

QUARTERLY REPORT

Novolipetsk Iron & Steel Corporation

The Issuer's code: 00102-A

for III quarter of 2003

Domicile: 2, pl. Metallurgov, Lipetsk 398040 Russia

Director General

Ivan V. Frantsenuik

(signature)

Date « ___ » _____ 2003

**Director for Accounting - Chief
Accountant**

Alexander A. Sokolov

(signature)

Date « ___ » _____ 2003

Stamp

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Web-site where this Quarterly Report is published: www.nlmk.ru/rus/index/quarterindex.php3

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Introduction

a) Full name of the Issuer.

Открытое акционерное общество "Новолипецкий металлургический комбинат"
NOVOLIPETSK IRON & STEEL CORPORATION

Abbreviation of the name.

ОАО «НЛМК»
NLMK

б) Domicile.

2, pl. Metallurgov, Lipetsk 398040, Russia

в) Contact information:

Phone: +7 (0742)-444-006

E-mail: *info@nlmk.ru*

г) Web-site where this Quarterly Report is published:
www.nlmk.ru/rus/index/quarterindex.php3

д) Information on Issuer's securities distributed.

Type: *shares (registered)*

Category: *common stock*

Form of securities: *registered undocumentary*

Number of securities distributed: *5 987 240*

Par value (RUR.): *1*

Method of distribution: *acquisition at time of transformation into corporation*

Time of distribution: *from 2.04.1993 till 2.08.1993*

е) Other information.

The present quarterly report contains appraisal and forecasts made by Issuer's authorized management bodies related to future events and / or actions, outlook of steel industry development and results of Issuer's performance inclusive of Issuer's plans, probability of certain events and doings occurrence. Investors shall not fully rely on appraisals and forecasts made by Issuer's management bodies as actual performance data in the future can be different from forecast ones due to many reasons. Acquisition of Issuer's securities depends on risks described in the present Quarterly Report.

I. Brief information on members of Management bodies, data on bank accounts, auditor, appraiser and financial consultant of the Issuer as well as on other persons who signed this quarterly report.

1.1. Members of Issuer's Management Bodies.

Board of Directors:

Boris F. Abushakhmin

Year of birth: *1938*

Nikolay A. Gagarin

Year of birth: *1950*

Alexander Yu. Zarapin

Year of birth: *1962*

Alexey A. Lapshin

Year of birth: *1947*

Vladimir S. Lisin

Year of birth: *1956*

Igor A. Sagiryan

Year of birth: *1952*

Vladimir N. Skorokhodov

Year of birth: *1951*

Vyacheslav P. Fyodorov

Year of birth: *1966*

Igor P. Fyodorov

Year of birth: *1966*

Single executive body – Director General:

Ivan V. Frantsenuik

Year of birth: *1927*

Collective executive body – Management Board:

Ivan V. Frantsenuik

Year of birth: *1927*

Vladimir P. Nastich

Year of birth: *1953*

Valery F. Sukhanov

Year of birth: *1947*

Sergey V. Chelyadin

Year of birth: *1965*

Galina A. Aglyamova

Year of birth: *1961*

Igor N. Anisimov

Year of birth: *1965*

Pavel P. Gorodilov

Year of birth: *1957*

Anatoly N. Koryshev

Year of birth: *1944*

Alexander I. Kravchenko

Year of birth: *1955*

Valery A. Mamyshev

Year of birth: *1941*

Gennady I. Markin

Year of birth: *1952*

Vladislav A. Smirnov

Year of birth: *1949*

Alexander A. Sokolov

Year of birth: *1961*

Vladimir A. Tretyakov

Year of birth: *1960*

Pavel P. Chernov

Year of birth: *1947*

1.2. Information on Issuer's bank accounts.

No.	Full (abbreviated) name, location, INN, BIC, correspondent account of credit institution	Issuer's bank account	Account type
1	Closed joint-stock company "ABN AMRO Bank A.O."; "ABN AMRO Bank A.O."; Bldg 1, 17, ul. Bolshaya Nikitskaya 103009 Moscow; INN 7703120329; BIC 44525217; Correspondent account 30101810900000000217	40702810400005037751 40702840700005037751 40702840100205045347 40702840000105045738 40702978300005037751 40702978700205045347 40702978600105045738	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
2	Lipetsk Branch of Savings Bank of the Russian Federation; Lipetsk branch of the RF Savings Bank; 2, ul. Pervomaiskaya 398600 Lipetsk; INN 7707083894; BIC 44206604; Correspondent account 30101810800000000604	40702810535020100488	settlement account
3	Open joint-stock company Bank of social development and construction «Lipetskcombank»; OAO «Lipetskcombank»; 8, ul. Internatsionalnaya 398600 Lipetsk; INN 4825005381; BIC 44206704; Correspondent account 30101810700000000704	40702810500000000772 40702810900000000770 40702810300000000309 40702810800000000317 40702840500000000056 40702840200009000056 40702840300009000056 40702978100000000056 40702978800009000056 40702978900009000056	settlement account settlement account settlement account settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
4	Moscow branch of OAO «Lipetskcombank»; 2, 2 nd Avtozavodskoy proezd 109004 Moscow; INN 4825005381; BIC 44579254; Correspondent account 30101810500000000254	40702810102000000015 40702840402000000015 40702840102009000015 40702840202009900015 40702978002000000015 40702978702009000015 40702978802009900015	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
5	Closed joint-stock company «International Moscow Bank »; ZAO International Moscow Bank; 9, Prechistinskaya nab. 119034 Moscow; INN 7710030411; BIC 44525545; Correspondent account 30101810300000000545	40702810500010236805 40702840100010236806 40702840400010236807 40702840700010236808 40702978500010236802 40702978800010236803 40702978100010236804	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
6	OOO «Deutsche Bank»; 4, ul Schepkina 129090 Moscow; INN 7702216772; BIC 44525101; Correspondent account 30101810100000000101	40702810400000000132 40702840200000000234 40702840800000000236 40702840500000000235 4070297880000000014 40702978400000000016 40702978100000000015	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account

7	Bank ZENIT (open joint-stock company); Bank ZENIT; 9, Banny pereulok 129110 Moscow; INN 7729405872; BIC 44525272; Correspondent account 3010181000000000272	4070281080000002393 4070284010000002393 40702840000003002393 40702840300004002393 4070297870000002393 40702978600003002393 40702978900004002393	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
8	Closed joint-stock company «COMMERZBANK (EURASIA)»; ZAO «COMMERZBANK (EURASIA)»; 14/2 Kadashevskaya nab. 119017 Moscow; INN 7710295979; BIC 44525105; Correspondent account 30101810300000000105	40702810500002300408 40702840800002300408 40702840900012300408 40702840000022300408 40702978400002300408 40702978500012300408 40702978600022300408	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
9	Joint-stock commercial bank «ROSBANK» (open joint-private company); OAO AKB «ROSBANK»; 11, ul M. Poryvaeva 107078 Moscow; INN 7730060164; BIC 44525256; Correspondent account 30101810000000000256	40702810500000114727 40702840900000014727 40702840800003014727 40702840500003314727 40702978500000014727 40702978400003014727 40702978100003314727	settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account
10	Joint-stock commercial bank «Moscow Business World» (open joint-stock company), Branch in the city of Vladivostok; OAO «MBW-Bank», Branch in the city of Vladivostok; 3, ul. Mordovtseva 690091 Vladivostok; INN 7706074960; BIC 40507839; Correspondent account 30101810300000000839	40702810200060000619 40702840500060000619 40702840800061000619 40702840100062000619	settlement account USD running account USD transit account USD special transit account
11	Bank of foreign trade (open joint-stock company), additional office No. 15 «Nikitsky»; OAO Vneshtorgbank, additional office No. 15 «Nikitsky»; 19/16, ul. B. Nikitskaya 103009 Moscow; INN 7702070139; BIC 44525187; Correspondent account 30101810700000000187	40702840100150000039 40702840500150000040 40702840800150000041	USD running account USD transit account USD special transit account

1.3. Information on auditor (auditors) of the Issuer.

1. An Auditor who renders services on auditing of financial statements having been prepared under the legal requirements of the Russian Federation:

Full name: *Closed joint-stock firm "Auditing Firm "FinEscort"*

Abbreviated name: *no*

Legal address: *Bldg 1, 13/14, ul. Sadovaya Samotechnaya 103473 Moscow, Russia*

Phone: *(095)-956-16-14; 956-19-69; 234-49-29*

Fax: *(095)-956-19-69; 234-49-29*

E-mail: *mail@finescort.ru*

Auditor's license data:

License No: *E000004*

Issue date: *10.04.2002*

Validity: *within 5 years*

Licenser: *the Finance Ministry of the RF*

The Financial Statements for the following fiscal years have been audited by the auditor: **1997, 1998, 1999, 2000, 2001, 2002, current 2003.**

Share in the Issuer's legal capital: **no share**
Auditor's fee: **under the Contract concluded**

2. Auditor who renders services on auditing of Consolidated Financial Statements under US GAAP:

Full name: **Closed joint-stock firm «PricewaterhouseCoopersAudit»**

Abbreviated name: **no**

Legal address: **Bldg 5, 52, Kosmodamianskaya naberezhnaya 115054 Moscow Russia**

Phone: **(095)-976-60-00**

Fax: **(095)-976-60-01**

E-mail: **no data**

Auditor's license data:

License No: **E000376**

Issue date: **20.05.2002**

Validity: **within 5 years**

Licenser: **the Finance Ministry of the RF**

The Financial Statements have been audited by the auditor for the following fiscal years: **current 2003.**

Share in the Issuer's legal capital: **no share**
Auditor's fee: **under the Contract concluded**

1.4. Information on appraiser.

Information on appraisers being involved by the Issuer in fixed assets revaluation:

1. Full name: **Lipetsk Chamber of Commerce and Industry**

Abbreviated name: **Lipetsk TPP**

Legal address: **2, ul. Skorohodova 358019 Lipetsk, Russia**

Phone: **(0742)-22-60-69**

Fax: **(0742)-22-29-57**

E-mail: **no data**

Data on appraiser's license: **At the appraisal Lipetsk TPP had the right under its Statute to render services on appraising under the applicable Law of the Russian Federation (involving specialists with appraisers' certificates).**

Information on services rendered by the appraiser: **appraisal of fixed assets full replacement cost has been performed as of 01.01.1998.**

2. Full name: **Open joint-stock company «National Property Agency»**

Abbreviated name: **NPA**

Legal address: **36, ul. Garibaldi 117418 Moscow Russia**

Phone: **(095)-719-72-11, 719-71-00, 719-92-61**

Fax: **(095)-333-10-90**

E-mail: **no data**

Data on appraiser's license: **At the appraisal open joint-stock company "National Property Agency" had the right under its Statute to render services on appraising under the applicable Law of the Russian Federation (involving specialists with appraisers' certificates).**

Information on services rendered by the appraiser: **appraisal of fixed assets full replacement cost has**

been performed as of 01.01.1998.

3. Full name: *Closed joint-stock company «Center of professional appraisals»*

Abbreviated name: *ZAO «Center of professional appraisals»*

Legal address: *49, Leningradsky prospekt 125468 Moscow Russia*

Phone: *(095)-943-95-40*

Fax: *(095)-943-93-28*

E-mail: *no data*

Data on appraiser's license:

License No.: *series IJICC Registration No. 000004 code OI*

Issue date: *June 30, 1999.*

Validity: *June 30, 2000.*

Licenser: *Licensing Chamber with Moscow Government*

Information on services rendered by the appraiser: *appraisal of fixed assets full replacement cost has been performed as of 01.01.2000.*

1.5. Information on Issuer's consultants.

The Issuer has no financial consultant who renders consulting services in the securities market.

1.6. Information on other persons who signed this Quarterly Report.

There are no such persons.

II. Main information on financial performance of the Issuer.

2.1. Financial and economic indices of the Issuer's activity.

Description	Procedure of estimation	as of 30.06.03	as of 30.09.03	Change	
				+/-	%
<i>Net assets value, thousand RUR</i>		56 283 723	60 241 110	3 957 387	7,0%
<i>Leverage, %</i>		8,8%	9,4%	+ 0,6	%
<i>Short-term liabilities to equity ratio, %</i>		8,6%	9,2%	+ 0,6	%
<i>Past-due accounts, %</i>		3,6%	2,6%	- 1,0	%
		<i>2nd quarter of 2003</i>	<i>3rd quarter of 2003</i>		
<i>Cover of payments on debt service, mln. RUR*</i>		-	-	x	x
<i>Turnover of all assets (once a quarter)</i>	<i>F2_010 / average F1_300</i>	0,33	0,29	-0,04	-12,1%
<i>Turnover of accounts payable (once a quarter)</i>	<i>F2_(020+030) / average F1_620</i>	2,49	2,16	-0,33	-13,2%

<i>Turnover of accounts receivable (once a quarter)</i>	<i>F2_010 / average F1_(240-244)</i>	<i>2,40</i>	<i>2,09</i>	<i>-0,32</i>	<i>-13,2%</i>
<i>Profit tax share before taxation, %</i>		<i>23,2%</i>	<i>24,4%</i>	<i>+ 1,2 %</i>	
<i>* - NLMK does not have any credit facilities or loans subject to repayment in the accounting period</i>					

Net assets. For the last several years the financial performance of NLMK can be viewed as a stable one. Surplus of net assets over legal capital by RUR 60 235,1 mln. (as of 30.09.2003) testifies the stable Company's performance. Stable growth of this index is a positive fact in the Company's activity.

For 9 months of 2003 leverage accounted for 9,4% which speaks for availability of insignificant share of borrowings in the Company's capital. It confirms low dependence of NLMK on borrowings.

The main share in borrowings fell at short-term liabilities of NLMK. As of 30.09.2003 ratio of short-term accounts payable to equity accounted for 9,2%. It confirms minimum risk for creditors of the Company.

Stable financial performance of NLMK allowed to repay its liabilities without any delays. As of 30.09.2003 share of past-due accounts payable within Company's liabilities declined as compared to 30.06.2003 and accounted for 2,6% within total liabilities.

Assets turnover. Decrease in assets turnover in the 3rd quarter as compared to the 2nd quarter was caused by reduction in sales proceeds (-3,4%) with growth of average assets amount (+9,7%).

NLMK's accounts payable turnover changed in the reporting period from 2,49 fold in the 2nd quarter to 2,16 fold in the 3rd quarter. Slowdown in debt repayment by the Company was caused by growth of average accounts payable by 16% with insignificant increase of cost of sales (+0,8%).

In 3rd quarter of 2003 accounts receivable turnover went down as compared to the previous quarter due to increase of average Company's debt by 11% and decrease of sales proceeds by 3,4%.

2.2. Issuer's market capitalization.

As of 30.09.2003 shares of NLMK did not circulate on the securities market.

2.3. Issuer's liabilities.

2.3.1. Accounts payable.

Total accounts payable as of 30.09.2003 amounted to RUR 5 605 766 thousand, inclusive of RUR 147 012 thousand of outstanding debt.

Structure of Issuer's accounts payable

<i>Type of accounts payable</i>	<i>Maturity date</i>						<i>Total</i>
	<i>to 30 days</i>	<i>from 30 to 60 days</i>	<i>from 60 to 90 days</i>	<i>from 90 to 180 days</i>	<i>from 180 days to 1 year</i>	<i>more than 1 year</i>	
<i>Accounts payable, total, including:</i>	<i>2 934 057</i>	<i>2 482 035</i>	<i>94 390</i>	<i>358</i>	<i>4</i>	<i>94 922</i>	<i>5 605 766</i>
<i>borrowings, total</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>outstanding debt upon borrowings</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>credit facilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

<i>loans including:</i>	-	-	-	-	-	-	-
<i>bonded debt</i>	-	-	-	-	-	-	-
<i>trade accounts payable</i>	830 050	66 130	63 772	-	-	-	959 952
<i>bills payable</i>	-	-	-	-	-	90 000	90 000
<i>accounts payable to subsidiaries and affiliates</i>	691 435	48 596	-	-	-	-	740 031
<i>arrears of wages</i>	207 095	-	-	-	-	-	207 095
<i>accounts payable to budgets and off-budget funds, including:</i>	1 012 674	-	-	-	-	-	1 012 674
<i>outstanding</i>	-	-	-	-	-	-	-
<i>other accounts payable</i>	192 803	2 367 309	30 618	358	4	4 922	2 596 014

There are no creditors with share of not less than 10% of total accounts payable as of 30.09.2003.

2.3.2. Issuer's credit history.

As of September 30, 2003 NLMK did not have any commitments on credit facilities agreements and / or contracts of debt.

2.3.3. Issuer's commitments on security to third parties.

The following Contracts of guarantee where NLMK is a guarantor and guarantee were concluded in the reporting quarter:

1) No. 32931 dd. 09.07.2003 between NLMK and Bank «ZENIT», Moscow, for amount of RUR 541833779,70 as to OOO «Independent leasing company»;

2) No. 33000 dd. 14.07.2003 between NLMK and OAO «Lipetskcombank», Lipetsk, for amount of RUR 20 000 000 as to OOO «Stahl».

2.3.4. Other commitments of the Issuer.

None.

2.4. Purposes of issue and use of funds gathered as a result of securities distribution.

The Company did not issue any securities distributed by subscription since the date of its registration. So the Company did not attract funds by distribution of securities.

2.5. Risks related to acquisition of distributed issuing securities.

2.5.1. Industry risks.

For NLMK the situation in the industry can worsen due to worsening of situation both in raw materials purchasing markets and steel products sales markets. In both cases impact of possible worsening of the situation in the industry can appear as deficiency in sales proceeds as compared to normal course of events in the industry. Deficiency in profits can take place either for account of decrease in actual selling price as compared to planned one or as a result of more rapid price growth rate in the raw material market as compared to the expected one.

While framing a sales policy NLMK puts a special emphasis on risk of prices downturn due to demand shrinkage and competition toughening (both on the domestic and foreign markets), as well as on risk of default by buyers (steel products with trade credit terms are mainly exported).

Risk of prices downturn, demand reduction could cause shrinkage of physical sales by 509 thousand tons in 2004 (6% of the year 2003), as well as deficiency in sales income of RUR 5,3 billion (27% of the year 2003).

Broad geography of NLMK's sales and developed dealer network make it possible to minimize risk of possible losses from sudden change in situation in one of the sales markets or in case of market closure due to anti-dumping investigations. Market analysis, market dynamics studies, search for new markets as well as increase in high value added products production allow to

implement a flexible sales policy.

The majority of the Company's sales on the domestic market are made on trade credit terms, which involves an inherent risk that funds for shipped products will not be received. When concluding contracts with new partners, the potential counterparty is always reviewed for reliability and solvency. In order to minimize risks, NLMK is oriented first and foremost on major solvent consumers and dealers.

To reduce financial losses from speculative rise in prices for raw materials and slow deliveries on account of force majeure circumstances extra inventories of raw materials are formed to prevent faulty operations. Increase in inventories at the beginning of autumn – winter seasons provides self-supporting schedule of steel-making lines operation during the winter season. Contracts for raw materials supply are concluded with reliable permanent partners. New partners are drawn to supplies only after verification of their reliability. Trial contracts are concluded with them for small deliveries. Reliable suppliers are guarantee for both fulfillment of delivery schedule and raw material quality. Risk of substandard raw material delivery is reduced by evaluation of quality and technical parameters of products, offered by several alternative suppliers.

To exclude risks of unforeseeable growth of prices or tariffs the following is being done:

- monitoring of domestic and foreign raw material, material and equipment markets;*
- analysis of financial performance of the country and of specific industries of the Russian Federation;*
- analysis of world tendencies in field of steel consumption and in field of extraction and processing of raw materials for steel-making processes;*
- colaboration with natural monopolies.*

The legal department performs legal support and expertise of sales and purchasing transactions, making it possible to reduce the risk of non-payments under concluded contracts.

2.5.2. Country and regional risks.

NLMK is registered as a tax bearer in the Russian Federation (Russia) and is a Company oriented for export. NLMK is exporting its products to over 80 countries. World regions bringing in 10% of proceeds and more are as follows: South-East Asia, Central and South America, North America, Europe (inclusive of Turkey).

Political and economic situation in Russia is stable and sustainable economic growth has been observing for the last several years. Risk of current situation change as well as risk of armed conflicts, proclamation of national emergency and strikes in Russia is insignificant. Acts of God in the middle part of Russia and in Kuzbass (region of coking coals suppliers) are also improbable. The region of NLMK's activity is in proximity to the important industrial areas of Russia – Central part and Povolzhje, having highly developed energy, pipeline, railway and truck infrastructure. The risk of transport communications failure due to remote and/or out-of-the-way place is extremely low.

Situation with country and regional risks in Central and South America, North America, Europe is not negative in economic and, in particular, political respect. Sustainable economic growth is being observed in South-East Asia. There is a risk of an armed conflict between the USA and China on account of Taiwan. However, such scenario of events is assessed by leading military analysts as unlikely in the foreseeable future.

In case of negative situation in some regions NLMK possesses vast possibilities of re-orienting its products to more attractive markets and minimization of possible financial damages.

2.5.3. Financial risks.

Nearly 2/3 of the Company's annual sales take place on the export market. As the greater part of settlements with foreign partners are in US dollars and Euro, NLMK has adopted the US dollar as its currency for foreign-trade transactions. Like other export-oriented companies NLMK is strongly dependent on the relative strength of the national currency. According to the Russian legislation, a company which exports its products is required to sell up to 30% of its hard currency proceeds on the domestic market. Lately Russia has been moving towards an easing of the currency regulations. As a result, the Company is becoming less dependent on the foreign currency exchange rate policy of the Central Bank of the Russian Federation.

The company is able to reduce the risk of impairment of assets by placing available funds in deposits. In order to minimize foreign currency risks, deposits are made in both foreign currencies and the Russian rouble.

In case of negative impact of exchange rate and interest rate changes NLMK has a possibility to select those financial instruments on the financial and credit services market which suggest more favourable conditions. Inflation has small influence on payments on securities.

In financial statements NLMK is mostly exposed to changes resulted from the stated financial risks influence onto liquidity. At NLMK liquidity risk is closely related to the receipt of funds under settlements for products. In order to minimize this risk, the schedule of incoming and outgoing cashflows is carefully planned to identify any possible deficit in financial resources. The ratio of the Company's highly liquid assets to liabilities attests to high solvency and a correspondingly low liquidity risk. At present the Company does not make use of loans or credits to expand its working capital or to settle its liabilities.

2.5.4. Legal risks.

In the foreseeable future (within the nearest 1-3 years) risks related to changes in currency, tax, customs and license control which could entail worsening of the Issuer's financial performance will be lowered. In particular, load on tax bearers is planned to be reduced with simultaneous increase in control over tax payments.

The Issuer's policy of court is set forth in clause 2.5.5.

2.5.5. Risks related to the Issuer's activity.

For the last three years NLMK has not been participating in any legal procedures in which plaintiffs' claims are significant (more than 5% of the Issuer's assets book value).

The main part of the Issuer's licenses on activities important for the Issuer is valid till 2005 and farther on. Risk related to failure to prolong these licenses is extremely low.

Subsidiaries of NLMK are liable for their financial performance and risk management. Therefore the Issuer is not responsible for debts of third parties, its subsidiaries inclusive.

III. Detail information on the Issuer.

3.1. History of foundation and development of the Issuer's Company.

3.1.1. Information on the Issuer's name.

Full name of the Issuer.

*Открытое акционерное общество "Новолипецкий металлургический комбинат"
Novolipetsk Iron & Steel Corporation*

Abbreviated name.

*ОАО "НЛМК"
NLMK*

The Company has the right for trade mark "STINOL" registered as stated by the Russian Law.

Information on changes in the Issuer's name.

The Yu.V. Andropov Novolipetsk Iron & Steel Works honored with the Lenin Order and the October Revolution Order

NLMK

Introduced on: 14.03.1984

Basis for changes: *Decree of the Central Commission of the KPSS, Presidium of the Supreme Soviet of the USSR and Council of Ministers of the USSR «On perpetuation the memory of Yury V. Andropov».*

Novolipetsk Iron & Steel Corporation

NLMK

Introduced on: *28.01.1993*

Basis for changes: *Decision of the Lipetsk Region State Property Management Commission No. 823 dd. December 31, 1992 «On reorganization of the Yu. V. Andropov Novolipetsk Iron & Steel Works into Novolipetsk Iron & Steel Corporation».*

Current name was introduced on: *12.08.1998*

Basis for changes: *Decision made at Annual Shareholders' Meeting dd. August 1, 1998 (Minutes No. 9) on approval of the Company's Statute in a new edition.*

3.1.2. Information on state registration of the Issuer.

Number of state registration: *5-Г*

Date of state registration: *28.01.1993*

Registrar: *Administration of Levoberezhny district of the city of Lipetsk*

State registration number of a legal person: *1024800823123*

Date of registration: *09.07.2002*

Registrar: *Inspection of MNS of Russia in Central district of the city of Lipetsk*

3.1.3. Information on foundation and development of the Issuer.

According to the RF Presidential Decree No. 721 dd. 01.07.1992 «On measures aimed at conversion of state enterprises, voluntary associations of state enterprises into joint stock companies» state enterprise The Yu. V. Andropov Novolipetsk Iron & Steel Works honored with the Lenin Order and the October Revolution Order was reorganized into Novolipetsk Iron & Steel Corporation by decision of Lipetsk region state property management Commission No. 823 dd. 31.12.1992. The Company was registered by Decree of Head of Levoberezhny district of the city of Lipetsk No. 50 dd. 28.01.1993.

The purpose of enterprise privatization is to increase efficiency of national economics by transfer from planned economy to market economy. In transition to a market economy the following decisions have been made by the Company:

- *on optimization of organizational structure and management system of production and auxilliary divisions;*
- *on improvement of system of raw material, fuel procurement, product sales and marketing services;*
- *on development and approval of Technical Upgrading Program.*

Today NLMK is a large advanced company with highly developed and coordinated production, the products of which are exported to dozens countries of the world.

Plans of NLMK cover steady increase of high-end production, solution of various environmental problems at all production stages, production of high value added products which meet constantly raising demands from customers.

3.1.4. Contact information.

Legal address of the Issuer.

2, pl. Metallurgov, Lipetsk 398040 Russia

Legal address of executive body of the Issuer.

