



IMH

1H 2014 Financial Results Presentation

August, 2014





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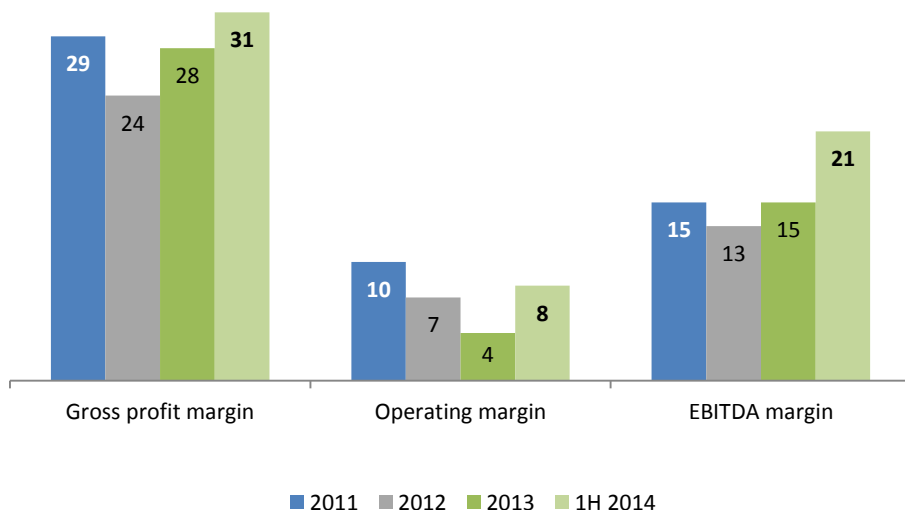
Key Driving Factors and Results

Key Operational Results

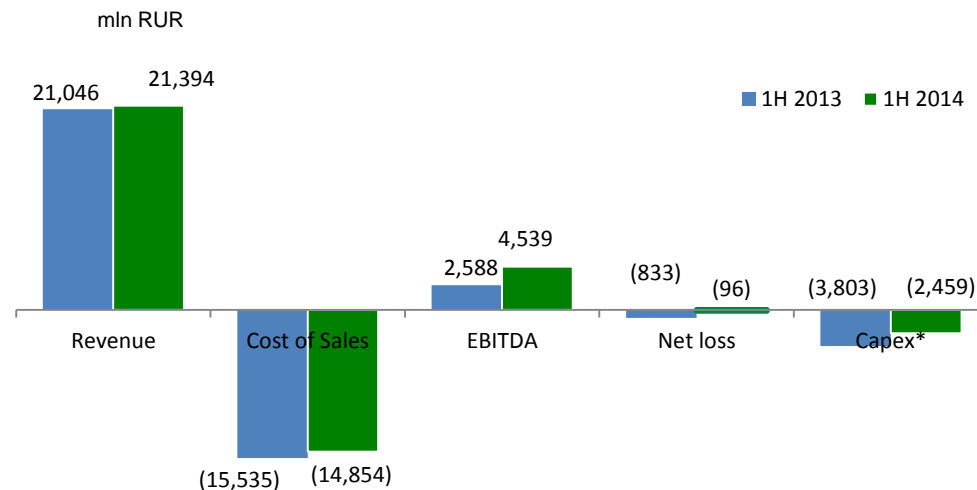
Production, million tonnes	1H 2013	1H 2014	1H 2014 / 1H 2013, %
Pig iron	1.02	1.094	+7
Coke*	1.24	1.224	(1)
Iron Ore Concentrate	1.08	1.048	(3)
Iron Ore	2.36	2.348	(1)
Coking coal	0.78	0.903	+15

* Coke 6% moisture content including metallurgical coke, foundry coke, coke nut, coke breeze, coke dust

Key Margin Indicators, %



Key Financial Indicators



* Purchase of property, plant and equipment

- 15% increase in captive coal production to compare with 1H 2013 due to Butovskaya mine's successful operations and 7% growth in pig iron production due to better equipment performance after maintenance in 2013
- progressing decrease in coke prices, less export sales to compare with 2013 since domestic market offered better prices
- further increase in gross profit margin due to higher revenue and decreased cost of sales and one of the highest EBITDA margin results in Russian M&M industry
- increase in operating profit margin due to higher revenue and decreased operating costs
- further decrease in capital expenditures due to a thorough capex program revision



