



Novolipetsk Steel

Acquisition of John Maneely Company

August 12, 2008

Disclaimers

This document is confidential and has been prepared by NLMK (the “Company”) solely for use at the investor presentation of the Company and may not be reproduced, retransmitted or further distributed to any other person or published, in whole or in part, for any other purpose.

This document does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in the Company or Global Depositary Shares (GDSs), nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

No reliance may be placed for any purpose whatsoever on the information contained in this document or on assumptions made as to its completeness. No representation or warranty, express or implied, is given by the Company, its subsidiaries or any of their respective advisers, officers, employees or agents, as to the accuracy of the information or opinions or for any loss howsoever arising, directly or indirectly, from any use of this presentation or its contents.

This document is for distribution only in the United Kingdom and the presentation is being made only in the United Kingdom to persons having professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

The distribution of this document in other jurisdictions may be restricted by law and any person into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document may include forward-looking statements. These forward-looking statements include matters that are not historical facts or statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forwarding-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that the Company’s actual results of operations, financial condition and liquidity and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Company’s results of operations, financial condition and liquidity and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in future periods. The Company does not undertake any obligation to review or confirm analysts’ expectations or estimates or to update any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

By attending this presentation you agree to be bound by the foregoing terms.

1. Transaction Details and Rationale

2. JMC Overview

3. Domestic US Market Situation

4. JMC Strategy

5. Integration with NLMK

Appendix

Transaction Details

- Acquisition of 100% of John Maneely Company (“JMC”), a privately held steel tube manufacturer in North America
- JMC operates 11 facilities in 5 US states and 1 Canadian province, with production capacity of 3 million tons of steel pipes and tubes, and a market leading position in all its core product categories
- For the last twelve months ended June 30 2008, JMC had shipments of 2.1 million tons, revenues of \$2.4 billion and EBITDA of \$485 million
- All cash consideration of \$3,530 million (acquiring company on a debt free, cash free basis)
- Financing provided from bank commitments:
 - \$1.6 billion recently established Pre Export Finance (“PXF”) facility
 - \$2 billion of bridge commitment provided by Merrill Lynch, Deutsche Bank and Societe Generale
- Subject to customary regulatory approvals in the US (HSR and CFIUS) and Canada
- NLMK to maintain productive relationships with JMC’s employees and unions
- Expected to close in Q4, 2008

Transaction Rationale

1. Enhances vertical integration of NLMK North American asset base
 - Duferco Farrell was the #1 supplier of HRC to JMC's Wheatland division and #2 supplier to JMC as a whole in 2007
 - Strategy of further business integration, new product development and consolidating platform
2. Strengthens position in North America and diversifies product portfolio
 - Entry point into profitable tube and pipe end market
 - JMC has the most diverse product platform in North American pipe and tube industry
 - #1 market share across its 3 core products: Hollow Structural Sections (HSS), Pipe tube and Electrical conduit
3. Opportunity to leverage management capabilities to extract further value
 - Highly experienced North American management team
4. Financially attractive transaction
 - Strong margins and cash flow generation
 - Attractive valuation (6.6x EV/LTM EBITDA as of 30/07/08A before synergies)
 - Potential for \$35 million of annual synergies - better working capital management at JMC and Duferco Farrell as well as enhanced production efficiencies at Duferco Farrell

Consistent with NLMK's stated strategy of downstream integration in the core markets of the Company

