



## Raspadskaya Announces Preliminary Operational Results For Q2 and H1 2019

**Moscow, 26 July 2019** – PAO Raspadskaya (MICEX: RASP; “Raspadskaya” or the “Company”) announces its preliminary operational results for Q2 and H1 2019.

		Q2 2019	Q1 2019	Q2 2019/ Q1 2019, change	Q2 2018	Q2 2019/ Q2 2018, change	H1 2019	H1 2018	H1 2019/ H1 2018, change
<b>Total raw coal production</b>	kt	3,231	3,916	-17%	2,430	33%	7,146	5,438	31%
<b>Sales</b>									
Concentrate – Russia	kt	574	495	16%	476	21%	1,069	1,021	5%
Concentrate – export	kt	1,552	1,467	6%	1,159	34%	3,019	2,508	20%
<b>Total sales of concentrate</b>	kt	<b>2,126</b>	<b>1,962</b>	<b>8%</b>	<b>1,635</b>	<b>30%</b>	<b>4,088</b>	<b>3,529</b>	<b>16%</b>
<b>Total sales of raw coal<sup>1</sup></b>	kt	<b>655</b>	<b>558</b>	<b>17%</b>	<b>461</b>	<b>42%</b>	<b>1,213</b>	<b>772</b>	<b>57%</b>
<b>Weighted average price of concentrate<sup>2</sup></b>	RUB/t	<b>6,089</b>	<b>7,120</b>	<b>-14%</b>	<b>6,746</b>	<b>-10%</b>	<b>6,584</b>	<b>6,615</b>	<b>0%</b>
<b>Exchange rate</b>	RUB/US\$	<b>64.56</b>	<b>66.13</b>		<b>61.81</b>		<b>65.34</b>	<b>59.34</b>	

<sup>1</sup> Hard coking coal

<sup>2</sup> FCA Mezhdurechensk, the prices for Q2 and H1 2019 are preliminary and may differ immaterially from the final ones

### Q2 2019 highlights

In Q2 2019, due to global price trends, the Company’s management decided to optimise raw coal production volumes to avoid accumulating excess stockpiles. During the period, output of the semi-soft GZh and GZhO coking coal grades was adjusted, while production of hard coking coal grades was increased from the underground and open-pit sites of the Raspadskaya-Koksovaya mine.

Total raw coal production was 3.2 million tonnes, down 17% QoQ in the view of longwall repositioning schedule at Raspadskaya mine. Output of the premium OS and K coking coal grades at the Raspadskaya-Koksovaya mine grew by 8% QoQ at the open-pit site and jumped by 326% QoQ at the underground site due to the launch of a new longwall.

Total sales of concentrate climbed by 8% QoQ in the period, with domestic sales up 16% QoQ and exports up 6% QoQ. Total sales of raw coal rose by 17% QoQ amid higher shipments of the premium K grade after the launch of the new longwall at the Raspadskaya-Koksovaya mine.

The weighted average price of concentrate dropped by 14% QoQ, in line with global benchmarks, with export prices down 19% QoQ and domestic prices down 7% QoQ. The change in prices on global markets was largely due to reduced demand for energy coal grades, which also had a negative impact on semi-soft coking coal grades. Meanwhile, prices for hard coking coal remain more stable.

### H1 2019 highlights

In H1 2019, total raw coal production climbed 31% YoY to 7.1 million tonnes. The growth was due to the planned transition to working three longwalls at the Raspadskaya mine, an increased

operating tempo at Razrez Raspadsky in Q1 2019 and the development of the open-pit site at the Raspadskaya-Koksovaya mine. The launch of the new longwall at the Raspadskaya-Koksovaya mine's underground site also made a significant contribution.

Total sales of concentrate rose by 16% YoY to 4.1 million tonnes, largely due to the Company maximising export shipments (up 20% YoY). Total sales of raw coal surged by 57% YoY amid increased shipments of the premium OS and K coal grades.

The share of concentrate in the sales structure was 74% in H1 2019, or 3.0 million tonnes. Concentrate exports rose due to higher sales on the premium markets of the Asia-Pacific region.

The weighted average price of concentrate climbed by 14% YoY on the domestic market, while it fell by 15% YoY on the export market, in line with global benchmarks.

In H2 2019, the Company plans to support stable production volumes. At the Raspadskaya mine, longwall 5a-7-34 is planned to be launched on the same horizon as longwall 5a-7-32(s), which was depleted in early June 2019. This will allow work to resume on three longwalls. In addition, raw coal production is planned to be optimised at Razrez Raspadsky and the spare equipment will be moved to the open-pit site at the Raspadskaya-Koksovaya mine to increase production of the premium OS coal grade.

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#### **About the Company**

PAO Raspadskaya 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. Raspadskaya is a subsidiary of EVRAZ, a major vertically integrated metals and mining company.

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