FOR IMMEDIATE RELEASE

EVRAZ ANNOUNCES PRELIMINARY RESULTS FOR YEAR ENDED DECEMBER 31, 2007

April 2, 2008 – Evraz Group S.A. (LSE: EVR) today announces its preliminary audited results for the year ended 31 December 2007.

2007 Highlights:

Financials:

- Revenue grew **54.5%** to US$12,808 million from US$8,292 million in 2006 due to acquisitions, improved sales mix and growth in average prices of steel products.
- Consolidated adjusted EBITDA was up **61.0%** to US$4,254 million from US$2,642 million in 2006.
- Net profit attributable to equity holders of Evraz Group S.A. grew **55.7%** to US$2,144 million from US$1,377 million in 2006.
- Record operating cash flow of US$2,957 million, a **41.9%** increase year-on-year, due to higher profit margins and continuing focus on working capital management.
- Earnings per GDR increased by **54.3%** to US$6.05 from US$3.92 in 2006.

Steel:

- Crude steel production grew by 1.9% year-on-year to 16.4 million tonnes.
- Total steel sales volumes increased by 3.2% to 16.4 million tonnes.

Vanadium:

- Vanadium products sales increased 74.0% year-on-year to 22,100 tonnes of pure vanadium equivalent.
- Revenues attributable to sales of vanadium products soared by 162.6% to US$583 million.

Mining:

- Iron ore production grew by 10.6% to 18.9 million tonnes with iron ore self-coverage of 87%.
- The acquisition of the remaining 50% of Yuzhkuzbassugol in June gave Evraz 100% ownership of the coal company, making Evraz fully self-sufficient in coal.

Corporate developments and acquisitions:

- Simplification of corporate structure resulting from buyout of minority stockholders at Group's Russian subsidiaries.
- Acquisition of Oregon Steel Mills for US$2.3 billion completed in January
- Acquisition of 93.35% of ZapsibTETs for US$231 million in May
- Acquisition of control over Highveld Steel and Vanadium Corporation in April
- Acquisition of outstanding 50% in Yuzhkuzbassugol for US$871 million in June

Full year to December 31 (US$ million unless otherwise stated)	**2007**	2006	Change
Revenue	**12,808**	8,292	54.5%
Adjusted EBITDA [1]	**4,254**	2,642	61.0%
Profit from operations	**3,523**	2,298	53.3%
Net profit [2]	**2,144**	1,377	55.7%
Earnings per GDR [3], US$	**6.05**	3.92	54.3%

[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, led by its results-driven international management team, reported another strong financial year. Together with the successful integration of our new assets and the organic growth of our existing plants we have achieved record results in our business. Our solid platform positions the company for an even better performance in 2008.

In 2007, the growing world steel markets, and in particular the booming Russian market, supported our strong product pricing, and our improved product mix helped us gain additional profit.

Evraz continued to build its global business model. We expanded our geographic reach through several milestone acquisitions in line with our strategy of a continued growth through the acquisition and the development of high-value downstream facilities. Having acquired Oregon Steel Mills at the beginning of last year, we laid the foundation of our U.S. plate business. The acquisition of Claymont Steel at the end of the year represents yet another significant step in the implementation of our global strategy.

Through the acquisition of Highveld Steel and Vanadium Corporation, Evraz gained valuable access to the South African steel sector, which is driven by strong demand growth and supported by new mining, infrastructure and industrial projects. In addition, the acquisition also allows Evraz Group to become an important player in the worldwide vanadium market.

We acquired the additional 50% of Yuzhkuzbassugol, a Russian coking and steam coal producer, increasing our ownership to 100%, established a full operative control over it, stabilised its operations which were affected by serious accidents at its two mines earlier in the year and restored rigid standards of work safety at all the mines of the group. This transaction goes in line with our strategy to build a vertically integrated steel business self-sufficient in key raw materials – coal and iron ore.

In 2007, we addressed a few operational issues and matters related to safety performance and environmental compliance at our Russian facilities. We closed blast furnace No. 1 at Zapsib for a scheduled major reline in the middle of the year, bringing its production back in just 106 days, and continued a converter shop reconstruction at NTMK. We completed an important project that entailed shutting down an inefficient and highly air polluting open hearth production at NKMK.

