EVRAZ making the world stronger

EVRAZ ANNOUNCES INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2008

August 29, 2008 – Evraz Group S.A. (LSE: EVR) today announces its unaudited interim results for the six months ended June 30, 2008.

1H 2008 Highlights:

Financials:

- Revenue grew **78.2%** to US$10,726 million due to strong pricing, acquisitions and improved sales mix.
- Consolidated adjusted EBITDA was up **80.5%** to US$3,700 million.
- Net profit attributable to equity holders of Evraz Group S.A. grew **82.1%** to US$2,043 million.
- Outstanding operating cash flow of US$2,347 million, a 42.2% increase over the previous period, due to higher profit and continuing focus on working capital management.
- Earnings per GDR increased by **75.4%** to US$5.56.

Steel:

- Crude steel production grew by 11.9% year-on-year to 9.5 million tonnes.
- Total steel sales volumes increased by 10.9% to 9.4 million tonnes.

Vanadium:

- Revenues of vanadium segment increased by 212.2% to US$740 million.
- Vanadium products sales increased 57.2% year-on-year to 15,800 tonnes in vanadium equivalent.

Mining:

- Iron ore production grew by 21.8% to 11.3 million tonnes with iron ore self-coverage of 93%.
- Own coal production provides for over 100% of the Company's steel making requirements.
- Recently approved Yuzhkuzbassugol development programme until 2018 is another step in Yuzhkuzbassugol's turnaround.

Corporate developments and acquisitions:

- Acquisition of Claymont Steel for US$420 million completed in January
- Acquisition of IPSCO Canada for US$2,413 million completed in June
- Successful bond placements totaling US$2.0 billion completed in April and May

Six months to June 30 (US$ million)	**2008**	2007	Change
Revenue	**10,726**	6,018	78.2%
Adjusted EBITDA [1]	**3,700**	2,050	80.5%
Profit from operations	**3,125**	1,745	79.1%
Net profit [2]	**2,043**	1,122	82.1%
Earnings per GDR [3], (US$)	**5.56**	3.17	75.4%

[1] *Refer to Attachment 1 for reconciliation to profit from operations*
[2] *Net profit attributable to equity holders of the parent entity*
[3] *1 share is represented by 3 GDRs*

Alexander Frolov, Evraz Group's Chairman and CEO, commented:

"Evraz delivered an exceptionally strong performance in the first half of 2008. In many ways it was a result of the global steel environment characterised by continuously increasing demand, capacity constraints, shortage of raw materials for steel making and structurally limited supply in certain regions – all leading to growth of prices for steel products worldwide. In these market conditions Evraz has benefited from being a vertically integrated business largely protected from increasing costs of raw materials.

To date, our mining division has provided over 93% of the group's steel making requirements of iron ore and covered 100% of the internal needs for coking coal. We have recently taken a few steps to further develop our mining business. A Yuzhkuzbassugol development programme till 2018 has been approved that will focus on fully satisfying the needs of the Company's Russian and Ukrainian steel and coke production facilities. The acquisition of the Mezhegey top quality coking coal deposit in the Republic of Tyva, Russia, with projected annual production of more than 8.4 million tonnes of coal concentrate by 2016, ensures sustainability of the internal supplies in the longer term. Last month we have entered into a cooperation agreement with China Metallurgical Group (MCC) for the joint development of the Cape Lambert iron ore deposit in Western Australia.

The shift of production to higher value added products that started several years ago has continued, with the benefits being demonstrated in our results. Russia remains our key market. Evraz is now producing more steel products for the construction and railway sectors in Russia than it did a year ago, directing more volumes of steel into the Russian market, away from export sales, in order to satisfy growing local demand. To support this, we have announced a US$1.8 billion five-year investment programme to expand our rolling capacities that will result in additional three million tonnes of steel products supplied to the Russian market, including 1.4 million tonnes of construction products. As a result of the modernisation of the Russian wheel and rail rolling facilities carried out within this programme, the Company will be able to supply its customers with up to 1.7 million tonnes of rails and 580 thousand high quality rail wheels.

