



9 Months Results Presentation
December 8, 2009



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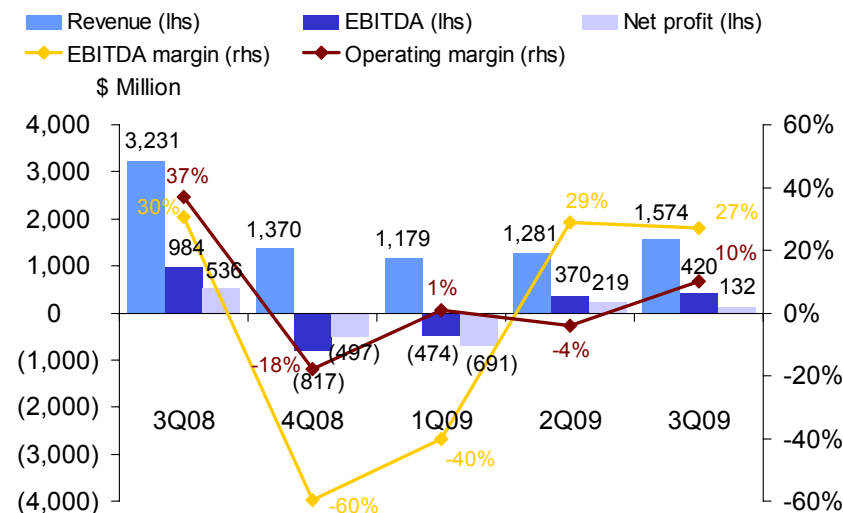
Financial Review



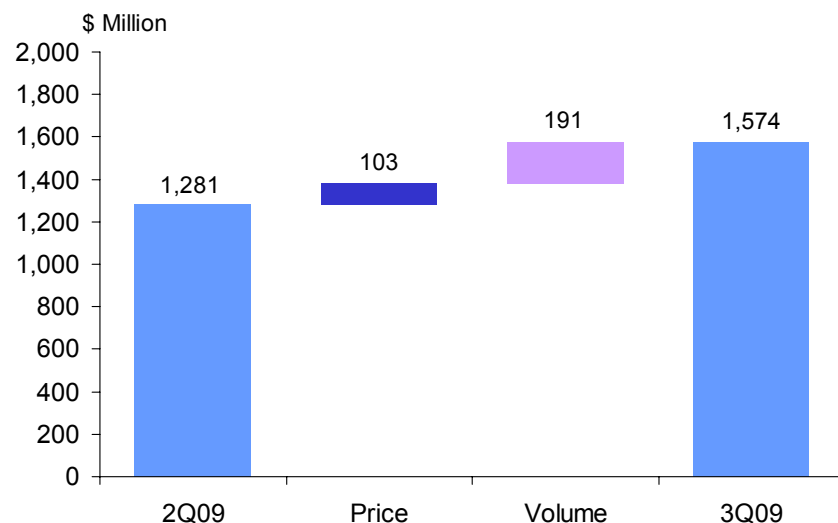
Improving Financial Performance

- ➔ Revenue increased by 23% in q-o-q
- ➔ FX gain of \$118 mn in 3Q09
- ➔ 4.6x “clean” EBITDA growth q-o-q
- ➔ \$132 mn Net Income in 3Q09

