



NLMK

5 August 2015

Press release

Q2 and H1 2015 CONSOLIDATED FINANCIAL RESULTS UNDER US GAAP

H1 2015 highlights

- Sales increased to 7.97 m t (+4% yoy) due to growth in exports of semi-finished products
- Revenue was \$4,356 million (-20% yoy) due to lower steel prices
- EBITDA increased to \$1,115 million (+5% yoy)
- Effect from operation efficiency programmes totaled \$102 million
- EBITDA margin expanded to 26% (+6 p.p. yoy)
- Capex increased to \$293 million (+4% yoy)
- Free cash flow decreased to \$537 million (-27% yoy)
- Net debt dropped to \$1,133 million (-46% yoy)
- Net debt/EBITDA was 0.47x
- Net income increased to \$491 million (+48% yoy).

Q2 2015 highlights

- Group utilization rate was 94% (flat qoq and yoy)
- Sales increased to 4.0 m t (+1% qoq)
- Revenue decreased to \$2,140 million (-3% qoq) driven by falling export prices
- EBITDA totaled \$476 million (-25% qoq)
- EBITDA margin was 22% (-7 p.p qoq)
- Free cash flow totaled \$218 million (-32% qoq)
- Net income decreased to \$170 million (-47% qoq)

Outlook

In Q3 2015, we expect production and sales to grow. Financial results will be impacted by low spreads between raw materials and steel prices.

Investor Relations contacts:

Sergey Takhiev
+7 (985) 760 55 74
tahiev_sa@nlmk.com

Media contacts:

Sergey Babichenko
+7 (916) 824 6743
babichenko_sy@nlmk.com

TELECONFERENCE

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

Wednesday, 5 August 2015

- 10:00 am – USA (New York)
- 3:00 pm – Great Britain (London)
- 5:00 pm – Russia (Moscow)

To join the conference call, please, dial:

US Number:

+1212 444 0895 (local access) // 1877 280 2296 (toll free)

United Kingdom Number:

+44(0)20 3427 1916 (local access) // 0800 279 4992 (toll free)

Russian Number:

+7 495 213 0977 (local access) // 8 800 500 9312 (toll free)

Conference ID: 5920315

* We recommend that participants start dialing in 5-10 minutes in advance to avoid waiting.

It is recommended that participants download the presentation in advance on NLMK's website www.nlmk.com

Q2 and H1 2015 CONSOLIDATED FINANCIAL RESULTS UNDER US GAAP ¹**Key highlights**

k t/\$ million	Q2 2015	Q1 2015	QoQ	6M 2015	6M 2014	YoY
Sales volumes	4,012	3,958	1%	7,970	7,699	4%
Revenue	2,140	2,216	-3%	4,356	5,446	-20%
EBITDA ²	476	638	-25%	1,115	1,063	5%
EBITDA margin	22%	29%	-7 p.p.	26%	20%	+6 p.p.
Net income ³	170	321	-47%	491	332	48%
Free cash flow ⁴	218	319	-32%	537	738	-27%
Net debt ⁵	1,133	1,247	-9%	1,133	2 103	-46%
Net debt/EBITDA ⁵	0.47x	0.49x		0.47x	1.14x	

Notes:

¹ Consolidated financial results are prepared based on US GAAP. Reporting periods of the Company are 3M, 6M, 9M and 12M. Quarterly figures are derived by computational method. The same assumption applies to the calculation of segmental financial result.

² EBITDA is calculated as operating profit adjusted to loss from impairment of investments, fixed assets and intangible assets (including goodwill) and depreciation and amortization. EBITDA calculations are presented in the Appendix.

³ Net profit attributable to NLMK shareholders.

⁴ Free cash flow is determined as net cash from operational activity (with net interest expenses) net of capital investment and changes in advances VAT payments on imported equipment. Free cash flow calculations are presented in the Appendix.

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

COMMENT FROM NLMK GROUP CFO

"In Q2 2015, demand for steel products on our key markets was relatively stable.

"Price spreads in the export markets contracted significantly, due to lower raw material prices and an oversupply of steel products, including on the back of substantial export from China. In the Russian market an uptick in steel demand was supported by ruble appreciation, stock accumulation by customers and declining import. NLMK increased shipments to the domestic market by 10% qoq on the back of favorable market conditions.

