

QUARTERLY REPORT

Novolipetsk Iron & Steel Corporation

The Issuer's code: 00102-A

for IV quarter of 2003

Domicile: 2, pl. Metallurgov, Lipetsk 398040 Russia

Acting Director General

Vladimir P. Nastich

(signature)

Date «11» February 2004

**Director for Accounting - Chief
Accountant**

Alexander A. Sokolov

(signature)

Date «11» February 2004

Stamp

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

Introduction	4
a) Full name of the Issuer.....	4
б) Domicile.....	4
b) Contact information:.....	4
r) Web-site where this Quarterly Report is published: www.nlmk.ru/rus/index/quarterindex.php3	5
д) Information on Issuer’s securities distributed.....	5
e) Other information.....	5
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.....	6
1.1. Members of Issuer’s Management Bodies.....	6
1.2. Information on Issuer’s bank accounts.....	8
1.3. Information on auditor (auditors) of the Issuer.....	9
1.4. Information on appraiser.....	10
1.5. Information on Issuer’s consultants.....	11
1.6. Information on other persons who signed this Quarterly Report.....	11
II. Main information on financial performance of the Issuer.....	11
2.1. Financial and economic indices of the Issuer’s activity.....	11
2.2. Issuer’s market capitalization.....	11
2.3. Issuer’s liabilities.....	11
2.3.1. Accounts payable.....	11
2.3.2. Issuer’s credit history.....	12
2.3.3. Issuer’s commitments on security to third parties.....	12
2.3.4. Other commitments of the Issuer.....	12
2.4. Purposes of issue and use of funds gathered as a result of securities distribution.....	12
2.5. Risks related to acquisition of distributed issuing securities.....	12
2.5.1. Industry risks.....	12
2.5.2. Country and regional risks.....	12
2.5.3. Financial risks.....	12
2.5.4. Legal risks.....	13
2.5.5. Risks related to the Issuer’s activity.....	13
III. Detail information on the Issuer.....	13
3.1. History of foundation and development of the Issuer’s Company.....	13
3.1.1. Information on the Issuer’s name.....	13
3.1.2. Information on state registration of the Issuer.....	14
3.1.3. History of the Issuer’s company.....	14
Information on foundation and development of the Issuer.....	14
3.1.4. Contact information.....	14
3.1.5. ID of taxpayer.....	15
3.1.6. Branches and representative offices of the Issuer.....	15
3.2. Core activity of the Issuer.....	15
3.2.1. Industry of the Issuer.....	15
3.2.2. Main activity of the Issuer.....	16
3.2.3. Main types of products (works, services).....	16
3.2.4. The Issuer’s suppliers with shipments of 10 and more percent of all inventory holdings.....	16
3.2.5. The Issuer’s sales (works, services) markets.....	16
3.2.6. Practices regarding working capital and inventories.....	20
3.2.7. Raw materials.....	21
3.2.8. Main competitors.....	21
3.2.9. Information on licenses with the Issuer.....	21
3.2.10. Joint activity of the Issuer.....	35
3.2.11. Additional requirements to Issuers being stock investment funds or insurance companies.....	35
3.2.12. Additional requirements to Issuers specialized on mining operations.....	35
3.2.13. Additional requirements to the Issuers the core activity of whom is communication services rendering.....	40
3.4. Plans for future activity.....	40
3.5. The Issuer’s equity holding in industrial, bank and financial groups, holdings, concerns and associations.....	40
3.6. Subsidiaries and affiliated companies of the Issuer.....	40

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.	43
3.7.1. Fixed assets.	43
3.7.2. The value of the Issuer's property.	47
IV. Information on financial performance of the Issuer.....	47
4.1. Results of the Issuer's financial performance.	47
4.1.1. Income and losses.	47
4.1.2. Factors which have influenced sales proceeds of the Issuer and income (losses) from the Issuer's operations.	47
4.2. The Issuer's liquidity.	47
4.3. Amount, structure and adequacy of capital and current assets of the Issuer.	47
4.3.1. Amount and structure of the Issuer's capital and current assets.	47
4.3.2. Adequacy of the Issuer's capital and current assets.	47
4.3.3. Cash and its equivalents.	47
4.3.4. The Issuer's financial investments.	48
4.3.5. Intangible assets of the Issuer.	48
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.	48
4.5. Analysis of development tendencies in the area of the Issuer's core activity.	49
V. Detail information on members of the Issuer's authorities, financial performance control bodies, brief data on employees of the Issuer.	51
5.1. Information on structure and competence of the Issuer's authorities.	51
5.2. Information on members of the Issuer's authorities.	54
5.3. Information on bonuses, privileges and / or refund of charges to each Management body of the Issuer.	65
5.4. Information on structure and competence of controlling authorities over financial performance of the Issuer.	65
5.5. Information on members of controlling authorities over financial performance of the Issuer.	66
5.6. Information on bonuses, privileges and / or refund of charges to each controlling body over financial performance of the Issuer.	68
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.	69
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.	69
VI. Information on shareholders of the Issuer and transactions of the Issuer in which it expressed its interest.	69
6.1. Information on total number of shareholders of the Issuer.	69
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.	69
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").	70
6.4. Information on limitations imposed on stake in stockholders' capital (unit fund) of the Issuer.	70
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.	70
6.6. Information on transactions by the Issuer in which it took interest.	72
6.7. Information on amount of accounts receivable.	73
VII. Financial Statements of the Issuer and other financial information.....	73
7.1. Annual Report of the Issuer.	73
7.2. Quarterly financial statements of the Issuer for the last reporting quarter.	73
7.3. Consolidated Financial Statements of the Issuer for the last completed fiscal year.	73
7.4. Information on total export as well as on share of export in total sales.	73
7.5. Information on material changes in the Issuer's property after the date of the complete financial year end.	73
7.6. Information on the Issuer participation in any legal procedures if this participation could have significantly affected his financial performance.	73

VIII. Additional information on the Issuer and on issued securities placed by him.....	73
8.1. Additional information on the Issuer.....	73
8.1.1. Information on amount, structure of stockholders' capital (unit fund) of the Issuer.....	73
8.1.2. Information on changes in stockholders' capital amount (unit fund) of the Issuer.....	74
8.1.3. Information on generation and use of reserve fund as well as other Issuer's funds.....	74
8.1.4. Information on procedure of convening and conduct of a meeting of the Issuer's supreme management body.....	74
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.....	76
8.1.6. Information on material transactions of the Issuer.....	85
8.1.7. Information on credit ratings of the Issuer.....	85
8.2. Information on each category (type) of the Issuer's shares.....	85
8.3. Information on previous issue of the Issuer's securities except the Issuer's shares.....	85
8.3.1. Information on issues the securities of which are repaid (canceled).....	85
8.3.2. Information on issues the securities of which are still in circulation.....	85
8.3.3. Information on issues with default.....	86
8.4. Information on a person (persons), presenting (having presented) security for bond issue.....	86
8.5. Conditions of security of the Issuer's obligations in respect of bond issue.....	86
8.6. Information on organizations registering securities of the Issuer.....	86
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.....	86
8.8. Description of income taxation procedures regarding placed and being placed Issuer's securities.....	86
8.9. Information on announced (accrued) and paid dividends as well as return on the Issuer's bonds.....	87
8.10. Other information.....	87

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-stock 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 year: *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 IJ/ICC 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.

