

Novolipetsk Steel (NLMK) 2007 Financial and Production Results

US GAAP

Consolidated Financial Statements

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Delivering on Strategic Objectives

Gaining global leadership

- **Efficiency leader in the World steel industry**
 - Superior 2007 financial results: revenues up by 28%, operating income up by 34%, EBITDA growth of 28%
 - 44% EBITDA margin for the second consecutive year
 - Sustainable EBITDA margin over 40% for the last 5 years
- **Securing leadership in the Russian domestic market**
 - Acquisition of Maxi-Group – 2.4 million tonnes of long products add-on
 - 2nd Stage of Technical Upgrade: new BF, converter, HDG line projects started, revamps of BOF and HR shops
- **Strengthening vertical integration**
 - Stoilensky GOK continuous low cost supply of iron ore
 - Altai-koks expansion by 0.8 million tonnes provides for 100% self-sufficiency in coke
 - Maxi-Group facilities are second largest scrap collector in Russia
 - Captive logistics company, NTK owns over 2,800 rail cars and provides over 50% of the Group's rail freight
- **On the fast track with product mix improvement**
 - Production gains +51% in transformer steel, +11% in galvanized steel
 - 10% decrease in slabs sales
 - 5.2 million tonnes of finished products in overseas operations with growing share of HVA* products

* HVA- High value added

2007 Highlights

- **Active asset portfolio management through acquisitions and disposals**
 - February 2007 – disposal of minority stakes in energy assets for USD78.7 million
 - June 2007 – disposal of 55% stake in Lipetskcombank for USD47.7 million
 - December 2007 – acquisition of 50%+1 share in Maxi-Group. NLMK becomes a leading player in the domestic construction steel products market through utilizing mini-mill model
- **Technical Upgrading Program**
 - NLMK has signed contract on the construction of Blast Furnace No.7 with 3.4 million tonnes capacity
 - New hot-dip galvanizing line and coke battery put into operation
 - Revamp of hot-rolling mill re-heating furnace and reversing cold-rolling mill
 - Launch of new BOF, ladle furnaces, three cold-rolling mills and a pre-painting line projects

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Financial Performance

Record results, sustainable profitability

- **Revenue: USD 7,719 million (+28% y-o-y)**
- **Operating profit: USD 2,998 million (+34%)**
- **EBITDA¹ : USD 3,366 million (+28%)**
- **EBITDA margin: 44%**
- **Net profit: USD 2,247 million (+9%)**
- **Net profit excluding one-off activities²: USD 2,183 million (+37%)**
- **Operating cash flow: USD 2,524 million (+59%)**
- **Cash and cash equivalents as of 31.12.2007: USD 1,155 million**
- **EPS USD 0.375 (+9%)**

- **Steel production and steel products sales in 2007 totaled 9.2 million tonnes**
- **EBIT per tonne of steel in 2007: USD 322 (+ 29%)**

¹ EBITDA is calculated as the sum total of net profit, net interest expense, income tax, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, depreciation and amortization (without gain | (loss) on investments, income from discontinued operations, gain from disposal of subsidiaries and gain on loan restructuring).

² losses / gains on investments, gain from disposal of subsidiaries and gain from operations of discontinued subsidiary

Financial Performance

Substantial growth of revenues and profit

- **Revenues up by 28% y-o-y**
 - Price growth and increase of high value-added products share in total sales
 - Full year consolidation of Altai-koks and VIZ-Stal
- **EBITDA up by 28% y-o-y**
 - Sales revenue growth outruns cost inflation
- **Net profit up by 9% y-o-y**
 - Excluding one-off 2006 gains, net profit grew by +37% in 2007

(USD, m)	2007	2006	2007/2006 %	Q4 2007 ¹	Q3 2007 ¹	Q4 2007/ Q3 2007 %
Sales revenue	7 719.1	6 045.6	27.7%	2 173.5	1 936.5	12.2%
Cost of goods sold	-3 977.0	-3 074.4	29.4%	-1 154.7	-961.5	20.1%
<i>Production cost</i>	-3 569.3	-2 716.4	31.4%	-1 044.1	-862.1	21.1%
<i>Depreciation</i>	-407.7	-357.9	13.9%	-110.5	-99.4	11.2%
Gross profit	3 742.0	2 971.3	25.9%	1 018.8	974.9	4.5%
Operating profit	2 998.4	2 243.3	33.7%	816.9	797.4	2.4%
- in % to revenue	38.80%	37.10%		37.60%	41.20%	
Net profit	2 247.3	2 066.0	8.8%	589.9	592.5	-0.4%
- in % to revenue	29.10%	34.20%		27.10%	30.60%	
EBITDA	3 366.2	2 631.2	27.9%	903	892.6	1.2%
- in % to revenue	43.6%	43.5%		41.50%	46.10%	

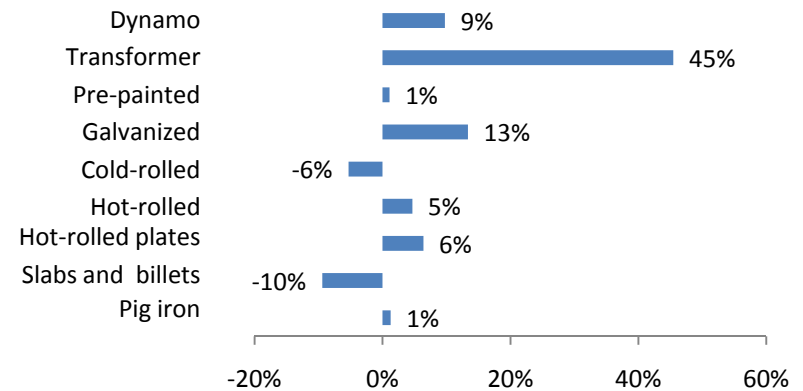
¹ Hereinafter reporting periods are 2007 and 2006, 9 M 2007, H1 2007, Q1 2007. Q3 and Q4 2007 data are received by calculation.

Steel Product Sales

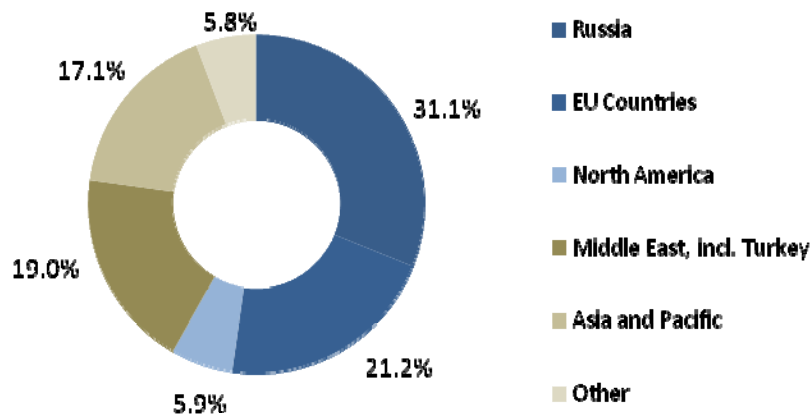
Increased sales of HVA steel products

- Growth of high value-added product sales
- Despite blast furnace temporary underperformance production remained at high level
- Decrease of semi-finished product share in product mix

