FY2013 RESULTS PRESENTATION

MAY 15, 2014

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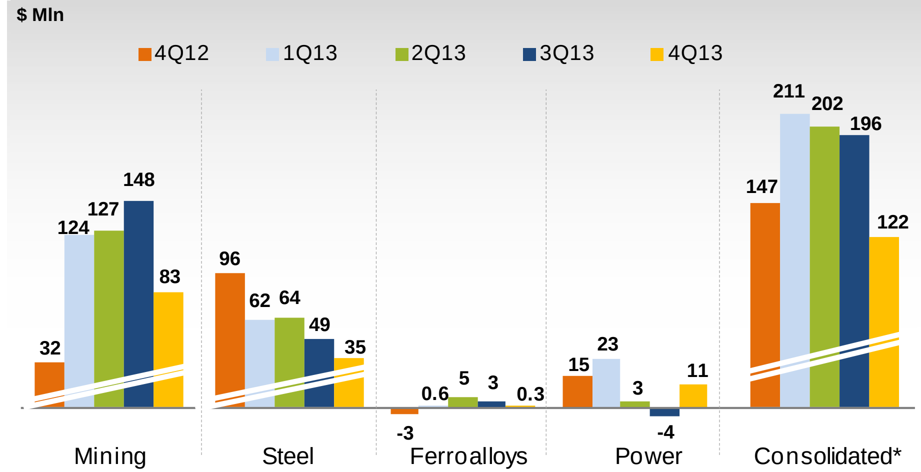
FINANCIAL HIGHLIGHTS

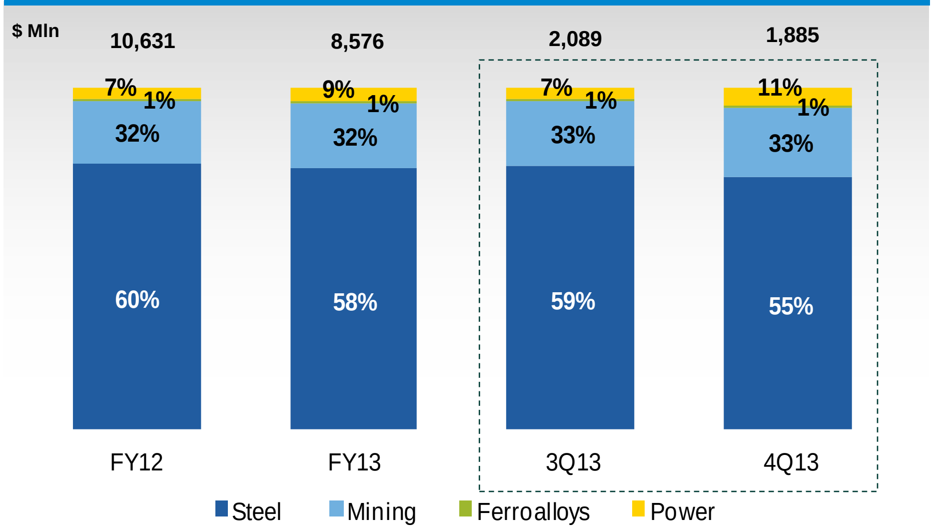
SEGMENTS OVERVIEW

- Consolidated revenue down 19% y-o-y to $8.6 bn on asset disposals and weaker prices
- Bad debt provisions and write-offs due to assets disposals result in a Net Loss of $2.9 bn for 2013
- Mining segment continues to dominate in the consolidated EBITDA with its share of 66%

