METINVEST

1H 2017 Results

11 October 2017

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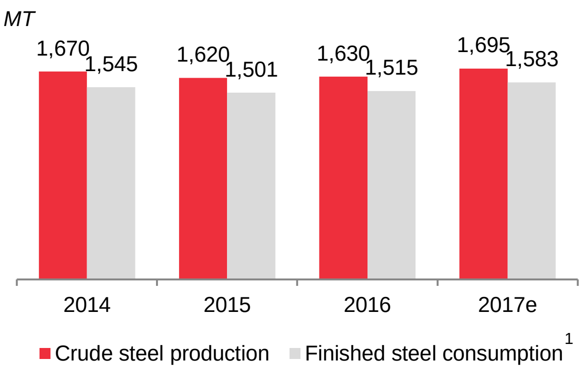
Industry overview

Global steel, iron ore and coking coal markets

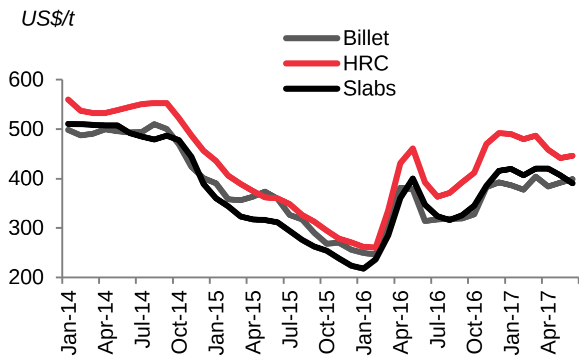
- In 2017, global steel consumption is expected to increase by 4.5% y-o-y and global steel production by 4.0% y-o-y
- In 1H 2017, global steel prices continued to recover after hitting multi-year lows in 1Q 2016, mainly driven by:
  - China introducing monetary stimulus measures, leading to increased domestic infrastructure spending and robust steel demand
  - China restructuring its steel industry with the aim of increasing efficiency by cutting excess capacity
  - rising worldwide protectionism
  - higher prices for raw materials, namely coking coal and iron ore
- HRC FOB Black Sea trended in line with global steel benchmarks, increasing to US$467/t in 1H 2017 (+31% y-o-y)
- Iron ore averaged US$74/t in 1H 2017 (+43% y-o-y), driven by stronger global demand, higher prices for coking coal and steel products, and delayed new capacity launches
- Spot hard coking coal proved one of the most volatile commodities, driven mainly by the supply side. While the spot price averaged US$181/t in 1H 2017 (+113% y-o-y), it varied from US$141/t to US$305/t. As a result, the quarterly contract system is in jeopardy. Since 2Q 2017, there has been no global coking coal quarterly price benchmark.

Global steel industry



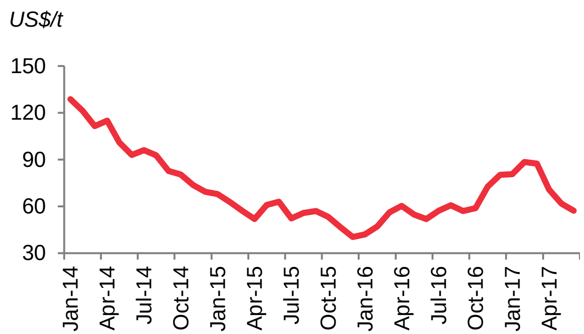
Source: World Steel Association, Metinvest estimates
1. Apparent consumption of finished steel products

Steel product prices[2]



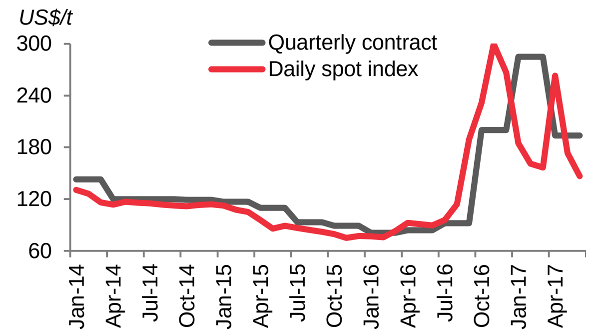
Source: Metal Expert
2. FOB Black Sea

Iron ore price[3]



Source: Metal Bulletin
3. 62% Fe iron ore fines CFR China

Hard coking coal price[4]

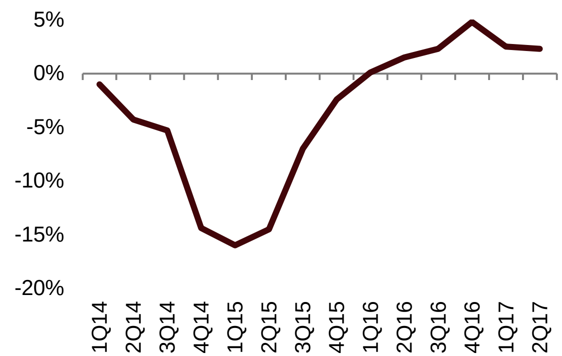


Source: Bloomberg, Metinvest estimate
4. FOB Australia

Macro and steel industry in Ukraine

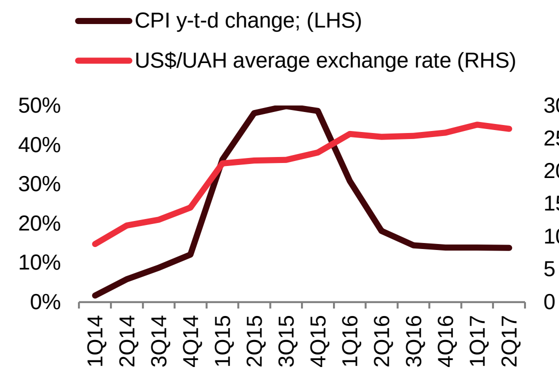
- Since 2016, the Ukrainian economy has been recovering from a deep slump
- In 1H 2017, the economic upturn continued, albeit at a slower pace: growth of 2.5% y-o-y in 1Q 2017 and 2.3% y-o-y in 2Q 2017 vs 4.8% y-o-y in 4Q 2016
- Monetary policy progress: the NBU discount rate gradually decreased, inflation targeting is in place and currency control is easing
- The hryvnia depreciated y-o-y against the US dollar to an average of 26.77 in 1H 2017, although it strengthened q-o-q to 26.45 in 2Q 2017
- CPI was 13.8% in 1H 2017 (13.9% in 2016)
- In 1H 2017, apparent steel consumption in Ukraine continued to grow (+3.8% y-o-y), supported by renewed real demand in key steel-consuming industries:
    - construction activity rose by 24.6% y-o-y
    - the machine-building industry expanded by 7.4% y-o-y
- In 1H 2017, steel production in Ukraine fell by 14.8% y-o-y, after steelmaking assets located in the non-government controlled territory of Ukraine were seized in 1Q 2017

Real GDP growth in Ukraine (y-o-y)



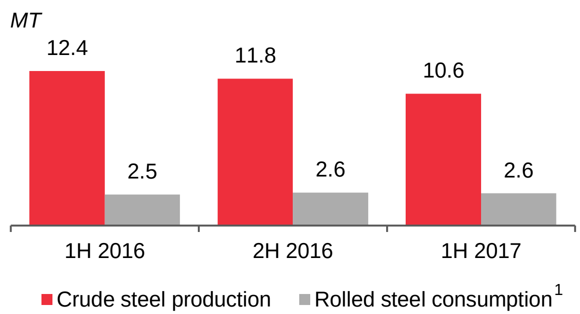
Source: State Statistics Service of Ukraine

