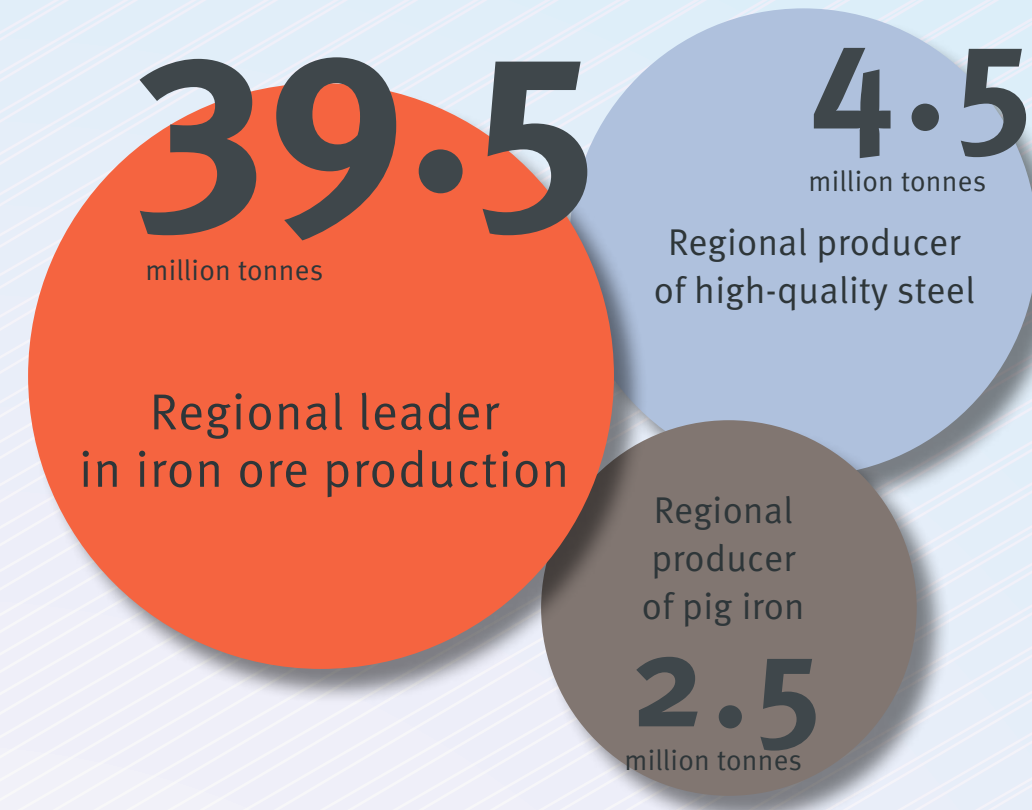


1 COMPANY PROFILE

METALLOINVEST IS A GLOBAL LEADER IN MERCHANT HOT BRIQUETTED IRON (HBI) PRODUCTION, A MAJOR PRODUCER AND SUPPLIER OF IRON ORE AND METALLISED PRODUCTS, AND A REGIONAL PRODUCER OF HIGH-QUALITY STEEL.

METALLOINVEST HAS A DIVERSIFIED PORTFOLIO OF HIGH VALUE-ADDED PRODUCTS, ENSURING ITS MARKET LEADING POSITION IN LOCAL AND GLOBAL MARKETS.