Key Financial Highlights

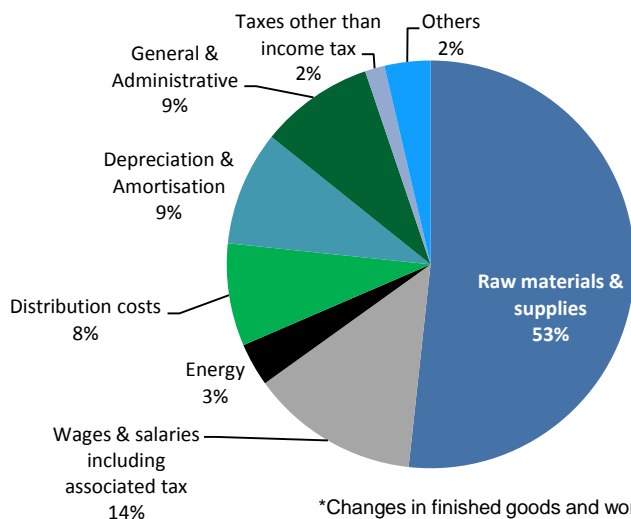
millions of RUR	1H 2013	1H 2014	1H 2014/1H 2013, %
Revenue	21,046	21,394	+2
Cost of Sales	(15,535)	(14,854)	(4)
EBITDA	2,588	4,539	+69
% Margin	12	21	-
Profit/ (Loss) for the period	(833)	(96)	(88)
Net Debt*	26,571	28,562	7
Adjusted EBITDA LTM**	5,635	8,990	60

* As of December 31, 2013

** Adjusted EBITDA is calculated as earnings before income tax, interest expense, exchange gain/loss, depreciation, amortization, impairment and other non-cash items.

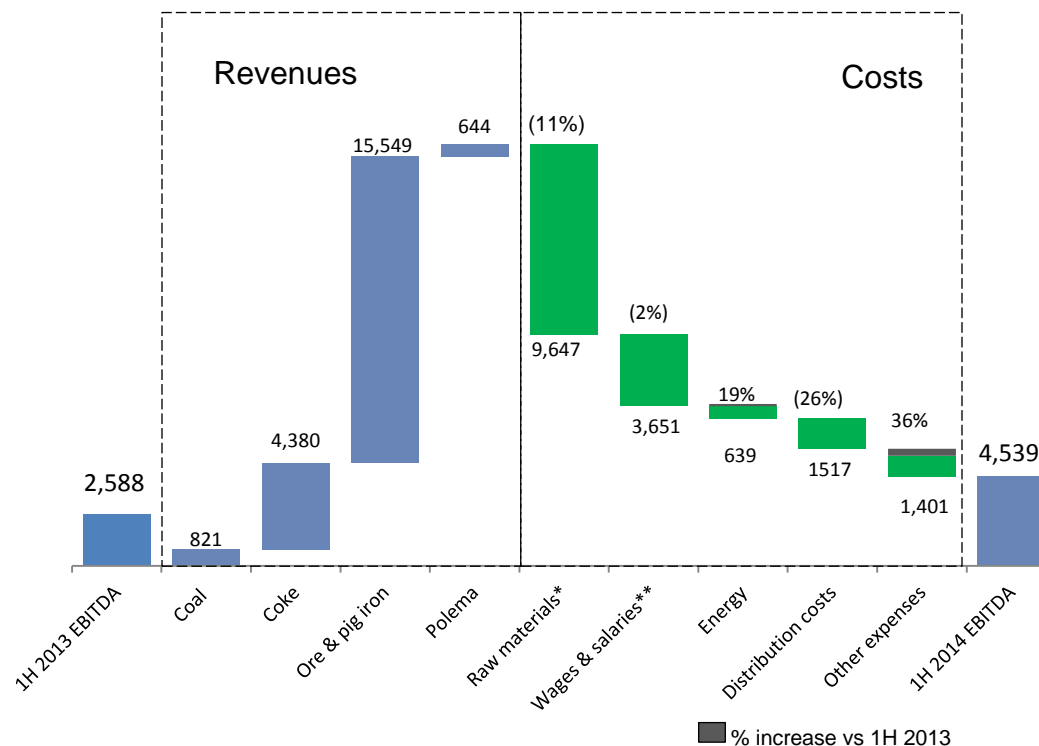
Source: IFRS consolidated financial information for the 6 months ended 30 July 2013