In the first half of 2008, Evraz's strong business model was further reinforced with international acquisitions. In line with our strategic pillar to expand presence in international plate markets, we acquired Claymont Steel, a US producer of a high margin steel product, discrete plate, that contributed US$219 million to Evraz's consolidated revenue in the first half of this year. The acquisition of the IPSCO business in Canada also strengthened Evraz's position in the attractive North American steel market with a particularly strong exposure to the North American tubular market and oil and gas sector.

Following these two milestone acquisitions in North America, to align business processes and strategic management decisions within the group, we organised all of Evraz's North American operations under a unified management, simplifying and optimising ownership and management structures within one company, Evraz Inc. NA.

Most of our subsidiaries in different parts of the world now operate under the Evraz brand name. This is an important step in the integration of all of the business units, and makes Evraz a more recognisable global brand, bringing more awareness about the Company and its products as Evraz strives to occupy a prominent place among the other large world steel producers.

The acquisition of select production assets in Ukraine was another important development of the first half of 2008 that fits into our global strategy of enhancing our cost leadership position. It allows us to yield substantial benefits from diversifying into one of the lowest cost producing regions located close to our existing Russian steel making and mining operations and complementing them.

Evraz is now a truly global leader in the world vanadium market with five operating units in Russia, Europe, North America and South Africa. The Company's vanadium division delivered good results as the global prices for vanadium remain at strong levels."

Commenting on the outlook for 2008 and beyond **Alexander Frolov** said:

"Despite some softening in the world steel markets expected in the second half of 2008 due to seasonal factors and a slowdown of business activity in some markets, Evraz is confident about its prospects for the full year results. We believe that steel prices will remain strong. Evraz's consolidated revenues are expected to be in the range of US$23.2 billion-US$24.6 billion for FY2008 and EBITDA is expected to grow to approximately US$8.0 billion–US$8.5 billion.

We expect to get the necessary approvals in September to progress with the acquisition of Delong Holdings in China as announced in the first half of the year.

We expect that our FY2008 crude steel and steel products output will reach 19.8 million tonnes and 19.6 million tonnes, respectively. It is anticipated that Evraz's coal companies and associates will produce approximately 19.1 million tonnes of coal, including 14.5 million tonnes of coking coal, in 2008.

Taken into consideration requirements of its newly acquired entities, Evraz has revised its budget of capital investments. The annual capex is now budgeted at US$1,500 million, consisting of US$1,100 million set aside for investment projects, and US$400 million for maintenance".

Summary Results:

Evraz's **consolidated revenues** increased by 78.2% to US$10,726 million in the first six months of 2008, from US$6,018 million in the first six months of 2007. Steel segment sales accounted for the majority of the increase in revenues, which was largely due to the growth in average prices and sales volumes of steel products. Evraz's sales volumes of steel products increased from 8.5 million tonnes in 1H 2007 to 9.4 million tonnes in 1H 2008. The increase mainly comes from contribution of Evraz's North American operations, in particular due to the acquisition of Claymont Steel and IPSCO Canada, and from contribution of the new Ukrainian assets (Dnepropetrovsky Metal Works, or DMZ).

Geographic breakdown of consolidated revenues

	Six months ended June 30				
	2008		2007		2008 v 2007
	US$ million	**% of total**	US$ million	% of total	% change
Russia	**4,280**	**39.9%**	2,786	46.3%	53.6%
Americas	**1,763**	**16.4%**	961	16.0%	83.5%
Europe	**1,543**	**14.4%**	820	13.6%	88.2%
Asia	**1,911**	**17.8%**	1,068	17.7%	78.9%
CIS	**788**	**7.4%**	277	4.6%	184.5%
Africa	**406**	**3.8%**	102	1.7%	298.0%
Rest of the world	**35**	**0.3%**	4	0.1%	n/a
Total	**10,726**	**100.0%**	6,018	100.0%	78.2%

Revenues from sales in Russia increased by 53.6% to US$4,280 million. This was due to higher steel prices on the local market.

