



02.11.2011

COAL ENERGY S.A. – 2011FY FINANCIAL RESULTS

October 31st, 2011. Coal Energy published financial results for the financial year 2011, ended June 30th, 2011

The financial year of Coal Energy S.A. commences July and ends in June (2011 financial year commenced on the 1st July 2010 and ended on the 30th June 2011).

Financial results for 2011FY (in USD '000):

<i>In USD '000</i>	2011FY	2010FY	% change	Change (USD)
Revenues	150 867	55 776	+170%	+95 091
Gross profit	54 675	18 345	+198%	+36 330
EBIT	46 798	10 950	+327%	+35 848
Net profit	36 848	4 781	+670%	+32 067

“In FY2011 Coal Energy demonstrated significant growth and profitability. The Group recorded high output results and dynamic rise of financial indicators, extending of its mining assets and developing existing production facilities. Over the FY2011 Coal Energy strengthened its leading positions on the local market and expanded export sales” – says Viktor Vyshnevetsky, Coal Energy CEO. “The Group demonstrated solid financial performance: the revenues rose from US\$ 55.8 mln. in FY2010 to US\$ 150.9 mln. in FY2011. Impressive increase in sales was accompanied by the increase of profitability: EBITDA increased to US\$ 52.6 mln. comparing to US\$ 12.7 mln in FY2010 or by 314% y-o-y.” – he added.

Production in 2011FY (in tonnes):

<i>In tonnes</i>	2011FY	2010 FY	% change	change (tonnes)
Mining output, incl.:	1 060 620	446 705	+137%	+613 915
Thermal coal	793 927	446 105	+78%	+347 822
Coking and dual-purpose coal	266 693	600	X443	+266 093
Waste dumps processing	567 974	133 600	+325%	+434 374
TOTAL	1 628 594	580 305	+181%	+1 048289

“In FY2011 we over performed our production targets of 1 mln. tonnes of ROM coal from underground mining and 200 th. tonnes of concentrate from waste processing, having 1,629 th. tonnes of total coal production, or 181% surge as compared to the previous year. 137% of growth in underground mining was mainly delivered due to the acquisitions of new operating assets: in the past year CwAL LE Novodzerzhynskaya Mine and CwAL LE Sh/U Chapaeva were consolidated to Coal Energy.” – explains Viktor Vyshnevetsky.

2011FY summary

In FY2011 the company conducted a mineral resource audit according to JORC methodology and approved 235.5 million tonnes of coal resource, out of which 151.2 million tonnes of coal are proven and probable recoverable reserves.

“Coal Energy transformation into a public company was one of the primary goals of the past year, successfully realized through Initial Public Offering in July 2011 raising US\$ 81.4 mln of proceeds. The Group’s shares were admitted to trading on the regulated market of the Warsaw Stock Exchange. IPO preparation process encouraged us to change corporate structure, improve our corporate governance standards, invite independent director; moreover, public status of the company both encourages our existing personnel to further professional growth and attracts most qualified industry specialists to the Group.” – says Viktor Vyshnevetsky.

Outlook for 2012FY

“In FY2012 we will concentrate our efforts on further production expansion, which, in particular, implies to increase underground mining output at least by 50%. We maintain our primary focus - increase of production output from underground mining within existing operating facilities. However, we still are actively searching for potential acquisition opportunities, which may maximize the shareholders’ value and increase the scale of the Company above the adopted targets”- added Viktor Vyshnevetsky.

###

Coal Energy Group’s principal business is mining, beneficiation and sale of thermal and coking coal. Coal Energy is the third largest private coal producer in Ukraine in terms of reserves as of end of 2010 and the seventh largest private coal producer in the country by output based on the 2010 results. Coal Energy’s coal reserves are located in the country’s largest coal basin – Donbas. Coal Energy is listed on Warsaw Stock Exchange since August 2011. As of Sep. 30th, 2011 Coal Energy shareholders structure is as follows: Lycaste Holdings 75.0%, ING OFE 8.5%, Generali OFE 5.2%, others 11.3%.

For more information, please contact:

Piotr Piotrowski

CC Group sp. z o.o., tel. (22) 440 1 440, 697 613 010

Email: p.piotrowski@ccgroup.com.pl