

Novolipetsk Steel (NLMK)

Q1 2011

Financial and Production Results

US GAAP

Consolidated Financial Statements

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KEY HIGHLIGHTS

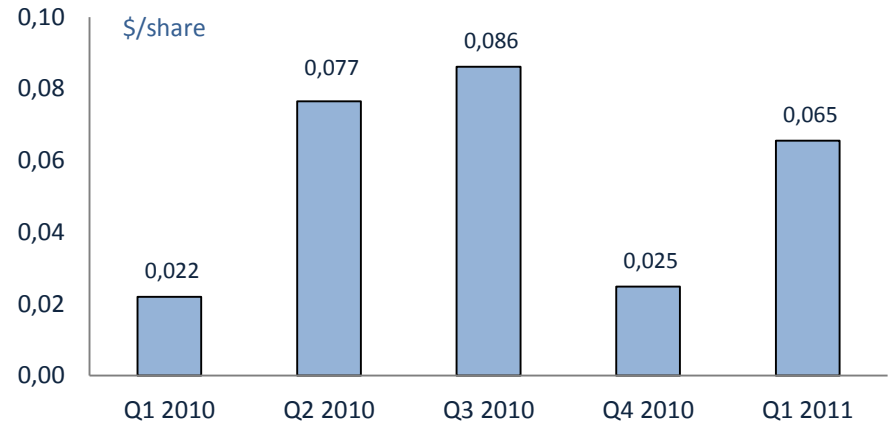
Q1 2011 FINANCIAL PERFORMANCE

- Revenue: \$2,359 bn (+4% q-o-q)
- Production cost \$1,466 bn (-1% q-o-q)
- EBITDA \$585 mln, (+19% q-o-q)
- EBITDA margin 25%, +3 p.p. q-o-q
- Net income \$392 mln, (+164%)

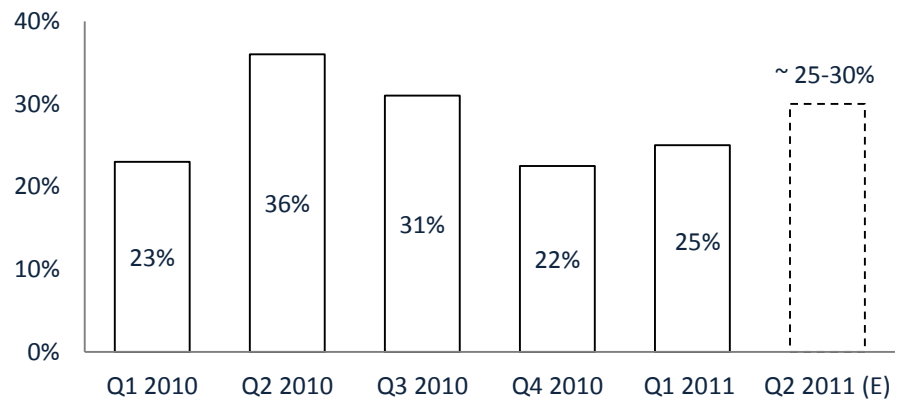
Q1 2011 OPERATING RESULTS

- Crude steel production: 2.9 m t, -3% q-o-q
- Sales: 2.8 m t, -8% q-o-q
- HVA sales: 0.9 m t, -1% q-o-q
- Average sales price \$745/t (+11%)
- Cash cost per tonne of slabs \$361, +9% q-o-q

EARNINGS PER SHARE



EBITDA MARGIN



PRODUCTION

INSIGNIFICANT PRODUCTION DECREASE IN Q1 2011 DUE TO SEASONAL FACTOR

- NLMK Group steel output: 2.9 m t, -3%
- Lipetsk site – 2.3 m t
- Long Products Division– 0.4 m t
- NLMK Indiana – 0.2 m t

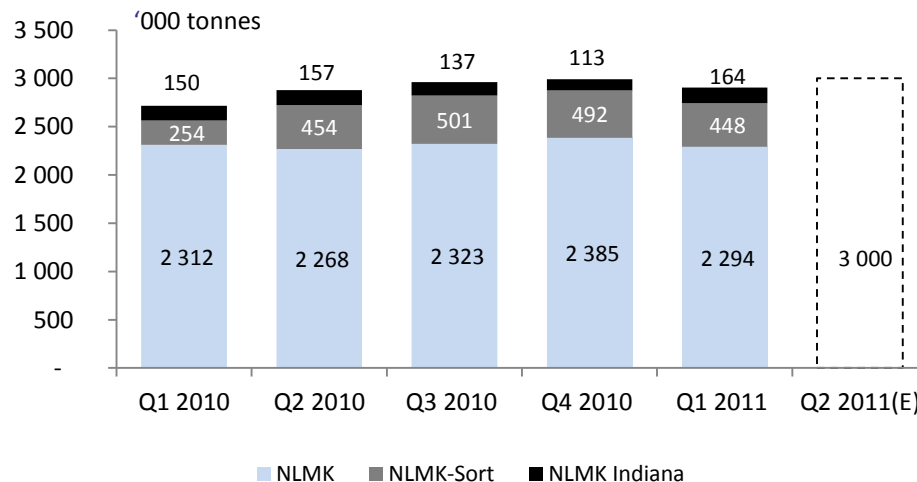
Q1 2011 STEELMAKING CAPACITIES UTILISATION

- Lipetsk site– 98%
- Long Products Division– 93%
- NLMK Indiana – 90%

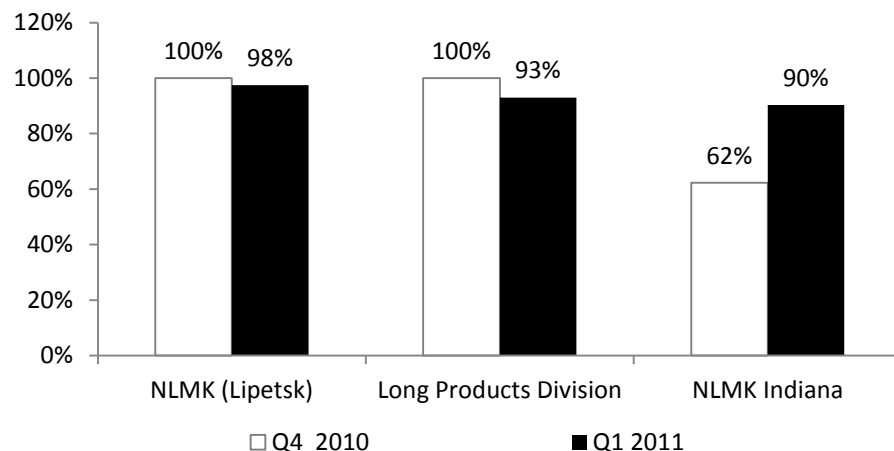
Q2 2011 OUTLOOK

- Total production around 3,0 m t , +5%

CRUDE STEEL PRODUCTION



STEELMAKING CAPACITIES UTILISATION



SALES AND REVENUE IN Q1 2011

IMPROVED SALES STRUCTURE

- HVA products share growth up to 32% (+3p.p.)

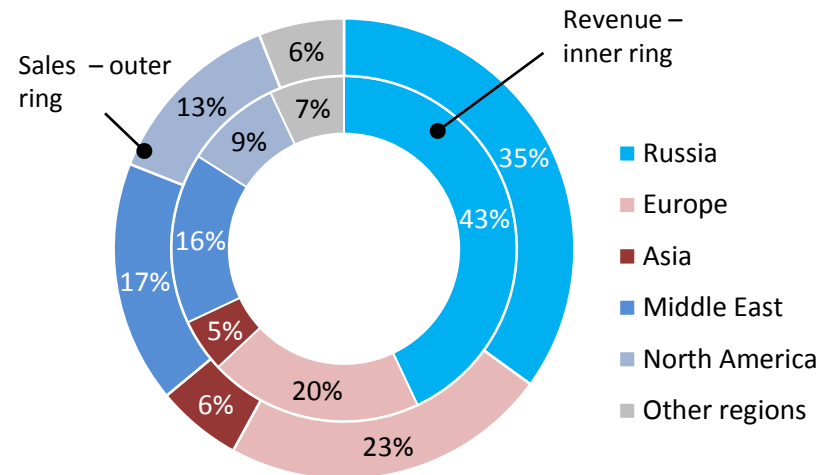
INCREASED SALES TO DOMESTIC MARKET

- 43% domestic market share in revenue

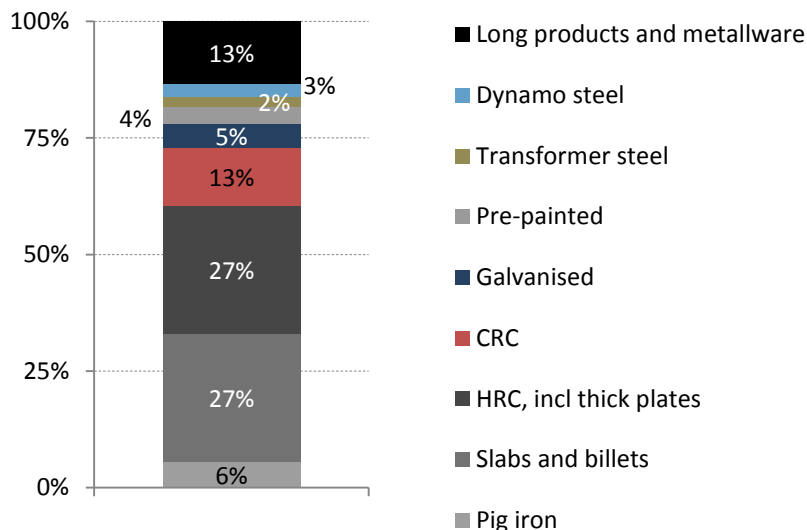
OUTLOOK

- In Q2 2011 domestic market sales are expected to grow
- Improvement in average selling prices

