



## Correction of an error in the current report no 23/2013 - Unaudited interim consolidated financial report for the 1Q FY2014

**Current report no. 23/2013 – correction**  
**Dated February 27, 2014**

The Board of Directors of Coal Energy S.A. (the "Company") hereby provides the correction of the omission error discovered in the unaudited interim consolidated financial report for the 1Q FY2014. Previously compensation of the railway tariff has been incorrectly offset with the items of cost of sales instead of offsetting it with the selling and distribution expenses.

Total amount of the error comprises US\$1,040 thousand. As a result of correction the following items of the profit and loss account were restated accordingly: cost of sales, cash cost of mining, gross profit and selling and distribution expenses. Other items of the unaudited interim consolidated financial report for the 1Q FY2014 remain unchanged.

### **Note no. 6 Cost of sales of the financial statements**

<i>in thousands of US\$</i>	<b>3 months ended 30 September 2013 (before correction)</b>	<b>3 months ended 30 September 2013 (after correction)</b>	<b>Change</b>
Change in finished goods	(6,136)	(6,136)	-
Cost of merchandising inventory	(6,286)	(6,286)	-
Wages and salaries of operating personnel	(4,097)	(4,097)	-
Raw materials	(2,934)	(3,974)	(1,040)
Energy supply	(1,528)	(1,528)	-
Depreciation and amortization expenses	(1,388)	(1,388)	-
Subcontractors services	(714)	(714)	-
Other expenses	(240)	(240)	-
	<b>(23,323)</b>	<b>(24,363)</b>	<b>(1,040)</b>

### **Note no. 8 Selling and distribution expenses of the financial statements**

<i>in thousands of US\$</i>	<b>3 months ended 30 September 2013 (before restatement)</b>	<b>3 months ended 30 September 2013 (restated)</b>	<b>Change</b>
Delivery costs	(1,877)	(837)	1,040
Subcontractors services	(171)	(171)	-
Wages and salaries of distribution personnel	(120)	(120)	-
Depreciation and amortization expenses	(38)	(38)	-
Other expenses	(26)	(26)	-
	<b>(2,232)</b>	<b>(1,192)</b>	<b>1,040</b>

## Review of the financial and operational results for the 3 months FY2014

### Before correction:

<i>in millions of US\$</i>	1Q FY14	1Q FY13	Relative change y-o-y
Gross profit	5.7	15.0	(62.0%)
<i>as a percentage of revenue</i>			Δ percentage points
Gross margin %	19.7%	38.1%	(18.4%)

### After correction:

The following table summarizes the Group's key margins and ratios for the 1Q FY2014, the 1Q FY2013 and the 4Q FY2013 (numbers are rounded):

<i>in millions of US\$</i>	1Q FY14	1Q FY13	Relative change y-o-y
Gross profit	4.7	15.0	(68.7%)
<i>as a percentage of revenue</i>			Δ percentage points
Gross margin %	16.2%	38.1%	(21.9%)

### Cost of sales and cash cost of production (page 4 of the 1Q FY2014 report)

<i>in thousands of US\$</i>	3 months ended 30 September 2013 (before correction)	3 months ended 30 September 2013 (after correction)	Change
<b>Cost of sales</b>	23,323	24,363	1,040
<i>Less:</i>			
Cost of merchandising inventory	(6,286)	(6,286)	-
Change in inventories	(6,136)	(6,136)	-
Cost of other services	(73)	(73)	-
Depreciation and amortization	(1,388)	(1,388)	-
<b>Total cash cost of production</b>	<b>9,440</b>	<b>10,480</b>	<b>1,040</b>
<i>Including:</i>			
Total cash cost of mining	8,482	9,522	1,040
Total cash cost of beneficiation	218	218	-
Total cash cost of waste dumps processing	740	740	-
<i>in US in US\$ per tonne \$ per tonne</i>			
Cash cost of mining per 1 tonne of ROM coal	52.4	58.8	6.4
Cash cost of beneficiation per 1 tonne of ROM coal	10.5	10.5	-
Cash cost of waste dumps processing per 1 tonne of saleable coal from waste dumps	21.8	21.8	-

Respective changes have been introduced in the management report for the 1Q FY2014 in the relevant tables and in the descriptive parts. The updated financial report including management's report is attached to this current report and available on the Company's website with all of the corrections.

Signatures of individuals authorized to represent the Company:  
Elena Belousova

**Legal grounds:** Art. 56 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organized trading system and on public companies and the Luxembourg Act of 11 January 2008 on transparency obligations of securities issuers, as amended.