US$/UAH exchange rate vs CPI



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

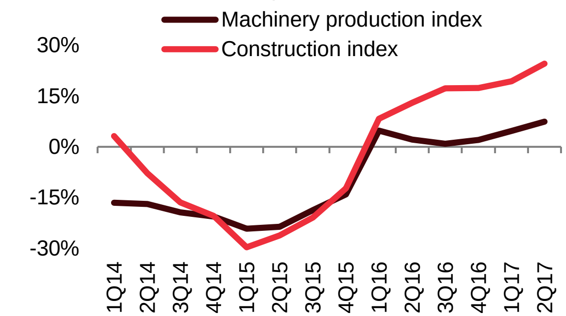
Steel industry in Ukraine



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 2017 highlights

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Summary

US$M	1H 2017	1H 2016	Change
Revenues	**3,913**	**2,880**	**36%**
Adjusted EBITDA[1]	**839**	**580**	**45%**
EBITDA margin	21%	20%	1 pp
Net cash from operating activities	**305**	**163**	**87%**
CAPEX	**193**	**116**	**66%**

US$M	30 Jun 2017	31 Dec 2016	Change
Total debt[2]	**2,949**	**2,969**	**-1%**
Cash and cash equivalents[3]	**258**	**226**	**14%**
Net debt[4]	**2,691**	**2,743**	**-2%**
Net debt[4] **to EBITDA**[5]	**1.9x**	**2.4x**	**-0.5x**

Production (kt)	1H 2017	1H 2016	Change
Crude steel	**3,923**	**4,187**	**-6%**
Iron ore concentrate	**13,649**	**15,811**	**-14%**
Coking coal concentrate	**1,447**	**1,580**	**-8%**

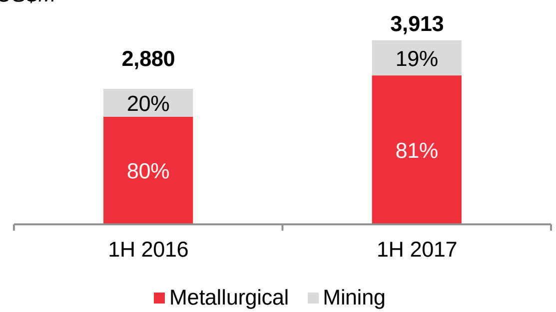
1. Adjusted EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment and devaluation of property, plant and equipment, foreign exchange gains and losses, the share of results of associates and other expenses that the management considers non-core plus the share of EBITDA of joint ventures. Adjusted EBITDA will be referred to as EBITDA in this presentation. On 15 March 2017, Metinvest lost control over all tangible assets owned by enterprises located in the temporarily non-government controlled territory of Ukraine, including Yenakiieve Steel, Krasnodon Coal and Khartsyzk Pipe. Subsequently, the Group made a provision for impairment of all assets of these enterprises, of which impairment related to inventories totalling US$92M is accounted in the 1H 2017 EBITDA.
2. Total debt is calculated as the sum of bank loans, bonds, trade finance, seller notes and subordinated shareholder loans.
3. Cash and cash equivalents do not include blocked cash for cash collateral under issued letters of credit and irrevocable bank guarantees, and include cash blocked for foreign-currency purchases.
4. Net debt is calculated as the sum of bank loans, bonds, trade finance, seller notes and subordinated shareholder loans less cash and cash equivalents.
5. EBITDA for the last 12 months

Financial highlights

- Total revenues increased by 36% y-o-y to US$3,913M
  - Metallurgical revenues climbed by 38% y-o-y to US$3,165M
  - Mining revenues rose by 27% y-o-y to US$748M
- Total EBITDA increased by 45% y-o-y to US$839M
  - Metallurgical EBITDA dropped by 49% y-o-y to US$205M
  - Mining EBITDA almost tripled y-o-y to US$729M
- 1H 2017 EBITDA includes US$92M of impairment of inventories seized in March 2017
- EBITDA margin increased by 1 pp y-o-y to 21%
- The segments' shares in EBITDA[1] changed in 1H 2017: 78% in Mining (39% in 1H 2016) and 22% in Metallurgical (61% in 1H 2016)
- Free cash flow[2] almost quadrupled y-o-y to US$126M

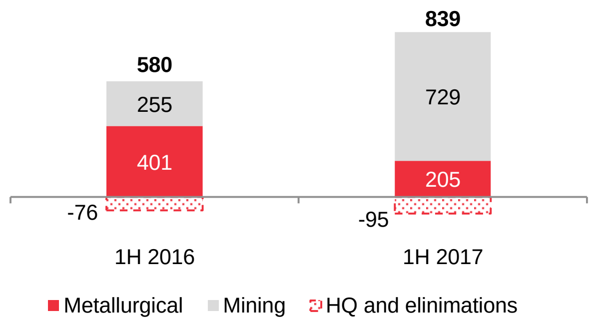
Revenues

US$M



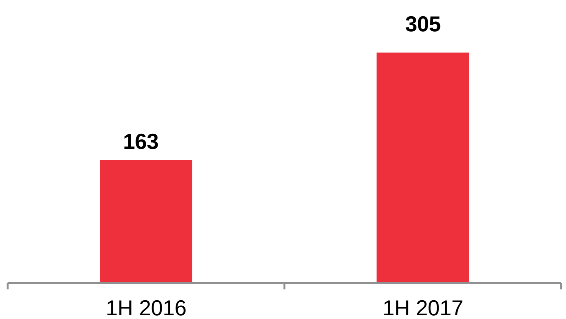
EBITDA

US$M



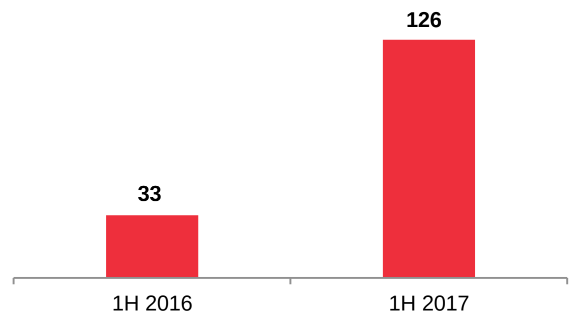
Net cash from operating activities

US$M



Free cash flow[2]

US$M



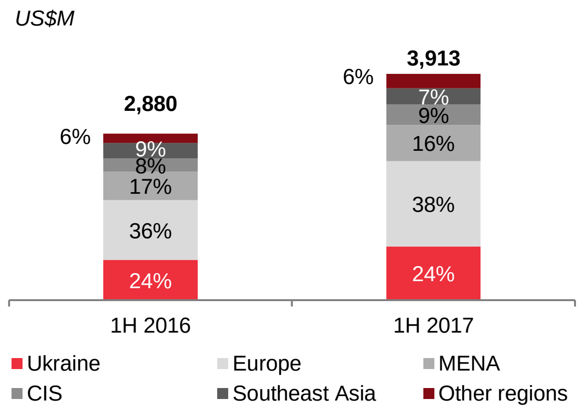
1. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations
2. Free cash flow is calculated as net cash from operating activities less purchases of PPE and IA

