

**SUPPLEMENT TO ACCOUNTING BALANCE SHEET**  
For January through December, 2007

Form No. 5 per OKUD		CODES		
Date (year, month, day)		0710005		
Organization: <b>Mechel OAO</b>	per OKPO	2008 03 25		
Taxpayer Identification Number	INN	14582388		
Line of business: <b>commercial operations and management consultations, investments into securities</b>	per OKVED	7703370008/997550001		
Legal status	Type of ownership	74.14,65.23.1		
<b>Open Joint Stock Company</b>	<b>private</b>	per	47	34
Measurement unit: <b>RUR thousand</b>	per OKEIF	384		
	OKOPF/OKFS			

**Intangible Assets**

Item	Availability at the beginning of reporting year	Received	Retired	Availability at the end of reporting period
Description	Code			
1	2	3	4	5
Intellectual property items (exclusive rights to intellectual property results)	010	81 377	-	81 377
Including:				
Patent-holder's rights to inventions, industrial prototypes, useful models	011	-	-	-
Right-holder's rights to computer software,	012	-	-	-
Right-holder's rights to integrated circuit topologies	013	-	-	-
Owner's rights to trade marks and service marks, names of places of origin of goods	014	81 377	-	81 377
Patent-holder's rights to selection fruits	015	-	-	-
Administrative expenses	020	-	-	-
Business reputation of the entity	030	-	-	-
	035	-	-	-
Other intangible assets	040	-	-	-

Item	At the beginning of reporting year	At the end of reporting period
Description	Code	
1	2	3
Depreciation of intangible assets – Total	050	34 006
Including:		
Trade mark, Certificate No. 100070	051	1 262
Trade mark, Certificate No. 100071	052	1 262
Trade mark, Certificate No. 124790	053	3 466
Trade mark, Certificate No. 285609	054	17
Trade mark, Certificate No. 285610	055	17
Trade mark, Certificate No. 285611	056	17
Trade mark, Certificate No. 285626	057	17
Trade mark, Certificate No. 285627	058	16
Trade mark, Certificate No. 88202	059	5 030
Trade mark, Certificate No. 88203	060	5 030
Trade mark, Certificate No. 88705	061	5 093
Trade mark, Certificate No. 88706	062	5 132
Trade mark, Certificate No. 88876	063	5 030
Trade mark, Certificate No. 94623	064	1 355
Trade mark, Certificate No. 99372	065	1 262

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**Fixed Assets**

Item	Availability at the beginning of reporting year	Received	Retired	Availability at the end of reporting period
Description	Code			
1	2	3	4	5
Buildings	070	-	-	-
Structures and transfer devices	075	-	-	-
Machines and equipment	080	-	-	-
Means of transportation	085	-	-	-
Production tools and implements	090	30 298	29 657	1 819
Draft livestock	095	-	-	-
Productive livestock	100	-	-	-
Perennial crops	105	-	-	-
Other types of fixed assets	110	-	-	-
Land plots and environmental management facilities	115	-	-	-
Capital investments into soil reclamation	120	-	-	-
<b>Total</b>	<b>130</b>	<b>30 298</b>	<b>29 657</b>	<b>1 819</b>

Item		At the beginning of reporting year	At the end of reporting period
Description	Code		
1	2	3	4
Depreciation of fixed assets – Total	140	19 955	1 178
Including:			
Buildings and structures	141	-	-
Machines, equipment, means of transportation	142	-	-
Other	143	19 955	1 178
Fixed assets transferred under lease agreements – Total	150	-	-
Including:			
Buildings	151	-	-
Structures	152	-	-
	153	-	-
Fixed assets transferred into long-term storage	155	-	-
Fixed assets received under lease agreements – Total	160	-	77 094
Including:			
Buildings and structures	161	-	54 857
Machines, equipment, means of transportation	162	-	16 355
Other	163	-	5 887
Real properties received into operation and currently undergoing the state registration procedure	165	-	-
For reference purposes only:	Code	At the beginning of reporting year	At the beginning of preceding year
	2	3	4
Revaluation of fixed assets			
Acquisition (replacement) cost	171	-	-
Depreciation	172	-	-
	Code	At the beginning of reporting year	At the beginning of reporting period
	2	3	4
Change in the value of fixed assets resulting from additional construction, installation of additional equipment, reconstruction, partial liquidation	180	-	-

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**Income-Bearing Investments in Tangible Assets**

Item		Availability at the beginning of reporting year	Acquisitions	Disposals	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
Assets prior to transfer under leasing agreements	210	-	-	-	-
Assets granted under hire agreements	220	-	-	-	-
	230	-	-	-	-
Other	240	-	-	-	-
<b>Total</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Code	Availability at the beginning of reporting year	Availability at the end of reporting period		
	2	3	4		
Depreciation of income-bearing investments in tangible assets	260	-	-		

**Research, Development and Technological Works Expenses**

Item		Availability at the beginning of reporting year	Acquisitions	Disposals	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
Total	310	-	-	-	-
Including:					
	311	-	-	-	-
	312	-	-	-	-
	Code	At the beginning of reporting year		At the end of reporting period	
	2	3		4	
<b>For reference purposes only:</b>					
Expenses related to research, development and technological works in progress	320	-	-	-	-
	Code	Reporting period		Similar period of preceding year	
	2	3		4	
Expenses related to research, development and technological works which did not generate positive results and were charged to non-operating expenses	330	-	-	-	-

