



CHELYABINSK ZINC PLANT

Merrill Lynch

RUSSIA & NEW FRONTIERS 1-1 FORUM

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Table of Contents

Global Zinc and Lead Market Overview

Russian Zinc Market Overview

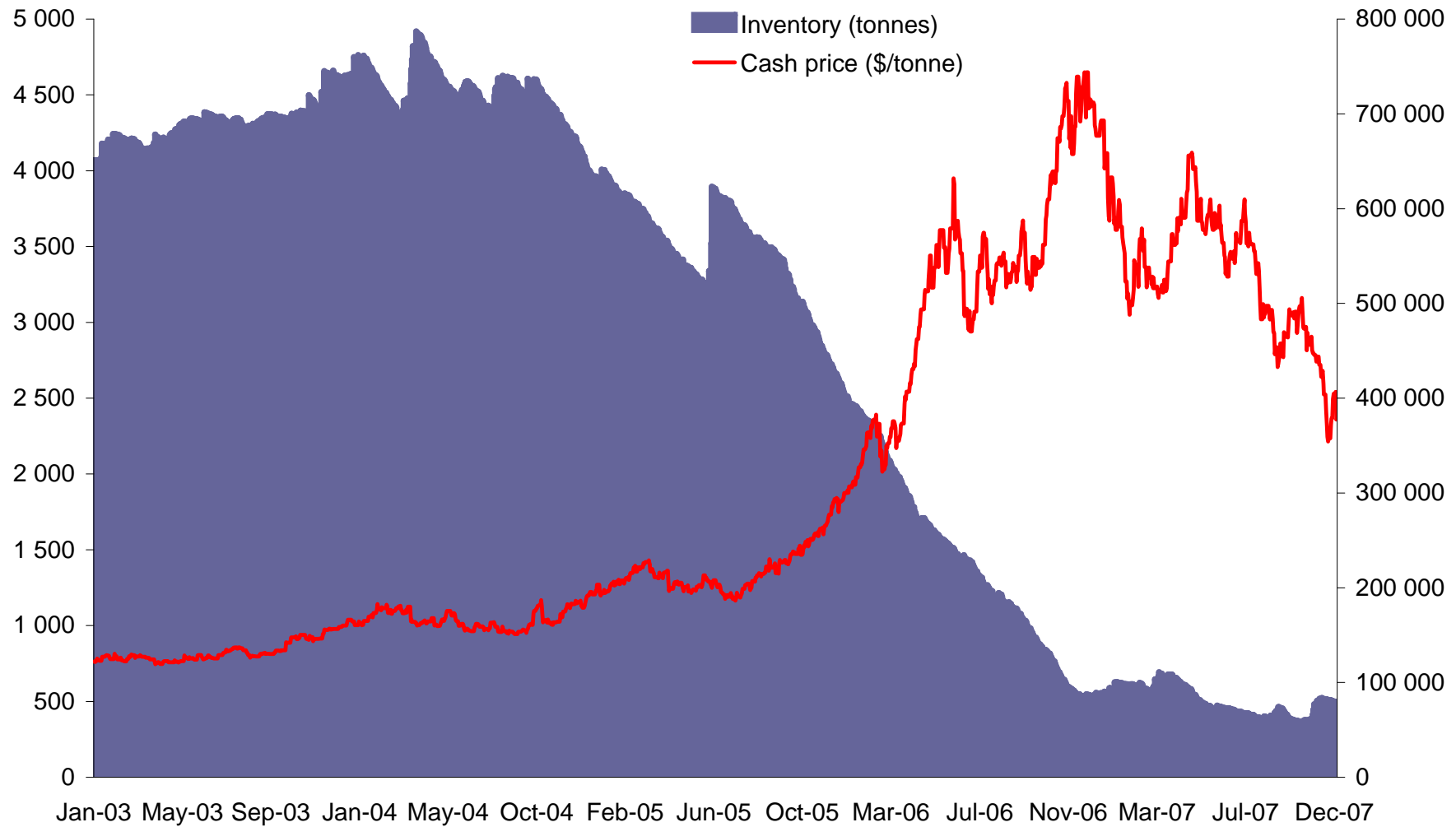
Operations Overview

Financial Review



Global Zinc and Lead Market Overview

Zinc daily price and stock levels (LME)



