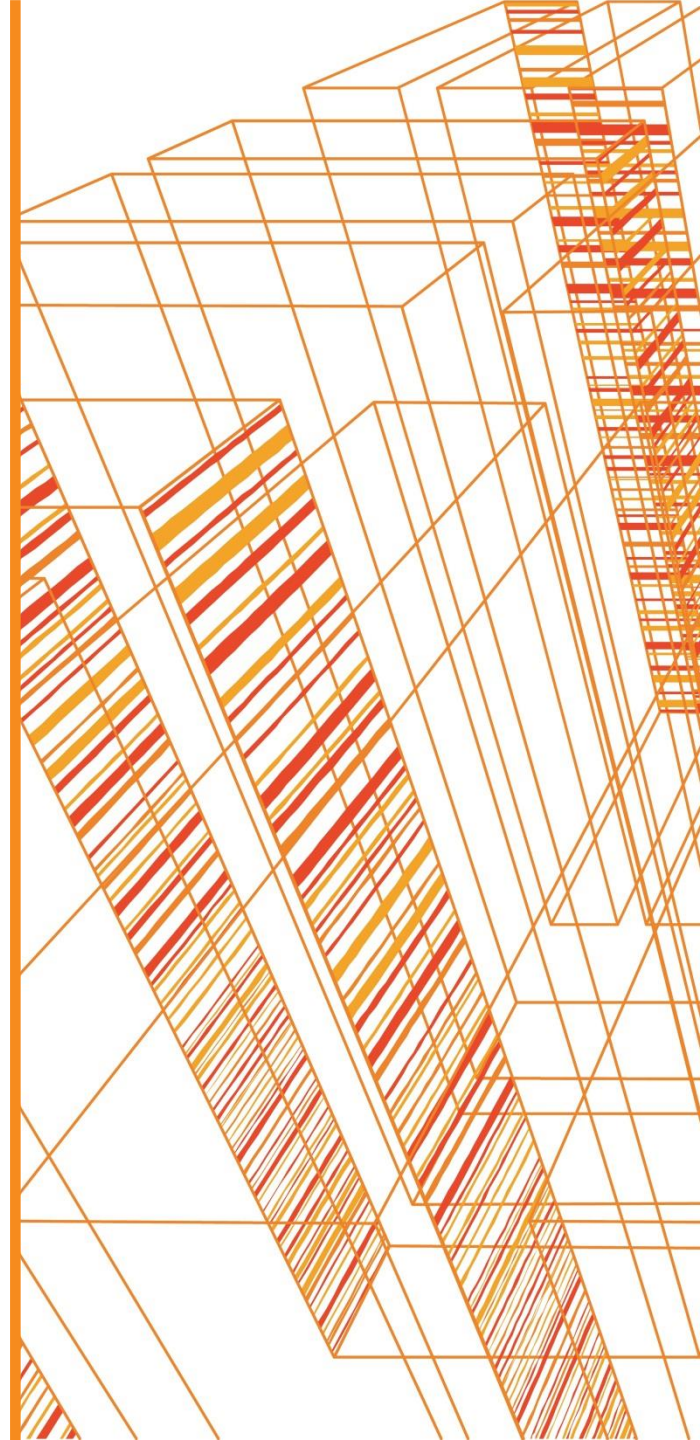


EVRAZ Investor Day

18 October 2016, London



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Today's Speakers



Sir Michael Peat

Senior Independent
Non-Executive Director



Alexander Frolov

Chief Executive Officer



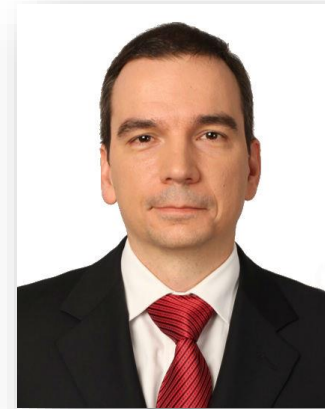
Sergey Stepanov

Vice-President,
Head of the Coal Division



Alexey Ivanov

Senior Vice-President,
Commerce and
Business development



Giacomo Baizini

Interim Chief Financial
Officer

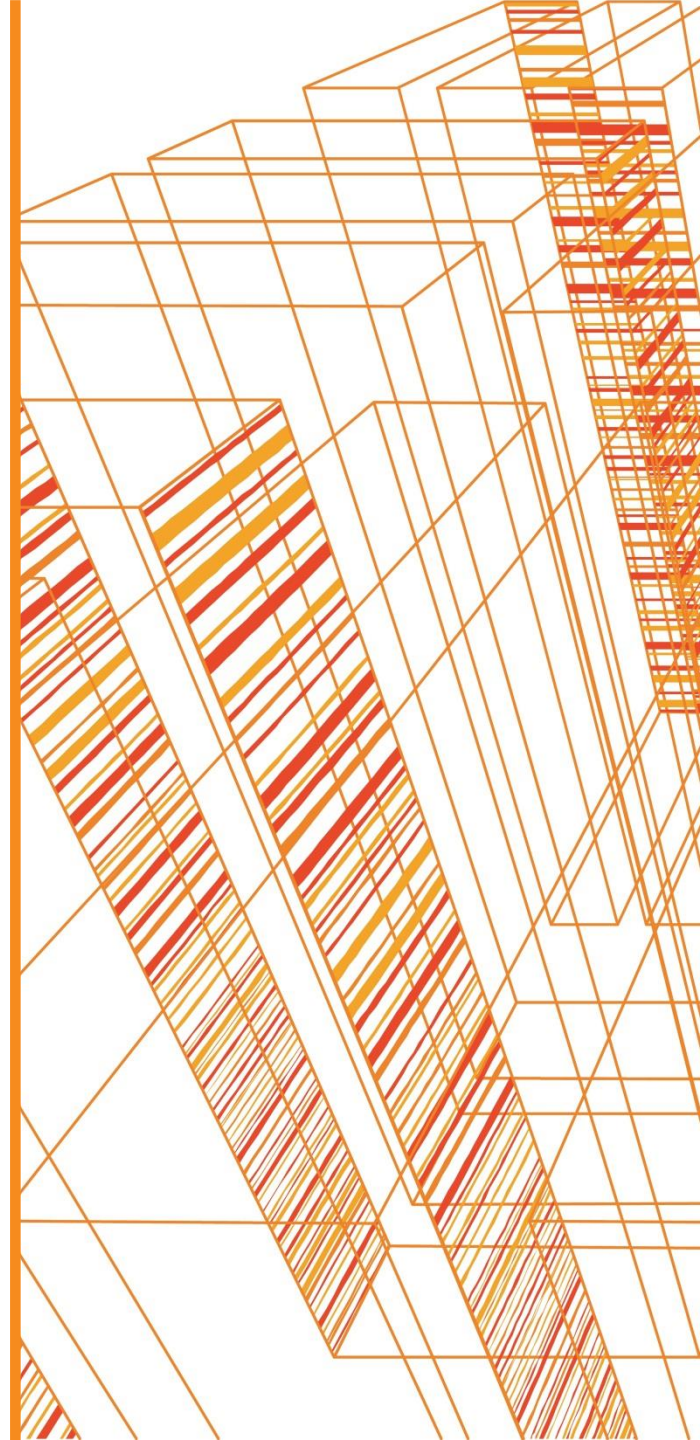
Agenda

- 9:00 am** **Sir Michael Peat,**
Senior Independent Non-Executive Director
Corporate governance
- 9:05 am** **Alexander Frolov, CEO**
Strategic overview
Strategic progress and strategic priorities. Market overview
- 9:35 am** **Sergey Stepanov, Vice-President, Head of the Coal Division**
Coal, Russia
Market positions, strategic initiatives and future targets
- 9:55 am** **Alexey Ivanov, Senior Vice-President,**
Commerce and Business development
Steel, Russia
Market positions, strategic initiatives and future targets
- 10:15 am** **Giacomo Baizini, Interim CFO**
Financial overview
Maturity profile update
- 10:25 am** **Q&A session**
- 11:00 am** Buffet lunch / informal interaction with management

Corporate governance

Sir Michael Peat

Senior Independent Non-Executive Director



Changes in the composition of the board and committees

Directors



Alexander Abramov
Chairman



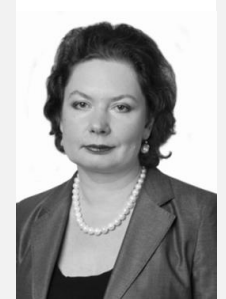
Alexander Frolov
Chief Executive Officer



Eugene Shvidler



Eugene Tenenbaum



Olga Pokrovskaya

Independent Non-Executive Directors



Sir Michael Peat
Senior Independent Director,
Chairman of the
Nominations Committee



Deborah Gudgeon
Chairman of the Audit
Committee



Alexander Izosimov
Chairman of the Remuneration
Committee



Karl Gruber
Chairman of the Health,
Safety and Environment
Committee



Duncan Baxter

Changes

Joined the
Remuneration
Committee

Joined the
Remuneration
Committee

Assumed the
Chairmanship of
the Remuneration
Committee

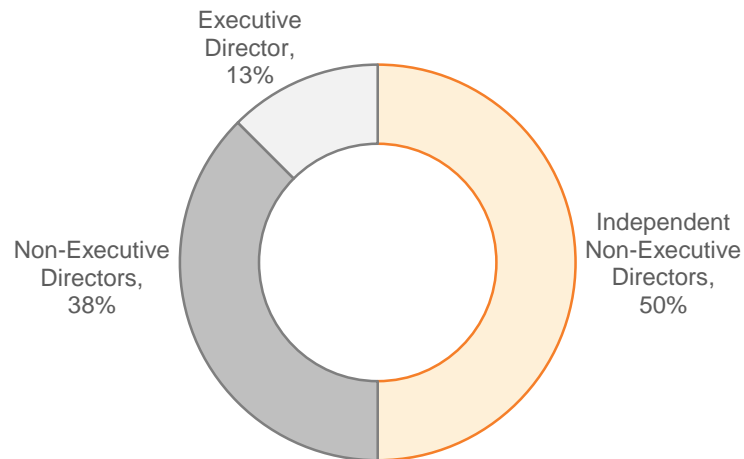
Joined the Audit
Committee
Left the
Remuneration
Committee

Left the Board

Solid corporate governance

- EVRAZ, as a UK premium listed company, adheres to the FCA Listing, Disclosure and Transparency Rules as well as EU Market Abuse Regulation
- EVRAZ complies with most provisions of the UK Corporate Governance Code
- The Board and Board committees meet on a regular basis and run in-depth discussions of key matters in accordance with each Committee's terms of reference
- The Audit Committee has overseen key audit and corporate governance developments such as the first viability statement, Payments to Governments disclosure and an audit tender exercise in the past 12 months
- An internally facilitated Board evaluation was conducted in December 2015. The review was carried out at the initiative and with the participation of the Nominations Committee
- Corporate governance policies are continuously reviewed to ensure that the Company's procedures are promptly aligned with the new requirements and best practices

Board composition

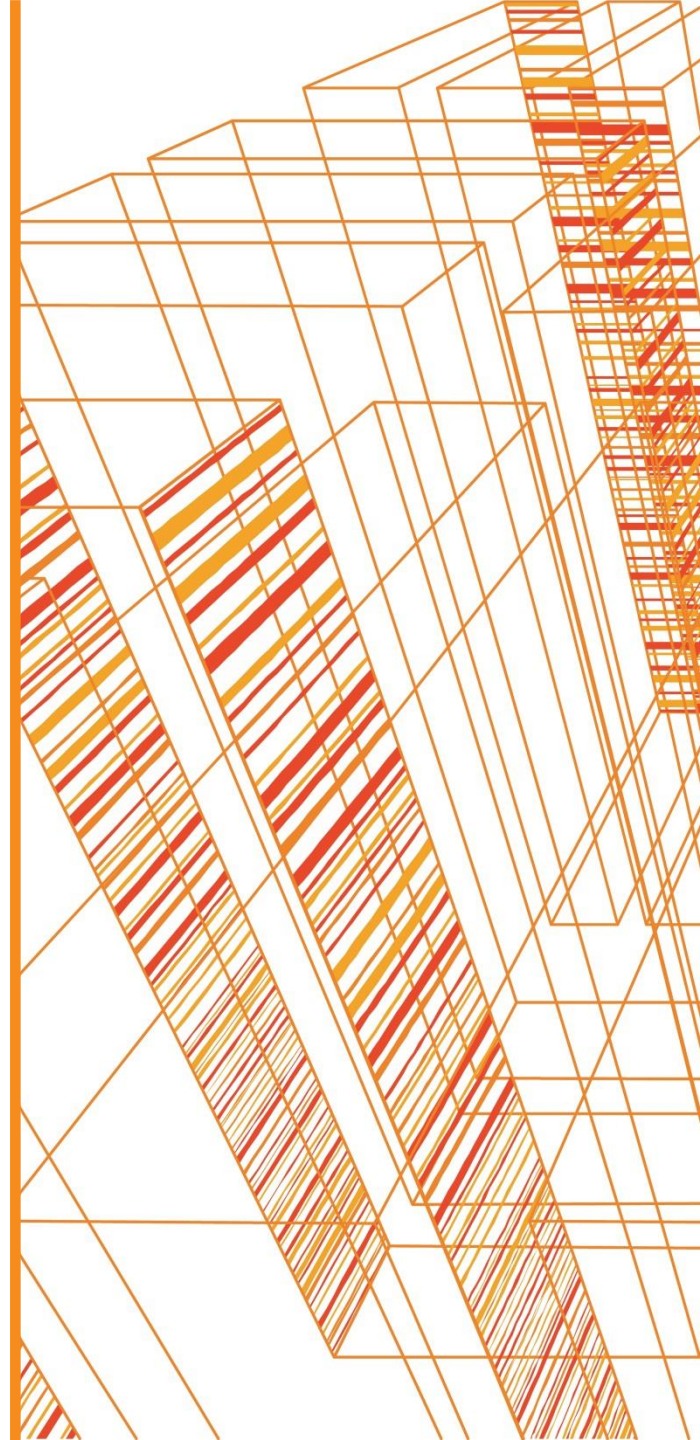


Source: EVRAZ data

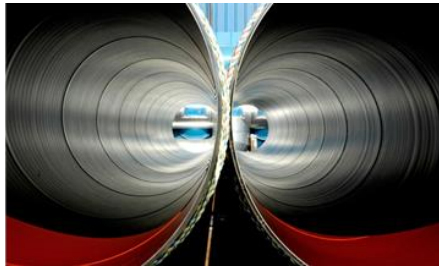
- The Board held 12 scheduled meetings in 2015 and 8 in 2016 so far with the major topics discussed being:
 - Review of health and safety reports as well as findings of industrial safety audits and audits of the HSE function, status of external environmental inspection
 - Performance of key businesses, and their budgets, consolidated budget
 - Strategy and key priorities
 - Review of investment projects
 - Resignation of Duncan Baxter and Olga Pokrovskaya, review of the composition of the Board
 - Changes to the composition of the various Board Committees
 - Compliance matters including the UK Bribery Act, greenhouse gas emissions, gender diversity, etc.
 - Return of capital to shareholders by way of a tender offer
 - Amendments to the Board Committees' terms of reference
 - Compliance matters in regards to EU Market Abuse Regulation

