



FY2011 RESULTS PRESENTATION

MAY 10, 2012



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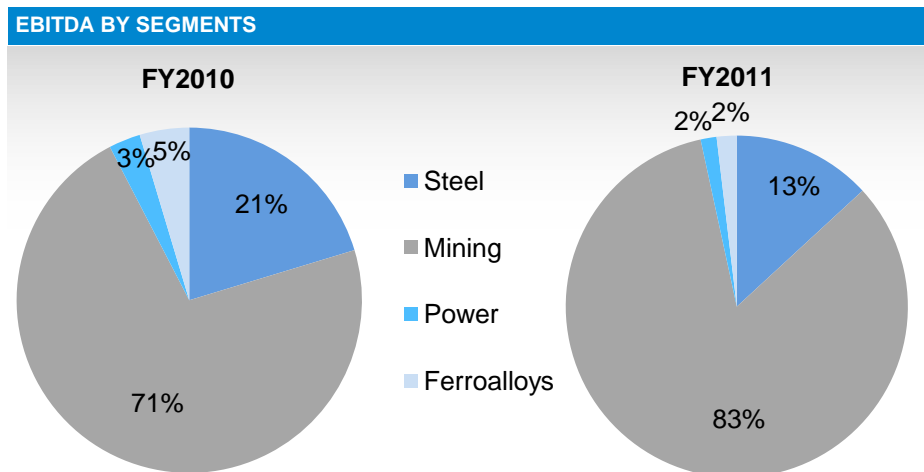
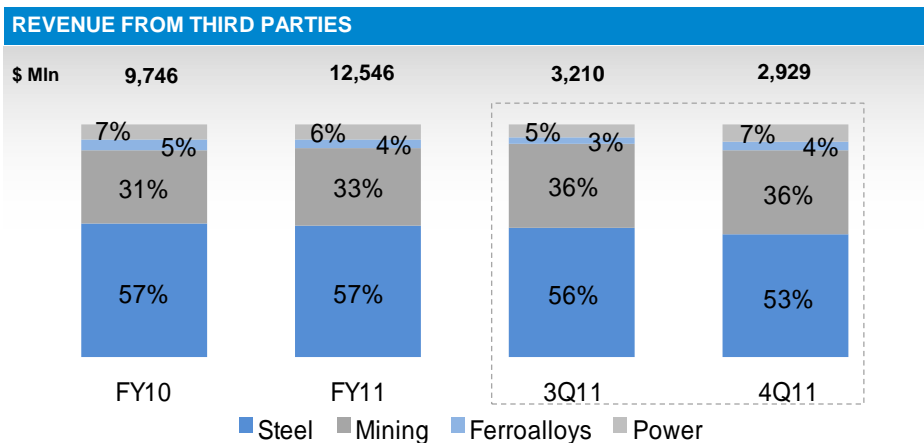
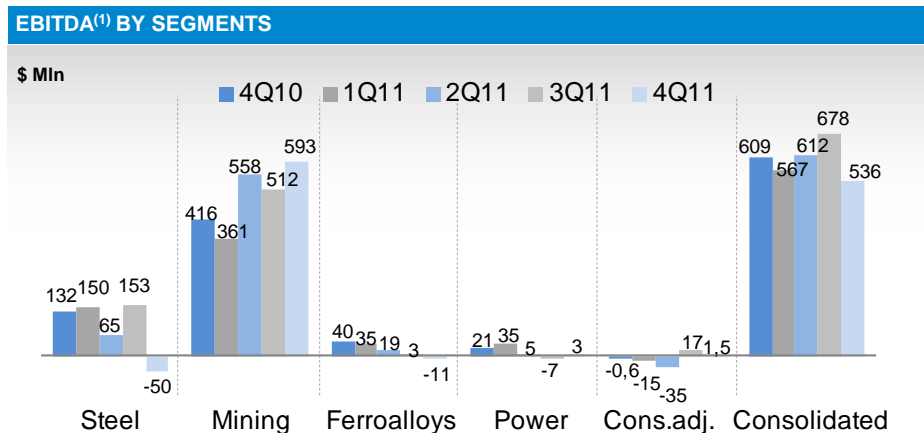
FINANCIAL HIGHLIGHTS



SEGMENTS OVERVIEW



- +** Consolidated revenue up 29% y-o-y to \$12.5 bn
- +** Consolidated adjusted EBITDA up by 19% y-o-y to \$2.4 bn
- +** Mining segment continues to dominate the consolidated EBITDA with its share up to 83%

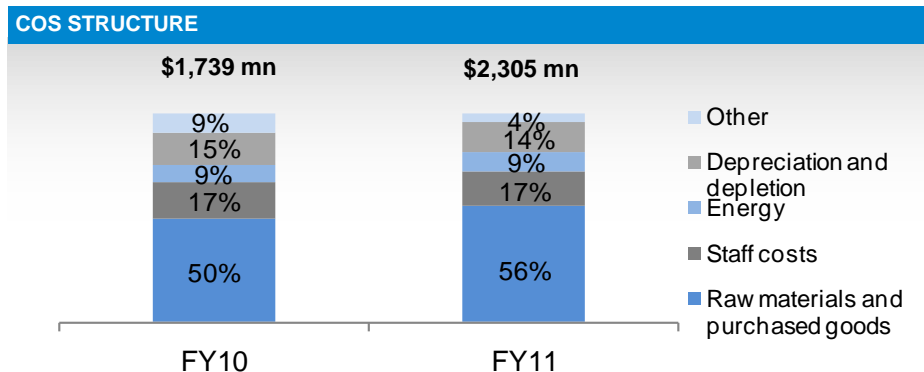
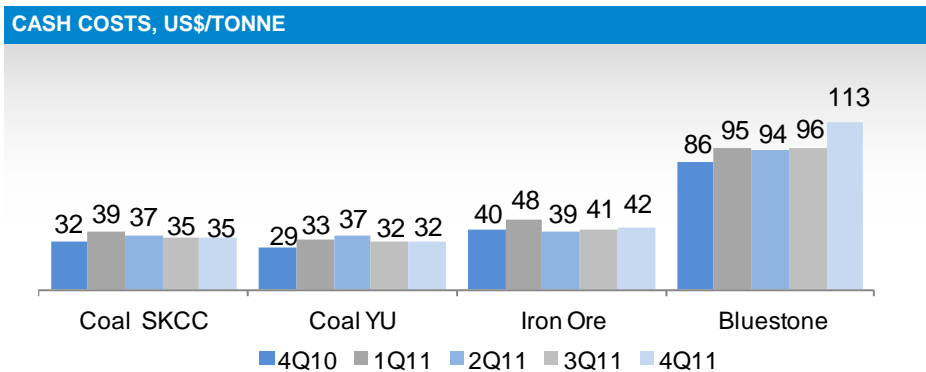
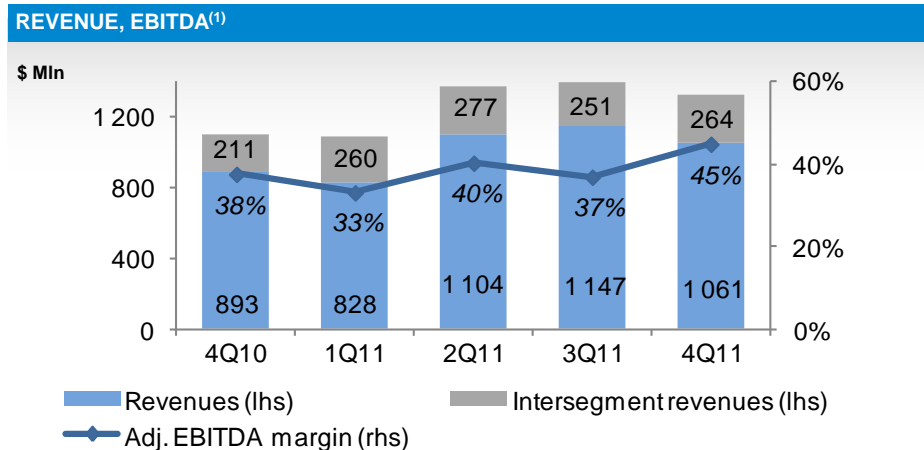


