

EVRAZ GROUP S.A.

**Deutsche Bank
Mining and Metals
Conference**

12-13 November 2007



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Achieve Superior Growth

Advance long product leadership position in Russia and CIS

- Leverage construction product range breadth, effective distribution and customer service
- Develop railroad products portfolio to grow domestic and export business

Build global steel business

- Expand presence in attractive plate and other flat product markets complementing a flexible world-class semis export business



Enhance Margin Profile

Enhance cost leadership position

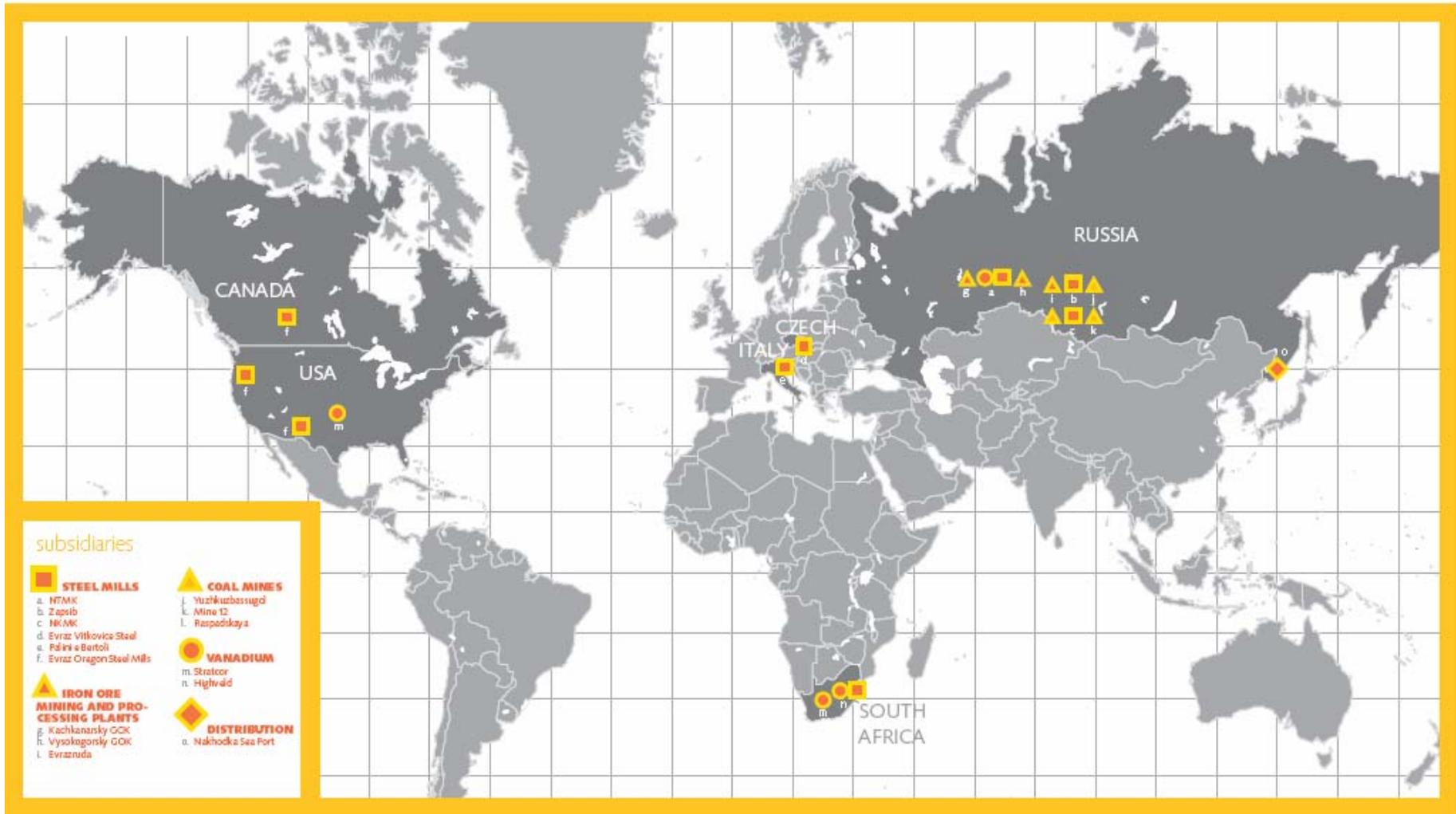
- Increase efficiency through operational improvements and ongoing realization of asset synergies
- Complete CAPEX-driven asset optimization



Expand competitive mining platform

- Complete vertical integration in iron ore and pursue selective opportunities globally
- Build domestic and export coal portfolio, increase capitalization of coal business
- Achieve world leadership in vanadium business

