



H1 2007 Financial and Production Results Presentation

US GAAP
Consolidated Financial Statements

September 2007

Group production highlights



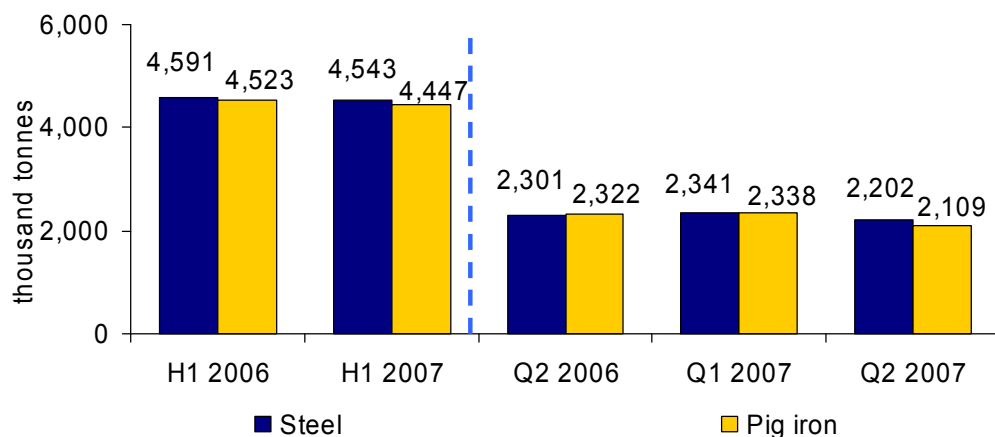
<i>thousand tonnes</i>	Parent Company				NLMK Group ¹			
	Q2 2007	Q1 2007	<i>change</i>		Q2 2007	Q1 2007	<i>change</i>	
			+ / -	%			+ / -	%
Pig iron	2,109	2,338	-229	-9.8%	2,109	2,338	-229	-9.8%
Steel	2,202	2,341	-139	-6.0%	2,202	2,341	-139	-6.0%
Pig iron for sale	115	243	-128	-52.7%	115	243	-128	-52.7%
Slabs	919	1,054	-135	-12.8%	774	884	-110	-12.4%
Flats	1,194	1,172	22	1.9%	1,340	1,341	-1	-0.1%
Hot-rolled steel	419	412	7	1.7%	513	533	-20	-3.8%
Cold-rolled steel	412	454	-42	-9.2%	412	454	-42	-9.2%
Pre-painted steel	228	177	51	28.8%	228	177	51	28.8%
Electrical steel	134	128	6	4.7%	188	177	11	6.2%

