

QUARTERLY REPORT

Novolipetsk Iron & Steel Corporation

The Issuer's code: 00102-A

for III quarter of 2004

Domicile: 2, pl. Metallurgov, Lipetsk 398040 Russia

Director General

Vladimir P. Nastich

(signature)

Date "12" November 2004

**Director for Accounting - Chief
Accountant**

Alexander A. Sokolov

(signature)

Date "12" November 2004

Stamp

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

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Introduction

a) Full name of the Issuer:

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

Abbreviation of the name:

ОАО "НЛМК"
NLMK

Novolipetsk Iron & Steel Corporation hereinafter referred to as "the Issuer" or "the Company".

б) Domicile:

2, pl. Metallurgov, Lipetsk 398040, Russia

в) Contact information:

Tel.: ***(0742)-445-010***
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:

Series: ***1***

Type: ***shares (registered)***

Category: ***common stock***

Form of securities: ***registered undocumentary***

Number of securities distributed: ***5 987 240***

Par value (rouble): ***1***

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

Time of distribution: ***from 2.04.1993 till 2.08.1993***

Series: ***2***

Type: ***shares (inscribed)***

Category: ***common stock***

Form of securities: ***undocumentary***

Number of securities distributed: ***5 987 240 000***

Par value (rouble): ***1***

Method of distribution: ***distribution of additional shares among shareholders***

Time of distribution: ***04.05.2004***

e) Other information:

There is no 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 differ 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 adviser of the Issuer as well as on other persons who signed this quarterly report.

1.1. Members of Issuer's Management Bodies.

Issuer's Management bodies:

- a) General Shareholders' Meeting;*
- b) Board of Directors;*
- в) Collective executive body – Management;*
- е) Single executive body – General Director.*

Members of Issuer's Board of Directors are:

Oleg V. Bagrin

Year of birth: *1974*

Nikolay A. Gagarin

Year of birth: *1950*

Dmitry A. Gindin

Year of birth: *1946*

Oleg V. Kiselev

Year of birth: *1953*

Vladimir S. Lisin

Year of birth: *1956*

Mikhail M. Sagalov

Year of birth: *1974*

Vladimir N. Skorokhodov

Year of birth: *1951*

Vyacheslav P. Fyodorov

Year of birth: *1966*

Igor P. Fyodorov

Year of birth: *1966*

Members of Management are:

Vladimir P. Nastich

Year of birth: *1953*

Ivan V. Frantsenuik

Year of birth: *1927*

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 V. 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*

Sergey P. Melnik

Year of birth: *1961*

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*

Director General is:

Vladimir P. Nastich

Year of birth: *1953*

1.2. Information on Issuer's bank accounts.

<i>No.</i>	<i>Full (abbreviated) name, location, INN, BIC, correspondent account of credit institution</i>	<i>Issuer's bank account</i>	<i>Account type</i>
1	<i>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</i>	<i>40702810400005037751 40702840700005037751 40702840100205045347 40702840000105045738 40702978300005037751 40702978700205045347 40702978600105045738</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>
2	<i>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</i>	<i>40702810535020100831</i>	<i>settlement account</i>
3	<i>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</i>	<i>40702810500000000772 40702810900000000770 40702810300000000309 40702810800000000317 40702840500000000056 40702840200009000056 40702840300009900056 40702978100000000056 40702978800009000056 40702978900009900056</i>	<i>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</i>
4	<i>Moscow branch of OAO «Lipetskcombank»; 2, 2nd Avtozavodskoy proezd 109004 Moscow; INN 4825005381; BIC 44579254; Correspondent account 30101810500000000254</i>	<i>40702810102000000015 40702840402000000015 40702840102009000015 40702840202009900015 40702978002000000015 40702978702009000015 40702978802009900015</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>
5	<i>Closed joint-stock company «International Moscow Bank »; ZAO International Moscow Bank; 9, Prechistinskaya nab. 119034 Moscow; INN 7710030411; BIC 44525545; Correspondent account 30101810300000000545</i>	<i>40702810500010236805 40702840100010236806 40702840400010236807 40702840700010236808 40702978500010236802 40702978800010236803 40702978100010236804</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>
6	<i>OOO «Deutsche Bank»; 4, ul. Schepkina 129090 Moscow; INN 7702216772; BIC 44525101; Correspondent account 30101810100000000101</i>	<i>40702810400000000132 40702840200000000234 40702840800000000236 40702840500000000235 40702978800000000014 40702978400000000016 40702978100000000015</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>

7	<i>Bank ZENIT (open joint-stock company); Bank ZENIT; 9, Banny pereulok 129110 Moscow; INN 7729405872; BIC 44525272; Correspondent account 3010181000000000272</i>	<i>4070281080000002393 4070284010000002393 4070284000003002393 40702840300004002393 4070297870000002393 40702978600003002393 40702978900004002393</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>
8	<i>Joint-stock commercial bank «ROSBANK» (open joint-stock company); OAO AKB «ROSBANK»; 11, ul M. Poryvaeva 107078 Moscow; INN 7730060164; BIC 44525256; Correspondent account 3010181000000000256</i>	<i>40702810500000114727 40702840900000014727 40702840800003014727 40702840500003314727 40702978500000014727 40702978400003014727 40702978100003314727</i>	<i>settlement account USD running account USD transit account USD special transit account EUR running account EUR transit account EUR special transit account</i>
9	<i>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</i>	<i>40702810200060000619 40702840500060000619 40702840800061000619 40702840100062000619</i>	<i>settlement account USD running account USD transit account USD special transit account</i>
10	<i>ZAO «Raiffaizenbank»; 17/1, ul. Troitskaya Moscow 129090,; INN 7744000302; BIC 44525700; Correspondent account 30101810200000000700</i>	<i>40702810800001402369 40702840100001402369 40702840800000402369 40702840000004402369</i>	<i>settlement account USD running account USD transit account USD special transit account</i>
11	<i>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</i>	<i>40702840100150000039 40702840500150000040 40702840800150000041</i>	<i>USD running account USD transit account USD special transit account</i>
12	<i>Siberian branch of Savings Bank of the Russian Federation 27, Toliatti street, Novokuznetsk 654080, INN 7707083893 BIC 45004641 Correspondent account 30101810500000000641</i>	<i>407028105261701103161</i>	<i>settlement account</i>

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: *ZAO "AF "FinEscort"*

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

Tel. *(095)-956-16-14*

Fax: *(095)-234-49-29*

E-mail: finescort@fbk.ru

Auditor's license data:

License No: **E000004**
Issue date: **10.04.2002**
Validity: **within 5 years**
Licensor: **the Finance Ministry of the RF**

The Financial Statements for the following financial years have been audited by the auditor: **1997, 1998, 1999, 2000, 2001, 2002, 2003, current 2004.**

Factors that could affect Auditor's independence from Issuer and measures taken by the Issuer and Auditor to reduce influence of the stated factors:

There are no factors that could affect Auditor independence from Issuer.

Procedure of Auditor appointment:

An Auditor is appointed by the General Shareholders' Meeting upon presentation of the Board of Directors. Tender related to auditor selection is not provided for.

Information on projects executed by Auditor within special auditorial tasks:

Auditor did not execute any projects apart of his direct functions.

Information on any material interests which bind Auditor (Auditor's officers) with the Issuer (Issuer's officers):

There are no interests which bind Auditor (Auditor's officers) with the Issuer (Issuer's officers), in particular:

- **Auditor (Auditor's officers) does not have any share in Issuer's stockholder capital;**
- **the Issuer did not grant any loans to Auditor (Auditor's officers);**
- **there are no close partnership (promotion of Issuer's products (services), joint ventures, etc.), as well as kinship;**
- **there are no Issuer's officers being simultenuously Auditor's officers.**

Procedure of Auditor fee definition:

The Company's Board of Directors shall define fee for Auditor's services and any other essential conditions of agreement.

Information on deferred and late payments for services rendered by Auditor:

There are no deferred and late payments for services rendered by Auditor.

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

Full name: **Closed joint-stock firm «PricewaterhouseCoopersAudit»**
Abbreviated name: **ZAO PricewaterhouseCoopersAudit**
Legal address: **Bldg 5, 52, Kosmodamianskaya naberezhnaya 115054 Moscow Russia**
Tel: **(095)-967-60-00**
Fax: **(095)-967-60-01**
E-mail: **webmaster@pwc.com**

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 under US GAAP by the auditor for the following financial years: *2003, current 2004.*

Factors that could affect Auditor's independence from Issuer and measures taken by the Issuer and Auditor to reduce influence of the stated factors:

There are no factors that could affect Auditor independence from Issuer.

Procedure of Auditor appointment:

An Auditor is appointed by the General Shareholders' Meeting upon presentation by the Board of Directors. Tender related to auditor selection is not provided for.

Information on projects executed by Auditor within special auditorial tasks:

Auditor did not execute any projects apart of his direct functions.

Information on any material interests which bind Auditor (Auditor's officers) with the Issuer (Issuer's officers):

There are no interests which bind Auditor (Auditor's officers) with the Issuer (Issuer's officers), in particular:

- *Auditor (Auditor's officers) does not have any share in Issuer's stockholder capital;*
- *the Issuer did not grant any loans to Auditor (Auditor's officers);*
- *there are no close partnership (promotion of Issuer's products (services), joint ventures, etc.), as well as kinship;*
- *there are no Issuer's officers being simultenuously Auditor's officers.*

Procedure of Auditor fee definition:

The Company's Board of Directors shall define fee for Auditor's services and any other essential conditions of agreement.

Information on deferred and late payments for services rendered by Auditor:

There are no deferred and late payments for services rendered by Auditor.

1.4. Information on appraiser.

The Issuer did not enlist services of an Appraiser (Appraisers) regarding securities issue, information on which is presented in this Quarterly Report.

Information on appraiser being involved by the Issuer in fixed assets revaluation as of 01.01.2000:

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*

Tel: *(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.*

Licensor: *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 advisers.

Financial adviser who renders consulting services in securities market:

Full name: *Closed joint-stock company "Renaissance Capital"*

Abbreviated name: *ZAO "Renaissance Capital"*

Legal address: *4th floor, Usadba Centr 22, Voznesensky pereulok Moscow 125009, Russia*

Tel: *(095)-258-77-77*

Fax: *(095)-258-77-78*

Web-site in Internet where the financial adviser discloses information on the Issuer: www.rencap.com

Data on licenses of professional activity in securities market:

License of securities market participant for brokerage

License No.: *177-05370-100000*

Issue date: *July 12, 2001*

Validity: *unlimited*

Licensor: *Federal Committee on securities market*

License of securities market participant for dealer activity

License No.: *177-05386-010000*

Issue date: *July 12, 2001*

Validity: *unlimited*

Licensor: *Federal Committee on securities market*

Services rendered by the Adviser:

- *assistance to the Issuer in preparation of securities prospectus;*
- *verification of authenticity and completeness of all information from Securities Prospectus, with exception of audited one;*
- *attestation of Securities Prospectus as well as documentation that might deem necessary for the Issuer in order to arrange circulation of shares with traders;*
- *consultations on issues related to preparation of Securities Prospectus, any other documentation pertaining to arrangement of shares circulation and Issuer going through listing procedure;*
- *consultations on issues related to disclosure by the Issuer of information in securities market and monitoring over discharge by Issuer of his liabilities pertaining to disclosure of information in securities market according to requirements of Federal authority on securities market.*

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

There are no such persons.

II. Main information on financial performance of the Issuer.

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

Description	as of 30.06.2004	as of 30.09.2004
Net assets value, thousand rouble	85 692 052	94 711 768
Leverage, %	10,2%	9,1%
Short-term liabilities to equity ratio, %	9,2%	8,0%
Past-due accounts, %	3,0%	1,5%
	2 Q 2004	3 Q 2004
Cover of payments on debt service (factor)	-*	-*
Turnover of net assets (once a year)	0,39	0,38
Turnover of accounts payable (once a year)	2,05	2,22
Turnover of accounts receivable (once a year)	2,09	2,03
Profit tax share before taxation, %	24,0%	22,5%

* - NLMK had no loans and credits due in the 2 and 3 quarters of 2004

Methods recommended by Provision on disclosure of information by Issuers approved by Decree of Federal Committee of the Central Bank of the Russian Federation No. 03-32/ps dd. July 2, 2003 were used in order to calculate the above mentioned indices.

Net assets. Financial position of NLMK in the 3rd quarter 2004 remained stable. The Company witnessed net assets growth from 85,7 billion roubles as of 30.06.2004 to 94,7 billion roubles as of 30.09.2004.

In the 3rd quarter 2004 «leverage» decreased to 9,1% as compared to the 2nd quarter 2004. Current index proves availability of insignificant share of borrowings within the Company's capital. It confirms low dependence of NLMK on borrowings.

The main share in borrowings fell at short-term liabilities of NLMK. As of 30.09.2004 ratio of short-term liabilities to equity accounted for 8,0%. It confirms minimum risk for creditors of the Company.

Assets turnover. In the 3rd quarter of the current year with 14,2% average net assets and 10,4% sales proceeds growth decreased as compared to the 2nd quarter and accounted for 0,38.

Accounts payable turnover factor increased from 2,05 in the 2nd quarter 2004 to 2,22 in the 3rd quarter 2004 due to growth of sales cost (inclusive of commercial and administrative expenses) by 10,6% with growth of average accounts payable by 2,2%.

In the 3rd quarter 2004 accounts receivable turnover factor slightly fell as compared to the 2nd quarter and accounted for 2,03 caused by growth of average accounts receivable by 13,6% with sales proceeds increase by 10,4%.

2.2. Issuer's market capitalization.

Whereas Issuer's shares do not circulate with traders in capital market, calculation of market

cap, inclusive under methods suggested by Federal Committee of the Central Bank of the Russian Federation, deems impossible.

It should be noted that information on indicative quoting of Issuer's common stock starting from November 5, 2003 is reflected in «RTS Board» (ticker symbol – nlmk), as these data are not official quotations of securities, they cannot be used for calculation of market cap of the Company.

Capitalization of NLMK in «RTS Board» as of September 30, 2004 accounted for USD 6,202,990,193.

Total shares – 5 993 227 240 (inclusive additional offering of common stock of 5 987 240 000).

Starting from July 1 till September 30, 2004 121 transactions with NLMK's shares for USD 12,065,974 took place in «RTS Board». The value of a share under the last transaction was USD 1.035.

The Issuer's capitalization in «RTS Board» was calculated as follows: total shares x last quotation for purchase. In this case: 5,993,227,240 shares x USD 1.035 (last quotation for purchase as of 30.09.2004) = USD 6,202,990,193.

2.3. Issuer's liabilities.

2.3.1. Accounts payable.

	<i>thousand roubles</i>
	<i>As of 30.09.2004</i>
<i>Accounts payable, total</i>	<i>7 694 684</i>
<i>inclusive of:</i>	
<i>past-due accounts payable, total</i>	<i>126 443</i>

Past-due accounts payable of NLMK as of the end of the reporting year correspond to arrears to separate contractors generated out of commercial relations and repaid within the period agreed by parties.

Risk of any penalties and fines as well as penalty fees and interests for default liabilities is evaluated by the Issuer as low.

Information on NLMK's accounts payable as of 30.09.2004

<i>Type of accounts payable</i>	<i>Maturity date</i>						<i>Total:</i>
	<i>to 30 days</i>	<i>from 31 to 60 days</i>	<i>from 61 to 90 days</i>	<i>from 91 to 180 days</i>	<i>from 181 days to 1 year</i>	<i>over 1 year</i>	
<i>Short-term and long-term liabilities, total:</i>	<i>4 373 832</i>	<i>3 849 031</i>	<i>116 140</i>	<i>9 925</i>	<i>271 681</i>	<i>96 321</i>	<i>8 716 930</i>
<i>Accounts payable, total:</i>	<i>3 351 586</i>	<i>3 849 031</i>	<i>116 140</i>	<i>9 925</i>	<i>271 681</i>	<i>96 321</i>	<i>7 694 684</i>
<i>inclusive of:</i>							
<i>Trade accounts payable</i>	<i>1 091 249</i>	<i>161 804</i>	<i>90 913</i>	<i>9 267</i>	<i>269 773</i>	<i>-</i>	<i>1 623 006</i>
<i>Bills payable</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>90 000</i>	<i>90 000</i>
<i>Accounts payable to affiliated companies</i>	<i>644 216</i>	<i>109 089</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1 080</i>	<i>754 385</i>
<i>Arrears of wages</i>	<i>10 516</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>10 516</i>
<i>Accounts payable to the city budget and off-budget funds</i>	<i>1 426 086</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1 426 086</i>
<i>Other accounts payable*</i>	<i>179 519</i>	<i>3 578 138</i>	<i>25 227</i>	<i>658</i>	<i>1 908</i>	<i>5 241</i>	<i>3 790 691</i>

<i>Credit facilities, total:</i>	-	-	-	-	-	-	-
<i>Loans, total: inclusive of:</i>	-	-	-	-	-	-	-
<i>Bonded debt</i>	-	-	-	-	-	-	-

thousand roubles

<i>Past-due accounts payable, total, inclusive of:</i>	126 443
<i>to budget and off-budget funds</i>	-
<i>Past-due accounts on credit facilities</i>	-
<i>Past-due accounts on loans</i>	-

* - other liabilities are included into other accounts payable.

Within NLMK's accounts payable as of 30.09.2004 there were no creditors with share of not less than 10% of total accounts payable.

There are no other default liabilities of the Issuer as of the reporting period end before the reporting quarter end and being 5 % and over of Issuer's assets book value as of the end of reporting quarter preceding the end of last reporting quarter.

2.3.2. Issuer's credit history.

In the reporting period credit facilities agreements and contracts of debt with amount of principal debt of 10 per cent and over of net assets value were not entered. Borrowings were not taken.

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

Total liabilities of NLMK for security to third parties in the reporting quarter inclusive of as guarantee and pawn accounted for 98,377 thousand roubles.

There were no liabilities for security to third parties in the reporting quarter inclusive of guarantee or pawn being not less than 5 percent of the Company's assets book value.

2.3.4. Other commitments of the Issuer.

There were no other commitments of the Issuer as of the date of reporting quarter end.

2.4. Purposes of issue and use of funds gathered from 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 (issued) securities.

Acquisition of NLMK's securities entails certain risks which could result in losses. Before acquisition of securities investors should become acquainted with risks listed below:

- *industry risk;*
- *country and regional risks;*
- *financial risks;*

- *legal risks; and*
- *risks related to the Issuer's activity.*

The listed risks could affect the Issuer's activity.

In case of one or more risks listed above the Issuer will take all possible measures in order to evening-out prevalent negative changes. It is impossible to make complete list of exact actions and commitments of the Issuer in case of any risks listed above as development of adequate measures is impeded by uncertainty of future situation development. These measures will depend on details of a particular situation.

NLMK cannot guarantee that actions aimed at removing any negative changes will result in significant change of the situation.

2.5.1. Industry related 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 industry diversification of NLMK's sales 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 suspension of production due to slow deliveries extra inventories of raw materials are formed. 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;*
- *colaboration with natural monopolies.*

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

2.5.2. Country and regional risks

NLMK is a Company oriented for export. It is exporting its products to over 70 countries. World regions bringing in 10% of proceeds and more are as follows: South-East Asia, Europe (inclusive of Turkey), Russia.

