

EVRAZ GROUP S.A.
FY 2006
Preliminary
Results

April 26, 2007



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All in percent changes for comparison purposes, if otherwise not stated, relate to Y06-on-Y05 changes.

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FY2006 Financial Summary

US\$ mln unless otherwise stated

	2006	2005	Change
Revenue	8,292	6,508	27%
Cost of revenue	(5,159)	(4,172)	24%
SG&A	(732)	(648)	13%
EBITDA*	2,652	1,859	43%
<i>EBITDA margin</i>	32%	29%	
Net Profit**	1,385	918	51%
<i>Net Profit margin</i>	17%	14%	
EPS (USD per GDR)	3.94	2.71	45%
Sales volumes*** ('000 tonnes)	16,014	12,860	25%

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

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

*** Steel segment sales volumes to third parties



Strategic Deliverables

Advance long product leadership in Russia and CIS

- Strong growth in sales to Russia and CIS by 8% and 148%, respectively
- Growing rail products sales to Russian and CIS customers

Expand presence in international flat product markets

- Strengthened overseas market position through increased sales volumes of 37% up to 8.9 mln tonnes
- Non-Russian plate sales up by 2.9x and semi-finished sales up +29%
- Breakthrough into US market with acquisition of Oregon Steel Mills

Enhance cost leadership position

- Consolidated cash cost per tonne of US\$252 versus US\$231 in Y2005
- Successfully implemented capex programme of US\$660 mln in 2006 to introduce further operational improvements

Complete vertical integration and competitive mining platform

- Development licence obtained for the Sobstvenno-Kachkanarskoye ore deposit with reserves of 3.3 bln tonnes
- New coal assets with 308 mln tonnes of proven and probable reserves acquired by OAO Rospadskaya
- Successful IPO of OAO Rospadskaya in November

Achieve world leadership in vanadium business

- Acquisitions of Stratcor and a 24.9% stake in Highveld Steel and Vanadium Corporation
- Vanadium products (slag and alloys) sales 8% lower only to US\$224 mln despite 40% vanadium price decline





Corporate Governance and Public Responsibilities

Corporate governance

- New proactive Board composition
- Code of Ethics, Code of Corporate Governance and Code of Business Conduct approved by the Board in April in accordance with its decision in November 2006
- Improved Internal Audit procedures in accordance with International Standards for the Professional Practice of Internal Auditing

Environment, health and safety

- Commitment to invest US\$158 mln in environmental improvements
- Shutdown of all open hearth furnaces in Novokuznetsk

Social and labour issues

- Collective bargaining agreements renewed
- Social Investment Guidelines approved by the Board of Directors





2006 Highlights

Steel:

- Strong leadership on growing Russian long products market with favourable pricing environment through 2006
- Crude steel production grew by 16% to 16.1 mln tonnes
- Total steel sales volumes soared by 25% to 16.0 mln tonnes driven by organic growth, acquisitions in Europe and inventory reduction
- Capital investments programme of US\$660 mln successfully implemented

Mining:

- Robust level of self-coverage 80% in iron ore and 84% in coking coal
- Commencement of iron ore production at Izykhgol and Burluk mines in Siberia
- Acquisitions of the new iron ore development licence with 3.3 bln tonnes of resources in the Urals
- Successful IPO of OAO Raspadskaya in November
- Disposal of Neryungri coal mine project results in an impairment loss of US\$66 mln

M&A:

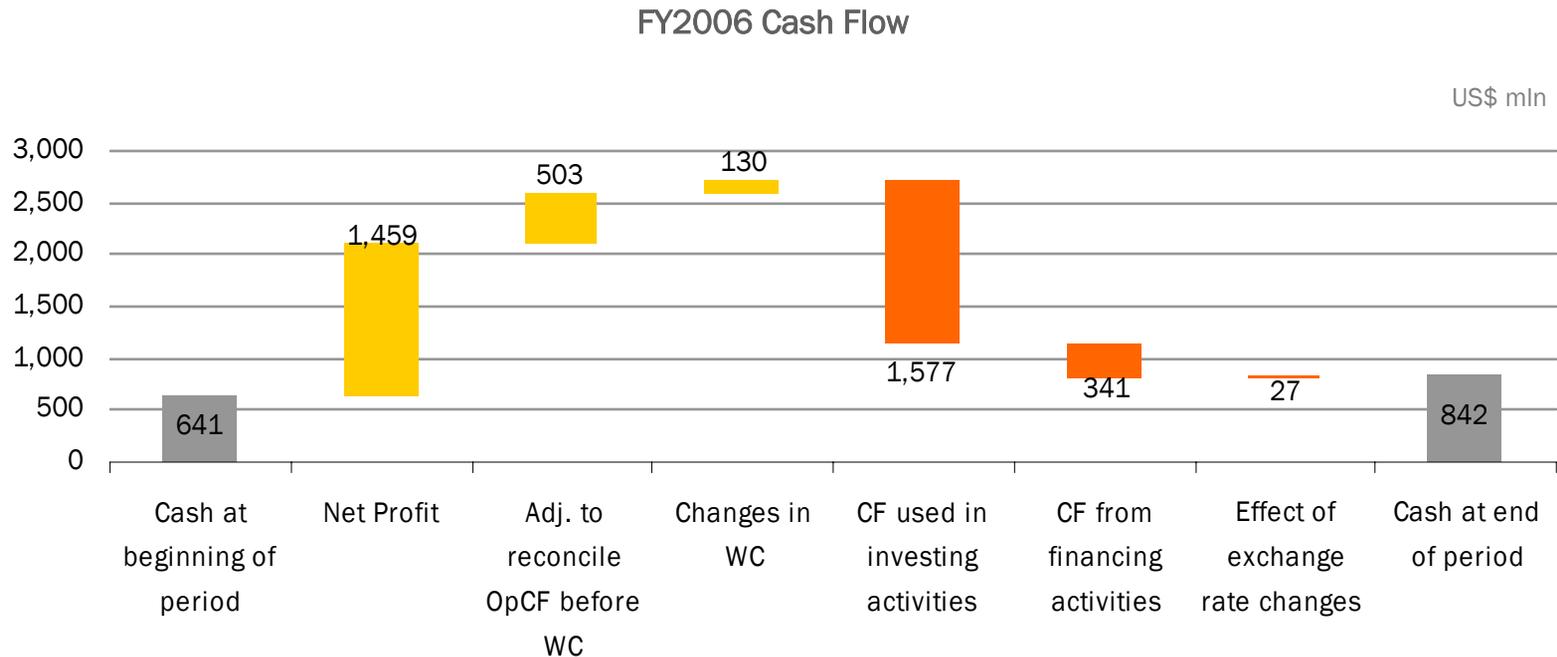
- Acquisition of 24.9% in Highveld Steel and Vanadium Corporation for US\$207 mln in July
- Acquisition of 72.84% in Strategic Minerals Corporation (Stratcor) for US\$125 mln in August
- Acquisition of 100% of Oregon Steel Mills (USA) for US\$2.3 bln closed in January 2007