"NLMK's flexible sales strategy helped maintain run rates at close to full capacity, increase output, and diversify sales.

"High utilization rates are vital for maximizing the potential of operation efficiency programmes. In H1 2015, effect from these programmes totaled \$102 million (compared to the 2014 cost base). NLMK Group continues to work on maintaining the already achieved operational efficiency gains and on developing new initiatives.

"Increased volumes and optimized diversification of sales coupled with gains from operation efficiency programmes partially offset the narrowing price spreads and ruble appreciation. EBITDA totaled \$476 million (-25% qoq), while EBITDA margin stood at 22%.

"Positive free cash flow supported a decrease in net debt to \$1.1 billion (-9% qoq) as at the end of Q2 2015. Net debt/EBITDA was 0.5x, one of the lowest in the industry.

"In April, NLMK Board of Directors approved the payment of dividends for 2014 and Q1 2015 in the amount of \$170 million and \$179 million, respectively. Annualised dividend yield was approximately 10%.

"In Q3 2015, we expect further growth in sales, while financial results will depend largely on price trends in our key markets."

MANAGEMENT COMMENTS

- **Market overview**

In Q2 2015, price competition increased significantly in all major markets backed by slumping steel demand in China and outstandingly high export shipments from Chinese steelmakers. A fall in raw material prices (prices for iron ore and coking coal fell by 8% qoq and 12% qoq, respectively) served as an additional factor for the reduction in steel product prices.

In the Russian market, opposing currency exchange trends resulted in volatile prices for steel products, both in dollar and ruble terms.

Demand in developed markets, including Europe and the USA, continued to improve, driven mainly by machine-building and automotive sectors. In the USA market, destocking continued, with the situation stabilizing by the end of Q2 2015. Apparent steel use in Russia declined by 18% yoy, on the back of the recession and weaker investment activity; while import contracted by 43%.

- **Production and sales**

Q2 2015

NLMK Group steelmaking capacities were running at 94% (flat qoq), including 100% at the Lipetsk production site.

Group crude steel output increased to 4.05 m t (+5% qoq), following the completion of maintenance works at the Lipetsk site (+4% qoq) and at NLMK USA (+39% qoq). Crude steel output at NLMK's Long Products Segment companies remained flat qoq.

Group sales increased to 4.0 m t (+1% qoq). Finished product shipments went up to 2.58 m t (+11% qoq) following the completion of current hot-rolling mill repairs performed at the end of the first quarter. As result of increased finished product sales, slab shipments dropped to 1.23 m t (-13% qoq).

Slab sales to NLMK's captive operations expanded to 1.1 m t (+37% qoq), or 70% of total slab shipments by the Steel Segment (+ 23 p.p. yoy).

H1 2015

Group crude steel output in H1 2015 increased to 7.92 m t (+3% yoy), mainly due to efforts aimed at boosting steelmaking equipment productivity at the Lipetsk site and higher utilization rates at NLMK Kaluga.

Group sales totaled 7.97 m t (+4% yoy) on the back of an increase in export shipments of semi-finished products to NLMK's captive operations abroad, that offset of the decline in finished product sales (-6% yoy).

- **Sales markets**

NLMK's sales to the Russian market increased to 1.54 m t (+10% qoq), or 38% of total sales (+2 p.p qoq).

International sales totaled 2.47 m t (-3% qoq), or 62% of totals sales, due to the decline in semi-finished product shipments. Foreign Rolled Products Segment sales of finished products increased to 0.60 m t (+11% qoq), due mainly to growing demand in the USA. Key external destinations were Europe, North America, Middle East (including Turkey), Central and South Africa.

Steady demand for finished steel on the international market triggered an increase in export sales to 5.01 m t (+14% yoy), or 63% of total sales (+6 p.p. yoy).

- **Prices**

Average prices for flat and long products in Russia increased in US dollar terms by 4-18%, while prices in ruble terms declined by 2-12%.

Export slab prices of the Group's Russian companies decreased by 6%.

In Europe, prices in US dollar terms fell by 3-10% qoq, due mainly to the devaluation of the Euro against the US dollar. In the USA, high import volumes and lower scrap prices contributed to a price decline of 12-20% qoq.