This information is not presented in this Quarterly Report.

2.2. Issuer's market capitalization.

Starting from November 5, 2003 common stock of NLMK entered «RTS Board» – a system intended for indicative quoting of securities, which had not been acknowledged to circulation in Trading system of RTS.

Total shares – 5 987 240. 11 address transactions with NLMK's shares for USD 256,003 took place for the period starting from entering into «RTS Board» till December 31, 2003. The value of the last transaction was USD 351.5.

Capitalization of NLMK in «RTS Board» as of December 31, 2003 accounted for USD 2,078,171,004.

The Issuer's capitalization in «RTS Board» was calculated as follows: (total shares) x (last quotation for purchase).

In this case: 5 987 240 shares x USD 347,1 (last quotation for purchase as of 31.12.2003) = USD 2 078 171 004.

2.3. Issuer's liabilities.

2.3.1. Accounts payable.

This information is not presented in this Quarterly Report.

2.3.2. Issuer's credit history.

As of December 31, 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.

Total commitments of NLMK on security to third parties within the reporting quarter inclusive of ones as guarantee and pawn accounted for RUR 853780 thousand.

There were no commitments of NLMK on security to third parties within the reporting quarter inclusive of ones as guarantee and pawn accounting for not less than 5 percent of the Company's assets book value.

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.

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).

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.

To reduce financial losses and prevent suspension of production due to disruption of deliveries circumstances extra inventories of raw materials are formed and maintained on reasonable level. Contracts for raw materials supply are concluded with reliable permanent partners. Reliable suppliers are guarantee for both fulfillment of delivery schedule and raw material quality.

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;*
- collaboration 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 a Company oriented for export. NLMK is exporting its products to over 70 countries. World regions bringing in 10% of proceeds and more are as follows: South-East Asia, EC –members countries, other European countries (inclusive of Turkey), Middle East.

Political and economic situation in Russia is stable and sustainable economic growth has been observing for the last several years. The situation with country-wise and regional—wise risks in main areas of export cannot be deemed as negative in economic and especially in political respect. Sustainable economic growth is being observed in South-East Asia.

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 70% 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.

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.

2.5.4. Legal risks.

In the foreseeable future risks related to changes in currency, tax, customs and license control which could entail worsening of the Issuer's financial performance will be lowered.

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 and affiliates of NLMK are liable for their financial performance and risk management.

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. History of the Issuer's company.

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: *31.12.2004*

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: *31.12.2004*

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.

This information is not presented for the reporting period.

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

This information is not presented for the reporting period.

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

This information is not presented for the reporting period.

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

The state of flats market in the 4th quarter of 2003

Domestic market

In the 4th quarter of 2003 main Russian steel consuming industries showed setback in production as compared to the previous quarter. Share of civil works decreased by 6%. Setback in production of engineering industry accounted for 7%. Output of pipe industry went down by 8%. This slowing down could be explained first of all by seasoning demand fall.

In the 4th quarter of the current year Russian steel-makers reduced output of flats. 4959 thousand tons were produced within the period from October to December, i.e. 16% less than in the previous quarter. And production of hot rolled steel accounted for 3020 thousand tons – 23% less as compared to the previous quarter, output of cold rolled steel accounted for 1447 thousand tons – no changes. Production of prepainted steel accounted for 492 thousand tons which was 7% decrease as compared to July - September.

The volume of flats export for October – December 2003 shrinkaged by 15% and accounted for 2424 thousand tons against 2868 thousand tons in July - September. Export of hot rolled steel reduced by 19% (2270 thousand tons), cold rolled steel – by 5% (653 thousand tons). Export of prepainted steel went down by 19% (119 thousand tons). Export of semi-finished steel in the 4th quarter accounted for 3225 thousand tons or 95% as compared to the previous quarter.

The reporting quarter was characterized by shrinkage in flats supplies by Russian steel-making companies to the domestic market. Total 2534 thousand tons were supplied, i.e. 16% less than in July – September, inclusive of 1367 thousand tons of hot rolled steel – downturn by 27%, 794 thousand tons of cold rolled steel – growth by 5%. At that prepainted steel supplies accounted for 373 thousand tons which was 2% less than in the 3rd quarter.

Ratio of flats supplies by Russian steel-making companies to the domestic market and for export in 4th quarter of 2003

Products	Domestic market	Export	thousand tons
			Ratio domestic market /export
Total flats	2534	2424	51%/49%
Hot rolled steel	1367	1653	45%/55%
Cold rolled steel	794	653	55%/45%
Prepainted steel	373	119	76%/24%

Shrinkage of flats import to the Russian market was also typical for the 4th quarter of 2003. 488 thousand tons were imported which was 8% less than in the previous quarter. Import of hot rolled steel accounted for 304 thousand tons against 337 thousand tons in the 3rd quarter. 40 thousand tons of cold rolled steel were imported to Russia within the reporting period – no changes as compared to the previous quarter. Import of prepainted steel accounted for 143 thousand tons – decrease of 7%. Import of semi-finished steel grew up by 15% and accounted for 2,3 thousand tons.

Apparent consumption of flats in Russia in the 4th quarter decreased and accounted for 3022 thousand tons (-15% to the previous quarter). Consumption of hot rolled steel decreased by 24% and accounted for 1671 thousand tons. Volume of cold rolled steel consumption accounted for 834 thousand tons - 4% more than in July - September. Consumption of prepainted steel in the reporting quarter accounted for 516 thousand tons – setback by 3%.

Supplies by NLMK to the domestic market in the 4th quarter of 2003

Products	Consumption in the domestic market	Supplies by NLMK to the domestic market	
		thousand tons	% to consumption
hot rolled steel	1671	235	14%
cold rolled steel (exclusive of NGO steel)	834	268,1	32%
Prepainted steel	516	97,9	19%

In the 4th quarter a price grow for hot dip galvanized steel and shrinkage of price range for hot and cold rolled steel were noted in the secondary market.

In October – December price range for hot rolled steel accounted to 11275-12875 RUR/t, in July - September 10900-13200 RUR/t; offer price for cold rolled steel in the 4th quarter was within the range of 13850-16050 RUR/t, in the 3rd quarter – 13725-16350 RUR/t; price for hot dip galvanized steel was 21825-23200 RUR/t against 20700-22750 RUR/t in July - September. (All prices include VAT).

