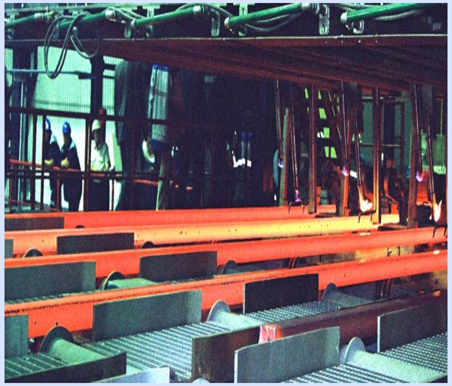

FY 2007 Results Presentation
May 29, 2008

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The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

Mr. Igor Zyuzin

CEO

Mechel OAO

FY07 Financial Highlights

MECHEL

➢ Strong FY07 vs. FY06 financial results

+52.0% ↑	Revenue	$6.7 billion
+92.6% ↑	Operating income	$1.4 billion
+51.4% ↑	Net Income	$913 million

➢ Well balanced strategy

➢ Strong Management

➢ Focus on shareholder value

Strategy realized through acquisitions

- **Southern Kuzbass Power Plant** – close proximity to Southern Kuzbass coal operations allows for efficient use of low quality coal byproducts
- **Kuzbass Power Sales Company** – the largest power distributing company in Siberia controlling more than 50% of regional power sales
- **Toplofikatsia Rousse** – acquisition of 49% stake with operational control. Plant located in Republic of Bulgaria (bank of Danube). Installed electric power potential capacity - 400 MW

Total power generating capacity of 817.5 MWt

- **Southern Kuzbass Power Plant - 554 MWt**
- **Chelyabinsk Metallurgical Plant - 230 MWt**
- **Moscow Coke&Gas Plant - 30 MWt**
- **Urals Stampings Plant 3.5 MWt**

Continuous development of power business:

2004 – establishment of Mechel-Energo: engaged in providing of energy resources to Mechel's other subsidiaries, and marketing electric and heat energy to third parties

2007 – Acquisition of Southern Kuzbass Power Plant, Kuzbass Power Sales Company, 49% stake of Toplofikatsia Rousse

Integrated power business with own raw material resources, power generating facilities and extensive client base

Strategy realized through acquisitions

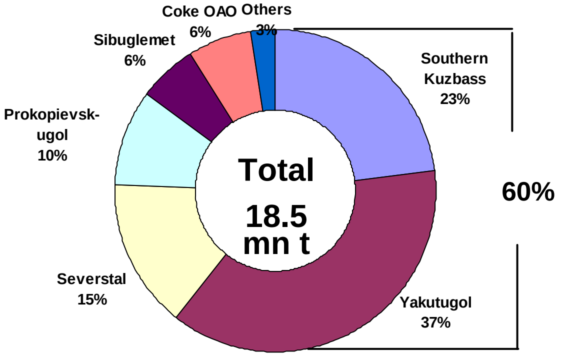
➢ Yakutugol

- Russia's largest coking coal exporter (sells mostly to Japan, South Korea, and Taiwan)
- The only producer of K9 hard coking coal in Russia
- Coal reserves are estimated at 200 million tonnes
- 10.8 million tonnes of coal in 2007

➢ Elgaugol

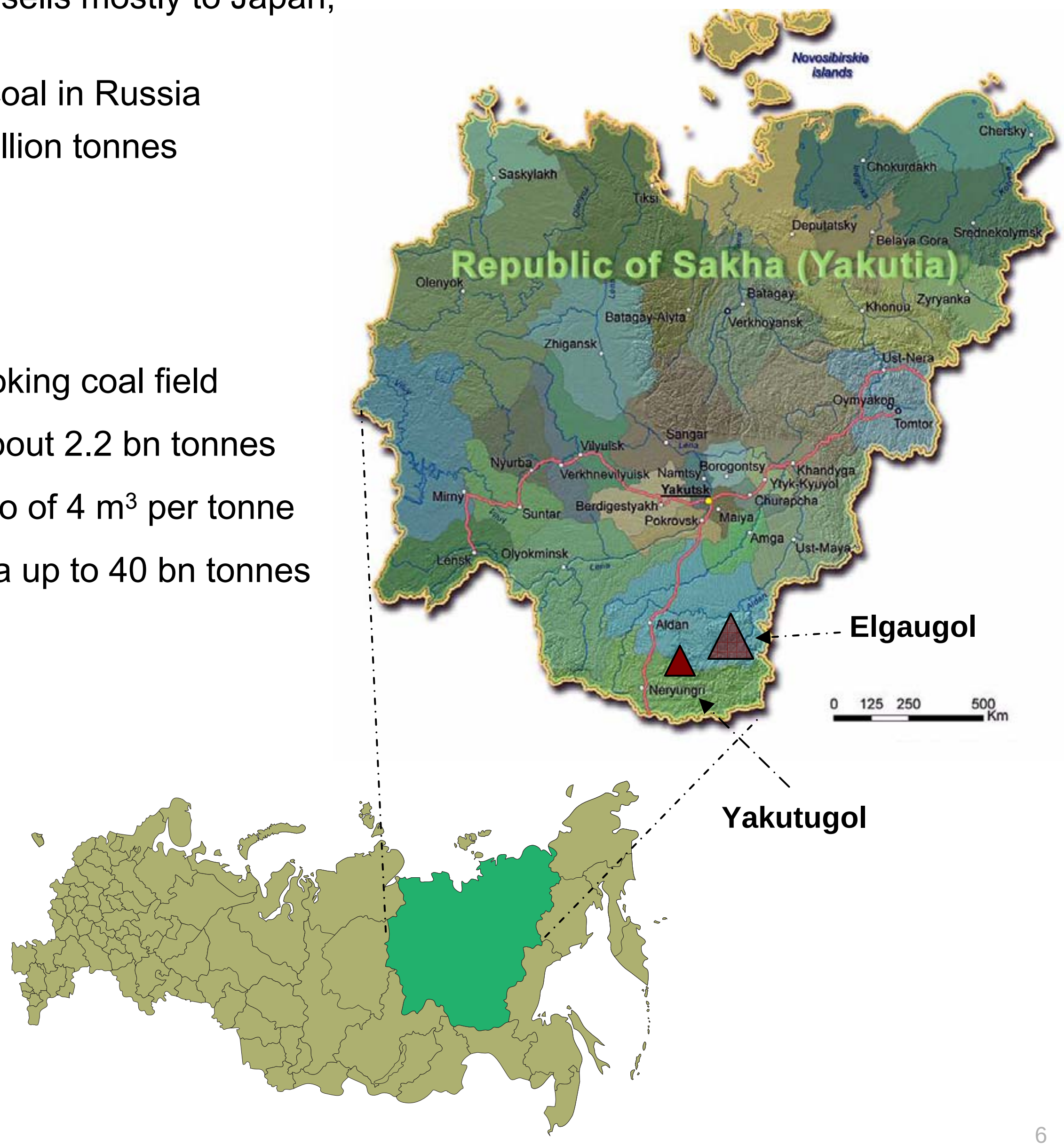
- One of the world's largest untapped coking coal field
- Reserves of fat caking coking coals about 2.2 bn tonnes
- Open pit mining with very low strip ratio of 4 m^3 per tonne
- Total coal reserves in the adjacent area up to 40 bn tonnes

