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Today’s Speakers

- **Alexander Abramov**
  Chairman

- **Sir Michael Peat**
  Senior Independent Non-Executive Director

- **Alexander Frolov**
  Chief Executive Officer

- **Pavel Tatyanin**
  Chief Financial Officer

- **Alexey Ivanov**
  Vice-President, Steel Division

- **Sergey Stepanov**
  Vice-President, Coal Division
Agenda

- EVRAZ highlights
- Corporate governance
- Strategic progress
- Steel segment
- Coal segment
- Steel, North America
- Financial priorities
EVRAZ Highlights

Alexander Abramov
Chairman of the Board
EVRAZ Highlights

- One of the largest vertically integrated steel and mining companies in the world
- Top-25 steel producer in the world based on crude steel production of 15.5 mt in 2014
- Revenue of $13.1bn, EBITDA of $2.3bn in 2014
- Leader in the Russian construction and railway product markets
- No 1 producer of rails and large diameter pipes in North America
- The largest coking coal producer in Russia
Corporate governance

Sir Michael Peat
Senior Independent Non-Executive Director
Changes in the Board & Committees Composition

**Directors**

- Alexander Abramov  
  Chairman

- Alexander Frolov  
  Chief Executive Officer

- Olga Pokrovskaya

- Eugene Shvidler

- Eugene Tenenbaum

**Independent non-executive directors**

- Deborah Gudgeon  
  Member of the Audit Committee

- Alexander Izosimov

- Karl Gruber  
  Chairman of the Health, Safety and Environment Committee

- Duncan Baxter  
  Chairman of the Remuneration Committee

- Terry Robinson  
  Chairman of the Audit Committee

**Information**

- **Sir Michael Peat**  
  Senior Independent Director, Chairman of the Nominations Committee and a member of the Audit Committee  
  To step down from the Audit Committee

- **Deborah Gudgeon**  
  New member  
  Appointed to the Board as an independent non-executive director (effective 1 May 2015)  
  To become Chairman of the Audit Committee

- **Alexander Izosimov**  
  To join the Audit Committee

- **Karl Gruber**  
  To join the Nominations Committee

- **Duncan Baxter**  
  To join the Nominations Committee

- **Terry Robinson**  
  Will not seek re-election as a director at the 2015 AGM.  
  Will remain an independent adviser to the Board and to the Audit Committee; a member of the EVRAZ Risk Committee

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**Investor Day 2015**
Solid corporate governance

- EVRAZ, as a UK premium listed company, adheres to the FCA Listing, Disclosure and Transparency Rules
- EVRAZ complies with most provisions of the UK Corporate Governance Code
- The Board and Board committees meet on regular basis and run in-depth discussions of key matters
- In 2014, an independent, externally facilitated evaluation of effectiveness of the Board and Board Committees was conducted with encouraging and useful results of review
- Corporate governance policies and implementation are continuously reviewed to ensure that company’s procedures are promptly aligned with new requirements and best practice

- The Board held 12 scheduled meetings in 2014 and 4 in 2015 so far with the major topics discussed being:
  - Health and safety reports and plans
  - Strategy
  - Consideration of a registered initial public offering of the North American subsidiary, EVRAZ North America
  - Consolidation of Raspadskaya and Yuzhkuzbassugol coal companies
  - Main investment projects’ implementation
  - Compliance matters including the UK Bribery Act, greenhouse gas emissions, gender diversity, etc.
  - Remuneration policy of the Company
  - Externally facilitated review of the Board and Committees
We remain committed to our strategy to efficiently produce steel for the global infrastructure from our low cost raw materials.

**Health, Safety & Environment**
Reach zero fatalities at our sites

**Human Capital**
Development and loyalty of our employees

**Customer Focus**
Respond to evolving needs of our clients to build long-term relationships

**EVRAZ Business System**
Ongoing effort to maintain and enhance leadership positions in operational efficiency and cost

**Growth**
Search for the most attractive investments to create value for shareholders
2014 deliverables

- **Health, Safety & Environment**: LTIFR decrease by 18%
- **Human Capital**: Productivity increase by 10%
- **Customer Focus**: 260 ktpa of new products
- **EVRAZ Business System**: Ongoing impact of $420m from realised cost cutting initiatives
- **Growth**: 4 major investment projects completed with average IRR of 20%
Challenging market trends

**Global market**
- Raw materials prices continue to fall given commissioning of new low cost capacity
- Cheaper iron ore and coking coal combined with weaker Chinese steel demand lead to steel price decrease

