

17 May 2013

Press-release

Q1 2013 CONSOLIDATED FINANCIAL RESULTS UNDER US GAAP¹

Q1 revenue increased by 2% qoq to \$2,856 million driven by higher sales volumes (up 2% qoq) and an improved product mix with a 9% growth in value added product sales. These factors partially offset the seasonal weakness in steel prices. EBITDA was down by 18% qoq to \$318 million, translating into an 11% EBITDA margin. Net income was \$38 million. Q1'13 capex decreased by 48% qoq to \$154 million. Net debt sequentially decreased by 3% to \$3,453 million.

OUTLOOK

In Q2, revenue is expected to increase in the range of 2-3% qoq, driven by the seasonal recovery of demand in Russia and the corresponding increase in prices for rolled steel in the region, as well as the time lag in the recognition of export sales. These factors, coupled with stable costs, will drive profitability up qoq.

KEY HIGHLIGHTS

'000 t/ US\$ million	Q1 2013	Q4 2012 ¹	Changes, qoq in %	Q1 2012	Changes, yoy in %
Sales volumes	3,761	3,678	+2%	3,872	-3%
Including high value added products ²	1,328	1,222	+9%	1,405	-5%
Revenue	2,856	2,803	+2%	3,094	-8%
Operating profit	111	191	-42%	255	-57%
EBITDA ³	318	390	-18%	432	-26%
EBITDA margin (%)	11.1%	13.9%	-2.8 p.p.	14.0%	-2.9 p.p.
Net income/(loss) ⁴	38	(22)		173	-78%
Net debt ⁵	3,453	3,574	-3%	3,538	-2%
Net debt/EBITDA ⁶	1.93	1.88		1.69	

Note:

¹ Consolidated financial results are prepared based on US GAAP. Reporting periods of the Company are 9M and 12M 2012. Q4 figures are derived by computational method. The same assumption applies to the calculation of segmental financial results.

² High value added (HVA) products include plates, cold-rolled, galvanized, pre-painted and electrical steel, and metalware.

³ EBITDA calculations are presented in the Appendix. EBITDA is calculated as operating profit adjusted to loss or gain from impairment losses (including goodwill) and depreciation and amortization.

⁴ Net profit attributable to NLMK shareholders.

⁵ Net debt is calculated as the sum of LT and ST credits and loans less cash and cash equivalents, as well as ST financial investments at period end.

⁶ Net debt / EBITDA is represented by net debt as at the end of the period and EBITDA is presented as Last 12 months EBITDA.

This announcement may contain a number of forward-looking statements relating to, among others, the financial condition and results of operations of the Company. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by them and are based on assumptions regarding the Company's present and future business strategies and the environment in which the Company and its subsidiaries operate both now and in the future. Forward-looking statements speak only as at the date of this announcement and save as required by applicable legal and/or regulatory requirements the Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements.

Grigory Fedorishin, Vice President for Finance and NLMK CFO, commented on the Q1 2013 results:

“Q1’13 sales volumes went up by 2% qoq to 3.8 million t. NLMK’s key steelmaking operations were running at close to maximum levels. We increased our sales of value added products with an 8% sequential growth in rolled steel sales that reached 2.6 million t. These factors were behind a 2% yoy growth in the sales revenue that reached \$2.9 billion partially compensating for lower steel prices. EBITDA was lower by 18% qoq to \$318 million pressured by lower selling prices while the prices for raw materials remained unchanged. EBITDA margin was 11%.

“As the situation in the global steel markets remains challenging the management confirms its commitment to investment discipline and tight cost control across the entire value chain. Earlier this year we have adopted a management gains program to increase operational efficiency of upstream operations at our core site in Lipetsk. Expected costs savings in 2013 are \$60 million with a targeted structural savings of \$100 million per year without any additional capex required for this. Working capital management remains one of the priorities, and we have retained it stable despite growth in sales in Q1 2013.

