GEDWED WILLIAM J
Form 4
June 28, 2006

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
GEDWED WILLIAM J

(Last) (First) (Middle)

9151 BOULEVARD 26

(Street)

NORTH RICHLAND HILLS, TX 76180

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
HealthMarkets, Inc. [N/A]

3. Date of Earliest Transaction (Month/Day/Year)
06/26/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amo Underlying Secu

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	An or Nu of
Stock Option	(1)	06/26/2006		D			69,534	05/08/2007(2)	05/08/2016	Class A-1 Common Stock	6
Stock Option	$ 37	06/26/2006		D			69,533	05/08/2007(4)	05/08/2016	Class A-1 Common Stock	6
Stock Option	(5)	06/26/2006		A		69,534		06/26/2007(6)	06/26/2016	Class A-1 Common Stock	6
Stock Option	$ 37	06/26/2006		A		69,533		06/26/2007(7)	06/26/2016	Class A-1 Common Stock	6

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GEDWED WILLIAM J 9151 BOULEVARD 26 NORTH RICHLAND HILLS, TX 76180	X		President & CEO	

Signatures

William J. Gedwed By Peggy G. Simpson, POA	06/28/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The initial exercise price of the option is $37.00. The exercise price of the option will accrete by 10% per year, starting on May 8, 2008. If the optionee exercises the option prior to May 8, 2008, the exercise price will be $37.00. If the optionee exercises the option on or after May 8, 2008 but prior to May 8, 2009, the exercise price will be $40.70. If the optionee exercises the option on or after May 8, 2009 but prior to May 8, 2010, the exercise price will be $44.77. If the optionee exercises the option on or after May 8, 2010 but prior to May 8, 2011, the exercise price will be $49.25. If the optionee exercises the option on or after May 8, 2011, the exercise price will be $54.17.

(2) The option vests in different increments on each of the first five anniversaries of May 8, 2006. Twenty-five percent of the option vests on May 8, 2007. Twenty-five percent of the option vests on May 8, 2008. Seventeen percent of the option vests on May 8, 2009. Seventeen percent of the option vests on May 8, 2010. The remaining 16% of the option vests on May 8, 2011.

(3) The reporting person agreed to the cancellation of an employee option granted to him on May 8, 2006 in exchange for a new employee option.

(4) The options vest in 20% increments on each of the first, second, third, fourth and fifth anniversaries of May 8, 2006

(5) The initial exercise price of the option is $37.00. The exercise price of the option will accrete by 10% per year, starting on June 26, 2008. If the optionee exercises the option prior to June 26, 2008, the exercise price will be $37.00. If the optionee exercises the option on or after June 26, 2008 but prior to June 26, 2009, the exercise price will be $40.70. If the optionee exercises the option or or after June 26, 2009 but prior to June 26, 2010, the exercise price will be $44.77. If the optionee exercises the option on or after June 26, 2010 but prior to June 26, 2011, the exercise price will be $49.25. If the optionee exercises the option on or after June 26, 2011, the exercise price will be $54.17.

(6) The options vest in different increments on each of the first five anniversaries of June 26, 2006. Twenty-five percent of the option vests on June 26, 2007. Twenty-five percent of the option vests on June 26, 2008. Seventeen percent of the option vests on June 26, 2009. Seventeen percent of the option vests on June 26, 2010. The remaining 16% of the option vests on June 26, 2011.

(7) The options vest in 20% increments on each of the first, second, third, fourth and fifth anniversaries of June 26, 2006

 82%;">

US$ thousand

9M 2007

9M 2006

9M 07 vs. 9M 06
(% change)

Revenues from external customers

251,481

34,775

623.2

%

Intersegment sales

69,237

49,281

40.5

%

Operating income

891

4,996

(82.2

)%

Net income

(11,096

)

3,720

EBITDA

11,762

6,112

92.4

%

EBITDA margin(6)	*3.7*%	*7.3*%

(5) -Results in the 9 months of 2006 were previously reported as part of the mining and steel segments.

(6) - EBITDA, margin is calculated as a percentage of consolidated revenues of the segment, including intersegment sales.

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Revenue from external customers in Mechel s energy segment for the first nine months of 2007 increased by 623.2% to $251.5 million, or 5.4% of consolidated net revenue, from $34.8 million or 1.1% of consolidated net revenue in the first nine months of 2006.

In the first nine months of 2007, the energy segment s operating income fell by 82% to $0.9 million, or 0.3% of total segment revenues, compared to operating income of $5.0 million, or 5.9% of total segment revenues a year ago. EBITDA in the energy segment in the nine months of 2007 was $11.8 million, an increase of 92.4% compared to the same period of last year. The EBITDA margin of the segment was 3.7%. Net loss of the segment was $11.1 million and is the result of interest payments on intersegment loans that were given to Mechel s subsidiary called OOO Mechel Energo by other Mechel subsidiaries.

