

EVRAZ Q4 and FY 2015 PRODUCTION REPORT

19 January 2016 — EVRAZ plc (LSE: EVR) (“EVRAZ” or the “Company”) today releases its operational results for the fourth quarter and full year of 2015.

Q4 2015 vs Q3 2015 HIGHLIGHTS:

- Consolidated crude steel output increased by 2% to 3.6 million tonnes, following completion of maintenance works at EVRAZ Pueblo (USA) and DMZ (Ukraine) steel mills.
- Production of steel products, net of re-rolled volumes, improved by 5%, mostly due to better performance in Ukraine.
- Higher share of semi-finished steel products in consolidated volumes of 45% in Q4 2015 vs. 32% in Q3 2015 is due to seasonal slowdown in demand for finished, construction and railway, products in Russia.
- Production of railway products rose 11% as a result of a return to a normalised level at EVRAZ Pueblo rail mill following maintenance works.
- Production of tubular products increased 3% as a result of higher production at the Portland large diameter pipe mill in the USA.
- Consolidated raw coking coal output increased by 12% on completion of longwall moves at Yuzhkuzbassugol mines. Production of coking coal concentrate declined by 6% driven by softer demand from Russian steelmakers.

FY 2015 vs FY 2014 HIGHLIGHTS:

- In 2015, the Company produced 14.3 million tonnes of crude steel, a 8% decrease over 2014, partially due to deconsolidation of EVRAZ Highveld Steel and Vanadium (“Highveld”) in South Africa.
- Without Highveld, the decrease in crude steel production would be 5%, with the worsening market conditions in the key markets as the main driver of the decline in crude steel and steel products output.
- Production of steel products, net of re-rolled volumes, was 6% down (-4% without Highveld).
- The share of finished steel products in consolidated volumes has been decreasing over the year from 69% in 2014 to 63% in 2015 as a result of softer demand and increasing competition in domestic markets, e.g. from other local steel producers in Russia and from imports in North America.
- Consolidated raw coking coal output and production of coking coal concentrate decreased by 3% and 2% respectively impacted by both planned (schedule of longwall moves at Yuzhkuzbassugol) and unplanned (e.g. suspension of mining at MUK-96 mine at the Rapsadskaya coal company due to market conditions) declines.
- Record high production level at the Rapsadskaya mine following successful implementation of mine restoration after the 2010 accident partly offset the lower production of coking coal and coking coal concentrate by the Company.

STEEL*

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Coke (saleable)	192	203	-5.2%	966	1,137	-15.0%
Pig iron	2,998	2,982	0.5%	11,922	12,373	-3.6%
Pig iron (saleable)	127	189	-32.7%	552	362	52.3%
Crude steel	3,561	3,492	2.0%	14,349	15,515	-7.5%
Steel products, gross**	3,470	3,374	2.9%	13,962	15,106	-7.6%
Steel products, net of re-rolled volumes	3,294	3,140	4.9%	13,115	14,013	-6.4%
Semi-finished products ***	1,476	993	48.7%	4,913	4,369	12.4%
Finished products	1,818	2,147	-15.3%	8,202	9,643	-14.9%
Construction products	957	1,292	-25.9%	4,560	5,106	-10.7%
Railway products	365	329	10.7%	1,516	1,829	-17.1%
Flat-rolled products	154	182	-15.7%	710	1,027	-30.9%
Tubular products	210	204	2.9%	833	1,062	-21.6%
Other steel products	133	140	-4.5%	583	618	-5.6%

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

* Includes production volumes of EVRAZ Vitkovice Steel disposed of in April 2014 and of EVRAZ Highveld Steel and Vanadium (EHSV) 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's mills. However, such volumes are eliminated as intercompany sales for purposes of EVRAZ's consolidated operating results.

*** Consolidated production volumes of semi-finished products are preliminary as Q4 2015 intra-group re-rolling volumes are yet to be finalised.

