

EVRAZ Q2 2015 PRODUCTION REPORT

17 July 2015 — EVRAZ plc (LSE: EVR) today releases its operational results for the second quarter of 2015.

Q2 2015 vs Q1 2015 OPERATIONAL HIGHLIGHTS:

- Consolidated crude steel output reached 3.4 million tonnes in Q2 2015, down 14% QoQ as a result of deconsolidation of EVRAZ Highveld Steel and Vanadium (EHSV) as well as repair and maintenance works at Russian steel mills.
- Production of steel products, net of re-rolled volumes, went down by 14% QoQ as a result of the above-mentioned two factors as well as softer demand for tubular goods in North America.
- The share of finished steel products within consolidated volumes grew to 65% in Q2 2015 from 61% in Q1 2015 due to lower production of semi-finished products in Russia resulting from shutdowns of billet casters for maintenance and a better demand for construction and railway products in Russia.
- Production volumes of railway products rose driven by increased orders by Russian Railways and other CIS customers and continued demand from Class 1 railroads in the USA.
- Production of tubular goods in North America declined as lower energy exploration activity, de-stocking at distributors, and usual spring break-up negatively affected OCTG demand.
- Consolidated raw coking coal output and production of coking coal concentrate declined by 30% and 8% respectively QoQ due to lower output of both the Rospadskaya coal company and Yuzhkuzbassugol as a result of scheduled longwall moves and adjustment of production plans in response to weak market conditions.

STEEL

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Coke (saleable)	286	285	0.5%	571	528	8.0%
Pig iron	2,811	3,131	-10.2%	5,942	6,123	-3.0%
Pig iron (saleable)	165	71	133.7%	236	163	44.9%
Crude steel	3,380	3,914	-13.7%	7,293	7,792	-6.4%
Steel products, gross*	3,328	3,802	-12.5%	7,130	7,593	-6.1%
Steel products, net of re-rolled volumes**	3,150	3,640	-13.5%	6,791	6,922	-1.9%
Semi-finished products ***	1,109	1,433	-22.6%	2,543	1,921	32.4%
Finished products	2,041	2,207	-7.5%	4,248	5,001	-15.1%
Construction products	1,126	1,183	-4.8%	2,310	2,553	-9.5%
Railway products	427	400	6.9%	827	1,043	-20.7%
Flat-rolled products	166	207	-19.9%	373	572	-34.8%
Tubular products	173	255	-32.2%	428	523	-18.2%
Other steel products	148	162	-8.6%	310	310	0.0%

Note. Numbers in this table and the tables below may not add to totals due to rounding.

* Gross volume of steel products in the tables includes those re-rolled at other EVRAZ's mills. However, such volumes are eliminated as intercompany sales for purposes of EVRAZ's consolidated operating results.

** Includes production volumes of EVRAZ Vitkovice Steel disposed of in April 2014 and of EVRAZ Highveld Steel and Vanadium (EHSV) which are not consolidated starting from April 2015 due to business rescue proceedings.

** Consolidated production volumes of semi-finished products are preliminary as Q2 2015 intra-group re-rolling volumes are yet to be finalised.

RUSSIA

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Coke (saleable)	96	76	26.1%	173	198	-12.5%
Pig iron	2,553	2,744	-6.9%	5,297	5,282	0.3%
Pig iron (saleable)	142	49	192.2%	190	149	27.8%
Crude steel	2,697	3,055	-11.7%	5,752	5,871	-2.0%
Steel products, gross	2,562	2,868	-10.7%	5,430	5,485	-1.0%
Steel products, net of re-rolled volumes	2,500	2,795	-10.6%	5,296	5,311	-0.3%
Semi-finished products	1,092	1,414	-22.8%	2,507	2,180	15.0%
Finished products	1,408	1,381	2.0%	2,789	3,130	-10.9%
Construction products*	991	981	1.0%	1,973	2,102	-6.2%
Railway products	281	258	9.2%	539	771	-30.1%
Other steel products	135	142	-4.5%	277	257	8.0%

* Includes 73kt and 64kt produced in Q1 2015 and Q2 2015 respectively by EVRAZ Caspian Steel mill in Kazakhstan

In Q2 2015, as a result of planned capital repair works of EVRAZ ZSMK's blast furnace 3 (14 days) and EVRAZ NTMK's blast furnace 6 (5 days) Russian steel mills produced 12% less crude steel and 11% less steel products than in Q1 2015.