2, pl. Metallurgov, Lipetsk 398040 Russia

Issuer's phone, fax numbers, E-mail, web-site:

Phone: *(0742)-444-006*

Fax: *(0742)-432-541*

E-mail: *info@nlmk.ru*

Web-site with information on Issuer and his securities issued and/or being issued: **www.nlmk.ru**

Legal address of key accounts division - *Division on property and securities management:*

2, pl. Metallurgov, Lipetsk 398040 Russia

Phone: *(0742)-444-989*

Fax: *(0742)-442-255*

E-mail: *loskutov_va@nlmk.ru*

Web-site: *no*

3.1.5. ID of taxpayer.

4823006703

3.1.6. Branches and representative offices of the Issuer.

Name: *Far East Branch "NLMK-DV"*

Legal address: *15, ul. Uborevich, Vladivostok, Russia*

Manager: *Pavel V. Patsvald*

Date of opening: *1.08.1994*

Validity of the Power of Attorney: *31.12.2003*

Name: *Representative office of Novolipetsk Iron & Steel Corporation in Moscow*

Legal address: *Bldg. B, 1/15, Kotelnicheskaya naberezhnaya, Moscow*

Manager: *Victor N. Tersky*

Date of opening: *28.02.2002*

Validity of the Power of Attorney: *31.12.2003*

3.2. Core activity of the Issuer.

3.2.1. Industry of the Issuer.

Codes of Issuer's activity within the industry according to All-Russian code of foreign – economic activity:

27.17 - Production of cold rolled steel flats without and with protective coatings

27.15 - Production of semi-finished (slabs) products for further rolling

27.16.2 - Production of hot rolled steel flats

27.11 - Production of pig iron and blast furnace ferroalloys

24.14.2 - Production of other organic chemical products which are not entered to any other group of products

- 27.33 - *Production of roll-formed steel sections*
- 45.21.1 - *Civil works on buildings construction*
- 23.10 - *Production of coke*
- 29.51 - *Production of equipment and machinery for steel industry*
- 85.11 - *Activity of patient care institutions*
- 27.22 - *Production of steel pipes and fittings*
- 27.14 - *Production of steel*
- 34.30 - *Production of parts and components of cars and motors to them*
- 40.30 - *Production, supply and distribution of steam and hot water (heat energy)*
- 24.15 - *Production of fertilizers and nitrogen compounds*
- 28.71 - *Production of metal drums and similar reservoirs*
- 55.51 - *Activity of canteens located at the territory of plants and institutions*
- 70.32.1 - *Management of housing stock*
- 55.12 - *Activity of hotels having no restaurants*
- 60.23 - *Activity of other inland passenger transportation*
- 60.10.2 - *Activity of industrial railroad transport*
- 74.60 - *Investigations and accidents prevention*
- 63.21.1 - *Other auxiliary activity of railway transport*
- 63.11 - *Transport processing of cargoes*
- 63.12 - *Storage and warehousing*
- 31.62.9 - *Services rendered for erection, repair and maintenance of other electric equipment which is not entered any other group of products*
- 60.24 - *Activity of motor transport*
- 45.31 - *Wiring operations*
- 52.31 - *Retail trade of pharmaceutical products*
- 40.10.5 - *Activity on assurance of electric mains serviceability*
- 74.20.1 - *Architectural activity, engineering in industry and construction*
- 74.20.3 - *Land measuring and mapping*
- 85.20 - *Veterinary activity*
- 37.10.1 - *Waste and ferrous scrap processing*
- 92.13 - *Movies demonstration*
- 64.20.1 - *Activity in the area of phone and document communications*
- 85.13 - *Dental practice*
- 51.70 - *Other wholesale trade*
- 52.11 - *Retail trade in non-specialized stores principally by foodstuffs, including beverage food and tobacco goods*
- 52.12 - *Other retail trade in non-specialized stores*
- 28.63 - *Manufacture of locks and hinges*
- 80.22.22 - *Training in advance training schools for specialists having secondary vocational education*
- 80.30.3 - *Training in advance training schools for specialists having higher vocational education*

3.2.2. Main activity of the Issuer.

Main activity of NLMK lies in production and sales of ferrous metal products.

For 9 months of 2003 income share of steel products production and sales accounted for 98,9% in total income of the Company. Income from the stated activity in the 3rd quarter of the current year went down by 3,2% as compared to the 2nd quarter.

3.2.3. Main types of products (works, services).

*Main types of marketable steel products (works, services) of NLMK
bringing in more than 10% of income.*

Type of products		2 quarter of 2003		3 quarter of 2003		Change	
		value	share in total volume of marketable products	value	share in total volume of marketable products	+/-	%
MARKETABLE SLABS	thousand tons	813,7	35,8%	829,0	36,7%	15,3	1,9%
	mln. RUR	4 573,0	25,1%	4 193,4	24,1%	-379,6	-8,3%
HOT ROLLED STEEL	thousand tons	556,1	24,5%	465,8	20,6%	-90,3	-16,2%
	mln. RUR	4 333,3	23,8%	3 537,4	20,3%	-795,9	-18,4%
COLD ROLLED STEEL	thousand tons	430,7	19,0%	470,4	20,9%	39,7	9,2%
	mln. RUR	4 495,4	24,7%	4 848,1	27,9%	352,7	7,8%
Other steel products	thousand tons	469,7	20,7%	490,7	21,8%	21,0	4,5%
	mln. RUR	4 819,3	26,4%	4 818,8	27,7%	-0,5	-0,01%
TOTAL	thousand tons	2 270,2	100%	2 255,9	100%	-14,3	-0,6%
	mln. RUR	18 221,0	100%	17 397,7	100%	-823,3	-4,5%

Note: pipe and other products are not covered by grand total.

In the 3rd quarter of 2003 NLMK shipped marketable steel products for RUR 17 397,7 mln. which is 4,5% less than in the 2nd quarter of 2003. The main share of NLMK's steel products sales (in value terms) attributed to slabs (24,1%), hot rolled steel (20,3%) and cold rolled steel (27,9%).

Value of slabs shipment in the 3rd quarter of 2003 reduced by 8,3% as compared to the 2nd quarter of 2003 which had been caused by prices downturn for this type of steel product and US dollar forex fall.

Sales of hot rolled steel in value terms for the reporting period of 2003 went down by 18,4% as compared to the sales level of the 2nd quarter. It happened as a result of hot rolled steel shipment volume shrinkage both in the domestic and foreign markets and for account of export prices decline.

The value of cold rolled steel shipments in the 3rd quarter of 2003 grew by 7,8% as compared to the 2nd quarter. It was caused by increase in domestic and foreign sales with simultaneous decrease of average prices for cold rolled steel.

Dynamics of prices for main types of steel products

	2 quarter of 2003	3 quarter of 2003
MARKETABLE SLABS		
Output of marketable products, thousand tons	813,7	829,0
Average quarter price for steel products, RUR/tons	5 620	5 058
Sales proceeds, RUR mln.	4 573,0	4 193,4
Share in total sales proceeds, %	24,9	23,9
Correspondent price index, %	—	0,9000
HOT ROLLED STEEL		
Output of marketable products, thousand tons	556,2	465,8
Average quarter price for steel products, RUR/ton	7 792	7 595
Sales proceeds, RUR mln.	4 333,4	3 537,6
Share in total sales proceeds, %	23,6	20,2

<i>Correspondent price index, %</i>	-	0,9748
COLD ROLLED STEEL		
<i>Output of marketable products, thousand tons</i>	430,4	470,5
<i>Average quarter price for steel products, RUR/tons</i>	10 419	10 300
<i>Sales proceeds, RUR mln.</i>	4 484,0	4 846,0
<i>Share in total sales proceeds, %</i>	24,4	27,6
<i>Correspondent price index, %</i>	-	0,9885

Sales system at NLMK

<i>Sales channels</i>	<i>Domestic market</i>		<i>Export</i>	
	<i>II quarter of 2003.</i>	<i>III quarter of 2003</i>	<i>II quarter of 2003</i>	<i>III quarter of 2003</i>
MARKETABLE SLABS				
<i>Direct sales</i>	-	-	-	-
<i>Proper trading network</i>	-	-	-	-
<i>Controlled trading network (dealers, traders)</i>	-	-	100,0%	100,0%
Total	-	-	100,0	100,0
PIG IRON				
<i>Direct sales</i>	91,1%	95,1%	-	-
<i>Proper trading network</i>	-	-	-	-
<i>Controlled trading network (dealers, traders)</i>	8,9%	4,9%	100,0%	100,0%
Total	100,0	100,0	100,0	100,0
HOT ROLLED STEEL				
<i>Direct sales</i>	57,2%	57,6%	-	-
<i>Proper trading network</i>	2,6%	2,9%	-	-
<i>Controlled trading network (dealers, traders)</i>	40,2%	39,5%	100,0%	100,0%
Total	100,0	100,0	100,0	100,0
COLD ROLLED STEEL				
<i>Direct sales</i>	67,8%	71,7%	-	-
<i>Proper trading network</i>	3,3%	2,6%	-	0,02%
<i>Controlled trading network (dealers, traders)</i>	28,9%	25,7%	100,0%	99,98%
Total	100,0	100,0	100,0	100,0
PRE-PAINTED STEEL				
<i>Direct sales</i>	73,1%	76,0%	-	-
<i>Proper trading network</i>	5,5%	5,8%	-	0,2%
<i>Controlled trading network (dealers, traders)</i>	21,4%	18,2%	100,0%	99,8%
Total	100,0	100,0	100,0	100,0
ELECTRICAL COLD ROLLED STEEL				
<i>Direct sales</i>	76,9%	77,9%	-	-
<i>Proper trading network</i>	9,5%	10,0%	35,3%	40,6%
<i>Controlled trading network (dealers, traders)</i>	13,6%	12,1%	64,7%	59,4%
Total	100,0	100,0	100,0	100,0

**Marketable slab costs components
in the II and III quarters of 2003**

<i>Description of components</i>	<i>II quarter of 2003, %</i>	<i>III quarter of 2003, %</i>
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<i>Raw materials, %</i>	<i>35,9</i>	<i>37,1</i>
<i>Purchased components, semi-finished products, %</i>	<i>-</i>	<i>-</i>
<i>Works and services of production nature done and rendered by third-party firms, %</i>	<i>1,6</i>	<i>1,5</i>
<i>Fuel*, %</i>	<i>27,3</i>	<i>25,9</i>
<i>Energy,%</i>	<i>4,8</i>	<i>4,6</i>
<i>Labor costs, %</i>	<i>5,5</i>	<i>6,0</i>
<i>Credit interest, %</i>	<i>-</i>	<i>-</i>
<i>Rental fee, %</i>	<i>0,2</i>	<i>0,4</i>
<i>Allocation for social needs, %</i>	<i>2,9</i>	<i>2,9</i>
<i>Fixed assets depreciation and amortization, %</i>	<i>0,9</i>	<i>1,0</i>
<i>Taxes being a part of costs, %</i>	<i>1,7</i>	<i>1,0</i>
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials),%</i>	<i>19,2</i>	<i>19,6</i>
<i>Total: production costs and sales expenses (costs), %</i>	<i>100,0</i>	<i>100,0</i>

** Fuel: coals+coke, natural gas, diesel fuel, black oil.*

*Hot rolled steel costs components
in the II and III quarters of 2003*

<i>Description of components</i>	<i>II quarter of 2003, %</i>	<i>III quarter of 2003, %</i>
<i>Raw materials, %</i>	<i>32,5</i>	<i>33,3</i>
<i>Purchased components, semi-finished products, %</i>	<i>-</i>	<i>-</i>
<i>Works and services of production nature done and rendered by third-party firms, %</i>	<i>1,8</i>	<i>1,7</i>
<i>Fuel*, %</i>	<i>24,9</i>	<i>23,7</i>
<i>Energy,%</i>	<i>5,9</i>	<i>5,8</i>
<i>Labor costs, %</i>	<i>6,8</i>	<i>7,4</i>
<i>Credit interest, %</i>	<i>-</i>	<i>-</i>
<i>Rental fee, %</i>	<i>0,2</i>	<i>0,4</i>
<i>Allocation for social needs, %</i>	<i>3,6</i>	<i>3,6</i>
<i>Fixed assets depreciation and amortization, %</i>	<i>2,2</i>	<i>2,4</i>
<i>Taxes being a part of costs, %</i>	<i>1,8</i>	<i>1,0</i>
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials),%</i>	<i>20,3</i>	<i>20,7</i>
<i>Total: production costs and sales expenses (costs), %</i>	<i>100,0</i>	<i>100,0</i>

** Fuel: coals+coke, natural gas, diesel fuel, black oil.*

*Cold rolled steel costs components
in the II and III quarters of 2003*

<i>Description of components</i>	<i>II quarter of 2003, %</i>	<i>III quarter of 2003, %</i>
----------------------------------	----------------------------------	-----------------------------------

<i>Raw materials, %</i>	<i>28,8</i>	<i>29,4</i>
<i>Purchased components, semi-finished products, %</i>	<i>-</i>	<i>-</i>
<i>Works and services of production nature done and rendered by third-party firms, %</i>	<i>2,2</i>	<i>2,1</i>
<i>Fuel*, %</i>	<i>21,8</i>	<i>20,7</i>
<i>Energy,%</i>	<i>6,7</i>	<i>6,4</i>
<i>Labor costs, %</i>	<i>8,1</i>	<i>8,8</i>
<i>Credit interest, %</i>	<i>-</i>	<i>-</i>
<i>Rental fee, %</i>	<i>0,2</i>	<i>0,4</i>
<i>Allocation for social needs, %</i>	<i>4,3</i>	<i>4,3</i>
<i>Fixed assets depreciation and amortization, %</i>	<i>2,5</i>	<i>2,7</i>
<i>Taxes being a part of costs, %</i>	<i>2,1</i>	<i>1,3</i>
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials),%</i>	<i>23,3</i>	<i>23,9</i>
<i>Total: production costs and sales expenses (costs), %</i>	<i>100,0</i>	<i>100,0</i>

** Fuel: coals+coke, natural gas, diesel fuel, black oil.*

3.2.4. The Issuer's suppliers with shipments of 10 and more percent of all inventory holdings.

Main suppliers of NLMK accounted for major part of all supplies of raw materials in the accounting period:

1. Name of a supplier: Limited-liability company "Vimet" (supplier of iron ore).

Legal address and Mailing address: 35a, prosp. Mira, Lipetsk, 398005, Russia.

2. Name of a supplier: Limited-liability company "Stahl" (supplier of coal concentrate, scrap, zinc, and secondary aluminium).

Legal address and Mailing address: 1, ul. Lenina, Uglich, 152620, Yaroslavl region, Russia.

3. Name of a supplier: Closed joint-stock company "Sibuglemet" (supplier of coal concentrate, coke).

Legal address: 8, Krymsky val, Moscow, 117049, Russia.

Mailing address: 68, ul. Mosfilmovskaya, Moscow, 119500, Russia.

Share of import within the Company's shipments accounts for an insignificant part.

All suppliers listed above meet the terms and conditions of Contracts in time, ensure quality of raw materials supplied and possess resources that allow NLMK to keep on cooperation with them in the future.

3.2.5. The Issuer's sales (works, services) markets.

Major consumers of NLMK's products accounted for major part of income in the accounting period:

1. Name of a customer: Tuskany Intertrade (UK)

Legal address: H3 6QN, Edinburg, 24 Great King, UK

2. Name of a customer: Steelco Mediterranean Trading Ltd

Legal address: 10 a-c, Orpheos Street, Nicosia, Cyprus

3. Name of a customer: Murfield Commodities Company

Legal address: Huntley Bees, Suite 20, Gordon, Huntley AB 548EC, UK

4. Name of a customer: Limited-liability company «DI POS»

Legal address: 24, ul. Turaevskaya, Turaevo, Moscow region, 140061, Russia

5. Name of a customer: Closed joint-stock company "METALLKOMPLEKT-M "

Legal address: bldg. 1, 10, ul. Rozanova, Moscow

6. Name of a customer: Limited-liability company "Insayur-stal "

Legal address: 29, ul. Choros-Gurkin, Gorno-Altajsk, Russia

7. Name of a customer: Closed joint-stock company "STALPROEKT"

Legal address: korp. 1, 5, proezd Solomennaya storozhka, Moscow

8. Name of a customer: Open joint-stock company "BELON"

Legal address: 56, ul. B. Khmel'nitskogo 630110 Novosibirsk

9. Name of a customer: Limited-liability company «TSENTRMETALLSNAB»

Legal address: office 513, 71, ul. Chekhova, Rostov-na-Donu

10. Name of a customer: Open joint-stock company «Nizhnedneprovsky pipe plant»

Legal address: 21, Ul. Stoletova, Dnepropetrovsk, Ukraine

11. Name of a customer: Limited-liability company «NIKAR»

Legal address: 1, ul. Lenina, Uglich, Yaroslavl region, 152620

12. Name of a customer: Closed joint-stock company «FERROSTEEL»

Legal address: office No. 16-B, bldg. 1, 61/2, ul. Perovskaya, Moscow

3.2.6. Practices regarding working capital and inventories.

Inventories

The Issuer controls inventories within current assets management. There is a standard «Control of the Company's current assets and control over their status» (STP SK 05757665-21-06-2000 dd. December 25, 2000), which stipulates the procedure for calculation, agreement, approval of the Company's current assets for production divisions of NLMK, control over the status of current assets for the purpose of their optimum management.

Norms for current assets are established by order of NLMK as necessary. As far as price growth for raw materials, the existing norms are occasionally reviewed.

NLMK does not generate inventories of finished products on its warehouses. All products are produced "to order". Pending of products on NLMK's warehouses mainly is due to railway operations balance.

Inventory turnover is calculated upon the following formula: average residual inventory for the period / costs of sales (works, services). So, the stated ratio at NLMK for 9 months of 2003 was:

$$[(7\ 030\ 647\ \text{thousand}\ \text{RUR} + 8\ 693\ 310\ \text{thousand}\ \text{RUR}) / 2] / 31\ 101\ 891\ \text{thousand}\ \text{RUR} = 0,25$$

i.e. 4 turnovers during 9 months.

Accounts receivable

There is a standard «Prevention and control over accounts payable and receivable» in the Company, aimed at prevention of inaccurate generation of and control over accounts payable and receivable dynamics.

According to this standard divisions of NLMK (persons in charge in divisions) control over dates of liabilities performance regarding settlements and works aimed at collection of accounts receivable and repayment of accounts payable.

Information on failure to observe settlement time under contracts on products supply and on services of NLMK is reflected in the information system of the Company. On the basis of data from this system and information from persons in charge of divisions, Legal Issues Division will send claims to product consumers and suppliers of inventory holdings.

Cash and its equivalents

On the basis of bank financial performance analysis the most safe and stable banks are selected. NLMK establishes a limit of monetary funds required for its current activity to be placed in each of them or these funds are placed as spare cash. A part of spare cash is placed by NLMK in banks subject to assets management which brings an extra income to the Company.

3.2.7. Raw materials.

For its production (to support production technologies) the Company purchases the following raw materials: coal concentrate, coke, iron ore, scrap, fluxes, ferroalloys, non-ferrous metals.

Sources of coal concentrate are: South Yakutsk coal field, Kuznetsk coal field and Pechersk coal field.

90% of the Company's demand for coke is satisfied by own coke & by-products division, while the deficit is covered for account of coke purchasing from producers in the region of Western Siberia.

The main sources of iron ore are fields of ferruginous quartzite in Kursk Magnetic Anomaly.

Scrap is supplied mainly by enterprises of secondary metals of the Central Region of the Russian Federation.

The main suppliers of fluxes are local producers, i.e. Stagdok (Lipetsk) and Dolomit (the city of Dankov, Lipetsk region).

The Company's demand for main type of ferroalloys is covered mainly for account of Ukrainian producers (Zaporozhsky plant of ferroalloys, Nikopolsky plant of ferroalloys).

The dominant non-ferrous metals used in steel-making process are aluminium and zink. The demand for aluminium is satisfied by Bratsky aluminium plant (Irkutsk region), as well as enterprises of secondary metals of the Central Region of the Russian Federation. Zinc being supplied is produced in the main by Chelyabinsk zinc plant and KazZinc (Kazakhstan).

For the accounting period the prices for raw materials changed insignificantly with the exception of prices for zinc - +26,5%, as well as prices for coal from Kuznetsk coal field - +11,4%.

3.2.8. Main competitors.

NLMK's share of the Russian domestic market by the following types of metal products

<i>Main types of products</i>	<i>The Company's market share</i>	
	<i>2001</i>	<i>2002</i>
<i>Pig iron</i>	<i>17%</i>	<i>18%</i>
<i>Hot rolled flats</i>	<i>13%</i>	<i>15%</i>
<i>Cold rolled flats</i>	<i>21%</i>	<i>26%</i>
<i>Galvanized steel</i>	<i>19%</i>	<i>24%</i>
<i>Pre-painted steel</i>	<i>61%</i>	<i>53%</i>
<i>CR NGO steel</i>	<i>43%</i>	<i>48%</i>
<i>CR GO steel</i>	<i>43%</i>	<i>44%</i>

Main domestic competitors of NLMK by type of products

<i>Main types of products</i>	<i>Main competitors for the specified type of products</i>	<i>Advantages over competitors for the specified type of products</i>
Pig iron	OAO Lipetsk Iron Works Svobodny Sokol (Lipetsk), OAO Tulachermet (the city of Tula)	a) on price: equal; b) on quality: comparable
Hot rolled flats	MMK (the city of Magnitogorsk) Severstal (the city of Cherepovets)	a) on price: equal; b) on quality: comparable
Cold rolled flats	MMK (the city of Magnitogorsk) Severstal (the city of Cherepovets)	a) on price: equal; b) on quality: possibility to produce more complicated drawing qualities, better quality, rolled steel width up to 1800 mm.
Hot dip galvanized steel	MMK (the city of Magnitogorsk) Severstal (the city of Cherepovets)	a) on price: equal; b) on quality: comparable
Pre-painted steel	Foreign producers	a) on price: equal; b) on quality: comparable
CR NGO steel	Severstal (the city of Cherepovets)	a) on price: equal; b) on quality: wider range of grades
CR GO steel	Viz-stal (the city of Ekaterinburg)	a) on price: equal; b) on quality: comparable

Main competitors of NLMK on foreign markets

NLMK supplies its products to several tens of countries of the world (88 countries in 2002). Virtually every country – importer has its own producers of similar types of products. Besides NLMK other steel-making companies from other countries supply their products to these markets.

So NLMK experiences tough competition on foreign markets, therefore it is impracticable to separate specific competitors out.

3.2.9. Information on licenses with the Issuer.

Licenses:

Number: *ЛПД №04995 ВЭ*

Issue date: *22.04.1998*

Validity: *till 1.03.2008*

Licenser: *Territorial Administration of Geology and Subsoil use in the Lipetsk region*

Activity: *Draft of fresh underground water for the production and drinking water supply of an enterprise.*

Number: *ЛФ/07-585.48*

Issue date: *24.02.1999*

Validity: *till 23.02.2004*

Licenser: *Federal agency of governmental communications and information at the RF President*

Activity: *Implementation of measures and rendering of services in protection of state secret connected with function of coding service of the RF.*

Number: *ГК 005894 Registration No. HBF- 00127*
Issue date: *10.03.1999*
Validity: *till 10.03.2004*
Licensor: *Federal Service of geodesy and cartography of Russia. Nizhnevolzhsky territorial area*
Activity: *Works in the frame of geodesical and cartographical activity.*

Number: *КОИ №0027493*
Issue date: *23.04.1999*
Validity: *till 23.04.2004*
Licensor: *Illegal Drug Circulation Department of Interior Department of the Lipetsk region*
Activity: *Activity related to drugs and psychotropic agents circulation.*

Number: *МЭ №01418 Registration No.1044*
Issue date: *22.09.1999*
Validity: *till 22.09.2004*
Licensor: *The RF Ministry of Economics*
Activity: *Leasing activity at the territory of the RF.*

Number: *А 000590 Registration No. 4084*
Issue date: *12.04.1996*
Validity: *till 12.04.2006*
Licensor: *RF Ministry of Communications*
Activity: *Rendering of local telecommunications services.*

Number: *005602 34ЭК №001442*
Issue date: *10.01.2000*
Validity: *till 1.01.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Technical survey and repair (weldless) of cylinders for liquefied hydrocarbon gases.*

Number: *ЛПЦ 07811 ВЭ*
Issue date: *1.06.2000*
Validity: *till 1.06.2010*
Licensor: *Lipetsk region natural resources committee*
Activity: *Draft of fresh underground water for the production and drinking water supply of an enterprise.*

Number: *А 079712 34ЭК №002860*
Issue date: *31.10.2000*
Validity: *till 1.11.2003*
Licensor: *State engineering supervision of Russia Verkhne-Donskoy county*
Activity: *Operation, production, processing, storage and application of coke and its by-products.*

Number: *А 079717 34МТ №002855*
Issue date: *31.10.2000*
Validity: *till 1.11.2003*
Licensor: *State engineering supervision of Russia Verkhne-Donskoy county*
Activity: *Installation, commissioning of machinery and equipment, control and automation systems, electrical production equipment for processing, storage and application of coke and its by-products.*

Number: *A 079716 34PT №002856*

Issue date: *31.10.2000*

Validity: *till 1.11.2003*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Repair of machinery and equipment, control and automation systems, electrical production equipment for processing, storage and application of coke and its by-products.*

Number: *F 205349 Registration No. 1326*

Issue date: *9.11.2000*

Validity: *till 9.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Operation of stationary filling station.*

Number: *F 205403 Registration No. 1024*

Issue date: *15.11.2000*

Validity: *till 15.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits and sale of spirits on tap in the bar of "Lesnoy Dom" hotel.*

Number: *F 205438 Registration No. 1046*

Issue date: *17.11.2000*

Validity: *till 17.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits in the "Consumer Goods" shop.*

Number: *F 205446 Registration No. 1054*

Issue date: *17.11.2000*

Validity: *till 17.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits and sale of spirits on tap in Canteen No. 9.*

Number: *F 205443 Registration No. 1051*

Issue date: *17.11.2000*

Validity: *till 17.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits and sale of spirits on tap in the snack-bar of Shop No. 1 "Yubilejny".*

Number: *F 205442 Registration No. 1050*

Issue date: *17.11.2000*

Validity: *till 17.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits and sale of spirits on tap in Canteen No. 14.*

Number: *F 205445 Registration No. 1053*

Issue date: *17.11.2000*

Validity: *till 17.11.2003*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits and sale of spirits on tap in Canteen No. 6.*

Number: *F 205444 Registration No. 1052*
Issue date: *17.11.2000*
Validity: *till 17.11.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits and sale of spirits on tap in Canteen No. 3.*

Number: *F 205439 Registration No. 1047*
Issue date: *17.11.2000*
Validity: *till 17.11.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits in Store No. 2.*

Number: *F 205440 Registration No. 1048*
Issue date: *17.11.2000*
Validity: *till 17.11.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits in Store No. 4.*

Number: *F 205441 Registration No. 1049*
Issue date: *17.11.2000*
Validity: *till 17.11.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits and sale of spirits on tap in Canteen No. 1.*

Number: *F 205599 Registration No. 1120*
Issue date: *7.12.2000*
Validity: *till 7.12.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits and sale of spirits on tap in «Raduga» cafe.*

Number: *F 205750 Registration No. 1556*
Issue date: *18.12.2000*
Validity: *till 18.12.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Commission trade of vehicles in the mall «Novolipetsky».*

Number: *F 205749 Registration No. 1555*
Issue date: *18.12.2000*
Validity: *till 18.12.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of vehicles (cars, buses, motorcycles and other vehicles and trailers).*

Number: *F 205820 Registration No. 1209*
Issue date: *25.12.2000*
Validity: *till 25.12.2003*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits in Store No. 1 “Yubilejny”.*

