



**MAGNITOGORSK
IRON & STEEL
WORKS**

OPEN JOINT STOCK COMPANY

Presentation of the OJSC MMK Group 4Q and FY2007 US GAAP Financial Statements



The presentation contains selected data from the financial statements of MMK Group.
Detailed information is provided in the financial statements of the Group 2007 prepared according to US GAAP.

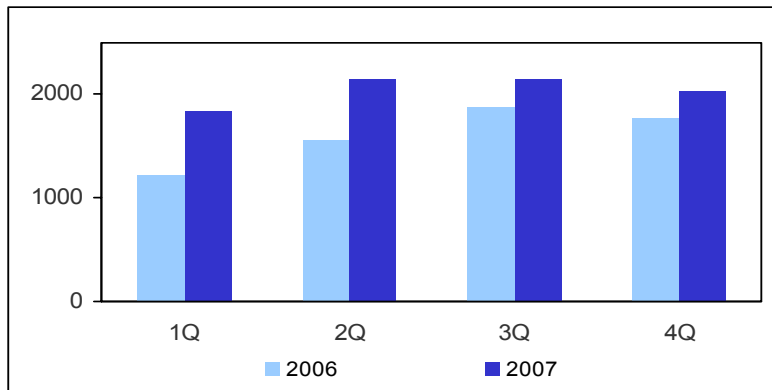
MMK Group Operations and Income Statement

	4Q 2007	2007	2006	Change
Revenue	2,047	8,197	6,424	1,773
Operating income	453	2,079	1,765	314
<i>Revenue margin</i>	22.1%	25.4%	27.5%	
Income before income tax and minority interest	510	2,293	1,895	398
<i>Revenue margin</i>	24.9%	28.0%	29.5%	
Net income	379	1,772	1,426	346
<i>Revenue margin</i>	18.5%	21.6%	22.2%	
Comprehensive income	648	2,368	1,444	924
<i>Revenue margin</i>	31.7%	28.9%	22.5%	
EBITDA*	521	2,342	2,005	337
<i>EBITDA margin</i>	25.5%	28.6%	31.2%	

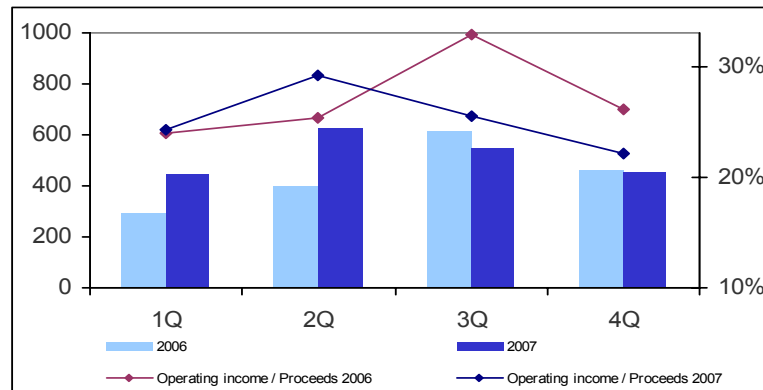
* EBITDA = Operating income + Depreciation of assets + Loss on disposal of fixed assets