(1) Adjusted EBITDA represents EBITDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests and gain/loss from remeasurement of contingent liabilities at fair value

MINING SEGMENT



- Market volatility led to Q4 revenue decrease q-o-q to \$1.33bn...
 - ... though the segment still ending the FY2011 with a record high revenue of \$5.19 – 35% up y-o-y and...
 - ... Q4 posting the highest EBITDA and EBITDA margin since Q3 2008;
- Tight costs control kept cash costs flat across Russian coal operations.



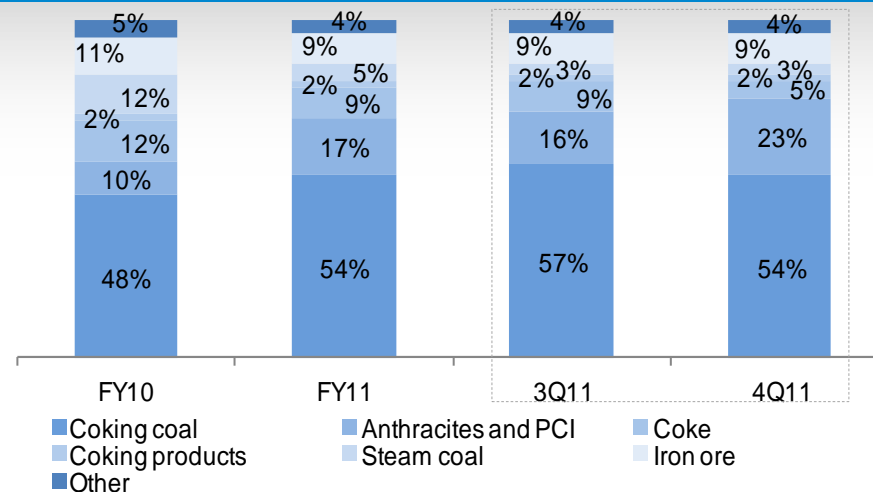
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MINING SEGMENT

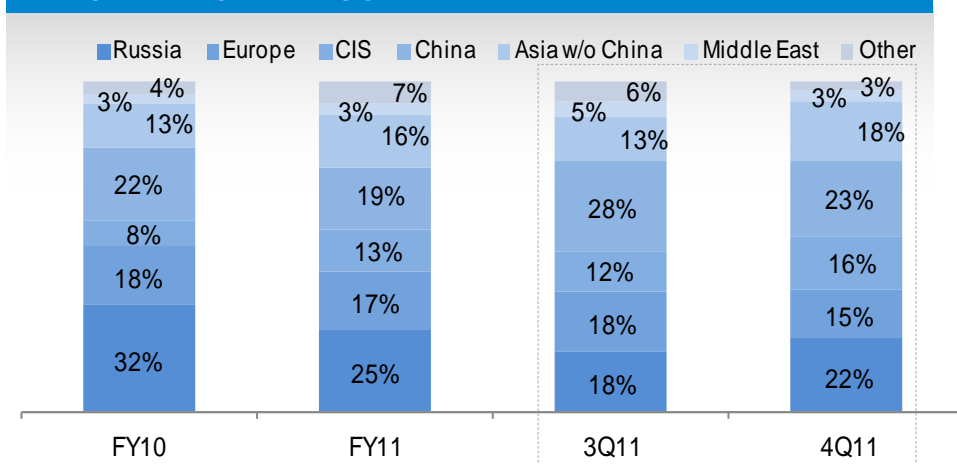


- + Coking coal sales up 1.5x y-o-y to 54% of Segment's Revenue in 2011
- + Anthracites and PCI sales grow 2.4x y-o-y as export sales to Asia increased...
- + ...which helped to diversify sales in Asia with China's share decreasing from 22% to 19%
- + Thermal coal's share in revenue dwindled to 3% in Q4 in line with the strategy to focus on met coal.

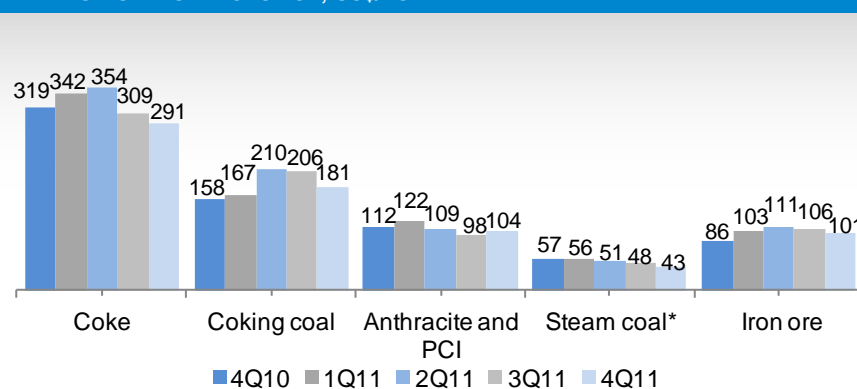
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US\$/TONNE