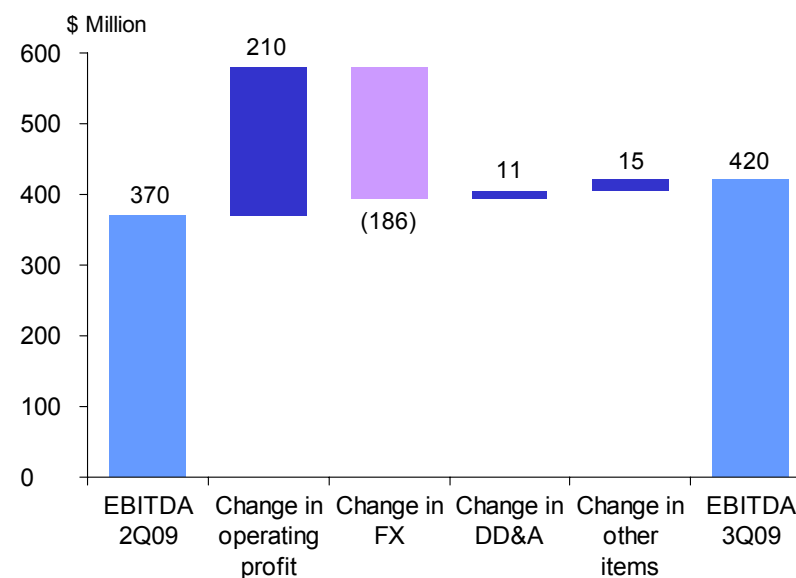
Revenue, EBITDA and Net profit



Revenue Dynamics



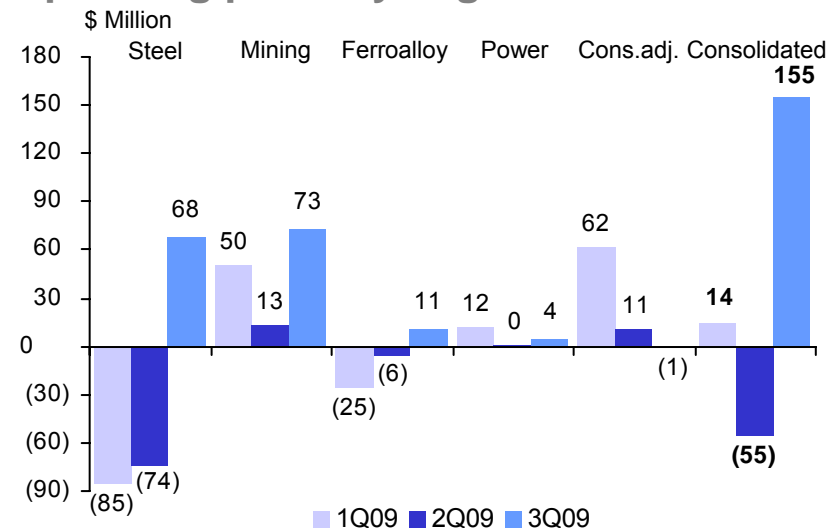
EBITDA Bridge



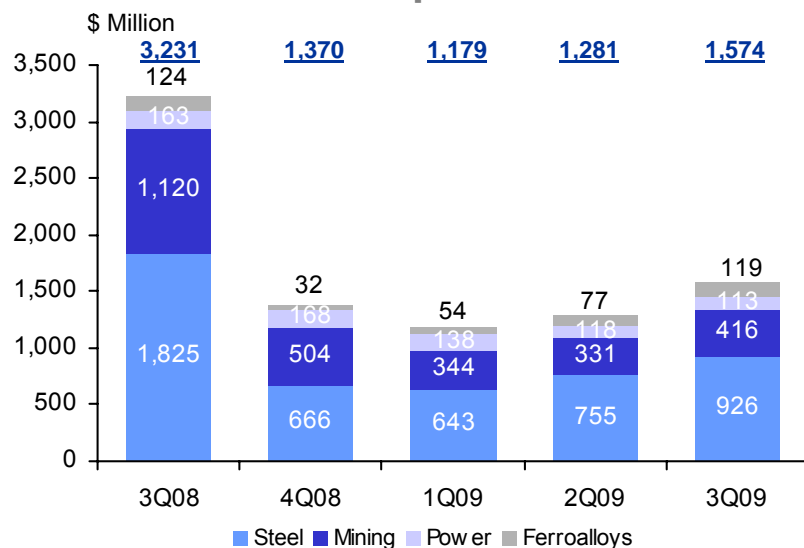
Segments Overview

- ➔ Strong upward trends in all key segments
- ➔ Ferroalloys lead revenue growth, mining and steel not far behind
- ➔ All segments demonstrated positive operating result in 3Q09

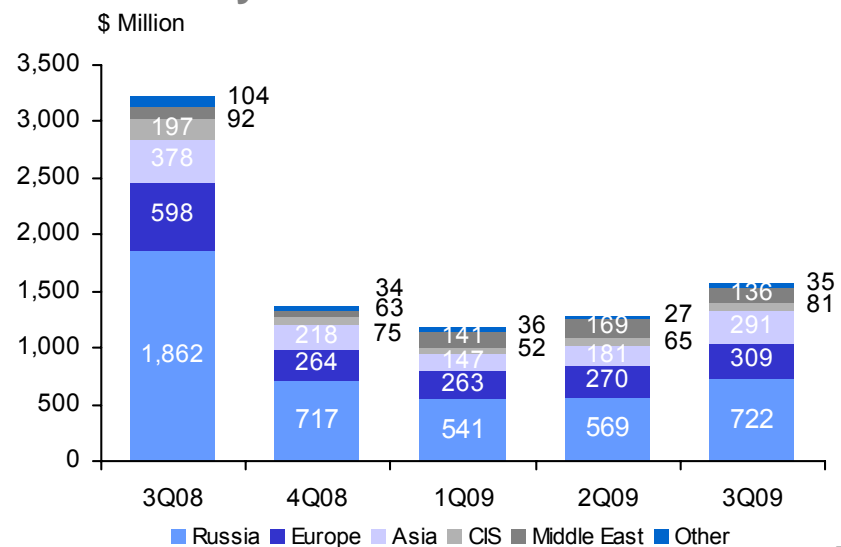
Operating profit by segments



Revenue from third parties



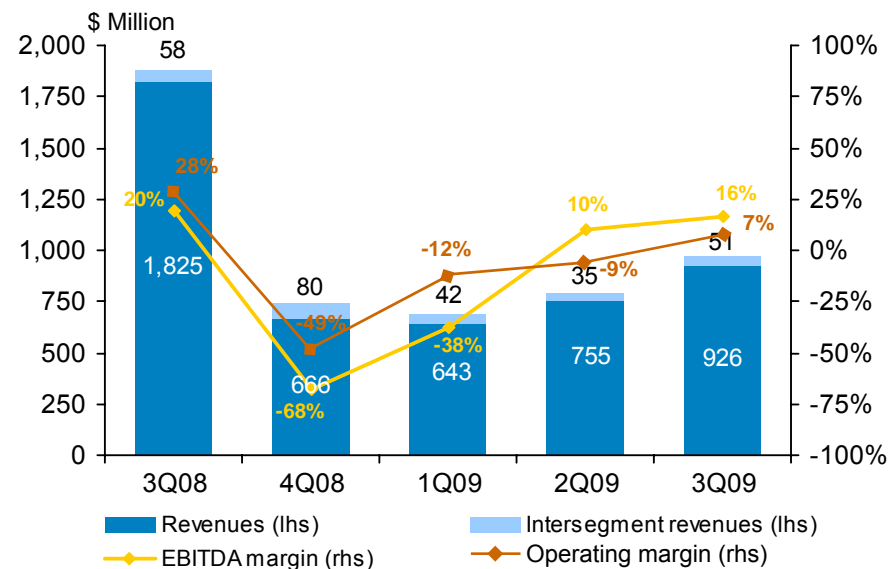
Revenue by market



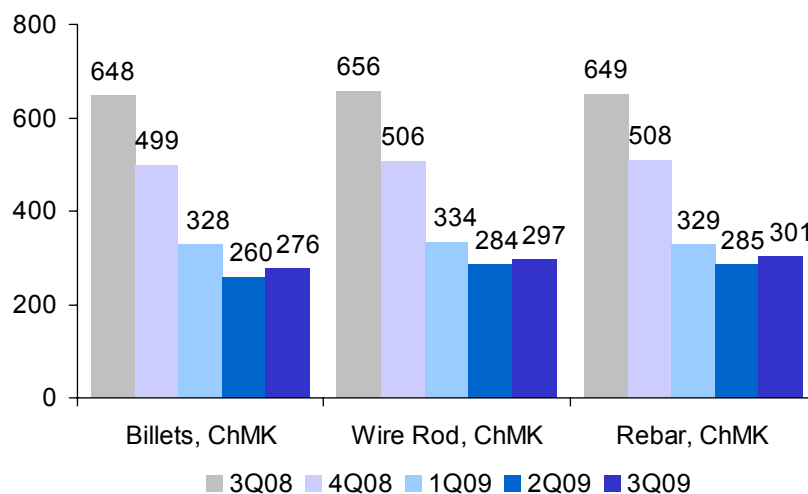
Steel Segment Performance

- Revenue grew 23% to \$926 mn q-o-q
- 3x growth in gross profit to \$246 mn
- Sharp reverse in operating result
- SG&A expenses fell by 6% q-o-q
- EBITDA \$158 mn in 3Q09
- Cash costs under control