Strategic overview

Alexander Frolov
Chief Executive Officer



EVRAZ highlights



- One of the largest vertically integrated steel and mining companies in the world
- Among the top steel producers in the world based on crude steel production of 14.3mt in 2015
- Revenue of \$3.5bn, EBITDA of \$0.6bn in H1 2016
- Leader in the Russian construction and railway product markets
- # 1 producer of rails and large diameter pipes in North America
- The largest coking coal producer in Russia

EVRAZ strategy continuity

EVRAZ is a leader in infrastructure steel products globally and in the Russian coking coal market

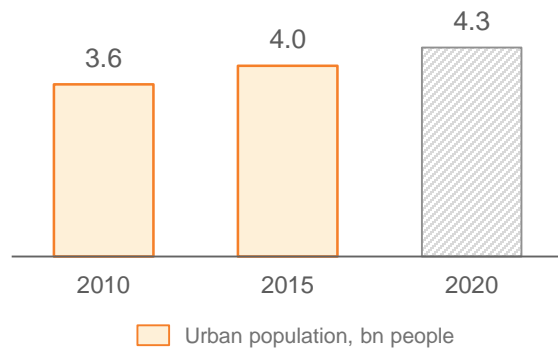
Success factors		What are we doing?	2016 expected deliverables	
Health, Safety & Environment		<ul style="list-style-type: none"> Encouraging 100% safe working conditions and 100% environmental compliance 	<ul style="list-style-type: none"> Multi-year low in fatal accidents 	✓
Human Capital		<ul style="list-style-type: none"> Providing professional development and career growth opportunities 	<ul style="list-style-type: none"> 6% labour productivity improvement* 	✓
Customer Focus		<ul style="list-style-type: none"> Responding to the evolving needs of our customers by developing new products and services 	<ul style="list-style-type: none"> Customer focus initiatives with EBITDA effect of c.\$110m 	✓
Asset Development		<ul style="list-style-type: none"> Maintaining cost leadership, applying new technologies and optimising asset configurations 	<ul style="list-style-type: none"> Cost savings with EBITDA effect of c.\$300m 	✓
EVRAZ Business System (EBS)		<ul style="list-style-type: none"> Continuous operational improvements and implementation of culture driving for change 	<ul style="list-style-type: none"> Launch of new EBS-Transformation programme with pilot projects in Siberia 	✓

* Calculated as labour costs per unit of saleable steel production at ENTMK, EZSMK, EDMZ, ENA weighted by 2015 volumes

Global steel industry capacity utilisation is expected to improve

- Long-term trend in global urbanisation will support steel consumption growth over the medium term
- China is expected to face consumption decline over the next five years, which will be offset by growth in India and other developing Asian countries
- Global steelmaking overcapacity is expected to decrease during the next five years based on moderate consumption growth and Chinese capacity cuts initiatives of 150-200mt
- Global steel capacity utilisation is forecasted to gradually recover from 71% in 2015 to 75% in 2020

Global urbanisation trends



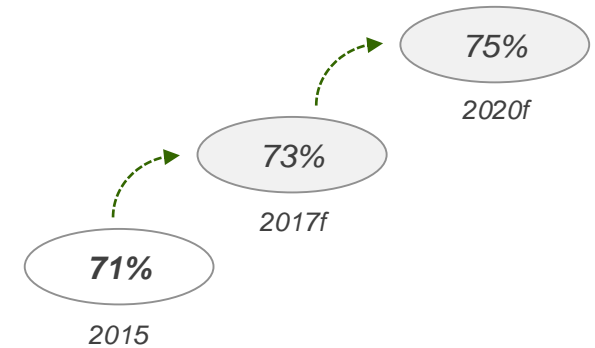
Source: United Nations, World Steel Association

Steel demand growth

	Steel demand 2015, mt	Growth 16-20, mt	CAGR 16-20, %
China	676	-56	-1.7%
India	76	35	7.8%
Other Asia	259	48	3.4%
Europe	188	20	2.0%
Americas	194	11	1.1%
Africa & ME	101	7	1.4%
Russia & CIS	50	6	3.0%
World	1 543	63	0.8%

Source: Sell-side Equity Research, EVRAZ estimates

Global steel capacity utilisation



Source: Sell-side Equity Research, EVRAZ estimates

Iron ore market is expected to stabilise over the next 2-3 years

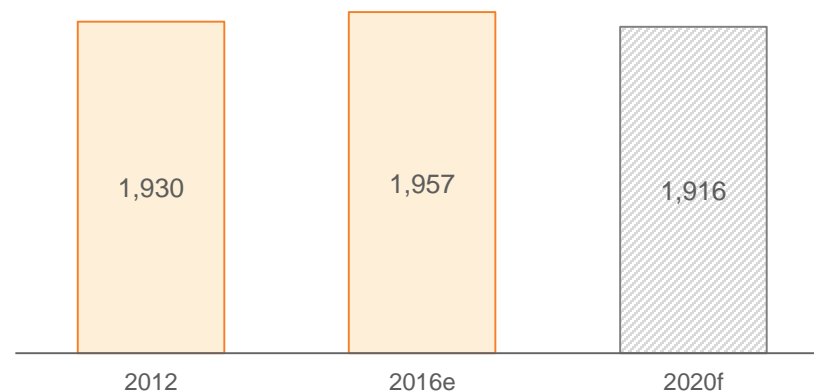
- Iron ore capacity growth cycle is expected to be over after Vale reaches full capacity of S11D project by 2020/21 with no new big projects currently under construction
- c.270mt of iron ore volumes left the market during the last four years which were mostly from mines in mainland China. Only c.145mt should be closed over the next five years for market to balance
- Seaborne iron ore demand is forecasted to remain at c.1.9bn level over the next five years with minor fluctuations

Global iron ore supply net additions, Δ , mt

	2012-16e	2016e-20f
Rio Tinto	101	-15
BHP Billiton	95	10
Fortescue	83	18
Vale	19	91
Others	-271	-145
TOTAL	27	-41

Source: Sell-side Equity Research

Global iron ore demand, mt



Source: Sell-side Equity Research

Supply limitations provides opportunities in coking coal market

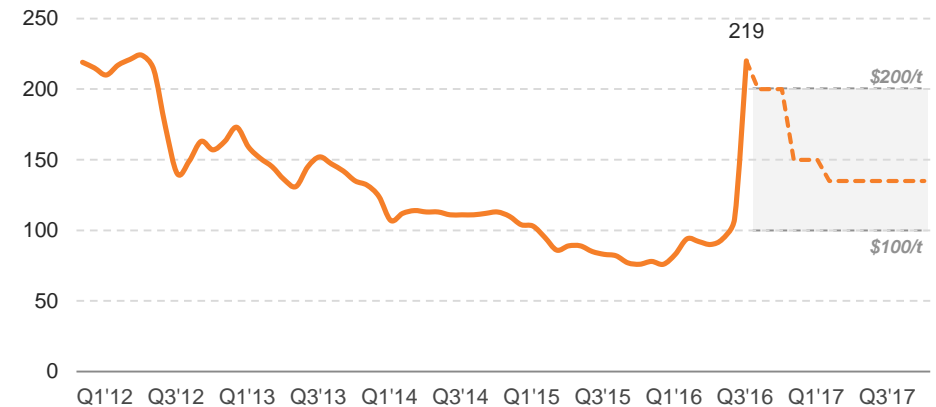
- Three years of low coking coal prices led to a substantial capacities shutdowns in the United States
- In 2016 Chinese government introduced 276-day mine operations policy as one of the measures to restructure its coal industry
- Supply side deficit caused current coking coal price spike to more than \$200/t level
- Prices are expected to level off, as idled capacities might return to the market attracted by current price levels

Coking coal export increase/decrease, Δ , mt

	2012-16e
Australia	31
Other	12
Canada	-6
Russia	-7
United States	-34
TOTAL	-4

Source: Sell-side Equity Research

Hard coking coal spot price, FOB Australia, \$/t



Source: CRU, Sell-side Equity Research

EVRAZ strategic priorities

Global trends

- Global steel industry capacity utilisation is expected to gradually improve over the medium term
- Iron ore market is expected to stabilise over the next 2-3 years
- Supply limitations provides opportunities in coking coal market



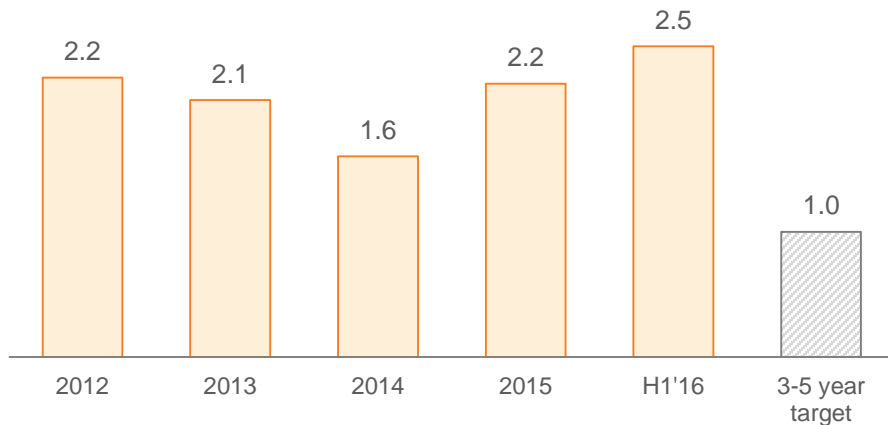
EVRAZ strategic priorities

- 1 Development of product portfolio and customer base
- 2 Retention of low-cost position
- 3 Prudent CAPEX strategy
- 4 Debt reduction

Safety as a base for business sustainability

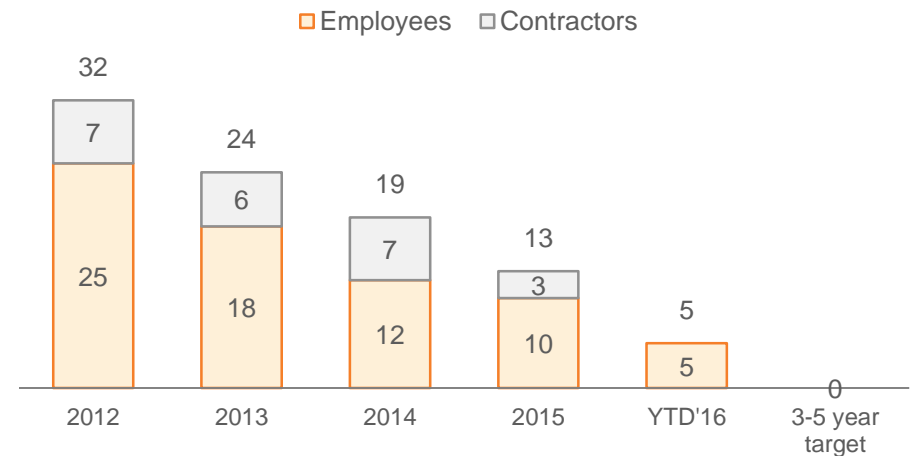
- Safety remains a key priority for EVRAZ
- Significant improvements over the last five years
 - EVRAZ substantially reduced number of fatalities
 - LTIFR demonstrated mixed dynamics due to ongoing efforts on safety improvement and a better reporting system introduced in 2015-2016
- We remain committed to having zero fatal accidents at our sites and target to reach LTIFR level of 1.0x

LTIFR



Source: EVRAZ data


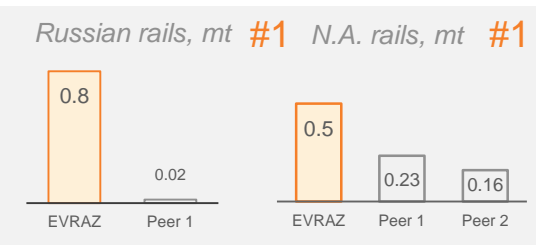

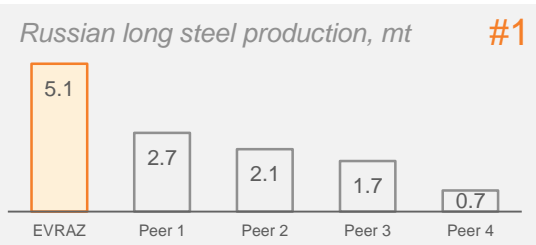

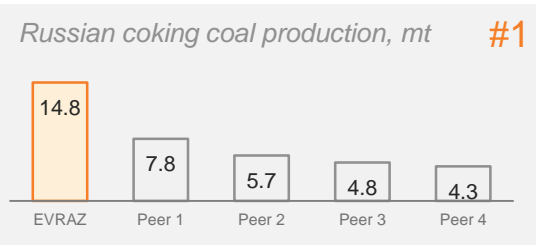

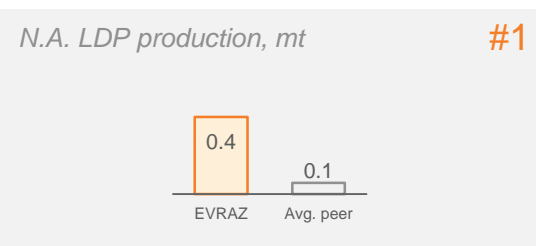
Fatalities



Source: EVRAZ data

1. Development of product portfolio and customer base

- Strong market positions is a base for value creation across EVRAZ key product groups

