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FOR IMMEDIATE RELEASE

EVRAZ ANNOUNCES AUDITED FINANCIAL RESULTS FOR 1H 2011

12 October 2011 – EVRAZ Group S.A. (LSE: EVR) today announces its audited interim results for the six months ended 30 June 2011.

1H 2011 Highlights:

Financials:

- Consolidated revenue **US$8,380 million** (+31% vs. 1H 2010)
- Consolidated adjusted EBITDA **US$1,629 million** (+41%)
- Net profit of **US$263 million** (+49%)**.** Without the effects of one-off transactions net profit would have been US$494 million*
- Operating cash flow **US$1,594 million (+114%)**
- Net debt **US$6,042 million** (-15% vs. 31 December 2010)
- Short-term debt **US$604 million** (-15% vs. 31 December 2010)
- Interim dividend of **US$89** million and special dividend of **US$402** million announced

Steel segment:

- Crude steel production 8.6 million tonnes (+4%)
- Total external steel sales volumes 7.9 million tonnes (+3%)
- Steel segment revenue US$7,492 million (+29%)

Mining segment:

- Iron ore production 10.4 million tonnes (+8%)
- Raw coking coal production 3.6 million tonnes (-2%)
- Raw steam coal production 1.5 million tonnes (-37%)
- Mining segment revenue US$2,040 million (+82%)

Vanadium segment:

- Primary vanadium production 10,158 tonnes (-3%)
- External vanadium product sales volumes 11,088 tonnes (+6%)
- Vanadium segment revenue US$320 million (+10%)

Corporate developments:

- Launch of Yerunakovskaya-VIII coking coal mine development
- Capacity and product mix expansion in the North American tubular sector
- Improvement of Broad-Based Black Economic Empowerment (B-BBEE) contributor rating in South Africa from Level 8 to Level 5

* One-off losses of US$231 million in 1H 2011 were caused by the conversion and early repurchase of debts

Financial management:

- Issuance of US$850 million eurobonds at a coupon rate of 6.75% due 2018
- Early redemption of US$622 million of 2013 eurobonds
- Issuance of RUB20 billion (approx. US$710 million) 5-year Rouble bonds
- Conversion of US$650 million convertible bonds originally due in 2014
- Rating upgrades by Standard & Poor's and Fitch to "B+" and "BB-" respectively

CAPEX:

- CAPEX for 1H 2011 of US$462 million compared with US$397 million for 1H 2010
- CAPEX guidance for FY2011 is maintained at approximately US$1.2 billion

Dividends:

- Dividend policy amended to pay not less than 25% of the adjusted consolidated net income
- EVRAZ declares for the first time since 2008 an interim dividend of US$0.60 per share/US$0.20 per GDR (a total of US$89 million) and a special dividend of US$2.70 per share/US$0.90 per GDR (a total of US$402 million)
- Dividends record date – 28 October 2011; payment – no later than 30 days after the record date

Alexander Frolov, Chief Executive of EVRAZ Group, commented:

"EVRAZ has delivered a strong performance in the first half of 2011 on the back of the continuation of a measured recovery in the global steel markets. The prices for steelmaking raw materials grew faster than the steel prices, allowing EVRAZ to benefit from its high level of vertical integration. We maintained full utilisation of our steelmaking capacity in Russia and high levels of utilisation of our major international plants in North America, Europe and South Africa.

"Demand in Russia was driven by the continued increase in private sector construction activity as well as Russian government-financed infrastructure projects. In 1H 2011 steel sales to the CIS increased to a record high 68% of EVRAZ's Russian and Ukrainian mills' steel sales compared to 53% in 1H 2010, reflecting improving demand on this market and the increase in share of value added products in the product mix.

"In the current pricing environment, our mining business generates over half of the Group's EBITDA. Consequently our priority is to grow our steelmaking raw material base.

"With this in mind we have launched the construction of the new mine, Yerunakovskaya VIII, which is expected to provide an additional 2 million tonnes of coking coal per annum from 2014.

"We are also about to commence the development of a new iron ore deposit at our existing iron ore mine Kachkanar (Ural region) in order to support the potential increase of steelmaking capacity in Nizhny Tagil by 1-1.5 million tonnes per annum.

"We are currently in negotiation with JSC ALROSA, Russian diamond producer, regarding a potential joint development of a greenfield iron ore project in Timir (Yakutia). This project would allow us to increase significantly our iron ore mining volumes through open pit mining and would not require extensive CAPEX before 2013.

"Another objective of our growth strategy is to increase the share of greater added value finished products. Currently our construction mills are fully utilised, creating the need for rolling capacity expansion. We are building two new rolling mills for construction products in Russia and Kazakhstan of 450,000 tonnes per annum each. This project will allow us to increase the share of value added products in the product mix, as well as to improve transportation logistics.

“We continue the major reconstruction of the rail mills and wheel shop, allowing us to produce state-of-the-art railway products, including 100-metre head-hardened rails, more suitable for high-speed rail transportation.

