

9 Months 2007 Financial and Production Results Presentation

US GAAP
Consolidated Financial Statements

November 2007

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9M 2007 Operating Results



- **Sales volume – 6.7 mln t.**
- **Sales revenues – USD 5,546 mln (+29% year-on-year).**
- **Operating profit – USD 2,182 mln (+30% year-on-year).**
- **EBITDA¹ – USD 2,463 mln (+35% year-on year).**
- **EBITDA margin – 44%.**
- **Net profit – USD 1,657 mln (-2% year-on-year).**
- **Net profit excluding proceeds from asset disposal to USD 1,595 (+32% year-on-year).**
- **Cash flow from operating activity – USD 1,979 mln (+92% year-on-year).**
- **Cash and cash equivalents as of 30.09.2007 – USD 1,338 mln.**
- **9M 2007 EBIT per tonne of steel production: 320 USD/t.**

¹EBITDA is calculated as the sum 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).

Acquisitions and disposals

- February - disposal of stakes in energy assets for USD 78.7 million.
- June - disposal of the Company's 54.88% stake in Lipetskcombank for USD 47.7 million.

Major projects (Technical Upgrading Programme)

- EUR 23 mln contract signed with Siemens VAI (Germany) to supply two new 160 tonne ladle furnaces.
- EUR 33 mln contract signed with Sundwig (Germany) to supply a pre-painting line, with an annual production capacity of 200,000 tonnes of steel.
- Reconstruction of continuous furnace #4 of the hot rolling mill.

Other developments

- NLMK has entered into an agreement with Tebian Electric Apparatus Stock Co., Ltd (TBEA), the major Chinese transformer producer, to create a joint service centre to process (cutting and packing) and sell electrical steels in the city of Shenyang, Lyaolin province, China.

Dividends

- September - dividends for H1 2007 of RUR 1.5 per ordinary share were paid.

Key Highlights



Financial result changes for 9M 2007/9M 2006 (key drivers)

- **Revenues +29.4%**
 - Growth of average product prices
 - Consolidation of Altai-Koks (since April 2006) and VIZ-Stal (since August 2006)

- **EBITDA +34.8%**
 - The growth of sales revenue exceeded the growth of costs

- **Net profit -1.6%**
 - Disposal of assets Lebedinskiy GOK and Kombinat KMAruda in 2006 and the Prokopievskugol Group of Companies and Lipetskcombank in 2007
 - Excluding proceeds from assets disposals, the Group net profit would grow by 32%

| (USD mln) | 3Q 2007 ¹ | 2Q 2007 ¹ | 3Q 2007/ 2Q2007 % | 9 months 2007 | 9 months 2006 | 9 months 2007/ 9 months 2006 % |
|-------------------------|----------------------|----------------------|-------------------------|------------------|------------------|--------------------------------------|
| Revenue | 1 936 | 1 859 | 4,2% | 5 546 | 4 285 | 29,4% |
| Cost of sales | (962) | (928) | 3,6% | (2 822) | (2 238) | 26,1% |
| Production cost | (862) | (833) | 3,5% | (2 525) | (1 988) | 27,0% |
| Amortization | (99) | (95) | 4,2% | (297) | (250) | 18,9% |
| Gross profit | 975 | 931 | 4,7% | 2 723 | 2 047 | 33,0% |
| - as% of net sales | 50% | 50% | | 49% | 48% | |
| Operating profit | 797 | 744 | 7,2% | 2 182 | 1 676 | 30,2% |
| - as% of net sales | 41% | 40% | | 39% | 39% | |
| Pre-tax profit | 850 | 824 | 3,1% | 2 342 | 2 047 | 14,4% |
| - as% of net sales | 44% | 44% | | 42% | 48% | |
| Net income | 592 | 608 | (2,6%) | 1 657 | 1 685 | (1,6%) |
| - as% of net sales | 31% | 33% | | 30% | 39% | |
| EBITDA | 893 | 822 | 8,5% | 2 463 | 1 828 | 34,8% |
| - as% of net sales | 46% | 44% | | 44% | 43% | |

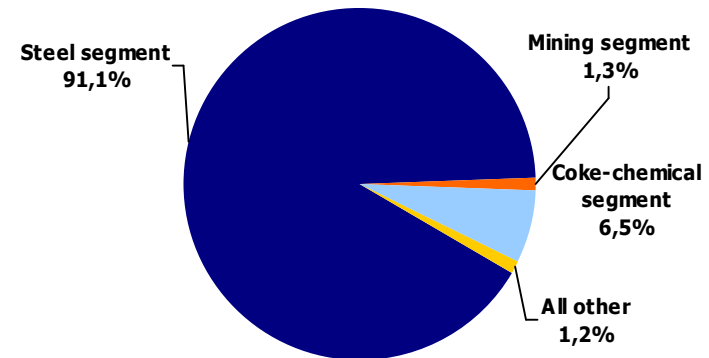
¹ Hereafter 9M 2006 and Q1, H1 and 9M 2007 are official reporting periods. Q2 and Q3 2007 numbers are derived by computational method.

Sales Revenue for 9M 2007

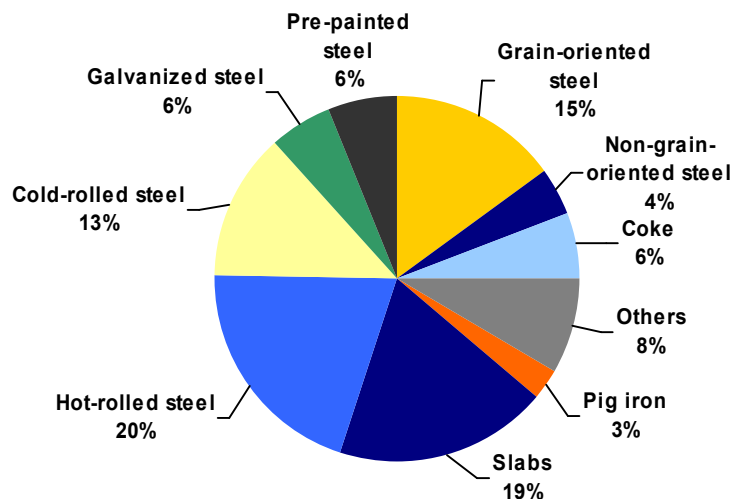


- The key segments are the **Steel Segment (91%)** and **Coke-Chemical Segment (6.5%)**.
- The domestic market - more than **40%** of sales revenue.
- **44%** - high value added products:
 - Cold-rolled steel **13%**,
 - Coated steel **12%**,
 - Electrical steel **19%**.