Number: *F 205992 Registration No. 1679*
Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Purchase of drugs stated in list II, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 from OGUP "Lipetskfarmatsia" for NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 205995 Registration No. 1682*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Storage of drugs included in list II, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206002 Registration No. 1689*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Disposal of drugs included in list II, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 205996 Registration No. 1683*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Delivery of drugs included in list II, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 205998 Registration No. 1685*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Distribution of drugs included in list II, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206000 Registration No. 1687*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Application of drugs included in list II, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206004 Registration No. 1691*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Purchase of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 from OGUP "Lipetskfarmatsia" for NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206006 Registration No. 1693*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Storage of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206008 Registration No. 1695*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Delivery of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206012 Registration No. 1699*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Application of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No. 3 dd. 08.01.98 at NLMK's clinic: Lipetsk, Kosmonavtov, 39.*

Number: *F 206014 Registration No. 1701*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Disposal of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *F 206010 Registration No. 1697*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Distribution of psychotropic drugs included in list II and list III, specified in Art. 2 of Federal Act No.3 dd. 08.01.98 at NLMK's clinic located: Lipetsk, Kosmonavtov, 39.*

Number: *A 059401 34ЭK №003151*

Issue date: *19.01.2001*

Validity: *till 1.02.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Operation of lifting facilities.*

Number: *F 206048 Registration No. 17*

Issue date: *5.02.2001*

Validity: *till 5.02.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Burial services.*

Number: *F 206975 Registration No. 534*

Issue date: *15.03.2001*

Validity: *till 15.03.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*
Activity: *Operation of stationary filling station ("Karamyshevskoye").*

Number: *008108 ЛПЦ 00053 ТРВВХ*

Issue date: *22.03.2001*

Validity: *till 1.03.2004*

Licensor: *Lipetsk region Natural Resources Committee.*

Activity: *Waste water drainage after utilization and purification, usage of water area for recreation (Health and Recreation Center «Prometheus», Recreation Center «Sukhoborie»)*

Number: *Г 852272 Registration No. 87*

Issue date: *14.03.2001*

Validity: *till 14.03.2004*

Licensor: *Architecture and Construction Department of the Lipetsk region Administration*

Activity: *Production of steel tiles and joining components.*

Number: *Г 209064 Registration No. 4*

Issue date: *26.03.2001*

Validity: *till 26.03.2004*

Licensor: *Commercial Activity Licensing Department of the Lipetsk region Administration.*

Activity: *Public demonstration of movies and video films in the cinema of Health Center «Sukhoborie», Sukhoborie (village).*

Number: *Г 209062 Registration No. 2*

Issue date: *26.03.2001*

Validity: *till 26.03.2004*

Licensor: *Commercial Activity Licensing Department of the Lipetsk region Administration.*

Activity: *Public demonstration of movies and video films in the cinema of Health Center «Parus».*

Number: *Г 209063 Registration No. 3*

Issue date: *26.03.2001*

Validity: *till 26.03.2004*

Licensor: *Commercial Activity Licensing Department of the Lipetsk region Administration.*

Activity: *Public demonstration of movies and video films in the cinema of Health Center «Prometheus», Sukhoborie.*

Number: *Г 607107 Registration No. 1319*

Issue date: *25.05.2001*

Validity: *till 25.05.2004*

Licensor: *Licensing Department of the Lipetsk region Administration*

Activity: *Operation of stationary filling station.*

Number: *ЛПЦ 08883 ВЭ*

Issue date: *18.05.2001*

Validity: *till 1.01.2011*

Licensor: *Lipetsk region Natural Resources Committee.*

Activity: *Draft of fresh underground water for the production and drinking water supply of an enterprise*

Number: *Г 607330 Registration No. 1438*

Issue date: *9.07.2001*

Validity: *till 9.07.2004*

Licensor: *Licensing Department of the Lipetsk region Administration*

Activity: *Burial services: manufacture of coffins.*

Number: *A 067256 34ИР №003742*

Issue date: *24.08.2001*

Validity: *till 1.09.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Manufacturing of removable cargo gripping devices.*

Number: *A 067258 34РТ №003740*

Issue date: *24.08.2001*

Validity: *till 1.09.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Repair of lifting devices.*

Number: *A 067257 34МТ №003741*

Issue date: *24.08.2001*

Validity: *till 1.09.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Installation of lifting devices.*

Number: *A 067197 34ЭК №003792*

Issue date: *17.09.2001*

Validity: *till 1.10.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Operation of explosion and fire risk facilities and units (production of acetylene, cylinder filling with acetylene, examination of cylinders and their marking with "08Ж").*

Number: *A 067255 34АИ №003743*

Issue date: *24.08.2001*

Validity: *till 1.09.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Non-destructive testing of equipment (non-destructive testing of steel and weld seams: X-ray, ultrasonic and penetration tests).*

Number: *Г 607572 Registration No. 1547*

Issue date: *3.09.2001*

Validity: *till 3.09.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Storage, treatment and utilization of ferrous metal scrap at the following address: Lipetsk, 2 pl. Metallurgov (NLMK's territory).*

Number: *A 067165 34ЭК №003818*

Issue date: *11.10.2001*

Validity: *till 1.10.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Operation of iron and steel production facilities and units (steel-making units for the production of ferrous and non-ferrous castings).*

Number: *A 067066 34BP №003910*

Issue date: *30.11.2001*

Validity: *till 1.12.2004*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Storage of explosive materials for industrial application.*

Number: *006101 ЦО-03-209-1152*

Issue date: *9.10.2001*

Validity: *till 1.11.2006*

Licenser: *Central interregional territorial district of State nuclear supervision of Russia.*

Activity: *Operation of radiation sources (products containing radioactive substances).*

Number: *ЛипЦ 07349 БЭ*

Issue date: *24.04.2000*

Validity: *till 1.12.2009*

Licenser: *Lipetsk region Natural Resources Committee*

Activity: *Draft of fresh underground waters for state farm "Novolipetski" water supply.*

Number: *Г 607650 Registration No. 875*

Issue date: *21.09.2001*

Validity: *till 21.09.2004*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Retail sale of spirits in "Products" store in village Karamyshevskoye.*

Number: *A 051935 34ИП №004037*

Issue date: *10.01.2002*

Validity: *till 1.01.2005*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Engineering of metallurgical and by-product coke production facilities and units (drafting of project documentation for the construction, revamping and reequipment, carried out by a design bureau).*

Number: *A 067016 34КА №003958*

Issue date: *17.12.2001*

Validity: *till 1.01.2005*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Staff training (main occupations) for metallurgical and coke production plants (courses) and part-time training (individual).*

Number: *АА №057164 FCC-48-111763*

Issue date: *11.01.2002*

Validity: *till 11.01.2005*

Licenser: *Lipetsk regional branch of Russian transport inspection*

Activity: *Commercial freight at the territory of the Russian Federation.*

Number: *АВ №022052 ACC-48-111766*

Issue date: *14.01.2002*

Validity: *till 14.01.2005*

Licenser: *Lipetsk regional branch of Russian transport inspection*

Activity: *Commercial conveyance of passengers at the territory of the Russian Federation.*

Number: *AF №396427 FCM-48-111765*
Issue date: *14.01.2002*
Validity: *till 14.01.2005*
Licensor: *Lipetsk regional branch of Russian transport inspection*
Activity: *International freight and conveyance of passengers.*

Number: *A 051713 34PT №004235*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Boilers repair (heat-recovery boilers operated under pressure not exceeding 5.0 MPa, steam and hot-water pipes of categories 3 and 4).*

Number: *A 051753 34ЭK №004196*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Operation of pressure vessels, technical examination of cylinders for carbon dioxide and their marking with "08II".*

Number: *A 051780 34ЭK №004173*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Operation of chemically dangerous plants (chlorine using units of pumping station).*

Number: *A 051816 34PT №004138*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Repair of production lines, equipment, automation and control systems for the facilities and plants designed for manufacture, treatment, storage and application of air separation products at metallurgical and by-product coke plants.*

Number: *A 051819 34ЭK №004132*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Operation of air-separation products manufacturing, treatment, storage and application facilities.*

Number: *A 051820 34MT №004133*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Installation and commissioning of lines and equipment, automation and control systems for the facilities and plants designed for manufacture, treatment, storage and application of air separation products.*

Number: *A 051789 34TO №004164*
Issue date: *8.02.2002*
Validity: *till 1.02.2007*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Handling and transportation of dangerous cargos by railway transport.*

Number: *FC-1-48-02-22-0-4823006703-000107-1*
Issue date: *7.03.2002*
Validity: *till 7.03.2007*
Licensor: *Lipetsk branch of the Federal Licensing Center of the Gosstroy of Russia.*
Activity: *Construction of buildings and structures of Responsibility levels I and II in accordance with the State standard (customer-builder functions).*

Number: *F 603433 Registration No. 119*
Issue date: *7.03.2002*
Validity: *till 7.03.2007*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Veterinary preventive and diagnostic activity.*

Number: *011410 Registration No. 22258*
Issue date: *4.04.2002*
Validity: *till 4.04.2004*
Licensor: *Central State Inspection of assay supervision.*
Activity: *Technical products manufacturing (process accessories) using precious metals, including platinumware, in the order established by the legislative and statutory acts of the RF.*

Number: *A 051727 34ЭK №004221*
Issue date: *8.02.2002*
Validity: *till 1.02.2005*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Operation of explosive, fire-risk and chemically dangerous facilities and plants (process pipelines maintenance).*

Number: *F 603582 Registration No. 155*
Issue date: *5.04.2002*
Validity: *till 5.04.2005*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Activity related to the application of ionization sources (generating) at the location of distant plants.*

Number: *F 603615 Registration No. 354*
Issue date: *11.04.2002*
Validity: *till 11.04.2005*
Licensor: *Licensing Department of the Lipetsk region Administration*
Activity: *Retail sale of spirits and sale of spirits on tap in the bar «Sova», Health Center «Sukhoborie» located at: Gryazinsky region, Sukhoborie settlement.*

Number: *FC-1-48-02-22-0-4823006703-000182-1*
Issue date: *8.05.2002*
Validity: *till 8.05.2007*
Licensor: *Lipetsk branch of the Federal Licensing Center of the Gosstroy of Russia.*

Activity: *Construction of buildings and structures of Responsibility levels I and II in accordance with the State standard.*

Number: *10109/910038*

Issue date: *28.07.2002*

Validity: *till 27.07.2005*

Licenser: *State customs committee of the RF. Lipetsk customs.*

Activity: *Temporary warehouse foundation.*

Number: *10109/0005*

Issue date: *28.07.2002*

Validity: *till 27.07.2005*

Licenser: *State customs committee of the RF. Lipetsk customs.*

Activity: *Customs warehouse foundation.*

Number: *Г 603985 Registration No. 24645455656856565656*

Issue date: *30.07.2002*

Validity: *till 30.07.2005*

Licenser: *Licensing Department of the Lipetsk region Administration.*

Activity: *Activity related to the application of ionization sources (generating) at the location of distant plants.*

Number: *ГC-1-48-02-21-0-4823006703-000308-4*

Issue date: *29.08.2002*

Validity: *till 29.08.2007*

Licenser: *Lipetsk branch of the Federal Licensing Center of the Gosstroy of Russia.*

Activity: *Design of buildings and structures of Responsibility levels I and II in accordance with the State standard.*

Number: *A 051874 34BP №004092*

Issue date: *31.01.2002*

Validity: *till 1.02.2005*

Licenser: *State engineering supervision of Russia, Verkhne-Donskoy county*

Activity: *Application of industrial explosive materials and products accepted by State engineering supervision of Russia.*

Number: *ГC-1-48-02-27-0-4823006703-000390-1*

Issue date: *19.12.2002*

Validity: *till 8.05.2007*

Licenser: *Lipetsk branch of the Federal Licensing Center of the Gosstroy of Russia.*

Activity: *Construction of buildings and structures of Responsibility levels I and II in accordance with the State standard.*

Number: *Д 314039 Registration No. 1*

Issue date: *7.10.2002*

Validity: *till 7.10.2007*

Licenser: *Pharmacy and medical equipment committee of the Lipetsk region Administration.*

Activity: *Pharmaceutical activity at NLMK's medical unit.*

Number: *Д 314049 Registration No. 14*

Issue date: *19.12.2002*

Validity: *till 19.12.2007*

Licenser: *Pharmacy and medical equipment committee of the Lipetsk region Administration.*

Activity: *Activity related to the circulation of drugs and psychotropic substances included in List II in accordance with the Federal Act "on drugs and psychotropic substances".*

Number: *Д 314014 Registration No. 20*

Issue date: *30.12.2002*

Validity: *till 30.12.2007*

Licenser: *Medical Activity Licensing Commission of the Health Department of the Lipetsk region Administration.*

Activity: *Medical activity in accordance with Appendix No. 1 and license copies issued at the location of territorially distant plants (Appendices No. 2-34).*

Number: *A 051382 Registration No. 392*

Issue date: *18.06.2003*

Validity: *till 18.06.2006*

Licenser: *Education and science department of the Lipetsk region Administration*

Activity: *Educational activity according to educational programs specified in appendices to the license.*

Number: *004918 HBF №00526-K*

Issue date: *18.04.2003*

Validity: *till 18.04.2008*

Licenser: *Federal Service of geodesy and cartography of Russia. Nizhnevolzhsk territorial inspection of geodesic supervision (Saratov)*

Activity: *Cartographical activity*

Number: *004917 HBF №00525-Г*

Issue date: *18.04.2003*

Validity: *till 18.04.2008*

Licenser: *Federal Service of geodesy and cartography of Russia. Nizhnevolzhsk territorial inspection of geodesic supervision (Saratov)*

Activity: *Geodesic activity*

Number: *Д 293036 Registration No. 37*

Issue date: *23.05.2003*

Validity: *till 23.05.2008*

Licenser: *Health Department of the Lipetsk region Administration*

Activity: *Medical activity in the Health Center "Prometheus". Address: Lipetsk, camp "Prometheus".*

Number: *ЛПЦ Registration Co.54085 БЭ*

Issue date: *20.05.2003*

Validity: *till 1.03.2012*

Licenser: *Natural Resources Committee of the Lipetsk Region*

Activity: *Draft of fresh underground water for industrial purposes and drinking water supply (the city of Lipetsk and village Borinskoye of the Lipetsk district, Lipetsk region, the RF)*

Number: *007085 ЛПЦ 00122 БРЭ3Х*

Issue date: *3.07.2003*

Validity: *till 3.07.2006*

Licensor: *The RF Ministry of natural resources. Donskoy water basin bureau*
Activity: *Draft, discharge of sewage, aqueduct, use of water area (river of Voronezh, Matyra water storage basin, Silikatny lakes)*

Number: *MK №002125 Registration No. 585*

Issue date: *11.06.2003*

Validity: *till 11.06.2008*

Licensor: *Ministry of culture. The state department on protection of cultural heritage in the Lipetsk region.*

Activity: *Activity aimed at restoration of cultural heritage objects (historical and cultural monuments)*

Number: *Б 318290 Registration No. 178*

Issue date: *9.07.2003*

Validity: *till 9.07.2008*

Licensor: *Department of Federal security in the Lipetsk region*

Activity: *Operations with use of information being an official secret*

Number: *Д 293062 Registration No. 75*

Issue date: *25.08.2003*

Validity: *till 25.08.2008*

Licensor: *Health Department of the Lipetsk region Administration*

Activity: *Medical activity under Appendix No. 1 (health center "Parus")*

Number: *Д 382503 Registration No. 50012615*

Issue date: *3.09.2003*

Validity: *till 2.09.2008*

Licensor: *Ministry of energy. State institution of energy supervision of the Lipetsk region.*

Activity: *Electric network operation (excluding the cases when the stated activity is performed to satisfy own demands of a legal person or demands of an individual person)*

Number: *Д 382502 Registration No. 60012614*

Issue date: *3.09.2003*

Validity: *till 2.09.2008*

Licensor: *Ministry of energy. State institution of energy supervision of Lipetsk region.*

Activity: *Heat network operation (excluding the cases when the stated activity is performed to satisfy own demands of a legal person or demands of an individual person)*

3.2.10. Joint activity of the Issuer.

Agreements on joint activity have been concluded between NLMK and the following firms:

- *Agreement No. 208 dd. 09.02.1994 with Scientific and technical firm «New machines and technologies» (P.O. box 29/39, Dnepropetrovsk 320059). The amount of investments by NLMK was RUR 1,487,250.0. The purpose of investments is consortium establishment for construction and comissioning of a sector which will specialize on production of high-quality centrifugal rolls on the basis of Lutugin association on rolls production;*
- *Agreement No. 121/10 dd. 17.06.1993 and additional agreement to it dd. 25.09.1997 with Closed joint-stock Corporation «Garmet» (31, ul. Obruchevea, Moscow 117246). The amount of investments by NLMK was RUR 1,211,449.32. The purpose of investments is construction of garages for joint operations and making profit.*

There is no information on financial performance regarding each type of joint activity for 2002 and for 9 months of 2003.

3.2.11. Additional requirements to Issuers being stock investment funds or insurance companies.

The information is to be presented only by stock investment funds or insurance companies.

3.2.12. Additional requirements to Issuers specialized on mining operations.

The information on NLMK's subsidiaries and affiliated companies specialized on mining operations.

I. Studenovskaya joint-stock mining company («Stagdoc»)

a) Mineral reserves:

According to the license received Stagdoc has the right for subsoil of Sitov area of Sokol-Sitov field of fluxed limestone located at the territory of the Lipetsk region (3 km to the north from the city of Lipetsk and 0.5 km to the west from village Voskresenovka of the Lipetsk region).

The license for subsoil use: series JIIIQ No. 54036 TЭ

Issue date: May 30, 2002.

Expiry date: 31.12.2028.

The basis for licensing:

- supplementary exploration and revaluation of reserves in the period of 1995-2000;*
- change of field contour.*

Subsoil area given for use has the status of mining lease. The maximum depth of the area is +106 meters subject to mandatory preservation of protective pillar of 2 meters capacity above groundwater level.

Sitov area of Sokol-Sitov field with limestone reserves of 200901 thousand tons as of 01.01.2000, inclusive of 34095 thousand tons of quality A, 166806 thousand tons of quality C1, approved by (taking into account supplementary exploration and revaluation of the field) Territorial Commission on mineral reserves (Minutes No. 51 dd. June 29, 2000).

Within the given mining lease the company has the right for geological survey on translation of limestone reserves from low industrial qualities to high qualities.

The main liabilities of the Company:

1. To extract limestone with observation of the following conditions:

- amount of limestone extraction for 2002 – 4000 thousand tons;*
- to define annual level of limestone extraction in the next years on the basis of mining operation plan (amount of limestone extraction for 2003 was planned as 3913 thousand tons);*
- to agree the plan of mining operations, norms for losses and impoverishment with State engineering supervision bodies on the annual basis.*

2. To effect payments for use of subsoil according to norms being in force:

- 6% for the right to extract fluxed limestone;*
- 5.5% for the right to extract construction quality limestone.*

To effect double payments for mineral loss infringement. To effect tax and other mandatory payments to the budget in time and in full.

3. To present statistical reports under form 5-2p to the Federal Geological Administration “FGA” and to Federal Geological Administration “Geological Fund of the Central regions of Russia” and to Lipetsk branch of FGA “Centergeolfund” by January 15 every year.

4. To present statistical reports under form 70-III, 71-III to bodies stated in these forms by January 25 every year.

5. In the course of the field use Stagdoc is liable to constantly monitor groundwater through the existing observation network.

The liabilities described in the license are being fulfilled by the company in the established order.

6) Extraction and processing of minerals:

Main facilities and equipment used for extraction and processing of fluxed limestone at Sokol-Sitov field are:

- *Loaders, belt conveyors, screens, crushers, protectors of crushers, hydraulic jack, track plotters;*
- *Transformers, welding transformers, rectifying unit, condenser unit, fans, refurbishment of aspiration system, pumps, compressor air plant, electronic planimeter, gas analyzer;*
- *Control panels, control station panels, cabinets for alarm system, cabinets for automation system, control cabinets, local control cabinets, control pulpit;*
- *BELAZ cars, tractors, bulldozers, excavating machines, motor graders.*

В) Sales:

Limestone from Sitov area is suitable as a raw material for production of the products which are in conformity with the following requirements:

- *TU 0750-005-00186855-97 «Limestone of industrial quality. Specifications»;*
- *TU 0750-004-00186855-95 «Limestone of industrial quality extracted by Studenovskaya joint-stock company. Specifications»;*
- *GOST 14050-93 «Limestone flour (dolomite). Specifications»;*
- *OST 21-27-76 «Carbonate for manufacture of construction lime»;*
- *TU 5711-006-00186855-2001 «Fluxed limestone crushed rock for construction purposes».*

Limestone crushed rock for construction purposes, limestone of industrial quality are not covered by “Product mix and services (works) to be mandatorily certified according to the Russian Law” approved by Decree No. 5 dd. 23.02.1998 and Decree No. 53 dd. 19.09.1999 “On changes and amendments to “Product mix ...” and are not subject to mandatory certification.

II. Open joint-stock company «Dolomit» («Dolomit»)

a) Mineral reserves:

Dolomit has the right to use subsoil for dolomite extraction at Dankov field within Bigildin and Prikarjerny areas as: metallurgical, fluxed, converter raw materials, construction crushed rock, facing stone and limestone (dolomite) flour.

As of 01.01.2002 the Minutes of GKZ approved the reserves of Bigildin area in volume of 242399 thousand tons of quality B+C, the reserves of Prikarjerny area in volume of 164675 thousand tons of quality B+C₁, inclusive of 4759 thousand tons of converter dolomite. Dankov field covers 665009 thousand tons of dolomite balance sheet reserves in total.

As of 01.01.2003 the areas for which licenses were granted had 404062 thousand tons of balance sheet reserves of dolomite, inclusive of 241109 thousand tons in Bigildin area and 162953 thousand tons in Prikarjerny area.

The volume of dolomite extraction is 3000 thousand tons per annum.

Dolomit has the license No. JIIIQ 54112 TЭ for subsoil use for the purpose of dolomite extraction at Bigildin and Prikarjerny areas of Dankov field in order to manufacture raw materials for steel-making process and construction materials. Subsoil areas have the status of mining lease.

The license was granted on: October 1, 2003.

Expiry date: 01.01.2029.

The basis for licensing was redrawing up of the valid license due to change of legal person name - subsoil user.

Validity of the licenses can be prolonged upon initiative of subsoil user till full depletion of dolomite balance sheet reserves in field areas.

Allocated subsoil areas are located 3-7 km to the north-east from the city of Dankov and railway station with the same name – Dankov UVJD, 95 km to the north-west of the city of Lipetsk. The relief is relatively plain with ravine beam type network. The area of Bigildin area is 528 hectares,

of Prikarjerny one – 316 hectares, total area is 844 hectares. The areas are located on cropland that can be used for agricultural purposes. Minerals in the field are overlapped by argillaceous sand and off-grade carbonate deposits. The average capacity of stripping is 17.5 meters and one of productive strata– 23.0 meters. Dolomites are flooded down to 1 – 3 meters in the bottom part of the cut. The depth of exploitation is up to 40 meters from daylight.

To exercise the rights to use the subsoil, Dolomit undertakes the following:

- 1. To pay tax on dolomite extraction for manufacture of construction materials of 5,5% of extracted mineral value.*
- 2. To pay tax on dolomite extraction for manufacture of metallurgical, fluxed, converter raw materials of 6,0% of mineral value. To effect double payments for mineral loss infringement Dolomit does not permit any mineral loss infringement and has no tax debt.*
- 3. To present a report with recalculation of dolomite reserves in Dankov field to public examination by GKZ before 01.01.2004. The report was submitted to GKZ, reserves were approved on 09.09.2003.*
- 4. To present a report under forms 5-ГР, 70-ТII, 71-ТII to controlling bodies on the annual basis. The report is to be submitted within the stated time on the annual basis.*
- 5. To write off dolomite reserves accounted by the State in the field areas within the mining lease at the time of operations completion and perform complete reclamation of dislocated soils. In the course of development Dolomit will stepwise reclaimate dislocated soil. Reclamated soil will be accepted by regional land-commission.*
- 6. To prepare an annual plan of mining works development for forthcoming year and to agree it with State engineering supervision of the Russian Federation in Verkhne-Donskoy county and in Main Administration of natural resources management and environmental protection in the Lipetsk region before December 15 of the current year together with approval of normative losses. The plans for development of mining works and norms for losses shall be agreed and approved in the established order.*
- 7. Two years prior to license expiry date a project of mining opening final liquidation and dislocated soil reclamation shall be developed and approved.*

6) Mineral processing:

Electric full-rotary excavators manufactured by UZTM of ЭКГ –5а and ЭКГ –4,6Б type with 5 m³ and 4.6 m³ bucket capacity respectively and max. digging height of 10.3 m which corresponds to height of common quarry face and stripping capacity are used for dolomite extraction in open-cut mine. Drill works are done by drilling rig of roller-bit drilling of СБШ –250 мм type. Borehole diameter is 250 mm at drilling depth of 10-12 meters. Ore is crushed by jaw crushers with simple movement of jaw of grade ШДП 9x12 and ШДП 15x21 with receiving hole of 900 mm x 1200 mm and 1500 mm x 2100 mm respectively and capacity of 180 m³/h and 550 m³/h respectively. The material is additionally crushed in cone crushers of secondary crushing КСД –1750 g and КСД – 2200 g of capacity of 200 m³/h and 500 m³/h respectively. Material is classified by fractions by screening at vibrating screen of ГуЛ, ГуС, ГуТ types.

Screened material is transported by belt conveyors of horizontal and inclined type with belt width of B 800 mm, B 1000 mm and B 1200 mm, of capacity which is correspondent to capacities of main production lines, i.e. jaw and cone crushers.

в) Product sales:

Permissions for dolomite products sales and export quotas allocated by the Federal Law are not provided for.

III. Open joint stock company «Комбинат КМАруда» (ОАО «Комбинат КМАруда»)

а) Mineral reserves:

Комбинат КМАруда is granted the right to use the subsoil for deep-mined extraction of Korobkov field of ferruginous quartzite.

Type of minerals - ferruginous quartzite.

Reserves of the field were approved by Minutes (on reserves approval):

- No. 6640 dd. September 22, 1972 of the State Commission on mineral reserves at USSR Council of Ministers.

- No. 9770 dd. July 19, 1985 of the State Commission on mineral reserves at USSR Council of Ministers.

- No. 12 dd. February 10, 2000 of the Territorial Commission on mineral reserves at Department of natural resources for Central Region of Mineral Ministry of the Russian Federation.

The volume of explored reserves as of 01.01.2003 is 145791 thousand tons of quality A; 564357 thousand tons of quality B; 1459456 thousand tons of quality C₁; 184742 thousand tons of quality C₂.

Extraction volume from the beginning of operations in the field as of 01.10.2003 amounted to 148410 thousand tons.

The residue of industrial (that could be extracted) reserves as of 01.10.2003 at working floor between planes of -71 and -125 meters amounted to 71266 thousand tons.

Rated annual capacity of the plant regarding processing of dry ore amounts to 3395 thousand tons.

Kombinat KMAruda was granted a license of series БЕ/И No. 08586 for the right to use subsoil for extraction of ferruginous quartzites at Korobkov field for further processing into iron-ore concentrate.