¹ Includes OJSC NLMK, VIZ-Stal and DanSteel A/S

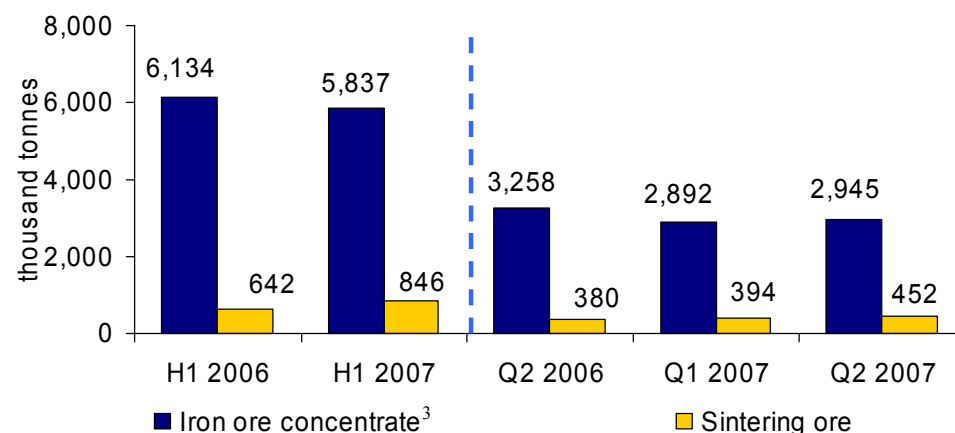
Group production highlights



Crude steel and pig iron

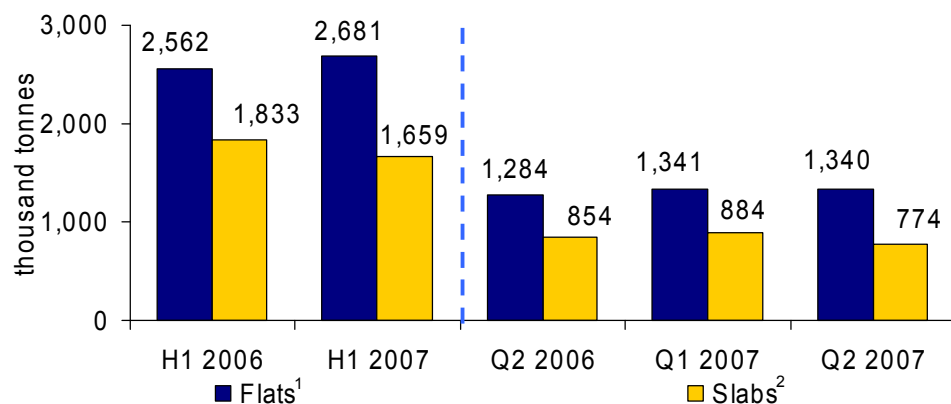


Iron ore concentrate and sintering ore



³ Includes OJSC Kombinat KMaruda production when relevant

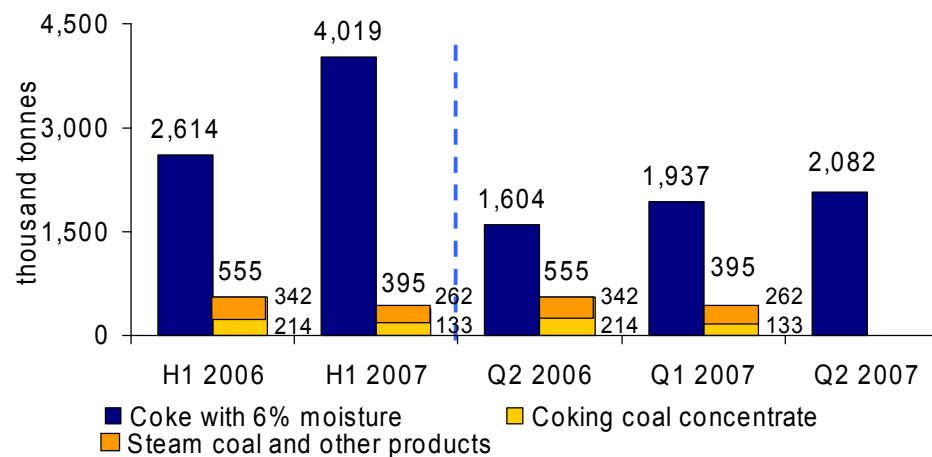
Flats and slabs



¹ Includes flat products, produced at subsidiaries.

² Excludes slabs for subsidiaries.

Coke and coal



Key financial highlights



	Q2 2007	Q1 2007	Q2 2007/Q1 2007		H1 2007	H1 2006	H1 2007/H1 2006	
			+ / -	%			+ / -	%
(million USD)								
Net sales	1,859	1,750	109	6.2%	3,609	2,542	1,067	42.0%
Cost of sales	-928	-933	5	-0.5%	-1,861	-1,395	-466	33.4%
<i>Production cost</i>	-833	-830	-3	0.4%	-1,663	-1,237	-426	34.4%
<i>Depreciation</i>	-95	-102	7	-6.9%	-198	-158	-40	25.3%
Gross profit	931	817	114	14.0%	1,748	1,147	601	52.4%
<i>- as % of net sales</i>	50%	47%			48%	45%		
<i>SG&A</i>	-187	-171	-16	9.1%	-358	-225	-133	59.1%
<i>Impairment losses and accretion expense on asset retirement obligations</i>	-0.1	-6	6	-99.2%	-6	0	-6	-
Operating profit	744	640	104	16.3%	1,384	922	462	50.1%
<i>- as % of net sales</i>	40%	37%			38%	36%		
<i>Gains on investments</i>	-2	-1	-1	100.0%	-3	390	-393	-100.8%
<i>Other income/(expenses)</i>	82	29	53	182.8%	111	-33	144	-436.4%
Pre-tax profit	824	668	156	23.4%	1,492³	1,279²	213	16.7%
<i>- as % of net sales</i>	44%	38%			41%	50%		
Net income¹	608	457	152	33.2%	1,065³	944²	121	12.8%
<i>- as % of net sales</i>	33%	26%			30%	37%		
EBITDA	822	748	74	9.9%	1,571	990	581	58.7%
<i>- as % of net sales</i>	44%	43%			44%	39%		
Earnings per share (USD)	0.1015	0.0762	0.0253	33.2%	0.1777	0.1575	0.0202	12.8%

¹ Net income includes profit from discontinued operations.

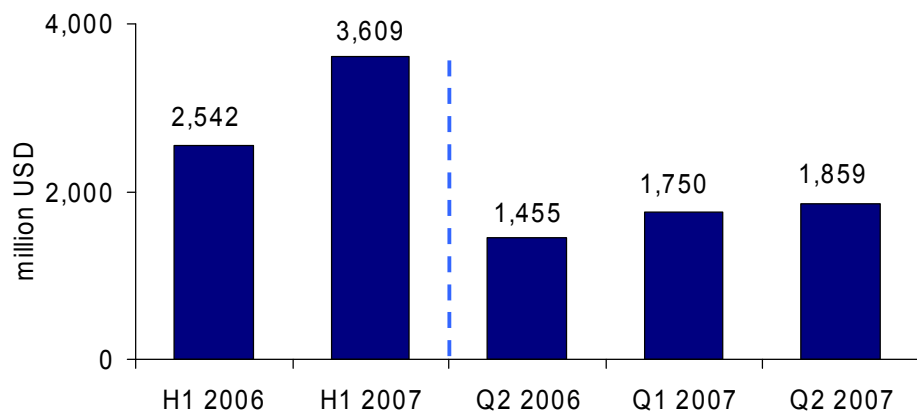
² In Q1 2006 the shares of OJSC Lebedinsky GOK were sold. Excluding income from OJSC Lebedinsky GOK shares sale, H1 2006 pre-tax profit amounted to USD 880 mln, net income – USD 641 mln.

³ In H1 2007 NLMK Group received USD 82 mln gain from disposal of subsidiaries (the Prokopyevskugol group and OJSC Lipetskcombank). Excluding income from disposal of subsidiaries, H1 2007 pre-tax profit amounted to USD 1 411 mln, net income – USD 1 003 mln.

