



**MAGNITOGORSK  
IRON & STEEL  
WORKS**  
OPEN JOINT STOCK COMPANY

# Presentation of the OJSC MMK Group 1H 2009 IFRS Financial Statements



The presentation contains selected data from the financial statements of MMK Group.  
Detailed information is provided in the financial statements of the Group 1H 2009 prepared according to IFRS.

## MMK Group Operations and Income Statement

	2Q 2009	1Q 2009
Revenue	1,038	965
Operating profit / (loss)	17	(45)
Profit / (Loss) before income tax	48	(111)
Profit / (Loss) for the period	59	(110)
EBITDA*	207	99
<i>EBITDA margin</i>	19.9%	10.3%
<b>OJSC «MMK» Results</b>		
	2Q 2009	1Q 2009
Revenue	867	824
EBITDA*	200	160
<i>EBITDA margin</i>	23.1%	19.4%



\* EBITDA = Operating income +  
Depreciation of assets + Loss  
on disposal of fixed assets +/-  
Operations with affiliates

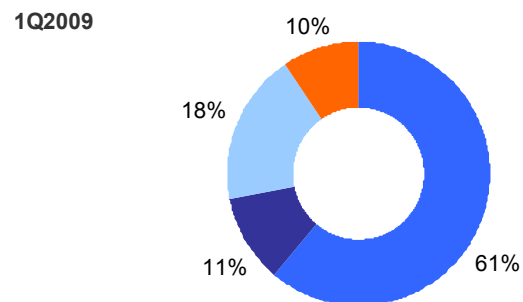
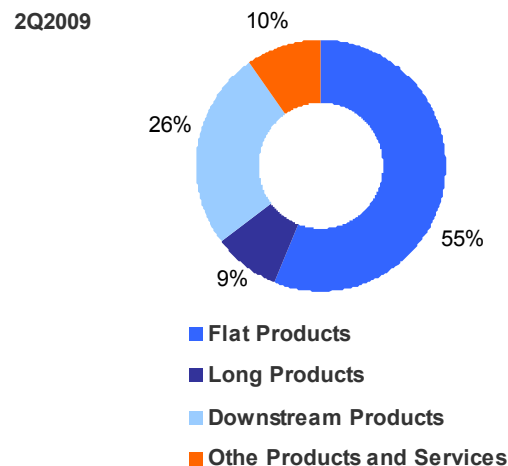
# MMK Group's Key Financial Indicators

## Proceeds by type of product

	2Q 2009	1Q 2009	Change %
Flat products	581	590	-1.5%
Long products	91	105	-13.3%
Downstream products	265	178	48.9%
Other products and services	101	92	9.8%
<b>Total proceeds</b>	<b>1,038</b>	<b>965</b>	<b>7.6%</b>



## Proceeds by type of product



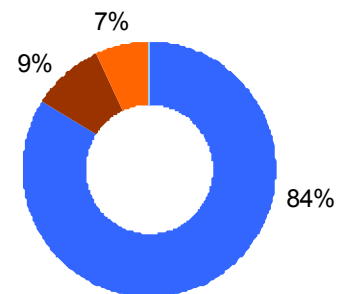
# MMK Group's Operating Costs' Structure

MMK Group's operating costs, mln USD

	2Q 2009	1Q 2009	Change, %
Cost of products sold	859	853	0.7%
Selling and distribution expenses	95	94	1.1%
General and administrative expenses	69	64	7.8%
Other operating income and loss	-2	-1	
<b>Total operating costs</b>	<b>1,023</b>	<b>1,010</b>	<b>1.3%</b>

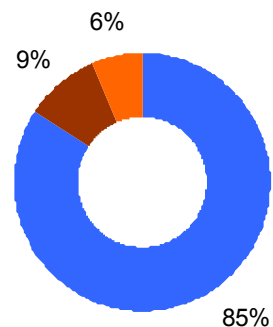
MMK Group's operating costs

2Q2009



- Cost of products sold
- Selling and distribution expenses
- General and administrative expenses
- Other operating income and loss

