

Raspadskaya reports 1h2008 financial results

Moscow, 23 September 2008 – OAO Raspadskaya (RTS and MICEX: RASP), one of Russia's leading coking coal producers, has announced today its financial results for 1h2008:

Summary of Financial Results <i>(US\$m, unless stated otherwise)</i>	Six months ended 30 June		%
	2008	2007	change
Revenue	607	339	79%
EBITDA	434	200	117%
<i>Margin</i>	72%	59%	
EBIT	368	138	168%
<i>Margin</i>	61%	41%	
Profit before income tax	359	124	189%
<i>Margin</i>	59%	37%	
Net profit	262	92	186%
<i>Margin</i>	43%	27%	
Basic and diluted EPS, US\$	0.33	0.12	188%

The Unaudited Interim Condensed Consolidated Financial Statements and Management's Discussion and Analysis of OAO Raspadskaya for the six months ended 30 June 2008 are released today.

The Company's highlights for 1h2008 are as follows:

- The Company is one of the Russian leaders in coking coal production having produced 5.1 million tonnes of raw coal and 4.0 million tonnes of coal concentrate in 1h2008;
- The Company has strengthened its market positions through deliveries in the frames of long-term contracts and through the increase its client base in Russia and Ukraine;
- The Company demonstrates a high level of financial indicators: EBITDA of US\$434m in 1h2008 and the corresponding EBITDA margin of 72% - one of the best in global coal and mining industries;
- The Company continues to realize its investment program and development of high-efficiency production of high-quality and high-margin products with US\$151m of capital expenditure in 1h2008;
- Reliance on internal sources of finance - net cash flow from operating activities 199% higher in 1h2008 (US\$351m) than in 1h2007 (US\$117m) and net debt down from US\$265m at 30 June 2007 to US\$171m at 30 June 2008.

On 18th September 2008, the Company's Board of Directors decided to recommend to the Company's shareholders to approve distribution of interim dividends in the amount of RUB4,684,798,854 (US\$184m at the exchange rate at 18 September 2008), which represents RUB6.00 (US\$0.24 at the exchange rate at 18 September 2008) of dividends per share.

Chairman of the Company's Board of Directors, Alexander Vagin, commented:
«The high level of the recommended dividend payment is based upon the consideration of our shareholders' interests at the present situation in financial markets having in mind financial sustaining the Company's investment program».

Raspadskaya's CEO, Gennady Kozovoy, commented on the 1h2008 results and 2008 expectations:

«We continue to develop long-term stable relations with our customers and improve the market mechanisms of coal trade. This, coupled with favourable market conditions (from 1st September 2008 sales price of coal concentrate in domestic market is RUB5,300 or US\$210 per tonne on FCA Mezhdurechensk basis), allows us to forecast good financial results for the whole 2008 and the continued growth of our company».

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About the Company

AO Raspadskaya is located in the Kemerovo region of Russia. The Company comprises two active underground mines, an active open-pit mine, a coal preparation plant and one underground mine under construction, as well as a coal transportation network and a number of integrated infrastructure companies. Raspadskaya is one of the leading Russian coking coal producers whose customers include major steel and coking plants in Russia, Ukraine and Eastern Europe. 80% of Raspadskaya's ordinary shares are held by Corber Enterprises Limited, in turn owned by Raspadskaya management and Evraz Group on a parity basis.

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