**Russia**
- Russian economy is slowing down, but GDP dynamics are better than expected
- Rouble remains highly volatile

**North America**
- Despite slowdown in Q1 2015, the US economy is expected to restore healthy growth momentum
- Stronger dollar supports steel imports in the region
## Product line strategies

<table>
<thead>
<tr>
<th>Market</th>
<th>Product line</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>Rails</td>
<td>□ Expand product portfolio and client base</td>
</tr>
<tr>
<td></td>
<td>Construction steel</td>
<td>□ Maintain market share</td>
</tr>
<tr>
<td></td>
<td>Semi-finished products</td>
<td>□ Adjust volumes and mix in response to external factors</td>
</tr>
<tr>
<td></td>
<td>Iron ore</td>
<td>□ Continuous reduction of mining costs</td>
</tr>
<tr>
<td></td>
<td>Coking coal</td>
<td>□ Maximise domestic shipments secured by long-term contracts</td>
</tr>
<tr>
<td>North America</td>
<td>Large diameter pipes</td>
<td>□ Expand our capabilities to meet growing demand</td>
</tr>
<tr>
<td></td>
<td>Rails</td>
<td>□ Run at full capacity to support upgrade of rail infrastructure in the region</td>
</tr>
</tbody>
</table>
Rails

- 75% of sales are secured by long-term contract with Russian Railways (RZD)
  - 2014 sales to RZD – 650 kt
  - 2015 sales to RZD – 530 kt (expected)

- Share of premium rails in our portfolio significantly increased: 70% in 2015 against only 28% in 2014

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**EVRAZ rail shipments, kt**

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H2 2014</th>
<th>H1 2015E</th>
<th>H2 2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>516</td>
<td>376</td>
<td>444</td>
<td>265</td>
</tr>
</tbody>
</table>

**Rail production by type, %**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium rails</td>
<td>69%</td>
<td>70%</td>
</tr>
<tr>
<td>Standard rails</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>14%</td>
</tr>
</tbody>
</table>
EVRAZ shipments to the Russian market declined on average by 20% in H1 2015 vs H1 2014

Market share remains stable at c.23%

Difference between export and domestic prices for construction steel reached the 2014 level

### EVRAZ domestic long steel shipments by product, kt

<table>
<thead>
<tr>
<th>Product</th>
<th>H1 2014</th>
<th>H2 2014</th>
<th>H1 2015E</th>
<th>H1 15 / H1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebar</td>
<td>744</td>
<td>706</td>
<td>591</td>
<td>-21%</td>
</tr>
<tr>
<td>Beam</td>
<td>333</td>
<td>273</td>
<td>197</td>
<td>-41%</td>
</tr>
<tr>
<td>Channel</td>
<td>234</td>
<td>247</td>
<td>195</td>
<td>-17%</td>
</tr>
<tr>
<td>Angle</td>
<td>228</td>
<td>237</td>
<td>162</td>
<td>-29%</td>
</tr>
<tr>
<td>Other</td>
<td>378</td>
<td>402</td>
<td>380</td>
<td>1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,917</strong></td>
<td><strong>1,865</strong></td>
<td><strong>1,526</strong></td>
<td><strong>-20%</strong></td>
</tr>
</tbody>
</table>

### EVRAZ domestic market premium and share

Source: Metal Expert, EVRAZ estimates
Semi-finished products

- Although steel prices fell significantly in H1 2015, our steel exports were profitable due to low cost of production.

- EVRAZ showed flexibility in managing volumes between Russia and export markets.

**Price vs cost in export markets, $/t**

![Graph showing price vs cost in export markets](image)

*Source: Platts, EVRAZ estimates*

**EVRAZ steel export share, by volume, %**

![Graph showing EVRAZ steel export share](image)

*Average 53%*
EVRAZ iron ore business is free cash flow positive

EVRAZ iron ore cash cost is expected to reach $30/t, well below current market price

Production of saleable iron ore products is expected to increase from 13.0 mt in 2014 to 13.6 mt in 2015

$28m of additional effect from cost cutting initiatives in 2015

**Cost cutting initiatives**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>EBITDA Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Production cost reduction</td>
<td>$29m</td>
</tr>
<tr>
<td>2 Asset optimisation</td>
<td>$28m</td>
</tr>
<tr>
<td>3 G&amp;A reduction</td>
<td>$4m</td>
</tr>
<tr>
<td>4 Energy efficiency</td>
<td>$4m</td>
</tr>
</tbody>
</table>

$50/t – current domestic price

Source: EVRAZ estimates (for 2015 USD/RUB 60.00)
Coking coal

- Russian coking coal market demonstrates premium comparing to export parity price

- Maximisation of sales in the domestic market is our priority

- Our low cost of production provides strategic growth opportunities in the export markets

**Premium in the Russian market compared to exports**, $/t

![Graph showing premium in the Russian market compared to exports with data points from January 2014 to May 2015.]