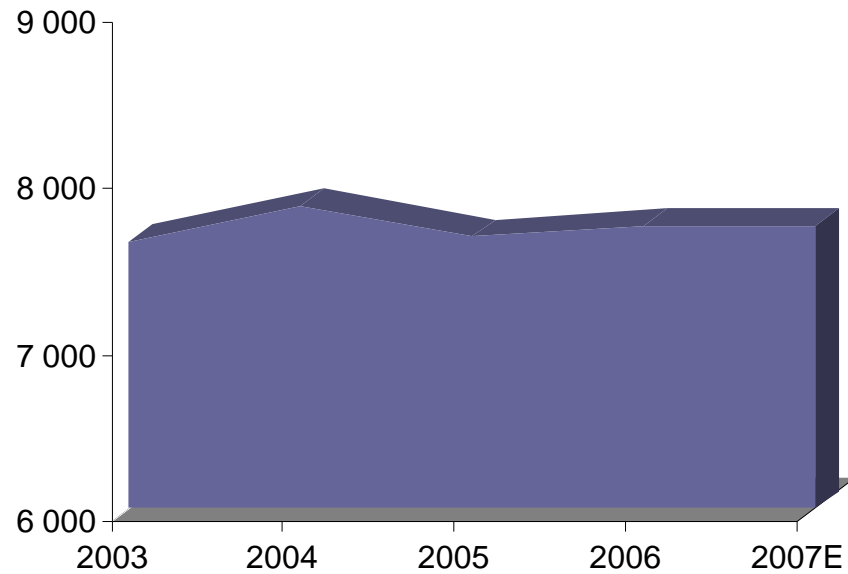
Source: London Metal Exchange



Zinc Demand Growth – China vs Rest of the World

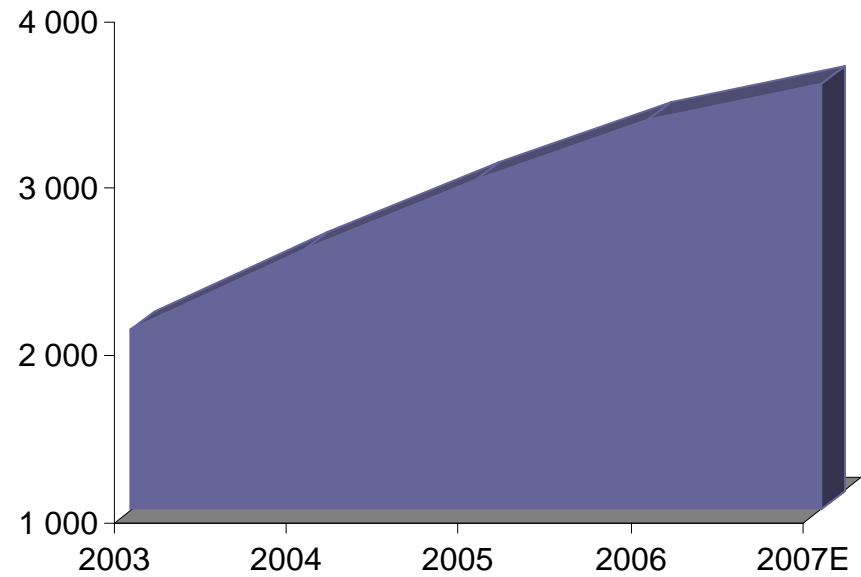
World excluding China

(tonnes in thousands)



China

(tonnes in thousands)

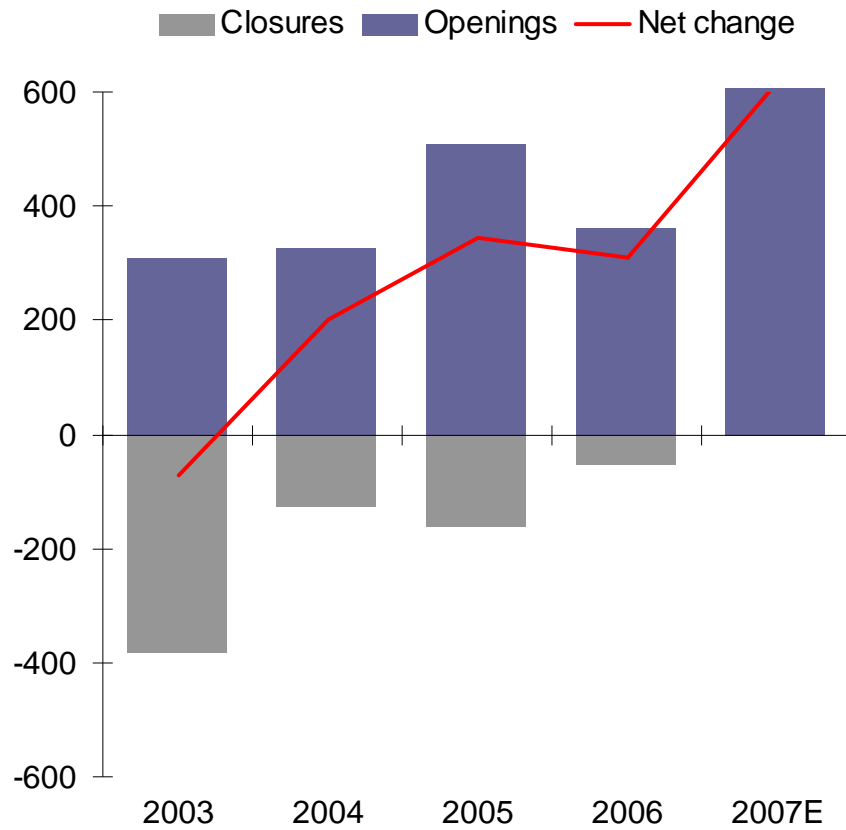


Source: CRU

World Zinc Mine & Smelter Capacity Changes

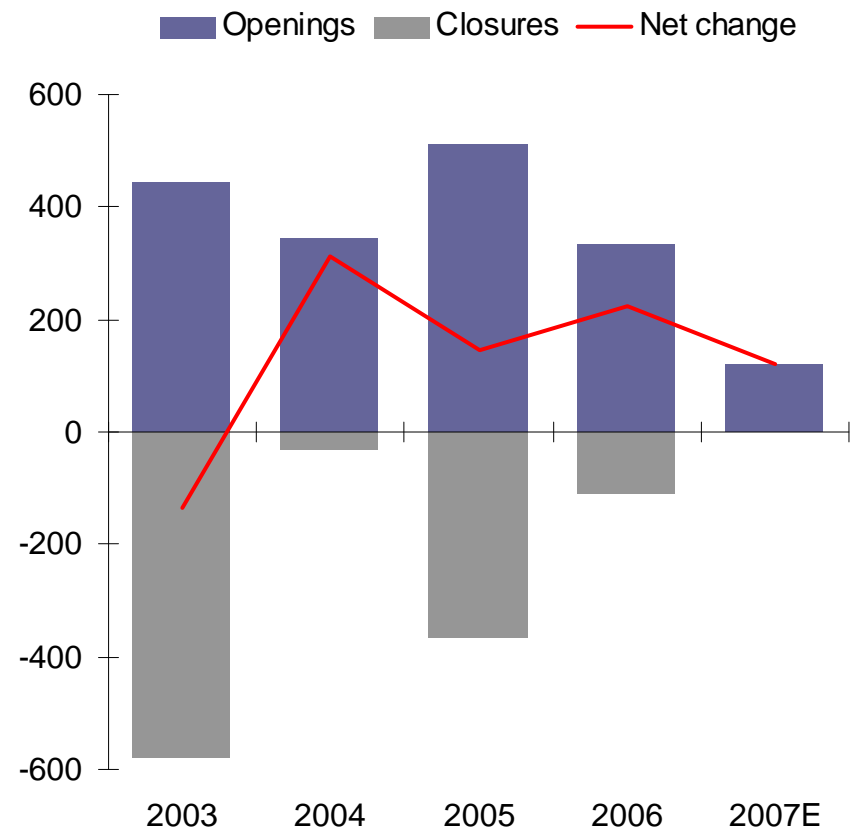
World Zinc Mine Capacity Changes

(tonnes in thousands, metal content)



World Zinc Smelter Capacity Changes

(tonnes in thousands)

