KTK
Kuzbasskaya Toplivnaya Company

Citi's Metals & Mining One-on-One Conference

Presentation

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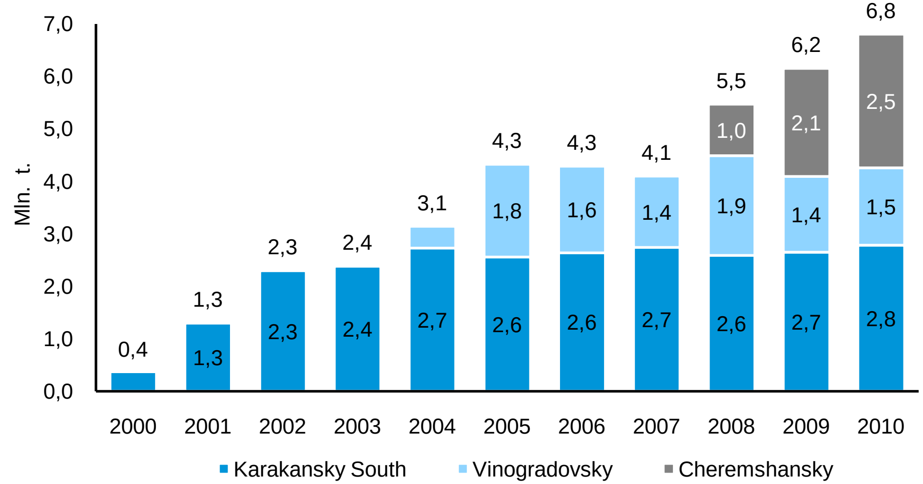
I.KTK at a glance

- One of the fastest-growing thermal coal producers in Russia.
- One of major suppliers of coal in Western Siberia.
- In 2010 the Company became 7th largest coal producer in Russia.[1]
- Since its establishment in 2000, the Company has launched 3 open-pit mines and developed an extensive production and distribution infrastructure:
  - ▲ 6.80 mln. t. of thermal coal produced in 2010;
  - ▲ 100% high-quality grade "D" thermal coal under Russian classification;
  - ▲ 402 mln. t. of coal resources and 185 mln. t. of proven and probable reserves[2];
  - ▲ Structural capacity[3] of 11 mln. t.;
  - ▲ Developed railway network and facilities;
  - ▲ Enrichment plant with 2 mln. t. input capacity.
- Utilization of modern and high-performance equipment fleet supporting efficient low-cost production - US$17 per t. of coal VS US$26 per. t. average in Russia.[4]
- Diversified sales capabilities balanced between domestic market (4.8 mln. t. sold in 2010) and export markets (3.7 mln. t.).
- One of the largest retail coal distribution networks in Western Siberia.
- Employing about 4,000 people.
- KTK shares are quoted on RTS and MICEX (ticker: KBTK).
- 66% of share capital is owned by the management (I. Prokudin - 50%, V. Danilov – 16%), free-float – 34%.

Coal production history with open-pit mine breakdown



Source: Company

Key operating and financial indicators[1]

US$ Mln.	2008	2009	2010
Coal sales (mln.t.)	7.5	7.4	8.5
incl. purchased coal	2.3	1.4	2.2
Revenue	344	336	466
% of growth	*128%*	*-2%*	*39%*
EBITDA[2]	87	69	70
% margin	*25%*	*20%*	*15%*
Net Income	44	21	27
% margin	*13%*	*6%*	*6%*

Source: audited IFRS FS for 2009-2010 in which all amounts are presented in RUR, Company

(1) - In the table US$ are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)

(2) - 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

(1) - Metal Expert, January 2011

(2) - Run-of-mine coal, JORC classification;

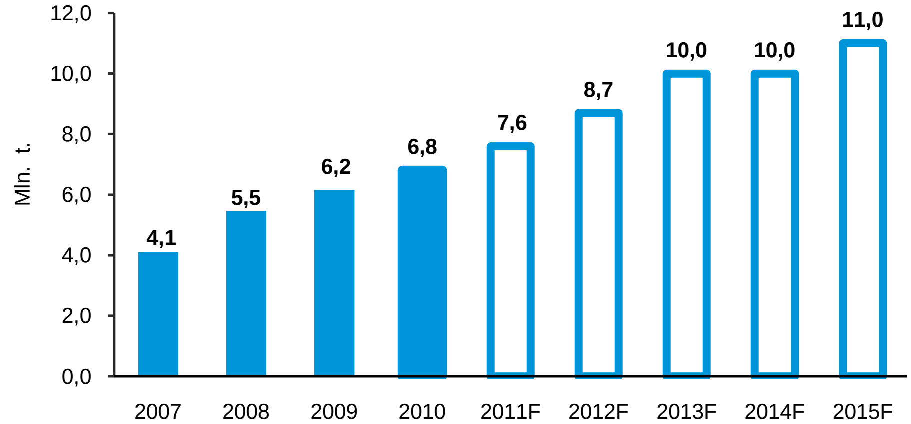
(3) - Here and further the presentation structural capacity means the maximum production capacity that the Company believes could be achieved (taking into account projected stoppages for planned repair and maintenance) in an annual period if the Company were able to process all the coal that could be mined using the Company's existing mine facilities after acquisition of certain mining and transportation equipment in accordance with its current capital expenditure program

(4) - AME Mineral Economics, Thermal Coal Cost Report 2010, for KTK – Company

II. Production growth prospects

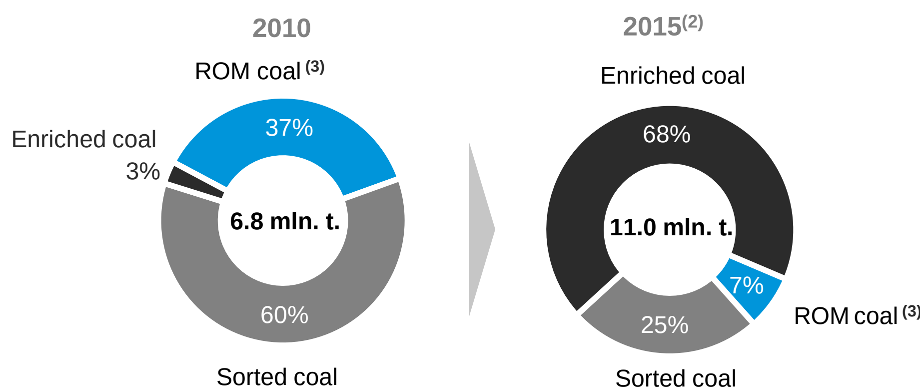
- The Company has established a well-developed production, logistics and distribution infrastructure required to sustain production capacity of the existing mining facilities – 11 mln. t. per year
  - ▲ Modern high-performance mining and transportation equipment (Komatsu, P&H and BelAZ);
  - ▲ 100% of coal transported to the Russian Railway network by the Company's own railway company (70 km of railroads, 6 railway stations, 12 mln. t. p.a. capacity);
  - ▲ Own repair and maintenance services;
  - ▲ Own power infrastructure.
- The intra-year volatility of production and stripping ratio, driven by a seasonality of Russian coal market should become lower with the growth of export volumes.
- Further expansion of the production will be based on existing facilities, licenses, and infrastructure and will not require significant capital expenditure, other than into additional mining and transportation equipment. The total value of Company's investment program for 2011-2015 is RUR 8.6 bln. (US$ 287 mln.).
- In Q3 2010 the Company has commissioned its 1st coal enrichment plant with 2 mln. t. annual capacity. Furthermore, in the period of 2012-2013, the Company plans to commission another 2 coal enrichment facilities that will increase the total installed annual capacity to 10.1 mln. t.

Historical production volume and attainment of structural capacity(1)



Source: Company

Targeted production composition



Source: Company

(1) - subject to production on 3 current open-pit mines

(2) - subject to the attainment of the structural capacity by 2015 and CAPEX plan

(3) - Run-of-mine coal, ready for sale upon extraction without any processing

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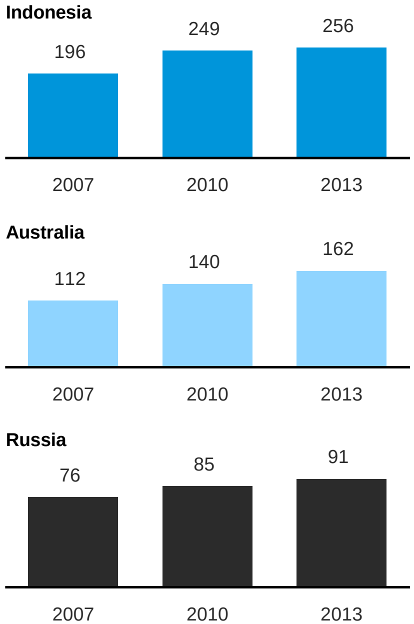
Section III