Global sales portfolio

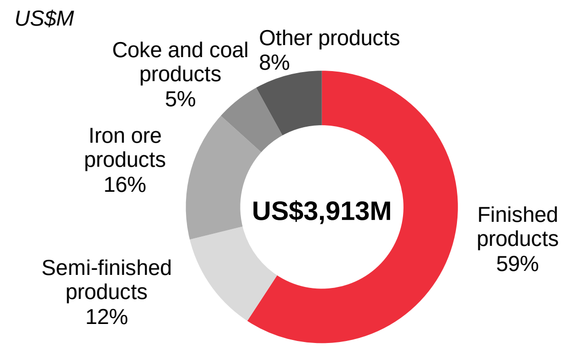
- Total sales increased by 36% y-o-y (US$1,033M), mainly driven by:
  - higher selling prices for steel and iron ore products
  - greater sales volumes of slabs (+164 kt) and flat products (+96 kt)
- Share of international sales remained unchanged y-o-y at 76% in 1H 2017, while the breakdown by region changed y-o-y:
  - higher share of Europe (+2 pp), amid greater demand for slabs (+131 kt) and iron ore products (+1,370 kt)
  - higher share of CIS (+1 pp), due to greater sales of flat products
  - lower share of MENA (-1 pp), due to reduced sales volumes of steel products
  - lower share of Southeast Asia (-1 pp), mainly amid reduced sales of iron ore concentrate (-1,952 kt)
- Steel sales mix changed following the seizure of Yenakiieve Steel in favour of slab/flat products
- Share of high value-added[1] products in steel sales mix reached 42% (+5 pp) in 1H 2017
- Proportion of sales in hard currencies (US$, EUR, GBP) amounted to 78% (-2 pp) in 1H 2017

1. High value-added (HVA) products include thick plates, cold-rolled flat products, hot-dip galvanised sheets and coils, rails and pipes

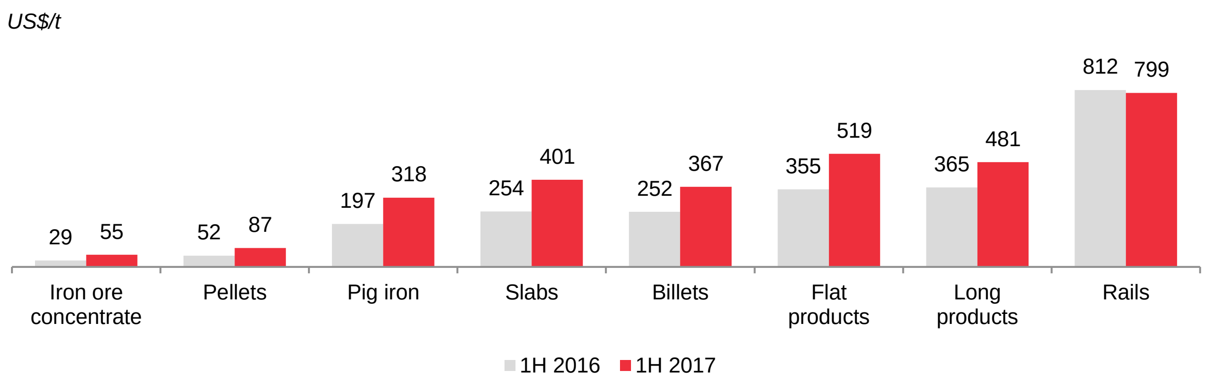
Total sales by region



Total sales by product in 1H 2017



Price dynamics, FCA basis



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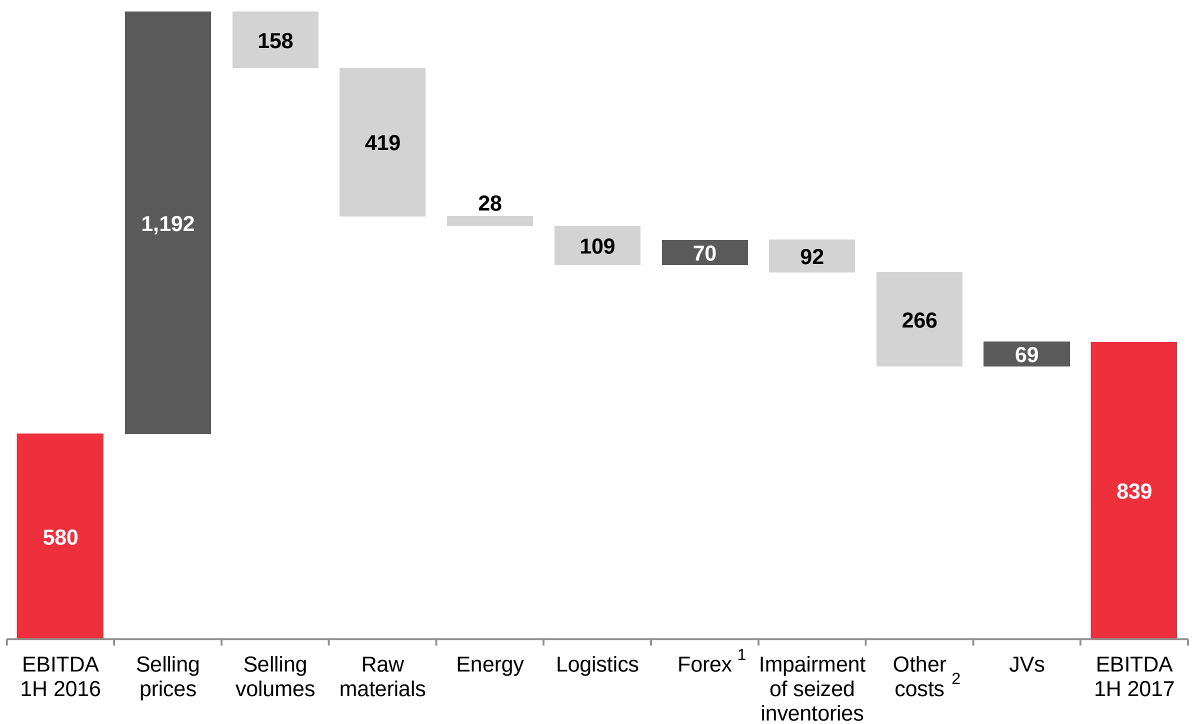
EBITDA

- Total EBITDA soared by US$259M y-o-y to US$839M
- Positive EBITDA drivers were:
  - higher average selling prices
  - hryvnia depreciation
  - higher contribution of JVs, namely from Southern GOK (US$60M) and Zaporizhstal (US$9M)
- Negative EBITDA drivers were:
  - higher cost of raw materials, primarily amid increased market prices of coal, coke, scrap and iron ore materials
  - lower sales volumes, mainly long products, square billets, iron ore products and coking coal concentrate
  - increased sea freight tariffs globally and railway tariffs in Ukraine (since April 2016)
  - impairment of inventories seized in March 2017
  - higher natural gas prices and electricity tariffs, as well as greater consumption of fuel and natural gas
  - higher other costs, primarily amid increased cost of goods and services for resale

EBITDA drivers

US$M



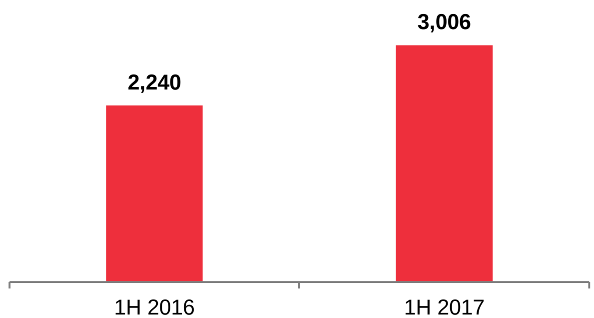
1. Forex includes forex on cost of sales, distribution costs, general and administrative expenses and other operating expenses.
2. Other costs include goods and services for resale, fixed costs, change in WIP and FG, impairment of trade and other accounts receivable and other expenses.