Q1 the company reduced its capex by 48% qoq to \$154 million. Free cash flow was used to decrease the net debt by 3% to \$3.45 billion.

“In Q1 NLMK continued to optimize its debt portfolio, downsizing its short term debt. In February we successfully placed a five year Eurobond issue of \$800 million.”

CONFERENCE CALL DETAILS

NLMK is pleased to invite the investment community to a conference call with the management of NLMK:

Friday, May 17, 2013

09:00 (New York)

14:00 (London)

17:00 (Moscow)

To join the conference call, please, register on-line:

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=097741&Conf=187578>

or dial

International Call-in Number: +44 (0)20 7162 0025

US Call-in Number: +1 334 323 6201

Conference ID: 932630

*We recommend that participants register on-line to avoid waiting in a queue or to start dialing in 5-10 minutes prior to ensure a timely start to the conference call.

The conference call replay will be available through 22 May 2013

International Replay Number: +44 (0) 20 7031 4064

US Replay Number: +1 954 334 0342

Replay Access Code: 932630

It is recommended that participants download presentation in advance on NLMK's web-site www.nlmk.com

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MANAGEMENT COMMENTS

- **Market review**

In early 2013 in a number of regions steel demand improved driven by restocking as steel inventories hit low levels in the end of last year. This triggered a spike in supply leading to an 8% qoq and 2% yoy increase in global steel production in Q1'13.

In the Russian market, Q1 apparent steel use was sequentially flat due to the seasonally low buying activity from end users (primarily in construction that represents nearly 65% of total steel consumption in the country).

- **Production and sales**

Q1 production of steel and rolled products was 3.7 million t and 3.8 million t, respectively. Q1 utilization rates at steelmaking facilities were 94%.

Q1 sales increased to 3.8 million t, up 2% qoq. The share of semis in total sales decreased by 4 p.p. to 31%. Third party sales of slabs decreased by 9% qoq to 1.13 million t, while sales of slabs in the Russian market more than doubled qoq to 150,000 t. Sales of flat and long steel went up by 8% qoq driven by better sales volumes in Russia and Europe. Sales of high value added products went up by 9% qoq to 1.33 million t.

- **Sales geography**

Sales in Russia totalled 1.32 million t. The share of international sales edged up by 1 p.p. qoq to 65%. Foreign Rolled Products segment's share in total sales was up 3 p.p. to 26%: NLMK Europe sales were up by 20% qoq to 0.49 million t, and NLMK USA sales grew by 16% qoq to 0.47 million t.

Key international markets were Europe, the USA, South East Asia as well as the Middle East.

- **Pricing environment**

In the Russian market, Q1 prices decreased by 2% to 5% impacted by the seasonal slowdown in demand and the overall weakening in the market conditions. In the international markets, prices were displaying diverging regional dynamics. In general, prices in international markets reflected the levels recorded at the end of 2012 due to a delay in the recognition of export sales.

- **Investments**

Q1'13 capex was down 48% to \$154 million, with maintenance capex representing nearly 30%. This decrease was due to lower capital outlays for projects nearing completion as well as seasonality factors.

In December 2012 construction of the new plate mill at NLMK DanSteel was completed, and in Q1'13 the plant was running at nearly 70%.

2013 key investment projects:

- **NLMK Kaluga**

Launch is scheduled for mid-2013. Annual capacity of the plant: steelmaking (EAF) of 1.5 million t and 0.9 million t of long steel for construction.

- **Stoilensky**

Expansion of the open pit mine, growth in beneficiation capacity by 4 million t of iron ore concentrate per year and the construction of a pelletizing facility with an annual capacity of 6 million t. The projects are expected to be completed in 2015-2016.

- **Pulverized coal injection (PCI)**

In Q2'13 the technology with a capacity of 2.6 million t will be launched (in hot test mode) at Blast Furnace #5 at the Lipetsk plant. This technology is planned to be gradually implemented during 2013-2014.

