

NLMK

Q4 and 12M

Financial and Production results

US GAAP

Consolidated Financial Statements

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KEY HIGHLIGHTS

2011: FINANCIAL PERFORMANCE

- Revenue: \$11,729 m (+40% y-o-y)
- EBITDA: \$2,282 m (-3%); EBITDA margin 19.5%
- Net income: \$1,358 m (+8%)
- Operating cash flow: \$1,805 m (+26%)
- H1 2011 dividends: \$263 m (30% of the Net income)

Q4 2011: FINANCIAL PERFORMANCE

- Revenue: \$3,053 m (-8% q-o-q)
- EBITDA: \$383 m (-20%); EBITDA margin 12.5%
- Net income: \$153 m (-32%)
- Operating cash flow: \$320 m (-51%)

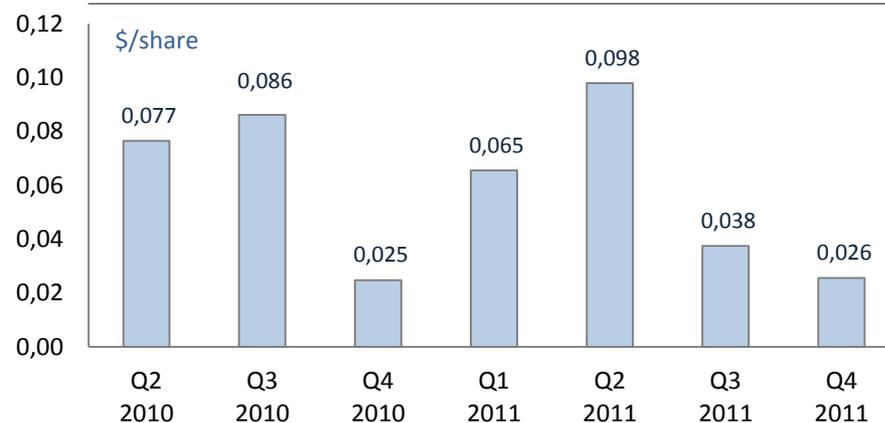
2011: OPERATING RESULTS

- Crude steel production : 12.0 mt (+4% y-o-y)
- Sales: 12.8 mt (+9%)

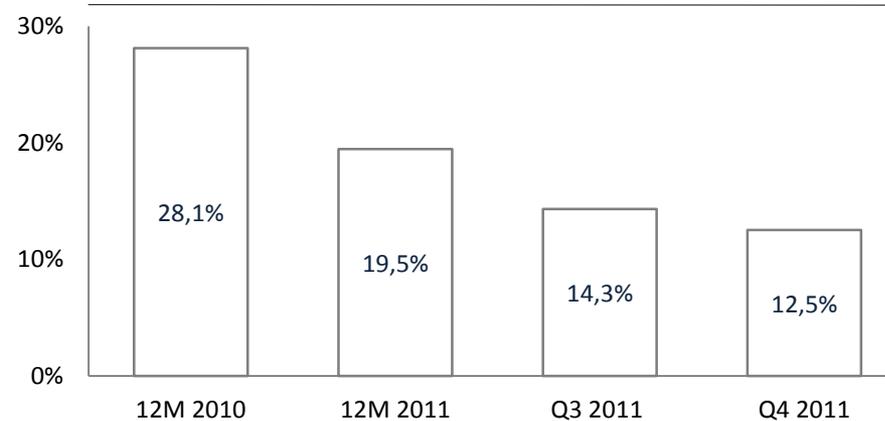
Q4 2011: OPERATING RESULTS

- Crude steel production: 3.2 mt (+10% q-o-q)
- Sales: 3.6 mt (+5%)
- Cash cost per tonne of slabs : \$405, in line with Q3

EARNINGS PER SHARE



EBITDA MARGIN



PRODUCTION

2011 CRUDE STEEL OUTPUT TOTALLED 12 M T, +4% Y-O-Y

Q4 STEEL PRODUCTION GROWTH

- NLMK Group steel output: 3.2 m t (+10% q-o-q)
- Novolipetsk: 2.7 m t (+12%)
- Long Products division: 0.3 m t (+0%)
- International assets*: 0.22 m t (-9%)

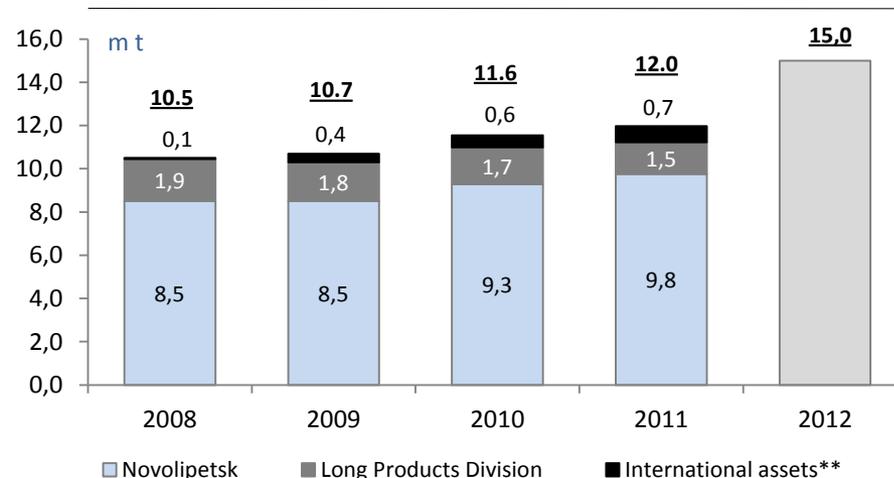
SUSTAINABLY HIGH CAPACITY LOAD AT KEY FACILITIES

- Novolipetsk – 97%
- Long Products Division – 56%
- International assets* – 71%

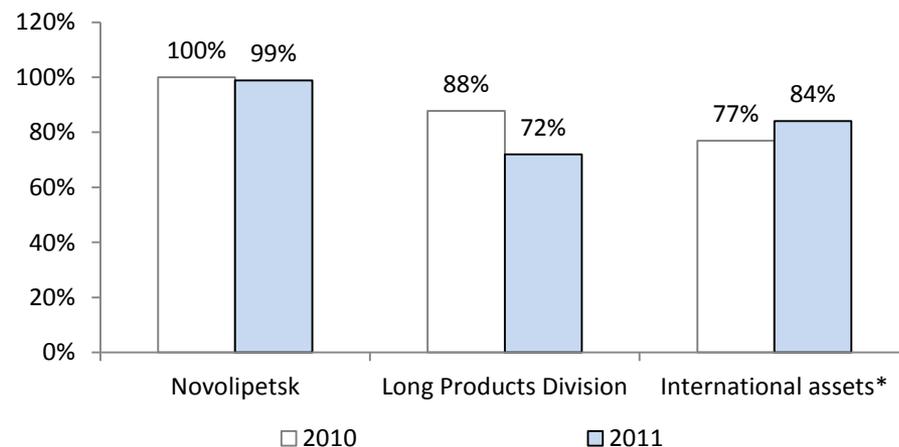
Q1 2012 OUTLOOK

- Crude steel output 3.6 m t (+14% q-o-q)
- Sales volumes – 3.5 m t

CRUDE STEEL PRODUCTION



STEELMAKING CAPACITY UTILISATION



2011 SALES

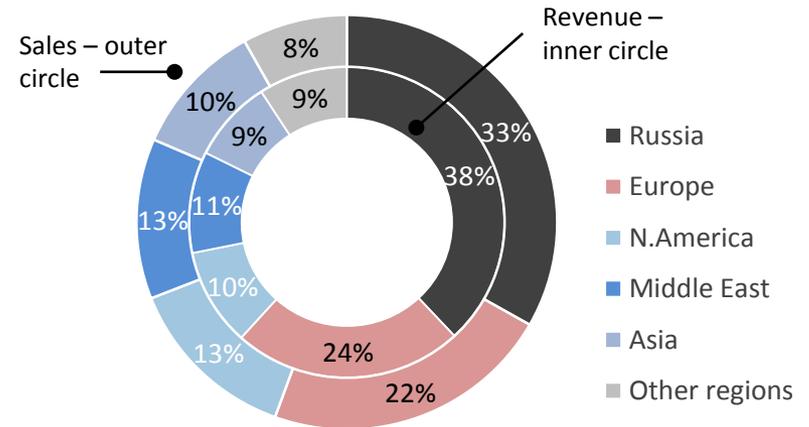
RECORD SALES IN 2011 FOLLOWING THE EXPANSION OF THE GROUP

- Annual sales volumes increased
- The share of finished steel sales increased while semis' share was lower
- Higher volumes of premium products in the product mix incl polymer coated and galvanized steel
- Electrical steel sales are more sustainable