Excellent Cash Flow Generation

- Strong net cash flow from operating activities of US\$ 2,092 mln
- EBITDA to Net Operating Cash Flow conversion at 79%
- Cash flow mainly used for CAPEX and acquisitions





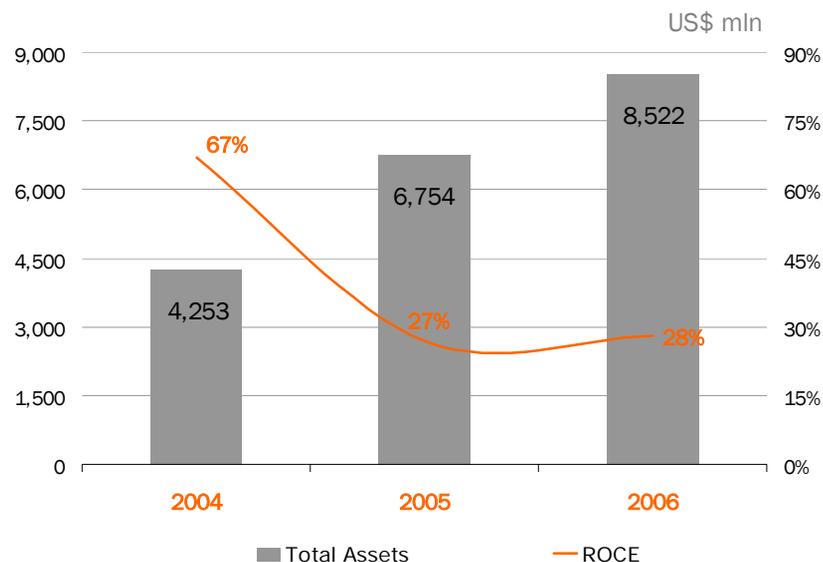
Well-capitalised Balance Sheet to Fund Future Growth

- Net Debt/EBITDA decreased to 0.7x
- On pro forma basis, including Oregon Steel Mills acquisition, Net Debt/EBITDA remains within stated target of 1.5x
- Leverage growth in line with growth in revenues
- Current credit ratings: BB by Fitch; Ba3 by Moody's; BB- by S&P

Net Debt-to-EBITDA Ratio



Total Assets



¹Net debt equals total debt less cash & cash equivalents and short-term bank deposits. Net debt for 2006 does not include US\$300 mln financial guarantee for OAO Raspadskaya

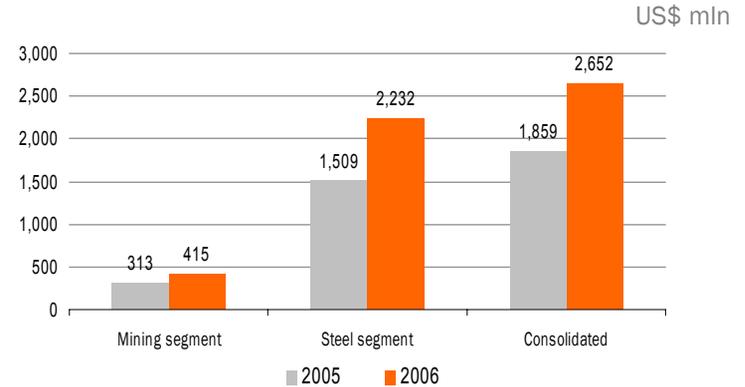
²ROCE represents profit from operations plus profit from equity investments less income tax over total equity plus interest bearing loans and lease average for the period



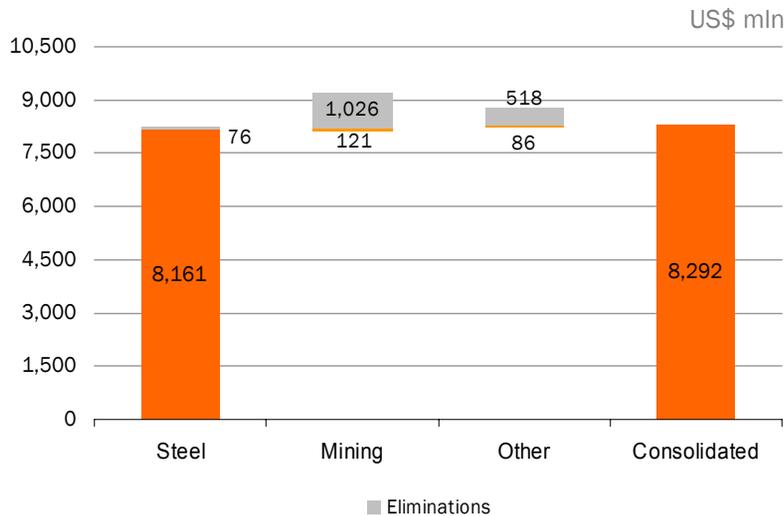
Leveraging Sales Mix

- Total revenues increased by 27% to US\$8,292 mln driven by 25% growth in sales volumes and favourable pricing
- Non-Russian revenues up 57% driven by Europe and US
- EBITDA margin improved to 32% boosted by steel segment performance