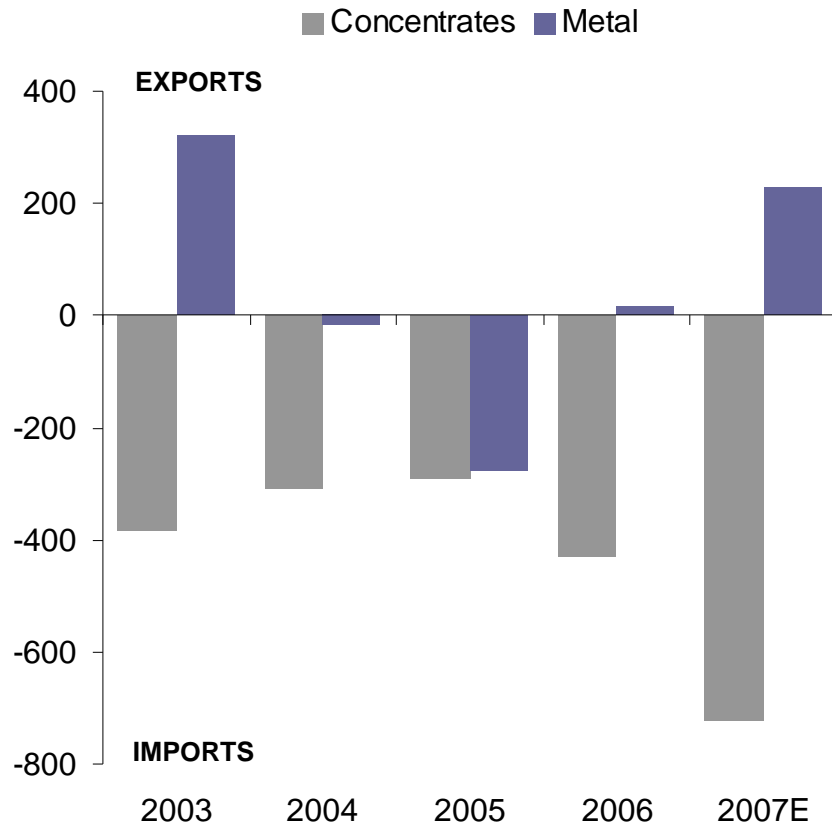


Source: International Lead and Zinc Study Group (ILSG)

Chinese Zinc Trade and Zinc Metal World Balance

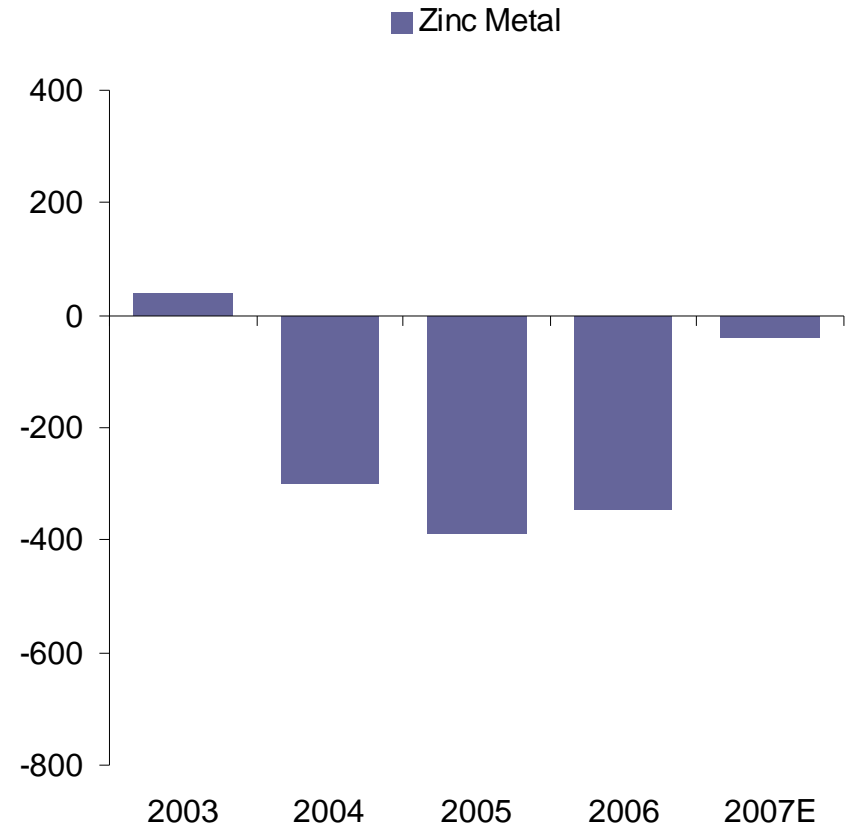
Chinese Zinc Trade

(tonnes in thousands)



