MMK Group¹ Trading Update for Q1 of 2013

MMK Group operational highlights

<table>
<thead>
<tr>
<th>Products</th>
<th>Q1 ’13</th>
<th>Q4 ’12</th>
<th>%</th>
<th>Q1 ’13</th>
<th>Q1 ’12</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMK Group crude steel</td>
<td>3,075</td>
<td>2,969</td>
<td>3.6%</td>
<td>3,075</td>
<td>3,417</td>
<td>-10.0%</td>
</tr>
<tr>
<td>MMK crude steel</td>
<td>3,075</td>
<td>2,931</td>
<td>4.9%</td>
<td>3,075</td>
<td>3,117</td>
<td>-1.3%</td>
</tr>
<tr>
<td>MMK Metalurji crude steel</td>
<td>0</td>
<td>38</td>
<td>-</td>
<td>0</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>MMK Group steel products</td>
<td>2,844</td>
<td>2,762</td>
<td>3.0%</td>
<td>2,844</td>
<td>3,011</td>
<td>-5.5%</td>
</tr>
<tr>
<td>MMK steel products</td>
<td>2,744</td>
<td>2,629</td>
<td>4.4%</td>
<td>2,744</td>
<td>2,766</td>
<td>-0.8%</td>
</tr>
<tr>
<td>MMK-Metiz steel products²</td>
<td>134</td>
<td>114</td>
<td>18.1%</td>
<td>134</td>
<td>110</td>
<td>22.6%</td>
</tr>
<tr>
<td>MMK Metalurji steel products²</td>
<td>178</td>
<td>152</td>
<td>17.2%</td>
<td>178</td>
<td>253</td>
<td>-29.6%</td>
</tr>
<tr>
<td>MMK Group HVA products</td>
<td>1,355</td>
<td>1,213</td>
<td>11.7%</td>
<td>1,355</td>
<td>1,183</td>
<td>14.5%</td>
</tr>
<tr>
<td>MMK Group HVA products share</td>
<td>48%</td>
<td>44%</td>
<td></td>
<td>48%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Belon coal concentrate</td>
<td>669</td>
<td>803</td>
<td>-16.7%</td>
<td>669</td>
<td>776</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Iron ore</td>
<td>871</td>
<td>977</td>
<td>-10.9%</td>
<td>871</td>
<td>1,048</td>
<td>-16.9%</td>
</tr>
</tbody>
</table>

- MMK Group crude steel output in Q1 2013 totalled 3,075 thousand tonnes (3.6% higher q-o-q).
- MMK Group finished steel products output in Q1 2013 (excluding intra-group sales) totalled 2,844 thousand tonnes (3.0% higher q-o-q).
- MMK finished steel products output in Q1 2013 totalled 2,744 thousand tonnes (4.4% higher q-o-q).
- MMK-Metiz finished steel products output in Q1 2013 totalled 134 thousand tonnes (18.1% higher q-o-q).
- MMK-Metalurji finished steel products output in Q1 2013 totalled 178 thousand tonnes (17.2% higher q-o-q).
- MMK Group High-Value-Added (HVA) steel products output in Q1 2013 increased 11.7% q-o-q and reached 1,355 thousand tonnes. The share of HVA production in total output for Q1 2013 amounted to 48%.
- Coking coal concentrate output in Q1 2013 amounted to 669 thousand tonnes (down 16.7% q-o-q).
- In-house consumption of MMK – produced iron ore in Q1 2013 amounted to 871 thousand tonnes (down 10.9% q-o-q).

¹ MMK Group is understood as OJSC MMK together with subsidiaries; OJSC MMK is referred to as MMK

² Products, manufactured from steel supplied by MMK are not included in the finished products of MMK Group
Steel Segment

