



2006 Interim Results

October, 2006



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1H 2006 HIGHLIGHTS

- n Revenue grew 5.3% to \$3,825 mln reflecting 23% increase in sales volumes**
 - n 23% growth in Russian construction products sales volumes**
 - n Favourable domestic steel pricing environment**
 - n 5.0x increase in non-Russian sales to mature European and US markets to \$714 mln**
- n EBITDA flat at \$1.1 bn, EBITDA margin remains strong at 29%**
- n Consolidated cash cost per tonne increased by 6.8% to \$235**
- n \$262 mln capital investment to improve efficiency**
- n Continued focus on developing mining segment with additional \$225 mln investments in OAO Rospadskaya**



1H 2006 SUMMARY PERFORMANCE

Volumes ('000 tonnes)

8,300

▲ +23%

Revenue (\$ mln)

3,825

▲ +5%

EBITDA (\$ mln)

1,096

▼ (2)%

Net Profit* (\$ mln)

571

▼ (7)%

*Net profit attributable to equity holders of Evraz Group S.A.



1H 2006 RESULTS OVERVIEW

\$ mln unless otherwise stated	1H 2006	1H 2005	Change,%
Revenue	3,825	3,632	5.3%
Cost of revenue	(2,520)	(2,251)	11.9%
SG&A	(339)	(334)	1.5%
EBITDA*	1,096	1,119	(2)%
<i>EBITDA margin</i>	28.7%	30.8%	
Net Profit**	571	612	(6.7)%
<i>Net Profit margin</i>	14.9%	16.9%	
EPS (USD per GDR)	1.63	1.88	(13.8)%
Sales volumes*** (‘000 tonnes)	8,300	6,750	23%

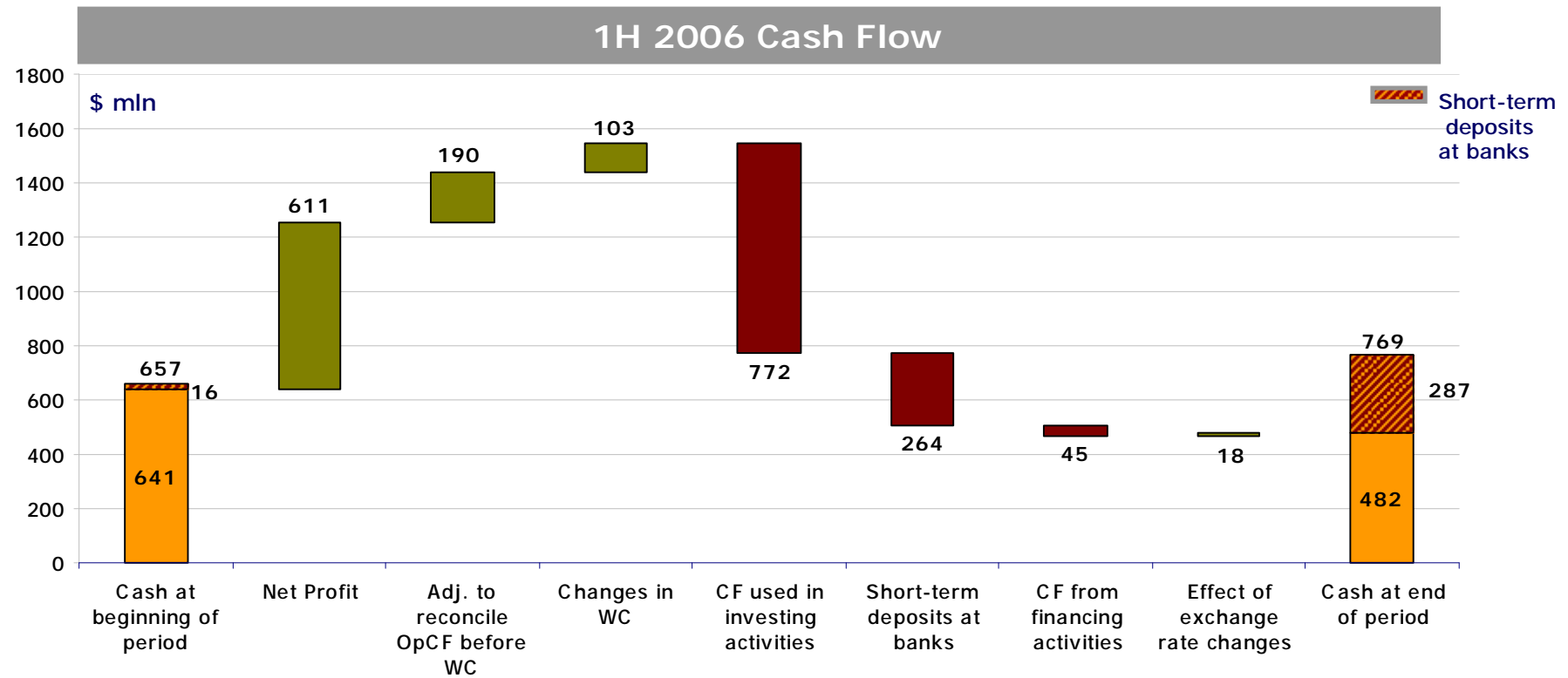
*EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E

