia
  - Consumption growth (+2% yoy in January-February 2015) on the back of trader restocking and increased demand for pipe products (+13% yoy in January-February 2015)
  - Seasonal slowdown in the construction sector
  - Decrease in import deliveries by 30% yoy
  - Decrease in prices denominated in dollars by 10% qoq due to ruble devaluation and the increase in ruble prices during the quarter
- Europe: stable demand for steel products
- USA: weakening business activity and steel demand

- **OPERATIONAL RESULTS**

- Stable operational results qoq expected

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# 2014 PROFITABILITY ANALYSIS

- **EBITDA 2014: \$2 383 M (+58% YOY)**

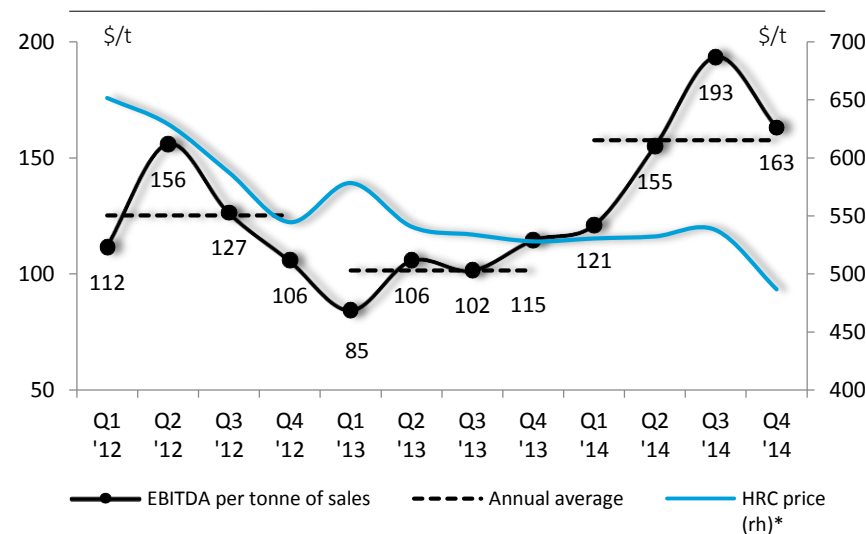
- (+) Efficiency program
- (+) Increase of sales volume by 2% yoy
- (+) Widening of spread between prices of finished products and raw materials
- (+) Devaluation of Russian ruble FX rate

- **EBITDA 2014 PER TONNE: \$158/t (+55% YOY)**

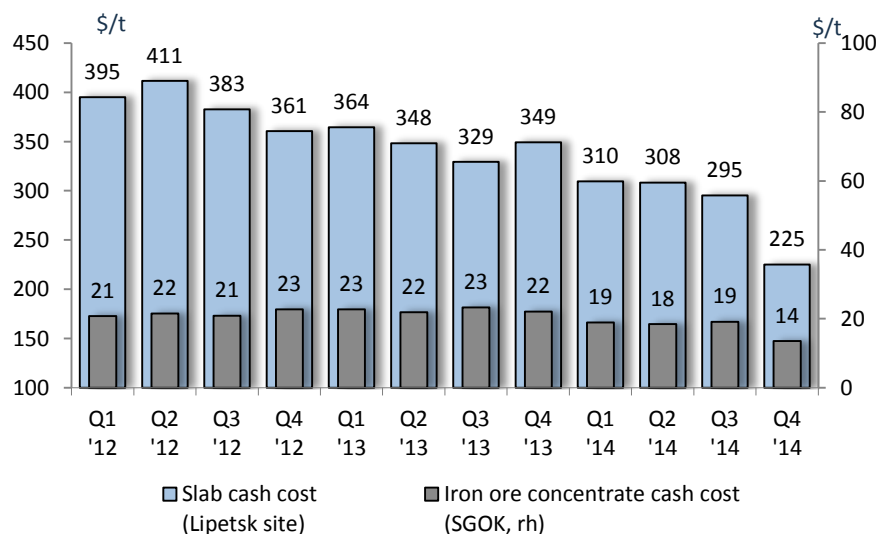
- **REDUCTION OF SLAB AND IRON ORE CASH COST**

- Positive effect of operational efficiency program
- Increase of production volumes

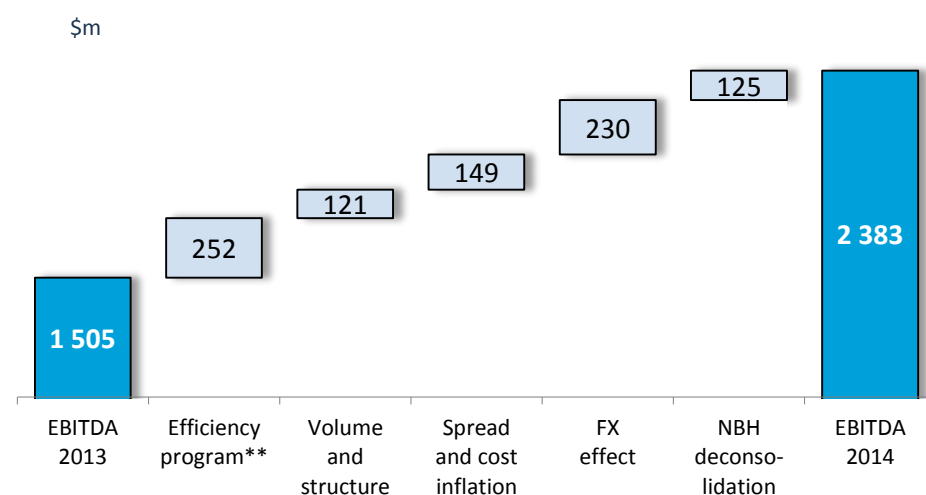
## EBITDA PER TONNE OF SALES



## CASH COST OF IRON ORE AND SLABS



## EBITDA ANALYSIS 2014/2013



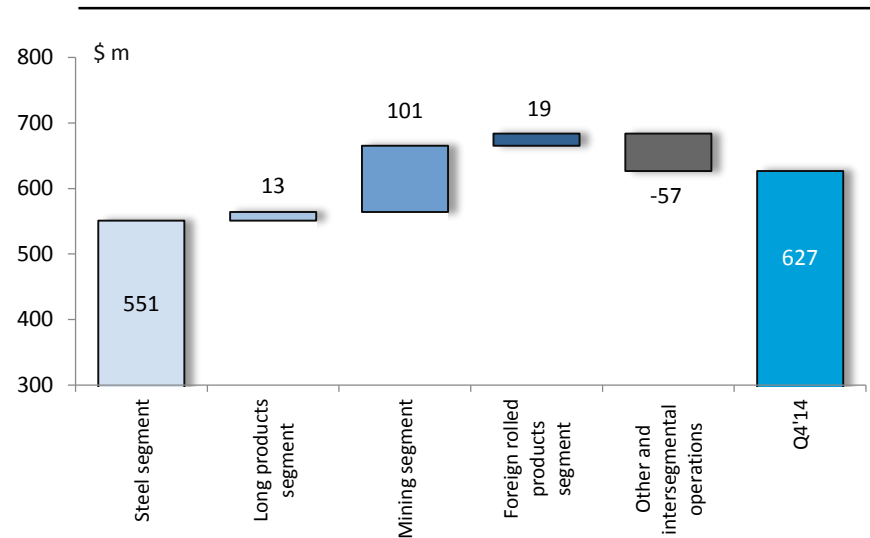
\*\*Doesn't include of NBH effect in the amount of \$36 m. Cumulative effect - \$288 m



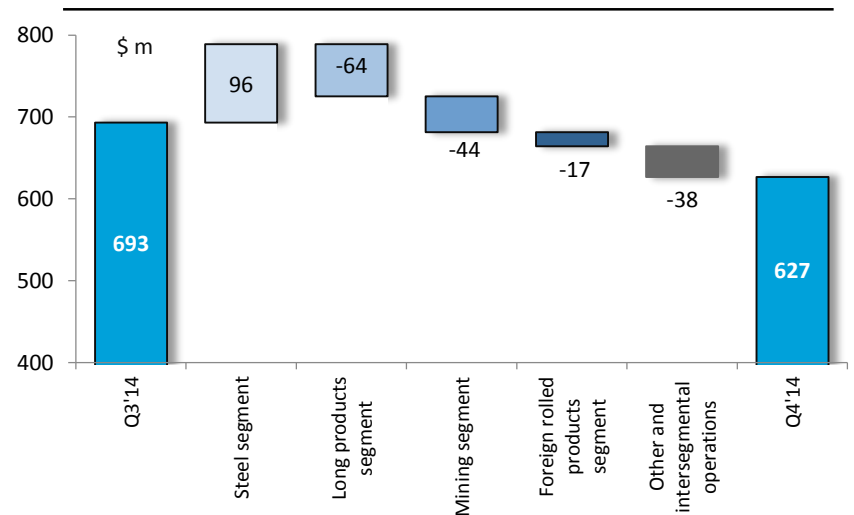
# Q4'14 PROFITABILITY ANALYSIS

- **Q4'14 EBITDA: \$627 M (-9% QOQ)**
- **EBITDA MARGIN IN Q4'14: 27%**
- **STEEL SEGMENT: EBITDA MARGIN 30%**
  - (+) Operational efficiency gains
  - (+) Increased demand for ordinary grades on export markets
  - (+) Russian ruble devaluation
- **LONG PRODUCTS SEGMENT: SEASONAL DECLINE IN DEMAND**
  - (-) Seasonal narrowing of long product/scrap spreads
  - (-) Russian ruble devaluation
- **MINING SEGMENT: NEGATIVE PRICE TREND**
  - (-) Decrease in iron ore prices
  - (-) Russian ruble devaluation
- **FOREIGN ROLLED PRODUCTS SEGMENT: WEAKENING DEMAND ON THE USA MARKET**
  - (-) Weakening of demand in the USA
  - (+) Growth of EU steel consumption

