



CHELYABINSK ZINC PLANT

2007 Annual Results

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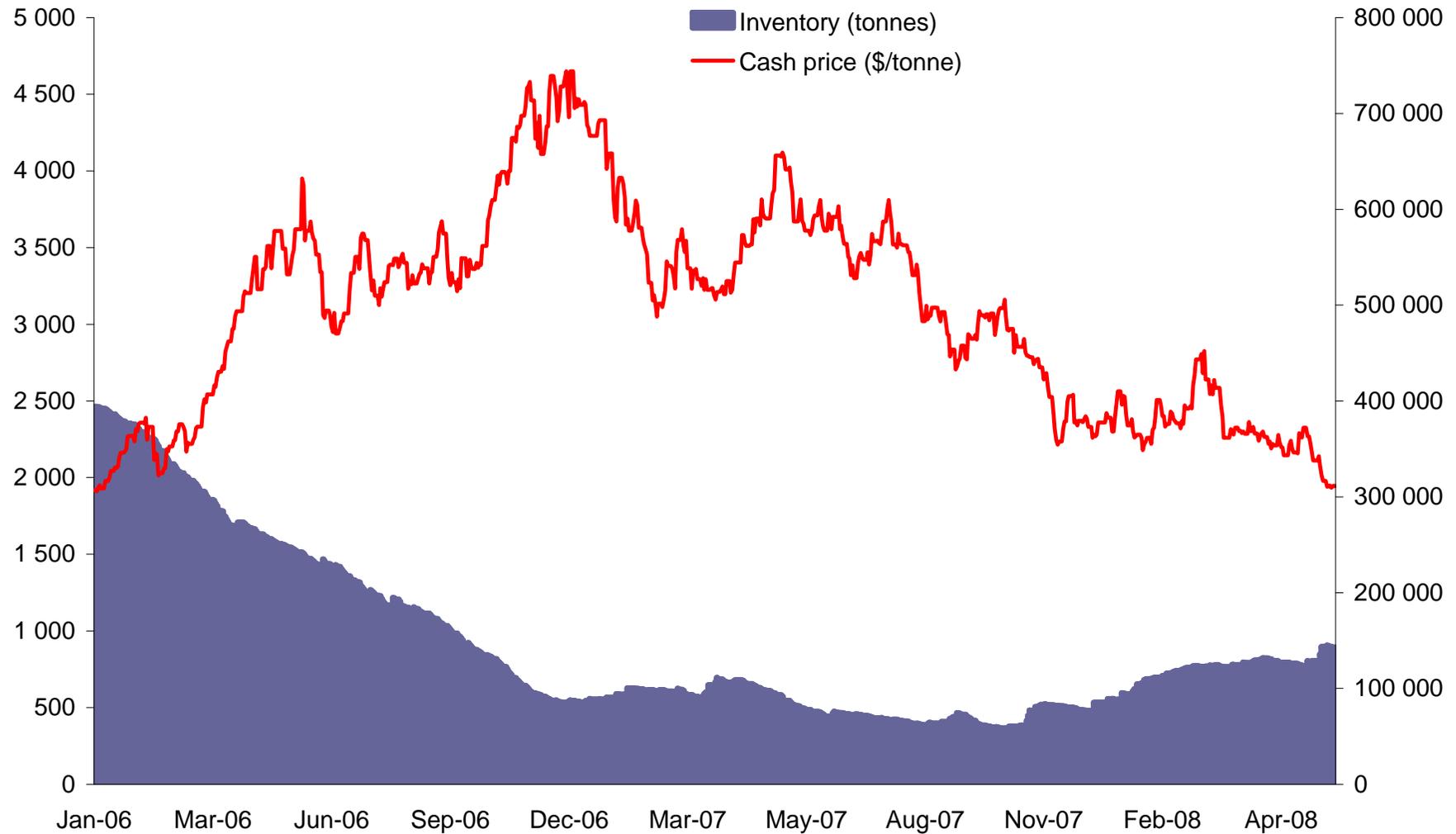
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Zinc and Lead Market Update

Zinc daily price and stock levels (LME)



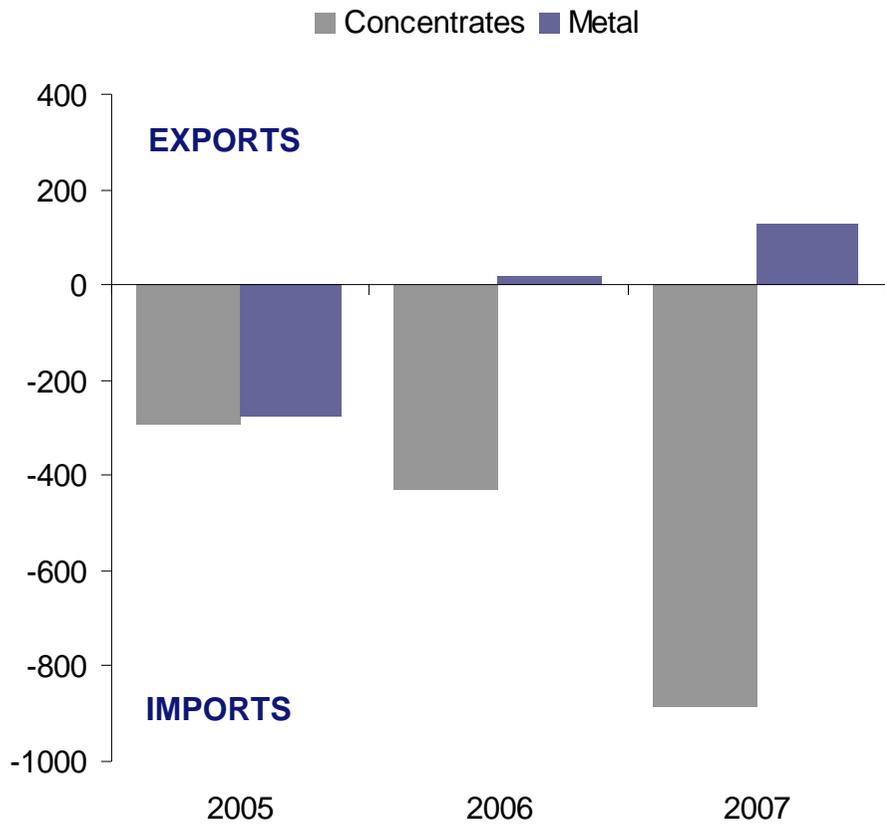
Source: London Metal Exchange



Chinese Zinc Trade and Zinc Metal World Balance

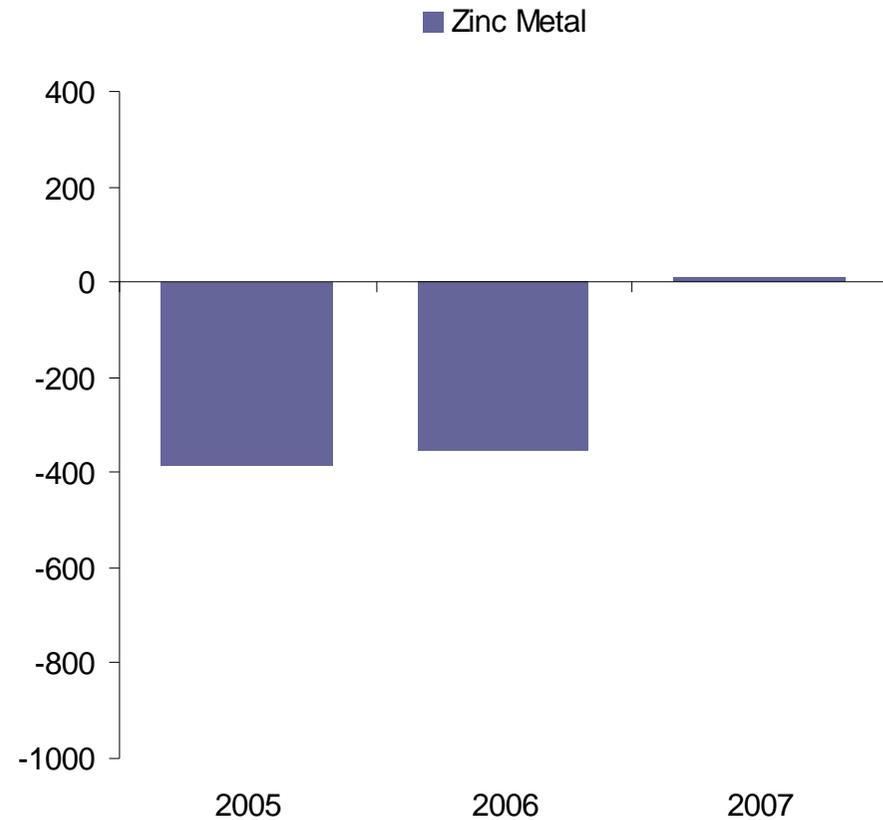
Chinese Zinc Trade

(tonnes in thousands)