In the first half of 2008, **revenues from non-Russian sales** rose by 99.4% to US$6,446 million from US$3,232 million and increased as a percentage of total revenues to 60.1%, up from 53.7%, in the first half of 2007. The main driver of the growth of revenues outside Russia was strong pricing environment and additional sales volumes from new acquisitions.

In the first half of 2008, **consolidated cost of revenues** was US$6,546 million or 61.0% of consolidated revenues, down from 61.9% of consolidated revenues in the corresponding period of 2007. The decrease is primarily attributable to the growth in steel products margins due to both positive price and product mix effects in the period. Depreciation increased from US$297 million to US$578 million. **Gross profit** was up 82.2% at US$4,180 million from US$2,294 million in the first half of 2007.

Selling, general and administrative (SG&A) expenses as a percentage of consolidated revenues remained almost flat year-on-year at 8.9%.

Profit from operations increased by 79.1% to US$3,125 million for the first half of 2008, from US$1,745 million in the first half of 2007, amounting to 29.1% and 29.0% of consolidated revenues, respectively.

Consolidated adjusted EBITDA rose 80.5% to US$3,700 million compared with US$2,050 million, while EBITDA margin was 34.5% against 34.1% in the comparable period.

The 1H 2008 interest expense increased to US$297 million from US$181 million in 1H 2007 due to higher debt level. Evraz's share of profits of joint ventures and associates was US$96 million compared with US$44 million in the same period last year as a result of a solid performance by Evraz's investee, the Raspadskaya coal company.

In 1H 2008, **income tax expense** increased to US$864 million which corresponds to an effective tax rate of 29.2%, up from 28.7% in 1H 2007 as a result of a higher share of profits generated by Evraz in the countries outside Russia.

In 1H 2008, the Company reported consolidated **net profit attributable to equity holders of Evraz Group** of US$2,043 million vs. US$1,122 million in 1H 2007.

Review of Operations

Steel Segment Results

Six months to June 30 (US$ million unless otherwise stated)	**2008**	2007	Change
Revenues	**9,238**	5,667	63.0%
Profit from operations	**2,355**	1,389	69.5%
Adjusted EBITDA	**2,705**	1,618	67.2%
Adjusted EBITDA margin	**29.3%**	28.6%	

Steel Segment Sales

	Six months ended June 30				
	2008		2007		2008 v 2007
	US$ million	**% of total**	US$ million	% of total	% change
Steel products	**8,356**	**90.5%**	**5,329**	**94.0%**	**56.8%**
Construction products [1]	**2,813**	**30.5%**	1,783	31.5%	57.8%
of which Highveld	*134*	*1.5%*	*43*	*0.8%*	*211.6%*
of which DMZ	*129*	*1.4%*	*n/a*	*n/a*	*n/a*
Railway products [2]	**1,137**	**12.3%**	777	13.7%	46.3%
of which DMZ	*11*	*0.1%*	*n/a*	*n/a*	*n/a*
Flat-rolled products [3]	**1,609**	**17.5%**	891	15.7%	80.6%
of which Claymont	*201*	*2.2%*	*n/a*	*n/a*	*n/a*
of which Highveld	*163*	*1.8%*	*43*	*0.8%*	*279.1%*
of which IPSCO	*26*	*0.3%*	*n/a*	*n/a*	*n/a*
Tubular products [4]	**534**	**5.8%**	255	4.5%	109.4%
of which IPSCO	*52*	*0.6%*	*n/a*	*n/a*	*n/a*
Semi-finished products [5]	**1,963**	**21.2%**	1,362	24.0%	44.1%
of which DMZ	*316*	*3.4%*	*n/a*	*n/a*	*n/a*
Other steel products [6]	**300**	**3.2%**	261	4.6%	14.9%
of which DMZ	*19*	*0.2%*	*n/a*	*n/a*	*n/a*

