

QUARTERLY REPORT

Public Stock Company VSMPO-AVISMA Corporation

Issuer Code:

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For the Fourth Quarter of 2006

Issuer's Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region,
Russia

Postal Address: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia

Information contained in this Quarterly Report is subject to disclosure under the law on securities
of the Russian Federation

Director General

Date February 13, 2006

Signature

V.V. Tetyukhin

Chief Accountant

Date February 13, 2006

Signature

T.V. Novossadova

Stamp here

Contact: Tatyana Shayahmetova
Leading Economist, Finance

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Introduction

Reason for the issuer's liability to disclose the information in the form of a quarterly report:

The issuer is the public stock company which was established as a result of privatization of the state-owned enterprise per the privatization plan that was approved in accordance with the established procedure and was the issuer's prospectus as of the date of its approval. The above privatization plan allowed for carve-out of the issuer's shares to more than 500 acquirers..

Full and Abbreviated Name of the Issuer:

Открытое акционерное общество «Корпорация ВСМПО-АВИСМА» (ОАО «Корпорация ВСМПО-АВИСМА»)

Public stock company VSMPO-AVISMA Corporation (VSMPO-AVISMA Corporation)

Issuer's Location:

1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

Postal address: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia

Issuer's contact telephone numbers:

Telephone: +7(34345) 2-13-60, 5-20-05

Fax: +7(34345) 2-47-36, 5-20-05

E-mail: Shayahmetova@vsm-po.ru

The quarterly report is available on the Company's website at: www.vsm-po.ru/core.php?p=214

Basic Information on Securities placed by the Issuer:

Shares Outstanding:

Category: Ordinary

Type: registered uncertificated

Number of securities: 11529538

Par value of one share: 1 ruble

State registration number: 1-01-30202-D dd. November 11, 2004.

The statements contained in this Quarterly Report that are not historical facts are forward-looking statements that represent estimates and assumptions of the issuer's Authorized Control Authorities with respect to future events and / or actions, future prospects of the economic sector where the issuer conducts its core activities, issuer's performance, including plans of the issuer, and probability of certain events and actions. Investor should not fully rely on the estimates and assumptions made by the Issuer's Control Authorities as the actual future results could differ materially from those described in such forward-looking statements as a result of various reasons. Acquisition of the issuer's securities is connected with the risks described in this Quarterly Report.

I. Brief Information on Members of the Issuer's Control Authorities, Issuer's Bank Accounts, Auditor, Appraiser, Financial Adviser and Other Persons Signing the Quarterly Report

1.1. Members of the Issuer's Control Authorities

Board of Directors:

Chemezov, Sergey Viktorovich – Chairman, b. 1952

Tetyukhin, Vladislav Valentinovich, b. 1932

Besedin, Vasily Alexandrovich, b. 1953

Aleshin, Alexey Vladislavovich, b. 1959

Melnikov, Nikolai Konstantinovich, b.1955

Shelkov, Mikhail Evgenievich, b. 1968

Voevodin, Mikhail Viktorovich, b. 1975

Issuer's Sole Executive Body: Director General

Tetyukhin, Vladislav Valentinovich, b. 1932

No joint executive body is provided for in the By-Laws.

1.2. Issuer's Bank Accounts

Type of Account	Account Number	Credit Institution	Location of Credit Institution
1	2	3	4
Settlement transit USD account	40702810700010795939 40702840300010004249	Closed Joint-Stock Company INTERNATIONAL MOSCOW BANK ZAO IMB INN 7710030411 BIK 044583545 Corr.Acc. 30101810300000000545	9, Prechistenskaya Nab., Moscow, 119034
Settlement current USD account	40702810602800000042 40702840600000000018	Open Joint-Stock Company OAO Vneshtorgbank INN 7702070139 BIK 046577952 Corr.Acc. 30101810400000000952	16, Stepana Razina St., Yekaterinburg, 620142
Settlement current USD account	40702810116150100055 40702840516150100007	Urals Bank of Sberbank of Russia INN 7707083893 BIK 046577674 Corr..Acc.. 30101810500000000674	11, Moskovskaya St., Yekaterinburg, 620014
Settlement current USD account	40702810200700916014 40702840000700916006	Closed Joint-Stock Company KB CITIBANK INN 7710401987 BIK 044525202 Corr.Acc. 30101810300000000202	8-10, Gasheka St., Moscow, 125047
Settlement current USD account	40702810100020009977 40702840400020009977	Moscow branch of Closed Joint-Stock Company Corpo- rate and Investment Bank "Calyon Rusbank", INN 7831000612 BIK 044583843 Corr.Acc. 30101810400000000843	1, Building 6, Bolshoi Zlatous- tovsky Pereulok, Moscow, 101000

1.3. Issuer's Auditor

1.3.1. Full and abbreviated name of the company:

Closed Joint-Stock Company Analitik Express

ZAO Analitik Express

Location: 3, Building 2, Gazetny Per., Moscow, 103918

Telephone: (095) 629-8484, Fax (495) 629-3832

E-mail: analitik@iet.ru

License No. for audit activities: E 005434

Date of issue: based on RF Ministry of Finance Order No. 387, dated 9.12.2003

Validity of the license: 5 years

Authority that issued the aforesaid license: the Ministry of Finance of the Russian Federation

The auditor is the member of NP Institute of Professional Auditors accredited by the Ministry of Finance of the Russian Federation by Order No. 574 dated 29.12.2006.

Fiscal years for which the auditor has carried independent audits of accounting practices and financial statements of the issuer: since 1994.

There are no factors which can affect the auditor's independence from the issuer..

Procedure for appointing the auditor of the issuer: based on the suggestion of the Audit committee the Board of Directors nominates a candidate to be approved at the General meeting of shareholders.

There are no material interests between the auditor (auditor's officers) and the issuer (issuer's officers):

- the auditor's (auditor's officers') has no interest in the registered capital of the issuer;
- no loans were given by the issuer to the auditor (auditor's officers);
- there are neither close business relationships (contribution to promotion of the issuer made products (services), joint ventures, etc.) between the issuer and the auditor, nor blood relations;
- there are no officers of the issuer being at the same time officers of the auditor..

The amount of the auditor's fee is determined according to the signed contracts.

The actual fees paid by the issuer to the auditor at each fiscal year end are as follows:

Audit of financial statements for 2002 – 400`000,00 rubles;

Audit of financial statements for 2003 – 500`000,00 rubles;

Audit of financial statements for 2004 – 600`000,00 rubles;

Audit of financial statements for 2005 – 1`460`000,00 rubles.

There are no deferred or overdue payments for the services provided by the auditor.

1.3.2. Full and abbreviated name of the company:

Closed Joint-Stock Company PricewaterhouseCoopers Audit

ZAO PricewaterhouseCoopers Audit

Location: 52, Building 5, Kosmodamianskaya Nab., Moscow, 113054

Telephone: (495) 967-60-00, Fax: (495) 967-60-01

E-mail: psc.russia@ru.pwc.com

License No. for audit activities: E 000376

Date of issue: based on RF Ministry of Finance Order No. 98, dated 20.05.2002

Validity of the license: 5 years

Authority issued the aforesaid license: the Ministry of Finance of the Russian Federation

ZAO PricewaterhouseCoopers Audit is the member of NP Institute of Professional Auditors and NP Audit Chamber of Russia.

Fiscal years for which the auditor has carried independent audits of accounting practices and financial statements of the issuer: since 2002 the auditor has been providing the services of auditing of the financial statements prepared in accordance with the US Generally Accepted Accounting Standards..

There are no factors which can affect the auditor's independence from the issuer..

There are no material interests between the auditor (auditor's officers) and the issuer (issuer's officers):

- the auditor's (auditor's officers') has no interest in the registered capital of the issuer;
- no loans were given by the issuer to the auditor (auditor's officers);
- there are neither close business relationships (contribution to promotion of the issuer made products (services), joint ventures, etc.) between the issuer and the auditor, nor blood relations;

- there are no officers of the issuer being at the same time officers of the auditor..
The amount of the auditor's fee is determined according to the signed contracts.
The actual fees paid by the issuer to the auditor at each fiscal year end are as follows:
audit of consolidated financial statements for 2002, 2003 – 9'815'750,97 rubles;
audit of consolidated financial statements for 2004 – 16'311'202,97 rubles;
audit of consolidated financial statements for 2005 – 9'654'299,80 rubles..
There are no deferred or overdue payments for the services provided by the auditor.

1.3.3. Full and abbreviated name of the company:
Limited Liability Company Baker Tilly Rusaudit
LLC Baker Tilly Rusaudit
Location: 95, Mir Avenue, Moscow, 129085, Russia
Telephone: (495) 788-0906, Fax: (495) 617-2585
E-mail:
License No. for audit activities: E 006075
Date of issue: 24..06.2004.
Validity of the license: 5 years
Authority issued the aforesaid license: the Ministry of Finance of the Russian Federation

Baker Tilly Rusaudit is the establisher of the Institute of Professional Auditors of Russia, the member of the Institute of Professional Accountants of Russia, the Russian Board of Appraisers, the Autonomous Interregional Association of Appraisers, the International Centre of Accounting Reforms (ICAR), the Russian Union of Industrialists and Entrepreneurs, the Union of German Economics in Russia.

Fiscal year for which the auditor has carried independent audits of accounting practices and financial statements of the issuer: 2006.

There are no factors which can affect the auditor's independence from the issuer.

As part of the special tasks the auditor carries out the following work:

- consulting in taxation;
- consulting in accounting..

There are no material interests between the auditor (auditor's officers) and the issuer (issuer's officers):
- the auditor's (auditor's officers') has no interest in the registered capital of the issuer;
- no loans were given by the issuer to the auditor (auditor's officers);
- there are neither close business relationships (contribution to promotion of the issuer made products (services), joint ventures, etc.) between the issuer and the auditor, nor blood relations;
- there are no officers of the issuer being at the same time officers of the auditor..
The amount of the auditor's fee is determined according to the signed contracts.
There are no deferred or overdue payments for the services provided by the auditor.

1.4. Issuer's Appraiser

The issuer did not recourse to the services of an appraiser for the purposes stated herein..

1.5. Issuer's Advisors

The issuer did not recourse to the services of an advisor for the purposes stated herein..

1.6. Other Persons Signing the Quarterly Report

Novossadova, Tamara Valerjevna, b.1957

Education: higher

Positions for the last 5 years:

During 2001-2005:

Position: Chief Accountant of VSMPO – AVISMA Corporation

Interest in the shares of the issuer: none

Interest in the shares of the issuer's subsidiaries/affiliates: none

There are no blood relations with other members of the issuer's control authorities and/or the issuer's financial and economic authorities.

II. Basic Information on Issuer's Financial and Economic Position

2.1. Issuer's Financial and Economic Indicators

No information shall be given for this reporting period..

2.2. Market Capitalization of the Issuer

Provided is the information on the market capitalization of the issuer for the last 5 closed financial years including the data on market capitalization as of the closing date for each financial year and as of the closing date for the last reporting period..

As of 01.01.2002:

Weighted average price per share: \$ 11.31

Market capitalization: \$ 133'525'950

Method for determining the market capitalization: assessment at net asset value.

As of 01.01.2003:

Weighted average price per share: \$ 15.54

Market capitalization: \$ 165'121'824

Method for determining the market capitalization: assessment at net asset value.

As of 01.01.2004:

Weighted average price per share: \$ 28.46

Market capitalization: \$ 302'404'576

Method for determining the market capitalization:

The market capitalization is determined as a product of the number of shares of the relevant category (type) by the weighted average price per share of this category (type) calculated for 10 largest transactions accomplished through a dealer in the securities market for three months preceding the month which is considered to be the end of the last reporting quarter. Source: Noncommercial Partnership RTS Stock Exchange.

As of 01.01.2005:

Weighted average share price \$ 108.02

Market capitalization \$ 1'147'777'312

Method for determining the market capitalization:

The market capitalization is determined as a product of the number of shares of the relevant category (type) by the weighted average price per share of this category (type) calculated for 10 largest transactions accomplished through a dealer in the securities market for three months preceding the month which is considered to be the end of the last reporting quarter. Source: Noncommercial Partnership RTS Stock Exchange..

As of 01.01.2006:

Weighted average share price: \$ 175..77

Market capitalization: \$ 2'026'546'894

Method for determining the market capitalization:

The market capitalization is determined as a product of the number of shares of the relevant category (type) by the weighted average price per share of this category (type) calculated for 10 largest transactions accomplished through a dealer in the securities market for three months preceding the month which is considered to be the end of the last reporting quarter. Source: Noncommercial Partnership RTS Stock Exchange».

As of 01.10.2006:

Weighted average share price: \$ 249..134

Market capitalization: \$ 2'872'399'920

The market price per share is determined in accordance with the Procedure for computation of the market price of the issue securities and investment shares of the unit investment funds that are listed by dealers. The Procedure is approved by the order of the Federal Commission for the Securities Market of Russia No. 03-52/nc dd. 24.12.2003 (registered in the Ministry of Justice of the Russian Federation on 23.01.2004, Registration No. 5480).

As of 31.12.2006:

Weighted average share price: \$ 294,046

Market capitalization: \$ 3`390`214`531

The market price per share is determined in accordance with the Procedure for computation of the market price of the issue securities and investment shares of the unit investment funds that are listed by dealers. The Procedure is approved by the order of the Federal Commission for the Securities Market of Russia No. 03-52/nc dd. 24.12.2003 (registered in the Ministry of Justice of the Russian Federation on 23.01.2004, Registration No. 5480).

2.3. Liabilities of the Issuer

2.3.1. Accounts Payable

No information shall be given for this reporting period.

2.3.2. Credit History of the Issuer

The issuer has no credit and/or loan agreements in force for the last 5 closed financial years and at the closing date of the reporting quarter that amount to 5 percent and over of the issuer's net book value as of the date of the last closed reporting quarter preceding conclusion of such agreement..

2.3.3. Issuer's Liabilities Resulting from Collateral Given to Third Parties

#	Beneficiary	Liabilities Given, rubles	Maturity
1	Physical persons (company's employees) in Q4 2006	20`150`736,33	Need not to be specified as the liability does not exceed 5% of the assets value
2	Surety to legal persons as of 01.01.2007	105`324`400,00	Need not to be specified as the liability does not exceed 5% of the assets value

2.3.4. Other Liabilities of the Issuer

There are no other liabilities that could materially affect the financial position of the issuer.

2.4. Purpose of Issue of Securities and Usage of Funds Generated from Placement of Securities

No funds were generated from placement of securities in the reporting quarter.

2.5. Risks Related to Acquisition of Placed Securities

Discussed below are the risk factors related to acquisition of the placed securities, such as:
 industrial risks,
 national and regional risks,
 financial risks,
 legal risks,
 and risks connected with the issuer's activities..

2.5.1. Industrial Risks

Titanium products made by VSMPO – AVISMA Corporation are primarily used in aerospace, power engineering, chemical engineering, oil and gas production, nonconventional consumers, primarily, manufacturers of sports goods, and many others. Each of the aforesaid industries has its own development trends, therefore it is reasonable to review them individually.

About 65 percent of the VSMPO made products is intended for use in aerospace, therefore the situation in both Russian and global aerospace markets significantly influences technical and economic indices of the Company. The world aerospace market is characterized by a cyclic nature with each cycle lasting for approximately 4-5 years, and the world titanium market demonstrates a similar pattern of development. It should be noted though that in recent years these markets have been affected by the Asian financial crisis of 1998 and 9/11/2001 terrorist attacks in the US. However, in the long term titanium consumption by these markets is expected to further grow and no alternative metal is expected to come in to replace titanium in the foreseeable future. Moreover, the volume of titanium consumption by aerospace industry has already significantly increased due to high titanium content in aircraft of the latest design, such as Boeing's B787 and Airbus's A350 which are to become the main production models of middle-range aircraft.

Today power engineering, primarily nuclear power engineering consumes sufficiently large volumes of titanium which is used in heat-exchange systems particularly those employed in nuclear power plants using sea water, including mobile nuclear power plants that are under development now. There is a large potential demand for titanium for power plants being developed which will use the difference between sea water temperature on the surface and in the depths of the ocean.

Chemical industry takes advantage of the unique corrosion-resistant property of titanium alloys and is now a regular and promising consumer of these materials with its demand continuously growing.

In recent years energy resources, such as oil, gas, and gas condensate have been extracted from the continental platform. Titanium alloys are practically an ideal structural material for offshore drilling and producing platforms, risers and pipeline systems since titanium and titanium alloys have absolute corrosion resistance to sea water.

In recent five-seven years a significant volume of low-grade titanium alloys (up to 8,000 tons p.a.) has been used for manufacture of golf club heads. Even if titanium is replaced by some alternative material in the near future there still will be markets left with significant potential demand for manufacture of sports and leisure products, such as bicycles, hiking and mountaineering outfit, hand tools, etc.

In general, the industry trends do not imply any decrease in consumption of titanium alloys, therefore the risks are minimal here.

Moreover, a trend of rapid increase in demand for titanium alloys and significant growth in titanium production throughout the world started to develop in 2005.. It results from complete overcoming of 9/11/2001 consequences and increase in aircraft build rates by all global aircraft manufacturers. At the same time titanium industrial market began increasingly growing, primarily power engineering sector in Southeast Asian countries, such as China and India. Traditional aerospace customers sharply increased their orders and spot prices for titanium mill products grew 3-4 times over the past year.. ch tendency remained in 2006 and will continue through 2007..

Titanium is not an exceptional metal in terms of volatility of world prices for raw materials and energy sources. Titanium ranks number four in terms of natural occurrence among structural materials after aluminium, magnesium and iron and there are significant proven reserves of raw materials available. Given that only 5% of extracted raw materials are used for production of titanium metal (while the rest is used in pigment dye industry using titanium dioxide) there are virtually no risks related to shortage of raw materials and increase in prices for raw materials.

Major risks related to production of titanium sponge, magnesium and magnesium alloys are as follows:

- Increased cost of energy sources which affects the product cost;
- Increased prices for raw materials and materials which also affect the product cost;
- Expansion of Chinese producers of cheap magnesium to the global market which reduces competitive advantages of AVISMA;
- GSP status of Russia was eliminated and as a result a duty was imposed on Russian titanium exported to the US;
- The US government protective policy which is oriented to protect domestic magnesium producers from imports of Russian magnesium;
- As a result an antidumping duty was imposed on magnesium produced by AVISMA.

2.5.2. National and Regional Risks

Domestic political risks related to business relationships with VSMPO – AVISMA Corporation are minimal as:

- the Company is a major supplier of titanium and aluminium mill products for aerospace and rocket applications and to other key branches of Russian industry;
- The Company is one of the major taxpayers in the region and the primary taxpayer at the local level;

- VSMPO - AVISMA Corporation ranks No. 137 among the Russian largest companies (www.raexpert.ru/) based on the products sales during 2006. The Corporation ranks No. 38 in the list of largest companies based on the market value (capitalization) in 2006.

International political risks related to business relationships with VSMPO – AVISMA Corporation are minimal as:

- Russia pursues a deliberate foreign policy focused on creation of a multipolar world which includes a concept of mutually beneficial and unrestricted trade with any countries that do not violate the United Nations Charter, therefore VSMPO – AVISMA Corporation being a Russian company is not exposed to any discrimination in its export activities;

- The Company has long and further developing relationship with the major global aerospace companies, such as Boeing, EADS, General Electric, Snecma, Rolls Royce, Pratt & Whitney, etc. which guarantees the Company support of the government authorities and creates a positive image of the Company throughout the world. Huge international companies such as EADS and Boeing being the major customers of the Company have to lobby its interests both in Russia and abroad;

- The Company is fully integrated into the world economy and its performance meets the generally accepted standards;

Production risks:

a) Raw materials base: a place where titanium sponge is produced is about 600 kilometers away from the Company's melting facilities which is not far. There is both a railway and motor road communication which ensures regular deliveries of raw materials compared with supplies of titanium sponge, for example, from Japan or Kazakhstan to the US. Moreover, starting from July 1, 2005 a merger of VSMPO and AVISMA was effected ensuring stable supplies of primary raw materials. In light of titanium sponge shortage, VSMPO-AVISMA Corporation plans to invest in expansion of titanium sponge facility at AVISMA to increase production by 7-8 % p.a.

In order to reduce dependence of the Company on the Ukrainian supplies of titanium raw materials the negotiations are being carried out with regard to mining and supply of ilmenite and titanium slag from India, as well as other alternatives are being studied with regard to supplies of vanadium and molybdenum raw materials at stable prices to the Company..

Titanium slag is supplied from Norway, and ilmenite from Sri Lanka.. Carnallite ore is mined by JSC Silvinit and processed by JSC Uralkaliy, Berezniki, Perm Region.

b) Production capabilities: for every product type the Company has several manufacturing routes, for example, ingots can be forged on forging hammers, forging presses, radial forging machine which ensures that orders will be fulfilled even in case of overloading or emergency shutdown of individual equipment units;

c) Production capacities: the existing equipment is loaded by 60-80% which allows to fulfill orders or increased orders within the minimum period;

d) The Company invests the major portion of its profit into intensive reconstruction and development of its production in order to eliminate bottlenecks and increase product output. For example, during 2004-2006 ingot-to-billet conversion capacities were increased as the heating equipment had been reconstructed and 2.000 ton and 1.500 ton forging presses had been put into operation;

e) Processing cycle: unlike most titanium producers the Company is an integrated supplier that makes all types of titanium alloy semi-products starting from ore processing. This enables the Company to control the production lead times and price levels and be fully responsible for the product quality;

f) Production diversification: the Corporation has at its disposal tool-making, repair, power supply (water, steam, compressed air) and machine-building facilities which ensures its independence from sub-contractors and enables to supply its customers not only all types of milled products but also some sim-

ple equipment in titanium alloys, such as heat-exchangers, containers, fans, pumps etc. The Corporation now is in the process of establishing a facility for rough machining of die forgings and in long term for manufacture of finished parts ready for assembly of aircraft components. This will allow the end users to reduce the number of their subcontractors and production lead times.

Moreover, the Company plans to expand its existing capacities for manufacture of semi-products from aluminium and magnesium alloys, high-strength steels and heat-resistant nickel-base alloys in addition to manufacture of titanium products. This will allow its customers to reduce the number of their suppliers and costs for process certification.

