EVRAZ making the world stronger

EVRAZ ANNOUNCES FINANCIAL RESULTS FOR 2009

31 March 2010 – Evraz Group S.A. (LSE: EVR) today announces its audited financial results for the year ended 31 December 2009.

2009 Highlights:

Financials:

- Consolidated revenue **US$9,772 million**
- Consolidated adjusted EBITDA **US$1,237 million**
- Net loss **US$1,261 million** (equivalent to net loss of US$207 million before change in accounting policy*)
- Operating cash flow **US$1,700 million**
- Total debt **US$7,923 million** (reduced by US$2,063 million from US$9,986 million as of 31 December 2008)

Steel segment:

- Crude steel production 15.3 million tonnes (17.7 million tonnes in 2008)
- Total steel sales volumes 14.3 million tonnes (17.0 million tonnes in 2008)
- Consolidated steel revenue US$8,978 million (US$17,925 million in 2008)
- 1H2009: closed inefficient capacity, destocked and reduced costs and CAPEX
- 2H2009: increased capacity utilisations following recovery in demand

Mining segment:

- Iron ore production 17.4 million tonnes (18.9 million tonnes in 2008)
- Coking coal production 10.3 million tonnes (9.1 million tonnes in 2008)
- Thermal coal production 4.1 million tonnes (4.9 million tonnes in 2008)
- Consolidated mining revenue US$1,456 million (US$3,634 million in 2008)
- 1H2009: reduced costs and minimal mine development
- 2H2009: increased mine development following recovery in demand

Vanadium segment:

- Primary vanadium production 22,200 tonnes (26,400 tonnes in 2008)
- Vanadium product sales volume 18,400 tonnes (26,400 tonnes in 2008)
- Vanadium segment revenues US$363 million (US$1,206 million in 2008)
- 1H2009: destocked and reduced operating costs
- 2H2009: increased output following recovery in demand

---

* *Please note that whereas the additional impairment of US$76 million (nil income tax effect) and the revaluation deficit of US$420 million (net of income tax effect of US$144 million) recognised through the change in accounting policy are one-off charges, the increase in depreciation expense of US$558 million (net of income tax effect of US$148 million) as a result of the change in accounting policy will affect our profitability in the future*

Corporate developments:

- Completion of acquisition of Vanady-Tula, a vanadium slag processing facility in Russia
- Acquisition of Chemzone, the Carbofer steel distribution network in Russia
- Transfer of 26% stake in Mapochs Mine to local partners in South Africa as part of the Black Economic Empowerment (BEE) government programme
- Successfully tendered to develop the Mezhegey coking coal deposit in March 2010

Alexander Frolov, Chief Executive of Evraz Group, commented:

"The year 2009 proved challenging for Evraz and the global steel industry in general. We were particularly affected by the contraction of the Russian construction sector and the slow-down in infrastructure spending in the markets where our production facilities are located: North America, Europe and South Africa.

"At the onset of the international economic reversal, management developed and executed an action plan specifically designed to reduce the Company's cost base and reinforce the balance sheet. We have delivered on all our priorities and I am confident that the Company had significantly strengthened its operating base.

"Our Russian steelmaking operations have been running at full capacity since 1 July 2009 on the back of improved demand for steel products from South East Asia, the Middle East and North Africa. This, together with increased prices, helped to raise our EBITDA margin from 10% in the first half of 2009 to 15% in the second half."

Giacomo Baizini, Evraz Group's Chief Financial Officer, commented:

"Our net loss of US$1,261 million for 2009 reflects the global softness of steel markets. In order to aid comparison with previous years' results, however it should be noted that in the absence of the effect of the revaluation of certain asset classes due to the change in accounting policy under IAS16, the net loss would have amounted to US$207 million. This change resulted in additional depreciation of US$558 million (net of income tax effect of US$148 million) due to higher asset values, a loss from the revaluation deficit of US$420 million (net of income tax effect of US$144 million) recognised on the date of revaluation, and an additional impairment loss on goodwill of US$76 million (nil income tax effect).

"Prices for semi-finished and finished products have been rising steadily since the second quarter of 2009 in line with higher raw material prices. Due to significant scale of our vertical integration (2H2009: 96% self-coverage in iron ore and 74% self-coverage in coking coal excluding the Raspadskaya stake or 117% including the Raspadskaya stake) integrated EBITDA margins increased, although further gains in the fourth quarter of 2009 were limited by global increases in scrap prices.

"In a rising price environment we are subject to a short-term time lag due to the fact that export prices are typically fixed one to three months ahead of production, while prices for externally procured raw materials are fixed immediately prior to the month of production. This means that the full benefit of higher prices will not become fully apparent until the trend stabilises."