MMK Group Key Performance Indicators

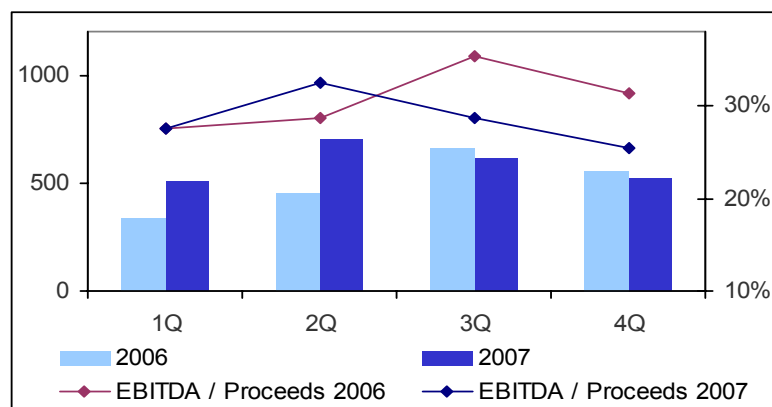
Sales proceeds, USD m



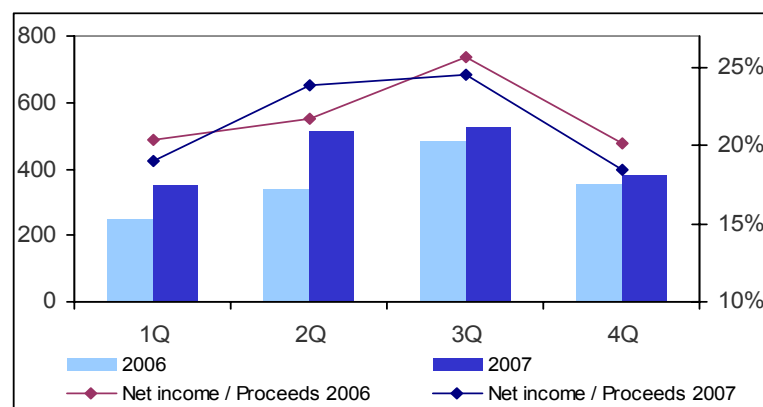
Operating income, USD m



EBITDA, USD m

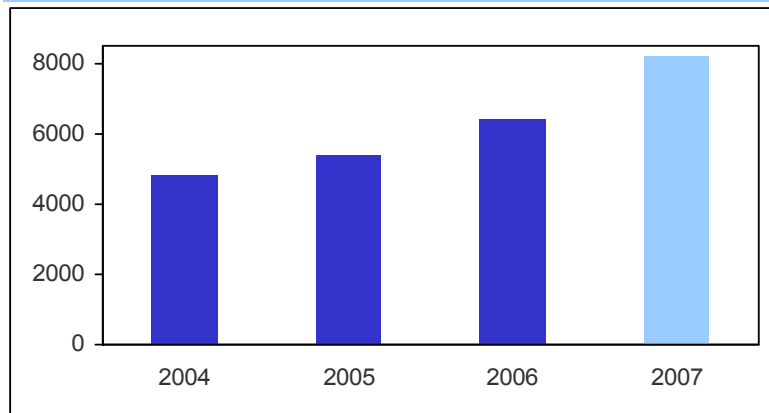


Net income, USD m

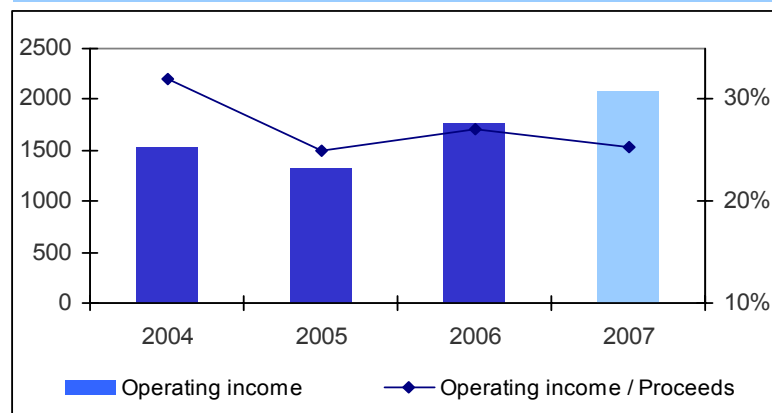


MMK Group Key Performance Indicators

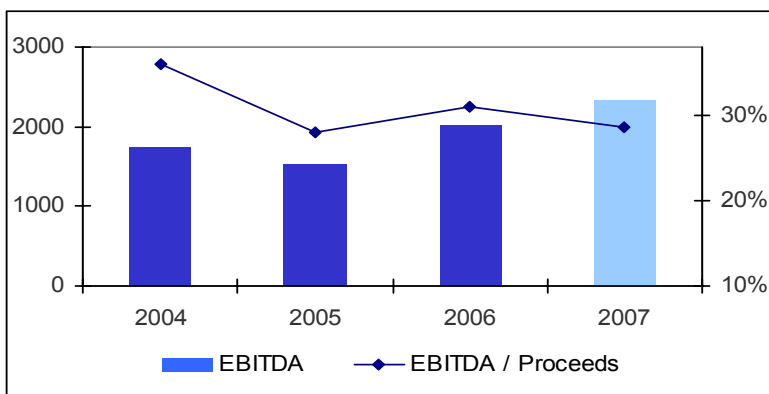
Sales proceeds, USD m



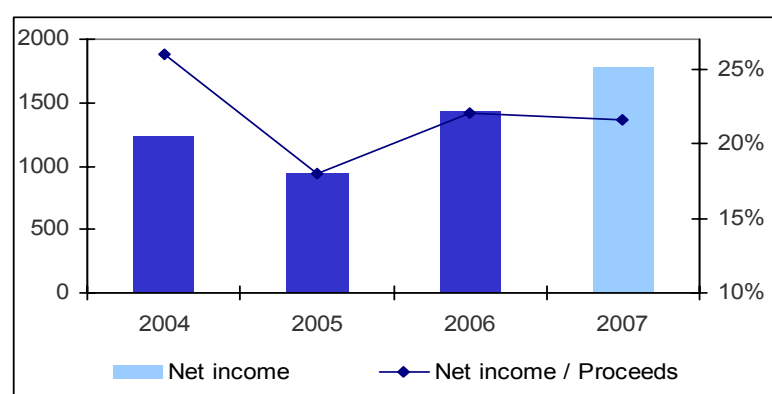
Operating income, USD m



EBITDA, USD m



Net income, USD m



MMK Group's Key Financial Indicators

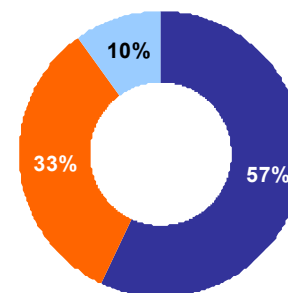
MMK Group's Sales

	2007	2006	Change compared to same period of previous year	
			USD m	%
OJSC MMK's proceeds	4,677	3,732	945	25,3%
Group's steel traders' proceeds	2,711	2,197	514	23,4%
Group's other companies' proceeds	809	495	314	63,4%
Total proceeds	8,197	6,424	1,773	27,6%



