



ANNEX

TO THE 2009 ANNUAL REPORT

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2009.
2. INFORMATION ON COMPLIANCE WITH THE CODE OF CORPORATE CONDUCT
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Consolidated Financial Statements

For the Year Ended 31 December 2009

1. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New and revised Standards and Interpretations adopted in the current period

The following new standards, amendments to standards or interpretations are adopted by the Group and effective for the financial year commencing 1 January 2009:

- IFRS 3 (Revised) "Business combinations" ("IFRS 3(R)");
- IFRS 7 "Financial instruments: disclosures" – amendment;
- IFRS 8 "Operating segments";
- IAS 1 "Presentation of financial statements" – amendment;
- IAS 16 "Property, plant and equipment" – amendment;
- IAS 19 "Employee benefits" – amendment;
- IAS 20 "Government grants and disclosure of government assistance" – amendment;
- IAS 23 "Borrowing costs" – amendment;
- IAS 27 "Consolidated and separate financial statements" – amendment;
- IAS 28 "Investments in associates" – amendment;
- IAS 32 "Financial Instruments: presentation" – amendment;
- IAS 34 "Interim financial reporting" – amendment;
- IAS 36 "Impairment of assets" – amendment;
- IAS 38 "Intangible assets" – amendment;
- IAS 39 "Financial instruments: recognition and measurement" – amendment;
- IFRIC 18 "Transfers of assets from customers".

IAS 1 (revised 2007) "Presentation of Financial Statements" has introduced a number of terminology changes (including revised titles for financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

IFRS 3(R) and IAS 27 (Amended), which are effective for annual periods beginning on or after 1 July 2009, have been early adopted in the current year. The adoption has affected the accounting for business combinations in the current period, resulting in a significant revaluation gain in the consolidated statement of comprehensive income (see below).

In accordance with the relevant transitional provisions, IFRS 3(R) and IAS 27 (Amended) have been applied prospectively to business combinations for which the acquisition date is on or after 1 January 2009. The impact of the adoption of IFRS 3(R) and IAS 27 (Amended) has been:

- The definition of a business was broadened so that it contains also activities and assets that are not managed as a business as long as the seller is capable of operating them as a business;
- To allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- To change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss;
- Subsequent measurement of a deferred tax asset for acquired temporary differences which did not meet the recognition criteria at acquisition date will be against profit or loss and not as adjustment to goodwill;
- A transaction with the non-controlling interests, whether a sale or an acquisition, will be accounted for as an equity transaction and will therefore not be recognised in the consolidated statement of comprehensive income or have any effect on the amount of goodwill, respectively;
- Where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss; and
- To require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

In the current period, these changes in policies have affected the accounting for the acquisition of Onarbay Enterprises Ltd as follows:

Consolidated statement of financial position

	31 December 2009
Excess of the fair value of non-controlling interests in Onarbay Enterprises Ltd over their share of the fair value of the identifiable net assets (reflected in non-controlling interests)	53
Gain on revaluation of investment in associate upon acquisition of majority ownership	175
Additional goodwill recognised as result of the adoption of IFRS 3(R)	228

Consolidated statement of comprehensive income

The revaluation gain resulting from remeasurement of previously held interest in amount of USD 175 million has been recorded in the consolidated statement of comprehensive income, which gain would not have resulted prior to the adoption of IFRS 3(R).

Early adoption of IFRS 3(R) did not affect the accounting for the acquisition of CJSC Profit.

IFRS 3(R) has also required additional disclosures in respect of the business combinations in the period.

The amendments to IFRS 7 "Financial instruments: disclosures" (revised and effective 1 January 2009) require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. Since majority of Group's financial assets is allocated to Level 1 and there were no significant transfers between classes during the year ended 31 December 2009, management chose not to present such information in these consolidated financial statements.

The first time application of other aforementioned amendments to standards from 1 January 2009 had no material effect on the consolidated financial statements of the Group.

Standards and Interpretations in issue not yet adopted

At the date of approval of the Group's consolidated financial statements, the following new and revised Standards and Interpretations have been issued, but are not effective for the current year:

	Effective for annual periods beginning on or after
IAS 1 "Presentation of financial statements" – amendment	1 January 2010
IAS 7 "Statement of cash flows" – amendment	1 January 2010
IAS 17 "Leases" – amendment	1 January 2010
IAS 24 "Related party disclosure" – revision	1 January 2011
IAS 32 "Financial instruments: presentation" – amendment	1 February 2010
IAS 36 "Impairment of assets" – amendment	1 January 2010
IAS 39 "Financial Instruments: recognition and measurement" – amendment	1 January 2010
IFRS 2 "Share-based payment" – amendment	1 January 2010
IFRS 5 "Non-current assets held for sale and discontinued operations" – amendment	1 January 2010
IFRS 8 "Operating segments" - amendment	1 January 2010
IFRS 9 "Financial instruments"	1 January 2013
IFRIC 14 "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction"	1 January 2011
IFRIC 16 "Hedges of a net investment in a foreign operation"	1 July 2009
IFRIC 17 "Distributions of non-cash assets to owners"	1 July 2009
IFRIC 19 "Extinguishing financial liabilities with equity"	1 July 2010

The impact of the adoption of these Standards and Interpretations in the preparation of the consolidated financial statements in future periods is currently being assessed by Group management, however no material effect on the Group's financial position or results of its operations is anticipated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**Statement of compliance**

International Financial Reporting Standards ("IFRS") include Standards and Interpretations issued by the International Accounting Standards Board ("IASB"), including International Accounting Standards ("IAS") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") who replaced the Standing Interpretations Committee.

The accounting policies set out below have been applied in preparing the consolidated financial statements for year ended 31 December 2009, and the comparative information presented in these financial statements, except for the impact of the adoption of new standards.

Basis of preparation

The consolidated financial statements of the Group are prepared on the historical cost basis except for the revaluation of property, plant and equipment in accordance with IAS 16 "Property, plant and equipment" and mark-to-market valuation of certain financial instruments which are reported in accordance with IAS 39 "Financial instruments: recognition and measurement".

The principal accounting policies are set out below.

Basis of consolidation

Subsidiaries

These consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries). Control is achieved where the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: recognition and measurement" or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Special purpose entities

Special purpose entities ("SPE") are those undertakings that are created to satisfy specific business needs of the Group and the Group has the right to the majority of the benefits of the SPE, or is exposed to risks associated with activities of the SPE. SPEs are consolidated in the same manner as subsidiaries when the substance of the relationship indicates that the SPE is controlled by the Group.

Net assets attributable to minority participants

The Group controls certain Limited Liability Companies ("LLC"). Non-controlling participants ("minority participants") in such LLCs have a right to request (at any time) redemption of their interest in the respective LLC in cash. The obligations of respective LLC to redeem those non-controlling interests give rise to financial liabilities, payment of which is conditional upon the minority participants exercising their right to redemption. Management of the Group regularly assesses these potential liabilities by reference to the carrying value of net assets attributable to minority participants in the relevant LLC. The Group's liability is determined as the greatest of the amount due calculated in accordance with IFRS and Russian Accounting Standards and is presented in these consolidated financial statements as net assets attributable to minority participants. Any change in net assets attributable to participants during the year is recognised in the consolidated statement of comprehensive income as a change in net assets attributable to minority participants.

Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

The functional currency of the Group's entities except for MMK Atakas Metalurji is the Russian Rouble ("RUB"). The functional currency of MMK Atakas Metalurji is the New Turkish Lira ("TRY").

These consolidated financial statements are presented in millions of USD. Using USD as a reporting currency is considered by management to be more relevant for users of the consolidated financial statements of the Group.

The translation into presentation currency is made as follows:

- All assets and liabilities, both monetary and non-monetary, are translated at closing exchange rates at the dates of each consolidated statement of financial position presented;
- All items included in the consolidated shareholders' equity, other than net income, are translated at historical exchange rates;
- All income and expenses in each consolidated statement of comprehensive income are translated at exchange rates in effect when the transactions occur. For those transactions that occur evenly over the year an average exchange rate for the year is applied;
- Resulting exchange differences are included in other comprehensive income as "Effect of translation to presentation currency"; and
- In the consolidated statement of cash flows, cash balances at the beginning and end of each year presented are translated at exchange rates at the respective dates of the beginning and end of each year. All cash flows are translated at exchange rates in effect when the cash flows occur. For those cash flows that occur evenly over the year an average exchange rate for the year is applied. Resulting exchange differences are presented separately from cash flows from operating, investing and financing activities as "Effect of translation to presentation currency".

Exchange rates used in preparation of the consolidated financial statements were as follows:

	31 December	
	2009	2008
Russian Rouble/US Dollar		
Year-end rates	30.24	29.38
Average for the period	31.58	24.37
New Turkish Lira/US Dollar		
Year-end rates	1.51	1.52
Average for the period	1.56	1.28

The RUB is not a freely convertible currency outside the Russian Federation and, accordingly, any translation of RUB denominated assets and liabilities into USD for the purpose of these consolidated financial statements does not imply that the Group could or will in the future realise or settle in USD the translated values of these assets and liabilities.

Foreign currency transactions

Transactions in currencies other than the functional currencies of the Group's entities (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions.

At each statement of financial position date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the date of statement of financial position. Non-monetary items carried at historical cost are translated at the exchange rate prevailing on the date of transaction. Non-monetary items carried at fair value are translated at the exchange rate prevailing on the date on which the most recent fair value was determined. Exchange differences arising from

changes in exchange rates are recognised in the consolidated statement of comprehensive income.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values, other than equity-related contingent consideration, are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(R) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income taxes" and IAS 19 "Employee benefits" respectively;
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 "Share-based payment"; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5
- "Non-current assets held for sale and discontinued operations" are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at above.

Revenue recognition

Revenue is recognised when earned and realisable, which generally occurs when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, pervasive evidence of an arrangement exists and the sales price is fixed or determinable.

Revenue is recognised net of applicable provisions for discounts, allowances, associated value-added taxes and export duties.

Finance costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other finance costs are recognised as an expense in the year in which they are incurred.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit for the year as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of statement of financial position.

Deferred income tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the date of statement of financial position. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Manufacturing assets

The Group has adopted a revaluation model for the subsequent measurement of its property, plant and equipment. Property, plant and equipment are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the date of statement of financial position.

Any revaluation increase arising on the revaluation of property, plant and equipment is credited in equity to a separate revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

No revaluations have been performed subsequent to 1 January 2007.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Repair and maintenance expenses are charged to the consolidated statement of comprehensive income as incurred.

Construction in progress comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction. Depreciation of these assets is recorded on the same basis as for other property assets, and commences when the assets are put into operation. Construction in progress is reviewed regularly to determine whether its carrying value is fairly stated and whether appropriate provision for impairment should be made.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment

is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

Mining assets

The Group's property, plant and equipment include mining assets, which consist of mineral reserves, mine development expenditures, capitalised exploration and evaluation expenditures and mineral licences.

Mineral reserves

Mineral reserves represent tangible assets acquired in business combinations and mineral licenses, to the extent such licenses were acquired with and are inseparable from the mineral reserves. Mineral reserves are estimates of the amount of product that can be economically and legally extracted. In order to estimate reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs and others.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of coalbodies or fields to be determined by analyzing geological data such as drilling samples. This process may require complex and difficult geological judgments to interpret the data.

Mine development expenditures

Mine development costs are capitalised in construction-in-progress and transferred to mining assets when a new mine reaches commercial production quantities.

Capitalised mine development costs comprise expenditures directly related to:

- Acquiring mining and exploration licences;
- Developing new mining operations;
- Defining further mineralization in existing mineral bodies; and
- Expanding capacity of a mine.

Mine development costs include interest capitalised during the construction period when financed by borrowing.

Exploration and evaluation expenditures

Exploration and evaluation expenditures are recognised as an asset if the probability of success is high. Exploration and evaluation assets include acquisition of rights to explore, topographical, geographical, geochemical and geophysical studies; exploratory drilling; activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination.

An impairment review is performed, either individually or at the cash-generating unit level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is immediately recognised as impairment loss in the consolidated statement of comprehensive income.

Capitalisation ceases when exploration and evaluation activity ceases in the related area and capitalised costs are reclassified to mining assets.

Mineral licences separately acquired

Mineral licences acquired separately from mineral reserves to develop mineral reserves and resources are stated at historical cost less accumulated amortisation.

Depreciation

Depreciation of manufacturing assets is computed under the straight-line method utilizing useful lives of the assets which are:

Buildings	12-50 years
Machinery and equipment	3-30 years
Transportation equipment	5-20 years
Fixtures and fittings	3-16 years

Mineral licences are amortised using the straight-line basis over the lesser of their economic useful lives or the life of respective mine.

Depreciation of other mining assets is determined using the unit of production method based on the extracted volumes of mineral reserves and estimated production capacity of the individual assets.

The estimated useful lives, residual values, and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance leases are capitalised as property, plant and equipment at the lower of fair value or present value of future

minimum lease payments at the date of acquisition, with the related lease obligation recognised at the same value. Assets held under finance leases are depreciated over their estimated economic useful lives or over the term of the lease, if shorter. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is useful life of the asset.

Finance lease payments are allocated using the effective interest rate method, between the finance cost and the capital repayment, which reduces the related lease obligation to the lessor.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Intangible assets, excluding goodwill

Intangible assets are recorded at cost less accumulated amortisation and impairment losses. Intangible assets primarily represent production licences and various purchased software costs. Amortisation is charged on a straight-line basis over their estimated useful lives which are:

Licences	3-25 years
Purchased software	1-10 years
Other intangibles	1-10 years

Impairment of tangible and intangible assets, excluding goodwill

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the weighted average basis and includes all costs in bringing the inventory to its present location and condition.

Cost includes direct material, labour and allocable material and manufacturing overheads. Costs of production in process and finished goods include the purchase costs of raw materials and conversion costs such as direct labour and an allocation of fixed and variable production overheads. Raw materials are valued at purchase cost inclusive of freight and other shipping costs.

Net realisable value represents the estimated selling price for inventories less estimated costs to completion and selling costs. Where appropriate, an allowance for obsolete and slow-moving inventory is recognised. The impairment charged to reduce the carrying amount of inventories to their net realisable value and an allowance for obsolete and slow-moving inventory are included in consolidated statement of comprehensive income as cost of sales.

Value-added taxes

Value-added taxes ("VAT") related to sales are payable to the tax authorities upon issuance of invoices to the customer. VAT incurred for purchases may be reclaimed, subject to certain restrictions, against VAT related to sales. Unclaimed VAT related to purchase transactions that is validly reclaimable as of the date of statement of financial position is recorded as value added tax recoverable in the consolidated financial statements.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability.

Financial assets

Financial assets recognised on the Group's consolidated statement of financial position include available-for-sale, held-to-maturity, and trading investments, loans receivable, trade and other receivables, and cash and cash equivalents. Financial assets are initially measured at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset, except for financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Investments

Investments, other than investments in subsidiaries and associates, are initially measured at fair value on a trade date basis, including directly attributable transaction costs.

Investments are classified into the following categories:

- Held-to-maturity;
- At fair value through profit or loss; and
- Available-for-sale.

The classification depends on the nature and purpose of the investments and is determined at the time of initial recognition.

Investments with fixed or determinable payments and fixed maturity, which the Group has the positive intention and ability to hold to maturity, other than loans and receivables, are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortised cost using the effective interest rate method less any allowance for impairment.

Amortisation of discount or premium on the acquisition of a held-to-maturity investment is recognised in finance income over the term of the investment. Held-to-maturity investments are included in non-current assets, unless they mature within twelve months of the date of statement of financial position.

Investments at fair value through profit or loss include investments held for trading and investments that are part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.

All other investments, other than loans and receivables, are classified as available-for-sale.

Investments at fair value through profit or loss and investments available-for-sale are subsequently measured at fair value by reference to their quoted market price at the date of statement of financial position, without any deduction for transaction costs that may be incurred on sale or other disposal. Gain or loss arising from a change in the fair value of investments at fair value through profit and loss is recognised in the consolidated statement of comprehensive income. Gain or loss arising from a change in fair value of investments available-for-sale is recognised directly in equity through the statement of changes in equity, until such investments are derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in consolidated statement of comprehensive income.

When a decline in fair value of an available-for-sale investment has been recognised directly in equity and there is objective evidence that investment is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in consolidated statement of comprehensive income even though the investment has not been derecognised.

Investments in equity instruments that do not have a quoted market price in an active market are recorded at management's best estimate of fair value. Those securities, for which the fair value cannot be reliably measured, are recorded at cost.

Loans receivable

Loans receivable are measured at amortised cost using the effective interest rate method. Interest income is recognised by applying the effective interest rate.

Trade and other receivables

Trade and other receivables are initially recorded at fair value and subsequently reduced by appropriate allowances for estimated irrecoverable amounts. Receivables with fixed maturities due in more than a year are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits and highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of

financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments as well as observable changes in economic conditions that correlate with defaults on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance for impairment. When a trade receivable is considered uncollectible, it is written off against the allowance. Subsequent recoveries of amounts previously written off are credited against the allowance. Changes in the carrying amount of the allowance are recognised in the consolidated statement of comprehensive income.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the consolidated statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When a decline in fair value of an available-for-sale investment has been recognised directly in equity and there is objective evidence that investment is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in the consolidated statement of comprehensive income even though the investment has not been derecognised. Impairment losses previously recognised through consolidated statement of comprehensive income are not reversed. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group recognises financial liabilities on its consolidated statement of financial position when it becomes a party to a contractual obligation. Financial liabilities are initially measured at its fair value plus transaction costs that are directly attributable to the financial liability, except for financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

After initial recognition financial liabilities are carried at amortised cost. The amortised cost of a financial liability is the amount at which the financial liability was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

Bank loans and other non-bank borrowings

All loans and borrowings are initially recorded at fair value, net of direct transaction costs. Subsequently loans and borrowing are measured at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial guarantee contracts

Financial guarantee contracts are measured initially as a liability at their fair values and are subsequently measured at the higher of the amount of the current obligation under the contract

and the amount initially recognised less cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Derivative financial instruments

Derivative instruments, consisting primarily of foreign currency forward and option contracts, are utilized by the Group to manage its exposure to fluctuations in foreign exchange rates. The Group does not enter into foreign currency hedging contracts related to its investment in foreign operations.

All derivatives are recorded as either assets or liabilities at their fair values in the consolidated statement of financial positions and subsequently remeasured at their respective fair values at each statement of financial position date.

The accounting for changes in the fair value of derivative financial instruments depends on whether it has been designated and qualifies as an accounting hedge and further, on the type of hedging relationship. If a derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognised in earnings in the line of the consolidated statement of comprehensive income relating to the hedged item. If a derivative is designated as a cash flow hedge, the effective portion of changes in the fair value of derivative financial instruments is recognised directly in equity. The ineffective portion of cash flow hedges is recognised in other operating income or expenses in the consolidated statement of comprehensive income. Amounts deferred in equity are recycled in the consolidated statement of comprehensive income in the periods when the hedged item is recognised in the consolidated statement of comprehensive income. For a derivative not designated as a hedging instrument, the gain or loss is recognised in consolidated statement of comprehensive income in the period of change.

Employee benefit obligations

Remuneration to employees in respect of services rendered during the period is recognised as an expense in the consolidated statement of comprehensive income.

Defined contribution plans

The Group's Russian subsidiaries are legally obliged to make defined contributions to the Russian Federation State Pension Fund (a defined contribution plan financed on a pay-as-you-go basis).

The Group's contributions to the Russian Federation State Pension Fund relating to defined contribution plans are charged to consolidated statement of comprehensive income in the period to which they relate.

In the Russian Federation all state social contributions, including contributions to the Russian Federation State Pension Fund, are collected through a unified social tax ("UST") calculated by the application of a regressive rate from 26% to 2% of the annual gross remuneration of each employee. UST is allocated to three state social funds, including the Russian Federation State Pension Fund, where the rate of contributions to that fund vary from 20% to 2%, depending on the annual gross remuneration of each employee.

The Group's obligations for contributions to other defined contribution plans are recognised as expense as incurred.

Defined benefit plans

The Group accounts for the cost of defined benefit plans using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of comprehensive income, so as to attribute the total pension cost over the service lives of employees in accordance with the benefit formula of the plan. The Group's obligation in respect of defined retirement benefit plans is calculated separately for each defined benefit plan by discounting the amounts of future benefits that employees have already earned through their service in the current and prior periods. The discount rate applied represents the yield on government bonds that have maturity dates approximating the terms of the Group's obligations. Actuarial gains and losses are fully recognised in the consolidated statement of comprehensive income in the period they occur.

Restricted cash

Restricted cash represents legally restricted collateral deposited with various banks as margin for irrevocable letters of credit and is included in other long-term assets of the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the date of statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Dividends

Dividends and related taxation thereon are recognised as a liability in the period in which they have been declared and become legally payable.

Accumulated profits legally distributable are based on the amounts available for distribution in accordance with the applicable legislation and as reflected in the statutory financial statements of the individual entities of the Group. These amounts may differ significantly from the amounts calculated on the basis of IFRS.

Segment information

Segment reporting is presented on the basis of management's perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of internal reports to the Group's chief operating decision maker ("CODM"). The Group has identified the Chairman of the Board of Directors as its CODM and the internal reports used by the top management team to oversee operations and make decisions on allocating the resources serve as the basis of information presented. These internal reports are prepared on the same basis as these consolidated financial statements.

Based on the current management structure, the Group has identified two reportable segments: steel and coal mining.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The development of certain estimates involves the use of assumptions and is dependent on projected cash flows. Since the second half of 2008, a number of major economies around the world have experienced volatile capital and credit markets. As a consequence, the Group's customers and suppliers may be impacted by reduced liquidity and higher costs of funding, which may in turn require adjustments to management's estimates of projected cash flows and assumptions applied.

Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Revaluation of property, plant and equipment

As described in Note 3, the Group applies revaluation model to measurement of property, plant and equipment. At each reporting date, the Group carries out a review of the carrying amount of these assets to determine whether carrying amount differs materially from fair value. The Group carries out such review by preparing a discounting cash flow analysis including assumptions such as projected revenues and a discount rate. Additionally, the Group considers economic stability and availability of transactions with similar assets in the market when determining whether to perform a fair value analysis in any given period.

Based on the results of this review, the Group concluded property, plant and equipment did not have to be revalued as at 31 December 2009 and 2008.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The most significant areas requiring the use of management estimates and assumptions relate to:

- Trade and other receivables;
- Inventory valuation;
- Useful economic lives and residual values of property, plant and equipment;
- Impairment of assets; and
- Taxation.

Trade and other receivables

Accounts receivable are stated at their net realisable value after deducting an allowance for doubtful accounts. The allowance for doubtful accounts is the Group's best estimate of probable credit losses in the Group's existing accounts receivable balances. In estimating the allowance, management considers a number of factors including current overall economic conditions, industry-

specific economic conditions and historical and anticipated customer performance.

Uncertainties regarding changes in the financial condition of customers, either adverse or positive, could impact the amount and timing of any additional allowances for doubtful accounts that may be required.

Inventory valuation

Inventory consists of finished goods, work-in-progress and raw materials which are stated at lower of cost or net realisable value. As a result of the turmoil in financial markets, the global demand for steel in 2008 has decreased and the Group assessed the net realisable value of its inventory. As part of the assessment, management estimates the net realisable value of finished goods and work-in-progress based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the date of statement of financial position to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value of raw materials are based on replacement cost of respective items at the date of statement of financial position.

If future demand or market conditions are less favorable than management's projections, additional write-offs could be required and would be reflected in cost of sales in the period in which they occur.

In addition, at each statement of financial position date, the Group evaluates its inventory balance for excess quantities and obsolescence and determines an estimate for an allowance to reduce inventory for obsolete and slow-moving raw materials and spare parts. Any changes in the estimates may impact the amount of the allowances for inventory that may be required.