- **Operational efficiency programmes**

In 2015, NLMK continued to implement its operational efficiency programmes across all its business divisions. In H1 2015, effect from operational efficiency programmes totaled \$102 million in comparison with the 2014 cost base.

- **Debt management**

As at the end of Q2 2015, net debt declined to \$1.13 billion (-9% qoq) on the back of a positive free cash flow.

Net debt/EBITDA stood at 0.5x.

Net debt repayment for Q2 2015 amounted to \$94 million.

Group's total debt in Q2 2015 decreased to \$2.52 billion (-2% qoq; -34% yoy). Short-term debt represents 23% of the total debt and is comprised of ruble bonds and revolving credit lines for working capital financing.

- **Capex**

In Q2 2015, capex was \$178 million (+54% qoq; +18% yoy), with maintenance capex representing \$50 million.

46% of the capex was deployed in the development of Stoilensky. As of the end of June, 80% of the technological equipment has been delivered and 40% of construction and assembly works have been performed as part of the pelletizing plant construction project. The launch of the plant is scheduled for H2 2016.

- **Dividends**

On 5 June 2015, NLMK's Annual General Meeting, in accordance with new dividend policy, approved the payment of dividends for 2014 in the amount of 2.44 rubles per ordinary share (considering interim dividends paid for H1 2014 in the amount of 0.88 rubles per ordinary share). Shareholders also approved the payment of dividends for Q1 2015 in the amount of 1.64 rubles per ordinary share. Total amount of the declared dividends for 2014 (additional payment to the dividends declared earlier for H1 2014) and Q1 2015 is \$170 million and 179 million, respectively. Main dividend payments are expected in Q3 2015.

KEY FINANCIALS

- **Revenue**

Q2 2015

Q2 2015 revenue declined to \$2,140 million (-3% qoq; -24% yoy) due to the reduction in average sales prices. The decline in steel prices was partially offset by a 1% qoq increase in sales.

The share of revenue from sales to the domestic market rose to 41% (+6 p.p. qoq) due to a solid price premium on the Russian market. Steady demand in the European market resulted in a 24% (+ 7p.p. qoq) increase in this market's sales revenue share; North America accounted for 16% (-2 p.p. qoq); Middle East (including Turkey) share in total revenue went up to 10% (+2 p.p. qoq); other regions accounted for 9% of total revenue.

The share of finished product sales in total revenue increased to 67% (+8 p.p. qoq).

H1 2015

H1 2015 revenue declined to \$4,356 million (-20% yoy) due to a 15-30% yoy reduction in sales prices. This decline in steel prices was partially offset by a 4% yoy increase in sales.

- **Operating profit**

Q2 2015

Q2 2015 operating profit totaled \$316 million (-37% qoq; -17% yoy). The qoq operating profit decline was caused by significantly narrowing spreads between raw material and steel prices in external markets, which was partially offset by the increase in sales volumes (+1% qoq) and the effect from operational efficiency programmes. Ruble appreciation against the US dollar by 15% qoq (52.65 RUB/USD in Q2 2015 vs. 62.19 USD/RUB in Q1 2015) also negatively affected operating profit.

Q2 2015 slab cash cost at the Lipetsk production site was \$238/t (+21% qoq). Cash cost growth was attributable to the increase in raw materials prices, and rising tariffs of natural monopolies that are denominated in rubles on the back of the ruble exchange rate appreciation.

Increase of commercial, general and administrative expenses in Q2 2015 by 12%, was due to rising sales volumes and ruble appreciation.

H1 2015

H1 2015 operating profit increased to \$815 million (+25% yoy). The key drivers for this growth were our efficiency enhancement programmes; a 4% yoy increase in sales; the widening of spreads between prices for steel products and raw materials on the back of a slump in iron ore prices; and the fall in the average ruble vs. the US dollar exchange rate.

- **Net income**

Q2 2015

Q2 2015 net income was \$170 million (-47% qoq). This is largely related to declining profit from operating activities and the high base effect in Q1 2015 on the back of income obtained from financial investments in the amount of \$60 million from the change in NBH equity share (Q2 2015 loss from financial investments totaled \$7 million).

