



## Raspadskaya Announces Preliminary Operational Results For Q1 2019

**Moscow, 26 April 2019** – PAO Raspadskaya (MICEX: RASP; “Raspadskaya” or the “Company”) today announces its preliminary operational results for Q1 2019.

		Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
<b>Total raw coal production</b>	kt	3,916	4,376	-11%	3,008	30%
<b>Sales</b>						
Concentrate – Russia	kt	495	671	-26%	545	-9%
Concentrate – export	kt	1,467	1,359	8%	1,349	9%
<b>Total sales of concentrate</b>	kt	1,962	2,029	-3%	1,894	4%
<b>Total sales of raw coal<sup>1</sup></b>	kt	558	527	6%	312	79%
<b>Weighted average price of concentrate<sup>2</sup></b>	RUB/t	7,120	6,947	2%	6,502	10%
<b>Exchange rate</b>	RUB/US\$	66.13	66.46		56.88	

<sup>1</sup> Hard coking coal

<sup>2</sup> The prices for Q1 2019 are preliminary and may differ immaterially from the final ones

### Main events and results

In Q1 2019, Raspadskaya’s overall raw coal output amounted to 3.9 million tonnes, in line with the plan and down 11% quarter-on-quarter. Given the high inventories of raw coal that built up in Q4 2018 amid record mining volumes of GZh-grade coal, the Company optimised production and reduced spending on contractor services at Razrez Raspadsky in the reporting period.

The Raspadskaya mine increased its production by 4% quarter-on-quarter in Q1 2019, beating the record set in Q4 2018. In addition, one major event took place at Raspadskaya-Koksovaya, which moved to longwall operations. The switch to mining using flanking pillars compared with the room-and-pillar approach will enhance safety and boost output of premium K-grade coking coal.

In Q1 2019, the Company fulfilled its objective of maximising sales in a favourable pricing environment. Overall, sales remained at the level seen in Q4 2018, which was successful for Raspadskaya. Only a deficit of K-grade coal due to the switch to longwall operations contributed to a 3% quarter-on-quarter fall in sales of coal concentrate. The rise in sales of raw coal was driven by greater shipments to EVRAZ’ Yuzhkuzbassugol coal washing plants.

In the reporting period, the main benchmark prices dropped by around 2% quarter-on-quarter overall. Nonetheless, this effect was not fully seen in selling prices, which rose quarter-on-quarter on both the domestic (up 10%) and the export (up 2%) markets.

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**About the Company**

PAO Rospadskaya is an integrated group of coal mining and enrichment facilities located in the Kemerovo region of Russia. It comprises three underground mines, two open-pit operations, a coal preparation plant, and several coal transportation and production infrastructure enterprises. Rospadskaya is a subsidiary of EVRAZ, a major vertically integrated metals and mining company.

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