Political and economic situation in Russia is stable and sustainable economic growth has been observing for the last several years. Situation with country and regional risks in Europe is not negative in economic and, in particular, 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 minimizing possible financial damages.

2.5.3. Financial risks

Nearly 70% of the Company's annual sales take place on the export markets. 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 25% 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 forex policy of the Central Bank of the Russian Federation.

The company is able to reduce the risk of assets impairment 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 are low.

2.5.5. Risks related to the Issuer's activity

For the last three years and now 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 licenses granted to the Issuer on activities important for him is valid till 2005 and farther on. Risk related to failure to prolong these licenses is extremely low.

Subsidiaries and affiliated companies of NLMK are liable for their financial performance and risk management.

III. Detail information on the Issuer.

3.1. History 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 according to the Russian Law (information on trade mark registration is given in clause 4.4.).

Information on changes in the Issuer's name.

*1. 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».*

2. 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».*

3. Current name was introduced on 12.08.1998

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

3.1.2. Information on state registration of the Issuer.

Number of state registration: *5-Г*

Date of state registration: *28.01.1993*

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

State registration number of a legal person: *1024800823123*

Date of registration: *09.07.2002*

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

3.1.3. Information on foundation and development of the Issuer.

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

The Company was registered for uncertain period of time.

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:

Tel: **(0742)-445-010**

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**

Tel: **(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.

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

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

Date of opening: **1.08.1994**

Manager: **Pavel V. Patsvald**

Validity of the Power of Attorney: **31.12.2004**

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

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

Date of opening: **28.02.2002**

Manager: **Victor N. Tersky**

Validity of the Power of Attorney: **31.12.2004**

3. Name: **Representative office of Novolipetsk Iron & Steel Corporation in the city of Novokuznetsk**

Legal address: **133, ul, Kirova, Novokuznetsk Russia**

Date of opening: **14.07.2004**

Manager: **Vasily I. Serdtsev**

Validity of the Power of Attorney: **31.12.2004**

3.2. Core business 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:

Code	Description
27.17	<i>Production of cold rolled steel flats without and with protective coatings</i>
27.15	<i>Production of semi-finished (slabs) products for further rolling</i>
27.16.2	<i>Production of hot rolled steel flats</i>
27.11	<i>Production of pig iron and blast furnace ferroalloys</i>
24.14.2	<i>Production of other organic chemical products which are not entered to any other group of products</i>
27.33	<i>Production of roll-formed steel sections</i>
45.21.1	<i>Civil works on buildings construction</i>
23.10	<i>Production of coke</i>
29.51	<i>Manufacture of machinery and equipment for steel industry</i>
85.11	<i>Activity of patient care institutions</i>
27.22	<i>Production of steel pipes and fittings</i>
27.14	<i>Production of steel</i>
34.30	<i>Production of parts and components of cars and motors to them</i>
40.30	<i>Production, supply and distribution of steam and hot water (heat energy)</i>
24.15	<i>Production of fertilizers and nitrogen compounds</i>
28.71	<i>Production of metal drums and similar reservoirs</i>
55.51	<i>Activity of cafeterias located at the territory of plants and institutions</i>
70.32.1	<i>Management of housing stock</i>
55.12	<i>Activity of hotels having no restaurants</i>
60.23	<i>Activity of other inland passenger transportation</i>
60.10.2	<i>Activity of industrial railroad transport</i>
74.60	<i>Investigations and accidents prevention</i>
63.21.1	<i>Other auxiliary activity of railway transport</i>
63.11	<i>Transport processing of cargoes</i>
63.12	<i>Storage and warehousing</i>
31.62.9	<i>Services rendered for erection, repair and maintenance of other electric equipment which is not entered any other group of products</i>
60.24	<i>Activity of motor transport</i>
45.31	<i>Wiring operations</i>
52.31	<i>Retail trade of pharmaceutical products</i>
40.10.5	<i>Activity on assurance of electric mains serviceability</i>
74.20.1	<i>Architectural activity, engineering in industry and construction</i>
74.20.3	<i>Land measuring and mapping</i>
85.20	<i>Veterinary activity</i>
37.10.1	<i>Waste and ferrous scrap processing</i>
92.13	<i>Movies demonstration</i>
64.20.1	<i>Activity in the area of phone and document communications</i>
85.13	<i>Dental practice</i>
51.70	<i>Other wholesale trade</i>
52.11	<i>Retail trade in non-specialized stores principally by foodstuffs, including beverage food and tobacco goods</i>
52.12	<i>Other retail trade in non-specialized stores</i>
28.63	<i>Manufacture of locks and hinges</i>
80.22.22	<i>Training in advance training schools for specialists having secondary vocational</i>

	<i>education</i>
80.30.3	<i>Training in advance training schools for specialists having higher vocational education</i>

3.2.2. Main activity of the Issuer.

Main activity of NLMK lies in production and sales of ferrous metal products. The Company specializes on production of high quality hot rolled and cold rolled flats.

Share of metal sales proceeds in total proceeds of the Company accounted for 98,8% in the 3rd quarter 2004 (99,0 % in the 2nd quarter 2004).

Sales proceeds:

2nd quarter 2004 - 31 009 792 thousand roubles

3rd quarter 2004 - 34 136 651 thousand roubles, growth of 10,1% as compared to the 2nd quarter 2004.

Growth of sales proceeds in the 3rd quarter of the current year as compared to the 2nd quarter was caused by price growth for metal products and increase in amount of the products sold.

The Issuer has main operating facilities on the territory of the Russian Federation.

The Issuer's activity is of feebly marked seasonal nature due to decrease of steel product demand in the winter period. However this seasonal nature did not significantly influence Company's financial performance.

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

Main types of merchant steel products of NLMK bringing in more than 10% of income

<i>Type of products</i>	<i>Volume, thousand tons</i>	<i>Price, roubles</i>	<i>Amount, mln. roubles</i>	<i>Share, %</i>
<i>2 Q 2004</i>				
<i>Slabs</i>	<i>905,5</i>	<i>10 985,5</i>	<i>9 947,2</i>	<i>33,3%</i>
<i>Hot rolled steel</i>	<i>476,9</i>	<i>13 316,7</i>	<i>6 350,7</i>	<i>21,3%</i>
<i>Cold rolled steel</i>	<i>489,1</i>	<i>15 140,6</i>	<i>7 405,7</i>	<i>24,8%</i>
<i>2 Q 2004, total</i>	<i>2 299,8</i>	<i>12 983,6</i>	<i>29 859,1</i>	<i>100%</i>
<i>3 Q 2004</i>				
<i>Slabs</i>	<i>895,3</i>	<i>12 208,0</i>	<i>10 929,7</i>	<i>33,3%</i>
<i>Hot rolled steel</i>	<i>494,8</i>	<i>13 701,5</i>	<i>6 779,5</i>	<i>20,7%</i>
<i>Cold rolled steel</i>	<i>496,6</i>	<i>15 785,5</i>	<i>7 839,7</i>	<i>23,9%</i>
<i>3 Q 2004, total</i>	<i>2 379,8</i>	<i>13 783,0</i>	<i>32 800,6</i>	<i>100%</i>

*Note: pipe and other products are not covered by grand total;
cold rolled steel does not include electrical steel and prepainted steel.*

Due to lack of raw materials in 2004 growth of prices for slabs was witnessed in many regions of the world. According to Metal Bulletin dynamics of average prices for slabs of exporters from CIS countries within 9 months were as follows:

- *1st quarter – 330-460 USD/t fob Black/Baltic Sea (minimum and maximum prices seen within three months);*
- *2nd quarter – 435-465 USD/t fob;*
- *3rd quarter – 435-500 USD/t fob.*

Price policy of NLMK regarding slabs followed market trend within the reporting period. Besides the level of average actual prices for this type of steel products was determined by geography of supplies and product mix of shipments. In fact average actual price of NLMK for slabs in the 3rd quarter exceeded that of April-June by over 10%.

Sales system of NLMK

Sales channels	Domestic market		Export	
	2 Q 2004	3 Q 2004	2 Q 2004	3 Q 2004
MERCHANT SLABS				
<i>Direct sales (including service center and trading companies with exception of dealers)</i>	-	-	-	-
<i>Proper trading network</i>	-	-	-	-
<i>Dealers (domestic market), traders (export)</i>	-	-	100,0%	100,0%
<i>Total</i>	0,0%	0,0%	100,0%	100,0%
HOT ROLLED STEEL				
<i>Direct sales (including service center and trading companies with exception of dealers)</i>	80,5%	81,6%	3,3%	2,8%
<i>Proper trading network</i>	-	-	-	-
<i>Dealers (domestic market), traders (export)</i>	19,5%	18,4%	96,7%	97,2%
<i>Total</i>	100,0%	100,0%	100,0%	100,0%
COLD ROLLED STEEL				
<i>Direct sales (including service center and trading companies with exception of dealers)</i>	81,7%	82,4%	0,4%	0,8%
<i>Proper trading network</i>	-	-	-	-

<i>Dealers (domestic market), traders (export)</i>	<i>18,3%</i>	<i>17,6%</i>	<i>99,6%</i>	<i>99,2%</i>
<i>Total</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>

*Merchant slab costs components
in II and III Qs 2004*

<i>Description of components</i>	<i>II Q 2004</i>	<i>III Q 2004</i>
	<i>share, %</i>	<i>share, %</i>
<i>Raw materials*</i>	<i>50,5</i>	<i>52,8</i>
<i>Works and services of production nature done and rendered by third-party firms</i>	<i>0,8</i>	<i>0,9</i>
<i>Fuel</i>	<i>29,8</i>	<i>29,6</i>
<i>Energy</i>	<i>3,3</i>	<i>3,1</i>
<i>Labor costs</i>	<i>3,1</i>	<i>3,7</i>
<i>Interests on credit</i>	<i>-</i>	<i>-</i>
<i>Rental fee</i>	<i>0,8</i>	<i>0,2</i>
<i>Allocation for social needs</i>	<i>1,1</i>	<i>1,2</i>
<i>Fixed assets depreciation and amortization</i>	<i>0,6</i>	<i>0,7</i>
<i>Taxes being a part of costs</i>	<i>2,8</i>	<i>0,2</i>
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials)</i>	<i>7,2</i>	<i>7,6</i>
Total: production costs and sales expenses (costs)	<i>100,0</i>	<i>100,0</i>

* raw materials with rail tariffs taken into account

*Hot rolled steel costs components
in II and III Qs 2004*

<i>Description of components</i>	<i>II Q 2004</i>	<i>III Q 2004</i>
	<i>share, %</i>	<i>share, %</i>

<i>Raw materials*</i>	46,1	48,3
<i>Works and services of production nature done and rendered by third-party firms</i>	1,1	1,2
<i>Fuel</i>	27,6	27,4
<i>Energy</i>	4,8	4,6
<i>Labor costs</i>	4,1	4,8
<i>Interests on credit</i>	-	-
<i>Rental fee</i>	0,8	0,2
<i>Allocation for social needs</i>	1,5	1,5
<i>Fixed assets depreciation and amortization</i>	1,7	1,9
<i>Taxes being a part of costs</i>	2,8	0,2
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials)</i>	9,5	9,9
Total: production costs and sales expenses (costs)	100,0	100,0

* raw materials with rail tariffs taken into account

*Cold rolled steel costs componenets
in II and III Qs 2004*

<i>Description of components</i>	<i>II Q 2004</i>	<i>III Q 2004</i>
	<i>share, %</i>	<i>share, %</i>
<i>Raw materials*</i>	42,2	44,1
<i>Works and services of production nature done and rendered by third-party firms</i>	1,4	1,6
<i>Fuel</i>	25,4	25,0
<i>Energy</i>	5,2	4,9
<i>Labor costs</i>	5,0	5,9
<i>Interests on credit</i>	-	-
<i>Rental fee</i>	0,8	0,2

<i>Allocation for social needs</i>	<i>1,8</i>	<i>1,9</i>
<i>Fixed assets depreciation and amortization</i>	<i>1,9</i>	<i>2,0</i>
<i>Taxes being a part of costs</i>	<i>2,8</i>	<i>0,2</i>
<i>Other costs (other cash disbursements, communication services, insurance fund, deferred expenses, trade expenses, other materials)</i>	<i>13,5</i>	<i>14,2</i>
Total: production costs and sales expenses (costs)	100,0	100,0

** raw materials with rail tariffs taken into account*

Information on production of new types of products having influence as well as their development is not publicly accessible due to preservation by the Issuer of competitive advantages.

Accounting of income and expenses upon common activity follows Accounting Provisions 1/98 «Accounting policy of enterprises», Accounting Provisions 9/99 «Income of enterprises» and Accounting Provisions 10/99 «Expenses of enterprises».

Financial Statements of the Company have been prepared under Accounting Provisions 4/99 «Financial Statements of enterprises» and Order of Ministry of Finance of the Russian Federation No. 67H dd. 22.07.2003 «About forms of financial statements of the enterprises».

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

<i>Description of Supplier</i>	<i>Share within total supplies (%)</i>
	<i>9 months 2004</i>
<i>Limited-liability company "Vimet"</i>	<i>23,7</i>
<i>Limited-liability company "Stahl"</i>	<i>10,6</i>
<i>Closed joint-stock company "Sibuglemet"</i>	<i>13,0</i>

Share of import within the Company's shipments for 9 months 2004 accounts for 0,4%.

The Issuer plans to keep on cooperation with supplies listed above in the future. It is possible to attract alternative suppliers of raw materials (regarding import also) without significant increase in prices and following established quality of raw materials.

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

Largest consumers of NLMK's products

<i>Name of a consumer</i>	<i>Share, %</i>
II Q 2004	

Domestic market	
OOO INSAYUR	10,9%
Export	
TUSCANY INTERTRADE (UK)	40,3%
STEELCO MEDITERRANEAN TRADING LTD.	38,0%
MURFIELD COMMODITIES COMPANY	19,3%
III Q 2004	
Domestic market	
OOO INSAYUR	11,0%
Export	
STEELCO MEDITERRANEAN TRADING LTD.	54,6%
TUSCANY INTERTRADE (UK)	28,7%
MURFIELD COMMODITIES COMPANY	13,6%

Factors that could affect sales by the Issuer of his steel products and possible actions of the Issuer aimed at decrease of such influence are listed in clause 2.5.1. «Industry risks» and 2.5.2. «Country and regional risks» of the present Report.

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. In case of certain factors changes (changes in production schedule, changes in prices for raw materials, diversification of product mix) 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: (costs of sales inclusive trade and administrative expenses for the period) / (average residual inventory for the period). So, the stated ratio at NLMK for the 3rd quarter 2004 was:

17 099 657 thousand roubles / [(11 544 041 thousand roubles + 12 069 524 thousand roubles) / 2] = 1,45.

Accounts receivable

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

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

and repayment of accounts payable.

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

Cash and its equivalents

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

3.2.7. Raw materials.

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

Sources of coal concentrate are: Kuznetsk coal field, Pechersk coal field and South Yakutsk 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 3rd quarter of the current year the prices for the following raw materials grew (averaged data): coal concentrate (3,2%), coke (9%), iron ore concentrate (8,5%), scrap (37,2%), ferroalloys (10,9%), aluminium (2%). At the same time prices for zinc (5,6%) went down (averaged data).

3.2.8. Main competitors.

Production of main products by the largest steel-making companies of Russia

		1999	2000	2001	2002	2003	2004 1 Q	2004 2 Q
PIG IRON								
NLMK	<i>output, thousand tons</i>	7106	7699	7464	8048	8624	2329	2160
	<i>share</i>	18%	18%	17%	18%	18%	19%	18%
Severstal	<i>output, thousand tons</i>	7442	7587	7448	7732	7641	1915	1954
	<i>share</i>	19%	17%	17%	17%	16%	16%	16%

MMK	<i>output, thousand tons</i>	7731	8507	8662	9264	9766	2336	2512
	<i>share</i>	20%	19%	20%	20%	21%	19%	21%
total output, thousand tons		39380	43734	43794	45342	47391	12117	12153
SLABS FOR EXPORT								
NLMK	<i>output, thousand tons</i>	3033	2837	2701	3242	3338	948	906
	<i>share</i>	25%	26%	24%	30%	38%	36%	39%
Severstal	<i>output, thousand tons</i>	363	455	599	591	362	106	138
	<i>share</i>	3%	4%	5%	5%	4%	4%	6%
MMK	<i>output, thousand tons</i>	1428	765	1116	825	466	68	111
	<i>share</i>	12%	7%	10%	8%	5%	3%	5%
total output, thousand tons		12024	11077	11392	10806	8864	2663	2351
HOT ROLLED PLATES								
NLMK	<i>output, thousand tons</i>	616	752	850	732	762	184	213
	<i>share</i>	16%	14%	16%	14%	13%	12%	13%
Severstal	<i>output, thousand tons</i>	1243	1425	1289	1258	1372	411	425
	<i>share</i>	32%	27%	24%	24%	23%	26%	25%
MMK	<i>output, thousand tons</i>	943	1682	1925	1875	2338	579	658
	<i>share</i>	24%	32%	36%	35%	38%	37%	39%
total output, thousand tons		3942	5230	5326	5307	6076	1583	1679
HOT ROLLED SHEETS								
NLMK	<i>output, thousand tons</i>	2779	3060	2086	1178	1129	268	256
	<i>share</i>	34%	38%	29%	17%	17%	17%	15%
Severstal	<i>output, thousand tons</i>	2639	1956	2289	2150	1855	409	440
	<i>share</i>	33%	24%	32%	31%	28%	26%	27%
MMK	<i>output, thousand tons</i>	2597	3011	2753	3597	3539	874	940
	<i>share</i>	32%	37%	38%	51%	54%	56%	57%
total output, thousand tons		8091	8117	7202	6995	6593	1564	1655
COLD ROLLED STEEL (inclusive of hot dip galvanized steel)								
NLMK	<i>output, thousand tons</i>	1595	1497	2086	2597	2790	727	767
	<i>share</i>	32%	26%	37%	39%	37%	37%	37%
Severstal	<i>output, thousand tons</i>	1534	2268	1558	2073	2329	642	662
	<i>share</i>	31%	40%	28%	31%	31%	33%	32%
MMK	<i>output, thousand tons</i>	1782	1941	1969	2008	2380	588	607
	<i>share</i>	36%	34%	35%	30%	32%	30%	29%
total output, thousand tons		4912	5707	5615	6680	7502	1957	2087
HOT DIP GALVANIZED STEEL, 0.55 mm								

NLMK	<i>output, thousand tons</i>	267	287	234	369	351	80	86
	<i>share</i>	32%	29%	27%	34%	25%	22%	23%
Severstal	<i>output, thousand tons</i>	469	467	490	482	479	136	144
	<i>share</i>	56%	46%	56%	45%	34%	37%	38%
MMK	<i>output, thousand tons</i>	109	252	147	231	592	149	151
	<i>share</i>	13%	25%	17%	21%	42%	41%	40%
total output, thousand tons		845	1007	871	1082	1422	364	381

Main competitive advantages of NLMK in sales are as follows:

- *diversified production with big share of high value-added products;*
- *advantageous geographic location in the center of European part of Russia (main metal-consuming area of the country) and relative proximity to main Russian and Ukrainian ports which significantly facilitates products export.*