No. 1
producer of merchant HBI/DRI globally

5.4 million tonnes produced in 2015

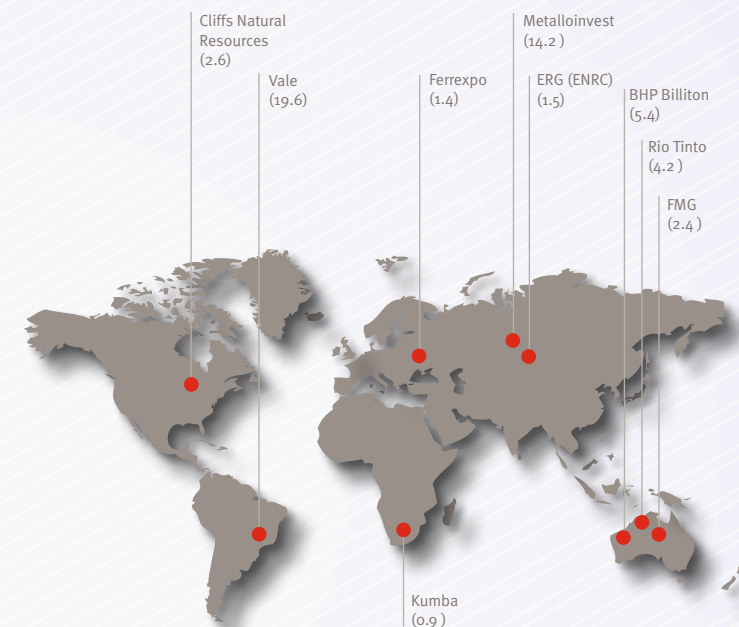
No. 2
by iron ore reserves globally

(proven iron ore reserves)
14.2 billion tonnes
~150 years of operating lifetime

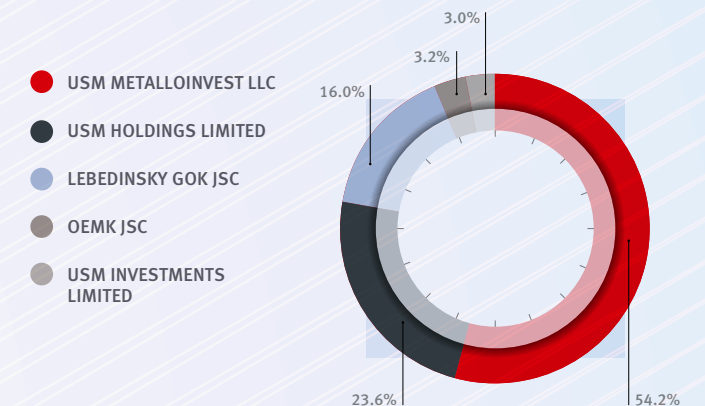
No. 3
producer of iron ore pellets globally

23.8 million tonnes produced in 2015

GLOBAL IRON ORE RESERVES IN 2015, BN T



SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2015



» For more details on shareholder structure, see the section Information for investors (p.84)

STRUCTURE OF HOLDING COMPANY METALLOINVEST IN 2015³

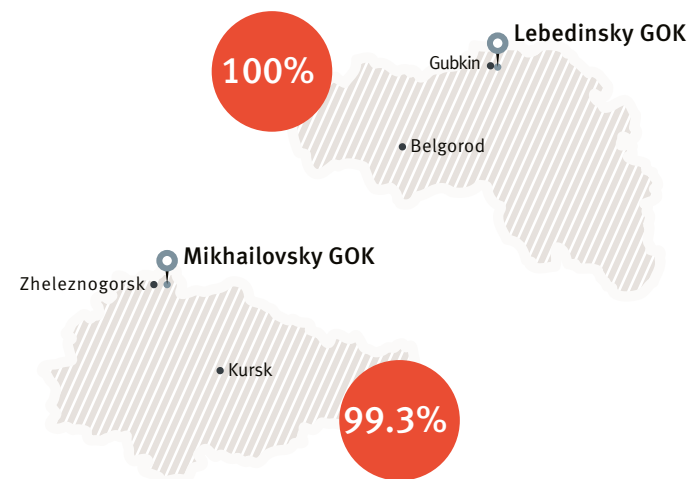
Holding Company Metalloinvest

Management Company Metalloinvest

Mining segment

Russia's largest ore mining and processing enterprises by iron ore, concentrate and pellet volumes. Lebedinsky GOK is the only HBI producer in Russia and the CIS.

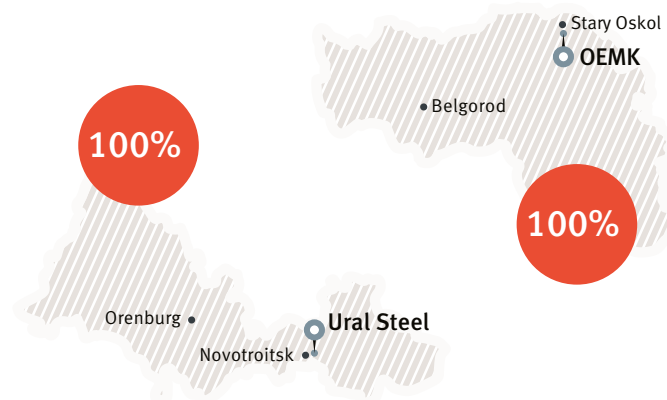
- Lebedinsky GOK JSC
- Mikhailovsky GOK OJSC



Steel segment

OEMK and Ural Steel are major producers of steel products for niche markets in Russia, offering over 2.000 steel grades. Ural Scrap Company is a modern ferrous scrap metal processing enterprise.