RUSSIA and KAZAKHSTAN

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Coke (saleable)	56	74	-23.7%	303	402	-24.7%
Pig iron	2,734	2,733	0.0%	10,764	10,706	0.5%
Pig iron (saleable)	122	166	-26.3%	478	297	61.0%
Crude steel	2,829	2,820	0.3%	11,401	11,798	-3.4%
Steel products, gross	2,679	2,632	1.8%	10,741	11,052	-2.8%
Steel products, net of re-rolled volumes	2,610	2,552	2.2%	10,458	10,807	-3.2%
Semi-finished products	1,404	1,084	29.5%	4,995	4,799	4.1%
Finished products	1,206	1,468	-17.9%	5,463	6,009	-9.1%
Construction products	858	1,103	-22.2%	3,935	4,187	-6.0%
Railway products	228	234	-2.5%	1,001	1,292	-22.6%
Other steel products	119	131	-8.9%	528	529	-0.3%

In Q4 2015, production of crude steel and steel products was marginally unchanged compared to Q3 2015: The 18% decrease in production of finished products, and particularly the 22% reduction in production of construction products, due to beginning of the low construction season in Russia and

Kazakhstan, was balanced out with the 30% increase in the output of semi-finished goods, directed mostly to export destinations.

Quarterly production of railway products was marginally lower. The Company used the quarter to master the production of new types of rails for export markets, with a strengthened order book already in Q1 2016.

In 2015, pig iron production was flat vs. 2014. Volumes of saleable pig iron went up 61% as pig iron sales were more marginal than slabs in the export markets. Crude steel output declined by 3% accordingly.

Volumes of finished steel products sold predominantly in the Russian domestic market declined by 9% and those of semi-finished goods, mostly for export, grew by 4%, as a result of economic slowdown and softer demand.

On the whole, prices in 2015 were lower following global benchmarks. Prices in Q4 2015 were also negatively affected by the traditional seasonal factors.

Average selling prices

USD/tonne (ex works)	Q4 2015	Q3 2015	2015	2014
Coke	98	108	109	118
Pig iron	133	189	180	293
Steel products				
Semi-finished products	203	241	256	410
Construction products	325	365	383	574
Railway products	495	527	540	747
Other steel products	352	381	405	580

NORTH AMERICA

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Crude steel	456	430	6.1%	1,794	1,980	-9.4%
Steel products, net of re-rolled volumes	543	553	-1.8%	2,241	2,556	-12.3%
Construction products	43	71	-39.3%	248	326	-24.0%
Railway products	137	96	42.9%	516	537	-3.9%
Flat-rolled products	154	182	-15.7%	644	632	2.0%
Tubular products	210	204	2.9%	833	1,062	-21.6%

* Q4 2015 and FY 2015 production volumes are preliminary

When comparing Q4 2015 with the previous quarter sequentially, crude steel production increased 6% as a result of EVRAZ Pueblo steel making availability returning to normal levels following the planned maintenance activities carried out during Q3 2015.

Taken together, the absence of any material planned or unplanned outages in the rail mill and a return of rail purchases to a more normalised level resulted in a 43% increase in railway products when compared to the previous quarter.

Production of flat-rolled products decreased 16% compared to Q3 2015 as market conditions in this segment deteriorated and resulted in lower orders for plate and coil.

Production of tubular products increased 3% QoQ as a result of higher production at the Portland large diameter mill partially offset by a reduction in output in Regina to accommodate work related to the installation of the new large diameter mill.

When comparing the full year of 2015 with 2014, crude steel and steel products declined by 9% and 12% respectively. Key drivers for these declines were significant reductions at EVRAZ North America's seamless and OCTG facilities, subdued flat products demand, and selective reduction in rod & bar volumes to eliminate low margin products. During the year significant maintenance projects were also carried out as described in the preceding paragraphs in this report and in previous quarters operating reports.

Railway products declined 4% making 2015 the second highest year on record for rail production at EVRAZ North America.

Tubular goods output declined 22% as higher utilisation of the large diameter pipe mills was offset by a significant reduction in OCTG and small diameter line pipe production resulting from the sharp decline in oil prices.

Despite a very challenging market, third party sales of flat-rolled products increased as volumes previously consumed by EVRAZ North America's OCTG and hollow structural shapes mills were successfully directed to third party sales.

Prices for most steel products continued to decline during Q4 2015 reflecting prevailing scrap and other inputs declines as well as continued pressure from imports.

