

AUDITOR'S CONCLUSION

**To Mechel OAO shareholders on accounting and
financial statements of Mechel OAO since January 1 till
December 31, 2009**

Moscow

2010

AUDITOR'S CONCLUSION ON ACCOUNTING AND FINANCIAL STATEMENTS

since January 1 till December 31, 2009

AUDITOR'S CONCLUSION

on accounting and financial statements of Mechel OAO results since January 1 till December 31, 2009

Audit on accounting and financial statements of Mechel OAO (hereinafter, Company) since January 1 till December 31, 2009 was carried out by Energy Consulting/Audit ZAO according to Agreement No. 048-06-09/EKA-376/110 dating 14.07.2009 concluded under Shareholder's general meeting decision on approving Energy Consulting/Audit as official auditor (Minutes dating 30.06.2009).

Brief information about auditor

Energy Consulting/Audit ZAO was registered on December 14, 2004 with an entry under registration number 1047717034640 in the Uniform State Register of Legal Entities (certificate No 17, 77 No. 003847928 of Ministry for Taxes and Levies of the RF in North-Eastern administrative district of Moscow)

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CEO – Rumyantseva Tatyana Georgievna

Antonenko Larisa Nikolaevna, CEO deputy of Energy Consulting/Audit ZAO, has the right to sign auditor's conclusion by virtue of the power of attorney dating 31.12.2009 No. 05/10

Energy Consulting/Audit ZAO is an active member of auditor self-regulating organization Non-profit partnership « Institute of Certified Public Accountants (AICPA) » and is included in the register of auditors and audit organizations mentioned by self-regulating organization of auditors of December 4, 2009 under registration number 10202014620

Energy Consulting/Audit ZAO has GT No. 0011874 license, issued by the Federal Security Service of Moscow and Moscow region, (reg. No. 12483 dating 09.07.2008) valid until November 29, 2012 to deal with data of state secret.

The audit was provided by Ermakova Ludmila Mihailovna, director of audit Practice

AUDITOR'S CONCLUSION ON ACCOUNTING AND FINANCIAL STATEMENTS

since January 1 till December 31, 2009

Brief information about auditor

Full name of the Company – Mechel Open Joint Stock Company

Abbreviation – Mechel OAO

The Company was registered on March 19, 2003 with an entry under registration number 1047717034640 in the Uniform State Register of Legal Entities (certificate No 3, 77 No. 003847928 of Interdistrict Inspectorate of the Federal Tax Service of Moscow and re-registered by Federal Tax Service of RF in Moscow under No.14 due to change of legal entity's address, certificate of registration 77 No. 009106720)

Company's location : Russian Federation, Moscow, 125993, Krasnoarmeiskaya str., 1

1. We carried out an audit of attached accounting and financial statements of the Company since January 1 till December 31, 2009 as follows:

- Accounting statement (Form No.1) on 3 pages;
- Profit and loss statement (Form No.2) on 2 pages;
- Statement of changes in equity (Form No.3) on 2 pages;
- Cash flow statements (Form No.4) on 1 page;
- Attachment to accounting statement (Form No.5) on 10 pages;
- Explanatory note on 63 pages.

The above mentioned accounting and financial statement was prepared by the executive body of the Company according to the main principles and methods of preparing accounting and financial statement approved by the Federal Law of 21.11.1996 under No. 129 –FZ on «Accounting Statement» (version of follow-up amendments), provisions on accounting, approved by Ministry of Finance Order dating 22.07.2003 under No.67 on «Forms of accounting statements of companies» (version of follow-up amendments) as well as other statutory acts of RF which regulate the procedure of accounting and financial statement.

The executive body of the Company is responsible for preparation and presenting of this accounting and financial statement. As auditor we are responsible to express our view concerning presented accounting and financial statement reliability at all directions on the basis of conducted audit.

The expression of opinion about perfect correspondence of Company's activity with RF legislation and estimation of efficiency of Company's activity wasn't the goal of the audit. The client can't consider our opinion as expression of confidence in Company's continuous activity in future.

Audit on accounting and financial statements of the Company since January 1 till December 31, 2008 was carried out by BDO Unikon ZAO, by the results of which a perfect positive auditor's conclusion dating 03.03.2009 was issued.

