RASPADSKAYA
OAO RASPADSKAYA

Raspadskaya Announces Preliminary Operational Results for Q4 and FY 2015

Moscow, 21 January 2016 – OAO Raspadskaya (MICEX-RTS: RASP; "Raspadskaya" or the "Company") today announces its preliminary operational results for Q4 and FY 2015.

		Q4 2015	Q3 2015	Q4 2015/ Q3 2015 ± %	Q4 2014	Q4 2015/ Q4 2014 ± %	2015	2014	2015 2014 ± %
Total raw coal production	*kt*	**2,553**	**2,727**	**-6%**	**3,337**	**-24%**	**10,352**	**10,223**	**1%**
Sales									
Concentrate - Russia	*kt*	450	721	-38%	849	-47%	2,814	2,955	-5%
Concentrate - export	*kt*	951	991	-4%	892	7%	3,633	3,046	19%
Total sales of concentrate[1]	*kt*	**1,401**	**1,712**	**-18%**	**1,741**	**-20%**	**6,447**	**6,001**	**7%**
Total sales of raw coal[2]	*kt*	**211**	**487**	**-57%**	**213**	**-1%**	**993**	**1,034**	**-4%**
Weighted average price of concentrate[3] (FCA Mezhdurechensk)	*RUB/t*	**2,718**	**2,716**	**0%**	**2,387**	**14%**	**2,950**	**2,201**	**34%**
Exchange rate	*RUB/USD*	65.9	63.0	5%	47.4	39%	61.0	38.4	59%

[1] *Semi-hard coking coal and hard coking coal*

[2] *Hard, semi-hard and semi-soft coking coal*

[3] *The prices for Q4 and FY 2015 are preliminary and may differ immaterially from the final ones*

Commenting on the results, Sergey Stepanov, general director of Raspadskaya, said:

"I am pleased to announce that in 2015, for the second year in a row, Raspadskaya produced more than 10 million tonnes of raw coal thanks to the dedicated work of two main mining assets: the Raspadskaya mine and Razrez Raspadsky. Also, the Raspadskaya mine produced 5.5 million tonnes, the highest result for any single mine in Russia in 2015. Notably, this was achieved together with major improvements in safety indicators and lower accident rates."

Q4 2015 highlights

- In Q4 2015, raw coal production totalled 2.5 million tonnes, down 6% quarter-on-quarter. This was due to longwall moves at the Raspadskaya mine following completion of mining at its the highly productive 5a-7-28 face in November 2015.
- Production of premium K-grade coal rose to 145 thousand tonnes, up 50 thousand tonnes quarter-on-quarter, due to development of the second field of the Raspadskaya-Koksovaya mine.
- Raw coal production fell by 24% year-on-year due to the following factors:
    - In the period, the Raspadskaya mine reported record production, driven by operations at four faces that yielded 600 thousand tonnes a month. At present, as part of measures to improve production efficiency and reduce mining costs, it is working on three faces.
    - Production at the high-cost MUK-96 mine was suspended as part of a cost-saving plan.
    - Production at field no. 1 at Raspadskaya-Koksovaya was stopped after carbon monoxide was detected, in accordance with the Company's strict safety standards.

    At the same time, field no. 2 at Raspadskaya-Koksovaya launched extraction of a new type of premium K-grade coal that the Company did not produce in the same period last year.
- In Q4 2015, sales of coking coal concentrate totalled 1.4 million tonnes, down 18% quarter-on-quarter, amid lower demand in Russia and difficulties delivering to Ukraine. The Company solid 65 thousand tonnes of premium K-grade concentrate and 34 thousand tonnes of premium K-grade coal.
- Russia accounted for 32% of the Company's overall concentrate sales in the period, down 10 percentage points year-on-year. The remaining 68% was exported.
- Domestic sales of concentrate fell to 450 thousand tonnes, down 38% year-on-year, due to the following factors:
    - Many major Russian steelmakers increased their internal consumption.
    - Production of KO-grade coal stopped when field no. 1 at Raspadskaya-Koksovaya was closed.
- Overall sales of raw coal decreased by 57% year-on-year, driven by the closure of field no. 1 at Raspadskaya-Koksovaya.
- The weighted average selling price of concentrate in ruble terms changed little compared with Q3 2015. Prices rose in Russia and remained steady on the export markets, as the ruble devalued.

2015 highlights

- In 2015, raw coal production totalled 10.4 million tonnes, up 1% year-on-year from 10.2 million tonnes in 2014, despite the closure of MUK-96 and field no. 1 at Raspadskaya-Koksovaya.
- Sales of coking coal concentrate amounted to 6.4 million tonnes, up 7% year-on-year.
- Domestic sales of concentrate fell to 2.8 million tonnes, down 5% year-on-year.
- Exports of concentrate accounted for 56% of overall concentrate sales, or 3.6 million tonnes, of which 87% went to the Asia-Pacific region and 13% to Europe. Amid a rise in overseas demand for concentrate, the Company boosted production and entered new markets in the Asia-Pacific region.
- Sales of raw coal totalled 1 million tonnes.
- The weighted average selling price of concentrate in ruble terms increased by 34% year-on-year, driven by several factors:
    - Domestic prices rose.
    - The profitability of sales improved after the Company reduced production of cheaper GZhO-grade coal following the closure of MUK-96.
    - Export prices rose in ruble terms due to the currency's weakness.

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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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The information in this press release represents the expected results of OAO Raspadskaya operations for the given period. It was compiled based on the latest preliminary unaudited operational and financial data. The information represents a preliminary assessment only, which might be further adjusted based on financial, fiscal and business reporting once it becomes available. The information regarding the Company's operational results in this press release depends on many external factors and therefore, provided all permanent obligations and best practices under international listing rules are unconditionally observed, cannot qualify for accuracy and completeness and should not be regarded as a basis for investing in OAO Raspadskaya. As such, the actual results and indicators may significantly differ from any declared or forecast operational results. OAO Raspadskaya assumes no obligation and expressly declares that it has no such obligation to update or change any declarations concerning any future results due to new information obtained, any future events or for any other reasons.