- OEMK JSC
- Ural Steel JSC
- Ural Scrap Company LLC



Auxiliary business and other assets

These companies are responsible for supplying maintenance services and raw materials to the mining and steel-making facilities, as well as to the auxiliary assets.

- Metalloinvest Trading AG – 100%
- Metalloinvest Logistics DWC LLC – 100%
- The Urban Institute of Steel Plant Design (Gipromez) – 100%
- Metalloinvest Leasing JSC
- Nautilus Minerals Inc. – 20.9%
- Hamriyah Steel FZC (UAE) – 80%
- Norilsk Nickel (3.2% stake)

Key events during the reporting period

The Company

STRATEGY 2023

Metalloinvest presented Strategy 2023, an updated development strategy. It is focused on pursuing greater shareholder value, higher sales margins, improved operating and management efficiency, as well as increased investment attractiveness.

FITCH – "BB", MOODY'S – "BA2", STANDARD & POOR'S – "BB"

The Company's long-term ratings were affirmed by Fitch ("BB", stable outlook), Moody's ("Ba2", stable outlook) and Standard & Poor's ("BB", outlook revised from stable to negative due to increasing uncertainty stemming from lower iron ore prices, higher country risk and limited access of Russian corporates to capital markets).

"BBB+"

China's Dagong Global Credit Rating Co. assigned the Company a "BBB+" long-term issuer credit rating in local and foreign currencies with a stable outlook.

2 MILLION TONNES SUPPLY CONTRACT

Metalloinvest and ArcelorMittal signed a contract to supply iron ore to ArcelorMittal's European operations. As agreed by the parties, the total amount of iron ore products to be delivered by April 2016 is over 2 million tonnes.



Metalloinvest and EVRAZ signed a five-year formula-based agreement for the delivery of steel grinding balls. The products will be supplied to Mikhailovsky GOK, Lebedinsky GOK and OEMK.



Metalloinvest and SAP CIS announced the launch of a business transformation programme whereby a SAP-based integrated corporate management system will be introduced in the Company. The contract was signed at the 2015 St Petersburg International Economic Forum (SPIEF).



Ural Steel celebrated its 60th anniversary.

³ Company structure as at 31 December 2015.



Production and upgrades

+ 5 MILLION TONNES OF PRODUCTION CAPACITY

Mikhailovsky GOK launched Pellet Plant No. 3, the largest such facility in Russia, with an annual capacity of 5 million tonnes of pellets.

» For more details, see p. 42

+ 0.5 MILLION TONNES OF PRODUCTION CAPACITY

Casting Machine No. 5 was commissioned at the blast furnace shop of Ural Steel. It will increase the Company's pig iron casting capacity by 0.5 million tonnes per year.

25 MILLION TONNES OF HBI

Lebedinsky GOK produced its landmark 25-millionth tonne of HBI. The plant produced its first iron ore briquettes in 2001.

SHAFT FURNACE

A shaft furnace was installed at Lebedinsky GOK's HBI-3 Plant, which is currently under construction. It will serve as the main component of the HBI production process.



Financial activities

LONG-TERM PRE-EXPORT FINANCING

Metalloinvest signed a USD 750 million long-term pre-export credit facility ("PXF") agreement with a syndicate of international banks. The PXF is divided into two tranches: USD 600 million five-year tranche with a two-year grace period and USD 150 million seven-year tranche with a five-year grace period.

CREDIT FACILITY OF UP TO EUR 267MN

A club of international banks provided the Company with credit facilities of up to EUR 267 million. The funds will be used to finance the purchase of equipment for the Company's HBI-3 investment project at Lebedinsky GOK. The agreement with the banks stipulates that the loans will be repaid within 10 years following the launch of HBI-3 Plant.

