



15 April 2008

Novolipetsk Steel (NLMK) Q1 2008 Trading Update

Novolipetsk Steel (LSE: NLMK) today announces the following regular trading update for Q1 2008.

1. Production and Sales*

NLMK Q1 2008 production volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008/ Q4 2007	Q1 2008 / Q1 2007
<i>Pig iron</i>	2.434	2.376	2.338	2.4%	4.1%
<i>Crude steel</i>	2.386	2.282	2.341	4.5%	1.9%
<i>Slabs</i>	0.969	0.887	1.054	9.3%	-8.0%
<i>Hot-rolled steel**</i>	0.541	0.522	0.453	3.6%	19.4%
<i>Cold-rolled steel</i>	0.427	0.355	0.409	20.2%	4.3%
<i>Hot dip galvanized steel</i>	0.112	0.128	0.090	-12.5%	23.5%
<i>Pre-painted steel</i>	0.091	0.066	0.086	38.3%	5.5%
<i>Dynamo steel</i>	0.082	0.089	0.094	-8.0%	-12.2%
<i>Transformer steel</i>	0.041	0.038	0.035	7.5%	17.3%

NLMK Q1 2008 sales volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008/ Q4 2007	Q1 2008 / Q1 2007
<i>Pig iron</i>	0.266	0.319	0.243	-16.5%	9.7%
<i>Slabs</i>	0.738	0.942	1.022	-21.6%	-27.7%
<i>Hot-rolled steel</i>	0.454	0.502	0.435	-9.7%	4.2%
<i>Cold-rolled steel</i>	0.374	0.355	0.414	5.6%	-9.5%
<i>Hot dip galvanized steel</i>	0.096	0.123	0.076	-21.5%	27.1%
<i>Pre-painted steel</i>	0.080	0.064	0.076	23.7%	4.2%

<i>Dynamo steel</i>	0.075	0.089	0.096	-15.1%	-21.7%
<i>Transformer steel</i>	0.036	0.042	0.033	-15.2%	7.6%

Dansteel A/S Q1 2008 sales volumes:

million,t	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Heavy plates</i>	0.136	0.116	0.143	17.5%	-4.4%

VIZ-Stal Q1 2008 sales volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Transformer steel</i>	0.047	0.047	0.045	-1.6%	3.0%
<i>Dynamo steel</i>	0.004	0.005	0.004	-18.3%	11.3%

Stoilensky GOK Q1 2008 sales volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Iron ore concentrate</i>	3.000	3.100	2.932	-3.2%	2.3%
<i>Sinter ore</i>	0.419	0.441	0.435	-5.1%	-3.7%

Altai-koks Q1 2008 sales volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Coke (dry)</i>	0.865	0.823	0.832	5.0%	4.0%

Maxi-Group Q1 2008 sales volumes:

million, t	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Billet</i>	0.121	0.092	0.301	31.0%	-59.9%
<i>Rebar</i>	0.313	0.204	0.111	53.4%	182.0%
<i>Wire rod</i>	0.039	0.041	0.081	-4.9%	-51.9%
<i>Metalware</i>	0.026	0.052	0.088	-49.1%	-70.2%
<i>Scrap***</i>	0.520	0.349	0.553	49.0%	-6.0%

* Q1 2008 production and sales data is indicative and subject to amendments

** Including HR coils supplied to other production facilities

** *Including sales in Maxi-Group

2. Realized prices

Realized prices are calculated by dividing sales revenue by sales volume. Such calculations do not differentiate between particular product types and grades within a product sub-category. Realized prices are not indicative of actual contract prices and can only serve as an approximation. All information on Q1 2008 prices is preliminary and subject to change.