**Competitiveness in export markets**, $/t

![Graph showing competitiveness in export markets with data points from January 2014 to June 2015.]

*Calculation based on Raspadskaya coking coal (grade GZh) prices

Source: CRU, EVRAZ estimates

Evraz

Investor Day 2015
Coking coal (cont’d)

- EVRAZ coking coal cash cost is expected to reach $31/t in 2015

- Production of raw coal is expected to increase from 21.1 mt in 2014 to 21.7 mt in 2015

- $73m of additional effect from cost cutting initiatives in 2015

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**EVRAZ coking coal* cash cost, $/t**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>73</td>
<td>64</td>
<td>46</td>
<td>31</td>
</tr>
</tbody>
</table>

$70/t – current domestic price

**Peers 2015E**

- Severstal: 35
- Mechel: 19

*Washed coking coal
Source: EVRAZ estimates (for 2015 USD/RUB 60.00)

**Cost cutting initiatives**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>EBITDA Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Production costs reduction</td>
<td>$78m/$63m</td>
</tr>
<tr>
<td>2 Asset optimisation</td>
<td>$28m/$6m</td>
</tr>
<tr>
<td>3 G&amp;A reduction</td>
<td>$14m/$3m</td>
</tr>
<tr>
<td>4 Energy efficiency</td>
<td>$2m/$1m</td>
</tr>
</tbody>
</table>

$122m/$73m

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Investor Day 2015

20
EVRAZ in North America

- Low cost integrated minimill production, proximity to end users - low delivery cost, deep technical relationships with customers

- Largest producer of Large Diameter pipe (LD pipe) and rails in North America,

- Strong growth in LD pipe demand expected on the back of natural gas exploration projects and oil logistics cost optimisation

- Robust demand for rails underpinned by strong Class I railroads CAPEX

Market size, LD pipe, \( mt \)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1.0</td>
<td>0.9</td>
<td>0.8</td>
<td>0.7</td>
<td>1.5</td>
<td>2.0</td>
<td>2.5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Market size, rails, \( mt \)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
<td>1.3</td>
<td>1.5</td>
<td>1.6</td>
<td>1.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>
Creating additional value for our customers

- EBITDA effect* from customer focus initiatives of c.$75m in 2015
- Expanding our product portfolio: steel grades, international certification in rails, new profiles of construction products
- Increase production of large diameter pipes for gas pipelines in North America from 364 kt in 2014 to 465 kt in 2015 (growth by 28%)

Efficient & low cost production

- Further cost cutting initiatives with annual EBITDA effect of c.$280m starting from 2015

Realisation of selected investment projects

- Development CAPEX 2015 at c.$215m with 6 major investment projects in progress
- Maintenance CAPEX 2015 expected at c.$335m

*Incremental effect
Steel Segment

Alexey Ivanov
Vice President, Steel Division
Market initiatives

<table>
<thead>
<tr>
<th>Products</th>
<th>Market initiative</th>
<th>EBITDA effect*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Railway products</td>
<td>☐ Rails certification under international standards (60E1/E2, 54E1, Re115)</td>
<td>$27m</td>
</tr>
<tr>
<td></td>
<td>☐ Entering markets of Brazil, Malaysia, Cuba</td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Wheels export to the USA and the UK</td>
<td></td>
</tr>
<tr>
<td>2 Construction products</td>
<td>☐ Sales of H-beams to UAE, UK and USA</td>
<td>$20m</td>
</tr>
<tr>
<td></td>
<td>☐ Penetration of Hong Kong and Eastern Europe rebar markets</td>
<td></td>
</tr>
<tr>
<td>3 Slabs</td>
<td>☐ Production and sales increase of the NTMK high-value micro-alloyed pipe grade slabs</td>
<td>$14m</td>
</tr>
<tr>
<td>Cost cutting initiatives</td>
<td>Description</td>
<td>EBITDA effect</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
</tbody>
</table>
| 1 Production costs reduction | □ Slag recycling at ZSMK  
□ Yields improvement (rail mill and PCI at ZSMK) | ✓ $64m | $59m |
| 2 Assets optimisation | □ Closure of one coke-making plant at ZSMK | ✓ $25m | $10m |
| 3 G&A reduction | □ Headcount optimisation | ✓ $19m | $7m |
| 4 Energy efficiency | □ Recycling of internal energy resources | ✓ $1m | $8m |
| 5 Other actions | | ✓ $4m | $11m |