Natural environment:

Supplies of energy resources to the Company are stable now and are expected to remain stable in the near future:

- Sverdlovsk Region has extra energy and there are no problems with power supplies. The government of the region considers development of generating electric power capacities in support of industrial capacity of the region, especially as the power sources such as gas and coal are available in the region;

- The Company is located in the area of Russian gas pipelines close to their gas sources, therefore there are no difficulties with ensuring the necessary gas pressure at the inlet of the Company's system and supplying the necessary gas volume;

- The Company has at its disposal its own plants for supplying its production facilities with heat, steam, compressed air, drinking and process water and the Company experiences no difficulties with these energy resources;

- The government authorities establishes sufficient rates for the Company for consumption of drinking and process water, discharge of contaminated water and air (after cleaning to applicable sanitary standards) into aquatic and air environment and disposition of solid industrial wastes in the special waste burial area. Environmental services are established within the Company to ensure observance of the current environmental protection laws. The environmental policy is accepted and implemented; the Company is preparing for certification of its environmental activity to international environmental standards.

2.5.3. Financial Risks

The activities of any export-oriented Russian company are associated with financial risks.

The main financial risks are as follows: market and currency risks..

Currency risks arise when funds in foreign currencies are involved. The rate of exchange is affected by the trends of economic development of the country and political situation starting from changes in the currency regulation policy to the extent of social strain.

The currency risk involves two components:

- Risks associated with changes in the exchange rate;
- Conversion risk.

Currency risks are present in all the operations involving foreign currency because the company cannot control these processes, and the only way out is to protect its interests by timely risks identification and to limit their potential consequences and losses.

It should be noted that in order to exclude market risks managers of the Company keep track of trends of price modification in the world market as unawareness of the market situation leads to amplification of the market risk factor and implicit losses.

There is, of course, an inflation risk. The company has a significant production and financial cycle that brings to inflationary profit and, therefore, experts draw up a business plan with an allowance for inevitable inflation.

A high level of VSMPO-AVISMA Corporation financial stability is proved by the following:

- The Company is profitable; return on sales comes to 32..7 % in the fourth quarter of 2006;
- As of 01.01..2007 the Company's accounts receivable was 3.9 times higher than the accounts payable;
- During 2006 the titanium alloy output has increased by 60% compared to the year-ago period;
- The Corporation showed the capability to survive in critical situation of economic downturn. The closed plant that used to work for the defense industry of the Former Soviet Union with the orders decreased

40 times has turned into the prominent participant in the world titanium market in 12 years and is building up its lead year by year.

2.5.4. Legal Risks

Currently there are no legal risks associated with the changes in:

- Currency regulation
- Taxation legislation
- Customs control and duty regulations
- Requirements for licensing of the issuer's primary activity.

2.5.5. Risks Connected with Issuer's Activities

The issuer has not been involved in litigations which could significantly affect and interfere with the issuer's economic activities, affect the interests of a third party..

III. Detailed Information on the Issuer

3.1. Issuer's Background

3.1.1. Issuer's Corporate Name

Issuer's full and abbreviated corporate name:

Открытое акционерное общество «Корпорация ВСМПО-АВИСМА» (ОАО «Корпорация ВСМПО-АВИСМА»)

Public stock company VSMPO-AVISMA Corporation (VSMPO-AVISMA Corporation)

Date and reason for change of the issuer's name: Resolution of the general shareholders' meeting as of 28.12.2004. The certificate evidencing that the relevant entry was introduced into the Uniform Public Register of Legal Persons was given on January 24, 2005. The state registration number: 2056600360254.

Previous full and abbreviated names of the issuer:

1. Joint Stock Company Verkhnyaya Salda Metallurgical Production Association (АООТ ВСМПО)

The date and the grounds for changing the name of the issuer: Resolution of the Sverdlovsk Regional Committee of State Property Management No. 38 as of 22.01.1993 regarding "Approval of State Property Privatization Plan..

State registration number: 162 II- VI

State registration date: 18.02.1993.

Name of the authority that effected state registration: Municipal Administration of Verkhnyaya Salda, Sverdlovsk Region.

2. Joint Stock Company Verkhnyaya Salda Metallurgical Production Association (JSC VSMPO)

The date and the grounds for changing the name of the issuer: Resolution of the general meeting of shareholders dd. 14.06.1996 and Resolution of the Head of Verkhnyaya Salda administration No. 250-d dd. 26.06.1996.

State registration number: 162 II- VI

State registration date: 18.02.1993.

Name of the authority that effected state registration: Municipal Formation Administration "Verkhnyaya Salda District", Sverdlovsk Region.

3.1.2. Information on Issuer's State Registration

Legal entity state registration number: 162 II-VI

Date of state registration: 18.02.1993

Name of the authority that effected state registration: Administration of Verkhnyaya Salda, Sverdlovsk Region.

Basic state registration number of the legal entity: 1026600784011

Name of the registration authority (in accordance with the data indicated in the certificate of the record on the legal entity registered before July 1, 2002 in the Uniform Public Register of Legal Entities): Regional Surveillance Authority No. 3 of the Ministry of Taxation of the RF for Sverdlovsk Region.

Record date: 11.07.2002..

3.1.3. Issuer's Establishment and Development

Date of issuer's establishment: 18.02.1993.

The date till which the issuer will exist: the issuer has been established for an indefinite term.

Brief history of issuer's establishment and development:

The predecessor factory of VSMPO was built in 1933 near Moscow; it was the first manufacturer of aluminum parts for engines and aircraft in the Soviet Union. During World War II the factory was evacuated to Verkhnyaya Salda in Sverdlovsk Region.

In 1957, the first titanium ingot was melted, and in 1958 full-scale production of primary titanium started. From 1957 to 1990 VSMPO substantially increased the output since during that period the Company was the only supplier of titanium for Soviet aerospace and military industry.

In 1991 the output of titanium ingots melted at VSMPO was exceeded by 50 % compared to that in the US, Europe and Japan taken together.

At the beginning of nineties, in connection with reduction of the military budget and sharp reduction in demand for domestic aircraft from civil aviation, domestic demand for titanium reduced 20-30 times and for aluminum - 5-6 times, which drove the Company to the verge of bankruptcy.

The desire to maintain the facility, which, in fact, was the only "bread-winner" of the town with the population of 55.000 people having qualified scientific and engineering potential, VSMPO new management made a strategic decision to get down to diversification and produce not only titanium for military applications in the domestic market but also products for export.

The settled task was complicated by the fact that the composition of titanium alloys made abroad differed from that used in the Russian aircraft industry.

New technologies were mastered enabling production of titanium products of the quality required by the foreign customers.

Capacities were reconstructed and new areas were constructed, mainly, for finishing and inspection operations.

As a result, from 1993 to 1997 export deliveries increased 6 times.

The major element of the strategy of entering foreign markets was the program of certification of Company's products by potential foreign customers.

The Company also invested funds in upgrading of its manufacturing processes, specifically in the quality inspection system. The quality of VSMPO-AVISMA Corporation products is confirmed by more than 120 quality certificates including certificates granted by the largest aircraft building companies and their suppliers.

Today more than 68 % of the Company's titanium products are exported, mainly, for aerospace applications in the US and Europe.

At present the Company is working on increasing the share of such products with high added value in the total output as thin titanium sheet, welded thin-walled titanium pipe, die forging.

Moreover, nonconventional production facilities designated for construction business, manufacture of disks, utensils, heat-exchanging titanium equipment and gas scrubbing systems were established..

This allowed the Company to maintain the personnel potential, most of engineering staff, design engineers, process engineers and workers who are in charge for the town since it is a mono-company town as well as maintain all its industrial potential, production capacities, provide proper operating condition and moreover, to bring them to a higher level of technological and qualitative requirements..

On July 1, 2005 VSMPO – AVISMA Corporation was reorganized through affiliation of JSC AVISMA Titanium – Magnesium Works (now AVISMA affiliate) that has its own development history..

In 1941 under the government order the building of Berezniki magnesium plant began.

The new plant was to provide fast growth in magnesium production in the USSR. It was decided to erect the plant in the Ural town of Berezniki where inexhaustible deposits of potassium-magnesium salt of Verhnekamskoye field could be found.

The first magnesium ingots were produced as early as in 1943. For the subsequent two decades magnesium production in Berezniki developed and reached a high level.

Fundamentally new stage in development of Russian magnesium industry began in the 50-ss due to intensive growth in titanium production..

The necessity of providing the magnesium-thermal stages of titanium sponge production with magnesium resulted in combined associations – titanium-magnesium plants. In 1960 the first Ural titanium was

produced. Berezniki Titanium-Magnesium Works (BTMW) was awarded with the Medal of Labor Red Banner and honors for its achievements in titanium and magnesium production.

The next significant stage in the history of the works was BTMW privatization and reorganization into Joint-Stock Company AVISMA Titanium-Magnesium Works.

In 1994 JSC AVISMA became a full member of International Magnesium Association. The objective of this organization is to assist in development of magnesium use in the global industry and inform the magnesium market participants of non-ferrous metallurgy development trends.

In 1998 majority holding of the works passed into the ownership of JSC VSMPO (Verkhnyaya Salda Metallurgical Production Association).

The joint venture was formed between the two leading titanium producers: Allegheny Technologies (ATI) and VSMPO-AVISMA Corporation. This union will allow to change the market of titanium products in titanium development at the aerospace and defense sector.

Major objectives:

- Manufacture of products meeting Customers' requirements and expectations, complying with the international and national standards and mandatory requirements of surveillance authorities.
- Enhancement of products competitiveness in foreign markets..

In addition, VSMPO-AVISMA Corporation aims at supplying to basic industries and entering the most prestigious world market sectors such as aviation, space, chemical industry, power engineering and environmental market..

VSMPO-AVISMA Corporation mission is to ensure viability of the Company, maintain titanium industry of Russia and integrate into the world economy..

3.1.4. Contact Information

Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

Issuer's Executive Body Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

Postal address: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia, 624760

Telephone: +7(34345) 2-13-60, 5-20-05

Fax: +7(34345) 2-47-36, 5-20-05

E-mail: Shayahmetova@vsmo.ru

The information on the issuer's securities is available at:

Corporate documents – www.vsmo.ru/core.php?p=209

Securities - www.vsmo.ru/core.php?p=218

Information disclosure - www.vsmo.ru/core.php?p=173

Under the agreement with independent registrar, two transfer agent centers were opened:

1. office 26, 12, Parkovaya St., Verkhnyaya Salda, Sverdlovsk region, 624760
Tel: +7(34345) 5-28-00
2. office 106, 29, Zagorodnaya St., Berezniki, Perm region, 618421
Tel: +7(34242) 9-36-14

3.1.5. Taxpayer Identification Number

INN 6607000556

3.1.6. Issuer's Affiliates and Representative Offices

Name: VSMPO Affiliate

Established: November 22, 2004

Location: 12, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

CEO: Melnikov, Nikolay Konstantinovich, acting under power of attorney valid till 31.12.2006..

Name: AVISMA Affiliate

Established: November 22, 2004

Location: 29, Zagorodnaya St., Berezniki, Perm Region, Russia

CEO: Tankeev, Vladimir Petrovich, acting under power of attorney valid till 31.12.2006.

3.2. Primary Economic Activity

3.2.1. Industrial Sector of the Issuer

Codes of the main industrial activities in accordance with the Classifier of Economic Activities: 27.45, 14.12, 27.53, 28.12, 28.22.1, 28.75.12, 45.21.1, 45.31, 45.32, 45.33, 45.34, 45.43, 45.44, 51.52.22, 51.7, 55.23.1, 55.51, 70.20.2, 71.10, 71.21.1, 80.10.1, 85.11.1, 85.11.2, 85.13, 85.14, 90.00.1, 90.00.2, 90.00.3, 92.32, 10.30.1, 14.22, 52.3, 55.1, 63.21.24

3.2.2. Primary Economic Activity

No information shall be given for the reporting period.

3.2.3. Raw Materials (Materials) and the Issuer's Suppliers

No information shall be given for the reporting period.

3.2.4. Issuer's Sales Markets of Products (Operations, Services)

Sales markets of the Corporation basic products (metal semi-products from titanium alloys), state and prospects, as well as possible adverse events in these markets are described in detail in Section 2.5.

Distribution of these products supplies among countries (regions) in 2005 was as follows: the USA – 60.5%, European countries – 29.1%, Taiwan – 3.1%, Japan – 6.1%, other countries – 1.2%. VSMPO-AVISMA Corporation partners in the world market include over 300 companies in 48 countries of the world. Currently, VSMPO-AVISMA Corporation provides up to 30% of all Boeing titanium requirements, 65% of EADS requirements, 100% of Embraer and 85% of Goodrich requirements..

The Company supplies titanium alloy bar for blade production in the amount of 30-50% of requirements, as well as ingot and billet for disk manufacture at such engine-building companies as GEAE, Snecma, Rolls Royce, Pratt&Whitney, and Honeywell..

In fact, there is no titanium using company in the world which does not use VSMPO-AVISMA Corporation titanium.

The contract with a Chinese company - Shansi Aircraft-building Company (SAC) - was signed for delivery of aluminum products for Y8F600 aircraft.

Jointly with foreign companies, VSMPO-AVISMA Corporation expands research programs on development of titanium alloys and manufacture of steel and aluminum products for aircraft applications. New materials and technologies will find wide application both in aircraft designs and in future developments..

In Russia and the CIS, VSMPO-AVISMA Corporation cooperates with over 1500 companies. The Company products are used in all Russian aerospace projects, both for airframes and engines.

The main sales markets are:

- sponge titanium / powder titanium– Europe (Wogen Titanium, LSM. Bostlan, Thyssen Krupp, Gel-Star), Asia (Sojitz), the USA (VSMPO-Tirus);
- titanium semi-finished products – aerospace companies in the USA, America, and Europe (Boeing, EADS, Embraer, GEAE, Snecma, Rolls Royce, Pratt & Whitney, Honeywell, etc.);
- titanium electrode for golf club casting in President Company, Taiwan;
- metal semi-finished products from CP titanium for chemical industry, power engineering, sea water desalination (welded and seamless tube, sheet, plate) are supplied via UniTi joint venture to Japan, and countries in South-East Asia and the Middle East;
- magnesium and magnesium alloys - the USA (VSMPO-Tirus), West Europe (Georg Fischer, Daym-lerChrysler, Cezus).

3.2.5. Information on Issuer's Licenses

Number: TV 6476

Date of issue: 13.09.2002

Expiry date: 13.09.2007

Issuing Authority: RF Ministry of Press

Type of activity: telecasting..

Number: 63-PM-000410
Date of issue: 06.02.2004
Expiry date: 06.02.2009
Issuing Authority: Ural Department of State Technical Surveillance of Russia
Type of activity: mine surveys (monitoring the state of mining leases and justification of their boundaries; mining graphic documentation maintenance; registration and justification of volumes of mine workings)..

Number: 10509/200014
Date of issue: 22.04.2006
Expiry date: 22.04.2012
Issuing Authority: Nizhny Tagil Customs
Type of activity: Temporary warehouse establishment

Number: 63-ST-68
Date of issue: 18.01.2002
Expiry date: 18.01.2007
Issuing Authority: Ural Department of State Technical Surveillance of Russia
Type of activity: installation of gas control stations and units, gas pipes and gas equipment of industrial, agricultural enterprises and facilities providing maintenance services for public and residential buildings..

Number: SVE No. 01256
Date of issue: 23.09.2002
Expiry date: 01.07.2027
Issuing Authority: Central Department for Natural Resources and Environmental Protection of the Ministry of Natural Resources of Russia for Sverdlovsk Region
Type of activity: subsurface resources use

Number: SVE No. 00330
Date of issue: 11.03.2002
Expiry date: 11.03.2007
Issuing Authority: Natural Resources Department for the Urals Region
Type of activity: water use

Number: SVE No. 07040 TE
Date of issue: 17.10.2005
Expiry date: 01.08.2014
Issuing Authority: Head of Municipal Administration of Verkhnyaya Salda District
Type of activity: clayite mining at Severo-Salda deposit

Number: SVE No. 07041 TE
Date of issue: 17.10.2005
Expiry date: 31.12.2012
Issuing authority: Head of Municipal Administration of Verkhnyaya Salda District
Type of activity: peat mining at Ozersk deposit

Number: D 378805
Date of issue: 28.07.2003
Expiry date: 27.06.2008
Issuing Authority: Ministry of Power Engineering of the Russian Federation
Type of activity: storage of oil, gas and products of their processing

Number: RRS-63-00047
Date of issue: 7.07.2003
Expiry date: 7.07.2008
Issuing Authority: Ural Department of State Technical Surveillance of Russia
Type of activity: Authorization for manufacture and use of high pressure vessels and devices of austenitic and carbon steels, titanium and aluminum alloys in accordance with the attached list

Number: URG-00984G
Date of issue: 24.09.2003
Expiry date: 24.09.2008
Issuing authority: Ural Inspectorate of State Survey Surveillance
Type of activity: land surveying

Number: URG-00985K
Date of issue: 24.09.2003
Expiry date: 24.09.2008
Issuing authority: Ural Inspectorate of State Survey Surveillance.
Type of activity: mapping

Number: UO-11-101-1191
Date of issue: 20.07.2006
Expiry date: 1.08.2011
Type of activity: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: design of equipment for nuclear plants

Number: UO-12-115-0787
Date of issue: 12.09.2002
Expiry date: 20.09.2007
Issuing Authority: Material and Technical Supplies Department of State Nuclear Surveillance of the Russian Federation
Type of activity: manufacture of equipment for structures, facilities, plants incorporating nuclear materials intended for production, recycling, transportation of nuclear fuel and nuclear materials

Number: UO-12-101-0786
Date of issue: 12.09.2002
Expiry date: 20.09.2007
Issuing Authority: Material and Technical Supplies Department of State Nuclear Surveillance of the Russian Federation
Type of activity: manufacture of equipment for nuclear plants

Number: 63-EKh-000543(ZhKh)
Date of issue: 14.05.2004
Expiry date: 14.05.2009
Issuing Authority: State Technical Surveillance Department of Russia
Type of activity: operation of chemically hazardous production facilities

Number: 63-EV-000542(ZhKMS)
Date of issue: 14.05.2004
Expiry date: 14.05.2009
Issuing Authority: State Technical Surveillance Department of Russia
Type of activity: operation of explosive production facilities

Number: UO-12-106-0450/01

Date of issue: 04.05.2001

Expiry date: 01.05.2007

Issuing Authority: Material and Technical Supplies Department of State Nuclear Surveillance of the Russian Federation

Type of activity: manufacture of equipment for structures and facilities incorporating industrial nuclear reactors subject to terms and conditions of the present license

Number: PV-54-000508 (V)

Date of issue: 16.09.2005

Expiry date: 16.09.2010

Issuing Authority: Federal Environmental, Process and Nuclear Surveillance Service

Type of activity: use of explosive materials of industrial application (handling, incoming inspection, packaging, registration, storage of explosive materials of industrial application and their testing during the storage process)

Number: KhV-54-000507 (V)

Date of issue: 16.09.2005

Expiry date: 16.09.2010

Issuing Authority: Federal Environmental, Process and Nuclear Surveillance Service

Type of activity: storage of explosive materials of industrial application (handling, incoming inspection, packaging, registration, storage of explosive materials of industrial application and their testing during the storage process)

Number: 66-01-000160

Date of issue: 08.09.2005

Expiry date: 08.09.2010

Issuing Authority: Federal Surveillance Service in the Branch of Health Protection and Social Development

Type of activity: medical activities

Number: No. RRS BK-12771

Date of issue: 23.06.2004

Expiry date: 23.06.2007

Issuing Authority: Federal Service of Process Surveillance

Type of activity: use of equipment and process piping at chemical, petrochemical, oil-refining and other plants and facilities involved in handling or storing of explosive and flammable and toxic substances and mixtures.

Number: No. UO-12-106-0973

Date of issue: 22.03.2004

Expiry date: 15.05.2009

Issuing Authority: State Nuclear Surveillance

Type of activity: manufacture of equipment for structures and facilities incorporating industrial nuclear reactors

Number: No. D 575999

Date of issue: 21.03.2005

Expiry date: 23.08.2009

Issuing Authority: Federal Agency for Construction and Housing and Public Utilities

Type of activity: construction of buildings and structures of Levels I and II

Number: No. A 507155
Date of issue: 23.08.2004
Expiry date: 23.08.2009
Issuing Authority: Federal Agency for Construction and Housing and Public Utilities
Type of activity: construction of buildings and structures of Levels I and II.

Number: No. 000685-R
Date of issue: 30.03.2005
Expiry date: 29.03.2010
Issuing Authority: Federal Technical Regulation and Metrology Agency
Type of activity: fabrication and repair of measuring instruments.

Number: No. PEM 00985 TPEIO
Date of issue: 04.10.2005
Expiry date: 01.03.2007
Issuing Authority: The Kama Basin Water Authority of Federal Water Resources Agency
Type of activity: process water supply for AVISMA Affiliate..

Number: No. PEM 00986 TREVKh
Date of issue: 04.10.2005
Expiry date: 01.03.2007
Issuing Authority: The Kama Basin Water Authority of Federal Water Resources Agency
Type of activity: disposal of waste water from AVISMA Affiliate

Number: No. PEM 01157 TE
Date of issue: 09.12.2005
Expiry date: 03.12.2018
Issuing Authority: FGU Regional Fund of Natural Resources and Environment Protection Information of Ministry of Natural Resources of Russia for Perm Region
Type of activity: mining of carbonate rock at "Gora Matyukovaya" deposit (Ivakin open pit) for lime and ballast stone

Number: No. 150001381
Date of issue: 08.06.2005
Expiry date: 08.06.2010
Issuing Authority: Ministry of Finance of the Russian Federation, State Assay Office of Russia
Type of activity: operations with precious metals and stones

Number: 63-EV-000542(ZhKMS)
Date of issue: 25.03.2005
Expiry date: 14.05.2009
Issuing Authority: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: operation of explosive production facilities

Number: R/2005/0003/100/L
Date of issue: 18.02.2005
Expiry date: 18.02.2010
Issuing authority: Federal Service of Russian Hydrometeorology
Type of activity: activities in hydrometeorology and allied branches.

Number: A 171017
Date of issue: 26.05.2005
Expiry date: 24.01.2008
Issuing authority: Ministry of General and Vocational Education of Sverdlovsk Region
Type of activity: educational activities licensed by the Ministry of Education of the Russian Federation.

Number: OT-54-000358(66)
Date of issue: 17.06.2005
Expiry date: 17.06.2010
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service.
Type of activity: collection, use, processing, transportation and disposition of hazardous wastes.

Number: PM-54-000581
Date of issue: 09.12.2005
Expiry date: 09.12.2010
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: mine surveys (space and geometry measurements for mine workings and underground structures, determination of their parameters, location and compliance with the design documents; monitoring the state of mining leases and justification of their boundaries; mining graphic documentation maintenance; registration and justification of volumes of mine workings; determination of risk areas and protection of mine workings, buildings, structures and natural objects from effects of subsurface resource use).

Number: UO-03-209-1140
Date of issue: 28.11.2005
Expiry date: 28.11.2008
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: operation and storage of products containing radioactive substances

Number: 3/01792
Date of issue: 29.12.2005
Expiry date: 29.12.2010
Issuing authority: the Russian Ministry for Emergency Situations
Type of activity: operation of fire-risk production facilities..

