



To members of Audit Committee
OJSC FETEC Board of Directors

profit and loss distribution
as a result of financial year 2007

Planned distribution of 2007 profit subject to approval at General Meeting of Company Shareholders:

	(thousand rubles)
	Amount
Capital before report year profit distribution	
Authorized capital	2 535 006
Capital surplus	611 128
Reserve capital	126 751
Profit of past years	2 392 082
Profit of report year	873 672
Total capital before profit distribution:	6 538 639
Report year profit distribution directions:	
Profit allocated for reserve fund formation	0
Profit allocated for employee share ownership fund formation (if specified by constituent instruments)	0
Profit allocated for dividends	(173 005)
Results of report year profit distribution	(173 005)
Capital after profit distribution	
Authorized capital	2 535 006
Capital surplus	611 128
Reserve capital	126 751
Profit of past years	3 092 749
Total capital after profit distribution:	6 365 634
Capital reduction after report year profit distribution	(173 005)
Capital surplus (reduction) to the extent of retained profit or report year	(173 005)

In accordance with Article 8.2 of Company Charters dividend amount for preferred shares is fixed as 10% of net profit as a result of the last financial year divided by the number of shares comprising 25% of Company authorized capital.

As a result of 2007 Company received 873,672 thousand rubles of net profit, and 10% is 87,367.2 thousand rubles.

Company authorized capital is divided into 126,750,322 shares, of which 25% is 31,687,581 preferred shares.

Therefore, dividend per 1 preferred share is 2.757 rubles. It is proposed to approximate the obtained value to whole kopecks – 2.76 rubles per 1 ordinary share. Dividend for preferred shares in 2006 amounted to 2.40 rubles per share.

According to dividend policy (approved by Board of Directors, Minutes No. 15 dated December 28th 2004) Company shall allocate at least 10% of its net profit received in report year for dividend payments.

It is proposed to pay dividends in the amount of 10% of net profit, which is 0.914 ruble per 1 ordinary share. It is proposed to approximate the obtained value to whole kopecks – 0.91 rubles per 1 ordinary share.

Dividends per 1 ordinary share for 2006 amounted to 0.80 rubles.

Therefore, Company will allocate 173,005 thousand rubles or 19.8% of its net profit for dividend payment, including

For preferred shares – 86,026 thousand rubles (31,168,901 * 2.76)

For ordinary shares – 86,979 thousand rubles (95,581,421 * 0.91)

Members of Audit Committee of OJSC FETEC Board of Directors are proposed to pass the following resolution:

1. Members of Board of Directors to recommend Annual General Meeting of Shareholders to pass resolution on profit distribution and dividend payment:

- a) per 1 ordinary share in the amount of 0.91 rubles
- b) per 1 preferred share in the amount of 2.76 rubles.

2. Dividend payment terms to be determined as follows:

- a) for ordinary shares – within 120 days from the date of resolution for dividend payment passed by Annual General Meeting of Shareholders
- b) for preferred shares – within 60 days from the date of resolution for dividend payment passed by Annual General Meeting of Shareholders

Chief Accountant

E.V. Sidorova