3.2.9. Information on licenses with the Issuer.

Licenses:

Number: *ЛПД №04995 ВЭ*

Issue date: *22.04.1998*

Validity: *till 1.03.2008*

Licensor: *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: *A 000590 Registration No. 4084*

Issue date: *12.04.1996*

Validity: *till 12.04.2006*

Licensor: *RF Ministry of Communications*

Activity: *Rendering of local telecommunications services.*

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

Number: *005602 34ЭК №001442*

Issue date: *10.01.2000*

Validity: *till 1.01.2005*

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

Activity: *Technical survey and repair (weldless) of cylinders for liquefied hydrocarbon gases (propane-butane) with label "08II"*

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 07811 ВЭ*

Issue date: *1.06.2000*

Validity: *till 1.06.2010*

Licensor: *Lipetsk region natural resources committee*

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

enterprise (Health center “Parus”)

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

Number: *ЛПЦ 08883 БЭ*

Issue date: *18.05.2001*

Validity: *till 1.01.2011*

Licenser: *Lipetsk region Natural Resources Committee*

Activity: *Draft of fresh underground water for production and drinking water supply of an enterprise (Health Center «Prometheus»)*

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

Number: *A 067197 34ЭК №003792*

Issue date: *17.09.2001*

Validity: *till 1.10.2004*

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

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

Possibility of license prolongation: *The license won't be prolonged (received as a part of license Register No. 00-ЭБ-002192, 3/00212)*

Number: *A 067165 34ЭК №003818*

Issue date: *11.10.2001*

Validity: *till 1.10.2004*

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

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

Possibility of license prolongation: *The license won't be prolonged (received as a part of license Register No. 00-ЭБ-002192, 3/00212)*

Number: *A 067066 34БП №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 ЦО-03-209-1152*

Issue date: *9.10.2001*

Validity: *till 1.11.2006*

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

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

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

Number: *ЛПЦ 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: *A 051935 34ИП №004037*

Issue date: **10.01.2002**

Validity: **till 1.01.2005**

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

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

Possibility of license prolongation: **The license won't be prolonged (received as a part of license Register No. FC-1-48-02-21-0-4823006703-000308-4)**

Number: **A 067016 34KA №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 (received as a part of license A №051382 Register No. 392)**

Number: **AA №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: **AB №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: **AF №396427 FCM-48-111765**

Issue date: **14.01.2002**

Validity: **till 14.01.2005**

Licenser: **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**

Licenser: **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 (received as a part of license Register No. 00-ЭВ-002192)*

Number: *A 051780 34ЭК №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 (received as a part of license Register No. 00-ЭХ-002233)*

Number: *A 051816 34РТ №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-Ф3 dd. 08.08.01)*

Number: *A 051819 34ЭК №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-Ф3 dd. 08.08.01)*

Number: *A 051820 34МТ №004133*

Issue date: *8.02.2002*

Validity: *till 1.02.2005*

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

Activity: *Installation and commissioning of lines and equipment, automation and control systems for the facilities and plants designed for manufacture, treatment, storage and application of air separation products.*

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

Number: *A 051789 34ТО №004164*

Issue date: *8.02.2002*

Validity: *till 1.02.2007*

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

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

Possibility of license prolongation: *The license won't be prolonged (received as a part of license Register No. 00-ЭБ-002192, 00-ЭХ-002233)*

Number: *ГC-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: *А 051727 34ЭК №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 (received as a part of license Register No. 00-ЭБ-002192, 3/00212)*

Number: *Г 603582 Registration No. 155*

Issue date: *5.04.2002*

Validity: *till 5.04.2005*

Licenser: *Licensing Department of the Lipetsk region Administration*

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

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

Number: *Г 603615 Registration No. 354*

Issue date: *11.04.2002*

Validity: *till 11.04.2005*

Licenser: *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: *ГC-1-48-02-22-0-4823006703-000182-1*

Issue date: *8.05.2002*

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: **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 won't be prolonged (Licensing was substituted by registration by Customs Code of the Russian Federation No. 61-FZ dd. 28.05.03)**

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 won't be prolonged (Licensing was substituted by registration by Customs Code of the Russian Federation No. 61-FZ dd. 28.05.03)**

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**
Licensor: **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: **FC-1-48-02-27-0-4823006703-000390-1**
Issue date: **19.12.2002**
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: **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 curriculum 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*

Licenser: *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*

Licenser: *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*

Licenser: *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*

Licenser: *Natural Resources Committee of the Lipetsk Region*

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

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

Number: *007085 ЛПЦ 00122 БРЭ3Х*

Issue date: *3.07.2003*

Validity: *till 3.07.2006*

Licenser: *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: *MK №002125 Registration No. 585*

Issue date: *11.06.2003*

Validity: *till 11.06.2008*

Licenser: *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*

Licenser: *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*

Licenser: *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*

Licenser: *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/П*

Issue date: *05.12.2003*

Validity: *till 5.12.2008*

Licensor: *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: *А 051220 Registration No. 523*

Issue date: *10.12.2003*

Validity: *till 10.12.2007*

Licensor: *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*

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

Activity: *Retail sales of alcoholic spirits*

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

Number: *Д 413045 Registration No. 30017363*
Issue date: *23.12.2003*
Validity: *till 22.12.2008*
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: *Б 013868 Registration No. 00-ЭБ-002192*
Issue date: *29.01.2004*
Validity: *till 29.01.2009*
Licensor: *Federal mining supervision of Russia*
Activity: *Explosive production units running*
Possibility of license prolongation: *The license would be prolonged*

Number: *Б 013818 Registration No. 00-ЭХ-002233*
Issue date: *04.02.2004*
Validity: *till 04.02.2009*
Licensor: *Federal mining supervision of Russia*
Activity: *Chemically dangerous production units running*
Possibility of license prolongation: *The license would be prolonged*

Number: *Д №00397 Registration No. 001119-Р*
Issue date: *27.02.2004*
Validity: *till 27.02.2009*
Licensor: *Gosstandart of Russia*
Activity: *Manufacture and repair of measuring devices*
Possibility of license prolongation: *The license would be prolonged*

Number: *А 0653 ИПД No. 02313*
Issue date: *01.03.2004*
Validity: *till 01.03.2009*
Licensor: *Ministry of communications*
Activity: *Railway handling*
Possibility of license prolongation: *The license would be prolonged*

Number: *Д 339099 Registration No. 135*
Issue date: *17.03.2004*
Validity: *till 17.03.2009*
Licensor: *Department of consumer market with Administration of the Lipetsk Region*
Activity: *Activity related to psychotropic agents circulation from List III according to Federal Law «On drugs u psychotropic agents» under extraction from the Register to the license*
Possibility of license prolongation: *The license would be prolonged*

Number: *0012022 Registration No. 3/00212*
Issue date: *30.03.2004*
Validity: *till 30.03.2009*
Licensor: *Central administrative board of the State Fire-fighting service with RF Ministry of Emergency Situations*
Activity: *Fire risk production sites running*
Possibility of license prolongation: *The license would be prolonged*

Number: **0012485 Registration No. 2/06892**

Issue date: **30.03.2004**

Validity: **till 30.03.2009**

Licenser: **Central administrative board of the State Fire-fighting service with RF Ministry of Emergency Situations**

Activity: **Erection, repair and servicing of devices which provide fire safety of buildings**

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

Number: **Д 235444 Registration No. 28**

Issue date: **13.05.2004**

Validity: **till 13.05.2009**

Licenser: **Department of consumer market with Administration of the Lipetsk Region**

Activity: **Public demonstration of audiovisual pieces in cinemas of Sukhoborje health center and Prometey health center located at: village Sukhoborje, Lipetsk**

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

Number: **0160002030**

Issue date: **09.06.2004**

Validity: **till 09.06.2009**

Licenser: **State Central Inspection of assay surveillance**

Activity: **Production of technical items (production tools) with use of precious metals inclusive of platinum-ware in the order established by statutory acts of the Russian Federation**

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

Number: **ЛПЦ 54136 ТЭ**

Issue date: **01.04.2004**

Validity: **till 01.01.2030**

Licenser: **Natural resources committee in the Lipetsk region**

Activity: **Construction quality sand extraction on «Krasny Gornyak» deposit**

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

Number: **Б 339904 Registration No. 1423M**

Issue date: **07.06.2004**

Validity: **till 09.07.2008**

Licenser: **Federal Security Department in the Lipetsk region**

Activity: **Measures and services on protection of state secret**

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

Number: **Д 235702 Registration No. 44**

Issue date: **03.09.2004**

Validity: **till 03.09.2009**

Licenser: **Department of consumer market with Lipetsk region administration**

Activity: **Procurement, preparation and sale of ferrous scrap at address: 2, pl. Metallurgov, Lipetsk (territory of NLMK)**

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

3.2.10. Joint activity of the Issuer.

At present there is no joint activity of NLMK with any other companies.

As of 30.09.2004 Agreement No. 208 dd. 09.02.1994 with Scientific-technical enterprise "New machines and technologies" (P.O. Box 29/39 Dnepropetrovsk 320059) for joint activity was in force. Investments of NLMK accounted for 1,487,250.0 roubles. The purpose of investments is consortium establishment for construction and commissioning of a sector which will specialize in production of high-quality centrifugal rolls on the basis of Lutugin association on rolls production.

There is no information on financial performance of joint activity for 2003 and 9 months of 2004 due to failure a partner to a joint activity to present the statements.

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

The information is not presented as the Issuer is not a stock investment fund or insurance company.

3.2.12. Additional requirements to Issuers specialized in mining operations.

The information on NLMK's subsidiaries and affiliated companies specialized in 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: series ЖИИЦ No. 54036 ТЭ

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 grade A, 166806 thousand tons of grade 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 in the 3rd quarter 2004 – 1026 thousand tons;*
- to define annual extraction volume of limestone on the basis of mining plan for next year (the volume of limestone extraction in 2004 was planned as 4048 thousand tons);*
- to agree mining plan, 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.

б). Extraction and processing of minerals:

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

- crushers and mills, excavators, BELAZ cars, drilling rigs, bulldozers, diesel locomotives.

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".

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 quality crushed rock and limestone (dolomite) flour.

As of 01.10.2004 the areas for which licenses were granted had 403790 thousand tons of balance sheet reserves of dolomite, inclusive of 247309 thousand ton in Bigildin area and 156481 thousand tons in Prikarjerny area. Dankov field covers (all areas) 672267 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. ЛПД 54112 ТЭ for subsoil 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.

The Company's liabilities:

- 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-ТП, 71-ТП to controlling bodies on the annual basis.*
- 5. To redraw 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.

б) 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 3x12 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 secondary crushers of КСД –1750 g and КСД –2200 g of 200 m³/h and 500 m³/h capacity respectively. Material is classified by fractions by vibrating screens of ГуЛ, ГуС, ГуТ types.

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

в) Product sales:

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

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

а) Mineral reserves:

1). Комбинат КМАруда is granted the right to use the subsoil for deep-mined extraction of Korobkov field of ferruginous quartzite (inclusive of Stretensky 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 with USSR Council of Ministers;

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

No. 12 dd. February 10, 2000 of the Territorial Commission on mineral reserves with 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 01.10.2004 is 152359 thousand tons (147788 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 z. (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.*

The liabilities stated in the license are being fulfilled by the company in full.

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.

The liabilities stated in the license are being fulfilled by the company in full.

б) Mineral processing:

The main mining equipment used in mining roadheading: drilling machines ЛКР-Т3, ЛКРУ, punchers ПП-63, ПП-80НВ, ССПБ-1К, ПТ-48, loading machines 1 ППН-5, loading – hauling machines ПТ-4, scraper winches 55АС-2СМ.

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

Blast holes are drilled by machine НКР-100 М. Blast holes are loaded by machines МЗКС-160.

Extracted ore is preliminary crushed in crushers СМД-118 1Б and ДСД-1017. Crushed ore is transported to processing plant along shaft 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 into concentrate in 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 – МШР 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.

IV. Open joint stock company «Stoilensk mining company» (ОАО «Стойленский ГОК»)

а) Mineral reserves:

1) According to the license received Stoilensk mining company has the right for digging of Stoilensk iron ore and nonmetallics field located in Starooskol area of Belgorod region, 5 km south-west of railway station Sary Oskol.

Geological structure of the field consists of Precambrian complex dislocated metamorphized rock broken in some places through by intrusions and dykes as well as Mesocainozoic loose deposits which almost horizontally overlap crystal thickness. The capacity of sedimentary rock in average amounts to 132 m. Iron-ore Korobov assise near Kursk is considered as productive and forms two iron-ore sub-assisses composed by ferruginous quartzites of 200-270 meters and 250-330 meters capacity.

Precambrian ore of crystalline foundation is covered by developed residual soil consisted of oxidized quartzites and high grade iron ore deposits. Average capacity of high grade iron ore amounts to 14,3 meters.

The field was explored by Belgorod geological surveyance expedition.

State Commission on minerals reserves with Ministry of Ecology and Natural Resources of the Russian Federation for quarry operations (500 meters to daylight) approved reserves of the following minerals (Protocols No. 1, No. 2 dd. January 24, 1992):

- high grade iron ore;*
- magnetite quartzites;*
- oxidized quartzites;*
- clay and loam;*
- chalk;*
- marl;*
- sand;*
- decayed slate;*
- crystalline slate;*
- quartzitic sandstone;*
- granite gneiss.*

Extraction starting from the field excavation beginning on 1.10.2004 accounted for:

- high grade iron ore – 103242 thousand tons;*
- magnetite quartzites – 292239 thousand tons.*

Annual design capacity of the Company on high grade iron ore excavation is 1200 thousand tons and 25440 thousand tons on magnetite quartzites.

Stoilensk mining company was granted a license of series БЕЛ №03423 ТЭ for subsoil use for the purpose – excavation of iron ore, ferruginous quartzites of Stoilensk field, as well as nonmetallics located in stripping and special dumps. Merchant products produced from processing of iron ore are sintering ore and iron ore concentrate. Co-excavated nonmetallics, finished products are used in-house or in other companies.

Issue date of the license: February 11, 1997.

License expiry date: January 1, 2016. (Validity of the license can be prolonged upon initiative of a subsoil user as well as in other cases set forth in Russian Law “About subsoil”).

The license was granted on the basis of application and licensing documents submitted by Stoilensk Mining Company.

Under terms and conditions of the license Stoilensk Mining Company shall within its validity:

- effect payments for extraction of minerals 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 Stoilensk Mining Company 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.*

The liabilities stated in the license are being fulfilled by the Company in full.

2) Stoilensk Mining Company has a right under license of series БЕЛ No. 50162 ВЭ to extract drainage groundwater in order to dewater quarry of Stoilensk ferruginous quartzites field.

Issue date of the license: 13.01. 2003.

License expiry date: 01.11.2012.

The license was granted on the basis of application and licensing documents submitted by Stoilensk Mining Company.

Drainage groundwater reserves of Stoilensk field were approved upon Turonian Maastricht, Alb-senoman aquiferous stratum and Archean Proterozoic aquiferous complex of 79 thousand meter³/day for category B (Protocol No. 3 GKZ dd. January 24, 1992z.)

Turonian Maastricht aquiferous stratum refers to top interstitial weathering zone of marl-chalk stratum with 60-90 meters capacity of the same age. The stratum is free-flow, static level is at 25-50 meters depth. The stratum around the quarry is fully drained.

Alb-senoman aquiferous stratum refers to medium sands of the same age located at 90-110 meters depth overlapped by sand-clay deposits of quaternary age and chalk – marl ores. The stratum is free-flow, depth is 63-94 meters. Decrease of groundwater level in area of drained contour is 40-45 meters.

Archean Proterozoic aquiferous stratum of 150 m capacity refers to cracked area of crystalline rock, confining bed of which lies at depth of 120-140 meters. Aquiferous stratum is under pressure, piezometric level is at 75-100 meters depth, quarry is drained.

Stoilensk Mining Company drains groundwater by 106 draining rise wells drilled from ring system of horizontal quarry of 35 km total length. Underground water intake covers 29 rise drain holes and mine drainage from shaft No. 3.

Mine drainage in 2003 accounted for 43 061 506 m³ in total inclusive of chemically treated water 50257300 m³ per annum.

Area of water intake refers to Don river basin.

“Subsoil user” is permitted to continuously intake groundwater in order to drain quarry with decrease of groundwater level till depth of drainage working laying and in quantity providing safe mining operations.

There is a network of observation wells by which subsoil user monitors groundwater and studies hydrodynamic and hydrochemical conditions of groundwater in the zone of a mining company influence on the territory of “subsoil user”.

In 2005 – 2006 Stoilensky Mining Company plans to evaluate groundwater reserves under category B with their approval by GKZ.

According to license conditions Stoilensk Mining Company shall effect payments under Federal Law No. 71-Φ3 dd. 06.05.1998 (rev. dd. 29.06.2004) “About payments for use of water body” and Federal Law No. 111-Φ3 dd. 07.08.2001 “About changes and amendments to Federal Law “About payments for use of water body”, as well as legislative acts and provisions of the Government, Belgorod region administration – for use of water bodies within the validity of the license.

The liabilities stated in the license are being fulfilled by the Company in full.

6) Minerals processing:

1. Main technologies used:

The field is being quarried: opened by a networks of trenches. Opening system is with outside refuse disposal. Quarry depth is 300 meters. Loose deposits are being opened by rotor complex and cyclic excavators. Rock stripping, high grade ore and ferruginous quartzites are extracted by cyclic excavators with preliminary opening by drill and fire system. Ore is removed from the quarry by trucks, railway and conveyor belts.

Technological scheme of high grade ore processing covers three stages of crushing and screening with separation of sintering ore. Processing of ferruginous quartzites (magnetite) takes three stages of crushing with closed final stage, three stages of milling, magnetic separation, deslimation, dehydration of concentrate in vacuum filters. Hydrotransport of processing tailings is pressure - self floating. Water recycling is used.

2. The following equipment is used:

2.1. Mining operations:

- drillings rigs СБШ –250 МН;
- charge machine “Акватол”, МЗ-4;
- cyclic excavators ЭКГ-10, ЭКГ-8И, ЭКГ-4,6(4У, 5У, 5А), ЭШ10/70;
- rotor complex КУ-800.

2.2 Transportation of ore:

- dump trucks БелАЗ 7513, 7548, 7555;
- electric locomotives ОПЭ-1, diesel locomotive ЧМЭ-3, ТЭМ-2, М-62;
- boxcars 2ВС-105;
- conveyor belts in rotor complex КУ-800.

2.3 Crushing and processing equipment:

- crushers – ШКД 2100/1500, ДМРуЭ14,5/13, ККД 1500/180, КСД 3000Т, КМД 3000Т2-ДП;
- screens ГИСТ-72, ГИТ-52Н;
- classifiers 2КСН 3,0x17,2;
- mills МШЦУ55x65, МШЦ 55x65;
- separators ПБМ-П-120/300, ПБМ-ПП-150/200, ПБМ-ПП-120/300;
- deslimers МД-12;
- vacuum filters ДШ 100/2,5;
- pumps ГРК, ГРТ 1250/71, ГРК 1600/56,
- stationary, reverse conveyor belts.

В) Sales

Finished products (sintering ore and iron ore concentrate) are sold on the basis of Agreements concluded with customers.

