

III. AUDIT FIRM'S CERTIFICATE
to the Executive Body / the Shareholders
of VSMPO-AVISMA Corporation
on Financial Statements for the Year 2007

(10) We have audited the attached financial statements of VSMPO-AVISMA Corporation (drawn up on 16.03.2008) for the year 2007. These financial statements were prepared by the executive body of VSMPO-AVISMA Corporation based on principles and methods of accounting and preparation of financial statements determined by the Regulatory Legal Acts of the Russian Federation.

(11) The financial statements of VSMPO-AVISMA Corporation include:

- Balance Sheet;
- Profit and Loss Account;
- Supplements to the Balance Sheet and the Profit and Loss Account;
- Explanatory Note.

(12) The executive body of VSMPO-AVISMA Corporation is responsible for preparation of the financial statements. Our responsibility is to offer an opinion on reliability of the financial statements in all material aspects and compliance of accounting maintenance procedure to the Russian Federation legislation based on the conducted audit.

(13) We conducted the audit in compliance with:

- the Federal Law of the Russian Federation dd. 07.08.2001 No.119-FZ "On Audit Activities";

- the federal regulations (standards) of audit activities;
- the internal regulations (standards) of audit activities of NP Institute of Professional Auditors (MSA) in the part which does not contradict to the federal regulations (standards) of audit activities;
- the regulations (standards) of audit activities of Baker Tilly Rusaudit, LLC;
- normative acts of the Ministry of Finance of the Russian Federation and based on the Contract No.1588/2007A dd. 16/07.2007 concluded with VSMPO-AVISMA Corporation.

(14) The audit was planned and conducted in such a way as to get reasonable assurance that the attached financial statements do not contain any material misstatements. The audit was conducted on a sample basis and included examination by testing of the evidence confirming index numbers in the financial statements and representation therein of information on financial and economic activities, assessment of accounting principles and methods, regulations on preparation of financial statements, consideration of basic accounting estimates obtained by the management of the audited entity as well as assessment of financial statements presentation. We believe that the conducted audit gives the reasonable cause to offer our opinion on reliability of the attached statements and compliance of accounting maintenance procedure to the Russian Federation legislation.

(15) We have not got enough documentary evidence of the data on capital surplus formation procedure of the Company including with regard to asset items revaluation as well as influence of non-write-off amounts of asset revaluation when they are disposed of on the value of retained earnings.

(16) Besides, we are not confident in the reality of settlement of recovered (according to information given in Section 2.16 of the Explanatory Note to the financial statements for the year 2007) sums of accounts receivable in the amount of 586.026 ths. rubles and accounts payable in the amount of 151.334 ths. rubles.

(15) On our opinion, except the facts indicated in the previous paragraphs of the present certificate, the financial statements for the year 2007 are reliable, i.e. they were prepared in such a way as to provide in all material aspects the reflection of assets and liabilities of VSMPO-AVISMA Corporation as of 31.12.2007 and financial results of its activities for the period from January 1, 2007 to December 31, 2007 included in accordance to the requirements of the Federal Law No.129-FZ “On Accounting” dd. 21.11.96.

Moscow, March 21, 2008

Baker Tilly Rusaudit, LLC

Director General

E.V. Samoylov

(Auditor Qualification Certificate
No.K017948 dd. 05.08.2004 (Report No.94 dd. 28.06.2001)
(issued for unlimited period of time)

Review Manager

O.V. Pavlov

(Auditor Qualification Certificate
No.K004263 dd. 05.06.2003 (Report No.168 dd. 05.06.2003)
(issued for unlimited period of time)

For a true copy
Acting Chief Accountant

E.A.Gudkova

BALANCE SHEET

As of December 31, 2007

Company **VSMPO – AVISMA Corporation**

Taxpayer Identification Number

Type of Activity Other Nonferrous Metals Production

Legal Form/Form of Ownership Public Stock Company /

Joint Private and Alien Ownership

Unit: 000' RR

Location (Address) 643,624760,66., 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region

