

# NLMK

## Q2 AND 6M 2012 US GAAP CONSOLIDATED RESULTS



Moscow, August 9, 2012

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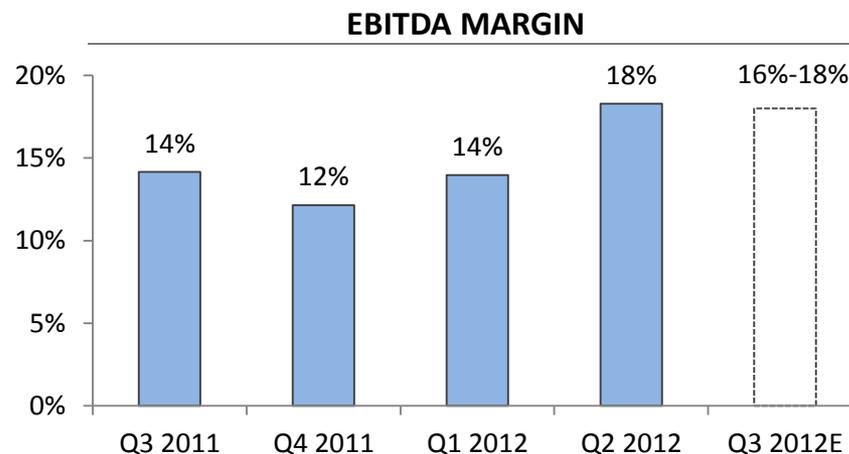
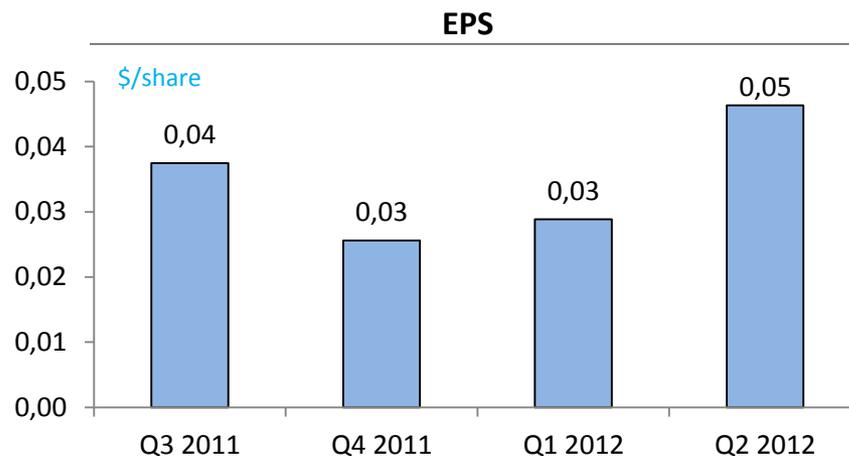
# HIGHLIGHTS

## Q2 '12 FINANCIAL RESULTS

- Revenue \$3,257 m (+5% q-o-q)
- EBITDA \$596 m (+38%),
- EBITDA margin 18.3% (+4.3 p.p.)
- EPS 0,046\$ (+61%), net profit margin of 8.5% (+2.9 p.p.)
- Operating cash flow: \$304 m (-39%)
- Capex: \$453 m (+27%)
- Net debt/12M EBITDA: 1,90

## Q2 '12 OPERATING RESULTS

- Steel output: 3,843 m t (+6%)
- Steel sales: 3,817 m t (-1%)  
incl. NLMK Int'l sales of 1,128 m t (0%)
- Revenue/t \$853 (+7%)
- Slab cash cost at Lipetsk plant: \$411/t (+4%)



# PRODUCTION

## Q2'12 OUTPUT UP 6% Q/Q

- Novolipetsk (Steel segment) 3,130 m t (+6% qoq)
- NLMK Long Steel 0.465 m t (+10% qoq)
- NLMK USA 0.181 m t (-8% qoq)

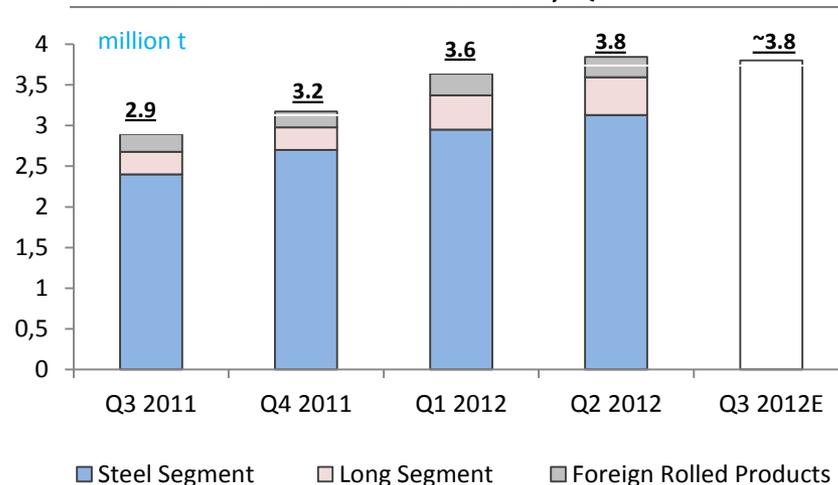
## CAPACITY UTILIZATION OF 96%

- Lipetsk plant (Steel segment) 99% (+2 pp)
- NLMK Long Steel 85% (+8 pp)
- NLMK USA 94% (-6 pp)

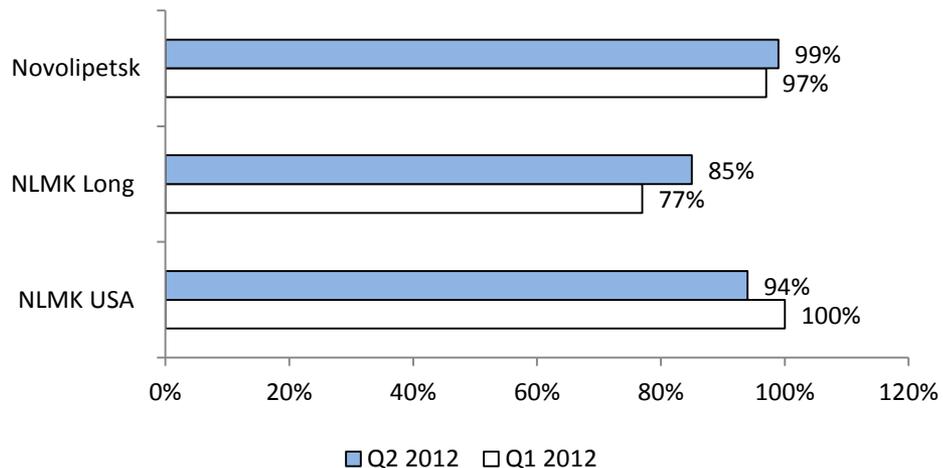
## OUTLOOK

- Q3'12 steel output to remain flat at 3.8 m t

## CRUDE STEEL PRODUCTION, QUARTERLY



## CAPACITY UTILIZATION



# MARKETS

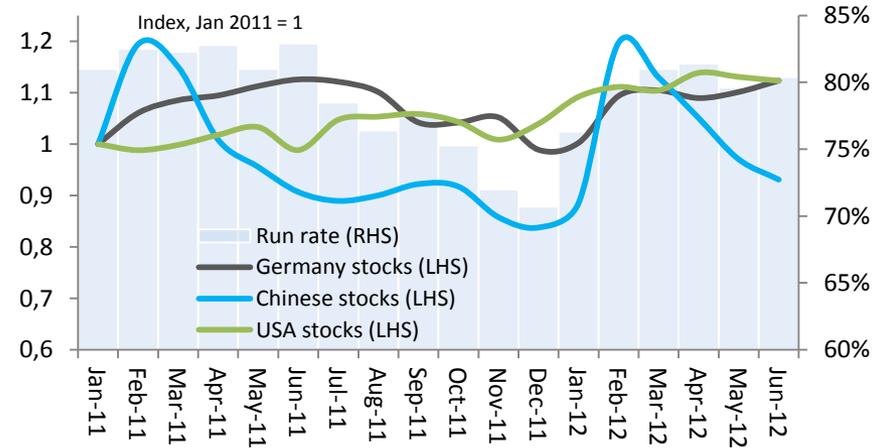
## DEMAND IN Q2'12

- Steel consumption in Russia grew 7% qoq
- Demand in the global markets remained weak

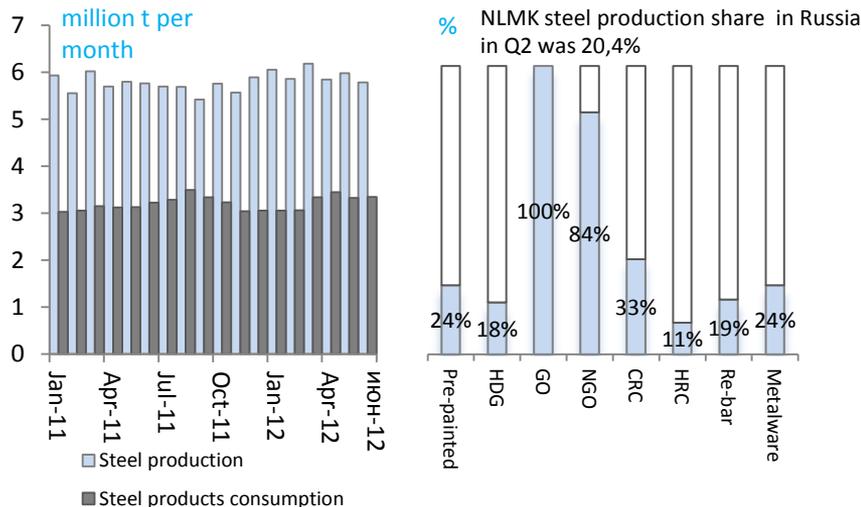
## PRICING ENVIRONMENT

- In Russia prices impacted by weaker RUB/US\$ FX rate
- US prices were lower by 1-4% qoq
- European prices under pressure from unstable economic conditions