Issue date of the license: 19.02.2001.

Expiry date of the license: 01.01.2026.

Validity of the license can be prolonged or terminated upon initiative of the subsoil user as well as in other cases stipulated in the Russian Law "On subsoil".

The license was granted on the basis of application and license documents submitted by Kombinat KMAruda.

The Korobkov field of ferruginous quartzites is located in proximity to the city of Gubkin, Belgorod region, and belongs to the central part of North-east part of the Kursk Magnetic Anomaly.

The geological structure of the field consists of Precambrian complex dislocated metamorphized rock broken in some places through by intrusions and dykes as well as water-bearing sedimentary deposits of Devonian and Mesocainozoic age, which unconformably and almost horizontally overlap crystal thickness. The capacity of sedimentary rock in average amounts to 116 meters. Iron-ore assise is considered as productive where ferruginous quartzites form two sub-assises of different capacity of 100-200 and 180-320 meters.

Ferruginous quartzites are covered everywhere by residual soil with average capacity of 18,3 meters, represented by oxidized and semi-oxidized quartzites and small deposits of high grade ore.

Under terms and conditions of the license Kombinat KMAruda shall within its validity:

- effect payments for extraction of ferruginous quartzites and for use of land lots;

- observe the rules of safe operations, environment protection, mineral resources conservation, subsoil protection.

Under special conditions of the license Kombinat KMAruda is liable to:

- additionally agree payment terms or procedures for subsoil use in case of acting legislation change with the bodies which have issued the license. Should any unknown mineral types and accompanying valuable component be found at the moment of license granting, the bodies which have granted the license have the right to call for state appraisal of geological materials and review the conditions of subsoil use;

- prepare reports on fulfilment of subsoil use under the license for the previous year not later than on January 15 of the year following the reporting one;

- redrawing up of the valid license due to change of legal person name or status of the plant.

Kombinat KMAruda has the right to use subsoil for groundwater operations of aquiferous stratum of Alb-senoman and Archaean Proterozoic aquiferous stratum on site of Korobkov field of ferruginous quartzites.

Kombinat KMAruda was granted a license of series БЕ/И No. 07478 for subsoil use for the purpose of fresh groundwater extraction in amount of 625 m³/day for potable water and industrial water supply of the plant and outside consumers; extraction of groundwater for protection of mine opening from watering in case of Korobkov field development.

Issue date of the license: 15.05.2000.

License expiry date: 01.04.2005

The license was granted on the basis of application and licensing documents submitted by Kombinat KMAruda.

Groundwater reserves were not approved.

Aquiferous stratum of Alb-senoman lies in depth intervals of 70-100 m and consists of different granular sands which are overlapped by thickness of chalk, sand and loams. It is separated from ore-crystalline massif by thickness of Jurassic clays. Groundwater is under pressure, depth of occurrence of groundwater level is 46-55 m. Aquiferous stratum is used by two water wells located within mining lease of the plant.

Archaean Proterozoic aquiferous stratum of 150-200 m capacity is referred to cracked area of crystalline rock, confining bed of which lies at depth of 120-150 m.

Archaean Proterozoic groundwater is draught by draining of mine opening with the following pumping out by mine drainage.

According to terms and conditions of the license Kombinat KMAruda effects payments within the license validity:

- according to the Federal Law «On payments for use of water bodies» No. 71Φ3 dd. 06.05.1998 and Law No. 111Φ3 dd. 07.08.2001 «On changes and amendments to the Federal Law», as well as legislative acts and decrees of the Administration of the Belgorod region;

- for use of land lot.

б) Mineral processing.

1. The main mining equipment.

In mining roadheading: drilling machines ЛКР-Т, ЛКРУ, punchers ПП-63, ПП-80НВ, ССПБ-1К, ПТ-48, loading machines 1 ППН-5, loading – hauling machines ПТ-4, scraper winches 55AC-2CM.

Rocks are transported from funnel and breakage mining faces by electric locomotives 10 КР and 14 КР in bogies of УВБ-4 and ВГ-4,5.

Blast holes are drilled by machine НKP-100 М.

Blast holes are loaded by machines МЗКС-160.

Extracted ore is preliminary crushed in crushers СМД-118 1Б and ДСД –1017.

Crushed ore is transported to processing plant along shaft No. 2 equipped with 2 skips of 4 tons capacity each and hoist engine 2 Ц-4×1,8 and along shaft No. 3 equipped with 2 skips of 13 tons each with hoist engine 2 Ц5-2,3.

Ventilation of mine opening is done by fans ВЦД-47 У and ВЦД –31,5.

2. The main crushing – milling and mineral processing equipment of the plant:

All ore extracted is processed on two sites of processing plant which is technologically connected with skip shafts.

Cone crusher – КСД-1750, КМД-1750, КСД-2200, КМД-2200.

Unbalanced-throw screen – ГИТ-52 Э, ГИТ-31;

Ball mill – МИП 32-31;

Sizing screen – К-СН-24;

Hydrocyclone – ГЦ-500;

Magnetic separators - ПБМ-90/250, ПБМ-120/300;

Vacuum pumps – ВВН2-50;

Vacuum filters – ДОО 150;

Gravel pump – 6 НП.

Stationary belt conveyor of different types.

в) Product sales.

Finished products (iron ore concentrate) are sold on the basis of agreements with consumers.

Permissions by the State authorities for sales of the above mentioned products are not required.

3.2.13. Additional requirements to the Issuers the core activity of whom is communication services rendering.

The information shall be submitted only by companies the core activity of which is rendering of communication services.

3.4. Plans for future activity.

Company's plans for the 4th quarter of 2003 do not provide for any significant changes. Volumes of output and sales will remain at the level of the 3rd quarter of 2003.

In future prospects (2004-2005) increase in prepainted steel output is planned.

3.5. The Issuer's equity holding in industrial, bank and financial groups, holdings, concerns and associations.

None.

3.6. Subsidiaries and affiliated companies of the Issuer.

1. Full name: *Limited-liability company «Lipetsk insurance company «Chance»*

Abbreviated name: *Chance*

Legal address: *30, ul. Nedelina, Lipetsk 398059 Russia*

The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50 % of the equity;*

The Issuer's share in subsidiary's equity: *100 %*

The subsidiary's share in the Issuer's equity: *no*

Core activity of the subsidiary: *insurance activity*

2. Full name: *Limited-liability company «Stahl»*

Abbreviated name: *Stahl*

Legal address: *1, ul. Lenin, Uglich, Yaroslavl region 152620 Russia*

The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50 % of the equity;*

The Issuer's share in subsidiary's equity: *100 %*

The subsidiary's share in the Issuer's equity: *no*

Core activity of the subsidiary: *wholesale and retail trade*

3. Full name: *Limited-liability company «Novolipetskoe»*

Abbreviated name: *Novolipetskoe*

Legal address: *Village Tuishevka, Lipetsk region, 398052 Russia*

The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50 % of the equity;*

The Issuer's share in subsidiary's equity: *100 %*

The subsidiary's share in the Issuer's equity: *no*

Core activity of the subsidiary: *growth and processing of agricultural products;*

4. Full name: *Limited-liability company «Karamyshevskoe»*

Abbreviated name: *Karamyshevskoe*

Legal address: ***Village Karamyshevo, Gryazi district, Lipetsk region 399077 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50 % of the equity;***

The Issuer's share in subsidiary's equity: ***100 %***

The subsidiary's share in the Issuer's equity: ***no***

Core activity of the subsidiary: ***growth and processing of agricultural products***

5. Full name: *Subsidiary «Boarding house «Novolipetsky metallurg» of Novolipetsk Iron & Steel Corporation*

Abbreviated name: ***no***

Legal address: ***25, per. Chekhov, village Morskoe, the city of Sudak, autonomy Krym, 334886 Ukraine***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50% of the equity;***

The Issuer's share in subsidiary's equity: ***100 %***

The subsidiary's share in the Issuer's equity: ***no***

Core activity of the subsidiary: ***arrangement of rest, complex of services for persons on vacation, treatment and health-improving services***

6. Full name: *Limited-liability company «Larmet»*

Abbreviated name: ***Larmet***

Legal address: ***44/28, ul. Studencheskaya, Moscow 121165 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50% of the equity;***

The Issuer's share in subsidiary's equity: ***99.98 %***

The subsidiary's share in the Issuer's equity: ***no***

Core activity of the subsidiary: ***wholesale trade by steel and steel products***

7. Full name: *Limited-liability company «VIMET»*

Abbreviated name: ***VIMET***

Legal address: ***35a, pr. Mira Lipetsk, 398005 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50% of the equity;***

The Issuer's share in subsidiary's equity: ***99.97 %***

The subsidiary's share in the Issuer's equity: ***no***

Core activity of the subsidiary: ***wholesale delivery of raw material for steel-making production, wholesale delivery of steel products***

8. Full name: *Open joint-stock company «Dolomit»*

Abbreviated name: ***Dolomit***

Legal address: ***1, ul. Sverdlova, Dankov, Lipetsk region 399854 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50% of the equity;***

The Issuer's share in subsidiary's equity: ***74.84 %***

The Issuer's share of common stock of the subsidiary: ***74.84 %***

The subsidiary's share in the Issuer's equity: ***no***

Core activity of the subsidiary: ***manufacture of products for production and technical purposes***

9. Full name: *Open joint-stock company «Studenovskaya mining company»*

Abbreviated name: ***Stagdoc***

Legal address: ***4, ul Gaidara, Lipetsk 398008 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50 % of the subsidiary's voting shares***

The Issuer's share in subsidiary's equity: ***54.67 %***

The Issuer's share of common stock of the subsidiary: **54.67 %**

The subsidiary's share in the Issuer's equity: **no**

Core activity of the subsidiary: **production of flux limestone for steel-making process, production of industrial limestone for sugar industry, production of lime-bearing materials and crushed rock for construction and road works**

10. Full name: *Private bank of social development and construction «Lipetskcombank»*

Abbreviated name: ***Lipetskcombank***

Legal address: ***9, ul. Internatsionalnaya, Lipetsk, 398600 Russia***

The basis for recognition of subsidiary status with respect to the Issuer: ***the Issuer holds over 50 % of the subsidiary's voting shares***

The Issuer's share in subsidiary's equity: **50.07 %**

The Issuer's share of common stock of the subsidiary: **50.14 %**

The subsidiary's share in the Issuer's equity: **no**

Core activity of the subsidiary: ***bank activity***

11. Full name: *Open joint-stock company «Lipetsk Gipromez»*

Abbreviated name: ***Lipetsk Gipromez***

Legal address: ***1, ul. Kalinina, Lipetsk 398600 Russia***

The basis for recognition of affiliated company status with respect to the Issuer: ***the Issuer holds over 20% of the subsidiary's voting shares***

The Issuer's share in affiliated company's equity: **43.44 %**

The Issuer's share of common stock of the affiliated: **43.44 %**

The affiliated company's share in the Issuer's equity: **no**

Core activity of the affiliated company: ***development of design documentation***

12. Full name: *Closed joint-stock company «Stalconverst»*

Abbreviated name: ***Stalconverst***

Legal address: ***r. Management, bldg 4, 8/12, ul. Gritsevetskaya, Moscow 121019 Russia***

The basis for recognition of affiliated company status with respect to the Issuer: ***the Issuer holds over 20% of the subsidiary's voting shares***

The Issuer's share in affiliated company's equity: **36.8 %**

The Issuer's share of common stock of the affiliated company: **36.8 %**

The affiliated company's share in the Issuer's equity: **no**

Core activity of the affiliated company: ***farming of valuable fish and shellfish species, fishery, processing and trade with fish, river fish and sea fish, farm and other products***

13. Full name: *Open joint-stock company with foreign investments «Avron»*

Abbreviated name: ***Avron***

Legal address: ***11/17, ul.; Dubininskaya, Moscow 113054 Russia***

The basis for recognition of affiliated company status with respect to the Issuer: ***the Issuer holds over 20% of the subsidiary's voting shares***

The Issuer's share in affiliated company's equity: **26.7 %**

The Issuer's share of common stock of the affiliated company: **26.7 %**

The affiliated company's share in the Issuer's equity: **no**

Core activity of the affiliated company: ***development of incomplete car manufacturing and car repair service in the Russian Federation***

3.7. Composition, structure and value of the Issuer's fixed assets, information on plans of acquisition, change, retirement of fixed assets as well as on all events of the Issuer's fixed assets charge.

3.7.1. Fixed assets.

Information on initial (replacement) value of fixed assets and value of accrued amortization and depreciation as of the date of the reporting quarter closure.

(RUR)

<i>No.</i>	<i>Description of fixed assets group</i>	<i>Initial (replacement) value</i>	<i>Accrued amortization</i>
1	Buildings	8 806 632 528	3 862 194 468
2	Structures	6 081 518 515	4 687 854 100
3	Machinery and equipment	12 978 901 016	7 208 653 961
4	Transport vehicles	751 735 739	449 546 938
5	Industrial tools	5 228 224	31 316 597
6	Perennial plants	181 948	175 350
7	Intangible fixed assets	37 488 311	13 056 498
8	Other funds of core activity	1 044 876 985	8 975
Total		29 756 563 266	16 252 806 887

NLMK does not plan acquisition, change, retirement of fixed assets the value of which equals to 10 and more per cent of total fixed assets value.

Results of fixed assets revaluation for 5 complete financial years preceding the reporting quarter.

(RUR)

No.	Description of fixed assets group	Full value before revaluation	Depreciated (less amortization) value before revaluation	Date of revaluation	Full value after revaluation	Depreciated (less amortization) value after revaluation
1	Buildings	10 599 180 535 384	7 260 998 469 819	01.01.1997	10 416 215 114 461	7 251 511 358 700
2	Structures	3 489 655 687 722	1 299 994 656 652	01.01.1997	3 455 800 993 528	1 295 856 151 082
3	Transfer mechanisms	2 104 437 111 011	453 500 526 045	01.01.1997	1 925 471 052 227	382 501 851 603
4	Power machinery and equipment	1 469 486 264 799	387 856 554 658	01.01.1997	1 155 861 954 486	281 000 292 765
5	Material-working machinery and equipment	6 685 988 817 536	1 319 340 665 265	01.01.1997	5 922 293 106 451	1 020 212 310 397
6	Measurement instrumentation	145 432 979 701	30 955 393 155	01.01.1997	131 667 355 426	28 846 244 672
7	Computing machinery	48 050 159 159	29 227 104 819	01.01.1997	31 632 347 321	20 441 809 704
8	Other machinery and equipment	21 503 394 168	8 458 222 669	01.01.1997	17 863 049 159	6 386 611 151
9	Transport vehicles	503 987 384 484	166 393 016 232	01.01.1997	509 554 720 906	169 780 207 067
10	Tools	2 893 217 640	1 364 290 805	01.01.1997	2 787 873 081	1 309 651 187
11	Industrial inventory and household equipment	43 167 779 226	15 404 217 260	01.01.1997	36 022 449 755	12 849 598 486
12	Furniture	9 525 617 740	7 008 278 389	01.01.1997	6 520 041 602	4 765 195 525
13	Plough, productive cattle	2 370 536 045	2 313 894 175	01.01.1997	1 649 372 096	1 631 681 612
14	Perennial plants	11 822 859 015	3 490 887 083	01.01.1997	3 452 527 252	230 818 620
15	Other funds of core activity	526 763 760	520 860 628	01.01.1997	424 618 452	420 555 749

	Total	25 138 029 107 390	10 986 827 037 654		23 617 216 576 203	10 477 744 338 320
16	Buildings	8 536 366 477	5 199 486 863	01.01.1998	8 536 366 477	5 199 486 863
17	Structures	3 442 762 527	1 169 189 111	01.01.1998	3 442 762 527	1 169 189 111
18	Transfer mechanisms	1 969 276 767	364 444 695	01.01.1998	1 969 276 767	364 444 695
19	Power machinery and equipment	1 153 770 145	214 039 821	01.01.1998	1 153 770 145	214 039 821
20	Material-working machinery and equipment	6 541 214 898	1 345 845 125	01.01.1998	6 534 384 449	1 340 467 996
21	Measurement instrumentation	152 023 458	43 946 273	01.01.1998	152 018 393	43 942 471
22	Computing machinery	37 990 970	14 296 443	01.01.1998	37 990 970	14 296 443
23	Other machinery and equipment	17 500 354	4 645 391	01.01.1998	17 500 354	4 645 391
24	Transport vehicles	494 087 356	133 182 626	01.01.1998	494 087 356	133 182 626
25	Tools	3 115 048	1 187 692	01.01.1998	3 115 048	1 187 692
26	Industrial inventory and household equipment	35 240 823	11 182 004	01.01.1998	35 240 823	11 182 004
27	Furniture	7 058 740	4 010 483	01.01.1998	7 058 740	4 010 483
28	Plough, productive cattle	6 551 359	6 533 409	01.01.1998	6 551 359	6 533 409
29	Perennial plants	181 948	16 566	01.01.1998	181 948	16 566
30	Other funds of core activity	883 435	876 875	01.01.1998	883 435	876 875
	Total	22 398 024 305	8 512 883 377		22 391 188 791	8 507 502 446
31	Buildings	10 700 273 265	7 360 584 660	01.10.1998	10 634 779 465	7 302 314 407
32	Structures	3 470 856 079	1 190 845 071	01.10.1998	3 453 742 402	1 181 586 930
33	Transfer mechanisms	1 975 734 153	372 430 423	01.10.1998	1 972 749 111	369 706 213
34	Power machinery and equipment	1 160 015 008	223 516 058	01.10.1998	1 155 369 568	220 511 611
35	Material-working machinery and equipment	6 654 621 802	1 402 059 632	01.10.1998	6 566 983 863	1 370 626 951
36	Measurement instrumentation	152 836 284	45 154 391	01.10.1998	152 772 359	45 125 498
37	Computing machinery	37 984 965	15 073 972	01.10.1998	37 634 260	14 819 763
38	Other machinery and equipment	18 419 022	5 434 160	01.10.1998	17 740 761	5 044 798
39	Transport vehicles	508 115 544	142 645 782	01.10.1998	503 799 154	140 132 483
40	Tools	2 398 853	526 976	01.10.1998	2 393 010	526 784
41	Industrial inventory and household equipment	38 298 339	12 742 520	01.10.1998	35 449 109	11 468 119
42	Furniture	7 995 633	4 816 047	01.10.1998	6 999 897	4 096 081
43	Plough, productive cattle	5 796 682	5 769 760	01.10.1998	5 796 682	5 769 760
44	Perennial plants	3 421 079	17 100	01.10.1998	181 948	17 100
45	Other funds of core activity	808 164	801 916	01.10.1998	808 164	801 916
	Total	24 737 574 872	10 782 418 468		24 547 199 753	10 672 548 414
46	Buildings	8 589 009 953	5 165 822 645	01.01.2000	9 302 537 696	5 806 606 286
47	Structures	3 460 601 374	1 132 241 642	01.01.2000	3 525 041 387	1 185 883 818
48	Transfer mechanisms	1 977 805 733	351 328 423	01.01.2000	2 008 767 057	375 557 675
49	Power machinery and equipment	1 160 938 102	194 514 879	01.01.2000	1 168 345 411	199 454 903
50	Material-working machinery and equipment	7 109 910 914	1 715 243 377	01.01.2000	7 396 969 682	1 819 674 311

51	Measurement instrumentation	162 382 650	54 615 869	01.01.2000	167 671 763	56 176 302
52	Computing machinery	56 530 396	28 703 468	01.01.2000	73 626 328	32 971 912
53	Other machinery and equipment	17 874 210	5 118 046	01.01.2000	19 404 861	5 162 913
54	Transport vehicles	490 401 095	118 063 290	01.01.2000	493 910 942	119 202 641
55	Tools	7 730 602	5 060 759	01.01.2000	7 770 095	5 060 759
56	Industrial inventory and household equipment	35 652 548	11 017 458	01.01.2000	40 071 637	13 502 659
57	Furniture	7 611 744	3 893 383	01.01.2000	7 666 192	3 918 885
58	Plough, productive cattle	6 897 098	6 879 148	01.01.2000	6 897 098	6 879 148
59	Perennial plants	181 948	14 608	01.01.2000	181 948	14 608
60	Other funds of core activity	2 281 033	2 273 225	01.01.2000	2 281 033	2 273 225
	Total	23 085 809 400	8 794 790 220		24 221 143 130	9 632 340 045

Fixed assets of the Company were revaluated for the stated period by Open joint-stock company «National Property Agency», firm «COMEC» VZFEI, Lipetsk Chamber of Commerce and Industry and Closed joint-stock company «Center of professional appraisal». According to the submitted reports on the Company's fixed assets revaluation all calculations have been done by appraisers in full conformity with Decrees of the RF Government, letters, explanations and other guides on fixed assets revaluation, published by the State Statistics Committee of the Russian Federation, the RF Ministry of Economics, the RF Ministry of Finance.

Fixed assets of the Company were revaluated by direct translation of their book values as applies to prices for corresponding types of fixed assets on the date of revaluation (01.01.1997, 01.01.1998, 01.10.1998, 01.01.2002), confirmed by documents and expert judgements of appraisers on market value of the stated assets. Depending on fixed assets group and nature of object under assessment different evaluation techniques of fixed assets replacement value definition were applied based on the following methods of fixed assets revaluation – comparative and cost estimation approaches.

Comparative approach is based on the principle of replacement according to which a buyer will not pay for this object more than the price for similar object with the same utility as that object. Therefore selling prices for similar objects are initial information for calculation of evaluated object value.

Cost estimation approach is based on definition of reproduction value. In case of cost estimation approach value can be quite different from market one which should be taken into consideration in revaluation of fixed assets.

For revaluation of fixed assets cost estimation method is most appropriate one to determine replacement value of buildings and structures.

Cost estimation approach underlies the following three methods:

- *method of cost per unit of area or volume;*
- *method of step-by-step estimation;*
- *method of estimated calculation.*

Method of cost per unit of area or volume involves development of cost norms for civil works (per 1 m² of area or 1 m³ of volume of a building) on the basis of cost data on similar object construction. Construction budget is obtained by multiplication of the corresponding norms of cost per unit by total area or total volume.

Method of step-by-step estimation assumes breakdown and revaluation of a building by a separate components (foundation, pedestal, walls, building frame, floors, roof, etc.). Total value of the building is calculated by summation of step-by-step costs.

Method of estimated calculation assumes construction cost estimate with statement of a list of building and assembly jobs and costs for each type of job for wages, materials, energy, tools, special equipment and etc. It is the most laborious method, however, it gives the most accurate results.

Revaluation of machinery and equipment is practically implemented by the following methods:

- *comparison with prices of manufacturer;*
- *analysis and actualization of calculation;*

- *calculation adjustment of constructively similar object;*
- *value calculation by enlarged norms.*

Method of comparison with manufacturer's price involves current manufacturer's price taken as an overestimated object value. This method is a cost estimation method with some elements of comparison, i.e. it uses not only cost estimation approach but it also partially uses comparative approach.

Method of calculation actualization brings costs shown in calculation about to the current price level on the basis of analysis. Current full costs of revaluated object reproduction can be found by this way.

Method of calculation adjustment of constructively similar object can be applied in a case when an appraiser receives calculation of an object at his disposal which is constructively similar to the revaluated object. Usually they belong to the same parametric series or family.

Object value calculation by enlarged norms is performed in a case when there is an access to production information of a manufacturer.

Comparative approach to machinery and equipment value revaluation is used in the method of direct comparison and in the method of statistical price modelling.

Method of direct comparison can be applied in a case when a close analogue (or several analogues) have been selected for the revaluated object being a subject of a recent transaction.

Method of statistical price modelling involves consideration of the revaluated object as a representative of some set of homogenous objects prices of which are known. Mathematical model of price dependance on one or several parameters is being developed for this set of objects with the help of statistical theory method. Upon this model price of as if "average statistical" analogue of revaluated object is calculated.

3.7.2. The value of the Issuer's property.

As of the date of the reporting quarter end:

- *total initial (replacement) value of NLMK's property equals to RUR 15 932 930 976;*
- *accrued amortization– RUR 8 550 048 568.*

Within the reporting period there was an assessment at NLMK of some property meant for sale. The value of retired property as well as purchased property was insignificant and did not cause any significant changes in property composition.

IV. Information on financial performance of the Issuer.

4.1. Results of the Issuer's financial performance.

4.1.1. Income and losses.

Description of an index	Calculation method	2 nd quarter of 2003	3 rd quarter of 2003	Change	
				+/-	%
<i>Sales proceeds (less VAT, excises and similar mandatory payments), thousand RUR</i>		19 190 315	18 542 567	-647 748	-3,4%
<i>Gross profit, thousand RUR</i>		8 372 066	7 649 398	-722 668	-8,6%

<i>Net profit (retained profit), thousand RUR</i>		5 811 257	5 810 859	-398	-0,01%
<i>Labour productivity of industrial personnel, thousand RUR/man</i>	<i>marketable products / average number of industrial personnel</i>	505,4	494,4	-11,0	-2,2%
<i>Capital productivity</i>	<i>sales proceeds for a year / average value of fixed assets</i>	5,8	5,5	-0,3	-5,3%
<i>ROA, %</i>	<i>(net profit for a year / average assets) * 100%</i>	40,1%	36,6%	- 3,5%	
<i>ROE, %</i>	<i>(net profit for a year / average equity) * 100%</i>	43,5%	39,9%	- 3,6%	
<i>Return on products (sales), %</i>		42,1%	39,6%	- 2,5%	
<i>Amount of outstanding loss as of balance sheet date, thousand RUR</i>		-	-	X	X

The value of NLMK's net profit in the 3rd quarter of 2003 remained at the level of the 2nd quarter (-0,01%).

Labour productivity of industrial personnel in the reporting quarter decreased by 2,2% due to shrinkage of marketable products output by 3,4% as compared to the 2nd quarter of 2003.

Capital productivity in the 3rd quarter of the current year decreased as compared to the 2nd quarter due to diminishing of sales proceeds (-3,4%) with growth of average value of fixed assets (+2%).

ROA. Net profit gained by NLMK per a RUR of assets value in the 3rd quarter of 2003 decreased as compared to the previous quarter and amounted to 36,6 copecks due to increase of assets value increase (+9,7%).

ROE. In the 3rd quarter of 2003 in each rouble of the Company's equity net profit equaled to 39,9 kopecks. Growth of average equity (+9,2%) with keeping the same net profit facilitated decrease in equity efficiency.

Return on sales. Decrease in average prices for steel products of NLMK in the 3rd quarter of the current year caused declining of return on sales. In each rouble of products sold the profit on sales amounted to 39,6 kopecks. (the 2nd quarter of 2003 – 42,1 kopecks).

4.1.2. Factors which have influenced sales proceeds of the Issuer and income (losses) from the Issuer's operations.

In the 3rd quarter of 2003 NLMK's sales proceeds decreased by 3,4% as compared to the 2nd quarter of the current year.

Sales proceeds volume shrunked:

- by 56% for account of decrease of average prices for steel products being sold;
- by 19% due to decrease of USD exchange rate;
- by 14% for account of shrinkage of steel products sales;
- by 11% due to sales structure changes.