Other products [7]	**882**	**9.5%**	**338**	**6.0%**	**160.9%**
of which Ukrainian coke plants	*246*	*2.7%*	*n/a*	*n/a*	*n/a*
of which Claymont	*18*	*0.2%*	*n/a*	*n/a*	*n/a*
of which IPSCO	*8*	*0.1%*	*n/a*	*n/a*	*n/a*
Total	**9,238**	**100.0%**	5,667	100.0%	63.0%

[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 Segment Sales Volumes*

Six months to June 30 ('000 tonnes)	**2008**	2007	Change
Steel products			
Construction sector	**3,155**	2,619	20.5%
Railway sector	**1,197**	1,084	10.4%
Flat-rolled products	**1,332**	1,054	26.4%
Tubular products	**404**	195	107%
Semi-finished products	**2,986**	3,090	(3.4)%
Other steel products	**344**	448	(23.3)%
Total	**9,418**	8,490	10.9%

* *Including intersegment sales*

Steel segment revenues increased by 63.0% to US$9,238 million in 1H 2008 from US$5,667 million in 1H 2007. Steel segment revenues benefited from the positive price dynamics for steel products, the acquisitions of Claymont Steel, IPSCO and the Ukrainian steel and coke plants.

Construction products revenues soared by 57.8% to US$2,813 million on the back of a 20.5% increase in sales volumes. Evraz shifted almost all its Russian mills' construction export volumes to Russia and CIS to meet growing local demand. The revenue from Russian and CIS construction products sales grew 51.5% to US$2,117 million, up from US$1,397 million in 1H 2007.

The proportion of revenues attributable to sales of flat-rolled products increased by 80.6% due to additional sales volumes provided by the Group's acquisitions in North America and South Africa, as well as to high plate prices in Europe. The strong pricing environment for plate in Europe offset lower sales volumes resulting from problems with pig iron supply at Evraz Vitkovice Steel.

The revenues from tubular product sales more than doubled to US$534 million in 1H 2008 compared with US$255 million in 1H 2007 driven by increased volumes of tubular products sold by Evraz Inc. NA. The IPSCO Canada business contributed US$52 million since the date of its consolidation on June 12, 2008.

While the sales volumes of semi-finished products decreased slightly, the revenues attributable to the sales of semis grew by 44.1% due to surging prices in world markets.

The revenues attributable to other non-steel sales increased by 160.9% year-on-year from US$338 million to US$882 million mainly as a result of the acquisition of three coke plants in Ukraine that contributed US$246 million, or 2.7% of consolidated revenues, in 1H 2008.

Steel segment cost of revenues totalled US$6,126 million, or 66.3% of steel segment revenues in 1H 2008 compared with US$3,842 million, 67.8% of steel segment revenues in 1H 2007. The increase in the steel segment cost of revenues in monetary terms is attributable to the growth in prices of raw materials and due to the acquisitions in Ukraine, North America and South Africa.

In 1H 2008, **the steel segment profit from operations** increased by 69.5% to US$2,355 million, or 25.5% of steel segment revenues, from US$1,389 million, 24.5% of steel segment revenues in 2007.

In 1H 2008, **adjusted EBITDA in the steel segment** totalled US$2,705 million and 29.3% of steel segment revenues, compared with $1,618 million, and 28.6% in 1H 2007.