Total EBITDA effect: $113m (2015E) - $95m (2014)
CAPEX outlook

- Russian steel assets are well invested

- Maintenance CAPEX in 2016 – 2017 will be above the average level due to planned overhaul of blast furnace №6 at EVRAZ NTMK

- Current investment projects are focused on efficiency improvement and selective modernisation

### Russian steel investment focus, 2009-2015

<table>
<thead>
<tr>
<th>Blast furnace</th>
<th>Steelmaking</th>
<th>Railway products</th>
</tr>
</thead>
<tbody>
<tr>
<td>$350m</td>
<td>$275m</td>
<td>$650m</td>
</tr>
</tbody>
</table>

#### Investment projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>CAPEX</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reconstruction of continuous casting machines at EVRAZ ZSMK</td>
<td>$47m</td>
<td>33%</td>
</tr>
<tr>
<td>2</td>
<td>Ball mill construction</td>
<td>Construction of new ball mill at EVRAZ NTMK rail site to support our strategic position at this market</td>
<td>$22m</td>
</tr>
<tr>
<td>3</td>
<td>Boiler unit №9</td>
<td>Boiler unit №9 at EVRAZ ZSMK switch to secondary gas consumption</td>
<td>$16m</td>
</tr>
</tbody>
</table>
Coal Segment

Sergey Stepanov
Vice President, Coal Division
Coking coal portfolio

- Diversified portfolio with a full range of coking coal grades
- Domestic market accounts for 67% of sales
- Number of customers is expected to increase from 35 in 2013 to 50 in 2015
- Sales volumes under long-term contracts are expected to reach 3.5 mt in 2015
## Cost cutting initiatives

<table>
<thead>
<tr>
<th>Cost cutting initiatives</th>
<th>Description</th>
<th>EBITDA effect</th>
</tr>
</thead>
</table>
| **1 Production costs reduction** | Mining volumes increase  
Auxiliary materials consumption rate decrease | $78m | $63m |
| **2 Assets optimisation** | Closure of Abashevskaya, Kusheyakovskaya and MUK-96 mines | $28m | $6m |
| **3 G&A reduction** | Elimination of overlapping functions between Raspadskaya and Yuzhkuzbassugol management | $14m | $3m |
| **4 Energy efficiency** | Selective equipment upgrade | $2m | $1m |

**EBITDA effect**

- **2014**: $14m
- **2015E**: $122m
- **2015**: $73m

**Investor Day 2015**
Operational excellence

- EVRAZ managed to reduce total number of operating mines from 12 in 2012 to 8 in 2015

- During the same period mining volumes increased from 16 mtpa to 21 mtpa

- Concentration of assets allowed to structurally improve efficiency of longwall development process

- Production efficiency improved due to mine logistics optimisation and down time reduction

Productivity: Drifting

<table>
<thead>
<tr>
<th>Year</th>
<th>Productivity, meter/person</th>
<th>Development volume, km</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3.9</td>
<td></td>
</tr>
</tbody>
</table>

Peers 2014

- Russian peer 1: 3.1
- Russian peer 2: 2.9

Productivity: Mining

<table>
<thead>
<tr>
<th>Year</th>
<th>Load of longwall face, kt/day</th>
<th>Average # of longwall faces</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>6.2</td>
<td></td>
</tr>
</tbody>
</table>

Peers 2014

- Russian peer 1: 3.0
- Russian peer 2: 2.2

Source: EVRAZ estimates
CAPEX outlook

- In 2010-2014 substantial investments were made into coking coal assets.

- Production volumes are projected to be stable starting from 2015.

- CAPEX in 2015 is expected to be below $160m per annum.

- Mezhegey coal deposit development is our main project.