“The introduction of a pulverised coal injection project, scheduled for completion in 2012 at EVRAZ NTMK plant and in 2013 at EVRAZ ZSMK plant, will increase our energy efficiency, partially eliminate the need for natural gas and reduce our coking coal consumption by almost 20%.

“Having said all of this, I would like to particularly stress that it remains critical for us to ensure that health and safety policies and procedures are our top priority and have the due attention of management and employees. We are committed to provide necessary level of investment to maintain and improve health and safety environment in the Group”.

Giacomo Baizini, EVRAZ Group’s Chief Financial Officer, commented:

“Our financial performance, benefiting from the market recovery and growth of raw material prices, showed a significant improvement during the first half of 2011. This was reflected in a 31% increase in revenue, 41% increase in EBITDA and 49% increase in net income compared to the first half of 2010.

“Net profit in 1H 2011 was negatively affected by one-off items. Without one-off losses of US$231 million relating to the conversion and early repurchase of debts our 1H 2011 net profit would have been US$494 million

“Refinancing of short-term debt using debt instruments with longer-term maturities remains our financial management strategy. In April of this year we repurchased US$622 million of the 2013 eurobonds and issued a new US$850 million 7-year eurobond at an interest rate of 6.75%. We also continued to take advantage of the rouble bond market with a further RUB 20 billion issue, which was then swapped into US dollars at very attractive rates.

“We also converted US$650 million convertible bonds originally due in 2014 thereby reducing our debt level by US$551 million. Over the first half of 2011 our net debt level has decreased by approximately US$1.1 billion and our short term debt decreased by 15% and now stands at US$604 million – less than 10% of our total debt. Consequently, our leverage has now decreased to 2.2x net debt to LTM EBITDA and we have no material maturities until 2013.

“We intend to continue the policy of prudent financial management and are targeting a net debt to EBITDA ratio below 2.5.

“Our improved financial position was reflected in credit rating upgrades by the rating agencies.

“We have in excess of US$1 billion of cash on our balance as at the end of 1H 2011 and have significant liquidity available in committed and uncommitted credit lines. The Company also continues to be free cash flow generative (US$751 million in 1H 2011).

“As a result of the 1H 2011 performance and the strength of our balance sheet the Directors have decided to resume the payment of dividends to shareholders. We are declaring an interim dividend of US$89 million or 34% of our net income in 1H 2011. We are also declaring the payment of a special dividend of US$402 million”.

Outlook

Commenting on the outlook for the remainder of 2011 and beyond **Mr. Frolov** added:

"The wider global economy and, in turn, the steel industry, continue to face challenges and remain very volatile.

"However, we have substantial experience of managing the business in a tough 2008-2009 environment and enter this period of uncertainty with a considerably improved financial position. Currently the volumes of export sales are booked for the next 2.5 months through to December. Inventories at traders and at our mills and ports are very low and we do not ship without pre-payment, which minimises our credit risk.

"That said, the Group's recent trading has been impacted by scheduled repairs, lower production volumes, a weak market environment in the Czech Republic and a change in product mix in South Africa.

"In addition, in recent weeks, there have been some decreases in export prices.

"Going forward, Russian Railroads remains a very strong buyer and we expect it to maintain purchased volumes over the next several years. In addition we expect to improve our product mix and generate additional revenue through our rail mill and wheel shop modernisation.

"We continuously assess the market environment and have significant flexibility in our CAPEX plans.

"We strongly believe that the quality of EVRAZ Group's asset base, the competitive advantages derived from vertical integration, its low cost position, geographic breadth and highly experienced management team, leave the Company well positioned to continue to implement its growth strategy."

Six months to 30 June (US$ million)	**2011**	2010	Change
Revenue	**8,380**	6,379	31.4%
Adjusted EBITDA [1]	**1,629**	1,154	41.2%
Profit from operations	**859**	691	24.3%
Net profit	**263**	176	49.4 %
Basic earnings per GDR [2], (US$)	**0.62**	0.42	47.6 %

1 Refer to Attachment 1 for reconciliation to profit from operations
2 One share is represented by three GDRs

1H 2011 Results Summary:

EVRAZ's **consolidated revenues** for the first six months of 2011 increased by 31.4% to US$8,380 million compared with US$6,379 million for the first six months of 2010. Steel segment sales accounted for the majority of the increase in revenues, reflecting the growth in sales volumes and average prices of steel products. EVRAZ's external sales volumes of steel products grew from 7.7 million tonnes in 1H 2010 to 7.9 million tonnes in 1H 2011.

The increase in steel sales volumes primarily reflects the growth in demand for construction products in Russia with overall sales in the Russian market advancing by 0.8 million tonnes compared with 1H 2010. Sales volumes in Ukraine remained flat. Export sales volumes from the Russian and Ukrainian operations showed a total decrease of 0.8 million tonnes as a result of higher domestic sales in Russia. Sales volumes of the European and North American operations increased by 0.1 million tonnes each, while steel sales volumes of the South African operations remained flat.