Federal Law does not provide for any permissions from state bodies for sale of the above mentioned products.

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

The information is not being submitted due to the fact that the Issuer does not render 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%;*
- *shipment of high value added products (CR NGO, CR GO, prepainted steel) is supposed to grow due to favourable world and domestic market conditions;*

- *about 9 bln. roubles are supposed to be invested into technical upgrade and purchasing of equipment instead of obsolete one;*
- *600 mln roubles will be allocated to insurance program;*
- *significant changes in accounts receivable and payable won't be provided.*

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

The Issuer does not hold any equity in industrial, bank and financial groups, holdings, concerns and associations.

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 charter capital*

The Issuer's share in subsidiary's charter capital: *100 %*

The subsidiary's share in the Issuer's charter capital: *no*

Core business of the subsidiary: *insurance activity.*

Importance for the Issuer: *production process servicing.*

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 charter capital*

The Issuer's share in subsidiary's charter capital: *100 %*

The subsidiary's share in the Issuer's charter capital: *no*

Core business of the subsidiary: *wholesale and retail trade.*

Importance for the Issuer: *production process servicing.*

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 charter capital*

The Issuer's share in subsidiary's charter capital: *100 %*

The subsidiary's share in the Issuer's charter capital: *no*

Core business of the subsidiary: *growth and processing of agricultural products.*

Importance for the Issuer: *insignificant influence.*

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 charter capital;*

The Issuer's share in subsidiary's charter capital: *100 %*

The subsidiary's share in the Issuer's charter capital: *no*

Core business of the subsidiary: *growth and processing of agricultural products.*

Importance for the Issuer: *insignificant influence.*

5. Full name: **Limited-liability company “NLMK Trading House”**

Abbreviated name: **NLMK Trading House**

Legal address: **bldg. B, 1/15, Kotelnicheskaya naberezhnaya, Moscow 109240 Russia**

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

The Issuer's share in subsidiary's charter capital: **100 %**

The subsidiary's share in the Issuer's charter capital: **no**

Core business of the subsidiary: **domestic and export trading by ferrous and non-ferrous metals.**

Importance for the Issuer: **production process servicing.**

6. 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 charter capital;**

The Issuer's share in subsidiary's charter capital: **100 %**

The subsidiary's share in the Issuer's charter capital: **no**

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

Importance for the Issuer: **insignificant influence.**

7. 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 charter capital;**

The Issuer's share in subsidiary's charter capital: **99.98 %**

The subsidiary's share in the Issuer's charter capital: **no**

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

Importance for the Issuer: **production process servicing.**

8. 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 charter capital;**

The Issuer's share in subsidiary's charter capital: **99.97 %**

The subsidiary's share in the Issuer's charter capital: **no**

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

Importance for the Issuer: **production process servicing.**

9. 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 voting shares;**

The Issuer's share in subsidiary's charter capital: **74.84 %**

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

The subsidiary's share in the Issuer's charter capital: **no**

Core business of the subsidiary: *extraction and processing of dolomite*.
Importance for the Issuer: *significant influence, production process servicing*.

10. Full name: *Open joint stock company «Tuapse trading sea port»*
Abbreviated name: *TMTII*
Legal address: *2, ul. Maxim Gorky, Tuapse, Krasnodarsky krai 352800 Russia*
The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50% of voting shares*
The Issuer's share in subsidiary's charter capital: *69.41 %*
The Issuer's share of common stock of the subsidiary: *69.41 %*
The subsidiary's share in the Issuer's charter capital: *no*
Core business of the subsidiary: *handling, servicing of domestic and foreign vessels*.
Importance for the Issuer: *production process servicing*.

11. Full name: *Open joint-stock company "Northern Oil-gas Company"*
Abbreviated name: *Severneftegas*
Legal address: *blgd. 1, 14, pl. Spartakovskaya, Moscow 105082 Russia*
The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50% of voting shares*
The Issuer's share in subsidiary's charter capital: *62.0 %*
The Issuer's share of common stock of the subsidiary: *62.0 %*
The subsidiary's share in the Issuer's charter capital: *no*
Core business of the subsidiary: *exploration of oil and gas fields*.
Importance for the Issuer: *insignificant influence*.

12. Full name: *Open joint stock company «Stoilensk mining company»*
Abbreviated name: *Stoilensk GOK*
Legal address: *Stary Oskol, Belgorod region 309530 Russia*
The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 50% of voting shares*;
The Issuer's share in subsidiary's charter capital: *60.30 %*
The Issuer's share of common stock of the subsidiary: *60.30 %*
The subsidiary's share in the Issuer's charter capital: *no*
Core business of the subsidiary: *strip mining and dressing of ferrous and other ore*.
Importance for the Issuer: *significant influence, production process servicing*.

13. 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 charter capital: *54.67 %*
The Issuer's share of common stock of the subsidiary: *54.67 %*
The subsidiary's share in the Issuer's charter capital: *no*
Core business 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*.
Importance for the Issuer: *significant influence, production process servicing*.

14. Full name: *Limited-liability company «Lipetsk city energy company»*
Abbreviated name: *ООО «ЛГЭК»*
Legal address: *4-a, Peter the Great square, Lipetsk 398001 Russia*

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

The Issuer's share in subsidiary's charter capital: ***51.00 %***

The subsidiary's share in the Issuer's charter capital: ***no***

Core business of the subsidiary: ***purchasing, generation, sale, transmission of electrical and heat energy.***

Importance for the Issuer: ***production process servicing.***

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

Abbreviated name: ***Lipetskcombank***

Legal address: ***8, 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 charter capital: ***50.07 %***

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

The subsidiary's share in the Issuer's charter capital: ***no***

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

Importance for the Issuer: ***production process servicing.***

16. 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 charter capital: ***43.44 %***

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

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

Core business of the affiliated company: ***development of design documentation.***

Importance for the Issuer: ***production process servicing.***

17. 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 charter capital: ***36.8 %***

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

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

Core business 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.***

Importance for the Issuer: ***insignificant influence.***

18. 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 charter capital: ***26.7 %***

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

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

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

Importance for the Issuer: ***insignificant influence.***

19. Full name: *Limited-liability company «Neptune»*

Abbreviated name: *OOO «Neptune»*

Legal address: *office No. 35, 1 «б», ul. Adm. Makarov, Lipetsk 398005 Russia*

The basis for recognition of subsidiary status with respect to the Issuer: *the Issuer holds over 20 % of the charter capital*

The Issuer's share in subsidiary's charter capital: *25 %*

The subsidiary's share in the Issuer's charter capital: *no*

Core business of the subsidiary: *sport facilities, medical activity, organization of festivals, concerts and other entertainment.*

Importance for the Issuer: *insignificant influence.*

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

3.7.1. Fixed assets.

Information on initial (replacement) value of fixed assets and value of accrued amortization and depreciation as of 30.09.2004.

(roubles)

<i>No.</i>	<i>Description of fixed assets group</i>	<i>Initial (replacement) value</i>	<i>Accrued amortization</i>
1	Buildings	8 876 072 387	3 948 505 432
2	Structures	6 189 229 629	4 789 501 395
3	Machinery and equipment	15 413 968 640	7 868 292 733
4	Transport vehicles	1 017 990 783	483 280 828
5	Industrial tools	69 613 335	34 230 080
6	Perennial plants	181 948	177 247
7	Plough cattle	92 563	4 486
8	Intangible fixed assets	60 145 333	21 141 781
9	Other funds of core activity	1 044 779 933	0
Total		32 672 074 551	17 145 133 982

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

(roubles)

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	8 589 009 953	5 165 822 645	01.01.2000	9 302 537 696	5 806 606 286
2	Structures	3 460 601 374	1 132 241 642	01.01.2000	3 525 041 387	1 185 883 818
3	Transfer mechanisms	1 977 805 733	351 328 423	01.01.2000	2 008 767 057	375 557 675
4	Power machinery and equipment	1 160 938 102	194 514 879	01.01.2000	1 168 345 411	199 454 903
5	Material-working machinery and equipment	7 109 910 914	1 715 243 377	01.01.2000	7 396 969 682	1 819 674 311
6	Measurement instrumentation	162 382 650	54 615 869	01.01.2000	167 671 763	56 176 302

7	Computing machinery	56 530 396	28 703 468	01.01.2000	73 626 328	32 971 912
8	Other machinery and equipment	17 874 210	5 118 046	01.01.2000	19 404 861	5 162 913
9	Transport vehicles	490 401 095	118 063 290	01.01.2000	493 910 942	119 202 641
10	Tools	7 730 602	5 060 759	01.01.2000	7 770 095	5 060 759
11	Industrial inventory and household equipment	35 652 548	11 017 458	01.01.2000	40 071 637	13 502 659
12	Furniture	7 611 744	3 893 383	01.01.2000	7 666 192	3 918 885
13	Plough, productive cattle	6 897 098	6 879 148	01.01.2000	6 897 098	6 879 148
14	Perennial plants	181 948	14 608	01.01.2000	181 948	14 608
15	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

Method of fixed assets revaluation:

The Issuer revalued the property on the basis of expert report.

Separate groups of fixed assets of NLMK were revaluated for the stated period by Closed joint-stock company "Center of professional appraisal" (Moscow).

According to the submitted reports on the Company's fixed assets revaluation all calculations have been done by appraisers in full conformity with the Russian Law, standards, letters, explanations and other guides on fixed assets revaluation, published by the RF Government, the State Statistics Committee of the Russian Federation, the RF Ministry of Economics, the RF Ministry of Finance.

Method of revaluation:

Fixed assets of the Company were revaluated by direct translation of their book values as applied to prices for corresponding types of fixed assets on the date of revaluation (01.01.2000), confirmed by 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. These approaches are based on the principle of replacement according to which costs related to formation, acquisition and commissioning of object under assessment (for cost method) are necessary to be calculated to define the value of observed depreciation or substitution value being the basis for calculation and find an object having similar functional and design parameters.

Observed depreciation of fixed assets object stands for either value of reproduction of its complete replica in current prices as of the date of assessment, or acquisition value of new object completely identical to the evaluated one upon functional, design and other parameters in current prices.

Substitution value of fixed assets object stands for minimum acquisition value of similar new object, very close to the evaluated one on the basis of all functional, design and operational parameters in current prices.

Full replacement cost of buildings, structures and transfer mechanisms was calculated on the basis of cost-is-no-object approach to property revaluation on the assumption of actual components – negotiated prices, estimations for civil works and erection, wholesale prices for construction materials, fuel, energy, machinery, equipment, tools, freight tariffs, etc. At that component division method and resource method were applied.

Full replacement value of equipment and machinery was revaluated by index method.

Replacement value of vehicles was defined according to the following methods:

- *similar object price method;*
- *cost component method;*

- *index method;*
- *direct comparison method.*

Plans on acquisition, replacement, retirement of fixed assets the amount of which accounts for 10 percent and more of their total value:

In the 4th quarter 2004 NLMK did not plan to acquire, purchase, replace or retire fixed assets the amount of which accounted for 10 percent and more of their total value.

Information on fixed assets charge as of the date of the reporting period end:

Charged assets: *fixed assets of NLMK (real assets, transport means, agricultural machinery, furniture, office equipment, commercial equipment, sport tools), original (replacement) cost of which amounts to 163,274 thousand roubles.*

Nature of charging: *granted on lease and transferred to free temporary use*

Date of charging: *starting from the date of transfer*

Validity of charging: *up to one year under Agreement*

Other terms of charging: *none*

3.7.2. The value of the Issuer's property.

As of the date of the reporting quarter end:

- *total initial (replacement) value of buildings, structures, land lots as well as property being registered by the state, but being accounted on NLMK's balance, equals to 16,833,283,744 roubles;*
- *accrued amortization - 8 757 250 027 roubles.*

Within 12 months from the date of reporting quarter end NLMK revalued separate fixed assets to be sold without reflection of revaluation results in accounting balance.

There were no significant changes in property of the Issuer after revaluation.

IV. Information on financial performance of the Issuer.

4.1. Results of the Issuer's financial performance.

4.1.1. Income and losses.

<i>Description</i>	<i>2 Q 2004</i>	<i>3 Q 2004</i>	<i>Change</i>	
			<i>+/-</i>	<i>%</i>
<i>Sales proceeds (less VAT, excises and similar mandatory payments), thousand roubles</i>	<i>31 316 394</i>	<i>34 562 727</i>	<i>3 246 333</i>	<i>+10,4%</i>
<i>Gross profit, thousand roubles</i>	<i>16 936 598</i>	<i>18 150 980</i>	<i>1 214 382</i>	<i>+7,2%</i>

<i>Net profit (retained profit), thousand roubles</i>	<i>12 596 349</i>	<i>13 597 470</i>	<i>1 001 121</i>	<i>+7,9%</i>
<i>Labour productivity of industrial personnel, thousand roubles / man</i>	<i>784,5</i>	<i>867,8</i>	<i>83,3</i>	<i>+10,6%</i>
<i>Capital productivity</i>	<i>8,8</i>	<i>9,1</i>	<i>0,3</i>	<i>+3,6%</i>
<i>ROA, %</i>	<i>57,4%</i>	<i>54,7%</i>	<i>- 2,7 %</i>	
<i>ROE, %</i>	<i>63,5%</i>	<i>59,9%</i>	<i>- 3,6 %</i>	
<i>Return on products (sales), %</i>	<i>50,6%</i>	<i>50,5%</i>	<i>- 0,1 %</i>	
<i>Amount of outstanding loss as of balance sheet date, thousand roubles</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Ratio of outstanding loss as of reporting date to balance currency, thousand roubles</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Methods recommended by Provision on disclosure of information by Issuers approved by Instruction of the Central Bank of the Russian Federation No. 03-32/nc dd. July 2, 2003 were applied for the above mentioned calculations.

Net profit value in the 3rd quarter 2004 went up as compared to the 2nd quarter 2004 by 1,0 billion roubles (or 7,9%). Increase in profit was caused by prices growth for steel products and changes in structure of shipments.

Labour productivity of industrial personnel in the 3rd quarter 2004 increased by 10,6% as compared to the previous quarter and accounted for 867,8 thousand roubles per man. Growth in productivity was caused by increase of merchant products production by 10,0% as compared to the 2nd quarter 2004.

Main production fund efficiency is characterized by capital productivity. Capital productivity in the 3rd quarter 2004 grew as compared to the 2nd quarter of the current year and accounted for 9,1 resulted from growth of sales proceeds by 10,4% with increase of average fixed assets value by 6,5%.

ROA. In the 3rd quarter 2004 net profit of the Issuer per each rouble of assets value accounted for 54,7 kopecks (57,4 kopecks in the 2nd quarter 2004). Assets efficiency of NLMK increased as compared to the previous quarter as a result of anticipatory of average assets value (+13,3%) over net profit growth (+7,9%).

ROE. ROE in the 3rd quarter 2004 decreased as compared to the 2nd quarter. Net profit in each rouble of the Company's equity equaled to 59,9 kopecks as compared to 63,5 kopecks in the 2nd quarter 2004. ROE went down as a result of anticipatory growth of average assets value by (+14,3%) over net profit growth (+7,9%).

Return on sales. In the reporting quarter of the current year Company's profit remained the same as in the 2nd quarter: profit in each rouble of sales proceeds accounted for 50.5 kopecks.

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

<i>Description</i>	<i>3 Q 2004 vs. 2 Q 2004</i>
<i>Changes in sales proceeds (decrease -, increase +)</i>	<i>+10,4%</i>
<i>Changes in cost of sales (decrease -, increase +)</i>	<i>+14,1%</i>
<i>Changes in sales return (decrease -, increase +)</i>	<i>+10,2%</i>

Sales proceeds in the 3rd quarter 2004 increased by 10,4% as compared to the 2nd quarter 2004. It was influenced by the following factors:

- growth of prices for steel products (62%)*,*
- sales increase (32%),*
- growth of US Dollar exchange rate (6%).*

At the same time a slight decrease in sales proceeds was caused by changes in sales structure.

Cost of sales (exclusive of commercial and administrative expenses) in the 3rd quarter 2004 grew by 14,1% as compared to the 2nd quarter 2004.

Costs grew as a result of:

- increase of prices for inputs (81%),*
- increase of production and standard consumption of some inputs (19%).*

Other expenses (taxes, leasing payments, trade expenses, etc.) decreased together with sales costs going slightly down.

**) influence degree is given in brackets (share of factor in growth or decrease of proceeds and costs).*

4.2. The Issuer's liquidity.

<i>Description</i>	<i>as of 30.06.2004</i>	<i>as of 30.09.2004</i>
<i>Working capital, thousand roubles</i>	<i>42 144 403</i>	<i>51 054 205</i>
<i>Financial leverage</i>	<i>0,09</i>	<i>0,08</i>
<i>Equity autonomy factor</i>	<i>0,91</i>	<i>0,92</i>

<i>Inventory procurement secured by working capital</i>	<i>3,65</i>	<i>4,23</i>
<i>Fixed assets index</i>	<i>0,52</i>	<i>0,48</i>
<i>Current ratio</i>	<i>6,34</i>	<i>7,80</i>
<i>Liquidity ratio</i>	<i>4,88</i>	<i>6,19</i>

Methods recommended by Provision on disclosure of information by Issuers approved by Instruction of the Central Bank of the Russian Federation No. 03-32/nc dd. July 2, 2003 were applied for the above mentioned calculations.

Working capital is a share of equity which is allocated for financing of current assets. As of 30.09.2004 working capital of NLMK accounted for 51.1 billion roubles (87% of total equity). So, Novolipetsk Iron & Steel Corporation is adequately provided with working capital.

Financial leverage shows the degree of the Company's assets financing for account of borrowing. As of 30.09.2004 NLMK's financial leverage equaled to 0,08. Optimal value of this factor should not exceed 80%. Current financial leverage (8%) attests high degree of NLMK's financial stability.

Equity autonomy factor shows a share of equity in assets and speaks for a degree of financial independence from creditors. This factor should not go below 0,5 – 0,6. As of 30.09.2004 NLMK's equity autonomy factor equaled to 0,92. So, dependence of NLMK on creditors can be considered as very low.

Inventory procurement secured by working capital is a factor that shows how stock of materials is covered by working capital. As of 30.09.2004 NLMK's inventory procurement secured by working capital equaled to 4.23, which attests full inventory backing for account of NLMK's working capital.

Fixed assets index — an index which reflects ratio of fixed assets and assets drawn away to long-term accounts receivable to equity. The recommended value of fixed assets index is $Kuna \leq 0,9$. As of 30.09.2004 NLMK's fixed assets amounted to 0.48. So, fixed assets and long-term accounts receivable met the recommended terms.

Current ratio. As of 30.09.2004 NLMK's current ratio equaled to 7.8, which attests full backing of short-term debt for account of current assets and high degree of NLMK's solvency.

Liquidity ratio is an index which is useful in assessment of existing short-term liabilities share that can be repaid by the Company, in case its position will be really critical. At that it is assumed that inventories do not have any disposal value at all. As of 30.09.2004 liquidity ratio of NLMK equaled to 6.19, which attests NLMK's ability to meet short-term liabilities in full without any sales of inventories.

