

**SUPPLEMENT TO ACCOUNTING BALANCE SHEET**  
For the period from January 1 to December 31, 2005

		Form No. 5 per OKUD	CODES	
		Date (year, month, day)	2006	03 27
Organization: <b>Mechel OAO</b>		per OKPO	14582388	
Taxpayer Identification Number		INN	7703370008/770301001	
Line of business	<b>commercial operations and management consultations, investments into securities</b>	per OKVED	74.14,65.23.1	
Legal status		per		
<b>Open Joint Stock Company</b>	<b>private</b>	OKOPF/OKFS	47	34
Measurement unit: <b>RUR thousand</b>		per OKEI	384	

**Intangible Assets**

Item		Availability at the beginning of reporting year	Received	Retired	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
Intellectual property items (exclusive rights to intellectual property results)	010	80 915	461	-	81 377
Including:					
Patent-holder's rights to inventions, industrial prototypes, useful models	011	-	-	-	-
Right-holder's rights to computer software, databases	012	-	-	-	-
Right-holder's rights to integrated circuit topologies	013	-	-	-	-
Owner's rights to trade marks and service marks, names of places of origin of goods	014	80 915	461	-	81 377
Patent-holder's rights to selection fruits	015	-	-	-	-
Administrative expenses	020	-	-	-	-
Business reputation of the entity	030	-	-	-	-
	035	-	-	-	-
Other intangible assets	040	-	-	-	-

Item		At the beginning of reporting year	At the end of reporting period
Description	Code		
1	2	3	4
Depreciation of intangible assets – Total	050	3 769	18 882
Including:			
Trade mark, Certificate No. 124790	051	385	1 926
Trade mark, Certificate No. 88202	052	559	2 794
Trade mark, Certificate No. 88203	053	559	2 794
Trade mark, Certificate No. 88705	054	566	2 830
Trade mark, Certificate No.88706	055	570	2 852
Trade mark, Certificate No. 88876	056	559	2 795
Trade mark, Certificate No. 100071	057	140	701
Trade mark, Certificate No. 285609	058	-	7
Trade mark, Certificate No.285610	059	-	7
Trade mark, Certificate No. 285611	060	-	7
Trade mark, Certificate No. 285626	061	-	7
Trade mark, Certificate No. 285627	062	-	7
Trade mark, Certificate No. 94623	063	151	753
Trade mark, Certificate No.100070	064	140	701
Trade mark, Certificate No. 99372	065	140	701

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**Fixed Assets**

Item		Availability at the beginning of reporting year	Received	Retired	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
Buildings	070	-	-	-	-

Structures and transfer devices	075	-	-	-	-
Machines and equipment	080	13 005	3 930	-	16 936
Means of transportation	085	-	-	-	-
Production tools and implements	090	10 757	2 451	-	13 207
Draft livestock	095	-	-	-	-
Productive livestock	100	-	-	-	-
Perennial crops	105	-	-	-	-
Other types of fixed assets	110	44	78	(64)	58
Land plots and environmental management facilities	115	-	-	-	-
Capital investments into soil reclamation	120	-	-	-	-
<b>Total</b>	<b>130</b>	<b>23 806</b>	<b>6 459</b>	<b>(64)</b>	<b>30 201</b>

Item		At the beginning of reporting year	At the end of reporting period
Description	Code		
1	2	3	4
Depreciation of fixed assets – Total	140	6 185	12 820
Including:			
Buildings and structures	141	-	-
Machines, equipment, means of transportation	142	4 178	8 222
Other	143	2 007	4 598
Fixed assets transferred under lease agreements – Total	150	-	-
Including:			
Buildings	151	-	-
Structures	152	-	-
	153	-	-
Fixed assets transferred into long-term storage	155	-	-
Fixed assets received under lease agreements – Total	160	-	-
Including:			
	161	-	-
Real properties received into operation and currently undergoing the state registration procedure	165	-	-
	Code	At the beginning of reporting year	At the beginning of preceding year
	2	3	4
Revaluation of fixed assets			
Acquisition (replacement) cost	171	-	-
Depreciation	172	-	-
	Code	At the beginning of reporting year	At the beginning of reporting period
	2	3	4
Change in the value of fixed assets resulting from additional construction, installation of additional equipment, reconstruction, partial liquidation	180	-	-

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### Income-Bearing Investments in Tangible Assets

Item		Availability at the beginning of reporting year	Acquisitions	Disposals	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
Assets prior to transfer under leasing agreements	210	-	-	-	-
Assets granted under hire agreements	220	-	-	-	-
	230	-	-	-	-
Other	240	-	-	-	-
<b>Total</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Code	Availability at the beginning of reporting year	Availability at the end of reporting period		
	1	2	3	4	
Depreciation of income-bearing investments in tangible assets	260	-	-		

### Research, Development and Technological Works Expenses

Item		Availability at the beginning of reporting year	Acquisitions	Disposals	Availability at the end of reporting period
Description	Code				
1	2	3	4	5	6
<b>Total</b>	<b>310</b>	-	-	-	-
Including:					
	311	-	-	-	-
	312	-	-	-	-
			Code	At the beginning of reporting year	At the end of reporting period
		2	3	4	
<b>For reference purposes only:</b>					
Expenses related to research, development and technological works in progress			320	-	-
			Code	Reporting period	Similar period of preceding year
		2	3	4	
Expenses related to research, development and technological works which did not generate positive results and were charged to non-operating expenses			330	-	-