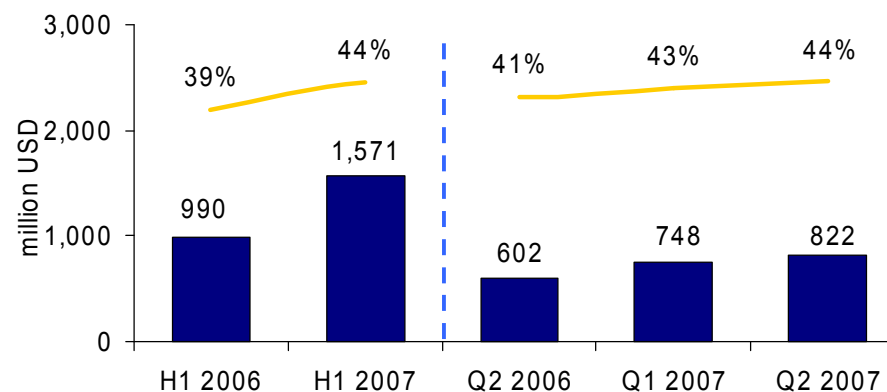
Key performance indicators



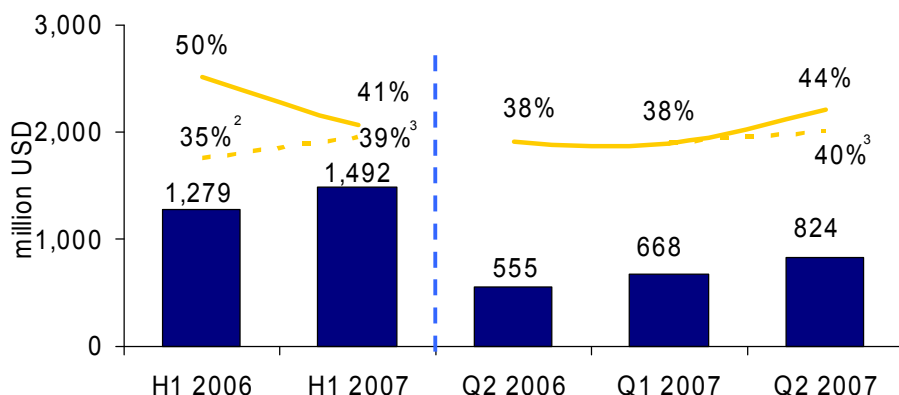
Net sales



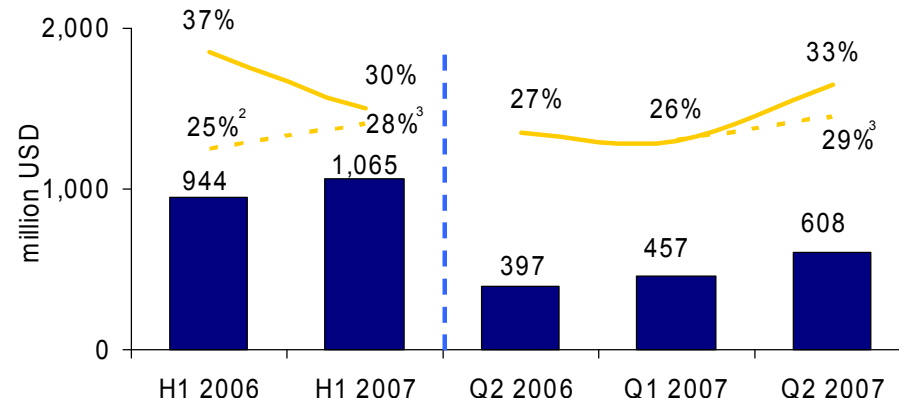
EBITDA¹, as % of net sales



Pre-tax profit, as % of net sales



Net income, as % of net sales



¹EBITDA is calculated as the sum of net profit, net interest expense, income tax, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, depreciation and amortization (without gain/ (loss) on investments, income from discontinued operations, gain from disposal of subsidiaries and gain on loan restructuring).

² Without income from the sale of OJSC Lebedinsky GOK.

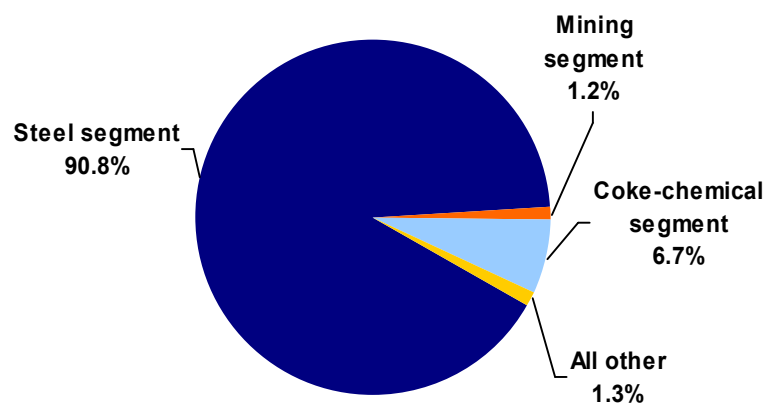
³ Without income from disposal of subsidiaries (the Prokopyevskugol group and OJSC Lipetskcombank).