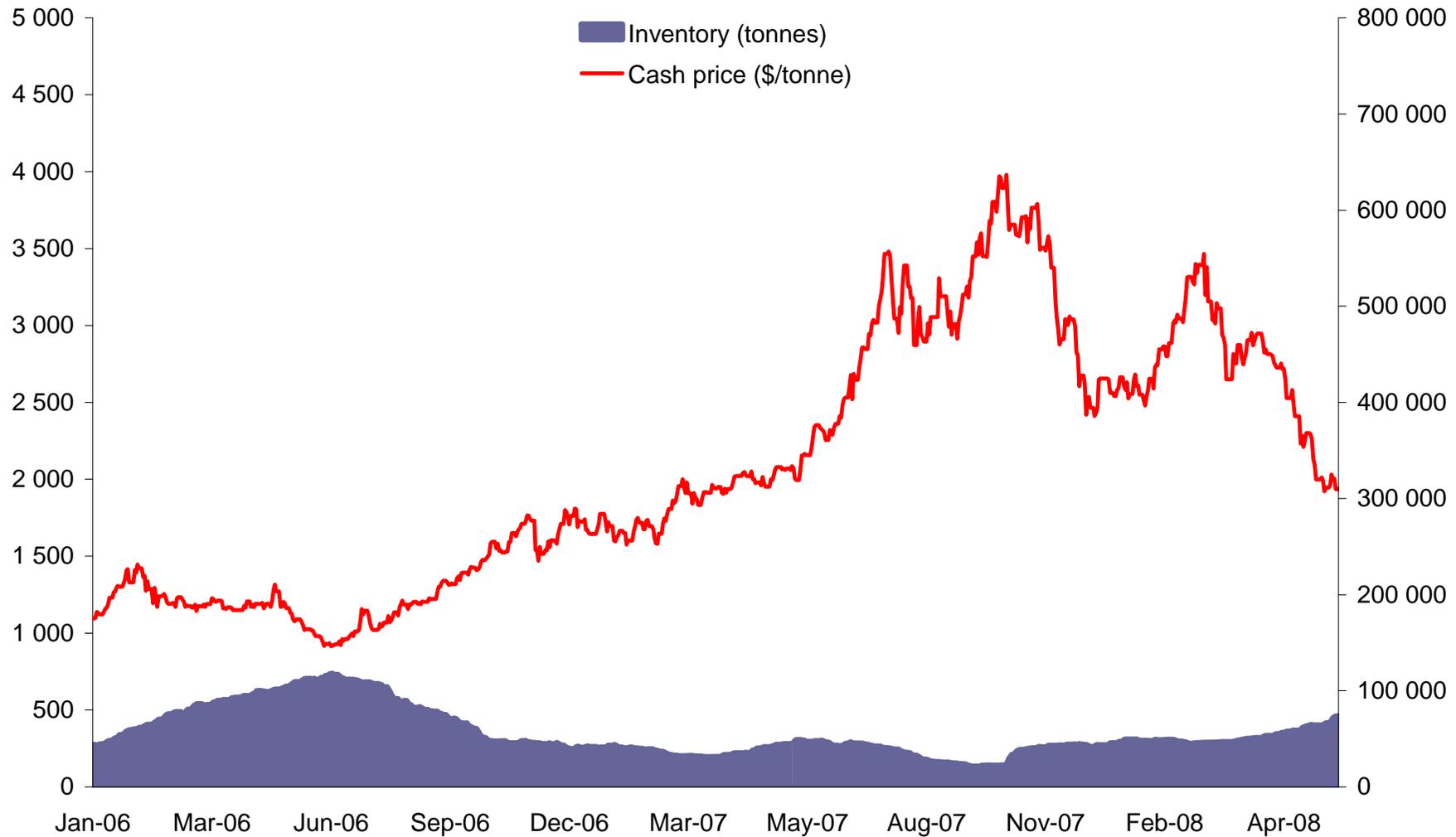
Zinc Metal World Balance

(tonnes in thousands)



Source: International Lead and Zinc Study Group (ILSG)

Lead daily price and stock levels (LME)



