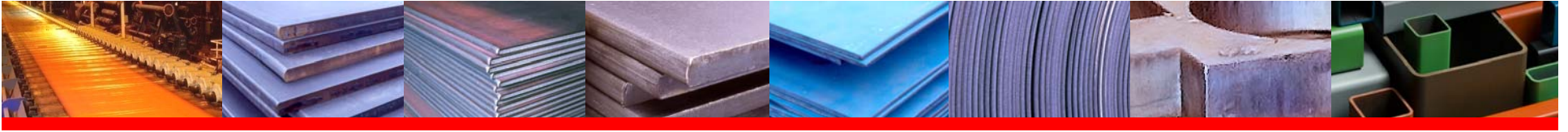


# ***EVRAZ Inc. NA***

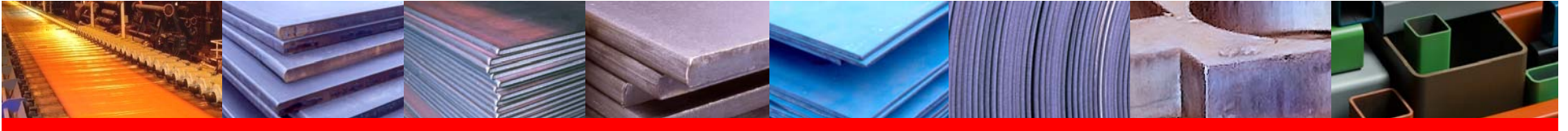
**Presentation  
September 24, 2009  
Houston, TX**





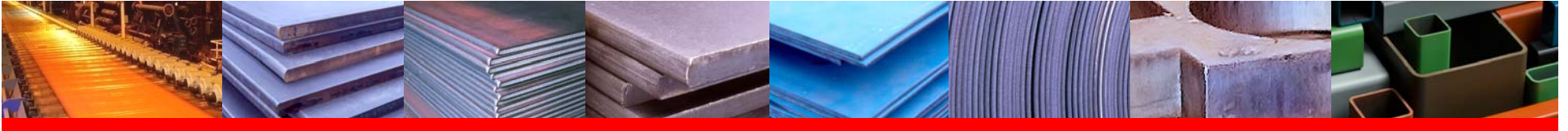
# *Introductions*

- Kent Thies  
National Marketing Manager  
Evraz Inc NA



## ***Discussion Points***

- Overview of EVRAZ Group SA
- Overview EVRAZ Inc NA
- North American Steel Plate Market
  - Supply
  - Demand
- Economic Outlook
- Carbon Plate Outlook
- Q & A

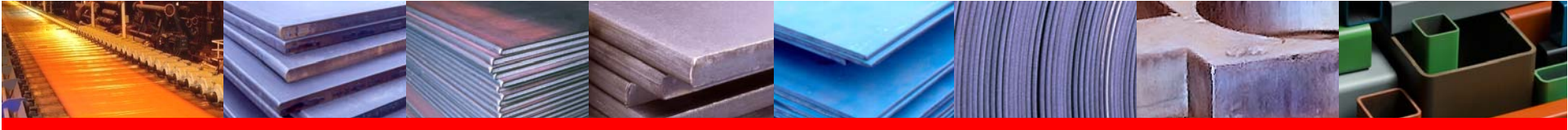


## ***EVRAZ Group SA***

- Incorporated in Luxembourg, traded on the London Stock Exchange – Symbol: EVR
- Website – [www.evraz.com](http://www.evraz.com)
- One of the largest, vertically integrated steel and mining businesses in the world
- 9<sup>th</sup> largest steel producer in the world – over 115,000 employees
- 2008 EVRAZ SA Group produced 17.2 million tons of rolled products
- 2008 Revenue ~ \$20.38 Billion

## ***EVRAZ Group SA Vision***

- A leader in the construction and railway steel product markets in Russia and CIS.
- A global player with a strong position in flat product markets of Europe and the US.
- The lowest cost producer of crude steel in Russia and CIS through superior efficiency and vertical integration.
- A leading global producer of vanadium products.
- Focus on growing plate business worldwide



