

**PRESS-RELEASE****03-04-2006****2005 RAS Financial Results for NLMK Group's major companies**

OJSC Novolipetsk Steel (NLMK) (LSE: NLMK) today announces 2005 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 starting 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 operations 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.

2005 RAS financial results NLMK Group's companies
(in thousands of rubles)**OJSC "Novolipetsk Steel"**

	2004	2005	Change, %
1	2	3	4
Revenue	126,180,664	119,354,086	-5.42%
Gross profit	65,560,903	50,778,029	-22.55%
Sales revenue	62,480,796	46,025,085	-26.34%
Net profit	49,849,071	35,165,394	-29.46%

Stoilensky GOK

	2004	2005	Change, %
1	2	3	4
Revenue	10,924,366	15,047,537	37.75%
Gross profit	6,294,112	9,505,332	51.00%
Sales revenue	6,128,031	9,300,857	51.78%
Net profit	4,586,693	7,237,783	57.80%

KMA Ruda

	2004	2005	Change, %
1	2	3	4
Revenue	1,613,293	2,415,599	49.73%
Gross profit	624,842	1,147,469	83.64%
Sales revenue	600,832	1,112,309	85.13%
Net profit	451,389	854,466	89.30%

OJSC "Lipetskcombank"

	2004	2005	Change, %
1	2	3	4
Total interest and similar income	476,092	730,200	53.37%
Net interest and similar income	234,897	345,215	46.96%
Income before income tax	132,356	164,341	24.17%
Net profit	98,545	121,066	22.85%

OJSC “Stagdok”

	2004	2005	Change, %
1	2	3	4
Revenue	301,441	379,755	25.98%
Gross profit	54,333	83,883	54.39%
Sales revenue	27,462	51,985	89.30%
Net profit	10,861	28,358	161.10%

OJSC “Dolomite”

	2004	2005	Change, %
1	2	3	4
Revenue	214,056	278,417	30.07%
Gross profit	76,148	106,938	40.43%
Sales revenue	24,355	51,792	112.65%
Net profit	7,572	27,388	261.70%

OJSC “TMTP”

	2004	2005	Change, %
1	2	3	4
Revenue	1,938,954	2,275,773	17.37%
Gross profit	1,218,994	1,508,516	23.75%
Sales revenue	1,142,404	1,434,467	25.57%
Net profit	649,061	1,131,060	74.26%

Highlights

- **Revenues and net profit for the steel segment decreased due to price reduction on steel products, increase of prices for raw materials and planned overhaul of production facilities.**

NLMK's steel segment profit in 2005 decreased due to weak pricing environment in the second half of the year as well as significant price increase on basic raw materials. The profit was also reduced due to planned technical overhaul and a certain drop in production. The Company's management decided to decrease volumes of production, which mostly related to the production of slabs, in order to support prices in the weak pricing environment.

- **Profit growth at major mining companies.**

Revenue increase at major mining companies - Stoilensky GOK and KMA Ruda - for 2005 amounted to 37.73% and 49.73% correspondingly. Net income of these companies for 2005 grew by 57.80% and 89.30%. The profit growth in mining operations benefited from favorable pricing conditions and considerable volume of investments within the technical upgrading program.

- **Considerable profit growth at OJSC "Stagdok" and OJSC "Dolomit".**

OJSC "Stagdok" and OJSC "Dolomit" profit growth for 2005 amounted to 25.98% and 30.07% correspondingly. Net profit of these companies for 2005 grew by 161.10% и 261.70%. The output growth as well as rising prices on limestone and metallurgical dolomite was the key drivers of the considerable increase.

- **Profit growth at OJSC "Lipetskcombank"**

OJSC "Lipetskcombank" 2005 revenues came up 53.37% in comparison with the previous year. The bank's net profit grew by 22.85%. The favorable performance of OJSC "Lipetskcombank" in 2005 is primarily attributable to growing credit portfolio and operations volume on the securities market as well as enhancing banking services product range.

- **Considerable revenues and profit growth at OJSC "TMTP"**

OJSC "TMTP" 2005 revenues and net income grew by 17.37% and 74.26% correspondingly. The profit growth benefited from the growing freight turnover including petroleum products and dry cargo turnover.

OJSC "NLMK" will publish US GAAP consolidated financial results for the year ended December 31, 2005 in April, 2006.

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

NLMK's average steel segment prices* for 2005

	<i>USD per tonne (FCA)</i>				
	<i>Q1 2005</i>	<i>Q2 2005</i>	<i>Q3 2005</i>	<i>Q4 2005</i>	<i>2005</i>
<i>Pig iron</i>	263	273	205	194	233
<i>Slabs</i>	428	416	249	259	333
<i>Hot-rolled steel</i>	516	503	417	409	462
<i>Cold-rolled steel</i>	615	599	511	533	564
<i>Hot dip galvanized steel</i>	818	823	775	746	790
<i>Pre-painted steel</i>	926	929	903	892	910
<i>Non-grain oriented steel</i>	818	779	666	633	720
<i>Grain oriented steel</i>	1,769	2,591	2,691	2,913	2,516

** excluding freight charge*
