9M2013 RESULTS PRESENTATION

DECEMBER 23, 2013

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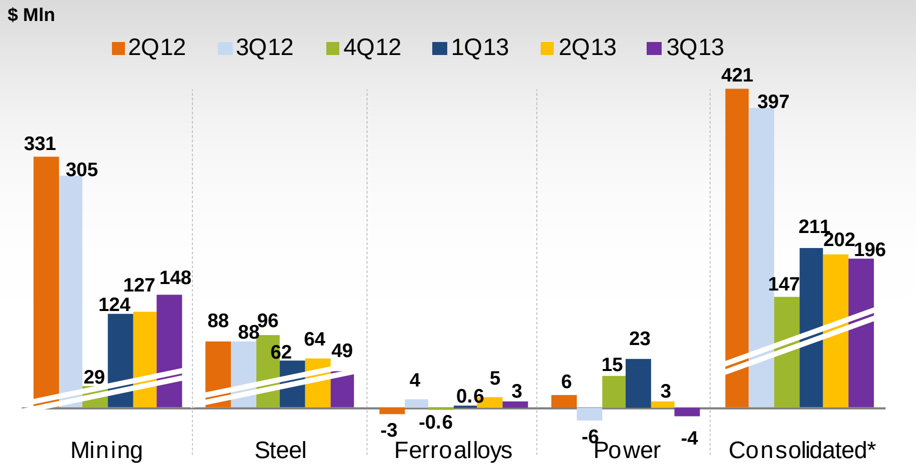
FINANCIAL HIGHLIGHTS

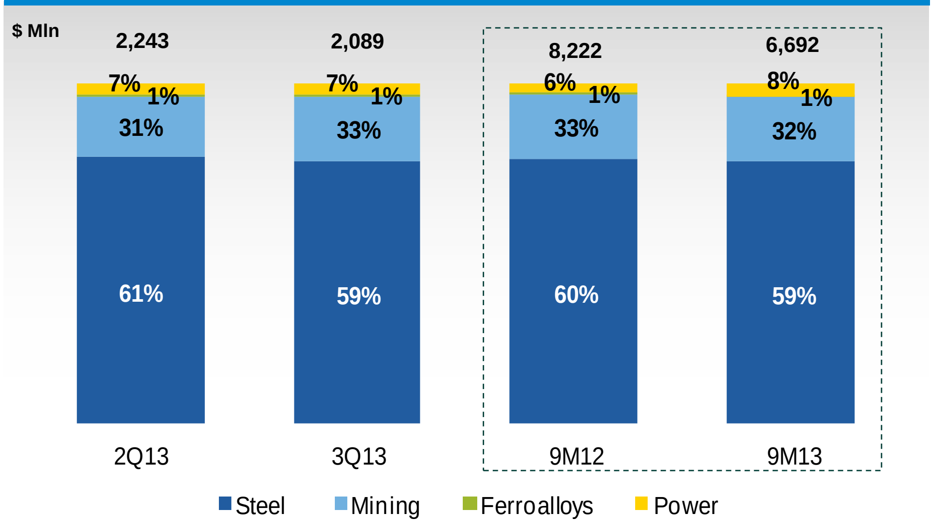
SEGMENTS OVERVIEW

- Declining prices put pressure on consolidated revenue which is down to $2.1 bn q-o-q
- Bad debt provisions and write-offs due to assets disposals result in a Net Loss of $2.2 bn for 9M2013
- Due to lower cash costs and higher volumes Mining segment EBITDA grew by 17% q-o-q dominating the consolidated EBITDA with a share of 76%