## ***Worldwide – Primary Products & Operations***

### Russia

**NTMK**

**ZAPSIB**

**NKMK**

**KGOK**

**VGOK**

**Nahodka**

**Rail, Semi-finished slabs**

**Rail wheels**

**Semi-finished slabs**

**Structural - sections**

**Rebar – wire rod**

**Narrow plate**

**Coal, Coke, Iron Ore**

**Port-Marine Operations**

### South Africa

**Highveld**

**Plate, Coil**

**Structural, sections**

**Billets, Slabs**

**Vanadium**

### China

**Delong Holdings**

**Coil**

### Czech Republic

**Vitkovice**

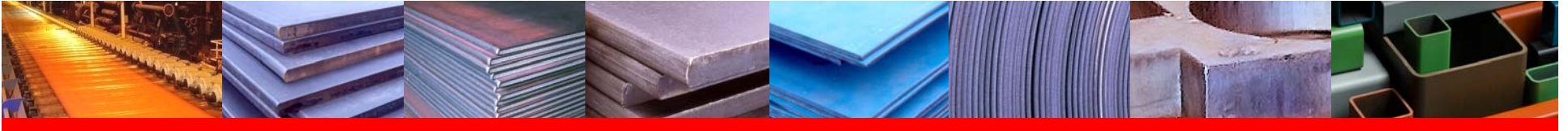
**Plate**

### Italy

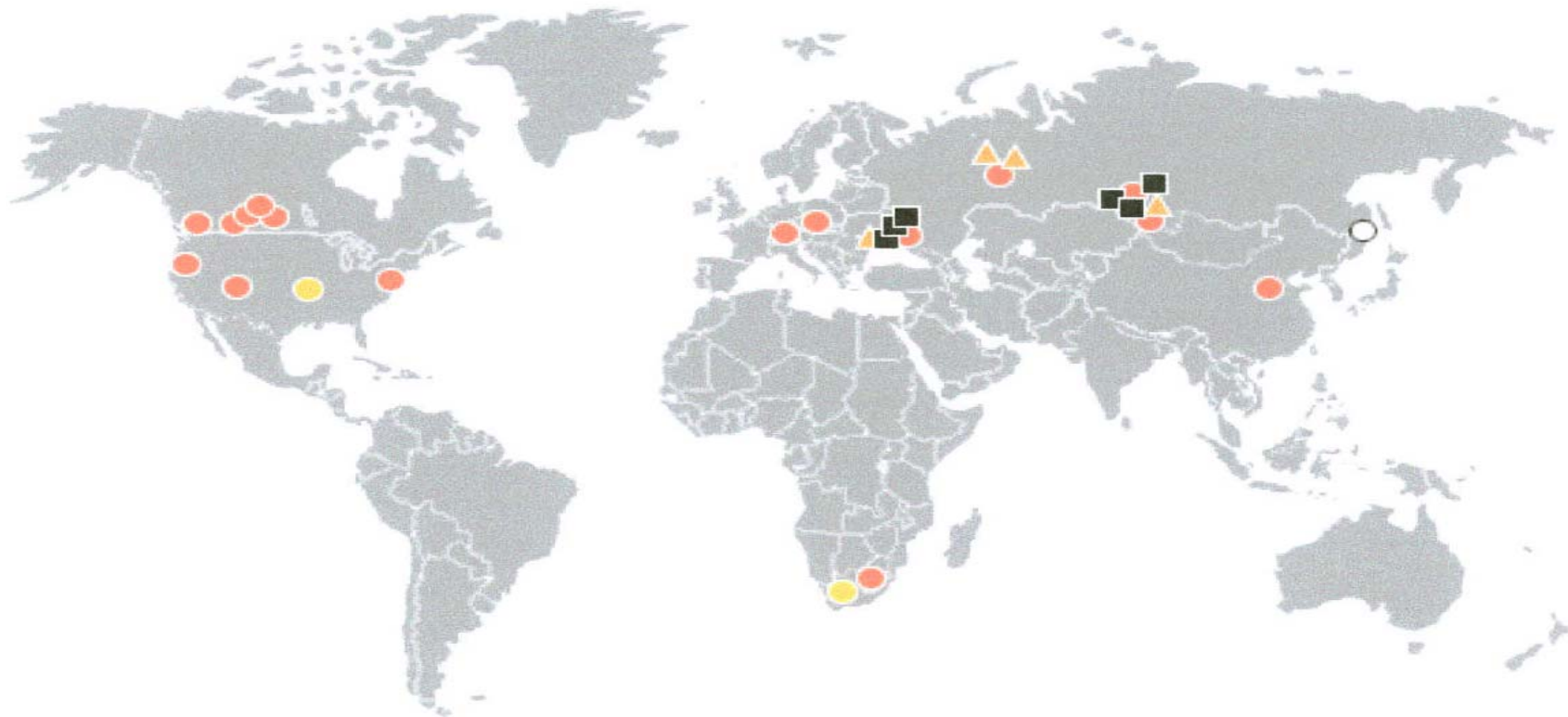
**Palini e Bertoli**

**Plate**

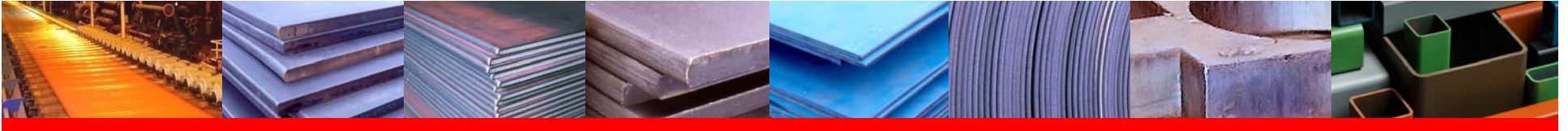




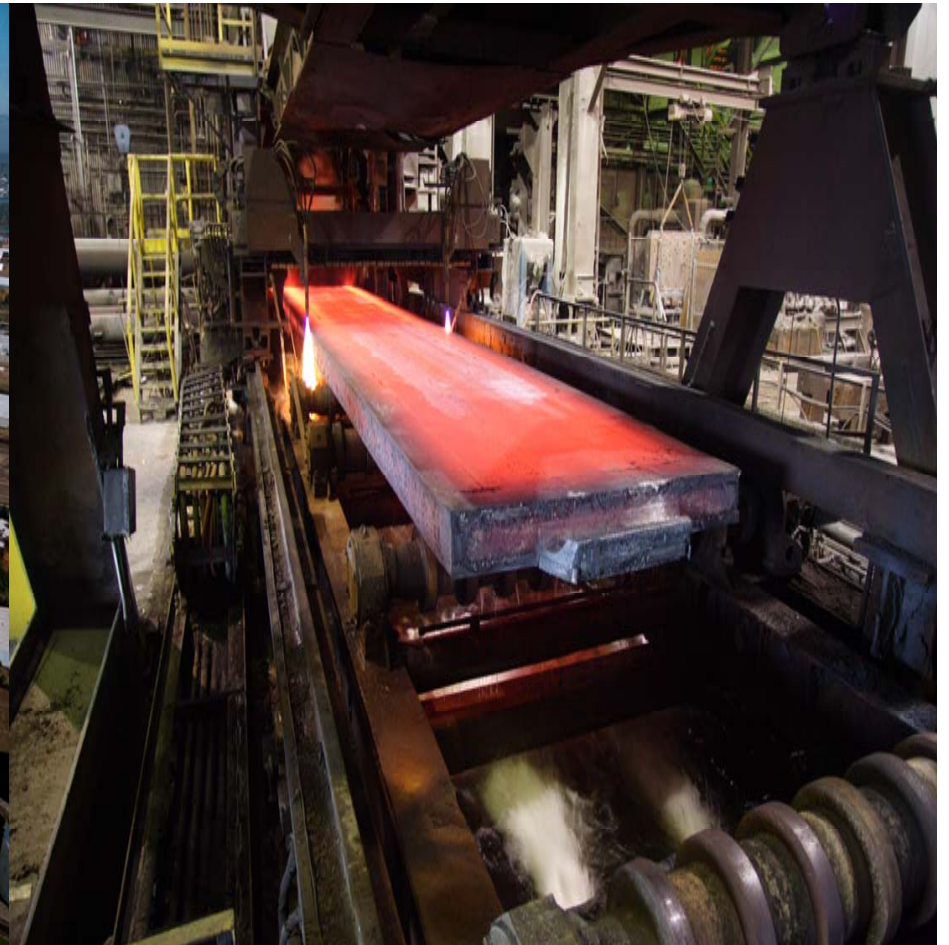
## ***EVRAZ Group SA Global Operations***

