

OAO Raspadskaya – 1H 2009 IFRS Financial Results



Investor Presentation

25 September 2009



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Key Highlights, US\$m (unless stated otherwise)	1H2009	1H2008	1H2009/1H2008	
			+/-	%
Coal Concentrate Sales Volumes*, kt	3,005	4,236	(1,231)	(29)%
Revenue	148	607	(459)	(76)%
EBITDA**	63	424	(361)	(85)%
Margin, %	43%	70%		
EBIT	19	358	(377)	(95)%
Margin, %	13%	59%		
Net Profit / (Loss)	(11)	262	(273)	n.a.
Margin, %	n.a.	43%		

Source: Raspadskaya

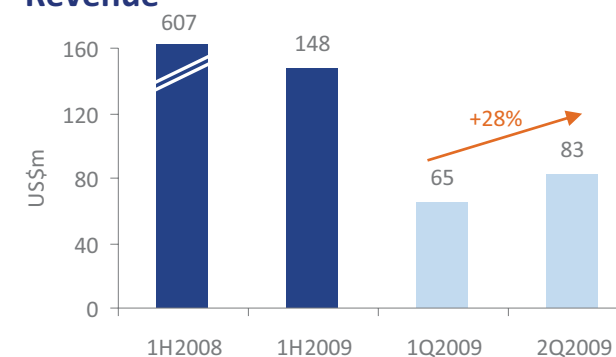
Company's performance is significantly affected by the following factors:

- Decrease in prices and sales volumes of coal concentrate in 1H2009
- Increase of the weighted average RUB/US\$ exchange rate by 38% in 1H2009 compared to 1H2008
- Foreign exchange loss of US\$23.6m

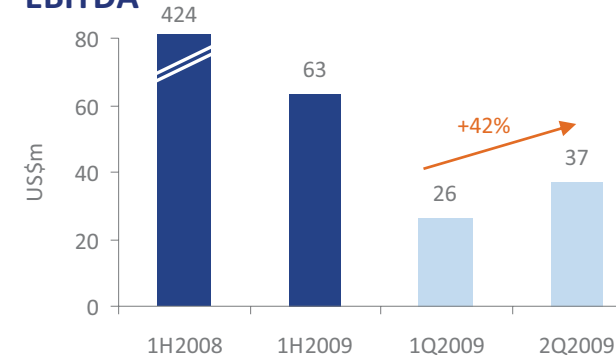
* Coal concentrate sales volumes contain raw coal sales volumes restated in tonnes of coal concentrate at output ratio of 73.3% and 77.9% for the six-month periods ended 30 June 2009 and 2008, respectively

**EBITDA represents profit for the period before foreign exchange gains/(losses), gain/(loss) on net monetary position, depreciation, depletion and amortization, dividend income, interest income and expense, capitalized interest and income tax expense

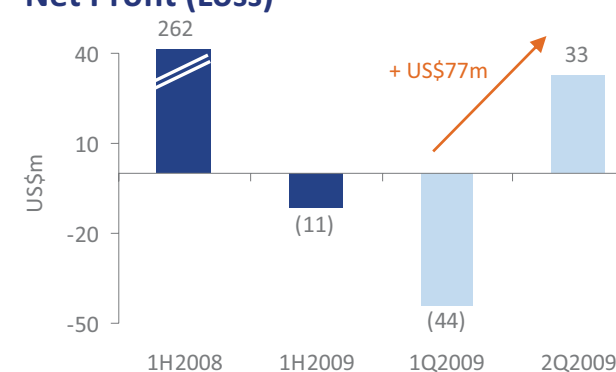
Revenue



EBITDA

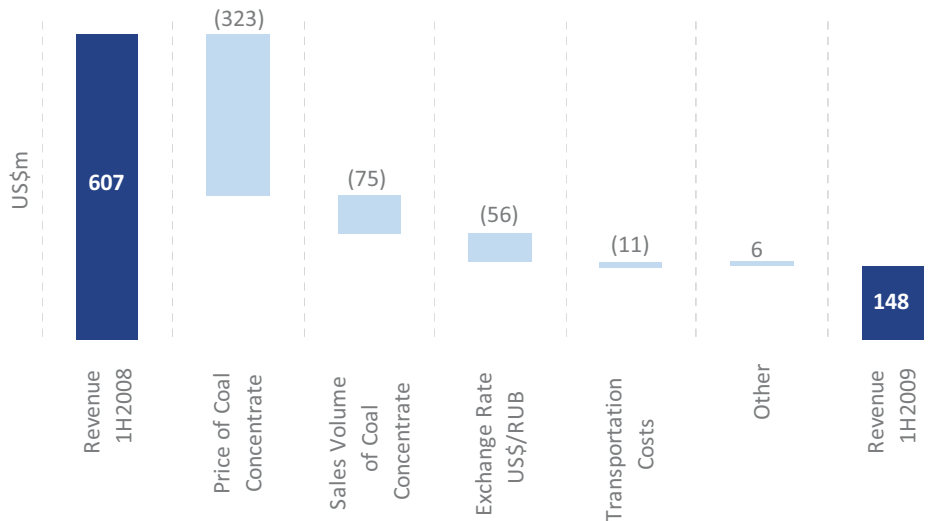


Net Profit (Loss)



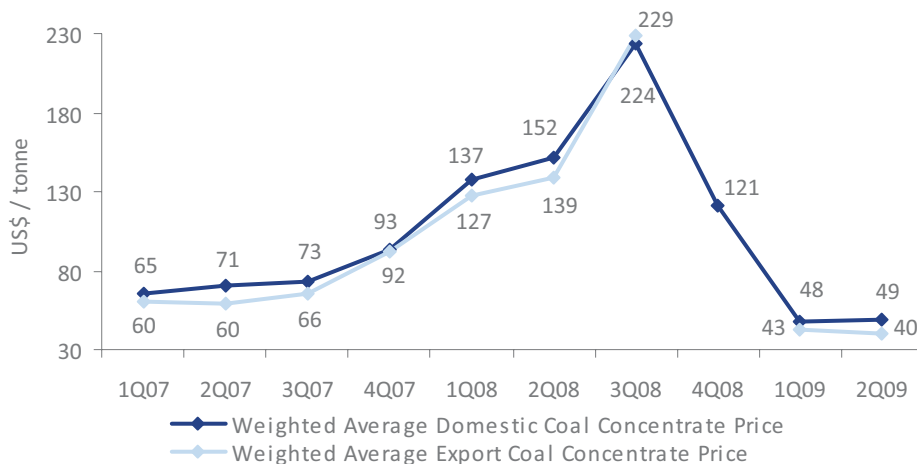
Source: Raspadskaya

1H2009 Revenue Drivers



Source: Raspadskaya

Raspadskaya Coking Coal Price Dynamics (FCA Mezhdurechensk)