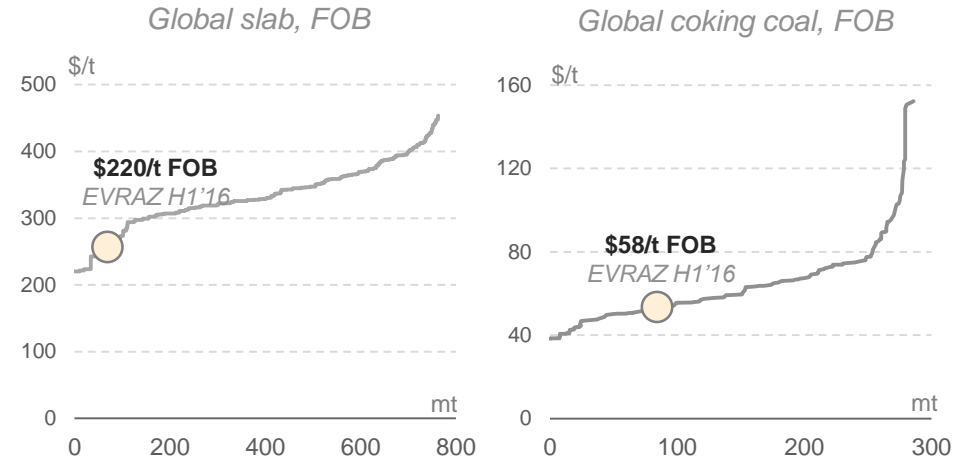
Product	Market position, 2015	Priorities												
 <p>Rails</p>	<p>Russian rails, mt #1 N.A. rails, mt #1</p>  <table border="1"> <caption>Rails Production (mt)</caption> <thead> <tr> <th>Region</th> <th>EVRAZ</th> <th>Peer 1</th> <th>Peer 2</th> </tr> </thead> <tbody> <tr> <td>Russian rails</td> <td>0.8</td> <td>0.02</td> <td>-</td> </tr> <tr> <td>N.A. rails</td> <td>0.5</td> <td>0.23</td> <td>0.16</td> </tr> </tbody> </table>	Region	EVRAZ	Peer 1	Peer 2	Russian rails	0.8	0.02	-	N.A. rails	0.5	0.23	0.16	<ul style="list-style-type: none"> Secure position in domestic markets and increase export shipments
Region	EVRAZ	Peer 1	Peer 2											
Russian rails	0.8	0.02	-											
N.A. rails	0.5	0.23	0.16											
 <p>Construction steel</p>	<p>Russian long steel production, mt #1</p>  <table border="1"> <caption>Russian long steel production (mt)</caption> <thead> <tr> <th>Company</th> <th>Production (mt)</th> </tr> </thead> <tbody> <tr> <td>EVRAZ</td> <td>5.1</td> </tr> <tr> <td>Peer 1</td> <td>2.7</td> </tr> <tr> <td>Peer 2</td> <td>2.1</td> </tr> <tr> <td>Peer 3</td> <td>1.7</td> </tr> <tr> <td>Peer 4</td> <td>0.7</td> </tr> </tbody> </table>	Company	Production (mt)	EVRAZ	5.1	Peer 1	2.7	Peer 2	2.1	Peer 3	1.7	Peer 4	0.7	<ul style="list-style-type: none"> Promote usage of high-value added products in construction
Company	Production (mt)													
EVRAZ	5.1													
Peer 1	2.7													
Peer 2	2.1													
Peer 3	1.7													
Peer 4	0.7													
 <p>Coking coal</p>	<p>Russian coking coal production, mt #1</p>  <table border="1"> <caption>Russian coking coal production (mt)</caption> <thead> <tr> <th>Company</th> <th>Production (mt)</th> </tr> </thead> <tbody> <tr> <td>EVRAZ</td> <td>14.8</td> </tr> <tr> <td>Peer 1</td> <td>7.8</td> </tr> <tr> <td>Peer 2</td> <td>5.7</td> </tr> <tr> <td>Peer 3</td> <td>4.8</td> </tr> <tr> <td>Peer 4</td> <td>4.3</td> </tr> </tbody> </table>	Company	Production (mt)	EVRAZ	14.8	Peer 1	7.8	Peer 2	5.7	Peer 3	4.8	Peer 4	4.3	<ul style="list-style-type: none"> Benefit from market upside and improved efficiency
Company	Production (mt)													
EVRAZ	14.8													
Peer 1	7.8													
Peer 2	5.7													
Peer 3	4.8													
Peer 4	4.3													
 <p>Large-diameter pipe</p>	<p>N.A. LDP production, mt #1</p>  <table border="1"> <caption>N.A. LDP production (mt)</caption> <thead> <tr> <th>Company</th> <th>Production (mt)</th> </tr> </thead> <tbody> <tr> <td>EVRAZ</td> <td>0.4</td> </tr> <tr> <td>Avg. peer</td> <td>0.1</td> </tr> </tbody> </table>	Company	Production (mt)	EVRAZ	0.4	Avg. peer	0.1	<ul style="list-style-type: none"> Secure market share and further develop customer base 						
Company	Production (mt)													
EVRAZ	0.4													
Avg. peer	0.1													

Source: Metal Expert, EVRAZ data

2. Retention of low-cost positions

- EVRAZ assets are in the first quantile of global cost curves
- Significant accomplishments over the last five years
 - Average annual EBITDA effect from cost-cutting initiatives of more than \$300m*
 - G&A decrease by c.50%
- Plan to keep the current pace of improvement with annual cost-cutting programme at the level at least of 2-3% from COGS

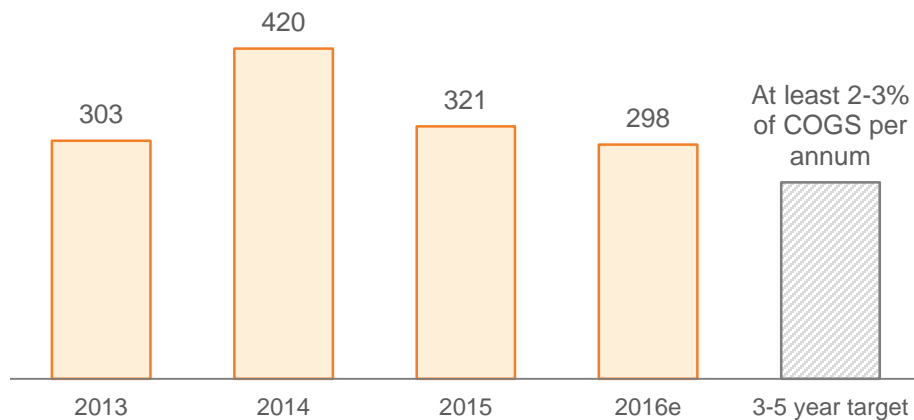
EVRAZ position on global cost curves, 2016e



Source: WSD, EVRAZ data

Source: Sell-side Equity Research, EVRAZ data

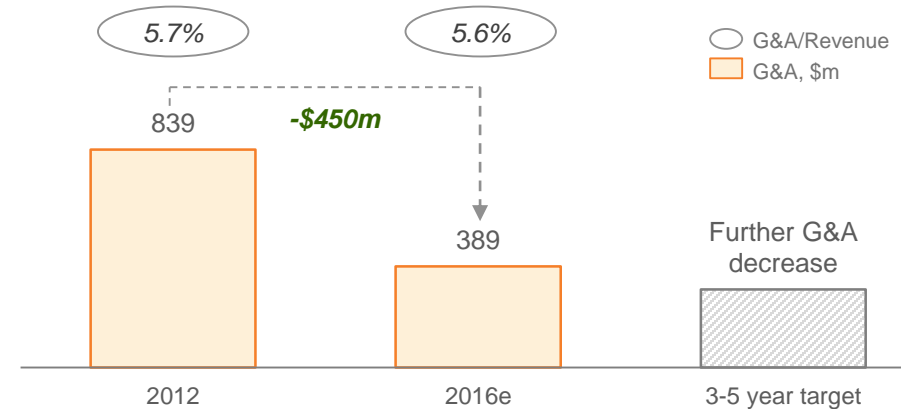
EVRAZ cost-cutting programme EBITDA effect*, \$m



* Estimated programme effects are calculated based on previous year basis and could not be summed up over 5-year period. Figures are adjusted to eliminate macroeconomic affects (such as exchange-rate fluctuations and inflation) and once-off expenditures (such as employee severance payments and other discontinuation costs).

Source: EVRAZ data

EVRAZ G&A expenses, \$m

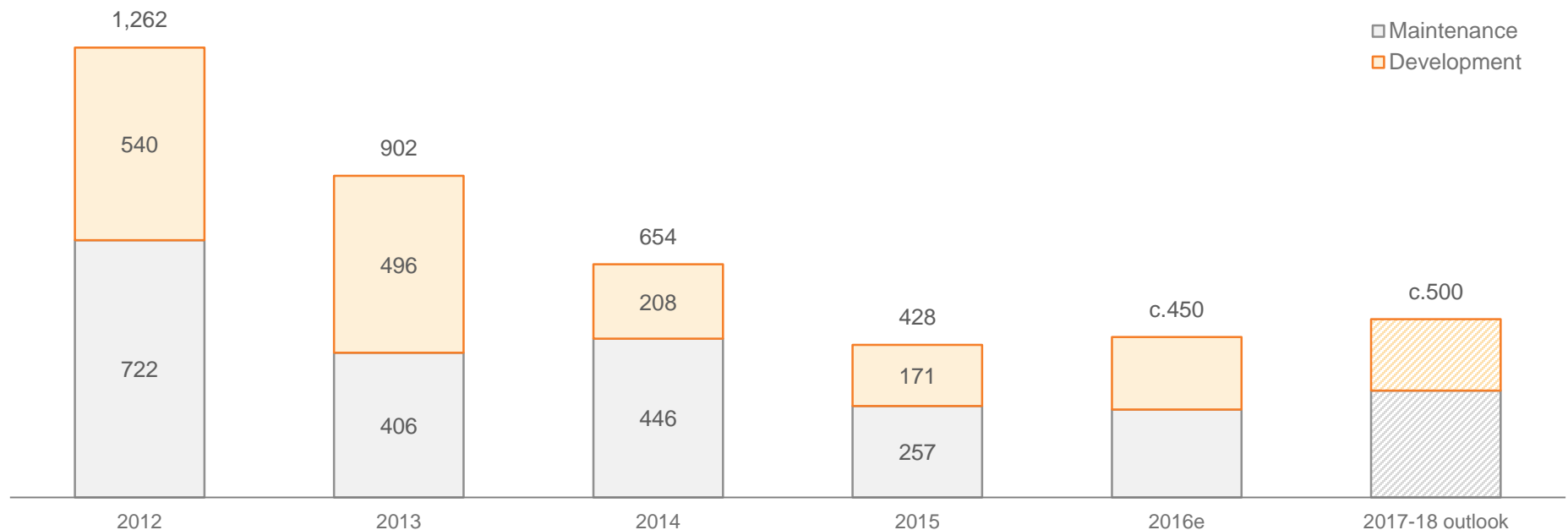


Source: EVRAZ data

3. Prudent CAPEX strategy

- Significant CAPEX reduction over the last five years (both in development and maintenance)
 - Over the last five years EVRAZ completed a substantial investment programme
 - Currently, two major projects under completion are steelmaking upgrade and a new LDP mill construction in Regina, Canada
- Over the medium term maintenance CAPEX may increase to support current capacities, like the construction of a new blast furnace at ENTMK
- Development CAPEX will largely depend on market conditions and financing capabilities

EVRAZ CAPEX, \$m

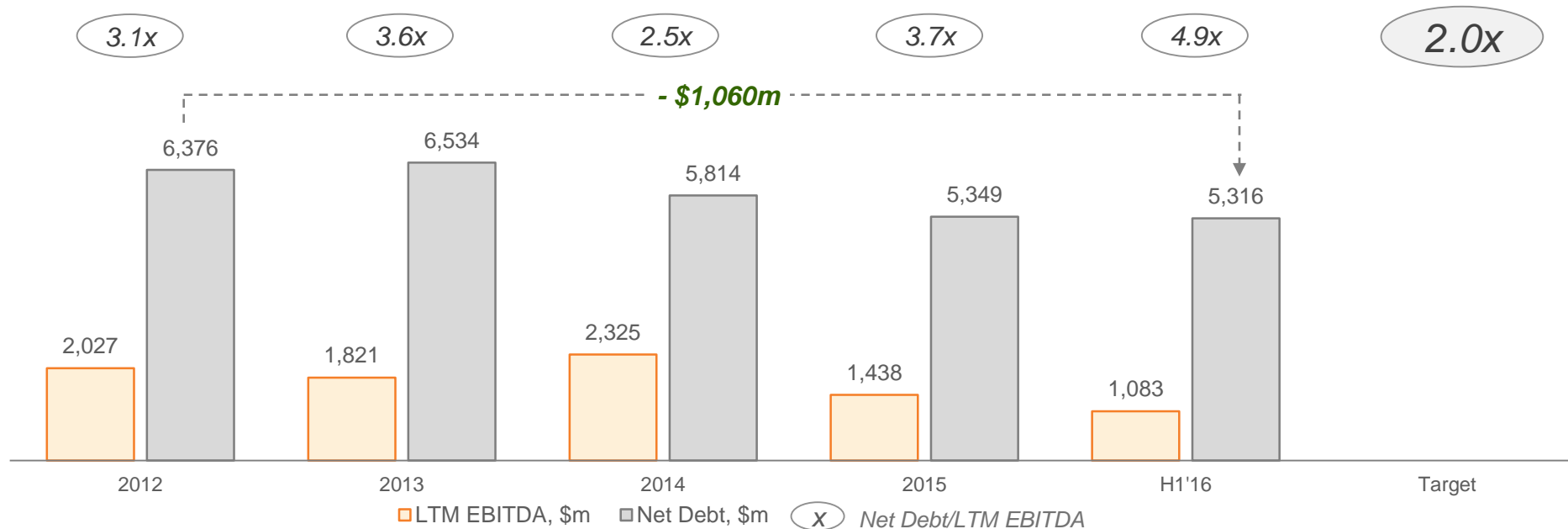


Source: EVRAZ data

4. Debt reduction

- Debt repayment remains a priority over dividends and excessive CAPEX
- EVRAZ was able to reduce net debt by \$1.1bn since 2012 and reach \$5.3bn in H1'16, however leverage ratio remains high
- Long-term target to reach 2.0x Net Debt/EBITDA level

EVRAZ Net Leverage



Source: EVRAZ data

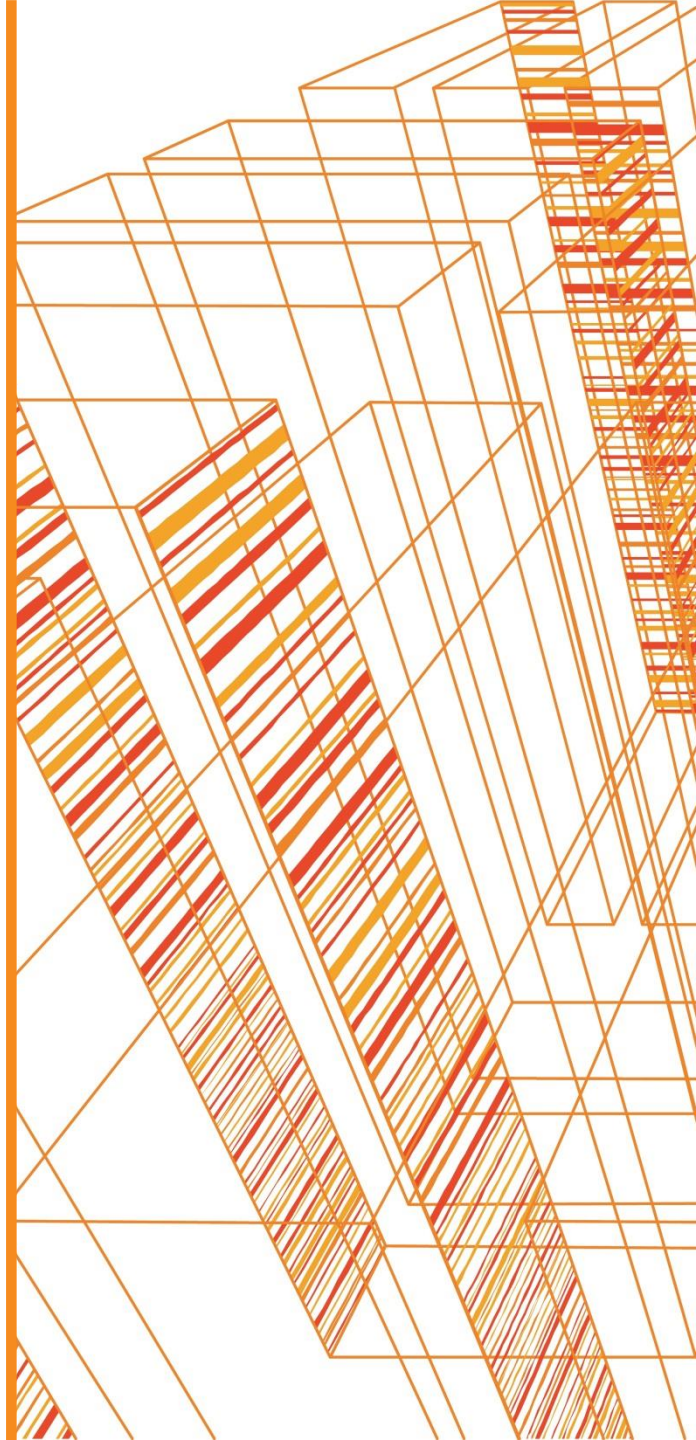
Summary

- EVRAZ is a leader in infrastructure steel products globally and in the Russian coking coal market.
- Global steel utilisation is forecasted to improve gradually due to urbanisation and optimisation of steel capacities
- Iron ore market is facing the last mega-projects coming online after which the market is expected to balance
- Recent developments in the coal market provide an opportunity to create additional value for EVRAZ
- EVRAZ will focus on the following strategic priorities:
 1. Development of product portfolio and customer base
 2. Retention of low cost position
 3. Prudent CAPEX strategy
 4. Debt reduction