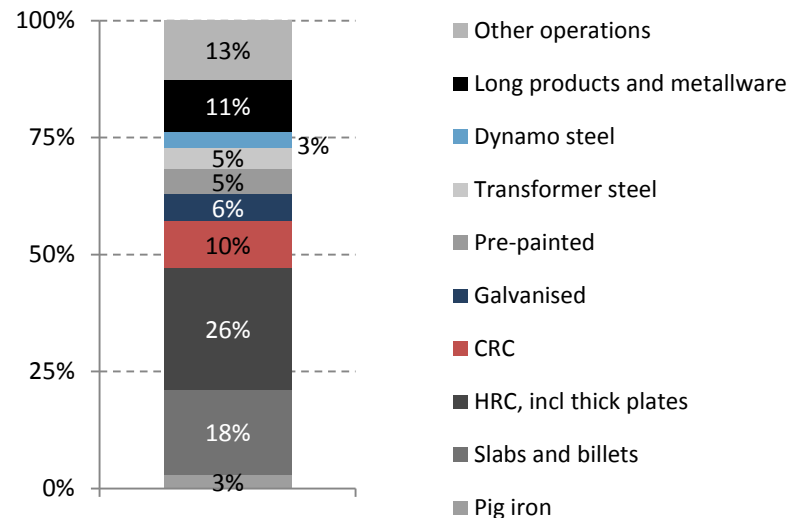
SALES AND REVENUE BY REGIONS Q1 2011



SALES BY PRODUCTS Q1 2011



REVENUE BY PRODUCT Q1 2011



KEY DRIVERS

STEEL PRICES GROWTH (+11% Q-O-Q)

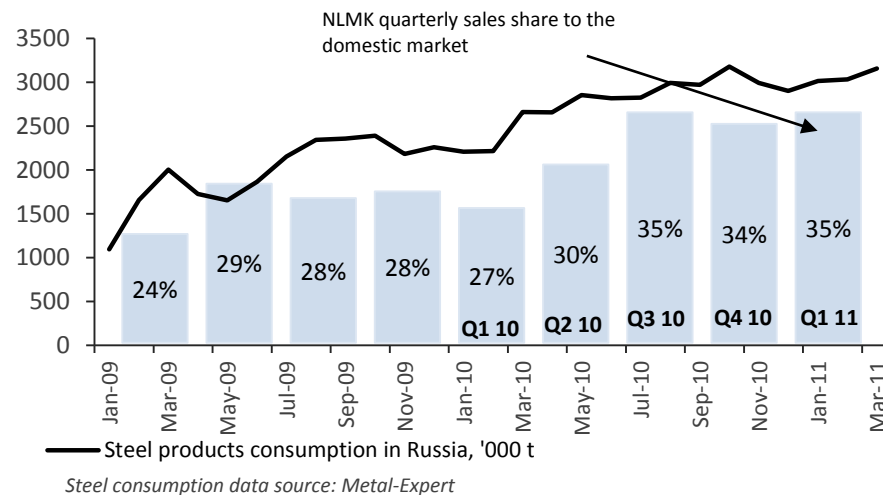
- Driven by improvement in market environment and seasonal demand recovery
- Cost push dynamics in the global steel market on the back of the rising raw materials prices

SALES STRUCTURE IMPROVEMENT

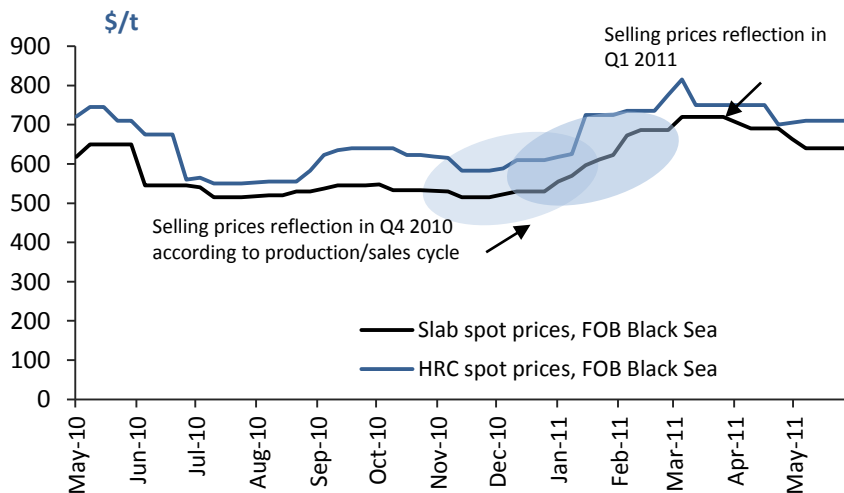
- HVA products share growth

EFFICIENT CONTROL UNDER PRODUCTION COSTS

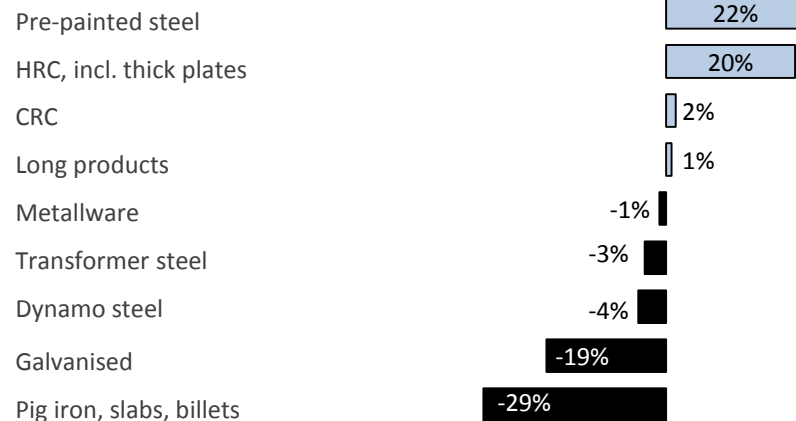
DOMESTIC MARKET SALES



AVERAGE SELLING PRICES



CHANGE IN SALES VOLUME*



PRODUCTION COSTS

STEEL PRODUCTION COSTS INCREASE AMID GROWTH OF

GLOBAL PRICES ON:

- Scrap (+24% q-o-q)
- Coking coal (+5% q-o-q)
- Pellets (+20% q-o-q)

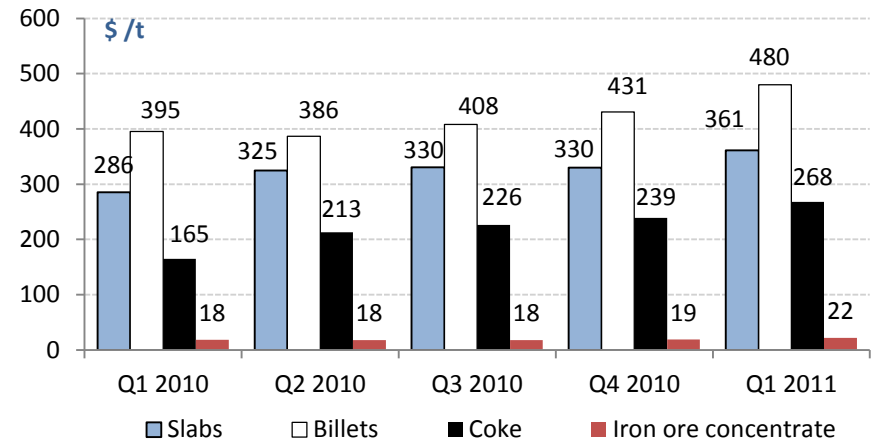
ONE-OFF FACTORS

- Growth in tariffs for the services of natural monopolies
- RUB strengthening accounts for over 50% of production cost increase