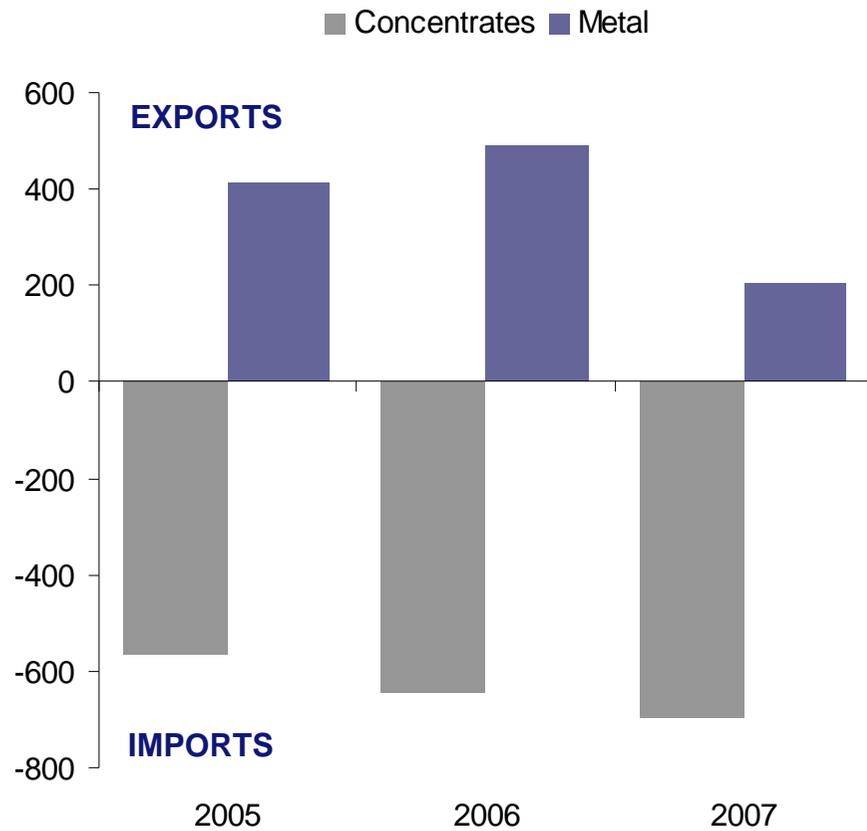
Source: London Metal Exchange



Chinese Lead Trade and Lead Metal World Balance

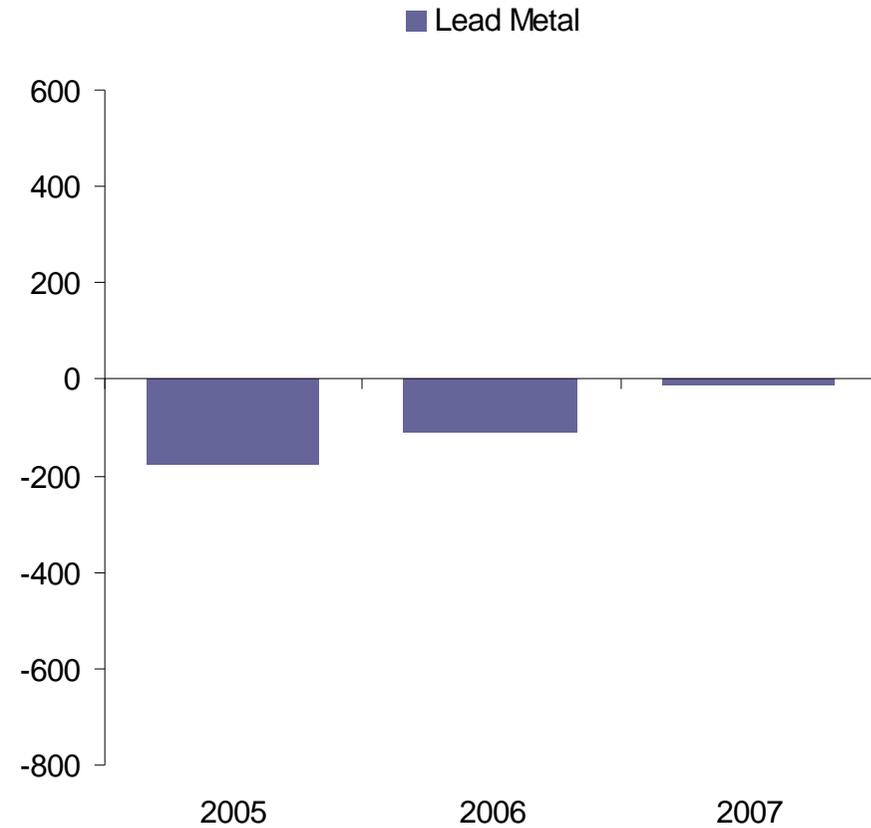
Chinese Lead Trade

(tonnes in thousands)



Lead Metal World Balance

(tonnes in thousands)



Source: International Lead and Zinc Study Group (ILSG)



CIS Zinc Market Overview

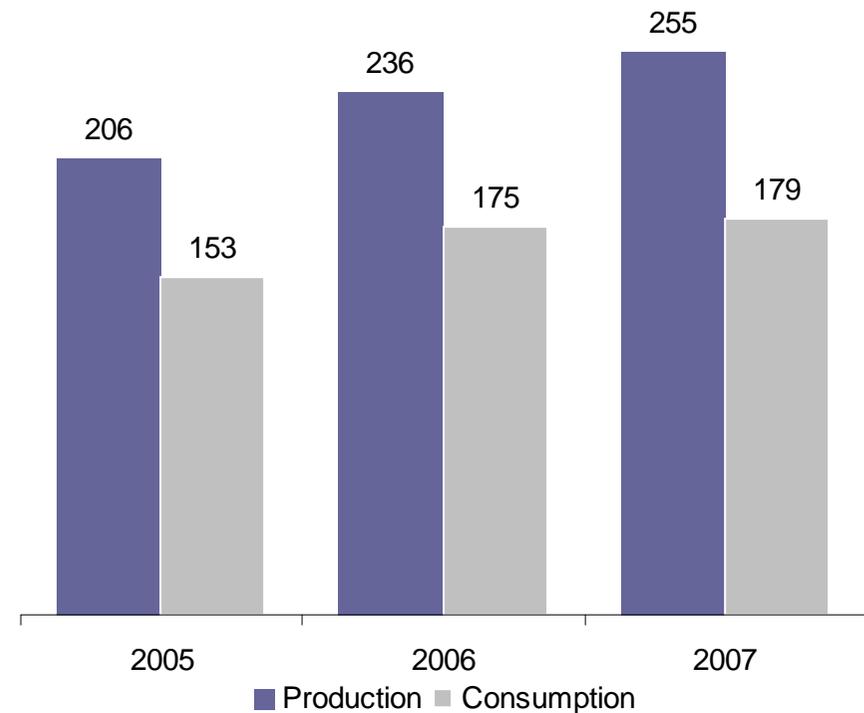
CIS Zinc Market Overview

Zinc Metal Production in CIS

(tonnes in thousands)

Producer	Projected capacity	Production		
		2005	2006	2007
Chelyabinsk Zinc Plant (Russia)	200	116	148	165
Electrozinc (UMMC) (Russia)	100	90	88	90
Kazzinc (Kazakhstan)	300	287	289	294
Kazakhmys (Kazakhstan)	100	51	59	45
Almalyk MMC (Uzbekistan)	120	42	60	45
Total	820	586	644	639

Zinc Metal Production and Consumption in Russia



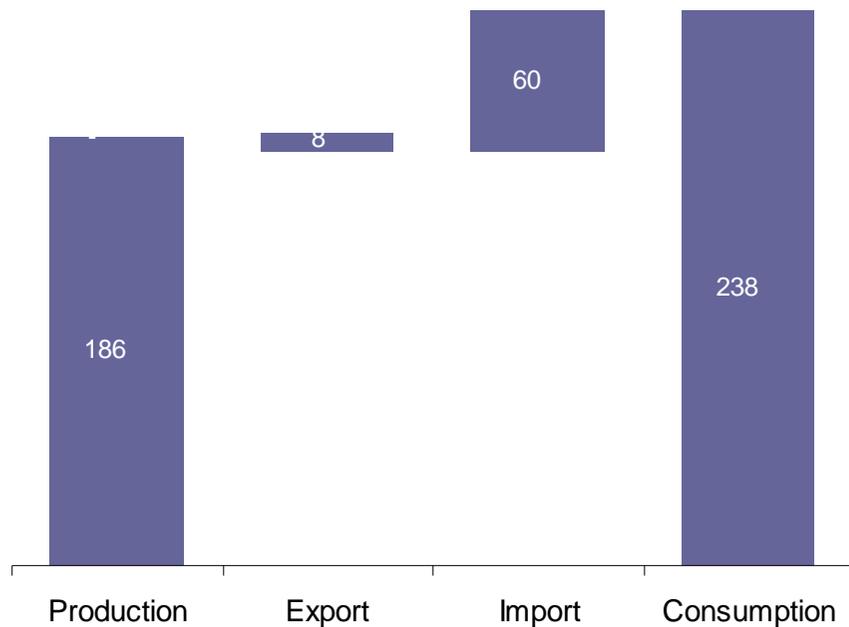
CIS Zinc Market Overview



2007 Russian Zinc Market Structure

Zinc Concentrate Market Structure

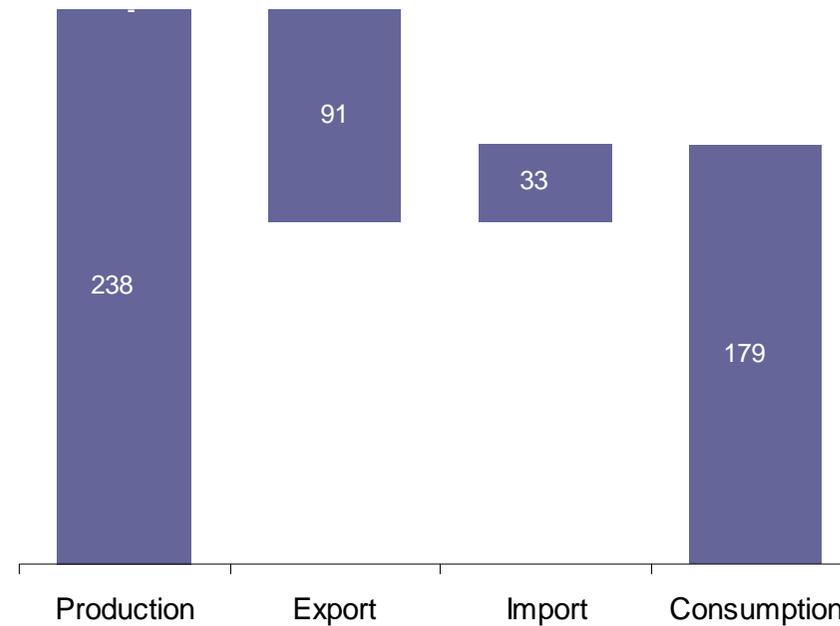
(tonnes in thousands)



