

Raspadskaya Announces Preliminary Operational Results for Q1 2016 – Sales Grow

Moscow, 26 April 2016 – OAO Raspadskaya (MICEX: RASP; “Raspadskaya” or the “Company”) today announces its preliminary operational results for Q1 2016.

		Q1 2016	Q4 2015	Q1 2016 / Q4 2015 ± %	Q1 2015	Q1 2016 / Q1 2015 ± %
Total raw coal production	<i>kt</i>	2,256	2,553	-12%	2,802	-19%
Sales						
Concentrate - Russia	<i>kt</i>	561	450	25%	745	-25%
Concentrate - export	<i>kt</i>	925	951	-3%	979	-6%
Total sales of concentrate¹	<i>kt</i>	1,486	1,401	6%	1,725	-14%
Total sales of raw coal²	<i>kt</i>	62	211	-71%	80	-23%
Weighted average price of concentrate³ (FCA Mezhdurechensk)	<i>RUB/t</i>	3,182	2,718	17%	3,222	-1%
Exchange rate	<i>RUB/USD</i>	74.63	65.94	13%	62.19	20%

¹ Semi-hard coking coal and hard coking coal

² Hard, semi-hard and semi-soft coking coal

³ The prices for Q1 and 2016 are preliminary and may differ immaterially from the final ones

Q1 2016 highlights

- In Q1 2016, raw coal production totalled 2.3 million tonnes, 7% above the target set (and 13% above plan at the Raspadskaya mine).
- In Q1 2016, raw coal production was down 12% quarter-on-quarter and 19% year-on-year due to some operations being suspended:
 - the 5a-7-28bis face at the Raspadskaya mine, for planned longwall move in Q1 2016;
 - the high-cost MUK-96 mine, as part of a cost-saving drive in Q2 2015;
 - field no. 1 at Raspadskaya-Koksovaya, after carbon monoxide was detected in Q3 2015.
- Development of field no. 2 at Raspadskaya-Koksovaya continues to produce stable volumes of premium K-grade coal of around 50 thousand tonnes a month.

- In Q1 2016, sales of coking coal concentrate equalled 1.5 million tonnes, 9% above target and up 6% quarter-on-quarter, as domestic sales rose. In the period, the Company sold 105 thousand tonnes of premium K-grade concentrate.
- Russia accounted for 561 thousand tonnes, or 38%, of the Company's overall concentrate sales in the period, up 6 percentage points quarter-on-quarter. The increase stemmed mainly from greater demand for coal products amid a rise in the output of coke and pig iron in Russia.
- Exports accounted for 925 thousand tonnes, or 62%, of the Company's overall concentrate sales in Q1 2016. Of this, 83% went to the Asia-Pacific region and 17% to Europe (compared with 92% and 8% in Q4 2015).
- As part of the strategy to boost sales of premium coal products (GZh+Zh and Zh grades concentrate), and due to favourable pricing in Q1 2016, the management focused on increasing shipments to Ukraine. As a result, the Company boosted sales to existing clients and secured new ones.
- Sales of raw coal slumped by 71% quarter-on-quarter, as demand shifted in favour of higher-margin concentrate.
- The weighted average selling price of concentrate in rouble terms increased by 17% quarter-on-quarter. Both domestic and export prices (in rouble terms) rose, the latter due to rouble devaluation.

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About the Company

Raspadskaya is an integrated group of coal mining and enrichment facilities located in the Kemerovo region of Russia. It comprises three underground mines, one open-pit operation, a coal preparation plant, and several coal transportation and production infrastructure enterprises. Raspadskaya is a subsidiary of EVRAZ, a major vertically integrated steel, mining and vanadium company.

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