Management actions

Operations and sales:

- In the wake of de-stocking activity in 1H2009, the priority during 2H2009 was to increase output. Overall steelmaking utilisation improved from 75% in 1H2009 to 90% in 2H2009. In Russia and Ukraine, 100% utilisation was achieved as from 1 July 2009 through increased exports

- Maximum utilisation of internal raw material and semi-finished supply, while also taking advantage of optimisation opportunities (e.g. physical iron ore swap with another mining company in Russia to save rail transportation costs)
- Labour costs cut by 27% in 2009 compared to 2008 through reduced salaries, elimination of bonuses, reduction of shifts and decreased headcount
- Cost of services and auxiliary materials reduced by 28% in 2009 compared with 2008 following extensive negotiations with suppliers
- As a result of these actions and Rouble devaluation, integrated cash cost per tonne of semi-finished steel products in Russia decreased to an average 260 US$/tonne for 2009 compared with an average 410 US$/tonne for 2008
- Attention given to maximising margins through monthly evaluations of the profitability of individual product lines and relevant sales destinations compared with available alternatives

CAPEX:

- CAPEX in 2009 amounted to US$441 million, a significant reduction compared with US$1,103 million total for 2008
- Reduction principally achieved through delay of development CAPEX but also through minimising maintenance while fully observing safety requirements

Financial management:

- Raised US$965 million in convertible bond and GDR issues in July 2009
- Raised US$683 million in Rouble bond issues in October 2009
- US$654 million released from working capital largely through reduction of finished goods inventory in 1H2009
- Reset covenants on existing bank debt and bonds with ample headroom even assuming the most pessimistic scenarios

Outlook

Commenting on the outlook for 2010 and beyond **Mr. Frolov** said:

“Since the beginning of 2010 we have seen improvements in demand in all our markets. Steel prices have risen on a global basis, in line with raw material prices, and this will translate into improved results for us due to the scale of our vertical integration.

“The Russian domestic market is showing an encouraging trend with construction steel sales volumes currently above the highest monthly levels achieved in 2009, having grown steadily since the beginning of the year. Export demand remains strong and this will allow us to continue running our Russian steelmaking operations at full capacity.

“The North American market has also demonstrated marked improvements since the start of the year and this, in turn, will allow us to increase utilisation rates in our US and Canadian plants.

“In the medium-term we expect that global demand for long steel products and structural flat products will continue to strengthen on the back of infrastructure investments.

“Our focus on raw material supply, which ensures that our steel plants are supplied with low extraction cost iron ore and coking coal, will continue to underwrite the fundamental strength of our business.”

Mr. Baizini added:

“We expect first quarter 2010 EBITDA to be somewhat higher than that for the fourth quarter of 2009, and we anticipate a figure in the order of US$400 million. The full impact of growing steel prices is expected to be reflected in our financial performance later in 2010.

"The capital markets continue to be receptive to us as illustrated by our US$500 million issue of Rouble-denominated bonds in March 2010 for the refinancing of short-term maturities. This, together with the fact that the Group continues to be free cash flow positive on a quarterly basis, gives us confidence in our ability to manage liquidity and our debt portfolio."

Full year to 31 December (US$ million unless otherwise stated)	**2009**	2008	Change
Revenue	**9,772**	20,380	(52.1)%
Adjusted EBITDA [1]	**1,237**	6,215	(80.1)%
(Loss)/profit from operations	**(1,047)***	3,632	
Net (loss)/profit	**(1,261)****	1,859	
(Losses)/earnings per GDR [2], (US$)	**(3.10)**	4.85	

[1] Refer to Attachment 1 for reconciliation to profit from operations
[2] One share is represented by three GDRs
** (Loss)/profit from operations was adversely affected by US$1,346 million negative effect of the revaluation of property, plant and equipment, caused by changes in accounting policy. Excluding this effect there would have been an operating profit of US$299 million*
*** Net (loss)/profit was adversely affected by US$1,054 million negative effect of the revaluation of property, plant and equipment, caused by changes in accounting policy. Excluding this effect there would have been a net loss of US$207 million*

<u>2009 Results Summary:</u>

Evraz's **consolidated revenues** decreased by 52.1% to US$9,772 million in 2009 compared with US$20,380 million in 2008. Steel segment sales accounted for the majority of the decrease in revenues, largely due to lower average prices and sales volumes of steel products. Evraz's sales volumes of steel products to third parties decreased from 17.0 million tonnes in 2008 to 14.3 million tonnes in 2009.

The decrease in steel sales volumes primarily relates to a decline in demand for construction products in Russia with overall sales in the Russian market down by 2.4 million tonnes. Sales volumes in Ukraine declined by 0.1 million tonnes. The decreases in the domestic markets were partially offset by the growth of export sales volumes from the Russian and Ukrainian operations, which increased by 0.8 million tonnes in total. Sales volumes of the European and South African operations declined by 0.3 million tonnes and 0.1 million tonnes respectively. The Canadian operations, which were acquired in June 2008, sold approximately the same steel volumes in 2009 as in 2008 post acquisition, while sales of the US operations decreased by 0.6 million tonnes. These decreases directly reflected the general slowdown in the steel markets in 2009 and related cuts in production volumes.