Useful economic life and residual value of property, plant and equipment

The Group's property, plant and equipment, other than mining assets, are depreciated using the straight-line method over their estimated useful lives which are based on management's business plans and operational estimates, related to those assets.

The factors that could affect the estimation of useful lives and residual values include the following:

- Changes in asset utilization rates;
- Changes in maintenance technology;
- Changes in regulations and legislation; and
- Unforeseen operational issues.

Any of the above could affect prospective depreciation of property, plant and equipment and their carrying and residual values.

Management periodically reviews the appropriateness of assets' useful economic lives. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Depreciation of mining assets

The cost of mining structures is depreciated using the units of production method based on the estimated production volume for which the structure was designed. The management exercises their judgment in estimating the useful lives of the depreciable assets and the production volume of the mine. The estimated production volumes are updated at regular basis and have taken into account recent production and technical information about each mine. These changes are considered a change in estimate for accounting purposes and are reflected on a prospective basis in related depreciation rates. Estimates of the production volume are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information.

Impairment of assets

The Group periodically evaluates the recoverability of the carrying amount of its assets. Whenever events or changes in circumstances indicate that the carrying amounts of those assets may not be recoverable, the Group estimates the recoverable amount of the asset. This requires the Group to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. In turn, these forecasts are uncertain in that they require assumptions about demand for products and future market conditions. Significant and unanticipated changes to these assumptions and estimates included within the impairment reviews could result in significantly different results than those recorded in the consolidated financial statements.

Taxation

The Group is subject to income tax and other taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income tax and other taxes due to the complexity of the tax legislation of the Russian Federation and of other countries, where the Group's entities operate. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax inspection issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the amount of tax and tax provisions in the period in which such determination is made.

In addition, the Group records deferred tax assets at each statement of financial position date based on the amount that management believes will be utilized in future periods. This determination is based on estimates of future profitability. A change in these estimates could result in the write off of deferred tax assets in future periods for assets that are currently recorded on the consolidated statement of financial position. In estimating levels of future profitability, the Group has considered historical results of operations in recent years and would, if necessary, consider the implementation of prudent and feasible tax planning strategies to generate future profitability. If future profitability is less than the amount that has been assumed in determining the deferred

tax asset, then an increase in valuation reserve will be required, with a corresponding charge against income. On the other hand, if future profitability exceeds the level that has been assumed in calculating the deferred tax asset, the valuation reserve could be reduced, with a corresponding credit to income.

4. ACQUISITION OF SUBSIDIARIES

During years ended 31 December 2009 and 2008, a Group's subsidiary MMK Atakas Metalurji issued additional ordinary shares for a total nominal value of USD 94 million and USD 162 million, respectively. These additional shares issued were purchased by the Group and minority shareholders in proportion to their existing ownership.

2009 Acquisitions

Onarbay Enterprises Ltd

In March 2008, the Group acquired a 50% share in Onarbay Enterprises Ltd, Cyprus, which holds an 82.6% ownership interest in OJSC Belon, a coal-producer, located in the Russian Federation, for a total cash consideration of USD 234 million.

In October 2009, the Group acquired an additional 50% share in Onarbay Enterprises Ltd, Cyprus, an associate of the Group, for a total cash consideration of USD 309 million. Following this acquisition, the Group obtained control over Onarbay Enterprises Ltd. Onarbay Enterprises Ltd is a holding company owning an 82.6% ownership interest in OJSC Belon, a coal-producer, located in the Russian Federation. The Group acquired Onarbay Enterprises Ltd in order to obtain access to OJSC Belon's coal supply for its ongoing operations.

This acquisition was accounted for using the acquisition method. Non-controlling interest was measured at fair value with reference to the market quotations of OJSC Belon ordinary shares at the date of acquisition. The same basis was applied to remeasurement at fair value of previously held interest in Onarbay Enterprises Ltd.

The Group has determined the fair values of identifiable assets, liabilities and contingent liabilities of the acquired company at the date of acquisition on a provisional basis. At the date of finalisation of these consolidated financial statements, the necessary fair value assessments of property, plant and equipment and other calculations had not been finalised and they have therefore been provisionally determined based on the Group management's best estimate of those fair values. The provisional purchase price allocation for the acquisition is as follows:

	Provisional value at the date of acquisition
ASSETS	
Property, plant and equipment	1,052
Other intangible assets	2
Investments in securities and other financial assets	3
Inventories	30
Trade and other receivables	147
Deferred tax assets	16
Cash and cash equivalents	38
Other assets	7
	1,295
LIABILITIES	
Borrowings	532
Obligations under finance lease	18
Trade and other payables	100
Deferred tax liabilities	118
	768
Net assets at the date of acquisition	527
Fair value of consideration given for controlling interest	309
Non-controlling interest (fair value)	145
Fair value of previously held interest	344
	798
Less: fair value of net assets of acquiree	(527)
Goodwill	271

The goodwill arising on this acquisition primarily relates to increased security of a key material input of the production process.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

As part of the step acquisition accounting under IFRS 3(R), the Group recognised a revaluation gain resulting from remeasurement of previously held interest. The gain of USD 175 million has been recorded in the consolidated statement of comprehensive income in "Gain on revaluation of investment in associate upon acquisition of majority ownership".

At the date of acquisition, OJSC Belon did not prepare consolidated financial statements in accordance with IFRS. Thus, it was not practicable to determine the carrying amounts of the acquired assets, liabilities and contingent liabilities in accordance with IFRS immediately before the acquisition, and this information is not presented in these consolidated financial statements.

If the combination had taken place at the beginning of the year the Group's revenue would have been USD 5,377 million, profit before income tax and profit for the year would have been USD 182 million and USD 166 million respectively.

OJSC Belon and its subsidiaries contributed USD 52 million of revenue and USD 57 million of loss before tax from the date of acquisition to 31 December 2009.

CJSC Profit

In June 2009, the Group acquired a 100% share in CJSC Profit, a holding company of Profit Group engaged in scrap collection and processing, for a total cash consideration of USD 15 million. Entities of the acquired group are incorporated in the Russian Federation, are located throughout the Russian Federation, with a holding company located in Magnitogorsk. The scrap, collected by the Profit Group, is primarily sold to the Group. The acquisition of this strategic raw material supplier will significantly strengthen the Group's security in terms of raw materials supplies.

This acquisition was accounted for using the acquisition method. Non-controlling interest was measured at the non-controlling's proportionate share of the acquiree's identifiable net assets.

At the time of acquisition, the Group estimated the fair values of identifiable assets, liabilities and contingent liabilities of the acquired company on a provisional basis and reported the provisional results of acquisition in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009. The purchase price allocation was finalised during the three months ended 30 September 2009 and as such the final purchase price allocation has been accounted for retroactively from the date of acquisition. The final purchase price allocation for the acquisition is as follows:

	Provisional value at the date of acquisition	Final value at the date of acquisition
ASSETS		
Property, plant and equipment	64	55
Investments in securities and other financial assets	20	19
Inventories	15	14
Trade and other receivables	38	38
Deferred tax assets	-	15
Cash and cash equivalents	8	8
	145	149
LIABILITIES		
Borrowings	19	6
Obligations under finance lease	9	11
Trade and other payables	36	71
Deferred tax liabilities	-	4
Net assets attributable to minority participants	5	4
	69	96
Net assets at the date of acquisition	76	53
Fair value of consideration given	15	15
Non-controlling interest	6	8
	21	23
Less: fair value of net assets of acquiree	(76)	(53)
Excess of the Group's share in the fair value of net assets acquired over the cost of acquisition	(55)	(30)

The excess of the Group's share in the fair value of net assets acquired over the cost of acquisition in amount of USD 30 million has been recorded in the consolidated statement of comprehensive income. This excess relates in part to the relatively low activity in the scrap metal market as a result of the global economic crisis and also to the Group's dominant position as a main customer of Profit Group.

At the date of acquisition, CJSC Profit did not prepare consolidated financial statements in accordance with IFRS. Thus, it was not practicable to determine the carrying amounts of the acquired assets, liabilities and contingent liabilities in accordance with IFRS immediately before the acquisition, and they are not presented in these consolidated financial statements.

If the combination had taken place at the beginning of the year the Group's revenue would have been USD 5,113 million, profit before income tax and profit for the year would not change significantly.

CJSC Profit and its subsidiaries contributed USD 36 million of revenue and USD 7 million of loss before tax from the date of acquisition to 31 December 2009.

2008 Acquisitions

LLC MAGMA trade (subsequently renamed to LLC TD MMK-Moskva)

At 1 October 2008, the Group acquired a 99% share in LLC MAGMA trade, a trading company located in the Russian Federation, for a nominal cash consideration.

This acquisition was accounted for using the purchase method. The Group has determined the fair values of identifiable assets, liabilities and contingent liabilities of the acquired company at the date of acquisition. The purchase price allocation for the acquisition is as follows:

	Fair value
ASSETS	
Inventories	59
Trade and other receivables	69
Cash and cash equivalents	2
	130
LIABILITIES	
Borrowings	56
Trade and other payables	89
	145
Net liabilities at the date of acquisition	(15)
Less: share of net assets attributable to minority participants	-
Group's share of net liabilities acquired	(15)
Add: Goodwill arising on acquisition	15
Cost of acquisition	-

The goodwill arising on this acquisition primarily relates to strong relationships of the acquired entity with its customers.

In December 2008, the Group acquired an additional 1% share in LLC MAGMA trade for a nominal cash consideration. Following the acquisition the Group's shareholding in this company is 100%.

At the date of acquisition, LLC MAGMA trade did not prepare consolidated financial statements in accordance with IFRS. Thus, it was not practicable to determine the carrying amounts of the acquired assets, liabilities and contingent liabilities in accordance with IFRS immediately before the acquisition, and this information is not presented in these consolidated financial statements.

As LLC MAGMA trade was a distributor of the Group's products prior to the acquisition, Group revenue and profit before tax did not change significantly following the acquisition of this company.

During the year ended 31 December 2009, LLC MAGMA trade was renamed LLC TD MMK-Moskva.

LLC Uralsibtrade (subsequently renamed to LLC TD MMK-Ural)

At 24 June 2008, the Group acquired an 80% share in LLC Uralsibtrade, a trading company located in the Russian Federation, for a nominal cash consideration. The excess of the Group's share in the fair value of net assets acquired over the cost of acquisition in amount of USD 4 million has been included in the consolidated statement of comprehensive income.

In December 2008, the Group acquired an additional 20% share in LLC Uralsibtrade for a nominal cash consideration. Following the acquisition the Group's shareholding in this company is 100%.

Since LLC Uralsibtrade was a distributor of the Group's products prior to the acquisition, Group revenue and profit before tax did not change significantly following the acquisition of this company.

Annex 1

During the year ended 31 December 2009, LLC Uralsibtrade was renamed LLC TD MMK-Ural.
OPEN JOINT STOCK COMPANY
MAGNITOGORSK IRON & STEEL WORKS AND SUBSIDIARIES

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

(In millions of U.S. Dollars)

	Notes	Share capital	Treasury shares	Share premium
BALANCE AT 1 JANUARY 2008		386	(1)	1,105
Total comprehensive income for the period		-	-	-
Purchase of treasury shares		-	(86)	-
Issuance of ordinary shares from treasury shares		-	15	(1)
Increase in non-controlling interests due to additional share issue by subsidiary	5	-	-	-
Increase in non-controlling interests due to acquisition of subsidiaries		-	-	-
Decrease in non-controlling interests due to increase of Group's share in subsidiaries		-	-	-
Dividends	22	-	-	-
BALANCE AT 31 DECEMBER 2008		386	(72)	1,104
Total comprehensive income for the period		-	-	-
Purchase of treasury shares		-	(2)	-
Issuance of ordinary shares from treasury shares		-	7	(1)
Increase in non-controlling interests due to additional share issue by subsidiary	5	-	-	-
Increase in non-controlling interests due to acquisition of subsidiaries	5	-	-	-
BALANCE AT 31 DECEMBER 2009		386	(67)	1,103

Attributable to shareholders of the Parent Company					
Investments revaluation reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total
614	-	9,530	11,634	152	11,786
(591)	(1,970)	1,075	(1,486)	(26)	(1,512)
-	-	-	(86)	-	(86)
-	-	-	14	-	14
-	-	-	-	81	81
-	-	-	-	1	1
-	-	-	-	(18)	(18)
-	-	(413)	(413)	(1)	(414)
23	(1,970)	10,192	9,663	189	9,852
318	(260)	232	290	(21)	269
-	-	-	(2)	-	(2)
-	-	-	6	-	6
-	-	-	-	47	47
-	-	-	-	153	153
341	(2,230)	10,424	9,957	368	10,325

6. REVENUE

By product	2009	2008
Rolled steel	3,085	5,847
Assorted rolled products	413	944
Galvanized steel	331	433
Tin plated steel	226	203
Galvanized steel with polymeric coating	177	251
Wire, sling, bracing	125	454
Hardware products	92	223
Band	74	327
Formed section	52	205
Coking production	47	141
Tubes	39	62
Coal	36	-
Scrap	33	198
Slabs	12	726
Others	339	536
Total	5,081	10,550

Scrap sales in 2008 and in 2009, prior to the Group's acquisition of Profit Group, relate to transactions with Profit Group.

By customer destination	2009	2008
Russian Federation and the CIS	63%	69%
Iran	9%	3%
China	5%	-
Turkey	3%	7%
Italy	3%	6%
India	3%	1%
Vietnam	3%	-
Others (countries each representing less than 2% of total net revenue)	11%	14%
Total	100%	100%

7. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance, and for which discrete financial information is available.

The reports used by the chief operating decision maker contain the following segments:

- Steel segment, which includes Parent Company and its subsidiaries involved in production of steel, wire and hardware products. All significant assets, production and management and administrative facilities of this segment are located in the city of Magnitogorsk, the Russian Federation;
- Coal mining segment, which includes OJSC Belon and its subsidiaries involved in mining and refining of coal. All significant assets, production and management and administrative facilities of this segment are located in the city of Belovo, the Russian Federation.

Prior to acquisition of controlling interest in Onarbay Enterprises Ltd in October 2009 the Group operated in a single business segment, which was composed of the manufacturing of semi-finished and finished steel products.

The profitability of the two operating segments is primarily measured based on Segment EBITDA. Segment EBITDA is determined as segment's operating profit adjusted to exclude depreciation and amortisation expense and loss on disposal of property, plant and equipment, and to include the share of result of associates, including the impairment of investments in associates, and gain on revaluation of investment in associate upon acquisition of majority ownership. Since this term is not a standard measure in IFRS the Group's definition of EBITDA may differ from that of other companies.

The following table presents measures of segment results for the year ended 31 December 2009:

	2009			
	Steel	Coal mining	Eliminations	Total
Revenue				
Sales to external customers	5,029	52	-	5,081
Inter-segment sales	-	42	(42)	-
Total revenue	5,029	94	(42)	5,081
Segment EBITDA	1,277	8	-	1,285
Depreciation and amortisation	(715)	(20)	-	(735)
Loss on disposal of property, plant and equipment	(105)	(13)	-	(118)
Share of results of associates	31	-	-	31
Gain on revaluation of investment in associate upon acquisition of majority ownership	(175)	-	-	(175)
Operating profit/(loss) per IFRS financial statements	313	(25)	-	288

At 31 December 2009 and 2008, the segments' total assets and liabilities were reconciled to total assets and liabilities as follows:

	31 December 2009			
	Steel	Coal mining	Eliminations	Total
Total assets	14,381	1,204	(752)	14,833
Total liabilities	4,145	745	(382)	4,508

8. COST OF SALES

	2009	2008
Cost of production		
Raw materials used	2,556	5,955
Depreciation of property, plant and equipment	708	903
Payroll and unified social tax	464	640
Other expenses	184	286
	3,912	7,784
Decrease in work in progress and finished goods	28	51
Total	3,940	7,835

9. GENERAL AND ADMINISTRATIVE EXPENSES

	2009	2008
Labour	165	231
Taxes other than income tax	79	101
Professional services	44	48
Depreciation and amortisation	27	42
Insurance	21	29
Materials	8	15
Payments to non-governmental pension fund	-	7
Actuarial (gains)/losses	(12)	6
Other	17	34
Total	349	513

10. SELLING AND DISTRIBUTION EXPENSES

	2009	2008
Transportation expenses	371	552
Advertising expenses	25	12
Labour	9	15
Other	48	71
Total	453	650

11. OTHER OPERATING EXPENSES, NET

	2009	2008
Loss on disposal of property, plan and equipment, net	(118)	(109)
Bad debt expense	(71)	(40)
Net gain/(loss) on revaluation and sale of trading securities	113	(238)
Net gains on sale of other assets	6	19
Other operating gains /(losses), net	19	(10)
Total	(51)	(378)

12. OTHER EXPENSES

For the years ended 31 December 2009 and 2008, other expenses included USD 45 million and USD 66 million, respectively, related to mandatory and voluntary social programs and maintenance of social assets.

13. INCOME TAX

The Group's provision for income taxes attributable to different tax jurisdictions for the years ended 31 December 2009 and 2008 was:

	2009	2008
Current provision for income tax:		
Russian Federation	20	456
Switzerland	1	-
Adjustments recognised in current year relating to prior year current tax		
Russian Federation	(42)	(93)
Deferred income tax expense/(benefit), net:		
Russian Federation	77	(359)
Switzerland	(18)	21
Total income tax expense	38	25

Adjustments recognised in current year relating to prior year's tax relate to estimates for bad debt allowances and capitalised expenses in 2009 and accelerated tax depreciation in 2008 which subsequently changed on submission of the company's income tax returns for those years. An offsetting deferred tax charge was also recorded as a result of these adjustments.

In November 2008, an amendment to the Tax Code of the Russian Federation was enacted to reduce the corporate income tax rate from 24% to 20% effective from 1 January 2009. For the years ended 31 December 2009 and 2008 annual income tax is measured at 20% and 24%, respectively of the estimated assessable profit for the year. At 31 December 2009 and 2008, deferred taxes are measured at 20%.

The corporate income tax rates in other countries where the Group has a taxable presence vary from 15% to 24%.

The provision for income taxes is different from that which would be obtained by applying the Russian Federation statutory income tax rate to profit before income tax. The items causing this difference are as follows:

	2009	2008
Profit before income tax	257	1,106
Income tax provision computed at Company's statutory rate	51	265
Adjustments due to:		
Adjustments of prior years' income taxes	(7)	1
Effect of different tax rates of subsidiaries operating in other jurisdictions	6	(7)
Expenses not deductible and income not taxable for tax purposes:		
- Gain on revaluation of investment in associate upon acquisition of majority ownership	(35)	-
- Excess of the Group's share in the fair value of net assets acquired over the cost of acquisition	(6)	(3)
- Other permanent differences	29	34
Effect on deferred tax balances due to the change in income tax rate from 24% to 20% (effective 1 January 2009)	-	(265)
Income tax expense	38	25

The movement in the Group's deferred taxation position during the current and prior reporting period was as follows:

	31 December	
	2009	2008
Net deferred tax liability at the beginning of the year	1,106	1,846
Acquisition of subsidiaries	91	-
Revaluation of available-for-sale investments	79	(156)
Deferred tax expense/(benefit)	59	(61)
Effect of income tax rate change recognised in consolidated statement of comprehensive income	-	(277)
Effect of income tax rate change recognised in equity	-	(32)
Effect of translation to presentation currency	(28)	(214)
Net deferred tax liability at the end of the year	1,307	1,106

Deferred income tax assets and liabilities were comprised of differences arising between the tax and accounting bases of the following assets and liabilities:

	31 December	
	2009	2008
Property, plant and equipment	39	22
Investments	12	34
Accounts payable	10	29
Loans	9	7
Inventories	8	37
Accounts receivable	27	8
Unused tax losses	10	-
Gross deferred income tax assets	115	137
Investments	(92)	(3)
Property, plant and equipment	(1,271)	(1,223)
Inventories	(24)	(11)
Accounts receivable	(13)	(2)
Loans	(13)	(4)
Accounts payable	(9)	-
Gross deferred income tax liabilities	(1,422)	(1,243)
Net deferred income tax liabilities	(1,307)	(1,106)

At 31 December 2009 and 2008, deferred income tax liabilities arising on differences in valuation of investments included USD 85 million and USD 6 million, respectively, related to unrealised holding gains on long-term equity securities classified as available for sale.

At 31 December 2009 and 2008, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was USD 555 million and USD 295 million, respectively. No liabilities have been recognised in these consolidated financial statements in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Based upon historical taxable income and projections for future taxable income over the periods in which deferred income tax assets are deductible, management of the Group believes it is more likely than not that Group will realise the benefits of the deductible differences.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Transportation equipment	Fixtures and fittings	Mining assets	Construction-in-progress	Total
<i>Cost</i>							
At 1 January 2008	2,650	7,030	240	131	30	1,160	11,241
Additions	66	360	32	16	-	1,892	2,366
Transfers	252	511	3	47	-	(813)	-
Disposals	(16)	(167)	(14)	(5)	-	(27)	(229)
Effect of translation to presentation currency	(486)	(1,276)	(46)	(31)	(5)	(371)	(2,215)
At 31 December 2008	2,466	6,458	215	158	25	1,841	11,163
Additions	13	151	14	5	4	1,355	1,542
Acquisition through business combinations	344	330	28	6	222	177	1,107
Transfers	578	801	8	10	-	(1,397)	-
Disposals	(18)	(176)	(11)	(2)	-	(16)	(223)
Effect of translation to presentation currency	(50)	(158)	(6)	(4)	(7)	(61)	(286)
At 31 December 2009	3,333	7,406	248	173	244	1,899	13,303
<i>Depreciation</i>							
At 1 January 2008	(196)	(586)	(34)	(15)	(1)	-	(832)
Charge for the year	(214)	(654)	(35)	(17)	(1)	-	(921)
Disposals	4	42	4	2	-	-	52
Effect of translation to presentation currency	69	203	11	5	1	-	289
At 31 December 2008	(337)	(995)	(54)	(25)	(1)	-	(1,412)
Charge for the year	(188)	(492)	(28)	(15)	(2)	-	(725)
Disposals	3	88	5	1	-	-	97
Effect of translation to presentation currency	1	11	1	-	-	-	13
At 31 December 2009	(521)	(1,388)	(76)	(39)	(3)	-	(2,027)
<i>Carrying amount</i>							
At 31 December 2008	2,129	5,463	161	133	24	1,841	9,751
At 31 December 2009	2,812	6,018	172	134	241	1,899	11,276

At 31 December 2009, construction-in-progress includes capitalised expenses, related to the implementation of large investment projects by the Group, such as construction of continuous-casting plant, new metal plant in Turkey and a cold rolling mill, intended for production of cold rolled metal products of the highest quality.

For the year ended 31 December 2009, transfers from construction-in-progress to machinery and equipment of USD 640 million and to land and buildings of USD 400 million relate to a high-productivity hot rolling plate Mill-5000.

At 31 December 2009 and 2008, property, plant and equipment with carrying amount of USD 1,086 million and USD 637 million, respectively, were pledged as security for certain long-term and short-term borrowings.

No impairment of property, plant and equipment was recognised in the years ended 31 December 2009 and 2008.

In performing the impairment test, the following specific assumptions were used:

- Cash flow projections are based on financial forecasts approved by management covering a five year period;
- The forecast sales volumes increase by 28% in 2010, increase by 16% in 2011, and remain constant at 2011 level thereafter;
- The forecast sales prices increase by 28% in 2010 and increase on average by 5% per annum thereafter;
- Operating costs are forecast to increase by 59% in 2010, increase by 29% in 2011 and increase on average by 5% thereafter;
- A post-tax discount rate of 12.1% (USD terms).

The estimate of future discounted cash flows and the result of impairment test are particularly sensitive in the following areas:

- A 1% increase in discount rate leads to impairment loss of USD 402 million;
- A 10% decrease in future planned revenues leads to impairment loss of USD 486 million.

