EVRAZ GROUP S.A.
FY 2006
Preliminary Results
May 2007
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All in percent changes for comparison purposes, if otherwise not stated, relate to Y06-on-Y05 changes.

The information contained in this document is provided as at the date of this document and is subject to change without notice.
<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8,292</td>
<td>6,508</td>
<td>27%</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(5,159)</td>
<td>(4,172)</td>
<td>24%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>(732)</td>
<td>(648)</td>
<td>13%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>2,652</td>
<td>1,859</td>
<td>43%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>32%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Net Profit**</td>
<td>1,385</td>
<td>918</td>
<td>51%</td>
</tr>
<tr>
<td>Net Profit margin</td>
<td>17%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>EPS (USD per GDR)</td>
<td>3.94</td>
<td>2.71</td>
<td>45%</td>
</tr>
<tr>
<td>Sales volumes*** ('000 tonnes)</td>
<td>16,014</td>
<td>12,860</td>
<td>25%</td>
</tr>
</tbody>
</table>

* EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E  
** Net profit attributable to equity holders of Evraz Group S.A.  
*** Steel segment sales volumes to third parties
Strategic Deliverables

Advance long product leadership in Russia and CIS
- Strong growth in sales to Russia and CIS by 8% and 148%, respectively
- Growing rail products sales to Russian and CIS customers

Expand presence in international flat product markets
- Strengthened overseas market position through increased sales volumes of 37% up to 8.9 mln tonnes
- Non-Russian plate sales up by 2.9x and semi-finished sales up +29%
- Breakthrough into US market with acquisition of Oregon Steel Mills

Enhance cost leadership position
- Consolidated cash cost per tonne of US$252 versus US$231 in Y2005
- Successfully implemented capex programme of US$660 mln in 2006 to introduce further operational improvements

Complete vertical integration and competitive mining platform
- Development licence obtained for the Sobstvenno-Kachkanarskoye ore deposit with reserves of 3.3 bln tonnes
- New coal assets with 308 mln tonnes of proven and probable reserves acquired by OAO Raspadskaya
- Successful IPO of OAO Raspadskaya in November

Achieve world leadership in vanadium business
- Acquisitions of Stratcor and a 24.9% stake in Highveld Steel and Vanadium Corporation
- Vanadium products (slag and alloys) sales 8% lower only to US$224 mln despite 40% vanadium price decline
Corporate Governance and Public Responsibilities

Corporate governance
- New proactive Board composition
- Code of Ethics, Code of Corporate Governance and Code of Business Conduct approved by the Board in April in accordance with its decision in November 2006
- Improved Internal Audit procedures in accordance with International Standards for the Professional Practice of Internal Auditing

Environment, health and safety
- Commitment to invest US$158 mln in environmental improvements
- Shutdown of all open hearth furnaces in Novokuznetsk

Social and labour issues
- Collective bargaining agreements renewed
- Social Investment Guidelines approved by the Board of Directors
2006 Highlights

Steel:
- Strong leadership on growing Russian long products market with favourable pricing environment through 2006
- Crude steel production grew by 16% to 16.1 mln tonnes
- Total steel sales volumes soared by 25% to 16.0 mln tonnes driven by organic growth, acquisitions in Europe and inventory reduction
- Capital investments programme of US$660 mln successfully implemented

Mining:
- Robust level of self-coverage 80% in iron ore and 84% in coking coal
- Commencement of iron ore production at Izykhgol and Burluk mines in Siberia
- Acquisitions of the new iron ore development licence with 3.3 bln tonnes of resources in the Urals
- Successful IPO of OAO Raspadskaya in November
- Disposal of Neryungri coal mine project results in an impairment loss of US$66 mln

M&A:
- Acquisition of 24.9% in Highveld Steel and Vanadium Corporation for US$207 mln in July
- Acquisition of 72.84% in Strategic Minerals Corporation (Stratcor) for US$125 mln in August
- Acquisition of 100% of Oregon Steel Mills (USA) for US$2.3 bln closed in January 2007
Excellent Cash Flow Generation

- Strong net cash flow from operating activities of US$ 2,092 mln
- EBITDA to Net Operating Cash Flow conversion at 79%
- Cash flow mainly used for CAPEX and acquisitions
Well-capitalised Balance Sheet to Fund Future Growth

- Net Debt/EBITDA decreased to 0.7x
- On pro forma basis, including Oregon Steel Mills acquisition, Net Debt/EBITDA remains within stated target of 1.5x
- Leverage growth in line with growth in revenues
- Current credit ratings: BB by Fitch; Ba3 by Moody’s; BB- by S&P

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1Net debt equals total debt less cash & cash equivalents and short-term bank deposits. Net debt for 2006 does not include US$300 mln financial guarantee for OAO Raspadskaya

2ROCE represents profit from operations plus profit from equity investments less income tax over total equity plus interest bearing loans and lease average for the period
Leveraging Sales Mix

