

**SEPARATION BALANCE SHEET  
OJSC MMC NORILSK NICKEL**

14.12.2007  
000 RUB

**Moscow**

Item	Line Code	MMC Norilsk Nickel as at 01.01.2007	MMC Norilsk Nickel as at 30.09.2007	Distribution between company under reorganization and spin-off company	
				MMC Norilsk Nickel	OJSC EnergoPolyus
1	2	3	4	5	6
Intangible assets	110	44 911	41 763	41 763	
including: exclusive rights to inventions, industrial designs, utility models, trade marks (service marks), software and databases, other equivalent rights and assets	111	44 911	41 763	41 763	
organisational expenses	112	-	-	-	
goodwill	113	-	-	-	
Fixed assets	120	64 156 638	62 615 264	62 615 264	
Including: land and natural resources	121	-	100	100	
Buildings, machines and equipment	122	59 661 160	58 294 179	58 294 179	
Construction in progress	130	23 581 401	28 635 335	28 635 335	
Profit-making investments	135	-	-	-	
Long-term financial investments	140	137 657 649	433 387 596	243 918 345	189 469 251
Including: investments in subsidiaries	141	68 789 587	202 480 698	69 437 626	133 043 072
Investments in dependent companies	142	6 256 141	8 877 730	1 300 304	7 577 426
Investments in other entities	143	54 137 388	49 139 978	291 225	48 848 753
Loans to other entities for periods exceeding 12 months	144	1 995 662	158 284 062	158 284 062	
Other long-term financial investments	146	6 478 871	14 605 128	14 605 128	
Deferred tax assets	145	-	-	-	
Other non-current assets	150	80 309	61 305	61 305	
<b>TOTAL SECTION I</b>	<b>190</b>	<b>225 520 908</b>	<b>524 741 263</b>	<b>335 272 012</b>	<b>189 469 251</b>
<b>2. CURRENT ASSETS</b>					
Inventories	210	40 209 766	43 599 173	43 599 173	
Including: raw material, supplies and other similar assets	211	14 631 636	14 931 055	14 931 055	
Livestock	212	-	-	-	
Work in progress expenses	213	16 976 432	17 183 099	17 183 099	
Finished goods and goods for resale	214	3 430 107	5 989 770	5 989 770	
Goods in transit	215	215 365	880 644	880 644	
Prepaid expenses	216	4 956 226	4 614 605	4 614 605	
Other inventories and expenses	217	-	-	-	
VAT on acquisitions	220	5 053 731	5 071 662	5 071 662	
Receivables due in more than 12-month period after the reporting date	230	3 796 869	3 620 475	3 620 475	
Including: trade receivables	231	1	142 821	142 821	
Notes receivable	232	-	-	-	
Advance payments effected	234	3 441 603	3 043 778	3 043 778	
Other debtors	235	355 265	433 876	433 876	
Receivables due within 12-month period after the reporting date	240	41 366 262	43 531 484	43 531 484	
Including: trade receivables	241	29 307 969	21 886 386	21 886 386	
Notes receivable	242	5 000	5 000	5 000	
unpaid equity contributions	244	-	-	-	
Advance payments effected	245	1 936 018	6 301 835	6 301 835	
Other debtors	246	10 117 275	15 338 263	15 338 263	
Short-term investments	250	42 821 813	121 113 689	121 113 689	
Including: loans to other entities, with maturity period less than 12 months	251	8 019 382	116 425 557	116 425 557	
Other short-term investments	252	34 802 431	4 688 132	4 688 132	
Cash	260	3 602 349	5 520 669	5 520 669	
including: cash on hand	261	9 866	28 622	28 622	
Settlement bank accounts	262	1 789 964	939 494	939 494	
Foreign currency accounts	263	1 783 529	4 538 284	4 538 284	
Other cash	264	18 990	14 269	14 269	
Other current assets	270	204 944	164 133	164 133	
<b>TOTAL SECTION II</b>	<b>290</b>	<b>137 055 734</b>	<b>222 621 285</b>	<b>222 621 285</b>	
<b>Balance (lines 190+290)</b>	<b>300</b>	<b>362 576 642</b>	<b>747 362 548</b>	<b>557 893 297</b>	<b>189 469 251</b>
<b>3. CAPITAL AND RESERVES</b>					
Authorized capital	410	190 628	190 628	190 628	190 628
Shares bought back from shareholders	411	(26 321 315)	(26 321 315)	(26 321 315)	
Paid-in capital	420	48 188 179	48 187 669	47 997 041	
Reserve capital	430	28 594	28 594	28 594	
Including: reserves created under legislation	431	28 594	28 594	28 594	
Reserves created under statutory documents	432	-	-	-	
Retained earnings (uncovered loss)	470	246 502 705	345 540 159	171 254 037	174 278 623
Including: retained earnings (uncovered loss) for the reporting period	471	-	121 012 910	121 012 910	
<b>TOTAL SECTION III</b>	<b>490</b>	<b>268 588 791</b>	<b>367 625 735</b>	<b>193 156 484</b>	<b>174 469 251</b>
<b>4. LONG-TERM LIABILITIES</b>					
Loans and borrowings	510	13 363 031	99 798 712	99 798 712	
Including: bank credits maturing in more than 12 months after the date of reporting	511	-	87 363 926	87 363 926	
Loans maturing in more than 12 months after the date of reporting	512	13 363 031	12 434 786	12 434 786	
Deferred tax liabilities	515	5 285 936	5 672 183	5 672 183	