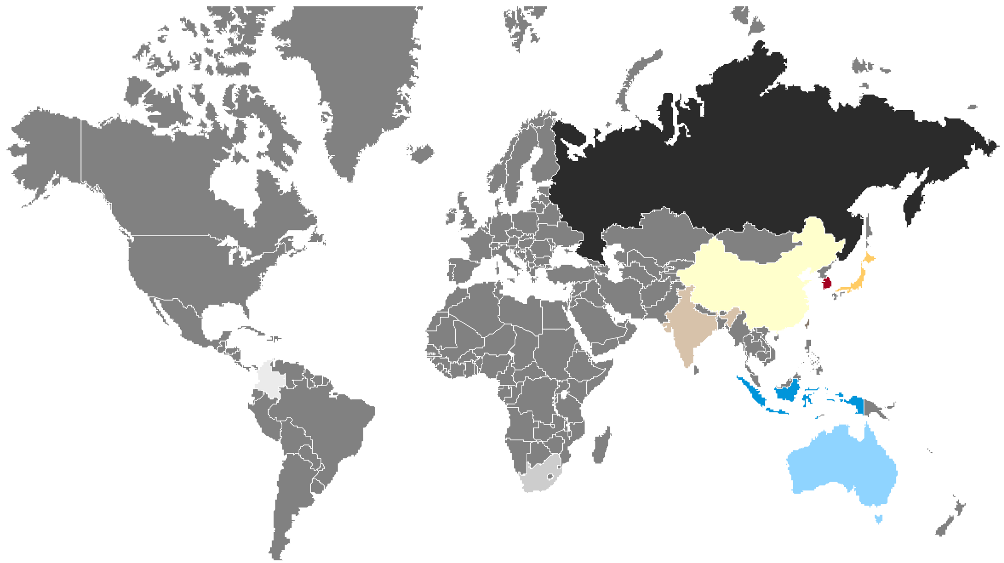
Market overview

III. Thermal coal – global industry overview and prospects

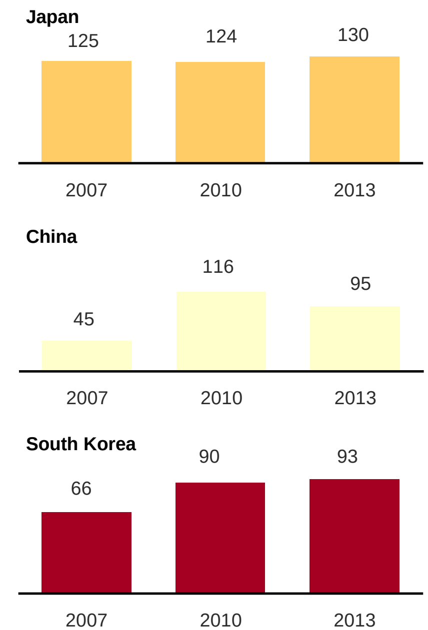
- Japan and China are expected to continue their dominance in the traded thermal coal market. Their combined market share of thermal coal demand is expected to remain close to 40%.
- Indonesia and Australia are expected to remain the major suppliers with the combined share of world thermal coal export of around 50%.

Export (Mln. t.)



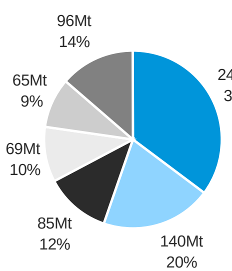


Import (Mln. t.)

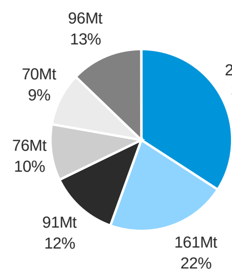


Global thermal coal export split evolution

2010

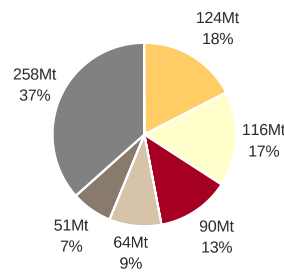


2013

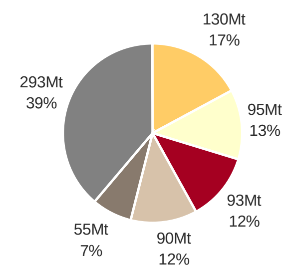


Global thermal coal import split evolution

2010



2013



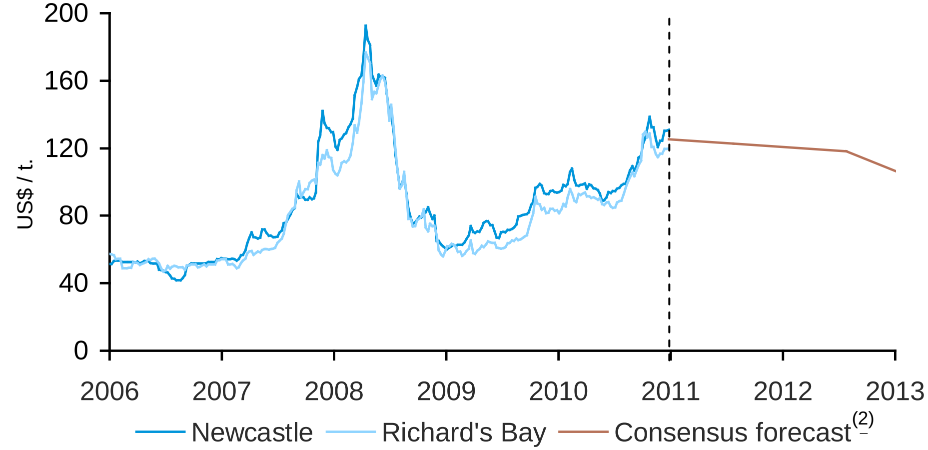
Indonesia | Australia | Russia | South Africa | Colombia | Japan | China | South Korea | Taiwan | India | RoW

Source: UBS Research

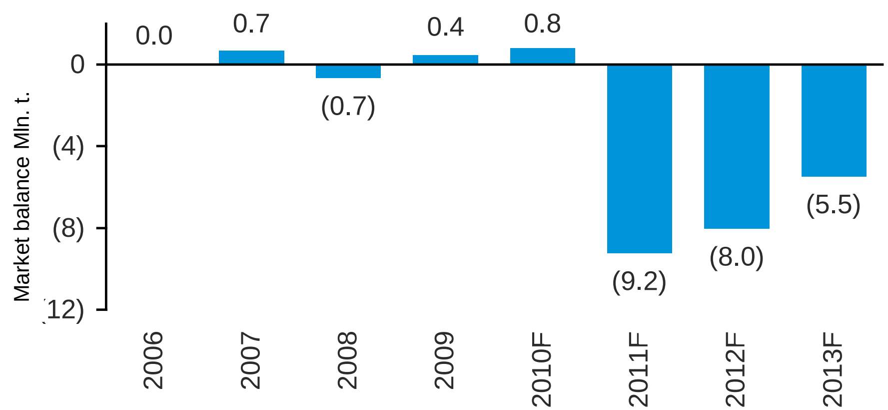
Industry fundamentals outlook

- Global traded thermal coal demand is forecasted to lift 2.4% in 2011 and 2-3% per year out to 756 mln. t. in 2013:
  - India's import is expected to increase at 12% per year to 90 mln. t in 2013 and is a dominant growth driver;
  - China's net imports increased 171% in 2009 to 92 mln. t. and further increased to 116 mln. t. in 2010:
    - Expected to ramp up domestic coal production capacity undermining demand for coal imports.
  - Japan's power sector consumes 18% of the thermal coal's trade:
    - Short-term downside following earthquake damage to some facilities – 2% of seaborne's trade is at risk;
    - Longer-term potential uplift in demand due to partial switch away from nuclear.
- Global thermal coal supply is forecasted to lift only 1% in 2011; next three years CAGR expected at 2.1%:
  - Dominated by Indonesia and Australia which account for 55% of global exports;
  - Indonesia's wet season and Australian infrastructure issues still constraining supply growth;
  - Supply side likely to respond to the market's relatively high stable prices as key infrastructure issues are resolved.
- Main drivers of merchant market balance:
  - Continuing rail constraints in Australia and South Africa and barging constraints in Indonesia;
  - China domestic production – high cost, but remains a big swing factor;
  - Indonesia and South Africa may need to redirect exports to domestic markets to meet growing domestic demand.

Thermal coal prices



Supply/demand balance (1)



Source: UBS Research, Broker notes

Notes:

1 Defined as traded supply less traded demand

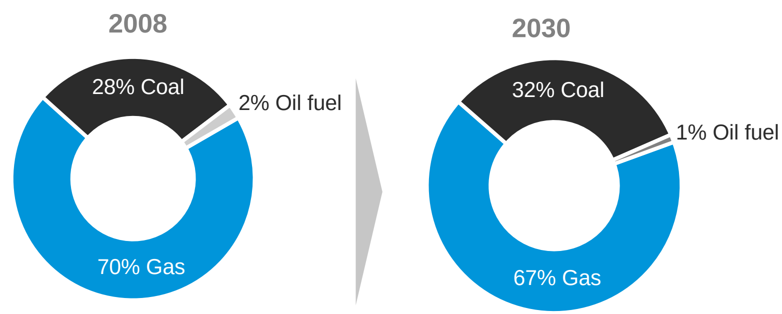
2 Average of forecasts from 8 brokers

III. Thermal coal – Russian industry overview and prospects

- Rising share of thermal coal in the Russian fuel balance:
  - Share of coal in the Russian fuel balance is expected to increase due to the rising power generation, gas export and liberalization of the domestic gas prices.

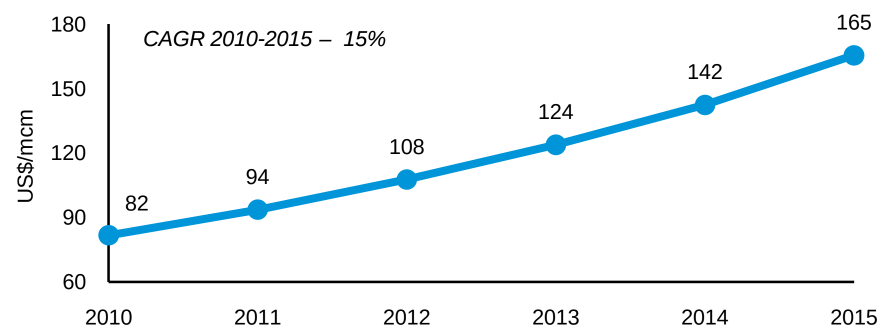
- Liberalization of domestic gas and electricity markets:
  - Potential increase of domestic gas prices to export net-back parity level and growth of gas exports.
  - Domestic liberalization of power generation market may lead to growth in coal prices.

