

EVRAZ GROUP

2009 Financial and Operating Results

31 March 2010



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-  Strategy and Management Action Plan
-  2009 Results Summary
-  Liquidity and Financial Position
-  Operations by Segment
-  Recent Market Developments
-  Outlook
-  Appendices

Long and railway product leadership in Russia and the CIS

- Maintained leadership in Russia's construction steel market
- Rail mill reconstruction designed to produce high-speed rail and increase rail production volumes

Strong presence in international flat and tubular markets

- Continuous integration of international assets
- Full order book at Canadian tubular plant for 2010

Low cost leadership position

- Cost of revenue reduced by 35% compared to 2008
- Closure of inefficient production capacity
- Ongoing implementation of cost reduction programs

Vertical integration with competitive mining business

- Iron ore self-coverage: 96%
- Coking coal self-coverage: 117%*
- Won tender for Mezhegy coal deposit to maintain coking coal self-coverage going forward

Leadership in vanadium business

- The sole producer of vanadium-rich ore in Russia
- Global footprint: five operating units on four continents
- Acquisition of Vanady-Tula, Russia's largest producer of ferrovanadium, signals further expansion of vanadium-processing capacity

* Including 40% equity stake in Raspadskaya coal company, accounted on pro rata basis. Excluding this stake, integration would have been 74%

Production optimisation

- Closure of inefficient capacity
- Flexible product mix designed to maximise demand and pricing opportunities
- Full Russian and Ukrainian capacity utilisation since 1 July 2009

Cost savings

- Cash cost of one tonne of Russian semi-finished steel products reduced by 37% to approximately 260 US\$/t compared with 2008
- Labour costs decreased by 27%
- Costs of services and auxiliary materials decreased by 28%

CAPEX reduction

- CAPEX in 2009 totalled US\$441m (60% down vs. 2008) well within US\$500m FY2009 guidance

Financial management

- US\$654m released from working capital
- Total debt reduced by US\$2bn to US\$7.9bn, net debt decreased to US\$7.2bn
- 5-year convertible bond and GDR issue in July raised US\$965m
- 5-year RUB20bn bond issue in October 2009 and 3-year RUB15bn bond issue in March 2010
- 3-year US\$950m loan committed from Gazprombank in October 2009
- Covenants reset with ample headroom

2009 Financial Summary

US\$ mln unless otherwise stated	2009	2008	Change
Revenue	9,772	20,380	(52)%
Cost of revenue	(8,756)	(13,463)	(35)%
SG&A	(1,268)	(1,751)	(28)%
Adjusted EBITDA*	1,237	6,206	(80)%
<i>Adjusted EBITDA margin</i>	13%	30%	
Net Profit/(loss)**	(1,261)	1,859	
<i>Net Profit margin</i>	n/a	9%	
EPS (US\$ per GDR)	(3.10)	4.85	
Net Debt***	7,226	9,031	(20)%
Sales volumes**** ('000 tonnes)	14,282	17,021	(16)%

* Adjusted EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E. Excluding one-off items, adjusted EBITDA would have been US\$1,330 million

** Net loss before changes in accounting policy would have been US\$207 million. Negative effect included additional impairment (US\$76 million), a revaluation deficit (US\$420 million) and an increase in depreciation expense of US\$558 million

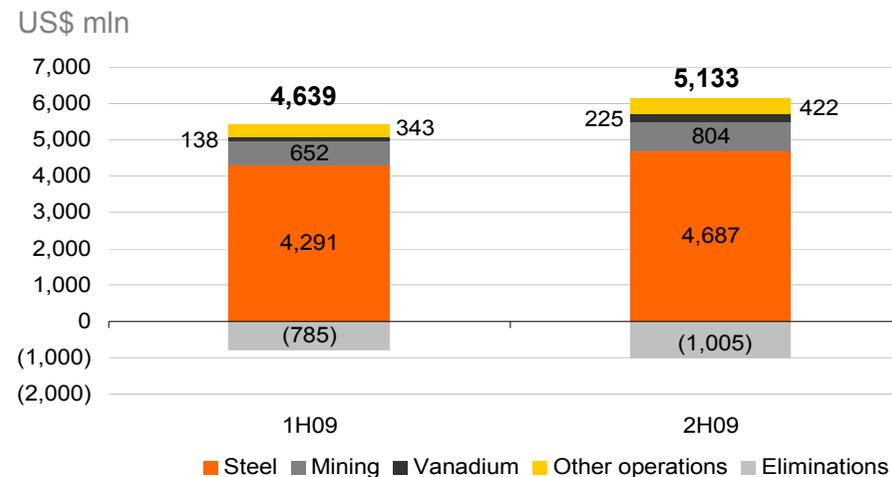
*** As of the end of the period

**** Here and further in this presentation steel segment sales data refer to third parties sales

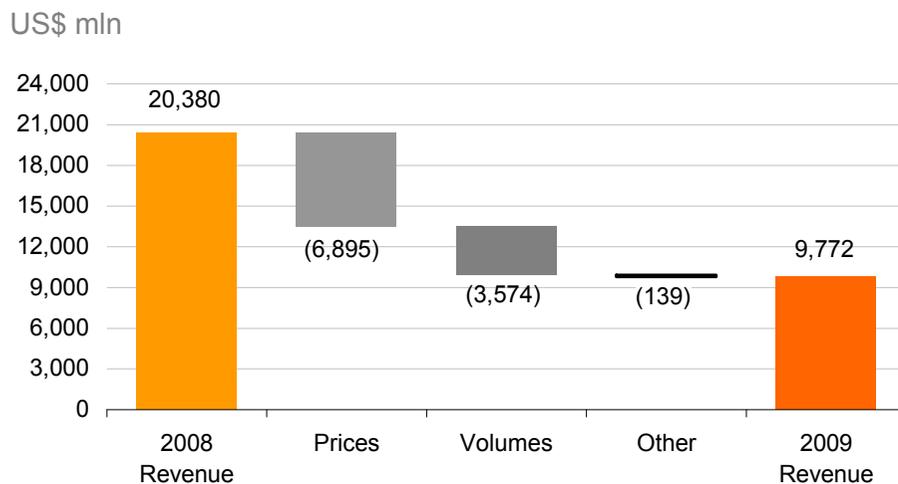
2009 Financial Highlights

- Group revenue decreased by 52%, driven largely by decrease in average prices and sales volumes of steel products
- Recovery of export demand for semi-finished steel helped to fully utilise Russian assets from 1 July 2009
- Improvement in prices and volumes in the second half of 2009 led to EBITDA margin progression from 10% in 1H09 to 15% in 2H09

