

EVRAZ GROUP

2008 Interim Results

August 29, 2008



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1H08 Strategic Highlights

Advance long product leadership in Russia and CIS

- Revenue from construction products in Russia and CIS grew by 52%
- Russian construction sales volumes increased by 19%
- Railway products sales volumes in Russia and CIS increased by 13%
- Expansion of DMZ (Ukraine) construction products output for the growing Russian market
- US\$1.8 billion investment programme to expand rolled products capacity by 3 million tonnes p.a.

Expand presence in international flat and tubular markets

- Tubular products sales volumes of Evraz Inc. NA increased by 95%
- Integration of Claymont Steel
- Completion of IPSCO Canada acquisition
- Acquisition of a stake in China's Delong Holdings

Enhance cost leadership position

- NTMK converter shop modernisation in progress
- ZapSibTets became Evraz's wholly-owned subsidiary
- Integration of coke making facilities in Ukraine

Complete vertical integration and competitive mining platform

- Iron ore production up 20.3%, increasing self-coverage to 93%
- Coking coal self-coverage of over 100% of Russian and Ukrainian operations
- Acquisition of Sukha Balka iron ore mine
- Acquisition of Mezhegy coal deposit*
- Agreement with China's MCC on joint development of the Cape Lambert Iron Ore Project in Australia*

Achieve world leadership in vanadium business

- Truly global business with five operating units in Russia, Europe, North America and South Africa



1H08 Financial Summary

| US\$ mln unless otherwise stated | 1H08 | 1H07 | Change |
|----------------------------------|---------|---------|--------|
| Revenue | 10,726 | 6,018 | 78.2% |
| Cost of revenue | (6,546) | (3,724) | 75.8% |
| SG&A | (954) | (492) | 93.9% |
| EBITDA* | 3,700 | 2,050 | 80.5% |
| <i>EBITDA margin</i> | 34.5% | 34.1% | |
| Net Profit** | 2,043 | 1,122 | 82.1% |
| <i>Net Profit margin</i> | 19.1% | 18.6% | |
| EPS (US\$ per GDR) | 5.56 | 3.17 | 75.4% |
| Sales volumes*** ('000 tonnes) | 9,384 | 8,466 | +10.9% |

* EBITDA represents profit from operations plus depreciation and amortisation, impairment of assets and loss (gain) on disposal of PP&E

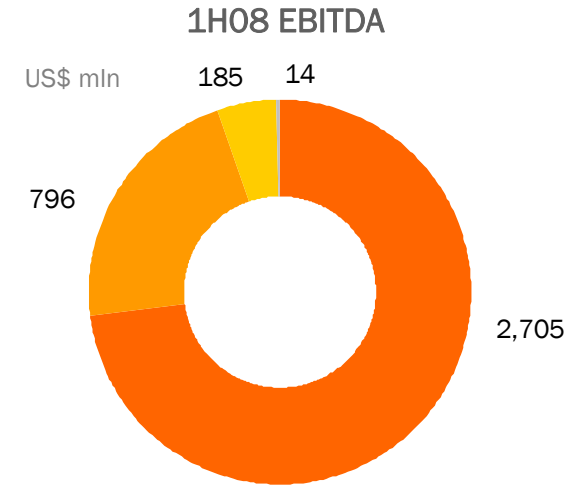
** Net profit attributable to equity holders of Evraz Group S.A.

*** Steel segment sales volumes to third parties



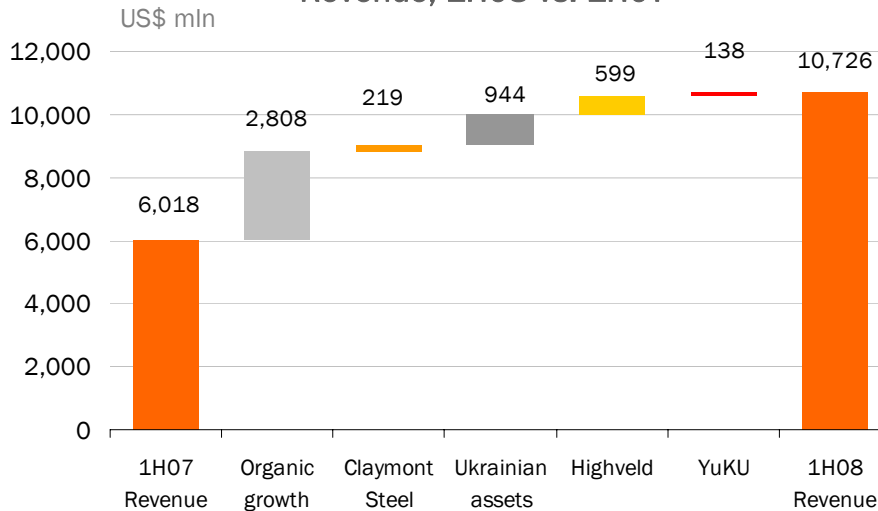
1H08 Financial Highlights

- Revenue increased by 78%, driven by stronger pricing and successful acquisitions
- Wider geographical diversification:
 - Share of Russian revenues decreased to 40%
 - Sales in European and American markets generated 31% of revenue