Operating expenses

- Cost of sales increased by 34% y-o-y to US$3,006M, mainly due to:
  - higher average market prices of raw materials (US$414M), including coal (US$305M), coke (US$55M), scrap (US$37M) and iron ore (US$17M)
  - higher cost of goods and services for resale (US$277M), mainly goods from Zaporizhstal and coal
- Distribution costs rose by 4% y-o-y to US$361M, driven by:
  - higher sea freight tariffs globally given increased crude oil prices
  - a 15% upward tariff indexation by the Ukrainian state railway operator on 30 April 2016
- General and administrative expenses increased by 13% y-o-y to US$93M, mainly due to higher labour costs

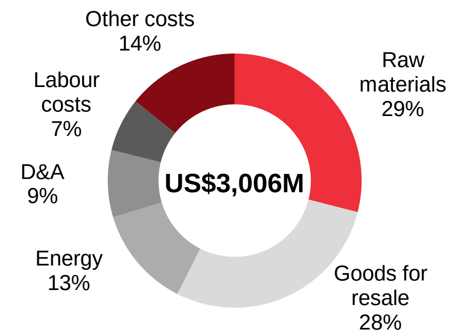
Cost of sales

US$M



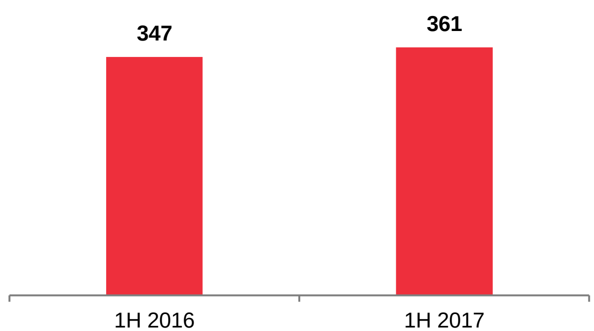
Cost of sales by nature in 1H 2017

US$M



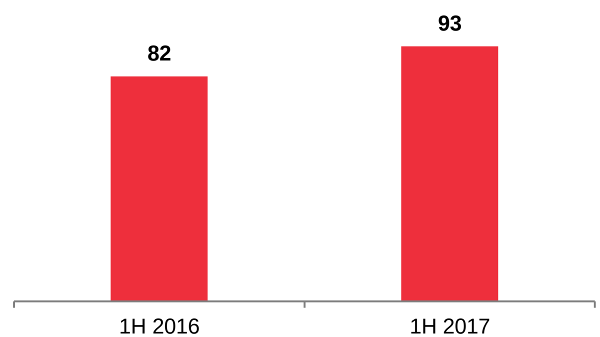
Distribution costs

US$M



General and administrative expenses

US$M

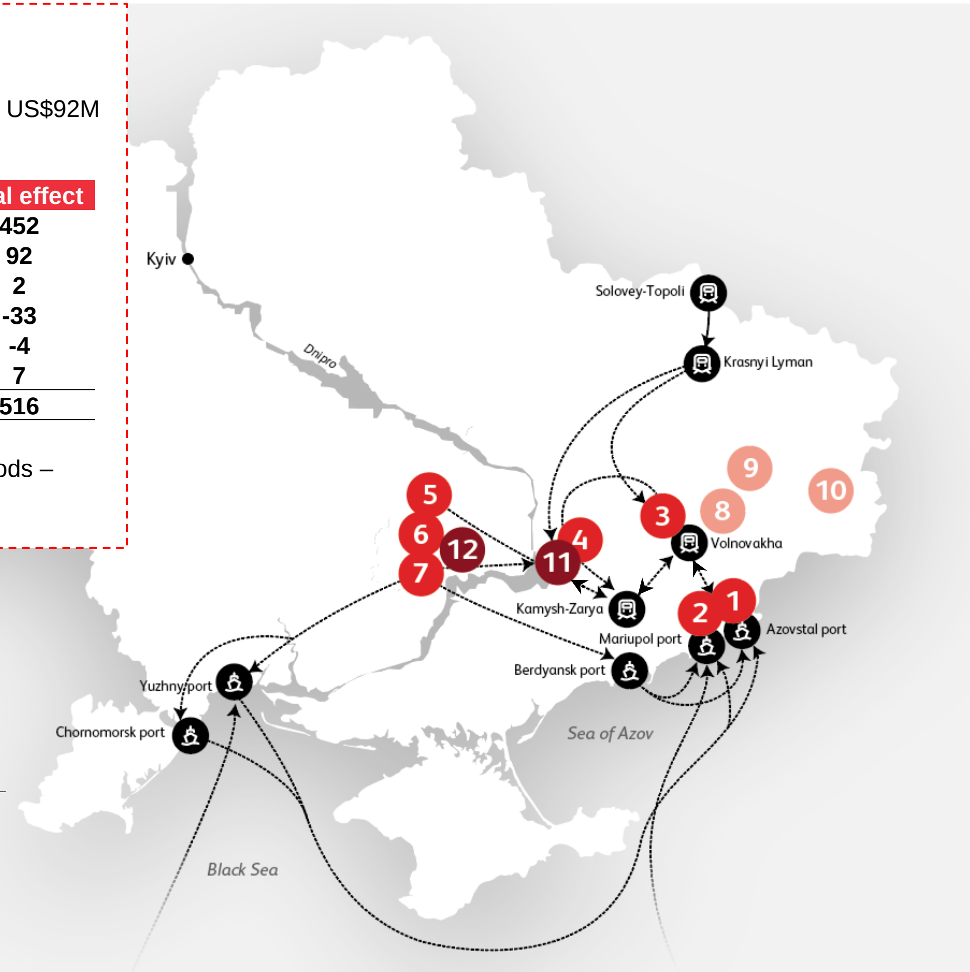


Impact of seized assets

- Key seized assets – Yenakiieve Steel, Krasnodon Coal, Khartsyzk Pipe
- Total estimated loss of operations at seized assets charged to 1H 2017 Consolidated Statement of Comprehensive Income – US$516M, of which US$92M affected EBITDA

US$M	Effect on PL	Effect on OCI*	Total effect
Property plant and equipment	247	205	**452**
Inventory	92	-	**92**
Intangible assets and goodwill	2	-	**2**
Retirement benefit obligations	-15	-18	**-33**
Other non-current liabilities	-4	-	**-4**
Investment in associate	7	-	**7**
Total effect	**329**	**187**	**516**

- Write-down of deferred tax arisen on accumulated tax losses of prior periods – US$20M



Map legend

- Operational assets
- Joint ventures
- Affected assets
- Logistic routes

Metinvest's Ukrainian operations

1. Azovstal
2. Ilyich Steel
3. Avdiivka Coke
4. Zaporizhia Coke
5. Northern GOK
6. Central GOK
7. Ingulets GOK
8. Khartsyzk Pipe
9. Yenakiieve Steel
10. Krasnodon Coal
11. Zaporizhstal (JV)
12. Southern GOK (JV)