1. Transaction Details and Rationale

2. JMC Overview

3. Domestic US Market Situation

4. JMC Strategy

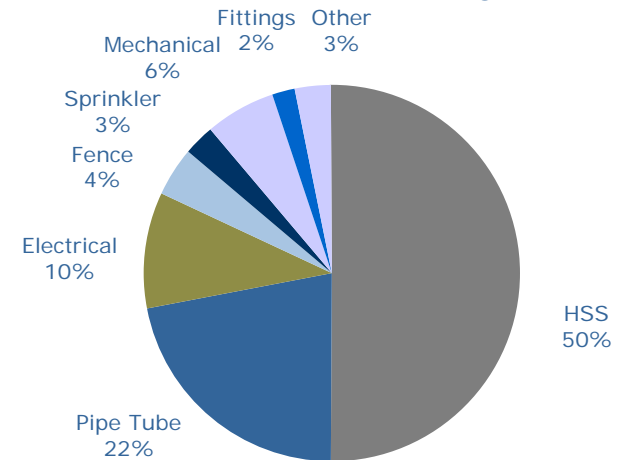
5. Integration with NLMK

Appendix

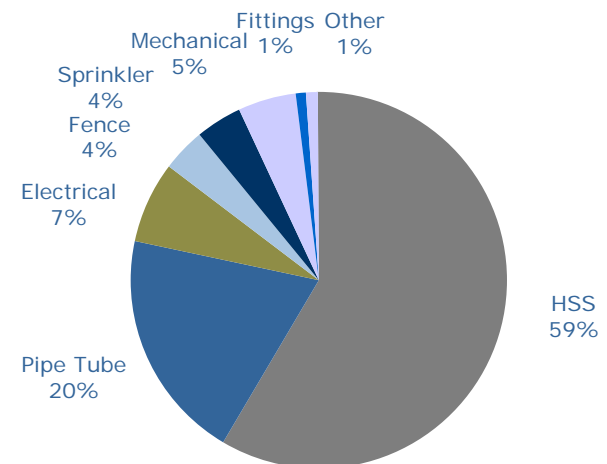
Largest Independent Manufacturer of Standard Pipes in North America

- John Maneely is the largest remaining independent tubular manufacturer in North America
 - Production capacity of approximately 3.0 million tons annually
 - Shipments of 2.1 million tons in LTM June 2008
- Market leader in core product categories
 - HSS: #1 (36% share)
 - Pipe Tube: #1 (21% share)
 - Electrical: #1 (35% share)
- Broad product mix and flexible manufacturing capabilities
- Strong and long-standing customer and supplier relationships
- Low cost producer with flexible, highly motivated work force
- Largest consumer of HRC in North America

LTM June 2008 Revenue by Product



LTM June 2008 Shipments by Product

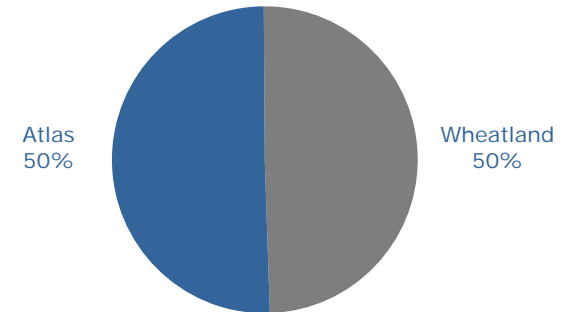


Divisional Overview



- **Heritage:** Atlas Tube business
- **Products:** HSS and pilings
- **LTM June 2008 Shipments:** 1,248K tons
- **Manufacturing footprint:** 4 facilities
- **Headquarters:** Chicago, IL

