Evraz Group in Brief

- One of the largest vertically integrated steel and mining companies in the world
- Leader in the Russian and CIS construction and railway products markets
- A lead player in the European and North American plate and large diameter pipe markets
- One of the world’s lowest cost steel producers due to production efficiency and high level of vertical integration
- One of the leading producers in the global vanadium market
- In 2010, EVRAZ produced 16.3 million tonnes of crude steel and sold 15.5 million tonnes of steel rolled products
- 2010 consolidated revenue amounted to US$13.4 billion; EBITDA was US$2.4 billion
- GDRs listed on London Stock Exchange; market capitalisation approx. US$14 billion
Evraz’s Global Business

Key Facilities:
1 - ZSMK
2 - NKMK
3 - NTMK
4 - EVRAZ DMZP
5 - EVRAZ Inco Ltd
6 - EVRAZ Highveld Steel
7 - EVRAZ Valqari e Bertoli
8 - EVRAZ Viskovice Docol
9 - Evrazruda
10 - EVRAZ KGO
11 - EVRAZ YGOUK
12 - EVRAZ Sukha Balka
13 - Yuzhukubassugol
14 - Ratpositkaya
15 - EVRAZ Bagley Coke
16 - EVRAZ Donbassverzabotnitsa Coke
17 - Stratoar
18 - Nikom
19 - Vanady Tula
20 - EVRAZ Nakhodka Sea Port

- Steel
- Iron Ore
- Coal & Coke
- Ventilation
- Logistics
### 2010 Summary

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>13,394</td>
<td>9,772</td>
<td>37%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,075</td>
<td>1,648</td>
<td>87%</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>2,350</td>
<td>1,237</td>
<td>90%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>18%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Net Profit/(Loss)*</td>
<td>532</td>
<td>(292)</td>
<td></td>
</tr>
<tr>
<td>EPS (US$ per GDR)</td>
<td>1.32</td>
<td>(0.73)</td>
<td></td>
</tr>
<tr>
<td>Net Debt**</td>
<td>7,127</td>
<td>7,230</td>
<td>(1.4)%</td>
</tr>
<tr>
<td>Short-term Debt**</td>
<td>714</td>
<td>1,992</td>
<td>(64)%</td>
</tr>
<tr>
<td>Steel sales volumes***</td>
<td>15,506</td>
<td>14,282</td>
<td>9%</td>
</tr>
</tbody>
</table>

* Adjusted EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets, revaluation deficit, foreign exchange loss (gain) and loss (gain) on disposal of PP&E. See appendix on p.30 for reconciliation of profit (loss) from operations to Adjusted EBITDA

** As at the end of the reporting period

*** Here and throughout this presentation segment sales data refers to external sales unless otherwise stated
2010 Financial Highlights

- Significant growth in revenues and EBITDA as a result of strong market recovery
- Both prices and volumes contributed to revenue growth
- Steel products remain the predominant source of revenue, but EBITDA is increasingly generated by mining segment due to higher relative growth of iron ore and coking coal prices
1Q 2011 Performance

- 1Q11 Steel Segment revenue amounted to US$3,128 million, Mining Segment - US$262 million, Vanadium Segment – US$133 million and Other revenues reached US$371 million (incl. US$83 mln from rendering of services)
- Iron ore sales (incl. intersegment shipments) totalled 5.2 mt vs 4.2mt in 1Q10
- Coal sales (incl. intersegment shipments) were 2.1 mt, including 0.6 mt of raw coking coal and 1.2 mt of coking coal concentrate, compared to 2.5mt, 0.9 mt and 0.9 mt respectively
Group Cost Dynamics

- EVRAZ’s high level of vertical integration into iron ore and coking coal helped to partially mitigate negative impact of escalating prices of input materials on steelmakers’ costs.
- Consolidated cost is approx. 50% Rouble denominated. Rouble appreciation largely responsible for cash cost increase in 2009.
- Increased costs in 2010 reflected mostly growth of non-controllable costs, such as raw materials and utilities.