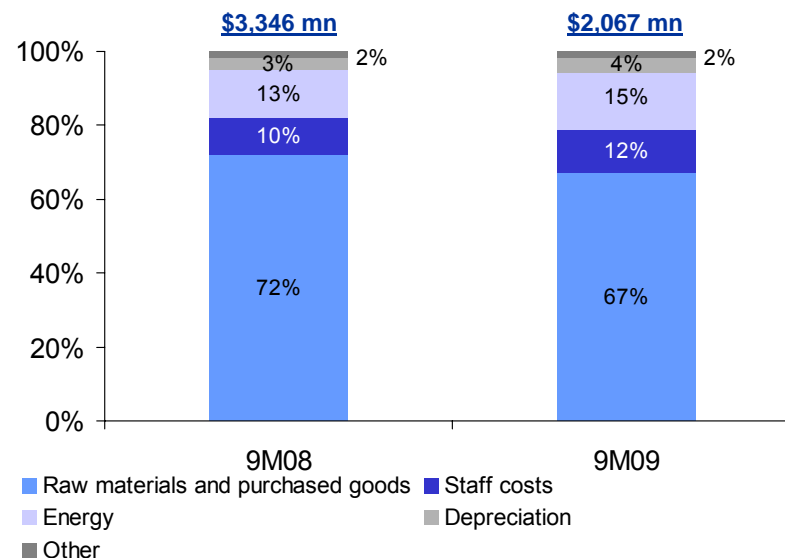
Revenue, EBITDA



Cash costs, US\$/tonne



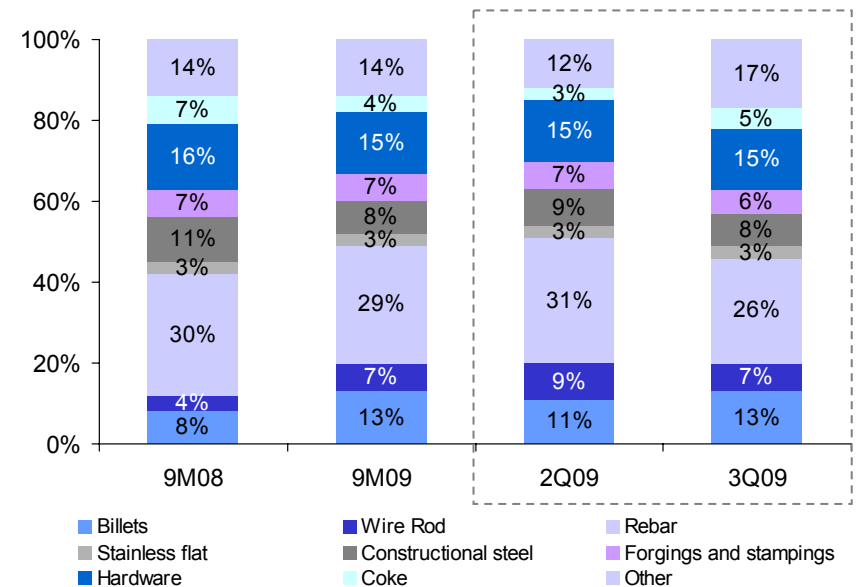
COS structure



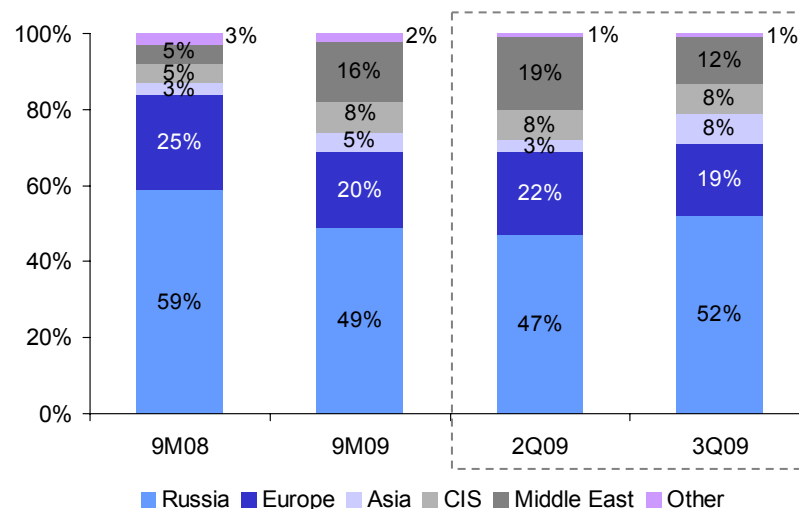
Steel Segment Performance

- ➔ 59% of the Group's revenue in 3Q09
- ➔ Positive price trends and diversification helped to maximise economic effect
- ➔ Recovery in the domestic market lead to an increase of the its share in revenue