Evraz Group's Main Locations

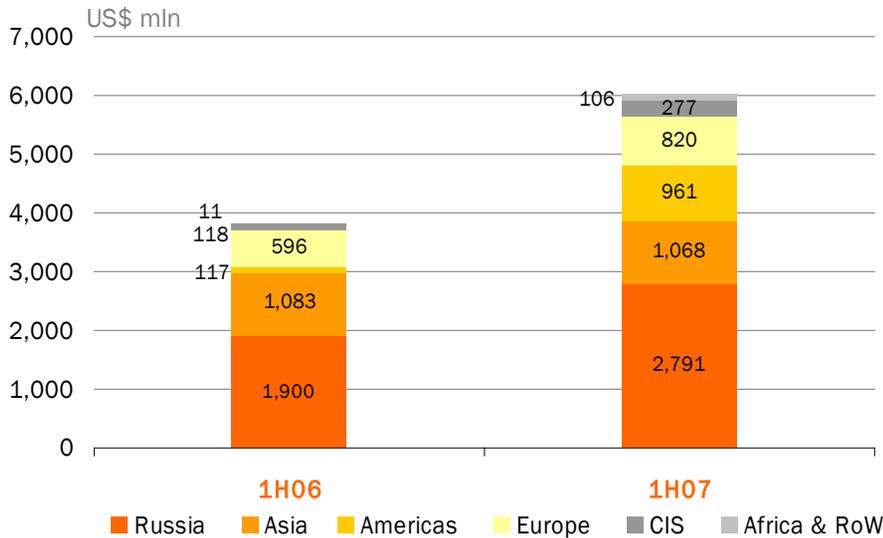




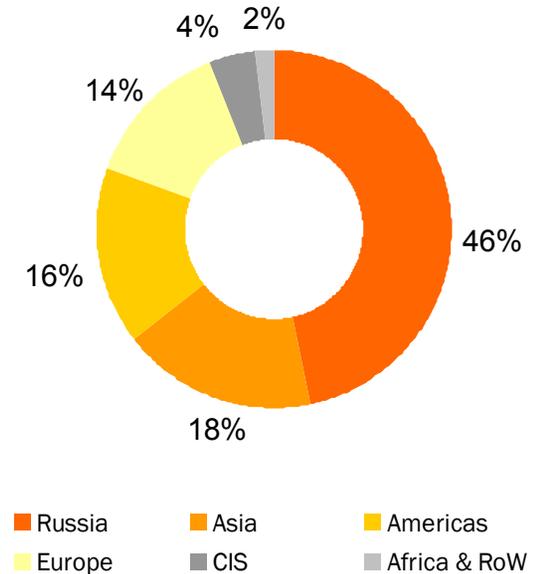
Strengthening Position in Attractive Markets

- 1H07 revenues increased by 57% to US\$ 6,023 mln
- Total 1H07 shipments almost flat at 8.466 mln tonnes
- 1H07 EBITDA grew by 87% to US\$ 2,050 mln with EBITDA margin advanced to 34%
- Net profit increased by 98% to US\$1,126 mln
- Russia remains key market with revenue up 47% and volumes increasing by 16%
- Asian sales slipped from 28% in 1H06 to 18% in 1H07 with revenues almost flat y-o-y