**SEGMENT CONTRIBUTION TO EBITDA**



**EBITDA CHANGE BY SEGMENT (QOQ)**



# CASH FLOW IN Q4'14

- GROWTH OF OPERATING CASH FLOW IN Q4'14 TO \$503 M (+159% QOQ)**

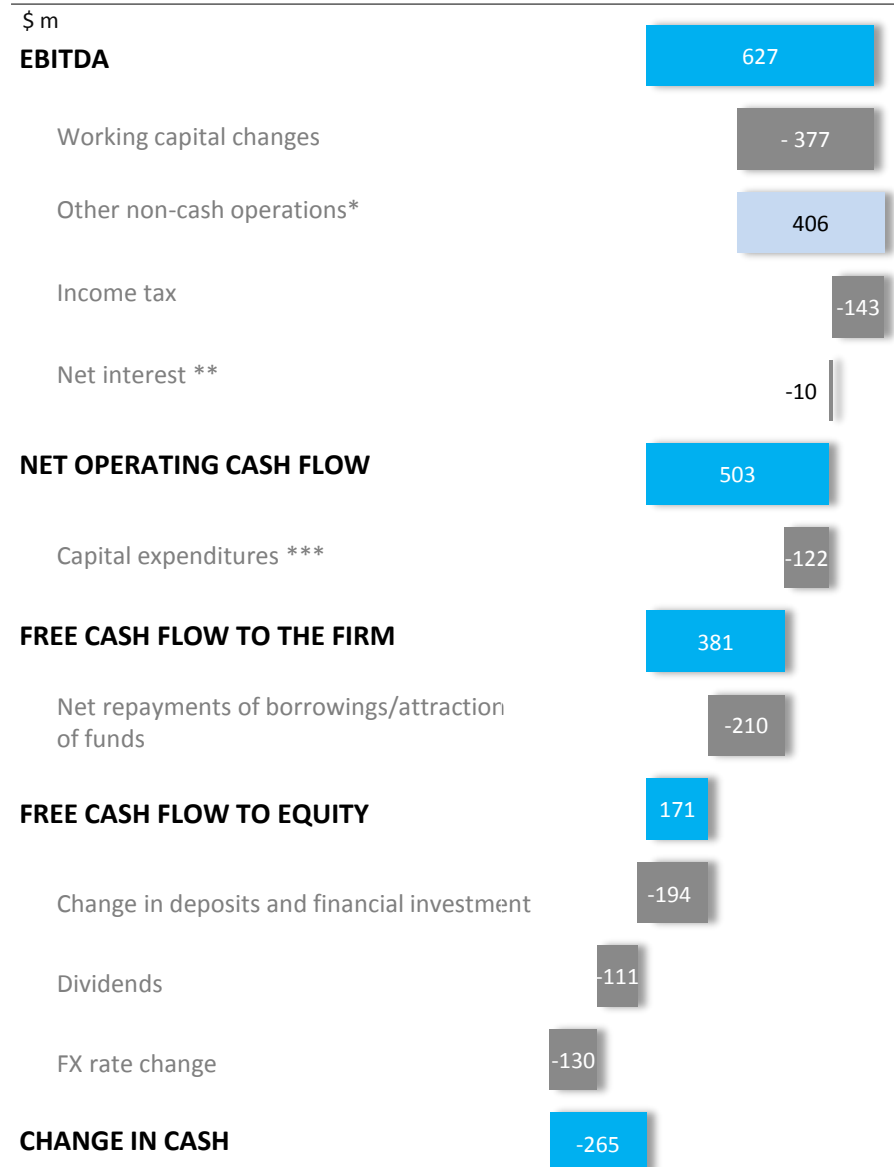
- EBITDA \$627 m
- Working capital net increase by \$377 m mainly due to the FX factor:
  - (+) FX impact on financial reporting (~\$310 m)
  - (+) Built-up of slab inventory at NLMK USA (\$140 m) – rerolling in Q1-Q2'15
  - (-) Increase of accounts payable

- CONSERVATIVE INVESTMENT PROGRAM**

- Q4'14 capex: \$122 m (-23% qoq)
  - Incl. maintenance capex: \$48 m
- 12M'14 capex: \$560 m (-26% yoy)
  - Incl. maintenance capex: \$206 m
- Main source of investment funding: operating cash flow

- Q4'14 FREE CASH FLOW: \$381 M**

## Q4'14 CASH FLOW BRIDGE



\* Foreign currency exchange gains, other income/(expenses)

\*\* Including interest paid (w/o capitalized interest) of \$17 m and interest received of \$7 m

\*\*\* Including capitalized interest of \$12 m

# FREE CASH FLOW GROWTH

- **SUSTAINED GROWTH IN BUSINESS PROFITABILITY**

- Sizable gains coming from operational efficiency programs
- Growth in free cash flow available to creditors/shareholders

- **REDUCTION IN CAPITAL INTENSITY OF BUSINESS**

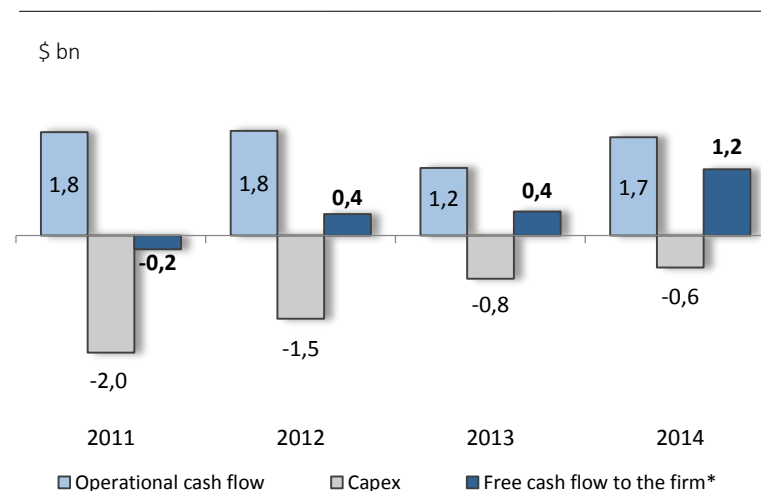
- Completion of the investment phase of development

- **DELEVERAGING IS ON TRACK**

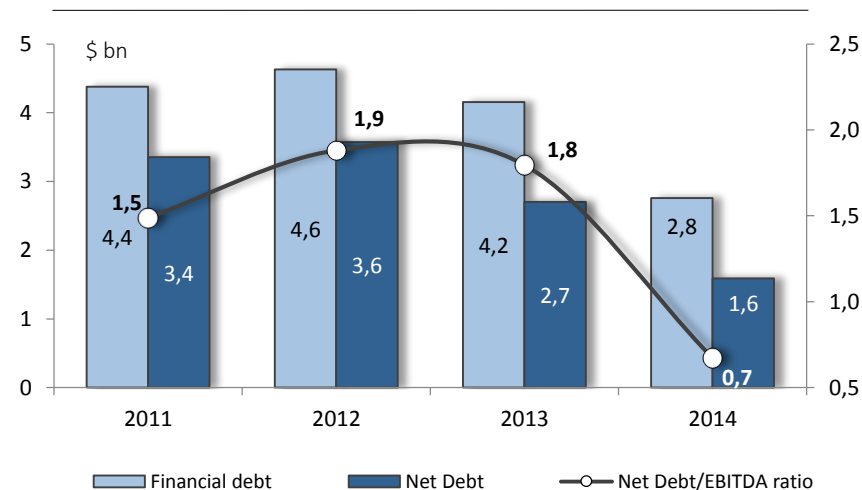
- Target Net debt / EBITDA of 1.0x achieved

- **CAPABILITY TO GROW DIVIDEND PAYMENTS**

## CASH FLOW DYNAMICS



## LOWER DEBT LOAD



\* Free cash flow to firm is determined as net cash from operational activity (with net interest expenses) net of capital investment

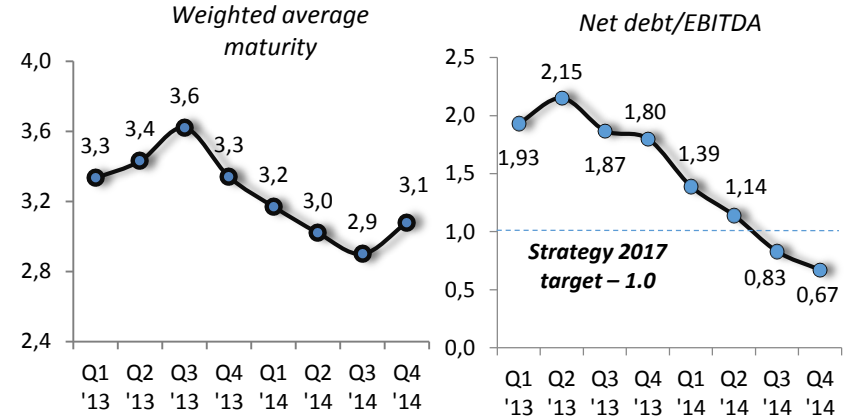
# DEBT POSITION

- DROP IN DEBT AND HIGH LIQUIDITY LEVEL**

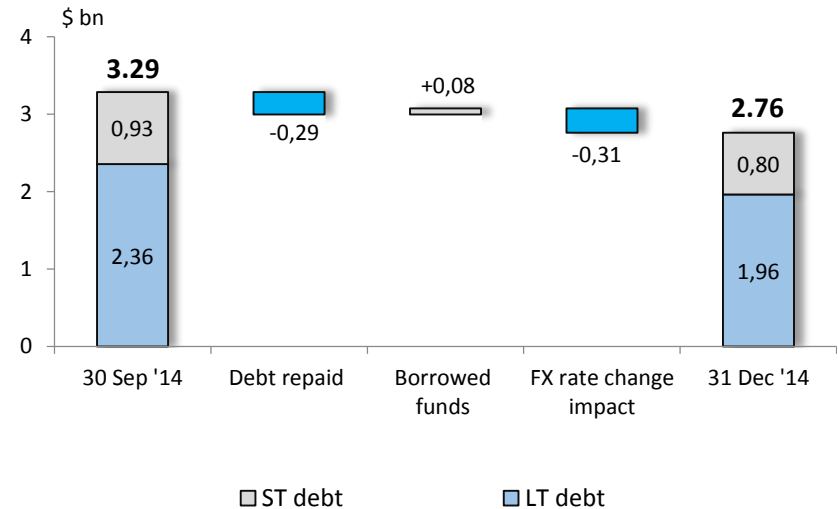
- Net Debt: \$1.59 bn (-12% qoq, -41% yoy)
- Total debt: \$2.76 bn (-16% qoq, -34% yoy)
- Cash and equivalents\*: \$1.17 bn (-21% qoq, -20% yoy)