BO-01 SERIES BONDS

Metalloinvest issued BO-01 series bonds for a total amount of RUB 10 billion. The bonds have a maturity period of 10 years (3,640 days) and a put option in 6 years. The coupon rate was set at 11.85% to be paid every six months.

NEW LOAN MATURITY DATE

Metalloinvest and Rabobank signed an agreement to extend the maturity schedule of a USD 131 million loan. Under the agreement, repayment will now be due in April 2017–October 2018⁴.



Management systems

COMPLIANCE WITH INTERNATIONAL STANDARDS

Mikhailovsky GOK confirmed the compliance of its integrated quality and HSE management system with ISO 9001, OHSAS 18001 and ISO 14001 international standards. The audit was carried out by T V S D Management Service GmbH (Germany). The auditors observed no deviations and made no additional comments.

INSPECTION AUDIT OF LEBEDINSKY GOK

Lebedinsky GOK successfully passed an annual inspection audit of its environmental management system (EMS) for compliance with GOST R ISO 14001:2007 and MS ISO 14001:2004. The Company's EMS complies with international environmental standards.

LEBEDINSKY GOK COMPLIANCE WITH INTERNATIONAL STANDARD

Lebedinsky GOK successfully passed an inspection audit of its occupational health and safety management system for compliance with OHSAS 18001:2007 carried out by the British Standards Institution (BSI).

INSPECTION AUDIT OF URAL STEEL

Ural Steel confirmed the compliance of its integrated quality and HSE management system with ISO 9001, STO Gazprom 9001-2012, ISO 14001, OHSAS 18001 international standards. The comprehensive audit was carried out by Bureau Veritas Certification Rus and Pronap.



Sustainable development

SOCIAL AND ECONOMIC PARTNERSHIP PROGRAMMES

Metalloinvest signed social and economic partnership agreements for 2015 with the Kursk, Belgorod and Orenburg Regions.

CLIMATE ACTION PROGRAMME

Metalloinvest confirmed that it will take part in the international Climate Action Programme of the World Steel Association. Under this Programme, Metalloinvest collects, calculates and discloses annual data on greenhouse gas emissions (CO₂).

INVESTMENT PROJECT IMPLEMENTATION

OEMK launched an upgrade project at the second gas purification unit in the electric arc furnace shop.

PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS

Metalloinvest continues to support comprehensive programmes implemented in partnership with educational institutions in the regions where it operates and in Moscow. The Company is financing the construction of the main building of the Stary Oskol Technological Institute, a branch of the National University of Science and Technology MISiS. In addition, Metalloinvest awards monthly scholarships to the 12 best performing students from the Moscow State Institute of International Relations MGIMO.

10TH PERSON OF THE YEAR COMPETITION

In 2015, the 15 best employees from the Company's subsidiaries and business units were honoured and awarded generous bonuses.

DOBRO CONFERENCE

Metalloinvest co-organised the first Dobro Educational Conference for charitable foundations and non-profit organisations.

⁴ July 2015–October 2016 under the previous maturity schedule.



Awards

METALLOINVEST

- Winner of the 9th Russian Mining Excellence Awards in the Corporate Social Responsibility category;
- Runner-up in the overall rankings of the 8th annual Leaders in Corporate Charity international competition;
- Winner of the Russian Business Leaders: Dynamics and Responsibility 2014 national competition in the Environmental Responsibility category;
- Winner of the international Vision Awards Annual Report Competition (League of American Communications Professionals, USA);
- Winner of the prestigious WebAwards 2015 international competition (Web Marketing Association, USA); the Company's corporate website was among the top 25 global internet projects and won in two categories: B2B Standard of Excellence and Manufacturing Standard of Excellence. The Company's corporate website also won the Digital platform: B2B corporate website category at the 3rd annual Digital Communications AWARDS (Germany).

Enterprises

MIKHAILOVSKY GOK

Named the Most Environmentally Responsible Company in the Kursk Region at the 3rd Russian Industrial and Environmental Forum RosPromEco 2015.