Change in product mix, 2007/2006

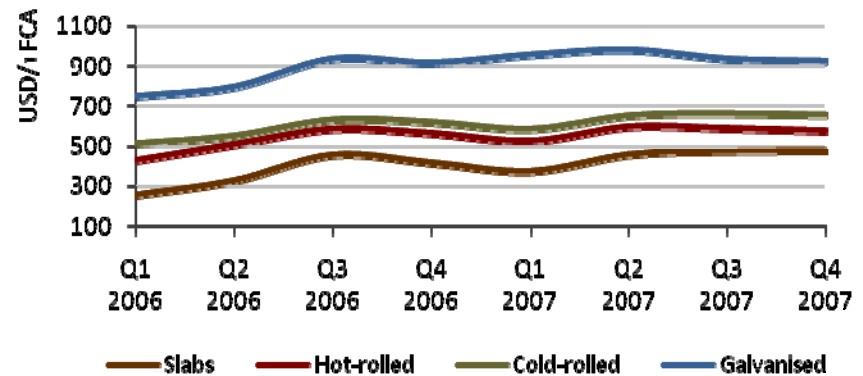


Sales revenues by region (2007)¹



¹ The Structure is with account to physical terms

Average sales price²



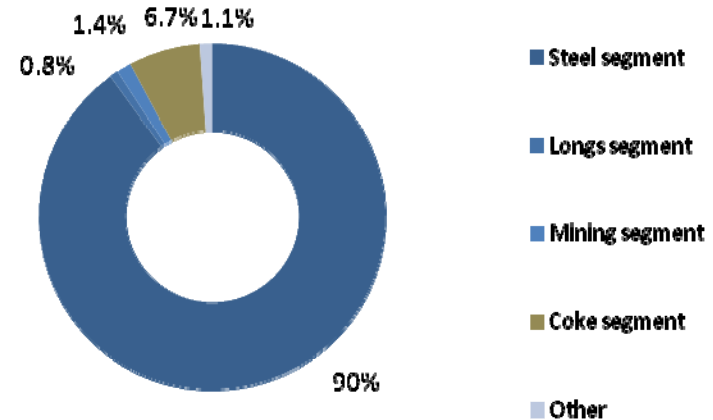
² NLMK Group parent company's prices

2007 Sales Revenue

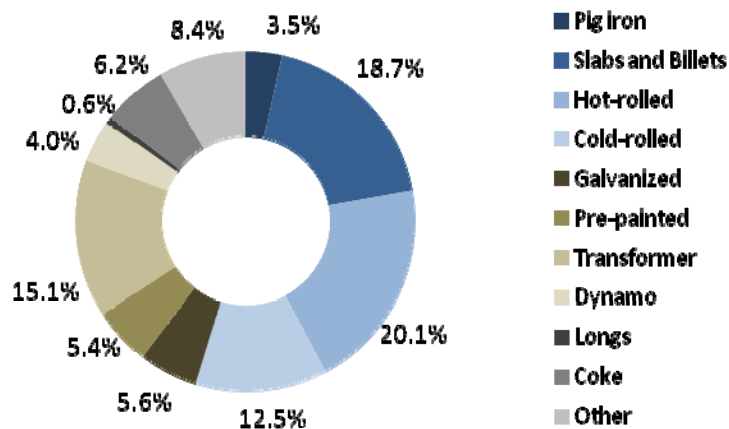
Growing share of finished products

- **Sales revenues by segment:**
 - Steel segment: 90%
 - Coke segment: 7%
- **Domestic market sales contribute 38% to total sales revenues**
- **43% of sales revenues generated by high value-added product sales:**
 - Cold-rolled steel – 13%
 - Pre-painted steel – 11%
 - Electrical steel – 19%

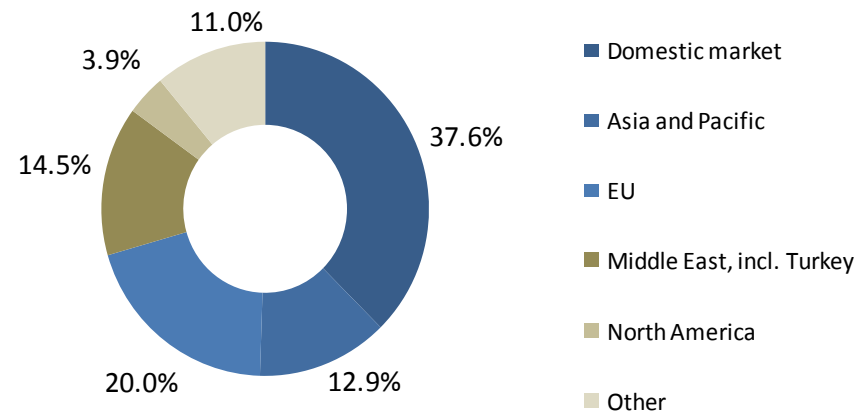
Sales revenues by segment



Sales revenues by product



Sales revenues by region

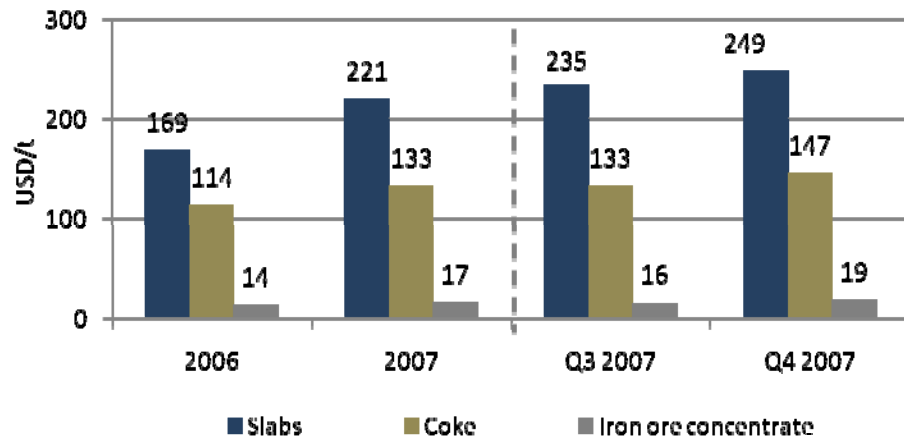


Costs

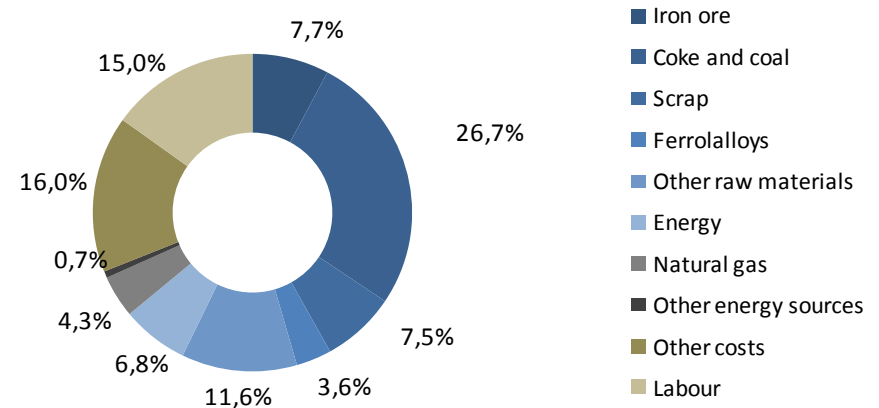
Maintained cost leadership

- 2007 slab cash cost on consolidated basis is USD 221
- Iron ore accounts for 7.7% of consolidated production cost
- Major cost items: coal, labour, energy and depreciation