1Q2009



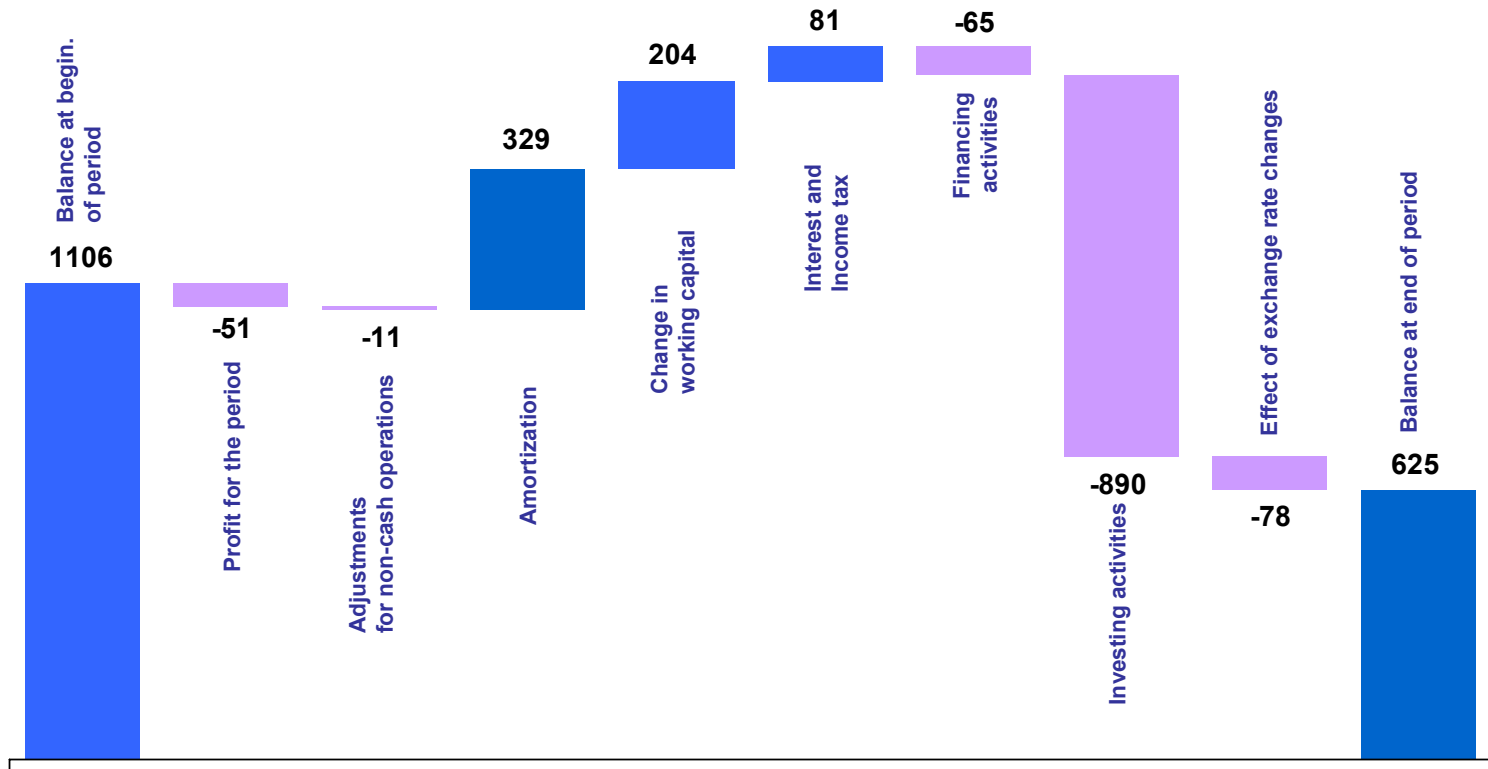
## MMK Group's Balance Sheet, USD m

	30.06.2009	31.12.2008	Изменение	%
<b>Non-current assets, incl.</b>	<b>10,497</b>	<b>10,569</b>	<b>-72</b>	<b>-0.7%</b>
<i>Property, plant and equipment</i>	<i>9,651</i>	<i>9,751</i>	<i>-100</i>	<i>-1.0%</i>
<i>Other non-current assets</i>	<i>846</i>	<i>818</i>	<i>28</i>	<i>3.4%</i>
<b>Current assets, incl.</b>	<b>2,571</b>	<b>3,628</b>	<b>-1,057</b>	<b>-29.1%</b>
<i>Inventories</i>	<i>646</i>	<i>996</i>	<i>-350</i>	<i>-35.1%</i>
<i>Trade and other receivables</i>	<i>835</i>	<i>991</i>	<i>-156</i>	<i>-15.7%</i>
<i>Bank deposits</i>	<i>141</i>	<i>17</i>	<i>124</i>	<i>729.4%</i>
<i>Investments in securities and other financial assets</i>	<i>161</i>	<i>121</i>	<i>40</i>	<i>33.1%</i>
<i>Cash and cash equivalents</i>	<i>625</i>	<i>1,106</i>	<i>-481</i>	<i>-43.5%</i>
<i>Other receivables and current assets</i>	<i>163</i>	<i>397</i>	<i>-234</i>	<i>-58.9%</i>
<b>Total assets</b>	<b>13,068</b>	<b>14,197</b>	<b>-1,129</b>	<b>-8.0%</b>
<b>Equity attributable to shareholders of the parent company</b>	<b>9,246</b>	<b>9,663</b>	<b>-417</b>	<b>-4.3%</b>
<b>Minority interest</b>	<b>178</b>	<b>189</b>	<b>-11</b>	<b>-5.8%</b>
<b>Non-current liabilities, incl.</b>	<b>1,945</b>	<b>1,705</b>	<b>240</b>	<b>14.1%</b>