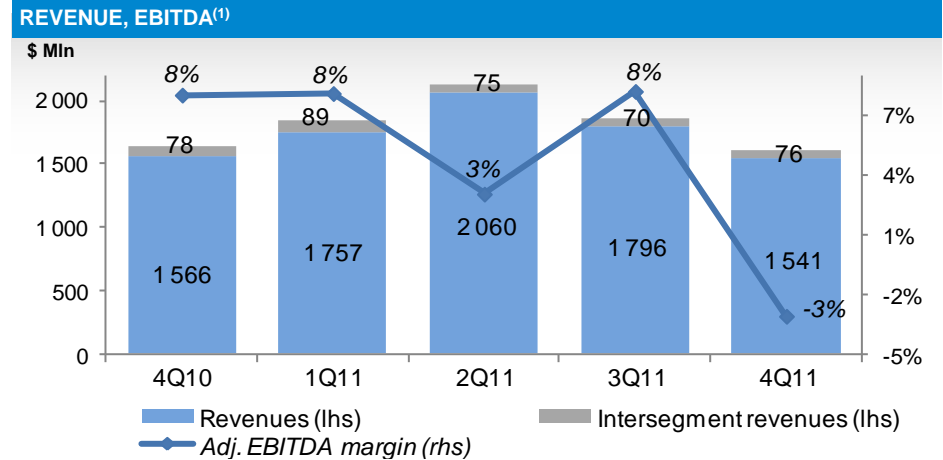


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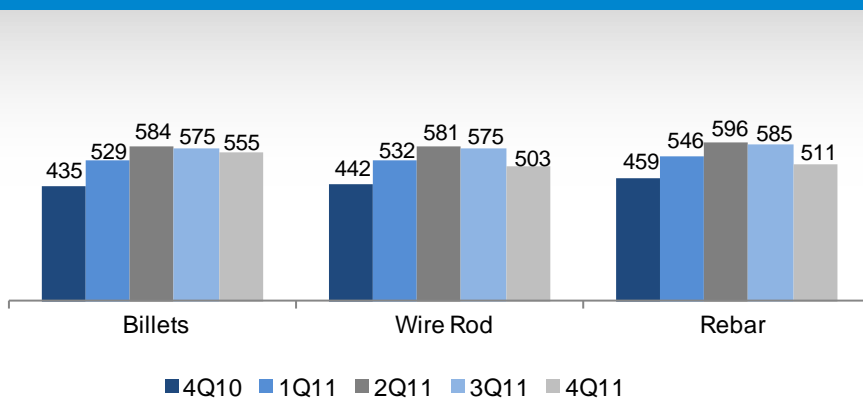
STEEL SEGMENT



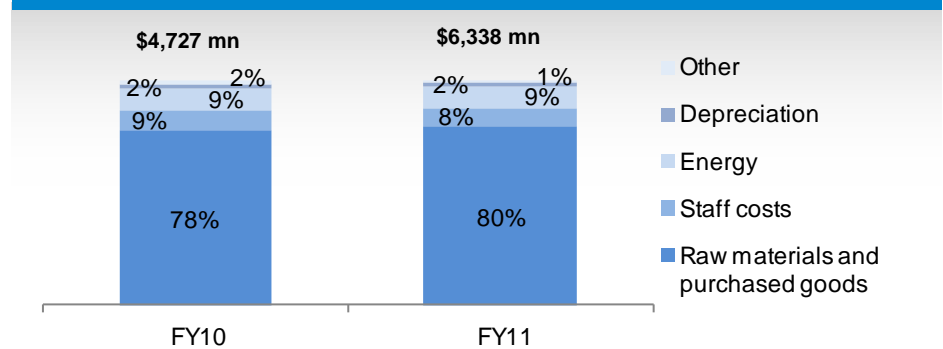
- +
- Growing sales volumes pushed the FY2011 revenue up 28% y-o-y to post a record high \$7.46 bn...
- +
- ... but growing raw material prices and price consolidation in Q4 led to a 23% y-o-y EBITDA decrease to \$319 mn.
- +
- Cash costs downward path helped to alleviate the pressure...
- +
- ... but not enough to prevent the Q4 EBITDA turn \$50 m negative



CASH COSTS, US\$/TONNE



COS STRUCTURE



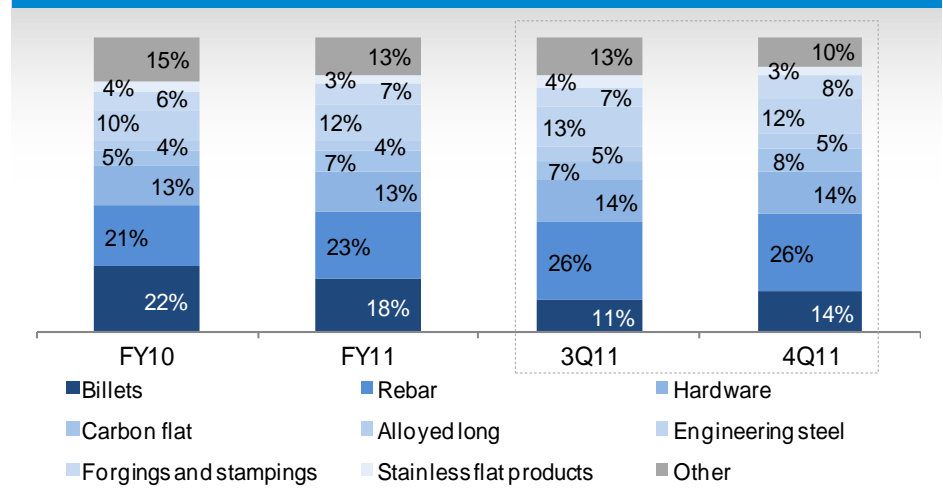
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STEEL SEGMENT