Revenues by Region



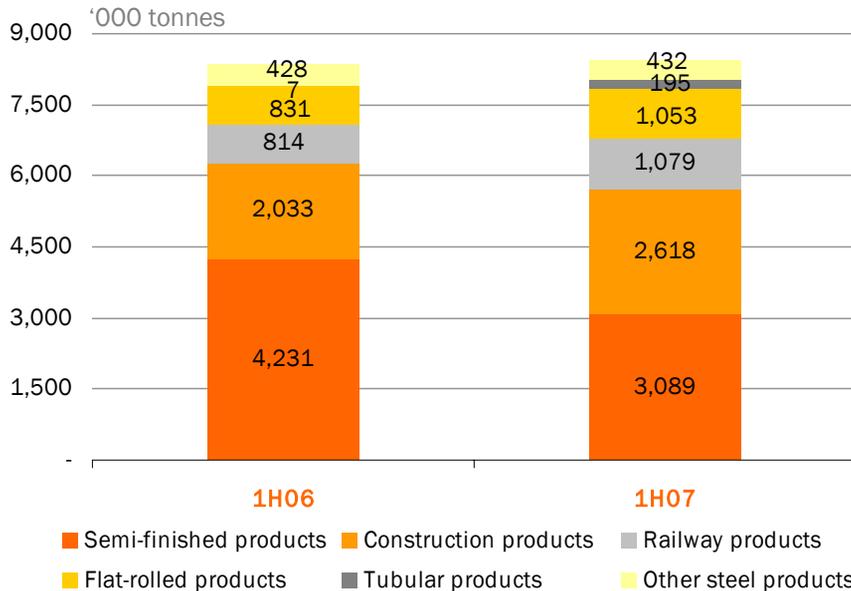
Composition of Revenue by Region



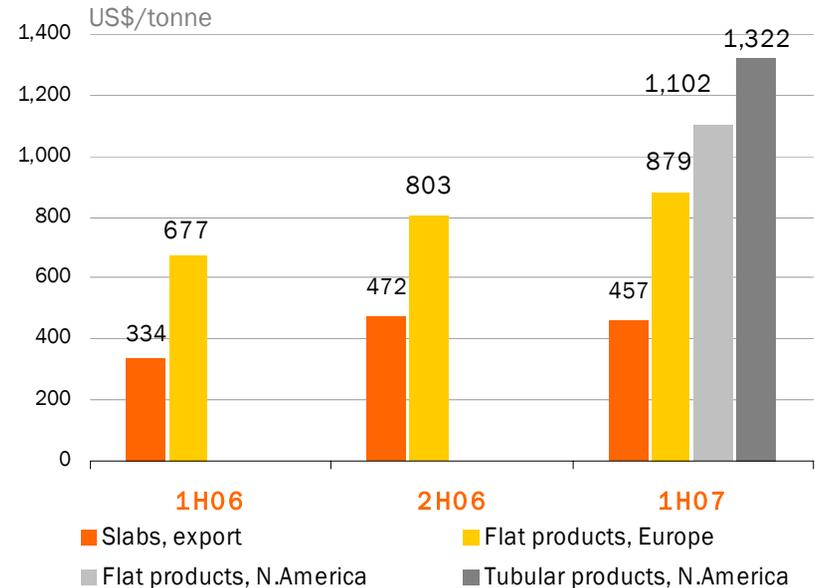
Shift to Higher Margin Products

- Average price for steel products grew by 51% to US\$629/tonne with mix shift in favour of higher margin products
- Share of semi-finished products sales fell from 37% to 23% with volumes decreasing by 27%
- Evraz OSM acquisition contributed 762 thousand tonnes of rolled products, including 189 thousand tonnes of tubular and 228 thousand tonnes of railway products
- Highveld contributed 124 thousand tonnes of steel products for the two months of consolidation

Steel Product Sales Volumes



Prices by Products by Region

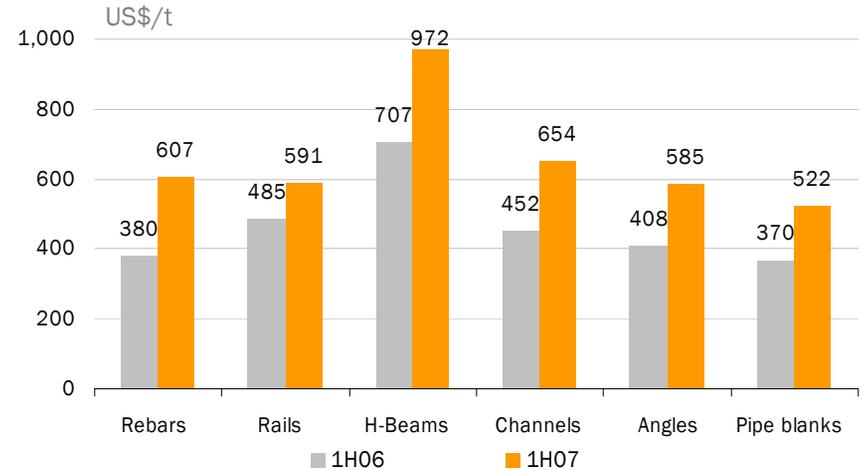




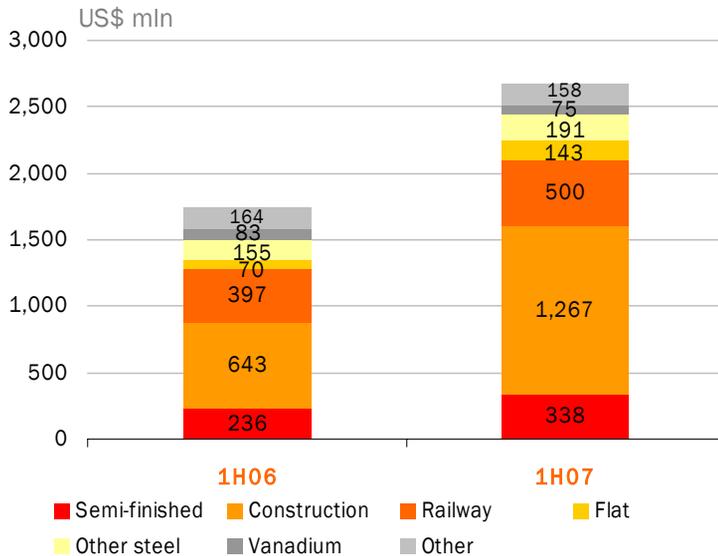
Steel: Yielding on Russian Demand Growth

- Russian steel revenue grew by 53% fuelled by domestic construction boom and strong pricing
- Steel sales volumes increased by 16% to 3.8 mln tonnes and selling price averaged 637\$/tonne
- Russian construction sales: almost double revenues on the back of 32% increase in sales volumes
- Railway products: revenues grew by 26% with sales volumes increasing by 5%
- Flat products revenue jumped by 105%