Mining Segment Results

Six months to June 30 (US$ million unless otherwise stated)	**2008**	2007	Change
Revenues	**2,012**	801	151.2%
Profit from operations	**604**	283	113.4%
Adjusted EBITDA	**796**	340	134.1%
Adjusted EBITDA margin	**39.6%**	42.4%	

Mining Segment Sales Volumes

Six months to June 30 ('000 tonnes)	**2008**	2007	Change
Iron ore	**11,923**	9,909	20.3%
Coal	**6,169**	968	n/a

Mining segment revenues grew 151.2% to US$2,012 million in the first half of 2008, compared with US$801 million in the first half of 2007, reflecting mainly the growth in the average prices of iron ore and coal and the acquisition of Yuzhkuzbassugol in June 2007 and Sukha Balka in Ukraine in the end of 2007. Sales volumes of iron ore increased by 20.3% year-on-year.

In the first half of 2008 mining segment sales to the steel segment amounted to US$1,265 million, or 62.9% of mining segment sales, vs. US$696 million, or 86.9% of mining segment sales in the first half of 2007.

The mining segment cost of revenues grew by 165.4% from US$448 million in the first half of 2007 to US$1,189 million in the first half of 2008, mainly as a result of the Yuzhkuzbassugol and Sukha Balka acquisitions.

The mining segment profit from operations increased by 113.4% to US$604 million in the first half of 2008, or 30% of mining segment revenues. This compares with US$283 million, or 35.3% of mining segment revenues in the first half of 2007.

Adjusted EBITDA in the mining segment rose by 134.1% to US$796 million, or 39.6% of mining segment revenues in the first half of 2008 from US$340 million, or 42.4% of mining segment revenues in the first half of 2007. The growth was a result of higher iron ore prices and consolidation of Yuzhkuzbassugol and Sukha Balka.

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Vanadium Segment Results

Six months to June 30 (US$ million unless otherwise stated)	2008	2007	Change
Revenues	**740**	237	212.2%
Profit from operations	**179**	54	231.5%
Adjusted EBITDA	**185**	60	208.3%
Adjusted EBITDA margin	**25.0%**	25.3%	

Vanadium Segment Sales Volumes

Six months to June 30 ('000 tonnes)	2008	2007	Change
Vanadium products	**15.8**	10.0	57.2%
Vanadium in slag	**5.9**	5.8	1.5%
Vanadium in alloys and chemicals	**9.9**	4.2	135.0%

Vanadium segment revenues went up by 212.2% to US$740 million in the first half of 2008, compared with US$237 million in the first half of 2007, due to additional volumes sold in Europe and South Africa following the acquisition of Highveld and Nikom as well as higher vanadium prices.

The vanadium segment cost of revenues grew by 210.9% from US$174 million in the first half of 2007 to US$541 million in the same period of 2008.

The vanadium segment profit from operations increased by 231.5% to US$179 million in the first half of 2008, or 24.2% of vanadium segment revenues vs. US$54 million, or 22.8% of vanadium segment revenues in the first half of 2007.

Adjusted EBITDA in the vanadium segment rose by 208.3% to US$185 million, or 25.0% of vanadium segment revenues, in the first half of 2008 from US$60 million, or 25.3% of vanadium segment revenues, in the first half of 2007.

Other operations segment results

Six months to June 30 (US$ million unless otherwise stated)	2008	2007	Change
Revenues	**582**	375	55.2%
Profit from operations	**64**	51	25.5%
Adjusted EBITDA	**90**	63	42.9%
Adjusted EBITDA margin	**15.5%**	16.8%	

Evraz's revenues from other operations including management, logistics, port services, power and heat generation and supporting activities increased by 55.2% in 1H 2008 compared to the same period of 2007. In particular, in 1H 2008 energy generating companies EvrazEK and ZapsibTETS generated revenues of US$138 million compared to 1H 2007 revenues of US$88 million.

Consolidated Group Financial Position

Cash flow

Evraz demonstrated strong cash flow generation. **Cash flow from operating activities** increased by 42.2% to US$2,347 million in 1H 2008 vs. US$1,651 million in 1H 2007. The record increase in net cash generated by operations was primarily due to increased profit. .