LTM June 2008 Revenue



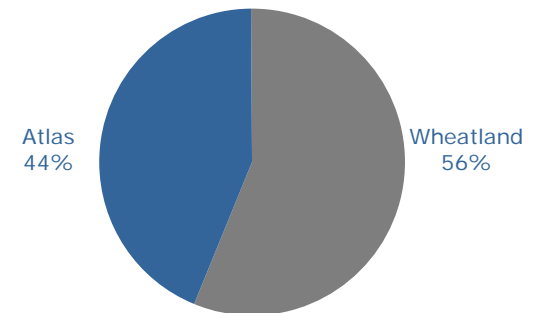
LTM June 2008 Revenue: \$2,399m

John Maneely Company



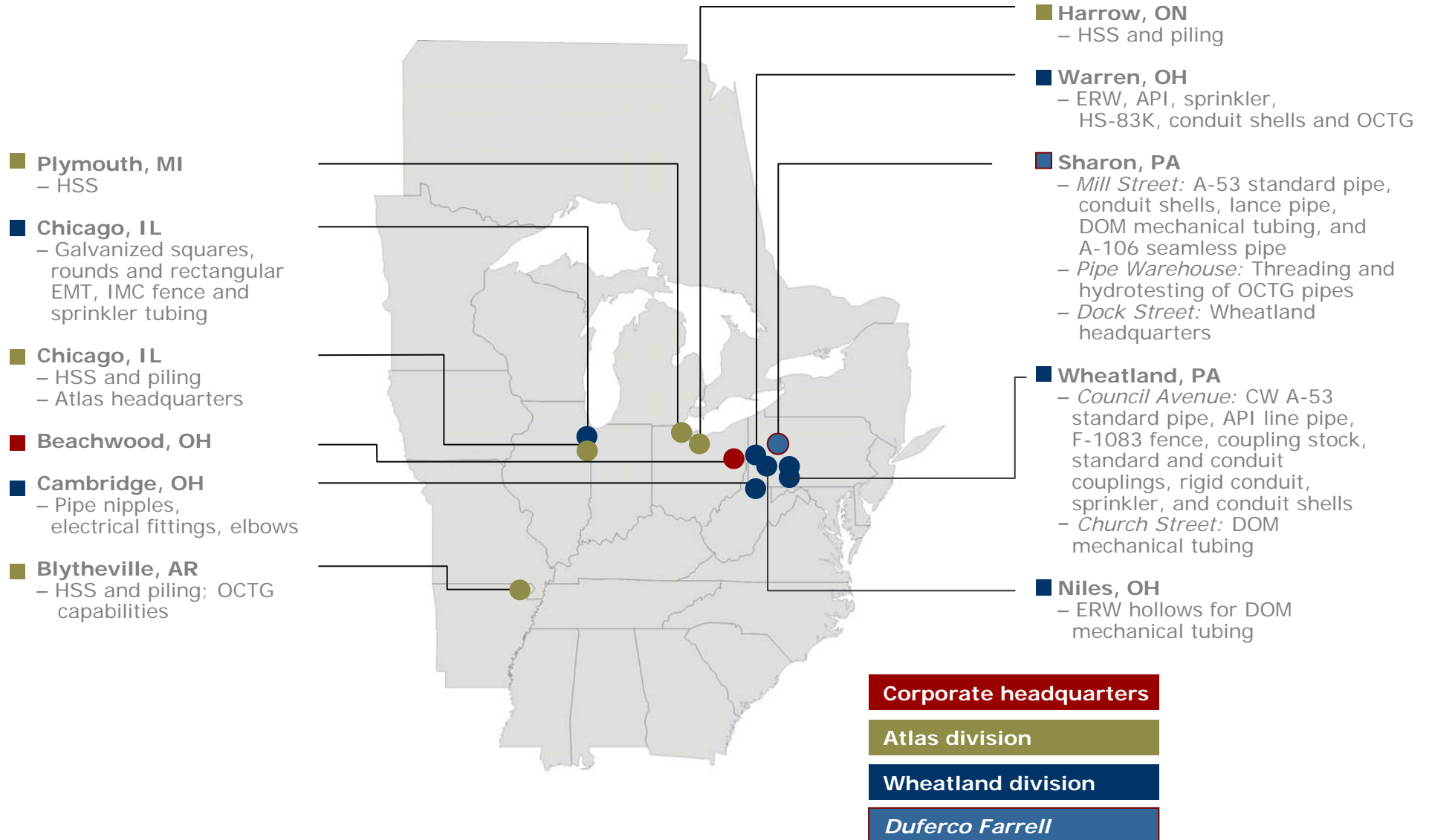
- **Heritage:** John Maneely Company and Sharon Tube businesses
- **Products:** Pipe tube, electrical, DOM mechanical tubing, fence pipe and tube, fire sprinkler pipe, fittings and couplings and OCTG
- **LTM June 2008 Shipments:** 864K tons
- **Manufacturing footprint:** 7 facilities
- **Headquarters:** Sharon, PA

LTM June 2008 EBITDA



LTM June 2008 EBITDA: \$485m

Strategically Located Production Facilities



Leading Market Positions with a Diversified Product and Customer Base

	HSS	Pipe Tube	Electrical
Market Position	#1 36%	#1 21%	#1 35%
Competitive Advantages	<ul style="list-style-type: none"> Lowest cost producer in North America Numerous long-standing customer relationships The only North American producer of select larger sizes <ul style="list-style-type: none"> >12" square Broad geographical footprint 	<ul style="list-style-type: none"> Strong position in Continuous Weld (CW) and Electrical Resistance Weld (ERW) Exceptional quality and breadth, particularly in galvanized products Customer service advantages Flexible and reliable production facilities 	<ul style="list-style-type: none"> Only provider of both electrical conduit and fittings Delivers EMT from multiple geographic locations
LTM June 2008 Shipments	1,248k	430k	145k
LTM June 2008 Revenue	\$1,211mm	\$538mm	\$231mm
End Markets	<ul style="list-style-type: none"> Non-residential construction 	<ul style="list-style-type: none"> Commercial, industrial and residential plumbing and heating 	<ul style="list-style-type: none"> Commercial and industrial and electrical wiring protection
Customers	<ul style="list-style-type: none"> Steel service centers (70%) 	<ul style="list-style-type: none"> Plumbing wholesalers and PVF distributors 	<ul style="list-style-type: none"> Electrical distributors

Largest and most reliable supplier to core markets

Attractive Product Range - Hollow Structural Sections (HSS)

Product applications

- Used in a broad range of construction and architectural applications, structural components for vehicles, agricultural and industrial equipment, highway guardrails, light poles and other structures
- Uniform tolerances, excellent compressive properties, torsional resistance, high strength-to-weight ratio, clean appearance and relatively low cost compared to steel beams
 - Meets American Society for Testing and Materials (“ASTM”) A500 standard