MMK

<table>
<thead>
<tr>
<th>Products</th>
<th>Q1 ’13</th>
<th>Q4 ’12</th>
<th>%</th>
<th>Q1 ’13</th>
<th>Q1 ’12</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cast iron</td>
<td>2,426</td>
<td>2,514</td>
<td>-3.5%</td>
<td>2,426</td>
<td>2,479</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Crude steel</td>
<td>3,075</td>
<td>2,931</td>
<td>4.9%</td>
<td>3,075</td>
<td>3,117</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Finished products output, incl.:</td>
<td>2,744</td>
<td>2,629</td>
<td>4.4%</td>
<td>2,744</td>
<td>2,766</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Slabs and billets</td>
<td>0.1</td>
<td>0.8</td>
<td>-88.7%</td>
<td>0.1</td>
<td>45</td>
<td>-99.8%</td>
</tr>
<tr>
<td>Long products</td>
<td>455</td>
<td>404</td>
<td>12.6%</td>
<td>455</td>
<td>401</td>
<td>13.3%</td>
</tr>
<tr>
<td>Flat hot-rolled products</td>
<td>1,231</td>
<td>1,269</td>
<td>-2.9%</td>
<td>1,231</td>
<td>1,380</td>
<td>-10.7%</td>
</tr>
<tr>
<td>High value-added (HVA) products, incl.:</td>
<td>1,058</td>
<td>956</td>
<td>10.6%</td>
<td>1,058</td>
<td>939</td>
<td>12.6%</td>
</tr>
<tr>
<td>Thick plate (mill 5000)</td>
<td>245</td>
<td>177</td>
<td>39.0%</td>
<td>245</td>
<td>248</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Flat cold-rolled products</td>
<td>374</td>
<td>366</td>
<td>2.1%</td>
<td>374</td>
<td>316</td>
<td>17.7%</td>
</tr>
<tr>
<td>Downstream products, of which:</td>
<td>439</td>
<td>414</td>
<td>6.0%</td>
<td>439</td>
<td>374</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

| Tin plate | 34    | 30    | 11.4% | 34    | 37    | -10.0% |
| Galvanized steel | 216    | 192    | 12.5% | 216    | 156    | 36.2% |
| Colour-coated steel | 97    | 77    | 27.0% | 97    | 65    | 50.0% |
| Band | 39    | 39    | -0.6% | 39    | 30    | 29.8% |
| Formed section | 31    | 54    | -42.5% | 31    | 60    | -48.8% |
| Pipes | 22    | 22    | -1.6% | 22    | 23    | -5.4% |

**Shipments by market:**

- **Domestic market**: 2,202 2,016 9.2% 2,202 2,033 8.3%
- **Export**: 542 613 -11.6% 542 732 -26.0%

**Average prices, USD**

<table>
<thead>
<tr>
<th>Products</th>
<th>Q1 ’13</th>
<th>Q4 ’12</th>
<th>%</th>
<th>Q1 ’13</th>
<th>Q1 ’12</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slabs and billets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long products</td>
<td>614</td>
<td>619</td>
<td>-0.8%</td>
<td>614</td>
<td>647</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Flat hot-rolled products</td>
<td>550</td>
<td>538</td>
<td>2.2%</td>
<td>550</td>
<td>599</td>
<td>-8.1%</td>
</tr>
<tr>
<td>High value-added (HVA) products, incl.:</td>
<td>799</td>
<td>802</td>
<td>-0.4%</td>
<td>799</td>
<td>895</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Thick plate (mill 5000)</td>
<td>885</td>
<td>865</td>
<td>2.3%</td>
<td>885</td>
<td>939</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Flat cold-rolled products</td>
<td>615</td>
<td>630</td>
<td>-2.4%</td>
<td>615</td>
<td>727</td>
<td>-15.4%</td>
</tr>
<tr>
<td>Downstream products, of which:</td>
<td>907</td>
<td>926</td>
<td>-2.1%</td>
<td>907</td>
<td>1,007</td>
<td>-9.9%</td>
</tr>
</tbody>
</table>

| Tin plate | 1,067  | 1,097  | -2.7% | 1,067  | 1,093  | -2.3% |
| Galvanized steel | 856    | 894    | -4.2% | 856    | 984    | -13.0% |
| Colour-coated steel | 1,106  | 1,129  | -2.0% | 1,106  | 1,226  | -9.7% |
| Band | 653    | 703    | -7.1% | 653    | 867    | -24.6% |
| Formed section | 895    | 895    | 0.0% | 895    | 949    | -5.7% |
| Pipes | 748    | 742    | 0.8% | 748    | 752    | -0.5% |

**Average price per tonne, incl.:**

<table>
<thead>
<tr>
<th>Products</th>
<th>Q1 ’13</th>
<th>Q4 ’12</th>
<th>%</th>
<th>Q1 ’13</th>
<th>Q1 ’12</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic sales*</td>
<td>699</td>
<td>700</td>
<td>-0.0%</td>
<td>699</td>
<td>772</td>
<td>-9.5%</td>
</tr>
<tr>
<td>Export sales</td>
<td>483</td>
<td>473</td>
<td>2.1%</td>
<td>483</td>
<td>517</td>
<td>-6.6%</td>
</tr>
</tbody>
</table>

