

GLOSSARY

Terms and definitions

API 2 Index	The CIF (cost, insurance and freight) price of coal at the ports of ARA (Amsterdam, Rotterdam and Antwerp) with coal calorific value of 6,000 kcal/kg.	Metallurgical coal	Generic term referring to coking coal and its different qualities as well as Pulverised coal injection coal (PCI).
API 8 Index	The CFR (cost and freight) price of coal delivered to south China with coal calorific value of 5,500 kcal/kg.	Mid-volatile coal	Coal containing 69-78% fixed carbon, and 20-31% volatile matter on a dry basis.
Calorific value	Is the amount of potential energy in coal that can be converted into actual heating ability.	PCI coal	Pulverised coal injection coal is a soft, non-coking coal that is finely ground and injected directly into a blast furnace and has the effect of reducing the coke rate.
CIF	'Cost, Insurance and Freight' means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.	Semi-hard coking coal	Coal with coke strength reactivity index falling between 35-65% and a free swelling index (FSI) of 5 to 7.
Coking coal	Coal suitable for carbonisation in coke ovens. It must have good coking properties to produce strong coke for steel making, with low sulphur and phosphorus content.	Semi-soft coking coal	Coal with low coke strength reactivity, usually between 10-35% and a free swelling index (FSI) around 3 to 5. It is blended with hard coking coal to reduce the cost of coke making in the steel-making process.
DGK	Far Eastern Generating Company, the fourth largest generating company in Russia and the largest participant in the Far Eastern energy market.	SGK	Siberian Generating Company, SUEK's related company, is one of the largest energy holdings in Russia, which includes 17 power plants with generating capacity of 7,820 MWh.
FOB	'Free On Board' means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.	Sized coal	Coal which has passed through a screening process and is grouped into ranges according to size of particles. It is used mainly by households for heating purposes.
globalCOAL NEWC	Index based on the Free On Board (FOB) delivery of thermal coal at the Port of Newcastle in Australia with coal calorific value of 6,000 kcal/kg NAR.	SRK	SRK Consulting is an independent, international consulting practice that provides advice and solutions mainly in the earth and water resource industries.
LoM	Life-of-mine model is specifically designed for each coal production unit based on well-developed 3D geology, using special mining software, and covering the production process for both brownfield and greenfield operations for the total duration of mining.	Steam coal	Also known as thermal coal. Burned primarily in boilers, to generate steam for the production of electricity or for process heating purposes, or used as a direct source of process heat.
		TGK-14	Territorial Generating Company No.14, a manufacturer and supplier of electric and thermal energy in the territories of Zabaikalye and Buryatia.
		XPAC-XERAS	Is a uniquely versatile budgeting tool, capable of handling short-to-medium-budgeting needs, as well as complete life-of-project planning.

Abbreviations and acronyms

bn Billion	KPI Key performance indicator
Bt Billion tonnes	kW Kilowatt
CAGR Compound Annual Growth Rate	kWh Kilowatt hour (1000 watt-hours/ 3.6 megajoules)
CCS Carbon capture and storage	LTIFR Lost time injury frequency rate
CH₄ Methane	m Metre
CO₂ Carbon dioxide	m³ Cubic metre
EBITDA Earnings before interest, tax, depreciation and amortisation	mIn Million
ECA Export credit agencies	mm Millimetre
ERP Enterprise Resource Planning	Mt Million tonnes
GHG Greenhouse gas	NGO Non-governmental organisation
GRI Global Reporting Initiative	OHSAS Occupational Health & Safety Assessment Series
GW Gigawatt (one billion watts)	PPE Personal protective equipment
ha Hectare	PR Public Relations
HiPo High-potential employees	Q Quarter
HR Human resources	R&D Research & Development
HSE Health, Safety and Environment	RMB Chinese Yuan
IAD Internal Audit Department	RUB Russian Rouble
IEA International Energy Agency	t Tonne
IFRS International Financial Reporting Standards	TWh Terawatt hours
ISO International Organisation for Standardisation	UNDP United Nations Development Programme
kcal Kilocalorie	UNIDO United Nations Industrial Development Organisation
kcal/kg Kilocalories per kilogramme	WP Washing plant
kg Kilogramme	\$ US Dollar
km Kilometre	\$m Million US Dollars

INFORMATION ON THE COMPANY

SUEK completed its intragroup reorganisation in September 2016. JSC SUEK is now the holding company of the Group, and its centre of consolidation and corporate governance.

The key assets of JSC SUEK are coal-mining and processing facilities, port, transport and service facilities in eight regions of Russia, as well as the international trader SUEK AG and its trading network. SUEK LTD is responsible for the Group's fundraising.

The share capital of JSC SUEK amounts to RUB 1,160,300 (one million, one hundred and sixty thousand, three hundred Russian Roubles) divided into 232,060,000 (two hundred and thirty-two million and sixty thousand) ordinary registered shares with a face value of RUB 0.005 (zero point double zero five Russian Roubles) each.

The main beneficiary of SUEK is Andrey Melnichenko.

FORWARD-LOOKING INFORMATION AND STATEMENTS ON COMPETITIVE POSITION

This Annual Report contains certain forward-looking statements. All statements, other than those of historical fact, are forward-looking statements that involve risks and uncertainties.

There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated. The information contained herein represents management's best judgement as at the date of the Report, based on information currently available. SUEK does not assume the obligation to update any forward-looking statements.

Any statements referring to the Group's competitive position are based on our understanding of the prevailing market environment. This derives from a range of sources including investment analysts' reports, independent market studies and SUEK's own assessments of market share, based on the publicly-available information regarding the financial results and performance of market participants.

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