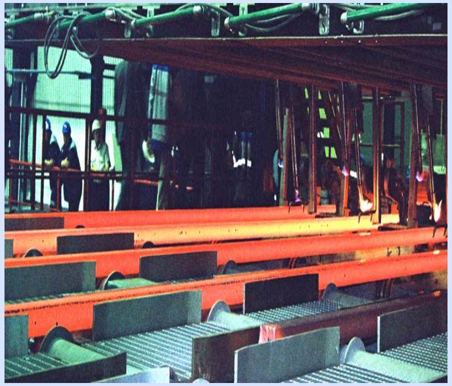

MECHEL

2005 First Quarter Results Presentation

August 18, 2005

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Introduction and Overview

Mechel at a glance

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Low-cost vertically integrated producer, virtually self-sufficient in raw materials

Strong mining business: 2nd largest coking coal producer and largest exporter

NYSE-listed, best corporate governance practices

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Strategy to increase segment value and overall efficiency

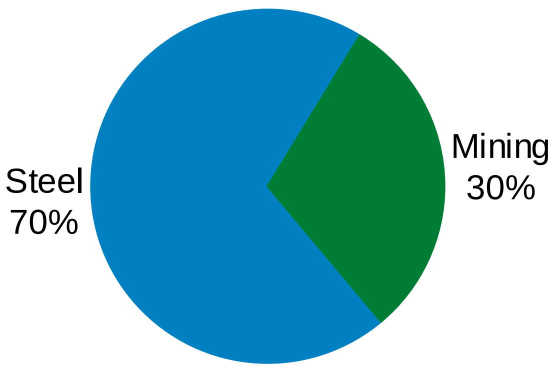
Track record of turning around assets and realizing synergies

Able to increase production and lower costs with targeted capex

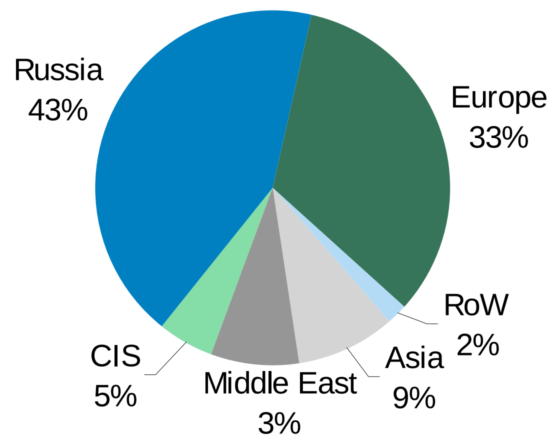
1Q2005 Highlights

- Net income increased 219.6% to $169.5 million as revenues increased 60.1% to $1.05 billion
- Consolidated EBITDA margin of 26.6%
- Acquisition of 25% +1 share stake in Yakutugol
  - — Significant development opportunity for the mining segment, with access to a new region with substantial coal and iron ore reserves
- Efficiency improvement programs in the steel segment continued
- Maintained leadership in core products
  - — 2nd largest coking coal producer and largest exporter
  - — 2nd largest longs producer

Revenue breakdown by product, 1Q2005



Revenue breakdown by region, 1Q2005



1Q2005: Mining Segment Accomplishments

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- Operating income of $184.2 million on revenues of $313.6 million
  - Operating income growth of 715.2%
  - Revenue growth of 123.0%
- EBITDA margin of 59.3%. Mining segment EBITDA represented 66.5% of total consolidated EBITDA
- Acquisition of a stake in Yakutugol, output of 9 million tonnes, of which 5.4 tonnes is coking coal
- Equipment upgrade at nickel operations
- Strong segment output growth

Product	1Q2005, thousand tonnes	1Q2005 vs. 1Q2004, %
Coal	4,084	+12.8
Coking coal	2,337	+12.3
Steam coal	1,747	+13.4
Iron ore concentrate	1,041	+14.3
Nickel	2.4	-16.8

1Q2005: Steel Segment Accomplishments

- Revenues increased 43% to $735.7 million
- Steel segment EBITDA constituted 33.5% of consolidated EBITDA
- Efficiency and cost-saving programs underway
- Increasing share of flat products

Product	1Q2005, thousand tonnes	1Q2005 vs. 1Q2004, %
Coke	718	-1.2
Pig iron	994	+17.4
Steel	1,615	+14.0
Rolled products	1,331	+19.7
Hardware	145.2	+10.5