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

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

Amount and structure of NLMK's capital

thousand roubles

Capital and reserves	as of 30.06.2004		as of 30.09.2004	
	value	share	value	share
<i>Authorized capital</i>	<i>5 993 227¹</i>	<i>7%</i>	<i>5 993 227²</i>	<i>6,3%</i>
<i>Total value of Issuer's shares bought out by Issuer for further on-selling (transfer)</i>	<i>0[*]</i>	<i>0%^{**}</i>	<i>0[*]</i>	<i>0%^{**}</i>
<i>Capital reserves</i>	<i>898</i>	<i>0,0%</i>	<i>299 661</i>	<i>0,3%</i>
<i>Paid-in capital</i>	<i>4 451 191</i>	<i>5,2%</i>	<i>4 375 218</i>	<i>4,6%</i>
<i>Retained net profit</i>	<i>75 231 192</i>	<i>87,8%</i>	<i>84 982 966</i>	<i>88,8%</i>

<i>Purpose financing and takings</i>	-	x	-	x
Total capital ***	85 676 508	100%	95 651 072	100%

* - nominal value of bought-out shares is stated

** - percentage of bought-out shares of Issuer's shares placed

*** - total on section «Capital and reserves» of Balance Sheet (form No. 1)

¹ – Being in line with NLMK's Statute approved by General Shareholders' Meeting on June 27, 2003 (Minutes No. 17), registered by Inspection with Taxation Ministry of the RF in Levoberezhny district of the city of Lipetsk on July 16, 2003 with:

- changes made on the basis of Board decision (Minutes No. 106 dd. February 2, 2004) and registered on June 4, 2004, Reports on securities issue results registered by Inspection with Taxation Ministry of the RF in Levoberezhny district of the city of Lipetsk on June 21, 2004;

² - Being in line with NLMK's Statute approved by General Shareholders' Meeting on June 27, 2003. (Minutes No. 17), registered by Inspection with Taxation Ministry of the RF in Levoberezhny district of the city of Lipetsk on July 16, 2003 with

- changes made on the basis of Board decision (Minutes No. 106 dd. February 02, 2004) and registered on June 04, 2004. Reports on securities issue results registered by Inspection with Taxation Ministry of the RF in Levoberezhny district of the city of Lipetsk on June 21, 2004;
- changes approved by Board decision (Minutes No. 114 dd. July 05, 2004), registered on July 14, 2004 by Inspection with Taxation Ministry of the RF in Levoberezhny district of the city of Lipetsk.

As of 30.09.2004 capital of NLMK accounted for 95.7 billion roubles and grew by 11.6 % as compared to the same as of 30.06.2004.

Share of current assets in total assets of the Company as of 30.09.2004 accounted for 56,1% (53,0% as of 30.06.2004), non-current assets – 43,9% (47,0% as of 30.06.2004).

Amount and structure of NLMK's current assets

thousand roubles

Current assets	as of 30.06.2004		as of 30.09.2004	
	value	share	value	share
Inventory	11 544 041	23,0%	12 069 524	20,6%
VAT on acquired valuables	1 864 215	3,7%	2 086 995	3,6%
Accounts receivable (due in more than 1 year)	89 168	0,2%	101 856	0,2%
Accounts receivable (due within 1 year)	16 102 061	32,1%	17 868 851	30,4%
Short-term financial investments	17 147 908	34,2%	23 718 317	40,4%
Cash and its equivalents	3 382 980	6,7%	2 823 096	4,8%
Other current assets	17 739	0,04%	18 130	0,03%
TOTAL	50 148 112	100,0%	58 686 769	100,0%

Current assets are financed from internal funds (profits). As of 30.09.2004 there were no loans and credit facilities taken by /granted to NLMK for current assets financing.

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

Increase in NLMK's assets is secured by strong growth of the equity. NLMK's equity as of 30.09.2004 grew by 11.6% as compared to as of 30.06.2004.

Share of Company's equity in total assets as of 30.09.2004 accounted for 91,7%.

Adequacy of the equity and current assets

<i>Description</i>	<i>as of 30.06.2004</i>	<i>as of 30.09.2004</i>
<i>Leverage, %</i>	<i>10,2%</i>	<i>9,1%</i>
<i>Ratio of short-term liabilities to equity and provisions, %</i>	<i>9,2%</i>	<i>8,0%</i>
<i>Equity (F.1 line 490), thousand roubles</i>	<i>85 676 508</i>	<i>95 651 072</i>
<i>Current assets (F.1 line 290), thousand roubles</i>	<i>50 148 112</i>	<i>58 686 769</i>
<i>Short-term liabilities (F.1 line 690), thousand roubles</i>	<i>7 917 702</i>	<i>7 614 908</i>
<i>Average daily operation expenses (for quarter), thousand roubles</i>	<i>298 470,4</i>	<i>147 850,9</i>

The Company's leverage as of 30.09.2004 went down as compared to 30.06.2004 and accounted for 9.1% due to equity growth.

The major share within borrowings belongs to short-term liabilities of Novolipetsk Iron & Steel Corporation (accounts payable). As of 30.09.2004 the ratio of short-term liabilities to equity accounted for 8.0% vs. 9.2% as of 30.06.2004.

These figures witness insignificant dependence of the Company on borrowings and meet requirements to the current activity of the Company.

NLMK's equity is enough to cover current operating expenses and meet short-term liabilities (as of 30.09.2004 equity exceeded short-term liabilities more than 12.6- fold).

The Issuer has no operating expenses related to interest payments (F2 line 070).

Average daily operating expenses (F.2 line 100) in the 3rd quarter 2004 accounted for 147.9 million roubles (13,306.6 million roubles for the whole quarter). Current assets (F.1 line 290) as of 30.09.2004 accounted for 58,686.8 million roubles which attests adequacy of current assets of the Issuer to cover current operation expenses in the 3rd quarter 2004.

4.3.3. Cash and its equivalents.

High efficiency of NLMK allows to generate cash flows which are sufficient to finance current and investment activity without attraction of loans and credits. In the 4th quarter 2004 income from core business is supposed to be used as a source for financing of the Company's activity.

In case of market conditions worsening and changes of investment plans of the Company, balance of cash and its equivalent could be used. As of 30.09.2004 this balance accounted for 26.5 billion roubles.

At once taking stable performance of the Company for long time into account as well as high portion of equity within the Company's capital, NLMK has a possibility to attract significant financial resources on favorable terms both as bank credits and by bond placement.

As of 30.09.2004 there were neither distrained bank accounts nor bank 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.

Financial investments into issuing securities:

Type of securities: *common stock*

Ful name of Issuer: *Open joint-stock company «Stoilensky mining company»*

Abbreviated name of Issuer: *OAO «Stoilensky GOK»*

Legal address: *Stary Oskol, Belgorod area 309530 Russia*

State registration number for securities issue: *1-01-00154-A*

Date of state registration of securities issue: *28.11.2003*

State registrar of securities issue: *Russian Federal Committee of Securities*

Quantity of securities belonged to NLMK (pieces): *1 877 842*

Total par value of securities belonged to NLMK (thousand roubles): *1 877,842*

Total book value of securities belonged to NLMK (thousand roubles): *14 666 220*

Dividends on common stock in 2003 (per 1 share) (roubles): *1,2*

Repayment period: *December 31, 2004*

Type of securities: *common stock*

Ful name of Issuer: *Open joint-stock company «Tuapse sea trade port»*

Abbreviated name of Issuer: *OAO «TMTP »*

Legal address: *2, ul. Maxim Gorky, Tuapse 352800, Krasnodar kray, Russia*

State registration number for securities issue: *18-1-II-0276*

Date of state registration of securities issue: *29.12.1992*

State registrar of securities issue: *Krasnodar Krai Committee of Budget, Control and Finance*

Quantity of securities belonged to NLMK (pieces): *114 906*

Total par value of securities belonged to NLMK (thousand roubles): *114,906*

Total book value of securities belonged to NLMK (thousand roubles): *5 490 887*

Dividends on common stock in 2003 (per 1 share) (roubles): *200*

Repayment period: *within 60 days after General Shareholders' Meeting (after 20.05.2004)*

There are no other financial investments inclusive of the same to any other non-issuing securities as well as to authorized capital of limited liability companies amounting to 10 and more percent of all financial investments of NLMK as of 30.09.2004.

Financial investments are accounted at NLMK according to Provision on accounting "Accounting of financial investment" ИБВ 19/02, approved by Order of the RF Ministry of Finance No. 126н dd. 10.12.2002 as well as by Provision on accounting policy of NLMK for accounting approved by Order of the Company No. 842 dd. 31.12.2003.

4.3.5. Intangible assets of the Issuer.

Information on composition of intangible assets, initial (replacement) value of intangible assets and value of accumulated depreciation as of 30.09.2004 г.

(roubles)			
No	Description of intangible assets group	Initial (replacement) value	Accumulated depreciation
<i>As of 30.09.2004</i>			
1	Sole rights for PC applications and databases	14 372 713	13 014 142
2	Sole rights for inventions	3 032 605	386 891
3	Sole rights for production prototypes	200 000	189 981
4	Sole rights for utility models	668 714	347 605
5	Sole rights for trade marks and service marks	118 311	28 863
6	Sole rights for artwork, science work, literature publications	39 167	8 554
7	Other rights	309 032	306 748
Total		18 740 542	14 282 784

There were neither intangible assets entered to authorized capital nor received free of charge.

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. 842 dd. 31.12.2003.

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.

One of approaches in the area of technological development is acquisition of rights for intellectual property by arrangement of patent protection of new technical solutions developed at NLMK. In the 3rd quarter 2004 patents for 14 utility models listed below were received.

List of patents for inventions and utility models received in the 3rd quarter of 2004

No.	Description of an invention, utility model	Issue date	Validity of patent
1	Method of rolls running at quarto tempering mill	27.06.2004	20 years
2	Method and equipment for control over measuring roll wear	27.06.2004	20 years
3	Convector ring for annealing of cold rolled steel in bell furnaces	20.06.2004	20 years
4	Method of pressure balance in charging device of blast furnace	20.06.2004	20 years
5	Fireclay castable	20.06.2004	20 years
6	Method of non-grain oriented steel production	20.06.2004	20 years
7	Grain-oriented steel	20.06.2004	20 years
8	Method of cold rolled steel annealing	20.06.2004	20 years
9	Method and design of brake motor management of sintering band electric drive	10.07.2004	20 years
10	Method of blast furnace gas cleaning at top gas higher pressure	20.07.2004	20 years

11	<i>Oiling machine</i>	10.08.2004	20 years
12	<i>Method of non-grain oriented steel sheet production</i>	10.08.2004	20 years
13	<i>Cooling plates for metalurgical furnaces</i>	27.08.2004	20 years
14	<i>Method of blast furnace blowing-out</i>	10.09.2004	20 years

List of Certificates for trade marks of NLMK valid as of 30.09.2004

No.	Description	Issue date	Validity
1	<i>Pictorial trademark</i>	25.09.1976	<i>till 14.10.2004 (pending prolongation of validity by FIPS)</i>
2	<i>Trademark “STINOL”</i>	17.06.1991	<i>till 11.10.2010</i>
3	<i>Pictorial trademark</i>	17.06.1991	<i>till 11.10.2010</i>
4	<i>Trademark “STINOL”</i>	16.10.1992	<i>till 20.12.2011</i>
5	<i>Pictorial trademark</i>	16.10.1992	<i>till 20.12.2011</i>
6	<i>Trademark “STINOL”</i>	07.05.1999	<i>till 17.06.2007</i>
7	<i>Pictorial trademark</i>	16.10.1998	<i>till 17.06.2007</i>
8	<i>Trademark “STINOL”</i>	13.07.2001	<i>till 03.04.2010</i>
9	<i>Trademark “СТИХОЛ”</i>	13.07.2001	<i>till 03.04.2010</i>
10	<i>Pictorial trademark</i>	27.05.2002	<i>till 03.04.2010</i>
11	<i>Trademark “СТИХОЛ”</i>	04.10.2002	<i>till 11.08.2010</i>
12	<i>Trademark “STINOL”</i>	17.06.2003	<i>till 11.08.2010</i>
13	<i>Trademark “LIPSTAL”</i>	06.08.2002	<i>till 24.10.2010</i>
14	<i>Trademark “ЛИИМЕТ”</i>	17.09.2002	<i>till 23.10.2010</i>
15	<i>Trademark “ЛИИСТАЛЬ”</i>	20.09.2002	<i>till 24.10.2010</i>
16	<i>Trademark “NOVOLIP”</i>	02.10.2002	<i>till 30.10.2010</i>
17	<i>Trademark “НОВОЛИП”</i>	02.10.2002	<i>till 30.10.2010</i>
18	<i>Trademark “LIPMET”</i>	22.11.2002	<i>till 24.10.2010</i>
19	<i>Trademark “НОВОМЕТ”</i>	05.07.2004	<i>till 30.10.2010</i>
20	<i>Trademark “NOVOMET”</i>	05.07.2004	<i>till 30.10.2010</i>

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.

Expenses for R&D according to agreements in force in the 3rd quarter 2004 accounted for 3,727,561 roubles, 304,581 roubles for receiving of patents and licenses out of them.

4.5. Analysis of development tendencies in the area of the Issuer’s core business.

In the 3rd quarter 2004 tendency of sales proceeds rise in the Russian steel industry was kept. At that favorable world price opportunities for Russian steel-makers contributed to higher profit from export.

In the 3rd quarter of the current year output of steel in Russia increased by 500 thousand tons (or by 3,1%); flats – by 563 thousand tons (or by 4,3%), merchant products – by 11,9 billion roubles (or by 4,2%) as compared to the 2nd quarter of 2004.

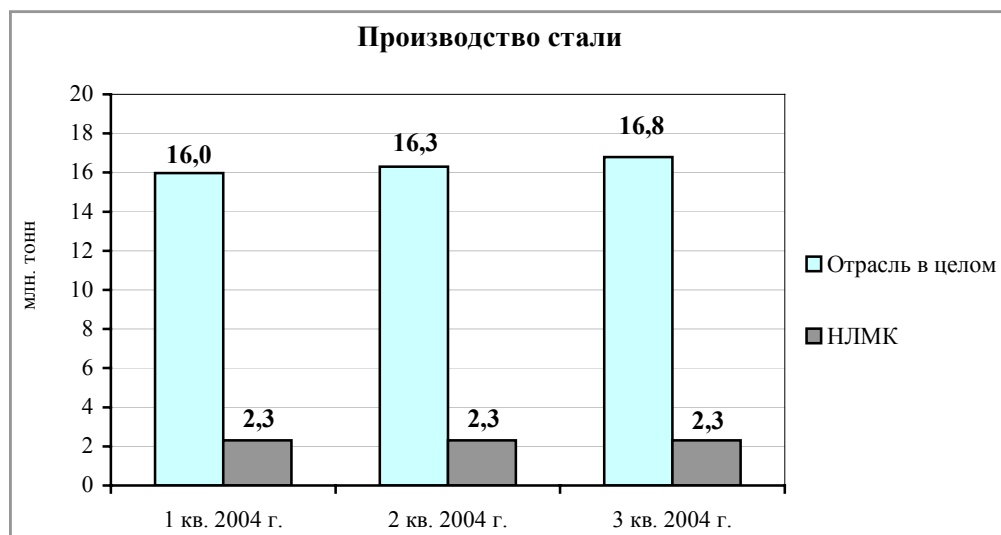
Total production of steel by the Russian steel industry for 9 months of 2004 accounted for 49.0 million tons; flats – 40.0 million tons; merchant products – 795.8 billion roubles.

In the 3rd quarter 2004 production of main NLMK’s product mix remained on the level of the 2nd

quarter of the current year.

Price growth for steel produced by the Company in the 3rd quarter of 2004 as compared to the 2nd quarter 2004 contributed to increase of merchant products sales by 3.1 billion roubles (or by 10.0%).

In the 3rd quarter of the current year NLMK's share in total industry's production volume accounted for: 14% regarding steel production, 16% regarding finished rolled steel output, 11% regarding merchant products output. For 8 months of 2004 NLMK received the largest profit on tax, the share of which accounted for 26,5% of the industry's profit.





Further growth of steel consumption accompanying by high prices for steel products or even their rising could significantly positively influence financial performance of steel-making companies and NLMK respectively.

It should be noted that if world prices go down slightly, it won't affect Russian steel-making companies' proceeds which actively refurbish production facilities and move to production of high value-added products.

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 Shareholders Meeting 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 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 the Shareholders' Meeting agenda;*
- 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 placement of additional shares by the Company out of its property within the quantity of declared shares.*
- 6) increase of the statutory fund of the Company by placement of additional shares by the Company by public subscription within the quantity of declared shares, if the number of additionally placed shares constitutes 25% or less from the common shares earlier placed by the Company;*
- 7) placement of bonds and other securities issued by the Company in cases provided for by the Federal Act “On the joint-stock companies”;*
- 8) determination of price (pecuniary valuation) of the property, price of placement and redemption of the securities issued in cases provided for by the Federal Act “On the joint-stock companies”;*
- 9) acquisition of bonds and other securities placed by the Company in cases provided for by the Federal Act “On the joint-stock companies”;*
- 10) constitution of the Management Board and early termination of its authorities; determination of rewards and compensations paid to its members; conclusion of contracts with the Director General and members of the Management Board on behalf of the Company;*
- 11) recommendations on amount of reward and compensation paid to members of the Auditing Committee and determination of payment amount for Auditor's services;*
- 12) recommendations on dividend amount payable to the shareholders and procedure of its payment;*
- 13) use of reserve and other funds of the Company;*
- 14) approval of internal papers of the Company excluding internal papers which fall within the competence of the General Shareholders Meeting according to this Statute and Federal Act “On the joint-stock Companies”, or other internal documents of the Company which fall within the competence of the Director General and Management Board in accordance with the present Statute;*
- 15) establishment of branches and representative offices of the Company;*
- 16) approval of big deals in cases provided for by Chapter X of the Federal Act “On the joint-stock companies”;*
- 17) conclusion of deals provided for by Chapter XI of the Federal Act “On the joint-stock companies”;*
- 18) approval of the Company Registrar and terms of agreement with him/her, as well as cancellation of agreement;*
- 19) suspension of activity of the Director General;*
- 20) appointment of temporary acting Director General;*
- 21) decision on Company's participation in other organizations, excluding participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations;*

22) other matters provided for by the Federal Act "On the joint-stock companies" and the present Statute.

The matters that fall within the competence of the Company's Board of Directors cannot be passed to the executive body of the Company for decision.

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

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

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

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

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

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

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

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

- development and submission to discussion by the Board of Directors of the Company's development concept;***
- securing of contracts concluding by Company assets when the amount due or the subject goods value exceeds 10 per cent of the balance value of the Company's assets, excluding transactions performed in the normal course of business;***
- approval of internal routine Rules and other local regulations according to the list specified by the Director General;***
- signing the Collective Agreement with the Company staff (authorized body);***
- other issues regarded as those in the competence of the Company Management Board under the effective legislation of the RF.***

Availability of Corporate Behaviour Code or any other similar document:

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.

Information on any changes to the Issuer's Statute made during the reporting period as well as on any internal documents which govern the Issuer's bodies activity:

The following changes were made to the Company's Statute in the reporting period on the basis

of decision which had been made by the Board of Directors (Protocol No. 114 dd. July 5, 2004): An entry on state registration of changes made to constituent documents of NLMK was made on July 14, 2004 by Committee of the RF Ministry of Taxes and Charges of Levoberezhny district of Lipetsk into Single State Register of legal persons (see Appendix).