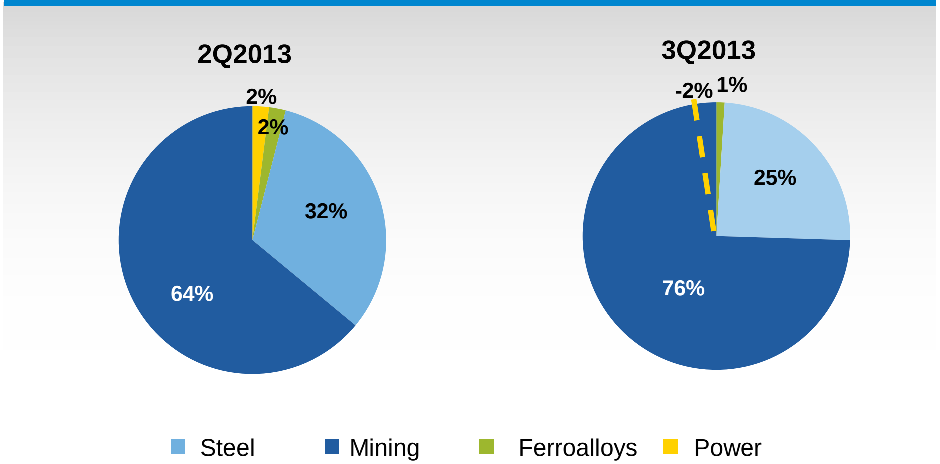
EBITDA[(1)] BY SEGMENTS



REVENUE FROM THIRD PARTIES



EBITDA BY SEGMENTS



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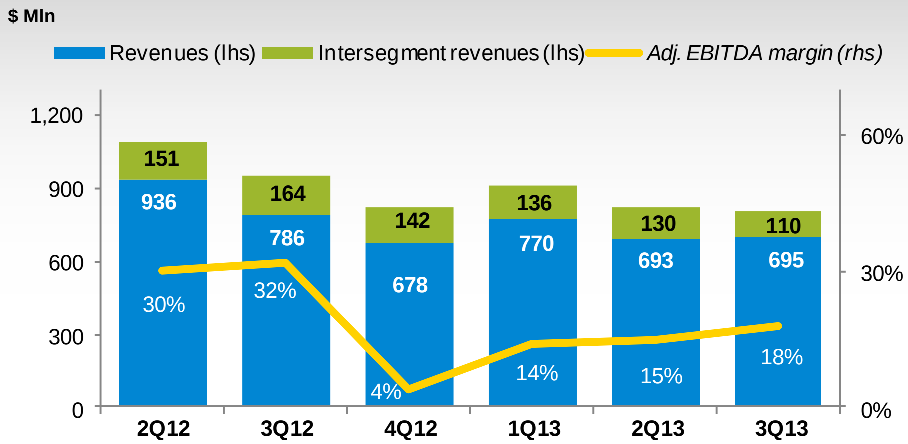
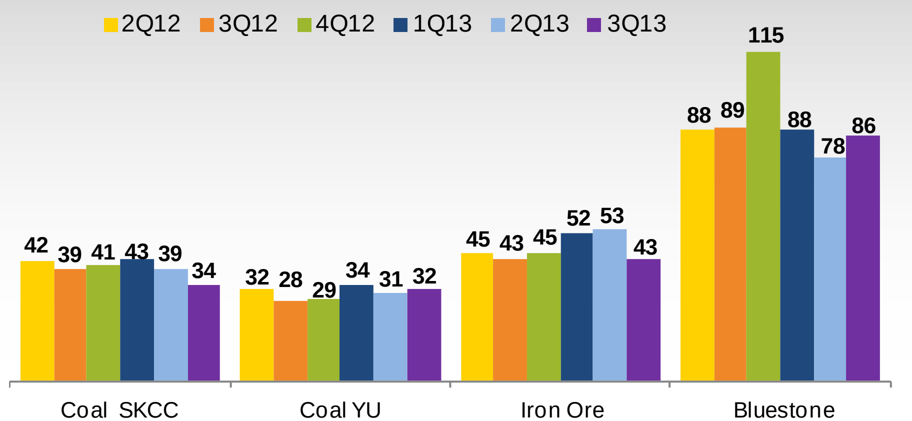
MINING SEGMENT

- Revenue flat q-o-q at $695 mn as decrease in sales and prices for coking coal is offset by increased sales of anthracite, PCI and iron ore
- Despite weaker pricing EBITDA grew by 17% q-o-q due to operating costs containment efforts
- Cost control measures result in reduced/flat cash costs across all Russian operations

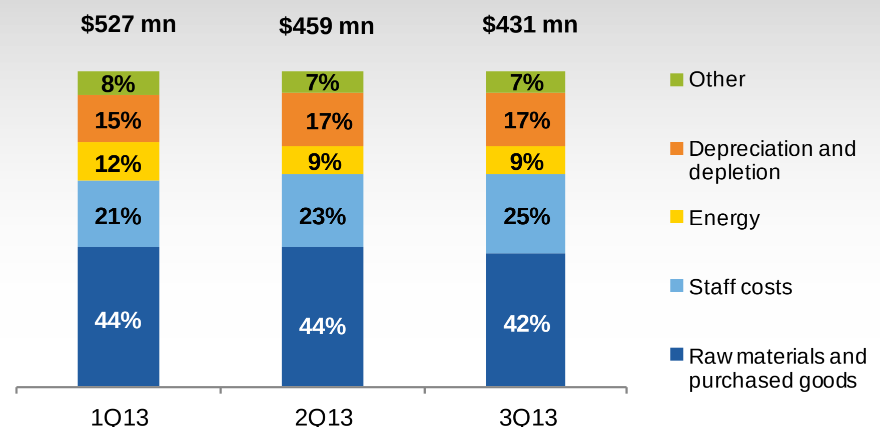
REVENUE, EBITDA[1]



CASH COSTS, US$/TONNE



COS STRUCTURE



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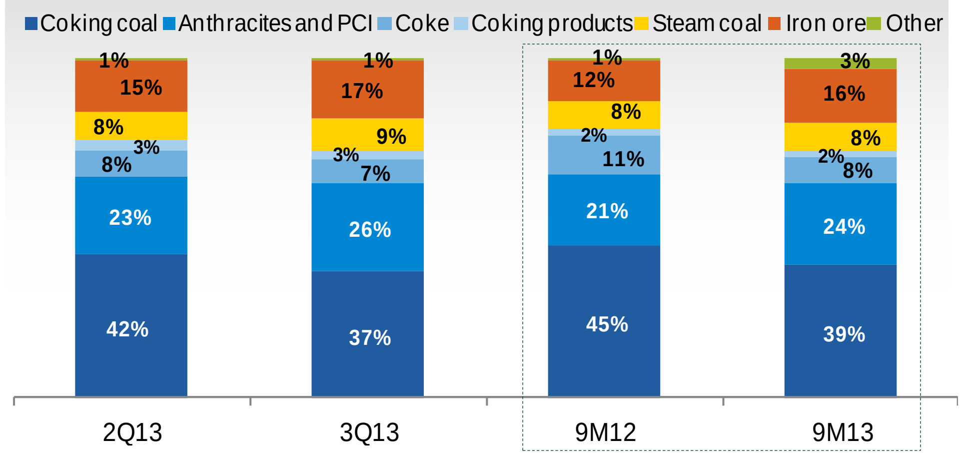
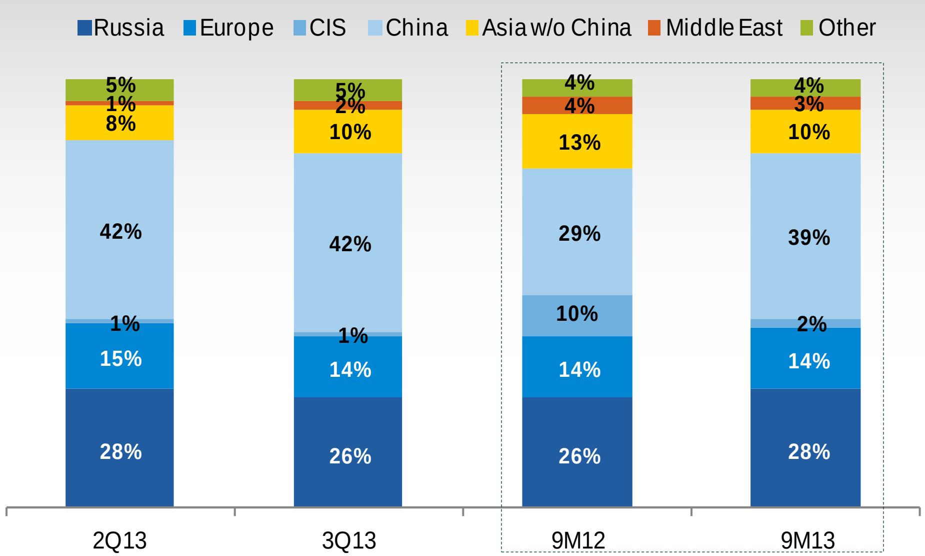
MINING SEGMENT