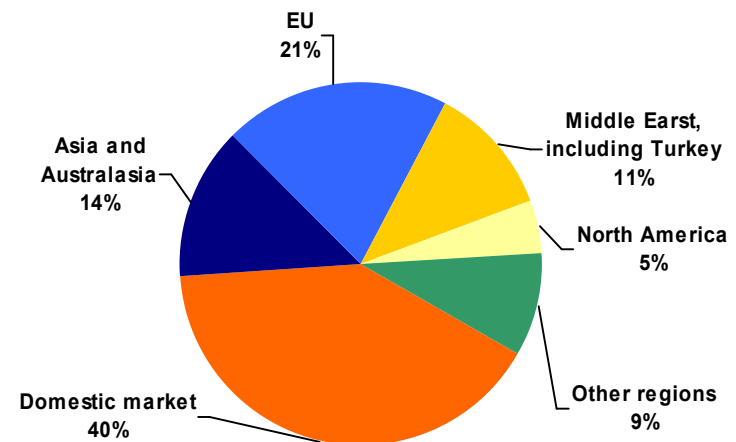
Sales revenue structure by segment



Sales revenue structure by products



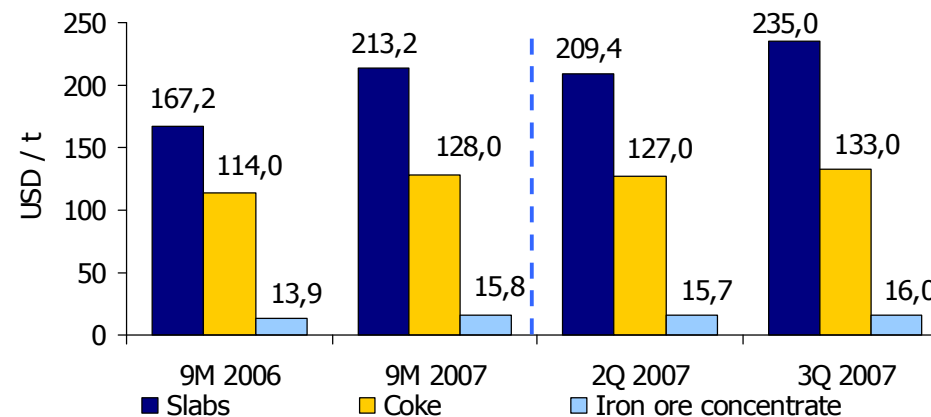
Sales revenue structure by regions



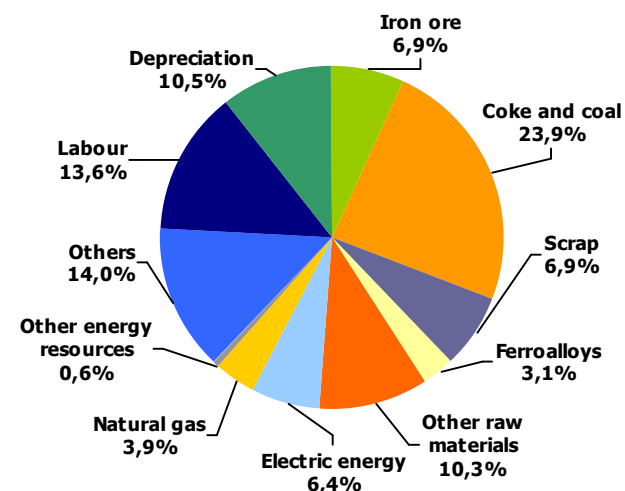
Key drivers for 9M 2007

- Consolidated cash cost of 1 tonne of slabs is estimated at the level of USD 213.
- The iron ore contributes only 7% in cash cost structure
- The main cost items are coking coal, labour, energy resources and depreciation.

Cash cost dynamics for major products



Steel segment cost structure, 9M 2007

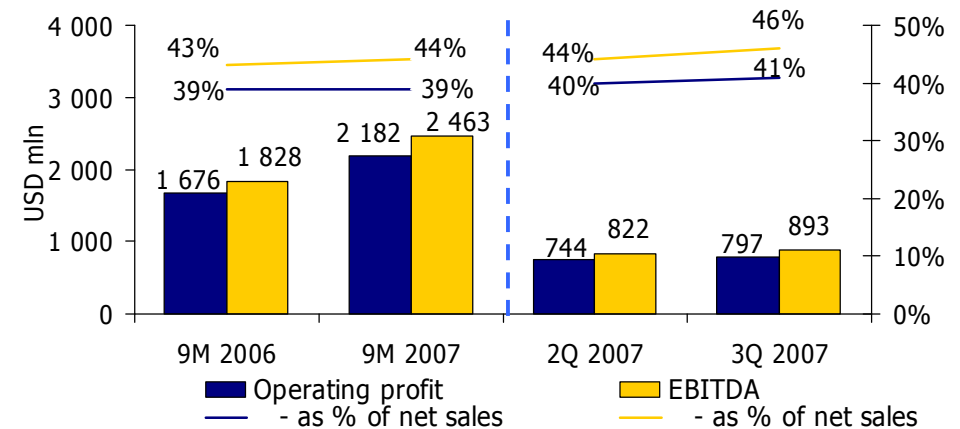


Operating profit

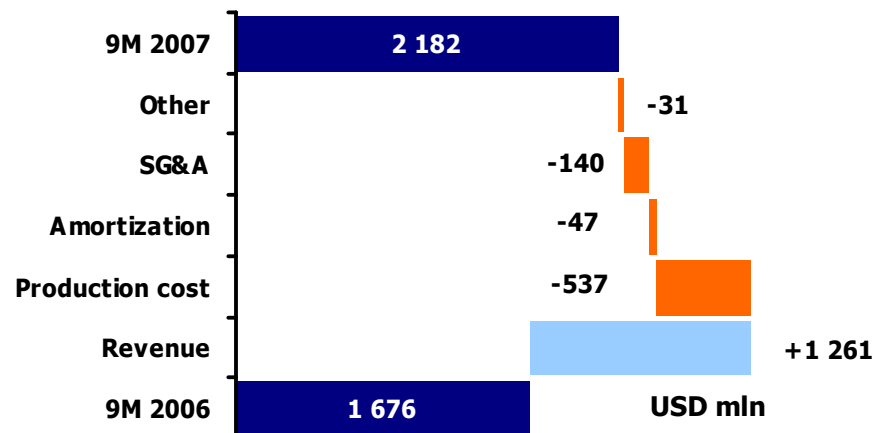


- **Operating profit – USD 2,182 mln (+30% y-o-y)**
- **EBITDA – USD 2,463 mln (+35% y-o-y)**
- **The growth of sales revenue exceeded the growth of costs**
- **Operating profit contribution by segment: Steel segment (81%) and the Mining segment (18%)**

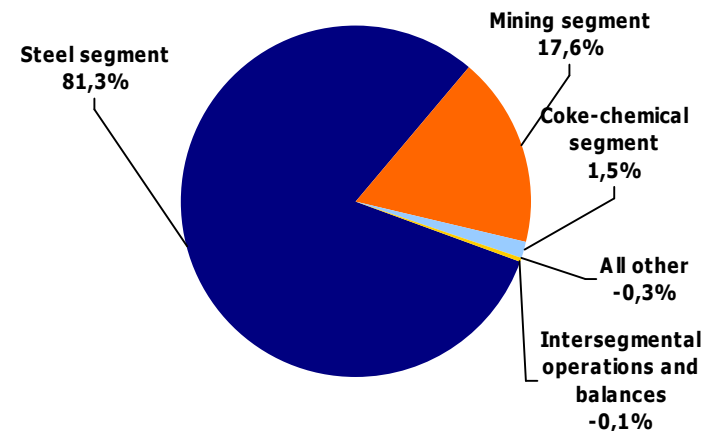
Operating profit and EBITDA



Operating profit (key drivers)