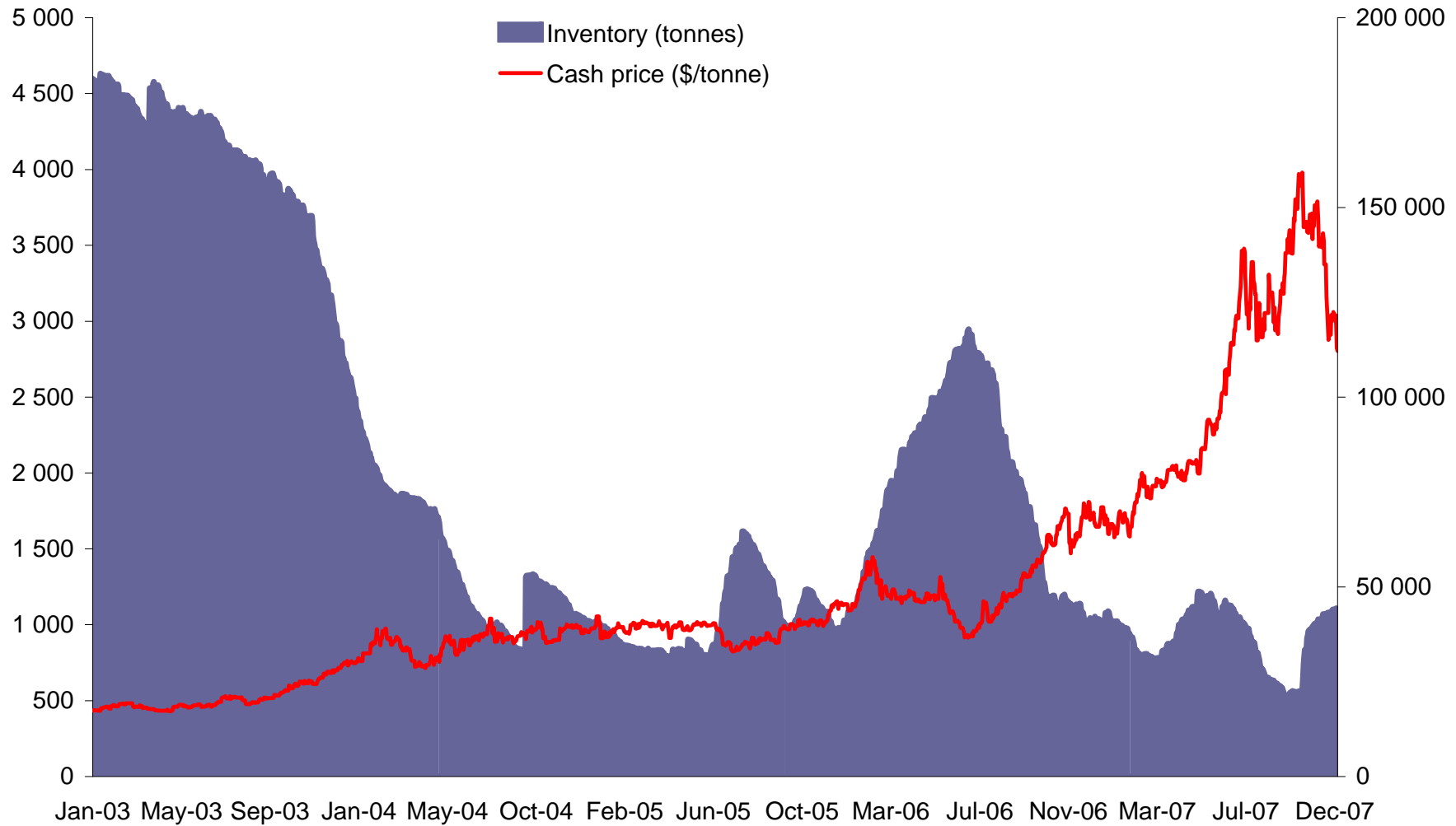
Zinc Metal World Balance

(tonnes in thousands)



Source: International Lead and Zinc Study Group (ILSG)

Lead daily price and stock levels (LME)



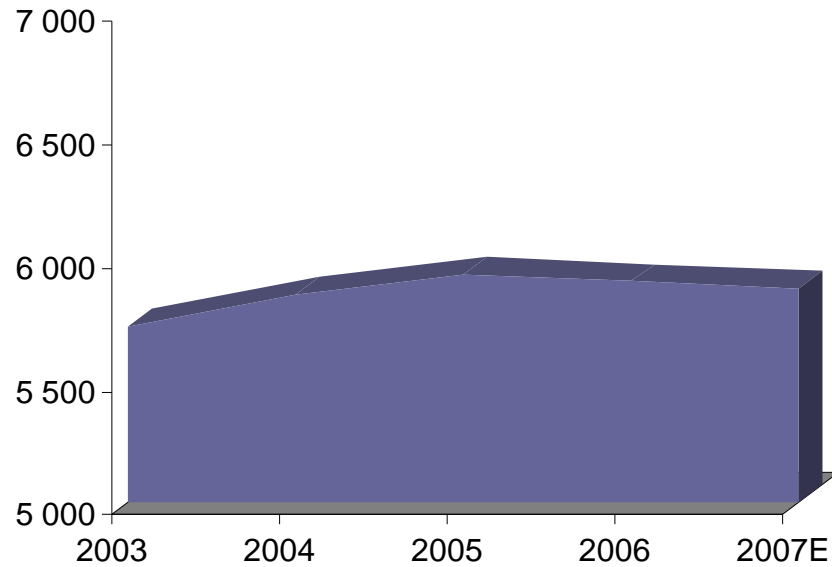
Source: London Metal Exchange



Lead Demand Growth – China vs Rest of the World

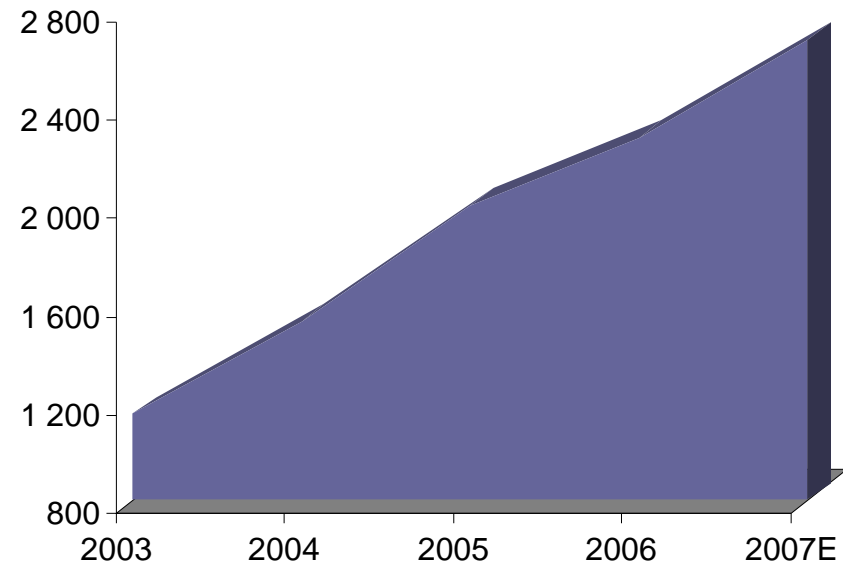
World excluding China

(tonnes in thousands)



China

(tonnes in thousands)