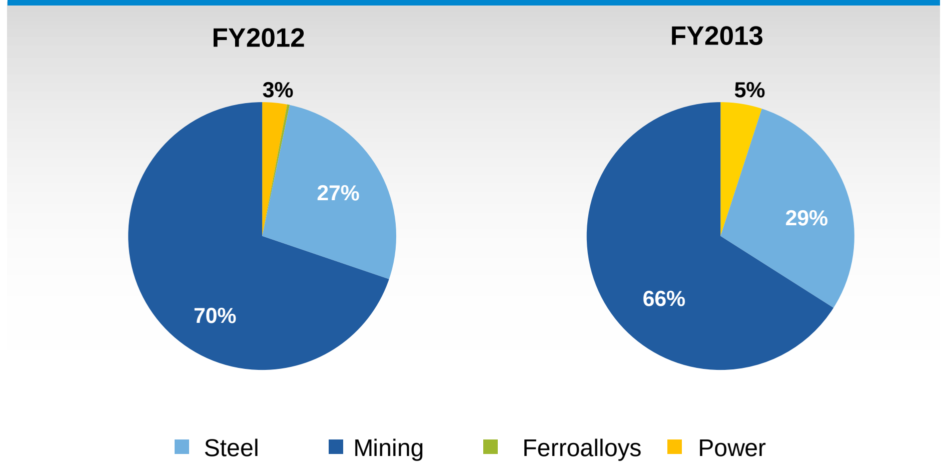
EBITDA[1] BY SEGMENTS



REVENUE FROM THIRD PARTIES



EBITDA BY SEGMENTS



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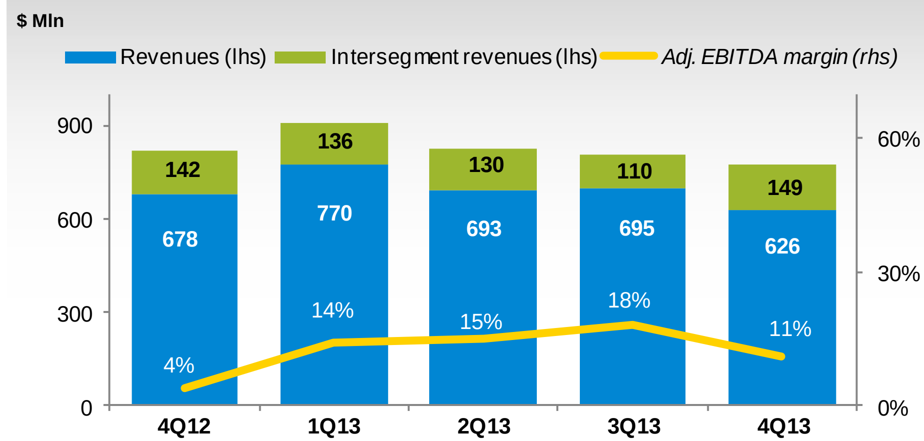
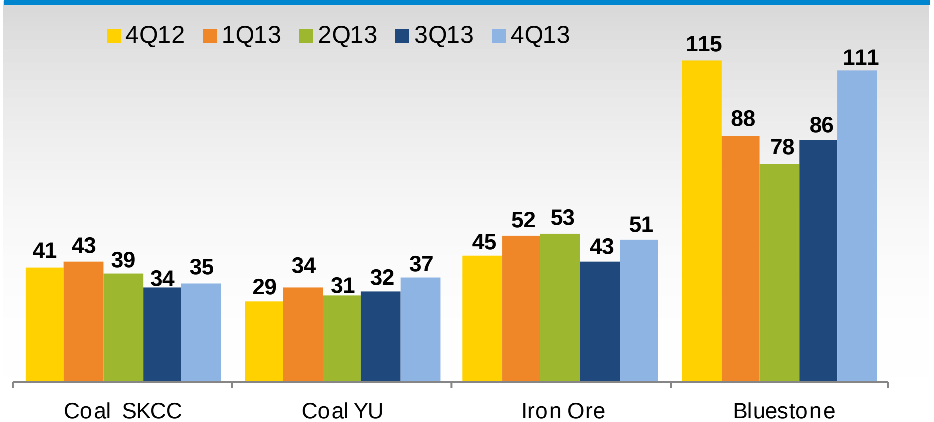
MINING SEGMENT

- Segment's EBITDA down to $83 in 4Q13 largely due to 10% revenue decrease on lower volumes
- Cash costs at Russian assets up on seasonal factors
- Cash costs at Bluestone up 29% q-o-q as most of its capacity is idled due to unfavorable pricing environment

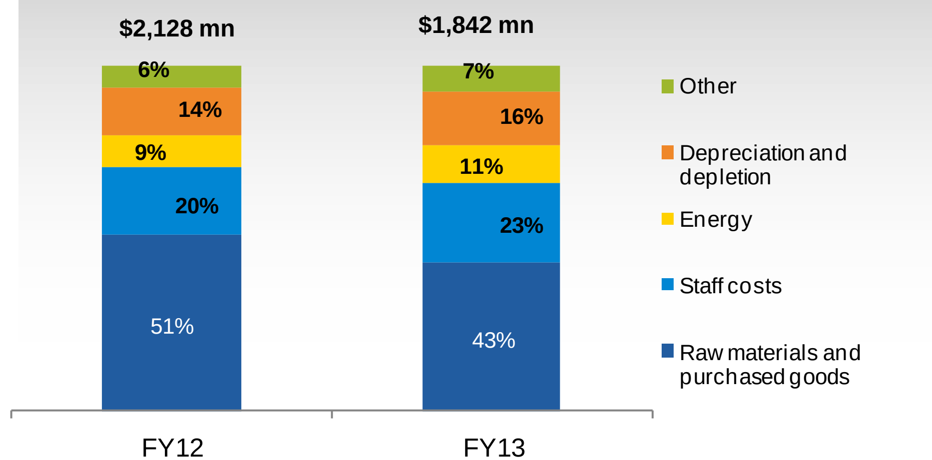
REVENUE, EBITDA(1)



CASH COSTS, US$/TONNE



COS STRUCTURE



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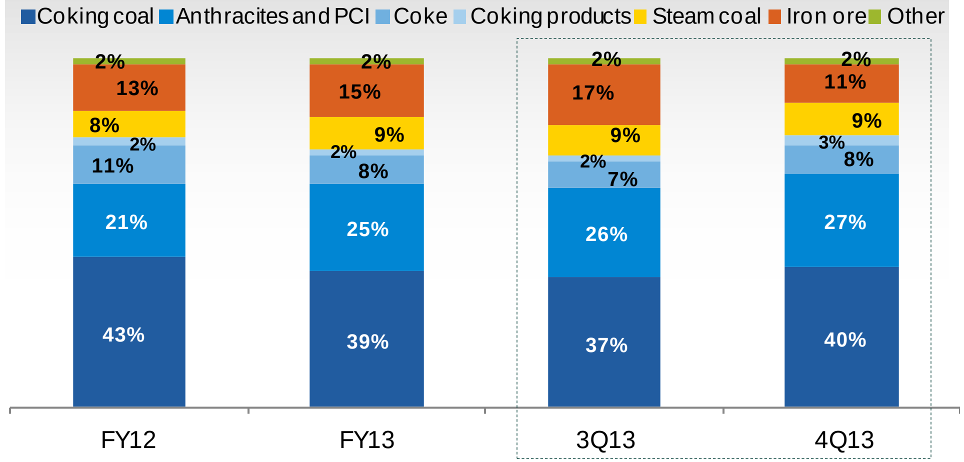
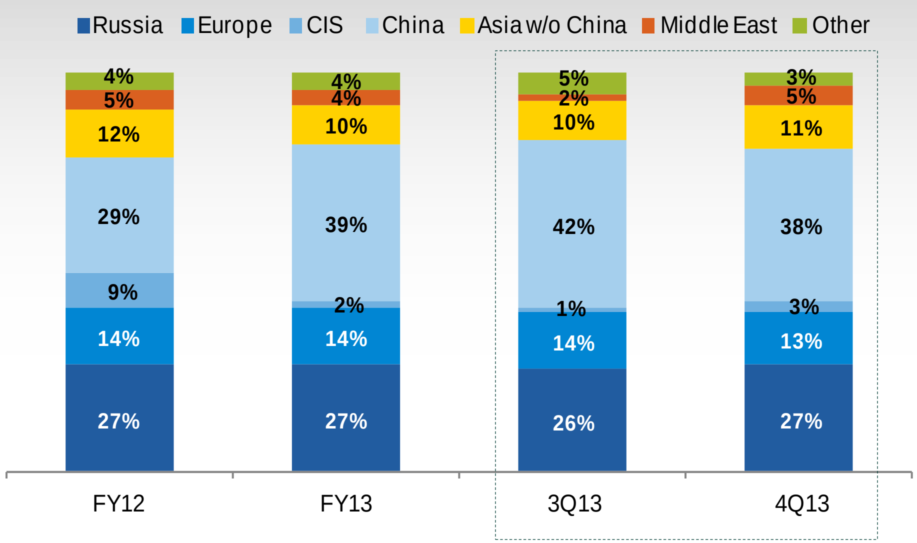
MINING SEGMENT