2005 Strategy and Outlook

Management to focus on profitability of operations

- 1st quarter was a very successful period with strong operational and financial performance, however we saw increasingly difficult market conditions later on during 2005 and towards the end of the year
- Cost control and efficiency are primary goals for 2005
- Work to maintain high profitability of the mining segment
- Focus on improving profitability of steel operations
- Expand integration between subsidiaries

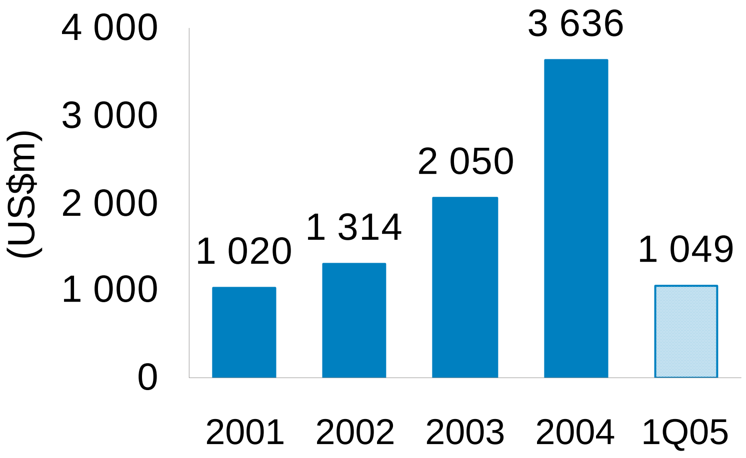
Possible developments in 2005

- Possible decision to diversify further the product mix towards higher-value quality flat products
- Additional acquisitions to further strengthen market position