Production of semi-finished steel products decreased by 23% QoQ due to shortage of pig iron, scheduled shutdown for reconstruction of a billet caster at EVRAZ ZSMK and a 5-day maintenance of a billet caster at EVRAZ NTMK.

Production of construction products grew by a moderate 1% QoQ reflecting some revival of domestic demand in the beginning of the construction season compared to seasonally weak Q1 2015.

Production of railway products, including rails, advanced by 9% due to larger shipments of rails and freight wheels to Russian Railways and stronger demand from the CIS clients.

In Q2 2015, prices for semi-finished products decreased in line with global benchmarks. Due to the Russian rouble appreciation, prices for construction products in US dollars terms were broadly unchanged QoQ.

Prices for railway products in US dollar terms improved due to changes in the product mix and the stronger rouble.

Average selling prices

USD/tonne (ex works)	Q2 2015	Q1 2015	H1 2015	H1 2014
Coke	136	85	114	130
Pig iron	205	206	205	306
Steel products				
Semi-finished products	278	303	292	417
Construction products	419	418	418	594
Railway products	611	512	564	792
Other steel products	462	421	440	603

NORTH AMERICA

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Crude steel	428	477	-10.3%	905	971	-6.8%
Steel products, net of re-rolled volumes	541	615	-12.0%	1,156	1,260	-8.2%
Construction products	56	76	-26.3%	132	165	-19.9%
Railway products	146	142	2.8%	288	271	6.2%
Flat-rolled products	166	142	16.9%	308	301	2.4%
Tubular products	173	255	-32.2%	428	523	-18.2%

* Q2 2015 and H1 2015 production volumes are preliminary

During Q2 2015, the Company scheduled a 12-day maintenance outage at the Regina steel making facility and a 7-day outage at the Pueblo steel production facility which resulted in a 10% decrease in crude steel output compared to the previous quarter.

Within construction products, the Company sees strong underlying demand for rebar and wire rod, however high import levels continue to pressure down prices and volumes for North American producers.

Construction products (wire rod and HSS) output for the quarter declined 26% as a result of lower wire rod production and the sale of the Portland's structural tubing facility in March 2015 (which accounted for 12 thousand tonnes in the first quarter). The terms of sale for the structural tubing facility included a supply agreement for coil and therefore these volumes form part of Flat-rolled products starting in the second quarter.

Rail production further grew by 3% QoQ supported by continued demand from Class 1 railroads.

In Flat-rolled products, the market continued its de-stocking cycle. Third party saleable production for this segment increased 17% as volumes previously consumed by EVRAZ North America's OCTG and hollow structural shapes mills declined. During the quarter, the Company scheduled maintenance outages at the Portland and Regina mills. At Portland, a 17-day outage originally scheduled in the fourth quarter to perform a large portion of the work required to re-line the re-heat furnace was pulled-ahead into the second quarter. The balance of the work will be completed either during Q4 2015, or Q1 2016 depending on market conditions. In Regina, the Company carried out a 12-day outage to

perform maintenance and carry out detailed engineering associated with the announced upgrades at the Regina steel making and rolling mills.

During Q2 2015, demand for OCTG products was exceptionally low as a result of de-stocking at distributors and the annual spring break-up period in Canada. Taken together, these two effects resulted in a 32% decrease in production in Q2 2015 vs. Q1 2015. During most of the quarter, operations were curtailed at the Pueblo seamless, Calgary, and Red Deer mills. During the last week of June, production resumed in limited volumes at the Pueblo seamless and Red Deer OCTG mills.