- **Production efficiency enhancement programme**

NLMK continues to optimize the efficiency of production. In February 2013, a business process improvement programme for Novolipetsk was approved to further enhance the efficiency of its upstream operations. In 2013 related cumulative savings are targeted at RUB 2 billion (over \$60 million) with no substantial investments required.

The main aspects of the new approach include the following:

- Maximizing the process efficiency of steelmaking equipment;
- Minimizing raw material, fuel, other material, and energy consumption;
- Optimizing the structure of fuel and raw material balances;
- Reducing the facility's environmental footprint, and minimizing waste.

- **Debt management**

As at the end of Q1'13, net debt was down by 3% to \$3.45 billion. Gross financial debt was up 7% qoq to \$4.94 billion. Key factors behind the gross debt change were the placement of the \$800 million five year Eurobond issue with an annual coupon rate of 4.45% and the settlement of the three year ruble bond issue of RUB10 billion. Cash and equivalents and short-term investments increased by 41% qoq to \$1.49 billion.

Weighted-average maturity of outstanding debt as at the end of Q1'13 increased to 3.3 years from 3.1 years at the end of 2012. Net debt to EBITDA ratio was 1.93.

In February 2013, international rating agencies S&P and Moody's confirmed NLMK's investment grade credit rating.

Subsequent events

- **Annual General Shareholders Meeting and 2012 Dividends**

At a meeting held on the 19th of April, NLMK Board of Directors recommended the Company's shareholders to approve 2012 dividends of RUB0.62 per share at the AGM to be held on the 7th of June 2013. Thus, 2012 annual dividends may reach \$119 million, or around 20% of net income under US GAAP (based on the FX USD/RUB rate as at the date of recommendation).

- **Restructuring of the European assets**

Following a series of negotiations with the trade unions of NLMK La Louvière, the largest asset within NLMK Europe Strip, an agreement has been reached on the restructuring plan. Among other items, the plan envisages an employee optimization scheme that will help the business unit to reduce fixed costs.

KEY FINANCIALS

- **Revenue**

Revenue was up 2% qoq to \$2,856 million driven by a 2% growth in sales volumes and an improved product mix: the share of HVA products in Q1 sales increased by 4 p.p. to 69%. Selling prices were lower, impacted, among other factors, by the seasonal slowdown in demand. Top line was also impacted by the RUB/USD exchange rate change from Q4'12 levels.

- **Operating profit**

Q1 operating profit was \$111 million, a decline of 42% qoq, as spreads between steel prices and raw materials / feedstock narrowed.

Production costs sequentially increased by 7% to \$2,125 million driven by higher sales volumes, growth in value added product sales, as well as an inflation in tariffs for the services of natural monopolies in Russia, including in rail transportation tariffs by 7%.

General and administrative expenses were up by 6% to \$120 million driven by the change in provision for employee compensation and the US\$ weakening in Q1'13.

- **Net profit**

Q1'13 net profit was \$38 million against Q4'12 net loss of \$22 million. Q1'13 net profit was negatively impacted by the FX rate loss of \$27 million.

Total interest expense, including capitalized interest expense, declined by 11% qoq to \$64 million. In the P&L, the Company recognized \$31 million (+1% qoq) or 48% of total interest expense (including capitalized interest expense).

- **Cash flow**

Operating cash flow was \$261 million (-22% qoq), coming slightly lower than the EBITDA level considering profit tax and the FX rate effect, due to working capital management.

Q1'13 capex of \$154 million (-48% qoq) was fully financed from the Company's operating cash flow.

Net financing cash flow was \$292 million as the Company raised \$800 million in Eurobonds and paid down \$553 million of its short-term debt. As at the end of Q1'13 the share of long term debt increased to 70% from 61% as at the end of 2012.

