



9M2011 RESULTS PRESENTATION

DECEMBER 15, 2011



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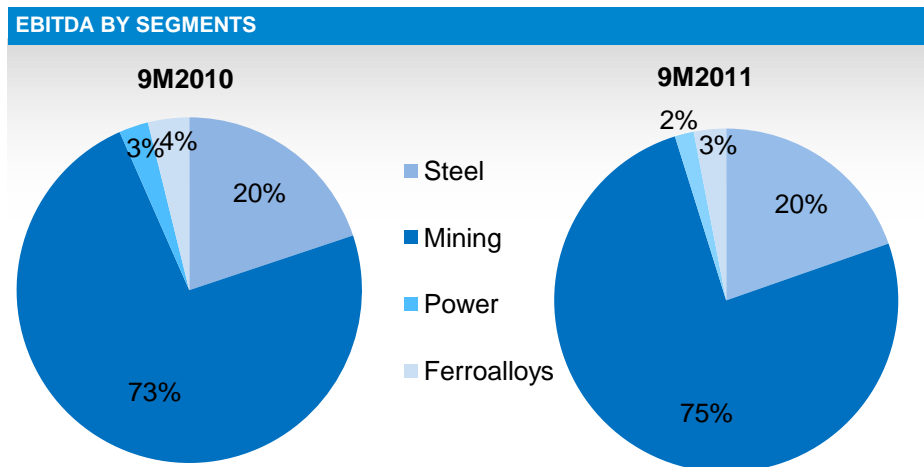
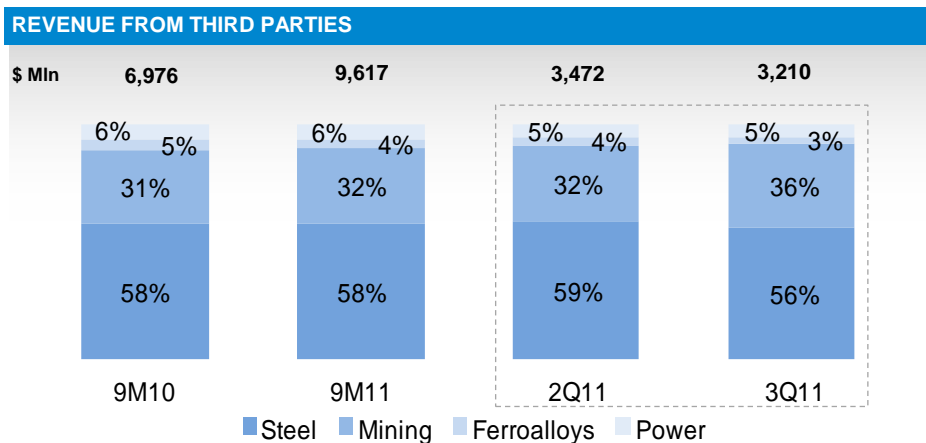
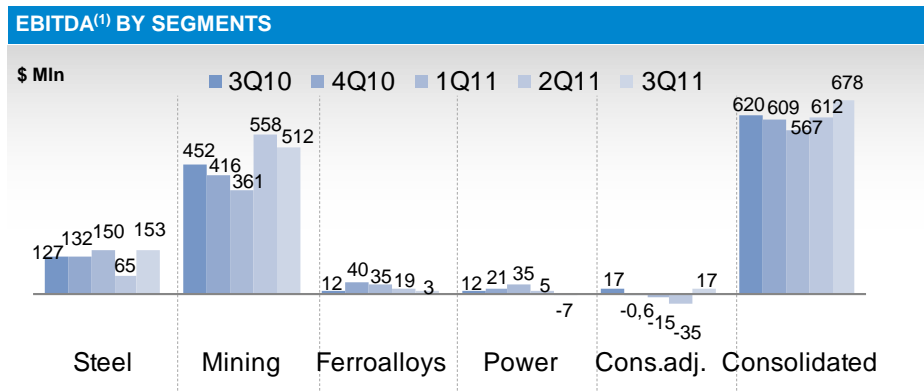
FINANCIAL HIGHLIGHTS



SEGMENTS OVERVIEW



- +** Mining segment's share in revenue grew to 36% as sales in other segments decreased.
- +** Steel contributed most of the positive dynamics in the Q3 EBITDA on the back of improved economics.
- +** Mining contributed 75% of the consolidated EBITDA for 9m2011