Operating Costs Structure in 1H 2014



*Changes in finished goods and work in progress included

EBITDA Bridge, RUR mln



*Changes in finished goods and work in progress included; actual decrease in raw materials and supplies vs 1H 2013 is 7%

**Wages and salaries including administrative salaries and associated taxes

Increase in revenue was due to:

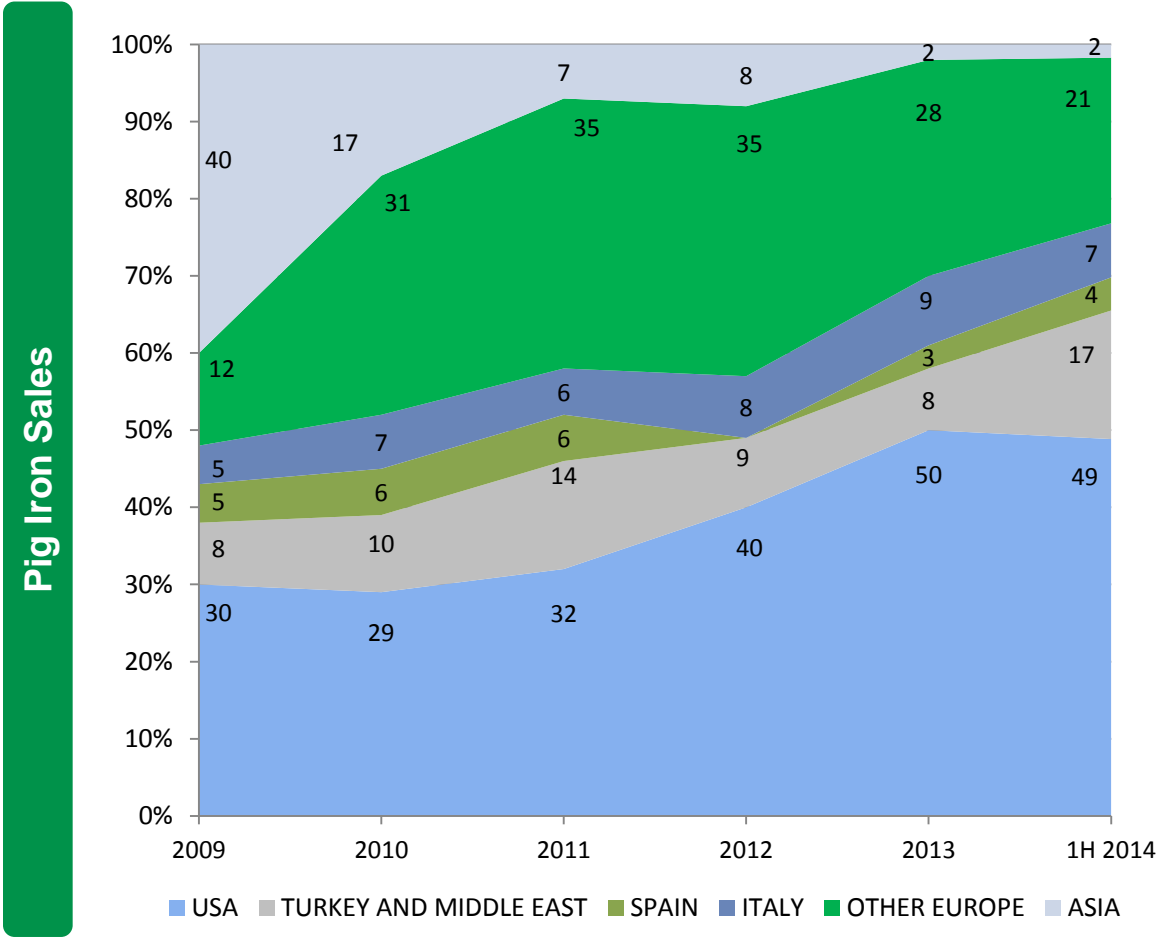
- successful operations in high margin market niche of high quality pig iron and coke
- pig iron sales volumes growth
- advantageous RUR exchange rate

Decrease in operating costs was due to:

- raw material prices falling
- Butovskaya mine's increasing high quality coal extraction volumes
- increased productivity of personnel
- efficient operating costs optimization program