Coal investment focus, 2010-2014

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>CAPEX</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raspadskaya mine reconstruction</td>
<td></td>
<td>$210m</td>
<td></td>
</tr>
<tr>
<td>Yerunakovskaya VIII mine construction</td>
<td></td>
<td>$350m</td>
<td></td>
</tr>
<tr>
<td>Mezhegey deposit development project</td>
<td>Capacity of 2.0 mtpa of hard coking coal (grade Zh under Russian classification)</td>
<td>$174m</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>Ramp-up to be completed by 2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Steel, North America

Pavel Tatyanin
Senior Vice President, CFO
Leading and highly defensible positions across markets

**Large diameter pipe (LD Pipe)**
- Increasing Natural Gas production reshapes pipeline infrastructure in North America
- Average 2015 – 2018 LD pipe demand expected to exceed 1.5m tons annually; approximately double from 2014 levels
- Strong customer relationships and a robust order book through 2015

**EVRAZ LD pipe market share in 2014**
- EVRAZ: 53%
- Others: 47%

**Rail market**
- Demand driven by Class I railroads CAPEX
  - Total $19bn CAPEX announced by Class I railroads for 2015
- Class I railroads focus on track availability and safety drive demand for premium rail products
- High capacity utilisation

**EVRAZ rail market share in 2014**
- EVRAZ: 60%
- Others: 40%
Established customer base with scale and financial stability

<table>
<thead>
<tr>
<th>Customer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rail products</strong></td>
<td></td>
</tr>
<tr>
<td>BNSF Railway</td>
<td>- $23bn in revenue for 2014; approximately 32 thousand miles of track</td>
</tr>
<tr>
<td></td>
<td>- ~25% of NA’s railroad CAPEX spend for 2015</td>
</tr>
<tr>
<td>Union Pacific</td>
<td>- $24bn in revenue for 2014; approximately 32 thousand miles of track</td>
</tr>
<tr>
<td></td>
<td>- ~25% of NA’s railroad CAPEX spend for 2015</td>
</tr>
<tr>
<td><strong>Large diameter pipe products</strong></td>
<td></td>
</tr>
<tr>
<td>Enbridge</td>
<td>- $33bn in revenue for 2014</td>
</tr>
<tr>
<td></td>
<td>- $7.8bn in announced CAPEX for 2015</td>
</tr>
<tr>
<td></td>
<td>- One of the largest energy transportation and distribution companies in North America</td>
</tr>
<tr>
<td>TransCanada</td>
<td>- $9bn in revenue for 2014</td>
</tr>
<tr>
<td></td>
<td>- $3.6bn CAPEX announced for 2015</td>
</tr>
<tr>
<td></td>
<td>- 68,000 kilometers of natural gas pipelines</td>
</tr>
</tbody>
</table>
## Market initiatives

<table>
<thead>
<tr>
<th>Products</th>
<th>Market initiative</th>
<th>EBITDA effect*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Continue operating rail mill at full capacity</td>
<td>$2m</td>
</tr>
<tr>
<td></td>
<td>Continue shifting mix towards premium rail</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commercialise 6th generation premium rail</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In-track testing of welding technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continue ramping up of existing capacity</td>
<td>$14m</td>
</tr>
<tr>
<td></td>
<td>- Portland mill is ramping up to full utilization in H2 2015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Increasing production in Camrose by c.60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expand product portfolio to serve thicker (up to 1”) wall pipe designs for natural gas transmission</td>
<td></td>
</tr>
</tbody>
</table>

### OCTG

- Continue upgrading mix towards high-value heat-treated pipe. Phase 1 of Calgary heat treat upgrade to be finalised in H1 2015
- Expand portfolio of premium and semi-premium connections of Red Deer premium threading lines

**Preparing for market recovery**

*Incremental effect*
### Cost cutting initiatives

<table>
<thead>
<tr>
<th>Cost cutting initiatives</th>
<th>Description</th>
<th>EBITDA effect</th>
<th>CF effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production costs reduction</strong></td>
<td>□ Improved LD mills operational performance. OCTG productivity improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Aggressive cost and staffing reductions at curtailed operations</td>
<td>✓ $60m</td>
<td>✓ $20m</td>
</tr>
<tr>
<td></td>
<td>□ Reduction of indirect and HQ expenses</td>
<td>✓ $9m</td>
<td>✓ $20m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ $69m</td>
<td>✓ $20m</td>
</tr>
<tr>
<td><strong>G&amp;A reduction</strong></td>
<td></td>
<td>✓ ~$37m</td>
<td></td>
</tr>
<tr>
<td><strong>Assets optimisation/divestitures</strong></td>
<td>□ Claymont shutdown and sale</td>
<td>✓ ~$169m</td>
<td>✓ $20m</td>
</tr>
<tr>
<td></td>
<td>□ Regina Cut-To-Length divestiture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Structural Tubing mill divestiture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Fine-tune planning processes</td>
<td>✓ $98m</td>
<td>✓ $20m</td>
</tr>
<tr>
<td></td>
<td>□ Turnover increase across Long, Tubular, and Flat segments</td>
<td>✓ $150m</td>
<td>✓ ~$169m</td>
</tr>
<tr>
<td><strong>Inventory optimisation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CAPEX outlook

