

**OJSC Novolipetsk Steel (NLMK)****31 July 2006****Q2 2006 RAS Financial Results for NLMK Group's major companies**

OJSC Novolipetsk Steel (NLMK) (LSE: NLMK) today announces Q2 2006 Russian Accounting Standards (RAS) financial results for its major companies *.

The filing of RAS accounting results is a Russian regulatory requirement. In addition, NLMK has been preparing financial reports in accordance with the US GAAP accounting standards since 1998. RAS accounting results differ materially from US GAAP accounting results and are not comparable to financial statements prepared in accordance with US GAAP. The RAS accounting results of NLMK Group's major companies are not indicative of the financial condition or results of these entities under US GAAP. Reference should be made only to consolidated financial statements prepared in accordance with US GAAP for information with respect to NLMK Group's financial condition and results of operations.

Q2 2006 RAS financial results NLMK Group's companies

(in thousands of rubles, except for percentages)

OJSC "Novolipetsk Steel"

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 / Q205	Q206 / Q106
Revenue	34 628 490	27 930 471	29 377 934	17.87 %	23.98 %
Gross profit	16 632 075	11 735 575	13 525 452	22.97 %	41.72 %
Operating profit	14 086 280	10 438 250	12 132 866	16.10 %	34.95 %
Net income	10 982 460	15 053 814	9 920 098	10.71 %	-27.05 %*

*See comments on pp.3-4

OJSC "Stoilensky GOK"

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 / Q205	Q206 / Q106

Revenue	3 178 945	2 730 629	4 434 139	-28.31 %	16.42 %
Gross profit	1 994 099	1 370 888	3 021 734	-35.66 %	41.81 %
Operating profit	1 659 738	1 314 594	2 961 144	-43.95 %	26.25 %
Net income	1 331 805	1 048 536	2 333 134	-42.92 %	27.02 %

OJSC “KMA Ruda” **

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Revenue	444 374	424 853	690 164	-35.61 %	4.59 %
Gross profit	122 931	94 635	383 569	-67.95 %	29.90 %
Operating profit	113 674	85 963	372 581	-69.49 %	32.24 %
Net income	92 918	72 349	284 776	-67.37 %	28.43 %

OJSC “Altai-koks”***

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Revenue	2 287 195	2 124 568	3 399 176	-32.71 %	7.65 %
Gross profit	334 860	267 543	583 980	-42.66 %	25.16 %
Operating profit	283 595	170 913	144 309	96.51 %	65.93 %
Net income	149 129	69 034	61 504	142.47 %	116.02 %

OJSC “Lipetskcombank”

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Total interest and similar income	270 953	236 545	172 924	56.69 %	14.55 %
Net interest and similar income	151 720	114 889	92 692	63.68 %	32.06 %
Income before income tax	118 451	38 868	50 829	133.04 %	204.75 %

Net income	98 453	26 134	39 739	147.75 %	276.72 %

OJSC “Stagdok”

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Revenue	140 174	101482	83 890	67.09 %	38.13 %
Gross profit	48 984	28 958	12 744	284.37 %	69.16 %
Operating profit	36 395	18 293	5 985	508.10 %	98.96 %
Net income	26 967	10 000	1 876	1337.47 %	169.67 %

OJSC “Dolomite”

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Revenue	86 236	68 783	58 701	46.91 %	25.37 %
Gross profit	40 218	30 997	19 725	103.89 %	29.75 %
Operating profit	26 445	17 199	7 537	250.87 %	53.76 %
Net income	17 847	9 915	3 794	370.40 %	80.00 %

OJSC “TMTP”

	Q2 2006	Q1 2006	Q2 2005	Change (%)	
				Q206 /Q205	Q206 /Q106
Revenue	516 905	562 337	581 675	-11.14 %	-8.08 %
Gross profit	311 772	372 886	386 426	-19.32 %	-16.39 %
Operating profit	293 689	355 454	366 911	-19.96 %	-17.38 %
Net income	158 837	231 500	203 618	-21.99 %	-31.39%

Highlights

➤ OJSC “Novolipetsk Steel” results improved due to price increases and output growth

OJSC Novolipetsk Steel (NLMK) financial results in Q2 2006 compared to Q2 2005 and Q1 2006 increased due to strong pricing environment and sales volume growth. The growth of sales volumes in Q2 2006 compared to Q2 2005 resulted in an increase in sales revenue and net income by 17.9% and 10.7% respectively. Sales revenue in Q2 2006 in comparison with previous quarter increased by 24.0% due steel product price increases. The net income decrease by 27.0% in Q2 2006 compared to Q1 2006 was caused by changes in operating income and expenses impacted by the proceeds from the divestment of minority interest in Lebedinsky GOK in Q1 2006.

➤ Net income increase at Stoilensky GOK and KMA Ruda due to price increase and growth of sales volumes

Net income growth at major mining companies, Stoilensky GOK and KMA Ruda, is primarily attributable to iron ore price increases and growth of sales volumes. Net income at Stoilensky GOK and KMA Ruda in Q2 2006 increased by 27.0% and 28.4% respectively in comparison with the previous quarter. The year-on-year decrease in results (Q2 2006 on Q2 2005) was caused by a weaker pricing environment.

➤ Sustainable growth at OJSC “Stagdok” and OJSC “Dolomite”

Results at OJSC “Stagdok” and OJSC “Dolomite” in Q2 2006 compared to Q2 2005 and Q1 2006 increased due to a strong pricing environment and sales volume growth. Operating profit in Q2 2006 rose by 53.8% at OJSC “Dolomite” and 99.0% at OJSC “Stagdok” in comparison with the previous quarter. Net income increased by 80.0% and 169.7% respectively.

➤ Considerable net income growth at Altai-koks

Sales revenue in Q2 2006 increased by 7.7% in comparison with the previous quarter due to the growth of coke sales volumes. Cost and SG&A expenses reduction resulted in an increase in net income of 116% in comparison with the previous quarter.

➤ Significant net income growth at OJSC «Lipetskcombank»

The strong improvement in results was primarily due to growth in the credit portfolio and in trading volumes, and to an extension of the range of services provided. Pre-tax profit and net income in Q2 2006 increased by 204.8% and 276.7% respectively compared to Q1 2006 due to the total interest and similar income growth by 14.6%. Pre-tax profit and net income in Q2 2006 increased by 133.0% and 147.8% respectively in comparison with Q2 2005.

➤ Financial results decrease at OJSC “TMTP”

Results at OJSC “TMTP” decreased in Q2 2006 compared to Q2 2005 and Q1 2006 due to declining freight turnover and adverse currency translation effects. The operating profit and net income at OJSC “TMTP” in Q2 2006 went down by 17.4% and 31.4% respectively in comparison with the previous quarter.

Novolipetsk Steel (NLMK) will publish US GAAP consolidated financial results for H1 2006 in September 2006.

** Indicated companies of the Group include: Novolipetsk Steel (NLMK), Stoilensky GOK, KMA Ruda, OJSC "Altai-koks", OJSC "Lipetskcombank", OJSC "Stagdok", OJSC "Dolomite" and OJSC "TMTP".*

*** KMA Ruda forms part of NLMK's Group since March 2006.*

**** Altai-koks forms part of NLMK's Group since April 2006.*

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For further information:

NLMK

Anton Bazulev +7 495 915 1575

Financial Dynamics

Andrew Lorenz +44 207 831 3113