Form No. 1 per OKUD

Date (year, month, day)

per OKPO

TIN

per OKVED

per OKOPF/

OKFS

per OKEI

CODES		
710001		
2007	12	31
07510017		
6607000556		
27.45.00		
47	34	
384		

Approval Date

Filing Date

Assets	Line	At Beginning of Period	At End of Period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	1974	5274
Property, plant and equipment	120	5877234	6850368
Construction in progress	130	2137284	4323544
Profitable investments in tangible assets	135	15093	256776
Long-term financial investments	140	890444	1283325
Deferred tax assets	145	8888	9848
Other non-current assets	150	9580	35292
	151	0	0
	151	0	0
	151	0	0
TOTAL NON-CURRENT ASSETS	190	8940497	12764427
II. CURRENT ASSETS			
Inventories	210	7466526	9465989
including:			
Raw materials, materials and other similar assets	211	3497842	5096274
Live stock	212	0	0
WIP costs	213	1967610	2661609
Finished goods and goods for resale	214	1841835	1536496
Goods shipped	215	3324	1382
Deferred expenses	216	155915	170228
Other inventories and costs	217	0	0
	218	0	0
	218	0	0
	218	0	0
	218	0	0
VAT on acquired assets	220	751216	919745
Accounts receivable (amounts falling due over 12 months from the reporting date)	230	0	23175
including trade accounts receivable	231	0	47
Accounts receivable (amounts falling due within 12 months from the reporting date)	240	10717300	17318008
including trade accounts receivable	241	6289245	8635320
Short-term financial investments	250	0	727545
Cash	260	440352	378137
Other current assets	270	0	0
	271	0	0
	271	0	0
TOTAL CURRENT ASSETS	290	19375394	28832599
BALANCE	300	28315891	41597026

Liabilities	Line	At Beginning of Period	At End of Period
1	2	3	4
III. CAPITAL AND RESERVES Shareholders'			
Equity	410	11530	11530
Treasury stock	411	0	0
Additional capital	420	6373457	6373457
Reserve capital	430	668	2882
including:			
Legal reserves	431	668	2882
Statutory reserves	432	0	0
	433	0	0
	433	0	0
	433	0	0
Retained earnings (uncovered loss)	470	13646846	19271994
TOTAL CAPITAL AND RESERVES	490	20032501	25659863
IV. NON-CURRENT LIABILITIES			
Borrowings and loans	510	2615264	4067628
Deferred tax liabilities	515	95538	251384
Other non-current liabilities	520	159987	110574
	521	0	0
	521	0	0
TOTAL NON-CURRENT LIABILITIES	590	2870789	4429586
V. CURRENT LIABILITIES			
Borrowings and loans	610	2543728	8309181
Accounts payable	620	2645398	2609108
Including: Trade accounts payable			
payable	621	544357	892181
Payables to employees	622	47224	57485
Payables to state extra-budgetary funds	623	44269	59811
Taxes payable	624	174206	439918
Other creditors	625	1835342	1159713
Dividends payable	630	7100	432877
Deferred income	640	5143	1612
Reserves for future expenses	650	211232	154799
Other current liabilities	660	0	0
	661	0	0
	661	0	0
TOTAL CURRENT LIABILITIES	690	5412601	11507577
BALANCE	700	28315891	41597026
Off-Balance Sheet Items			
Property, plant and equipment rented	910	385067	507201
Including leased	911	305884	430651
Material assets in safe keeping	920	90157	837159
Goods accepted for commission	930	0	0
Bad debts written off	940	119222	48590
Collaterals received	950	0	0
Collaterals given	960	1496221	4329598
Depreciation of residential real estate	970	11058	2329
Depreciation of infrastructure, landscape and road constructions	980	0	0
Intangible assets received for use	990	0	0
Property, plant and equipment handed over to operating management	1000	0	88512

Director VLADISLAV VALENTINOVICH TETYUKHIN
(signature) (signature interpretation)

Chief Accountant DMITRY YURYEVIKH SANNIKOV
(signature) (signature interpretation)

“16” March 2008_

This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

CONFIRMATION OF SPECIALIZED CARRIER

Organization Name: <VSMPO-AVISMA Corporation>
Organization Tax Identification Number: 6607000556-997550001-591102094762
Name of the File with the Report: 6607000556-997550001_07_390056.txt
Date of File Transfer: 26/03/2008 16:52
Recipient: 9975
List of Forms:
- Form No.1 Balance Sheet (since 2003) / 001, 01.01.2007 – 31.12.2007

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This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

This document is witnessed by the electronic digital signature of the following entities: IFNS_9975; VSMPO-AVISMA Corporation.