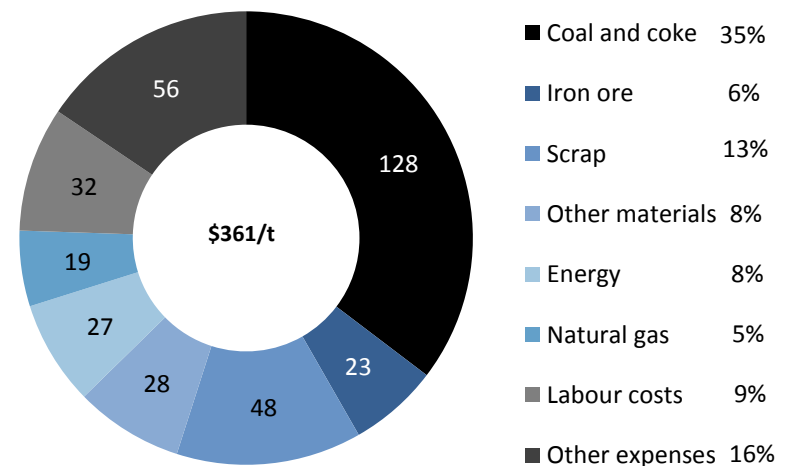
OUTLOOK

- The increase of production costs to be compensated by average selling prices growth and effect of delay in raw material prices recognition in production costs

CASH COSTS OF PRODUCTS



SLAB CASH COST, Q1 2011



DEBT POSITION

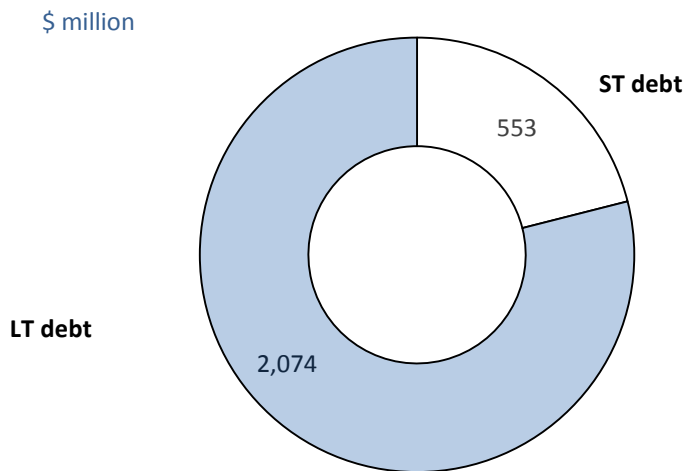
TOTAL DEBT \$2.63 BILLION:

- ST debt \$0.55 billion
- LT debt \$2.07 billion
 - 3 RUB bond issues
 - EBRD loan
 - LT part of PXF

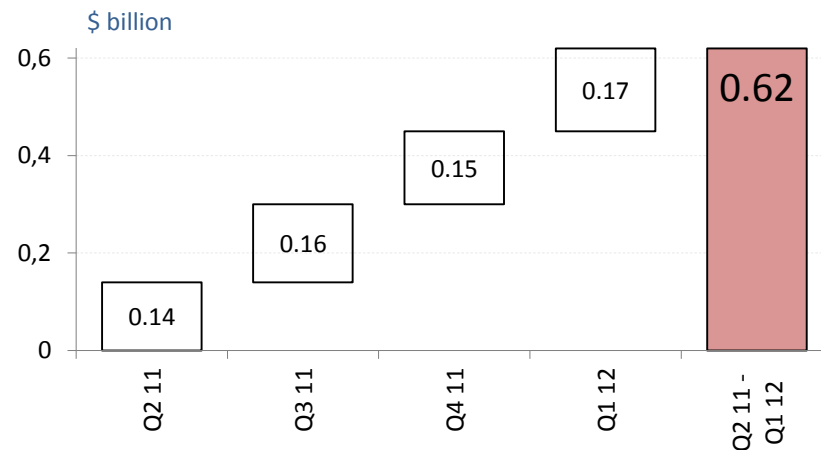
\$1.24 BILLION OF LIQUID FUNDS²

NET DEBT/ LTM EBITDA 0.54

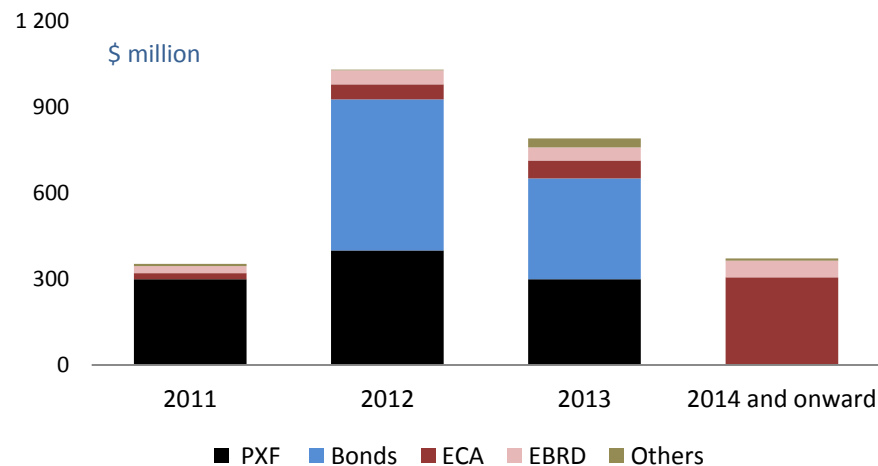
DEBT STRUCTURE



SHORT TERM DEBT PAYMENT¹



DEBT MATURITY



1. Management data, incl . interest payments, can be different from consolidated financial statements

2. Cash and cash equivalents + ST financial investments

INVESTMENTS

CRUDE STEEL CAPACITY GROWTH

- 40% increase in capacity to 17.4 m t per annum (2012)
- Quality improvement +30 new grades of steel

INCREASE IN FINISHED STEEL CAPACITY

- Rolling capacity growth
- HVA grades capacity increase
- Niche products quality improvement

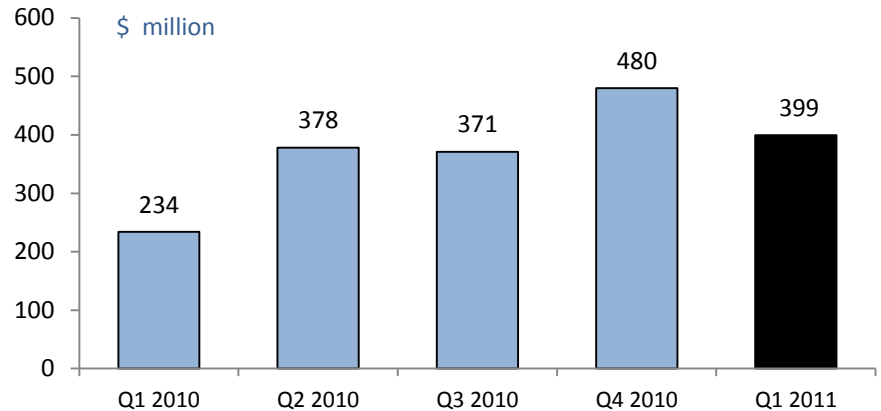
MANAGEMENT OF VERTICAL INTEGRATION

- Expansion of the mine and construction of new enrichment facilities at Stoilensky (ongoing)
- Expansion of scrap collecting facilities
- Development of coal deposit

INCREASE IN PRODUCTION EFFICIENCY

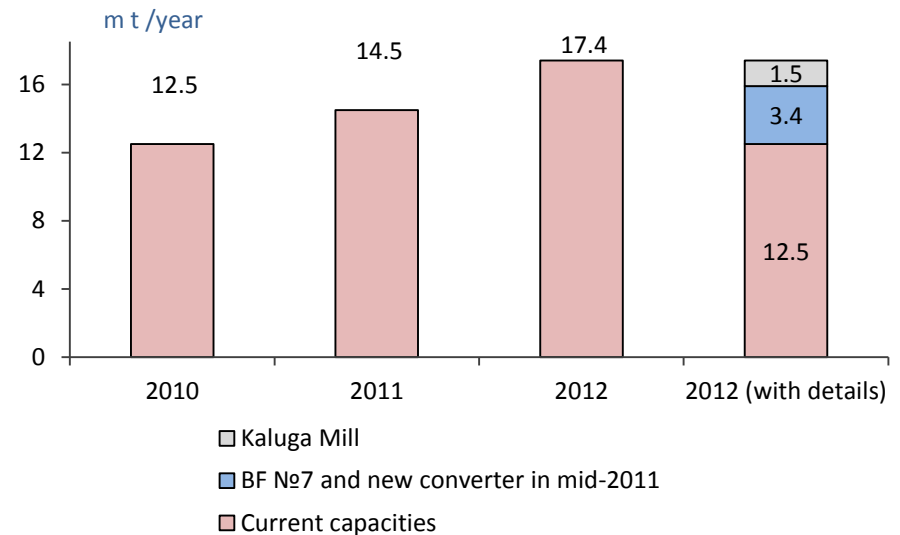
- Higher degree of electricity self-sufficiency and efficiency
- Resource efficient technologies

