



2006 Financial and Production Results Presentation

US GAAP
Consolidated Financial Statements

April 2007

Group production highlights



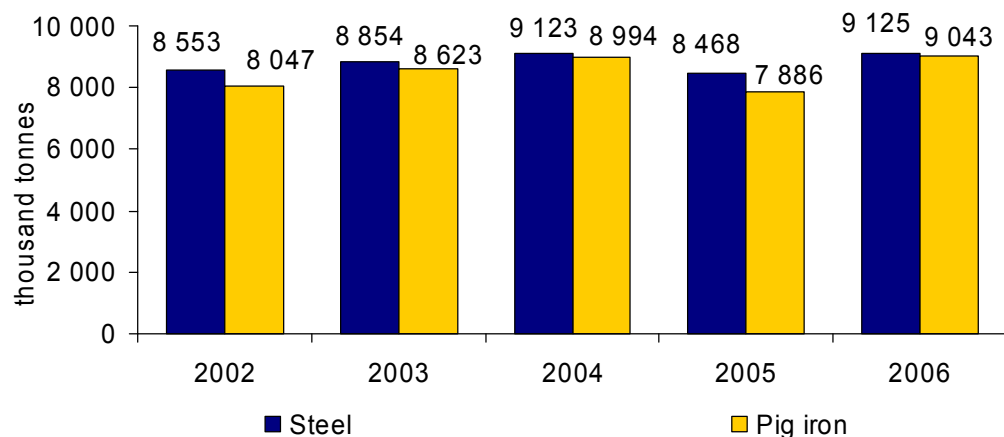
<i>thousand tonnes</i>	Parent Company				NLMK Group ¹			
	2006	2005	<i>change</i>		2006	2005	<i>change</i>	
			+ / -	%			+ / -	%
Pig iron	9 043	7 886	1 157	14,7%	9 043	7 886	1 157	14,7%
Steel	9 125	8 468	657	7,8%	9 125	8 468	657	7,8%
Pig iron for sale	845	399	446	111,8%	845	399	446	111,8%
Slabs	3 866	3 203	663	20,7%	3 463	3 203	260	8,1%
Flats	4 633	4 776	-143	-3,0%	5 140	4 776	364	7,6%
Hot-rolled steel	1 626	2 029	-403	-19,9%	2 051	2 029	22	1,1%
Cold-rolled steel	1 752	1 744	8	0,5%	1 752	1 744	8	0,5%
Pre-painted steel	771	532	239	44,9%	771	532	239	44,9%
Electrical steel	484	472	12	2,6%	566	472	94	19,9%