- Share of met coal sales is stable y-o-y at 64% of Segment's revenue
- Anthracite & PCI volumes up 16% y-o-y endorsing our strategy of diversifying met coal portfolio
- Coal shipments to China grow x1.3 to 39% y-o-y of overall sales as we continue expansion into Asia Pacific
- Share of 3d party iron ore sales down 43% q-o-q as we switched to supplying our steel segment

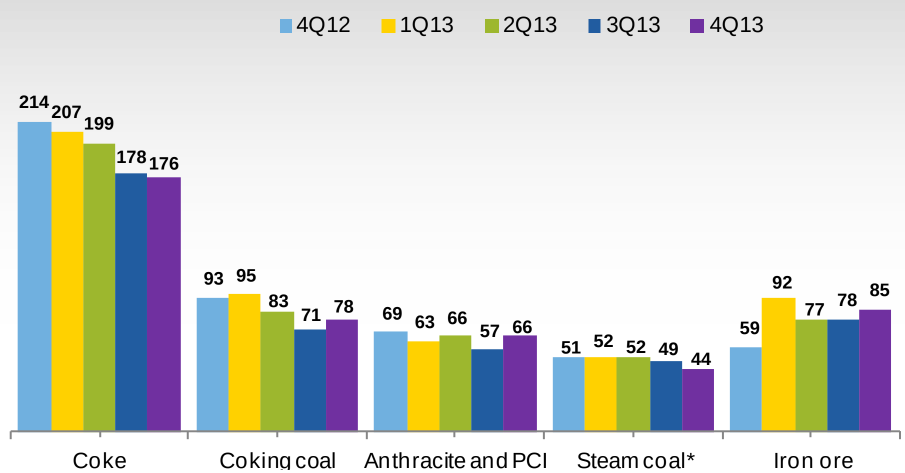
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE

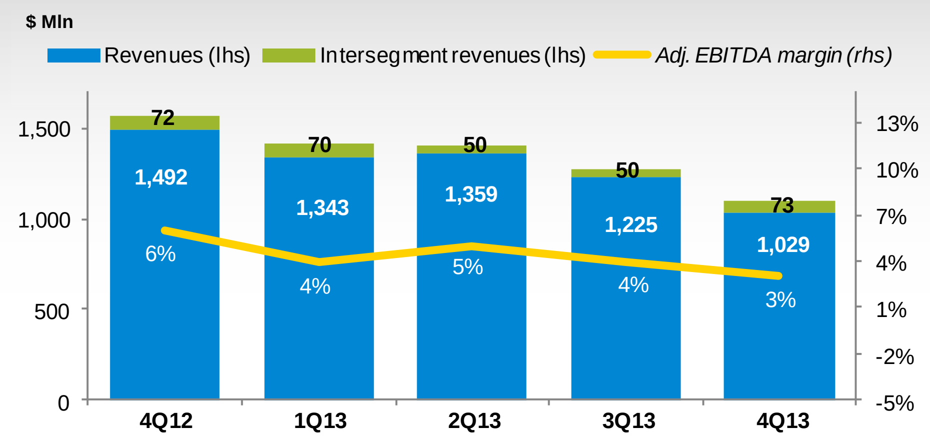


*Restated to include middlings

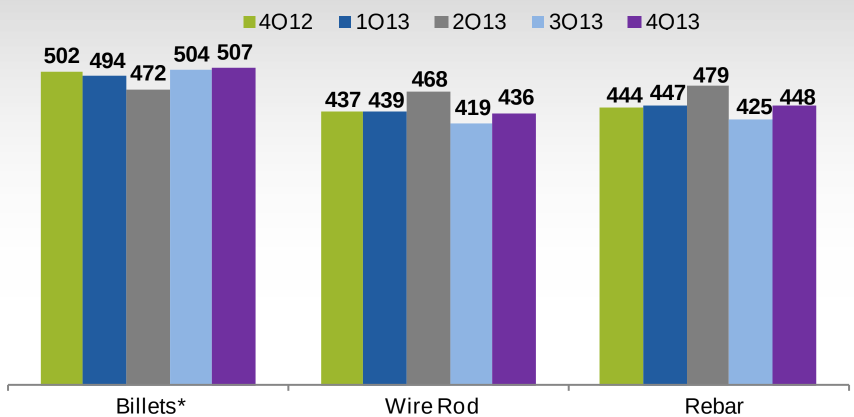
STEEL SEGMENT

- Segment's revenue down 16% due to seasonal demand slowdown and termination of resale business with Estar…
- …with cash costs slightly up on seasonal factors…
- …resulting in 4Q13 EBITDA decreasing to $35 mn
- Bottom line affected by $70 mn of related parties bad debt provision and $17 mn of FX loss

REVENUE, EBITDA[1]