INVESTMENTS DYNAMICS*



* Cash Flow Statement data: Purchases and construction of property, plant and equipment

GROWTH OF STEEL PRODUCTION CAPACITIES



Q1 2011 CASH FLOW BRIDGE

CHANGE IN CASH

Effect of exchange rate changes

Dividends

FREE CASH FLOW

Other financial operations³

Net borrowings

Acquisition and construction of PPE

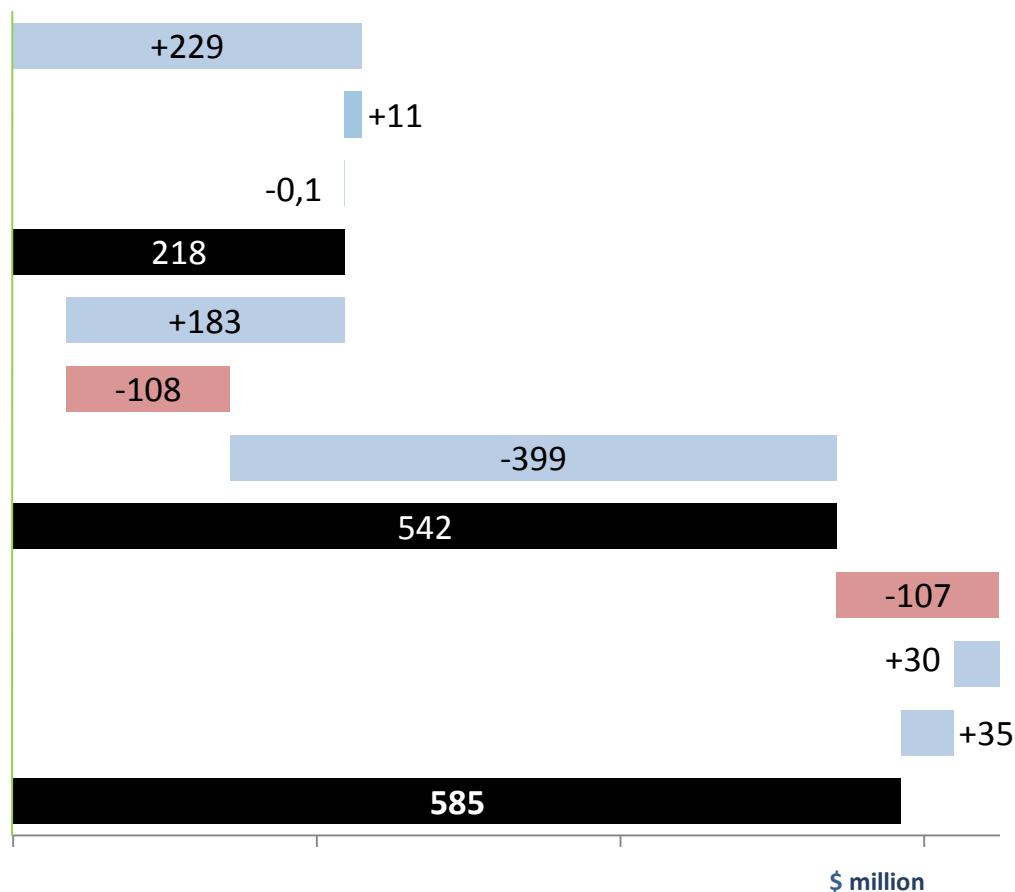
CASH FLOW FROM OPERATIONS

Income tax

Other and non-cash operations²

Change in working capital

EBITDA¹



¹ EBITDA = Net income (after minorities) + income tax ± interest expense/(income) + depreciation ± losses/(gains) on disposals of property, plant and equipment and impairment losses ± losses/(gains) on financial investment ± losses/(gains) from disposal of subsidiaries + accretion expense on asset retirement obligations – gains on loan restructuring-(+)gains (losses) on discontinued operations + equity in net (earnings) / losses of associates –(+) net foreign currency exchange + settlement of agreement on the dispute and other extraordinary expenses.

² Non-cash transactions include corrections for coordinating net profit and net operating cash flow excluding depreciation & amortization, losses/(gains) on disposals of property, plant and equipment, accretion expense on asset retirement obligations, losses/(gains) on financial investment and losses/(gains) from discontinued operations

³ Other financing activities include losses/(gains) on disposals of property, plant and equipment, gain from disposal of subsidiaries, acquisitions of stake in existing subsidiaries and settlement of abandoned acquisition and change in restricted cash funds as well as other financial corrections

OUTLOOK

NLMK GROUP Q2 2011 OUTLOOK

- Steel production will grow to ~ 3 m t
- Sales volume growth on 5-10%
- Further increase of HVA share in sales
- Working capital increase against growing volumes and prices growth
- EBITDA margin is expected to be at 25-30%
- Stabilization of steel prices on key target markets is expected

FY 2011 OUTLOOK

- Steel production to grow by 10% due to growth in crude steel capacity
- Domestic market share growth against recovery of demand and rolling capacity increase
- Capex to exceed \$ 2 bn

APPENDIX

INVESTMENT PROGRAM AND SEGMENTS RESULTS

BF PRODUCTION (2011)

BLAST FURNACE

- Location: Lipetsk
- Capacity: 3.4 m t pa
- Goal: expand steel output at the main site

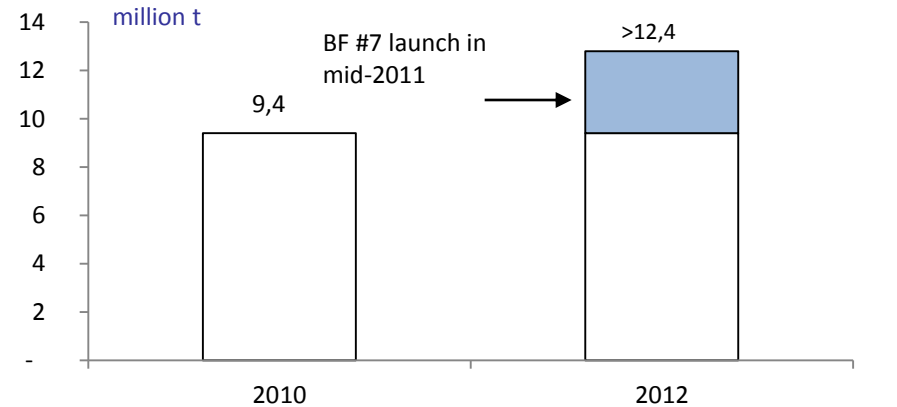
CONSTRUCTION OF POWER PLANT

- Capacity: 150 MW
- Partially financed via EBRD loan
- Energy self-sufficiency*: 56%

PCI TECHNOLOGY INTEGRATION**

- Over 90% of BF production to be equipped with PCI
- Launch date: 2012
- Total investments: about \$200 m
- Effect: coke and gas consumption in pig iron production reduced by >20% and >70% respectively

PIG IRON PRODUCTION CAPACITY (LIPETSK)



* Sufficiency rate based on increased steel capacity to 12.4 m tpa at Lipetsk site

** Pulverized coal injection

STEELMAKING (2011)

NEW CONVERTER

- Launch date: 2011, Lipetsk site
- Goal: processing of BF# 7 pig iron output
- After launch of the new converter Novolipetsk total steelmaking capacities will be 12.4 m t pa

LADLE FURNACES and VACUUM DEGASSER

- Capacity: 12.4 m t pa (or 100% of crude steel produced at the Lipetsk site will be processed)
- Goals:
 - Reduced impurity content, chemical & physical uniformity
 - ... new grades of steel, incl. for the automotive industry

CONTINUOUS CASTING MASHINE #8

- Capacity: 2 mln t of slabs up to 350x2200 mm

GAS EXHAUST DUCTS

- Location and installation date: Lipetsk site, 2009-2011
- Details: a secondary emissions collection and cleaning system at BOF shop#1 (40% of crude steel produced at the Lipetsk site)
- Goals:
 - Reduced environmental impact
 - Higher equipment reliability at BOF Shop #1
 - Potential use of waste gas for on-site power generation



EXPANSION OF ROLLING CAPACITIES (2011)

EXPANSION OF HRC PRODUCTION

- Location: Lipetsk site
- Upgrading of the existing Mill 2000
- Capacity growth: +400,000 tonnes by 2014