Note: Volume of zinc in concentrate

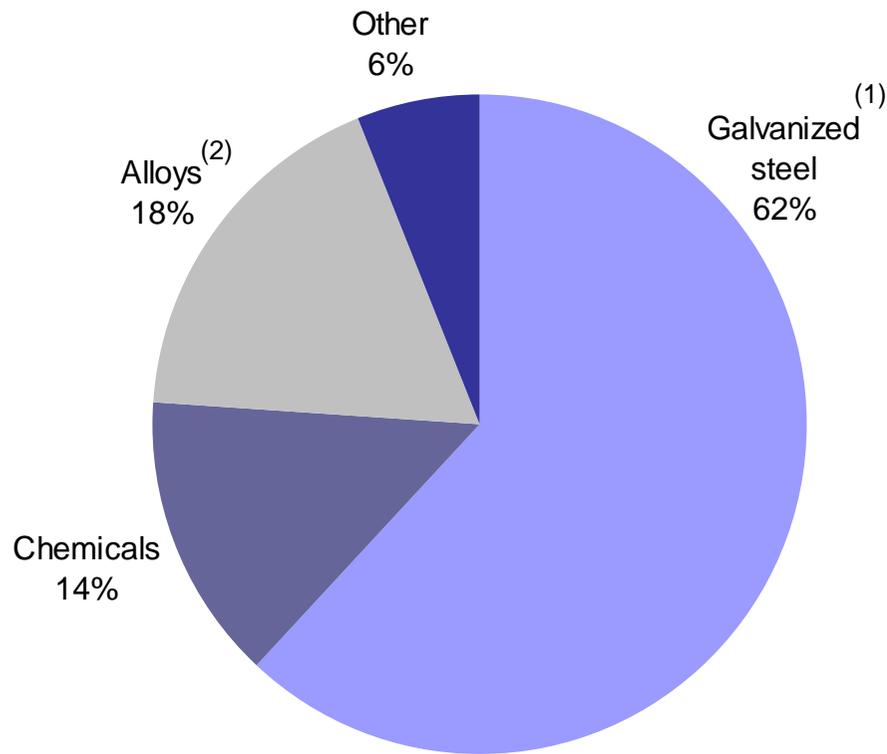
Refined Zinc Market Structure

(tonnes in thousands)



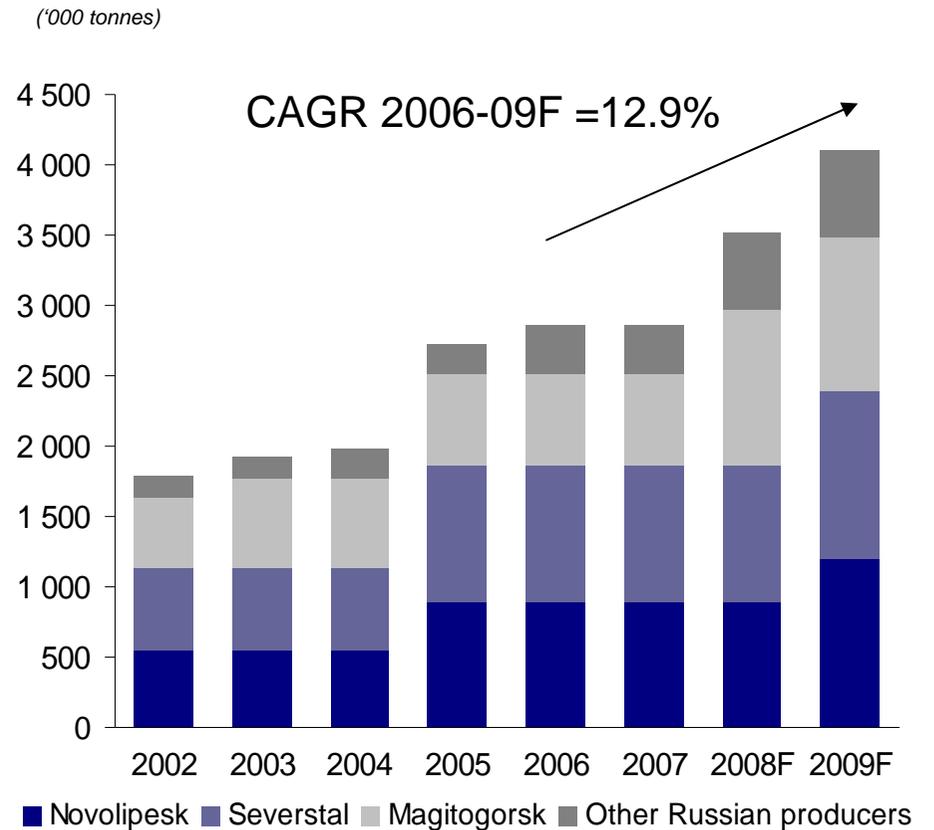
Russian Zinc Market Overview

Russian Zinc Market Structure



(1) Includes 10% of galvanized steel produced using dipping method
 (2) Includes Brass