- Coking coal sales down 13% q-o-q due to decrease in domestic demand
- Sales of anthracite and PCI grew by 17% q-o-q due to better demand from Turkey, UK and China
- Prices for coal products fall across the board with iron ore showing better price resilience
- Share of coking coal exports to China in 9M13 grows by 49% y-o-y offsetting lower shipments to CIS due to dwindling solvent demand
- China starts to dominate in sales outstripping domestic shipments with overall sales share of 39% for 9M2013

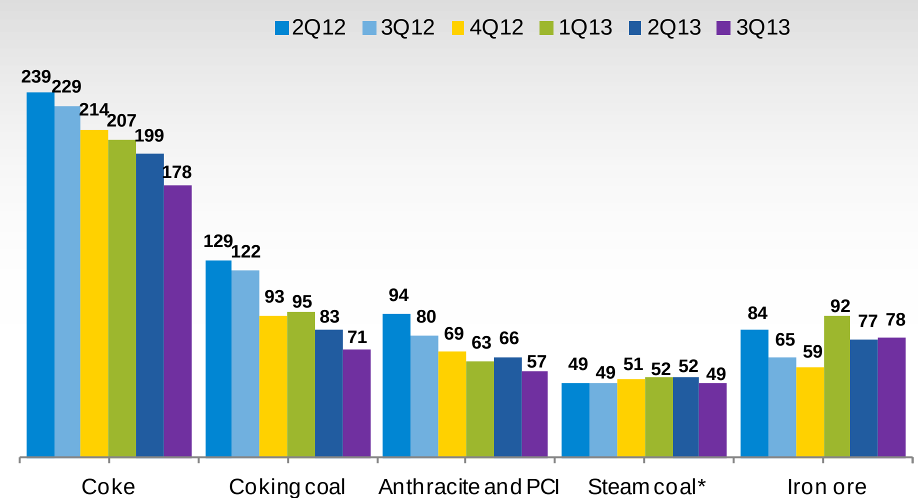
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE

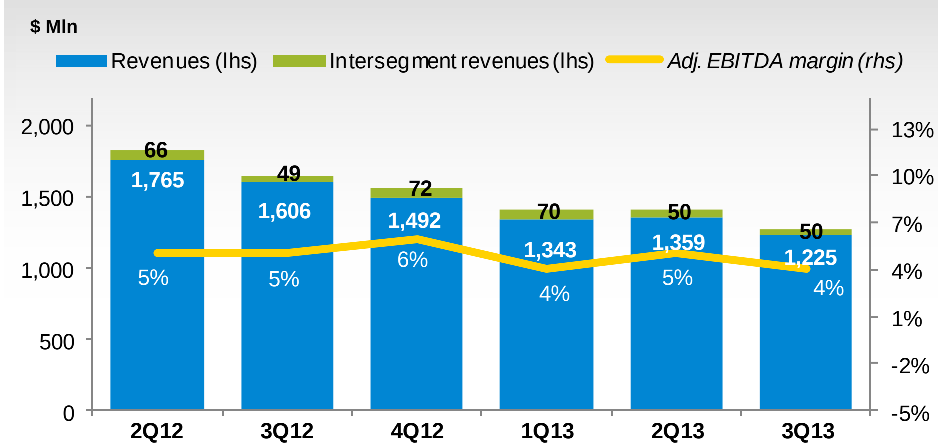


*Restated to include middlings

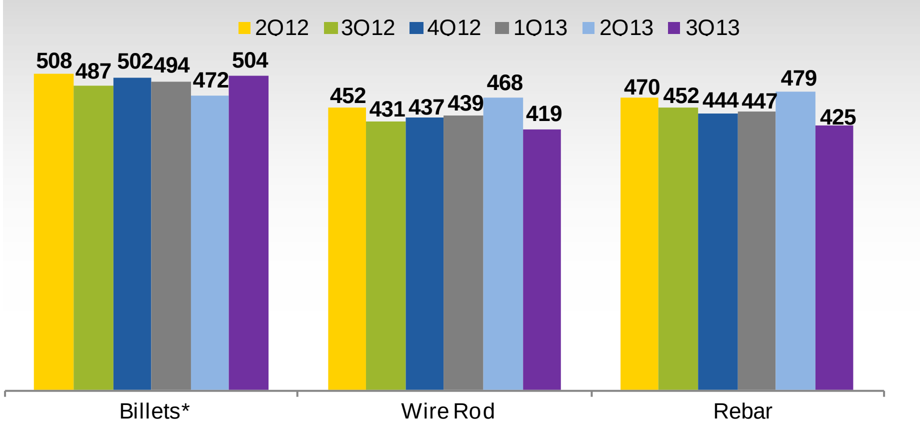
STEEL SEGMENT

- Segment's revenue down 10% as sales of 3rd party steel products decreased q-o-q…
- …while lower raw material prices pushed rebar and wire rod cash cost down by 11% and 10% respectively…
- … resulting in 3Q13 EBITDA decreasing to $49mn
- Bottom line affected by $186 mn of one-off negative result of discontinued operations of Donetsk Steel Plant and $629 mn from related parties bad debt provision

REVENUE, EBITDA(1)