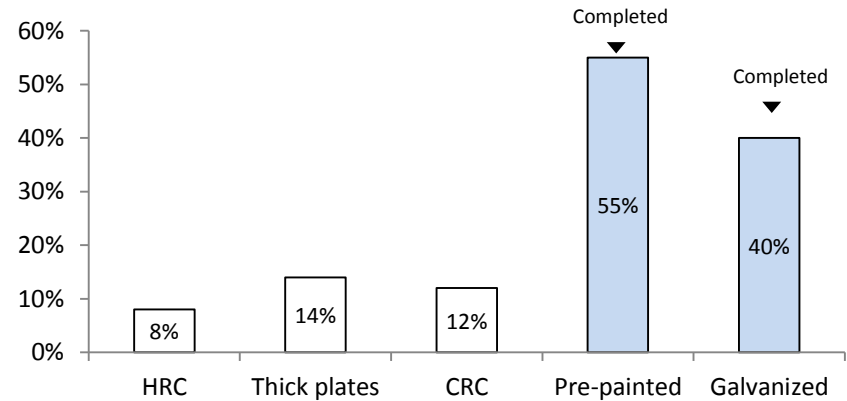
EXPANSION OF PLATE PRODUCTION

- Location: DanSteel (Denmark)
- Upgrading of existing capacities
- Capacity growth: +70,000 tonnes

CRC MILL

- Location: Lipetsk site
- New mill
- Capacity growth: +350,000 tonnes

FLAT STEEL PRODUCTION GROWTH

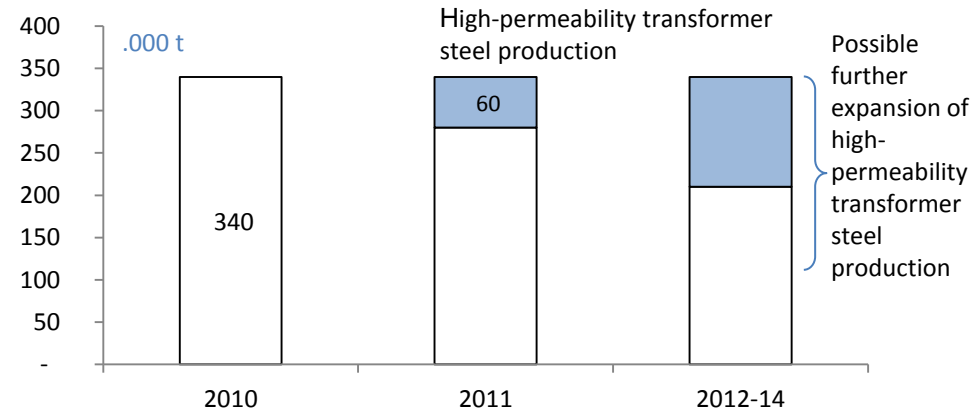


HIGH GRADE TRANSFORMER STEEL (2011-2012)

PRODUCTION UPGRADES AT NOVOLIPETSK

- Status: 80% complete
- Capacity: about 60,000 t pa of high-permeability transformer steel
- Launch date: 2012
- Total investments: above \$300 m
- Improved quality and stronger market positions

TRANSFORMER STEEL PRODUCTION CAPACITIES



PRODUCTION UPGRADES AT VIZ-STAL

- Improved quality of products
- Capacity: 70,000 t pa of high-permeability transformer steel
- Launch date: end-2014 (expected)

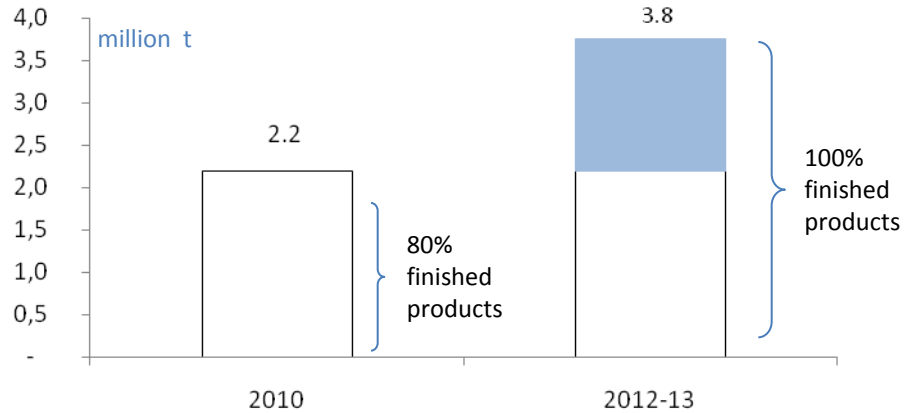


LONG PRODUCTS (2012-13)

KALUGA MINI-MILL (EAF)

- Location: Kaluga region
- Capacity: 1.55 m t pa
- Total investments: c. \$1.2 bn
- Extended product mix for construction
- Launch date: 2012 (1st stage)

STEEL AND FINISHED PRODUCT CAPACITY



ROLLING MILL IN BEREZOVSKY

- Capacity: 1 m t pa
- Total investments: c. \$140 m
- Goal: Processing capacity growth; Improved quality of products and stronger market positions
- Status: launched



EXPANSION OF IRON ORE PRODUCTION (2011)

OPEN PIT EXPANSION

- Location: Stoilensky (Stary Oskol)
- +30% growth in iron ore raw extraction
- Goal: maintain 100% self-sufficiency in low cost iron ore

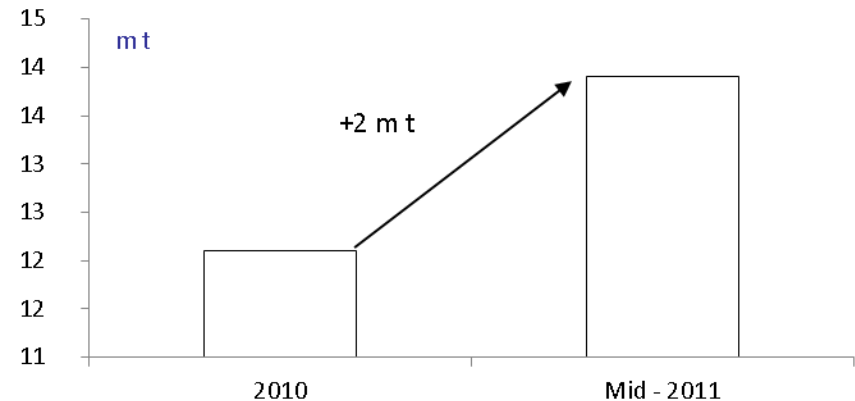
PELLETIZING PLANT

- Location: Stoilensky (Stary Oskol)
- Capacity: +6 m t pa (since 2014)
- Goal: maintain 100% self-sufficiency in low cost iron ore

BENEFICIATION PLANT, 4th SECTION

- Location: Stoilensky (Stary Oskol)
- Capacity: +4 m t pa (since 2006)
- Goal: maintain 100% self-sufficiency in low cost iron ore

IRON ORE CONCENTRATE PRODUCTION CAPACITIES



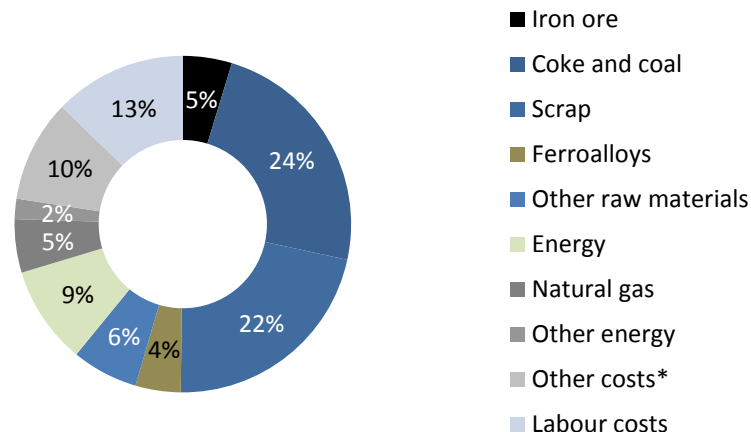
SEGMENTAL PERFORMANCE

STEEL SEGMENT DROVE GROUP FINANCIALS IN Q1 2011

- Revenue from third parties \$2,009 mln (85% of consolidated revenue)
- Operating profit \$224 mln (48% of the Group operating profit)

