Investor Presentation

February 2006
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Evraz Highlights

- Among the 15 largest steel producers in the world
- Russia’s largest producer of steel and steel products
- Vertically integrated steel and mining business
- Recent acquisitions of Palini e Bertoli, Vitkovice Steel and Yuzhkuzbassugol
- Produced 13.9 mt of crude steel in 2005
- Consolidated revenues of US$5.9 billion in 2004 and US$3.6 billion in 1H05
- EBITDA of US$2.0 billion in 2004 and US$1.1 billion in 1H05
- Successful IPO on LSE in June 2005 placing 8.3% stake for US$422m followed by a placement of a 6% stake in January 2006, implying a total free float of 14.3%
- Multiple upgrades in the last six months from Fitch and Moody’s
  - Ba3 by Moody’s, BB- by Fitch and B+/Positive Outlook by S&P
Top Russian steel producer

Evraz’s main locations

Top Russian steel producers

<table>
<thead>
<tr>
<th>Russian ranking</th>
<th>Company</th>
<th>Output (million tons) 2003</th>
<th>Output (million tons) 2004</th>
<th>Output (million tons) 2005</th>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Evraz Group</td>
<td>13.9</td>
<td>13.7</td>
<td>13.9</td>
<td>Long</td>
</tr>
<tr>
<td>2</td>
<td>MMK</td>
<td>11.5</td>
<td>11.3</td>
<td>11.3</td>
<td>Flat/long</td>
</tr>
<tr>
<td>3</td>
<td>Severstal</td>
<td>9.9</td>
<td>10.4</td>
<td>10.8</td>
<td>Flat/long</td>
</tr>
<tr>
<td>4</td>
<td>NLMK</td>
<td>8.9</td>
<td>9.1</td>
<td>8.4</td>
<td>Flat</td>
</tr>
<tr>
<td>5</td>
<td>Mechel</td>
<td>4.6</td>
<td>5.5</td>
<td>4.6</td>
<td>Long/flat</td>
</tr>
</tbody>
</table>

Source: Chermet, Evraz
Note: Crude steel output
An integrated steel and mining platform

<table>
<thead>
<tr>
<th>Steel</th>
<th>Coal</th>
<th>Iron Ore</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTMK 92.4%</td>
<td>Raspadskaya 48.4%(^{(2)})</td>
<td>KGOK 97.7%</td>
<td>Nakhodka Sea Port 93.6%</td>
</tr>
<tr>
<td>Zapsib 96.7%</td>
<td>Neryungri Ugol 100%</td>
<td>Evrazruda 100%</td>
<td>Ferrotrade 100%</td>
</tr>
<tr>
<td>NKMK 100%</td>
<td>Mine 12 100%</td>
<td>VGOK 87.4%</td>
<td>TH EvrazHolding 100%</td>
</tr>
<tr>
<td>Paline Bertoli 75%+1</td>
<td>Yuzhkuzbass Ugol 50%</td>
<td></td>
<td>Evraztrans 76%</td>
</tr>
<tr>
<td>Vitkovic Steel 99%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
1. Actual ownership interests representing Evraz's control
2. Accounted for on the equity basis.
Russia’s leading steel producer

Top Russian steel producers in 2005 (mt)

- Evraz: 13.9 mt
- MMK: 11.3 mt
- Severstal: 10.8 mt
- NLMK: 8.4 mt
- Mechel: 4.6 mt

Source: Chermet, Companies’ data, Evraz

Diversified steel production mix, 2005

- Construction products: 41.8%
- Railway products: 12.6%
- Machinery: 7.5%
- Minerals: 1.2%
- Semifinished products: 2.4%
- Iron: 34.5%

Source: Chermet, Metall Expert

Domestic market share by volume, 2005

- Rails: #1, 100%
- H-Beams: #1, 84%
- Channels: #1, 49%
- Rebars: #1, 30%
- Wheels: #2, 28%

