Raspadskaya reports 2007 financial results

Moscow, 18 April 2008 – OAO Raspadskaya (RTS and MICEX: RASP), one of the Russia's leading coking coal producers, has announced today its financial results for the year ended 31 December 2007 with a record EBITDA margin of 63% - one of the best in global coal and mining industries:

Consolidated Summary Results	**Year ended 31 December**	
(US$ in thousand except percentages)	**2007**	**2006**
Revenue	**784,094**	468,789
Growth, %	*67%*	*n/a*
EBITDA	**491,004**	259,143
Margin, %	*63%*	*55%*
EBIT	**355,380**	166,597
Margin, %	*45%*	*36%*
Profit before income taxes	**329,033**	149,211
Margin, %	*42%*	*32%*
Profit for the period	**240,243**	111,533
Margin, %	*31%*	*24%*
Basic and diluted EPS, US dollars	**0.31**	0.15

Audited Consolidated Financial Statements of OAO Raspadskaya for the year ended 31 December 2007 are released today.

Company's highlights of 2007 are as follows:

- 28% increase in the production output leading to a record 13.55 million tonnes of raw coal produced in 2007 and positioning Raspadskaya as № 1 producer in Russia and № 5 globally
- Sales volume of coal concentrate is up by 34%, in particular by 18% in Russia and by 95% for export sales confirming strong Russian demand and surging Ukrainian demand
- Strong EBITDA of $491.4 million and the corresponding EBITDA margin of 63% bolstered by increasing coking coal prices in the 2nd half of 2007
- Total cash cost per tonne of raw coal produced down from $12,0 per tonne to $11,5 per tonne and total cash cost per tonne of coal concentrate produced down from $18.8 per tonne to $18.1 per tonne demonstrating management's cost controls
- Strong commitment to shareholders' value, M&A discipline and operational independence confirmed by our considerate and diligent handling of the complex Yuzhkuzbassugol consolidation process

Due to the growth of sales volume and the tight cost controls, the Company has managed to decrease again its cash costs per tonne of both raw coal and coal concentrate by 4% despite the prevailing inflationary environment.

Company's net debt decreased by $44.5 million to $265.1 million in 2007. Company's capital expenditures in 2007 amounted to $166.3 million, included the development projects of Raspadskaya Koksovaya Mine (with hard-coking coal reserves) and Stage II of Raspadskaya Preparation Plant (with additional capacity not less than 3 million tonnes of raw coal per year).

Gennady Kozovoy, Raspadskaya's CEO and managing shareholder, commented on the 2007 results and 2008 expectations:

"*In 2007, we have achieved satisfactory production growth rate of 28% and strong financial results. In 2008, we will have to consolidate our position while fighting challenges posed to us by the inflationary pressures. Nonetheless, demands for coking coal and our products and strong pricing environment in Russia, Ukraine and globally which we expect to endure for the foreseeable future shall help us better our financial results in 2008.*

We shall use it to prepare ground for our renewed growth in next years, in particular through use of new high-productive equipment, the involving of our licences and the implementation of our mid-term development program."

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About Company

OAO 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, as well as in Eastern Europe and Asia. In 2007, Raspadskaya produced 13.55 million tonnes of raw coal. In 2007, revenues amounted to nearly $784 million; EBITDA was about $491 million (63% EBITDA margin). 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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APPENDIX

EBIT and EBITDA

EBITDA represents earnings before interest and tax (EBIT) and depreciation, amortisation and depletion. EBIT and EBITDA are not measures of financial performance under IFRS, and it should not be considered as an alternative to net profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Raspadskaya’s calculation of EBIT and EBITDA may differ from the calculation used by other companies and therefore comparability may be limited. We present pro forma EBIT and EBITDA because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Pro forma EBIT and EBITDA have limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under pro forma financial statements and historical consolidated IFRS financial statements.

Reconciliation of EBIT and EBITDA to Profit for the year is as follows:

EBIT and EBITDA	**Year ended 31 December**	
(US$ in thousand except percentages)	**2007**	**2006**
Profit for the year	**240,243**	**111,533**
Adjusted for:		
Dividend income	(20)	(15)
Interest income	(3,868)	(1,187)
Interest expense	30,235	18,588
Income tax expense	88,790	37,678
EBIT	**355,380**	**166,597**
EBIT, % of revenue	*45%*	*36%*
Adjusted for:		
Depreciation, depletion and amortisation	135,624	92,546
EBITDA	**491,004**	**259,143**
EBITDA, % of revenue	*63%*	*55%*

Cash cost of production

Cash cost of production represents Cost of production less Depreciation, depletion and amortisation. We present cash cost of production and other measures calculated using cash cost of production because we consider them important supplemental measures of our operating performance and believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Cash cost of production and other measures calculated using cash cost of production are measures of our operating performance that is not required by, or presented in accordance with, IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS. Cash cost of production and other measures calculated using cash cost of production have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our operating results as reported under IFRS. We compensate for these limitations by relying primarily on our IFRS operating results and using cash cost measures only as a supplement.

Reconciliation of Total cash cost of production to Cost of revenues is as follows:

Cash cost of production	**Year ended 31 December**	
(US$ in thousand)	**2007**	**2006**
Cost of revenues	**370 244**	**258 457**
Less:		
Cost of other resold goods	(1 355)	(713)
Change in finished goods	2 346	(1 953)
Depreciation, depletion and amortization	(134 063)	(90 938)
Total cash cost of production	**237 172**	**164 853**

Net Debt

Net Debt represents long-term loans, net of current portion, long-term loans to related parties, plus short-term loans and current portion of long term loans less cash and cash equivalents and short-term bank deposits. Net Debt is not a balance sheet measure under IFRS, and it should not be considered as an alternative to other measures of financial position. Raspadskaya's calculation of Net Debt may differ from the calculation used by other companies and therefore comparability may be limited.

Net Debt has been calculated on the basis of Consolidated Financial Statements as follows:

Net Debt	**As of 31 December**	
(US$ in thousand except percentages)	**2007**	**2006**
Add:		
Long-term loans	307 896	28 934
Long-term loans to related parties	-	6 769
S-T loans and current portion of L-T loans	39 458	323 351
Finance lease	47	880
Less:		
Cash and cash equivalent	(82 311)	(49 219)
Short-term bank deposits	-	(1 140)
Net debt	**265 090**	**309 575**