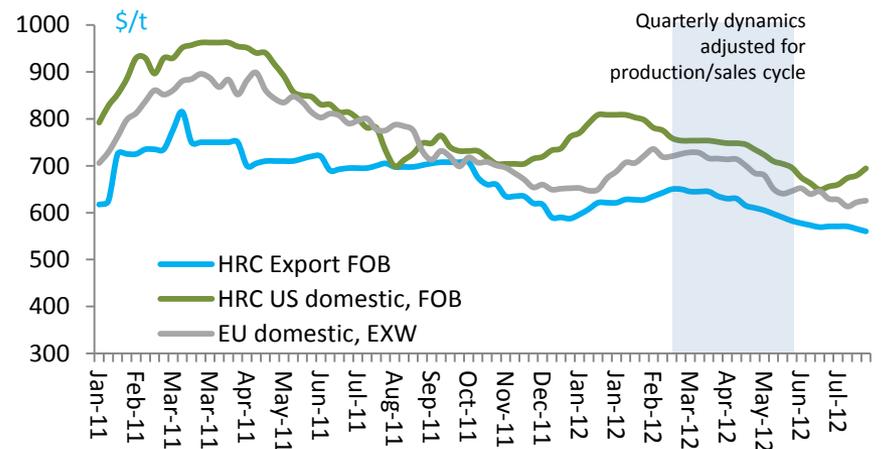
## GLOBAL STEEL RUN RATE AND STEEL STOCK LEVELS



## RUSSIAN STEEL CONSUMPTION (LEFT) NLMK MARKET POSITION (RIGHT)



## AVERAGE SELLING PRICES (INDICATIVE) BY REGION



# SALES GEOGRAPHY

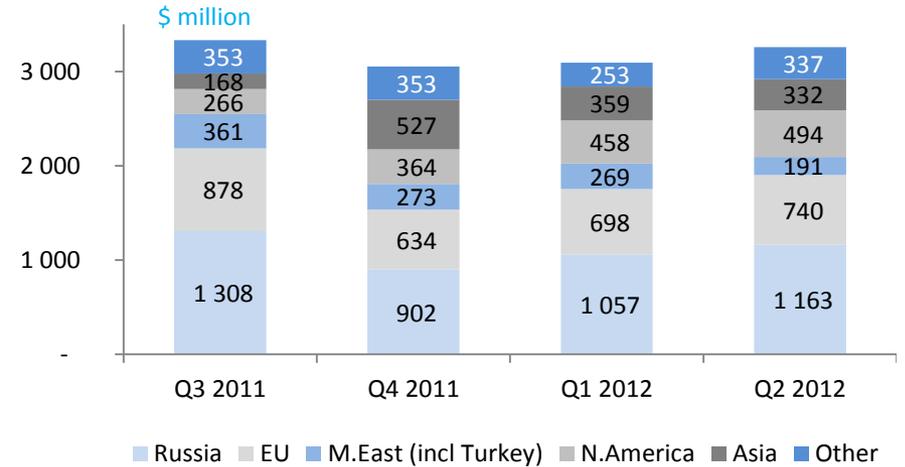
## DOMESTIC SALES

- Domestic sales share up 4 pp to 32%
- Revenue from domestic sales up 10% to \$1.2 bn

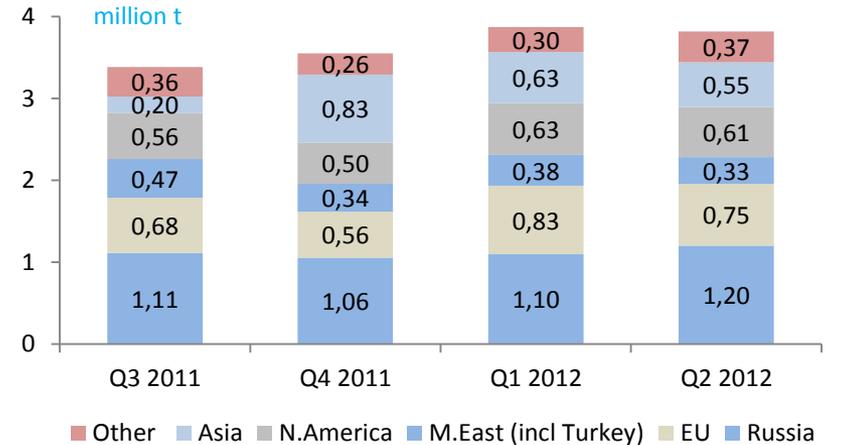
## EXPORT SALES

- Decline in US sales as competition intensified
- Seasonally weaker sales in the M.East
- Decreasing sales in EU

### REVENUE BY REGION



### SALES BY REGION



# SALES STRUCTURE

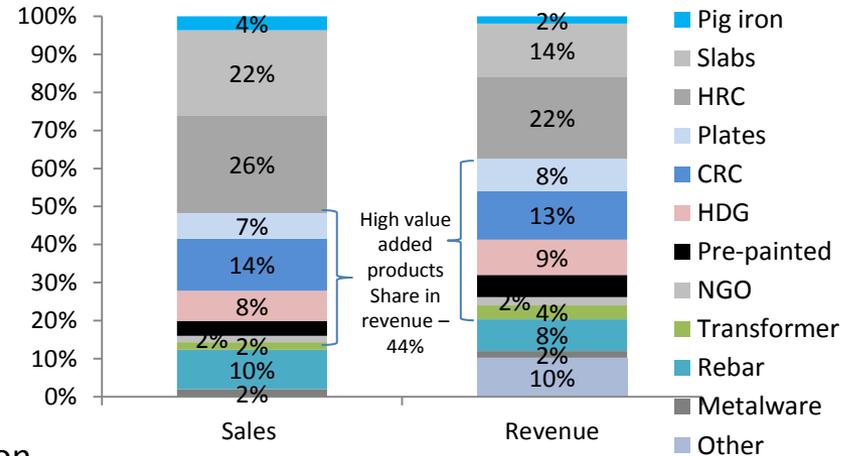
## GROWTH IN VALUE ADDED GRADES

- Significant growth of construction steel driven by seasonally strong demand in Russia
- Growth in electrical steel sales from better demand in domestic and international markets

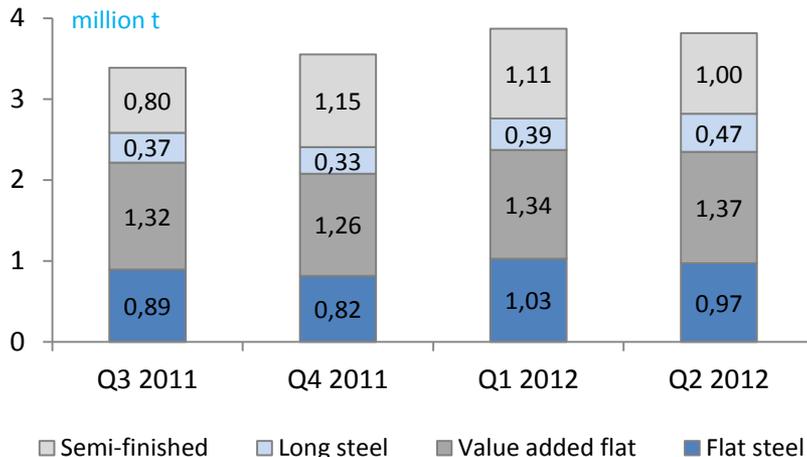
## DECREASE OF ORDINARY GRADES

- Decrease of third party sales of slabs as intersegmental trade went up
- Drop in merchant pig iron as demand deteriorated
- HRC sales came under pressure from growing competition

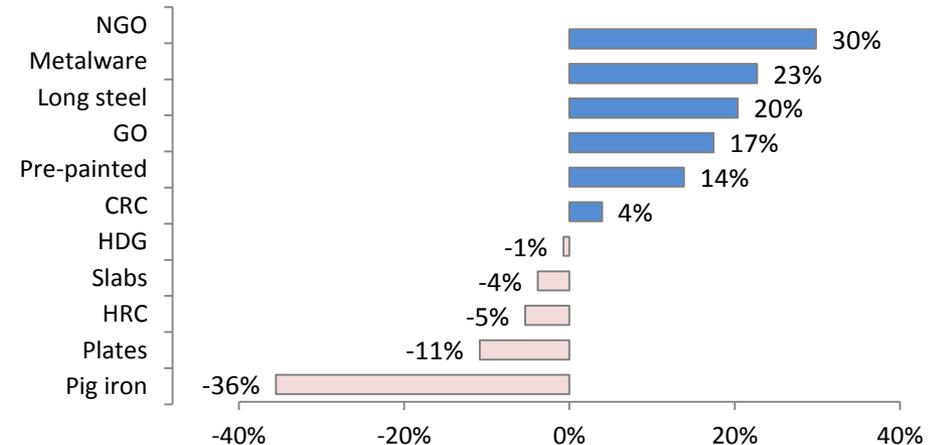
## Q2 '12 REVENUE AND SALES BY PRODUCT



## SALES BY PRODUCTS



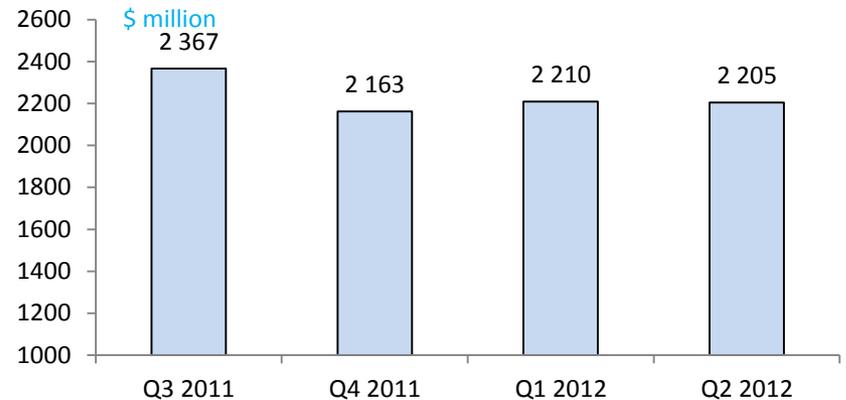
## Q2 '12 SALES STRUCTURE DYNAMICS



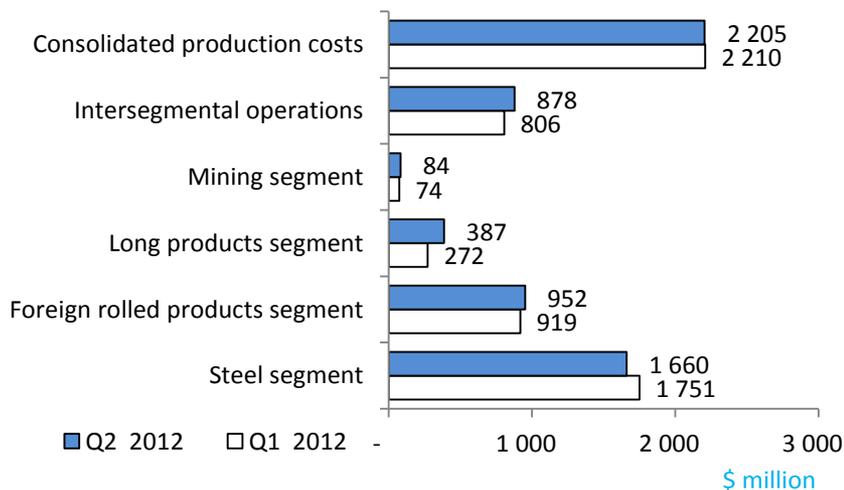
# PRODUCTION COSTS

- Change in input mix (growth in pellets consumption and imported coal) was impacting costs
- Lower RUB FX rate (c. 75% of costs) and growth in own feedstock mitigated costs' growth
- Decline in segmental production cost on the back of raw material prices softening
- Long steel segment COGS grew as output increased