Cost of sales for the reporting period of 2003 practically did not change (+0,8%) as compared to the cost in the 2nd quarter. It occurred due to growth of prices for raw materials, utilities and

increase of actual costs with saving at the same time for account of output decrease and decrease of consumption rates.

4.2. The Issuer's liquidity.

Description of indice	Calculation methods	as of 30.06.03	as of 30.09.03	Change	
				+/-	%
<i>Working capital (at the end of the period), thousand RUR</i>	$F1_{(290-270-252-244-230-690+630+640+650+660)}$	31 437 324	37 144 489	5 707 165	18,2%
<i>Financial leverage (at the end of the period)</i>	$F1_{(590+690-630-640-650-660)} / (690-270-252-244)$	0,083	0,085	0,002	2,4%
<i>Equity autonomy factor (at the end of the period)</i>	$F1_{(490-252+640)} / (190+290)$	0,919	0,915	-0,004	-0,5%
<i>Inventory procurement secured by working capital (at the end of the period)</i>	$F1_{(290-270-252-244-230-690+630+640+650+660)} / 210$	3,8	4,3	0,5	12,6%
<i>Fixed assets index (at the end of the period)</i>	$F1_{(190+230)} / (490-270-252-244+630+640+650+660)$	0,42	0,39	-0,04	-9,0%
<i>Current ratio (at the end of the period)</i>	$F1_{(290-270-252-244-230)} / (690-630-640-650-660)$	7,49	7,74	0,25	3,3%
<i>Liquidity ratio (at the end of the period)</i>	$F1_{(290-270-252-244-230-210)} / (690-630-640-650-660)$	5,78	6,16	0,38	6,6%

Working capital is a share of equity which is allocated for financing of equity. As of 30.09.2003 working capital of NLMK amounted to RUR 37,1 bln. (87% of total equity). So, Novolipetsk Iron & Steel Corporation is adequately provided with working capital.

Financial leverage shows the degree of the Company's assets financing for account of borrowings and speaks for financial stability of the Company. Optimal value of this factor should not exceed 80%. As of 30.09.2003 NLMK's financial leverage equaled to 8,5%, which attests high degree of NLMK's financial stability.

Equity autonomy factor shows a share of equity in assets and speaks for a degree of financial independence from creditors. This factor should not go below 0,5 – 0,6. As of 30.09.2003 NLMK's equity autonomy factor equaled to 0,92. So, dependence of NLMK on creditors can be considered as very low.

Inventory procurement secured by working capital is a factor that shows how stock of materials is covered by working capital. The level of it is assessed primarily depending on stock of materials status. As of 30.09.2003 NLMK's inventory procurement secured by working capital equaled to 4,3, which attests full inventory backing for account of NLMK's working capital to cover stock of materials.

Fixed assets index — an index which reflects ratio of fixed assets drawn away to long-term accounts receivable to equity. The recommended value of fixed assets index is $Kuna \leq 0,9$. As of 30.09.2003 NLMK's fixed assets amounted to 0,39. So, fixed assets and long-term accounts receivable did not exceed 40% of NLMK's equity.

Current ratio describes total coverage of short-term debt of the Company by current assets for doing business and timely meeting of its accrued liabilities. As of 30.09.2003 NLMK's current ratio equaled to 7,74, which attests full backing of short-term debt for account of current assets and high

degree of NLMK's solvency.

Liquidity ratio is an index which is useful in assessment of existing short-term liabilities share that can be repaid by the Company, in case its position will be really critical. At that it is assumed that inventories do not have any disposal value at all. Optimal value of this index is – Кбл=0,8-1,0. As of 30.09.2003 liquidity ratio of NLMK equaled to 6,16, which attests NLMK's ability to meet short-term liabilities in full without any sales of inventories.

4.3. Amount, structure and adequacy of capital and current assets of the Issuer.

4.3.1. Amount and structure of the Issuer's capital and current assets.

- a) NLMK's stockholders' equity accounted for RUR 5 987 240 (five million nine hundred eighty seven thousand two hundred forty roubles) which is in line with the Company's Statute;
- б) The Company did not repurchase its shares for further resale (transfer) within the reporting period;
- в) At NLMK there is a surplus fund formed by allocations from net profit of RUR 898 086 (eight hundred ninety eight thousand eighty six roubles);
- г) Additional paid-in capital as of the date of reporting quarter closure accounted for RUR 10510129487 (ten billion five hundred ten million one hundred twenty nine thousand four hundred eighty seven roubles);
- д) The Company's retained net profit as of 30.09.2003 amounted to RUR 49 695 330 443 (forty nine billion six hundred ninety five million three hundred thirty thousand four hundred forty three roubles) рубль;
- е) There are no funds for purpose of financing and assignments in the Company;
- ж) As of 30.09.2003 NLMK's equity amounted to RUR 60 212 345 256 and increased as compared to as of 30.06.2003 by 7%.

Within total assets of NLMK as of 30.09.2003 share of current assets accounted for 65%, fixed assets - 35%.

Structure of current assets

	as of 30.06.2003		as of 30.09.2003		Change	
	value	share	value	share	+/-	%
Inventory	8 287 624	21,6%	8 693 310	20,3%	405 686	4,9%
VAT on acquired valuables	1 363 069	3,6%	1 406 152	3,3%	43 083	3,2%
Accounts receivable (due in more than 1 year)	94 426	0,2%	94 001	0,2%	-425	-0,5%
Accounts receivable (due within 1 year)	8 231 041	21,5%	9 525 259	22,3%	1 294 218	15,7%
Short-term financial investments	16 284 840	42,5%	20 618 614	48,2%	4 333 774	26,6%
Cash and its equivalents	2 114 740	5,5%	2 412 426	5,6%	297 686	14,1%
Other current assets	1 946 380	5,1%	32 503	0,1%	-1 913 877	-98,3%
Total current assets	38 322 120	100%	42 782 265	100,0%	4 460 145	11,6%

The Company's current assets are financed for account of own funds (profit). NLMK did not take loans and credits for current assets financing.

4.3.2. Adequacy of the Issuer's capital and current assets.

Increase in NLMK's assets is secured by strong growth of the equity. NLMK's equity as of 30.09.2003 grew by 7% as compared to as of 30.06.2003.

Share of Company's equity in total assets for 9 months of 2003 accounted for 91,5%.

Adequacy of the equity

Index	as of 30.06.03	as of 30.09.03	Change (+/-)
Leverage, %	8,8%	9,4%	+ 0,6%
Ratio of short-term liabilities to equity and provisions, %	8,6%	9,2%	+ 0,6%

As of 30.09.2003 the Company's gearing accounted for 9,4%, which attests insignificant share of borrowings within the equity. The most ratio of own funds of the Company within its capital speaks for minimum risk for creditors.

The major share within borrowings belongs to short-term liabilities of Novolipetsk Iron & Steel Corporation (accounts payable). As of 30.09.2003 the ratio of short-term liabilities to equity accounted for 9,2%. This index meets the terms and conditions of the current activity of the Company.

NLMK's equity is enough to cover current operating expenses and meet short-term liabilities (as of 30.09.2003 equity exceeded short-term liabilities more than 10-fold).

Average daily operating expenses for 9 months of 2003 accounted for RUR 75,9 mln. Cash and its equivalents which is in the Company's disposal cover current operating expenses in full.

NLMK's accounts receivable turnover in the 3rd quarter of the current year (2,09 times for the period) is considered as high enough which defines adequacy of current assets to cover current operating expenses.

4.3.3. Cash and its equivalents.

Novolipetsk Iron & Steel Corporation is adequately secured by own cash and its equivalents. As of 30.09.2003 cash and its equivalents and short-term financial investments accounted for RUR 23 bln. NLMK does not take any credits, loans and does not issue any debt instruments to finance its activity, that is why the Company has no demand for cash and its equivalents to repay them.

There are no accounts payable.

4.3.4. The Issuer's financial investments.

NLMK's financial investments which are 10% and more of all its financial investments as of the date of the reporting period closure.

1. Type of financial investments: *deposits*

Full name of creditor: *Foreign Trade Bank (open joint-stock company)*

Abbreviated name of creditor: *OAO Vneshtorgbank*

Legal address: *16, ul. Kuznetsky most, Moscow 103031 Russia*

Amount of principal debt on deposits (RUR): *4 591 785 000* (Deposits placed with OAO Vneshtorgbank account for in aggregate more than 10% of all NLMK's financial investments as of September 30, 2003)

Amount of accrued interest (RUR): 59 556 919

4.3.5. Intangible assets of the Issuer.

Information on composition of intangible assets, initial (replacement) value of intangible assets and value of accumulated depreciation as of the date of the reporting period closure.

(RUR)

No	Description of intangible assets group	Initial (replacement) value	Accumulated depreciation
1	Sole rights for PC applications and databases	14 753 413	11 143 241
2	Sole rights for inventions	2 178 798	237 774
3	Sole rights for production prototypes	200 000	149 985
4	Sole rights for utility models	582 644	196 199
5	Sole rights for trade marks and service marks	118 311	13 539
6	Other rights	331 032	297 158
7	Sole rights for artwork, science work, literature publications	39 167	4 882
Total		18 203 365	12 042 778

Information on intangible assets of the Company is generated and reflected in the financial statements in conformity with Provisions of accounting «Accounting of intangible assets» PBU 14/2000, approved by Order of the RF Ministry of Finance No. 91н dd. 16.10.2000, as well as provision on NLMK's accounting policy, approved by the Company's Order No. 808 dd. 29.12.2001 (version of order No. 929 dd. 31.12.2002).

4.4. Information on policy and expenses of the Issuer in the area of technological progress, as regards to licenses and patents, new developments and investigations.

The Issuer's policy in the area of technological progress for the reporting period is defined by Technical Program for Upgrading and Development accepted and implemented by NLMK upto 2005 and policy in the area of quality management. So, in the 3rd quarter of 2003 expenses of NLMK on R&D inclusive VAT accounted for RUR 10 474 447,90.

One of the approaches of the policy in the area of technological development is acquisition of rights for intellectual property by arrangement of patent protection of new technical solutions developed at NLMK. In the 3rd quarter of 2003 patents for 23 inventions and 7 utility models listed below were received.

List of patents for inventions and utility models received in the 3rd quarter of 2003

No.	No. of patent	Description of an invention, utility model	Issue date	Validity of patent
1.	2206428	Method of slab continuous casting at machines with curvilinear technological axis	20.06.2003	20 years
2.	2206622	Technique for blast furnace rinsing	20.06.2003	20 years
3.	2206625	Secondary metallurgy – Ladle treatment	20.06.2003	20 years
4.	2206883	Technique for sheet mechanical properties control	20.06.2003	20 years
5.	2207205	Method for strip thickness control	27.06.2003	20 years
6.	2207208	Chute for scale sluicing	27.06.2003	20 years
7.	2207216	Beam from secondary cooling area of continuous casting machine	27.06.2003	20 years
8.	2207230	Unit for electrohydraulic treatment	27.06.2003	20 years

9.	2207237	<i>Welding flux</i>	27.06.2003	20 years
10.	2207357	<i>Method of dry zinc white production</i>	27.06.2003	20 years
11.	2207475	<i>Roll of continuous annealing line</i>	27.06.2003	20 years
12.	2207640	<i>Composition for insulating coating</i>	27.06.2003	20 years
13.	2208484	<i>Method of steel strip production</i>	20.07.2003	20 years
14.	2209846	<i>Method of continuous hot dip galvanizing</i>	10.08.2003	20 years
15.	2210446	<i>Technique of strip production</i>	20.08.2003	20 years
16.	2210708	<i>Sintering car of sinter machine</i>	20.08.2003	20 years
17.	2211102	<i>Gauge for strip flatness in-line measurement</i>	27.08.2003	20 years
18.	2211249	<i>Technique of CR NGO steel production</i>	27.08.2003	20 years
19.	2211737	<i>Technique of scale removal from hot rolled strip surface</i>	10.09.2003	20 years
20.	2212015	<i>Lining of heat line</i>	10.09.2003	20 years
21.	2212289	<i>Technique of continuous cold rolling of strips at multi-stands mill</i>	20.09.2003	20 years
22.	2212296	<i>Technique of cold rolled coil coiling</i>	20.09.2003	20 years
23.	2212455	<i>Technique of parts tempering</i>	20.09.2003	20 years
24.	30106	<i>Tundish for continuous casting of steel</i>	20.06.2003	5 years
25.	30627	<i>Machine for oiling in electrostatic field</i>	10.07.2003	5 years
26.	30745	<i>Processing line of calcinated dolomite for further manufacture of refractory lining of steel ladles and production lines</i>	10.07.2003	5 years
27.	31578	<i>Pig iron taphole of a blast furnace</i>	20.08.2003	5 years
28.	31748	<i>Flash butt-welder for strips ends at continuous rolling mill</i>	27.08.2003	5 years
29.	31780	<i>A device for determination of meeting point of burden with blast furnace top protection</i>	27.08.2003	5 years
30.	32492	<i>Blast furnace bottom protection</i>	20.09.2003	5 years

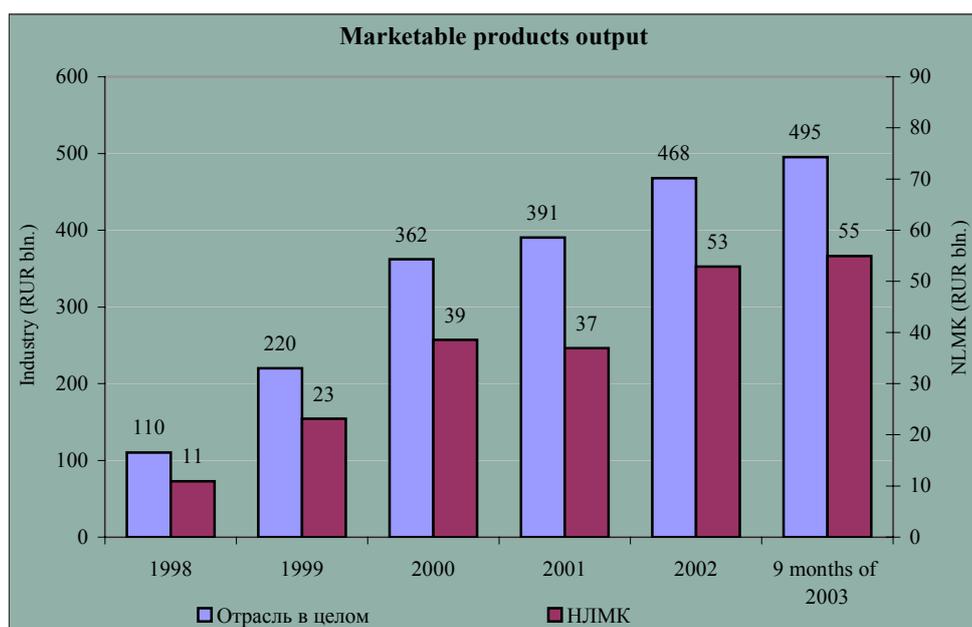
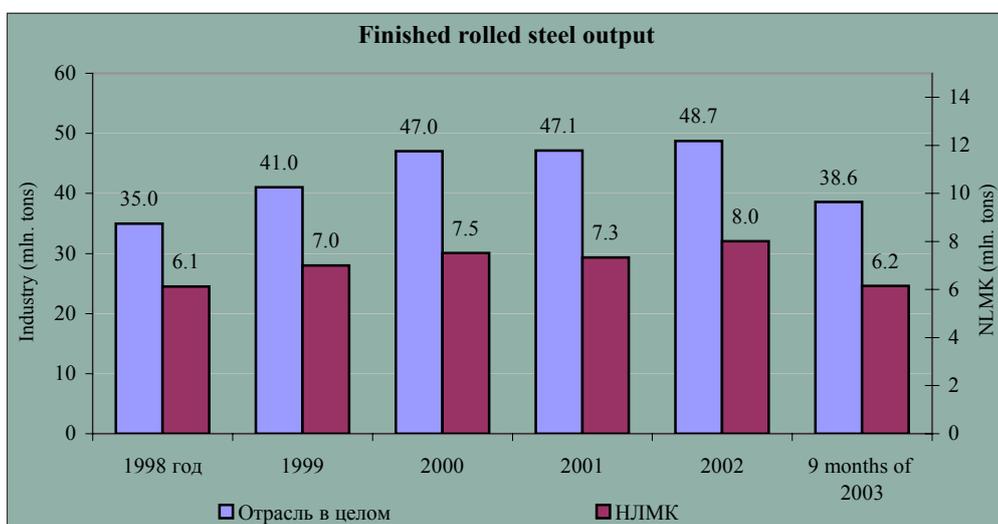
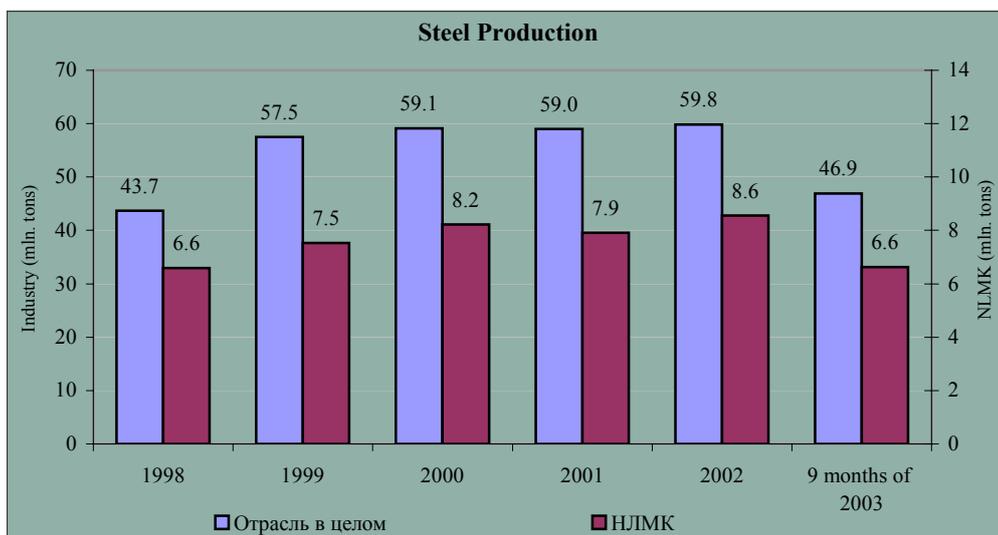
Constant control over prompt payment of all patent fees on inventions and utility models, over prolongation of trade mark registration validity, over submission of applications on registration of trade mark in case of the Company's product mix diversification are the main actions aimed at prevention of NLMK's forfeiture of rights for intellectual property.

4.5. Analysis of development tendencies in the area of the Issuer's core activity.

For the last 5 years the Russian steel industry has been developing successfully. Over the stated period sustainable growth of main types of metal products output observed. 2001 was the only exclusion as it witnessed insignificant decrease in production output due to cyclic worsening of world steel market conditions. In tote for 5 years steel production in Russia grew by 16 mln. tons (by 37%), finished rolled steel production went up by 14 mln. tons (by 39%), marketable product output increased 3,3 fold.

Dynamics of Novolipetsk Iron & Steel Corporation development coincided in many respects with the industry's. In tote for 5 years steel production at NLMK accounted for 2 mln. tons (30%), growth of finished rolled steel – 2 mln. tons (31%), output of marketable products increased 3,8 fold.

For 9 months of 2003 in total industry's production volume NLMK's share accounted for: 14% regarding steel production, 16% regarding finished rolled steel output, 11% regarding marketable products output. For 8 months of the current year NLMK has received the largest profit on tax, the share of which accounted for 28% of the industry's profit.



V. Detail information on members of the Issuer's authorities, financial performance control bodies, brief data on employees of the Issuer.

5.1. Information on structure and competence of the Issuer's authorities.

The Supreme governing organ of the Company is the General Shareholders' Meeting.

The Board of Directors carries out the general management of the Company activity excluding those issues, which fall under the exclusive competence of the Shareholders' Meeting.

The Board of Directors consists of 9 persons.

The management of the routine business of the Company is exercised by the Company's single executive body – Director General and by the Company's corporate executive body – the Management Board.

The competence of Director General and Management Board covers all the issues related to the management of the Company's routine business except the matters of exclusive competence of the General Meeting of Shareholders and the Board of Directors.

The Director General and the Management Board make arrangements for the implementation of the decisions of the Company's General Shareholders Meeting and of the Board of Directors.

The Director General also fulfils the functions of the Company's Management Board Chairman.

The Management Board is a corporate executive body of the Company, which acts with the authority of the Federal Act "On the Companies", Statute of the Company and Regulations on the Management Board of the Company approved by the General Shareholders' Meeting.

The organization and membership of the Management Board are approved by the Board of Directors upon presentation by the Director General.

The competence of the general meeting of the issuer's stockholders (participants) in accordance with its statute (constituent documents):

The following matters fall within the Meeting's competence (Chapter 4, Article 16 of the Company Statute):

- 1) changes and additions to the Statute or approval of the Statute in new revisions;*
- 2) reorganization of the Company;*
- 3) liquidation of the Company, appointment of the Liquidation Committee and approval of the interim and final liquidation balances;*
- 4) establishment of the quantitative staff of the Board of Directors, election of its members and premature termination of their authority;*
- 5) determination of the number, par value, category (type) of shares and rights given by these shares;*
- 6) increase of the authorized capital of the Company through share par value increase; increase of the authorized capital of the Company through placement of additional shares by public subscription in case the number of additionally placed shares constitutes more than 25% of the common shares earlier placed by the Company; increase of the authorized capital of the Company through placement of shares by closed subscription;*
- 7) decrease of the authorized capital through share par value decrease, through paying off the shares acquired by the Company and not realized within a year and of the shares redeemed by the Company, as well as through paying off the shares that have passed to the Company in relation to their non-payment; decrease of the authorized capital through partial acquisition of shares for the purpose of decreasing their total number;*
- 8) election of Director General and premature termination of his authority;*
- 9) election of the Auditing Committee and premature termination of its authority;*
- 10) approval of the Company's Auditor;*
- 10.1) payment (announcement) of dividends upon results of the first quarter, six months, nine months of a financial year;*
- 11) approval of annual reports, annual financial statements, including income statements of the Company, as well as distribution of Company's profits (including payments (declaration) of*

dividends, with exclusion of profits distributed as dividends upon performance of the first quarter, six months, nine months of a financial year) and losses of the Company upon results of a financial year;

12) establishment of procedure of the General Meeting;

13) appointment of the Accounts Committee and premature termination of its authority in case the functions of the Accounts Committee are not exercised by the Registrar of the Company in accordance with the Federal Act “On the joint-stock Companies”;

14) split-up and consolidation of the shares;

15) conclusion of deals in cases stipulated in Article 83 of the Federal Law «On the joint-stock Companies»;

16) conclusion of major transactions in cases stipulated in Article 79 of the Federal Law “On the joint-stock Companies”;

17) acquisition of the subscribed shares by the Company in cases, stipulated in the Federal Law “On the joint-stock Companies”;

18) involvement in holdings, financial and industrial groups, and other associations of commercial organizations;

19) approval of internal documents governing the operation of the Company’s bodies;

20) decision on other matters stipulated by the Federal Law “On the joint-stock Companies” and / or the present Statute.

The matters falling under the competence of the General Meeting of Shareholders cannot be transferred to the competence of executive bodies of the Company.

The matters falling under the competence of the General Meeting of Shareholders cannot be transferred to competence of the Board of Directors of the Company except in cases stipulated in the Federal Law “On the joint-stock Companies”.

The competence of the Issuer's Board of Directors (Supervisory Board) in accordance with its Statute (constituent documents):

The following matters fall within the competence of the Board of Directors (Chapter 5, Article 30 of the Company Statute):

1) definition of priority activities of the Company;

2) convocation of the Annual and Extraordinary Shareholders’ Meetings excluding cases, when in accordance with the Federal Act “On the joint-stock Companies” an Extraordinary Shareholders’ Meeting can be convoked by authorities and persons demanding its convocation;

3) approval of agenda of the shareholders’ Meeting;

4) definition of the date of list of the shareholders who are entitled to participate in the shareholders’ Meeting and other issues attributed to the competence of the Board of Directors in accordance with the Statute and the Federal Law “About joint stock companies” and related to preparation and holding of the shareholders’ Meeting;

5) increase of the statutory fund of the Company by way of placement of additional shares by the Company out of the its property within the quantity of declared shares.

6) increase of the statutory fund of the Company by way of placement of additional shares by the Company by public subscription within the quantity of declared shares, if the number of additionally placed shares constitutes 25% or less from the common shares earlier placed by the Company;

7) placement of bonds and other securities issued by the Company in cases provided for by the Federal Act “On the joint-stock companies”;

8) determination of price (pecuniary valuation) of the property, price of placement and redemption of the securities issued in cases provided for by the Federal Act “On the joint-stock companies”;

9) acquisition of bonds and other securities placed by the Company in cases provided for by the Federal Act “On the joint-stock companies”;

10) constitution of the Management Board and early termination of its authorities; determination of rewards and compensations paid to its members; conclusion of contracts with the Director General and members of the Management Board on behalf of the Company;

11) recommendations on amount of reward and compensation paid to members of the Auditing Committee and determination of payment amount for Auditor’s services;

- 12) *recommendations on dividend amount payable to the shareholders and procedure of its payment;*
- 13) *use of reserve and other funds of the Company;*
- 14) *approval of internal papers of the Company excluding internal papers which fall within the competence of the General Shareholders Meeting according to this Statute and Federal Act "On the joint-stock Companies", or other internal documents of the Company which fall within the competence of the Director General and Management Board in accordance with the present Statute;*
- 15) *establishment of branches and representative offices of the Company;*
- 16) *approval of big deals in cases provided for by Chapter X of the Federal Act "On the joint-stock companies";*
- 17) *conclusion of deals provided for by Chapter XI of the Federal Act "On the joint-stock companies";*
- 18) *approval of the Company Registrar and terms of agreement with him/her, as well as cancellation of agreement;*
- 19) *suspension of activity of the Director General;*
- 20) *appointment of temporary acting Director General;*
- 21) *decision on Company's participation in other organizations, excluding participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;*
- 22) *other matters provided for by the Federal Act "On the joint-stock companies" and the present Statute.*
- The matters that fall within the competence of the Company's Board of Directors cannot be passed to the executive body of the Company for decision.*

Competence of the individual and corporate executive bodies of the issuer in accordance with its Statute (constituent documents):

The Competence of the Director General (Chapter 6, Article 37 of the Company Statute).

The competence of the Director General includes all issues of routine Company activities management excluding those in the exclusive authority of the General Shareholders Meeting, the Board of Directors and the Management Board.

The Director General without any Power of Attorney on behalf of the Company, in particular:

- performs operative management of the Company activities;*
- has the right of the first signature in financial documents;*
- represents the Company both in the RF and outside it;*
- approves staff, concludes employment agreements with employees of the Company, fires, applies incentive measures to employees and imposes penalties on them;*
- governs the activities of the Management Board and presides at its meetings;*
- presents for the Board of Directors' approval an individual list of the members of the Management Board;*
- makes transactions on behalf of the Company with the exception of cases stipulated by the Federal Act "On the Joint-Stock Companies" and this Statute;*
- issues power of attorney on behalf of the Company;*
- opens the Company's accounts with banks;*
- organizes book-keeping and accounting of the Company;*
- issues orders and gives instructions which are binding for all employees of the Company;*
- defines a list of data representing commercial secret of the Company, and means of protection of such data in accordance with the effective legislation.*

The Director General is entitled to appoint acting Director General for the period of his absence to be approved by the Board of Directors' Chairman.