H1 2007 segmental highlights

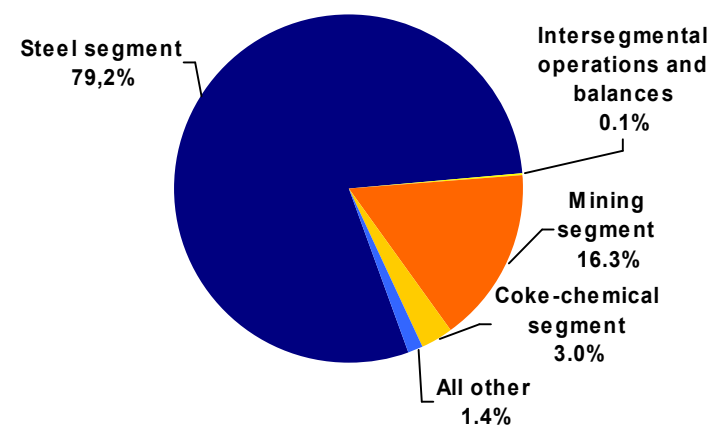


<i>(million USD)</i>	Steel	Mining	Coke-chemical	All other	Totals	Intersegmental operations and balances	Consolidated
Revenue from external customers	3,278	43	243	44	3,609	-	3,609
Intersegment revenue	12	388	47	39	485	-485	-
Gross profit	1,385	285	52	24	1,747	1	1,748
Operating income/(loss)	1,131	255	9	-11	1,383	1	1,384
Income / (loss) from continuing operations before minority interest	787	211	0.1	136	1,134	-66	1,068
Segment assets including goodwill	6,666	1,645	976	337	9,623	-212	9,412