THE REPORT WAS SUCCESSIVELY RECEIVED.

Protocol of report reception.

Date of file reception: 27/3/2008 9:23
Organization Tax Identification Number: 6607000556-997550001-591102094762
Organization Name: <VSMPO-AVISMA Corporation>
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Date of File Transfer: 26/03/2008 16:52
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Appendix
to the Order of the Ministry of Finance of the Russian Federation
dd. 22.07.2003 No.67n
(in version of the Order of the Ministry of Finance of the Russian
Federation
dd. 18.09.2006 No.115n)
(with codes of financial statements indicators,
approved by the Order of Goskomstat of the Russian Federation No.475,
the Ministry of Finance of the Russian Federation No.102n
dd. 14.11.2003)

Profit and Loss Account For Financial Year 2007

Company **VSMPO – AVISMA Corporation**

Taxpayer Identification Number

Type of Activity Other Nonferrous Metals Production

Legal Form/Form of Ownership Public Stock Company /
Joint Private and Alien Ownership

Unit: 000' RR

Form No. 2 per OKUD

Date (year, month, day)

per OKPO

TIN

per OKVED

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OKFS

per OKEI

CODES		
710002		
2007	12	31
07510017		
6607000556		
27.45.00		
47		34
384		

Item		Reporting Period	Year-Ago Period
Description	Line		
1	2	3	4
Income and Expenses on Ordinary Activities			
Net revenue from sales of goods, products, operations and services (less VAT, excise taxes and similar payments)	010	30656250	28364389
	011	0	0
	011	0	0
	011	0	0
Cost of goods, products, operations, and services sold	020	(17748842)	(16212747)
	021		
Gross profit	029	12907408	12151642
Selling expenses	030	(706689)	(743789)
Administrative expenses	040	(2678992)	(2210438)
Sales profit (loss)	050	9521727	9197415
Other Income and Expenses			
Interest receivable	060	67840	1923
Interest payable	070	(485374)	(294630)
Earnings from other entities	080	910	0
Other income	090	18987787	14576804
	091	0	0
Other expenses	100	(19082155)	(15361950)
	110		
Profit (Loss) Before Tax	140	9010735	8119562
Deferred tax assets	141	960	5489
Deferred tax liabilities	142	(155846)	(18473)
Current profit tax	150	(2128600)	(2246653)
Penal sanctions	151	(146596)	0
Profit tax prior years	152	(364315)	0
Net Profit (Loss) of the Reporting Year	190	6216338	5859925
FOR REFERENCE liabilities (assets)	200	120910	310942
Basic profit (loss) per share		0	0
Diluted profit (loss) per share		0	0

Breakdown of Separate P & L Items

Item		Reporting Period		Year-Ago Period	
Description	Line	Profit	Loss	Profit	Loss
1	2	3	4	5	6
Penalties and fines recognised or enforced by court (arbitration court)		58962	12320	1038	2762
Profit (loss) of prior years		53001	195180	365295	105164
Compensation for losses incurred due to default or improper fulfillment of obligations		1194	2156	5398	434881
Foreign exchange gain / loss		702326	758225	450596	484551
Valuation allowance		x	0	x	0
Write-off of accounts receivable and payable with the expired limitation period		685	8008	25294	10830

Director VLADISLAV VALENTINOVICH TETYUKHIN
(signature) (signature interpretation)

Chief Accountant DMITRY YURYEVIKH SANNIKOV
(signature) (signature interpretation)

“16” March 2008_

This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

CONFIRMATION OF SPECIALIZED CARRIER

Organization Name: <VSMPO-AVISMA Corporation>
Organization Tax Identification Number: 6607000556-997550001-591102094762
Name of the File with the Report: 6607000556-997550001_07_390057.txt
Date of File Transfer: 26/03/2008 17:00
Recipient: 9975
List of Forms:
- Form No. 2 Profit and Loss Account (since 2003) / 1, 01.01.2007 – 31.12.2007

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This document is witnessed by the electronic digital signature of the following entities: IFNS_9975; VSMPO-AVISMA Corporation.

