METINVEST

1H 2016 Results

12 October 2016

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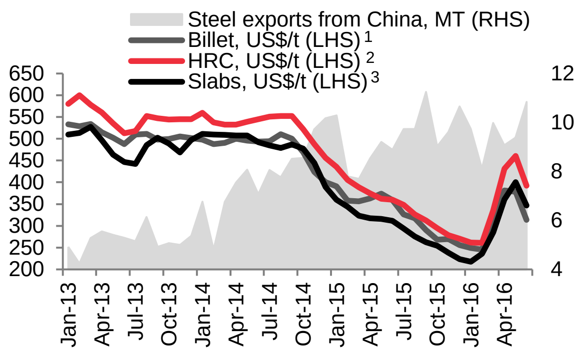
Industry overview

Global steel and iron ore markets

- The global steel market remained oversupplied in 1H 2016: the average global steel capacity utilisation ratio was 70% (72% in 1H 2015)
- Global steel production fell in 2015 and is expected to remain flat in 2016, while global steel consumption declined in 2015 and is expected to slightly increase in 2016 by 0.2%
- Global steel prices hit multi-year lows in 1Q 2016, although partly recovered in 2Q 2016, mainly driven by monetary stimulus measures introduced by the Chinese government
- The short-lived steel price jump in 2Q 2016 slowed down the process of steel capacity reduction worldwide. Some idled capacity was actually brought back online
- In 1H 2016, average steel prices declined y-o-y: billets fell by 15% to US$312 per tonne, HRC by 8% to US$357 per tonne and slabs by 6% to US$308 per tonne
- The iron ore market seemed to rebalance in 1H 2016: the majority of the biggest players reduced production (vs 2H 2015), the launch of several new capacities was delayed, and demand in China exceeded expectations
- As a result, iron ore prices partly recovered to the range of US$50-60 per tonne
- Despite the 14% q-o-q iron ore price rebound in 2Q 2016, 1H 2016 average iron ore price dropped by 14% y-o-y to US$52 per tonne

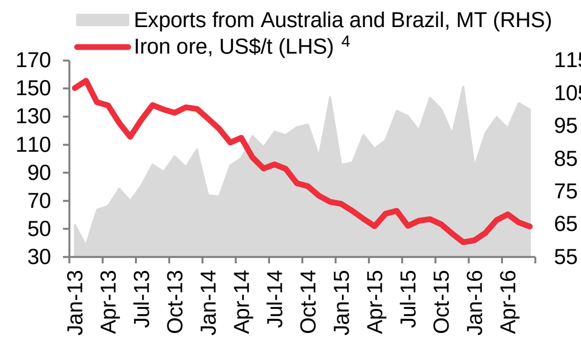
Steel product prices vs exports from China



Source: Metal Expert, Bloomberg

1. Billet FOB Black Sea; 2. HRC FOB Black Sea; 3. Slabs FOB Black Sea

Iron ore price vs exports from Australia and Brazil

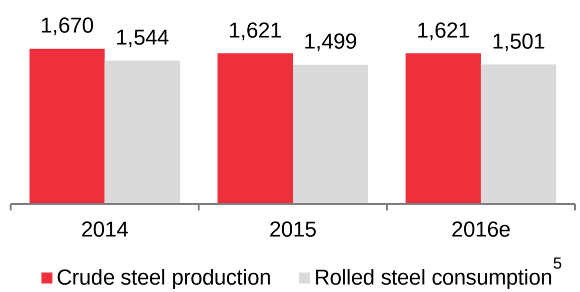


Source: Metal Bulletin, Bloomberg

4. 62% Fe iron ore fines CFR China

Global steel industry

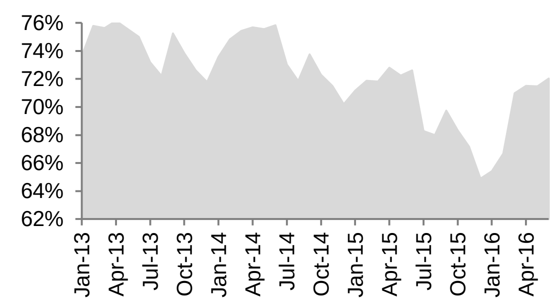
million tonnes



Source: World Steel Association, Metinvest estimates

5. Apparent consumption of finished steel products

World steel capacity utilisation ratio

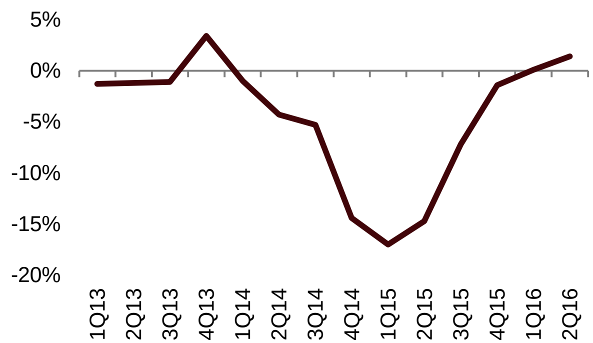


Source: World Steel Association

Macro and steel industry overview in Ukraine

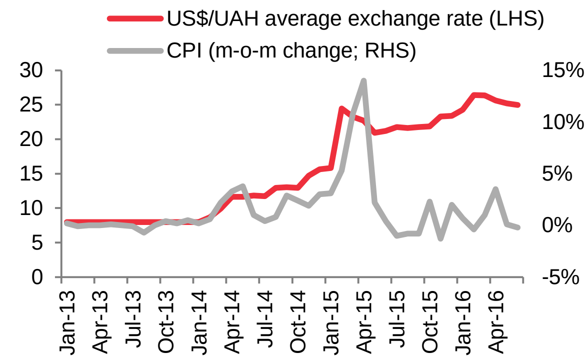
- In 2016, the Ukrainian economy started to recover for the first time since 2013
- Real GDP growth was 0.1% y-o-y in 1Q 2016 and 1.4% y-o-y in 2Q 2016
- The hryvnia continued to depreciate against all key currencies. The US$/UAH exchange rate averaged 25.47 in 1H 2016, compared with 21.40 in 1H 2015
- The Consumer price index (CPI) returned to a normal single-digit figure, of 4.9% (June 2016 vs December 2015)
- In 1H 2016, steel production in Ukraine increased by 10% y-o-y, as output resumed at assets in the conflict zone and apparent demand for steel products in key consuming industries increased
- Apparent steel consumption in Ukraine recovered by 37% y-o-y in 1H 2016, due to inventory replenishment amid a lower base in 1H 2015
- Real demand recovery in key steel-consuming industries was more modest:
    - construction activity rose by 9.1% y-o-y
    - the machine-building industry increased by 1.7% y-o-y

Real GDP growth (y-o-y)



Source: State Statistics Service of Ukraine

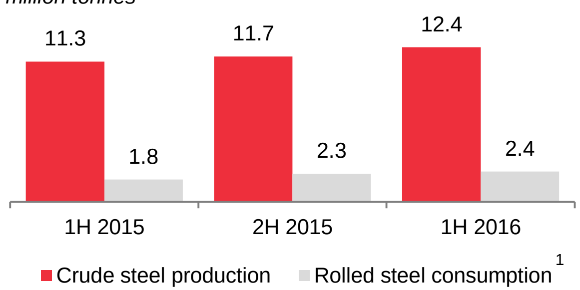
US$/UAH exchange rate vs CPI



Source: National Bank of Ukraine, State Statistics Service of Ukraine

Steel industry in Ukraine

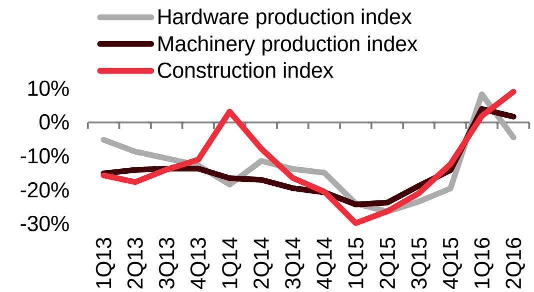
million tonnes



Source: Metal Expert

1. Consumption in Ukraine includes flat, long and certain semi-finished products but excludes pipes

Key steel consuming sectors in Ukraine[2]