Operating profit structure, 9M 2007

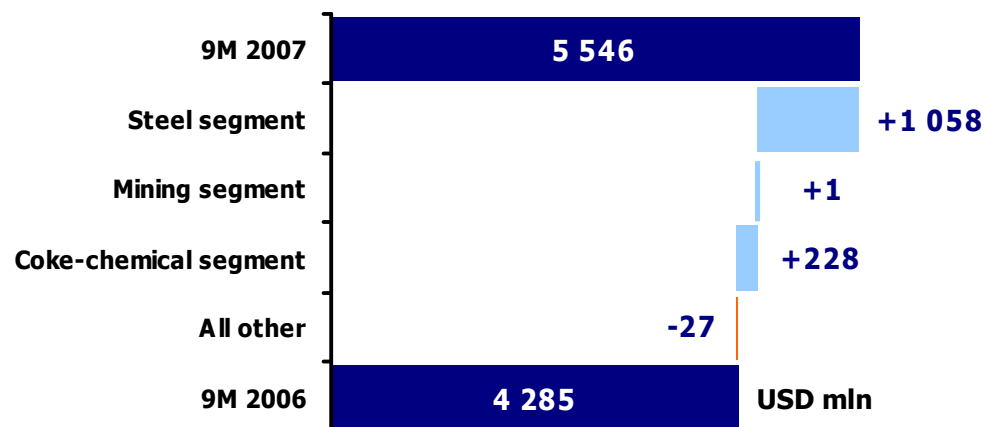


Operating results segmental breakdown

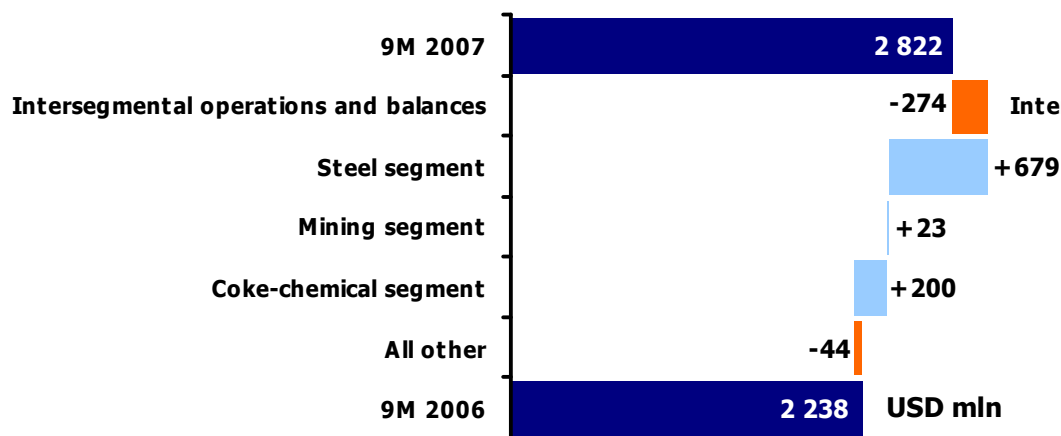


- The segments, which primarily contribute to sales revenue growth from external customers, are Steel segment and Coke-Chemical Segment
- The effect of consolidation in the Steel Segment, growing steel, iron ore and coke prices contributed to financial results improvement

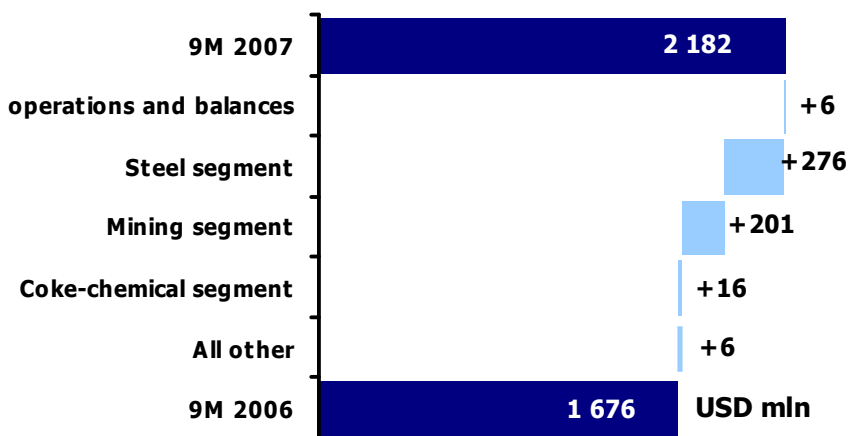
Sales revenue from external customers



Cost change



Operating profit change

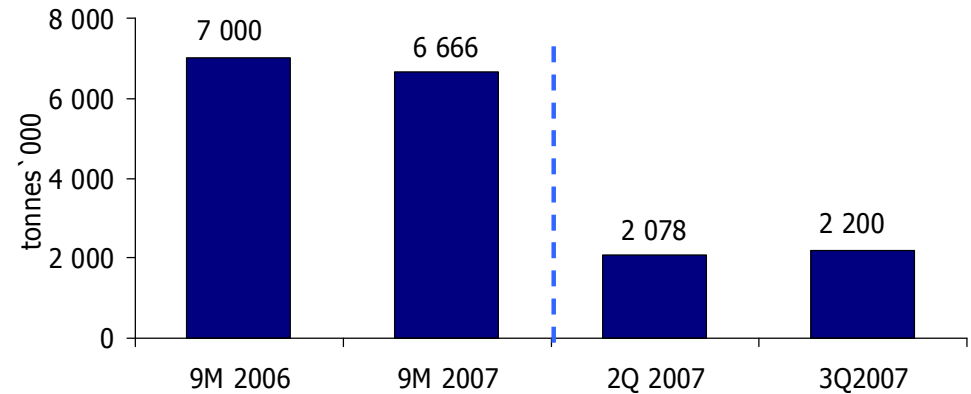


Steel products sales

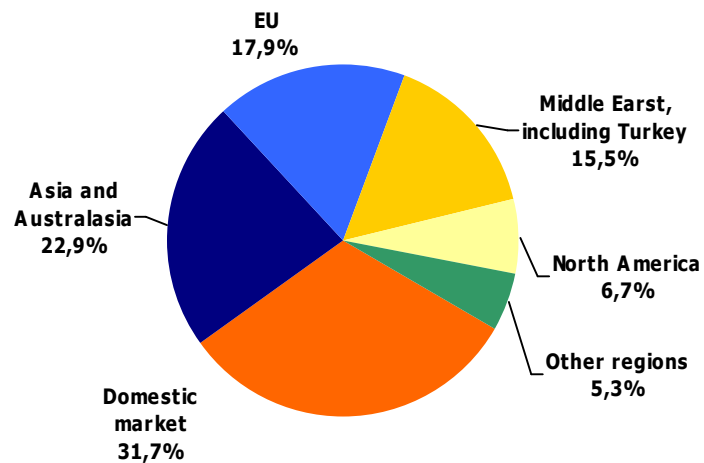


- The sales increased after recovery of the Blast Furnace #6.
- The main steel products sales markets were:
 - **Russia 31.7%**
 - **Asia 22.9%**
 - **EU 17.9%.**

Sales volume

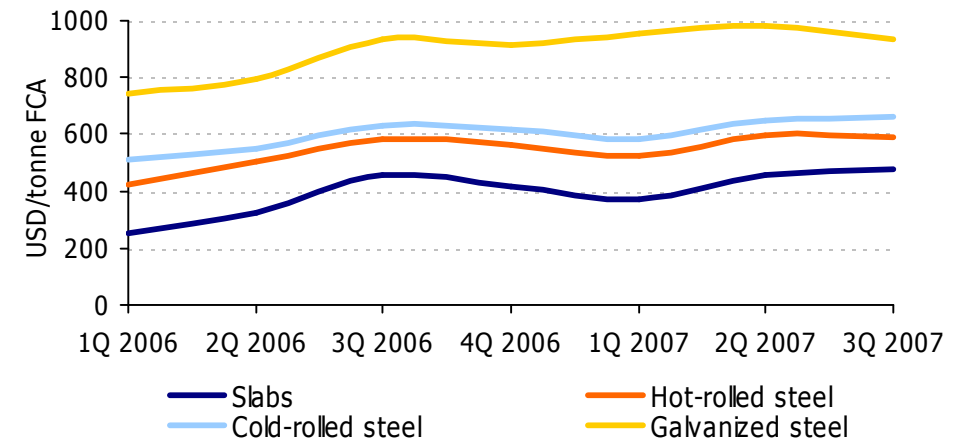


Sales structure by regions, 9M 2007¹



¹ Tonnage-wise

Average sale prices²



² Prices of the Parent Company of NLMK Group.

Steel Segment Performance



- The crude steel production for 9M 2007 is 6.8 mln. t at the level of the last year.
- The decrease of sales volumes was caused by reduction in sales of commercial pig iron and the increase of internal slab sales.
- Segment sales revenue made USD 5,068 mln (+26.7% year-on-year).
- Operating profit amounted to USD 1,773 mln (+18.4% year-on-year).
- The price growth, as well as the increase of the sales volumes after the recovery of Blast Furnace # 6 resulted in the growth of sales revenue (+5.5%) and the operational profit (+4.9%) in Q3 2007 as compared to Q2 2007.