Cash used in investing activities totalled US$3,163 million in 1H 2008 vs. US$3,636 million in 1H 2007.

In 1H 2008, **capital expenditures** amounted to approximately US$525 million compared with US$235 million in 1H 2007, including US$294 million with respect to the steel segment and US$214 million with respect to the mining segment.

Net cash flows from financing activities amounted to US$1,414 million and US$1,525 million in 1H 2008 and 1H 2007, respectively.

Balance sheet

As at June 30, 2008 and December 31, 2007, total debt reached US$10,165 million and US$6,756 million, respectively. Cash and cash equivalents together with short-term bank deposits amounted to US$919 million and US$352 million respectively.

Net debt [1] increased to US$9,246 million as of June 30, 2008, up from US$6,404 million as of December 31, 2007.

As at June 30, 2008, **total assets** amounted to US$24,234 million, an increase of 30.1% from US$18,634 million as at December 31, 2007.

Evraz Group S.A. shareholders' equity, including reserves and accumulated profits as at June 30, 2008, increased 21.5% to US$7,233 million from US$5,953 million as at December 31, 2007.

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Note:

Percentage changes may not be exact due to rounding.

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[1] *Please refer to Attachment 2 for calculation of net debt*

Attachment 1

Adjusted EBITDA

Adjusted EBITDA represents profit from operations plus depreciation, depletion and amortisation, impairment of assets and loss (gain) on disposal of property, plant and equipment. 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. By excluding this expense from Adjusted EBITDA, Adjusted EBITDA 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 Adjusted EBITDA to profit from operations is as follows (unaudited):

	Six months ended 30 June	
	2008	2007
	(US$ million)	
Consolidated Adjusted EBITDA reconciliation		
Profit from operations	3,125	1,745
Add:		
Depreciation	578	297
Impairment of assets	2	5
Loss (gain) on disposal of property, plant & equipment	(5)	3
Consolidated Adjusted EBITDA	**3,700**	2,050
Steel segment Adjusted EBITDA reconciliation		
Profit from operations	2,355	1,389
Add:		
Depreciation	356	223
Impairment of assets	-	5
Loss (gain) on disposal of property, plant & equipment	(6)	1
Steel segment Adjusted EBITDA	**2,705**	1,618
Mining segment Adjusted EBITDA reconciliation		
Profit from operations	604	283
Add:		
Depreciation	191	55
Impairment of assets	-	-
Loss (gain) on disposal of property, plant & equipment	1	2
Mining segment Adjusted EBITDA	**796**	340

	Six months ended 30 June 2008	2007
	(US$ million)	
Vanadium segment Adjusted EBITDA reconciliation		
Profit from operations	179	54
Add:		
Depreciation, depletion and amortisation	6	6
Impairment of assets	-	-
Loss (gain) on disposal of property, plant & equipment	-	-
Mining segment Adjusted EBITDA	**185**	60
Other operations Adjusted EBITDA reconciliation		
Profit from operations	64	51
Add:		
Depreciation	24	12
Impairment of assets	2	-
Loss (gain) on disposal of property, plant & equipment	-	-
Other operations Adjusted EBITDA	**90**	63
Unallocated income and expenses		
Profit from operations	(57)	(27)
Add:		
Depreciation	1	1
Impairment of assets	-	-
Loss (gain) on disposal of property, plant & equipment	-	-
Unallocated Adjusted EBITDA	**(56)**	(26)
Inter-segment unrealised profits	**(20)**	(5)

Attachment 2

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 balance sheet 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 (unaudited):

	30 June 2008	31 December 2007
	(US$ million)	
Net Debt Calculation		
Add:		
Long-term loans, net of current portion	6,334	4,653
Short-term loans and current portion of long-term loans	3,831	2,103
Less:		
Short-term bank deposits	(31)	(25)
Cash and cash equivalents	(888)	(327)
Net Debt	9,246	6,404