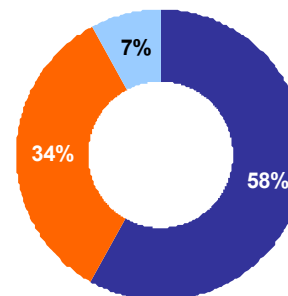
MMK Group's Sales in USD

2007



■ OJSC MMK
■ Steel traders*
■ Other companies

2006



* MMK Steel Trade AG
MMK Trading AG

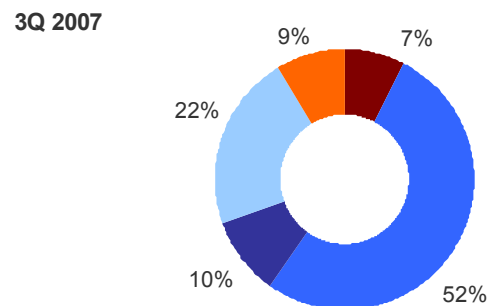
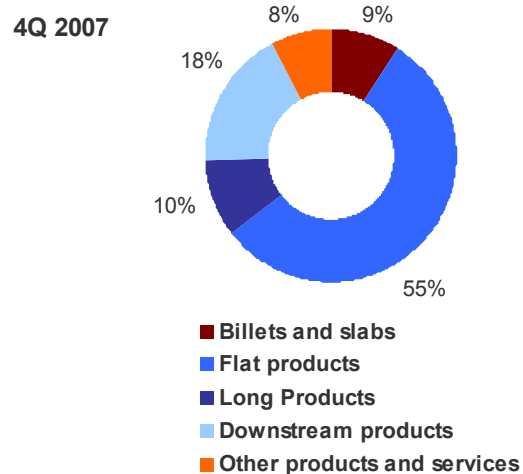
MMK Group's Key Financial Indicators (continued)

Proceeds by type of product

	2007			
	1Q	2Q	3Q	4Q
Billets and slabs	67	64	159	182
Flat products	1,047	1,246	1,126	1,136
Long products	191	226	211	205
Downstream products	417	488	469	367
Other products and services	123	131	185	157
Total proceeds	1,845	2,155	2,150	2,047



Proceeds by type of product in USD



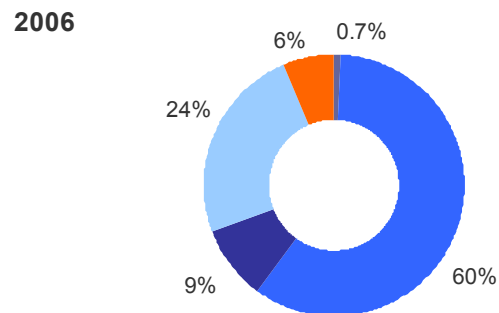
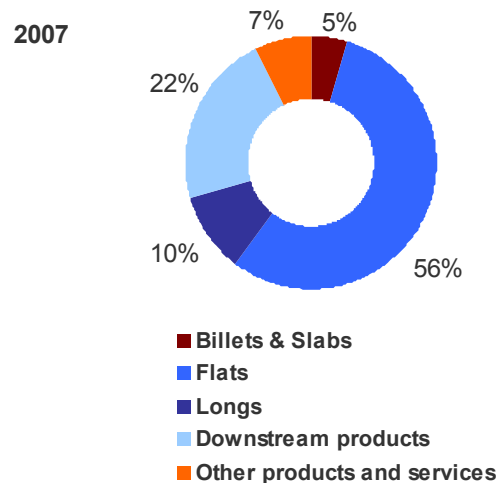
MMK Group's Key Financial Indicators (continued)

Proceeds by type of product

	2007	2006	Change compared to same period of previous year	
			USD m	%
Billets and slabs	472	107	365	x4,4
Flat products	4,555	3,752	803	21,4%
Long products	833	604	229	37,9%
Downstream products	1,741	1,539	202	13,1%
Other products and services	596	422	174	41,2%
Total proceeds	8,197	6,424	1,773	27,6%



