

11 July 2019

JSC SUEK (“SUEK” or “the Company”) has published its IFRS financial results for the six months ending 30 June 2019, reviewed by KPMG.

Key financial and operational figures<sup>[1]</sup>:

	1H2019	1H2018
REVENUE, \$ MILLION	3,960	4,295
NET PROFIT, \$ MILLION	551	654
OPERATING CASH FLOW, \$ MILLION	1,172	1,124
CAPITAL EXPENDITURE (CAPEX), \$ MILLION <sup>[2]</sup>	705	314
COAL PRODUCTION, MILLION TONNES	51.0	55.6
COAL SALES, MILLION TONNES <sup>[3]</sup>	59.1	59.0
- INTERNATIONAL COAL SALES	27.8	27.7
- DOMESTIC COAL SALES	31.3	31.3
INCL. INTRAGROUP COAL SALES	18.1	16.6
POWER CAPACITY SALES, GW	9.2	9.2
ELECTRICITY OUTPUT, BILLION KWH	25.9	26.3
HEAT OUTPUT, MILLION GCAL	24.2	25.7

Vladimir Rashevsky, SUEK Chief Executive Officer,

*'In the first half of 2019 coal indexes went down by over 35% impacted by cyclical factors. However, SUEK managed to demonstrate stable financial and operational results due to revenue diversification, efficient production and logistic assets and*

*committed teamwork of our personnel. We successfully went through the winter and spring period, as our power plants worked without accidents during the elevated demand period. Strict control over the operating cash flow enables us to finance the realisation of our strategic projects as planned'.*

The Group's revenue for January–June 2019 totalled \$3,960 million, an 8% decrease compared to the first six months of 2018. The net profit reached \$551 million.

The combined SUEK's operating activities generated \$1,172 million of operating cash flow, an increase year-on-year due to effective working capital management.

The available funding allowed SUEK to progress with its capacity development programme, with CAPEX for the first six months of 2019 amounting to \$705 million. In particular, SUEK bolstered its railcar fleet under management to 54,500 railcars.

The Group's clear strategic view, solid operational and financial results and diversified revenue sources enabled SUEK to confirm its credit rating from Moody's at Ba2 and from Expert RA at ruAA-.

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[1] SUEK IFRS consolidated interim condensed financial statements for the six months ended 30 June 2019 are available at <http://www.suek.com/investors/disclosure/>.

[2] Cash outflow.

[3] Including own coal and coal purchased from third parties.