¹ Includes VIZ-Stal started from consolidation in August, 2006

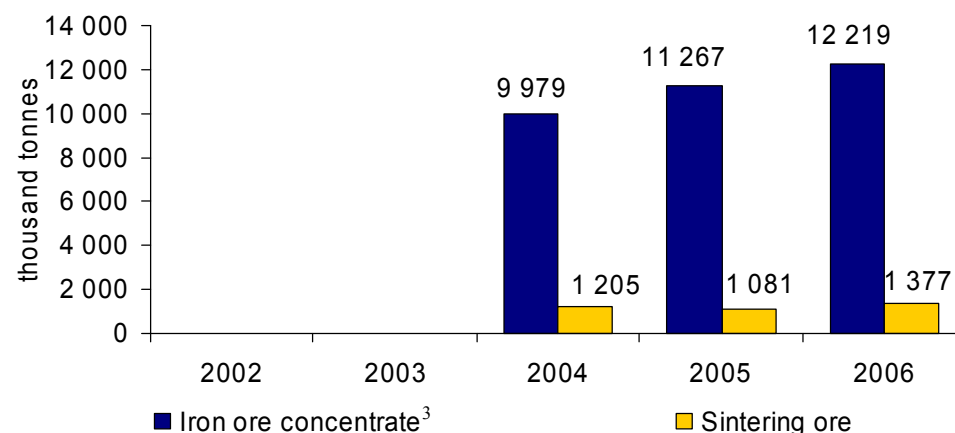
Group production highlights



Crude steel and pig iron

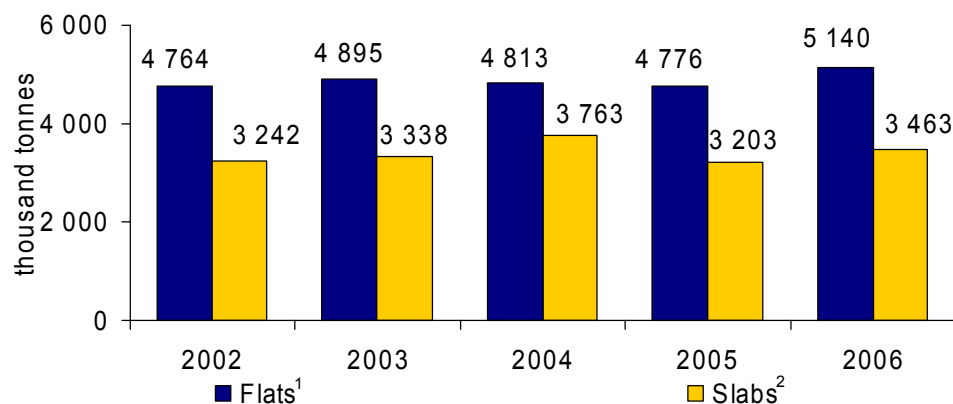


Iron ore concentrate and sintering ore



³ Include OJSC Kombatat KMAruda production when relevant

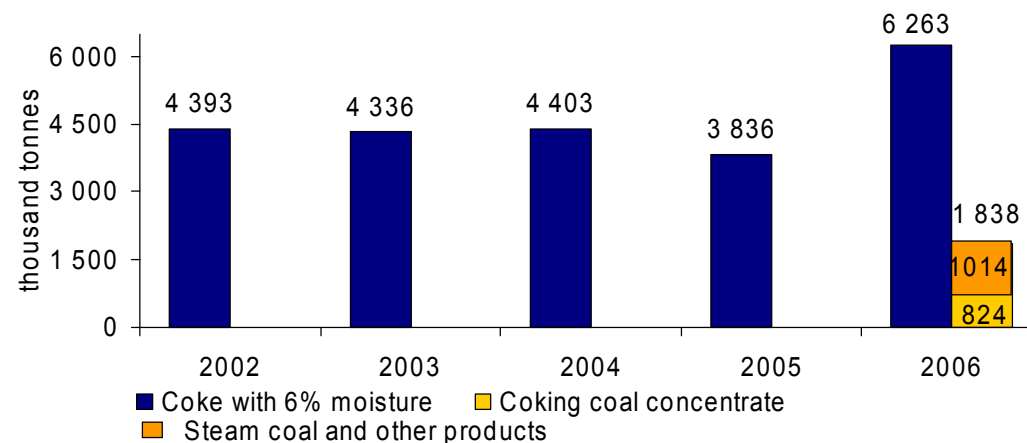
Flats and slabs



¹ Includes flat products, produced at subsidiaries.

² Excludes slabs for subsidiaries.

Coke and coal



Key financial highlights



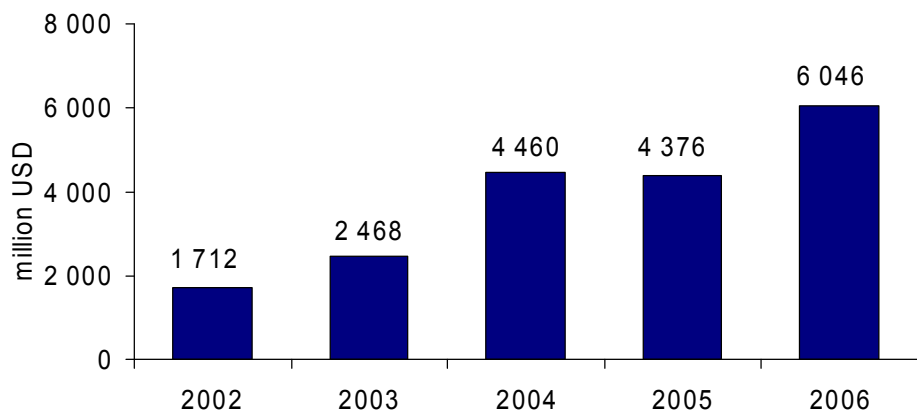
<i>(million USD)</i>	2006	2005	change	
			+ / -	%
Net sales	6 046	4 376	1 670	38,2%
Cost of sales	-3 074	-2 332	-742	31,8%
<i>Production cost</i>	-2 716	-2 049	-667	32,6%
<i>Depreciation</i>	-358	-283	-75	26,5%
Gross profit	2 971	2 044	927	45,4%
- as % of net sales	49%	47%		
<i>SG&A</i>	-571	-200	-371	185,5%
<i>Impairment losses and accretion expense on asset retirement obligations</i>	-157		-157	
Operating profit	2 243	1 844	399	21,6%
- as % of net sales	37%	42%		
<i>Gains on investments</i>	401	3	398	in 134 times
<i>Other income/(expenses)</i>	-23	46	-69	-149,7%
Pre-tax profit	2 621	1 892	729	38,5%
- as % of net sales	43%	43%		
Net income¹	2 066	1 381	685	49,6%
- as % of net sales	34%	32%		
EBITDA	2 631	2 083	548	26,3%
- as % of net sales	44%	48%		
Earnings per share (USD)	0,3447	0,2305	0,1142	49,6%

¹ 2006 net income includes profit from discontinued operations of USD176,8 million