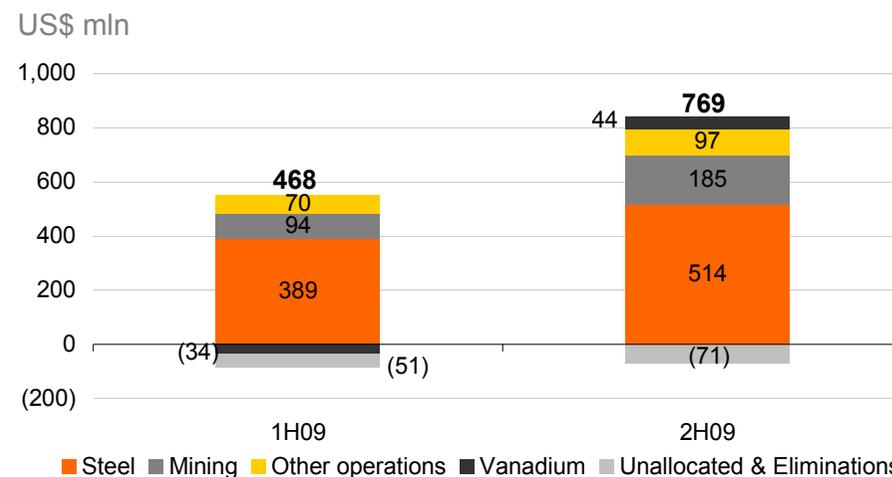
Consolidated Revenue by Segment



Revenue, 2008-2009



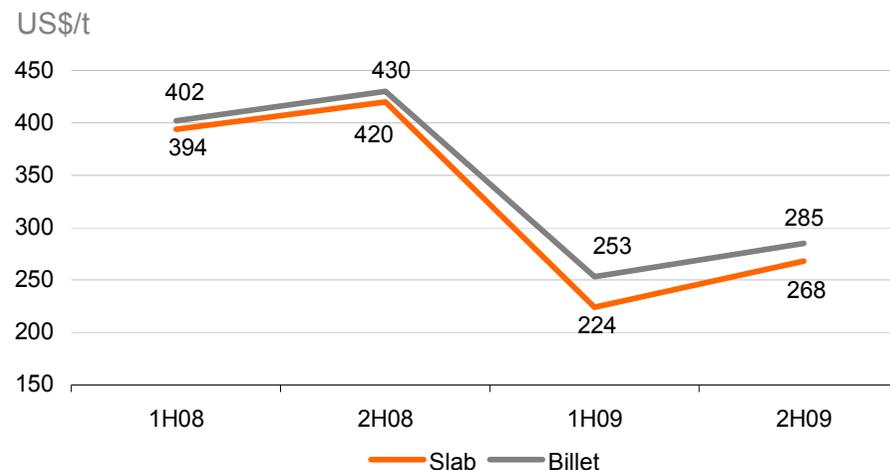
Consolidated Adjusted EBITDA



Maintaining Cost Leadership

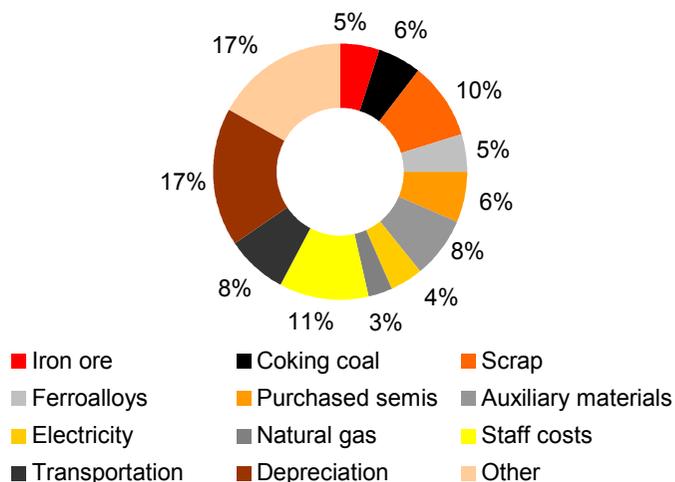
- Control of raw material costs through cost efficient vertical integration
- Constant review of product and resources flows to identify potential efficiency gains
- Approximately 75% of consolidated cost is rouble denominated
- Russian-based assets have benefited from declines in utilities and staff costs
- In 2H09 costs were negatively affected by raising scrap prices