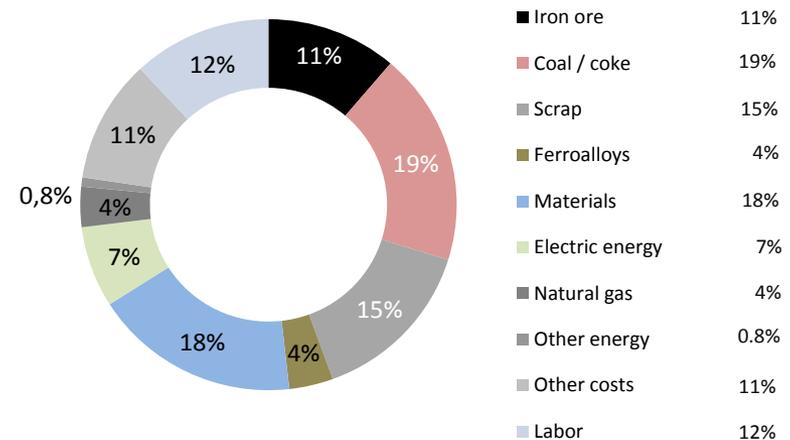
## COST OF GOODS SOLD DYNAMICS



## PRODUCTION COSTS BY SEGMENTS



## CONSOLIDATED PRODUCTION COSTS IN Q2 2012



# PROFITABILITY

## Q2'12 EBITDA GREW + 38% Q/Q

- Improved product mix and stable production costs

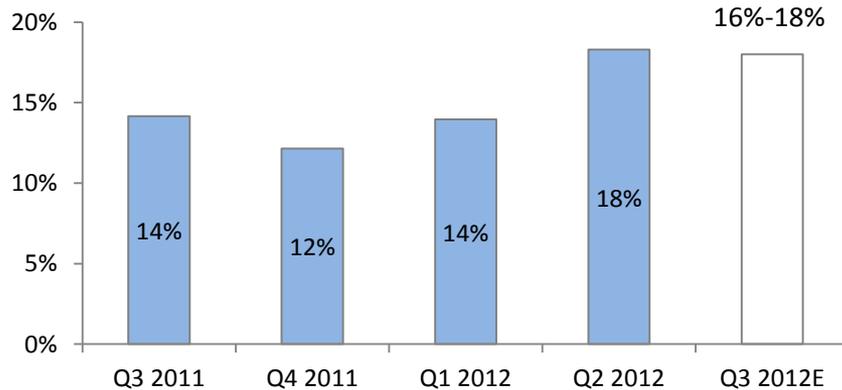
## PROFITABILITY BY SEGMENT

- Steel: Growth in domestic sales supported better product mix
- Long: Sales volumes growth, improved product mix, usage of own billets as a feedstock
- Foreign assets: Average selling prices growth, costs under control
- Mining : Sales growth, COGS firmly low

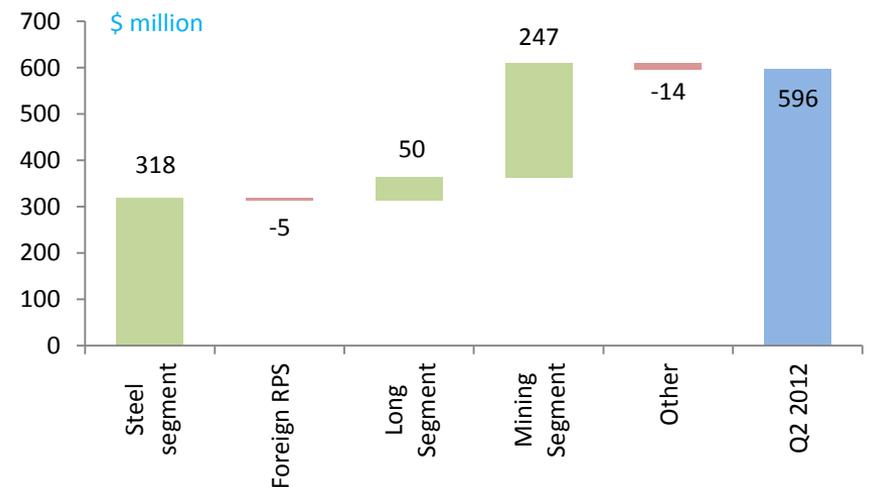
## SEGMENTS CONTRIBUTION TO EBITDA: Q1 VS Q2'12



## NLMK GROUP EBITDA margin



## SEGMENTS CONTRIBUTION TO Q2'12 EBITDA



# CASH FLOW

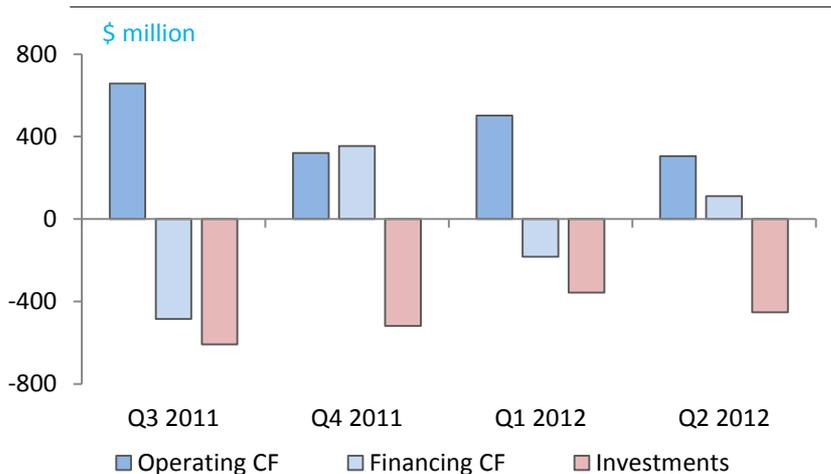
## OPERATING CASH FLOW

- Decreased due to seasonal stocks build
- Change in product mix

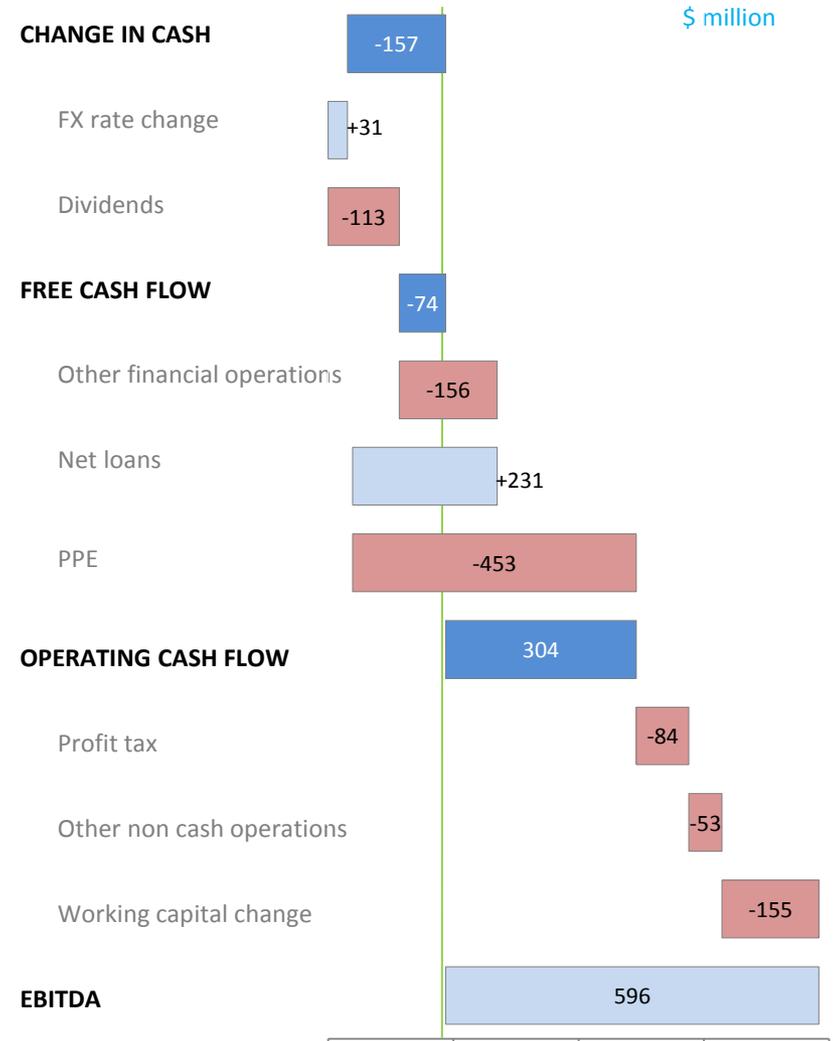
## FINANCING CASH FLOW

- Net cash inflow of \$110 m
  - as the company used its credit lines to repay short term debt and for corporate purposes
  - Paid dividends