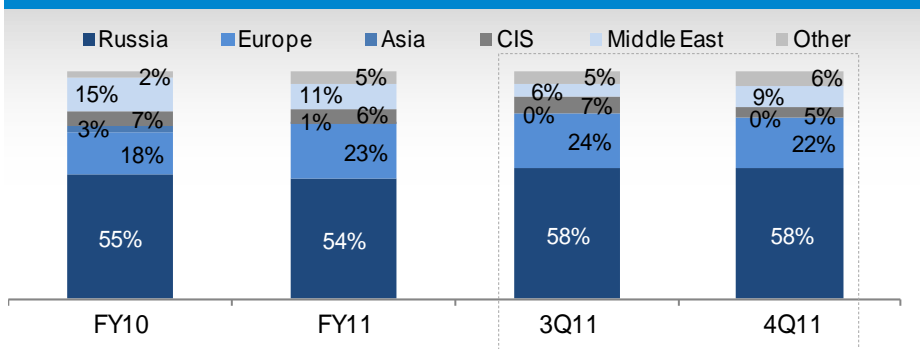


- + Steel prices consolidated in Q4 but far short of a “crisis” scenario
- + Finished product share grew from 72% in 2010 to 77% in 2011 as investments began to bear fruit...
- + ...which also led to share of Europe grow to 23% of sales also helped by growth of MSG’s European distribution platform

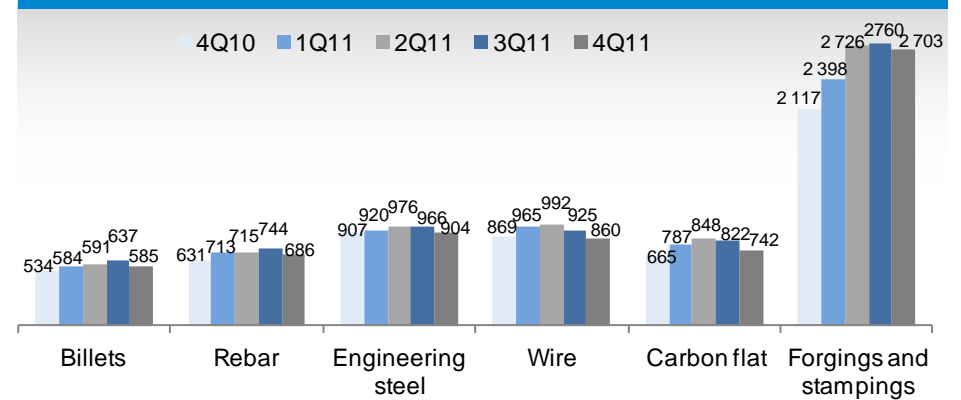
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



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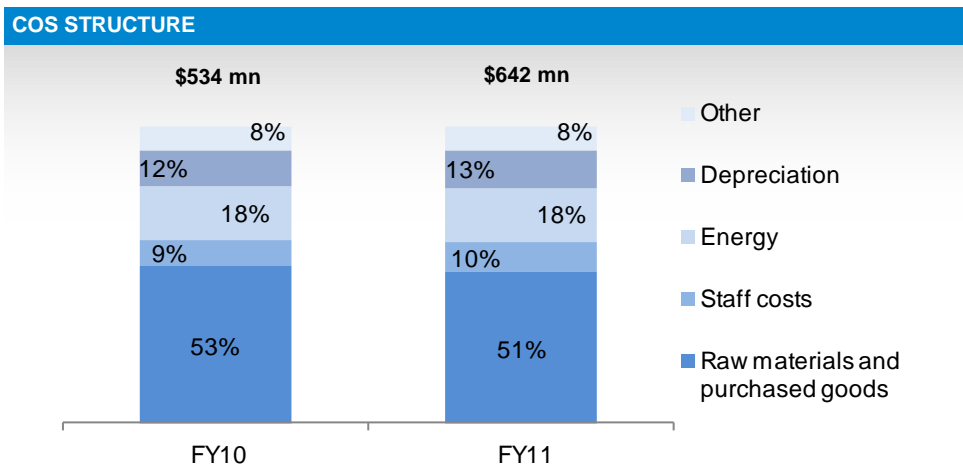
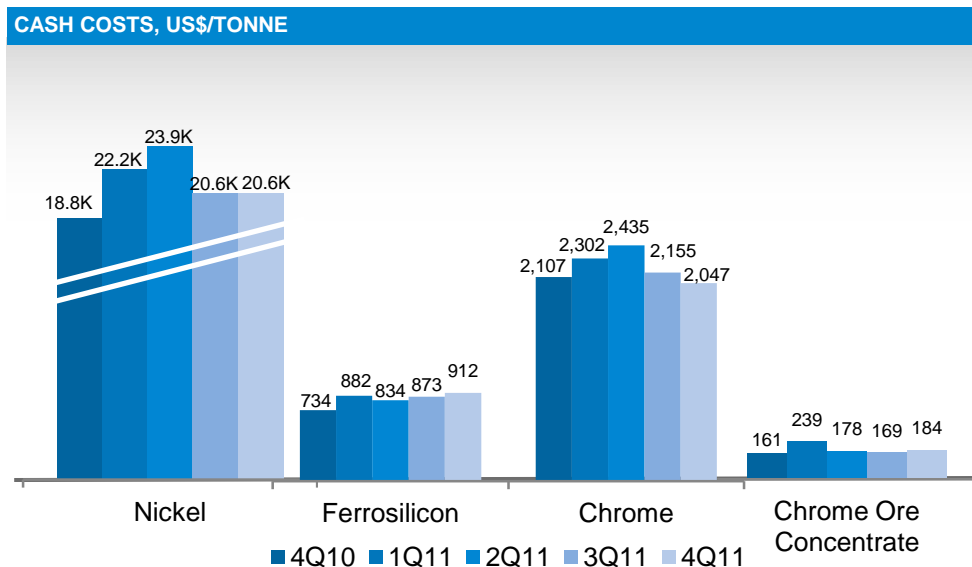
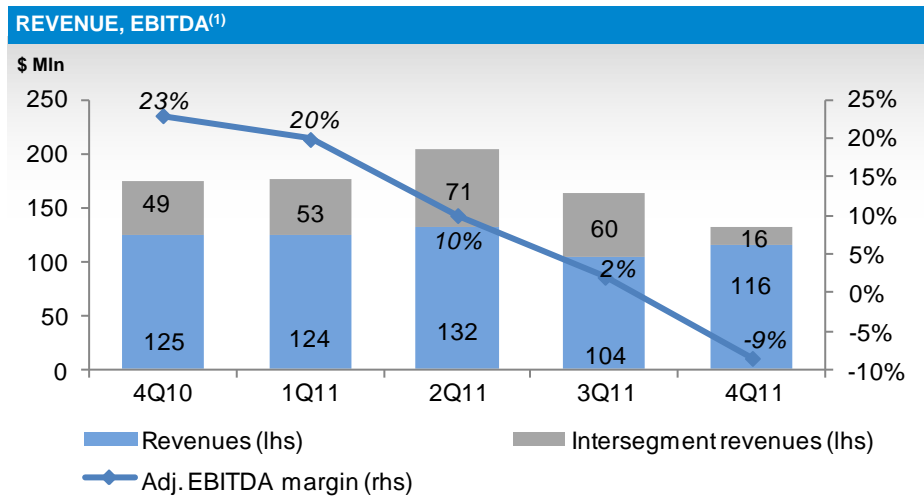


