

AUDITOR'S CONCLUSION

**To Mechel OAO shareholders on accounting and
financial statements of Mechel OAO since January 1 till
December 31, 2010**

Moscow 2011

AUDITOR'S CONCLUSION

**To Mechel OAO shareholders on accounting and
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AUDITOR'S CONCLUSION ON ACCOUNTING AND FINANCIAL STATEMENTS

since January 1 till December 31, 2010

AUDITOR'S CONCLUSION

To open joint stock company shareholders

Audited entity

Full name of the Company – Mechel Open Joint Stock Company (hereinafter the «Company»)

Abbreviation – Mechel OAO

State registration number 1037703012896.

Located at: Russian Federation, 125993, Moscow, Krasnoarmeyskaya str., 1

Auditor

Name -Energy Consulting/Audit ZAO.

State registration number 1047717034640

Located at: Russia, 129 515, Moscow, Zvezdny Blvd, 14

Postal address: Russia, 115093, Moscow, Pavlovskaya str., 7

is an active member of Non-profit partnership « Institute of Certified Public Accountants (AICPA) » with registration number 10202014620

We carried out an audit of attached accounting and financial statements of the Company since January 1 till December 31, 2010 which consists of balance sheet, profit and loss statement, statement of changes in equity, 2010 cash flow statements and other attachments to accounting statements and profit and loss statement as well as explanatory note.

Audited entity's liability concerning accounting statements

The executive body of the Company is responsible for preparation and reliability of this accounting and financial statement according to the main RF principles and methods of preparing accounting and financial statement as well as internal control system, requisite for preparation of this accounting statement, which doesn't include significant deviations due to fraud or mistakes

Auditor's liability

Our liability includes the reliable opinion concerning accounting statements based on the audit carried out by us. We carried out the audit according to the RF federal standards of auditing activity. Such

standards must be followed by applicable ethic standards as well as planning and providing of audit in a way to make sure that the accounting statements do not include significant deviations.

The audit included the performance of audit procedures aimed to receive audit grounds concerning numeric data of accounting statements and information disclosure. The choice of audit procedures is the subject of our conversation which is based on risk assessment of significant deviations made within fraud or mistakes. Within such risk assessment we considered internal control system which provides with accounting statements preparation and reliability in order to choose the relevant terms of audit procedure goals but not to express opinion concerning internal control system efficiency.

The audit also included the due estimation of applicable accounting policy and reasonability of estimated criteria received by the executive body of audited entity as well as estimation of the prepared accounting statements in general.

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

Opinion

According to us, the accounting statements gives a true and fair view of Mechel OAO financial standing as of December 31, 2010 in all material respects as well as Company's business performance and 2010 cash flow and meets the Russian accounting standards.

March 2, 2011

CEO deputy of

Energy Consulting/Audit ZAO under

seal

L.N. Antonenko

Power of attorney as of 28.12.2010

№ 07/11

signature

qualification certificate dating 30.10.1997
No. K 008907 with the right to carry out auditing activity
in the sphere of general audit

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

ORN 29702011950

**Accounting statements
As of December 31, 2010**

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, Krasnoarmeyskaya , 1

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

Date (year, month, date)

Under Russian National Nomenclator of Businesses and Organizations (RNNBO)

TIN

All-Russian Classifier of Types of Economic Activity

OKVED

All-Russian Classifier of Forms of Ownership/

OKOPF/OKFS

All-Russian Classifier of Measurement Units

OKEI

Codes		
0710001		
2011	02	28
14582388		
7703370008/997550001		
65.23.1,74.14		
47	34	
384		

Approval date

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Send/acceptance date
form 0710001 p.1

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Asset	Code	Disclosure	At the beginning of accounting year	At the end of accounting year
1	2	3	4	5
1 Fixed assets	110	5,I.1	8 330	3 920
intangible assets				
Rights on intellectual property (industrial)	111		-	-
Patents, licences, labels and other similar rights and assets	112		7 441	3 920
Computer programmes	113		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	545	302
Land and nature management objects	121		-	-
Building and constructions	122		-	-
Vehicles and equipment	123		504	181
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	201 170 924	222 387 980
Investment in share capitals of other organizations	141		1 061 469	149 659
Investment in share capitals of affiliated organiz-s	142		195 676 715	222 238 321
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	5 069 967	6 164 834
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		9 260	87 355
Long-term accounts receivable, including:	230		1 002	1 439
Purchaser's and client's liabilities			-	-
In total	190		206 260 028	228 645 830

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