

Leading coal producer in Russia

SUEK Group is the number one coal producer in Russia – twice the size of our largest Russian competitor. We are also the sixth largest coal exporter in the world and one of the ten largest coal groups by reserves, with an estimated 5.5¹ billion tonnes under the JORC Code². We have large-scale open-pit and underground mines in Siberia and far eastern Russia.

 See page 53 for more information on our reserves.

We sell coal to almost 1,500 customers in Russian, Atlantic and Asia-Pacific markets through our extensive sales network. We continue to enhance our position as the largest coal exporter from Russia, focusing particularly on supplying high-quality, premium-priced coal to the growth markets of Asia as well as maintaining our market share in Europe – in 2014 our international sales volumes increased by almost 8%. We are also the largest supplier of thermal coal to the Russian market. We provided 38% of the total Russian thermal coal market in 2014 and 45% of the coal used in the country's electric power industry.

Some of our assets are located in the east of Russia, much closer to the markets of Asia-Pacific than most other Russian coal companies. This gives us a competitive advantage with regards to ease and cost of transportation. Our Tugnuisky open pit is located

2,500 km closer to these markets than the mines of other Russian producers, while our Urgal and Primorye assets are up to 5,000 km closer, delivering savings of around \$2-12 per tonne on transport costs.

The central feature of this integrated business is our logistics and transportation system. This includes our own rail infrastructure and port facilities, which enable us to efficiently deliver both to Russian and international markets. We have increased operational efficiency both in production and washing and continued to focus on managing logistics, especially enhancing the capacity of our port facilities.

In 2014, we had to operate in an extremely challenging market but, despite this, we were able to achieve our targets.

 See more details on our financial performance on pages 74-78.

Mission

Our mission is to help fuel the world by producing coal safely and sustainably whilst delivering value to all our stakeholders. We accomplish this by:

- Reliably supplying high-quality coal products to our customers in Russian and international markets
- Building long-term relationships with suppliers and partners
- Developing the skills and competence of all our human resources
- Contributing to the socio-economic development of the country and of the communities in the regions where we operate
- Protecting the environment and leading the way in environmental standards
- Creating long-term value for our stakeholders

Vision

Our vision is to be one of the world's leading coal companies and to remain the largest coal producer in Russia. We will achieve this through:

- Expanding our existing mining and processing assets
- Investing in further development of transportation and logistics and increasing output from deposits located closest to the target markets
- Innovating across our business

Values

The core values of our business are:

- Safety in all our operations
- Social and environmental responsibility
- Leadership in all areas
- Continuous development and improvement
- Financial and operational growth and stability
- Openness with customers and partners
- Professionalism and integrity in everything we do

¹ The Group's proven and probable reserves, according to the April 2011 report by SRK Consulting, amounted to 5.9 billion tonnes. Including extraction between April 2011 and December 2014, these reserves stood at 5.5 billion tonnes as at 31 December 2014.

² The JORC Code is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, setting standards for public reporting on mineral resources and mineral reserves.