- NET DEBT / 12M EBITDA: 0.67x (-0.16 P. QOQ, -1.13 P. YOY)**

## MATURITY AND NET DEBT/EBITDA



## CHANGE IN DEBT POSITION IN Q4'14



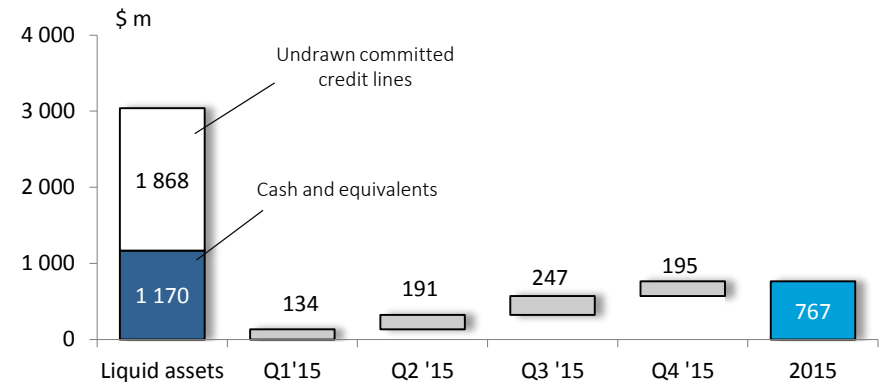
\* Cash and equivalents and short term investments

# LIQUIDITY AND DEBT MATURITY PROFILE

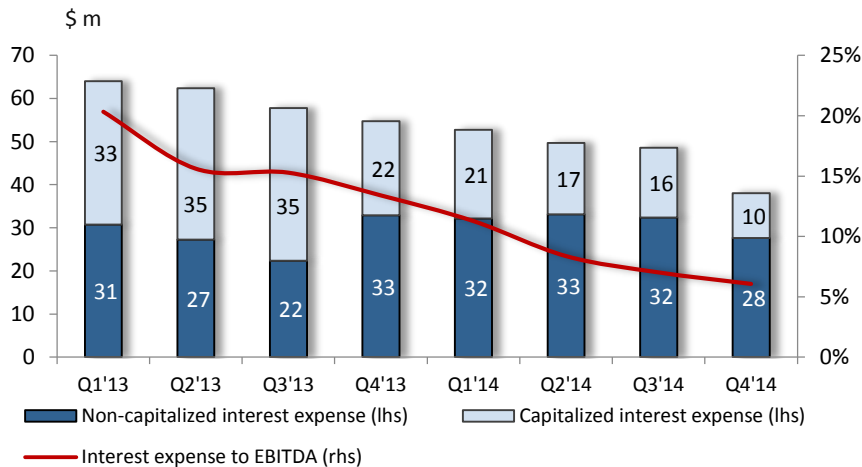
- **STRONG LIQUIDITY POSITION OF \$1.17 BN**
- **COMFORTABLE MATURITY SCHEDULE**

- Short term deb \$767 mln
  - Revolving credit lines for working capital financing
  - Ruble bonds
  - ECA financing
- Long term debt \$1.96 bn
  - Eurobonds and ruble bonds
  - Long term part of ECA financing

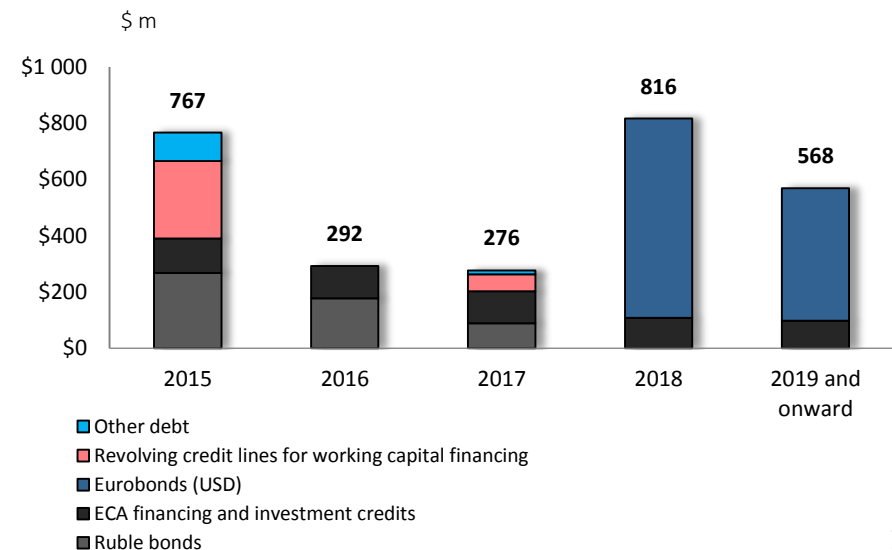
## LIQUID ASSETS AND SHORT-TERM DEBT MATURITY\*



## INTEREST EXPENSES\*\*



## TOTAL DEBT MATURITY SCHEDULE\*\*\*



\* ST maturity payments without interest accrued

\*\* Quarterly figures are derived by computational method on the basis of quarterly reports

\*\*\* Maturity payments do not include interest payments

# STRUCTURAL IMPROVEMENT OF FINANCIAL PERFORMANCE

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- Sizable effect coming from operational efficiency programs
- Leadership in low-cost production
- Profitability growing since beginning of 2013 through six quarters
- Structural reduction in capex
- Debt reduced below Strategy 2017 target level
- Capability in free cash flow growth available for distribution to shareholders

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# STEEL SEGMENT

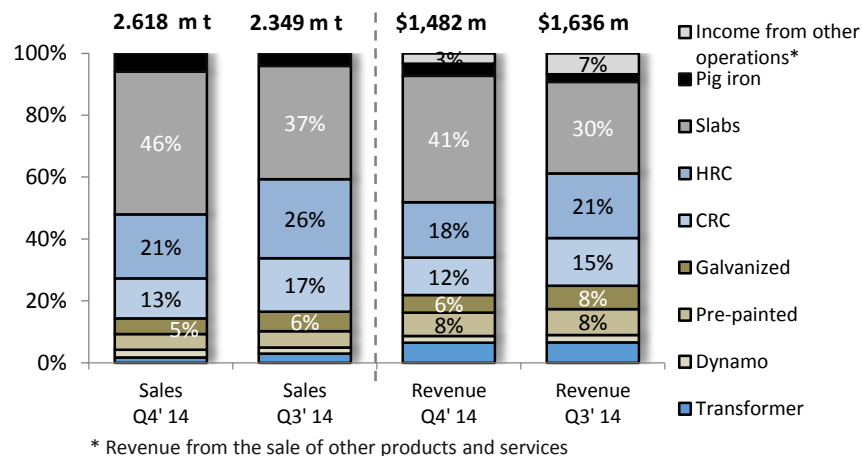
## • STABLE TOTAL REVENUE IN Q4'14 QOQ

- Stable total sales volumes
- Increased sales to third parties by 11%
- Lower average selling prices

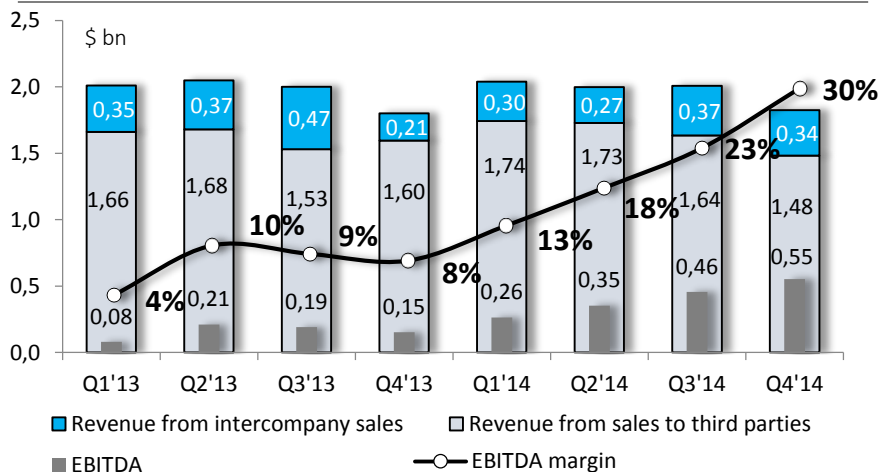
## • EBITDA MARGIN INCREASED TO 30%

- Maximum steelmaking capacity utilization rates
- Efficiency improvement programmes
- Positive impact of Russian ruble devaluation from export operations

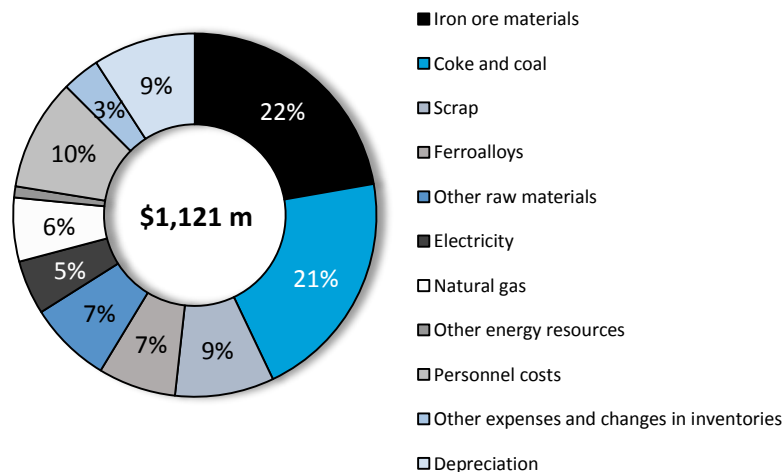
## SALES AND REVENUE FROM THIRD PARTIES



## SEGMENT REVENUE AND EBITDA



## COST OF SALES, Q4'14



# LONG PRODUCTS SEGMENT

## • SALES VOLUME INCREASE BY 4% QOQ

- Seasonal decrease of consumption of construction products in Russia
- Mastering of sections at NLMK Kaluga
- Delayed sales recognition of Q3'14 operations

