DEUTSCHE BANK

GLOBAL EMERGING MARKETS CONFERENCE

NEW YORK

September 6 - 8, 2006
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Evraz Highlights

- Vertically integrated steel and mining business, among the 15 largest steel producers in the world
- 2005 Production of 13.9 million tonnes of crude steel and 12.1 million tonnes of rolled products
- 2005 EBITDA Margin of 28.6% is in the Top 10 globally
- Leader in Russian long products market with 30-100% market share
- High level of vertical integration and self-sufficiency in iron ore and coal
- One of the lowest cost producers of steel in Russia and CIS with mines located close to steel production sites
- Strong commitment to high standards of corporate governance
# Top Russian Steel Producer

## Evraz Group’s main locations

![Map of Evraz Group’s main locations](image)

## Top Russian steel producers

<table>
<thead>
<tr>
<th>Russian ranking</th>
<th>Company</th>
<th>Output of Russian assets (mt)</th>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Evraz Group</td>
<td>13.9 13.7 13.8</td>
<td>Long</td>
</tr>
<tr>
<td>2</td>
<td>MMK</td>
<td>11.5 11.3 11.3</td>
<td>Flat/long</td>
</tr>
<tr>
<td>3</td>
<td>Severstal</td>
<td>9.9 10.4 10.8</td>
<td>Flat/long</td>
</tr>
<tr>
<td>4</td>
<td>NLMK</td>
<td>8.9 9.1 8.4</td>
<td>Flat</td>
</tr>
<tr>
<td>5</td>
<td>Mechel</td>
<td>4.6 5.5 4.6</td>
<td>Long/flat</td>
</tr>
</tbody>
</table>

Source: Chermet, Evraz
Note: Crude steel output
Evraz Group’s Vision is to be a world class steel and mining company and one of the Top 5 most profitable steelmakers globally by ROCE and EBITDA margin

Leader in the construction and railway steel product markets in Russia and CIS

Global player with strong position in attractive flat product markets complementing its world-class semis export business

Lowest cost producer of crude steel in Russia and CIS through superior efficiency and vertically integrated mining platform

Global leader in Vanadium with market share over 30%
Vision and Strategic Goals

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Well-positioned in High Growth Domestic Market

- Exposed to high growth markets
- Russian and CIS steel consumption remains below global benchmarks
- Key sectors have shown very robust demand growth in 2005
- Russian sales remain high at more than 60% in revenue
- Stable favorable domestic pricing environment supports sustainability of earnings
- Evraz’s market share remains stable or growing

Forecast of GDP growth and steel consumption, 2005-2010

Prices for Major Products Y2005

Sources: The RF Ministry of Economic Development and Trade, Bank of Russia, Chermetinfo, Metal-Expert, Metal Bulletin
Capitalising on the Growing Construction Market

- Reinforcing long product leadership in Russia and CIS
- Construction growth in Russia and CIS continues to outperform GDP

**Construction Output Forecast to Exceed GDP Growth**

- 2002 =100%
- GDP
- Construction:
- Rebar consumption

- '06-'10F Construction Output CAGR: 6.7%
- '06-'10F GDP CAGR: 5.6%
- '06-'10F Rebar Consumption CAGR: 9.5%

**Russian Sales Product Mix 2005, '000 tonnes**

- 6.34 mt = 100%

- 2,716
- 259
- 255
- 295
- 1,277
- 1,537

Source: Evraz, EIU, Chermet, Metall Expert
Strengthening Dominant Position in Railway Products

- Strengthening strategic partnership with Russian Railways
  - Rail product growth driven by US$21 billion investment in railway infrastructure and rolling stock
- Increasing market share in commercial segment of Russia and CIS
- Penetrating export markets