Market overview

- CY 2007 market size: 3.1 million tons
- Customers: All major service centers
- Diversified end-user base
 - Fabricators and large contractors for non-residential construction
 - Private: Agriculture, transportation, industrial, commercial and sports and leisure
 - Public: Security, infrastructure, healthcare, education and government office

JMC position

- Market leader with 36% share in CY 2007
 - 4x relative market share of next competitor
 - JMC is the #1 supplier of HSS products to 90% of its customer base
- Only HSS manufacturer capable producing certain large diameter shapes (> 12” squares and 16” rounds)
- Broadest product set with wide array of shapes and gauges: rounds, squares and rectangles

Selected Products



Attractive Product Range – Pipe Tubes & Electrical Conduits

Pipe Tube

Electrical

Product Applications

- Steel pipes for the low-pressure conveyance of water, oil, gas, air, steam and other fluids
- Some structural and fabrication applications
- Primarily used in non-residential and industrial construction, where strong and durable protection is required for electrical wiring
- Provides the most protection for electrical wiring

Market Overview

- CY 2007 US market size: 2.4 million tons
- Customers: Plumbing wholesalers and PVF distributors
- Diversified end-user base
 - Plumbing wholesalers – primarily non-residential construction
 - PVF distributors – industrial end-markets
- CY 2007 US market size: 482,000 tons
- Customers: Electrical distributors and national chains
- End-markets: Non-residential and industrial construction

JMC Position

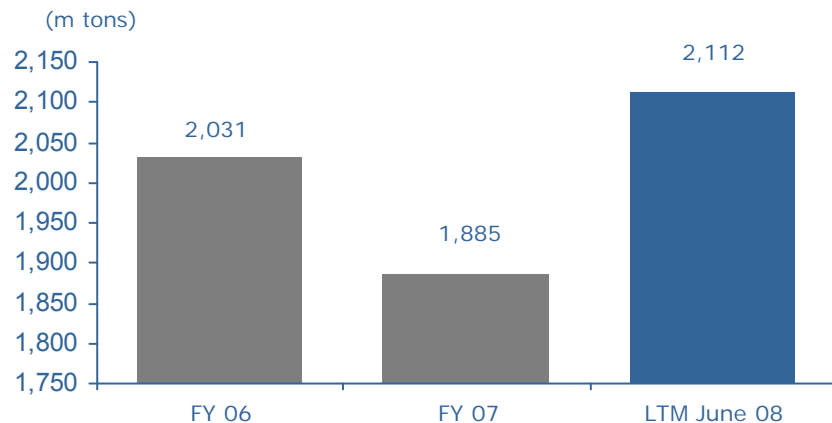
- Market leader with 21% share in CY 2007
- Only pipe tube manufacturer capable of producing certain diameter and gauge specifications and custom fittings and couplings
- Value-added processing on over 2/3 of volume
- Lowest cost North American producer
- Market leader with 35% share in CY 2007
- Premium brand with industry leading reputation for quality and durability
- Products meet or exceed all relevant specifications
- Only manufacturer of both electrical conduit and fittings