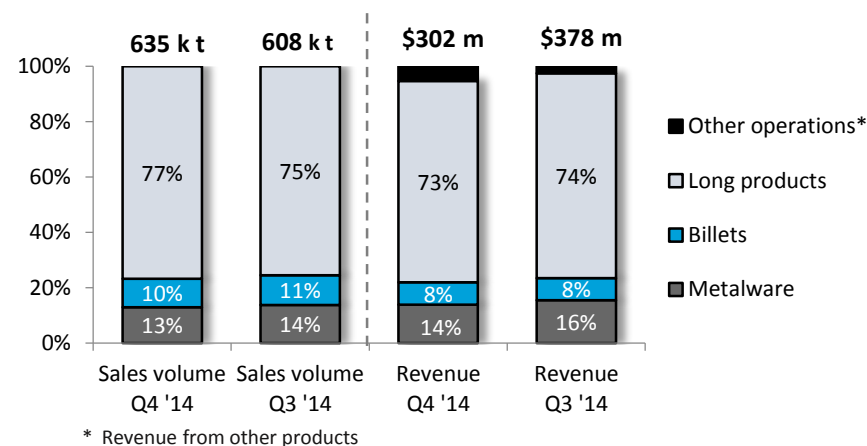
## • EXTERNAL REVENUE DECREASE BY 20% QOQ

- Seasonal decrease in long product prices
- Impact of Russian ruble devaluation

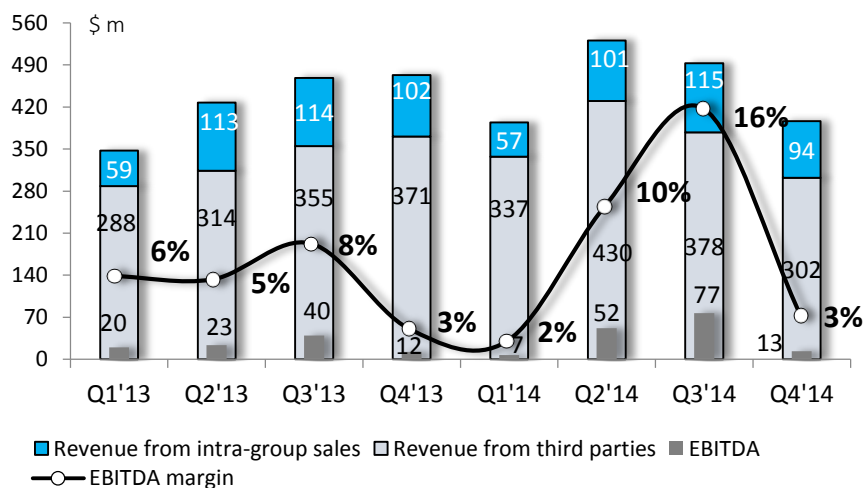
## • EBITDA MARGIN DOWN TO 3%

- Narrowing of spread between long product and scrap prices

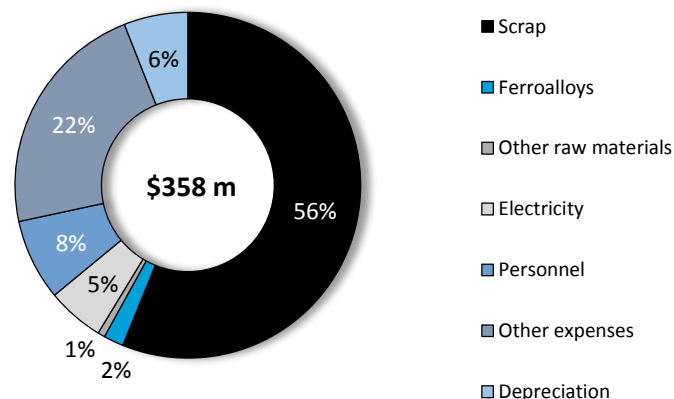
## THIRD PARTY SALES AND REVENUE STRUCTURE



## SEGMENT REVENUE AND EBITDA



## COST OF SALES IN Q4'14



\* Revenue from intra-group sales is represented mostly by ferrous scrap deliveries to the Lipetsk site

# MINING SEGMENT

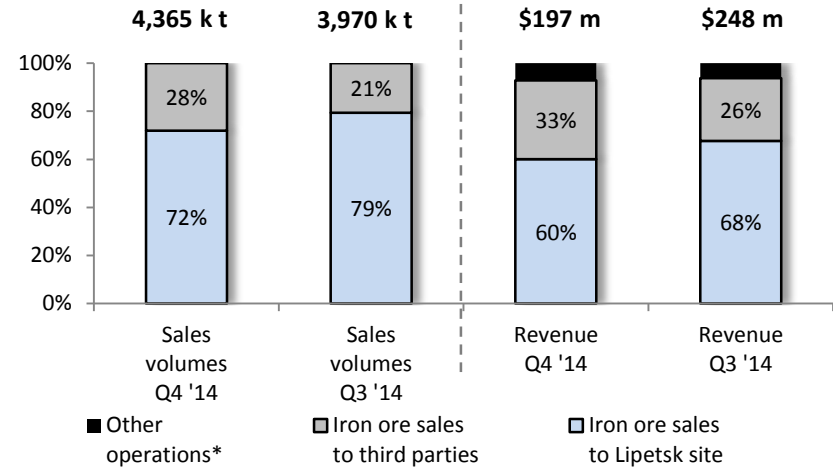
## REVENUE DECLINE BY 21% QOQ

- Decline in iron ore prices (~30% qoq, in \$ terms)
- Increase in iron ore sales by 10% qoq to 4.4 m t

## EBITDA MARGIN AT 51%

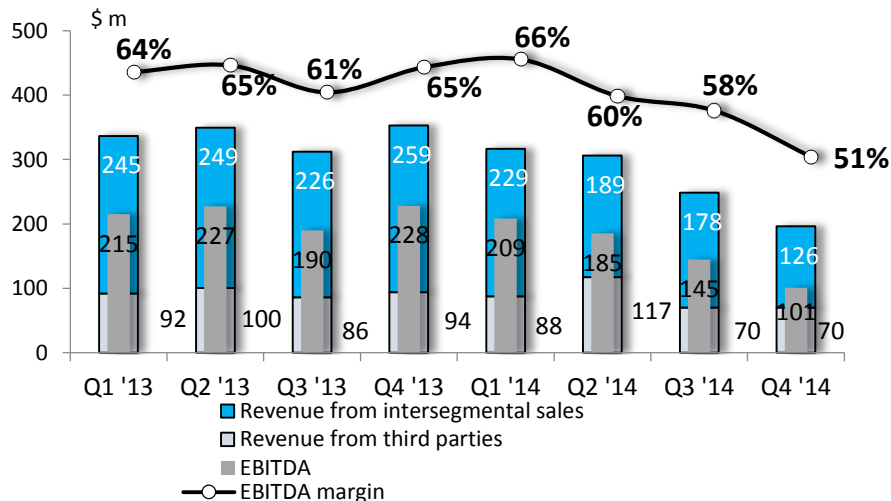
- Lower global iron ore prices
- Operational efficiency programmes and increase in equipment productivity

## SALES AND REVENUE STRUCTURE

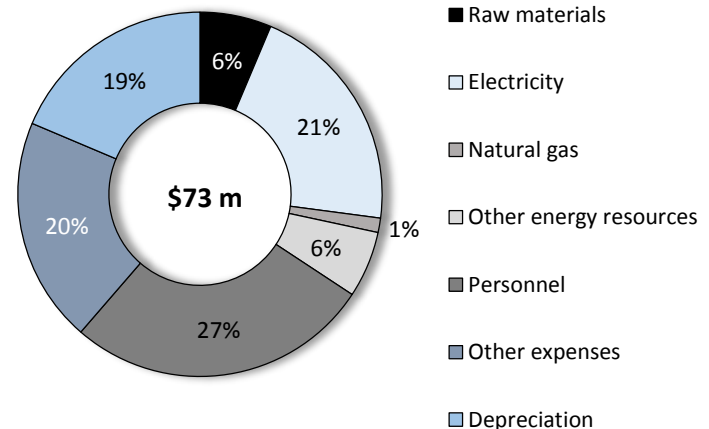


\* Other operations include limestone, dolomite and other sales

## SEGMENT REVENUE AND EBITDA



## COST OF SALES IN Q4'14



# FOREIGN ROLLED PRODUCTS SEGMENT

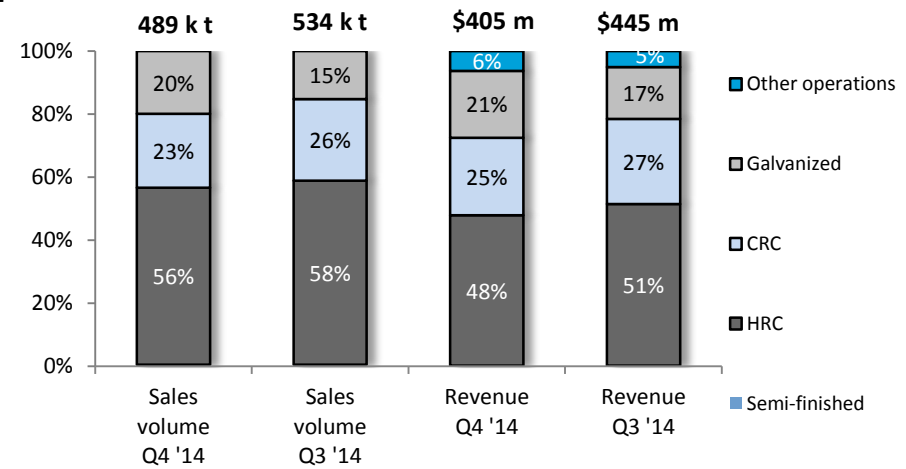
## • SEGMENT SALES DECLINE BY 5% QOQ

- Increase of NLMK Dansteel sales by 18% qoq on the back of improved market conditions in Europe
- Decline in NLMK USA sales volumes by 9% qoq due to weakening demand in the North American market