Production of main metal products by the largest Russian steel-making companies PIG IRON

		1999	2000	2001	2002
<i>NLMK</i>	<i>production, thousand tons</i>	7106	7699	7464	8048
	<i>share</i>	18%	18%	17%	18%
<i>Severstal</i>	<i>production, thousand tons</i>	7442	7587	7448	7732
	<i>share</i>	19%	17%	17%	17%
<i>MMK</i>	<i>production, thousand tons</i>	7731	8507	8662	9264
	<i>share</i>	20%	19%	20%	20%
Total, thousand tons		39380	43734	43794	45342

SLABS BEING EXPORTED

		1999	2000	2001	2002
<i>NLK</i>	<i>production, thousand tons</i>	3033	2837	2701	3242
	<i>share</i>	25%	26%	24%	30%
<i>Severstal</i>	<i>production, thousand tons</i>	363	455	599	591
	<i>share</i>	3%	4%	5%	5%
<i>MMK</i>	<i>production, thousand tons</i>	1428	765	1116	825
	<i>share</i>	12%	7%	10%	8%
Total, thousand tons		12024	11077	11392	10806

HOT ROLLED PLATES

		1999	2000	2001	2002
<i>NLK</i>	<i>production, thousand tons</i>	616	752	850	732
	<i>share</i>	16%	14%	16%	14%
<i>Severstal</i>	<i>production, thousand tons</i>	1243	1425	1289	1258
	<i>share</i>	32%	27%	24%	24%
<i>MMK</i>	<i>production, thousand tons</i>	943	1682	1925	1875
	<i>share</i>	24%	32%	36%	35%
Total, thousand tons		3942	5230	5326	5307

HOT ROLLED SHEETS

		1999	2000	2001	2002
<i>NLMK</i>	<i>production, thousand tons</i>	2779	3060	2086	1178
	<i>share</i>	34%	38%	29%	17%
<i>Severstal</i>	<i>production, thousand tons</i>	2639	1956	2289	2150
	<i>share</i>	33%	24%	32%	31%
<i>MMK</i>	<i>production, thousand tons</i>	2597	3011	2753	3597
	<i>share</i>	32%	37%	38%	51%
Total, thousand tons		8091	8117	7202	6995

COLD ROLLED STEEL (inclusive hot dip galvanized steel)

		1999	2000	2001	2002
<i>NLMK</i>	<i>production, thousand tons</i>	1595	1497	2086	2597
	<i>share</i>	32%	26%	37%	39%
<i>Severstal</i>	<i>production, thousand tons</i>	1534	2268	1558	2073

	<i>share</i>	<i>31%</i>	<i>40%</i>	<i>28%</i>	<i>31%</i>
<i>MMK</i>	<i>production, thousand tons</i>	<i>1782</i>	<i>1941</i>	<i>1969</i>	<i>2008</i>
	<i>share</i>	<i>36%</i>	<i>34%</i>	<i>35%</i>	<i>30%</i>
Total, thousand tons		4912	5707	5615	6680

HOT DIP GALVANIZED STEEL

		1999	2000	2001	2002
<i>NLMK</i>	<i>production, thousand tons</i>	<i>267</i>	<i>287</i>	<i>234</i>	<i>369</i>
	<i>share</i>	<i>32%</i>	<i>29%</i>	<i>27%</i>	<i>34%</i>
<i>Severstal</i>	<i>production, thousand tons</i>	<i>469</i>	<i>467</i>	<i>490</i>	<i>482</i>
	<i>share</i>	<i>56%</i>	<i>46%</i>	<i>56%</i>	<i>45%</i>
<i>MMK</i>	<i>production, thousand tons</i>	<i>109</i>	<i>252</i>	<i>147</i>	<i>231</i>
	<i>share</i>	<i>13%</i>	<i>25%</i>	<i>17%</i>	<i>21%</i>
Total, thousand tons		845	1007	871	1082

World market

In the 4th quarter of 2003 84,77 million tons of flats were produced in the world which was 0,9% more than in July - September. And hot rolled steel output accounted for 41,36 million tons (similar data for the previous quarter – 40,35 million tons), cold rolled steel production accounted for 21,97 million tons (21,52 million tons in the previous quarter), hot dip galvanized steel - 21,45 million tons (22,14 million tons).

South-East Asia

Asian market still remained the most capacious market of metal products. Total 31,83 million tons of flats were produced in the 4th quarter, out of them 15,57 million tons of hot rolled steel, 9,1 million tons of cold rolled steel and 7,15 million tons of hot dip galvanized steel.

Flats market volume covered 31,65 million tons inclusive of 15,3 million tons of hot rolled steel, 9,46 million tons of cold rolled steel and 6,89 million tons of hot dip galvanized steel.

China is deemed as the main market of this region as well as its indicator of price tendencies. For the 4th quarter the prices for steel import to this country had been demonstrating positive dynamics as average price for hot rolled steel grew by 38 \$/t from 318 to 355 \$/t c&f, cold rolled steel rose in price by 20 \$/t from 425 \$/t c&f to 445 \$/t c&f, and price for hot dip galvanized steel as the end of the reporting period increased by 5 \$/t from 560 \$/t to 565 \$/t c&f as compared to the end of September 2003.

Western Europe

Countries of Western Europe produced 15,65 million tons of flats in the 4th quarter. Output of hot rolled steel accounted for 7,44 million tons, 1,8 million tons of cold rolled steel, 6,4 million tons of hot dip galvanized steel.

15,66 million tons were demanded by flats market in Western Europe in the 4th quarter, inclusive of 8,27 million tons of hot rolled steel, 1,5 million tons of cold rolled steel, 5,9 million tons of hot dip galvanized steel..

Also prices for European flats export grew – by 12 \$/t from 293 to 305 \$/t fob from October till December for hot rolled steel. Average price for cold rolled steel grew during the quarter from 390 to 400 \$/t fob (by 10 \$/t), and price for hot dip galvanized steel went up by 8 \$/t to average monthly level of 428 \$/t fob.

North America

In the 4th quarter of 2003 countries of North America produced 14,14 million tons of flats. The largest amount of production fell at hot rolled steel, i.e. 5,77 million tons. 3,34 million tons of cold rolled steel and 5,03 million tons of hot dip galvanized steel were produced.

The capacity of hot rolled steel market in the 4th quarter accounted for 5,9 million tons, 3,4 million tons for cold rolled steel, 5,3 million tons of hot dip galvanized steel.