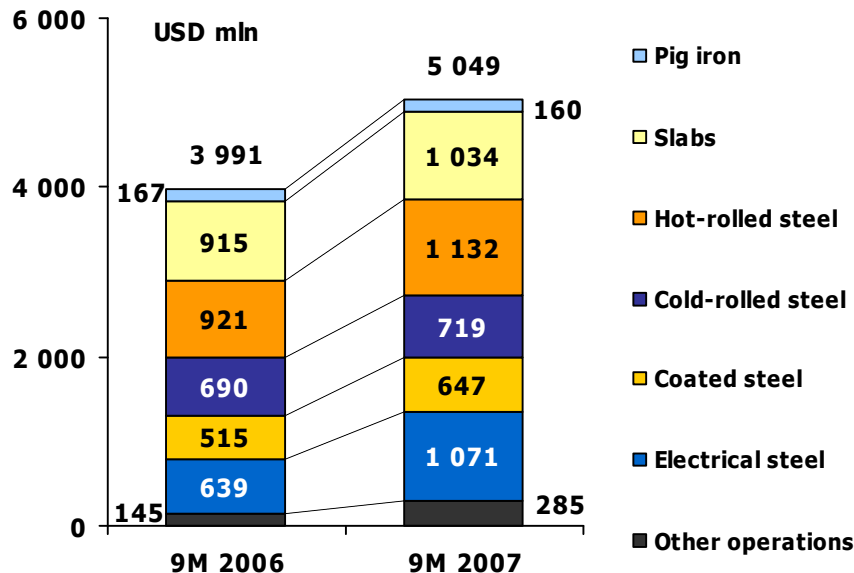
| | 3Q 2007 | 2Q 2007 | 3Q 2007/ 2Q2007 % | 9 months 2007 | 9 months 2006 | 9 months 2007/ 9 months 2006 % |
|---------------------------------|----------------|--------------|-------------------------|------------------|------------------|--------------------------------------|
| <i>(tonnes`000)</i> | | | | | | |
| Steel production | 2 231 | 2 202 | 1,3% | 6 774 | 6 809 | (0,5%) |
| Sales | 2 200 | 2 078 | 5,9% | 6 666 | 7 000 | (4,8%) |
| <i>(USD mln)</i> | | | | | | |
| Revenue | 1 778 | 1 685 | 5,5% | 5 068 | 3 999 | 26,7% |
| <i>incl. external customers</i> | <i>1 771</i> | <i>1 680</i> | <i>5,4%</i> | <i>5 049</i> | <i>3 991</i> | <i>26,5%</i> |
| Cost of sales | (1 010) | (933) | 8,2% | (2 915) | (2 236) | 30,4% |
| Operating profit | 642 | 612 | 4,9% | 1 773 | 1 497 | 18,4% |
| <i>- as % of revenue</i> | <i>36%</i> | <i>36%</i> | | <i>35%</i> | <i>37%</i> | |

Steel Segment sales revenue and cost structure

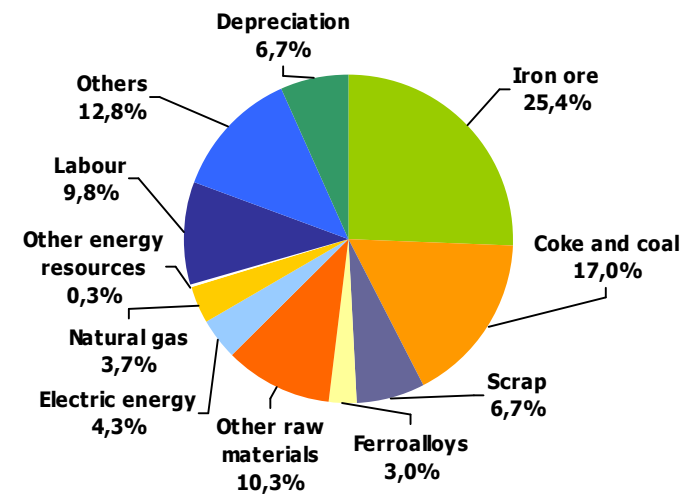


- The price growth resulted in sales revenue increase for major products, except commercial pig iron.
- Commissioning new coated steel facilities and consolidation of VIZ-Stal resulted in increase of high value-added product sales (+ 68,000 tonnes coated steel sales, +118,000 tonnes electrical steel sales).
- The growth of costs in 2007 resulted from the increasing prices for basic raw materials, at the same time the prices for iron ore and coking coal concentrate were fixed until the end of the year.

Sales revenue structure by product



Cost structure, 9M 2007



Mining Segment Performance



- The Mining Segment satisfies 100% of main production site needs in iron ore concentrate, limestone and dolomite.
- The growth of segment's sales revenue resulted from the increase of prices and sales volumes of iron ore concentrate to the main production site.

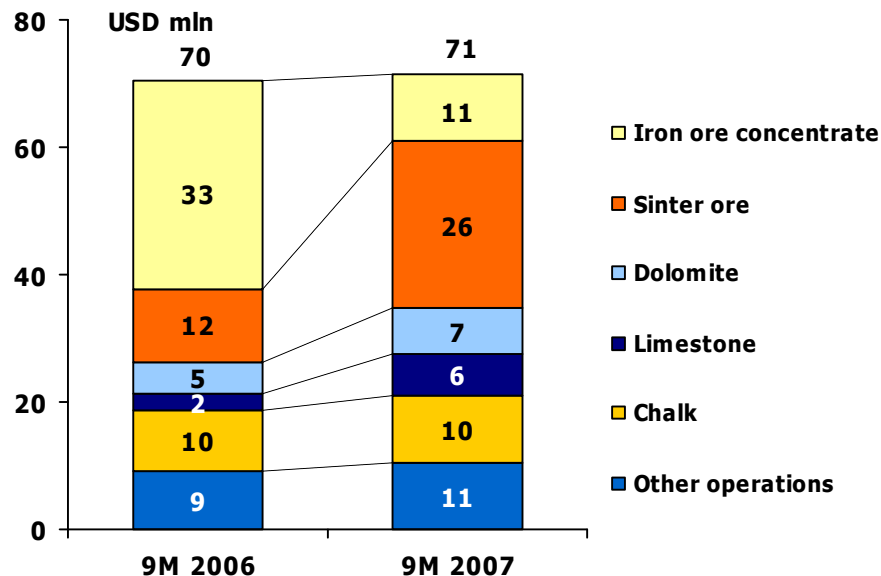
| <i>(tonnes `000)</i> | 3Q 2007 | 2Q 2007 | 3Q 2007/ 2Q2007 % | 9 months 2007 | 9 months 2006 | 9 months 2007/ 9 months 2006 % |
|---------------------------------|-------------|-------------|-------------------------|------------------|------------------|--------------------------------------|
| Production | | | | | | |
| iron-ore concentrate | 2 920 | 2 945 | (0,8%) | 8 757 | 8 448 | 3,7% |
| sinter ore | 469 | 452 | 3,8% | 1 315 | 988 | 33,1% |
| dolomite | 588 | 565 | 4,0% | 1 560 | 1 455 | 7,2% |
| limestone | 784 | 826 | (5,0%) | 2 418 | 2 400 | 0,8% |
| Sales | | | | | | |
| iron-ore concentrate | 2 737 | 2 808 | (2,5%) | 8 478 | 8 263 | 2,6% |
| <i>in NLMK Group</i> | 2 591 | 2 795 | (7,3%) | 8 208 | 7 390 | 11,1% |
| sinter ore | 461 | 427 | 7,8% | 1 323 | 978 | 35,2% |
| <i>in NLMK Group</i> | 142 | 174 | (18,3%) | 471 | 465 | 1,4% |
| dolomite | 646 | 564 | 14,6% | 1 618 | 1 446 | 12,0% |
| <i>in NLMK Group</i> | 234 | 264 | (11,4%) | 732 | 776 | (5,6%) |
| limestone | 886 | 914 | (3,0%) | 2 589 | 2 328 | 11,2% |
| <i>in NLMK Group</i> | 597 | 673 | (11,3%) | 1 918 | 1 941 | (1,2%) |
| <i>(USD mln)</i> | | | | | | |
| Revenue | 216 | 216 | (0,1%) | 647 | 404 | 59,9% |
| <i>incl. external customers</i> | 28 | 20 | 42,4% | 71 | 70 | 1,5% |
| Cost of sales | (69) | (66) | 4,8% | (215) | (192) | 12,2% |
| Operating profit | 130 | 131 | (0,7%) | 385 | 183 | 109,8% |
| <i>- as % of revenue</i> | 60% | 61% | | 59% | 45% | |