Other long-term liabilities	520	-	-	-	-
TOTAL SECTION IV	590	18 648 967	105 470 895	105 470 895	-
<b>5. SHORT-TERM LIABILITIES</b>					
Loans and borrowings	610	38 898 936	136 948 742	121 948 742	15 000 000
Including: bank credits maturing within 12 months after the date of reporting	611	3 820 488	85 177 115	70 177 115	15 000 000
Loans maturing within 12 months after the date of reporting	612	35 078 448	51 771 627	51 771 627	-
Payables	620	34 113 151	131 332 911	131 332 911	-
Including: supplies and contractors	621	7 183 648	7 849 745	7 849 745	-
Accrued wages and salaries	622	964 642	897 897	897 897	-
Outstanding payments to federal off-budget funds	623	17 728	107 058	107 058	-
Outstanding taxes and charges	624	6 686 857	1 143 630	1 143 630	-
Other creditors	625	3 230 091	121 291 278	121 291 278	-
Advance payments received	626	325 222	43 303	43 303	-
Promissory notes payable	627	15 704 963	-	-	-
Dividends payable	630	130 196	155 185	155 185	-
Deferred revenue	640	1 798 821	5 634 244	5 634 244	-
Резервы предстоящих расходов	650	397 780	194 836	194 836	-
Other short-term liabilities	660	-	-	-	-
TOTAL SECTION V	690	75 338 884	274 265 918	259 265 918	15 000 000
<b>Balance (lines 490+590+690)</b>	<b>700</b>	<b>362 576 642</b>	<b>747 362 548</b>	<b>557 893 297</b>	<b>189 469 251</b>

#### NOTES:

- The resolution on the restructuring of MMC Norilsk Nickel in accordance with The Spin-off Terms and Procedures was adopted by the Extraordinary General Meeting of shareholders on December 14, 2007.
- This separation balance sheet is based on MMC Norilsk Nickel's interim accounting statements as at 30.09.2007 r.
- Shareholders who did not participate in the voting or voted against the restructuring of MMC Norilsk Nickel may exercise their right to request the Company to buy-back all or a part of their shares.
- The authorized capital of MMC Norilsk Nickel before restructuring is RUR 190, 627, 747, and it will amount to RUR 190, 627 747 after this restructuring if (1) the General Meeting of shareholders doesn't decide to diminish the authorized capital by all the amount or a certain part of 7, 498, 950 shares owned by MMC Norilsk Nickel on the date when the resolution on restructuring was adopted, and (2) shareholders who voted against the restructuring or did not take part in the voting do not request to buy-back their shares or do not submit their shares for the buy-back.
- The authorized capital of the spun-off OJSC EnergoPolyus company will be formed in accordance with Order of the Russian Federal Service for Financial Markets of 25.01. 2007 № 07-4/пз-н, through the decrease of MMC Norilsk Nickel's paid-in capital. The authorized capital of OJSC EnergoPolyus will amount to RUB 190,627,797.
- The following MMC Norilsk Nickel's assets and liabilities will be transferred to OJSC EnergoPolyus:

##### 6.1. Equity and interest shares in the following entities:

	Name	Number of shares			Book value, RUB		
		Total	Number of preferred shares	Number of ordinary shares	Total	Value of preferred shares	Value of ordinary shares
1	OJSC OGK-3	30 939 330 340	-	30 939 330 340	133 042 997 897.58	-	133 042 997 897.58
2	OJSC OGK-5	607 181 796	-	607 181 796	2 342 507 368.97	-	2 342 507 368.97
3	OJSC TGK-1	215 670 945 496	-	215 670 945 496	4 501 546 112.83	-	4 501 546 112.83
4	OJSC TGK-5	20 042 678 951	-	20 042 678 951	609 297 440.11	-	609 297 440.11
5	OJSC TGK-14	215 412 623 642	-	215 412 623 642	1 155 539 467.00	-	1 155 539 467.00
6	OJSC RAO UES of Russia	1 516 370 000	500 000 000	1 016 370 000	41 395 402 880.63	12 325 655 000.00	29 069 747 880.63
7	OJSC Kolenergo	118 100 248	34 777 284	83 322 964	1 146 390 772.16	275 588 066.01	870 802 706.15
8	OJSC Krasnoyarskenergo	194 819 254	44 233 346	150 585 908	4 324 421 920.78	780 231 990.09	3 544 189 930.69
9	OJSC Kolenergosbyt	118 100 248	34 777 284	83 322 964	94 348 027.37	6 653 868.20	87 694 159.17
10	OJSC Tyvaenergoholding	194 819 254	44 233 346	150 585 908	167 184 569.84	37 958 942.82	129 225 627.02
11	OJSC Kola Trunk Grids	118 100 248	34 777 284	83 322 964	258 895 198.20	81 792 700.45	177 102 497.75
12	OJSC Krasnoyarsk Trunk Grids	194 819 254	44 233 346	150 585 908	430 645 224.80	97 777 190.09	332 868 034.71
13	National Innovation Company LLC	-	-	-	74 000.00	-	-
	<b>TOTAL spin-off assets</b>				<b>189 469 250 880.27</b>		

The financial assets are assessed based on their balance sheet value as at 30.09.2007.