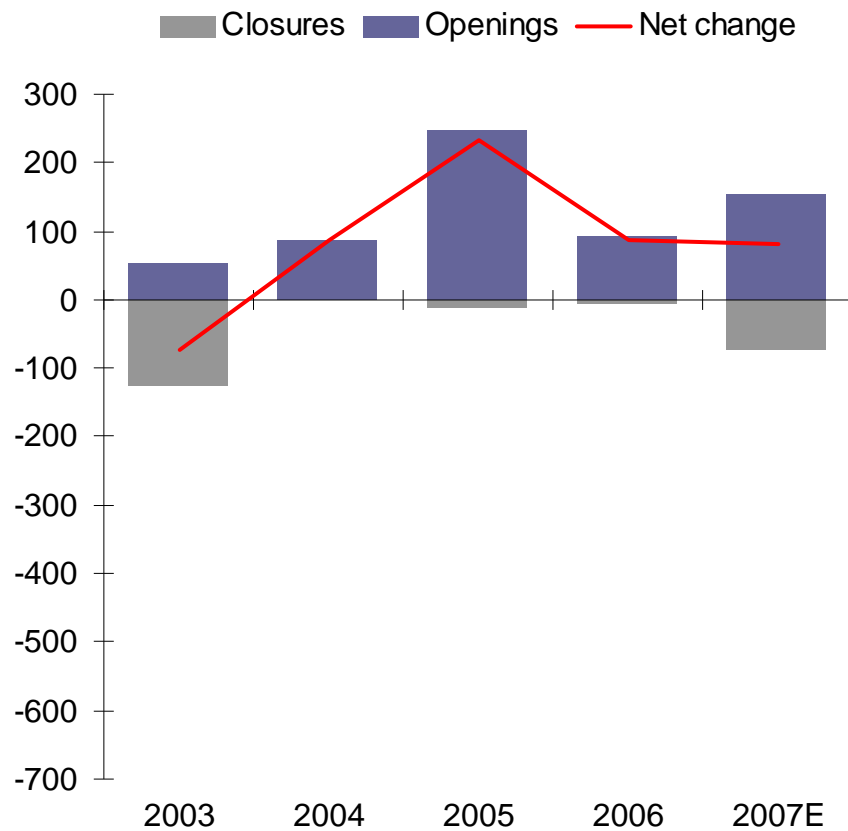


Source: International Lead and Zinc Study Group (ILSG)

World Lead Mine & Smelter Capacity Changes

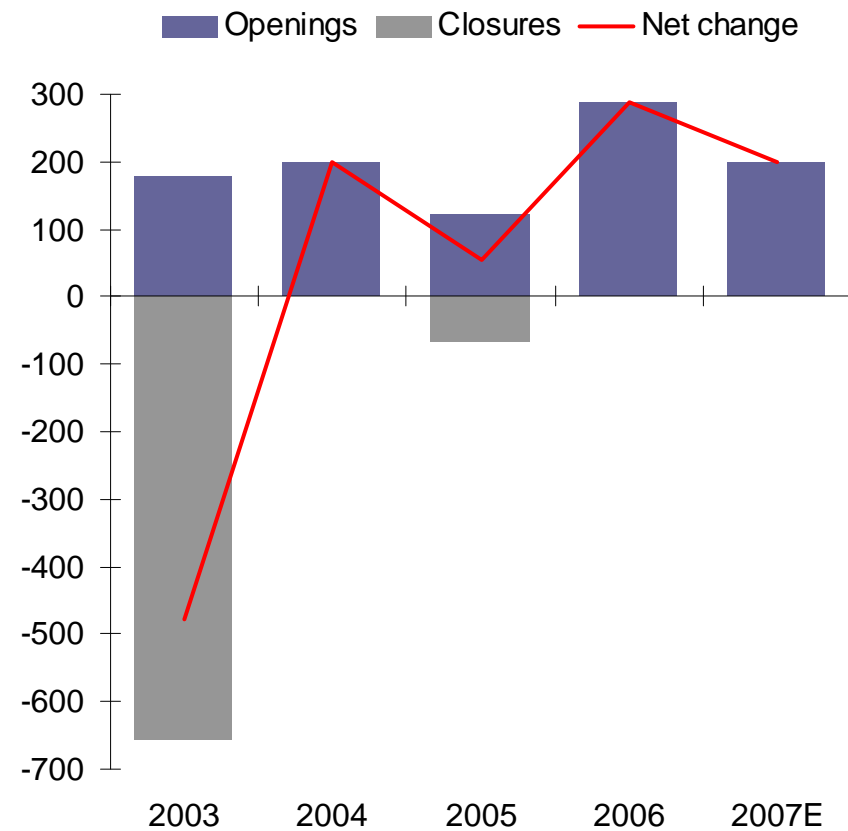
World Lead Mine Capacity Changes

(tonnes in thousands, metal content)



World Lead Smelter Capacity Changes

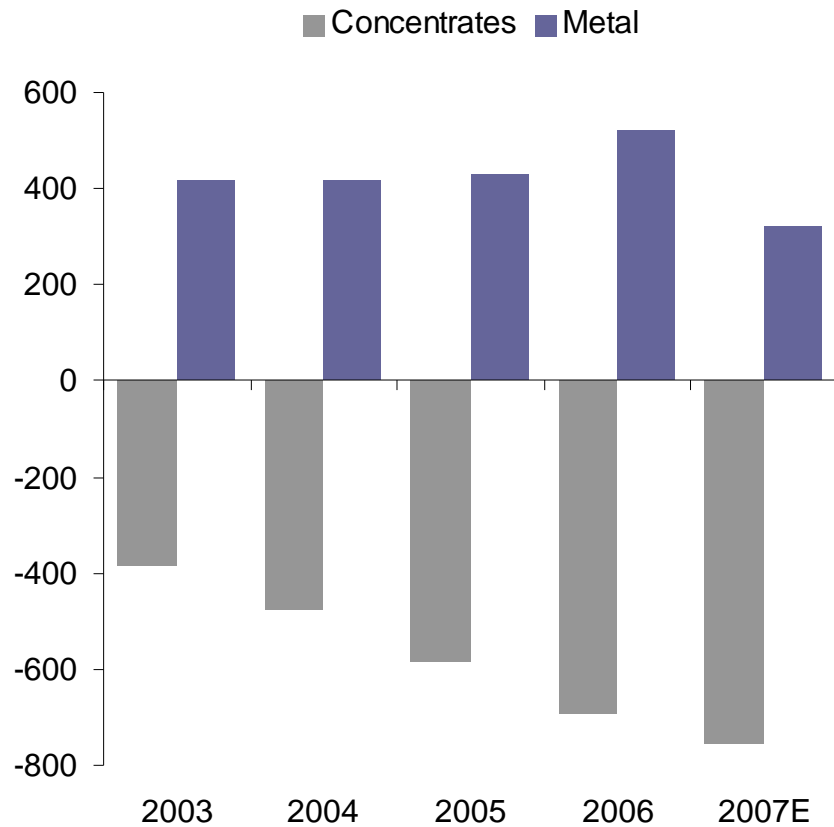
(tonnes in thousands)



Source: International Lead and Zinc Study Group (ILSG)