We realised a number of restructuring and cost saving initiatives at our business units including the outsourcing of non-core services and operations, including the continuing programme for the optimisation of the group's headcount and debottlenecking operational processes in order to maximise existing plants' productivity,resulting in increased iron ore production at our Russian iron ore mines of an additional 3% and increased vanadium slag production at NTMK of 7%.

- More -

We successfully completed the buyout of all outstanding minority common stock of Evraz's major Russian production companies at offer prices consistent with international best practices of corporate governance. This corporate initiative was an important step in the simplification and optimisation of the Company's ownership and management structures, as well as making it possible for us to more effectively align all business processes and strategic management decisions within the group.

In line with our ongoing commitment to the highest standards of business conduct and corporate governance, the Board approved corporate codes and a set of internal policies which further enhanced the overall transparency and accountability of our business."

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

"Despite the global challenges following on the uncertainties in the world's financial markets, Evraz is confident about its prospects for 2008. The market outlook for steel appears robust: the global demand for steel products is growing amid capacity constraints and structurally limited supply in some regions and as a consequence steel products prices are strong. Raw materials cost increases create additional opportunities for Evraz. Being a vertically integrated producer, Evraz is largely protected from increasing costs of raw materials.

We have leveraged the operations in our key market, Russia, where we continue to grow. Our goal is to transform Evraz into a truly global business with a diversified geographic structure.

We are confident in our ability to close successfully the three transactions we announced recently, i.e. the acquisitions of Delong Hodings, of IPSCO Canada plate and tubular business and of a number of assets in Ukraine, as well as successfully integrating the recent acquisitions into the group's business.

We anticipate that our 2008 annual crude steel and steel products output will reach 18.9 million tonnes and 18.7 million tonnes, respectively. It is anticipated that Evraz's coal companies will produce approximately 15.1 million tonnes of coal, including 10.5 million tonnes of coking coal, in 2008.

The Company will stay focused on improving operating performance and managing costs. US$1,070 million are budgeted for capital investments, including US$545 million for investment projects and US$523 million for maintenance.

In the first half of 2008, Evraz's consolidated revenues are expected to increase by 60-65% vs. US$6 billion in the first half of 2007, and EBITDA is expected to grow to approximately US$3 billion."

Summary Results:

Evraz's **consolidated revenues** increased by 54.5% to US$12,808 million in 2007, from US$8,292 million in 2006. The steel segment sales accounted for the majority of the increase in revenues largely due to the improved sales mix and growth in average prices of steel products. Steel product sales volumes increased by 3.2% to 16.4 million tonnes in 2007, up from 15.9 million tonnes in 2006.

Steel sales volumes in Russia increased by 8.6% year-on-year from 7.0 million tonnes in 2006 to 7.6 million tonnes in 2007, while export sales (mainly of semis) of the Russian operations decreased by 31% for a number of factors. First, there was a reallocation of the sales volumes to the Russian market. Then second and with lesser impact the inventory de-stockings in 2007 (approximately 0.1 million tonnes) were considerably less than in 2006 (approximately 0.6 million tonnes). Other contributors included the closures of inefficient open hearth furnaces and a related blast furnace at NKMK in April 2007 and a maintenance shutdown of a blast furnace at Zapsib in June-October 2007. These decreases were almost fully offset by post-acquisition steel sales volumes of high value added products at Evraz Oregon Steel Mills (EOSM) and Highveld.

Geographic breakdown of consolidated revenues

	Year ended 31 December				
	2007		2006		2007 v 2006
	US$ million	**% of total**	US$ million	% of total	% change
Russia	**5,952**	**46.4%**	4,217	50.9%	41.1%
Americas	**2,140**	**16.7%**	340	4.1%	529.4%
Europe	**1,894**	**14.8%**	1,410	17.0%	34.3%
Asia	**1,882**	**14.7%**	1,945	23.5%	(3.2)%
CIS	**575**	**4.5%**	344	4.1%	67.2%
Africa	**353**	**2.8%**	20	0.2%	n/m
Rest of the world	**12**	**0.1%**	16	0.2%	(25.0)%
Total	**12,808**	**100.0%**	8,292	100.0%	54.5%

Revenues from sales in Russia increased 41.1% to US$5,952 million. This was due to higher than average steel prices and steel products being diverted from the export markets to capitalise on the booming Russian construction market.