15. GOODWILL

The change in the carrying value of goodwill for the year ended 31 December 2009 was as follows:

	2009	2008
Balance at the beginning of the year	45	35
Goodwill arising on acquisitions	271	17
Effect of translation to presentation currency	(7)	(7)
Balance at the end of the year	309	45

No impairment of goodwill was recognised in the years ended 31 December 2009 and 2008.

16. OTHER INTANGIBLE ASSETS

	Licenses	Purchased software	Other intangibles	Total
<i>Cost</i>				
At 1 January 2008	31	33	8	72
Additions	9	7	6	22
Disposals	(2)	(20)	-	(22)
Effect of translation to presentation currency	(6)	(4)	(2)	(12)
At 31 December 2008	32	16	12	60
Additions	5	4	2	11
Acquisition through business combinations	-	1	1	2
Disposals	-	(3)	-	(3)
Effect of translation to presentation currency	(1)	-	(1)	(2)
At 31 December 2009	36	18	14	68
<i>Amortisation</i>				
At 1 January 2008	(6)	(17)	(3)	(26)
Charge for the year	(5)	(15)	(4)	(24)
Disposals	2	20	-	22
Effect of translation to presentation currency	-	3	1	4
At 31 December 2008	(9)	(9)	(6)	(24)
Charge for the year	(3)	(5)	(3)	(11)
Disposals	-	3	-	3
Effect of translation to presentation currency	1	-	-	1
At 31 December 2009	(11)	(11)	(9)	(31)
<i>Carrying amount</i>				
At 31 December 2008	23	7	6	36
At 31 December 2009	25	7	5	37

The estimated amortisation expense for each of the next five years and thereafter is as follows:

Year ended 31 December	
2010	10
2011	6
2012	3
2013	3
Thereafter	15
Total	37

Actual amortisation expense to be reported in future periods could differ from these estimates as a result of new acquisitions, changes in useful lives, changes in technology and other relevant factors.

No impairment of other intangible assets was recognised in the years ended 31 December 2009 and 2008.

17. INVESTMENTS IN ASSOCIATES

At 31 December 2009 and 2008, the Group's investments in associates comprised the following:

		Investment carrying amount		Ownership and voting interest, %	
		31 December		31 December	
Associate	Registered in	2009	2008	2009	2008
Onarbay Enterprises Ltd	Cyprus	-	210	100%	50%
LLC MMK Trans	Russia	20	18	50%	50%
CJSC Kazankovskaya Mine	Russia	-	-	50%	50%
Other	Russia	2	-	-	-
Total		22	228		

In March 2008, the Group acquired a 50% share in Onarbay Enterprises Ltd, Cyprus, which holds an 82.6% ownership interest in OJSC Belon, a coal-producer, located in the Russian Federation, for a total cash consideration of USD 234 million.

In October 2009, the Group acquired an additional 50% share in Onarbay Enterprises Ltd for a total cash consideration of USD 309 million. Following this acquisition, the Group obtained control over Onarbay Enterprises Ltd. This acquisition was accounted for using the acquisition method. At the date of this additional acquisition the carrying value of previously held interest was USD 169 million.

At 31 December 2009 and 2008, the Group also owned 50% share in CJSC Kazankovskaya Mine, an associate of the Group. Based on information received by the Group and its knowledge of the industry, management of the Group believes that no future economic benefits will be obtained from its investment in CJSC Kazankovskaya Mine. As a result, at 31 December 2008, the Group wrote off its entire investment in this entity, comprising equity investment of USD 15 million and loan provided of USD 41 million.

Summarised financial information in respect of the Group's associates is set out below:

	31 December	
	2009	2008
Total assets	135	1,294
Total liabilities	(87)	(849)
Net assets	48	445
Group's share of net assets of associates	24	184
	2009	2008
Total revenue	666	1,166
Total (loss)/profit for the year	(77)	75
Group's share of (loss)/profit of associates	(31)	32

18. INVENTORIES

	31 December	
	2009	2008
Raw materials	505	533
Work-in-progress	107	134
Finished goods and goods for resale	266	339
Total	878	1,006
Less: Allowance for obsolete and slow-moving items	(22)	(10)
Total inventories, net	856	996

At 31 December 2008, the Group recognised an impairment amounting to USD 336 million to reduce the carrying amount of inventories to net realisable value. Of this total, USD 230 million related to raw materials, including scrap, coal and iron ore.

Movement in the allowance for obsolete and slow-moving items was as follows:

	2009	2008
Balance at the beginning of the year	10	8
Reversal of allowance	-	(1)
Additional allowance increase	11	4
Effect of translation to presentation currency	1	(1)
Balance at the end of the year	22	10

At 31 December 2009 and 2008, inventory with carrying amount of USD 1 million and USD 21 million, respectively, were pledged as security for certain short-term borrowings.

19. TRADE AND OTHER RECEIVABLES

	31 December	
	2009	2008
Trade accounts receivable	766	864
Prepaid expenses	119	11
Advances paid	88	87
Interest receivable	-	4
Other receivables	77	62
	1,050	1,028
Allowance for doubtful accounts	(109)	(37)
Total trade and other receivables, net	941	991

The Group does not hold any collateral for accounts receivable balances.

Ageing of receivables past due but not impaired was as follows:

	31 December	
	2009	2008
Less than 30 days	44	57
30-60 days	19	122
60-90 days	10	95
90-120 days	2	93
Over 120 days	40	77
Total	115	444

Management of the Group believe that receivables past due will be recovered in full.

Movement in the allowance for doubtful accounts receivable was as follows:

	31 December	
	2009	2008
Balance at the beginning of the year	37	8
Increase in allowance	71	40
Accounts receivable written-off	-	(1)
Effect of translation to presentation currency	1	(10)
Balance at the end of the year	109	37

20. INVESTMENTS IN SECURITIES AND OTHER FINANCIAL ASSETS

	31 December	
	2009	2008
Non-current		
Available-for-sale investments, at fair value		
Listed equity securities	616	208
Unlisted securities	5	4
Loans and receivables, at amortised cost		
Long-term loans	6	4
Long-term deposits	-	142
Total non-current	627	358
Current		
Held-to-maturity investments, at amortised cost		
Promissory notes receivable	3	7
Loans and receivables, at amortised cost		
Short-term loans	10	6
Short-term deposits	-	17
Financial assets, at fair value through profit or loss		
Trading equity securities	186	83
Trading debt securities	16	21
Share in mutual investment fund	6	4
Total current	221	138

Non-current listed equity securities classified as available for sale represent investments in equity securities of a foreign entity, where the Group has less than a 20% equity interest and no significant influence. At 31 December 2009 and 2008, investments revaluation reserve resulting from unrealised holding gains and losses on these securities was USD 341 million and USD 23 million, respectively, net of related income tax effect of USD 85 million and USD 6 million, respectively.

Long-term bank deposits of USD 142 million as at 31 December 2008, which are RUB-denominated, with original maturity in 2010 were redeemed in July 2009. The Group received only nominal interest income related to these deposits.

At 31 December 2008, the weighted average interest rate on short-term bank deposits with maturities at the reporting date exceeding ninety days was 10.19%.

Trading equity securities are liquid publicly traded shares of Russian companies. They are reflected at period-end market value based on trade prices obtained from investment brokers.

Trading debt securities and trading promissory notes are liquid publicly traded bonds and notes of Russian companies and banks. They are reflected at period-end market value based on trade prices obtained from investment brokers.

Net gain/loss on revaluation and sale of trading securities for the years ended 31 December 2009 and 2008 were USD 113 million (gain) and USD 238 million (loss), respectively. These results are included in other operating income/expenses in the consolidated statement of comprehensive income.

21. CASH AND CASH EQUIVALENTS

	31 December	
	2009	2008
Cash in banks, RUB	80	62
Cash in banks, USD	32	561
Cash in banks, EURO	30	94
Cash in banks, TRY	-	83
Bank deposits, RUB	4	-
Bank deposits, USD	1	-
Bank deposits, EURO	1	-
Bank promissory notes, RUB	17	306
Total	165	1,106

At 31 December 2009, the weighted average interest rates on bank deposits with original maturities less than ninety days were 5.36% for RUB-denominated deposits, 6.22% for USD-denominated deposits and 1.78% for EUR-denominated deposits.

At 31 December 2009 and 2008, the weighted average interest rates on bank promissory notes were nil and 12.0%, respectively.

22. SHARE CAPITAL

Common stock

	31 December	
	2009	2008
Issued and fully paid common shares with a par value of RUB 1 each (in thousands)	11,174,330	11,174,330

Treasury stock

At 31 December 2009 and 2008, the Group held 72,003 thousand and 78,997 thousand, respectively, issued common shares of the Parent Company as treasury stock.

All treasury stock is recorded at cost.

Shareholders' voting rights

The shareholders of fully paid common stock are entitled to one vote per share at the annual general shareholders' meeting of the Parent Company.

Dividends

For the year ended 31 December 2009, the Group paid dividends relating to prior years of USD 16 million.

At 25 April 2008, the Parent Company declared a final dividend of RUB 0.502 (USD 0.021) per common share in respect of the year ended 31 December 2007 representing a total dividend of USD 239 million. Of this total, USD 0.1 million was attributable to Group entities.

At 29 August 2008, the Parent Company declared an dividend of RUB 0.382 (USD 0.016) per common share in respect of the six months ended 30 June 2008 representing a total dividend of USD 174 million. Of this total, USD 0.1 million was attributable to Group entities.

23. LONG-TERM BORROWINGS

	Type of interest rate	Annual interest rate, actual at 31 December		31 December	
		2009	2008	2009	2008
		Unsecured listed bonds, RUB	Fixed	10%	-
Secured loans, RUB	Fixed	-	17%	-	89
Secured loans, USD	Floating	7%	-	262	-

	Type of interest rate	Annual interest rate, actual at 31 December		31 December	
		2009	2008	2009	2008
Unsecured loans, USD	Floating	1%	3%	446	240
Unsecured loans, USD	Fixed	4%	6%	79	34
Unsecured loans, RUB	Fixed	14%	13%	27	39
Unsecured loans, EUR	Fixed	9%	7%	1	3
Secured letter of credit, USD	Floating	1%	-	1	-
Secured letter of credit, EUR	Floating	2%	-	23	-
				1,266	405

Bonds

In December 2009, Parent Company of the Group issued RUB 10,000 million of bonds on Moscow Interbank Stock Exchange, (USD 331 million at the date of issuance), bearing semi-annual coupon at 9.7% per annum, repayable in December 2012. The holders of the bonds have an option to redeem these bonds two years from the date of issuance in December 2011.

Loans

The company has various borrowing arrangements in RUB, USD and EUR denominations with various lenders. Those borrowings consist of unsecured and secured loans and credit facilities. At 31 December 2009 and 2008, the total unused element of all credit facilities was USD 1,840 million and USD 929 million, respectively.

The bank loans are subject to certain restrictive covenants, including, but not limited to:

- The ratio of consolidated debt to consolidated EBITDA should not exceed 3.5:1;
- The ratio of consolidated EBITDA to consolidated debt service should not be less than 0.6:1;
- The ratio of consolidated EBITDA to consolidated interest expense should not be less than 3:1; and
- The ratio of consolidated debt to consolidated equity should not exceed 1:1.

At 31 December 2009 and 2008, the Group was in compliance with its debt covenants.

At 31 December 2009 and 2008, long-term loans were secured by the Group's property, plant and equipment with a net carrying amount of USD 1,083 million and USD 291 million, respectively, and shares in a subsidiary of USD 201 million and nil, respectively.

Debt repayment schedule

Year ended 31 December,	
2010 (presented as current portion of long-term borrowings)	490
2011	535
2012	219
2013	138
2014 and thereafter	374
Total	1,756

24. OBLIGATIONS UNDER FINANCE LEASES

The following table presents future minimum lease payments under finance leases together with the present value of the net minimum lease payments at 31 December 2009 and 2008:

	Minimum lease payments		Present value of minimum lease payments	
	31 December		31 December	
	2009	2008	2009	2008
Due within one year	24	23	20	19
Due in the second year	18	22	15	18
Due in the third year	10	7	8	5
Due in the fourth year	1	2	1	2
Due in the fifth year and further	-	1	-	1
Total	53	55	44	45
Less: future finance charges	(9)	(10)	-	-
Present value of minimum lease payments	44	45	44	45
Included in the consolidated statement of financial position as:				
Current portion of long-term obligations under finance lease			20	19
Long-term obligations under finance lease			24	26
Total			44	45

At 31 December 2009 and 2008, the weighted average discount rate for capital lease obligations was 19% and 18%, respectively.

At 31 December 2009 and 2008, leased assets with a net carrying amount of USD 74 million and USD 81 million, respectively, were included in property, plant and equipment as follows:

	Gross carrying value	Accumulated depreciation	Net carrying value
Machinery and equipment	82	(8)	74
Balance at 31 December 2009	82	(8)	74
Machinery and equipment	87	(8)	79
Construction-in-progress	2	-	2
Balance at 31 December 2008	89	(8)	81

25. RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

Payments to the Russian Federation State Pension Fund amounted to USD 77 million and USD 102 million for the years ended 31 December 2009 and 2008, respectively.

Additionally, in 2008 the Group made monthly contributions to a non-government pension fund, Sotsialnaya Zashchita Starosti, where its employees have individual accumulation agreements with the fund.

The Group had the ability to exercise significant influence over the financial and operating policy decisions of the fund through representation on its Board of Directors. The monthly contributions made by the Group equalled to the employee's contribution, unless the employee was a male aged between 55 and 60, or a female aged between 50 and 55, in which case the contribution is 1.5 times the employee's contribution. For the year ended 31 December 2008, the maximum monthly contribution by the Group for each employee was RUB 40,000 (USD 1,361), respectively. The Group's total contributions to the fund amounted to nil and USD 7 million for the years ended 31 December 2009 and 2008, respectively.

Defined benefit plan

The Group has a defined benefit plan in favour of employees who retired prior to 1 April 2001. Effective 1 April 2001, employees retiring after that date are not allowed to participate in the plan. Pensions from this defined benefit plan are administered by the independent charity fund BOF Metallurg.

The fund does not hold any assets set aside for the benefit of retirees under this plan.

Entitled employees receive lifetime pension payments, which vary from RUB 250 (USD 7.92) to RUB 480 (USD 15.20) per month depending on the employee's actual years of service and qualifications.

ANNEX 1

For the years ended 31 December 2009 and 2008, the Group made monthly payments to the fund of RUB 410 (USD 12.99) and RUB 559 (USD 22.49), respectively, per fund member, which were then distributed to the individual members.

At 31 December 2009 and 2008, the principal actuarial assumptions used in determining the present value of benefit obligations and net periodic pension expenses were as follows:

	31 December	
	2009	2008
Discount rate	9.1%	8.6%
Future pension benefit increases	8.3%	9.1%
Average life expectancy of members from date of retirement	9.4	9.4

The components of the net periodic benefit costs for the years ended 31 December 2009 and 2008 were as follows:

	2009	2008
Interest cost	3	3
Actuarial (gains)/losses	(12)	6
Foreign exchange losses	-	-
Total	(9)	9

Net periodic benefit costs were recognised as part of administrative expenses in the consolidated statement of comprehensive income.

Movements in the present value of benefit obligations are presented in the following table:

	2009	2008
Present value of benefit obligations at beginning of the year	34	37
Interest cost	3	3
Actuarial (gains)/losses	(12)	6
Benefit payments during the year	(3)	(5)
Foreign exchange losses	-	-
Currency translation adjustment	(1)	(7)
Defined benefit obligations at end of the year	21	34
Included in the consolidated statement of financial position as:		
Current portion of retirement benefit obligations	2	3
Long-term portion of retirement benefit obligations	19	31
Total	21	34

The future benefit payments to retirees under the defined benefit plan are expected to be as follows:

Year ended 31 December	
2010	2
2011	2
2012	2
2013	2
2014-2018	8
Thereafter	5
Total	21

26. TRADE AND OTHER PAYABLES

	31 December	
	2009	2008
Trade accounts payable	581	987
Advances from customers	132	139
Dividends payable	73	81
Other taxes payable	58	43
Salary payable	50	43
Other current liabilities	34	28
Total	928	1,321

The maturity profile of the Group's trade and other payables was as follows:

	31 December	
	2009	2008
Due in:		
1 month	668	899
1-3 months	28	200
3 months to 1 year	100	83
Total	796	1,182

At 31 December 2009 and 2008, overdue accounts payable amounted to USD 201 million and USD 510 million respectively.

27. SHORT-TERM BORROWINGS AND CURRENT PORTION OF LONG-TERM BORROWINGS

	Type of interest rate	Annual interest rate, actual at 31 December		31 December	
		2009	2008	2009	2008
Short-term borrowings:					
Secured loans, USD	Floating	2%	3%	201	224
Secured loans, EUR	Floating	2%	4%	84	52
Secured loans, RUB	Fixed	18%	16%	2	154
Unsecured loans, RUB	Fixed	12%	15%	28	298
Unsecured bank overdrafts, RUB	Fixed	-	16%	-	1
Secured letter of credit, USD	Floating	2%	-	1	-
Secured letter of credit, EUR	Floating	2%	-	2	-
				318	729
Current portion of long-term borrowings:					
Unsecured listed bonds, RUB	Fixed	10%	-	202	-
Secured loans, RUB	Fixed	16%	17%	74	15
Secured loans, USD	Floating	6%	3%	47	260
Secured loans, EUR	Floating	2%	-	2	-
Unsecured loans, USD	Floating	2%	2%	108	90
Unsecured loans, RUB	Fixed	11%	10%	19	31
Unsecured loans, USD	Fixed	5%	6%	30	148
Unsecured loans, EUR	Fixed	8%	7%	2	3
Secured letter of credit, EUR	Floating	2%	-	6	-
				490	547
Total				808	1,276

In November 2009, Parent Company of the Group issued RUB 5,000 million of bonds on Moscow Interbank Stock Exchange (USD 173 million at the date of issuance), bearing semi-annual coupon at 9.45% per annum, repayable in November 2012. The holders of these bonds have the option to redeem these bonds one year from the date of issuance in November 2010. Accordingly, they are presented in short-term borrowings at 31 December 2009.

The weighted average interest rates of short-term borrowings At 31 December 2009 and 2008 were as follows:

	31 December	
	2009	2008
RUB-denominated	12%	15%
USD-denominated	3%	4%
EUR-denominated	2%	4%

At 31 December 2009 and 2008, short-term borrowings were secured by property, plant and equipment with a net carrying amount of USD 3 million and USD 346 million, respectively, inventory of USD 1 million and USD 21 million, respectively, and shares in a subsidiary of nil and USD 157 million, respectively.

Short-term borrowings and current portion of long-term borrowings are repayable as follows:

	31 December	
	2009	2008
Due in:		
1 month	73	172
1-3 months	248	299
3 months to 1 year	487	805
Total	808	1,276

28. RELATED PARTIES

Transactions and balances outstanding with related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The Group enters into transactions with related parties in the ordinary course of business for the purchase and sale of goods and services and in relation to the provision of financing agreements to and from Group entities. Transactions with related parties are performed on terms that would not necessarily be available to unrelated parties.

The following companies are considered to be related parties to the Group:

CJSC Profit

CJSC Profit, a company which was affiliated with the Group's controlling shareholders, purchases scrap metal from third parties and Group entities and sells it to the Group. In 2008, CJSC Profit also reprocessed scrap metal prior to selling it to the Group. CJSC Profit was acquired by the Group in June 2009.

The Group also provided loans to the company. At the date of acquisition, there were no outstanding loans.

LLC MEK

LLC MEK, a company affiliated with the Group's controlling shareholders, sells electric power to the Group.

OJSC CUB

The Group holds certain deposits and current accounts in OJSC CUB, a commercial bank affiliated with the Group's management. The Group receives financing from OJSC CUB in the form of loans for the Group's operating activities on arm's length basis.

LLC MMK Trans

LLC MMK Trans, the Group's associate, provides transportation and forwarding services to the Group.

CJSC Kazankovskaya Mine

CJSC Kazankovskaya Mine, the Group's associate, holds a license to explore and mine coal deposits located in Kemerovo region, Russian Federation.

OJSC SKM

OJSC SKM, an insurance company, which was affiliated with the Group's controlling shareholders and the Group's management, provides insurance services to the Group. OJSC SKM is not considered to be a related party of the Group effective 16 May 2008, due to changes in the management structure of the company.

CJSC SKM-Invest

CJSC SKM-Invest, a leasing company, which was affiliated with the Group's management, provides assets under capital lease to the Group. CJSC SKM-Invest is not considered to be a related party of the Group effective 16 May 2008, due to changes in the management structure of the company.

OJSC Belon

OJSC Belon, the Group's former associate, a coal-producer, located in the Russian Federation, supplies coal to the Group at market terms. The Group acquired an additional 50% of Onarbay Enterprises Ltd, the parent of OJSC Belon, in October 2009. Following this acquisition, the Group obtained control over Onarbay Enterprises Ltd.

For the years ended 31 December 2008 and 2009, prior to the Group's acquisition of Onarbay Enterprises Ltd, share of results of associates included loss of USD 37 million and gain of USD 24 million, respectively, related to the Group's associate Onarbay Enterprises Ltd, a parent of OJSC Belon.

Details of transactions with and balances between the Group and related parties at 31 December 2009 and 2008 and for the years ended 31 December 2009 and 2008 are disclosed below.

Transactions	2009	2008
Revenue		
OJSC Belon	3	-
LLC MEK	2	2
CJSC Profit	-	382
Total	5	384
Purchases		
LLC MEK	83	147
OJSC Belon	72	277
LLC MMK Trans	60	25
CJSC Profit (scrap)	19	1,894
CJSC Profit (property, plant and equipment)	-	37
Total	234	2,380
Loans provided		
CJSC Profit	-	206
Loans repaid		
CJSC Profit	-	284
Bank charges		
OJSC CUB	5	9
Bank loans and overdrafts obtained		
OJSC CUB	25	81
Bank loans and overdrafts repaid		
OJSC CUB	22	71
Insurance payments		
OJSC SKM	-	7
Lease payments		
CJSC SKM-Invest	-	6

Balances	31 December	
	2009	2008
Cash and cash equivalents		
OJSC CUB	28	155
Loans and overdraft facilities		
OJSC CUB	18	16
Accounts receivable		
LLC MMK Trans	11	3
CJSC Profit	-	8
Total	11	11
Accounts payable		
LLC MEK	2	2
CJSC Profit	-	259
OJSC Belon	-	7
LLC MMK Trans	-	4
Total	2	272

The amounts outstanding are unsecured and will be settled in cash.

Remuneration of the Group's key management personnel

Key management personnel of the Group receive only short-term employment benefits. For the years ended 31 December 2009 and 2008, key management personnel received as compensation USD 17 million and USD 34 million, respectively.

29. RISK MANAGEMENT ACTIVITIES

The main risks inherent to the Group's operations are those related to liquidity risk, credit risk exposures, market movements in interest rates, equity investment prices and fluctuations in foreign exchange rates. A description of the Group's risks and management policies in relation to these risks follows.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due.

The Group's liquidity position is carefully monitored and managed. The Group has in place a detailed budgeting and cash forecasting process to help ensure that it has adequate cash available to meet its payment obligations.

Presented below is the maturity profile of the Group's borrowings based on contractual undiscounted payments, including interest:

	Weighted average effective interest rate %	Total	Due within one month	Due from one to three months	Due from three to twelve months	Due in the second to fifth years	Due thereafter
2009							
Fixed rate bank loans and borrowings							
Principal	10%	863	8	7	344	489	15
Interest		92	3	7	36	45	1
		955	11	14	380	534	16
Floating rate borrowings							
Principal	3%	1,316	63	236	146	522	349
Interest		125	3	3	16	72	31
		1,441	66	239	162	594	380
Total		2,396	77	253	542	1,128	396
2008							
Fixed rate borrowings							
Principal	13%	736	54	98	490	94	-

	Weighted average effective interest rate %	Total	Due within one month	Due from one to three months	Due from three to twelve months	Due in the second to fifth years	Due thereafter
Interest		184	8	13	151	12	-
		920	62	111	641	106	-
Floating rate borrowings							
Principal	3%	861	106	189	322	179	65
Interest		67	9	7	22	25	4
		928	115	196	344	204	69
Total		1,848	177	307	985	310	69

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers, including outstanding uncollateralised trade and other receivables. Prior to acceptance of a new customer, the Group assesses the customer's credit quality and defines credit limits. Credit limits attributable to customers are regularly reviewed, and at a minimum annually.