Cash Cost*, Slabs & Billets

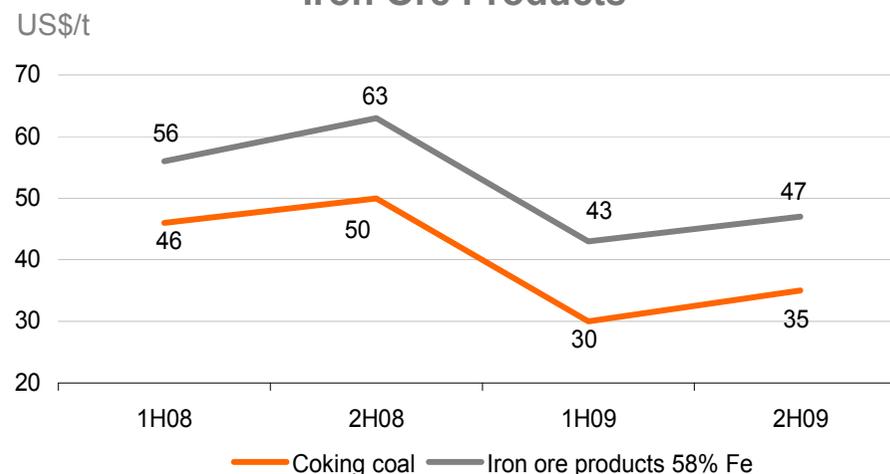


* Average for Russian steel mills, integrated cash cost of production, EXW

Consolidated Cost of Revenue, 2009

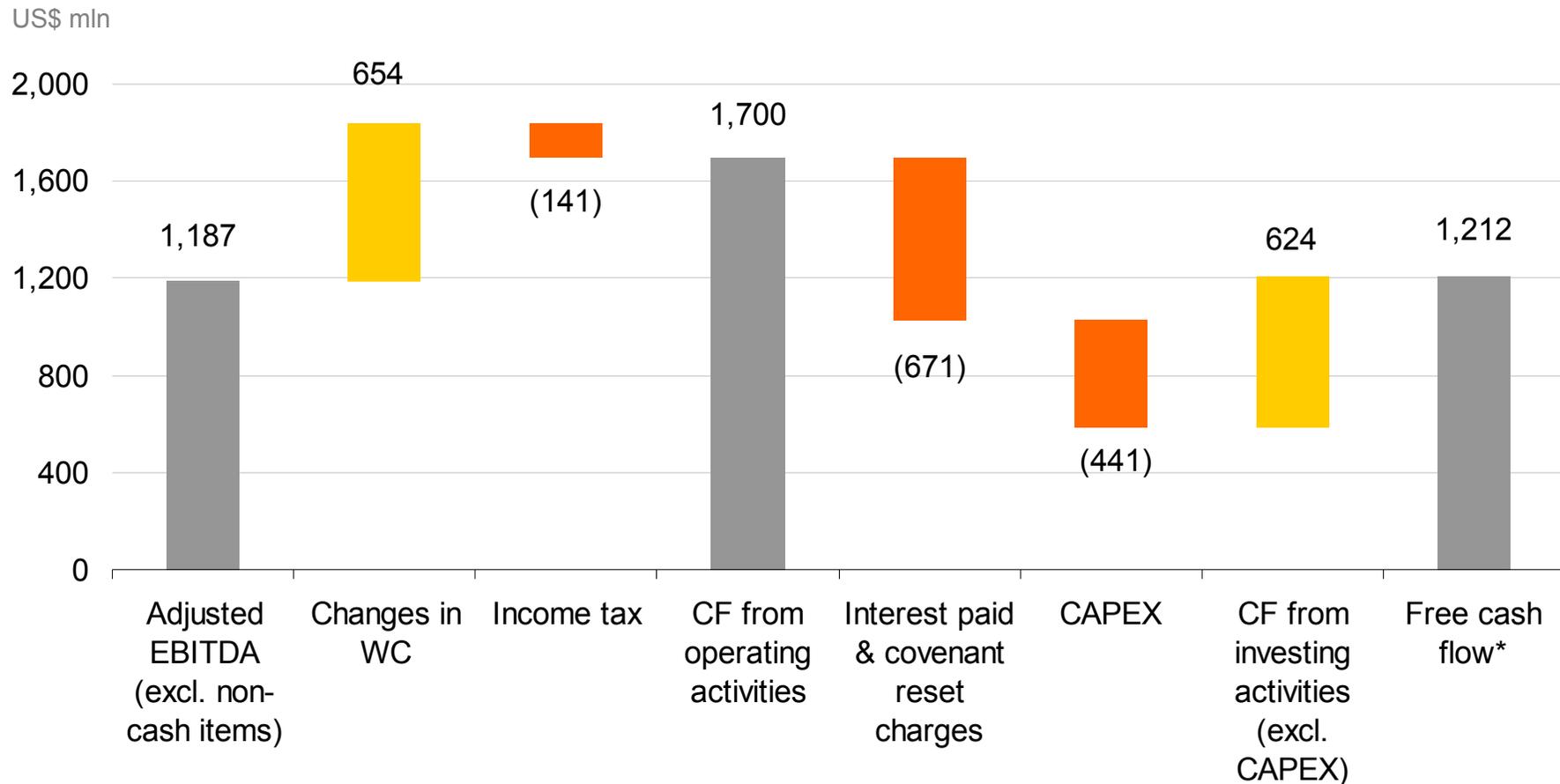


Cash Cost, Russian Coal and Iron Ore Products



Source: Management accounts

Cash Flow Generation in 2009



* Free cash flow comprises cash flows from operating activities less interest paid, covenant reset charges, plus cash flows from investing activities

Capital Market Developments in 2009

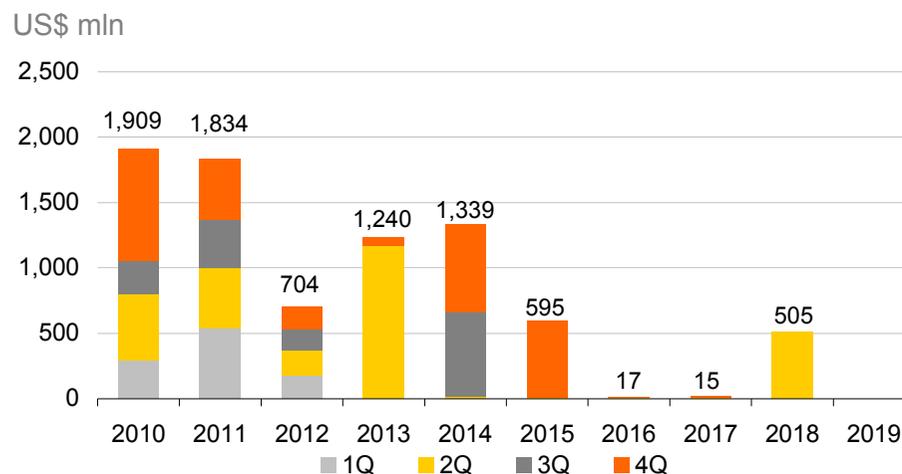
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- Concurrent GDR and 5-year convertible bond offerings in July raised US\$965m
- RUB20bn 5-year bonds issued in October (equivalent to US\$700m)
- US\$950m credit facility committed by Gazprombank in October
- US\$225m 4-year revolving credit facility for Evraz's US subsidiary agreed in December
- Potential covenant compliance issue successfully addressed:
 - Banks-lenders approved covenant amendments in November 2009
 - Bondholders approved covenant amendments in December 2009
- US\$800m loan to VEB repaid in December

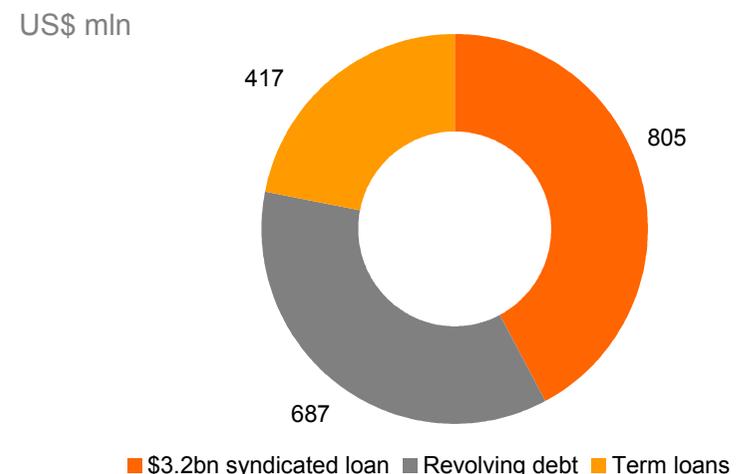
Debt Maturities and Liquidity Profile

- Total debt of approx. US\$7.9 billion, net debt of US\$7.2 billion as of 31 December 2009
- Short-term debt is approx. US\$1.9 billion
- Cash and cash equivalents amounted to US\$675 million as of 31 December 2009
- Total liquidity as of 31 December 2009 is in excess of US\$2bn, including undrawn credit facilities and bank deposits
- RUB15bn (equivalent US\$500m) 3-year bonds issued in March 2010
- Negotiation of long-term loans with Russian banks at advanced stage