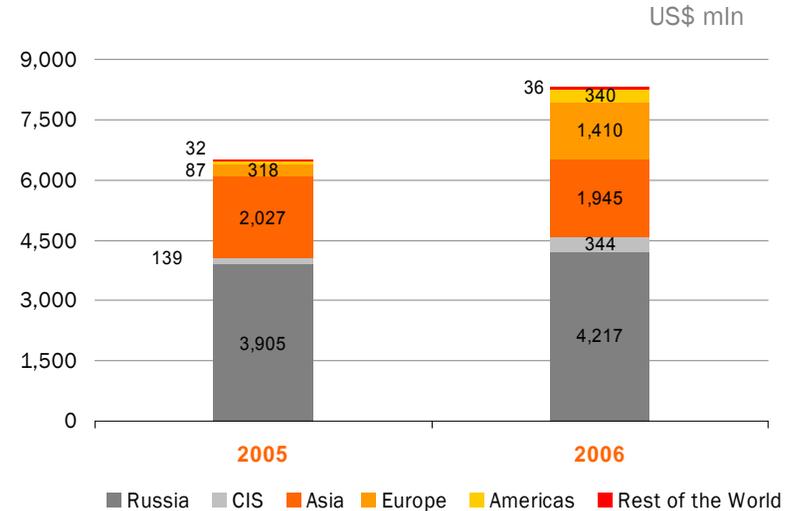
EBITDA by Segment



Revenues by Segment



Revenues by Region

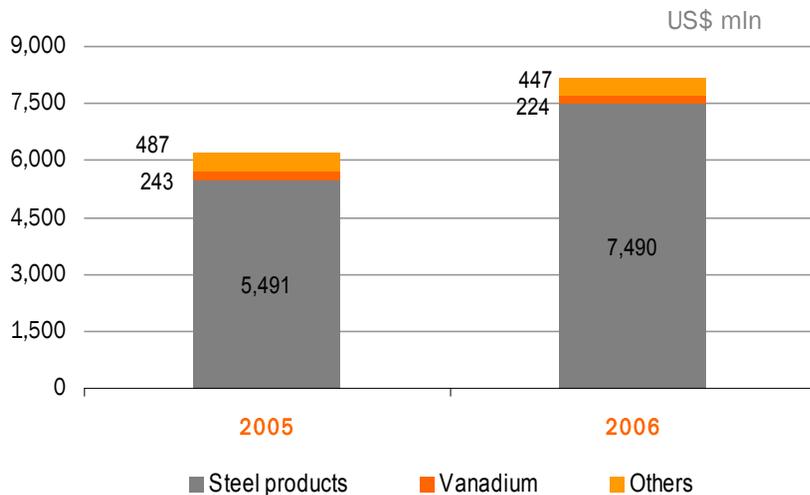




Steel: Results Overview

- Steel revenues increased by 31% to US\$8,161 mln from US\$6,221 mln in 2005
- Consolidated steel products sales volume up 25% to 16.0 mln tonnes, including 0.65 mln tonnes of sold stock
- Semi-finished products sales volumes grew by 29% driven by organic growth
- Strong plates sales growth by 2.3x due to acquisitions of Vitkovice Steel and Palini e Bertoli plate mills

