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MEDIA RELEASE



OJSC "KUZBASSKAYA TOPLIVNAYA COMPANY" THIRD QUARTER and NINE MONTHS 2012 OPERATIONAL RESULTS

Kemerovo, Russian Federation - OJSC "Kuzbasskaya toplivnaya company" (RTS/MICEX: "KBTK"), one of the fastest-growing thermal coal producers in Russia, is pleased to announce its operational results for the third quarter 2012 and nine months ended September 30, 2012.

Year To Date Operational Results¹

	9M 2012	% of total	9M 2011	Ch.
Coal production, (mln. tonnes) incl.:	6.33		6.18	2%
<i>Karakansky South</i>	<i>2.25</i>	<i>36%</i>	<i>2.37</i>	<i>-5%</i>
<i>Vinogradovsky</i>	<i>1.20</i>	<i>19%</i>	<i>1.17</i>	<i>3%</i>
<i>Cheremshansky²</i>	<i>2.90</i>	<i>46%</i>	<i>2.66</i>	<i>9%</i>
<i>Sorted coal</i>	<i>4.37</i>	<i>69%</i>	<i>4.03</i>	<i>8%</i>
<i>Washed coal</i>	<i>0.62</i>	<i>10%</i>	<i>0.55</i>	<i>13%</i>
Sales volume³ (mln. tonnes), incl.:	7.27		7.32	-1%
<i>Export sales volume</i>	<i>4.42</i>	<i>61%</i>	<i>4.68</i>	<i>-6%</i>
<i>Domestic sales volume</i>	<i>2.85</i>	<i>39%</i>	<i>2.64</i>	<i>8%</i>
<i>Own coal</i>	<i>6.07</i>	<i>83%</i>	<i>5.99</i>	<i>1%</i>
<i>Coal re-sale</i>	<i>1.20</i>	<i>17%</i>	<i>1.34</i>	<i>-10%</i>
Average selling price, RUB/tonne⁴	1,312		1,202	9%
<i>Average export price</i>	<i>1,347</i>		<i>1,188</i>	<i>13%</i>
<i>Average domestic price</i>	<i>1,257</i>		<i>1,225</i>	<i>3%</i>

During the 9 months of 2012 the Company increased coal production volume by 2% to 6.33 mln. tonnes (9M 2011: 6.18 mln. tonnes). Rising demand for the Company's sorted coal products among Russian and foreign customers resulted in a growth of volume of coal sorted by coal-crushing and screening units by 8% year-on-year to 4.37 mln. tonnes (9M 2011: 4.03 mln. tonnes). The volume of high quality coal produced by "Kaskad-1" washing plant from the mining waste, reached 0.62 mln. tonnes, increasing by

¹ The Company's business is affected by seasonality of thermal coal demand in Russia and globally. This means its quarterly operational results can be subject to significant fluctuations. Historically, the Company has been producing more coal in Q3 and Q4 than in Q1 and Q2 of each year. However, the Company does not guarantee that this trend will continue in the future.

² Including "Kaskad-1" washing plant

³ Sales of the group of companies, subject to the resale of coal purchased from third parties

⁴ Excluding railway tariffs and VAT

13% year-on-year (9M 2011: 0.55 mln. tonnes). Currently 10% of coal produced is provided by washing on the "Kaskad-1" plant.

9M 2012 coal sales volume decreased by 1% to 7.27 mln. tonnes (9M 2011: 7.32 mln. tonnes). The volume of export sales decreased by 6% to 4.42 mln. tonnes (9M 2011: 4.68 mln. tonnes). At the same time, coal sales on the domestic market increased by 8% to 2.85 mln tonnes (9M 2011: 2.64 mln tonnes). The share of export sales in the total sales volume increased to 61% compared to 57% in the same period last year.

The average price of the Company's coal sales during the 9 month of 2012 increased by 9% year-on-year to RUB 1,312 per tonne (9M 2011: RUB 1,202 per tonne). The average price domestic coal price net of VAT and railroad tariffs increased by 3% during the 9 months of 2012 and reached the price of RUB 1,257 per tonne (9M 2011: RUB 1,225). The average export coal price during the 9 month of 2012 was RUB 1,347 per tonne, which is 13% higher than in the same period last year (RUB 1,188 per tonne).