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FERROALLOYS SEGMENT



- + Sales volume growth in Ni and Cr did not suffice to offset the price correction and decrease in FeSi sales due to plant modernization...
- + ...resulting in a 19% overall revenue decrease in Q4 and a negative EBITDA of \$11 mn
- + However, the FY2011 revenue still up 4%, EBITDA down to \$46 mn as rising coke prices and halt of a furnace at Bratsk for a revamp pushed Ni and FeSi cash costs up
- + At the same time Voskhod was a bright spot as the ramp-up brought Cr cash cost down

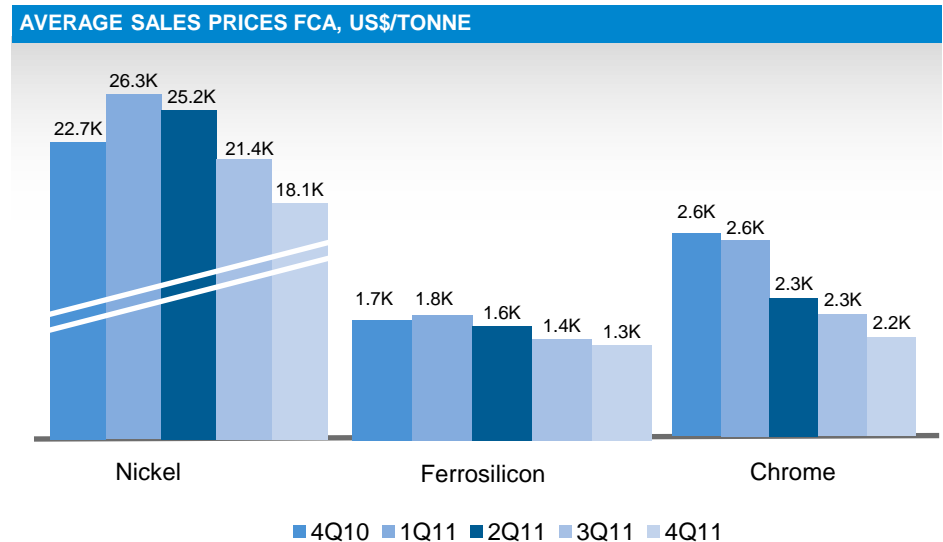
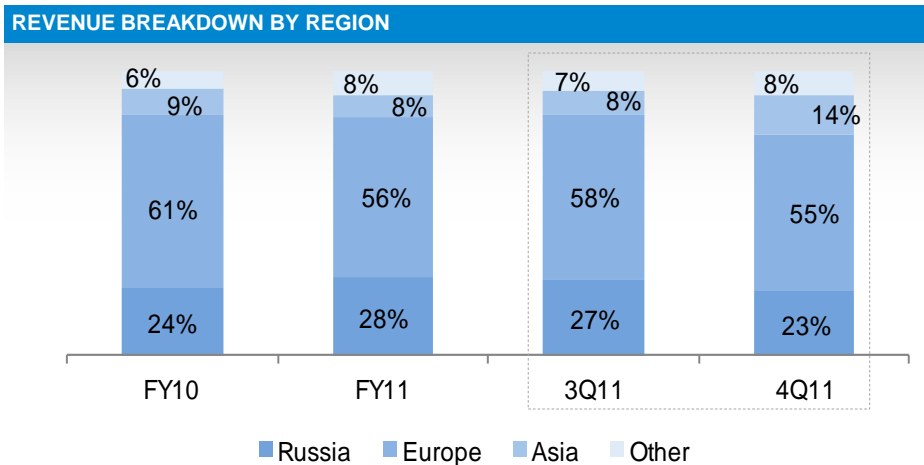
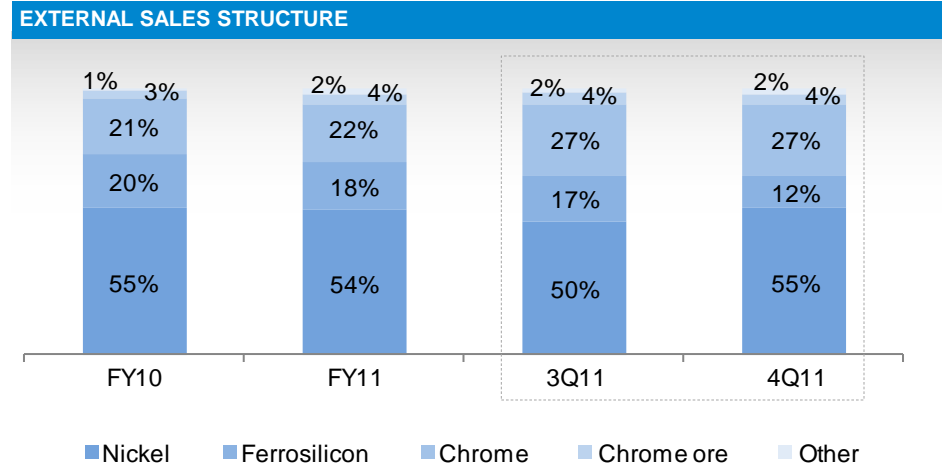


