

Information on the Interested Party Transactions

1. Interested Party Transaction of Concluding an Extension Addendum to the Steel Products Supply Agreement between OJSC MMK and OAO MMK-METIZ

OJSC MMK and Open Joint Stock Company Magnitogorsky Metizno-Kalibrovochny Zavod MMK-METIZ (hereinafter as OAO MMK-METIZ) are involved in the long-term cooperation with different types of agreements being regularly concluded between the parties including agreements for supply of OJSC MMK's steel products.

Interested party transactions with a member of the company's Board of Directors being an interested party to the transaction shall be made pursuant to Chapter XI of the RF's Federal Law "On Joint Stock Companies" dated (# 208-FZ) (hereinafter as the FZ "On Joint Stock Companies").

Pursuant to Article 81 of the FZ "On Joint Stock Companies" transaction between OJSC MMK and OAO MMK-METIZ are deemed interested party transactions members of the OJSC MMK's Board of Directors and/or the Management Board, R.S. Takhautdinov, V.I. Shmakov and M.V. Buryakov, are simultaneously members of the MMK-METIZ's Board of Directors and the member of the OJSC MMK's Management Board, A.D. Nosov, is simultaneously the Director of OAO MMK-METIZ and the member of the MMK-METIZ's Board of Directors.

In accordance with Paragraph 4 of Article 83 of the Federal Law "On Joint Stock Companies", interested party transactions are subject to approval by the General Shareholders' Meeting by the majority of votes of all the voting shareholders who are not interested parties to the transaction in case such a transaction or several associated transactions involve the property with the value (the offer price for the property to be purchased) equal to or exceeding 2% of the book value of the company's assets, pursuant to the latest accounting data.

As it is planned to supply OJSC MMK's steel products with a value exceeding 2% of the book value of the OJSC MMK's assets pursuant to the latest accounting data, to OJSC MMK-METIZ in 2008, the interested party transaction shall be approved at the Annual General Shareholders Meeting of OJSC MMK pursuant to Article 83 of the Federal Law "On Joint Stock Companies".

In 2008 the policy of OJSC MMK's steel products sales to OJSC MMK-METIZ is based upon the need to raise the steel market's share of OJSC MMK-METIZ and increase its competitiveness.

OJSC MMK-METIZ purchases 70-95% of OJSC MMK's wire rod produced on the 170mm long products mill monthly which allows to keep the mill running at full capacity. The issue of a great importance for OJSC MMK is to maintain on the same level or increase the size of OJSC MMK-METIZ orders.

Delivery and pricing terms in relation to OJSC MMK-METIZ are depends on the metalware market saturation due to which OJSC MMK's long products are sold under an agreement with the subsequent payment condition (payment within 120 days from

the products delivery date). It allows OAO MMK-METIZ to obtain the competitive advantages in the market consisting in the products' price and flexible payments.

Under the Agreement # 150778 OJSC MMK supplies steel products to OJSC MMK-METIZ for the purpose of profit.

The agreement needs to be concluded to provide OJSC MMK-METIZ with products used for production of wire, metalware, cold-rolled band and repair and civil works. Thus, OJSC MMK obtains the stable sales market for its products and the possibility to sell downstream products.

2-3. Associated Interested Party Transactions of Concluding the Steel Products Supply Agreements between OJSC MMK and MMK Trading AG, Zug, Switzerland.

OJSC MMK and MMK Trading AG, Zug, Switzerland, are involved in the long-term cooperation with different types of agreements being regularly concluded between the parties including agreements for supply of OJSC MMK's steel products.

Interested party transactions with a member of the company's Board of Directors being an interested party to the transaction shall be made pursuant to Chapter XI of the RF's Federal Law "On Joint Stock Companies" dated (# 208-FZ) (hereinafter– FZ "On Joint Stock Companies").

Pursuant to Article 81 of the FZ "On Joint Stock Companies" transactions between OJSC MMK and MMK Trading AG, Zug, Switzerland, are deemed interested party transactions as a daughter of a member of the OJSC MMK's Board of Directors is a Director of MMK Trading AG, Zug, Switzerland.