Fuel consumption by the Russian power generation



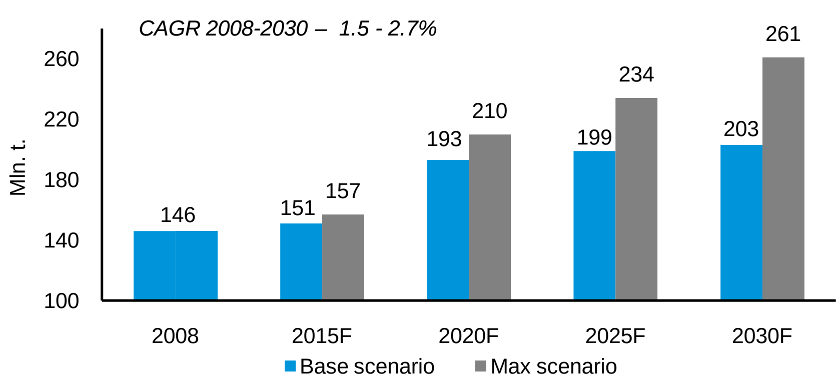
Source: Russian Energy Balance Forecasting Agency, November 2010, Base scenario

Domestic wholesale gas price forecast



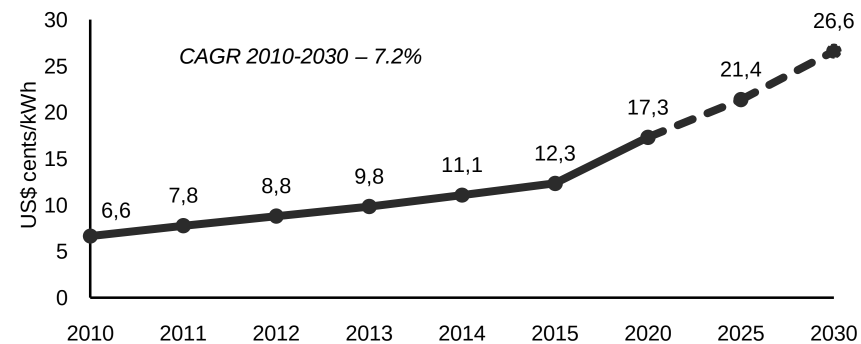
Source: UBS, 2011

Coal consumption by the Russian power generation



Source: Russian Energy Balance Forecasting Agency, November 2010

Electricity price forecast in Russia



Source: Russian Energy Balance Forecasting Agency, 2010
Note: converted from RUR to US$ at exchange rate 30.38 RUR/US$ for 2010, 30 RUR/US$ for 2011-2030

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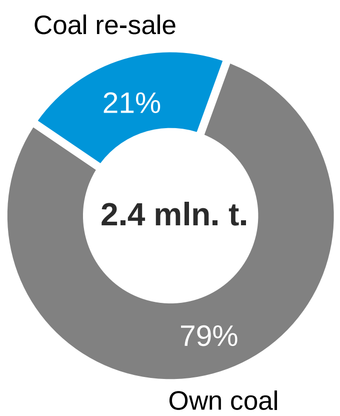
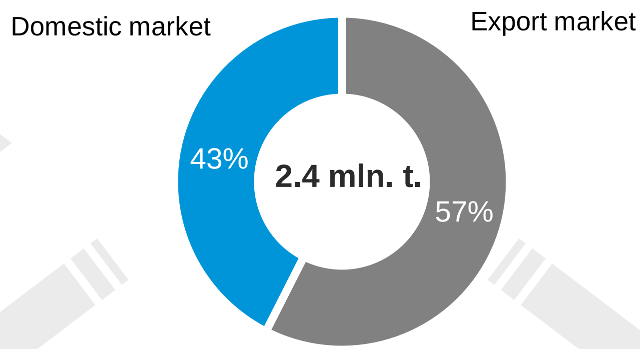
Section IV

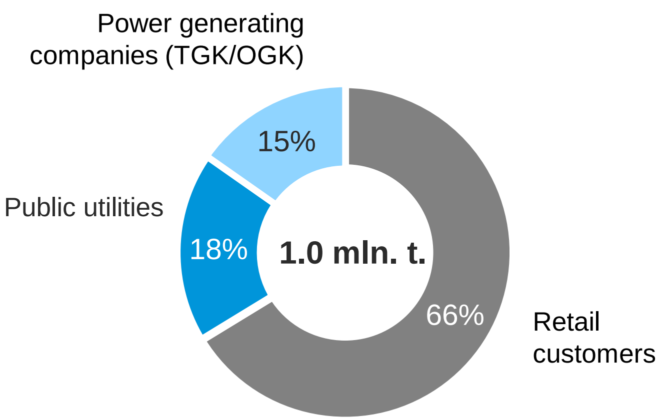
Sales and distribution

IV. Q1 2011 Coal sales breakdown

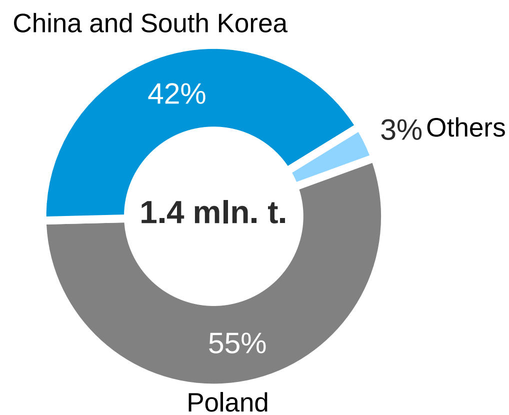


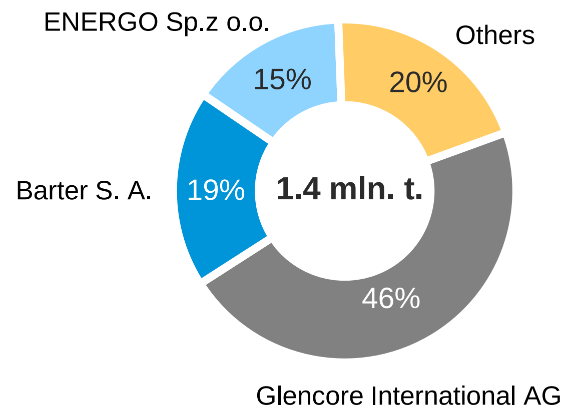


Domestic market



Export

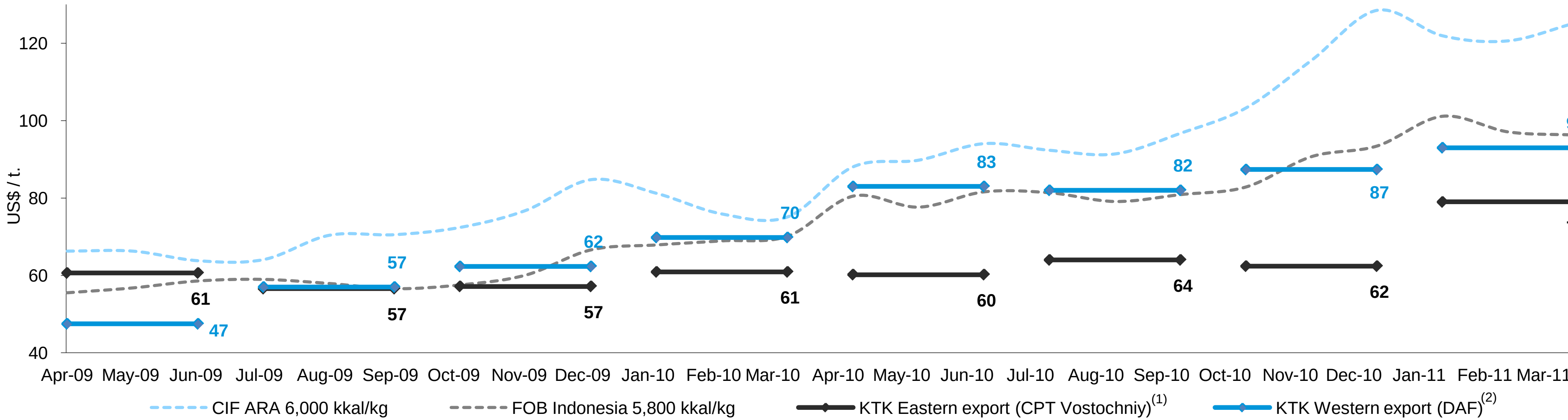




Source: Company

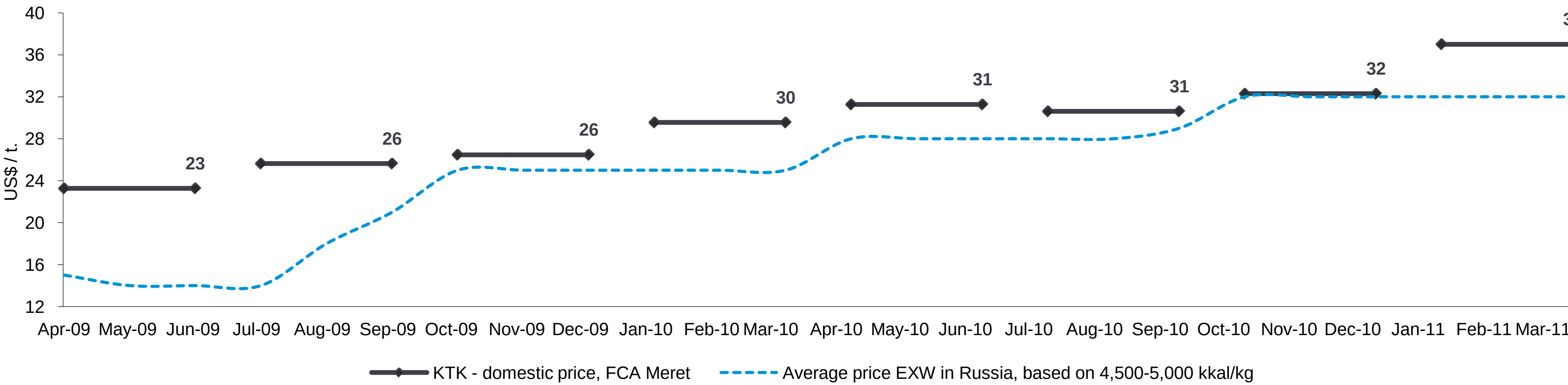
IV. Average realised prices VS benchmarks

