EVRAZ in Brief

- Top-20 steel producer in the world based on crude steel production of 16.8 million tonnes in 2011
- 15.5 million tonnes of steel products sold in 2011 (unchanged from 2010)
- 102% self-covered in iron ore and 56% in coking coal (2010: 96% and 58% respectively)
- 2011 consolidated revenue of US$16.4 billion; EBITDA of US$2.9 billion
- 2011 total debt as at 31 December 2011 of US$7.2 billion, net debt/LTM adjusted EBITDA of 2.2x (2010: US$7.9 billion and 3.1x)
- Re-domiciliation in the UK and share listing in the Premium segment of the London Stock Exchange since 7 November 2011
- Constituent of FTSE 100 index since December 2011 and the only steel stock in UK FTSE All-Share index
- In May 2012 EVRAZ was included in MSCI UK and MSCI World Indices
- Resumption of dividend payments with US$491 million of interim and special dividends in October 2011 and announced final dividend for 2011 of US$228 million
Global Operating Model

2011 Steel Sales Volume by Geography
- Americas: 18%
- Europe: 10%
- Africa: 19%
- Asia: 19%
- Russia & CIS: 49%

2011 Steel Sales Volume by Product
- Construction: 36%
- Flat-rolled: 19%
- Semi-finished: 22%
- Railway: 14%
- Tubular: 6%
- Other: 4%

Steel Mills
- Iron Ore Mining
- Coal Mining
- Vanadium
- Sea Ports
- Mezhegey Coal Mill in Development

Third Party Steel Products Sales* (Kt), 2011

Internal Supply of Slabs and Billets from Russian Steel Mills (Kt)

* Excluding routes with sales volumes below 50kt each, together totalling 160kt
## 2011 Summary

<table>
<thead>
<tr>
<th>US$ m unless otherwise stated</th>
<th>2011</th>
<th>2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16,400</td>
<td>13,394</td>
<td>22%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,927</td>
<td>3,075</td>
<td>28%</td>
</tr>
<tr>
<td>Adjusted EBITDA ¹</td>
<td>2,898</td>
<td>2,350</td>
<td>23%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>18%</td>
<td>18%</td>
<td>0%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>453</td>
<td>470</td>
<td>(4)%</td>
</tr>
<tr>
<td>EPS (US$)</td>
<td>0.36</td>
<td>0.39</td>
<td>(8)%</td>
</tr>
<tr>
<td>Dividends for the period (US$ per share) ²</td>
<td>0.24</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Net Debt ³</td>
<td>6,442</td>
<td>7,184</td>
<td>(10)%</td>
</tr>
<tr>
<td>Short-term Debt ³</td>
<td>626</td>
<td>733</td>
<td>(15)%</td>
</tr>
<tr>
<td>Steel sales volumes ⁴ (’000 tonnes)</td>
<td>15,492</td>
<td>15,506</td>
<td>0%</td>
</tr>
</tbody>
</table>

¹ 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.36 for reconciliation of profit (loss) from operations to Adjusted EBITDA

² The total dividend for the period of $0.24 consists of a final dividend of $0.17 to be paid by EVRAZ plc and an interim dividend equivalent to $0.07 paid by Evraz Group S.A., but excludes a special dividend equivalent to $0.3 paid by Evraz Group S.A.

³ As at the end of the reporting period; short –term debt includes current portion of finance lease liabilities

⁴ Here and throughout this presentation segment sales data refers to external sales unless otherwise stated
2011 Financial Highlights

- Growth in revenues and adjusted EBITDA as a result of improved market environment
- 92% of the revenue growth is attributable to price increases
- Increased contribution to Group EBITDA from the Mining segment as a result of higher iron ore and coking coal prices
- The change in shipment terms by EVRAZ’s Russian mills to domestic customers (except for sales of rails to Russian Railways) from ExWorks to CPT (Carriage paid to) Incoterms from April 2011 slightly contributed to the price increases