Source: State Statistics Service of Ukraine, Metal Expert

2. All indexes represent the cumulative index from the beginning of the respective year, y-o-y change

1H 2016 highlights

1H 2016 summary

US$ million	1H 2016	1H 2015	Change
Revenues	**2,880**	**3,650**	**-21%**
Adjusted EBITDA[1]	**580**	**623**	**-7%**
margin	20%	17%	3 pp
Net cash from operating activities	**163**	**354**	**-54%**
CAPEX	**116**	**117**	**0%**

US$ million	30 Jun 2016	31 Dec 2015	Change
Total debt	**2,981**	**2,946**	**1%**
Cash	**183**	**180**	**2%**
Net debt	**2,798**	**2,766**	**1%**

Production (thousand tonnes)	1H 2016	1H 2015	Change
Crude steel	**4,187**	**3,875**	**8%**
Iron ore concentrate	**15,811**	**15,806**	**0%**
Coking coal concentrate	**1,580**	**1,638**	**-4%**

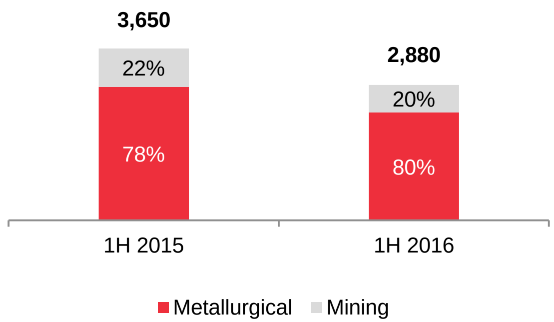
1. Adjusted EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment and devaluation of property, plant and equipment, foreign exchange gains and losses (starting from 1 January 2015), the share of results of associates and other expenses that the management considers non-core plus the share of EBITDA of joint ventures. Adjusted EBITDA will be referred to as EBITDA in this presentation.

1H 2016 highlights

- Total revenues decreased by 21% y-o-y to US$2,880M
  - Metallurgical revenues fell by 19% y-o-y to US$2,290M
  - Mining revenues dropped by 27% y-o-y to US$590M
- Total EBITDA declined by 7% y-o-y to US$580M
  - Metallurgical EBITDA fell by 5% y-o-y to US$401M
  - Mining EBITDA increased by 17% y-o-y to US$255M
- There was a significant y-o-y change in the divisional EBITDA shares[1] in 1H 2016: 39% in Mining (34% in 1H 2015) and 61% in Metallurgical (66% in 1H 2015)
- Total CAPEX remained flat y-o-y at US$116M
- Net cash from operating activities dropped by 54% y-o-y to US$163M

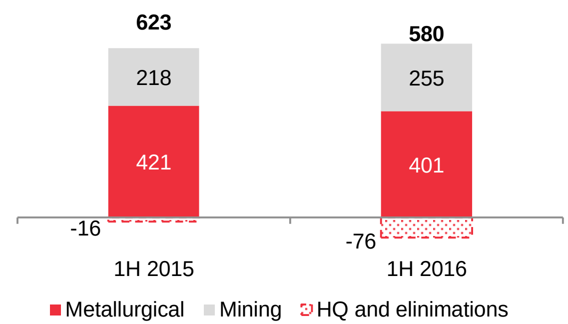
Revenues

US$ million



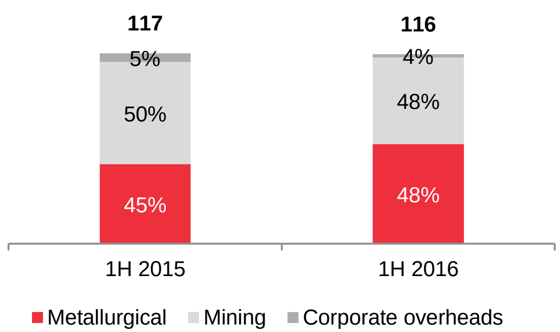
EBITDA

US$ million



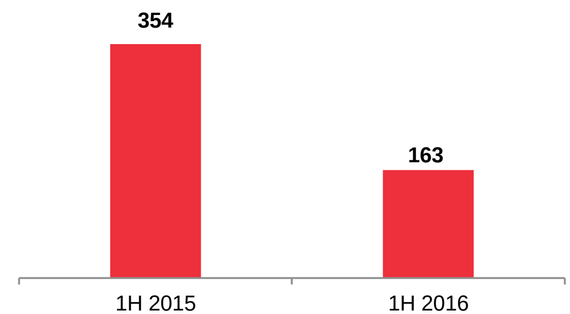
CAPEX

US$ million



Net cash from operating activities

US$ million



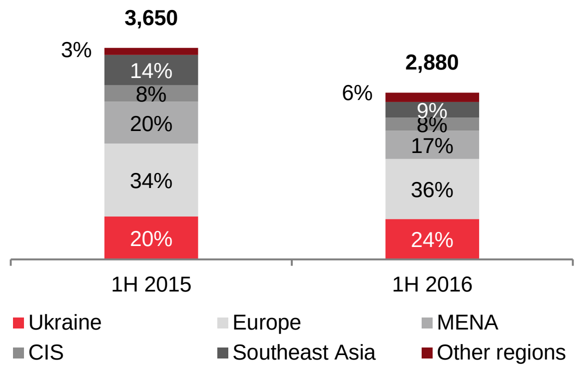
1. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations

Global sales portfolio

- Total sales declined by 21% y-o-y (US$770M), mainly driven by:
    - lower selling prices of steel and iron ore products, which hit multi-year lows in 1Q 2016, although partly recovered in 2Q 2016
    - unstable operations at Yenakiieve Steel amid the conflict in Eastern Ukraine
    - weak demand in key markets
- Share of international sales decreased by 4 pp y-o-y to 76% in 1H 2016
- Breakdown of sales by region changed y-o-y:
    - higher share of Ukraine (+4 pp) due to greater sales volumes of flat, long and iron ore products
    - higher share of Europe (+2 pp) due to greater sales volumes of long products and pellets
    - higher share of North America (+3 pp) due to greater sales volumes of pig iron
    - lower share of Southeast Asia (-5 pp) due to lower sales of flat products and pellets, as well as lower prices of iron ore concentrate
    - lower share of MENA (-3 pp) due to decreased selling prices of key products and lower volumes of pig iron, billets and pellets
- Proportion of sales in hard currencies (US$, EUR, GBP) decreased by 5 pp y-o-y to 80%

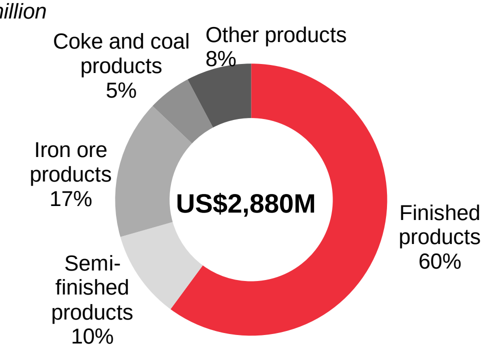
Total sales by region

US$ million



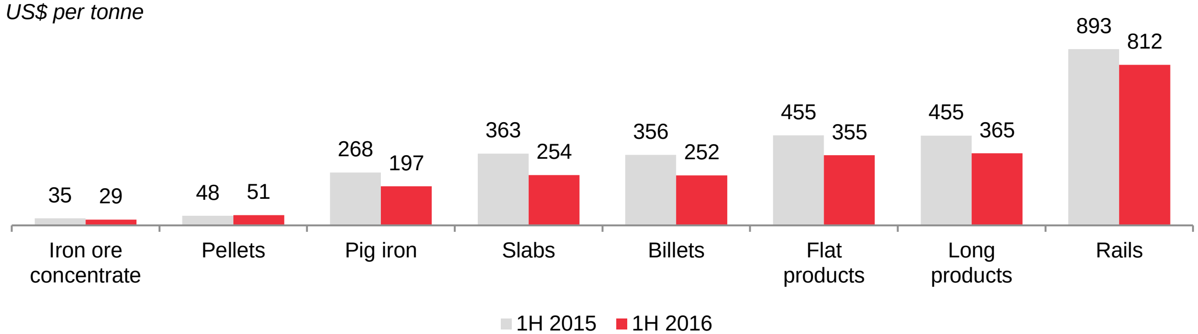
Total sales by product in 1H 2016

US$ million



Price dynamics, FCA basis

US$ per tonne

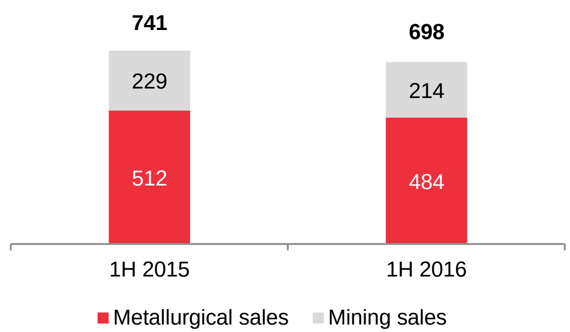


Sales in Ukraine

- Total sales in Ukraine declined by 6% y-o-y to US$698M
- Metallurgical sales decreased by 5% y-o-y to US$484M due to:
  - lower selling prices of steel products, which followed the benchmarks on key markets
- Mining sales declined by 7% y-o-y to US$214M, driven by:
  - lower selling prices of iron ore products, which followed the benchmark[1]
  - lower sales volumes of coking coal concentrate (-13% y-o-y) amid weak demand from key customers
- Sales in Ukraine accounted for 24% of the Group total in 1H 2016