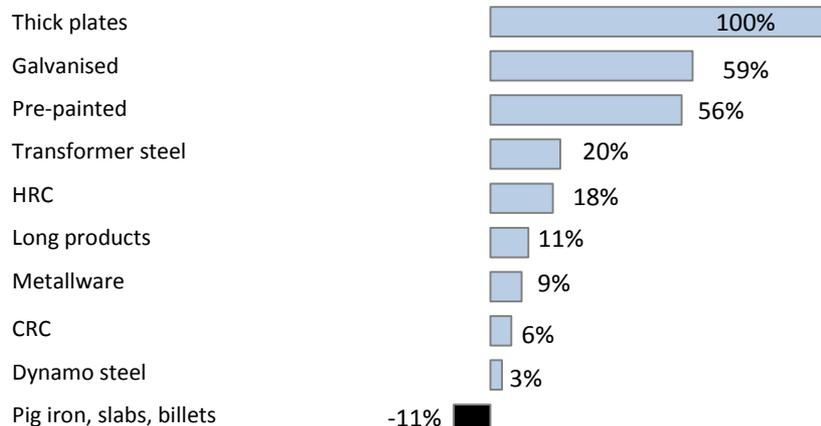
GROWING SALES TO THE DOMESTIC MARKET AND DEVELOPED COUNTRIES MARKETS

- Russia, Europe and N.America – in total 69% of sales and 72% of revenue

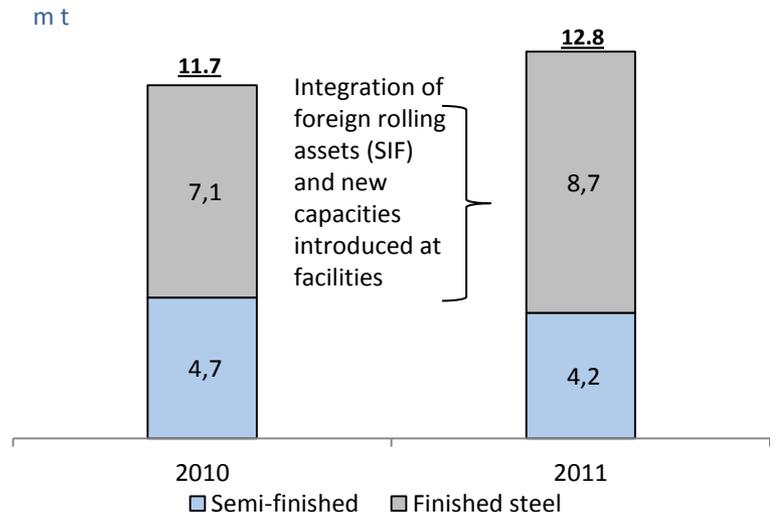
SALES AND REVENUE BY REGION IN 2011



2011: PRODUCT MIX CHANGE Y-O-Y



SALES 2011



* year-on-year in natural terms

2011 MARKET

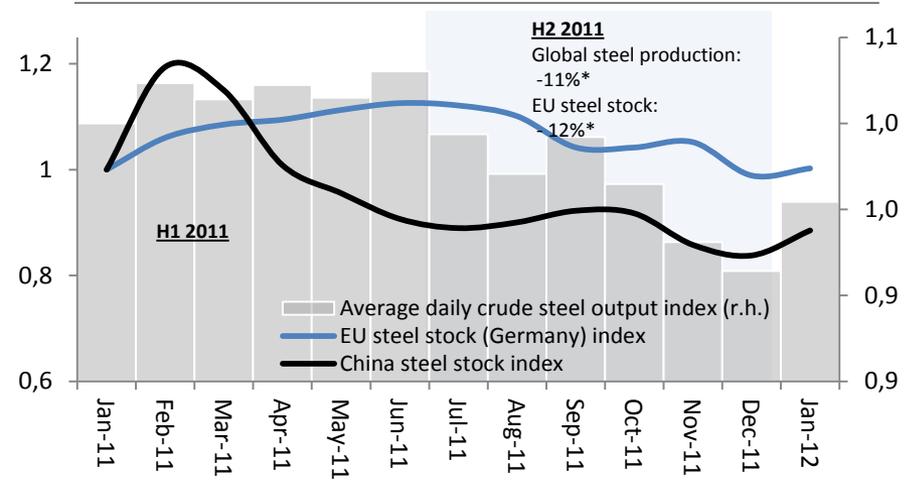
STABLE GROWTH OF THE GLOBAL STEEL MARKET IN H1 2011

SWITCHED TO A SHARP DECLINE IN DEMAND IN H2

- Mainly factored by the EU financial and economical crisis

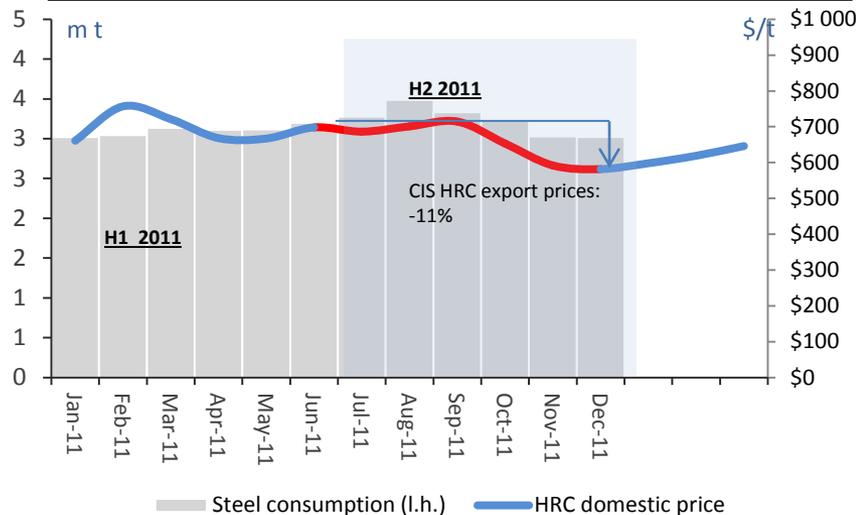
NLMK HAS LAUNCHED ITS NEW BF#7 IN LINE WITH THE DEVELOPMENT PROGRAM SCHEDULE ADDING 36% TO THE GROUP STEELMAKING CAPACITIES

GLOBAL STEEL MARKET

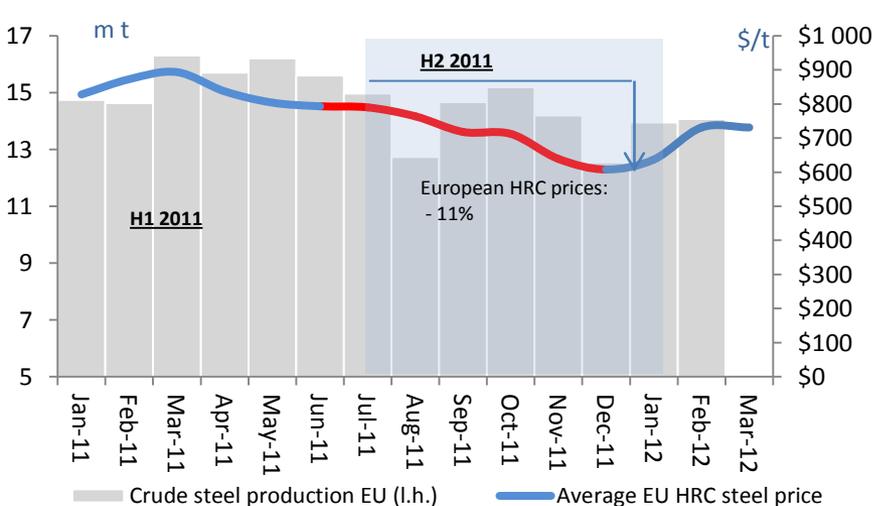


* Change is calculated as December index to June index

DOMESTIC STEEL MARKET



EU STEEL MARKET



Q4 2011 SALES

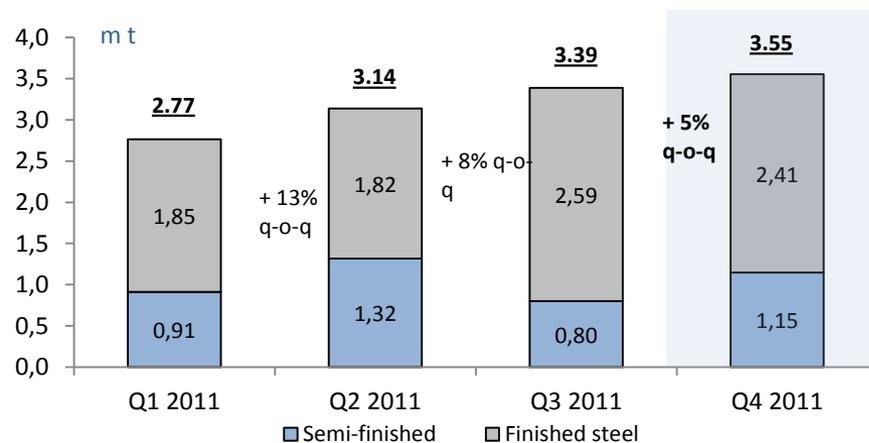
SUSTAINABLE SALES GROWTH IN Q4 2011

- Stronger market share in a tough period of the end of 2011

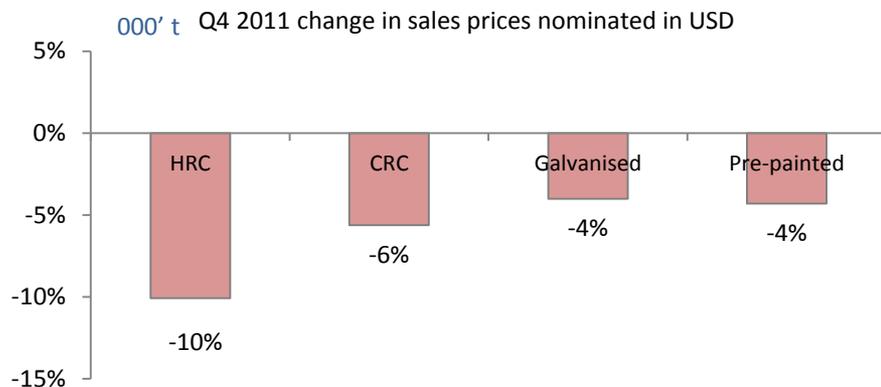
SEASONAL PRODUCT PORTFOLIO CHANGE

- Share of semi-finished products directed to the spot market increased. Long products sales reduced due to the seasonal lower demand from the construction sector

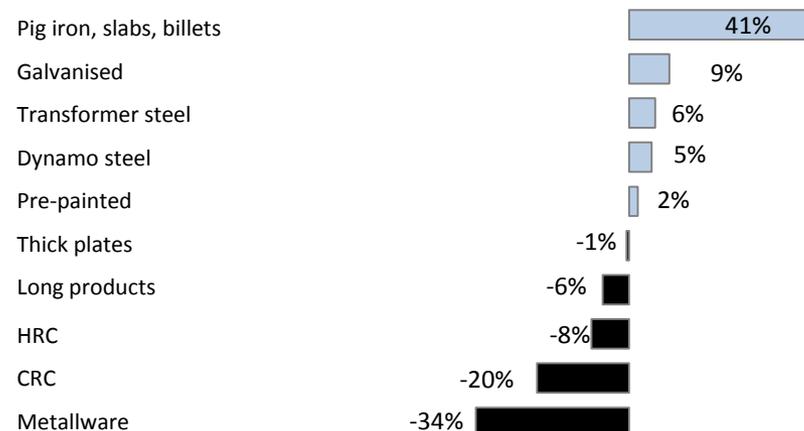
STRENGTHENING MARKET POSITION – SUSTAINABLE GROWTH IN SALES VOLUMES DURING THE YEAR



SALES PRICES QUARTER-ON-QUARTER DYNAMICS*



QUARTERLY PRODUCT MIX CHANGE**



* USD prices of Novolipetsk plant

** Q4 2011 to Q3 2011 change in the product mix, in natural terms

PRODUCTION COSTS

2011

- Cash cost of steel production increased 25% as a result of higher prices for coking coal, pellets and scrap globally

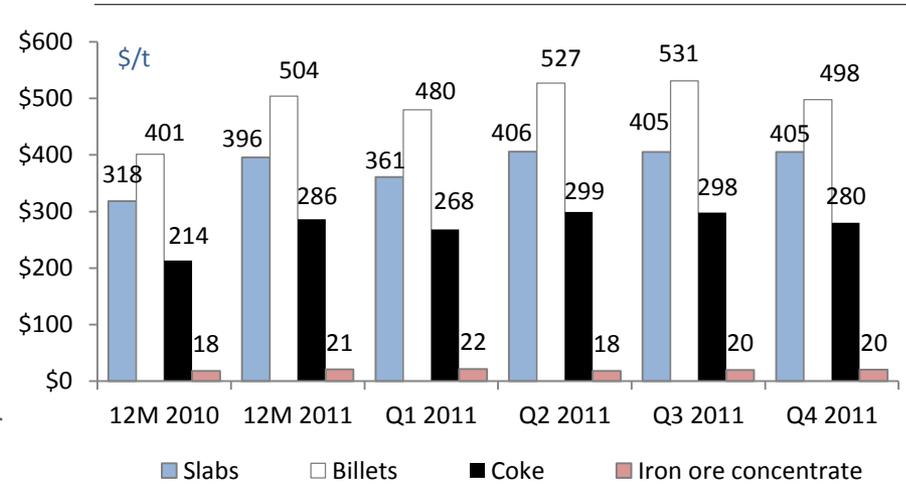
Q4 2011

- A non-significant increase in ruble denominated prices for raw materials was compensated by the ruble depreciation against USD

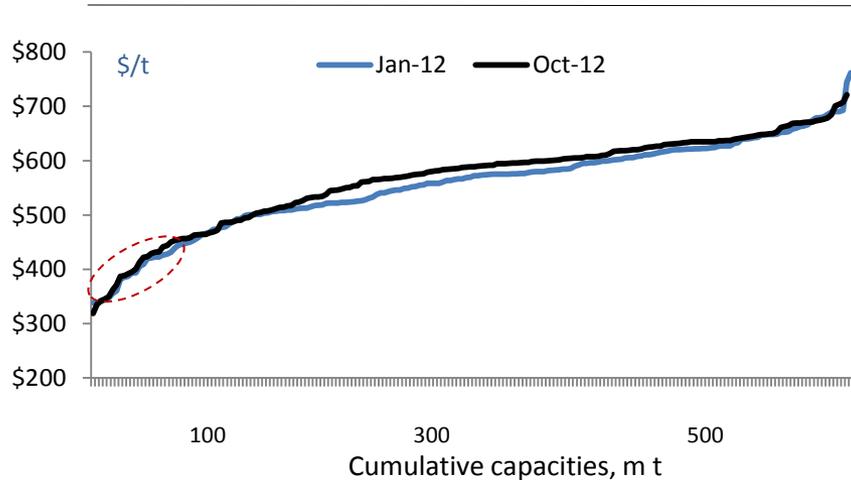
OUTLOOK

- In 2012 we expect further inflation for natural monopolies services. NLMK realizes several investment projects in order to compensate the growing tariff risks.

