## MMK Group Highlights

### Q1 2012 Financials

- Revenue USD 2,425 mln – 8% growth to Q4 2011
- EBITDA USD 293 mln – 44% growth to Q4 2011
- EBITDA margin – 12.1%, 3 percentage points growth q-o-q

### Q1 2012 Key Operational Figures

- MMK Group finished steel products output – 3,021 ths. tonnes
- High value added (HVA) products output - 1,199 ths. tonnes
- Share of HVA products in sales, MMK Group – 40%
- Share of domestic sales in revenue – 81%
Key operational indicators

<table>
<thead>
<tr>
<th></th>
<th>Q1 '12</th>
<th>Q4 '11</th>
<th>%</th>
<th>Q1 '12</th>
<th>Q1 '11</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cast iron</td>
<td>2 479</td>
<td>2 277</td>
<td>9%</td>
<td>2 479</td>
<td>2 471</td>
<td>0%</td>
</tr>
<tr>
<td>Crude steel incl.</td>
<td>3 117</td>
<td>2 826</td>
<td>10%</td>
<td>3 117</td>
<td>3 092</td>
<td>1%</td>
</tr>
<tr>
<td>MMK</td>
<td>3 117</td>
<td>2 826</td>
<td>10%</td>
<td>3 117</td>
<td>3 092</td>
<td>1%</td>
</tr>
<tr>
<td>MMK Metalurji</td>
<td>300</td>
<td>283</td>
<td>6%</td>
<td>300</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>OJSC MMK Finished products output incl.</td>
<td>2 766</td>
<td>2 623</td>
<td>5%</td>
<td>2 766</td>
<td>2 707</td>
<td>2%</td>
</tr>
<tr>
<td>Slabs and billets</td>
<td>45</td>
<td>102</td>
<td>-56%</td>
<td>45</td>
<td>45</td>
<td>0%</td>
</tr>
<tr>
<td>Long products</td>
<td>401</td>
<td>372</td>
<td>8%</td>
<td>401</td>
<td>335</td>
<td>20%</td>
</tr>
<tr>
<td>Flat hot-rolled products</td>
<td>1 380</td>
<td>1 343</td>
<td>3%</td>
<td>1 380</td>
<td>1 396</td>
<td>-1%</td>
</tr>
<tr>
<td>High value-added (HVA) products</td>
<td>939</td>
<td>807</td>
<td>16%</td>
<td>939</td>
<td>931</td>
<td>1%</td>
</tr>
<tr>
<td>Thick plate (Plate Mill 5000)</td>
<td>248</td>
<td>171</td>
<td>45%</td>
<td>248</td>
<td>307</td>
<td>-19%</td>
</tr>
<tr>
<td>Flat cold-rolled products</td>
<td>316</td>
<td>302</td>
<td>5%</td>
<td>316</td>
<td>272</td>
<td>16%</td>
</tr>
<tr>
<td>Downstream products*</td>
<td>374</td>
<td>334</td>
<td>12%</td>
<td>374</td>
<td>352</td>
<td>6%</td>
</tr>
<tr>
<td>MMK-Metiz finished products</td>
<td>110</td>
<td>103</td>
<td>7%</td>
<td>110</td>
<td>123</td>
<td>-11%</td>
</tr>
<tr>
<td>MMK Metalurji finished products</td>
<td>253</td>
<td>233</td>
<td>9%</td>
<td>253</td>
<td>28</td>
<td>x9</td>
</tr>
<tr>
<td>Belon coking coal concentrate</td>
<td>776</td>
<td>882</td>
<td>-12%</td>
<td>776</td>
<td>766</td>
<td>1%</td>
</tr>
</tbody>
</table>

* - galvanized steel products, colour-coated steel products, formed section, band, tin plate, etc.
While retaining presence in key export markets, MMK continues to supply end-customers in Russian and the CIS. Q1 2012 share of domestic sales was 73%, providing 81% of total revenue. HVA products satisfy domestic market demand. Higher share of HVA products in domestic shipments allows MMK to have price premium from domestic sales. Q1 2012 average steel products price per tonne on domestic market was USD 772, on export markets – USD 517.