Russia's hard* coking coal production, 2007



* Includes K, KO, OS grades of coal

Source: Central Dept. of Fuel and Energy Complex, Rosinformugol



Oriel Resources plc

Acquired reserves of chromites and nickel mark expansion of Mechel Group towards a more comprehensive ferroalloys business

- Strategically positioned to supply the growing stainless steel markets of China, Russia & Asia as well as developed European markets
- Secured supply of key ferroalloys (chrome, nickel) to Mechel's steel subsidiaries
- Reduction in production costs and improvement in efficiency
- Acquired Shevchenko Nickel deposit is located close to Southern Urals Nickel Plant

Three Key Assets:

Tikhvin Ferrochrome Smelter	• Located 200 km south east of St.Petersburg, Russia • Expected 2008 high carbon ferrochrome production ~ 123,000 t • Max. production capacity of 180 ktpa HCFeCr
Voskhod Chrome	• JORC Reserves of 18.3Mt @40.3%Cr (14yrs mine life) • Additional 7.8Mt deposit - Soviet C2 & P1 classified resources (6yrs mine life) • Total mine life of over 20 years
Shevchenko Nickel	• Measured and Indicated Resources - 137Mt @ 0.8%Ni – 0.5% cut off grade - 50,6Mt @1.0%Ni – 0.8% cut off grade

Strategy realized through acquisitions

Ductil Steel (Romania)

Main features of Ductil Steel

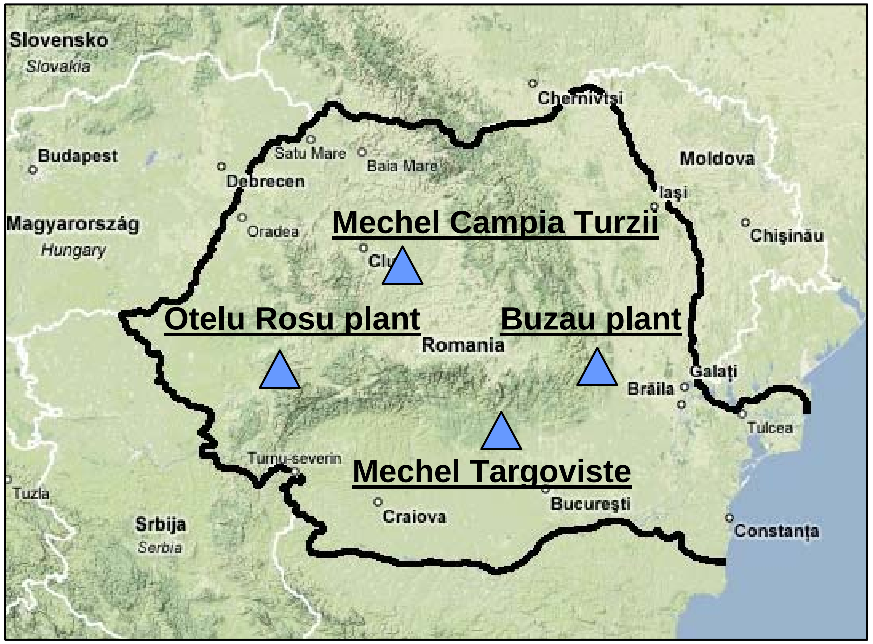
Two new assets

Otelu Rosu Plant

- Mini mill producing billets
- Billets capacity – 300 ktpa

Buzau Plant

- Rolling facilities for long products and hardware production
- Long product capacity – 280 ktpa