Key Products Prices in Russia



Segment Revenues: Russia



Russian Steel Sales Volumes

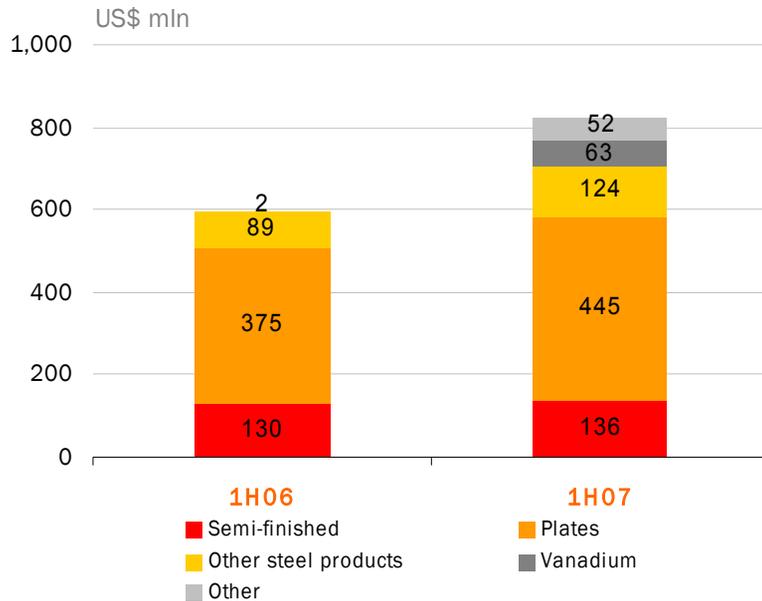




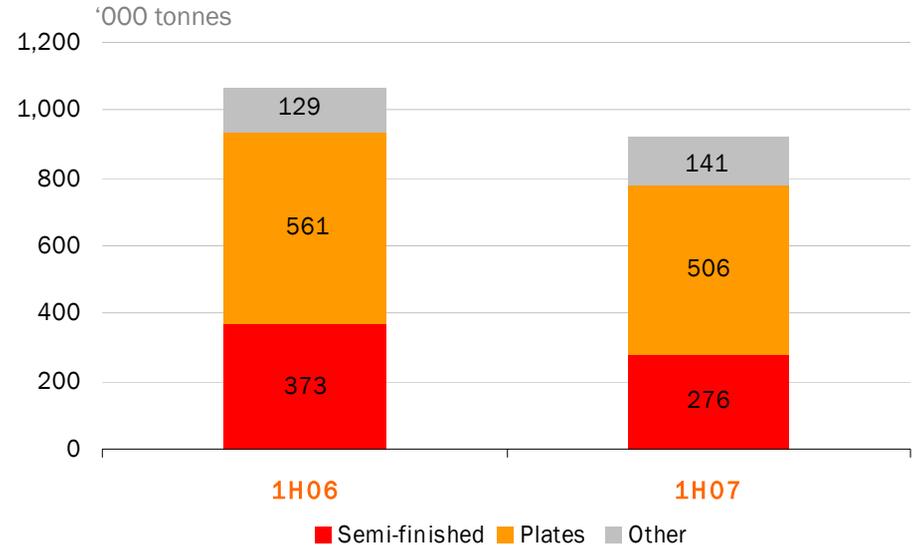
Steel: Europe

- Sales grew by 38% to US\$820 mln on the back of strong pricing environment and contribution from vanadium products sales
- Average slab and plate sales prices were up 41% and 32% respectively
- 1H07 EBITDA of Palini e Bertoli and Evraz Vitkovice Steel amounted to US\$60 mln and US\$99 mln respectively

European Steel Revenues



European Steel Sales Volumes

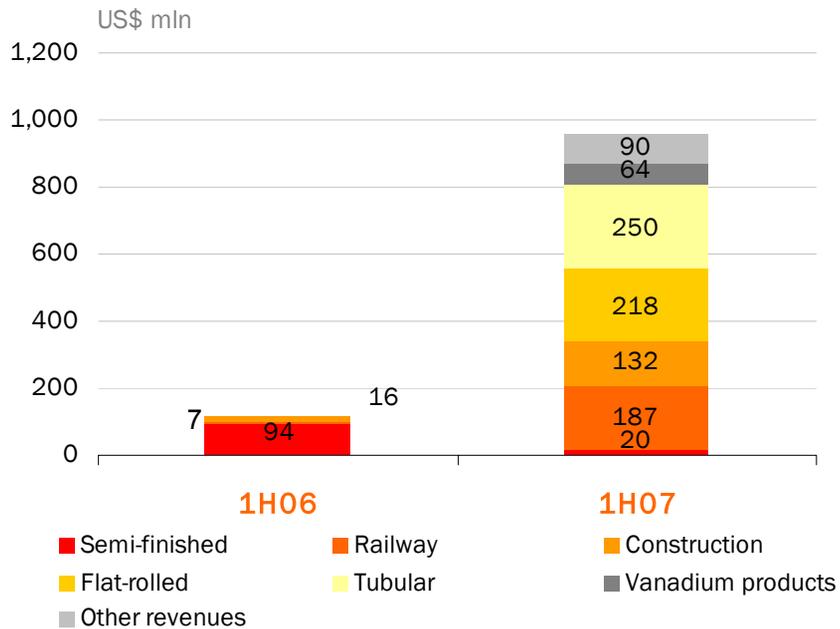




Steel: North America

- Sales jumped from US\$117 mln to US\$961 mln on Evraz OSM and Stratcor acquisition
- Total steel sales increased by 156% to 854 thousand tonnes of higher margin products
- 1H07 Evraz OSM revenues totalled US\$828 mln with EBITDA of US\$108 mln

