

EVRAZ Q1 2016 PRODUCTION REPORT

20 April 2016 — EVRAZ plc (LSE: EVR) (“EVRAZ” or the “Company”) today releases its operational results for the first quarter of 2016.

Q1 2016 vs Q4 2015 OPERATIONAL HIGHLIGHTS:

- Consolidated crude steel output remained stable at 3.5 million tonnes, with the Company’s Russian steel mills running at full capacity.
- Production of steel products, net of re-rolled volumes, remained unchanged at 3.3 million tonnes.
- Output of railway products in Russia, including rails, surged by 25.0%, mostly due to higher consumption by Russian Railways, and increased export volumes to Latin America and the Middle East.
- Production of coking coal concentrate increased by 4.6%, driven by a rise in demand in Russia and Ukraine.

STEEL

Product, '000 tonnes	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015*	Q1 2016/ Q1 2015, change
Coke (saleable)	164	185	-11.7%	285	-42.5%
Pig iron	2,951	2,998	-1.6%	3,131	-5.7%
Pig iron (saleable)	144	127	13.2%	71	104.0%
Crude steel	3,544	3,562	-0.5%	3,914	-9.5%
Steel products, gross**	3,419	3,466	-1.4%	3,802	-10.1%
Steel products, net of re-rolled volumes	3,304	3,300	0.1%	3,580	-7.7%
Semi-finished products***	1,442	1,485	-2.9%	1,374	5.0%
Finished products	1,862	1,815	2.6%	2,207	-15.6%
Construction products	965	958	0.8%	1,183	-18.4%
Railway products	408	362	12.5%	400	2.0%
Flat-rolled products	145	153	-4.9%	207	-29.7%
Tubular products	194	208	-7.0%	255	-24.1%
Other steel products	150	133	12.3%	162	-7.5%

Note: Numbers in this table and the tables below may not add to totals due to rounding.

* Includes production volumes of EVRAZ Highveld Steel and Vanadium, which are not consolidated starting from April 2015 due to business rescue proceedings.

** Gross volume of steel products in the tables includes those re-rolled at other EVRAZ mills. However, such volumes are eliminated as intercompany sales for the purposes of EVRAZ’s consolidated operating results.

*** Consolidated production volumes of semi-finished products are preliminary, as intra-group re-rolling volumes are yet to be finalised.

RUSSIA

Product, '000 tonnes	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015	Q1 2016/ Q1 2015, change
Coke (saleable)	70	49	42.6%	76	-8.3%
Pig iron	2,688	2,734	-1.7%	2,744	-2.0%
Pig iron (saleable)	134	122	9.8%	49	176.3%
Crude steel	2,865	2,829	1.3%	3,055	-6.2%
Steel products, gross	2,669	2,679	-0.4%	2,868	-6.9%
Steel products, net of re-rolled volumes	2,638	2,610	1.1%	2,780	-5.0%
Semi-finished products	1,393	1,404	-0.8%	1,399	-0.1%
Finished products	1,245	1,206	3.2%	1,381	-9.9%
Construction products*	821	858	-4.4%	981	-16.4%
Railway products	285	228	25.0%	258	10.5%
Other steel products	139	119	16.5%	142	-2.0%

* Includes volumes produced by EVRAZ Caspian Steel in Kazakhstan

The output of crude steel and steel products (net of re-rolled volumes) increased by 1.3% and 1.1% q-o-q respectively, driven mainly by a rise in the output of finished products, primarily railway and other steel products. There was also higher domestic demand for mine uprights.

Output of construction products fell by 4.4% q-o-q, caused by the decision to halt operations at EVRAZ Caspian Steel in January-February due to lower market demand.

Overall, prices in Q1 2016 were lower than in Q4 2015 due to a global decline that started in the prior year. Sales prices in Q2 2016 are expected to increase in line with the rising trend seen globally since March 2016. In addition, domestic prices for steel products will be supported by the start of the construction season.