Evraz Group S.A.
Consolidated Income Statement
(In millions of US dollars, except for per share information)

	Six-month period ended June 30	
	2008	**2007**
Revenue		
Sale of goods	**10,512**	5,916
Rendering of services	**214**	102
	10,726	6,018
Cost of revenue	**(6,546)**	(3,724)
Gross profit	**4,180**	2,294
Selling and distribution costs	**(493)**	(205)
General and administrative expenses	**(461)**	(287)
Social and social infrastructure maintenance expenses	**(52)**	(33)
Gain/(Loss) on disposal of property, plant and equipment	**5**	(3)
Impairment of assets	**(2)**	(5)
Foreign exchange gains/(losses), net	**(43)**	(6)
Other operating income/(expenses), net	**(9)**	(10)
Profit from operations	**3,125**	1,745
Interest income	**29**	19
Interest expense	**(297)**	(181)
Share of profits/(losses) of joint ventures and associates	**96**	44
Gain/(loss) on financial assets and liabilities	**2**	(2)
Loss on disposal groups classified as held for sale	**(9)**	(3)
Other non-operating gains/(losses), net	**9**	3
Profit before tax	**2,955**	1,625
Income tax expense	**(864)**	(467)
Net profit	**2,091**	1,158
Attributable to:		
Equity holders of the parent entity	**2,043**	1,122
Minority interests	**48**	36
	2,091	1,158
Earnings per share:		
basic, for profit attributable to equity holders of the parent entity, US dollars	**16.68**	9.52
diluted, for profit attributable to equity holders of the parent entity, US dollars	**16.59**	9.45

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Evraz Group S.A.
Consolidated Balance Sheet
(In millions of US dollars)

	June 30, 2008	December 31, 2007
ASSETS		
Non-current assets		
Property, plant and equipment	**10,495**	9,967
Intangible assets other than goodwill	**720**	806
Goodwill	**4,415**	2,282
Investments in joint ventures and associates	**716**	592
Deferred income tax assets	**27**	22
Other non-current assets	**919**	240
	17,292	13,909
Current assets		
Inventories	**2,536**	1,618
Trade and other receivables	**2,027**	1,803
Prepayments	**217**	196
Loans receivable	**111**	48
Receivables from related parties	**218**	60
Income tax receivable	**75**	87
Other taxes recoverable	**500**	350
Short-term investments	**31**	25
Cash and cash equivalents	**888**	327
	6,603	4,514
Assets of disposal groups classified as held for sale	**339**	211
	6,942	4,725
Total assets	**24,234**	18,634
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Issued capital	**320**	320
Additional paid-in capital	**290**	286
Revaluation surplus	**211**	211
Legal reserve	**29**	29
Unrealised gains and losses	**(22)**	1
Accumulated profits	**5,007**	4,110
Translation difference	**1,398**	996
	7,233	5,953
Minority interests	**374**	400
	7,607	6,353
Non-current liabilities		
Long-term loans	**6,334**	4,653
Deferred income tax liabilities	**1,504**	1,620
Finance lease liabilities	**50**	54
Post-employment benefits	**435**	416
Provisions	**133**	134
Other long-term liabilities	**55**	55
	8,511	6,932
Current liabilities		
Trade and other payables	**1,347**	1,241
Advances from customers	**116**	316
Short-term loans and current portion of long-term loans	**3,831**	2,103
Payables to related parties	**1,903**	1,193
Income tax payable	**317**	82
Other taxes payable	**306**	203

	June 30, 2008	December 31, 2007
Current portion of finance lease liabilities	**16**	15
Provisions	**63**	55
Amounts payable under put options for shares of subsidiaries	**-**	6
Dividends payable by the parent entity to its shareholders	**134**	80
Dividends payable by the Group's subsidiaries to minority shareholders	**16**	16
	8,049	5,310
Liabilities directly associated with disposal groups classified as held for sale	**67**	39
	8,116	5,349
Total equity and liabilities	**24,234**	18,634

