June 11, 2009

OJSC «Magnitogorsk Iron and Steel works» (OJSC «MMK»)

announces its consolidated financial results according to IAS for Q1 2009 ending March 31, 2009

SUBSTANTIAL GROWTH OF PROFITABILITY ON THE BACKGROUND OF PRODUCTION INCREASE

➢ Production of crude steel and commercial products in Q1 2009 grew by 26% and 24% accordingly
➢ The Company achieved positive EBITDA in the beginning of 2009
➢ EBITDA margin of the parent company (OJSC “MMK”) equaled to 19.4% in Q1 2009
➢ MMK steel segment is the most efficient in the Russian steel industry
➢ MMK successfully implements cost-reduction programme – MMK enjoys the lowest cash-cost among Russian peers
➢ The Company focuses on high value added products output; slabs are not marketed
➢ MMK has the largest share of revenue generated on the profitable domestic market among Russian peers

KEY FINANCIAL HIGHLIGHTS OF THE PARENT COMPANY - OJSC «MMK» (USD million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2008</th>
<th>Q1 2009</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of OJSC «MMK»</td>
<td>1 041</td>
<td>824</td>
<td>-217</td>
</tr>
<tr>
<td>EBITDA of OJSC «MMK»</td>
<td>-429</td>
<td>160</td>
<td>589</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>-</td>
<td>19.4%</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period of OJSC «MMK»</td>
<td>-445</td>
<td>-55</td>
<td>390</td>
</tr>
</tbody>
</table>

➢ Sales of the parent company in Q1 2009 went down by 21% due to change of USD exchange rate
➢ EBITDA became positive and equaled to USD 160m which is USD 589m higher compared to Q4 2008
➢ EBITDA margin equaled to 19.4%
➢ Loss for the period amounted to USD 55m which is USD 390m less compared to Q4 2008

IMPACT OF THE GROUP

Consolidated financial results for Q1 2009 were affected by factual and expected losses of other companies of the group.

KEY CONSOLIDATED INCOME STATEMENT HIGHLIGHTS OF MMK GROUP (USD million)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2008</th>
<th>Q1 2009</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of MMK Group</td>
<td>1 368</td>
<td>965</td>
<td>-403</td>
</tr>
<tr>
<td>EBITDA *</td>
<td>-469</td>
<td>99</td>
<td>568</td>
</tr>
<tr>
<td>EBITDA margin of MMK Group</td>
<td>-34.3%</td>
<td>10.3%</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period of MMK Group</td>
<td>-402</td>
<td>-110</td>
<td>292</td>
</tr>
</tbody>
</table>

* EBITDA calculations: operating income + share in results of associates + depreciation – impairment of investments in associates + Loss on disposal of fixed assets

➢ Sales reduction for Q1 2009 was caused by the fluctuation of USD exchange rate
➢ EBITDA became positive and equaled to USD 99m which is USD 568m higher compared to Q4 2008
➢ MMK Group EBITDA margin equaled to 10.3%
➢ Loss for the period was USD 110m which is USD 292m less compared to Q4 2008

- 1 -
Crude steel production in Q1 2009 grew by 26% in comparison with Q4 2008 figure
Production of commercial products in Q1 2009 increased by 24% compared to Q4 2008
Production capacity in Q1 2009 (compared to the average capacity during the first 9 months of 2008) grew from 49% in Q4 2008 to 61%

OVERVIEW OF THE Q1 2009 OPERATING RESULTS: MANAGEMENT COMMENTS

High revenue and cash flow levels
The Company managed to achieve high sales amount for Q1 2009. This was possible due to production volumes growth in the reporting period. Reduction of sales in comparison with Q4 2008 figure was caused by the change of USD exchange rate.

The company continues to generate a positive cash-flow.

MMK retains leadership in Russia
The domestic market remains the priority for MMK. It provides an acceptable level of profitability. Globally, MMK focuses on meeting the demand of fast growing markets, including the South East Asia and Middle East markets.

The volume of domestic sales amounted to 1.1m tons, or 58% of the total sales in Q1 2009. In money terms shipments to Russia and CIS accounted for 65% of Group revenue which is the highest level in the Russian steel sector.

Conservative financial policy keeps on yielding good results
The Company's balance sheet is one of the strongest in the sector. The debt level of MMK Group is the lowest among the largest Russian peers: total debt stands at USD 1.694bn, net debt at USD 775m. The Debt/Equity ratio as of March 31, 2009 was x0.2.
Revolving credit facilities of traders affiliated with MMK for financing steel shipments account for about 25% of the short-term debt.
The amount of cash and cash equivalents is USD 907m. The decrease from the Q4 2008 level is caused by growth of USD exchange rate.

It is worth mentioning that the strengthening of USD exchange rate throughout the first quarter of 2009 has significantly influenced all balance sheet items (for the purpose of IAS reporting functional currency (RUR) is converted to reporting currency (USD)).
Change of assets value in Q1 2009 also occurred due to change of USD exchange rate. At the same time, the Company acquired fixed assets (including objects of financial leasing) for the sum of USD 401m in the reporting period.

Dividend payments
Annual General Shareholders' Meeting took place on May 22, 2009. The shareholders took the decision not to pay out final dividends for 2008. Interim dividends for 2008 were set at the rate of 0,382 RUR per ordinary share. MMK obligations to pay dividends to the minority shareholders were fulfilled.

The Company keeps on implementing its crisis management programme aimed at increasing liquidity and maintaining profitability. The positive effect of the actions taken in Q1 2009 allows us to expect stable operations in 2009.

* * *

Financial statement for Q1 2009 results under IAS is to be found at: http://www.mmk.ru/eng/invrelations/b_reports/index.wbp
The presentation of the Q1 2009 results under IAS is to be found at: http://www.mmk.ru/eng/invrelations/presentations/index.wbp
Information on MMK:

The Magnitogorsk Iron and Steel Works OJSC (MMK) is among the world's largest steel producers and is one of the leaders of Russia's steel industry. The Company is 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 value added goods. In 2008 the Company produced 12m tonnes of crude steel and 11m tonnes of commercial products. MMK Group sales stood at USD 10.550bln.