AUDITOR'S CONCLUSION ON ACCOUNTING AND FINANCIAL STATEMENTS

since January 1 till December 31, 2009

2. We carried out the audit according to the Federal law dating 30.12.2008 No. 307-FZ on «Auditing activity» and federal rules (standards) of auditing activity. The audit was planned and carried out in order to get a reasonable answer that accounting and financial statements of the Company do not include essential deviations.

The audit was carried out under sample basis and included research under grounds' testing which approves numeric data of accounting and financial statements and disclosure of information on economic and financial activity, correspondence with principles and rules of accounting applied within accounting and financial statements preparation, consideration of main evaluation indicators, received by Company's management, as well as evaluation of accounting and financial statements presentation.

We believe that the conducted audit provides requisite grounds to express our point in terms of accounting and financial statements reliability at all directions.

3. According to us, accounting and financial statements of Mechel OAO reflects the financial situation of Mechel OAO by December 31, 2009 at all main directions beyond any doubt as well as economic and financial activity results since January 1, till December 31, 2009 according to RF legislation concerning the preparation of accounting and financial statements.

March 3 2010

CEO deputy

seal

L.N. Antonenko

signature

qualification certificate dating 30.10.1997
No. K 008907 with the right to carry out auditing activity
in the sphere of general audit and included in the
Register of auditors and audit organizations SRO NP
«IPAR» ORN 29702011544

Auditor

signature

L.M. Ermakova

qualification certificate dating 31.10.1997
No. K 005910 with the right to carry out auditing activity
in the sphere of general audit and included in the Register

Accounting statement
December 31, 2009

Company **Mechel Open Joint Stock Company**

TIN 7703370008/997550001

Kind of activity

consultancy on commercial activity and management,

investment in securities

Form of legal entity's incorporation **Open Joint Stock Company / private**

Unit measure **in thousand roubles**

Location (address)

Moscow, 125993, Krasnoarmeiskaya , 1

Form No1 under All-Russia Classifier of Management Documentation
(OKUD)

Date (year, month, date)

Under Russian National Nomenclator of Businesses and
Organizations http://www.multitrans.ru/c/m.exe?t=3729820_1_2

(RNNBO)

TIN

All-Russian Classifier of Types of Economic Activity

OKVED

All-Russian Classifier of Forms of Ownership/

OKOPF/OKFS

All-Russian Classifier of Forms of Incorporation

All-Russian Classifier of Measurement Units

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Codes		
0710001		
2010	03	02
14582388		
7703370008/997550001		
65.23.10,74.14		
47		34
384		

Approval date

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-

Send/acceptance date
form 0710001 p.1

Asset	Code	Disclosure	At the beginning of accounting year	At the end of accounting year
1	2	3	4	5
1 Fixed assets , intangible assets	110	5,I.1	19 076	8 330

Rights on intellectual property (industrial)	111		-	-
Patents, licences, labels and other similar rights and assets	112		17 121	7 441
Computer programmes	113		1 995	889
Other intangible assets	114		-	-
Company's goodwill	115		-	-
Research, development and technological activities, including (RDTA)	116	5,III.1	-	-
Results of RDTA	117		-	-
RDTA in process	118	5,III.2	-	-
Fixed assets, including	120	5,II.2	934	545
Land and nature management objects	121		-	-
Building and constructions	122		-	-
Vehicles and equipment	123		887	504
Transport vehicles	124		-	-
Construction in process, including	130	5,II.7	-	-
Construction in progress	131		-	-
Equipment for launch	132		-	-
Purchasing of fixed asset objects	133		-	-
Interest-bearing in tangible assets	135	5,II.6	-	-
Long-term investments, including:	140	5,IV.1	183 726 091	201 170 924
Investment in share capitals of other organizations	141		404 980	1 061 469
Investment in share capitals of affiliated organiz-s	142		183 321 111	195 676 715
Investment in share capitals of related organiz-s	143		-	-
Long-term granted loans	144		-	4 432 740
Other long-term financial investments			-	-
Deferred tax assets	145	5,VII.4	2 806 294	5 069 967
Property transferred in operational management	146		-	-
Exploration assets	147		-	-
Other noncurrent assets	150		-	-
Interest-free loans, granted for a period over 12 months	170		-	-
Other types of noncurrent assets requisite for balance sheet			-	-
Costs for future periods which will be written off after 12 months	216		10 089	9 260
Long-term accounts receivable, including:	230		167	1 002
Purchaser's and client's liabilities			-	-
			-	-
In total	190		186 562 651	206 260 028