### Expenses Related to Development of Natural Resources

Item		Balance at the beginning of reporting period	Received	Written Off	Balance at the end of reporting period
Description	Code				
1	2	3	4	5	6
Expenses related to development of natural resources – Total	410	-	-	-	-
Including:					
	411	-	-	-	-
	412	-	-	-	-
			Code	At the beginning of reporting year	At the end of reporting year
			2	3	4
Expenses related to sections of subsoil assets where prospecting and evaluation, exploration and/or hydro-geological survey and other similar works are still in progress			420	-	-
Expenses related to development of natural resources charged during the reporting period to non-operating expenses due to the lack of tangible results			430	-	-

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### Financial Investments

Item	Code	Long-term		Short-term	
		At the beginning of reporting year	At the end of reporting period	At the beginning of reporting year	At the end of reporting period
Description					
1	2	3	4	5	6
Contributions to charter (share) capitals of other entities – Total	510	52 474 254	84 437 431		
Including contributions to subsidiary and controlled companies	511	52 324 811	84 287 988	-	-
State and municipal securities	515	-	-	-	-
Securities of other issuers – Total	520	-	-	-	-
Including debt securities (bonds, bills)	521	-	-	-	-
Loans extended	525	2 492 000	-	-	-
Deposits	530	-	-	-	-
Other	535	-	-	-	-
<b>Total</b>	<b>540</b>	<b>54 966 254</b>	<b>84 437 431</b>	<b>-</b>	<b>-</b>
<b>Out of total, financial investments with current market value</b>					
Contributions to charter (share) capitals of other entities – Total	550	-	-	-	-
Including contributions to subsidiary and controlled companies	551	-	-	-	-
State and municipal securities	555	-	-	-	-
Securities of other issuers – Total	560	49 076 721	82 028 385	-	-
Including debt securities (bonds, bills)	561	-	-	-	-
Other	565	-	-	-	-
<b>Total</b>	<b>570</b>	<b>49 076 721</b>	<b>82 028 385</b>	<b>-</b>	<b>-</b>
<b>For reference purposes only:</b>					
With respect to financial investments with current market value, change in value following readjustment	580	26 670 927	32 487 927	-	-
With respect to debt securities, difference between acquisition cost and par value is charged to the financial results of the reporting period	590	-	-	-	-

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### Accounts Receivable and Accounts Payable

Item		Balance at the beginning of reporting year	Balance at the end of reporting period
Description	Code		
1	2	3	4
<b>Accounts receivable:</b>			
Short-term – Total	610	122 355	3 372 848
Including:			
Buyers and customers	611	34 638	95 144
Advances granted	612	61 546	26 268
Other	613	26 171	3 251 436
Long-term – Total	620	198	221
Including:			
Buyers and customers	621	-	-
Advances granted	622	198	221
Other	623	-	-
<b>Total</b>	<b>630</b>	<b>122 553</b>	<b>3 373 069</b>
<b>Accounts payable:</b>			
Short-term – Total	640	560 082	13 010 549

Including:			
Suppliers and contractors	641	18 594	54 911
Advances received	642	104	158
Taxes and duties	643	8 113	307
Credits	644	-	-
Loans	645	514 546	12 943 680
Other	646	18 725	11 493
Long-term – Total	650	13 541 398	8 784 865
Including:			
Credits	651	-	-
Loans	652	13 541 398	8 784 865
Other	653		
<b>Total</b>	<b>660</b>	<b>14 101 480</b>	<b>21 795 414</b>

**Expenses Related to Standard Operations (with a breakdown by cost items)**

Item		Reporting year	Preceding year
Description	Code		
1	2	3	4
Material costs	710	3 027	300 310
Labor costs	720	323 762	294 030
Social benefits	730	21 486	25 889
Depreciation	740	15 826	21 748
Other costs	750	522 643	64 759
Total cost items	760	886 744	706 736
Change in balances (increase [+], decrease [-]):			
Work in progress	765	-187,00	(2182)
Future expenses	766	-17 337	30 172
Provisions for anticipated payments	767	-	-

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**Security**

Item		Balance at the beginning of reporting year	Balance at the end of reporting period
Description	Code		
1	2	3	4
Received – Total	810	-	-
Including:			
Bills	811	-	-
Assets pledged to reporting entity	820	-	-
Including:			
Fixed assets	821	-	-
Securities and other financial investments	822	-	-
Other	823	-	-
	824	-	-
Granted – Total	830	1 137 211	48 376 998
Including:			
Bills	831	-	-
Guarantees granted to affiliates	832	1 137 211	48 376 998
Assets pledged	840	-	-
Including:			
Fixed assets	841	-	-
Securities and other financial investments	842	-	-
Other	843	-	-
	844	-	-

**Government Assistance**

Item		Reporting period		Similar period of preceding year	
Description	Code				
1	2	3		4	
Budget funds received during reporting year – Total	910	-	-	-	-
Including:					
	911	-	-	-	-
	912	-	-	-	-
	913	-	-	-	-
		At the beginning of the rep. year	Received during the rep. period	Returned during the rep. period	At the end of the rep. period
Budget loans – Total	920	-	-	-	-
Including:					
	921	-	-	-	-
	922	-	-	-	-
	923	-	-	-	-

Head

<signed>  
(signature)

**Stanislav. A. Ploschenko**  
(name)

Chief Accountant

<signed>  
(signature)

**Tatyana A. Kalyadina**  
(name)

~Affixed is the corporate stamp of Mechel OAO~

**March 25, 2008**

<Affixed is the corporate stamp of Mechel OAO>

Auditor  
S. P. Rudakov