OJSC “MAGNITOGORSK IRON AND STEEL WORKS” (“MMK”)

Announces its consolidated financial statements under IFRS for 12M and Q4 2010

SOLID RESULTS IN 12M AND Q4 2010:

- MMK Group 2010 sales amounted to USD 7,719 mln, exceeding 2009 level by 52%.
- 2010 EBITDA reached USD 1,606 mln, which is 23% higher compared to 2009.
- 2010 EBITDA margin at 21%.
- Profit for the period for 2010 amounted to USD 232 mln, which is 6% higher y-o-y.
- Share of MMK Group higher value added (HVA steel) products grew to 34% in 2010 from 27% in 2009.
- MMK Group Q4 2010 sales reached USD 1,944 mln, 5% lower q-o-q.
- Despite the sales decrease MMK Group Q4 2010 EBITDA grew by 5% q-o-q to reach USD 407 mln.
- Q4 2010 EBITDA margin grew by 2 percentage points q-o-q to amount to 21%.
- Q4 2010 profit for the period stood at USD 42 mln which is almost flat q-o-q.

MMK CFO Oleg Fedonin noted: “The results reached in 2010 highlight the efficiency of the company’s strategy to
increase its domestic sales by means of introducing new products and replacing imports. We observe growing demand
for MMK products from our key clients and from traditional regions of our presence in Russia. This makes us certain of
the steel products output growth outperforming average consumption growth rate. We passed over the peak of
investments under our intensive CAPEX programme in 2010. Thus the 45% production growth by 2012 has been
almost fully paid for”.

HIGHLIGHTS OF MMK GROUP CONSOLIDATED INCOME STATEMENT (USD MLN)

<table>
<thead>
<tr>
<th></th>
<th>12M 2010</th>
<th>12M 2009</th>
<th>+/-</th>
<th>4Q 2010</th>
<th>3Q 2010</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7,719</td>
<td>5,081</td>
<td>52%</td>
<td>1,944</td>
<td>2,055</td>
<td>-5%</td>
</tr>
<tr>
<td>EBITDA *</td>
<td>1,606</td>
<td>1,309</td>
<td>23%</td>
<td>407</td>
<td>388</td>
<td>5%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>21%</td>
<td>26%</td>
<td>-</td>
<td>21%</td>
<td>19%</td>
<td>-</td>
</tr>
<tr>
<td>Profit for period</td>
<td>232</td>
<td>219</td>
<td>6%</td>
<td>42</td>
<td>43</td>
<td>-2%</td>
</tr>
</tbody>
</table>

* EBITDA calculation is presented in Notes to Consolidated Financial Statements

- Sales growth in 2010 was driven by 17% production growth as well as by mastering new products
types and increased demand from MMK’s clients in the domestic market.
- MMK average price for 2010 stood at USD 627 which is 32% higher y-o-y due to growing share of
higher value added (HVA) steel products.
- Cash cost of slab in 2010 stood at USD 340.
- MMK Q4 2010 sales went down by 5% mostly due to steel products shipments decrease (by 6%) at
the end of the year following export markets weakening.
- At the same time Q4 2010 average steel price continued its growth and amounted to USD 664 vs.
USD 632 in Q3 2010. This factor, as well as increased shipments to the domestic market gave Q4
2010 EBITDA of USD 407 mln, taking EBITDA margin to 21%.
- Q4 2010 cash cost of slab stayed flat q-o-q at USD 362. Insignificant costs increase (mainly due to
wages growth and raw materials prices increase) was offset by increased consumption of raw
materials from captive sources.