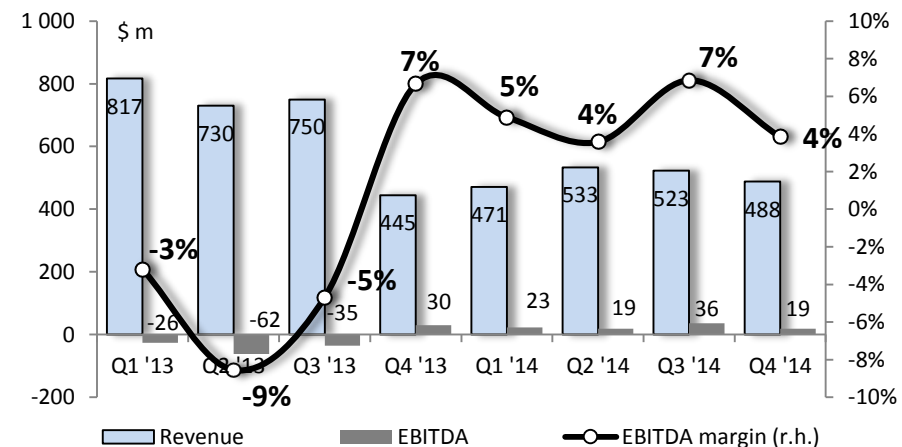
## • DECLINE OF SEGMENT'S PROFITABILITY

- Negative steel price trends on steel products of NLMK USA

## NLMK USA SALES AND REVENUE STRUCTURE



## SEGMENT REVENUE AND EBITDA



# APPENDICES

# SALES STRUCTURE

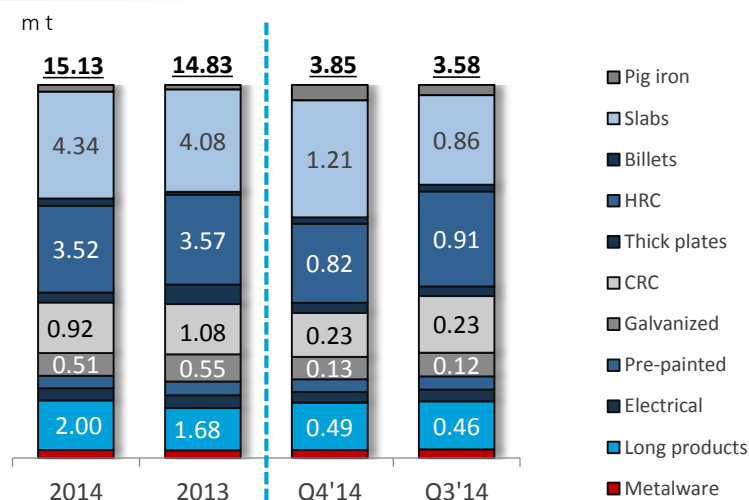
- **2014: SALES VOLUMES 15.1 M T, +2% YOY**

- Long products sales: 2.0 m t (+20% yoy)
- Slab sales: 4.3 m t (+6% yoy)
- Sales of GO steel: 0.3 m t (+6% yoy)
- Deconsolidation of NBH since Q4'13, key impact:
  - Sales of finished products produced by NBH excluded
  - Slab deliveries to NBH – sales to third parties

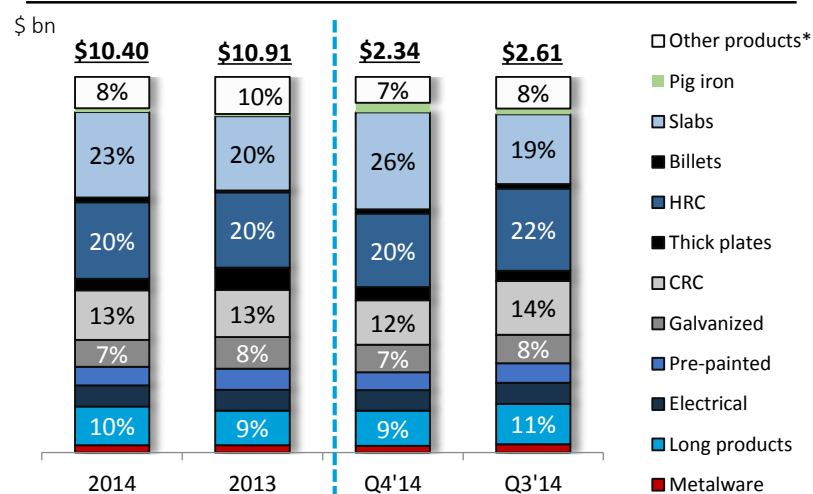
- **Q4'14: SALES GROWTH BY 7% QOQ TO 3.8 M T**

- Slab sales growth by +41% qoq (increase in demand on export markets)
- Seasonal decrease of finished product sales by 6% qoq
- Delayed sales recognition of Q3'14 long product operations

## SALES STRUCTURE BY PRODUCT



## REVENUE BY PRODUCT



\* Revenue from Other operations includes sales of other products (iron ore, coke, scrap and others)

# SALES GEOGRAPHY

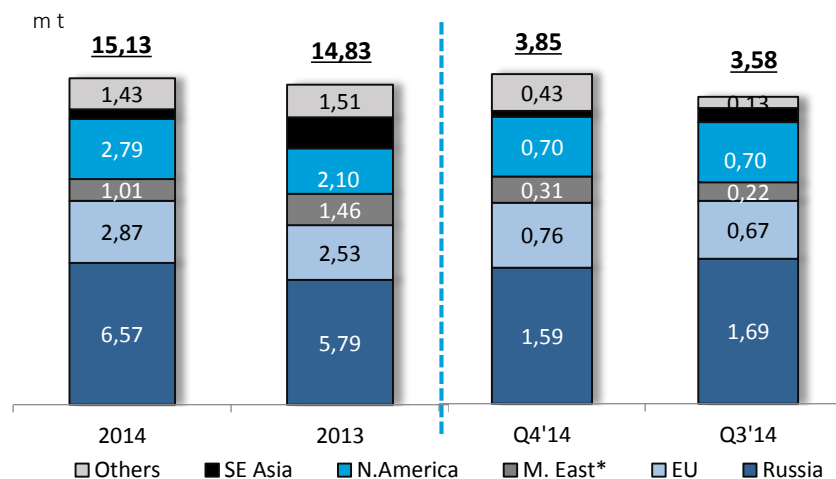
## • SALES IN Q4'14: 3.8 M T (+7% QOQ)

- Seasonal decrease of sales to the Russian market: 1.6 m t (-6% qoq)
- Growth of sales to export markets by +20% qoq
  - Sales to Middle East and Turkey increased (+42% qoq)
  - Sales to Europe increased (+12% qoq)

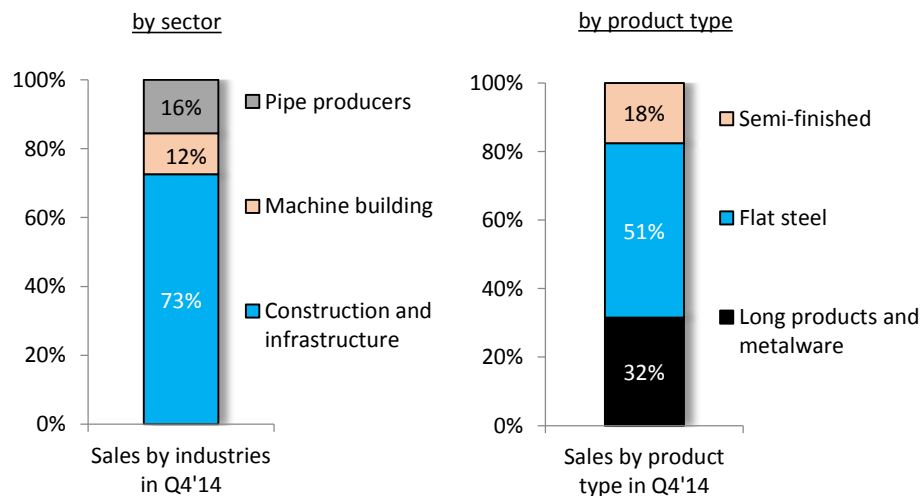
## • 2014 SALES: 15.1 M T (+2% YOY)

- Sales to Russia increased to 6.6 m t (+14% yoy)
- Sales to USA increased (+33% yoy)
- Sales to Europe grew (+14% yoy)