Geographic breakdown of consolidated revenues

	Year ended 31 December				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Russia	**2,950**	**30.2%**	7,575	37.2%	(61.1)%
Americas	**2,428**	**24.8%**	4,538	22.3%	(46.5)%
Asia	**2,423**	**24.8%**	3,217	15.8%	(24.7)%
Europe	**1,028**	**10.5%**	2,862	14.0%	(64.1)%
CIS	**543**	**5.6%**	1,429	7.0%	(62.0)%
Africa	**381**	**3.9%**	720	3.5%	(47.1)%
Rest of the world	**19**	**0.2%**	39	0.2%	(51.3)%
Total	**9,772**	**100.0%**	20,380	100.0%	(52.1)%

Revenues from sales in Russia decreased as a proportion of total revenues from 37.2% to 30.2%.

In 2009, **revenues from non-Russian sales** declined by 46.7% to US$6,822 million compared to US$12,805 million in 2008 and increased as a percentage of total revenues to 69.8%, compared with 62.8% in 2008. The main driver of the higher proportion of revenues outside Russia was the re-orientation of sales from the Russian operations to export markets in response to weak domestic demand.

The **consolidated cost of revenues** amounted to US$8,756 million, representing 89.6% of consolidated revenues, in 2009 compared with US$13,463 million, representing 66.1% of consolidated revenues, in 2008. **Gross profit** fell by 85.3% from US$6,917 million in 2008 to US$1,016 million in 2009. The steep reduction in gross profit margin primarily resulted from the fall in steel and vanadium prices and production cuts in response to weaker demand in principal steel markets during 2009. An additional factor was a 62% increase in steel segment's depreciation charge in 2009 compared with 2008 due to a revaluation of assets.

Selling, general and administrative (SG&A) expenses as a percentage of consolidated revenues increased year-on-year from 8.6% to 13.0%.

Total loss on disposal of property, plant and equipment amounted to US$81 million in 2009 compared with US$37 million in 2008. The increased loss in 2009 primarily related to the revaluation of property, plant and equipment.

Total impairment of assets amounted to US$163 million in 2009 compared with US$880 million in 2008. The impairment in 2009 and 2008 was largely attributable to impairment of goodwill in the amounts of US$135 million and US$756 million respectively, related to the acquisition of new operations in North America and Ukraine. Evraz also recognised an impairment of assets, other than goodwill, in 2009 and 2008 in the amounts of US$28 million and US$124 million respectively, including impairment due to the closure of certain obsolete and inefficient Russian production facilities.

The revaluation deficit on property, plant and equipment in 2009 amounted to US$564 million and relates to changes in the accounting policies.

Profit (loss) from operations changed to a loss of US$1,047 million, or -10.7% of consolidated revenues, for 2009 compared to a profit of US$3,632 million, or 17.8% of consolidated revenues, for 2008. The decrease in profit from operations is attributable to the decline in consolidated gross profit margin.

Consolidated adjusted EBITDA decreased by 80.1% to US$1,237 million in 2009 compared to US$6,215 million in 2008, with adjusted EBITDA margins of 12.7% and 30.5% respectively.

Share of profits (losses) of associates and joint ventures of US$(8) million in 2009 and US$194 million in 2008 related to income (loss) attributable to Evraz's interest in Raspadskaya and Kazankovskaya mine (an associate of Yuzhkuzbassugol).

In 2009, **income tax expense (benefit)** changed to a benefit of US$339 million compared with an expense of US$1,192 million, in 2008, which corresponds to effective tax rates of 21.2% and 39.1% respectively.

The **net profit (loss)** attributable to equity holders of Evraz Group changed from a profit of US$1,797 million in 2008 to a loss of US$1,251 million in 2009.

Review of Operations

Steel Segment Results

Full year to 31 December (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues*	**8,978**	17,925	(49.9)%
(Loss)/profit from operations	**(840)**	2,746	(130.6)%
Adjusted EBITDA	**903**	4,671	(80.7)%
Adjusted EBITDA margin	**10.1%**	26.1%	

**Segmental revenues here and further include intersegment sales*

Steel Segment Sales

	Year ended 31 December				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Steel products					
Construction products [1]	**2,189**	**24.4%**	4,958	27.7%	(55.8)%
Railway products [2]	**1,117**	**12.4%**	2,226	12.4%	(49.8)%
Flat-rolled products [3]	**1,450**	**16.2%**	3,239	18.1%	(55.2)%
Tubular products [4]	**1,008**	**11.2%**	1,753	9.8%	(42.5)%
Semi-finished products [5]	**2,018**	**22.5%**	3,512	19.6%	(42.5)%
Other steel products [6]	**255**	**2.8%**	607	3.4%	(58.0)%
Other products [7]	**941**	**10.5%**	1,630	9.1%	(42.3)%
Total	**8,978**	**100.0%**	17,925	100.0%	(49.9)%