Consolidated Cost of Revenues by Cost Elements

<table>
<thead>
<tr>
<th>Raw materials, including</th>
<th>2010, % of total CoR</th>
<th>2009, % of total CoR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Coking coal</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Scrap</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Other raw materials</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Semi-finished products</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Transportation</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Electricity</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other costs</td>
<td>22%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Cash Cost*, Slabs & Billets

CoR 2009 Non-controllable Controllable CoR 2010

*Average for Russian steel mills, integrated cash cost of production, EXW

Source: Management accounts

Cost of Revenue, Controllable vs. Non-controllable Costs

Controllable: staff costs, purchased semis, auxiliary materials, services
Non-controllable: raw materials, energy, transportation, depreciation, movement in stock

Source: Management accounts
Positive free cash flow generation despite significant CAPEX

Increase in working capital due to higher level of activity and higher prices
Liquidity and Debt Maturity Profile

- Total debt of approx. US$7.8 billion as of 31 March 2011
- Recent refinancing steps significantly strengthened EVRAZ’s liquidity profile and demonstrated EVRAZ’s ready access to debt markets:
  - In April 2011, EVRAZ issued US$850 million bonds due 2018 at an interest rate of 6.75%, the lowest ever coupon for EVRAZ Eurobond issues
  - Part of the proceeds from the issue was used to purchase approx. US$622 million in aggregate principal amount of the outstanding bonds due 2013
- Credit agencies upgraded EVRAZ ratings (S&P to B+, Stable; Moody’s to B1, Positive; Fitch to BB-, Positive)
- Refinancing remains a priority; targeting net debt/EBITDA ratio below 2 in the medium term

### Leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt (US$ mln)</th>
<th>Short-term Debt (US$ mln)</th>
<th>IFRS Net Debt/LTM EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>9,986</td>
<td>3,922</td>
<td>1.5</td>
</tr>
<tr>
<td>1H09</td>
<td>8,482</td>
<td>3,937</td>
<td>2.4</td>
</tr>
<tr>
<td>FY09</td>
<td>7,923</td>
<td>1,992</td>
<td>3.0</td>
</tr>
<tr>
<td>1H10</td>
<td>7,873</td>
<td>1,740</td>
<td>3.8</td>
</tr>
<tr>
<td>FY10</td>
<td>7,811</td>
<td>714</td>
<td>5.8</td>
</tr>
</tbody>
</table>

### Debt* Maturities Schedule

(as of 31 March 2011)

<table>
<thead>
<tr>
<th>Year</th>
<th>US$ mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>502</td>
</tr>
<tr>
<td>2012</td>
<td>200</td>
</tr>
<tr>
<td>2013</td>
<td>2,062</td>
</tr>
<tr>
<td>2014</td>
<td>2,136</td>
</tr>
<tr>
<td>2015</td>
<td>2,427</td>
</tr>
<tr>
<td>2016</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>37</td>
</tr>
<tr>
<td>2018</td>
<td>515</td>
</tr>
</tbody>
</table>

Note. Debt for covenant compliance is calculated differently from IFRS

* Principal debt (excl. interest accrued)
Steel: CIS

- Full utilisation of Russian and Ukrainian steelmaking capacities maintained throughout the year.
- In 2010 domestic steel sales accounted for 58% of EVRAZ’s Russian and Ukrainian mills’ steel sales compared to 44% in 2009, reflecting improving demand in the CIS market and the shift to sales of higher margin products.
- Market share increased in domestic sales through own distributors.
- Prices of key products strengthened in response to demand recovery and growth in raw material prices.
- EVRAZ reached long-term agreement with Russian Railways in 2H 2010 to supply rails at price formula based on the scrap price, thereby protecting segment’s margins going forward.