In 2007, **revenues from non-Russian sales** increased in monetary terms to US$6,856 million, or 53.5% as a percentage of total revenues, from US$4,075 million, or 49.1%, in 2006. The main drivers of the growth of revenues outside Russia were sales of high value added steel products by Evraz Oregon Steel Mills in North America, increased plate prices in Europe and contribution by Highveld and Stratcor.

Russian steel segment shipped 12.9 million tonnes of steel products and generated US$8,240 million in revenue and US$2,646 million in EBITDA. Post-acquisition revenues and EBITDA amounted to US$1,911 million and US$349 million for EOSM, to US$188 million and US$55 million for Stratcor, and to US$650 million and US$188 million for Highveld, each respectively. The 2007 revenues and EBITDA of Evraz Vitkovice Steel were US$879 million and US$225 million, respectively; the revenue and EBITDA of Palini e Bertoli amounted to US$381 million and US$119 million, respectively.

In 2007, **consolidated cost of revenues** was US$7,875 million or 61.5% of consolidated revenues, down from 62.3% of consolidated revenues in 2006. Depreciation increased from US$283 million to US$579 million. **Gross profit** was up 57.7% at US$4,933 million from US$3,129 million in 2006.

Selling, general and administrative (SG&A) expenses as a percentage of consolidated revenues remained almost flat year-on-year at 9.5%. Depreciation and amortisation was US$119 million, including amortisation of customer-related intangible assets in the amount of US$93 million.

Profit from operations increased by 53.3% to US$3,523 million for 2007, from US$2,298 million in 2006, amounting to 27.5% and 27.7% of consolidated revenues, respectively.

Consolidated adjusted EBITDA rose 61.0% to US$4,254 million, or 33.2% of consolidated revenues in 2007 compared with US$2,642 million, or 31.9% of revenues in 2006.

In 2007, foreign exchange loss amounted to US$55 million compared with a gain of US$48 million in 2006. The 2007 interest expense increased to US$409 million from US$229 million in 2006 due to higher debt. Evraz's share of profits of joint ventures and associates was US$88 million compared with US$40 million in 2006.

In 2007, the income tax expense increased to US$984 million which corresponds to an effective tax rate of 30.7%, slightly up from 30.5% in 2006.

In 2007, the Company reported consolidated **net profit attributable to equity holders of Evraz Group** of US$2,144 million vs. US$1,377 million in 2006.

Review of Operations

Steel Segment Results

Full year to December 31 (US$ million unless otherwise stated)	**2007**	2006	Change
Revenues	**12,433**	8,161	52.3%
Profit from operations	**3,069**	1,962	56.4%
Adjusted EBITDA	**3,585**	2,226	61.1%
Adjusted EBITDA margin	**28.8%**	27.3%	

Steel Segment Sales

	Year ended 31 December				
	2007		2006		2007 v 2006
	US$ million	**% of total**	US$ million	% of total	% change
Construction products [1]	**3,670**	**29.5%**	2,100	25.7%	74.8%
of which EOSM	173	1.4%	-	-	
of which Highveld	164	1.3%	-	-	
Railway products [2]	**1,697**	**13.7%**	961	11.8%	76.6%
of which EOSM	377	3.0%	-	-	
of which Highveld	15	0.1%	-	-	
Flat-rolled products [3]	**1,968**	**15.8%**	1,073	13.2%	83.4%
of which EOSM	490	3.9%	-	-	
of which Highveld	173	1.4%	-	-	
Tubular products [4]	**702**	**5.6%**	8	0.1%	n/m
of which EOSM	694	5.6%	-	-	
Semi-finished products [5]	**2,480**	**20.0%**	2,857	35.0%	(13.2)%
Other steel products [6]	**496**	**4.0%**	460	5.6%	7.8%
Vanadium products [7]	**583**	**4.7%**	222	2.7%	162.6%
of which Stratcor	188	1.5%	66	0.8%	
of which Highveld	227	1.8%	-	-	
Other products [8]	**837**	**6.7%**	480	5.9%	74.4%
of which EOSM	170	1.4%	-	-	
of which Highveld	63	0.5%	-	-	
Total	**12,433**	**100.0%**	8,161	100.0%	52.3%

[1] *Includes rebars, wire rods, wire, H-beams, channels and angles.*
[2] *Includes rails 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 vanadium in alloys and chemicals and vanadium in slag.*
[8] *Includes coke and coking products, refractory products, ferroalloys and resale of coking coal.*