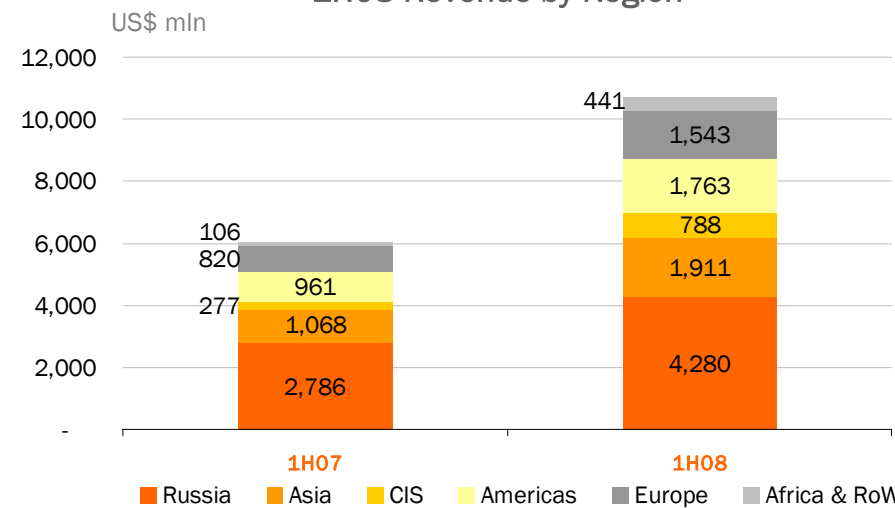


Steel Mining Vanadium Other and unallocated

Revenue, 1H08 vs. 1H07



1H08 Revenue by Region



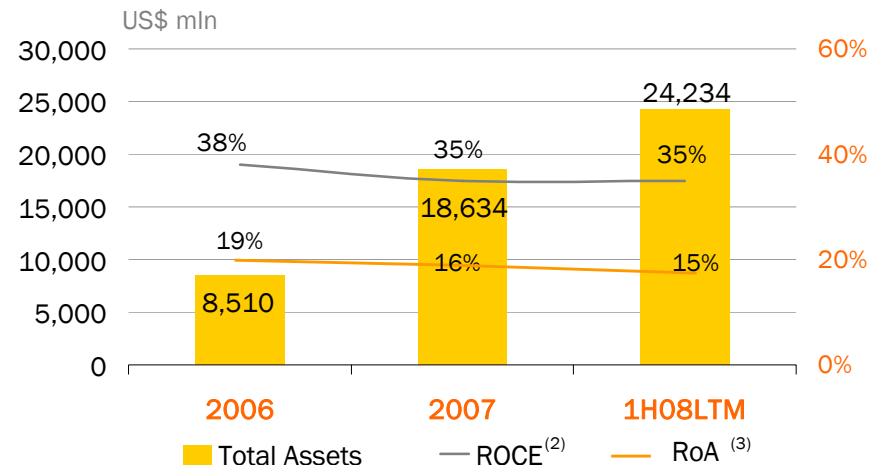
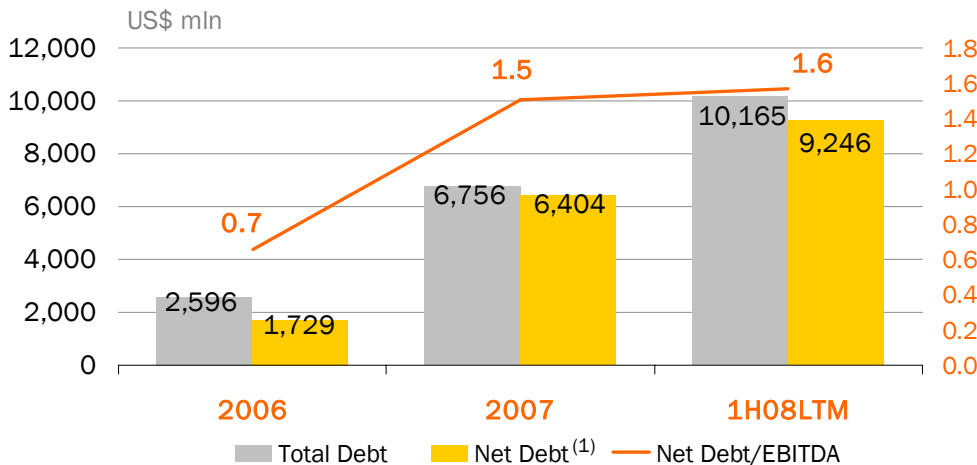


Prudent Balance Sheet Management

- Despite additional funding for new acquisitions LTM Net Debt /EBITDA remains in line with a long-term target
- US\$2 billion of long-term bond financing for 5 and 10 years raised at average cost of 9.1%
- ROCE maintained flat at 35% and RoA decreased to 15%

Net Debt-to-EBITDA Ratio

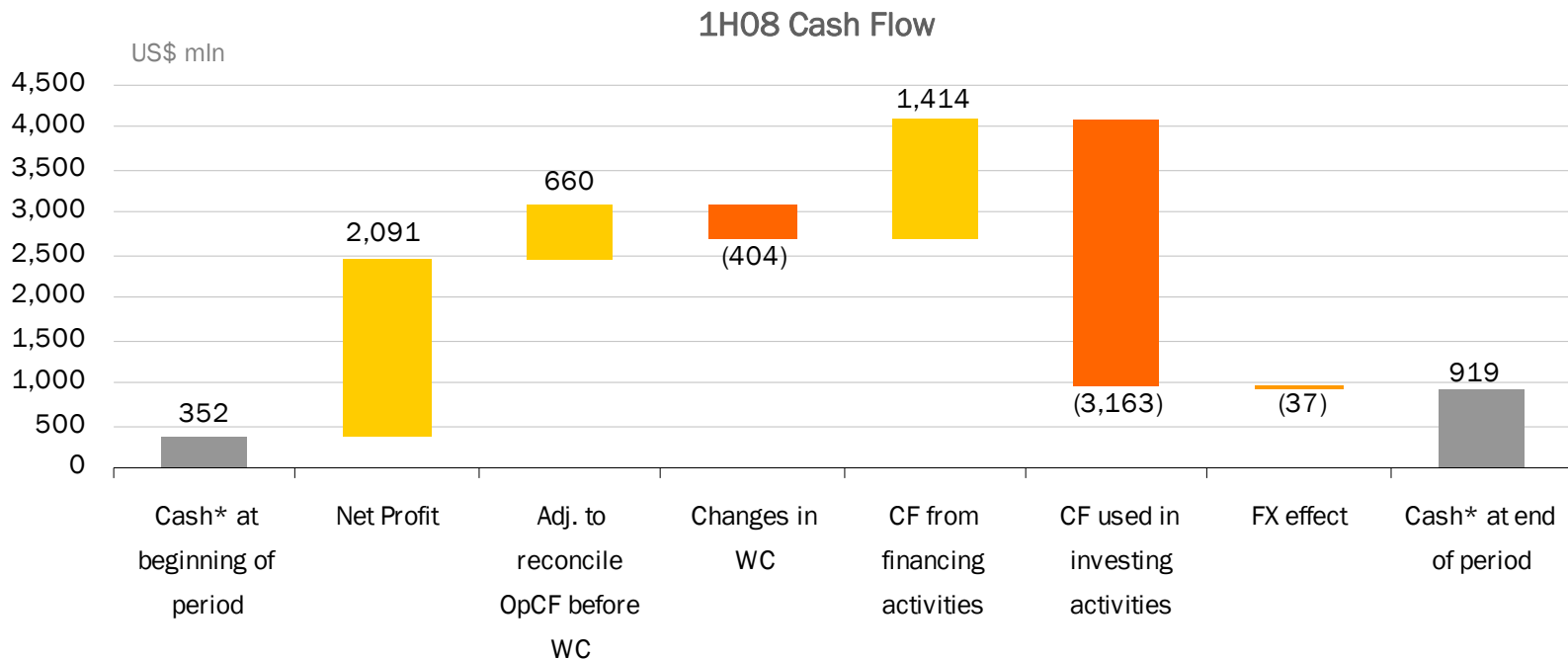
Total Assets and Return on Capital



(1) Net Debt equals total debt less cash & cash equivalents, short-term bank deposits and loans from related parties
 (2) ROCE represents profit from operations over total equity plus interest bearing loans and finance lease liabilities average for the period
 (3) RoA represents net income over total assets average for the periods

Record Cash Flow Generation

- Record high net operating cash flow of US\$2,347 million
- Operating cash flow conversion at 64%
- Cash balances amount of US\$919 million, including US\$31 million in short-term deposits
- US\$525 million used to finance capital investment programme, including US\$250 million spent on maintenance