Average selling prices

US\$/tonne (ex works)	Q1 2016	Q4 2015	Q1 2015
Coke	74	98	85
Pig iron	119	133	206
Steel products			
Semi-finished products	176	203	303
Construction products	271	325	418
Railway products	414	495	512
Other steel products	307	352	421

NORTH AMERICA

Product, '000 tonnes	Q1 2016*	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015	Q1 2016/ Q1 2015, change
Crude steel	410	457	-10.5%	477	-14.2%
Steel products, net of re-rolled volumes	528	540	-2.1%	614	-14.1%
Construction products	66	44	50.3%	76	-12.6%
Railway products	123	135	-8.7%	142	-13.5%
Flat-rolled products	145	153	-4.9%	142	2.6%
Tubular products	194	208	-7.0%	255	-24.1%

* Q1 2016 production volumes are preliminary

In Q1 2016, EVRAZ North America's crude steel production decreased by 10.5% q-o-q due to a planned one-week outage at EVRAZ Pueblo and reduced output at the Regina steelmaking facility in response to lower tubular products demand.

Output of construction products increased 50.3% q-o-q as operating days in the wire rod mill improved to 50, which compares favorably to the abnormally low 39 operating days in Q4 2015 resulting from planned maintenance outages and lower seasonal demand.

Output of railway products decreased 8.7% q-o-q in response to lower demand.

Output of flat-rolled products decreased 4.9% q-o-q, the Portland plate mill experienced 3 week planned maintenance outage to complete re-lining its re-heat furnace.

Output of tubular products fell by 7.0% q-o-q due to lower demand for oil country tubular goods and small-diameter line pipe, which was partly offset by increased large-diameter pipe production.

Prices for most steel products continued to decline in Q1 2016, reflecting the prevailing declines in prices for scrap and other inputs, as well as continued pressure from imports.

Average selling prices

US\$/tonne (ex works)	Q1 2016	Q4 2015	Q1 2015
Construction products	493	536	707
Flat-rolled products	590	630	904
Tubular products	977	1,009	1,277

UKRAINE

Product, '000 tonnes	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015	Q1 2016/ Q1 2015, change
Coke (saleable)	93	136	-31.3%	208	-55.1%
Pig iron	263	264	-0.5%	236	11.4%
Pig iron (saleable)	10	5	93.6%	22	-55.4%
Crude steel	269	276	-2.7%	233	15.5%
Steel products	222	247	-10.2%	196	13.2%
Semi-finished products	133	178	-25.2%	104	28.3%
Finished products	89	69	28.1%	92	-3.8%
Construction products	78	55	41.3%	79	-0.9%
Other steel products	11	14	-23.5%	14	-20.5%

The reduction in saleable coke volumes in Q1 2016 vs Q4 2015 was caused by lower demand from third-party Ukrainian steel producers.

Output of steel products decreased by 10.2% q-o-q, as output of semi-finished products fell, partly offset by an increase in output of construction products in response to market demand.

Prices decreased in comparable periods, following the market trend. Pig iron prices were also affected by higher exports, whose prices were lower than domestic sales.

Average selling prices

US\$/tonne (ex works)	Q1 2016	Q4 2015	Q1 2015
Coke (saleable)	117	141	191
Pig iron	168	195	270
Steel products			
Semi-finished products	211	223	350
Construction products	312	352	440
Other steel products	393	552	528

IRON ORE

Product, '000 tonnes	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015	Q1 2016/ Q1 2015, change
Sinter (Russia)	2,774	2,810	-1.3%	2,837	-2.2%
Pellets (Russia)	1,649	1,635	0.9%	1,631	1.1%
Lumpy ore (Ukraine)	525	695	-24.4%	667	-21.3%

In Q1 2016, output of iron ore products (sinter plus pellets) was mostly flat q-o-q. The dip in sinter production at EVRAZ ZSMK was due to lower consumption caused by lower pig iron production.

In Ukraine, production of lumpy ore at EVRAZ Sukha Balka was 24.4% lower than in Q4 2015 due to the temporary suspension of mining operations in response to lower demand. Production was resumed starting April 2016. Production volumes are expected to recover in Q2 2016.

The decreases in pellet and lumpy ore prices in Q1 2016 followed the global benchmarks.