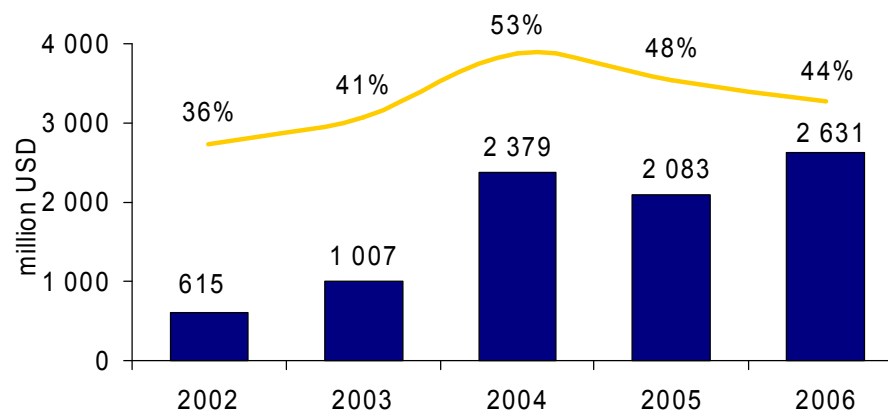
Key performance indicators



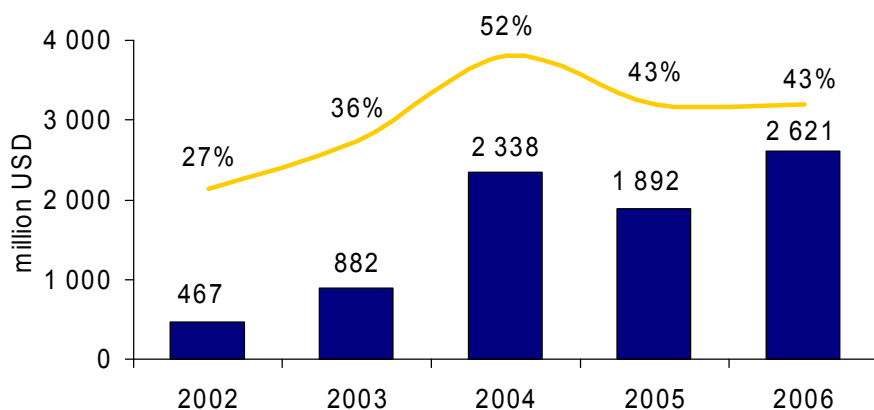
Net sales



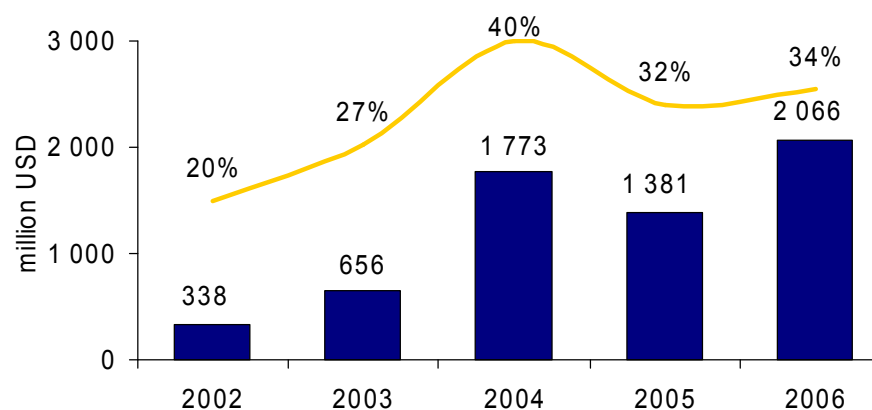
EBITDA¹, as % of net sales



Pre-tax profit, as % of net sales



Net income, as % of net sales

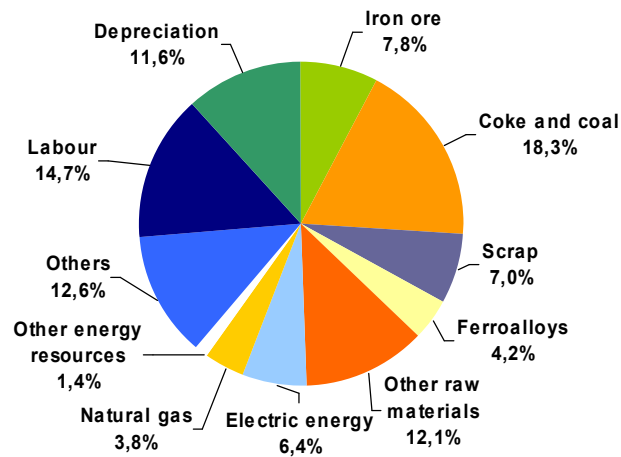


¹EBITDA is calculated as the sum total of net profit, net interest expense, income tax, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, depreciation and amortization (without gain/ (loss) on investments and income from discontinued operations).