Steel Consumption Growth Structure

<table>
<thead>
<tr>
<th>Year</th>
<th>Flat Products</th>
<th>Long Products</th>
<th>Pipes</th>
<th>Steel Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>38%</td>
<td>42%</td>
<td>21%</td>
<td>30,5</td>
</tr>
<tr>
<td>2006</td>
<td>39%</td>
<td>43%</td>
<td></td>
<td>31,6</td>
</tr>
<tr>
<td>2007</td>
<td>38%</td>
<td>43%</td>
<td></td>
<td>33,4</td>
</tr>
<tr>
<td>2008</td>
<td>38%</td>
<td>43%</td>
<td></td>
<td>35,1</td>
</tr>
<tr>
<td>2009</td>
<td>39%</td>
<td>43%</td>
<td></td>
<td>37,3</td>
</tr>
<tr>
<td>2010</td>
<td>39%</td>
<td>43%</td>
<td></td>
<td>39,9 mt</td>
</tr>
</tbody>
</table>

Russian market share by volume, 2005

EVRAZ share in railway products
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Global leader in Vanadium with global market share over 30%
Export Markets

Non-Russian Sales Product Mix 2005

- 000 tonnes

- Semi-finished steel
- Railway sector
- Construction sector
- Plates
- Other

2005 Non-Russian Revenue Mix

- USA 15%
- W Europe 15%
- Korea 6%
- China 7%
- Philippines 8%
- Iran 8%
- Vietnam 8%
- Thailand 15%
- Taiwan 20%
- Others 15%

Slab/Billet Portfolio Flexibility

- 5.7
- 3 Slab
- 4.5 Billet
- 2.7 Min slab
- 1.2 Max slab
- 1.5 m tonnes

Source: Metal Bulletin, Metal Courier, Evraz

Portfolio Management Opportunity

US$ per tonne

US$ per tonne

Billet

Slab
Establishing Presence in Flat Markets

- Expand presence in the attractive flat product markets through selective M&A
- Build a flexible world-class semis export business reaching 100% penetration in key clients segments and 50% long-term contracts share of slab sales

<table>
<thead>
<tr>
<th>Palini e Bertoli</th>
<th>Vitkovic Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evraz acquired 75% in Aug 2005</td>
<td>Evraz acquired 98.96% and remaining 1.04% of Vitkovic Steel in Nov, 2005 and Aug, 2006 correspondingly</td>
</tr>
<tr>
<td>Target markets – Middle East, Western Europe and North Africa</td>
<td>Target markets – the Czech Republic and Central Europe</td>
</tr>
<tr>
<td>Total sales – ca 350,000 tonnes of rolled products in 2005</td>
<td>Total sales in 2005 &gt; 853,000 tonnes of rolled products</td>
</tr>
<tr>
<td>Secure customer base for low-cost slab produced in Russia, internal slab supply can cover 100% slab requirement</td>
<td>Access to premium and standard plate market</td>
</tr>
<tr>
<td>Access to premium and standard plate market</td>
<td></td>
</tr>
</tbody>
</table>


Global Player With Growing Focus on Flat Markets

- Semis export markets remain volatile
- Flat product market presence provides exposure to the benefits and a possible platform for regional consolidation process
- Strong position in growing Central and South European plate markets

### Slab pricing vs. plate pricing

![Graph showing slab pricing vs. plate pricing](image)

**US$/t**

### Evraz position in European plate production

![Bar chart showing Evraz position in European plate production](image)

**2,847 '000 tonnes**

Source: Evraz Group analytical and controlling departments, SBB
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Cost Structure and Self-sufficiency

- One of the lowest cost producers of steel in Russia and CIS
- Substantial level of vertical integration and self-sufficiency in iron ore and coal
- Mines located close to steel production sites

**Benefit of Vertical Integration**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit from vanadium slag sales</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>Benefit from integration into mining</td>
<td>195</td>
<td>220</td>
</tr>
<tr>
<td>Proforma benefit from YuKU consolidation</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Consolidated steel products cost per tonne</td>
<td>277$\textsuperscript{2)}</td>
<td>$\textsuperscript{2)}</td>
</tr>
</tbody>
</table>

**Steel division costs, US$m**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Staff cost</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Energy</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Other</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

**Steel division costs, US$m**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs</td>
<td>4,313</td>
<td>(4,313)</td>
</tr>
</tbody>
</table>