Growth in Galvanizing Steel Capacity

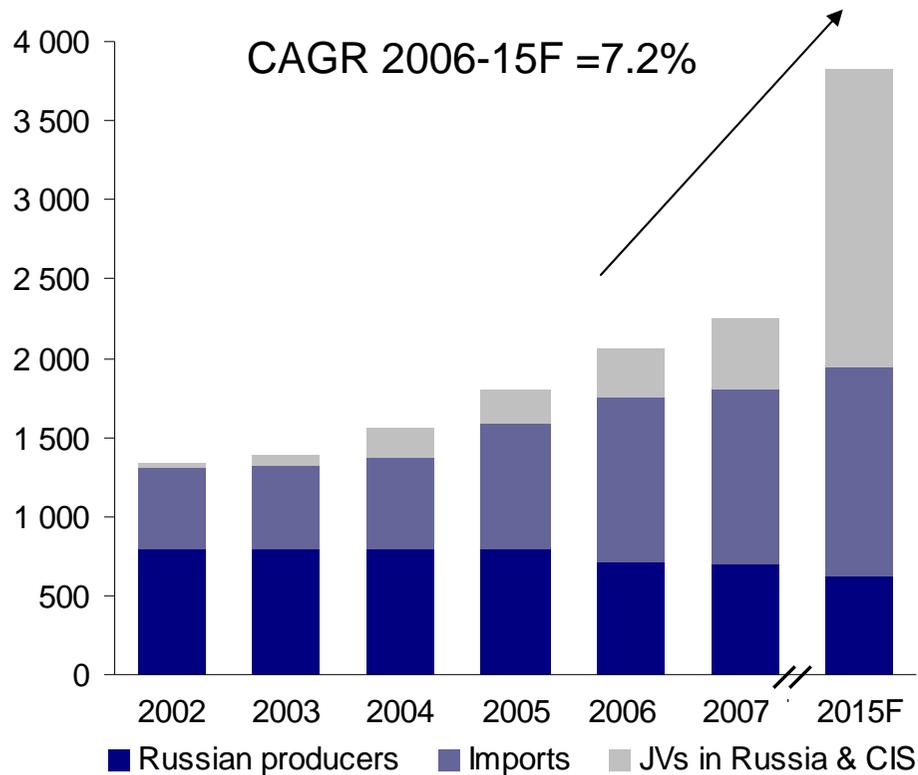


Source: www.metalinfo.ru

Russian Zinc Market Overview

Russian Car Market

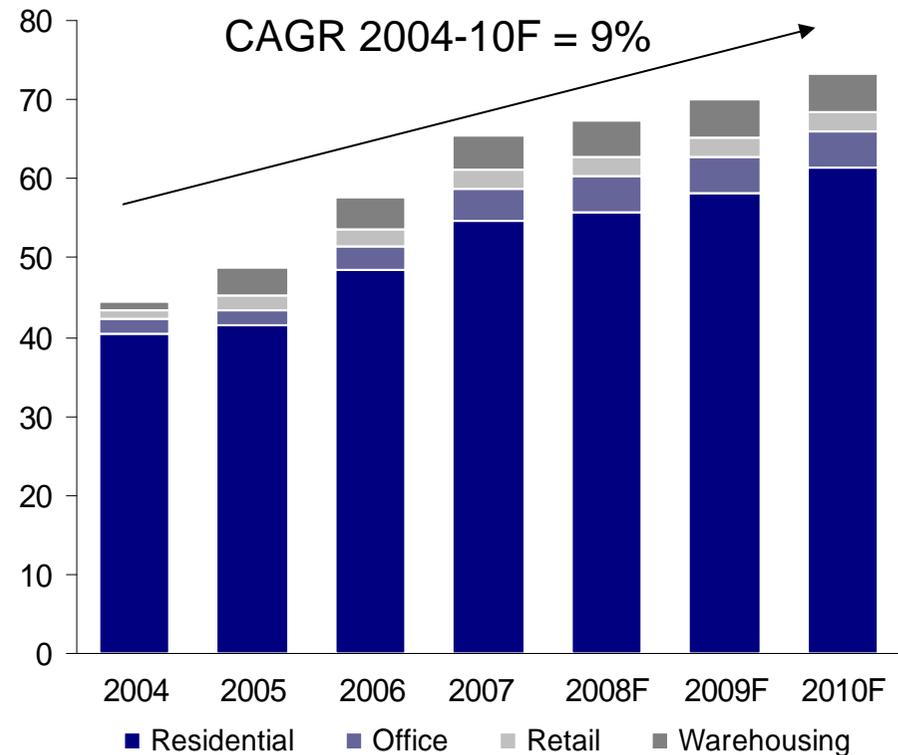
('000 units)



Source: GTK, Goskomstat, Company data, Deutsche Bank estimates

Construction Growth

(million of sq m)



Source: Goskomstat, Deutsche Bank estimates



Operations Overview

Smelting segment – Zinc and by-products production

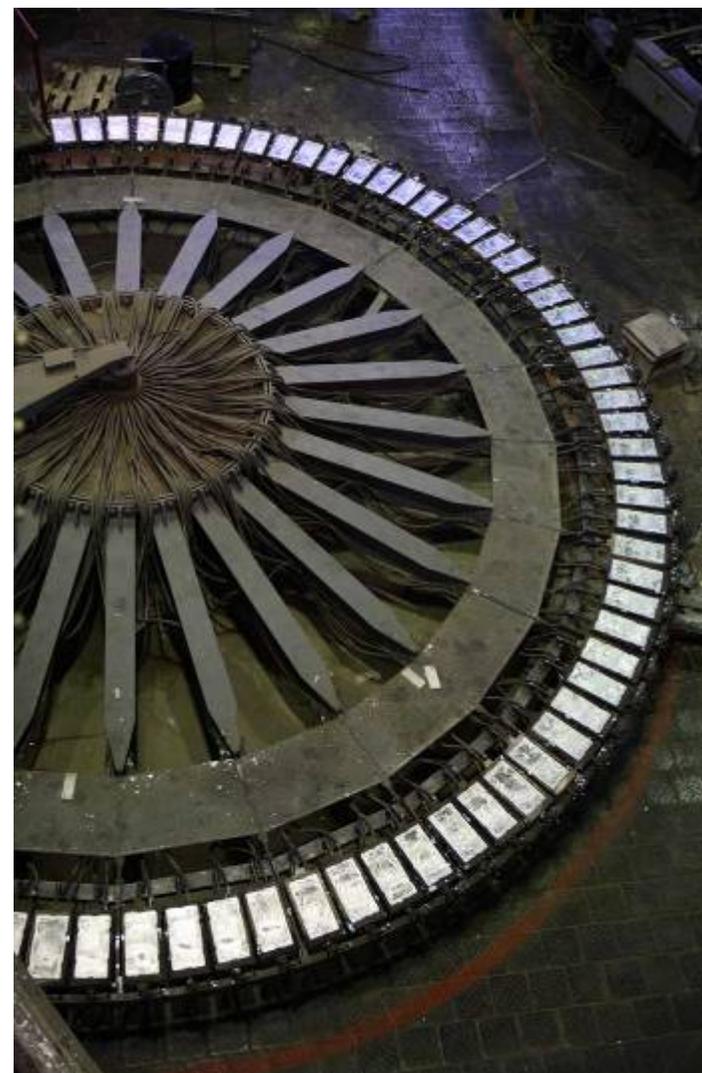
(tonnes in thousands, except otherwise noted)

	2005	2006	2007
Zinc (incl. Zinc Alloys)	116.4	148.4	165.0
Indium (kg)	3,622	3,326	2,823
Cadmium	0.4	0.5	0.6
Sulphuric Acid	157.1	240.1	236.0



Smelting segment – Zinc sales

<i>(tonnes in thousands)</i>	2005	2006	2007
Total sales	105.4	133.8	147.3
Domestic sales	76.9	77.1	72.2
Export sales	28.5	56.7	75.1
Customer			
Brock Metal	-	-	4%
Magnitogorsk	25%	19%	18%
Novolipetsk	18%	20%	10%
Severstal	19%	13%	16%
Euromin	27%	42%	39%
Others	11%	6%	13%



Mining segment – Operational performance

<i>(tonnes in thousands)</i>	2005	2006	2007
Ore mined	1,159	1,239	1,271
Ore processed	1,180	1,234	1,282
Ore grade processed			
Zinc	2.52%	2.85%	2.54%
Lead	0.39%	0.68%	0.46%
Concentrate production (metal)			
Zinc	26.5	32.5	30.0
Lead	3.8	7.0	4.8



Smelting segment – Raw materials supply

<i>(tonnes in thousands)</i>	2005	2006	2007
Akzhal	-	-	29.3
UMMC	31.8	38.6	58.1
RCC	24.0	20.9	15.1
Dalpolimetal	-	12.3	9.5
Other Domestic	3.2	0.6	1.7
Imports	42.8	28.3	29.2
Secondaries	25.6	30.6	24.3
Total	127.4	131.3	167.2



Note: Volume of zinc in concentrate



Financial Review

Income statement highlights

<i>(RUR in millions)</i>	2007	2006	Change Y-o-Y
Revenue	15,527	14,985	4%
Gross Profit	3,785	4,859	(22%)
<i>Margin, %</i>	24%	32%	
EBITDA	3,766	4,922	(24%)
<i>Margin, %</i>	24%	33%	
Net Income	1,914	2,872	(33%)
<i>Margin, %</i>	12%	19%	

Average prices and exchange rates

<i>(denominated in US\$)</i>	2007	2006	Change Y-o-Y
Zinc	3,250.3	3,272.6	(1%)
Lead	2,595.0	1,287.5	102%
RUR/USD	25.6	27.2	(6%)
KZT/USD	122.6	126.1	(3%)