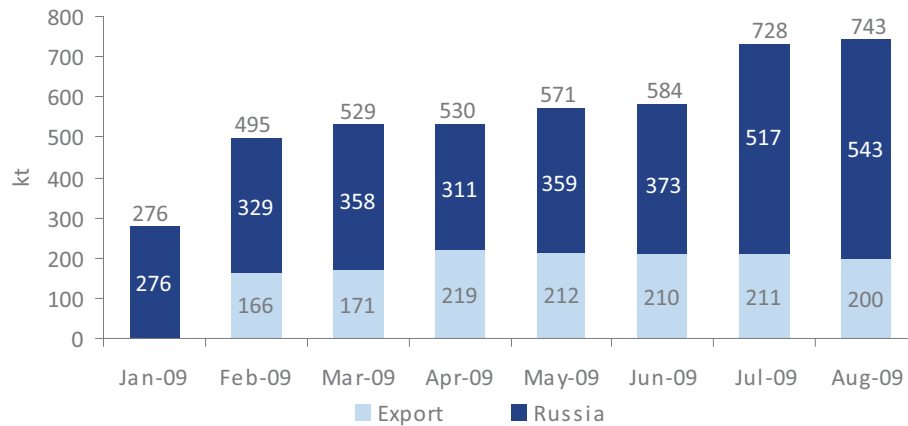


Source: Raspadskaya

- 1H2009 revenue dropped by 76% YoY mainly as a result of the decrease in sales volumes and coal concentrate price
- 1H2009 revenue fall was also affected by the increase of RUB/US\$ weighted average exchange rate in 1H2009 by 38% YoY
- 2Q2009 revenue increased by 28% QoQ as a result of domestic and export sales volumes growth

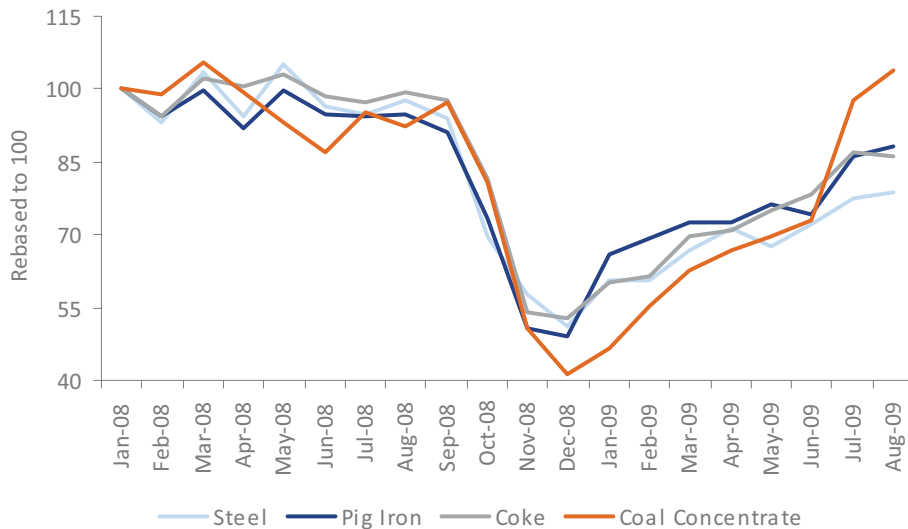
- In 4Q2008, coking coal prices dropped as a result of decreasing global demand for metallurgical products
- During 1H2009, coal concentrate sales prices remained rather flat
- Starting 2009, the Company operates in frames of long-term contracts with the major Russian customers and negotiates the volumes and prices on a quarterly basis depending on the market conditions

Raspadskaya Coal Concentrate Sales



Source: Raspadskaya

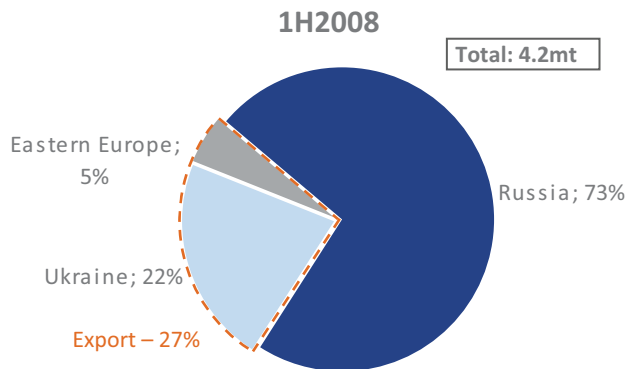
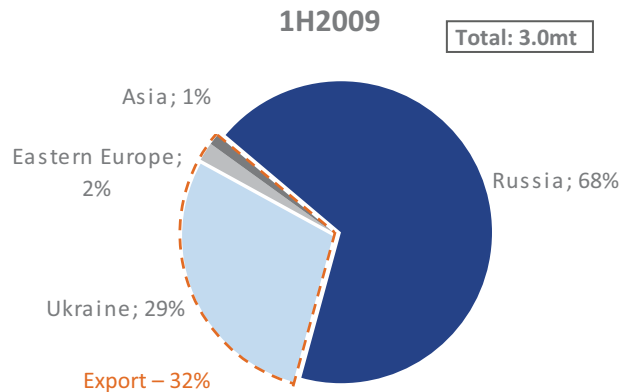
Raw Materials Production in Russia