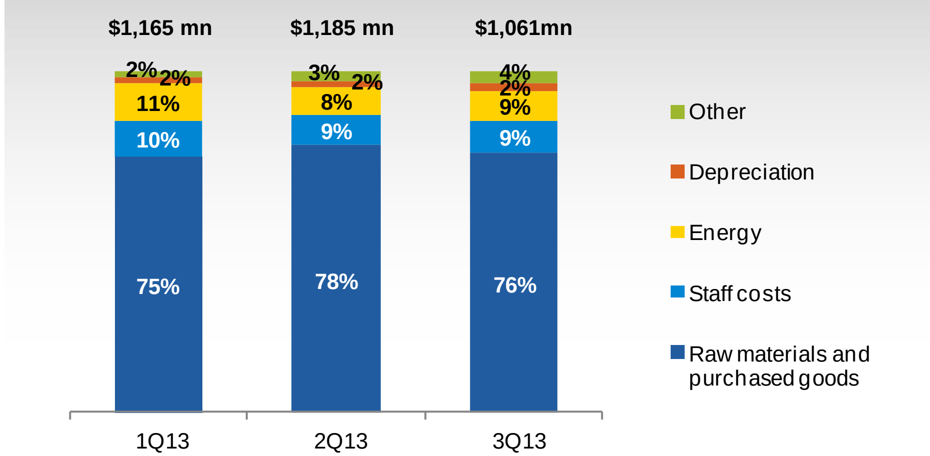


CASH COSTS, US$/TONNE



* Domestic sales

COS STRUCTURE



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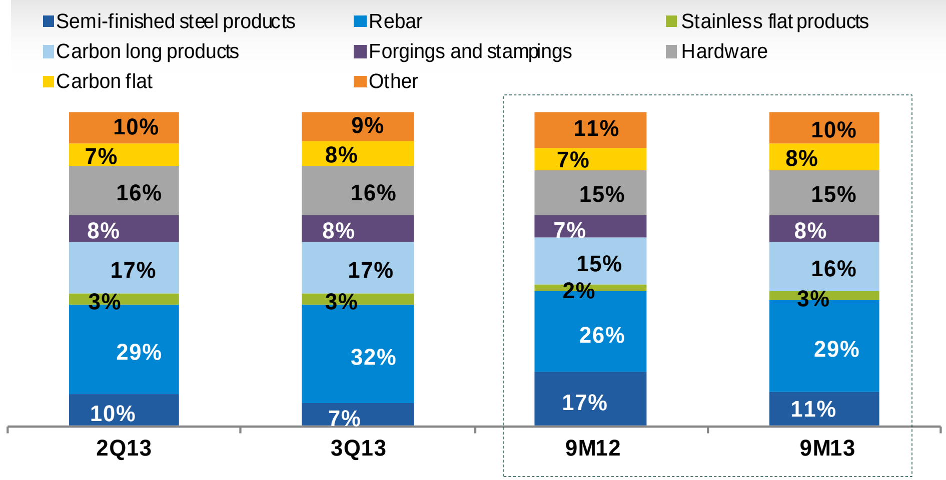
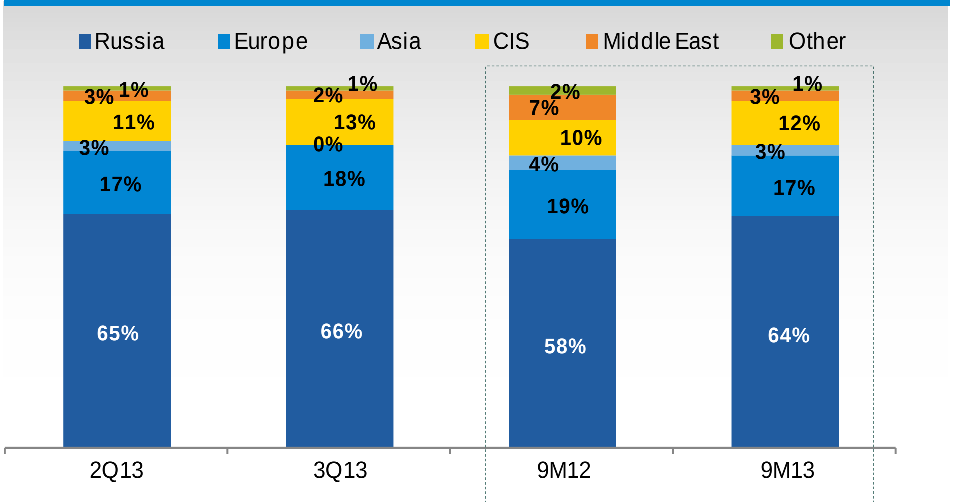
STEEL SEGMENT

- Increased imports of steel products from Ukraine resulted in flat prices on domestic market despite high season
- Share of semi-finished products decrease as we launch the universal mill at Chelyabinsk and terminate our resale business with Estar
- Share of Europe falls to 17% y-o-y as European assets are divested and sales are shifted to a more buoyant Russian market

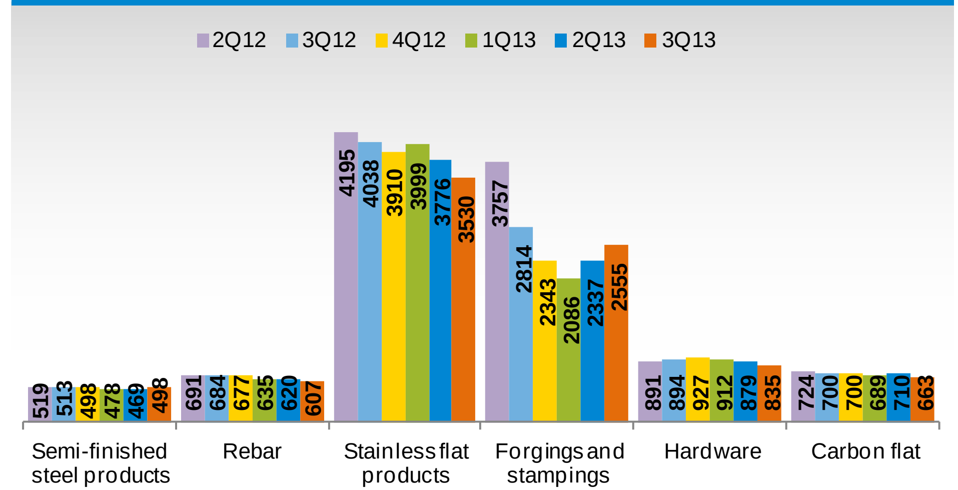
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE



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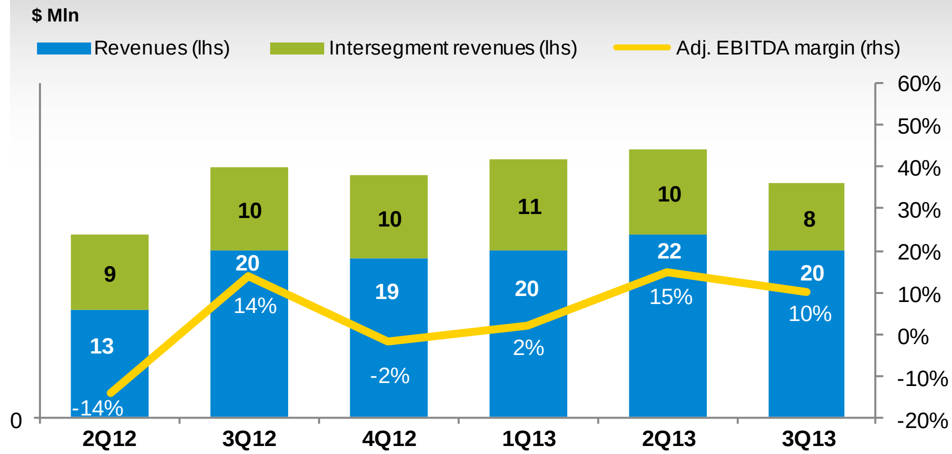
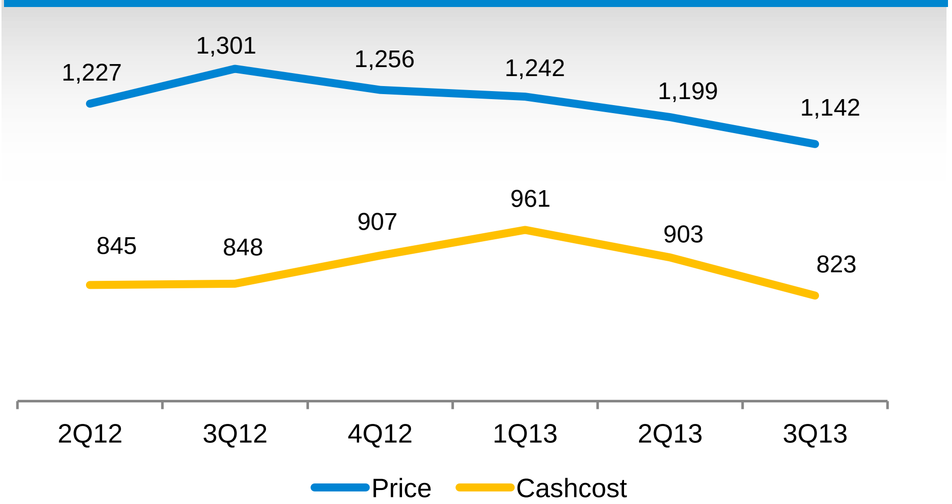
FERROALLOYS SEGMENT*

- Southern Urals Nickel Plant and Chrome assets result deconsolidated as Discontinued operations
- Revenue down 9% q-o-q due to decrease of FeSi sales and weaker pricing
- FeSi cash costs down by 9%
- Net income of $3 mn in 3Q13 vs net loss of $881 in 2Q13 caused by write-offs on disposed chrome assets
- After significant growth of export sales share in the beginning of the year domestic sales rebounded in 3Q due to better internal demand

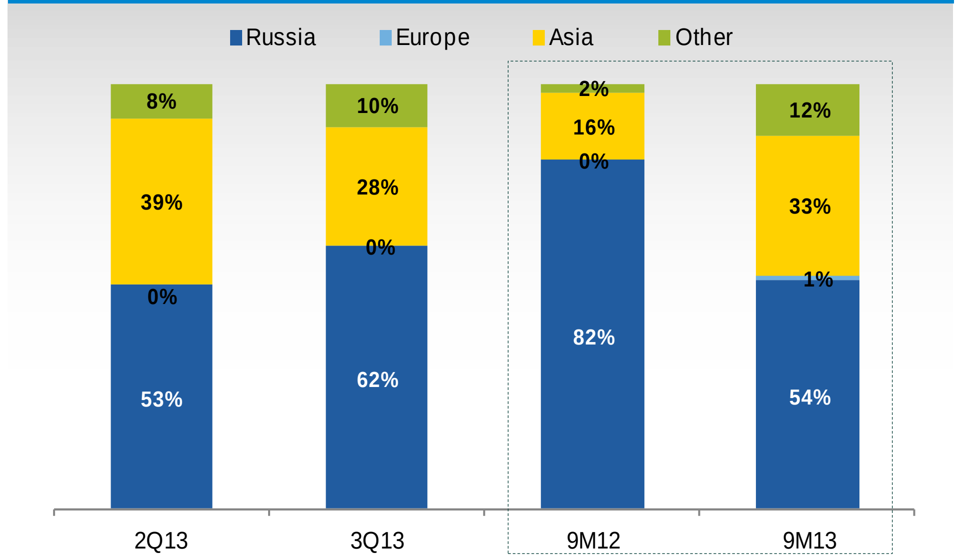
REVENUE, EBITDA[1]



AVERAGE FERROSILICON SALES PRICES AND CASH COSTS, US$/TONNE



REVENUE BREAKDOWN BY REGION



*** As of June 30, 2013, a number of companies of the ferroalloys segment met criteria for classification as discontinued operations under US GAAP and were disclosed as a separate component from Mechel Group's continuing operations retrospectively for all comparative periods presented.**