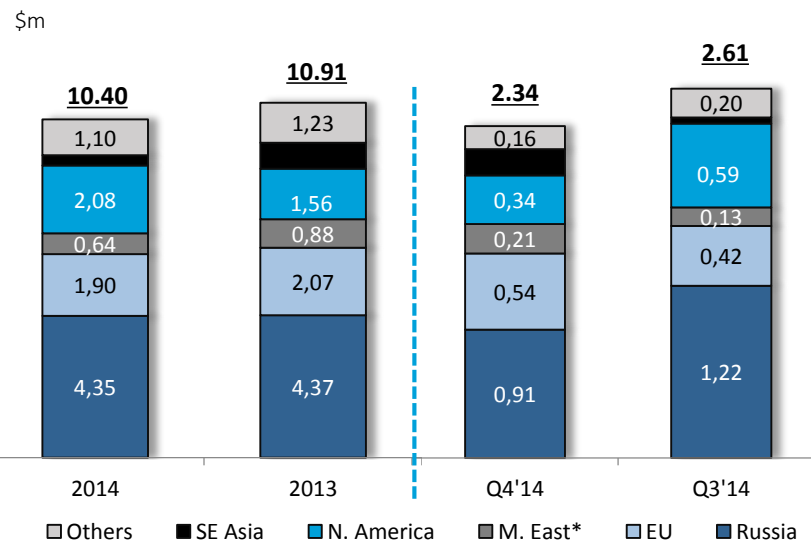
## STEEL PRODUCT SALES BY REGION



## NLMK SALES TO THE RUSSIAN MARKET



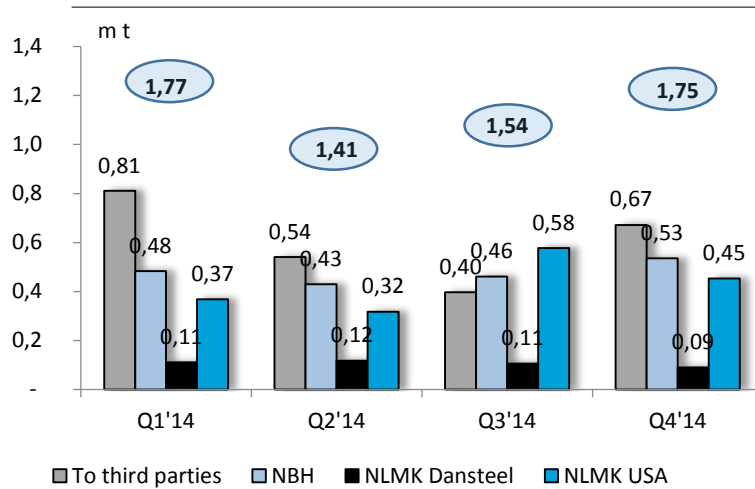
## REVENUE BY REGION



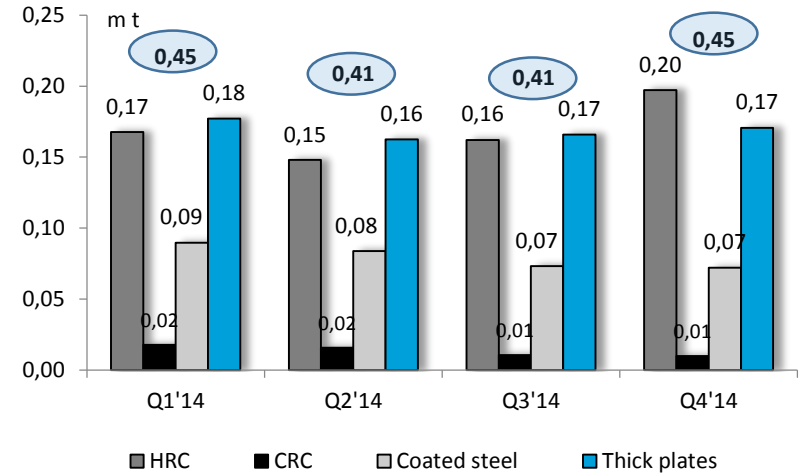


# FOREIGN ASSETS PERFORMANCE

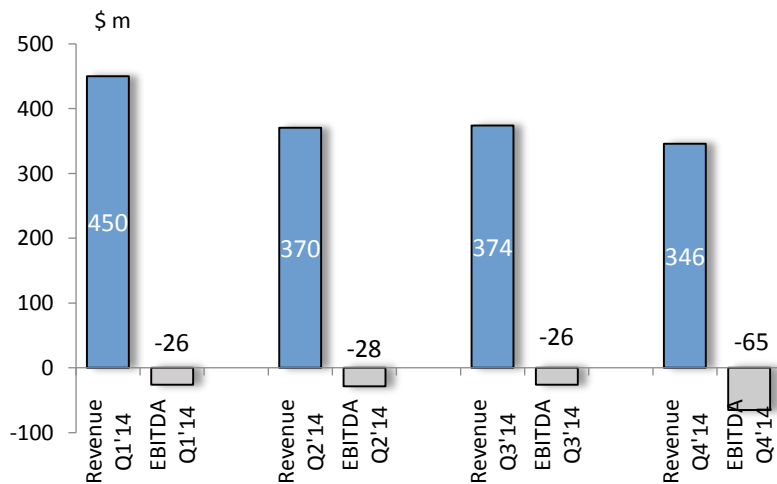
## SLAB SALES



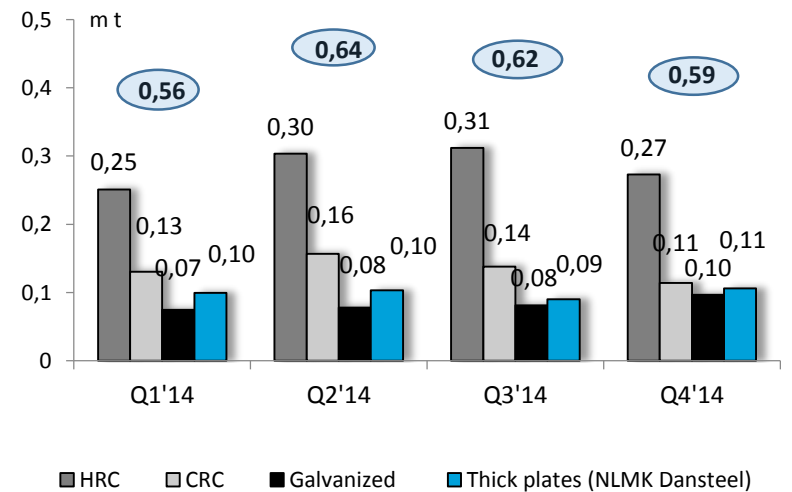
## NBH ROLLED PRODUCT SALES



## NBH FINANCIAL RESULTS



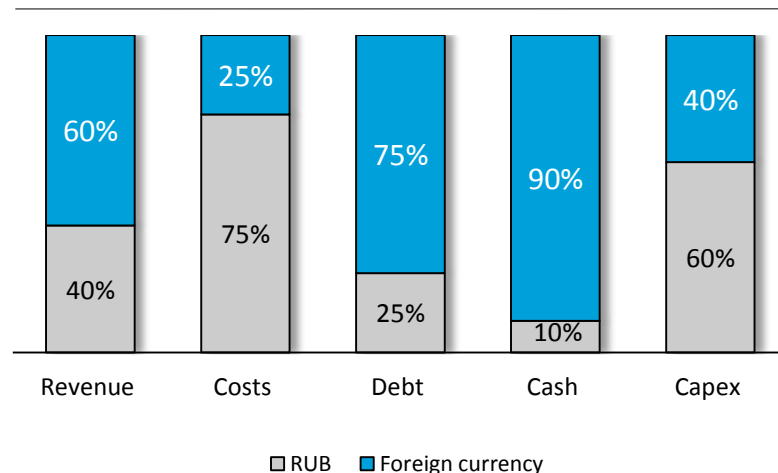
## NLMK USA AND NLMK DANSTEEL ROLLED PRODUCT SALES



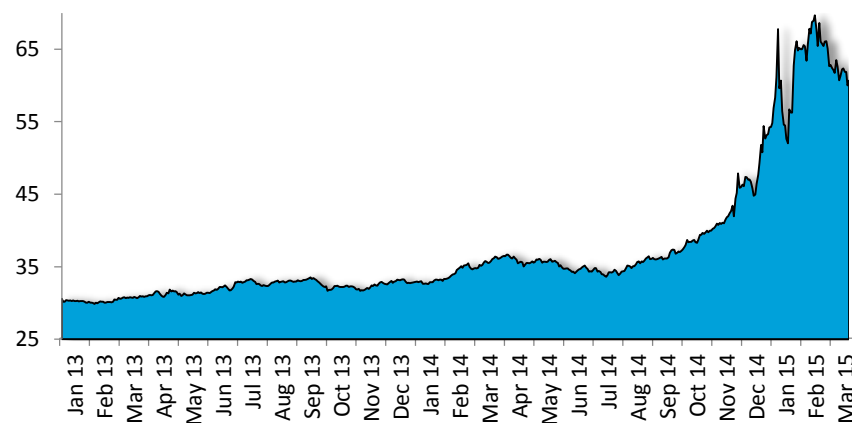
# FX RATES CHANGE EXPOSURE

- FAVORABLE EXPOSURE IN RUBLE DEVALUATION ENVIRONMENT
- AT CURRENT RATES LEVEL (60-65 RUB/\$)  
1 RUB/\$ MOVEMENT TRANSLATES INTO ≈\$10 M PA. OF EBITDA EFFECT
- FLEXIBILITY IN SALES MIX (BY PRODUCT AND REGION) ALLOWS TO QUICKLY REACT TO FX RATE CHANGES
- NO HEDGING INSTRUMENTS USED