Proceeds by type of product in USD

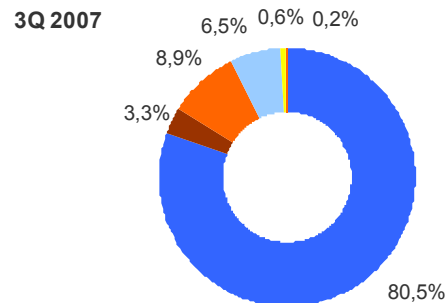
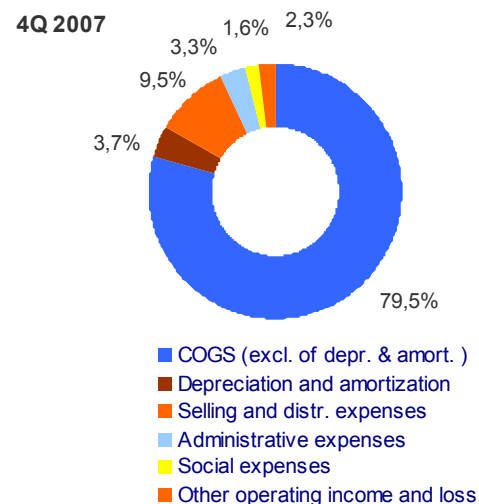


MMK Group's Operating Costs' Structure

MMK Group's operating costs

	1Q	2Q	3Q	4Q
Cost of products sold (excl. of amortization and depreciation)	1,110	1,238	1,296	1,268
Depreciation and amortization	49	50	53	59
Selling and distribution expenses	131	125	143	152
Administrative expenses	64	57	104	53
Social expenses	19	28	9	26
Taxes other than income tax	19	21	19	26
Loss on disposal of plant and equipment	9	20	14	9
Other operating income and loss	-5	-12	-37	1

MMK Group's operating costs in USD

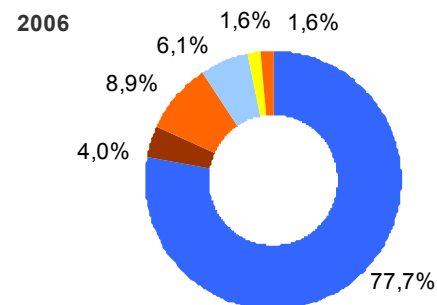
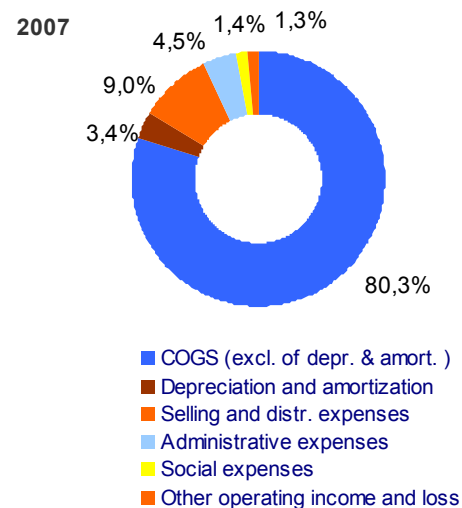


MMK Group's Operating Costs' Structure

MMK Group's operating costs

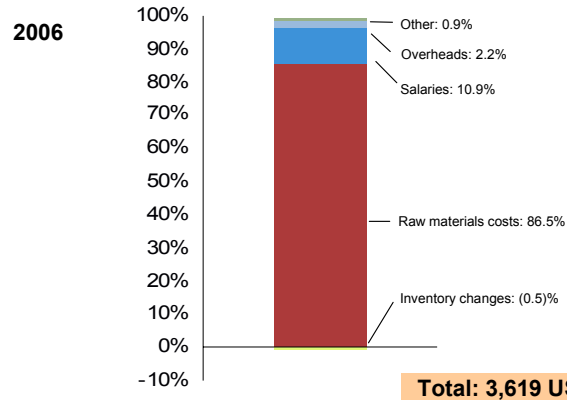
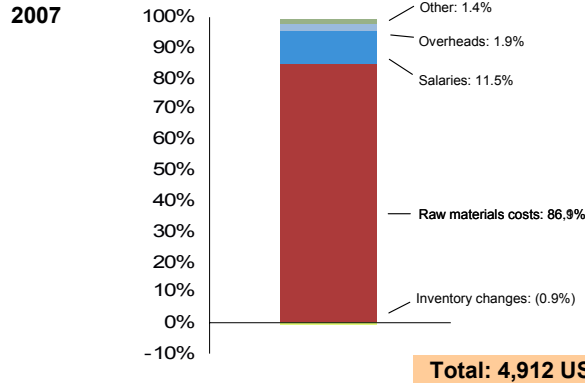
	2007	2006	Change compared to same period of previous year	
			USD m	%
Cost of products sold (excl. of amortization and depreciation)	4,912	3,619	1,293	35.7%
Depreciation and amortization	211	188	23	12.2%
Selling and distribution expenses	551	415	136	32.8%
Administrative expenses	278	285	-7	-2.5%
Social expenses	82	76	6	7.9%
Taxes other than income tax	85	63	22	34.9%
Loss on disposal of plant and equipment	52	52	0	0.0%
Other operating income and loss	-53	-39	-14	35.9%