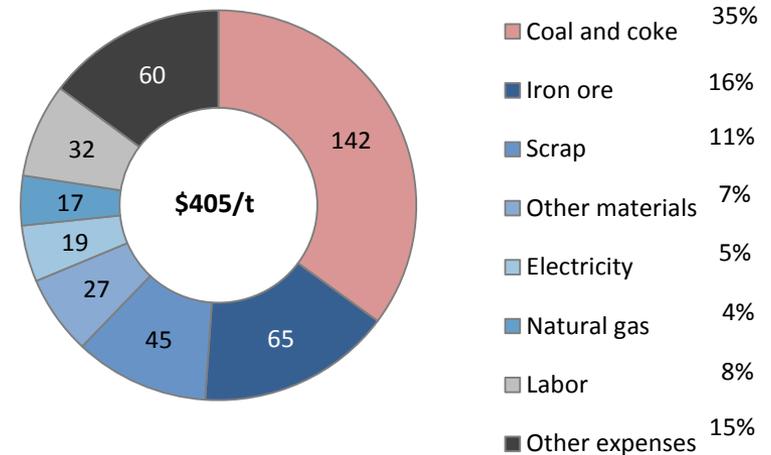
CASH COST BY PRODUCTS



GLOBAL SLAB PRODUCTION COSTS



SLAB CASH COST, Q4 2011



PROFITABILITY SUMMARY

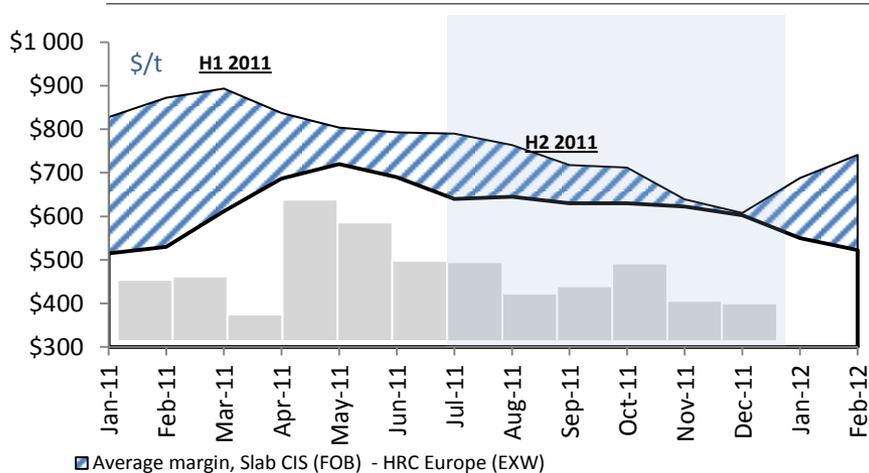
A SHARP REDUCTION IN STEEL PRICES IN H2 2011

FOREX RATE IMPACTED SALES REVENUE AND PRODUCTION COSTS

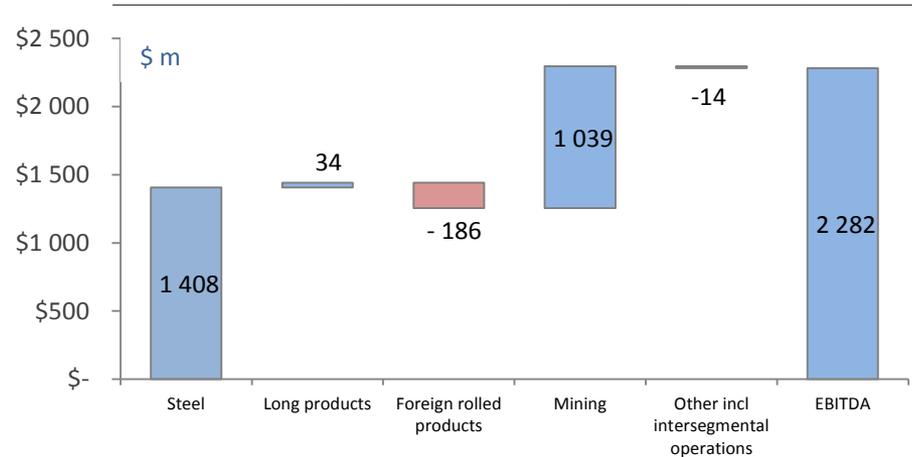
CONSOLIDATION OF ROLLING ASSETS IN THE PERIOD OF THE WEAK MARKET IN H2 2011

CONSIDERING THE H1 RESULTS OF THE ACQUIRED ROLLING ASSETS THE ANNUAL EBITDA PROFITABILITY WOULD BE 0%

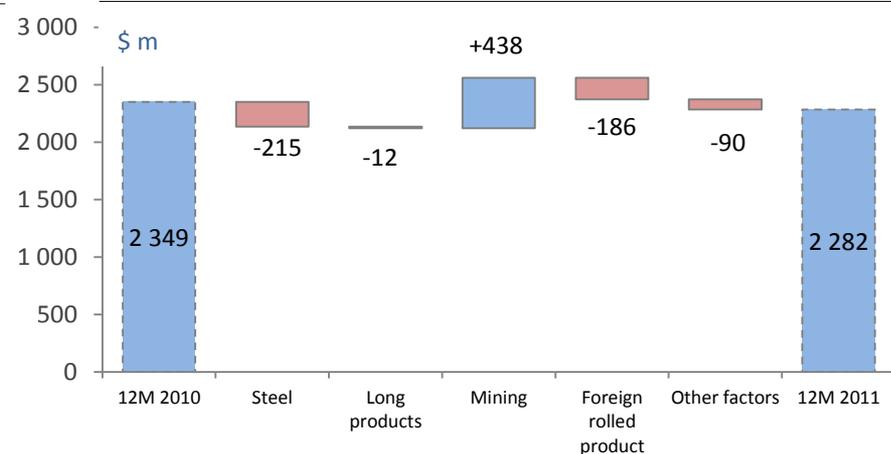
FOREIGN ROLLED PRODUCTS SEGMENT'S FINANCIAL RESULT IS STILL UNDER THE PRESSURE OF HIGHLY PRICED SLAB STOCK



SEGMENTS CONTRIBUTION TO EBITDA IN 2011



12M 2011 VS 12M 2010 EBITDA BRIDGE*



*- EBITDA calculated based on segment's operating profit and depreciation

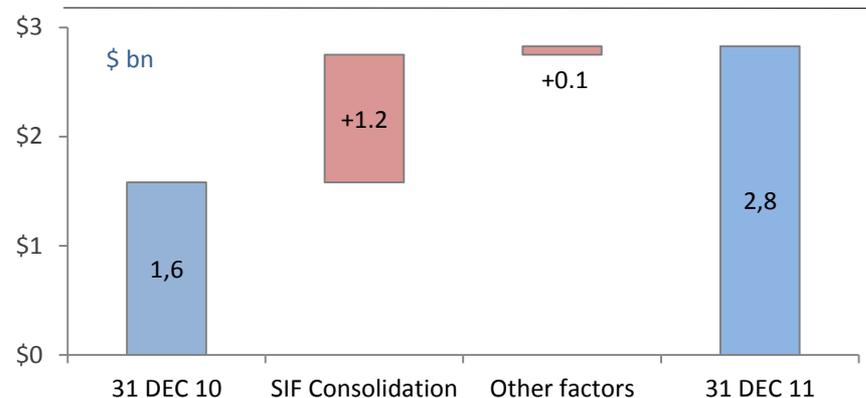
WORKING CAPITAL

INVENTORIES INCREASED 40% AS A RESULT OF

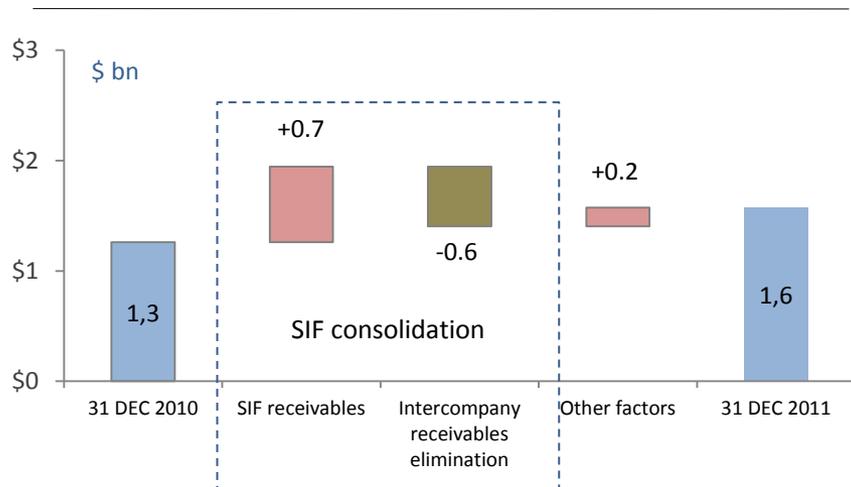
- Consolidation of rolling assets
- Higher production volumes
- Annual prices inflation