## BALANCE SHEET CURRENCY STRUCTURE



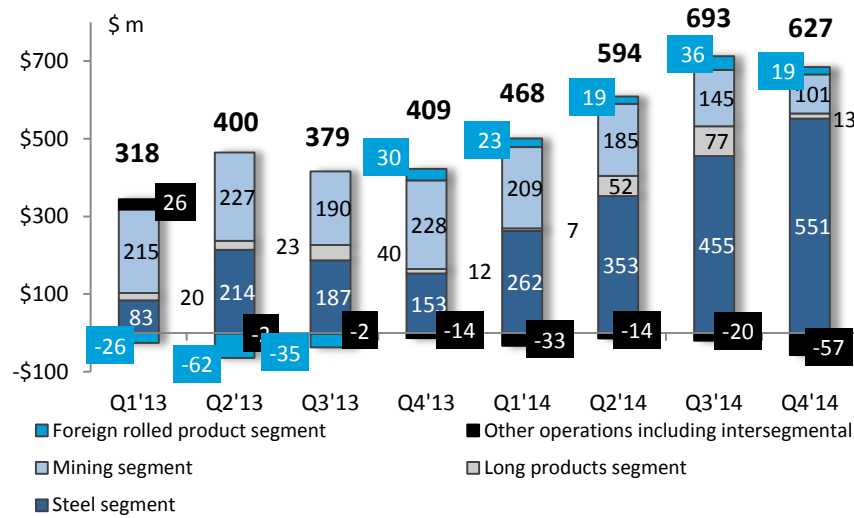
## RUB/\$ FX RATE



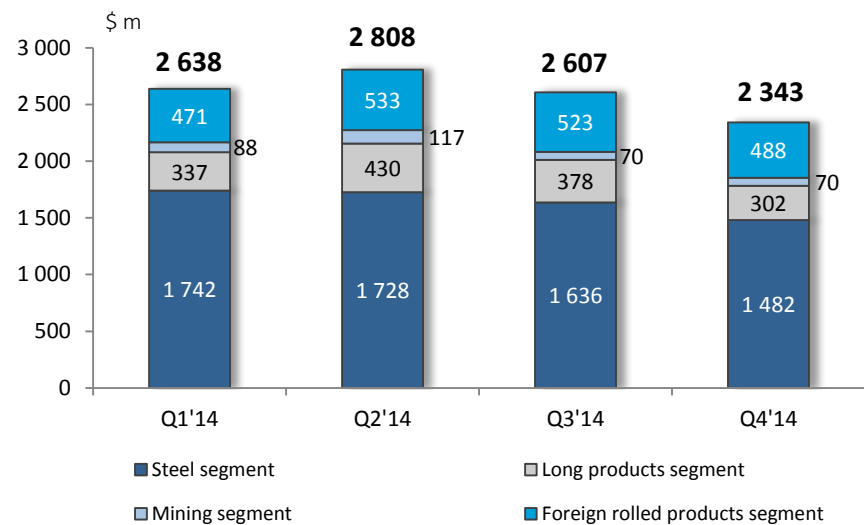
Source: Bloomberg

# SEGMENT RESULTS OVERVIEW

## EBITDA BY SEGMENT 2013-2014



## REVENUE FROM THIRD PARTIES BY SEGMENT



# CASH FLOW IN 2014

- GROWTH OF OPERATING CASH FLOW IN 2014 TO \$1,716 M (+46% QOQ)**

- EBITDA \$2,383 m
- Working capital increase by \$595 m mainly due to the FX factor:
  - FX impact on the working capital of NLMK Group's foreign assets of ~\$465 m
  - Built-up of slab inventory at NLMK USA of \$140 m

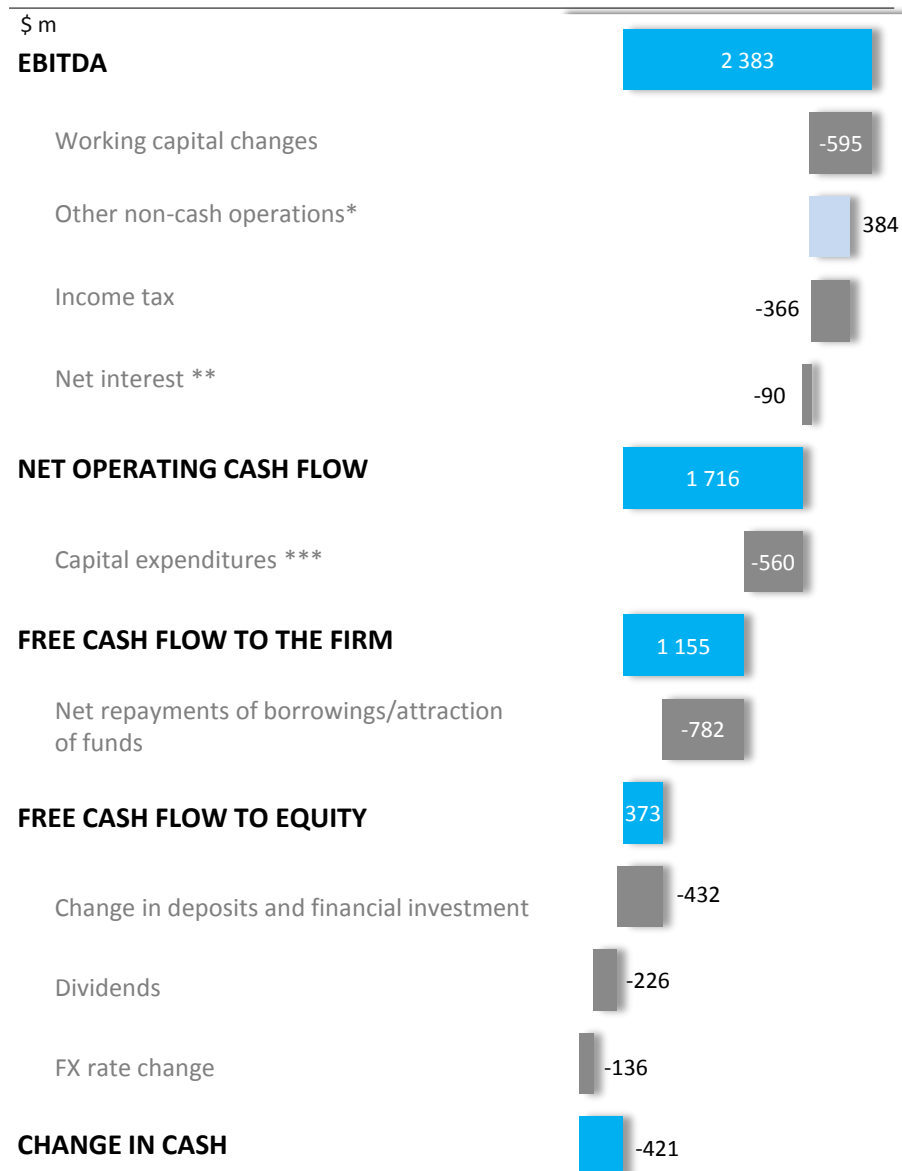
- CONSERVATIVE INVESTMENT PROGRAM**

- 12M'14 capex: \$560 m (-26% yoy)
  - Incl. maintenance capex: \$206 m
- Main source of investment funding: operating cash flow

- 2014 FREE CASH FLOW: \$1,155 M**

- Growth: +174% yoy
- Structural increase of income and reduction of investment

## Q4'14 CASH FLOW BRIDGE



\* Foreign currency exchange gains, other income/(expenses)

\*\* Including interest paid (w/o capitalized interest) of \$121 m and interest received of \$31 m

\*\*\* Including capitalized interest of \$64 m

# CASH COST OF SLABS

## SLAB CONSOLIDATED CASH COST STRUCTURE (AT LIPETSK SITE)

Cost item	Q4'14 ( <sup>'000</sup> RUR/t)	Q4 '14 (\$/t)	Q3 '14 (\$/t)	Δ, \$/t
Coke and coking coal	2.7	\$57	\$77	-\$20
Iron ore	1.6	\$34	\$49	-\$15
Scrap	1.1	\$24	\$31	-\$7
Other materials	1.0	\$22	\$29	-\$7
Electricity	0.7	\$14	\$17	-\$3
Natural gas	0.7	\$15	\$18	-\$3
Personnel	1.1	\$24	\$27	-\$3
Other expenses	1.7	\$35	\$46	-\$11
<b>Total</b>	<b>10.7</b>	<b>\$225</b>	<b>\$295</b>	<b>-\$70</b>

## CASH COST OF SLABS (AT LIPETSK SITE), 2012-2014

Period	\$/t
Q1'12	\$395
Q2'12	\$411
Q3'12	\$383
Q4'12	\$361
<b>2012</b>	<b>\$388</b>
Q1'13	\$364
Q2'13	\$348
Q3'13	\$329
Q4'13	\$349
<b>2013</b>	<b>\$348</b>
Q1'14	\$310
Q2'14	\$308
Q3'14	\$295
<b>Q4'14</b>	<b>\$225</b>
<b>2014</b>	<b>\$283</b>

# SEGMENT INFORMATION

<b>Q4 2014</b> (million USD)	<b>Steel</b>	<b>Foreign rolled products</b>	<b>Long products</b>	<b>Mining</b>	<b>All other</b>	<b>Totals</b>	<b>Intersegmental operations and balances</b>	<b>Consolidated</b>
Revenue from external customers	1 482	488	302	70	0	2 343		2 343
Intersegment revenue	344		94	126		564	(564)	
Gross profit	705	17	39	124	(1)	884	(94)	790
Operating income/(loss)	449	(8)	(122)	88	(2)	405	(57)	348
<i>as % of net sales</i>	<i>25%</i>	<i>(2%)</i>	<i>(31%)</i>	<i>45%</i>				<i>15%</i>
Income / (loss) from continuing operations before minority interest	436	(10)	(162)	280	(1)	626	(35)	591
<i>as % of net sales</i>	<i>24%</i>	<i>(2%)</i>	<i>(41%)</i>	<i>143%</i>				<i>25%</i>
Segment assets including goodwill <sup>1</sup>	8 792	1 697	1 487	1 935	100	14 010	(3 604)	10 406

<b>Q3 2014</b> (million USD)	<b>Steel</b>	<b>Foreign rolled products</b>	<b>Long products</b>	<b>Mining</b>	<b>All other</b>	<b>Totals</b>	<b>Intersegmental operations and balances</b>	<b>Consolidated</b>
Revenue from external customers	1 636	523	378	70	0	2 607		2 607
Intersegment revenue	373		115	178		666	(666)	
Gross profit	576	39	97	159	(1)	871	(65)	807
Operating income/(loss)	312	(67)	49	127	(1)	421	(19)	402
<i>as % of net sales</i>	<i>16%</i>	<i>(13%)</i>	<i>10%</i>	<i>51%</i>				<i>15%</i>
Income / (loss) from continuing operations before minority interest	378	(165)	233	172	1	619	(282)	337
<i>as % of net sales</i>	<i>19%</i>	<i>(31%)</i>	<i>47%</i>	<i>69%</i>				<i>13%</i>
Segment assets including goodwill <sup>2</sup>	11 350	1 786	2 360	2 041	138	17 674	(3 661)	14 013

