

**PRESS-RELEASE****Novolipetsk Steel (NLMK)****07 June 2006**

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**RESULTS OF VOTING AT THE 2006 ANNUAL GENERAL MEETING**

Novolipetsk Steel (LSE: NLMK) announces the results of resolutions proposed at the Annual General Meeting held on 6 June 2006.

NLMK's shareholders have approved the recommended final dividend for 2005 of USD 0.0711 (RUR 2.0) per ordinary share. Including the already paid interim dividend of USD 0.0352 (RUR 1.0) per ordinary share for the first six months of 2005, the total dividend for the year is USD 0.1063 (RUR 3.0) per ordinary share. The AGM has also voted for amendments to the existing Dividend Policy. NLMK's Dividend Policy now sets minimum dividend payments of 20% of US GAAP net income (previously 15% of US GAAP net income) and targets an average dividend payment of 30% of US GAAP net income during next five years.

NLMK's shareholders approved amendments to main corporate documents including the Charter, Regulations on the Board of Directors, Regulations on the Management Board, and Corporate Governance Code. These changes are primarily designed to implement the Internal Restructuring Plan that was announced on March 31, 2006. The Plan is aimed at centralizing key management functions at the Group level and increasing the efficiency of the Company's business processes.

NLMK shareholders have elected members of the Board of Directors. The cumulative voting results are presented below. According to approved amendments to the Corporate Governance Code, the maximum term for a Board member to be considered independent should not exceed 5 years. NLMK currently has 4 independent directors out of 9 on the Board: Mr. Dmitriy Gindin, Mr. Karl Doering, Mr. Nikolai Lyakishev, Mr. Randolph Reynolds.

NLMK shareholders approved the remuneration of members of NLMK's Board of Directors for 2005. The remuneration was determined in accordance with the "Regulations on the Board of Directors members' remuneration." The total remuneration of Board Members for 2005 amounted to USD 1,603,750 including annual bonus of USD 1.5 million.

NLMK shareholders have approved the resolution substituting General Director (CEO) position with the President (Management Chairman). Mr. Alexey Lapshin was elected the President of the Company.

**Biography of Mr. Alexey Lapshin:**

Alexey Lapshin has been Managing Director of DanSteel A/S since the company was acquired by NLMK in January 2006. Previously, he was a management and technical consultant with DanSteel A/S for four years. Mr. Lapshin was Chief of Department in LLC Rumelco from 1999 to 2002 and at the same time was on the Board of NLMK. From 1994 to 1999, Mr. Lapshin held positions in various metal companies, while he also managed development of "Stinol" refrigerator manufacturing plant in Lipetsk as a consultant. Mr. Lapshin started his career at Gaiskiy GOK in 1967, joining "Yuzhuralnickel" metal production facility in 1975-1994, where he started as a foreman and raised through the ranks to become Deputy CEO. He graduated from Orsk Oil Technical College and has a metallurgical engineering degree from the All-union Polytechnic Institute.

Mr. Lapshin has many years management experience and a proven professional track record in the steel industry both in Russia and abroad.

NLMK being a member of the international association “International Iron and Steel Institute” has obtained an AGM approval on the membership in this organization.

The following resolutions were put to NLMK’s shareholders on a poll at the Annual General Meeting and the results of voting were as follows:

<u>Resolution</u>	<u>Votes For</u>	<u>Votes Against</u>	<u>Votes Abstained</u>	<u>Results</u>
1.1 To approve the Company’s 2005 Annual Report and annual financial statements for the 2005 financial year	5 315 939 769	0	467 326	carried
1.2 To declare the payment of dividends for 2005 totaling 3 rubles per common share. Considering that the interim dividend paid for H1 2005 was 1 ruble per common share, to pay a final dividend of 2 rubles per common share. The final dividend shall be paid on 4 September 2006 by funds transfer	5 431 554 454	1 001	261 261	carried
2.1 To approve the revised Charter of OJSC NLMK	5 427 257 898	641 063	4 030 840	carried
2.2 To approve the revised Regulations on the Board of Directors of OJSC NLMK	5 423 698 803	648 070	7 437 809	carried
2.3 To approve the revised Regulations on the Management of OJSC NLMK	5 423 640 194	1 832 064	6 408 976	carried
2.4 To approve the revised Corporate Governance Code of OJSC NLMK	5 424 157 215	672 094	7 007 400	carried
2.5 To approve the revised Dividend Policy of OJSC NLMK	5 408 190 140	611 033	6 897 961	carried
3. Election of members of the Board of Directors of OJSC NLMK*				
4. To elect Mr. Alexey Lapshin President (Management Chairman) of the Company	5 425 949 567	408 612	6 288 350	carried
5. To elect Company’s Internal Auditing Commission				
5.1 Mr. Valery Kulikov	5 423 492 500	116 319	5 065 566	carried

5.2	Mrs. Natalia Kurasevich	5 422 737 745	289 294	5 153 857	carried
5.3	Mrs. Olga Savushkina	5 423 709 470	147 152	4 992 490	carried
5.4	Mrs. Galina Shipilova	5 422 952 076	153 158	4 979 477	carried
6.1	To approve CJSC “PricewaterhouseCoopers Audit”	5 427 759 707	714 137	2 260 475	carried
6.2	To entrust CJSC “PricewaterhouseCoopers Audit” with financial statement audit of OJSC “NLMK” in accordance with the US Generally Accepted Accounting Principles (US GAAP)	5 428 861 605	751 177	2 413 603	carried
7.	To approve the remuneration of members of OJSC NLMK Board of Directors	5 421 150 053	1 833 287	9 402 920	carried
8.	To approve the decision of OJSC NLMK to participate in the international association “International Iron and Steel Institute”	5 431 460 733	66 066	1 009 603	carried

\* Cumulative voting results are presented below.

The resolution on the Board members’ election is voted upon by cumulative voting, i.e. one voting share gives the number of votes equal to the number of the members in the Board of Directors. When voting, the shareholder is entitled to cast all his votes in favor of one nominee or to distribute them between several nominees. In accordance with the cumulative voting results, the following Board members were elected:

Board Members	
1.	Mr. Vladimir Lisin
2.	Mr. Vladimir Skorokhodov
3.	Mr. Oleg Bagrin
4.	Mr. Igor Fyodorov
5.	Mr. Nikolai Gagarin
6.	Mr. Dmitriy Gindin
7.	Mr. Karl Doering
8.	Mr. Nikolai Lyakishev
9.	Mr. Randolph Reynolds