N. America Revenues



N. America Steel Sales Volumes



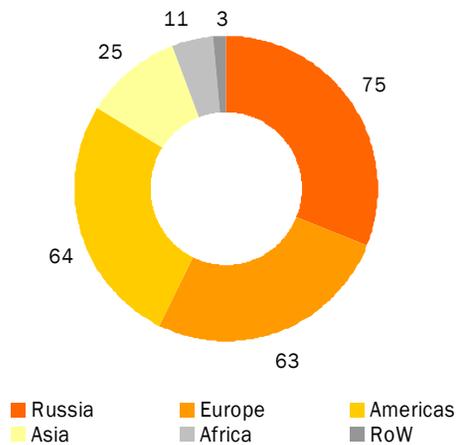


Vanadium: Leveraging Market Exposure

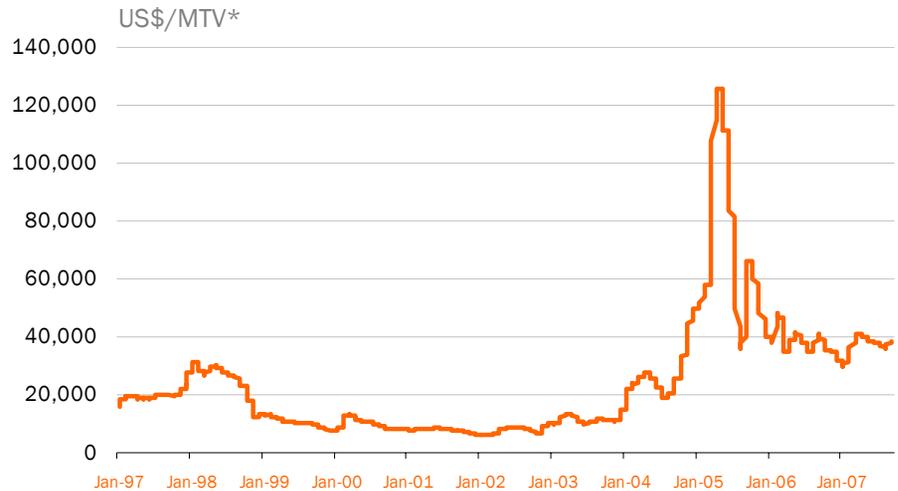
- Vanadium business contributed US\$241 mln to revenues compared with US\$83 mln in 1H06
- Vanadium slag volumes increased to 5.5 thousand tonnes* and vanadium products volumes totalled 4.2 thousand tonnes* due to Stratcor and Highveld consolidation
- Russian vanadium slag sales volumes increased by 9% to 4.7 thousand tonnes*
- 1H07 Stratcor revenue totalled US\$98 mln with total sales of 2.7 thousand tonnes* of vanadium products

Vanadium Revenues by Region

US\$ mln



Vanadium Market Price**



Source: Metal Bulletin

* Metric tonnes of vanadium equivalent

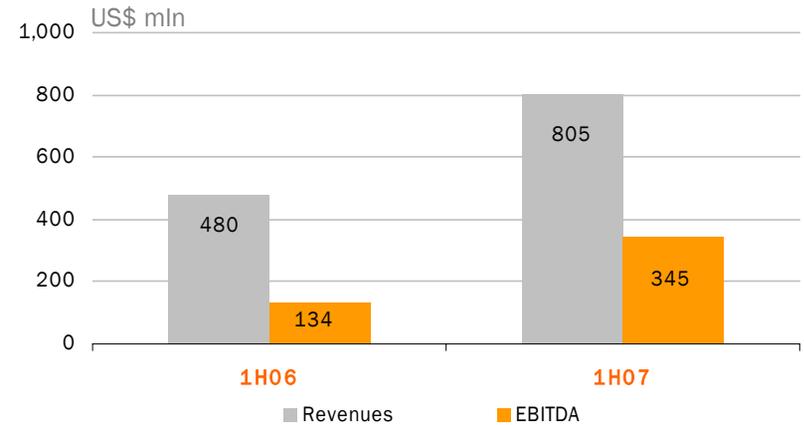
** Per tonne of Vanadium in Ferro-vanadium products at major European destinations



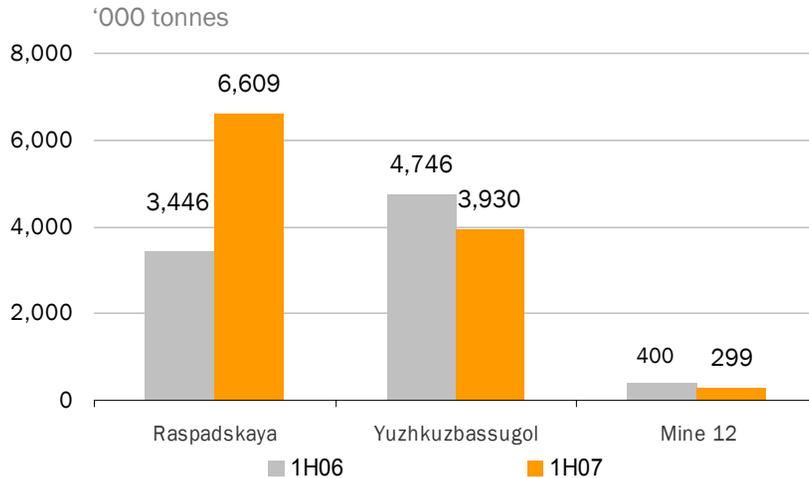
Mining: Hedging Steel Production Costs

- EBITDA increased by 157% to US\$345 mln on 53% price growth
- Iron ore self-coverage of 84%
- 10.8 mln tonnes of raw metallurgical coal produced by affiliates covered* 83% of steel production needs in 1H07
- Significant hidden value of Yuzhkuzbassugol to be unlocked through major turnaround