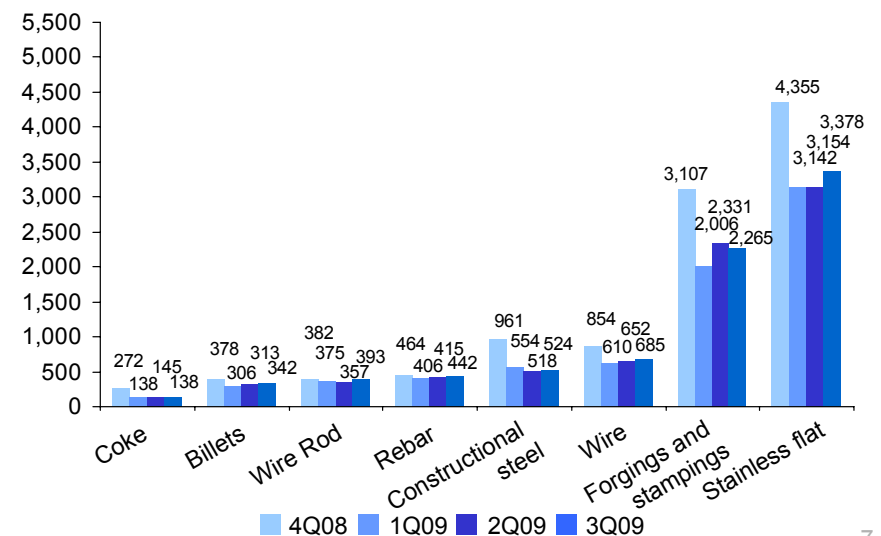
External sales structure



Revenue breakdown by region



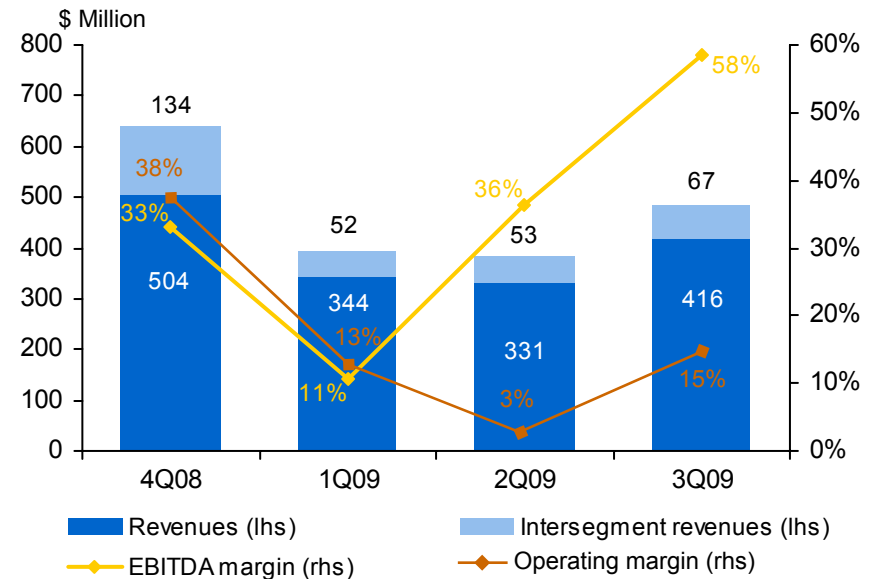
Average sales prices FCA, US\$/tonne



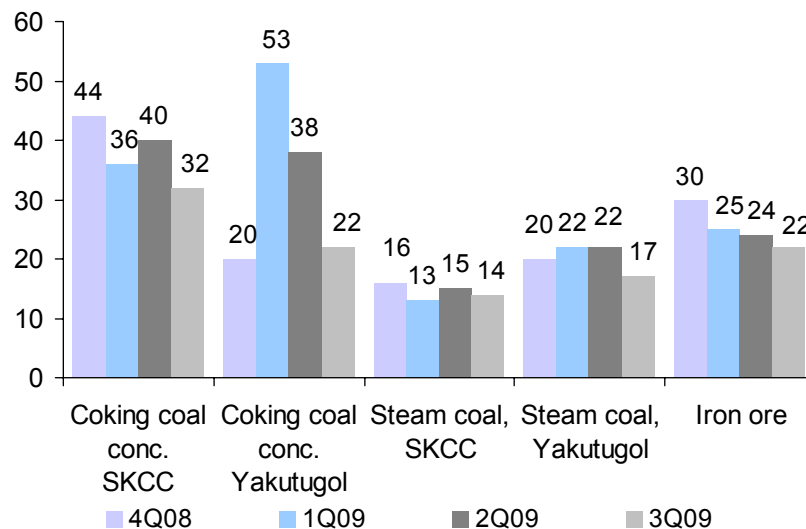
Mining Segment Performance

- ➔ Sales up 26% to \$416 mn q-o-q
- ➔ Half of sales increase comes from Bluestone
- ➔ Cash costs return to pre-crisis levels as production restores
- ➔ EBITDA up 2x to \$282 mn in 3Q09
- ➔ EBITDA margin 58%

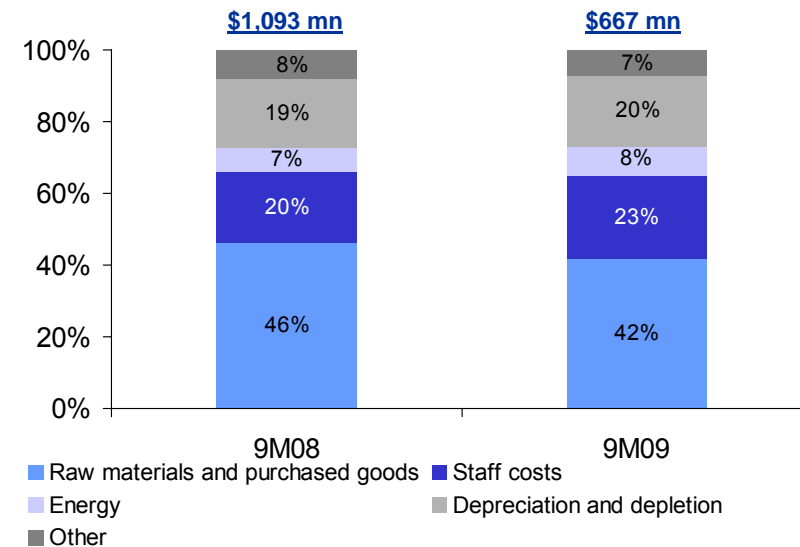
Revenue, EBITDA



Cash costs, US\$/tonne



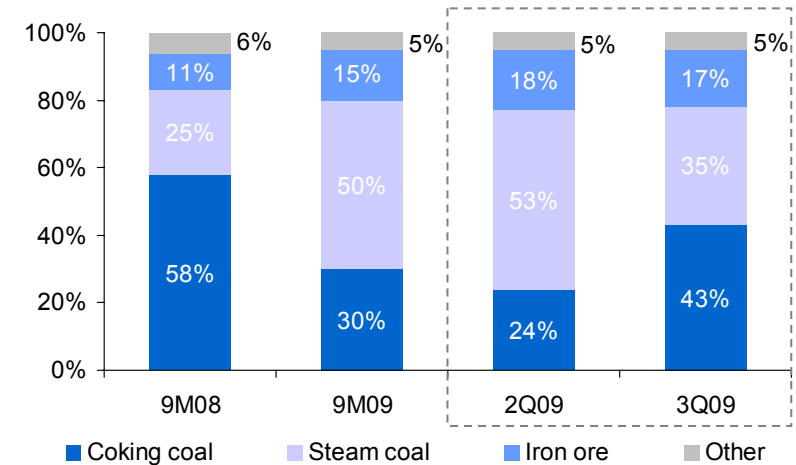
COS structure



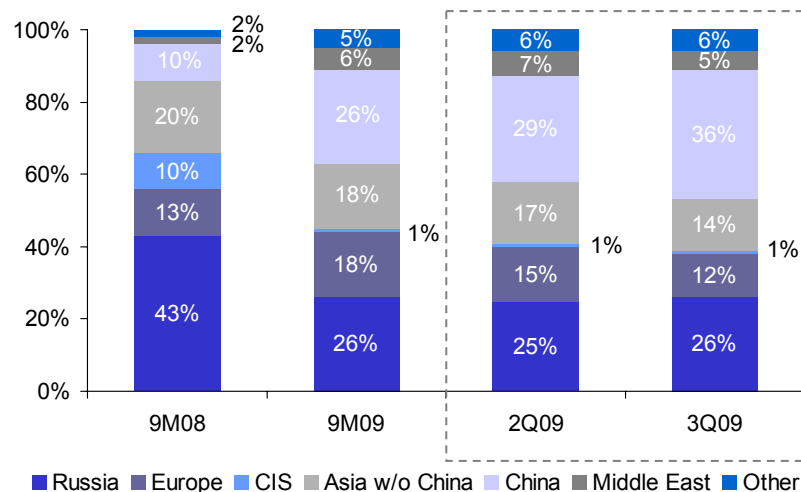
Mining Segment Performance

- Continuous improvement in the coking coal market:
 - sales up 2x q-o-q
 - volumes up 182%
- Share of coking coal sales – 43% of revenue
- Iron ore sales up 22%
- Maximizing value through geographical diversification:
 - Increase of steam coal sales to Russia
 - Growth of coal and iron ore sales to China