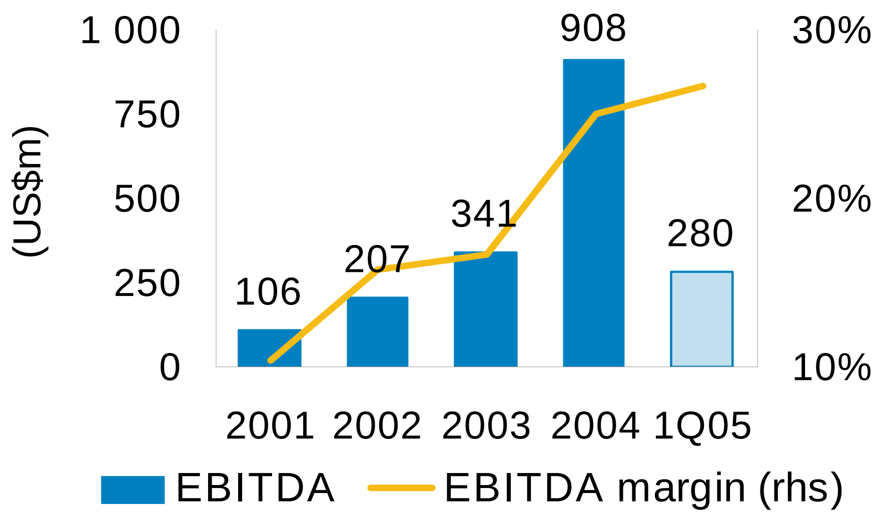
Financial Review

Strong financial performance

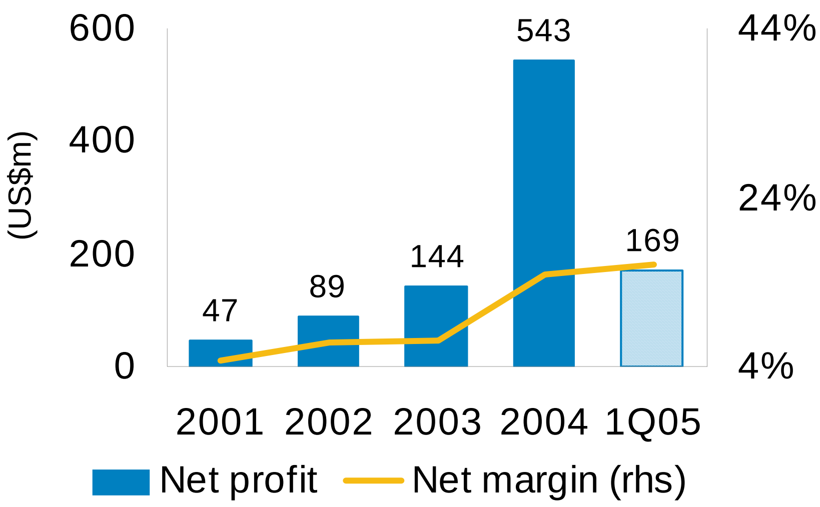
Revenues



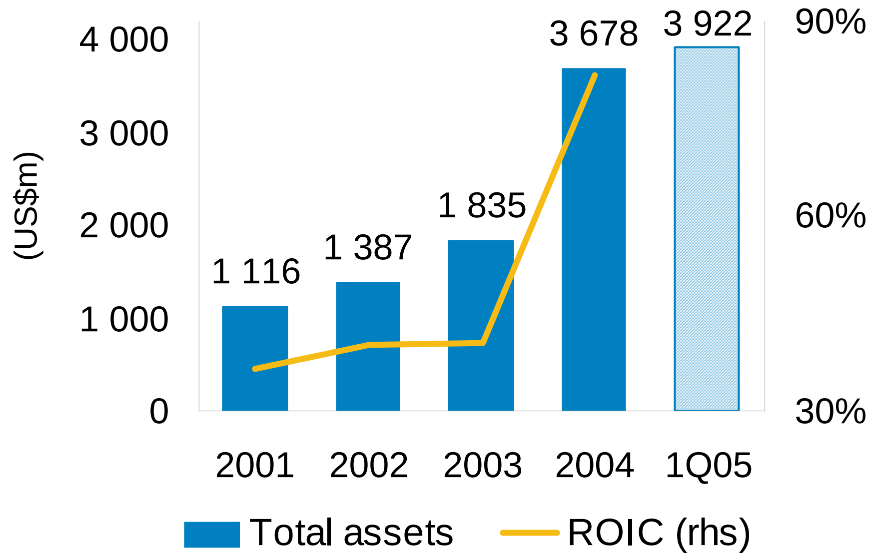
EBITDA*



Net profit *



Total assets