MMK Group's operating costs in USD

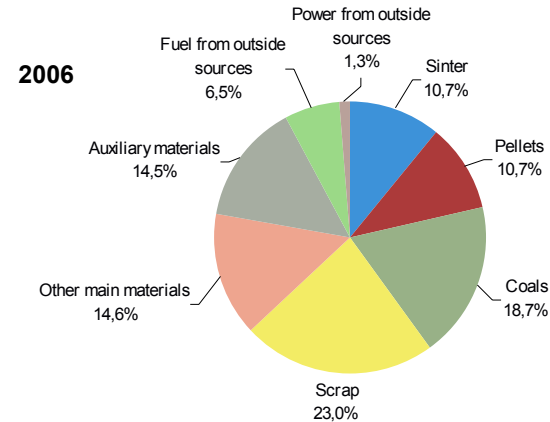
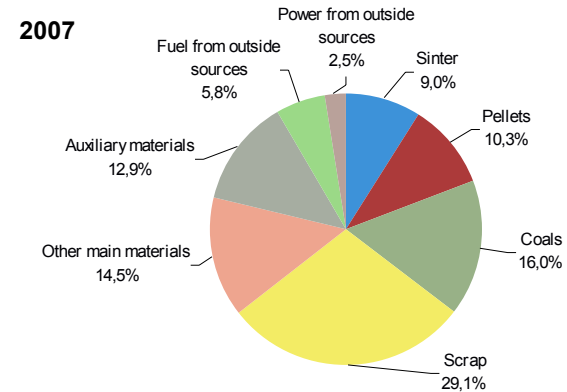


Cost Structure Analysis

Cost of Goods Sold Breakdown, MMK Group



MMK's Material Costs in USD m ⁽¹⁾



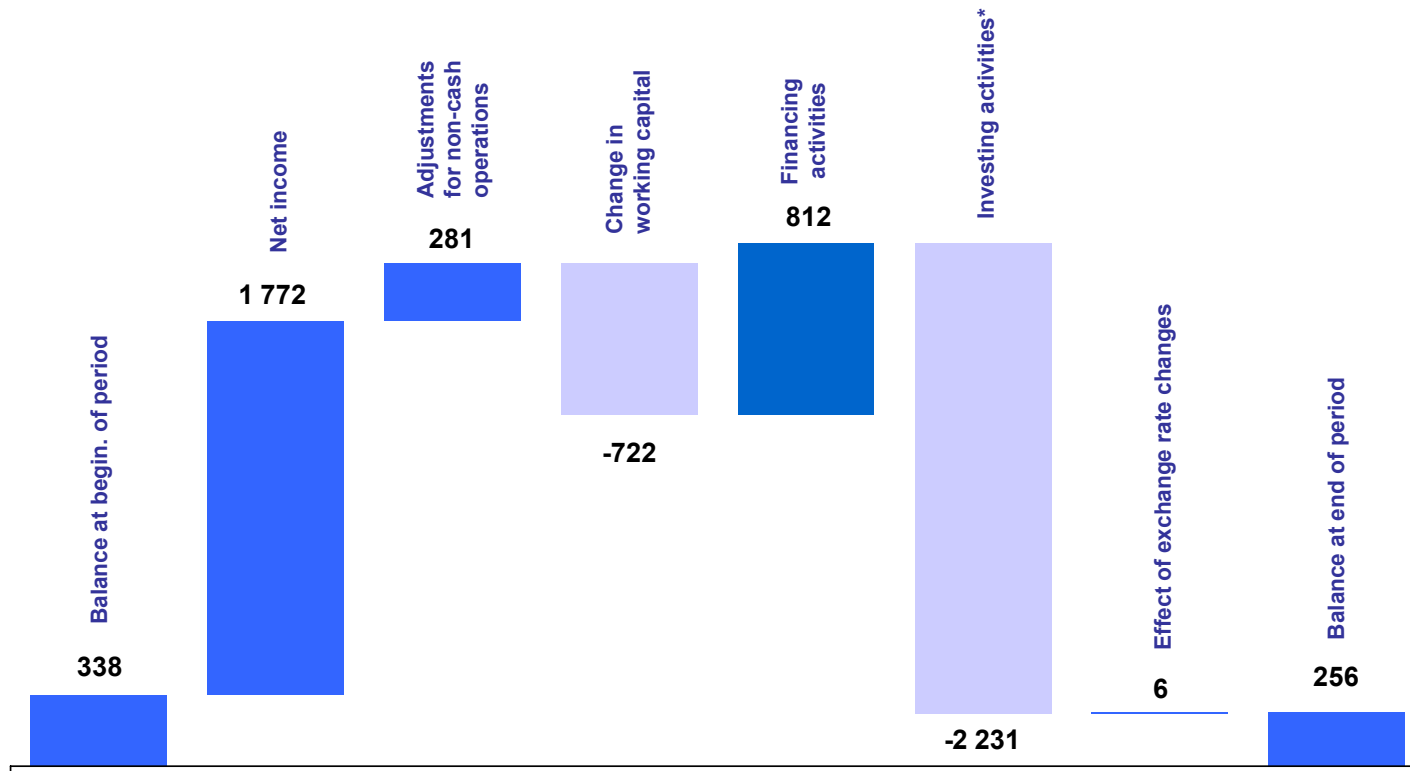
1. Includes only OAO MMK raw material expenses, which account for more than 90% of MMK Group costs

