

12 July 2017

JSC SUEK ("SUEK") today has published its IFRS financial results for the six months ended 30 June 2017, reviewed by KPMG.

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

	1H 2017	1H 2016
REVENUE, MILLION USD	2,661	1,781
EBITDA, MILLION USD	716	415
NET PROFIT, MILLION USD	322	96
NET DEBT/BANK EBITDA <sup>2</sup> , RATIO	2.4x	3.2x
CAPITAL EXPENDITURE (CAPEX), MILLION USD	313	156
PRODUCTION, MILLION TONNES	53.6	53.3
COAL SALES, MILLION TONNES	52.6	52.3
- INCLUDING INTERNATIONAL SALES	26.0	23.9
- INCLUDING DOMESTIC SALES	26.6	28.4

SUEK produced 53.6 million tonnes of coal in 1H 2017, which represented a 1% increase over 1H 2016. Taking into account stable demand for higher-calorific coal, we continued to focus on hard coal extraction and washing. Hard coal production grew by 4%, supported by the recent introduction of new high-performance equipment at our mines, while washed hard coal volumes increased by 11% due to high performance of new and upgraded washing facilities.

SUEK sold 52.6 million tonnes of coal in 1H 2017, which was 1% higher than during 1H 2016. International sales increased by 9% and amounted to 26.0 million tonnes, primarily because of higher shipments to the Atlantic market.

In currently high volatile global coal market, we continued to focus on cost control, driving productivity improvements and developing our logistics by enhancing our rail fleet and increasing shipment capacity at our own ports. Capital expenditure in 1H 2017 doubled to US\$ 313 million, as we ramped up our investments into high-tech equipment at our Kemerovo underground mines and continued to acquire new higher-capacity rail cars. In 1H 2017 SUEK also acquired a further 9.38% stake of Murmansk Commercial Seaport, increasing its share to 84.85%.

All these factors contributed to higher EBITDA and net profit. EBITDA for 1H 2017 amounted to US\$ 716 million, which represented a 73% increase over 1H 2016. SUEK's Net debt to EBITDA ratio decreased from 2.9x as at 31 December 2016 to

2.4x as at 30 June 2017.

In May 2017 SUEK signed a US\$ 1.0 billion pre-export finance facility with a syndicate of international and Russian banks.

<sup>1</sup> JSC SUEK consolidated interim condensed financial information and review report for the six months ended 30 June 2017 is available at <http://www.suek.com/investors/disclosure/>

<sup>2</sup> Bank EBITDA is calculated in accordance with SUEK loan agreements