Source: Metal Expert, RasMin

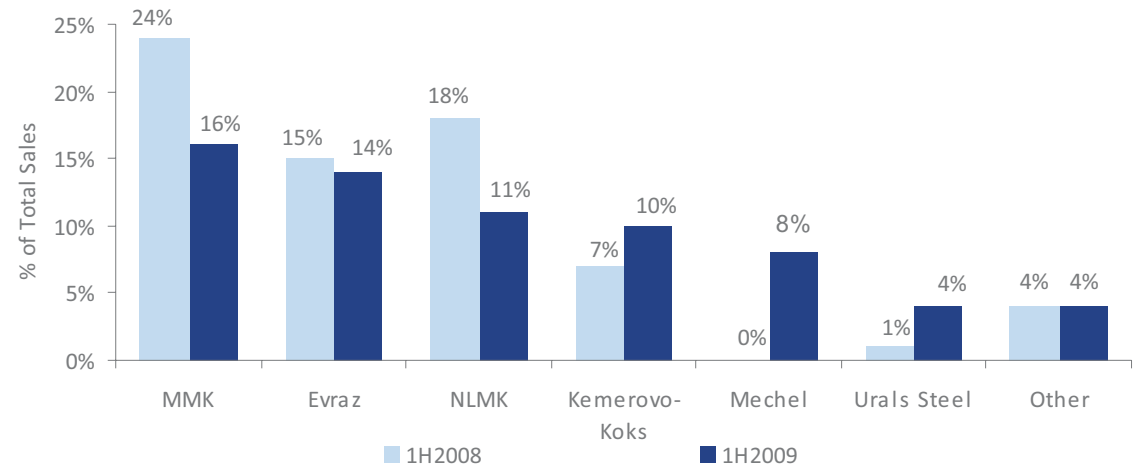
- In 1H2009, coal concentrate sales volumes declined by 29% YoY
- 1Q2009 coal concentrate sales volumes increased by 63% compared to 4Q2008. In 2Q2009 sales growth amounted to 30% QoQ due to the gradual metallurgical production recovery, rising demand for coking coal and Raspadskaya active export strategy
- In 2Q2009, sales volumes of coal concentrate amounted to 80% of the pre-crisis level (3Q2008)
- In August-September 2008, sales volumes of coal concentrate were 736kt and 734kt respectively. In July-August 2009, sales volumes accounted for 728kt and 743kt respectively, that proves the pre-crisis sales volumes recovery

Raspadskaya Sales Geography Breakdown



Source: Raspadskaya

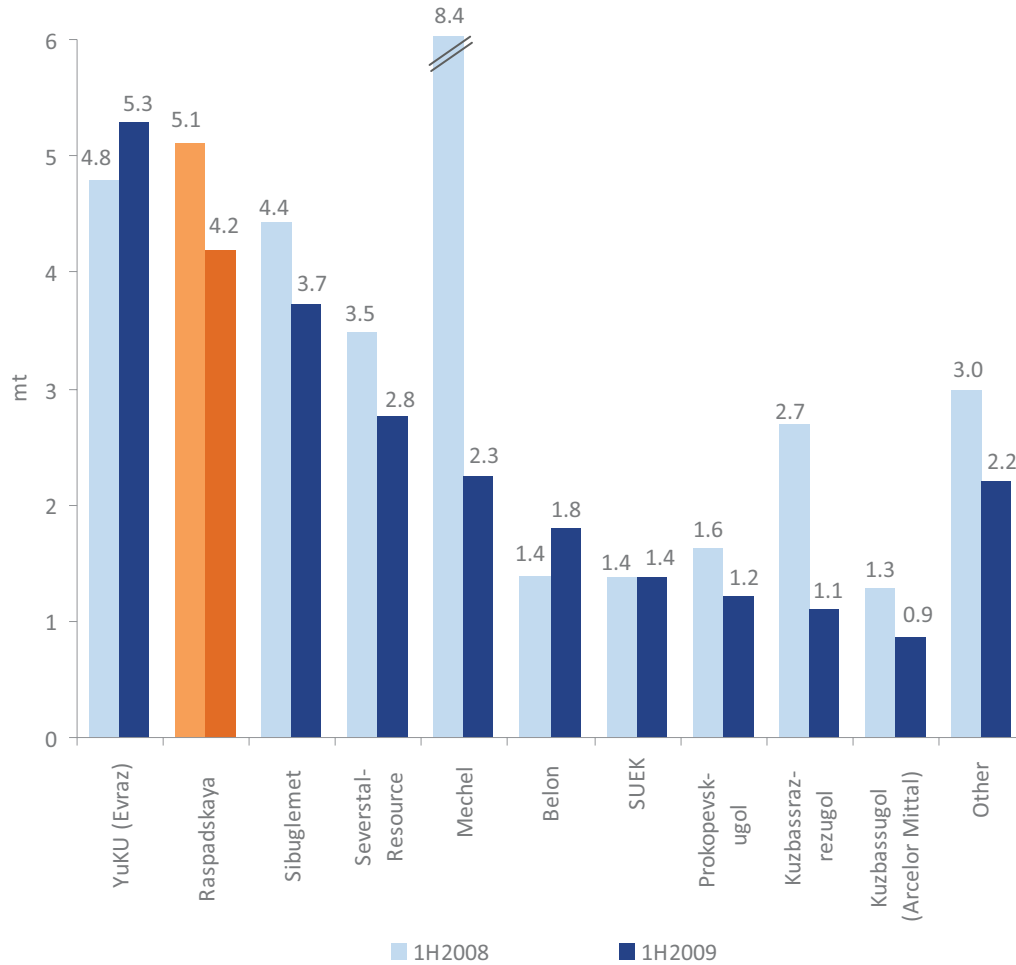
Major Russian Consumers of Raspadskaya Coal Concentrate