MMK Group's Balance Sheet, USD m

	31.12.2007	31.12.2006	Change	%
Current assets, including	4 291	2 480	1 811	73,0%
<i>Cash and cash equivalents</i>	256	338	-82	-24,3%
<i>Short-term bank deposits</i>	1 279	228	1 051	461,0%
<i>Short-term investments</i>	393	325	68	20,9%
<i>Accounts receivable less allowance for doubtful accounts</i>	691	410	281	68,5%
<i>Inventories</i>	946	631	315	49,9%
<i>Other receivables and current assets</i>	726	548	178	32,5%
Non-current assets, including	5 091	3 209	1 882	58,6%
<i>Property, plant and equipment</i>	3 879	2 764	1 115	40,3%
<i>Long-term bank deposits</i>	0	109	-109	-100,0%
<i>Other non-current assets</i>	1 212	336	876	260,7%
Total assets	9 382	5 689	3 693	64,9%
Long-term debt, including	550	686	-136	-19,8%
<i>Long-term loans and capital lease obligations</i>	230	606	-376	-62,0%
<i>Other long-term debt</i>	320	80	240	300,0%
Current liabilities, including	1 921	964	957	99,3%
<i>Short-term borrowings</i>	1 224	400	824	206,0%
<i>Accounts payable</i>	326	225	101	44,9%
<i>Other accounts payable and current liabilities</i>	347	320	27	8,4%
Minority interest	87	12	75	625,0%
Shareholders' equity	6 824	4 027	2 797	69,5%
Total liabilities and shareholders' equity	9 382	5 689	3 693	64,9%

MMK Group's Cash Flows

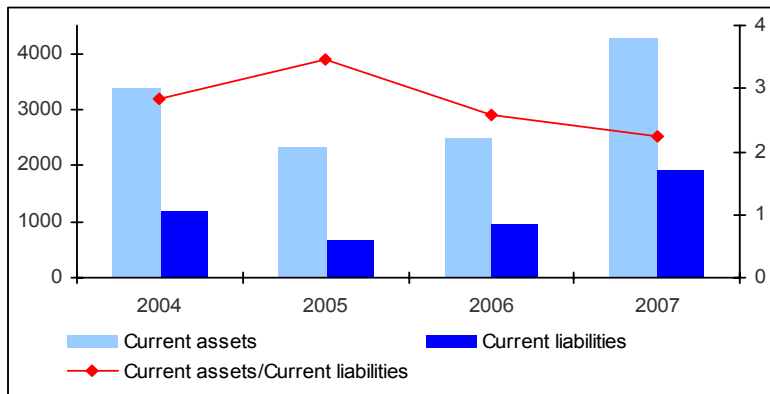
Change of cash balance during the 2007, USD m



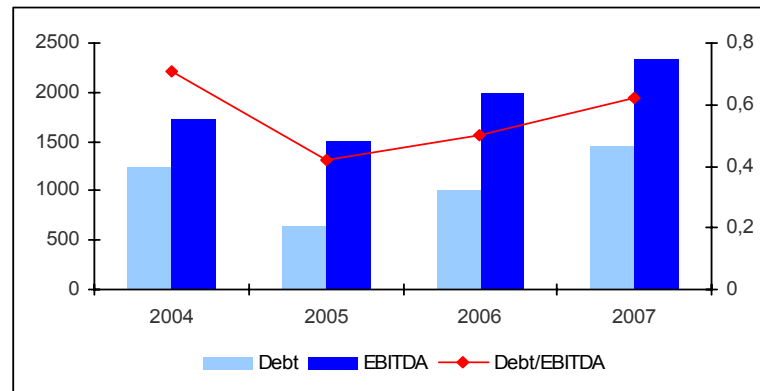
* - Investing activities: USD 1,317 mln. – Purchase of property, plant and equipment and intangible assets; USD 942 mln. – Net change in bank deposits