Average selling prices

USD/tonne (ex works)	Q4 2015	Q3 2015	2015	2014
Construction products	536	600	649	792
Flat-rolled products	630	654	724	955
Tubular products	1,009	1,062	1,111	1,333

UKRAINE

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Coke (saleable)	136	129	5.4%	663	734	-9.7%
Pig iron	264	249	5.9%	1,008	1,001	0.7%
Pig iron (saleable)	5	24	-78.4%	74	65	12.6%
Crude steel	276	242	14.2%	1,005	986	2.0%
Steel products	247	189	31.3%	857	840	2.0%
Semi-finished products	178	63	184.2%	478	398	20.0%
Finished products	69	126	-44.8%	379	442	-14.2%
Construction products	55	117	-52.8%	330	378	-12.6%
Other steel products	14	9	60.1%	49	65	-23.8%

In Q4 2015, production of crude steel and steel products increased by 14% and 31% respectively vs. Q3 2015 lower figures on the back of scheduled maintenance works at blast furnace 3 and rolling mills.

Growth in production of semi-finished products (billets) was driven by tepid demand for finished, particularly construction products both in Ukraine and other markets, in particular Russia, where Ukrainian imports of finished steel have been forced out from the market due to the Russian rouble devaluation.

In 2015, production of crude steel and steel products rose by 2% against 2014 when DMZ, the Company's steel mill, experienced electricity and gas availability constraints resulting in reduced production.

Production of semi-finished products for export to non-CIS countries surged by 20% YoY driven by weak domestic demand for finished steel goods due to an economic recession in Ukraine.

Average selling prices

USD/tonne (ex works)	Q4 2015	Q3 2015	2015	2014
Coke (saleable)	141	152	167	173
Pig iron	195	223	243	315
Steel products				
Semi-finished products	223	289	288	444
Construction products	352	396	407	558
Other steel products	552	609	597	848

SOUTH AFRICA

Results of EVRAZ Highveld Steel and Vanadium have been deconsolidated following introduction of business rescue proceedings at EVRAZ Highveld and Vanadium in April 2015.

IRON ORE

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Sinter (Russia)	2,810	2,884	-2.6%	11,126	11,134	-0.1%
Pellets (Russia)	1,635	1,615	1.2%	6,510	6,444	1.0%
Lumpy ore (Ukraine)	695	721	-3.7%	2,809	2,889	-2.8%

In Q4 and FY 2015, production of iron ore products (sinter plus pellets) in Russia was mostly flat. The 3% reduction in the sinter production was due to inventory optimisation to meet lower requirement of EVRAZ NTMK steel mill.

In Ukraine, production of lumpy ore at EVRAZ Sukha Balka was 4% lower than in Q3 2015, due to maintenance works and replacement of parts of mining equipment in Q4 2015. Comparing to 2014, production in 2015 decreased by 3% mostly due to reorientation of external sales from ore containing Fe 56%, to ore with Fe 60%.

In 2015, prices for iron ore products in general followed global benchmarks. The slight increase of prices of the iron ore products in Q4 2015 compared to Q3 2015 was due to a decrease of low margin sales to certain export destinations (Turkey, China) and higher demand, resulting in higher prices, from a Russian steel producer.

Average selling prices

USD/tonne (ex works)	Q4 2015	Q3 2015	2015	2014
Pellets (Russia)	40	36	41	68
Lumpy ore (Ukraine)	21	20	23	52

COAL

Product, '000 tonnes	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Raw coking coal (mined)	5,876	5,232	12.3%	20,415	21,062	-3.1%
<i>Yuzhkuzbassugol</i>	3,258	2,426	34.3%	9,821	10,789	-9.0%
<i>Raspadskaya</i>	2,553	2,727	-6.4%	10,352	10,223	1.3%
<i>Mezhegeyugol</i>	65	79	-17.8%	242	51	377.71%
Coking coal concentrate (production)	3,432	3,666	-6.4%	13,601	13,936	-2.4%

In Q4 2015, EVRAZ mined 12% more coking coal than in Q3 2015 mostly due to a better performance of Yuzhkuzbassugol, which increased mining volumes by 34% following completion in Q3 2015 of longwall moves at Yerunakovskaya VIII, Alardinskaya and Osinnikovskaya mines.