Synergies for Mechel

- Further development of steel business, particularly in Romania and Eastern Europe
- Significant optimization of existing production chain while reducing costs.
- Choice of optimal resource flows combination in intercompany sales (billets, wire rod)
- Optimized logistics expenses due to favourable location
- Experience of operations in Romanian market

Already existing assets

Mechel Targoviste

- Largest producer of long products in Romania
- Second largest producer of raw steel in Romania

Mechel Campia Turzii

- Leading Romanian hardware plant

Record FY07 Results

MECHEL

- Strong FY2007 vs. FY2006 financial results

+52.0% ↑	Revenue	$6.7 billion
+55.3% ↑	EBITDA	$1.7 billion
+51.4% ↑	Net Income	$913 million

- Well balanced strategy
- Strong Management
- Focus on shareholder value

Mr. Vladimir Polin

CEO

Mechel Management OOO

FY07 Production Growth

Mining Segment Production

Product output, FY2007	Thousand tonnes	FY07vs.FY06 %
Coal	21,195	25
Coking coal	10,419	7
Steam coal	10,775	47
Iron ore concentrate	4,963	0
Nickel	17.14	19

Steel Segment Production

Product output, FY2007	Thousand tonnes	FY07vs.FY06 %
Hardware	683	12
Rolled products	5,137	9
Steel	6,090	2
Pig iron	3,685	1
Coke	3,886	51

Power generation, FY2007	Thousand kWh	FY07vs.FY06 %
ths. kWh	3,361,423	79

Expansion of Mechel's sales network

Trading company Mechel-Service established new retail and service sites to meet high demand for construction rolled products

Targets achieved:

- Increased sales volumes of steel products to end customers
- Expansion of sales geography
- Additional margins on sold products
- Capturing growth in Russia's remote regions

FURTHER EXPANSION OF DISTRIBUTION NETWORK PLANNED

Mr. Stanislav Ploschenko

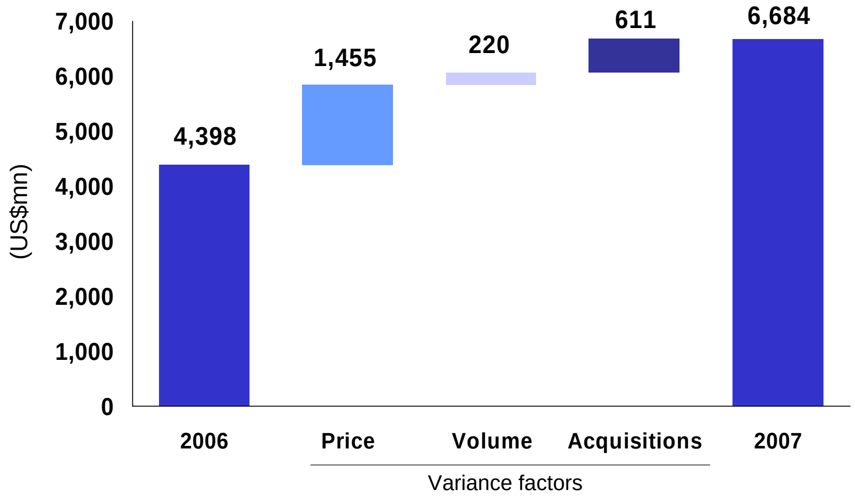
CFO

Mechel OAO

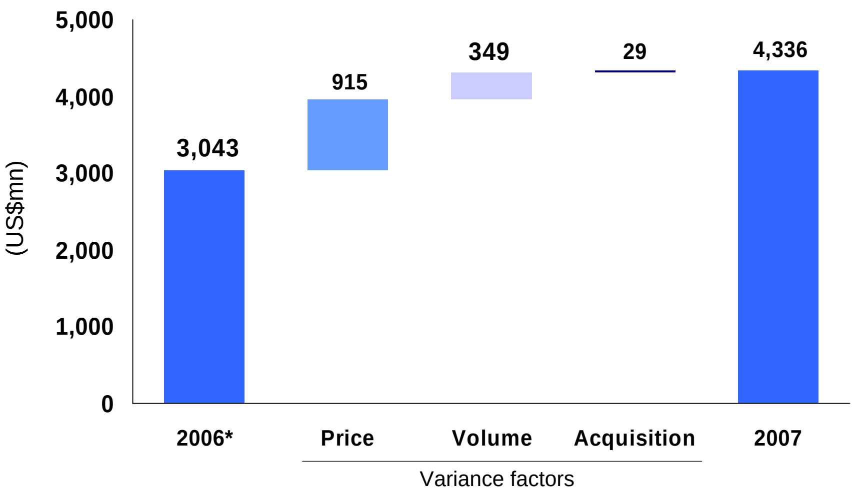
Sales Overview

- The Group benefited from higher sales prices across both mining and steel segments
- Increased steel sales volumes
- Recent acquisitions in power segment contributed US$447 million to consolidated revenue

