

Item # 1 of the Agenda of the Extraordinary General Shareholders' Meeting of the Magnitogorsk Iron and Steel Works Open Joint Stock Company

**On Payment of Dividends on the Company's Placed Shares for 9 Months of the 2006 Financial Year**

Draft Decision:

**Dividends on the Company's placed registered ordinary shares for 9 months of the 2006 financial year shall be paid in cash, in the amount as recommended by the Board of Directors, and within the time frame and according to the procedure established by the Company's Charter.**