Coal, Russia

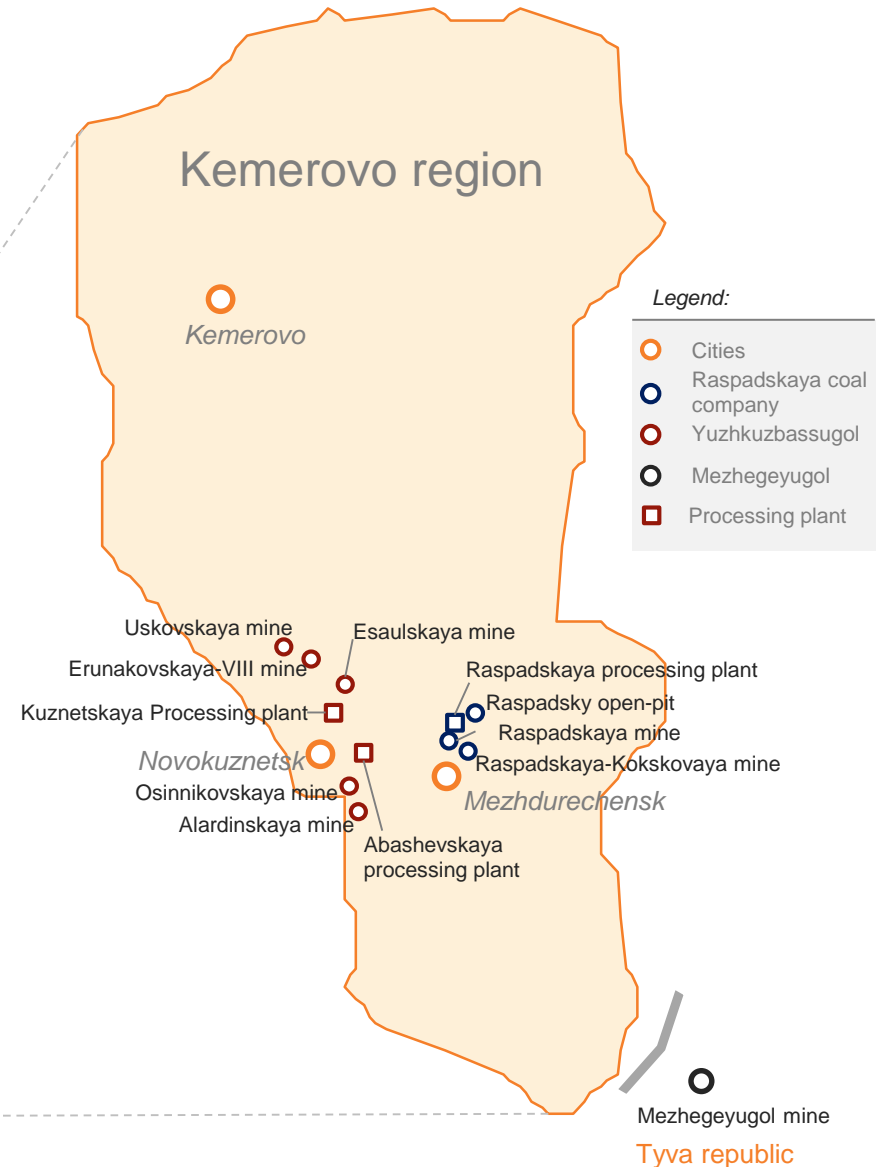
Sergey Stepanov

Vice-President,
Head of the Coal Division



EVRAZ coal assets at a glance

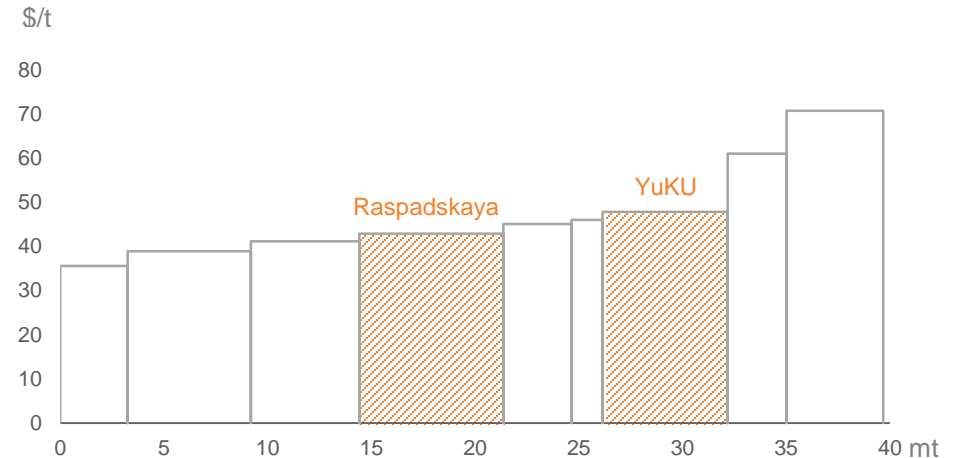
- EVRAZ coal assets are located mainly in Kemerovo region and one mine is located in Tyva republic
- EVRAZ assets consist of:
 - 8 underground mines – average production > 2mtpa of raw coal
 - 1 open-pit mine – c.4mtpa of raw coal production
 - 3 processing plants
- 2016 expected production volumes:
 - Coal mined 22.1mt
 - Concentrate production 14.2mt



EVRAZ strong strategic positions to benefit from the market upside

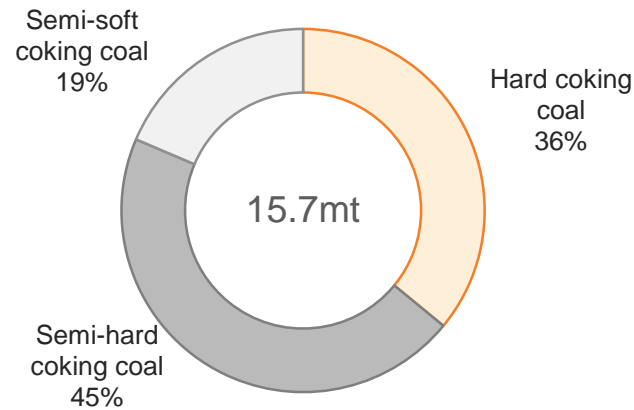
- Competitive cost position to serve local and global market profitably
- High-quality product portfolio with >80% of hard coking coal (HCC) and semi-hard coking coal (SHCC)*
- Diversified client portfolio:
 - 5.8mt – Russia and Ukraine (intercompany);
 - 4.7mt – Russia (3rd parties);
 - 1.0mt – Ukraine (3rd parties);
 - 2.8mt – Japan & South Korea

Domestic coking coal cost curve, CPT Urals, 2016e, \$/t



Source: Companies' data, EVRAZ estimates

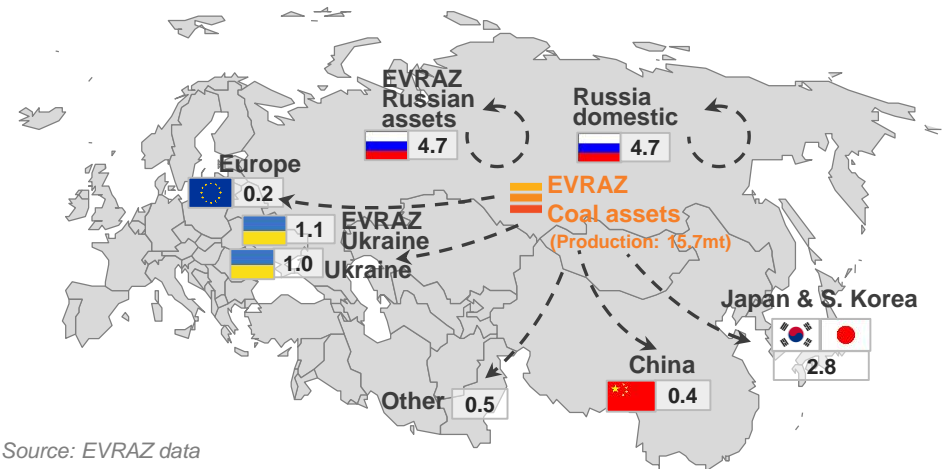
EVRAZ coking coal product portfolio, 2016e, %



Source: EVRAZ data

* Mostly high-volatile coking coal grades Zh (HCC), GZh (SHCC) in accordance with the Russian classification system

Key coking coal sales flows, 2016e, mt



Source: EVRAZ data

Coal segment strategic priorities

Corporate priorities

Segment strategic priorities



1

Development of product portfolio and customer base

a. Secure position of a major high-volatile HCC and SHCC supplier in Russia

b. Growth of sales to Ukrainian market

c. Growth of export portfolio



2

Retention of low cost position

d. Efficiency increase along the value chain

e. Flexibility of our coal production model



3

Prudent CAPEX strategy

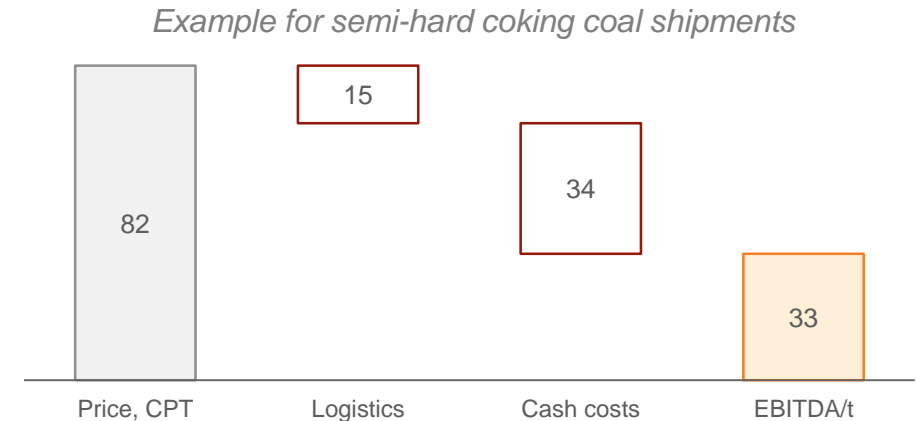
f. Ramp-up of Mezhegeyugol

g. Volumes growth with minimal CAPEX requirements

a. Secure position of a major high-volatile HCC and SHCC supplier in Russia

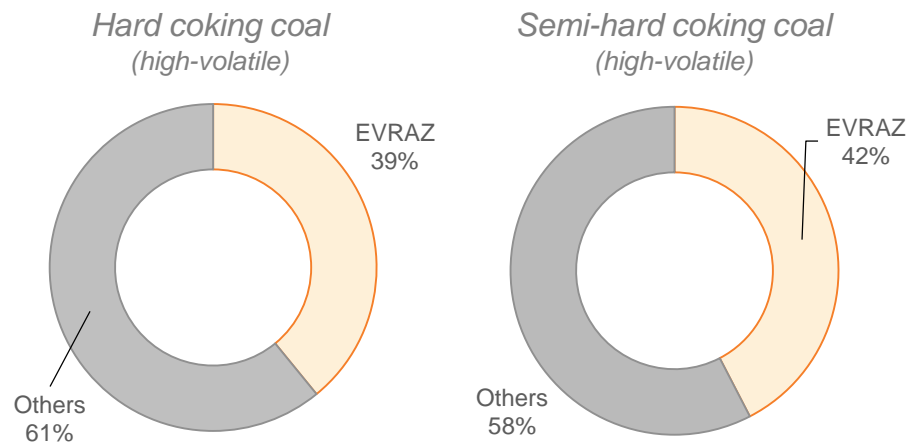
- Sales to the Russian market have the highest profitability
- Domestic market sales maximisation remains our priority
- EVRAZ maintains its leading position with 39% in high-volatile HCC grades and 42% in high-volatile SHCC grades
- We aim to further enhance sales to third parties supported by high product quality and increase share of OTIF (on-time-in-full) shipments

EVRAZ profitability in the domestic market, Q1'-Q3'16, \$/t



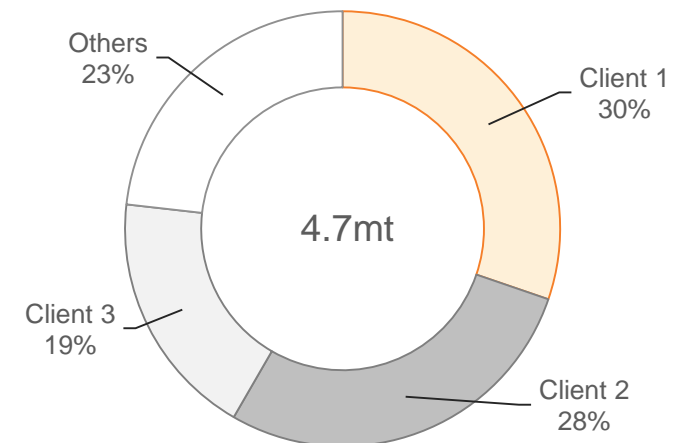
Source: EVRAZ data

Market shares in Russia, 2016e



Source: EVRAZ data

External sales breakdown by key clients in Russia, 2016e



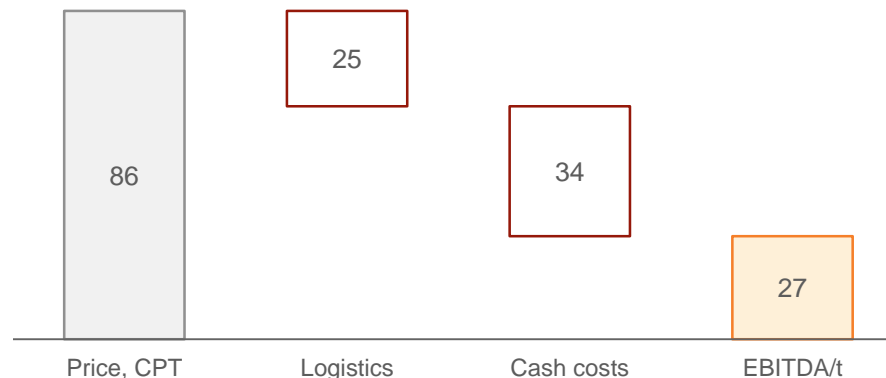
Source: EVRAZ data

b. Growth of sales to Ukrainian market

- Ukrainian coking coal market demonstrates high profitability with average EBITDA margin of \$27/t
- EVRAZ has substantially increased shipments to Ukrainian market over the last three years, reaching market share of 16% in 2016
- Using its proactive approach to sales over the next few years EVRAZ plans to reach 3mt of annual sales to Ukraine and gain a c.20% market share