The company has been efficient in controlling its costs, setting off input costs increase by growing self-
sufficiency in iron ore, coal and electricity, as well as by decreasing consumption ratios.
**Balance sheet highlights**

- Total assets as of Dec 31, 2010 grew by 12.7% compared to Dec 31, 2009 and amounted to USD 16,738 mln.
- PP&E grew by 8.3% from Dec 31, 2009 and amounted to USD 12,226 mln by the end of 2010.
- The balance sheet is characterized by high level of stability: equity accounts for 61% of total assets.
- Total debt at the end of 2010 amounted to USD 3,548 mln. Cash and cash equivalents including highly liquid assets amounted to USD 1,697 mln.
- Debt level fluctuations followed the investment activity of the company. To invest in property, plant and equipment the company spent USD 543 mln during Q4 2010 (USD 548 mln in Q3 2010). Total CAPEX amount in 2010 reached record USD 2,209 mln which is 37% higher compared to the level of 2009 CAPEX of USD 1,613 mln.
- The investments targeted completion of construction of MMK plant in Turkey and Mill 2000 in Magnitogorsk to produce high quality automotive cold rolled steel. The projects are intended to contribute to the strategy of MMK to increase production of HVA products and substitute imports in the markets of Russia and Turkey. The above-mentioned projects are in their completion phase, so 2011 is expected to see CAPEX decrease to USD 1.2 bln.
- MMK continues to efficiently manage its working capital: inventory turnover (in days) in 2010 stood at 42 days only.

**MMK OPERATIONAL HIGHLIGHTS, '000 TONS**

- Crude steel output in 2010 amounted to 11.4 mln tonnes (+19% y-o-y).
- Finished steel products output in 2010 amounted to 10.4mln tonnes (+18% y-o-y).
- The share of HVA steel products in MMK Group reached 38% in 2010 (up from 31% in 2009), while in Q4 2010 it stood at 42% which is the highest historical level for the company.

<table>
<thead>
<tr>
<th></th>
<th>12M 2010</th>
<th>12M 2009</th>
<th>+/-</th>
<th>Q4 2010</th>
<th>Q3 2010</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude steel</td>
<td>11,419</td>
<td>9,618</td>
<td>19%</td>
<td>2,765</td>
<td>2,938</td>
<td>-6%</td>
</tr>
<tr>
<td>MMK finished steel products</td>
<td>10,245</td>
<td>8,764</td>
<td>17%</td>
<td>2,508</td>
<td>2,661</td>
<td>-6%</td>
</tr>
<tr>
<td>MMK-Metiz finished steel products</td>
<td>450</td>
<td>309</td>
<td>46%</td>
<td>120</td>
<td>126</td>
<td>-5%</td>
</tr>
<tr>
<td>MMK-Atakas finished steel products</td>
<td>156</td>
<td>33</td>
<td>373%</td>
<td>45</td>
<td>54</td>
<td>-17%</td>
</tr>
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**Higher value added steel products of MMK Group**

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<thead>
<tr>
<th></th>
<th>12M 2010</th>
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</table>
| MMK steel operations in Russia

- Finshed steel products output in 2010 reached 10,245 thousand tonnes, which is 17% higher y-o-y. Such growth is driven by recovery of the global steel industry and introduction of new product types in MMK's production portfolio.
- HVA steel products output in 2010 amounted to 3,449 thousand tonnes which is 44% higher y-o-y.
- MMK continued to increase shipments to the domestic market of Russia, meeting the demand of major steel consuming industries. Domestic sales in 2010 increased by 44% (to 7,044 thousand tonnes in 2010 from 4,903 thousand tonnes in 2009). Such growth significantly exceeds Russian steel consumption growth rate.
- This became possible due to replacing imports by means of production of unique steel product types which are of high demand in the domestic market.
- MMK share of domestic shipments in 2010 reached 69%, which is 13% higher y-o-y and is another record for MMK.
MMK reduced its export shipments by 17% in 2010 to 3.2 mln tonnes. Q4 2010 export sales stood at 576 thousand tonnes only. The largest export markets for MMK remain Middle East and Europe.

HVA steel products account for 42% of domestic shipments structure, while 81% of export sales are built up by hot-rolled steel.