KTK realized export prices vs. international FOB and CIF benchmarks, US$/t



Source: Company, Argus for FOB Indonesia and CIF ARA

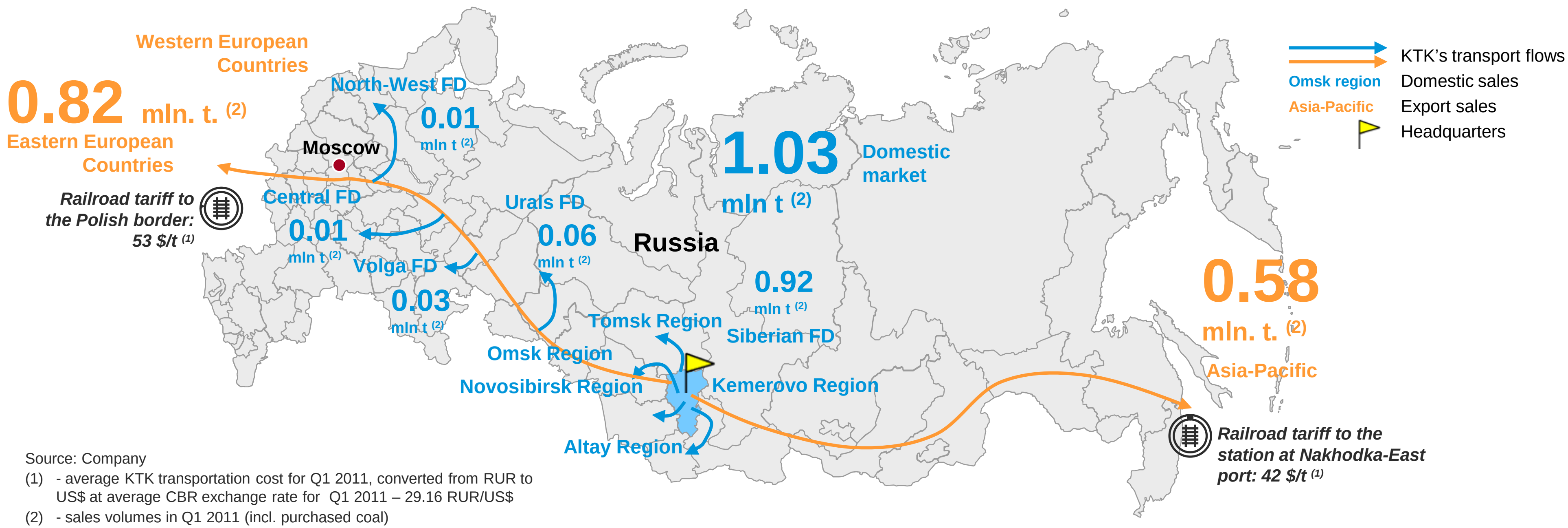
KTK FCA prices vs. Russian EXW benchmark, $US/t



Source: Company, Metal Expert for average EXW prices in Russia

(1) - Average KTK realized Eastern shipments price CPT Vostochniy
(2) - Average KTK realized quarterly Western shipments price DAF, excluding shipments to Ukraine

IV. Distribution map

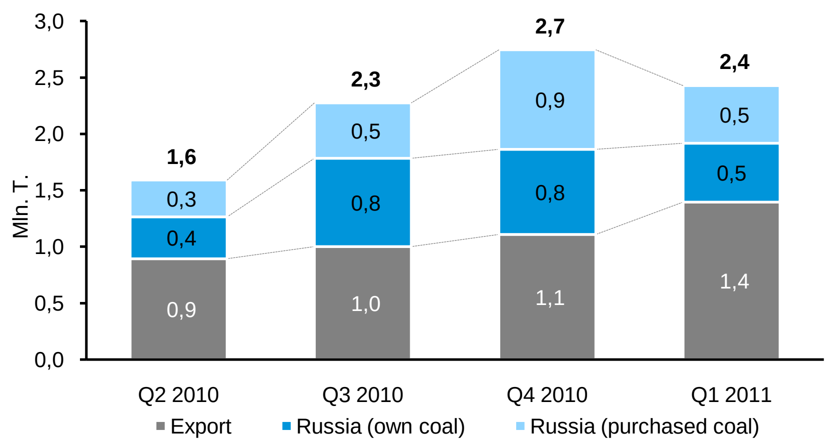


Source: Company

(1) - average KTK transportation cost for Q1 2011, converted from RUR to US$ at average CBR exchange rate for Q1 2011 – 29.16 RUR/US$

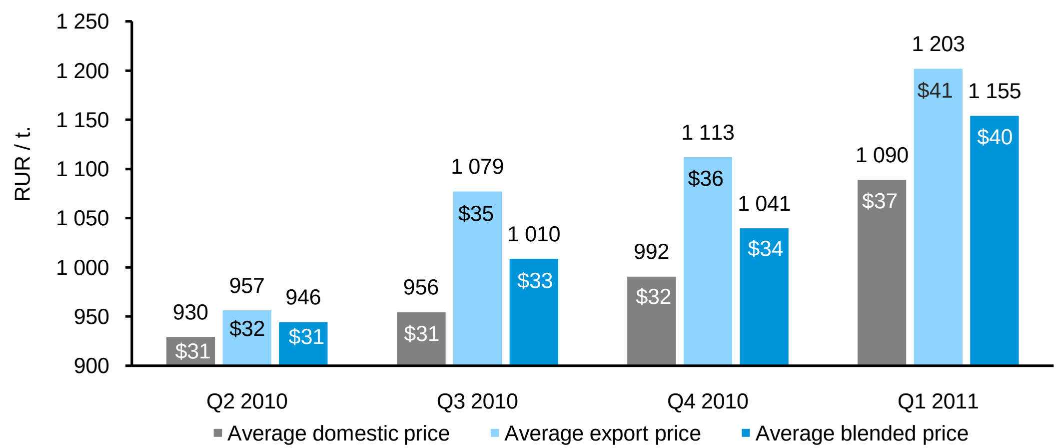
(2) - sales volumes in Q1 2011 (incl. purchased coal)

Quarterly coal sales breakdown by market



Source: Company

Average quarterly domestic and export prices comparison (1)



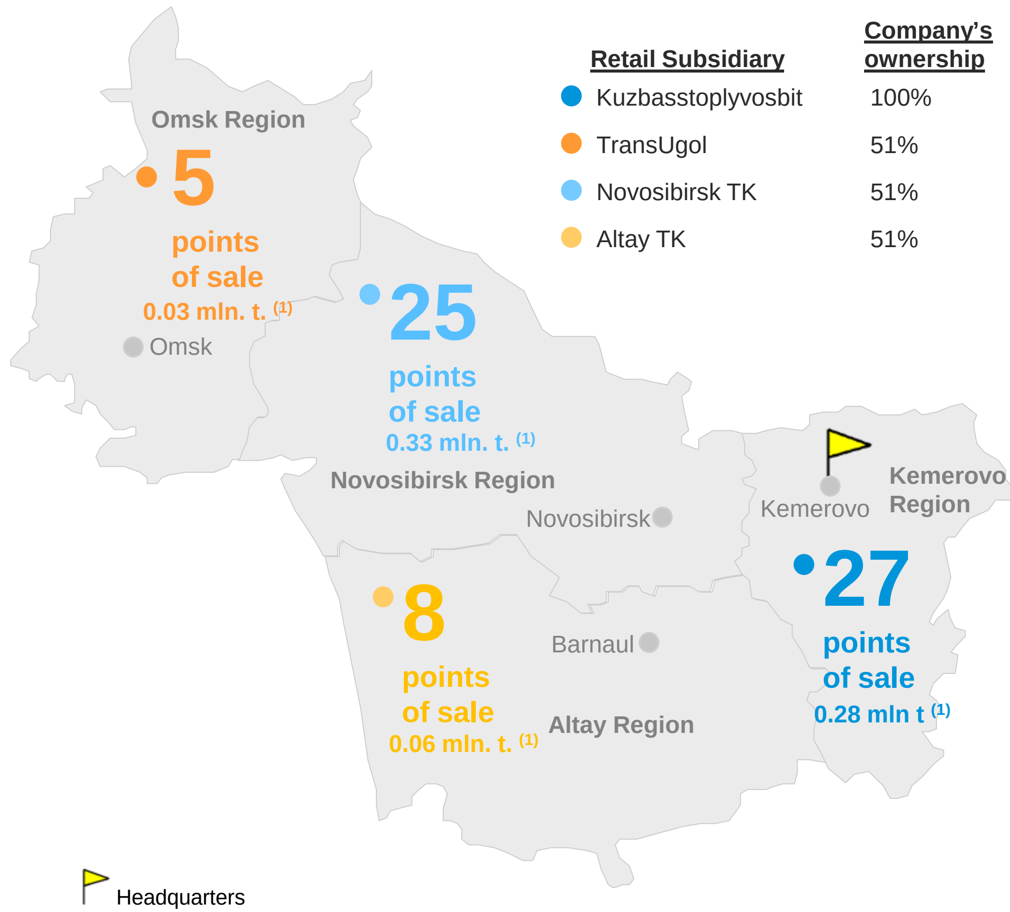
Source: Company

(1) - prices are net of VAT and railroad tariffs; domestic prices include costs associated with retail distribution network; prices are converted to US$ using average Central Bank of the Russian Federation exchange rates for each quarter (Q2 2010: 30.24 RUR/US$; Q3 2010: 30.62 RUR/US$; Q4 2010: 30.72 RUR/US$; Q1 2011: 29.16 RUR/US$)