The U.S. flats market within the reporting period also showed positive price dynamics. Price for a ton of imported hot rolled steel from the beginning of October till the end of the year grew by 61 \$/t from 292 to 353 \$/t cif. Prices for imported cold rolled and hot dip galvanized steel were not changed in the U.S. market in the 4th quarter: cold rolled steel cost 386 \$/t cif and the price for hot dip galvanized steel was 430 \$/t cif.

Countries of East Europe and CIS countries

East European countries and CIS countries produced 9,26 million tons of flats in the 4th quarter. Hot rolled steel was produced most, i.e. 5,2 million tons, production of cold rolled steel accounted for 3,34 million tons, hot dip galvanized steel accounted for 0,7 млн. т.

Cumulative market volume accounted for 5,4 million tons in the 4th quarter. The most capacious market was the market of hot rolled steel, i.e. 2,36 million tons, while 2,25 million tons of cold rolled steel and 0,78 million tons of hot dip galvanized steel were supplied to the market.

From October to December hot rolled steel supplied by CIS grew in price by 40 \$/t from 290 to 330 \$/t fob and price for exported cold rolled coils went up by 55 \$/t from 375 to 430 \$/t fob.

Consumers accounting for not less than 10% of NLMK's sales proceeds

Purchaser	Share, %
Export*	
<i>Murfield Commodities Company</i>	<i>12%</i>
<i>Steelco Mediterranean Trading Ltd</i>	<i>51%</i>
<i>Tuskany Intertrade (UK)</i>	<i>33%</i>
Domestic market	
<i>OOO «Insaur-stal»</i>	<i>12%</i>

***Delivery ex warehouse upon Contracts concluded in foreign currency**

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)).

Accounts receivable

There is a «Prevention and control over accounts payable and receivable» standard 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.

80% 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 Russian producers.

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 increased as follows: zinc (6%), secondary aluminium (7%), coke (6%). Price for scrap decreased by 12% in average.

3.2.8. Main competitors.

Information is given in clause 3.2.5.

3.2.9. Information on licenses with the Issuer.

Licenses:

Number: *ЛПД №04995 БЭ*

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.*

Possibility of license prolongation: *The license won't be prolonged (the activity is not performed)*

Number: *ЛД/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*

Possibility of license prolongation: *The license would be prolonged*

Number: *ГК 005894 Registration No. HBF- 00127*

Issue date: *10.03.1999*

Validity: *till 10.03.2004*

Licenser: *Federal Service of geodesy and cartography of Russia. Nizhnevolzhsky territorial area*

Activity: *Works in the frame of geodesical and cartographical activity.*

Possibility of license prolongation: *The license was redrawn (Licenses Nos. 004918 HBF00526-K, 004917 HBF00525-Г were received)*

Number: *КОИ №0027493*

Issue date: *23.04.1999*

Validity: *till 23.04.2004*

Licenser: *Illegal Drug Circulation Department of Interior Department of the Lipetsk region*

Activity: *Activity related to drugs and psychotropic agents circulation.*

Possibility of license prolongation: *The license would be prolonged*

Number: *МЭ №01418 Registration No.1044*

Issue date: *22.09.1999*

Validity: *till 22.09.2004*

Licenser: *The RF Ministry of Economics*

Activity: *Leasing activity at the territory of the RF.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Ф3 dd. 08.08.01)*

Number: *А 000590 Registration No. 4084*

Issue date: *12.04.1996*

Validity: *till 12.04.2006*

Licenser: *RF Ministry of Communications*

Activity: *Rendering of local telecommunications services.*

Possibility of license prolongation: *The license would be prolonged*

Number: *005602 34ЭК №001442*

Issue date: *10.01.2000*

Validity: *till 1.01.2005*

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

Activity: *Technical survey and repair (weldless) of cylinders for liquefied hydrocarbon gases.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Ф3 dd. 08.08.01)*

Number: *ЛПЦ 07811 ВЭ*

Issue date: *1.06.2000*

Validity: *till 1.06.2010*

Licenser: *Lipetsk region natural resources committee*

Activity: *Draft of fresh underground water for the production and drinking water supply of an enterprise (Health center "Parus")*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 205992 Registration No. 1679*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 205995 Registration No. 1682*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206002 Registration No. 1689*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 205996 Registration No. 1683*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 205998 Registration No. 1685*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206000 Registration No. 1687*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206004 Registration No. 1691*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206006 Registration No. 1693*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206008 Registration No. 1695*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206012 Registration No. 1699*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206014 Registration No. 1701*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *F 206010 Registration No. 1697*

Issue date: *29.12.2000*

Validity: *till 23.04.2004*

Licensor: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *A 059401 34ЭК №003151*

Issue date: *19.01.2001*

Validity: *till 1.02.2004*

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

Activity: *Operation of lifting facilities.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

Number: *Г 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.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

Number: *Г 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").*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

Number: *008108 ЛПЦ 00053 TPBBX*

Issue date: *22.03.2001*

Validity: *till 1.03.2004*

Licenser: *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»)*

Possibility of license prolongation: *The license would be prolonged*

Number: *Г 852272 Registration No. 87*

Issue date: *14.03.2001*

Validity: *till 14.03.2004*

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

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

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01.)*

Number: *Г 209064 Registration No. 4*

Issue date: *26.03.2001*

Validity: *till 26.03.2004*

Licenser: *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).*

Possibility of license prolongation: *The license would be prolonged*

Number: *Г 209062 Registration No. 2*

Issue date: *26.03.2001*

Validity: *till 26.03.2004*

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

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

Possibility of license prolongation: *The license would be prolonged*

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.*
Possibility of license prolongation: *The license would be prolonged*

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.*
Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-ФЗ dd. 08.08.01)*

Number: *ЛПД 08883 БЭ*
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 (Health Center «Prometheus»)*
Possibility of license prolongation: *The license would be prolonged*

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.*
Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-ФЗ dd. 08.08.01)*

Number: *А 067256 34ИР №003742*
Issue date: *24.08.2001*
Validity: *till 1.09.2004*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Manufacturing of removable cargo gripping devices.*
Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No.128-ФЗ dd. 08.08.01)*

Number: *А 067258 34РТ №003740*
Issue date: *24.08.2001*
Validity: *till 1.09.2004*
Licensor: *State engineering supervision of Russia, Verkhne-Donskoy county*
Activity: *Repair of lifting devices.*
Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-ФЗ dd. 08.08.01)*

Number: *А 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.*
Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

Number: *A 067197 34ЭK №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").*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Law No. 128-Φ3 dd. 08.08.01)*

Number: *A 067255 34AH №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).*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

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).*

Possibility of license prolongation: *The license would be prolonged*

Number: *A 067165 34ЭK №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).*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *006101 ИО-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).*

Possibility of license prolongation: *The license would be prolonged*

Number: *ЖИИЦ 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.*

Possibility of license prolongation: *The license won't be prolonged (Activity is not performed)*

