

**Report on Voting Results of Special General Meeting of JSC VSMPO Shareholders
1, Parkovaya Str., Verkhnyaya Salda, Sverdlovsk Reg.**

Meeting Date – **September 21, 2004.**

Meeting Site – **Conference Hall, 12, Parkovaya Str., Verkhnyaya Salda.**

Meeting Form – **Joint attendance of the shareholders with prior forwarding of the voting slips.**

Number of people included in the list of people entitled to vote at the Special General Meeting of Shareholders on agenda items 1, 2, 3, 5 – **10 602 813** votes.

Number of people voted at the Special General Meeting of Shareholders on agenda items 1, 2, 3, 5 – **8 250 878** votes.

Quorum is secured.

Number of people entitled to vote at the Special General Meeting of Shareholders on agenda item 4 (approval of an interest transaction) – **10 625 469** votes.

Number of people not interested in the transaction and voted at the Special General Meeting of Shareholders on agenda item 4 – **7 882 701** votes.

Quorum is secured.

Special General Shareholders' Meeting Agenda and Resolutions Passed.	Voting Results		
	Aye	Nay	Abstention
1. Determination of the quantity, nominal value, category (type) of the declared shares and rights granted by such shares. RESOLUTION: Determine: <ul style="list-style-type: none"> Quantity of the JSC VSMPO declared ordinary registered shares: 1 339 685 (one million three hundred thirty-nine thousand six hundred and eighty five). Nominal value of the JSC VSMPO declared ordinary registered shares: 1 (one) ruble each. Category (type) of the JSC VSMPO declared shares: ordinary registered shares. The declared shares of JSC VSMPO will grant upon its allocation the rights equal to those given by the previously allocated ordinary shares. The resolution is passed.	7 768 438	10 422	101 974
2. Amendment of the Company By-Laws. RESOLUTION: Item 7.1. of the Company By-Laws to be enlarged with the following paragraph: The Company has the right to allocate (additionally to the placed shares) 1 339 685 (one million three hundred thirty-nine thousand six hundred and eighty five) of the ordinary registered shares with the nominal value of 1 (one) ruble each (declared shares). The Company's declared ordinary registered shares will grant upon its allocation the rights equal to those given by the previously allocated ordinary shares. The resolution is passed.	7 768 981	10 422	101 495
3. Reorganization of JSC VSMPO, 1, Parkovaya Str., Verkhnyaya Salda, Sverdlovsk Reg., via affiliation of JSC AVISMA, Berezniki, Perm Region, Russia, to JSC VSMPO. Approval of the Affiliation Agreement. RESOLUTION: Reorganize the joint-stock company Verkhnyaya Salda Metallurgical Production Association, 1, Parkovaya Str., Verkhnyaya Salda, Sverdlovsk Reg., Russia, via affiliation of the joint-stock company AVISMA Titanium-Magnesium Works, Berezniki, Perm Reg., Russia, to the joint-stock company Verkhnyaya Salda Metallurgical Production Association. Approve the agreement on affiliation of the joint-stock company AVISMA Titanium-Magnesium Works to the joint-stock company Verkhnyaya Salda Metallurgical Production Association. The resolution is passed.	7 766 247	12 237	101 697

