Wermuth Asset Management Investment Roadshow

20 October 2010

Giacomo Baizini, CFO
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Evraz Group in Brief

- World-class steel and mining company, 14-th largest steel company globally in 2009
- 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 2009, Evraz produced 15.3 million tonnes of crude steel and sold 14.3 million tonnes of rolled products
- 2009 consolidated revenue amounted to US$9.8 billion; EBITDA was US$1.2 billion
- GDRs are listed on London Stock Exchange; market capitalisation of approx. US$13.4 billion
Evraz’s Global Business

Key Facilities:
1 - ZSMK
2 - NKMK
3 - N1MK
4 - DMZP
5 - Evraz Inc. NA
6 - Highveld
7 - Evraz Palini e Dertoli
8 - Evraz Vitkovice Steel
9 - Evrazruđa
10 - KGOK
11 - VGOK
12 - Sukha Balka
13 - Yuzhkužbassugol
14 - Raspadskaya
15 - Bagley Coke
16 - Dneprodzerzhinsk Coke
17 - Dnepropetrovsk Coke
18 - Stratcor
19 - Nikom
20 - Vanady-Tula
21 - Nakhodka Sea Port
**1H 2010 Financial Highlights**

- In 1H10 Group revenue rose by 38% vs. 1H09, largely driven by increase in sales volumes of steel products and higher average prices.
- 1H10 Group EBITDA advanced by 147% reflecting revenue expansion and cost control.
- 1H10 Mining segment EBITDA more than quadrupled, largely due to the growth in iron ore and coal prices.
- EBITDA margin improved from 10% in 1H09 to 18% in 1H10.
Steel: Product Mix Improvement

- Recovery in demand for construction and railway products in Russian market raised the proportion of finished products in the portfolio.
- Share of construction products increased from 25% to 32%.
- Share of semi-finished products fell from 40% to 29%.
- Share of Group’s sales volumes in the Russian market increased from 29% to 33% following recovery in domestic demand.
- Domestic sales of Russian and Ukrainian operations advanced from 44% to 53%.

Steel Product Sales Volumes by Operations

Steel Sales Volumes by Product

### Steel Product Sales Volumes by Operations

<table>
<thead>
<tr>
<th></th>
<th>'000 tonnes</th>
<th>'000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian &amp; Ukrainian</td>
<td>5,187</td>
<td>5,532</td>
</tr>
<tr>
<td>North American</td>
<td>944</td>
<td>1,276</td>
</tr>
<tr>
<td>European</td>
<td>413</td>
<td>603</td>
</tr>
<tr>
<td>South African</td>
<td>279</td>
<td>303</td>
</tr>
</tbody>
</table>

### Steel Sales Volumes by Product

<table>
<thead>
<tr>
<th></th>
<th>1H09</th>
<th>1H10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-finished</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>2,262</td>
<td>2,470</td>
</tr>
<tr>
<td>Railway</td>
<td>821</td>
<td>974</td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>887</td>
<td>1,304</td>
</tr>
<tr>
<td>Tubular</td>
<td>391</td>
<td>1,436</td>
</tr>
<tr>
<td>Other steel</td>
<td>186</td>
<td>268</td>
</tr>
</tbody>
</table>
Recent Market Developments

- Overall growing trend in steel prices is driven by demand recovery and increases in input costs
- International prices for semi-finished steel declined in May-June due to seasonal and regulatory factors but stabilised in July
- Russian domestic demand for construction steel is expected to be approx. 10% higher in 2010 than in 2009
- Anticipated steelmaking capacity utilisation in 4Q10:
  - Russia – to remain >95%
  - North America – >95%
  - Czech Republic – temporarily closed since July
  - South Africa – >95%
- Russian mining assets are running at 75% capacity in coal and 90% in iron ore
- Vanadium expected to perform better than steel as vanadium usage rates in the emerging markets’ steel production sector approach the levels of industrially developed countries
Recovery of construction steel product consumption began in 2010

Increase of shaped sections demand vs. rebar might be greater in the next years due to infrastructure projects development

Sources: Rosstat, Railway statistics, Customer service statistics, Metal Courier, Rusmet
Growth Strategy

Product mix improvements
- Modernisation of rail mills enabling the production of high value-added products
- Upgrade of wheel shops
- Shift to production of American Petroleum Institute certified slabs and other enhanced quality higher margin steel products
- Product mix expansion geared to local market demand (new rebar grades, beams, pipe blanks, sheet)
- Exploring opportunities for development of construction steel rolling capacities in regions with high demand

Raw material base development
- Development of a coal deposit in Yerunakovsk region of Kuzbass
- Expansion of resource base and development of the Mezhegey coal deposit
- Increase of own iron ore production and supplementary exploration at existing sites

Cost-saving measures
- Implementation of pulverised coal injection projects at the Russian steel mills to eliminate usage of natural gas in blast furnaces and reduce consumption of coking coal. Added effect will be an increase in pig iron production volumes and, therefore, crude steel production
- Cost saving programmes in place, yielding US$20-30m efficiency gains a year at each plant