Operating and financing cash flow and investments



## Q2'12 CASH BRIDGE



# DEBT

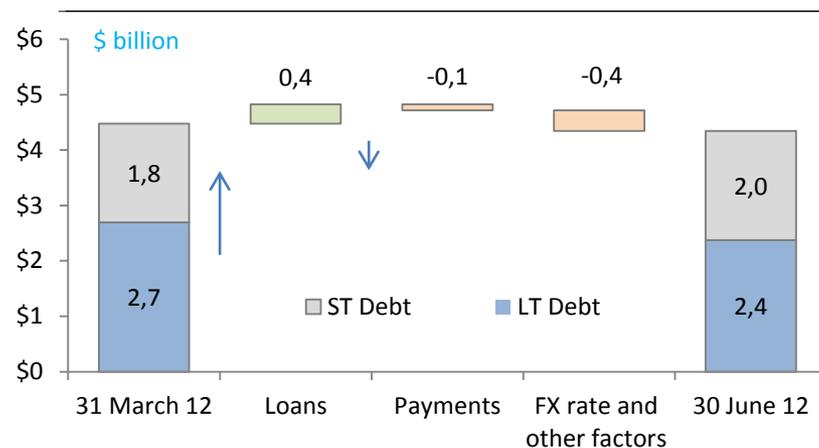
## DEBT POSITION

- Gross debt \$4.34 bn (-3%)
- Cash and equivalents<sup>1</sup> \$0.78 bn (-17%)
- Net debt / 12M EBITDA 1,90
- Balanced debt and cash position

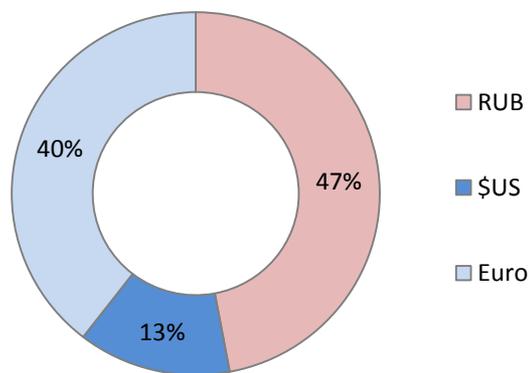
## RATINGS

- **Investment grade** from three rating agencies

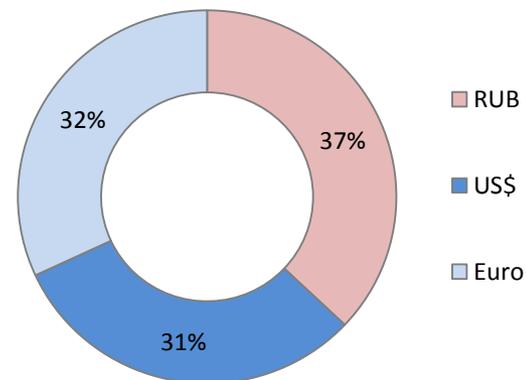
## CHANGE IN DEBT PORTFOLIO



## FINANCIAL DEBT BY CURRENCY <sup>2</sup>



## CASH AND CASH EQUIVALENTS BY CURRENCY<sup>2</sup>



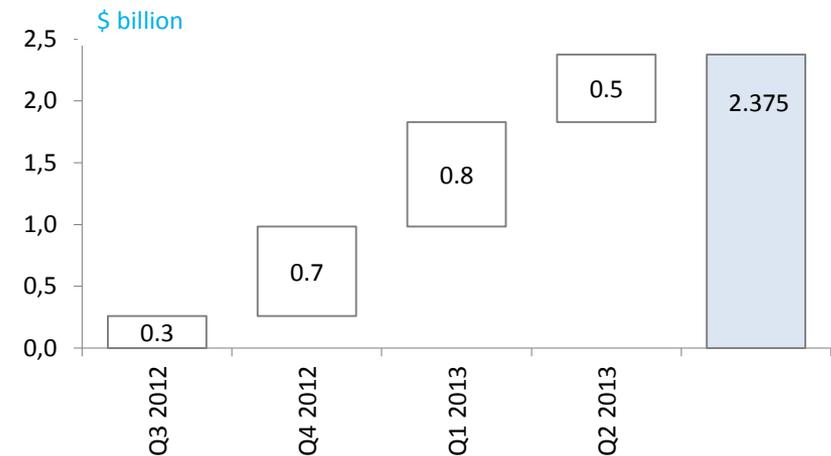
1. Cash, cash equivalents and short term deposits  
2. As at 30.06.2012r.

# MATURITY

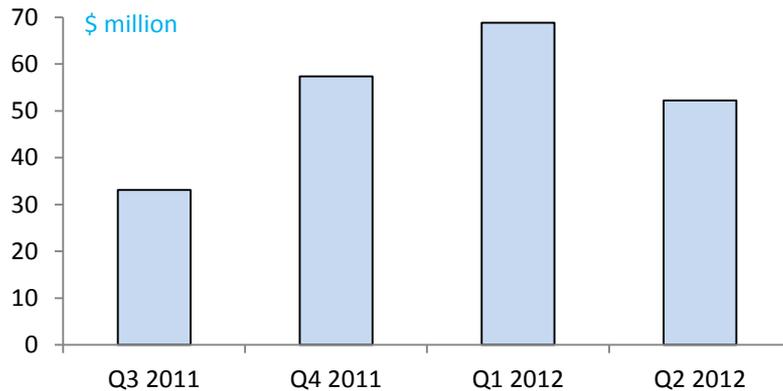
## DEBT MATURITY

- Short term debt \$1.97 bn
  - Short term part of PXF, SIF obligations,
  - Payment of RUB three year notes
- Long term debt \$2.372 bn
  - RUB three year notes, long term part of PXF, and ECA facilities
  - Long term obligation of SIF

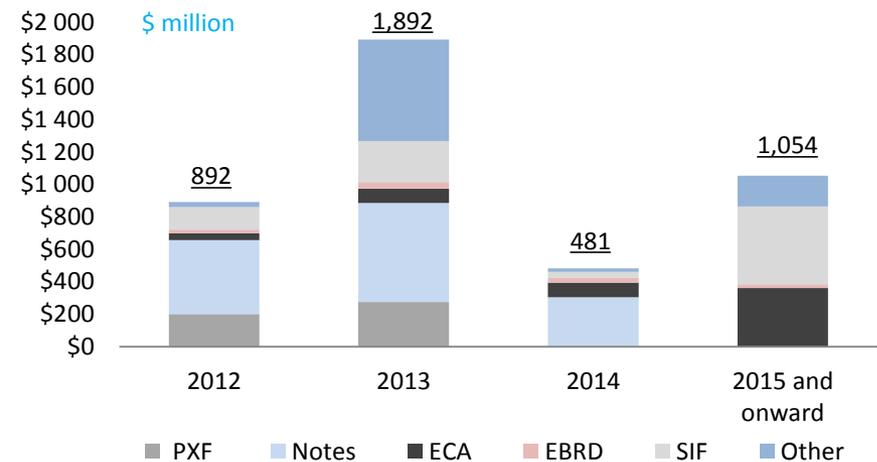
## SHORT TERM DEBT MATURITY PROFILE <sup>1</sup>



## INTEREST EXPENSE<sup>4</sup>



## LONG TERM DEBT MATURITY PROFILE <sup>2</sup>



1. The ST maturity payments include interests accrued and bond coupon payments in 2012

2. The maturity payments do not include interests

3. At the exchange rate as of 30.06.2012

4. Quarterly figures are derived by computational method based on reporting data for the 6M, 9M, 12M 2011 and for the 3M, 6M 2012.

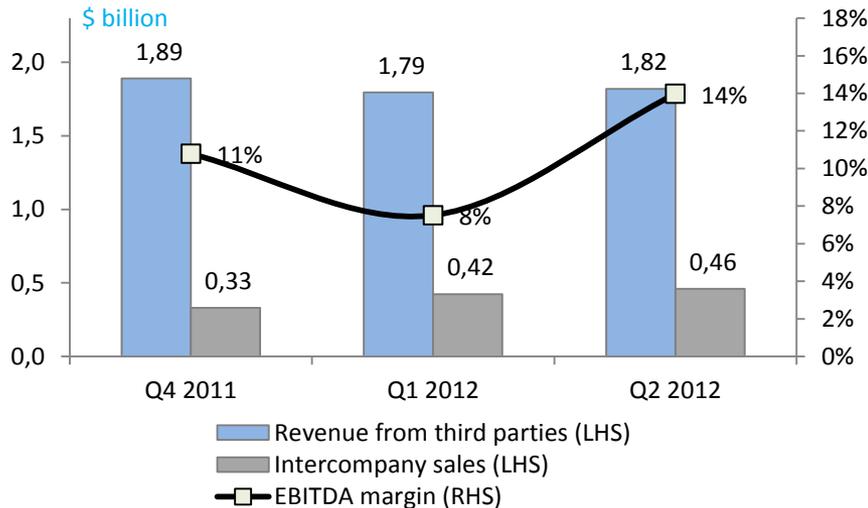
# SEGMENTS

# STEEL SEGMENT (1)

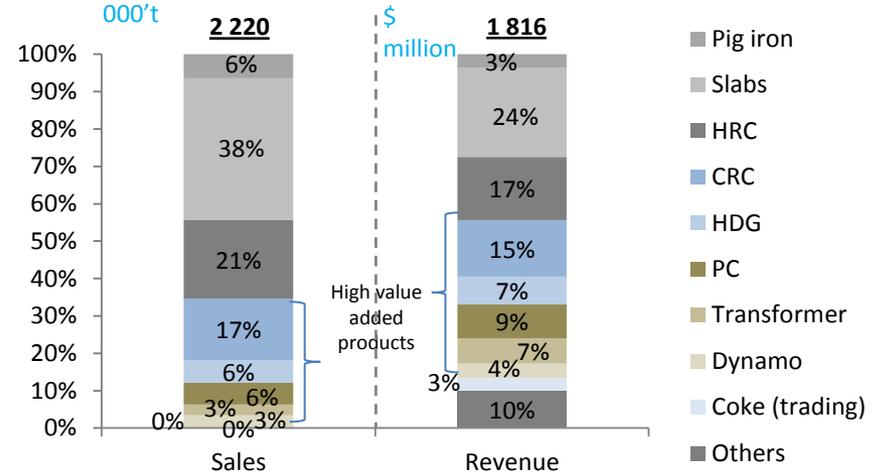
## HIGHER PROFITABILITY FOR THE SEGMENT

- EBITDA margin +14% or 6 p.p. up q-o-q, due to
  - Improved product mix
  - Growth in domestic sales
  - Lower COGS