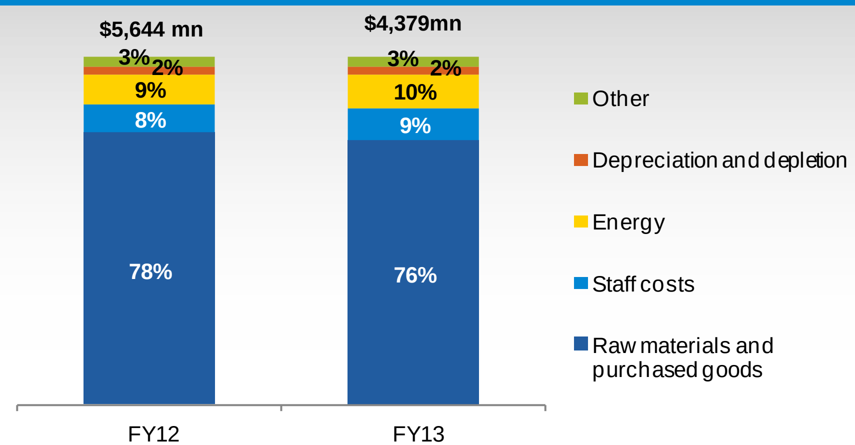


CASH COSTS, US$/TONNE



* Domestic sales

COS STRUCTURE



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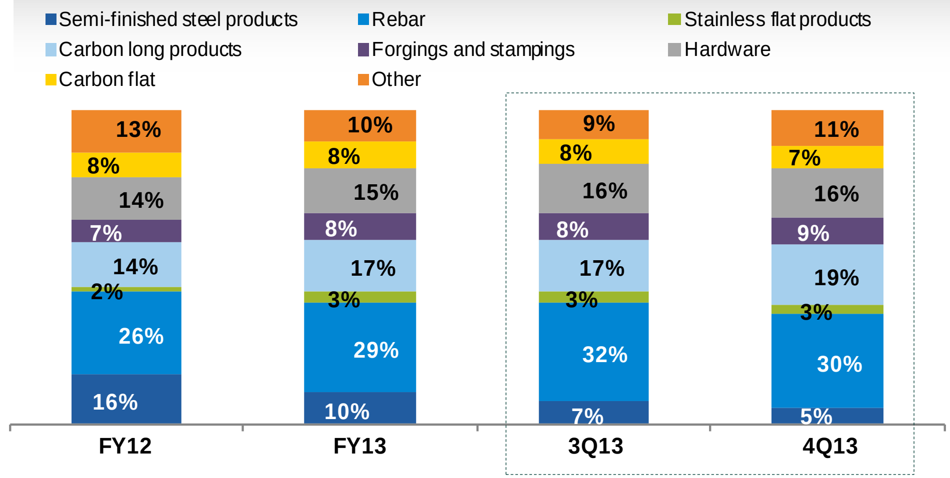
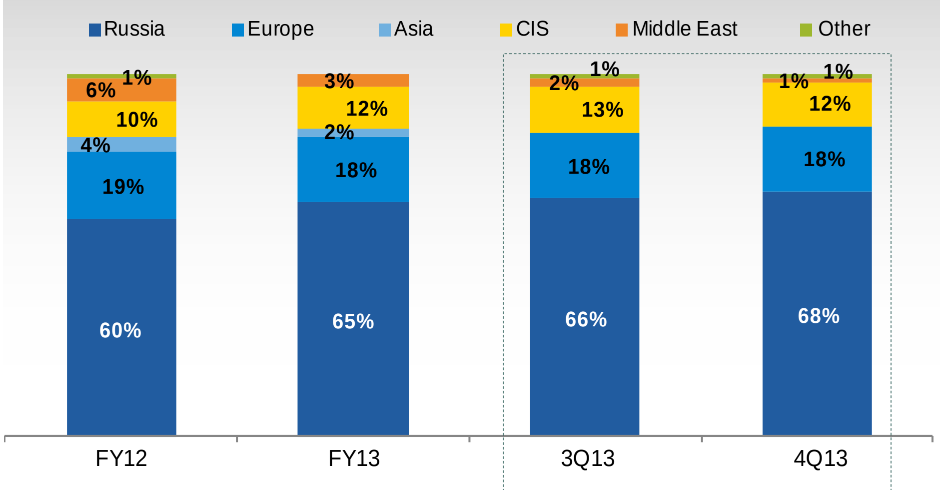
STEEL SEGMENT

- Sales of rebar decrease by 7% y-o-y due to disposal of loss-making Romanian steel plants
- Share of semi-finished products down 57% y-o-y as we launch the universal mill at Chelyabinsk and terminate resale business with Estar
- Share of Russia and CIS goes up to 77% of Segment sales as we gradually exit our European operations