Steel Product Sales, Domestic vs. Export

Steel Product Sales Volumes

Steel Product Revenues

<table>
<thead>
<tr>
<th>Products</th>
<th>Revenue, US$m</th>
<th>Revenue per tonne, US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Semi-finished</td>
<td>1,972</td>
<td>2,307</td>
</tr>
<tr>
<td>Construction</td>
<td>1,782</td>
<td>2,793</td>
</tr>
<tr>
<td>Railway</td>
<td>737</td>
<td>1,082</td>
</tr>
<tr>
<td>Other steel</td>
<td>417</td>
<td>525</td>
</tr>
<tr>
<td>Total</td>
<td>4,908</td>
<td>6,707</td>
</tr>
</tbody>
</table>
Steel: North America

- Gradual recovery in demand driven by economic improvements and the onset of regional governments’ infrastructure spending
- Shale gas exploration projects generate strong demand for small diameter pipe
- Sales volumes of steel products increased by 26%
- Flat-rolled steel volumes increased by 31%; tubular products by 40%
- Pricing of steel products generally follows scrap price trends, 2009 prices were still benefiting from high activity in 1H 2009

Steel Product Sales Volumes

Steel Product Revenues

<table>
<thead>
<tr>
<th>Products</th>
<th>Revenue, US$m</th>
<th>Revenue per tonne, US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Construction</td>
<td>227</td>
<td>302</td>
</tr>
<tr>
<td>Railway</td>
<td>369</td>
<td>368</td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>553</td>
<td>798</td>
</tr>
<tr>
<td>Tubular</td>
<td>1,004</td>
<td>1,308</td>
</tr>
<tr>
<td>Total</td>
<td>2,153</td>
<td>2,776</td>
</tr>
</tbody>
</table>
EVRAZ’s European mills sales volumes increased by 36%

Flat-rolled product sales registered 35% volume rise and 61% increase, largely reflecting improvement in the European market

The shutdown of steelmaking at EVRAZ Vitkovice Steel in 2H 2010 had no material economic impact on EVRAZ’s production volumes and costs

Sales of EVRAZ Highveld’s steel products were effectively flat as domestic demand in the South African market remained weak

### Steel Product Revenues

<table>
<thead>
<tr>
<th>Products</th>
<th>2009</th>
<th>2010</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue, US$m</td>
<td>Revenue per tonne, US$</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>European Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>482</td>
<td>778</td>
<td>622</td>
<td>740</td>
</tr>
<tr>
<td>Other</td>
<td>93</td>
<td>129</td>
<td>857</td>
<td>831</td>
</tr>
<tr>
<td>Total</td>
<td>575</td>
<td>907</td>
<td>650</td>
<td>752</td>
</tr>
<tr>
<td>South African Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>114</td>
<td>138</td>
<td>712</td>
<td>721</td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>205</td>
<td>257</td>
<td>695</td>
<td>762</td>
</tr>
<tr>
<td>Other</td>
<td>52</td>
<td>48</td>
<td>397</td>
<td>600</td>
</tr>
<tr>
<td>Total</td>
<td>371</td>
<td>443</td>
<td>633</td>
<td>727</td>
</tr>
</tbody>
</table>
**Coal Mining**

- Volumes of coking coal mined in 1H 2010 decreased due to lengthy repositioning of longwall at Ulyanovskaya mine.
- 3Q 2010 volumes were also depressed due to the implementation of additional workplace safety measures; 4Q 2010 volumes returning to normalised levels.
- Cash cost in 2Q-3Q 2010 higher due to fixed cost impact on lower volumes.
- Coking coal self-coverage to increase over the next three years by developing existing deposits and reducing coking coal consumption through the implementation of pulverised coal injection technology.