* includes CIS sales

- Finished steel products output in Q1 2013 amounted to 2,744 thousand tonnes, up 4.4% q-o-q.
- In Q1 2013 MMK continued to pursue a strategy of growing shipments of finished products to the domestic market. Domestic sales grew by 9.2% q-o-q, and accounted for more than 80% of total shipments during the quarter.
- The increase in domestic shipments in Q1 2013 was driven by continued growth in production and sales volumes for HVA products.
- HVA products output in Q1 2013 grew by 10.6% q-o-q, driven by high production volumes of thick-plate (mill 5000), galvanised products and colour-coated steel.
Shipments of long products in Q1 2013 totalled 455 thousand tons, an increase of 12.6% q-o-q, driven by an increase in demand for steel to be used in the construction sector. Growth was also driven by an 18.1% increase in production volumes at MMK-Metiz, which uses MMK products as feedstock for long products.

Sales of hot-rolled products in Q1 2013 fell 2.9% q-o-q, due to higher output of HVA by 10.6% during the period.

Output of mill 5000 in Q3 2013 increased by 39% q-o-q to 245 thousand tons. This significant increase in shipments was due to substantial demand growth from pipe-manufacturing companies, which drove close to maximum production of mill 5000 products.

Higher demand for mill 5000 products and an improved product mix thanks to a greater share of pipeline steels drove the average sales price for mill 5000 products higher by 2.3% in Q1 2013 q-o-q, even as average sales prices fell on the domestic market.

Production and sales volumes for cold-rolled products increased by 2.1% in Q1 2013 q-o-q. Slow sales growth in this segment was due to significant growth in production volumes of downstream products (galvanised steel, colour-coated steel, etc.) in the period.

Sales volumes of galvanised and colour-coated steel in Q1 2013 grew by 12.5% and 27.0% q-o-q, respectively, driven by a seasonal increase in demand from the construction sector and an overall shortage of these types of steel on the domestic market.

Sales volumes of galvanised and colour-coated steel in Q1 2013 grew by 36.2% and 50.0% y-o-y, respectively, due to the general recovery in the construction sector in 2012.

The average price for finished products in Q1 2013 increased by 1.5% q-o-q and reached USD 657 per tonne. This was due to faster growth of the average price on export markets, which rose by 2.1% q-o-q in Q1 2013 and reached USD 483 per tonne. This in turn was due to the harsh winter and as a consequence the later recovery of steel prices on the domestic market.

The average sales price on the domestic market in Q1 2013 was flat q-o-q at USD 699 per tonne.

<table>
<thead>
<tr>
<th>MMK-Metiz</th>
<th>Production, thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Q1 '13</td>
</tr>
<tr>
<td>Finished steel products, of which:</td>
<td>134</td>
</tr>
<tr>
<td>Products from MMK steel</td>
<td>133</td>
</tr>
</tbody>
</table>

Production of finished steel products at MMK-Metiz in Q1 2013 grew by 18.1% q-o-q and reached 134 thousand tonnes, due to a seasonal increase in business activity on the domestic market and to traders restocking inventory.

Production of finished steel products at MMK-Metiz in Q1 2013 grew by 22.6% y-o-y, driven by the overall economic recovery in sectors in 2012 including construction and metallurgy.

<table>
<thead>
<tr>
<th>MMK Metalurji</th>
<th>Production, thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Q1 '13</td>
</tr>
<tr>
<td>Crude steel</td>
<td>0</td>
</tr>
<tr>
<td>MMK Metalurji finished products, of which:</td>
<td>178</td>
</tr>
<tr>
<td>Flat cold-roll products</td>
<td>16</td>
</tr>
<tr>
<td>HVA products, of which:</td>
<td>163</td>
</tr>
<tr>
<td>Galvanized steel</td>
<td>76</td>
</tr>
<tr>
<td>Colour-coated steel</td>
<td>86</td>
</tr>
<tr>
<td>MMK-Metalurji finished output from MMK steel</td>
<td>79</td>
</tr>
</tbody>
</table>

No crude steel was produced at MMK Metalurji in Q1 2013 due to smelting capacities being idled in November 2012.
- Hot-rolled steel maintained its share of the sales structure of finished products in Q1 2013 driven by sales of hot-rolled coil from company’s warehouses.
- Output and sales volumes of HVA products at MMK’s Turkish facilities grew by 13.7% q-o-q.
- Sales of galvanised steel in Q1 2013 grew by 33.6% q-o-q, due to both seasonal factors (traders restocking inventories ahead of the start of the construction season) and a general shortage of these products on the Turkish market.
- Output and sales of colour-coated steel in Q1 2013 increased slightly q-o-q and reached 86 thousand tonnes.
- The idling of smelting and hot-rolling facilities and the consequent reduction in fixed costs will have a beneficial effect on the company’s financial results.

