

Attachment

to Order of the Ministry of Finance of the

Russian Federation dt. July 22, 2003 No. 67n

**CASH FLOW STATEMENT**in 200 5Organization: Mechel OAO

Taxpayer Identification Number

Line of business Investments into securities

Legal status / Type of ownership

Joint Stock Company

Measurement unit: RUR thousand

Form No. 4 per OKUD

Date (year, month, day)

per OKPO

INN

per OKVED

per OKOPF/OKFS

per OKEI

**CODES**

0710004

2006 | 03 | 27

14 582 388

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384/385

| Item  |      | Reporting year | Same period, previous year |
|---|------|----------------|----------------------------|
| Description   | Code |                |                            |
| 1   | 2    | 3              | 4                          |
| <b>Balance of cash at the beginning of the reporting period</b>                 | 010  | 32 867         | 8 807                      |
| <b>Cash flows from current operations</b>                                       |      |                |                            |
| Cash received from buyers and customers   | 020  | 893 941        | 533 455                    |
| Cash received from foreign exchange operations                                  | 030  | 6 186 659      | 1 820 980                  |
| Supplier refunds  | 040  | 33 270         | 10 711                     |
| Other income  | 050  | 3 612          | 5 050                      |
| Cash used for:  |      |                |                            |
| Payment for acquired goods, works, services, materials and other working assets | 150  | ( 280 688 )    | ( 5 093 676 )              |
| Advances to suppliers and contractors   | 151  | ( 235 455 )    | ( 2 240 586 )              |
| Wages and salaries  | 160  | ( 251 038 )    | ( 219 603 )                |
| Payment of dividends and interest   | 170  | ( 5 445 107 )  | ( 281 831 )                |
| Payment of taxes and duties   | 180  | ( 603 835 )    | ( 89 546 )                 |
| Payments to extra-budgetary funds   | 181  | ( 24 887 )     | ( 22 086 )                 |
| Payment of other expenses   | 190  | ( 47 953 )     | ( 23 075 )                 |
| Purchase and sale of foreign exchange   | 191  | ( 6 244 758 )  | ( 1 820 330 )              |
| Net cash flows from current operations  | 200  | ( 6 016 239 )  | ( 7 420 537 )              |
| <b>Cash flows from investment operations</b>                                    |      |                |                            |
| Proceeds from the sale of fixed assets and other non-current assets             | 210  | -              | -                          |
| Proceeds from the sale of securities and other financial investments            | 220  | -              | 99 123                     |
| Dividends received  | 230  | 17 066         | 10 056                     |
| Interest received   | 240  | 255 235        | 2 221                      |
| Proceeds from repayment of loans extended to other organizations                | 250  | 1 721 045      | 300 337                    |
| Counterparty refunds  | 260  | 899 695        | 5 278 604                  |
| Refunds under Trust Agreement and Deposit Agreement                             | 270  | 552 170        | 8 351 513                  |
| Acquisition of subsidiaries   | 280  | ( 2 247 175 )  | ( 2 585 184 )              |
| Acquisition of other entities   | 285  | ( 46 899 )     | -                          |
| Acquisition of fixed assets, income-bearing investments and intangible assets   | 290  | ( 7 755 )      | ( 111 852 )                |
| Acquisition of securities and other financial investments                       | 300  | ( 865 304 )    | ( 250 850 )                |
| Loans extended to other organizations   | 310  | ( 732 000 )    | ( 2 981 382 )              |
| Payments under Trust Agreement  | 320  | -              | ( 1 999 560 )              |
| Payments under Deposit Agreement  | 330  | -              | ( 6 901 763 )              |
| Net cash flows from investment operations                                       | 340  | ( 453 922 )    | ( 788 737 )                |
| <b>Cash flows from financing operations</b>                                     |      |                |                            |
| Proceeds from issuance of shares or other equities                              | 350  | -              | 6 352 745                  |
| Proceeds from loans and credits extended by other issuers                       | 360  | 6 700 111      | 4 933 291                  |

| 1  | 2   | 3           | 4           |
|--|-----|-------------|-------------|
| Receipt of funds due from shareholders                                     | 370 | -           | -           |
|  |     |             |             |
| Repayment of loans and credits (without interest)                          | 400 | ( 245 048 ) | ( 3 052 702 |
| Financial lease payments   | 401 | -           | -           |
|  |     |             |             |
|  |     |             |             |
| Net cash flows from financing operations                                   | 410 | 6 455 063   | 8 233 334   |
|  |     |             |             |
| Net inflow (outflow) of cash and its equivalents                           | 420 | ( 15 098 )  | 24 060      |
| <b>Balance of cash at the end of the reporting period</b>                  | 430 | 17 769      | 32 867      |
| Effect of changes in the exchange rate of foreign currencies against ruble | 440 | 53 243      | 28 008      |

Chief Executive \_\_\_\_\_ V.F. Iorich  
 Officer (signature) (name)

Chief Accountant \_\_\_\_\_ T.A. Kalyadina  
 (signature) (name)

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