** Net profit attributable to equity holders of Evraz Group S.A. *** Steel Segment sales volumes



CASH FLOW GENERATION

- Record net cash flow from operating activities of \$904 mln
- Strong conversion of EBITDA to Net Operating Cash Flow at 82.4%
- Cash balance, including \$287 mln in short-term deposits, grew 17% to \$769 mln

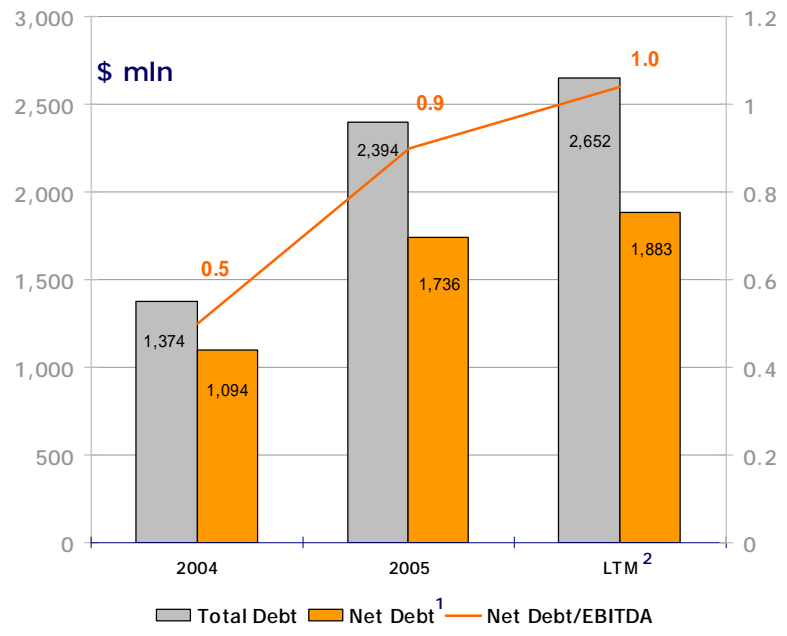




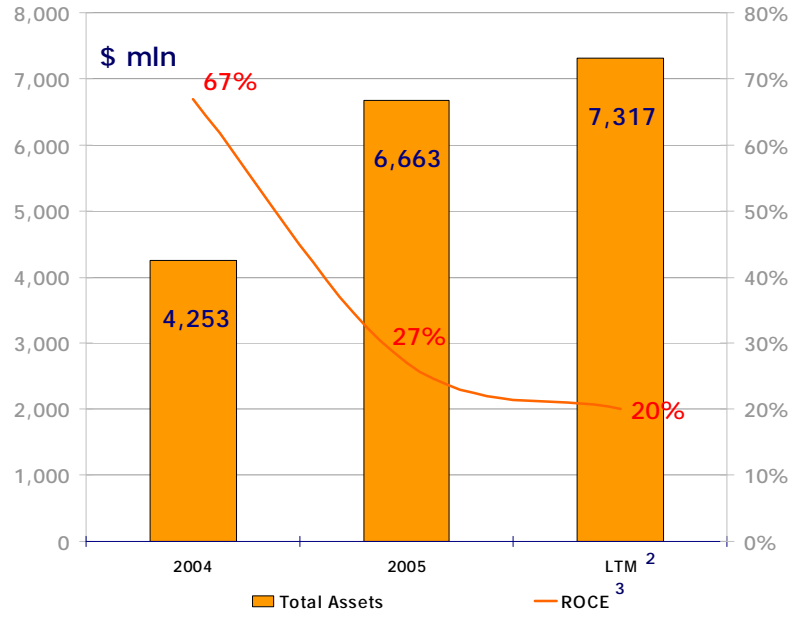
STRONG BALANCE SHEET

- Total Debt-to-EBITDA remains comfortably within stated target of 1.5x, while Net Debt¹/EBITDA equals 1.0x
- Well-capitalised balance sheet to fund future growth