Geographical Breakdown of Pig Iron Export Sales

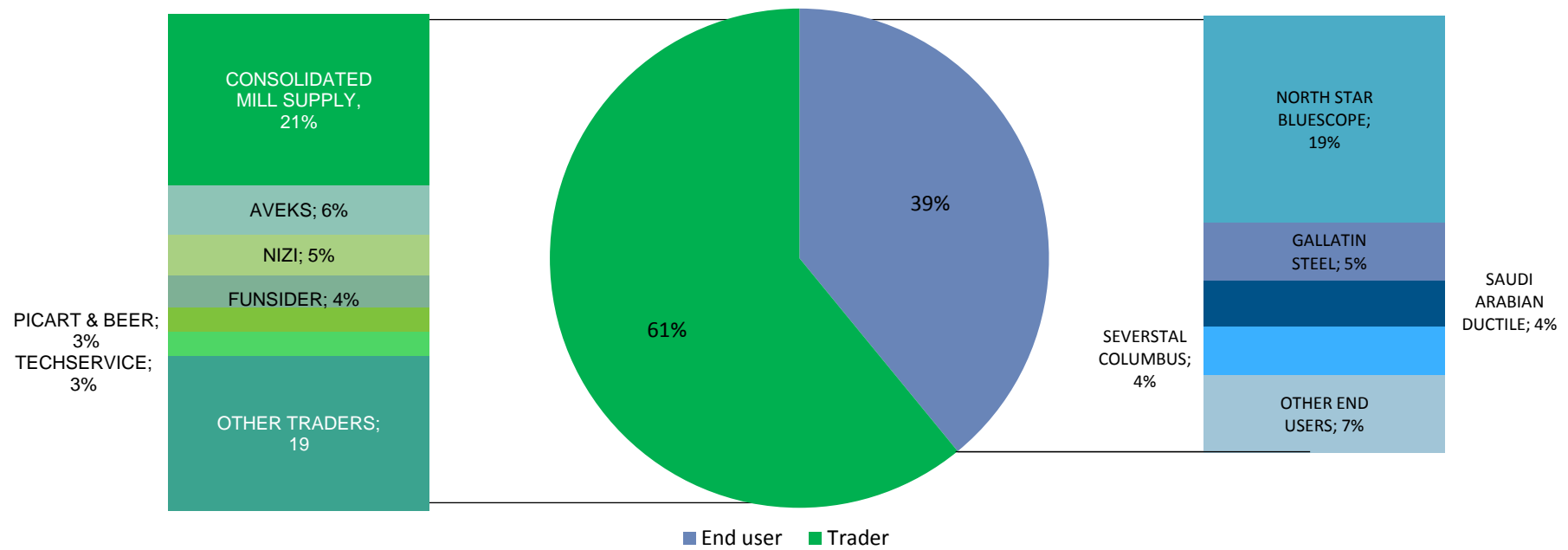


- Pig iron export sales volumes were slightly up to more than 2.0 million tones on an LTM basis.
- Main pig iron consumers are located in USA and Europe
- Further increase in demand from the US is expected on the back of general increase in steel production activity there
- Shrinking supplies from Ukraine is a primary market driving factor for 2H14
- Company's railway deliveries are not exposed to military operations in eastern Ukraine; no delays in deliveries are expected; we have alternative convenient ports and railway routes via Russian territory to use in case of worsening of Ukrainian crisis
- The company is not exposed to China intensively but it has successful track record of sales to Asia

In 2012-2014 the Group successfully focused on selling high quality pig iron grades to foundry mills in Russia and abroad