Source: Raspadskaya

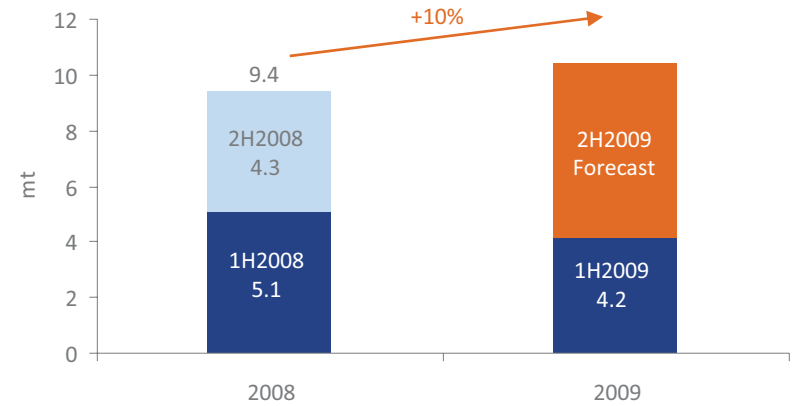
- In 2Q2009, sales volumes of coal concentrate rose by 30% QoQ as a result of industrial markets recovery and rising demand for Raspadskaya coal products
- In 1H2009, share of sales volumes to the major Russian customers (MMK, Evraz, NLMK) decreased to 41% of Raspadskaya total sales volumes from 57% in 1H2008. This was partially compensated by the increase of sales share to medium-sized Russian consumers from 12% of total coal concentrate sales volumes in 1H2008 to 26% in 1H2009
- In 1H2009, share of export coal concentrate sales volumes rose to 32% of total sales volumes compared to 27% in 1H2008
- In 1H2009, export sales share to Ukraine increased from 22% of total sales volumes in 1H2008 to 29% due to the renewal of shipments to this market since February 2009 after 4 months of suspension
- Since 2009 the Company started to implement the strategy on export sales diversification on the base of a partial shift to Asian markets
- In 1H2009, Raspadskaya signed contracts with large metallurgical holdings such as JFE Holding (Japan), POSCO (Republic of Korea) and started shipments to the Chinese market
- The Company plans to strengthen relationships with Asian clients in frames of the mid-term sales strategy on the increase of export sales share in total coal products sales volumes

Russian Coking Coal Production in 1H2008 and 1H2009



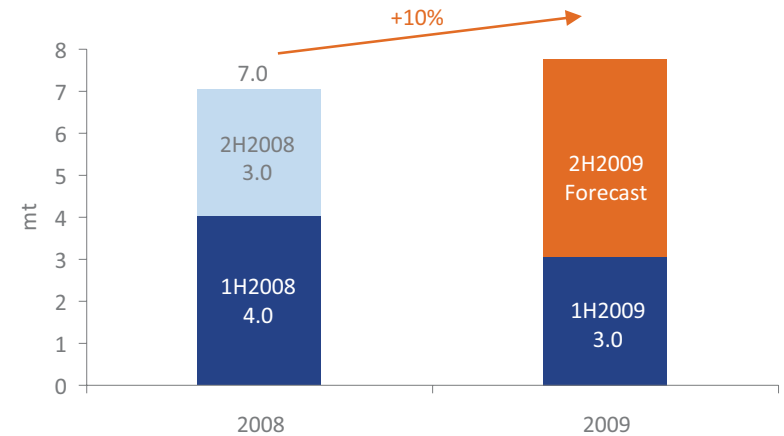
Source: Rospadskaya, UDP-3.10 TsDU-TEK for 1H2009, companies data

Rospadskaya Coking Coal Production



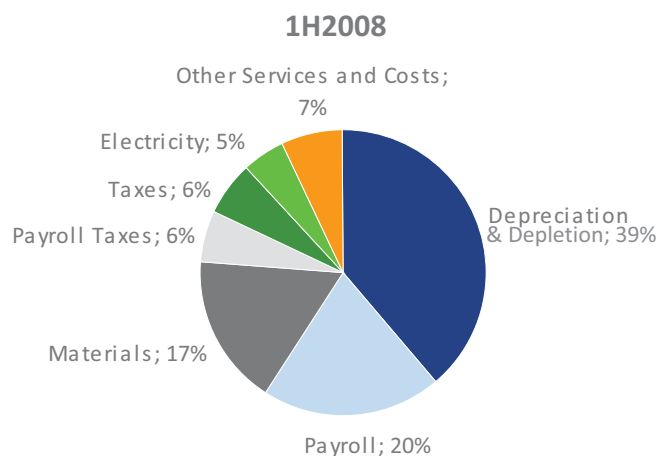
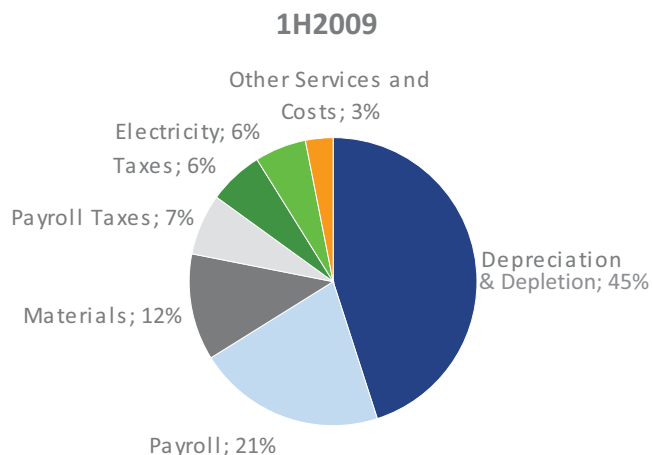
Source: Rospadskaya