Quarterly Operational Results⁵

	Q3 2012	% of total	Q2 2012	Ch.	Q3 2011	Ch. ⁶
Coal production, (mln. tonnes) incl.:	2.24		1.90	18%	2.44	-8%
<i>Karakansky South</i>	<i>0.78</i>	<i>35%</i>	<i>0.72</i>	<i>8%</i>	<i>0.88</i>	<i>-11%</i>
<i>Vinogradovsky</i>	<i>0.55</i>	<i>25%</i>	<i>0.28</i>	<i>96%</i>	<i>0.55</i>	<i>-</i>
<i>Cheremshansky</i>	<i>0.92</i>	<i>41%</i>	<i>0.91</i>	<i>1%</i>	<i>1.01</i>	<i>-9%</i>
<i>Sorted coal</i>	<i>1.37</i>	<i>61%</i>	<i>1.41</i>	<i>-3%</i>	<i>1.50</i>	<i>-9%</i>
<i>Washed coal</i>	<i>0.21</i>	<i>9%</i>	<i>0.21</i>	<i>-</i>	<i>0.20</i>	<i>5%</i>
Sales volume⁸ (mln. tonnes), incl.:	2.42		2.04	19%	2.81	-14%
<i>Export sales volume</i>	<i>1.36</i>	<i>56%</i>	<i>1.45</i>	<i>-6%</i>	<i>1.61</i>	<i>-16%</i>
<i>Domestic sales volume</i>	<i>1.06</i>	<i>44%</i>	<i>0.59</i>	<i>80%</i>	<i>1.20</i>	<i>-12%</i>
<i>Own coal</i>	<i>2.10</i>	<i>87%</i>	<i>1.80</i>	<i>17%</i>	<i>2.34</i>	<i>-10%</i>
<i>Coal re-sale</i>	<i>0.32</i>	<i>13%</i>	<i>0.24</i>	<i>33%</i>	<i>0.47</i>	<i>-32%</i>
Average selling price, RUB/tonne⁹	1,301		1,271	2%	1,229	6%
Average export price	1,333		1,259	6%	1,191	12%
Average domestic price	1,259		1,302	-3%	1,280	-2%

In the Q3 2012 the Company in line with its plans increased the volume of production and sales of coal. During Q3 2012 it was produced 2.24 mln. tonnes of coal, up 18% quarter-on-quarter (Q2 2012: 1.90 mln. tonnes). This significant increase in production associated with the seasonal increase in demand for coal in Russia before the heating season. The volume of coal sorted by coal-crushing and screening units, which produce screened and sorted coal products with high added value, decreased 3% quarter-on-quarter to 1.37 mln tonnes (Q2 2012: 1.41 mln. tonnes). The volume of washed coal production on "Kaskad-1" washing plant remained at the level of Q2 2012 (0.21 mln tonnes). Compared to the same period 2011, the volume of washed coal production increased by 5% (Q3 2011: 0.20 mln. tonnes).

Due to the traditional growth in trading activity in the Russian market of thermal coal before the heating season, the company's sales in the Q3 rose by 19% to 2.42 mln. tonnes of coal (Q2 2012: 2.04 mln.

⁵ The Company's business is affected by seasonality of thermal coal demand in Russia and globally. This means its quarterly operational results can be subject to significant fluctuations. Historically, the Company has been producing more coal in Q3 and Q4 than in Q1 and Q2 of each year. However, the Company does not guarantee that this trend will continue in the future.

⁶ Percentage change, Q2 2012 compared with Q2 2011

⁷ Including "Kaskad-1" washing plant

⁸ Sales of the group of companies, subject to the resale of coal purchased from third parties

⁹ Excluding railway tariffs and VAT

tonnes). Quarterly growth of coal sales was higher than growth of production since the Company increased its resale of coal purchased from third-party companies by 33% - from 0.24 mln tonnes to 0.32 mln. tonnes. This type of coal is mainly sold through Company's retail network in Western Siberia.

Domestic sales grew by 80% (Q2 2012: 0.59 mln. tonnes) and reached 1.06 mln tonnes of coal. The company is actively implementing measures to enhance domestic market, where profitability of supply could be higher than the export markets. In the Q3 to the retail network added five new sales points of OJSC "Altay Fuel Company"¹⁰ in the Altai region. The total number of retail sales points in the four regions of Western Siberia is 76 units. In the Q3 2012, retail customers were about 100,000 individuals and more than a thousand corporates.

In the Q3, the volume of exports decreased by 6% to 1.36 mln tonnes (Q2 2012: 1.45 mln tonnes). For the quarter the share of exports in total sales of coal fell from 71% to 56%.