Number: GS-5-66-01-27-0-6607000556-005977-1
Date of issue: 21.03.2005
Expiry date: 23.08.2009
Issuing authority: Federal Agency for Construction and Housing and Public Utilities
Type of activity: construction of buildings and structures of Levels I and II in accordance with national standard.

Number: GS-5-66-01-26-0-6607000556-005976-1
Date of issue: 21.03.2005
Expiry date: 12.04.2009
Issuing authority: Federal Agency for Construction and Housing and Public Utilities
Type of activity: design of buildings and structures of Levels I and II in accordance with national standard.

Number: PRD No.6600630
Date of issue: 30.06.2006
Expiry date: 11.11.2009
Issuing authority: Federal Service for Transport Surveillance
Type of activity: handling of shipments by railroad transport.

Number: D 000120
Date of issue: 10.10.2001
Expiry date: 08.09.2009
Issuing authority: Government of Sverdlovsk Region
Type of activity: processing and sale of nonferrous scrap.

Number: UO-12-106-1171
Date of issue: 17.03.2006
Expiry date: 01.04.2011
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: manufacture of equipment for structures and facilities incorporating industrial nuclear reactors

Number: UO-12-115-1169
Date of issue: 17.03.2006
Expiry date: 01.04.2011
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service
Type of activity: manufacture of equipment for structures, facilities, plants incorporating nuclear materials intended for production, recycling, transportation of nuclear fuel and nuclear materials

Number: UO-12-101-1170
Date of issue: 17.03.2006
Expiry date: 17.03.2011
Issuing authority: Federal Environmental, Process and Nuclear Surveillance Service.
Type of activity: manufacture of equipment for nuclear plants.

Number:
Date of issue: 30.06.2005
Expiry date: 01.05.2010
Issuing authority: Federal Technical Regulation and Metrology Agency.
Type of activity: verification of measuring instruments

Number: 59.55.11.002.L.000103.08.06
Date of issue: 09.08.2006
Expiry date: 09.08.2011
Issuing authority: Federal Surveillance Agency for Consumers' Right Protection and Human Welfare in Perm Region
Type of activity: medical activity regarding operation of ionizing radiation sources for medical X-raying

Number: PEM 01667 VE
Date of issue: 18.08.2006
Expiry date: 25.12.2026
Issuing authority: Regional Agency for Subsurface Use in Perm Region
Type of activity: subsurface use, fresh groundwater production for industrial water supply

Number: PEM 01666 VE
Date of issue: 07.07.2006
Expiry date: 05.05.2018
Issuing authority: Regional Agency for Subsurface Use in Perm Region
Type of activity: subsurface use, fresh groundwater production for industrial water supply to the works

Number: 2/17175
Date of issue: 29.08.2006
Expiry date: 29.08.2011
Issuing authority: the Russian Ministry for Emergency Situations
Type of activity: installation, repair and maintenance of fire safety equipment in buildings and structures.

Number: PEM 01093 TREVKh

Date of issue: 23.11.2006

Expiry date: 01.08.2011

Issuing Authority: The Kama Basin Water Authority of Federal Water Resources Agency

Type of activity: water use (discharge of domestic wastewater from the division to the Ivakin open pit).

3.2.6. Issuer's Joint Activity

As of 01.01.2007 the issuer carries out no joint activity with other organizations.

3.3. Future Prospects

MELTING

VSMPO-AVISMA Corporation increases capacities for manufacturing titanium ingots and die forged slabs in order to establish melting production line based on existing facilities and newly implemented equipment which would be able to produce titanium ingots and semi-finished products for aircraft and rotor applications meeting the customers' requirements..

Melting capacities will be increased as a result of the following:

- growth in number of operating VAR furnaces;
- commissioning of the new plasma cold-hearth furnace;
- increase in machining equipment for ingot and slab;

Competitiveness of the Company melted ingots will be improved due to:

- yield growth;
- increase in reverts involvement;
- switch from AL-V master alloys supplied by foreign suppliers to master alloys manufactured by VSMPO.

The following main actions are planned for 2006:

- design of the manufacturing area of industrial skull furnaces with the productive capacity of 4800 tons p.a. for production of titanium alloy ingots for aircraft and rotor applications with the weight of 4-6 tons, and annex to Building 90 for charge material storage;
- design and building of X-ray unit for chips inspection, and installation of X-ray unit for master alloy inspection;
- de-mothballing and commissioning of 2 VAR furnaces;
- upgrading of EBM furnace to increase melting output up to 30 tons per month;
- design and reconstruction of existing DTVG-4PF skull furnaces with mould and crucible of a new design, which would allow to raise output of the two furnaces from 2028 to 3679 tons p.a.;
- purchase and installation of two planers for slab machining; 1A660 lathe for processing of skull melted ingots; chips crushers.

SHEET ROLLING

Existing equipment units are upgraded and reconstructed, and new process lines are put into operation, in order to meet the customers' growing requirements (international standards) to product technical properties and quality and to expand flat-rolled product range. Thus, it would allow to establish state-of-the-art sheet rolling production using special high-performance equipment and advanced processes.

The following main actions are planned in order to improve sheet rolling production in 2006:

- design and construction of the cell of heating furnaces with transferring devices for slab and stock rolling and annealing in order to increase flat-rolled products output;
- fabrication and installation of thickness gage on 2000 hot rolling mill and installation of guillotine shears in the 2000 hot rolling mill line in stead of obsolete and worn-out shears in order to improve metal quality;
- for the purpose of increasing the production volume: construction of continuous abrasive grinding machines; sheet etching unit; ultrasonic inspection area; installation of shot blast unit of a new design;
- construction and commissioning of a sheet annealing and straightening unit in the planishing mill line would increase the output of thin pack-rolled sheets up to 600 tons p.a.;

- purchase and installation of a plate thermal cutting unit in order to reduce sheet and plate processing cycle;
- area for precision stock cutting in a band saw line is to set up and water-jet cutting unit is to be installed.

PRESS-FORGING

Due to the increase in orders for delivery of premium quality die forgings, VSMPO-AVISMA Corporation is significantly reconstructing the main and auxiliary facilities, including repair and upgrading of the presses; heating furnaces with the automatic control systems that ensure the required accuracy of heating are being put into operation.

A number of die forgings for leading aircraft-building companies have been mastered. This type of work will remain in the foreground for the Corporation in the nearest future. For further improvement of press-forging production, the following is planned in 2006:

- achievement of design capacity on the new shaping area (forging to sketch) with 1500 ton forging press in order to manufacture high-quality shaped stocks for production of 1700 tons of die forgings and stop using 3000 ton press for this operation thus increasing billet and forging output;
- purchase of 8 ton transporter and commissioning of new gas furnaces for 3000 ton press would allow to manufacture billets with the length up to 5000 mm;
- establishment of the die forging heat treat area would allow to quench die forgings in the vertical position in order to prevent their distortion, as well as heat treat large-size rough-machined die forgings for landing gears (capacity of the 1st phase of the area comes to 1000 tons of die forgings per year);
- beginning of construction of the cell based on 6000 ton hydraulic press with two forging manipulators with the lifting capacity of 12 and 20 tons and 6 gas heating rolling-hearth furnaces (new area productivity will come to 12 thousand tons of forged stock per year as soon as it achieves its design capacity in 2008);
- installation of heating furnace, purchase of loader; design and purchase of one more four-die-forging block for radial forging for further enhancement of capacities of the forging cell based on 2000 press;
- at the same time as forging capacities are increased, die forging machining facilities are expanded; delivery contracts for machines have been concluded, construction and commissioning are carried out, the first phase of new production line for rough machining of titanium alloy die forgings is put into operation.

BAR ROLLING

In order to increase the rolled bar output, including rotor-grade bar, and assure the required quality of products to meet the customer's requirements, bar rolling facilities are re-equipped by reconstructing existing equipment and implementing new equipment with the purpose of stage-by-stage elimination of bottle-necks and maximum use of primary rolling equipment.

The following actions are planned:

- construction of the cell for 20-50 mm bar straightening and two heating furnaces for SRVP-130 rolling mill;
- expansion of the etching area and construction of an additional annealing furnace for intermediate stock for rotor-grade bars;
- upgrading of control system of 3150 ton press in order to be capable of forming starting stock for subsequent bar rolling as per approved manufacturing plans and reduce loading of forging equipment;
- installation of automated control system on SRVP-130 mill to ensure set temperature and strain parameters of rolling on the mill with on-line recording (requirements of foreign aerospace companies).

TUBE PRODUCTION

Currently, the Corporation is implementing the 3rd stage of the project for manufacturing titanium alloy and stainless steel welded tubes from 10 to 40 mm in diameter. Five tube welding lines are in operation. Line #6 is being commissioned. Thin-walled tube straightening unit was put into operation.

NON-CONVENTIONAL GOODS

- Manufacture of die forged wheel discs from aluminum alloys.

In order to develop this production line, improve the product mix and increase the output, special-purpose machines for turning and milling are purchased.

The rolling machine for wheel disc production by rolling has been purchased and is under installation and commissioning.

- Manufacture of titanium and stainless steel products for power engineering and oil-gas chemical industry.

In order to develop this production line, improve the product mix and increase the output, special-purpose equipment including testing equipment is planned to be purchased.

PLANS OF AVISMA AFFILIATE FOR THE FUTURE:

1. Increase sponge titanium production capacities up to 44 tons p.a. by 2010.
2. Ensure magnesium production and processing of magnesium chloride in order to raise the sponge titanium output.
3. Ensure power reliability by arranging the external power supply system for the affiliate when connecting to JSC FSK EES power supply network
4. Expand the raw material base for production of titanium slag and implement the process for manufacture of titanium slag from briquette charge materials.
5. Put into operation the cell for sponge titanium for critical applications in order to increase volume of rotor-grade sponge titanium.
6. Establish die casting facilities for magnesium alloys.
7. Continue manufacturing new alloys for automotive application.
8. Continuously look for ways to magnesium production cost reduction, including:
 - extension of life time of primary and auxiliary process equipment;
 - reconstruction of treatment plants in order to abate pollution of the Kama river basin and reduce environmental payments;
 - full utilization of spent electrolyte from magnesium production.

3.4. Issuer's Participation in Industrial, Banking and Financial Groups, Holdings, Concerns and Associations

VSMPO – AVISMA Corporation is the member of the Western Ural Association of Power Engineers.

The members of the Association are the energy consumers that are interested in:

- improving effectiveness of power services in both industrial and municipal sectors of the region;
- more efficient use of energy resources;
- reduction of power costs;
- improving competitiveness of their products;
- influence on tariff policy.

The term of membership is not limited.

VSMPO – AVISMA Corporation is the member of the nonprofit organization “National Association of Automotive Components Makers”

Abbreviated name is NO “NAPAK”

The objective of this Association is to coordinate and combine individual efforts in order to develop the domestic automotive industry, enter the market of automotive components for domestic and foreign automakers and offer magnesium die cast parts.

The term of membership is not limited.

VSMPO – AVISMA Corporation is the member of the “Russian Association of Electric Tool Manufacturers”

Abbreviated name: “RAPE” (RAETM)

The mission of the Association is to contribute to conditions and joint efforts to ensure steady manufacture of domestic electric tools. VSMPO-AVISMA Corporation can establish the area for production of magnesium alloy components for electric tool manufacturers. The purpose of membership in this Association is the long-term cooperation with other members of the Association.

The term of membership is not limited.

3.5. Issuer’s Subsidiaries and Related Companies

3.5.1. Full and abbreviated company name:

VSMPO Aluminium Profil Limited Liability Company (AP VSMPO LLC)

Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO – AVISMA Corporation in the registered capital of AP VSMPO LLC

Issuer’s participatory share in the registered capital of the subsidiary: 100%

Subsidiary’s participatory share in the issuer’s registered capital: 0

Description of the primary business of the Company: manufacture of aluminium or aluminium alloy semi-finished products..

Description of the role of such company in the issuer’s activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors (Supervisory Board):

Lokshin, Michael Zelikovich, b.1936

Participatory share of Mr. Lokshin in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lokshin: 0

Spazhev, Vladimir Nikolaevich, b.1948

Participatory share of Mr. Spazhev in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Novossadova, Tamara Valerievna, b. 1957

Participatory share of Mrs. Novossadova in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Novossadova: 0

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Mikhailov, Evgeny Dmitrievich, b. 1962

Participatory share of Mr. Mikhailov in the issuer’s registered capital: 0.0001

Proportion of ordinary shares of the issuer, which belong to Mr. Mikhailov: 0.0001

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Mikhailov, Evgeny Dmitrievich, b. 1962

Participatory share of Mr. Mikhailov in the issuer's registered capital: 0.0001

Proportion of ordinary shares of the issuer, which belong to Mr. Mikhailov: 0.0001

3.5.2. Full and abbreviated company name:

Tirshop Limited Liability Company (Tirshop LLC)

Location: 36, Engelsa St., Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO – AVISMA Corporation in the registered capital of Tirshop LLC

Issuer's participatory share in the registered capital of the subsidiary: 70%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: retail and wholesale of consumer goods.

Description of the role of such company in the issuer's activity: retail and wholesale of consumer goods.

Board of Directors (Supervisory Board):

BoD of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Golovanova, Tatyana Nickolaevna, b. 1954

Participatory share of Mrs. Golovanova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Golovanova: 0

3.5.3. Full and abbreviated company name:

**Closed Joint Stock Company Trade Company "Titan"
(CJSC Trade Company "Titan")**

Location: 61, Engelsa St., Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO-AVISMA Corporation in the registered capital of CJSC Trade Company "Titan".

Issuer's participatory share in the registered capital of the subsidiary: 70%

Proportion of ordinary shares of the subsidiary which belong to the issuer: 70%

Subsidiary's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: retail sale of goods

Description of the role of such company in issuer's activity: verification of competitiveness of consumer goods manufactured by the issuer in the local market.

Board of Directors (Supervisory Board):

Chernova, Galina Vladimirovna, b. 1959

Participatory share of Mrs. Chernova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Chernova: 0

Mogilnikova, Margarita Alexandrovna, b.1951

Participatory share of Mrs. Mogilnikova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Mogilnikova: 0

Panteleeva, Tatyana Maximovna, b. 1960

Participatory share of Mrs. Panteleeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Panteleeva: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Chernova, Galina Vladimirovna, b. 1959

Participatory share of Mrs. Chernova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Chernova: 0

3.5.4. Full and abbreviated company name:

Joint Stock Company "Ural" (JSC "Ural")

Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO-AVISMA Corporation in the registered capital of JSC "Ural"

Issuer's participatory share in the registered capital of the subsidiary: 51%

Proportion of ordinary shares of the subsidiary which belong to the issuer: 51%

Subsidiary's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: manufacture of tableware and kitchen utensils as well as small-size parts of consumer goods for main production shops

Description of the role of such company in the issuer's activity: involvement of previously established fixed assets and personnel

Board of Directors (Supervisory Board):

Odinokikh, Viktor Vasilievich - chairman, b. 1949

Participatory share of Mr. Odinokikh in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Odinokikh: 0

Krayev Leonid Nikolaievich, b.1956

Participatory share of Mr. Krayev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Krayev: 0

Zaicev Denis Gennadievich, b.1977.

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Semenov, Alexander Evgenievich,

Participatory share of Mr. Semenov in the issuer's registered capital: 0.0021

Proportion of ordinary shares of the issuer, which belong to Mr. Semenov: 0.0021

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Krayev Leonid Nikolaievich, b.1956

Participatory share of Mr. Krayev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Krayev: 0

3.5.5. Full and abbreviated company name:

Closed Joint Stock Company Medical Insurance Company "Tirus-Medservice" (CJSC MIC "Tirus- Medservice")

Location: 105, Molodezhny Poselok St., Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as dependent: the issuer owns more than twenty percent of the voting shares

Issuer's participatory share in the registered capital of the subordinate company: 80.36096%

Proportion of ordinary shares of the subordinate company which belong to the issuer: 80.36096%

Subordinate company's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subordinate company: 0

Description of the primary business of the Company: activities in the field of compulsory social security.

Description of the role of such company in the issuer's activity: social support of the issuer's employees, for the most part, medical insurance.

Board of Directors (Supervisory Board):

BoD of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Oks, Igor Mikhailovich, b. 1953

Participatory share of Mr. Oks in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Oks: 0

3.5.6. Full and abbreviated company name:

Limited Liability Company 'Culture and Sport Centre 'Metallurg' (C&SC Metallurg LLC)

Location: 55, Lenina St., Berezniki, Perm Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO – AVISMA Corporation in the registered capital of C&SC Metallurg LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: services of sports organization and popularization, arrangement of physical training and sports exercises, culture services; recreation services.

Description of the role of such company in issuer's activity: the issuer and its employees are provided with the said services.

Board of Directors:

Bragina, Elena Gennadievna - chairman, b. 1959

Participatory share of Mrs. Bragina in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Bragina: 0

Krinityn, Alexander Viktorovich, b. 1954

Participatory share of Mr. Krinityn in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Krinityn: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Kashkarov, Igor Alexandrovich, b. 1966

Participatory share of Mr. Kashkarov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kashkarov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Vasyukov, Mikhail Alexeevich, b. 1957

Participatory share of Mr. Vasyukov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vasyukov: 0

3.5.7. Full and abbreviated company name:

Limited Liability Company "Avitrans" (Avitrans LLC)

Location: 55, Lenin Avenue, Berezniki, Perm Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO – AVISMA Corporation in the registered capital of Avitrans LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0.0498%

Description of the primary business of the Company: property leasing, conclusion of sales contracts, brokerage business

Description of the role of such company in issuer's activity: property leasing, conclusion of sales contracts, brokerage business

Board of Directors:

Sementsov, Alexander Vladimirovich - chairman, b. 1966

Participatory share of Mr. Sementsov in the issuer's registered capital: 0.0016

Proportion of ordinary shares of the issuer, which belong to Mr. Sementsov: 0.0016

Philippova, Tatyana Gennadievna, b. 1963

Participatory share of Mrs. Philippova in the issuer's registered capital: 0.0003

Proportion of ordinary shares of the issuer, which belong to Mrs. Philippova: 0.0003

Krinityn, Alexander Viktorovich, b. 1954

Participatory share of Mr. Krinityn in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Krinityn: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Tetyukhin, Vladislav Valentinovich, b. 1932

Participatory share of Mr. Tetyukhin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tetyukhin: 0

3.5.8. Full and abbreviated company name:

Limited Liability Company "Spetsodezhda" (Spetsodezhda LLC)

Location: Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO – AVISMA Corporation in the registered capital of Spetsodezhda LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: tailoring of overalls, uniform, hats and other types of clothes; tailoring of working clothes and overalls for special objects; restoration, dry-cleaning and washing of special and working clothes.

Description of the role of such company in issuer's activity: provision of the issuer with overalls for its production activity, tailoring, repair and washing of clothes.

Board of Directors:

Ovchinnikov, Sergej Evgenievich – chairman, b. 1952

Participatory share of Mr. Ovchinnikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ovchinnikov: 0

Muraviova, Svetlana Vladimirovna, b. 1967

Participatory share of Mrs. Muraviova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Muraviova: 0

Turischeva, Lyudmila Vasilievna, b. 1951

Participatory share of Mrs. Turischeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Turischeva: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Turischeva, Lyudmila Vasilievna, b. 1951

Participatory share of Mrs. Turischeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Turischeva: 0

3.5.9. Full and abbreviated company name:

Closed Joint Stock Company "Shag-1" (CJSC "Shag-1")

Location: 5a, Gagarin St., Zhukovsky, Moscow Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of CJSC "Shag-1"

Issuer's participatory share in the registered capital of the subsidiary: 51.2%

Proportion of ordinary shares of the subsidiary which belong to the issuer: 51.2%

Subsidiary's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: state of the art production of orthopedic footwear as well as footwear of any other applications and types, sale of footwear.

Description of the role of such company in issuer's activity: possible provision of the issuer with special footwear for its production activity

Board of Directors:

Tyurin, Viktor Matveevich - chairman, b. 1950.

Participatory share of Mr. Tyurin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tyurin: 0

Vydrina, Lyubov Valentinovna, b. 1950

Participatory share of Mrs. Vydrina in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Vydrina: 0

Kozlov, Yury Askoldovich, b. 1951

Participatory share of Mr. Kozlov in the issuer's registered capital: 0.0002

Proportion of ordinary shares of the issuer, which belong to Mr. Kozlov: 0.0002

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kozlov, Yury Askoldovich, b. 1951

Participatory share of Mr. Kozlov in the issuer's registered capital: 0.0002

Proportion of ordinary shares of the issuer, which belong to Mr. Kozlov: 0.0002

3.5.10. Full and abbreviated company name:

Limited Liability Company "SOLID" (SOLID LLC)

Location: Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of SOLID LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: brokerage business, technical and economic service, all kinds of foreign economic activity per the statute-established order, advertising

Description of the role of such company in issuer's activity: sales of sideline products, i.e. electrolytic potassium chloride

Board of Directors:

Ovchinnikov, Sergey Evgenievich - chairman, b. 1952.

Participatory share of Mr. Ovchinnikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ovchinnikov: 0

Muraviova, Svetlana Vladimirovna, b. 1967.

Participatory share of Mrs. Muraviova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Muraviova: 0

Potekha, Sergey Ivanovich, b. 1953
Participatory share of Mr. Potekha in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Potekha: 0

Torgashov, Anatoly Ivanovich, b. 1961.
Participatory share of Mr. Torgashov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Torgashov: 0

Joint Executive Body (management board, directory):
Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:
Torgashov, Anatoly Ivanovich, b. 1961.
Participatory share of Mr. Torgashov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Torgashov: 0

3.5.11. Full and abbreviated company name:

Closed Joint Stock Company "AVISMA-Les" (CJSC AVISMA-Les)

Location: Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA in the registered capital of CJSC AVISMA-Les

Issuer's participatory share in the registered capital of the subsidiary: 51%

Proportion of ordinary shares of the subsidiary which belong to the issuer: 51%

Subsidiary's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: logging, processing and selling of timber, production of converted timber, production of consumer goods, manufacture of building units and structures, repair of civic, public and production buildings, fabrication of furniture.

Description of the role of such company in issuer's activity: repair and construction services to the issuer.

Board of Directors:

Besedin, Vasily Alexandrovich - chairman, b. 1953

Participatory share of Mr. Besedin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Besedin: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Shishkin, Pavel Alexandrovich, b. 1941.