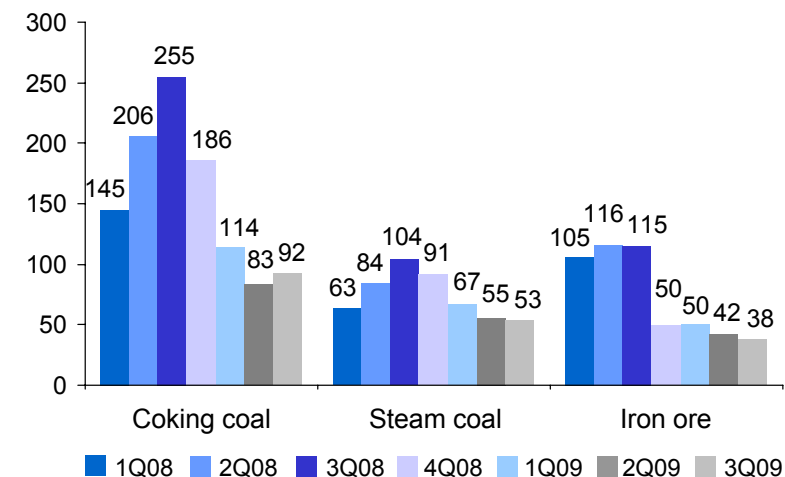
External sales structure



Revenue breakdown by region



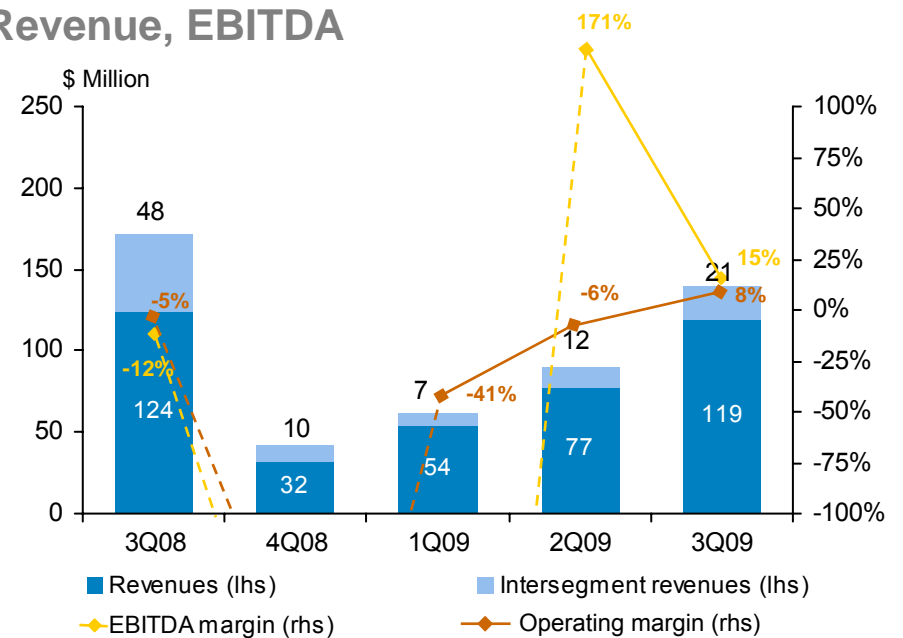
Average sales prices FCA, US\$/tonne



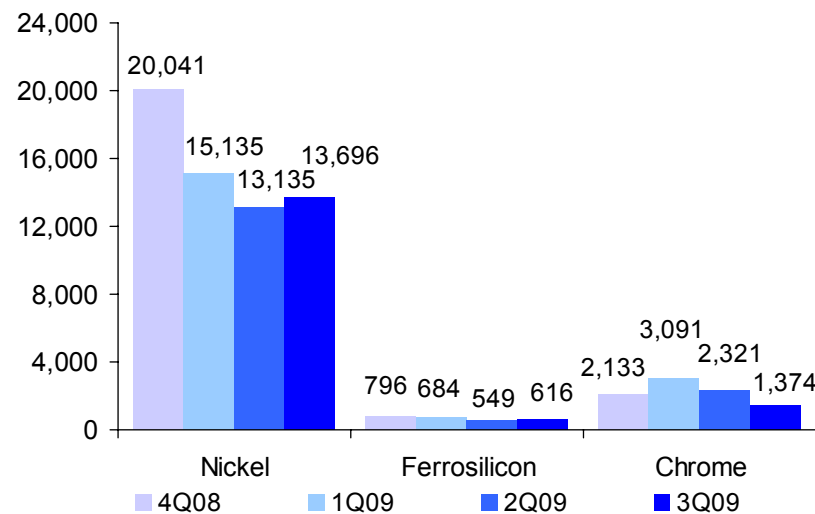
Ferroalloys Segment Performance

- ➔ Revenue increased by 54% q-o-q
- ➔ 6x growth in gross profit to \$28 mn
- ➔ Administrative expenses fell to 6% of the revenue in 3Q09 from 12% in 2Q09
- ➔ Operating result turned positive and reached \$11 mn in 3Q09
- ➔ Ramp up of FeCr production pushed cash cost down by 41%