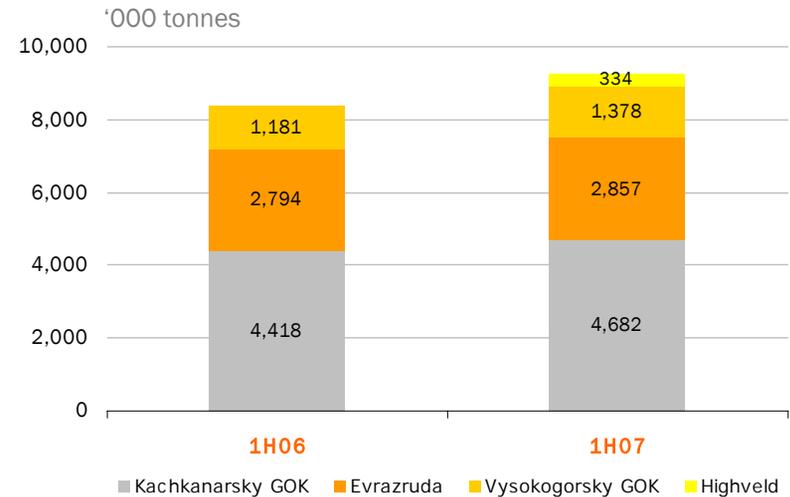
Mining Segment Performance



Coking Coal Production



Iron Ore Production



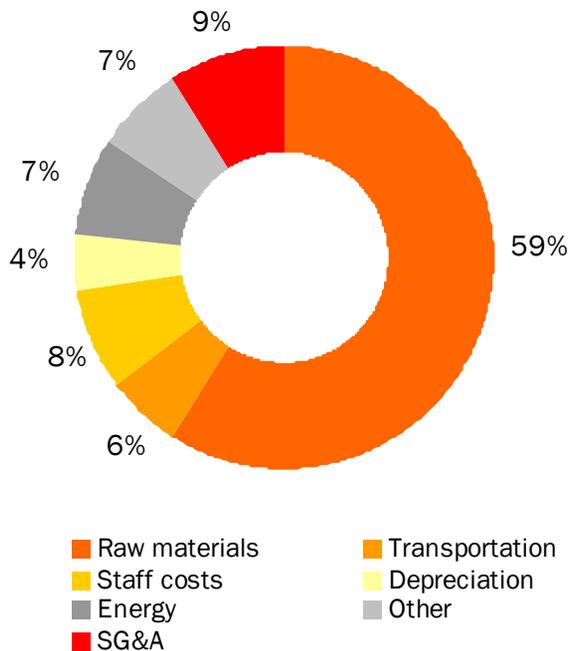
*Self-coverage is calculated as a sum of coking coal production by Mine 12, YuKU and Raspadskaya pro-rated by Evraz's respective ownership (all in coal concentrate equivalent), divided by group's total coking coal consumption excluding coal used in production of coke products for sale