IV. Retail network

- Since its establishment, the Company has been continuously expanding and building its retail sale and storage network:
  - own 65 points of sale as at the end of Q1 2011;
  - additional points of sale planned to be acquired or established.
- Wide distribution network and strong regional presence position the Company as one of the principal suppliers of coal to retail costumers, municipalities, and public utilities in Western Siberia.
- When export prices are high, the Company uses lower quality third-party coal to satisfy domestic demand, while shifting its own higher quality coal to export markets.

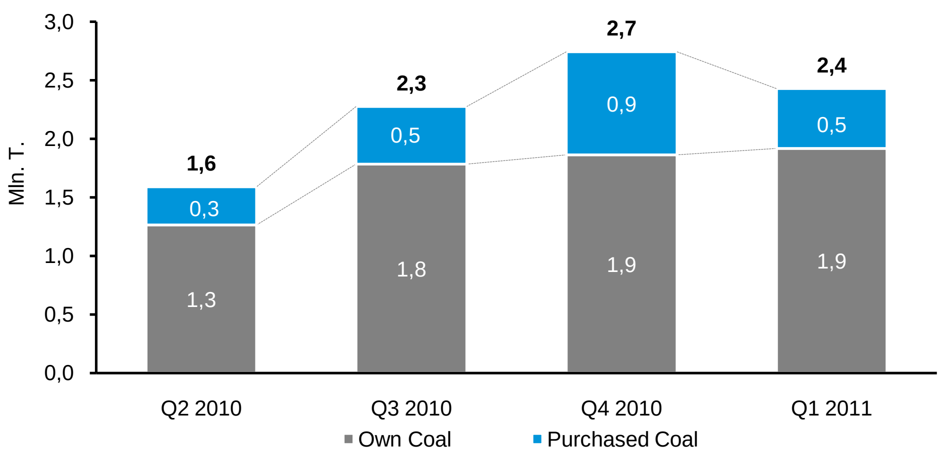
Retail network in Western Siberia in Q1 2011



Source: Company

(1) - including coal re-sale

Quarterly breakdown of sales by produced and resold coal



Source: Company

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Section V

Business strategy and investment program

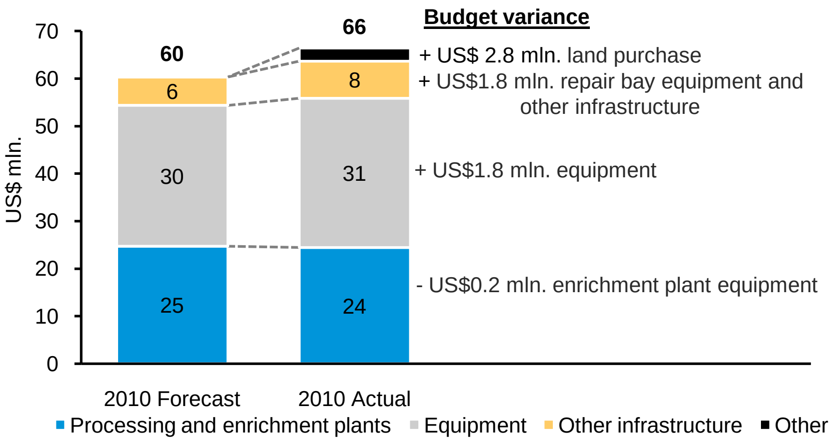
V. Key strategic directions

Further Production Growth	Further production growth at existing mines supported by existing infrastructure capacity. Expansion of coal reserves through reclassification of existing resources, development of deeper deposits at existing mines, in tenement drilling and acquiring new licenses in the region.
Enhancement of Product Quality and Entering New Markets	Coal quality enhancement through construction of 3 coal processing and enrichment facilities utilizing steeply inclined and dense-medium separation processes with an aggregate input capacity of 10.1 mln. t. per year. Focus on value-added products with higher profitability margins. Entering new export markets with more stringent coal quality requirements.
Further Strengthening of Distribution and Sales Capabilities	Strengthening of regional presence through further expansion of retail network, broadening product range and improving customer services. Widening export capabilities through signing contracts with major global coal traders and power companies, and establishing trading representatives at key locations abroad.
Cost Optimization and Efficiency Improvements	Further upgrade of mining equipment and optimization of labor, administrative and overhead costs. Hedging against transportation costs by entering into long-term leasing contracts for railway cars with JV “Kuzbasskaya Transportnaya Company”. By 2012 the Company plans to export the major volume of coal in railroad cars rented from JV at a 10-year fixed price, thus hedging rent rates growth and railroad cars availability risks.
Further Enhancement of Corporate Governance	Focus on transparency and refining the Company’s corporate governance. Introducing BoD Investment and Strategy Committee in 2011.

V. Investment program

- Investment program in 2010 composed US$66 mln. net of VAT. The largest investment items included:
  - Construction of KNS enrichment plant #1 with 2 mln. t. annual capacity and covered storehouse for its output – US$24 mln.;
  - Construction of repair bay for trucks - $US6 mln.;
  - Mining equipment and machinery (shovels, trucks, loaders, etc.) - $US31 mln.
- In 2011-2015 there will be 2 major investment categories:
  - Continued procurement of mining equipment to increase production at the existing open-pit mines;
  - construction of 2 new coal processing and enrichment facilities to improve coal quality and raise production efficiency.
- Enrichment facilities launching schedule:
  - Enrichment plant #2 (KNS and Dense-medium technology) with 3.6 mln. t. annual capacity planned to be launched in 2012;
  - Enrichment plant #3 (Dense-medium technology) with 4.5 mln. t. annual capacity planned to be launched in 2013.

Actual VS Planned CAPEX 2010[1]



Source: Company

(1) - US$ are converted from RUR using average Central Bank of the Russian Federation exchange rate for 2010 (30.38 RUR/US$)

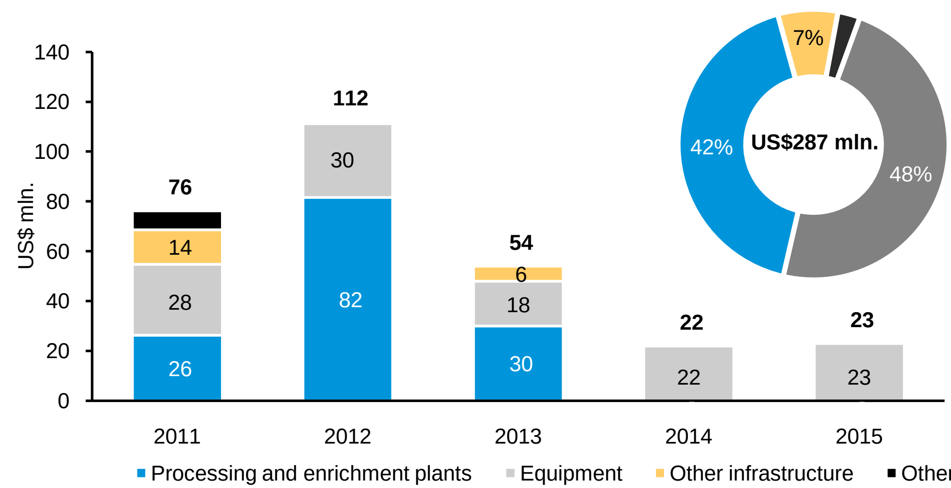
(2) - net of VAT, US$ are converted from RUR using 30 RUR/US$ exchange rate

1 Equipment procurement plan

		31 December 2010	CAPEX '11-'15
	**Shovels** (P&H, Komatsu, EO)	31 (2 P&H)	19 (1 P&H)
	**Trucks** (BelAZ)	89	63
	**Dozers** (Komatsu and others)	24	15
	**Loaders** (Komatsu and others)	34	16
	**Drill Rigs** (Ingersoll Rand)	3	3

Source: Company

2 CAPEX forecast breakdown, 2011-2015[2]



Source: Company

Section VI

Operational and financial highlights

VI. Operational highlights 2010

Growth of coal extraction and processing	During 2010 coal production increased by 11% YOY to 6.80 mln. tonnes (2009: 6.15 mln. tonnes). The Company hit its production target. The coal sorting volume increased by 33% YOY to 4.10 mln. tonnes (2009: 3.08 mln. tonnes).
Launching of KNS enrichment plant	In Q3 2010 the company launched its first enrichment plan based on steeply inclined separators technology (KNS) with total annual capacity of 2 mln. t. The plant enriches unsellable diluted rock mass and high ash coal into export quality coal. During Q4 the Company's first KNS enrichment plant started to run at full capacity, the total volume of enriched coal produced in 2010 amounted to 200 th. tonnes.
Boost of coal sales volume and increase of average realised price	The volume of coal sales in 2010 increased by 15% YOY and reached 8.54 mln. tonnes (2009: 7.41 mln. tonnes). The average realized price for 2010 increased by 14% YOY to US$ 32 per tonne(1) (2009: US$28 per tonne).
Expected increase of key production cost drivers	During 2010 the stripping ratio increased by 2% YOY to 7.3x (2009: 7.1x). The blasted rock mass grew by 18% to 25.4 mln. cbm. (2009: 21.5 mln. cbm.). The average stripping transportation distance extended by 16% YOY to 2.7 km (2009: 2.3 km).
Implementing of transportation cost hedging policy	The Company created JV company "Kuzbasskaya Transportnaya Company" in partnership with one of leading Russian railroad transport operators and and started to rent railroad-cars managed by the JV for a fixed price. At the end of 2010 the Company rented about 2.2 th. of railroad cars from "Kuzbasskaya Transportnaya Company".