World's Leading Steel Companies, Foundries and Traders Consume IMH Pig Iron

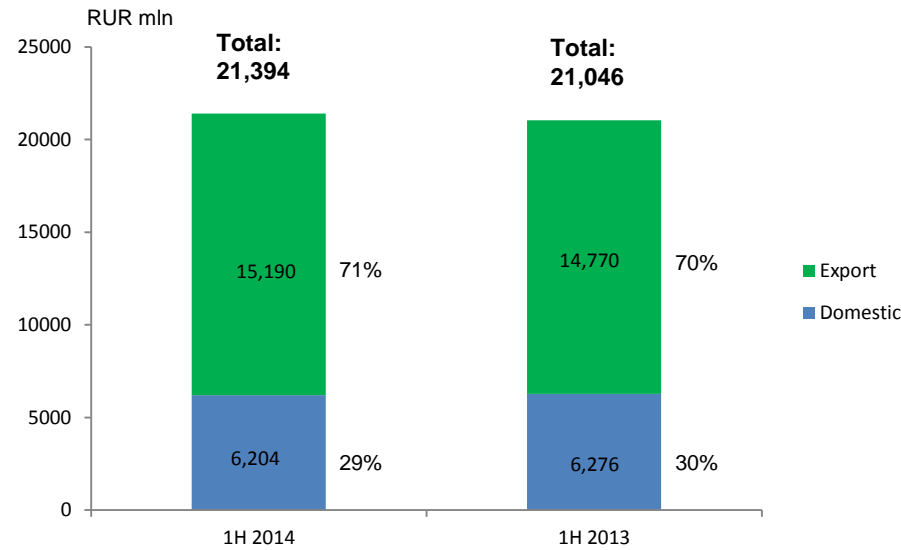


The share of supplies to end users increased by 5% in 1H 2014 to compare with FY 2013

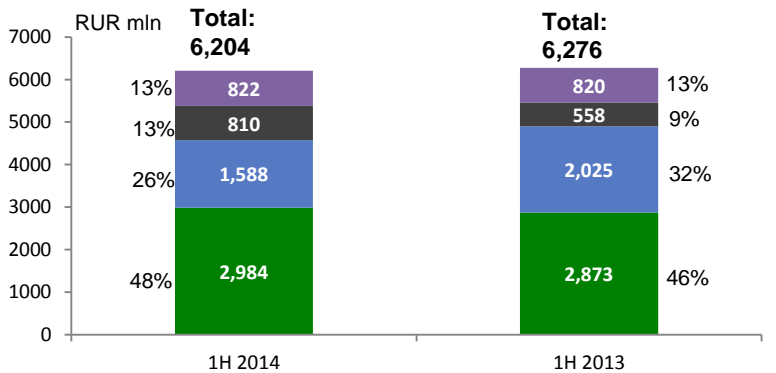


Revenue by Products

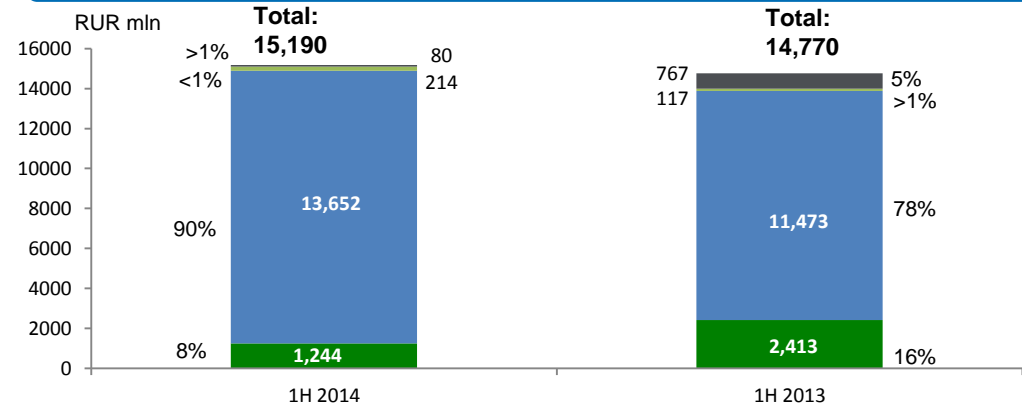
Export Sales Slightly Increased*



Domestic Sales*



Export Sales*



■ Coke & coking products ■ Pig iron & pig iron products ■ Coal & concentrate ■ Other