Cash cost by product



Consolidated cash cost

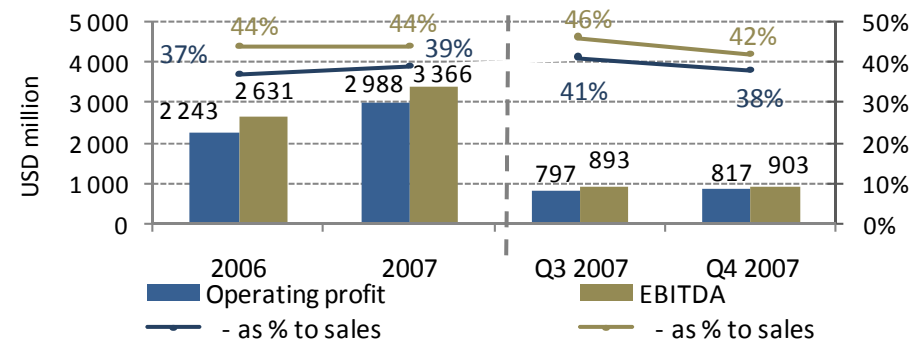


Operating Profit & EBITDA

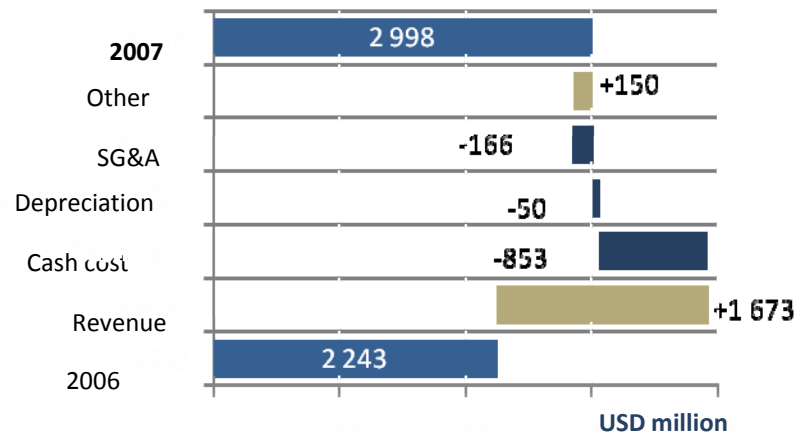
Delivering strong financial performance

- **Operating profit:**
 - USD 2,998 million (+34% y-o-y)
- **EBITDA:**
 - USD 3,366.2 million (+28% y-o-y)
- **Key segments contributing to operating profit:**
 - Steel – 79%
 - Mining – 17%

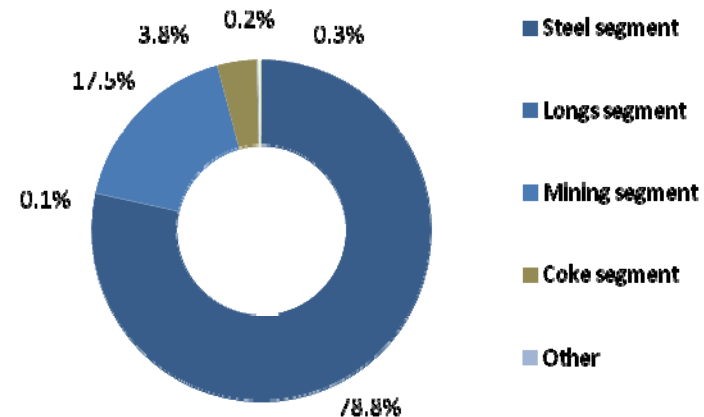
Operating profit and EBITDA



Operating profit drivers



Operating profit by segment



Drivers of success

Key factors contributing to strong financial performance of the Group:

- **Favourable pricing environment in the key product markets**
- **Increased sales of flat products**
- **Improvement of product mix through increased share of high value-added products**
- **High level of vertical integration**
- **2nd phase of Technical Upgrade Programme being successfully carried out**
- **Dynamic M&A policy and continued optimization of the existing assets**

Outlook

Achieving new heights in 2008

- **In 2008 steel production at our main site in Lipetsk is expected to reach 9.4 million tonnes**
- **Consolidation of Maxi-Group will bring additional 2.4 million tonnes of steel and long products to NLMK's portfolio**
- **We expect revenue to grow by up to 60% y-o-y**
- **2008 EBITDA is estimated to exceed 2007 level by 35-40%**

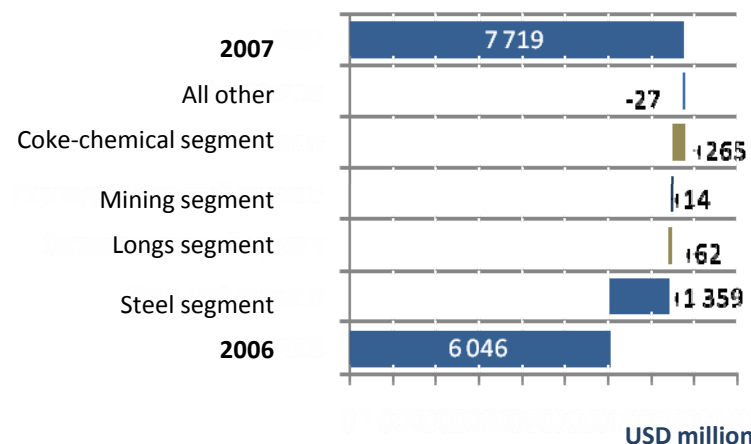
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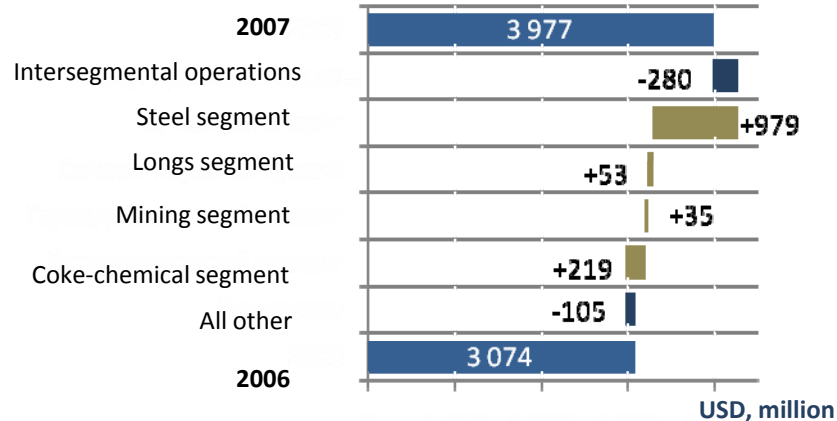
Financial Performance by Segment

- Sales revenues growth from external customers largely generated by steel and coke segments
- Rising steel, iron ore and coke prices contributed to profit growth