Rospadskaya Coal Concentrate Production



Source: Rospadskaya

Cost of Production Breakdown



Source: Raspadskaya

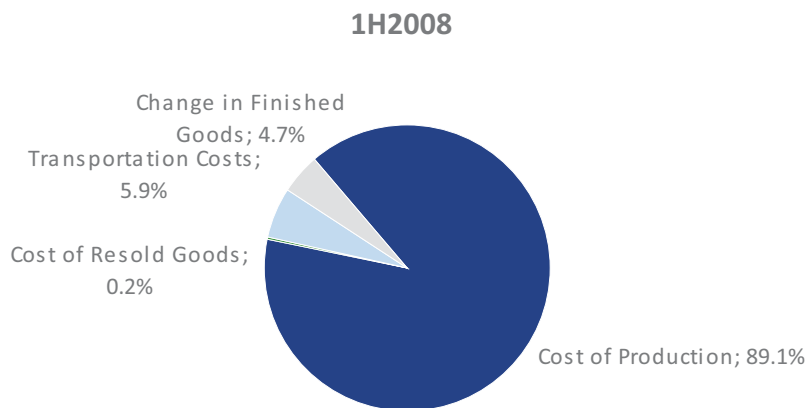
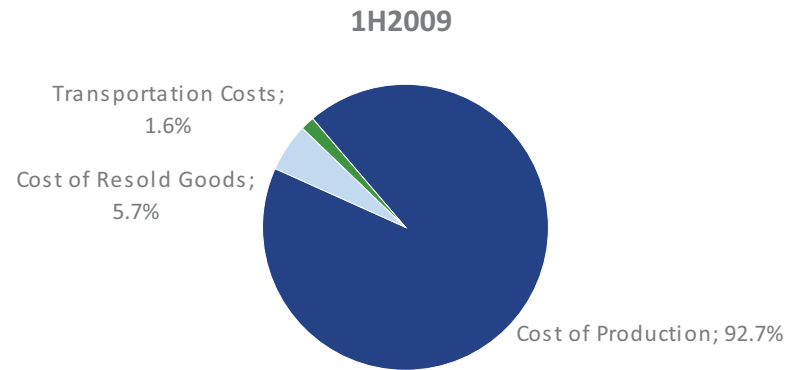
Dynamics of Coal Concentrate Cost of Production

	1H2008	1H2009	Change, %
Cost of Production			
US\$m	169	92	(45)%
RUBm	4,049	3,054	(25)%
Cash Cost of Production per Tonne			
US\$	26.4	16.6	(37)%
RUB	632	549	(13)%

Source: Raspadskaya

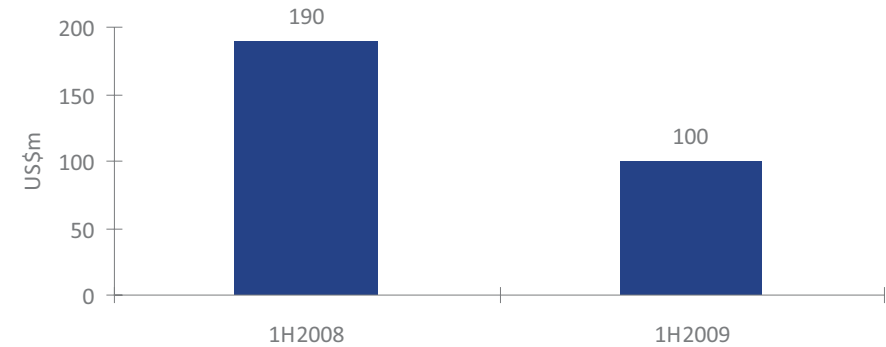
- In 1H2008, production cash cost per tonne of coal concentrate dropped by 37% (in US\$ terms) YoY mainly due to the following factors:
 - Increase of the average RUB/US\$ exchange rate in 1H2009 by 38% YoY
 - Reduction in underground development, overburden removal and major repairs
 - Materials prices decrease
- In 1H2009, production cash cost per tonne of raw coal dropped by 41% YoY to US\$10.9/ tonne
- In 1H2009, preparation cash cost of raw coal fell by 40% YoY to US\$1.2/tonne
- Until the end 2009 costs for underground development and overburden removal, personnel costs and capital repairs are supposed to slightly increase as a result of production and sales growth. At the same time the Company does not expect production cash cost per tonne of coal concentrate to rise significantly