Full year to December 31 ('000 tonnes)	**2007**	2006	Change
Steel products			
Construction sector	**5,116**	4,152	23.2%
Railway sector	**2,285**	1,626	40.5%
Flat-rolled products	**2,163**	1,611	34.3%
Tubular products	**664**	14	n/m
Other steel products	**741**	914	(18.9)%
Semi-finished products	**5,457**	7,601	(28.2)%
Total	**16,426**	15,918	3.2%
Vanadium products	**22.1**	12.7	74.0%

Steel segment revenues in 2007 increased by 52.3% to US$12,433 million from US$8,161 million 2006. Steel segment revenues benefited from the improved sales mix of the Russian operations in favour of higher margin products sold in the Russian market, the positive price dynamics for steel products and the acquisitions of Stratcor, EOSM and Highveld.

Evraz shifted almost all its export construction products sales to Russia and CIS and the increase in the proportion of revenues from sales of construction products reflects substantially higher sales volumes of these products in the Russian and CIS markets. They were complemented by the additional sales volumes in North America and South Africa following the acquisitions. The revenue from Russian and CIS construction products sales grew 68.9% to US$2,896 million from US$1,715 million in 2006, while North American and South African operations contributed US$225 million and US$102 million, respectively.

The proportion of revenues attributable to sales of railway products increased as a result of the acquisition of EOSM, which contributed 457,000 tonnes to the volumes of railway products, totalling US$379 million in revenues. Revenues from sales of railway products in Russia rose by 37.0% to US$1,111 million, with sales volumes increasing by 12.7%.

The proportion of revenues attributable to sales of flat-rolled products increased due to higher sales prices for plate in Europe in 2007 compared to 2006 and additional sales volumes provided by the Group's non-Russian re-rolling operations.

At present, substantially all tubular products of Evraz are produced at EOSM facilities. Sales volumes of tubular products by EOSM reached US$694 million with 652,000 tonnes of shipments.

The proportion of revenues attributable to sales of semi-finished products declined significantly to 20.0% in 2007 from 35.0% in 2006, resulting from substantially lower sales volumes of semis sold by the Russian operations to the export markets and re-allocation of production capacities towards higher margin construction and railway products, as well as the additional re-rolling of slab produced by the Russian operations at downstream operations.

The revenues attributable to sales of vanadium products increased 162.6% year-on-year from US$222 million to US$583 million as a result of the acquisitions of Stratcor and Highveld. Sales of vanadium slag by Russian operations remained approximately at the same level as in 2007.

Steel segment cost of revenues totalled US$8,248 million, or 66.3% of steel segment revenues in 2007 compared with US$5,493 million, 67.3% of steel segment revenues in 2006. The increase in the steel segment cost of revenues in monetary terms is attributable to the growth in prices of raw materials and the change in steel product mix in favour of higher value added products both in the Russian market and due to the acquisitions in North America and South Africa.

The cost of revenues in respect of EOSM (January-December 2007), including intra-group profits, was US$1,486 million, in respect of Highveld (May-December 2007) - US$452 million, and in respect of Stratcor - US$125 million, or 18.0%, 5.5% and 1.5% of steel segment cost of revenues, respectively.

Excluding the 2007 acquired assets, raw materials costs increased approximately by 29%; staff costs went up by 13% in conformity with trade union agreements and energy costs were up 11% as a result of increases in electricity and natural gas tariffs. Both staff and energy costs increased within Russia due to appreciation of the rouble against the US dollar.

In 2007, **the steel segment profit from operations** increased by 56.4% to US$3,069 million, or 24.7% of steel segment revenues, from US$1,962 million, 24.0% of steel segment revenues in 2006.

In 2007, **adjusted EBITDA in the steel segment** totalled US$3,585 million and 28.8% of steel segment revenues, compared with $2,226 million, and 27.3% in 2006.

Mining Segment Results

Full year to December 31 (US$ million unless otherwise stated)	**2007**	2006	Change
Revenues	**1,901**	1,147	65.7%
Profit from operations	**458**	351	30.5%
Adjusted EBITDA	**633**	415	52.5%
Adjusted EBITDA margin	**33.3%**	36.2%	

Mining Segment Production

Full year to December 31 (thousand tonnes)	**2007**	2006	Change
Iron ore	**18,850**	17,047	10.6%
Coal[1]	**12,654**	842	n/m

[1] Includes raw coal production of Yuzhkuzbassugol and Mine 12. Evraz Group held a 50% interest in ZAO Yuzhkuzbassugol until 8 June 2007 and accounted for its results under the equity method. Since 8 June 2007 the financial results of Yuzhkuzbassugol are fully consolidated into the Group.