In accordance with Paragraph 4 of Article 83 of the Federal Law "On Joint Stock Companies", interested party transactions are subject to approval by the General Shareholders' Meeting by the majority of votes of all the voting shareholders who are not interested parties to the transaction in case such a transaction or several associated transactions involve the property with the value (the offer price for the property to be purchased) equal to or exceeding 2% of the book value of the company's assets, pursuant to the latest accounting data.

As in 2008 OJSC MMK intends to supply steel products to MMK Trading AG with the value exceeding 2% of the book value of the OJSC MMK's assets according to the latest accounting data, then pursuant to Paragraph 4, Article 83 of the FZ "On Joint Stock Companies" the transactions are subject to approval by the Annual General Shareholders Meeting of OJSC MMK.

MMK Trading AG, Zug, Switzerland, purchases monthly from OJSC MMK more than 90% of export products. Maintenance and enhancement of volumes of MMK Trading AG's orders, Zug, Switzerland, are the issues of a great importance for OJSC MMK. Economic feasibility consists in receiving a profit from the transaction. Thus, OJSC MMK obtains the stable sales market for its products and the possibility to sell downstream products.

4. Interested Party Transaction Regarding OJSC MMK's Entering Into Surety Agreement with ABN Amro Bank N.V., BNP Paribas S.A. and Bayerische Hypo- und Vereinsbank AG, to the Loan Agreement Concluded between MMK Atakaş Metalurji Sanayi Ticaret ve Liman İşletmeciliği Anonim Şirketi and ABN Amro Bank N.V., BNP Paribas S.A. and Bayerische Hypo- und Vereinsbank AG

To achieve its strategic objectives aimed at maintaining the long-term competitiveness in the global steel market and expanding its presence in the emerging markets, in May 2007 OJSC MMK purchased a share (50% plus one share) in the authorized capital of MMK Atakaş Metalurji Sanayi Ticaret ve Liman İşletmeciliği Anonim Şirketi (hereinafter, MMK Atakaş), the Republic of Turkey. The key activity of MMK Atakaş is engineering, construction and operation of a steel complex with a capacity of 2.3 mtpy of commercial products located in the Republic of Turkey.

In accordance with Article 81 of the Federal Law "On Joint Stock Companies", OJSC MMK's transaction with ABN Amro Bank N.V., BNP Paribas S.A. and Bayerische Hypo- und Vereinsbank AG (hereinafter, the Banks) regarding entering into a surety agreement ensuring fulfillment of the obligations of MMK Atakaş, to the loan agreement between MMK Atakaş and the Banks is deemed to be an interested party transaction, as the members of the Board of Directors and/or the Management Board of OJSC MMK, R.S. Takhautdinov and O.V. Fedonin, are simultaneously members of the Board of Directors of MMK Atakaş.

In accordance with Paragraph 4 of Article 83 of the Federal Law "On Joint Stock Companies", interested party transactions are subject to approval by the General Shareholders' Meeting by the majority of votes of all the voting shareholders who are not interested parties to the transaction in case such a transaction or several associated transactions involve the property with the value (offer price for the property to be purchased) equal to or exceeding 2% of the book value of the company's assets, pursuant to the latest accounting data.

The top-level project "Joint Construction of a Steel Rolling Complex in the Republic of Turkey" will be implemented in the industrial zones of Istanbul and Iskenderun. The project, whose cost, including engineering, purchase of equipment and construction and erection, is estimated at USD 1.7 billion, is expected to take over 3 years to complete.

MMK Atakaş intends to use its own cash flow and bank loans for financing the project.

The structure of the loan financing, agreed upon and approved by all the parties under the transaction, requires a bridge loan to meet the company's financial needs until the long-term financing, i.e. a commercial loan or ECA SACE covered loan, is arranged. The bridge loan will be repaid with funds raised through the commercial loan. One of the compulsory conditions for the commercial loan will be a surety agreement between OJSC MMK and ABN Amro Bank N.V., BNP Paribas S.A. and

*Annual General Shareholders Meeting of OJSC MMK
25.04.2008.*

Bayerische Hypo- und Vereinsbank AG to ensure fulfillment of the obligations of MMK Atakaş under the loan agreement.

To attain the key strategic objective of OJSC MMK – maintaining the long-term competitiveness in the global steel market – we deem it necessary to make the interested party transactions.