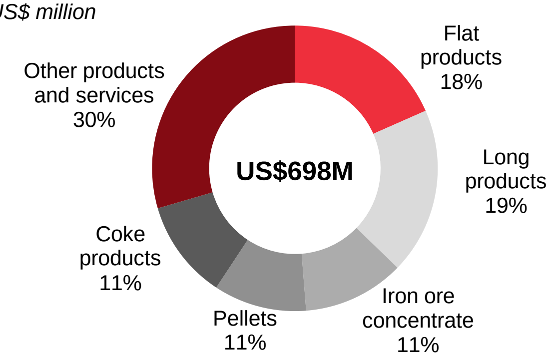
Total sales

US$ million



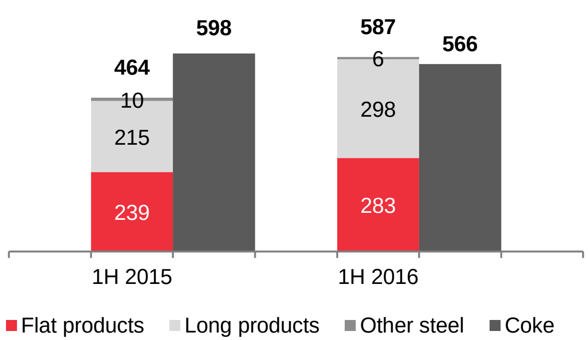
Sales by product in 1H 2016

US$ million



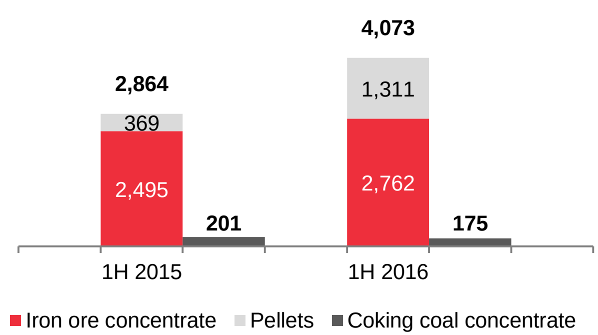
Metallurgical sales volumes

thousand tonnes



Mining sales volumes

thousand tonnes



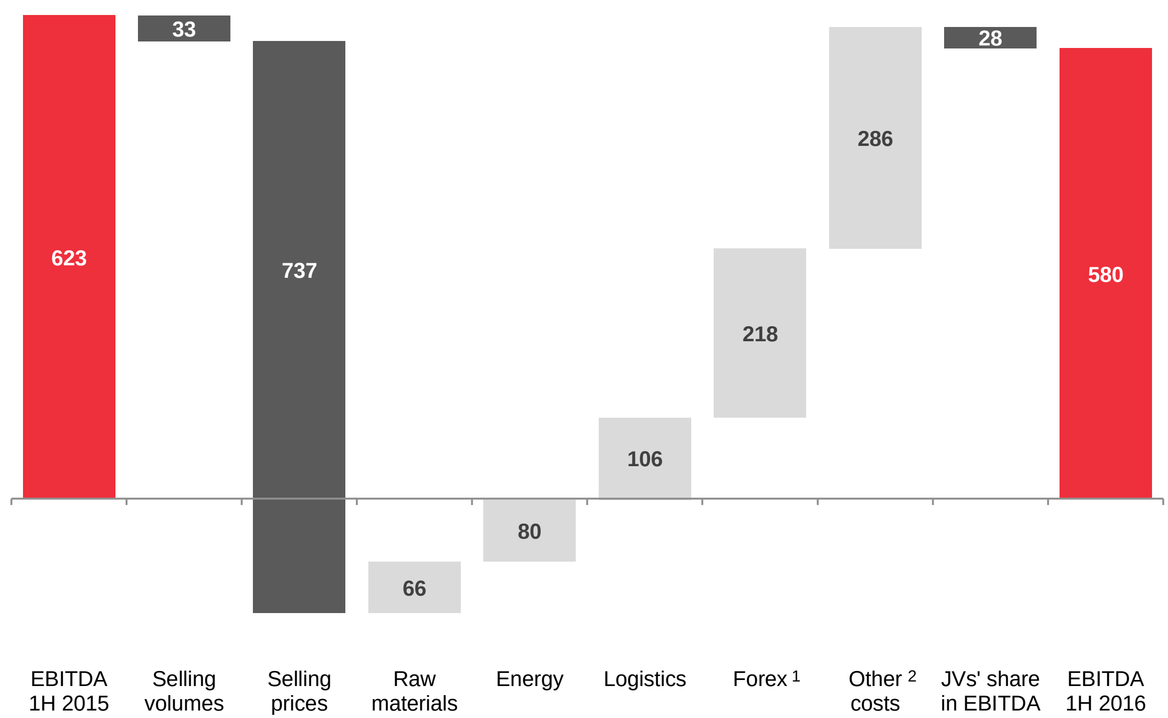
1. 62% Fe iron ore fines CFR China

EBITDA

- Total EBITDA fell by 7% y-o-y to US$580M
- Negative EBITDA drivers were:
  - lower selling prices (US$737M)
  - lower sales volumes of the Mining division (US$81M), mainly pellets
  - a decrease in the contribution of JVs (US$28M), mainly Zaporizhstal
- Positive EBITDA drivers were:
  - higher sales volumes of the Metallurgical division (US$48M), mainly long products and pig iron
  - reduced raw material costs (US$66M) amid lower market prices of coal, scrap, iron ore and coke
  - reduced energy costs (US$80M) amid lower consumption of natural gas and fuel, as well as lower prices of natural gas
  - lower logistics costs (US$106M) mainly due to lower freight costs and other expenses
  - hryvnia devaluation (US$218M)
  - decreased other costs (US$286M), mainly amid lower cost of goods and services for resale
- The EBITDA margin increased by 3 pp y-o-y to 20% in 1H 2016
  - the Mining division's EBITDA margin rose by 11 pp y-o-y to 26%, while the Metallurgical division's increased by 2 pp y-o-y to 17%

EBITDA drivers

US$ million



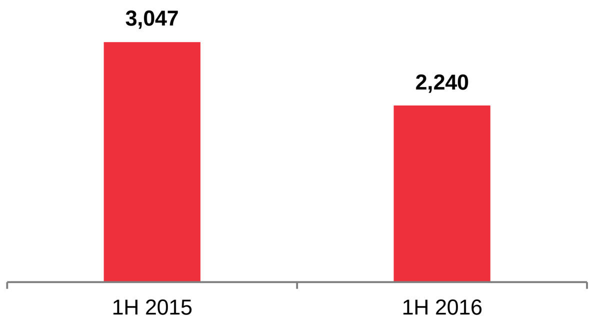
1. Forex includes forex on cost of sales, distribution costs, general and administrative expenses, other operating expenses
2. Other costs include goods and services for resale, fixed costs, change in WIP and FG, other costs

Operating expenses

- Cost of sales dropped by 26% y-o-y to US$2,240M, mainly due to:
    - hryvnia depreciation (US$219M)
    - a drop in cost of goods and services for resale of US$281 million, mainly goods from Zaporizhstal
    - no impairment charges in 1H 2016 (US$165M in 1H 2015)
    - reduced raw material costs amid lower market prices (US$66M)
    - lower energy costs (US$80M), amid lower consumption of natural gas and fuel, as well as decreased gas prices
    - lower services and other costs (US$51M), mainly due to a reversal of a provision for inventory impairment created at the end of 2015 as a result of sale price growth
- Distribution costs declined by 25% y-o-y to US$347M, driven by:
    - lower freight costs, due to lower sea shipment volumes amid a change in the sales structure and lower freight tariffs given decreased crude oil prices (US$110M)
    - hryvnia depreciation (US$30M)
- General and administrative expenses decreased by 15% y-o-y to US$82M, mainly due to the hryvnia devaluation