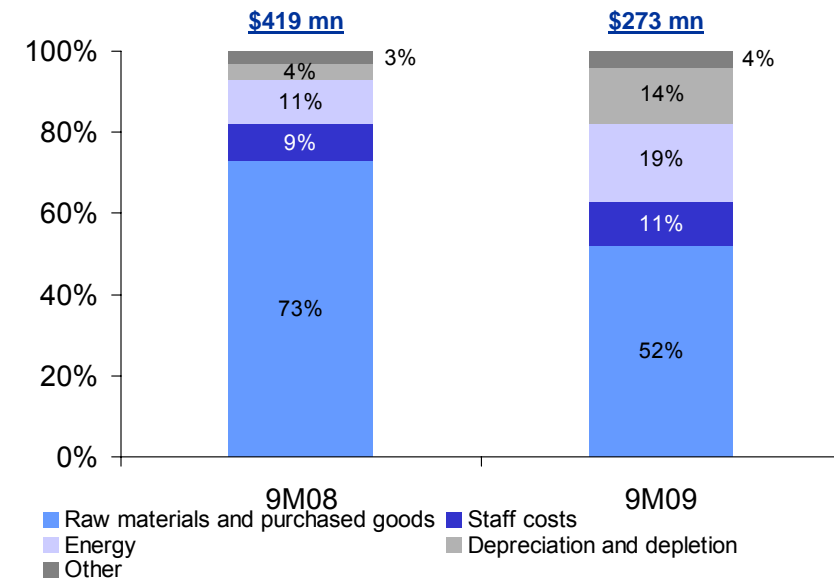
Revenue, EBITDA



Cash costs, US\$/tonne



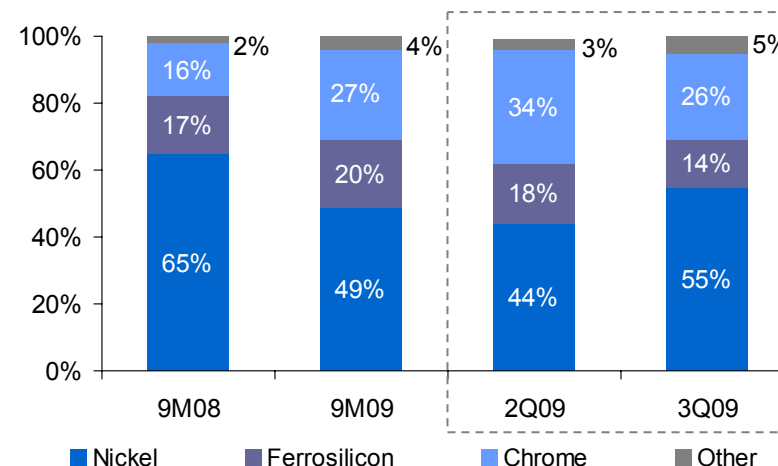
COS structure



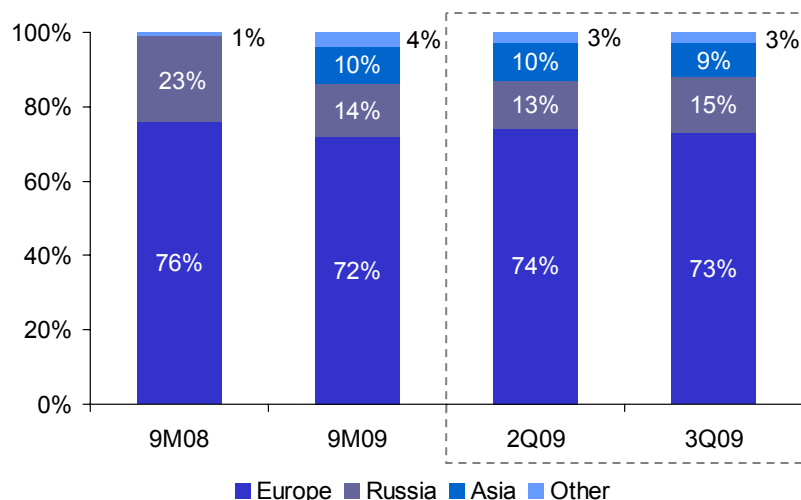
Ferroalloys Segment Performance

- ➔ Recovery in prices
 - ➔ Ni up 46%
 - ➔ Cr up 37%
- ➔ Share of nickel sales reached 55% of segment revenue in 3Q09
- ➔ Rising Cr prices together with falling cash cost lead to sharp increase in the profitability