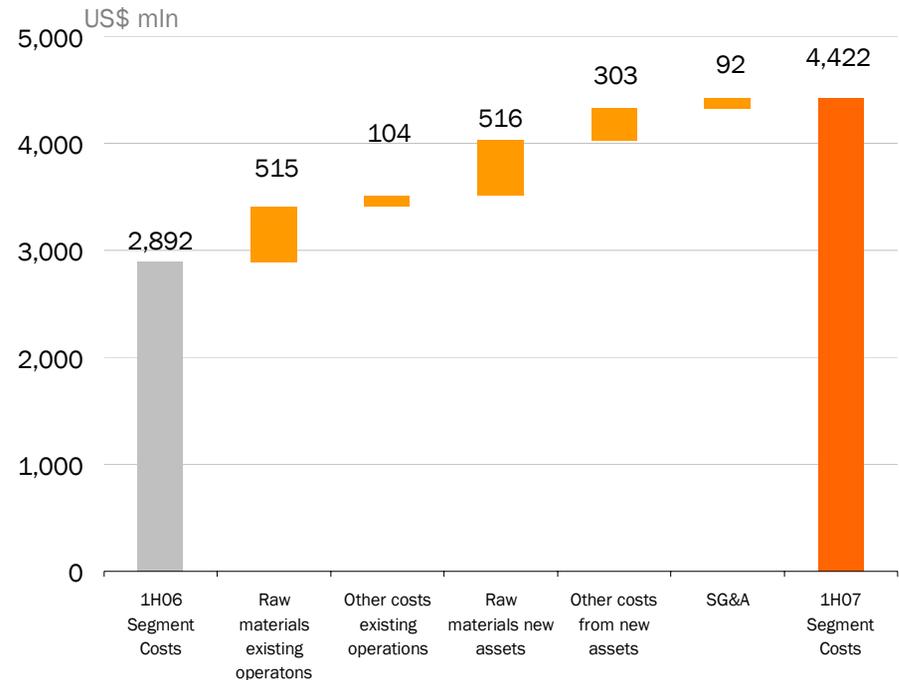
Steel Segment Costs

- Steel segment costs increased by 53% to US\$4,422 mln from US\$2,892 mln in 1H06
- New foreign subsidiaries – EOSM, Highveld and Stratcor – contributed US\$690 mln, US\$167 mln and US\$45 mln respectively to the segment costs

Steel Segment Costs 1H07



Segment Cost Bridge 1H06 vs. 1H07

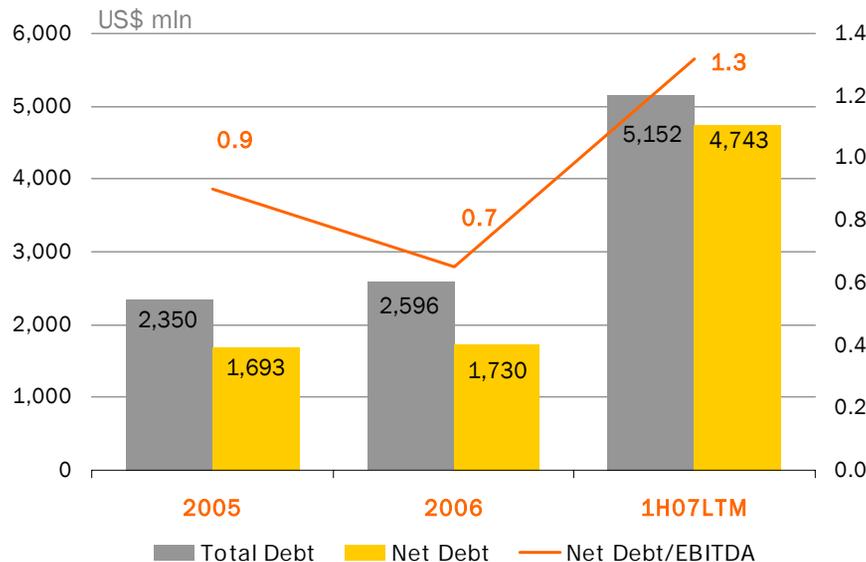




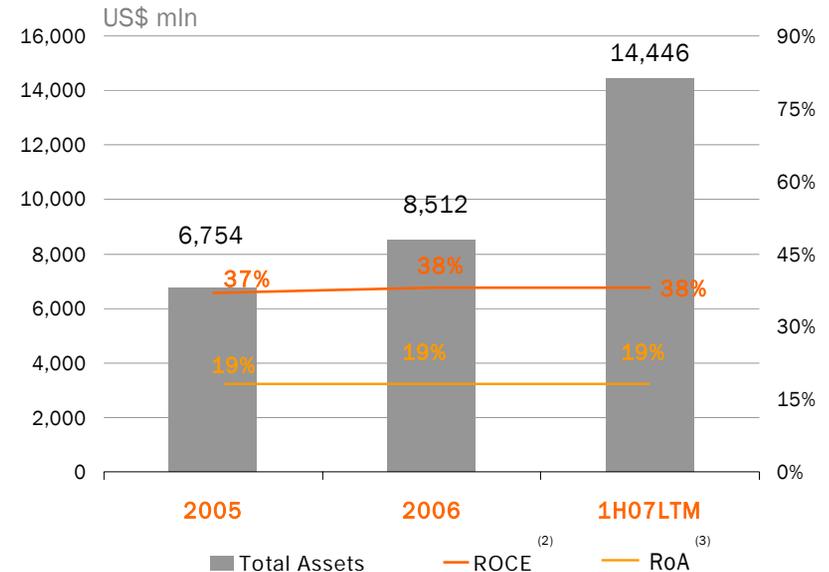
Well-Capitalised Balance Sheet to Fund Future Growth

- Net Debt ⁽¹⁾/EBITDA on LTM basis increased to 1.3x within stated target
- Current credit ratings: BB by Fitch; Ba3 by Moody's; BB- by S&P
- ROCE ⁽²⁾ remains strong at 38% and RoA ⁽³⁾ flat at 19%

Net Debt-to-EBITDA Ratio



Total Assets and Return on Assets



⁽¹⁾Net Debt equals total debt less cash & cash equivalents and short-term bank deposits.