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.*

Possibility of license prolongation: *The license won't be prolonged (Activity is not performed)*

Number: *А 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).*

Possibility of license prolongation *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-ФЗ dd. 08.08.01)*

Number: *А 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).*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-ФЗ dd. 08.08.01)*

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.*

Possibility of license prolongation: *The license would be prolonged*

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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *АГ №396427 ГСМ-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.**
Possibility of license prolongation: **The license would be prolonged**

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).**
Possibility of license prolongation: **The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)**

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".**
Possibility of license prolongation: **The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)**

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).**
Possibility of license prolongation: **The license won't be prolonged (Licensing was repealed by Federal Act No.128-Φ3 dd. 08.08.01)**

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.**
Possibility of license prolongation: **The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)**

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.**
Possibility of license prolongation: **The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)**

Number: *A 051820 34MT №004133*

Issue date: *8.02.2002*

Validity: *till 1.02.2005*

Licenser: *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.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Law No. 128-Φ3 dd. 08.08.01)*

Number: *A 051789 34TO №004164*

Issue date: *8.02.2002*

Validity: *till 1.02.2007*

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

Activity: *Handling and transportation of dangerous cargos by railway transport.*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No. 128-Φ3 dd. 08.08.01)*

Number: *FC-1-48-02-22-0-4823006703-000107-1*

Issue date: *7.03.2002*

Validity: *till 7.03.2007*

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 (customer-builder functions).*

Possibility of license prolongation: *The license would be prolonged*

Number: *Г 603433 Registration No. 119*

Issue date: *7.03.2002*

Validity: *till 7.03.2007*

Licenser: *Licensing Department of the Lipetsk region Administration*

Activity: *Veterinary preventive and diagnostic activity.*

Possibility of license prolongation: *The license won't be prolonged (Activity is not performed)*

Number: *011410 Registration No. 22258*

Issue date: *4.04.2002*

Validity: *till 4.04.2004*

Licenser: *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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *A 051727 34ЭK №004221*

Issue date: *8.02.2002*

Validity: *till 1.02.2005*

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

Activity: *Operation of explosive, fire-risk and chemically dangerous facilities and plants (process pipelines maintenance).*

Possibility of license prolongation: *The license won't be prolonged (Licensing was repealed by Federal Act No.128-Φ3 dd. 08.08.01)*

Number: *Г 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.**
Possibility of license prolongation: **The license would be prolonged**

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.**
Possibility of license prolongation: **The license would be prolonged**

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.**
Possibility of license prolongation: **The license would be prolonged**

Number: **10109/910038**
Issue date: **28.07.2002**
Validity: **till 27.07.2005**
Licensor: **State customs committee of the RF. Lipetsk customs.**
Activity: **Temporary warehouse foundation.**
Possibility of license prolongation: **The license would be prolonged**

Number: **10109/0005**
Issue date: **28.07.2002**
Validity: **till 27.07.2005**
Licensor: **State customs committee of the RF. Lipetsk customs.**
Activity: **Customs warehouse foundation.**
Possibility of license prolongation: **The license would be prolonged**

Number: **F 603985 Registration No. 246**
Issue date: **30.07.2002**
Validity: **till 30.07.2005**
Licensor: **Licensing Department of the Lipetsk region Administration.**
Activity: **Activity related to the application of ionization sources (generating) at the location of distant plants.**
Possibility of license prolongation: **The license would be prolonged**

Number: **FC-1-48-02-21-0-4823006703-000308-4**
Issue date: **29.08.2002**
Validity: **till 29.08.2007**
Licensor: **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.**

Possibility of license prolongation: *The license would be prolonged*

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.*

Possibility of license prolongation: *The license would be prolonged*

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.*

Possibility of license prolongation: *The license would be prolonged*

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.*

Possibility of license prolongation: *The license would be prolonged*

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".*

Possibility of license prolongation: *The license would be prolonged*

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).*

Possibility of license prolongation: *The license would be prolonged*

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.*

Possibility of license prolongation: *The license would be prolonged*

Number: *004918 HBF №00526-K*

Issue date: **18.04.2003**
Validity: **till 18.04.2008**
Licensor: **Federal Service of geodesy and cartography of Russia. Nizhnevolzhsk territorial inspection of geodesic supervision (Saratov)**
Activity: **Cartographical activity**
Possibility of license prolongation: **The license would be prolonged**

Number: **004917 HBF №00525-Г**
Issue date: **18.04.2003**
Validity: **till 18.04.2008**
Licensor: **Federal Service of geodesy and cartography of Russia. Nizhnevolzhsk territorial inspection of geodesic supervision (Saratov)**
Activity: **Geodesic activity**
Possibility of license prolongation: **The license would be prolonged**

Number: **Д 293036 Registration No. 37**
Issue date: **23.05.2003**
Validity: **till 23.05.2008**
Licensor: **Health Department of the Lipetsk region Administration**
Activity: **Medical activity in the Health Center "Prometheus". Address: Lipetsk, camp "Prometheus".**
Possibility of license prolongation: **The license would be prolonged**

Number: **ЛПЦ Registration Co.54085 БЭ**
Issue date: **20.05.2003**
Validity: **till 1.03.2012**
Licensor: **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)**
Possibility of license prolongation: **The license would be prolonged**

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)**
Possibility of license prolongation: **The license would be prolonged**

Number: **МК №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)**
Possibility of license prolongation: **The license would be prolonged**

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*
Possibility of license prolongation: *The license would be prolonged*

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")*
Possibility of license prolongation: *The license would be prolonged*

Number: *Д 382503 Registration No. 50012615*

Issue date: *3.09.2003*

Validity: *till 2.09.2008*

Licensor: *Ministry of energy of the Russian Federation.*
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)*
Possibility of license prolongation: *The license would be prolonged*

Number: *Д 382502 Registration No. 60012614*

Issue date: *3.09.2003*

Validity: *till 2.09.2008*

Licensor: *Ministry of energy of the Russian Federation.*
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)*
Possibility of license prolongation: *The license would be prolonged*

Number: *ГЦЭН №002340 ГЦЭН.1.34.012*

Issue date: *9.10.2003*

Validity: *till 9.10.2008*

Licensor: *RF Ministry of Healthcare*
Activity: *Use of infectious disease pathogenes. Operations with microorganisms of the 3rd – 4th group of pathogenicity and helminths*
Possibility of license prolongation: *The license would be prolonged*

Number: *Д 411485 Registration No. 30014386*

Issue date: *10.10.2003*

Validity: *till 9.10.2008*

Licensor: *Ministry of energy of the Russian Federation*
Activity: *Storage of oil, gas and products of their processing*
Possibility of license prolongation: *The license would be prolonged*