<i>Long-term borrowings and obligations under financial lease</i>	<i>725</i>	<i>431</i>	<i>294</i>	<i>68.2%</i>
<i>Other non-current liabilities</i>	<i>1,220</i>	<i>1,274</i>	<i>-54</i>	<i>-4.2%</i>
<b>Current liabilities, incl.</b>	<b>1,699</b>	<b>2,640</b>	<b>-941</b>	<b>-35.6%</b>
<i>Accounts payables</i>	<i>771</i>	<i>1,321</i>	<i>-550</i>	<i>-41.6%</i>
<i>Short-term borrowings and current portion of long-term borrowings</i>	<i>906</i>	<i>1,295</i>	<i>-389</i>	<i>-30.0%</i>
<i>Other current liabilities</i>	<i>22</i>	<i>24</i>	<i>-2</i>	<i>-8.3%</i>
<b>Total liabilities</b>	<b>3,644</b>	<b>4,345</b>	<b>-701</b>	<b>-16.1%</b>
<b>Total equity and liabilities</b>	<b>13,068</b>	<b>14,197</b>	<b>-1,129</b>	<b>-8.0%</b>



# MMK Group's Cash Flows

Change of cash balance during the 1H2009, USD m





## OJSC MMK's Key Production Indicators

thousand tons

Description	2Q 2009	1Q 2009	Change
6% humidity coke	1,115	908	207
Pig iron	2,006	1,592	414
Crude steel	2,159	2,070	89



## Historical Structure of OJSC MMK's commercial products' mix

thousand tons

Description	2Q 2009	1Q 2009	Change
Billets and slabs	0	0	0
Long products	261	256	5
Flat products	1,369	1,448	-79
Downstream products	290	213	77
<b>Commercial products</b>	<b>1,919</b>	<b>1,917</b>	<b>2</b>