Prices for most steel products declined during the second quarter towards levels in-line with the general market that reflect prevailing scrap and plate prices across the product mix.

Average selling prices

USD/tonne (ex works)	Q2 2015	Q1 2015	H1 2015	H1 2014
Construction products	612	702	661	801
Flat-rolled products	718	904	806	948
Tubular products	1,089	1,280	1,185	1,312

UKRAINE

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Coke (saleable)	190	208	-8.9%	398	331	20.3%
Pig iron	258	236	9.3%	494	497	-0.7%
Pig iron (saleable)	23	22	4.8%	45	14	233.5%
Crude steel	254	233	9.3%	487	500	-2.6%
Steel products	225	196	14.6%	421	433	-2.7%
Semi-finished products	133	104	28.2%	237	224	6.0%
Finished products	92	92	-0.8%	184	209	-12.0%
Construction products	79	79	0.4%	158	171	-7.6%
Other steel products	13	14	-7.4%	26	38	-31.8%

In Q2 2015, due to better quality of iron ore products used in EVRAZ DMZ steel mill's pig iron production, output of pig iron and crude steel increased by 9% and of steel products by 15% compared to Q1 2015.

Production of semi-finished products for export surged by 28% QoQ driven by weaker demand for finished products.

In Q3 2015, volume of crude steel and steel products is expected to decrease as a result of scheduled maintenance works at a blast furnace (5 days) and rolling capacities in July.

Prices of steel products, primarily semi-finished products for export, were down in line with global benchmarks.

Average selling prices

USD/tonne (ex works)	Q2 2015	Q1 2015	H1 2015	H1 2014
Coke (saleable)	175	191	183	168
Pig iron	248	270	259	332
Steel products				
Semi-finished products	325	350	337	450
Construction products	436	440	459	577
Other steel products	704	528	618	858

SOUTH AFRICA

Following introduction of business rescue proceedings at EVRAZ Highveld and Vanadium and it being managed by independent rescue practitioners since 14 April 2015, as of Q2 2015 its results are no longer consolidated .

IRON ORE

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Sinter (Russia)	2,595	2,837	-8.5%	5,432	5,717	-5.0%
Pellets (Russia)	1,629	1,631	-0.1%	3,259	3,147	3.6%
Lumpy ore (Ukraine)	726	667	8.8%	1,393	1,450	-3.9%

In Q2 2015, production of iron ore products (sinter plus pellets) in Russia fell by 5% QoQ mostly due to decrease of production of sinter (-9%) by EVRAZ ZSMK's sintering plant as a result of scheduled maintenance works at EVRAZ ZSMK's sintering machine.

In Ukraine, production of lumpy ore went up by 9% QoQ due to a renewed order for Fe 56% content iron ore from a large Ukrainian steel producer located close to Donetsk region and increased export shipments to MENA.

In Q2 2015, prices for iron ore products decreased in line with global benchmarks.

Average selling prices

USD/tonne (ex works)	Q2 2015	Q1 2015	H1 2015	H1 2014
Pellets (Russia)	41	47	44	83
Lumpy ore (Ukraine)	21	32	25	61

COAL

Product, '000 tonnes	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Raw coking coal (mined)	3,840	5,467	-29.8%	9,307	9,760	-4.6%
<i>Yuzhkuzbassugol</i>	1,510	2,626	-42.5%	4,137	5,334	-22.4%
<i>Raspadskaya</i>	2,270	2,802	-19.0%	5,072	4,427	14.6%
<i>Mezhegeyugol</i>	60	39	53.96%	98	0	n/a
Coking coal concentrate (production)	3,119	3,382	-7.8%	6,501	6,669	-2.5%
Raw steam coal (mined)	41	0	n/a	41	757	-94.6%

Coking coal

In Q2 2015, production of coking coal concentrate by EVRAZ declined by 8% QoQ as both Yuzhkuzbassugol and Raspadskaya coal companies mined less raw coal:

- The 43% decrease in mined raw coking coal volumes by Yuzhkuzbassugol is attributed to scheduled longwall moves at its Yerunakovskaya VIII, Osinnikovskaya and Yesaulskaya mines.
- Additionally, in response to deteriorating market conditions and Russian rouble appreciation making unprofitable some of export sales, the Raspadskaya coal company curtailed its mining volumes of coking coal at its Raspadsky Razrez open pit and MUK-96 underground mine. Two longwall moves began at the Raspadskaya underground mine at the end of June. Taken together, these two factors resulted in a 19% reduction of raw coking coal production by the Raspadskaya coal company.

In Q2 2015, the weighted average price of coking coal concentrate in US dollar terms increased compared to Q1 2015 due to the Russian rouble appreciation and higher share of premium coking coal grades sold in the Russian market which to a large degree offset the decreasing export prices.

Average selling prices

USD/tonne (ex works)	Q2 2015	Q1 2015	H1 2015	H1 2014
unless otherwise stated				
Raw coking coal	39	31	36	49
Coking coal concentrate	68	56	61	77

VANADIUM

Product, tonnes of V*	Q2 2015	Q1 2015	Q2 2015/ Q1 2015, change	H1 2015	H1 2014	H1 2015/ H1 2014, change
Vanadium in slag (gross production)	3,834	5,917	-35.2%	9,751	10,404	-6.3%
Vanadium in final products (saleable)	3,276	5,199	-37.0%	8,475	9,610	-11.8%

* Calculated in pure vanadium equivalent

In Q2 2015, consolidated Vanadium slag production was 35% down compared to Q1 2015 as EVRAZ Highveld's slag volumes are no longer presented in the report following deconsolidation of EVRAZ Highveld's results since April 2015 due to business rescue proceedings. Excluding EVRAZ Highveld,

the decrease would be 7%, or 3,834 tonnes of V produced in Russia compared to 4,129 tonnes in Q1 2015, due to lower pig iron production at EVRAZ NTMK.

Production of final vanadium products decreased by 37% QoQ, mostly following deconsolidation of Hochvanadium, a EVRAZ Highveld's subsidiary, as well as due to lower production of oxides, vanadium aluminum and chemicals at EVRAZ Stratcor in the USA driven by a one-month shutdown of the plant in April due to lack of feedstock.

Average Q2 2015 quotations for ferrovanadium decreased QoQ with Metal Bulletin FeV80 price index lowering by 2.9%, while North American Ryan's Notes FeV80 index declined by 13.7%. EVRAZ's average selling price mirrored descending price levels.

Average FeV indices

USD/tonne of V	Q2 2015	Q1 2015	H1 2015	H1 2014
Metal Bulletin Ferro-vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe	21,206	21,850	21,528	26,101
Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid	21,522	24,948	23,235	29,321

Notes:

Semi-finished products include slabs, billets, pipe blanks and other semi-finished products.

Construction products include beams, channels, angles, rebars, wire rods, wire, and other construction products.

Railway products include rails, wheels, tyres and other railway products.

Flat-rolled products include commodity plate, specialty plate and other flat products.

Tubular products include large diameter line pipes, ERW pipes and casings, seamless pipes and other tubular products.

Other steel products include rounds, grinding balls, mine uprights, strips etc. For Ukraine they also include railway products, for South Africa – rails.

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EVRAZ is a vertically integrated steel, mining and vanadium business with operations in the Russian Federation, Ukraine, Kazakhstan, USA, Canada, Czech Republic, Italy and South Africa. EVRAZ is among the top steel producers in the world based on crude steel production of 15.5 million tonnes in 2014. A significant portion of the company's internal consumption of iron ore and coking coal is covered by its mining operations. The company's consolidated revenues for the year ended 31 December 2014 were US\$13,061 million, and consolidated EBITDA amounted to US\$2,325 million.