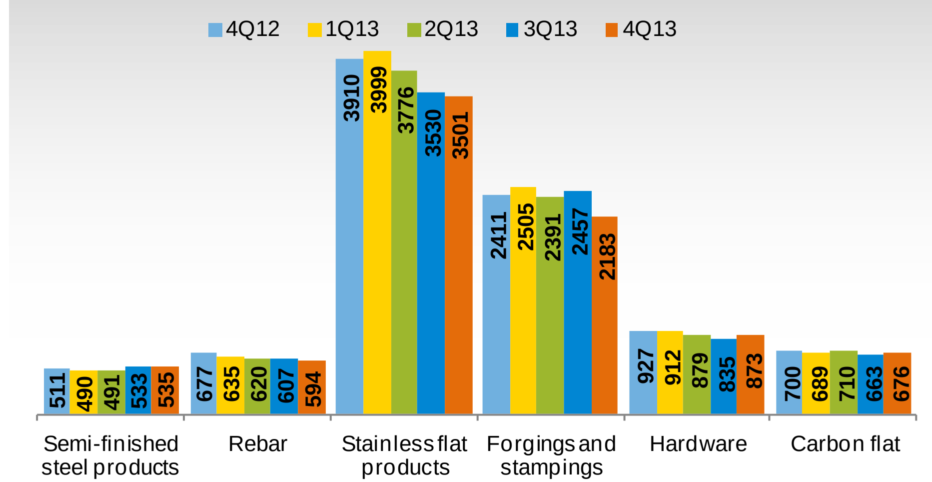
EXTERNAL SALES STRUCTURE



REVENUE BREAKDOWN BY REGION



AVERAGE SALES PRICES FCA, US$/TONNE



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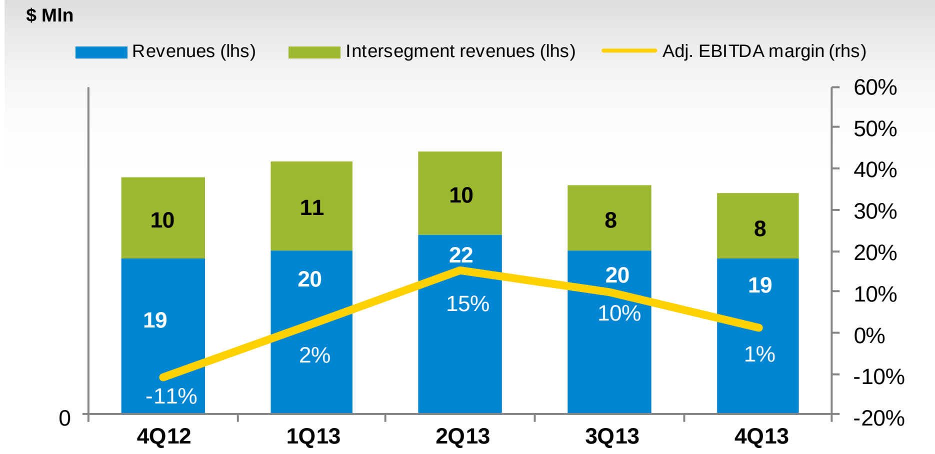
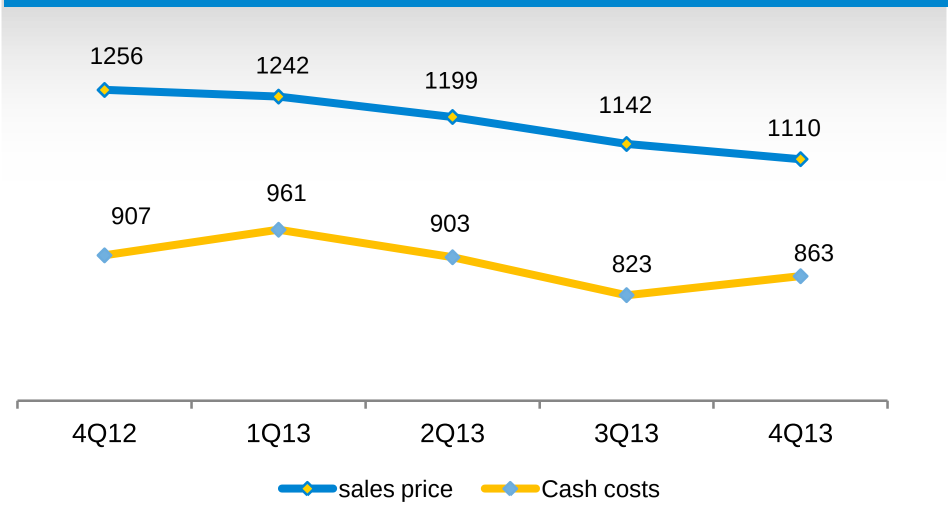
FERROALLOYS SEGMENT*

- Revenue down 6% q-o-q due to decrease of FeSi sales and weaker pricing
- FeSi cash costs up by 5% as electricity price grows
- $269 mn write-off on disposed chrome assets affects bottom line
- Nickel and chrome business results deconsolidated as Discontinued operations

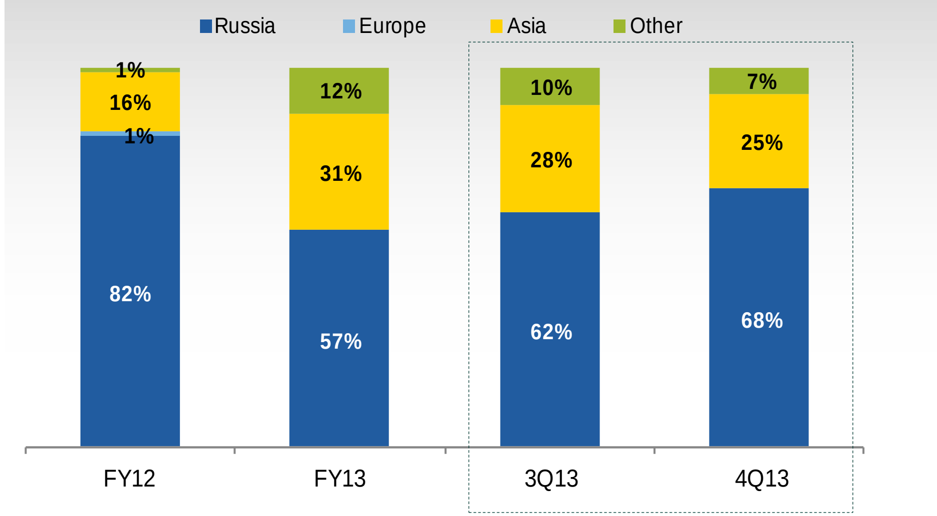
REVENUE, EBITDA(1)



AVERAGE FERROSILICON SALES PRICES AND CASH COSTS, US$/TONNE



REVENUE BREAKDOWN BY REGION



*** As of December 31, 2013, a number of companies of the ferroalloys segment met criteria for classification as discontinued operations under US GAAP and were disclosed as a separate component from Mechel Group's continuing operations retrospectively for all comparative periods presented.**

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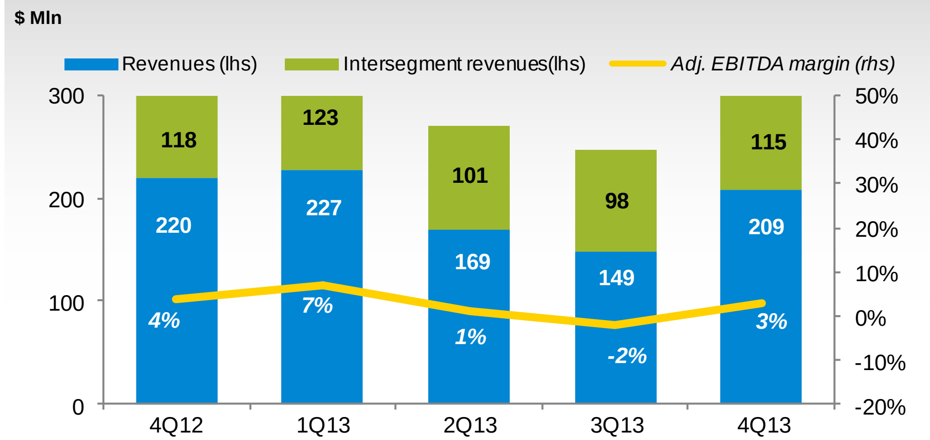
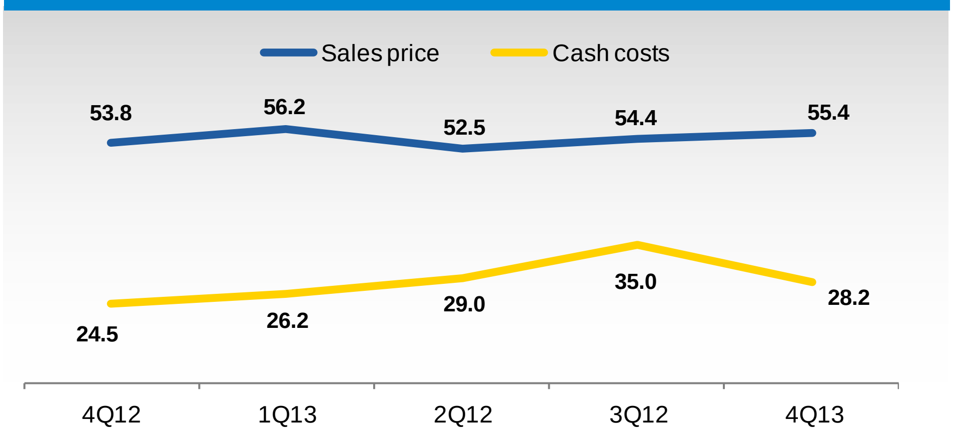
POWER SEGMENT

