

PRESS RELEASE

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NLMK Group Q3 2012 RAS Financial Results

NLMK (LSE: NLMK), the LSE-listed leading Russian steel producer, today announces the Q3 2012 Russian Accounting Standards (RAS) financial results for its major Russian companies¹.

Note: Russian Accounting Standards (RAS) results differ materially from US GAAP results and are not comparable to financial statements prepared in accordance with US GAAP. Reference should be made only to consolidated financial statements prepared in accordance with US GAAP for information with respect to NLMK Group's financial condition and results of operations to be published in November 2012.

Q3 2012 RAS Financial Results for NLMK Russia, (‘000 RUB, except for percentages)

Novolipetsk (NLMK's parent company)

	Q3 2012	Q2 2012	Q3 2011	Q3 2012/ Q2 2012	Q3 2012/ Q3 2011
Revenue	59,778,956	62,595,821	57,802,797	-4.50%	3.42%
Gross profit	11,486,136	11,426,387	11,719,601	0.52%	-1.99%
Operating profit	4,872,102	4,469,142	6,807,351	9.02%	-28.43%
Net profit	6,909,278	10,609,017	3,678,084	-34.87%	87.85%

VIZ-Stal

	Q3 2012	Q2 2012	Q3 2011	Q3 2012/ Q2 2012	Q3 2012/ Q3 2011
Revenue	2,149,396	2,567,990	2,532,053	-16.30%	-15.11%
Gross profit	286,897	374,150	473,258	-23.32%	-39.38%
Operating profit	15,292	150,265	173,419	-89.82%	-91.18%
Net profit	-36,683	222,877	217,998		

¹ Novolipetsk, VIZ-Stal, Stoilensky, NSMMZ (key assets of our Long Products Division) and Altai-Koks

Stoilensky

	Q3 2012	Q2 2012	Q3 2011	Q3 2012/ Q2 2012	Q3 2012/ Q3 2011
Revenue	9,581,605	10,691,825	10,773,167	-10.38%	-11.06%
Gross profit	6,735,938	7,735,612	8,271,886	-12.92%	-18.57%
Operating profit	5,637,812	7,061,863	7,799,981	-20.17%	-27.72%
Net profit	3,665,314	7,346,280	7,860,004	-50.11%	-53.37%

NSMMZ²

	Q3 2012	Q2 2012	Q3 2011	Q3 2012/ Q2 2012	Q3 2012/ Q3 2011
Revenue	9,539,263	9,850,183	8,500,012	-3.16%	12.23%
Gross profit	1,376,377	1,329,992	1,267,727	3.49%	8.57%
Operating profit	862,691	740,972	474,184	16.43%	81.93%
Net profit	-1,203,435	-65,345	-664,396	x18.4	x1.8

² NSMMZ is the key asset of the NLMK Long Products Division

Altai-Koks

	Q3 2012	Q2 2012	Q3 2011	Q3 2012/ Q2 2012	Q3 2012/ Q3 2011
Revenue	9,373,134	10,388,923	10,846,165	-9.78%	-13.58%
Gross profit	1,355,476	2,266,491	1,242,247	-40.19%	9.11%
Operating profit	835,950	1,814,582	701,674	-53.93%	19.14%
Net profit	613,153	1,396,944	463,465	-56.11%	32.30%

KEY HIGHLIGHTS

- Improved operating results for Novolipetsk**

In Q3 2012, Novolipetsk's revenue declined 4.5% quarter-on-quarter due to lower sales volumes (-3.5%) and lower average sales prices. Year-on-year revenue climbed 3.4% driven by increased sales.

Higher sales of value added products supported by stable domestic demand, and management efforts to cut production costs were the main factors driving Q3 operating profit up 9% despite weakening prices in the steel market.

The 35% quarter-on-quarter decline in net profit is mainly attributable to dividends from NLMK subsidiaries that were reflected in the Q2 results.

- **Weaker financial results for VIZ-Stal**

Q3 revenue decreased 16% quarter-on-quarter due to lower transformer steel sales and prices on the back of the weakened market conditions.

Lower demand for transformer steel in the global market was behind the company's weaker financials in Q3.

- **Weaker Q3 financials for Stoilensky**

Q3 revenue and operating profit declined quarter-on-quarter, pressured mainly by lower sales prices for iron ore concentrate and sinter ore, in line with the overall market trends.

Foreign exchange losses also contributed to the net profit decrease.

- **Higher operating profit for NSMMZ**

Q3 revenue decreased marginally quarter-on-quarter (-3.2%), pressured by lower long product sales volumes.

Operating profit increased 16% quarter-on-quarter driven by higher long product sales, coupled with the seasonal weakening in scrap prices. Year-on-year, operating profit increased due to higher steel product sales.

The company's net loss is once again attributable to its high debt level.

- **Weaker quarter-on-quarter financials for Altai-Koks**

Q3 revenue was down quarter-on-quarter (-10%), pressured mainly by weaker sales and lower prices for coke chemical products.

The company's operating profit was down quarter-on-quarter. This resulted from the fact that the downward pricing trends for coke chemical products were outpacing coal concentrate prices.

For more information:

Sergey Takhiev
Investor Relations
NLMK
+7 495 9151575
st@nlmk.com