The Group's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements, which is net of any amounts offset and any impairment losses, and the amount of financial guarantees for loans obtained by certain related and third parties of the Group.

At 31 December 2009 and 2008, the Group's maximum exposure to credit risk for trade receivables including trade receivables from related parties by type of customers was as follows:

	31 December	
	2009	2008
Automobile producers	275	105
Traders	152	230
Tube plants	51	211
Other industries	288	318
Total	766	864

At 31 December 2009 and 2008, amounts related to financial guarantees given by the Group to third parties were as follows:

	31 December	
	2009	2008
Non-current	16	61
Current	17	10
Total	33	71

The Group's management believes that the likelihood of material payments being required under these agreements is remote.

Foreign currency risk

Foreign currency risk is the risk that the financial results of the Group will be adversely impacted by changes in exchange rates to which the Group is exposed. Currently, the Group does not use hedging instruments to manage exchange rate exposures.

At 31 December 2009 and 2008, the carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies other than its functional currency, the Russian Rouble, were as follows:

	31 December 2009		31 December 2008	
	EUR	USD	EUR	USD
<i>Assets</i>				
Cash and cash equivalents	31	33	94	561
Trade receivables	68	86	61	137
Total assets	99	119	155	698
<i>Liabilities</i>				
Trade payables	(156)	(104)	(114)	(52)

	31 December 2009		31 December 2008	
	EUR	USD	EUR	USD
Total liabilities	(349)	(1,279)	(172)	(1,048)
Total net position	(250)	(1,160)	(17)	(350)

The table below details the Group's sensitivity to a depreciation of the RUB against USD and EUR by 10%, which management believes is an appropriate measure in the current market conditions and which would impact its operations.

	EUR impact		USD impact	
	2009	2008	2009	2008
Profit or (loss)	(25)	(2)	(116)	(35)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The table below details the Group's annualised sensitivity to change of floating rates (LIBOR, EURIBOR, Mosprime) by 1%, which management believes is an appropriate measure in the current market conditions and which would impact its operations. The analysis was applied to borrowings based on the assumptions that amount of liability outstanding at the date of statement of financial position was outstanding for the whole annual period.

	31 December	
	2009	2008
Profit or loss	13	9

Equity and debt investment price risk

The Group is also exposed to investment price risk arising from holding equity and debt investments. Certain portion of the Group's investments is held for strategic rather than trading purposes. The sensitivity analysis below has been determined based on the exposure to equity and debt price risks at the reporting date.

If equity and debt prices had been 5% higher/lower:

- Investment revaluation reserve within equity balance would increase/decrease by USD 31 million (2008: increase/decrease by USD 10 million), as a result of changes in fair value of listed securities available-for-sale; and
- Profit for the year would increase/decrease by USD 10 million (2008: increase/decrease by USD 5 million), as a result of changes in fair value of listed debt and equity securities classified as at fair value through profit or loss.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of debt and equity.

The capital structure of the Group consists of debt, share capital and retained earnings.

Management of the Group reviews the Group's capital structure on an annual basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on their recommendations, the Group balances its overall capital structure through the payment of dividends as well as the issue of new debt or the redemption of existing debt.

There were no significant changes in the Group's approach to capital management during the year ended 31 December 2009.

31. COMMITMENTS AND CONTINGENCIES

Commitments for expenditure

In the course of carrying out its operations and other activities the Group enters into various agreements which requires the Group to invest in or provide financing to specific projects or undertakings.

In the opinion of the Group's management, these commitments are entered into under standard terms, which are representative of each project's feasibility and should not result in unreasonable losses for the Group.

At 31 December 2009, the Group executed non-binding purchase agreements of approximately USD 11,226 million to acquire in future periods through 2009 – 2017 property, plant and equipment, coking coal, zinc, aluminium, iron ore and natural gas (at 31 December 2008 – USD 10,706 million). Penalties are payable or receivable under these agreements in certain circumstances and where supply terms are not adhered to. Management does not expect such conditions to result in a loss to the Group.

In the past the Group has transferred social assets to local municipal authorities. The Group's management expects that the Group will continue to partly fund those social operations in the foreseeable future. These costs are recognised in the consolidated statement of comprehensive income as incurred.

Operating leases

The land in the Russian Federation on which the Group's production facilities are located is owned by the State. The Group pays land tax based on the total area and the location of the land occupied. The amounts of land tax for the years ended 31 December 2009 and 2008 were approximately

USD 19 million and USD 25 million, respectively.

The Group leases land through operating lease agreements, which expire in various years through 2054. Future minimum lease payments due under non-cancellable operating lease agreements at 31 December 2009 were as follows:

Due in one year	2
Due in the second year	2
Due thereafter	26
	30

Contingencies

Taxation contingencies in the Russian Federation

The taxation system in the Russian Federation is at a relatively early stage of development, and is characterised by numerous taxes, frequent changes and inconsistent enforcement at federal, regional and local levels.

The government of the Russian Federation has commenced a revision of the Russian tax system and passed certain laws implementing tax reform. The new laws reduce the number of taxes and overall tax burden on businesses and simplify tax litigation. However, these new tax laws continue to rely heavily on the interpretation of local tax officials and fail to address many existing problems. Many issues associated with practical implication of new legislation are unclear and complicate the Group's tax planning and related business decisions.

In terms of Russian tax legislation, authorities have a period of up to three years to re-open tax declarations for further inspection. Changes in the tax system that may be applied retrospectively by authorities could affect the Group's previously submitted and assessed tax declarations.

While management believes that it has adequately provided for tax liabilities based on its interpretation of current and previous legislation, the risk remains that tax authorities in the Russian Federation could take differing positions with regard to interpretive issues. This uncertainty may expose the Group to additional taxation, fines and penalties that could be significant.

Russian Federation risk

The economy of the Russian Federation, while deemed to be of market status, continue to display certain traits consistent with that of an emerging market. These characteristics have in the past included higher than normal inflation, insufficient liquidity of the capital markets, and the existence of currency controls. The continued success and stability of the Russian economy will be subject to their government's continued actions with regard to supervisory, legal and economic reforms.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of certain financial instruments have been determined using available market information or other valuation methodologies that require considerable judgment in interpreting market data and developing estimates. Accordingly, the estimates applied are not necessarily indicative of the amounts that the Group could realise in a current market exchange. The use of different assumptions and estimation methodologies may have a material impact on the estimated fair values.

Where it was available, management of the Group determined fair value of unlisted shares using a valuation technique that was supported by publicly available market information. In the absence of such information available-for-sale investments were presented at cost, net of impairment.

At 31 December 2009 and 2008, the estimated fair values of financial assets, including cash and cash equivalents, investments in securities, trade and other receivables, loans given and promissory notes, short-term borrowings, trade and other payables approximated their carrying values due to the short-term nature of these instruments.

At 31 December 2009, USD 498 million of listed bonds, placed in November-December, 2009, had a fair value of 99.7% or USD 495 million. This fair value was determined based on Moscow Interbank Stock Exchange quotations. At 31 December 2009 and 2008, fair value of unsecured long-term debt, denominated in USD, was USD 525 million and USD 256 million, respectively. This fair value was determined based on market rates available to the Group at respective date.

For the years ended 31 December 2009 and 2008, no derivatives were designated as hedges. A net gain of nil and USD 5 million, respectively, relating to a change in the fair value of derivative instruments was included in other operating income in the consolidated statement of comprehensive income.

33. EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

There were no events after the date of statement of financial position that would require special disclosure or adjustment to these consolidated financial statements.

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2009 were approved by the Group's management and authorised for issue on 2 April 2010.

Information on Compliance with the Code of Corporate Conduct

(In accordance with the form specified in the guidelines for the composition and form of presenting information on compliance with the Code of Corporate Conduct in annual reports of open joint stock companies, approved by Decree #03-849/r of the Federal Commission for the Securities Markets of the Russian Federation, dated 30.04.2003)

N п/п	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
General Shareholders' Meeting			
1.	The shareholders shall be notified of a general shareholders' meeting not less than 30 days prior to the meeting, irrespective of the meeting's agenda items, unless a longer period is provided for by applicable laws.	yes	Paragraph 10.7 of the Charter of OJSC MMK approved by the Resolution of the Annual General Shareholders' Meeting, dated 22.05.2009.
2.	The shareholders shall be able to review the list of persons entitled to participate in the general shareholders' meeting starting from the day of notifying the shareholders of the meeting till the closing of the general shareholders' meeting, if held in the form of personal attendance, or till the deadline for receipt of voting ballots, if a meeting is held in the form of absentee voting.	yes	Paragraph 2.3 of the Regulations on the General Shareholders' Meeting of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
3.	The shareholders shall be able to review information to be presented during preparation for the general shareholders' meeting, via electronic communication, including the Internet.	yes	Paragraph 4.4 of the Regulations on the Information Policy of OJSC MMK, approved by the Resolution of the Board of Directors of OJSC MMK, dated 14.02.2008
4.	The shareholders shall be entitled to propose items for the agenda of the general shareholders' meeting or request convening of a general shareholders' meeting without providing an extract from the shareholders' register in case their share rights are registered with the share register system, and in case their share rights are registered on a custody account, an extract from the custody account should be sufficient to exercise such rights.	yes	Paragraphs 10.10, 10.18 of the Charter of OJSC MMK, approved by Resolution of the Annual General Shareholders' Meeting, dated 22.05.2009. Paragraphs 3.1, 7.1 of the Regulations on the General Shareholders' Meeting of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
5.	The General Director, members of the Board of Directors and the Management Board of OJSC MMK, members of the Audit Committee and Auditor of the Company are required to attend general shareholders' meetings pursuant to the Charter and Bylaws of OJSC MMK.	yes	Paragraph 5.4 of the Regulations on the Audit Committee of OJSC MMK, approved by the Resolution of the Shareholders' Meeting of OJSC MMK, dated 22.04.2005 Members of the Board of Directors and the Management Board of OJSC MMK, the General Director and Auditor of the Company are invited to participate in a general shareholders' meeting (Paragraph 6.9 of the Regulations on the General Shareholders' Meeting of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006)
6.	Candidates must attend the meeting in person if the meeting is to consider items regarding the election of members to the Boards of Directors, the General Director, members to the Management Board and to the Audit Committee, or the approval of OJSC MMK's Auditor.	yes	Practiced as part of corporate governance system of OJSC MMK
7.	OJSC MMK's Bylaws must specify the registration procedure for participants of a general shareholders' meeting.	yes	Paragraph 9 of the Regulations on the General Shareholders' Meeting of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006

N п/п	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
The Board of Directors			
8.	The Company's Charter shall provide that the Board of Directors be authorized to annually approve the Company's plan of financial and operational activities.	yes	Paragraph 11.7.38 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 22.05.2009
9.	The Board of Directors shall approve the Company's risks managing procedure.	no	The Company's Standard STP KSUR 2-01-2006 standard "Comprehensive Risk Management System" planned for approval by the Board of Directors
10.	The Company's Charter shall provide that the Board of Directors be entitled to resolve on the suspension of powers of the general director appointed by the general shareholders' meeting.	yes	Paragraph 11.7.16 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting dated 22.05.2009.
11.	The Company's Charter shall provide that the Board of Directors be authorized to specify the qualifications of and size of remuneration for the general director, members of the Management Board, and heads of the Company's operating divisions.	yes	Paragraphs 11.7.15, 13.2 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting dated 22.05.2009.
12.	The Company's Charter shall provide that the Board of Directors be authorized to approve the terms of contracts with the general director and members of the Management Board.	yes	Paragraphs 11.7.15, 13.9, and 14.8 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting dated 22.05.2009.
13.	The Company's Charter and bylaws shall require that votes of the members of the Board of Directors who are simultaneously the general director or members of the Management Board, not be counted when approving the terms of contracts with the general director (the managing Company or executive manager) and members of the Management Board.	yes	Paragraph 11.11 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting dated 22.05.2009.
14.	At least three independent directors meeting the criteria of the Code of Corporate Conduct shall be members of the Board of Directors.	yes	Paragraph 2 of Minutes # 28 of the Annual General Shareholders' Meeting, dated 22.05.2009.
15.	The Board of Directors of OJSC MMK shall comprise no members found guilty of economic crimes or offences against the State, the civil service or local self-government bodies, or subjected to administrative penalties for administrative offences in the areas of entrepreneurial activities, finance, taxes and duties, or stock market transactions.	yes	
16.	No member of the Board of Directors of OJSC MMK shall be a partner, general director (executive manager), member of a managing body or employee of the Company's competitors.	yes	
17.	The Company's Charter shall require that members of the Board of Directors of the Company be elected by cumulative voting.	yes	Paragraph 11.5 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting dated 22.05.2009.
18.	Company's bylaws shall prevent members of the Board of Directors from taking any steps that will or might give rise to a conflict of interests between them and the Company, or, in case such conflict of interests arises, provide that the members be obliged to disclose information on such conflict to the Board of Directors.	yes	Paragraphs 17.1, 17.3 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 22.05.2009, Paragraphs 5.6.1, 5.6.2 of the Regulations on the Corporate Conflicts' Settlement Procedures, approved by the Resolution of the Board of Directors of OJSC MMK, dated 13.02.2004 Paragraph 6 of the Business Ethics Code, approved by the Resolution of the Board of Directors of OJSC MMK, dated 17.07.2009.

ANNEX 2

N п/п	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
19.	Company's bylaws shall require that members of the Board of Directors notify the Board of Directors in writing of their intention to enter into transactions with the Company's securities or its subsidiary (related) companies, and disclose information on transactions made with such securities.	yes	Paragraph 17.4 of the Charter of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 22.05.2009, Paragraphs 9.6, 9.7 of the Regulations on the Board of Directors of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
20.	Company's bylaws shall require that meetings of the Board of Directors be held at least once every 6 weeks.	yes	Paragraph 5.2 of the Regulations on the Board of Directors of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
21.	Meetings of the Board of Directors of OJSC MMK shall be held at least once every 6 weeks during the year for which an annual report is prepared.	yes	
22.	The Company's bylaws shall specify the procedure for holding meetings of the Board of Directors.	yes	Paragraph 6 of the Regulations on the Board of Directors of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
23.	The Company's bylaws shall include a provision on mandatory approval by the Board of Directors of the Company's transactions whose value is equal to or exceeds 10% of the book value of the Company's assets, excluding transactions made in the normal course of business.	no	Implementation planned as the corporate governance system is improved
24.	The Company's bylaws shall provide that members of the Board of Directors of OJSC MMK be entitled to request necessary information to discharge their duties, from the executive bodies and heads of the Company's divisions. Company's bylaws shall specify the liability for failure to submit such information.	yes	Paragraph 10.2 of the Regulations on the Board of Directors of OJSC MMK, approved by the Resolution of the Annual General Shareholders' Meeting, dated 21.04.2006
25.	The Company shall have a Board of Directors' committee for strategic planning or vest the obligations of the said committee with another committee (except for the committee for audit and the committee for nominations and remunerations)	yes	p. 6 of Minutes # 1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009; Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008; Amendments and additions to the Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the OJSC MMK Board of Directors dated 27.11.2009
26.	The Company shall have a Board of Directors' committee (Committee for Audit) to recommend an auditor to the Board of Directors and liaise with such an auditor and the Company's Audit Committee	yes	p. 5 of Minutes # 1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009; Regulations on the Committee of the OJSC MMK Board of Directors for Audit approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008; Amendments and additions to the Regulations on the Committee of the OJSC MMK Board of Directors for Audit approved by the Resolution of the OJSC MMK Board of Directors dated 27.11.2009
27.	The BoD Audit Committee shall consist only of independent and non-executive directors	yes	p. 5 of Minutes # 1 of the Meeting of the Board of Directors dated 22.05.2009
28.	The chairman of the BoD Audit Committee shall be an independent director	yes	The Chairman of the Committee for Audit is an independent director. p. 5 of Minutes #1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009

N п/п	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
29.	All members of the BoD Audit Committee shall be entitled by the Company's bylaws to access any documents and information of the Company on condition of non-disclosure of any confidential information	yes	pp. 7.1.2, 14.1, 14.2 of the Regulations on the Committee of the OJSC MMK Board of Directors for Audit approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008
30.	Establishment of a committee of the Board of Directors (Committee of the Board of Directors for Nominations and Remuneration), whose function is to determine criteria for selection of candidates to the Board of Directors and development of the Company's remuneration policy	yes	p. 7 of Minutes # 1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009. p.6 of the Regulations on the Committee of the OJSC MMK Board of Directors for Nominations and Remunerations approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008
31.	The chairperson of the Committee for Nominations and Remuneration shall be an independent director	yes	The chairperson of the Committee for Nominations and Remuneration is an independent director. p. 7 of Minutes # 1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009
32.	No member of the Committee for Nominations and Remunerations shall be an officer of the Company	no	Implementation planned as the corporate governance system is improved
33.	A committee of the Board of Directors for risks shall be established, or its functions shall be vested with another committee (except for the Committee for Audit and the Committee for Nominations and Remuneration)	yes	The functions of the Committee of the OJSC MMK Board of Directors for Risks are vested with the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance. p.6.43 of the Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008 and p.p.6.42, 6.45 of Amendments and Additions to the Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the Board of Directors dated 27.11.2009.
34.	A committee for corporate conflicts' settlement of the Company's Board of Directors shall be established, or its functions shall be vested with another committee (except for the Committee for Audit and the Committee for Nominations and Remuneration)	yes	The functions of the OJSC MMK Board of Directors for Corporate Conflicts' Settlement are vested with the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance. p. 6.40 of the Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008 and p. 5 of Amendments and Additions to the Regulations on the Committee of the OJSC MMK Board of Directors for Strategic Planning and Corporate Governance approved by the Resolution of the Board of Directors dated 27.11.2009
35.	No member of the committee for corporate conflicts' settlement shall be an officer of the Company	no	
36.	The chairperson of the committee for corporate conflicts' settlement shall be an independent director	no	
37.	The Company's bylaws approved by the Board of Directors shall provide for a procedure of establishment and operation of the Board of Directors' committees	yes	Regulations on Committees of the OJSC MMK Board of Directors approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2008 and Amendments and Additions to the Regulations in the Committee of the OJSC MMK Board of Directors approved by the Resolution of the OJSC MMK Board of Directors dated 21.11.2009

ANNEX 2

N n/n	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
38.	The Company's Charter shall provide for a procedure of determining the quorum at the Board of Directors' meetings ensuring obligatory participation of independent directors in such meetings	no	Implementation planned as the corporate governance system is improved
Executive bodies			
39.	The Company shall have a collective executive body (Management Board)	yes	p.13 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009
40.	The Company's Charter or bylaws shall provide for mandatory approval by the Management Board of real estate transactions or loans unless such transactions are major transactions or they are made in the ordinary course of the Company's business	yes	p. 13.4.2 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009
41.	The Company's bylaws shall provide for a procedure of coordinating operations not covered by the Company's financial and business plan.	no	Implementation planned as the corporate governance system is improved
42.	No member of the Company's executive bodies shall be a partner, general director (managing director), member of a governing body or employee of the Company's competitors	yes	
43.	The Company's executive bodies shall comprise no members found guilty of economic crimes or crimes against state authorities, public services or local government or subjected to administrative punishment for offences in business, finance, taxes and fees as well as security market. If the function of the individual executive body is performed by a managing organization or a managing director, the general director and members of the Management Board of the managing organization or the manager shall meet the requirements for the Company's general director and members of the Management Board.	yes	
44.	The Company's Charter or bylaws shall prohibit a managing organization (managing director) from performing similar functions in a competing company or having any other property relations with the Company except for rendering services as a managing organization (managing director)	no	pp.17.1 and 17.3 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009
45.	The Company's bylaws shall prohibit any actions of the executive bodies which will or may result in a conflict of interests between them and the Company; or in case of such a conflict, they shall oblige them to inform the Board of Directors accordingly	yes	pp. 5.6.1, 5.6.2 of the Regulations on the Procedure of Corporate Conflicts Settlement approved by the Resolution of the OJSC MMK Board of Directors dated 13.02.2004 p. 6 of the Code of Business Ethics approved by the Resolution of the OJSC MMK Board of Directors dated 17.07.2009
46.	The Company's Charter or bylaws shall provide for criteria of selection of a managing organization (a manager)	no	Implementation planned as the corporate governance system is improved

N n/n	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
47.	The Company's executive bodies shall submit monthly work statements to the Board of Directors	yes	Regular reports of executive bodies for prioritized spheres of activities of OJSC MMK in accordance with the Work Plan of the OJSC MMK Board of Directors
48.	Agreements concluded between the Company and the general director (a managing organization, a managing director) and members of the Management Board shall provide for liability for violating provisions on the use of confidential and insider information	yes	Provided for by terms of agreements with OOO MMK Managing Company and members of the Management Board of OJSC MMK
Company's Secretary			
49.	The Company shall employ a special officer (the Company's secretary), whose function is to ensure compliance by the Company's bodies and officers with procedural requirements securing implementation of the Company's rights and legitimate interests	yes	p.15.1 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009 p. 4 of Minutes # 1 of the Meeting of the OJSC MMK Board of Directors dated 22.05.2009
50.	The Company's Charter or bylaws shall provide for a procedure of appointing (selecting) a Company's secretary and determining its duties	yes	p. 11.7.45 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009 pp. 4.2, 7 of the Regulations on the Corporate Secretary approved by the Resolution of the OJSC MMK Board of Directors dated 22.04.2005
51.	The Company's Charter shall set out requirements for a candidate for the position of the corporate secretary	yes	p. 15.2 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009
Material Corporate Actions			
52.	The Company's Charter or bylaws shall contain a requirement for major transactions' approval prior to their conclusion	yes	pp. 10.3.21, 11.7.23 of the OJSC MMK Charter approved by the Resolution of the Annual General Shareholders' Meeting of the OJSC MMK dated 22.05.2009
53.	The Company shall engage an independent appraiser for assessing the market value of property which is the subject of a major transaction	yes	
54.	The Company's Charter shall prohibit, when acquiring a major share stock of the Company (merger), any actions aimed at protecting the interests of the executive bodies (members of such bodies) or members of the Company's Board of Directors, or deteriorating the position of the shareholders compared to the current status (particularly, prohibiting the Board of Directors from taking decisions on issuing any additional shares, any securities convertible into shares or any securities entitling to acquire shares in such a Company prior to the end of the estimated period for acquiring such shares, even if the right to take such a decision is envisaged by the Charter)	no	Implementation planned as the corporate governance system is improved
55.	The Company's Charter shall provide for obligatory engagement of an independent appraiser for assessing the current market value of the shares and possible changes in their market value as a result of a merger	no	Implementation planned as the corporate governance system is improved
56.	The Company's Charter shall not exempt a purchaser from the obligation to make an offer to the shareholders to sell the Company's ordinary shares owned by such shareholders (issued securities convertible into ordinary shares) during a merger	yes	
57.	The Company's Charter or bylaws shall provide for an obligatory engagement of an independent appraiser to determine the shares conversion ratio when reorganizing the Company	yes	p. 12.3 of the OJSC MMK's Regulations on the Material Corporate Activities approved by the Resolution of the Board of Directors on 21.11.2008