Geographic breakdown of consolidated revenues (based on location of customer)

	Six months ended 30 June				
	2011		2010		2011 v 2010
	US$ million	**% of total**	US$ million	% of total	% change
Russia	**3,346**	**39.9%**	2,115	33.1%	58.2%
Americas	**1,858**	**22.2%**	1,522	23.9%	22.1%
Asia	**1,178**	**14.1%**	1,369	21.4%	(14.0)%
Europe	**1,081**	**12.9%**	630	9.9%	71.6%
CIS	**624**	**7.4%**	490	7.7%	27.3%
Africa	**290**	**3.5%**	252	4.0%	15.1%
Rest of the world	**3**	**0.0%**	1	0.0%	200%
Total	**8,380**	**100%**	6,379	100%	31.4%

Revenues from sales in Russia increased as a proportion of total revenues from 33.1% to 39.9%, driven by the growing demand for construction products in the Russian market.

In 1H 2011, **revenues from non-Russian sales** grew by 18.1% to US$5,034 million compared with US$4,264 million in 1H 2010 but decreased as a percentage of total revenues to 60.1%, compared with 66.8% in 1H 2010.

In the first six months of 2011, the **consolidated cost of revenues** improved to 73.8% of consolidated revenues, or US$6,183 million compared with 77.1% of consolidated revenues, or US$4,919 million in the first six months of 2010.

Gross profit increased by 50.5% from US$1,460 million in 1H 2010 to US$2,197 million in 1H 2011. This increase in gross profit primarily resulted from the better performance of the mining segment and higher steel prices in the steel segment. Significant growth in the prices of coking coal and iron ore in 1H 2011 was mitigated by own supplies of raw materials from EVRAZ's mining segment.

Selling, general and administrative (SG&A) expenses as a percentage of consolidated revenues were almost unchanged (11.6% in 1H 2010 and 11.9% in 1H 2011).

Total loss on the disposal of property, plant and equipment in the first six months of 2011 amounted to US$17 million compared with US$11 million in the first six months of 2010.

Profit from operations increased from US$691 million, or 10.8% of consolidated revenues, for 1H 2010, to US$859 million, or 10.3% of consolidated revenues, for 1H 2011. The change in profit from operations is attributable to the growth of gross profit while high foreign exchange losses in the six months ended 30 June 2011 resulted in a lower operating margin compared to the same period in 2010.

Consolidated adjusted EBITDA increased by 41.2% to US$1,629 million in the first half of 2011 compared to US$1,154 million in the first half of 2010, with adjusted EBITDA margins of 19.4% and 18.1% respectively.

Interest expense rose 5.2% to US$387 million in the six months to 30 June 2011 compared with US$368 million in the six months to 30 June 2010 and is attributable to the issuance of bonds in November 2010, April 2011 and June 2011 and related costs.

In 1H 2011, **income tax expense** amounted to US$210 million compared with an income tax expense of US$131 million, in 1H 2010. EVRAZ's effective tax rate, defined as income tax expense as a percentage of profit before tax, increased from 42.7% in the six months of 2010 to 44.4% in the first six months of 2011.

The **net profit** attributable to equity holders of EVRAZ Group in the six months ended 30 June 2011 was US$258 million compared with US$174 million in the six months ended 30 June 2010.

Review of Operations

Steel Segment Results

Six months to 30 June (US$ million)	**2011**	2010	Change
Revenues*	**7,492**	5,796	29.3%
Profit/(loss) from operations	**376**	502	(25.1)%
Adjusted EBITDA	**744**	803	(7.3)%
Adjusted EBITDA margin	**9.9%**	13.9%	(28.8)%

**Segment revenues include intersegment sales*

Steel Segment Sales*

	Six months ended 30 June				
	2011		2010		2011 v 2010
	US$ million	**% of total**	US$ million	% of total	% change
Steel products					
Construction products [1]	**2,129**	**28.4 %**	1,558	26.9%	36.6%
Railway products [2]	**999**	**13.3%**	723	12.5%	38.2%
Flat-rolled products [3]	**1,499**	**20.0%**	969	16.7%	54.7%
Tubular products [4]	**607**	**8.1%**	601	10.4%	1.0%
Semi-finished products [5]	**1,204**	**16.1%**	1,113	19.2%	8.2%
Other steel products [6]	**294**	**3.9%**	192	3.3%	53.1%
Other revenues [7]	**760**	**10.2%**	640	11.0%	18.8%
Total	**7,492**	**100%**	5,796	100.0%	29.3%

[1] *Includes rebars, wire rods, wire, H-beams, channels and angles.*
[2] *Includes rail and wheels.*
[3] *Includes plates and coils.*
[4] *Includes large diameter, ERW, seamless pipes and casing.*
[5] *Includes billets, slabs, pig iron, pipe blanks and blooms.*
[6] *Includes rounds, grinding balls, mine uprights and strips.*
[7] *Includes coke and coking products, refractory products, ferroalloys and resale of coking coal.*

Steel Products Sales Volumes*

Six months to 30 June (‘000 tonnes)	**2011**	2010	Change
Steel products			
Construction products	**2,714**	2,475	9.7%
Railway products	**1,072**	976	9.8%
Flat-rolled products	**1,534**	1,306	17.5%
Tubular products	**422**	436	(3.2)%
Semi-finished products	**1,904**	2,262	(15.8)%
Other steel products	**333**	288	15.6%
Total	**7,979**	7,743	3.0%

** Including intersegment sales*

Steel segment revenues increased by 29.3% to US$7,492 million in the first six months of 2011 compared with US$5,796 million in the first six months of 2010, a reflection of positive price dynamics for steel products and higher sales volumes.