Source: Chermet, Companies’ data, Evraz
Russia’s growing construction industry

- Russian steel consumption remains below global benchmarks
- Construction sector output is forecasted to exceed GDP growth by 37% between 2004 and 2008
- Significant downstream capacity flexibility to capture migration to higher margin products for domestic market
- The government approved four budget-funded national projects which in particular would allow doubling the volumes of house construction by year 2010

### 2004 Steel Consumption per Capita (kg)

<table>
<thead>
<tr>
<th>Country</th>
<th>2004 Consumption (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>198</td>
</tr>
<tr>
<td>Germany</td>
<td>338</td>
</tr>
<tr>
<td>EU-15</td>
<td>390</td>
</tr>
<tr>
<td>Average</td>
<td>404</td>
</tr>
<tr>
<td>US</td>
<td>485</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>561</td>
</tr>
<tr>
<td>Japan</td>
<td>959</td>
</tr>
<tr>
<td>S. Korea</td>
<td></td>
</tr>
</tbody>
</table>

### Construction Output Forecast to Exceed GDP Growth

Indexed to 100 as of 1 January 1999

- ‘04–’08F Construction Output CAGR: 6.7%
- ‘04–’08F GDP CAGR: 5.0%

Source: CRU, Metal Expert, Global Insight (steel consumption), Global Insight

Uniquely positioned to benefit from rapid Russian economic growth
### Unique position in rail products

#### The Russian Railways (RZD) opportunity

- Railway products contributed 13% to Evraz’s revenues in 1H05
- RZD, Evraz’s major customer, is among the biggest railway operators globally
- Evraz accounted for nearly 100% of sales of rails in Russia
- Significant RZD capex required and planned
  - Large backlog in rail replacement due to under-investment in 1990s
  - Approximately US$21bn in capex planned for 2005-2007 period


#### Evraz Prices vs. international export benchmarks (US$/t)

<table>
<thead>
<tr>
<th></th>
<th>Evraz</th>
<th>Italy</th>
<th>Poland</th>
<th>Germany</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>457</td>
<td>600</td>
<td>640</td>
<td>717</td>
<td>849</td>
</tr>
</tbody>
</table>

#### RZD infrastructure & rolling stock capex (US$ bn)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>RZD</td>
<td>2.5</td>
<td>3.4</td>
<td>4.5</td>
<td>4.6</td>
</tr>
<tr>
<td>Evraz</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Other</td>
<td>1.0</td>
<td>1.0</td>
<td>2.0</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Company data, UN Statistics Division
Notes: 1. Rail prices as of 1H05

Uniquely positioned to benefit from RZD asset modernisation programme
Growing self-sufficiency in raw materials

- Approximately 77% of iron ore and 69%\(^{(1)}\) of coking coal are sourced internally
- Evraz has access to a large proportion of its raw materials supply
- Limited exposure to high and variable raw material prices

### Global iron ore and coking coal prices ($/t)\(^{(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Iron ore fines</th>
<th>Iron ore pellets</th>
<th>Coking coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010F</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Iron ore fines
- Iron ore pellets
- Coking coal

### Internal raw materials sourcing\(^{(3)}\)

<table>
<thead>
<tr>
<th>Steelmaker</th>
<th>Iron ore (% of total)</th>
<th>Coking coal (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evraz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechel</td>
<td>77</td>
<td>69</td>
</tr>
<tr>
<td>NLMK</td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td>Severstal</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>MMK</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>CSN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcelor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POSCO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Iron ore
- Coking coal

Notes:
1. Including supplies from Yuzhkuzbassugol
2. CVRD – FOB for iron ore, Australian HCC – FOB for coking coal

Source: World Steel Dynamics, April 2005

Source: Rudprom, Rasmin, FGUP VUKhIN
Attractive export markets – Asia

- Robust GDP growth expected to continue in all of Evraz’s key export markets, significantly outperforming expected economic expansion in developed nations.
- Steel exports accounted for 43% of Evraz’s total 1H05 revenues, with the majority delivered as semi-finished products to high-growth Asian re-rolling markets.