Output of coking coal by the Raspadskaya coal company declined by 6%, mostly as a result of longwall moves at the Raspadskaya mine following completion of mining at its 5a-7-28 face in November. Other factors that affected production volumes were suspension of mining works at MUK-96 mine due to high cost of production and at Raspadskaya-Koksovaya mine's field 1 due to an endogenous fire hazard.

The lower volume of raw coal mined by the Rospadskaya coal company as well as higher consumption of own coal by some Russian steel producers, account for the 6% QoQ reduction in production of coking coal concentrate by EVRAZ' coal washing plants, in particular by the Rospadskaya coal washing plant.

When comparing the full year 2015 to 2014, the 3% decrease in mining volumes was driven mostly by lower output by Yuzhkuzbassugol mines in accordance with the annual schedule of longwall moves. At the same time, the Rospadskaya coal company increased production despite suspension of MUK-96 and Rospadskaya-Koksovaya's field 1 as described above.

Pricing in the Russian market is set quarterly. In Q4 2015, the weighted average price of coking coal concentrate in Russian rouble terms remained unchanged compared to Q3 2015. Rouble prices increased in the Russian market and did not change in the export markets due to the rouble weakening.

In 2015 to 2014 comparison, prices in rouble terms increased due to higher prices domestically as well as a shift in shipments in favour of more expensive grades. However, due to sharp Russian rouble depreciation, when re-calculated in US dollars, the prices in 2015 were lower than in 2014.

Average selling prices

USD/tonne (ex works)	Q4 2015	Q3 2015	2015	2014
Raw coking coal	35	29	34	46
Coking coal concentrate	56	54	58	70

VANADIUM

Product, tonnes of V*	Q4 2015	Q3 2015	Q4 2015/ Q3 2015, change	2015	2014	2015/ 2014, change
Vanadium in slag (gross production)	4,094	4,140	-1.1%	17,984	22,252	-19.2%
Russia	4,094	4,140	-1.1%	16,196	15,125	7.1%
South Africa	0	0	n/a	1,788	7,127	-74.9%
Vanadium in final products (saleable)	3,098	3,108	-0.3%	14,681	13,870	5.9%

* Calculated in pure vanadium equivalent

In Q4 2015, Vanadium slag production was marginally unchanged. The 19% decrease in 2015 compared to 2014 is attributable to EVRAZ Highveld's deconsolidation since April 2015. Without Highveld, vanadium slag production increased by 7% YoY due to improved extraction yields at EVRAZ NTMK.

Production of final vanadium products was stable QoQ and rose by 6% YoY despite deconsolidation of EVRAZ Highveld's subsidiary Hochvanadium. The increase came from higher oxide and chemical production at Stratcor, USA, as a result of improvements made to the plant during the year, as well as higher ferrovanadium production at Nikom in the Czech Republic due to better oxide availability.

Average Q4 2015 Metall Bulletin FeV80 index \$13.45/kgV declined by 24.81% vs. \$17.9/kgV in Q3. Meanwhile Ryan's Notes index used in North America averaged \$15.01/kgV in Q4 2015, a 23.53% fall against \$19.63/kgV in the previous quarter. The EVRAZ selling quotation followed suit.

Average FeV indices

USD/tonne of V	Q4 2015	Q3 2015	2015	2014
Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe	13.46	17.90	18.58	25.53
Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid	15.01	19.63	20.21	28.73

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.

###

For further information:

Media Relations:

London: +44 207 832 8998
media@evraz.com

Moscow: +7 495 937 6871

Investor Relations:

London: +44 207 832 8990
ir@evraz.com

Moscow: +7 495 232 1370

EVRAZ is a vertically integrated steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Kazakhstan, USA, Canada, Czech Republic, and South Africa. EVRAZ is among the top steel producers in the world based on crude steel production of 15.5 million tonnes in 2014. A significant portion of the company's internal consumption of iron ore and coking coal is covered by its mining operations. The company's consolidated revenues for the year ended 31 December 2014 were US\$13,061 million, and consolidated EBITDA amounted to US\$2,325 million.