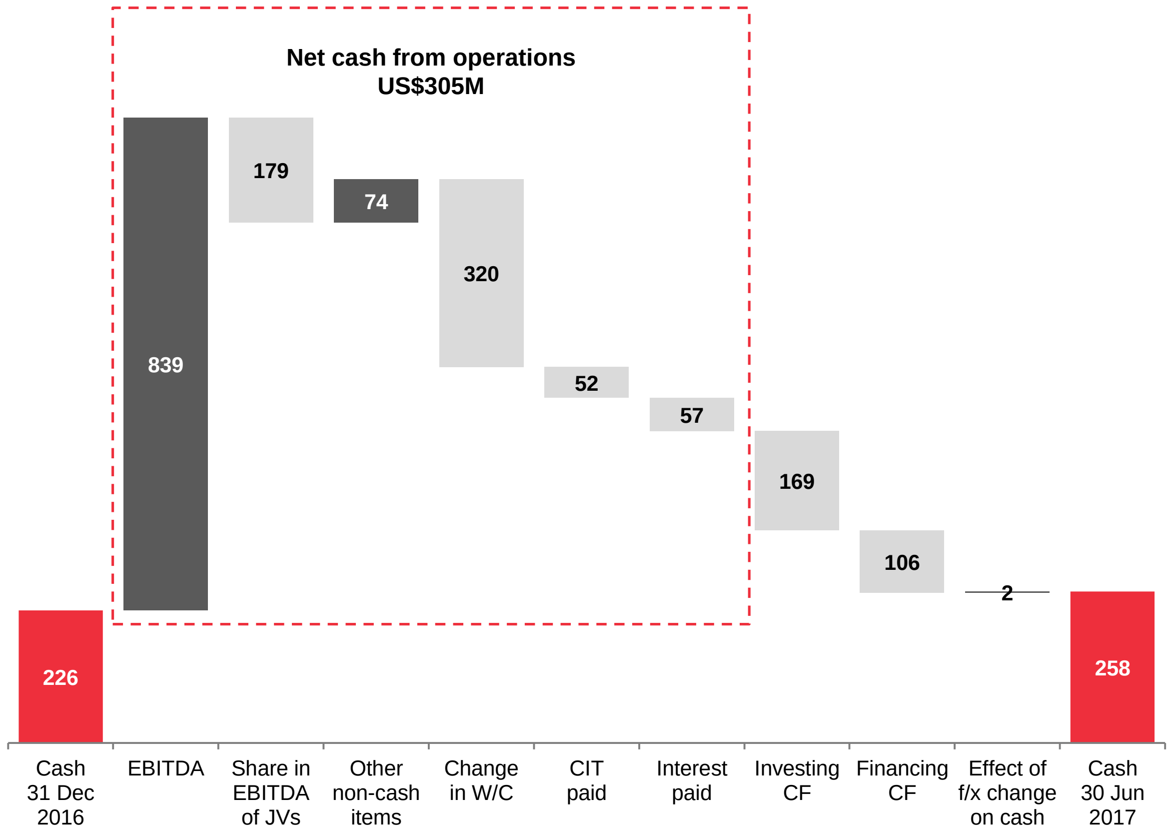
(*) Other Comprehensive Income

Cash flow

- Net cash from operating activities increased by 87% y-o-y to US$305M
- Working capital stabilised in May-June 2017 (+US$36M), but was affected in January-April 2017 (-US$356M) by the following factors:
  - iron ore overstock due to lower internal consumption following the loss of control over Yenakiieve Steel and the cessation of sales in Eastern Ukraine
  - an accumulation of purchased coal stocks to secure steel production following the seizure of Krasnodon Coal
  - higher trade receivables following selling price growth y-t-d, spare iron ore capacity and greater cash-covered letters of credit for seaborne coal purchases
- Interest paid includes US$21M of capitalised interest repaid via a cash sweep in January
- Financing cash outflow of US$106M, mainly due to repayment of seller notes (US$60M) and payments for loan commissions (US$36M)

Cash flow in 1H 2017

US$M



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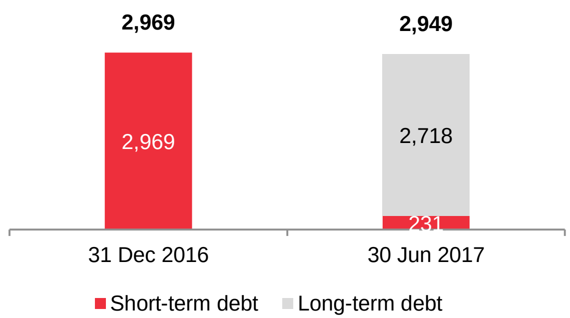
Debt profile

- In early 2017, 94% of the debt portfolio was restructured
- Debt maturity profile features
  - no fixed principal amortisation until 2019
  - partial coupon payment under bonds and PXF until 2019, unpaid interest is capitalised
  - capitalisation/repayment of capitalised interest under bonds via pool factor at par
  - shareholder loans payable only after bonds and PXF facility are repaid; interest is accrued but not capitalised
  - Seller notes are repaid via coal cash sweep, the remaining US$31M is expected to be repaid within the next 12 months
- Contingent interest payment
  - cash sweep c.US$9M paid on 18 Aug 2017
  - voluntary repayment of US$20M on 18 Sep 2017
- Following the successful restructuring, Metinvest's credit rating was upgraded by:
  - Fitch to 'B' ('stable' outlook), one notch higher than Ukraine's country ceiling
  - Moody's to 'Caa1' ('positive' outlook), capped by Ukraine's country ceiling
- As of 30 June 2017, total debt (incl. capitalised interest) was US$2,949M
- Net debt[1] to LTM EBITDA was 1.9x as of 30 June 2017 (5.8x as of 30 June 2016)

1. Net debt is calculated as the sum of bank loans, bonds, trade finance, seller notes and subordinated shareholder loans less cash and cash equivalents

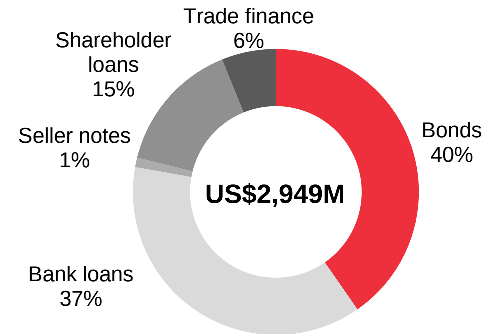
Total debt

US$M



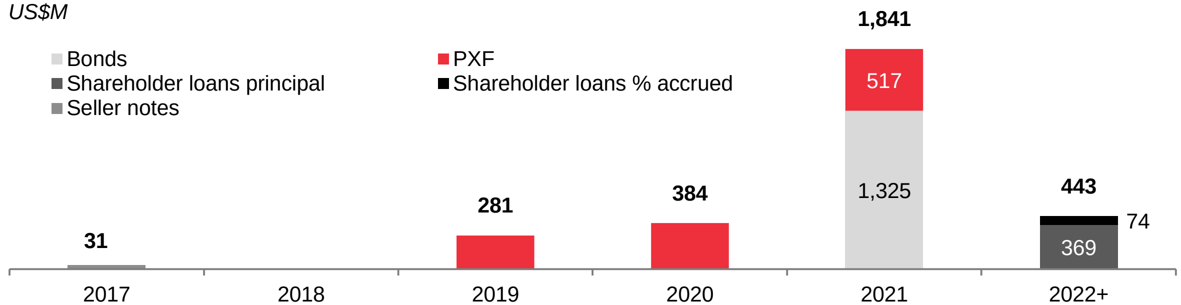
Total debt by instrument: 30 Jun 2017

US$M



Corporate debt maturity profile (assuming conservative case)*

US$M



(*) Assumptions:
1) Bonds (as of 18 Sep 2017): no cash sweep, all unpaid amounts to be capitalised, bullet repayment on 31 December 2021
2) PXF (as of 18 Sep 2017): no cash sweep, all unpaid amounts to be capitalised, quarterly fixed repayments and normalisation repayments (LIBOR is floored at 1.2283% pa) starting 2019, the remaining balance payable on 30 June 2021
3) Seller notes as of 30 Jun 2017
4) ECA facility and trade finance are not included as they were not part of the restructuring

Operational review

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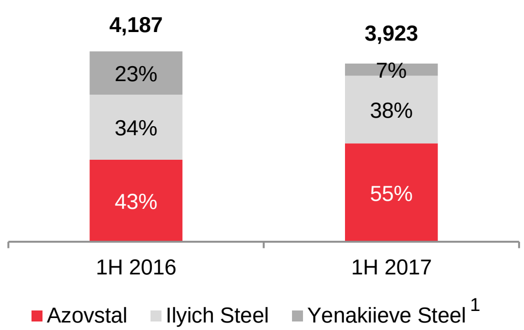
Metallurgical segment operations