URAL STEEL

- Winner of the Orenburg Quality Leader 2015 regional competition in the Stable Quality and High Level of Competitiveness category (in non-food products) for rolled steel used in bridge construction;
- Winner of the 12th Metals and Mining Companies with a High Level of Social Efficiency industrial competition in the Environmental Activity and Resource Conservation category.

OEMK

3rd place in the "Russian Organisation with Highly Effective CSR" regional competition in the "For contribution to solving social problems in local communities and corporate charity development" category.



Events after the reporting date*

BO-07 SERIES BONDS

Metalloinvest issued BO-07 series 10-year bonds for a total amount of RUB 5 billion with a coupon rate of 11.90% and an early redemption option for the issuer in 7 years.

STANDARD & POOR'S CREDIT RATING

Standard & Poor's affirmed the Company's long-term foreign and local currency ratings at BB with a negative outlook.

LONG-TERM PRE-EXPORT FINANCING

Metalloinvest signed a USD 400mn long-term pre-export credit facility ("PXF") agreement with a syndicate of international banks with an option to increase the amount up to USD 450 million. The PXF is divided into two tranches: USD 150 million five-year tranche with a three-year grace period and USD 250 million seven-year tranche with a five-year grace period. UniCredit Bank Austria AG and Sberbank of Russia acted as coordinators and mandated lead arrangers of the deal.

BO-02 AND BO-08 BONDS

Metalloinvest issued BO-02 and BO-08 series bonds totalling RUB 15 billion. The bonds have a maturity period of 10 years (3,640 days) and a put option exercisable in 5 years (1,820 days) at the bondholders' request.

WINNER OF THE RUSSIAN BUSINESS LEADERS: PERFORMANCE AND RESPONSIBILITY 2015 COMPETITION

Metalloinvest was victorious at the Russian Business Leaders: Performance and Responsibility 2015 nationwide contest, winning the "For contributions to solving regional social problems" category.

MOODY'S INVESTORS SERVICE CREDIT RATING

Moody's Investors Service affirmed the Company's corporate rating at Baa2 with a stable outlook.