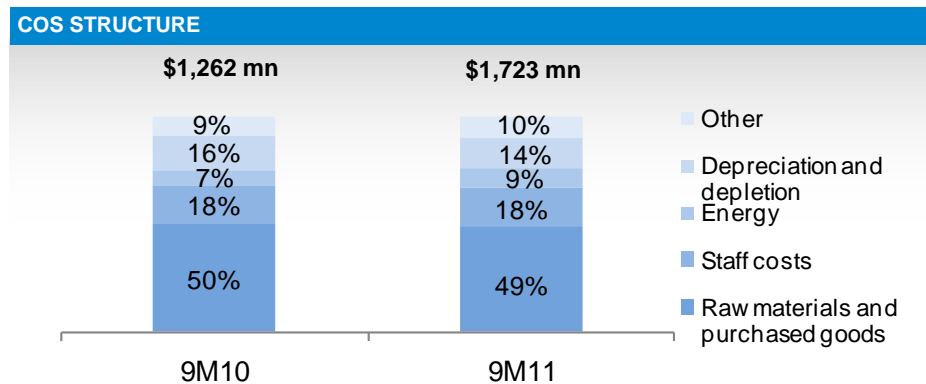
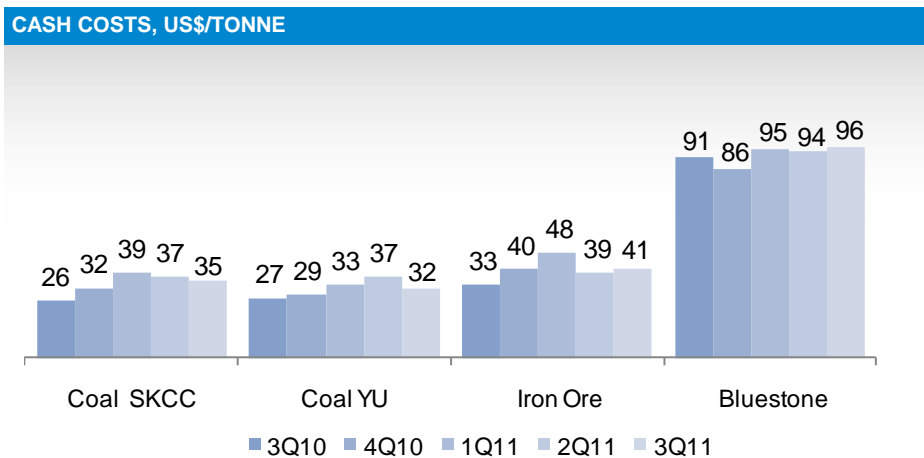
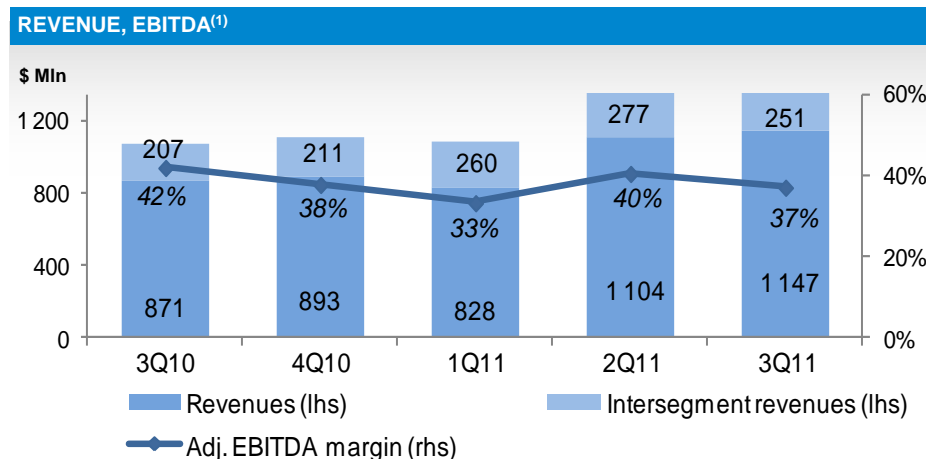


(1) Adjusted EBITDA represents EBITDA adjusted by forex gain/loss, interest income, net income on the disposal of non-current assets, amount attributable to non-controlling interests and gain/loss from remeasurement of contingent liabilities at fair value

MINING SEGMENT PERFORMANCE



- +
- Revenue up 4% as sales volumes increased.
- Profitability slightly down as thermal coal sales temporarily up due to power utilities restocking
- +
- Yakutugol back at full capacity, cash costs down for Russian coal operations.
- +
- FX loss of \$290 mn results in \$14mn of Net Income.



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MINING SEGMENT PERFORMANCE

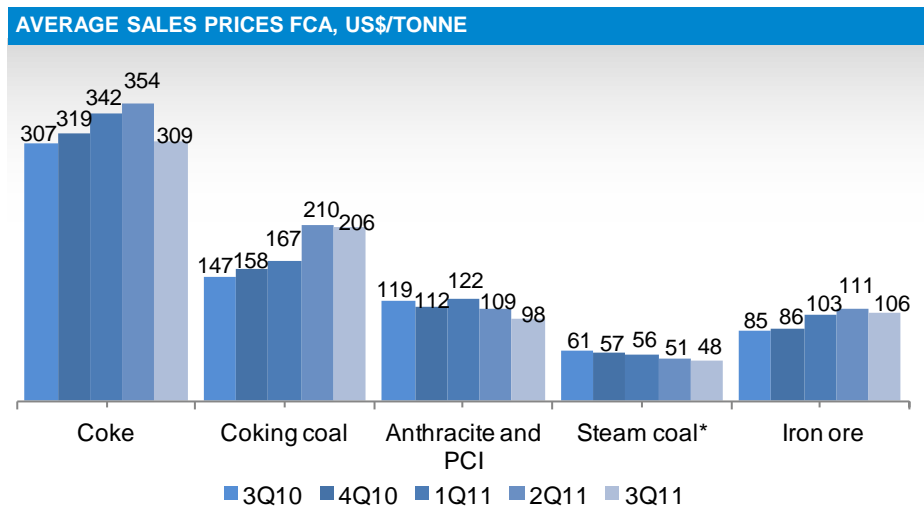
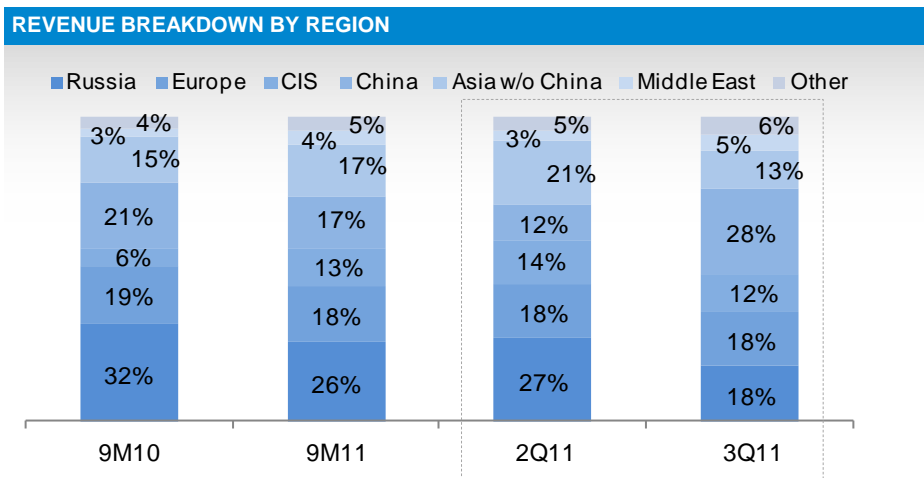
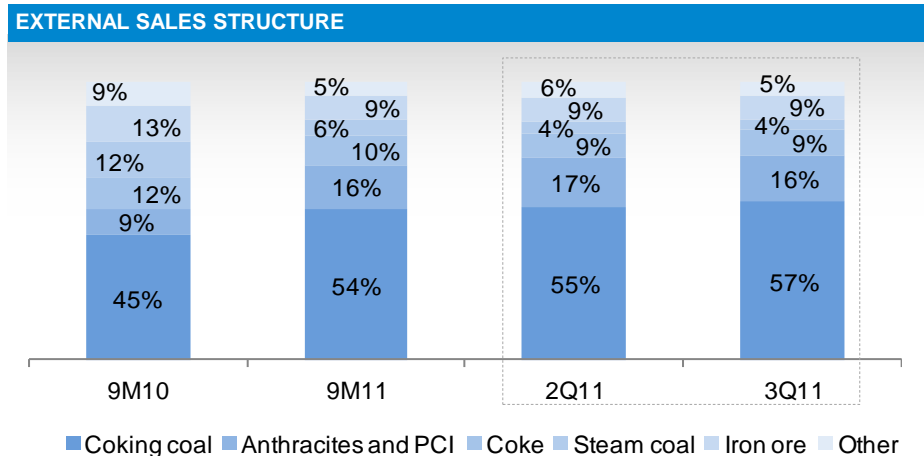