Participatory share of Mr. Shishkin in the issuer's registered capital: 0.0029

Proportion of ordinary shares of the issuer, which belong to Mr. Shishkin: 0.0029

Joint Executive Body (management board, directory):
Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:
Shishkin, Pavel Alexandrovich, b. 1941
Participatory share of Mr. Shishkin in the issuer's registered capital: 0.0029
Proportion of ordinary shares of the issuer, which belong to Mr. Shishkin: 0.0029

3.5.12. Full and abbreviated company name:

Limited Liability Company Palace of Culture and Creative Activity “Metallurg” (PC&CA Metallurg LLC)

Location: 88, Yubileinaya St., Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of PC&CA Metallurg

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: culture services, services for organization of performances, recreation services, catering services, other kinds of activity.

Description of the role of such company in issuer's activity: the issuer and its employees are provided with the said services.

Board of Directors (Supervisory Board):

Bragina, Elena Gennadievna - chairman, b. 1959

Participatory share of Mrs. Bragina in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Bragina: 0

Krinityn, Alexander Viktorovich, b. 1954

Participatory share of Mr. Krinityn in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Krinityn: 0

Perminova, Olga Viktorovna, b. 1970.

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Belkin, Viktor Anatolievich, b. 1958.

Participatory share of Mr. Belkin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Belkin: 0

3.5.13. Full and abbreviated company name:

Limited Liability Company Restaurant “Sportivnaya” (Restaurant “Sportivnaya” LLC)

Location: 55, Lenin Avenue, Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO – AVISMA Corporation in the registered capital of Restaurant “Sportivnaya” LLC.

Issuer's participatory share in the registered capital of the subsidiary: 99.8%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: production and sale of cookery, floury, confectionary foods, meat dishes, cold collations, sale of both in-house and outsourced products and foods

Description of the role of such company in issuer's activity: the issuer and its employees are provided with the said services.

Board of Directors (Supervisory Board):

BoD of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Vasyukov, Mikhail Alexeevich, b. 1957.

Participatory share of Mr. Vasyukov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vasyukov: 0

3.5.14. Full and abbreviated company name:

Limited Liability Company “Autostoyanka” (Autostoyanka LLC)

Location: Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of Autostoyanka LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0

Description of the primary business of the Company: services of autotransport storage and safe-keeping, vehicle repair, other kinds of activity

Description of the role of such company in issuer's activity: the issuer and its employees are provided with the said services

Board of Directors:

Styrnikov, Yury Nikolayevich - chairman, b. 1952

Participatory share of Mr. Styrnikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Styrnikov: 0

Muraviova, Svetlana Vladimirovna, b. 1967.

Participatory share of Mrs. Muraviova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Muraviova: 0

Perminova, Olga Viktorovna, b. 1970.

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kalinin, Igor Viktorovich, b. 1973.

Participatory share of Mr. Kalinin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kalinin: 0

3.5.15. Full and abbreviated company name:

Closed Joint Stock Company VGK AVISMA TITAN (VAT CJSC)

At present, there is no financial and economic activity conducted.

Location: Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO - AVISMA Corporation in the registered capital of CJSC VAT

Issuer's participatory share in the registered capital of the subsidiary: 45%

Proportion of ordinary shares of the subsidiary which belong to the issuer: 45%

Subsidiary's participatory share in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: metallurgical manufacture of titanium and titanium alloys, purchase and brokerage business, including foreign economic activity..

Description of the role of such company in issuer's activity:

Board of Directors (Supervisory Board):

BoD of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body – none

3.5.16. Full and abbreviated company name:

Joint Stock Company "Permatomenergoby" (JSC PermaES)

Location: Perm, Russia

Grounds for acknowledging the company as a subsidiary: VSMPO - AVISMA Corporation owns more than 20% of the voting shares in the registered capital of JSC PermaES

Issuer's participatory share in the registered capital of the subsidiary: 23.99%
Proportion of ordinary shares of the subsidiary which belong to the issuer: 23.99%
Subsidiary's participatory share in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to the subsidiary: 0

Description of the primary business of the Company: purchase and sale of electric energy (power) in the federal wholesale and retail markets of electric power; commercial, brokerage business of providing services as commission agent, proxy and agent, as well as fulfilling functions of the purchaser and supplier in electric energy (power) selling operations in the federal and retail markets of electric power, other types of activity that are not prohibited by the laws.

Description of the role of such company in issuer's activity:

Board of Directors:

Boyko, Sergey Nikolayevich, b. 1960.

Participatory share of Mr. Boyko in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Boyko: 0

Malyshev, Evgeny Avenirovich, b. 1952.

Participatory share of Mr. Malyshev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Malyshev: 0

Lapshin, Nikolay Yakovlevich, b. 1955.

Participatory share of Mr. Lapshin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapshin: 0

Vaskov, Vadim Mikhailovich, b. 1966.

Participatory share of Mr. Vaskov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vaskov: 0

Balashov, Dmitry Evgenievich

Participatory share of Mr. Balashov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Balashov: 0

Oborin, Viktor Pheodorovich

Participatory share of Mr. Oborin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Oborin: 0

Shaposhnikov, Oleg Evgenievich

Participatory share of Mr. Shaposhnikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Shaposhnikov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Full company name: JSC AtomEnergSbyt

Location: 14/9, Sadovnicheskaya St., Moscow, Russia

Participatory share of JSC AtomEnergSbyt in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to JSC AtomEnergSbyt: 0

3.5.17. Full and abbreviated company name:

Limited Liability Company "AVISMA – Machinostroitel" (AVISMA-Machinostroitel LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer – dominant participation of

VSMPO-AVISMA Corporation in the registered capital of AVISMA-Machinostroitel LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the registered capital of the issuer: 0%

Description of the primary business of the Company: manufacture of optional equipment, including boiler equipment; manufacture of various metal constructions, parts and units of machine-building application, repair of pump and compressor, casting of steel, cast-iron and non-ferrous metals, possibility of machining of castings, application of anticorrosive protection to hardware

Description of the role of such company in issuer's activity: the issuer is provided with the said services.

Board of Directors:

Tankeev, Vladimir Petrovich – chairman, b. 1938.

Participatory share of Mr. Tankeev in the issuer's registered capital: 0..0015

Proportion of ordinary shares of the issuer, which belong to Mr. Tankeev: 0..0015

Philippova, Tatyana Gennadievna, b. 1963

Participatory share of Mrs. Philippova in the issuer's registered capital: 0.0003

Proportion of ordinary shares of the issuer, which belong to Mrs. Philippova: 0.0003

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Sharkova, Viktoriya Sergeevna, b. 1971

Participatory share of Mrs. Sharkova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Sharkova: 0

Vasiliev, Gennady Pavlovich, b. 1951

Participatory share of Mr. Vasiliev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vasiliev: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Vasiliev, Gennady Pavlovich, b. 1951

Participatory share of Mr. Vasiliev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vasiliev: 0

3.5.18. Full and abbreviated company name:

Limited Liability Company "AVISMA – Spetsremont" (AVISMA – Spetsremont LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of

VSMPO-AVISMA Corporation in the registered capital of AVISMA – Spetsremont LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: fitting and assembling activities; repair of metal structure, hoisting device, crane track, pressure vessel; setting and lining activities, anticorrosive protection of structures and equipment, repair of electric devices and cable system, maintenance of energy lines, including natural gas lines, process piping, including categorical piping

Description of the role of such company in issuer's activity: services related to the primary business of the Company are provided to the issuer.

Board of Directors:

Besedin, Vasily Alexandrovich – chairman, b. 1953

Participatory share of Mr. Besedin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Besedin: 0

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Sharkova, Viktoriya Sergeevna, b. 1971

Participatory share of Mrs. Sharkova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Sharkova: 0

Vaigel, Ivan Iosifovich, b. 1957

Participatory share of Mr. Vaigel in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Vaigel: 0

Kudrevatykh, Viktor Vladimirovich, b. 1967

Participatory share of Mr. Kudrevatykh in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kudrevatykh: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kudrevatykh, Viktor Vladimirovich, b. 1967.

Participatory share of Mr. Kudrevatykh in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kudrevatykh: 0

3.5.19. Full and abbreviated company name:

Limited Liability Company "AVISMA – Stroy" (AVISMA – Stroy LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of

VSMPO-AVISMA Corporation in the registered capital of AVISMA-Stroy LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: construction of buildings and erections, preparation of construction area, plumbing and heating installations in buildings and erections, finishing, production of concrete, mineral white and cement items, production of metal structural unit and item, processing of metals and application of coating to metals, treatment of hardware using main engineering processes..

Description of the role of such company in issuer's activity: services related to the primary business of the Company are provided to the issuer.

Board of Directors:

Besedin, Vasily Alexandrovich – chairman, b. 1953

Participatory share of Mr. Besedin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Besedin: 0

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Gresev, Sergey Sergeevich, b. 1957

Participatory share of Mr. Gresev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Gresev: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Gresev, Sergey Sergeevich, b. 1957

Participatory share of Mr. Gresev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Gresev: 0

3.5.20. Full and abbreviated company name:

Limited Liability Company "AVISMA-TechnoExpert" (AVISMA-TechnoExpert LLC)

Location: 29, Zagorodnaya St., Lenin Avenue, Berezniki, Perm Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO - AVISMA Corporation in the registered capital of AVISMA-TechnoExpert LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: making an expertise of industrial safety of technical facilities used at hazardous production objects; inspection of the equipment and materials by NDT methods; examination of the documentation in terms of risk analysis of hazardous production objects; diagnostics, examination of units and equipment for metallurgical and coke and by-product process facilities including NDT methods; technical diagnostics and expert survey of lifting structures with the used standard life with the report on capability and conditions of further operation issued; technical examination of boiler inspection objects and lifting structures in cases stipulated by Safety Regulations; contractual development and implementation of project, research and survey works.

Description of the role of such company in the issuer's activity: services related with the primary business of the Company are provided to the issuer

Board of Directors:

Boltrushevich, Evgeny Mikhailovich – chairman, b. 1953

Participatory share of Mr. Boltrushevich in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Boltrushevich: 0

Chupin, Anton Sergeevich, b. 1981

Participatory share of Mr. Chupin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Chupin: 0

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Zhulanov, Oleg Leonidovich, b. 1973

Participatory share of Mr. Zhulanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zhulanov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Zhulanov, Oleg Leonidovich, b. 1973

Participatory share of Mr. Zhulanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zhulanov: 0

3.5.21. Full and abbreviated company name:

Limited Liability Company "AVISMA– Catering Facility": (AVISMA-Catering Facility LLC)

Location: 88, Yubileinaya St., Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of AVISMA-Catering Facility LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: rendering of catering services

Description of the role of such company in issuer's activity: the issuer's employees are provided with the catering services

Board of Directors:

Bragina, Elena Gennadievna - chairman, b. 1959

Participatory share of Mrs. Bragina in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Bragina: 0

Sementsov, Alexander Vladimirovich, b. 1966

Participatory share of Mr. Sementsov in the issuer's registered capital: 0.0016

Proportion of ordinary shares of the issuer, which belong to Mr. Sementsov: 0.0016

Kashkarov, Igor Alexandrovich, b. 1966

Participatory share of Mr. Kashkarov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kashkarov: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Kislichenko, Artem Valerievich, b. 1975

Participatory share of Mr. Kislichenko in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kislichenko: 0

Starikova, Nadezhda Mihhailovna, b. 1948

Participatory share of Mrs. Starikova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Starikova: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Starikova, Nadezhda Mihhailovna, b. 1948

Participatory share of Mrs. Starikova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Starikova: 0

3.5.22. Full and abbreviated company name:

Limited Liability Company "AVISMA – TransAuto" (AVISMA-TransAuto LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of AVISMA – TransAuto LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: transportation business; services of motor vehicle maintenance and repair; land improvement; fencing; green planting (tillage, lawn-making, planting of trees and bushes, flower bed making); road base and carpet making.

Description of the role of such company in issuer's activity: services related to the primary business of the Company are provided to the issuer.

Board of Directors:

Ovchinnikov, Sergey Evgenievich – chairman, b. 1952

Participatory share of Mr. Ovchinnikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ovchinnikov: 0

Sementsov, Alexander Vladimirovich, b. 1966

Participatory share of Mr. Sementsov in the issuer's registered capital: 0.0016

Proportion of ordinary shares of the issuer, which belong to Mr. Sementsov: 0.0016

Kashkarov, Igor Alexandrovich, b. 1966

Participatory share of Mr. Kashkarov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kashkarov: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Kislichenko, Artem Valerievich, b. 1975

Participatory share of Mr. Kislichenko in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kislichenko: 0

Tonkarev, Sergey Viktorovich, b. 1960

Participatory share of Mr. Tonkarev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tonkarev: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Tonkarev, Sergey Viktorovich, b. 1960

Participatory share of Mr. Tonkarev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tonkarev: 0

3.5.23. Full and abbreviated company name:

Limited Liability Company "AVISMA – MetrATek" (AVISMA – MetrATek LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of AVISMA – MetrATek LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: standardization and metrology business (instrument verification and calibration); services of installation, repair and maintenance of control equipment; engineering design; plumbing and heating installations in buildings and erections; mounting of other engineering systems (fire and intruder alarm systems) and process control devices; services of installation, repair and maintenance of television and radio-transmitters; general construction activities of laying of local communication and power lines, including interrelated auxiliary activities; services of mounting, repair and maintenance of devices and tools for measurement, inspection and other purposes; services of installation of office equipment; maintenance and repair of office machines and computing machinery..

Description of the role of such company in issuer's activity: services related to the primary business of the Company are provided to the issuer.

Board of Directors:

Sizikov, Igor Anatolievich – chairman, b. 1964

Participatory share of Mr. Sizikov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Sizikov: 0

Kashkarov, Igor Alexandrovich, b. 1966

Participatory share of Mr. Kashkarov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kashkarov: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Muravieva, Svetlana Vladimirovna, b. 1967

Participatory share of Mrs. Muravieva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Muravieva: 0

Mityushov, Alexander Nikolayevich, b. 1952

Participatory share of Mr. Mityushov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Mityushov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Mityushov, Alexander Nikolayevich, b. 1952

Participatory share of Mr. Mityushov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Mityushov: 0

3.5.24. Full and abbreviated company name:

Limited Liability Company "Analytic – A" (Analytic – A LLC)

Location of the Company: 29, Zagorodnaya St., Berezniki, Perm Region, the Russian Federation

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of Analytic-A LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: services of chemical analysis of various materials, emissions and discharges of harmful substances into environment; services of determination of chemical and physical factors of environment; services of repair of chemical analysis equipment.

Description of the role of such company in issuer's activity: services related to the primary business of the Company are provided to the issuer..

Board of Directors:

Ossipenko, Nikolay Grigorievich – chairman, b. 1964

Participatory share of Mr. Ossipenko in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ossipenko: 0

Kashkarov, Igor Alexandrovich, b. 1966

Participatory share of Mr. Kashkarov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kashkarov: 0

Perminova, Olga Viktorovna, b. 1970

Participatory share of Mrs. Perminova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Perminova: 0

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Bazgutdinov, Magsum Makhdutovich, b. 1951

Participatory share of Mr. Bazgutdinov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Bazgutdinov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Bazgutdinov, Magsum Makhdutovich, b. 1951

Participatory share of Mr. Bazgutdinov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Bazgutdinov: 0

3.5.25. Full and abbreviated company name:

Limited Liability Company “Trading House Tirus” (Trading House Tirus LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Reg.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of Trading House Tirus LLC.

Issuer’s participatory share in the registered capital of the subsidiary: 100%.

Subsidiary’s participatory share in the issuer’s registered capital: 0%

Description of the primary business of the Company: distributors’ services of wholesale of versatile product mix..

Description of the role of such company in issuer’s activity: check competitiveness of the issuer made consumer goods in the local market.

Board of Directors (supervisory board):

Board of Directors is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kulik, Sergey Petrovich, b. 1957.

Participatory share of Mr. Kulik in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kulik: 0

3.5.26. Full and abbreviated company name:

Limited Liability Company “VSMPO-LESTA” (VSMPO-LESTA LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO – AVISMA Corporation in the registered capital of VSMPO-LESTA LLC.

Issuer’s participatory share in the registered capital of the subsidiary: 100%

Subsidiary’s participatory share in the issuer’s registered capital: 0%

Description of the primary business of the Company: manufacture of wooden building structures and joinery.

Description of the role of such company in the issuer’s activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Slobtsov, Pavel Ivanovich – chairman, b. 1949

Participatory share of Mr. Slobtsov in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Slobtsov: 0

Spazhev, Vladimir Nikolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer’s registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Lisitsyn, Igor Nickolaevich,
Participatory share of Mr. Lisitsyn in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Lisitsyn: 0

Joint Executive Body (management board, directory):
Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Lisitsyn, Igor Nickolaevich, b. 1958
Participatory share of Mr. Lisitsyn in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Lisitsyn: 0

3.5.27. Full and abbreviated company name:

Limited Liability Company "Meridian" (Meridian LLC)

Location: 88, Yubileinaya St., Berezniki, Perm Region, Russia

Grounds for acknowledging the company as a subsidiary: dominant participation of VSMPO - AVISMA Corporation in the registered capital of Meridian LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: demonstration of films, entertainment, foreign economic, production, economic, advertising, trade and purchasing activities.

Description of the role of such company in issuer's activity: the issuer and its employees are provided with the said services.

Board of Directors:

Gorban, Viacheslav Ivanovich – chairman, b. 1954

Participatory share of Mr. Gorban in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Gorban: 0

Bragina, Elena Gennadievna - chairman, b. 1959

Participatory share of Mrs. Bragina in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Bragina: 0

Lapenkov, Lev Borisovich, b. 1982.

Participatory share of Mr. Lapenkov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Lapenkov: 0

Mizeva, Elena Ivanovna, b. 1965

Participatory share of Mrs. Mizeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Mizeva: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Schepotin, Dmitry Viktorovich, b. 1978

Participatory share of Mr. Schepotin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Schepotin: 0

3.5.28. Full and abbreviated company name:

Limited Liability Company "VSMPO-Stroitel (UKS)" (VSMPO-Stroitel (UKS) LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer – dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO-Stroitel (UKS) LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: construction of dwelling, social and cultural objects, industrial construction, reconstruction, re-equipment and overhauls of buildings and premises, trade and purchasing, agency activities.

Description of the role of such company in issuer's activity: production and commercial activities, performance of works and rendering of services.

Board of Directors:

Korkin, Nickolai Pavlovich – chairman, b. 1950

Participatory share of Mr. Korkin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Korkin: 0

Shemyakin, Anatoly Gavrilovich, b. 1953

Participatory share of Mr. Shemyakin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Shemyakin: 0

Spazhev, Vladimir Nickolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Boyarskikh, Yury Alekseevich, b. 1947

Participatory share of Mr. Boyarskikh in the issuer's registered capital: 0.0017

Proportion of ordinary shares of the issuer, which belong to Mr. Boyarskikh: 0.0017

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Boyarskikh, Yury Alekseevich, b. 1947

Participatory share of Mr. Boyarskikh in the issuer's registered capital: 0.0017

Proportion of ordinary shares of the issuer, which belong to Mr. Boyarskikh: 0.0017

3.5.29. Full and abbreviated company name:

Limited Liability Company "VSMPO-Posuda" (VSMPO-Posuda LLC)

Location of the Company: House 6, Building 1, Malaya Sukharevskaya Sq., Moscow, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer: VSMPO - AVISMA Corporation owns more than 20% of the voting shares in the registered capital of VSMPO-POSUDA LLC.

Issuer's participatory share in the registered capital of the subsidiary: 47%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: manufacture of metal tableware from steel, aluminium, titanium alloys as well as stainless steel with heat-distributing and retaining bottom, manufacture of table, kitchen and other household items, finished metal products, finishing of metals and application of coatings to metals, wholesale, retail trade, researches and developments, operations with capital assets, advertising, foreign economic activities.

Description of the role of such company in issuer's activity: services related to the primary business of the Company provided to the issuer.

Board of Directors:

Board of Directors of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Management Company K-Trade LLC.

Location of the Company: House 6, Building 1, Malaya Sukharevskaya Sq., Moscow.

Participatory share of K-Trade LLC in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to K-Trade LLC: 0

3.5.30. Full and abbreviated company name:

“Carl Edblom. Titan AB” Company

Location of the Company: 11, Newgatan, Örnsköldsvik, 891 93, Sweden.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of “Carl Edblom. Titan AB” Company.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: seamless tube marketing.

Description of the role of such company in issuer's activity: marketing of seamless tubes from titanium and its alloys in the world market beyond the CIS.

Board of Directors:

Carl Gunnar Folke Edblom – chairman, b. 1944

Participatory share of Carl Gunnar Folke Edblom in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Carl Gunnar Folke Edblom: 0

Antonov, Konstantin Mikhailovich, b. 1954

Participatory share of Mr. Antonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Antonov: 0

Leder, Oleg Ottovich, b. 1962

Participatory share of Mr. Leder in the issuer's registered capital: 0..0001

Proportion of ordinary shares of the issuer, which belong to Mr. Leder: 0..0001

Gromovich, Dmitry Vladimirovich, b. 1968

Participatory share of Mr. Gromovich in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Gromovich: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Antonov, Konstantin Mikhailovich, b. 1954

Participatory share of Mr. Antonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Antonov: 0

3.5.31. Full and abbreviated company name:

Closed Joint Stock Company “VSMPO-AVISMA Tube Works” (CJSC VSMPO-AVISMA Tube Works)

Location of the Company: 56, Trubnikov Avenue, Nikopol, the Ukraine.

Grounds for acknowledging the company as a subsidiary: dominant participation via “Carl Edblom. Titanium AB” Company in the registered capital CJSC SETAB Nikopol Plant.

Issuer's participatory share in the registered capital of the subsidiary: 50.1%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: tube manufacture.

Description of the role of such company in the issuer's activity: tube manufacture.

Supervisory Board:

Carl Gunnar Folke Edblom – chairman, b. 1944

Participatory share of Carl Gunnar Folke Edblom in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Carl Gunnar Folke Edblom: 0

Leder, Oleg Ottovich, b. 1962

Participatory share of Mr. Leder in the issuer's registered capital: 0.0001

Proportion of ordinary shares of the issuer, which belong to Mr. Leder: 0.0001

Gromovich, Dmitry Vladimirovich, b. 1968

Participatory share of Mr. Gromovich in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Gromovich: 0

Okishor Alexander Illarionovich, b. 1956

Participatory share of Mr. Okishor in issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Okishor: 0

Khamraeva, Tatyana Nickolaevna, b. 1960

Participatory share of Mrs. Khamraeva in issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Khamraeva: 0

Joint Executive Body (management board, directory):

Antonov, Konstantin Mikhailovich, b. 1954

Participatory share of Mr. Antonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Antonov: 0

Antonov, Sergey Nickolaevich, b. 1956

Participatory share of Mr. Antonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Antonov: 0

Revenok, Viacheslav Pavlovich, b. 1939

Participatory share of Mr. Revenok in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Revenok: 0

Zhuravlev, Andrey Viktorovich, b. 1959

Participatory share of Mr. Zhuravlev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zhuravlev: 0

Kolesnik, Viktor Nickolaevich, b. 1957

Participatory share of Mr. Kolesnik in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kolesnik: 0

Person acting as Sole Executive Body:

Antonov, Konstantin Mikhailovich, b. 1954

Participatory share of Mr. Antonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Antonov: 0

3.5.32. Full and abbreviated company name:

“SETAB Dnepr” Subsidiary of “SETAB/Carl Edblom. Titan.AB” Company (DK SETAB Dnepr of SETAB/Carl Edblom. Titan.AB Company)

Location of the Company: 129Б, Kirov Prospekt, Office 7/3, Dnepropetrovsk, the Ukraine.