Revenue Drivers

Consolidated Revenue by Segment

Consolidated Adjusted EBITDA
Q1 2012 Highlights

- In Q1 2012 coking coal production increased by 13% against Q1 2011
- Iron ore production increased by 5% in Q1 2012 vs. Q1 2011
- Total steel product sales for the first quarter of 2012 amounted to 3.9 million tonnes, unchanged y-o-y
- Revenue for the first quarter of 2012 remained in line with the same period in 2011 and Q4 2011 as prices and sales volumes were broadly flat
- The Q1 2012 financial performance was broadly in line with the Q4 2011 performance
Group Cost Dynamics

- In 2011, EVRAZ’s high level of vertical integration in iron ore and coking coal helped to partially mitigate the negative impact of escalating prices of inputs on steelmakers’ costs.
- Some impact from rouble appreciation (approx. 55% of cost of revenue in 2011 was rouble-denominated).
- Expected future growth of natural monopolies tariffs is to be mitigated by the implementation of cost saving technologies (PCI), own power generation, purchase of railcars, development of Lean project.

Consolidated Cost of Revenues by Cost Elements

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>2011, % of total CoR</th>
<th>2010, % of total CoR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials, including</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>Iron ore</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Coking coal</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Scrap</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Other raw materials</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Semi-finished products</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Transportation</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Electricity</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Other costs</td>
<td>21%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Sources: World Steel Dynamics
Coal Mining

- Volumes of raw coking coal recovered in Q1 2012 after a decrease in the first three quarters of 2011 due to longwall repositionings and temporary mine stoppages for additional safety improvements.
- Cash cost of washed coking coal increased in the first three quarters of 2011 due to fixed cost impact on lower volumes. As the volumes recovered, cash costs decreased to the normal level by Q1 2012.
- Steam coal volumes are impacted by longwall repositionings at both existing coal mines in Q1 2012. One of the two mines, Kusheyakovskaya, resumed operations in April 2012, another one, Gramoteinskaya, in mid-May.

### Quarterly Raw Coal Production

<table>
<thead>
<tr>
<th></th>
<th>Q1 '11</th>
<th>Q2 '11</th>
<th>Q3 '11</th>
<th>Q4 '11</th>
<th>Q1 '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coking coal</td>
<td>1,839</td>
<td>1,756</td>
<td>1,237</td>
<td>1,470</td>
<td>2,078</td>
</tr>
<tr>
<td>Steam coal</td>
<td>712</td>
<td>768</td>
<td>889</td>
<td>596</td>
<td>47</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>100%</th>
<th>78%</th>
<th>54%</th>
<th>62%</th>
<th>62%</th>
<th>49%</th>
</tr>
</thead>
<tbody>
<tr>
<td>'000 tonnes</td>
<td>3,499</td>
<td>4,218</td>
<td>3,499</td>
<td>4,021</td>
<td>3,850</td>
<td>3,775</td>
</tr>
</tbody>
</table>

* Self-coverage, % = total production divided by total steel segment consumption
Iron Ore Mining

- Iron ore production in 2011 increased by 7% vs. 2010
- Cash costs increase in line with general cost inflation and appreciation of Russian rouble
- Self-coverage in iron ore is maintained at around 100%
- Planned investments in mine development is supposed to improve self-coverage

### Quarterly Production of Iron Ore Products*

<table>
<thead>
<tr>
<th></th>
<th>'000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '11</td>
<td>4,960</td>
</tr>
<tr>
<td>Q2 '11</td>
<td>5,396</td>
</tr>
<tr>
<td>Q3 '11</td>
<td>5,436</td>
</tr>
<tr>
<td>Q4 '11</td>
<td>5,379</td>
</tr>
<tr>
<td>Q1 '12</td>
<td>5,204</td>
</tr>
</tbody>
</table>

* Includes production of saleable concentrate, sinter and pellets in Russia, lumpy ore in Ukraine, fines and lumpy ore in South Africa