Sales structure



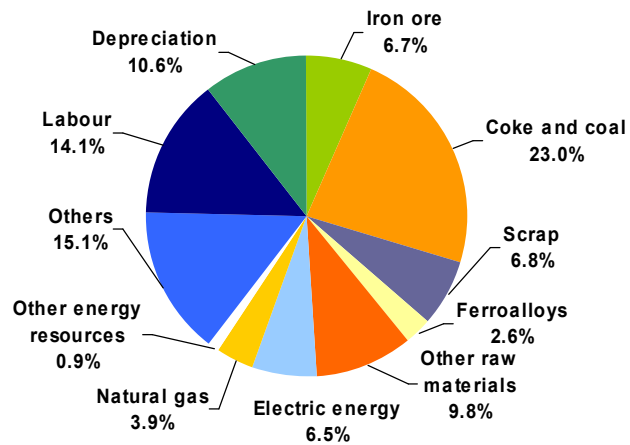
Gross profit structure



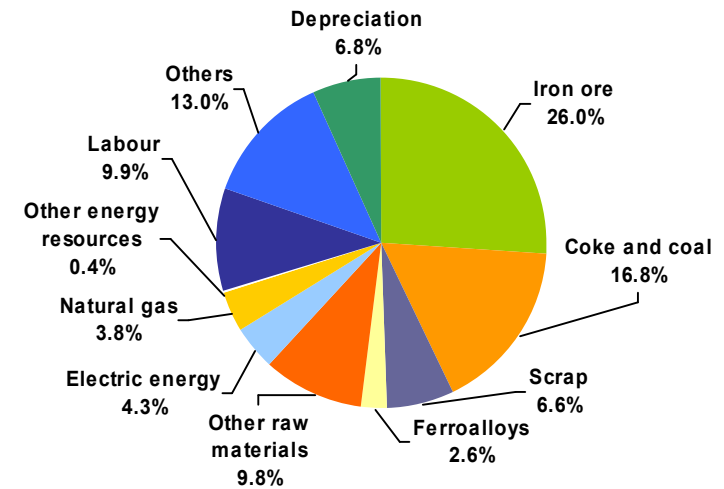
H1 2007 production cost structure



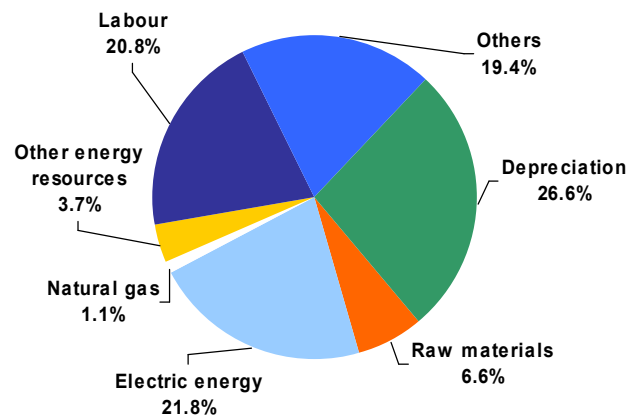
Group



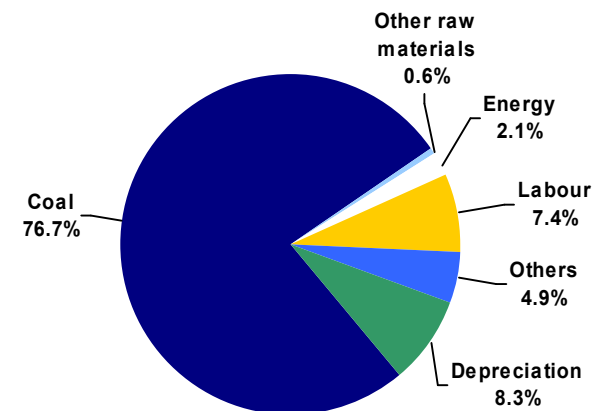
Steel segment



Mining segment



Coke-chemical segment



Consolidated Balance Sheet

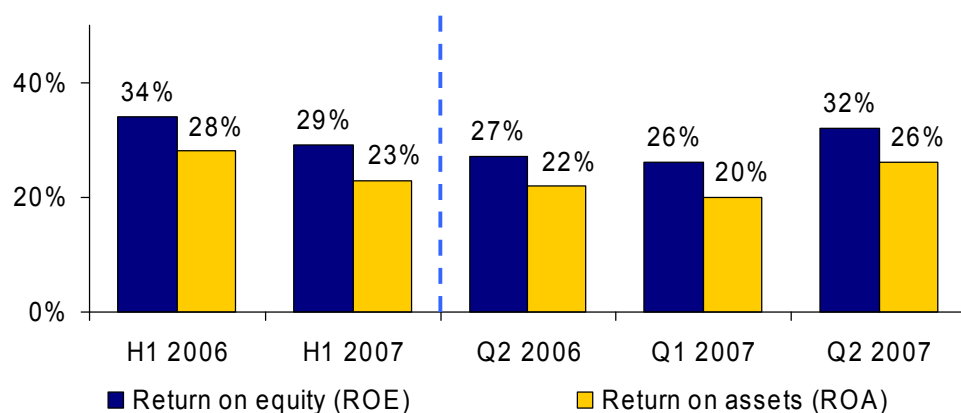


Assets <i>(million USD)</i>	As of 30 Jun. 2007	As of 31 Mar. 2007	As of 31 Dec. 2006	As of 30 Jun. 2006	As of 31 Dec. 2005
Current assets	3,629	3,484	3,050	3,287	3,436
<i>- share (%)</i>	<i>39%</i>	<i>37%</i>	<i>35%</i>	<i>45%</i>	<i>55%</i>
Non-current assets	5,783	5,821	5,667	4,087	2,775
<i>- share (%)</i>	<i>61%</i>	<i>63%</i>	<i>65%</i>	<i>55%</i>	<i>45%</i>
Total assets	9,412	9,305	8,717	7,374	6,211
Liabilities and stockholders' equity <i>(million USD)</i>	As of 30 Jun. 2007	As of 31 Mar. 2007	As of 31 Dec. 2006	As of 30 Jun. 2006	As of 31 Dec. 2005
Current liabilities	980	943	993	893	612
<i>- share (%)</i>	<i>10%</i>	<i>10%</i>	<i>11%</i>	<i>12%</i>	<i>10%</i>
Non-current liabilities	597	819	781	508	392
<i>- share (%)</i>	<i>6%</i>	<i>9%</i>	<i>9%</i>	<i>7%</i>	<i>6%</i>
Minority interest	109	136	133	126	93
Stockholders' equity	7,726	7,406	6,809	5,848	5,114
<i>- share (%)</i>	<i>82%</i>	<i>80%</i>	<i>78%</i>	<i>79%</i>	<i>82%</i>
Total liabilities and stockholders' equity	9,412	9,305	8,717	7,374	6,211