Net Debt-to-EBITDA Ratio



Total Assets



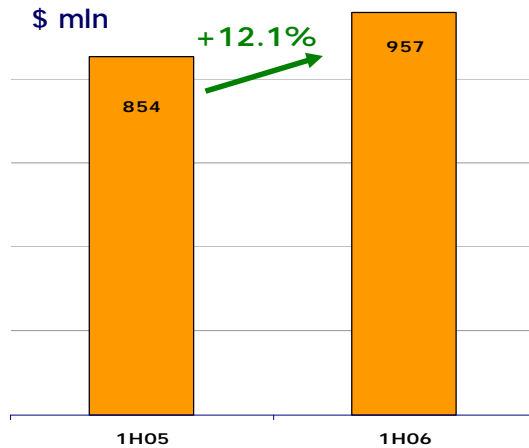
¹Net debt equals total debt less cash & cash equivalents and short-term bank deposits
²EvrAZ have not prepared audited or reviewed financial statements for the 12 month period ended 30 June 2006. Financial indicators presented under LTM (last twelve months) are calculated as a sum of 1H06 financial results and FY05 less 1H05 financial results
³ROCE 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



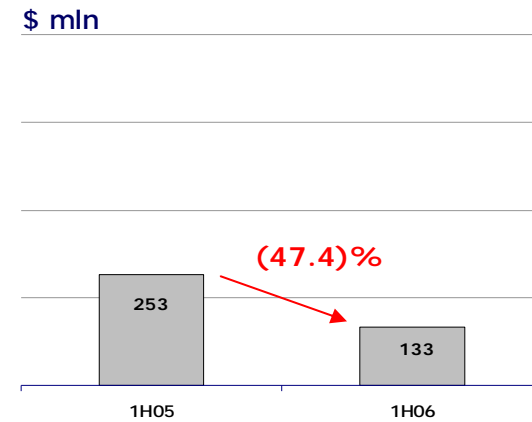
EBITDA

- n EBITDA margin remains strong at 29% fuelled by steel segment performance
- n Steel segment EBITDA growth driven by volume increase and cost management
- n Mining segment EBITDA slipped on the back of softer pricing in the Russian market