Mining segment revenues grew by 65.7% to US$1,901 million in 2007, compared with US$1,147 million in 2006, reflecting mainly the growth in the average prices of iron ore and an increase in volumes of coal sold after the acquisition of Yuzhkuzbassugol in June 2007. Sales volumes of iron ore increased by 10.6%.

In 2007 mining segment sales to the steel segment amounted to US$1,527 million, or 80.3% of mining segment sales, vs. US$1,020 million, or 88.9% of mining segment sales in 2006.

Prior to the acquisition of Yuzhkuzbassugol in June 2007, substantially all of Evraz's mining segment sales consisted of iron ore. Post-acquisition revenues of Yuzhkuzbassugol amounted to US$283 million.

The mining segment cost of revenues grew by 75.3% from US$708 million in 2006 to US$1,241 million last year, mainly as a result of the Yuzhkuzbassugol acquisition.

The mining segment profit from operations increased by 30.5% to US$458 million in 2007, or 24.1% of mining segment revenues. This compares with US$351 million, or 30.6% of mining segment revenues in 2006. The growth was a result of higher iron ore prices.

Adjusted EBITDA in the mining segment rose by 52.5% to US$632 million, or 33.3% of mining segment revenues in 2007 from US$415 million, or 36.2% of mining segment revenues in 2006.

Other operations segment results

Full year to December 31 (US$ million unless otherwise stated)	**2007**	2006	Change
Revenues	**838**	604	38.7%
Profit from operations	**30**	26	15.4%
Adjusted EBITDA	**70**	45	55.6%
Adjusted EBITDA margin	**8.4%**	7.5%	

Evraz's revenues from other operations including management, logistics (including the Nakhodka Sea Port) and supporting activities increased by 38.7% in 2007 as compared to 2006. In particular, in 2007 energy generating companies EvrazEK and ZapsibTETS generated revenues of US$163 million and US$52 million, respectively.

Consolidated Group Financial Position

Cash flow

Evraz demonstrated strong cash flow generation. **Cash flow from operating activities** increased by 41.9% to US$2,957 million in 2007 vs. US$2,084 million in 2006. The record increase in net cash generated by operations was primarily due to increased profit margins. The changes in the working capital negatively affected the cash flow from operating activities by US$307 million.

Cash used in investing activities totalled US$5,636 million in 2007 vs. US$1,569 million in 2006.

In 2007, **capital expenditures** amounted to approximately US$740 million (US$651 million in 2006) including US$499 million with respect to the steel segment and US$187 million with respect to the mining segment. Additionally US$423 million were used to buy out minority interests.

Net cash flows from (used in) financing activities amounted to US$2,135 million and US$(341) million in 2007 and 2006, respectively.

Balance sheet

In 2007, total debt reached US$6,632 million, and cash and cash equivalents including short-term bank deposits amounted to US$352 million

Net debt [1] increased to US$6,280 million as of 31 December 2007 from US$1,728 million as of 31 December 2006.

As at 31 December 2007, **total assets** amounted to US$16,380 million, an increase of 92.5% from US$8,510 million as at 31 December 2006.

Evraz Group S.A. shareholders' equity, including reserves and accumulated profits as at 31 December 2007, increased 47.2% to US$5,986 million from US$4,066 million as at 31 December 2006.

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

Note:

Percentage changes may not be exact due to rounding.

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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:

	Year ended 31 December	
	2007	2006
	(US$ million)	
Consolidated Adjusted EBITDA reconciliation		
Profit from operations	3,523	2,298
Add:		
Depreciation, depletion and amortisation	698	303
Impairment of assets	7	20
Loss on disposal of property, plant & equipment	26	21
Consolidated Adjusted EBITDA	**4,254**	2,642
Steel segment Adjusted EBITDA reconciliation		
Profit from operations	3,069	1,962
Add:		
Depreciation and amortisation	496	227
Impairment of assets	4	22
Loss on disposal of property, plant & equipment	16	15
Steel segment Adjusted EBITDA	**3,585**	2,226
Mining segment Adjusted EBITDA reconciliation		
Profit from operations	458	351
Add:		
Depreciation, depletion and amortisation	165	59
Impairment of assets	2	1
Loss on disposal of property, plant & equipment	8	4
Mining segment Adjusted EBITDA	**633**	415
Other operations Adjusted EBITDA reconciliation		
Profit from operations	30	26
Add:		
Depreciation and amortisation	37	17
Impairment of assets	1	-
Loss on disposal of property, plant & equipment	2	2
Other operations Adjusted EBITDA	**70**	45