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INN (INN-KPP) of the Organization: 6607000556-997550001-591102094762

Organization Name: <VSMPO-AVISMA Corporation>

Organization Identification Number: 6607000556-997550001-591102094762

Name of the File with the Report: 6607000556-997550001_07_390057.txt

Date of File Transfer: 26/3/2008 17:0

List of Forms:

- Form No. 2 Profit and Loss Account (since 2003) / 001, 01.01.2007 – 31.12.2007

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This document is witnessed by the electronic digital signature of the following entities: IFNS_9975; VSMPO-AVISMA Corporation.

Statement of Changes in Shareholders' Equity

For Financial Year 2007

Company VSMPO – AVISMA Corporation

Taxpayer Identification Number

Type of Activity Other Nonferrous Metals Production

Legal Form/Form of Ownership Public Stock Company /

Joint Private and Alien Ownership

Unit: 000' RR / ~~mln. RR~~ (cross out as appropriate)

Form No. 3 per OKUD

Date (year, month, day)

per OKPO

TIN

per OKVED

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OKFS

per OKEI

CODES		
710003		
2008	01	01
07510017		
6607000556		
27.45.00		
47	34	
384		

I. Changes in Capital

Item	Line	Shareholders' Equity	Additional Capital	Reserve Capital	Retained Earnings (Uncovered Loss)	Total
Description						
1	2	3	4	5	6	7
Balance at December 31 of the year preceding to the prior year		11530	6373457	668	8223661	14609316
2006 (prior year)						
Changes in accounting policy		x	x	x	0	0
Revaluation of the property, plant and equipment		x	0	x	0	0
		x				
		x				
Balance at January 1 of the prior year		11530	6373457	668	8223661	14609316
Recalculation of foreign currencies		x	0	x	x	0
Net profit		x	x	x	5859925	5859925
Dividends		x	x	x	(436740)	(436740)
Allocations to reserve fund		x	x	0	0	0
Increase in capital due to: Additional issue of shares		0	x	x	x	0
Increase in par value of shares		0	x	x	x	0
Reorganization of legal entity		0	x	x	0	0
Decrease in capital due to: Decrease in par value of shares		0	x	x	x	0
Decrease of number of shares		0	x	x	x	0
Reorganization of legal entity		0	0	x	x	0
Balance at December 31 of the prior year		11530	6373457	668	13646846	20032501
2007 (reporting year)						
Changes in accounting policy		x	x	x	0	0
Revaluation of the property, plant and equipment		x	0	x	0	0
Balance at January 1 of the reporting year	100	11530	6373457	668	13646846	20032501
Recalculation of foreign currencies		x	0	x	x	0
Net profit		x	x	x	6216338	6216338

Dividends		x	x	x	(585994)	(585994)
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Form 0710003 p.2

1	2	3	4	5	6	7
Allocations to reserve fund	110	x	x	2214	(2214)	0
Increase in capital due to: Additional issue of shares	121	0	x	x	x	0
Increase in par value of shares	122	0	x	x	x	0
Reorganization of legal entity	123	0	x	x	0	0
Payment of remuneration to members of the Board of Directors		0	0	0	2450	2450
Payment of remuneration to members of the Internal Auditing Committee		0	0	0	532	532
Decrease in capital due to: Decrease in par value of shares	131	0	x	x	x	0
Decrease of number of shares	132	0	x	x	x	0
Reorganization of legal entity	133	0	x	x	0	0
Balance at December 31 of the reporting year	140	11530	6373457	2882	19271994	25659863

II. Reserves

Item		Balance	Received	Utilized	Balance
Description	Line				
1	2	3	4	5	6
Legal Reserves:					
Reserve fund		0	0	0	0
(Reserve name)					
Prior year figures		668	0	0	668
Reporting year figures		668	2214	0	2882
Statutory Reserves:					
		0	0	0	0
(Reserve name)					
Prior year figures		0	0	0	0
Reporting year figures		0	0	0	0
Valuation Reserves:					
(Reserve name)					
Prior year figures		0	0	0	0
Reporting year figures		0	0	0	0
Reserves for Future Expenses:					
Reserve for future vacation pay		0	0	0	0
(Reserve name)					
Prior year figures		0	468262	(468262)	0
Reporting year figures		0	0	0	0