Number: *0008679 Registration No. 2/04818*

Issue date: *24.10.2003*

Validity: *till 24.10.2008*

Licensor: *Central administrative board of the State Fire Fighting service with Ministry of Emergency Situations of the Russian Federation*
Activity: *Erection, repair and servicing of devices which provide fire safety of buildings*
Possibility of license prolongation: *The license would be prolonged*

Number: *012545 Registration No. 48M03/0042/И*

Issue date: *05.12.2003*

Validity: *till 5.12.2008*

Licenser: *Central administrative board of natural resources and environmental protection with MPR of Russia in the Lipetsk region.*

Activity: *Handling of danger wastes*

Possibility of license prolongation: *The license would be prolonged*

Number: *A 051220 Registration No. 523*

Issue date: *10.12.2003*

Validity: *till 10.12.2007*

Licenser: *Department of Education and Science in the Lipetsk region Administration*

Activity: *Educational activities in the area of secondary vocational training (dental prothetists training)*

Possibility of license prolongation: *The license would be prolonged*

Number: *Д 235109 Registration No. 716*

Issue date: *17.12.2003*

Validity: *till 14.11.2006*

Licenser: *Department of consumer market in the Lipetsk region Administration*

Activity: *Retail sales of alcoholic spirits*

Possibility of license prolongation: *The license would be prolonged*

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 company «Garmet» (31, ul. Obrucheva, 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 - 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 JIIIИ 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 2003 – 3979 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 2004 was planned as 4048 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-TII, 71-TII 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;*
- excavators, drilling rigs, BELAZ cars, tractors, bulldozers, excavating machines, motor graders;*
- transformers, welding transformers, aspiration system, pumps, fans, compressors;*
- control panels, control station panels, cabinets for automation system, rectifying units.*

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 under the license received.

Mineral resources are metallurgical dolomite, construction crushed rock and limestone (dolomite) flour.

As of 01.01.2004 the areas for which licenses were granted had 406217 thousand tons of balance sheet reserves of dolomite, inclusive of 248416 thousand ton in Bigildin area and 157801 thousand tons in Prikarjerny area. Dankov field covers (all areas) 674694 thousand tons of dolomite balance sheet reserves in total.

Reserve evaluation method was approved by Protocol No. 873 dd. September 26, 2003 of the State Committee on Mineral Reserves (GKZ).

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.

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 as metallurgical raw materials of 6,0% of mineral value.

3. To effect double payments for mineral loss infringement.

4. To present a report under forms 5-ГР, 70-ТII, 71-ТII to controlling bodies on the annual basis.

5. To redrawn up papers for mining leases in areas under mining in the State Engineering Supervision of the Russian Federation in Verkhne - Donskoy county before 31.12.2003.

6. 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.

7. 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 before December 15.

8. Two years prior to license expiry date a project of mining opening final liquidation and dislocated soil reclamation shall be developed and approved.

The stated liabilities: all liabilities stated above are fulfilled within established time. Liabilities under clause 5 (redrawing up of papers for mining lease) are being fulfilled about which a notification letter was sent to the corresponding controlling authorities.

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 ГvЛ, ГvС, ГvТ 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 «Kombinat KMAruda»
(ОАО «Комбинат КМАруда»)**

a) Mineral reserves:

1). Kombinat KMAruda is granted the right to use the subsoil for deep-mined extraction of Korobkov field of ferruginous quartzite (inclusive of Sretensky area).

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.

Extraction volume from the beginning of operations in the field as of 01.01.2004 is 149414 thousand tons (144932 thousand tons of air dried weight)

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

Kombinat KMAruda was granted a license of series БЕЛ 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 г. (Validity of the license can be prolonged 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 components 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.*

2). 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 БЕЛ 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. 71 dd. 06.05.1998 and Law No. 111 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.

6) Mineral processing

The main mining equipment used 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 УББ-4 and ВГ-4,5.

Blast holes are drilled by machine НKP-100 M. Blast holes are loaded by machines МЗКC-160.

Extracted ore is preliminary crushed in crushers СМД-118 1Б and ДСД –1017. Crushed ore is transported to processing plant along shaft equipped with 2 skips of 4 tons capacity each and hoist engine 2 Ц-4×1,8 and along shaft 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.

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

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

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

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

- Ball mill – МШП 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.

In 2004 NLMK will proceed with implementation of Technical Upgrading Program which covers years 2000-2005 (renewal of production facilities, increase of environmental protection of production, improve of quality and diversification of product mix). The Company will continue planned works to maintain output on the level of targets 2004 as well as to take measures aimed at improvement of management structure and increase of labor productivity.

In 2004:

- output of pig iron, steel and finished flats will change insignificantly as compared to 2003;

- a share of slabs in structure of finished steel products (flats/slabs) is supposed to grow due to high demand in the world markets;

- export sales share in in-kind terms won't be virtually changed and will account for 71%;

- due to favourable conditions in the world markets and in the Russian market shipment of high value-added products (CR GO and NGO steel, prepainted steel) will go up;

- about 9 bln. RUR are supposed to be invested into technical upgrade and purchasing of equipment instead of obsolete one;

- 600 mln RUR will be allocated to insurance program;

- significant changes in accounts receivable and payable won't be provided for.

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.

(Preliminary) 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	8 799 581 435	3 881 189 753
2	Structures	6 082 268 273	4 716 560 509
3	Machinery and equipment	12 961 499 530	7 305 456 372
4	Transport vehicles	757 174 837	456 033 831
5	Industrial tools	55 036 576	31 420 121
6	Perennial plants	181 948	175 884
7	Intangible fixed assets	37 693 032	15 075 798
8	Other funds of core activity	1 044 876 985	8 975
	Total	29 738 312 616	16 405 921 243

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 in 2004.

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 15 926 629 641;*
- *accrued amortization – RUR 8 597 813 167.*

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.

The information is not presented for this reporting period.

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

The information is not presented for this reporting period.

4.2. The Issuer's liquidity.

The information is not presented for this reporting period.

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.

The information is not presented for this reporting period.

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

For the last several years NLMK has been showing steady growth in assets which is provided by increase of the equity for account of profit accumulation.

Insignificant share of borrowings within total assets speaks for small dependancy of the Company on borrowings. The most ratio of own funds of the Company within its capital speaks for minimum risk for creditors. NLMK's equity is enough to cover current operating expenses and meet short-term liabilities (the equity exceeds short-term liabilities more than 11-fold).

Cash and its equivalents of the Company cover the current operating expenses in ful.

4.3.3. Cash and its equivalents.

Cash requirements of NLMK for financing of its activity in the 1st quarter of 2004 are estimated as 20 billion roubles inclusive of VAT, and over 90 billion roubles inclusive of VAT for the whole 2004.