[1] *Includes rebars, wire rods, wire, H-beams, channels and angles.*
[2] *Includes rail and wheels.*
[3] *Includes plates and coils.*
[4] *Includes large diameter, ERW, seamless pipes and casing.*
[5] *Includes billets, slabs, pig iron, pipe blanks and blooms.*
[6] *Includes rounds, grinding balls, mine uprights and strips.*
[7] *Includes coke and coking products, refractory products, ferroalloys and resale of coking coal.*

Steel Segment Sales Volumes*

Full year to 31 December ('000 tonnes)	**2009**	2008	Change
Steel products			
Construction products	**4,228**	5,320	(20.5)%
Railway products	**1,592**	2,438	(34.7)%
Flat-rolled products	**2,113**	2,651	(20.3)%
Tubular products	**667**	919	(27.4)%
Semi-finished products	**5,273**	5,188	1.6%
Other steel products	**460**	627	(26.6)%
Total	**14,333**	17,143	(16.4)%

* *Including intersegment sales*

Steel segment revenues decreased by 49.9% to US$8,978 million in 2009 compared with US$17,925 million in 2008. This decline reflected negative price dynamics for steel products and lower sales volumes.

The proportion of revenues attributable to sales of construction products decreased due to a significant decline in the sales volumes of construction products at the Russian operations.

The proportion of revenues attributable to sales of railway products remained unchanged despite a decrease in the proportion of volumes. This reflects the fact that prices of railway products decreased less than other steel products.

The proportion of revenues attributable to sales of flat-rolled products (primarily plate) decreased due to an above average decline in sales volumes compared with other steel products, particularly with regard to the European operations.

An increase in the proportion of revenues attributable to sales of tubular products reflects relatively stable tubular products in North America towards the end of 2008 and at the start of 2009, the result being a below average decline in the prices of tubular goods compared to other steel products.

The proportion of revenues attributable to sales of semi-finished products increased due to higher sales volumes of semis sold by the Russian and Ukrainian operations to export markets.

Steel segment sales to the mining segment amounted to US$83 million in 2009 compared with US$178 million in 2008. The decrease is attributable to lower sale prices and volumes.

Revenues from sales outside Russia amounted to approximately 70% of steel segment revenues in 2009, compared with 61% in 2008. The increased share of revenues from sales outside Russia in 2009 was primarily attributable to the reallocation of steel volumes from the Russian market to Asian export markets.

Steel segment cost of revenues totalled US$8,122 million, or 90.5% of steel segment revenues, in 2009 compared with US$12,662 million, or 70.6% of steel segment revenues, in 2008. The decrease is attributable to the decline in sales volumes and in the prices of raw materials together with staff optimisation measures and the depreciation of local currencies against the US dollar.

In 2009, **the steel segment profit (loss) from operations** changed to a loss of US$840 million compared with a profit of US$2,746 million in 2008.

In 2009, **adjusted EBITDA in the steel segment** totalled US$903 million, or 10.1% of steel segment revenues, compared with US$4,671 million, or 26.1% of steel segment revenues in 2008.

Mining Segment Results

Full year to 31 December (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues	**1,456**	3,634	(59.9)%
(Loss)/profit from operations	**(214)**	971	(122.0)%
Adjusted EBITDA	**279**	1,395	(80.0)%
Adjusted EBITDA margin	**19.2%**	38.4%	

Mining Segment Sales*

	Year ended 31 December				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Iron ore products	**840**	**57.7%**	**2,213**	**60.9%**	**(62.0)%**
Iron ore concentrate	311	21.4%	625	17.2%	(50.2)%
Sinter	158	10.9%	885	24.4%	(82.1)%
Pellets	238	16.3%	566	15.6%	(58.0)%
Other	133	9.1%	137	3.8%	(2.9)%
Coal products	**562**	**38.6%**	**1,251**	**34.4%**	**(55.1)%**
Coking coal	137	9.4%	259	7.1%	(47.1)%
Coal concentrate	268	18.4%	719	19.8%	(62.7)%
Steam coal	124	8.5%	265	7.3%	(53.2)%
Steam coal concentrate	33	2.3%	8	0.2%	312.5%
Other revenues	**54**	**3.7%**	**170**	**4.7%**	**(68.2)%**
Total	**1,456**	**100.0%**	**3,634**	**100.0%**	**(59.9)%**

Full year to 31 December ('000 tonnes)	**2009**	2008	Change
Iron ore products	**18,326**	21,739	(15.7)%
Iron ore concentrate	5,644	6,554	(13.9)%
Sinter	3,253	7,860	(58.6)%
Pellets	5,479	5,273	3.9%
Other	3,950	2,052	92.5%
Coal products	**11,634**	11,703	(0.6)%
Coking coal	3,967	3,117	27.3%
Coal concentrate	3,795	4,370	(13.2)%
Steam coal	3,411	4,110	(17.0)%
Steam coal concentrate	461	106	334.9%

** Including intersegment sales*

Mining segment revenues were down by 59.9% to US$1,456 million, compared with US$3,634 million in 2008, primarily reflecting a decline in average prices of iron ore and coal.