MANAGEMENT IS WORKING ON MEASURES TO OPTIMISE WORKING CAPITAL AND TO RELEASE THE CASH AVAILABLE

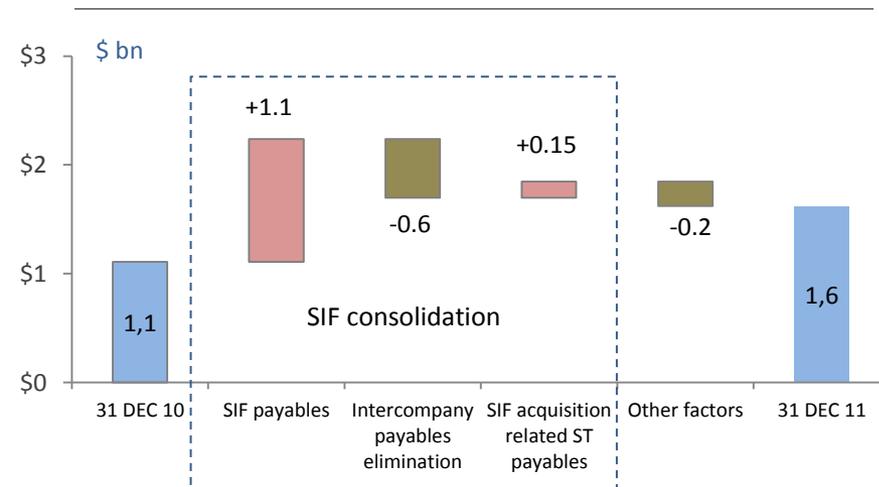
INVENTORIES



ACCOUNT RECEIVABLES



ACCOUNT PAYABLES



* Excl. internal debt

DEBT POSITION

TOTAL DEBT LEVEL \$4.38 BN

LIQUID ASSETS ¹\$1.02 BN

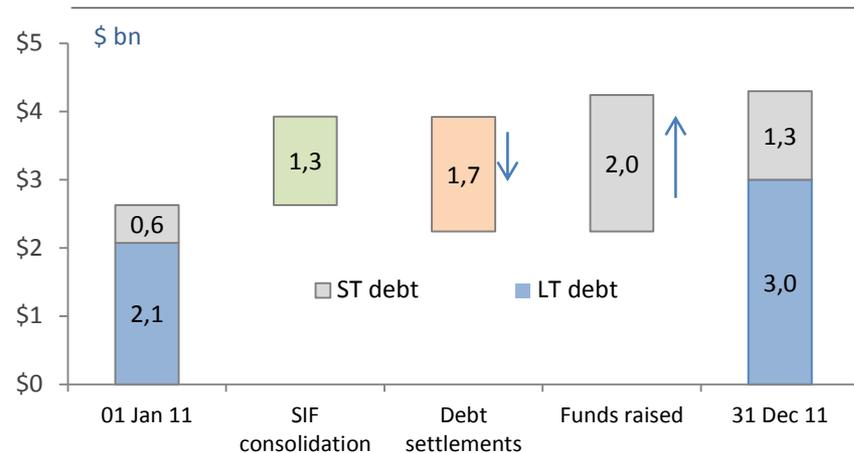
NET DEBT / 12M EBITDA 1.47

BALANCED STRUCTURE OF THE DEBT AND CASH FUNDS

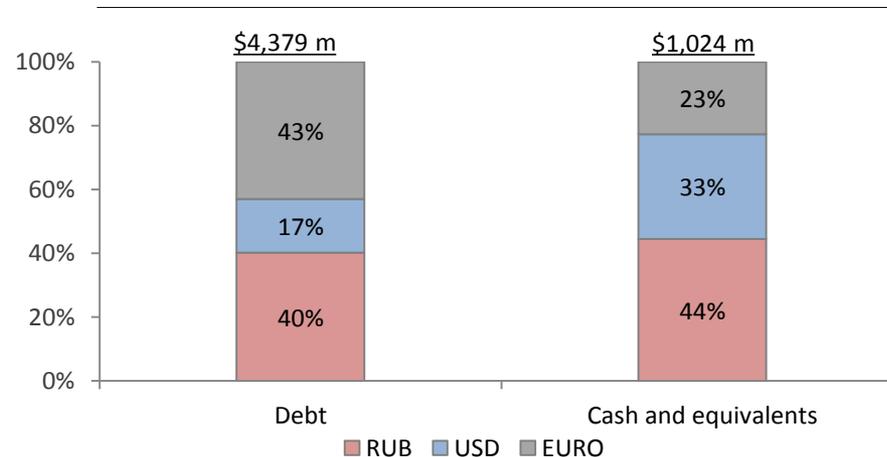
IN MAY AND JUNE 2011 FITCH AND MOODY'S CREDIT RATING AGENCIES UPGRADED NLMK TO THE INVESTMENT GRADE

- At the moment NLMK has investment rating from all three largest credit rating agencies

CHANGES IN DEBT PORTFOLIO



CURRENCY OF DEBT AND CASH FUNDS²



1. Cash and cash equivalents + ST financial investments
2. As of 31.12.2011e.

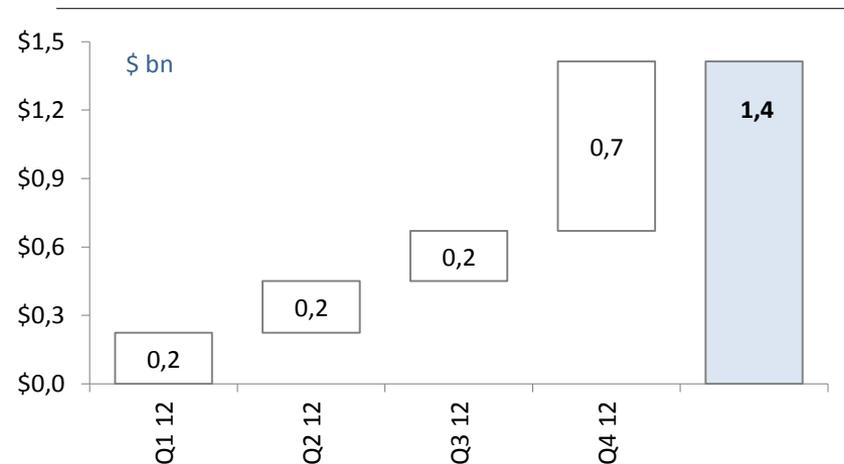
DEBT MATURITY

DEBT MATURITY SCHEDULE

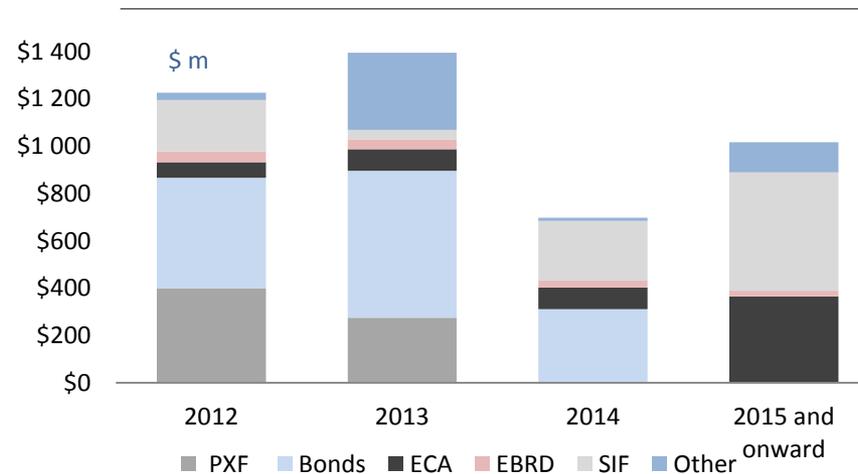
- ST debt: \$1.3 billion
incl. ST part of PXF, SIF external debt and 2 issues of ruble bonds
- LT debt: \$3.07 billion
incl 4 issues of bonds, LT part of PXF and ECA
.. as well as SIF's LT debt

12M CASH FLOW FROM OPERATIONS \$1,8 BN

ST DEBT MATURITY¹



ST DEBT MATURITY²



1. The ST maturity payments include interests accrued and bond coupon payments

2. The LT maturity payments do not include interests

INVESTMENTS

STEEL CAPACITY GROWTH

- 40% increase in capacity to 17.3 mtpy
- Quality improvement, +30 new grades of steel

INCREASE IN FINISHED PRODUCT CAPACITY

- Rolling capacity growth
- HVA grades capacity increase
- Niche product quality improvement

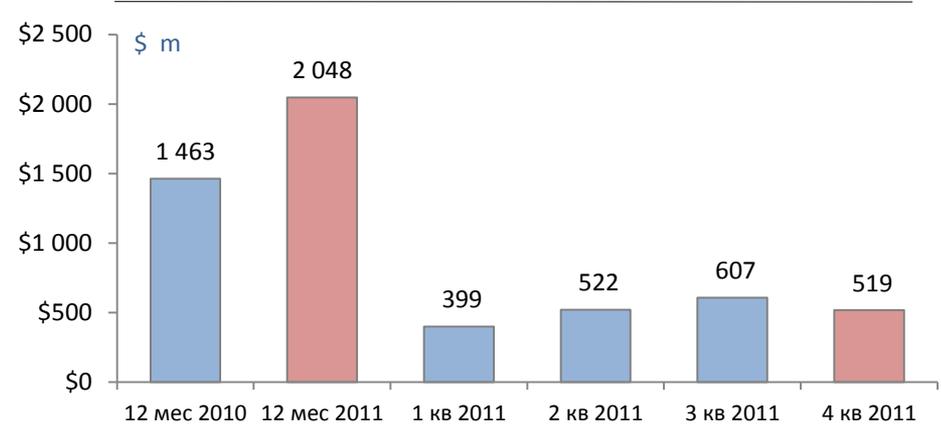
STRONGER VERTICAL INTEGRATION

- Expansion of the mine and construction of new beneficiation facilities at Stoilensky (ongoing)
- Development of coal deposits
- Expansion of scrap collecting facilities

INCREASE IN PRODUCTION EFFICIENCY

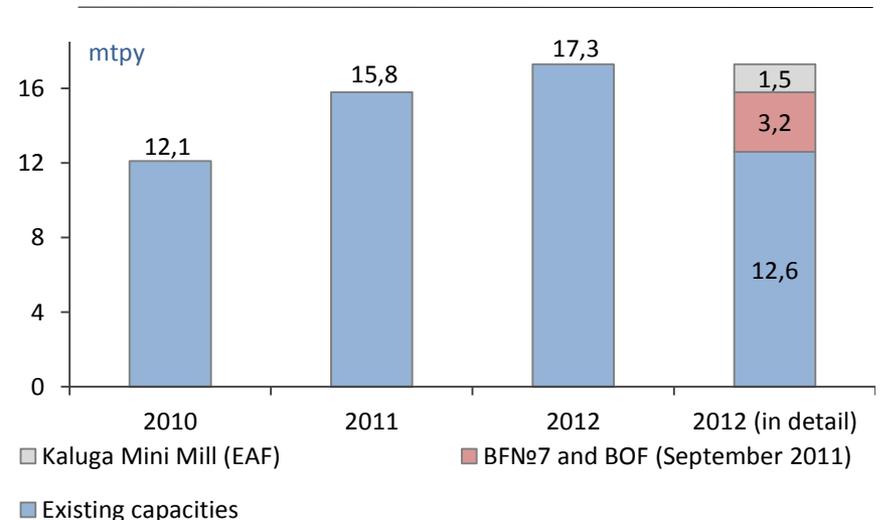
- Higher degree of electricity self-sufficiency and efficiency
- Resource efficient technologies

INVESTMENTS DYNAMICS



* Cash Flow Statement data: Purchases and construction of property, plant and equipment

GROWTH OF STEEL PRODUCTION CAPACITIES*



* As at the end of the period, incl. SIF capacity (0.3 m t) after 2011

OUTLOOK

Q1 2012

- Crude steel production 3.6 m t (+14% q-o-q)
- EBITDA margin is expected to grow to around 15%

FY 2012 OUTLOOK

- Execution of the development program as planned and further optimization of foreign rolling operations
- Progressive improvement in financial results
- Crude steel production can reach 15 m t
- Total Capex will be at \$1.7 billion

APPENDIX

INVESTMENT PROGRAM

BF PRODUCTION (2011)

BLAST FURNACE

- Capacity: 3.4 mtpy
- Status: launched (hot testing) in September 2011

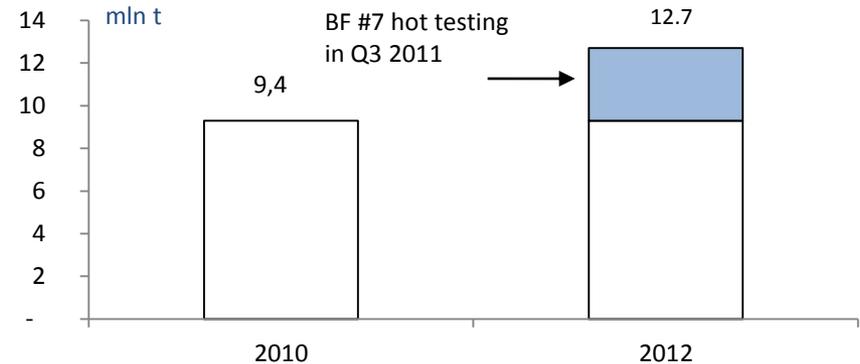
CONSTRUCTION OF COGENERATION PLANT

- Capacity: 150 MW
- Partially financed via EBRD loan
- Energy self-sufficiency*: 56%