(1) - excl. VAT, Russian Railways tariff (FCA Meret, incl. KTK retail margin), converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)

VI. Operational highlights Q1 2011

Seasonal decrease in coal extraction QOQ, but growth YOY	In Q1 2011 the Company produced 1.83 mln. tonnes of coal, decreasing production volume by 17% QOQ (Q4 2010: 2.21 mln. tonnes). The volume of coal production increased by 22% YOY (Q1 2010: 1.50 mln. tonnes).
Sorted coal volumes stability QOQ and growth YOY	The volume of coal sorted by coal-crushing and screening units remained constant with the level of Q4 at 1.17 mln. tonnes (Q4 2010: 1.16 mln. tonnes). Compared to a result of Q1 2010 (0.91 mln. tonnes) the volume of sorted coal increased by 30%.
Seasonal QOQ decrease in coal sales volume, but growth in average realised price	The volume of coal sales in Q1 2011 decreased by 12% QOQ to 2.43 mln. tonnes (Q4 2010: 2.75 mln. tonnes). Compared to Q1 2010 coal sales increased by 26% from 1.93 mln. tonnes. In Q1 2011 the average price of coal increased by 17% QOQ to US$ 40 per tonne (1) (Q4 2010: US$ 34 per tonne (1)). Compared to a net average price of Q1 2010 (US$ 29 per tonne (1)), the price in the reported quarter increased by 35%.
Key production cost drivers growth	The quarterly average stripping ratio increased by 32% QOQ to 8.0x (Q4 2010: 6.1x) and by 25% YOY (Q1 2010: 6.4x) The blasted rock mass increased by 7% to 7.2 mln. cbm. (Q4 2010: 6.8 mln. cbm.) and by 12% YOY (Q1 2010: 6.4 mln. cbm.) The average stripping transportation distance extended by 10% QOQ to 2.6 km. (Q4 2010: 2.4 km.), but decreased by 6% YOY (Q1 2010: 2.8 km.)
Transportation costs hedging policy execution	During Q1 2011 the Company's JV "Kuzbasskaya Transportnaya Company" increased its fleet from 2.2 th. to 2.7 th. of railroad cars. These cars are rented by KTK at a long-term fixed price.

(1) - excl. VAT, Russian Railways tariff (FCA Meret, incl. KTK retail margin), converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (Q1 2010: 29.85 RUR/US$; Q4 2010: 30.72 RUR/US$; Q1 2011: 29.16 RUR/US$)

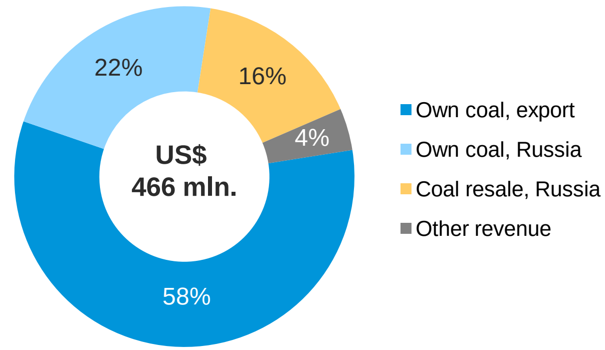
VI. 2010 Financial highlights. Revenue

Key financial indicators (1)

US$ mln.	2008	2009	2010
Revenue	**344**	**336**	**466**
Growth rate		*-2%*	*39%*
Cost of sales	(245)	(255)	(377)
Gross profit	99	81	89
Gross profit margin	*29%*	*24%*	*19%*
SG&A and other expenses	(33)	(34)	(44)
EBITDA(2)	**87**	**69**	**70**
EBITDA margin	*25%*	*20%*	*15%*
Operating profit (EBIT)	66	46	45
Operating margin	*19%*	*14%*	*10%*
Net income	**44**	**21**	**27**
Net income margin	*13%*	*6%*	*6%*
Gross debt	123	128	73
Net debt	**115**	**125**	**58**

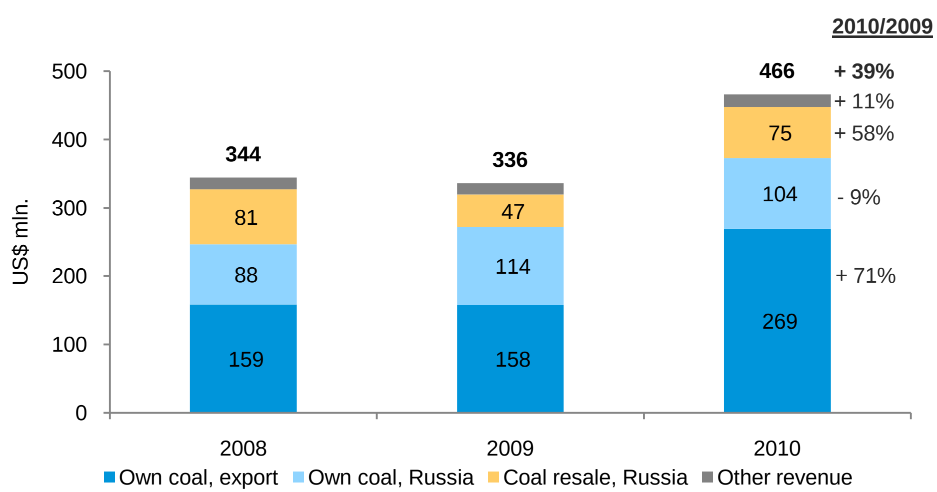
Source: audited 2009, 2010 IFRS FS in which all amounts are presented in RUR

2010 Revenue breakdown by segments (1)



Source: audited 2010 IFRS FS in which all amounts are presented in RUR

Segment revenue dynamics (1)



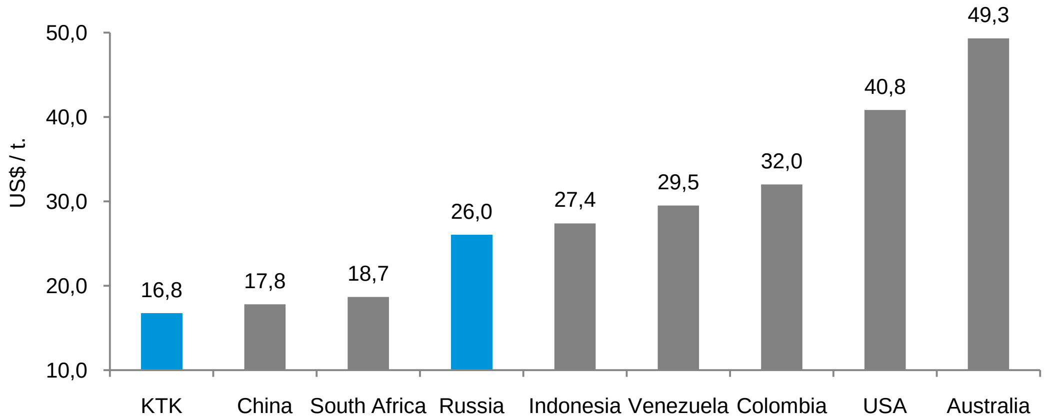
Source: audited 2009, 2010 IFRS FS in which all amounts are presented in RUR

(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$) and year end Central Bank of the Russian Federation exchange rates (2008: 29.38 RUR/US$; 2009: 30.24 RUR/US$; 2010: 30.48 RUR/US$)

(2) - 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

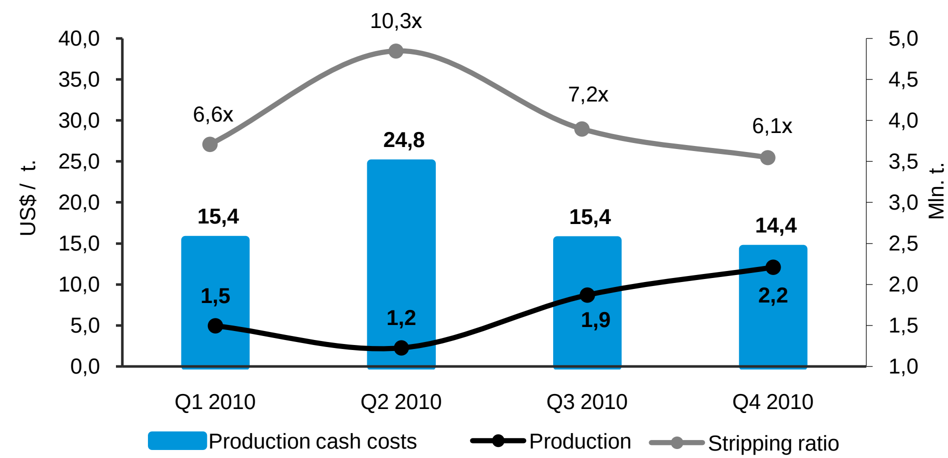
VI. 2010 Financial highlights. Production cash costs