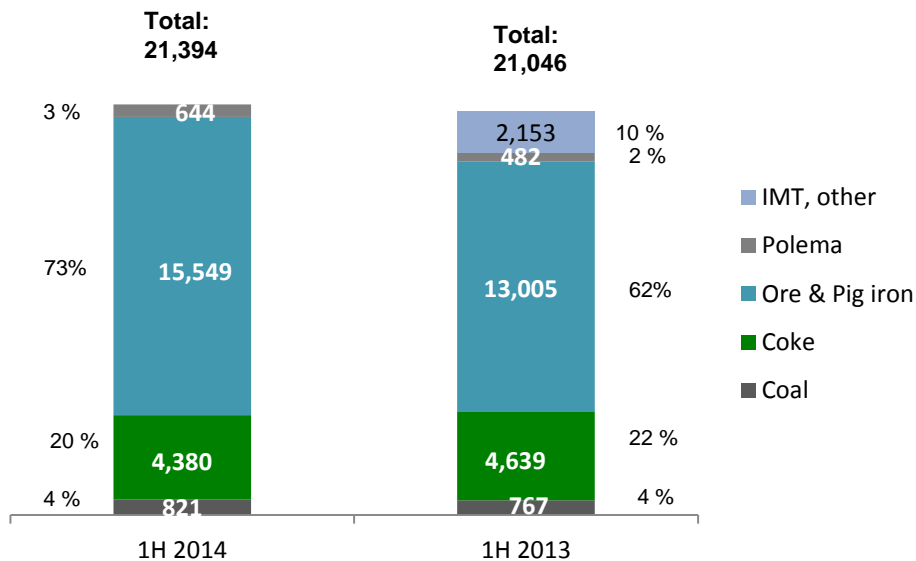
■ Coke & coking products ■ Pig iron & pig iron products ■ Chrome & powder metallurgy products ■ Coal and other

* External revenue

Source: IFRS consolidated financial information for the 6 months ended 30 July 2014