Increase in production volumes
- Reconstruction of 4th converter and 3rd slab machine at NTMK should increase 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
Key Investment Projects

- CAPEX in 2010 expected to be around US$950m vs. US$441m in 2009
- Approximately US$550m of 2010 CAPEX to be directed to increasing productivity and development projects, key projects being:

<table>
<thead>
<tr>
<th>Project</th>
<th>Total CAPEX</th>
<th>Cum CAPEX by 31.12.09</th>
<th>2010 CAPEX</th>
<th>Project Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction of rail mill at NKMK</td>
<td>US$440m</td>
<td>US$30m</td>
<td>US$220m</td>
<td>○ Capacity of 950k tonnes of high-speed rails, including 450k tonnes of 100 metre rails ○ On-stream by 2013</td>
</tr>
<tr>
<td>Reconstruction of rail mill at NTMK</td>
<td>US$55m</td>
<td>US$28m</td>
<td>US$27m</td>
<td>○ Production of higher-quality rails ○ 550k tonnes capacity ○ On-stream by 2012</td>
</tr>
<tr>
<td>Pulverised coal injection (PCI) at NTMK and ZSMK</td>
<td>US$320m</td>
<td>US$0m</td>
<td>US$40m</td>
<td>○ Lower coke consumption from 420 to 320 kg/tonne ○ No need for gas consumption ○ On-stream by 2013</td>
</tr>
<tr>
<td>BOF workshop reconstruction NTMK</td>
<td>US$260m</td>
<td>US$230m</td>
<td>US$20m</td>
<td>○ Modernisation of production ○ Increasing capacity from 3.8 to 4.2 mtpa ○ On-stream by 2010</td>
</tr>
<tr>
<td>Reconstruction of CCM Slab №3 NTMK</td>
<td>US$60m</td>
<td>US$5m</td>
<td>US$40m</td>
<td>○ Modernisation of production ○ Further increase in steelmaking capacity from 4.2 to 4.5 mtpa ○ On-stream by 2010</td>
</tr>
<tr>
<td>Reconstruction of wheel &amp; tyre mill (heat treatment shop) NTMK</td>
<td>US$100m</td>
<td>US$87m</td>
<td>US$13m</td>
<td>○ Production of higher-quality wheels ○ On-stream by 2010</td>
</tr>
<tr>
<td>Development of Mezhegey coal deposit</td>
<td>TBD</td>
<td>US$1m</td>
<td>Less than US$90m, including license cost</td>
<td>○ Maintaining self-sufficiency in high-quality hard coking coal after depletion of existing deposits ○ On-stream by 2015</td>
</tr>
</tbody>
</table>
Summary

- Focus on infrastructure markets and vertical integration into raw materials
- Gradual recovery in the key markets after the crisis
- Rapidly rising raw material prices provide support for steel prices and create cost pressure, especially for non-integrated steel producers
- Increase in the proportion of finished products in the mix reflecting demand improvement in key markets of Russia and North America
- Strategic focus on operational efficiency, modernisation of existing capacities, development of mining base and integration of international assets
- Improved demand and stronger pricing environment together with our cost leadership leave us well positioned to fully capitalise on the market recovery
Appendices
Steel Price Dynamics

Price of construction steel achieved the level of 2007

There was a substantial increase of construction steel prices in 2Q 2010

Source: Metal-Expert, Metal Courier, Rosstat, Evraz estimates
Cost Dynamics

- Growth in scrap, coking coal and iron ore prices in 1H 2010 increased steelmakers' costs
- This cost increase was significantly offset by Evraz’s high level of vertical integration into iron ore and coking coal
- Consolidated cost, approx. 65% of which is Rouble denominated, was negatively impacted by 10% Rouble appreciation vs. US dollar compared to 1H09
- Increase in cash cost of coking coal concentrate resulted from lower production volumes due to postponed longwall repositioning at the Ulyanovskaya mine

**Consolidated Cost of Revenue, 1H 2010**

- Source: Management accounts

**Cash Cost*, Slabs & Billets**

- US$/t
- 1H08 2H08 1H09 2H09 1H10
- Slab Billet
- 402 394 420 341
- 430 420 253 285 268
- 341 324

**Cash Cost, Russian Coking Coal and Iron Ore Products**

- US$/t
- 1H08 2H08 1H09 2H09 1H10
- Coal concentrate
- 65 69
- Iron ore products, 58% Fe
- 55

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

Source: Management accounts
Rapid rises in coking coal, iron ore and scrap prices caused an increase in the contribution of raw materials to steel segment costs.

Vertically integrated model largely protects steelmaking segment from escalation in raw material prices.