Cost of Sales Breakdown



Source: Raspadsкая

Cost of Sales Dynamics

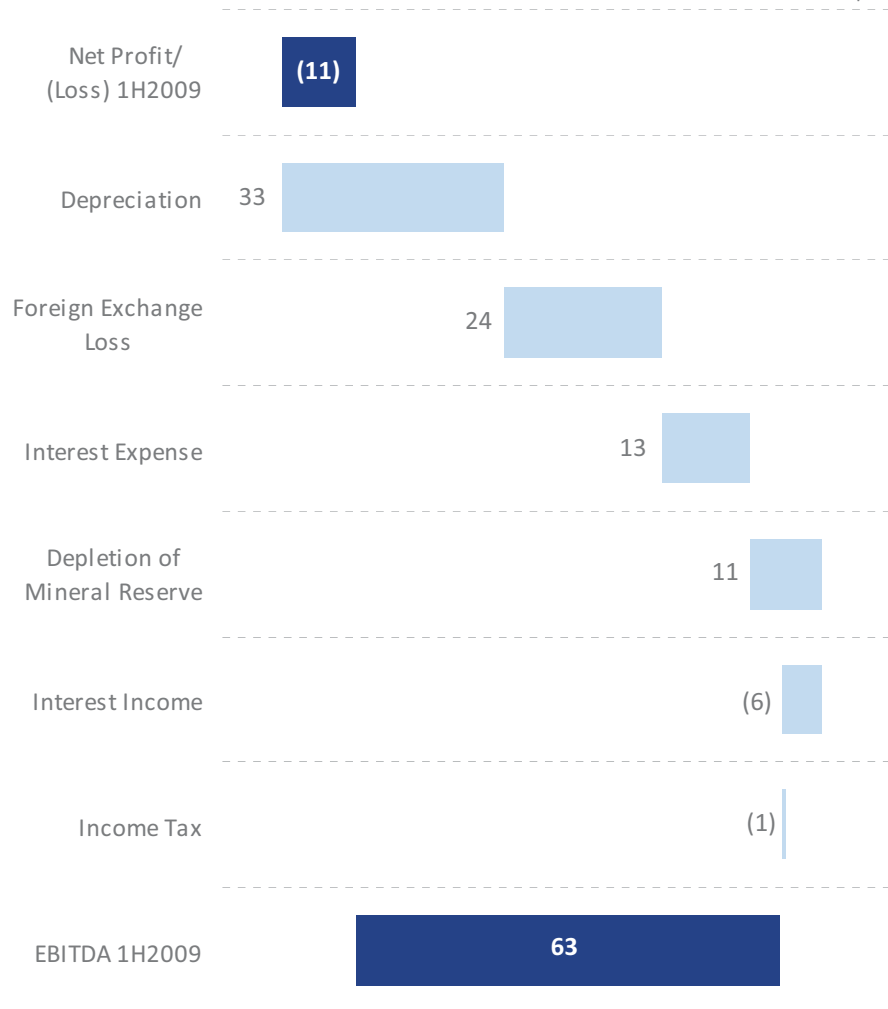


Source: Raspadsкая

- In 1H2009, cost of production share in total revenue increased from 31% in 1H2008 to 67% due to 76% revenue drop in 1H2009 compared to 1H2008
- In 1H2009, cost of sales decrease by 47% YoY was mainly driven by the following factors:
 - Decline in cost of production in 1H2009 by 45% YoY
 - Decrease in transportation costs in 1H2009 by 86% YoY