- In 1H 2017, crude steel output decreased by 6% y-o-y to 3,923 kt, driven by:
  - a fall of 682 kt at Yenakiieve Steel due to the loss of control over the enterprise's operations from 15 March 2017
- A recovery in global steel prices spurred greater steel output at Azovstal (+20% y-o-y) and Ilyich Steel (+4% y-o-y) following major blast furnace overhauls

Crude steel production

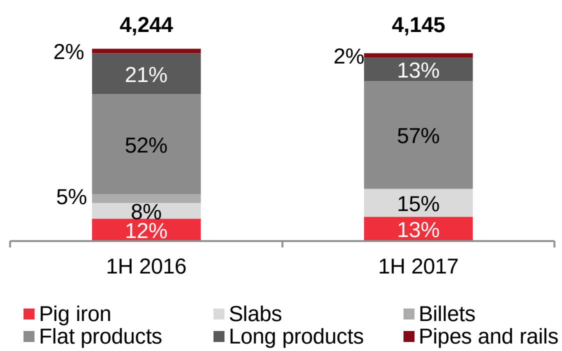
kt



- Steel product mix changed y-o-y:
  - flat product share reached 57% (+5 pp y-o-y) due to a rise in output of 7% y-o-y given the market rally
  - shares of slabs and pig iron reached 15% (+7 pp y-o-y) and 13% (+1 pp y-o-y) respectively, amid a rise in output at Azovstal and Ilyich Steel in response to strong demand
  - shares of square billets and long products fell to 0% (-5 pp y-o-y) and 13% (-8 pp y-o-y) respectively, due to a drop in output following the loss of control over Yenakiieve Steel

Output of merchant steel products

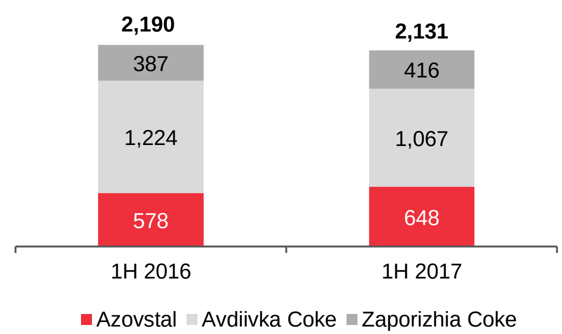
kt



- Coke[2] output dropped by 3% y-o-y, driven by:
  - a decline in production of 157 kt at Avdiivka Coke, as 2 of 4 coke shops were hot-mothballed in 1Q 2017 due to electricity supply disruptions
  - a rise in output of 70 kt at Azovstal amid stable coal deliveries
  - an increase in production of 28 kt at Zaporizhia Coke, as coking chambers of coke oven no. 2 were commissioned
- Metinvest covered 120%[3] of its coke needs with own production in 1H 2017

Coke production

kt



1. Seized in March 2017
2. Dry blast furnace coke output
3. Coke self-sufficiency is calculated as actual coke production divided by actual consumption of coke to produce hot metal in the Metallurgical segment. It excludes coke consumption by Yenakiieve Steel, which was seized in March 2017.

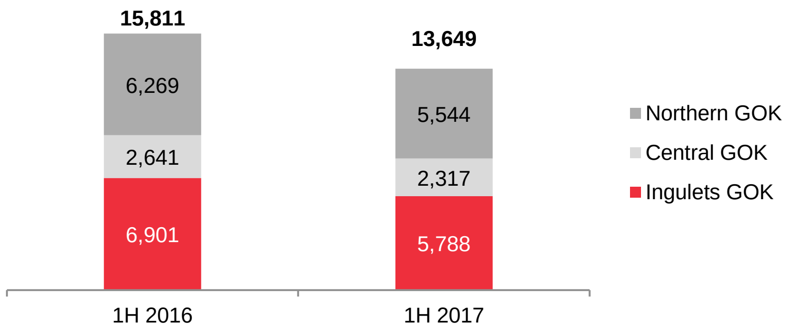
Mining segment operations

- In 1H 2017, overall production of iron ore concentrate dropped by 14% y-o-y to 13,649 kt due to a drive to catch up with overburden removal work, which fell amid the liquidity constraints in 2014 and 1H 2016
- In 2Q 2017, iron ore concentrate output increased by 4% q-o-q – for the first time since the end of 2015 – mainly due to the expansion of the heavy truck fleet at Northern GOK and Ingulets GOK
- Volume of merchant iron ore concentrate fell by 19% y-o-y to 5,163 kt, due to lower overall concentrate output
- Volume of merchant pellets decreased by 15% y-o-y to 2,588 kt, due to the cessation of shipments to customers in the non-government controlled territory of Ukraine and a shift in pricing in favour of concentrate, which offered higher margins in February-April 2017
- Iron ore self-sufficiency was 282%[1] in 1H 2017

- Coking coal concentrate production dropped by 8% y-o-y to 1,447 kt due to:
  - a fall in output of 193 kt at Krasnodon Coal[2] due to the loss of control over the enterprise's operations from 15 March 2017
  - an increase in production of 60 kt at United Coal to cover intragroup needs amid greater output at the Wellmore, Carter Roag and Pocahontas mines
- Some 41%[3] of Metinvest's coking coal needs were covered by own production in 1H 2017

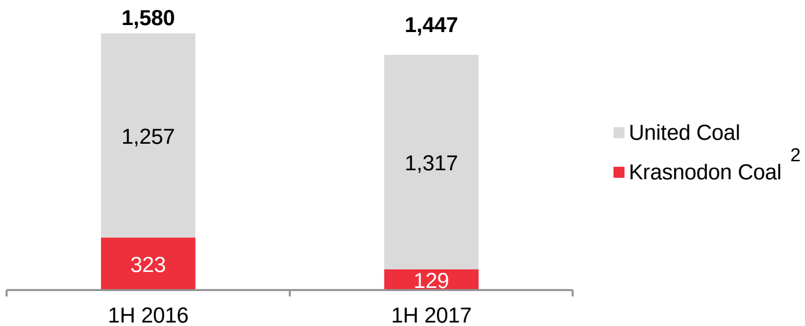
Iron ore concentrate production

kt



Coking coal production

kt



1. 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 segment. It excludes iron ore consumption by Yenakiieve Steel, which was seized in March 2017.
2. Seized in March 2017
3. 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. Coal consumption for PCI is included in the calculation. It excludes coal production by Krasnodon Coal and coke consumption by Yenakiieve Steel, both of which were seized in March 2017.