### Expenses Related to Development of Natural Resources

Item		Balance at the beginning of reporting period	Received	Written Off	Balance at the end of reporting period
Description	Code				
1	2	3	4	5	6
<b>Expenses related to development of natural resources –</b>	<b>410</b>	-	-	-	-
Including:					
	411	-	-	-	-
	412	-	-	-	-
			Code	At the beginning of reporting year	At the end of reporting year
		2	3	4	
<b>For reference purposes only:</b>					
Expenses related to sections of subsoil assets where prospecting and evaluation, exploration and/or hydro-geological survey and other similar works are still in progress			420	-	-
Expenses related to development of natural resources charged during the reporting period to non-operating expenses due to the lack of tangible results			430	-	-

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### Financial Investments

Item	Code	Long-term		Short-term	
		At the beginning of reporting year	At the end of reporting period	At the beginning of reporting year	At the end of reporting period
Description					
1	2	3	4	5	6
Contributions to charter (share) capitals of other entities – Total	510	778 806	798 967		
Including contributions to subsidiary and controlled companies	511	-	-	-	-
State and municipal securities	515	-	-	-	-
Securities of other issuers – Total	520	21 129 046	23 843 994	-	864 635
Including debt securities (bonds, bills)	521	-	-	-	864 635
Loans extended	525	-	1 670 000	2 681 045	-
Deposits	530	-	-	550 000	-
Other	535	-	-	-	-

<b>Total</b>	540	21 907 852	26 312 961	3 231 045	864 635
<b>Out of total, financial investments with current market value</b>					
Contributions to charter (share) capitals of other entities – Total	550	-	-	-	-
Including contributions to subsidiary and controlled companies	551	-	-	-	-
State and municipal securities	555	-	-	-	-
Securities of other issuers – Total	560	17 415 293	19 868 514	-	864 635
Including debt securities (bonds, bills)	561	-	-	-	864 635
Other	565	-	-	-	-
<b>Total</b>	570	-	-	-	-
<b>For reference purposes only:</b>					
With respect to financial investments with current market value, change in value following readjustment	580	9 825 779	762 559	-	(670)
With respect to debt securities, difference between acquisition cost and par value is charged to the financial results of the reporting period	590	-	-	-	-

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**Accounts Receivable and Accounts Payable**

Item		Balance at the beginning of reporting year	Balance at the end of reporting period
Description	Code		
1	2	3	4
<b>Accounts receivable:</b>			
Short-term – Total	610	1 074 361	449 520
Including:			
Buyers and customers	611	82 684	261 128
Advances granted	612	954 888	132 568
Other	613	36 789	55 824
Long-term – Total	620	-	-
Including:			
Buyers and customers	621	-	-
Advances granted	622	-	-
Other	623	-	-
<b>Total</b>	630	1 074 361	449 520
<b>Accounts payable:</b>			
Short-term – Total	640	151 556	354 528
Including:			
Suppliers and contractors	641	117 461	7 070
Advances received	642	1	561
Taxes and duties	643	3 327	2 711
Credits	644	-	-
Loans	645	-	281 360
Other	646	30 767	62 826
Long-term – Total	650	2 034 750	8 385 448
Including:			
Credits	651	-	-
Loans	652	2 021 087	8 383 202
Other	653	13 663	2 246
<b>Total</b>	660	2 186 306	8 739 976

**Expenses Related to Standard Operations (with a breakdown by cost items)**

Item		Reporting year	Preceding year
Description	Code		
1	2	3	4
Material costs	710	300 310	373 932
Labor costs	720	294 030	257 297
Social benefits	730	25 889	22 089
Depreciation	740	21 748	5 333
Other costs	750	64 759	45 219
Total cost items	760	706 736	703 870
Change in balances (increase [+], decrease [-]):			
Work in progress	765	(2182)	11 495
Future expenses	766	30 172	3 083

Provisions for anticipated payments

767

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**Security**

Item		Balance at the beginning of reporting year	Balance at the end of reporting period
Description	Code		
1	2	3	4
Received – Total	810	-	-
Including:			
Bills	811	-	-
Assets pledged to reporting entity	820	-	-
Including:			
Fixed assets	821	-	-
Securities and other financial investments	822	-	-
Other	823	-	-
	824	-	-
Granted – Total	830	5523778	3611469
Including:			
Bills	831	-	-
Assets pledged	840	-	-
Including:			
Fixed assets	841	-	-
Securities and other financial investments	842	-	-
Other	843	-	-
	844	-	-

**Government Assistance**

Item		Reporting period		Similar period of preceding year	
Description	Code				
1	2	3		4	
Budget funds received during reporting year – Total	910	-		-	
Including:					
	911	-		-	
	912	-		-	
	913	-		-	
		At the beginning of the rep. year	Received during the rep. period	Returned during the rep. period	At the end of the rep. period
Budget loans – Total	920	-	-	-	-
Including:					
	921	-	-	-	-
	922	-	-	-	-
	923	-	-	-	-

Chief  
Executive  
Officer

(signature)

V.F. Iorich

(name)

Главный бухгалтер

(signature)

T.A. Kalyadina

(name)

, 2006