Segment Revenues by Products



Steel Product Sales Volumes

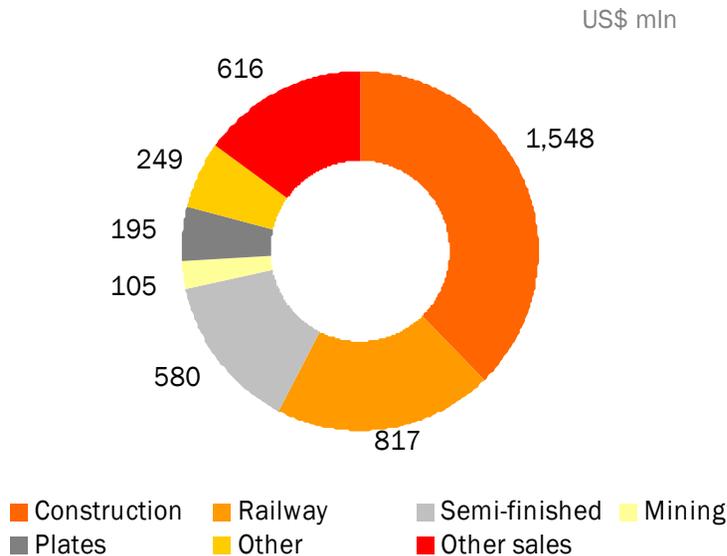




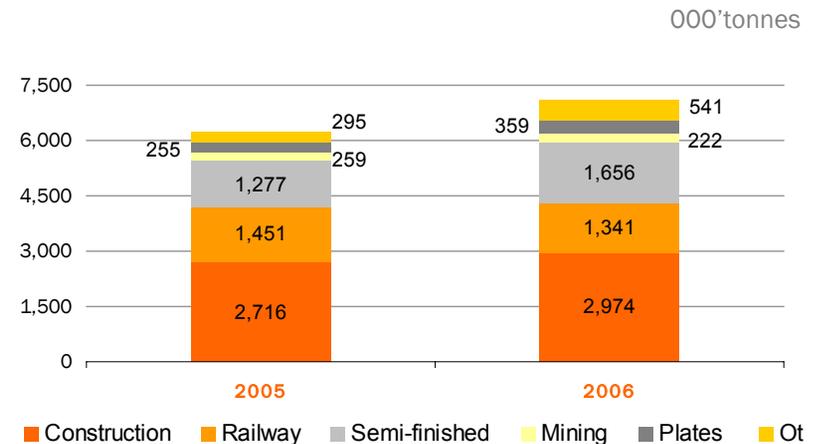
Steel: Capitalising On Russian Growth

- Russia remains a key market contributing 50% to total steel segment revenues with total sales volumes increasing by 13% to 7.1 mln tonnes
- Construction products sales increased by 9%, fuelled by accelerated construction growth in Russia
- Strong pricing environment through 2006 and improved mix
- Average revenue per tonne is up 11% to US\$493 from US\$444 in 2005

Segment Revenues: Russia



Segment Sales Volumes: Russia



Russian Sales by Key Products

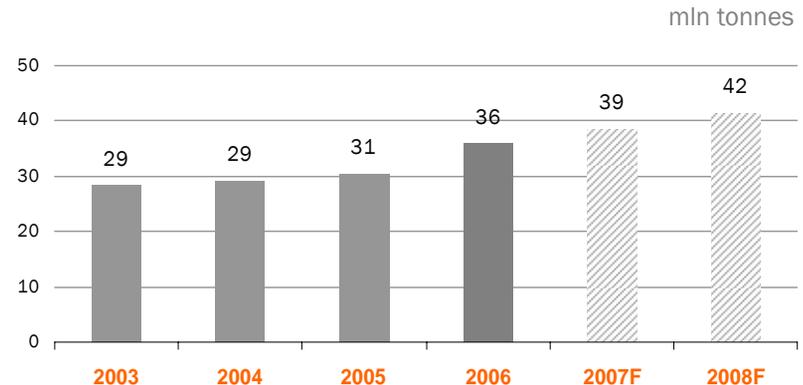
000' tonnes	2006	2005	Change
Rebars	1,264	1,011	25%
Rails	904	891	2%
H-beams	615	481	28%
Channels	562	452	24%
Angles	331	303	9%
Pipe blanks	911	730	25%
Other	2,506	2,385	5%
Total	7,093	6,253	13%



Steel: Best Positioned For Construction Boom In Russia

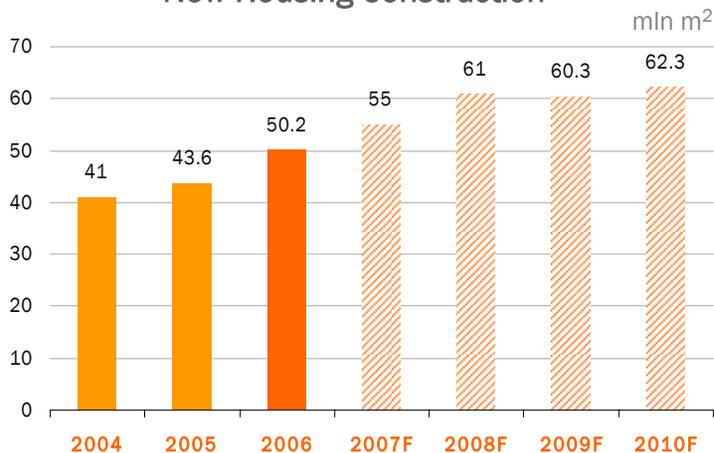
- In 2006 Russian steel consumption increased 16% y-o-y to 36 mln tonnes and expected to continue to expand
- Construction growth in Russia and CIS outperforms GDP growth
- Robust Russian pricing environment supports strong earnings
- Recently announced Russian railways investment programme of US\$400 bln till 2030

