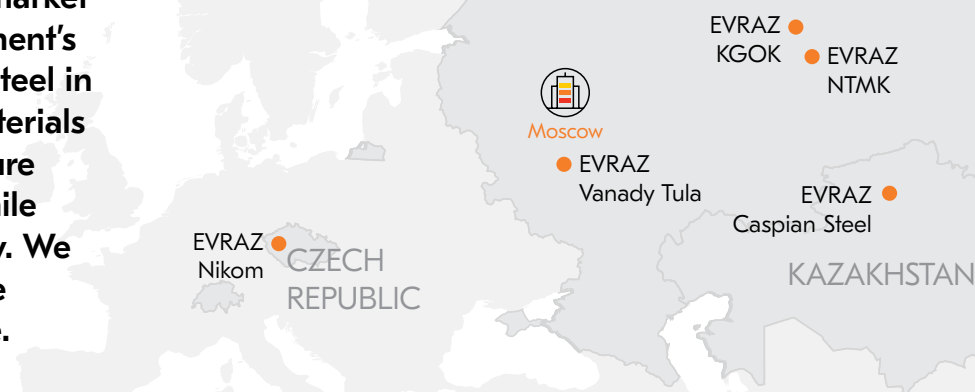


BUSINESS REVIEW

STEEL SEGMENT

EVRAZ is the leader in the long products and rail segments in Russia and is the world's largest producer of vanadium, with a global market share of 14%. The Steel segment's primary focus is producing steel in the CIS from nearby raw materials to serve regional infrastructure and construction sectors, while maintaining export flexibility. We are in the first quartile of the global crude steel cost curve.



Mining operations

EVRAZ KGOK, Russia

EVRAZ KGOK is the Group's core mining asset. It is located in Urals, 140 kilometres from the primary consumer of its products, EVRAZ NTMK. EVRAZ KGOK mines titanomagnetite iron ore, which contains vanadium, meaning that it can be used to produce high-strength grades of alloy steel. EVRAZ KGOK mines ore from three open pits and then processes it in its crushing, processing, sintering and pelletising plants. The final product, in the form of sinter and pellets, is shipped by railcar to consumers, including those abroad.

EVRAZ ZSMK mining operations¹, Russia

EVRAZ ZSMK include several mining and processing facilities in Siberia. Most of the iron ore that it produces is consumed internally by its steelmaking operations. It conducts underground mining, and its mining complex includes three mines, a limestone quarry, and a concentration and sinter plant.

Steelmaking operations

EVRAZ ZSMK, Russia

The largest steel producer in Siberia, EVRAZ ZSMK is located in the city of Novokuznetsk in Kemerovo region (Kuzbass). It has five coke oven batteries and three blast furnaces in operation. For steelmaking, it has two oxygen converter shops, which have five basic oxygen furnaces, and an electric arc furnace (EAF). EVRAZ ZSMK operates one eight-strand continuous casting machine, which produces square billets; a two-strand continuous slab casting machine; and one four-strand continuous casting machine, which makes semi-finished products for the rail mill. Rolling facilities include a blooming mill, one medium-section 450 mill, two small-section 250 mills, one rail and structural steel mill, one sectional mill and two ball-rolling mills. The steel mill has its own coal washing plant for coking coal and can also produce customised coking coal blends.

EVRAZ NTMK, Russia

EVRAZ NTMK is one of the largest integrated steel production plants in Russia and has a full processing cycle. It is located in the city of Nizhniy Tagil in the Ural region. It has coke and chemical production facilities, two blast furnaces, steelmaking units (one oxygen converter shop consisting of four LD converters), four continuous casters, seven rolling mills, and a heat and power generation plant.

EVRAZ Caspian Steel, Kazakhstan

EVRAZ Caspian Steel is located in Kostanay, Kazakhstan. It has a light-section rolling mill.



Production highlights

Crude steel	Iron ore products
11,690 kt	14,399 kt
Steel products	Vanadium slag
10,763 kt	20,058 mtV

Sales highlights²

Finished products	Iron ore products
6,056 kt	1,430 kt
Semi-finished products	Vanadium final products
5,541 kt	13,288 mtV

Financial highlights

Revenues	EBITDA margin
US\$10,188 m	35.4 %
EBITDA	CAPEX
US\$3,609 m	US\$468 m

Vanadium operations

EVRAZ Vanady Tula, Russia

EVRAZ Vanady Tula is the largest European producer of vanadium pentoxide, ferrovanadium-50 and ferrovanadium-80, which are alloy additions used to manufacture extra-high-strength steel for various applications and titanium alloys. It is located in Tula, 180 kilometres from Moscow. The site's production and scientific resources make it possible to process any vanadium-containing materials into a wide range of products. EVRAZ Vanady Tula uses low-cost, efficient technology to process vanadium slag from EVRAZ NTMK.

EVRAZ Nikom, Czech Republic

Located 30 kilometres from Prague, EVRAZ Nikom produces ferroalloys and corundum material. It converts the vanadium oxide produced by EVRAZ Vanady Tula into ferrovanadium, the major vanadium product used by the steel industry to increase strength and hardness.

2. Sales to third parties only.

Trading companies

EVRAZ Market

EVRAZ Market is a leading Russian provider of steel for infrastructure projects and a trader supplying rebar, profile, flat, tubular and rolled steel from major plants in the CIS. Its major presence in various regions of Russia is supported by a branch network that includes 48 subdivisions, and its branches are located in industrial centres across the country, as well as in Kazakhstan. Each subdivision's product range is tailored to local demand. In addition, it has a pool of 120 metal processing machines, which enables it to offer HVA products.

Trading Company EVRAZ

Trading Company EVRAZ is Russia's largest supplier of rolled steel and sells EVRAZ products domestically and in the CIS. It focuses on products for the construction, engineering, transportation (rails, wheels and specialist products), mining and pipe-making sectors.

EVRAZ East Metals

A Switzerland-based trading company, East Metals AG is EVRAZ' sole distribution channel outside the CIS. Its main exports include semi-finished steel products (slab and square billet), long finished products (rail, beam, wire rod and rebar), pig iron, coking coal, vanadium products and iron ore pellets. It has a wide network of agencies and representative offices (including in China, Hong Kong, Indonesia, Japan, the Philippines, South Korea, Taiwan, Thailand and Turkey), which ensures proximity to clients in key markets.