Production cash costs across the industry, 2010 (2)



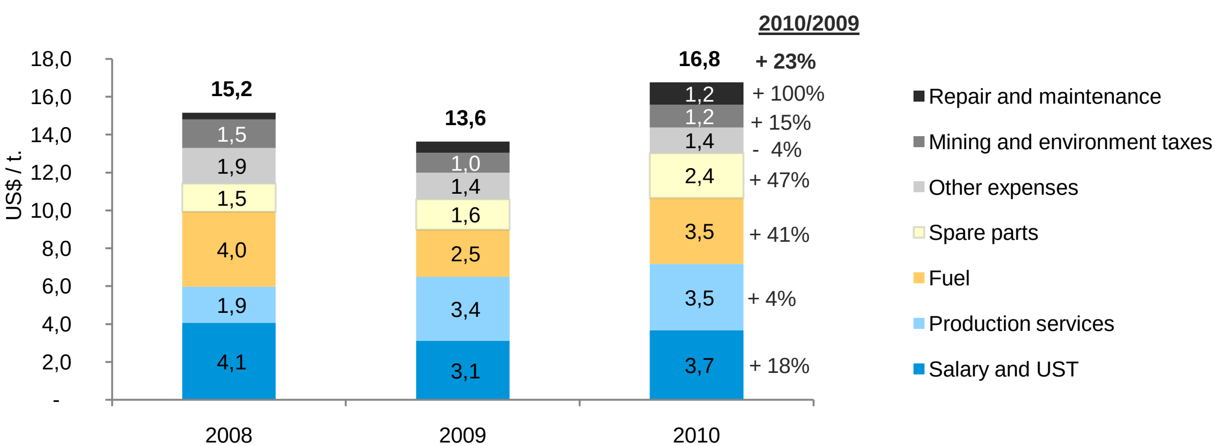
Source: AME Mineral Economics, Thermal Coal Cost Report 2010, for KTK – Company

Quarterly production cash costs volatility, 2010 (3)



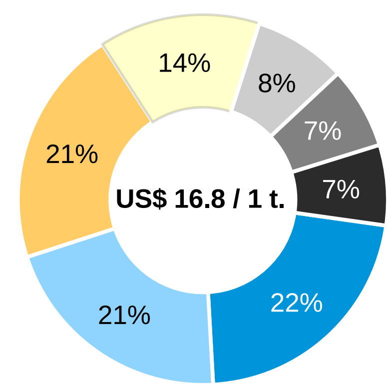
Source: Company, cash costs for Q1-Q4 2010 extracted from unaudited Q1 2010, 6M 2010, 9M 2010 and audited 2010 IFRS FS in which all amounts are presented in RUR

Dynamics of production cash costs per 1 t. of coal produced (1)



Source: audited 2009, 2010 IFRS FS in which all amounts are presented in RUR

Production cash costs breakdown, 2010 (1)



Source: audited 2010 IFRS FS in which all amounts are presented in RUR

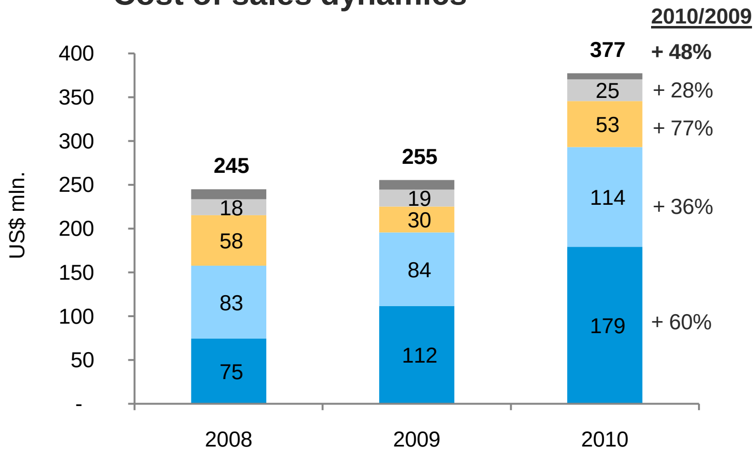
(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)

(2) - Average production cash costs for the mines contained in AME database in the respective country; production cash costs are defined as sum of personnel expenses (incl. UST), extraction, processing and sorting of coal expenses, and mining taxes

(3) - The Company's business is affected by seasonality of thermal coal demand in Russia. Historically, the Company has been producing more coal in Q3 and Q4 than in Q1 and Q2 of each year.

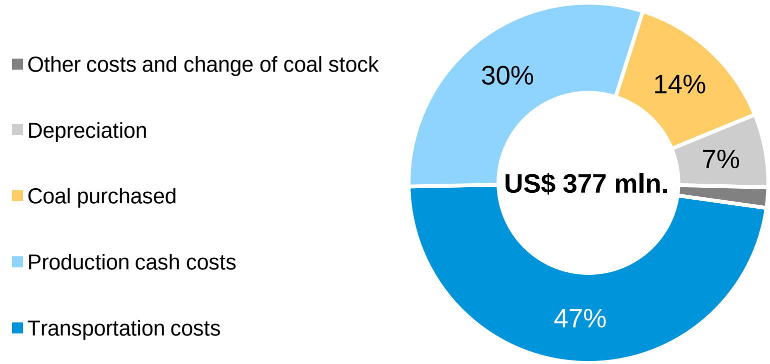
VI. 2010 Financial highlights. Cost of sales and EBITDA

Cost of sales dynamics (1)



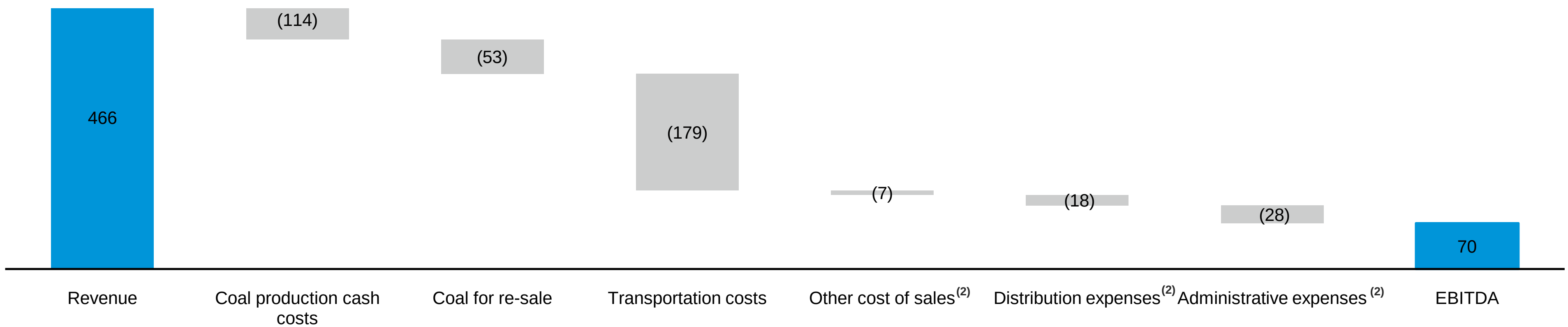
Source: audited 2009, 2010 IFRS FS in which all amounts are presented in RUR

Cost of sales breakdown (1), 2010



Source: audited 2010 IFRS FS in which all amounts are presented in RUR

EBITDA calculation(1) in US$, 2010



Source: audited 2010 IFRS FS in which all amounts are presented in RUR

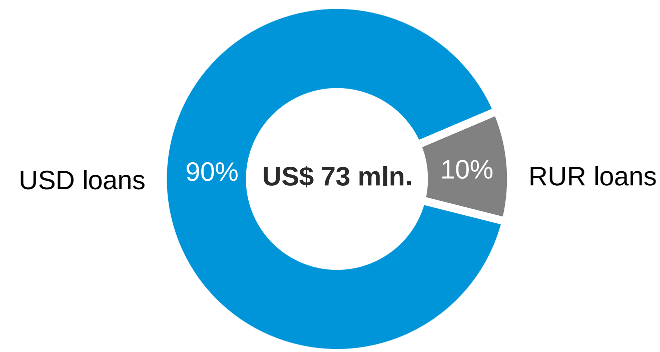
(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)

(2) - net of depreciation and amortization

VI. 2010 Financial highlights. Indebtedness

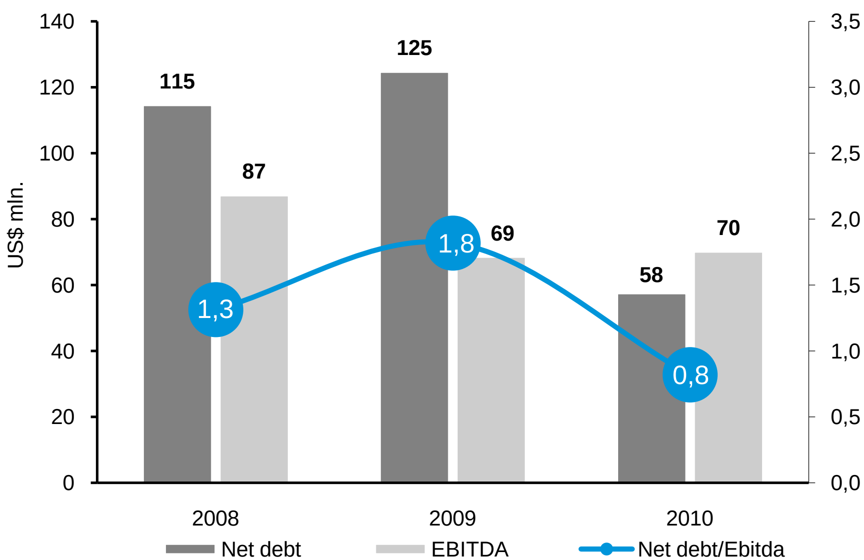
- During 2010 the total Net Debt decreased by two times YOY from its level in 2009.
- Interest expenses reduced by more than 3 times – from US$ 20 mln. in 2009 to US$ 6 mln. in 2010
- The average effective interest rate decreased to 7.7% p.a.
- Net Debt to EBITDA ratio reduced from 1.8 to 0.8.