PCI TECHNOLOGY INTEGRATION**

- About 90% of BF production to be equipped with PCI
- Launch date: 2012-2014
- Total investments: about \$200 m
- Effect: coke and gas consumption in pig iron production reduced by >20% and >70% respectively

PIG IRON PRODUCTION CAPACITY (LIPETSK)



* Lipetsk site

** Pulverized coal injection

STEELMAKING (2011)

NEW BOF

- Launch date: 2011, Lipetsk site
- Goal: processing of BF# 7 pig iron output
- With the new BOF Novolipetsk total steelmaking capacity will be 12.4 mtpy

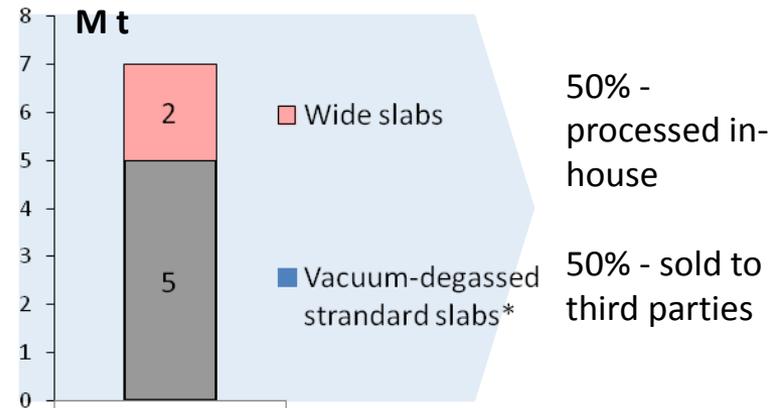
LADLE FURNACES AND VACUUM DEGASSER

- Capacity: 12.4 mtpy (or 100% of crude steel produced at the Lipetsk site)
- Status: 3 out of 4 ladle furnaces put into operation
- Results of equipment implementations:
 - Reduced impurity content, chemical & physical uniformity
 - New grades of steel, incl. for the automotive industry

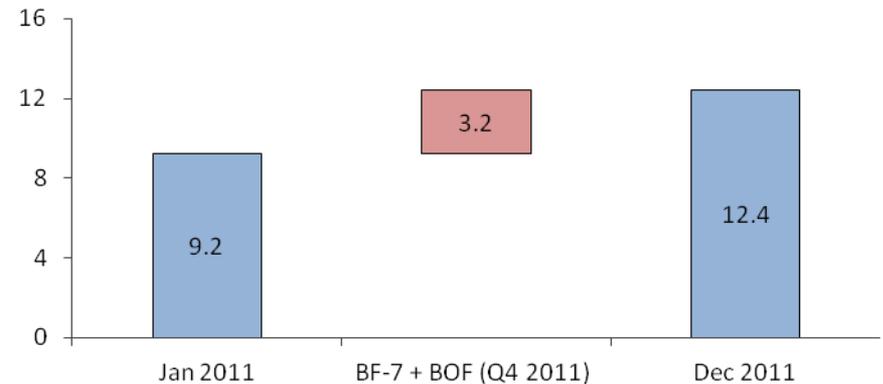
CONTINUOUS CASTING MASHINE #8

- Capacity: 2.5 m t of slabs up to 350x2200 mm

SLAB PRODUCTION CAPACITY (LIPETSK)9



STEELMAKING CAPACITY (LIPETSK)



EXPANSION OF ROLLING CAPACITIES (2011)

EXPANSION OF HRC PRODUCTION

- Location: Lipetsk site
- Upgrading of the existing Mill 2000
- Capacity growth: +400,000 tonnes by 2014

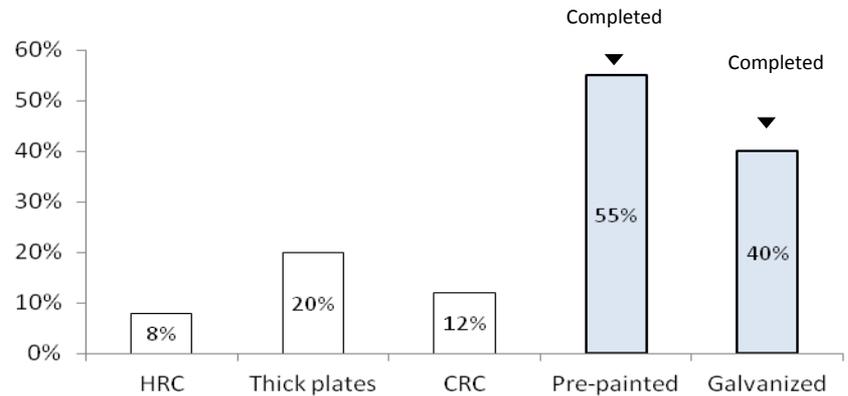
EXPANSION OF PLATE PRODUCTION (NLMK EUROPE PLATE)

- Location: DanSteel (Denmark)
- Upgrading of existing capacities
- Capacity growth: +20% to 0.6 mtpy

CRC MILL

- Location: Lipetsk site
- New mill
- Capacity growth: +350,000 tonnes

FLAT STEEL PRODUCTION GROWTH

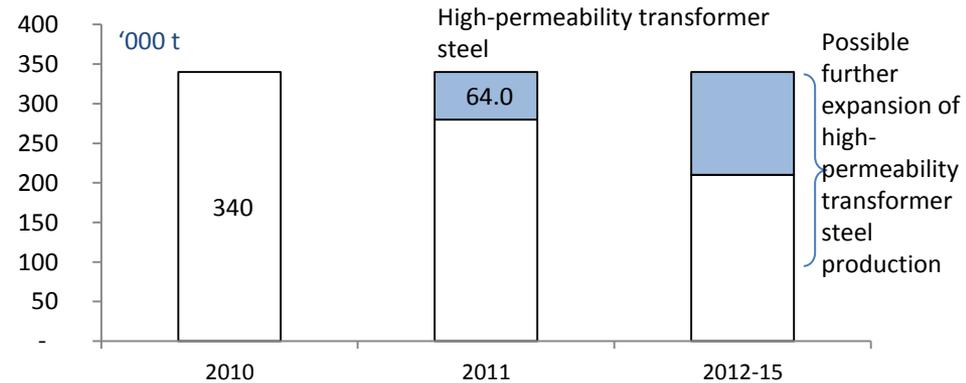


TRANSFORMER STEEL (2011-2012)

PRODUCTION UPGRADES AT NOVOLIPETSK

- Status: 80% complete
- Capacity: about 64,000 t pa of high-permeability transformer steel
- Launch date: 2012
- Total investments: above \$300 m
- Improved quality and stronger market position

TRANSFORMER STEEL PRODUCTION CAPACITIES



PRODUCTION UPGRADES AT VIZ-STAL

- Improved quality of products
- Launch date: 2013

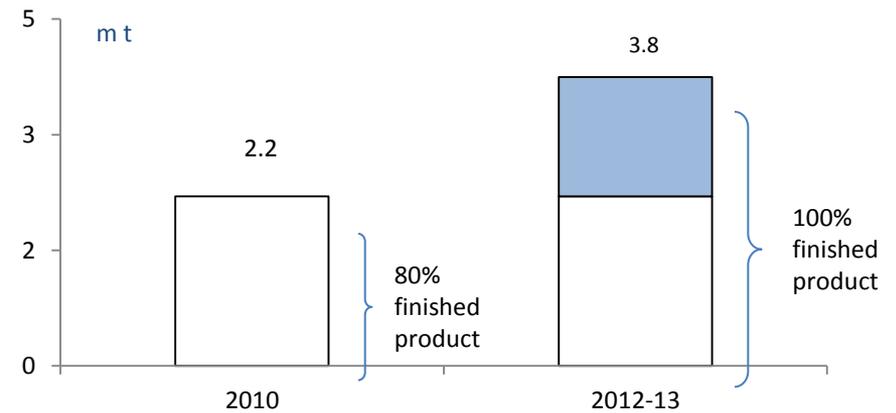


LONG PRODUCTS (2012-13)

KALUGA MINI-MILL (EAF)

- Location: Kaluga region
- Capacity: 1.55 mtpy of steel
- Total investments: c. \$1.2 bn
- Extended product mix for construction
- Launch date: 2012 (1st and 2nd stages)

STEEL AND LONG PRODUCT CAPACITY



EXPANSION OF IRON ORE PRODUCTION (2011-2014)

OPEN PIT EXPANSION

- Location: Stoilensky (Stary Oskol)
- +30% growth in iron ore extraction
- Goal: maintain 100% self-sufficiency in low cost iron ore

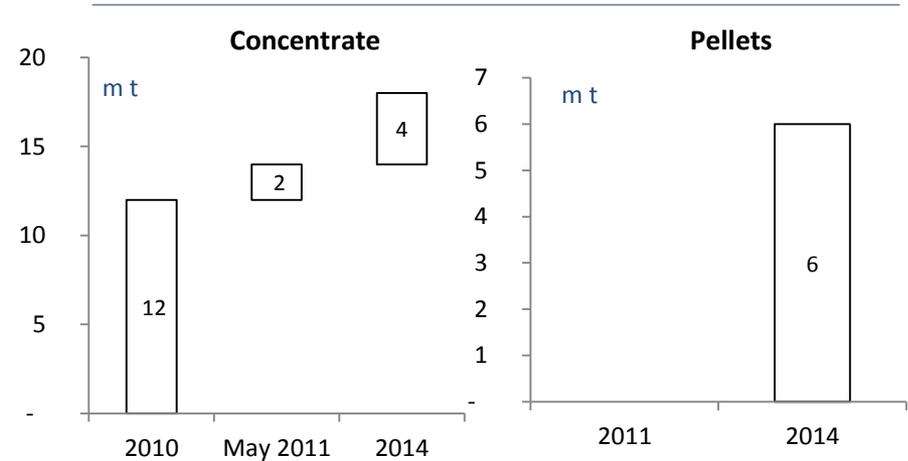
PELLETIZING PLANT

- Location: Stoilensky (Stary Oskol)
- Capacity: +6 mtpy (starting from 2014)
- Goal: maintain 100% self-sufficiency in low cost iron ore

BENEFICIATION PLANT, 5th SECTION

- Location: Stoilensky (Stary Oskol)
- Capacity: +4 mtpy
- Goal: pelletizing plant sufficiency in iron ore concentrate

IRON ORE PRODUCTION CAPACITIES



APPENDIX

SEGMENT PERFORMANCE

SEGMENT PERFORMANCE

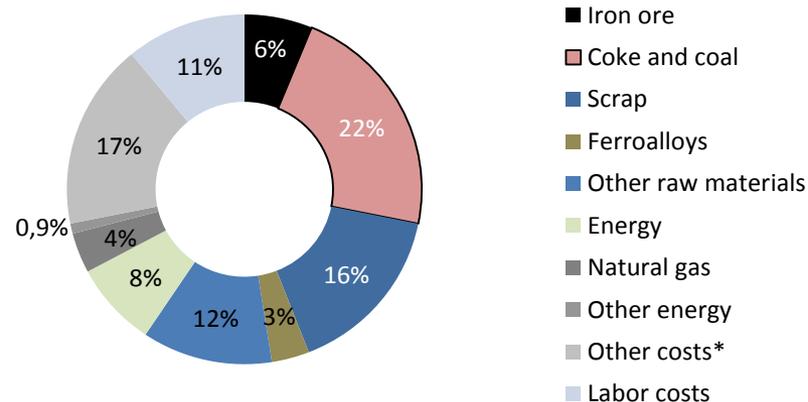
HIGHER PRODUCTION COSTS AND TURNOVER

- Increased prices for raw materials and utilities
- Introduction of new production facilities and higher sales
- Consolidation of foreign rolled assets