##### 6.2 The following MMC Norilsk Nickel's liabilities will be transferred to OJSC EnergoPolyus

	Name	Amount, RUB.	Term	Interest rate
1	Liabilities under credit agreement with Saving Bank of the Russian Federation	15 000 000 000	1 year	8.75 p.a. applicable to the actual debt amount

7. Title to the part of OGK-3 shares (0.26% or 122 083 562 shares) that were held in trust as at 30.09.2007, was transferred to MMC Norilsk Nickel on 09.10.2007 (DEPO account statement № 04-01/27163 of 10.10.2007). The decision to buy these shares of OGK-3 was made by the Board of Directors on 24.09.2007 (Protocol № ГМК/30-пр-сд of 24.09.2007).

8. If any changes occur in the number or composition of assets in the period between the date of reorganisation approval by the shareholders of MMC Norilsk Nickel (14.12. 2007) and the date when assets and liabilities specified in p. 6 above are transferred to OJSC EnergoPolyus, such changes being the result of reorganisation of companies listed in p. 6.1 above in the form of consolidation under OJSC MRSK of Siberia (for OJSC Krasnoyarskenergo and OJSC TyvaenergoHolding), under OJSC MRSK of the North-West (for OJSC Kolenergo) and under OJSC FSK UES (for OJSC Kola Trunk Grids and OJSC Krasnoyarsk Trunk Grids), and if such reorganisation in the form of consolidation takes place prior to the state registration of OJSC EnergoPolyus, OJSC EnergoPolyus will receive the shares of the respective successors, i.e. OJSC MRSK of Siberia, OJSC MRSK of North-West and OJSC FSK UES in whose shares the shares of the companies listed in p. 6.1 above will be converted, according to balance sheet value.

9. If any changes occur in the number or composition of assets in the period between the date of reorganisation approval by the shareholders of MMC Norilsk Nickel (14.12. 2007) and the date when assets and liabilities specified in p. 6 above are transferred to OJSC EnergoPolyus, such changes being the result of the sale of assets listed in p. 6.1 above (total or a part of them) prior to the state registration of OJSC EnergoPolyus, OJSC EnergoPolyus will receive proceeds from the sale of respective assets.

10. MMC Norilsk Nickel will be a sole successor with respect to all liabilities of MMC Norilsk Nickel including those arising after 14.12.2007 but excluding the liabilities that are transferred in accordance with this separation balance sheet.

11. If the value of OJSC EnergoPolyus net assets turns out to be higher than the authorized capital, the balance will be adjusted in the starting balance sheet by Retained Earnings amount (pursuant to provision 39 of the Russian Ministry of Finances Order of 20.05.2003 № 44н. As for the balance sheet of MMC Norilsk Nickel, the difference will be also adjusted using Retained Earnings amount, by the date of OJSC EnergoPolyus state registration.

12. All rights and obligations of MMC Norilsk Nickel under the following agreements will be transferred to OJSC EnergoPolyus, who will succeed all rights and obligations arising under these agreements including those rights and obligations that MMC Norilsk Nickel acquires in the period between 14.12.2007 and the date of state registration of OJSC EnergoPolyus:

12.1 Credit agreement entered into with Savings Bank of the Russian Federation on the terms specified in p. 6.2 above, as well as an agreement (agreements) to secure execution of the aforementioned credit agreement (pledge of all or a part of shares in OGK-3 and/or TKG-14 which will be transferred to OJSC EnergoPolyus under the separation balance sheet and which are specified in p. 6.1 above);

12.2 Agreement of 20.06.2007 between RAO UES of Russia and MMC Norilsk Nickel on keeping MMC Norilsk Nickel's interest in RAO UES of Russia until the state registration of OJSC Intergeneratsia;

12.3 Agreement № 02-НН-НН/964-2007 of 22.08. 2007 among MMC Norilsk Nickel, RAO UES of Russia and Depository and Corporate Technologies LLC; and

12.4 Depository agreement № 053/ДКТ-НН-НН/966-2007 of 22.08. 2007 between MMC Norilsk Nickel and Depository and Corporate Technologies LLC.

General Director  
of OJSC MMC Norilsk Nickel

Morozov D.S.

Chief Accountant  
of OJSC MMC Norilsk Nickel

Lisitsyna L.V.