Selected Products

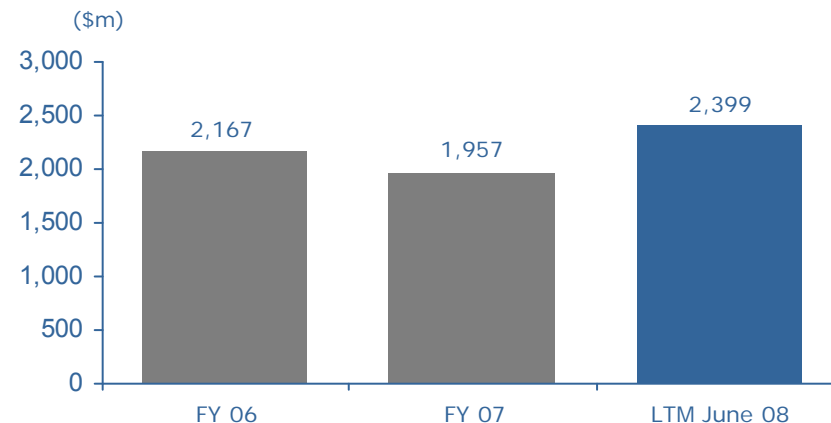


JMC Historical Financials

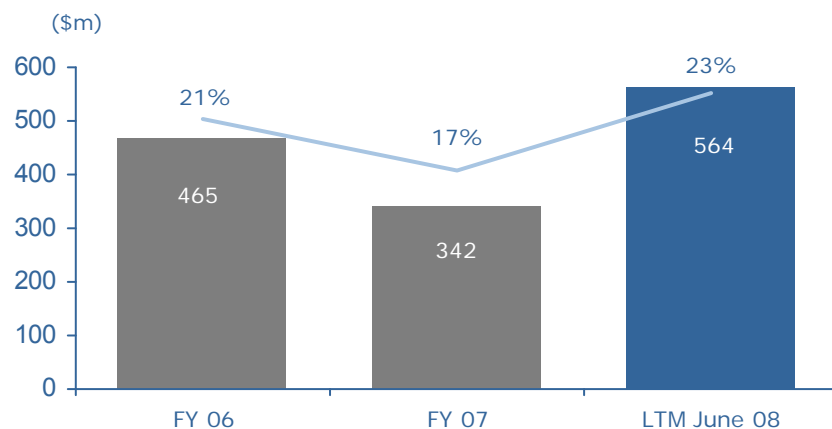
Tons Sold (000s) 2006 – 2008YTD



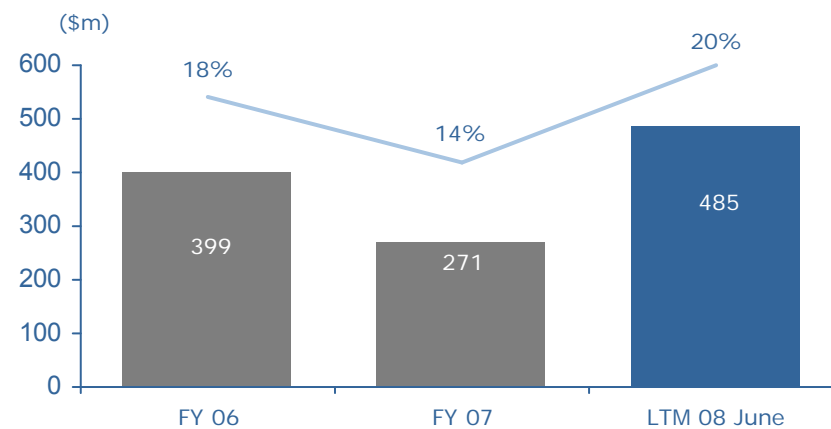
Net Sales



Gross Profit & Gross Margin



EBITDA & EBITDA Margin



Note: Fiscal year ending September 2008

1. Transaction Details and Rationale

2. JMC Overview

3. Domestic US Market Situation

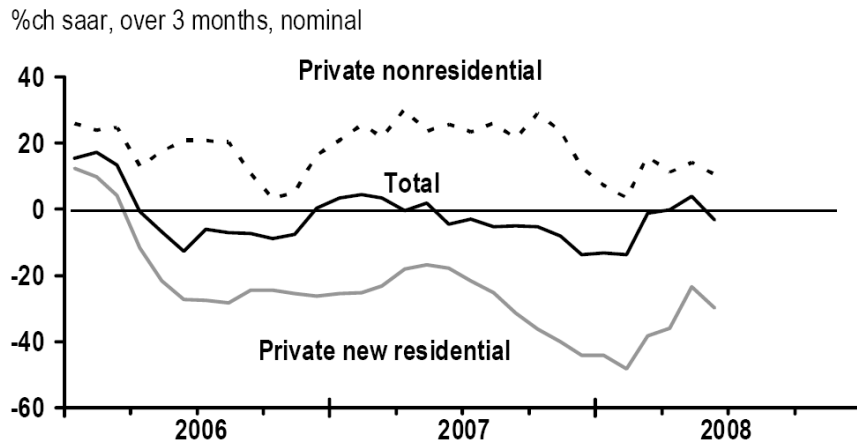
4. JMC Strategy

5. Integration with NLMK

Appendix

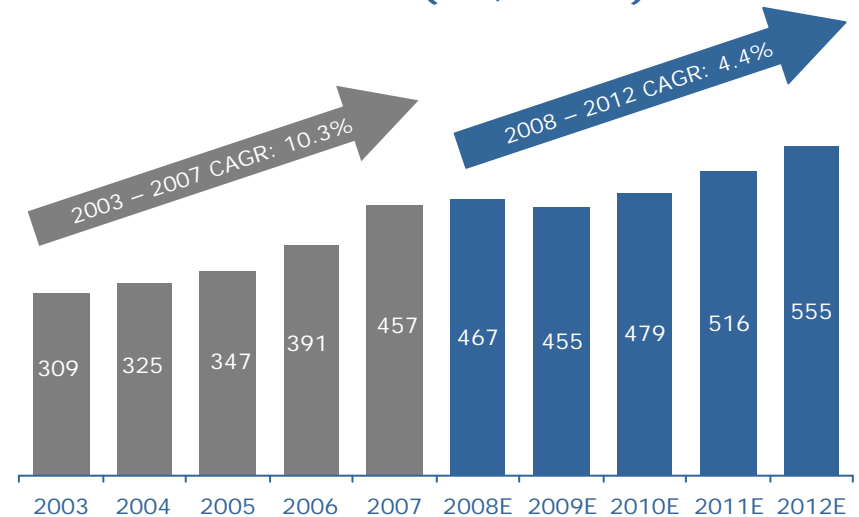
Continued Strong Growth in US Non-Residential Construction Market