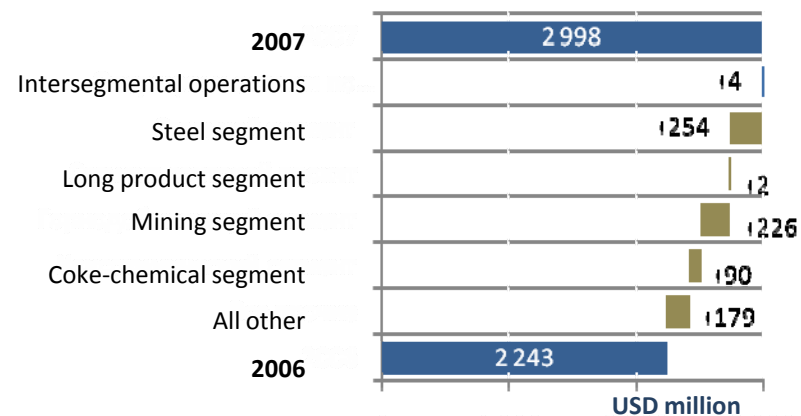
Sales revenues from external customers



COGS



Operating profit



Steel Segment

Performance highlights

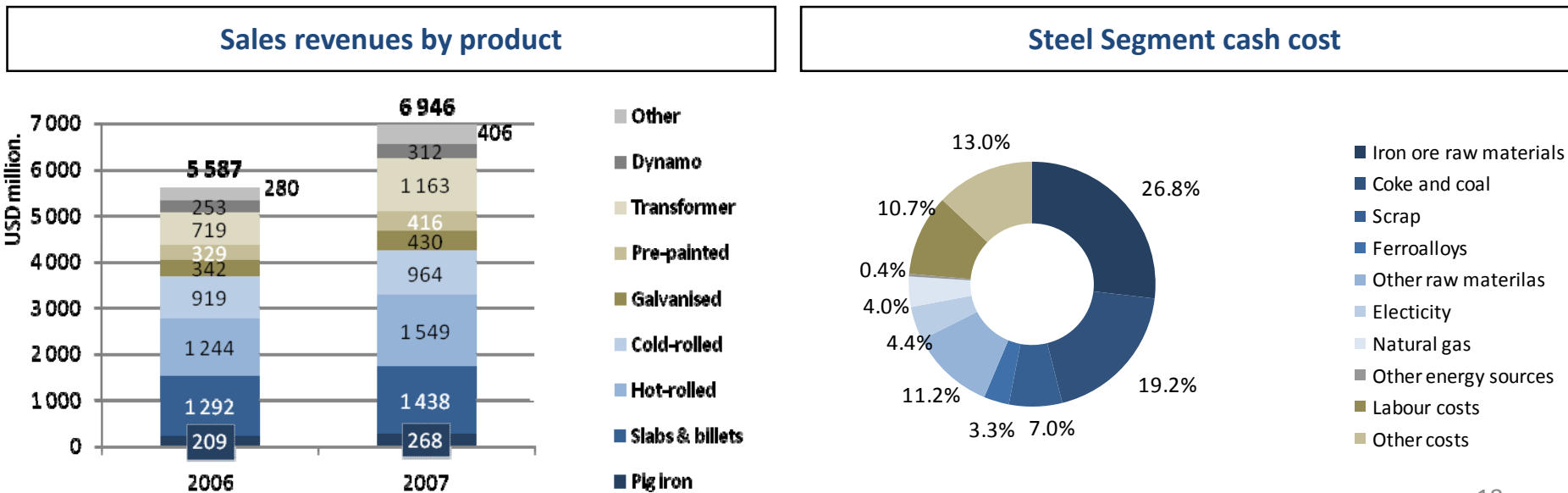
- 9.1 mln tonnes steel production fully in line with projected level
- Decrease of slabs sales to external customers is attributable to growing intercompany sales
- Segment's sales revenues amounted USD 6,970 million (+24% y-o-y).
- Operating profit is USD 2,363 million (+12% y-o-y).
- Sales revenue growth in Q407 (+7% q-o-q) resulted from increase in sales volumes

	2007	2006	2007/2006	Q4 2007	Q3 2007	Q4 2007/ Q3 2007
,000 tonnes			%			%
Steel production	9 056	9 125	-0.8%	2 282	2 231	2.3%
Steel product sales	9 127	9 262	-1.5%	2 461	2 200	11.9%
USD, million						
Sales revenue	6 970	5 613	24.2%	1 903	1 778	7.0%
inc. to external customers	6 946	5 587	24.3%	1 897	1 771	7.1%
Cost of goods sold	-4 079	-3 099	31.6%	-1 164	-1 010	15.3%
Operating profit	2 363	2 108	12.1%	590	642	-8.1%
- as a % of revenue	34%	38%		31%	36%	

Steel Segment

Sales revenues and cost structure

- Sales revenues growth is driven by rising prices for NLMK’s products
- Commissioning of additional coated steel capacities and VIZ-Stal consolidation caused sales growth of high margin steel products:
 - + 26% sales revenues from sales of coated steel products
 - + 52% sales revenues from electrical steel sales
- Raw materials price growth triggered increase in costs. NLMK signed annual fixed-price contracts largely covering its requirements in iron ore and coking coal concentrate



Long Products Segment

Performance highlights

- Long products segment comprises performance of Maxi-Group in December 2007
- In December 2007 Maxi-Group produced 121,000 tonnes of steel and 84,000 tonnes of long products and metal-ware (1.8 million tonnes and 0.9 million tonnes during 2007, respectively; 339,000 tonnes and 281,000 tonnes during Q407, respectively)
- In Q108, Maxi-Group steel production amounted to 487,000 tonnes (+44% q-o-q) as a result of a turn-around measures
- The segment's sales revenues is USD 62 million since consolidation

	2007 ¹	2006	2007/2006	4Q 2007 ¹	3Q 2007	Q4 2007/ Q3 2007
(,000 tonnes)			%			
Steel production	121	-	-	121	-	-
Longs and metalware production	84	-	-	84	-	-
Steel products sales	104	-	-	104	-	-
(USD, million)						
Sales revenue	62	-	-	62	-	-
inc. to external customers	62	-	-	62	-	-
Cost of goods sold	-53	-	-	-53	-	-
Operating profit	2	-	-	2	-	-
- in % to revenue	2%	-	-	2%	-	-

¹Including the period of consolidation in NLMK Group.

Mining Segment

Performance highlights

- Mining segment covers 100% of NLMK's requirements in iron ore concentrate, flux and dolomite
- The segments sales revenues growth was caused by rising prices and increase in iron sales to the parent company

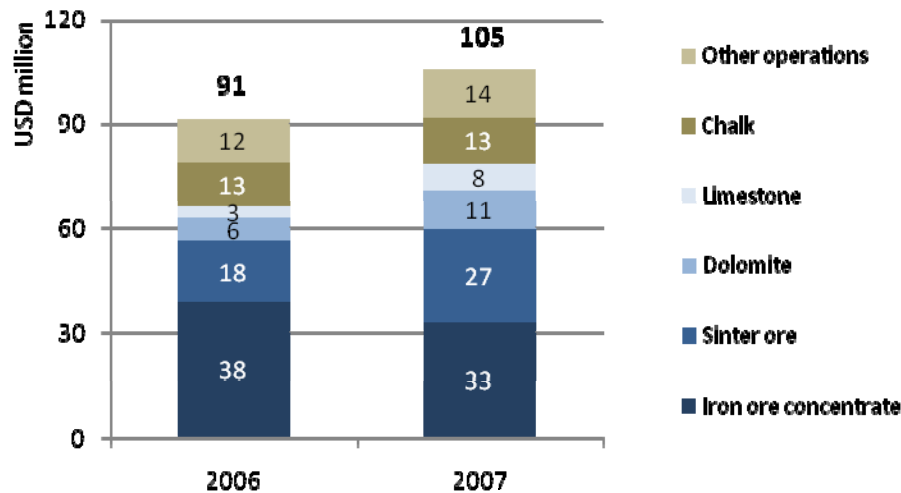
	2007	2006	2007/2006 %	Q4 2007	Q3 2007	Q4 2007/ 3Q 2007 %
(,000 tonnes)						
Production						
Concentrate	11 622	11 305	2.8%	2 865	2 920	-1.9%
Sinter ore	1 743	1 377	26.6%	428	469	-8.7%
Dolomite	2 211	1 976	11.9%	651	588	10.8%
Limestone	3 246	3 215	1.0%	828	784	5.6%
Sales						
Concentrate	11 578	11 260	2.8%	3 100	2 737	13.3%
inc. within NLMK Group	11 042	10 286	7.3%	2 834	2 591	9.4%
Sinter ore	1 764	1 396	26.4%	441	461	-4.2%
inc. within NLMK Group	623	652	-4.4%	152	142	6.5%
Dolomite	2 259	1 946	16.1%	641	646	-0.9%
inc. within NLMK Group	1 004	1 617	-37.9%	272	234	16.1%
Limestone	3 256	3 080	5.7%	752	886	-15.2%
inc. within NLMK Group	2 540	2 695	-5.8%	622	597	4.2%
(USD. m)						
Sales revenue	889	615	44.6%	242	216	12.4%
Inc. to external customers	105	91	15.9%	34	28	19.6%
Cost of sales	-301	-265	13.4%	-86	-69	24.2%
Operating profit	523	297	76.0%	139	130	7.0%
- in % to revenue	59%	48%		57%	60%	