The proportion of revenues attributable to sales of construction products increased as a result of the growth in the sales volumes and prices of construction products in Russia.

The proportion of revenues attributable to sales of railway products slightly increased as a result of the higher than average growth in sales volumes of railway products in Russia and North America compared to other steel products as compared to 1H 2010.

The proportion of revenues attributable to sales of flat-rolled products (primarily plates) increased in response to a higher than average hike in prices and sales volumes compared to other steel product groups, with main contribution coming from sales in Europe and Russia.

The proportion of revenues attributable to sales of tubular products decreased primarily due to a significant decline in sales volumes of large diameter pipes and casing and tubing goods and also due to lower prices for large diameter and seamless pipes in North America.

The proportion of revenues attributable to sales of semi-finished products decreased due to a significant reduction in export sales volumes of billets used in production of construction products sold in Russia.

Steel segment sales to the mining segment amounted to US$89 million in the first half of 2011 compared with US$57 million a year earlier. The increase is attributable to higher sales prices and volumes.

Revenues from sales in Russia amounted to approximately 41% of steel segment revenues in the first six months of 2011, compared with 33% in the first six months of 2010. The increased share of revenues from sales in Russia resulted from the reallocation of steel volumes from Asian export markets to the Russian market.

Steel segment cost of revenues increased to 83.2% of steel segment revenues in the first six months of 2011, or US$6,237 million, compared with 81.2% of steel segment revenues, or US$4,704 million, in the first six months of 2010. The increase in cost of revenue in monetary terms is attributable to a growth of 41.8% in raw material costs due to significant increase in the prices of all key raw materials (particularly coking coal and iron ore); the increase in costs of semi-finished products of 54.2% due to increased production volumes of flat products at EVRAZ’s North American operations, higher share of external purchases of semi-finished products and higher average cost of slabs; growing staff costs (+23.1%); increase in energy costs by 25.7% due to the growth in prices of energy resources, higher production volumes at most EVRAZ operations and the appreciation of local currencies against the US dollar; and an increase in other costs by 25.7% primarily due to a significant increase in purchases of goods from the market for subsequent resale after the acquisition of Inprom Group in December 2010. The other factors that contributed to the increase were higher costs of auxiliary materials for repairs and maintenance, higher volume and costs of industrial services due to increased production volumes and the appreciation of local currencies against the US dollar. At the same time transportation costs decreased by 10.7% due to lower export sales volumes from the Russian operations to Asia.

In 1H 2011, the steel segment recorded an operating profit of US$376 million (5.0% of steel segment revenues), compared with US$502 million (8.7% of steel segment revenues) in the same period of 2010.

Mining Segment Results

Six months to 30 June (US$ million)	**2011**	2010	Change
Revenues	**2,040**	1,120	82.1%
Profit/(loss) from operations	**715**	238	200.4%
Adjusted EBITDA	**962**	390	146.7%
Adjusted EBITDA margin	**47.2%**	34.8%	35.6%

Mining Segment Sales*

	Six months ended 30 June				
	2011		2010		2011 v 2010
	US$ million	**% of total**	US$ million	% of total	% change
Iron ore products	**1,292**	**63.4%**	**581**	**51.9%**	**122.4%**
Iron ore concentrate	377	18.5%	176	15.7%	**114.2%**
Sinter	306	15.0%	162	14.5%	**88.9%**
Pellets	453	22.2%	210	18.8%	**115.7%**
Other	156	7.7%	33	2.9%	**372.7%**
Coal products	**703**	**34.4%**	**428**	**38.2%**	**64.3%**
Raw coking coal	121	5.9%	96	8.6%	**26.0%**
Coking coal concentrate	551	27%	260	23.2%	**111.9%**
Raw steam coal	25	1.2%	66	5.9%	**(62.1)%**
Steam coal concentrate	6	0.3%	6	0.5%	**0.0%**
Other revenues	**45**	**2.2%**	**111**	**9.9%**	**(59.5)%**
Total	**2,040**	**100.0%**	**1,120**	**100.0%**	**82.1%**

Six months to 30 June (‘000 tonnes)	**2011**	2010	Change
Iron ore products	**10,101**	**7,353**	37.4%
Iron ore concentrate	3,145	1,987	58.3%
Sinter	2,227	2,073	7.4%
Pellets	3,090	2,716	13.8%
Other	1,639	577	184.1%
Coal products	**4,942**	**5,105**	(3.2)%
Raw coking coal	1,190	1,610	(26.1)%
Coking coal concentrate	3,002	2,061	45.7%
Steam coal	681	1,359	(49.9)%
Steam coal concentrate	69	75	(8.0)%

** Including intersegment sales*

Mining segment revenues rose 82.1% to US$2,040 million in 1H 2011, compared with US$1,120 million in 1H 2010, primarily reflecting significant increases in the market prices of iron ore and coking coal during the first six months of 2011.