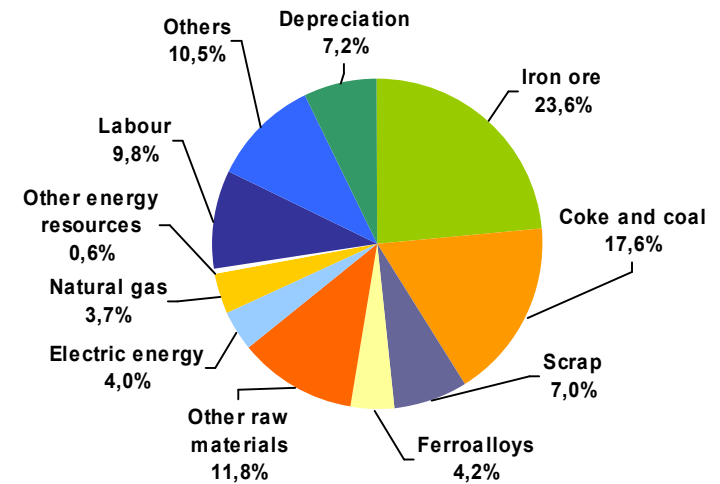
2006 production cost structure



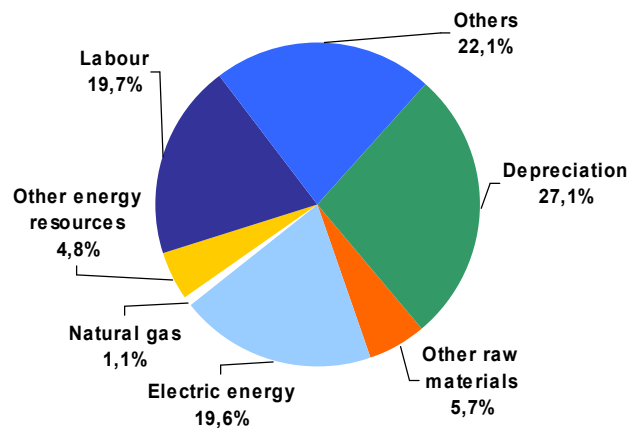
Group



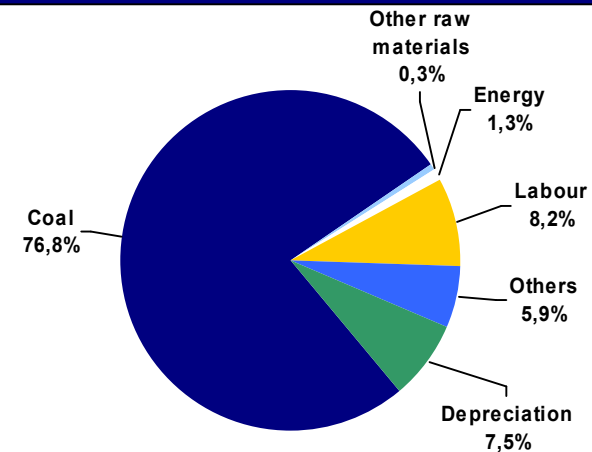
Steel segment



Mining segment



Coke-chemical segment



Consolidated Balance Sheet



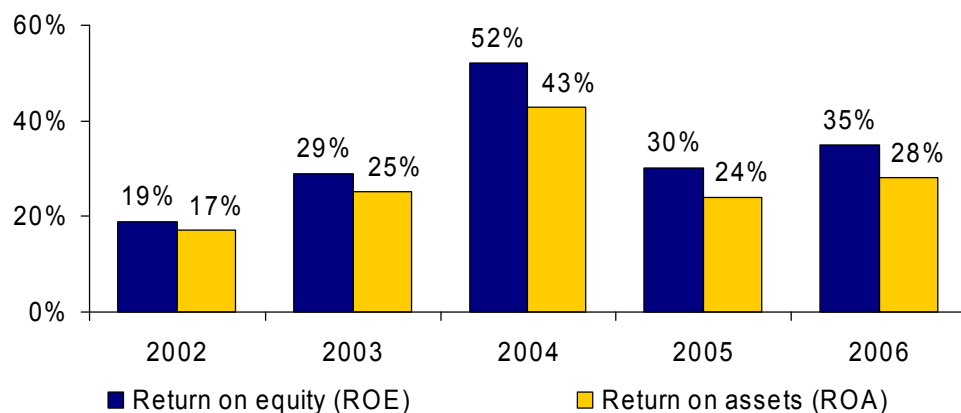
Assets <i>(million USD)</i>	As of 31 Dec. 2006	As of 31 Dec. 2005	change	
			+ / -	%
Current assets	3 050	3 436	-386	-11,2%
<i>- share (%)</i>	<i>35%</i>	<i>55%</i>		
Non-current assets	5 667	2 775	2 892	104,2%
<i>- share (%)</i>	<i>65%</i>	<i>45%</i>		
Total assets	8 717	6 211	2 506	40,3%

Liabilities and stockholders' equity <i>(million USD)</i>	As of 31 Dec. 2006	As of 31 Dec. 2005	change	
			+ / -	%
Current liabilities	993	612	381	62,3%
<i>- share (%)</i>	<i>11%</i>	<i>10%</i>		
Non-current liabilities	781	392	389	99,2%
<i>- share (%)</i>	<i>9%</i>	<i>6%</i>		
Minority interest	133	93	40	43,2%
Stockholders' equity	6 809	5 114	1 695	33,1%
<i>- share (%)</i>	<i>78%</i>	<i>82%</i>		
Total liabilities and stockholders' equity	8 717	6 211	2 506	40,3%