Mining Segment

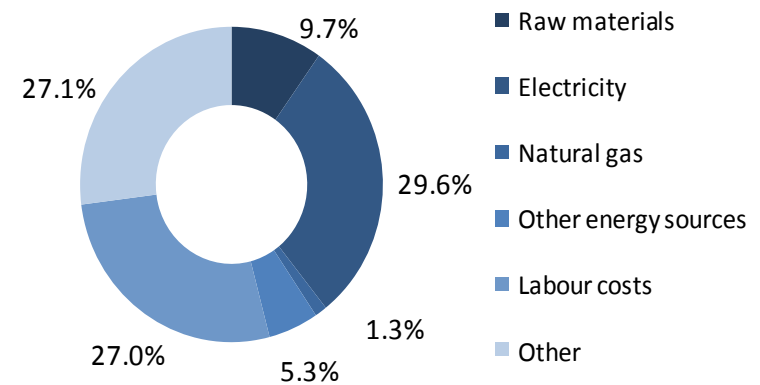
Sales revenues and cost structure

- Sales revenues from external customers:
 - USD 105 million (1% of consolidated sales revenues)
- Increase in revenues from sinter ore sales contributed 26% to total sales revenues from external customers. The sinter ore production went up due to favorable mining conditions
- Iron ore concentrate sales to external customers significantly decreased due to growing supply from Stoilensky GOK to NLMK and disposal of KMA Ruda in 2006

Sales revenues by product, 2007



Mining Segment cash cost



Coke-chemical Segment

Performance highlights

Altai-koks is the largest single-site coke-chemical producer in Russia

- **Significant increase in 2007 coke production**
 - 3.8 m tonnes (+ 60% y-o-y)
 - Commissioning of coke battery No.5 in Q406 significantly boosted output
- **Sales revenues growth drivers**
 - Output growth and increase in sales prices
 - Full year consolidation
 - Elimination of coke export duty

	2007	¹ 2006	2007/2006 %	Q4 2007	Q3 2007	Q4 2007/ Q3 2007 %
(,000, tonnes)						
Production						
Coke of 6% moisture	3 792	2 367	60.2%	898	971	-7.6%
Sales						
Coke (dry)	3 506	2 214	58.4%	823	875	-6.0%
inc. within NLMK Group	755	656	15.1%	235	246	-4.1%
(USD million)						
Sales revenue	685	336	103.5%	231	164	41.1%
Inc. to external customers	517	253	104.7%	159	115	37.7%
Cost of sales	-479	-260	84.2%	-125	-116	7.3%
Operating profit	114	24	375.5%	81	24	245.8%
- in % to revenue	17%	7%		35%	11%	

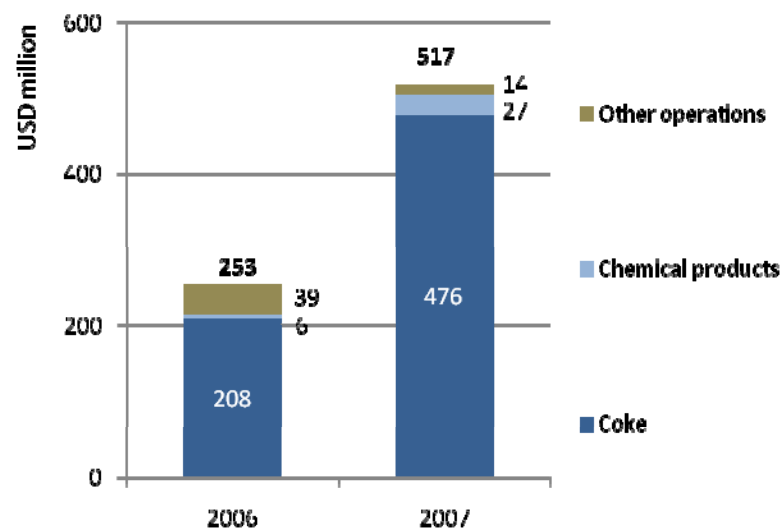
¹Including the period of consolidation in NLMK Group.

Coke-chemical Segment

Sales revenues and cost structure

- Coke sales contributed 92% to sales revenues from external customers
- Increase in sales volumes and growing prices resulted in more than 100% increase of revenues from external customers
- Altai-koks sources coking coal from Kuznetsk Coal Basin producers. Coal accounts for 90% of production cost

Sales revenues by product



Coke-chemical segment cash cost

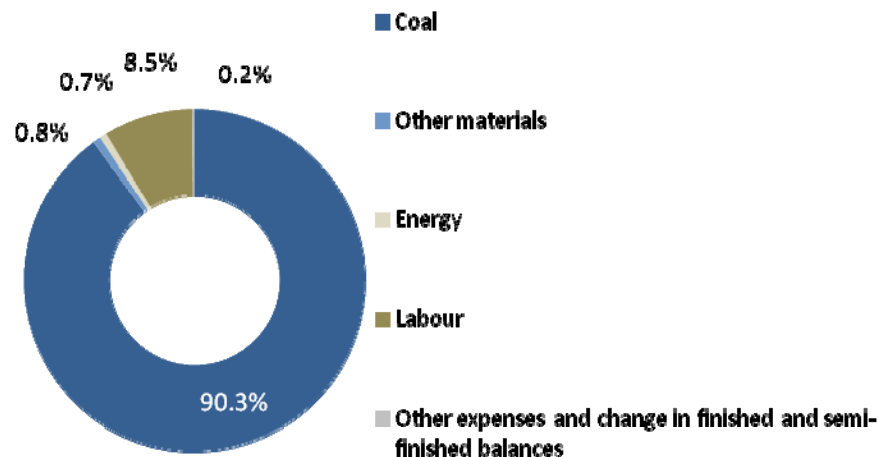
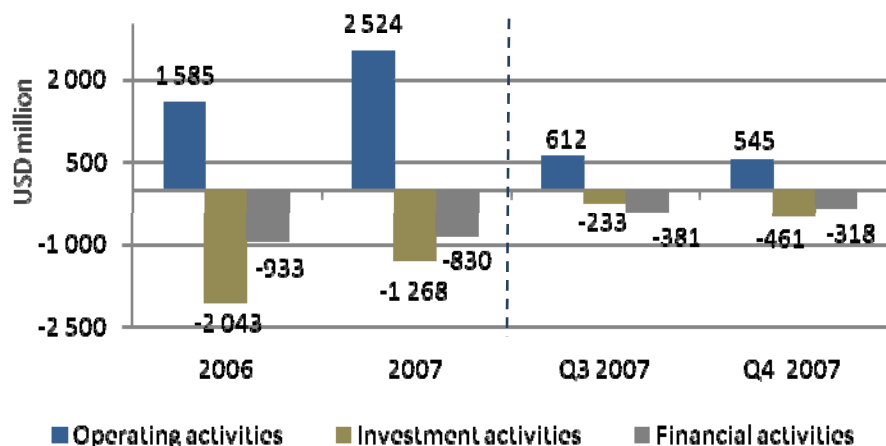