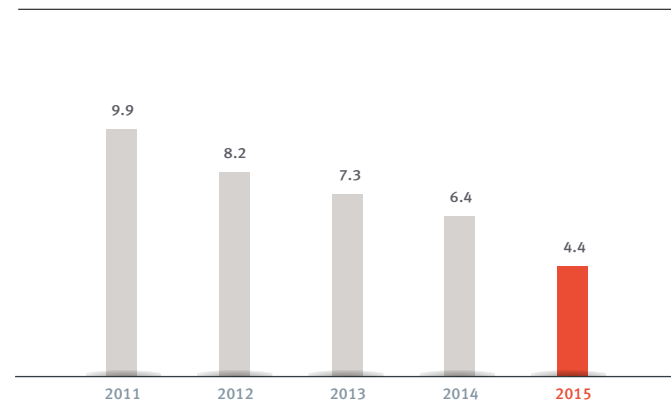
* from 1 January to 1 April 2016

Performance overview

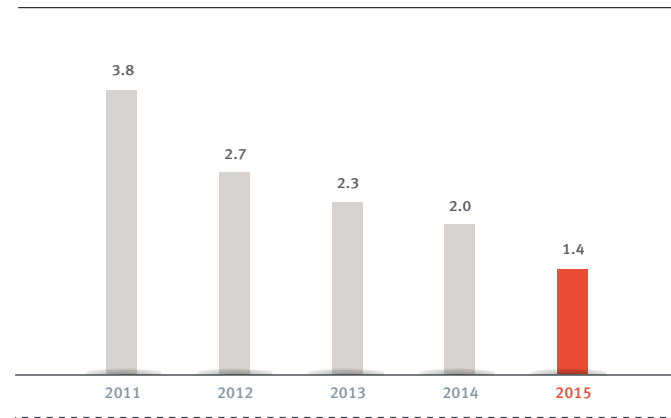


Financial highlights

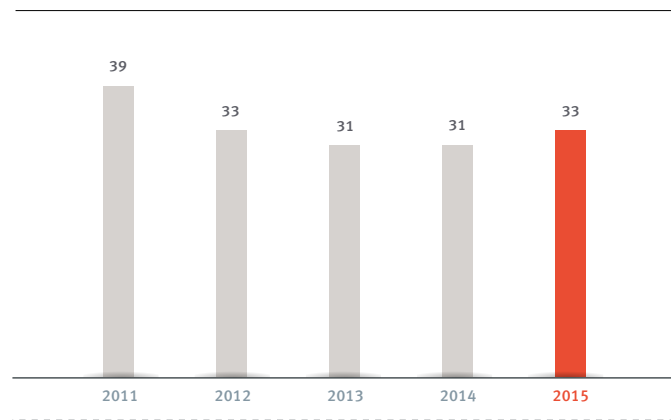
REVENUE, USD BILLION



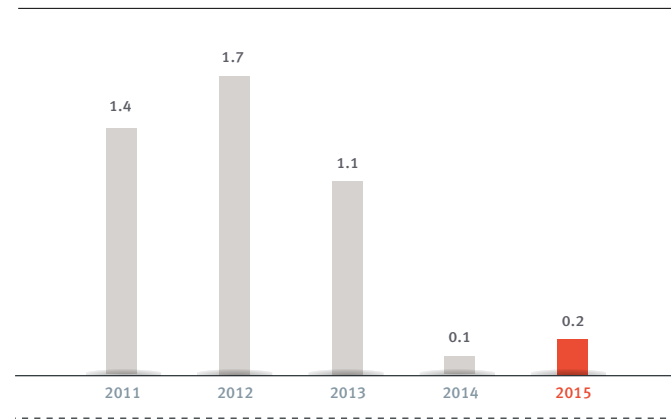
EBITDA, USD BILLION



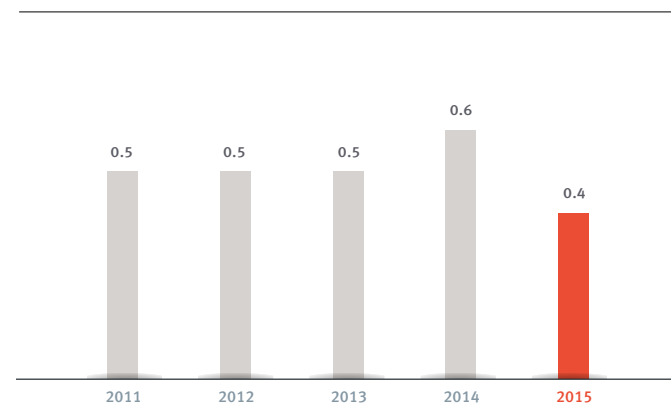
EBITDA MARGIN, %



NET INCOME, USD BILLION



CAPITAL EXPENDITURE, USD BILLION



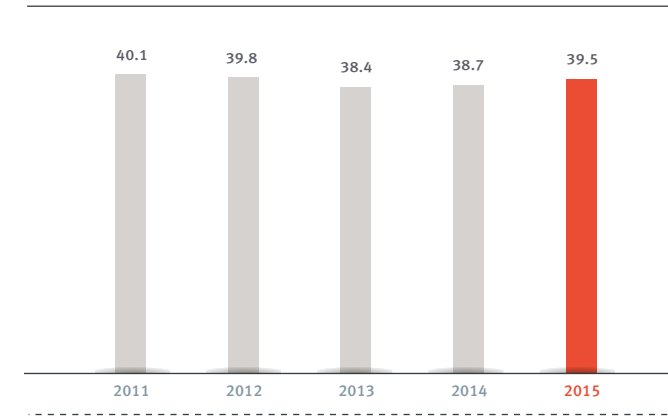
Ivan Streshinsky
Chairman of the Board of Directors

« In the challenging market environment, the Company's management focused on deleveraging and maintaining the EBITDA margin at the current level. In 2015, the Company exceeded its target and improved its EBITDA margin to 32.6%. »