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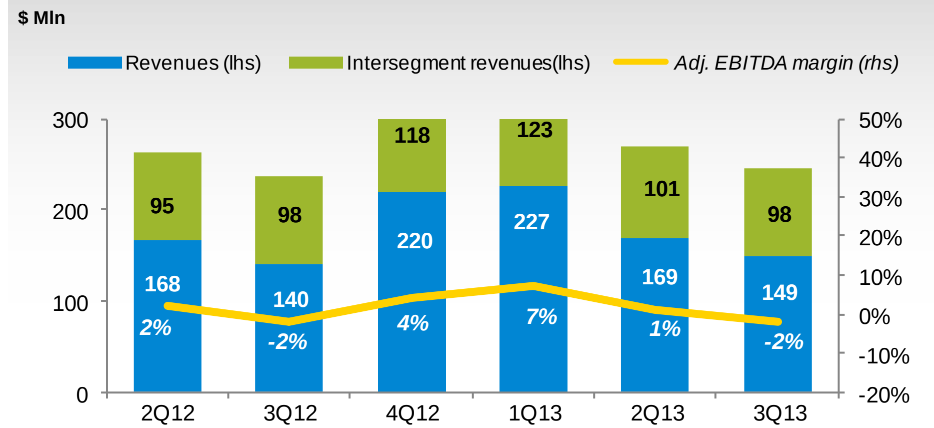
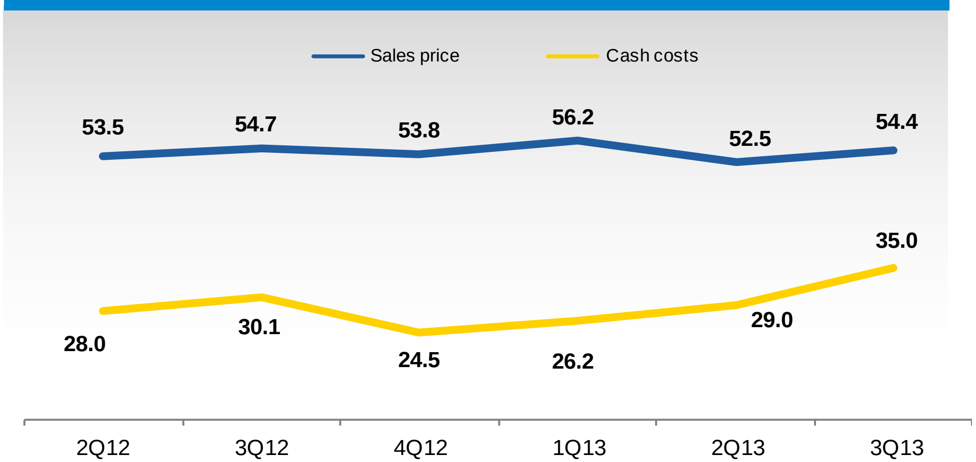
POWER SEGMENT

+	Traditional seasonal decrease in revenues and margins
+	Lower production volumes and seasonal maintenance works and repairs resulted in cash costs growth

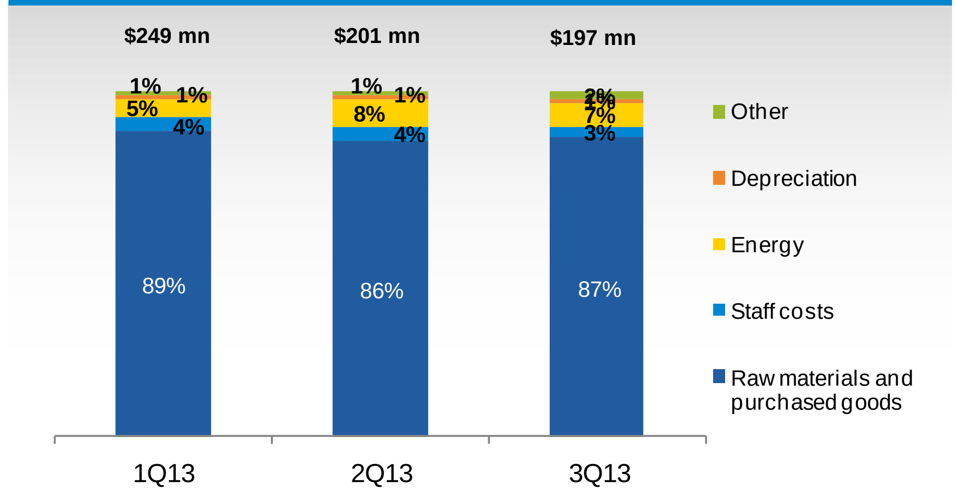
REVENUE, EBITDA(1)



AVERAGE ELECTRICITY SALES PRICES AND CASH COSTS (RUSSIA), US$/MWH



COS STRUCTURE



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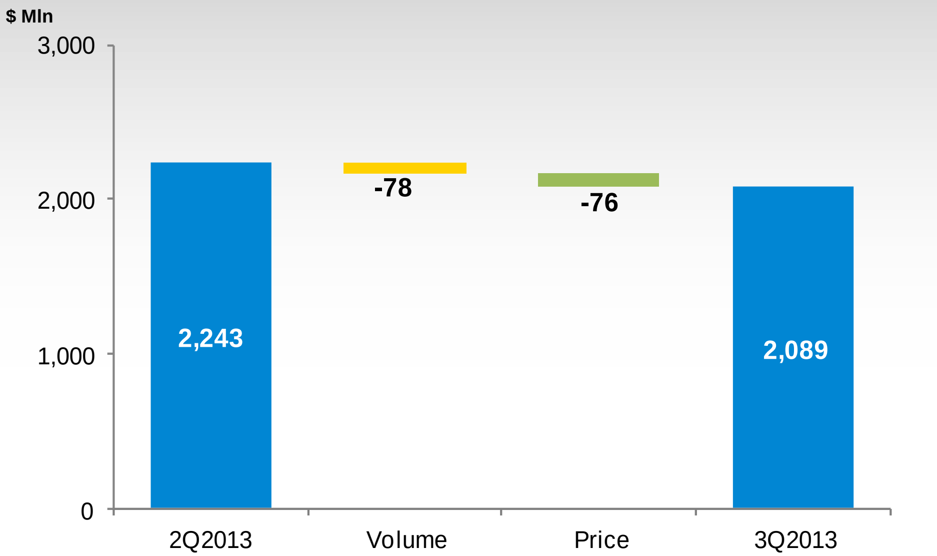
Consolidated P&L