Financial highlights

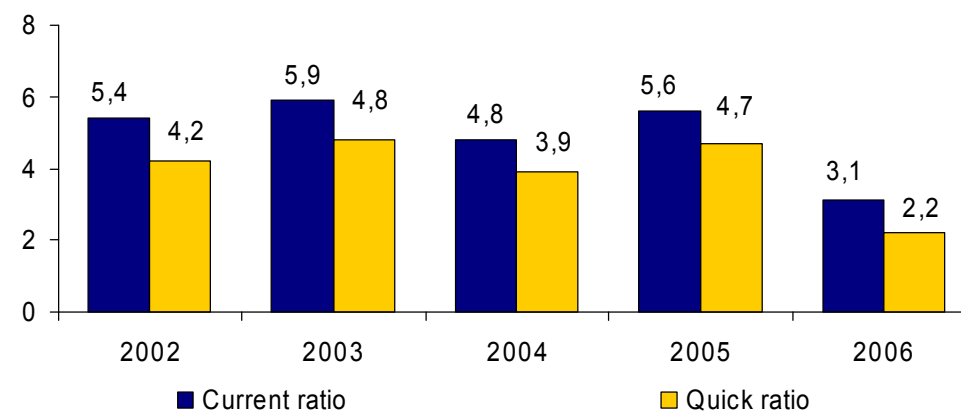


Return on equity and return on assets²

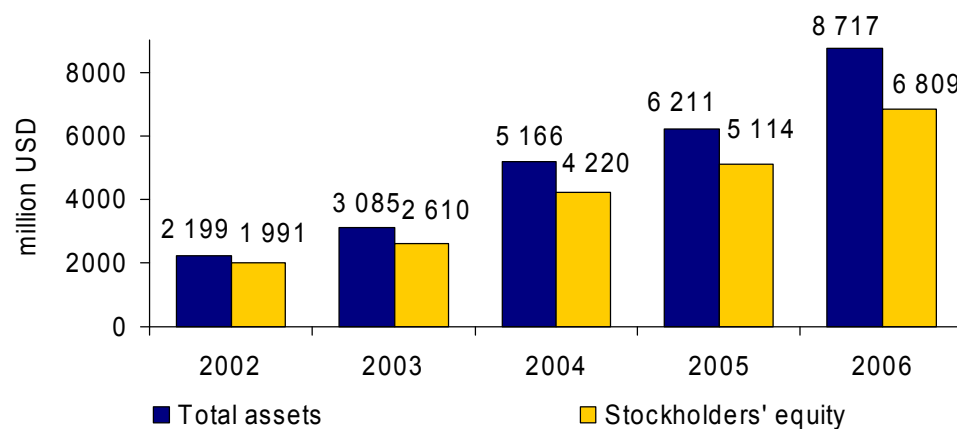


²The calculation of ROA & ROE is based on net income.