2004-2008E average annual GDP growth

1H05 export revenue structure

Selling to a diverse set of high-growth markets
Magnitude and quality of transformation

Growing profitable business

Increasingly diversified EBITDA

Note:
1. Evraz have not prepared audited or reviewed financial statements for the 12 month period ended 30 June 2005. Financial indicators presented under LTM (last twelve months) are calculated as a sum of 1H05 financial results and FYE 2004 less 1H04 financial results.
# 2005 Trading update

<table>
<thead>
<tr>
<th>Product</th>
<th>2005, thousand tonnes</th>
<th>2005/2004 change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steel division</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pig iron</td>
<td>11,457</td>
<td>-0.9</td>
</tr>
<tr>
<td>Steel</td>
<td>13,852</td>
<td>+1.2</td>
</tr>
<tr>
<td>Rolled products</td>
<td>12,226</td>
<td>+0.6</td>
</tr>
<tr>
<td><strong>Mining division</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron ore (saleable products)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentrate</td>
<td>2,709</td>
<td>+10.2</td>
</tr>
<tr>
<td>Sinter</td>
<td>8,778</td>
<td>+11.2</td>
</tr>
<tr>
<td>Pellets</td>
<td>5,180</td>
<td>+56.2</td>
</tr>
<tr>
<td>Coal (mined)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coking coal</td>
<td>538</td>
<td>n/a</td>
</tr>
<tr>
<td>Steam coal</td>
<td>50</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Equity investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coking coal (Raspaskaya)</td>
<td>6,395</td>
<td>n/a</td>
</tr>
<tr>
<td>Coking and stream coal (Yuzhkuzbassugol)</td>
<td>17,085</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Summary financials

<table>
<thead>
<tr>
<th>US$m</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>1H05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>1,540</td>
<td>2,168</td>
<td>5,933</td>
<td>3,632</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>205</td>
<td>559</td>
<td>2,447</td>
<td>1,381</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>13.3%</td>
<td>25.8%</td>
<td>41.2%</td>
<td>38.0%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>209</td>
<td>476</td>
<td>2,017</td>
<td>1,119</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>13.6%</td>
<td>22.0%</td>
<td>34.0%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Net income</td>
<td>1</td>
<td>253</td>
<td>1,345</td>
<td>729</td>
</tr>
</tbody>
</table>

| **Balance sheet** |      |      |      |      |
| Total assets     | 1,222| 2,232| 4,253| 5,504|
| Net debt (2)     | 128  | 479  | 1,025| 736  |
| Equity           | (4)  | 367  | 1,609| 2,857|
| Minority interest| 223  | 193  | 358  | 299  |

| **Cashflow statement** |      |      |      |      |
| Cashflow from operations| 117  | 43   | 946  | 727  |
| Cashflow from investing| (117)| (359)| (817)| (657)|
| Capex               | (75) | (217)| (524)| (280)|
| Cashflow from financing| 7    | 462  | (36) | 316  |

**Notes:**
1. Adjusted EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on dispositions of property plant and equipment.
2. Net debt equals total debt less cash & equivalents.
Cost Structure

Steel division costs

US$2,566m

- Raw materials: 67%
- Transportation: 10%
- Staff costs: 8%
- Depreciation: 3%
- Energy: 7%
- Other: 6%

US$1,683m

- Raw materials: 58%
- Transportation: 10%
- Staff costs: 10%
- Depreciation: 3%
- Energy: 5%
- Other: 8%

Mining division costs

US$325m

- Raw materials: 12%
- Transportation: 8%
- Staff costs: 10%
- Depreciation: 3%
- Energy: 8%
- Other: 18%