The Competence of the Management Board (Chapter 6, Article 38 of the Company Statute).

The exclusive competence of the Company's Management Board includes:

- development and submission to discussion by the Board of Directors of the Company's*

development concept;

- securing of contracts concluding by Company assets when the amount due or the subject goods value exceeds 10 per cent of the balance value of the Company's assets, excluding transactions performed in the normal course of business;

- approval of internal routine Rules and other local regulations according to the list specified by the Director General;

- signing the Collective Agreement with the Company staff (authorized body);

- other issues regarded as those in the competence of the Company Management Board under the effective legislation of the RF.

The Company follows the provisions of Corporate Behaviour Code under recommendations of its application approved by Regulations of Federal Commission of the Central Bank of Russia No. 421/p dd. 04.04.2002.

5.2. Information on members of the Issuer's authorities.

Board of Directors:

Chairman: *Vladimir S. Lisin*

Members of the Board:

Boris F. Abushakhmin

Year of birth: *1938*

Education: *higher vocational*

Titles for the last 5 years:

Period: *1998 - 2003*

Organization: *Institution of Moscow city Faculty of Advocates, Law Firm "Reznik, Gagarin and Partners"*

Title: *Counsel-at-Law*

Period: *2003 – up to now*

Organization: *Institution of Moscow city Faculty of Advocates, Law Firm "Reznik, Gagarin, Abushakhmin and Partners"*

Title: *Counsel-at-Law*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Nikolay A. Gagarin

Year of birth: *1950*

Education: *higher vocational*

Titles for the last 5 years:

Period: *1998 - 2003*

Organization: *Institution of Moscow city Faculty of Advocates, Law Firm "Reznik, Gagarin and Partners"*

Title: *Executive Partner*

Period: *2003 – up to now*

Organization: *Law Firm "Reznik, Gagarin, Abushakhmin and Partners"*

Activity: *Legal assistance*

Title: *Chairman of the Council*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Alexander Yu. Zarapin

Year of birth: *1962*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: *1998 - 1998*

Organization: *ZAO "Metallurg"*

Title: *Director General*

Period: *1998 - 1998*

Organization: *ZAO "Vimet"*

Title: *Director of Raw Material Resources Department*

Period: *1998 – up to now*

Organization: *OOO "Larmet"*

Title: *Director of Raw Material Resources Department*

Period: *1998 - 2000*

Organization: *Moscow State Institute of Steel and Alloys (Technical University)*

Title: *Assistant professor at faculty of "Machinery and equipment of steel industry" (pluralistically)*

Period: *2000 - 2000*

Organization: *Moscow State Institute of Steel and Alloys (Technical University)*

Title: *Professor at faculty of "Machinery and equipment of steel industry" (pluralistically)*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Alexey A. Lapshin

Year of birth: *1947*

Education: *higher vocational*

Titles for the last 5 years:

Period: *1998 - 1998*

Organization: *ZAO "Rosmet"*

Title: *Director General*

Period: *1998 - 1999*

Organization: *ZAO "Vimet"*

Title: *Assessor*

Period: *1999 – up to now*

Organization: *OOO "Rumelko"*

Title: *Head of Management Department*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Vladimir S. Lisin

Year of birth: *1956*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: *1998 - 2000*

Organization: *OOO "Rumelko"*

Title: *Director General*

Period: *2001 – up to now*

Organization: *OOO "Rumelko"*

Title: *General counsel*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Igor A. Sagiryan

Year of birth: *1952*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: *1998 - 1999*

Organization: *ZAO "Link"*

Title: *Director General*

Period: *1999 - 2001*

Organization: *Moscow office of "Renaissance Nominees (Cyprus) Limited"*

Title: *First Deputy Manager of the Moscow office*

Period: *2001 - 2003*

Organization: *OOO "Renaissance Capital – Financial Consultant"*

Title: *Director General*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Vladimir N. Skorokhodov

Year of birth: *1951*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: *1998 - 1998*

Organization: *AOZT "Rosmet"*

Title: *Assessor*

Period: *1998 - 1999*

Organization: *ZAO "Vimet"*

Title: *Assessor*

Period: *1998 – up to now*

Organization: *Lipetsk State Technical University*

Title: *0,25 rate of professor at faculty of "Rolling Production" (pluralistically)*

Period: *1999 – up to now*

Organization: *OOO "Rumelko"*

Title: *Deputy Director General*

Share in the Issuer's stockholders' equity: *none*

Number of the Issuer's shares that could be purchased as result of option to buy: *no options*

Shares in the Issuer's subsidiaries/affiliates: *none*

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Vyacheslav P. Fedorov

Year of birth: *1966*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: **1998 - 1998**

Organization: **Bank "Astana - Holding"**

Title: **Deputy Chairman of the Board**

Period: **1998 - 1998**

Organization: **Bank "Russian Credit"**

Title: **Head of Analytic Department**

Period: **1998 - 2000**

Organization: **International Bank "Astana"**

Title: **Deputy Chairman of the Board**

Period: **2000 - 2000**

Organization: **OJSC Bank of Social Development and Construction "Lipetskcombank"**

Title: **Director General**

Period: **2000 - 2000**

Organization: **OJSC Bank "Central Society of Mutual Loans"**

Title: **Acting Director General**

Period: **2000 - 2002**

Organization: **OJSC Bank of Social Development and Construction "Lipetskcombank"**

Title: **Finance Director**

Period: **2000 – up to now**

Organization: **OOO "Rumelko"**

Title: **Manager of Management Department**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **brother Igor P. Fedorov – member of the Company's Board of Directors**

Igor P. Fedorov

Year of birth: **1966**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 2003**

Organization: **Moscow city Faculty of Advocates, Law firm "Reznik, Gagarin and Partners"**

Title: **Counsel-at-Law in Moscow city Faculty of Advocates**

Period: **2003 – up to now**

Organization: **Law firm "Reznik, Gagarin, Abushakhmin and Partners "**

Title: **Counsel-at-Law in Moscow city Faculty of Advocates**

Share in the Issuer's stockholders' equity: **none**
Number of the Issuer's shares that could be purchased as result of option to buy: **no options**
Shares in the Issuer's subsidiaries/affiliates: **none**
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **brother Vyacheslav P. Fedorov – member of the Company's Board of Directors**

Issuer's individual and corporate Management Board and officials of executive issuer:

Ivan V. Frantsenuik

Year of birth: **1927**

Education: **post-graduate vocational**

Titles for the last 5 years:

Period: **1998 - up to now**

Organization: **"NLMK"**

Title: **Director General**

Share in the Issuer's stockholders' equity: **0.05143%**
Number of the Issuer's shares that could be purchased as result of option to buy: **no options**
Shares in the Issuer's subsidiaries/affiliates: **none**
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Vladimir P. Nastich

Year of birth: **1953**

Education: **post-graduate vocational**

Titles for the last 5 years:

Period: **1998 - 1998**

Organization: **"NLMK"**

Title: **Director for Production**

Period: **1998 - 2000**

Organization: **"NLMK"**

Title: **Director for Metallurgy**

Period: **2000 - up to now**

Organization: **"NLMK"**

Title: **Technical Director – First Deputy Director General**

Share in the Issuer's stockholders' equity: **0.00018%**
Number of the Issuer's shares that could be purchased as result of option to buy: **no options**
Shares in the Issuer's subsidiaries/affiliates: **none**
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Valery F. Sukhanov

Year of birth: **1947**

Education: ***post-graduate vocational***

Titles for the last 5 years:

Period: **1998 - up to now**

Organization: **"NLMK"**

Title: ***Deputy Director General for Analysis, Forecasting, and Economic Coordination***

Share in the Issuer's stockholders' equity: **0.00018%**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Sergey V. Chelyadin

Year of birth: **1965**

Education: ***higher vocational***

Titles for the last 5 years:

Period: **1998 - 1998**

Organization: **NLMK**

Title: ***Chairman of the Committee on Real Estate and Securities Management***

Period: **1998 - 2002**

Organization: **NLMK**

Title: ***Deputy Director General for Real Estate and Securities Management***

Period: **2002 - up to now**

Organization: **NLMK**

Title: ***Director for Real Estate and Securities Management***

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Galina A. Aglyamova

Year of birth: **1961**

Education: ***higher vocational***

Titles for the last 5 years:

Period: **1998 - 2000**

Organization: *NLMK*
Title: *Deputy Head of Economics Department*

Period: *2000 - 2002*
Organization: *NLMK*
Title: *Director for Economics*

Period: *2003 - up to now*
Organization: *NLMK*
Title: *Director for Economics and Finance*

Share in the Issuer's stockholders' equity: *0.00017%*
Number of the Issuer's shares that could be purchased as result of option to buy: *no options*
Shares in the Issuer's subsidiaries/affiliates: *none*
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Igor N. Anisimov
Year of birth: *1965*
Education: *higher vocational*

Titles for the last 5 years:
Period: *1998 - 2001*
Organization: *NLMK*
Title: *Deputy Director for Purchases, Head of Equipment and Import Purchases Department*

Period: *2001 - up to now*
Organization: *NLMK*
Title: *Director for Purchases*

Share in the Issuer's stockholders' equity: *0.00017%*
Number of the Issuer's shares that could be purchased as result of option to buy: *no options*
Shares in the Issuer's subsidiaries/affiliates: *none*
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Pavel P. Gorodilov
Year of birth: *1957*
Education: *higher vocational*

Titles for the last 5 years:
Period: *1998 - 1998*
Organization: *ОАО "НЛМК"*
Title: *Deputy Director for Sales – Head of Marketing and Sales Department*

Period: *1998 - 1999*

Organization: *NLMK*
Title: *Acting Director for Sales*

Period: *1999 - up to now*
Organization: *NLMK*
Title: *Director for Sales*

Share in the Issuer's stockholders' equity: *0.00022%*
Number of the Issuer's shares that could be purchased as result of option to buy: *no options*
Shares in the Issuer's subsidiaries/affiliates: *none*
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Anatoly N. Koryshev
Year of birth: *1944*
Education: *post-graduate vocational*

Titles for the last 5 years:
Period: *1998 - up to now*
Organization: *NLMK*
Title: *Director of the Repairs Plant*

Share in the Issuer's stockholders' equity: *none*
Number of the Issuer's shares that could be purchased as result of option to buy: *no options*
Shares in the Issuer's subsidiaries/affiliates: *none*
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Alexander I. Kravchenko
Year of birth: *1955*
Education: *higher vocational*

Titles for the last 5 years:
Period: *1998 - 2001*
Organization: *NLMK*
Title: *Head of Legal Department*

Period: *2001 - up to now*
Organization: *NLMK*
Title: *Director for Legal Issues*

Share in the Issuer's stockholders' equity: *0.00018%*
Number of the Issuer's shares that could be purchased as result of option to buy: *no options*
Shares in the Issuer's subsidiaries/affiliates: *none*
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: *no options*
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: *no*

Valery A. Mamyshev

Year of birth: **1941**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 2000**

Organization: **NLMK**

Title: **Deputy Director for Metallurgy, Head of Production Department**

Period: **2000 - up to now**

Organization: **NLMK**

Title: **Director for Production**

Share in the Issuer's stockholders' equity: **0.00017%**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Gennady I. Markin

Year of birth: **1952**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 2002**

Organization: **NLMK**

Title: **Director for Finance**

Period: **2002 – up to now**

Organization: **NLMK**

Title: **Director for Personnel and General Issues**

Share in the Issuer's stockholders' equity: **0.00033%**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Vladislav A. Smirnov

Year of birth: **1949**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - up to now**

Organization: **NLMK**

Title: **Director of Power Division**

Share in the Issuer's stockholders' equity: **none**
Number of the Issuer's shares that could be purchased as result of option to buy: **no options**
Shares in the Issuer's subsidiaries/affiliates: **none**
Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**
Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Alexander A. Sokolov

Year of birth: **1961**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 1999**

Organization: **NLMK**

Title: **Head of Internal Audit Department**

Period: **1999 - 2000**

Organization: **NLMK**

Title: **Director for Accounting, Reporting and Audit – Chief Accountant**

Period: **2000 - up to now**

Organization: **NLMK**

Title: **Director for Accounting – Chief Accountant**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Vladimir A. Tretyakov

Year of birth: **1960**

Education: **post-graduate vocational**

Titles for the last 5 years:

Period: **1998 - 2000**

Organization: **The Lipetsk State Technical University**

Title: **Professor at Rolling Faculty**

Period: **2000 – up to now**

Organization: **NLMK**

Title: **Director for IT**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no**

options

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

Pavel P. Chernov

Year of birth: **1947**

Education: ***post-graduate vocational***

Titles for the last 5 years:

Period: **1998 - 1998**

Organization: ***Moscow office of OWPV concern***

Title: ***Senior research officer***

Period: **1998 - 1999**

Organization: ***OOO "Larmet"***

Title: ***Principal officer for ferrous industry***

Period: **1999 - 2000**

Organization: ***OOO "Rumelko"***

Title: ***Senior expert of New Technologies Appraisal Department***

Period: **2000 - up to now**

Organization: ***NLMK***

Title: ***Director for Technology and Quality***

Share in the Issuer's stockholders' equity: **0.00017%**

Number of the Issuer's shares that could be purchased as result of option to buy: ***no options***

Shares in the Issuer's subsidiaries/affiliates: ***none***

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: ***no options***

Kinship with any member of the Issuer's authorities and/or financial activity control bodies: **no**

The person acting as single executive body of the Issuer: *Ivan V. Frantsenuik*

5.3. Information on bonuses, privileges and / or refund of charges to each Management body of the Issuer.

5.4. Information on structure and competence of controlling authorities over financial performance of the Issuer.

The Auditing Committee and Internal Audit Service exercise control over the financial and economic activities of the Company.

The Auditing Committee consists of five persons, is elected for a period of one year and carries out its activities in accordance with the Regulations on the Auditing Committee approved by the General Shareholders Meeting upon presentation by the Board of Directors.

The Regulations on the Auditing Committee regulate the Auditing Committee procedures, the authority of its members, the rate and order of fees payment and expenses reimbursement to members of the Auditing Committee.

Members of the Auditing Committee of the Company cannot simultaneously be members of the

Board of Directors of the Company or hold any other posts in management bodies of the Company.

Audit of financial and economic activities of the Company is based on the results of a year of business and is made at any time on initiative of the Auditing Committee of the Company and by the decision of the General Shareholders Meeting, the Board of Directors or at the request of a shareholder(-s) owning in the aggregate at least ten per cent of voting shares of the Company.

The Auditing Committee makes an audit of financial and economic activity of the Company in order to verify conformity of the information of the financial statements to norms and requirements of the effective legislation, internal regulatory documents, performs selective investigation of proofs attesting figures of accounting and notes to financial statements.

Upon results of the Company's financial and economic activity auditing the Committee makes a report on authenticity of the data of the annual report, balance sheet, income statement of the Company.

The Internal Audit Department established under Order of the Director General dd. 17.04.1997, is administratively subordinated to the Director General.

The competence of the Internal Audit Department covers:

- auditing of financial and economic, commercial and production activity of the Company's divisions;*
- evaluation of process related to acquisition, storage, protection and the Company's resource conservation;*
- detection of possible delinquencies, frauds and abuses of the Company's official actions and reporting to the Company's managers on results;*
- evaluation of internal control system as regards to efficiency of operations in the normal course of business.*

Members of the Management Board are informed upon their competency on the results of the auditing. The Board of Directors is informed in case of any material breach.

In process of its activity Internal Audit Department cooperates with auditing firms working for the Company on contract basis.

5.5. Information on members of controlling authorities over financial performance of the Issuer.

Members of the Company's Auditing Committee:

Valery S. Kulikov

Year of birth: **1963**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 1999**

Organization: **NLMK**

Title: **Deputy Head of Internal Audit Department**

Period: **1999 - 2000**

Organization: **NLMK**

Title: **Head of Internal Audit Department**

Period: **2000 - up to now**

Organization: **NLMK**

Title: **Director for audit**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies, any member of the Board of Directors, any member of corporate body, any person being a single executive body: **no**

Igor A. Matsak

Year of birth: **1970**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 2001**

Organization: **NLMK**

Title: **Chief economist, Head of Department**

Period: **2001 - up to now**

Organization: **NLMK**

Title: **Deputy Director for audit**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies, any member of the Board of Directors, any member of corporate body, any person being a single executive body: **no**

Olga N. Savushkina

Year of birth: **1951**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - up to now**

Organization: **NLMK**

Title: **Chief economist, chief auditor**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies, any member of the Board of Directors, any member of corporate body, any person being a single executive body: **no**

Dmitry V. Melnov

Year of birth: **1969**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 2002**

Organization: **ZAO "Russian metallurgical company"**

Title: **Deputy Director**

Period: **2002 - up to now**

Organization: **Magnitogorsk Iron & Steel Works**

Title: **Deputy Chief Accountant**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies, any member of the Board of Directors, any member of corporate body, any person being a single executive body: **no**

Natalia V. Kurasevich

Year of birth: **1961**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1998 - 1999**

Organization: **OAO "Orient Ltd."**

Title: **Chief Accountant**

Period: **1999 - up to now**

Organization: **NLMK**

Title: **Auditor of the 1st category, chief auditor**

Share in the Issuer's stockholders' equity: **none**

Number of the Issuer's shares that could be purchased as result of option to buy: **no options**

Shares in the Issuer's subsidiaries/affiliates: **none**

Number of the subsidiaries / affiliates' shares that could be purchased as result of option to buy: **no options**

Kinship with any member of the Issuer's authorities and/or financial activity control bodies, any member of the Board of Directors, any member of corporate body, any person being a single executive body: **no**

5.6. Information on bonuses, privileges and / or refund of charges to each controlling body over financial performance of the Issuer

Bonuses paid to members of the Company's Auditing Committee for the last closed financial year:

Wages (RUR): **0**

Bonuses (RUR): **0**

Commissions (RUR): **0**

Privileges and / or refund of charges: **0**

Other real estate provisions (RUR): **0**

Bonuses can be paid and (or) charges can be refund to members of the Company's Auditing Committee related to the period of their duties discharge by decision of the General Shareholders' Meeting. The value of these bonuses and compensation is established by decision of the General Shareholders' Meeting (Chapter 9. Article 44. The Company's Statute).

5.7. Information on staff and generalized data on education and personnel (employees) of the Issuer, as well as on changes in personnel (employees) of the Issuer.

<i>Description of the index</i>	<i>Reporting period</i>
Average staff, men	40623
Amount of cash allocated to remuneration of labor, RUR	1 039 805 823 (amount of gross payroll for III quarter)
Amount of cash allocated to social security, RUR.	351 469 938 (amount of accrued single social tax and insurance fees for mandatory social insurance on accidents on production sites and occupational diseases)
Total cash spent, RUR.	1 391 275 761

Information on personnel (employees) of the Issuer depending on their age and education.

<i>Description of the index</i>	<i>Reporting period</i>
Personnel (employees) under 25, %	7,5
Personnel (employees) between 25 and 35, %	24,5
Personnel (employees) between 35 and 55, %	61,0
Personnel (employees) over 55, %	7,0
Total:	100
of those:	
with secondary and/or full general education, %	18,2
with elementary and/or secondary vocational education, %	60,6
with higher vocational education, %	20,9
with post-graduate education, %	0,3

NLMK's employees established a Trade Union branch of Mining and Steel-making trade union of Russia.

5.8. Information on any commitments of the Issuer to personnel (employees) related to possibility of their share in stockholders' capital (unit fund) of the Issuer.

There are no agreements or commitments of the Issuer related to possibility of its employees having a share in its stockholders' capital.

VI. Information on shareholders of the Issuer and transactions of the Issuer in which it expressed its interest.

6.1. Information on total number of shareholders of the Issuer.

Number of persons registered in shareholders register as of the date of reporting quarter end – **12 093**,
inclusive:
nominal holders – 7.

6.2. Information on shareholders of the Issuer having not less than 5 per cent of its stockholders' capital (unit fund) and not less than 5 per cent of its common stock as well as information on shareholders having not less than 20 per cent of its stockholders' capital (unit fund) or not less than 20 per cent of its common stock.

Shareholders having not less than 5 per cent of the Issuer's stockholders' capital or not less than 5 per cent of its common stock:

Full name: *Closed joint-stock company "Stinol-Invest" (nominal shareholder).*

There is no information on shareholders having not less than 5% of NLMK's stockholders' capital or not less than 5 per cent of its common stock the interest of whom is presented by Stinol-Invest".

Legal address: **2, pl. Metallurgov, Lipetsk 398040**

Share in the Issuer's stockholders' capital: **95.59 % (nominal shareholder)**

Share of the Issuer's own common stock: **95.59 % (nominal shareholder)**

6.3. Information on the state stake or municipal share in stockholders' capital of the Issuer (unit fund) and availability of a special right ("golden share").

The state (federal stake, stake of the RF units) stake in stockholders' capital equals to **0.03%**

Name of the state stake administrator: **Lipetsk Region Property Fund**

Legal address of the state stake administrator: **2, ul. Skorokhodova, Lipetsk 398019 Russia**

Availability of special right for stake of the Russian Federation, units of the Russian Federation, municipal units in the Issuer controlling (golden share):

not provided for

6.4. Information on limitations imposed on stake in stockholders' capital (unit fund) of the Issuer.

There are not limitations imposed on stake in the Issuer's stockholders' capital expressed in the Company's Statute.

6.5. Information on changes in structure and shares of shareholders of the Issuer having not less than 5 per cent of its stockholders' capital (unit fund) or not less than 5 per cent of its common stock.

Shareholders having not less than 5 per cent of NLMK's stockholders' capital as of the date of list with persons having the right to participate in each General Shareholders' Meeting conducted for 5 last completed fiscal years:

Shareholders having the right to participate in Extraordinary Shareholders' Meeting dd. March 14, 1998 (date of list with persons having the right to participate in General Shareholders' Meeting – January 29, 1998):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>RAIFFEISEN ZENTRALBANK OSTERREICH AG</i>	<i>18,42</i>
2.	<i>MINISTRY OF PROPERTY OF THE RUSSIAN FEDERATION</i>	<i>14,84</i>
3.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
4.	<i>RENAISSANCE NOMINEES (CYPRUS) LIMITED</i>	<i>10,21</i>
5.	<i>CLOSED JOINT-STOCK COMPANY «NOVOINTERGAS»</i>	<i>6,63</i>
6.	<i>CLOSED JOINT-STOCK COMPANY «KASMET»</i>	<i>6,60</i>
7.	<i>AGRISTAL LTD.</i>	<i>6,04</i>
8.	<i>WANION INVESTMENTS LIMITED</i>	<i>5,33</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of August 01, 1998 (date of list with persons having the right to participate in General Shareholders' Meeting – June 16, 1999):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>CAMBRIDGE CAPITAL MANAGEMENT LTD</i>	<i>18,42</i>
2.	<i>MINISTRY OF PROPERTY OF THE RUSSIAN FEDERATION</i>	<i>14,84</i>
3.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
4.	<i>RENAISSANCE NOMINEES (CYPRUS) LIMITED</i>	<i>10,21</i>
5.	<i>GREENSLADE TRADING AND INVESTMENTS LIMITED</i>	<i>6,91</i>
6.	<i>CLOSED JOINT-STOCK COMPANY «KASMET»</i>	<i>6,32</i>
7.	<i>AGRISTAL LTD.</i>	<i>6,04</i>
8.	<i>WANION INVESTMENTS LIMITED</i>	<i>5,33</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of September 11, 1999 (date of list with persons having the right to participate in General Shareholders' Meeting – July 23, 1999):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>
2.	<i>PARBURY TRADING LIMITED</i>	<i>18,42</i>
3.	<i>БОУЛАНД ИНВЕСТМЕНТС ЛИМИТЕД</i>	<i>17,10</i>
4.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
5.	<i>WANION INVESTMENTS LIMITED</i>	<i>10,18</i>
6.	<i>GREENSLADE TRADING AND INVESTMENTS LIMITED</i>	<i>6,91</i>
7.	<i>FENWAY SERVICES LIMITED</i>	<i>6,62</i>
8.	<i>TRADALCO SA</i>	<i>5,05</i>

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of June 03, 2000 (date of list with persons having the right to participate in General Shareholders' Meeting – April 18, 2000):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>
2.	<i>OMNISPECT LIMITED</i>	<i>18,42</i>
3.	<i>BOWLAND INVESTMENTS LIMITED</i>	<i>17,10</i>
4.	<i>BRIGHTWOOD VENTURES LIMITED</i>	<i>17,10</i>
5.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
6.	<i>RAGON ENTERPRISES LIMITED</i>	<i>6,62</i>
7.	<i>TRADALCO SA</i>	<i>5,05</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of July 09, 2000 (date of list with persons having the right to participate in General Shareholders' Meeting – May 24, 2000):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>

2.	KM TECHNOLOGIES (OVERSEAS) LIMITED	19,99
3.	OMNISPECT LIMITED	18,42
4.	S.M.U. HOLDING SA	10,62
5.	NORILSK MINING COMPANY	9,00
6.	RAGON ENTERPRISES LIMITED	6,62
7.	VALUE TRADING LIMITED	5,20
8.	TRADALCO SA	5,05

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of October 21, 2000 (date of list with persons having the right to participate in General Shareholders' Meeting – August 31, 2000):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	KM TECHNOLOGIES (OVERSEAS) LIMITED	19,99
2.	SILENER MANAGEMENT LTD	18,42
3.	S.M.U. HOLDING SA	14,43
4.	VEFT ENTERPRISES LIMITED	10,59
5.	NORILSK MINING COMPANY	9,00
6.	CASTELLE INVESTMENTS LIMITED	6,62
7.	RADLEY ENTERPRISES LIMITED	5,51
8.	VALUE TRADING LIMITED	5,20
9.	PROSUN CO LIMITED	5,03

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 30, 2001 (date of list with persons having the right to participate in General Shareholders' Meeting – May 14, 2001):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,42
2.	Stahl-und Metallunternehmensholding S.A.	14,43
3.	Clayton Import & Export S.A.	11,90
4.	VEFT ENTERPRISES LIMITED	10,74
5.	Bowland Investments Limited	9,08
6.	Mining Company "Norilsk Nickel"	9,00
7.	CASTELLE INVESTMENTS LIMITED	6,62
8.	RADLEY ENTERPRISES LIMITED	5,51
9.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of April 06, 2002 (date of list with persons having the right to participate in General Shareholders' Meeting – February 13, 2002):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	KM TECHNOLOGIES (OVERSEAS) LIMITED	19,99
2.	SILENER MANAGEMENT LTD	18,98
3.	Stahl-und Metallunternehmensholding S.A.	14,43
4.	VEFT ENTERPRISES LIMITED	10,81
5.	MINING COMPANY "NORILSK NICKEL"	9,00
6.	CASTELLE INVESTMENTS LIMITED	6,62
7.	RADLEY ENTERPRISES LIMITED	5,51
8.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 28, 2002 (date of list with persons having the right to participate in General Shareholders' Meeting – May 13, 2002):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,98
2.	VEFT ENTERPRISES LIMITED	10,81
3.	CASTELLA INVESTMENTS LIMITED	10,05
4.	LIMTAN INVESTMENTS LIMITED	9,99
5.	CLOSED JOINT-STOCK COMPANY "LKB-INVEST"	9,01
6.	ULTIMEX TRADING LIMITED	8,29
7.	RADLEY ENTERPRISES LIMITED	8,23

8.	OMNILAX HOLDINGS LIMITED	7,59
9.	AHERON INVESTMENTS LIMITED	7,59
10	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 27, 2003 (date of list with persons having the right to participate in General Shareholders' Meeting – May 12, 2003):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,98
2.	VEFT ENTERPRISES LIMITED	12,30
3.	CASTELLA INVESTMENTS LIMITED	10,05
4.	LIMTAN INVESTMENTS LIMITED	9,99
5.	ULTIMEX TRADING LIMITED	8,28
6.	RADLEY ENTERPRISES LIMITED	8,23
7.	OMNILAX HOLDINGS LIMITED	7,59
8.	AHERON INVESTMENTS LIMITED	7,59
9.	CLOSED JOINT-STOCK COMPANY "LKB-INVEST"	7,51
10.	PROSUN CO. LIMITED	5,03

6.6. Information on transactions by the Issuer in which it took interest.

For the reporting quarter NLMK's Board of Directors approved 5 transactions in which interest had been expressed.