<p>4. Approval of the interest transaction.</p> <p>RESOLUTION: Approve the interest transaction:</p> <p>Agreement on affiliation of the joint-stock company AVISMA Titanium-Magnesium Works to the joint-stock company Verkhnyaya Salda Metallurgical Production Association.</p> <p>Parties to the transaction – JSC VSMPO (Verkhnyaya Salda, Sverdlovsk Reg.); - JSC AVISMA (Berezniki, Perm Reg.);</p> <p>Subject of the agreement: reorganization via affiliation of JSC AVISMA to JSC VSMPO with transfer of all the rights and obligations of JSC AVISMA to JSC VSMPO;</p> <p>Essence of the transaction: In accordance with the agreement on affiliation of JSC AVISMA to JSC VSMPO the parties hereto mutually undertake to make their best efforts in order to reorganize JSC AVISMA via its affiliation to JSC VSMPO. As of the date of introduction an entry on cessation of JSC AVISMA activities into the Uniform Public Legal Entities Register, the allocated shares of JSC AVISMA except for the shares which were in possession of the shareholders who requested repurchase of the shares according to Article 75 and 76 of the Federal Law “On Joint-Stock Companies” and whose shares have been repurchased and also except for the shares which were in possession of JSC AVISMA or JSC VSMPO, will be converted as follows– one ordinary registered share of JSC AVISMA with the nominal value of 0.02 ruble is to be converted into two ordinary registered shares of JSC VSMPO with the nominal value of 1 (one) ruble each, one preferred registered share of JSC AVISMA with the nominal value of 0.02 ruble is to be converted into one ordinary registered share of JSC VSMPO according to the procedure set forth in the Affiliation Agreement. The resolution is passed.</p>	<p>7 767 939</p>	<p>10 513</p>	<p>101 705</p>
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<p>5. Increase of the Company's authorized capital stock by floatation of additional shares.</p> <p>RESOLUTION: Increase the authorized capital stock of the joint-stock company Verkhnyaya Salda Metallurgical Production Association by 1 339 685 (one million three hundred thirty-nine thousand six hundred and eighty five) rubles by issue of additional ordinary registered shares of JSC VSMPO in the quantity of 1 339 685 (one million three hundred thirty-nine thousand six hundred and eighty five) shares with the nominal value of 1 (one) ruble each.</p> <p>ESTABLISH:</p> <p>Quantity of additionally allocated ordinary registered shares: 1 339 685 (one million three hundred thirty-nine thousand six hundred and eighty five) shares with the nominal value of 1 (one ruble) each.</p> <p>Way of allocation of JSC VSMPO additional ordinary registered shares: conversion of the ordinary and preferred registered shares of the joint-stock company AVISMA Titanium-Magnesium Works (Berezniki, Perm Reg., Russia) into the ordinary registered shares of JSC VSMPO.</p> <p>Ratio of conversion:</p> <p>(One) ordinary registered share of JSC AVISMA is to be converted into 2 (two) ordinary registered shares of JSC VSMPO.</p> <p>(One) preferred registered share of JSC AVISMA is to be converted into 1 (one) ordinary registered share of JSC VSMPO.</p> <p>Date of conversion (date of allocation of additionally issued shares): date of introduction the entry on cessation of JSC AVISMA activities into the Uniform Public Legal Entities Register (date of JSC AVISMA reorganization).</p> <p>Terms and procedure of allocation of additional shares:</p> <p>As of the date of introduction the entry on cessation of JSC AVISMA activities into the Uniform Public Legal Entities Register the allocated shares of JSC AVISMA except for the shares held by the shareholders who requested repurchase of the shares in accordance with Article 75 and 76 of the Federal Law "On Joint-Stock Companies" and whose shares have been repurchased, and also except for the shares which were in possession of JSC AVISMA or JSC VSMPO, will be converted as follows – one ordinary registered share of JSC AVISMA with the nominal value of 0.02 ruble is to be converted into two ordinary registered shares of JSC VSMPO with the nominal value of 1 (one) ruble each, one preferred registered share of JSC AVISMA with the nominal value of 0.02 ruble is to be converted into one ordinary registered share of JSC VSMPO.</p> <p>As of the date of JSC AVISMA reorganization all allocated ordinary and preferred registered shares of JSC AVISMA will be paid off and each holder of such JSC AVISMA shares will forfeit all its rights for JSC AVISMA shares, as well as the rights granted by such JSC AVISMA shares, except for the right to receive converted ordinary registered shares of JSC VSMPO or the sum of money in the event the shares have been repurchased by JSC VSMPO in accordance with Article 75 and 76 of the Federal Law "On Joint-Stock Companies".</p> <p>All ordinary and preferred registered shares of JSC AVISMA allocated by the date of JSC AVISMA reorganization and which were requested to be repurchased according to Article 75 and 76 of the Federal Law "On Joint-Stock Companies" will not be converted into the ordinary registered shares of JSC VSMPO except for the event when the amount of money for repurchase of shares from the shareholders is limited due to Clause 5 of Article 76 of the Federal Law "On Joint-Stock Companies" and in such event the shares must be repurchased proportionate to the requests.</p> <p>In the above-mentioned event the JSC AVISMA shares not repurchased from the JSC AVISMA shareholders due to the limitation set forth in Clause 5 of the Federal Law "On Joint-Stock Companies" will be converted into the ordinary registered shares of JSC VSMPO as of the date of JSC AVISMA reorganization.</p> <p>JSC AVISMA shares repurchased from JSC AVISMA shareholders who therefore exercised their right to request repurchase of their shares will be paid off and they will not be converted into JSC VSMPO shares.</p> <p>JSC AVISMA shares which were in possession of JSC VSMPO as of the date of reorganization, as well as JSC AVISMA shares held by JSC AVISMA as of the date of reorganization will be paid off.</p> <p style="text-align: right;">The resolution is passed.</p>	7 768 914	10 503	101 495
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JSC VSMPO registrator acted as the Returning Board – joint-stock company Central Moscow Depository, company's address – 3/B, Orlikov Str., Moscow.

Registrar's authorized representative –F.A. Shirokov.

Chairman of the Special General Meeting of JSC VSMPO Shareholders

N.K.Melnikov

Secretary of the Special General Meeting of JSC VSMPO Shareholders

L.A.Prakina