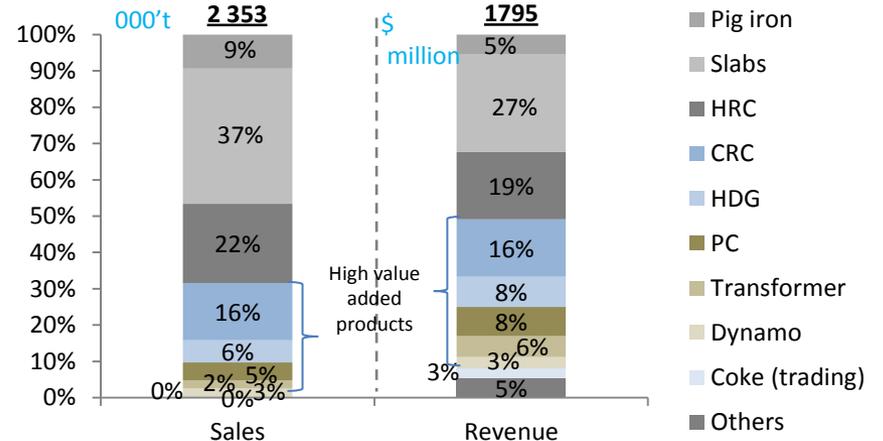
## REVENUE AND EBITDA MARGIN



## Q2 SALES AND REVENUE STRUCTURE



## Q1 SALES AND REVENUE STRUCTURE

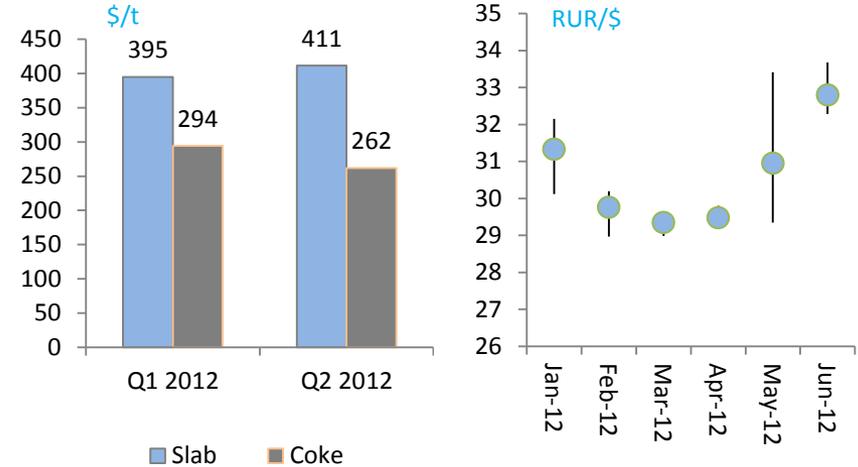


# STEEL SEGMENT (2)

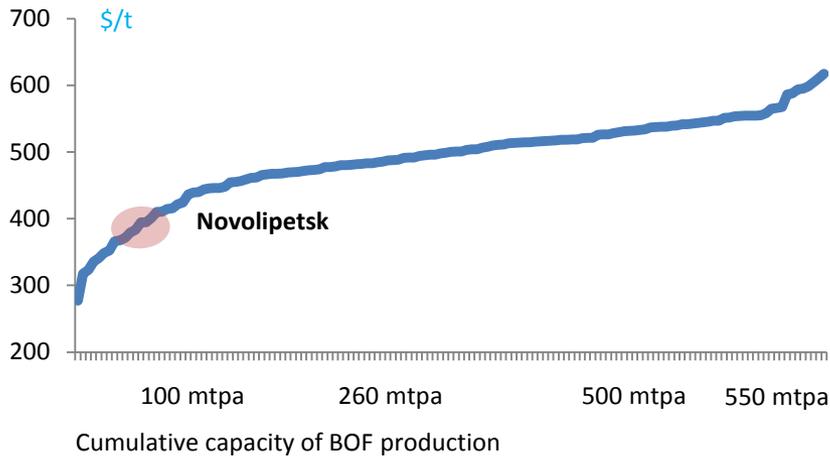
## PRODUCTION EXPENSES -5% Q/Q

- RUR/US\$ FX rate marked decline in production costs, as c. 90% costs RUB related
- Slab cash cost (+4%), on pellets consumption and imported coal increase, and high scrap prices

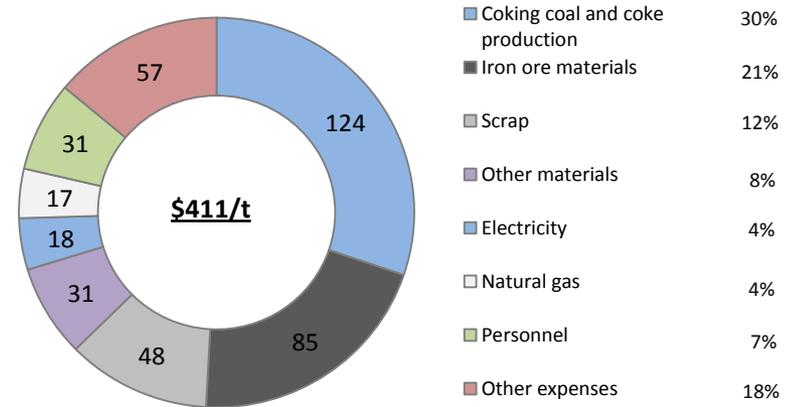
## CASH COST AND FOREX RATE DYNAMICS



## BOF STEEL CASH COST FOR GLOBAL PRODUCERS



## SLAB CASH COST



# LONG PRODUCTS SEGMENT (1)

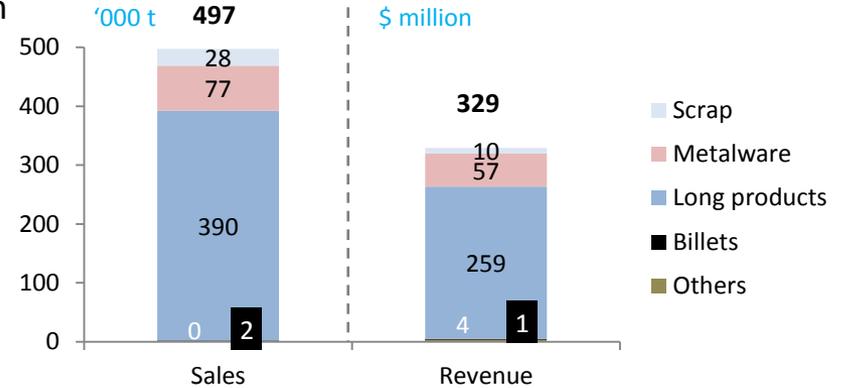
## REVENUE +20%

- Increase in domestic demand and high capacity utilization after start of EAF

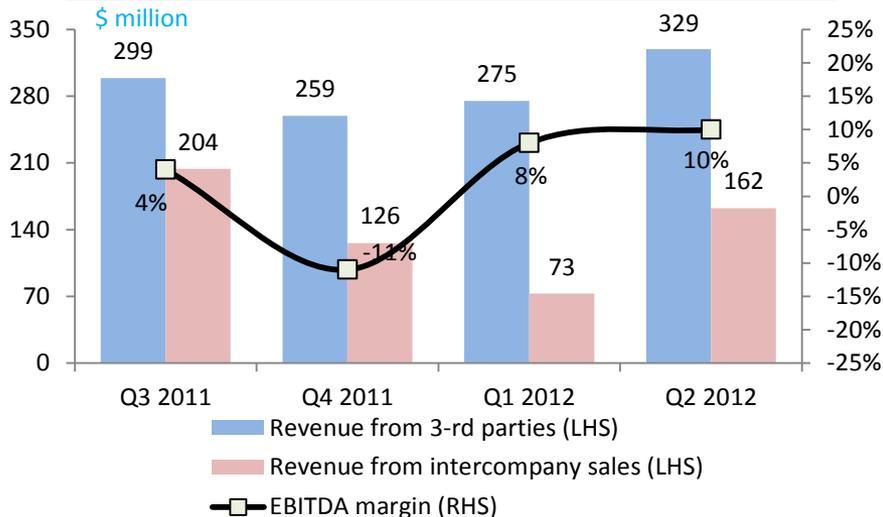
## PROFITABILITY + 5 P.P.