Sales volumes of iron ore products decreased by 15.7% in 2009 compared with 2008. Excluding the effect of the resale of iron ore products from UGOK (a related party) in 2008, sales volumes of iron ore in 2009 decreased by just 1.1% compared with 2008. Sales volumes of steam coal products decreased by 8.2% in 2009 compared with 2008, while sales volumes of coking coal increased by 3.7%.

In 2009 mining segment sales to the steel segment amounted to US$1,017 million, or 69.8% of mining segment sales, compared with US$2,340 million, or 64.4% of mining segment sales, in 2008.

Approximately 51% of the mining segment's third party sales in 2009 were to customers in Russia compared with 29% in 2008. The higher share of third party sales outside Russia in 2008 is largely attributable to the resale of iron ore from UGOK, a related party, to export markets. There were no such resales in 2009.

The mining segment cost of revenues decreased by 42.7% from US$2,387 million in 2008 to US$1,368 million in 2009, primarily due to the decrease in raw materials, transportation, staff, energy and other costs.

The mining segment profit (loss) from operations changed from a profit of US$971 million in 2008 to a loss of US$214 million in 2009.

Adjusted EBITDA in the mining segment decreased by 80.0% to US$279 million, or 19.2% of mining segment revenues in 2009, compared with US$1,395 million, or 38.4% of mining segment revenues, in 2008.

Vanadium Segment Results

Full year to 31 December (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues	**363**	1,206	(69.9)%
(Loss)/profit from operations	**(48)**	170	(128.2)%
Adjusted EBITDA	**10**	200	(95.0)%
Adjusted EBITDA margin	**2.8%**	16.6%	

Vanadium Segment Sales*

	Year ended 31 December				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Vanadium in slag	60	16.5%	290	24.1%	(79.3)%
Vanadium in alloys and chemicals	298	82.1%	913	75.7%	(67.4)%
Other revenues	5	1.4%	3	0.2%	66.7%
Total	**363**	**100.0%**	**1,206**	**100.0%**	**(69.9)%**

Full year to 31 December ('000 tonnes)	**2009**	2008	Change
Vanadium products	**18.4**	26.4	(30.3)%
Vanadium in slag	**6.5**	10.3	(36.9)%
Vanadium in alloys and chemicals	**11.9**	16.1	(26.1)%

** Including intersegment sales*

Vanadium segment revenues decreased by 69.9% to US$363 million in 2009, compared with US$1,206 million in 2008. The decrease is attributable to significantly lower vanadium prices and sales volumes.

The vanadium segment cost of revenues fell by 60.7% from US$922 million in 2008 to US$362 million in 2009.

The vanadium segment profit (loss) from operations changed from a profit of US$170 million in 2008 to a loss of US$48 million in 2009.

Adjusted EBITDA in the vanadium segment totalled US$10 million in 2009 compared with US$200 million in 2008.

Other operations segment results

Full year to 31 December (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues	**765**	1,022	(25.1)%
Profit from operations	**77**	83	(7.2)%
Adjusted EBITDA	**167**	150	11.3%
Adjusted EBITDA margin	**21.8%**	14.7%	

Evraz's revenues from other operations including logistics, port services, power and heat generation and supporting activities totalled US$765 million in 2009, a 25.1% decrease compared with 2008 revenues.

Consolidated Group Financial Position

Cash flow

Cash flow from operating activities decreased from US$4,563 million in 2008 to US$1,700 million in 2009 due to poor market conditions, resulting in decreased profit margins.

Net cash from investing activities totalled US$183 million in 2009 compared with net cash used in investing activities of US$3,736 million in 2008.

In 2009, Evraz's **capital expenditure** totalled US$441 million, including US$264 million in respect of its steel segment and US$148 million in respect of its mining segment.

In 2009, **net cash used in financing activities** amounted to US$2,149 million compared with US$127 million in 2008.

Balance sheet

As of 31 December 2009 **total debt** amounted to US$7,923 million, down from US$9,986 million as of 31 December 2008. Cash and cash equivalents together with short-term bank deposits amounted to US$697 million, down from US$955 million as of 31 December 2008. **Liquidity**[†], defined as cash and cash equivalents, amounts available under credit facilities and short-term bank deposits with original maturity of more than three months, totalled approximately US$1,997 million as of 31 December 2009 compared with approximately US$2,634 million as of 31 December 2008.