REORGANISATION OF THE GROUP'S SEGMENTS

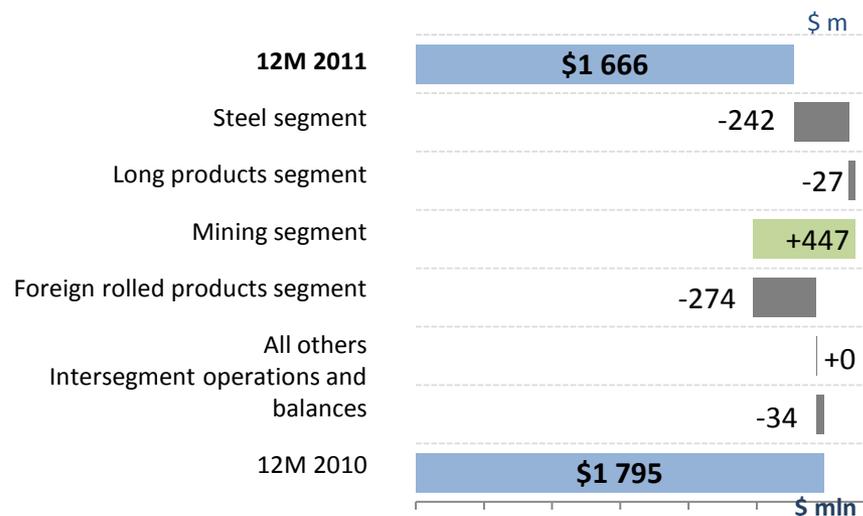
- Coke-chemical segment was integrated into Steel segment
- Ex Steel segment's international assets (NLMK DANSTEEL and NLMK INDIANA) were included into Foreign Rolled Products segment

CONSOLIDATED PRODUCTION COSTS, 12M 2011



* Incl. auxiliary materials, repair expenses, change in inventories and other expenses

OPERATING PROFIT CHANGES



STEEL SEGMENT

HIGHER PRODUCTION VOLUMES FOLLOWING THE NEW CAPACITIES LAUNCH

SALES VOLUMES REDUCED Y-O-Y AS SLABS DIRECTED TO FOREIGN ROLLING OPERATIONS WERE EXCLUDED FROM SEGMENT'S EXTERNAL SALES STARTING FROM JULY 2011

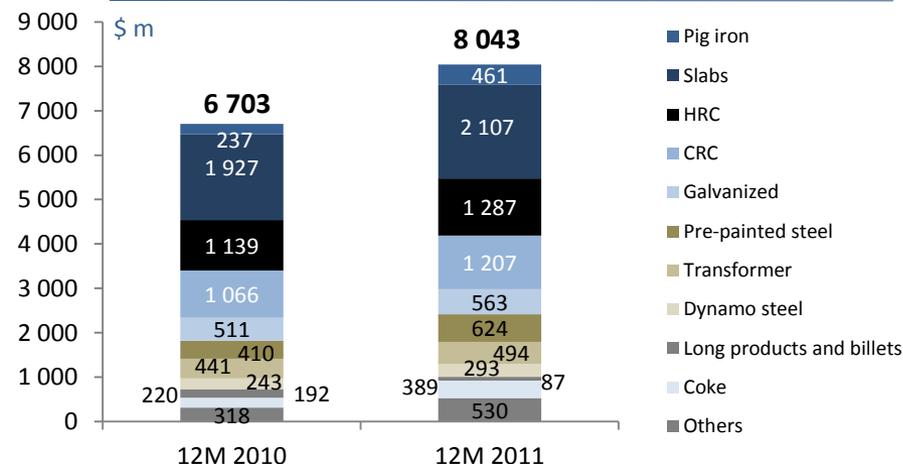
PROFITABILITY WAS LOWER Y-O-Y MAINLY DUE TO RAW MATERIAL PRICES GROWTH

('000 tonnes)	Q4 2011 ¹	Q3 2011 ¹	Change	12M 2011	12M 2010	Change
Steel production	2 700	2 402	12%	9 760	9 288	5%
Steel sales ²	2 267	2 067	10%	8 933	9 508	(6%)
(\$ m.)						
Revenue	2 217	2 326	(5%)	9 028	7 054	28%
<i>Incl external customers</i>	1 886	1 965	(4%)	8 043	6 703	20%
Cost of sales	(1 761)	(1 770)	(1%)	(6 841)	(4 907)	39%
Operating profit	157	251	(38%)	1 075	1 317	(18%)
- margin	7%	11%		12%	19%	

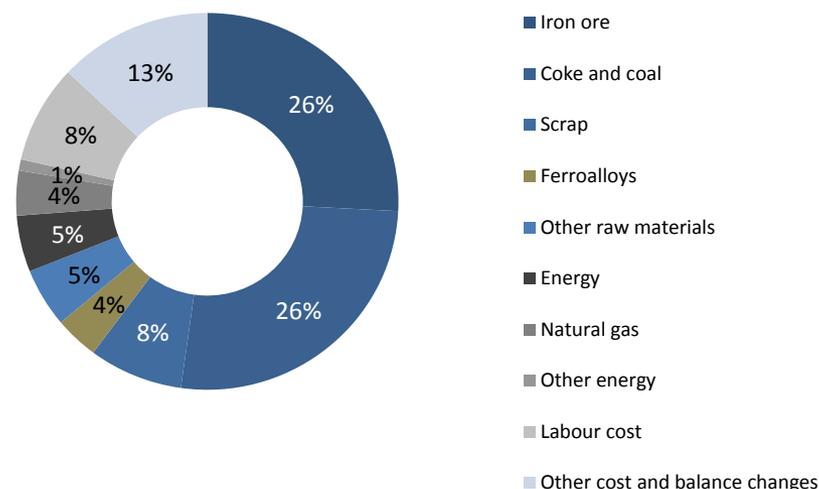
1. Based on management accounting data

2. Sales volumes to third parties including sales of the other segments performed by traders (trading operations is the part of the steel segment)

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



STEEL SEGMENT PRODUCTION COST, 12M 2011



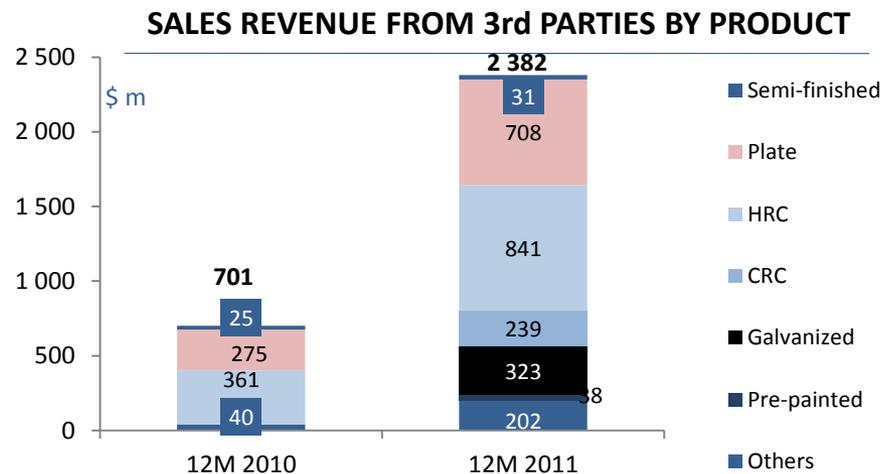
FOREIGN ROLLED PRODUCTS SEGMENT*

IN JULY 2011 SIF ASSETS WERE CONSOLIDATED INTO THE GROUP

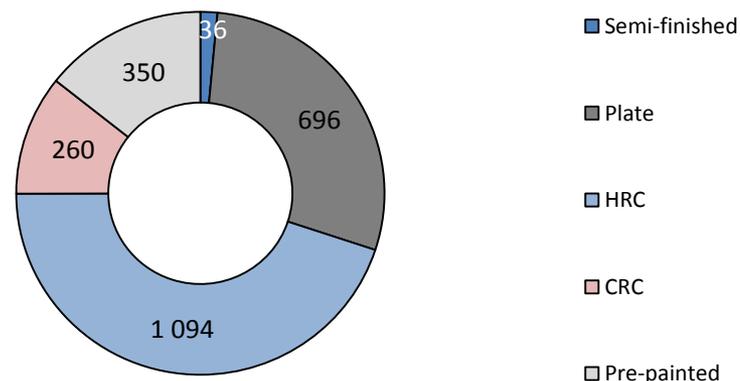
NEWLY ACQUIRED ASSETS TOGETHER WITH NLMK INDIANA AND NLMK DANSTEEL WERE COMBINED IN THE FOREIGN ROLLED PRODUCTS SEGMENT

Q4 CRUDE STEEL PRODUCTION WAS LOWER DUE TO THE WEAK PRODUCT MARKET

SALES OF STEEL PRODUCTS REMAINED AT THE PREVIOUS QUARTER LEVEL



SALES STRUCTURE BY PRODUCTS, 12M 2011



('000 tonnes)	Q4 2011 ¹	Q3 2011 ¹	Change %	12M 2011	12M 2010	Change %
Steel production	196	217	(10%)	737	558	32%
Steel sales ²	960	957	0%	2 435	957	155%
(\$ mln)	909	978	(7%)	2 385	700	241%
Revenue	906	978	(7%)	2 382	700	240%
<i>incl. external customers</i>	(932)	(1 050)	(11%)	(2 445)	(692)	253%
Cost of sales	(130)	(187)	(30%)	(305)	(31)	
Operating profit	-14%	-19%		-13%	-4%	

1. Management data
2. Incl. sales of other segment's products by steel segment traders

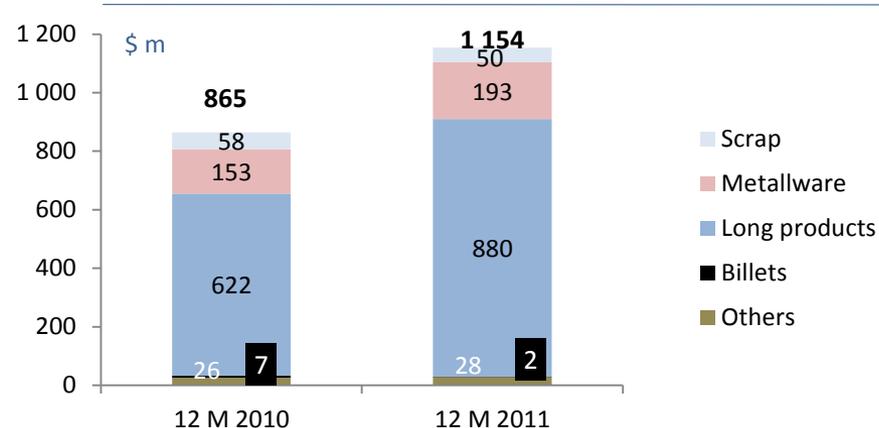
* Segment results include data for NLMK Indiana and NLMK DanSteel for 9M 2011 and for SIF rolling assets from July 1, 2011 to September 30, 2011

