Evraz is the world leader in the railway products market

Railway products make up 15% in the Evraz product portfolio

- NTMK 931,000 tonnes
- NKMK 894,000 tonnes
- RMSM (Evraz Oregon Steel Mills, USA) 465,000 tonnes

Evraz accounts for 23% of the world rail products and produces 1.6 million tonnes of rails, including:

- NTMK 380,000 tonnes
- NKMK 755,000 tonnes
- RMSM 465,000 tonnes

Russian Railways (RZhD) - the world's largest consumer of rails, Evraz's major customer – buys about 700,000 tonnes, or 60% of rails produced by Evraz in Russia

- NTMK 193,000 tonnes
- NKMK 494,000 tonnes
In 2007 Evraz implemented a number of projects to improve its railway products quality

- Wheel Mill at NTMK: Construction of a heating furnace and two final check lines [CAPEX of ~€45 million]
- An ultrasonic check line at NTMK's wheel mill [CAPEX of ~€8 million]
- Rail vacuum treatment at NKMK's EAF shop [CAPEX of ~€20 million]
In 2008-2009 Evraz will complete reconstruction of NTMK’s wheel mill

- Heat treatment shop: [CAPEX of ~€107 million]
  - Reheating furnaces, controlled cooling facilities, wheel drawing furnaces [December 2008]
  - First phase (December 2008): wheel hardness 320 - 340 HB, second stage [June 2009] >360 HB
  - Capacity – 580,000 wheels p.a.

- Wheels processing shop [CAPEX of ~€27 million], 2009
  - Finishing machine shop modernisation, capacity - 580,000 wheels p.a.
In 2008-2011 Evraz is planning a large-scale reconstruction of rail production

**CAPEX** - €500 million

**Production volume:**
NKMK – 750,000 tonnes
NTMK – 950,000 tonnes

**Length** - up to 25 m at NKMK and up to 100 m at NTMK (up to 50% of total production)

Rail head thermohardening facility at NTMK

**Process flowsheet:** water descaling, wheel stamping, mangle tools, ultrasonic controls, including dry ultrasonic control, drill-saws, finishing presses, a bolt hole strengthening machine
Rail prices in Russia still considerably lag behind world rail prices

Rail price dynamics, Russia and the world

- Austria
- Italy
- Russia, rails R-65 of category "T1"
- Russia, rails R-65 for low temperatures
- Russia, rails R-65 for high-speed operations
Alignment of Russian and world rail prices shows the dynamics of rail quality improvement

![Graph showing the alignment of Russian and world rail prices, with a 30% increase in average run from 2002 to 2007. The graph compares the rail price ratio of Russia to Italy, with both lines showing an increase in Mln tonnes, gross over the years.]
In conditions of growing world steel prices it is necessary to stimulate production of high value-added products.
THANK YOU!