Sales volumes of iron ore products increased by 37.4% in 1H 2011 compared with 1H 2010. Sales volumes of saleable coking coal products increased by 14.2% in the six months ended 30 June 2011 compared with the six months ended 30 June 2010 while sales volumes of saleable steam coal products decreased by 47.7% in the same period respectively. Total sales volumes of coal products decreased by 3.2%.

In the first six months of 2011 mining segment sales to the steel segment amounted to US$1,433 million, or 70% of mining segment sales, compared with US$812 million, or 73% of mining segment sales, in the first six months of 2010.

In 1H 2011, EVRAZ’s iron ore requirements were self-covered by approximately 74% compared with 69% in 1H 2010. Approximately 54% of the EVRAZ Group’s coking coal requirements were satisfied by internal purchases and supplies from Raspadskaya and JSC Yuzhkuzbassugol in the six months ended 30 June 2011, as against 52% in the same period of 2010.

Approximately 47% of the mining segment’s third party sales in 1H 2011 were to customers in Russia compared with 54% in 1H 2010. The increase in the share of third party sales outside Russia is largely attributable to the growth in export sales of iron ore from Sukha Balka to Europe.

Vanadium Segment Results

Six months to 30 June (US$ million)	**2011**	2010	Change
Revenues	**320**	290	10.3%
(Loss)/profit from operations	**(19)**	19	N/A
Adjusted EBITDA	**(3)**	55	N/A
Adjusted EBITDA margin	**(0.9)%**	19.0%	N/A

Vanadium Segment Sales*

	Six months ended 30 June				
	2011		2010		2011 v 2010
	US$ million	**% of total**	US$ million	% of total	% change
Vanadium in slag	**17**	**5.3%**	17	5.9%	0.0%
Vanadium in alloys and chemicals	**297**	**92.8%**	268	92.4%	10.8%
Other revenues	**6**	**1.9%**	5	1.7%	20.0%
Total	**320**	**100%**	**290**	**100.0%**	**10.3%**

Six months to 30 June ('000 tonnes of pure Vanadium)	**2011**	2010	Change
Vanadium products	**11.5**	10.9	5.5%
Vanadium in slag	**1.5**	1.4	7.1%
Vanadium in alloys and chemicals	**10.0**	9.5	5.3%

** Including intersegment sales*

Vanadium segment revenues increased by 10.3% to US$320 million in the first six months of 2011, compared with US$290 million in the first six months of 2010, reflecting increased sales volumes and prices of vanadium products. Sales volumes of the vanadium segment increased from 10.9 thousand tonnes of pure vanadium in the six months ended 30 June 2010 to 11.5 thousand tonnes of pure vanadium in the six months ended 30 June 2011.

Vanadium segment cost of revenues increased to 95.0% of vanadium segment revenues, or US$304 million, in the first six months of 2011 from 76.6% of vanadium segment revenues, or US$222 million, in the first six months of 2010. The increase in vanadium segment cost of revenues was primarily attributable to an increase in production volumes of ferrovanadium and Nitrovan® and higher costs allocated to vanadium slag, which is a by-product of steel production and the main feedstock for the downstream vanadium operations, reflecting a significant growth in the cost of raw materials for the steel segment. The additional factors that contributed to the increase in the vanadium segment cost of revenues were higher resale volumes of vanadium products and the appreciation of local currencies against the US dollar.

Other operations segment results

Six months to 30 June (US$ million)	**2011**	2010	Change
Revenues	**482**	414	16.4%
Profit from operations	**74**	45	64.4%
Adjusted EBITDA	**83**	62	33.9%
Adjusted EBITDA margin	**17.2%**	15.0%	14.7%

EVRAZ's other operations include logistics, port services, power and heat generation and supporting activities.

Group Consolidated Financial Position and Cash Flows

Cash flow

Cash flow from operating activities increased from US$744 million in the first six months of 2010 to US$1,594 million in the first six months of 2011. Cash provided by operating activities before working capital adjustments increased from US$959 million in the six months ended 30 June 2010 to US$1,447 million in the six months ended 30 June 2011. The decrease in working capital in the first six months of 2011 was largely driven by higher trade and other accounts payable, including US$158 million of payables related to conversion premium to bondholders.

Net cash used in investing activities totalled US$457 million in 1H 2011 compared with net cash used in investing activities of US$385 million in 1H 2010.

In 1H 2011, EVRAZ's **capital expenditure** totalled US$462 million, including US$252 million invested in steel segment and US$182 million - in mining segment.

Financial position

As of 30 June 2010 **total debt** amounted to US$7,198 million compared to US$7,811 million as of 31 December 2010. Cash and cash equivalents amounted to US$1,155 million, against US$683 million as of 31 December 2010.