Grounds for acknowledging the company as a subsidiary: dominant participation via Carl Edblom. Titan.AB Company in the registered capital of DK SETAB Dnepr of SETAB/Carl Edblom. Titan.AB Company

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: wholesale and retail trade, agency activity related with marketing of different goods, consulting services for commercial business and management issues.

Description of the role of such company in issuer's activity: wholesale and retail trade, agency activity related with marketing of different goods, consulting services for commercial business and management issues.

Board of Directors (Supervisory Board):

BoD of the Company is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kolesnik, Viktor Nickolaevich, b. 1957

Participatory share of Mr. Kolesnik in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kolesnik: 0

3.5.33. Full and abbreviated company name:

Limited Liability Company "VSMPO-Energomontazh" (VSMPO- Energomontazh LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer – dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO- Energomontazh LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: manufacture of furnaces and furnace burners; fabrication, assembly, repair and maintenance of industrial refrigerating and ventilating equipment, equipment of general application, machines, pumps and compressors. Construction works; assembly of engineering equipment; manufacture of steel tubes and fittings, construction and other metallic products, tanks and other vessels.

Description of the role of such company in the issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Tikhomirov, Michail Phillipovich – chairman, b. 1947

Participatory share of Mr. Tikhomirov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tikhomirov: 0

Korkin, Nikolai Pavlovich, b. 1950

Participatory share of Mr. Korkin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Korkin: 0

Spazhev, Vladimir Nickolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Fazlyev, Nakip Mannapovich, b. 1954
Participatory share of Mr. Fazlyev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Fazlyev: 0

Joint Executive Body (management board, directory):
Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Fazlyev, Nakip Mannapovich, b. 1954
Participatory share of Mr. Fazlyev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Fazlyev: 0

3.5.34. Full and abbreviated company name:

Limited Liability Company "VSMPO-Remontno – Mekhanichesky Zavod" (VSMPO-RMZ LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO-RMZ LLC.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: fabrication, repair, strengthening of spare parts and assemblies for furnaces, press – forging, metal cutting, sheet-rolling equipment and motor transport. Repair of vacuum devices, metal cutting and other equipment. Repair, fabrication and assembly of average-size metal structures; fabrication of rubber and polyurethane items. Services on machining of commodity goods and semis from titanium, aluminum and steel alloys.

Description of the role of such company in issuer's activity: industrial and commercial activity; performance of orders and rendering of services.

Board of Directors:

Shumilov, Alexander Venediktovich – chairman, b. 1945
Participatory share of Mr. Shumilov in the issuer's registered capital: 0.0001
Proportion of ordinary shares of the issuer, which belong to Mr. Shumilov: 0.0001

Korkin, Nikolai Pavlovich – chairman, b. 1950
Participatory share of Mr. Korkin in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Korkin: 0

Spazhev, Vladimir Nickolaevich, b. 1948
Participatory share of Mr. Spazhev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955
Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974
Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977
Participatory share of Mr. Zaicev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Pryanichnikov, Nikolay Grigorievich, b. 1950
Participatory share of Mr. Pryanichnikov in the issuer's registered capital: 0..0001

Proportion of ordinary shares of the issuer, which belong to Mr. Pryanichnikov: 0..0001

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Pryanichnikov, Nikolay Grigorievich, b. 1950

Participatory share of Mr. Pryanichnikov in the issuer's registered capital: 0..0001

Proportion of ordinary shares of the issuer, which belong to Mr. Pryanichnikov: 0..0001

3.5.35. Full and abbreviated company name:

Limited Liability Company "VSMPO – Spetsodezhda-Lyuks" (VSMPO – Spetsodezhda-Lyuks LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of

VSMPO-AVISMA Corporation in the registered capital of VSMPO – Spetsodezhda-Lyuks LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: clothes making

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Kasyanov, Vladimir Nikolaevich – chairman, b. 1950

Participatory share of Mr. Kasyanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kasyanov: 0

Slobtsov, Pavel Ivanovich, b. 1949

Participatory share of Mr. Slobtsov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Slobtsov: 0

Spazhev, Vladimir Nickolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Ryazhinov, Anatoly Ivanovich, b. 1958

Participatory share of Mr. Ryazhinov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ryazhinov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Ryazhinov, Anatoly Ivanovich, b. 1958

Participatory share of Mr. Ryazhinov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Ryazhinov: 0

3.5.36. Full and abbreviated company name:

Limited Liability Company "VSMPO – Mebel" (VSMPO – Mebel LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.
Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO – AVISMA Corporation in the registered capital of VSMPO-Mebel LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: furniture fabrication.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Kasyanov, Vladimir Nikolaevich – chairman, b. 1950

Participatory share of Mr. Kasyanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Kasyanov: 0

Slobtsov, Pavel Ivanovich, b. 1949

Participatory share of Mr. Slobtsov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Slobtsov: 0

Spazhev, Vladimir Nikolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nikolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Ivanov, Alexander Alexeevich, b. 1960

Participatory share of Mr. Ivanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ivanov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Ivanov, Alexander Alexeevich, b. 1960

Participatory share of Mr. Ivanov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Ivanov: 0

3.5.37. Full and abbreviated company name:

Limited Liability Company "VSMPO-Instrument" (VSMPO-Instrument LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO – AVISMA Corporation in the registered capital of VSMPO-Instrument LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: tool making.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Triphonov, Dmitry Valerievich – chairman, b. 1962

Participatory share of Mr. Triphonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Triphonov: 0

Odinokikh, Viktor Vasilievich, b. 1949

Participatory share of Mr. Odinokikh in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Odinokikh: 0

Spazhev, Vladimir Nickolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Vedyashev, Sergey Anatolievich, b. 1955

Participatory share of Mr. Vedyashev in the issuer's registered capital: 0.0002

Proportion of ordinary shares of the issuer, which belong to Mr. Vedyashev: 0.0002

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Odinokikh, Viktor Vasilievich, b. 1949

Participatory share of Mr. Odinokikh in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Odinokikh: 0

3.5.38. Full and abbreviated company name:

Limited Liability Company "VSMPO- Kuznechno-Pressovy Instrument (KPI)" (VSMPO – Kuznechno-Pressovy Instrument (KPI) LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.

Grounds for acknowledging the company as a subsidiary: dominant participation VSMPO – AVISMA

Corporation in the registered capital of VSMPO – Kuznechno-Pressovy Instrument (KPI) LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: tool making.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Triphonov, Dmitry Valerievich – chairman, b. 1962

Participatory share of Mr. Triphonov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Triphonov: 0

Ovchinnikov, Alexander Vladimirovich, b. 1961
Participatory share of Mr. Ovchinnikov in the issuer's registered capital: 0.0003
Proportion of ordinary shares of the issuer, which belong to Mr. Ovchinnikov: 0..0003

Spazhev, Vladimir Nickolaevich, b. 1948
Participatory share of Mr. Spazhev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Vedyashev, Sergey Anatolievich, b. 1955
Participatory share of Mr. Vedyashev in the issuer's registered capital: 0.0002
Proportion of ordinary shares of the issuer, which belong to Mr. Vedyashev: 0.0002

Rashektaeva, Tatyana Viktorovna, b. 1955
Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974
Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977
Participatory share of Mr. Zaicev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Joint Executive Body (management board, directory):
Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Ovchinnikov, Alexander Vladimirovich, b. 1961
Participatory share of Mr. Ovchinnikov in the issuer's registered capital: 0.0003
Proportion of ordinary shares of the issuer, which belong to Mr. Ovchinnikov: 0..0003

3.5.39. Full and abbreviated company name:

Limited Liability Company "VSMPO-Autotrans" (VSMPO-Autotrans LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO-Autotrans LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: freight motor transportation.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Slobtsov, Pavel Ivanovich – chairman, b. 1949
Participatory share of Mr. Slobtsov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Slobtsov: 0

Spazhev, Vladimir Nickolaevich, b. 1948
Participatory share of Mr. Spazhev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Kozlov, Alexey Konstantinovich, b. 1958
Participatory share of Mr. Kozlov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Kozlov: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974
Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977
Participatory share of Mr. Zaicev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kozlov, Alexey Konstantinovich, b. 1958

Participatory share of Mr. Kozlov in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Kozlov: 0

3.5.40. Full and abbreviated company name:

Limited Liability Company "VSMPO-MONTAZH" (VSMPO-MONTAZH LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO-MONTAZH LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: construction of buildings and structures of Level II; provision of raw materials, materials, equipment, tools, etc.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Shumilov, Alexander Venediktovich – chairman, b. 1945

Participatory share of Mr. Shumilov in the issuer's registered capital: 0.0001
Proportion of ordinary shares of the issuer, which belong to Mr. Shumilov: 0.0001

Korkin, Nikolai Pavlovich, b. 1950
Participatory share of Mr. Korkin in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Korkin: 0

Spazhev, Vladimir Nickolaevich, b. 1948
Participatory share of Mr. Spazhev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955
Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974
Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977
Participatory share of Mr. Zaicev in the issuer's registered capital: 0
Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Denisov, Yury Nikolaevich, b. 1949
Participatory share of Mr. Denisov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Denisov: 0

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Denisov, Yury Nikolaevich, b. 1949

Participatory share of Mr. Denisov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Denisov: 0

3.5.41. Full and abbreviated company name:

Limited Liability Company "VSMPO-Electro" (VSMPO-Electro LLC)

Location of the Company: 1, Parkovaya St. Verkhnyaya Salda, Sverdlovsk Region, 624760, Russia.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO-Electro LLC

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: electric power distribution and operability assurance in power plants and power supply network.

Description of the role of such company in issuer's activity: satisfaction of public needs and receipt by the issuer of maximum return on contributed capital as a result of manufacturing, scientific and engineering, and commercial activities.

Board of Directors:

Tikhomirov, Michael Philippovich – chairman, b. 1947

Participatory share of Mr. Tikhomirov in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Tikhomirov: 0

Korkin, Nikolai Pavlovich, b. 1950

Participatory share of Mr. Korkin in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Korkin: 0

Spazhev, Vladimir Nickolaevich, b. 1948

Participatory share of Mr. Spazhev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Spazhev: 0

Rashektaeva, Tatyana Viktorovna, b. 1955

Participatory share of Mrs. Rashektaeva in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Rashektaeva: 0

Evdokimova, Nadezhda Nickolaevna, b. 1974

Participatory share of Mrs. Evdokimova in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mrs. Evdokimova: 0

Zaicev, Denis Gennadievich, b. 1977

Participatory share of Mr. Zaicev in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Zaicev: 0

Kolmakov, Leonid Grigorievich, b. 1949

Participatory share of Mr. Kolmakov in the issuer's registered capital: 0.0002

Proportion of ordinary shares of the issuer, which belong to Mr. Kolmakov: 0.0002

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Kolmakov, Leonid Grigorievich, b. 1949

Participatory share of Mr. Kolmakov in the issuer's registered capital: 0.0002

Proportion of ordinary shares of the issuer, which belong to Mr. Kolmakov: 0.0002

3.5.42. Full and abbreviated company name:

VSMPO – TIRUS, U.S., INC.

Location of the Company: 603 Park Point Drive, Suite 150, Golden, Colorado, 80401, U.S.

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO – TIRUS, U.S., INC.

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: ensuring local timely shipments to satisfy customers' needs. Additional services, such as cutting of plate, sheet, bar and billet into mults, heat treating, precision grinding and machining to customers' specifications.

Description of the role of such company in issuer's activity: sales and distribution services in Europe and North America provided to the Corporation.

Board of Directors (Supervisory Board):

Board of Directors is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

John Monahan, b.1945

Participatory share of Mr. Monahan in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Monahan: 0

3.5.43. Full and abbreviated company name:

VSMPO – TIRUS GmbH

Location of the Company: Homburger Landstrasse 266, D-60433 Frankfurt am Main, Germany

Grounds for acknowledging the company as a subsidiary of the issuer: dominant participation of VSMPO-AVISMA Corporation in the registered capital of VSMPO – TIRUS GmbH

Issuer's participatory share in the registered capital of the subsidiary: 100%.

Subsidiary's participatory share in the issuer's registered capital: 0%

Description of the primary business of the Company: ensuring local timely shipments to satisfy customers' needs. Additional services, such as cutting of plate, sheet, bar and billet into mults, heat treating, precision grinding and machining to customers' specifications.

Description of the role of such company in issuer's activity: sales and distribution services in Europe provided to the Corporation, trade services to the customers.

Board of Directors (Supervisory Board):

Board of Directors is not stipulated by the By-Laws.

Joint Executive Body (management board, directory):

Joint Executive Body is not stipulated by the By-Laws.

Person acting as Sole Executive Body:

Dirk Mansfeldt, b. 1960

Participatory share of Mr. Mansfeldt in the issuer's registered capital: 0

Proportion of ordinary shares of the issuer, which belong to Mr. Mansfeldt: 0

3.6. Composition, Structure and Value of Issuer's Fixed Assets, Information on Plans of Acquisition, Replacement, Retirement of Fixed Assets as well as on all the Facts of Fixed Assets Encumbrance

3.6.1. Fixed Assets

No information shall be given for this reporting period.

IV. Financial and Economic Activities Information

4.1. Financial and Economic Performance Results

4.1.1. Profit and Loss

No information shall be given for this reporting period.

4.1.2. Factors which impacted on the change in revenues from the issuer's sales of goods, products, operations and services and the issuer's profit (loss) from primary activities

No information shall be given for this reporting period.

4.2. Issuer's Liquidity, Adequacy of the Capital and Current Assets

No information shall be given for this reporting period.

4.3. Size and Structure of the Issuer's Capital and Current Assets

4.3.1. Size and Structure of the Issuer's Capital and Current Assets

Size and Structure of Capital

Index	2005	2006
Registered capital	11 530	11 530
Total cost of issuer's shares repurchased by the issuer for subsequent resale (transfer) with indication of percentage of such shares in placed shares (registered capital) of issuer, 000' rubles	0	0
Size of issuer's reserve capital formed at the expense of deductions from issuer's profit, 000' rubles	668	668
Size of issuer's additional capital reflecting increase in the value of assets resulting from revaluation and difference between the sale price (placement price) and par value of shares of the company due to sale of shares at the price exceeding par value	6 373 457	6 373 424
Size of issuer's target financing including total funds allocated for special purpose actions, funds received from other organizations and persons, budget funds, etc..	0	0

Size and Structure of the Issuer's Current Assets

Index	2005	2006
Inventory	8 074 779	7 478 301
VAT on acquisitions	884 735	739 921
Accounts receivable (amounts falling due over 12 months from the reporting date)	0	0
Accounts receivable (amounts falling due within 12 months from the reporting period)	4 279 421	10 895 075
Short-term financial investments (58,59,81)	87 117	490
Cash	208 771	439 862
Other current assets	0	0
Total working capital	13 534 823	19 553 649

Sources of financing the issuer's current assets are the Company's profit and loans.

In order to ensure financial stability in the situation of production increase and expansion, VSMPO-AVISMA Corporation uses borrowed funds against its current assets and pays its liabilities on time. It is highly improbable that any events would cause change in the issuer's policy of current assets financing as VSMPO-AVISMA Corporation is distinguished with its brilliant credit history.

At present, every bank capability is used for the benefit of the Company's continuously developing business.

4.3.2. Issuer's Financial Investments

No information shall be given for this reporting period.

4.3.3. Issuer's Intangible Assets

No information shall be given for this reporting period.

4.4. Issuer's Policy and Expenses for Scientific and Engineering Activity, Licenses, Patents, Developments and Research

The issuer's policy for scientific and engineering development associated with licenses and patents, new developments and researches is aimed at:

- acquisition of the exclusive right to intellectual property objects in the field of production of magnesium and titanium, protection of priority trends in scientific and engineering development;
- decrease of product cost and expansion of sales markets;
- involvement of alternative sources of raw materials into production (including in the territory of the Russian Federation);
- development of no-waste production technology;
- increase in output of finished products.

Data on creation and acquisition of legal protection for intellectual property for Q4, 2006:

##	Document No.	Intellectual Property Object Description	Date of Issue/Entry	Commencement Date. Validity Period
1.	2283889	Titanium-base alloy	06.10.2006	16.05.2005 20 years
2.	2284236	Tool for compacting charge materials	12.10.2006	21.01.2005 20 years

3.	2284360	Manufacturing process for consumable electrode for titanium ingot melting	17.10.2006	24.12.2004 20 years
4.	2288062	Heating method for die set	11.12.2006	21.02.2005 20 years
5.	2288076	Process and unit for tube machining	11.12.2006	26.03.2004 20 years
6.	2288287	Vacuum arc skull furnace	11.12.2006	21.01.2005 20 years
7.	2288293	Aluminium-base alloy	11.12.2006	19.01.2005 20 years
8.	2288300	Modification method for surface layer of metal products	12.10.2006	09.12.2004 20 years
9.	1066832	Metastable β -titanium alloy, Hong Kong	16.11.2006	18.11.2002 20 years
10.	547852	"TIRUS" trademark, India	04.12.2006	29.09.2003r. 10 years
11.	672731	"TIRUS" trademark, class 6, Canada	05.12.2006	15.09.2006r. 15 years
12.	2284963	Invention: Manufacturing process for calcium carbonate using exit gases of lime production	10.10.2006	05.10.2004 20 years
13.	2285064	Invention: Current lead to electrolytic cell electrodes for magnesium production	10.10.2006	06.04.2005 20 years
14.	2285063	Invention: Device for current supply to electrolytic cell with lower inlet of anodes for magnesium production	10.10.2006	28.03.2005 20 years
15.	2288935	Invention: Manufacturing process for composite material used on ice-covered ground	10.12.2006	21.02.2005 20 years

Main trends and results of usage of intellectual property objects:

Main trends of use of intellectual property objects were to improve the process and equipment for sponge titanium production.

The following IP objects were used in production processes in Q4, 2006:

##	Patent /Application No.	Intellectual Property Object
1.	2166714	Water-cooled melting crucible
2.	2246551	Charge materials for master alloys based on refractory metals
3.	2239502	Manufacturing process for hollow products having deformed structure from low-ductile alloy
4.	2005134450	Method of application of strengthening coating with reinforcing effect
5.	39137	Furnace for sponge titanium production
6.	44675	Reduction unit for sponge titanium production

Risk factors associated with the possibility of expiration of patents, licenses for trademarks:

Risk factor consists in use of cancelled patents by competitors.

Information on Scientific and Engineering Expenses of AVISMA Affiliate of
VSMPO-AVISMA Corporation at the Expense its Internal Funds as of 31.12.2006

Rubles

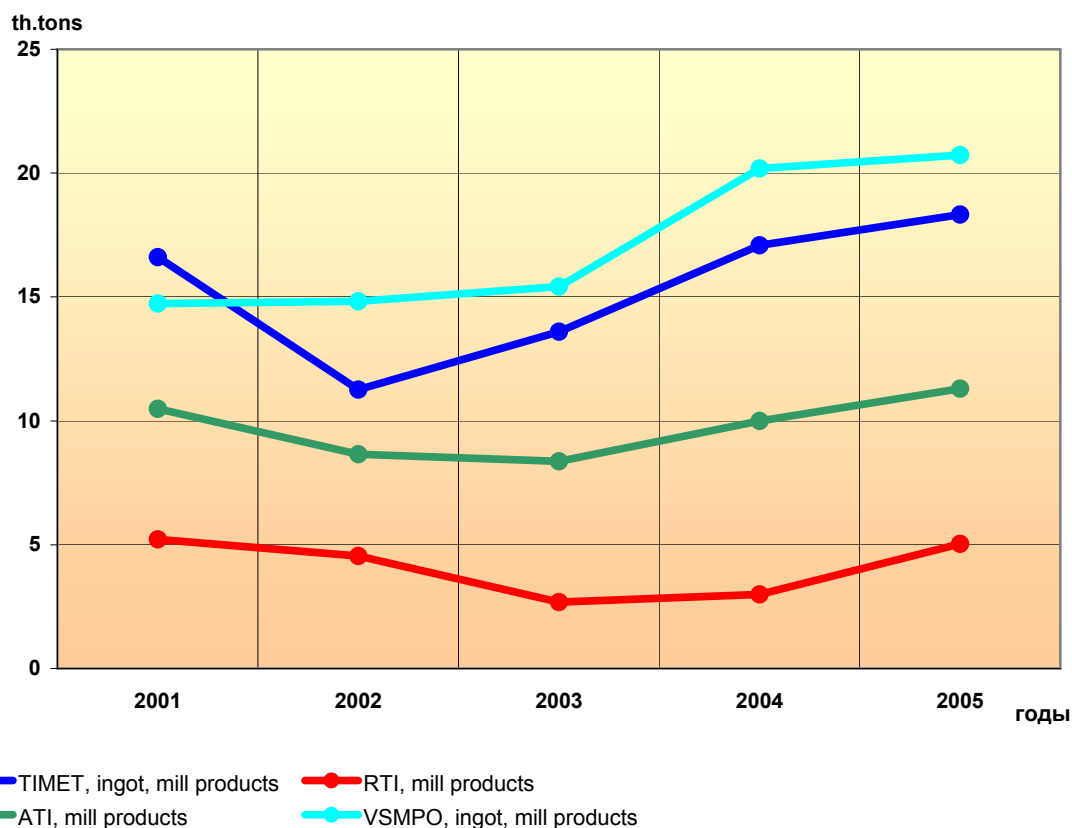
Order No.	Shop	Order Description	Balance as of 01.01..07
410	TO	Submerged burning unit for heating of calcium hypochloride solution	1 342 710,17
804	TO	Energy-saving conditions of titanium slag production	3 967 872,55
805	TO	Research of thermal hydrolysis of return magnesium chloride	1 392 231,93
807	TO	Installation of new apparatuses and devices for magnesium conversion	632 679,95
808	TO	Comparative testing of electrolytic cell designs	10 471 571,63
809	TO	Design of dies and tooling for die casting machines	1 060 707,66
817	TO	Improvement of process and design of vessels for reduction and vacuum separation with upper condenser and increase in cycle productivity	4 582 768,84
820	TO	Development of software for OPU 3, Shop 35	264 415,97
821	TO	Development of magnesium control system in reduction vessel	1 275 362,53
822	TO	Testing of one-stage gas treatment using ring-type emulsifier	131 660,21
823	TO	Extension of service life of primary and auxiliary equipment	658 311,64
830	TO	Designing and testing of magnesium electrolytic cells characterized by small cathode-electrode distance	5 788 379,28
831	TO	Manufacturing process for T-ingots in magnesium and magnesium alloys	72 202,15
832	TO	Development of new types of products	4 174 571,23
834	TO	Alternative sources of raw materials for magnesium production	386 938,08
855	TO	Improvement of design of reactor for chlorinator melting pot	399 457,08
859	TO	Experimental and industrial testing of combined-supply circuit for Bay I, Shop 33	3 527 169,30
863	TO	Development of noise reduction actions	708 324,63
867	TO	Fabrication and testing of trial contact welded assembly of magnesium electrolytic cells	2 179 196,19
872	TO	Introduction of new materials	1 709 201,37
876	TO	Heat balancing of chlorinating unit and development of actions to improve its productivity. Experimental and industrial testing of high-performance heat exchanging devices in chlorinating unit system.	1 705 562,07
878	TO	Development of limestone burning furnace reconstruction	986 001,16
		TOTAL:	47 417 295,62

4.5 Overview of Development Trends in Issuer's Primary Activities

About 65 % of products manufactured by VSMPO-AVISMA Corporation are intended for aerospace applications, therefore the condition of this sector of the Russian and world economy significantly affects technical and economic indices of the Company. The world aerospace market is characterized by a cyclic nature with each cycle lasting for about 4-5 years, and the world titanium market demonstrates a similar pattern of development. Actually, it should be noted that the Asian financial crisis in 1998 and the terrorist attack on September 11, 2001 in the USA affected the condition of these markets.