Igor Zyuzin commented: This is the first time when we have separately disclosed financial and operating information for the Mechel Energy segment. Since the beginning of 2007, the Company has acquired a number of energy assets, extending its presence in the energy business. As a result, we established an integrated energy division with its own raw material base, power generating facilities and extensive client base. We consider this business to be very promising, given rising energy consumption in Russia and the upcoming deregulation of the electricity market. However, since this is very young and growing segment of Mechel s business and many assets were acquired fairly recently, it will take some time before we develop a broader energy holding and integrate it into Mechel Group, laying the base for the segment s financial performance. We are confident about the future of this new business segment, building on our experience of integrating acquired companies and turning them into highly profitable businesses.

Recent Highlights

- In October, Mechel acquired 75% less one share of Yakutugol OJSHC and 68.86% of the shares of Elgaugol OAO increasing its share in Yakutugol OJSHC to 100%. The acquisition of the controlling stakes in the companies is in line with Mechel s strategy to further develop its mining segment. Yakutugol OJSHC mines mainly coking coal with a certain steam coal output. Its total coal output is about 10 million tonnes annually. Elgaugol OAO holds the license for development of the Elga coal deposit with the total reserves of caking coking coals amounting to approximately 2.2 billion tonnes.

- In October, Mechel s subsidiary Beloretsk Metallurgical Plant (BMP) commissioned two modern drawing mills to produce 1.4 mm - 2.4 mm diameter spring wire.

Igor Zyuzin concluded: The production and financial results delivered for the first nine months of 2007 and the demand trends in our main markets give us further confidence in our prospects for the full year of 2007. The recent acquisition of Yakutugol not only strengthens our position as a producer of high quality hard coking coal, but allows us to benefit from the current favorable market conditions for coal products. We will continue to develop the Company and enhance our production assets, sales and management. I am confident that after the Company s record performance in 2007, we will be well positioned to further improve our financial performance.

Financial Position

For the nine months of 2007, capital expenditures totaled $319.3 million, out of which $139.6 million was invested in the mining segment, $175.2 million in the steel segment and $4.5 million in the energy segment.

Mechel spent $511.5 million on acquisitions in the first nine months of 2007 and $9.6 million to acquire minority shares in different subsidiaries.

As of September 30, 2007, total debt(6) was $1.04 billion. Cash and cash equivalents amounted to $412.6 million at the end of the period, and net debt amounted to $622.4 million (net debt is defined as total debt outstanding less cash and cash equivalents).

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(6) Total debt is comprised of short-term borrowings and long-term debt

The management of Mechel will host a conference call today at 10 a.m. New York time (3 p.m. London time, 6 p.m. Moscow time) to review Mechel s financial results and comment on current operations. The call may be accessed via the Internet at http://www.mechel.com/investors/fresults/index.wbp.

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Mechel OAO

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Mechel is one of the leading Russian mining and metals companies. Mechel unites producers of coal, iron ore, nickel, steel, rolled products, and hardware. Mechel products are marketed domestically and internationally.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Mechel, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements. We refer you to the documents Mechel files from time to time with the U.S. Securities and Exchange Commission, including our Form 20-F. These documents contain and identify important factors, including those contained in the section captioned Risk Factors and Cautionary Note Regarding Forward-Looking Statements in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the achievement of anticipated levels of profitability, growth, cost and synergy of our recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of our shares or ADRs, financial risk management and the impact of general business and global economic conditions.

Attachments to the Announcement of Nine Months 2007 Results

Attachment A

Non-GAAP financial measures. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

Earnings Before Interest, Depreciation and Amortization (EBITDA) and EBITDA margin. EBITDA represents earnings before interest, depreciation and amortization. EBITDA margin is defined as EBITDA as a percentage of our net revenues. Our EBITDA may not be similar to EBITDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions and other investments and our ability to incur and service debt. While interest, depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our EBITDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the metals and mining industry. EBITDA can be reconciled to our consolidated statements of operations as follows:

US$ thousands	**9m 2007**	**9m 2006**
Net income	706,005	372,116
Add:		
Depreciation, depletion and amortization	184,552	140,680
Interest expense	35,480	33,518
Income taxes	278,788	122,225
Consolidated EBITDA	1,204,824	668,539

EBITDA margin can be reconciled as a percentage to our Revenues as follows:

US$ thousands	**9m 2007**	**9m 2006**
Revenue, net	4,646,948	3,141,653
EBITDA	1,204,824	668,539
EBITDA margin	25.93%	21.28%

Consolidated Balance Sheets

(in thousands of U.S. dollars, except share amounts)