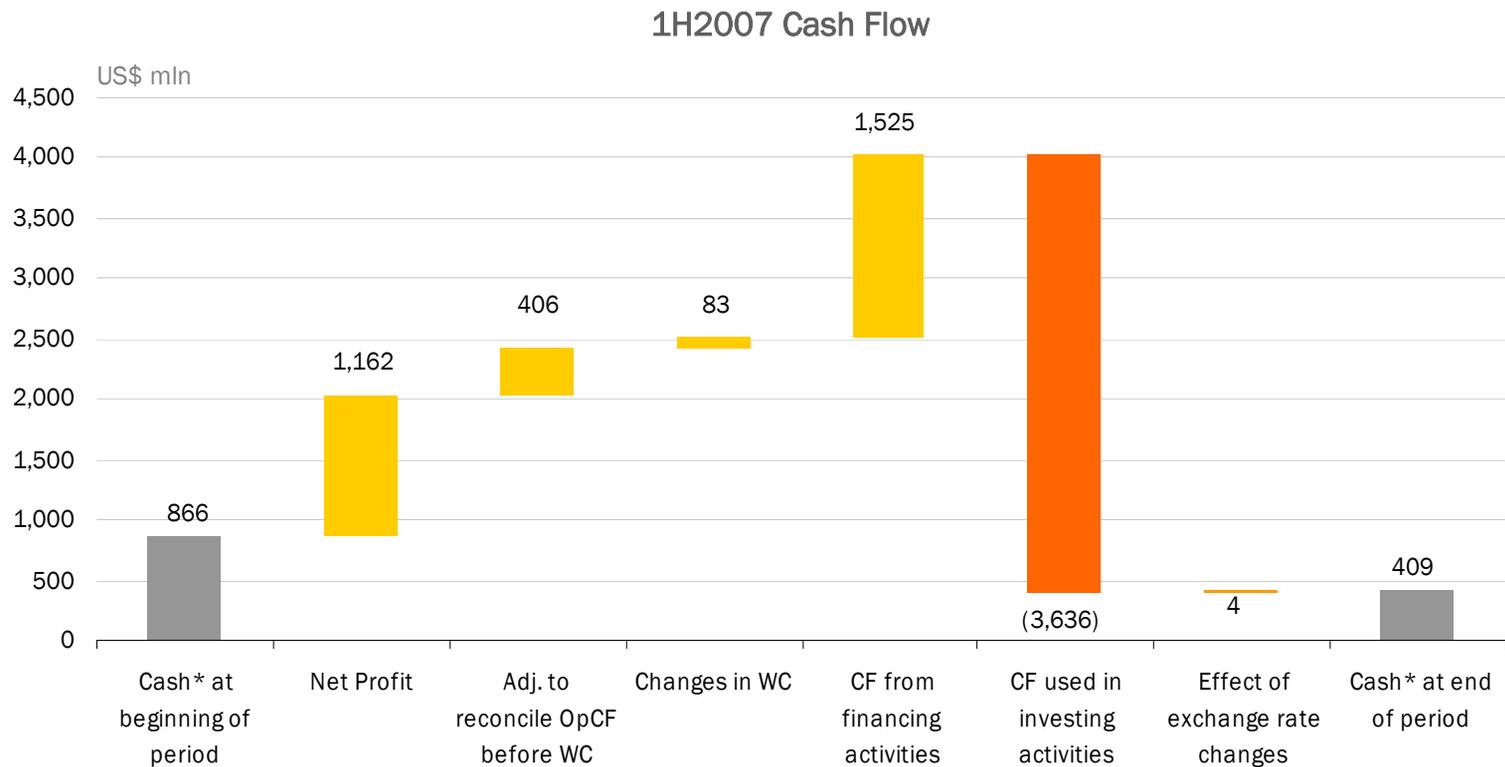
⁽²⁾ROCE represents profit from operations over total equity plus interest bearing loans and finance lease liabilities average for the period

⁽³⁾ RoA represents profit from operations over total assets



Strong Cash Flow Generation

- Strong net cash flow from operating activities of US\$1,651 mln
- EBITDA to Net Operating Cash Flow conversion at 81%
- Cash balance, including US\$23 mln in short-term deposits, amounted to US\$409 mln



*Cash at beginning and end of period includes short-term deposits amounted to US\$24 mln and US\$23 mln respectively

1H 2007 Capex Programme

Investment highlights:

- Capital spending of US\$235 mln in 1H07 vs. US\$262 mln in 1H06 focused on efficiency improvements mainly in steel production
- FY07 capex budget was revised to US\$690 mln to meet the needs of the acquired assets
- NTMK converter shop expansion programme commenced in 2006 with an aim to increase installed BOF capacity up to 4.3 mln tpa
- NTMK wheels quality testing has been put into operation in July
- Additional capex will be spent on safety and degassing equipment at Yuzkuzbassugol

 Investment capex : US\$104 mln

 Maintenance capex: US\$131 mln



Evraz FY2007 Outlook

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Production:

- Full year 2007 steel production target: 16.0-16.2 mln tonnes of crude steel, and 15.1-15.3 mln tonnes of rolled products, including 1.8 mln tonnes in the US and 0.5 mln tonnes in South Africa
- Pig iron sales will amount to 1 mln tonnes
- Zapsib blast furnace #1 relining was completed in 105 days and was put into operation in early October, ahead of schedule

Risks:

- Potential further staff cost increase in Russia

Financial Outlook FY 2007 :

- Consolidated revenues expected to increase by 45-55% (Y-o-Y)
- EBITDA expected to grow by 55-60% (Y-o-Y)

+7 495 232-1370
IR@evraz.com

www.evraz.com