Hence, the world's leading titanium manufacturers faced difficulties in products sales in 2001-2002; this negative tendency was subdued in 2003-2005 (Fig.1, Table 1). At this the Corporation takes the first place in supplying titanium products.

Figure 1 TITANIUM PRODUCTS SHIPMENTS BY US-BASED COMPANIES AND VSMPO - AVISMA Corporation During 2001 – 2005



Source: Companies' reports

Table 1. Basic Indices of Timet, RTI, ATI and VSMPO-AVISMA Corporation in 2001-2005

Index	Unit	Year				
		2001	2002	2003	2004	2005
Sales	\$ mln.					
Timet		486.9	366.5	385.3	501.8	749.8
RTI		285.9	270.9	195.0	209.6	346.9
ATI		2128.0	1907.8	1937.4	2733.0	3540.0
VSMPO		247.7	275.5	268.1	362.9	527.9
Net profit (loss)	\$ mln.					
Timet		(41.8)	(111.5)	(13.1)	47.7	155.9
RTI		12.1	15.1	4.7	(2.8)	38.9
ATI		(25.2)	(65.8)	(314.6)	19.8	361.4
VSMPO		50.6	45.3	41.5	55.7	112.3
Titanium products shipment	th.tons					
Timet, total		16.60	11.26	13.60	17.09	18.32
Mill products		12.18	8.86	8.88	11.73	12.66
Ingot, slab		4.41	2.40	4.72	5.36	5.66
RTI, mill products		5.22	4.54	2.68	3.00	5.04
ATI, mill products		10.48	8.65	8.37	9.99	11.30
VSMPO, total		14.74	14.83	15.42	20.18	20.73

Mill products		9.68	9.72	10.47	12.67	15.38
Ingot, slab		5.06	5.11	4.95	7.51	5.35
Average product price	\$ / kg					
Timet, total (calculated price)		25.73	27.80	24.78	26.22	34.98
Mill products		29.80	31.40	31.50	32.05	41.75
Ingot, slab		14.50	14.50	12.15	13.45	19.85
RTI, mill products		29.48	33.33	35.13	30.81	33.85
ATI, mill products		25.77	26.06	25.33	27.18	50.11
VSMPO, export		14.82	13.16	12.15	13.01	19.18
Export mill products		18.50	16.64	15.07	16.47	21.60
Export ingot, slab		9.38	8.63	7.80	8.59	13.13
Domestic market		13.96	17.90	20.75	23.77	28.42

Sources: Companies' reports

Unlike its major competitors the Corporation features stable growth of the output and hence, stable increase of profit ensuring the possibility of reconstruction and development of its production facilities.

The main competitors in sponge titanium production are Ust-Kamenogorsky Titanium and Magnesium Works, Kazakhstan which manufactures high-grade sponge titanium used in aircraft building as well, and Zaporozhsky Titanium and Magnesium Works, the Ukraine which manufactures sponge titanium for metallurgy industry.

As to magnesium, the main competitors are Chinese manufacturers having low production cost and, therefore offering low prices for magnesium. In the Russian Federation the Corporation competes with JSC Solikamsk Magnesium Plant (44% of output in the Russian Federation).

The main advantages of the Company in comparison with the competitors:

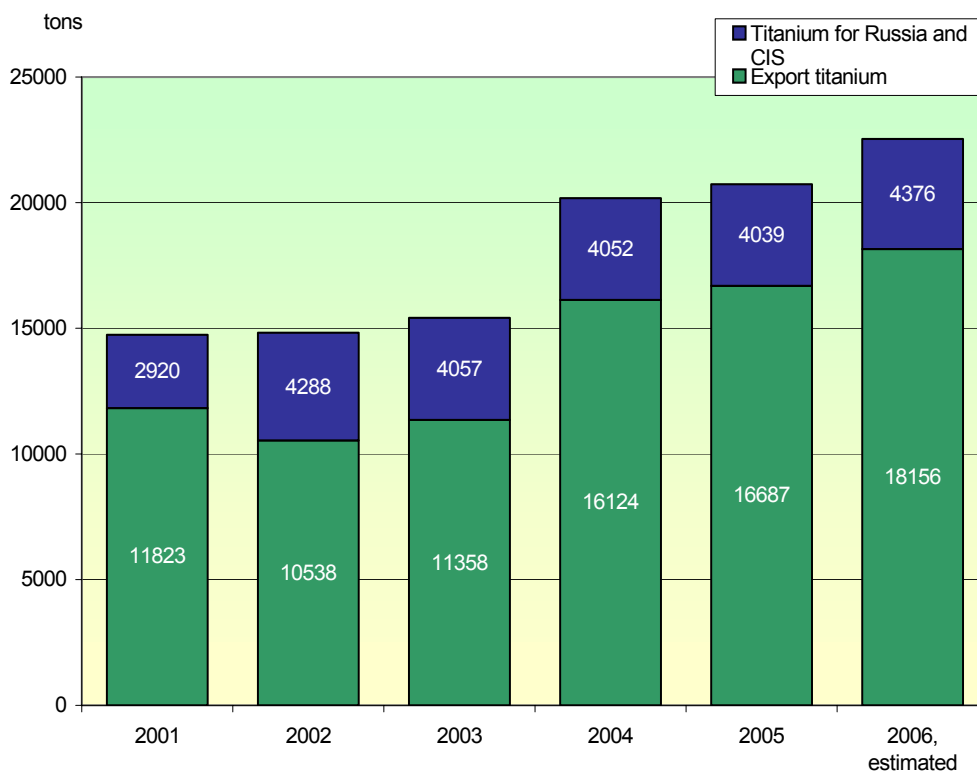
- complete production cycle starting from ore materials to metallurgical semi-finished and finished products for machine building (heat-exchanging equipment and containers);
- diversification allowing to transfer resources from titanium sector for the purpose of manufacturing other types of products: aluminum, steel, ferrotitanium, and consumer goods (Table 2);

Table 2. Structure of Products Shipped by VSMPO-AVISMA Corporation, by Product Type

Product Type	Year				
	2001	2002	2003	2004	2005
	%				
Titanium products	84.7	82.1	82.7	80.7	77.8
Aluminium products	4.6	5.5	5.7	4.1	2.7
Non-conventional aluminum products	3.1	3.2	3.4	2.8	1.8
Steel	2.9	2.6	2.4	2.6	1.6
Ferrotitanium	2.8	4.7	3.2	5.6	14.4
Non-conventional products	0.3	0.3	0.4	0.6	0.1
Other commodities	1.6	1.6	2.2	3.6	1.6
Total	100.0	100.0	100.0	100.0	100.0

Source: VSMPO reports

Figure 2. Shipments of Titanium Products by VSMPO - AVISMA Corporation to Domestic and Foreign Markets



- VSMPO-AVISMA Corporation is an integrated manufacturer of titanium semi-finished products, and in contrast to its competitors the Company fulfills all manufacturing processes as well as inspection and tests on its own (without involving contractors);

- implementation of the program aimed at increasing the share of value-added products (die forging, welded pipe, sheet) strengthens VSMPO position in the global titanium market.

V. Details on Members of the Issuer's Control Authorities, Financial and Economic Activity Control Authorities and Brief Information on Issuer's Employees

5.1. Structure and Competence of Issuer's Control Authorities

Company's Control Authorities are:

- General meeting of shareholders;
- Board of Directors;
- Sole executive body (Director General)

The powers of the general meeting of shareholders (participants) shall be in accordance with the By-Laws (statutory documents):

Solution of the following issues is included into **the competence of the general meeting of shareholders**:

- introduction of changes and amendments into the By-Laws of the Company or approval a new revision of the By-Laws (except for cases stipulated by paras. 2-5 of Article 12 of the Federal Law on "Joint Stock Companies");
- reorganization of the Company;
- liquidation of the company, appointment of the liquidation committee and approval of interim and final liquidation balance sheets;
- determination of number of the members of the Board of Directors, election of members thereto and early termination of their authorities;
- election of the sole executive body;

- early termination of the authorities of the sole executive body;
- determination of number of the members of the Auditing Committee, election of the Auditing Committee and early termination of its authorities;
- approval of the Company's auditor;
- determination of the number, par value, category (type) of declared shares and the rights granted by such shares;
- increase of the registered capital of the Company by increasing the par value of shares;
- increase of the registered capital of the Company by placing additional shares in cases stipulated by the Federal Law and the Company By-Laws;
- increase of the registered capital of the Company by placing additional shares within the number and categories (types) of the declared shares at the expense of the Company's assets provided placing of additional shares is performed by allocating them among the shareholders, if the Board of Directors fails to make the unanimous decision on this issue;
- decrease of the registered capital of the Company by reducing the par value of shares, purchasing part of shares by the Company for the purpose of reduction of their total number as well as redeeming shares having been acquired or repurchased by the Company (shares being at the Company's disposal);
- approval of annual reports, annual financial reports, including profit and loss reports (profit and loss accounts) of the Company as well as distribution of profit including payment (declaration) of dividends, and losses of the Company based on the results of the financial year;
- determination of the procedure for general meetings of shareholders;
- split and consolidation of shares;
- decision making in regard to approval of transactions in cases stipulated by Article 83 of the Federal Law on "Joint Stock Companies";
- decision making in regard to approval of major transactions in cases stipulated by clause 2 of Article 79 of the Federal Law on "Joint Stock Companies";
- decision making in regard to approval of major transactions in cases stipulated by clause 3 of Article 79 of the Federal Law on "Joint Stock Companies";
- decision making in regard to participation in holding companies, financial & industrial groups, associations and other associations of commercial organizations;
- approval of internal documents regulating the activities of the Company's Authorities;
- decision making in regard to remuneration and (or) compensation of expenses of the Auditing Committee associated with execution of its obligations during the effective period; determination of the size of such remuneration and compensation;
- decision making in regard to remuneration and (or) compensation of expenses of members of the Board of Directors associated with execution of the obligations of members of the Board of Directors within a period of executing their duties; determination of the size of such remuneration or compensation;
- decision making in regard to reimbursement, at the expense of the Company, of the expenses on preparation and holding the extraordinary general meeting of shareholders incurred by persons and authorities who initiated such general meeting of shareholders;
- determination of the list of additional documents to be mandatory kept at the Company;
- other issues attributed by the Federal Law to the competence of the general meeting of shareholders.

The general meeting of shareholders has no right to review and take decisions on the issues not attributed to its competence based on the Federal Law and the By-Laws.

The general meeting of shareholders has no right to take decisions on issues not included into the agenda of the general meeting of shareholders as well as to change the agenda.

Competence of the Board of Directors shall be in accordance with the By-Laws:

the Board of Directors shall carry out general management of Company's activities except for taking decisions on issues attributed by the Federal Law and the By-Laws to the competence of the general meeting of shareholders.

The following issues shall be attributed to the competence of the Board of Directors:

- determination of priority trends of the Company's business;

- convocation of the annual general or extra meeting of shareholders except for cases stipulated by clause 8 of Article 55 of the Federal Law on "Joint Stock Companies";
- approval of the agenda of the general meeting of shareholders;
- determination of the date of drawing up the list of persons having the right to take part in the general meeting of shareholders and other issues attributed to the competence of the Board of Directors in accordance with provisions of Article VII of the Federal Law on "Joint Stock Companies" and connected with preparation and holding the general meeting of shareholders;
- preliminary approval of annual reports of the Company;
- increase of the registered capital of the Company by means of allocating additional shares within the number and categories (types) of declared shares at the expense of the Company's assets provided placing of additional shares is performed by allocating them among the shareholders;
- increase of the registered capital of the Company by means of allocating additional shares within the number and categories (types) of declared shares by open subscription to ordinary shares in the amount of 25 % and less of the previously placed ordinary shares;
- increase of the registered capital of the Company by means of allocating additional shares within the number and categories (types) of declared shares by open subscription to preferred shares;
- allocation of additional shares at the expense of the Company's assets provided placing of additional shares is performed by allocating them among the shareholders;
- allocation of debentures not convertible into shares and other emission securities not convertible into shares;
- approval of the decision on the issue of securities, the offering circular, the report on the results of the issue of securities, introduction changes and amendments thereof;
- - determination of the price (pecuniary valuation) of the property, the price of allocation and re-purchase of emission securities in cases stipulated by the Federal Law on "Joint Stock Companies";
- acquisition of the shares placed by the Company in accordance with clause 2 of Article 72 of the Federal Law on "Joint Stock Companies";
- acquisition of debentures placed by the Company and other securities in cases stipulated by the Federal Law on "Joint Stock Companies";
- approval of the report on shares acquisition results purchased in accordance with clause 1 of Article 72 of the Federal Law on "Joint Stock Companies";
- recommendations to the general meeting of shareholders in regard to the amount of remuneration and compensations to be paid to the members of the Auditing Committee of the Company;
- determination of the amount of payment for the services of the Auditor of the Company;
- recommendations to the general meeting of shareholders in regard to the amount of dividends on shares of all categories and the procedure for payment thereof;
- recommendations to the general meeting of shareholders in regard to the procedure for distribution of profits and losses of the Company based on the results of the financial year;
- use of the reserve and other funds of the Company;
- approval of internal documents of the Company except for internal documents regulating activities of Company's Authorities to be approved by the resolution of the general meeting of shareholders as well as other internal documents of the Company approval of which is attributed by the By-Laws to the competence of the sole executive body of the Company, introduction of changes and amendments into these documents;
- establishment and liquidation of affiliates, opening and closing down of representative offices of the Company, approval of provisions for affiliates and representative offices, introduction of changes and amendments thereto; appointment of managers of affiliates and representative offices and termination of their authorities;
- introduction of changes associated with establishment of affiliates, opening of representative offices and their liquidation into the Company By-Laws;
- approval of major transactions in cases stipulated by Article X of the Federal Law on "Joint Stock Companies";
- approval of transactions stipulated by Article XI of the Federal Law on "Joint Stock Companies";
- approval of the registrar of the Company and contract terms therewith as well as termination of the contract therewith;
- decision making in regard to auditing financial and economic activities of the Company at any time;

- appointment of the person authorized to sign the contract on behalf of the Company having the sole executive body;
- determination of the list of additional documents to be mandatory kept at the Company;
- approval of the contract with the person acting as a sole executive body of the Company;
- decision making in regard to termination of authorities of the sole executive body of the Company;

other issues stipulated by the Federal Law on "Joint Stock Companies" and the By-Laws.

Issues attributed to the competence of the Board of Directors can not be submitted for decision making to the executive body of the Company.

The competence of the sole and joint executive bodies of the issuer shall be in accordance with its By-Laws (statutory documents):

Management of current activities of the Company shall be carried out by the Director General (the sole executive body of the Company).

The sole executive body shall report to the general meeting of shareholders and the Board of Directors. All the issues of management of current activities of the Company except for the issues attributed to the exclusive competence of the general meeting of shareholders and the Board of Directors **shall be attributed to the competence of the Director General.**

The Director General shall arrange implementation of decisions of the general meetings of shareholders and the Board of Directors.

The Director General shall act without power of attorney on behalf of the Company. He shall:

- perform operational management of activities of the Company;
- have the right of first signature in financial documents;
- dispose of the assets of the Company for ensuring its current activities within the limits established by the By-Laws;
- represent the interests of the Company both within the Russian Federation and outside including foreign countries;
- approve staffing lists, conclude labor contracts with employees of the Company, apply incentives to them and impose penalties thereon;
- handle transactions on behalf of the Company except for the cases stipulated by the Federal Law on "Joint Stock Companies" and the By-Laws of the Company;
- issue powers of attorney on behalf of the Company;
- open accounts of the Company in the banks;
- organize book-keeping and reporting in the Company;
- issue orders and give instructions which are mandatory for execution by all employees of the Company;
- fulfill other functions required for achieving the objectives of the Company's activities and ensuring its standard operation in accordance with the current law and the By-Laws except for the functions attributed by the Federal Law on "Joint Stock Companies" and the By-Laws to other Control Authorities of the Company..

The Director General shall be elected by the general meeting of shareholders for a term of 4 years.

The issuer has no code of corporate conduct (management) or any similar document

No changes were introduced during the last reporting period.

The full text of the current issue of the issuer's By-Laws and internal documents regulating activities of the Company's control authorities is provided for the open access in the Internet at

www.vsmo.ru/core..php?p=442.

5.2. Persons Included in the Issuer's Control Authorities

Board of Directors (elected by the Annual General Meeting of Shareholders on 28.06.2006):

Aleshin, Alexey Vladislavovich, b. 1959

Education: higher, candidate of legal sciences.

Positions for the last 5 years:

Deputy Director General, FGUP Rosoboronexport, Moscow.

Positions held in control authorities of other legal entities for the last five years:

2000 till present time: member of the Board of Directors of JSC AKB "MIB";

2002 – 2003: member of the Board of Directors of JSC Interstate Aircraft Building Company "Ilyushin";

2002 – 2003: member of the Board of Directors of JSC Moscow Helicopter Plant named after M.L. Mil;

2002 – 2003: member of the Board of Directors of JSC Baltic Ship Building Plant “Yantar”;
2003 till present time: member of the Board of Directors of JSC OPK “Oboronprom”;
2005 till present time: member of the Supervisory Board of Joint Pension Fund.

Share in the issuer’s registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer’s control authorities and/or financial & economic control authorities.

Voevodin, Mikhail Viktorovich, b.. 1975

Education: higher

Positions for the last 5 years:

1996 – 2002: contract service as officer in the Foreign Intelligence Service of the Russian Federation;

03.2002: specialist of Finance Department, JSC OboronImpex, Moscow;

12.2002: manager of Finance Department, JSC OboronImpex, Moscow;

04.2003: manager of Finance and Commercial Project Department, JSC OboronImpex, Moscow;

12.2004: Deputy Director General, JSC OboronImpex, Moscow;

03.2005 till present time: Senior Deputy Director General. CEO, JSC OboronImpex, Moscow.

Positions held in control authorities of other legal entities for the last five years: none..

Share in the issuer’s registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer’s control authorities or financial & economic control authorities.

Besedin, Vasily Alexandrovich, b. 1953

Education: higher

Positions for the last 5 years:

1999 – 2001: Deputy Production Director, Manager of Production Department, JSC AVISMA, Berezniki, Perm Region;

2003 – July 2005: Chairman of Board of Directors of JSC AVISMA, Berezniki, Perm Region;

2001 till present time: Director of Maintenance, Reconstruction and Repair, AVISMA affiliate of VSMPO – AVISMA Corporation, Berezniki, Perm Region.

Positions held in control authorities of other legal entities for the last five years: none.

Share in the issuer’s registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer’s control authorities and/or financial & economic control authorities.

Melnikov, Nikolai Konstantinovich, b. 1955

Education: higher

Positions for the last 5 years:

2001 – 2004: Production Planning and Control Director, JSC VSMPO

2004 till present time: Deputy Director General, Production Planning and Control, VSMPO – AVISMA Corporation; member of Board of Directors of VSMPO – AVISMA Corporation..

Positions held in control authorities of other legal entities for the last five years: none..

Share in the issuer’s registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer’s control authorities and/or financial & economic control authorities.

Chemezov, Sergey Viktorovich, b.. 1952

Education: higher, Doctor of Economics..

Positions for the last 5 years:

Director General, FGUP Rosoboronexport, Moscow..

Positions held in control authorities of other legal entities for the last five years:

Member of Board of Directors, JSC KAMAZ;

Member of Board of Directors, JSC Kazan Optical Mechanical Plant;

Member of Board of Directors, JSC Research and Production Corporation "Irkut";

Chairman of Board of Directors, JSC OPK "Oboronprom";

Member of Board of Directors, JSC Group Company PVO "Almaz-Antey";

Member of Board of Directors, JSC Aviation Holding Company "Sukhoi" ..

Member of Board of Directors, JSC AVTOVAZ.

Share in the issuer's registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities and/or financial & economic control authorities.

Shelkov, Mikhail Evgenievich, b. 1968

Education: higher

Positions for the last 5 years:

Director General, JSC Gas Technologies and Investments, Moscow; Director General, JSC OboronImpex, Moscow

Positions held in control authorities of other legal entities for the last five years:

2004 till present time: Chairman of Board of Joint Pension Fund, Moscow;

2006 till present time: Chairman of Board of Directors, Sibintek.

Share in the issuer's registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities and/or financial & economic control authorities.

Tetyukhin, Vladislav Valentinovich, b. 1932

Education: higher, Doctor of Engineering.

Positions for the last 5 years:

1992 till present time: Director General of VSMPO – AVISMA Corporation, Verkhnyaya Salda, Sverdlovsk Region.

Positions held in control authorities of other legal entities for the last five years:

1998 – 2005: Director General of JSC AVISMA, Berezniki, Perm Region, member of Board of Directors of JSC AVISMA.

2000 till present time: Director General of Aviatrans, Berezniki, Perm Region..

Share in the issuer's registered capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities and/or financial & economic control authorities..