- Total revenues increased by 27% to US$8,292 mln driven by 25% growth in sales volumes and favourable pricing
- Non-Russian revenues up 57% driven by Europe and US
- EBITDA margin improved to 32% boosted by steel segment performance
Steel: Results Overview

- Steel revenues increased by 31% to US$8,161 mln from US$6,221 mln in 2005
- Consolidated steel products sales volume up 25% to 16.0 mln tonnes, including 0.65 mln tonnes of sold stock
- Semi-finished products sales volumes grew by 29% driven by organic growth
- Strong plates sales growth by 2.3x due to acquisitions of Vitkovice Steel and Palini e Bertoli plate mills
Steel: Capitalising On Russian Growth

- Russia remains a key market contributing 50% to total steel segment revenues with total sales volumes increasing by 13% to 7.1 mln tonnes
- Construction products sales increased by 9%, fuelled by accelerated construction growth in Russia
- Strong pricing environment through 2006 and improved mix
- Average revenue per tonne is up 11% to US$493 from US$444 in 2005
## Russian Sales by Key Products

<table>
<thead>
<tr>
<th>Product</th>
<th>2006 (000' tonnes)</th>
<th>2005 (000' tonnes)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebars</td>
<td>1,264</td>
<td>1,011</td>
<td>25%</td>
</tr>
<tr>
<td>Rails</td>
<td>904</td>
<td>891</td>
<td>2%</td>
</tr>
<tr>
<td>H-beams</td>
<td>615</td>
<td>481</td>
<td>28%</td>
</tr>
<tr>
<td>Channels</td>
<td>562</td>
<td>452</td>
<td>24%</td>
</tr>
<tr>
<td>Angles</td>
<td>331</td>
<td>303</td>
<td>9%</td>
</tr>
<tr>
<td>Pipe blanks</td>
<td>911</td>
<td>730</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>2,506</td>
<td>2,385</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,093</strong></td>
<td><strong>6,253</strong></td>
<td><strong>13%</strong></td>
</tr>
</tbody>
</table>
Steel: Best Positioned For Construction Boom In Russia

- In 2006 Russian steel consumption increased 16% y-o-y to 36 mln tonnes and expected to continue to expand
- Construction growth in Russia and CIS outperforms GDP growth
- Robust Russian pricing environment supports strong earnings
- Recently announced Russian railways investment programme of US$400 bln till 2030

Sources: Goskomstat RF data and forecasts
Steel: Optimising Non-Russian Product Mix

- Overseas sales in steel segment increased by 56% to US$4,051 mln including US$301 mln revenues of Palini e Bertoli and US$671 mln of Vitkovice Steel.
- Total overseas steel sales increased by 35% to 8.9 mln tonnes.
- Revenues from CIS sales increased by 148% from US$139 mln to US$321 mln with total sales volumes increasing by 36% to 0.7 mln tonnes.

Segment Revenues: Non-Russian

Segment Sales Volumes: Non-Russian
Mining: Securing Steel Production Cost Efficiency

○ Mining segment revenues increased by 16% to US$1,147 mln mainly due to the growth in the average prices of iron ore
○ Mining segment EBITDA increased by 33% to US$415 mln with EBITDA margin improved to 36%
○ Iron ore sales volumes up 2% to 17 mln tonnes covering 80% of Evraz iron ore requirements
Affiliated Companies Contribution

- Evraz share in income of affiliated companies decreased to US$45 mln due to Yuzhkuzbassugol losses
- In 2006 coal affiliates produced 25 mln tonnes of coal
- In May 2006 OAO Raspadskaya acquired two coal assets with total proven and probable reserves of 308 mln tonnes and in November 2006 successfully placed 18% of its shares on MICEX and RTS for US$317 mln, valuing the company at US$1,760 mln
- A stake in Highveld Steel and Vanadium, acquired in July 2007 for US$207 mln, contributed US$22 mln to the bottom line

Affiliated Companies Financial Results 2006

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
<th>Net profit</th>
<th>Evraz's share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raspadskaya</td>
<td>472</td>
<td>39</td>
<td>85</td>
</tr>
<tr>
<td>Yuzhkuzbassugol</td>
<td>595</td>
<td>-57</td>
<td>-28</td>
</tr>
<tr>
<td>Highveld</td>
<td>481</td>
<td>22</td>
<td>87</td>
</tr>
</tbody>
</table>

Coal Affiliates Production

<table>
<thead>
<tr>
<th>Company</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raspadskaya</td>
<td>6,395</td>
<td>9,160</td>
</tr>
<tr>
<td>Yuzhkuzbassugol</td>
<td>17,085</td>
<td>16,137</td>
</tr>
</tbody>
</table>

1 Highveld 2006 Results starting from July 13, 2006
Steel Segment Costs

- Steel segment cost increased by 26% to US$6,088 mln from US$4,837 mln in 2005
- Main cost items per tonne remained almost flat
- Transportation costs increased by 25% mainly attributable to the growth in non-Russian sales volumes and related transportation costs
- Staff costs increased by 21% affected by inflation and acquisitions
- Energy costs grew by 34% due to acquisitions, overall increase in steel production and energy tariffs inflation in Russia