II. Reserves

Item		Balance	Received	Utilized	Balance
Description	Line				
1	2	3	4	5	6
Legal Reserves:					
Reserve fund					
(Reserve name)					
Prior year figures					
Reporting year figures					
Statutory Reserves:					
(Reserve name)					
Prior year figures					
Reporting year figures					
Valuation Reserves:					
(Reserve name)					
Prior year figures					
Reporting year figures					
Reserves for Future Expenses:					
Reserve for repair of property, plant and equipment		0	0	0	0
(Reserve name)					
Prior year figures		139019	1218222	(1146009)	211232
Reporting year figures		211232	1539273	(1595706)	154799

REFERENCE DATA

Item		Balance at Beginning of Period		Balance at Beginning of Period	
Description	Line				
1	2	3		4	
1) Net assets	200	20037644		25661475	
		From Budget		From Non-Budgetary Funds	
		Reporting Year	Prior Year	Reporting Year	Prior Year
		3	4	5	6
2) Received at:					
Expenses on ordinary activities – total,	210	0	0	0	0
including:					
Capital expenditures for non-current assets,	220	0	0	0	0
including:					

Director VLADISLAV VALENTINOVICH TETYUKHIN
 (signature) (signature interpretation)

Chief Accountant DMITRY YURYEVIKH SANNIKOV
 (signature) (signature interpretation)

“16” March 2008_

This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

CONFIRMATION OF SPECIALIZED CARRIER

Organization Name: <VSMPO-AVISMA Corporation>
Organization Tax Identification Number: 6607000556-997550001-591102094762
Name of the File with the Report: 6607000556-997550001_07_390058.txt
Date of File Transfer: 26/03/2008 17:11
Recipient: 9975
List of Forms:
- Form No. 3 (XMAO since 2003) / 1, 01.01.2007 – 31.12.2007

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This document is witnessed by the electronic digital signature of the following entities: IFNS_9975; VSMPO-AVISMA Corporation.

THE REPORT WAS SUCCESSIVELY RECEIVED.

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Date of file reception: 27/3/2008 9:26
Organization Tax Identification Number: 6607000556-997550001-591102094762
Organization Name: <VSMPO-AVISMA Corporation>
Organization Identification Number: 6607000556-997550001-591102094762
Name of the File with the Report: 6607000556-997550001_07_390058.txt
Date of File Transfer: 26/3/2008 17:11
List of Forms:
- Form No. 3 (XMAO, since 2003) / 001, 01.01.2007 – 31.12.2007

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CASH FLOW STATEMENT

For Financial Year 2007

Company VSMPO – AVISMA Corporation

Taxpayer Identification Number

Type of Activity Other Nonferrous Metals Production

Legal Form/Form of Ownership Public Stock Company / Joint Private and Alien Ownership

Unit: 000' RR

Form No. 4 per OKUD

Date (year, month, day)

per OKPO

TIN

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per OKOPF/
OKFS

per OKEI

CODES		
710004		
2007	12	31
07510017		
6607000556		
27.45.00		
47	34	
384		

Item		Reporting Period	Year-Ago Period
Description	Line	3	4
1	2	3	4
Cash Balance - Beginning of Period	10	440352	235137
Cash Flow from Operating Activities	20	30469145	24968010
Cash from buyers and customers			
Other income	50	17660229	13158377
Cash for :		50813247	37747699
Payments to acquire goods, operations, services, raw materials and other current assets	150	(13826502)	(7709814)
Advances given to suppliers and contractors	155	(13566892)	(8855961)
Currency purchase	156	(140415)	(73689)
Currency sale	157	(16546590)	(14173694)
Payment for labor	160	(2992872)	(2226415)
Imprests	165	(79930)	(102267)
Payments of dividends and interest	170	(632615)	(716256)
Taxes payable	180	(2139345)	(2208840)
Payables to extra-budgetary funds	185	(527168)	(1063201)
Other expenses	190	(360918)	(617562)
Net Cash Provided by Operating Activities	200	(2683873)	378688
Cash Flow from Investing Activities			
Revenue from sale of property and equipment and other non-current assets	210	8264	3204
Revenue from sale of securities and other financial investments	220	0	0
Dividends received	230	910	0
Interest received	240	1272	1926
Earnings from payment of loans given to other entities	250	699590	3775
Acquisition of subsidiaries	280	(29238)	(20472)
Acquisitions of property and equipment, profitable investments in tangible assets, intangible assets	290	(3574918)	(2020409)
Acquisitions of securities and other financial investments	300	(175634)	(98050)
Loans given to other entities	310	(1580758)	(3600)
Net Cash Provided by Investing Activities	340	(4650512)	(2133626)
Cash Flow from Financing Activities			
Proceeds from stock issuance or other securities	350	0	0