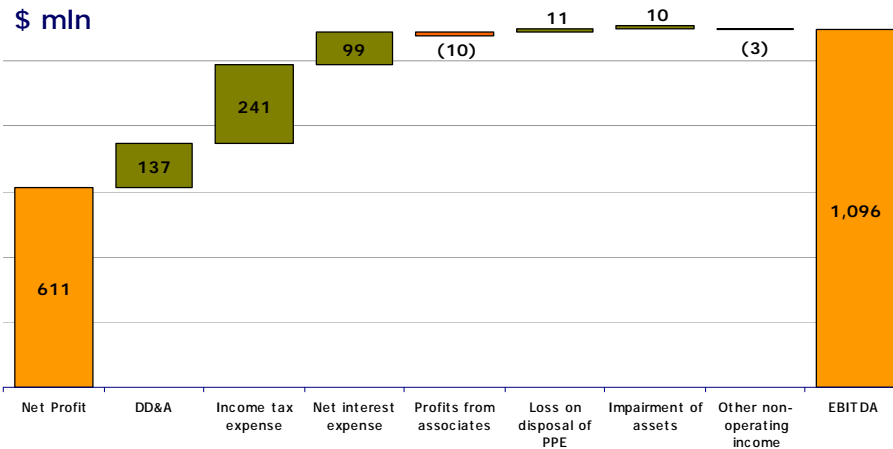
Steel Segment EBITDA



Mining Segment EBITDA



Consolidated EBITDA

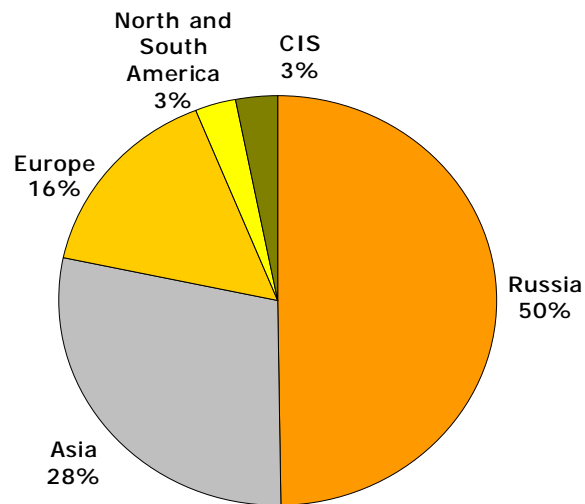




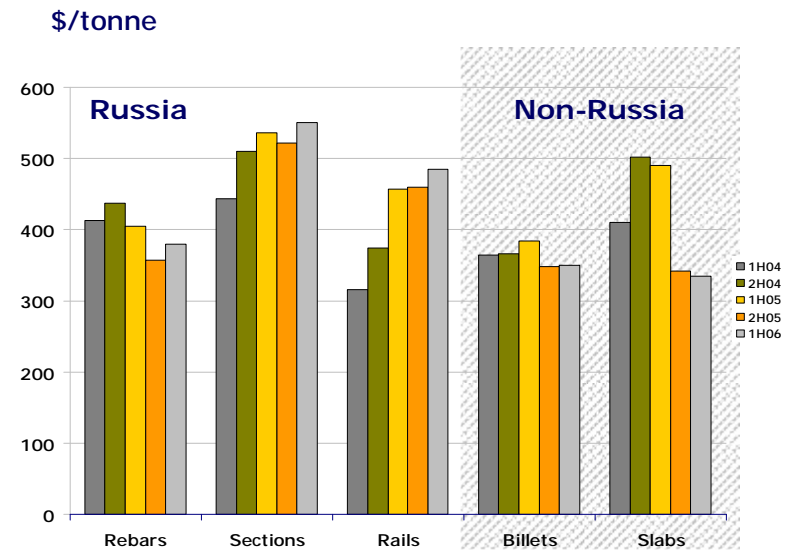
STEEL SEGMENT

- Consolidated steel products sales volume up 23% to 8.3 mln tonnes
- Excellent performance of the Russian construction market (+23%)
- Sales into attractive European and US markets increased by a factor of 5
- Vanadium slag sales totaled \$83 mln

Steel Segment Sales by Regions



Prices for Main Steel Products





STEEL SALES BY PRODUCT

- n 21% increase in semi-finished sales volumes driven by organic growth and world steel market demand
- n Strong plates sales growth due to acquisitions of premium Vitkovice Steel and Palini e Bertoli plate mills

(in volume terms)

Products ('000 tonnes)	1H 2006	1H 2005	%
Semi-finished	4,164	3,443	21%
Construction	2,197	2,106	4%
Plates	830	194	328%
Railway	789	828	(5)%
Mining	139	123	13%
Other*	181	56	223%
Total	8,300	6,750	23%

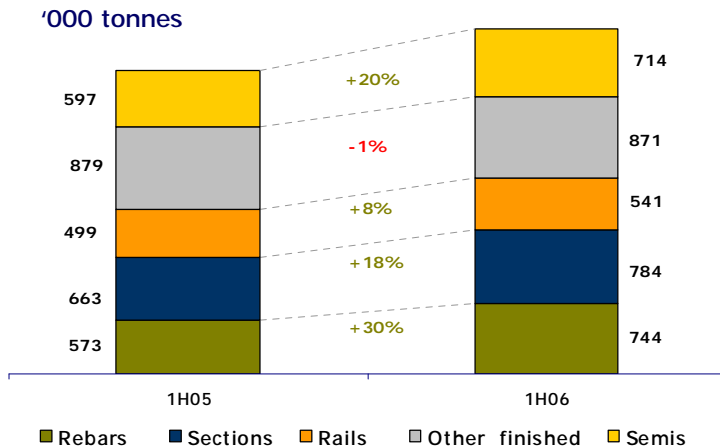
*Includes rounds, cut shapes, strips and other products



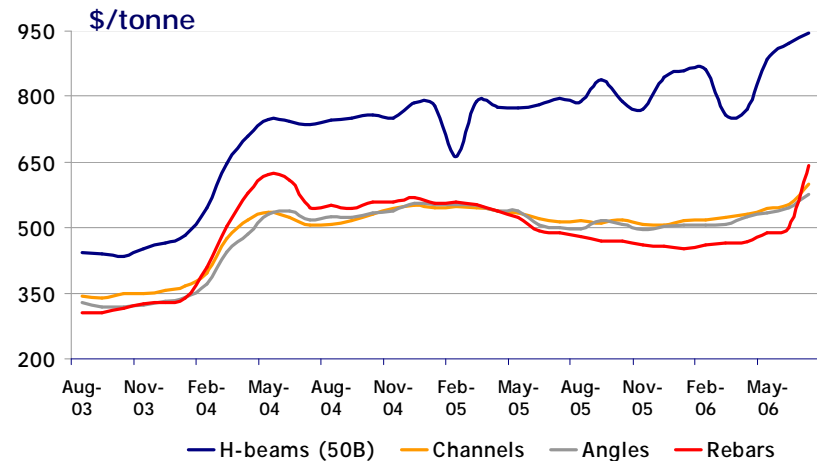
RUSSIAN AND CIS MARKETS

- n Russia remains key market contributing 50% to total steel segment revenue
- n Total sales volumes increased by 13.8% to 3.65 million tonnes
- n Enhanced leadership position in the rapidly growing construction market with estimated market share of 38%
- n Favourable pricing environment set to continue in 2H 2006 and beyond