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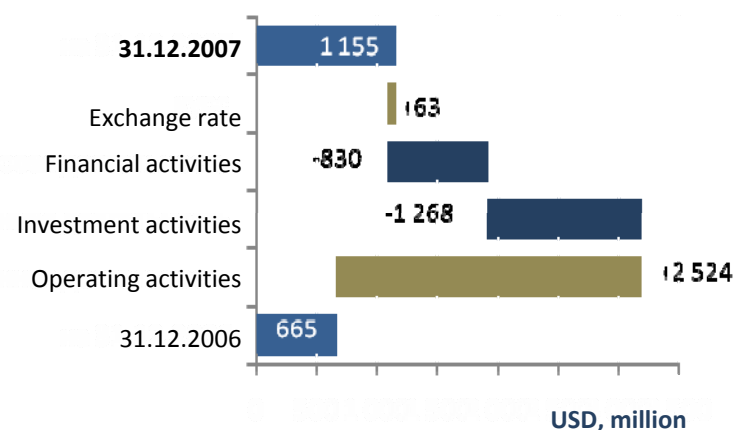
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Key Financial Indicators

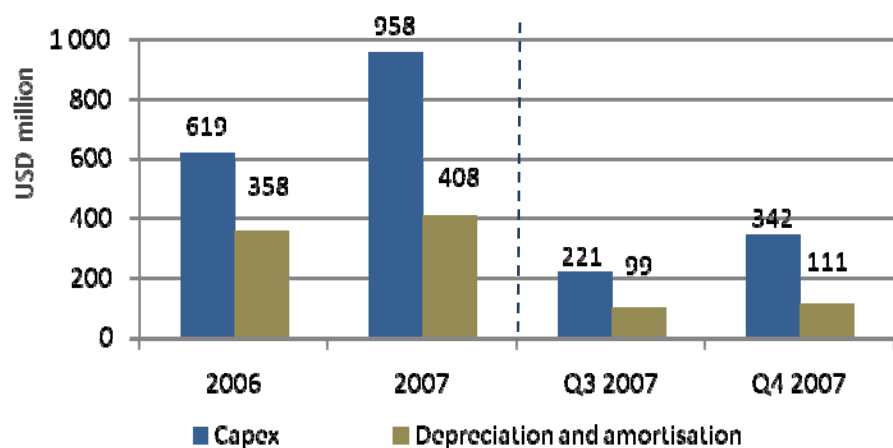
Net cash flow



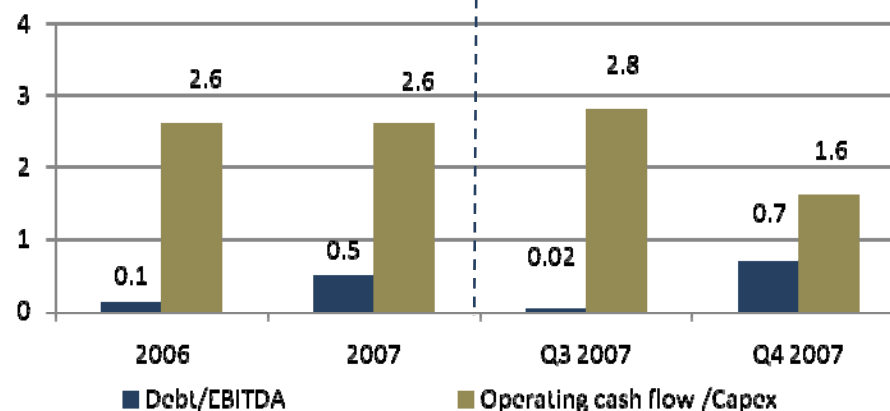
Cash and cash equivalents



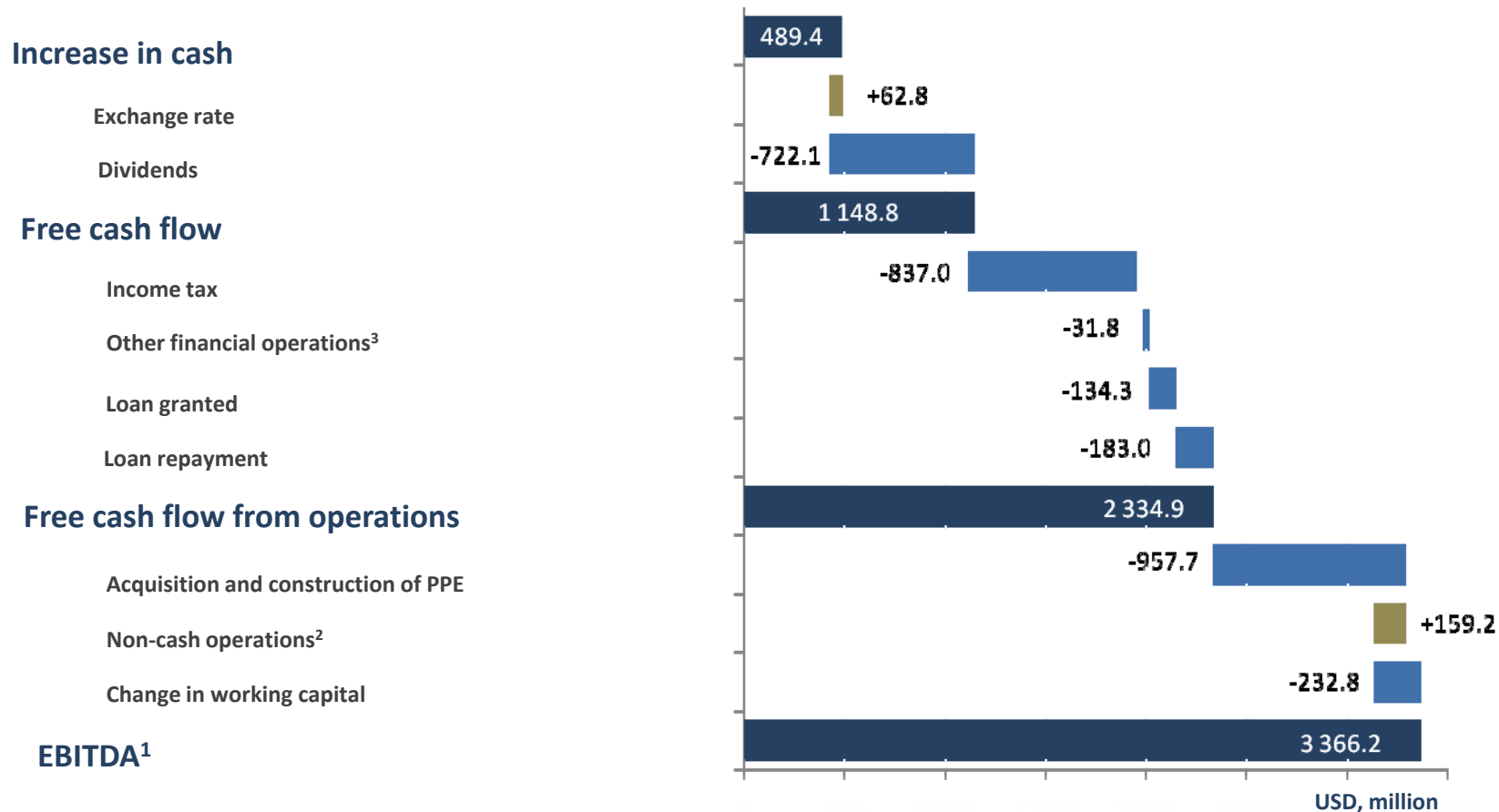
Capex and depreciation & amortization



Financial ratios



2007 EBITDA to Cash bridge



¹ EBITDA = Net income (post share of minorities) + income tax ± interest expense/(income) + depreciation ± losses/(gains) on disposals of property, plant and equipment ± losses/(gains) on financial investment ± losses/(gains) from discontinued operations + impairment losses + accretion expense on asset retirement obligations

