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ABOUT NLMK GROUP – SUCCESS IN STEEL

Leader: TOP20 Globally and #1 in Russia

Lowest cost globally: 1st quartile cost position

100% utilization through the cycle: vs. 68% globally

Sufficient: up to 100% coverage in key raw materials

Modern: $12 bn investments from 2005 or 100% of the balance value

Global customer base

One of the most profitable: 2x global average

Financially sound: investment grade from S&P

Reliable partner in volatile environment
NLMK: GLOBAL PRESENCE

Well positioned and diversified value chain

Crude steel

- NLMK RU: 95%
- NLMK EU
- NLMK USA

Processing

- NLMK RU: 50%
- NLMK EU: 30%
- NLMK USA: 20%
WHY BUILD A GLOBAL CHAIN?

• NLMK Russian assets produce the LOWEST COST STEEL GLOBALLY ... ...operating a scalable business with own raw materials base,

BUT the Russian market is not that big

• European steelmakers have HIGHER COST without basic raw materials

BUT European steel consumers need just in time delivery, high quality

Combine strengths of our superior asset base with EU rolling assets
=> Invest in and modernize existing European rolling capacity
10 YEARS OF SUCCESSFUL STRATEGIC GROWTH

NLMK Group steel output (MT)

- 2006: A single-site producer, TOP4 in Russia, 9 mt output
- 2007-2014: Incremental growth in steel output
- 2011: NLMK invests in EU assets
- 2012: Added new capacity in Russia to match EU downstream needs
- 2013: Full integration of EU/USA and RU assets
- 2014: Preparing for a new growth phase
- 2016 (E): #1 Global steel-maker by S&P Platts

- 2016: 16.4 mt output
RESILIENT OPERATIONAL INTEGRATION

Feedstock supply from Russian to European assets, mln t

Global financial crisis
Steel market downturn
Global commodity crisis
NLMK EUROPE RESTRUCTURING IN 2013-2016

EU steel industry struggling with low capacity utilization


86% 79% 55% 69% 71% 68% 66% 71% 77% 62%

NLMK Europe Division formed

Strategic investor - SOGEPA – joins the Board

Operational improvement programmes – double Strip Tons per man

Streamlined management structure and stronger integration into NLMK Group

Source: Bloomberg
INVESTMENTS IN EU ASSETS

NLMK always demonstrated a strong commitment to its EU Division

Cumulative development investments in NLMK Europe, m $

Resulting in better operational performance and market excellence
CREATING UNIQUE EXPOSURE TO LOCAL CUSTOMERS

Diversified industry exposure: sales of locally manufactured finished steel

- Boiler & pressure vessel: 11%
- Wind turbines: 3%
- Shipyards: 7%
- Construction: 13%
- Structural: 5%
- Stockholder / oxycutter: 5%
- Automotive: 12%
- Tubes: 10%
- Rerollers: 29%
- Other industries*
NLMK highly values its relations with Belgium.
SUMMARY

Steel industry crisis will be prolonged with no silver bullet solution

We operate a unique business model proven during 3 severe crisis

We have a great potential for further development

NLMK EU is a vital part of NLMK Group

... while NLMK Russia is an integral part of its European operations

The results show business creates strong ties between countries
• **Annual production capacities 550k t**

• **Products**
  - medium and heavy plates, quenched and tempered plates

• **Key clients**
  - Construction, shipbuilding, energy transport, lifting, quarrying and mining equipment

Ittre, Belgium
ANNEX 2 NLMK VERONA

Verona, Italy

- **Annual production capacities 450k t**
- **Products**
  - ingots for forging, forged plates and hot rolled heavy plates
Frederiksvaerk, Denmark

- **Annual production capacities 450k t**
- **Products**
  - hot rolled steel plates
- **Key clients**
  - offshore oil & gas, on-/offshore wind, shipbuilding, pressure vessels, construction, machinery
ANNEX 4 NLMK LA LOUVIÈRE

La Louvière, Belgium

- Annual production capacities 2.2m t
- Products
  - Hot-rolled steel, pickled steel, fullhard steel
- Key clients
  - Manufacturing steel structures, ship hulls and road equipment, body parts, supporting structures, pipes and agricultural equipment
Strasbourg, France

- **Annual production capacities 400k t**
- **Products**
  - galvanized and pre-painted steels
- **Key clients**
  - manufacturing steel structures, ship hulls and road equipment, body parts, supporting structures, pipes and agricultural equipment