ANNEX 2

N n/n	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
Information Disclosure			
58.	The Board of Directors shall approve an internal document defining the Company's rules and approaches to information disclosure (Regulations on the Information Policy)	yes	OJSC MMK's Regulations on the Information Policy approved by the Resolution of the Board of Directors on 14.02.2008
59.	The Company's bylaws shall require disclosure of information on the goals of shares placement, persons intending to purchase the shares to be placed including major share packages, and whether the top managers of the Company will participate in purchasing the Company's shares to be placed	yes	p. 5.2 of OJSC MMK's Regulations on the Information Policy approved by the Resolution of the Board of Directors on 14.02.2008
60.	The Company's internal documents shall contain a list of information, documents and materials to be provided to the shareholders for consideration of the agenda items of a general shareholders' meeting	yes	p. 5.3 of the OJSC MMK's Regulations on the General Shareholders' Meeting approved by the Resolution of the General Shareholders' Meeting dated 21.04.2006 p.5.2 of the Regulations on Information Policy of OJSC MMK approved by the Resolution of the Board of Directors on 14.02.2008
61.	The Company shall have a website and disclose the Company's information thereon on a regular basis	yes	http://www.mmk.ru/
62.	The Company's internal documents shall require disclosure of information on the Company's transactions with persons considered top managers as per the Company's Charter, or the Company's transactions with entities, in which the Company's top managers own, directly or indirectly, at least 20% of the authorized capital, or on which such persons can otherwise exert significant influence	yes	p. 5.2 of OJSC MMK's Regulations on the Information Policy approved by the Resolution of the Board of Directors on 14.02.2008
63.	The Company's internal documents shall require disclosure of information on all transactions which can have an effect on the market value of the Company's shares	yes	p. 5.2 of OJSC MMK's Regulations on the Information Policy approved by the Resolution of the Board of Directors dated 14.02.2008
64.	The Board of Directors shall approve an internal document on the use of material information on the Company's activities, shares, other securities and the transactions therewith, which is not a public domain and the disclosure of which may exert a material influence on the market value of the shares and other securities of the Company	yes	The Regulations on Insider Information of OJSC MMK approved by the Resolution of the Board of Directors dated 14.02.2008
Control of Financial and Business Operations			
65.	The Board of Directors shall approve procedures of internal supervision of the Company's financial and business operations	yes	pp. 4 and 5 of OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors dated 23.12.2005; amendments and additions to the Regulations on Internal Control Procedures of OJSC MMK approved by the Resolution of the Board of Directors dated 14.02.2008; amendments and additions to the Regulations on Internal Control Procedures of OJSC MMK approved by the Resolution of the Board of Directors dated 27.11.2009
66.	The Company shall have a special division ensuring compliance with the internal supervision procedures (supervision and audit department)	yes	
67.	The Company's internal documents shall require that the structure and membership of the supervision and audit department be determined by the Company's Board of Directors	yes	pp. 16.3 and 16.4 of OJSC MMK's Charter approved by the Resolution of the Annual General Shareholders' meeting dated 22.05.2009 pp. 2.1 and 2.2 of the OJSC MMK's Regulations on Audit Committee approved by the Resolution of the Annual General Shareholders' Meeting dated 22.04.2005

N n/n	Provisions of the Code of Corporate Conduct (CCC)	Compliance with CCC (yes or no)	Remarks
68.	The supervision and audit department shall not comprise any persons found guilty of economic crimes or offenses against federal authorities, public services or local government or subjected to administrative punishment for offences in business, finance, taxes and fees as well as securities markets.	yes	
69.	The supervision and audit department shall not employ any persons who are members of the Company's executive bodies, or persons who are members, CEO (managing director), members of the governing bodies, or employees of any competing Company	yes	
70.	The Company's internal documents shall specify deadlines for submitting documents and materials to the supervision and audit department for evaluating financial and business operations performed, and the responsibility of the Company's officers and employees for failure to submit such documents and materials on time	yes	pp. 5.8 and 6.1 of OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors on 23.12.2005; p. 5.8 of Amendments and Additions to OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors dated 27.11.2009
71.	The Company's internal documents shall provide for the obligation of the supervision and audit department to inform the BoD Audit Committee (or, in case of its absence, the Board of Directors) of the non-compliances found.	yes	pp. 5.5.6 and 5.6 of the OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors on 23.12.2005; Amendments and Additions to OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors dated 14.02.2008; Amendments and Additions to OJSC MMK's Regulations on Internal Control Procedures approved by the Resolution of the Board of Directors dated 27.11.2009
72.	The Company's Charter shall require that the supervision and audit department make a preliminary assessment of whether it is feasible to perform operations not included in the Company's financial and business plan (nonstandard operations)	no	Implementation planned as the corporate governance system is improved
73.	The internal documents of the Company shall provide for a procedure of approval of nonstandard operations by the Board of Directors	no	Implementation planned as the corporate governance system is improved
74.	The Board of Directors shall approve a bylaw specifying a procedure of auditing the Company's financial and business activities by the Audit Committee	yes	Regulations on the Audit Committee of OJSC MMK approved by the Resolution of the OJSC MMK shareholders' meeting on 22.04.2005
75.	The BoD Audit Committee shall evaluate the Auditor's opinion prior to its submission to the general shareholders' meeting	yes	Clause 6.3.6 of the OJSC MMK's Regulations on the Committee for Audit of the Board of Directors approved by the Resolution of the OJSC MMK's Board of Directors on 21.11.2008
Dividends			
76.	The Board of Directors shall approve an internal document by which the Board of Directors shall be guided in recommending the dividends' size (the Regulations on the Dividend Policy)	yes	OJSC MMK's Regulations on the Dividend Policy approved by the Resolution of the Board of Directors on 14.02.2008
77.	The Regulations on the Dividend Policy shall specify the minimum share of the Company's net income to be allocated to the payment of dividend and the conditions under which dividends on preferred shares whose size is set out in the Company's Charter, are not paid or paid partially	yes	p. 5.2 of OJSC MMK's Regulations on the Dividend Policy approved by the Resolution of the Board of Directors on 14.02.2008
78.	Publication of the Company's information on the dividend policy and amendments thereto in the periodical specified in the Company's Charter for publication of information on general shareholders' meetings, and placing the above information on the Company's website	yes	pp. 4.4 and 5.3 of the OJSC MMK's Regulations on the Information Policy approved by the Resolution of the Board of Directors on 14.02.2008

List of Interested Party Transactions and Large Scale Transactions Effected by OJSC MMK in 2009

OJSC MMK effected no large scale transactions in 2009.

In 2009 OJSC MMK made interested party transactions regarding the following:

1. Additional agreement to non-residential property lease agreement # 163377 between OJSC MMK (the Lessor) and CJSC RMK (the Lessee) on the following terms:

- subject – exclusion from leased property of 50 property units with the total area of 13 634,60 m² (Annex), located at the following address: 93 ul. Kirova, Magnitogorsk, Chelyabinsk region;
- rental charge in the amount of RUB 687 494,20 monthly (VAT inclusive);
- settlement procedure – before the 25th of the current month.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

2. Non-residential property lease agreement # 164117 between OJSC MMK (the Lessor) and Sole Proprietor Morozova E.G. (the Lessee) on the following terms:

- subject – rent of a non-residential premise with the total area of 189,5 m², located at the following address: 11 ul. Kalinina (2d floor), Magnitogorsk, Chelyabinsk region;
- validity – until 26.11.2009;
- rental charge until 01.05.2009 in the amount of RUB 10 107,68 monthly (VAT inclusive). From 01.05.2009 the price is determined at the rate of rental charge usually paid for similar services under comparative circumstances;
- settlement procedure – before the 25th of the current month.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

3. Addendum # 3 to contract # E152334 for supply of equipment, spare parts and materials between OJSC MMK (the Buyer) and ММК Трейдинг АГ (the Supplier), Zug (Switzerland), on the following terms:

- subject – supply of equipment, spare parts and materials, services of personnel training and equipment installation supervising;
- validity – until 31.12.2010;
- supply price of equipment, spare parts, materials, raw materials, services of personnel training and equipment installation supervising in the amount of EURO 15 000 000;
- settlement procedure – 100% within 30 calendar days from the supply date of each lot or signing of rendered services acceptance certificate regarding personnel training or equipment installation supervising.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

4. Service agreement using the "Client-Bank" system # 170432 between OJSC MMK and OJSC Sberbank of Russia on the following terms:

- subject – rendering by OJSC Sberbank of Russia the following services using the "Client-Bank" system:
- receive electronic documents, protected by a digital signature, from OJSC MMK, instructing the bank to carry out operations with OJSC MMK's accounts opened with OJSC Sberbank of Russia's branch #1693 in Magnitogorsk;
- provide OJSC MMK with the information, in form of electronic documents protected by a digital signature, on the operations carried out with OJSC MMK's accounts opened with OJSC Sberbank of Russia's branch #1693 in Magnitogorsk;
- receive from and provide to OJSC MMK any free-form information in form of electronic internal information documents protected by a digital signature;
- transaction value - as per tariffs specified by OJSC Sberbank of Russia;
- validity period – valid within one year from the date of signing of the agreement. The Agreement shall be considered prolonged for next year if neither of the parties declares its intention to terminate the use of the system at least 30 days prior to the expiration date of the Agreement.

There are no beneficiaries under the transaction.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov, R.S Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

5. Agreement # BS-9644/2 on amendments to bank account agreements # 9381 dated 12.12.2008, # 9381 dated 13.01.2009 between OJSC MMK and OJSC Sberbank of Russia as a security of performance of Non-Revolver Credit Facility Agreement # 9644 on the following terms:

- for the purpose of OJSC MMK's debt repayment under non-revolving credit facility agreement # 9644 OJSC Sberbank of Russia may debit in acceptance-free way the funds from OJSC MMK settlement accounts #40702840172330009381 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702978772330009381 with the Magnitogorsk branch # 1693 of OJSC

Sberbank of Russia.

- validity period – from the date of signing of the agreement and until termination of OJSC MMK's obligations under non-revolving credit facility agreement # 9644.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov, R.S Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

6. Agreement # BS-9645 on amendments to bank account agreements # 121/2001 dated 01.12.2001, # 40702840000020106715 dated 04.09.1998, # 40702978600020106715 dated 29.08.2003, # 40702810700020106715 dated 04.09.1998, # 9381 dated 12.12.2008, # 9381 dated 13.01.2009 between OJSC MMK and OJSC Sberbank of Russia as a security of obligations under non-revolving credit facility agreement # 9645 on the following terms:

- for the purpose of OJSC MMK's debt repayment under non-revolving credit facility agreement # 9645 OJSC Sberbank of Russia may debit in acceptance-free way the funds from OJSC MMK settlement accounts # 40702810772330010098 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702840172330009381 with the Magnitogorsk branch 1693 of OJSC Sberbank of Russia, # 40702978772330009381 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702840000020106715 Operations Department of Sberbank of Russia OJSC, # 40702978600020106715 with Operations Department of OJSC Sberbank of Russia, # 40702810700020106715 with Operations Department of OJSC Sberbank of Russia.

- validity period – from the moment of signing of the agreement and until termination of OJSC MMK's obligations on non-revolving credit facility agreement # 9645.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov, R.S Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

7. Agreement # BS-9646 on amendments to bank account agreements # 121/2001 dated 01.12.2001, # 40702840000020106715 dated 04.09.1998, # 40702978600020106715 dated 29.08.2003, # 40702810700020106715 dated 04.09.1998, # 9381 dated 12.12.2008, # 9381 dated 13.01.2009 between OJSC MMK and OJSC Sberbank of Russia as a security of obligations under revolving credit facility agreement # 9646 on the following terms:

- for the purpose of OJSC MMK's debt repayment under revolving credit facility opening agreement # 9646 OJSC Sberbank of Russia may debit in acceptance-free way the funds from OJSC MMK settlement accounts # 40702810772330010098 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702840172330009381 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702978772330009381 with the Magnitogorsk branch # 1693 of OJSC Sberbank of Russia, # 40702840000020106715 with Operations Department of OJSC Sberbank of Russia, # 40702978600020106715 with Operations Department of OJSC Sberbank of Russia.

- validity period – from the moment of signing of the agreement and until termination of OJSC MMK's obligations on revolving credit facility agreement # 9646.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov, R.S Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

8. Additional agreement # 3 to Surety agreement # 608-045-K-P dated 27.03.2008 between OJSC MMK and Gazprombank (Open Joint Stock Company) on the following terms:

- subject of the transaction – OJSC MMK shall jointly and severally undertake to be held fully responsible before GPB (OJSC) for the proper performance of all LLC UralSibTrade obligations arising under Credit Facility Agreement # 2608-045-K dated 27.03.2008 as amended by Addendum # 1 dated 27.03.2008, Addendum # 2 dated 28.11.2008, and Addendum # 3 to the Credit Facility Agreement;
- maximum one-time indebtedness limit – up to RUB 1 500 000 000;
- the loan is provided in tranches; each tranche having the maximum term of 90 (ninety) days with the interest payments due from LLC UralSibTrade to GPB (OJSC) to be made based on the actual indebtedness amount depending on the period of use of the facility (tranche) according to the following interest rates:
 - for the tranche period of up to 60 (sixty) days (inclusive) the interest rate - not exceeding 18% (eighteen percent) per annum on the actual indebtedness;
 - for the tranche period from 61 (sixty-one) to 90 (ninety) days inclusive the interest rate - not exceeding 20 (twenty) percent per annum on the actual indebtedness;
- in case of default on the part of LLC UralSibTrade to ensure monthly cash inflows to the accounts opened with GPB (OJSC) specified in paragraph 4.1.1 of the Credit Facility Agreement the interest rate under the credit facility shall be increased by 1% (one percent) per annum from the 10th (tenth) day of the month following the month when the default occurred and till the 10 (tenth) day of the month following the month when the default was cured;
- penalty (fine) for failure to fulfill obligations of credit redemption and/or interest payment - 0,04% (zero point zero four percent) of the amount due and payable for each day of delay;
- interest rate on the actual indebtedness may be unilaterally reviewed by Gazprombank (Open Joint Stock Company);
- period of use of the credit facility line – until 27.03.2009;
- transaction value in the amount not exceeding RUB 1 800 000 000;
- validity of the surety agreement – until 29.09.2009.

The beneficiary under the transaction is OOO UralSibTrade.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

9. Additional agreement # 2 to Surety agreement # 60/80-R-P dated 30.04.2008 between OJSC MMK and Gazprombank (Open Joint Stock Company) on the following terms:

- subject of the transaction – OJSC MMK shall jointly and severally undertake to be held fully responsible before GPB (OJSC) for the proper performance of all LCC MAGMA Trade obligations arising under Credit Facility Agreement # 60/80-P dated 30.04.2008 as amended by Addendums # 1 and # 2 to the Credit Facility Agreement;
- maximum one-time indebtedness limit – up to RUB 440 000 000;
- the loan is provided in tranches; each tranche having the maximum term of 90 (ninety) days with the interest payments due from LCC MAGMA Trade to GPB (OJSC) to be made based on the actual indebtedness. The interest rate for use of the facility – not exceeding 20% (twenty percent) per annum on the actual indebtedness.
- in case of default on the part of LLC UralSibTrade to ensure monthly cash inflows to the accounts opened with GPB (OJSC) specified in paragraph 4.4.1.1 of the Credit Facility Agreement the interest rate under the credit facility shall be increased by 1% (one percent) per annum from the 10th (tenth) day of the month following the month when the default occurred and till the 10 (tenth) day of the month following the month when the default was cured;
- penalty (fine) for failure to fulfill obligations of credit redemption and/or interest payment – 0,1% (zero point one percent) of the amount due and payable for each day of delay;
- interest rate on the actual indebtedness may be unilaterally reviewed by Gazprombank (Open Joint Stock Company);
- period of use of the credit facility line – until 30.04.2009;
- transaction value in the amount not exceeding RUB 528 000 000;
- validity of the surety agreement – until 30.04.2012.

The beneficiary under the transaction is OOO MAGMA Trade.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

10. Additional agreement # 2 to Surety agreement # 61/08-R-P dated 11.07.2008 between OJSC MMK and Gazprombank (Open Joint Stock Company) on the following terms:

- subject of the transaction – OJSC MMK shall jointly and severally undertake to be held fully responsible before GPB (OJSC) for the proper performance of all LCC MAGMA Trade obligations arising under Overdraft Credit Agreement # 61/08-P dated 11.07.2008 as amended by Addendums # 1 and # 2 to the Overdraft Credit Agreement;
- maximum one-time indebtedness limit – up to RUB 160 000 000;
- interest rate for the use of granted credit facilities - not exceeding 20% (Twenty percent) per annum on actual indebtedness;
- period of use of a particular tranche – not exceeding 30 days;
- period of the limit use – until 10.07.2009;
- penalty (fine) for failure to fulfill obligations of credit redemption and/or interest payment – 0,1% (zero point one percent) of the amount due and payable for each day of delay;
- interest rate on the actual indebtedness may be unilaterally reviewed by Gazprombank (Open Joint Stock Company);
- transaction value in the amount not exceeding RUB 192 000 000;
- validity of the surety agreement – until 10.07.2012.

The beneficiary under the transaction is OOO MAGMA Trade.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

11. Supply agreement # 170202 between OJSC MMK and OJSC MMK-METIZ on the following terms:

- subject – supply of steel scrap;
- quantity – no more than 3000 tons monthly;
- validity period – from the moment of its signing until December 31, 2009. In case no party to the contract declares termination of the contract, or revision of its terms, or conclusion of a new contract within two months before the present contract expires, it shall be considered extended for next year on prior terms;
- scrap price at the rate – for 3A, 4A grades – RUB 1000/ton (VAT exclusive), for 11A, 12A, 22A grades – RUB 500/ton (VAT exclusive);
- settlement procedure – payment shall be made within 30 days from the date of invoice.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

12. Supply contract of OJSC MMK products # E170319 between OJSC MMK and MMK Trading AG, Zug (Switzerland) on the following terms:

- subject – supply of coke and chemical by-products;
- quantity – 200 000 tons;
- delivery period – until 31.12.2010;
- price of OJSC MMK's products in the amount of USD 20 000 000,00;
- settlement procedure – within 60 days from the delivery date.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

13. Termination of land lease agreement # 163635 between OJSC MMK and OOO FHKI (Russkiy Khleb) from 01.03.2009.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

14. Land lot purchase agreement # 170429 between OJSC MMK (the Seller) and OOO FHKI (Russkiy Khleb) (the Buyer) on the

following terms:

- subject – purchase and sale of a land lot with the area of 27 822 m² with cadastral number 74:33:13 09 001:0014, located at the following address: 93 ul. Kirova, Magnitogorsk, Chelyabinsk region;
- price of a land lot - RUB 2 003 184 (VAT is not provided);
- settlement procedure – within 30 days from the moment of signing of the agreement by the parties.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

15. Transport lease agreement # 152446 between OJSC MMK (the Lessor) and LLC MMK Managing Company (the Lessee) on the following terms:

- subject – including in the leased property of BMW 528 automobile, state license plate # M 008 MK 74, inventory number 434040590;

- lease charge in the amount of RUB 587 000 monthly (VAT inclusive).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

16. Property lease agreement # 162504 between OJSC MMK (the Lessor) and LLC MMK Managing Company (the Lessee) on the following terms:

- subject – exclusion from the leased property of 65 units (Annex) and including in the leased property of 219 units (Annex) located at the following address: 93, 97 ul. Kirova, Magnitogorsk;

- rental charge in the amount of RUB 1 550 000 monthly (VAT inclusive).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

17. Termination of lease contract # 170152 between OJSC MMK and OJSC MMK-METIZ, CJSC MRK, OOO Electroremont, CJSC Stroitelny Komplex, OOO Ogneupor, OJSC MTzOZ.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

18. Additional agreement to lease contract # 162897 between OJSC MMK (the Lessor) and OJSC MMK-METIZ (the Lessee) on the following terms:

- subject – including in the leased property of 2 units (Annex) located at the following address: 5 Beloretskoe shosse, Magnitogorsk, Chelyabinsk region;

- lease charge - RUB 1 833 089,30 monthly (VAT inclusive);

- balance sheet value of the property – RUB 162 555 398,31.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

19. Additional agreement to supply contract # 152787 between OJSC MMK (the Supplier) and CJSC Profit (the Buyer) on the following terms:

- validity period – until 31.12.2009. If two months prior to the contract expiration date neither of the parties announces its intention to terminate the contract or revise its conditions, or to conclude a new contract, it will continue in effect for another year on previously agreed conditions.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

20. Sales contract of products from OJSC MMK's stocks # 170625 between OJSC MMK and CJSC RMK on the following terms:

- subject – sales of products from OJSC MMK's stocks;

- quantity – to be determined in accordance with specifications being an integral part of the agreement;

- settlement procedure – not later than 30 days from the receipt of the invoice;

- price at the rate of average purchasing price in the OJSC MMK's stocks plus 1% storage costs (VAT inclusive);

- validity period – until 31.12.2009. The Agreement shall be prolonged for next year on previously agreed terms, if neither of the parties declares its intention to terminate it or reconsider its terms or conclude a new one two months prior to the expiration date of the agreement.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

21. Sales contract of goods from OJSC MMK's stocks # 170630 between OJSC MMK and OJSC MMK-METIZ on the following

conditions:

- subject – sales of goods from OJSC MMK's stocks;
- quantity – to be determined according to the specifications being an integral part of the contract;
- payment procedure – not later than 30 days from the date of the invoice receipt;
- price – to be determined by an averaged purchasing price in the OJSC MMK's stock plus 1% storage costs (including VAT)%
- validity – until 31.12.2009. If two months prior to the contract expiration date neither of the parties announces its intention to terminate the contract or revise its conditions, or to conclude a new contract, it will continue in effect for another year on previously agreed conditions.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

22. Sales contract of goods from OJSC MMK's stocks # 170423 between OJSC MMK and OJSC MMK-METIZ on the following conditions:

- subject – sales of goods from OJSC MMK's stocks;
- quantity – to be determined according to the specifications being an integral part of the contract;
- payment procedure – not later than 3 days from the date of the invoice receipt;
- price – to be determined by an averaged purchasing price in the OJSC MMK's stock plus 1% storage costs (including VAT);
- validity – until 31.12.2009. If two months prior to the contract expiration date neither of the parties announces its intention to terminate the contract or revise its conditions, or to conclude a new contract, it will continue in effect for another year on previously agreed conditions.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

23. Sales contract of goods from OJSC MMK's stocks # 170626 between OJSC MMK and CJSC RMK on the following condition:

- subject – sales of goods from OJSC MMK's stocks;
- quantity – to be determined according to the specifications being an integral part of the contract;
- payment procedure – not later than 3 days from the date of the invoice receipt;
- price – to be determined by an averaged purchasing price in the OJSC MMK's stock plus 1% storage costs (including VAT);
- validity – until 31.12.2009.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

24. Sales contract # 170658 between OJSC MMK and CJSC Profit on the following conditions:

- subject – sales of materials, equipment and spare parts;
- quantity – to be determined according to annexes being an integral part of the contract;
- validity – until 31.12.2009;
- price – not exceeding RUB 44 000 000;
- payment procedure – within 90 days from the invoice receipt.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

25. Additional agreement # 3 to sublease contract of vehicles with the drivers # 152621 between OJSC MMK and OOO MMK Managing Company on the following terms:

- subject – sublease of 7 BMW cars with the drivers (Annex);
- validity – till 31.12.2009;
- sublease price – RUB 13 200 668,59 (including VAT);
- settlements – according to the schedule of payments (Annex).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

26. Termination of rental contract for the lodgings "Kottedzhi" Bannoye # 153348 between OJSC MMK and Alexander L. Mastruev from 01.11.2008.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

27. Rental contract # 170657 for the lodgings "Kottedzhi" Bannoye between OJSC MMK and Oleg V. Zepkin on the following terms:

- the subject – rental of lodgings located at the following address: "Kottedzhi", Bannoye, building 3, room 4;
- rental charge – minimum RUB 40 000 per month;
- validity date – till 01.01.2010. In case no party to the contract declares its intention to terminate the contract a month before its

expiration date, the contract shall be extended on the same terms and conditions. The total contract duration shall not exceed five years.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

28. Transportation services agreement # 170250 between OJSC MMK (the Client) and CJSC Profit (the Forwarding Agent) on the following terms:

- subject – forwarding services for transportation of cargo by railway transport;
- volume of transportation – not exceeding 2 000 000 tons per year;
- validity – from the signing date till 31.12.2009. In case no party to the contract declares termination of the contract or alteration of its terms or conclusion of a new contract within 30 days before it expires, the contract is considered extended for next year under the same terms and conditions;
- price – determined as the railway tariff according to the 10-01 Tariffs List for OJSC RZHD (Russian railroads) cars plus RUB 50 (including VAT) per carload of cargo delivered as the forwarding agent's commission for rendering services;
- settlements – 100% of advance payment of services according to the declared volume of transportation.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

29. Credit facility agreement # 1376 between OJSC MMK and OJSC Credit Ural Bank on the following terms:

- subject - obtaining the loan in the form of a callable credit on the conditions of collectability, serviceability and maturity;
- limit of indebtedness - RUB 6.000 000, 00 (six million);
- designation – settlements using corporate bank cards;
- interest rate – 0% per annum;
- penalty – 1.3 effective refinancing rate of the Central Bank of the Russian Federation on the overdue amount;
- price of transaction involves the principal debt not exceeding RUB 6.000 000, 00 (six million) and penalties for non-performance or improper performance of obligations under credit agreement # 1376;
- validity term – till 31.01.2010.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

30. Suretyship Agreement between OJSC MMK (Guarantor) and GPB (OJSC) as a security of LLC MAGMA Trade obligations under the Credit Facility Agreement on the following terms and conditions:

- subject of the transaction – OJSC MMK shall be jointly and severally responsible before GPB (OJSC) for full and proper performance of all LLC MAGMA trade obligations arising under the Credit Facility Agreement;
- maximum one-time debt limit – up to 440,000,000 rubles;
- the loan is provided in tranches; each tranche for a maximum tenor of 180 (one hundred eighty) days. Interest payments due from LLC MAGMA trade will be based on the actual debt amount. Interest rate on the loan – up to 20% (twenty percent) per annum on the actual debt;
- in case of default by LLC MAGMA trade to fulfill its obligation referred to in p. 4.1.11 of the Credit Facility Agreement to ensure monthly cash inflows to the accounts opened with GPB (OJSC) in the amount of at least 60% of the monthly average debt in the preceding month under the Credit Facility Agreement the interest rate under the credit facility shall be increased by 1% (one percent) per annum starting from the 10th (tenth) day of the month following the month when the default occurred and till the 10 (tenth) day of the month following the month when the default was cured;
- interest payment period – monthly;
- penalty for default or improper performance of obligations to repay the principal amount and/or the interest – 0,05 % (zero point zero five percent) of the overdue amount for each day of payment delay;
- the interest rate on the actual debt can be revised by GPB (OJSC) at its sole discretion;
- period of use of the loan facility – not exceeding one year from signing of the Credit Facility Agreement;
- validity of the Suretyship Agreement – not more than four years from the date of signing of the Credit Facility Agreement;

- the Credit Facility Agreement provides for the possibility of debt and interest acceleration;

- the price of the transaction – not exceeding 827,200,000 rubles;

- the penalty for default or improper performance by the Guarantor of its obligations under the Suretyship Agreement – 0,05 % (zero point zero five percent) of the overdue amount for each day of payment delay.