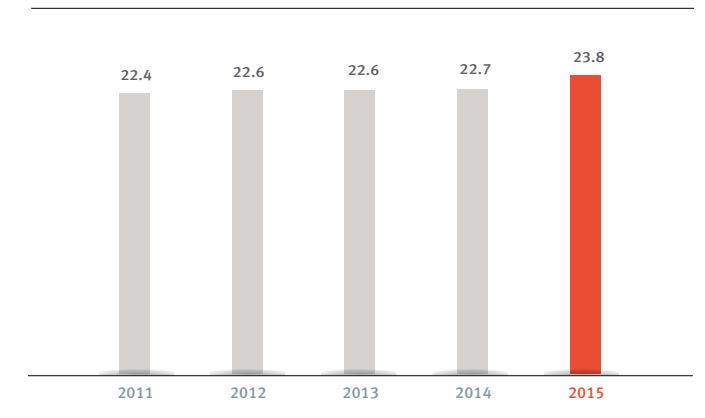


Operating highlights

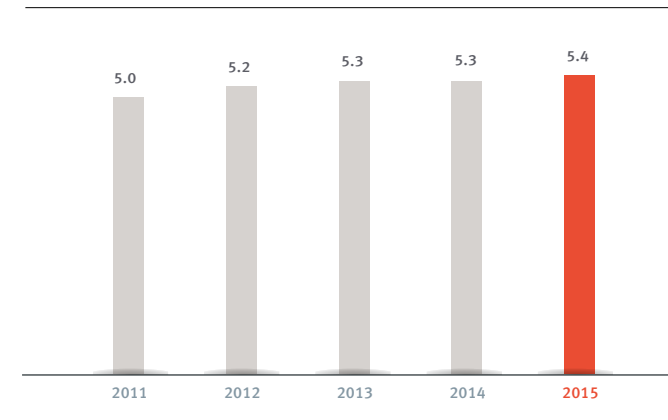
IRON ORE PRODUCTION (INCLUDING SINTERING ORE), MILLION TONNES



PELLET PRODUCTION, MILLION TONNES



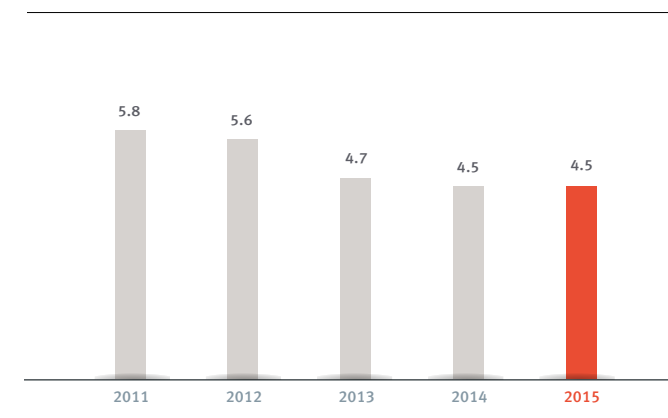
HBI/DRI PRODUCTION, MILLION TONNES



PIG IRON PRODUCTION, MILLION TONNES



CRUDE STEEL PRODUCTION, MILLION TONNES



Andrey Varichev
CEO

« When developing Strategy 2023, we factored in a possible decline in global iron ore prices. A sharp drop in ore prices in 2015 reaffirmed our strategic focus on high value-added products. »

Business model

METALLOINVEST — IS AN EFFICIENT MINING COMPANY WITH FULL-CYCLE PRODUCTION: FROM IRON ORE MINING AND PROCESSING TO PRODUCTION OF HIGH-QUALITY STEEL FOR A VARIETY OF INDUSTRIAL CONSUMERS BOTH IN RUSSIA AND ABROAD.