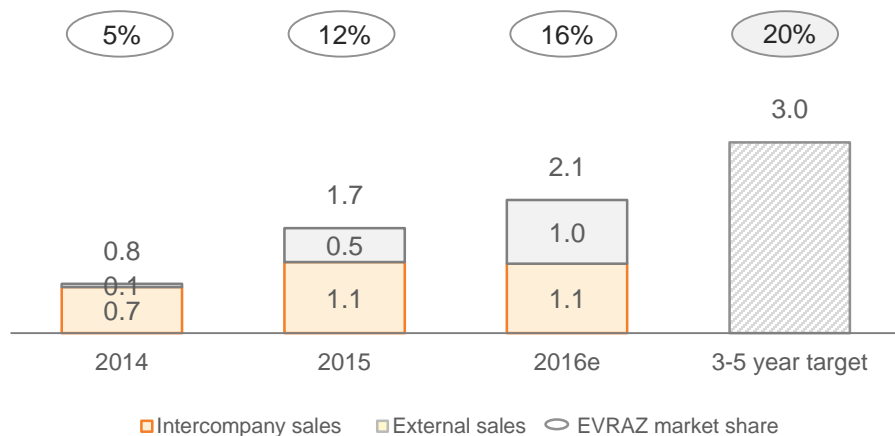
EVRAZ profitability in Ukrainian market, Q1'-Q3'16, \$/t

Example for semi-hard coking coal shipments



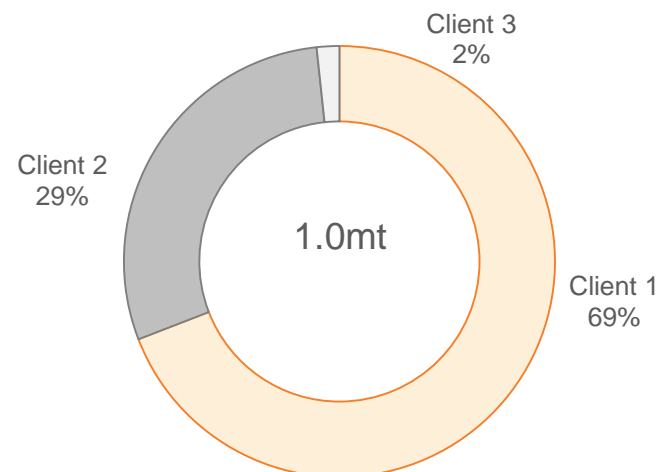
Source: EVRAZ data

EVRAZ sales to Ukraine, mt



Source: EVRAZ data

External sales breakdown by key clients in Ukraine, 2016e

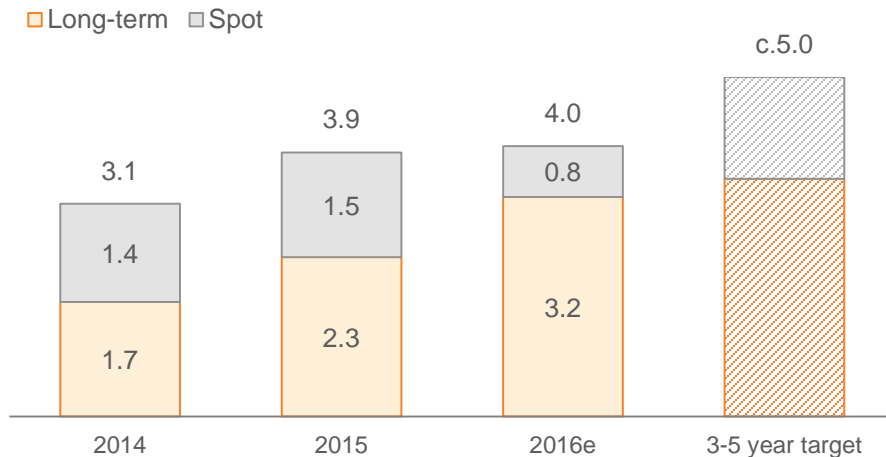


Source: EVRAZ data

c. Growth of export portfolio

- Low cash cost position allows to execute export sales with good margins
- Over the last few years EVRAZ consistently increased export shipments
- Key overseas export sales are aimed to S. Korea and Japan at c.3mt level
- We are able to increase further our export shipments, depending on market conditions

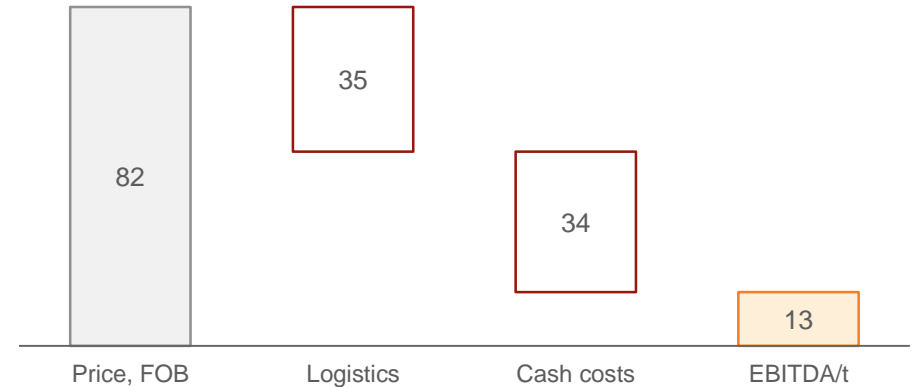
EVRAZ overseas export shipments, mt



Source: EVRAZ data

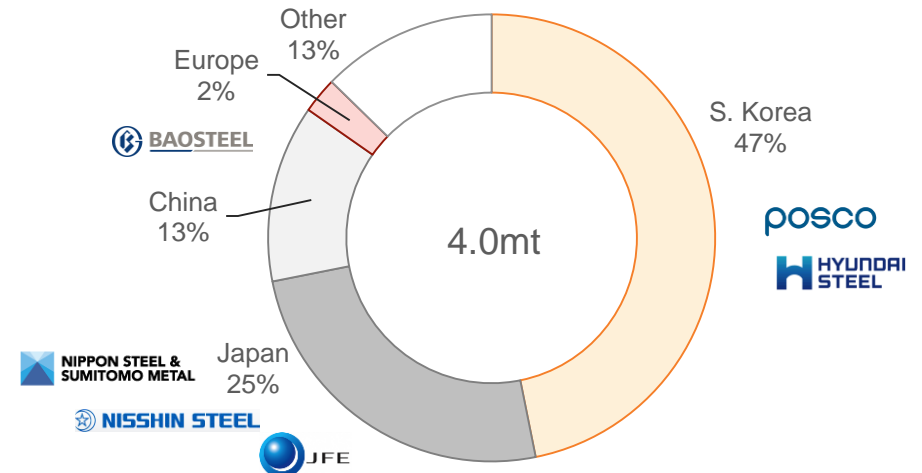
EVRAZ profitability in export markets, Q1'-Q3'16, \$/t

Example for semi-hard coking coal shipments



Source: EVRAZ data

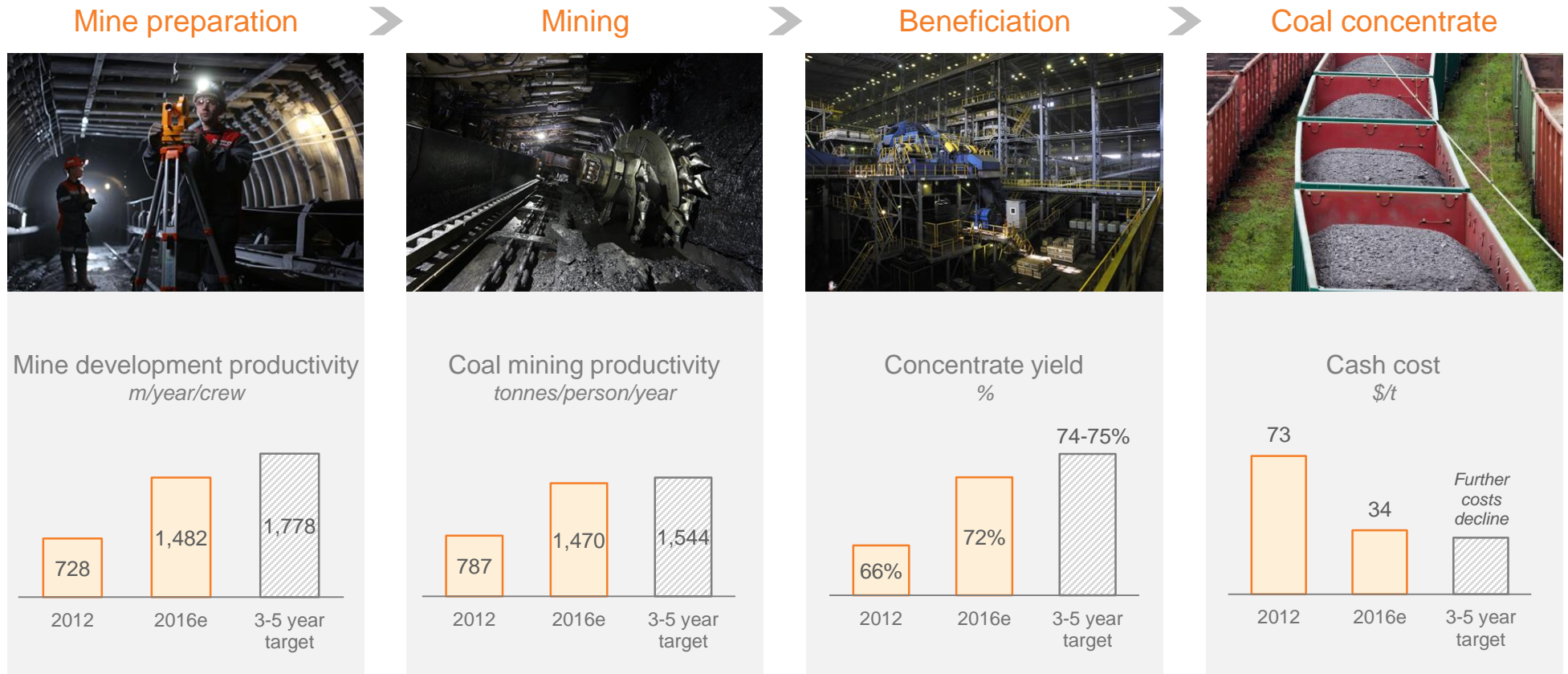
External sales breakdown by key overseas directions, 2016e



Source: EVRAZ data

d. Efficiency increase along the value chain

- Continuous focus on operational excellence helped us to increase coking coal concentrate production volumes by 1.5mt since 2012
- Coal cash cost decreased by more than 50% over the last four years
- EVRAZ anticipates further cost-cutting initiatives and operational improvements



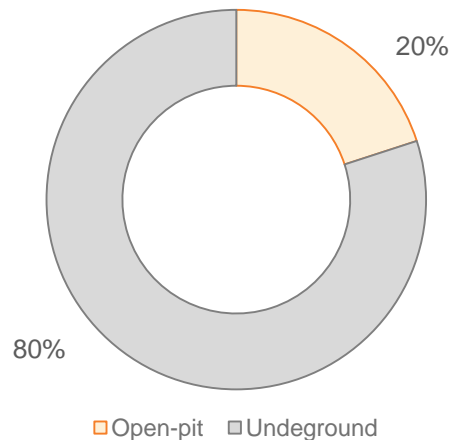
Source: EVRAZ data

e. Flexibility of our coal production model

- c.20% of coal mined by EVRAZ comes from Raspadsky open-pit
- Open-pit coal mining operations are much safer compared to underground mining due to lack of methane concentration and rock pressure
- Open-pit allows to adjust production volumes promptly in accordance with market demand
- In the current pricing environment EVRAZ is able to increase mined coal volumes up to 6mt

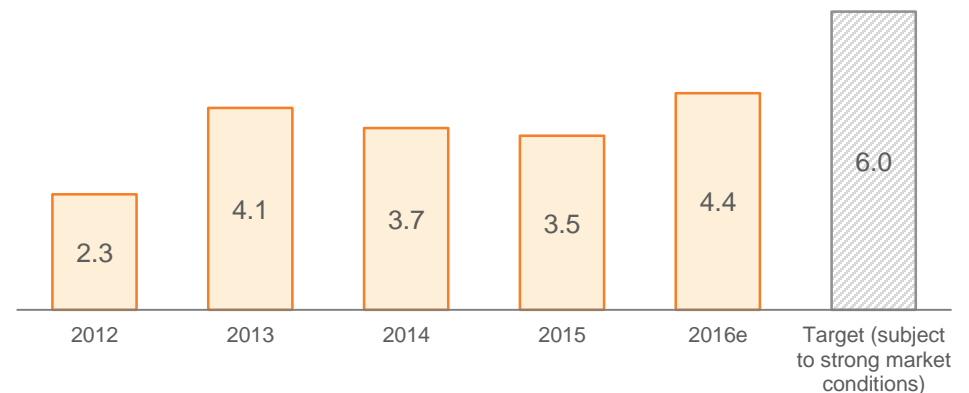


EVRAZ coal mined, 2016e, mt



Source: EVRAZ data

EVRAZ coal mined at Raspadsky open-pit, mt



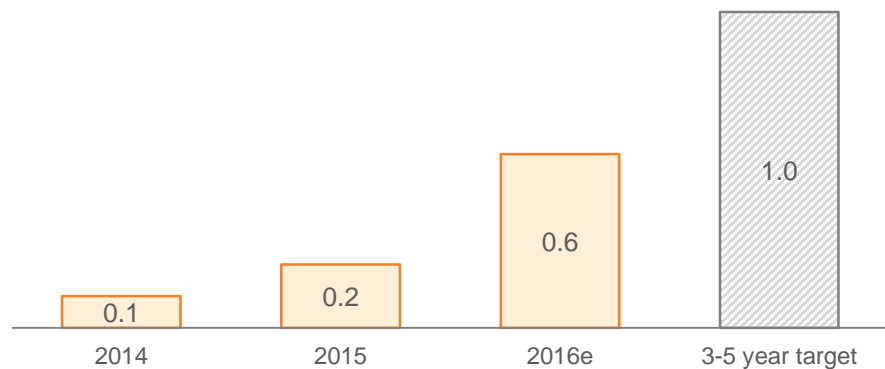
Source: EVRAZ data

f. Ramp-up of Mezhegeyugol

- World class coking coal deposit in the largest undeveloped coal region in Russia
- 213mt of semi-hard coking coal reserves (A+B+C1)
- Low raw coal ash content of 15%
- Coal mining cash cost is \$20/t EXW at full capacity