- Increased sales, better product mix and lower specific production costs

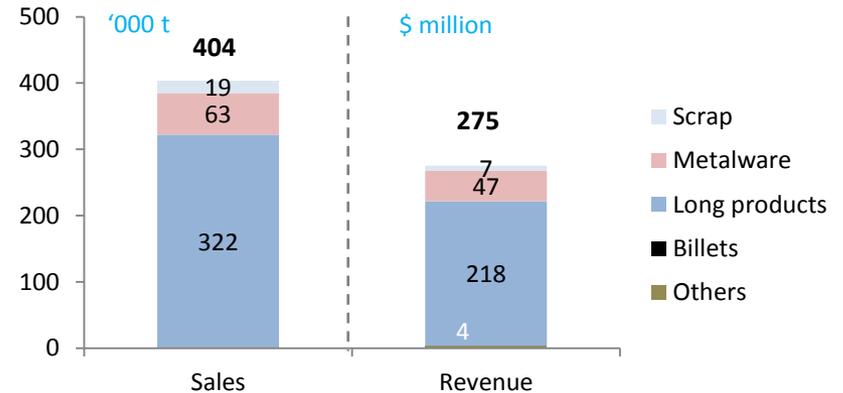
## SALES STRUCTURE AND REVENUE IN Q2 2012



## SEGMENT'S REVENUE AND EBITDA



## SALES STRUCTURE AND REVENUE IN Q1 2012

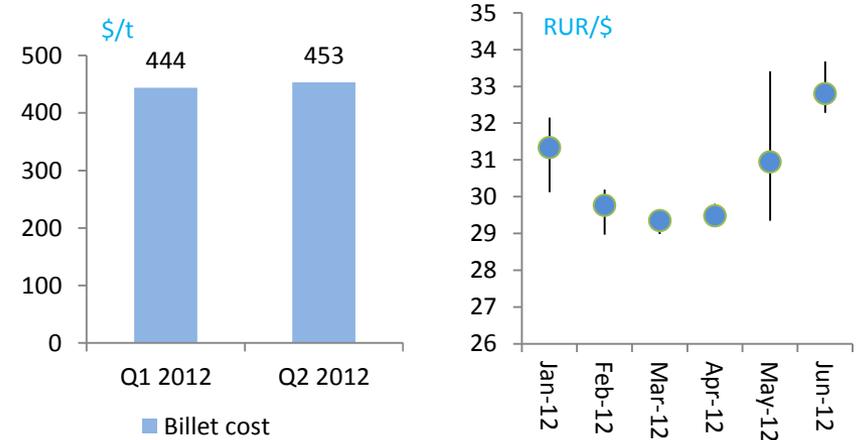


# LONG PRODUCTS SEGMENT (2)

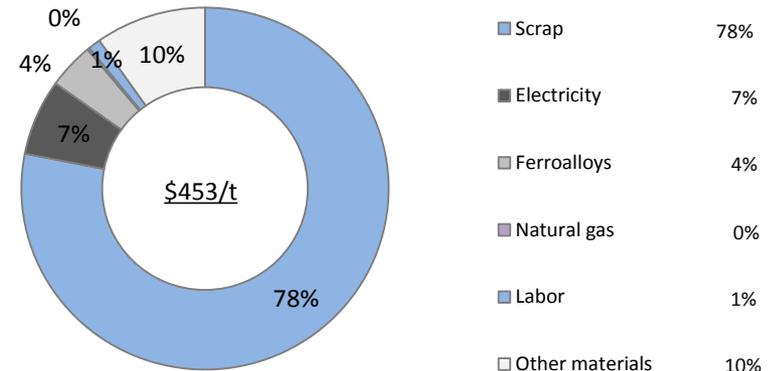
## PRODUCTION COSTS + 42%

- Soared sales to 3-rd parties
- Seasonal growth of internal operations (scrap supplies to Lipetsk site)
- Billets costs up 2% to \$453/t on FX rate and scrap prices

## CASH COST AND FOREX RATE DYNAMICS



## BILLET CASH COST AT NSMMZ\*



\* NSMMZ – key steel production plant of the Long Products segment

# MINING SEGMENT

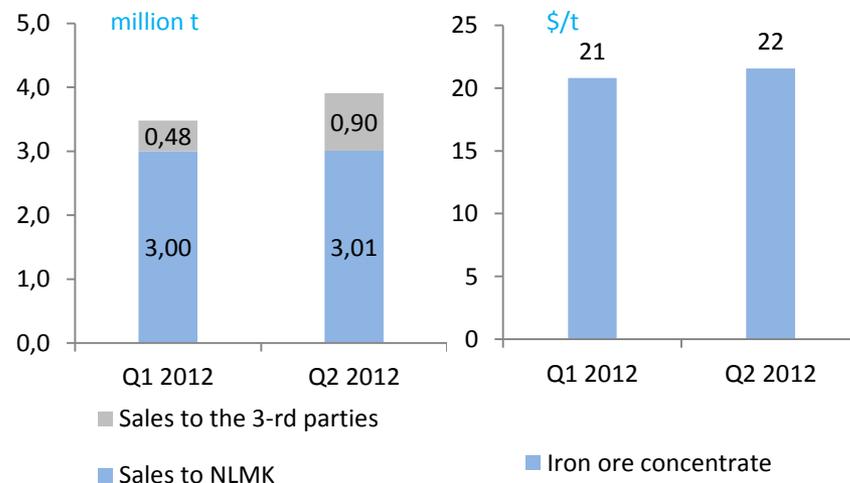
## SEGMENT'S REVENUE

- Growth driven by higher sales incl. third party sales. This was partially offset by the decline in iron ore price

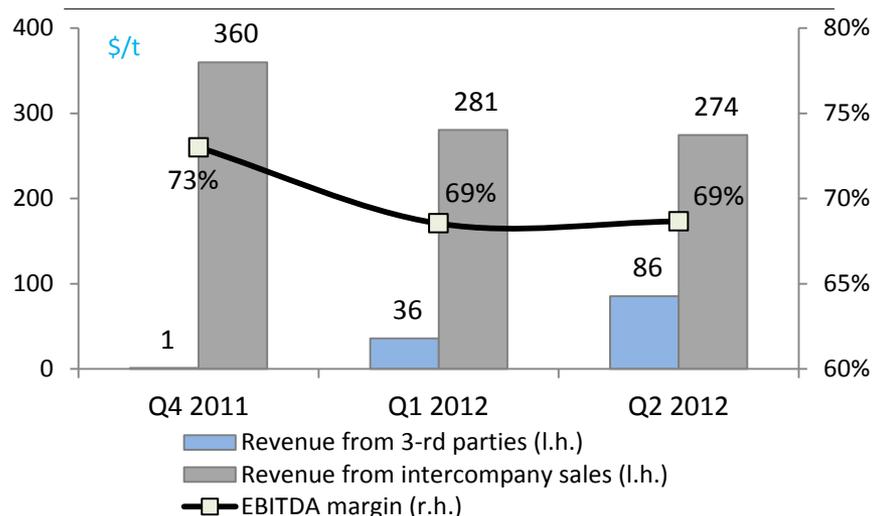
## PRODUCTION COST

- Cash costs insignificantly grew due to inflation influence on the expenditure components of the segment (mining and beneficiation)
- Stoilensky remains one of the most efficient producers in the world with a production cost of \$22/t and EBITDA margin of 69%

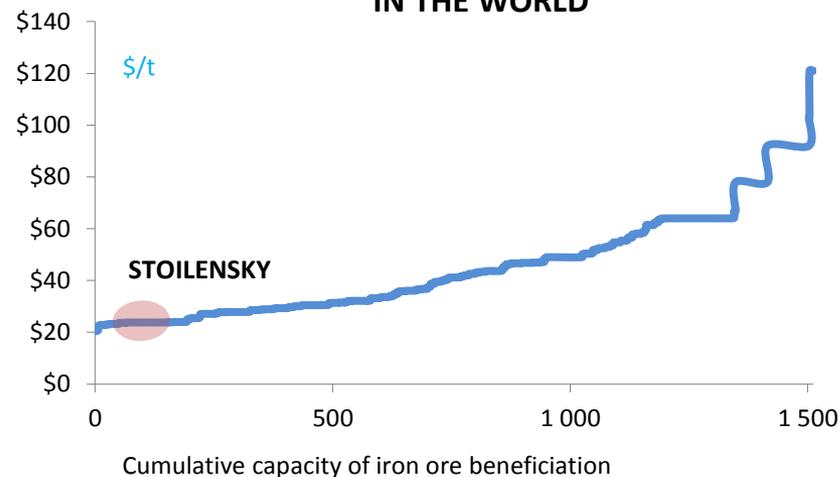
## DYNAMICS OF IRON ORE CONCENTRATE SALES AND PRODUCTION COST



## SEGMENT'S REVENUE AND EBITDA



## EVALUATION OF IRON ORE CONCENTRATE PRODUCTION COST IN THE WORLD

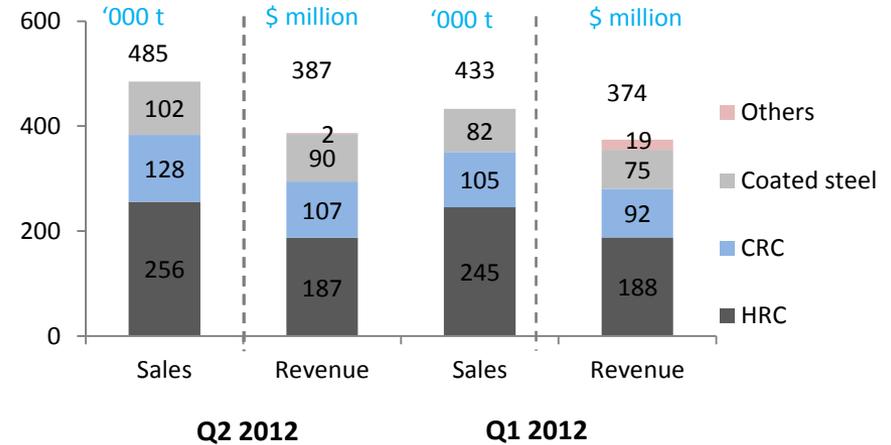


# FOREIGN ROLLED PRODUCTS SEGMENT (1)

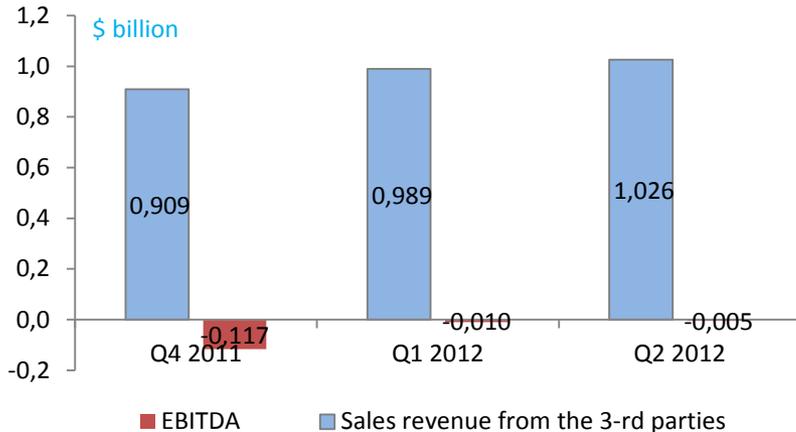
## PROFITABILITY OF THE SEGMENT

- EBITDA margin about 0% in Q1 and Q2 due to:
  - Active sales strategy on the volatile Europe market
  - Slight increase in Q2 sales prices
  - Continuous reduction in production cost