Metallurgical segment financials

- Metallurgical revenues rose by US$875M y-o-y, mainly impacted by:
  - higher selling prices for steel products, which followed global benchmarks
  - greater demand on key markets
- Sales by region changed y-o-y:
  - higher share of CIS (+1 pp), due to greater sales of flat products
  - higher share of North America (+3 pp), amid greater sales volumes of pig iron and flat products
  - higher share of Southeast Asia (+1 pp), driven by higher sales of slabs and flat products
  - lower shares of Europe (-4 pp) and MENA (-1 pp), following reduced sales of pig iron, square billets, flat and long products
- Sales mix changed following the seizure of Yenakiieve Steel:
  - higher shares of pig iron (+1 pp), slabs (+3 pp) and flat products (+3 pp)
  - lower shares of square billets (-2 pp) and long products (-6 pp)
- Top five steel customers accounted for 15% of segment's revenues
- 1H 2017 Metallurgical EBITDA includes US$81M for impairment of assets seized in March

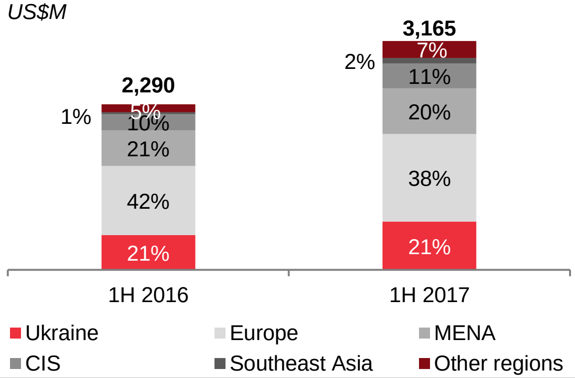
Segment financials

US$M	1H 2017	1H 2016	Change
Sales (total)	**3,193**	**2,328**	**37%**
Sales (external)	**3,165**	**2,290**	**38%**
% of Group total	*81%*	*80%*	*+1 pp*
EBITDA	**205**	**401**	**-49%**
% of Group total[1]	*22%*	*61%*	*-39 pp*
margin	*6%*	*17%*	*-11 pp*
CAPEX	**71**	**61**	**16%**

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

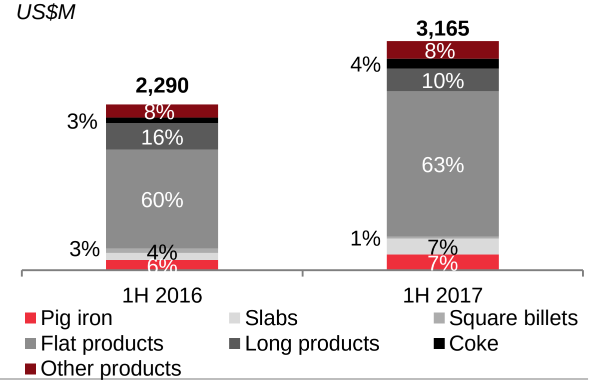
Sales by region

US$M



Sales by product

US$M



Mining segment financials

- Mining revenues increased by US$158M y-o-y, driven mainly by higher iron ore and coal selling prices, in line with global benchmarks
- Sales by region changed y-o-y:
  - lower share of Ukraine (-1 pp), due to lower sales of iron ore products (-2,040 kt)
  - higher share of Europe (+22 pp), amid greater demand for iron ore products (+1,370 kt) and market premiums, which reduced remaining available volumes and resulted in a lower share of Southeast Asia (-13 pp)
  - lower share of North America (-7 pp) amid decreased external sales of coking coal concentrate
- Top five iron ore customers accounted for 69% of segmental sales
- 1H 2017 Mining EBITDA includes US$11M for impairment of assets seized in March

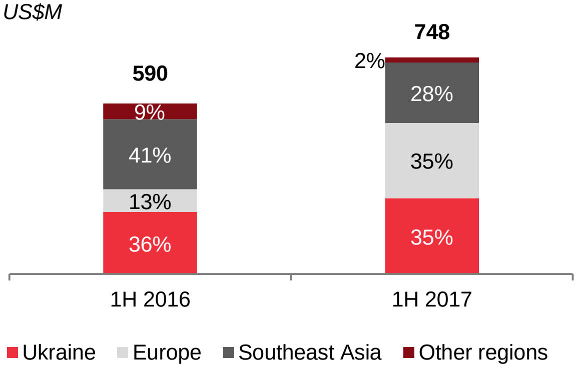
Segment financials

US$M	1H 2017	1H 2016	Change
Sales (total)	**1,789**	**987**	**81%**
Sales (external)	**748**	**590**	**27%**
% of Group total	*19%*	*20%*	*-1 pp*
EBITDA	**729**	**255**	**>100%**
% of Group total[1]	*78%*	*39%*	*+39 pp*
margin	*41%*	*26%*	*+15 pp*
CAPEX	**117**	**53**	**>100%**

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

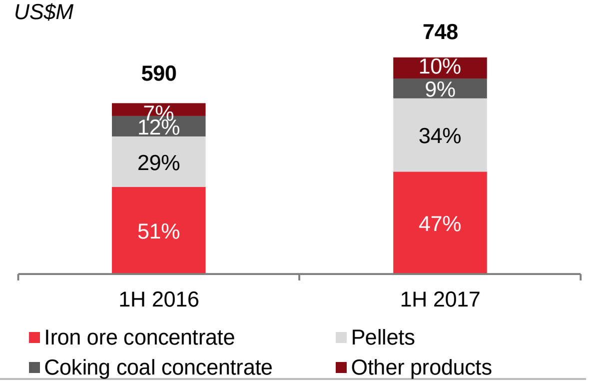
Sales by region

US$M



Sales by product

US$M



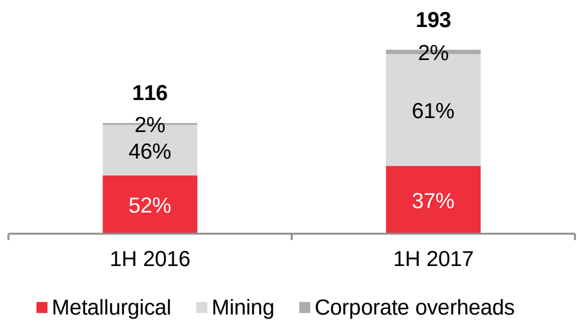
Capital expenditure

Capital expenditure

- In 1H 2017, CAPEX increased by 66% y-o-y to US$193M
- CAPEX is capped at US$636M in 2017 and US$651M in 2018 by restructuring terms
- Metinvest is reviewing its Technological Strategy 2030, focusing on:
  - Steel
    - increase steel production capacity at Azovstal and Ilyich Steel to 11 mt/y by implementing numerous projects, including major overhauls of BFs and construction of new CCMs
    - focus on downstream to increase share of high value-added products (mainly flat, sections and rails)
    - improve production cost efficiency
  - Iron ore
    - pursue quality over quantity strategy
    - increase Fe content and enhance key mechanical characteristics of iron ore products to penetrate premium markets
    - maintain low-cost position

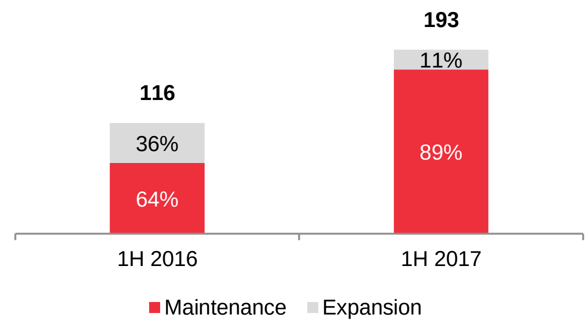
CAPEX by segment

US$M



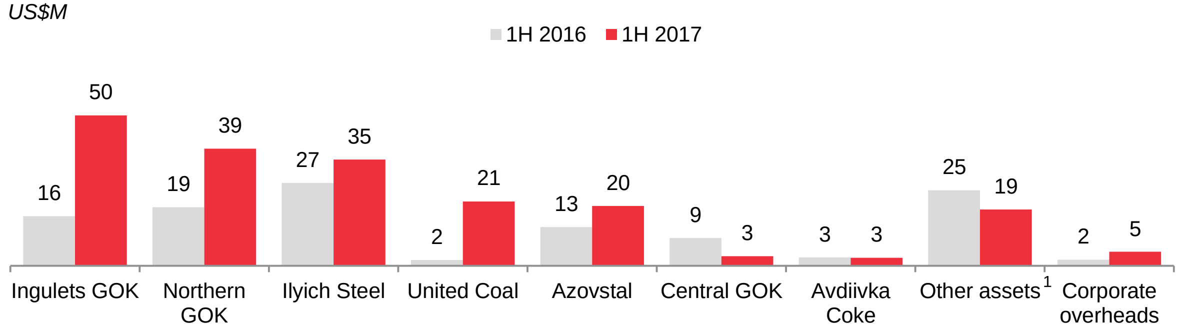
CAPEX by purpose

US$M



CAPEX by key asset

US$M



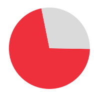
1. Includes CAPEX of assets seized in March 2017