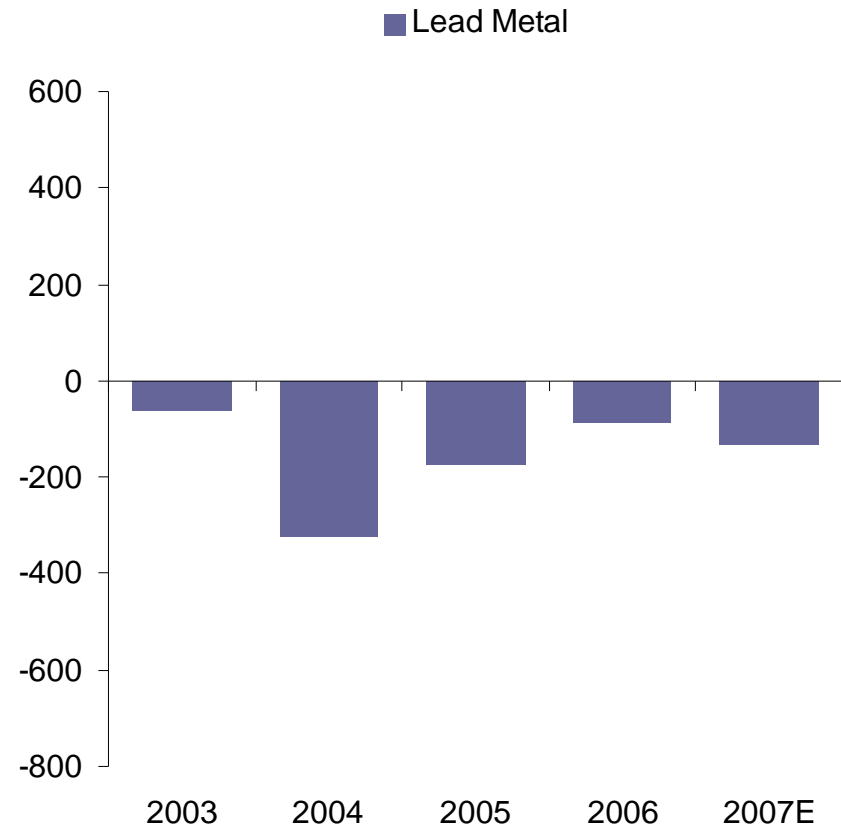
Chinese Lead Trade and Lead Metal World Balance

Chinese Lead Trade



Lead Metal World Balance

(tonnes in thousands)



Source: International Lead and Zinc Study Group (ILSG)



Russian Zinc Market Overview

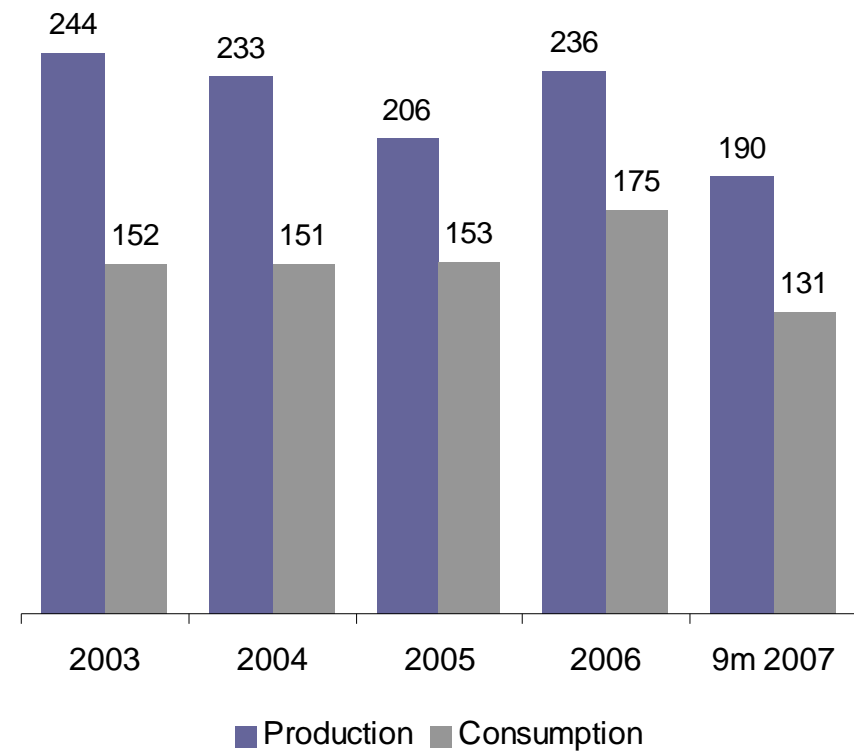
Russian Zinc Market Overview

Russian zinc production recovered, since the decline of the early 1990s, due to increased demand from the steel producers and the construction sector

Consumption increased due to expansion of continuous galvanizing capacity

Zinc Production and Consumption

(tonnes in thousands)

