

Information on the Interested Party Transactions

Interested Party Transactions of Concluding a Guarantee Agreement between OJSC MMK and ING Bank (Eurasia) ZAO, Closed Joint-Stock Company Commerzbank (Eurasia), Natixis Bank (ZAO), Natixis SA, Commercial Joint-Stock Bank Banque Societe Generale Vostok (Closed Joint-Stock Company) and Société Générale to the Facility Agreement concluded between ZAO Profit and ING Bank (Eurasia) ZAO, Closed Joint-Stock Company Commerzbank (Eurasia), Natixis Bank (ZAO), Natixis SA, Commercial Joint-Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) and Société Générale and Interested-Party Transactions of Concluding the Agreements of Direct Debiting from OJSC MMK's Accounts between OJSC MMK and ING Bank (Eurasia) ZAO, OJSC MMK and Closed Joint-Stock Company Commerzbank (Eurasia), OJSC MMK and Natixis Bank (ZAO), OJSC MMK and Commercial Joint-Stock Bank Banque Societe Generale Vostok (Closed Joint-Stock Company) as surety of the ZAO Profit's Liabilities Performance under the Facility Agreement concluded between ZAO Profit and ING Bank (Eurasia) ZAO, Closed Joint-Stock Company Commerzbank (Eurasia), Natixis Bank (ZAO), Natixis SA, Commercial Joint-Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) and Société Générale"

OJSC MMK and ZAO Profit are involved in a long-term cooperation as ZAO Profit is the main and the strategic scrap supplier of OJSC MMK.

As a brother of a member of the OJSC MMK's Board of Directors is a beneficiary owner of ZAO Profit, then pursuant to Article 81 of the RF's Federal Law "On Joint-Stock Companies" the transaction of concluding a Guarantee Agreement between OJSC MMK and ING Bank (Eurasia) ZAO, Closed Joint-Stock Company Commerzbank (Eurasia), Natixis Bank (ZAO), Natixis SA, Commercial Joint-Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) and Société Générale (hereinafter as the "Lenders") to the Facility Agreement between ZAO Profit and the Lenders is deemed an interested party transaction.

Pursuant to Paragraph 4, Article 83 of the Federal Law "On Joint-Stock Companies", an interested party transaction is subject to approval by a majority of votes of all uninterested voting shareholders at a general shareholders meeting in case such a transaction or several associated transactions involve property (proposed price of property acquired) with a value equal to or exceeding 2% of the book value of the company's assets, pursuant to the latest accounting data.

As a part of the program of provision of OJSC MMK with scrap in 2005-2007, ZAO Profit signed Facility Agreements for the total amount of USD 180,000,000 whose maturity period will expire in March-May of 2008. In connection with the insufficient amount of free cash flow to repay loan facilities and in order to maintain the normal course of ZAO Profit's business, banks were approached with a view to obtaining a one-year syndicated loan facility for the amount of up to USD 180,000,000 with an option of extending the loan facility term by one year and a second extension of one more year if the Lenders approve such extensions. Consequently, the maximum term of the Facility Agreement will be 3 years provided the Lenders approve extensions. One of the precedent conditions of this loan facility is conclusion of a guarantee agreement between the OJSC MMK and ING Bank (Eurasia) ZAO, OJSC MMK and Closed Joint-Stock Company Commerzbank (Eurasia), OJSC MMK and Natixis Bank (ZAO), OJSC MMK and Commercial Joint Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company), and conclusion of agreements of direct funds debiting from OJSC MMK's bank accounts between OJSC MMK and ING Bank (Eurasia) ZAO, OJSC MMK and Closed Joint-Stock Company Commerzbank (Eurasia), OJSC MMK and Natixis Bank (ZAO), OJSC MMK and Commercial Joint-Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) as a security of the liabilities' performance by ZAO Profit under the Facility Agreement.

Validity term of the Direct Debit Agreements concluded between OJSC MMK and ING Bank (Eurasia) ZAO, OJSC MMK and Closed Joint-Stock Company Commerzbank (Eurasia), OJSC MMK and Natixis Bank (ZAO), OJSC MMK and Commercial Joint-Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) as a security of the liabilities' performance by ZAO Profit under the Facility Agreement, concluded between OJSC MMK and ING Bank (Eurasia) ZAO, OJSC MMK and Closed Joint-Stock Company Commerzbank (Eurasia), OJSC MMK and Natixis Bank (ZAO), OJSC MMK and Commercial Joint Stock Bank Banque Société Générale Vostok (Closed Joint-Stock Company) and Société Générale» – till complete performance of the guaranteed liabilities by ZAO Profit or a third party.