RASPADSKAYA
OAO RASPADSKAYA

Raspadskaya reports preliminary operating results for Q2 and H1 2015

Moscow, 16 July 2015 – OAO Raspadskaya (MICEX-RTS: RASP) ("Raspadskaya" or "the Company") announces its preliminary operating results for Q2 and H1 2015:

		Q2 2015	Q1 2015	Q2 2015/ Q1 2015 ± %	H1 2015	H1 2014	H1 2015/ H1 2014 ± %
Total raw coal production	*kt*	**2,270**	**2,802**	**-19%**	**5,072**	**4,427**	**15%**
Sales							
Concentrate - Russia	*kt*	645	651	**-1%**	1,296	1,398	**-7%**
Concentrate - export	*kt*	713	979	**-27%**	1,692	1,335	**27%**
Total sales of concentrate[1]	*kt*	**1,358**	**1,630**	**-17%**	**2,988**	**2,733**	**9%**
Total sales of raw coal[2]	*kt*	**317**	**108**	**195%**	**425**	**594**	**-29%**
Weighted average price of concentrate[3] (FCA Mezhdurechensk)	*RUB / t*	**2,952**	**3,132**	**-6%**	**3,050**	**2,216**	**38%**
Exchange rate	*RUB/USD*	52.65	62.19	-15%	57.40	34.98	64%

[1] Semi-hard, hard coking coal
[2] Hard, semi-hard, semi-soft coking coal
[3] The prices for Q2 2015 and H1 2015 are preliminary and may immaterially differ from the final ones

H1 2015 Highlights:

- In H1 2015, overall raw coal production amounted to 5.1 mt, which is 15% higher than in H1 2014 mainly due to substantial production increase at the Raspadskaya underground mine.
- Sales volumes of coking coal concentrate increased by 9% compared to H1 2014 and amounted to 3.0 mt. The main reason was the increase in export sales in Q1 2015 due to the their higher profitability as a result of the Russian rouble weakening.
- The domestic sales of coking coal concentrate decreased by 7% compared to H1 2014 and amounted to 1.4 mt, mainly due to the lower coking coal consumption at EVRAZ's enterprises as a result of successful implementation of the pulverised coal injection technology. In addition, a number of Russian steel companies have reduced their purchases due to higher coal production at their own mines. The released coking coal concentrate volumes were reallocated to other Russian clients and to the premium markets of South-East Asia (Japan, Korea).
- The exports of coal concentrate amounted to 1.7 mt, or 57% of total sales, out of which 82% were shipments to the Asia-Pacific region and 18% - to Europe. The growth in export sales was due to increased sales to the Asia-Pacific region.
- Raw coal sales volumes decreased by 29% compared to H1 2014 due to longwall

move at Raspadskaya-Koksovaya and amounted to 425 kt. Operations at this mine are expected to be stable in H2 2015.

- The weighted average selling price of coal concentrate increased by 38% in Russian rouble terms compared to H1 2014 mostly due to the year-on-year growth of the US dollar exchange rate.

Q2 2015 Highlights:

- In May 2015, the board-and-pillar production was launched at the field 2 of the Raspadskaya-Koksovaya mine. This allows to produce high-grade K coal (high demand, premium price[1]) with high efficiency.
- In Q2 2015, overall raw coal production amounted to 2.3 million tonnes, a 19% decrease compared to Q1 2015. In Q2 2015, it was decided to reduce the production volume at the Raspadsky open-pit and MUK-96 mine due to the deteriorating world market conditions and the Rouble strengthening in the Q2 2015 in order to avoid unprofitable export shipments. In addition, scheduled moves of two longwalls were carried out at the Raspadskaya underground mine at the end of the reporting period.
- Sales volumes of coking coal concentrate amounted to 1.4 mt, 17% decrease compared to Q1 2014 mainly due to decrease in export sales.
- Domestic sales of coking coal concentrate remained flat and amounted to 650 kt mainly due to stable shipments to the large Russian metallurgical enterprises.
- The exports of coal concentrate amounted to 713 kt, or 53% of total sales, compared to 60% and 979 kt in Q1 2015. The Asia-Pacific region accounted for 77% of the export sales and Europe – for 23%. The decrease in exports was attributable to reduced shipments to China.
- Sales volumes of raw coal grew by 195% vs. Q1 2015 as more raw coal was shipped to EVRAZ's enterprises.
- In Q2 2015, the weighted average selling price of coal concentrate decreased by 6% in Russian rouble terms vs. Q1 2015. Compared to Q2 2014, the weighted average price of coal concentrate increased by 44% in rouble terms.
- In Q2 2015 the selling price of coal concentrate in the domestic market increased by 20% in rouble terms. The completion of the longwall move at the Raspadskaya-Koksovaya mine helped to increase the share of premium K and KO coal grades in the sales mix, which partly offset the decrease in the export prices.

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[1] K grade coal – equivalent of hard coking coal under the international classification.

About the Company

Raspadskaya is a compact integrated coal mining and enrichment complex located in the Kemerovo region of Russia. The company comprises three underground mines, one open-pit operation, a coal preparation plant, as well as a coal transportation network and a number of integrated infrastructure companies. Raspadskaya is a subsidiary of a vertically integrated steel, mining and vanadium company EVRAZ.

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