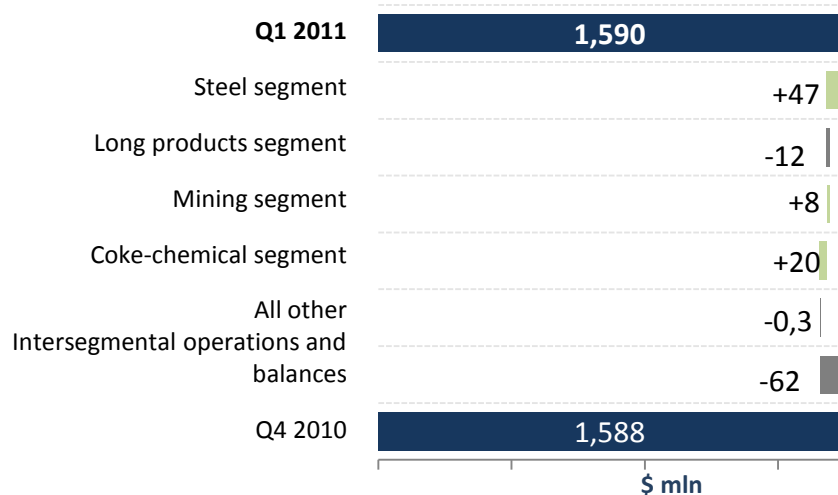
Q1 2011 OPERATING PROFIT INCREASE IS DUE TO SALES REVENUE GROWTH

CONSOLIDATED PRODUCTION COST, Q1 2011

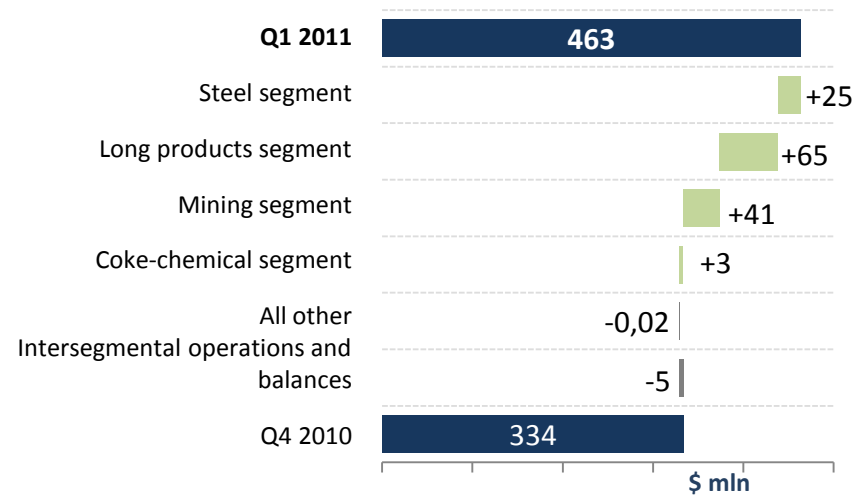


* incl : repairs, change in inventories and other expenses

COST OF SALES CHANGES



OPERATING PROFIT CHANGES



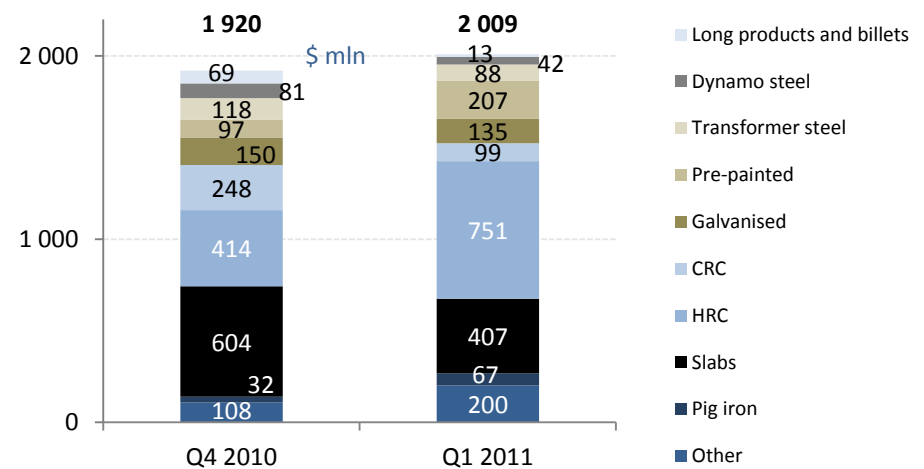
STEEL SEGMENT

INSIGNIFICANT SEASONAL CRUDE STEEL PRODUCTION DECREASE

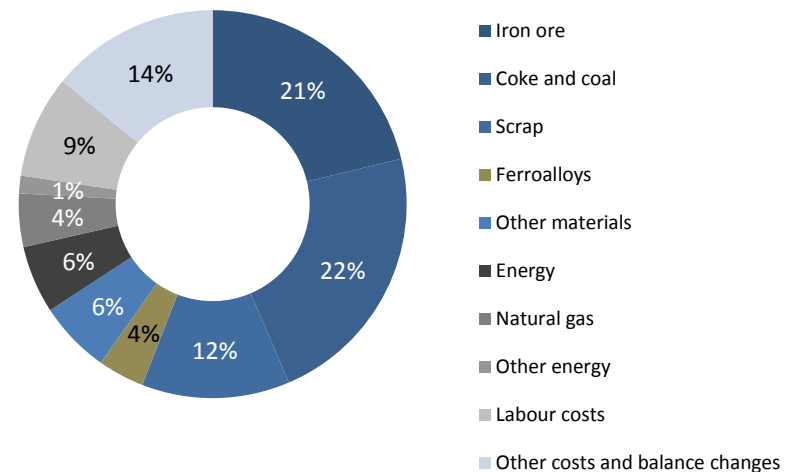
OPERATING PROFIT MARGIN INCREASE

POSITIVE EXPECTATIONS FOR Q2 2011 ON OPERATING INDICATORS

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



STEEL SEGMENT PRODUCTION COSTS, Q1 2011



('000 tonnes)	Q1 2011	Q4 2010	Change	Q1 2011	Q1 2010	Change
Steel production	2 458	2 497	(2%)	2 458	2 462	(0%)
Steel sales ¹	2 416	2 688	(10%)	2 416	2 501	(3%)
(\$ mln)						
Revenue	2 058	1 965	5%	2 058	1 493	38%
Incl. external customers	2 009	1 920	5%	2 009	1 472	36%
Cost of sales	(1 615)	(1 568)	3%	(1 615)	(1 084)	49%
Operating profit	224	199	12%	224	208	7%
- margin	11%	10%		11%	14%	

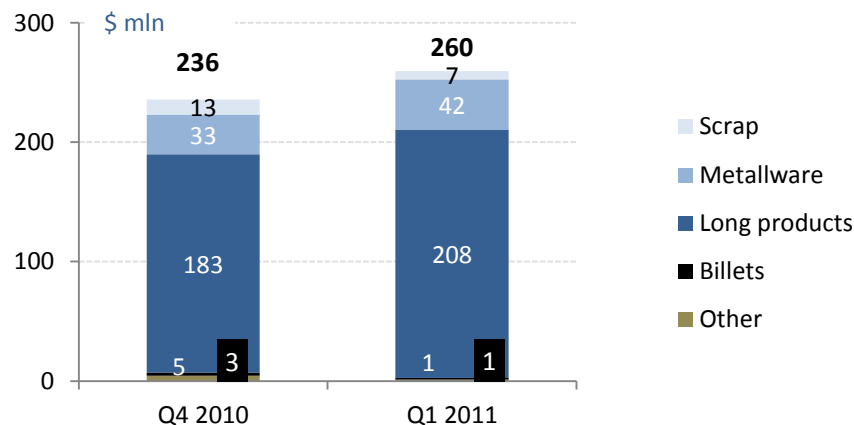
1. Incl. sales of other segment's products by traders of steel segment

LONG PRODUCTS SEGMENT

SEGMENT'S REVENUE INCREASING DUE TO
CONSTRUCTION SECTOR DEMAND IMPROVEMENT

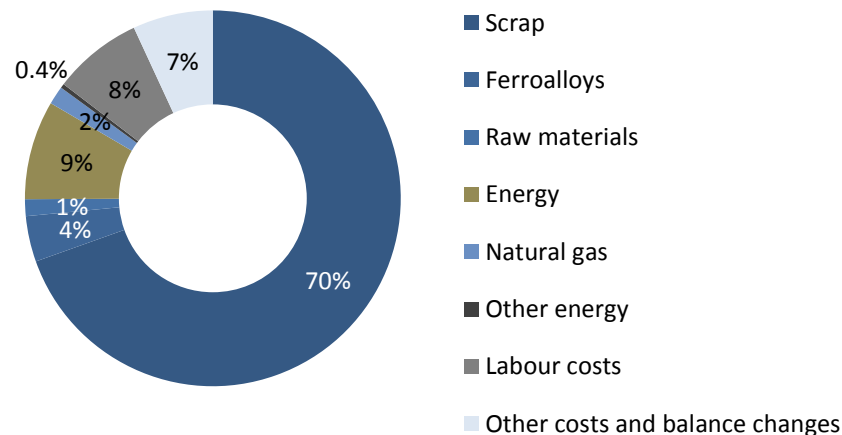
PROFIT-MAKING QUARTER IN COMPARISON WITH
LOSS-MAKING PREVIOUS QUARTERS

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



('000 tonnes)	Q1 2011	Q4 2010	Change	Q1 2011	Q1 2010	Change
Steel production	448	492	(9%)	448	254	77%
Steel sales	432	441	(2%)	432	314	38%
in NLMK Group ¹	81	109	(25%)	81	38	113%
(\$ mln)						
Revenue	371	376	(1%)	371	224	65%
Incl. external customers	260	236	10%	260	162	60%
Cost of sales	(310)	(322)	(4%)	(310)	(211)	47%
Operating profit/(loss)	7	(59)		7	(24)	
- margin	2%	-16%		2%	-11%	