High efficiency of Novolipetsk Iron & Steel Corporation operations allows generating cash flows which are sufficient for financing of current and investment operations without attracting loans and credits. In 2004 the Company supposes to use cash inflows from its activity as sources for operations financing.

In case of market conditions worsening and the Company's investment plans changing demand balance can be used. The cash demand balance account for near 30% of planned annual financing expenses as of the beginning of the year. In other words NLMK can stand 30% growth of expenses without resorting to borrowings.

At once taking stable operations of the Company for long period of time into account as well as high share of own funds within the Company's capital NLMK has a possibility to attract large amount of cash under favourable conditions as bank credits and by bonds placement.

As of 31.12.2003 NLMK had no distrained bank accounts and 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 (thousand RUR): *6 774 535* (Deposits placed with OAO Vneshtorgbank account for in aggregate more than 10% of all NLMK's financial investments as of December 31, 2003)

Amount of interest accrued (thousand RUR): *117 264*

Amount of interest paid (thousand RUR): *99 021*

4.3.5. Intangible assets of the Issuer.

Information (preliminary) 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)

<i>No</i>	<i>Description of intangible assets group</i>	<i>Initial (replacement) value</i>	<i>Accumulated depreciation</i>
1	Sole rights for PC applications and databases	14 753 413	11 826 782
2	Sole rights for inventions	2 426 982	269 729
3	Sole rights for production prototypes	200 000	159 984
4	Sole rights for utility models	624 534	232 036
5	Sole rights for trade marks and service marks	118 311	17 370
6	Other rights	331 032	318 563
7	Sole rights for artwork, science work, literature publications	39 167	5 800
Total		18 493 439	12 830 264

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 4th quarter of 2003 expenses of NLMK on R&D inclusive VAT accounted for 8 083,1 thousand roubles.

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 4th quarter of 2003 patents for 19 inventions and 2 utility models listed below were received.

List of patents for inventions and utility models received in the 4th quarter of 2003

No.	No. of patent	Description of an invention, utility model	Issue date	Validity of patent
1	2212962	Technique of strip cold rolling in continuous multistand mill	27.09.2003	20 years
2	2212963	Technique of continuous strip cold rolling in multistand mill	27.09.2003	20 years
3	2212978	Concaster with curveliniar technological axis	27.09.2003	20 years
4	2213637	Technique of roll preparation for four-high stand of cold rolling	10.10.2003	20 years
5	2214885	Technique of mold running	27.10.2003	20 years
6	2214886	Slag powder	27.10.2003	20 years
7	2214887	Slag powder	27.10.2003	20 years
8	2214888	Slag powder	27.10.2003	20 years
9	2214984	Refractory castables	27.10.2003	20 years
10	2215042	Technique of blast furnace slag processing	27.10.2003	20 years
11	2215043	Technique of blast furnace tuyere preparation for running	27.10.2003	20 years
12	2215047	Device for RH process	27.10.2003	20 years
13	2215796	Production of CR NGO steel	10.11.2003	20 years
14	2216415	Technique of rolled strip production	20.11.2003	20 years
15	2216492	Strapping device for coils	20.11.2003	20 years
16	2216597	Technique of blast furnace blowing in	20.11.2003	20 years
17	2217249	Technique of strip cold rolling	27.11.2003	20 years
18	2217509	Production of CR NGO steel	27.11.2003	20 years
19	2218240	Installation for ladle lining heating	10.12.2003	20 years
20	33336	Line for production of rolled steel with insulating coatings	20.10.2003	5 years
21	33574	Rotary furnace for bulk material annealing	27.10.2003	5 years

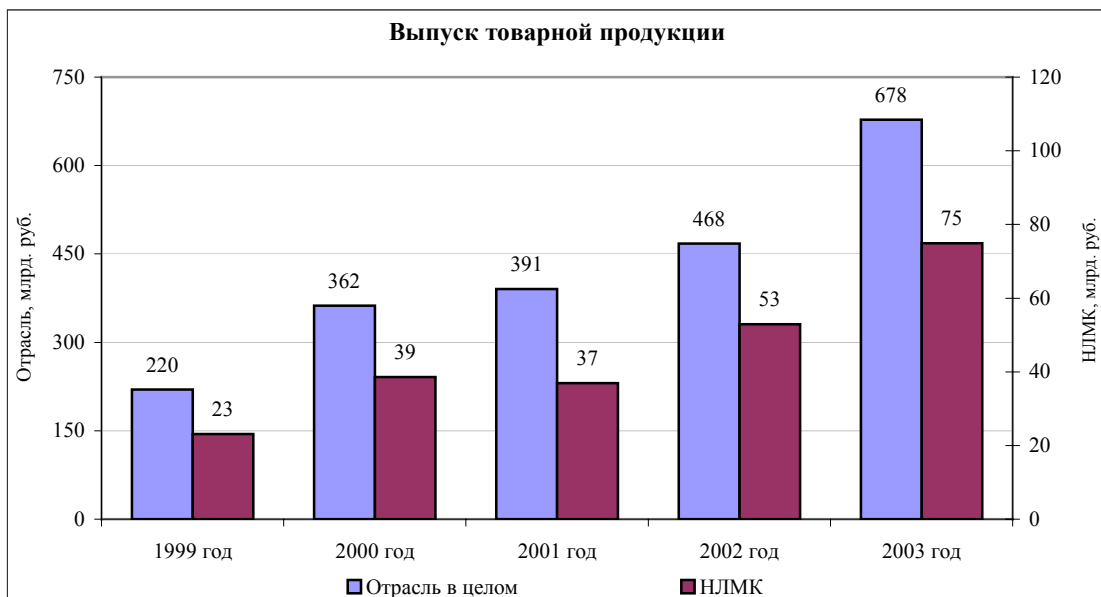
Constant control over prompt payment of all patent fees on inventions and utility models, over prolongation of trade mark registration validity, over submission of applications on registration of trade mark in case of the Company's product mix diversification are the main actions aimed at prevention 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. Expected performance in 2003 speaks for the best production and economic performance of the Russian steel industry for the last several years. In total steel production in Russia in 2003 grew by 5 mln. tons (by 9%), finished rolled steel production went up by 10 mln. tons (by 25%), marketable product output increased 3,1 fold as compared to 1999.

Dynamics of Novolipetsk Iron & Steel Corporation development coincided in many respects with the industry's. Steel production at NLMK accounted for 1,4 mln. tons (19%), growth of finished rolled steel – 1,2 mln. tons (17%), output of marketable products increased 3,3 fold as compared to 1999.

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 11 months of the current year NLMK has received the largest profit on tax, the share of which accounted for 30% 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 payable 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: *Non-profit making organization 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: ***Non-profit making 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: **Non-profit making 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: **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**

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.

The information is not presented for this reporting period.