Liquidity[A], defined as cash and cash equivalents, amounts available under credit facilities and short-term bank deposits with original maturity of more than three months, totalled approximately US$2,514 million as of 30 June 2011 compared with approximately US$1,694 million as of 31 December 2010.

As of 30 June 2011, EVRAZ had unutilised borrowing facilities of US$1,358 million, including US$788 million of committed facilities. Committed facilities consisted of credit facilities available for Russian, North American and European operations in the amounts of US$641 million, US$138 million and US$9 million, respectively. Uncommitted facilities consisted of revolving credit lines of US$388 million with international banks for export trade financing at East Metals S.A. and credit facilities available for South African, European and North American operations in the amounts of US$66 million, US$101 million and US$15 million, respectively.

Net debt[B] decreased to US$6,042 million as of 30 June 2011 compared with US$7,127 million as of 31 December 2010.

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[A] *Please refer to Attachment 2 for calculation of liquidity*

[B] *Please refer to Attachment 3 for calculation of net debt*

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EVRAZ GROUP S.A. (EVRAZ) is a vertically-integrated steel, mining and vanadium business with operations in the Russian Federation, Ukraine, USA, Canada, Czech Republic, Italy and South Africa. In 2010, the Company produced 16.3 million tonnes of crude steel and sold 15.5 million tonnes of steel rolled products. EVRAZ's internal consumption of iron ore and coking coal is covered by its mining operations. EVRAZ's consolidated revenues for the year ended 31 December 2010 were US$13,394 million and consolidated adjusted EBITDA amounted to US$2,350 million.

Attachment 1

Adjusted EBITDA

Adjusted EBITDA represents profit from operations plus depreciation, depletion and amortisation, impairment of assets, loss (gain) on disposal of property, plant and equipment, foreign exchange loss (gain). EVRAZ presents an Adjusted EBITDA because it considers Adjusted EBITDA to be an important supplemental measure of its operating performance and believes Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the same industry. Adjusted EBITDA is not a measure of financial performance under IFRS and it should not be considered as an alternative to net profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. EVRAZ's calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. Adjusted EBITDA has limitations as an analytical tool and potential investors should not consider it in isolation, or as a substitute for an analysis of our operating results as reported under IFRS. Some of these limitations include:

- Adjusted EBITDA does not reflect the impact of financing or financing costs on EVRAZ's operating performance, which can be significant and could further increase if EVRAZ were to incur more debt.
- Adjusted EBITDA does not reflect the impact of income taxes on EVRAZ's operating performance.
- Adjusted EBITDA does not reflect the impact of depreciation and amortisation on EVRAZ's operating performance. The assets of EVRAZ's businesses which are being depreciated and/or amortised will have to be replaced in the future and such depreciation and amortisation expense may approximate the cost to replace these assets in the future. Adjusted EBITDA, due to the exclusion of this expense, does not reflect EVRAZ's future cash requirements for these replacements. Adjusted EBITDA also does not reflect the impact of a loss on disposal of property, plant and equipment.

Reconciliation of profit (loss) from operations to adjusted EBITDA is as follows:

	Six months ended 30 June	
	2011	2010
	(US$ million)	
Consolidated Adjusted EBITDA reconciliation		
Profit from operations	859	691
Add:		
Depreciation, depletion and amortisation	501	472
Impairment of assets	32	54
Loss on disposal of property, plant & equipment	17	11
Foreign exchange loss (gain)	220	(74)
Consolidated Adjusted EBITDA	**1,629**	1,154
Steel segment Adjusted EBITDA reconciliation		
Profit from operations	376	502
Add:		
Depreciation,depletion and amortisation	288	306
Impairment of assets	7	14
Loss on disposal of property, plant & equipment	13	6
Foreign exchange loss (gain)	60	(25)
Steel segment Adjusted EBITDA	**744**	803
Mining segment Adjusted EBITDA reconciliation		
Profit from operations	715	238
Add:		
Depreciation, depletion and amortisation	175	134
Impairment of assets	33	16
Loss on disposal of property, plant & equipment	4	5
Foreign exchange gain (loss)	35	(3)
Mining segment Adjusted EBITDA	**962**	390

	Six months ended 30 June	
	2011	2010
	(US$ million)	
Vanadium segment Adjusted EBITDA reconciliation		
Loss (profit) from operations	(19)	19
Add:		
Depreciation, depletion and amortisation	17	12
Impairment of assets	-	24
Foreign exchange loss	(1)	-
Vanadium segment Adjusted EBITDA	**(3)**	55
Other operations Adjusted EBITDA reconciliation		
Profit from operations	74	45
Add:		
Depreciation, depletion and amortisation	20	19
Impairment of assets	(8)	-
Foreign exchange loss	(3)	(2)
Other operations Adjusted EBITDA	**83**	62

Attachment 2

Liquidity

Liquidity is not a measure under IFRS and it should not be considered as an alternative to other measures of financial position. EVRAZ's calculation of Liquidity may be different from the calculation used by other companies and therefore comparability may be limited.