+ Revenue up 40% q-o-q due to high season
+ Cash cost down 19% as sales of heat and electricity grow
+ EBITDA back to black with $11 mn

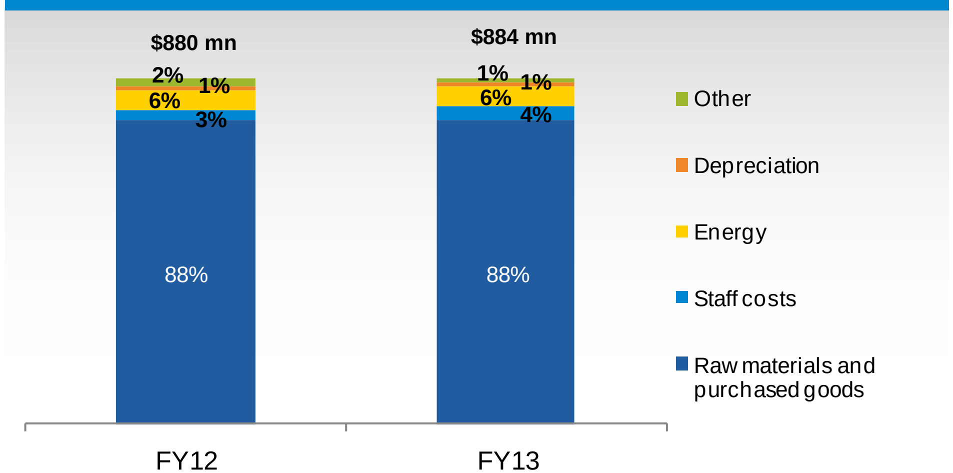
REVENUE, EBITDA(1)



AVERAGE ELECTRICITY SALES PRICES AND CASH COSTS (RUSSIA), US$/MWH



COS STRUCTURE



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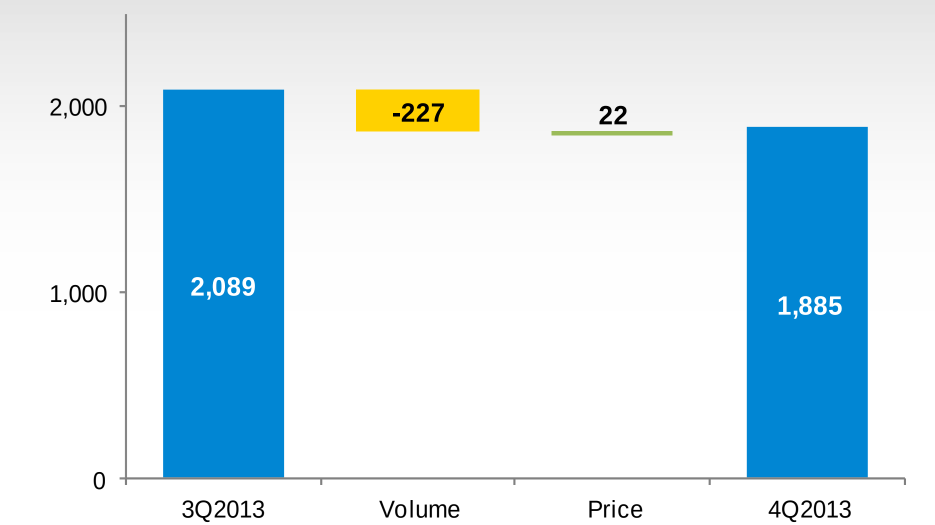
Consolidated P&L

4Q2013 FINANCIAL PERFORMANCE Q-O-Q HIGHLIGHTS:

- Consolidated EBITDA down 38% q-o-q to $122 mn due to lower profitability in the mining and steel segments affected by price and sales deterioration
- 4Q2013 bottom line affected by write offs of $274 mn as a result of discontinued operations, $79 mn of bad debt provisions and FX loss of $14 mn