Russian Steel Consumption Growth



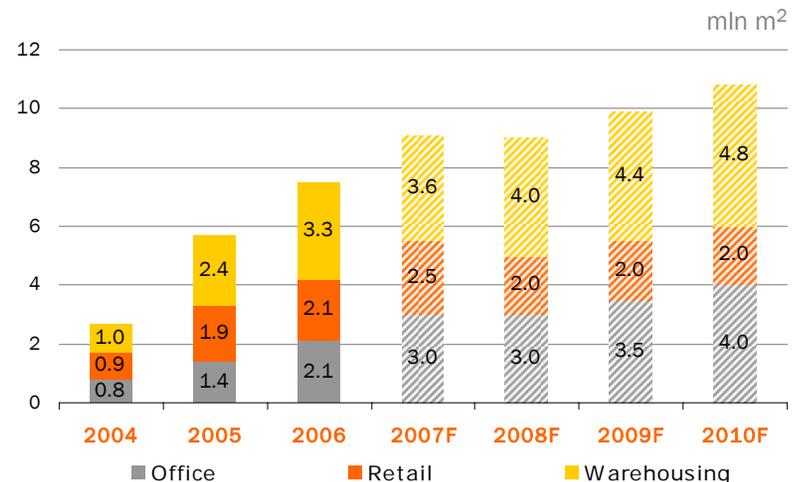
Sources: IISI

New Housing Construction



Sources: Goskomstat RF data and forecasts

Commercial Real Estate



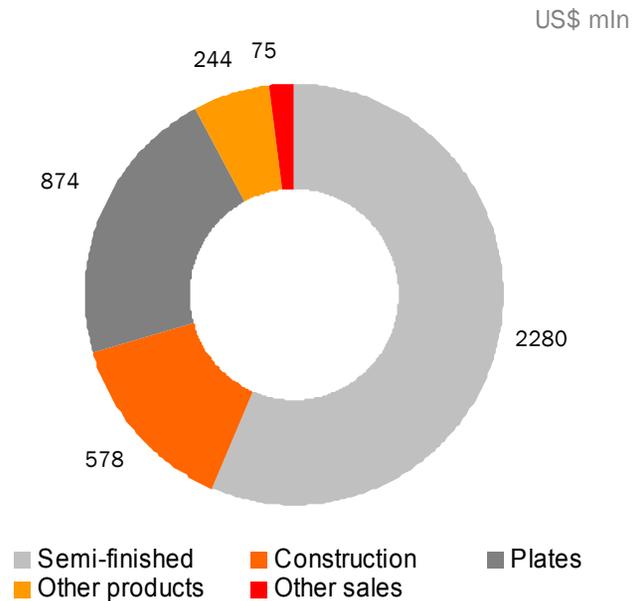
Sources: Goskomstat RF data and forecasts



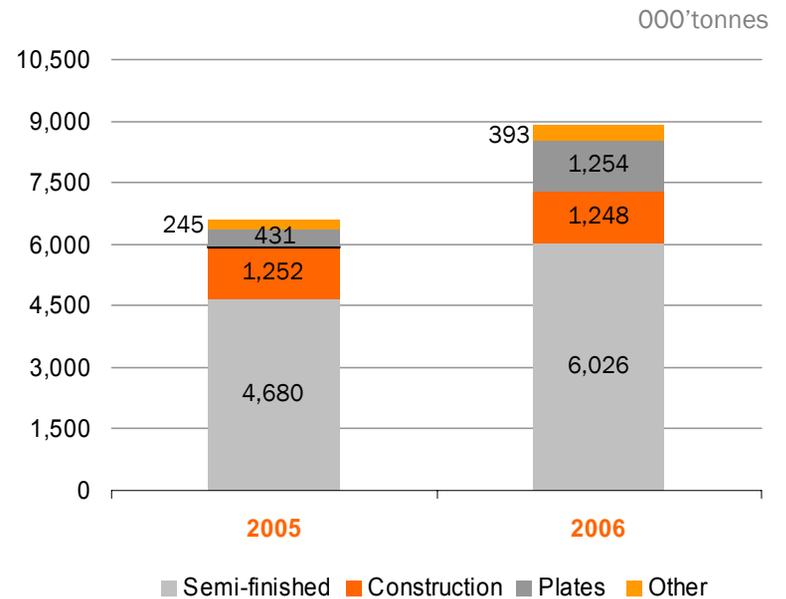
Steel: Optimising Non-Russian Product Mix

- Overseas sales in steel segment increased by 56 % to US\$4,051 mln including US\$301mln revenues of Palini e Bertoli and US\$671 mln of Vitkovice Steel
- Total overseas steel sales increased by 35% to 8.9 mln tonnes
- Revenues from CIS sales increased by 148% from US\$139 mln to US\$321 mln with total sales volumes increasing by 36% to 0.7mln tonnes

Segment Revenues: Non-Russian



Segment Sales Volumes: Non-Russian

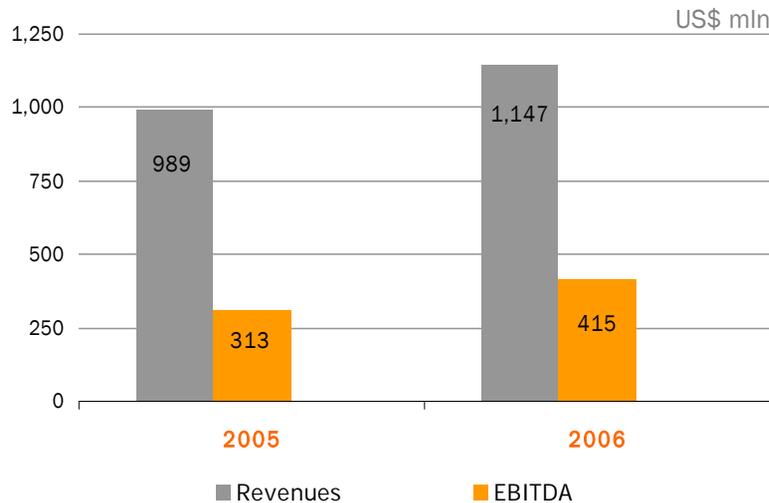




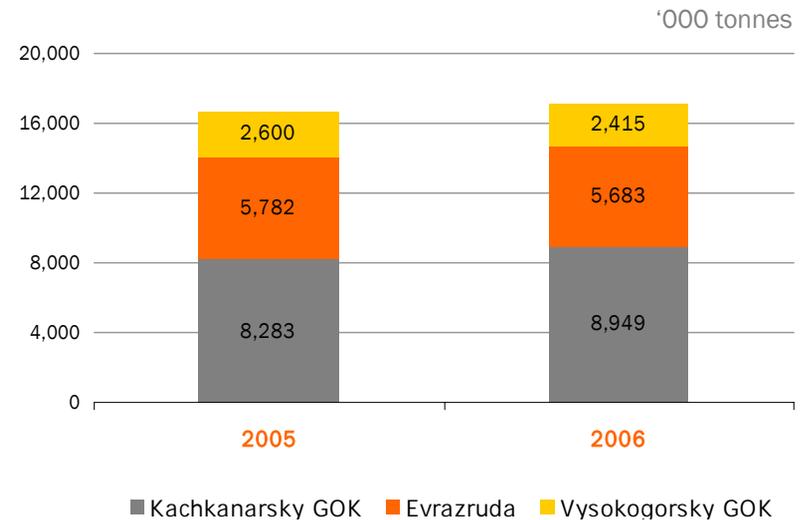
Mining: Securing Steel Production Cost Efficiency