US$192m

- Raw materials: 76%
- Transportation: 10%
- Staff costs: 12%
- Depreciation: 5%
- Energy: 35%
- Other: 5%
Pricing environment: raw materials

Concentrate (USD/tonne)

Pellets (USD/tonne)

Coking coal concentrate (USD/tonne)

Source: Evraz, Metall Courier, Kasmin
Pricing environment: steel products

**Rebars** (USD/tonne)

- Export price, FOB
- Russian price index, FCA

**H-beams** (USD/tonne)

- Export price, FOB
- Russian price index, FCA

Source: Evraz, Metalltorg (domestic prices), Metal Bulletin (export prices).
Recent Corporate Developments

Palini e Bertoli

- Palini e Bertoli is a rolling mill operator in northern Italy producing steel plate products
- Target markets - Southern Europe and the Mediterranean
- 2005 output - 325,000 tonnes of rolled products, revenues - €180m under Italian GAAP
- Evraz acquired 75% interest in Palini on 12 August 2005
- The deal is in line with Evraz’s strategy of acquiring high-quality re-rolling facilities worldwide
- Increase utilisation of slab produced on own facilities in Russia to 100% of installed capacity
- 2006 perspective: maximise capacity utilisation increasing output 20% y-o-y
Recent Corporate Developments

Vitkovice Steel

- Vitkovice Steel in the north-east of the Czech Republic is a leading European producer of hot-rolled steel products
- Target markets – the Czech Republic and Central Europe
- Total sales in 2005 - 802,000 tonnes of rolled products, revenues - €508m
- Evraz acquired 98.96% of Vitkovice Steel for c. €240m on 15 November 2005
- 5 Evraz representatives elected to the governing bodies of Vitkovice Steel
Recent Corporate Developments

Yuzhkuzbassugol Acquisition

**Highlights**
- Leading coal producer in Russia, operating 10 mines, 2 washing plants, 3 machinery plants, 3 transportation companies and a number of support companies
- Annual output exceeded 17mn t of coal in 2005
- Wide and complementary range of coal brands, permitting Evraz to circumvent purchase of coal from third parties

**Transaction details**
- 50% stake acquired from Evraz shareholders to simplify corporate structure and improve transparency
- Independent valuation of Yuzhkuzbassugol of $1.35bn, implying acquisition price of $675mn for the 50% stake
- Transaction voted on by Evraz non-executive directors only
- Financial consolidation on equity basis
Recent Corporate Developments

Neryungri Ugol – Project on track

**Highlights**
- 2.4 mt coking coal mine
- Extractable reserves are estimated at 70-85 mt of high grade hard coking coal
- Production to start in 2H06, expected to reach full production during 2008

**Current stage**
- Evraz – Mitsui JV agreement signed, Mitsui joins as a co-investor with 30%
- Financial package under negotiations (JBIC, ECAs)
- Underground mine development is ongoing, 7500 m developed
- Mining equipment for Phase 1 ordered and major personnel hired
- Surface construction is in the active phase
- Project presented to prospective customers and preliminary coal tests successfully completed (JSM, POSCO, NTMK)
Corporate Governance

Management

Board of Directors decision on management changes based on necessity to separate the roles of chief executive officer and of chairman of the Board:

New structure effective since January 1, 2006:

- Mr. Valery Khoroshkovsky, Managing Director Operations, appointed new CEO with effect from January 1, 2006
- Mr. Alexander Frolov, Managing Director Corporate, appointed new Chairman of the Board, effective May 1, 2006

Dividends

Interim dividends for 1H2005 in line with the company’s dividend policy
Total payout of c.$193m, or $1.65 per share ($0.55 per GDR) payable to shareholders of record as of November 24, 2005
31.5% of net profit and more than 6% annualised dividend yield

Corporate codes

Code of Dealing, Disclosure Policy and Internal regulatory procedures on inside information in place since 2005
Contacts

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Vice President

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