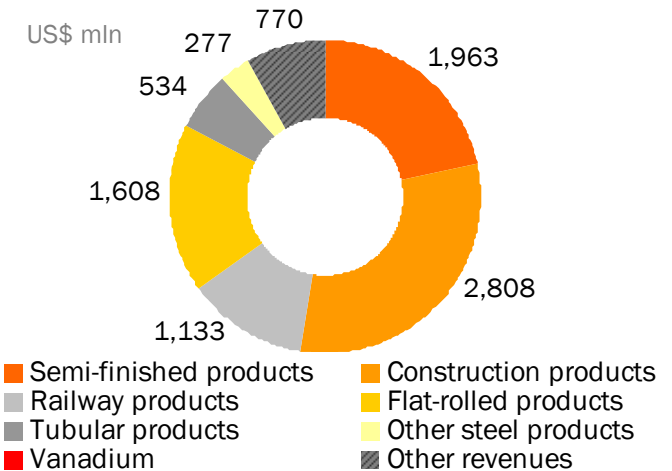
* Cash at beginning and end of period includes short-term deposits amounted to US\$25 mln and US\$31 mln respectively



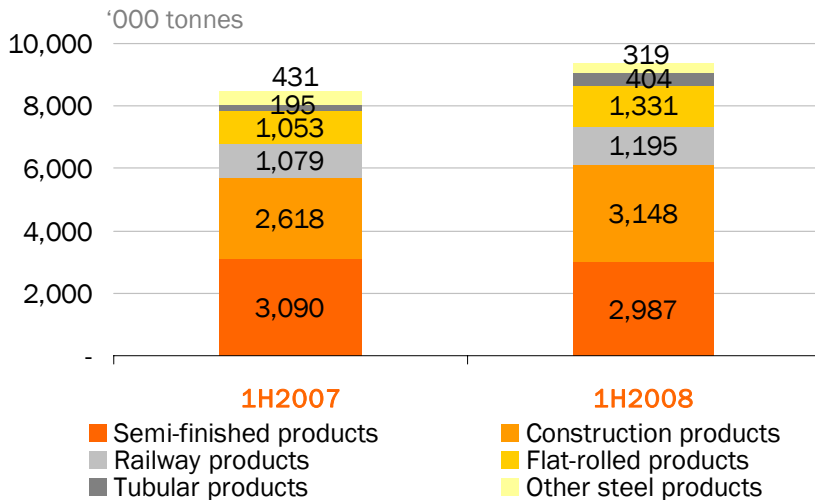
Steel

- Average steel price grew by 41% y-o-y to US\$887 per tonne due to improved market conditions and increased share of higher margin products
- Construction products revenues soared by 58% y-o-y on the back of a 20% increase in sales volumes
- Substantial growth of revenues from tubular (+110% y-o-y) and flat-rolled (+81% y-o-y) products sales mainly due to North American operations
- Sales volumes of semis declined by 6% y-o-y with slab sales decreasing by 19%

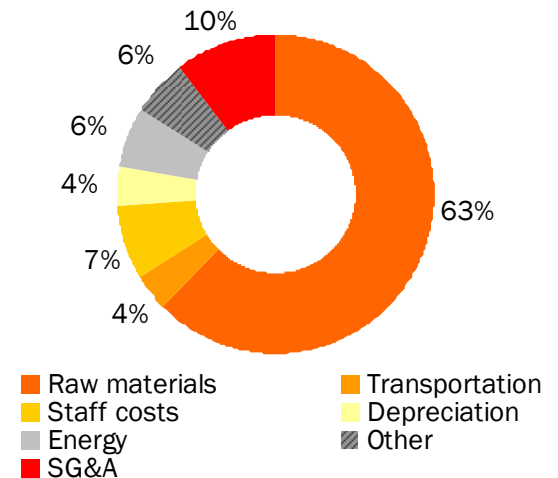
Steel Segment Revenue* Breakdown



Steel Sales Volumes* 1H08 vs 1H07



Steel Segment Costs

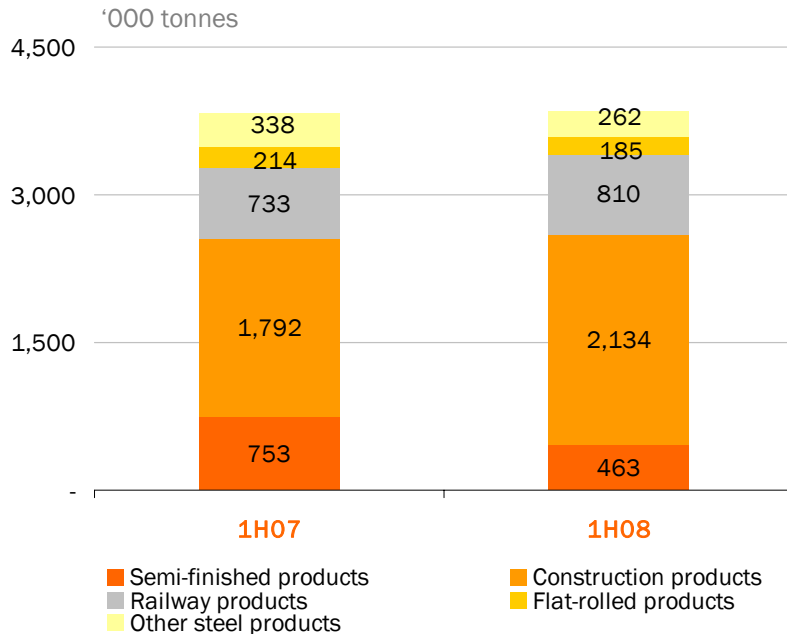




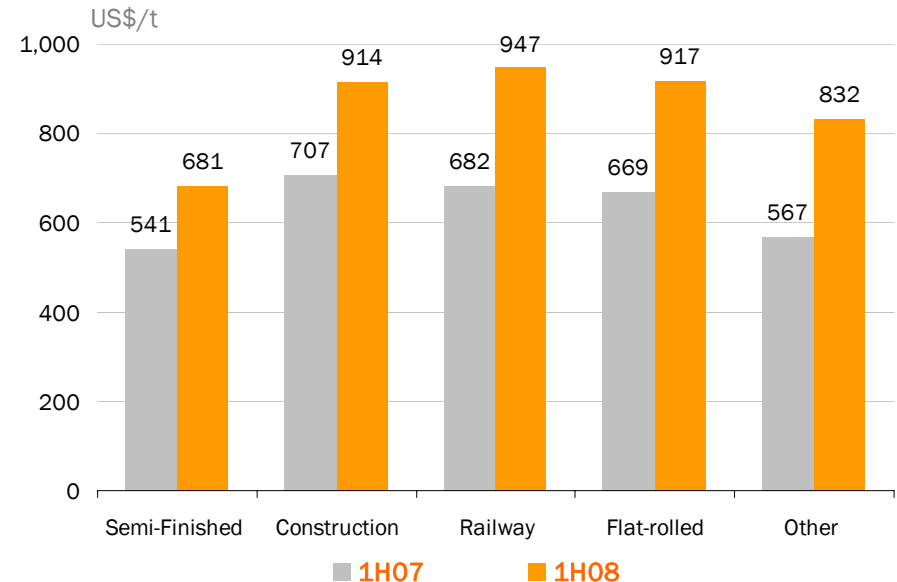
Russia

- Russian steel revenue grew by 44% in 1H08 fuelled by domestic construction growth and strong pricing
- Steel sales volumes of 3.8 million tonnes almost flat y-o-y with a shift in sales mix towards higher margin products
- Substantially all volumes of long products produced by our Russian mills were sold into the local market
- Construction products revenues increased by 54% y-o-y with a 19% increase in sales volumes
- Railway products: revenues grew by 53% with sales volumes increasing by 10%