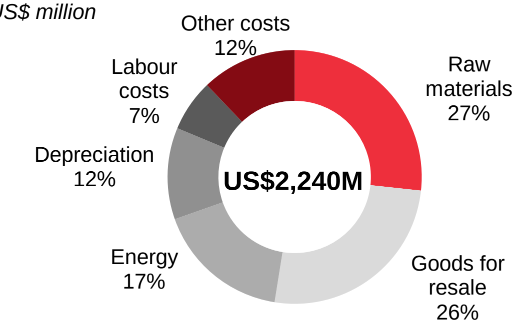
Cost of sales

US$ million



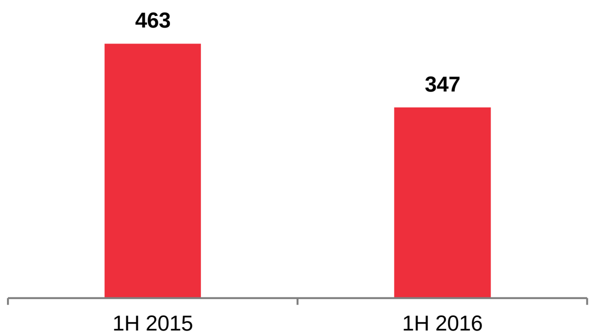
Cost of sales by nature in 1H 2016

US$ million



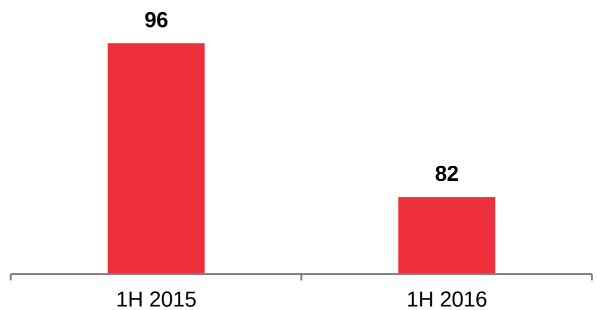
Distribution costs

US$ million



General and administrative expenses

US$ million

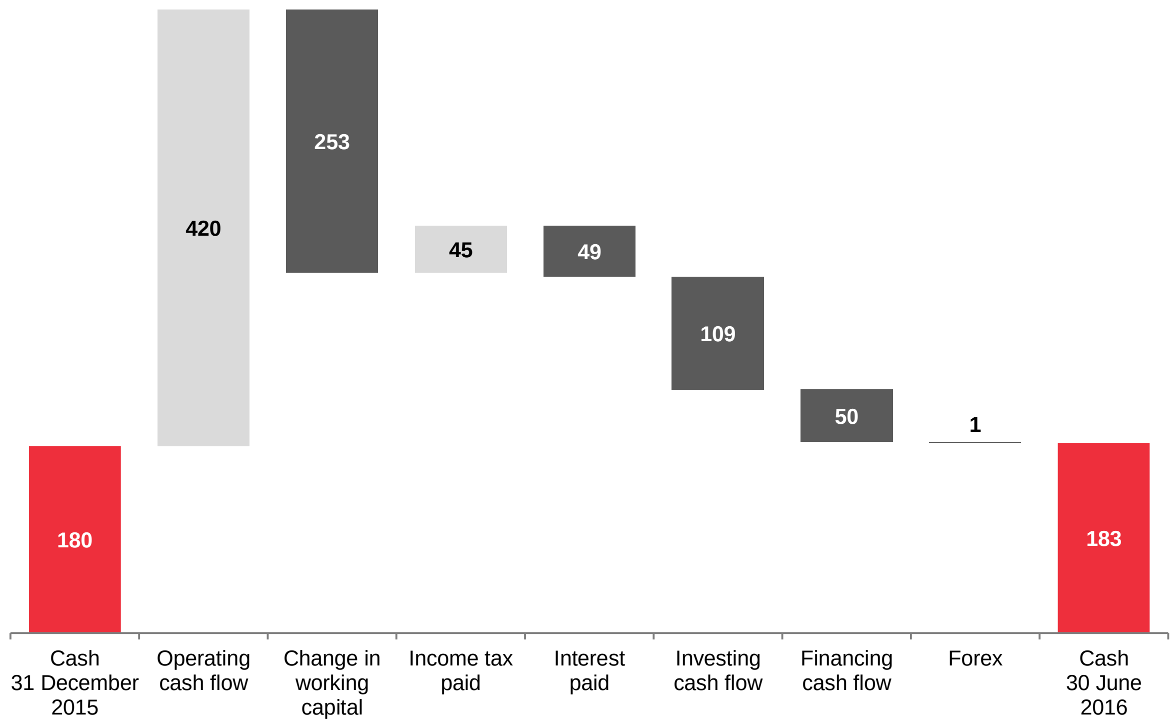


Cash flow profile

- The cash balance stood at US$183M as of 30 June 2016, flat y-t-d:
  - operating cash inflow of US$420M in 1H 2016, down US$63M y-o-y, primarily due to non-cash adjustments, while profit before income tax increased by US$284M y-o-y
  - negative change in working capital, mainly due to an increase in recoverable VAT and trade receivables of US$237M amid sale price growth y-t-d
  - positive income tax, as US$53M of corporate income tax prepayment was reimbursed to some Ukrainian subsidiaries
  - lower interest paid, as starting in 2016, Metinvest paid 30% of accrued interest and capitalised the remaining 70% amid poor liquidity and in line with moratorium schemes under bonds and the extended standstill agreements with PXFs
  - investing cash outflow remained at a historically low level of of US$109M
  - financing cash outflow of US$50M, mainly due to repayment of loans (US$8M) and losing trade finance (US$33M)

Cash flow in 1H 2016

US$ million

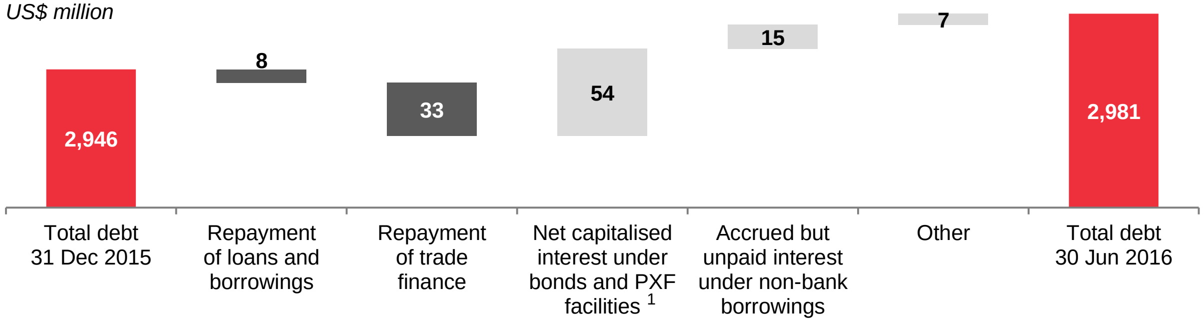


Debt restructuring

- Metinvest is continuing debt restructuring discussions with PXF lenders and bondholders
- To ensure a stable platform for negotiating and implementing the restructuring, Metinvest obtained a moratorium over enforcement action by bondholders and extended the standstill with certain PXF lenders both with effect until 30 November 2016
- On 24 May 2016, the heads of terms for restructuring bonds and PXF facilities were agreed. Among other terms, this includes an extension of maturities until the end of 2021.
- Negotiations on long-term restructuring documentation are ongoing to implement the restructuring effectively
- Total debt increased by US$35M to US$2,981M during 1H 2016
    - Metinvest continues to service 30% of total accrued interest on a monthly basis
    - All unpaid interest is capitalised