Sales Mix



Average Market Prices



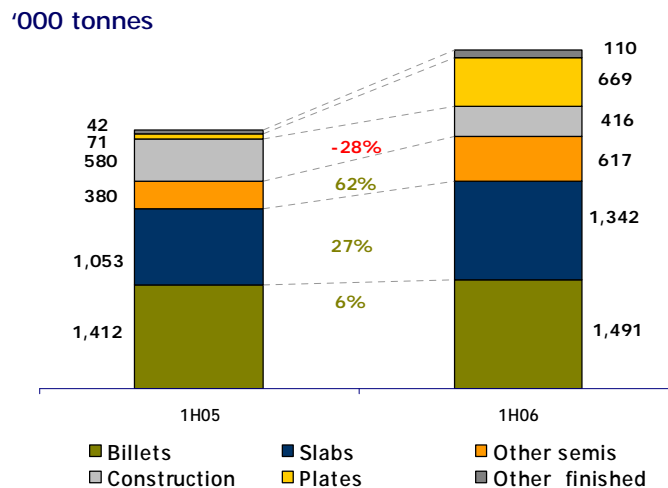
Source: Metall Courier



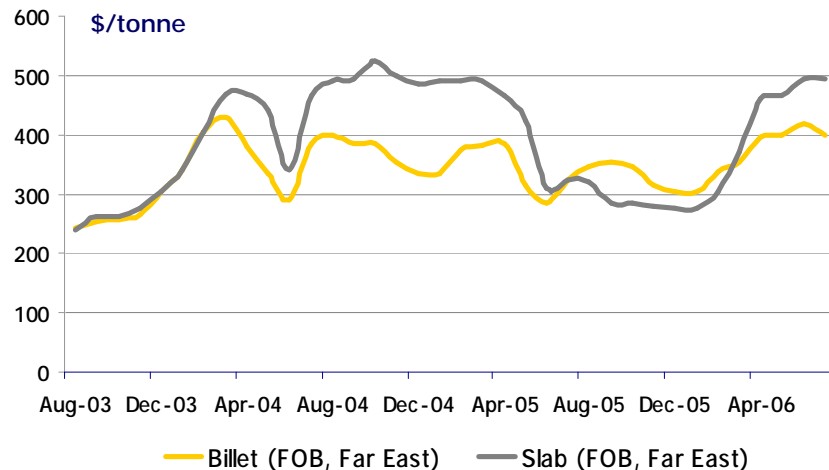
NON-RUSSIAN SALES

- Steel sales volumes increased by 31.8% to 4.65 million tonnes
- Continued diversification of sales in favour of European and US markets
- Construction steel export volumes shifted to attractive Russian market
- Strong price recovery in 2Q 2006

Non-Russian Sales Product Mix



Non-Russian Prices for Slabs & Billets



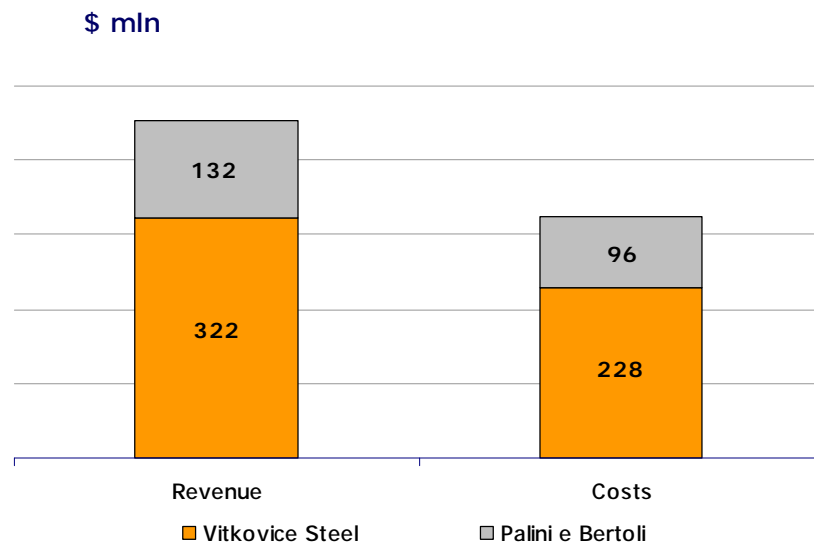
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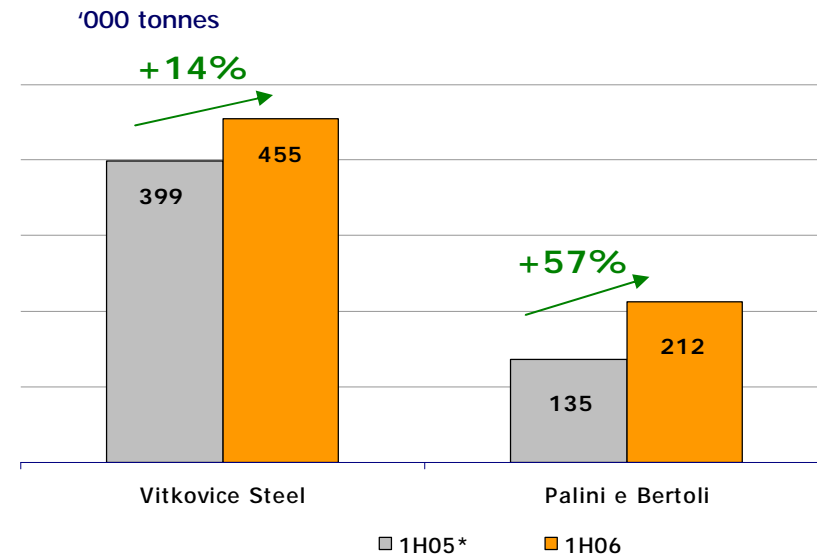
EUROPEAN ASSETS