Russian Market Sales Volumes



Average Prices for Steel Products in Russia*



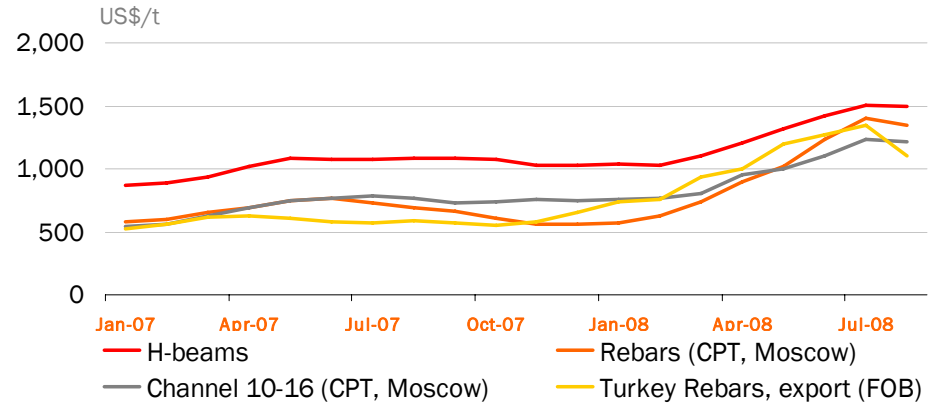
* Evraz average realized prices for 1H08



Construction Steel Market in Russia

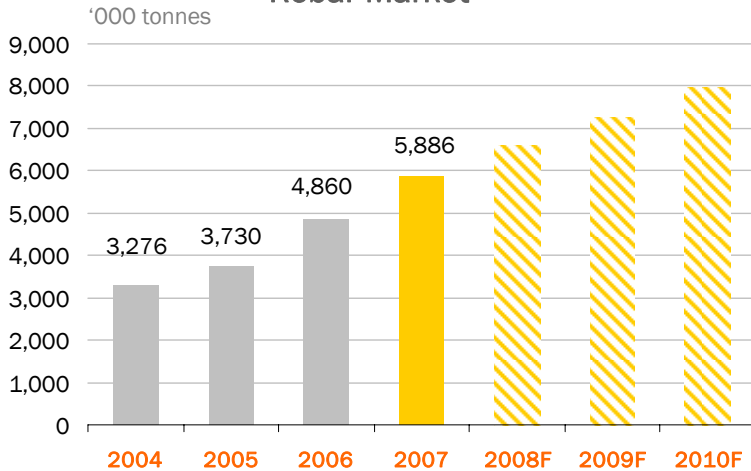
- Russian & CIS steel demand remained strong
- Rebar market grew by 17% in 1H2008 y-o-y with Evraz sales of rebars up by 20%
- Section market increased by 3% y-o-y while Evraz sections sales volumes increased by 19%

Prices for Construction Products



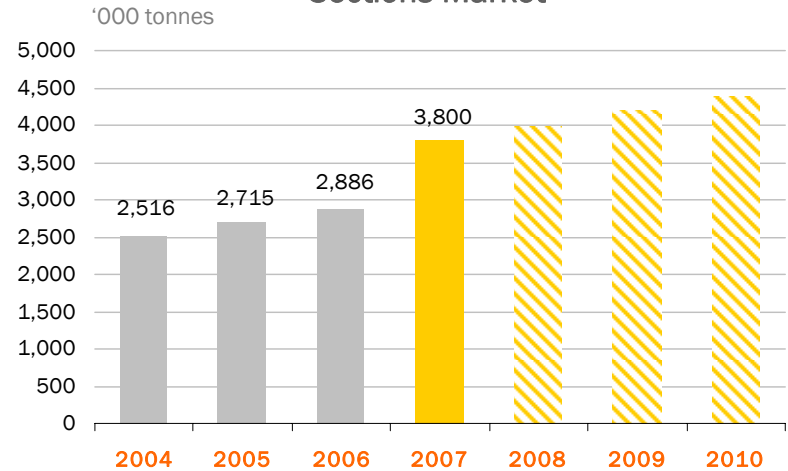
Source: Metal-Courier

Rebar Market



Source: Evraz market estimates

Sections Market



Source: Evraz market estimates



Investments in Rolled Capacity Expansion

011

US\$1,800 million investment programme announced in May 2008

- Implementation in 2008-2012
- Additional 3 million tonnes of rolled products (+40% to 2007 volumes) supplied to the Russian market

Railway rolled products:

- Wheel-rolling mill reconstruction at NTMK: total capex US\$215 million; 580,000 tonnes of wheels p.a.
- Rail production reconstruction at NTMK: total capex €375 million, up to 950,000 tonnes of rails p.a.
- Rail production reconstruction at NKMK: total capex €125 million, up to 750,000 tonnes of rails p.a.

Construction steel products:

- New small section rolling mill at NKMK: total capex US\$80 million; 400,000 tonnes of rebars and wires rod p.a.
- New section rolling mill in Bratsk, Irkutsk region: total capex US\$80 million; 400,000 tonnes of rebars p.a.
- New small section mill at Kostanai diesel engine plant site in Kazakhstan (approx 200 km from Chelyabinsk): total capex US\$160 million; 600,000 tonnes of rebars, channels, angles p.a.