Debt Maturities Schedule



Breakdown of Short-term Debt

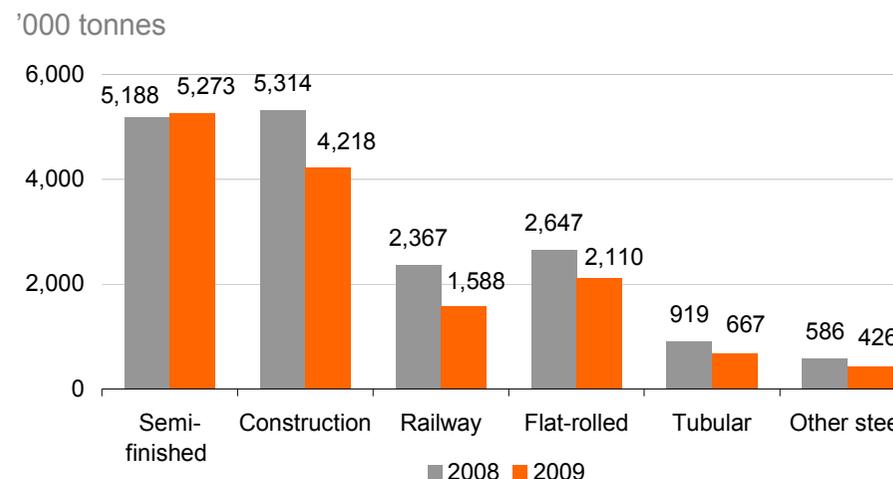


Source: Management accounts

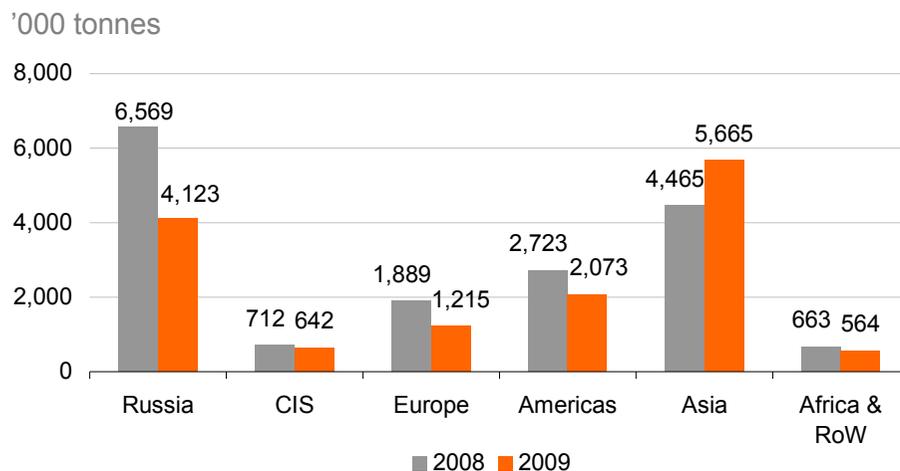
□ Increase in Export and Geographic Diversification

- Sales to customers outside Russia increased from 61% to 71% of total revenues
- Sales of steel products to Asia exceeded sales to Russia and the CIS, reflecting production flexibility and increasing cost competitiveness
- Geographical diversification of the business helped to stabilise operations in crisis environment
- Change in the product mix towards semi-finished products had limited effect on margins due to export parity pricing of Russian domestic finished steel products

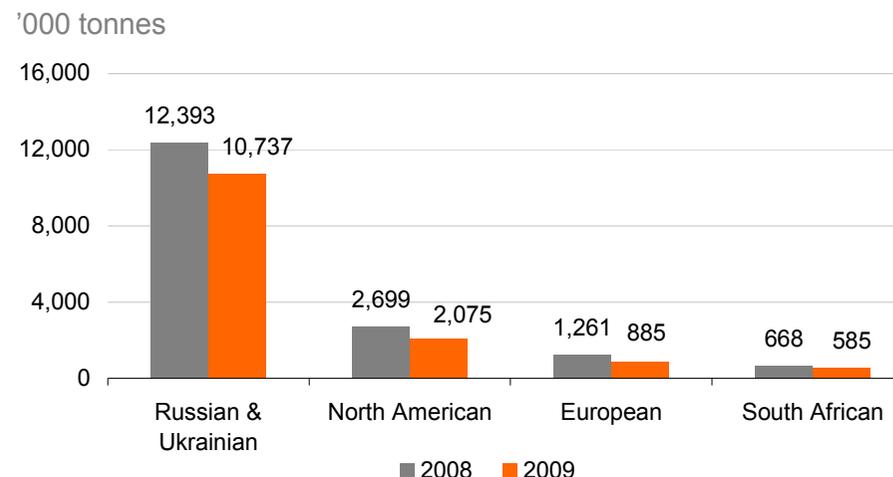
Steel Products Sales Volumes by Product



Steel Products Sales by Market



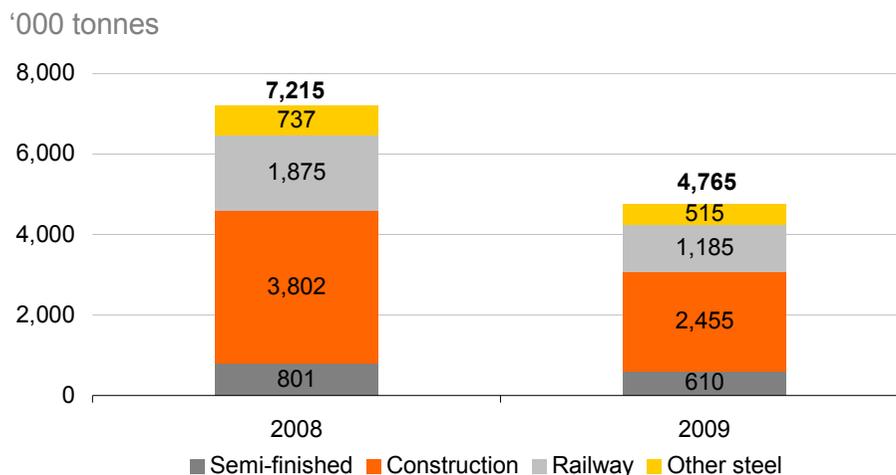
Steel Products Sales by Operations



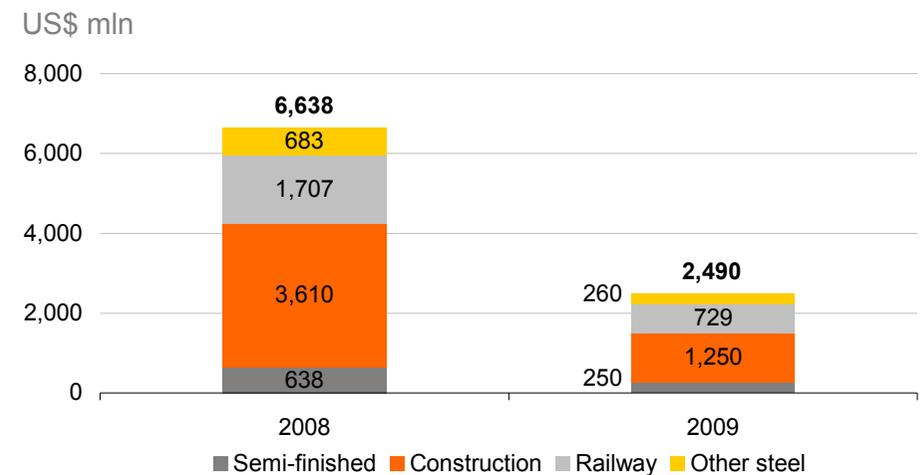
Steel: CIS Domestic

- Apparent domestic demand for finished steel stabilised at approximately 70% of pre-crisis volumes with some fluctuations due to destocking-restocking cycles
- A decrease in sales to the CIS was partially offset by an increase in export sales
- Prices of key products remain close to export parity level
- Government infrastructure spending is supporting demand for construction steel and railway products in the Russian market
- Revival of seasonal demand should support higher finished steel prices in Russia

Steel Product Sales Volumes



Steel Product Sales



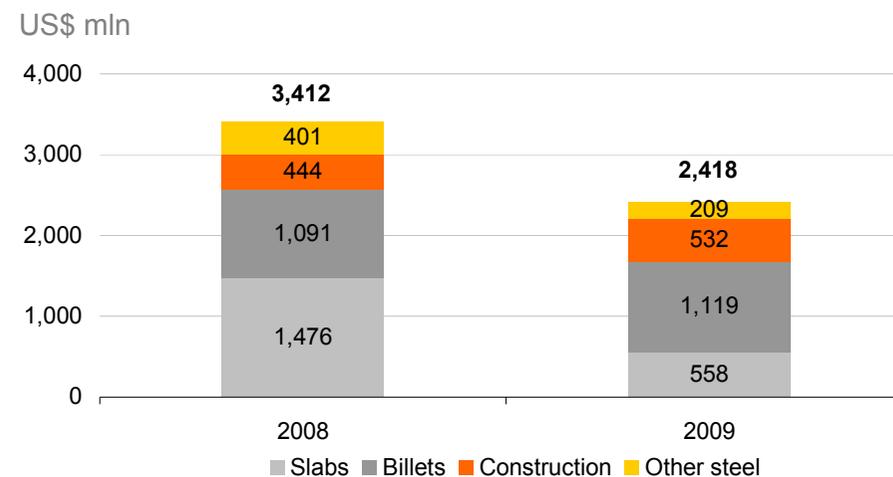
Steel: CIS Export

- Export sales volumes increased by 15%
- Increasing production of billets due to more favourable pricing environment
- Continued growth of billet prices driven by an increase in world scrap, iron ore and coking coal prices
- Delayed effect of rising steel prices due to the fact that export prices are typically fixed one to three months ahead of production