		September 30, 2007		December 31, 2006
ASSETS				
Cash and cash equivalents	$	**412,586**	$	**172,614**
Trading securities				**270,964**
Accounts receivable, net of allowance for doubtful accounts of $26,283 as of 30/09/2007 and $19,592 as of 31/12/2006		**283,069**		**191,172**
Due from related parties		**4,332**		**545**
Inventories		**909,612**		**653,079**
Deferred cost of inventory in transit		**9,135**		**14,125**
Current assets of discontinued operations				**9**
Deferred income taxes		**6,304**		**7,922**
Prepayments and other current assets		**419,203**		**332,946**
Total current assets		**2,044,242**		**1,643,376**
Long-term investments in related parties		**447,227**		**429,206**
Other long-term investments		**29,649**		**44,392**
Non-current assets of discontinued operations				**108**
Intangible assets, net		**5,696**		**4,746**
Property, plant and equipment, net		**2,551,574**		**2,012,828**
Mineral licenses, net		**265,562**		**269,851**
Deferred income taxes		**11,642**		**6,983**
Goodwill		**347,460**		**45,914**
Total assets	**$**	**5,703,052**	**$**	**4,457,404**
LIABILITIES AND SHAREHOLDERS EQUITY				
Short-term borrowings and current portion of long-term debt	$	**311,401**	$	**166,517**
Accounts payable and accrued expenses:				
Trade payable to vendors of goods and services		**197,024**		**183,485**
Advances received		**122,309**		**96,624**
Accrued expenses and other current liabilities		**97,950**		**84,632**
Taxes and social charges payable		**173,456**		**143,037**
Urecognized income tax benefits				
Dividends payable				
Due to related parties		**5,759**		**2,353**
Current liabilities of discontinued operations				**508**
Asset retirement obligation, current portion		**4,461**		**3,444**
Deferred income taxes		**24,946**		**58,820**
Deferred revenue		**10,268**		**7,183**
Pension obligations, current portion		**12,314**		**11,044**
Finance lease liabilities, current portion		**10,055**		**6,066**
Total current liabilities		**969,943**		**763,713**
Long-term debt, net of current portion		**723,574**		**322,604**
Restructured taxes and social charges payable, net of current portion				**7,782**
Asset retirement obligations, net of current portion		**101,112**		**88,914**
Pension obligations, net of current portion		**69,614**		**59,170**
Deferred income taxes		**212,429**		**136,154**
Finance lease liabilities, net of current portion		**63,421**		**51,068**
Other long-term liabilities		**338**		
Minority interests		**274,861**		**163,036**
SHAREHOLDERS EQUITY				
		133,507		**133,507**

Common shares (10 Russian rubles par value; 497,969,086 shares authorized, 416,270,745 shares issued and 416,270,745 shares outstanding as of September 30, 2007 and December 31, 2006)				
Additional paid-in capital		**415,070**		**412,327**
Accumulated other comprehensive income		**293,870**		**188,218**
Retained earnings		**2,445,313**		**2,130,911**
Total shareholders equity		**3,287,760**		**2,864,963**
Total liabilities and shareholders equity	**$**	**5,703,052**	**$**	**4,457,404**

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Consolidated Income Statements

(in thousands of U.S. dollars, except share and per share amounts)

	9 months ended September 30, 2007		2006
Revenue, net (including related party amounts of $84,857 and $42,760 during nine months 2007 and 2006, respectively)	**4,646,948**	$	3,141,653
Cost of goods sold (including related party amounts of $149,797 and $90,855 during nine months 2007 and 2006, respectively)	**(2,829,909)**		(2,069,499)
Gross profit	**1,817,039**		1,072,154
Selling, distribution and operating expenses:			
Selling and distribution expenses	**(410,544)**		(321,884)
Taxes other than income tax	**(83,838)**		(76,852)
Accretion expense	**(3,312)**		(2,247)
Provision for doubtful accounts	**(3,193)**		(395)
Provision for short-term investments			
General, administrative and other operating expenses	**(264,566)**		(187,801)
Total selling, distribution and operating expenses	**(765,453)**		(589,179)
Operating income	**1,051,586**		482,975
Other income and (expense):			
Income from equity investments	**2,305**		(3,911)
Interest income	**7,948**		6,553
Interest expense	**(35,480)**		(33,518)
Other income (expense), net	**1,195**		6,423
Foreign exchange gain	**48,164**		42,373
Total other income and (expense), net	**24,131**		17,920
Income before income tax, minority interest, discontinued operations	**1,075,718**		500,895
Income tax expense	**(278,788)**		(122,224)
Minority interest in income of subsidiaries	**(91,585)**		(6,488)
Income from continuing operations	**705,344**		372,182
Income (loss) from discontinued operations, net of tax	**661**		(66)
Net income	**706,005**	$	372,116
Currency translation adjustment	**106,426**		122,096
Unrealized gain on available-for-sale securities	**(775)**		5,252
Comprehensive income	**811,656**	$	499,464
Basic and diluted earnings per share:			
Earnings per share from continuing operations	**1.69**	$	0.92
Gain per share effect of discontinued operations	**0.00**		0.00
Net income per share	**1.70**	$	0.92
Weighted average number of shares outstanding	**416,270,745**	$	406,522,184