- Mining segment revenues increased by 16% to US\$1,147 mln mainly due to the growth in the average prices of iron ore
- Mining segment EBITDA increased by 33% to US\$415 mln with EBITDA margin improved to 36%
- Iron ore sales volumes up 2% to 17 mln tonnes covering 80% of Evraz iron ore requirements

Mining Segment Performance



Iron Ore Production

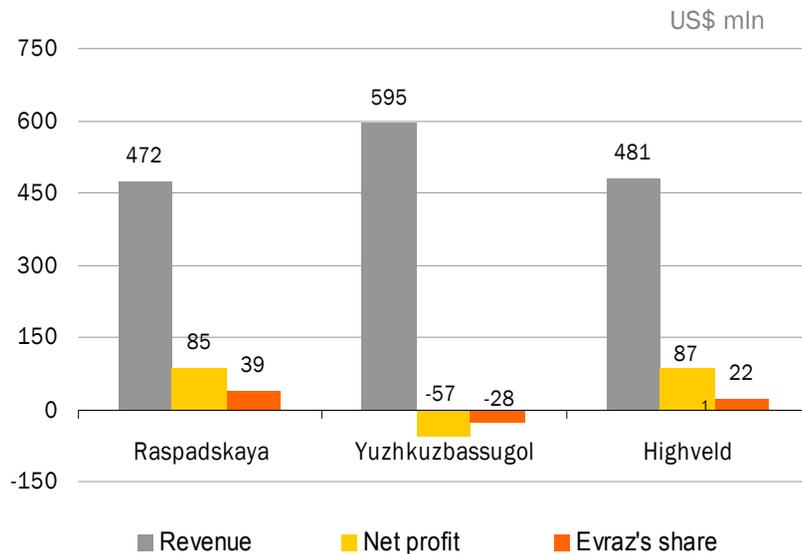




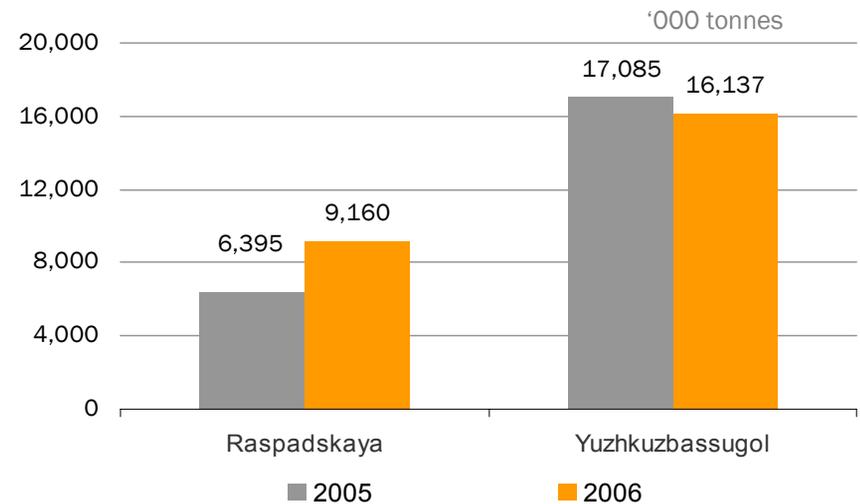
Affiliated Companies Contribution

- Evraz share in income of affiliated companies decreased to US\$45 mln due to Yuzhkuzbassugol losses
- In 2006 coal affiliates produced 25 mln tonnes of coal
- In May 2006 OAO Raspadskaya acquired two coal assets with total proven and probable reserves of 308 mln tonnes and in November 2006 successfully placed 18% of its shares on MICEX and RTS for US\$317 mln, valuing the company at US\$1,760 mln
- A stake in Highveld Steel and Vanadium, acquired in July 2007 for US\$207 mln, contributed US\$22 mln to the bottom line

Affiliated Companies Financial Results 2006



Coal Affiliates Production



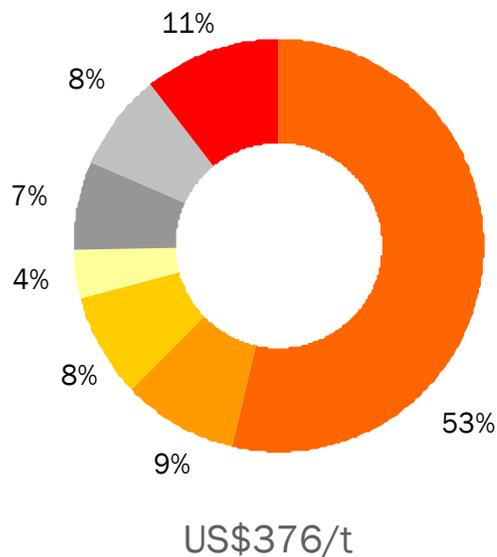
¹ Highveld 2006 Results starting from July 13, 2006



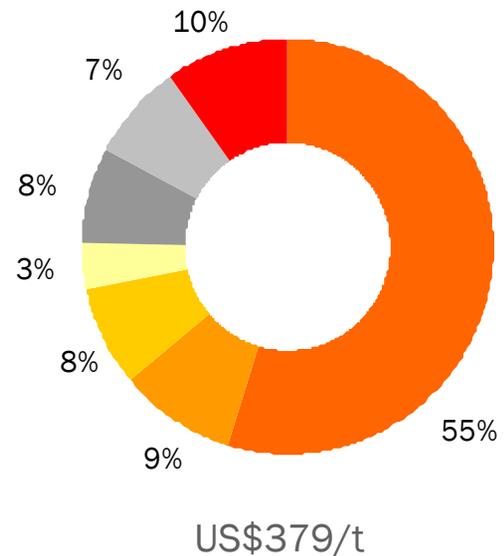
Steel Segment Costs

- Steel segment cost increased by 26% to US\$6,088 mln from US\$4,837 mln in 2005
- Main cost items per tonne remained almost flat
- Transportation costs increased by 25% mainly attributable to the growth in non-Russian sales volumes and related transportation costs
- Staff costs increased by 21% affected by inflation and acquisitions
- Energy costs grew by 34% due to acquisitions, overall increase in steel production and energy tariffs inflation in Russia