	30 June 2011	31 December 2010
	(US$ million)	
Liquidity Calculation		
Cash and cash equivalents	1,155	683
Amounts available under credit facilities	1,358	1,010
Short-term bank deposits	1	1
Total estimated liquidity	2,514	1,694

Attachment 3

Net Debt

Net Debt represents long-term loans, net of current portion, plus short-term loans and current portion of long-term loans less cash and cash equivalents (excluding restricted deposits). Net Debt is not a measure under IFRS and it should not be considered as an alternative to other measures of financial position. EVRAZ's calculation of Net Debt may be different from the calculation used by other companies and therefore comparability may be limited.

Net Debt has been calculated as follows:

	30 June 2011	31 December 2010
	(US$ million)	
Net Debt Calculation		
Add:		
Long-term loans, net of current portion	6,594	7,097
Short-term loans and current portion of long-term loans	604	714
Less:		
Short-term bank deposits	(1)	(1)
Cash and cash equivalents	(1,155)	(683)
Net Debt	**6,042**	**7,127**

Interim Consolidated Statement of Operations
(In millions of US dollars, except for per share information)

	Six-month period ended 30 June 2011	2010* *(unaudited)*
Revenue		
Sale of goods	**8,221**	6,256
Rendering of services	**159**	123
	8,380	6,379
Cost of revenue	**(6,183)**	(4,919)
Gross profit	**2,197**	1,460
Selling and distribution costs	**(553)**	(375)
General and administrative expenses	**(443)**	(363)
Social and social infrastructure maintenance expenses	**(26)**	(33)
Loss on disposal of property, plant and equipment	**(17)**	(11)
Impairment of assets	**(32)**	(54)
Foreign exchange gains/(losses), net	**(220)**	74
Other operating income	**18**	19
Other operating expenses	**(65)**	(26)
Profit from operations	**859**	691
Interest income	**7**	5
Interest expense	**(387)**	(368)
Share of profits/(losses) of joint ventures and associates	**39**	31
Gain/(loss) on financial assets and liabilities, net	**(48)**	(37)
Gain/ (loss) on disposal groups classified as held for sale, net	**1**	(14)
Other non-operating gains/(losses), net	**2**	(1)
Profit before tax	**473**	307
Income tax benefit/(expense)	**(210)**	(131)
Net profit	**263**	176
Attributable to:		
Equity holders of the parent entity	**258**	174
Non-controlling interests	**5**	2
	263	176
Earnings per share:		
basic, for profit attributable to equity holders of the parent entity, US dollars	**1.86**	1.26
diluted, for profit attributable to equity holders of the parent entity, US dollars	**1.85**	1.26

* The amounts shown here do not correspond to the 2010 unaudited interim condensed consolidated financial statements and reflect adjustments made in connection with the changes in accounting policies and the completion of initial accounting.

Interim Consolidated Statement of Comprehensive Income
(In millions of US dollars)

	Six-month period ended 30 June	
	2011	**2010*** *(unaudited)*
Net profit	**263**	176
Other comprehensive income		
Effect of translation to presentation currency	**706**	(294)
Net gains/(losses) on available-for-sale financial assets	**(13)**	(22)
Net (gains)/losses on available-for-sale financial assets reclassified to profit or loss	**13**	18
Income tax effect	**-**	-
	-	(4)
Decrease in revaluation surplus in connection with the impairment of property, plant and equipment	**(1)**	-
Income tax effect	**-**	-
	(1)	-
Effect of translation to presentation currency of the Group's joint ventures and associates	**60**	(22)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	**60**	(22)
Total other comprehensive income/(loss)	**765**	(320)
Total comprehensive income/(loss), net of tax	**1,028**	(144)
Attributable to:		
Equity holders of the parent entity	**987**	(144)
Non-controlling interests	**41**	-
	1,028	(144)

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Interim Consolidated Statement of Financial Position
(In millions of US dollars)

	30 June 2011	31 December 2010*
ASSETS		
Non-current assets		
Property, plant and equipment	**9,128**	8,607
Intangible assets other than goodwill	**958**	1,004
Goodwill	**2,257**	2,219
Investments in joint ventures and associates	**795**	688
Deferred income tax assets	**104**	100
Other non-current financial assets	**198**	118
Other non-current assets	**90**	103
	13,530	12,839
Current assets		
Inventories	**2,506**	2,070
Trade and other receivables	**1,171**	1,213
Prepayments	**198**	192
Loans receivable	**39**	1
Receivables from related parties	**101**	80
Income tax receivable	**48**	54
Other taxes recoverable	**406**	353
Other current financial assets	**46**	52
Cash and cash equivalents	**1,155**	683
	5,670	4,698
Assets of disposal groups classified as held for sale	**2**	2
	5,672	4,700
Total assets	**19,202**	17,539
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Issued capital	**375**	375
Treasury shares	**(1)**	–
Additional paid-in capital	**2,308**	1,742
Revaluation surplus	**174**	180
Legal reserve	**36**	36
Accumulated profits	**4,804**	4,570
Translation difference	**(484)**	(1,214)
	7,212	5,689
Non-controlling interests	**254**	247
	7,466	5,936
Non-current liabilities		
Long-term loans	**6,594**	7,097
Deferred income tax liabilities	**1,104**	1,072
Finance lease liabilities	**32**	38
Employee benefits	**324**	315
Provisions	**338**	279
Other long-term liabilities	**103**	143
	8,495	8,944
Current liabilities		
Trade and other payables	**1,760**	1,173
Advances from customers	**187**	205
Short-term loans and current portion of long-term loans	**604**	714
Payables to related parties	**228**	217