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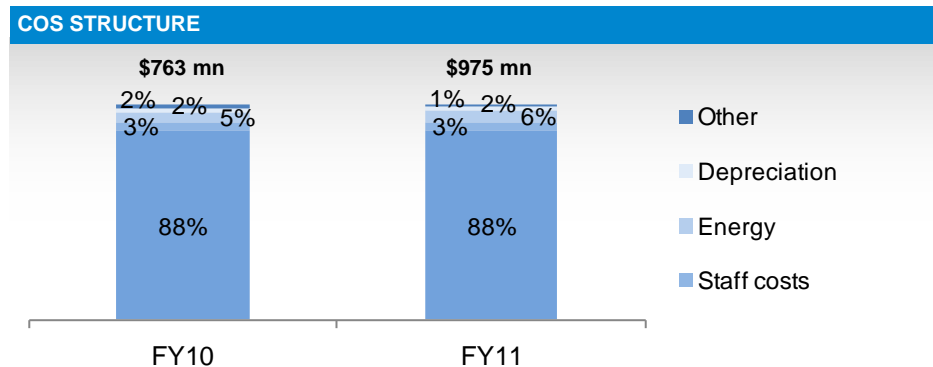
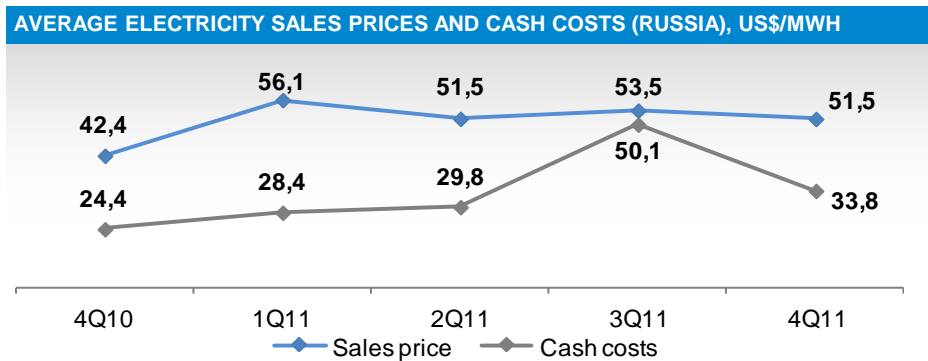
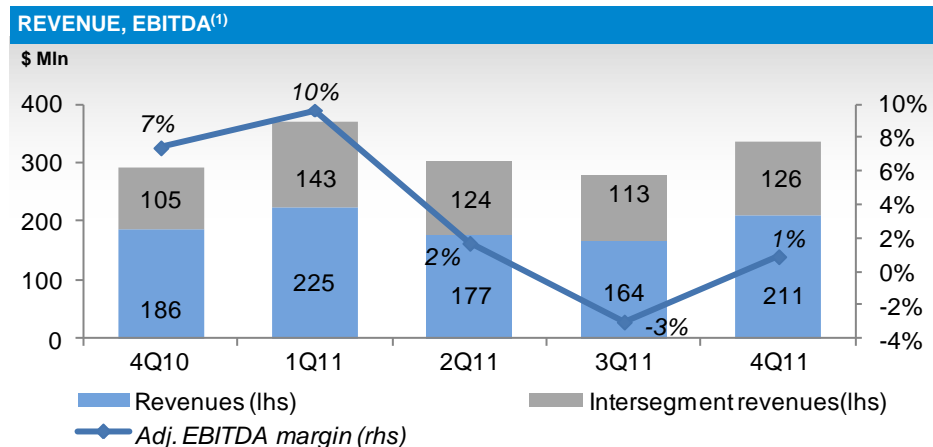
- +** Ni and Cr 3rd party sales up 46% and 18% in Q4 as export sales increased
- +** FeSi 3rd party sales volumes down 17% in Q4 as one furnace was idled for modernization
- +** Growing sales volumes of Cr in 2011 helped to halve the net loss to just \$72 mn



POWER SEGMENT



- +** Revenue up 28% q-o-q due to high season
- +** Cash costs down 48% as sales of heat and electricity grow
- +** Revenue up 21% y-o-y to \$777 mn due to sales and tariff growth in 2011
- +** Growing input prices (coal) overpaced growth in revenue bringing gross margin for FY 2011 down to 24%



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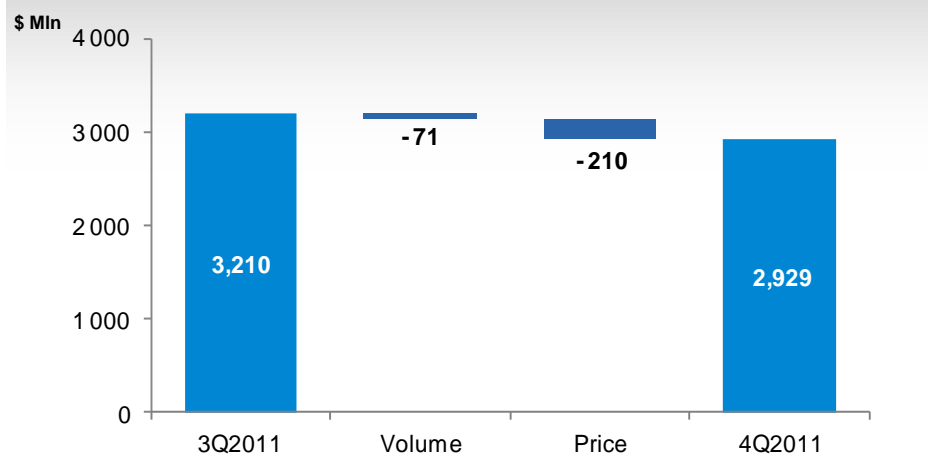
WITHSTANDING MARKET VOLATILITY



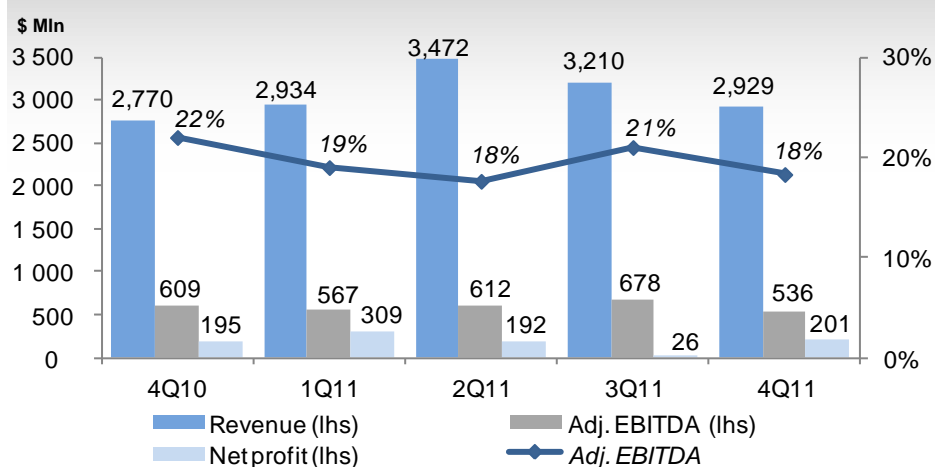
4Q2011 financial performance q-o-q highlights:

- + Price and sales volatility in Q4 brought Revenue down 9% and EBITDA down 21% q-o-q...
- + ...However the EBITDA margin down insignificantly to 18% in Q4 and 19% for FY 2011
- + Net income up y-o-y by 11% to \$728 mn