H1 2015

H1 2015 net income increased to \$491 million (+48% yoy) due mainly to increased profit from operating activities and a decline in "Equity in net losses of associates" losses. This item takes into account the financial performance of NBH in accordance with the stake held in the company as of the reporting date (79.5% at the end of H1 2014, and 51% at the end of H1 2015).

- **Cash flow**

Q1 2015

Cash flow from operations declined to \$426 million (-2% qoq; -31% yoy) on the back of declining income from operations.

Capex was \$178 million (+54% qoq; +18% yoy).

Free cash flow totaled \$218 million in Q2 2015.

H1 2015

Cash flow from operations in H1 2015 declined to \$860 million (-16% yoy).

Capex was \$293 million (+4% yoy).

Free cash flow declined to \$537 million (-27% yoy).

Steel Segment*

k t/\$ million	Q2 2015	Q1 2015	QoQ	6M 2015	6M 2014	YoY
Steel product sales, incl.:	3,176	3,209	-1%	6,385	6,064	5%
sales to third party	2,780	2,850	-2%	5,630	5,122	10%
Revenue, incl.:	1,610	1,611	0%	3,221	4,037	-20%
external customers	1,429	1,519	-6%	2,948	3,470	-15%
intersegmental operations	181	93	96%	274	567	-52%
EBITDA	370	534	-31%	904	615	47%
EBITDA margin	23%	33%	-10 p.p.	28%	15%	+13 p.p.

Q2 2015

Sales totaled 3.2 million tonnes (-1% qoq). Sales to third parties decreased by 2% to 2.8 million tonnes as sales of semi-finished products to NLMK's subsidiaries and affiliates in Europe and the USA grew.

Segment revenue totaled \$1.6 billion (flat qoq). The decrease in prices and sales was fully offset by product mix optimization.

Segment EBITDA was \$370 million (-31% qoq). The decrease in profit was associated with the narrowing of spreads between product and raw material prices that was partially offset by the effect from operational efficiency programmes. Steel Segment's EBITDA margin was 23% (-10 p.p. qoq).

H1 2015

Steel Segment sales totaled 6.4 million tonnes (+5% yoy), including 5.6 million tonnes (+10% yoy) sold to third parties. The increase in sales was driven mostly by the increase in the sales of commercial pig iron in 2015 (up to 275,000 tonnes vs. 10,000 tonnes in H1 2014).

Segment revenue totaled \$3.2 billion (-20% yoy), including \$2.9 billion (-15% yoy) from sales to third parties. The decrease in product prices was partially offset by higher sales volumes.

Segment EBITDA grew by 47% yoy to \$904 million. Steel Segment EBITDA margin was 28% (+13 p.p. qoq).

Outlook

In Q3 2015, we expect an increase in the Segment's operational performance.

**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*

k t/\$ million	Q2 2015	Q1 2015	QoQ	6M 2015	6M 2014	YoY
Long products and metalware product sales	675	568	19%	1,243	1,392	-11%
Revenue, incl.:	361	274	32%	635	925	-31%
external customers	267	231	15%	498	767	-35%
intersegmental operations	95	43	> 100%	137	158	-13%
EBITDA	4	33	-89%	37	59	-37%
EBITDA margin	1%	12%	-11 p.p.	6%	6%	0 p.p.

Q2 2015

Segment sales increased by 19% qoq to 0.67 million tonnes, due to restocking processes by trading and service companies in export markets.

Segment revenue increased by 32% qoq to \$361 million. Revenue from intersegmental operations increased by a factor of 2.2 to \$95 million on the back of higher scrap supplies to Steel Segment companies.

Q2 2015 EBITDA was \$4 million (-89% qoq). This had to do with the significant narrowing of spreads between scrap and long product prices.

H1 2015

Long product sales totaled 1.24 million tonnes (-11% yoy). This was associated with lower demand on the back of a weakening in business activity in the construction sector in Russia.

In the reporting period, Segment revenue totaled \$635 million (-31% yoy) due to lower sales and negative price trends.

H1 2015 EBITDA was \$37 million (-37% yoy) due to lower sales and the narrowing of the scrap/long product price spreads. EBITDA margin was 6%.

Outlook

Segment's Q3 2015 operating and financial performance will largely depend on construction sector activity and the efficiency of state support measures in the construction sector.

