

EQUITY CHANGES STATEMENT

For the period from January 1 to December 31, 2005

Organization: **Mechel OAO**

Taxpayer Identification Number

**commercial operations and management
consultations, investments into securities**

Line of business

Legal status / Type of ownership

Open Joint Stock Company, private

Measurement unit:

RUR thousand

Form No. 3 per OKUD

Date (year, month, day)

per OKPO

INN

per OKVED

per OKOPF/OKFS

per OKEI

CODES		
0710003		
2006	03	27
14582388		
7703370008/770301001		
74.14,65.23.1		
47	34	
384		

I. Changes in Owner's Equity

Item		Charter Capital	Surplus Capital	Reserve Capital	Retained Profit (Uncovered Loss)	Total
Description	Code					
1	2	3	4	5	6	7
Balance as of December 31 of the year preceding the reporting year	010	3 829 691	-	-	4 640 071	8 469 762
2004		3 829 691			4 640 071	8 469 762
(preceding year)		X	X	X	-	-
Changes in accounting policy	011					
Revaluation of fixed assets	012	X	-	X	-	-
	020	X	-	-	-	-
Balance as of January 1 of preceding year	030	3 829 691	-	-	4 640 071	8 469 762
	031	X	-	X	X	-
Re-conversion of foreign currencies						
Net profit	032	X	X	X	9 582 468	9 582 468
Dividends	033	X	X	X	(149 358)	(149 358)
Allocations to the reserve fund	040	X	X	191 484	(191 484)	-
Increase of the capital due to:						
Issuance of additional shares	051	336 016	X	X	X	336 017
Increase of the par value of shares	052	-	X	X	X	-
Reorganization of the legal entity	053	-	X	X	-	-
Additional paid-in capital (Share premium account)	054	-	6 023 340	-	-	6 023 340
Decrease of the capital due to:						
Decrease of the par value of shares	061	-	X	X	X	-
Decrease of the number of shares	062	-	X	X	X	-
Reorganization of the legal entity	063	-	X	X	-	-
	064	-	-	-	-	-
Balance as of December 31 of preceding year	070	4 162 707	6 023 340	191 484	13 881 697	24 259 229
2005		4 162 707	6 023 340	191 484	13 881 697	24 259 229
(reporting year)	071	X	X	X	-	-
Changes in accounting policy						
	072	X	-	X	-	-
Revaluation of fixed assets						
	080	X	-	-	-	-
Balance as of January 1 of reporting year	100	4 162 707	6 023 340	191 484	13 881 697	24 259 229
Re-conversion of foreign currencies	101	X	-	X	X	-
Net profit	102	X	X	X	601 304	601 304
Dividends	103	X	X	X	(5 702 909)	(5 702 909)
Allocations to the reserve fund	110	X	X	16 651	(16 651)	-

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1	2	3	4	5	6	7
Increase of the capital due to:						
Issuance of additional shares	121	-	X	X	X	-
Increase of the par value of shares	122	-	X	X	X	-
Reorganization of the legal entity	123	-	X	X	-	-
	124	-	-	-	-	-
Decrease of the capital due to:						

Decrease of the par value of shares	131	-	X	X	X	-
Decrease of the number of shares	132	-	X	X	X	-
Reorganization of the legal entity	133	-	X	X	-	-
	134	-	-	-	-	-
Balance as of December 31 of reporting year	140	4 162 707	6 023 340	208 135	8 763 441	19 157 623

II. Reserves

Item		Balance	Received	Used	Balance
Description	Code				
1	2	3	4	5	6
Statutory reserves:					
(name of the reserve)	151	-	-	-	-
Data for the preceding year					
Data for the reporting year	152	-	-	-	-
Reserves created in accordance with constitutive documents:					
Total	161	-	191 484	-	191 484
(name of the reserve)			191 484		191 484
Data for the preceding year			191 484		191 484
Data for the reporting year	162	191 484	16 651	-	208 135
Valuation reserves:					
(name of the reserve)	171	-	-	-	-
Data for the preceding year					
Data for the reporting year	172	-	-	-	-
Reserves for future expenses:					
(name of the reserve)	181	-	-	-	-
Data for the preceding year					
Data for the reporting year	182	-	-	-	-

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REFERENCE INFORMATION

Item		Balance at the beginning of reporting year	Balance at the end of reporting period
Description	Code		
1	2	3	4
1) Net assets	200	24 259 229	19 157 623
		From budget	From extra-budgetary funds
		reporting year	previous year
		3	4
		5	6
2) Received for:			
Expenses related to standard operations - Total	210	-	-
including:			
	211	-	-
	212	-	-
	213	-	-
Capital investments into non-current assets	220	-	-
including:			
	221	-	-
	222	-	-
	223	-	-

Chief
Executive
Officer

V.F. Iorich

(signature)

(name)

Chief Accountant

T.A. Kalyadina

(signature)

(name)

_____, 2006