

ACCOUNTING BALANCE SHEET
as of December 31, 2007

Organization: **Mechel OAO**
 Taxpayer Identification Number
**commercial operations and management consultations,
 investments in securities**
 Line of business
 Legal status **Open Joint Stock Company** Type of ownership **Private**
 Measurement unit: **RUR thous.**
 Location (address): **1 Krasnoarmeyskaya St, 125993, Moscow**

Form No. 1 per OKUD
 Date (year, month, day) per OKPO
 INN
 per OKVED
 per OKOPF/OKFS
 per OKEI

CODES		
0710001		
2008	03	25
14 582 388		
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47	34	
384		

Date of approval
 Date of dispatch/receipt

ASSETS	Item code	Reporting year beginning	Reporting year end
1	2	3	4
I. Fixed Assets			
Intangible assets	110	47 370	32 246
Plant and equipment	120	10 342	641
Construction in progress	130	265	-
Income-bearing investments in tangible assets	135	-	-
Long-term investments	140	54 966 254	84 437 431
Deferred tax assets	145	93 622	280 892
Other fixed and non-current assets	150	15	1 753
Subtotal for Section I	190	55 117 868	84 752 963
II. Working Assets			
Reserves	210	58 183	40 534
raw materials, materials and other similar items of material value	211	127	2
livestock in breeding and fattening	212	-	-
costs of work in progress	213	2 762	2 575
finished products and goods for re-sale	214	-	-
goods shipped	215	-	-
prepaid expenses	216	55 294	37 957
other reserves and expenses	217	-	-
Input value-added tax	220	880	17 921
Accounts receivable (maturing in over 12 months after the reporting date)	230	198	221
including:			
purchasers and contractors 62	231	-	-
advance payments, account 60	232	198	221
Accounts receivable (maturing within 12 months after the reporting date)	240	122 355	3 372 848
including purchasers and contractors 62	241	34 638	95 144
sundry debtors and creditors, account 76	242	727	3 227 688
advance payments, account 60,76	243	61 546	26 268
taxes and collections, account 68	244	24 903	22 232
social insurance expenses, account 69	245	-	322
other debtors, account 71,73,75	246	541	1 194
Short-term investments	250	-	-
Cash	260	5 975	3 365
including:			
cash in hand	261	404	21
accounts in RUR (account 51)	262	4 791	2 024
accounts in foreign currency (account 52)	263	6	6
Transfers in transit (account 57)	264	-	-
Special bank accounts	265	774	1 314
Other working assets	270	-	-
Subtotal for Section II	290	187 591	3 434 889
BALANCE	300	55 305 459	88 187 852

Auditor

LIABILITIES		Item code	Reporting year beginning	Reporting year end
1		2	3	4
III. Capital and Reserves				
Charter capital		410	4 162 707	4 162 707
Treasury stock		411	-	-
Surplus capital		420	6 023 340	6 023 340
Reserve capital		430	208 135	208 135
Including:				
statutory reserves required by law		431	-	-
reserves required by constitutive documents		432	208 135	208 135
Retained profit of reporting year (uncovered loss)		470	30 808 578	55 996 232
Subtotal for Section III		490	41 202 760	66 390 414
IV. Long-Term Liabilities				
Loans and credits		510	13 541 398	8 784 865
Deferred tax liabilities		515	1 219	2 024
Other long-term liabilities		520	-	-
Subtotal for Section IV		590	13 542 617	8 786 889
V. Short-Term Liabilities				
Loans and credits		610	514 546	12 943 680
Accounts payable		620	45 536	65 564
Including				
suppliers and contractors		621	18 594	54 911
employees		622	14 507	7 552
state-run extra budgetary funds		623	515	117
taxes and collections payable		624	8 113	307
trade account advance payments received, account 62		625	104	158
sundry debtors and creditors (account 76)		626	3 217	2 420
other creditors 71,73,79,55		627	486	99
Accrued income due to partners (founders)		630	-	1 305
Unearned income		640	-	-
Provisions for anticipated payments		650	-	-
Other short-term liabilities		660	-	-
Subtotal for Section V		690	560 082	13 010 549
BALANCE		700	55 305 459	88 187 852

STATEMENT OF ASSETS RECORDED ON OFF BALANCE SHEET ACCOUNTS

Item	Item code	Reporting year beginning	Reporting year end
1	2	3	4
Leased assets	910	-	77 094
including under leasing arrangements	911	-	-
Inventories in custody	920	-	-
Goods on commission	930	-	-
Bad debt written off to loss	940	-	-
Received security of obligations and payments	950	-	-
Granted security of obligations and payments	960	1 137 211	48 376 998
Housing stock depreciation	970	-	-
Depreciation of on-site improvements and other similar facilities	980	-	-
Received intangible assets in use	990	-	-

Head <signed> **Stanislav A. Ploschenko** Chief Accountant <signed> **Tatyana A. Kalyadina**
(signature) (name) (signature) (name)

March 25, 2008

<Affixed is the corporate stamp of Mechel OAO>

Auditor
S. P. Rudakov