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Consolidated Statements of Cash Flows

(in thousands of U.S. dollars)

	9 months ended September 30, 2007	2006
Cash Flows from Operating Activities		
Net income	**$ 706,006**	$ 372,116
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**169,618**	127,006
Depletion and amortization	**14,933**	13,674
Foreign exchange gain	**(48,164)**	(42,373)
Deferred income taxes	**(14,687)**	(1,058)
Provision for doubtful accounts	**3,193**	395
Inventory write-down	**(1,227)**	(120)
Accretion expense	**3,313**	2,247
Minority interest	**91,585**	6,488
Loss on sale of trading securities	**18,994**	
(Income) loss from equity investments	**(2,305)**	3,911
Non-cash interest on long-term tax and pension liabilities	**3,519**	12,564
Loss on sale of property, plant and equipment	**1,898**	244
Loss (gain) on sale of long-term investments	**58**	(1,223)
Gain from discontinued operations, net	**(661)**	66
Gain on forgiveness of fines and penalties	**(21,176)**	(5,996)
Stock-based compensation expenses		209
Amortization of capitalized costs on bonds issue		668
Pension service cost and amortization of prior year service cost	**3,149**	2,034
Provision for unrecoverable short-term loans issued	**4,208**	
Changes in current assets and liabilities, net of effects from acquisition of new subsidiaries:		
Trading securities	**260,127**	
Accounts receivable	**(62,408)**	(60,872)
Inventories	**(228,802)**	(68,884)
Trade payable to vendors of goods and services	**(4,406)**	(59,972)
Advances received	**22,487**	43,996
Accrued taxes and other liabilities	**(35,143)**	6,983
Settlements with related parties	**(385)**	40,401
Current assets and liabilities of discontinued operations	**(689)**	(238)
Deferred revenue and cost of inventory in transit, net	**8,074**	(2,592)
Other current assets	**(43,871)**	35,586
Unrecognized tax benefits	**(8,041)**	
Dividends received	**3,572**	1,994
Net cash provided by operating activities	**842,769**	427,254
Cash Flows from Investing Activities		
Acquisition of SKPP, less cash acquired	**(270,018)**	
Acquisition of BFP OOO, less cash acquired	**(186,665)**	
Acquisition of Moscow Coke Plant, less cash acquired		(175,465)
Acquisition of KES, less cash acquired	**(37,413)**	
Acquisition of Transkol, less cash acquired	**(7,165)**	
Acquisition of Port Temryk, less cash acquired	**(6,108)**	
Acquisition of other subsidiaries, less cash acquired	**(4,181)**	(2,153)
Acquisition of minority interest in subsidiaries	**(9,567)**	(14,898)
Investments in other non-marketable securities		(2,007)
Investments in other marketable securities.	**(3,227)**	
Proceeds from disposal of non-marketable equity securities		3,746

Consolidated Statements of Cash Flows

(in thousands of U.S. dollars, except share amounts)

	9 months ended September 30, 2007	2006
Proceeds from disposals of property, plant and equipment	**5,870**	2,563
Purchases of mineral licenses	**(2,542)**	(6,310)
Purchases of property, plant and equipment	**(316,798)**	(337,894)
Net cash used in investing activities	**(837,814)**	(532,418)
Cash Flows from Financing Activities		
Proceeds from short-term borrowings	**589,074**	854,891
Repayment of short-term borrowings	**(453,300)**	(982,475)
Dividend paid	**(318,654)**	(189,582)
Repayment of obligations under finance lease	**(13,713)**	(5,784)
Proceeds from long-term debt	**398,776**	286,253
Proceeds from disposal of treasury stock		1,248
Repayment of long-term debt and long-term portion of restructured taxes and social charges payable	**(18,465)**	(1,766)
Net cash used in financing activities	**183,718**	(37,215)
Effect of exchange rate changes on cash and cash equivalents	**51,299**	15,027
Net increase in cash and cash equivalents	**239,972**	(127,352)
Cash and cash equivalents at beginning of period	**172,614**	311,775
Cash and cash equivalents at end of period	**$ 412,586**	$ 184,423

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MECHEL OAO

By: /s/ Igor Zyuzin
Name: Igor Zyuzin
Title: CEO

Date: December 11, 2007