Debt structure (2) by currency as of 31 Dec 2010



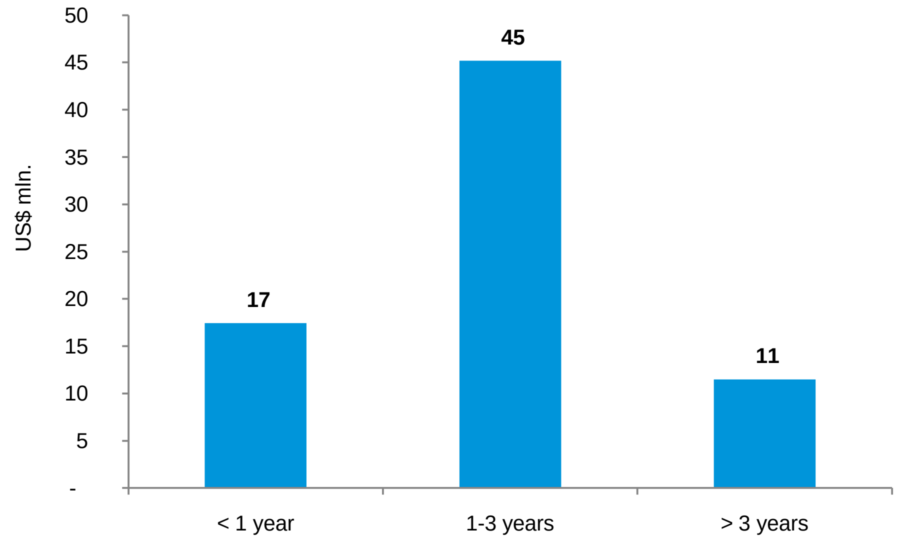
Source: audited 2010 IFRS FS in which all amounts are presented in RUR

Net Debt to EBITDA (1)



Source: audited 2009, 2010 IFRS FS in which all amounts are presented in RUR

Debt maturity structure (2)



Source: audited 2010 IFRS FS in which all amounts are presented in RUR

(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$) and year end Central Bank of the Russian Federation exchange rates (2008: 29.38 RUR/US$; 2009: 30.24 RUR/US$; 2010: 30.48 RUR/US$)

(2) - US$ figures are converted from RUR using 2010 year end Central Bank of the Russian Federation exchange rate: 30.48 RUR/US$

KTK

Appendix

IFRS Financial Statements for 2008-2010

Appendix. Income Statement 2008-2010

US$ mln. [1]	2008	2009	2010
Revenue	**344**	**336**	**466**
Cost of sales	(245)	(255)	(377)
Gross profit	**99**	**81**	**89**
Gross profit margin	*29%*	*24%*	*19%*
Distribution expenses	(10)	(11)	(18)
Administrative expenses	(23)	(22)	(28)
Other income and expenses, net	(1)	(1)	1
Operating profit	**66**	**46**	**45**
Operating profit margin	*19%*	*14%*	*10%*
Finance income	3	2	3
Finance costs	(16)	(21)	(13)
Income of associates	-	-	0
Profit / (loss) before income tax	**52**	**28**	**35**
Income tax expense	(8)	(7)	(8)
Profit / (loss) for the year	**44**	**21**	**27**
Profit / (loss) for the year margin	*13%*	*6%*	*6%*
EBITDA [2]	**87**	**69**	**70**
EBITDA margin	*25%*	*20%*	*15%*

Source: audited IFRS financial statements for 2009-2010 in which all amounts are presented in RUR

(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)
(2) - 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

Appendix. Balance Sheet 2008-2010

US$ mln. (1)	2008	2009	2010
ASSETS			
Non-current assets			
Property, plant and equipment	230.5	242.5	288.9
Goodwill and intangible assets	0.5	0.5	0.5
Investments in equity accounted investees	0.1	0.1	0.3
Other investments	-	2.2	0.2
Long-term receivables	0.1	0.2	0.0
Deferred tax assets	2.5	0.2	0.6
Total non-current assets	**233.6**	**245.7**	**290.4**
Current assets			
Inventories	17.4	13.4	24.9
Other invetsments	2.4	0.2	1.3
Income tax receivable	0.6	1.0	0.2
Trade and other receivables	36.6	40.6	35.6
Prepayments and deferred expenses	6.9	7.6	14.4
Cash and cash equivalents	10.7	2.8	15.0
Total current assets	**74.6**	**65.6**	**91.4**
TOTAL ASSETS	**308.2**	**311.3**	**381.9**

Source: audited IFRS financial statements for 2009-2010 in which all amounts are presented in RUR

US$ mln. (1)	2008	2009	2010
EQUITY AND LIABILITIES			
Equity			
Share capital	0.6	1	1
Retained earnings	94.2	113	130
Additional paid-in capital			93
Total attributable to equity holders of the company	**94.8**	**113**	**224**
Minority interest	1.2	1	0
Total equity	**95.9**	**114.6**	**224.3**
Non-current liabilities			**-**
Loans and borrowings	83.5	72.9	55.0
Net assets attributable to minority participants in LLC entities	1.7	2.2	2.2
Provisions	7.4	7.8	8.7
Retirement benefit liability	-	-	0.5
Deferred tax liabilities	12.4	12.0	14.7
Total non-current liabilities	**105.0**	**94.9**	**81.1**
Current liabilities			
Bank overdraft	2.0	-	-
Loans and borrowings	39.9	54.7	17.6
Trade and other payables	60.9	46.8	58.0
Retirement benefit liability	-	-	0.1
Provisions	0.2	-	-
Income tax payable	4.3	0.3	0.9
Total current liabilities	**107.4**	**101.8**	**76.5**
Total liabilities	**212.3**	**196.7**	**157.6**
TOTAL EQUITY AND LIABILITIES	**308.2**	**311.3**	**381.9**

(1) - US$ figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2008: 24.86 RUR/US$; 2009: 31.72 RUR/US$; 2010: 30.38 RUR/US$)

Appendix. Cash Flow Statement 2008-2010

US$ mln. (1)	2008	2009	2010
OPERATING ACTIVITIES			
Profit / (loss) for the period	44.3	20.9	27.1
Adjustments for:			
Depreciation and amortisation	20.6	21.7	27.0
Change in provision for site restoration	0.5	-	0.1
Change in retirement benefit liability	-	-	0.3
Impairment loss	0.7	0.5	0.2
Loss / (gain) on disposal or write-off of property, plant and equipment	0.2	0.1	(1.5)
Income of associates	-	-	(0.2)
Net finance expense	13.5	18.6	9.4
Income tax expense	8.0	6.8	8.2
Operating result before change in working capital	**87.9**	**68.6**	**70.7**
Change in inventories	(10.7)	3.4	(11.7)
Change in trade and other receivables	(15.5)	(4.0)	4.1
Change in prepayments for current assets	(5.9)	(0.9)	(7.1)
Change in trate and other payables	38.8	(18.4)	20.3
Cash flow from operations before income tax and interest	**94.6**	**48.8**	**76.4**
Income taxes and penalties paid	(8.4)	(8.9)	(3.3)
Interest paid	(16.6)	(20.2)	(6.2)
Cash flows from operating activities	**69.6**	**19.7**	**66.9**

US$ mln. (1)	2008	2009	2010
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	0.9	1.3	0.7
Loans issued	(8.0)	(6.8)	(2.9)
Proceeds from loans previously issued incl, interest received	14.2	7.3	4.3
Acquisition of property, plant and equipment	(80.7)	(34.2)	(82.3)
Acquisition of subsidiaries, net of cash acquired	(4.5)	-	-
Acquisition of equity accounted investees	-	-	-
Acquisition of minority interests	-	(0.1)	(0.8)
Cash flow used in investing activities	**(78.2)**	**(32.5)**	**(81.0)**
FINANCING ACTIVITIES			
Proceeds from borrowings	322.1	224.4	173.6
Repayment of borrowings	(301.3)	(217.7)	(229.1)
Proceeds from share issue, net of issue costs	-	-	92.3
Contribution from minority participants	-	0.2	-
Dividends paid	(3.2)	-	(8.3)
Cash flow from financing activities	**17.5**	**7.0**	**28.5**
Net increase / (decrease) in cash and cash equivalents	**8.9**	**(5.8)**	**14.4**

Source: audited IFRS financial statements for 2009-2010 in which all amounts are presented in RUR

(1) - US$ figures are converted from RUR using year end Central Bank of the Russian Federation exchange rates (2008: 29.38 RUR/US$; 2009: 30.24 RUR/US$; 2010: 30.48 RUR/US$)