<sup>1</sup> as of 31.12.2014

<sup>2</sup> as of 30.09.2014

# QUARTERLY DATA:

## CONSOLIDATED STATEMENT OF INCOME

	Q4 2014	Q3 2014	Q4 2014/Q3 2014		12M 2014	12M 2013	12M 2014/12M 2013	
\$m			+ / -	%			+ / -	%
Sales revenue	2 343	2 607	(264)	(10%)	10 396	10 909	(514)	(5%)
Production cost	(1 387)	(1 592)	205	(13%)	(6 673)	(7 929)	1 255	(16%)
Depreciation and amortization	(165)	(208)	43	(21%)	(785)	(862)	77	(9%)
Gross profit	790	807	(16)	(2%)	2 937	2 119	818	39%
General and administrative expenses	(89)	(80)	(9)	12%	(346)	(424)	78	(18%)
Selling expenses	(213)	(207)	(6)	3%	(857)	(917)	61	(7%)
Taxes other than income tax	(26)	(35)	9	(26%)	(137)	(134)	(3)	2%
Impairment losses*	(114)	(83)	(31)	38%	(114)		(114)	
Operating income	348	402	(54)	(13%)	1 484	644	840	130%
Gain / (loss) on disposals of property, plant and equipment	9	(8)	18	(210%)	(3)	(22)	19	(87%)
Gains / (losses) on investments	(4)	38	(41)	(110%)	37	21	16	77%
Interest income	10	11	(0)	(4%)	36	40	(4)	(9%)
Interest expense	(28)	(34)	6	(19%)	(127)	(114)	(13)	11%
Foreign currency exchange loss, net	361	73	289	398%	418	38	380	1005%
Other expense, net	(25)	(32)	7	(23%)	(75)	(123)	48	(39%)
Income from continuing operations before income tax	672	448	224	50%	1 770	483	1 287	266%
Income tax	(164)	(111)	(53)	47%	(406)	(222)	(184)	83%
Equity in net earnings/(losses) of associate	(47)	(41)	(6)	14%	(193)	(54)	(139)	258%
Impairment of investment in associate*	(243)		(243)		(325)		(325)	
Net income	219	295	(76)	(26%)	846	208	638	308%
Less: Net loss / (income) attributable to the non-controlling interest	13	(15)	27	(186%)	(1)	(19)	18	(94%)
Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders	232	281	(49)	(17%)	845	189	656	348%
EBITDA	627	693	(66)	(9%)	2 383	1 505	877	58%

Reporting periods of the Company are 3M, 6M, 9M and 12M. Quarterly figures (with the exception of Q1) are derived by computational method, including for segment reporting.

\* Impairment losses from financial investments into NBH in the amount of \$83 m, reported in the financial statements of 9M 2014 were reclassified in the financial statements of 12M 2014 as "Impairment of investment in associate"



# CONSOLIDATED CASH FLOW STATEMENT

	Q4 2014	Q3 2014	Q4 2014/Q3 2014		12M 2014	12M 2013	12M 2014/12M 2013	
\$m			+ / -	%			+ / -	%
<b>Cash flow from operating activities</b>								
<b>Net income</b>	219	295	(76)	(26%)	846	208	638	308%
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>								
Depreciation and amortization	165	208	(43)	(21%)	785	862	(77)	(9%)
Loss on disposals of property, plant and equipment	(9)	8	(18)	(210%)	3	22	(19)	(87%)
(Gain)/loss on investments	4	(38)	41	(110%)	(37)	(21)	(16)	77%
Interest income	(10)	(11)	0	(4%)	(36)	(40)	4	(9%)
Interest expense	28	34	(6)	(19%)	127	114	13	11%
Equity in net earnings of associate	47	41	6	14%	193	54	139	
Defferd income tax (benefit)/expense	21	0	21	33626%	40	81	(40)	
Loss / (income) on forward contracts	(10)	11	(21)	(191%)	3	(0)	4	(784%)
Loss of impairment	356	83	274	331%	439		439	
Other movements	80	(42)	122	(289%)	38	(49)	87	(179%)
<b>Changes in operating assets and liabilities</b>								
Increase in accounts receivables	(171)	(42)	(130)	310%	(369)	(337)	(32)	9%
Increase in inventories	(319)	(366)	48	(13%)	(353)	(96)	(257)	269%
Decrease/(increase) in other current assets	2	3	(1)	(20%)	(2)	7	(10)	(132%)
Increase in accounts payable and oher liabilities	96	9	87	955%	79	412	(333)	(81%)
Increase/(decrease) in current income tax payable	14	32	(18)	(55%)	50	2	48	2280%
<b>Cash provided from operating activities</b>	513				1 806	1 219	587	48%
Interest received	7	10	(2)	(25%)	31	40	(10)	
Interest paid	(17)	(42)	25	(59%)	(121)	(81)	(39)	
<b>Net cash provided from operating activities*</b>	503	194	308	159%	1 716	1 177	538	46%
<b>Cash flow from investing activities</b>								
Proceeds from sale of property, plant and equipment	10	(1)	11	(1070%)	15	6	9	138%
Purchases and construction of property, plant and equipment	(122)	(158)	36	(23%)	(560)	(756)	196	(26%)
Proceeds from sale / (purchases) of investments, net	(218)	45	(263)	(589%)	(232)	(87)	(144)	
(Placement) / withdrawal of bank deposits, net	16	109	(93)	(85%)	(197)	(264)	67	
Acquisition of additional stake in existing subsidiary						(10)	10	(100%)
<b>Net cash used in investing activities</b>	(314)	(5)	(309)	6266%	(974)	(1 065)	91	(9%)
<b>Cash flow from financing activities</b>								
Proceeds from borrowings and notes payable	80	19	61	315%	110	2 005	(1 895)	(95%)
Repayments of borrowings and notes payable	(290)	(310)	19	(6%)	(892)	(1 996)	1 103	(55%)
Capital lease payments	(3)	(4)	1	(24%)	(18)	(24)	6	(26%)
Dividends to shareholders	(111)	(3)	(108)		(226)	(114)	(112)	99%
<b>Net cash used in financing activities</b>	(325)	(298)	(27)	9%	(1 026)	(128)	(898)	
<b>Net increase / (decrease) in cash and cash equivalents</b>	(136)	(108)	(27)	25%	(284)	(16)	(268)	
<i>Effect of exchange rate changes on cash and cash equivalents</i>	(130)	(16)	(114)	712%	(136)	35	(171)	(492%)
<i>Cash and cash equivalents at the beginning of the period</i>	815	939	(124)	(13%)	970	951	19	2%
<b>Cash and cash equivalents at the end of the period</b>	549	815	(265)	(33%)	549	970	(421)	(43%)

Reporting periods of the Company are 3M, 6M, 9M and 12M. Quarterly figures (with the exception of Q1) are derived by computational method, including for segment reporting.

# CONSOLIDATED BALANCE SHEET

	as at 31.12.2014	as at 30.09.2014	as at 30.06.2014	as at 31.03.2014	as at 31.12.2013	as at 31.12.2012
(mln. USD)						
<b>ASSETS</b>						
<b>Current assets</b>	<b>3 915</b>	<b>4 781</b>	<b>5 138</b>	<b>4 966</b>	<b>4 781</b>	<b>5 469</b>
Cash and cash equivalents	549	815	939	830	815	951
Short-term investments	621	668	792	753	668	107
Accounts receivable, net	1 104	1 371	1 561	1 544	1 371	1 491
Inventories, net	1 560	1 822	1 735	1 731	1 822	2 827
Deferred income tax assets	75	95	96	90	95	63
Other current assets, net	5	10	16	17	10	30
<b>Non-current assets</b>	<b>6 490</b>	<b>9 233</b>	<b>10 725</b>	<b>10 241</b>	<b>9 233</b>	<b>12 988</b>
Long-term investments, net	247	415	466	443	415	19
Property, plant and equipment, net	5 867	8 259	9 610	9 162	8 259	11 753
Intangible assets	51	78	93	110	78	142
Goodwill	285	391	452	428	391	786
Other non-current assets, net	23	55	62	39	55	38
Deferred income tax assets	17	35	43	58	35	250
<b>Total assets</b>	<b>10 406</b>	<b>14 013</b>	<b>15 863</b>	<b>15 206</b>	<b>14 013</b>	<b>18 458</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Current liabilities</b>	<b>1 620</b>	<b>2 095</b>	<b>2 307</b>	<b>2 242</b>	<b>2 095</b>	<b>3 302</b>
Accounts payable and other liabilities	774	1 113	1 125	1 068	1 113	1 462
Short-term borrowings	799	930	1 157	1 141	930	1 816
Current income tax liability	48	51	25	33	51	24
<b>Non-current liabilities</b>	<b>2 463</b>	<b>2 997</b>	<b>3 329</b>	<b>3 361</b>	<b>2 997</b>	<b>4 065</b>
Long-term borrowings	1 962	2 355	2 676	2 743	2 355	2 816
Deferred income tax liability	405	541	602	566	541	792
Other long-term liabilities	96	101	51	52	101	457
<b>Total liabilities</b>	<b>4 083</b>	<b>5 091</b>	<b>5 635</b>	<b>5 603</b>	<b>5 091</b>	<b>7 367</b>
<b>Stockholders' equity</b>						
Common stock	221	221	221	221	221	221
Statutory reserve	10	10	10	10	10	10
Additional paid-in capital	257	257	257	257	257	306
Other comprehensive income	(6 431)	(3 621)	(2 159)	(2 739)	(3 621)	(997)
Retained earnings	12 251	12 019	11 873	11 829	12 019	11 582
<b>NLMK stockholders' equity</b>	<b>6 308</b>	<b>8 886</b>	<b>10 202</b>	<b>9 579</b>	<b>8 886</b>	<b>11 123</b>
<b>Non-controlling interest</b>	<b>15</b>	<b>36</b>	<b>26</b>	<b>25</b>	<b>36</b>	<b>(33)</b>
<b>Total stockholders' equity</b>	<b>6 323</b>	<b>8 922</b>	<b>10 228</b>	<b>9 603</b>	<b>8 922</b>	<b>11 090</b>
<b>Total liabilities and stockholders' equity</b>	<b>10 406</b>	<b>14 013</b>	<b>15 863</b>	<b>15 206</b>	<b>14 013</b>	<b>18 458</b>

NLMK

Investor Relations

Russia, 115054, Moscow  
18, Bakhrushina str, bldg 1

t. +7 495 915 15 75

f. +7 495 915 79 04

[ir@nlmk.com](mailto:ir@nlmk.com)

[www.nlmk.com](http://www.nlmk.com)