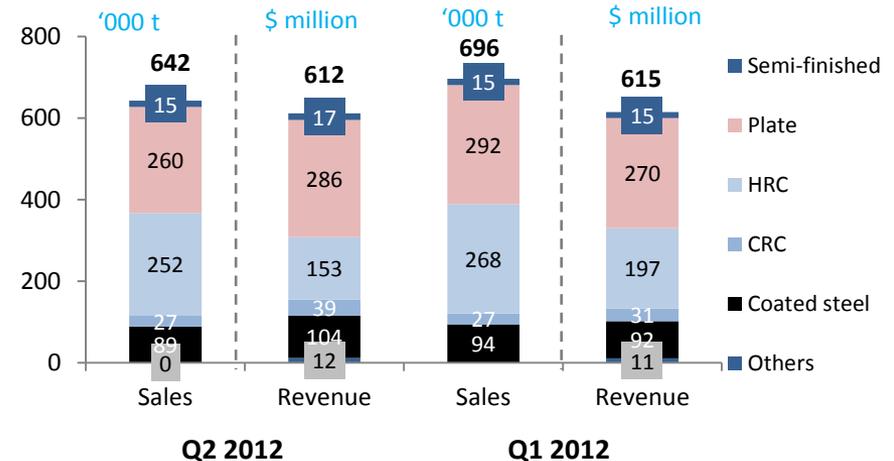
## SALES STRUCTURE AND REVENUE OF NLMK USA



## SEGMENT'S REVENUE AND EBITDA



## SALES STRUCTURE AND REVENUE OF NLMK EUROPE

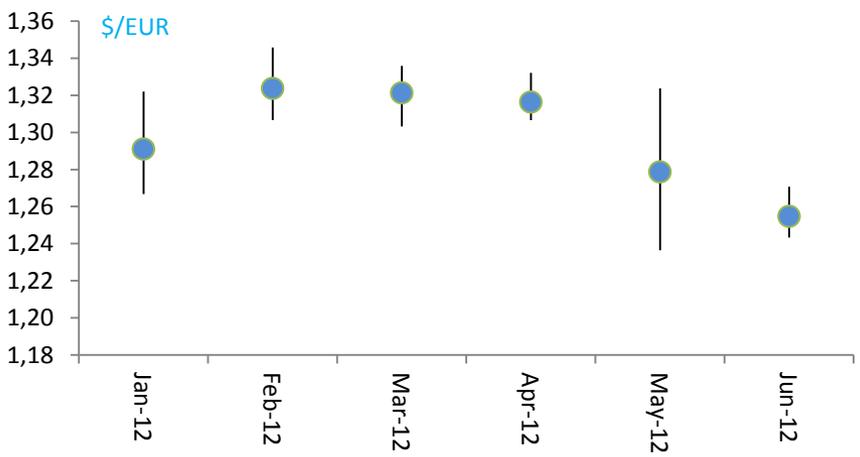


# FOREIGN ROLLED PRODUCTS SEGMENT (2)

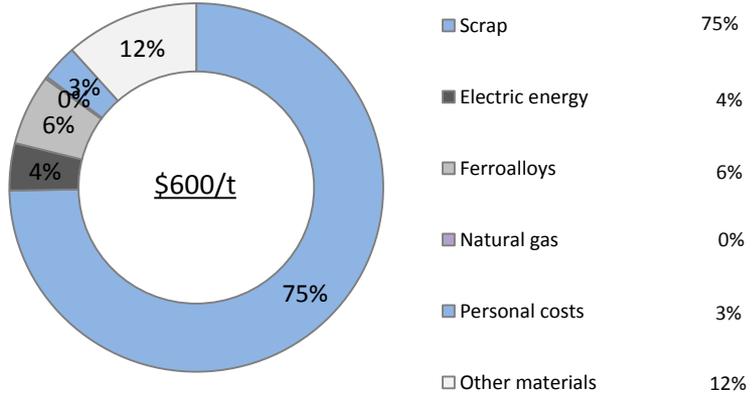
## PRODUCTION COSTS

- COGS up 4% due to
  - Marginal slab price increase for EU
  - US\$/EUR exchange rate decrease for EU operations
  - Softer scrap prices for N. American assets
  - N.American assets consumed more slabs from Novolipetsk
- 6% qoq growth in internal slab sales to the Segment to 0.75 m

## EURO EXCHANGE RATE DYNAMICS



## NLMK INDIANA CASH COST OF SLAB



# CAPEX & OUTLOOK

# CAPEX

## GROWTH IN CRUDE STEEL CAPACITY

- Blast Furnace #7 / BOF3,4 m tpa project completed. Utilisation rates are increasing.
- Improved steel quality, +30 new steel grades
- Kaluga mini mill (1,5 m tpa of long steel) expected to launch Q2 2013.

## FINISHED PRODUCTS OUTPUT GROWTH

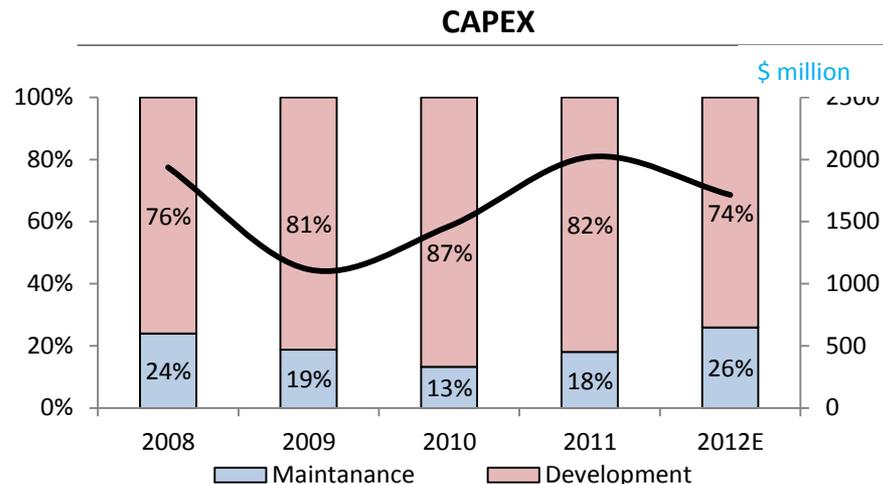
- Growth in rolling capacity to produce value added products
- Improved quality of the existing (incl niche) products

## VERTICAL INTEGRATION

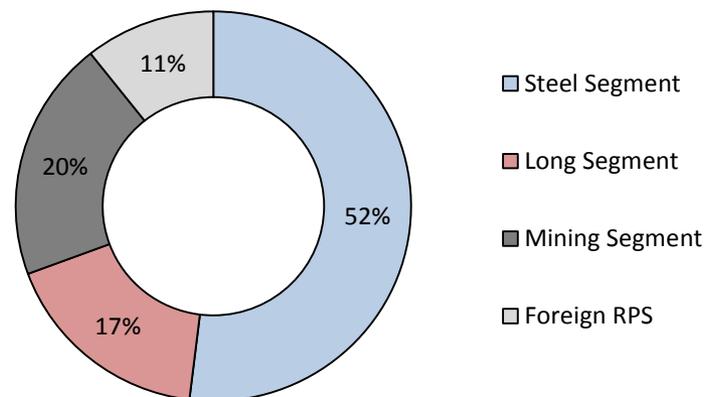
- Iron ore capacity growth with continued expansion of Stoilensky
- Coal deposits projects ongoing
- Expansion of scrap capacity

## IMPROVED EFFICIENCY

- Growth of self-sufficiency and efficient use of energy



## CAPEX BY SEGMENT, 2012 (E)



# OUTLOOK

## PRODUCTION

- Q3 2012 steel output to remain flat at 3.8 m t
- 12M 2012: 15 m t, + 25% yoy

## FINANCIALS

- Q3 Revenue down by 5-10% qoq on lower market prices
- EBITDA margin to stay at 16-18% as costs are also down
- Results will depend on the input material prices and FX rate movements

## MARKET OUTLOOK

- Seasonal slowdown in international markets in Q3 to be aggravated by the sluggish macroeconomic conditions
- Q3 steel prices on the record low levels since early 2012
- Stable demand in the domestic market

# APPENDICES

# SEGMENTAL INFORMATION

## Q2 2012

(million USD)	Steel	Foreign rolled products	Long products	Mining	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 816	1 026	329	86	0	3 257		3 257
Intersegment revenue	462		162	274		899	(899)	
Gross profit	1 168	35	124	516	0	1 843	(11)	1 832
Operating income/(loss)	237	(56)	29	230	(0)	439	(14)	425
<i>as % of net sales</i>	10%	(5%)	6%	64%				13%
Income / (loss) from continuing operations before minority interest	348	(61)	(31)	238	0	495	(220)	275
<i>as % of net sales</i>	15%	(6%)	(6%)	66%				8%
Segment assets including goodwill <sup>1</sup>	13 319	3 973	2 488	2 042	54	21 875	(4 773)	17 103

## Q1 2012

(million USD)	Steel	Foreign rolled products	Long products	Mining	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 795	989	275	36		3 094		3 094
Intersegment revenue	423		73	281		776	(776)	
Gross profit	378	17	54	228	(0)	677	30	708
Operating income/(loss)	78	(63)	7	203	(0)	225	30	255
<i>as % of net sales</i>	4%	(6%)	2%	64%				8%
Income / (loss) from continuing operations before minority interest	113	(63)	(23)	127	(1)	154	20	174
<i>as % of net sales</i>	5%	(6%)	(6%)	40%				6%
Segment assets including goodwill <sup>2</sup>	14 281	4 329	2 769	2 217	59	23 655	(5 047)	18 609