REVENUE DYNAMICS



REVENUE, EBITDA⁽¹⁾ AND NET PROFIT

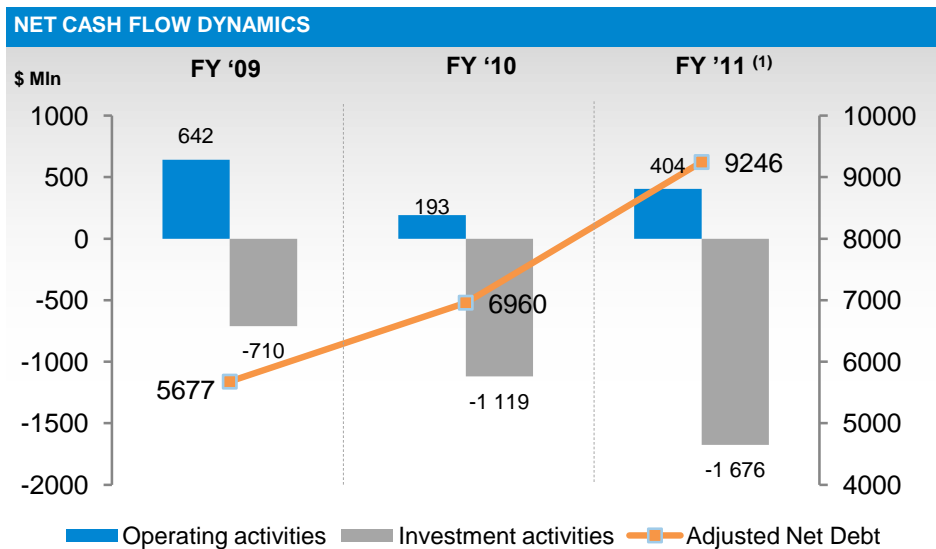


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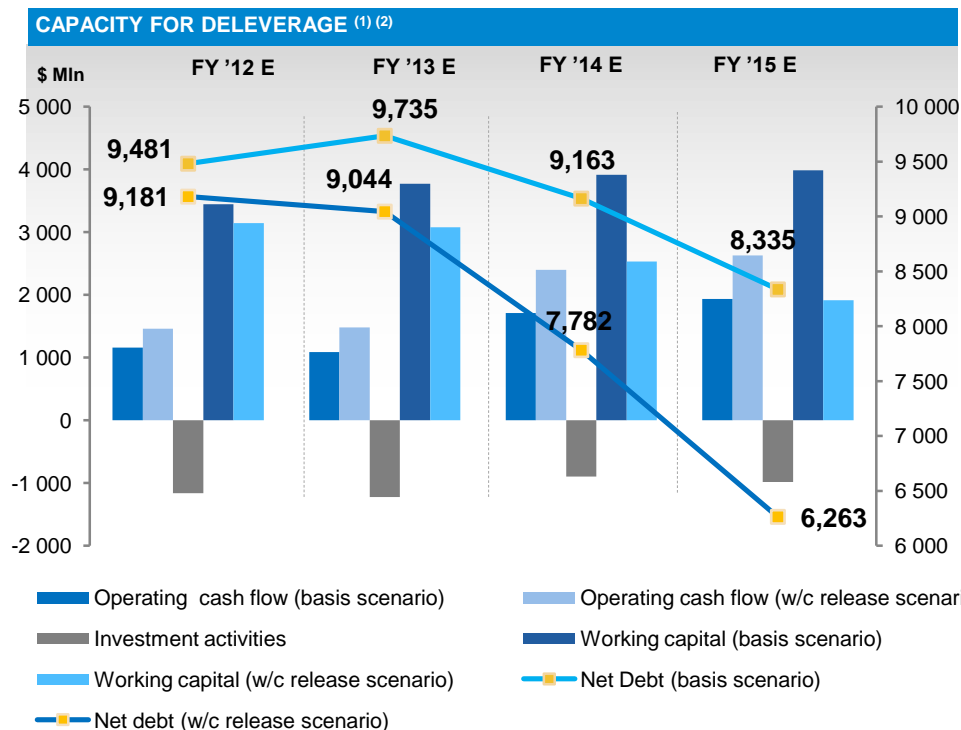
CASH GENERATION CAPACITY



- +** Working capital management efforts help to increase cashflow from operations to \$258⁽¹⁾ mn in Q4
- +** Working capital - a safety cushion for deleveraging policy, potential for \$2 bn release in 2012 – 2015
- +** Investments in working capital capped and capex adjusted to ensure deleverage from 2012 onwards while financing of main projects proceeds uninterrupted



(1) Excluding settlements with related parties



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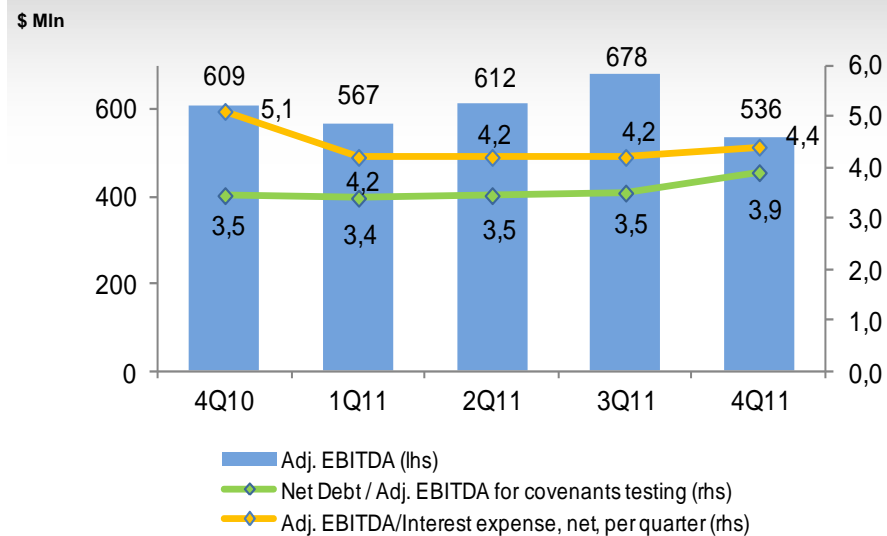
(2) Source: Bloomberg. Investment banks analysts median projections