Steel Segment *

\$ million	Q1 2013	Q4 2012	Change, %	Q1 2013	Q1 2012	Change, %
Steel sales, '000 tonnes	2,963	3,112	-5%	2,963	3,071	-4%
including third party sales, '000 tonnes	2,371	2,465	-4%	2,371	2,358	+1%
Revenue from external customers	1,659	1,703	-3%	1,659	1,795	-8%
Revenue from intersegmental operations	346	346	0%	346	423	-18%
Gross profit	260	376	-31%	260	378	-31%
Operating profit/loss	-36	84		-36	78	
Profit after income tax	-39	108		-39	113	

Revenue from external customers declined 3% to \$1.659 million due mainly to lower third party sales (-4% to 2.4 million t) on the back of the seasonal decline in key consumers' demand.

Lower flat steel prices, higher raw material prices and railway tariffs were the main factors behind the EBITDA decline to \$83 million (-58% qoq).

Q1 operating loss of \$36 million was due to, among other factors, an increase in amortization charges as a number of large-scale capex projects were completed at Novolipetsk.

Outlook:

The seasonal strengthening in demand resulting in a corresponding growth in prices for rolled steel in the domestic market will positively affect the Segment's Q2 financials.

** The Steel Segment comprises: Novolipetsk (Lipetsk site), VIZ-Steel (a producer of electrical steel), trading companies Novexco Limited, Cyprus and Novex Trading S.A., Switzerland, Altai-Koks (Russia's largest non-integrated coke manufacturer), as well as a number of service companies.*

Long Products Segment *

\$ million	Q1 2013	Q4 2012	Change, %	Q1 2013	Q1 2012	Change, %
Long products and metalware sales, '000 tonnes	430	401	+7%	430	385	+12%
Revenue from external customers	288	281	+3%	288	275	+5%
Revenue from intersegmental operations	59	88	-33%	59	73	-19%
Gross profit	46	56	-18%	46	54	-15%
Operating profit	-2	10		-2	7	
Profit after income tax	-36	20		-36	-23	59%

Sales went up 7% to 0.43 million t. Revenue from external customers increased by 3% to \$288 million. Prices for long steels for construction declined marginally against Q4. Intersegmental revenue went down by 33% to \$59 million due to lower scrap sales to Novolipetsk (NLMK's main production site in Lipetsk) and minimum exports, normally performed through traders (part of the Steel Segment).

The decline in operating profit was factored by lower steel prices, with scrap prices not displaying a similar fall. EBITDA went down by 37% to \$20 million; EBITDA margin was 6% (-2 p.p.).

Loss after income tax was mostly associated with interest expenses from intercompany loans provided by the main production site in Lipetsk.

Outlook:

In Q2'13 we expect the Segment's operating and financial results to improve following the seasonal recovery in demand from the construction sector in Russia.

** The Long Products Segment includes the financial performance of the Long Products Division companies: NSMMZ, UZPS, NLMK Kaluga, and scrap collecting and processing facilities. The core activities of these companies are steelmaking (EAF-based) and long product and metalware manufacturing, ferrous and non-ferrous scrap collection and processing.*

Mining Segment *

\$ million	Q1 2013	Q4 2012	Change, %	Q1 2013	Q1 2012	Change, %
Production of iron ore concentrate and sinter ore, '000 tonnes	3,772	3,915	-4%	3,772	3,910	-4%
Sales of iron ore concentrate and sinter ore, '000 tonnes	3,747	4,666	-20%	3,747	3,482	+8%
including third party sales, '000 tonnes**	976	1 511	-35%	976	482	+102%
Revenue from external customers	92	127	-27%	92	36	+158%
Revenue from intersegmental operations	245	220	+11%	245	281	-13%
Gross profit	232	220	+5%	232	228	+2%
Operating profit	197	188	+5%	197	203	-3%
Profit after income tax	164	136	+21%	164	127	+29%

In Q1'13 iron ore output declined by 4% to 3.8 million t due to planned repairs being performed at the Stoilensky plant. Sales of iron ore concentrate and sinter ore went down to 3.7 million t mainly due to the use of accumulated raw material stock at Novolipetsk in Q1.