- European assets (Vitkovice Steel and Palini e Bertoli) successfully integrated and contributed \$454 mln to consolidated revenue
- Production volumes increased by 25% in 1H 2006

European Assets Revenues and Costs



European Assets Production Growth



* 1H05 not included in Evraz Group S.A. consolidated Financial Statement

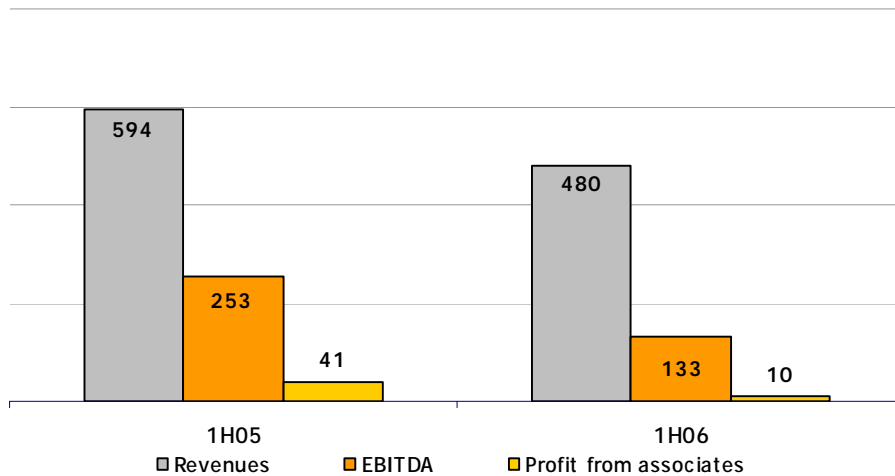


MINING SEGMENT

- n Mining segment revenues decreased by 19.2% to \$480 mln
- n Iron ore sales volumes flat at 8.4 mln tonnes
- n Decline in average prices of iron ore and coal
- n Iron ore self-sufficiency remains strong at 78%