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 – **11 525**,
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>
<i>1.</i>	<i>RAIFFEISEN ZENTRALBANK OSTERREICH AG</i>	<i>18,42</i>
<i>2.</i>	<i>MINISTRY OF PROPERTY OF THE RUSSIAN FEDERATION</i>	<i>14,84</i>
<i>3.</i>	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
<i>4.</i>	<i>RENAISSANCE NOMINEES (CYPRUS) LIMITED</i>	<i>10,21</i>
<i>5.</i>	<i>CLOSED JOINT-STOCK COMPANY «NOVOINTERGAS»</i>	<i>6,63</i>
<i>6.</i>	<i>CLOSED JOINT-STOCK COMPANY «KASMET»</i>	<i>6,60</i>
<i>7.</i>	<i>AGRISTAL LTD.</i>	<i>6,04</i>
<i>8.</i>	<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>
<i>1.</i>	<i>CAMBRIDGE CAPITAL MANAGEMENT LTD</i>	<i>18,42</i>
<i>2.</i>	<i>MINISTRY OF PROPERTY OF THE RUSSIAN FEDERATION</i>	<i>14,84</i>
<i>3.</i>	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
<i>4.</i>	<i>RENAISSANCE NOMINEES (CYPRUS) LIMITED</i>	<i>10,21</i>
<i>5.</i>	<i>GREENSLADE TRADING AND INVESTMENTS LIMITED</i>	<i>6,91</i>
<i>6.</i>	<i>CLOSED JOINT-STOCK COMPANY «KASMET»</i>	<i>6,32</i>
<i>7.</i>	<i>AGRISTAL LTD.</i>	<i>6,04</i>
<i>8.</i>	<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.	BANQUE SCS ALLIANCE SA	19,99
2.	PARBURY TRADING LIMITED	18,42
3.	BOWLAND INVESTMENTS LIMITED	17,10
4.	S.M.U. HOLDING SA	10,62
5.	WANION INVESTMENTS LIMITED	10,18
6.	GREENSLADE TRADING AND INVESTMENTS LIMITED	6,91
7.	FENWAY SERVICES LIMITED	6,62
8.	TRADALCO SA	5,05

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.	BANQUE SCS ALLIANCE SA	19,99
2.	OMNISPECT LIMITED	18,42
3.	BOWLAND INVESTMENTS LIMITED	17,10
4.	BRIGHTWOOD VENTURES LIMITED	17,10
5.	S.M.U. HOLDING SA	10,62
6.	RAGON ENTERPRISES LIMITED	6,62
7.	TRADALCO SA	5,05

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.	BANQUE SCS ALLIANCE SA	19,99
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):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
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):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
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.	<i>Bowland Investments Limited</i>	9,08
6.	<i>Mining Company "Norilsk Nickel"</i>	9,00
7.	<i>CASTELLE INVESTMENTS LIMITED</i>	6,62
8.	<i>RADLEY ENTERPRISES LIMITED</i>	5,51
9.	<i>PROSUN CO. LIMITED</i>	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.	<i>KM TECHNOLOGIES (OVERSEAS) LIMITED</i>	19,99
2.	<i>SILENER MANAGEMENT LTD</i>	18,98
3.	<i>Stahl-und Metallunternehmensholding S.A.</i>	14,43
4.	<i>VEFT ENTERPRISES LIMITED</i>	10,81
5.	<i>MINING COMPANY "NORILSK NICKEL"</i>	9,00
6.	<i>CASTELLE INVESTMENTS LIMITED</i>	6,62
7.	<i>RADLEY ENTERPRISES LIMITED</i>	5,51
8.	<i>PROSUN CO. LIMITED</i>	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.	<i>SILENER MANAGEMENT LTD</i>	18,98
2.	<i>VEFT ENTERPRISES LIMITED</i>	10,81
3.	<i>CASTELLA INVESTMENTS LIMITED</i>	10,05
4.	<i>LIMTAN INVESTMENTS LIMITED</i>	9,99
5.	<i>CLOSED JOINT-STOCK COMPANY "LKB-INVEST"</i>	9,01
6.	<i>ULTIMEX TRADING LIMITED</i>	8,29
7.	<i>RADLEY ENTERPRISES LIMITED</i>	8,23
8.	<i>OMNILAX HOLDINGS LIMITED</i>	7,59
9.	<i>AHERON INVESTMENTS LIMITED</i>	7,59
10.	<i>PROSUN CO. LIMITED</i>	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.	<i>SILENER MANAGEMENT LTD</i>	18,98
2.	<i>VEFT ENTERPRISES LIMITED</i>	12,30
3.	<i>CASTELLA INVESTMENTS LIMITED</i>	10,05
4.	<i>LIMTAN INVESTMENTS LIMITED</i>	9,99
5.	<i>ULTIMEX TRADING LIMITED</i>	8,28
6.	<i>RADLEY ENTERPRISES LIMITED</i>	8,23
7.	<i>OMNILAX HOLDINGS LIMITED</i>	7,59
8.	<i>AHERON INVESTMENTS LIMITED</i>	7,59
9.	<i>CLOSED JOINT-STOCK COMPANY "LKB-INVEST"</i>	7,51
10.	<i>PROSUN CO. LIMITED</i>	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 15 transactions in which interest had been expressed.

In the reporting quarter there were no transactions, which were of interest for the Issuer, price of which equaled to 5 and more per cent of the Company's assets book value defined upon its financial statements as of the last balance sheet date.

6.7. Information on amount of accounts receivable.

This information is not presented for the reporting period.

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.

Is not presented.

7.3. Consolidated Financial Statements of the Issuer for the last completed fiscal year.

Is not presented.

7.4. Information on total export as well as on share of export in total sales.

This information is not presented for the reporting period.

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 last years 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 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. Stencheskaya, 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 Limited»***

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: ***OAO «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 «Lipetskcombank»*

Abbreviated name: *ОАО «Lipetskcombank»*

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. *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. *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. *Tat'yana 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 «Lipetskoblglas»*

Abbreviated name: *ОАО «Lipetskoblglas»*

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. Leschev, 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. Abaljan, 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. Abaljan, 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. Sheremet, 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 registrating 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 of the Russian residents from dividends, interests, value of additional stock received from Issuer of securities, and income from sales of shares or any other securities of the Issuer is performed under Articles 251, 271, 274, 275, 280, 282-287 of Tax Code of the Russian Federation (part two).

Procedure and conditions for taxation of income of foreign companies acting at the territory of the Russian Federation through a continuing representative body and (or) gaining income from some sources in the Russian Federation and received from sales of securities and as dividends or interest payable upon securities, are regulated by Articles 306, 307, 309-312 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 Protocol of the Issuer's Management Body Meeting where a decision to pay (announce) dividends has been made: *June 27, 2003, 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.