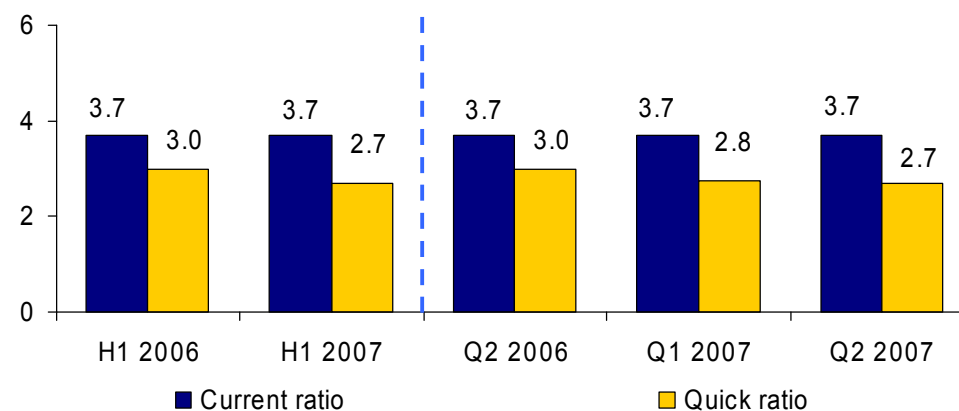
Financial highlights



Return on equity and return on assets²

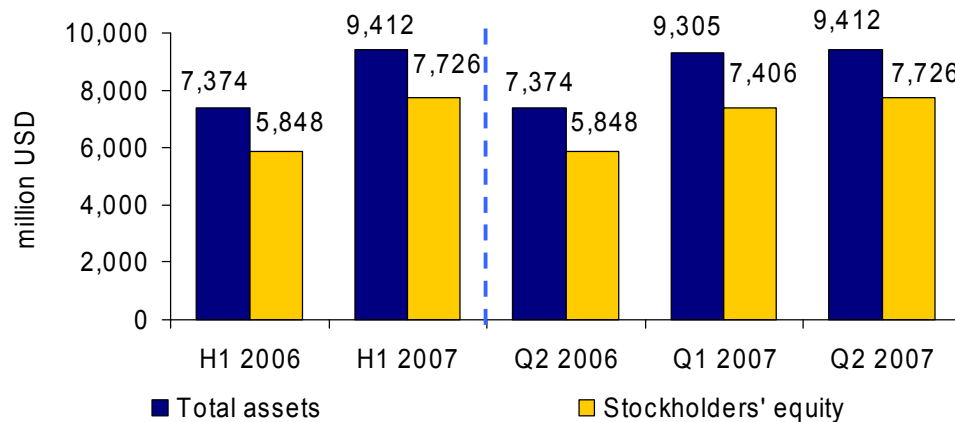


Liquidity measures¹

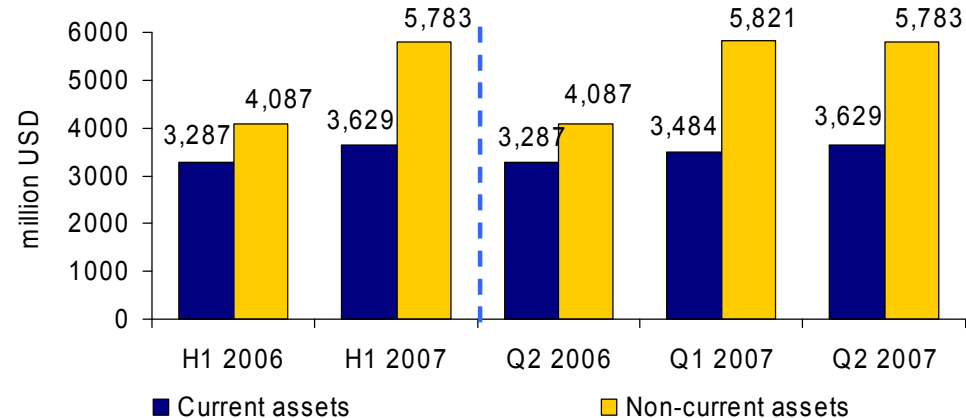


²The calculation of ROA & ROE is based on net income. Quarterly and half-year indicators are normalized to annual level.

Assets and stockholders' equity



Current and non-current assets



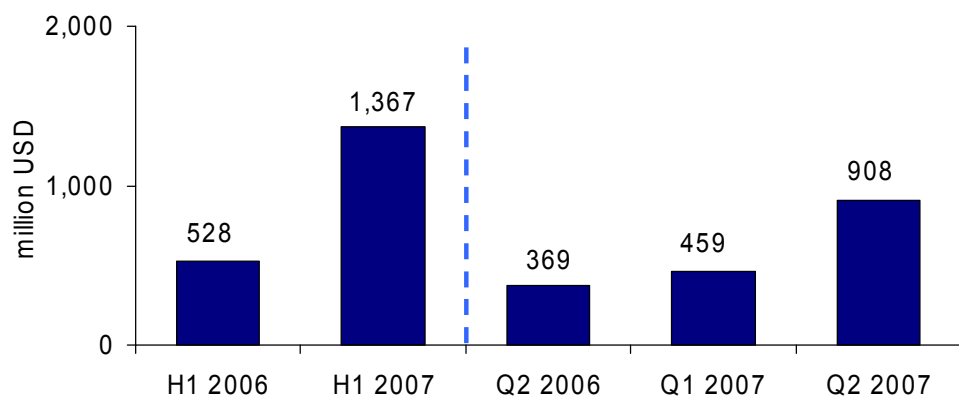
¹ Current liquidity ratio is calculated as current assets as at the year-end, excluding restricted cash, divided by current liabilities as at the year-end.

Quick liquidity ratio is calculated as current assets as at the year-end, excluding restricted cash and inventory, divided by current liabilities as at the year-end.