Interim Consolidated Statement of Financial Position
(In millions of US dollars)

	30 June 2011	31 December 2010*
Income tax payable	**92**	78
Other taxes payable	**266**	180
Current portion of finance lease liabilities	**19**	19
Provisions	**62**	54
Amounts payable under put options for shares of subsidiaries	**9**	6
Dividends payable by the Group's subsidiaries to non-controlling shareholders	**14**	13
	3,241	2,659
Total equity and liabilities	**19,202**	17,539

* The amounts shown here do not correspond to the 2010 consolidated financial statements and reflect adjustments made in connection with the completion of initial accounting.

Interim Consolidated Statement of Cash Flows
(In millions of US dollars)

	Six-month period ended 30 June 2011	2010* (unaudited)
Cash flows from operating activities		
Net profit	**263**	176
Adjustments to reconcile net profit/(loss) to net cash flows from operating activities:		
Deferred income tax (benefit)/expense	**(12)**	(13)
Depreciation, depletion and amortisation	**501**	472
Loss on disposal of property, plant and equipment	**17**	11
Impairment of assets	**32**	54
Foreign exchange (gains)/losses, net	**220**	(74)
Interest income	**(7)**	(5)
Interest expense	**387**	368
Share of (profits)/losses of associates and joint ventures	**(39)**	(31)
(Gain)/loss on financial assets and liabilities, net	**48**	37
(Gain)/loss on disposal groups classified as held for sale, net	**(1)**	14
Other non-operating (gains)/losses, net	**(2)**	1
Bad debt expense	**29**	19
Changes in provisions, employee benefits and other long-term assets and liabilities	**(3)**	(67)
Expense arising from the equity-settled awards	**15**	-
Share-based payments under cash-settled awards	**(1)**	(3)
	1,447	959
Changes in working capital:		
Inventories	**(343)**	(220)
Trade and other receivables	**67**	(289)
Prepayments	**2**	(2)
Receivables from/payables to related parties	**25**	–
Taxes recoverable	**(23)**	18
Other assets	**2**	38
Trade and other payables	**373**	205
Advances from customers	**(27)**	(39)
Taxes payable	**81**	76
Other liabilities	**(10)**	(2)
Net cash flows from operating activities	**1,594**	744
Cash flows from investing activities		
Issuance of loans receivable to related parties	**-**	(46)
Proceeds from repayment of loans issued to related parties, including interest	**-**	5
Issuance of loans receivable	**(1)**	-
Proceeds from repayment of loans receivable, including interest	**3**	1
Purchases of subsidiaries, net of cash acquired	**(6)**	(17)
Restricted deposits at banks in respect of investing activities	**-**	16
Short-term deposits at banks, including interest	**4**	4

	Six-month period ended 30 June	
	2011	**2010*** *(unaudited)*
Purchases of property, plant and equipment and intangible assets	**(462)**	(397)
Proceeds from disposal of property, plant and equipment	**2**	7
Proceeds from sale of disposal groups classified as held for sale, net of transaction costs	**1**	41
Dividends received	**2**	-
Other investing activities, net	**-**	1
Net cash flows used in investing activities	**(457)**	(385)
Cash flows from financing activities		
Purchase of treasury shares	**(15)**	-
Sale of treasury shares	**3**	-
Purchase of non-controlling interests	**(51)**	-
Proceeds from bank loans and notes	**1,995**	1,930
Repayment of bank loans and notes, including interest	**(2,630)**	(2,344)
Net proceeds from/(repayment of) bank overdrafts and credit lines, including interest	**(24)**	126
Payments under covenants reset	**-**	(15)
Gain on derivatives not designated as hedging instruments	**26**	11
Collateral under swap contracts	**4**	-
Payments under finance leases, including interest	**(10)**	(12)
Net cash flows from/(used in) financing activities	**(702)**	(304)
Effect of foreign exchange rate changes on cash and cash equivalents	**37**	(55)
Net increase/(decrease) in cash and cash equivalents	**472**	-
Cash of disposal groups classified as held for sale	**–**	(21)
Cash and cash equivalents at beginning of year	**683**	671
Cash and cash equivalents at end of year	**1,155**	650
Supplementary cash flow information:		
Cash flows during the year:		
Interest paid	**(315)**	(293)
Interest received	**4**	5
Income taxes paid by the Group	**(210)**	(101)

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