* Excluding MMK gain

Segment operations yield solid results

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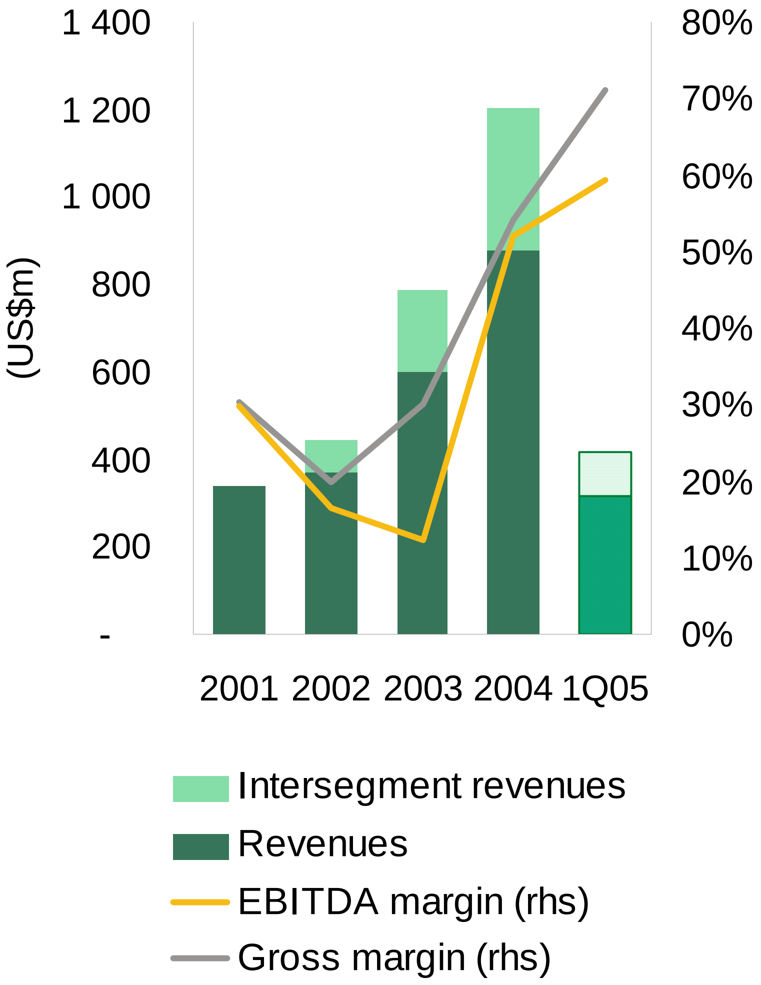
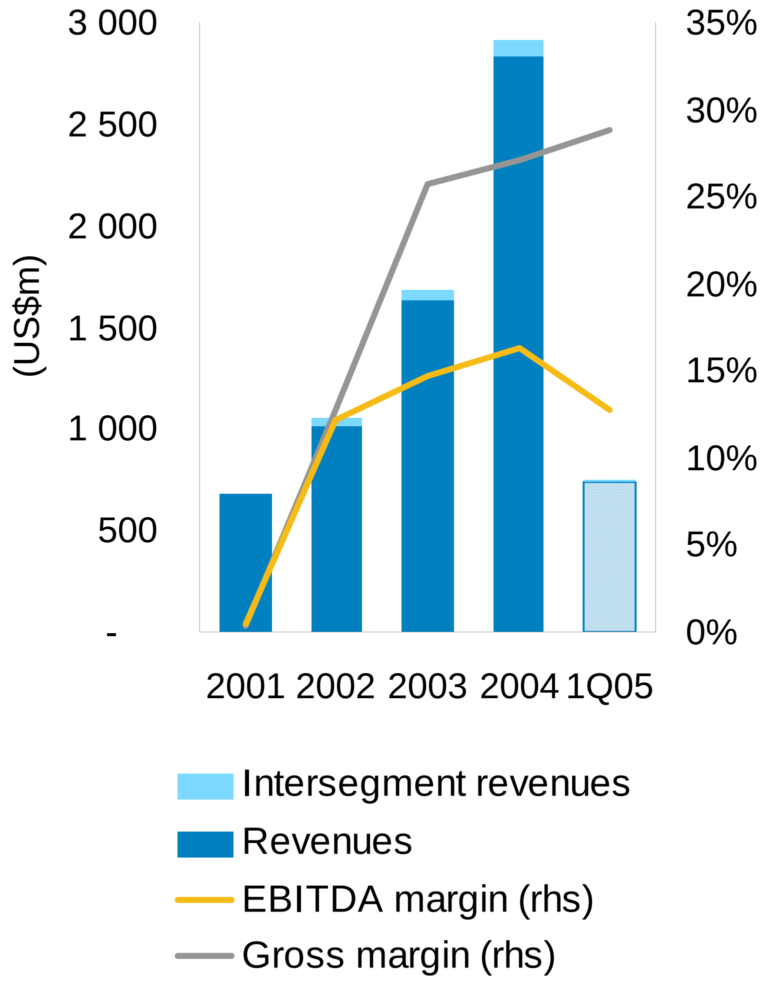
Mining segment