- High quality assets

- 2011 – 2015 focus: Pueblo steel making upgrade, rail mill modernisation

- 2015 - 2016 focus: increased CAPEX concentrated around upgrade of steel mill and construction of a new LD pipe mill in Regina Saskatchewan

- Maintenance CAPEX remains flat

- Future investments will be concentrated around LD pipe business

Investment Projects, 2011-2015

- Pueblo Steel
- Pueblo Rail

Total cost of Pueblo upgrade is more than $100m

Investment projects, 2015-2016

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>CAPEX</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regina Steel and Rolling Upgrade</td>
<td>New vacuum degasser</td>
<td>$137m</td>
<td>&gt;25%</td>
</tr>
<tr>
<td></td>
<td>Caster upgrade</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rolling mill upgrade</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>250 kt inc. capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yield Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yield Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Step Large Diameter Mill</td>
<td>Install a two step mill</td>
<td>$75m</td>
<td>&gt;25%</td>
</tr>
<tr>
<td></td>
<td>Expand capabilities to weld thick-wall pipe</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>150 kt inc. capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yield improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financial priorities

Pavel Tatyanin
Senior Vice President, CFO
Delivering on commitments in 2014

- **EBITDA margin**: 17.8% (Up 5.2 pp)
- **Cost cutting**: $420m of savings
- **CAPEX**: $654m (Down 27%)
- **Net Leverage**: 2.5x (Down from 3.6x)
- **Free Cash Flow**: $1,012m (Up 124%)
- **Return to shareholders**: $336m in a tender offer at US$3.10 per share (10% premium*)

*Based on the exchange rate, the tender price represented a premium of 10% to the average closing price in the last five business days prior to publication of tender offer announcement. The Company invited shareholders to tender up to a maximum of 8.05% of their shareholding.*
# Sensitivity to currency

<table>
<thead>
<tr>
<th>Position</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>30-40%* Rouble denominated</td>
</tr>
<tr>
<td>Costs</td>
<td>50% Rouble denominated</td>
</tr>
<tr>
<td>CAPEX</td>
<td>55% Rouble denominated</td>
</tr>
</tbody>
</table>

- In the current economic situation RUB exchange rate weakening by 10% accounts for ~$175m additional annual EBITDA
- Possibility to manage export sales share in the overall Company portfolio allows prompt actions targeting revenue optimisation
- Steel prices in Russia have historically strong correlation with international prices

* Subject to market fluctuations
Maturity profile

- Total debt $6.8bn as of 31 May 2015

- Focus on proactive refinancing of short-term maturities and cost-efficient use of cash for total debt reduction:
  - $448m Eurobonds due 4Q’15 bought back in December 2014 – January 2015
  - $136m swapped RUB’15 bonds repurchased in April 2015
  - $500m Gazprombank facility due 2016 refinanced by a new EUR475m loan due 2018-2019

Maturity profile as of 31 May 2015*,$m

* RUB bonds issued by the Group are fully swapped into US$ representing synthetic US$ borrowings. Principal of loans and borrowings (incl. hedging exposure and excl. interest payments).
Debt structure

- Group’s debt is predominantly US dollar-denominated*
- Long-term debt is mostly fixed rate
- Weighted average cost of debt in 2014 was around 6.3%
- S&P upgraded the LT corporate credit rating of EVRAZ to BB-, stable

* Outstanding borrowings done with RUB bonds have been fully swapped in US dollars using cross-currency swaps

**Cost of borrowings**

- Bank debt
- Capital markets debt
- Debt under hedging instruments

**Debt under hedging instruments**

- USD
- EUR
- CAD

**Fixed rate**

- Variable rate

Investor Day 2015
Key capital deployment initiatives

- **Deleveraging**
  - Deleveraging remains management’s focus with a long-term target 2.0x Net leverage level (Net debt/EBITDA)
  - Proactive extension or refinancing of short term debt to minimise refinancing risk and keep safe liquidity cushion

- **Dividends**
  - The dividend amount is determined on an annual basis by the Board of Directors subject to:
    - Net leverage (Net debt/EBITDA) below 3.0x
    - Continuous net debt reduction in absolute terms

- **Reinvestments**
  - Well invested assets
  - No need for large capital spending
  - Selective capital investments will be capped at ~$200m