Zinc and Lead are LME cash settlement prices

Revenue structure by products

<i>(RUR in millions)</i>	2007	2006	Change Y-o-Y
Zinc and zinc alloys	13,933	12,913	8%
Zinc Concentrate	-	1,200	(100%)
Lead Concentrate	389	208	87%
Others⁽¹⁾	1,205	664	81%
Total sales	15,527	14,985	4%

Note: (1) includes RUR 30 mln. received from tolling operations



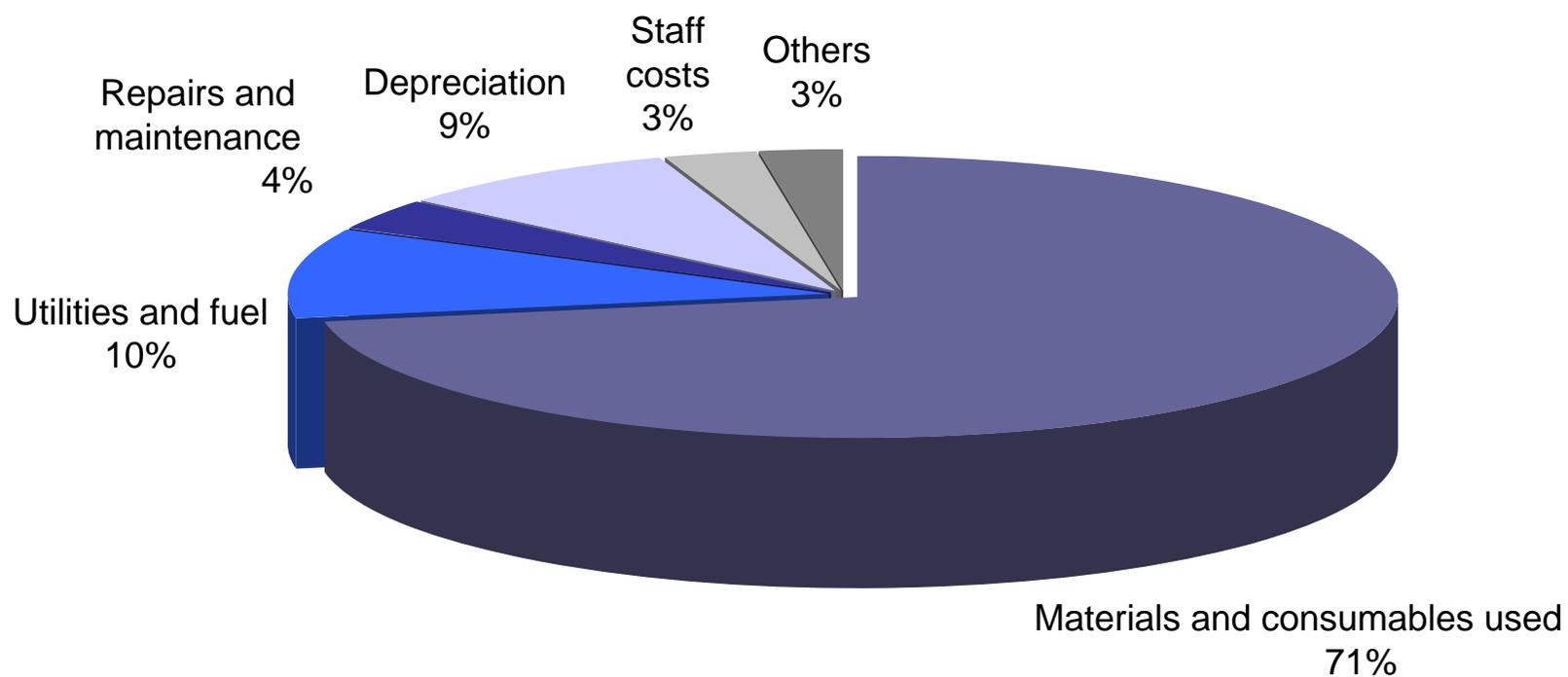
Revenue structure by location of customers

<i>(RUR in millions)</i>	2007	2006	Change Y-o-Y
Russian Federation	7,665	8,452	(9%)
Republic of Kazakhstan	1,115	524	113%
Other CIS countries	473	719	(34%)
Europe	6,164	5,230	18%
Asia and Africa	110	60	83%
Total sales	15,527	14,985	4%



Consolidated cost of sales structure (2007)

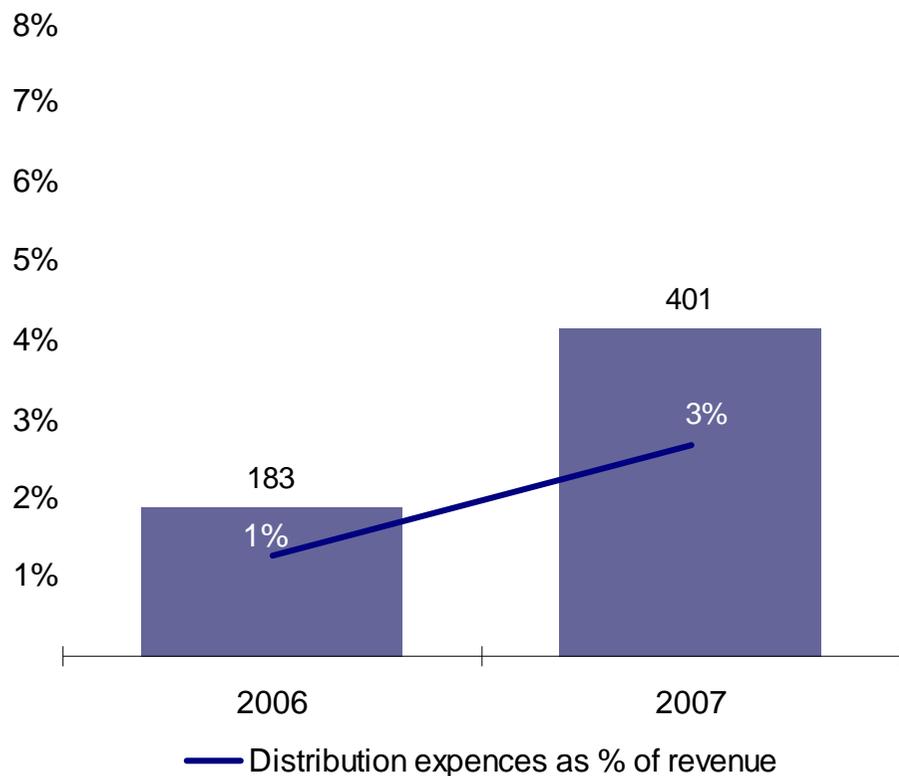
Total cost of sales = 11,741 RUR in millions