- +
- Coking coal:**

 - Q-o-q export sales from Russia increase, domestic sales lower, resulting in flat average realised price in consolidating markets.
- +

Antracite and PCI and iron ore sales flat q-o-q
- +

China's share up from 12% to 28% of segment's sales in Q3
Overall Asia's share up to 41% of the segment's sales in Q3

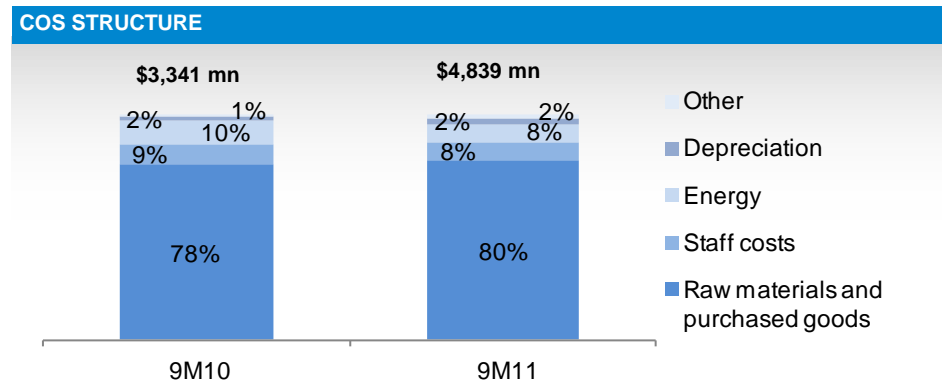
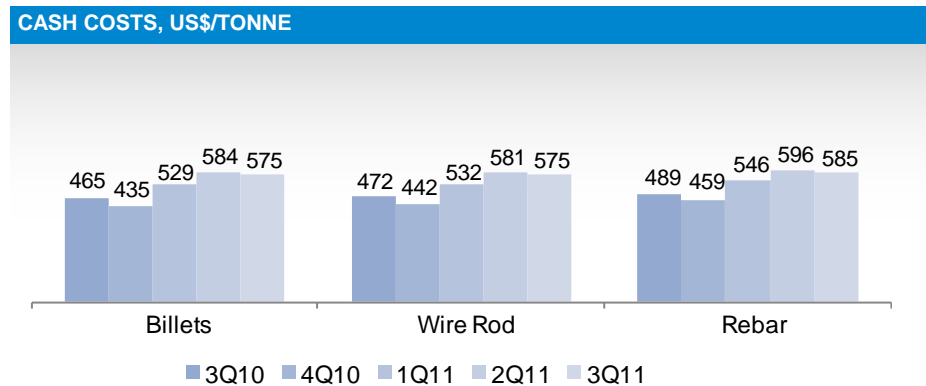
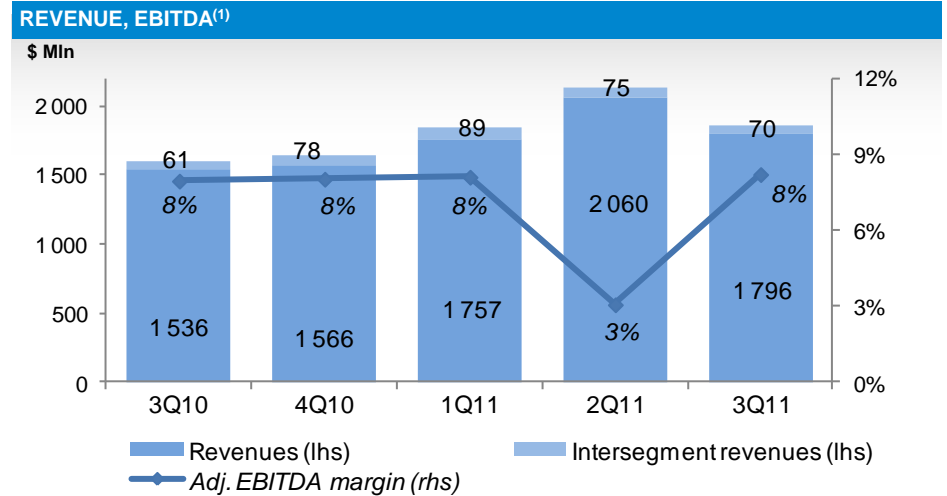


*Restated to include middlings

STEEL SEGMENT PERFORMANCE



- +** Segment's revenue down 13% as sales volumes decreased by 18% due to less 3rd party product resale operations.
- +** Cash costs down as coke and iron ore prices decrease.
- +** EBITDA 2.3x up to \$153mn as efficiency improve.
- +** Net income of \$18mn in Q3 vs. a Net Loss of \$71mn in Q2