Steel Segment Costs structure 2005



Steel Segment Costs 2006



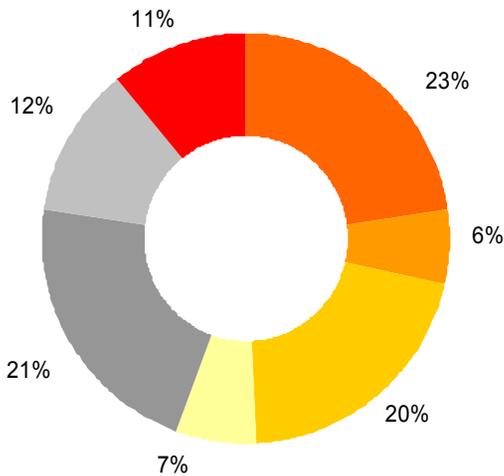
- Raw materials
- Transportation
- Staff costs
- Depreciation
- Energy
- Other
- SGA



Mining Segment Costs

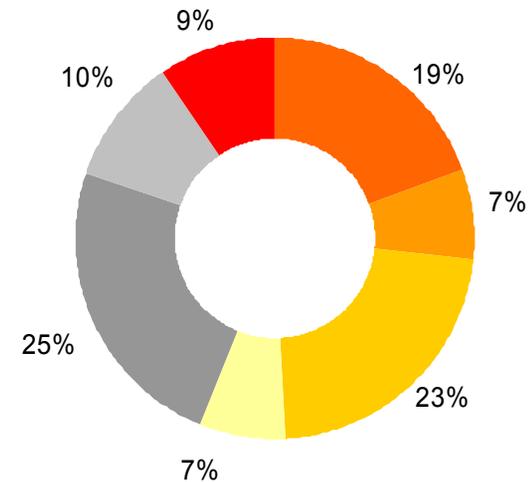
- Total mining segment cost increased by 9% to US\$781 mln from US\$717 in 2005
- Staff costs increased by 21%
- Energy costs increased by 21%
- Operational improvement programme launched at the main mining sites

Mining Segment Costs 2005



US\$43/t

Mining Segment Costs 2006



US\$46/t



2006 Capex Programme

019

Investment results

- Capital spending of US\$660 mln 2006 vs. US\$695 mln in 2005 focused on efficiency improvements mainly in steel production
- Some of the projects scheduled for 2007 commenced in 2006

Investments in projects completed in 2006: US\$280 mln

- Revamp of BF5 at NTMK – US\$89 mln
- Revamp of CB5 at NTMK – US\$21 mln
- Construction of vacuum degasser at NTMK – US\$20 mln
- New oxygen facility at NKMK – US\$5 mln
- Reconstruction of EAF shop at NKMK – US\$12 mln
- New packaging lines at Zapsib – US\$13 mln
- Installation of ISSM at Vitkovice Steel – US\$24 mln
- Commencement of iron ore production at Izykhgol and Burluk mines – US\$8 mln

Maintenance capex: US\$207 mln

Total spending on projects in progress: US\$173 mln

FY2007 Capex budgeted at US\$575 mln



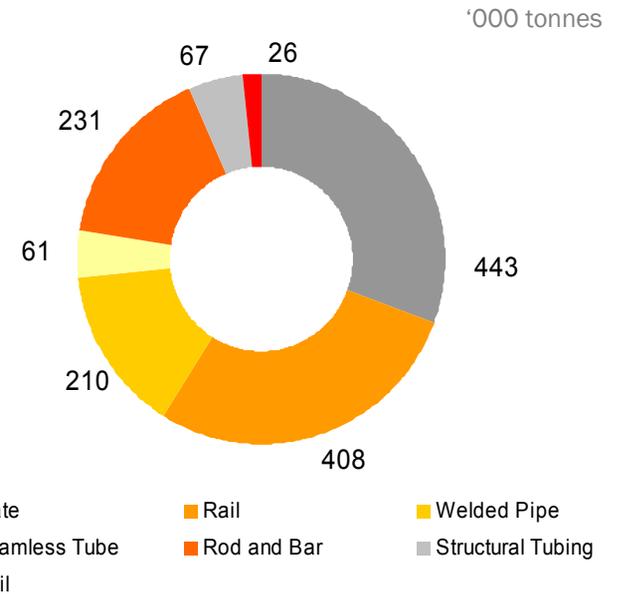


Oregon Steel Mills, Inc.