Iron ore prices improved 8-20% qoq (depending on the product) driven by the pickup in the global raw material market.

Revenue from external customers went down by 27% to \$92 million mainly due to the fact that export deliveries shipped in previous periods were recognized in Q4'12, at the moment of the transfer of ownership. EBITDA increased by 4% to \$215 million, the EBITDA margin reached 64% (+4 p.p.). This was driven by an increase in iron ore prices and strict control over production cost.

Outlook:

The Segment's results will depend largely on the global raw material market environment. However, efficient control over expenses and stable sales will allow maintaining profitability at a high level.

* NLMK's Mining Segment comprises Stoilensky (the Group's key mining asset), Dolomit and Stagdok. These companies mainly supply raw materials to NLMK's production facilities in Lipetsk and also sell limited volumes outside the Group.

** Sales to third parties.

Foreign Rolled Products Segment *

\$ million	Q1 2013	Q4 2012	Change, %	Q1 2013	Q1 2012	Change, %
Steel products sales, '000 tonnes	959	812	+18%	959	1,129	-15%
Revenue from external customers	816	692	+18%	816	989	-17%
Revenue from intersegmental operations	1			1		
Gross profit/loss	-6	-60	-89%	-6	17	
Operating loss	-74	-118	-37%	-74	-63	18%
Profit after income tax	-91	-197	-54%	-91	-63	45%

In Q1'13 the Segment's sales went up 18% qoq to 959,000 tonnes driven by the gradual recovery of demand in the European market and increased utilization rates of the new thick plate mill at NLMK DanSteel (launched in Q4'12).

Steel prices were relatively stable contributing to an 18% growth in revenue (to \$816 million). Operating loss decreased by \$44 million to \$74 million. Q1'13 EBITDA was -\$26 million (-\$72 in Q4'12), EBITDA margin was -3%.

Outlook:

The pickup in the European market driven by seasonal factors and the gradual recovery in the EU economy will positively impact on the Segment's results in the near future.

** The Foreign Rolled Products Segment comprises steelmaking companies located outside Russia. These are rolling assets in Europe (NLMK Europe) and the USA (NLMK USA), including those that became part of the Group starting from July 2011. NLMK Europe is represented by thick plate producers NLMK DanSteel (Denmark, the company was part of the Steel Segment until July 1, 2011), NLMK Clabecq (Belgium), NLMK Verona (Italy) and strip product producers NLMK La Louvière (Belgium), NLMK Coating (France), NLMK Strasbourg (France). NLMK USA includes NLMK Pennsylvania, Sharon Coating, NLMK Indiana (part of the Steel Segment until July 1, 2011).*

Appendix

(1) EBITDA*

(\$ million)	Q1 2013	Q4 2012	Q1 2012
Operating profit	111	191	255
Minus:			
Impairment losses			
Depreciation and amortization	-207	-199	-177
EBITDA	318	390	432

* Effective from 2012 the Company has changed the formula for EBITDA calculation in order to simplify and make the calculation of this indicator more transparent for external users. From Q1 2012, EBITDA is calculated as operating profit adjusted to loss or gain from impairment losses (including goodwill) and depreciation and amortization.