1) Steel segment cost per tonne estimated as (Revenue from steel products only – (Steel segment EBITDA - Vanadium slag sales) - Transport expense in Steel segment COS (export) - Steel segment Selling and Distribution costs) / Total steel products shipments
2) Consolidated steel products cost per tonne estimated as steel segment cost per tonne less benefits from vanadium slag sales, integration into mining and YuKU consolidation
3) Estimated as vanadium slag sales over total steel products shipments
4) Estimated as (Mining segment EBITDA + Profit from associates (coal assets)) / Total steel products shipments
5) Assumed additional profit from associates due to pro-forma consolidation of YuKU from January 1, 2005, actual consolidation effective December 30, 2005

* Calculated as of December 31, 2005. Data do not include recent acquisitions

Source: Evraz
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**Leader in the construction and railway steel product markets in Russia and CIS**

**Global player with strong position in attractive flat product markets complementing its world-class semis export business**

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**Global leader in Vanadium with market share over 30%**
Building Vanadium Business

- In June Evraz acquired 24.9% in Highveld
- In August Evraz acquired 72.84% in Strategic Minerals Corporation (Stratcor)
- Acquisitions give access to finished vanadium market, bring significant technical know-how, and allow Evraz to capitalise on strong trends in vanadium market

<table>
<thead>
<tr>
<th>Stratcor</th>
<th>Highveld</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Minerals Corporation</strong>, is one of the world’s leading producers of vanadium alloys and chemicals for the steel, chemical, and titanium industries</td>
<td></td>
</tr>
<tr>
<td><strong>2005: Revenues</strong> – $258m, EBITDA – $108m</td>
<td></td>
</tr>
<tr>
<td><strong>Plant in Arkansas, USA</strong> with total capacity of 12 mln pounds of V2O5 equivalent per year. Main products are Vanadium Chemicals and FeV</td>
<td></td>
</tr>
<tr>
<td><strong>Plant in South Africa</strong> with total capacity of 14 mln pounds of V2O5 equivalent per year. Main product is Nitrovan</td>
<td></td>
</tr>
<tr>
<td><strong>Highveld Steel and Vanadium</strong> is a leading vanadium producer and also produces steel, ferroalloys, and carbonaceous products</td>
<td></td>
</tr>
<tr>
<td><strong>Evraz acquired 24.9% in Highveld from Anglo American</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2005: Revenues</strong> – $1,124m, EBITDA – $510m</td>
<td></td>
</tr>
<tr>
<td><strong>In 2005 Highveld sold 735 thousand tonnes of steel products, 4,407 tonnes (in V2O5) of Vanadium Pentoxide, 1,750 tonnes (in V) of FeV and FeV Nitride, 1,117 tonnes (in V2O5) of Vanadium Chemicals and 263 thousand tonnes of alloys</strong></td>
<td></td>
</tr>
</tbody>
</table>
Vision and Strategic Goals

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- Leader in the construction and railway steel product markets in Russia and CIS
- Global player with strong position in attractive flat product markets complementing its world-class semis export business
- Lowest cost producer of crude steel in Russia and CIS through superior efficiency and vertically integrated mining platform
- Global leader in Vanadium with market share over 30%
Financial Results 2003 - 2005

- Proven Ability to Generate Strong Free Cash Flows
- Internally-generated cash flows and liquidity steadily improving

Growing profitable business

Cash Flow Generation

* EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E
** Net Income includes minority interests
*** ROCE 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
Projected Capex Programme

- Capex to increase the share of higher margin products
- Capex programme to reduce costs, improve process flows and expand the product range

Focused on steel segment efficiencies

High degree of scalability and comfortably self-funded
Stronger Financial Position

- Low-levered company with Net Debt/EBITDA below 1.0x
- Share of Unsecured Debt increased to 60% in 2005 vs. 48% in 2004
- Multiple upgrades:
  - Ba3 by Moody’s
  - BB- by Fitch
  - BB-/Stable Outlook by S&P

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**Total Debt and Net Debt/EBITDA**

- **US$m**
  - **Total Debt**
  - **Net Debt/Adj. EBITDA**

**Significantly Improved Debt Maturity Profile**

- **(US$m, Debt amortizing)**
  - **31-Dec-04**
  - **31-Dec-05**

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* total debt represents long-term loans, net of current portion, plus short-term loans and current portion of long-term loans