Sole Executive Body of the Issuer:

Tetyukhin, Vladislav Valentinovich, b. 1932.

5.3. Remuneration, Benefits and/or Compensation of Expenses of Each Issuer's Control Authority

Total income of all the members of the Board of Directors for 2005 equals 7`394`567.29 rubles, including the salary of the members of the Board of Directors who are staff employees of VSMPO-AVISMA Corporation for 2005 is 7`394`567.29 rubles in accordance with the staff list of VSMPO-AVISMA Corporation.

The general annual meeting of shareholders voted on 28.06.2006 to pay remuneration of 840`000 rubles to the members of the Board of Directors based on the 2005 results.

5.4. Structure and Competence of the Issuer's Financial & Economic Control Authorities

Financial and economic and legal activities of the Company shall be controlled by the Internal Auditing Committee.

Any shareholder or any person nominated by the shareholder may become a member of the Internal Auditing Committee.

The members of the Internal Auditing Committee of the Company may not concurrently be the members of the Board of Directors or the executive bodies of the Company.

The Internal Auditing Committee shall be elected at the annual general meeting of shareholders for 1 year-period and shall consist of at least three persons.

The Internal Auditing Committee shall elect a chairman and a secretary of the Internal Auditing Committee from its members.

Control (audit) of financial and economic activities of the Company is carried out on the basis of the Company annual performance results, as well as at any time on initiative of the Auditing Committee, according to resolution of the general meeting of shareholders or the Board of Directors, or upon request from the shareholder (shareholders) of the Company holding in aggregate not less than 10 percent of the voting shares.

The following is attributed to the competence of the Internal Auditing Committee:

- audit of financial documentation of the Company, accounting reports, statements of the property inventory committee and comparison of the abovementioned documents with primary accounting records;
- review of accounting, taxation, management and statistical books for accuracy and comprehensiveness;
- review of financial status of the Company, its solvency, liquidity of assets, own funds to borrowings ratio, net assets and the authorized capital, identification of reserves for improvement of economic status of the Company, development of recommendations for control authorities of the Company;
- review of timeliness and accuracy of payments made to suppliers of products and services, payments to the budget and off-budget funds, charges and payments of dividends, interests on debenture bonds, repayment of other liabilities;
- confirmation of data adequacy included in the annual reports of the Company, annual accounts, income statements (profit and loss accounts), profit allocation, reporting documentation for tax and statistical purposes, state administration authorities;
- verification of competence of Director General with regard to conclusion of contracts on behalf of the Company;
- verification of competence of resolutions adopted by the Board of Directors, the Director General, the Liquidation Committee and their compliance to the By-Laws and resolutions adopted by the general meeting of shareholders;
- review of resolutions adopted by the general meeting of shareholders for their compliance to the law and By-Laws.

The Internal Auditing Committee has the right to:

- request personal explanation from the members of the Board of Directors, employees of the Company including any officers, on the issues attributed to the competence of the Internal Auditing Committee;
- bring to the attention of the control authorities the issue with regard to the responsibility of the employees of the Company including the officers in case of their violation of the By-Laws, provisions, regulations and instructions approved by the Company;
- recruit specialists who are not staff employees of the Company on a contractual basis.

Upon request of the Internal Auditing Committee persons occupying positions in the control authorities of the Company shall submit reports disclosing financial and economic activities of the Company.

The Internal Auditing Committee has the right to request to call an extraordinary general meeting of shareholders according to the procedure set forth in the By-Laws.

Based on the audit of financial and economic activities of the Company the Internal Auditing Committee draws up a conclusion that includes the following:

- confirmation of data adequacy included in the reports and other financial documents of the Company;
- information on facts of violation of the accounting procedure and financial presentation stipulated by the legal acts of the Russian Federation, as well as of the legal acts of the Russian Federation when conducting financial and economic activities.

5.5. Members of Financial & Economic Control Authorities

Members of the Internal Auditing Committee responsible for control over the issuer's financial and economic activity:

Ryzhova, Tatyana Eliseyevna, b.1950.

Education: secondary vocational

Positions for the last 5 years:

Period: 2001 till present time

Position: Chairman of the Internal Auditing Committee of VSMPO – AVISMA Corporation, Verkhnyaya Salda, Sverdlovsk Region

Positions held in other companies:

Period: 2004 till present time

Position: Chairman of the Municipal Duma of Verkhnyaya Salda, Sverdlovsk Region.

Share in the issuer's authorized capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities or financial & economic control authorities.

Zabolotskaya, Natalia Mikhailovna, b. 1973.

Education: higher

Positions for the last 5 years:

Period: 2001 – 2002

Position: Accounting Expert, Consumer Goods Sector of Marketing Service of VSMPO, Verkhnyaya Salda, Sverdlovsk Region

Period: 2002-2005

Position: Assistant Manager, Shipbuilding Sector of Marketing Service of VSMPO – AVISMA Corporation

Period: 2005 till present time

Position: Auditor of the Internal Auditing Committee, Finance & Economy, VSMPO – AVISMA Corporation

Positions held in other companies:

Period: 2000-2001

Position: Accountant of Trading House Titan, Verkhnyaya Salda, Sverdlovsk Region

Share in the issuer's authorized capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities or financial & economic control authorities.

Pryanichnikova, Nadezhda Ivanovna, b. 1950.

Education: secondary vocational

Positions for the last 5 years:

Period: 2002 – 2005

Position: Auditor of the Internal Auditing Committee, Finance and Accounting, VSMPO – AVISMA Corporation

Period: 2005 till present time

Position: Deputy Chairman of the Internal Auditing Committee of VSMPO – AVISMA Corporation

Share in the issuer's authorized capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities or financial & economic control authorities.

Uglov, Oleg Borisovich, b. 1973.

Education: higher

Positions for the last 5 years:

Period: 2000 till present time

Position: Leading Specialist, Economic Analysis Group of Security Service of VSMPO – AVISMA Corporation, Verkhnyaya Salda, Sverdlovsk Region

Share in the issuer's authorized capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities or financial & economic control authorities.

Bodrikov, Alexei Yurievich, b.1971

Education: higher

Positions for the last 5 years:

Period: 2002 till present time

Position: Accountant of the Internal Auditing Bureau of the Accounting Department of VSMPO – AVISMA Corporation, Verkhnyaya Salda, Sverdlovsk Region

Share in the issuer's authorized capital: none

Shares in subsidiary/related companies of the issuer: none

There are no blood relations with other persons in the issuer's control authorities or financial & economic control authorities.

5.6. Remuneration, Benefits and/or Compensation of Expenses of Financial & Economic Control Authorities

Total income of all members of the Internal Auditing Committee employed on a regular basis for 2005 equals 1`896`156.17 rubles.

The general annual meeting of shareholders voted on 28.06.2006 to pay remuneration of 360`000 rubles to the members of the Internal Auditing Committee based on the 2005 results.

5.7. Number of the Issuer Employees, Education and Structure of the Issuer Employees and Changes in the Number of Employees

No information shall be given for this reporting period.

5.8. Issuer's Obligations to the Staff (Employees) Associated with their Participation in the Issuer's Authorized Capital

There are no agreements or obligations concerning the possibility of the issuer's staff (employees) participation in its authorized capital..

VI. Shareholders and Interest Transactions of the Issuer

6.1. Total Number of Shareholders

The number of persons registered in the Shareholders' Register as at the closing date of the reporting quarter is 4 697, including 12 nominal shareholders..

6.2. Shareholders Holding not less than 5% of the Issuer's Authorized Capital or not less than 5% of the Issuer's Ordinary Shares, as well as Shareholders of such Persons Holding not less than 20 % of their Authorized Capital or not less than 20% of their Ordinary Shares

Full and abbreviated name of the nominal shareholder of the issuer:

Closed Joint Stock Company "Depositarno-Kliringovaya Kompania" (ZAO DKK)

Address: 31, Building B, Shabolovka St., Moscow, 115162

Telephone: +7(095) 956-09-99

Fax: +7(095) 232-68-04

E-mail: dcc@dcc.ru

License No. 177-062-36-000100 as of 09.10.02. granted by the Federal Service for Financial Markets of Russia to the professional securities market participant for open-ended depository activity.

Share in the issuer's authorized capital: 77..2200%.

Portion of the issuer's ordinary shares it holds: 77.2200 %.

Full and abbreviated name of the nominal holder of the issuer:

Closed Joint Stock Company Citibank (ZAO KB Citibank)

Address: 8-10, Gasheka St., Moscow, 125047.

Telephone: +7(095) 725-10-00

Fax: +7(095) 725-67-00

License No. 177-02719-000100 as of 01.11.00. granted by the Federal Service for Financial Markets of Russia to the professional securities market participant for open-ended depository activity

Share in the issuer's authorized capital: 5.5809%.

Portion of the issuer's ordinary shares it holds: 5.5809%.

Full and abbreviated name of the nominal holder of the issuer:

ING BANK (Eurasia) Closed Joint Stock Company (ING BANK (Eurasia) ZAO)

Location: 36, Krasnoproletarskaya St., Moscow, 127473.

Telephone: +7(095) 755-54-00

Fax: +7(095) 755-54-99

E-mail: mail@ibimos.ru

License No. 177-03728-000100 granted by the Federal Service for Financial Markets of Russia to the professional securities market participant for open-ended depository activity

Share in the issuer's authorized capital: 5.0426%.

Portion of the issuer's ordinary shares it holds: 5.0426%.

6.3. State or Municipal Share in the Issuer's Authorized Capital. Special Right ("Golden Share ")

The State has no share in the issuer's authorized capital. Special right ("golden share") to participation of the Russian Federation, subjects of the Russian Federation, and municipal formations in management of the issuer is not stipulated.

6.4. Restricted Participation in the Issuer's Authorized Capital

The By-Laws do not provide for any restrictions on the number of shares that may be held by one shareholder and/or on their total par value and/or maximum number of votes that may be granted to one shareholder.

Neither the law of the Russian Federation nor other statutory acts provide for restrictions on the foreign share in the issuer's authorized capital.

There are no any other restrictions related to participation in the issuer's authorized capital.

6.5. Changes in Structure and Share of the Issuer's Shareholders Holding not less than 5% of its Authorized Capital or not less than 5% of its Ordinary Shares

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **23.04.2001**

Full and abbreviated corporate name: Closed Joint Stock Company "Soyuz VS" (CJSC "Soyuz VS")

Share in the issuer's authorized capital: 38.6098

Portion of the ordinary shares it holds: 38.6098

Full and abbreviated corporate name: Joint Stock Company "Avitrans" (JSC "Avitrans")

Share in the issuer's authorized capital: 8.1922

Portion of the ordinary shares it holds: 8.1922

Full and abbreviated corporate name: OBA Enterprises Limited

Share in the issuer's authorized capital: 15.5

Portion of the ordinary shares it holds: 15.5

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **09.04.2002**

Full and abbreviated corporate name: Closed Joint Stock Company "Soyuz VS" (CJSC "Soyuz VS")

Share in the issuer's authorized capital: 38.6110

Portion of the ordinary shares it holds: 38.6110

Full and abbreviated corporate name: OBA Enterprises Limited
Share in the issuer's authorized capital: 17.6037
Portion of the ordinary shares it holds: 17.6037

Full and abbreviated corporate name: Nikitas Brokerage Limited
Share in the issuer's authorized capital: 14.1312
Portion of the ordinary shares it holds: 14.1312

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **10.04.2003**

Full and abbreviated corporate name: Closed Joint Stock Company "Soyuz VS" (CJSC "Soyuz VS")
Share in the issuer's authorized capital: 42.9003
Portion of the ordinary shares it holds: 42.9003

Full and abbreviated corporate name: Nikitas Brokerage Limited
Share in the issuer's authorized capital: 13.1082
Portion of the ordinary shares it holds: 13.1082

Full and abbreviated corporate name: JSC AVISMA Titanium and Magnesium Works (JSC AVISMA)
Share in the issuer's authorized capital: 17.7025
Portion of the ordinary shares it holds: 17.7025

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **05.12.2003**

Full and abbreviated corporate name: Closed Joint Stock Company "Soyuz VS" (CJSC "Soyuz VS")
Share in the issuer's authorized capital: 8.1595
Portion of the ordinary shares it holds: 8.1595

Full and abbreviated corporate name: Limited Liability Company "RENOVA-INVESTMENTS"
(RENOVA-INVESTMENTS LLC)
Share in the issuer's authorized capital: 5.5941
Portion of the ordinary shares it holds: 5.5941

Full and abbreviated corporate name: Colbridge Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Colgrove Limited
Share in the issuer's authorized capital: 6.3526
Portion of the ordinary shares it holds: 6.3526

Full and abbreviated corporate name: Finecroft Limited
Share in the issuer's authorized capital: 11.2499
Portion of the ordinary shares it holds: 11.2499

Full and abbreviated corporate name: Maxbay Limited
Share in the issuer's authorized capital: 6.3517
Portion of the ordinary shares it holds: 6.3517

Full and abbreviated corporate name: Rockcastle Enterprises Limited
Share in the issuer's authorized capital: 5.0812
Portion of the ordinary shares it holds: 5.0812

Full and abbreviated corporate name: Winfair Limited
Share in the issuer's authorized capital: 10.4888
Portion of the ordinary shares it holds: 10.4888

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **29.03.2004**

Full and abbreviated corporate name: Deplex Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20..0000

Full and abbreviated corporate name: Finebond Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20..0000

Full and abbreviated corporate name: Osengo Investments limited
Share in the issuer's authorized capital: 12.0164
Portion of the ordinary shares it holds: 12..0164

Full and abbreviated corporate name: Coldsteam Limited
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

Full and abbreviated corporate name: Multibrook Ltd
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **05.08.2004**

Full and abbreviated corporate name: Deplex Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Finebond Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Osengo Investments limited
Share in the issuer's authorized capital: 12.0206
Portion of the ordinary shares it holds: 12.0206

Full and abbreviated corporate name: Coldsteam Limited
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

Full and abbreviated corporate name: Multibrook Ltd
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **22.11.2004**

Full and abbreviated corporate name: Deplex Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Finebond Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Osengo Investments limited

Share in the issuer's authorized capital: 12.0206
Portion of the ordinary shares it holds: 12.0206

Full and abbreviated corporate name: Coldsteam Limited
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

Full and abbreviated corporate name: Multibrook Ltd
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **28.04.2005**

Full and abbreviated corporate name: Deplex Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Finebond Limited
Share in the issuer's authorized capital: 20.0000
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Osengo Investments limited
Share in the issuer's authorized capital: 12.0206
Portion of the ordinary shares it holds: 12.0206

Full and abbreviated corporate name: Coldsteam Limited
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

Full and abbreviated corporate name: Multibrook Ltd
Share in the issuer's authorized capital: 10.0134
Portion of the ordinary shares it holds: 10.0134

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **15.08.2005**

Full and abbreviated corporate name: Deplex Limited
Share in the issuer's authorized capital: 18.2536
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Finebond Limited
Share in the issuer's authorized capital: 18.2536
Portion of the ordinary shares it holds: 20.0000

Full and abbreviated corporate name: Osengo Investments limited
Share in the issuer's authorized capital: 12.9370
Portion of the ordinary shares it holds: 12.9370

Full and abbreviated corporate name: Coldsteam Limited
Share in the issuer's authorized capital: 9.5923
Portion of the ordinary shares it holds: 9.5923

Full and abbreviated corporate name: Multibrook Ltd
Share in the issuer's authorized capital: 9.5923
Portion of the ordinary shares it holds: 9.5923

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **12.05.2006**

Full and abbreviated corporate name: Coldsteam Limited

Share in the issuer's authorized capital: 9.9541

Portion of the ordinary shares it holds: 9.9541

Full and abbreviated corporate name: Deplex Limited

Share in the issuer's authorized capital: 18.9420

Portion of the ordinary shares it holds: 18.9420

Full and abbreviated corporate name: Finebond Limited

Share in the issuer's authorized capital: 18.9420

Portion of the ordinary shares it holds: 18.9420

Full and abbreviated corporate name: Multibrook Ltd

Share in the issuer's authorized capital: 9.9541

Portion of the ordinary shares it holds: 9.9541

Full and abbreviated corporate name: Renaissance Securities (Cyprus) Limited

Share in the issuer's authorized capital: 12.1299

Portion of the ordinary shares it holds: 12.1299

The date on which the list of persons entitled to participate in the general meeting of shareholders was made: **04.09.2006**

Full and abbreviated corporate name: Coldsteam Limited

Share in the issuer's authorized capital: 9.9541

Portion of the ordinary shares it holds: 9.9541

Full and abbreviated corporate name: Deplex Limited

Share in the issuer's authorized capital: 18.9420

Portion of the ordinary shares it holds: 18.9420

Full and abbreviated corporate name: Finebond Limited

Share in the issuer's authorized capital: 18.9420

Portion of the ordinary shares it holds: 18.9420

Full and abbreviated corporate name: Multibrook Ltd

Share in the issuer's authorized capital: 9.9541

Portion of the ordinary shares it holds: 9.9541

Full and abbreviated corporate name: Renaissance Securities (Cyprus) Limited

Share in the issuer's authorized capital: 12.1299

Portion of the ordinary shares it holds: 12.1299

6.6. Interest Transactions of the Issuer

There were no interest transactions during the last reporting quarter.

6.7. Accounts Receivable

No information shall be given for this reporting period.

VII. Issuer's Financial Statements and Other Financial Information

7.1. Annual Financial Statements of the Issuer

The annual financial statements of the issuer for the last completed financial year which are drawn up in accordance with the requirements of the laws of the Russian Federation are included in the Q1 report.

7.2. Quarterly Financial Statements of the Issuer for the Last Reporting Quarter

The quarterly financial statements of the issuer which are drawn up in accordance with the requirements of the laws of the Russian Federation are not in the Q4 report.

7.3. Consolidated Financial Statements of the Issuer for the Last Complete Financial Year

The consolidated financial statements of the issuer for the last completed financial year are included into the Q2 report.

7.4. Issuer's Accounting Policy

Accounting policy for the purpose of accounting and tax registration was put into effect based on Order No. 51 dated January 30, 2006.

For the purpose of accounting the major items of the accounting policy are as follows:

- the following is attributed to fixed assets: buildings, structures, operating and power machines and equipment, measuring and control gages and devices, computer facilities, vehicles, tooling, production inventory and household equipment and appliances, longstanding plantations, internal roads and other corresponding objects;
- the Company includes in the fixed assets the apartments owned by the Company based on the ownership except for the cases when the apartments are purchased for resale or transfer for repayment of any liabilities (in this case apartments are accounted as goods). Regardless of the fact of using apartments for renting purposes they are not transferred to the profitable investments;
- revaluation of fixed assets objects is not performed;
- amounts of accrued depreciation for the objects of fixed assets are reflected in accounting by means of accumulation of corresponding sums on account 02 "Fixed Assets Depreciation".. Charged amount of fixed assets depreciation is reflected in the accounting for the credit of account 02 "Fixed Assets Depreciation" in correspondence with accounts for accounting of production expenses and sales costs. As for the fixed assets given in rent or for free use, depreciation shall be charged for account 91 "Other income and Expenses";
- depreciation shall be charged on a monthly basis by the straight line method;
- construction in progress is reflected in accounting and reports for actual expenses related thereof;
- the following objects can be attributed to intangible assets: intellectual property objects (exclusive right to the results of intellectual activities); exclusive right of the patent holder to the invention, industrial prototype, useful model; exclusive copyright to computer software, data bases; property right of the owner or other right owner to topologies of integrated circuits; exclusive right of the owner to the trademark and service designation, the name of goods origin location; exclusive right of the patent holder to selection achievements;
- works associated with scientific (research), scientific and technical activities and experimental developments stipulated by the Federal Law No. 127-FZ on "Science and State Scientific & Technical Policy" dated 23.08.96 are attributed to research works;
- expenses for research and product developments are accounted separately on the individual sub-account to account 08 "Investments in non-current assets";
- the following assets are attributed to inventories: used as raw and other materials etc. when manufacturing products designated for sale (operations, services); designated for sale including finished products and goods; used for administrative needs of the Company;
- inventories are accounted on the balance account 10 "Materials" based on the actual cost generated prior to the date of their actual receipt at the warehouse;
- transport and procurement expenses (T&PE) of the Company are accounted by attributing T&PEs to a separate sub-account to account "Materials";
- writing-off of T&PEs by separate types or groups of materials is carried out in proportion to the accounting cost of materials based on the ratio of balance of T&PEs at the beginning of the month (reporting period) and current T&PEs for the month (reporting period) to the balance of materials at the beginning of the month (reporting period) and materials supplied during the month (reporting period) at the accounting cost;
- financial investments are investments of the Company's funds in registered (stock) capitals of other companies, securities, joint activities, loans given to other companies for the purpose of taking part in

profit allocation, dividends, interests or other income.

VAT in accordance with the accounting policy shall be calculated from the date of shipment. Income and expenses for profit tax calculation are determined on an accrual basis in accordance with the Tax Code provisions.

7.5. Total Exports and its Share in Total Sales

No information shall be given for this reporting period.

7.6. Issuer's Real Assets Cost and Significant Changes in the Issuer's Assets since the Closing Date of the Last Complete Financial Year

Total value of the real assets as of 31.12.2006: 2`545`325`256.98 rubles

Accrued (accumulated) amortization: 1`156`443`292..16 rubles

Real assets were not evaluated during 12 months prior to the closing date of the reporting quarter.

7.7. Participation of the Issuer in Legal Proceedings in case such Participation could have a Significant Effect on Financial and Economic Activities of the Issuer

The issuer applied to the Moscow Arbitration Court on 03.05.06 (investigation No. A40-29083/06-33-211) to invalidate the decision No. 56-18-25/1 of the regional board of the federal tax authority for major tax-payers No. 5. as of 28.04.2006 that required the issuer to pay 2`277`937`680 rubles of taxes and 455`594`736 of penalties.

On 13.07.2006 the Moscow Arbitration Court invalidated the decision of the tax authority and thus satisfied the issuer's claim.

VIII. Additional Information on the Issuer and Securities Placed

8.1. Additional Information on the Issuer

8.1.1. Size and Structure of the Issuer's Authorized Capital

Size of the authorized capital as of 01.01.2007: 11`529`538 rubles.

Breakdown of the issuer's authorized capital by share category:

Ordinary shares: 11`529`538 shares

Total par value: 11`529`538 rubles

Share in the authorized capital: 100%

Preferred shares: none

Total par value: none

Share in the authorized capital: none

8.1.2. Changes in the Size of the Authorized Capital of the Issuer

Size of the authorized capital as of 01.01.2001: 11`806`008 rubles.