(2) Sales by region

('000 tonnes)

Region	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Russia	1,320	1,317	1,255	1,203	1,100
EU	650	597	639	754	834
Middle East incl. Turkey	360	303	270	327	379
North America	482	451	493	611	629
Asia and Oceania	515	508	730	549	627
Other regions	435	502	428	373	304
TOTAL	3,761	3,678	3,816	3,818	3,872

(3) Sales by products

('000 tonnes)

Product type	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Pig iron	42	46	207	142	220
Slabs	1,130	1,236	977	858	892
Hot-rolled thick plates	224	163	209	260	292
Hot-rolled steel	900	841	914	975	1,029
Cold-rolled steel	466	469	522	521	501
Galvanized steel	276	257	263	302	305
Pre-painted steel	161	142	153	150	132
Transformer steel	63	50	60	63	54
Dynamo steel	68	74	66	76	59
Billets	0	0	0	0	0
Long products	359	333	366	394	327
Metalware	71	67	78	77	63
TOTAL	3,761	3,678	3,816	3,818	3,872

(4) Revenue by region

Region	Q1 2013		Q4 2012		Q1 2012	
	\$ million	share, %	\$ million	share, %	\$ million	share, %
Russia	1,057	37	1,087	39	1,066	34
EU	573	20	519	18	743	24
Middle East incl. Turkey	223	8	242	9	222	7
North America	373	13	296	11	458	15
Asia and Oceania	282	10	256	9	359	12
Other regions	348	12	402	14	245	8
TOTAL	2,856	100	2,803	100	3,094	100

(5) Working capital

(\$ million)	31.03. 2013	31.12. 2012	30.09. 2012	30.06. 2012	31.03. 2012	31.12. 2011
Current assets	5,834	5,469	6,287	5,230	5,714	5,504
Cash and cash equivalents	1,220	951	1,803	769	926	797
Short term investments	271	107	11	10	11	227
Accounts receivable	1,557	1,491	1,559	1,642	1,786	1,573
Inventories	2,689	2,827	2,819	2,733	2,904	2,828
Other current assets, net	97	93	96	76	87	78
Current liabilities	2,940	3,302	4,155	3,579	3,577	2,940
Accounts payable	1,412	1,462	1,713	1,582	1,783	1,623
Short-term debt	1,484	1,816	2,434	1,971	1,781	1,306
Other current liabilities	45	24	9	26	12	11
Working capital	2,894	2,167	2,133	1,651	2,137	2,564

(6) Production of main steel products

('000 tonnes)

Products	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Coke 6% moisture, incl.	1,727	1,692	1,805	1,823	1,796
Novolipetsk	635	650	649	649	644
Altai-Koks	1,093	1,041	1,157	1,175	1,152
Crude steel, incl	3,696	3,674	3,772	3,843	3,635
Steel Segment	3,032	3,027	3,076	3,130	2,950
Long Products Segment	450	436	479	465	423
Foreign Rolled Products Segment	214	211	216	247	262
Rolled products, incl.	2,640	2,493	2,603	2,800	2,842
Flat steel	2,195	2,072	2,146	2,357	2,422
Long steel	444	421	457	443	420

7) Slab sales, including to NLMK Group companies

('000 tonnes)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Sales to third parties, incl.	1,130	1,236	977	858	892
Export	979	1,173	973	847	892
Domestic market	151	63	4	10	0
Sales to subsidiaries	513	628	500	750	699
Total	1,643	1,864	1,477	1,608	1,590

	As at March 31, 2013	As at December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	1,219,830	951,247
Short-term investments	271,190	106,906
Accounts receivable and advances given, net	1,556,860	1,490,951
Inventories, net	2,689,179	2,826,933
Other current assets	25,040	30,394
Deferred income tax assets	71,499	62,959
	5,833,598	5,469,390
Non-current assets		
Long-term investments	20,404	19,293
Property, plant and equipment, net	11,442,403	11,753,157
Intangible assets, net	135,919	141,922
Goodwill	775,655	786,141
Deferred income tax assets	266,118	249,565
Other non-current assets	36,203	38,052
	12,676,702	12,988,130
Total assets	18,510,300	18,457,520
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other liabilities	1,411,683	1,462,105
Short-term borrowings	1,484,296	1,816,169
Current income tax liability	44,515	23,800
	2,940,494	3,302,074
Non-current liabilities		
Deferred income tax liability	765,283	792,240
Long-term borrowings	3,459,342	2,815,554
Other long-term liabilities	453,513	457,362
	4,678,138	4,065,156
Total liabilities	7,618,632	7,367,230
Commitments and contingencies	-	-
Stockholders' equity		
NLMK stockholders' equity		
Common stock, 1 Russian ruble par value – 5,993,227,240 shares issued and outstanding at March 31, 2013 and December 31, 2012	221,173	221,173
Statutory reserve	10,267	10,267
Additional paid-in capital	256,922	306,391
Accumulated other comprehensive loss	(1,223,752)	(997,035)
Retained earnings	11,620,266	11,582,368
	10,884,876	11,123,164
Non-controlling interest	6,792	(32,874)
Total stockholders' equity	10,891,668	11,090,290
Total liabilities and stockholders' equity	18,510,300	18,457,520