### Iron Ore Self-Coverage*

<table>
<thead>
<tr>
<th></th>
<th>99%</th>
<th>96%</th>
<th>90%</th>
<th>102%</th>
<th>99%</th>
<th>106%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2009</td>
<td>8,859</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2009</td>
<td>9,955</td>
<td>10,635</td>
<td>9,981</td>
<td>10,191</td>
<td>10,456</td>
<td>10,232</td>
</tr>
</tbody>
</table>

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

### Cash Cost, Russian Iron Ore Products (Fe 58%)

<table>
<thead>
<tr>
<th></th>
<th>US$/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '10</td>
<td></td>
</tr>
<tr>
<td>Q2 '10</td>
<td></td>
</tr>
<tr>
<td>Q3 '10</td>
<td></td>
</tr>
<tr>
<td>Q4 '10</td>
<td></td>
</tr>
<tr>
<td>Q1 '11</td>
<td></td>
</tr>
<tr>
<td>Q2 '11</td>
<td></td>
</tr>
<tr>
<td>Q3 '11</td>
<td></td>
</tr>
<tr>
<td>Q4 '11</td>
<td></td>
</tr>
<tr>
<td>Q1 '12</td>
<td></td>
</tr>
</tbody>
</table>

* Consumption: grey, Production: orange
Steel Production

- In Q1 2012 consolidated crude steel production remained broadly flat vs. Q1 2011 and increased by 5% vs. 4Q 2012 after completion of maintenance works at EVRAZ ZSMK steel mill in Russia, EVRAZ Pueblo and Regina in North America.
- The share of finished products in the consolidated steel product mix increased from 74% in Q1 2011 to 80% in Q1 2012 due to the market recovery.

![Production of Steel Products](image-url)
Recent Market Developments

- Full utilisation of Russian steel making capacities since mid-2009
- Current steel making capacity utilisation of non-Russian mills:
  - Czech Republic – 100%
  - North America – 90%
  - South Africa – 70%
- Inventories remain low
- EVRAZ order book (external sales) currently stands at approx. US$170 million, representing 1.5 months production*
- Prices for steel products are generally flat since Q4 2011
- Iron ore and coking coal concentrate prices in Russia slightly decreased compared to Q4 2011 and have been broadly flat since the beginning of the year.
- Vanadium prices** stood at the area of 25-26$/kg V and remained unchanged since the beginning of 2011

* Weighted average contract prices

** LMB, FeV

Source: Metall Expert
Liquidity and Debt Maturity Profile

Improved liquidity profile due to a number of refinancing activities in 2011 and first four months of 2012:

- In April 2011, EVRAZ issued US$850m bonds due 2018 at 6.75%, using part of the proceeds to purchase approx. US$622m in aggregate principal amount of the outstanding bonds due 2013.
- In June 2011, EVRAZ issued a 20bn 5-year Rouble bond (approx. US$715m) at 8.40%, and decreased debt by US$553m with incentivised conversion of convertible bonds due 2014.
- In October 2011, the 5-year US$500m unsecured credit facility with Gazprombank was used to prepay the existing US$300m secured loan.
- In December 2011, a US$610m 5-year committed revolving credit facility for EVRAZ NA was agreed at 1.5-2% over LIBOR. It was used to refinance US$225m and CAD300m facilities at 3.25-4.25% over LIBOR.
- In April 2012, US$600m 5-year bonds were issued at a coupon rate of 7.40% per annum.

Total debt as of 31 March 2012 - US$7.3 billion, including US$4.9 billion of public debt and US$2.4 billion of bank loans.

Cash and cash equivalents at 31 March of US$453m (US$801m as of 31 December 2011), mainly due to an increase in working capital which is expected to be reversed by the end of Q2 2012.

2011 net debt/LTM EBITDA ratio of 2.2x

Rating upgrades by Moody’s, Standard & Poor’s and Fitch to “Ba3”, “B+” and “BB-“ respectively.

