

PROFIT AND LOSS STATEMENT

in 200 5

Form No. 2 per OKUD

Date (year, month, day)

per OKPO

INN

per OKVED

per OKOPF/OKFS

per OKEI

Organization: Mechel Steel Group Open Joint Stock Company

Taxpayer Identification Number

Line of business commercial operations and management consultations, investments into securities

Legal status / Type of ownership Open Joint Stock Company, Private

RUR thou.

Measurement unit: RUR thousand

CODES		
0710002		
2 006	3	27
14 582 388		
7703370008		
74.14.65.23.1		
47	34	
384/385		

Item			
Description	Code	Reporting year	Same period, previous year
1	2	3	4
Operating Income and Expenses			
(Net) proceeds from sales of goods, products, work, services (exclusive of VAT, excises and similar mandatory levies)	010	1 015 452	515 728
Cost of goods, products, work, services sold	020	(607 477)	(240 887)
Gross profit	029	407 975	274 841
Commercial expenses	030	-	-
Management expenses	040	(343 476)	(452 405)
Sales profit (loss)	050	64 499	(177 564)
Other operating income and expenses			
Interest receivable	060	224 349	5 545
Interest on loans to banks	061		5 240
Interest payable	070	(417 971)	(168 127)
Income from participation in other entities	080	-	17 323
Other operating income	090	7 057 267	18 997 033
including: mark-to-market gains	091	904 529	11 756 827
sale of foreign currency	092	6 152 478	7 239 565
court of referees operations	093	244	515
Other operating expenses	100	(6 296 280)	(9 194 476)
including: mark-to-market losses	101	142 639	1 931 048
sale of foreign currency	103	6 142 292	7 241 923
court of referees operations	106	-	197
sale of shares	107	5 427	-
bond servicing expenses	108	-	14 139
Non-operating gains	120	24 622	74 232
financial investments revaluation gains	121	566	30 122
foreign exchange translation gains	122	23 967	44 110
Non-operating expenses	130	92 278	(33 553)
foreign exchange translation losses	131	83 499	(30 313)
non-deductible non-operating expenses	132	5 178	(3 147)
Profit (loss) before taxes	140	564 208	9 520 413
Deferred tax assets	141	37 321	66 252
Deferred tax liabilities	142	1 590	(3 000)
Current profit tax	150	(1 688)	(638)
Payments referred to profit and loss account	151	(127)	(720)
Restated profit tax for 2003	152	-	161
Net profit (loss) of the reporting period	190	601 304	9 582 468
REFERENCE:			
Standing tax liabilities	200	1 505 823	2 214 546
Standing tax assets	201	(1 676 343)	(4 559 139)
Basic profit (loss) per share		-	-
Diluted profit (loss) per share		-	-

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PROFIT AND LOSS BREAKDOWN

Item		Reported period		Same period, previous year	
Description	code	profit	loss	profit	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	-	119	-	-
Profit (loss) of previous years	220	-	3480	674	-
Recovery of losses caused by non-performance or improper performance of obligations	230			-	-
Exchange rate differences	240	23 967	(83 499)	44 100	(30 313)
Deductions to evaluation reserves	250	X		X	-
Relief of past-limitation payables and receivables	260	-	-	-	-

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

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

March 27, 200 6