As of 31 December 2009, Evraz had unutilised borrowing facilities of US$1,300 million, including US$819 million of committed facilities and US$481 million of uncommitted facilities.

[†] *Please refer to Attachment 2 for calculation of liquidity*

Net debt‡ decreased to US$7,226 million as of 31 December 2009 compared with US$9,031 million as of 31 December 2008.

As of 31 December 2009, **total assets** amounted to US$23,424 million compared with US$19,451 million as of 31 December 2008. This primarily reflected the surplus arising from the revaluation of certain of the Group's assets as of 1 January 2009.

Evraz Group S.A. shareholders' equity, including reserves and accumulated profits, increased to US$10,284 million as of 31 December 2009 compared with US$4,672 million as of 31 December 2008, primarily due to the surplus arising from the revaluation of certain of the Group's assets as of 1 January 2009.

# # #

For further information:

Media contact:
Alex Agoureev
VP, Public Relations
+7 985 122 4822
media@evraz.com

Investor contact:
Alexander Boreyko
Director, Investor Relations
+7 495 232 1370
ir@evraz.com

Attachment 1

Adjusted EBITDA

Adjusted EBITDA represents profit from operations adjusted for depreciation, depletion and amortisation, impairment of assets and loss (gain) on disposal of property, plant and equipment, foreign exchange gains/(losses). 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

‡ *Please refer to Attachment 3 for calculation of net debt*

the cost to replace these assets in the future. Adjusted EBITDA, due to the exclusion of this expense, 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 (loss) from operations is as follows:

	Year ended 31 December	
	2009	2008
	(US$ million)	
Consolidated Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(1,047)	3,632
Add:		
Depreciation, depletion and amortisation	1,632	1,195
Impairment of assets	163	880
Loss on disposal of property, plant & equipment	81	37
Foreign exchange loss (gain)	(156)	471
Revaluation deficit	564	-
Consolidated Adjusted EBITDA	**1,237**	6,215
Steel segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(840)	2,746
Add:		
Depreciation and amortisation	1,151	751
Impairment of assets	168	821
Loss on disposal of property, plant & equipment	56	11
Foreign exchange loss (gain)	(54)	342
Revaluation deficit	422	-
Steel segment Adjusted EBITDA	**903**	4,671
Mining segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(214)	971
Add:		
Depreciation, depletion and amortisation	368	363
Impairment of assets	(5)	56
Loss on disposal of property, plant & equipment	19	15
Foreign exchange loss (gain)	(1)	(10)
Revaluation deficit	112	-
Mining segment Adjusted EBITDA	**279**	1,395
Vanadium segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(48)	170
Add:		
Depreciation and amortisation	54	31
Foreign exchange gain	-	(1)
Revaluation deficit	4	-
Vanadium segment Adjusted EBITDA	**10**	200
Other operations Adjusted EBITDA reconciliation		
Profit from operations	77	83
Add:		
Depreciation and amortisation	58	49
Impairment of assets	-	3
Loss on disposal of property, plant & equipment	6	11
Foreign exchange loss	-	4
Revaluation deficit	26	-
Other operations Adjusted EBITDA	**167**	150

Attachment 2

Liquidity

	31 December 2009	31 December 2008
	(US$ million)	
Liquidity Calculation		
Cash and cash equivalents	675	930
Amounts available under credit facilities	1,300	1,679
Short-term bank deposits	22	25
Total estimated liquidity	1,997	2,634

Attachment 3

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:

	31 December 2009	31 December 2008
	(US$ million)	
Net Debt Calculation		
Add:		
Long-term loans, net of current portion	5,931	6,064
Short-term loans and current portion of long-term loans	1,992	3,922
Less:		
Short-term bank deposits	(22)	(25)
Cash and cash equivalents	(675)	(930)
Net Debt	**7,226**	**9,031**

Evraz Group S.A.

Consolidated Statement of Operations
(In millions of US dollars, except for per share information)

	Year ended 31 December	
	2009	**2008***
Revenue		
Sale of goods	**9,505**	19,990
Rendering of services	**267**	390
	9,772	20,380
Cost of revenue	**(8,756)**	(13,463)
Gross profit	**1,016**	6,917
Selling and distribution costs	**(623)**	(856)
General and administrative expenses	**(645)**	(895)
Social and social infrastructure maintenance expenses	**(53)**	(114)
Loss on disposal of property, plant and equipment	**(81)**	(37)
Impairment of assets	**(163)**	(880)
Revaluation deficit on property, plant and equipment	**(564)**	-
Foreign exchange gains/(losses), net	**156**	(471)
Other operating income	**38**	28
Other operating expenses	**(128)**	(60)
Profit/(loss) from operations	**(1,047)**	3,632
Interest income	**40**	57
Interest expense	**(677)**	(655)
Share of profits/(losses) of joint ventures and associates	**(8)**	194
Gain/(loss) on financial assets and liabilities, net	**97**	(129)
Gain/(loss) on disposal groups classified as held for sale, net	**(19)**	(43)
Excess of interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition	**10**	-
Other non-operating gains/(losses), net	**4**	(5)
Profit/(loss) before tax	**(1,600)**	3,051
Income tax benefit/(expense)	**339**	(1,192)
Net profit/(loss)	**(1,261)**	1,859
Attributable to:		
Equity holders of the parent entity	**(1,251)**	1,797
Minority interests	**(10)**	62
	(1,261)	1,859
Earnings/(losses) per share:		
basic, for profit/(loss) attributable to equity holders of the parent entity, US dollars	**(9.30)**	14.55
diluted, for profit/(loss) attributable to equity holders of the parent entity, US dollars	**(9.30)**	14.50