Total debt: 31 December 2015 vs 30 June 2016

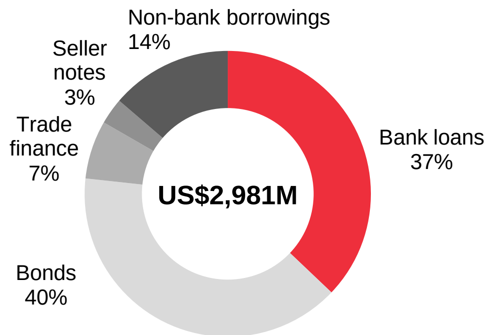
US$ million



1. Net capitalised interest under bonds and PXF facilities is calculated as the sum capitalised interest less an amount of interest accrued but not paid as of 31 December 2015

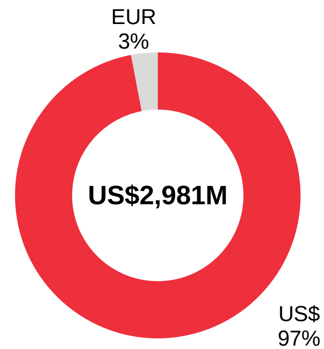
Total debt by instrument: 30 June 2016

US$ million



Total debt by currency: 30 June 2016

US$ million



Operational review

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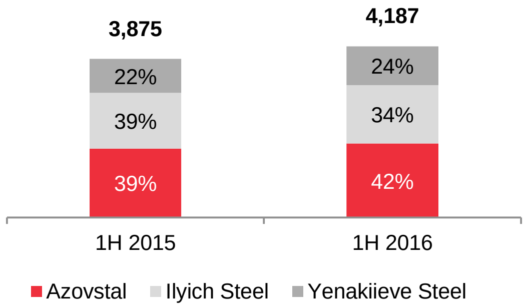
Metallurgical division operations

- Crude steel output increased by 8% y-o-y to 4,187KT, driven by several factors:
  - Azovstal (+7% y-o-y) and Ilyich Steel (+5% y-o-y) launched BFs after major overhauls
  - Yenakiieve Steel's output growth in 1H 2016 (+15% y-o-y) resulted from the low base in 1H 2015 (the plant was shut down in February-March 2015), although its operations were again disrupted in 2Q 2016 (production fell by 10% q-o-q), amid a raw material shortage due to a ban on railway cargo transportation in the conflict zone
- Share of finished products increased by 4 pp y-o-y to 75% in 1H 2016, as production was adjusted in favour of higher-value added products
  - flat product volumes increased by 3% y-o-y due to higher output of plates at Ilyich Steel
  - long product volumes rose by 53% y-o-y, mainly due to higher production at Azovstal, resumed operations at Yenakiieve Steel and greater output at Promet Steel, as deliveries of billets for re-rolling stabilised
  - rail production rose by 39KT y-o-y, driven by supplies to Ukrzaliznyrsia and the fulfilment of orders from Uzbekistan
- Coke[1] output rose by 19% y-o-y, as operations were partly restored at Avdiivka Coke amid increased internal needs
- Metinvest fully covered its coke needs with own production in 1H 2016 (94% in 1H 2015)

1. Dry blast furnace coke output

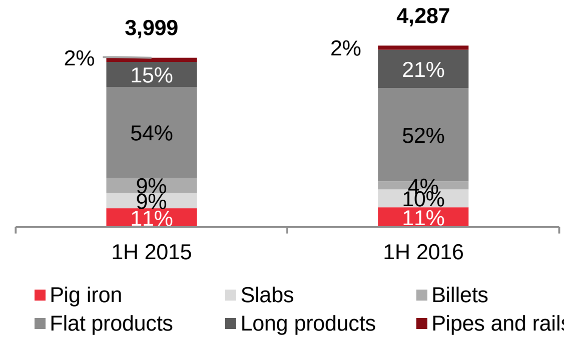
Crude steel production

thousand tonnes



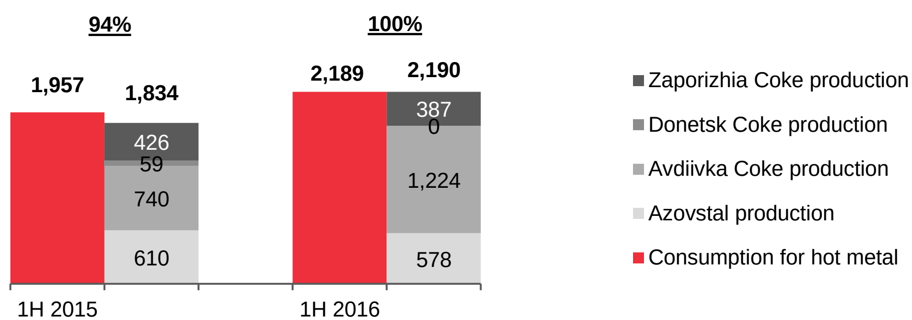
Output of merchant steel products

thousand tonnes



Coke self-sufficiency

thousand tonnes



Note: Coke self-sufficiency is calculated as actual coke production divided by actual consumption of coke to produce hot metal in the Metallurgical division

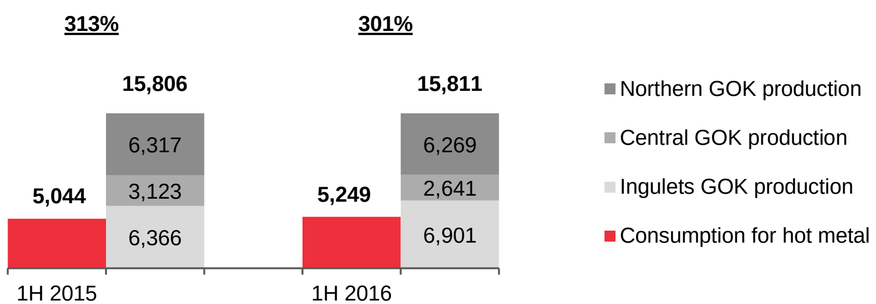
Mining division operations

- Overall production of iron ore concentrate remained flat y-o-y due to:
  - increase in production of 535KT at Ingulets GOK
  - fall in output of 482KT at Central GOK
  - drop in production of 48KT at Northern GOK
- Volume of merchant iron ore concentrate increased by 189KT y-o-y to 6,379KT, due to reduced output of merchant concentrate in 1Q 2015 caused by a buildup of inventory
- Volume of merchant pellets fell by 943KT y-o-y to 3,060KT, due to an increase in intragroup consumption of 462KT

- Coking coal concentrate production dropped by 58KT y-o-y due to:
  - increase in output of 202KT at Krasnodon Coal
  - fall in production of 260KT at United Coal
- Output at Krasnodon Coal rose as shipments of finished goods partly (or temporarily) resumed
- Lower volumes at United Coal were due to bad geological conditions
- Breakdown of coking coal production in 1H 2016: United Coal and Krasnodon Coal accounted for 80% and 20% respectively (1H 2015: 93% and 7% respectively)
- Some 43% of Metinvest's coking coal needs were covered by own production in 1H 2016, compared with 50% in 1H 2015

Iron ore self-sufficiency

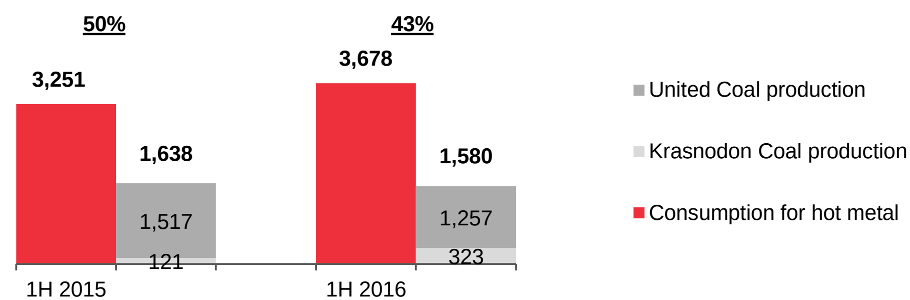
thousand tonnes



Note: Iron ore self-sufficiency is calculated as actual iron ore concentrate production divided by actual consumption of iron ore products to produce hot metal in the Metallurgical division

Coal self-sufficiency

thousand tonnes



Note: Coal self-sufficiency is calculated as actual coal concentrate production divided by actual consumption of coal concentrate to produce coke required for production of hot metal in the Metallurgical division. Coal consumption for PCI is included in the calculation