* The Long Products Segment: NSMMZ, NLMK Metalware, NLMK Kaluga, and scrap treatment facilities. The core activities of these companies are steelmaking (EAF-based), long products and metalware manufacturing, and ferrous scrap collection and processing.

Mining Segment*

k t/\$ million	Q2 2015	Q1 2015	QoQ	6M 2015	6M 2014	YoY
Iron ore concentrate and sinter ore sales, incl.:	4,320	3,858	12%	8,178	7,875	4%
sales to Lipetsk plant	3,014	2,879	5%	5,893	5,649	4%
Revenue, incl.:	166	135	23%	301	623	-52%
external customers	56	46	21%	102	205	-50%
intersegmental operations	110	89	24%	199	418	-52%
EBITDA	74	64	15%	138	394	-65%
EBITDA margin	44%	47%	-3 p.p.	46%	63%	-17 p.p.

Q2 2015

Iron ore concentrate and sinter ore sales increased by 4.32 million tonnes (+12% qoq), as Lipetsk site needs in iron ore raw materials increased and stocks were sold.

As sales increased and average sales prices in the Russian market grew, Segment revenue increased by 23% qoq to \$166 million.

Q2 2015 EBITDA increased by 15% qoq to \$74 million on the back of higher sales volumes and prices, and operational efficiency programme gains. EBITDA margin was 44% (-3 p.p. qoq), as the share of less profitable export sales increased.

H1 2015

Iron ore concentrate and sinter ore sales increased to 8.18 million tonnes (+4% qoq) on the back of higher iron ore deliveries to the Lipetsk site.

The slump in global iron ore prices resulted in the change in the Segment's total revenue: in H1 2015 it totaled \$301 million (-52% yoy).

EBITDA was \$138 million (-65% yoy); EBITDA margin was 46%.

Outlook

In Q3 2015, we expect the Segment to maintain its operational performance.

* 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.

Foreign Rolled Products Segment*

k t/\$ million	Q2 2015	Q1 2015	QoQ	6M 2015	6M 2014	YoY
Steel product sales	601	539	11%	1,141	1,201	-5%
Revenue, incl.:	382	420	-9%	802	1,004	-20%
external customers	382	420	-9%	802	1,004	-20%
intersegmental operations	-	-	0%	-	-	0%
EBITDA	(44)	(13)	> 100%	(57)	42	-235%
EBITDA margin	-12%	-3%	-9 p.p.	-7%	4%	-11 p.p.

Q2 2015

The improvement in demand in the USA and the European markets supported an increase in Q2 2015 sales to 0.60 million tonnes (+11% yoy).

Severe competition and pressure from imports determined the negative price trend in the USA (-20% qoq). As a result, revenue dropped by 9% qoq to \$382 million.

The narrowing of spreads between prices for finished products and slabs led to an EBITDA loss of - \$44 million. This figure incorporates the use of expensive slab stock accumulated in H2 2014. If the division had rerolled slabs purchased at Q2 2015 spot prices, EBITDA would have been \$3 million.

H1 2015

Segment sales totaled 1.14 million tonnes (-5% yoy), due to the major repairs at NLMK USA companies at the beginning of 2015.

Revenue was down by 20% to \$802 million, as sales volumes and average sales prices dropped vs. last year.

H1 2015 EBITDA loss was \$57 million (with the use of slabs purchased at Q2 2015 spot prices, Segment EBITDA would have been \$21 million).

NBH (associated company) results

In Q2 2015, NBH sales increased by 14% to 0.58 million tonnes on the back of the recovery in demand for finished products from key consumers (primarily the automotive sector) in the EU market.

The increase in the volume of sales (+14% qoq) fully offset the reduction in prices for NBH products. As a result, Q2 2015 revenue increased by 6% qoq to \$381million.

NBH EBITDA loss reduced to -\$3 million (Q1 2015 loss was -\$15 million) on the back of wider spreads between prices for slabs and finished products in the European market, as well as operational efficiency programmes.

Outlook

In Q3 2015, we expect NLMK USA to post stable operational results. Our European production assets have scheduled repair activities for the period of a seasonal drop in demand.

* Foreign Rolled Products Segment is represented by NLMK USA and NLMK Dansteel (Denmark). NLMK USA includes NLMK Pennsylvania, Sharon Coating and NLMK Indiana.