* The amounts shown here do not correspond to the 2008 financial statements and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Consolidated Financial Statements

Evraz Group S.A.

Consolidated Statement of Comprehensive Income
(In millions of US dollars, except for per share information)

	Year ended 31 December	
	2009	**2008***
Net profit/(loss)	**(1,261)**	1,859
Other comprehensive income		
Effect of translation to presentation currency	**6**	(2,288)
Net gains/(losses) on available-for-sale financial assets	**12**	(150)
Net gains/(losses) on available-for-sale financial assets reclassified to profit or loss	**(8)**	150
Income tax effect	**-**	-
	4	-
Deferred income tax benefit resulting from reduction in tax rate recognised in equity	**-**	**7**
Surplus on revaluation of property, plant and equipment of the Group's subsidiaries	**7,901**	-
Deficit on revaluation of property, plant and equipment recognised in other comprehensive income	**(38)**	-
Decrease in revaluation surplus in connection with the impairment of property, plant and equipment	**(98)**	-
Impairment losses reversed through other comprehensive income	**55**	-
Income tax effect	**(1,653)**	-
	6,167	-
Surplus on revaluation of property, plant and equipment of the Group's joint ventures and associates	**66**	-
Effect of translation to presentation currency	**(13)**	(116)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	**53**	(116)
Total other comprehensive income/(loss)	**6,230**	(2,397)
Total comprehensive income/(loss), net of tax	**4,969**	(538)
Attributable to:		
Equity holders of the parent entity	**4,889**	(522)
Minority interests	**80**	(16)
	4,969	(538)

* The amounts shown here do not correspond to the 2008 financial statements and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Consolidated Financial Statements

EVRAZ making the world stronger

Evraz Group S.A.

Consolidated Statement of Financial Position
(In millions of US dollars)

	31 December 2009	31 December 2008*
ASSETS		
Non-current assets		
Property, plant and equipment	**14,941**	9,012
Intangible assets other than goodwill	**1,098**	1,108
Goodwill	**2,211**	2,167
Investments in joint ventures and associates	**687**	551
Deferred income tax assets	**40**	44
Other non-current financial assets	**66**	118
Other non-current assets	**128**	160
	19,171	13,160
Current assets		
Inventories	**1,886**	2,416
Trade and other receivables	**1,001**	1,369
Prepayments	**134**	76
Loans receivable	**1**	108
Receivables from related parties	**107**	137
Income tax receivable	**58**	262
Other taxes recoverable	**258**	397
Other current taxes	**120**	589
Cash and cash equivalents	**675**	930
	4,240	6,284
Assets of disposal groups classified as held for sale	**13**	7
	4,253	6,291
Total assets	**23,424**	19,451
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Issued capital	**375**	332
Treasury shares	**-**	(9)
Additional paid-in capital	**1,739**	1,054
Revaluation surplus	**6,338**	218
Legal reserve	**36**	30
Unrealised gains and losses	**4**	-
Accumulated profits	**3,164**	4,377
Translation difference	**(1,372)**	(1,330)
	10,284	4,672
Minority interests	**324**	245
	10,608	4,917
Non-current liabilities		
Long-term loans	**5,931**	6,064
Deferred income tax liabilities	**2,537**	1,389
Finance lease liabilities	**58**	40
Employee benefits	**307**	292
Provisions	**176**	153
Other long-term liabilities	**68**	58
	9,077	7,996
Current liabilities		
Trade and other payables	**1,069**	1,479
Advances from customers	**112**	107
Short-term loans and current portion of long-term loans	**1,992**	3,922

	31 December 2009	31 December 2008*
Payables to related parties	**235**	322
Income tax payable	**108**	156
Other taxes payable	**140**	154
Current portion of finance lease liabilities	**17**	15
Provisions	**35**	63
Amounts payable under put options for shares of subsidiaries	**17**	-
Dividends payable by the parent entity to its shareholders	**-**	309
Dividends payable by the Group's subsidiaries to minority shareholders	**13**	11
	3,738	6,538
Liabilities directly associated with disposal groups classified as held for sale	**1**	-
	3,739	6,538
Total equity and liabilities	**23,424**	19,451

* The amounts shown here do not correspond to the 2008 financial statements and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Consolidated Financial Statements

Evraz Group S.A.