Mining Segment

Coal

<table>
<thead>
<tr>
<th>Belon</th>
<th>Production, thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Q1 ‘13</td>
</tr>
<tr>
<td>Coking coal</td>
<td>1,121</td>
</tr>
<tr>
<td>Mined</td>
<td>855</td>
</tr>
<tr>
<td>Purchased</td>
<td>266</td>
</tr>
<tr>
<td>Coking coal concentrate</td>
<td>669</td>
</tr>
</tbody>
</table>

- Mined volumes of coking coal declined by 9.6% in Q1 2013 q-o-q, due to maintenance works carried out during the quarter.
- The production of coking coal concentrate in Q1 2013 amounted to 669 thousand tonnes, which is down 16.7% in comparison to previous quarter (Q4 2012).

Iron Ore

<table>
<thead>
<tr>
<th>Production, thousand tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
</tr>
<tr>
<td>Iron ore (consumed at MMK), incl.:</td>
</tr>
<tr>
<td>MMK iron ore base at Bakal</td>
</tr>
<tr>
<td>MMK iron ore base in Magnitogorsk</td>
</tr>
<tr>
<td>Slag processing</td>
</tr>
</tbody>
</table>

- Consumption of own iron ore in Q1 2013 declined by 10.9% q-o-q to 871 thousand tonnes.
- This was due to a seasonal decline in mining volumes at MMK facilities during the winter.
- Slag processing volumes declined by 10.2% q-o-q to 438 thousand tonnes. Consumption of processed slag during Q1 2013 declined q-o-q driven by seasonal factors.

Update on key investment projects

Status of the acceptance process for mill 2000 products

The launch in July 2012 of the second stage of MMK’s new cold-rolling complex (continuous hot-galvanizing unit, annealing/hot-galvanizing unit and coil inspection line) marked the conclusion of construction of the Mill 2000 complex.

At present the mill is starting to produce new types of products (cold-rolled and galvanized), which is already having an impact in terms of larger production volume and higher share of HVA products in MMK’s portfolio. Production of rolled products with grade “C” surface quality has also been launched. In Q1 2013 the mill produced more than 230 thousand tonnes of finished products, about half of which was galvanized steel.
In parallel, negotiations are being conducted on the acceptance of rolled products and commercial delivery conditions with companies working in the automotive sector and home appliance manufacturers. A number of producers have already given acceptance of cold-rolled products produced at the mill, and industrial deliveries of steel for automobile components have begun. A number of enterprises are delivering test consignments of galvanised steel for production of body panels, and feedback to date has been positive.

Completion of acceptance for mill 2000 products will allow MMK to become an authorised supplier and to start deliveries of new high-quality products to automobile manufacturers.

**Outlook**

The financial results for Q1 2013 will be positively impacted by higher production and sales volumes for finished products from MMK Group facilities in Russia and Turkey and by the higher average sales price. The results will also be supported by the growth in the share of HVA products in the total volume of sales of finished goods.

The financial results may come under pressure from higher cost of sales driven by higher prices for bought-in iron ore during Q1 2013 and also by the results from the Group’s Coal Segment, which continues to produce lower output volumes in an unfavourable pricing environment.

MMK will publish its financial results to IFRS for Q1 2013 at the end of May 2013.

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**About MMK**

MMK is one of the world’s largest steel producers and a leading Russian metals company. The company’s operations in Russia include a large steel producing complex encompassing the entire production chain, from preparation of iron ore to downstream processing of rolled steel. MMK turns out a broad range of steel products with a predominant share of high-value-added products. In 2012 the company produced 13 million tonnes of crude steel and 11.9 million tonnes of commercial steel products. MMK Group had sales in 2012 of USD 9,328 million and EBITDA of USD 1,356 million.

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