Exception is scrap prices, although portion of increase is managed through the scrap-based price formula for certain products.
EBITDA to FCF Reconciliation

* Free cash flow comprises cash flows from operating activities less interest paid, covenant reset charges, cash flows from investing activities
Capital Market Developments

- RUB15bn (equivalent to US$500 million) 3-year bonds issued in March 2010, swapped into US dollars to minimise Rouble currency exposure
- In May 2010, Evraz drew down US$950 million 5-year Gazprombank loan and repaid US$1,007 million VEB loan
- In June-July 2010, Evraz refinanced US$357 million Nordea Bank loan due 4Q10 with new 4-year Nordea loan facilities in the amount US$404 million
- In the process of syndication of 5-year pre-export financing facility for up to US$1 billion
- In the process of 5-year RUB 15 billion (approx. US$500 million) bond issue

Proportion of Short-term Debt to Total Debt

<table>
<thead>
<tr>
<th>Date</th>
<th>Total Debt</th>
<th>Short-term Debt, % of Total Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-Jun-09</td>
<td>8,482</td>
<td>46%</td>
</tr>
<tr>
<td>31-Dec-09</td>
<td>7,923</td>
<td>25%</td>
</tr>
<tr>
<td>30-Jun-10</td>
<td>7,873</td>
<td>22%</td>
</tr>
</tbody>
</table>
Balanced Debt Maturity Profile

- Total debt of approx. US$7.9bn, net debt of US$7.2bn as of 30 June 2010
- Consolidated cash balance of not less than US$500 million constantly maintained
- Liquidity (defined as cash and cash equivalents, amounts available under credit facilities and short-term bank deposits with original maturity of <3 months) totalled approx. US$1,598 million as of 30 June 2010
- Declining cost of capital (bond yields have decreased from approx. 10% in October 2009 to around 6%) reflects improvements in Evraz’s performance and market conditions and permits further refinancing of short-term debt
- We intend to further decrease our leverage and extend debt maturities

Debt Maturities Schedule (as of 30 June 2010)

Breakdown of Short-term Debt* (as at 30 June 2010)

* Principal debt (excl. interest accrued)
Steel Products Sales by Market

1,950

311

577

948

2,799

238

Russia

CIS

Europe

Americas

Asia

Africa & RoW

'000 tonnes

1H09 1H10
3Q 2010 Operational Results

- In 3Q10, consolidated crude steel output was 3.9 mt, -9% vs. 3Q09 and -10% vs. 2Q10, mainly due to scheduled repairs and modernisation at Russian production facilities.
- Crude steel volumes to be recovered in 4Q as scheduled works are over.
- Product mix improvement: increase in the finished products volumes
  - construction products: Russia: +3%, Ukraine: +21%
  - railway products: Russia: +34%, NA: +20%
  - flat-rolled products: Europe: +18%, NA: +79%
  - tubular products: NA: +103%.
- Volumes of semi-finished products decreased by 43% vs. 3Q09 and -22% vs. 2Q10, because of the temporary decline in crude steel output, increasing demand for higher margin products and increase in intercompany consumption of Russia-produced semis for re-rolling at non-Russian mills.

![Production of Rolled Products](image)
Revenue by Geography of Customers

1H 2009

- Americas: 30%
- Russia: 28%
- Middle East: 10%
- Europe: 9%
- China: 5%
- Thailand: 3%
- Other Asian: 7%
- Africa & RoW: 3%
- Other CIS: 4%
- Ukraine: 2%

1H 2010

- Americas: 24%
- Russia: 34%
- Middle East: 4%
- Europe: 9%
- China: 3%
- Thailand: 4%
- Other Asian: 11%
- Africa & RoW: 3%
- Other CIS: 4%
- Ukraine: 4%
Benefiting from Rising Prices for Iron Ore and Coal

- Volumes of coking coal mined decreased due to the repositioning of longwall at Ulyanovskaya mine
- Mining segment revenue doubled and EBITDA quadrupled reflecting the growth in prices
- A decline in coking coal supplies, following the Raspadskaya mine explosion, led to lower external sales of coke and a negative EBITDA effect of approx. US$5 million per month

Iron Ore and Raw Coal Production

<table>
<thead>
<tr>
<th></th>
<th>'000 tonnes</th>
</tr>
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<tbody>
<tr>
<td>1H09</td>
<td>2131</td>
</tr>
<tr>
<td>2H09</td>
<td>2015</td>
</tr>
<tr>
<td>1H10</td>
<td>2351</td>
</tr>
</tbody>
</table>

Raw Material Prices (Domestic Markets)

- Scrap, Russia, CPT
- Scrap, USA
- Iron ore concentrate, Russia, ExW
- Coking coal concentrate, Russia, FCA

Mining Segment Revenue* and EBITDA

<table>
<thead>
<tr>
<th></th>
<th>US$ mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H09</td>
<td>652</td>
</tr>
<tr>
<td>1H10</td>
<td>1,120</td>
</tr>
</tbody>
</table>

* Includes intersegment sales
High level of vertical integration into iron ore sustained and continues to mitigate effect of rising raw material prices

Coking coal volumes decreased due to postponement of longwall repositioning at the Ulyanovskaya mine

Third quarter volumes depressed due to temporary safety shutdowns and safety inspections

Washed Coking Coal (Concentrate) Self-Coverage*

Iron Ore Self-Coverage*

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

** Coking coal self-coverage excl. 40% Raspadskaya share