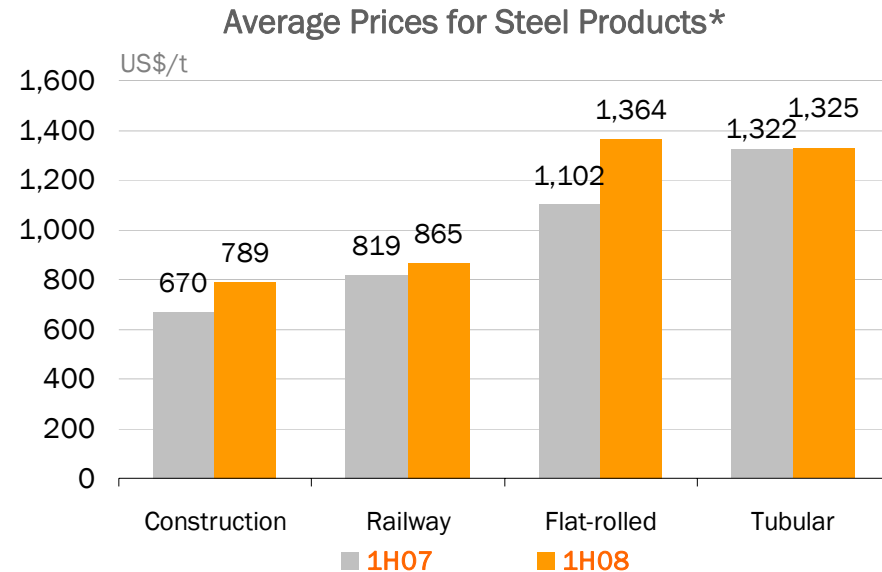
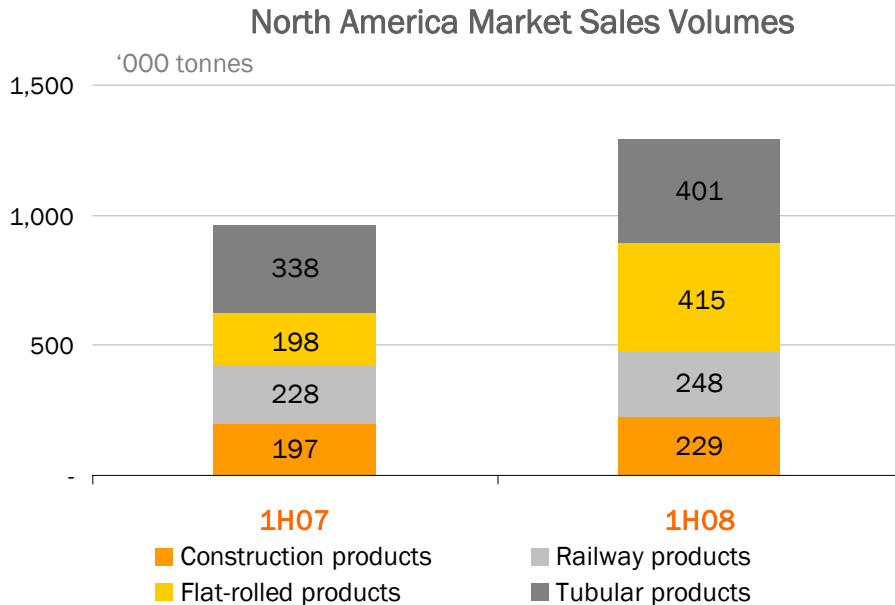
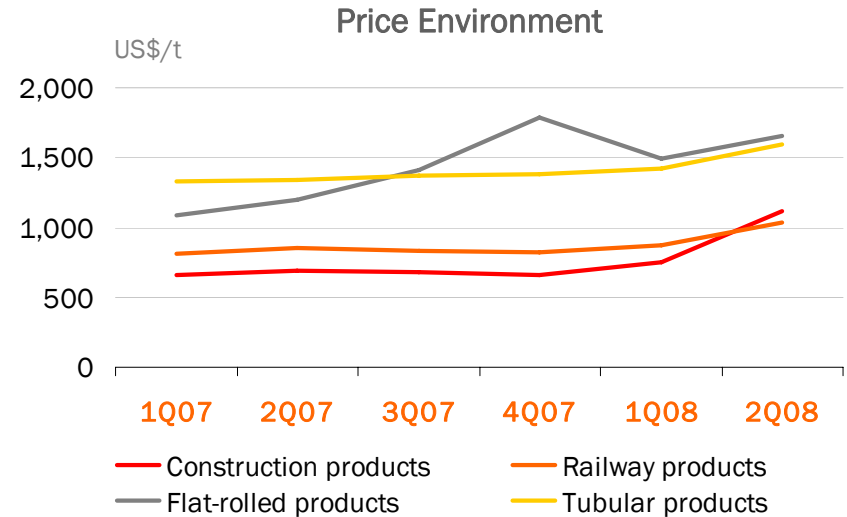
Flat-rolled products:

- New heavy plate mill Quarto 3600 at Zapsib: total capex US\$500 million; 1st stage – 800,000-850,000 tonnes of plates p.a.; 2nd stage - 1-1.2 million tonnes p.a.



North America

- Average steel price grew by 22% to US\$1,155 per tonne
- Substantial growth of flat products sales volumes due to Claymont Steel consolidation (+182 thousand tonnes)
- Revenues from rail sales increased by 15%
- IPSCO Canada operations consolidated since June 12, 2008, contributed US\$85.6 million to revenues and 59 thousand tonnes to the sales volumes
- All operations integrated under single unified management with HQ in Portland (Oregon)



*Evraz average realised prices for 1H081

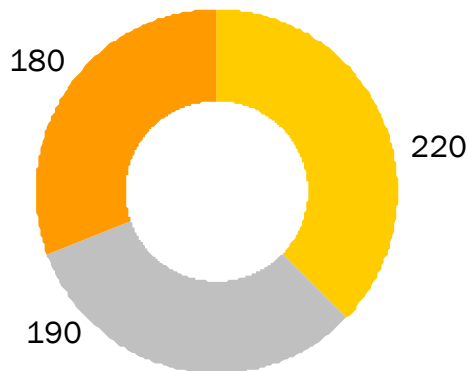


Evraz Inc. Canada (IPSCO Canada)

- IPSCO Canada, acquired in June 2008 for US\$2.4 billion represents another successful strategic move in Evraz geographic diversification
- 2H08 EBITDA is expected to amount to US\$400 million with revenue of US\$1,150 million
- Crude steel production is expected to contribute 507 thousand tonnes to Evraz consolidated production in 2H08
- In 2H08 Evraz Inc. Canada plans to sell 590 thousand tonnes of rolled products
- Pipe-making capacity is fully booked until 2010
- Average revenue per tonne in 2H08 is forecasted to be approximately US\$1,900

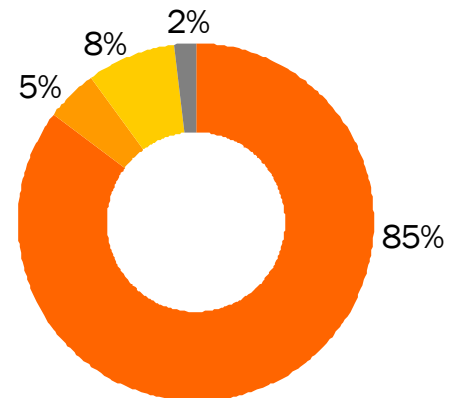
2H08 Planned Product Mix

'000 tonnes



■ Flat products ■ Tubular products ■ Casing and Tubing

Cost Breakdown



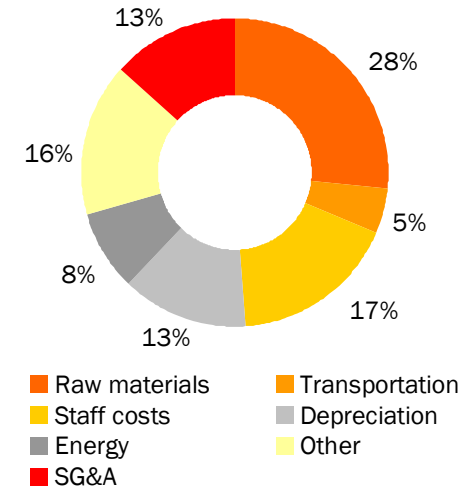
■ Raw materials & services ■ Energy
■ Staff costs ■ Depreciation