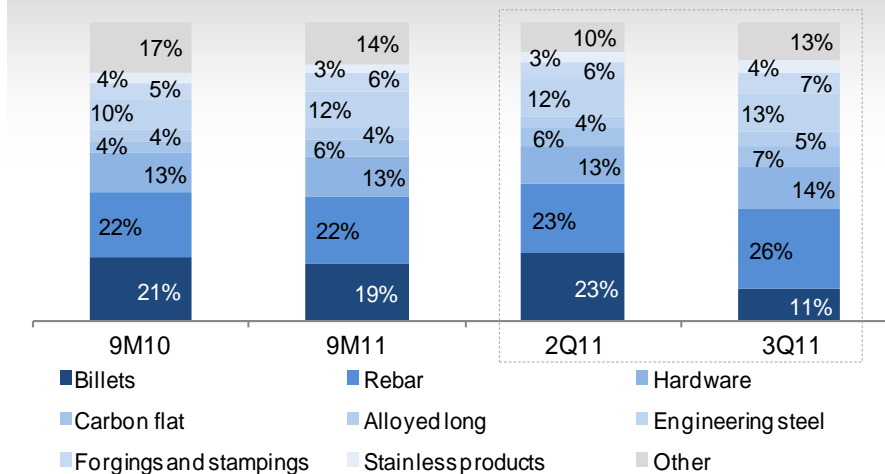
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STEEL SEGMENT PERFORMANCE

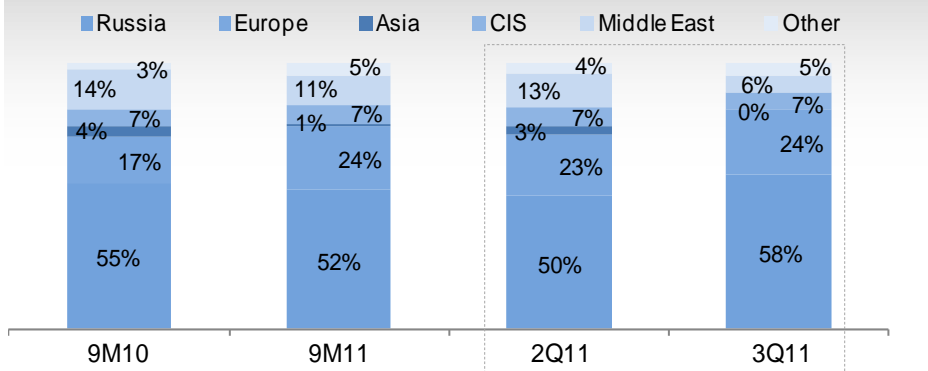


- + Share of domestic sales grew as export of semi-finished steel decreased
- + Europe's share in revenue continued to grow
- + Share of resale operations decreased to 30% of segment's revenue in Q3 from 36% in Q2
- + Operating expenses down 22%

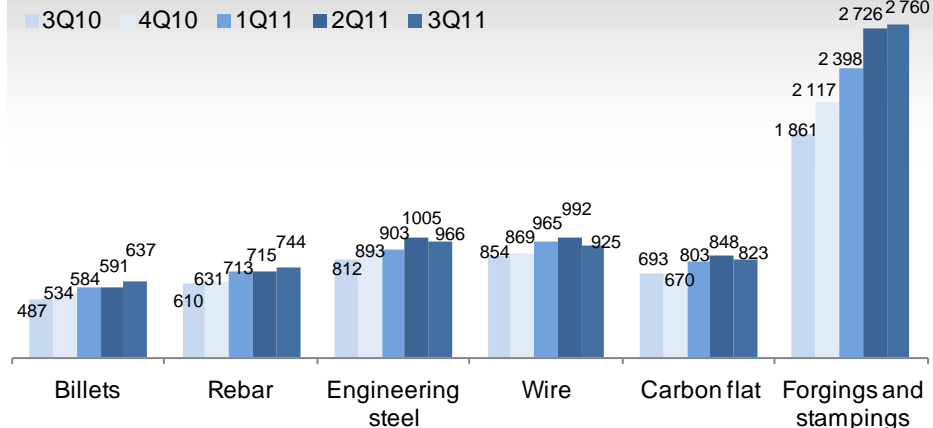
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US\$/TONNE