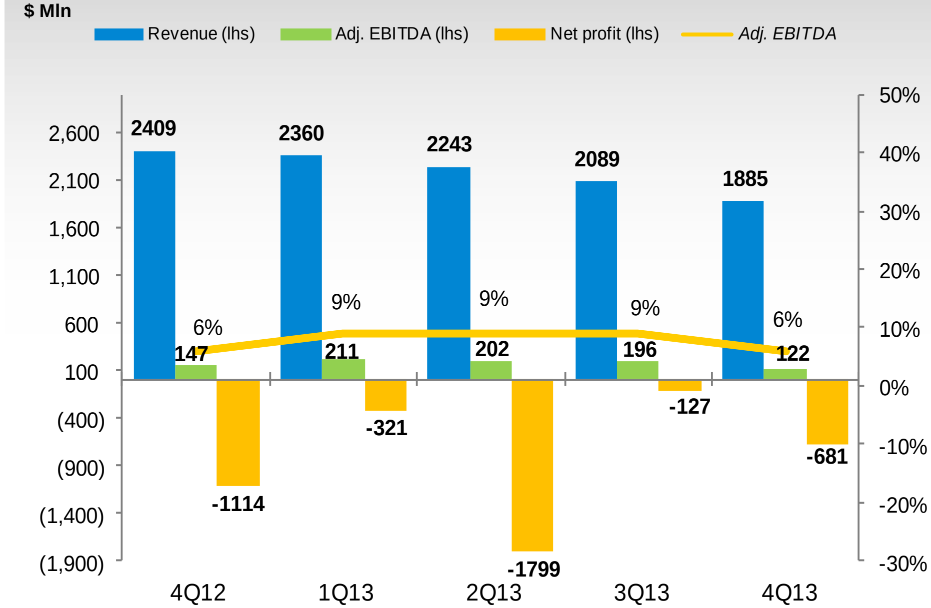
REVENUE DYNAMICS

$ Mln



REVENUE, EBITDA[1] AND NET PROFIT

$ Mln



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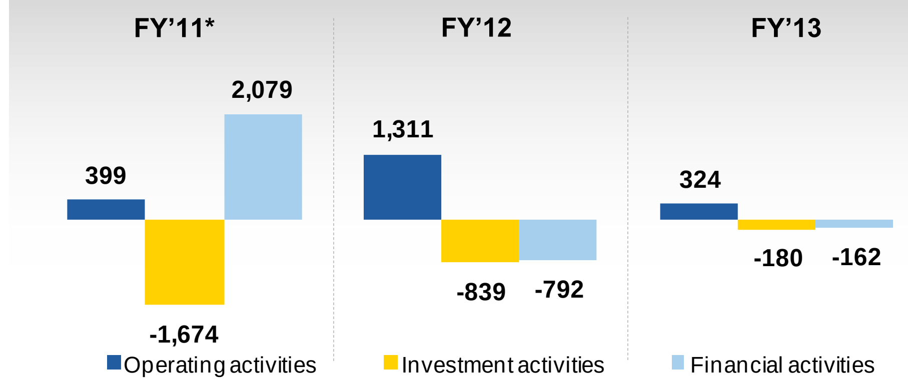
Cash Flow Statements

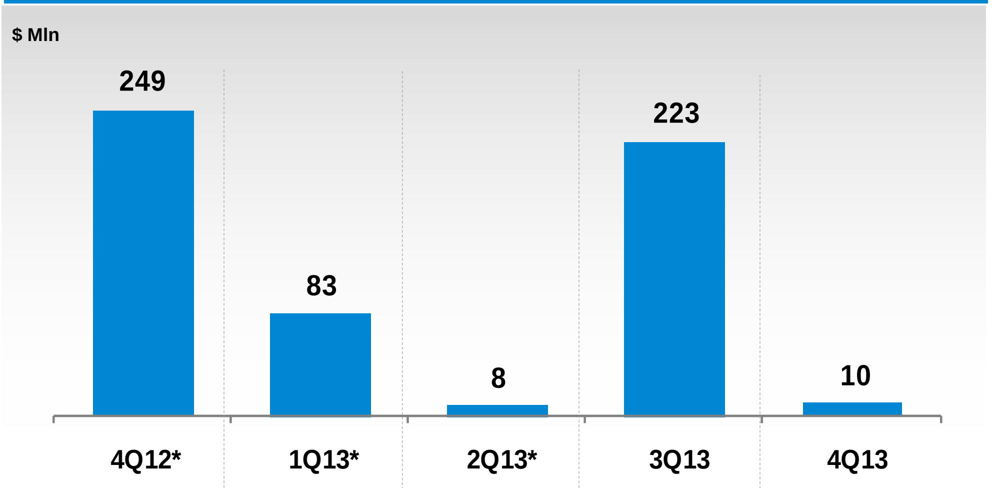
- Continuing working capital management added another $108 mn in Q4 to the CFO that totaled $324 mn for FY2013
- Inventory reduction release another $101 mn in Q4 to add up to $507 million inventory release for FY2013
- CAPEX is halved y-o-y standing at $558 mn in 2013 as main investment projects near their completion stage and Elga CAPEX secured through VEB project financing

NET CASH FLOW



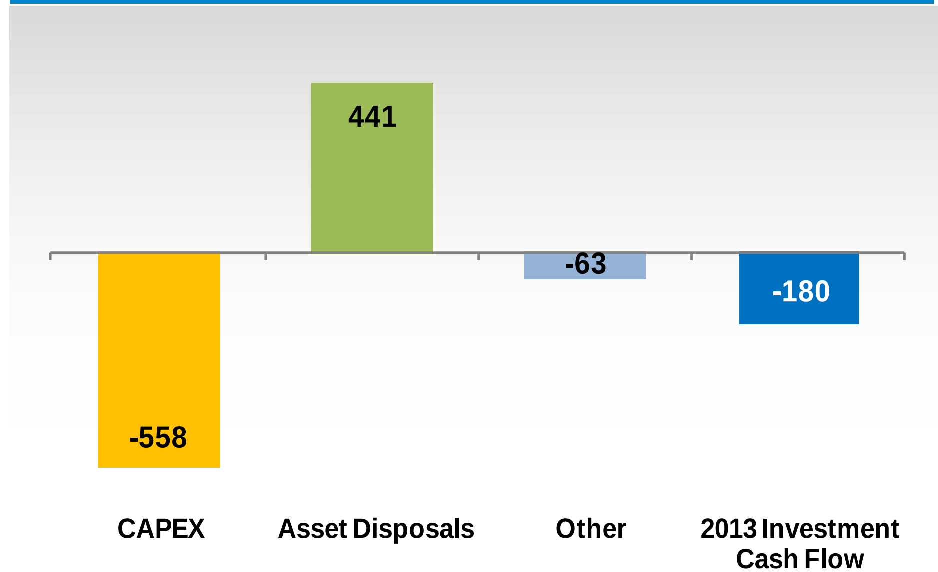
* Excluding the effect of loan to Estar

OPERATING CASH FLOW DYNAMICS



* Certain reclassifications to conform with the current period presentation

2013 INVESTMENT CASH FLOW BREAKDOWN

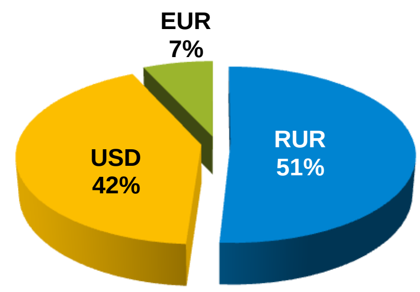


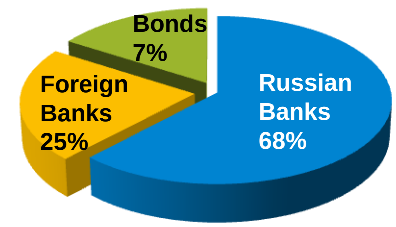
Successful refinancing and improved liquidity to service upcoming maturities