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

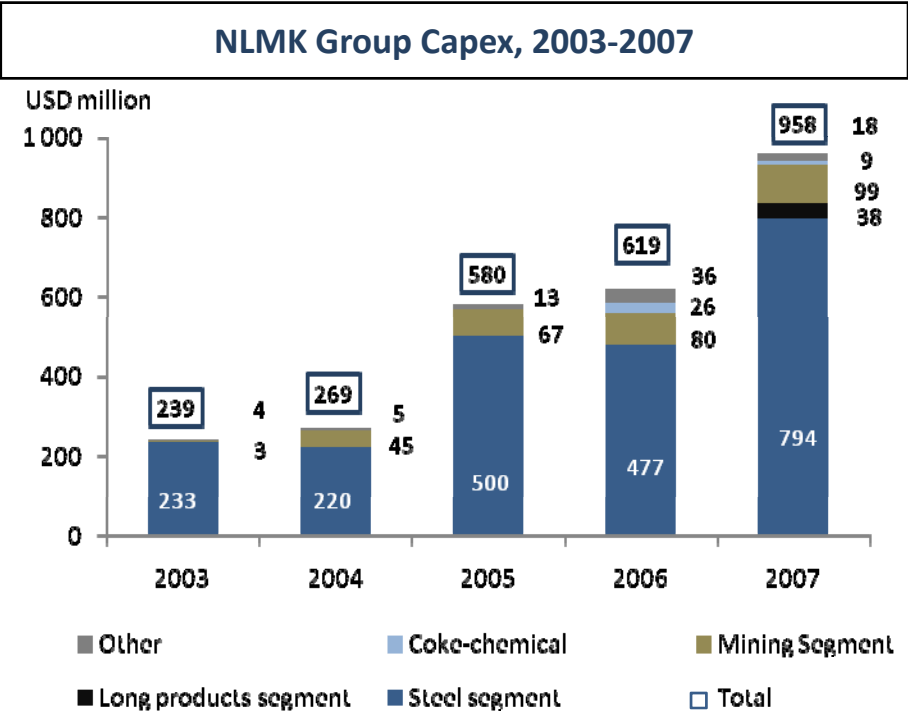
³ Other financing activities include losses/(gains) on disposals of property, plant and equipment, gain from disposal of subsidiaries, and change in restricted cash funds as well as other financial corrections

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NLMK Group Capex

- In 2007 acquisitions and construction of PPE capex amounted to USD958 million, 55% increase y-o-y
- In 2007 within 2nd Phase of Technical Upgrade Programme NLMK...



... completed:

1. Revamp of coke battery No.2
2. Refurbishment of the hot-rolled mill re-heating furnace
3. Upgrading of reversing mill on transformer steel production

... and initiated:

1. Construction of new blast furnace No. 7 with a production capacity of 3.4 million tpy
2. Upgrade of steel-making (commissioning of a new BOF, revamp of continuous casting machines) and rolling facilities.

Consolidated Statement of Income

<i>(mln. USD)</i>	2007	2006	2007/2006		Q4 2007	Q3 2007	Q4 2007/ Q3 2007	
			+ /-	%			+ /-	%
Sales revenue	7,719	6,046	1,673	27.7%	2,174	1,936	237	12.2%
Production cost	(3,569)	(2,716)	(853)	31.4%	(1,044)	(862)	(182)	21.1%
Depreciation and amortization	(408)	(358)	(50)	13.9%	(111)	(99)	(11)	11.2%
Gross profit	3,742	2,971	771	25.9%	1,019	975	44	4.5%
General and administrative expenses	(215)	(189)	(26)	13.9%	(56)	(52)	(4)	8.4%
Selling expenses	(443)	(325)	(117)	36.1%	(125)	(106)	(18)	17.4%
Taxes other than income tax	(80)	(57)	(23)	39.8%	(21)	(19)	(2)	8.1%
Impairment losses		(137)	137	(100.0%)				
Accretion expense on asset retirement obligations	(6)	(20)	14	(68.7%)	(0.1)	(0.0)	(0.0)	66.7%
Operating income	2,998	2,243	755	33.7%	817	797	19	2.4%
Loss on disposals of property, plant and equipment	(27)	(4)	(24)	661.7%	(3)	(5)	2	(43.4%)
Gains / (losses) on investments	(24)	401	(424)	(105.9%)	(20)	()	(20)	-
Interest income	100	112	(12)	(10.8%)	32	23	8	34.3%
Interest expense	(31)	(30)	(2)	5.8%	(17)	(3)	(14)	511.0%
Foreign currency exchange loss, net	80	(75)	155	(207.4%)	25	41	(16)	(39.3%)
Gain from disposal of subsidiaries	83		83	-	1	1		66.3%
Other expense, net	(23)	(27)	4	(14.5%)	(19)	(5)	(15)	299.5%
Income from continuing operations before income tax and minority interest	3,157	2,621	536	20.4%	815	850	(34)	(4.0%)
Income tax	(837)	(707)	(130)	18.5%	(196)	(217)	21	(9.8%)
Income from continuing operations before minority interest	2,320	1,914	405	21.2%	619	632	(13)	(2.1%)
Minority interest	(23)	(26)	2	(8.9%)	(5)	(6)	1	(20.4%)
Equity in net earnings/(losses) of associate	(50)	1	(51)	-	(24)	(34)	9	(27.0%)
Income from continuing operations	2,246	1,889	357	18.9%	590	592	(3)	(0.4%)
Income from discontinuing operations	1	177	(176)	(99.3%)				
Net income	2,247	2,066	181	8.8%	590	592	(3)	(0.4%)
EBITDA	3,366	2,631	735	27.9%	903	893	10	1.2%

Consolidated Balance Sheet

(mln. USD)	as at 31.12.2007	as at 30.09.2007	as at 30.06.2007	as at 31.03.2007	as at 31.12.2006
ASSETS					
Current assets	4,388	3,904	3,629	3,484	3,050
Cash and cash equivalents	1,155	1,388	1,349	898	665
Short-term investments	153	144	137	37	37
Accounts receivable, net	1,696	1,194	1,110	1,252	1,150
Inventories, net	1,236	1,043	936	874	857
Other current assets, net	147	134	97	370	331
Restricted cash				9	8
Current assets, held for sale				44	
Non-current assets	8,688	6,105	5,783	5,821	5,667
Long-term investments, net	819	880	861	856	810
Property, plant and equipment, net	6,450	4,409	4,128	3,985	3,988
Intangible assets	189	192	191	195	199
Goodwill	1,189	591	571	567	560
Other non-current assets, net	41	33	32	104	110
Non-current assets, held for sale				114	
Total assets	13,076	10,009	9,412	9,305	8,717
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities	3,002	992	980	943	993
Accounts payable and other liabilities	1,395	860	830	718	664
Short-term borrowings	1,537	52	72	99	249
Current income tax liability	71	80	78	84	80
Current liabilities, held for sale				41	
Non-current liabilities	975	640	597	819	781
Long-term borrowings	73	19	19	51	48
Deferred income tax liability	586	593	564	552	538
Other long-term liabilities	317	28	14	41	195
Non-current liabilities, held for sale				175	
Total liabilities	3,978	1,631	1,576	1,762	1,774
Minority interest	107	119	109	136	133
Stockholders' equity	8,992	8,258	7,726	7,406	6,809
Common stock	221	221	221	221	221
Statutory reserve	10	10	10	10	10
Additional paid-in capital	52	52	52	52	2
Other comprehensive income	1,182	1,038	738	680	590
Retained earnings	7,526	6,936	6,704	6,443	5,986
Total liabilities and stockholders' equity	13,076	10,009	9,412	9,305	8,717