Internal documents of the Company which govern its bodies activity were not changed.

Address in Internet with free access to full text of current Statute of the Company and internal documents which regulate the Company activity:

www.nlmk.ru/rus/company/docs.php3

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

Board of Directors:

Chairman: *Vladimir S. Lisin*

Members of the Board:

Oleg V. Bagrin

Year of birth: *1974*

Education: *post-graduate vocational*

Titles for the last 5 years:

Period: *1999 - 2000*

Organization: *Joint-stock commercial bank "Autobank "*

Title: *Head of Risk Management Department*

Period: *2000 – 2002*

Organization: *Joint-stock commercial bank "Autobank "*

Title: *Director of Treasury*

Period: *2002 – 2003*

Organization: *Joint-stock commercial bank "Autobank "*

Title: *Deputy Chairman*

Period: *2003 – up to now*

Organization: *OOO "Rumelko"*

Title: *Director of Financial Assets Management*

Period: *2003 – up to now*

Organization: *Moscow branch of Lipetskcombank*

Title: *Vise-president (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*

Nikolay A. Gagarin

Year of birth: **1950**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1999 - 2003**

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

Title: **Executive Partner**

Period: **2003 – up to now**

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

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**

Dmitry A. Gindin

Year of birth: **1946**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1997 – up to now**

Organization: **Open joint-stock Moscow Plant "Sapphire"**

Title: **Director General**

Period: **2001 – up to now**

Organization: **Limited-liability company "Management holding company "Metalloinvest"**

Title: **President (pluralistically)**

Period: **2004 – up to now**

Organization: **Association "Agroindustrial corporation "Stoilenskaya Niva"**

Title: **President (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**

Oleg V. Kisilev

Year of birth: **1953**

Education: **post-graduate vocational**

Titles for the last 5 years:

Period: *2001 – up to now*
Organization: *OOO "Mosexpo - Metall"*
Title: *Director*

Period: *2002 – 2002*
Organization: *ZAO "The 6th television channel"*
Title: *Director General*

Period: *2002 – 2004*
Organization: *Scientific company "Media-Socium "*
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 S. Lisin
Year of birth: *1956*
Education: *post-graduate vocational*

Titles for the last 5 years:
Period: *1999 - 2000*
Organization: *OOO "Rumelko"*
Title: *Director General*

Period: *2001 – up to now*
Organization: *OOO "Rumelko"*
Title: *General counsel*

Period: *1999 - up to now*
Organization: *Academy of National economy with Government of the Russian Federation*
Title: *Professor of Market issues and Economic mechanizms faculty (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*

Mikhail M. Sagalov
Year of birth: *1974*
Education: *higher vocational*

Titles for the last 5 years:

Period: **1999 - 1999**
Organization: **OAO "Petrol company"Rosneft"**
Title: **Adviser of President**

Period: **1999 - 2002**
Organization: **OOO "Management holding company "Metalloinvest"**
Title: **Vice-president**

Period: **2002 – up to now**
Organization: **OOO "Management holding company "Metalloinvest"**
Title: **First Vice-president**

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: **1999 - 1999**
Organization: **ZAO "Vimet"**
Title: **Assessor**

Period: **1999 - up to now**
Organization: **Lipetsk State Technical University**
Title: **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: **1999 - 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: **Limited-liability company "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: **1999 - 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-profitable 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:

Vladimir P. Nastich

Year of birth: **1953**

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

Titles for the last 5 years:

Period: **1999 - 2000**

Organization: **"NLMK"**

Title: ***Director on Metallurgy***

Period: **2000 - 2004**

Organization: **"NLMK"**

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

Period: **2004 – up to now**

Organization: **"NLMK"**

Title: ***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***

Ivan V. Frantsenuik

Year of birth: **1927**

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

Titles for the last 5 years:

Period: **1999 - 2004**

Organization: **"NLMK"**

Title: ***Director General***

Period: **2004 - up to now**

Organization: **"NLMK"**

Title: ***President***

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***

Valery F. Sukhanov

Year of birth: **1947**

Education: **post-graduate vocational**

Titles for the last 5 years:

Period: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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**

Sergey P. Melnik
Year of birth: **1961**
Education: **higher vocational**

Titles for the last 5 years:
Period: **1999 - 2000**
Military service in Russian Army.

Period: **2001 - 2001**
Organization: **OOO "Larmet"**
Title: **Manager**

Period: **2001 - 2003**
Organization: **OOO "Vimet"**
Title: **Manager**

Period: **2003 - 2003**
Organization: **NLMK**
Title: **Consultant of Security Division (pluralistically)**

Period: **2003 - 2004**
Organization: **NLMK**
Title: **Consultant of Security Division**

Period: **2004 – up to now**
Organization: **NLMK**
Title: **Director for Personnel and General Issues**

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**

Vladislav A. Smirnov
Year of birth: **1949**
Education: **higher vocational**

Titles for the last 5 years:
Period: **1999 - 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: **1999 - 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: **1999 - 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: **1999 - 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: Vladimir P. Nastich

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

Bonues paid to members of Board of Directors and Management Board for 2003

(Roubles)

No.	Type of bonuses	Board of Directors	Management Board
1.	Bonuses	12 440 925	-
2.	Salary	-	19 014 985
3.	Premium, welfare	-	6 608 876
4.	Presents	3 120	13 260
5.	Author's royalty	11 441 599	13 039 224
	Total	23 885 644	38 676 345

Bonuses can be paid and expenses related to performance of functions of Board Members can be reimbursed to Members of the Board of Directors within the period of their discharge of duties, when procedure of bonuses payment and expenses reimbursement to members of the Board of Directors is established by «Provision on bonus to Members of the Board of Directors of Novolipetsk Iron & Steel Corporation» approved by General Shareholders' Meeting.

Bonuses can be paid and/or expenses can be reimbursed to Management Board members within the period of their discharge of duties. Procedure of bonuses payment and expenses reimbursement is established by a contract concluded with members of the Management Board. The Contract with each member of the Management Board is concluded by Chairman of the Board of Directors on behalf of the Company according to current law and can be terminated upon decision of the Board of Directors at any time.

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.

Auditing Committee

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 yearly-based business results 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 financial statements information 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 Company's financial and economic activity auditing the Committee makes a report on authenticity of data of the annual report, balance sheet, income statement of the Company.

Internal Audit Department

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

Contact persons: Valery S. Kulikov; Igor A. Matsak.

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 on the results of the auditing upon their

competency. 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.

Information on any inside document with the Issuer establishing rules aimed at prevention of inside information deployment:

There is no document establishing rules aimed at prevention of inside information deployment.

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: ***1999 - 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: ***1999 - 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: **1999 - 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**

Galina I. Shipilova
Year of birth: **1959**
Education: **higher vocational**

Titles for the last 5 years:
Period: **1999 – up to now**
Organization: **NLMK**
Title: **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**

Natalia V. Kurasevich

Year of birth: **1961**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1999 - 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**

Officers of Internal Audit:

Total number of employees of Audit Division, NLMK: 105

Contact persons of Audit Division, NLMK:

Valery S. Kulikov

Year of birth: **1963**

Education: **higher vocational**

Titles for the last 5 years:

Period: **1999 - 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: **1999 - 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**

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 (roubles): **0**

Bonuses (roubles): **0**

Commissions (roubles): **0**

Privileges and / or refund of charges: **0**

Other real estate provisions (roubles): **0**

Upon decision of the General Shareholders' Meeting bonuses can be paid and (or) charges can be refund to mebers of the Copany's Auditing Committee related to the period of their duties discharge. The value of these bonuses and compensation is established by decision of the General Shareholders' Meeting (Chapter 9. Article 44. The Company's Statute).

The General Shareholders' Meeting did not make any decision on payment of such bonuses to members of the Auditing Committee this year.

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.

Average number of employees (staff) of the Issuer inclusive of employees (staff) in his branches and representative offices as well as allocations to wages and social support in the reporting quarter:

<i>Description of the index</i>	<i>3 Q 2004</i>
Average staff, men	39 259
Amount of cash allocated to remuneration of labor, roubles	1 233 855 414
Amount of cash allocated to social security, roubles	17 765 507

Changes in personnel size of NLMK in the reporting quarter are not vital for the Company.

Information on personnel of the Issuer depending on their age and education.

<i>Description of the index</i>	<i>3 Q 2004</i>
Personnel under 25, %	7,3
Personnel between 25 and 35, %	24,2
Personnel between 35 and 55, %	59,8
Personnel over 55, %	8,7
Total:	100,0
of them:	
with secondary education and/or general education, %	17,51
with elementary and/or secondary vocational education, %	60,64
with high vocational education, %	21,60
with post-graduate vocational education, %	0,25

NLMK's employees established a Trade Union branch of Mining and Steel-making trade union of Russia.

5.8. Information on any commitments of the Issuer to personnel (employees) related to possibility of their share interest 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.

The Issuer did not give an option to his employees.

The possibility of granting such option was not considered by the Company.

VI. Information on shareholders of the Issuer and transactions of the Issuer in which he expressed his 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 – 10 312, inclusive:
nominal holders – 9.

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 as of the date of the reporting quarter end:

6.2.1. Full name: **SILENER MANAGEMENT LIMITED**

Abbreviated name: **SILENER MANAGEMENT LIMITED**

ID of taxpayer: **no**

Address: **20 Gregoriu Avksentiu Street, Aios Dometios, Nicosia, Cyprus**

Share in Issuer' charter capital: **18.98%**

Share of Issuer's common stock: **18.98%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**

Share of Issuer's shareholder common stock: **100%**

Share in Issuer's charter capital: **no**

Share of Issuer's common stock: **no**

6.2.2. Full name: **CASTELLA INVESTMENTS LIMITED**

Abbreviated name: **CASTELLA INVESTMENTS LIMITED**

ID of taxpayer: **no**

Address: **1066, Femistokli Dervi, 15, MARGARITA HOUSE, 1st floor, Apartment/Office 102, Nicosia, Cyprus**

Share in Issuer' charter capital: **15.94%**

Share of Issuer's common stock: **15.94%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**

Share of Issuer's shareholder common stock: **100%**

Share in Issuer's charter capital: **no**

Share of Issuer's common stock: **no**

6.2.3. Full name: **MEROBEL INVESTMENTS LIMITED**

Abbreviated name: **MEROBEL INVESTMENTS LIMITED**

ID of taxpayer: **no**

Address: **1066, 20 Vas. Friederikis Street, EL GREKO HOUSE, 1st floor, office 104, Nicosia, Cyprus**

Share in Issuer's charter capital: **15.54%**

Share of Issuer's common stock: **15.54%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**

Share of Issuer's shareholder common stock: **100%**
Share in Issuer's charter capital: **no**
Share of Issuer's common stock: **no**

6.2.4. Full name: **ULTIMEX TRADING LIMITED**

Abbreviated name: **ULTIMEX TRADING LIMITED**

ID of taxpayer: **no**

Address: **2035, Diagoru, 4, KERMIA HOUSE, 6th floor, Appartment /Office 601, Nicosia, Cyprus**

Share in Issuer's charter capital: **15.15%**

Share of Issuer's common stock: **15.15%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**

Share of Issuer's shareholder common stock: **100%**

Share in Issuer's charter capital: **no**

Share of Issuer's common stock: **no**

6.2.5. Full name: **VEFT ENTERPRISES LIMITED**

Abbreviated name: **VEFT ENTERPRISES LIMITED**

ID of taxpayer: **no**

Address: **1066, 20, Vas. Friderikis Street, El Greco House, office 104, Nicosia, Cyprus**

Share in Issuer's charter capital: **12.31%**

Share of Issuer's common stock: **12.31%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**

Share of Issuer's shareholder common stock: **100%**

Share in Issuer's charter capital: **no**

Share of Issuer's common stock: **no**

6.2.6. Full name: **RADLEY ENTERPRISES LIMITED**

Abbreviated name: **RADLEY ENTERPRISES LIMITED**

ID of taxpayer: **no**

Address: **4 Tenary Street, Aios Dometios, Nicosia, Cyprus**

Share in Issuer's charter capital: **8.23%**

Share of Issuer's common stock: **8.23%**

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

Abbreviated name: **FLETCHER INDUSTRIAL EQUITY FUND LIMITED**

ID of taxpayer: **no**

Address: **King and George Street, Bolam House, 3rd floor, N3026, Nassau, Bahamas**

Share in Issuer's shareholder charter capital: **100%**
Share of Issuer's shareholder common stock: **100%**
Share in Issuer's charter capital: **no**
Share of Issuer's common stock: **no**

6.2.7. Full name: ***Closed joint-stock company «LKB-INVEST»***

Abbreviated name: ***ZAO «LKB-INVEST»***

ID of taxpayer: ***4825018993***

Address: ***8, ul. Internatsionalnaya Lipetsk 398050 Russia***

Share in Issuer's charter capital: ***7.52%***

Share of Issuer's common stock: ***7.52%***

Shareholders (participants) having over 20 per cent of charter capital of the Issuer's shareholder or over 20 per cent of his common stock:

Full name: ***Closed joint-stock company "RUMELKO"***

Abbreviated name: ***OOO "RUMELKO"***

ID of taxpayer: ***7727160666***

Address: ***15, ul. Kedrova Moscow 117036 Russia***

Share in Issuer's shareholder charter capital: ***100%***

Share of Issuer's shareholder common stock: ***100%***

Share in Issuer's charter capital: ***no***

Share of Issuer's common stock: ***no***

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: ***0.000267%***

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's control (golden share):

not provided for

6.4. Information on limitations imposed on stake in stockholders' capital (unit fund) of the Issuer.

There are no limitations imposed on stake in the Issuer's stockholders' capital, inclusive of quantity and/or total value of the Issuer's shares, expressed in the Company's Statute.

There are no limitations related to stake in the Issuer's capital.

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 financial years:

Shareholders having the right to participate in Annual Shareholders' Meeting as of September 11, 1999 (date of list with persons having the right to participate in General Shareholders' Meeting – July 23, 1999):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>
2.	<i>PARBURY TRADING LIMITED</i>	<i>18,42</i>
3.	<i>BOWLAND INVESTMENTS LIMITED</i>	<i>17,10</i>
4.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
5.	<i>WANION INVESTMENTS LIMITED</i>	<i>10,18</i>
6.	<i>GREENSLADE TRADING AND INVESTMENTS LIMITED</i>	<i>6,91</i>
7.	<i>FENWAY SERVICES LIMITED</i>	<i>6,62</i>
8.	<i>TRADALCO SA</i>	<i>5,05</i>

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of June 03, 2000 (date of list with persons having the right to participate in General Shareholders' Meeting – April 18, 2000):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>
2.	<i>OMNISPECT LIMITED</i>	<i>18,42</i>
3.	<i>BOWLAND INVESTMENTS LIMITED</i>	<i>17,10</i>
4.	<i>BRIGHTWOOD VENTURES LIMITED</i>	<i>17,10</i>
5.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
6.	<i>RAGON ENTERPRISES LIMITED</i>	<i>6,62</i>
7.	<i>TRADALCO SA</i>	<i>5,05</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of July 09, 2000 (date of list with persons having the right to participate in General Shareholders' Meeting – May 24, 2000):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
1.	<i>BANQUE SCS ALLIANCE SA</i>	<i>19,99</i>
2.	<i>KM TECHNOLOGIES (OVERSEAS) LIMITED</i>	<i>19,99</i>
3.	<i>OMNISPECT LIMITED</i>	<i>18,42</i>
4.	<i>S.M.U. HOLDING SA</i>	<i>10,62</i>
5.	<i>NORILSK MINING COMPANY</i>	<i>9,00</i>
6.	<i>RAGON ENTERPRISES LIMITED</i>	<i>6,62</i>
7.	<i>VALUE TRADING LIMITED</i>	<i>5,20</i>
8.	<i>TRADALCO SA</i>	<i>5,05</i>

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.	<i>KM TECHNOLOGIES (OVERSEAS) LIMITED</i>	<i>19,99</i>
2.	<i>SILENER MANAGEMENT LTD</i>	<i>18,42</i>
3.	<i>S.M.U. HOLDING SA</i>	<i>14,43</i>
4.	<i>VEFT ENTERPRISES LIMITED</i>	<i>10,59</i>
5.	<i>NORILSK MINING COMPANY</i>	<i>9,00</i>
6.	<i>CASTELLE INVESTMENTS LIMITED</i>	<i>6,62</i>
7.	<i>RADLEY ENTERPRISES LIMITED</i>	<i>5,51</i>
8.	<i>VALUE TRADING LIMITED</i>	<i>5,20</i>
9.	<i>PROSUN CO LIMITED</i>	<i>5,03</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 30, 2001 (date of list with persons having the right to participate in General Shareholders' Meeting – May 14, 2001):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,42
2.	Stahl-und Metallunternehmensholding S.A.	14,43
3.	Clayton Import & Export S.A.	11,90
4.	VEFT ENTERPRISES LIMITED	10,74
5.	Bowland Investments Limited	9,08
6.	Mining Company "Norilsk Nickel"	9,00
7.	CASTELLE INVESTMENTS LIMITED	6,62
8.	RADLEY ENTERPRISES LIMITED	5,51
9.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of April 06, 2002 (date of list with persons having the right to participate in General Shareholders' Meeting – February 13, 2002):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	KM TECHNOLOGIES (OVERSEAS) LIMITED	19,99
2.	SILENER MANAGEMENT LTD	18,98
3.	Stahl-und Metallunternehmensholding S.A.	14,43
4.	VEFT ENTERPRISES LIMITED	10,81
5.	MINING COMPANY "NORILSK NICKEL"	9,00
6.	CASTELLE INVESTMENTS LIMITED	6,62
7.	RADLEY ENTERPRISES LIMITED	5,51
8.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 28, 2002 (date of list with persons having the right to participate in General Shareholders' Meeting – May 13, 2002):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,98
2.	VEFT ENTERPRISES LIMITED	10,81
3.	CASTELLA INVESTMENTS LIMITED	10,05
4.	LIMTAN INVESTMENTS LIMITED	9,99
5.	CLOSED JOINT-STOCK COMPANY "LKB-INVEST"	9,01
6.	ULTIMEX TRADING LIMITED	8,29
7.	RADLEY ENTERPRISES LIMITED	8,23
8.	OMNILAX HOLDINGS LIMITED	7,59
9.	AHERON INVESTMENTS LIMITED	7,59
10.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 27, 2003 (date of list with persons having the right to participate in General Shareholders' Meeting – May 12, 2003):

No.	Name of a shareholder	Share in stockholders' capital, %
1.	SILENER MANAGEMENT LTD	18,98
2.	VEFT ENTERPRISES LIMITED	12,30
3.	CASTELLA INVESTMENTS LIMITED	10,05
4.	LIMTAN INVESTMENTS LIMITED	9,99
5.	ULTIMEX TRADING LIMITED	8,28
6.	RADLEY ENTERPRISES LIMITED	8,23
7.	OMNILAX HOLDINGS LIMITED	7,59
8.	AHERON INVESTMENTS LIMITED	7,59
9.	CLOSED JOINT-STOCK COMPANY "LKB-INVEST"	7,51
10.	PROSUN CO. LIMITED	5,03

Shareholders having the right to participate in Extraordinary Shareholders' Meeting as of April 23, 2004 (date of list with persons having the right to participate in General Shareholders' Meeting – February 24, 2004):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
<i>1.</i>	<i>SILENER MANAGEMENT LIMITED</i>	<i>18,98</i>
<i>2.</i>	<i>CASTELLA INVESTMENTS LIMITED</i>	<i>15,94</i>
<i>3.</i>	<i>ULTIMEX TRADING LIMITED</i>	<i>15,15</i>
<i>4.</i>	<i>VEFT ENTERPRISES LIMITED</i>	<i>12,31</i>
<i>5.</i>	<i>RADLEY ENTERPRISES LIMITED</i>	<i>8,23</i>
<i>6.</i>	<i>CLOSED JOINT-STOCK COMPANY "LKB-INVEST"</i>	<i>7,52</i>
<i>7.</i>	<i>PROSUN CO. LIMITED</i>	<i>5,03</i>

Shareholders having the right to participate in Annual Shareholders' Meeting as of June 25, 2004 (date of list with persons having the right to participate in General Shareholders' Meeting – May 07, 2004):

<i>No.</i>	<i>Name of a shareholder</i>	<i>Share in stockholders' capital, %</i>
<i>1.</i>	<i>SILENER MANAGEMENT LIMITED</i>	<i>18,98</i>
<i>2.</i>	<i>CASTELLA INVESTMENTS LIMITED</i>	<i>15,94</i>
<i>3.</i>	<i>ULTIMEX TRADING LIMITED</i>	<i>15,15</i>
<i>4.</i>	<i>VEFT ENTERPRISES LIMITED</i>	<i>12,31</i>
<i>5.</i>	<i>RADLEY ENTERPRISES LIMITED</i>	<i>8,23</i>
<i>6.</i>	<i>CLOSED JOINT-STOCK COMPANY "LKB-INVEST"</i>	<i>7,52</i>
<i>7.</i>	<i>ANWORTH INVESTMENTS LIMITED</i>	<i>5,20</i>
<i>8.</i>	<i>HENFORD INVESTMENTS LIMITED</i>	<i>5,20</i>
<i>9.</i>	<i>SOBEVAL MANAGEMENT LIMITED</i>	<i>5,14</i>

6.6. Information on transactions made by the Issuer in which he took interest.

Total transactions in which the Issuer took interest approved by each management body upon results of the last reporting quarter:

Reporting period	Management body of NLMK approved a transaction	
	GSM	Board of Directors
<i>3 Q 2004</i>	<i>-</i>	<i>771 044 thousand roubles</i>

Information on transaction, which were of interest for the Issuer and the price of which was 5 and more percent of the Company's assets book value defined upon financial statements as of the last balance date before it was approved:

In the 3rd quarter 2004 among transactions on the basis of which it could be possible to determine transaction price at approval date there were no transactions, the price of which was 5 and more percent of the Company's assets book value as of the last balance date before the transaction.