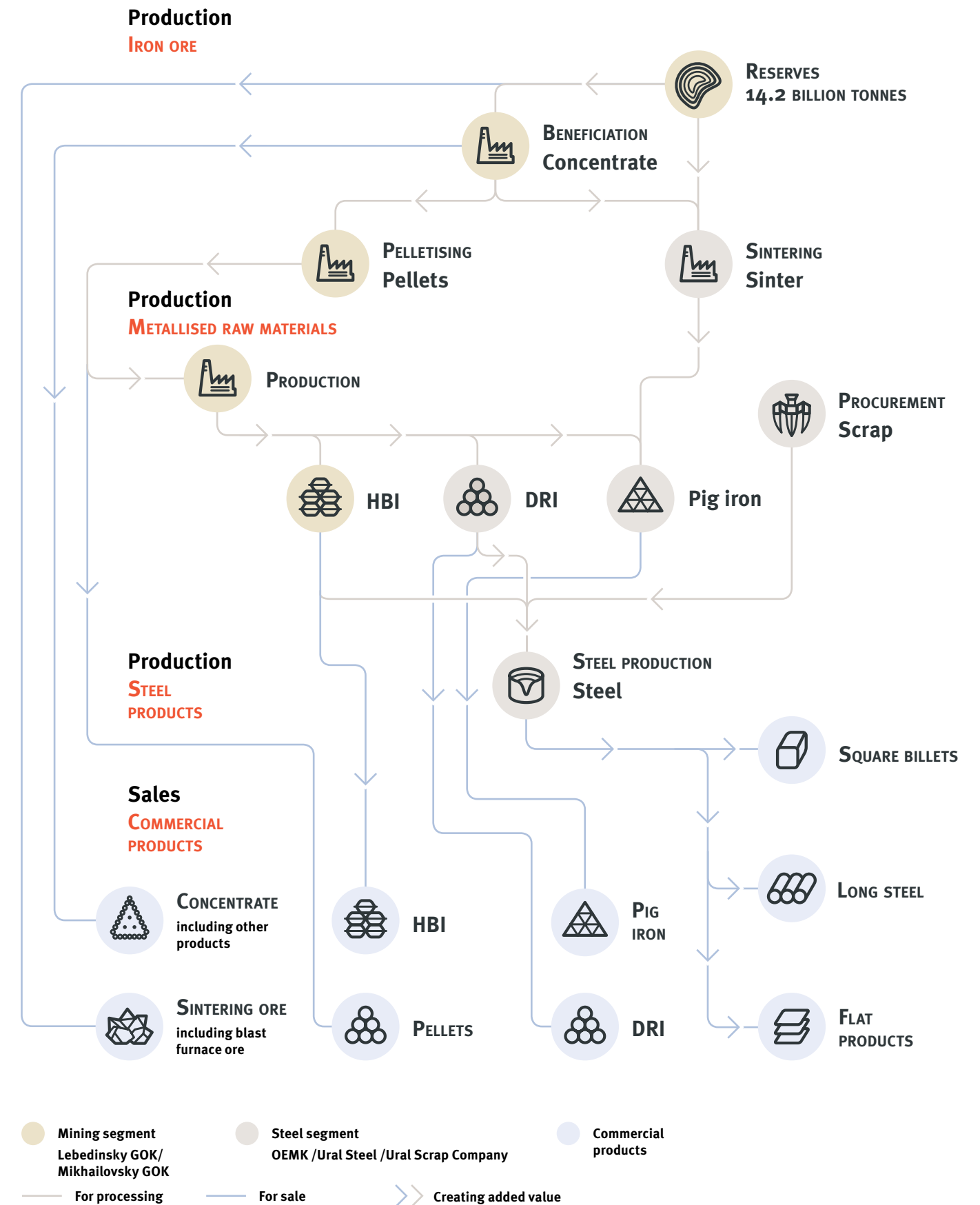
The Company's mining and processing plants develop the reserves of the unique Kursk Magnetic Anomaly, home to magnetite ores with an average iron content of 34–39%. The Company owns the world's second-largest proven iron ore JORC⁵ reserves – about 14.2 billion tonnes, which guarantees approximately 150 years of operation at current production levels. The iron ore concentrate is mostly processed into products with high added value, such as pellets and HBI/DRI shipped to third-party consumers or further processed at the Company's steel segment operations.

Metalloinvest's metallurgical plants produce pig iron and steel products, including long steel, pipe and metal billets, bridge and bearing steel, rail track and casting billets.

The combination of iron ore mining, processing into high added-value products and manufacture of advanced steel products give the Company a strong competitive edge. The Company's mining and processing facilities meet the needs of its steelmaking plants in iron ore and HBI/DRI.

Co-ordination of operations and centralised marketing and sales functions ensure effective cost control and management of volatility risks in the feedstock and steel markets.

A diversified sales system enables the Company to adjust promptly to customer demands and benefit from developments in the domestic and international markets.



⁵ Company data calculated as at 31 December 2015 based on Mineral Expert's Report by IMC Group Consulting Ltd. in 2010.

» For more details on global iron ore reserves, see p.34