US Construction Spending



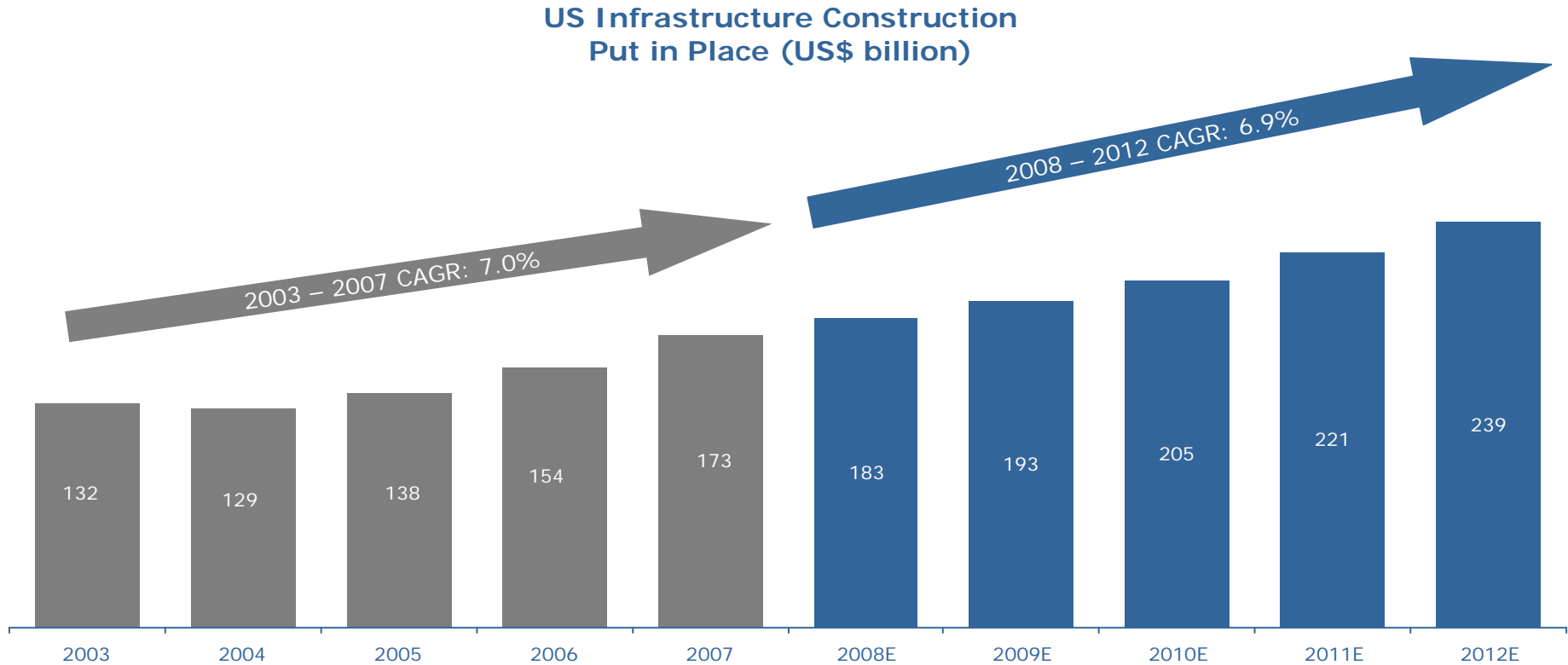
- US non-residential construction has continued to grow in spite of tight financing for investments in real estate
 - 1.1% and 0.8% month on month growth in May and June of 2008 respectively
- Continued strong gains in lodging, power and manufacturing

Outlook on US Non-Residential Construction (US\$ billion)



- Non-residential construction in North-America has experienced double digit growth over the past 5 years and outlook continues to be strong
- US non-residential construction projected to grow at 4.4% CAGR over the next five years