Information on transactions (a group of related transactions), in which Issuer expressed his interest but an approval decision by the Board of Directors (supervisory board) or by General Shareholders' Meeting was not made in cases when it was obligatory according to the Russian Law:

There were no such transactions.

6.7. Information on amount of accounts receivable.

<i>thousand roubles</i>	
	<i>As of 30.09.2004</i>
<i>Accounts receivable, total</i>	<i>18 966 640</i>
<i>inclusive of:</i>	
<i>past-due accounts receivable, total</i>	<i>135 065</i>

Structure of the Issuer's accounts receivable as of 30.09.2004

<i>Type of accounts receivable</i>	<i>Maturity date</i>						<i>Total</i>
	<i>less than 30 days</i>	<i>from 30 to 60 days</i>	<i>from 60 to 90 days</i>	<i>from 90 to 180 days</i>	<i>from 180 days to 1 year</i>	<i>over 1 year</i>	
<i>Accounts receivable, total, inclusive of:</i>	<i>9 460 212</i>	<i>7 654 773</i>	<i>808 522</i>	<i>331 773</i>	<i>609 504</i>	<i>101 856</i>	<i>18 966 640</i>
<i>buyers and customers</i>	<i>7 387 433</i>	<i>7 301 829</i>	<i>581 722</i>	<i>54</i>	<i>11 622</i>	<i>12 567</i>	<i>15 295 227</i>
<i>bills receivable</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>debt of subsidiaries and affiliated companies</i>	<i>43 316</i>	<i>-</i>	<i>199</i>	<i>33 466</i>	<i>-</i>	<i>39 273</i>	<i>116 254</i>
<i>debt of shareholders upon contributions to stockholders' capital</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>advance payments made*</i>	<i>775 667</i>	<i>304 443</i>	<i>149 610</i>	<i>176 281</i>	<i>583 065</i>	<i>19 718</i>	<i>2 008 784</i>
<i>other debtors</i>	<i>1 253 796</i>	<i>48 501</i>	<i>76 991</i>	<i>121 972</i>	<i>14 817</i>	<i>30 298</i>	<i>1 546 375</i>

**) Taking into account advance payments effected for off-balance assets under which title is transferred in case of long-term obligations fulfilment according to contracts concluded.*

Debtors with a share of not less than 10% of total accounts receivable as of 30.09.2004:

1. Name: *STEELCO MEDITERIAN TRADING LTD*

Address: *Orpheos street, 10A-C, Nicosia, Cyprus*

Accounts receivable: *7 715 244 thousand roubles*

inclusive of:

past-due accounts receivable: *no*

2. Name: *TUSCANY INTERTRADE (UK)*

Address: *24, Great King Street, Edinburg, H3 6QN, Great Britain*

Accounts receivable: *4 305 347 thousand roubles*

inclusive of:

past-due accounts receivable: *no*

VII. Financial Statements of the Issuer and other financial information.

7.1. Annual Report of the Issuer.

Annual Report of NLMK for the last complete financial year prepared under the Russian Law was embodied to Quarterly Report for the 1st quarter of this year.

7.2. Quarterly financial statements of the Issuer for the last completed reporting quarter.

Quarterly financial statements as of 30.09.2004 prepared according to the Russian Law are attached to the present Quarterly Report.

Quarterly financial statements cover:

- *Balance Sheet – Form No.1;*
- *Income Statement – Form No. 2.*

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

The Company did not prepare consolidated financial statements as of 31.12.2003 according to Methodological recommendations «On preparation and submission of Consolidated financial statements», approved by Order of RF Ministry of Finance No. 112 dd. 30.12.1996, as far as performance of subsidiaries and affiliated companies does not significantly influence financial image of the Company.

Moreover, the Company prepares Consolidated financial statements according to US Generally Accepted Accounting Principles (US GAAP).

Web-site where Consolidated Financial Statements of the Issuer prepared under US GAAP is published:

www.nlmk.ru/rus/index/yearindex.php3

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

<i>Index name</i>	<i>2 Q 2004</i>	<i>3 Q 2004</i>
<i>Sales proceeds (mln. roubles) - total</i>	<i>31 316,4</i>	<i>34 562,7</i>
<i>Export sales proceeds (mln. roubles)</i>	<i>19 965,7</i>	<i>22 405,0</i>
<i>Export share in total sales proceeds (%)</i>	<i>63,8%</i>	<i>64,8%</i>

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 31.12.2003.

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 (roubles) as of the date of the reporting quarter closure:

5 993 227 240

Breakdown of stockholders' capital as of the date of the reporting quarter closure:

Common stock:

Total at par value (roubles): **5 993 227 240**

Share in stockholders' capital: **100 %**

Privileged stock:

Total at par value (roubles): **0**

Share in stockholders' capital: **0 %**

The Issuer's shares are not in circulation beyond the Russian Federation.

8.1.2. Information on changes in stockholders' capital amount (unit fund) of the Issuer.

Within the period from January 1, 1999 till December 31, 2003 NLMK did not issue securities that would result in change of the stockholders' capital.

In the 2nd quarter 2004 stockholders' capital of the Company was changed due to placement of additional common stock.

Amount of the Issuer's stockholders' capital (roubles) as of 01.04.2004: **5 987 240**

Breakdown of stockholders' capital as of 01.04.2004:

Common stock:

Total at par value (roubles): **5 987 240**

Share in stockholders' capital: **100 %**

Privileged stock:

Total at par value (roubles): **0**

Share in stockholders' capital: **0 %**

Management body of the Issuer which made a decision to change the stockholders' capital: **Board of Directors of NLMK**

Date and number of Protocol of Management body meeting on which a decision to change stockholders' capital was taken: **05.02.2004, Protocol No. 106.**

Amount of the Issuer's stockholders' capital (roubles) as of 30.06.2004: **5 993 227 240**

Breakdown of stockholders' capital as of 30.06.2004:

Common stock:

Total at par value (roubles): **5 993 227 240**

Share in stockholders' capital: **100 %**

Privileged stock:

Total at par value (roubles): **0**

Share in stockholders' capital: **0 %**

In the 3rd quarter 2004 amount of stockholders' capital did not change.

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.

Reserve fund of NLMK as of 30.06.2004 amounted to 898,086 roubles or 0,015% of the Company's stockholders' capital. In the 3rd quarter 2004 298,763,276 roubles were allocated to the reserve fund on account of net profit of the current year as a result the reserve fund of the Company amounted to 299,661,362 roubles or 5% of the Company's stockholders' capital as of the reporting quarter end.

Within the reporting quarter the reserve fund 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 on the meeting in written. 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' 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 summonation 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 refers to its competence and (or) corresponds 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 have required 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 become familiar with information (materials) presented for preparation and conducting of Supreme Management Body Meeting as well as procedure of becoming familiar 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 becoming familiar 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 – Elena I. Vlasova, year of birth - 1961, 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. Dmitry M. Parshev, 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 – 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: Dmitry M. Parshev, year of birth - 1974, has no share in the Issuer's stockholders' equity

Members:

1. Olga D. Grechishkina, year of birth – 1964, has no share in the Issuer's stockholders' equity;

2. Elena S. Meyer, year of birth - 1980, has no share in the Issuer's stockholders' equity;

3. Alexey M. Postnikov, year of birth - 1980, has no share in the Issuer's stockholders' equity;

4. Valery I. Ukolov, year of birth - 1979, 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, Sudak, 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: *«NLMK Trading House» Limited-Liability Company*

Abbreviated name: *NLMK Trading House*

Legal address: *bldg. B, 1/15, Kotelnicheskaya naberezhnaya, Moscow 109240 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:

Chairman: Alexander Yu. Zarapin, year of birth - 1962, has no share in the Issuer's stockholders' equity.

Members:

1. Dmitry A. Baranov, year of birth - 1968, has no share in the Issuer's stockholders' equity;

2. Victor P. Kirilenko, year of birth - 1957, has no share in the Issuer's stockholders' equity;

3. Alexey S. Smolyansky, year of birth - 1974, has no share in the Issuer's stockholders' equity;

4. Alexander N. Saprykin, year of birth - 1967, has no share in the Issuer's stockholders' equity;

5. Dmitry V. Guglya, year of birth - 1970, 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 – Dmitry V. Guglya, year of birth - 1970, has no share in the Issuer's stockholders' equity.

7. Full name: *«Larmet Limited»*

Abbreviated name: *OOO «Larmet»*

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

Issuer's share in the profit-making organization's charter capital: *99.98 %*

Profit-making organization's share in the Issuer's charter capital: *no*

Information on profit-making organization's Board of Directors:

Board of Directors is not provided for by the Statute of the profit-making organization

Information on profit-making organization's executive body:

Corporate executive body is not provided for by the Statute of the profit-making organization

Information on a person being a single executive body of profit-making organization:

Director General – Pavel V. Lizogub, year of birth - 1966, has no share in the Issuer's stockholders' equity

8. 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

9. Full name: **Private company «Dolomit»**

Abbreviated name: **ОАО «Dolomit»**

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

Issuer's share in the profit-making organization's charter capital: **74.84 %**

Share of the Issuer's common stock in profit-making organization: **74.84 %**

Profit-making organization's share in the Issuer's charter capital: **no**

Information on profit-making organization's Board of Directors:

Chairman: Fedor V. Korlykhanov, year of birth - 1936, has no share in the Issuer's stockholders' equity

Members:

1. **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%;

2. **Konstantin V. Lashkevich, year of birth - 1977, has no share in the Issuer's stockholders' equity;**

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. **Denis E. Samsikov, 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. **Victoriya N. Nikitina, year of birth - 1974, has no share in the Issuer's stockholders' equity;**

5. **Mariya V. Pankova, 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 – Valery A. Vyalov, year of birth - 1957, has no share in the Issuer's stockholders' equity

10. Full name: **Open Joint-stock company «Tuapse Trading Sea Port »**

Abbreviated name: **ОАО «TMTP»**

Legal address: **2, ul. Maxim Gorky, Tuapse, Krasnodarsky krai 352800 Russia**

Issuer's share in the profit-making organization's charter capital: **69.41 %**

Share of the Issuer's common stock in profit-making organization: **69.41 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Nikolay A. Gagarin, year of birth - 1950, has no share in the Issuer's stockholders' equity.

Members:

- 1. Victor M. Bondar, year of birth - 1953, has no share in the Issuer's stockholders' equity;*
- 2. Oleg Yu. Bukin, year of birth - 1966, has no share in the Issuer's stockholders' equity;*
- 3. Radion N. Gryazev, year of birth - 1958, has no share in the Issuer's stockholders' equity;*
- 4. Alexander Yu. Zarapin, year of birth - 1962, has no share in the Issuer's stockholders' equity;*
- 5. 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%;*
- 6. Dmitry V. Mukhortov, year of birth - 1973, has no share in the Issuer's stockholders' equity;*
- 7. Vyacheslav P. Feodorov, year of birth - 1966, has no share in the Issuer's stockholders' equity;*
- 8. Sergey V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity.*

Information on profit-making organization's executive body:

- 1. Alexander S. Gabedava, year of birth - 1950, has no share in the Issuer's stockholders' equity;*
- 2. Sergey V. Kozlov, year of birth - 1963, has no share in the Issuer's stockholders' equity;*
- 3. Fatima M. Nibo, year of birth - 1960, has no share in the Issuer's stockholders' equity;*
- 4. Edward G. Chovushyan, year of birth - 1965, has no share in the Issuer's stockholders' equity.*

Information on a person being a single executive body of profit-making organization:

Director General - Edward G. Chovushyan, year of birth - 1965, has no share in the Issuer's stockholders' equity

11. Full name: *Open joint-stock company "Severnaya Neftegasovaya Company"*

Abbreviated name: *Severneftegas*

Legal address: *bdg. 1, 14, pl. Spartakovskaya, Moscow 105082 Russia*

Issuer's share in the profit-making organization's charter capital: **62.0 %**

Share of the Issuer's common stock in profit-making organization: **62.0 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: not elected

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. 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%;*
- 3. Dmitry V. Nikiforov, year of birth - 1964, has no share in the Issuer's stockholders' equity;*
- 4. Denis E. Samsikov, year of birth - 1973, has no share in the Issuer's stockholders' equity;*
- 5. 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 - Vladimir G. Lapshov, year of birth - 1947, has no share in the Issuer's stockholders' equity.

12. 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: **60.30 %**

Share of the Issuer's common stock in profit-making organization: **60.30 %**

Share of profit-making organization in the Issuer's stockholders' equity: **no**

Information on profit-making organization's Board of Directors:

Chairman: Alexander N. Saprykin, year of birth - 1967, 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. Alexander Yu. Gorshkov, year of birth - 1961, has no share in the Issuer's stockholders' equity;*
- 3. Oleg V. Kiselev, year of birth - 1953, has no share in the Issuer's stockholders' equity;*
- 4. 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%;*
- 5. Denis E. Samsikov, year of birth - 1973, has no share in the Issuer's stockholders' equity;*
- 6. Olga N. Sopova, year of birth - 1961, has no share in the Issuer's stockholders' equity;*
- 7. Maria N. Starostina, year of birth - 1974, has no share in the Issuer's stockholders' equity;*
- 8. Vladimir K. Tomaev, year of birth - 1951, 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 Yu. Gorshkov, year of birth - 1961, has no share in the Issuer's stockholders' equity

13. 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 share in the Issuer's stockholders' equity:0,00018%, share of the Issuer's common stock:0,00018%;*
- 4. 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%;*
- 5. 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%;*
- 6. Alexander N. Saprykin, year of birth - 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 - Victor S. Bondar, year of birth - 1941, has no share in the Issuer's stockholders' equity

14. Full name: *Limited-liability company «Lipetsk city energy company»*

Abbreviated name: ***ОАО «LGEK»***

Legal address: ***4a, Peter the 1st sq., Lipetsk 398001 Russia***

Issuer's share in the profit-making organization's charter capital: ***51.00 %***

Share of profit-making organization in the Issuer's stockholders' equity: ***no***

Information on profit-making organization's Board of Directors:

Chairman: Valery P. Feodorov, year of birth - 1960, has no share in the Issuer's stockholders' equity

Members:

1. *Nikolay F. Korvyakov, year of birth - 1953, has no share in the Issuer's stockholders' equity;*
2. *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%;*
3. *Vladislav A. Smirnov, year of birth - 1949, 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 - Vladislav A. Smirnov, year of birth - 1949, has no share in the Issuer's stockholders' equity.

15. Full name: *Joint-stock bank of social development and construction «Lipetskcombank»*

Abbreviated name: *ОАО «Lipetskcombank»*

Legal address: *8, ul. Internatsionalnaya, 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. *Valeria V. Ainulova, year of birth - 1971, has no share in the Issuer's stockholders' equity;*
3. *Antonina M. Kopaeva, year of birth - 1949, has no share in the Issuer's stockholders' equity;*
4. *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%;*
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

16. 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. *Nikolay V. Ovchinnikov, year of birth - 1949, has no share in the Issuer's stockholders' equity;*
2. *Sergey V. Perekatov, year of birth - 1959, has no share in the Issuer's stockholders' equity;*
3. *Larisa N. Saenko, year of birth - 1949, has no share in the Issuer's stockholders' equity;*
4. *Vitaly I. Tonkogolos, year of birth - 1958, has no share in the Issuer's stockholders' equity;*
5. *Vladimir A. Tretyakov, year of birth - 1960, 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. *Anatoly V. Boldyrev, year of birth - 1961, share in the Issuer's stockholders' equity: 0,00000017%, share of the Issuer's common stock: 0,00000017%;*
2. *Anatoly A. Buduikin, year of birth - 1950, share in the Issuer's stockholders' equity:0,0013%, share of the Issuer's common stock:0,0013%;*
3. *Yury N. Medvedev, year of birth - 1941, has no share in the Issuer's stockholders' equity;*
4. *Nikolai V. Ovchinnikov, year of birth - 1949, has no share in the Issuer's stockholders' equity;*
5. *Tat'yana I. Pryanishnikova, year of birth - 1951, 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. *Valery G. Khaibullin, year of birth - 1951, 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 G. Khaibullin, year of birth - 1951, has no share in the Issuer's stockholders' equity.