Metallurgical division financials

- Metallurgical revenues fell by US$549M y-o-y, impacted mainly by:
    - lower average selling prices, which followed the benchmarks on key markets and reached a bottom in 1Q 2016
    - lower external sales volumes of slabs (-6% y-o-y), square billets (-34% y-o-y), pipes (-99% y-o-y) and coke (-5% y-o-y)
- The breakdown of sales by region changed y-o-y:
    - higher share of Ukraine (+3 pp), due to greater sales volumes of flat and long products; North America (+2 pp), amid higher sales volumes of pig iron; and Europe (+1 pp), following greater sales volumes of square billets and long products
    - lower share of MENA (-4 pp), amid lower sales volumes of pig iron and square billets, and Southeast Asia (-3 pp), amid lower sales volumes of flat products and slabs
- Top five steel customers accounted for 10% of divisional revenues
- EBITDA decreased by 5% y-o-y to US$401M in 1H 2016, while its contribution to the Group's total EBITDA fell by 5 pp y-o-y to 61%[1]
- EBITDA margin rose by 2 pp y-o-y to 17%
- Metallurgical division increased CAPEX by 25% y-o-y to US$61M

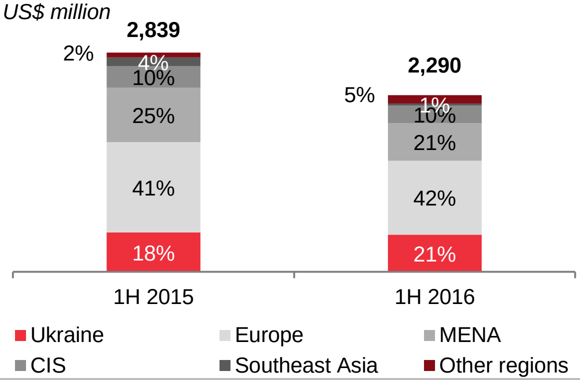
Division financials

US$ million	1H 2016	1H 2015	Change
Sales (total)	**2,328**	**2,871**	**-19%**
Sales (external)	**2,290**	**2,839**	**-19%**
% of Group total	*80%*	*78%*	*+2 pp*
EBITDA	**401**	**421**	**-5%**
% of Group total[1]	*61%*	*66%*	*-5 pp*
margin	*17%*	*15%*	*2 pp*
Share in JV's EBITDA	**69**	**101**	**-32%**
CAPEX	**61**	**49**	**+25%**

1. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations

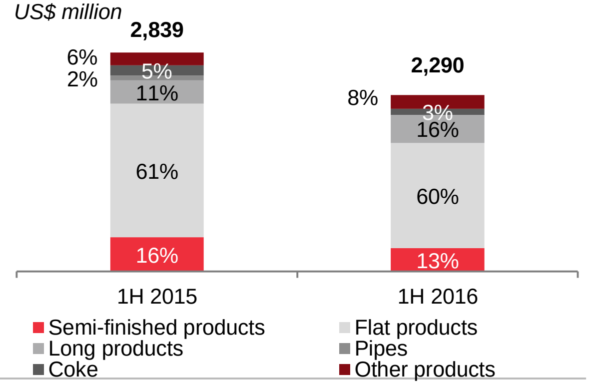
Sales by region

US$ million



Sales by product

US$ million



Mining division financials

- Mining revenues fell by US$221M y-o-y, driven mainly by:
  - depressed prices of iron ore products and coking coal concentrate, which followed the benchmark for iron ore (-14% y-o-y)[1] and hard coking coal (-12% y-o-y)[2]
  - lower sales of pellets (-32% y-o-y), due to lower production and a drop in premiums on certain markets
- The breakdown of sales by region changed y-o-y:
  - higher share of Ukraine (+8 pp) and Europe (+2 pp), amid greater sales volumes of iron ore products, which resulted in a lower share of Southeast Asia (-10 pp), as a balancing market
  - lower share of MENA (-3 pp) given an unfavourable market premium
- Top five iron ore customers accounted for 50% of divisional sales
- EBITDA increased by 17% y-o-y to US$255M, while its contribution to the Group's total EBITDA rose by 5 pp y-o-y to 39%[3]
- EBITDA margin increased by 11 pp y-o-y to 26%
- Mining division reduced CAPEX by 16% y-o-y to US$53M

1. 62% Fe iron ore fines CFR China
2. Hard coking coal FOB Australia

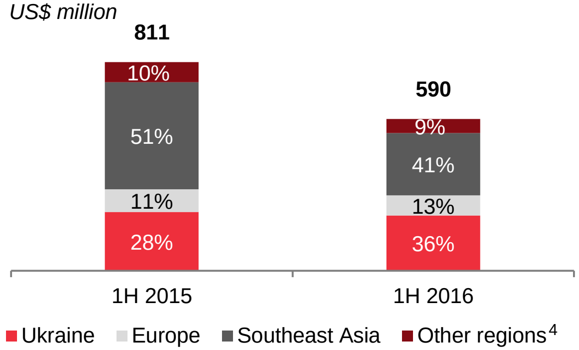
Division financials

US$ million	1H 2016	1H 2015	Change
Sales (total)	**987**	**1,501**	**-34%**
Sales (external)	**590**	**811**	**-27%**
% of Group total	*20%*	*22%*	*-2 pp*
EBITDA	**255**	**218**	**+17%**
% of Group total[3]	*39%*	*34%*	*+5 pp*
margin	*26%*	*15%*	*+11 pp*
Share in JV's EBITDA	**41**	**37**	**+11%**
CAPEX	**53**	**63**	**-16%**

3. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations

Sales by region

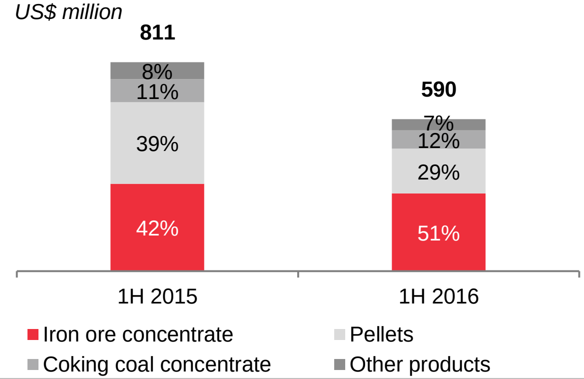
US$ million



4. Other regions include MENA and other regions

Sales by product

US$ million



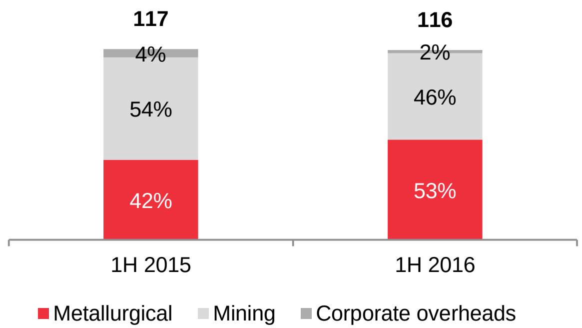
Capital expenditure

Capital expenditure

- Due to the tight liquidity situation and high volatility of global steel and iron ore prices, the focus remained on vital maintenance projects and top-priority expansion projects offering a fast payback
- Completion of several projects was delayed, postponed or frozen
- In 1H 2016, CAPEX remained at historically low level of US$116M, flat y-o-y
    - Metallurgical division increased CAPEX by 25% y-o-y to US$61M
    - Mining division reduced CAPEX by 15% y-o-y to US$53M
    - CAPEX for corporate overheads fell by 61% y-o-y to US$2M
- Expenditure on maintenance projects amounted to 64% of total investments (80% in 1H 2015) and on expansion projects to 36% (20% in 1H 2015)
- Metallurgical and Mining divisions accounted for 53% and 46% of CAPEX respectively (1H 2015: 42% and 54% respectively)