Earnings from loans and borrowings given by other entities	360	19047523	9854781
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Form 0710004 p.2

1	2	3	4
Payment of loans and borrowings (interest-free)	390	(11486956)	(7808399)
Payment of financial lease	400	(178385)	(86229)
Net Cash Provided by Financing Activities	410	7382182	1960153
Net Increase (Decrease) in Cash and Cash Equivalentents	420	47797	205215
Cash Balance – End of Period	430	488149	440352
Change in the exchange rate against Russian Ruble	440		

Director _____ VLADISLAV VALENTINOVICH TETYUKHIN
(signature) (signature interpretation)

Chief Accountant _____ DMITRY YURYEVICH SANNIKOV
(signature) (signature interpretation)

“16” March 2008_

This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

CONFIRMATION OF SPECIALIZED CARRIER

Organization Name: <VSMPO-AVISMA Corporation>
Organization Tax Identification Number: 6607000556-997550001-591102094762
Name of the File with the Report: 6607000556-997550001_07_390059.txt
Date of File Transfer: 26/03/2008 17:17
Recipient: 9975
List of Forms:
- Form No. 4 Cash flow statement (since 2003) / 001, 01.01.2007 – 31.12.2007

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THE REPORT WAS SUCCESSIVELY RECEIVED.

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Organization Name: <VSMPO-AVISMA Corporation>

Organization Identification Number: 6607000556-997550001-591102094762

Name of the File with the Report: 6607000556-997550001_07_390059.txt

Date of File Transfer: 26/3/2008 17:17

List of Forms:

- Form No. 4 Cash flow statement (since 2003) / 001, 01.01.2007 – 31.12.2007

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This document is witnessed by the electronic digital signature of the following entities: IFNS_9975; VSMPO-AVISMA Corporation.

SUPPLEMENT TO THE BALANCE SHEET

For Financial Year 2007

Company VSMPO – AVISMA Corporation

Taxpayer Identification Number

Type of Activity Other Nonferrous Metals Production

Legal Form/Form of Ownership Public Stock Company /

Joint Private and Alien Ownership

Unit: 000' RR

Form No. 5 per OKUD

Date (year, month, day)

per OKPO

TIN

per OKVED

per OKOPF/

OKFS

per OKEI

CODES		
710005		
2007	12	31
07510017		
6607000556		
27.45.00		
47		34
384		

INTANGIBLE ASSETS

Item		At Beginning of Period	Received	Disposed	At End of Period
Description	Line				
1	2	3	4	5	6
Intellectual property (exclusive rights for intellectual property)	010	3454	3786	0	7240
including :					
of the patent holder for an invention, industrial design, utility model	011	3434	3743	0	7177
of possessor of the right for computer programs, data bases	012	0	43	0	43
of possessor of the right for integrated circuit layout	013	0	0	0	0
of owner of the trade mark and service mark, appellation of goods origin	014	20	0	0	20
of holder of the selection patent	015	0	0	0	0
Organizational expenses	020	0	0	0	0
Goodwill	030	0	0	0	0
Other	040	0	0	0	0

Item		At Beginning of Period	At End of Period
Description	Line		
1	2	3	4
Depreciation of intangible assets- Total	050		
Including:		1480	1966