Steel Product Sales Volumes



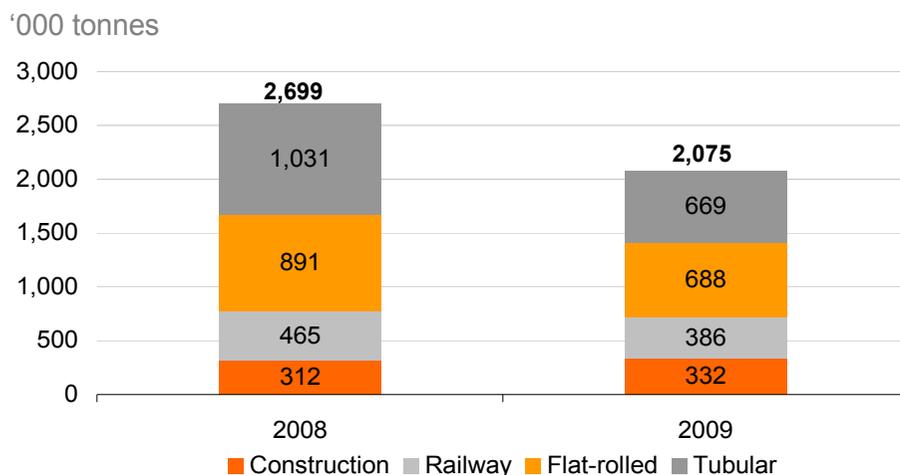
Steel Product Sales



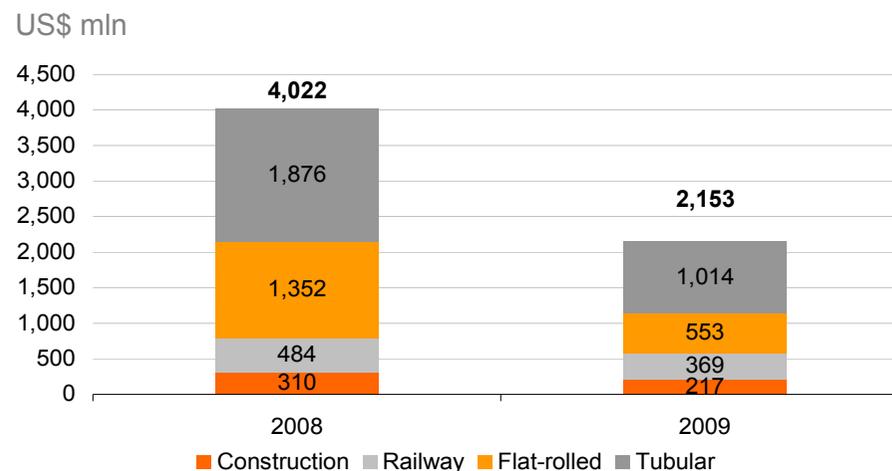
Steel: North America

- Volumes bottomed out in the middle of 2009 with subsequent stabilisation and some signs of recovery at the beginning of 2010
- Stable demand for large diameter pipes in Canada due to long contracts
- Destocking is largely over with apparent demand remaining distinctly limited
- Well-positioned to benefit from expected government infrastructure investments

Evraz Inc. NA's Steel Sales Volumes



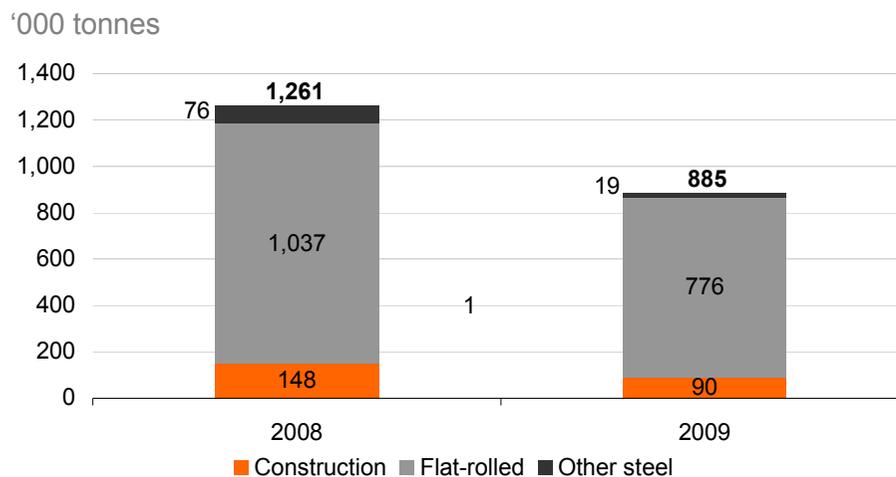
Evraz Inc. NA's Steel Sales



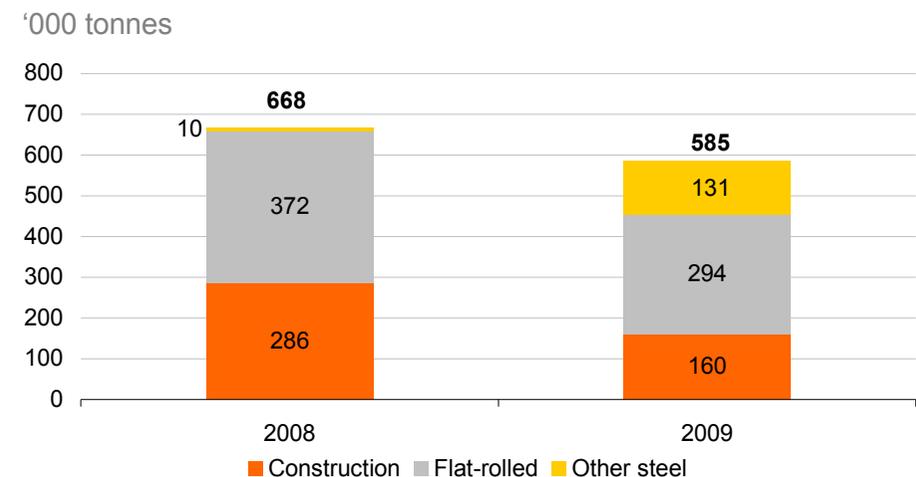
Steel: Europe, South Africa

- Destocking of traders is largely over
- Domestic demand in Europe remains weak and mostly related to public projects
- Positive trend registered with public works and energy sector in Europe
- Increased share of production is exported to the Middle East and North Africa
- High utilisation of South African operation achieved due to sharp increase in export sales

