

Current report no.22/2012  
Dated 18 September 2012

## AUGUST 2012 PRODUCTION UPDATE

Sadovaya Group S.A., a joint stock company under Luxembourg law, with registered office at 65, boulevard Grande-Duchesse Charlotte L-1331 Luxembourg, registered in the Luxembourg Register of Companies under No. B 153.489, (the “Company”), hereby provides update on coal production in August 2012:

- Coal sales increased 29% month-on-month
- Coal mining increased by 31% month-on-month due to launch of the new longwall on Rassvet-1 mine

Development of module enrichment complex (MEC) construction (please find photos of the MEC on the next page):

- on 7th of September modular enrichment complex “Vahrushevsky” started operations in a test mode. Full technological scheme was tested and first tonnes of feed material were successfully enriched. Since 10<sup>th</sup> of September works to optimize the heavy-media to reach planned output quality parameters and capacity utilization are held.

<i>in tonnes</i>	August 2012	August 2011	% change, y-o-y	July 2012	% change, m-o-m	Year-to-date 2012	Year-to-date 2011	% change, y-o-y
Coal sold	43 738	94 110	-53.5%	33 918	29.0%	464 425	762 673	-39.1%
Coal mined	50 440	42 690	18.2%	38 620	30.6%	316 870	281 891	12.4%
<i>including:</i>								
<i>Sadovaya mine</i>	25 970	23 940	8.5%	20 980	23.8%	164 630	149 723	10.0%
<i>Rassvet-1 mine</i>	24 470	18 750	30.5%	17 640	38.7%	152 240	132 168	15.2%
Coal recovered from waste dumps	-	5 710	n/a	-	n/a	7 985	32 676	-75.6%

**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