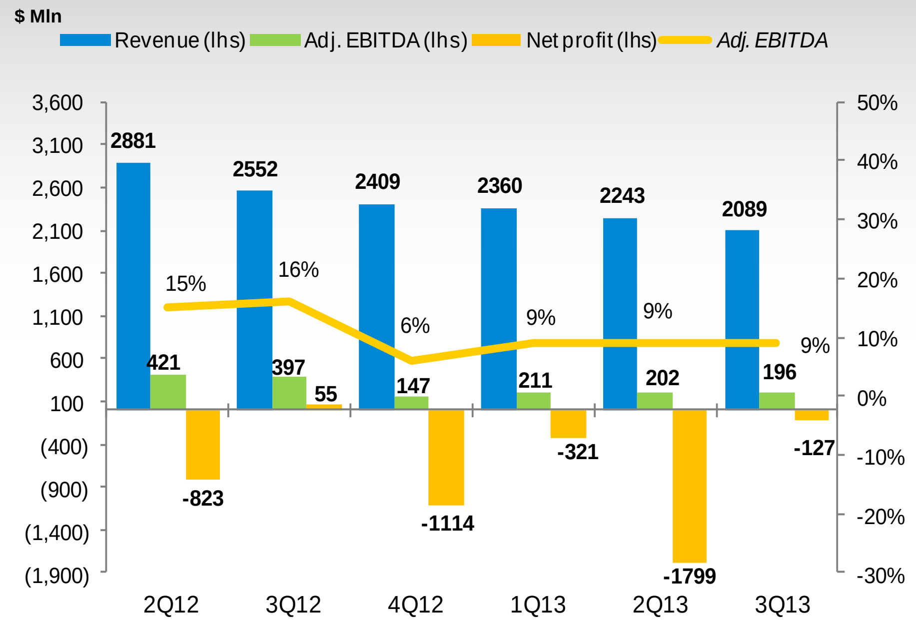
3Q2013 FINANCIAL PERFORMANCE Q-O-Q HIGHLIGHTS:

- Consolidated EBITDA down 3% q-o-q to $196 mn as improvement in Mining segment profitability is not enough to offset declining margins in steel, power and ferroalloys segments
- 9M2013 bottom line affected by write offs of $1,085 mn as a result of discontinued operations, $645 mn of bad debt provisions and FX loss of $151 mn

REVENUE DYNAMICS



REVENUE, EBITDA(1) AND NET PROFIT



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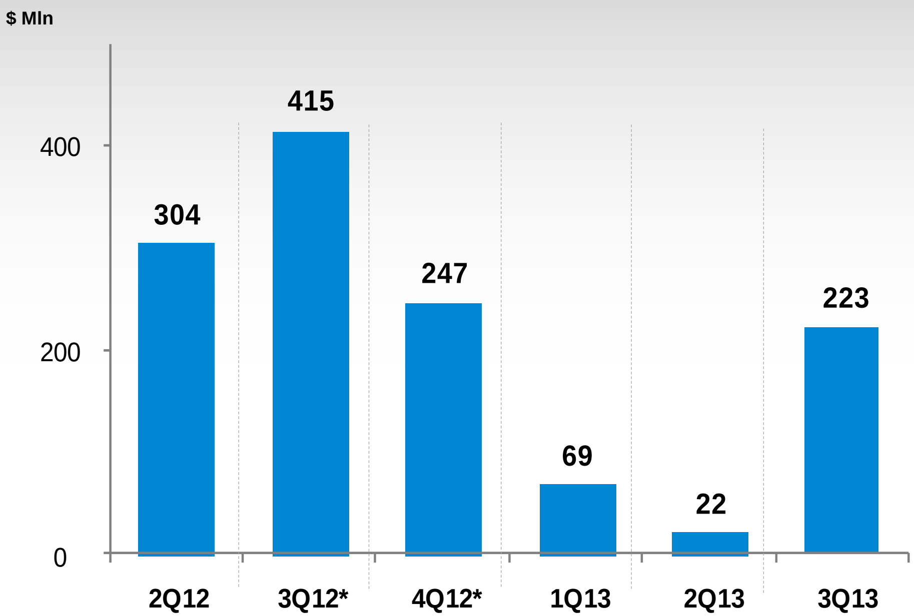
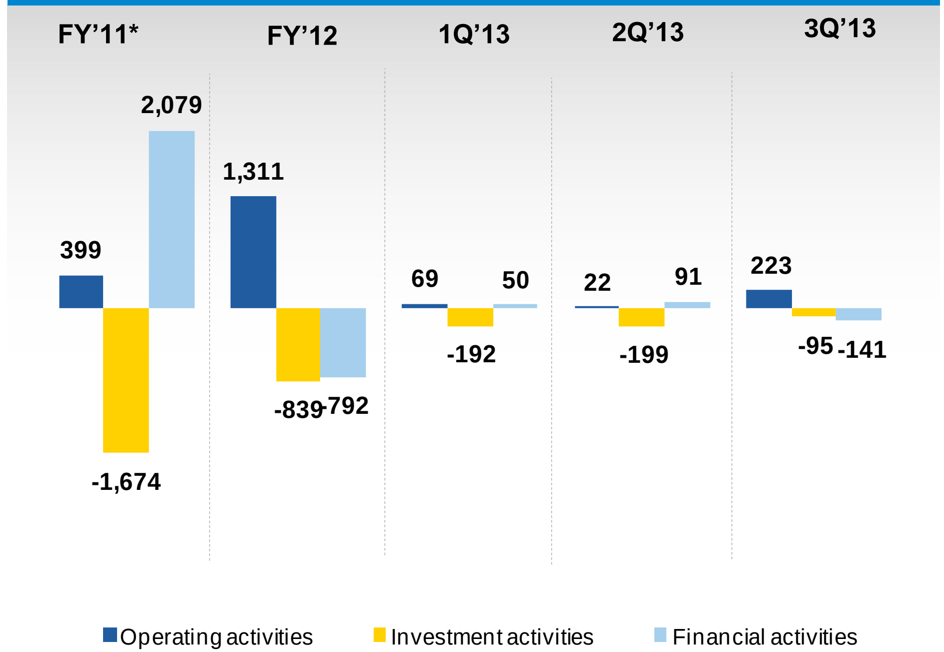
Cash Flow Statements

- Continuing working capital management added another $256 mn in Q3 to the CFO that totaled $314 mn in 9M2013
- Inventory reduction release another $407 million
- Investment cashflow is halved q-o-q standing at $100 mn in 3Q13 as main investment projects near their completion stage and Elga CAPEX secured through VEB project financing