Sales Volumes, European Assets



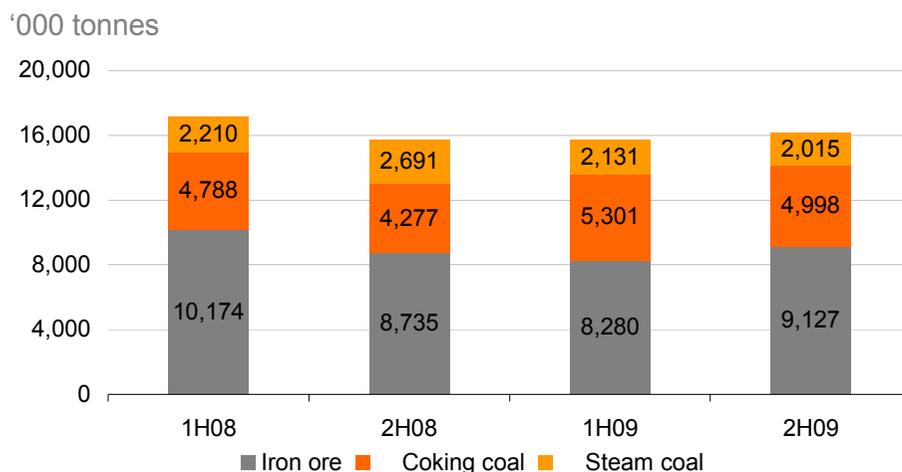
Sales Volumes, South African Assets



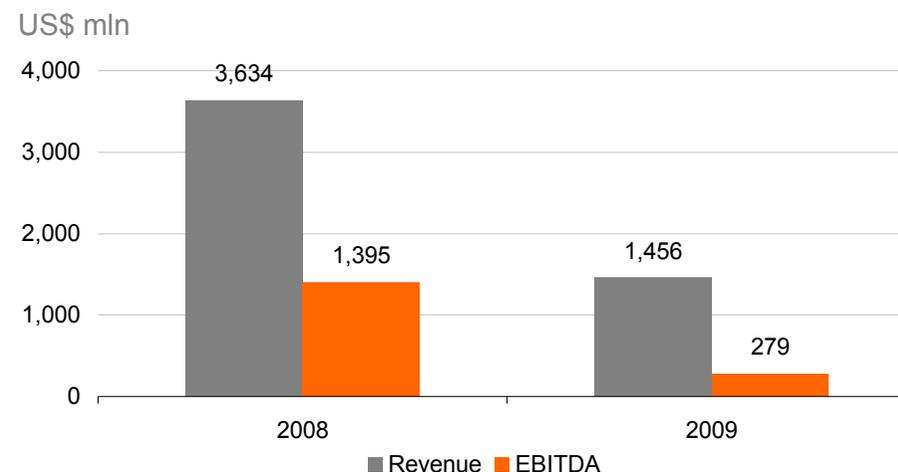
Mining: Well-placed to Benefit from Recovery

- Full self-coverage in raw materials enabled cash preservation during downturn
- Mining segment remained EBITDA positive even at the bottom of raw material prices' cycle
- Sustainability of vertically-integrated model in market downturn
- Benefiting from growth of iron ore and coking coal price

Iron Ore and Coal Production



Mining Segment Revenue* and EBITDA

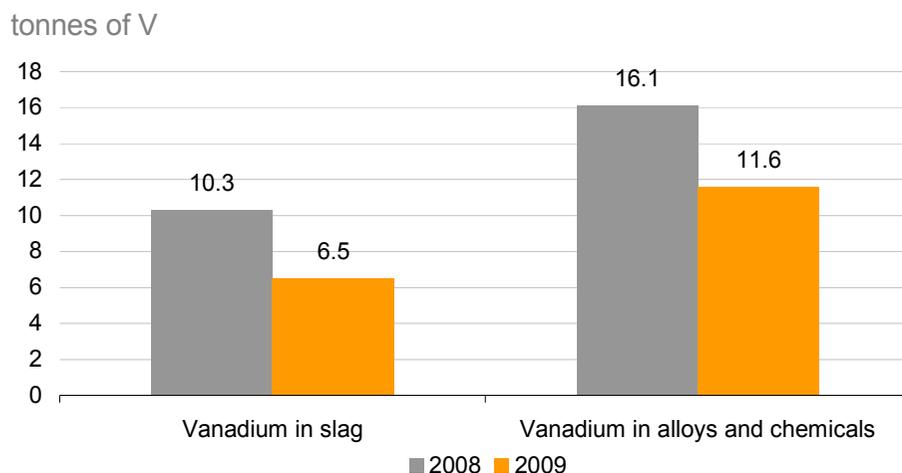


* Includes intersegment sales and purchases

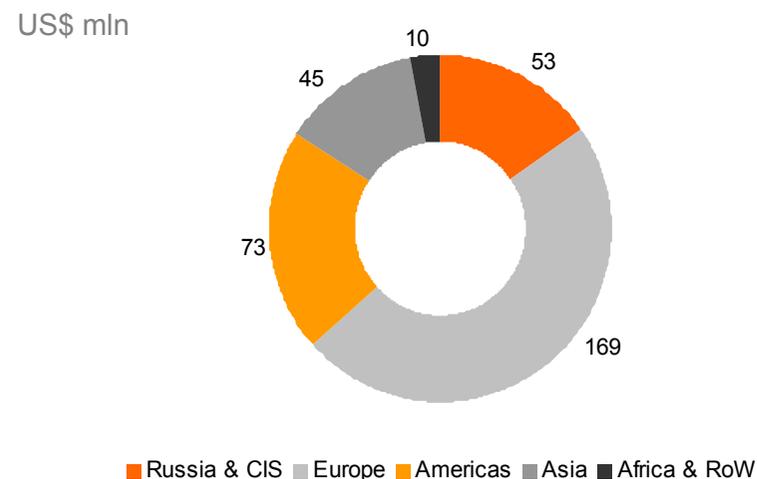
Vanadium

- Global leader with five operating units on four continents and geographically diversified revenues
- Vanadium follows steel market trends, being impacted by market downturn
- Acquisition of Vanady-Tula, Russia's largest ferrovanadium producer, signals further expansion of vanadium-processing capacity

Vanadium Sales* by Products



Vanadium Products Sales* by Region



* Third parties sales

Key Investment Projects

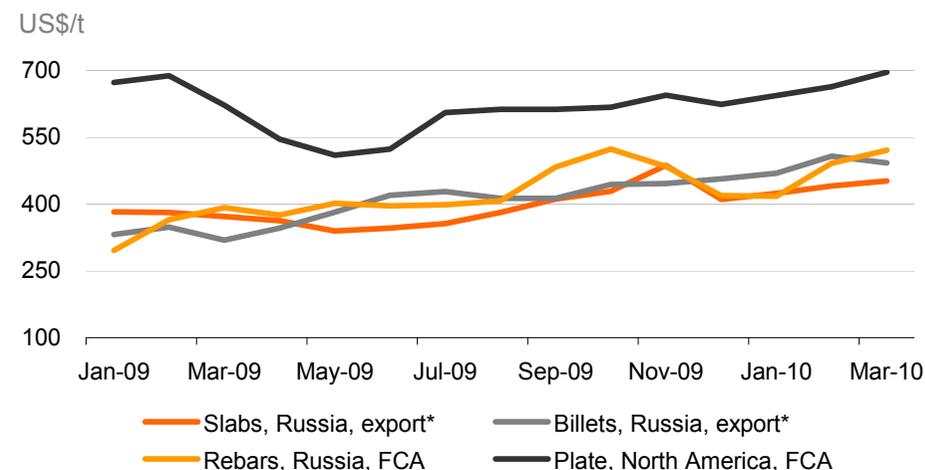
- CAPEX in 2010 expected to be around US\$800m vs. US\$441m in 2009
- Approximately US\$450m of 2010 CAPEX to be directed to increasing productivity and development projects, key projects being:

Project	Total CAPEX	Cum CAPEX by 31.12.09	2010 CAPEX	Project Targets
Reconstruction of rail mill at NKMK	US\$440m	US\$30m	US\$220m	<ul style="list-style-type: none"> ○ Capacity of 950k tonnes of high-speed rails, including 450k tonnes of 100 metre rails ○ On-stream by 2013
Reconstruction of rail mill at NTMK	US\$55m	US\$28m	US\$27m	<ul style="list-style-type: none"> ○ Production of higher-quality rails ○ 550k tonnes capacity ○ On-stream by 2012
Pulverised coal injection (PCI) at NTMK and ZSMK	US\$320m	US\$0m	US\$10m	<ul style="list-style-type: none"> ○ Lower coke consumption from 420 to 320 kg/tonne ○ No need for gas consumption ○ On-stream by 2013
BOF workshop reconstruction NTMK	US\$260m	US\$230m	US\$20m	<ul style="list-style-type: none"> ○ Modernisation of production ○ Increasing capacity from 3.8 to 4.2 mtpa ○ On-stream by 2010
Reconstruction of CCM Slab №3 NTMK	US\$60m	US\$5m	US\$40m	<ul style="list-style-type: none"> ○ Modernisation of production ○ Further increase in steelmaking capacity from 4.2 to 4.5 mtpa ○ On-stream by 2010
Reconstruction of wheel & tyre mill (heat treatment shop) NTMK	US\$100m	US\$87m	US\$13m	<ul style="list-style-type: none"> ○ Production of higher-quality wheels ○ On-stream by 2010
Development of Mezhegey coal deposit	TBD	US\$1m	Less than US\$50m, including license cost	<ul style="list-style-type: none"> ○ Maintaining self-sufficiency in high-quality hard coking coal after depletion of existing deposits ○ On-stream by 2015

Key Market Developments

- Recovery in prices for semi-finished steel is driven by growing input costs and by demand from emerging markets in Asia, the Middle East and North Africa
- Demand in all markets improving
- Russian domestic demand for construction steel in 1H10 expected to be higher than in 2H09
- Expected steelmaking capacity utilisation in 1H10:
 - **Russia – to remain 100%**
 - **Ukraine – to remain 100%**
 - **North America – from nadir of 50-55% in 3Q09 to 90%**
 - **Czech Republic – from 30% in 2Q09 to 75%**
 - **South Africa – from 45% in 1H09 to near 100%**
- Russian mining assets are running at 100% capacity in coal and 90% in iron ore
- Prices for semi-finished products in 1H10 are expected to be higher than 2H09
- Vanadium expected to perform better than steel due to increase of vanadium usage rates in the emerging markets' steel production sector closer to the levels of industrially developed countries
- Expected 1Q10 EBITDA of approximately US\$400m

Evraz Selling Prices



* Contract prices

Vanadium Prices, FeV, LMB



Outlook for 2010

-  Continuation of favourable pricing trends driven by higher raw material costs, growth in emerging markets and moderate recovery in mature markets
-  Russian and Ukrainian operations expected to continue running at full capacity, utilisation of overseas assets expected to increase in response to improved demand
-  Growth of raw material prices provides support to steel prices
-  Russian construction market displaying positive dynamics. Seasonal upturn in demand expected from May
-  Asian, Middle Eastern and African markets to remain important sources of revenue for Russian and Ukrainian operations
-  Favourable fundamental trends being offset by lag effect between raw material price increase and delayed growth of steel sales prices
-  Global demand for long products is expected to continue to strengthen on the back of infrastructure investments driven by various governments' stimulus packages, designed to combat economic recession

Summary

-  2009 results were heavily impacted by global recession
-  Increased geographical diversification of business helped to stabilise cash flows
-  Vertically integrated business model demonstrated its viability through the price cycle
-  Improved global demand for semi-finished steel allowed us to fully utilise Russian steelmaking capacity with effect from 1 July 2009
-  Successful execution of management action plan, including cost savings, CAPEX reduction and working capital release
-  Net debt reduced by 20% to US\$7.2 billion
-  Lenders supported debt covenant reset with ample headroom
-  Stable demand, the improved pricing environment and our cost leadership credentials leave us well positioned to fully capitalise on the market recovery