MMK exports accounted for 25% of overall steel products sales in 2010, in Q4 2010 it went down to 18%.

In money terms shipments to Russia and CIS accounted for 82% of total steel products sales in Q4 2010 and 75% for 2010 in general.

Major clients of MMK in the domestic market remain pipe-makers, machinery building and car-making companies, which altogether accounted for 53% of domestic shipments in 2010. High demand coming from these industries enabled MMK to boost sales to Russia in 2010.

Major sales regions of MMK in the domestic market are the Urals and Volga region. Shipments to these regions accounted for 67% of domestic shipments and 46% of total shipments in 2010. These regions grew in terms of MMK steel consumption by 61% in 2010 y-o-y and MMK shipments amounted to 1.3 mln tonnes in Q4 2010.

MMK shipments to pipe-makers rose by 48% in 2010 and reached record 2.4 mln tonnes. At present MMK produces every second tonne sold by Russian steel-makers for the pipe-making industry.

Machinery builders consumed 1.3 mln tonnes of MMK steel products which is almost two times higher y-o-y.

**BELON COMPANY OPERATIONAL HIGHLIGHTS - MMK GROUP COAL SEGMENT**

- Coking coal concentrate output in 2010 grew by 20% y-o-y and amounted to 2,960 thousand tonnes.
- MMK coal segment sales in 2010 amounted to USD 556 mln.
- 2010 EBITDA amounted to USD 270 mln, taking EBITDA margin to 49%.
- Belon remains one of the key producers of the fat base coking coal in Russia. After Q3 2010 coking coal concentrate production drop, due to change of wall, Q4 2010 coking coal production rose by 60% to reach 842 thousand tonnes.
- In the start of 2011 MMK announced completion of Belon’s steam coal assets sale including 100 percent shares of Listvyazhnaya Coal Mine and 100 percent shares of Listvyazhnaya Preparation Plant to SDS-Coal Holding Company for the consideration of USD 280 mln.

**MANAGEMENT DISCUSSION OF THE MARKET ENVIRONMENT**

Overall we expect Russian steel consumption to grow by 10% in 2011, mostly driven by pipe-makers and machinery builders. We also allow for somewhat stronger demand from the construction sector as the construction season begins.

We expect to increase steel products output for MMK Group to grow by 20% in 2011, including growth of output in Russia at 15%. Such growth is driven by ramp up of MMK operations in Turkey and increased capacity utilization in Russia. We intend to continue increasing HVA steel products output due to maximum production volumes at Mill 5000 and commissioning of the 1st phase of Mill 2000 in July this year, which will focus on production of high quality cold rolled automotive steel.

We almost finished construction of our steel making facilities in Turkey. In late 2010 cold rolling facility started its operation, and in March 2011 an electric arc furnace facility at the industrial complex in Iskenderun was commissioned.

We also expect to complete acquisition of 50 percent minus one share of MMK-Atakas from the Atakas Family, which will enable us to fully consolidate the financial results of the company.
MMK management will hold conference call on April 07, 2010 at 15.00 pm Moscow time, 12.00 am London time, 07.00 am New York time.

Dial-in number: +7 3519 24 93 05. Password: 1234

Financial statements under IFRS is available at: http://eng.mmk.ru/for_investor/financial_statements

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About MMK

MMK is among the world's largest steel producers and is one of the leaders of Russia's steel industry. The company's operations in Russia include a large steel producing complex encompassing the entire production chain, from preparation of iron ore to downstream processing of rolled steel. MMK turns out a broad range of steel products with a predominant share of higher value added products. MMK realizes MMK-Atakas project in Turkey with annual capacity of 2.3 mln tons of flat steel. In 2010 the company produced 11.4 mln tonnes of crude steel and 10.4 mln tonnes of commercial steel products. MMK Group revenue in 2010 stood at USD 7.719 bn, EBITDA at USD 1.606 bn, profit for the period - USD 232 mln.