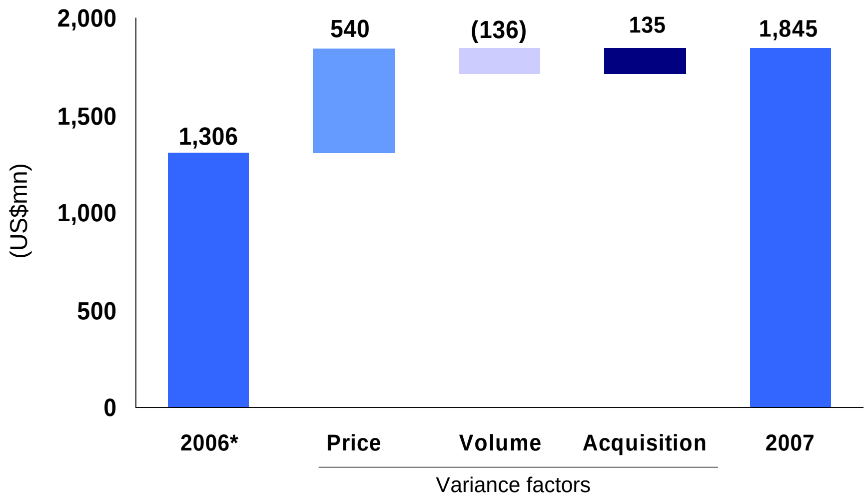
Consolidated revenue



Steel segment revenue



Mining segment revenue

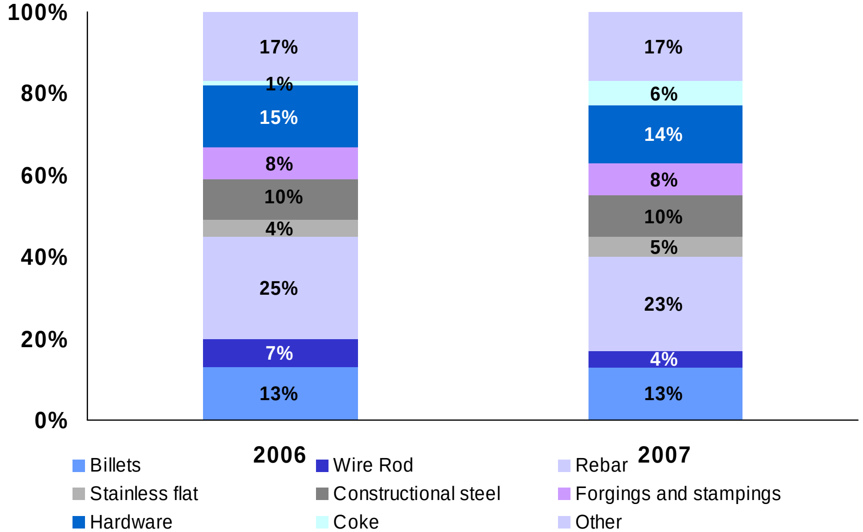


* Results are recalculated to reflect separate reporting for the energy segment

Steel Sales: Structure and Prices

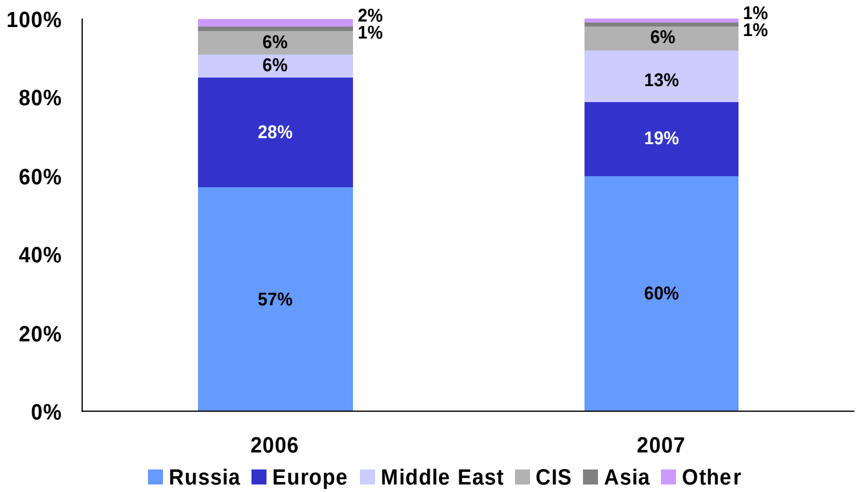
- 42% growth in revenue from external customers
- Diversification protects overall company financial performance from market volatility
- Focus on growing domestic market
- Growing contribution from investments
- Operating margin remains flat