Steel segment

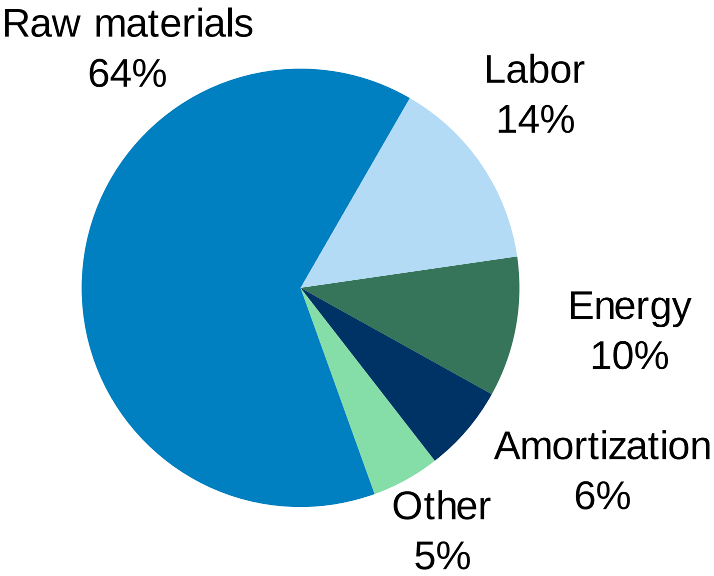


Maintain focus on cost control

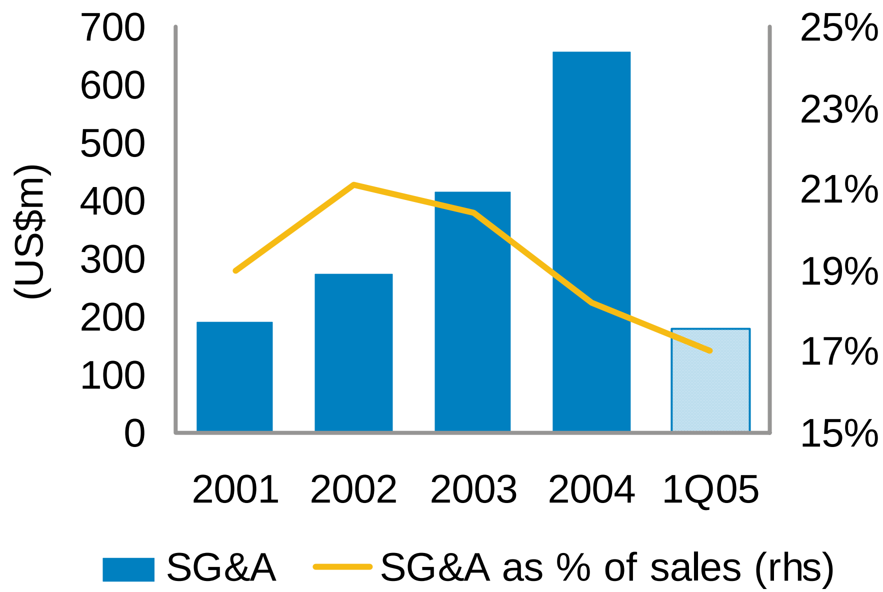
Tight control over our cost base remains strategic priority

- Continued integration between subsidiaries expected to reduce costs
- Decreasing SG&A expenses as % of sales – 16.9% in 1Q2005
- Own generation of electrical energy through cogeneration facilities
- Own logistics and port infrastructure

COGS breakdown, 1Q2005



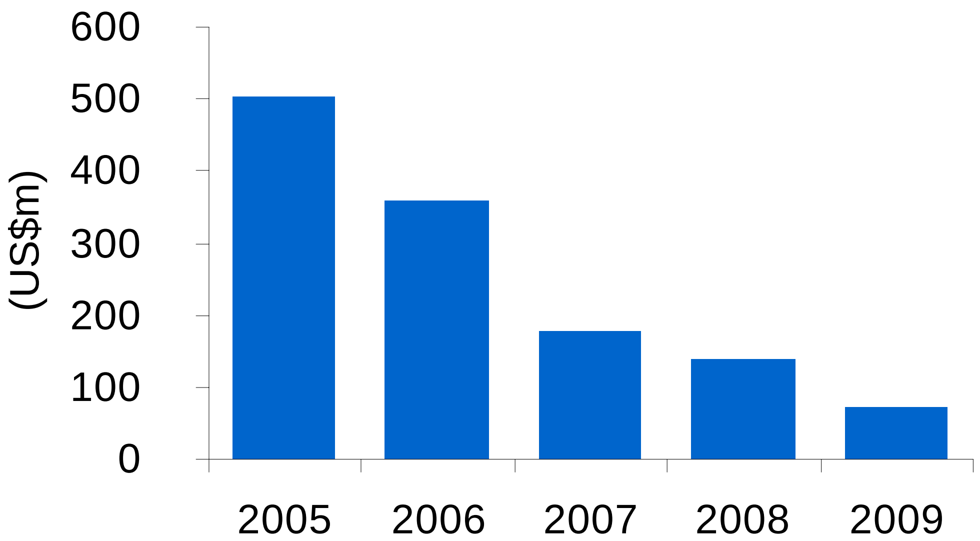
SG&A expenses



Targeted capital expenditure program

- Capex program in 2005 is directed at reducing bottlenecks and improving efficiency
- $1.25 billion from 2005 through 2009*
  - 1Q2005 capex of $133,5 million
- Focus on cost saving measures rather than on increasing output

Expected capex program, 2005-2009



* Capex for new coal assets is not included

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