Appendixes**(1) Sales by product**

k t	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Pig iron	120	155	156	97	4
Slabs	1,235	1,418	1,209	860	973
Thick plates	121	109	106	90	103
Hot-rolled steel	908	793	815	913	950
Cold-rolled steel	494	472	451	545	553
Galvanized steel	225	236	229	229	240
Pre-painted steel	91	89	133	124	125
Transformer steel	71	64	66	69	66
Dynamo steel	71	54	44	47	81
Billet	72	52	65	65	84
Long products	539	441	487	459	568
Metalware	64	75	83	84	87
TOTAL	4,012	3,958	3,846	3,581	3,834

(2) Sales by region

k t	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Russia	1,545	1,410	1,590	1,694	1,736
EU	1,122	809	756	674	706
Middle East, including Turkey	404	323	308	217	237
North America	617	530	698	701	639
Asia and Oceania	23	331	67	164	159
Rest of World	302	555	427	130	356
TOTAL	4,012	3,958	3,846	3,581	3,834

(3) Revenue by region

Region	Q2 2015		Q1 2015		Q4 2014	
	\$ million	share	\$ million	share	\$ million	share
Russia	874	41%	784	35%	905	39%
EU	509	24%	388	17%	537	23%
Middle East, including Turkey	212	10%	171	8%	208	9%
North America	338	16%	393	18%	344	15%
Asia and Oceania	45	2%	175	8%	185	8%
Rest of World	162	8%	306	14%	164	7%
TOTAL	2,140	100%	2,216	100%	2,343	100%

(4) EBITDA

\$ million	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Operating income	316	499	348	402	382
minus:	-	-	-	-	-
Impairment losses	-	-	(114)	(83)	-
Depreciation and amortization	(161)	(139)	(165)	(208)	(212)
EBITDA	476	638	627	693	594

(5) Free cash flow

\$ million	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net cash from operating activities (with net interest payments)	426	434	503	194	618
Advance VAT payments on imported equipment	(30)	-	-	-	-
Capex	(178)	(116)	(122)	(158)	(151)
Free Cash Flow	218	319	381	36	467

(6) Production of main products

k t	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Crude steel, incl.:	4,049	3,874	4,108	4,131	3,773
Steel Segment	3,227	3,090	3,396	3,181	2,894
Long products Segment, incl.:	691	690	551	776	722
NLMK Kaluga	263	261	198	283	279
Foreign Rolled Products Segment	131	94	162	175	157
Finished products, incl.:	2,527	2,584	2,413	2,638	2,696
Flat steel	2,000	1,977	1,930	1,972	2,067
Long steel	526	607	483	666	629
Coke (6% moisture), incl.:	1,724	1,681	1,837	1,783	1,581
Novolipetsk	639	637	645	649	589
Altai-Koks	1,085	1,044	1,192	1,134	992

(7) Slab sales, including intra-group sales to NLMK Group companies

k t	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Sales to third parties, incl.:	1,235	1,418	1,209	860	973
Export, incl.:	1,005	1,178	1,002	703	801
Sales to NBH	743	466	535	461	430
Domestic market	228	238	205	155	169
Slab sales by NLMK USA	1	3	2	3	3
Sales to subsidiaries	396	359	543	684	454
TOTAL	1,633	1,780	1,754	1,547	1,430

	As at June 30, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	749,200	549,210
Short-term investments	634,365	621,254
Accounts receivable and advances given, net	1,256,617	1,104,423
Inventories, net	1,458,191	1,560,091
Other current assets	8,738	5,252
Deferred income tax assets	62,695	75,169
	4,169,806	3,915,399
Non-current assets		
Long-term investments	258,483	247,448
Property, plant and equipment, net	5,913,790	5,866,669
Intangible assets, net	22,414	51,140
Goodwill	288,672	285,397
Deferred income tax assets	15,394	16,683
Other non-current assets	19,987	23,021
	6,518,740	6,490,358
Total assets	10,688,546	10,405,757
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other liabilities	1,069,683	773,942
Short-term borrowings	577,720	798,608
Current income tax liability	42,877	47,529
	1,690,280	1,620,079
Non-current liabilities		
Deferred income tax liability	407,757	405,122
Long-term borrowings	1,938,586	1,961,600
Other long-term liabilities	11,426	96,044
	2,357,769	2,462,766
Total liabilities	4,048,049	4,082,845
Commitments and contingencies	-	-
Stockholders' equity		
NLMK stockholders' equity		
Common stock, 1 Russian ruble par value – 5,993,227,240 shares issued and outstanding at June 30, 2015 and December 31, 2014	221,173	221,173
Statutory reserve	10,267	10,267
Additional paid-in capital	256,922	256,922
Accumulated other comprehensive loss	(6,256,706)	(6,431,492)
Retained earnings	12,393,614	12,251,369
	6,625,270	6,308,239
Non-controlling interest	15,227	14,673
Total stockholders' equity	6,640,497	6,322,912
Total liabilities and stockholders' equity	10,688,546	10,405,757