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Evraz Group S.A.
Consolidated Cash Flow Statement
(In millions of US dollars)

	Six-month period ended June 30	
	2008	**2007**
Cash flows from operating activities		
Net profit	**2,091**	1,158
Adjustments to reconcile net profit to net cash flows from operating activities:		
Depreciation, depletion and amortisation	**578**	297
Deferred income tax benefit	**(131)**	(32)
(Gain)/Loss on disposal of property, plant and equipment	**(5)**	3
Impairment of assets	**2**	5
Foreign exchange (gains)/losses, net	**43**	6
Share of (profits)/losses of joint ventures and associates	**(96)**	(44)
(Gain)/loss on financial assets and liabilities	**(2)**	2
Loss on disposal groups classified as held for sale	**9**	3
Other non-operating (gains)/losses, net	**(9)**	(3)
Interest income	**(29)**	(19)
Interest expense	**297**	181
Bad debt expense	**2**	8
Share-based payments	**4**	3
Changes in provisions, employee benefits and other long-term assets and liabilities	**(3)**	(1)
	2,751	1,567
Changes in working capital:		
Inventories	**(390)**	70
Trade and other receivables	**(42)**	(37)
Prepayments	**10**	14
Receivables from / payables to related parties	**87**	18
Taxes recoverable	**(53)**	109
Other assets	**(9)**	1
Trade and other payables	**30**	(121)
Advances from customers	**(224)**	(1)
Taxes payable	**319**	35
Other liabilities	**(132)**	(4)
Net cash flows from operating activities	**2,347**	1,651
Cash flows from investing activities		
Issuance of loans receivable	**(59)**	(3)
Proceeds from repayment of loans receivable, including interest	**4**	11
Purchases of subsidiaries, net of cash acquired	**(1,997)**	(3,507)
Purchases of minority interests	**(48)**	(45)
Payments to acquire equity of other companies	**(683)**	(2)
Short-term deposits at banks, including interest	**17**	14
Purchases of property, plant and equipment	**(525)**	(235)
Proceeds from disposal of property, plant and equipment	**23**	8
Proceeds from sale of disposal groups classified as held for sale, net of transaction costs	**55**	82
Dividends and advances in respect of future dividends received	**50**	41
Net cash flows used in investing activities	**(3,163)**	(3,636)

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	Six-month period ended June 30	
	2008	**2007**
Cash flows from financing activities		
Issue of share capital	**-**	35
Repurchase of vested share options	**(70)**	(3)
Purchase of treasury shares	**(74)**	(5)
Sale of treasury shares	**11**	1
Distribution to a shareholder	**(68)**	-
Net proceeds from/(repayment of) bank overdrafts and credit lines, including interest	**101**	180
Proceeds from loans and promissory notes	**2,843**	2,051
Repayment of loans and promissory notes, including interest	**(803)**	(337)
Repayment of loans and promissory notes, including interest, to related parties	**(20)**	(1)
Dividends paid by the parent entity to its shareholders	**(443)**	(357)
Dividends paid by the Group's subsidiaries to minority shareholders	**(52)**	(28)
Payments under finance leases, including interest	**(11)**	(11)
Net cash flows from financing activities	**1,414**	1,525
Effect of foreign exchange rate changes on cash and cash equivalents	**(37)**	4
Net increase/(decrease) in cash and cash equivalents	**561**	(456)
Cash and cash equivalents at beginning of period	**327**	842
Cash and cash equivalents at end of period	**888**	386
Supplementary cash flow information:		
Cash flows during the period:		
Interest paid	**(217)**	(150)
Interest received	**22**	13
Income taxes paid	**(691)**	(409)
Non-cash transactions:		
Loans provided in the form of payments by banks for the subsidiaries acquired by the Group	**816**	-
Offset of income tax payable against input VAT	**8**	-