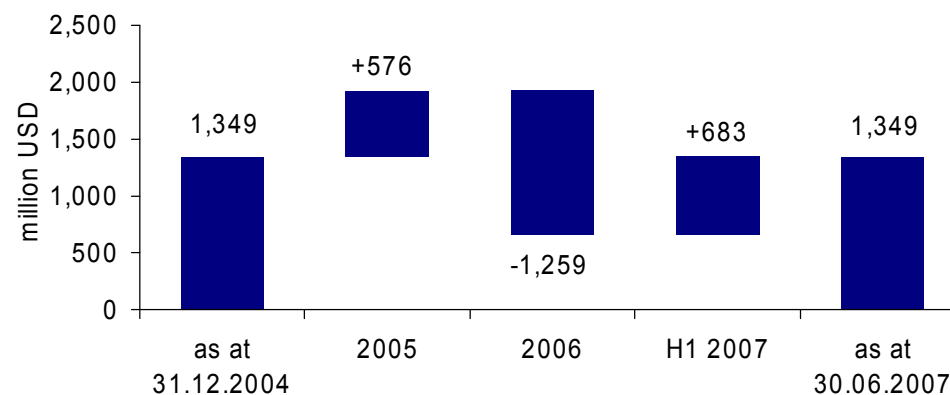
Financial highlights



Net cash inflow from operating activities

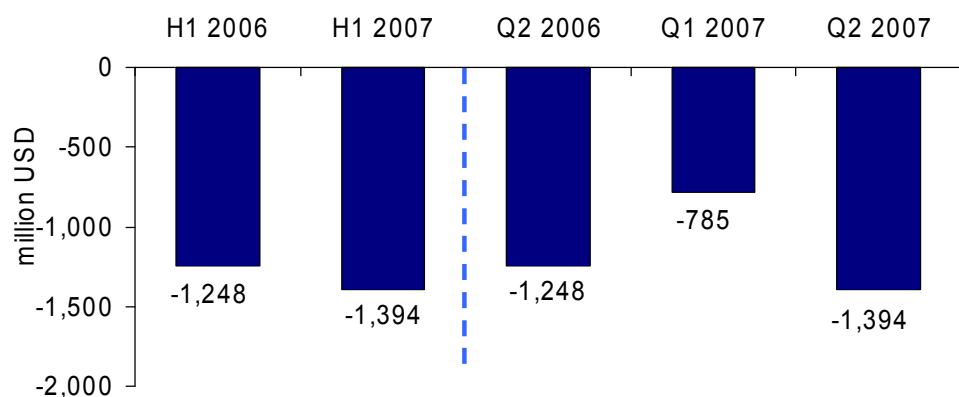


Net increase/(decrease) in cash & cash equivalents¹



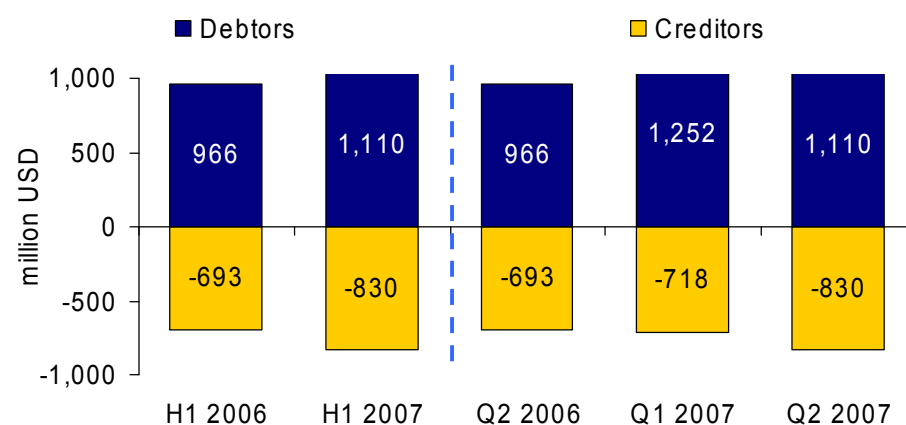
¹Including effect of exchange rate changes

Net debt²



²Net debt is calculated as short- and long-term interest-bearing debt minus cash and cash equivalents, and short-term investments

Debtors and creditors



H1 2007 change in net cash position



EBITDA¹

Working capital change

Non-cash²

Capex

Free cash flow from operations

Repayment of borrowings and notes payable, net

Loan issued

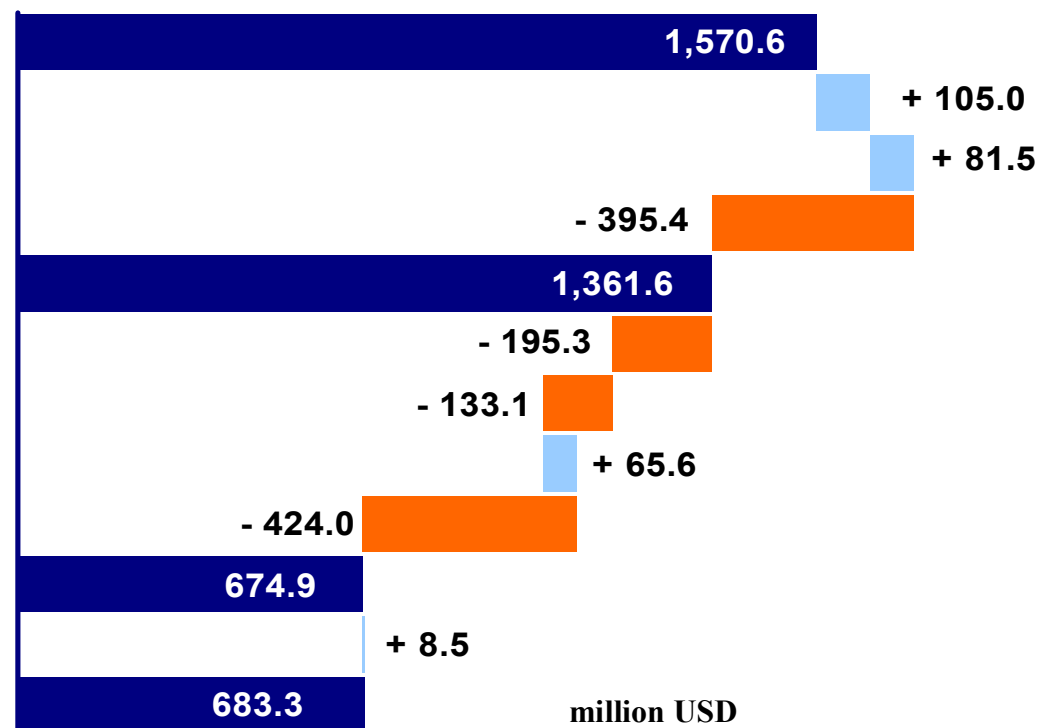
Other finance operations³

Income tax

Free cash flow

Dividends and effect of exchange rate changes

Increase in cash



¹ EBITDA is calculated as the sum of net profit, net interest expense, income tax, loss on disposal of fixed assets, impairment losses, accretion expense on asset retirement obligation, depreciation and amortization (without gain/ (loss) on investments, income from discontinued operations, gain from disposal of subsidiaries and gain on loan restructuring).