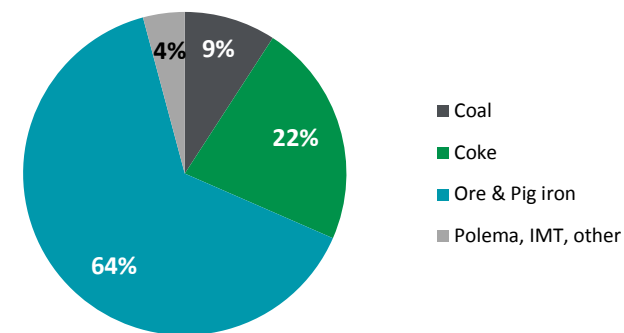


External revenue, RUR mln

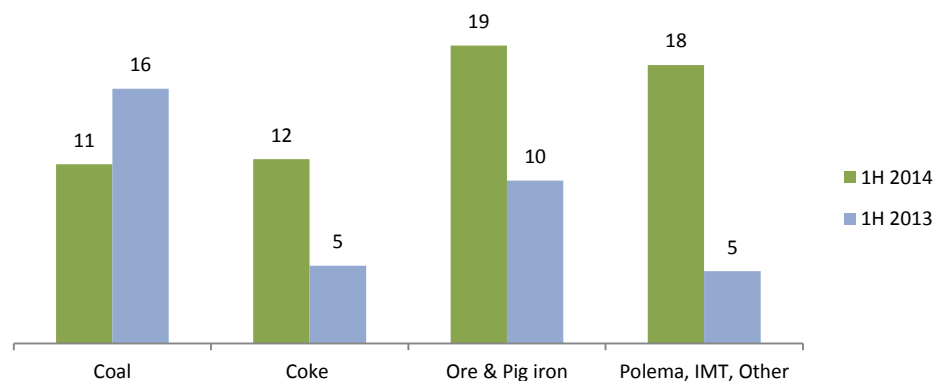


EBITDA by segments

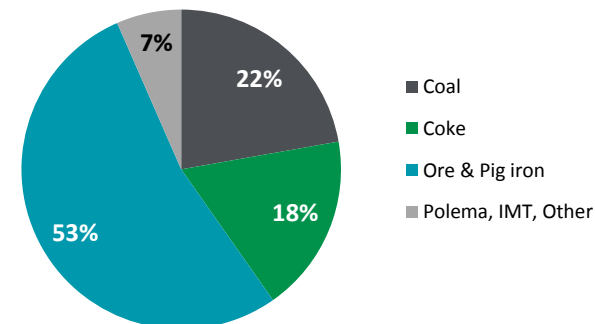
1H 2014 total: RUR 4,539 mln



EBITDA margin*, %



1H 2013 total: RUR 2,588 mln

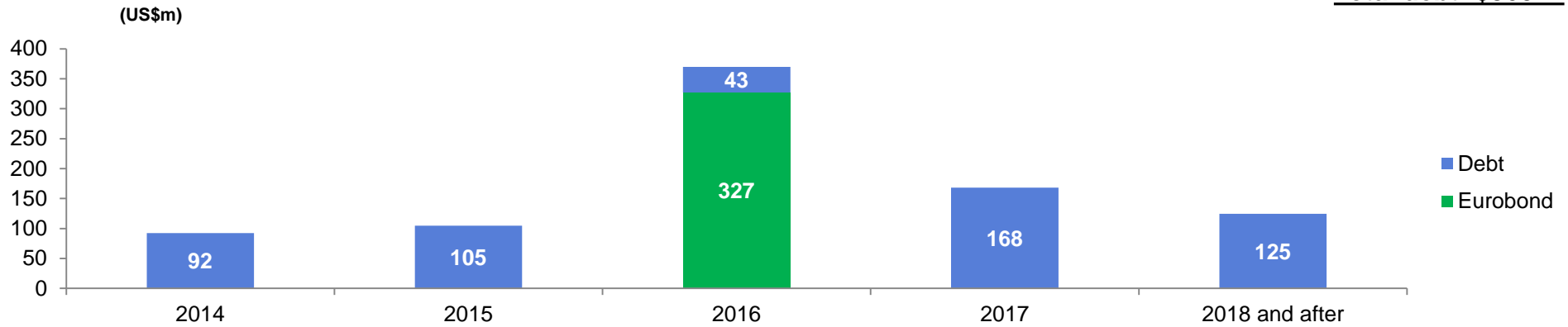


*Including inter-segment revenue



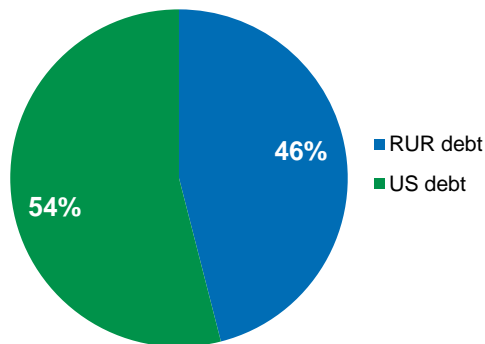
Current Debt Maturity Profile

Total debt: \$860 m

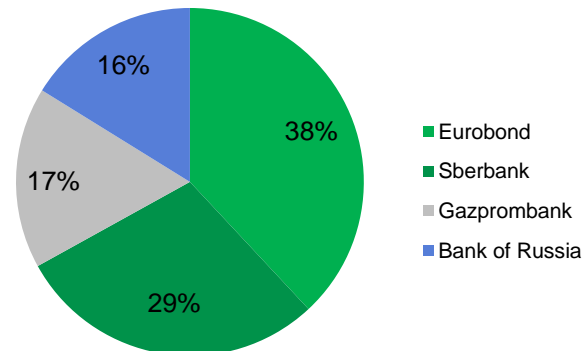


- Confirmed undrawn facilities as of June 30, 2014 was above RUR 18.5 billion
- RUR bonds were paid back using the company's cash flow and bank loans
- Average loan interest rate as of June 30, 2014 was 7.94%