	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Revenue	4,355,657	5,446,019
Cost of sales		
Production cost	(2,666,781)	(3,694,085)
Depreciation and amortization	(299,734)	(411,425)
	(2,966,515)	(4,105,510)
Gross profit	1,389,142	1,340,509
General and administrative expenses	(140,541)	(176,792)
Selling expenses	(388,504)	(437,389)
Taxes other than income tax	(45,192)	(75,162)
Operating income	814,905	651,166
Loss on disposals of property, plant and equipment	(64)	(3,794)
Gains on investments, net	52,756	3,655
Interest income	24,367	15,585
Interest expense	(40,224)	(65,264)
Foreign currency exchange loss, net	(157,395)	(15,928)
Other expenses, net	(16,257)	(18,041)
Income before income tax	678,088	567,379
Income tax expense	(146,230)	(131,035)
Income, net of income tax	531,858	436,344
Equity in net losses of associates	(40,519)	(104,945)
Net income	491,339	331,399
Add: Net (income) / loss attributable to the non-controlling	(339)	891
Net income attributable to NLMK stockholders	491,000	332,290
Earnings per share – basic and diluted:		
Net earnings attributable to NLMK stockholders per share (US dollars)	0.0819	0.0554
Weighted-average shares outstanding, basic and diluted (in thousands)	5,993,227	5,993,227

	For the six months ended June 30, 2015	For the six months ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	491,339	331,399
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	299,734	411,425
Loss on disposals of property, plant and equipment	64	3,794
Gains on investments, net	(52,756)	(3,655)
Interest income	(24,367)	(15,585)
Interest expense	40,224	65,264
Equity in net losses of associates	40,519	104,945
Deferred income tax benefit	8,759	19,455
Losses on derivatives	1,767	2,116
Unrealized losses on foreign currency exchange	98,468	-
Other	(4,448)	966
Changes in operating assets and liabilities		
Increase in accounts receivable	(101,728)	(155,919)
Decrease in inventories	87,399	331,808
Increase in other current assets	(2,730)	(7,832)
Increase / (decrease) in accounts payable and other liabilities	1,988	(25,729)
(Decrease) / increase in current income tax payable	(480)	3,638
Cash provided by operating activities	883,752	1,066,090
Interest received	17,170	14,024
Interest paid	(40,727)	(60,921)
Net cash provided by operating activities	860,195	1,019,193
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases and construction of property, plant and equipment	(293,416)	(281,230)
Proceeds from sale of property, plant and equipment	9,354	6,373
Investments and loans given, net	(58,099)	(58,107)
Placement of bank deposits, net	(9,577)	(322,510)
Contribution to share capital of associate	(22,034)	-
Advance VAT payments on imported equipment	(30,062)	-
Net cash used in investing activities	(403,834)	(655,474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and notes payable	86,024	11,169
Repayment of borrowings and notes payable	(274,743)	(292,559)
Capital lease payments	(1,162)	(11,405)
Dividends to shareholders	(41,350)	(111,193)
Net cash used in financing activities	(231,231)	(403,988)
Net increase / (decrease) in cash and cash equivalents	225,130	(40,269)
Effect of exchange rate changes on cash and cash equivalents	(25,140)	9,344
Cash and cash equivalents at the beginning of the year	549,210	969,992
Cash and cash equivalents at the end of the period	749,200	939,067
Supplemental disclosures of cash flow information:		
Placements of bank deposits	(346,244)	(1,063,004)
Withdrawals of bank deposits	336,667	740,495