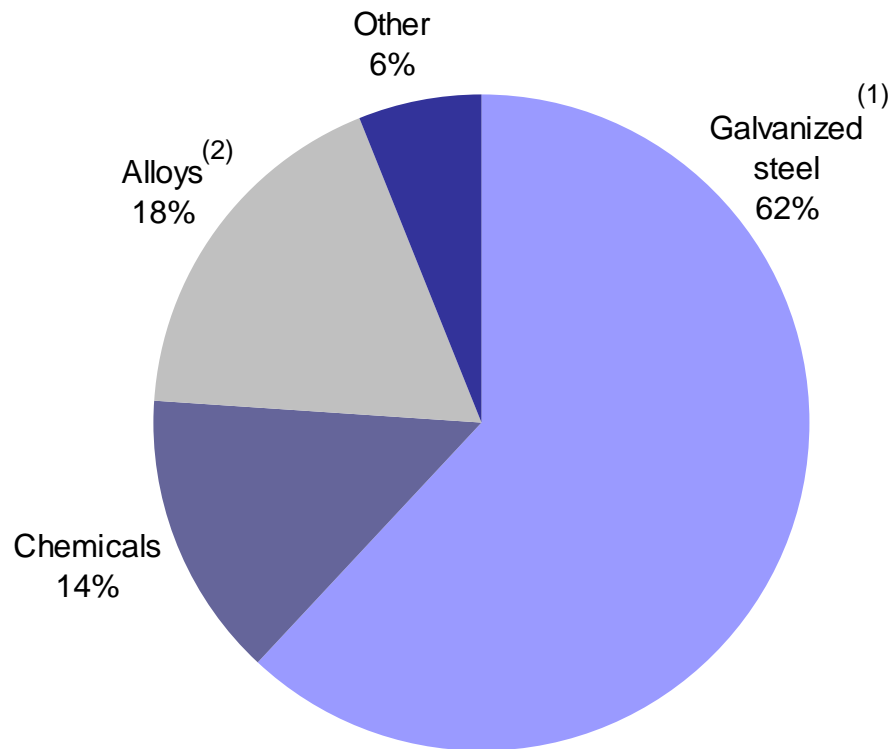


Russian Zinc Market Overview



Russian Zinc Market Overview

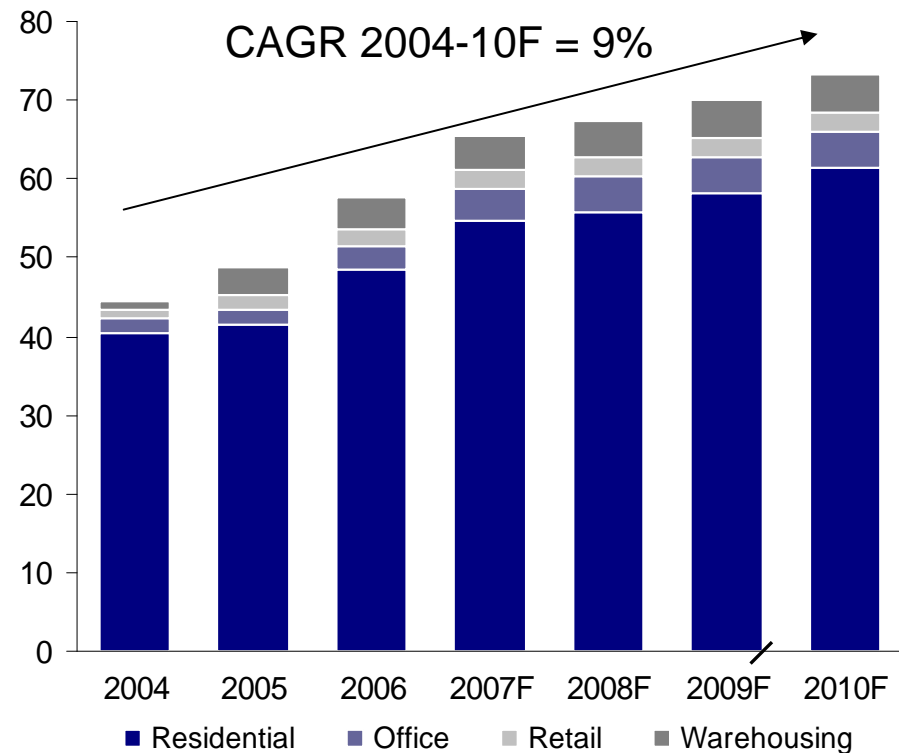
Russian Zinc Market Structure



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

Construction Growth

(million of sq m)