The beneficiary under the transaction is LLC MAGMA trade.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

31. Suretyship Agreement between OJSC MMK (Guarantor) and GPB (OJSC) as a security of LLC UralSibTrade obligations under the Credit Facility Agreement on the following terms and conditions:

- subject of the transaction – OJSC MMK shall be jointly and severally responsible before GPB (OJSC) for full and proper performance of all LLC UralSibTrade obligations arising under the Credit Facility Agreement;
- maximum one-time debt limit – up to 1,500,000,000 rubles;
- the loan is provided in tranches; each tranche for a maximum tenor of 180 (one hundred eighty) days. Interest payments due from LLC UralSibTrade will be based on the actual debt amount. Interest rate on the loan – up to 20% (twenty percent) per annum on the actual debt;

- in case of default by LLC UralSibTrade to fulfill its obligation referred to in p. 4.1.11 of the Credit Facility Agreement to ensure monthly cash inflows to the accounts opened with GPB (OJSC) in the amount of at least 60% of the monthly average debt in the preceding month under the Credit Facility Agreement the interest rate under the credit facility shall be increased by 1% (one percent) per annum starting from the 10th (tenth) day of the month following the month when the default occurred and till the 10 (tenth) day of the month following the month when the default was cured;
 - interest payment period – monthly;
 - penalty for default or improper performance of obligations to repay the principal amount and/or the interest – 0,05 % (zero point zero five percent) of the overdue amount for each day of payment delay;
 - the interest rate on the actual debt can be revised by GPB (OJSC) at its sole discretion;
 - period of use of the loan facility – not exceeding one year from signing of the Credit Facility Agreement;
 - validity of the Suretyship Agreement – not more than four years from the date of signing of the Credit Facility Agreement;
 - the Credit Facility Agreement provides for the possibility of debt and interest acceleration;
 - the price of the transaction – not exceeding 2,820,000,000 rubles;
 - the penalty for default or improper performance by the Guarantor of its obligations under the Suretyship Agreement – 0,05 % (zero point zero five percent) of the overdue amount for each day of payment delay.
- The beneficiary under the transaction is LLC UralSibTrade.
The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

32. Additional agreement to paid services contract #103495 between OJSC MMK and CJSC RMK on the following terms:

- subject – provision of services connected with wages accounting, deductions and accounting reporting;
- the services price shall be set as follows: wages accounting for 1 employee of CJSC RMK shall cost RUB 5;
- payment procedure – within 1 month from the date of invoicing.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

33. Supply Contract #170853 between OJSC MMK and LLC Fabrika Khlebokonditerskikh Izdelyiy ("Russkiy Khleb") on the following terms:

- subject – steel products supply by OJSC MMK;
- scope of supply – as per specification which is an integral part of the contract;
- settlements – scheduled payments;
- price – as stated in the Indicative Prices Book for OJSC MMK's Commercial Products, which is approved in accordance with the Regulations for Consideration and Approval of the Indicative Prices Book for OJSC MMK's Commercial Products;
- validity – till 31.12.2009.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

34. Surety Agreement between OJSC MMK and OJSC Sberbank of Russia to secure fulfillment of OJSC MMK-METIZ' obligations under Revolving Credit Facility Agreement on the following terms:

- subject of the transaction- The Guarantor undertakes to bear entire and joint responsibility to the Creditor for the appropriate fulfillment of all obligations by MMK-METIZ arising from Revolving Credit Facility Agreement concluded on the following terms and conditions:
- indebtedness limit – RUB 300 000 000;
- validity period – not more than 12 months;
- purpose – working capital increasing;
- interest rate – up to 18% p.a.; the Creditor shall be entitled in its reasonable discretion to modify an interest rate including, but not limited to, subject to decisions of the Bank of Russia concerning the change in the refinancing rate with the notification of the Borrower about it without any execution of this change in the form of an additional agreement. This change will come into effect in 30 calendar days from the date of this notification by the Creditor, unless the later effective date for this change is specified in the notification;
- fee for credit facility opening – 1.0% of the amount of the credit facility limit;
- fee for credit facility limit utilizing – 0.1% p.a. of the limit amount not utilized;
- fee for credit facility servicing – 1.0% p.a. of the actual indebtedness amount;
- compensation for loan repayment without notice – 8.0 % p.a. of the early repayable amount;
- penalty – in the amount of doubled refinancing rate of the Bank of Russia;
- security – OJSC MMK's guarantee;
- transaction value – comprises the principal amount not exceeding RUB 300,000,000, interest accrued for utilization of monetary funds, fee for opening of the credit line, fee for the loan facility limit utilization, compensation for loan repayment without notice, penalty for non-fulfillment or improper fulfillment of obligations under Revolving Credit Facility Agreement;
- validity of Surety Agreement – until the obligations of OJSC MMK-METIZ under Revolving Credit Facility Agreement are fully performed.

The beneficiary under the transaction is OJSC MMK-METIZ.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamiva Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

35. Amendment to Bank Account Agreement # 121/2001/103658 to secure fulfillment of OJSC MMK's obligations under Surety Agreement to secure the obligations of OJSC MMK-METIZ under Revolving Credit Facility Agreement on the following terms

and conditions:

- with the purpose of clearing OJSC MMK's indebtedness under Surety Agreement to secure the obligations of OJSC MMK-METIZ under Revolving Credit Facility Agreement the Bank is entitled to withdraw without further authorization the funds paid into OJSC MMK's settlement account # 407028107723300010098 with Magnitogorsk Branch #1693 of Sberbank of Russia;
- validity period – from the signing date until the obligations of OJSC MMK are terminated under Surety Agreement.

There are no beneficiaries under the transaction.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamiva Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

36. Surety Agreement between OJSC MMK and OJSC Sberbank of Russia to secure fulfillment of LLC BRU's obligations under Non-Revolving Credit Facility Agreement on the following terms and conditions:

- subject of the transaction – The Guarantor undertakes to bear entire and joint responsibility to the Creditor for the appropriate fulfillment of all LLC BRU's obligations arising from Non-Revolving Credit Facility Agreement concluded on the following terms and conditions:

- indebtedness limit – RUB 100 000 000;
- validity period – not more than 12 months;
- purpose – working capital increasing;
- interest rate – up to 19% p.a.; the Creditor shall be entitled in its reasonable discretion to modify an interest rate including, but not limited to, subject to decisions of the Bank of Russia concerning the change in the refinance rate with the notification of the Borrower about it without any execution of this change in the form of an additional agreement. This change will come into effect in 30 calendar days from the date of this notification by the Creditor, unless the later effective date for this change is specified in the notification;
- fee for credit facility opening – 1.0% of the amount of the credit facility limit;
- fee for credit facility limit utilizing – 0.1% p.a. of the limit amount not utilized;
- fee for credit facility servicing – 1.0% p.a. of the actual indebtedness amount;
- security – OJSC MMK's guarantee;
- transaction value – comprises the principal amount not exceeding RUB 100,000,000, interest accrued for utilization of monetary funds, fee for opening of the credit line, fee for the loan facility limit utilization, fee for credit facility servicing, penalty for non-fulfillment or improper fulfillment of obligations under Non-Revolving Credit Facility Agreement;
- validity of Surety Agreement – until LLC BRU's obligations under Non-Revolving Credit Facility Agreement are fully performed.

The beneficiary under the transaction is LLC BRU.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamiva Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

37. Amendment to Bank Account Agreement # 121/2001/103658 to secure fulfillment of OJSC MMK's obligations under Surety Agreement to secure fulfillment LLC BRU's obligations under Non-Revolving Credit Facility Agreement on the following terms and conditions:

- with the purpose of clearing OJSC MMK's indebtedness under Surety Agreement to secure the obligations of LLC BRU under Non-Revolving Credit Facility Agreement the Bank is entitled to withdraw without further authorization the funds paid into OJSC MMK's settlement account # 407028107723300010098 with Magnitogorsk Branch #1693 of Sberbank of Russia;
- validity period – from the signing date until the obligations of OJSC MMK are terminated under Surety Agreement.

There are no beneficiaries under the transaction.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamiva Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

38. Additional agreement to Surety Agreement # 67172/162650 between OJSC MMK and OJSC Sberbank of Russia on the following terms and conditions:

-subject of the transaction – The Guarantor undertakes to bear entire and joint responsibility to the Creditor for the appropriate fulfillment of all LLC BRU's obligations arising from Non-Revolving Credit Facility Agreement # 73565 and additional agreement thereto concluded on the following terms and conditions:

- interest rate – up to 16.00% p.a.; the Creditor shall be entitled in its reasonable discretion to modify an interest rate including, but not limited to, subject to decisions of the Bank of Russia concerning the change in the refinance rate with the notification of the Borrower about it without any execution of this change in the form of an additional agreement. This change will come into effect in 30 calendar days from the date of this notification by the Creditor, unless the later effective date for this change is specified in the notification;
- security – OJSC MMK's guarantee;
- transaction value – comprises the principal amount not exceeding RUB 420,000,000, interest accrued for utilization of monetary funds, fee for opening of the credit line, fee for the loan facility limit utilization, commitment fee, compensation for early loan repayment, penalty for non-fulfillment or improper fulfillment of obligations under Non-Revolving Credit Facility Agreement # 73565;
- validity of Surety Agreement – until LLC BRU's obligations under Non-Revolving Credit Facility Agreement # 73565 are fully performed.

The beneficiary under the transaction is LLC BRU.

The following 5 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamiva Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

39. Surety Agreement # 1381 between OJSC MMK and OJSC Kredit Ural Bank on the following terms:

- subject of the transaction – security of LLC BRU's obligations to OJSC Kredit Ural Bank under the Loan Agreement;
- credit facility amount – up to RUB 60 000 000;

- interest rate – at the moment of entering into loan agreement the utilization fee is defined in the amount of the Central Bank's refinancing rate plus 5.0% p.a. to equal 18.0%. In case of changing the Central Bank's refinancing rate the utilization fee under the loan agreement is changed by agreement of the Parties;
- Loan Agreement validity period – within 12 months;
- transaction value – not more than RUB 70 800 000;
 - Surety Agreement validity period – till all obligations stipulated by the loan agreement are fulfilled.

The beneficiary under the transaction is LLC BRU.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

40. Surety Agreement # 1379 between OJSC MMK and OJSC Kredit Ural Bank on the following terms:

- subject of the transaction – security of MMK-METIZ's obligations to OJSC Kredit Ural Bank under the Loan Agreement;
- credit facility amount – up to RUB 250 000 000;
- interest rate – at the moment of entering into loan agreement the utilization fee is defined in the amount of the Central Bank's refinancing rate plus 5.0% p.a. to equal 18.0%. In case of changing the Central Bank's refinancing rate the utilization fee under the loan agreement is changed by agreement of the Parties;
- Loan Agreement validity period – within 12 months;
- transaction value – not more than RUB 295 000 000;
 - Surety Agreement validity period – till all obligations stipulated by the loan agreement are fulfilled.

The beneficiary under the transaction is OJSC MMK-METIZ.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

41. Rental contract #170907 dated 25.02.2009 for the lease of lodgings "Kottedzhi" Bannoye between OJSC MMK and Oleg P. Shiryayev:

- the subject – lease of lodgings located at the following address: "Kottedzhi", Bannoye, building 1, room 3;
- lease charge – at least RUB 40,000 per month;
- contract validity – till 15.01.2010. In case no party to the contract declares termination of the contract in writing within a month before it expires, the contract is considered extended for next year on prior terms. Total contract duration shall not exceed five years.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

42. Paid services agreement # 170157 between OJSC MMK (Contractor) and OJSC MMK-METIZ (Customer) on the following terms:

- subject – rendering services of technical inspection of cylinders and autorecipients;
- settlement procedure – within three days from invoice delivery;
- price – in the amount of actual costs with 5% profitability;
- validity – till 31.12.2011. The Contract shall be considered prolonged for the following calendar year if the Parties have not declared their intention to terminate it at least 30 days prior to the Contract's expiry date.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

43. Storage contract # 171393 between OJSC MMK (Depositor) and OJSC MMK-METIZ (Depository) on the following conditions:

- subject – storage of steel products;
- quantity of steel products – not exceeding 10 000 tons;
- price – not exceeding RUB 30 000 (VAT exclusive);
- validity – until 31.12.2009.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

44. Property lease contract # 171504 between OJSC MMK (the Lessor) and LLC MMK Managing Company (the Lessee), on the following terms:

- subject of transaction – lease of 587 property units, located at the following address: 93, 97 Ul. Kirova, Magnitogorsk (Annex 1);
- validity – till 20.05.2010;
- lease charge – RUB 1 550 000 per month (including VAT);
- settlements – by the 25th of a current month.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

45. Additional agreement to gratuitous use agreement # 170000 between OJSC MMK and the Medical Care Unit of the City Administration of Magnitogorsk and OJSC MMK Autonomous Non-Profit Organization on the following terms:

- Subject – inclusion in the property transferred on a gratuitous basis of 2 health units located at the following address: Scrap processing plant of OJSC MMK, Magnitogorsk, Chelyabinsk Region, and property of 67 health units (Annex # 1);
- Total floor space – 220 square meters.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

46. Paid services agreement # 171121 between OJSC MMK and the Medical Care Unit of the City Administration of Magnitogorsk and OJSC MMK Autonomous Non-Profit Organization on the following terms:

- subject – thorough medical examination of OJSC MMK's employees occupied on hazardous plants and plants with hazardous and (or) dangerous production factors which are to undergo periodic medical examination in;
- settlement procedure – within 5 (five) working days from the receipt of the invoices;
- the price for the medical examination of one employee is RUB 660;
- validity – until 31.12.2009.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

47. Paid services agreement # 171769 between OJSC MMK (the Sponsor) and ANO "Hockey Club "Metallurg" (the Hockey club) on the following terms:

- subject – provision by the Sponsor of funds to the Hockey club in order to organize and (or) hold events provided distribution of sponsor advertising by the Hockey club (Annex);
- settlement procedure – the Hockey club issues an advance account to the Sponsor including the volume of funds necessary to organize and (or) hold events, within budget. The Sponsor makes the advance payment based on the issued invoice without consideration of the event date;
- price in the amount of RUB 1 570 000 000 (VAT inclusive);
- validity – until 30.04.2010 or until all obligations occurred prior to the specified date are completely fulfilled by the parties.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

48. Paid services agreement # 171225 between OJSC MMK and LLC FKHKI Russky Khleb on the following terms:

- subject – access to the information resources;
- validity – until 31.12.2009. The Agreement shall be considered prolonged on previously agreed terms if neither of the parties declares its intention to terminate the agreement or revise its terms at least 30 days prior to the expiration date of the Agreement.
- price in the amount of cost of services with the profitability at least 5%;
- settlement procedure – within three days from the moment of signing the acceptance certificate.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

49. Additional agreement to sales contract # 170658 between OJSC MMK and CJSC Profit on the following conditions:

- subject – sales of materials, equipment and spare parts;
- quantity – to be determined according to annexes being an integral part of the contract;
- validity – until 31.12.2009;
- price – not exceeding RUB 19 000 000 (VAT exclusive);
- payment procedure – within 90 days from the invoice receipt.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

50. Agreement on electronic tender regulations # 171034 between OJSC MMK and CJSC Profit on the following terms:

- subject – access to participate in the electronic tender and right to make requests for quotations at the OJSC MMK's electronic trading floor for the purpose of possible future contracts for goods and services supply as a result of tenders;
- validity – 1 (one) calendar year from its signing. If after the contract expiration date neither of the parties delivers the written notification regarding its intention to terminate the contract, it will continue in effect for the next calendar year on previously agreed conditions.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

51. Sales contract of CJSC Profit's shares # 171770 between OJSC MMK and CJSC Managing Company Profit on the following terms:

- subject – purchase and sale of ordinary non-documentary registered shares of CJSC Profit; state registration number of securities issue 1-01-31513-K; nominal value RUB 0.01 per each share; number of shares: 999 999 (nine hundred and ninety nine thousand

nine hundred and ninety nine);

- settlement procedure – payment shall be made by means of funds transfer to the settlement account of CJSC Managing Company Profit;
- shares price in the amount not exceeding RUB 4 700 mln. (VAT is not provided);
- validity – until 31.12.2010.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

52. Additional agreement to the Loan Agreement # 132577/shk-20 dated 22.04.2005 between OJSC MMK (the lender) and Kazankovskaya Coal Company CJSC (the borrower):

- interest rate – 10% p.a. from 22.04.2005 to 31.07.2009, 0% p.a. from 01.08.2009 to 31.12.2013;
- transaction value – no more than RUR 97,060.873 (ninety seven millions sixty thousand and eight hundred seventy three rubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

53. Additional agreement to the Loan Agreement # 132707/shk-30 dated 05.05.2005 between OJSC MMK (the lender) and Kazankovskaya Coal Company CJSC (the borrower):

- interest rate – 10% p.a. from 05.05.2005 to 31.07.2009, 0% p.a. from 01.08.2009 to 31.12.2013;
- the transaction value – no more than RUR 93,973.151 (ninety three millions nine hundred seventy three thousand and one hundred fifty one roubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

54. Additional agreement to the Loan Agreement # 133087/shk-43 dated 27.05.2005 between OJSC MMK (the lender) and Kazankovskaya Coal Company CJSC (the borrower):

- interest rate – 10% p.a. from 27.05.2005 to 31.07.2009, 0% p.a. from 01.08.2009 to 31.12.2013;
- transaction value – no more than RUR 968,704.860 (nine hundred sixty eight millions seven hundred and four thousand and eight hundred sixty roubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

55. Additional agreement to the Loan Agreement # 133088/shk-44 dated 27.05.2005 between OJSC MMK (the lender) and Kazankovskaya Coal Company CJSC (the borrower):

- interest rate – 10% p.a. from 27.05.2005 to 31.07.2009, 0% p.a. from 01.08.2009 to 31.12.2013;
- transaction value – no more than RUR 128,224.278 (one hundred and twenty eight millions two hundred twenty four thousand and two hundred seventy eight roubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

56. Contracts for the supply of OJSC MMK's coke and chemical by-products # B171740 between OJSC MMK and MMK Trading AG, Zug (Switzerland), on the following terms:

- subject - supply of coke and chemical byproducts;
- quantity – 150,000 tons;
- delivery period – till 31.12.2011;
- price – RUB 750,000,000.00;
- settlements – within 60 days from the date of supply.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

57. Contracts for the supply of OJSC MMK's coke and chemical by-products # B171741 between OJSC MMK and MMK Trading AG, Zug (Switzerland), on the following terms:

- subject – supply of coke and chemical byproducts;
- quantity – 50,000 tons;
- delivery period – till 31.12.2011;
- price – USD 3,000,000.00;
- settlements – within 60 days from the date of supply.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

58. Agency Agreement #E172226 between OJSC MMK and MMK Trading AG, Zug (Switzerland) on the following terms:

- subject: act legally in respect of sales of OJSC MMK's products in the amount of 200,000 tons on the CIS markets;
- validity – until 31.12.2010;
- price of the agreement – USD 400 000,00;
- settlement procedure – within 30 banking days from the date of a report on acts performed.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

59. Iron-and-steel scrap supply contract # 172290 between OJSC MMK's (the Customer) and CJSC RMK (the Supplier) on the following terms:

- subject – supply of iron-and-steel scrap;
- scope of supply – not exceeding 20 tons per year;
- settlements – payment is carried out within 30 working days from the presentation of invoice;
- price – 1000 RUB/ton, but not higher than the price charged for similar products under the comparable circumstances;
- validity – till 31.12.2009. In case no party declares its intention to terminate or to alter the Agreement or to conclude a new agreement within two months before it expires, the Agreement shall be prolonged for the next year on the same terms and conditions.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

60. Supply Contract #172275 between OJSC MMK and CJSC RMK on the following terms and conditions:

- subject – supply of other OJSC MMK's products;
- volume – in accordance with dispatch orders;
- delivery period – till 31.12.2011;
- price – to be subject to "Book of Wholesale Prices for other OJSC MMK's Products" effective as of the shipment date, or a price negotiation agreement (an additional price agreement) with a discount not exceeding 19.95%;
- settlement procedure – scheduled payments.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

61. Agreement between OJSC MMK and CJSC RMK on the following terms:

- Subject – cooperation of parties on the mutual provision of free cash funds (loans) for the agreed term;
- Amount of loans – up to RUB 1.000.000.000 (one billion);
- Interest rates – up to 15% p.a.;
- Validity – till 01.07.2012;
- To coordinate the cooperation of the parties under the agreement OJSC MMK can be instructed to perform the following:
 - operations of funds disposition;
 - debit of the settlement account without further authorization;
- Transaction value – not exceeding RUB 1.450.100.000 (one billion four hundred and fifty millions one hundred rubles);
- opening and closing of bank accounts (settlement and deposit accounts) of CJSC RMK.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

62. Guarantee Agreement # 1401 «por» between OJSC MMK and Kredit Ural Bank OJSC on the following terms:

- subject – securing the obligations of LLC BRU to Kredit Ural Bank OJSC under the loan agreement;
- loan amount – up to RUB 160 000 000;
- interest rate – in the moment of concluding the loan agreement payment for loan utilization is determined as the refinancing rate of the RF's Central Bank plus 3.00% p.a., totaling 14.5%. In case if the refinancing rate of the RF's Central Bank changes, payment for the loan utilization will be changed by agreement of the parties;
- validity term of the loan agreement – up to 12 months;
- transaction value – not exceeding RUB 183 200 000;
- the Guarantee Agreement shall continue in force until all obligations under the loan agreement are fulfilled.