Mining Segment sales revenue and cost structure

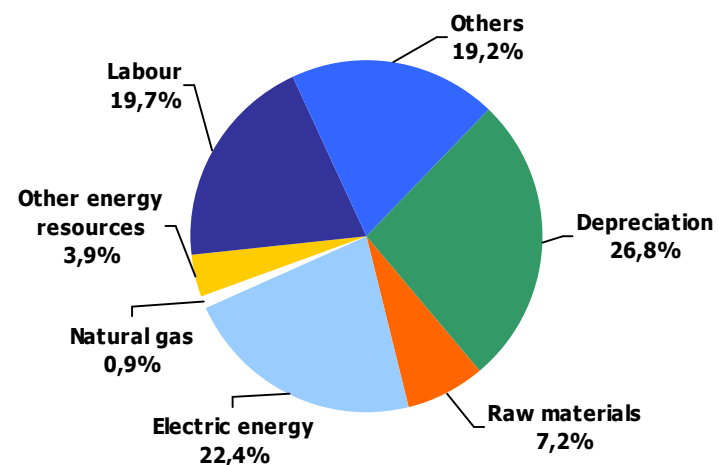


- Sales revenue from external consumers amounted to USD 71 mln (only 1% of the Group's consolidated sales revenue).
- Higher revenues from sales of sinter ore contributed 37% of the total sales revenues from external consumers. The increase of high-grade ore extraction volumes resulted from changes in mining and geological characteristics of the deposit.
- The decrease of iron ore concentrate sales to external consumers was caused by increased supplies to the main production site due to the disposal of KMA Ruda in 2006.

Sales revenue by product



Cost structure, 9M 2007



Coke-Chemical Segment Performance



- In terms of coke output, Altai-koks is the largest single-site coke producer in Russia.
- In 9M 2007 the output of 6% moisture coke at Altai-koks nearly doubled to 2.9 mln t due to the commissioning of Coke Battery #5, as well as due to the consolidation period effect. Altai-koks was consolidated since April 2006.
- Price growth in Q3 2007 and coke export tax abatement had positive impact on financial performance of the coke-chemical segment.

| <i>(tonnes`000)</i> | 3Q 2007 | 2Q 2007 | 3Q 2007/ 2Q2007 % | 9 months 2007 | 9 months 2006 ¹ | 9 months 2007/ 9 months 2006 % |
|--------------------------|--------------|--------------|-------------------------|------------------|-------------------------------|--------------------------------------|
| Production | | | | | | |
| coke 6% moisture | 971 | 1 045 | (7,1%) | 2 895 | 1 451 | 99,5% |
| Sales | | | | | | |
| dry coke | 875 | 976 | (10,3%) | 2 683 | 1 323 | 102,8% |
| in NLMK Group | 246 | 113 | 118,1% | 519 | 490 | 6,1% |
| <i>(USD mln)</i> | | | | | | |
| Revenue | 164 | 158 | 3,6% | 454 | 192 | 136,8% |
| incl. external customers | 115 | 138 | (16,2%) | 358 | 130 | 175,4% |
| Cost of sales | (116) | (129) | (9,9%) | (354) | (154) | 130,1% |
| Operating profit | 24 | 5 | 341,9% | 32 | 16 | 101,4% |
| - as % of revenue | 14% | 3% | | 7% | 8% | |

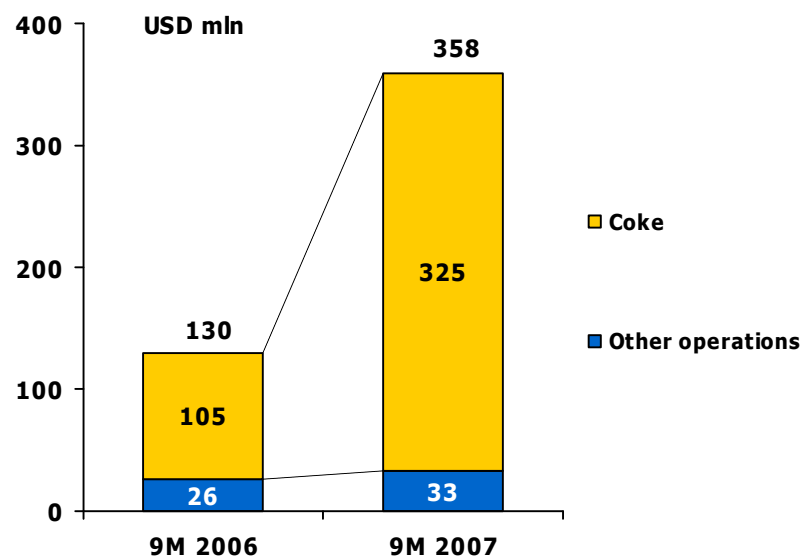
¹ Taking into account the period of consolidation in NLMK Group.

Coke-Chemical Segment sales revenue and cost structure

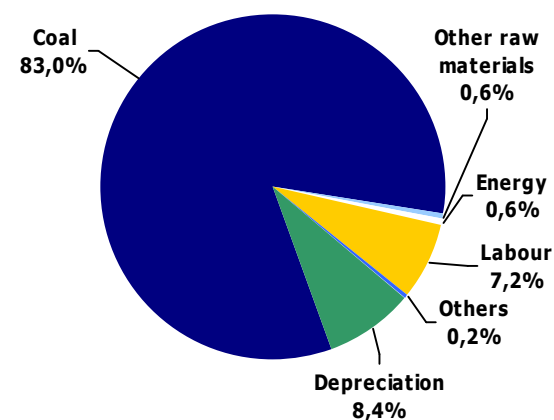


- **Coke sales contributed more than 90% to segment's sales revenue from external consumers**
- **As a result of sales increase and higher coke prices, the sales revenue from external consumers tripled compared to 9M 2006**
- **Coking coal is supplied from coal-mining companies located in Kuzbass. Coal represents 83% of the segment's cost structure.**