MMK Group's Financial Position Indicators

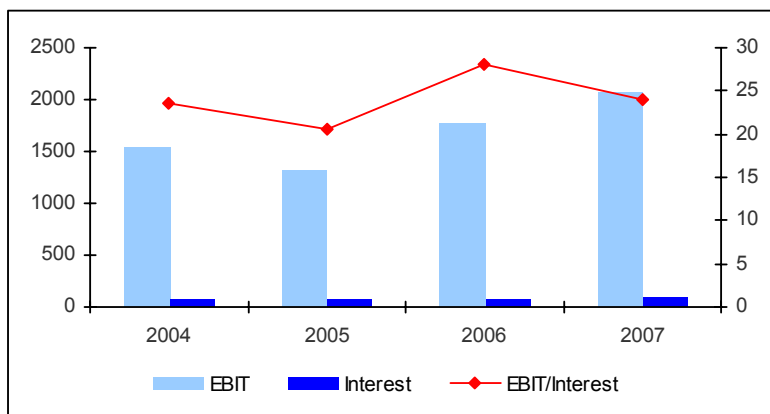
Current liquidity



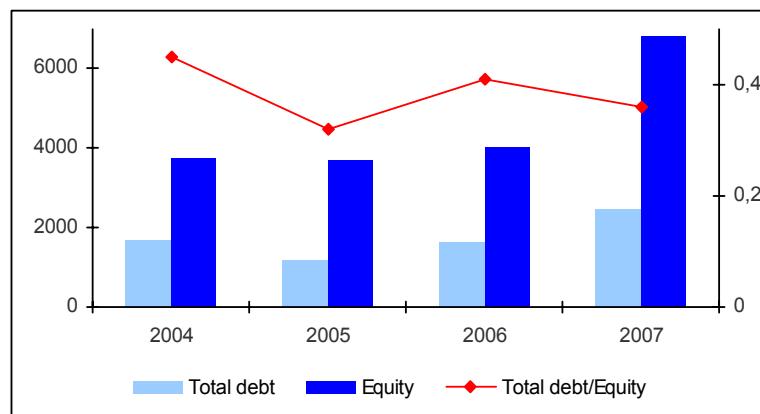
Debt / EBITDA



EBIT / Interest



Total debt / Equity



OJSC MMK's Key Production Indicators

thousand tons

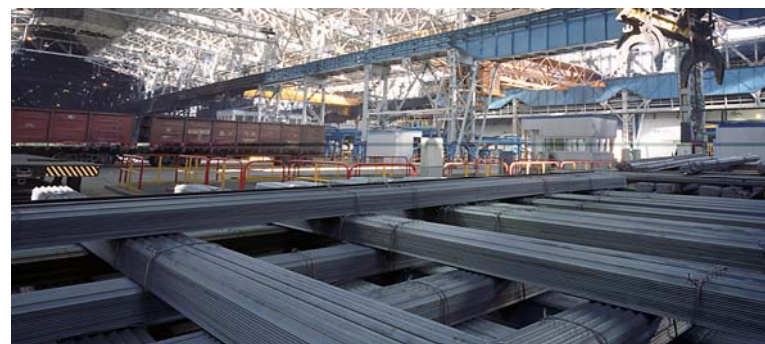
Description	4Q 2007	3Q 2007	Change	2007	2006	Change
6% humidity coke	1 307	1 428	-121	5 354	5 496	-142
Pig iron	2 285	2 546	-261	9 482	9 733	-251
Crude steel	3 327	3 458	-131	13 261	12 455	806
<i>Incl. EAF steel</i>	823	843	-20	3 184	2 206	978
<i>BOF steel</i>	2 504	2 615	-111	10 077	10 249	-172



Historical Structure of OJSC MMK's commercial products' mix

thousand tons

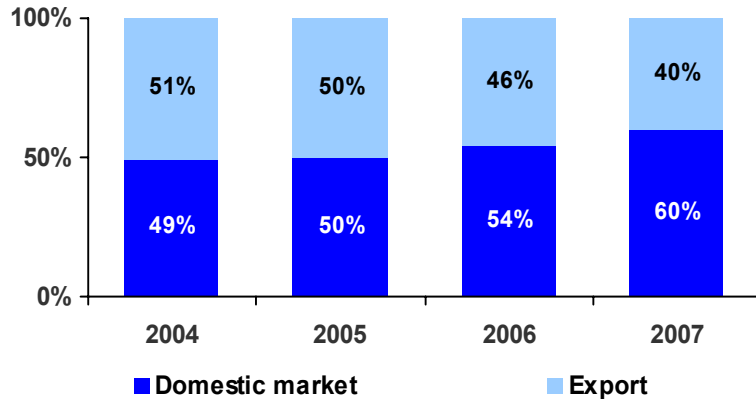
Description	4Q 2007	3Q 2007	Change	2007	2006	Change
Billets and slabs	388	321	67	976	332	644
Long products	404	449	-45	1 788	1 706	81
Flat products	1 957	1 980	-23	7 954	7 729	225
Downstream products	358	395	-37	1 483	1 579	-96
Commercial products	3 106	3 146	-40	12 203	11 346	857