EBITDA Reconciliation

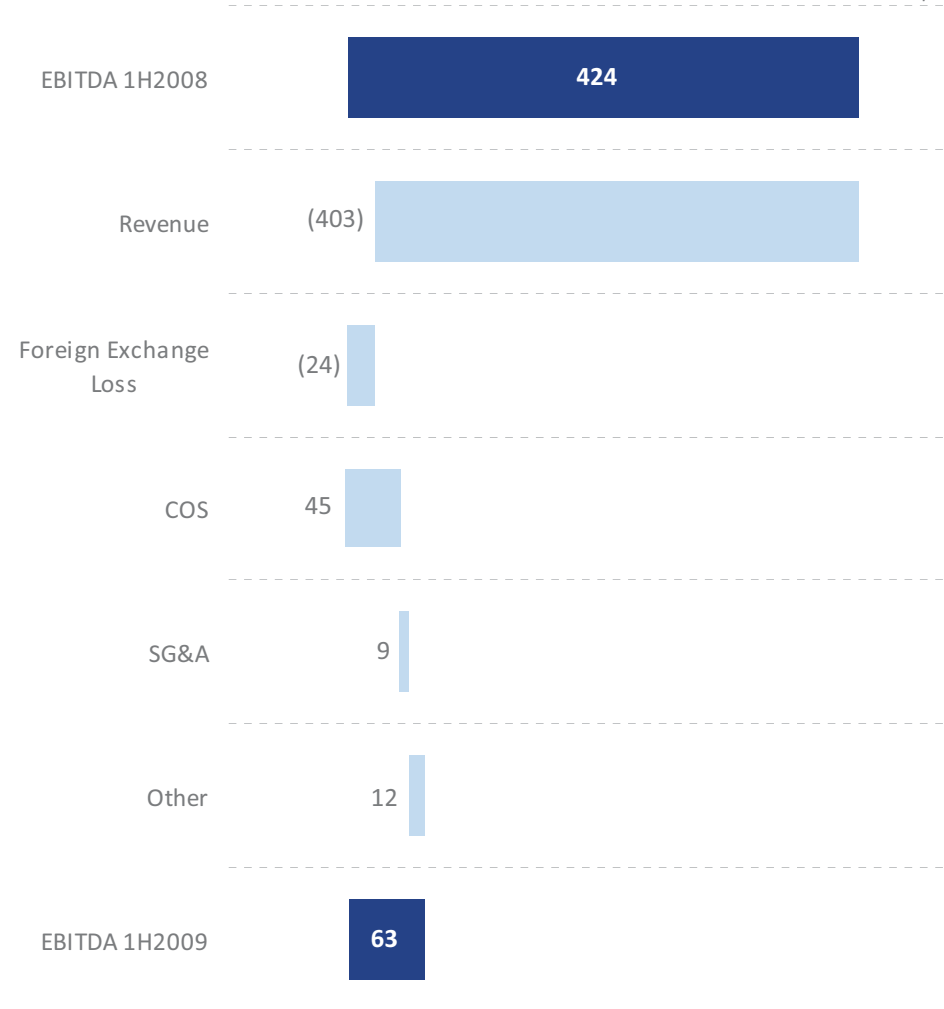
US\$m



Source: Raspadskaya

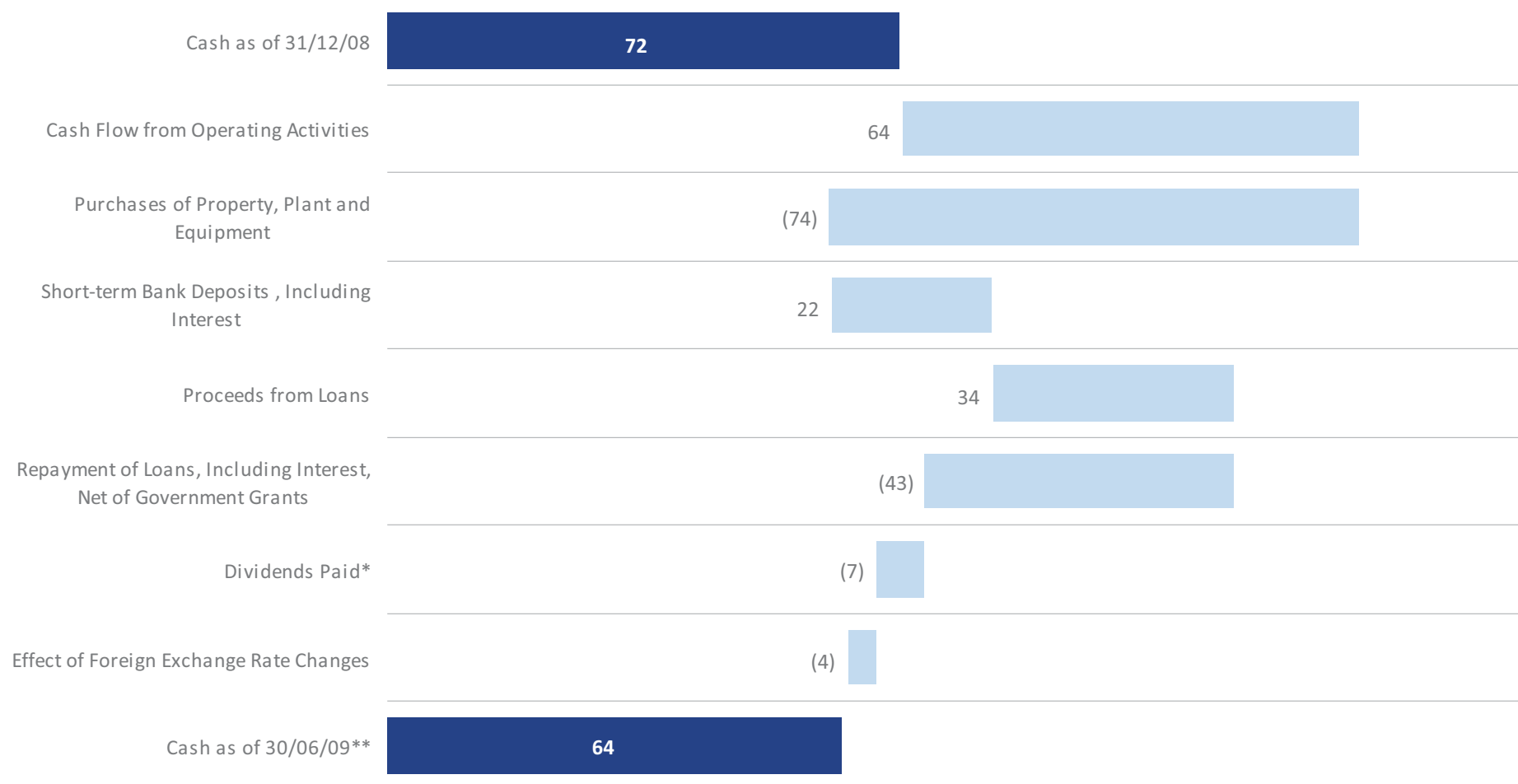
1H 2009 EBITDA Drivers

US\$m



Source: Raspadskaya

US\$m

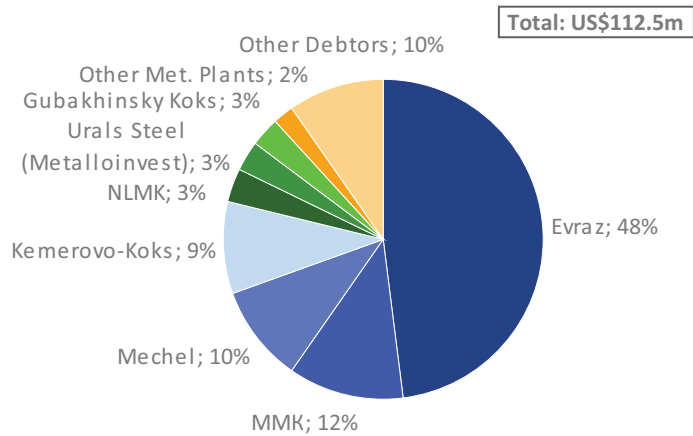


*Interim 2008 dividends brought forward

** Short-term bank deposits as of 30 June 2009 amounted to US\$86.7m

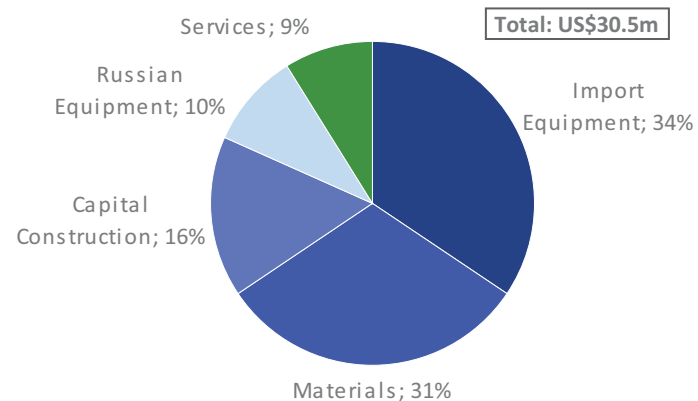
Source: Raspads kaya

Receivables Breakdown as of 30 June 2009



Source: Raspadskaya

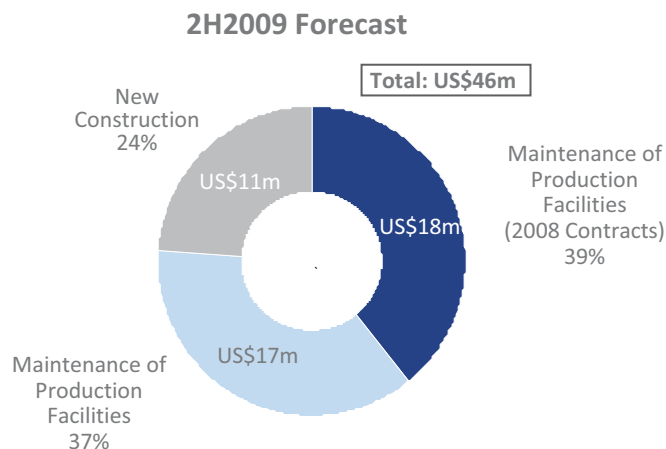
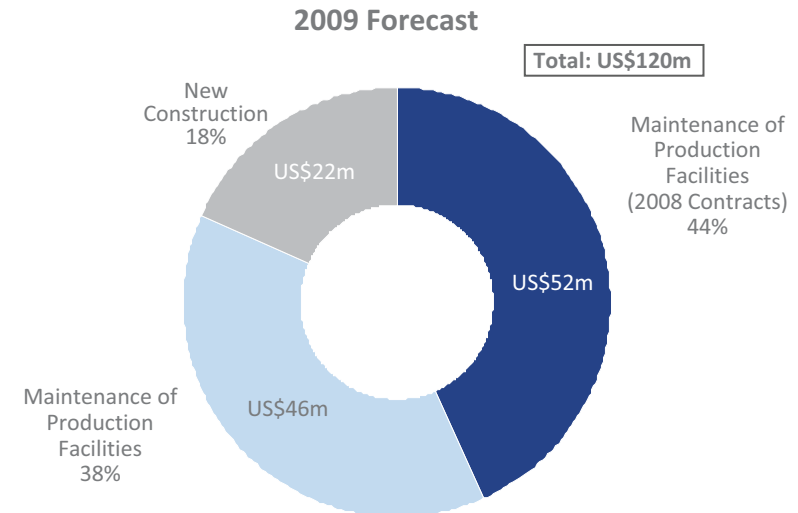
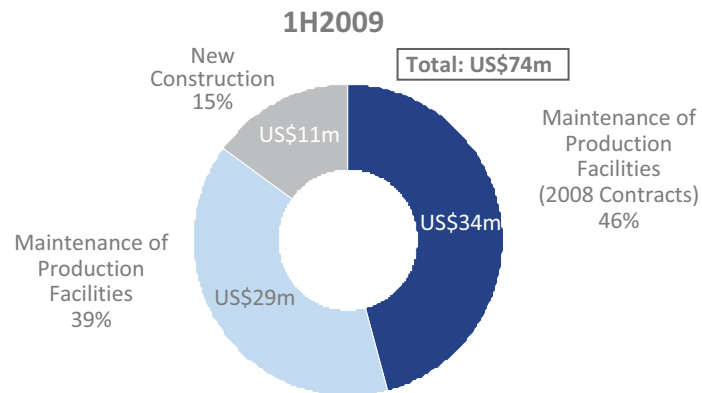
Trade Payables Breakdown as of 30 June 2009