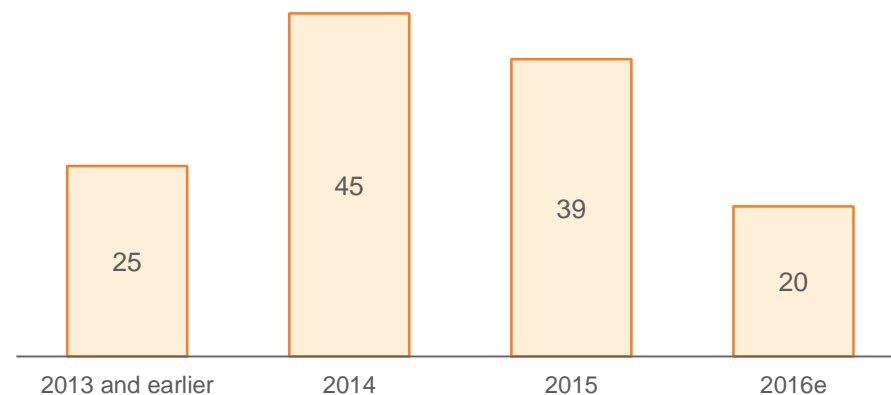


Raw coking coal production outlook, mt



Source: EVRAZ data

CAPEX, \$m

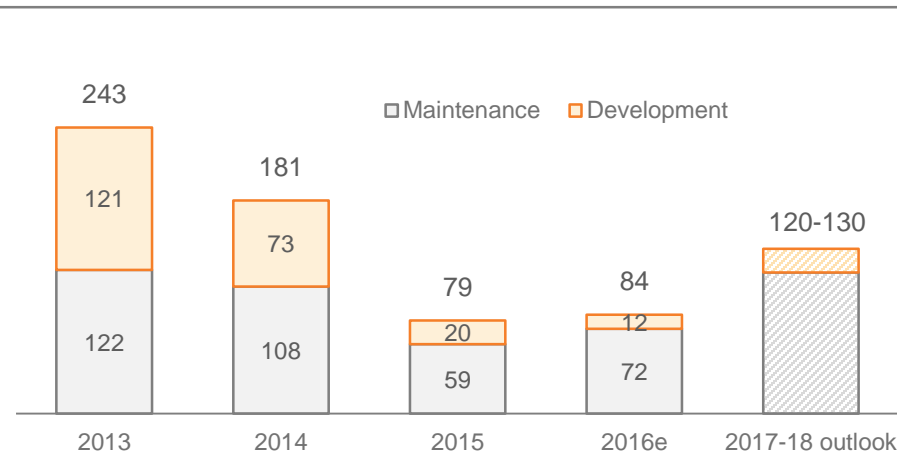


Source: EVRAZ data

g. Volumes growth with minimal CAPEX requirements

- The necessary CAPEX to maintain current production volumes estimated at \$90m
- Hard coking coal price has increased by more than 80% since the beginning of the year
- EVRAZ is able to expand coking coal concentrate production without significant investments in case of strong market demand

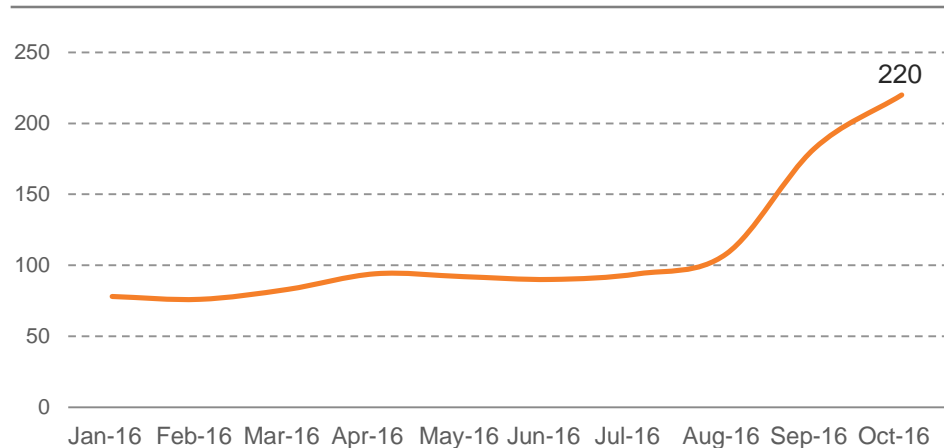
Coal assets CAPEX*, \$m



Source: EVRAZ data

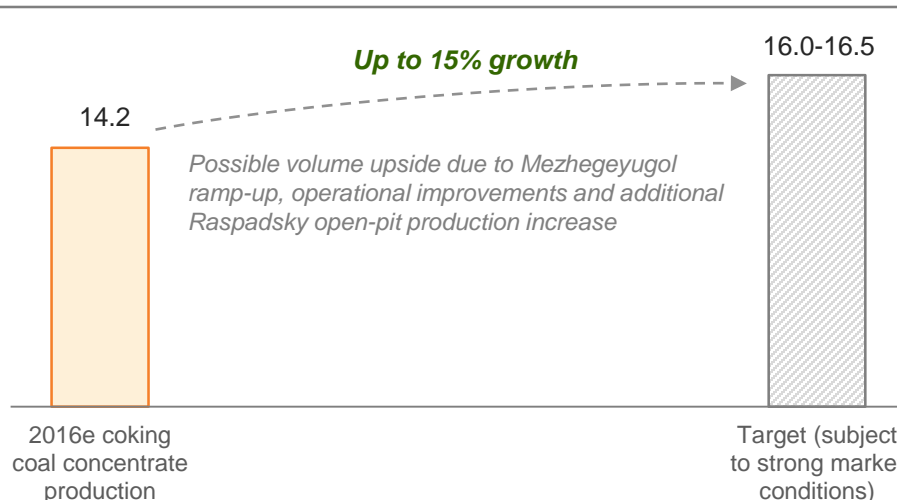
* CAPEX of Raspadskaya and Yuzhkuzbassugol

Hard coking coal spot price, FOB Australia, \$/t



Source: CRU

EVRAZ possible coking coal production, mt



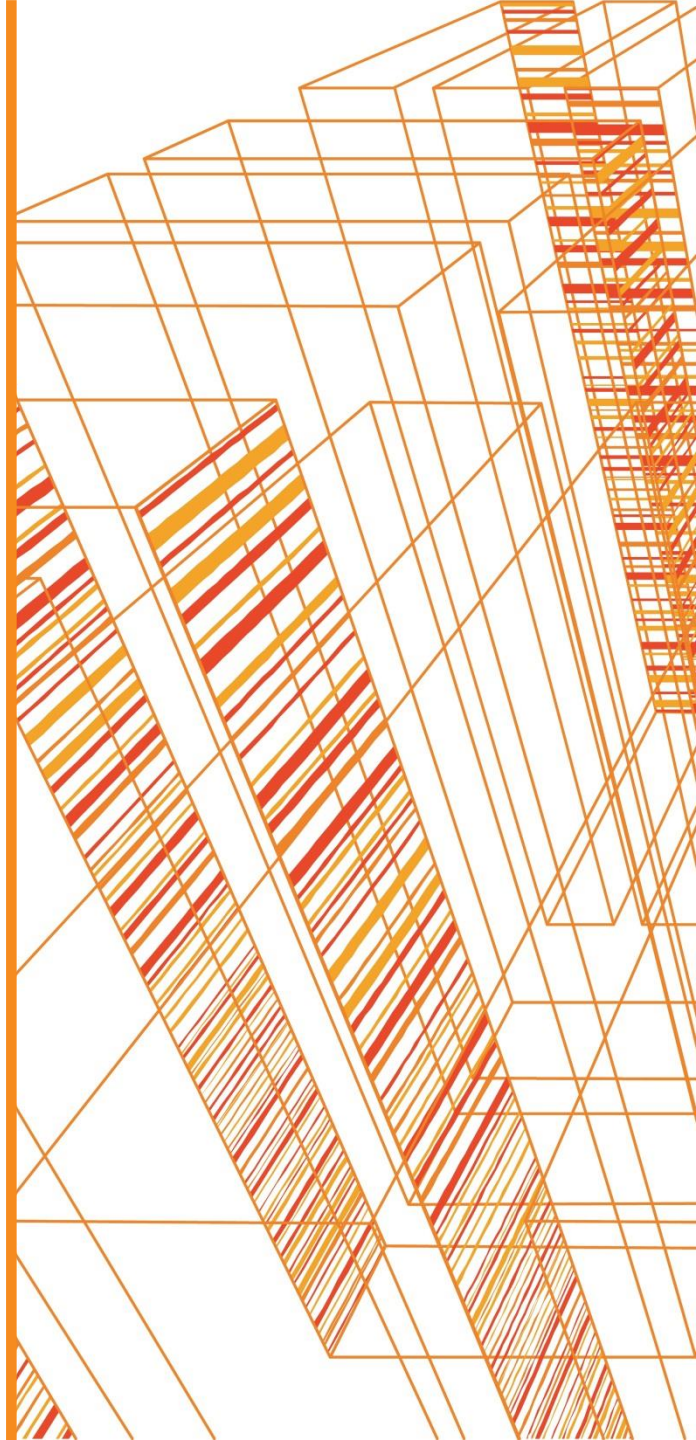
Source: EVRAZ data

Steel, Russia

Alexey Ivanov

Senior Vice-President,

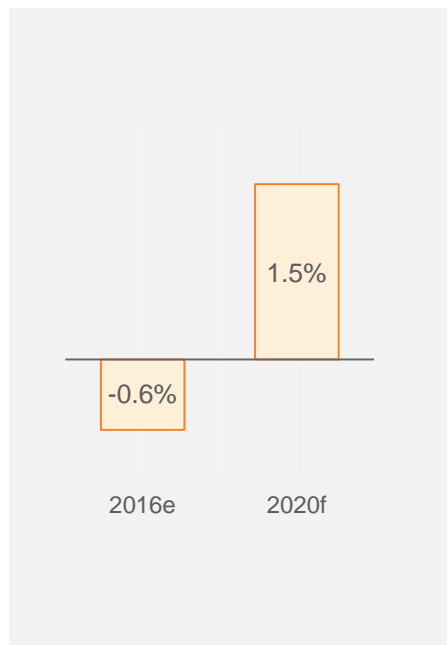
Commerce and Business development



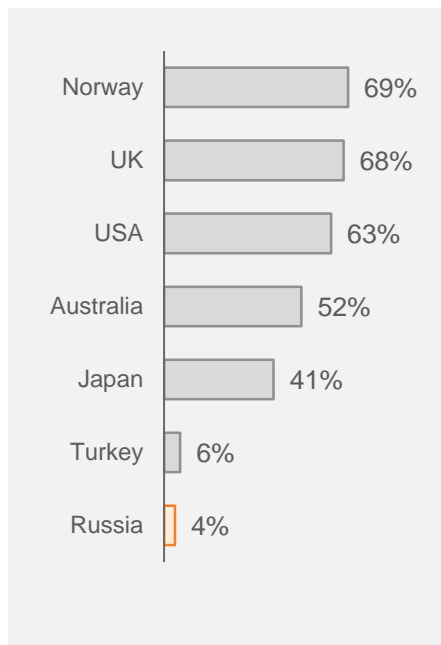
Russian steel demand is set for a gradual recovery

- Russian GDP is expected to recover by 2017 and grow thereafter by 1.5% per annum until 2020
- Russian mortgage market has high potential for development
- The share of steel-frame buildings in Russia is much lower than in developed countries
- Construction steel demand in Russia is expected to outpace GDP growth at rate of 3.5% over the next four years

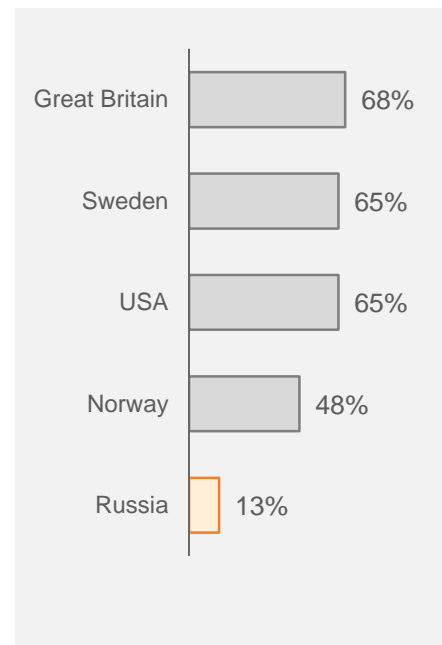
Russian GDP growth p.a., %



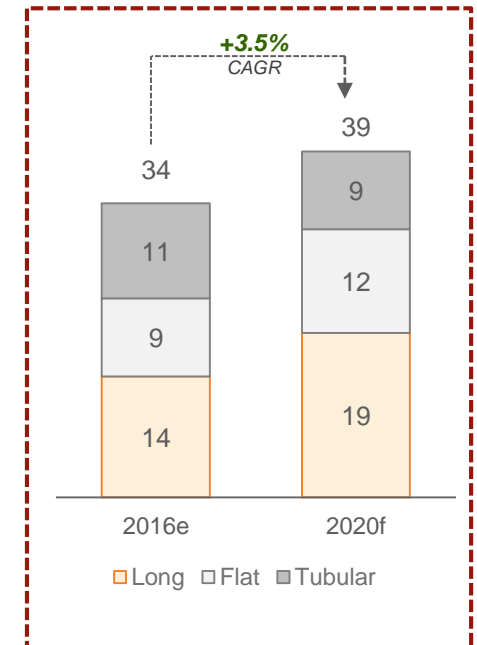
Outstanding residential loans to GDP ratio, 2015



Share of steel-frame multistorey buildings



Russian steel consumption, mt



Source: Thomson Reuters, EIU, analysts cons.

Source: EMF

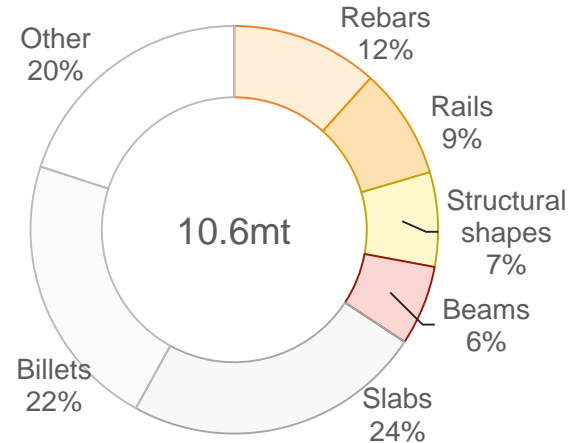
Source: Steel construction Institute, Rosstat, EVRAZ estimates

Source: Metal Expert, EVRAZ estimates

EVRAZ is a leading player in Russian long steel market

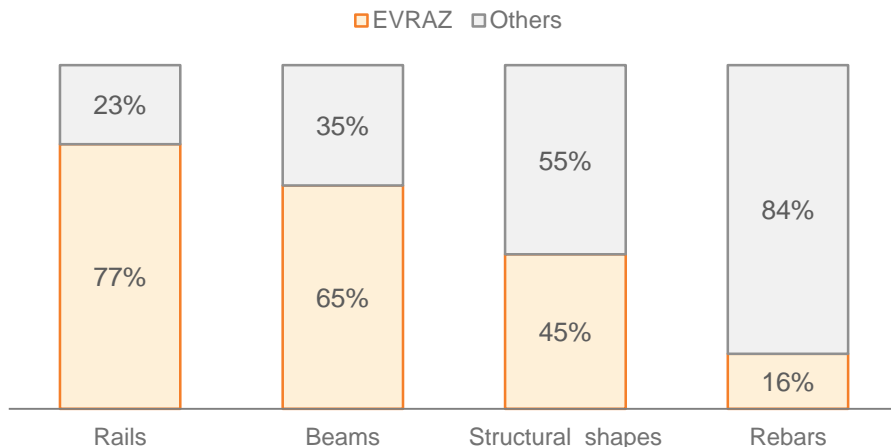
- EVRAZ has leading positions in rails, beams, structural shapes and rebar in Russian market
- EVRAZ Russian steel assets are located on the left side of cost curve