Average selling prices

US\$/tonne (ex works)	Q1 2016	Q4 2015	Q1 2015
Pellets (Russia)	30	40	47
Lumpy ore (Ukraine)	18	21	32

COAL

Product, '000 tonnes	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015	Q1 2016/ Q1 2015, change
Raw coking coal (mined)	5,514	6,127	-10.0%	5,467	0.8%
<i>Yuzhkuzbassugol</i>	3,193	3,510	-9.0%	2,626	21.6%
<i>Raspadskaya</i>	2,256	2,553	-11.6%	2,802	-19.5%
<i>Mezhegeyugol</i>	65	65	0.0%	39	67.8%
Coking coal concentrate (production)	3,590	3,432	4.6%	3,380	6.2%

In Q1 2016, production of raw coking coal decreased by 10.0% compared with Q4 2015, caused by planned longwall moves at the Raspadskaya mine and unfavourable geological conditions at the Uskovskaya and Osinnikovskaya mines.

To boost production volumes of coking coal concentrate (up 4.6% q-o-q) in response to greater demand in Russia and Ukraine, purchases of raw coking coal were increased.

The weighted average prices of coking coal concentrate and raw coking coal decreased in Q1 2016 vs Q4 2015, following the global benchmarks. Domestic prices, when re-calculated in US dollars, also fell due to Russian rouble depreciation in Q1 2016 vs Q4 2015.

Average selling prices

US\$/tonne (ex works)	Q1 2016	Q4 2015	Q1 2015
Raw coking coal	29	32	31
Coking coal concentrate	52	56	55

VANADIUM

Product, tonnes of V*	Q1 2016	Q4 2015	Q1 2016/ Q4 2015, change	Q1 2015**	Q1 2016/ Q1 2015, change
Vanadium slag, gross production	4,097	4,094	0.1%	5,917	-30.8%
Russia	4,097	4,094	0.1%	4,129	-0.8%
South Africa	0	0	n/a	1,788	-100.0%
Vanadium in final products (saleable)	3,491	3,098	12.7%	5,199	-32.8%

* Calculated in pure vanadium equivalent

** Includes production volumes of EVRAZ Highveld Steel and Vanadium and its subsidiary, Hochvanadium, which are not consolidated starting from April 2015 due to business rescue proceedings.

Vanadium slag production was flat in Q1 2016 vs Q4 2015.

Production of final vanadium products increased by almost 13% q-o-q, driven by strong demand for ferrovanadium in Russia, recovery of production volumes of Nitrovan® at Vametco (South Africa) after the reduction of production in Q4 2015 due to an expected decline in demand, which did not materialise. In addition, production of ferrovanadium at Nikom (Czech Republic) increased in comparable periods due to higher oxide availability.

Production of oxides, vanadium aluminium and chemicals decreased in Q1 2016 vs Q4 2015 due to idled oxide production at Stratcor (US).

The average Metall Bulletin FeV80 index increased by 8.6% to US\$14.6/kgV in Q1 2016, vs. US\$13.46/kgV in Q4 2015. Meanwhile, the Ryan's Notes index, used in North America, averaged US\$14.48/kgV, down 3.5% from US\$15.01/kgV in Q4 2015. In Q1 2016, sales of vanadium products were based on spot prices that reflected the declining indices in Q4 2015. The increase in FeV indices in Q1 2016 will influence sales prices in the coming months.

Average FeV indices

US\$/tonne of V	Q1 2016	Q4 2015	Q1 2015
Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe	14.60	13.46	21.78
Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid	14.48	15.01	24.92

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Notes:

Semi-finished products include slabs, billets, pipe blanks and other semi-finished products.

Construction products include beams, channels, angles, rebars, wire rods, wire, and other construction products.

Railway products include rails, wheels, tyres and other railway products.

Flat-rolled products include commodity plate, specialty plate and other flat products.

Tubular products include large diameter line pipes, ERW pipes and casings, seamless pipes and other tubular products.

Other steel products include rounds, grinding balls, mine uprights, strips etc. For Ukraine, they also include railway products, and for South Africa rails.

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EVRAZ is a vertically integrated steel, mining and vanadium business with operations in Russia, Ukraine, Kazakhstan, the US, Canada, the Czech Republic, Italy and South Africa. EVRAZ is among the top steel producers in the world, based on crude steel production of 14.3 million tonnes in 2015. A significant portion of its internal consumption of iron ore and coking coal is covered by its mining operations. For the year ended 31 December 2015, consolidated revenues were US\$8,767 million and consolidated EBITDA amounted to US\$1,438 million.