DEBT PROFILE

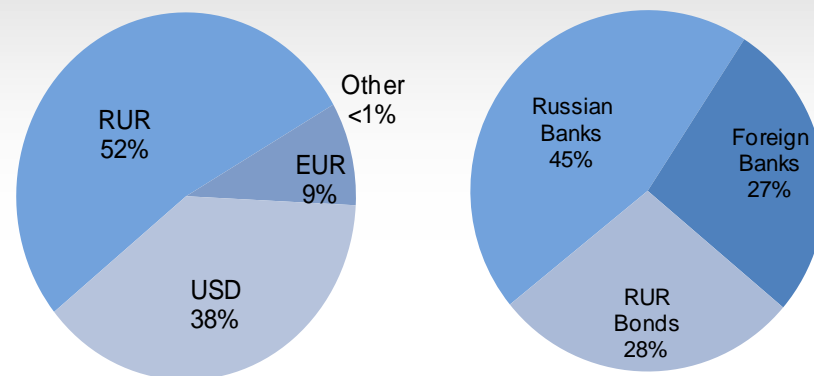


- +
- Total debt kept flat from 31 Dec'11 to-date. Short-term debt reduced to \$1.7 bn during Jan – Apr'12, maturity curve significantly improved
- +
- Refinancing efforts in 2012:
 - ✓ \$450m 3-year loan extension from VTB
 - ✓ \$750m 3-5-year loans extension from Gazprombank
- +
- New commitments aimed at refinancing more short-term debt:
 - ✓ \$520m 3-year Rouble bonds issued
 - ✓ \$500m 5-year loan from Gazprombank signed in Apr'12
- +
- Covenant amendments successfully completed in Apr'12 across all facilities concerned, supported by the vast majority of Russian and international lenders

FINANCIAL RATIOS



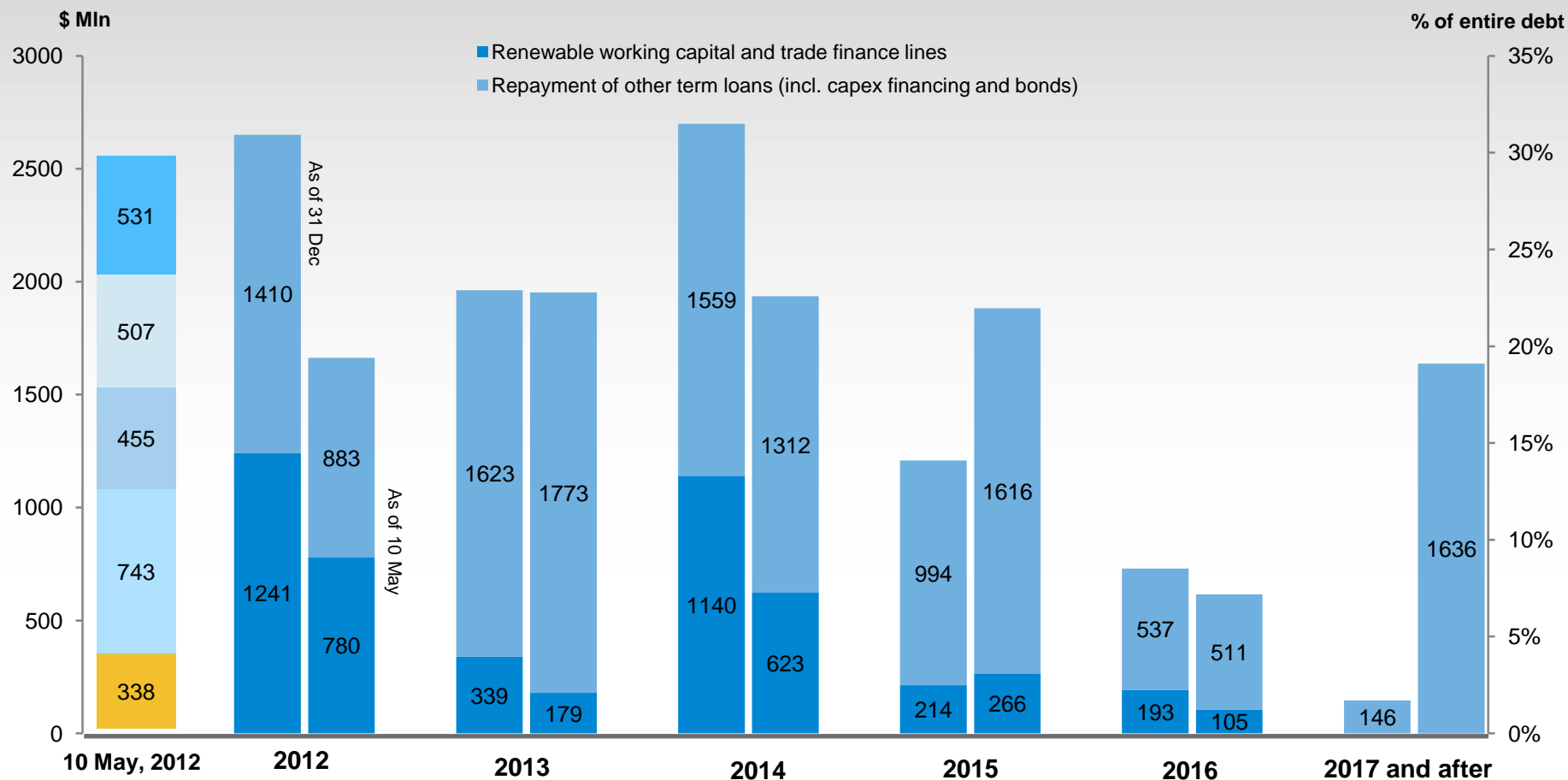
DEBT PROFILE AS AT MAY 10, 2012



DEBT PROFILE



LOANS REPAYMENT SCHEDULE DECEMBER 31, 2011 VS. MAY, 10, 2012



- Cash and cash equivalents
- Committed multipurpose long-term facilities
- Short-term revolving credit facilities
- Registered RUB-denominated bond and CP
- Committed capex long-term facilities

FINANCIAL RESULTS OVERVIEW



US\$ MILLION UNLESS OTHERWISE STATED	4Q11	3Q11	CHANGE, %
Revenue	2,929	3,210	-8.8%
Cost of sales	(1,995)	(2,025)	-1.5%
Gross margin	31.9%	36.9%	
Operating profit	377	529	-28.7%
Operating margin	12.9%	16.5%	
Adjusted EBITDA ⁽¹⁾	536	678	-20.9%
Adjusted EBITDA ⁽¹⁾ margin	18.3%	21.1%	
Net Income	201	26	673.1%
Net Income margin	6.9%	0.8%	
Sales volumes⁽²⁾, '000 tonnes			
Mining segment	6,124	6,026	1.6%
Steel segment	1,791	1,850	-3.2%

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(2) Includes sales to the external customers only