ENTMK and EZSMK sales breakdown, 2016e



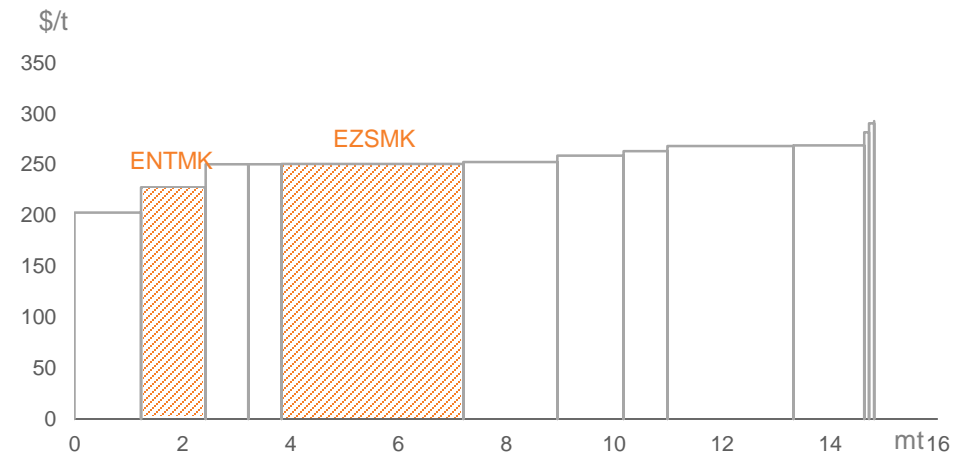
Source: EVRAZ data

EVRAZ domestic market shares by key products, H1'16



Source: Metal Expert, EVRAZ estimates

Domestic construction steel cost curve, EXW, 2016e, \$/t



Source: Metal Expert, EVRAZ estimates

Steel segment strategic priorities

Corporate priorities

Segment strategic priorities



1

Increase share of value added products



2

Retention of low-cost position



3

Prudent CAPEX strategy

a. Further development of rail portfolio

b. Development of H-beam consumption

c. Development of customer base for value added semis

d. Continuous focus on efficiency improvement

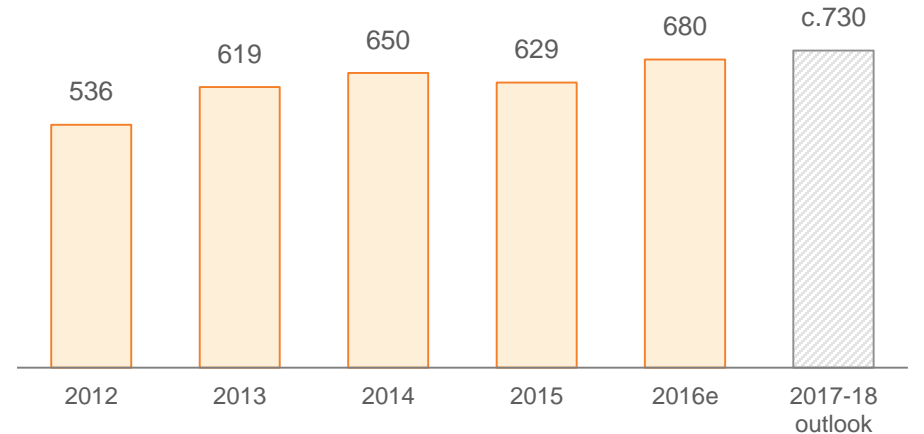
e. Competitive iron ore production cash cost

f. Optimum CAPEX for maintenance and growth

a. Further development of rail portfolio

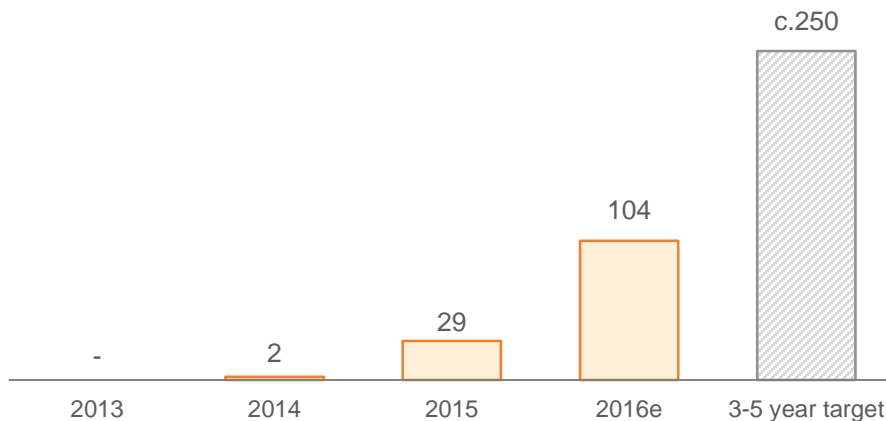
- Sales to Russian Railways are expected to reach c.730kt per annum in 2017-18
- EVRAZ efforts to increase overseas rails presence resulted in volumes growth from zero to 104kt in 2016
- We target to reach c.250kt of rails exports
- Currently, EVRAZ has developed 21 types of rails at EZSMK new rail mill, comparing to one type our key competitors currently have
- Despite high costs of logistics the export of rails remains profitable

Rails sales to Russian Railways, kt



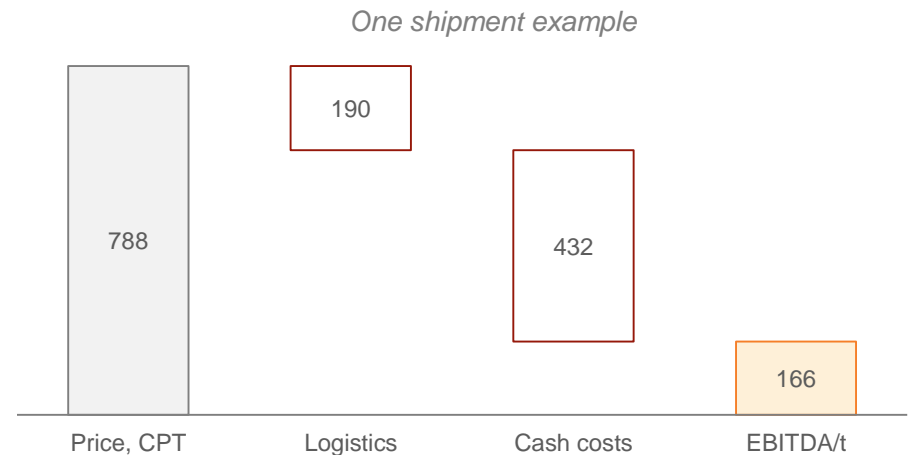
Source: EVRAZ data

EVRAZ rails exports (excl. CIS), kt



Source: EVRAZ data

Rail export shipments EBITDA profitability, 2016e, \$/t



Source: EVRAZ data

b. Development of H-beam consumption

- EVRAZ aims to increase beam consumption in Russia by 300kt through two main initiatives:

- ① Enhance the consumption in multistorey civil construction which will add 150kt of beams demand
- ② Substitution of plates and tubes with beams which is expected to add another 150kt

① Enhance the consumption in multistorey civil construction

- EVRAZ offers design engineering and construction in partnership with key market participants, provides standard steel-frame solutions and tailored shipping conditions

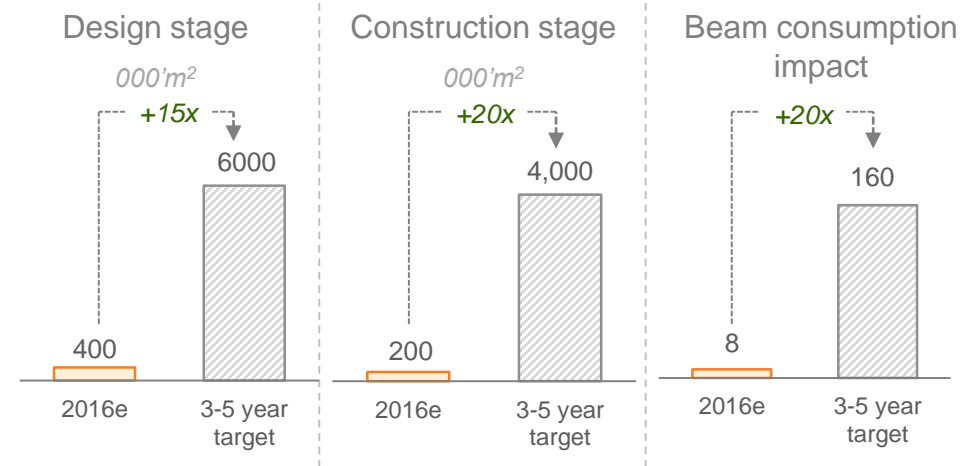


Residential buildings

Parking / Schools / Kindergartens

Offices / Malls / Hotels

New multistorey civil construction projects with beams



Source: EVRAZ data

② Substitution of plates and tubes by beams

- EVRAZ offers competitive prices, fast shipments and additional services (cut-to-length and etc.)



Industrial buildings

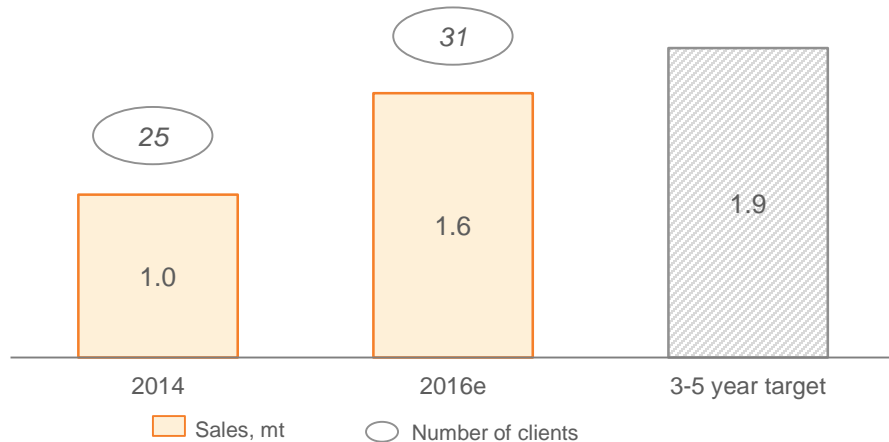
Agricultural buildings / Warehouses

Sport facilities / Airports

c. Development of customer base for value added semis

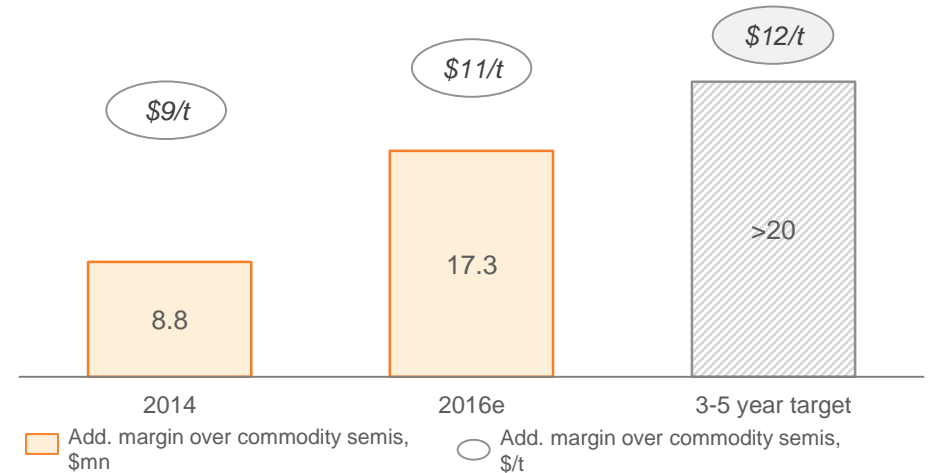
- EVRAZ has increased additional margin from value added semis sales from c.\$9m in 2014 to c.\$17m in 2016
- The target is to reach c.\$20m of margin over commodity semis by developing complex steel grades and expanding the client base

Value added semis sales and clients quantity



Source: EVRAZ data

Additional margin over commodity semis



Source: EVRAZ data

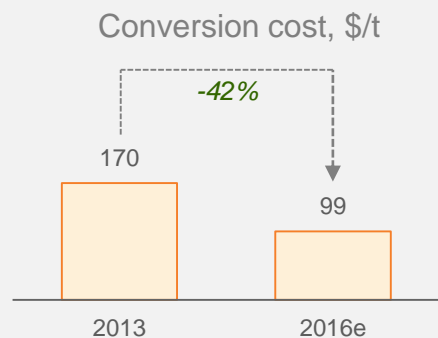
d. Continuous focus on efficiency improvement

- EVRAZ Russian steel assets managed to reduce costs at an average pace of c.\$70m EBITDA effect per annum over the last three years
- Our target going forward is to maintain a similar pace of efficiency improvement

1

Conversion cost reduction

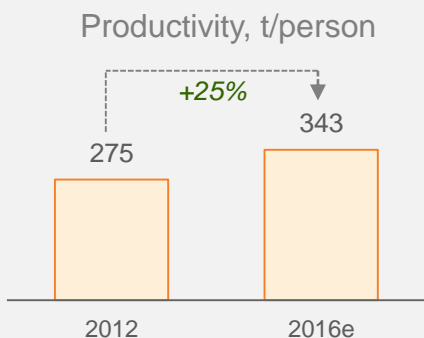
- We managed to reduce conversion cost by 42%
- We plan further cost-cutting through coke yields and quality improvements, increase of sinter Fe content and other operational improvements



2

Productivity

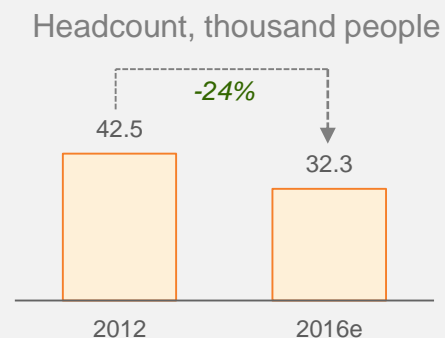
- Our continuous effort of productivity improvement resulted in a 25% increase of steel production per person
- Our target is to maintain a similar pace of productivity improvement



3

Headcount

- In the last four years we managed to reduce headcount at EZSMK and ENTMK by 24%