Consolidated Cash Flow Statement

(mln. USD)	2007	2006	2007/2006		Q4 2007	Q3 2007	Q4 2007/ Q3 2007	
			+ / -	%			+ / -	%
Cash flow from operating activities								
Net income	2,247	2,066	181	8.8%	590	592	(3)	(0.4%)
Adjustments to reconcile net income to net cash provided by operating activities								
Minority interest	25	26	(1)	(4.6%)	5	6	(1)	(20.3%)
Depreciation and amortization	408	358	50	13.9%	111	99	11	11.2%
Loss on disposals of property, plant and equipment	27	4	24	661.7%	3	5	(2)	(43.4%)
(Gain)/loss on investments	24	(401)	424	(105.9%)	20		20	
Gain from disposal of subsidiaries	(83)		(83)		(1)	(82)	81	
Gain from operations of discontinued subsidiary	(1)	(228)	226	(99.4%)	()	80	(80)	(100.0%)
Equity in net earnings of associate	50	(1)	51	(10142.3%)	24	34	(9)	(27.0%)
Defferd income tax (benefit)/expense	38	(39)	77	(197.9%)	(19)	10	(29)	(300.8%)
Gain on loan restructuring								
Impairment losses		137	(137)	(100.0%)				
Accretion expense on asset retirement obligations	6	20	(14)	(68.7%)				66.7%
Other movements	16	21	(5)	(23.6%)	12	6	6	100.1%
Changes in operating assets and liabilities								
Increase in accounts receivables	(92)	(141)	49	(34.9%)	(30)	(44)	13	(30.7%)
Increase in inventories	(200)	(160)	(40)	25.1%	(48)	(72)	24	(33.3%)
Decrease/(increase) in other current assets	(44)	(17)	(27)	158.1%	(1)	(33)	32	(97.6%)
Increase in loans provide by the subsidiary bank	(106)	(70)	(36)	52.3%	(1)	(1)	(1)	66.3%
Increase in accounts payable and other liabilities	243	(23)	266	(1150.1%)	(106)	11	(118)	
Increase/(decrease) in current income tax payable	(34)	32	(66)	(204.1%)	(13)	(0.2)	(13)	
Net cash provided from operating activities	2,524	1,585	939	59.2%	545	612	(67)	(11.0%)
Cash flow from investing activities								
Acquisitions of subsidiaries		(1,348)	1,348	(100.0%)				
Acquisitions of associates	24	(806)	830	(103.0%)	24		24	
Proceeds from disposal of discontinued operations		303	(303)	(100.0%)				
Proceeds from adjustment of the original purchase price of subsidiaries	37		37		(1)		(1)	(327.0%)
Proceeds from sale of property, plant and equipment	12	16	(3)	(21.1%)	5		5	1700.0%
Purchases and construction of property, plant and equipment	(958)	(619)	(339)	54.8%	(342)	(221)	(121)	54.9%
Proceeds from sale of investments	12	465	(454)	(97.5%)	5		5	
Purchase of investments	(199)	(55)	(145)	264.3%	(154)	(9)	(145)	1548.3%
Loan issued	(134)		(134)		2	(3)	6	(164.8%)
Disposal of subsidiaries, net of cash disposed \$106,800	(60)		(60)		(0.2)	(0.4)	0.2	(51.2%)
Movement of restricted cash	(1)		(1)	(400.9%)				
Net cash used in investing activities	(1,268)	(2,043)	775	(37.9%)	(461)	(233)	(227)	97.4%
Cash flow from financing activities								
Proceeds from borrowings and notes payable	269	225	44	19.6%	229	10	219	2226.6%
Repayments of borrowings and notes payable	(452)	(183)	(268)	146.5%	(193)	(34)	(159)	472.8%
Capital lease payments	(3)		(3)		(1)	(1)	()	87.5%
Proceeds from disposal of assets to the company under common control	78		78					
Payments to controlling shareholders for transfer of interests in subsidiary		(104)	104	(100.0%)				
Dividends paid to previous shareholder of acquired company		(84)	84	(100.0%)				
Dividends paid to minority shareholder of existing subsidiaries	(19)	(20)	1	(5.3%)	2	(13)	16	(117.9%)
Dividends to shareholders	(703)	(767)	64	(8.3%)	(355)	(343)	(12)	3.5%
Net cash used in financing activities	(830)	(933)	104	(11.1%)	(318)	(381)	63	(16.6%)
Net increase /(decrease) in cash and cash equivalents	427	(1,391)	1,818	(130.7%)	(234)	(2)	(231)	9799.9%
Effect of exchange rate changes on cash and cash equivalents	63	132	(69)	(52.4%)	(0.3)	42	(43)	(100.7%)
Cash and cash equivalents at the beginning of the period	665	1,924	(1,259)	(65.4%)	1,388	1,349	40	3.0%
Cash and cash equivalents at the end of the period	1,155	665	489	73.6%	1,155	1,388	(234)	(16.8%)

Segmental Information

2007

(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Inters egmental operations and balances	Consolidated
Revenue from external customers	6,946	62	105	517	88	7,719		7,719
Intersegment revenue	24		783	167	42	1,017	(1,017)	
Gross profit	2,892	9	588	206	49	3,743	(1)	3,742
Operating income/(loss)	2,363	2	523	114	5	3,006	(8)	2,998
<i>as % of net sales</i>	33.9%	2.5%	58.9%	16.6%	3.7%			38.8%
Income / (loss) from continuing operations before minority interest	1,773	(32)	443	79	156	2,418	(98)	2,320
<i>as % of net sales</i>	25.4%		49.9%	11.5%	119.8%			30.1%
Segment assets including goodwill	7,905	2,899	1,953	1,035	328	14,120	(1,044)	13,076
Capital expenditures	(794)	(38)	(99)	(9)	(18)	(958)		(958)

2006

(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Inters egmental operations and balances	Consolidated
Revenue from external customers	5,587		91	253	115	6,046		6,046
Intersegment revenue	26		524	84	107	741	(741)	
Gross profit	2,514		349	76	37	2,976	(5)	2,971
Operating income/(loss)	2,108		297	24	(175)	2,255	(12)	2,243
<i>as % of net sales</i>	37.6%		48.4%	7.1%				37.1%
Income / (loss) from continuing operations before minority interest	1,934		243	8	(149)	2,036	(121)	1,914
<i>as % of net sales</i>	34.5%		39.5%	2.4%				31.7%
Segment assets including goodwill	5,913		1,418	968	1,003	9,303	(586)	8,717
Capital expenditures	(477)		(80)	(26)	(36)	(619)		(619)

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