OPERATING CASH FLOW DYNAMICS



NET CASH FLOW



* Certain reclassifications to conform with the current period presentation

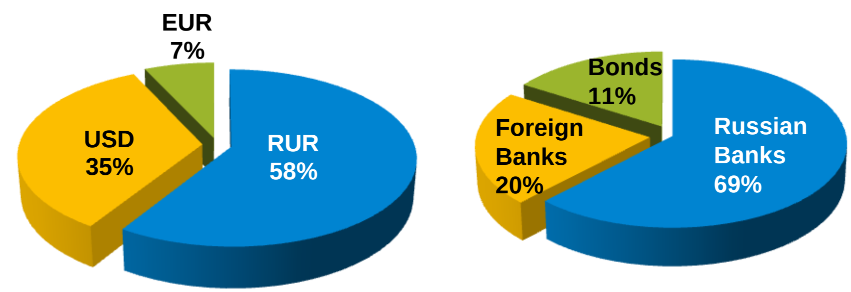
* Excluding the effect of loan to Estar

Successful refinancing and improved liquidity to service upcoming maturities

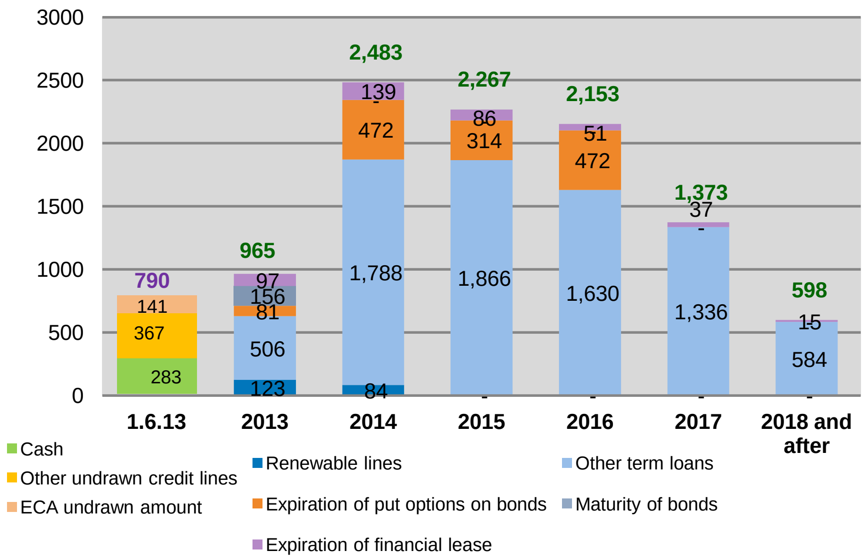
MECHEL

- Net debt stable, estimated at $9.4 bln (including financial lease) as of December 6, 2013
- Cash and available credit lines total $0.44 bln as of December 6, 2013
- Company succeeded in refinancing of PXF (granting additional grace period of 12 months and extending the tenor until December 2016), Sberbank (grace period of 15 months, extending the tenor until December 2018), VTB and GPB. New levels of financial covenants ratios negotiated (including testing holiday until December 2014)

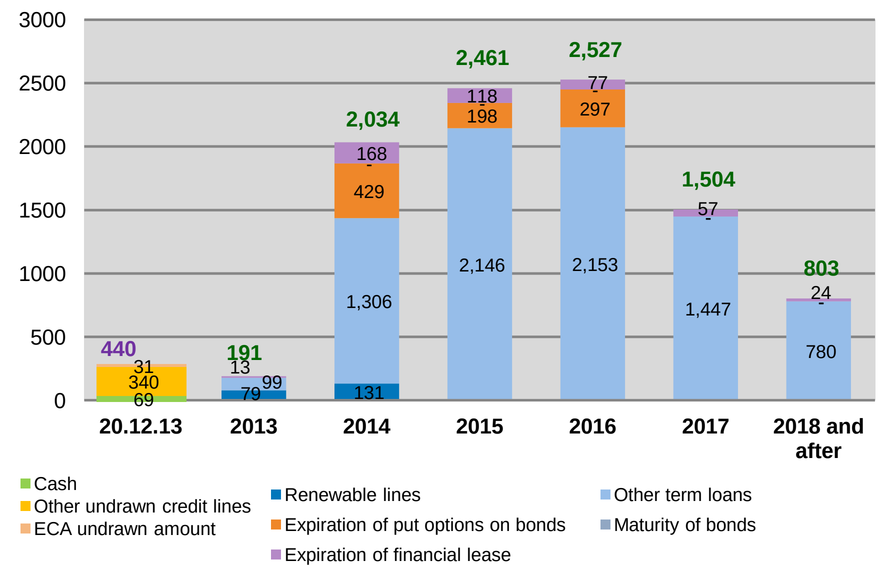
DEBT PROFILE AS OF DECEMBER 6, 2013



DEBT MATURITY SCHEDULE AS OF JUNE 1, 2013 WITH PRO FORMA*



DEBT MATURITY SCHEDULE AS OF DECEMBER 6, 2013 **



* assuming refinancing of GBP lines according to the terms of executed committed credit facilities

** assuming refinancing of GBP lines of 2009 and changes in schedule of VTB – lease from December 20, 2013

FINANCIAL RESULTS OVERVIEW

US$ MILLION UNLESS OTHERWISE STATED	3Q13	2Q13	CHANGE, %
Revenue	2,089	2,243	-6.8%
Cost of sales	(1,445)	(1,575)	-8.3%
Gross margin	30.8%	29.8%	
Operating profit / (loss)	39	(519)	-
Operating margin	1.9%	-23.2%	
Adjusted EBITDA(1)	196	202	-3.0%
Adjusted EBITDA(1) margin	9.4%	9.0%	
Net Income / (loss)	(127)	(1,799)	-93.1%
Net Income margin	-6.1%	-80.2%	

Sales volumes(2), '000 tonnes			
Mining segment	6,148	5,672	8.4%
Steel segment	1,564	1,729	-9.5%

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(2) Includes sales to the external customers only