Strategic CAPEX projects in 2017

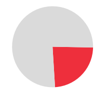
No	Project	Asset	Description	Status
1	Construction of pulverised coal injection (PCI) facilities	Azovstal	Eliminate the need for natural gas in the production process and use coke more efficiently	PCI injection into BF no. 4 started in November 2016. Construction work at BF no. 2 started in December 2016. PCI injection started in September 2017. Next step: BF no. 3
2	Major overhaul of blast furnace (BF) no. 3	Azovstal	Increase hot metal production capacity by 0.5-0.8 mt/y to 1.3-1.6 mt/y, and reduce production cost by decreasing consumption of coke and coke nuts	Final investment decision was made in July 2017, and active stage of construction started. Launch is expected in 3Q 2018
3	Construction of continuous casting machine no. 4	Ilyich Steel	Boost slab casting capacity to 4 mt/y, improve product quality, decrease costs and reduce environmental impact	Active stage of construction started in September 2016 and launch is expected in 4Q 2018
4	Reconstruction of 1700 hot strip mill	Ilyich Steel	Increase hot strip mill capacity, improve the quality of steel surface and reduce the process waste during slab production	Basic engineering development started in 3Q 2017. Commissioning is expected before 2020
5	Sinter plant reconstruction	Ilyich Steel	Comply with environmental requirements	Reconstruction is ongoing
6	Construction of crusher and conveyor system 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. The launch of the second facility for rock transportation is expected in 4Q 2018
7	Replacement of gas cleaning unit on Lurgi 552-B pelletising machine	Northern GOK	Comply with the maximum permissible concentrations of pollutants in the air and improve conditions in the workplace	Currently, 4 of 5 filters have been replaced. Filter no. 1 was replaced by May 2017. The launch of the last one – no. 5 – is expected in December 2017
8	Construction of crusher and conveyor system	Ingulets GOK	Reduce operational and capital expenditures in iron ore mining and maintain production volumes	Construction is ongoing on the Vostochny conveyor line only

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 10 iron ore producer in the world[2]
- Top 5 iron ore producer in the CIS[2]
- Long-life proven and probable iron ore reserves in Ukraine of 1,286 mt[3]
- More than fully self-sufficient in iron ore concentrate and pellets
- Captive long-life coal reserves of 122 mt[4] in the US
- Contribution to the Group's total EBITDA of 78%[5] in 1H 2017
- Sales outside Ukraine accounted for 65% of revenues in 1H 2017

Metallurgical segment

- Top 40 steel producer in the world[6]
- Top 10 steel producer in the CIS[6]
- Annual steelmaking capacity of 8.3 mt/y[7]
- Annual coke production capacity of 7 mt/y
- 42% share of HVA products in steel sales mix in 1H 2017
- Contribution to the Group's total EBITDA of 22%[5] in 1H 2017
- Sales outside Ukraine accounted for 79% of revenues in 1H 2017

1. As at 30 June 2017, 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 2016 production data
3. According to JORC methodologies, as at 1 January 2010 and adjusted for production of 580MT of reserves between 1 January 2010 and 30 June 2017. Ore reserves refer to the economically mineable part of mineral resources.
4. As at 31 December 2016, excluding reserves of Krasnodon Coal, whose assets were seized in March 2017
5. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations
6. World Steel Association 2016 ranking based on tonnage
7. Metinvest's annual steel capacity, excluding capacity of Zaporizhstal and excluding 2.7MT capacity of Yenakiieve Steel, whose assets were seized in March 2017

Global presence

Operations

❶ Ukrainian operations

Azovstal
Ilyich Steel
Yenakiieve Steel[1]
Khartsyzk Pipe[1]
Avdiivka Coke
Zaporizhia Coke

Northern GOK
Central GOK
Ingulets GOK
Krasnodon Coal[1]

❷ Ferriera Valsider (Italy)
❸ Metinvest Trametal (Italy)
❹ Spartan UK (UK)
❺ Promet Steel (Bulgaria)
❻ United Coal (US)

Sales offices

1. China
2. Turkmenistan
3. United Arab Emirates
4. Russia (13 offices)
5. Lebanon
6. Ukraine (8 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 (2 offices)
21. Romania

1. Seized in March 2017

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–)

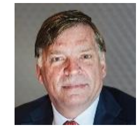
- Director of Metals and Mining business at SCM (2009-2015)
- Director of Strategy and Investments at Clever Management (2008-2009)
- Engagement Manager at McKinsey and Company (2003-2008)
- MBA from Georgetown University (US)

Damir Akhmetov

Class A Member

(2014–)

- Chairman at SCM Advisors (UK) Limited (2013–)
- Member of supervisory boards of several companies in DTEK Group (2011–)
- MSc in Finance from City University (UK)

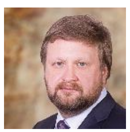


Christiaan Norval

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–)

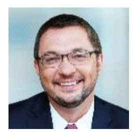
- CEO at Smart-Holding (2015–)
- Chairman of the Supervisory Board at Smart-Holding (2014-2015)
- CEO at Smart-Holding (2008-2014)
- Deputy CEO at Severstal (2004-2006)
- CEO at Izhora Pipe Plant, Severstal (2002-2004)
- MBA from Northumbria University (UK)

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)

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 –)

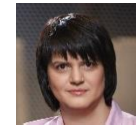
- Metallurgical Division Director (2011-2016)
- Director of Steel and Rolled Products division (2010-2011)
- COO at Severstal International (2008-2010)
- Executive positions at Severstal (1991-2008)
- MBA from Northumbria University (UK)

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–)

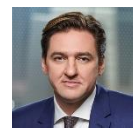
- CIO at DTEK (2009-2016)
- Deputy Finance Director for IT at DTEK (2007-2009)
- Head of the Information Technology Department at Dniprospetsstal (2006-2007)
- MBA from London School of Business (UK)
- MBA from Kyiv-Mohyla Business School (Ukraine)

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

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 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 Metinvest operates 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, moving/rotating equipment and other hazardous production factors ▪ 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 the 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 the sustainable development of regions
Results in 1H 2017	▪ Over US$36M was spent on health and safety ▪ Provided extensive HSE training for over 3,713 managers and supervisors ▪ Conducted 124,828 audits and identified 173,692 safety issues, which were addressed swiftly ▪ Conducted 143 HAZIDs and 5 HAZOPs at subsidiaries, and developed 8,662 recommendations to reduce risks to an acceptable level	▪ More than US$90M was spent on environmental safety (including both capital and operational improvements) ▪ Progress on key environmental projects ○ reconstruction of sinter plant no. 1 at Ilyich Steel ○ major overhaul of gas-cleaning equipment of BOF no. 2 at Azovstal ○ replacement of gas-cleaning equipment of Lurgi 552-B pelletising machine at Northern GOK	▪ Invested around US$4M to support communities in cities where Metinvest operates ▪ Selected and implemented 4 community projects under the “We Improve the City” initiative and 21 projects of the “100 Yards” initiative ▪ Held around 400 environmental events as part of “Green Centre” in Mariupol and Kryvyi Rih

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!

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