Sales structure*

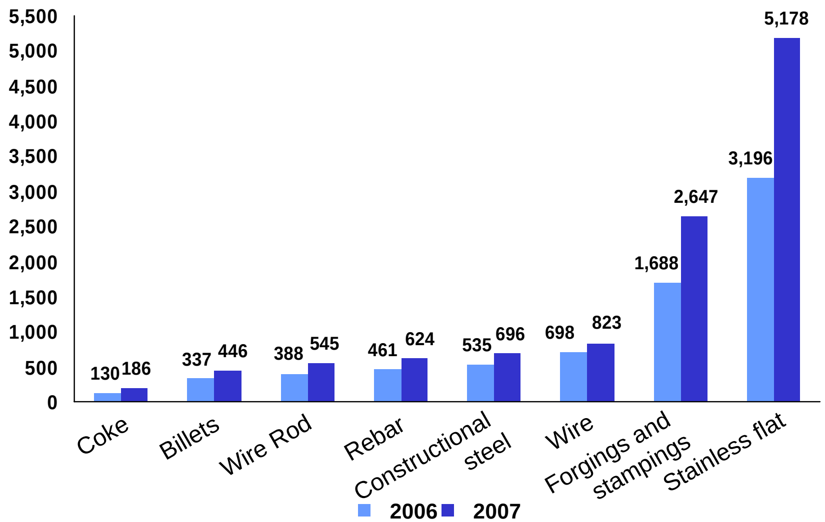


* Calculation based on sales revenue

Revenue breakdown by region



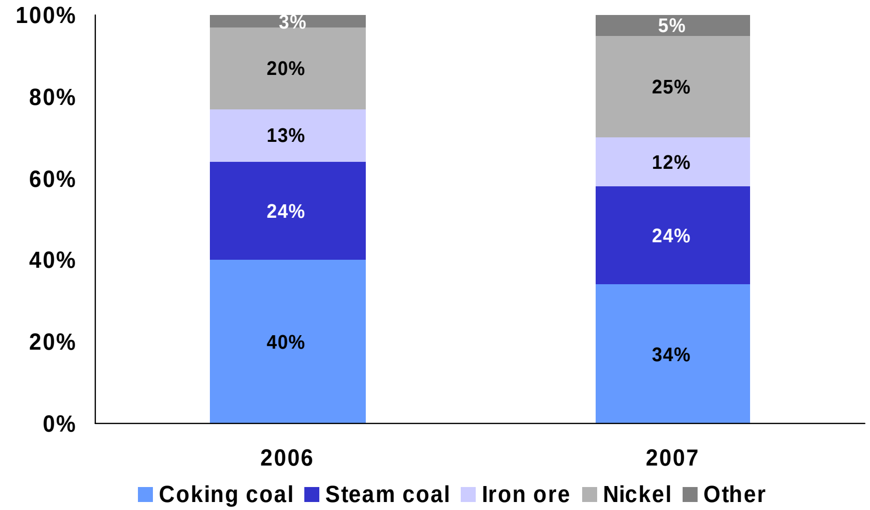
Average sales prices FCA, US$/tonne



Mining Sales: Structure and Prices

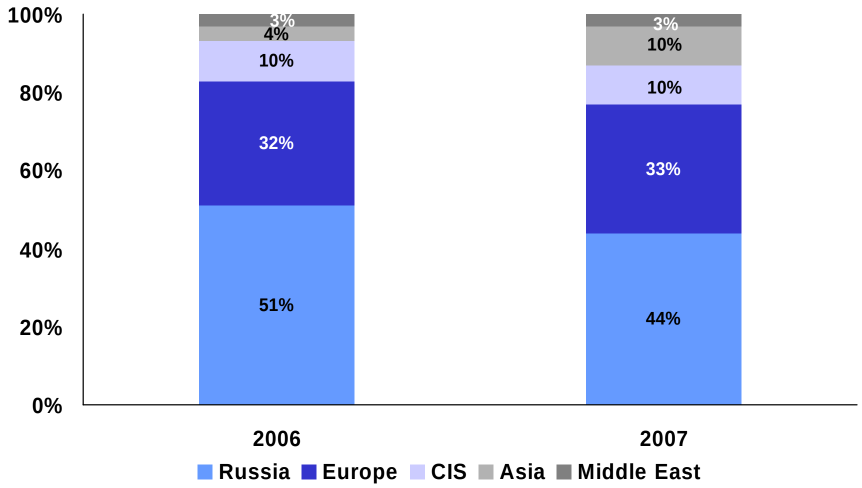
- Gross Margin up to 51,4%
- 28% contribution to the consolidated revenue
- Expansion into the fast growing Asian Pacific Basin countries
- Privatization of power generation companies provides additional steam coal supply opportunity