### Washed Coking Coal (Concentrate) Self-Coverage*

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H09</td>
<td>3,501</td>
<td>4,795</td>
</tr>
<tr>
<td>2H09</td>
<td>4,218</td>
<td>5,288</td>
</tr>
<tr>
<td>1H10</td>
<td>4,053</td>
<td>3,642</td>
</tr>
<tr>
<td>2H10</td>
<td>4,021</td>
<td>3,229</td>
</tr>
</tbody>
</table>

* Self-coverage, %= total production (plus 40% of Raspadskaya production) divided by total steel segment consumption

** Self-coverage excl. 40% Raspadskaya share

### Cash Cost, Russian Coking Coal

- 137% 125% 90% 80%
- 100%** 78%** 54%** 62%**

* Self-coverage, %= total production (plus 40% of Raspadskaya production) divided by total steel segment consumption

** Self-coverage excl. 40% Raspadskaya share
Iron Ore Mining

- Iron ore production increased from 18.8 million tonnes in 2009 to 19.8 million tonnes in 2010
- Self-coverage in iron ore was maintained at around 100%
- Cash costs increased in line with general cost inflation
- Investment in mine development to maintain or improve self-coverage

Iron Ore Self-Coverage*

<table>
<thead>
<tr>
<th>'000 tonnes</th>
<th>Consumption</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H09</td>
<td>8,859</td>
<td>8,809</td>
</tr>
<tr>
<td>2H09</td>
<td>10,397</td>
<td>9,955</td>
</tr>
<tr>
<td>1H10</td>
<td>10,635</td>
<td>9,608</td>
</tr>
<tr>
<td>2H10</td>
<td>9,981</td>
<td>10,191</td>
</tr>
</tbody>
</table>

Cash Cost, Russian Iron Ore Products

- Self-coverage, % = total production divided by total steel segment consumption
Vanadium

- Significant improvement in global demand for vanadium
- Acquisition in 2009 of Vanady-Tula, Russia’s largest ferrovanadium producer, signals further expansion of vanadium processing capacity
- Sales of finished vanadium products increased vs. 2009 by 70% to US$492m
- EVRAZ’s vanadium processing capacities are fully utilised

Vanadium Products Sales Volumes *

Vanadium in slag Vanadium in alloys and chemicals

Vanadium Products Revenues* by Region

* External sales
Growth Strategy

Enhancement of raw material base
- Development of a coal deposit in Yerunakovsky region of Kuzbass
- Exploration of the Mezhegey coal deposit
- Increase ‘in-house’ iron ore production and supplementary exploration at existing sites

Increase in steel production volumes
- Reconstruction of 4th converter and 3rd slab machine at NTMK increased crude steel output by up to 0.5 mtpa
- Considering construction of a second converter shop at NTMK with additional crude steel capacity of 1.5-2.0 mtpa
- Expansion of steel capacity in North America by 0.26 mtpa

Strengthening presence in our key markets
- Construction of new rolling facilities in regions where demand is growing (South Russia and Kazakhstan)
- Consolidation of our steel distribution network in the CIS
- Modernisation of rail mills enabling production of high value-added products
- Upgrade of wheel shops
- Considering 50% increase in plate mill capacity at EVRAZ Palini e Bertoli from 0.4 mtpa up to 0.6 mtpa

Cost-saving measures
- Implementation of pulverised coal injection projects at Russian steel mills to eliminate use of natural gas in blast furnaces and reduce consumption of coking coal. Additional effect will be an increase in pig iron production volumes and, therefore, crude steel production
- Implementation of LEAN business principles at all EVRAZ operations
- Conversion of EVRAZ Highveld furnace into open slag bath in order to decrease energy and coking coal consumption
**CAPEX Dynamics**

- **Return to investment in modernisation projects and mine development in 2010**
- **Further growth budgeted for 2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment projects*</th>
<th>Iron ore mine development</th>
<th>Coal mine development **</th>
<th>Maintenance, Steel and other operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,103</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>441</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>832</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011F</td>
<td>1,240</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* In 2010 includes US$70 million acquisition of Mezhegей and Mezhegей East licences

** Investment into maintaining and developing mining volumes, such as preparation of coal seams
Recent Market Developments