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:

	Year ended 31 December	
	2007	2006
	(US$ million)	
Net Debt Calculation		
Add:		
Long-term loans, net of current portion	4,653	1,855
Short-term loans and current portion of long-term loans	1,958	741
Loans from related parties	21	-
Less:		
Short-term bank deposits	(25)	(26)
Cash and cash equivalents	(327)	(842)
Net Debt	6,280	1,728

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

	Year ended 31 December	
	2007	**2006**
Revenue		
Sale of goods	**12,579**	8,166
Rendering of services	**229**	126
	12,808	8,292
Cost of revenue	**(7,875)**	(5,163)
Gross profit	**4,933**	3,129
Selling and distribution costs	**(539)**	(243)
General and administrative expenses	**(681)**	(494)
Social and social infrastructure maintenance expenses	**(78)**	(86)
Loss on disposal of property, plant and equipment	**(26)**	(21)
Impairment of assets	**(7)**	(20)
Foreign exchange gains/(losses), net	**(55)**	48
Other operating income/(expenses), net	**(24)**	(15)
Profit from operations	**3,523**	2,298
Interest income	**41**	27
Interest expense	**(409)**	(229)
Share of profits/(losses) of joint ventures and associates	**88**	40
Gain/(loss) on financial assets and liabilities, net	**(71)**	26
Gain/(loss) on disposal groups classified as held for sale	**6**	(77)
Excess of interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition	**19**	1
Other non-operating gains/(losses), net	**4**	1
Profit before tax	**3,201**	2,087
Income tax expense	**(984)**	(637)
Net profit	**2,217**	1,450
Attributable to:		
Equity holders of the parent entity	**2,144**	1,377
Minority interests	**73**	73
	2,217	1,450
Earnings per share:		
basic, for profit attributable to equity holders of the parent entity, US dollars	**18.16**	11.76
diluted, for profit attributable to equity holders of the parent entity, US dollars	**18.02**	11.68

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

	December 31, 2007	December 31, 2006
ASSETS		
Non-current assets		
Property, plant and equipment	**8,161**	3,655
Intangible assets other than goodwill	**806**	37
Goodwill	**1,271**	112
Investments in joint ventures and associates	**787**	1,494
Restricted deposits at banks	**5**	12
Other non-current assets	**1,317**	271
	12,347	5,581
Current assets		
Inventories	**1,575**	864
Trade and other receivables	**1,117**	556
Prepayments	**175**	82
Loans receiveable	**48**	19
Receivables from related parties	**60**	54
Income tax receivable	**87**	51
Other taxes recoverable	**343**	331
Short-term investments and notes receivable	**25**	25
Cash and cash equivalents	**327**	842
	3,757	2,824
Assets of disposal groups classified as held for sale	**276**	105
	4,033	2,929
Total assets	**16,380**	8,510
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Issued capital	**320**	318
Additional paid-in capital	**286**	531
Revaluation surplus	**233**	-
Legal reserve	**29**	28
Accumulated profits	**4,124**	2,750
Translation difference	**994**	439
	5,986	4,066
Minority interests	**371**	169
	6,357	4,235
Non-current liabilities		
Long-term loans	**4,653**	1,855
Deferred income tax liabilities	**1,277**	277
Finance lease liabilities	**54**	42
Employee benefits	**291**	117
Provisions	**126**	39
Other long-term liabilities	**56**	47
	6,457	2,377
Current liabilities		
Trade and other payables	**933**	462
Advances from customers	**111**	67
Short-term loans and current portion of long-term loans	**1,958**	741
Payables to related parties	**136**	176
Income tax payable	**74**	77
Other taxes payable	**138**	96
Current portion of finance lease liabilities	**15**	11