The table below shows NLMK Q1 2008 average prices:

	USD per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Pig iron</i>	380.0	318.7	259.5	19.3%	46.5%
<i>Slabs</i>	501.2	476.4	372.1	5.2%	34.7%
<i>Hot-rolled steel</i>	609.6	576.0	524.0	5.8%	16.3%
<i>Cold-rolled steel</i>	679.6	655.0	582.7	3.8%	16.6%
<i>Hot dip galvanized steel</i>	955.0	923.4	955.7	3.4%	-0.1%
<i>Pre-painted steel</i>	1 245.1	1 236.1	1 136.5	0.7%	9.6%
<i>Dynamo steel</i>	814.6	783.6	715.3	4.0%	13.9%
<i>Transformer steel</i>	3 680.4	3 525.1	3 330.0	4.4%	10.5%

Q1 2008 average prices for DanSteel A/S products are as follows:

	Euro per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Heavy plates</i>	€ 759.5	€ 767.2	€ 745.4	-1.0%	1.9%

VIZ-Stal Q1 2008 average prices:

	USD per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Transformer steel</i>	3 836.1	3 730.5	3 326.4	2.8%	15.3%
<i>Dynamo steel</i>	1 016.3	985.7	945.8	3.1%	7.5%

Q1 2008 average prices for Stoilensky GOK products:

	USD per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Iron ore concentrate</i>	76.5	68.1	64.3	12.3%	19.1%
<i>Sinter ore</i>	35.9	27.1	23.6	32.7%	52.3%

Altai-koks Q1 2008 average product prices:

	USD per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Coke (dry)</i>	252.8	245.3	123.8	3.1%	104.3%

Q1 average prices for Maxi-Group products:

	USD per tonne, (FCA)*				
	Q1 2008	Q4 2007	Q1 2007	Q1 2008 / Q4 2007	Q1 2008 / Q1 2007
<i>Billet</i>	508.7	472.8	397.0	7.6%	28.1%
<i>Rebar</i>	604.3	516.8	556.6	16.9%	8.6%
<i>Wire rod</i>	577.9	555.5	524.4	4.0%	10.2%
<i>Metalware</i>	855.1	682.2	585.4	25.3%	46.1%
<i>Scrap</i>	319.9	231.4	216.5	38.3%	47.8%

* Excluding freight charge

3. Management Board comments

The decrease in sales of NLMK products in Q1 2008 on quarter-on-quarter basis is primarily attributable to seasonal weakening of demand in the domestic market because of the January New Year holidays as well as switch to export delivery contracts based on FOB terms starting January 2008 that led to the delay of transfer of property rights. Strong pricing environment in the domestic and, especially, in the global markets during Q1 2008 mainly caused by increased prices for raw materials was a key driver for price growth for NLMK's steel products.

In Q1 2008, DanSteel A/S increased hot-rolled thick plate sales on a quarter-on-quarter basis due to lower sales in the previous quarter because of the December Christmas holidays.

Transformer steel production volumes at VIZ-Stal in Q1 2007 remained at almost the same level as the previous quarter. A minor decrease in sales volumes was caused by lower demand for 0.5mm thick transformer steel. Favorable market conditions were a key driver behind the increase in VIZ-Stal's steel product prices.

The growth in Maxi-Group's main product output in Q1 2008 on a quarter-on-quarter basis is mainly attributable to an increase in working capital after the company was acquired by Novolipetsk Steel in December 2007. The increase in Maxi-Group's steel product prices reflects a global trend for long product price growth.

Stoilensky GOK's iron ore concentrate and sinter ore sales were realized in accordance with the production requirements of the main production site in Lipetsk. An increase in prices of iron ore concentrate and sinter ore produced at Stoilensky GOK in Q1 2008 compared to the previous periods is attributable to the favorable conditions in the global iron ore market.

A tight supply of coking coal during the second half of 2007 resulted in growing average prices of coking coal concentrate and, as a consequence, Altai-koks coke prices. The growth in coke sales is mainly attributable to increased demand in core markets, such as Russia and the CIS.

4. Outlook

We note that increases in the prices of basic raw materials drove steel prices in Q1 2008. The prices continue growing in Q2 2008. We expect a mid-year steel price flattening.