Sales revenue by product



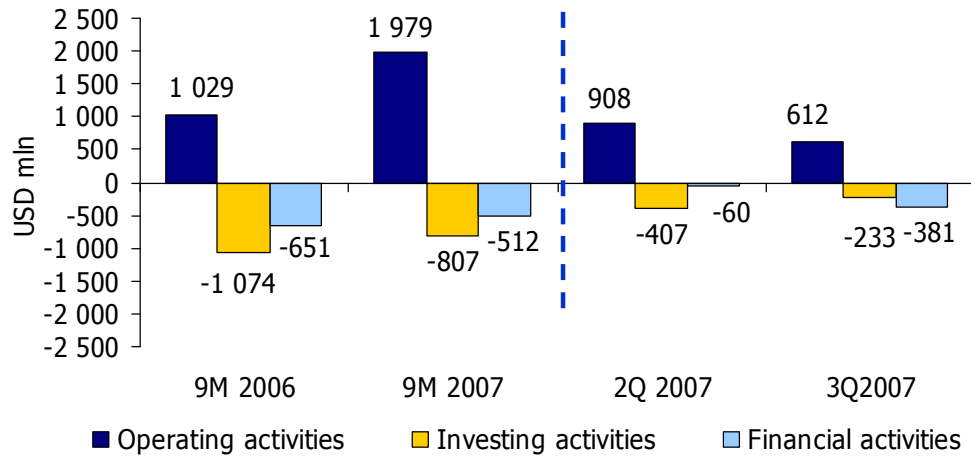
Cost structure, 9M 2007



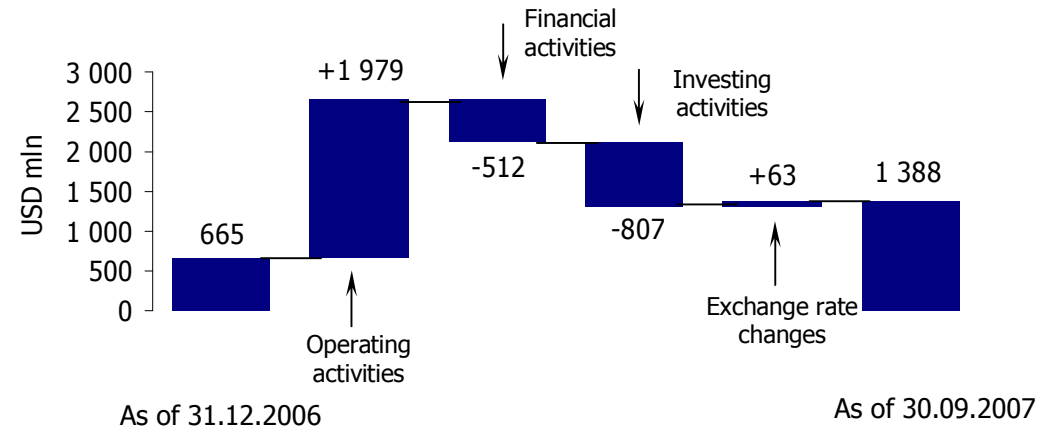
Key financial highlights



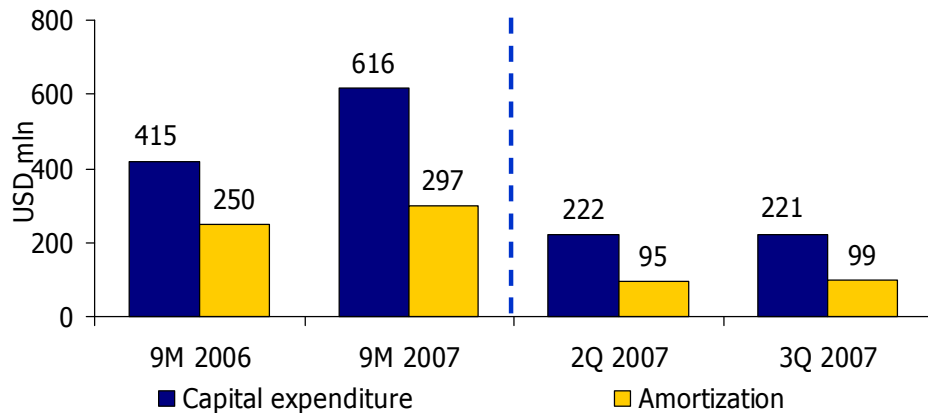
Net cash flow



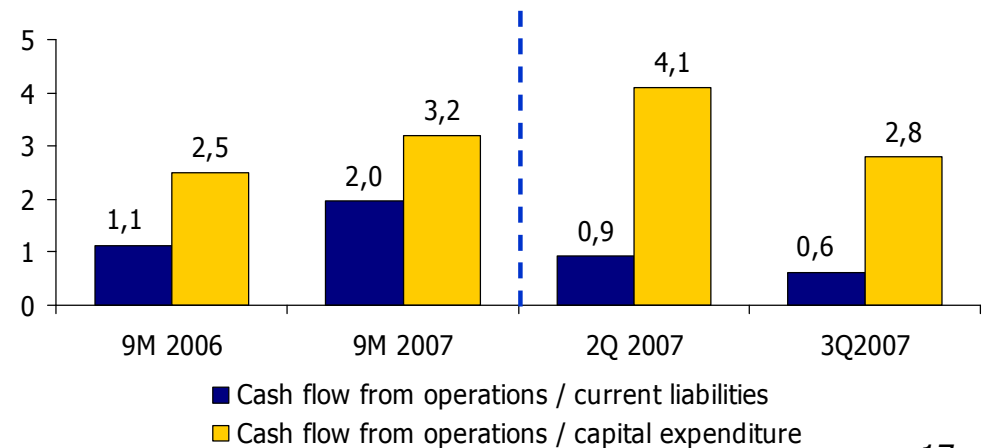
Cash and cash equivalents



Capex and amortization



Financial highlights



9M 2007 change in net cash position



EBITDA¹

Working capital change

Non-cash²

Capex

Free cash flow from operations

Repayment of borrowings and notes payable, net

Loan issued

Other finance operations³

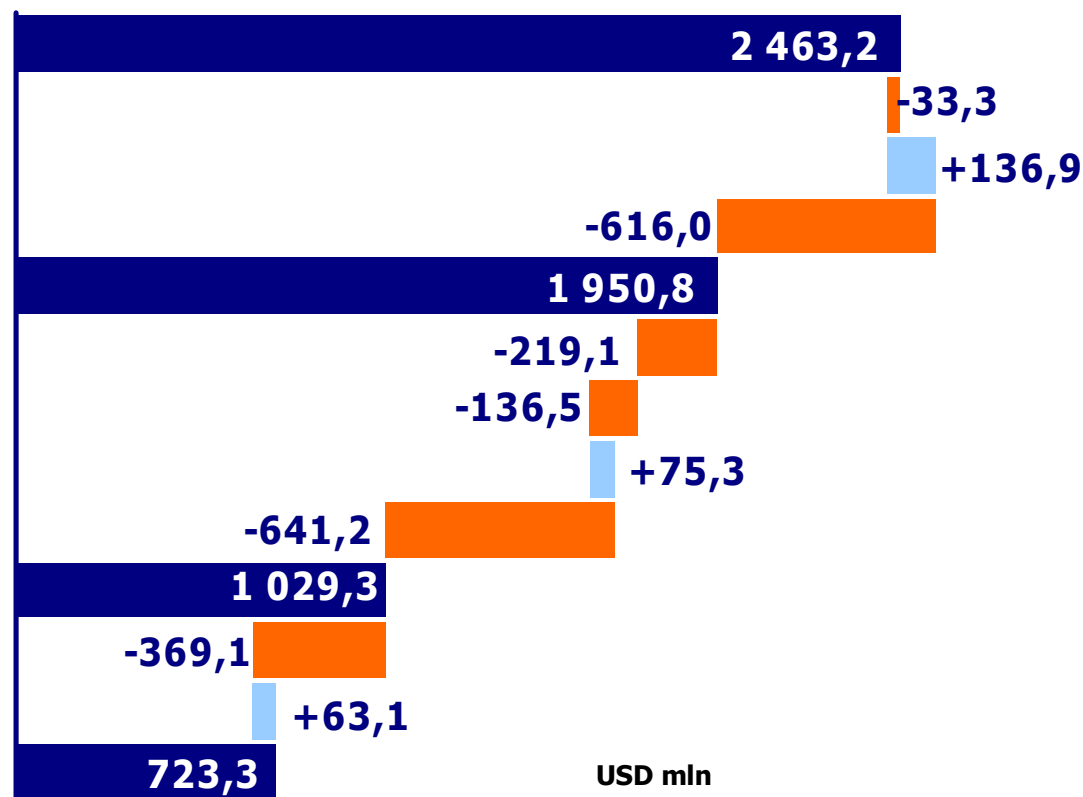
Income tax

Free cash flow

Dividends

Effect of exchange rate changes

Increase in cash



¹ EBITDA is calculated as the sum 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 Non-cash include adjustments to reconcile net profit and net cash from operations less amortization, loss on disposal of fixed assets, accretion expense on asset retirement obligation, gain/ loss on investments, gain from disposal of subsidiaries.