The beneficiary under the transaction is LLC BRU.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

63. Deposit Agreement # 172369 between OJSC MMK and OJSC Bank VTB on the following terms:

- subject – bank deposit;
- amount to be deposited – up to USD 120,000,000.00;
- interest rate – up to 6.7% p.a.;

-validity term – up to 548 days;
-transaction value – not exceeding USD 132,071,013.70.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Rustamova X.H., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

64. Additional agreement # 3 to agreement on transfer of the authority of the company's individual executive body to the managing company # 142639 between OJSC MMK and MMK Managing Company» on the following conditions:

Managing Company exercises the rights and discharges the obligations of individual executive body – in the scope and with the restrictions as stated by the applicable laws of the RF, the Company's Charter and internal documents, including:

- takes decision on full or partial discontinuation of production or sale of products, execution of works or provision of services;
- approves the report on results of submitting by the shareholders the requirements on redemption of the Company's shares owned by them;
- approves the report on results of the Company's shares acquisition;
- approves the report on results of issue (additional issue) of the Company's securities.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

65. The agreement between OJSC MMK and OJSC MMK-METIZ on the following terms:

- Subject – cooperation of parties on the mutual provision of free cash funds (loans) for the agreed term;

- Amount of loans – up to RUB 1 000 000 000 (one billion);

- Interest rates – up to 15% p.a.;

- Validity – till 01.07.2012;

- To coordinate the cooperation of the parties under the agreement OJSC MMK can be instructed to perform the following:

- operations of funds disposition;
- debit of the settlement account without further authorization;
- Transaction value – not exceeding RUB 1.450.100.000 (one billion four hundred and fifty millions one hundred rubles);
- opening and closing of bank accounts (settlement and deposit accounts) of OJSC MMK-METIZ.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

66. Additional agreement # 1 to loan agreement # 153157 between OJSC MMK (Lender) and LLC FKHKI Russky Khleb (Borrower) on the following terms:

- loan amount – RUB 15 000 000 (fifteen million);

- validity – until 31.12.2009;

- principal debt redemption – single payment with the possibility of early partial redemption;

- price of transaction – not exceeding RUB 17 105 753 (seventeen million one hundred and five thousand seven hundred fifty three);

- interest rate – 6% p.a..

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

67. Property lease contract # 172630 between OJSC MMK (Lessor) and ANO Ice Hockey Club "Metallurg" (Lessee) on the following terms:

- Subject – rent of property of 538 units located at the following address: ul. Zelenaya, 1, Magnitogorsk, Chelyabinsk Region (Annex);

- Validity – till 31.05.2010;

- Rental charge – RUB 260.000 per month (including VAT);

- Settlements – before the 25th of the current month.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

68. Non-residential property lease contract # 172818 between OJSC MMK (the Lessor) and CJSC RMK (the Lessee) on the following terms:

- Subject – rent of non-residential premises with the total floor space of 32.531,1m2 located at the following address: ul. Kirova, 93, Magnitogorsk, site of OJSC MMK (Annex);

- Validity – till 25.09.2010;

- Rental charge – RUB 690.960,56 per month (including VAT);

- Settlements – before the 25th of the current month.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

69. Termination of rental contract for the lodgings "Zhilaya Zona" Abzakovo # 153352 between OJSC MMK and M.V. Buryakov from 01.08.2009.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

70. Agency agreement # 172703 between OJSC MMK (Agent) and OJSC MMK-METIZ (Principal) on the following terms:

- subject – the Agent is obliged to carry out legal actions on behalf of the Principal, and the Principal is obliged to accepted actions taken by the Agent and pay remuneration under the Agreement;
- settlement procedure – remuneration is paid to the Agent on the basis of the invoices including acceptance certificate of rendered services and report within 10 days from the receipt of documents by the Principal;
- price of the transaction – 0,01% from the cost of sold products;
- validity – from the moment of its signing and till December 31, 2009. The agreement is considered prolonged for next calendar year if prior to the contract expiration date neither of the parties announces its intention to terminate the contract.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

71. sales contract # 172728 between OJSC MMK (the Buyer) and OJSC MMK-METIZ (the Seller) on the following conditions:

- subject – sale of automobile BMW-525XI;
- payment procedure – within 30 business days form the moment of signing the contract;
- price of transaction – RUB 1 200 000 (one million two hundred thousand);
- validity – until 31.12.2009.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

72. Surety agreement # 1417 «por» between OJSC MMK and OJSC Credit Ural Bank on the following terms:

- subject – security of CJSC Profit's obligations to OJSC Credit Ural Bank under loan agreement # 1417;
- credit amount – up to RUB 55 000 000;
- interest rate – at the date of signing a loan agreement the interest rate is determined as the refinancing rate of the RF's Central Bank plus 3.0% p.a., thus amounting to 13.75% p.a. In case of RF's Central Bank's changing the refinancing rate the interest rate shall also be changed by the agreement of the parties;
- validity period of the loan agreement – not exceeding 12 months;
- transaction amount – not exceeding RUB 62 562 500;
- validity period of the surety agreement – until the obligations under the loan agreement are fulfilled in full.

The beneficiary under the transaction is CJSC Profit.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

73. Surety Agreement # 1418 «por» between OJSC MMK and OJSC Credit Ural Bank on the following terms:

- subject – security of CJSC Profit's obligations to OJSC Credit Ural Bank under loan agreement # 1418;
- credit amount – up to RUB 196 670 000;
- interest rate – at the date of signing a loan agreement the interest rate is determined as the refinancing rate of the RF's Central Bank plus 3.0% p.a., thus amounting to 13.75% p.a. In case of RF's Central Bank's changing the refinancing rate the interest rate shall also be changed by the agreement of the parties;
- validity period of the loan agreement – not exceeding 12 months;
- transaction amount – not exceeding RUB 223 712 125;
- validity period of the surety agreement – until the obligations under the loan agreement are fulfilled in full.

The beneficiary under the transaction is CJSC Profit.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

74. Guarantee Contract # E172984 between OJSC MMK and FORTIS BANK N.V./FORTIS BANQUE S.A. on the following terms:

- Subject – full guarantee for the obligations of OJSC MMK-METIZ (hereinafter, "the Borrower") towards FORTIS BANK N.V./FORTIS BANQUE S.A. ("the Lender") under the export loan agreement. OJSC MMK (hereinafter, "the Guarantor") thereby assumes, inter alia, the following obligations:
 - (a) The Guarantor guarantees to the Lender punctual fulfillment by the Borrower of all its obligations from time to time incurred by it under the export loan agreement or in connection with any Finance Documents (including, but not limited to, default interest payable under the Agreement);
 - (b) The Guarantor undertakes with the Lender that, whenever the Borrower does not pay or discharge any amount when it becomes due under the Loan Agreement or in connection with any Finance Document, the Guarantor must pay to the Lender as primary obligor the guaranteed amount, on first written demand and without requiring any evidence, other than the statement of the Lender that the Borrower has not complied with its payment obligations under the Loan Agreement, specifying the amount(s) and the nature of the obligations;
 - (c) The Guarantor indemnifies the Lender against any reasonable and documented cost, loss or liability suffered by that the Lender if any Guaranteed Liabilities are or become unenforceable, invalid or illegal. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Agreement, had the amount claimed been recoverable on the basis of a guarantee.
- Validity – The Guarantee Contract shall terminate upon full discharge of the Borrower's obligations to the Lender under

the export loan agreement or full discharge of the Guarantor's obligations to the Lender under this Guarantee.

- Payment due - The Guarantor shall make payment within 10 (ten) business days of the delivery of the Lender's request.
- Transaction value in the amount of principal debt, not exceeding EURO 10 717 879,50, accrued interests for the use of funds, indemnifications, fees, expenses for advanced payment, charges, losses and other amounts.

Main terms and conditions of the export loan agreement:

- Commitment Amount – not exceeding EUR 10 717 879,50.
 - Purpose of the Facility – Financing of 85% of the value of Contracts # 80774, 80775, 81163 and 81164 (hereinafter, “the Contracts”), concluded between OJSC MMK-METIZ and Mario Frigerio S.p.A., Italy.
 - Type of the Facility – Facility arranged with support from the SACE export credit agency, Italy.
 - Availability Period – Facility shall be available for drawdown from the effective date of the Export Loan Agreement up to the earlier of the date six months after the signing of the last interim acceptance certificate under the Contracts.
 - Final Repayment Date – the earlier of the date five years after the signing of the last interim acceptance certificate or the date six years after the Export Loan Agreement coming into force, whichever comes first.
 - Interest Rate – fixed CIRR rate, subject to confirmation by SIMEST incorporated under the laws of Italy, for providing subsidies in the form of interest payments or stabilization of export credits plus the margin of 1.00% p.a.
 - Interest on Overdue Amounts – to be paid at the rate determined by the Lender to be 1% over the Interest Rate.
 - Front-End Fee – 0.50% of the Commitment Amount to be paid within 30 days of the signing of the Export Loan Agreement.
 - Commitment Fee – to be computed at the rate of 0.70% per annum on the undrawn, uncancelled Commitment Amount from the signing date of the Export Loan Agreement till the latest between the end of the Availability Period and the date on which the Commitment Amount is reduced to nihil, payable semi-annually starting from the date six months after the signing date of the Export Loan Agreement.
 - Export Credit Agency Premium – a premium as calculated by the SACE Export Credit Agency, and all other costs required in obtaining and maintaining the Credit Insurance Policy, and possible periodic increases of the premium by the ECA in accordance with the terms and conditions of the Credit Insurance Policy.
- The beneficiary under the transaction is OJSC MMK-METIZ.
The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

75. Postponed Payment Delivery Contract of OJSC MMK's products # 172561 between OJSC MMK (the Supplier) and OJSC MMK-METIZ (the Buyer) on the following terms:

- subject – supply of steel products;
- settlement procedure – within 30 calendar days from the signing date of acceptance certificate of products from the temporary storage warehouse or within 90 calendar days from the signing date of acceptance certificate of products to the temporary storage warehouse;
- quantity of steel products – not exceeding 250.000 tons;
- price – is determined according to the price negotiation memorandum effecting as of the shipment of products from the temporary storage warehouse or within 90 calendar days from the signing date of acceptance certificate of products to the temporary storage warehouse, but not exceeding RUB 4.200.000.000;
- validity – from the signing date before the Ordinary Annual General Meeting of Shareholders of OJSC MMK in 2010.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

76. Additional agreement to property lease contract *дополнительного* #162897 between OJSC MMK (the Lessor) and OJSC MMK-METIZ (the Lessee) on the following terms:

- subject – exclusion from leased property 15 units (Annex) located at the following address: Beloretzkoe shosse, 5, Magnitogorsk, Chelyabinsk region;
- balance sheet value of the leased property – RUB 86 409 924,96;
- lease charge – RUB 1 152 537,8 monthly (VAT inclusive);
- validity – until 01.09.2014.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

77. Purchase Contract # 173011 between OJSC MMK (the Buyer) and OJSC MMK-METIZ (the Seller) on the following terms:

- subject – purchase of property (Annexes 1, 2), located at the following address: ul. Kurortnaya, 6, 6/1, d. Zelenaya Polyana, Abzelilovskiy District, Bashkortostan Republic;
- validity – till the registration of the Buyer's property rights of the purchased property and all settlements performed;
- price - RUB 17 500 000 (including VAT);
- settlements – to be paid in rubles by means of funds transfer to the settlement account within 30 days from the signing date of the Contract. The date of fulfillment of the Buyer's payment obligations is deemed to be the date of debiting the Buyer's settlement account.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

78. Termination of rental contract for the lodgings Kottedzhi Bannoe # 153355 between OJSC MMK and G.S. Senichev from 15.08.2009.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect

to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

79. Additional Agreement to Paid Services Agreement # 150578 between OJSC MMK and ANO MSCh of Magnitogorsk City Administration and OJSC MMK on the following conditions:

- subject - periodic medical examination of OJSC MMK's employees occupied on hazardous plants and plants with hazardous and (or) dangerous production factors within five years or more (engaging the Institution of the Russian Academy of Medical Sciences "Research and Development Institute of Labour Medicine of RAMN");
- the price for the medical examination of one employee is RUB 1,800.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

80. Land lot leasing agreement # 173193 between OJSC MMK (Lessor) and LLC FKHKI Rusky Khleb (Lessee) on the following terms:

- subject – lease of a land lot 28 440 square meters, being a part of land lot with cadastral number 74:33:11.06.001:0003, located at the following address: 26 Verhneuralskoye Shosse, Magnitogorsk, Chelyabinsk region;
- validity period – until 31.08.2010;
- rental charge – RUB 45 017,68 monthly (VAT exclusive);
- settlement procedure – before the 25th of the current month.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

81. Non-residential lease agreement # 173483 between OJSC MMK (Lessor) and CUB OJSC (Lessee) on the following terms:

- Subject – lease of non-residential premises with the total floor space of 170.0 sq. meters (utilities payment to be reimbursed) located in the central control point of OJSC MMK at the address: 93 ul. Kirova, Magnitogorsk;
- Validity – till 25.10.2010;
- Rental charge – RUB 78,513.80 per month (including VAT);
- Settlements – before the 25th day of a current month.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

82. Sales and purchase agreement # 173521 between OJSC MMK (the Seller) and Morozova E.G. (the Buyer) on the following terms:

- Subject – sales of non-residential premise # 2 (office) with the total floor space of 189.5 m², located at the following address: 11 ul. Kalinina, Magnitogorsk Chelyabinsk Region;
- Validity – before the registration of the Buyer's ownership rights for the purchased property and all the settlements;
- price - RUB 4 000 000 (including VAT);
- Settlements – payment shall be made in rubles by funds transfer to a settlement account within 30 days from the signing date.

The discharge date of the Buyer's obligations on property payment shall be deemed the date of funds receipt on the Seller's settlement account.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

83. Additional agreements to Loan Agreement # 132577/shk-20 dated 22.04.2005 between OJSC MMK (the Lender) and Kazankovskaya Coal Company CJSC (the Borrower) on the following terms:

- interest rate – 10% p.a. from 22.04.2005 to 30.09.2009,
0,1% p.a. from 01.10.2009 to 31.12.2013.
- transaction value – no more than RUR 98 497 970 (ninety eight millions four hundred ninety seven thousand and nine hundred seventy rubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

84. Additional agreements to Loan Agreement # 132707/shk-30 dated 05.05.2005 between OJSC MMK (the Lender) and Kazankovskaya Coal Company CJSC (the Borrower) on the following terms:

- interest rate – 10% p.a. from 05.05.2005 to 30.09.2009,
0,1% p.a. from 01.10.2009 to 31.12.2013.
- the transaction value- no more than RUR 95 356 981 (ninety five millions three hundred fifty six thousand and nine hundred eighty one rubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

85. Additional agreements to Loan Agreement # 133087/shk-43 dated 27.05.2005 between OJSC MMK (the Lender) and Kazankovskaya Coal Company CJSC (the Borrower) on the following terms:

- interest rate – 10% p.a. from 27.05.2005 to 30.09.2009,
0,1% p.a. from 01.10.2009 to 31.12.2013.
- transaction value- no more than RUR 983 677 110 (nine hundred eighty three millions six hundred seventy seven thousand and one hundred and ten rubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

86. Additional agreements to Loan Agreement # 133088/shk-44 dated 27.05.2005 between OJSC MMK (the Lender) and Kazankovskaya Coal Company CJSC (the Borrower) on the following terms:

- interest rate – 10% p.a. from 27.05.2005 to 30.09.2009,
0,1% p.a. from 01.10.2009 to 31.12.2013.
- transaction value- no more than RUR 129 872 183 (one hundred and twenty nine millions eight hundred seventy two thousand and one hundred eighty three rubles only).

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Krivoschekov S.V., Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

87. Suretyship agreement # 2609-169-K-P between OJSC MMK and Gazprombank (Open Joint Stock Company) (GPB (OJSC)) on the following terms:

- subject – OJSC MMK (the Guarantor) shall undertake full and joint liability before GPB (OJSC) (Bank) for the proper performance of all OJSC Profit's (the Borrower) obligations arising from the Credit Facility Agreement on opening the credit line # 2609-169-K dated 29.09.2009, concluded between GPB (OJSC) and OJSC Profit on the following terms and conditions (hereinafter – «Credit Agreement»):
- limit of the credit line (maximum possible amount of granted funds) – RUB 500 000 000;
- interest rate – 13,5% p.a., the Bank is entitled to change it unilaterally in cases provided for by the Credit Agreement;
- interest payment period – monthly;
- the expiration date for the credit line use – September 17, 2010 (inclusive).
- the date of repayment of the principal amount of debt under the credit line – September 20, 2010 (inclusive);
- in case of default or improper performance by OJSC Profit of its obligations to repay the loan and/or to pay the interest on the loan GPB (OJSC) is entitled to demand payment of penalty at the rate of 0,04% for each day of payment delay;
- in case of default by the OJSC Profit to fulfill its obligations to maintain monthly cash inflows to the accounts with GPB (OJSC) in the amount proportional to indebtedness to the Bank in the joint loan portfolio of the Borrower, as well as to submit monthly to the Bank statements on receiving the income to the accounts of the Borrower in all the banks for the previous month, and on the loan balance of the Borrower in all the banks as of the last date of the previous month, according to 4.1.9, 4.1.10 of Credit Agreement, GPB (OJSC) is entitled to increase the interest rate by 1% p.a., from the 10 (tenth) date of the month following the month in which the above mentioned default occurred, and until the 10 (tenth) date, following the month, in which the above mentioned default was cured;
- price of transaction – not exceeding RUB 567 500 000;
- the Loan Agreement provides for the possibility of the principal amount acceleration and interest charged thereon;
- in the event of default or improper performance by the Guarantor of its obligations under the Suretyship Agreement GPB (OJSC) is entitled to demand payment of penalty at the rate of 0,04% of the amount due and payable for each day of payment delay;
- validity of the Suretyship Agreement – until September 20, 2013.

Beneficiary under the transaction is CJSC Profit.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

88. Suretyship agreement # 1385/SA/173523 between OJSC MMK and CB «Garanti Bank – Moscow» (CJSC) on the following terms:

- subject – security of obligations of OJSC MMK-METIZ (the Borrower) to CB «Garanti Bank – Moscow» (CJSC) under the credit facility agreement;
- credit amount – up to RUB 360 000 000;
- interest rate – 10,5% p.a., it can be changed upon agreement of the Borrower and CB «Garanti Bank – Moscow» (CJSC);
- one-time fee for opening of credit line – 1% from the credit line limit;
- validity period of the credit facility agreement – 12 months from the date of its signing;
- price of transaction – not exceeding RUB 402 000 000;
- validity period of the suretyship agreement – 15 months from the date of its signing.

Beneficiary under the transaction is OJSC MMK-METIZ.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

89. Depositary agreement # 173556 with Sberbank of Russia OJSC represented by Magnitogorsk branch # 1693 on the following terms:

- Subject – opening of the OJSC MMK's depo account with Magnitogorsk branch # 1693 of Sberbank of Russia OJSC;
 - Price – according to the rates established by Sberbank of Russia OJSC;
 - Validity – from signing till termination of the agreement as agreed by the parties.
- There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

90. land lot leasing agreement # 173101 between OJSC MMK (the Lessor) and CJSC RMK (the Lessee) on the following terms:

- subject – lease of two parts of a land lot with the total area 4 188 sq.m (468 sq.m and 3 720 sq.m), being parts of a land lot with cadastral number 74:33:13 09 001:0052, located at the following address: ul. Kirova 93, Magnitogorsk, Chelyabinsk region;
- validity period – until 31.07.2010;
- rental charge – RUB 8 171,48 monthly (VAT exclusive);
- settlement procedure – before the 25th of the reporting month.

There are no beneficiaries under the transaction

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

91. Supplement Agreement on the prolongation of sales contract of goods from OJSC MMK's stocks # 170626 between OJSC MMK (the Seller) and CJSC RMK (the Buyer) on the following conditions:

- validity – until 31.12.2012.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

92. Additional agreement to supply contract #112716 between OJSC MMK and OJSC MMK-METIZ on the following terms:

- subject – supply of metalware and flux cored wire necessary for the secondary metallurgy processing of molten steel;
- metalware quantity – 5,000 tons, 3,000 sq. m., 135,000 running meters; flux cored wire quantity – 2,100 tons;
- settlements – payments shall be made within 30 days from the date of supply;
- price – is determined pursuant to the Price-book specifying wholesale prices for OJSC MMK-METIZ products, net of VAT, effective as on the date of shipment;
- validity period – until 30.06.2010.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

93. Transport lease agreement # 152446 between OJSC MMK (Lessor) and OOO MMK Managing Company (Lessee) on the following terms:

- Subject – excluding from the leased property a car Volkswagen Passat, year of manufacture 2001 (inventory № 404001119) and including in the leased property a car BMW 525XI, year of manufacture 2006 (inventory № 434045606).

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

94. Addendum concerning the prolongation of supply contract # 170001 between OJSC MMK (the Supplier) and CJSC RMK (the Customer) on the following terms:

- Validity – till 31.12.2012.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the Board of Directors of OJSC MMK.

95. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and Sberbank of Russia on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.
 - the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8).
 - form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.
- Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in

installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

96. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Bank VTB on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.

Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

97. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Credit Ural Bank on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.

Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05

series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

98. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Khanty-Mansiysky Bank on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.

Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the Board of Directors of OJSC MMK.

99. Property pledge agreement # 164026 between OJSC MMK and OJSC VTB Bank on the following terms:

Subject – pledge of the property owned by OJSC MMK (Annex);

Transaction value – market value of the subject of the pledge, i.e. RUB 10,117,580,585 (Ten billion one hundred seventeen million five hundred eighty thousand five hundred eighty five rubles);

Pledge term – from the date of the Pledge Agreement till the obligations under the loan agreement are fulfilled;

The pledge subject shall remain in OJSC MMK's use;

Secured liability – Loan Agreement # KS-733000/2008/00146/163977 dated 27.11.2008 (OJSC MMK's internal number # KS-733000/2008/00146/163977 dated 27.11.2008), under which OJSC Bank VTB granted the loan to OJSC MMK in the amount of RUB 4,000,000,000 (Four billion rubles) at 15.25% p.a. with monthly interest payments and full flat repayment on November 27, 2009.

The interest rate may be proportionally increased by the Lender unilaterally in case of growth of the refinancing rate of the Bank of Russia or interest rates of 7-day direct REPO transactions of the Bank of Russia published on the official website of the bank.

The beneficiary under the transaction is OJSC VTB Bank.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Rustamova Z.H., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

100. Additional agreement to OJSC MMK's property insurance agreement #162694 between OJSC MMK and OJSC AlfaStrakhovanie, on the following terms:

subject – insurance of OJSC MMK's property (Annex);

price – insured amount, not less than RUB 10,117,580,585 (Ten billion one hundred seventeen million five hundred eighty thousand five hundred eighty five rubles);

validity term of the Addendum – from the date of agreement till one month after expiration of the validity term of Pledge Agreement # 164026.