- Volumes in key products and markets are stable
- Current steel-making capacity utilisation:
  - Russia and Ukraine - 100%
  - North America - 95-100%
  - Czech Republic - 100%
  - South Africa - 80%
- Steel prices grew until February 2011, then stabilised or slightly decreased
- Iron ore prices have slightly decreased in the recent weeks but are still at levels above 2010 average
- Coking coal concentrate prices in Russia are still holding
- Vanadium prices are at the level of 30-31 $/kg

Source: Metall Expert
Consumption of Construction Steel in Russia

Recovery of construction steel product consumption began in 2010

Russian demand for construction steel is expected to be more than 10% higher in 2011 than in 2010

Sources: Rosstat, Metal Courier, Rusmet, Management estimates
The Russian Government plans to spend US$30bn on capital investments in 2011, including US$23bn on construction, thereby significantly impacting demand for construction steel. Ongoing programmes include:

- New construction related to Sochi 2014
- Infrastructure development for APEC summit in Russian Far East in 2012
- Academic city in Yekaterinburg
- Russian Far East development programme
- Transport system development
- Energy generation plant in Novovoronezhsk

Confirmed projects expected to start in 2011 include:

- Highway construction between Moscow and St. Petersburg
- Innovations centre at Skolkovo
- Fourth motorway ring around Moscow

Russia has committed to invest $50bn in preparation for the 2018 FIFA World Cup, including $3.8bn on stadiums and $11bn on infrastructure projects. EVRAZ estimates that 2018 World Cup steel requirements for construction of stadiums (13 to be built and 3 to be renovated), hotels and local infrastructure (highways, bridges) may amount to 2-2.5 mt.

As a premier producer of construction products in Russia, EVRAZ is well positioned to benefit from these extensive infrastructure investments.
Outlook

- High input prices and growing demand should provide support for steel prices across our operations

- 2Q 2011 EBITDA is expected to be in the range of US$750-825 million

- Net debt/LTM EBITDA expected in the range of 2.4-2.9 on 30 June 2011, further reduction expected by year end
Summary

The markets for our products continued to recover in 2010, particularly the Russian construction steel market.

EVRAZ was able to benefit from enhanced steel prices with limited exposure to rising raw material prices.

Much improved liquidity position following refinancing focus in 2010, further deleveraging expected.

Renewed investment in production modernisation and product quality set to bear fruit in 2011 and beyond.

Company now on sound footing to achieve further growth.
Appendices
1Q 2011 Operational Results

- Production of steel and major rolled products increased in 1Q11 to 4.4 mt and 4 mt respectively as a result of completion of converter shop modernisation in Russia at the end of 2010 and improved demand in key markets.
- Pricing for major product groups increased, reflecting continuous recovery in all the world markets.
- Iron ore production grew up as a result of efficiency improvements.
- Coking coal production decreased from 2.2 mt in 4Q10 to 1.8 mt in 1Q11 due to one-off events such as longwall repositioning and temporary closure of a mine for air-gas mix monitoring.

![Production of Rolled Products by Quarters, 2010](chart.png)
1Q 2011 Rolled Products Output by Assets

Russia

'000 tonnes

North America

'000 tonnes

Europe

'000 tonnes

South Africa

'000 tonnes

EVRAZ
Steel Products: Sales by Market

000 tonnes

US$ mln

2009 2010

Russia 5,543 5,665
CIS 642 343
Europe 1,215 1,018
Americas 2,073 2,802
Asia 563 533
Africa & RoW 2,364 2,364
Revenue: Geographic Breakdown

2009
- Russia: 31%
- Americas: 25%
- Other CIS: 3%
- Europe: 9%
- Asia: 5%
- Other: 4%
- Thailand: 3%
- Taiwan: 2%
- China: 5%
- Middle East: 8%

2010
- Russia: 34%
- Americas: 24%
- Other CIS: 4%
- Europe: 10%
- Asia: 4%
- Other: 3%
- Thailand: 4%
- Taiwan: 3%
- China: 3%
- Middle East: 5%
Cost Structure by Segment