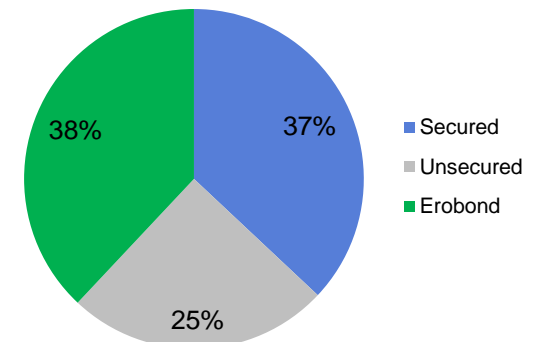
Debt by Currency

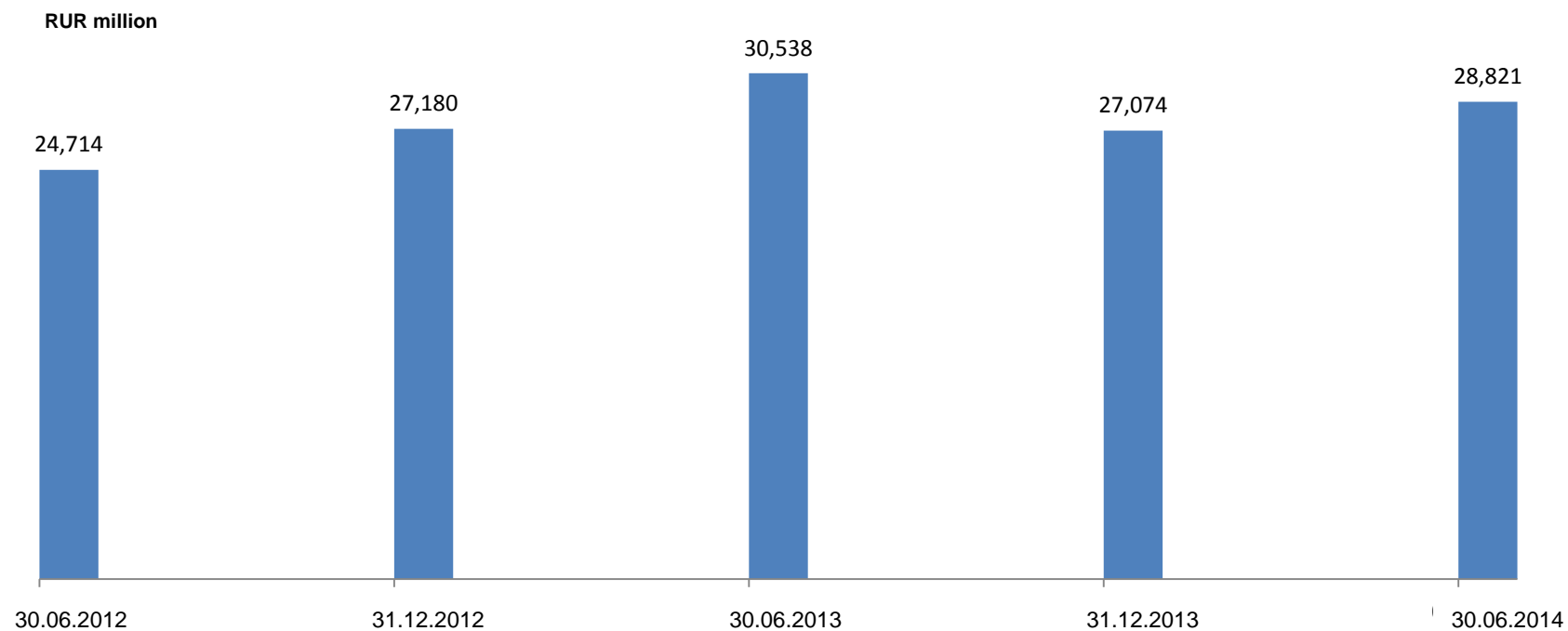


Debt by Creditor



Debt by Security Type





One of the Company's main priorities is deleveraging. The highest level of debt was reached when the company was completing construction of Butovskaya mine put into operation in May, 2013.



Income Statement Highlights

millions of RUR	1H 2013	1H 2014
Revenue	21,046	21,394
Cost of sales	(15,535)	(14,854)
Gross profit	5,511	6,540
<i>Gross profit margin</i>	26%	31%
Operating profit	1,510	1,762
<i>Operating profit margin</i>	7%	8%
Profit /(Loss)	(833)	(96)
Adjusted EBITDA LTM*	5,635	8 990

* Adjusted EBITDA is calculated as earnings before income tax, interest expense, exchange gain/loss, depreciation, amortization, impairment and other non-cash items.

Balance Sheet Highlights

millions of RUR	December 31, 2013	June 30, 2014
Total Assets	57,936	57,727
Total Liabilities	38,553	38,486
Total Equity	19,383	19,241
Property Plant & Equipment	36,172	35,858
Total Debt	27,074	28,821
Cash & Cash Equivalents**	503	259
Net Debt	26,571	28,562

** Cash & cash equivalents including restricted cash

Cash Flow Highlights

millions of RUR	1H 2013	1H 2014
(Loss) /Profit before income tax	(881)	379
Operating cash flows before working capital changes	2,851	4,678
Net cash from operating activities	3,011	2,747
Net cash used in investment activities	(4,046)	(2,621)
Net cash from /(used in) financing activities	1,064	(500)