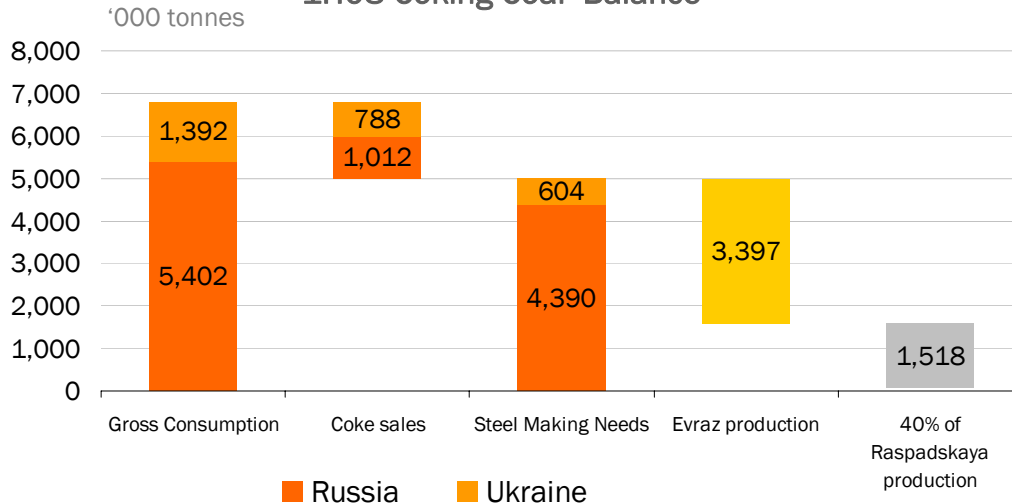
Mining

- EBITDA increased by 134% to US\$796 million
- 11.3 million tonnes iron ore output, increasing self-coverage to 93%
- Iron ore production cost of US\$60/t in Russia and US\$25/t in Ukraine
- Coking coal production almost fully covered* steel making requirements for coal in Russia and Ukraine
- Coking coal cash cost amounted to US\$36 per tonne
- Revenue from steam coal sales amounted to US\$160 million with 2.2 million tonnes of shipments

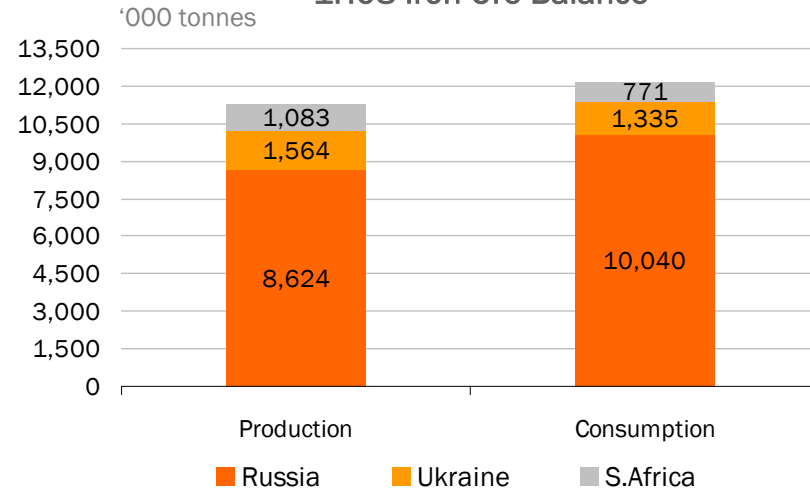
1H08 Mining Segment Costs



1H08 Coking Coal Balance



1H08 Iron Ore Balance



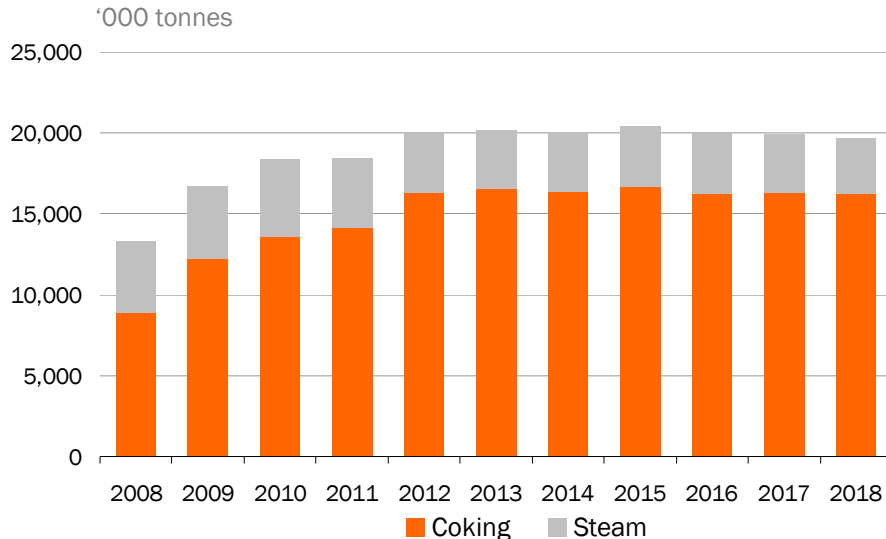
* Self-coverage is calculated as a sum of coking coal production by Mine 12, pro forma Yuzhkuzbassugol production and pro rata to Evraz's ownership production of Rospadskaya, in coal concentrate equivalent, divided by group's total coking coal consumption excluding coal, used in production of coke for sale to third parties



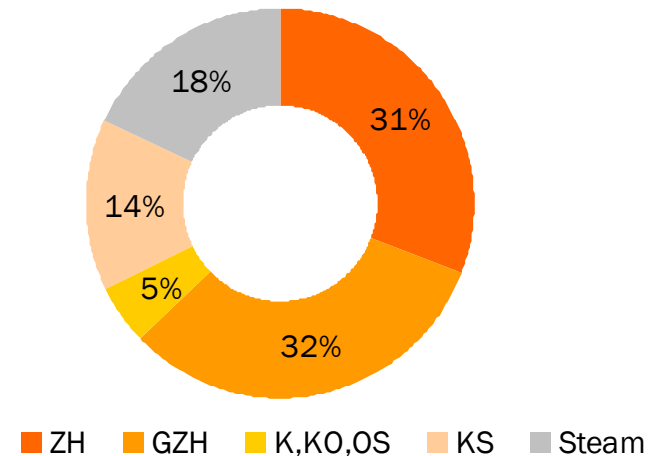
Yuzhkuzbassugol

- The development programme to 2018 was approved with an objective of meeting internal needs of the Russian and Ukrainian production facilities
- Construction of a new mine Erunakovskaya-8 to be completed in 2010; output of 2 million tonnes of hard coking coal p.a. to be achieved in 2011
- Revamp of Alardinskaya mine will add 1.5 million tonnes of semi-hard coking coal in 2009
- Safety and security measures are top priority with US\$125 million to be spent on safety in 2008
- The 2008 capex is budgeted at US\$400 million and the 2009-2011 capex is planned at US\$1.2 billion