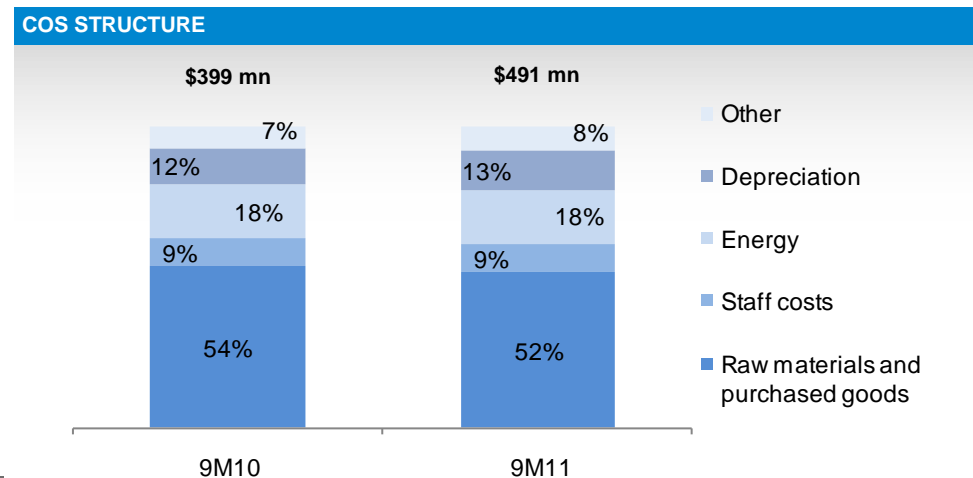
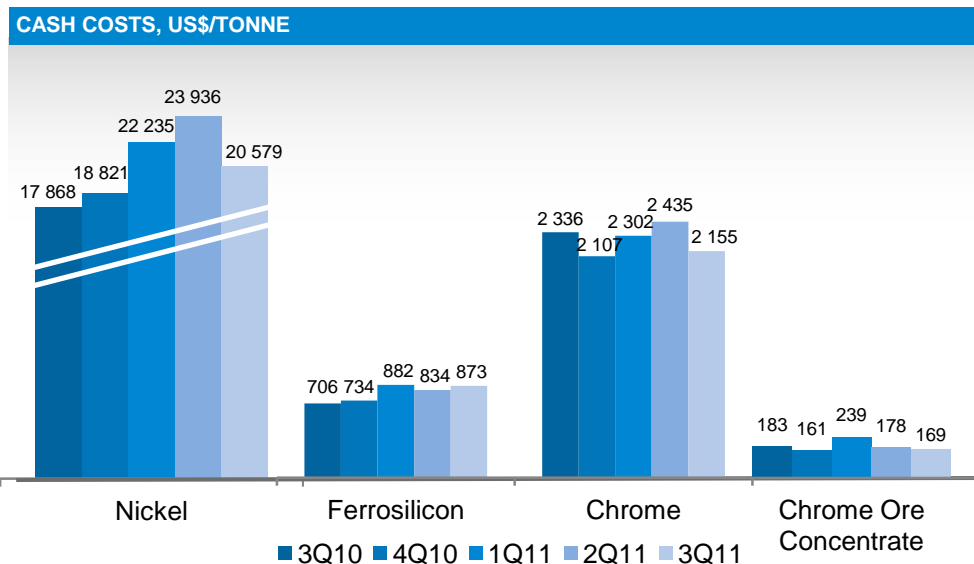
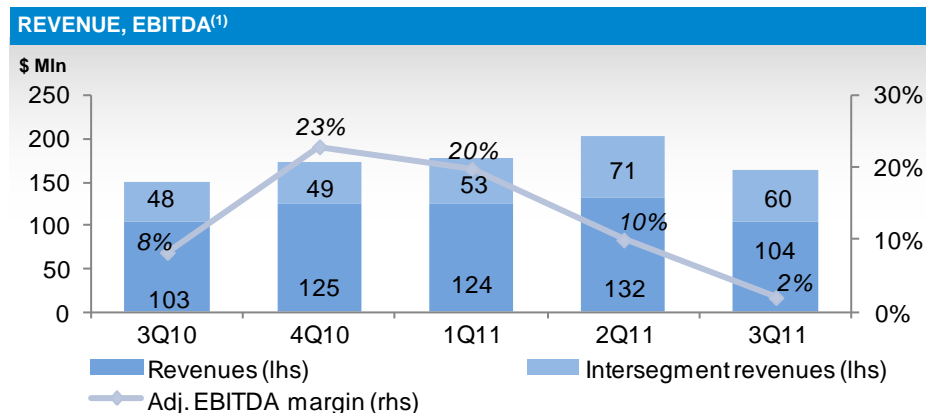


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FERROALLOYS SEGMENT PERFORMANCE



- +** Revenue from 3rd parties up down 21% q-o-q to \$104 mn as prices edged down and volumes decreased
- +** Cash cost dynamics:
 - Ni cost down 14% on lower coke prices
 - Cr cost down 11% as production increased
 - FeSi cost up 5% on higher electricity tariff
- +** Operating expenses up 11% as exports of Cr and FeSi grew
- +** Q3 EBITDA still positive at 3% of the revenue



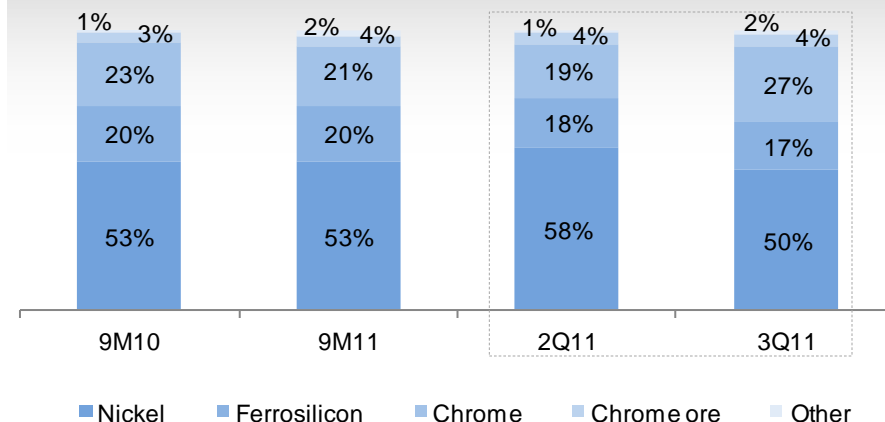
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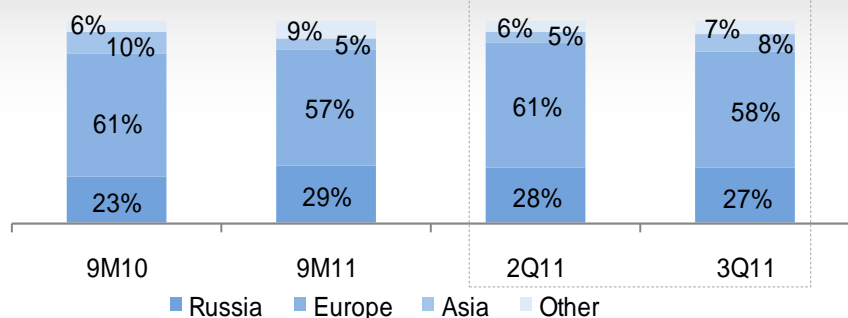


- + Downward price trend continued.
- + Cr 3rd party sales up 21% as mining at Voskhod continued to ramp up
- + FeSi 3rd party sales volumes further down 19% as one furnace was idled for modernisation
- + Lack of carry-over volumes from Q2 resulted in an apparent decrease of Ni 3rd party sales by 21% q-o-q
- + Higher exports of FeSi (at the expense of the domestic market) and Cr resulted in increasing share of markets beyond Russia and Europe.

