

# Key developments and achievements

2014 has been another eventful year for SUEK Group. We demonstrated several records across our operations and expanded our geographic reach with the opening of a new Chinese office, incorporating a subsidiary company in Indonesia and opening a new distribution company in Russia. We were also recognised for our achievements and received several prestigious business awards across various sectors.

## January

### Raising a consortium loan

SUEK PLC raised a five-year syndicated loan for \$1.5bn. The loan was arranged with leading international banks coordinated by the ING Group. It has a grace period of two years, with subsequent equal repayments and an effective interest rate of 3.4%. The loan is secured against the company's revenue from international sales.



### Subsidiary in Indonesia

SUEK Group incorporated a subsidiary company in Indonesia in January 2014 to strengthen its presence in Asian markets and to make trading of Indonesian coal more efficient.



### New distribution operation in the Altay region

In January we opened a distribution company in the Altay region, with the aim of developing distribution networks in Altay and Khakasia for sale of sized coal.

## February



### World record in underground drilling

A new world record for drilling a degassing borehole was set in Kuzbass. Workers at Kirova mine drilled 504 metres in one day. The previous record was set by the same team in December 2013 – 456 metres in a day.

### Winning Russian Business Leaders Competition

JSC SUEK won this all-Russia competition held by the Russian Union of Industrialists and Entrepreneurs. The company came first in the main category 'High social responsibility of company'.



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## April

### New monitoring and tracking systems in Kuzbass

At Taldinskaya-Zapadnaya 1 and Taldinskaya-Zapadnaya 2 mines, a new system for monitoring, tracking and locating people trapped underground was installed. An analogue of internationally used systems, it provides continuous monitoring, via Wi-Fi, of each person underground, allowing communications between mine workers and the control room operator. In addition to helping to locate and rescue miners during an emergency, gas detectors fitted in each miner's lamp monitor gas levels in working areas.



### World record in overburden removal

A team operating a Bucyrus rope shovel at Tugnuisky open pit set a new record for loading overburden into dump trucks – two million cubic metres in one month. This outstanding performance was due to the well-coordinated efforts of all participants in the mining process.

## May

### Award for social entrepreneurship

JSC SUEK won an award for 'Best Corporate Program for Developing Social Entrepreneurship' from the Russian Union of Industrialists and Entrepreneurs. The award was presented to JSC SUEK in recognition of its 'School of Social Entrepreneurship' project which runs in all the regions where we operate.

## August

### 'Mining Olympics 2014'

Our production units held the 'Mining Olympics 2014' – a professional skills competition to coincide with Miners' Day. JSC SUEK has been holding these competitions amongst its production units since 2012. They allow employees from different regions of the company to exchange work experiences.



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## October

### SUEK PLC's credit rating

Moody's international credit rating agency has maintained SUEK PLC's credit rating unchanged at Ba3 (stable outlook).



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## November

### SUEK Group is praised for reporting quality

Based on the findings of a study of corporate transparency of companies conducted by the Russian Regional Network for Integrated Reporting, SUEK Group was rated first for reporting quality amongst private companies.

### JSC SUEK is recognised as a leader in corporate charity

JSC SUEK has won several categories in the 'Leaders of Corporate Charity' project and made it to the top levels of corporate charity ratings in Russia. The following awards were won – 'For disclosure transparency' and 'For efficient management of charity programs'. JSC SUEK also came second in the 'Leaders of industrial corporate charity' category and fourth in the overall rating of Russian companies.



### Vanino Bulk Terminal sets a new record

Vanino Bulk Terminal achieved a new monthly record by loading 2.0 million tonnes of coal into ships during November. The port handled 29 ships during the month – the best achievement in the Terminal's history.

## December

### New production facility commissioned in Khakasia

A new joint venture between JSC SUEK and Becker Mining (Germany) was commissioned in Chernogorsky. It is a facility for manufacturing flameproof, high-voltage switchgear for use in underground coal mines. The units are designed to minimise the risk of gas and dust explosion.



### New Russian coal production record in Kuzbass

On 10 December 2014, Vasily Vatokin's team in the November 7th mine set a new Russian record for coal production from a single longwall face in one year – 4.7 million tonnes.



### Office opening in China

In December the Group opened a third Chinese office at Harbin in the north to drive the growth of railway-based business and to strengthen our position in this market. Our other offices in China are in Shanghai and Beijing.