

July 19, 2010

### MMK Operational Trading Update for Q2 2010

Production	Q2 2010	Q1 2010	%
	`000 tons	`000 tons	
Cast iron	2,320	2,236	4%
Crude steel	2,985	2,732	9%
Finished products output	2,623	2,453	7%

Production	Q2 2010	Q1 2010	%
	`000 tons	`000 tons	
<b>Finished products output:</b>	2,623	2,453	7%
Slabs and billets	115	0	-
Long products	203	210	-3%
Flat hot-rolled products	1,397	1,509	-7%
<b>High value-added (HVA) products*:</b>	908	734	24%
Thick plate	228	176	29%
Flat cold-rolled products	306	251	22%
Downstream products:	374	307	22%
<i>Tin plate</i>	66	59	12%
<i>Galvanized steel</i>	157	120	30%
<i>Galvanized colour-coated steel</i>	52	38	37%
<i>Band</i>	34	26	29%
<i>Formed section</i>	48	49	-2%
<i>Pipes</i>	16	14	12%

\* including thick plate, CRC and downstream products

- Crude steel output in Q2 2010 amounted to 2,985 th. tons, finished products output equaled to 2,623 th. tons.
- Crude steel output in Q2 2010 increased by 9% q-o-q, while finished products output increased by 7% for the same period.
- Flat hot-rolled products output decreased by 112 th. tons (or 7%) q-o-q, while high value-added products output increased by 174 th. tons (or 24%) for the same period. Its share in finished products output grew to 35%.
- The Company keeps on increasing thick plate output at Plate Mill 5000. Thick plate production in Q2 2010 amounted to 228 th. tons, which is 29% higher q-o-q.
- Downstream products output increased by 22%, mainly due to the output growth of galvanized steel, galvanized colour-coated steel and band.
- Though share of domestic sales in Q2 2010 remained almost the same, shipments to the priority domestic market, offering price premium, have been increasing faster than export sales. Domestic sales growth in Q2 2010 amounted to 148 th. tons, while export sales increased by 21 th. tons (which is 9,5% and 2,3% higher q-o-q respectively).

- Company's domestic and export prices kept on increasing in Q2 2010. Average price for 1 ton of steel products increased in Q2 2010 by 17%.

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#### **About OJSC MMK**

*OJSC MMK is among the world's largest steel producers and is one of the leaders of Russia's steel industry. The company's operations in Russia include a large steel producing complex encompassing the entire production chain, from preparation of iron ore to downstream processing of rolled steel. MMK turns out a broad range of steel products with a predominant share of higher value added goods. In 2009 the company produced 9.6 mln tons of crude steel and 8.8 mln tons of commercial products. MMK Group revenue in 2009 stood at USD 5.081 bn, EBITDA at USD 1.285 bn, profit for the period USD 219 mln.*