PROPERTY, PLANT AND EQUIPMENT

Item		At Beginning of Period	Received	Disposed	At End of Period
Description	Line				
1	2	3	4	5	6
Buildings		1632690	80474	(89254)	1623910
Constructions and transfer devices		1006419	71989	(58427)	1019981
Machinery and equipment		6796058	1710536	(338360)	8168234
Transport vehicles		215689	37069	(71892)	180866
Fixtures		302524	153830	(16158)	440196
Workstock		0	0	0	0
Productive livestock		0	0	0	0
Perennial plants		905	0	0	905
Other types of PPE		793409	43906	(468105)	761210
Land and natural resources		99090	(9092)	0	89998
Capital investments for land reclamation		0	0	0	0
Total		10846784	24807	(1042196)	12285300

Item		At Beginning of Period	At End of Period
Description	Line		
1	2	3	4
Depreciation of property, plant and equipment-total	140	4969550	5434932
including:			
Buildings and constructions		1285949	1291132
Machinery, equipment, transport vehicles		3372486	3780316
Other		311115	363484
Property, plant and equipment leased out - total		684014	699324
including:			
Buildings		229291	240235
Constructions		81106	26175
Machinery, equipment, transport vehicles		355192	415990
Other		18425	16924
		0	0
Property, plant and equipment mothballed		261082	435152
Property, plant and equipment rented-total		385067	507201
including:			
including: leased		305884	430651
Real property accepted for usage and being under state registration		200298	96305
	Line	At Beginning of Reporting Year	At Beginning of Prior Year
	2	3	4
FOR REFERENCE			
Property, plant and equipment revaluation surplus:	170	0	0
Historical (replacement) value	171	0	0
Depreciation	172	0	0
		At Beginning of Period	At End of Period
	2	3	4

Change in PPE value resulting from completion, retrofit, rebuild, partial liquidation		1079411	1277954
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Form 0710005 p.3

PROFITABLE INVESTMENTS IN TANGIBLE ASSETS

Item		At Beginning of Period	Received	Disposed	At End of Period
Description	Line				
1	2	3	4	5	6
Property for lease		0	0	0	0
Property provided under hiring contracts		0	0	0	0
Other		16278	507347	(113012)	410613
Total		16278	507347	(113012)	410613

	Line	At Beginning of Period	At End of Period
1	2	3	4
Depreciation of profitable investments in tangible assets		1185	153837

RESEARCH AND DEVELOPMENT EXPENSES

Activity		At Beginning of Period	Received	Written Off	At End of Period
Description	Line				
1	2	3	4	5	6
Total	310	9580	2570	(7292)	4858
including:					

FOR REFERENCE	Line	At Beginning of Period	At End of Period
	2	3	4
	Amount of expenses on unaccomplished R&D	320	53341

	Line	Reporting Period	Year-Ago Period
	2	3	4
	Amount of expenses on R&D that did not produce positive results applied to non-operating expenses		14512

EXPENSES ON RESOURCE DEVELOPMENT

Item		Balance at Beginning of Period	Received	Written Off	Balance at End of Period
Description	Line				
1	2	3	4	5	6
Expenses on resource development-total	410	0	0	0	0
including:					

FOR REFERENCE	Line	At Beginning of Period	At End of Period
	2	3	4
	Expenses on subsurface portions, unaccomplished search and evaluation of deposits, reconnaissance and (or) hydrogeological investigations and other similar activities		0

Expenses on resource development applied during the reporting period to non-operating costs as ineffective

0

0

Form 0710005 p.4

FINANCIAL INVESTMENTS

Item		Long-Term		Short-Term	
		At Beginning of Period	At End of Period	At Beginning of Period	At End of Period
Description	Line				
1	2	3	4	5	6
Contributions to shareholders' (reserve) capital of other entities-total	510	785960	805166	0	0
including subsidiaries and related companies	511	775746	805162	0	0
State and municipal securities	515	0	0	0	0
Other entities' securities-total	520	103884	24054	0	0
including debt securities (bonds, notes)	521	103854	24024	0	0
Loans given	525	0	454105	0	371754
Deposits	530	0	0	0	112422
Other	535	600	0	0	243369
TOTAL	540	8990444	1283325	0	727545
Financial investments with the fair market value out of the total amount:					
Contributions to shareholders' (reserve) capital of other entities-total	550	0	0	0	0
including subsidiaries and related companies	551	0	0	0	0
State and municipal securities	555	0	0	0	0
Other entities' securities-total	560	0	0	0	0
including debt securities (bonds, notes)	561	0	0	0	0
Other	565	0	0	0	0
TOTAL	570	0	0	0	0
FOR REFERENCE					
For financial investments with the fair market value - change in value due to valuation adjustment	580	0	0	0	0
For debt securities the difference between the historical value and nominal value is applied to the financial result of the reporting period	590	0	0	0	0