LONG PRODUCTS SEGMENT

HIGHER SALES AND REVENUES WERE SUPPORTED BY IMPROVED DEMAND FROM THE DOMESTIC CONSTRUCTION INDUSTRY IN 2011

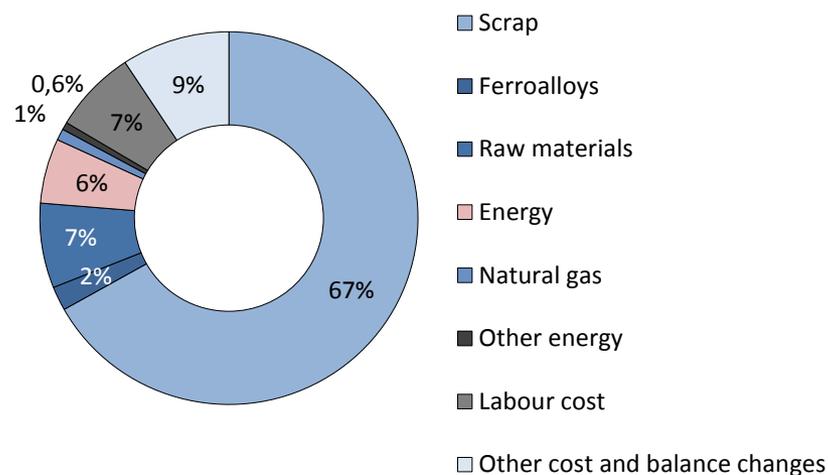
CRUDE STEEL OUTPUT WAS LOWER DUE TO REPAIR OF THE EAF IN H2 2011

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



('000 tonnes)	Q4 2011 ¹	Q3 2011 ¹	Change %	12M 2011	12M 2010	Change %
Steel production	276	276	(0%)	1 471	1 701	(14%)
Steel sales	377	386	(2%)	1 641	1 607	2%
In NLMK Group ¹	53	23	126%	169	341	(50%)
(\$ mln)						
Revenue	385	503	(23%)	1 794	1 377	30%
incl. external customers	259	299	(13%)	1 154	865	33%
Cost of sales	(356)	(448)	(20%)	(1 586)	(1 168)	36%
Operating profit	(65)	(1)		(55)	(28)	97%
- margin	-17%	0%		-3%	-2%	

LONG PRODUCTS SEGMENT PRODUCTION COST, 12M 2011



1. Продажи на трейдеров, входящих в стальной сегмент

MINING SEGMENT

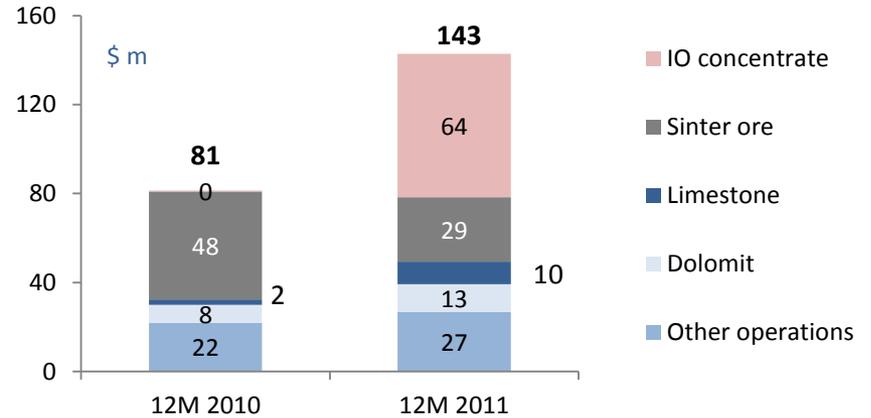
IRON ORE CONCENTRATE PRODUCTION INCREASED IN 2011 FOLLOWING THE EXPANSION OF MINING AND BENEFICIATION FACILITIES

THE REVENUE FROM 3RD PARTIES INCREASED AS A RESULT OF GROWING SALES OF CONCENTRATE TO EXTERNAL CUSTOMERS

CASH COST IS UNDER CONTROL

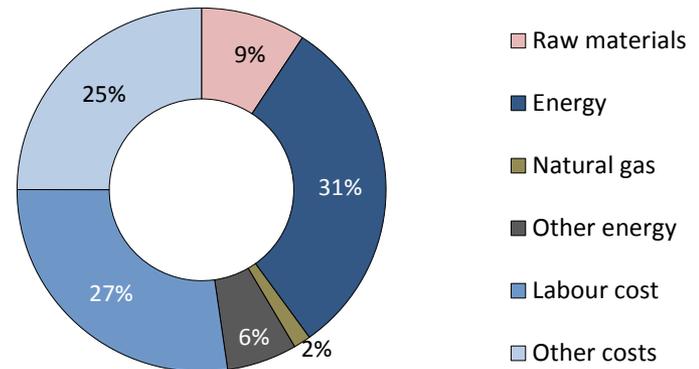
MINING SEGMENT DEVELOPMENT IS UNDERWAY

SALES REVENUE FROM 3RD PARTIES BY PRODUCT



('000 tonnes)	Q4 2011 ¹	Q3 2011 ¹	Change %	12M 2011	12M 2010	Change %
Production						
iron ore concentrate	3 463	3 489	(1%)	13 353	12 083	11%
sinter ore	436	436	0%	1 719	1 762	(2%)
Sales						
iron ore concentrate	3 369	3 460	(3%)	13 174	12 023	10%
<i>in NLMK Group¹</i>	3 428	3 168	8%	12 613	12 019	5%
sinter ore	429	409	5%	1 692	1 805	(6%)
(\$ mln)						
Revenue	361	385	(6%)	1 440	913	58%
<i>incl. external customers</i>	57	36	58%	149	81	83%
Cost of sales	(95)	(93)	2%	(365)	(309)	18%
Operating profit	246	268	(8%)	992	545	82%
- margin	68%	70%		69%	60%	

MINING SEGMENT PRODUCTION COSTS, 12M 2011



1. Включая продажи на трейдеров, входящих в стальной сегмент

SEGMENTAL INFORMATION

12M 2011 (million USD)	Steel	Foreign rolled products	Mining	Long products	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	8 043	2 382	1 154	149	1	11 729		11 729
Intersegment revenue	985	3	640	1 291		2 919	(2 919)	
Gross profit	2 186	(61)	208	1 075	1	3 410	(50)	3 360
Operating income/(loss)	1 075	(305)	(55)	992	(1)	1 706	(41)	1 666
<i>as % of net sales</i>	12%	(13%)	(3%)	69%		12%		14%
Income / (loss) from continuing operations before minority interest	1 160	(327)	(317)	841	2	1 358	(97)	1 261
<i>as % of net sales</i>	13%	(14%)	(18%)	58%		9%		11%
Segment assets including goodwill ¹	13 061	4 226	2 472	1 871	46	21 675	(4 418)	17 257

12M 2010 (million USD)	Steel	Foreign rolled products	Mining	Long products	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	6 703	700	865	81	1	8 351		8 351
Intersegment revenue	351		512	831	0	1 694	(1 694)	
Gross profit	2 146	8	209	604	0	2 967	(19)	2 948
Operating income/(loss)	1 317	(31)	(28)	545	(1)	1 802	(7)	1 795
<i>as % of net sales</i>	19%	(4%)	(2%)	60%		18%		21%
Income / (loss) from continuing operations before minority interest	1 466	(50)	(245)	428	2	1 602	(270)	1 331
<i>as % of net sales</i>	21%	(7%)	(18%)	47%		16%		16%
Segment assets including goodwill ²	12 814	653	2 276	1 195	43	16 982	(3 083)	13 899

¹ as at 31.12.2011

² as at 31.12.2010

CONSOLIDATED STATEMENT OF INCOME

<i>(mln USD)</i>	Q4 2011	Q3 2011	Q4 2011/Q3 2011		12M 2011	12M 2010	12M 2011/12M 2010	
			+/-	%			+/-	%
Sales revenue	3 053	3 334	(281)	(8%)	11 729	8 351	3 378	40%
Production cost	(2 163)	(2 367)	205	(9%)	(7 780)	(4 933)	(2 847)	58%
Depreciation and amortization	(129)	(201)	73	(36%)	(589)	(469)	(119)	25%
Gross profit	762	765	(3)	(0%)	3 360	2 948	412	14%
General and administrative expenses	(191)	(184)	(6)	3%	(556)	(263)	(293)	111%
Selling expenses	(282)	(263)	(19)	7%	(973)	(709)	(264)	37%
Taxes other than income tax	(47)	(47)	(1)	2%	(165)	(123)	(42)	34%
Operating income	242	271	(29)	(11%)	1 666	1 795	(129)	(7%)
Gain / (loss) on disposals of property, plant and equipment	(6)	(1)	(5)	509%	(29)	(10)	(20)	203%
Gains / (losses) on investments	(57)	82	(139)	0%	12	(28)	40	0%
Interest income	10	1	9	853%	30	45	(16)	(34%)
Interest expense				0%		(16)	16	0%
Foreign currency exchange loss, net	(26)	14	(40)		19	(59)	78	
Other expense, net	(18)	1	(19)		(14)	(5)	(10)	212%
Income from continuing operations before income tax	144	368	(223)	(61%)	1 682	1 722	(40)	(2%)
Income tax	(21)	(148)	127	(86%)	(421)	(391)	(30)	8%
Equity in net earnings/(losses) of associate	0	1	(1)	(72%)	54	(107)	162	
Net income	124	220	(97)	(44%)	1 315	1 224	91	7%
Less: Net loss / (income) attributable to the non-controlling interest	30	5	25	536%	42	31	11	36%
Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders	153	225	(71)	(32%)	1 358	1 255	103	8%
EBITDA	383	478	(95)	(20%)	2 282	2 349	(66)	(3%)

CONSOLIDATED BALANCE SHEET

	as at 31.12.2011	as at 30.09.2011	as at 30.06.2011	as at 31.03.2011	as at 31.12.2010	as at 30.09.2010	as at 30.06.2010	as at 31.03.2010	as at 31.12.2009
(mln. USD)									
ASSETS									
Current assets	5 504	5 644	4 811	4 438	4 105	4 372	4 150	4 091	3 877
Cash and cash equivalents	797	830	911	977	748	780	953	1 157	1 247
Short-term investments	227	59	202	265	423	726	465	424	452
Accounts receivable, net	1 573	1 694	1 669	1 295	1 260	1 189	1 213	1 065	913
Inventories, net	2 828	2 939	1 923	1 784	1 580	1 564	1 401	1 324	1 134
Deferred income tax assets	19	53	44	51	43	52	58	59	72
Other current assets, net	59	69	62	65	52	62	59	62	58
Non-current assets	11 753	11 440	11 140	10 713	9 794	9 508	8 713	8 938	8 625
Long-term investments, net	8	9	932	728	688	729	387	402	468
Property, plant and equipment, net	10 570	10 275	9 436	9 223	8 382	7 987	7 532	7 688	7 316
Intangible assets	159	173	177	181	181	187	190	201	203
Goodwill	760	728	534	528	495	554	541	572	557
Other non-current assets, net	19	10	22	25	26	20	41	49	68
Deferred income tax assets	237	245	38	28	21	31	23	26	12
Total assets	17 257	17 084	15 951	15 150	13 899	13 880	12 863	13 029	12 502
LIABILITIES AND STOCKHOLDERS' EQUITY									
Current liabilities	2 940	3 163	2 141	1 831	1 652	1 802	1 640	1 533	1 417
Accounts payable and other liabilities	1 623	2 098	1 535	1 252	1 107	1 171	1 058	963	841
Short-term borrowings	1 306	1 031	544	553	526	595	539	544	557
Current income tax liability	11	34	62	26	19	36	43	26	19
Current liabilities, held for sale									
Non-current liabilities	4 212	3 849	2 539	2 718	2 693	2 636	2 427	2 581	2 475
Long-term borrowings	3 074	2 791	2 070	2 074	2 099	2 059	1 828	1 992	1 939
Deferred income tax liability	714	705	455	450	401	384	392	409	396
Other long-term liabilities	425	353	14	194	194	194	207	180	140
Total liabilities	7 152	7 012	4 680	4 549	4 345	4 438	4 067	4 114	3 892
Stockholders' equity									
Common stock	221	221	221	221	221	221	221	221	221
Statutory reserve	10	10	10	10	10	10	10	10	10
Additional paid-in capital	306	306	306	99	99	99	99	112	112
Other comprehensive income	(1 489)	(1 391)	(108)	(241)	(917)	(886)	(1 134)	(596)	(797)
Retained earnings	11 099	10 945	10 984	10 654	10 261	10 113	9 718	9 303	9 171
NLMK stockholders' equity	10 147	10 092	11 414	10 742	9 675	9 556	8 915	9 050	8 718
Non-controlling interest	(42)	(21)	(144)	(141)	(121)	(115)	(118)	(136)	(108)
Total stockholders' equity	10 105	10 072	11 270	10 601	9 554	9 442	8 796	8 915	8 610
Total liabilities and stockholders' equity	17 257	17 084	15 951	15 150	13 899	13 880	12 863	13 029	12 502