Strong Outlook for US Infrastructure Market

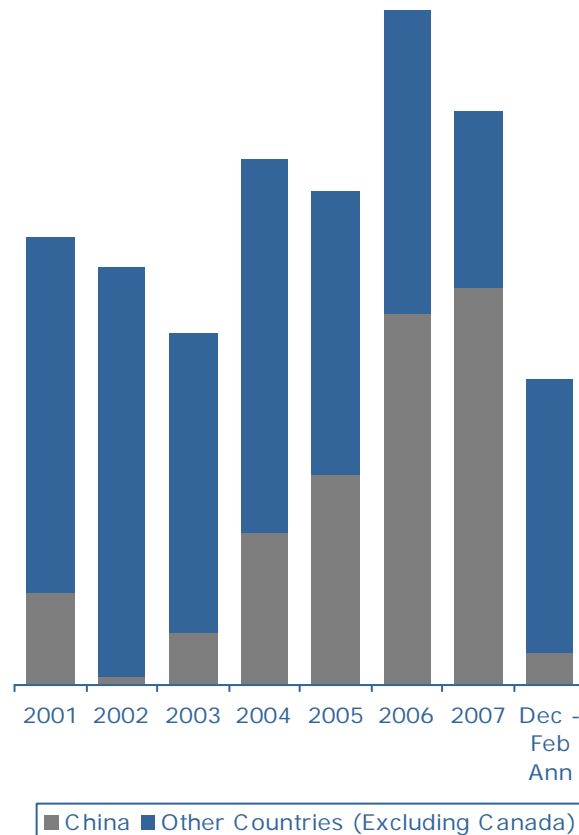


- Spending on public office buildings, healthcare and educational facility upgrades and infrastructures improvements continues to grow

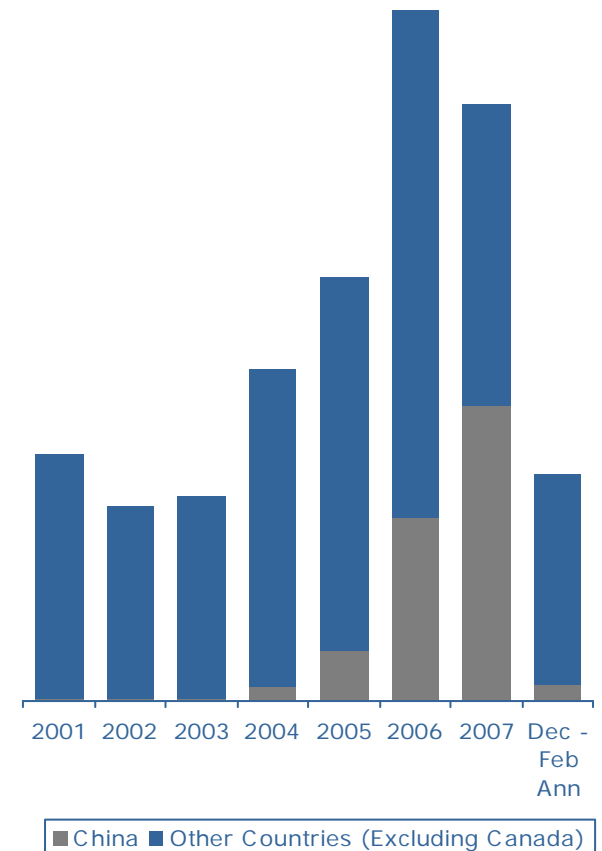
Impact of Import Duties on Price Environment

- Chinese imports have in the past impacted negatively on the US pipe and tube prices
- Anti Dumping Duties on Chinese imports announced on June 30, 2008 by the International Trade Commission (tariffs on Chinese pipe imports ranging from 99% to 701%) should provide further support to US prices going forward
- Weakening U.S. dollar environment has however protected domestic pipe and tube producers as price benefits of imports are offset by changes in exchange rates

US Standard Pipe Imports



US Structural Tubing Imports



Historically, Chinese imports have had a negative impact on prices, a trend no longer prevalent as a result of import duties

1. Transaction Details and Rationale

2. JMC Overview

3. Domestic US Market Situation

4. JMC Strategy

5. Integration with NLMK

Appendix

JMC Strategy

- Leverage management capabilities to extract economies of scale
 - Increasing volumes (Chicago, Arkansas)
 - Further business integration between Wheatland and Atlas
 - Maintain industry leading conversion costs
 - Leverage ability to supply national distributors
- Continued Product Mix Optimisation
 - Rationalise and rebalance production
 - Testing and positioning for utility pole and alternative energy infrastructure products
 - Deeper penetration into piling market
 - Investment in opportunity for further expansion into OCTG
- Platform for continuing industry consolidation
 - Proven ability to acquire and integrate leading tube and pipe manufacturers
 - Numerous actionable targets