Debt* Maturities Schedule (as at 31 March 2012)
CAPEX Dynamics

- CAPEX in 2012 and over the next few years expected to be around the 2011 level
- In Q1 2012 CAPEX amounted to US$310 million
- Major investment projects remain on schedule and within budget

US$ mln

- 2008: 1,103
- 2009: 441
- 2010: 832
- 2011: 1,281
- 2012: ~1,200

- Maintenance, Steel and other operations*
- Iron ore mine development
- Coal mine development **
- Investment projects***

* In 2011 includes US$114 million for EVRAZ new Moscow office and difference between IFRS and management accounting
** Investment into maintaining and developing mining volumes, such as preparation of coal seams
*** In 2010 includes US$70 million acquisition of Mezheguy and Mezheguy East licences; in 2011 – US$3 million investments in Yerunakovskaya mine.
## Key Investment Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Total CAPEX $US m</th>
<th>Cumulative CAPEX by 31.12. 2011 $US m</th>
<th>2012 Planned CAPEX $US m</th>
<th>Project Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coal &amp; Iron ore</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yerunakovskava VIII Mine Construction</td>
<td>390</td>
<td>33</td>
<td>223</td>
<td>- Coal production of 2 mtpa</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by mid-2013</td>
</tr>
<tr>
<td>Development of Mezegey and Eastern Field Coal Deposits (Tyva, Russia)</td>
<td>TBD</td>
<td>7</td>
<td>37</td>
<td>- Maintaining self-sufficiency in high-quality hard coking coal after depletion of existing deposits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by 2013 and 2021 respectively</td>
</tr>
<tr>
<td>Expansion of Kachkanar Mine</td>
<td>80</td>
<td>45</td>
<td>35</td>
<td>- Iron ore production to be increased to 55 mtpa</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by 2012</td>
</tr>
<tr>
<td><strong>Steel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconstruction of Rail Mill at United ZSMK (Former NKMK)</td>
<td>520</td>
<td>307</td>
<td>222</td>
<td>- Capacity of 950k tonnes of high-speed rails, including 450k tonnes of 100 metre rails</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by 2013</td>
</tr>
<tr>
<td>Reconstruction of Rail Mill at NTMK</td>
<td>60</td>
<td>56</td>
<td>4</td>
<td>- Production of higher-quality rails</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- 550k tonnes capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by 2012</td>
</tr>
<tr>
<td>Pulverised Coal Injection (PCI) at NTMK and ZSMK</td>
<td>320</td>
<td>167</td>
<td>113</td>
<td>- 20% lower coke consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Save annually up to 650 mcm of natural gas at NTMK and up to 600 mcm at ZSMK</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by end-2012</td>
</tr>
<tr>
<td>Reconstruction of Mechanical Area at NTMK Wheel &amp; Tyre Mill</td>
<td>40</td>
<td>23</td>
<td>9</td>
<td>- Production of higher-quality wheels</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by 2012</td>
</tr>
<tr>
<td>Construction of Yuzhny and Kostanay Rolling Mills</td>
<td>260</td>
<td>59</td>
<td>126</td>
<td>- Capacity: 450 ktpa of construction products each mill</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- On-stream by mid-2013</td>
</tr>
</tbody>
</table>
Outlook

The long-term prospects for global infrastructure are attractive, however in the near term global markets remain volatile.

EVRAZ retains high capacity utilisation though rail production in Russia will be lower in May-September due to ZSMK rail mill modernisation.

Inventories at traders and at our mills and ports are low.

In Russia steel prices remained broadly flat since Q4 2011, though visibility remains rather low.

The Company continues to sufficient liquidity to finance existing operations and growth plans.

EVRAZ continuously assesses the market environment and has significant flexibility in CAPEX plans.
2011 results reflect the recovery of steel and raw material markets

Benefits from increased raw material prices due to the Group’s high level of vertical integration

Stable liquidity position and reduced debt level following continuous refinancing

Ongoing investment in enhancing the mining base, production modernisation and product quality expected to bear fruit starting from 2013
Appendix
Health and Safety

- Health and safety of our employees is of paramount importance – Alexander Kruchinin, VP of HSE reports directly to CEO
- HSE Committee formed in 2010, comprised of 3 independent directors reporting to the Board
- In 2011 the Company demonstrated a 23% reduction in LTIFR and a 50% reduction in FIFR

Environment

- Total level of air emissions** reduced by more than 23% between 2009 and 2011
- The Company is continuously optimising waste management and developing its old dumps containing metallurgical waste (slag, scale and sludge). In 2011 109.6%*** of non-mining waste and by-products generated by EVRAZ's assets were recycled or used (96.6% in 2010).