**Domestic market price premium, USD**

- Q4 2011 - USD 225
- Q1 2012 – USD 255

**Sales by market, ths. tonnes**

- Domestic market, th. tons
- Export, th. tons

**MMK Group HVA products output growth, th. tonnes**

- Q4 2011: 1,028
- Q1 2012: 1,199

17% growth from Q4 2011 to Q1 2012.
• Q1 2012 domestic shipments amounted to 2,033 ths. tonnes

• HVA products account for 43% of domestic shipments in Q1 2012

• In Q1 2012 shipments to the highest metal-consuming regions – the Urals and Volga Region - accounted for 66% of sales

• MMK’s largest clients remain pipe-makers, car manufactures, construction and heavy machinery companies

Domestic sales by region
Q1 2012

Domestic sales by industry
Q1 2012
Q1 2012 export shipments amounted to 732 th. tonnes

Hot-rolled steel remains the main export product, accounting for 82% of export sales in Q1 2012

Middle East and Europe remain the largest export markets of MMK

Exports account for 26% of overall shipments in Q1 2012

Exports accounted for 19% in Q1 2012 revenues
MMK Group Q1 2012 Financial Highlights

• Sales growth in Q1 2012 increased 8% and totaled USD 2,425 mln

• While cost of sales in Q1 2012 grew only 6% q-o-q and equaled USD 2,099 mln

• MMK Group Q1 2012 EBITDA increased 44% and equaled USD 293 mln

<table>
<thead>
<tr>
<th>MMK Group financial highlights, USD mln</th>
<th>Q1 12</th>
<th>Q4 11</th>
<th>+/-</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,425</td>
<td>2,243</td>
<td>182</td>
<td>8%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-2,099</td>
<td>-1,987</td>
<td>-112</td>
<td>6%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>33</td>
<td>-47</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>293</td>
<td>203</td>
<td>90</td>
<td>44%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>12,1%</td>
<td>9,1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MMK Group EBITDA, USD mln

<table>
<thead>
<tr>
<th>MMK Group revenue, USD mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
</tr>
<tr>
<td>2,216</td>
</tr>
</tbody>
</table>

2011 2012
MMK Key Performance Indicators Analysis

- Q1 2012 revenue increased q-o-q mainly due to MMK sales volumes growth at the Magnitogorsk site and MMK Metalurji against the background of almost stable steel prices.

- MMK Group EBITDA increase in Q1 2012 is due to growth of Russian steel segment (18%) and decrease in loss at the EBITDA of Turkish segment.

- Q1 2012 cash-cost of slab declined mainly due to decreasing raw materials prices in Q4 2011 and Q1 2012.

Revenue analysis, USD mln

Cash-cost of slab evolution, USD
MMK Group Operating Costs and Cost of Sales Structure

### MMK Group operational costs, USD mln

<table>
<thead>
<tr>
<th></th>
<th>Q1 12</th>
<th>Q4 11</th>
<th>+/-</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>2 099</td>
<td>1 987</td>
<td>112</td>
<td>6%</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>146</td>
<td>127</td>
<td>19</td>
<td>15%</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>136</td>
<td>127</td>
<td>9</td>
<td>7%</td>
</tr>
<tr>
<td>Other operating (expenses)/income, net</td>
<td>11</td>
<td>49</td>
<td>-38</td>
<td>-78%</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>2 392</td>
<td>2 290</td>
<td>102</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Cost of sales structure

#### Q1 2012

- OJSC MMK material costs: 1539
- Amortisation: 239
- Labour costs: 225
- Other Group Companies: 105
- Others: 37
- Change in un invoiced products balance: -46

### OJSC MMK material costs structure

#### Q1 2012

- Iron ore (sinter): 15%
- Fuel from outside sources: 2%
- Power from outside sources: 2%
- Iron ore (pellets): 14%
- Auxiliary materials: 9%
- Other main materials: 12%
- Scrap: 17%
- Coals: 23%
MMK Debt Profile

Debt structure breakdown by maturity profile
31.03.2012

- Long-term debt: 72%
- Short-term debt and current portion of long-term debt: 28%

Debt maturity profile, USD mln

- 1-st year: 1167
- 2-nd year: 1605
- 3-rd year: 623
- 4-th year: 300
- 5-th year and beyond: 531

* Lease not incl.

Debt structure by currency
31.03.2012

- RUR: 44%
- USD: 35%
- Euro: 21%

* Lease incl.

MMK Group liquid assets, USD mln

- 31.12.2011:
  - Cash and cash equivalents: 717
  - Securities: 424
- 31.03.2012:
  - Cash and cash equivalents: 990
  - Securities: 197

* Lease incl.
Capex in Q1 2012 amounted to USD 230 mln.

Main investment projects for 2012 are c/r mill 2000 and modernization of h/r mill 2500.

MMK Cash Flow, USD mln

Balance as of 31.12.2011
Profit for the period
Adjustments for non-cash operations
Amortization
Change of working capital
Income tax
Interest
Financing activities
Investing activities
Effect of exchange rate changes
Balance as of 31.03.2012
Future Growth Factors

- Key beneficiary of steel market recovery
- Growing volumes and share of HVA products to secure sustainably high efficiency
- Focus on specialty steel products to replace imports in Russia and to enjoy domestic market price premium
- Direct exposure to growing industry sectors in the domestic market – auto manufacturing, machine-building and construction sectors
- Realization of the projects, aiming growing integration in raw materials
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