Coal Production Plan to 2018



Expected Coal Production Mix in 2012





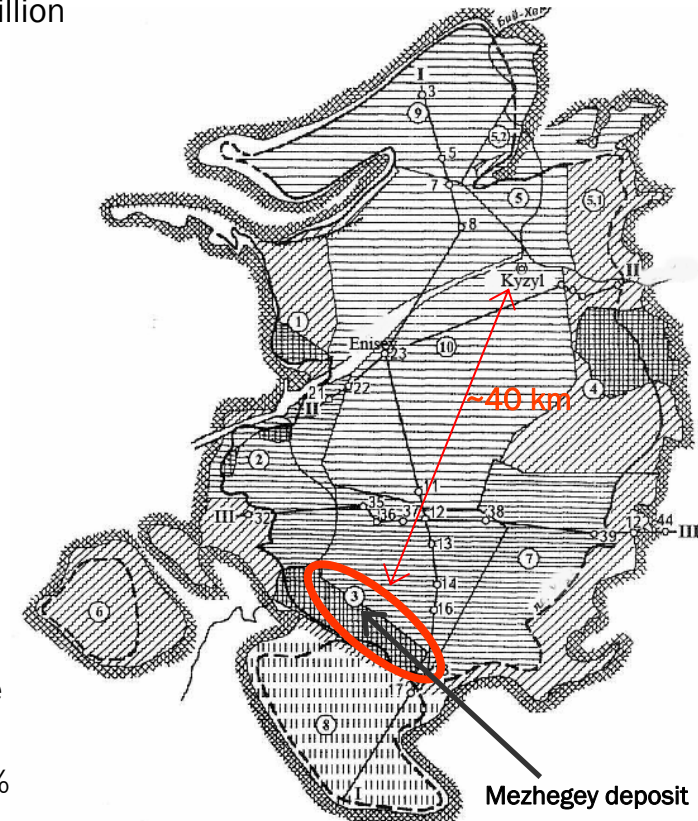
Mezhegey coal deposit

- In July 2008, Evraz won the tender to develop the Mezhegey coal deposit in the Republic of Tyva, Russian Federation, for US\$725 million
- World-class coking coal deposit with estimated coal resources of 213.5 million tonnes of hard coking coal (grade Zh under Russian classification)
- Located 800 km east of Novokuznetsk and 45 km south to Kyzyl
- Target production of approximately 8.4 million tonnes of coal concentrate will be reached by 2016
- Estimated development cost is US\$1.5 billion
- New production is aimed at replacing depleted hard coking coal production at existing mines of Yuzhkuzbassugol beyond 2015

Resource coal quality properties:

- Ash content fluctuates between 2.8%-23.2%, 10-16% on average
- Low-sulfur – sulfur content - from 0.17% to 1.35%, with an average of 0.45%
- Low-phosphorous – phosphorous content - from 0.001% to 0.077% with an average of 0.008%
- Volatile matter content - from 31% to 45% with an average of 39%

Map of Mezhegey deposit

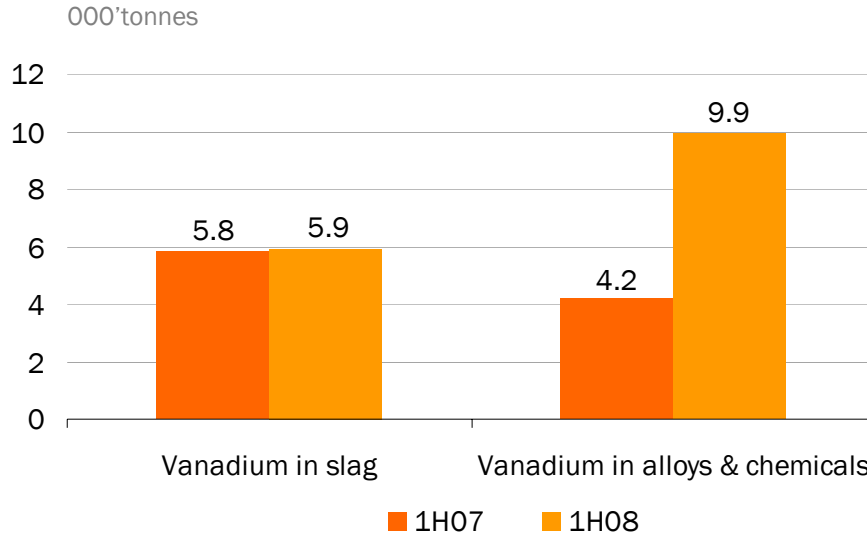




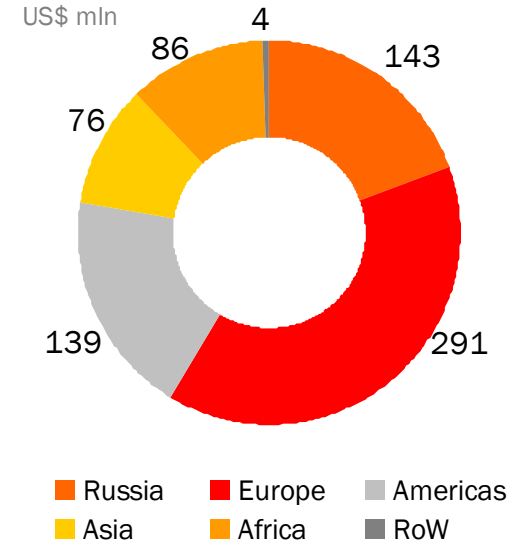
Vanadium

- Global leader with five operating units on three continents and geographically diversified revenues
- Vanadium business contributed* US\$739 million to revenues and US\$185 million to EBITDA
- Vanadium slag sales volumes unchanged at 5.9 thousand tonnes**
- Sales volumes of vanadium in alloys & chemicals of 9.9 thousand tonnes**