Steel Segment Costs structure 2005

- Raw materials: 53%
- Transportation: 9%
- Staff costs: 8%
- Depreciation: 4%
- Energy: 7%
- Other: 8%
- SGA: 11%

Steel Segment Costs 2006

- Raw materials: 55%
- Transportation: 9%
- Staff costs: 8%
- Depreciation: 3%
- Energy: 7%
- Other: 8%
- SGA: 10%

US$376/t

US$379/t
Mining Segment Costs

- Total mining segment cost increased by 9% to US$781 mln from US$717 in 2005
- Staff costs increased by 21%
- Energy costs increased by 21%
- Operational improvement programme launched at the main mining sites

Mining Segment Costs 2005
- US$43/t

Mining Segment Costs 2006
- US$46/t
2006 Capex Programme

Investment results
- Capital spending of US$660 mln 2006 vs. US$695 mln in 2005 focused on efficiency improvements mainly in steel production
- Some of the projects scheduled for 2007 commenced in 2006

Investments in projects completed in 2006: US$280 mln
- Revamp of BF5 at NTMK – US$89 mln
- Revamp of CB5 at NTMK – US$21 mln
- Construction of vacuum degasser at NTMK – US$20 mln
- New oxygen facility at NKMK – US$5 mln
- Reconstruction of EAF shop at NKMK – US$12 mln
- New packaging lines at Zapsib – US$13 mln
- Installation of ISSM at Vitkovice Steel – US$24 mln
- Commencement of iron ore production at Izykhgol and Burluk mines – US$8 mln

Maintenance capex: US$207 mln

Total spending on projects in progress: US$173 mln

FY2007 Capex budgeted at US$575 mln
**Oregon Steel Mills, Inc.**

- Leading plate and rails producer on the West Coast with total capacity of 2.1 mln tonnes
- In January 2007 Evraz successfully acquired Oregon Steel for US$2.3 bln
- The acquisition of Oregon Steel represents a solid platform for Evraz in North America and secures an important place on the attractive plate and pipe market
- Combined company is the leading rail producer globally

### 2006 Sales by Product

- **Plate**: 443,000 tonnes
- **Rail**: 26,000 tonnes
- **Welded Pipe**: 210,000 tonnes
- **Seamless Tube**: 231,000 tonnes
- **Rod and Bar**: 61,000 tonnes
- **Structural Tubing**: 67,000 tonnes
- **Coil**: 408,000 tonnes
1Q2007 Trading Update

Steel, '000 tonnes

<table>
<thead>
<tr>
<th></th>
<th>1Q06</th>
<th>1Q07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,841</td>
<td>4,287</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>+12%</td>
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Rolled Products, '000 tonnes

<table>
<thead>
<tr>
<th></th>
<th>1Q06</th>
<th>1Q07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,405</td>
<td>3,892</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>+14%</td>
</tr>
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Coal, '000 tonnes

<table>
<thead>
<tr>
<th></th>
<th>1Q06</th>
<th>1Q07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,594</td>
<td>3,514</td>
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<tr>
<td>Change</td>
<td></td>
<td>+105%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1%</td>
</tr>
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</table>

Iron Ore '000 tonnes

<table>
<thead>
<tr>
<th></th>
<th>1Q06</th>
<th>1Q07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,019</td>
<td>4,440</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>+10%</td>
</tr>
</tbody>
</table>

* As at 31 December 2006 Evraz Group held 39.9% effective interest in Raspadskaya Mine and 50% interest in Yuzhkuzbassugol.
Evraz 2007 Outlook

**Markets:**
- According to IISI, the world steel consumption will grow 5.9% in 2007 and 6.1% in 2008
- Russian construction expansion will further stimulate domestic demand for long products and outperform GDP growth
- Strong pricing environment in 1Q07 will remain at present levels through 2Q07

**Production:**
- Full year 2007 steel production target:
  - 15.5-16.0 mln tonnes (crude steel), and
  - 14.2-14.8 mln tonnes (rolled products), including 1.6-1.7 mln tonnes in the US
- 2007 CAPEX budget of approximately $575 mln will mainly be targeted on the on-going projects
- Shutdown of all open hearth furnaces in Novokuznetsk will eliminate approximately 0.8 mln tonnes of crude steel production
- Zapsib blast furnace reline will decrease crude steel output for 2007 by approximately 1 mln tonnes
- Acquisition of West Siberian Heat and Power Plant in March to increase electricity self-sufficiency of Zapsib to 85% by end of year

**Risks:**
- Potential further cost increase mostly concentrated in staff cost inflation
- Additional pressure on Russian assets from national ecological control agencies

**Financial Outlook 1H07:**
- Consolidated revenues expected to increase by 45-55% (y-o-y)
- EBITDA expected to grow by 50-60% (y-o-y)