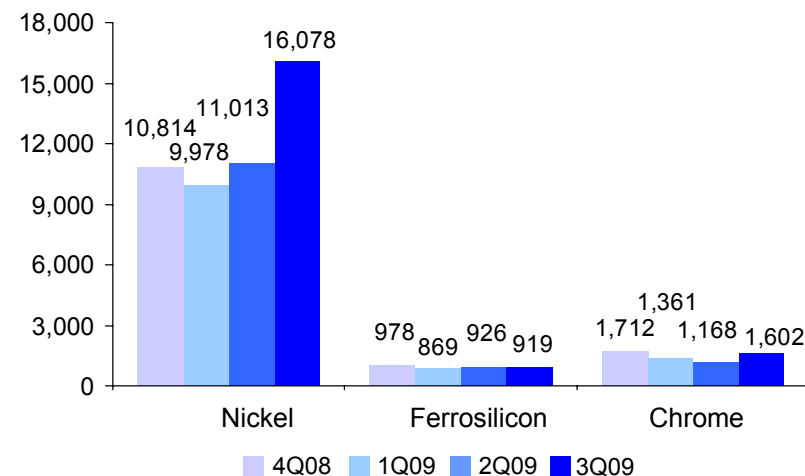
External sales structure



Revenue breakdown by region



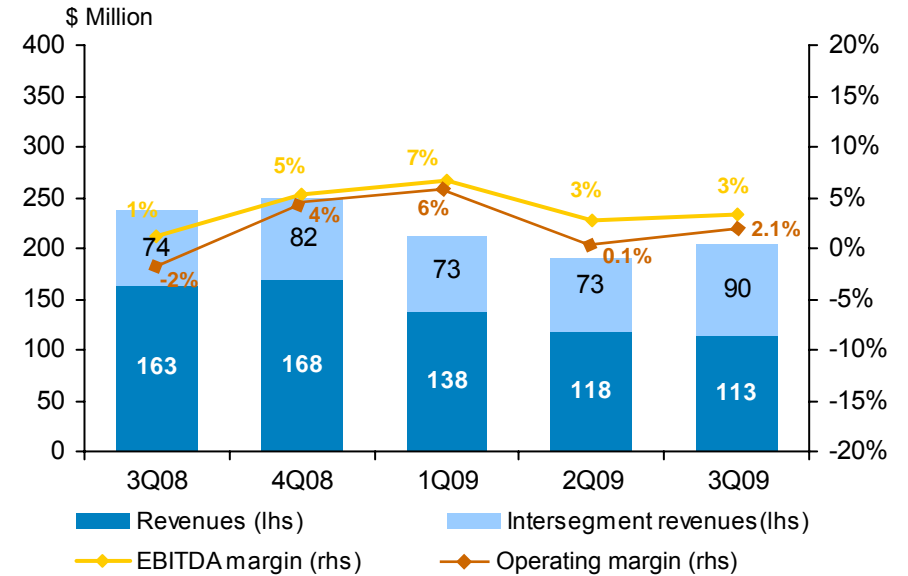
Average sales prices FCA, US\$/tonne



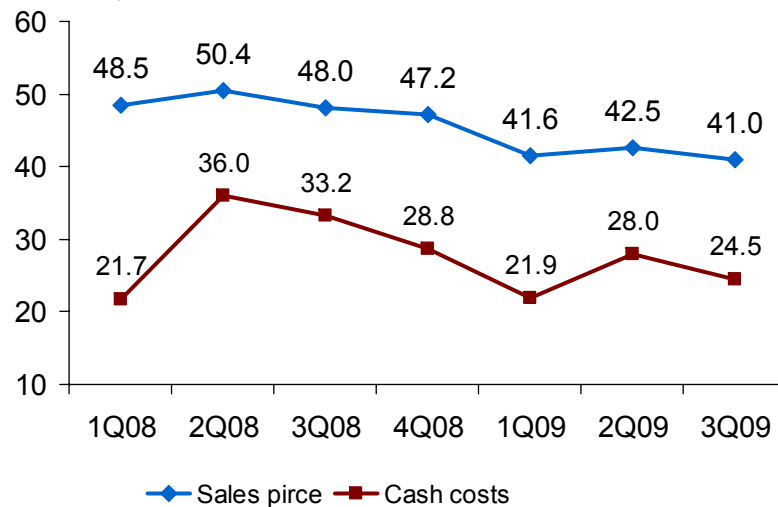
Power Segment Performance

- ➔ Sales seasonally flat
- ➔ S&D expenses fell 5% helping to keep operations marginally profitable
- ➔ Share of intra-group sales increase to 44% as production in other segments recovers

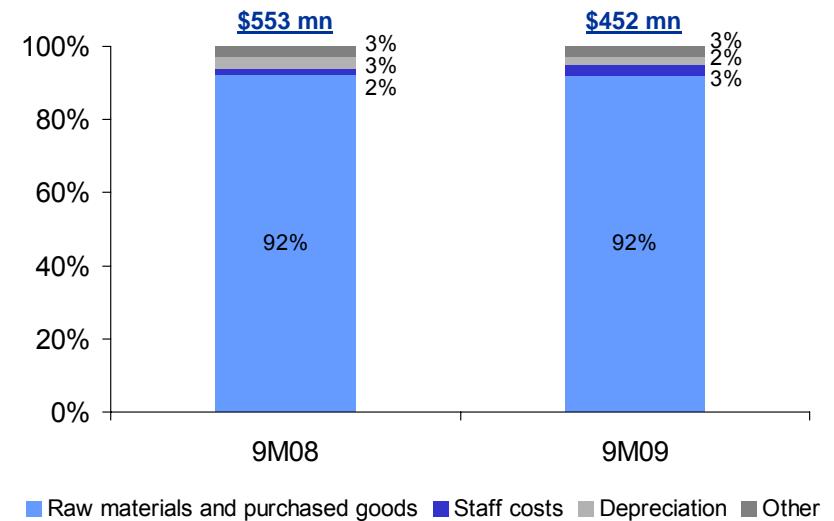
Revenue, EBITDA



Average electricity sales prices and cash costs, US\$/MWh



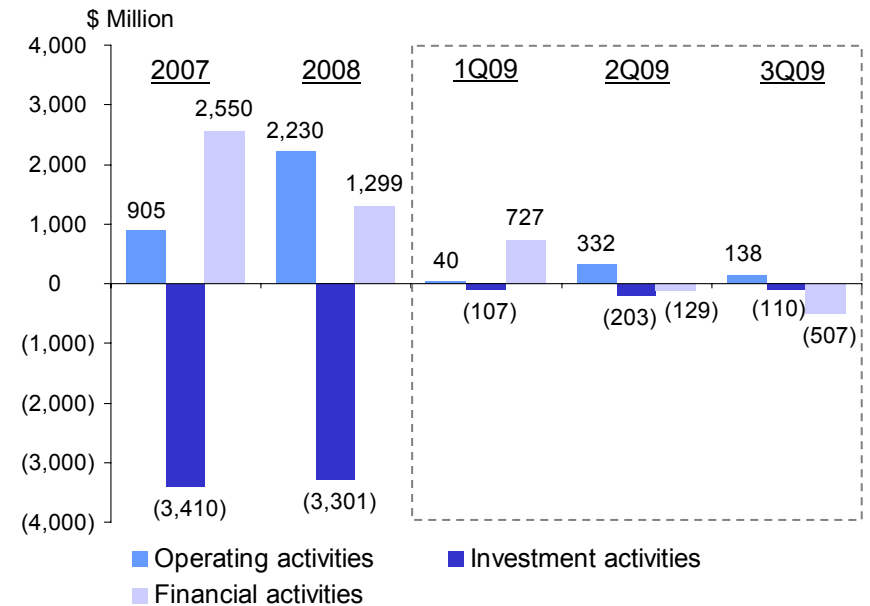
COS structure



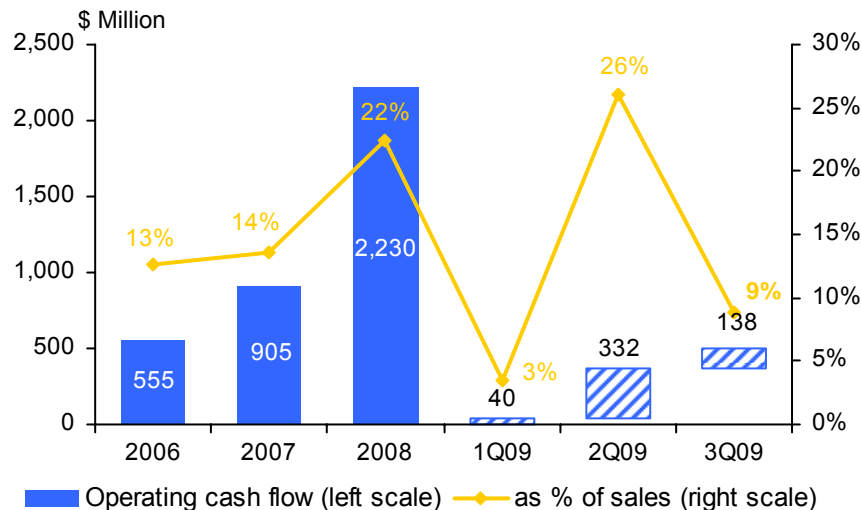
Cash Generation Capacity

- ➔ Operating CF of \$130 mn for the 3Q09 including \$92 mn from changes in working capital
- ➔ Scheduled debt amortisation serviced out of operating cash flow, as capex is financed through long-term instruments
- ➔ \$409 mn cash balance as of the end of 9M09