CONSOLIDATED CASH FLOW STATEMENT

<i>(mln. USD)</i>	Q4 2011	Q3 2011	Q4 2011/Q3 2011		12M 2011	12M 2010	12M 2011/12M 2010	
			+ / -	%			+ / -	%
Cash flow from operating activities								
Net income	124	220	(97)	(44%)	1 315	1 224	91	7%
Adjustments to reconcile net income to net cash provided by operating								
Depreciation and amortization	129	201	(73)	(36%)	589	469	119	25%
Loss on disposals of property, plant and equipment	6	1	5	509%	29	10	20	203%
(Gain)/loss on investments	57	(82)	139		(12)	28	(40)	
Equity in net earnings of associate	(0)	(1)	1	(72%)	(54)	107	(162)	
Defferd income tax (benefit)/expense	11	28	(17)	(60%)	46	34	12	35%
Loss / (income) on forward contracts					5	(4)	9	
Loss of impairment						58	(58)	
Other movements	(67)	94	(161)		25	100	(75)	(75%)
Changes in operating assets and liabilities								
Increase in accounts receivables	107	413	(305)	(74%)	130	(356)	487	
Increase in inventories	121	(284)	405		(369)	(458)	89	(19%)
Decrease/(increase) in other current assets	2	16	(14)	(85%)	13	6	8	145%
Increase in accounts payable and oher liabilities	(147)	82	(229)		98	214	(116)	(54%)
Increase/(decrease) in current income tax payable	(23)	(30)	7	(23%)	(10)	(0)	(10)	
Net cash provided from operating activities	320	658	(338)	(51%)	1 805	1 431	374	26%
Cash flow from investing activities								
Acquisitions of subsidiaries						(28)	28	0%
Proceeds from sale of property, plant and equipment	11	9	2	27%	27	26	1	2%
Purchases and construction of property, plant and equipment	(519)	(607)	89	(15%)	(2 048)	(1 463)	(585)	40%
Proceeds from sale of investments	26	174	(148)	-85%	718	450	267	59%
Placement of bank deposits and purchases of other investments	(253)	(13)	(240)		(524)	(832)	309	(37%)
Prepayment for acquisition of interests in new subsidiaries		108	(108)		(42)		(42)	
Net cash used in investing activities	(735)	(329)	(405)	123%	(1 869)	(1 847)	(21)	1%
Cash flow from financing activities								
Proceeds from borrowings and notes payable	1 137	580	557	96%	1 967	934	1 033	111%
Repayments of borrowings and notes payable	(512)	(817)	305	(37%)	(1 684)	(802)	(881)	110%
Capital lease payments	(3)	(4)	2	(37%)	(33)	(46)	14	(30%)
Proceeds from disposal of assets to the company under common control					313		313	
Dividends to shareholders	(269)	(244)	(26)	10%	(516)	(165)	(352)	214%
Net cash used in financing activities	354	(485)	839	(173%)	48	(79)	127	
Net increase / (decrease) in cash and cash equivalents	(61)	(156)	95	(61%)	(15)	(495)	480	(97%)
<i>Effect of exchange rate changes on cash and cash equivalents</i>	28	75	(47)	-63%	65	(4)	68	
<i>Cash and cash equivalents at the beginning of the period</i>	830	911	(81)	(9%)	748	1 247	(499)	(40%)
Cash and cash equivalents at the end of the period	797	830	(33)	(4%)	797	748	49	7%

2011 CASH FLOW BRIDGE

CHANGE IN CASH

Effect of exchange rate changes

Dividends

FREE CASH FLOW

Other financial operations¹

Net borrowings

Acquisition and construction of PPE

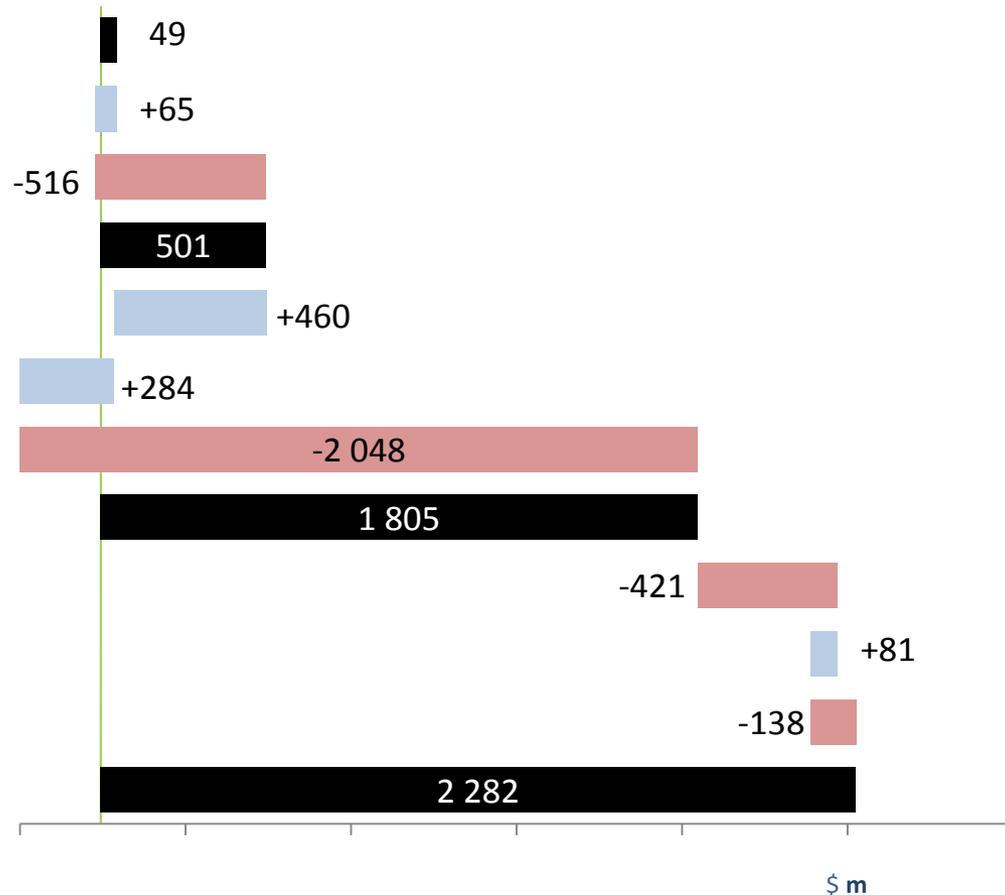
CASH FLOW FROM OPERATIONS

Income tax

Other and non-cash operations²

Change in working capital

EBITDA³



¹ Other financing activities include gains on disposals of property, plant and equipment, acquisition of financial investments, acquisitions of stakes in existing subsidiaries, gains from disposal of companies under common control, retirement of subsidiaries, changes in restricted cash funds, payments related to claim settlements, as well as other financial corrections.

² Non-cash transactions include corrections for coordinating net profit and net operating cash flow excluding depreciation & amortization, losses on disposals of property, plant and equipment, accretion expense on asset retirement obligations, (gains)/losses on financial investments and gains from disposal of subsidiaries.

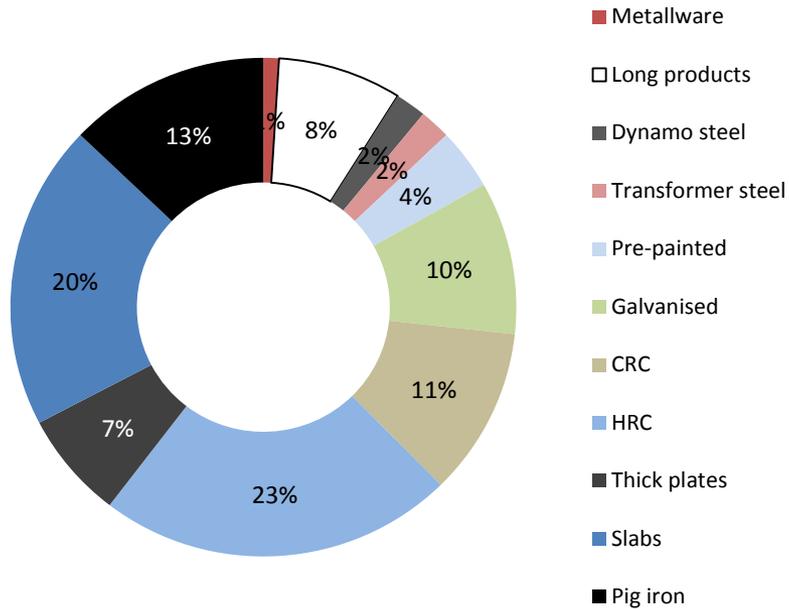
³ EBITDA = Net income attributable to NLMK shareholders + income tax +(-) interest expense/(income) + depreciation + losses on disposals of property, plant and equipment and impairment losses +(-) gains/(losses) on financial investments - (+) gains (losses) from disposal of subsidiaries - (+) gains (losses) from discontinued operations + accretion expense on asset retirement obligations - gains on loan restructuring - (+) equity in net earnings/(losses) of associates - (+) net foreign currency exchange + settlement of agreement on the dispute and other one-off extraordinary expenses.

APPENDIX

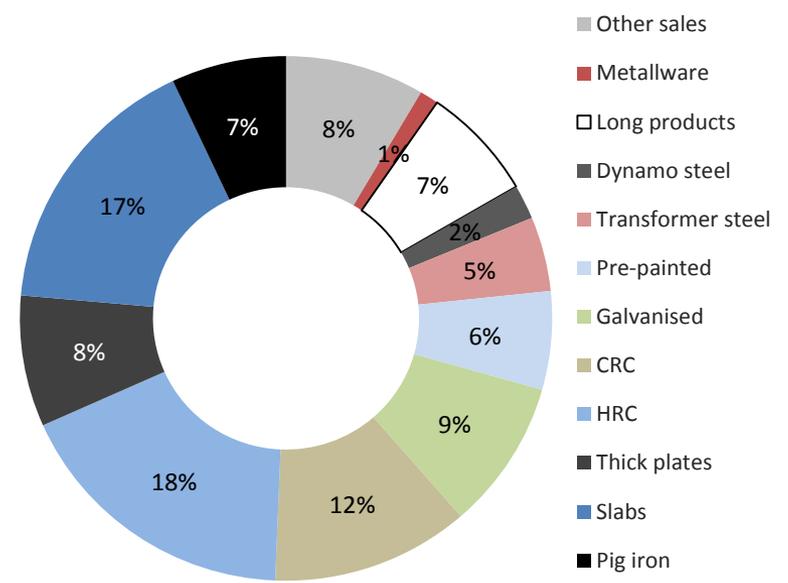
Q4 2011 SALES AND REVENUE STRUCTURE

SALES AND REVENUE STRUCTURE IN Q4 2011

Q4 2011 PRODUCT PORTFOLIO : SALES



Q4 2011 PRODUCT PORTFOLIO: REVENUE



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