Lost Time Incident Frequency Rate / Fatalities Incident Frequency Rate*

- Calculated as the total number of work-related injuries (which resulted in the loss of work time) - LTIFR or fatalities - FIFR/total number of working hours during the period x 1,000,000
- Including: Nitrogen Oxides NOx, Sulphur Oxides SOx, Dust and Volatile Organic Compounds (VOC)
- The rate between amount of waste recycled or used vs. annual waste generation, not including mining waste
EVRAZ is best positioned to benefit from infrastructure development in its key markets.

- Leading producer of long products in Russia
  - In 2011, market share of 85% in H-beams, 61% in channels, 87% in rails and 36% in wheels
- The Russian Government has been increasing capital investments each year
- Russian construction steel demand expected to reach pre-crisis levels in 2012

Key programmes include:
- Construction related to the Sochi 2014 Winter Olympics; and
- Infrastructure development for the APEC 2012 summit in Vladivostok and the Skolkovo innovation centre

- Russian commitment to invest over US$50 bn in preparation for the 2018 FIFA World Cup (estimated steel requirement of 2.0 – 2.5 MMt)
- Russian Railways approved investment programme for 2011-2013 of US$18.4 bn
Advantages of Vertical Integration

- Vertical integration is a key part of EVRAZ’s strategy
- It allows EVRAZ to control steelmaking costs
- As a result, EVRAZ’s profitability is less volatile than that of lower-integrated peers and its EBITDA has remained positive throughout the steel cycle

Historical EBITDA margin vs. peers

Source: Company results announcements and presentations
Revenue: Geographic Breakdown

2011 Total revenue: US$16,400 million

2010 Total revenue: US$13,394 million
Steel Products: Sales by Market

- **Russia**: 6,722 '000 tonnes (2010), 5,443 '000 tonnes (2011)
- **CIS**: 1,472 '000 tonnes (2010), 872 '000 tonnes (2011)
- **Europe**: 2,662 '000 tonnes (2010), 2,766 '000 tonnes (2011)
- **Americas**: 1,562 '000 tonnes (2010), 1,472 '000 tonnes (2011)
- **Asia**: 3,020 '000 tonnes (2010), 533 '000 tonnes (2011)
- **Africa & RoW**: 573 '000 tonnes (2010), 406 '000 tonnes (2011)

US$ mln

- **Russia**: 5,443 mln (2010), 3,641 mln (2011)
- **CIS**: 602 mln (2010), 716 mln (2011)
- **Europe**: 2,802 mln (2010), 1,348 mln (2011)
- **Americas**: 2,364 mln (2010), 1,988 mln (2011)
- **Asia**: 486 mln (2010), 406 mln (2011)
- **Africa & RoW**: 0 mln (2010), 0 mln (2011)
Steel: CIS

- Full economic utilisation of Russian steelmaking capacity maintained throughout the year
- In 2011 domestic steel sales accounted for 69% of steel sales of EVRAZ’s Russian and Ukrainian mills compared to 58% in 2010, reflecting improving demand in the CIS market and the shift to sales of higher margin products
- High market share in domestic sales maintained through own distribution network EVRAZ Metall Inprom
- Prices of key products strengthened in response to demand recovery and growth in raw material prices

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>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Semi-finished</td>
<td>2,307</td>
<td>2,163</td>
</tr>
<tr>
<td>Construction</td>
<td>2,793</td>
<td>3,883</td>
</tr>
<tr>
<td>Railway</td>
<td>1,082</td>
<td>1,444</td>
</tr>
<tr>
<td>Other</td>
<td>525</td>
<td>878</td>
</tr>
<tr>
<td>Total</td>
<td>6,707</td>
<td>8,368</td>
</tr>
</tbody>
</table>
Steel: North America