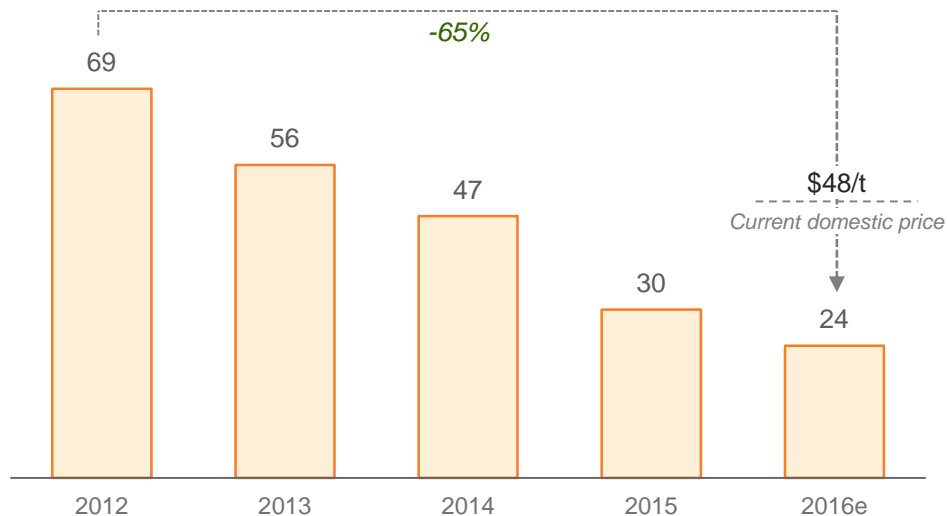


Source: EVRAZ data

e. Competitive iron ore production cash cost

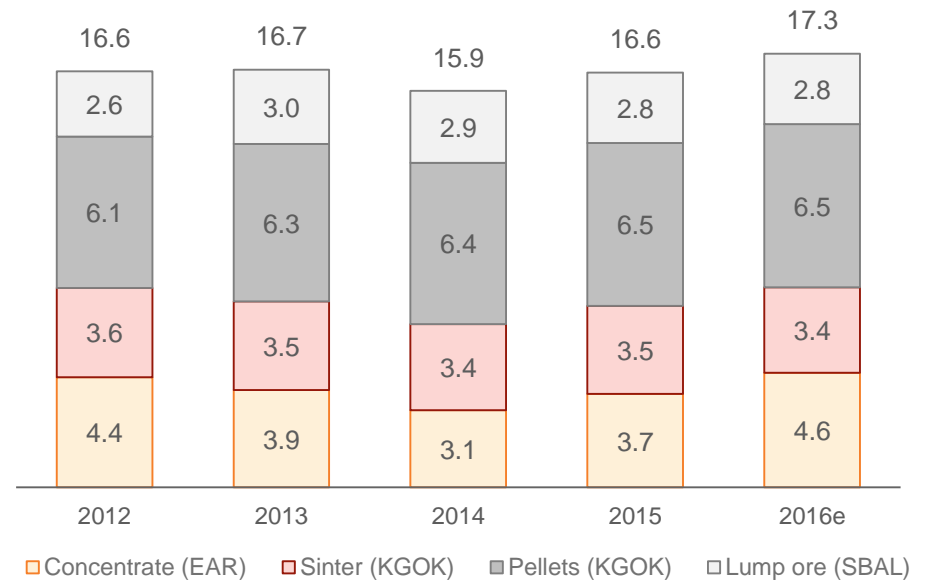
- EVRAZ was able to reduce iron ore cash cost by more than by 65% in the last five years as a result of operational improvements, assets optimisation, investment projects and currency devaluation
- EVRAZ benefits from stable iron ore production volumes, which are mainly consumed by own steel mills
- Priority for iron ore assets is to maintain a low cash cost position and to keep production at the current level

EVRAZ iron ore cash cost (Fe 58%), \$/t



Source: EVRAZ data

EVRAZ finished iron ore production, mt

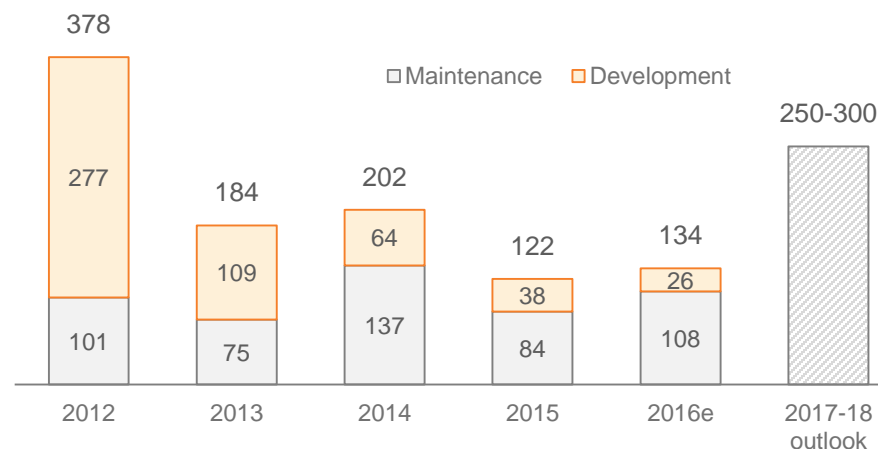


Source: EVRAZ data

f. Optimum CAPEX for maintenance and growth

- Russian steel assets are well-invested
- Maintenance CAPEX in 2017-2018 will be above the 2015-2016 level due to planned blast furnace №7 construction at EVRAZ NTMK
- Current investment projects are focused on efficiency improvement and selective product portfolio development

Russian steel mills CAPEX, \$m



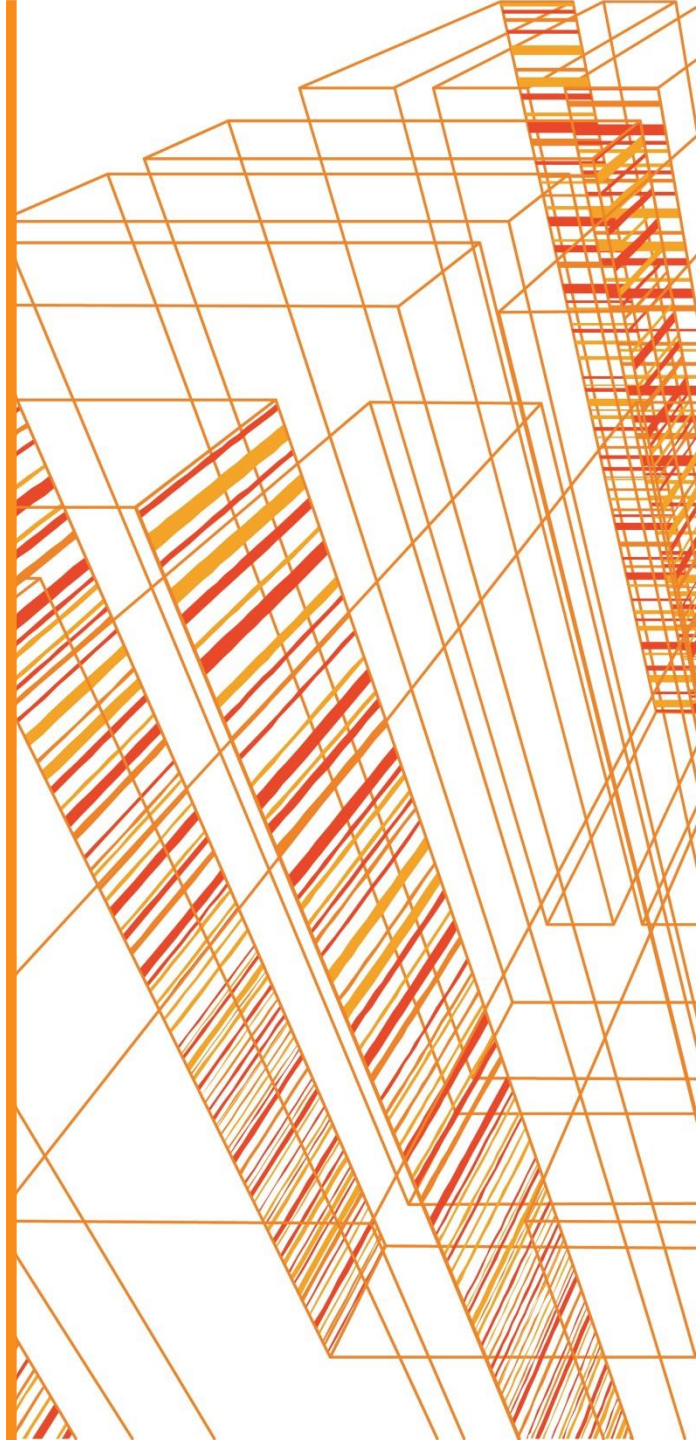
Source: EVRAZ data

Major investment projects

		CAPEX	Launch	IRR
1	Blast Furnace #7 construction at EVRAZ NTMK	\$194m	2018	n/a
2	Ball mill construction	\$17m	2017	33%

Financial overview

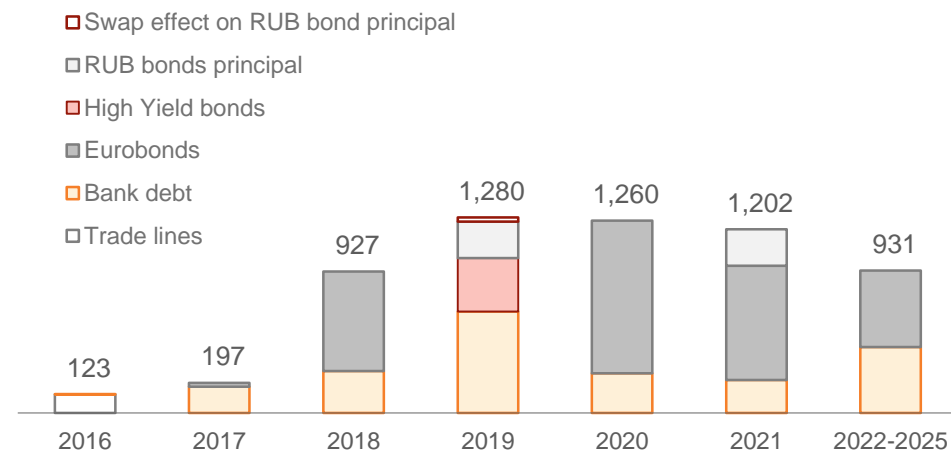
Giacomo Baizini
Interim CFO



Update on debt refinancing

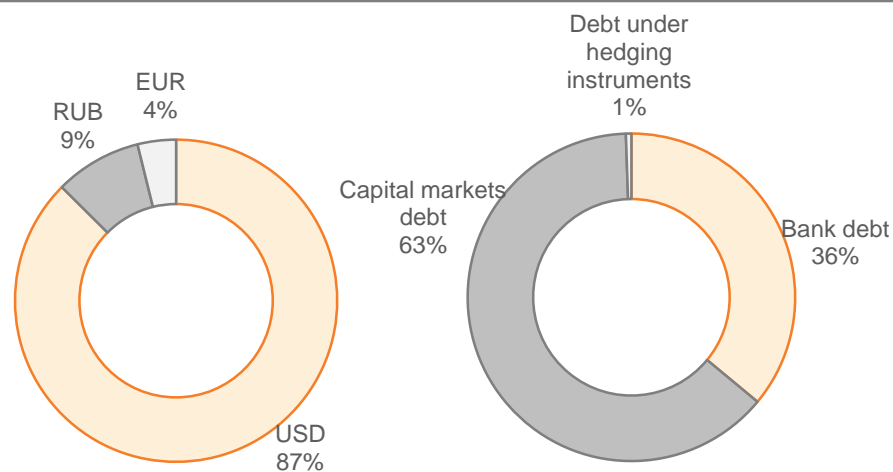
- \$197m across 2017-2018 EVRAZ Eurobonds were repurchased in Q3 2016, including \$177m of EVRAZ'17 called at make whole
- \$564m of bank maturities due in 2017-2019 were refinanced during Q3 2016 by the longer tenor bank facilities
- \$15m of bank maturities due in 2016-2017 were prepaid during Q3 2016

Debt maturity profile, as of 30.09.2016*, \$m



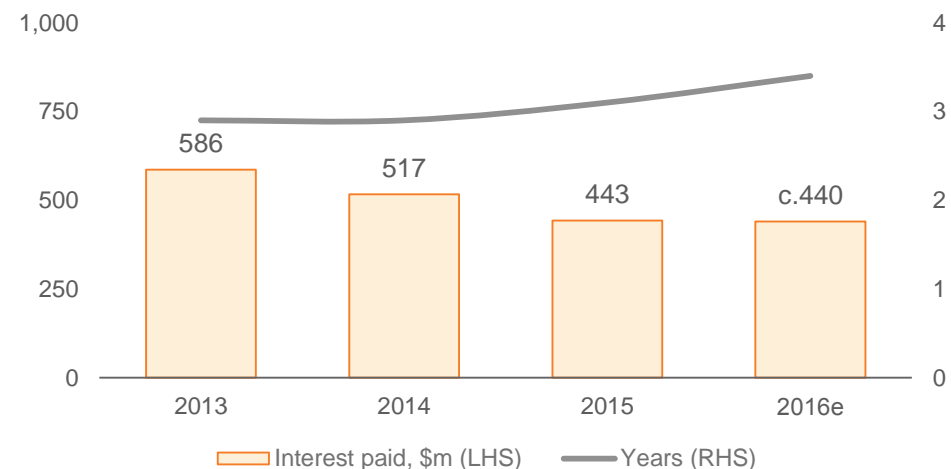
Source: EVRAZ data

Debt structure, as of 30.09.2016, %



* Principal of loans and borrowings (incl. hedging exposure and excl. interest payments)
Source: EVRAZ data

Weighted average maturity and interest paid



Source: EVRAZ data

Debt covenants compliance

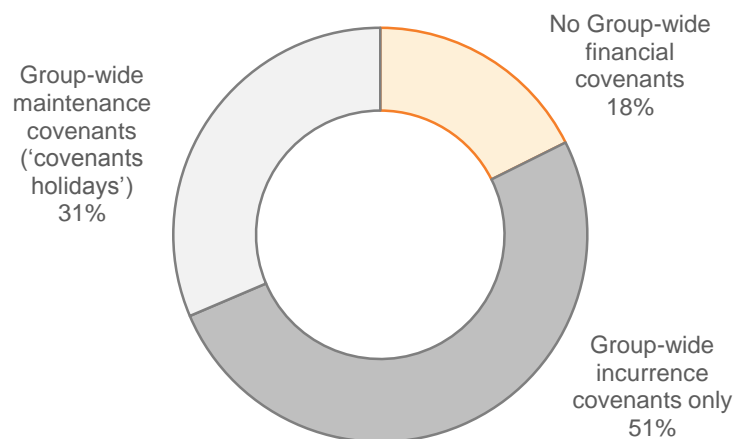
- EVRAZ is in compliance with all debt covenants
- EVRAZ monitors the covenants compliance and takes proactive steps to keep a comfortable covenant headroom in case of a negative market environment
- During 2016 EVRAZ corporate credit ratings were reaffirmed by three key rating agencies at BB-/ Ba3

Maintenance covenants*

Indicator	Required level	As of 30.06.2016
Net Debt	< \$6bn	\$5.3bn
Total Debt	< \$8.3bn	\$6.2bn
EBITDA / Interest Expense	>1.5x	2.4x
Net Debt / EBITDA	no testing	

- In view of deteriorating market conditions, EVRAZ proactively negotiated with the lenders the suspension of financial ratios testing for three semi-annual testing periods starting H1 2016
- Restrictions during 'covenants holidays':
 - no dividends or other cash distribution to shareholders

Total debt breakdown by covenants as of 30 June 2016



Incurrence covenants*

- Restrict the general incurrence of new debt, except for several specified carve-outs, in case
 - Total Debt / EBITDA: >3.0x
 - Net Debt / EBITDA: >3.5x
- EVRAZ currently is restricted from new debt incurrence, except for several carve-outs specified in the documentation
- The main carve-out includes the debt raised for refinancing purposes

* Strictest levels throughout all EVRAZ debt; some debt facilities may not contain these covenants at all or refer to wider thresholds
Source: EVRAZ data

Key capital deployment initiatives

1

Deleveraging

- **Deleveraging remains management's focus** with a long-term target of 2.0x Net leverage level (Net debt/EBITDA)
- **Proactive extension or refinancing of short-term debt** to minimise refinancing risk and keep a safe liquidity cushion

2

Reinvestment

- Well-invested assets
- Prudent approach to new investments

3

Dividends

- **Restriction on dividends during covenant holidays until the end of 2017**



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