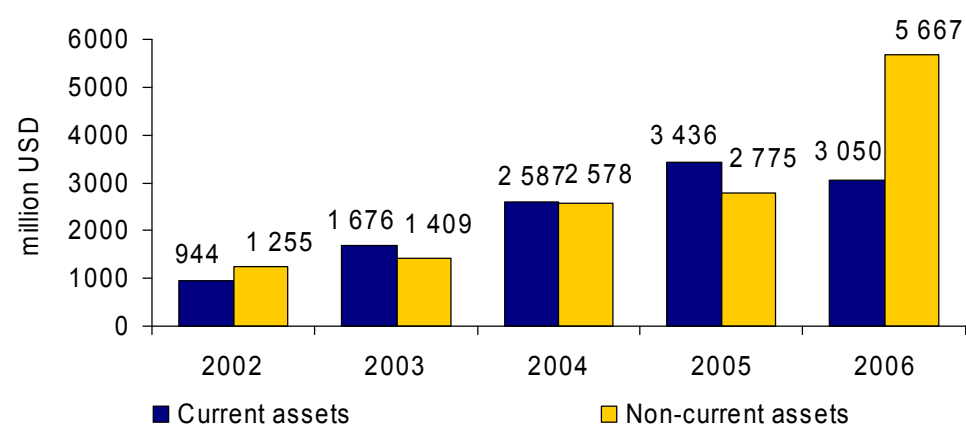
Liquidity measures¹



Assets and stockholders' equity



Current and non-current assets

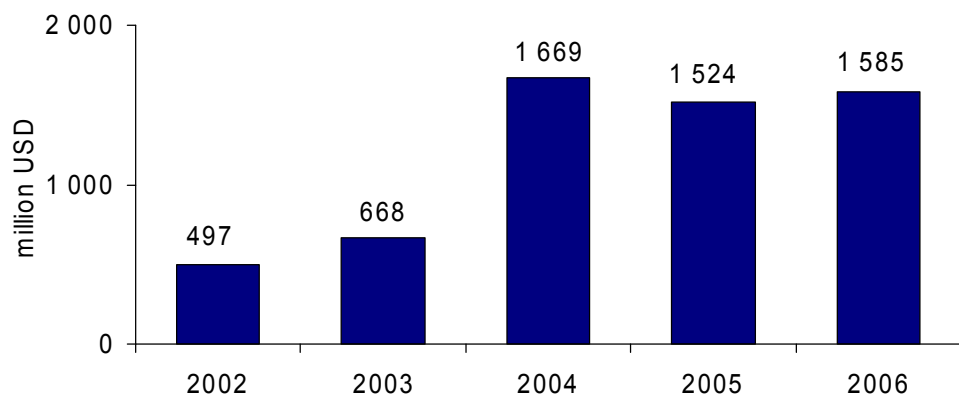


¹ Current liquidity ratio is calculated as current assets as at the year-end, excluding restricted cash, divided by current liabilities as at the year-end
Quick liquidity ratio is calculated as current assets as at the year-end, excluding restricted cash and inventory, divided by current liabilities as at the year-end

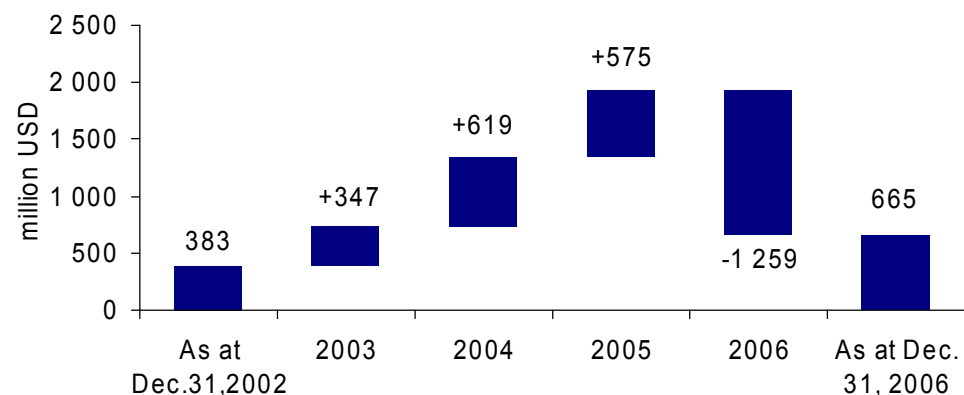
Financial highlights



Net cash inflow from operating activities

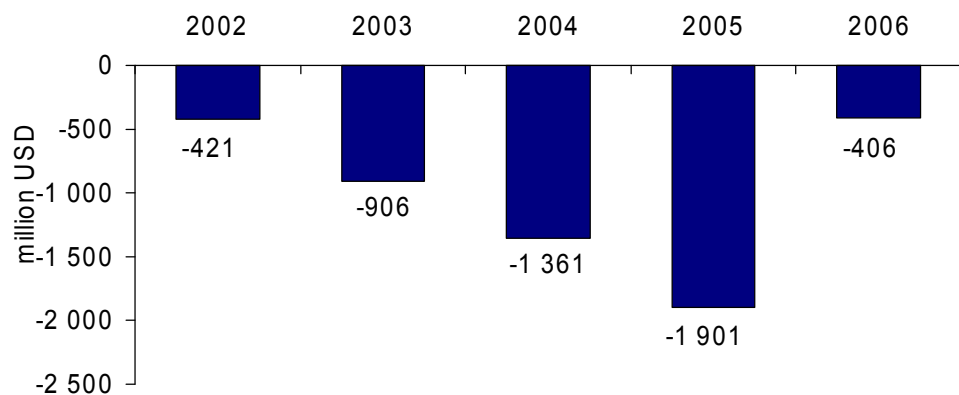


Net increase/(decrease) in cash & cash equivalents¹



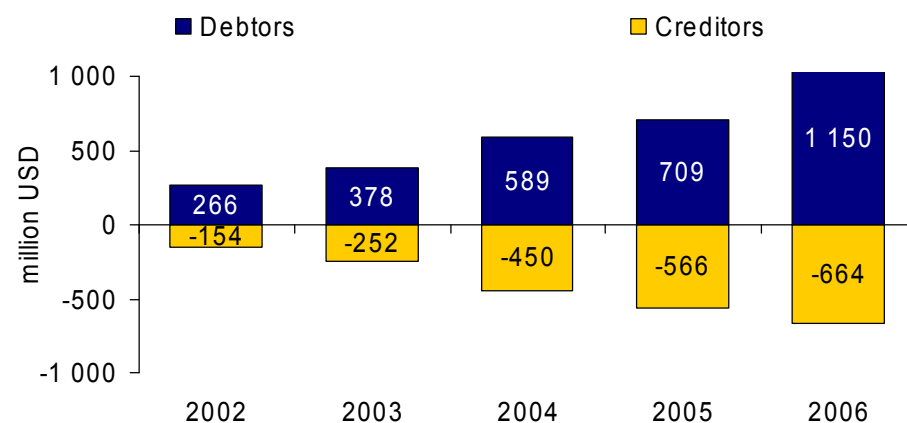
¹Including effect of exchange rate changes