Sales structure*

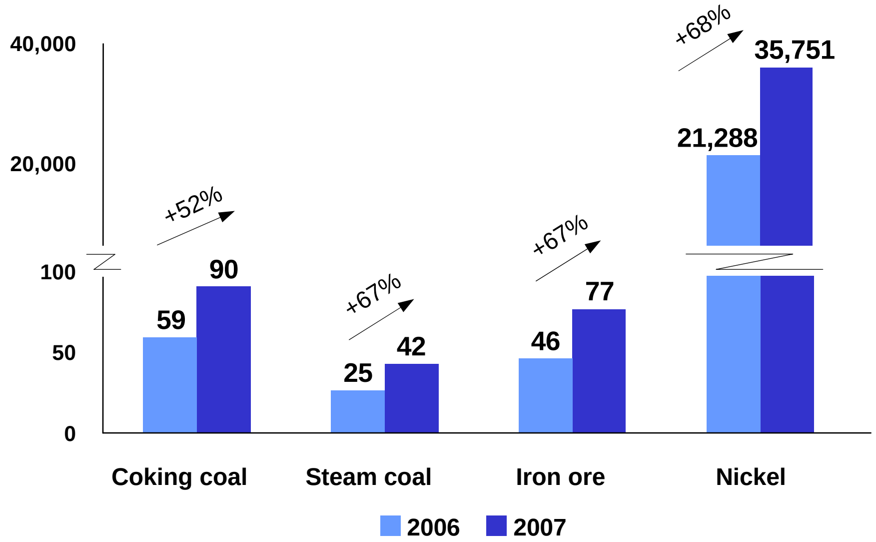


* Calculation based on sales revenue

Revenue breakdown by region



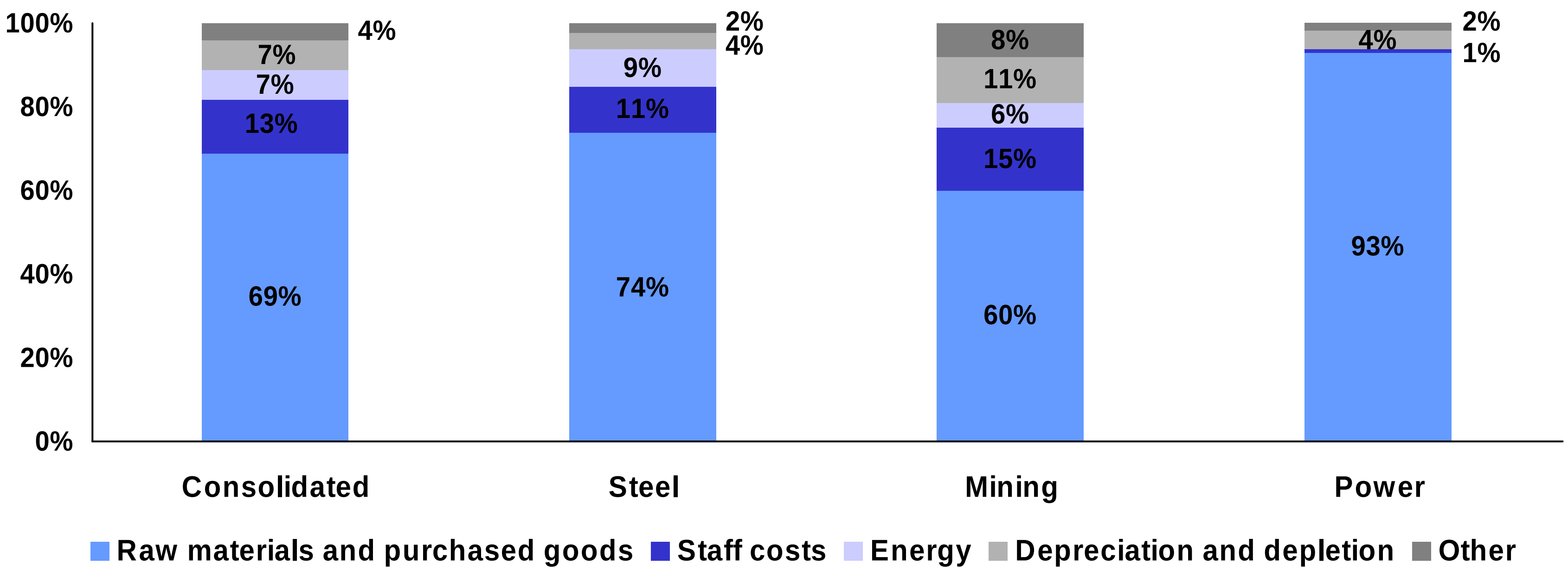
Average sales prices FCA, US$/tonne



Cost Structure

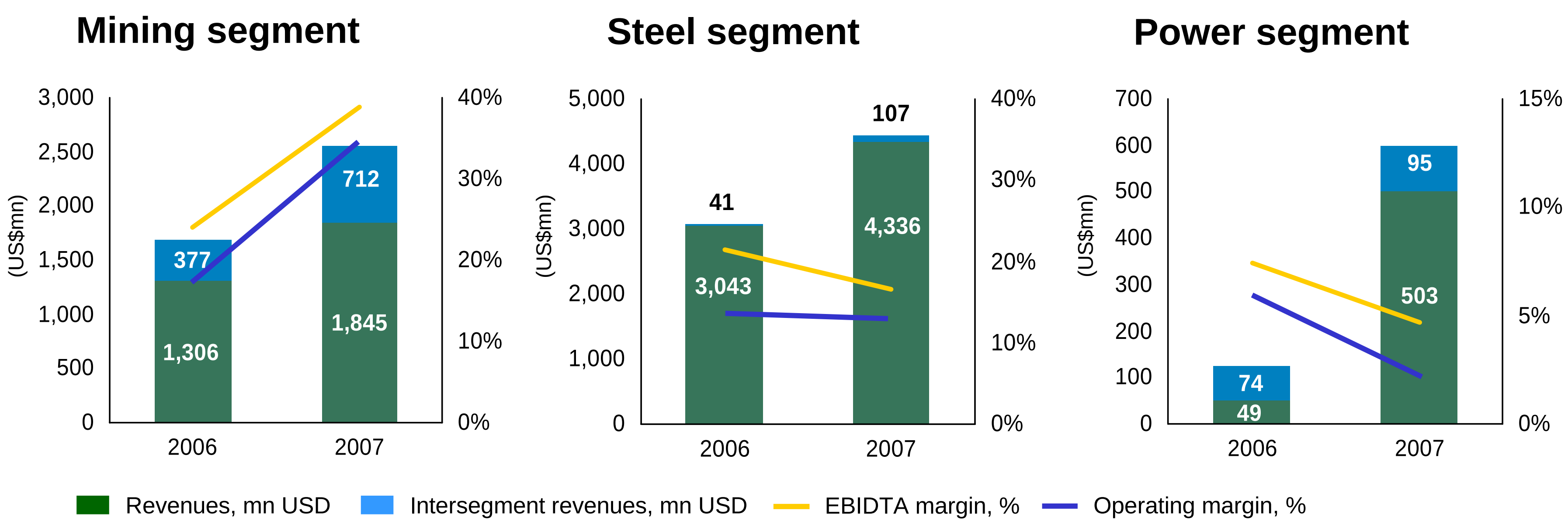
- Stable cost structure despite changing conditions in the input markets
- Overall G&A expenses as a percentage of sales decreased to 16.75% from 18.46% y-o-y as a result of sales structure changes
- Deepening of vertical integration after the acquisition of Bratsk Ferroalloy Plant and Southern Kuzbass Power Plant