<sup>1</sup> as at 30.06.2012

<sup>2</sup> as at 31.13.2012

# QUARTERLY DATA:

## CONSOLIDATED STATEMENT OF INCOME

<i>(mln USD)</i>	Q2 2012	Q1 2012	Q2 2012/Q1 2012		6M 2012	6M 2011	6M 2012/6M 2011	
			+/-	%			+/-	%
Sales revenue	3 257	3 094	163	5%	6 351	5 341	1 010	19%
Production cost	(2 205)	(2 210)	5	(0%)	(4 415)	(3 250)	(1 164)	36%
Depreciation and amortization	(171)	(177)	6	(3%)	(348)	(259)	(89)	35%
<b>Gross profit</b>	<b>881</b>	<b>708</b>	<b>174</b>	<b>25%</b>	<b>1 589</b>	<b>1 832</b>	<b>(243)</b>	<b>(13%)</b>
General and administrative expenses	(100)	(136)	36	(26%)	(237)	(181)	(55)	31%
Selling expenses	(312)	(280)	(31)	11%	(592)	(427)	(164)	38%
Taxes other than income tax	(44)	(36)	(8)	21%	(81)	(71)	(9)	13%
<b>Operating income</b>	<b>425</b>	<b>255</b>	<b>170</b>	<b>67%</b>	<b>680</b>	<b>1 153</b>	<b>(473)</b>	<b>(41%)</b>
Gain / (loss) on disposals of property, plant and equipment	(37)	(0)	(37)		(37)	(22)	(15)	68%
Gains / (losses) on investments	(1)	0	(1)		(1)	(13)	12	(93%)
Interest income	6	6	(0)	(6%)	12	19	(6)	(34%)
Interest expense	(14)	(0)	(14)		(14)		(14)	
Foreign currency exchange loss, net	(18)	21	(39)		2	31	(29)	(92%)
Other expense, net	(1)	(31)	30	(95%)	(32)	3	(36)	0%
<b>Income from continuing operations before income tax</b>	<b>359</b>	<b>251</b>	<b>108</b>	<b>43%</b>	<b>610</b>	<b>1 170</b>	<b>(560)</b>	<b>(48%)</b>
Income tax	(84)	(77)	(7)	9%	(161)	(252)	91	(36%)
Equity in net earnings/(losses) of associate	0	0	0	201%	0	53	(53)	(99%)
<b>Net income</b>	<b>276</b>	<b>174</b>	<b>102</b>	<b>59%</b>	<b>449</b>	<b>972</b>	<b>(523)</b>	<b>(54%)</b>
Less: Net loss / (income) attributable to the non-controlling interest	2	(1)	3		1	8	(6)	(82%)
<b>Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders</b>	<b>278</b>	<b>173</b>	<b>105</b>	<b>61%</b>	<b>451</b>	<b>979</b>	<b>(529)</b>	<b>(54%)</b>
<b>EBITDA</b>	<b>596</b>	<b>432</b>	<b>164</b>	<b>38%</b>	<b>1 028</b>	<b>1 411</b>	<b>(383)</b>	<b>(27%)</b>

\* Q1 2012, 6M 2012, 6M 2011, are official reporting periods. Q2 2012 figures are derived by computational method.

# CONSOLIDATED CASH FLOW STATEMENT

<i>(mln. USD)</i>	Q2 2012	Q1 2012	Q2 2012/Q1 2012		6M 2012	6M 2011	6M 2012/6M 2011	
			+/-	%			+/-	%
<b>Cash flow from operating activities</b>								
<b>Net income</b>	276	174	102	59%	449	972	(523)	(54%)
<b>Adjustments to reconcile net income to net cash provided by operating</b>								
Depreciation and amortization	171	177	(6)	(3%)	348	259	89	35%
Loss on disposals of property, plant and equipment	37	0	37		37	22	15	68%
(Gain)/loss on investments	1	(0)	1		1	13	(12)	(93%)
Equity in net earnings of associate	(0)	(0)	(0)	201%	(0)	(53)	53	(99%)
Defferd income tax (benefit)/expense	0	(5)	6		(5)	6	(11)	
Loss / (income) on forward contracts	(0)		(0)		(0)	5	(5)	
Other movements	(25)	5	(30)		(20)	(2)	(18)	
<b>Changes in operating assets and liabilities</b>								
Increase in accounts receivables	(48)	(58)	10	(17%)	(106)	(389)	283	(73%)
Increase in inventories	(146)	195	(340)		49	(206)	255	
Decrease/(increase) in other current assets	10	2	8	451%	12	(5)	17	
Increase in accounts payable and oher liabilities	13	13	(0)	(2%)	26	162	(136)	(84%)
Increase/(decrease) in current income tax payable	16	0	16		16	43	(27)	(62%)
<b>Net cash provided from operating activities</b>	304	502	(198)	(39%)	807	827	(20)	(2%)
<b>Cash flow from investing activities</b>								
Proceeds from sale of property, plant and equipment	7	3	4	137%	10	7	3	37%
Purchases and construction of property, plant and equipment	(453)	(358)	(95)	27%	(810)	(922)	111	(12%)
Proceeds from sale of investments	11	239	(228)	(95%)	250	517	(267)	(52%)
Placement of bank deposits and purchases of other investments	(12)	(8)	(4)	50%	(20)	(258)	238	(92%)
Prepayment for acquisition of interests in new subsidiaries	(157)		(157)		(157)	(150)	(7)	4%
<b>Net cash used in investing activities</b>	(603)	(123)	(480)	389%	(726)	(805)	78	(10%)
<b>Cash flow from financing activities</b>								
Proceeds from borrowings and notes payable	350	86	264	306%	437	250	187	75%
Repayments of borrowings and notes payable	(120)	(264)	144	(55%)	(384)	(354)	(30)	8%
Capital lease payments	(6)	(5)	(1)	22%	(11)	(25)	15	(58%)
Proceeds from disposal of assets to the company under common control						313	(313)	
Dividends to shareholders	(114)	(0)	(114)		(114)	(4)	(110)	
<b>Net cash used in financing activities</b>	111	(183)	294		(72)	180	(252)	
<b>Net increase / (decrease) in cash and cash equivalents</b>	(188)	196	(384)		8	202	(193)	(96%)
<i>Effect of exchange rate changes on cash and cash equivalents</i>	31	(68)	99		(36)	(38)	2	(4%)
<i>Cash and cash equivalents at the beginning of the period</i>	926	797	129	16%	797	748	49	7%
<b>Cash and cash equivalents at the end of the period</b>	769	926	(157)	(17%)	769	911	(142)	(16%)

\* Q1 2012, 6M 2012, 6M 2011, are official reporting periods. Q2 2012 figures are derived by computational method.

# CONSOLIDATED BALANCE SHEET

	as at 30.06.2012	as at 31.03.2012	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 31.12.2009
(mln. USD)								
<b>ASSETS</b>								
<b>Current assets</b>	<b>5 230</b>	<b>5 714</b>	<b>5 504</b>	<b>5 644</b>	<b>4 811</b>	<b>4 438</b>	<b>4 105</b>	<b>3 877</b>
Cash and cash equivalents	769	926	797	830	911	977	748	1 247
Short-term investments	10	11	227	59	202	265	423	452
Accounts receivable, net	1 642	1 786	1 573	1 694	1 669	1 295	1 260	913
Inventories, net	2 733	2 904	2 828	2 939	1 923	1 784	1 580	1 134
Deferred income tax assets	28	24	19	53	44	51	43	72
Other current assets, net	47	63	59	69	62	65	52	58
<b>Non-current assets</b>	<b>11 873</b>	<b>12 895</b>	<b>11 753</b>	<b>11 440</b>	<b>11 140</b>	<b>10 713</b>	<b>9 794</b>	<b>8 625</b>
Long-term investments, net	9	9	8	9	932	728	688	468
Property, plant and equipment, net	10 716	11 664	10 570	10 275	9 436	9 223	8 382	7 316
Intangible assets	148	159	159	173	177	181	181	203
Goodwill	752	802	760	728	534	528	495	557
Other non-current assets, net	17	244	19	10	22	25	26	68
Deferred income tax assets	230	17	237	245	38	28	21	12
<b>Total assets</b>	<b>17 103</b>	<b>18 609</b>	<b>17 257</b>	<b>17 084</b>	<b>15 951</b>	<b>15 150</b>	<b>13 899</b>	<b>12 502</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>								
<b>Current liabilities</b>	<b>3 579</b>	<b>3 577</b>	<b>2 940</b>	<b>3 163</b>	<b>2 141</b>	<b>1 831</b>	<b>1 652</b>	<b>1 417</b>
Accounts payable and other liabilities	1 582	1 783	1 623	2 098	1 535	1 252	1 107	841
Short-term borrowings	1 971	1 781	1 306	1 031	544	553	526	557
Current income tax liability	26	12	11	34	62	26	19	19
<b>Non-current liabilities</b>	<b>3 329</b>	<b>3 880</b>	<b>4 212</b>	<b>3 849</b>	<b>2 539</b>	<b>2 718</b>	<b>2 693</b>	<b>2 475</b>
Long-term borrowings	2 373	2 693	3 074	2 791	2 070	2 074	2 099	1 939
Deferred income tax liability	690	762	714	705	455	450	401	396
Other long-term liabilities	266	425	425	353	14	194	194	140
<b>Total liabilities</b>	<b>6 908</b>	<b>7 457</b>	<b>7 152</b>	<b>7 012</b>	<b>4 680</b>	<b>4 549</b>	<b>4 345</b>	<b>3 892</b>
<b>Stockholders' equity</b>								
Common stock	221	221	221	221	221	221	221	221
Statutory reserve	10	10	10	10	10	10	10	10
Additional paid-in capital	306	306	306	306	306	99	99	112
Other comprehensive income	(1 738)	(613)	(1 489)	(1 391)	(108)	(241)	(917)	(797)
Retained earnings	11 437	11 272	11 099	10 945	10 984	10 654	10 261	9 171
<b>NLMK stockholders' equity</b>	<b>10 237</b>	<b>11 196</b>	<b>10 147</b>	<b>10 092</b>	<b>11 414</b>	<b>10 742</b>	<b>9 675</b>	<b>8 718</b>
<b>Non-controlling interest</b>	<b>(42)</b>	<b>(45)</b>	<b>(42)</b>	<b>(21)</b>	<b>(144)</b>	<b>(141)</b>	<b>(121)</b>	<b>(108)</b>
<b>Total stockholders' equity</b>	<b>10 195</b>	<b>11 151</b>	<b>10 105</b>	<b>10 072</b>	<b>11 270</b>	<b>10 601</b>	<b>9 554</b>	<b>8 610</b>
<b>Total liabilities and stockholders' equity</b>	<b>17 103</b>	<b>18 609</b>	<b>17 257</b>	<b>17 084</b>	<b>15 951</b>	<b>15 150</b>	<b>13 899</b>	<b>12 502</b>

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