Breakdown of the issuer's authorized capital by shares category:

Ordinary shares: 11`806`008 shares

Total par value: 11`806`008 rubles

Share in the authorized capital: 100%

Preferred shares: none

Total par value: none

Share in the authorized capital: none

The name of the issuer's control body which took the decision on changing the size of the authorized capital: Board of Directors

The date and the number of the minutes of the meeting of Board of Directors at which the resolution on changing the size of the registered capital was adopted: no number, dated 23.04.1998..

Size of the authorized capital as of 12.07.2002: 10`625`600 rubles.

Breakdown of the issuer's authorized capital by shares category:

Ordinary shares: 10`625`600 shares.

Total par value: 10`625`600 rubles
Share in the authorized capital: 100%
Preferred shares: none

Total par value: none

Share in the authorized capital: none

The name of the issuer's control body which took the decision on changing the size of the authorized capital: general meeting of shareholders

The date and the number of the minutes of the general meeting of shareholders at which the resolution on changing the size of the registered capital was adopted: no number, dated 24.05.2002..

Size of the authorized capital as of 01.07.2005: 11`530`508 rubles.

Breakdown of the issuer's authorized capital by share category:

Ordinary shares: 11`530`508 shares.

Total par value: 11`530`508 rubles

Share in the authorized capital: 100%

Preferred shares: none

Total par value: none

Share in the authorized capital: none

The name of the issuer's control body which took the decision on changing the size of the authorized capital: general meeting of shareholders

The date and the number of the minutes of the general meeting of shareholders at which the resolution on changing the size of the registered capital was adopted: no number, dated 21.09.2004..

Size of the authorized capital as of 21.07.2005: 11`529`538 rubles.

Breakdown of the issuer's authorized capital by share category:

Ordinary shares: 11`529`538 shares

Total par value: 11`529`538 rubles

Share in the authorized capital: 100%

Preferred shares: none

Total par value: none

Share in the authorized capital: none

The name of the issuer's control body which took the decision on changing the size of the authorized capital: Board of Directors

The date and the number of the minutes of the general meeting of shareholders at which the resolution on changing the size of the registered capital was adopted: without No., dated 22.11.2004..

8.1.3. Formation and Use of the Reserve Fund and Other Funds of the Issuer

Name of the fund: reserve fund

Size of the fund established by the statutory documents: the Company shall establish the reserve fund in the amount of 25 % of the Company's authorized capital in accordance with clause 20.2. of current Revision of By-Laws.

Size of the fund in money terms as of 31.12.2006: 668`000 rubles

Size of the fund in percentage of the authorized capital: 5..8..

8.1.4. Procedure for Calling and Holding of the General Meeting of the Superior Control Authority of the Issuer

Name of the superior control authority of the issuer: general meeting of shareholders.

Procedure for notification of shareholders of the general meeting of the superior control authority of the issuer:

At least 20 day notice of the general meeting of shareholders and 30 day notice of the general meeting of shareholders if the agenda includes the issue on reorganization shall be submitted before the date of the meeting.

Within the aforesaid dates the notice of the general meeting of shareholders shall be published in the *Novator* newspaper, as well as within the aforesaid dates the notice of the general meeting of shareholders shall be forwarded to each person enumerated in the list of persons entitled to participate in the

general meeting of shareholders by the registered letter or handed over to each of the specified persons against the signature.

The company has the right to additionally notify shareholders of the general meeting of shareholders via mass media (TV, radio) as well as via Internet.

The right to call (require) an extraordinary meeting:

The extraordinary general meeting of shareholders is carried out in accordance with the decision of the Board of Directors based on its own initiative, the requirement of the Internal Auditing Committee, Company's Auditor as well as shareholders (a shareholder) holding not less than 10 % of the voting shares of the Company as of the date of such requirement.

The extraordinary general meeting of shareholders upon request of the Internal Auditing Committee, Company's auditor or shareholders (a shareholder) holding not less than 10 % of the voting shares of the Company shall be called by the Board of Directors.

The procedure for establishing the date of the general meeting of shareholders:

The company shall hold the annual general meeting of shareholders every year not earlier than 2 months and not later than 6 months after completion of the financial year.

The convocation of the annual and extraordinary general meetings of shareholders except for the cases stipulated by clause 8 of Article 55 of the Federal Law on "Joint Stock Companies" is attributed to the competence of the Board of Directors..

Persons having the right to make proposals to the agenda of the general meeting of shareholders as well as the procedure for introduction of such proposals:

Shareholders (a shareholder) holding together not less than 2 percent of the voting shares of the Company have the right to introduce items into the agenda of the annual general meeting of shareholders. Such proposals shall be submitted to the Company not later than 30 days after the end of the financial year.

The proposal for introduction of items into the agenda of the general meeting of shareholders shall include the statement of each item proposed.

The proposal for introduction of items into the agenda of the general meeting of shareholders can include the statement of the resolution for each item proposed.

Proposals for introduction of items into the agenda of the general meeting of shareholders and nomination of candidates shall be made in writing including the name (designation) of the shareholders (a shareholder) who presented them, the number and the category (type) of shares held by them and shall be signed by the shareholders (a shareholder).

The Board of Directors shall review the proposals submitted and take a decision on introduction them into the agenda of the general meeting of shareholders or on refusal to include them into agenda not later than 5 days after completion of dates of proposals for the agenda of the annual general meeting to be submitted to the Company in accordance with the By-Laws and nomination of the candidates to the Board of Directors and the Internal Auditing Committee as well as a candidate for the post of the Director General.

The item proposed by the shareholders (a shareholder) shall be included into the agenda of a general meeting of shareholders, as well as nominated candidates shall be included into the list of nominees for voting for elections to the relevant authority of the Company, except for cases when:

- shareholders (a shareholder) fail to meet the deadlines, established by the By-Laws, for introduction of items into the agenda and nomination of candidates for the annual general meeting of shareholders;
- shareholders (a shareholder) fail to meet the deadlines, established by the By-Laws, for nominating candidates for election as members of the Board of Directors at the extraordinary general meeting of shareholders;
- shareholders (a shareholder) are not considered to be holders of the number of voting shares of the Company in accordance with clauses 1 and 2 of Article 53 of the Federal Law on "Joint Stock Companies";
- the proposal does not meet the requirements stated in clauses 3 and 4 of Article 53 of the Federal Law on "Joint Stock Companies" and the requirements of the By-Laws based thereof;
- the item proposed for introduction into the agenda of the general meeting of shareholders is not attributed to its competence by the law and the By-Laws and (or) does not meet the requirements of the Federal Law on "Joint Stock Companies" and other legal acts of the Russian Federation..

The justified decision of the Board of Directors in regard to the refusal to introduce the proposed item into the agenda of the general meeting of shareholders or a candidate into the list of nominees for voting for elections to the corresponding authority of the Company shall be forwarded to shareholders (a shareholder) who introduced the item or nominated the candidate not later than 3 days of the date of its adoption.

The Board of Directors has no right to make changes in the statements of items proposed for introduction into the agenda of the general meeting of shareholders and statements of resolutions related to such items.

In addition to the items proposed by shareholders for introduction into the agenda of the general meeting of shareholders as well as in case of lack of such proposal and lack of or insufficient number of candidates nominated by shareholders for forming the corresponding authority, the Board of Directors is entitled to include the items in the agenda of the general meeting of shareholders or candidates in the list of nominees at its discretion..

Persons who have the right to get acquainted with the information submitted for preparation and holding the meeting of shareholders as well as the procedure for getting acquainted with such information (documents):

In accordance with the Federal Law on “Joint Stock Companies”, the above-mentioned is related to the persons having the right to participate in the general meeting of shareholders.

The list of persons having the right to participate in the general meeting of shareholders shall be drawn up on the basis of data of the register of Company’s shareholders.

The procedure for getting acquainted with information submitted for preparation of the meeting of shareholders – at the location of the executive bodies of the Company; during the general meeting of shareholders at the place where it is held; in other places specified in the notice of the general meeting of shareholders; upon shareholder’s request during not more than five days at that the payment for copies can not exceed their cost; in the office of the sole executive body.

Procedure for announcement of the resolutions taken by the superior control authority of the issuer, as well as the voting results:

The resolutions taken by the general meeting of shareholders as well as the voting results shall be declared at the general meeting of shareholders where the voting has taken place, or the persons enumerated in the list of persons entitled to participate in the general meeting of shareholders shall be notified of the resolutions and voting results in accordance with the procedure for notification of the general meeting of shareholders ten days at the latest after the minutes on the voting results is drawn up in the form of the report of voting results.

8.1.5. Commercial Organizations in Which the Issuer Holds not less than 5% of the Registered (Stock) Capital (Share Fund) or not less than 5% of Ordinary Shares

Commercial organizations in which the issuer holds not less than 20% of the registered (stock) capital (share fund), or not less than 20% of ordinary shares are indicated in para. 3.5..

Commercial organizations in which the issuer holds less than 20% of the registered (stock) capital (share fund), or less than 20% of ordinary shares:

8.1.5.1. Full and abbreviated corporate name:

**Limited Liability Insurance Company “TIRUS”
(CK TIRUS)**

Location: 71 A, Engelsa St., Verkhnyaya Salda, Sverdlovsk Region, Russia, 624760

Participatory share of the issuer in the registered capital of the subsidiary: 19.9%

Portion of the ordinary shares of the subsidiary held by the issuer: 19.9%

Participatory share of the subsidiary in the issuer’s registered capital: 0

8.1.5.2. Full and abbreviated corporate name:

Closed Joint Stock Company “International Association Titan” (ZAO “Association Titan”)

Location: 1, Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

Participatory share of the issuer in the registered capital of the subsidiary: 19.05%

Portion of the ordinary shares of the subsidiary held by the issuer: 19.05%

Participatory share of the subsidiary in the issuer’s registered capital: 0

8.1.6. Material Transactions Effected by the Issuer

Material transactions effected by the Issuer, the size of liabilities under which equals 10% and more of the net book value of the issuer's assets according to its financial report for the last complete reporting period preceding the date of such transactions have not been registered.

8.1.7. Credit Ratings of the Issuer

No credit rating (ratings) has been given to the issuer and/or issuer's securities.

8.2. Categories (Types) of the Issuer's Shares

Shares outstanding:

Category of shares: ordinary

Par value of each share: 1 ruble

Number of shares in circulation: 11`529`538

State registration number: 1-01-30202-D

State registration date: 11.11.2004

The Company has the right to place, in addition to the already placed shares, the following categories of shares (declared shares):

- preferred shares in the amount of 2`500`000 (two million five hundred thousand) shares at the par value of 1 ruble per share.

Declared preferred shares shall give the following rights:

- the right to annual receipt of the dividend in the amount of 2.25 of the par value;
- preferential right compared to ordinary shares to receive accrued but not paid dividends;
- preferential right to receive the portion of the cost of assets (liquidation value) on preferred shares which remained after liquidation of the Company.

Rights granted to the shareholders:

General rights of the holders of shares of all categories (types):

- to dispose the shares belonging to them without the consent of other shareholders and the Company according to the procedure stipulated by the By-Laws;
- Company's shareholders who voted against or did not take part in voting with regard to allocation, by closed subscription, of shares and emission securities convertible into shares, have the priority right to purchase additional shares and emission securities convertible into shares allocated by means of closed subscription in the amount proportional to the number of shares of this category (type) belonging to them.

This right shall not apply to allocation of shares and other emission securities convertible into shares carried out by means of closed subscription only among the shareholders, if, at that, shareholders have the possibility to purchase the integer number of allocated shares and other emission securities convertible into shares in proportion to the number of shares of the corresponding category (type) belonging to them;

- to receive the part of net profit (dividends) subject to distribution among the shareholders according to the procedure stipulated by the law and by the Company By-Laws depending on the category (type) of shares belonging to him;
- to receive the part of the Company assets (liquidation quota) which remained after liquidation of the Company in proportion to the number of shares of the corresponding category (type) held by him;
- to have access to the Company documents according to the procedure stipulated by the law and the Company By-Laws, and to receive copies thereof at a charge;
- to delegate all or some of the rights granted by the share of the corresponding category (type) to the representative (representatives) based on power of attorney;
- to exercise other rights stipulated by the law of the Russian Federation, the Company By-Laws as well as resolutions of the general meeting of shareholders made within its competence..

Ordinary shares:

Each ordinary share of the Company has the similar par value and grants shareholders – their owners - the same scope of rights.

Ordinary shares of the Company are considered to be voting shares with regard to all issues within the competence of the general meeting.

Shareholders, i.e. the owners of the ordinary shares of the Company, may according to the Federal Law on "Joint-Stock Companies" participate in general meetings of shareholders with the voting authority in regard to all the issues within its competence.

Shareholders, i.e. the owners of the ordinary shares, have the right to receive dividends, but only after the holders of preferred shares, the size of dividends for which is specified in the Company By-Laws.

Shareholders, i.e. the owners of the ordinary shares, may participate in allocation of assets in case of liquidation of the Company in the third priority, after payments on shares which should be redeemed in the first place, after payment of accrued but unpaid dividends on preferred shares and after payment of part of the cost of the assets (liquidation value) which remained after liquidation of the Company on preferred shares (second priority).

Preferred shares:

Preferred shares of the Company of the same type have the similar par value and grant shareholders – the owners - the same scope of rights.

Shareholders – owners of the preferred shares - have the right to take part in general meetings of the Company without the voting authority, except for cases stipulated by the current law of the Russian Federation and the Company By-Laws.

A shareholder – the owner of the preferred shares - participates in the general meeting of shareholders with the voting authority when solving the issues on reorganization of the Company.

A shareholder – the owner of the preferred shares – has the preferential right compared to the holders of ordinary shares to receive:

- dividends in amounts and according to the procedure stipulated by the current By-Laws;
- accrued but not paid dividends upon liquidation of the Company;
- part of the cost of the Company's assets (liquidation value) remaining upon its liquidation.

The size of annual dividend per one preferred share is determined at the rate of 9 par values of one preferred share.

Voting shares:

A voting share is a share giving the shareholder – its owner – the voting authority with regard to either all the issues within the competence of the general meeting or individual issues stipulated by the Federal Law.

A share gives the vote with regard to all issues within the competence of the general meeting if it is:

- a fully paid up ordinary share except for shares being at the Company's disposal;
- a preferred share the amount of the dividend on which is determined in the By-Laws starting from the meeting following the annual general meeting at which, irrespective of the reasons therefore, no decision on payment of dividends or the decision on incomplete payment of the dividends on preferred shares was made. The right of shareholders – owners of preferred shares - to participate in the general meeting of shareholders with the vote is terminated of the date of full payment of dividends on specified shares.

The preferred share of any type gives the vote when solving the issue on reorganization and liquidation of the Company.

The preferred share of the specific type gives the vote when solving the issue on introduction of changes and amendments into the By-Laws, limiting the rights of shareholders – the owners of preferred shares of this type - including cases of determination or increase of the amount of the dividend and (or) determination or increase of the liquidation value paid on preferred shares of the preceding priority as well as granting the shareholders – owners of the preferred shares - another type of advantages in the order of priority for payment of dividend and (or) the liquidation value of shares.

Shares voting on all the issues within the competence of the general meeting of shareholders grant their owners the following rights:

- to take part in attendee or absentee voting at general meetings with regard to all issues within its competence;
- to nominate candidates and to elect them to Company's authorities according to the procedure and under conditions established by the law and the By-Laws;
- to introduce proposals into the agenda of the annual general meeting of shareholders according to the procedure and under conditions established by the law and the By-Laws;
- to elect the working bodies of the meeting in cases stipulated by the By-Laws;

- to require convocation of the special general meeting of shareholders or audit of the financial and economic activities of the Company by the Auditing Committee of the Company according to the procedure and under conditions established by the law and the By-Laws;
- to require repurchasing by the Company of all or a portion of shares belonging to them according to the procedure and in cases stipulated by the Federal Law on “Joint Stock Companies”;
- to require convocation of the meeting of the Board of Directors according to the procedure and under conditions stipulated by the By-Laws..

Preferred shares voting only on specific issues within the competence of the general meeting of shareholders grant their owners the following rights:

- to take part in attendee or absentee voting at general meetings only when solving such specific issues;
- to require repurchasing by the Company of all or a portion of the shares belonging to them in cases established by the Federal Law.

8.3. Previous Issues of Securities, except for the Issuer’s Shares

No issues of issuer’s securities except for its shares have been made..

8.4. Person (Persons) who Provided Security for Debentures of the Issue

No debentures have been issued..

8.5. Terms and Conditions for Discharge of Obligations for Debentures of the Issue

No debentures have been issued..

8.6. Organizations Keeping Records of Rights for the Issuer’s Securities

Full and abbreviated corporate name:

Open Joint Stock Company “Central Moscow Depository” (JSC “CMD”)

Location: 3, Orlikov per., building B, Moscow, Russia, 107078

Postal Address: 34, Bolshaya Pochtovaya St., building 8, Moscow, Russia, 105082

License No. 10-000-1-00255 dd. 13.09.2002.

Validity of the license: not limited

Authority which issued the aforesaid license: Federal Commission for the Securities Market of Russia

No centralized custody of the issuer’s securities has been accomplished in the reporting quarter.

8.7. Legislation Regulating Import and Export of the Capital, Effecting Payment of Dividends, Interest and Other Payments to Non-Residents

- Civil Code of the Russian Federation
- Law of the Russian Federation No. 3615-1 on “Currency Regulation and Currency Control” dated 09.10.1992
- Resolution of the Government of the Russian Federation No. 699 dated 24.09.2002 on “Procedure for Issuing Authorizations to Residents for Deferral of Payment for the Period of more than 90 Days with regard to Export of Goods (Operations, Services, and Intellectual Activity Results)”.
- Instruction of the Central Bank of the Russian Federation and the State Customs Committee of the Russian Federation No. 91-I and No.01-11/28644 dated 04.10.2000 on “Procedure for Currency Control over Justification of Imported Goods Payment to Residents”
- Instruction of the Central Bank of the Russian Federation and the State Customs Committee of the Russian Federation No.86-I and No.01-23/26541 dated 13.10.1999 on “Procedure for Currency Control over Receipt of Proceeds from Export of Goods in the Russian Federation”
- Tax Code of the Russian Federation

8.8. Taxation of Income from the Issuer’s Securities Placed and Being Placed

The procedure and conditions of taxation of physical persons (both for taxable residents of the Russian Federation and for non-residents who receive income from sources in the Russian Federation) on income such as dividends and interests received from the issuer of securities, and income from sales of

shares and other securities of the issuer in the Russian Federation or outside, are determined by Article 214.1 of the Tax Code of the Russian Federation..

The rates of corresponding taxes are determined by Article 224 of the Tax Code of the Russian Federation.

The procedure and conditions of taxation of legal persons (both Russian and foreign organizations conducting their activities in the Russian Federation through permanent representative offices and/or receiving income from sources in the Russian Federation) on profit calculated allowing for income received by the organization from sales of securities is determined by Article 275 of the Tax Code of the Russian Federation.

The rates of corresponding taxes are determined by Article 284 of the Tax Code of the Russian Federation.

8.9. Declared (Accrued) and Paid Dividends on the Issuer's Shares and Income from the Issuer's Debentures

No dividends on ordinary shares were paid for 2001 in accordance with the resolution of the general meeting of shareholders based on the results of 2001.. (Minutes dd. 24.05.2002)

No dividends on ordinary shares were paid for 2002 in accordance with the resolution of the general meeting of shareholders based on the results of 2002 (Minutes dd. 16.05.2003)

Information on VSMPO dividends declared and paid by the Issuer in 2003 – 2005..

##	Item	2004	2005
		Ordinary shares	Ordinary shares
1	Total dividends declared, rubles	116 845 157	308 114 270
2	Declared Dividends per Share, rubles	11..00	29.00
3	Date of the General Meeting of Shareholders	May 14, 2004	June 10, 2005
4	Decision of the Annual General Meeting of Shareholders on Payment of dividends	Minutes dated June 2, 2004	Minutes dated June17, 2005
5	Date of Payment of the Declared Dividends	Not later than 60 days of the date of the decision made by the general meeting of shareholders	
6	Form of Payment of Declared Dividends on Shares	In money terms	
7	Reporting Period for which Dividends were Paid	2003	2004
8	Total Dividends Paid	116`021`224 rubles	307`161`954 rubles
9	Total Dividends not Paid	823 933*	952 317*

* Wrong, incomplete, obsolete bank details of shareholders indicated in the registration forms.

Information on AVISMA dividends declared and paid by the Issuer in 2001 – 2005

##	Index	2002		2003		2004		2005	
		Ordinary shares of issue 56-1-П-167	Pre-ferred shares of type "A"	Ordinary shares of issue 56-1-П-167	Preferred shares of type "A"	Ordinary shares of issue 56-1-П-167	Preferred shares of type "A"	Ordinary shares of issue 56-1-П-167	Preferred shares of type "A"
1	Total Dividends Declared, 000' rubles	-	11 185	-	10 417	-	15 114	-	51 447
2	Declared Dividends per Share, rubles	-	30.34	-	28..26	-	41.01	-	140..61
3	Date of General Meeting of Shareholders	March 22, 2002		March 28, 2003		June 29, 2004		March 30, 2005	
4	Decision of the Annual General Meeting of Shareholders on Payment of dividends	Minutes No. 12		Minutes No. 13		Minutes No. 15		Minutes No. 17	
5	Date of Payment of Declared Dividends	Not later than the end of the corresponding financial year							
6	Form of Payment of Declared Dividends	In money terms							
7	Reporting Period for which Dividends were Paid	2001		2002		2003		2004	
8	Total Dividends Paid	-	11 179	-	10 072	-	14 689	-	50 201
9	Total Dividends not paid - physical persons** - legal persons		-		163* 182*		291* 134*		860* 386*

* The dividends were not paid due to absence of information on the shareholders in the register of the Central Moscow Depository and incomplete bank details of legal entities.

** Dividends not received by physical persons in view of absence of a recipient's details or other objective reasons are kept on the company's deposits..

Information on VSMPO – AVISMA Corporation dividends declared and paid by the Issuer for 2005

##	Item	2006
		Ordinary shares
1	Total dividends declared, rubles	436 738 899..44
2	Declared Dividends per Share, rubles	37..88
3	Date of the General Meeting of Shareholders	June 28, 2006
4	Decision of the Annual General Meeting of Shareholders on Payment of dividends	Minutes dated June 29, 2006
5	Date of Payment of the Declared Dividends	Not later than 60 days of the date of the decision made by the general meeting of shareholders
6	Form of Payment of Declared Dividends	In money terms
7	Reporting Period for which Dividends to be Paid	2005
8	Total Dividends Paid	431`935`431 rubles
9	Total Dividends not Paid	4`803`468* rubles

* Wrong, incomplete, obsolete bank details of shareholders indicated in the registration forms; non-attendance of the shareholders who have chosen cash dividends paid via the issuer's pay office..

8.10. Other Information

There is no other information about the issuer or its securities..