Evraz’s Global Business

Key Facilities:
1 - Zapsib
2 - NKMK
3 - NTMK
4 - DMZP
5 - Evraz Inc. NA
6 - Highveld
7 - Evraz Palini e Bertoli
8 - Evraz Vitkovice Steel
9 - Delong
10 - Evrazruda
11 - KGOK
12 - VGOK
13 - Sukha Balka
14 - Yuzhkuzbassugol
15 - Raspadskaya
16 - Bagley Coke
17 - Dneproderzhinsk Coke
18 - Dnepropetrovsk Coke
19 - Stratcor
20 - Nikom
21 - NMTP

- Steel
- Iron Ore
- Coal & Coke
- Vanadium
- Logistics
2008 Strategic Highlights

Advance long product leadership in Russia and CIS
- Revenue from sales* of construction products in Russia and CIS grew by 24%
- Revenue from sales of railway products in Russia and CIS grew by 34%
- Sales volumes of railway products in Russia and CIS grew by 6%

Expand presence in international flat and tubular markets
- Expansion into North American market through strategic acquisitions of Claymont Steel and IPSCO Canada
- Growth in tubular sales revenue of 165% with sales volumes increasing by 81%
- Increased flat-rolled revenue by 65% with sales volumes up by 22% mainly due to North American operations

Enhance cost leadership position
- Shut down of inefficient production capacity
- Constant implementation of cost reduction programs
- Cost position being helped by Rouble and Hryvnia depreciation

Complete vertical integration and competitive mining platform
- Top three world steel producer with the highest level of vertical integration in iron ore, coking coal and coke
- Coking coal self-coverage of 89%
- Iron ore self-coverage to 93%
- Acquisition of Sukha Balka iron ore mine

Achieve world leadership in vanadium business
- The only producer of vanadium-rich ore in Russia
- Global footprint with five operating units on four continents and geographically diversified operation
- Vanadium segment revenues and EBITDA doubled year-on-year

* In this presentation – sales to third parties, unless otherwise specified
## 2008 Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>20,380</td>
<td>12,859</td>
<td>58%</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(13,308)</td>
<td>(7,976)</td>
<td>67%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>(1,814)</td>
<td>(1,220)</td>
<td>49%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>6,323</td>
<td>4,305</td>
<td>47%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>31%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Net Profit**</td>
<td>1,868</td>
<td>2,103</td>
<td>(11)%</td>
</tr>
<tr>
<td>Net Profit margin</td>
<td>9%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>EPS (US$ per GDR)</td>
<td>5.04</td>
<td>5.87</td>
<td>(14)%</td>
</tr>
<tr>
<td>Net Debt***</td>
<td>9,031</td>
<td>6,425</td>
<td>41%</td>
</tr>
<tr>
<td>Sales volumes****</td>
<td>17,021</td>
<td>16,389</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

* EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E
** Net profit attributable to equity holders of Evraz Group S.A.
*** As of the end of the period
**** Steel segment sales volumes to third parties
2008 Financial Highlights

- Group revenue increased by 58%, driven by both strategic acquisitions (an increase of US$4,468m) and strong organic growth (US$3,053m)
- Organic growth was fuelled by favourable pricing trends in 1Q08–3Q08 and positive product mix shift
- Net profit is depressed due to the extraordinary charges totalling US$1,857m

Revenue, FY08 vs. FY07

Revenue by Market

* Consolidated Adjusted EBITDA of US$6,323m excludes unallocated expenses of US$204m
Enhancing Geographic and Product Diversification

- Increasing share of high value-added products in steel segment revenues:
  - Share of tubular products increased from 6% to 11%
  - Share of semi-finished products decreased from 23% to 22%
- Diversifying into mature protected markets with higher margin products
- Production sites outside Russia account for 44% of total revenues and 30% of EBITDA

**Sales Revenue by Market**

- US$ mln

**Sales Revenue by Production Unit**

- Source: Management accounts
Strengthening the Cost Advantage

- Evraz has benefited from its high level of backward integration into both iron ore and coke.
- Reducing feedstock prices have partially eroded this advantage, while geographical diversification of the business developed a natural hedge.
- Mining segment cash costs have reduced sufficiently:
  - Approximately 75% of consolidated cost is Rouble denominated.
  - Russia-based assets have benefited from declines in utilities and staff costs.
- Margin-preserving cost structure in the US with key raw materials being scrap and our own slab.

### Cost of Revenue, % of segment revenues in 2008

<table>
<thead>
<tr>
<th>Component</th>
<th>Steel</th>
<th>Mining</th>
<th>Vanadium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>48.0%</td>
<td>6.7%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Transportation</td>
<td>6.7%</td>
<td>9.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>6.4%</td>
<td>12.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18.0%</td>
<td>6.4%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td>24.1%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash Cost, Steel Products

<table>
<thead>
<tr>
<th>Month</th>
<th>Russian &amp; Ukrainian operations</th>
<th>Overseas operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-08</td>
<td>1,220</td>
<td>1,200</td>
</tr>
<tr>
<td>Nov-08</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Dec-08</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Jan-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Feb-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Mar-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Apr-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>May-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Jun-09</td>
<td>1,200</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Source: Management accounts

### Cash Cost, Coal Products and 100% Fe Iron Ore

<table>
<thead>
<tr>
<th>Month</th>
<th>Iron ore products, in 100% Fe</th>
<th>Coal products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-08</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Nov-08</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Dec-08</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Jan-09</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Feb-09</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Mar-09</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Apr-09</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>May-09</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Jun-09</td>
<td>80</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Management accounts
Total debt reduction of approx. US$1.5bn during 1H09 from US$9,986m as of 31 December 2008 to US$8,49bn as of 30 June 2009

Short-term debt as of 30 June 2009 was approx. US$3.79bn*

Approximately US$446m is represented by trade finance and other revolving debt.