ACCOUNTS RECEIVABLE AND PAYABLE

Item		Balance at Beginning of Period	Balance at End of Period
Description	Line		
1	2	3	4
Accounts receivable:			
Short-term - total		10717300	17318008
including:			
Trade accounts receivable		6289245	8635320
Advances given		2370350	4375797
Other		2057705	4306891
Long-term -total		0	23175
including:			
Trade accounts receivable		0	47
Advances given		0	0
Other		0	23128
TOTAL		10717300	17341183
Accounts payable:			
Short-term - total		5189126	10918289
including:			
Trade accounts payable		544357	892181
Advances received		1319806	625230
Taxes payable		174206	439918
Loans		2543728	8309181
Borrowings		0	0
Other		607029	651779
Long-term -total		2775251	4178202
including:			
Loans		2615264	4067628
Borrowings		0	0
Other non-current liabilities		159987	110574
		0	0
TOTAL		7964377	15096491

EXPENSES ON ORDINARY ACTIVITIES (BY COST ELEMENT)

Item		Reporting Period	Prior Period
Description	Line		
1	2	3	4
Material expenses	710	14914998	11647879
Wage expenses	720	4020094	3370185
Social security expenses	730	1032572	867102
Depreciation	740	856449	718811
Other expenses	750	1194351	1097127
Total by cost element	760	22018464	17701104

Change in inventory increase[+], decrease [-];WIP	765	693999	227126
in deferred expenses	766	41206	54981
in reserves for future expenses	767	(56433)	72213

Form 0710005 p.6

COLLATERALS

Item		Balance at Beginning of Period	Balance at End of Period
Description	Line		
1	2	3	4
Received - total		0	0
including:			
Notes		0	0
Pledged property		0	0
out of which:			
Property, plant and equipment		0	0
Securities and other financial investments		0	0
Other		0	0
Given - total		1496221	4329598
including:			
Notes		0	0
Pledged property		1370746	3106348
out of which:			
Property, plant and equipment		1045746	1380663
Securities and other financial investments		0	0
Other		0	0
		0	0
		0	0

GOVERNMENT ASSISTANCE

Item		Reporting Period		Year-Ago Period	
Description	Line				
1	2	3		4	
Budgetary funds received during the reporting year - total	910	1350		1750	
including:					
For maintenance of mobilization reserve		1350		1750	
		At Beginning of Period	Received During Reporting Period	Returned During Reporting Period	At End of Period
Budgetary loans - total	920	0	0	0	0
including					

Director VLADISLAV VALENTINOVICH TETYUKHIN
(signature) (signature interpretation)

Chief Accountant DMITRY YURYEVIKH SANNIKOV
(signature) (signature interpretation)

“16” March 2008_

Page 1 of 1

This document is witnessed by the electronic digital signature of the following entities: SC SKB Kontur; VSMPO-AVISMA Corporation.

CONFIRMATION OF SPECIALIZED CARRIER

Organization Name: <VSMPO-AVISMA Corporation>

Organization Tax Identification Number: 6607000556-997550001-591102094762

Name of the File with the Report: 6607000556-997550001_07_390060.txt

Date of File Transfer: 26/03/2008 17:28

Recipient: 9975

List of Forms:

- Form No. 5 Supplement to the Balance Sheet (since 2003) / 001, 01.01.2007 – 31.12.2007

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Organization Name: <VSMPO-AVISMA Corporation>

Organization Identification Number: 6607000556-997550001-591102094762

Name of the File with the Report: 6607000556-997550001_07_390060.txt

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Переводчик: Машковская Н.В., тел. 6-39-53