- Economic situation stabilised in 2011
- Sales volumes of steel products remained at the level of 2010 but prices have grown across all product groups
- Flat-rolled steel volumes increased by 7%; rail sales by 23%
- Investments in capacity expansion:
  - The upgrade of Pueblo, Colorado, rail facility, scheduled to be complete by Q1 2013, will increase the mill’s total capacity by 10%, to almost 525 kt of premium rail annually
  - Adding capacity in structural tubing facility in Portland, Oregon, to produce API tubes, scheduled for completion by August 2012, will bring the mill’s total capacity from 110 kt up to 225 kt of API pipe and structural squares, rounds and rectangles

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>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Construction and other</td>
<td>302</td>
<td>317</td>
</tr>
<tr>
<td>Railway</td>
<td>368</td>
<td>494</td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>798</td>
<td>1,104</td>
</tr>
<tr>
<td>Tubular</td>
<td>1,308</td>
<td>1,282</td>
</tr>
<tr>
<td>Total</td>
<td>2,776</td>
<td>3,197</td>
</tr>
</tbody>
</table>

'000 tonnes
Steel: Europe, South Africa

- EVRAZ’s European mills sales volumes increased by 8%
- Flat-rolled product sales were up 8%
- 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>Revenue, US$m</th>
<th>Revenue per tonne, US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td><strong>European Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>778</td>
<td>1,042</td>
</tr>
<tr>
<td>Other</td>
<td>129</td>
<td>152</td>
</tr>
<tr>
<td>Total</td>
<td>907</td>
<td>1,194</td>
</tr>
<tr>
<td><strong>South African Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>138</td>
<td>158</td>
</tr>
<tr>
<td>Flat-rolled</td>
<td>257</td>
<td>264</td>
</tr>
<tr>
<td>Other</td>
<td>48</td>
<td>77</td>
</tr>
<tr>
<td>Total</td>
<td>443</td>
<td>499</td>
</tr>
</tbody>
</table>

### Steel Product Sales Volumes

#### European Operations

- **2010**: 1,206,000 tonnes
- **2011**: 1,296,000 tonnes

#### South African Operations

- **2010**: 610,000 tonnes
- **2011**: 597,000 tonnes

- EVRAZ’s European mills sales volumes increased by 8%
- Flat-rolled product sales were up 8%
- Sales of EVRAZ Highveld’s steel products were effectively flat as domestic demand in the South African market remained weak
Cost Structure by Segment

Cost Structure of Steel Segment

Cost Structure of Mining Segment

Cost Structure of Vanadium Segment
**FCF Generation**

- Substantial free cash flow generation in 2011

### FCF Calculation

- **EBITDA 2011**: $2,898 m
- **Non-cash items**: $43 m
- **EBITDA (excl. non-cash items)**: $2,941 m
- **Changes in WC, excl income tax**: $149 m
- **Interest paid & conversion premiums**: $443 m
- **Income tax paid**: $2,647 m
- **CF from operating activities**: $2,647 m
- **Interest paid & conversion premiums & premiums on early repurchase of bonds**: $818 m
- **Capex**: $93 m
- **CF from investing activities (excl. capex)**: $641 m
- **Free cash flow**: $641 m

*Free cash flow comprises cash flows from operating activities less interest paid, costs of early repurchase of debts and cash flows from investing activities.*
Net Profit Reconciliation

US$ m

- Reported profit: 453
- Conversion of convertible bonds due 2014: 161
- Move to Premium Listing: 19
- Net profit w/o oneoffs: 633
- Early repurchase of 2013 bonds: 71
- Net profit w/o oneoffs & bond repurchase: 704
- Increase in mining depletion charge: 182
- Net profit w/o extraordinary items comparable with 2010: 886
Quarterly Steel Products Output by Assets

Russia

North America

Europe

South Africa

* Numbers may not add to totals due to rounding
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