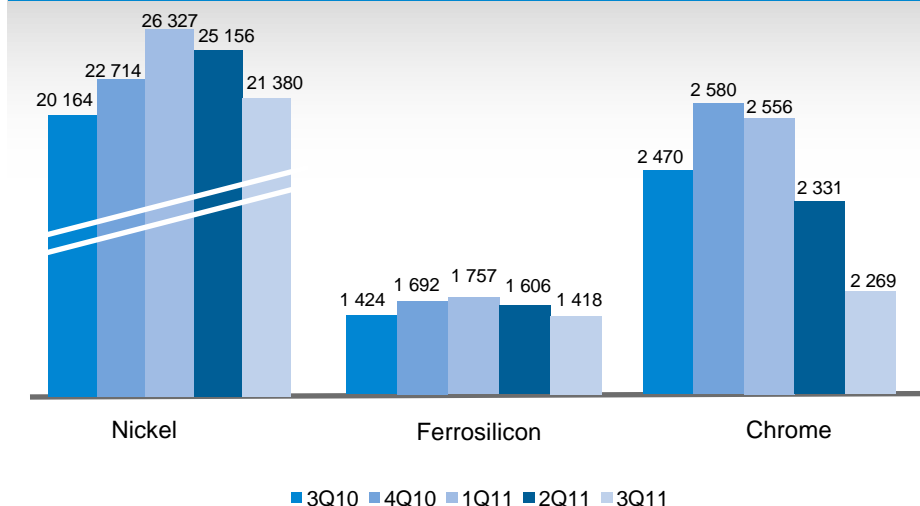
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



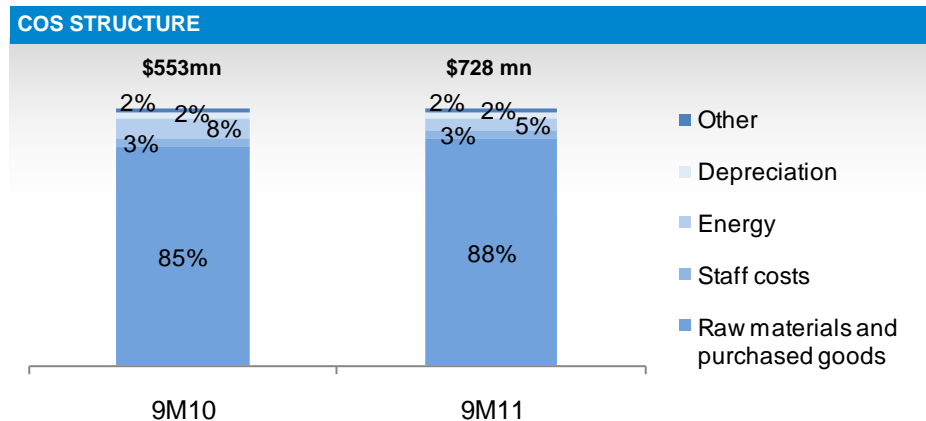
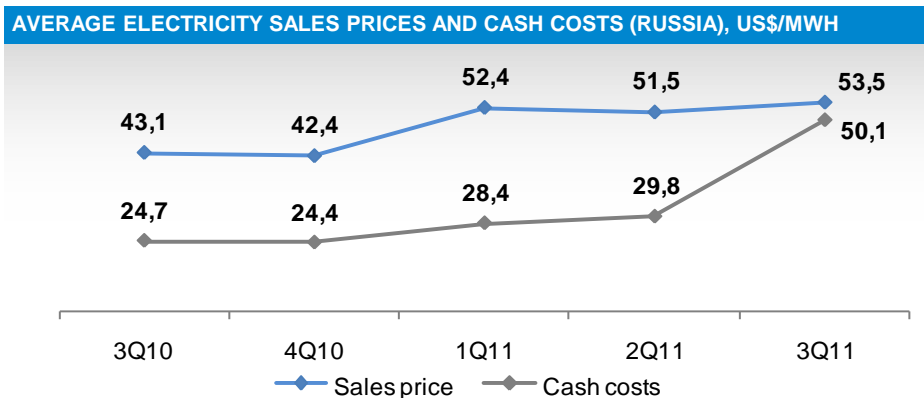
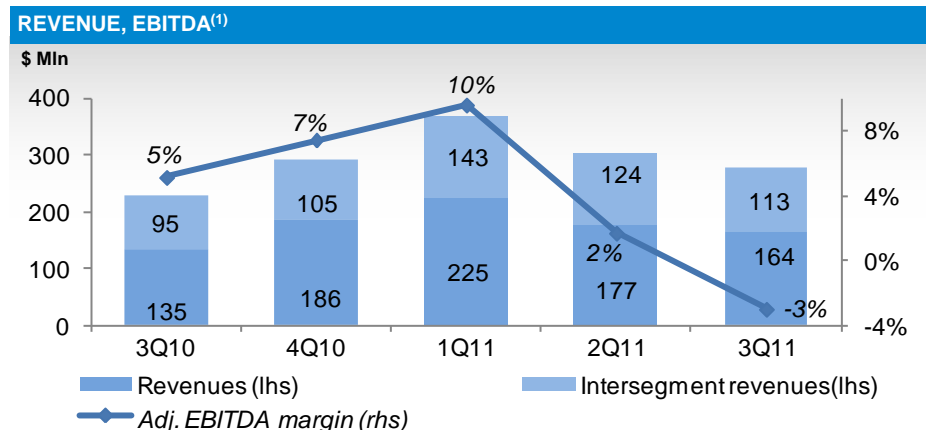
AVERAGE SALES PRICES FCA, US\$/TONNE



POWER SEGMENT PERFORMANCE



- +** Lowest season for power and heat generation resulted in a 7% q-o-q decrease in sales.
- +** A lesser decrease in COS due to high coal prices resulted in the gross margin to contract to \$50 mn – or 17% of the revenue
- +** EBITDA down to negative \$7mn