	December 31, 2007	December 31, 2006
Provisions	**53**	8
Amounts payable under put options for shares of subsidiaries	**6**	175
Dividends payable by the parent entity to its shareholders	**80**	38
Dividends payable by the Group's subsidiaries to minority shareholders	**16**	24
	3,520	1,875
Liabilities directly associated with disposal groups classified as held for sale	**46**	23
	3,566	1,898
Total equity and liabilities	**16,380**	8,510

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

	Year ended 31 December	
	2007	**2006**
Cash flows from operating activities		
Net profit	**2,217**	1,450
Adjustments to reconcile net profit to net cash flows from operating activities:		
Depreciation, depletion and amortisation	**698**	303
Deferred income tax benefit (benefit)/expense	**(69)**	(41)
Loss on disposal of property, plant and equipment	**26**	21
Impairment of assets	**7**	20
Foreign exchange (gains)/losses, net	**55**	(48)
Share of (profits)/losses of joint ventures and associates, net	**(88)**	(40)
Excess of interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition	**(19)**	(1)
(Gain)/loss on financial assets and liabilities, net	**71**	(26)
Loss on disposal groups classified as held for sale	**(6)**	77
Other non-operating (gains)/losses, net	**(4)**	(1)
Interest income	**(41)**	(27)
Interest expense	**409**	229
Bad debt expense	**9**	5
Movements in provisions, pensions and other long-term liabilities	**(6)**	5
Share-based payments	**5**	17
	3,264	1,943
Changes in working capital:		
Inventories	**(77)**	208
Trade and other receivables	**(224)**	(140)
Prepayments	**(44)**	(16)
Receivables from / payables to related parties	**(3)**	(25)
Taxes recoverable	**50**	113
Other assets	**3**	(1)
Trade and other payables	**46**	96
Taxes payable	**(78)**	(113)
Advances from customers	**20**	19
Net cash flows from operating activities	**2,957**	2,084
Cash flows from investing activities		
Issuance of loans receivable to related parties	**(31)**	-
Proceeds from repayment of loans issued to related parties, including interest	**1**	6
Issuance of loans receivable	**(94)**	(20)
Proceeds from repayment of loans receivable, including interest	**58**	3
Purchases of subsidiaries, net of cash acquired	**(4,752)**	(113)
Purchases of minority interests	**(423)**	(96)
Purchase of interest in associates/joint ventures	**-**	(736)
Restricted deposits at banks in respect of investing activities	**(1)**	(207)
Short-term deposits at banks, including interest	**24**	18

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	Year ended 31 December	
	2007	**2006**
Purchases of property, plant and equipment and intangible assets	**(740)**	(651)
Proceeds from disposal of property, plant and equipment	**34**	10
Proceeds from sale of disposal groups classified as held for sale, net of transaction costs	**223**	-
Dividends and advances in respect of future dividends received	**57**	212
Other investing activities, net	**8**	5
Net cash flows used in investing activities	**(5,636)**	(1,569)
Cash flows from financing activities		
Proceeds from exercise of share options	**35**	26
Purchase of treasury shares	**(41)**	-
Sale of treasury shares	**14**	-
Proceeds from loans provided by related parties	**3**	8
Repayment of loans provided by related parties, including interest	**(1)**	-
Net (repayment)/proceeds from bank overdrafts and credit lines, including interest	**222**	(1)
Proceeds from loans and promissory notes	**4,515**	708
Repayment of loans and promissory notes, including interest	**(1,635)**	(684)
Restricted deposits at banks in respect of financing activities	**9**	23
Dividends paid by the parent entity to its shareholders	**(916)**	(352)
Dividends paid by the Group's subsidiaries to minority shareholders	**(48)**	(40)
Payments under finance leases, including interest	**(22)**	(19)
Payments under Settlement Agreements, including interest, and purchases of debts of subsidiaries	**-**	(2)
Payments of restructured taxes, including interest	**-**	(8)
Net cash flows from / (used in) financing activities	**2,135**	(341)
Effect of foreign exchange rate changes on cash and cash equivalents	**29**	27
Net increase/(decrease) in cash and cash equivalents	**(515)**	201
Cash and cash equivalents at beginning of year	**842**	641
Cash and cash equivalents at end of period	**327**	842
Supplementary cash flow information:		
Cash flows during the year:		
Interest paid	**(351)**	(211)
Interest received	**42**	23
Income taxes paid	**(994)**	(656)