LONG PRODUCTS PRODUCTION COSTS, Q1 2011



1. Incl. sales of other segment's products by traders of steel segment

MINING SEGMENT

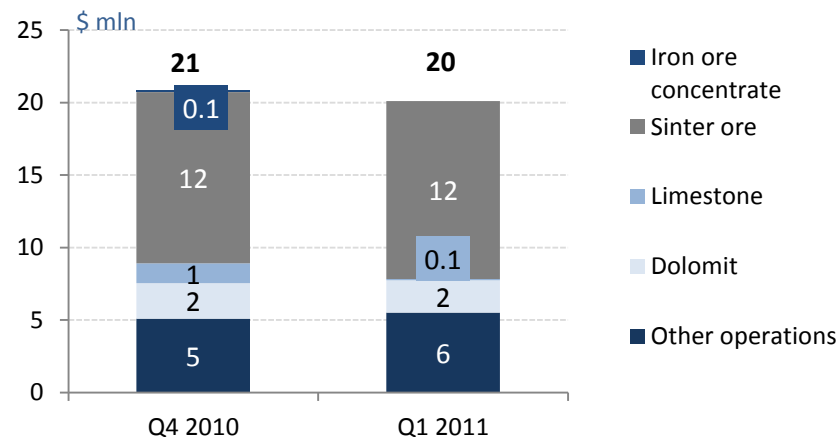
SEASONAL DECREASE OF PRODUCTION AND SALES

IMPROVING SEGMENT'S FINANCIAL INDICATORS DUE TO IRON ORE PRICES RISE

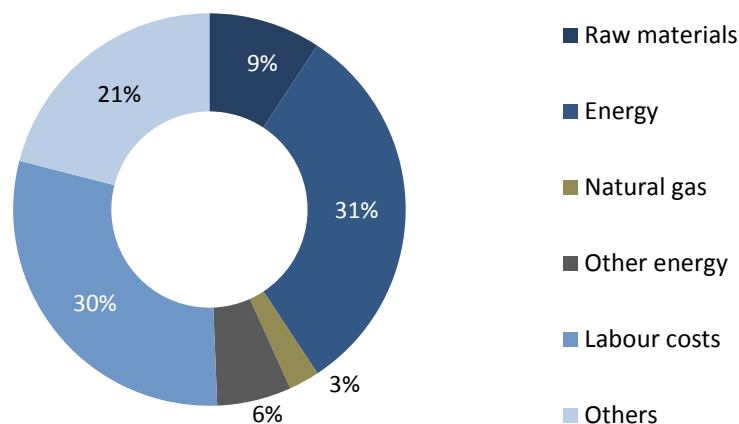
67% - OPERATING PROFIT MARGIN

('000 tonnes)	Q1 2011	Q4 2010	Change	Q1 2011	Q1 2010	Change
Production						
iron ore concentrate	2 933	3 103	(5%)	2 933	2 899	1%
sinter ore	413	464	(11%)	413	436	(5%)
Sales						
iron ore concentrate	2 883	3 046	(5%)	2 883	2 935	(2%)
in NLMK Group ¹	2 883	3 045	(5%)	2 883	2 935	(2%)
sinter ore	414	459	(10%)	414	383	8%
(\$ mln)						
Revenue	294	247	19%	294	153	93%
Incl. external customers	20	21	(4%)	20	13	56%
Cost of sales	(84)	(76)	11%	(84)	(77)	10%
Operating profit	196	156	26%	196	62	215%
- margin	67%	63%		67%	41%	

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



MINING SEGMENT PRODUCTION COSTS, Q1 2011



1. Incl. sales of other segment's products by traders of steel segment

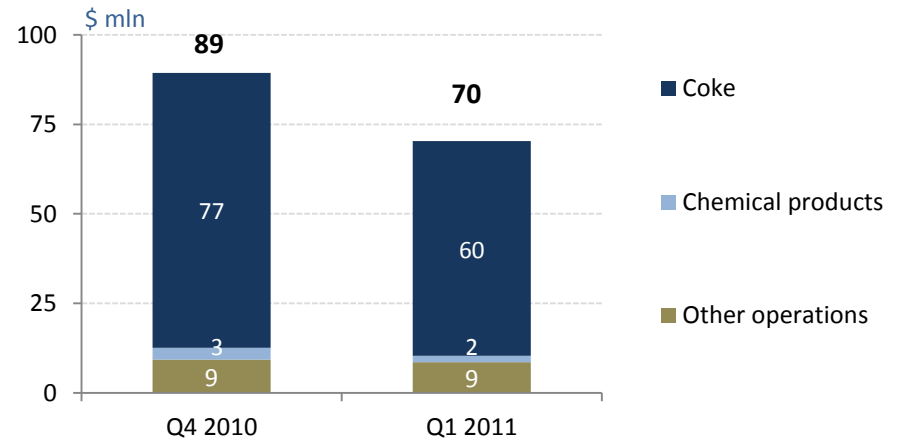
COKE-CHEMICAL SEGMENT

STABLE PRODUCTION AND SALES VOLUMES

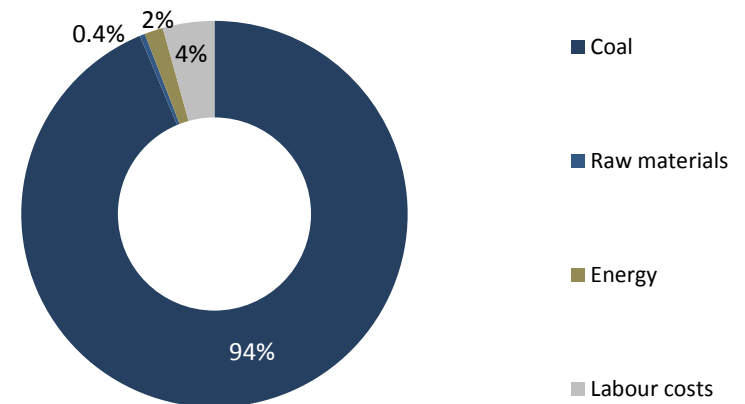
COKE AND COKING COAL INCREASING PRICES

OPERATING PROFIT MARGIN - 17%

SALES REVENUE FROM 3rd PARTIES BY PRODUCT



COKE-CHEMICAL PRODUCTION COSTS, Q1 2011



('000 tonnes)	Q1 2011	Q4 2010	Change	Q1 2011	Q1 2010	Change
Production						
coke 6% moisture	901	938	(4)%	901	874	3%
Sales						
dry coke	848	866	(2)%	848	841	1%
In NLMK Group ¹	679	629	8%	679	670	1%
(\$ mln)						
Revenue	307	281	9%	307	194	58%
Incl. external customers	70	89	(21)%	70	50	40%
Cost of sales	(235)	(215)	9%	(235)	(156)	51%
Operating profit	53	49	7%	53	26	101%
- margin	17%	18%		17%	14%	

1. Incl. sales of other segment's products by traders of steel segment

SEGMENTAL INFORMATION

Q1 2011								
(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	2 009	260	20	70		2 359		2 359
Intersegment revenue	49	111	274	237		671	(671)	
Gross profit	442	61	210	72	(0)	785	(16)	769
Operating income/(loss)	224	7	196	53	(0)	480	(16)	463
<i>as % of net sales</i>	<i>11%</i>	<i>2%</i>	<i>67%</i>	<i>17%</i>		<i>16%</i>		<i>20%</i>
Income / (loss) from continuing operations before minority interest	238	(57)	161	40	0	383	(17)	365
<i>as % of net sales</i>	<i>12%</i>	<i>(15%)</i>	<i>55%</i>	<i>13%</i>		<i>13%</i>		<i>15%</i>
Segment assets including goodwill ¹	13 619	2 450	1 460	914	54	18 497	(3 347)	15 150

Q4 2010								
(million USD)	Steel	Long products	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	1 920	236	21	89	0	2 266		2 266
Intersegment revenue	45	140	226	192	(0)	604	(604)	
Gross profit	398	54	171	66	(0)	689	(11)	678
Operating income/(loss)	199	(59)	156	49	(0)	346	(11)	334
<i>as % of net sales</i>	<i>10%</i>	<i>(16%)</i>	<i>63%</i>	<i>18%</i>		<i>12%</i>		<i>15%</i>
Income / (loss) from continuing operations before minority interest	355	(114)	120	39	0	400	(169)	231
<i>as % of net sales</i>	<i>18%</i>	<i>(30%)</i>	<i>48%</i>	<i>14%</i>		<i>14%</i>		<i>10%</i>
Segment assets including goodwill ²	12 433	2 276	1 195	824	43	16 772	(2 873)	13 899