Distribution, General and Administrative Expenses

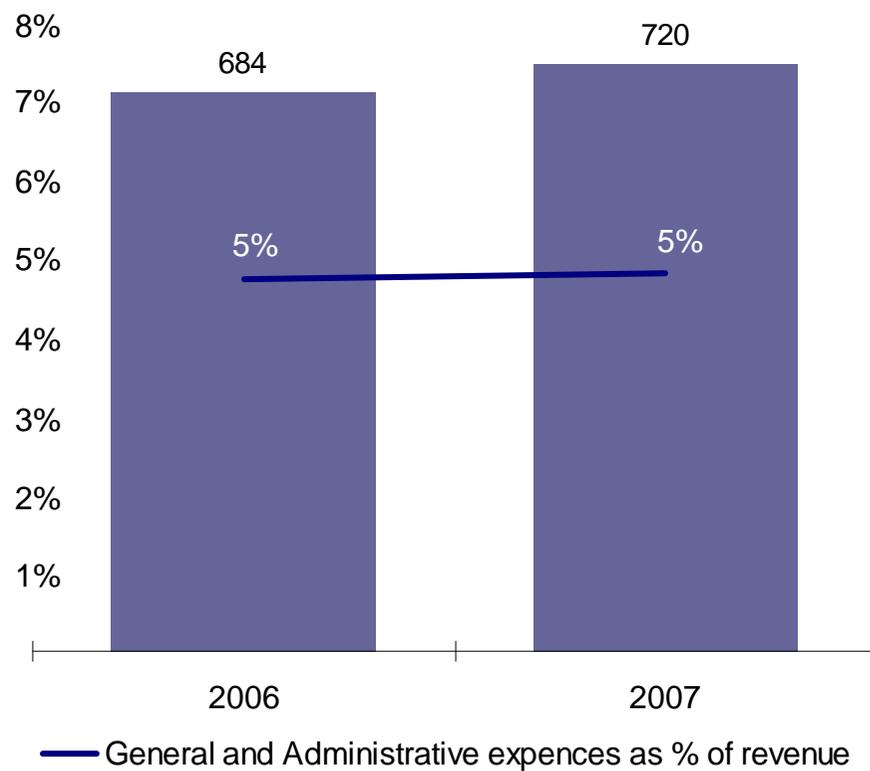
Distribution Cost

(RUR in millions)



General and Administrative costs

(RUR in millions)



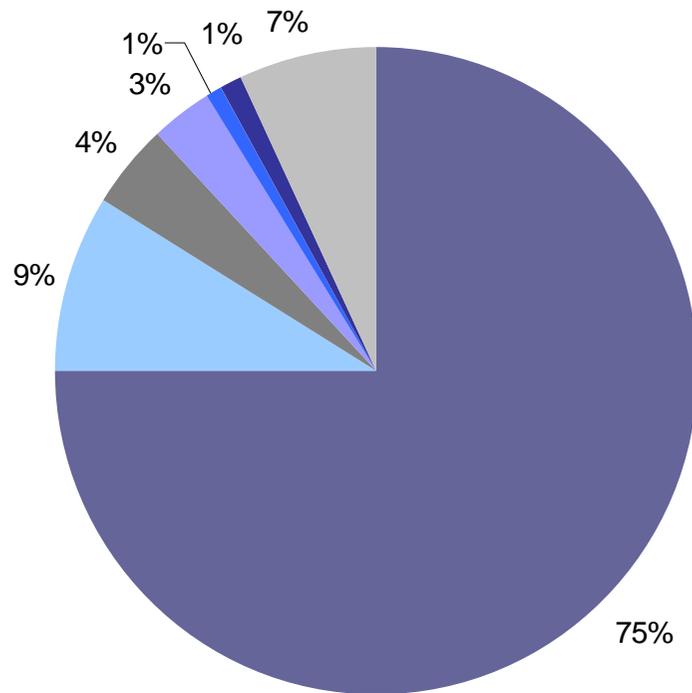
2007 performance by segments

<i>(RUR in millions)</i>	Chelyabinsk Zinc stand-alone	Nova Zinc stand-alone	Brock Metal⁽¹⁾ stand-alone
Revenue	14,175	1,603	1,169
Gross Profit	3,134	939	75
<i>Margin, %</i>	22%	59%	6%
Operating Profit	2,327	730	23
<i>Margin, %</i>	16%	46%	2%
EBITDA	2,936	878	37
<i>Margin, %</i>	21%	55%	3%
Net Income	1,719	502	13
<i>Margin, %</i>	12%	31%	1%

Note: (1) from the date of acquisition

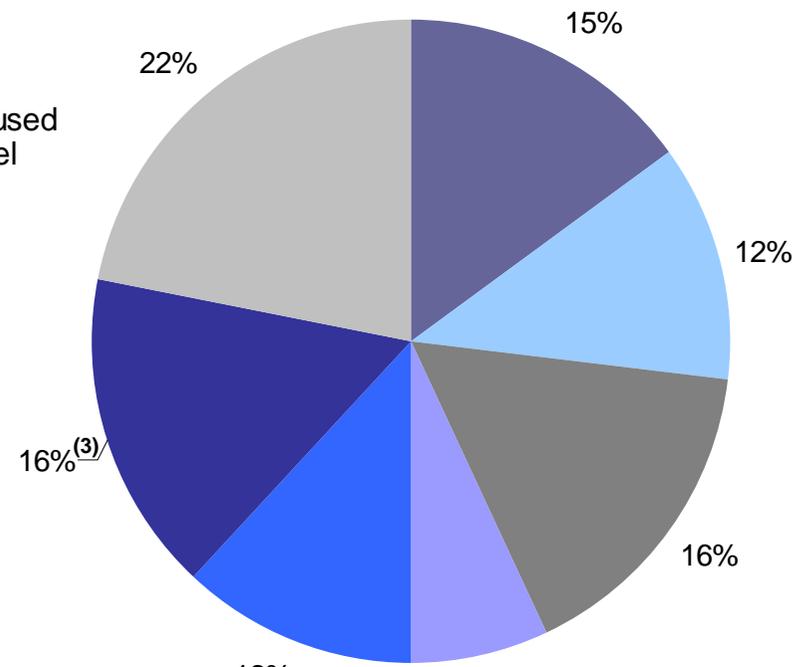
2007 Costs structure by segments

Chelyabinsk Zinc (Stand alone)



RUR 80,434/t ⁽¹⁾

Nova Zinc (Stand alone)

