

PROFIT AND LOSS STATEMENT
for 12 months of 2007

		CODES		
Form No. 2 per OKUD		0710002		
Date (year, month, day)		2008	03	25
Organization: <u> Mechel OAO </u>	per OKPO	14 582 388		
Taxpayer Identification Number	INN	7703370008/997550001		
Line of business commercial operations and management consultations, investments in securities	per OKVED	74.14,65.23.1		
Legal status / Type of ownership	Open Joint Stock Company/ Private			
RUR thousand		47	34	
Measurement unit: RUR thous./RUR mln. (strike out irrelevant)		per OKOPF/OKFS 384/385		

Item		Reporting year	Same period, previous year
Description	Code		
1	2	3	4
Operating Income and Expenses			
(Net) proceeds from sales of goods, products, work, services (exclusive of VAT, excises and similar mandatory levies)	010	2 022 852	381 256
Cost of goods, products, work, services sold	020	(74 995)	(154 361)
Gross profit	029	1 947 857	226 895
Commercial expenses	030	(-)	(-)
Management expenses	040	(811 940)	(633 630)
Sales profit (loss)	050	1 135 917	(406 735)
Other income and expenses			
Interest receivable	060	152 204	268 370
Interest payable	070	(1 118 506)	(751 718)
Income from participation in other entities	080		
Other income	090	37 379 314	39 606 807
including: mark-to-market gains	091	36 412 044	-
mark-to-market gains connected with the change in the accounting principles in 2007	092	-	1 135 011
exchange rate differences	093	890 670	
exchange rate differences connected with the change in the accounting principles in 2007	094	-	(388)
sale of fixed assets	095	11 741	-
Other expenses	100	(4 339 366)	(11 345 486)
including: mark-to-market losses	101	3 924 117	-
mark-to-market losses connected with the change in the accounting principles in 2007		-	8 209 824
exchange rate differences	103	332 488	-
sale of fixed assets	104	9 590	-
Profit (loss) before taxes	140	33 209 563	27 371 238
Deferred tax assets	141	187 270	(11 092)
Deferred tax liabilities	142	(805)	1 028
Current profit tax	150	(-)	(13 367)
Restated profit tax for past periods	151	(7 823)	
Tax sanctions	152	(17)	(3 543)
Net profit (loss) of the reporting period	190	33 388 188	27 344 264
REFERENCE:			
Standing tax liabilities	200	998 717	571 802
Standing tax assets	201	8 739 028	8 815 220
Basic profit (loss) per share		-	-
Diluted profit (loss) per share		-	-

PROFIT AND LOSS BREAKDOWN

Item		Reported period		Same period, profit	previous year
Description	code	profit	loss		loss
1	2	3	4	5	6
Penalties, fines, and forfeits admitted or regarding which court judgments (arbitration awards) were received on their levy	210	-	21	-	42
Profit (loss) of previous years	220	-	2 539	523 622	196 659
Recovery of losses caused by non-performance or improper performance of obligations	230	-			
Exchange rate differences	240	890 670	332 488	638 072	88 877
Deductions to evaluation reserves	250	X	-	X	-
Relief of past-limitation payables and receivables	260	-	-	-	-

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