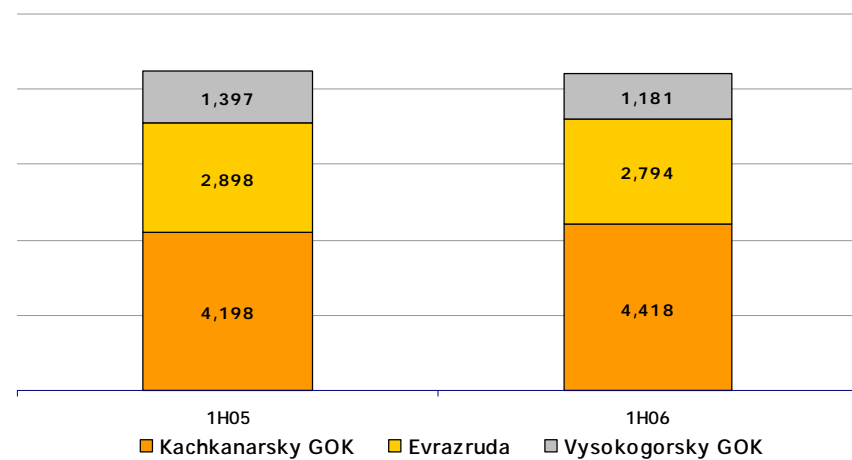
Mining Segment Performance

\$ mln



Iron Ore Production

'000 tonnes

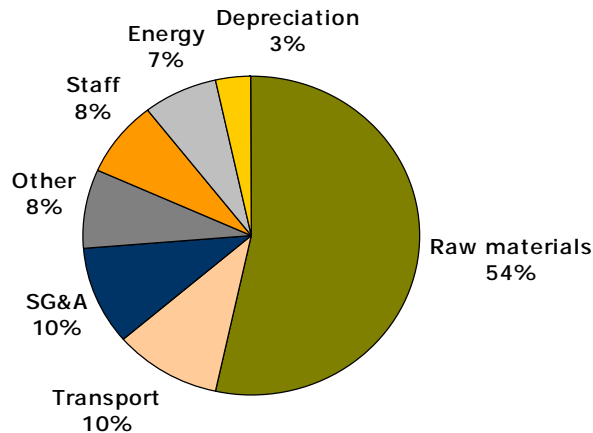




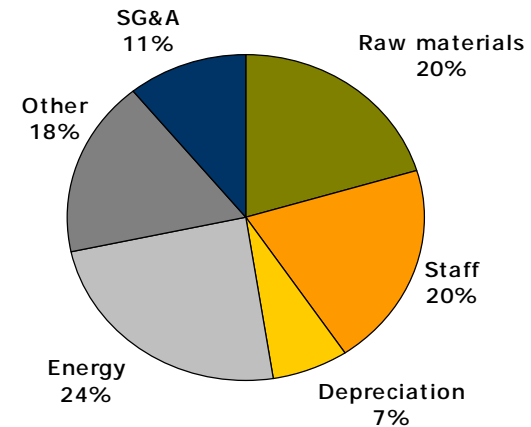
COST STRUCTURE

- n Cost of revenues up 11.9% to \$2,520 mln as a result of higher steel sales volumes, lower raw material prices and acquisitions impact
- n Consolidation of volumes of European assets contributed \$253 mln to cost increase
- n SG&A expenses remain flat due to strict cost management
- n Risk of further cost increase concentrated in energy and labour expenses

Steel Segment Costs



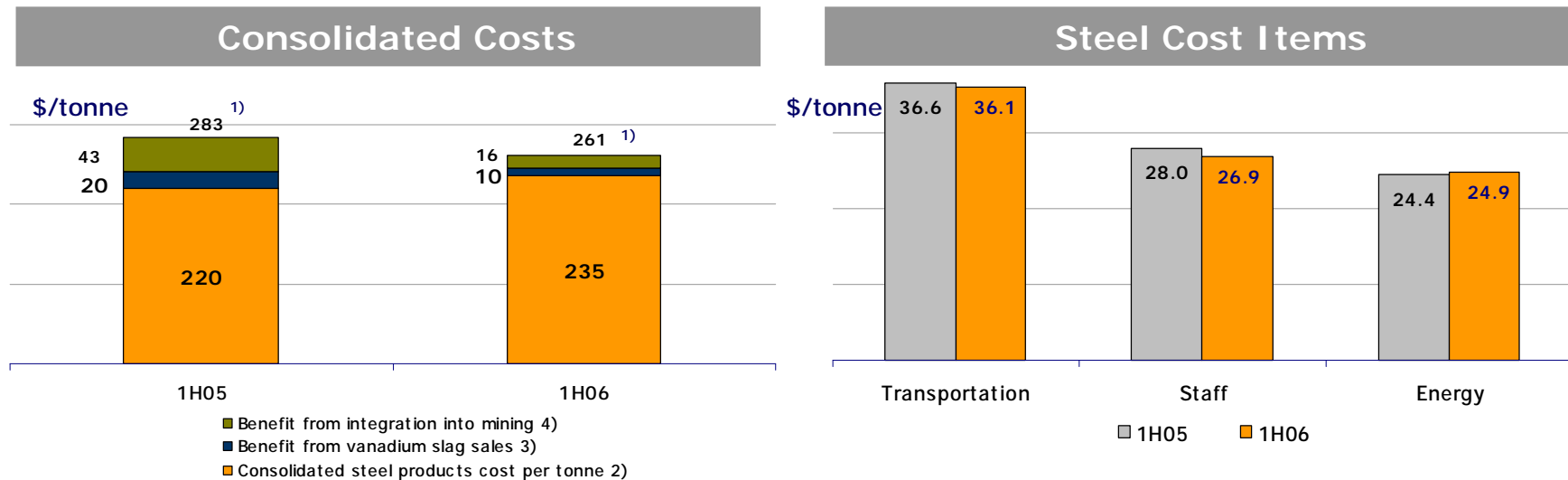
Mining Segment Costs





COST MANAGEMENT

- Consolidated cash cost per tonne increased by 6.8% to \$235 t reflecting mainly impact of European mills consolidation
- Benefits from integration in mining and vanadium slag sales were lower due to softer raw materials pricing
- Transportation, staff and energy costs per tonne remain flat



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 and integration into mining

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



CAPEX

- n Key focus on efficiency improvement at the front end of steel production
- n Implementation of major projects on track
- n Capital spending of \$262 mln in 1H06 vs. \$280 mln in 1H05
- n FY2006 capex annual budget estimated at \$550 mln

Project	Status
Revamp of BF5 at NTMK	Complete
Revamp of CB5 at NTMK	Complete
Reconstruction of converter shop at NTMK	On-going
Revamp of EAF at NKMK	On-going
Revamp of BF3 at ZapSib	On-going
Installation of ISSM at Vitkovice Steel	On-going



VISION AND STRATEGIC GOALS

Our 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 through:

- n Leadership in CIS construction and railway steel product markets
- n Strengthened positions in global flat product markets
- n Lowest costs secured by superior efficiency and 100% self-sufficiency in raw materials
- n Growing vanadium business



APPENDIX

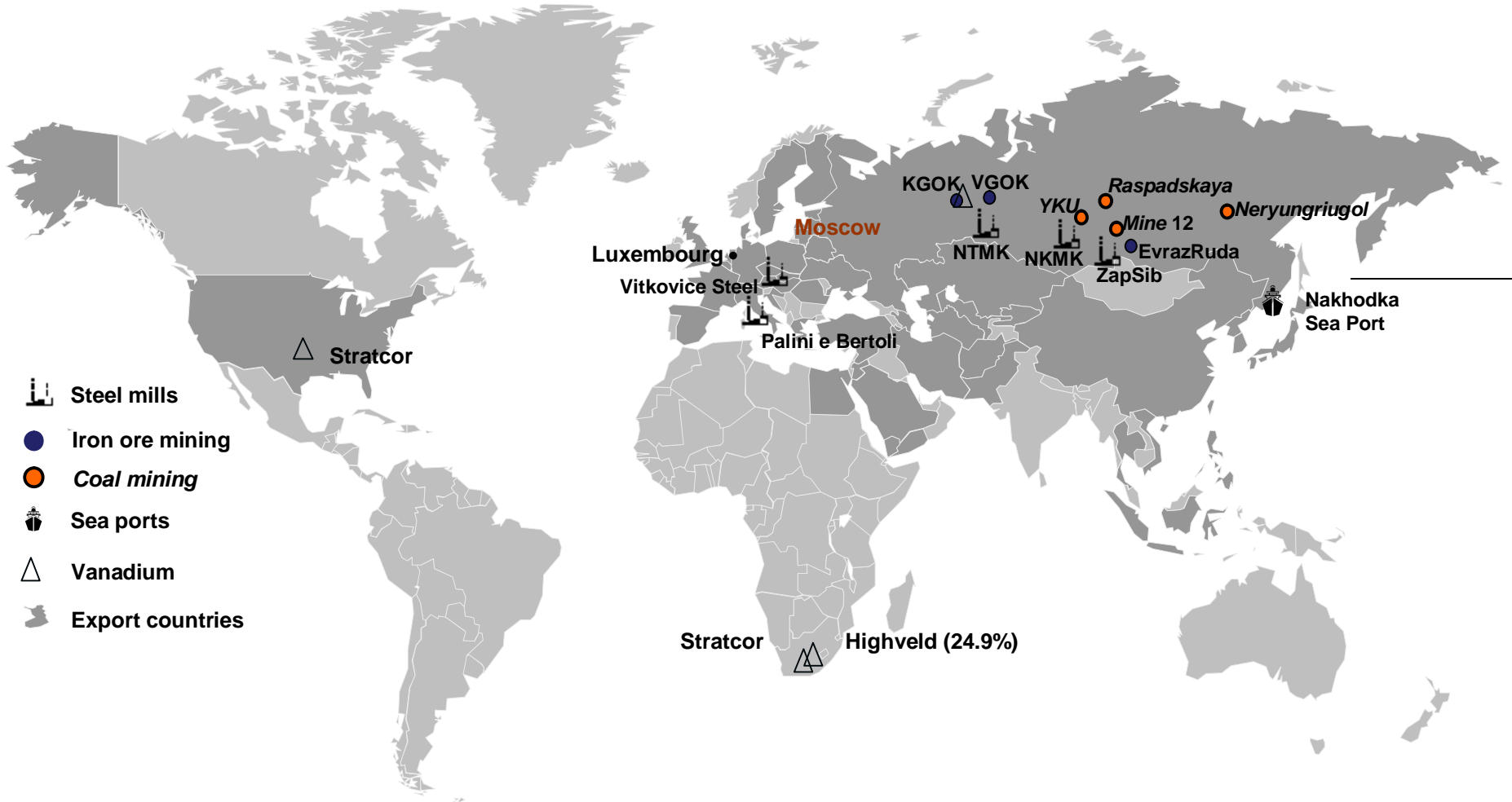


BALANCE SHEET HIGHLIGHTS

\$ millions	30 June 2006	31 December 2005
Total non-current assets	4,635	4,019
<i>Incl. PP&E</i>	3,278	2,960
Total current assets	2,682	2,644
<i>Incl. Cash & cash equivalents</i>	482	641
Total assets	7,317	6,663
Total non-current liabilities	2,102	1,870
<i>Incl. LT loans</i>	1,742	1,515
Total current liabilities	1,625	1,896
<i>Incl. ST loans & current portion of LT loans</i>	860	835
<i>Equity</i>	3,373	2,707
Total equity and liabilities	7,317	6,663



EVRAZ GROUP'S MAIN LOCATIONS





Q&A



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