** net debt represents long-term loans, net of current portion, plus short-term loans and current portion of long-term loans less cash

*** net debt/EBITDA calculated as net debt at the end of period over EBITDA
## Q2 Y2006 Trading update

<table>
<thead>
<tr>
<th>Product</th>
<th>Q2 2006, thousand tonnes</th>
<th>Q2 2005, thousand tonnes</th>
<th>Q2 2006 / Q2 2005 change, %</th>
<th>Q2 2006 / Q1 2006 change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steel division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pig iron</td>
<td>3,310</td>
<td>2,920</td>
<td>+13.4%</td>
<td>+7.8%</td>
</tr>
<tr>
<td>Steel</td>
<td>4,159</td>
<td>3,467</td>
<td>+20.0%</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Rolled products(^1)</td>
<td>3,721</td>
<td>2,953</td>
<td>+26.0%</td>
<td>+9.3%</td>
</tr>
<tr>
<td><strong>Mining division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron ore (saleable products)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentrate</td>
<td>585</td>
<td>666</td>
<td>(12.2)%</td>
<td>+17.2%</td>
</tr>
<tr>
<td>Sinter</td>
<td>2,249</td>
<td>2,322</td>
<td>(3.2)%</td>
<td>+9.9%</td>
</tr>
<tr>
<td>Pellets</td>
<td>1,484</td>
<td>1,281</td>
<td>+15.9%</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Coal (mined)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coking coal</td>
<td>194</td>
<td>156</td>
<td>+24.5%</td>
<td>(5.6)%</td>
</tr>
<tr>
<td>Steam coal</td>
<td>15</td>
<td>24</td>
<td>(36.5)%</td>
<td>+26.9%</td>
</tr>
<tr>
<td><strong>Equity investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coking coal (Raspadskaya)</td>
<td>1,851</td>
<td>1,327</td>
<td>+39.5%</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Coking and steam coal (Yuzhkuzbassugol)(^2)</td>
<td>4,173</td>
<td>n/a</td>
<td>n/a</td>
<td>+18.8%</td>
</tr>
</tbody>
</table>

---

1 Operational results of Palini e Bertoli are consolidated into the Group since September 2005 and of Vitkovice Steel since December 2005.
2 Operational results of Yuzhkuzbassugol are consolidated into the Group since December 31, 2005.
3 Evraz Group holds 45.75% interest in Raspadskaya Mine and 50% interest in Yuzhkuzbassugol.
Average Russian Market Prices for Long Products (net of VAT)

Source: Evraz market estimation
Non-Russian Prices for Slabs & Billets

Source: Metal Courier
Prices for Flat products and Semis in Europe

Source: SBB 06
### Objectives

- **Transparency**
- **Integrity of P&L**
- **Shareholder rights protection and compliance**
- **Efficient capital allocation**
- **Minimization of infrastructure risks**

### Evraz initiatives

- International audits by E&Y
- Commitment to higher levels of disclosure
- Increased corporate transparency with easy information access
- Evraz Group S.A. operating as a profit centre
- Independent Auditor + 3 Committees
- LSE listing
- Independent directors (3 out of 9 members)
- Corporate Governance Policies and Procedures, compliance procedures in place
- Focus on downstream business and corporate reorganization
- Dividend policy to balance investment opportunities with returning cash to shareholders
- Depository receipt programme: The Bank of New York
Environmental Initiatives

- Introduction of new technologies to reduce energy consumption and to meet environmental protection programme
- Equipment upgrade in order to reduce emissions
- Within the 6 year period 2004 – 2010, Evraz is intending to spend approximately $134 million on replacing outdated machinery and equipment
- Major mills comply with international standard ISO14001:2004

![Total Air Emissions and Air Emissions per tonne of production graphs](chart.png)
Corporate Social Responsibility

- Evraz goes well beyond regular working practices in CSR
  - Every site of the Group has developed a health programme for employees, including additional health services provided by both local and the Group’s medical centres
  - The Company established an pension fund for the employees

- Evraz supports communities’ initiatives and programs for children as well as provides equipment for teaching computer literacy and supports local schools and colleges

- Evraz actively participates in community initiatives for safer environment