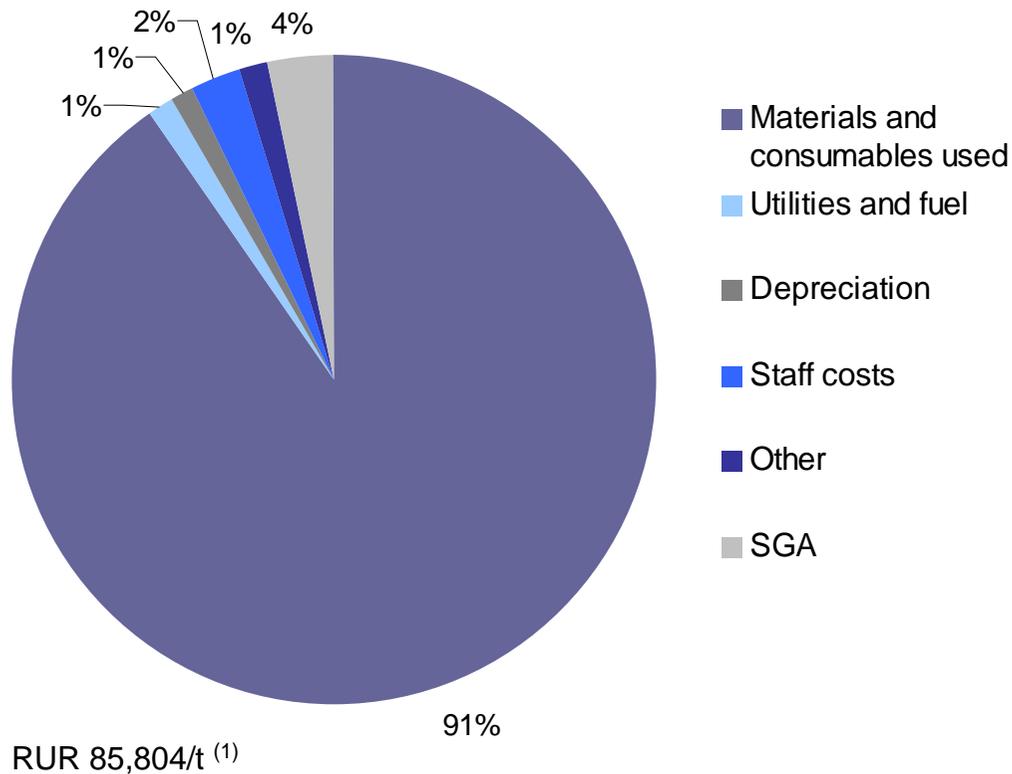


RUR 29,341/t ⁽²⁾

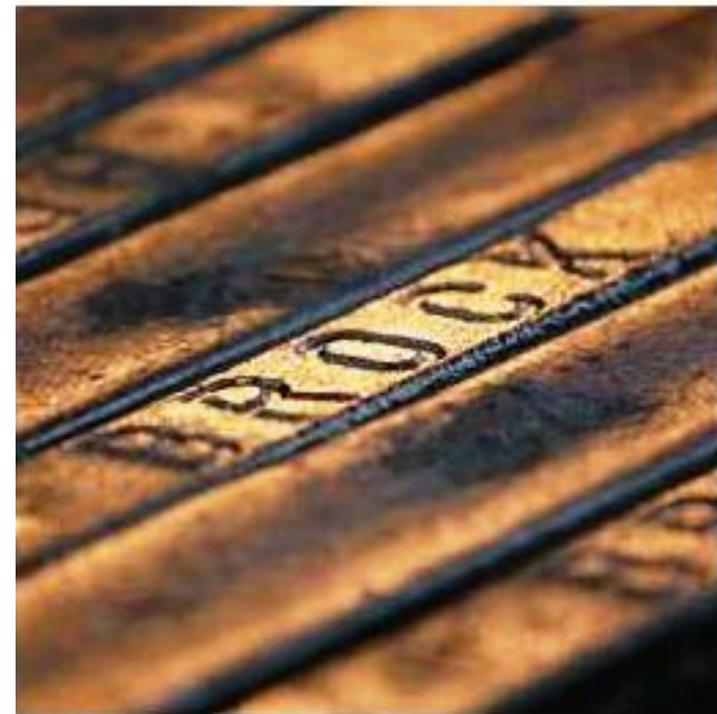
Note: (1) per tonne of zinc
 (2) per tonne of zinc in zinc concentrate (RUR 680 per tonne of ore mined)
 (3) includes transportation that represents 14% of total costs

2007 Costs structure by segments

Brock Metal (Stand alone)

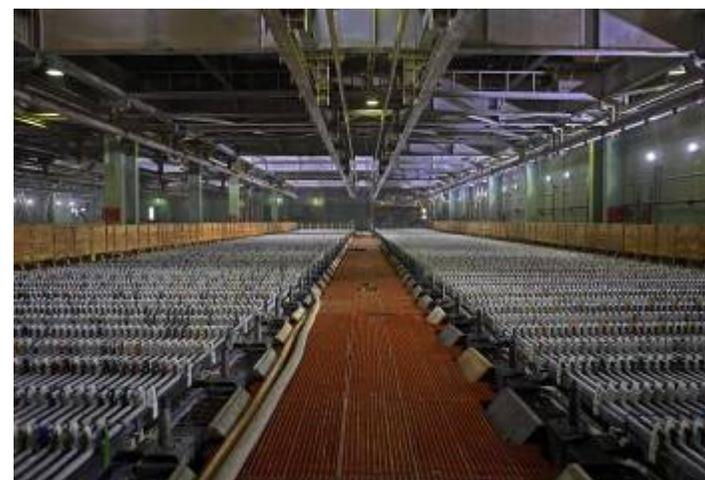


Note: (1) per tonne of zinc



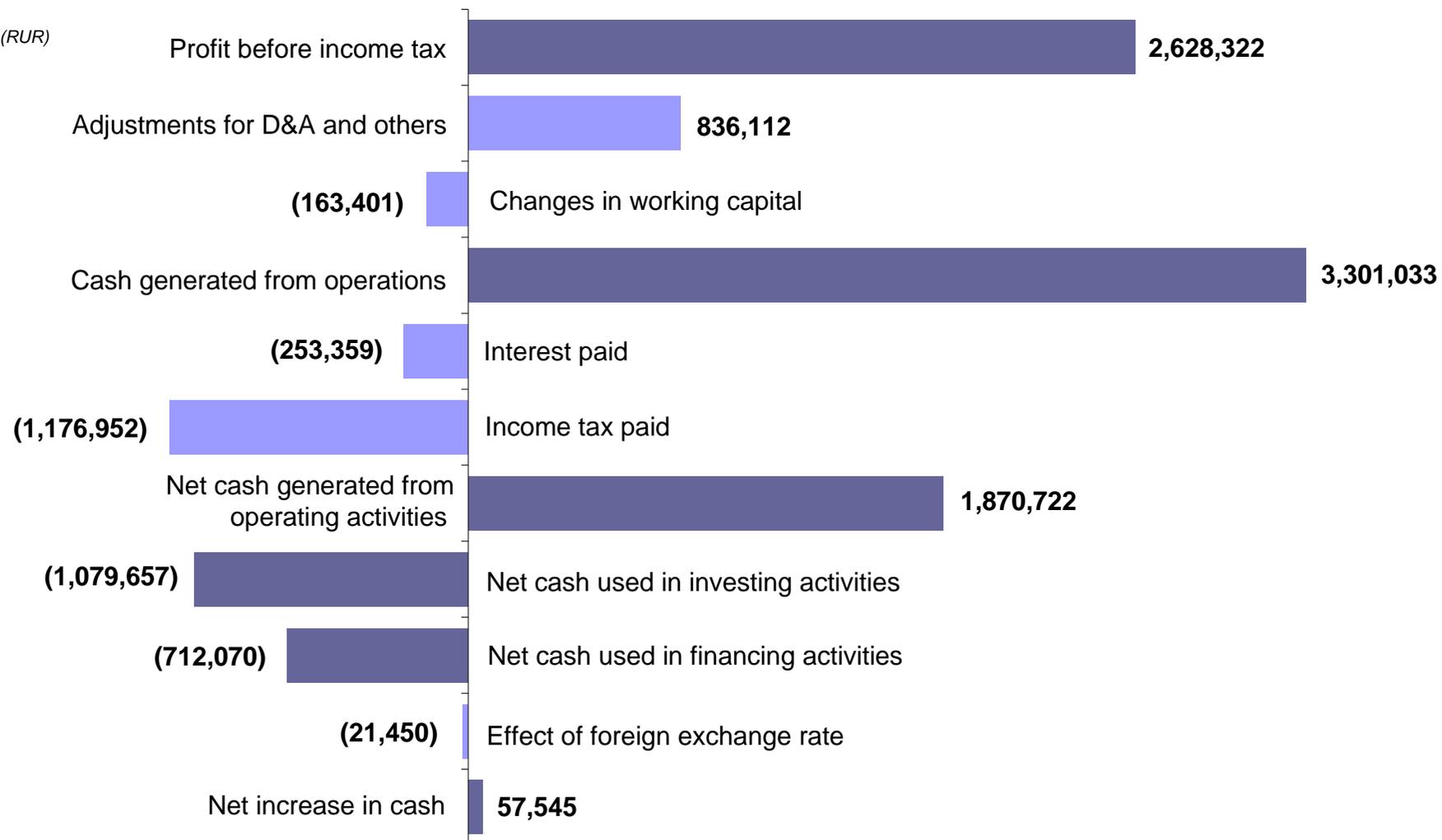
Balance sheet highlights

<i>(RUR in millions)</i>	December 31, 2007	December 31, 2006
Total Assets	14,658	14,165
Total Debt	2,602	3,470
Net Debt	1,664	1,534
Shareholder's Equity	10,173	8,368



Cash Flow Analysis

(RUR)



2007 Capex Programme

Investment highlights:

Expansion capex aimed at de-bottlenecking and increasing zinc production

- Construction of Waelz Kiln #5 (RUR 114 mln)
- Sulphuric Acid Unit #4 (RUR 504 mln)
- Akzhal Mine (RUR 40 mln)
- Amursky deposit (RUR 219 mln)





THANK YOU