Net debt²



²Net debt is calculated as short- and long-term interest-bearing debt minus cash and cash equivalents, and short-term investments

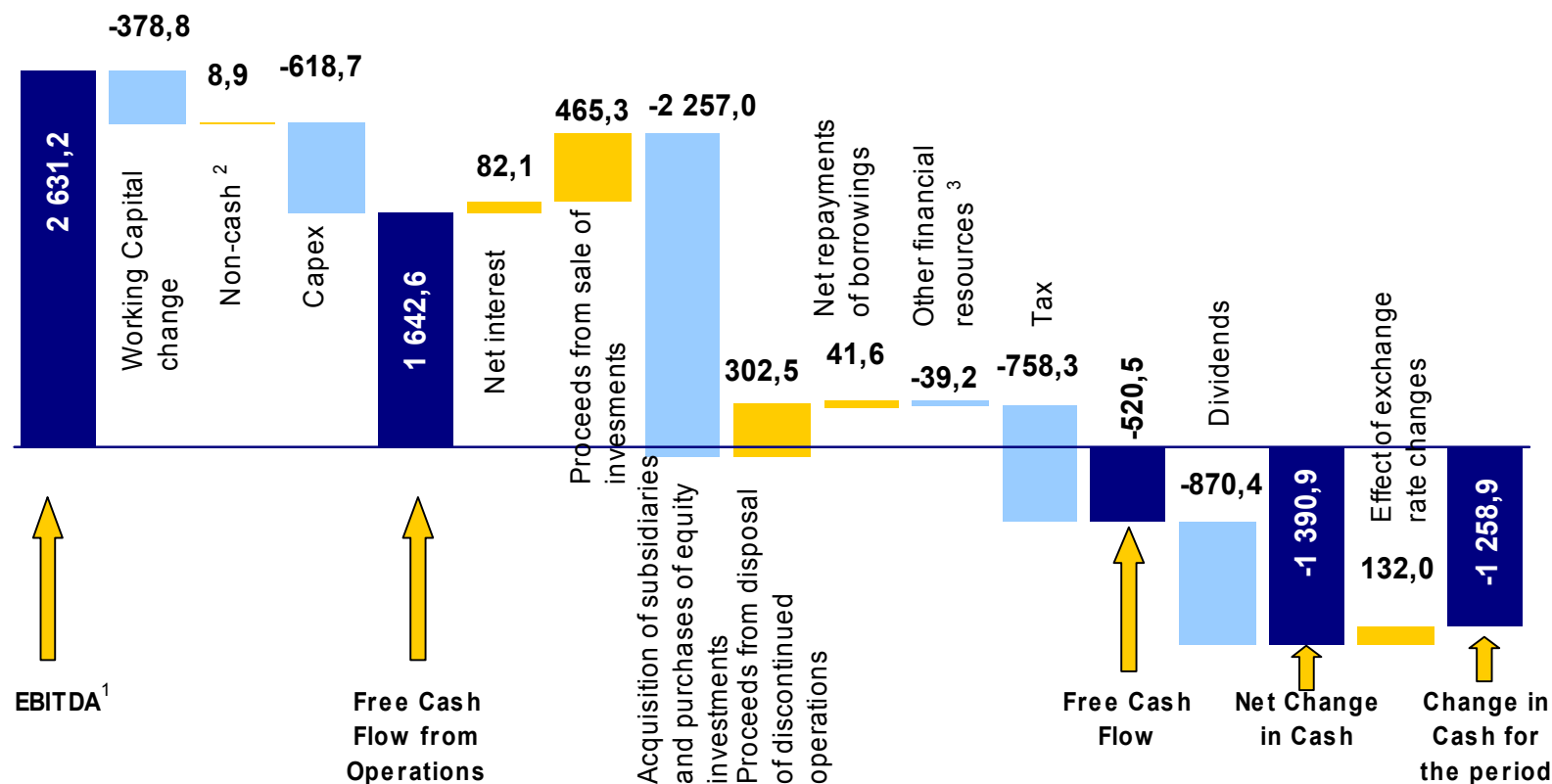
Debtors and creditors



2006 change in net cash position



Free Cash Flow Bridge



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 and income from discontinued operations).