Cash and cash equivalents as of 30 June 2009 amounted to approx. US$665m with additional US$1.08bn available under undrawn credit facilities

After the successful placement of concurrent equity and convertible bonds offerings in July 2009, cash and cash equivalents increased to approximately US$1.7bn

* Assuming anticipated extension of the VEB and VTB facilities (for additional one and four years, respectively) as well as repayments of two tranches of the Deutsche Bank syndicated loan, which are covered by the remaining tranches of the VEB loan, our short-term debt would decline to approx. US$1.66bn.
On July 9 Evraz priced concurrent equity and convertible bond offerings, rising US$965m.

The deal represents the second sizeable transaction in the Russian market since July 2008 and the largest ever convertible bond executed in the Russian market.

Lanebrook, the Company's controlling shareholder, showed support for the transaction by participating in the offering, US$400m split equally between the two tranches.

The deal generated significant demand despite difficult market conditions on the day of the offering: RTS down 3.7%, closest peers down between 5% and 10%.

Following the announcement the GDR tranche became oversubscribed immediately.

The coupon represents a meaningful discount to where Evraz would be able to access the high yield markets.

Transaction Summary

- Total Offering Size: US$965m
- As % of Shares Outstanding: 12.6%
- Pricing date: July 9, 2009

Common Equity Offering

- Size: US$315m incl. US$15m greenshoe
- Offering Price: US$16.50

Convertible Debt Offering

- Size: US$650m incl. US$50m greenshoe
- Interest: 7.25% payable quarterly
- Conversion Premium: 28.0%
- Maturity: 5 year non-call life
Capacity Utilisation Management and Product Mix Flexibility

- Proactive management of production capacity to avoid inventory build-ups and extended receivables
- Idling of 3 out of 10 blast furnaces in CIS in Q4 2008
- Restart of blast furnace at Zapsib in June 2009, adding back 1.2 mtpa of steelmaking capacity due to sustainable export demand
- Better than some peers steel-making capacity utilisation reflects stronger demand for Evraz products and demonstrates the benefits of synergies with downstream assets
- High product mix flexibility, allowing to switch from slab to billet and vice versa within 12 hours of decision, depending of market pricing of these products

![Slab/Billet Production, Russia](image)

![Capacity Utilisation, Steel](image)

![Capacity Utilisation, Mining](image)

Source: Management accounts
Cost Saving Initiatives

An extensive cost reduction programme has been implemented.

Labour costs forecast to decline by more than 40% (in US$ terms) in 2009 vs. 2008 with key factors being:

- Salaries reduction
- Rouble and Hryvnia devaluation
- 4-day working week
- 5-shift schedule
- Workforce reduction

Key services and auxiliary materials price cuts of ca. 50% vs. (in US$ terms) 2008 levels

- Extensive renegotiation with suppliers
- Rouble and Hryvnia devaluation
Since 3Q08, capital expenditure has been reduced to essentially maintenance levels:
- All key contracts are under negotiation and management expects a material reduction in costs.
- CAPEX in 2008 was US$1,108m vs. previous management guidance of US$1.5bn.

- All discretionary greenfield/brownfield expansionary spend curtailed.
- All new investment opportunities deferred:
  - Extending exclusive option to acquire Delong Holdings by 6 months to August 2009 with a further 6 to 12 month extension in 2010 being negotiated. Investment in Delong to remain at 10% in 2009.
  - Evraz gave up the right for the licence to develop the Mezhegey coal deposit.
  - Cape Lambert acquisition put on hold indefinitely.

- Maintenance CAPEX sufficient to support Evraz’s asset quality and production efficiency through 2009 and 2010.
- CAPEX in 2009 expected to be less than US$500m.
**H109 Operational Results**

- Strong export demand for semi-finished products and some increase in Russian domestic construction products volumes compared to Q408
- Prices for the main product groups stabilised in January and remain essentially flat with some recent increases in semi-finished products
- Utilisation of Russian steelmaking capacity is up from 58% in 4Q08 to 83% in June 2009 with further increase to 100% utilisation starting from July
- Improvements in Russian and export markets were largely offset by deterioration of demand in North America, especially for plate and OCTG pipes
- Rouble and Hryvnia depreciation make Russian and Ukrainian markets the most competitive on a global cost curve

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**Capacity Utilisation**

**Production**

<table>
<thead>
<tr>
<th></th>
<th>4Q08</th>
<th>1Q09</th>
<th>2Q09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-finished products</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
</tr>
<tr>
<td>Construction products</td>
<td>884</td>
<td>781</td>
<td>959</td>
</tr>
<tr>
<td>Railway products</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>Flat-rolled products</td>
<td>512</td>
<td>428</td>
<td>408</td>
</tr>
<tr>
<td>Tubular products</td>
<td>309</td>
<td>266</td>
<td>153</td>
</tr>
<tr>
<td>Other steel products</td>
<td>117</td>
<td>144</td>
<td>198</td>
</tr>
</tbody>
</table>

**Average Prices for Select Products**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Oct-08</th>
<th>Nov-08</th>
<th>Dec-08</th>
<th>Jan-09</th>
<th>Feb-09</th>
<th>Mar-09</th>
<th>Apr-09</th>
<th>May-09</th>
<th>Jun-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian rebars, FCA, domestic</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>Russian slabs, FCA, export</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>Russian billets, FCA, export</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>EVS plate, export</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>NA commodity plate</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
<td>406</td>
</tr>
<tr>
<td>NA rails</td>
<td>1,187</td>
<td>1,148</td>
<td>966</td>
<td>884</td>
<td>781</td>
<td>959</td>
<td>545</td>
<td>417</td>
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</tbody>
</table>

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