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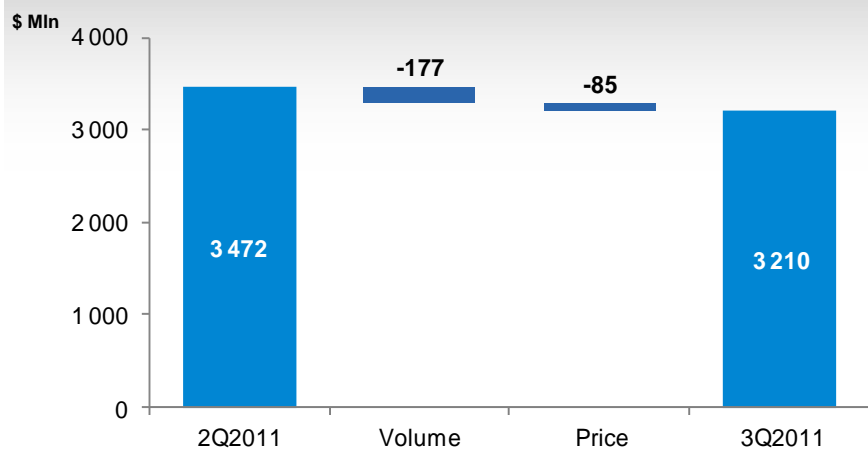
STABLE FINANCIAL PERFORMANCE



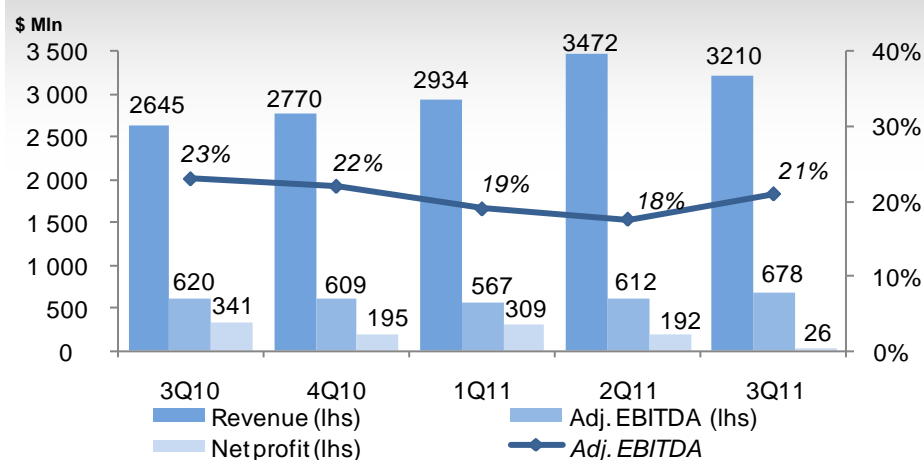
3Q2011 financial performance q-o-q highlights:

+	Revenue – down 8% q-o-q to \$3.2 bn due to lower sales in the steel, ferroalloy and power segments - gross margin improved q-o-q to 37%
+	EBITDA ⁽¹⁾ – up 11% q-o-q to \$678 mn - margin improved to 21%
+	Net Income – down q-o-q to \$26 after an FX loss of \$296m

REVENUE DYNAMICS



REVENUE, EBITDA⁽¹⁾ AND NET PROFIT



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CASH GENERATION CAPACITY

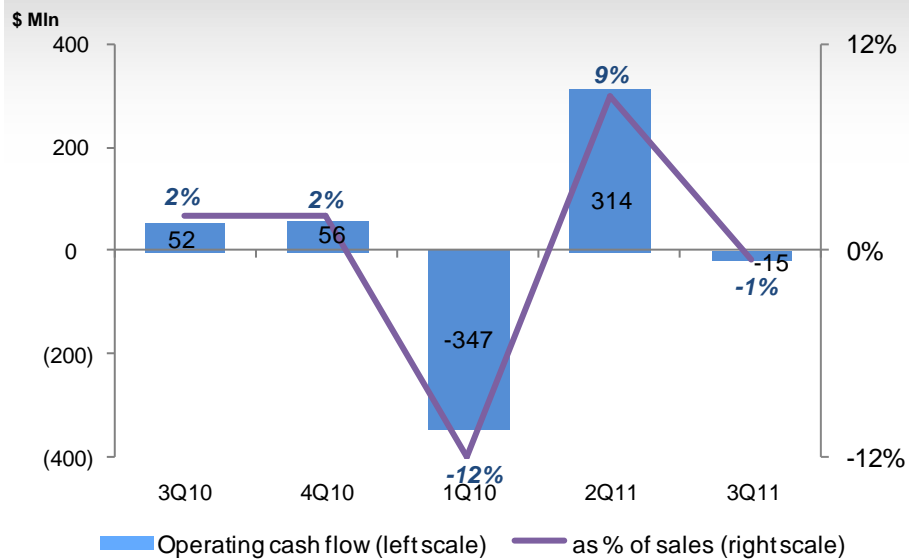


Operating cash-flow posted a negative \$15m as inventory and receivables started to build up by the end of Q3:

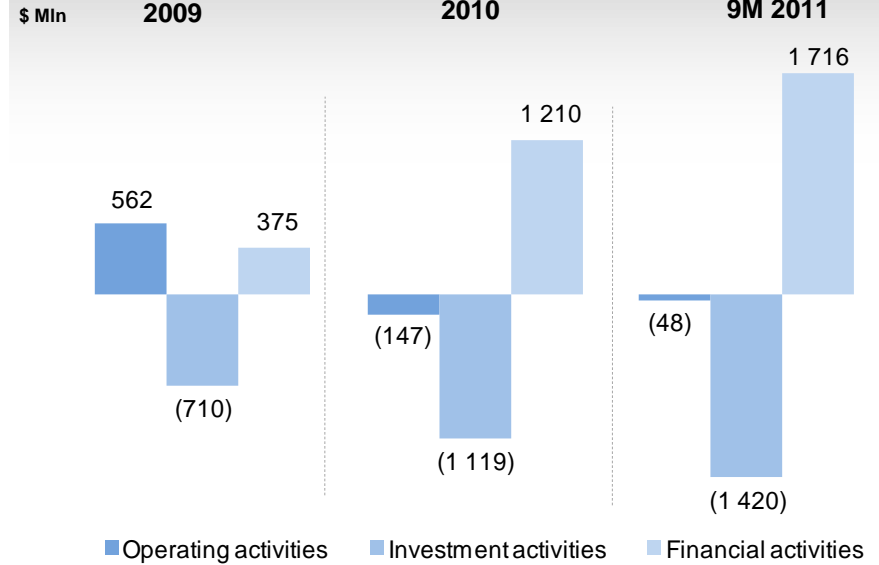


\$612mn of investments in Q3 financed entirely by long-term debt

OPERATING CASH FLOW



NET CASH FLOW

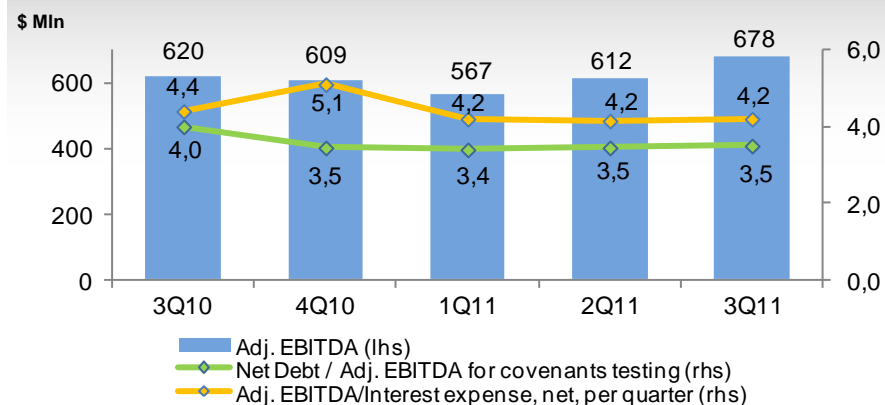


DEBT PROFILE

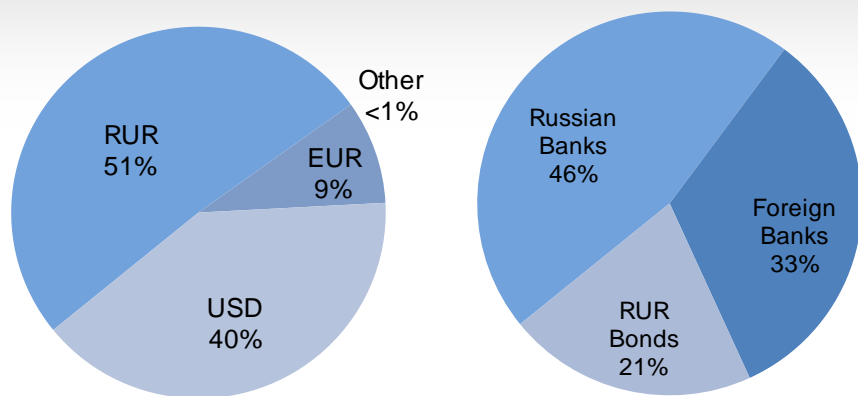


- +** Adjusted Net Debt grew to \$8.7bn as of the end of Q3
- +** Half of the debt repayable in 2012 is revolving. Current \$2.1 bn of cash and available undrawn credit lines sufficient to meet redemptions in 2012.
- +** Credit portfolio evenly split between RUR, \$ and EUR reflecting revenue in these currencies
- +** Debt covenant of Net Debt/EBITDA maintained at 3.5:1 as of the end of Q3

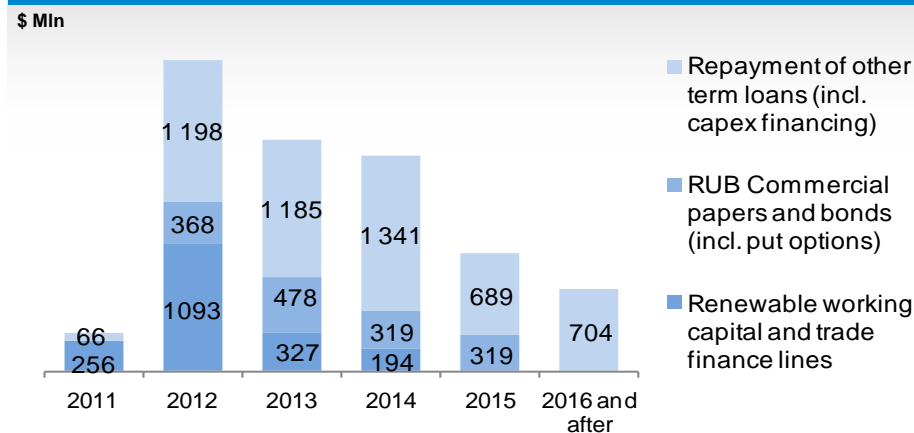
FINANCIAL RATIOS



DEBT PROFILE AS AT DECEMBER 1, 2011



LOANS REPAYMENT SCHEDULE AS AT DECEMBER 1, 2011



FINANCIAL RESULTS OVERVIEW



US\$ MILLION UNLESS OTHERWISE STATED	3Q11	2Q11	CHANGE, %
Revenue	3,210	3,472	-7.5%
Cost of sales	(2,025)	(2,288)	-11.5%
Gross margin	36.9%	34.1%	
Operating profit	529	476	11.1%
Operating margin	16.5%	13.7%	
Adjusted EBITDA ⁽¹⁾	678	612	10.8%
Adjusted EBITDA ⁽¹⁾ margin	21.1%	17.6%	
Net Income	26	192	- 86.5%
Net Income margin	0.8%	5.5%	
Sales volumes⁽²⁾, '000 tonnes			
Mining segment	6,026	5,648	6.7%
Steel segment	1,858	2,278	-18.4%

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(2) Includes sales to the external customers only