

**PROFIT AND LOSS STATEMENT**  
for 12 months of 2007

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

Item		Reporting year	Same period, previous year
Description	Code		
1	2	3	4
<b>Operating Income and Expenses</b>			
(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 )
<b>Other income and expenses</b>			
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	-
<b>Profit (loss) before taxes</b>	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 )
<b>Net profit (loss) of the reporting period</b>	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

&lt;Affixed is the corporate stamp of Mechel OAO&gt;

Auditor  
S. P. Rudakov