1. Transaction Details and Rationale

2. JMC Overview

3. Domestic US Market Situation

4. JMC Strategy

5. Integration with NLMK

Appendix

Integration with NLMK

- JMC to operate as wholly-owned subsidiary of NLMK with close cooperation with NLMK's Duferco Farrell operation
- NLMK will also consider carving out Farrell from its Duferco JV to fully integrate it with JMC
- Intention to maintain current management structure at both Atlas and Wheatland
- Targeting synergies of \$35 million per annum
 - Better production efficiencies at Farrell
 - Connection to Wheatland allows Farrell to increase production by 700k of HRC resulting in efficiency gains
 - Better working capital management
 - Reduce lead time and inventory at Wheatland
 - Reduce slab inventory at Farrell
 - Rationalise procurement and other functions

1. Transaction Details and Rationale

2. JMC Overview

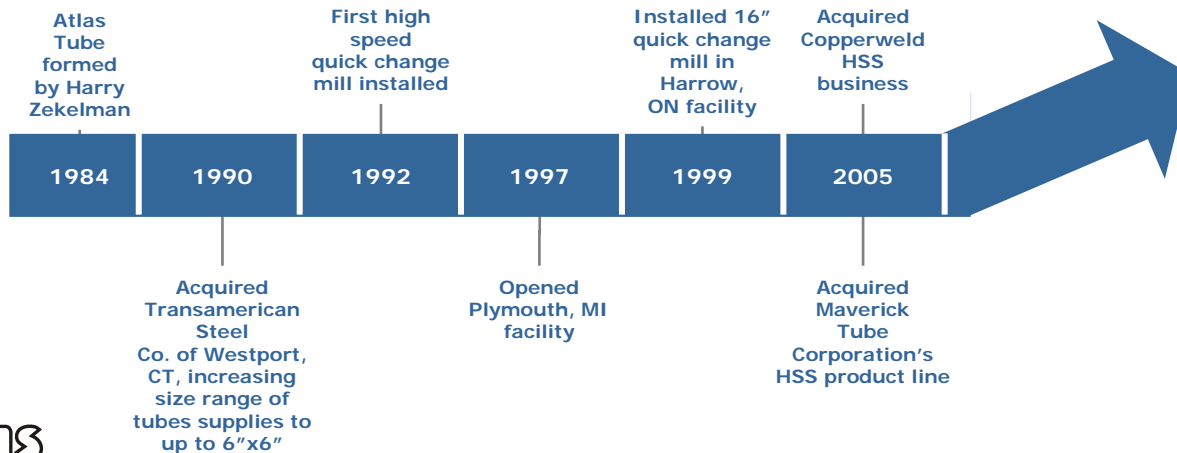
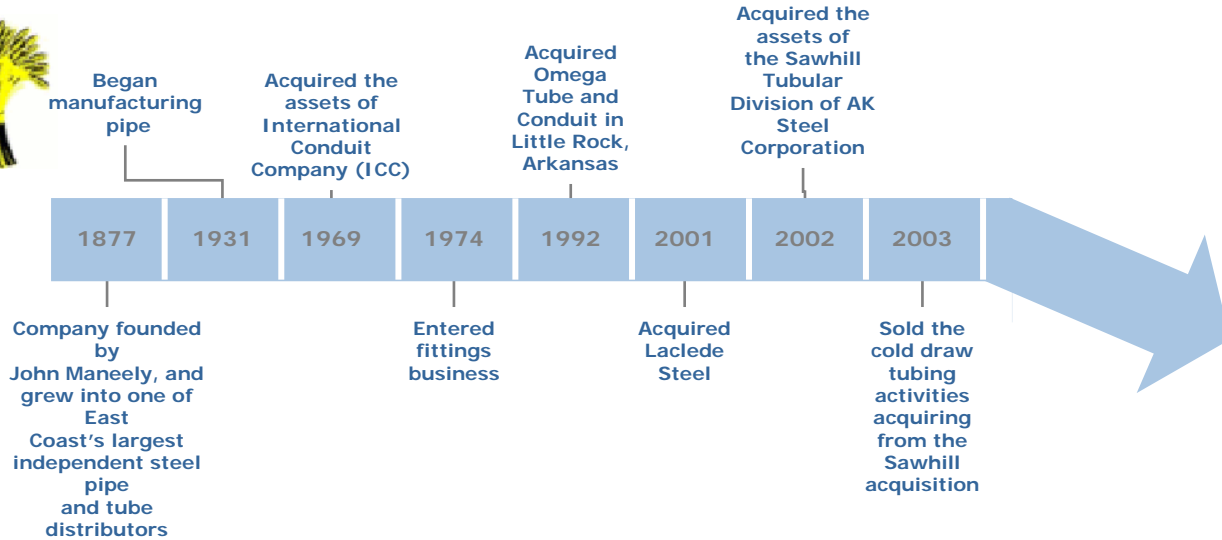
3. Domestic US Market Situation

4. JMC Strategy

5. Integration with NLMK

Appendix

Major Milestones



John Maneely Company