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	2,855,822	3,094,341
Cost of sales		
Production cost	(2,124,755)	(2,209,677)
Depreciation and amortization	(207,249)	(177,090)
	(2,332,004)	(2,386,767)
Gross profit	523,818	707,574
General and administrative expenses	(119,625)	(136,023)
Selling expenses	(257,166)	(280,086)
Taxes other than income tax	(36,194)	(36,394)
Operating income	110,833	255,071
Loss on disposals of property, plant and equipment	(1,517)	(116)
(Losses) / gains on investments, net	(735)	173
Interest income	10,040	6,374
Interest expense	(30,768)	(341)
Foreign currency exchange (loss) / gain, net	(26,656)	20,514
Other expenses, net	(8,291)	(31,061)
Income before income tax	52,906	250,614
Income tax expense	(17,579)	(77,073)
Income, net of income tax	35,327	173,541
Equity in net earnings of associates	77	87
Net income	35,404	173,628
Add: Net loss / (income) attributable to the non-controlling	2,494	(725)
Net income attributable to NLMK stockholders	37,898	172,903
Earnings per share – basic and diluted:		
Net earnings attributable to NLMK stockholders per share (US dollars)	0.0063	0.0288
Weighted-average shares outstanding, basic and diluted (in thousands)	5,993,227	5,993,227

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	35,404	173,628
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	207,249	177,090
Loss on disposals of property, plant and equipment	1,517	116
Losses / (gains) on investments, net	735	(173)
Interest expense	30,768	-
Equity in net earnings of associates	(77)	(87)
Deferred income tax benefit	(39,903)	(5,453)
Gains on derivatives	(6,478)	-
Other	49,051	5,002
Changes in operating assets and liabilities		
Increase in accounts receivable	(102,199)	(57,933)
Decrease in inventories	74,726	194,871
Decrease in other current assets	4,762	1,796
(Decrease) / increase in accounts payable and other liabilities	(16,520)	13,071
Increase in current income tax payable	21,727	381
Net cash provided by operating activities	260,762	502,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases and construction of property, plant and equipment	(153,753)	(357,546)
Proceeds from sale of property, plant and equipment	1,424	2,956
Purchases of investments and placement of bank deposits	(281,285)	(7,821)
Withdrawal of bank deposits, proceeds from sale of other investments and loans settled	119,958	239,173
Acquisition of additional stake in existing subsidiary	(9,609)	-
Net cash used in investing activities	(323,265)	(123,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and notes payable	852,323	86,256
Repayment of borrowings and notes payable	(553,061)	(264,259)
Capital lease payments	(7,021)	(4,818)
Dividends to shareholders	(83)	(133)
Net cash provided by / (used in) financing activities	292,158	(182,954)
Net increase in cash and cash equivalents	229,655	196,117
Effect of exchange rate changes on cash and cash equivalents	38,928	(67,574)
Cash and cash equivalents at the beginning of the year	951,247	797,169
Cash and cash equivalents at the end of the period	1,219,830	925,712