Source: Raspadskaya

- Receivables as of 30 June 2009 amounted to US\$112.5m including sum for consumers of coal products (metallurgical and coke-chemical plants) of US\$101.6m, that is US\$15.9m less compared to 31 December 2008
- Trade payables are represented by payables to suppliers for import equipment, materials and to contractors for capital construction. As of 30 June 2009 payables amounted to US\$30.5m, that is US\$2m less compared to 31 December 2008
- In December 2008, and beginning 2009 the Company agreed with the main suppliers on payment by installments. Raspadskaya estimates legal risks to be minimal

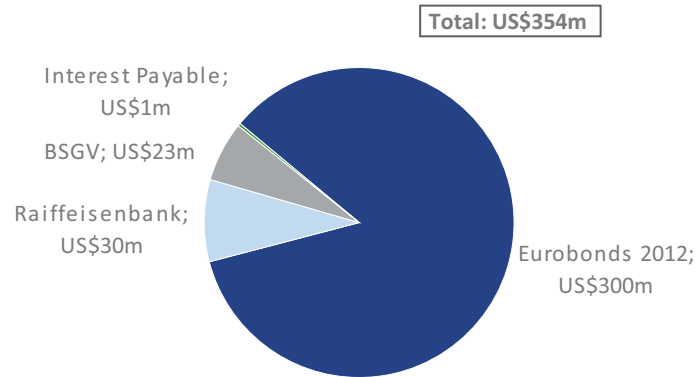
Breakdown of Capital Expenditures Financing in 1H2009



- In 1H2009, total amount of the capital expenditures financing program accounted for US\$74m, including:
 - US\$63m for reconstruction and development of the current production, that is 53% less compared to 1H2008;
 - More than US\$11m for Raspadskaya-Koksovaya mine construction (high quality coking coal reserves)
- The largest share of financing of capital expenditures was represented by the contracts signed in 2008
- The Company plans to specify its mid-term business development program in frames of the budget process for 2010. The program will be formed on the base of licenses, plans for exploration works, current production potential and expected market conditions

Source: Raspadskaya

Debt Breakdown as of 30 June 2009



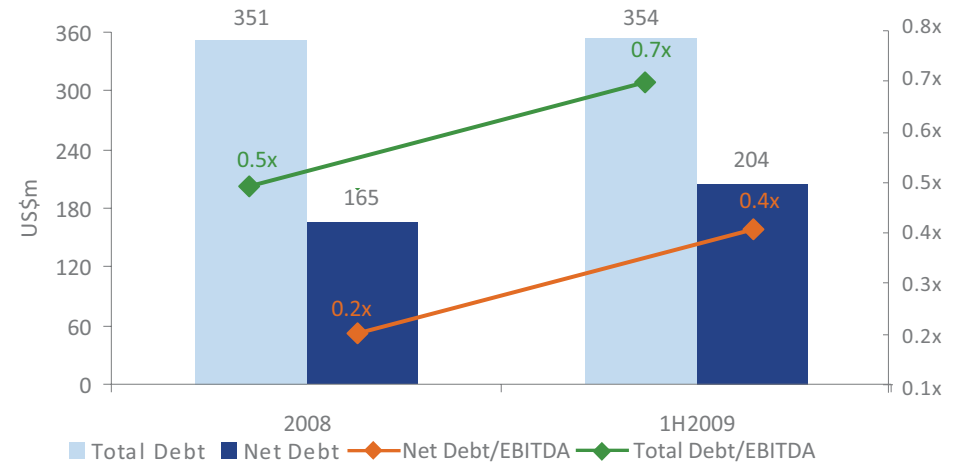
Source: Raspadskaya

Debt Repayment Schedule



Source: Raspadskaya

Total and Net Debt



Source: Raspadskaya

- The main debt is represented by Eurobonds for US\$300m with maturity in May 2012 and 7.5% coupon
- Debt as of 30 June 2009 comprised by 92% of US\$ and by 8% - of Euro
- One of the covenants stipulated in the Loan Agreement on the Eurobonds is the ratio of Consolidated Net Indebtedness* to 12-month Consolidated EBITDA, that may not exceed 3:1. In 1H2009 this ratio amounted to 0.4x
- Another covenant is the ratio of Consolidated Debt to 12-month Consolidated EBITDA, that may not exceed 3:1. In 1H2009 this ratio amounted to 0.7x
- The Company believes that none of the covenants will be infringed in the foreseeable future
- Taking into account dependence on coking coal prices the Company follows a conservative financial policy

*Net Debt includes cash and cash equivalents of US\$63.5m and short-term bank deposits of US\$86.7m

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