COS structure



Segment Operations

- Sustainable operating results in the steel segment
- EBITDA/tonne of steel – increase by 8% to US$120.5
- Strong coal and iron ore prices pushed operating profit in the mining segment 2.8x to US$887 mln.
- EBITDA margin in mining segment grew to 39%
- Balanced business model mitigates the effects of market cycles

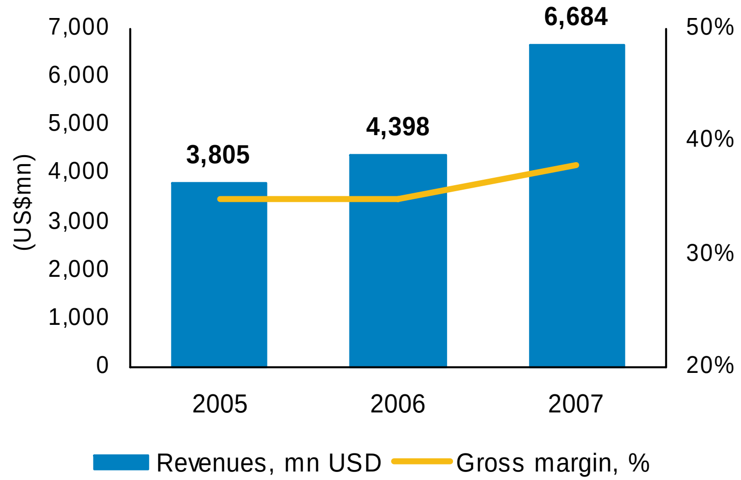


NOTE: EBITDA margin is calculated by dividing reported EBTIDA by total revenues, including intersegment revenues

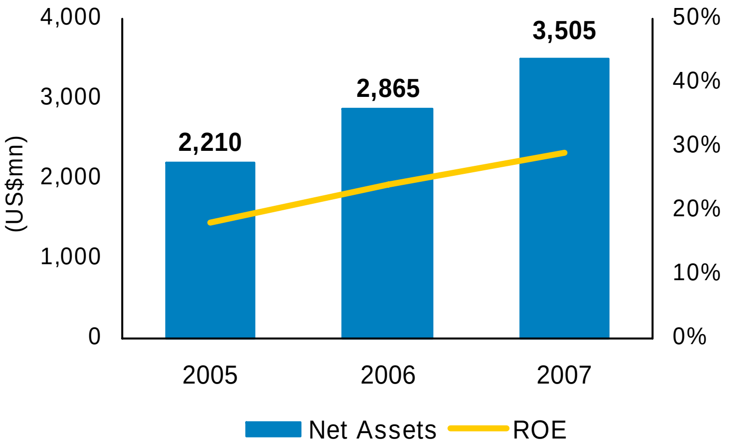
Financial Performance Analysis

- Best operational results in the Group's history
- Sustainable growth and robust financial performance over the past 3 years
- Visible returns from capital investment program
- Positive market trends support further growth

