

Current report no. 10/2012

Dated 22 March 2012

PRELIMINARY 2011 RESULTS & UPDATE ON OPERATIONS AND FINANCIAL OUTLOOK FOR 2012

Sadovaya Group S.A., a joint stock company under Luxembourg law, with registered office at 412F, route d'Esch, L-2086 Luxembourg, registered in the Luxembourg Register of Companies under No. B 153.489, (the "Company"), hereby provides update on preliminary 2011 results and outlook for 2012:

	2012F	% change, y-o-y	2011 Expected	% change, y-o-y	2010FY
'000 tones					
Coal sales	1,177	-7%	1,264	15%	1,098
Coal mining	532	12%	475	70%	279
<i>Sadovaya mine</i>	278	9%	255	121%	116
<i>Rassvet-1 mine</i>	254	16%	220	35%	163
Coal recovery from waste dumps	125	124%	56	299%	14
'000 USD					
Sales	86,662	0%	87,027	33%	65,443
EBITDA	16,460	5%	15,643	-4%	16,276
Net income	11,625	-12%	13,232	68%	7,889

Key operating developments and targets for 2012:

- Rassvet-1 mine: two new longwalls will be commissioned: first in 2Q 2012 and second one in 4Q 2012 – that will increase total Rassvet-1 monthly output up to 36 ths. tones in the beginning of 2013
- Waste recycling: launch of two new enrichment factories is scheduled for late June 2012 and 4Q 2012 respectively. We are finalizing the construction of the foundation for the first factory; final part of equipment for the factory was already imported and delivered to the producer's site, where it is being assembled to modular blocks
- Coal pricing and sales: market price for energy coal in Ukraine has already increased by 7% y-o-y in 2012 and we expect further moderate increase in 2H 2012

Legal grounds: article 56.1 in connection with article 56.6 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organised trading system and on public companies.

Signatures of individual authorised to represent the Company:

Viktor Chornogor