Vanadium Sales by Products



Vanadium Revenue by Region



* Vanadium sales to third parties
** Metric tonnes of vanadium equivalent

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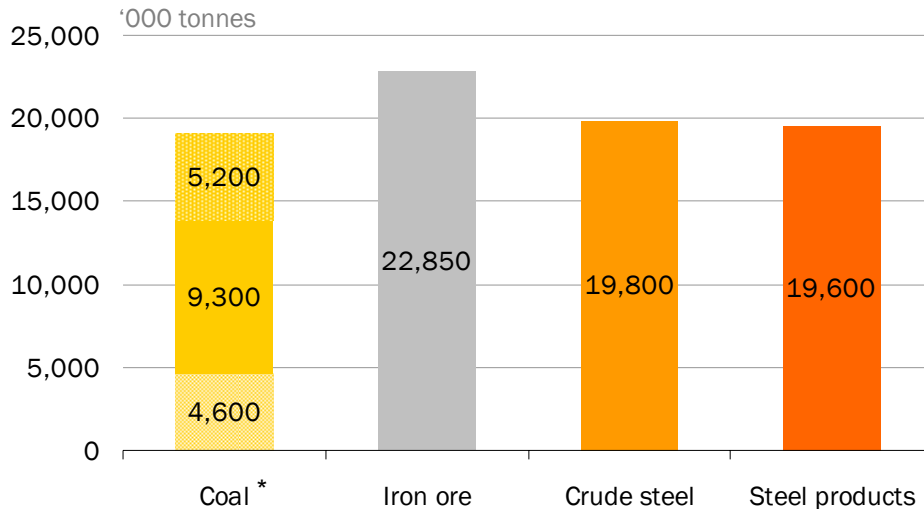
FY2008 Outlook



Outlook

- Consolidated revenues are expected to amount to approximately US\$23,200- 24,600 million
- EBITDA is expected to be in range of US\$8,000-8,500 million
- FY08 capital investments are budgeted at US\$1,500 million
 - Investment capex: US\$1,100 million
 - Maintenance capex: US\$400 million

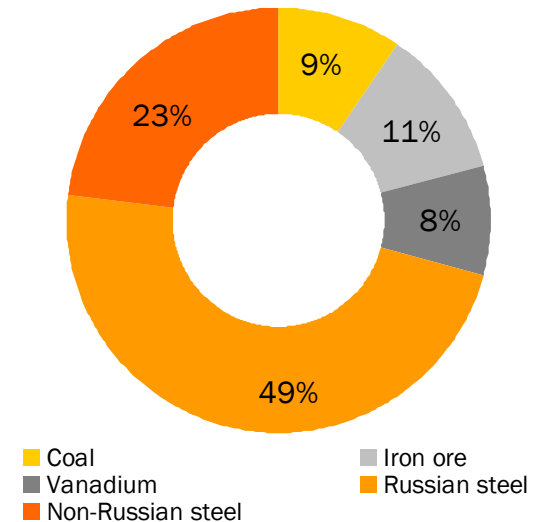
FY08 Expected Production



* Coal production includes 9.3 mln tonnes of coking coal, 4.6 mln tonnes of steam coal and 40% of Raspadskaya 2008F output

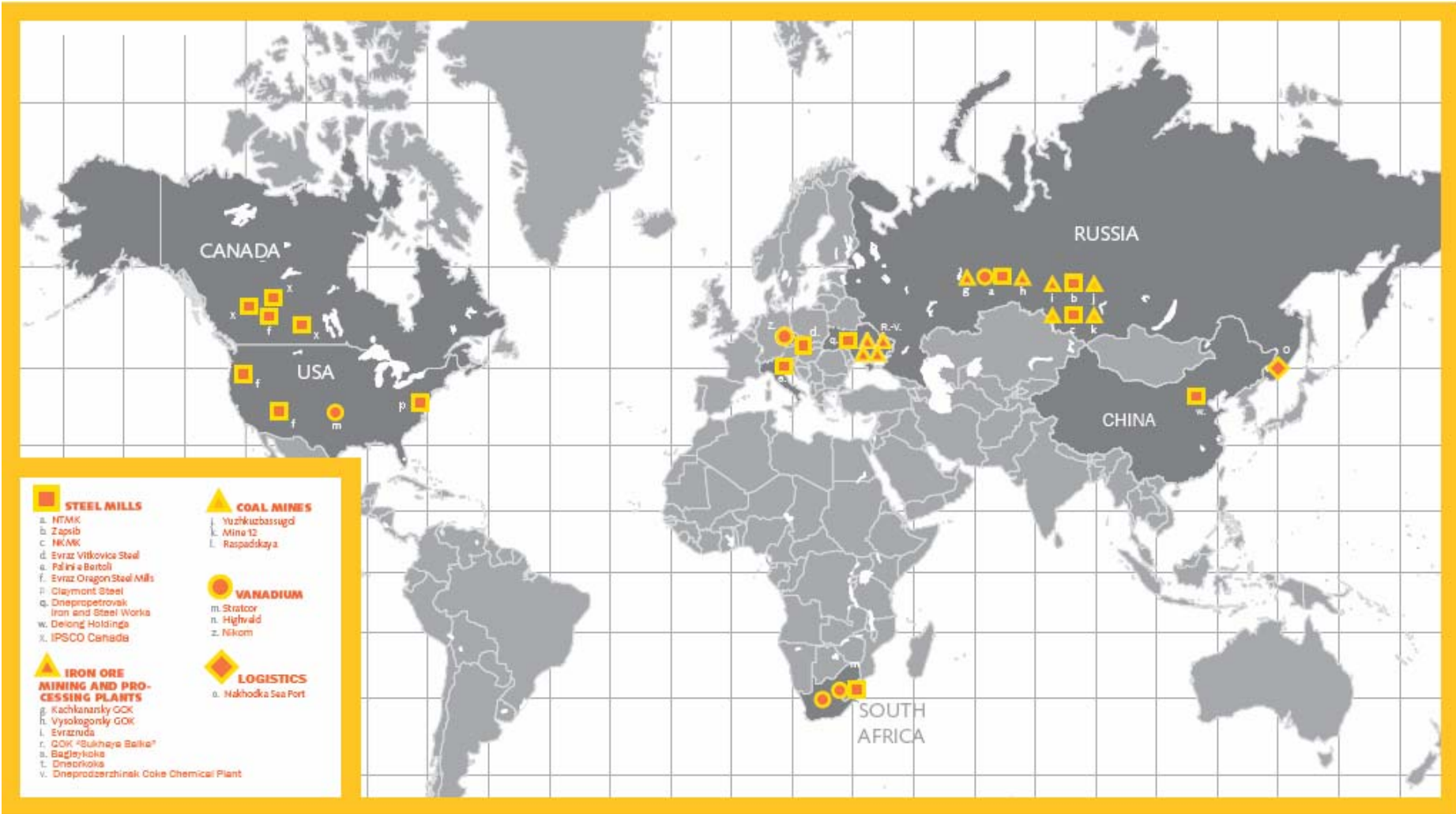
Crude steel and steel products includes output from existing assets, impact from consolidation of Claymont Steel, Dnepropetrovsk Metal Woks and IPSCO Canada. Steel products also includes pig iron sales from Russian mills.

FY08 Expected EBITDA Breakdown





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