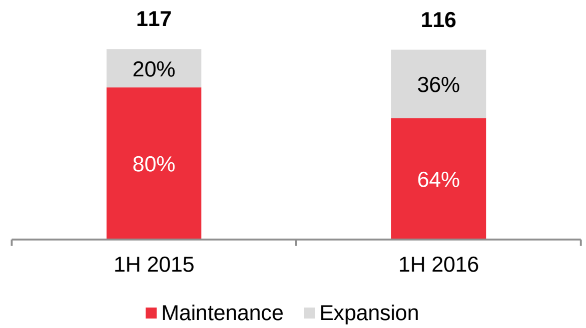
CAPEX by division

US$ million



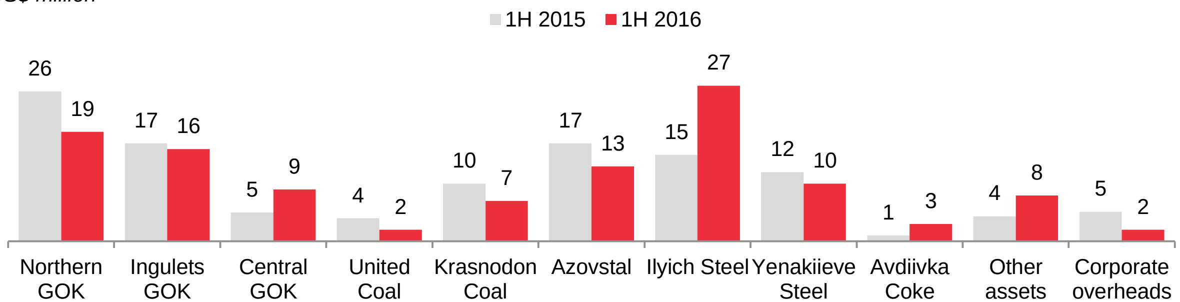
CAPEX by purpose

US$ million



CAPEX by key asset

US$ million



Strategic CAPEX projects

No	Project	Asset	Description	Status
1	Construction of pulverised coal injection (PCI) facilities	Azovstal	Eliminate the need for natural gas in the production process and use coke more efficiently	Construction of PCI unit at BF no. 4, as the first stage of the project, was resumed in February 2016
2	Replacement of turbine air blower no. 3	Azovstal	Increase blowing parameters, which will raise blast furnace productivity and decrease coke consumption	Equipment was launched in April 2016, with delays amid funding constraints
3	Major overhaul of blast furnace (BF) no. 4	Ilyich Steel	Maintain volume of hot metal production	Construction and installation works started in early 2016 and completed in May 2016
4	Reconstruction of dust-trapping facilities at converter no. 2	Ilyich Steel	Comply with environmental requirements	Started in early 2016, now the converter has been stopped for reconstruction
5	Construction of continuous casting machine no.4	Ilyich Steel	Increase slab casting capacity, improve product quality and reduce costs	Construction work started in September 2016
6	Reconstruction of hot strip mill (HSM) 1700	Ilyich Steel	Improve quality of coiling, reduce risk of product damaging at transportation, decrease cost of coils	Installation of a new winder at the HSM 1700 started in September 2016 to increase the weight of commercial hot-rolled coils
7	Sinter plant reconstruction	Ilyich Steel	Comply with environmental requirements	Major overhaul of sintering machine no. 4 is complete
8	Construction of PCI facilities	Yenakiieve Steel	Eliminate the need for natural gas in the production process and use coke more efficiently	PCI injection into BF no. 5 started in February 2016 and BF no. 3 in April 2016
9	Construction of crusher and conveyor system (CCS) at the Pervomaisky quarry	Northern GOK	Reduce operational and capital expenditures in iron ore mining and maintain production volumes	The first facility for iron ore transportation was launched in July 2016
10	Replacement of gas cleaning unit at Lurgi 552-B pelletising machine	Northern GOK	Comply with the maximum permissible concentrations of pollutants in the air and improve conditions in the workplace	Work to replace the remaining filters is ongoing
11	Construction of CCS	Ingulets GOK	Reduce operational and capital expenditures in iron ore mining and maintain production volumes	Construction is ongoing on the Vostochny conveyor line only. Construction of the Zapadny conveyor line has been frozen since 1Q 2015.

Appendices

Metinvest in brief

71.24 %
System Capital Management

23.76 %
Smart Group

5.00 %
Clarendale Limited[1]

Metinvest

- Multinational group with operations in Ukraine, Italy, Bulgaria, the UK and the US
- Vertically integrated business model: from iron ore and coal to finished steel products
- Substantial resource base provides long-term security for steelmaking operations
- Global distribution network with easy access to both mature and emerging markets
- Improving health and safety and investing in mitigating our environmental footprint

Mining segment

- Top 8 iron ore producer in the world[2]
- Top 2 iron ore producer in the CIS[2]
- Long-life proven and probable iron ore reserves in Ukraine of 1,350MT[3]
- More than fully self-sufficient in iron ore concentrate and pellets
- Captive long-life coal reserves of 506MT[4] in Ukraine and the US
- Coking coal production currently covers 43%[5] of internal needs

Metallurgical segment

- Top 40 steel producer in the world[6]
- Top 6 steel producer in the CIS[2]
- Annual steelmaking capacity of 11MT[7]
- Around 75% share of finished steel goods in the product mix in 1H 2016
- Sales outside Ukraine accounted for 79% of revenues in 1H 2016
- Contribution to the Group's total EBITDA of 61%[8] in 1H 2016

1. As at 30 June 2016, a 5% interest in Metinvest B.V. in the form of Class C shares has been acquired from the previous owners of Ilyich Group for the benefit of SCM and SMART. It is the intention of SCM and SMART to dispose of the said 5% interest in due course (after receipt of respective governmental approvals if such will be necessary), and in such a manner that the ultimate interest of SCM in the Company shall be 75% minus 1 share, and the ultimate interest of SMART in the Company shall be 25% plus 1 share, thus SCM remaining as the controlling shareholder.
2. Metinvest's estimate based on companies' public production data
3. According to JORC methodologies, as at 1 January 2010 and adjusted for production of 517MT of reserves between 1 January 2010 and 30 June 2016. Ore reserves refer to the economically mineable part of mineral resources.
4. As at 30 June 2016 (unaudited)
5. Coal self-sufficiency is calculated as actual coal concentrate production divided by actual consumption of coal concentrate to produce coke required for production of hot metal in the Metallurgical segment
6. World Steel Association 2015 ranking based on tonnage
7. Metinvest's annual steel capacity, excluding capacity of Zaporizhstal
8. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations

Global presence

Metinvest's operations

1. **Ukrainian operations**

Azovstal	Donetsk Coke
Ilyich Steel	Northern GOK
Yenakiieve Steel	Central GOK
Khartsyzk Pipe	Ingulets GOK
Avdiivka Coke	Krasnodon Coal
Zaporizhia Coke	

2. Ferriera Valsider
3. Metinvest Trametal
4. Spartan UK
5. Promet Steel
6. United Coal

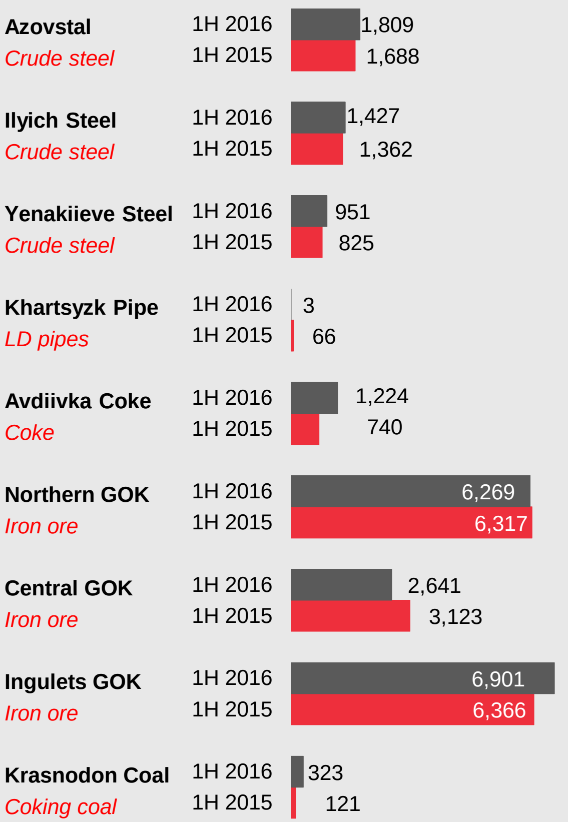
Metinvest's sales offices

1. China
2. Turkmenistan
3. United Arab Emirates
4. Russia (14 offices)
5. Lebanon
6. Ukraine (23 offices)
7. Turkey
8. Bulgaria (3 offices)
9. Spain
10. Poland
11. Italy (3 offices)
12. Tunisia
13. Germany
14. Switzerland
15. Belgium
16. United Kingdom
17. Dominican Republic
18. Canada
19. United States
20. Belarus
21. Romania

Operations in Ukraine

Production by key asset

thousand tonnes



Executive Committee

Yuriy Ryzhenkov
Chief Executive Officer
(2013–)