Cost Structure of Steel Segment

- Iron ore: 6% (2009), 4% (2010)
- Coking coal: 13% (2009), 13% (2010)
- Scrap: 9% (2009), 8% (2010)
- Other raw materials: 9% (2009), 8% (2010)
- Semi-finished products: 7% (2009), 10% (2010)
- Staff: 9% (2009), 14% (2010)
- Depreciation: 11% (2009), 14% (2010)
- Energy: 13% (2009), 19% (2010)

Cost Structure of Mining Segment

- Iron ore: 19% (2009), 24% (2010)
- Coking coal: 15% (2009), 16% (2010)
- Scrap: 21% (2009), 17% (2010)
- Other raw materials: 28% (2009), 25% (2010)
- Semi-finished products: 9% (2009), 9% (2010)
- Staff: 8% (2009), 9% (2010)
- Depreciation: 13% (2009), 11% (2010)
- Energy: 15% (2009), 19% (2010)

Cost Structure of Vanadium Segment

- Raw materials: 24% (2009), 25% (2010)
- Staff costs: 10% (2009), 14% (2010)
- Depreciation: 9% (2009), 8% (2010)
- Energy: 11% (2009), 12% (2010)
- Other: 46% (2009), 40% (2010)
Domestic Steel Sales and Price Dynamics

Sources: Metal Courier, Morgan Stanley
### Key Investment Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Total CAPEX</th>
<th>Cum CAPEX by 31.12.2010</th>
<th>2011 CAPEX</th>
<th>Project Targets</th>
</tr>
</thead>
</table>
| Reconstruction of rail mill at NKMK                                   | $485m       | $225m                    | $130m      | ◦ Capacity of 950k tonnes of high-speed rails, including 450k tonnes of 100 metre rails  
◦ On-stream by 2013                                                      |
| Reconstruction of rail mill at NTMK                                    | $60m        | $40m                     | $20m       | ◦ Production of higher-quality rails                                               
◦ 550k tonnes capacity                                                   
◦ On-stream by 2012                                                      |
| Pulverised coal injection (PCI) at NTMK and ZSMK                       | $320m       | $40m                     | $175m      | ◦ Lower coke consumption from 420 to 320 kg/tonne                                 
◦ No need for gas consumption                                           
◦ On-stream by 2013                                                      |
| Reconstruction of mechanical area at NTMK wheel & tyre mill           | $40m        | $8m                      | $25m       | ◦ Production of higher-quality wheels                                              
◦ On-stream by 2011                                                      |
| Construction of Yuzhny and Kostanay rolling mills                     | $260m       | $0m                      | $80m       | ◦ Capacity: 450 ktpa of construction products each mill                           
◦ On-stream by mid-2013                                                  |
| Expansion of Kachkanar mine                                            | $80m        | $0m                      | $50m       | ◦ Iron ore production to be increased to 55 mtpa                                 
◦ On-stream by 2012                                                      |
| Development of Mezhegey and Eastern field coal deposits (Tyva, Russia) | TBD         | $70m*                    | $27m       | ◦ Maintaining self-sufficiency in high-quality hard coking coal after depletion of existing deposits  
◦ On-stream by 2015 and 2021 respectively                                 |

* Acquisition of Mezhegey and Mezhegey East licences
## Adjusted EBITDA

### Year ended 31 December

(millions of US dollars)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Adjusted EBITDA reconciliation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td>1,330</td>
<td>195</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortisation</td>
<td>925</td>
<td>979</td>
</tr>
<tr>
<td>Impairment of assets</td>
<td>147</td>
<td>180</td>
</tr>
<tr>
<td>Loss on disposal of property, plant &amp; equipment</td>
<td>52</td>
<td>39</td>
</tr>
<tr>
<td>Foreign exchange (gain) loss</td>
<td>(104)</td>
<td>(156)</td>
</tr>
<tr>
<td><strong>Consolidated Adjusted EBITDA</strong></td>
<td>2,350</td>
<td>1,237</td>
</tr>
</tbody>
</table>
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