In the Q3 2012, the average selling price of coal has increased by 2% compared with the previous quarter and reached RUB 1,301 per tonne (Q2 2012: RUB 1,271 per tonne). Compared with the same period 2011, the average selling price of coal has increased by 6% (Q3 2011: RUB 1,229 per tonne). The average domestic coal price net of VAT and railroad tariffs decreased by 3% quarter-on-quarter and reached RUB 1,259 per tonne (Q2 2012: RUB 1,302). The average export price net of railroad tariffs in Q3 increased by 6% to RUB 1,333 per tonne from 1,259 per tonne. The average export price in the Asia-Pacific region was RUB 1,287 per tonne, showing a decline of 8% compared to the Q2 2012 (RUB 1,400 per tonne) and an increase of 3% compared with the Q3 2011 (RUB 1,254 per tonne). The average sales price in the European market grew by 14% compared to the Q2 2012 (RUB 1,115 per tonne) and amounted RUB 1,267 per tonne.

The Company plans to release its unaudited interim 9M 2012 IFRS Statements on November 26, 2012. Conference call to discuss the financial results will be held on the same day at 17.00 Moscow time (GMT +4.00), at 14.00 London time (GMT +0.00) and 9.00 New York City time (GMT -4.00). Details of the conference call will be published separately.

¹⁰ Subsidiary of OJSC "Kuzbasskaya toplivnaya company" operating wholesale and retail coal sales in Altay Region

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Additional information about the Company and investor calendar: www.oaoktk.ru/en/investors

Company Overview

OJSC "Kuzbasskaya toplivnaya company" ("KTK" or the "Company") is one of the fastest-growing thermal coal producers in Russia. In terms of 2011 production volume¹¹, it was ranked 7th among the largest thermal coal producers in the country. In the twelve years since its establishment, the Company has commissioned and launched three open-pit mines and a washing plant, achieving annual production volume of 8.74 mln. tonnes of coal in 2011.

The Company's JORC coal resources totaled 402 mln. tonnes of ROM coal as of January 1, 2011 and proven and probable reserves amounted to 185 mln. tonnes of ROM coal, recoverable during the period of 2011-2030. In December 2011 the Company won an auction for the right to use subsurface of "Bryansky" coal deposit with reserves of 250 mln. tonnes of coal in the C2 category. The surface mine is located in close proximity to existing infrastructure and production assets.

The Company produces exclusively thermal coal, classified as grade "D" under the Russian classification system, with a naturally low sulphur and phosphorus content, as well as a relatively high calorific value.

The Company conducts mining operations at three open-pit mines, located in the Kuzbass area, Russia's largest coal producing region. The Company's mining operations are supported by an extensive production and logistics infrastructure, including its own railway network and facilities, which enable the Company to transport 100% of produced coal from the open-pit mines to the main railway hub at the long-distance railway network, operated by the Russian Railways. Furthermore, as the Company's mines are compactly located within 5 km from each other, a number of operations are conducted centrally, thereby minimizing overhead costs and expenses.

In 2011, the Company's total coal sales amounted to 10.66 mln. tonnes of coal, of which 8.58 mln. tonnes were produced by the Company and 2.08 mln. tonnes were retailed after purchasing from other coal producers. The Company maintains a diversified sales structure balanced between export and

¹¹ Metal Expert, January 2012

domestic sales: in 2011 about 39% of total sales were sold to domestic consumers and approximately 61% exported, primarily to Eastern Europe and the Asia-Pacific region.

The Company's strong regional presence is supported by an extensive retail distribution network, located throughout the Kemerovo, Novosibirsk, Omsk and Altay regions of Western Siberia. As of September 30, 2012, the Company's distribution network included 76 owned and operated points of sale and delivered 2.21 mln. tonnes of coal for 9M 2011, positioning KTK as one of the principal suppliers of coal to retail customers in Western Siberia.

65.61% of share capital is owned by the management (I. Prokudin – 50.001%, V. Danilov – 15.61%), free-float – 34.39% is distributed between 25 investment funds and individuals (about 0.31%).

FY 2011 Financial Highlights

- Revenue increased by 69% to RUB 23,939 mln. (2010: RUB 14,160 mln.)
- EBITDA¹² – RUB 3.911 mln. (2010: RUB 2,134 mln.)
- EBITDA margin – 16.3% (2010: 15.1%)
- Net income – RUB 2,018 mln. (2010: RUB 823 mln.)
- Net income margin – 8.4% (2010: 5.8%)

¹² EBITDA for each period is defined as results from operating activities, adjusted for amortization and depreciation, impairment loss and loss on disposal of property, plant and equipment. EBITDA is not a measurement of the Company's operating performance under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of the Company's liquidity.