- Leading plate and rails producer on the West Coast with total capacity of 2.1 mln tonnes
- In January 2007 Evraz successfully acquired Oregon Steel for US\$2.3 bln
- The acquisition of Oregon Steel represents a solid platform for Evraz in North America and secures an important place on the attractive plate and pipe market
- Combined company is the leading rail producer globally



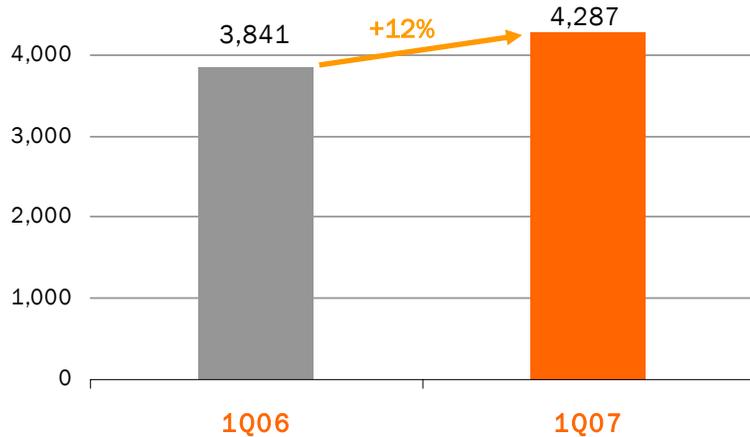
2006 Sales by Product



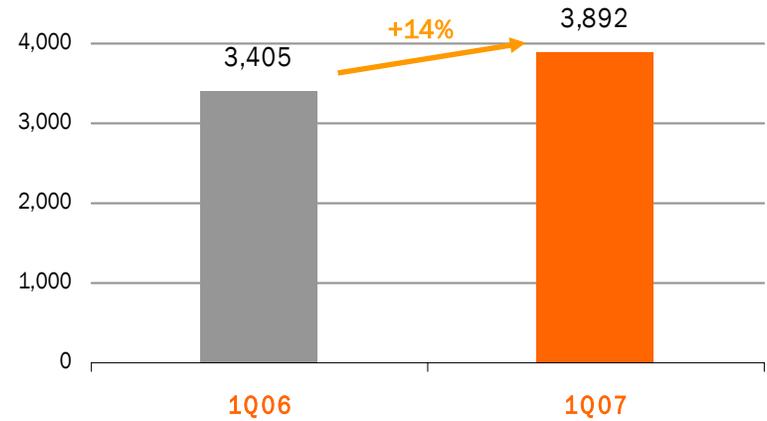


1Q2007 Trading Update

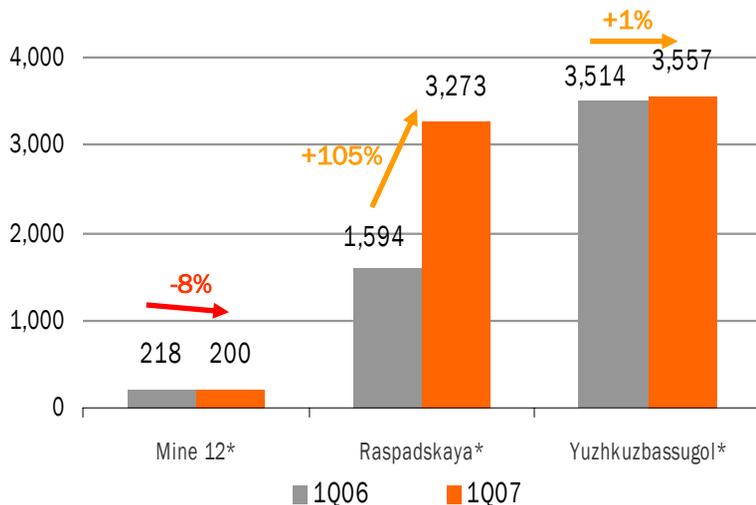
Steel, '000 tonnes



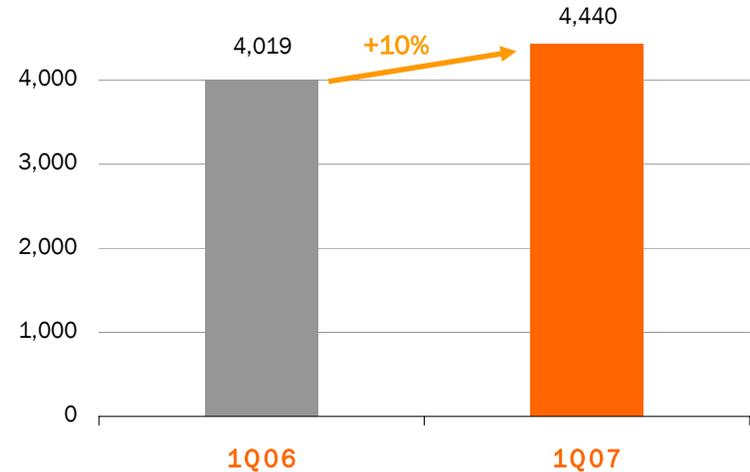
Rolled Products, '000 tonnes



Coal, '000 tonnes



Iron Ore '000 tonnes



* As at 31 December 2006 Evraz Group held 39.9% effective interest in Rapsadskaya Mine and 50% interest in Yuzhkuzbassugol



Evraz 2007 Outlook

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Markets:

- According to IISI, the world steel consumption will grow 5.9% in 2007 and 6.1% in 2008
- Russian construction expansion will further stimulate domestic demand for long products and outperform GDP growth
- Strong pricing environment in 1Q07 will remain at present levels through 2Q07

Production:

- Full year 2007 steel production target: 15.5-16.0 mln tonnes (crude steel), and 14.2-14.8 mln tonnes (rolled products), including 1.6-1.7 mln tonnes in the US
- 2007 CAPEX budget of approximately \$575 mln will mainly be targeted on the on-going projects
- Shutdown of all open hearth furnaces in Novokuznetsk will eliminate approximately 0.8 mln tonnes of crude steel production
- Zapsib blast furnace relines will decrease crude steel output for 2007 by approximately 1 mln tonnes
- Acquisition of West Siberian Heat and Power Plant in March to increase electricity self-sufficiency of Zapsib to 85% by end of year

Risks:

- Potential further cost increase mostly concentrated in staff cost inflation
- Additional pressure on Russian assets from national ecological control agencies

Financial Outlook 1H07 :

- Consolidated revenues expected to increase by 45-55% (y-o-y)
- EBITDA expected to grow by 50-60% (y-o-y)



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