¹ as at 31.03.2011

² as at 31.12.2010

CONSOLIDATED STATEMENT OF INCOME

	Q1 2011	Q4 2010*	Q1 2011/Q4 2010		Q1 2011	Q1 2010	Q1 2011/Q1 2010	
(mln USD)			+ / -	%			+ / -	%
Sales revenue	2 359	2 266	93	4%	2 359	1 697	661	39%
Production cost	(1 466)	(1 476)	10	(1%)	(1 466)	(1 050)	(415)	40%
Depreciation and amortization	(124)	(112)	(12)	10%	(124)	(123)	(1)	1%
Gross profit	769	678	91	13%	769	524	245	47%
General and administrative expenses	(85)	(61)	(25)	41%	(85)	(66)	(19)	28%
Selling expenses	(186)	(192)	5	(3%)	(186)	(161)	(25)	16%
Taxes other than income tax	(34)	(33)	(1)	2%	(34)	(32)	(2)	8%
Impairment losses		(58)	58					0%
Operating income	463	334	129	39%	463	264	199	75%
Gain / (loss) on disposals of property, plant and equipment	(6)	8	(14)		(6)	(2)	(4)	204%
Gains / (losses) on investments	(3)	(18)	14		(3)	(1)	(2)	154%
Interest income	9	11	(1)	(12%)	9	11	(2)	(17%)
Interest expense		8	(8)	0%		(8)	8	0%
Foreign currency exchange loss, net	23	(6)	29		23	(53)	76	
Other expense, net	(14)	(18)	4	(21%)	(14)	(25)	11	
Income from continuing operations before income tax	473	320	153	48%	473	187	286	153%
Income tax	(107)	(89)	(18)	20%	(107)	(52)	(55)	106%
Equity in net earnings/(losses) of associate	15	(88)	104		15	(27)	42	
Net income	381	142	239	168%	381	108	273	253%
Less: Net loss / (income) attributable to the non-controlling interest	11	6	5	81%	11	24	(12)	(51%)
Net (loss) / income attributable to OJSC Novolipetsk Steel stockholders	392	149	244	164%	392	132	261	198%
EBITDA	585	493	92	19%	585	386	199	51%

* Q1 2011, Q1 2010, are official reporting periods. Q4 2010 figures are derived by computational method. This assumption is related to calculation of segmental financial results.

CONSOLIDATED BALANCE SHEET

	as at 31.03.2011	as at 31.12.2010	as at 30.09.2010	as at 30.06.2010	as at 31.03.2010	as at 31.12.2009	as at 31.12.2008
(mln. USD)							
ASSETS							
Current assets	4 438	4 105	4 372	4 150	4 091	3 877	5 346
Cash and cash equivalents	977	748	780	953	1 157	1 247	2 160
Short-term investments	265	423	726	465	424	452	8
Accounts receivable, net	1 295	1 260	1 189	1 213	1 065	913	1 488
Inventories, net	1 784	1 580	1 564	1 401	1 324	1 134	1 556
Deferred income tax assets	51	43	52	58	59	72	
Other current assets, net	65	52	62	59	62	58	100
Current assets, held for sale							34
Non-current assets	10 713	9 794	9 508	8 713	8 938	8 625	8 718
Long-term investments, net	728	688	729	387	402	468	816
Property, plant and equipment, net	9 223	8 382	7 987	7 532	7 688	7 316	6 826
Intangible assets	181	181	187	190	201	203	235
Goodwill	528	495	554	541	572	557	614
Other non-current assets, net	25	26	20	41	49	68	34
Deferred income tax assets	28	21	31	23	26	12	
Non-current assets, held for sale							194
Total assets	15 150	13 899	13 880	12 863	13 029	12 502	14 065
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities	1 831	1 652	1 802	1 640	2 581	1 417	2 980
Accounts payable and other liabilities	1 252	1 107	1 171	1 058	963	841	1 879
Short-term borrowings	553	526	595	539	544	557	1 080
Current income tax liability	26	19	36	43	26	19	10
Current liabilities, held for sale							11
Non-current liabilities	2 718	2 693	2 636	2 427	2 581	2 475	2 361
Long-term borrowings	2 074	2 099	2 059	1 828	1 992	1 939	1 930
Deferred income tax liability	450	401	384	392	409	396	297
Other long-term liabilities	194	194	194	207	180	140	129
Non-current liabilities, held for sale							5
Total liabilities	4 549	4 345	4 438	4 067	4 114	3 892	5 341
Stockholders' equity							
Common stock	221	221	221	221	221	221	221
Statutory reserve	10	10	10	10	10	10	10
Additional paid-in capital	99	99	99	99	112	112	52
Other comprehensive income	(241)	(917)	(886)	(1 134)	(596)	(797)	(550)
Retained earnings	10 654	10 261	10 113	9 718	9 303	9 171	8 956
NLMK stockholders' equity	10 742	9 675	9 556	8 915	9 050	8 718	8 690
Non-controlling interest	(141)	(121)	(115)	(118)	(136)	(108)	33
Total stockholders' equity	10 601	9 554	9 442	8 796	8 915	8 610	8 723
Total liabilities and stockholders' equity	15 150	13 899	13 880	12 863	13 029	12 502	14 065

CONSOLIDATED CASH FLOW STATEMENT

	Q1 2011	Q4 2010*	Q1 2011/Q4 2010		Q1 2011	Q1 2010	Q1 2011/Q1 2010	
(mln. USD)			+ / -	%			+ / -	%
Cash flow from operating activities								
Net income	381	142	239	168%	381	108	273	253%
Adjustments to reconcile net income to net cash provided by operating activities								
Depreciation and amortization	124	112	12	10%	124	123	1	1%
Loss on disposals of property, plant and equipment	6	(8)	14		6	2	4	204%
(Gain)/loss on investments	3	18	(14)	(81%)	3	1	2	154%
Equity in net earnings of associate	(15)	88	(104)		(15)	27	(42)	
Defferd income tax (benefit)/expense	11	6	5	91%	11	8	3	41%
Loss / (income) on forward contracts	(8)	(1)	(7)	663%	(8)	(4)	(3)	71%
Loss of impairment		58	(58)					
Other movements	5	90	(85)	(95%)	5	14	(9)	(65%)
Changes in operating assets and liabilities								
Increase in accounts receivables	54	(72)	126		54	(122)	176	
Increase in inventories	(88)	(20)	(68)	345%	(88)	(154)	66	(43%)
Decrease/(increase) in other current assets	(9)	10	(18)		(9)	(2)	(7)	402%
Increase in accounts payable and other liabilities	71	19	52	277%	71	95	(24)	(25%)
Increase/(decrease) in current income tax payable	6	(17)	23		6	6	(0)	(2%)
Net cash provided from operating activities	542	424	118	28%	542	103	440	428%
Cash flow from investing activities								
Proceeds from sale of property, plant and equipment	5	12	(6)	(55%)	5	3	2	71%
Purchases and construction of property, plant and equipment	(399)	(480)	80	(17%)	(399)	(234)	(165)	70%
Proceeds from sale of investments	429	303	126	42%	429	12	417	
Placement of bank deposits and purchases of other investments	(251)	(102)	(149)	147%	(251)	(8)	(243)	
Acquisition of new subsidiaries		(28)	28					
Net cash used in investing activities	(216)	(296)	80	(27%)	(216)	(227)	11	(5%)
Cash flow from financing activities								
Proceeds from borrowings and notes payable	15	114	(100)	(87%)	15	482	(467)	(97%)
Repayments of borrowings and notes payable	(123)	(128)	6	(4%)	(123)	(460)	338	(73%)
Capital lease payments		(10)	10			(17)	17	(100%)
Dividends to shareholders	(0)	(122)	121	(100%)	(0)	(0)	(0)	
Net cash used in financing activities	(108)	(145)	37	(26%)	(108)	5	(113)	
Net increase / (decrease) in cash and cash equivalents	218	(16)	235		218	(120)	338	
<i>Effect of exchange rate changes on cash and cash equivalents</i>	11	(15)	27		11	30	(19)	(62%)
<i>Cash and cash equivalents at the beginning of the period</i>	748	780	(32)	(4%)	748	1 247	(499)	(40%)
Cash and cash equivalents at the end of the period	977	748	229	31%	977	1 157	(180)	(16%)

* Q1 2011, Q1 2010, are official reporting periods. Q4 2010 figures are derived by computational method. This assumption is related to calculation of segmental financial results.

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