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

Abbreviated name: ***ZAO «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***

18. 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***

19. Full name: ***Limited-liability company «Neptune»***

Abbreviated name: ***ООО «Neptune»***

Legal address: ***office 35, 1, ul. Admiral Makarov, Lipetsk 398005 Russia***

Issuer's share in the profit-making organization's charter capital: ***25 %***

Share of profit-making organization in the Issuer's stockholders' equity: ***no***

Information on profit-making organization's Board of Directors:

The 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 – Margarita G. Bekasova, year of birth - 1965, has no share in the Issuer's stockholders' equity

20. Full name: Closed joint-stock corporation «ENGELS PIPE PLANT»

Abbreviated name: ZAO «ENGELS PIPE PLANT»

Legal address: Industrial zone, pr. Stroiteley, Engels, 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. Olga N. Bredikhina, year of birth - 1967, 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. 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. 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

21. Full name: Open joint-stock company on gasification and operation of gas equipment of Lipetsk region «Lipetskoblgas»

Abbreviated name: OAO «Lipetskoblgas»

Legal address: 25, ul. Nedelina, Lipetsk 398059 Russia

Issuer's share in the profit-making organization's charter capital: 19.4 %

Share of the Issuer's common stock in profit-making organization: 19.4 %

Profit-making organization's share in the Issuer's charter capital: no

Information on profit-making organization's Board of Directors:

Chairman: Nikolai V. Isakov, year of birth - 1951, has no share in the Issuer's stockholders' equity

Members:

1. Yury N. Bozhko, year of birth - 1961, has no share in the Issuer's stockholders' equity;

2. Andrey S. Ivanov, year of birth - 1973, has no share in the Issuer's stockholders' equity;

3. Vyacheslav V. Isakov, year of birth - 1966, has no share in the Issuer's stockholders' equity;

4. Nikolai V. Karasikov, year of birth - 1952, has no share in the Issuer's stockholders' equity;

5. Valery I. Lokotunin, year of birth - 1940, 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

22. Full name: Open joint-stock company «Almetjevsk pipe plant»

Abbreviated name: OAO «AT3»

Legal address: 11, ul. Promzona, Almetjevsk, Republic 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: Alexander N. Isaikin, year of birth - 1959, has no share in the Issuer's stockholders' equity

Members:

- 1. Rishat F. Abubakirov, year of birth - 1959, has no share in the Issuer's stockholders' equity;*
- 2. Olga N. Bredikhina, year of birth - 1967, has no share in the Issuer's stockholders' equity*
- 3. Sergey A. Gusev, year of birth - 1970, has no share in the Issuer's stockholders' equity;*
- 4. Albert A. Leschev, year of birth - 1975, 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. Alexander M. Tokarev, year of birth - 1956, has no share in the Issuer's stockholders' equity;*
- 9. Sergey V. Chelyadin, year of birth - 1965, has no share in the Issuer's stockholders' equity;*
- 10. 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

23. 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: *13.69 %*

Share of the Issuer's common stock in profit-making organization: *13.69 %*

Share of profit-making organization in the Issuer's stockholders' equity: *no*

Information on profit-making organization's Board of Directors:

Chairman: Vasily A. Zubakin, year of birth - 1958, has no share in the Issuer's stockholders' equity

Members:

- 1. Alexander V. Voronkin, year of birth - 1954, has no share in the Issuer's stockholders' equity;*
- 2. 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%;*
- 3. Mikhail I. Kovalev, year of birth - 1975, has no share in the Issuer's stockholders' equity*
- 4. Anatoly K. Merzlyakov, year of birth - 1952, 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. Alexander P. Gorkovenko, year of birth - 1945, has no share in the Issuer's stockholders' equity;*
- 2. Andrey P. Derevskov, year of birth - 1955, has no share in the Issuer's stockholders' equity;*
- 3. Vladimir Yu. Iluikhin, year of birth - 1964, has no share in the Issuer's stockholders' equity;*
- 4. Svetlana S. Kozoderova, year of birth - 1971, has no share in the Issuer's stockholders' equity;*
- 5. Alexander N. Konanykhin, year of birth - 1968, has no share in the Issuer's stockholders' equity;*
- 6. Dmitry Yu. Krymov, year of birth - 1974, has no share in the Issuer's stockholders' equity;*
- 7. Anatoly K. Merzlyakov, year of birth - 1952, has no share in the Issuer's stockholders' equity;*
- 8. Natalia M. Novikova, year of birth - 1971, has no share in the Issuer's stockholders' equity;*
- 9. Evgeny A. Svintsov, year of birth - 1946, has no share in the Issuer's stockholders' equity;*
- 10. Vladimir F. Chebotar, year of birth - 1950, 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

24. 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: no data

Members:

- 1. Igor A. Veremy, year of birth - 1958, has no share in the Issuer's stockholders' equity;**
- 2. Maxim Yu. Gubiev, 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. Efim A. Starikov, has no share in the Issuer's stockholders' equity;**
- 8. Alexey A. Ugarov, year of birth - 1930, has no share in the Issuer's stockholders' equity;**
- 9. Vadim V. Sheremet, year of birth - 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:

Managing Company – Limited-liability company “GASMETALLPROEKT” (OOO “GASMETALLPROEKT”); address: office 209, 1, 1st Schipkovsky pereulok, Moscow 113093 Russia, has no share in the Issuer's stockholders' equity.

25. 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

26. 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.

Any material transactions with liabilities of each equal to 10 and more percent of NLMK's assets booking value under its financial statements for the last completed financial period preceeding the reporting quarter were not noted in the reporting quarter.

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 (roubles): *1*

Shares in circulation: *5 993 227 240*

Quantity of additional shares in the process of placement: *0*

Quantity of stated shares: *0*

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 numbers of share issues: *1-01-00102-A*

Date of state registration: *09.04.2004*

Additional issues of NLMK's securities were combined by Regulation of Federal Committee on Securities of Russia No. 04-1026/p dd. April 9, 2004, which resulted in cancellation of state registration number 46-III-0190 dd. 02.04.1993 assigned to the first issue of common stock of Novolipetsk Iron & Steel Corporation. State registration number 1-01-00102-A dd. April 9, 2004 was assigned to the stated above issue of NLMK's securities.

Rights given by shares to their shareholders:

Each common stock of the Company gives a 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's 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 issues 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 default issues.

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.

The Issuer did not place bonds with securities.

8.6. Information on organizations registering securities of the Issuer.

Registrar:

Full name: *P-Stinol Limited*

Abbreviated name: *OOO "P-Stinol"*

Legal address: *12, ul. 9th of May, Lipetsk, Russia*

The license for activity as a registrar of shareholders:

License No.: *10-000-1-00-292*

Issue date: *30.12.2003*

Validity: *till 30.12.2006*

Licenser: *Federal Securities Market Commission of the Russian Federation*

The date on which the register of shareholders started to be kept by the stated registrar: *04.03.2004*

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 (revision dd. 29.07.2004), Tax Code of the Russian Federation (part two) No. 117-Φ3 dd. 05.08.2000 (revision dd. 29.07.2004 with amendments dd. 04.10.2004), Federal Law No. 173-Φ3 dd. 10.12.2003 "On currency control" (revision dd. 29.06.2004), Federal Law No. 39-Φ3 dd. 22.04.1996 (revision dd. 28.07.2004) "On securities market", Federal Law No. 208-Φ3 dd. 26.12.1995 (revision dd. 06.04.2004) "On joint-stock companies" 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.

Owners of the Company's shares can receive income as dividends and income from share sale. Organization's income is taxed under Chapter 25 «Profit tax of organizations» of Tax Code of the Russian Federation, natural persons are taxed under Chapter 23 «Natural persons' income tax».

Dividends.

In case of dividend payment to natural persons and organizations the Company acts as Fiscal agents, i.e. it makes calculations, deduction from dividends and transfer of natural persons' income tax and profit tax of organizations to the budget.

Legal persons.

Organization's profit from dividends is taxed under Chapter 25 «Profit tax of organizations» of Tax Code of the Russian Federation.

Dividends paid to organizations which are Russian tax payers, are taxed at 6% tax rate (clauses 1 p. 3 Article 284 Tax Code of the Russian Federation), foreign organizations – at 15% tax rate (clauses 2 p. 3 Article 284 Tax Code of the Russian Federation).

Natural persons.

Tax rate of natural persons' (RF nationals) income tax is 6% and 30 % for non-RF nationals.

Income from share sales.

Legal persons.

A feature for tax base for RF nationals in case of securities operations is defined by Articles 280 and 283 of Tax Code of the Russian Federation. Profit tax shall be paid at 24% tax rate (p.1 Article 284 of Tax Code of the Russian Federation).

Procedure of taxation of non-RF nationals is controlled by Articles 306-307, 309-312 of Tax Code of the Russian Federation. A fiscal agent repays income tax from sale of shares of Russian companies for foreign organizations which do not perform profit-oriented business, where more than 50% of assets these organizations is the real estate at the territory of the Russian Federation as well as financial instruments being derivatives of these shares. At that income from trade of securities on foreign stock exchanges or financial instruments being in circulation on these exchanges is not recognized as income received from RF sources of revenues (clause 5 p. 1 Article 309). A Fiscal Agent makes calculations and deduction of profit tax at 20% or 24% tax rate. 20% tax rate can be applied only in case tax base is a full amount of profit from share sales (clause 1 p.2 Article 284). 24% tax rate shall be applied if the tax base is defined under the procedure similar to that applied to organizations – RF tax payers (p.4. Article 309 and p. 1. Article 284).

Natural persons.

Procedure of taxation of natural persons' income from securities operations is established by Articles 214-1, 220, 224 Chapter 23 of Tax code of the Russian Federation.

Income (loss) on sales of securities is defined as difference between income from securities sales and documented securities sales proceeds and documented expenses of acquisition, sale and storage of securities actually incurred by a tax payer or assessed tax deduction taken to decrease securities sales income. Assessed tax deduction is not provided for natural persons being non-RF nationals.

Assessed tax deduction is granted to a tax payer as regards to full amount received by him during tax period (duration of tax period is one year) from sales of securities being in his possession for three or more years, and in case securities were in possession of a tax payer less than 3 years, then amount of assessed tax deduction in case of their sale cannot exceed 125 000 roubles.

Tax rate for stated income of natural persons being RF nationals is 13 percent.

Tax rate for stated income of natural persons being non-RF nationals is 30 percent.

Tax is calculated and paid by a fiscal agent upon completion of tax period or in case of payment to tax payer before expiration of successive tax period.

Should it be impossible to withhold calculated amount of tax from a tax payer, a Fiscal agent shall inform tax authorities in written within one month from the date of this event occurrence on impossibility to withhold and on amount of tax debt.

Application of International Agreements.

If provisions of international agreements concluded by the Russian Federation (or USSR, if the RF declared these agreements valid) with other states nationals (natural persons or organizations) of which obtain income of the Company's shares, laid down other taxation rules and standards as compared to the same of the Russian Law, rules and standards provided for by international agreements shall apply subject to meeting conditions established by the Law.

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: *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 (roubles): *312.5*

Total dividends announced (accrued) for shares of this category (roubles): *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) (roubles): *1 870 022 812.5*

Reporting period (year, quarter), for which announced dividends were paid (announced): *2003.*

Dividends announced (accrued) per a share (roubles): *0.6045*

Total dividends announced (accrued) for shares of this category (roubles): *3 622 905 866.58*

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 25, 2004.**

Date and number of Protocol of the Issuer's Management Body Meeting where a decision to pay (announce) dividends has been made: **July 05, 2004, No. 19**

Deadline of announced dividends payment: **up to September 23, 2004.**

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) (roubles): **3 558 700 013.12**

The Company did not issue bonds.

8.10. Other information.

None.

Appendix to clause 5.1. «Information on structure and competence of Issuer's Management bodies»

Approved

By Decision made by
the Board of Directors of
Novolipetsk Iron & Steel Corporation
Minutes No. 114
dd. July 5, 2004

Changes to Statute of Novolipetsk Iron & Steel Corporation

Clause 51.1 of Article 51 “List of branches and representative offices” to be added by subclause 3 of the following wording:

“3. Representative office of Novolipetsk Iron & Steel Corporation in the city of Novokuznetsk. Legal address: 133, ul. Kirova, Novokuznetsk.

**APPENDIX to clause 7.2. “Quarterly Financial Statements of the Issuer for the last complete reporting quarter”.
Financial Statements for 9 months of 2004.**

The Financial Statements are not consolidated.

BALANCE SHEET

as of **September 30, 2004**

Organization: **Novolipetsk Iron & Steel Corporation**

ID of taxpayer

Activity:

Organizational – legal form / property form: **Open joint stock company / Joint federal and foreign property**

Units: **thousand roubles ('000 RUR)**

Address: **Lipetsk, pl. Metallurgov, 2**

Form No. 1 under OKUD

Date (year, month, date)

under OKPO

INN

under OKPD

under

OKOPF/OKFS

under OKEI

Codes

0710001

2004 | 09 | 30

5757665

4823006703

47/31

0384

ASSETS	Line code	At reporting period beginning	At reporting period end
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	5 663	4 458
Fixed assets	120	13 502 427	15 543 565
Construction in progress	130	5 823 359	6 918 471
Income-bearing investments into non-monetary items	135	13 993	8 566
Long-term financial investments	140	2 036 103	22 143 560
Deferred tax assets	145	43 733	56 237
Advance payments for non-current assets	149	1 175 235	995 933
Other non-current assets	150	22 469	26 988
TOTAL for Section I	190	22 622 982	45 697 778
II. CURRENT ASSETS			
Inventories	210	9 436 895	12 069 524
inclusive:			
raw materials and other similar valuables	211	6 085 496	8 032 915
animals in breeding and feeding	212	31	736
expenses on work in progress (distribution costs)	213	2 713 672	3 588 929
finished products and goods for reselling	214	334 856	295 870
goods shipped	215	35	72
deferred expenses	216	259 811	136 701
other inventories and expenses	217	42 994	14 301
VAT for valuables acquired	220	1 761 105	2 086 995
Accounts receivable (payments due for over 12 months from the balance date)	230	83 463	101 856
inclusive:			
buyers and customers	231	52 850	51 840
Accounts receivable (payments due within 12 months from the balance date)	240	9 238 663	17 868 851
inclusive:			
buyers and customers	241	7 320 220	15 298 268
Short-term financial investments	250	21 810 666	23 718 317
Cash and cash equivalents	260	6 552 565	2 823 096
Other current assets	270	20 722	18 130
TOTAL for Section II	290	48 904 079	58 686 769
BALANCE (sum of line 190 + 290)	300	71 527 061	104 384 547

LIABILITIES	Line code	At reporting period beginning	At reporting period end
1	2	3	4
III. CAPITAL AND RESERVES			
Stockholders' equity	410	5 987	5 993 227
Additional paid-in capital	420	10 463 984	4 375 218
Reserved capital	430	898	299 661
inclusive:			
reserve funds established according to the law	431	898	299 661
Retained profits (retained loss)	470	54 666 335	84 982 966
inclusive:			
retained profits (retained loss) of the last years	471	54 666 335	51 043 429
retained profits (retained loss) of the reporting year	472	X	33 939 537
TOTAL for Section III	490	65 137 204	95 651 072

IV. LONG-TERM LIABILITIES			
Borrowings and credits	515	622 112	1 022 246
Other long-term liabilities	520	93 876	96 321
TOTAL for Section IV	590	715 988	1 118 567
V. SHORT-TERM LIABILITIES			
Accounts payable	620	5 631 996	7 512 578
inclusive:			
suppliers and contractors	621	2 064 812	2 299 715
wages and salaries	622	148 349	10 516
arrears to the state budget	623	90 877	104 682
tax debt	624	809 845	1 321 404
other creditors	625	148 011	341 587
advance payments received	627	2 370 102	3 434 674
Settlements in dividends	630	6 393	85 785
Deffered income	640	35 480	16 545
TOTAL for Section V	690	5 673 869	7 614 908
BALANCE (sum of lines 490 + 590 + 690)	700	71 527 061	104 384 547

REFERENCE ON VALUES AVAILABILITY ON OFF-BALANCE ACCOUNTS

Description	Line code	At reporting period beginning	At reporting period end
1	2	3	4
Fixed assets rented	910	1 034 337	1 733 719
including leasing	911	624 448	1 282 796
Inventory items accepted for storage	920	98 695	68 310
Equipment accepted for installation	925	88 187	452 214
Debt of insolvent debtors written off to loss	940	93 072	92 903
Security of liabilities and payments received	950	1 501 760	778 291
Security of liabilities and payments made	960	1 335 267	1 714 408
Depreciation of housing facilities	970	17 796	17 796
Materials accepted for reprocessing	981	481	481
Document sheets of strict reporting	982	32	51
Fixed assets in rent	983	28 929	-
Intangible assets received	990	5 566	15 296

INCOME STATEMENT

for **9 months 2004**

Organization: **Novolipetsk Iron & Steel Corporation**

ID of taxpayer

Activity:

Organizational – legal form / property form: **Open joint stock company / Joint federal and foreign property**

Units: **thousand roubles** ('000 RUR)

Form No. 2 under OKUD

Date (year, month, date)

under OKPO

INN

under OKPD

under

OKOPF/OKFS

under OKEI

Codes		
0710002		
2004	09	30
5757665		
4823006703		
47/31		
384		

Index name	code	For the reported period	For the similar period of the last year
1	2	3	4
Income and loss on common activity			
Revenues (net) on sales of goods, products, and services (net of VAT, excises and similar mandatory payments)	010	90 173 197	55 015 748
including sales of ferrous metals	011	89 307 774	54 422 925
Sales cost of goods, products, works, and services	020	(43 252 153)	(31 101 891)
including ferrous metals sold	021	(42 466 592)	(30 592 923)
Gross profit	029	46 921 044	23 913 857
Commercial expenses	030	(964 263)	(832 564)
Administrative expenses	040	(1 429 618)	-
Sales income (loss)	050	44 527 163	23 081 293
Other income and expenses			
Interest receivable	060	624 828	474 800
Income on stakes in other enterprises	080	22 559	2 291
Other operating income	090	51 798 025	20 345 186
Other operating expenses	100	(51 291 665)	(20 503 668)
Extra-sales income	120	1 701 302	1 009 996
Extra-sales expenses	130	(2 333 291)	(1 818 513)
Extraordinary income	135	-	356
Extraordinary expenses	136	-	(120)
Income (loss) before taxation	140	45 048 921	22 591 621
Deferred tax assets	141	12 503	-
Deferred tax liabilities	142	(400 135)	-
Current profit tax	150	(10 524 515)	(5 374 782)
Net income (loss) of the reporting period	190	34 136 774	17 216 839
FOR REFERENCE			
Fixed tax liabilities	200	100 406	-
Basic income (loss) per share	201	-	-

DESCRIPTION OF SOME PROFITS AND LOSSES

Name		For the reporting period		For the similar period of the last year	
description	Code	Profits	Loss	Profits	Loss
1	2	3	4	5	6
Penalties, fines and forfeits acknowledged or upon which arbitration decision made about their collection	210	15 057	(7 972)	8 285	(5 562)
Profits (loss) of the previous years	220	34 127	(242 116)	20 670	(20 968)
Payment of damages caused by failure or undue fulfillment of liabilities	230	76	(281)	81	(472)
Exchange differences in currency operations	240	1 631 969	(1 804 049)	950 996	(1 511 195)
Allocations to evaluation reserves	250	X	(173)	X	(1)
Writing-off of accounts receivable and payable in the established order	260	-	-	2	(583)