³ Other financial operations include proceeds from sale of property, plant and equipment, purchases of investments, proceeds from disposal of assets to the company under common control, disposal of subsidiaries, movement of restricted cash and other financial operations.

- **All major segments of NLMK Group demonstrated financial performance improvement in 2007.**
- **The consolidated sales revenue and EBITDA are expected to exceed the level of 2006 by 20-25%.**
- **EBITDA margin for 2007 will be close to the level of 2006.**
- **Growing prices for basic raw materials and higher demand for steel products may result in export and domestic price increase in early 2008.**



Appendices

Consolidated statement of income



| (mln. USD) | 3Q 2007 | 2 Q 2007 | 3 Q 2007/ 2 Q 2007 | | 9 m 2007 | 9 m 2006 | 9 m 2007/ 9 m 2006 | |
|--|--------------|--------------|-----------------------|---------------|--------------|--------------|-----------------------|---------------|
| | | | + / - | % | | | + / - | % |
| Sales revenue | 1 936 | 1 859 | 78 | 4,2% | 5 546 | 4 285 | 1 261 | 29,4% |
| Production cost | (862) | (833) | (30) | 3,5% | (2 525) | (1 988) | (537) | 27,0% |
| Depreciation and amortization | (99) | (95) | (4) | 4,2% | (297) | (250) | (47) | 18,9% |
| Gross profit | 975 | 931 | 44 | 4,7% | 2 723 | 2 047 | 676 | 33,0% |
| General, administrative and selling expenses | (178) | (187) | 9 | -5,0% | (542) | (371) | (171) | 46,1% |
| General and administrative expenses | (52) | (43) | (8) | 19,6% | (159) | (129) | (29) | 22,6% |
| Selling expenses | (106) | (118) | 12 | -10,1% | (318) | (208) | (110) | 53,1% |
| Taxes other than income tax | (19) | (25) | 6 | -23,2% | (59) | (34) | (25) | 75,1% |
| Accretion expense on asset retirement obligations | (0) | (0) | 0 | -11,8% | (6) | - | (6) | - |
| Operating income | 797 | 744 | 53 | 7,2% | 2 182 | 1 676 | 505 | 30,2% |
| Other income/(expense) | | | | | | | | |
| Loss on disposals of property, plant and equipment | (5) | (7) | 2 | -33,4% | (25) | (5) | (20) | 416,0% |
| Gain / (loss) on investments | (0) | (2) | 2 | -94,9% | (4) | 395 | (399) | -100,9% |
| Interest income | 23 | 20 | 4 | 18,8% | 68 | 83 | (14) | -17,5% |
| Interest expense | (3) | (4) | 1 | -27,1% | (15) | (19) | 5 | -23,4% |
| Foreign currency exchange loss, net | 41 | 3 | 37 | 1061,3% | 56 | (72) | 128 | -177,7% |
| Gain from disposal of subsidiaries | 1 | 82 | (81) | -99,3% | 82 | - | 82 | - |
| Other expense, net | (5) | (12) | 7 | -57,9% | (3) | (11) | 8 | -71,3% |
| Income from continuing operations before income tax and minority interest | 850 | 824 | 25 | 3,1% | 2 342 | 2 047 | 295 | 14,4% |
| Income tax | (217) | (207) | (10) | 4,9% | (641) | (522) | (119) | 22,8% |
| Income from continuing operations before minority interest | 632 | 617 | 15 | 2,5% | 1 700 | 1 525 | 176 | 11,5% |
| Minority interest | (6) | (6) | 0 | -0,7% | (18) | (16) | (3) | 16,6% |
| Equity in net earnings of associate | (34) | (2) | (31) | 1269,2% | (26) | 0 | (26) | -5297,0% |
| Income from continuing operations | 592 | 608 | (16) | -2,6% | 1 656 | 1 509 | 147 | 9,7% |
| Discontinued operations | | | | | | | | |
| Gain from operations of discontinued subsidiary | 0 | 0 | (0) | -10,0% | 1 | 227 | (225) | -99,5% |
| Income tax | - | - | - | - | - | (51) | 51 | -100,0% |
| Income from discontinuing operations | 0 | 0 | (0) | -10,0% | 1 | 175 | (174) | -99,3% |
| Net income | 592 | 608 | (16) | -2,6% | 1 657 | 1 685 | (27) | -1,6% |
| EBITDA | 893 | 822 | 70 | 8,5% | 2 463 | 1 828 | 636 | 34,8% |

Consolidated balance sheet



| <i>(mln. USD)</i> | 30.09.2007 | 30.06.2007 | 31.03.2007 | 31.12.2006 | 30.09.2006 |
|---|---------------|--------------|--------------|--------------|--------------|
| ASSETS | | | | | |
| Current assets | 3 904 | 3 629 | 3 484 | 3 050 | 3 556 |
| Cash and cash equivalents | 1 388 | 1 349 | 898 | 665 | 1 342 |
| Short-term investments | 144 | 137 | 37 | 37 | 53 |
| Accounts receivable, net | 1 194 | 1 110 | 1 252 | 1 150 | 1 100 |
| Inventories, net | 1 043 | 936 | 874 | 857 | 751 |
| Other current assets, net | 134 | 97 | 370 | 331 | 299 |
| Restricted cash | - | - | 9 | 8 | 10 |
| Current assets, held for sale | - | - | 44 | - | - |
| Non-current assets | 6 105 | 5 783 | 5 821 | 5 667 | 4 734 |
| Long-term investments, net | 880 | 861 | 856 | 810 | 5 |
| Property, plant and equipment, net | 4 409 | 4 128 | 3 985 | 3 988 | 3 770 |
| Intangible assets | 192 | 191 | 195 | 199 | 202 |
| Goodwill | 591 | 571 | 567 | 560 | 636 |
| Other non-current assets, net | 33 | 32 | 104 | 110 | 121 |
| Non-current assets, held for sale | - | - | 114 | - | - |
| Total assets | 10 009 | 9 412 | 9 305 | 8 717 | 8 290 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Current liabilities | 992 | 980 | 943 | 993 | 1 232 |
| Accounts payable and other liabilities | 860 | 830 | 718 | 664 | 978 |
| Short-term borrowings | 52 | 72 | 99 | 249 | 119 |
| Current income tax liability | 80 | 78 | 84 | 80 | 136 |
| Current liabilities, held for sale | - | - | 41 | - | - |
| Non-current liabilities | 640 | 597 | 819 | 781 | 605 |
| Long-term borrowings | 19 | 19 | 51 | 48 | 14 |
| Deferred income tax liability | 593 | 564 | 552 | 538 | 537 |
| Other long-term liabilities | 28 | 14 | 41 | 195 | 55 |
| Non-current liabilities, held for sale | - | - | 175 | - | - |
| Total liabilities | 1 631 | 1 576 | 1 762 | 1 774 | 1 838 |
| Minority interest | 119 | 109 | 136 | 133 | 129 |
| Stockholders' equity | 8 258 | 7 726 | 7 406 | 6 809 | 6 323 |
| Common stock | 221 | 221 | 221 | 221 | 221 |
| Statutory reserve | 10 | 10 | 10 | 10 | 10 |
| Additional paid-in capital | 52 | 52 | 52 | 2 | 2 |
| Other comprehensive income | 1 038 | 738 | 680 | 590 | 485 |
| Retained earnings | 6 936 | 6 704 | 6 443 | 5 986 | 5 605 |
| Total liabilities and stockholders' equity | 10 009 | 9 412 | 9 305 | 8 717 | 8 290 |