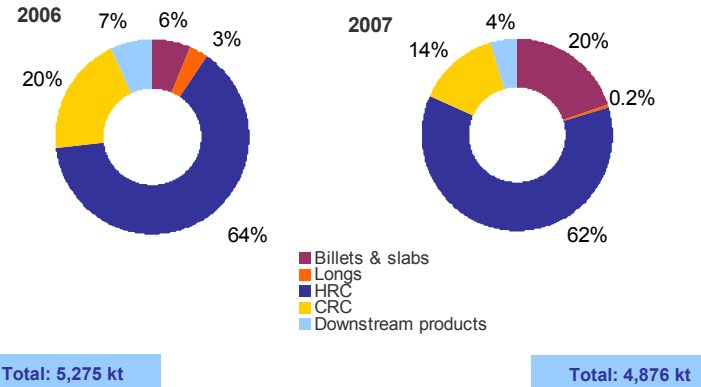


OJSC MMK's Historical Product Mix By Market

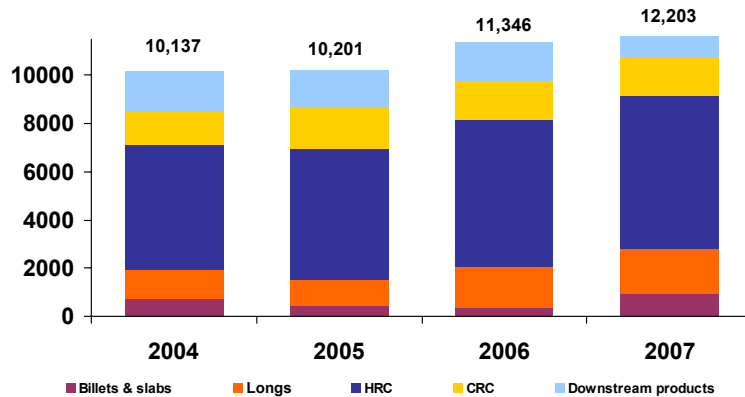
Domestic sales' growth in tons



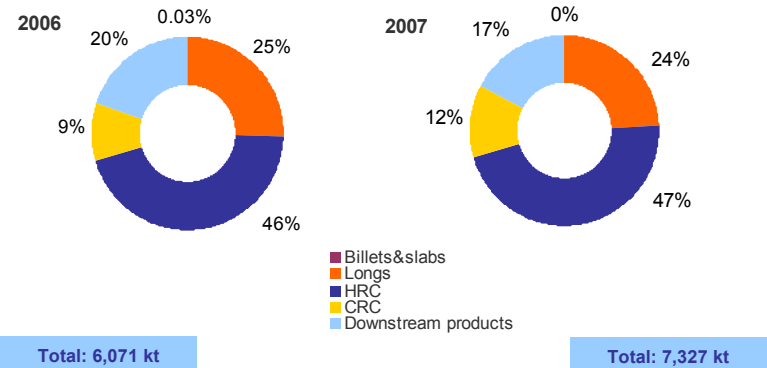
Export shipments



Changes in shipments' structure in tons



Changes in domestic shipments





Significant Events After Accounting Date

04.10.2007	MMK acquires a 10.75% interest in OJSC Belon, Russian producer of coal and coal concentrates
15.10.2007	Decision on including MMK's ordinary shares in the MICEX index estimate base
16.10.2007	The Russian-Turkish steel company MMK Atakaş A. Ş. signs a contract for supply of main process equipment with Danieli, Italy
01.11.2007	MMK raises its participation in OJSC Bashmetalloptorg from 25.67% up to 87,99%
06.11.2007	MMK and Gazprom, represented by its subsidiary LLP Chelyabinsk RegioGaz, signs a long-term contract for natural gas supply
30.11.2007	MMK's shares are included in the MSCI Russia Index.
05.12.2007	MMK announces cancellation of the Company's treasury shares in the amount of 4.27% of the authorized capital.
07.12.2007	MMK signs a contract for the construction of and delivery of equipment for the #11 bis coke oven battery with VITKOVICE HEAVY MACHINERY A.S., Czech Republic
14.12.2007	The Board of Directors takes a decision to set up a branch of the Company in the Belgorod Region, the Prioskolski Mining and Ore Beneficiation Plant.
14.12.2007	OJSC MMK raises its participation share in OJSC Bashmetalloptorg
21.12.2007	Ground breaking ceremony for the project of construction of an auto components stamping plant and a steel service centre near St.Petersburg with participation of RF President Vladimir Putin and Chairman of the OJSC MMK Board of Directors Victor Rashnikov

Significant Events Since the Beginning of 2008

23.01.2008

An extraordinary general shareholders' meeting of the Company

24.01.2008

Mr. Rashnikov signs a engineering contract for the Prioskolsky Mine

01.02.2008

MMK celebrated its 76th anniversary

05.02.2008

MMK gains direct control over a 50% share package of ZAO Coal Company Kazankovskaya from LLP MetAl

13.03.2008

MMK acquired 50% stake in company Onarbay Enterprises Ltd, owning 82.6% of the Russian coal-producing company "Belon".

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