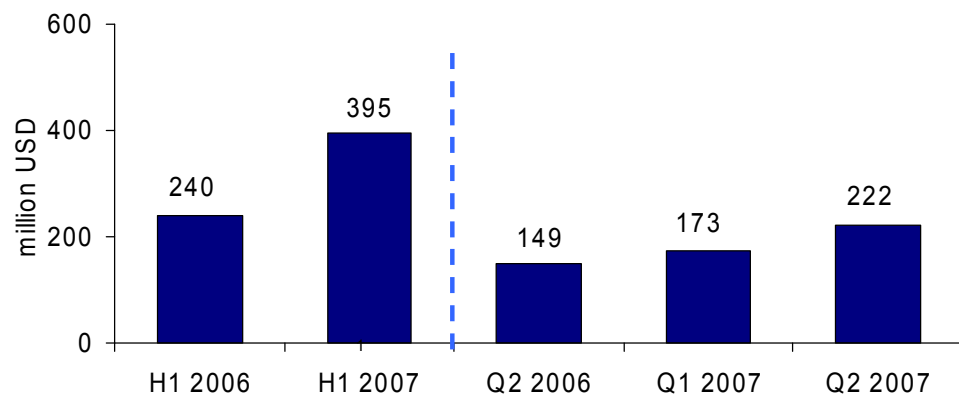
² Non-cash include adjustments to reconcile net profit and net cash from operations less amortization, loss on disposal of fixed assets, accretion expense on asset retirement obligation, gain/ loss on investments, gain from disposal of subsidiaries.

³ Other financial operations include proceeds from sale of property, plant and equipment, purchases of investments, proceeds from disposal of assets to the company under common control, disposal of subsidiaries, movement of restricted cash and other financial operations.

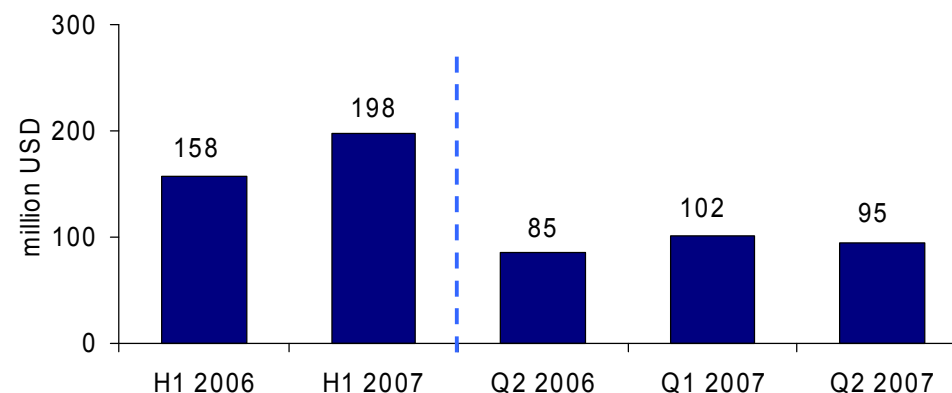
Financial highlights



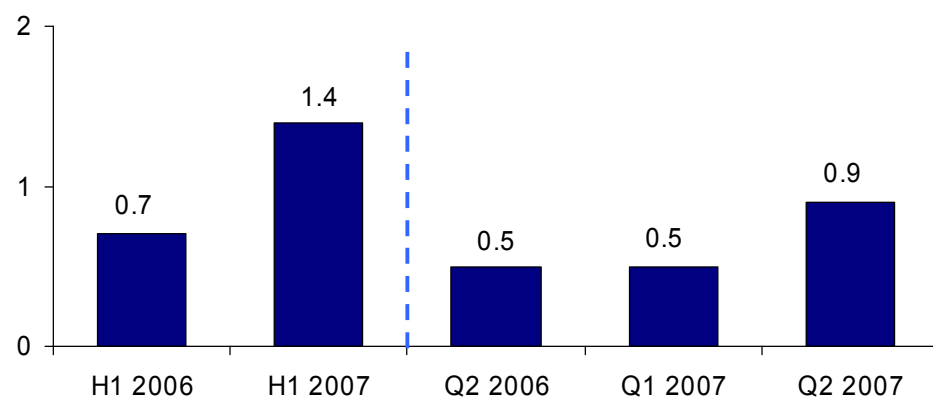
Capital expenditure



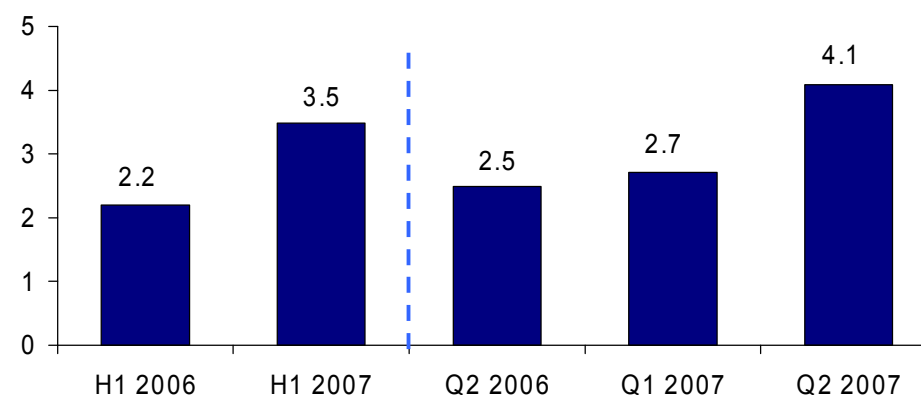
Depreciation



Operating cash flow ratio¹ (cash flow from operations / current liabilities)



Capital expenditure ratio (cash flow from operations / capital expenditure)



¹Operating cash flow ratio is calculated as cash flow from operations divided by average current liabilities.