The beneficiary under the transaction is OJSC VTB Bank.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Rustamova Z.H., Shmakov V.I.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**101. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164037 on the following terms and conditions:**

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1 400 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**102. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164038 on the following terms and conditions:**

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1 200 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**103. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164039 on the following terms and conditions:**

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1 400 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**103. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164040 on the following terms and conditions:**

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1 200 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**104. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164041 on the following terms and conditions:**

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1 400 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

**105. Contract for the supply of the OJSC MMK's products between OJSC MMK and MMK Trading AG, Zug, Switzerland:
Contract # E164042 on the following terms and conditions:**

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 1 200 000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Takhautdinov R.S.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

106. Non-revolving credit facility agreement # 9645 (hereinafter – «Agreement») between OJSC MMK and Sberbank of Russia OJSC on the following terms:

Purpose: financing of plate mill construction project, including reimbursement of previously incurred costs.

Credit limit: RUB 12.000.000.000 (twelve billion).

Credit term: 3 (three) years.

Availability period: 12 (twelve) months from the date of signing the Agreement.

Payment schedule of the principal debt amount: 4 (four) equal quarterly payments, from the 9th (ninth) quarter from the date of signing the Agreement.

Interest rate depending on the receipt of income to OJSC MMK's account with Sberbank of Russia OJSC is fixed according to the following table:

Income, equivalent in RUB per quarter (excluding income included to determine the interest rate under non-revolving credit facility agreement # 9644 dated 26.12.2008 and concluded revolving credit facility agreement # 9646)	Interest rate, % p.a.
Less than 3.600.000.000	18,00
From 3.600.000.001 to 4.000.000.000	17,50
From 4.000.000.001 to 4.400.000.000	17,00
More than 4.400.000.001	16,50

For the interest period from 29.06.2009 to 28.09.2009 (settlement period from 01.03.2009 to 31.05.2009) it is fixed according to the following table:

Income, equivalent in RUB per quarter (excluding income included to determine the interest rate under non-revolving credit facility agreement # 9644 dated 26.12.2008 and concluded revolving credit facility agreement # 9646)	Interest rate, % p.a.
Less than 4.200.000.000	18,00
From 4.200.000.001 to 4.600.000.000	17,50
From 4.600.000.001 to 5.000.000.000	17,00
More than 5.000.000.001	16,50

For the following interest periods it is fixed according to the following table:

Income, equivalent in RUB per quarter (excluding income included to determine the interest rate under non-revolving credit facility agreement # 9644 dated 26.12.2008 and concluded revolving credit facility agreement # 9646)	Interest rate, % p.a.
Less than 4.700.000.000	18,00
From 4.700.000.001 to 5.100.000.000	17,50
From 5.100.000.001 to 5.500.000.000	17,00
More than 5.500.000.001	16,50

From the moment of signing of the Agreement till 28.03.2009 the interest rate is fixed at the rate of 17,25% p.a.

Interests' payment schedule: quarterly.

Payment for opening of credit facility line: 1,0 (one) percent of the credit facility line limit payable within 10 working days from the date of signing the Agreement.

Payment for the use of credit facility line limit: 0,5 (zero point five) percent p.a. from the clear balance of the credit facility line limit payable quarterly.

Payment for credit prepayment: ¼ (one fourth) of the current interest rate from the prepaid credit amount, p.a. (charged for the period from the actual date of payment (excluding this date) till the planned repayment date);

Penalty for not notifying the party of change of postal address/location, bank details, official structure and powers – RUB 10 000 (ten thousand).

Penalty for untimely fulfillment of obligations: double refinancing rate of the Russian Central Bank in p.a., charged on overdue amount.

Sberbank of Russia OJSC is unilaterally entitled to change, at its own discretion, interest rates under the Agreement, including, but not limited, in connection with decisions taken by the Russian Bank regarding the increase of discount rate (refinancing rate of the Russian Bank) notifying OJSC MMK of this increase without concluding addendum of such change. In case of unilateral interest rate increase by Sberbank of Russia OJSC the mentioned change shall come into effect within 30 (thirty) calendar days from the date of notification sent by Sberbank of Russia OJSC, unless the notification does not specify the later effective date of the change.

Security:

- pledge of OJSC MMK's fixed assets recorded in accounting balance-sheet pursuant to article "Fixed Assets" of pledge value of RUB 12.600.000.000 (twelve billion six hundred million).

- security of Rashnikov V.F. for the total amount of obligations under the credit facility line or pledge of OJSC MMK's shares beneficially owned by the third party (parties) may be provided.

The property value under credit transaction will amount to RUB 17.834.000.000 (seventeen billion eight hundred thirty four million) (exclusively of possible penalty or possible interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

107. Revolving credit facility agreement # 9646 (hereinafter – «Agreement») between OJSC MMK and Sberbank of Russia OJSC on the following terms:

Purpose: current assets increase.

Credit limit: RUB 4.000.000.000 (four billion).

Credit term: 1 (one) year.

Interest rate depending on the receipt of income to OJSC MMK's account with Sberbank of Russia OJSC is fixed according to the following table:

Income, equivalent in RUB per quarter (excluding income included to determine the interest rate under non-revolving credit facility agreement # 9644 dated 26.12.2008 and concluded non-revolving credit facility agreement # 9645)	Interest rate, % p.a.
Less than 1.200.000.000	16,00
From 1.200.000.001 to 1.350.000.000	15,50
From 1.350.000.001 to 1.500.000.000	15,00
More than 1.500.000.001	14,50

From the moment of signing of the Agreement till 28.03.2009 the interest rate is fixed at the rate of 15,25% p.a.

Interests' payment schedule: quarterly.

Payment for opening of credit facility line: 0,5 (zero point five) percent of the credit facility line limit payable within 10 working days from the date of signing the Agreement.

Payment for the use of credit facility line limit: 0,5 (zero point five) percent p.a. from the clear balance of the credit facility line limit payable quarterly.

Penalty for untimely fulfillment of obligations: double refinancing rate of the Russian Central Bank in p.a., charged on overdue amount Credit repayment shall be made with the preliminary written notification to the Bank 2 calendar days prior to the complete or partial credit repayment.

Security:

- pledge of OJSC MMK's fixed assets recorded in accounting balance-sheet pursuant to article "Fixed Assets" of pledge value of RUB 4.200.000.000 (four billion two hundred million).

- security of Rashnikov V.F. for the total amount of obligations under the credit facility line or pledge of OJSC MMK's shares beneficially owned by the third party (parties) may be provided.

The property value under credit transaction will amount to RUB 4.671.100.000 (four billion six hundred and seventy one million one hundred thousand) (exclusively of possible penalty or possible interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

108. Pledge agreement # Z-9644 between OJSC MMK and Sberbank of Russia OJSC on the following terms:

- subject – pledge the equipment beneficiary owned by OJSC MMK (Annex);

- price (money valuation) of the property – RUB 6.300.000.000 (Six billion three hundred million);

- property pledge value – RUB 3.150.000.000 (Three billion one hundred and fifty million);

- pledge period – from the moment of signing the property pledge agreement until all obligations under non-revolving credit facility agreement # 9644 dated 26.12.2008 are completely fulfilled;

- The pledge subject shall remain in OJSC MMK's use;

Secured liability – Sberbank of Russia OJSC grants to OJSC MMK the credit in the amount of RUB 3.000.000.000 (three billion) in accordance with the non-revolving credit facility agreement # 9644 dated 26.12.2008 («Credit facility agreement»). The transaction value under the credit facility agreement shall amount to RUB 4.000.000.000 (four billion) (exclusively of possible penalty or possible interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

109. Property pledge agreement # Z-9645 between OJSC MMK and Sberbank of Russia OJSC on the following terms:

- subject – pledge the equipment beneficiary owned by OJSC MMK (Annex);

- price (money valuation) of the property – RUB 25.200.000.000 (twenty five billion two hundred million);

- property pledge value – RUB 12.600.000.000 (twelve billion six hundred million);

- pledge period – from the moment of signing the property pledge agreement until all obligations under non-revolving credit facility agreement # 9645 are completely fulfilled;

- The pledge subject shall remain in OJSC MMK's use;

Secured liability – Sberbank of Russia OJSC grants to OJSC MMK the credit in the amount of RUB 12.000.000.000 (twelve billion) in accordance with the non-revolving credit facility agreement # 9645 («Credit facility agreement»). The transaction value under the credit facility agreement shall amount to RUB 17.834.000.000 (seventeen billion eight hundred and thirty four million) (exclusively of possible penalty or possible interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

110. Property pledge agreement # Z-9646 between OJSC MMK and Sberbank of Russia OJSC on the following terms:

- subject – pledge the equipment beneficiary owned by OJSC MMK (Annex);
- price (money valuation) of the property – RUB 8.400.000.000 (eight billion four hundred million);
- property pledge value – RUB 4.200.000.000 (four billion two hundred million);
- pledge period – from the moment of signing the property pledge agreement until all obligations under non-revolving credit facility agreement # 9646 are completely fulfilled;
- The pledge subject shall remain in OJSC MMK's use;
- Secured liability – Sberbank of Russia OJSC grants to OJSC MMK the credit in the amount of RUB 4.000.000.000 (four billion) in accordance with the non-revolving credit facility agreement # 9646 («Credit facility agreement»). The transaction value under the credit facility agreement shall amount to RUB 4.671.100.000 (four billion six hundred and seventy one million) (exclusively of possible penalty or possible interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

111. Agreement #S-9644 between OJSC MMK, Sberbank of Russia OJSC and AlfaStrahovanie OJSC regarding the coordination procedure for the parties in respect of insured amount under insurance agreement # 162694 (including additional agreement # 2) on the following terms:

- subject – the coordination procedure for the parties within insurance agreement # 162694;
- payment of insurance indemnity under insurance agreement # 162694 dated 30.06.2008 concluded between OJSC MMK and AlfaStrahovanie OJSC regarding the list of property in Annex #1.2 as amended to the insurance agreement, shall be made only to OJSC MMK's settlement account of Operations Department of Sberbank of Russia OJSC or upon the Bank's written consent to another OJSC MMK's account in Sberbank of Russia OJSC;
- validity of the agreement – from the moment of its signing until all obligations under non-revolving credit facility agreement # 9644 are completely fulfilled.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

112. Agreement # S-9645 between OJSC MMK, Sberbank of Russia OJSC and AlfaStrahovanie OJSC regarding the coordination procedure for the parties in respect of insured amount under insurance agreement # 162694 (including additional agreement # 4) on the following terms:

- subject – the coordination procedure for the parties within insurance agreement # 162694;
- payment of insurance indemnity under insurance agreement # 162694 dated 30.06.2008 concluded between OJSC MMK and AlfaStrahovanie OJSC regarding the list of property in Annex #1.4 as amended to the insurance agreement, shall be made only to OJSC MMK's settlement account of Operations Department of Sberbank of Russia OJSC or upon the Bank's written consent to another OJSC MMK's account in Sberbank of Russia OJSC;
- validity of the agreement – from the moment of its signing until all obligations under non-revolving credit facility agreement # 9645 are completely fulfilled.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

113. Agreement # S-9646 between OJSC MMK, Sberbank of Russia OJSC and AlfaStrahovanie OJSC regarding the coordination procedure for the parties in respect of insured amount under insurance agreement # 162694 (including additional agreement # 3) on the following terms:

- subject – the coordination procedure for the parties within insurance agreement # 162694;
- payment of insurance indemnity under insurance agreement # 162694 dated 30.06.2008 concluded between OJSC MMK and AlfaStrahovanie OJSC regarding the list of property in Annex # 1.3 as amended to the insurance agreement, shall be made only to OJSC MMK's settlement account of Operations Department of Sberbank of Russia OJSC or upon the Bank's written consent to another OJSC MMK's account in Sberbank of Russia OJSC;
- validity of the agreement – from the moment of its signing until all obligations under non-revolving credit facility agreement # 9646 are completely fulfilled.

The beneficiary under the transaction is OJSC MMK.

The following 5 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Takhautdinov R.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

114. Additional agreement for the extension of Steel Products Supply Contract # 150778 between OJSC MMK and OJSC MMK-METIZ on the following terms:

subject – steel products supply;

price – is determined pursuant to the "Regulations on the Pricing of OJSC MMK's Commercial Products Sold on the Domestic Market";

steel products' quantity – 621,077 tons;

delivery deadline – by the next Annual General Shareholders Meeting;

settlements – within 120 days from the delivery date.

There are no beneficiaries under the transaction.

The following members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect

to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

115. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract # E170305 on the following terms and conditions:

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1,600,000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.
The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

116. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract # E170307 on the following terms and conditions:

subject – supply of steel products;
price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 1,200,000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.
The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

117. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170310 on the following terms and conditions:

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 700,000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.
The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

118. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170311 on the following terms and conditions:

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 400,000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.
The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

119. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170312 on the following terms and conditions:

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";
amount of steel products – 150,000 tons;
supply period – till 31.12.2010;
settlement procedure - within 60 days from the date of supply.
There are no beneficiaries under the transaction.
The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,
The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

120. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170315 on the following terms and conditions:

subject – supply of steel products;
- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 40,000 tons;
 supply period – till 31.12.2010;
 settlement procedure - within 60 days from the date of supply.
 There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK

121. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170316 on the following terms and conditions:

subject – supply of steel products;
 - price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 1,600,000 tons;

supply period – till 31.12.2010;

settlement procedure - within 60 days from the date of supply.

There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK

122. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #E170317 on the following terms and conditions:

subject – supply of steel products;

- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 300,000 tons;

supply period – till 31.12.2010;

settlement procedure - within 60 days from the date of supply.

There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK

123. Contract for the supply of OJSC MMK's steel products between OJSC MMK and MMK Trading AG, Zug, Switzerland: Contract #B170318 on the following terms and conditions:

subject – supply of steel products;

- price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 200,000 tons;

supply period – till 31.12.2010;

settlement procedure - within 60 days from the date of supply.

Выгодоприобретатели в сделке отсутствуют.

There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.,

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK

124. Addendum # 2 to non-revolving credit facility agreement # 9644 dated 26.12.2008 (hereinafter – «Agreement») between OJSC MMK and Sberbank of Russia OJSC on the following terms:

Purpose: financing of the Plate Mill construction project, including reimbursement of previously incurred expenses.

Credit limit: RUB 3 000 000 000 (three billion).

Credit term: 2 (two) years.

Availability period: 3 (three) months from the date of signing the Agreement.

Payment schedule of the principal debt amount: 2 (two) equal quarterly payments, from the 7th (seventh) quarter from the date of signing the Agreement.

Interest rate:

For the interest period from 29.09.2009 to 28.12.2009 it is fixed in the amount of 14,25% p.a.

For the interest period from 29.12.2009 to 28.03.2010 and for the following interest periods depending on the receipt of income to OJSC MMK's account with Sberbank of Russia OJSC and the amount of credit funds chosen by OJSC MMK under non-revolving credit facility agreement # 9644 dated 26.12.2008 and non-revolving credit facility agreement # 9645 dated 20.02.2009, it is fixed according to the following table:

Interest rate, % p.a.		Income, equivalent in RUB per quarter (excluding income included to determine the interest rate under non-revolving credit facility agreement # 9645 dated 20.02.2009)	
		Less than RUB 2 000 000 001	RUB 2 000 000 001 and more
Amount of credit funds chosen by OJSC MMK under non-revolving credit facility agreement dated 26.12.2008 # 9644 and non-revolving credit facility agreement dated 20.02.2009 # 9645	From RUB 6 557 004 881 to RUB 8 300 000 000	15,75%	14,25%
	From RUB 8 300 000 001 to RUB 10 050 000 000	15,50%	14,00%
	More than RUB 10 050 000 001	15,25%	13,75%

Interests' payment schedule: quarterly.

- Payment for opening of credit facility line: 1,5 (one point five) percent of the credit facility line limit payable within 10 working days from the date of signing the Agreement.
- Payment for the use of credit facility line limit: 0,5 (zero point five) percent p.a. from the clear balance of the credit facility line limit payable quarterly.
- Payment for credit prepayment: $\frac{1}{4}$ (one fourth) of the current interest rate from the prepaid credit amount, p.a. (charged for the period from the actual date of payment (excluding this date) till the date as of which there is a corresponding outstanding amount of credit, nearest to the date of the credit prepayment).
- Penalty for not notifying the party of change of postal address/location, bank details, official structure and powers – RUB 10 000 (ten thousand).
- Penalty for untimely fulfillment of obligations: double refinancing rate of the Russian Central Bank in p.a., charged on overdue amount.

Sberbank of Russia OJSC is unilaterally entitled to change, at its own option, interest rates under the Agreement, including, but not limited, in connection with decisions taken by the Russian Bank regarding the increase of discount rate (refinancing rate of the Russian Bank) notifying OJSC MMK of this increase without concluding addendum of such change. In case of unilateral interest rate increase by Sberbank of Russia OJSC the mentioned change shall come into effect within 30 (thirty) calendar days from the date of notification sent by Sberbank of Russia OJSC, unless the notification does not specify the later effective date of the change.

- Security: pledge of OJSC MMK's fixed assets recorded in accounting balance-sheet pursuant to article "Fixed Assets" of pledge value of RUB 3 150 000 000 (three billion one hundred and fifty million).

The property value under credit transaction will amount to RUB 3 878 000 000 (three billion eight hundred and seventy eight million) (excluding any possible penalty and interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

125. Addendum # 1 to non-revolving credit facility agreement # 9645 dated 20.02.2009 between OJSC MMK and Sberbank of Russia OJSC on the following terms:

Designated purpose: financing of plate mill construction project, including reimbursement of previously incurred costs, increase of OJSC MMK's current assets, financing of OJSC MMK's investment costs.

Interest rate:

For the interest period from 29.09.2009 till 28.12.2009 it is fixed at the rate of 15,00% p.a.

For the interest period from 29.12.2009 till 28.03.2010 and following interest periods depending on income receipt to OJSC MMK's accounts in Sberbank of Russia OJSC and amount of credit funds chosen by OJSC MMK under non-revolving credit facility agreement # 9644 dated 26.12.2008 and non-revolving credit facility agreement # 9645 dated 20.02.2009, it is fixed according to the following table:

Interest rate, % p.a.		Income amount, equivalent in RUB per Quarter (excluding the income which is included to determine the interest rate under non-revolving credit facility agreement #9644 dated 26.12.2008)	
		Less than RUB 5 000 000 001	RUB 5 000 000 001 and more
Amount of credit funds chosen by OJSC MMK under non-revolving credit facility agreement # 9644 dated 26.12.2008 and non-revolving credit facility agreement # 9645 dated 20.02.2009	From RUB 6 557 004 881 to RUB 8 300 000 000	16,50%	15,00%
	From RUB 8 300 000 001 to RUB 10 050 000 000	16,25%	14,70%
	More than RUB 10 050 000 001	16,00%	14,50%

Payment for credit prepayment: ¼ (one fourth) of effective interest rate from the prepaid credit amount, p.a. (charged for the period from actual repayment date (excluding this date) till the date as of which there is a corresponding outstanding amount of credit, nearest to the date of the credit prepayment).

- Security: pledge of OJSC MMK's fixed assets recorded in accounting balance-sheet pursuant to article "Fixed Assets" of pledge value of RUB 12 600 000 000 (twelve billion six hundred million).

The property value under credit transaction will amount to RUB 16 118 000 000 (sixteen billion one hundred and eighteen million) (excluding any possible penalty and interest rate increase).

The beneficiary under the transaction is OJSC MMK.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

126. Addendum # 1 to pledge agreement # Z-9645 dated 20.02.2009 between OJSC MMK and Sberbank of Russia OJSC on the following terms:

- subject – pledge the equipment beneficiary owned by OJSC MMK (Annex).

The beneficiary under the transaction is OJSC MMK.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

127. Addendum # 1 to agreement # S-9645 dated 20.02.2009 between OJSC MMK, Sberbank of Russia OJSC and OJSC AlfaStrahovanie regarding the coordination procedure for the parties in respect of insured amount under insurance agreement # 162694 dated 30.06.2008 (including Addendum # 9) on the following terms:

- subject – the coordination procedure for the parties within insurance agreement # 162694 dated 30.06.2008;

- payment of insurance indemnity under insurance agreement # 162694 dated 30.06.2008 concluded between OJSC MMK and OJSC AlfaStrahovanie regarding the list of property in Annex # 1.3 as amended to the insurance agreement, shall be made only to OJSC MMK's settlement account of Operations Department of Sberbank of Russia OJSC or upon the Bank's written consent to another OJSC MMK's account in Sberbank of Russia OJSC.

The beneficiary under the transaction is OJSC MMK.

The following 4 members of the Board of Directors of OJSC MMK are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

128. Contracts for the supply of OJSC MMK's steel products between OJSC MMK and with MMK Trading AG, Zug, Switzerland: Contract #E161498 on the following terms:

subject – supply of steel products;

price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 120 000 tons;

supply period – till 31.03.2010;

There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

129. Contracts for the supply of OJSC MMK's steel products between OJSC MMK and with MMK Trading AG, Zug, Switzerland: Contract #B161410 on the following terms:

subject – supply of steel products;

price – not less than the approved minimum reference price according to "Provisions on Approval and Establishment of Reference and Contract Prices for Sales of Steel Products in the International Market";

amount of steel products – 800 000 tons;

supply period – till 31.12.2010;

settlements – within 60 days from the date of supply.

There are no beneficiaries under the transaction.

The following members are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

130. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and Sberbank of Russia on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05

series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8).

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.

Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 Series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

131. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Bank VTB on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.

Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.

There are no beneficiaries under the transaction.

The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.

The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

132. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Credit Ural Bank on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.
 Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO - 01 BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.
 There are no beneficiaries under the transaction.
 The following 3 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Senichev G.S., Shmakov V.I.
 The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.

133. Transactions with regard to sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009) between OJSC MMK and OJSC Khanty-Mansiysky Bank on the following conditions:

- subject: transactions of sale and purchase of OJSC MMK's securities to be placed by open subscription: documentary interest-bearing non-convertible exchange-traded bearer bonds with mandatory centralized custody of Series BO - 01 (issue identification number 4B02-01-00078-A dated 11.11.2009), BO-02 (issue identification number 4B02-02-00078-A dated 11.11.2009), BO-03 (issue identification number 4B02-03-00078-A dated 11.11.2009), BO-04 (issue identification number 4B02-04-00078-A dated 11.11.2009), BO-05 (issue identification number 4B02-05-00078-A dated 11.11.2009), with a maturity on the 1,092nd (one thousand ninety second) day of the placement of the Exchange-Traded Bonds' issue, and an early call option at the request of the holders and at the discretion of the Issuer.

- the price or the price determination procedure for the Exchange-Traded Bonds of the BO-01, BO-02, BO-03, BO-04 and BO-05 series is set out in the Resolution on the Bonds Issue and the Issue Prospectus approved by decision of the OJSC MMK Board of Directors on October 26, 2009 (Minutes # 8);

- form of payment: the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds shall be placed subject to full payment thereof. Payment for the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds is to be made in the RF's currency by cashless transfer.
 Payment of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds Series BO - 01 Exchange-Traded Bonds in installments is not possible.

- settlement procedure: Settlements under purchase transactions in respect of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering are to be made on a "delivery against payment" basis through the MICEX's Clearing House according to the Rules of Clearing Activities by a Clearing Organization on the Stock Market. Payments under concluded purchase transactions in respect of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds, during offering of the BO-01, BO-02, BO-03, BO-04 and BO-05 series Exchange-Traded Bonds are to be made on the dates of relevant transactions.

- the price of the transaction or several inter-related transactions will be determined through a Competition to set the coupon rate for the first coupon period or by collecting special applications from buyers for the purchase of Exchange-Traded Bonds at a fixed price and coupon rate for the first coupon period determined by the Issuer in advance according to the procedure and the terms and conditions set out in the Resolution on Securities' Issue and the Prospectus, but not exceeding RUB 4 548 539 660.
 There are no beneficiaries under the transaction.
 The following 4 members of the OJSC MMK's Board of Directors are recognized as interested and (or) related parties with respect to the Company's transaction: Rashnikov V.F., Rustamova Z.H., Senichev G.S., Shmakov V.I.
 The Body which approved the transaction is the General Shareholders Meeting of OJSC MMK.



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