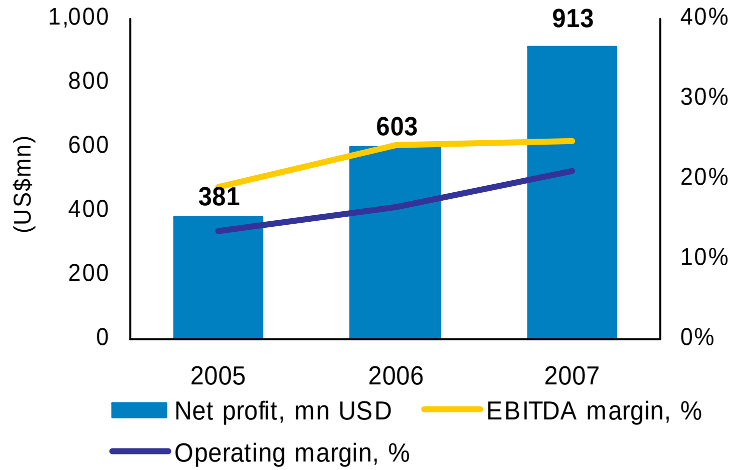
Revenue – Gross margin



Net Assets, ROE



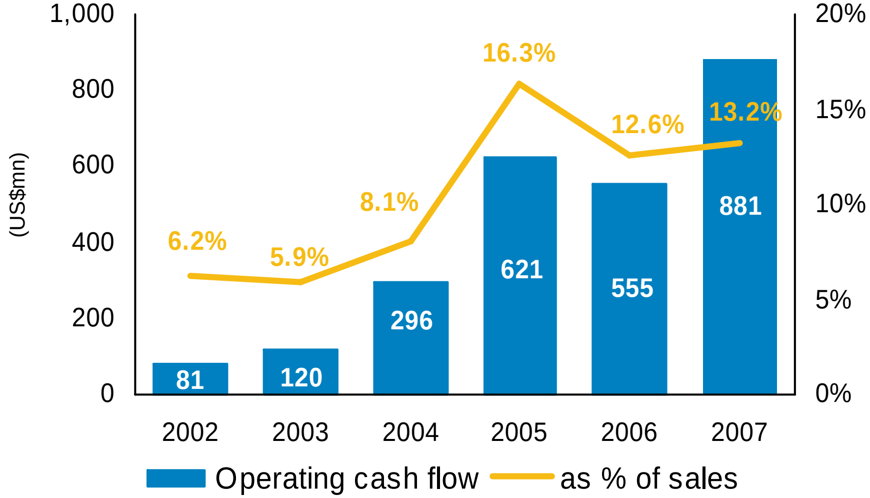
Net Profit, EBITDA margin and Operating margin



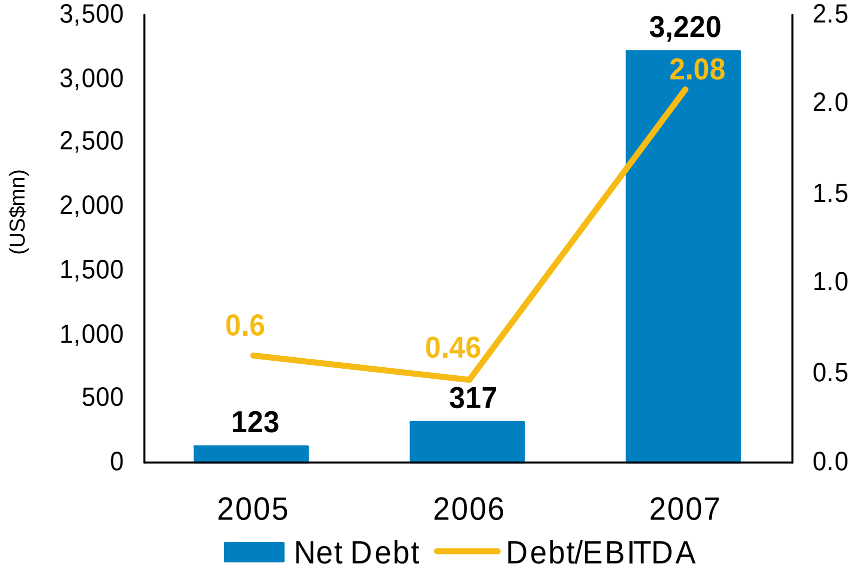
Solid Financial Position

- Record operating cash flow sufficient to finance investment program
- Comfortable leverage post acquisition of Yakutugol and Elgaugol provides sufficient room to finance additional growth
- Cash flow from investing activities driven by new acquisitions (US$2.6 billion) and CAPEX (US$0.8 billion)*

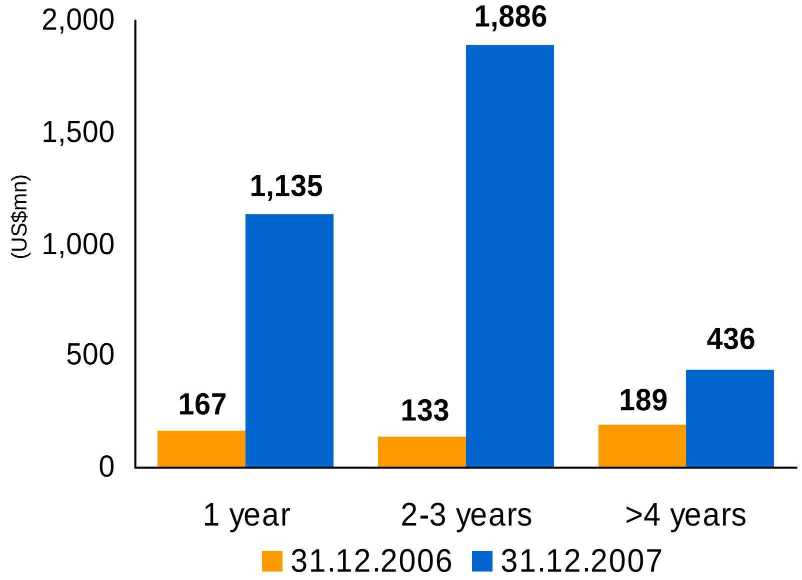
Operating cash flow



Debt to EBITDA ratio



Maturity Profile



* CAPEX includes the acquisition of unfinished railway spur track to the Elga coal deposit

FY 2007 Results Overview

US$ million unless otherwise stated	2007	2006	Change, %
Revenue	6,684	4,398	52%
Cost of sales	(4,167)	(2,860)	46%
Operating income	1,398	726	93%
EBITDA	1,659	1,068	55%
EBITDA margin	*24.8%*	*24.3%*	
Net Income	913	603	51%
Net Income margin	*13.7%*	*13.7%*	
EPS (USD per share)	2.19	1.48	48%
Sales volumes*, ‘000 tonnes			
Mining segment	15,619	16,228	- 4%
Steel segment	6,503	5,236	24%

* Includes sales to the external customers only