MECHEL

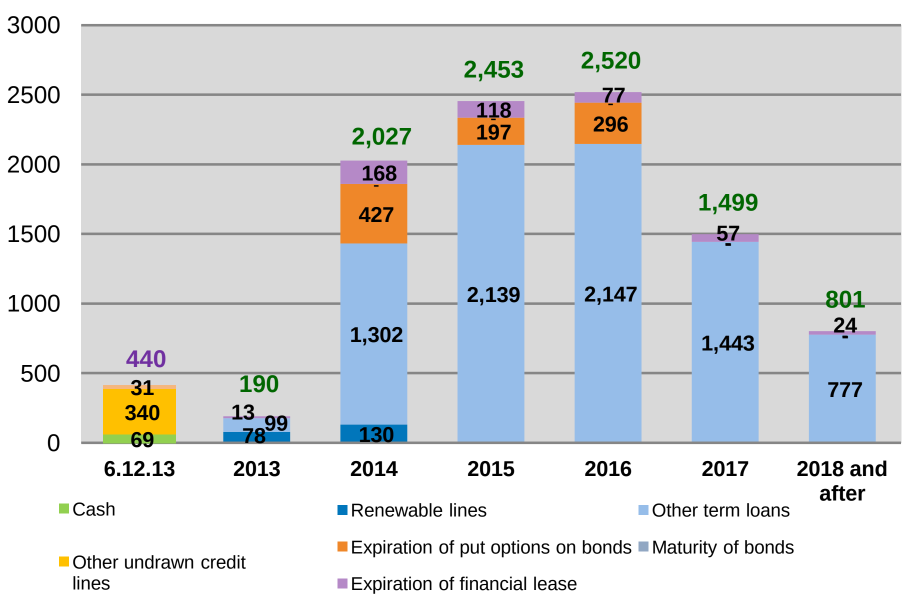
- In 1Q2014 RUR 21.5 bln was redeemed or refinanced.
- Cash and available credit lines total $0.5 bln as of April 30, 2014.
- Net debt was reduced by US$560 mn, reaching US$ 8.6 bln as of April 30, 2014.
- Agreement reached with VTB to refinance $0.5 bln of debt maturing on 2014, reducing short-term debt.

DEBT PROFILE AS OF APRIL 30, 2014

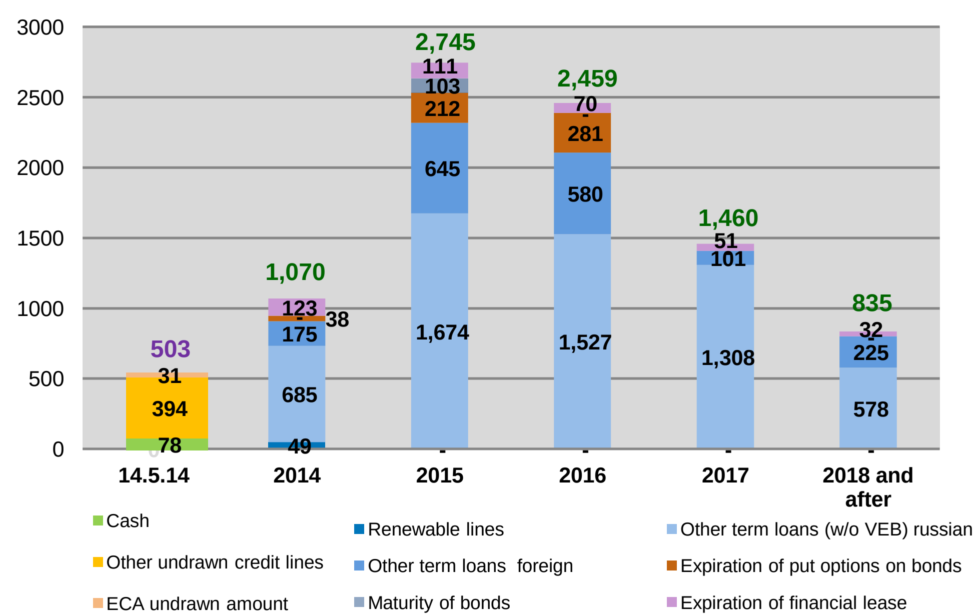




DEBT MATURITY SCHEDULE AS OF DECEMBER 6, 2013 **



DEBT MATURITY SCHEDULE AS OF MAY 14, 2014



** assuming refinancing of GBP lines of 2009 and changes in schedule of VTB – lease from December 20, 2013

FINANCIAL RESULTS OVERVIEW

US$ MILLION UNLESS OTHERWISE STATED	4Q13	3Q13	CHANGE, %
Revenue	1,885	2,089	-9.8%
Cost of sales	(1,315)	(1,445)	-9.0%
Gross margin	30.2%	30.8%	
Operating profit / (loss)	(136)	39	-
Operating margin	-6.1%	1.6%	
Adjusted EBITDA(1)	122	196	-37.8%
Adjusted EBITDA(1) margin	6.5%	9.4%	
Net Income / (loss)	(681)	(127)	436.2%
Net Income margin	-36.2%	-6.1%	

Sales volumes(2), '000 tonnes			
Mining segment	5,279	6,148	-14.1%
Steel segment	1,277	1,564	-18.4%

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(2) Includes sales to the external customers only