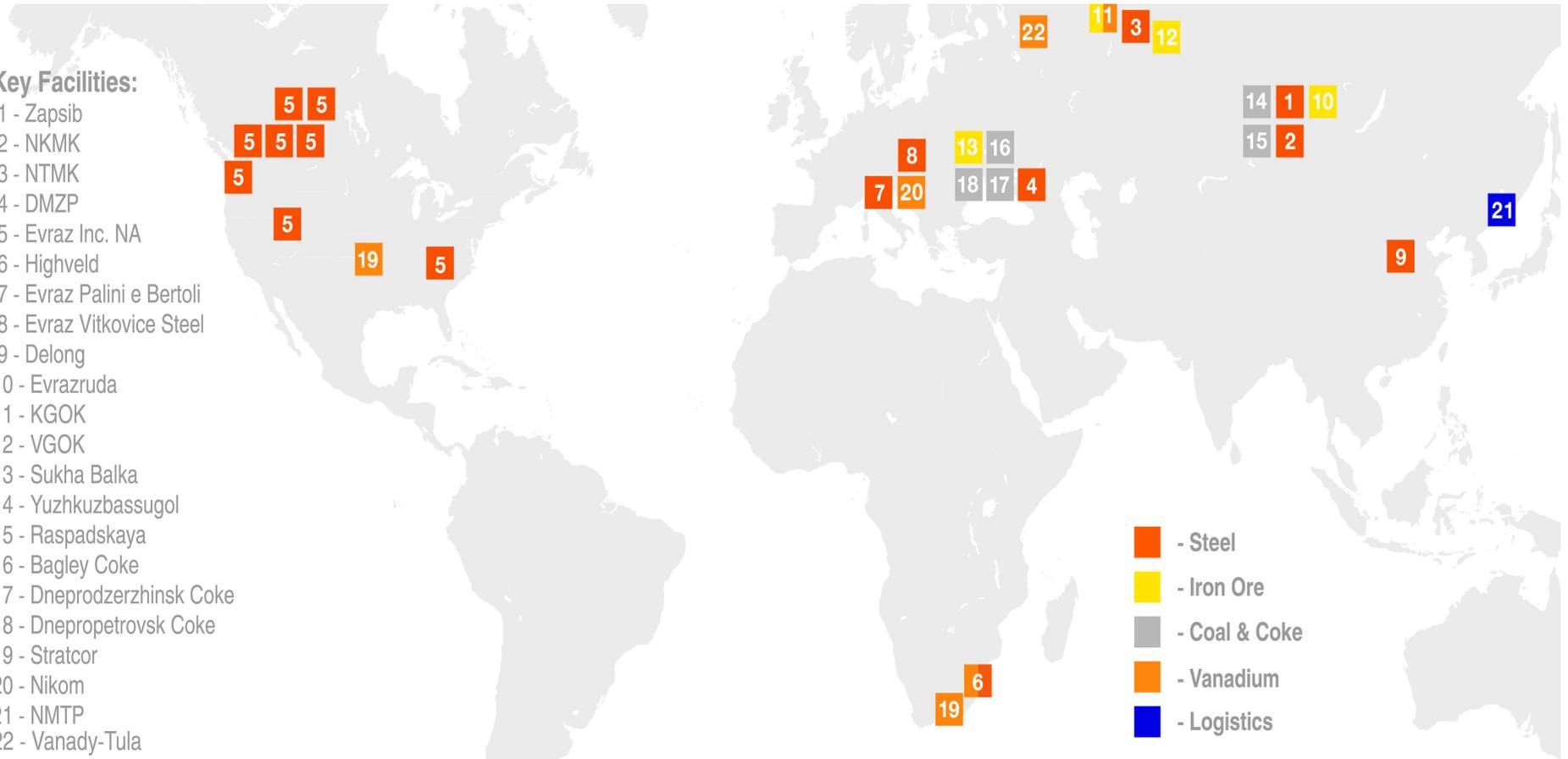
Appendices



Evraz's Global Business

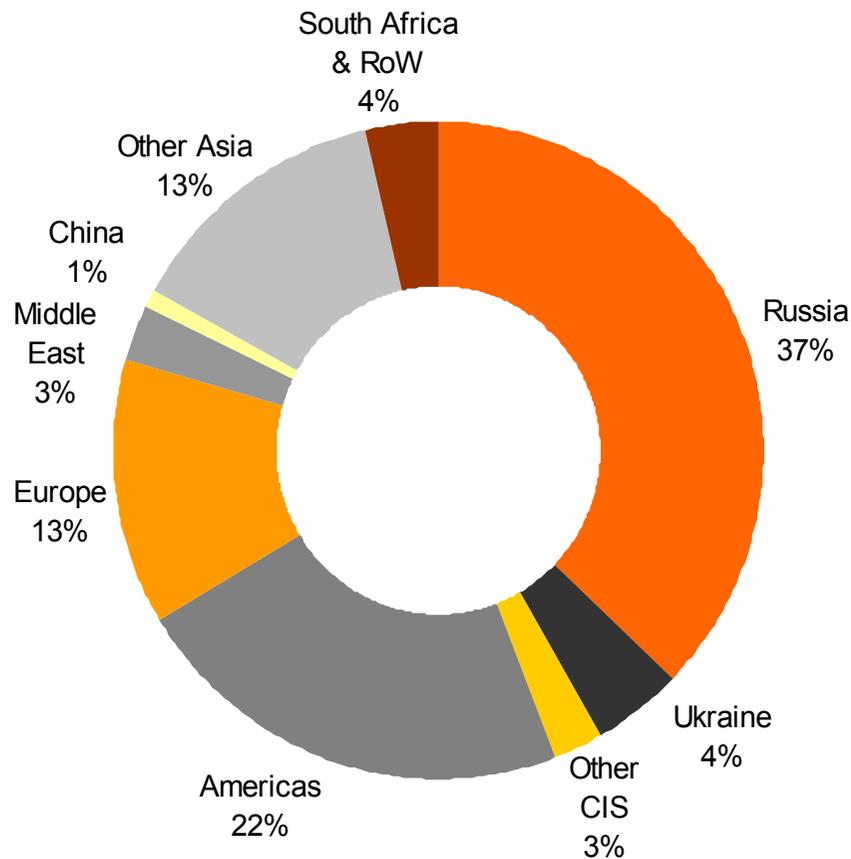
Key Facilities:

- 1 - Zapsib
- 2 - NKMK
- 3 - NTMK
- 4 - DMZP
- 5 - Evraz Inc. NA
- 6 - Highveld
- 7 - Evraz Palini e Bertoli
- 8 - Evraz Vitkovice Steel
- 9 - Delong
- 10 - Evrazruda
- 11 - KGOK
- 12 - VGOP
- 13 - Sukha Balka
- 14 - Yuzhkuzbassugol
- 15 - Raspadskaya
- 16 - Bagley Coke
- 17 - Dneprodzerzhinsk Coke
- 18 - Dnepropetrovsk Coke
- 19 - Stratcor
- 20 - Nikom
- 21 - NMTP
- 22 - Vanady-Tula

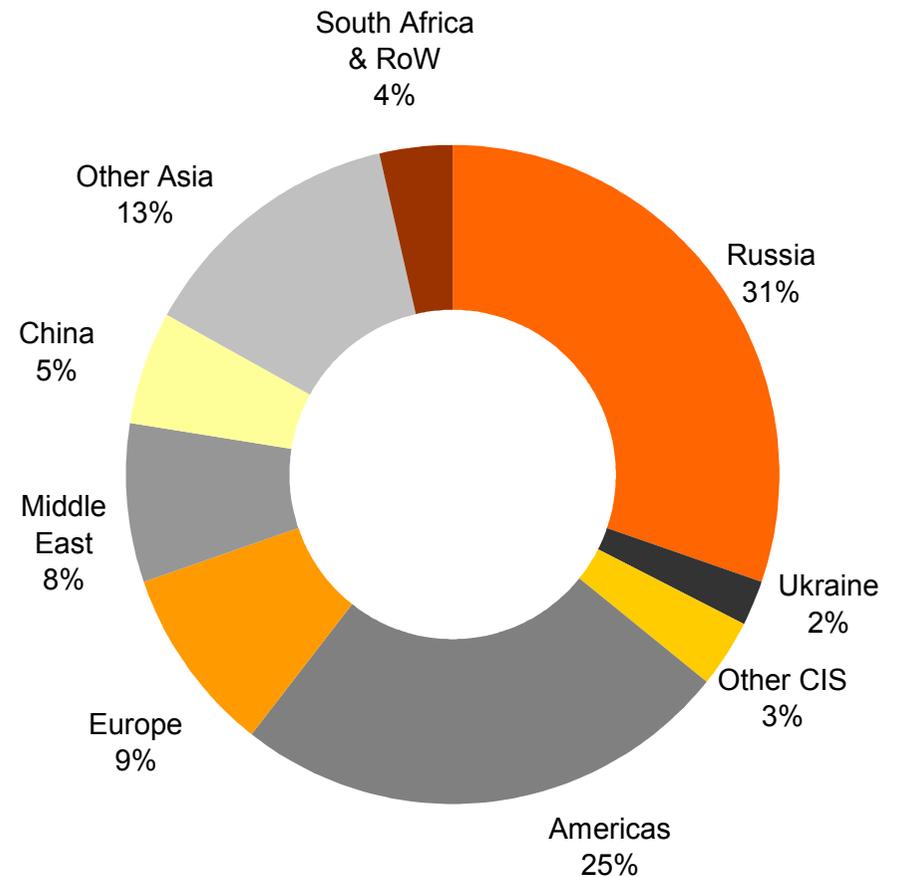


Revenue by Geography of Customers

2008



2009





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