Consolidated Statement of Cash Flows
(In millions of US dollars)

	Year ended 31 December	
	2009	**2008***
Cash flows from operating activities		
Net profit/(loss)	**(1,261)**	1,859
Adjustments to reconcile net profit/(loss) to net cash flows from operating activities:		
Deferred income tax benefit/(expense)	**(524)**	(402)
Depreciation, depletion and amortisation	**1,632**	1,195
Loss on disposal of property, plant and equipment	**81**	37
Impairment of assets	**163**	880
Revaluation deficit on property, plant and equipment	**564**	-
Foreign exchange (gains)/losses, net	**(156)**	471
Interest income	**(40)**	(57)
Interest expense	**677**	655
Share of (profits)/losses of associates and joint ventures	**8**	(194)
(Gain)/loss on financial assets and liabilities, net	**(97)**	129
Loss on disposal groups classified as held for sale, net	**19**	43
Excess of interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition	**(10)**	-
Other non-operating (gains)/losses, net	**(4)**	5
Bad debt expense	**41**	33
Changes in provisions, employee benefits and other long-term assets and liabilities	**(16)**	25
Expense arising from the share option plans	**6**	35
Share-based payments under cash-settled award	**(35)**	-
Other	**(2)**	12
	1,046	4,726
Changes in working capital:		
Inventories	**682**	(499)
Trade and other receivables	**438**	345
Prepayments	**(52)**	100
Receivables from/payables to related parties	**(162)**	165
Taxes recoverable	**238**	(355)
Other assets	**(56)**	(3)
Trade and other payables	**(353)**	238
Advances from customers	**1**	(203)
Taxes payable	**(73)**	51
Other liabilities	**(9)**	(2)
Net cash flows from operating activities	**1,700**	4,563
Cash flows from investing activities		
Issuance of loans receivable to related parties	**(28)**	(1)
Proceeds from repayment of loans issued to related parties, including interest	**40**	32
Issuance of loans receivable	**(3)**	(147)
Proceeds from repayment of loans receivable, including interest	**114**	33
Proceeds from the transaction with a 49% ownership interest in NS Group	**506**	-

	Year ended 31 December 2009	2008*
Purchases of subsidiaries, net of cash acquired	**(16)**	(1,914)
Purchases of minority interests	**(8)**	(120)
Purchases of other investments	**(67)**	(896)
Sale of other investments	**48**	99
Restricted deposits at banks in respect of investing activities	**(16)**	3
Short-term deposits at banks, including interest	**20**	29
Purchases of property, plant and equipment and intangible assets	**(441)**	(1,103)
Proceeds from disposal of property, plant and equipment	**6**	27
Proceeds from sale of disposal groups classified as held for sale, net of transaction costs	**28**	161
Dividends received	**1**	70
Other investing activities, net	**(1)**	(9)
Net cash flows from/(used in) investing activities	**183**	(3,736)
Cash flows from financing activities		
Issue of shares, net of transaction costs of $5 million, $1 and $nil, respectively	**310**	(1)
Repurchase of vested share options	**(3)**	(77)
Purchase of treasury shares	**(5)**	(197)
Sale of treasury shares	**7**	81
Contribution from/(distribution to) a shareholder	**65**	(68)
Dividends paid by the parent entity to its shareholders	**(90)**	(1,276)
Dividends paid by the Group's subsidiaries to minority shareholders	**(2)**	(81)
Proceeds from bank loans and notes	**3,427**	5,657
Repayment of bank loans and notes, including interest	**(4,987)**	(3,949)
Net proceeds /(repayment) from bank overdrafts and credit lines, including interest	**(794)**	(54)
Payments under covenants reset	**(85)**	-
Restricted deposits at banks in respect of financing activities	**1**	-
Repayment of loans provided by related parties, including interest	**-**	(21)
Payments under finance leases, including interest	**(31)**	(20)
Payments of restructured liabilities, including interest	**-**	(121)
Proceeds from sale-leaseback	**38**	-
Net cash flows from/(used in) financing activities	**(2,149)**	(127)
Effect of foreign exchange rate changes on cash and cash equivalents	**11**	(97)
Net increase/(decrease) in cash and cash equivalents	**(255)**	603
Cash and cash equivalents at beginning of year	**930**	327
Cash and cash equivalents at end of year	**675**	930

	Year ended 31 December	
	2009	**2008***
Supplementary cash flow information:		
Cash flows during the year:		
Interest paid	**(586)**	(565)
Interest received	**29**	44
Income taxes paid by the Group	**(141)**	(1,680)

* The amounts shown here do not correspond to the 2008 financial statements and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Consolidated Financial Statements