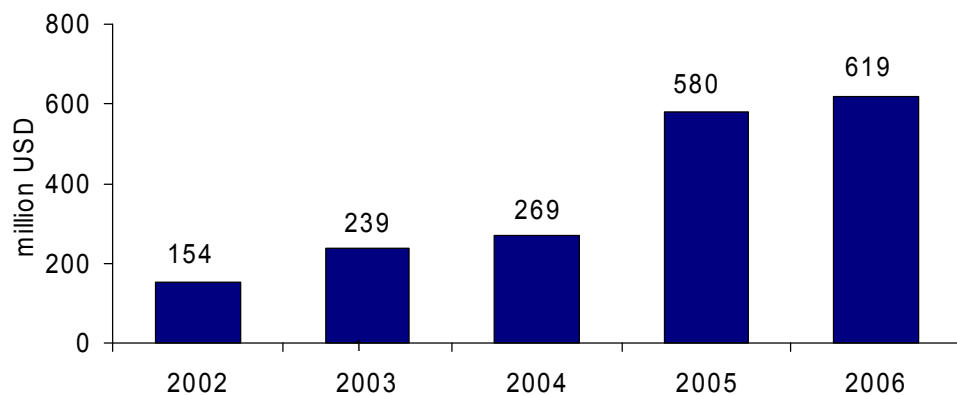
² Non-cash include adjustments to reconcile net profit and net cash from operations less amortization, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, gain/ loss on investments and gain from operations of discontinued subsidiary .

³ Other financial resources include net cash used in investing activities less cash spent on acquisition and construction of fixed assets and net cash used in financing activities less distributions to shareholders.

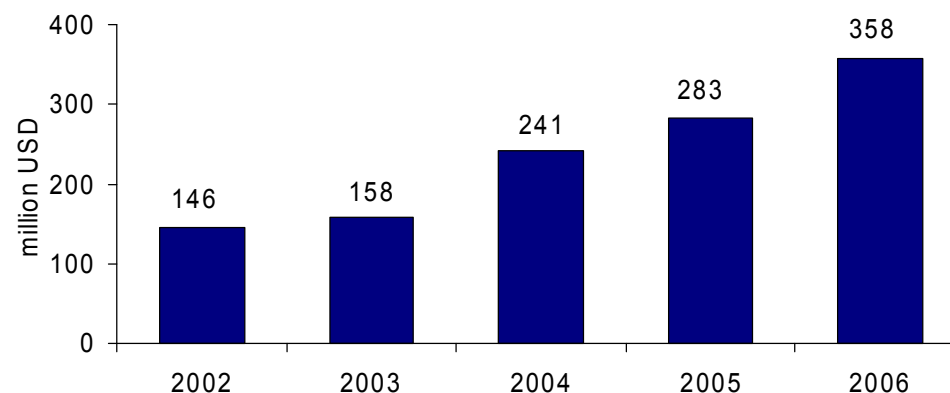
Financial highlights



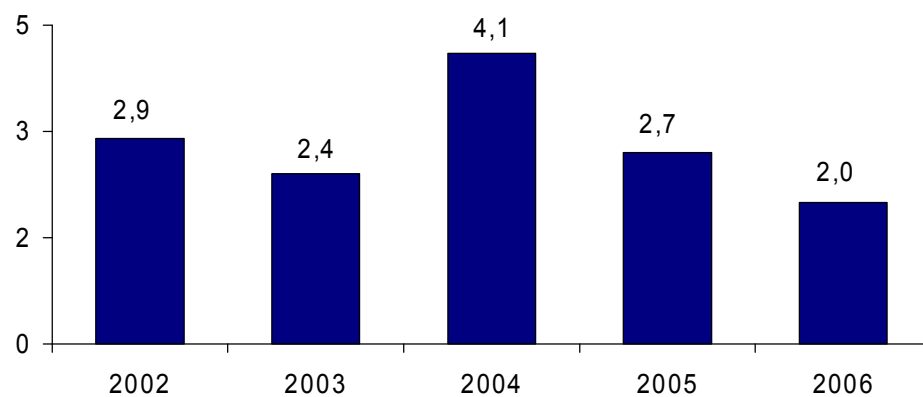
Capital expenditure



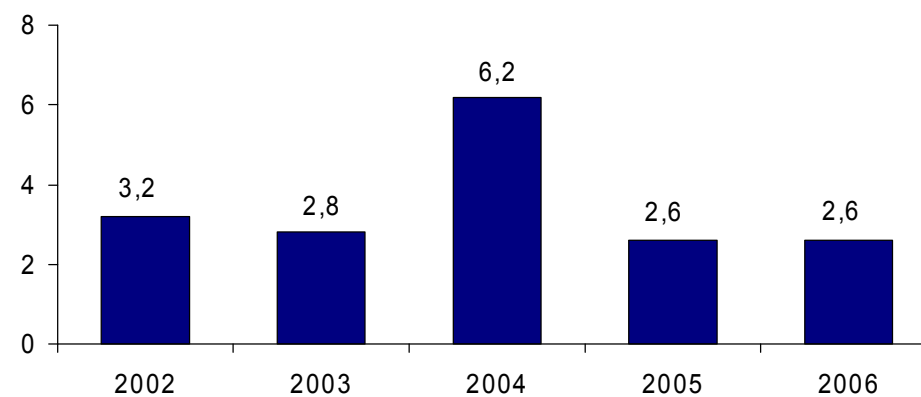
Depreciation



Operating cash flow ratio¹ (cash flow from operations / current liabilities)



Capital expenditure ratio (cash flow from operations / capital expenditure)



¹Operating cash flow ratio is calculated as cash flow from operations divided by average current liabilities