In the reporting quarter there were no transactions (a group of related transactions), which were of interest for the Issuer and decisions on approval of those transaction were not made by corresponding management bodies of the Company.

6.7. Information on amount of accounts receivable.

Total accounts receivable as of 30.09.2003 accounted for 10 892 049 thousand RUR inclusive of past-due accounts receivable - 318 291 thousand RUR.

Structure of the Issuer's accounts receivable

Type of accounts receivable	Maturity date						Total
	less than 30 days	from 30 to 60 days	from 60 to 90 days	from 90 to 180 days	from 180 days to 1 year	over 1 year	
<i>Accounts receivable, total, inclusive of:</i>							
<i>buyers and customers</i>	4 515 765	3 444 173	2 781 468	13 374	1 036	136 233	10 892 049
<i>bills receivable</i>	-	-	-	-	-	-	-
<i>debt of subsidiaries and affiliated companies</i>	68 883	-	-	-	-	45 010	113 893
<i>debt of shareholders upon contributions to stockholders; capital</i>	-	-	-	-	-	-	-
<i>advance payments made</i>	274 026	124 322	1 420 973	8 907	20	-	1 828 248
<i>other debtors</i>	1 158 111	208 167	1 305 638	160	200	26 442	2 698 718

Debtors with a share of not less than 10% of total accounts receivable:

1. Name: **STEELCO MEDITERIAN TRADING LTD**
Address: **Orpheos street, 10A-C, Nicosia, Cyprus**
Accounts receivable: **2 452 127 thousand RUR**

inclusive of:
past-due accounts receivable: *no*

2. Name: **TUSCANY INTERTRADE (UK)**
Address: **24, Great King Street, Edinburg, Great Britain**
Accounts receivable: **2 111 703 thousand RUR**
inclusive of:
past-due accounts receivable: *no*

3. Name: **IMMENSO ENTERPRISES LIMITED**
Address: **apartment 202, 2nd floor, 24 Pindary Street, Nicosia 1060 Cyprus**
Accounts receivable: **1 185 030 thousand RUR**
inclusive of:
past-due accounts receivable: *no*

VII. Financial Statements of the Issuer and other financial information.

7.1. Annual Report of the Issuer.

Is not presented.

7.2. Quarterly financial statements of the Issuer for the last reporting quarter.

The quarterly Financial Statements cover:

- *Balance Sheet – Form No.1;*
- *Income Statement – Form No. 2.*

Quarterly Financial Statements of the Issuer for the reporting quarter have been prepared according to the principles of the Russian Law.

BALANCE SHEET

as of **September 30, 2003**

Organization: **Novolipetsk Iron & Steel Corporation**

ID of taxpayer

Activity:

Organizational – legal form / property form: **Open joint stock company / Joint federal and foreign property**

Units: **thousand roubles** ('000 RUR)

Form No. 1 under OKUD

Date (year, month, date)

under OKPO

INN

under OKPD

under

OKOPF/OKFS

under OKEI

Codes

0710001

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ASSETS	Line code	At reporting period beginning	At reporting period end
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets (04, 05)	110	7 994	8 002
patents, licenses, trade marks (service signs), other similar rights and assets	111	7 994	8 002
organization costs	112	-	-
goodwill	113	-	-
Fixed assets (01, 02, 03)	120	11 440 745	13 514 450
land and natural resources	121	1 044 780	1 044 780
buildings, machinery, and equipment	122	10 395 965	12 469 670
Construction in progress (07, 08, 16, 61)	130	5 635 391	6 019 445
Income-bearing investments into non-monetary items (03)	135	24 006	16 173

real estate for leasing	136	24 006	16 173
real estate for rent	137	-	-
Long-term financial investments (06,82)	140	4 434 652	3 502 405
investments into subsidiaries	141	511 884	613 919
investments into affiliated companies	142	55	55
investments into other entities	143	1 534 609	352 925
loans granted to entities for over 12 months	144	2 223 351	2 222 179
other long-term financial investments	145	164 753	313 327
Other non-current assets	150	9	19 338
TOTAL for Section I	190	21 542 797	23 079 813
II. CURRENT ASSETS			
Inventories	210	7 030 647	8 693 310
raws, materials and other valuables (10, 12, 13, 16)	211	4 379 169	5 474 619
animals in growing and feeding (11)	212	14 104	-
expenses on work in progress (distribution costs) (20, 21, 23, 29, 30, 36, 44)	213	2 289 539	2 635 098
finished products and goods for reselling (16, 40, 41)	214	214 806	298 315
goods shipped (45)	215	53	51
deferred expenses (31)	216	132 976	241 550
other inventories and expenses	217	-	43 677
VAT for values acquired (19)	220	1 589 887	1 406 152
Accounts receivable (payments due for over 12 months from the reporting date)	230	119 511	94 001
buyers and customers (62, 76, 82)	231	60 290	48 991
bills receivable (62)	232	-	-
arrears of affiliated companies and subsidiaries (78)	233	45 010	45 010
advance payments made (61)	234	-	-
other receivables	235	14 211	-
Accounts receivable (payments due within 12 months from the reporting date)	240	6 423 849	9 525 259
buyers and customers (62, 76, 82)	241	5 126 354	6 202 199
bills receivable (62)	242	-	-
arrears of affiliated companies and subsidiaries (78)	243	236 639	68 883
members' (promoters') arrears for contribution to the stockholders' equity (75)	244	-	-
advance payments made (61)	245	504 939	555 459
other receivables	246	555 917	2 698 718
Short-term financial investments (56,58,82)	250	4 855 206	20 618 614
loans granted to organizations for less than 12 months	251	-	-
repurchase of shares	252	-	-
other short-term financial investments	253	4 855 206	20 618 614
Cash and cash equivalents	260	7 433 183	2 412 426
petty-cash (50)	261	2 342	604
bank accounts (51)	262	432 235	103 193
currency bank accounts (52)	263	577 105	445 332
other cash and cash equivalents (55, 56, 57)	264	6 421 501	1 863 297
Other current assets	270	16 545	32 503
TOTAL for Section II	290	27 468 828	42 782 265
BALANCE (sum of lines 190 + 290)	300	49 011 625	65 862 078

LIABILITIES	Line code	At reporting period beginning	At reporting period end
1	2	3	4
III. CAPITAL AND RESERVES			
Stockholders' equity (85)	410	5 987	5 987
Additional paid-in capital (87)	420	10 589 911	10 510 130
Reserved capital (86)	430	898	898
reserve funds established according to the law	431	898	898
reserve funds established according to constitutive documents	432	-	-
Social funds (88)	440	-	-
Purpose financing and earnings (96)	450	-	-
Retained profits of the last years (88)	460	34 269 722	32 398 710
Retained loss of the last years (88)	465	-	-
Retained profits of the reporting year (88)	470	-	17 296 621
Retained loss of the reporting year (88)	475	-	-
TOTAL for Section III	490	44 866 518	60 212 346

IV. LONG-TERM LIABILITIES			
Borrowings and credits (92, 95)	510	-	-
bank credits with repayment due more than 12 months after the reporting date	511	-	-
borrowings with repayment due more than 12 months after the reporting date	512	-	-
Other long-term liabilities	520	94 494	94 494
TOTAL for Section IV	590	94 494	94 494
V. SHORT-TERM LIABILITIES			
Borrowings and credits (90, 94)	610	-	-
bank credits with repayment due within 12 months after the reporting date	611	-	-
borrowings with repayment due within 12 months after the reporting date	612	-	-
Accounts payable	620	4 041 613	5 511 272
suppliers and contractors (60, 76)	621	833 481	959 952
bills payable (60)	622	-	-
arrears to affiliated companies and subsidiaries (78)	623	669 792	740 031
wages and salaries (70)	624	174 032	207 095
social insurance and security (69)	625	80 634	97 909
arrears to the state budget (68)	626	635 778	914 765
advance payments received (64)	627	1 272 670	2 490 132
other creditors	628	375 226	101 388
Settlements in dividends (75)	630	-	15 202
Deferred income (83)	640	9 000	28 764
Reserves for deferred expenses (89)	650	-	-
Other short-term liabilities	660	-	-
TOTAL for Section V	690	4 050 613	5 555 238
BALANCE (sum of lines 490 + 590 + 690)	700	49 011 625	65 862 078

REFERENCE ON VALUABLES AVAILABILITY ON OFF-BALANCE ACCOUNTS

Name	Line code	At reporting period beginning	At reporting period end
1	2	3	4
Fixed assets rented (001)	910	499 883	849 096
including leasing	911	161 803	434 538
Inventory items accepted for storage (002)	920	5 537	6 192
Raw materials accepted for processing (004)	930	-	15 545
Debt of insolvent debtors written off to loss (007)	940	102 684	102 012
Security of liabilities and payments received (008)	950	3 584 322	4 527 084
Security of liabilities and payments made (009)	960	186 611	448 095
Depreciation of housing facilities (014)	970	20 076	20 076
Wear of stairs, pavements, blind areas and the same (015)	980	-	-
Materials accepted for reprocessing (003)	981	481	481
Document sheets of strict reporting (006)	982	46	43
Fixed assets in rent (021)	983	28 929	28 929
Intangible assets received for use	984	1 819	4 774

INCOME STATEMENT

for the **first nine months of 2003**

Organization: **Novolipetsk Iron & Steel Corporation**

ID of taxpayer

Activity:

Organizational – legal form / property form: **Open joint stock company / Joint federal and foreign property**

Units: **thousand roubles ('000 RUR)**

Form № 2 under OKUD

Date (year, month, date)

under OKPO

INN

under OKPD

under

OKOPF/OKFS

under OKEI

Codes

0710002

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by shipment

Name	Line code	For the reporting period	For the similar period of the last
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			year
1	2	3	4
I. Revenues and expenses on common activity			
Revenues (net) on sales of goods, products, and services (net of VAT, excises and similar mandatory payments)	010	55 015 748	36 655 235
including sales of ferrous metals	011	54 422 925	36 066 873
Sales cost of goods, products, works, and services	020	(31 101 891)	(24 242 691)
including ferrous metals sold	021	(30 592 923)	(23 579 593)
Gross profit	029	23 913 857	12 412 544
Trade expenses	030	(832 564)	(672 811)
Administrative expenses	040	-	-
Sales income (loss) on sales (lines (010 - 020 - 030 - 040))	050	23 081 293	11 739 733
II. Operating income and expenses			
Interest receivable	060	474 800	88 393
Interest payable	070	-	-
Income on stakes in other enterprises	080	2 291	20 461
Other operating income	090	20 345 186	17 049 108
Other operating expenses	100	(20 503 668)	(17 073 227)
III. Extra-sales income and expenses			
Extra-sales income	120	1 009 996	707 578
Extra-sales expenses	130	(1 818 513)	(414 092)
Income (loss) before taxation (lines 050 + 060 - 070 + 080 + 090 - 100 + 120 - 130)	140	22 591 385	12 117 954
Profit tax and other similar mandatory payments	150	(5 374 782)	(2 337 230)
Income (loss) from common activity	160	17 216 603	9 780 724
IV. Contingent income and expenses			
Contingent income	170	356	-
Contingent expenses	180	(120)	-
Net income (retained income (loss) of the reporting period) (lines (160 + 170 - 180))	190	17 216 839	9 780 724

DESCRIPTION OF SOME PROFITS AND LOSSES

Name	Line code	For the reporting period		For the similar period of the last year	
		Profits	Loss	Profits	Loss
1	2	3	4	5	6
Penalties, fines and forfeits acknowledged or upon which arbitration decision made about their collection	210	8 285	5 562	7 428	4 524
Profits (loss) of the previous years	220	20 670	20 968	16 252	23 272
Payment of damages caused by failure or undue fulfillment of liabilities	230	81	472	202	460
Exchange differences in currency operations	240	950 996	1 511 195	481 826	149 220
Cost reduction of inventories at reporting period end	250	-	1	-	48
Writing-off of accounts receivable and payable with expired period of limitation	260	2	583	-	551

7.3. Consolidated Financial Statements of the Issuer for the last completed fiscal year.

According to requirements of expediency the Company did not prepare Consolidated Financial Statements as of 31.12.2002 as balance sheet data and financial performance of subsidiaries and affiliated companies did not exceed the limits of importance defined under Methodical recommendations "On preparation and submission of Consolidated Financial Statements", approved by Order of the RF Ministry of Finance No. 112 dd. December 30, 1996.

7.4. Information on total export as well as on share of export in total sales.

For 9 months of 2003 NLMK's export accounted for 6 736,6 thousand tons. Sales proceeds received by NLMK from export were RUR 32 204 mln. which was 58,5% of total sales proceeds.

7.5. Information on material changes in the Issuer's property after the date of the complete financial year end.

There were no significant changes in the Company's property after 31.12.2002.

7.6. Information on the Issuer participation in any legal procedures if this participation could have significantly affected his financial performance.

Within three years before the date of the reporting quarter end there were no legal procedures the Company's participation in which could affect its financial performance.

VIII. Additional information on the Issuer and on issued securities placed by him.

8.1. Additional information on the Issuer.

8.1.1. Information on amount, structure of stockholders' capital (unit fund) of the Issuer.

Amount of the Issuer's stockholders' capital (RUR): **5 987 240**

Breakdown of stockholders' capital by share categories:

Common stock:

Total (RUR): **5 987 240**

Share in stockholders' capital: **100 %**

Privileged stock:

Total (RUR): **0**

Share in stockholders' capital: **0 %**

8.1.2. Information on changes in stockholders' capital amount (unit fund) of the Issuer.

None.

8.1.3. Information on generation and use of reserve fund as well as other Issuer's funds.

The Company generates a reserve fund of not less than 5 per cents of its stockholders' equity. Size of the reserve fund shall be determined by decision made by the Board of Directors. The Company's reserve fund is generated by mandatory annual allocations. Annual allocations are not less than 5 (five) per cents of net profit before it achieves the size of a reserve fund, defined by the Board of Directors of the Company according to the Company's Statute.

There is a reserve fund at NLMK of 898 thousand RUR which accounts for 15% of the Company's stockholders' equity.

Within the reporting period there were no allocations to reserve fund as well as it was not used.

There were no other funds to be generated at NLMK out of its net profit.

8.1.4. Information on procedure of convening and conduct of a meeting of the Issuer's supreme management body

The Issuer's management body: *The Supreme governing organ of the Company is the General Shareholders' Meeting.*

Procedure of shareholders (participants) notification on convocation of General Shareholders' Meeting: *A message on convocation of General Shareholders' Meeting is brought to notice of the shareholders under decision of the Board of Directors by publication of the information in newspaper «Gazeta», newspaper «Metallurg» and in web-site of NLMK in Internet. The message on General Shareholders' Meeting convocation shall be published not later than 20 days prior to the date of the Meeting.*

In case there is an issue of the Company's reorganization in the agenda the message on the General Shareholders' Meeting holding shall be published not later than 30 days prior to the date of the Meeting.

In case there is an issue of the Company's Board of Directors election in the agenda of the Extraordinary Shareholders' Meeting the message on the General Shareholders' Meeting holding shall be published not later than 50 days prior to the date of the Meeting.

The shareholders owning one and more per cents of the Company's shares as well as nominal shareholders are informed in written on the meeting. The written notifications are sent by the registered mail not later the date stated in this clause.

Persons (bodies) having the right to summon (demand) Extraordinary Shareholders' Meeting as well as the procedure of raising a demand: *The Extraordinary Shareholders' Meeting is held upon decision of the Board of Directors on the basis of its own initiative, demand of the Auditing Committee, Auditor as well as shareholders (shareholder) owning not less than 10 per cent of the Company's voting shares as of the date of the demand. The Extraordinary Shareholders's Meeting is summoned by the Board of Directors and must be held within 40 days from the date of a/m demand made by Auditing Committee, Auditor or shareholders in respect of the Extraordinary Shareholders' Meeting holding. In case of the Company's Board of Directors members election in the agenda to the Extraordinary Shareholders' Meeting as well as in case the Board of Directors is liable to make a decision on holding of the Extraordinary Shareholders' Meeting under the Federal Law "On joint-stock companies" to elect Board members this Shareholders' Meeting should be held within 70 days from the date of corresponding demand or decision of the Board to hold the Meeting.*

A request for holding of Extraordinary Meeting shall contain worded issues to be included into Meeting agenda. The request for holding of Extraordinary Meeting can contain worded decisions on each of these issues as well as offers on form of Shareholders' Meeting.

The Board of Directors is not entitled to change wording of agenda issues, wording of decisions on such issues and change offered form of Extraordinary Shareholders' Meeting being convened upon the request of the Auditing Committee, Auditor or shareholders (shareholder) being owner of not less than 10 per cent of the Company's voting shares.

Should request for the Extraordinary Meeting be submitted by shareholders (shareholder) it shall include the name of shareholders (shareholder), requiring the convocation, the quantity and type (category) of the shares belonged to them (him/her).

Request for the Extraordinary Meeting shall be signed by persons (person) who require Extraordinary Meeting convocation.

The Board of Directors shall make a decision on convocation of the Extraordinary Meeting or on refuse to call it within five days from the date of the request submission by the Auditing Committee, Auditor or shareholders (shareholder) being owners of not less than 10 per cent of the Company's voting shares.

Decision on refuse to convene the Extraordinary Shareholders' Meeting upon the request of the Auditing Committee, Auditor or shareholders (shareholder) being owners of not less than 10 per cent of the Company's voting shares can be made in case:

- *the procedure of the request submission on convocation of the General Shareholders' Meeting has been violated;*
- *shareholders (shareholder) demanding summation of the Extraordinary Shareholders' Meeting do not possess the required quantity of the Company's voting shares;*

- *none of the issues put forward to be included into the agenda of the Extraordinary Meeting does not refer to its competence and (or) does not correspond to requirements of the Federal Law «On joint-stock companies» and other legal acts of the Russian Federation.*

Decision of the Board of Directors on summoning of the Extraordinary Meeting or justified decision to refuse to call it is sent to persons who require its convocation by a registered mail with notice of receipt not later than 3 days from the date of the decision – making.

Should the decision on the Extraordinary meeting convocation be not made or should the decision to refuse to call the Extraordinary Meeting be made within the stated period by the Board of Directors, the Extraordinary Meeting could be summoned by persons or bodies demanding its convocation.

The procedure of the Meeting date definition: *Definition of the General Shareholders' Meeting date refers to exclusive competence of the Board of Directors.*

Regular Annual Shareholders' Meeting is convened not earlier than in two months and not later than in six months after the end of a financial year. Extraordinary Shareholders' Meeting can be summoned alongwith a regular annual meeting.

Date, time and place of the General Shareholders' Meeting, the procedure of its preparation and holding shall be determined by the Board of Directors under provisions of the Company's Statute and Rules of Shareholders' Meeting holding.

Persons entitled to make proposals to agenda of the Issuer's management body meeting as well as the procedure of these offers submission: *Shareholders (a shareholder), being owner of not less than 2 per cent of the Company's voting shares in aggregate are entitled to make proposals to agenda of Annual General Shareholders' Meeting and put forward candidate members to the Board of Directors, the Auditing Committee and Returning board of the Company the number of which cannot exceed the number of respective body members as well as candidate Director General. Such proposals must be received by the Company not later than in 30 days after the date of a financial year end.*

In case of election of the Company's Board of Directors among issues of the agenda to the Extraordinary shareholders' Meeting shareholders (a shareholder) being owners of not less than 2 percent of the Company's voting shares in aggregate are entitled to propose candidate members to the Board of Directors the number of which cannot exceed the number of the Company's Board. Such proposals must be received by the Company not later than 30 days prior to the date of the Extraordinary Shareholders' Meeting.

A proposal on including of issues into the agenda of the General Shareholders' Meeting and a proposal on candidates shall be made in written, shall indicate the name of shareholders (shareholder), demanding it, the quantity and type (category) of the shares belonged to them (him/her) and shall be signed.

A proposal to enter issues to the agenda of the General Shareholders' Meeting shall contain wording of each proposed issue, while a proposal on candidates shall contain name of each proposed candidate, name of body to which that candidate is stated, other data on him/her provided for by internal documents of the Company as well as written consent of a candidate to take the title. A proposal on entering of issues into agenda of the General Shareholders' Meeting can include wording of decision on each proposed issue.

The Company's Board of Directors is liable to consider received proposals and make a decision on inclusion of them into the agenda of the General Shareholders' Meeting or refusal to include into the agenda not later than 5 days after deadlines stated in the Company's Statute for inclusion of proposals into the stated agenda of the Annual General Shareholders' Meeting and Extraordinary General Shareholders' Meeting. An issue proposed by shareholders (a shareholder) is subject to entering the agenda of the General Shareholders' Meeting as well as proposed candidates are subject to entering a slate for voting on election to respective bodies of the Company except if:

- *shareholders (a shareholder) have violated terms established by the Company's Statute;*
- *shareholders (a shareholder) are not owners of number of the Company's voting shares provided for by the Company's Statute;*
- *a proposal is not in conformity with the requirements of the Company's Statute;*
- *an issue proposed for agenda of the General Shareholders' Meeting is not referred to its competence and (or) is not in conformity with the requirements of the Federal Law «On joint-stock companies» and other legal acts of the Russian Federation.*

Justified decision of the Company's Board of Directors on refusal to include the proposed issue into

the agenda of the General Shareholders' Meeting or a candidate shall be sent to shareholders (shareholder) who put forward the issue or candidate not later than three days from the date of its receipt.

The Board of Directors is not entitled to change wording of agenda issues, wording of decisions on such issues.

Besides issues offered to be included into agenda of the General Shareholders' Meeting as well as in case of absence of such issues, absence or insufficient quantity of candidates offered by shareholders to form corresponding body, the Board of Directors has the right to include issues or candidates into the slate into the agenda of the General Shareholders' Meeting at its discretion.

Persons which have the right to get acquainted with information (materials) presented for preparation and conducting of Supreme Management Body Meeting as well as procedure of getting acquainted with such information (materials):

Persons having the right to participate in the General Shareholders' Meeting can receive information (material) subject to presentation in preparation of General Shareholders' Meeting for getting acquainted in the room of the Company's executive body and at places the addresses of which are stated in announcement on General Shareholders' Meeting holding within 20 days and in case of General Shareholders' Meeting the agenda of which includes an issue on the Company's reorganization, within 30 days prior to the General Shareholders' Meeting as well as during the Meeting itself at place of its holding.

Persons having the right to participate in the General Shareholders' Meeting can receive copies of the stated documents upon request sent in written to the Company's executive body subject to payment.

8.1.5. Information on profit-making organizations with the Issuer's holding of not less than 5 per cent of stockholders' equity (unit fund) or not less than 5 per cent of common stock.