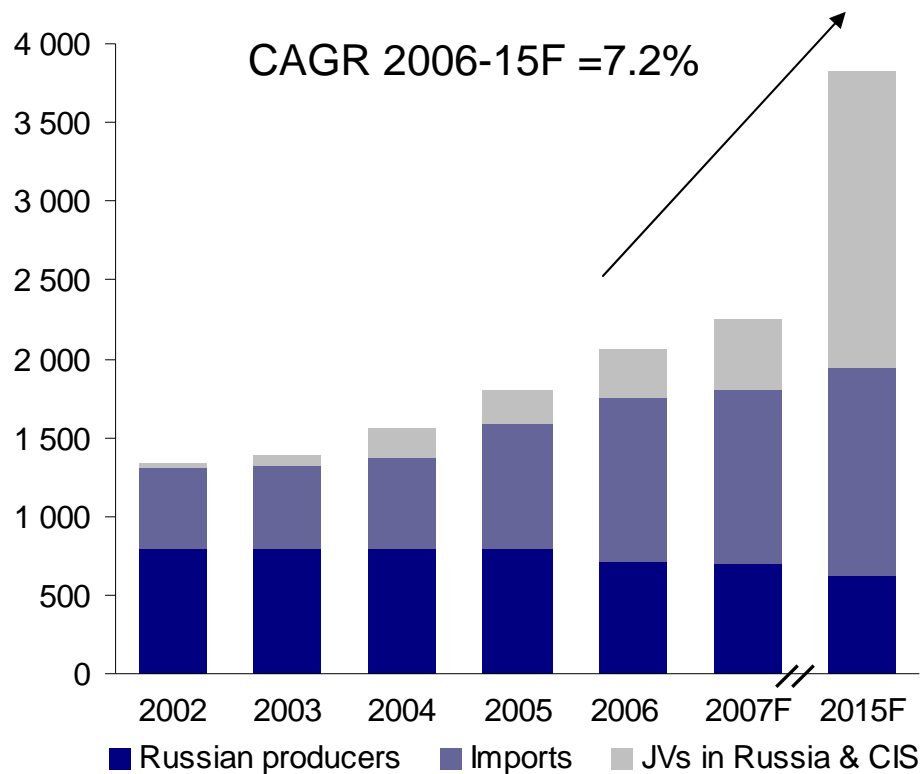


Source: Goskomstat, Deutsche Bank estimates

Russian Zinc Market Overview

Russian Car Market

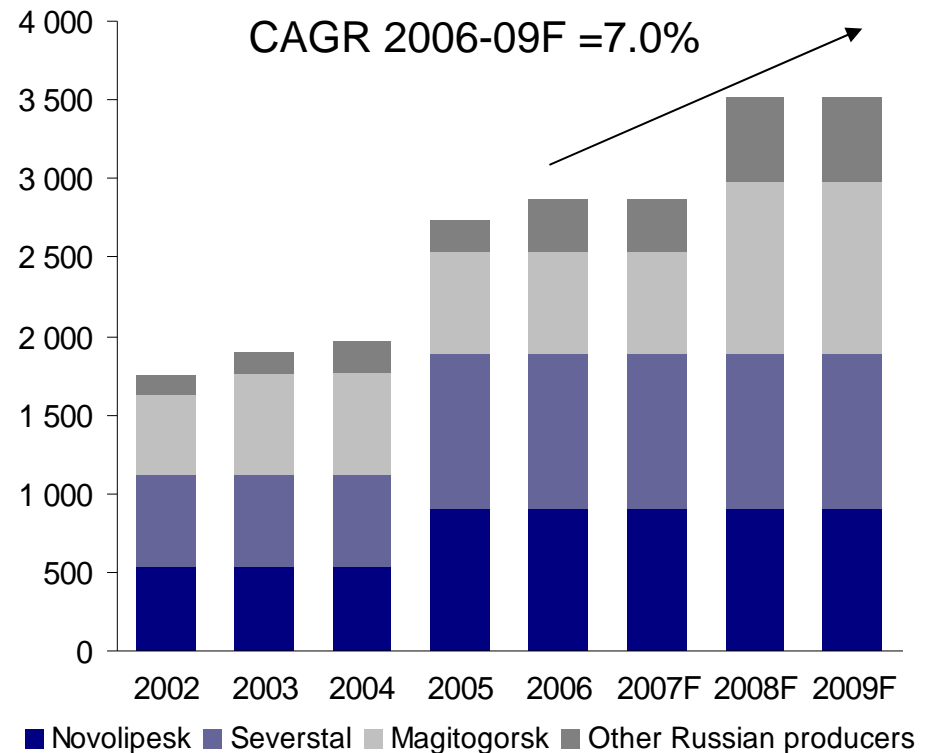
('000 units)



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

Growth in Galvanizing Steel Capacity

('000 tonnes)



Source: www.metalinfo.ru



Operations Overview

Smelting segment – Raw materials supply

<i>(tonnes in thousands)</i>	9m '07	9m '06	2006
Akzhal	23.6	-	-
UMMC	42.3	26.0	38.6
RCC	11.1	16.1	20.9
Dalpolimetal	9.5	9.8	12.3
Other Domestic	1.5	0.5	0.6
Imports	25.4	23.1	28.3
Secondaries	17.0	20.7	30.6
Total	130.4	96.2	131.3



Note: Volume of zinc in concentrate

Smelting segment – Zinc and by-products production

<i>(tonnes in thousands, except otherwise noted)</i>	9m '07	9m '06	2006
Zinc (incl. Zinc Alloys)	122.7	110.2	148.4
Indium (kg)	2,072	2,724	3,326
Cadmium	0.4	0.3	0.5
Sulphuric Acid	175.7	178.2	240.1
Lead Cake	6.5	6.5	9.6
Copper Clinker	64.0	56.0	73.8



Smelting segment – Zinc sales

<i>(tonnes in thousands)</i>	9m '07	9m '06	2006
Total sales	109.5	99.9	133.8
Domestic sales	52.5	60.3	77.1
Export sales	57.0	39.6	56.7
Customer			
Brock Metal	2%	-	-
Magnitogorsk	17%	19%	19%
Novolipetsk	10%	20%	20%
Severstal	16%	16%	13%
Euromin	43%	40%	42%
Others	12%	5%	6%



Mining segment – Operational performance

<i>(tonnes in thousands)</i>	9m '07	9m '06	2006
Ore mined	953.4	906.6	1,239
Ore processed	965.5	904.2	1,234
Ore grade processed			
Zinc	2.62%	2.90%	2.85%
Lead	0.49%	0.63%	0.68%
Concentrate production (metal)			
Zinc	23.4	24.2	32.5
Lead	3.9	4.7	7.0

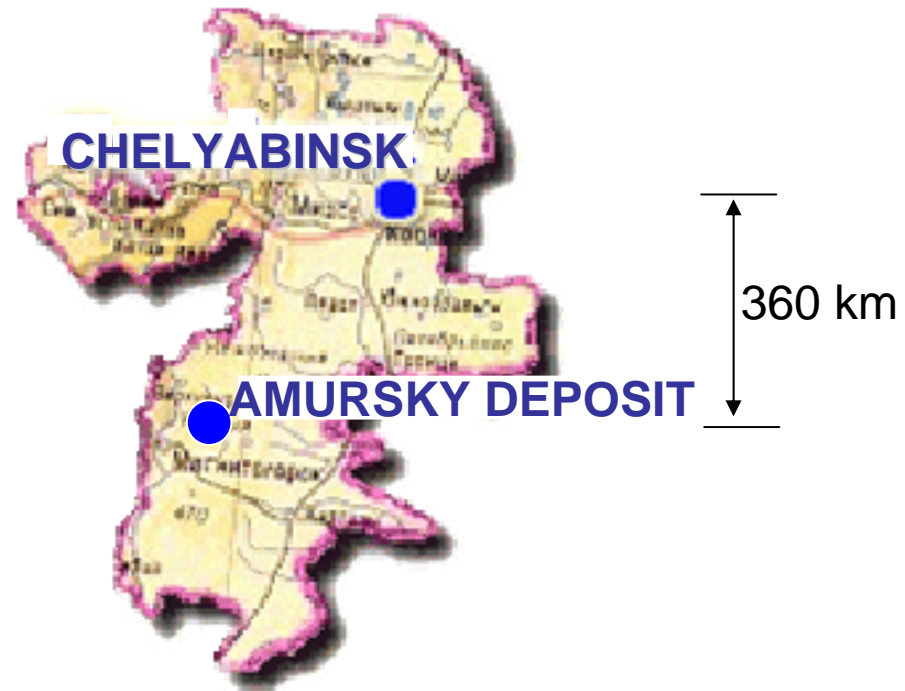


Amursky Deposit at a Glance

On 12 January 2007 The Russian Federal Agency for Subsoil Use (Rosnedra) and CZP signed a 25-year licence agreement for the exploration and extraction of zinc ores in the Amurskoye Deposit located in Bredinsky district, Chelyabinsk region.

On 12 November 2007 CZP's Board of Directors, based on the positive geological results from active exploration, took decision to establish 100% subsidiary JSC "Amur".

CZP plans to complete a JORC-compliant mineral resources and reserves audit during the second half of 2008





Financial Review

Income statement highlights

<i>(RUR in millions)</i>	9m '07E	9m '06
Sales	11,658	10,464
Gross Profit	3,195	4,008
<i>Margin, %</i>	27%	38%
EBITDA	3,270	3,498
<i>Margin, %</i>	28%	33%
Net Income	1,782	2,163
<i>Margin, %</i>	15%	21%

Balance sheet highlights

<i>(RUR in millions)</i>	Sept. 30, 2007E	December 31, 2006
Total Assets	15,523	14,165
Total Debt	2,855	3,470
Net Debt	1,394	1,534
Shareholder's Equity	10,115	8,368



Disclaimer

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