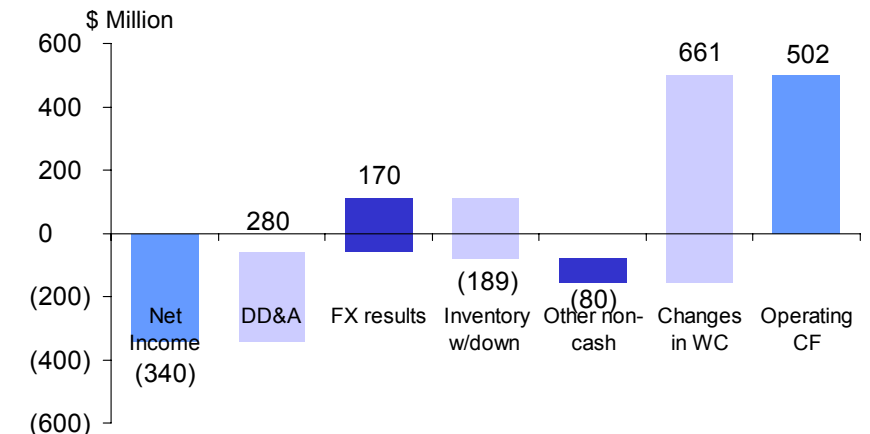
Net Cash Flow



Operating cash flow



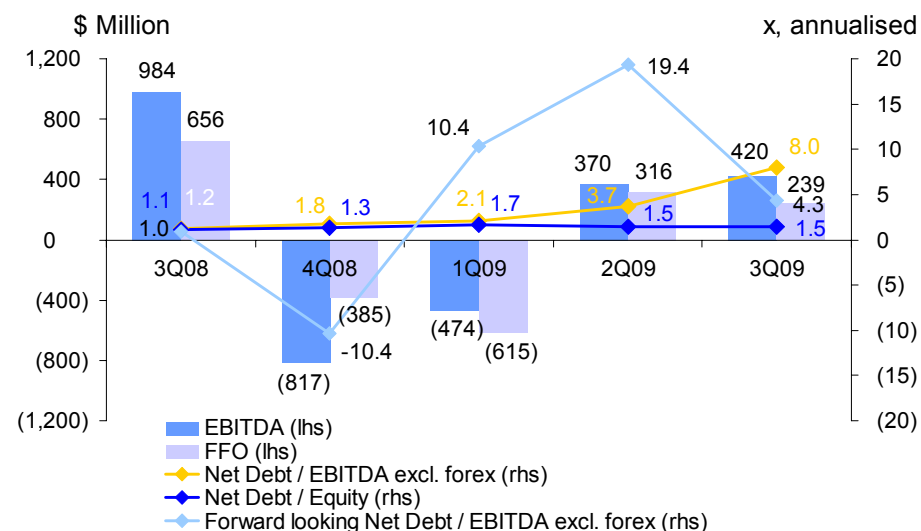
Operating Cash Flow Bridge



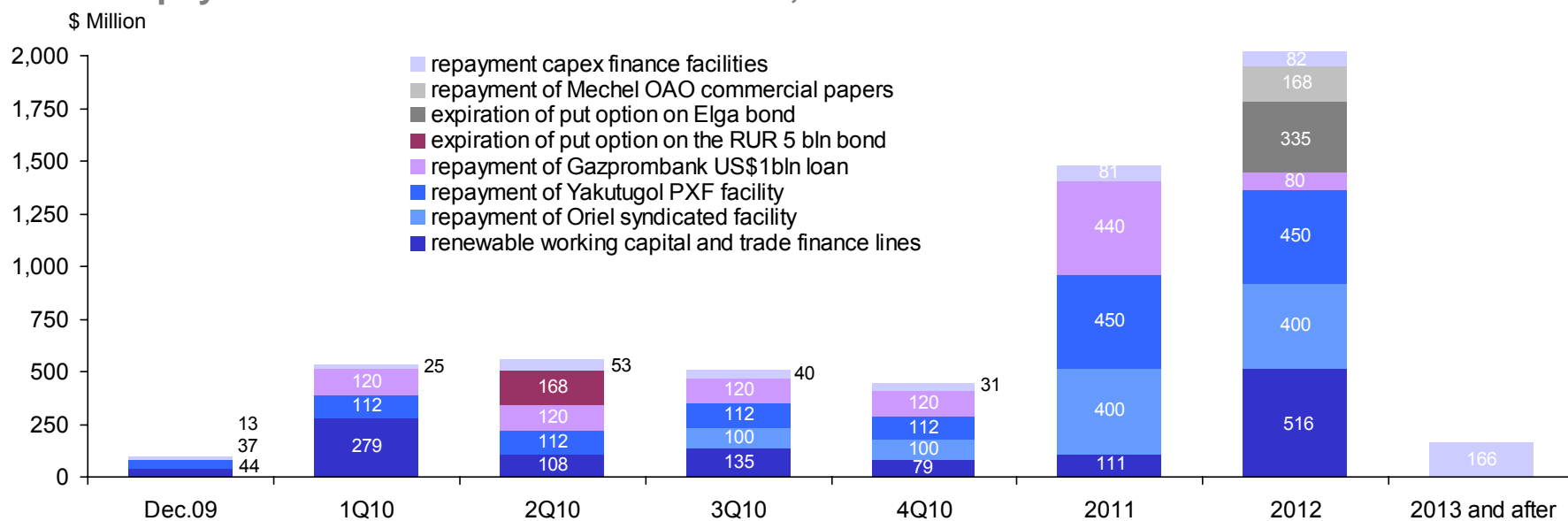
Debt Profile

- ➔ Growing EBITDA improves debt service ratios
- ➔ Improving liquidity help to reduce debt service and extend maturities
- ➔ With ca. \$560 mn cash in accounts, RUB 45 bln in commercial paper and over \$550 mn in available credit lines current debt profile looks sustainable

EBITDA, FFO and Net Debt



Loans repayment schedule as of December 1st, 2009



Financial Results Overview

US\$ million unless otherwise stated	3Q09	2Q09	Change, %
Revenue	1,574	1,281	23%
Cost of sales	(1,037)	(970)	7%
Gross margin	34.2%	24.3%	
Operating profit (loss)	155	(55)	-384%
Operating margin	9.9%	-4.3%	
EBITDA	420	370	14%
EBITDA margin	26.7%	28.9%	
Net Income (loss)	132	219	-40%
Net Income margin	8.4%	17.1%	
Sales volumes*, '000 tonnes			
Mining segment	4,999	4,321	16%
Steel segment	1,870	1,545	21%

* Includes sales to the external customers only