

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENTS

We have prepared the unaudited condensed consolidated pro forma income statements by applying the pro forma adjustments, which are expected to have a continuing impact on the Group, to our consolidated income statement for the year ended December 31, 2007 and the unaudited consolidated income statement for the six months ended June 30, 2008.

The unaudited condensed consolidated pro forma income statements give effect to the acquisitions of Azot and VMF and disposal of polymers and fluoroplastics segment, which were completed in August 2007, June 2008 and October 2007, respectively, and the additional interest expense related to debt incurred by the Group to effect the acquisitions. The unaudited condensed consolidated pro forma income statements give effect to these transactions, to the extent they are not already reflected in our consolidated financial statements, as if they had occurred on January 1, 2007.

The unaudited condensed consolidated pro forma income statements do not reflect any non-recurring items associated with the purchase accounting for Azot and VMF and disposal of polymers and fluoroplastics segment. The unaudited pro forma condensed consolidated income statements are for informational purposes only and should not be considered indicative of actual results that would have been achieved if Azot and VMF had been acquired, polymers and fluoroplastics segment had been disposed and the other transactions had been completed on the date or for the periods presented, and does not purport to indicate consolidated income statement data as of any future date or for any future period.

OPEN JOINT STOCK COMPANY URALCHEM

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

All amounts are in thousands of US Dollars unless otherwise stated

	Year ended 31 December 2007
Revenue	
Sales of goods	901,881
Other sales	61,599
Total revenue	963,480
Cost of sales	(657,174)
Gross profit	306,306
Selling and distribution expenses	(122,591)
General and administrative expenses	(69,989)
Other operating income	16,426
Other operating expenses	(42,449)
Operating profit	87,703
Interest income	7,380
Interest expense	(90,275)
Foreign exchange gain from financing activities	5,270
Profit before income tax	10,078
Income tax expense	(7,318)
Profit for the year	2,760
Attributable to:	
Equity holders of the parent	(7,018)
Minority interest	9,778
	2,760
Pro forma EBITDA reconciliation:	
Profit for the year	2,760
<i>Add:</i>	
Depreciation and amortisation	108,465
Interest expense	90,275
Income tax expense	7,318
Pro forma EBITDA	208,818
Amortisation of fair value adjustments on inventory arising from purchase price allocation	25,683
Pro forma adjusted EBITDA	234,501

	Six months ended 30 June 2008
Revenue	
Sales of goods	962,380
Other sales	57,633
Total revenue	1,020,013
Cost of sales	(471,531)
Gross profit	548,482
Selling and distribution expenses	(122,183)
General and administrative expenses	(61,935)
Gain on forward exchange contracts	9,209
Other operating income	3,551
Other operating expenses	(7,114)
Operating profit	370,010
Interest income	6,351
Interest expense	(45,960)
Foreign exchange gain from financing activities	15,319
Profit before income tax	345,721
Income tax expense	(88,451)
Profit for the period	257,270
Attributable to:	
Equity holders of the parent	207,865
Minority interest	49,405
	257,270
Pro forma EBITDA reconciliation:	
Profit for the year	257,270
<i>Add:</i>	
Depreciation and amortisation	58,598
Interest expense	45,960
Income tax	88,451
Pro forma EBITDA	450,278
Amortisation of fair value adjustments on inventory arising from purchase price allocation	1,529
Pro forma adjusted EBITDA	451,807