1. Full name: «Lipetsk insurance society «Chance» Limited

Abbreviated name: **OOO LCO «Chance»**

Legal address: **30, ul. Nedelina, Lipetsk 398059 Russia**

Issuer's share in the profit-making organization's charter capital: **100 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director – Sergey V. Goldin, year of birth - 1968, has no share in the Issuer's stockholders' equity

2. Full name: «Stahl Limited»

Abbreviated name: **OOO «Stahl»**

Legal address: **1, ul. Lenina, Uglich, Yaroslavl area 152620 Russia**

Issuer's share in the profit-making organization's charter capital: **100 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Oleg A. Schetnikov, year of birth - 1963, has no share in the Issuer's stockholders' equity

3. Full name: «Novolipetskoe Limited»

Abbreviated name: **OOO «Novolipetskoe»**

Legal address: **village Tuishevka, Lipetsk region, Lipetsk area 398052 Russia**

Issuer's share in the profit-making organization's charter capital: **100 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Elena S. Meyer, year of birth - 1980, has no share in the Issuer's stockholders' equity

Members:

1. Yulia V. Grebenshikova, year of birth - 1976, has no share in the Issuer's stockholders' equity;

2. Elena V. Kantsir, year of birth - 1979, has no share in the Issuer's stockholders' equity;

**3. Tat'yana V. Lyapina, year of birth - 1973,
share in the Issuer's stockholders' equity: 0,00017%,
share of the Issuer's common stock: 0,00017%;**

4. Vitaly P. Slepokurov, year of birth - 1973, has no share in the Issuer's stockholders' equity.

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director – Vladimir N. Semenov, year of birth - 1958, has no share in the Issuer's stockholders' equity

4. Full name: «Karamyshevskoe Limited»

Abbreviated name: **OOO «Karamyshevskoe»**

Legal address: **village Karamyshevo, Gryazi region, Lipetsk area 399077 Russia**

Issuer's share in the profit-making organization's charter capital: **100 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Elena S. Meyer, year of birth - 1980, has no share in the Issuer's stockholders' equity

Members:

1. Ekaterina Yu. Barysheva, year of birth - 1980, has no share in the Issuer's stockholders' equity;

2. Olga D. Grechishkina, year of birth - 1964, has no share in the Issuer's stockholders' equity;

3. Elena P. Zubareva, year of birth - 1980, has no share in the Issuer's stockholders' equity;

4. Vitaly P. Slepokurov, year of birth - 1973, has no share in the Issuer's stockholders' equity.

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director – Vladimir V. Elizarov, year of birth - 1948, has no share in the Issuer's stockholders' equity

5. Full name: Subsidiary «Rest house «Novolipetsky metallurg » of Novolipetsk Iron & Steel Corporation

Abbreviated name: **no**

Legal address: **25, per. Chekhov, Sydak, Autonomous Republic of Krym 334886 Ukraine**

Issuer's share in the profit-making organization's charter capital: **100 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director – Andrey V. Dementjev, year of birth - 1960, has no share in the Issuer's stockholders' equity

6. Full name: «Larmet Limited»

Abbreviated name: **OOO «Larmet»**

Legal address: **44/28, ul. Studencheskaya, Moscow 121165 Russia**

Issuer's share in the profit-making organization's charter capital: **99.98 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Pavel V. Lizogub, year of birth - 1966, has no share in the Issuer's stockholders' equity

7. Full name: ***«VIMET Llimited»***

Abbreviated name: ***OOO «VIMET»***

Legal address: ***35 a, pr. Mira, Lipetsk 398005 Russia***

Issuer's share in the profit-making organization's charter capital: ***99.97 %***

Profit-making organization's share in the Issuer's charter capital: ***no***

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Victor P. Kirilenko, year of birth - 1957, has no share in the Issuer's stockholders' equity

8. Full name: ***Private company «Dolomit»***

Abbreviated name: ***ОАО «Dolomit»***

Legal address: ***1, ul. Sverdlova, Dankov, Lipetsk region 399854 Russia***

Issuer's share in the profit-making organization's charter capital: ***74.84 %***

Share of the Issuer's common stock in profit-making organization: ***74.84 %***

Profit-making organization's share in the Issuer's charter capital: ***no***

Information on profit-making organization's Board of Directors:

Chairman: Fedor V. Korlykhanov, year of birth - 1936, has no share in the Issuer's stockholders' equity

Members:

1. Alexander Yu. Gorshkov, year of birth - 1961, has no share in the Issuer's stockholders' equity;

***2. Vasily V. Grekov, year of birth - 1946,
share in the Issuer's stockholders' equity: 0,00017%,
share of the Issuer's common stock: 0,00017%;***

***3. Valery A. Loskutov, year of birth - 1969,
share in the Issuer's stockholders' equity: 0,00017%,
share of the Issuer's common stock: 0,00017%;***

4. Vitaly P. Slepokurov, year of birth - 1973, has no share in the Issuer's stockholders' equity;

5. Gennady P. Uvarov, year of birth - 1952, has no share in the Issuer's stockholders' equity;

6. Sergey V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity.

Information on members of corporate executive body of profit-making organization:

1. Luibov P. Bodunova, year of birth - 1955, has no share in the Issuer's stockholders' equity;

2. Valery A. Vyalov, year of birth - 1957, has no share in the Issuer's stockholders' equity;

3. Yury V. Kleimenov, year of birth - 1950, has no share in the Issuer's stockholders' equity;

4. Maria V. Pankova, year of birth - 1949, has no share in the Issuer's stockholders' equity;

5. Marina A. Sleptsova, year of birth - 1971, has no share in the Issuer's stockholders' equity.

Information on a person being a single executive body of profit-making organization:

Director General – Valery A. Vyalov, year of birth - 1957, has no share in the Issuer's stockholders' equity

9. Full name: ***Joint-stock company «Studenovsky ore processing and mining enterprise»***

Abbreviated name: ***ОАО «Stagdoc»***

Legal address: ***4, ul. Gaidara, Lipetsk 398008 Russia***

Issuer's share in the profit-making organization's charter capital: ***54.67 %***

Share of the Issuer's common stock in profit-making organization: **54.67 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Denis E. Samsikov, year of birth - 1973, has no share in the Issuer's stockholders' equity

Members:

- 1. Victor S. Bondar, year of birth - 1941, has no share in the Issuer's stockholders' equity;**
- 2. Alexander Yu. Gorshkov, year of birth - 1961, has no share in the Issuer's stockholders' equity;**
- 3. Gennady V. Liznev, year of birth - 1956, has no share in the Issuer's stockholders' equity;**
- 4. Sergey A. Matytsin, year of birth - 1971,
share in the Issuer's stockholders' equity: 0,00017%,
share of the Issuer's common stock: 0,00017%;**
- 5. Alexander N. Saprykin, year of birth - 1967, has no share in the Issuer's stockholders' equity;**
- 6. Vitaly P. Slepokurov, year of birth - 1973, has no share in the Issuer's stockholders' equity.**

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General - Victor S. Bondar, year of birth - 1941, has no share in the Issuer's stockholders' equity

10. Full name: Joint-stock bank of social development and construction «Lipetskombank»

Abbreviated name: **ОАО «Lipetskombank»**

Legal address: **8, ul. Internatsyonalnaya, Lipetsk 398600 Russia**

Issuer's share in the profit-making organization's charter capital: **50.07 %**

Share of the Issuer's common stock in profit-making organization: **50.14 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Vyacheslav P. Fedorov, year of birth - 1966, has no share in the Issuer's stockholders' equity

Members:

- 1. Galina A. Aglyamova, year of birth - 1961,
share in the Issuer's stockholders' equity: 0,00017%,
share of the Issuer's common stock: 0,00017%;**
- 2. Antonina M. Kopaeva, year of birth - 1949, has no share in the Issuer's stockholders' equity;**
- 3. Alexander I. Kravchenko, year of birth - 1955,
share in the Issuer's stockholders' equity: 0,00018%,
share of the Issuer's common stock: 0,00018%;**
- 4. Stanislav S. Paschenko, year of birth - 1970, has no share in the Issuer's stockholders' equity;**
- 5. Evgeny P. Sulimov, year of birth - 1962,
share in the Issuer's stockholders' equity: 0,00023%,
share of the Issuer's common stock: 0,00023%;**
- 6. Sergei V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity.**

Information on profit-making organization's executive body:

- 1. Svetlana Yu. Zubenkova, year of birth - 1965, has no share in the Issuer's stockholders' equity;**
- 2. Galina A. Zurkanaeva, year of birth - 1961, has no share in the Issuer's stockholders' equity;**
- 3. Elena M. Uluikhina, year of birth - 1960, has no share in the Issuer's stockholders' equity;**
- 4. Andrey I. Kornev, year of birth - 1966, has no share in the Issuer's stockholders' equity;**
- 5. Olga N. Mitrokhina, year of birth - 1973, has no share in the Issuer's stockholders' equity;**
- 6. Igor Yu. Cheprasov, year of birth - 1972, has no share in the Issuer's stockholders' equity.**

Information on a person being a single executive body of profit-making organization:

Director General – Olga N. Mitrokhina, year of birth - 1973, has no share in the Issuer's stockholders' equity

11. Full name: Joint-stock Company «Lipetsk Gripromez»

Abbreviated name: **ОАО «Lipetsk Gripromez»**

Legal address: **1, ul. Kalinina, Lipetsk 398600 Russia**

Issuer's share in the profit-making organization's charter capital: **43.44 %**

Share of the Issuer's common stock in profit-making organization: **43.44 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors:

Chairman: Gennady V. Ushakov, year of birth - 1937,

share in the Issuer's stockholders' equity: 0,00017%,

share of the Issuer's common stock: 0,00017%.

Members:

1. Ekaterina Yu. Barysheva, year of birth - 1980, has no share in the Issuer's stockholders' equity;

2. Svetlana M. Bezrukavnikova, year of birth - 1948, has no share in the Issuer's stockholders' equity;

3. Tatjana V. Lyapina, year of birth - 1973, share in the Issuer's stockholders' equity: 0,00017%,

share of the Issuer's common stock: 0,00017%;

4. Vladimir F. Romankov, year of birth - 1936, has no share in the Issuer's stockholders' equity;

5. Vitaly I. Tonkogolos, year of birth - 1958, has no share in the Issuer's stockholders' equity;

6. Valery G. Khaibullin, year of birth - 1951, has no share in the Issuer's stockholders' equity.

Information on profit-making organization's executive body:

1. Yury N. Medvedev, year of birth - 1941, has no share in the Issuer's stockholders' equity;

2. Nikolai I. Nikolaev, year of birth - 1958, has no share in the Issuer's stockholders' equity;

3. Tatjana I. Pryanishnikova, year of birth - 1951, has no share in the Issuer's stockholders' equity;

4. Vladimir F. Romankov, year of birth - 1936, has no share in the Issuer's stockholders' equity;

5. Victor A. Sukmanov, year of birth - 1948, has no share in the Issuer's stockholders' equity;

6. Vitaly I. Tonkogolos, year of birth - 1958, has no share in the Issuer's stockholders' equity;

7. Anatoly A. Shinko, year of birth - 1943, has no share in the Issuer's stockholders' equity.

Information on a person being a single executive body of profit-making organization:

Director General – Vladimir F. Romankov, year of birth - 1936, has no share in the Issuer's stockholders' equity

12. Full name: Closed joint-stock company «Stalconverst»

Abbreviated name: **ЗАО «Stalconverst»**

Legal address: **Headquarters, bldg. 4, 8/12, ul. Gritsevestkaya, Moscow 121019 Russia**

Issuer's share in the profit-making organization's charter capital: **36.8 %**

Share of the Issuer's common stock in profit-making organization: **36.8 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors: **no**

Information on profit-making organization's executive body: **no**

Information on a person being a single executive body of profit-making organization: **no**

13. Full name: Joint-stock company with foreign investments «Avron»

Abbreviated name: **ОАО «Avron»**

Legal address: **11/17, ul. Dubininskaya, Moscow 113054 Russia**

Issuer's share in the profit-making organization's charter capital: **26.7 %**

Share of the Issuer's common stock in profit-making organization: **26.7 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors: **no**

Information on profit-making organization's executive body: **no**

Information on a person being a single executive body of profit-making organization: **no**

14. Full name: Closed joint-stock corporation «ENGELSK PIPE PLANT»

Abbreviated name: **ЗАО «ENGELSK PIPE PLANT»**

Legal address: *Industrial zone, pr. Stroiteley, Engelsk, Saratov region 413116 Russia*

Issuer's share in the profit-making organization's charter capital: *19.6 %*

Share of the Issuer's common stock in profit-making organization: *19.6 %*

Share of profit-making organization in the Issuer's stockholders' equity: *no*

Information on profit-making organization's Board of Directors:

Chairman: Alexander B. Rabotkin, year of birth - 1952, has no share in the Issuer's stockholders' equity

Members:

1. Innyat I. Byasharov, year of birth - 1947, has no share in the Issuer's stockholders' equity;

2. Yury L. Gordeev, year of birth - 1957, has no share in the Issuer's stockholders' equity;

3. Sergey M. Grigorjev, year of birth - 1958, has no share in the Issuer's stockholders' equity;

4. Sergey V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity.

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Yury L. Gordeev, year of birth - 1957, has no share in the Issuer's stockholders' equity

15. Full name: *Open joint-stock company on gasification and operation of gas equipment of Lipetsk region «Lipetskoblgas»*

Abbreviated name: *ОАО «Lipetskoblgas»*

Legal address: *25, ul. Nedelina, Lipetsk 398059 Russia*

Issuer's share in the profit-making organization's charter capital: *19.4 %*

Share of the Issuer's common stock in profit-making organization: *19.4 %*

Profit-making organization's share in the Issuer's charter capital: *no*

Information on profit-making organization's Board of Directors:

Chairman: Nikolai V. Isakov, year of birth - 1951, has no share in the Issuer's stockholders' equity

Members:

1. Nikolai V. Karasikov, year of birth - 1952, has no share in the Issuer's stockholders' equity;

2. Vladimir N. Kameko, year of birth - 1966, has no share in the Issuer's stockholders' equity;

3. Stanislav N. Krupnov, year of birth - 1941, has no share in the Issuer's stockholders' equity;

4. Valery I. Lokotunin, year of birth - 1940, has no share in the Issuer's stockholders' equity;

5. Alexander V. Saganov, year of birth - 1970, has no share in the Issuer's stockholders' equity;

6. Vladislav A. Smirnov, year of birth - 1949, has no share in the Issuer's stockholders' equity.

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General - Nikolai V. Karasikov, year of birth - 1952, has no share in the Issuer's stockholders' equity

16. Full name: *Open joint-stock company «Almetjevsk pipe plant»*

Abbreviated name: *ОАО «АТЗ»*

Legal address: *11, ul. Promzona, Almetjevsk, Republik of Tatarstan 423450 Russia*

Issuer's share in the profit-making organization's charter capital: *14.53 %*

Share of the Issuer's common stock in profit-making organization: *15.8 %*

Profit-making organization's share in the Issuer's charter capital: *no*

Information on profit-making organization's Board of Directors:

Chairman: not elected

Members:

1. Rishat F. Abubakirov, year of birth - 1959, has no share in the Issuer's stockholders' equity;

2. Sergey A. Gusev, year of birth - 1970, has no share in the Issuer's stockholders' equity;

3. Albert A. Leshev, year of birth - 1975, has no share in the Issuer's stockholders' equity;

4. Zaira K. Makhacheva, year of birth - 1972, has no share in the Issuer's stockholders' equity;

5. Anastasia A. Poletaeva, year of birth - 1972, has no share in the Issuer's stockholders' equity;

6. Alexander B. Rabotkin, year of birth - 1952, has no share in the Issuer's stockholders' equity;

7. *Alexey A. Sdobnikov, year of birth - 1974, has no share in the Issuer's stockholders' equity;*
8. *Vitaly P. Slepokurov, year of birth - 1973, has no share in the Issuer's stockholders' equity;*
9. *Alexander M. Tokarev, year of birth - 1956, has no share in the Issuer's stockholders' equity;*
10. *Sergey V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity;*
11. *Dmitry V. Chernyshev, year of birth - 1974, has no share in the Issuer's stockholders' equity.*

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General - Alexander M. Tokarev, year of birth - 1956, has no share in the Issuer's stockholders' equity

17. Full name: **Open joint-stock company of energy and electrification «Lipetskenergo»**

Abbreviated name: **Lipetskenergo**

Legal address: **33, ul. 50 years of NLMK, Lipetsk 398001, Russia**

Issuer's share in the profit-making organization's charter capital: **12.5 %**

Share of the Issuer's common stock in profit-making organization: **12.5 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Alexander M. Smirnov, year of birth - 1947, has no share in the Issuer's stockholders' equity

Members:

1. **Oleg M. Dubnov, year of birth - 1971, has no share in the Issuer's stockholders' equity;**
2. **Anatoly K. Merzlyakov, year of birth - 1952, has no share in the Issuer's stockholders' equity;**
3. **Sergey A. Pavlenko, year of birth - 1966, has no share in the Issuer's stockholders' equity;**
4. **Vyacheslav M. Razymov, year of birth - 1950, has no share in the Issuer's stockholders' equity;**
5. **Vladislav A. Smirnov, year of birth - 1949, has no share in the Issuer's stockholders' equity;**
6. **Valery F. Sukhanov, year of birth - 1947,**
share in the Issuer's stockholders' equity: 0,00018%,
share of the Issuer's common stock: 0,00018%.

Information on profit-making organization's executive body:

1. **Andrey P. Derevskov, year of birth - 1955, has no share in the Issuer's stockholders' equity;**
2. **Vladimir Yu. Iluikhin, year of birth - 1964, has no share in the Issuer's stockholders' equity;**
3. **Svetlana S. Kozoderova, year of birth - 1971, has no share in the Issuer's stockholders' equity;**
4. **Alexander N. Konanykhin, year of birth - 1968, has no share in the Issuer's stockholders' equity;**
5. **Anatoly K. Merzlyakov, year of birth - 1952, has no share in the Issuer's stockholders' equity;**
6. **Valentina Ya. Mirontseva, year of birth - 1950, has no share in the Issuer's stockholders' equity;**
7. **Evgeny A. Svintsov, year of birth - 1946, has no share in the Issuer's stockholders' equity;**
8. **Vladimir F. Chebotar, year of birth - 1950, has no share in the Issuer's stockholders' equity;**
9. **Alexander A. Chegodaev, year of birth - 1949, has no share in the Issuer's stockholders' equity.**

Information on a person being a single executive body of profit-making organization:

Director General - Anatoly K. Merzlyakov, year of birth - 1952, has no share in the Issuer's stockholders' equity

18. Full name: **Open joint-stock company «Moscow pipe plant «FILIT»**

Abbreviated name: **FILIT**

Legal address: **6, ul. Barklay Moscow 121087 Russia**

Issuer's share in the profit-making organization's charter capital: **12 %**

Share of the Issuer's common stock in profit-making organization: **12 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Yury I. Dolgikh, year of birth - 1954, has no share in the Issuer's stockholders' equity

Members:

1. **Yury I. Abaljan, year of birth - 1950, has no share in the Issuer's stockholders' equity;**
2. **Petr N. Barkovets, year of birth - 1959, has no share in the Issuer's stockholders' equity;**

3. *Nadezhda V. Dementjeva, year of birth - 1954, has no share in the Issuer's stockholders' equity;*
4. *Evgeny Ya. Zeleny, year of birth - 1954, has no share in the Issuer's stockholders' equity;*
5. *Sergey V. Korobkov, year of birth - 1976, has no share in the Issuer's stockholders' equity;*
6. *Vladimir V. Khoteshov, year of birth - 1957, has no share in the Issuer's stockholders' equity.*

Information on profit-making organization's executive body:

1. *Yury I. Abaljyan, year of birth - 1950, has no share in the Issuer's stockholders' equity;*
2. *Yury N. Bobylev, year of birth - 1940, has no share in the Issuer's stockholders' equity;*
3. *Natalia F. Lagutina, year of birth - 1954, has no share in the Issuer's stockholders' equity;*
4. *Valery D. Moiseev, year of birth - 1956, has no share in the Issuer's stockholders' equity;*
5. *Valery P. Orlov, year of birth - 1948, has no share in the Issuer's stockholders' equity;*
6. *Gennady G. Poklonov, year of birth - 1948, has no share in the Issuer's stockholders' equity.*

Information on a person being a single executive body of profit-making organization:

Director General – Yury I. Abaljyan, year of birth - 1950, has no share in the Issuer's stockholders' equity

19. Full name: ***Open joint-stock company «Lebedinsky ore mining and processing enterprise»***

Abbreviated name: ***Lebedinsky GOK»***

Legal address: ***Gubkin-11, Belgorod area 309510 Russia***

Issuer's share in the profit-making organization's charter capital: ***11.96 %***

Share of the Issuer's common stock in profit-making organization: ***11.96 %***

Share of profit-making organization in the Issuer's stockholders' equity: ***no***

Information on profit-making organization's Board of Directors:

Chairman: Alexey A. Ugarov, year of birth - 1930, has no share in the Issuer's stockholders' equity

Members:

1. ***Igor A. Veremy, year of birth - 1958, has no share in the Issuer's stockholders' equity;***
2. ***Maxim Yu. Gubnev, year of birth - 1967, has no share in the Issuer's stockholders' equity;***
3. ***Lev M. Kvetnoy, year of birth - 1965, has no share in the Issuer's stockholders' equity;***
4. ***Victor P. Kirilenko, year of birth - 1957, has no share in the Issuer's stockholders' equity;***
5. ***Boris Ya. Malyavin, year of birth - 1947, has no share in the Issuer's stockholders' equity;***
6. ***Farhad Moshiri, year of birth - 1955, has no share in the Issuer's stockholders' equity;***
7. ***Sergey V. Prohorenko, year of birth - 1958, has no share in the Issuer's stockholders' equity;***
8. ***Vadim V. Shermet, 1967, has no share in the Issuer's stockholders' equity.***

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General - Boris Ya. Malyavin, year of birth - 1947, has no share in the Issuer's stockholders' equity

20. Full name: ***Joint-stock bank «Lipetskcredit»***

Abbreviated name: ***AB Lipetskcredit***

Legal address: ***4, ul. Plehanova, Lipetsk 398600 Russia***

The Issuer's share in the legal person's stockholders' equity: ***10 %***

Share of the Issuer's common stock in profit-making organization: ***10 %***

Share of profit-making organization in the Issuer's stockholders' equity: ***no***

Information on profit-making organization's Board of Directors: ***no***

Information on profit-making organization's executive body: ***no***

Information on a person being a single executive body of profit-making organization: ***no***

21. Full name: ***INDEPENDENT TRANSPORT COMPANY LIMITED***

Abbreviated name: ***ITC***

Legal address: ***32A, Leninsky prospect, Moscow 119991 Russia***

Issuer's share in the profit-making organization's charter capital: ***10 %***

Share of profit-making organization in the Issuer's stockholders' equity: *no*

Information on profit-making organization's Board of Directors:

Chairman: Alexander I. Shenkman, year of birth - 1961, has no share in the Issuer's stockholders' equity

Members:

- 1. Oleg Yu. Bukin, 1966 года рождения, has no share in the Issuer's stockholders' equity;*
- 2. Alexander Yu. Zarapin, year of birth - 1962, has no share in the Issuer's stockholders' equity;*
- 3. Victor P. Kirilenko, year of birth - 1957, has no share in the Issuer's stockholders' equity;*
- 4. Alexander S. Smagin, year of birth - 1961, has no share in the Issuer's stockholders' equity.*

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Oleg Yu. Bukin, year of birth - 1966, has no share in the Issuer's stockholders' equity

22. Full name: *Open joint-stock company «Yakovlevsky rudnik»*

Abbreviated name: *ОАО «Yakovlevsky rudnik»*

Legal address: *10, ul. Yuzhnaya, village Yakovlevo, Yakovlevo region, Belgorod area 309126 Russia*

Issuer's share in the profit-making organization's charter capital: *9.48 %*

Share of the Issuer's common stock in profit-making organization: *9,48 %*

Share of profit-making organization in the Issuer's stockholders' equity: *no*

Information on profit-making organization's Board of Directors: *no*

Information on profit-making organization's executive body: *no*

Information on a person being a single executive body of profit-making organization: *no*

23. Full name: *Open joint-stock company «Tulametalloobespechenie»*

Abbreviated name: *ОАО «Tulametalloobespechenie»*

Legal address: *1, Alexinskoy shosse, Tula 300056 Russia*

Issuer's share in the profit-making organization's charter capital: *5.6 %*

Share of the Issuer's common stock in profit-making organization: *5,6 %*

Share of profit-making organization in the Issuer's stockholders' equity: *no*

Information on profit-making organization's Board of Directors: *no*

Information on profit-making organization's executive body: *no*

Information on a person being a single executive body of profit-making organization: *no*

8.1.6. Information on material transactions of the Issuer.

Material transactions of NLMK were not noted.

8.1.7. Information on credit ratings of the Issuer.

No credit ratings were conferred to the Company.

8.2. Information on each category (type) of the Issuer's shares.

Share category: *common*

Par value of each share (RUR): *1*

Quantity of shares in circulation: *5 987 240*

Quantity of additional shares in the process of placement: *0*

Quantity of stated shares: *5 987 240 000*

Quantity of shares on balance of the Issuer: *0*

Quantity of additional shares which could be placed due to conversion of placed securities to be converted into shares or in result of discharge of obligations upon the Issuer's options: *0*

State registration number: *46-III-0190*

Date of state registration: *2.04.1993*

Rights given by shares to their shareholders:

Each common stock of the Company gives the stockholder, its owner, equal measure of property and non-property rights, particularly, the right to:

a) take part in the management of the Company, including participation in the general stockholders' meeting with the right to vote on all the matters within his/her competence both personally and through a representative;

б) to receive dividends and to get part of its property in case the Company is liquidated;

в) to sell or alienate in another way all the stocks or part thereof to other persons according to the procedure established by the current legislation;

г) to be informed about the financial and economic activity of the Company according to the procedure established by the current legislation of the Russian Federation and the Company Statute.

In case the Company places voting stocks and securities convertible into voting stocks by open subscription with payment in cash, the stockholders – owners of the Company voting stocks – have a priority right to purchase these securities in the quantity proportional to the quantity of the Company voting stocks belonging to them.

Additionally placed shares give the right to vote only after their full payment and approval of the stock placement results by the Board of Directors.

8.3. Information on previous issue of the Issuer's securities except the Issuer's shares.

There were no issues.

8.3.1. Information on issues the securities of which are repaid (canceled).

There are no issues the securities of which are repaid (canceled).

8.3.2. Information on issues the securities of which are still in circulation.

There are no issues the securities of which are still circulating.

8.3.3. Information on issues with default.

There are no issues of securities with the Issuer's default.

8.4. Information on a person (persons), presenting (having presented) security for bond issue.

The Issuer did not place secured bonds.

8.5. Conditions of security of the Issuer's obligations in respect of bond issue.

See clause 8.4.

8.6. Information on organizations registering securities of the Issuer.

Registrar:

Full name: *D-Stinol Limited*

Abbreviated name: *D-Stinol*"

Legal address: *2, pl. Metallurgov, Lipetsk 398040 Russia*

The license for activity as a registrar of shareholders:

License No.: *01043*

Issue date: *19.03.1996*

Validity: *till 24.03.2004*

Licenser: *Federal Securities Market Commission of the Russian Federation*

The date on which the register of shareholders is started to be kept by the stated registrar: *29.02.1996*

8.7. Information on legislative acts regulating import and export of capital, which could affect payment of dividends, interests and other payments to non-residents.

International agreements and contracts on prevention of double taxation, Tax Code of the Russian Federation (part one) No. 146-Φ3 dd. 31.07.1998, Tax Code of the Russian Federation (part two) No. 177-Φ3 dd. 05.08.2000, Russian law "On currency control" No. 3615-1K dd. 09.10.1992, Instructions of the Central Bank of the Russian Federation "On procedure of opening of RF currency accounts for non-residents by authorized banks and these bank accounts operations" No. 93-И dd. 12.10.2000 are considered as legislative acts which regulate import and export of capital and which could affect payments of dividends, interest and other payments by the Issuer to non-residents who have the Issuer's securities in possession.

8.8. Description of income taxation procedures regarding placed and being placed Issuer's securities.

Taxation of income on placed Issuer's securities is performed under Articles 280, 281, 284, 306-312, 328, 329 of Tax Code of the Russian Federation (part two).

8.9. Information on announced (accrued) and paid dividends as well as return on the Issuer's bonds.

Category: *common stock*

Dividends for shares of the a/m category:

Reporting period: *1998*

The Company did not make a decision on payment (announcement) of dividends.

Reporting period: *1999*

The Company did not make a decision on payment (announcement) of dividends.

Reporting period: *2000*

The Company did not make a decision on payment (announcement) of dividends.

Reporting period: *2001*

The Company did not make a decision on payment (announcement) of dividends.

Reporting period (year, quarter), for which announced dividends were paid (announced): *2002.*

Dividends announced (accrued) per a share (RUR): *312.5*

Total dividends announced (accrued) for shares of this category (RUR): *1 871 012 500*

Name of the Issuer's management body which has made decision on (announcement) payment of

dividends: *Annual Shareholders' Meeting*

Date of the meeting of the Issuer's management body where a decision on dividends payment (announcement) has been made: **June 27, 2003.**

Date and number of Minutes of meeting of the Issuer's management body which has made a decision to pay (announce) dividends: **June 27, No. 17**

Deadline of announced dividends payment: **up to September 25, 2003.**

Announced dividends are paid by: **cash**

Other terms and conditions of announced dividends payments: **cash is transferred to:**

- **legal persons (shareholders) to their accounts with banks;**
- **natural persons – employees of NLMK (shareholders) at a time of wage payment;**
- **other natural persons (shareholders) – through «Lipetskcombank».**

Total dividends actually paid upon share of this type (category) (RUR): **1 871 012 500**

The Company did not issue bonds.

8.10. Other information .

None.