- Chief Operating Officer at DTEK (2010-2013)
- Chief Financial Officer at DTEK (2007-2010)
- Manager of Economic Analysis and Informatics at Mini Steel Mill ISTIL (2002-2007)
- MBA from London Business School (UK)

Alexander Pogozhev
Chief Operations Officer
(2016 –)

- Metallurgical Division Director (2011-2016)
- Director of Steel and Rolled Products division (2010-2011)
- COO at Severstal International (2008-2010)
- Executive positions at Severstal (1991-2008)
- MBA from Northumbria University (UK)

Olga Ovchinnikova
Logistics and Purchasing Director (2013–)

- Logistics Director of the Supply Chain Management Directorate (2012-2013)
- Logistics Manager at Severstal-Resource (2006-2011)
- Logistics and Supply Chain Management

Dmytro Nikolayenko
Sales Director
(2011–)

- Sales Director of Steel and Rolled Products division (2010-2011)
- General Director at Metinvest-SMC (2007-2010)
- General Director at SM Leman (2003-2007)
- MBA from IMI (Kyiv)

Yuliya Dankova
Chief Financial Officer
(2016–)

- Director of Controlling Department of the Finance Directorate (2015-2016)
- Financial Control Director of Mining Division (2010-2015)
- Finance Director of Metinvest's iron ore mining and enrichment assets in Kryvyi Rih (2006-2010)
- MBA from LINK International Institute of Management (Russia)

Sergiy Detyuk
Chief Information Officer
(2016–)

- CIO at DTEK (2009-2016)
- Deputy Finance Director for IT at DTEK (2007-2009)
- Head of the Information Technology Department at Dniprospetsstal (2006-2007)
- MBA from London School of Business (UK)
- MBA from Kyiv-Mohyla Business School (Ukraine)

Svetlana Romanova
Chief Legal Officer
(2012–)

- Partner at Baker and McKenzie (2008-2012)
- Lawyer at Baker and McKenzie (2000-2008)
- Lawyer at Cargill (1998-2000)
- LLM from The University of Iowa College of Law (US)

Nataliya Strelkova
Human Resources and Social Policy Director (2010–)

- HR Director at MTS (2006-2010)
- HR Policy Director at MTS (2004-2006)
- Senior HR Specialist at Yukos (2001-2004)
- HR Director at the ESN Group (1997-2001)
- MBA from IMD (Lausanne)

Aleksey Komlyk
PR and Regional Development Director (2013–)

- Managing PR Director at AFK Sistema (2011-2013)
- Managing Partner at Mosso (2008-2011)
- Vice President of PR at Uralkali (2006-2008)
- Head of Media Relations Office at Uralkali (2003-2006)
- Master's in Philology

Supervisory Board

Igor Syry

Chairman, Class A Member

(2014–)

- COO at SCM (2013-2016)
- CEO at Metinvest Holding (2006-2013)
- Senior Manager at SCM (2002-2006)
- Senior Consultant at PwC (1999-2002)
- MBA from Cornell University (US)

Stewart Pettifor

Class A Member

(2014–)

- COO at Corus (2003-2005)
- Head of Flat Products at Corus (2001-2003)
- Deputy CEO at Avesta Polarit (2000-2001)
- CEO and President at Avesta (1997-2000)
- BSc in Metallurgy from Nottingham University (UK)

Amir Aisautov

Class A Member

(2014–)

- Director of Metals and Mining business at SCM (2009-2015)
- Director of Strategy and Investments at Clever Management (2008-2009)
- Engagement Manager at McKinsey and Company (2003-2008)
- MBA from Georgetown University (US)

Damir Akhmetov

Class A Member

(2014–)

- Chairman at SCM Advisors (UK) Limited (2013–)
- Member of the Supervisory Board at DTEK (2011–)
- MSc in Finance from City University (UK)

Christiaan Norval

Class A Member

(2014–)

- CEO and Founder at Green Gas International (2004-2011)
- CEO at SUAL (2002-2004)
- Head of Corporate Finance at BHP Biliton (1997-2002)
- Bcom (Hons) from Rand Afrikaans University (South Africa)

Alexey Pertin

Deputy Chairman, Class B Member (2014–)

- CEO at Smart-Holding (2015–)
- Chairman of the Supervisory Board at Smart-Holding (2014-2015)
- CEO at Smart-Holding (2008-2014)
- Deputy CEO at Severstal (2004-2006)
- CEO at Izhora Pipe Plant, Severstal (2002-2004)
- MBA from Northumbria University (UK)

Oleg Popov

Class A Member

(2014–)

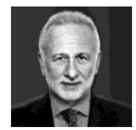
- CEO at SCM (2006–)
- Chairman of the Supervisory Board at DTEK (2009–)
- COO at SCM (2001-2006)
- Degree in Economics from Donetsk State University (Ukraine)

Yaroslav Simonov

Class A Member

(2014–)

- Deputy Director at Voropaev and Partners law firm (2008–)
- COO at Renaissance Capital Ukraine (2008)
- Head of Legal and Compliance at Renaissance Capital Ukraine (2005-2007)
- LLM in International Business Law from Central European University (Hungary)



Gregory Mason

Class B Member

(2014–)

- Member of the Supervisory Board at Smart-Holding (2014-2015)
- CEO at Severstal International (2004–2009)
- MSc in Electrical Engineering from Naval University of St Petersburg (Russia)

G. Frank Rieger

Class B Member

(2014–)

- Chairman of advisory Board of Smart Energy (2014–)
- Member of the Supervisory Board at Smart-Holding (2014-2015)
- Acting CFO at Yukos Oil Company (2005-2006)
- Vice president Yukos RM (2000-2005)
- Degree (Hons) in Engineering and Economics in Machine-Building from Kharkiv Engineering and Economic Institute (Ukraine)

Corporate social responsibility

	Health and Safety	Environment	Community
Goals	▪ Meet the highest standards of health and safety and ensure the safety of employees in all aspects of their work ▪ Create a safety-driven culture throughout the Group and ensure that employees take responsibility for themselves and their colleagues	▪ Reduce our environmental footprint ▪ Introduce more efficient energy-saving technology ▪ Meet European standards in this area ▪ Respond rapidly to any critical issues	▪ Work in partnership with the communities where we operate to achieve long-term improvements in social conditions ▪ Maintain close dialogue with local stakeholders
Initiatives	▪ Continue implementation of measures to reduce the risk of fatalities due to cardiovascular diseases ▪ Reinforce a gas safety programme to eliminate incidents of CO poisoning ▪ Introduce protective barrier standard to reduce injuries associated with working at heights ▪ Continue a risk assessment programme covering all production processes and investment projects using HAZID[1], HAZOP[2] and ENVID[3]	▪ Continually examine and enhance environmental standards within the framework of our Technological Strategy ▪ Require all newly built and reconstructed assets to meet EU environmental standards ▪ Regularly review the environmental action plan to target efforts more effectively	▪ Implement social partnership programmes with local authorities ▪ Empower local communities ▪ Foster the development of green and ecological initiatives ▪ Enhance sustainable development of regions
Results in 1H 2016	▪ Over US$29M was spent on health and safety ▪ Provided extensive HSE training for over 2,753 managers and supervisors ▪ Conducted 105,488 audits and identified 136,286 safety issues, which were addressed swiftly ▪ Conducted 47 HAZIDs and 2 HAZOPs at subsidiaries, and developed 1,137 recommendations to reduce risks to an acceptable level	▪ Over US$90M was spent on environmental safety (including both capital and operational environmental improvements) ▪ Progress on key environmental projects ○ reconstruction of sinter plant no. 1 at Ilyich Steel ○ replacement of gas-cleaning equipment of Lurgi 552-B pelletising machine at Northern GOK (3 of 5 filters have been replaced)	▪ Invested around US$1.8M to support communities in cities where Metinvest operates ▪ 55 community projects were selected and implemented under the “We Improve the City” initiative, with a total budget of around US$0.2M ▪ Around 370 environmental events of the “Green Centre” were held in Mariupol, involving 364 activists

1. HAZID study is a tool for hazard identification, used early in a project as soon as process flow diagrams, draft heat and mass balances, and plot layouts are available
2. HAZOP (hazard and operability study) is a structured and systematic examination of a planned or existing process or operation in order to identify and evaluate problems that may represent risks to personnel or equipment, or prevent efficient operation
3. Environmental (Hazard) Identification is conducted like HAZID, but with the aim of identifying environmental issues

Thank you!

Investor relations contacts

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