Consolidated statement of cash flows



| <i>(mln. USD)</i> | 3 Q 2007 | 2 Q 2007 | 3 Q 2007/ 2 Q 2007 | | 9 m 2007 | 9 m 2007 | 9 m 2007/ 9 m 2006 | |
|---|--------------|--------------|-----------------------|--------------|--------------|----------------|-----------------------|--------------|
| | | | + / - | % | | | + / - | % |
| Cash flow from operating activities | | | | | | | | |
| Net income | 592 | 608 | (16) | -3% | 1 657 | 1 685 | (27) | -2% |
| Adjustments to reconcile net income to net cash provided by operating activities | | | | | | | | |
| Minority interest | 6 | 6 | 0 | 1% | 20 | 16 | 4 | 23% |
| Depreciation and amortization | 99 | 95 | 4 | 4% | 297 | 250 | 47 | 19% |
| Loss on disposals of property, plant and equipment | 5 | 7 | (2) | -33% | 25 | 5 | 20 | 416% |
| (Gain)/loss on investments | 0 | 2 | (2) | -95% | 4 | (395) | 399 | -101% |
| Gain from disposal of subsidiaries | - | - | - | - | (82) | - | (82) | - |
| Gain from operations of discontinued subsidiary | 80 | (82) | 162 | -198% | (1) | (227) | 225 | -99% |
| Equity in net earnings of associate | 34 | 2 | 31 | 1269% | 26 | (0) | 26 | -5297% |
| Deferred income tax (benefit)/expense | 10 | 7 | 3 | 38% | 57 | (13) | 71 | -523% |
| Gain on loan restructuring | - | 30 | (30) | -100% | - | - | - | - |
| Impairment losses | - | - | - | - | - | - | - | - |
| Accretion expense on asset retirement obligations | 0 | 0 | (0) | -12% | 6 | - | 6 | - |
| Other movements | 6 | 1 | 5 | 451% | 4 | 27 | (23) | -84% |
| Changes in operating assets and liabilities | | | | | | | | |
| Increase in accounts receivables | (44) | 118 | (162) | -137% | (62) | (156) | 94 | -60% |
| Increase in inventories | (72) | (56) | (16) | 29% | (152) | (69) | (83) | 121% |
| Decrease/(increase) in other current assets | (33) | 18 | (51) | -276% | (43) | (0) | (43) | 28465% |
| Increase in loans provided by the subsidiary bank | (1) | (103) | 102 | -99% | (105) | (65) | (40) | 63% |
| Increase in accounts payable and other liabilities | 11 | 259 | (248) | -96% | 349 | (118) | 467 | -397% |
| Increase/(decrease) in current income tax payable | (0) | (7) | 7 | -98% | (21) | 90 | (111) | -123% |
| Net cash provided from operating activities | 612 | 908 | (295) | -33% | 1 979 | 1 029 | 950 | 92% |
| Cash flow from investing activities | | | | | | | | |
| Acquisitions of subsidiaries | - | - | - | - | - | (1 348) | 1 348 | - |
| Proceeds from disposal of discontinued operations | - | - | - | - | - | 275 | (275) | - |
| Proceeds from adjustment of the original purchase price of subsidiaries | 0 | 0 | (0) | - | 38 | - | 38 | - |
| Proceeds from sale of property, plant and equipment | 0 | 5 | (5) | -95% | 7 | 9 | (2) | -23% |
| Purchases and construction of property, plant and equipment | (221) | (222) | 2 | -1% | (616) | (415) | (201) | 48% |
| Proceeds from sale of investments | (0) | 3 | (3) | -101% | 6 | 450 | (444) | -99% |
| Purchase of investments | (9) | (1) | (9) | 1485% | (45) | (44) | (1) | 2% |
| Loan issued | (3) | (133) | 130 | - | (137) | - | (137) | - |
| Disposal of subsidiaries, net of cash disposed \$106,800 | (0) | (59) | 59 | - | (60) | - | (60) | - |
| Movement of restricted cash | (0) | (0) | 0 | -97% | (1) | (2) | 1 | -34% |
| Net cash used in investing activities | (233) | (407) | 174 | -43% | (807) | (1 074) | 267 | -25% |
| Cash flow from financing activities | | | | | | | | |
| Proceeds from borrowings and notes payable | 10 | 7 | 2 | 32% | 40 | 12 | 28 | 232% |
| Repayments of borrowings and notes payable | (34) | (55) | 21 | -39% | (259) | (127) | (132) | 104% |
| Capital lease payments | (1) | (1) | 0 | -31% | (2) | - | (2) | - |
| 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% |
| Dividends paid to minority shareholder of existing subsidiaries | (13) | (8) | (5) | 67% | (22) | - | (22) | - |
| Dividends to shareholders | (343) | (4) | (339) | 8677% | (348) | (432) | 85 | -20% |
| Net cash used in financing activities | (381) | (60) | (321) | 531% | (512) | (651) | 139 | -21% |
| Net increase / (decrease) in cash and cash equivalents | (2) | 440 | (443) | -101% | 660 | (696) | 1 356 | -195% |
| Effect of exchange rate changes on cash and cash equivalents | 42 | 10 | 32 | 319% | 63 | 114 | (51) | -45% |
| Cash and cash equivalents at the beginning of the period | 1 349 | 898 | 450 | 50% | 665 | 1 924 | (1 259) | -65% |
| Cash and cash equivalents at the end of the period | 1 388 | 1 349 | 40 | 3% | 1 388 | 1 342 | 46 | 3% |

Segmental information



9 months 2007

(million USD)

| | Steel | Mining | Coke-chemical | All other | Totals | Intersegmental operations and balances | Consolidated |
|--|--------------|--------------|---------------|-------------|---------------|--|---------------|
| Revenue from external customers | 5 049 | 71 | 358 | 66 | 5 546 | 0 | 5 546 |
| Intersegment revenue | 19 | 575 | 95 | 40 | 729 | (729) | 0 |
| Gross profit | 2 153 | 431 | 100 | 37 | 2 721 | 2 | 2 723 |
| Operating income/(loss) | 1 773 | 385 | 32 | (06) | 2 184 | (2) | 2 182 |
| <i>as % of net sales</i> | <i>35%</i> | <i>59%</i> | <i>7%</i> | | | | <i>39%</i> |
| Income / (loss) from continuing operations before minority interest | 1 312 | 325 | 18 | 140 | 1 795 | (95) | 1 700 |
| <i>as % of net sales</i> | <i>26%</i> | <i>50%</i> | <i>4%</i> | <i>131%</i> | | | <i>31%</i> |
| Segment assets including goodwill | 7 087 | 1 805 | 987 | 310 | 10 190 | (180) | 10 009 |

9 months 2006

(million USD)

| | Steel | Mining | Coke-chemical | All other | Totals | Intersegmental operations and balances | Consolidated |
|--|--------------|--------------|---------------|--------------|--------------|--|--------------|
| Revenue from external customers | 3 991 | 70 | 130 | 93 | 4 285 | 0 | 4 285 |
| Intersegment revenue | 08 | 334 | 61 | 57 | 460 | (460) | 0 |
| Gross profit | 1 763 | 213 | 38 | 36 | 2 050 | (3) | 2 047 |
| Operating income/(loss) | 1 497 | 183 | 16 | (11) | 1 685 | (9) | 1 676 |
| <i>as % of net sales</i> | <i>37%</i> | <i>45%</i> | <i>8%</i> | | | | <i>39%</i> |
| Income / (loss) from continuing operations before minority interest | 1 614 | 152 | 09 | (8) | 1 767 | (242) | 1 525 |
| <i>as % of net sales</i> | <i>40%</i> | <i>37%</i> | <i>5%</i> | | | | <i>36%</i> |
| Segment assets including goodwill | 5 913 | 1 418 | 968 | 1 003 | 9 303 | (586) | 8 717 |

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