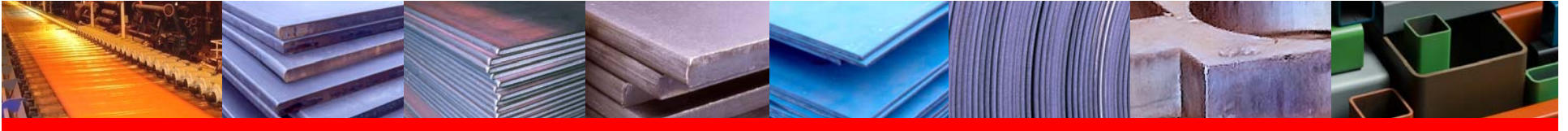


- Steel
- ▲ Iron Ore
- Coal mining and processing
- Vanadium
- Distribution

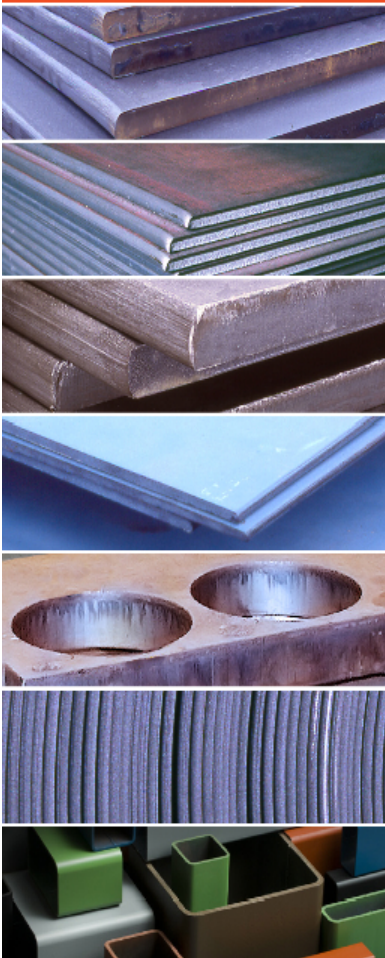










# ***EVRAZ Inc NA***





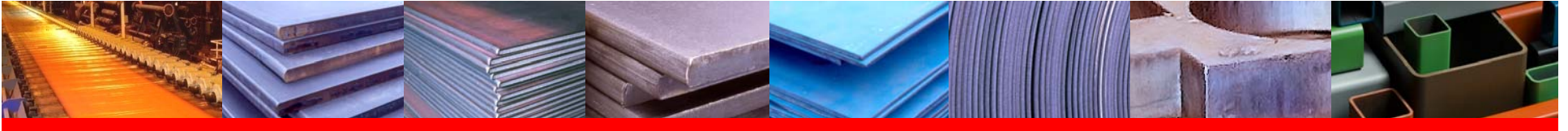
## Steel Products by Location:



-  Discrete Plate
-  Cut-to-length Plate
-  Heat Treated Plate
-  Shot-blasted & Primed Plate
-  Custom Burned Plate
-  Plate Coil
-  Coil Processing Slitting
-  HSS (Hollow Structural Tube)







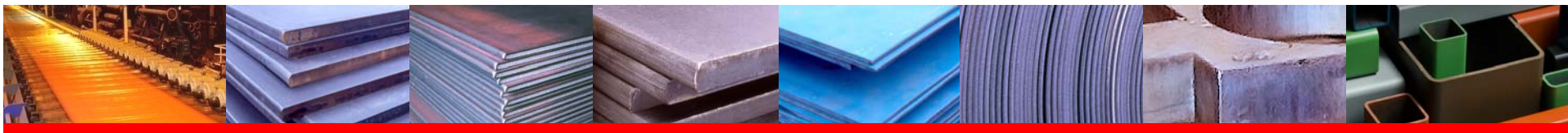
## ***EVRAZ Inc. NA History***

**January 23, 2007 – EVRAZ completed acquisition of Oregon Steel Mills (largest Russian acquisition of a US company)**

**January 25, 2008 – EVRAZ completed acquisition of Claymont Steel**

**June 13, 2008 – EVRAZ completed acquisition of Canada Plate and IPSCO Tubular**

**June 13, 2008 - EVRAZ establishes North American Headquarters in Portland, OR**



## ***EVRAZ Inc. NA History***

### ***Quick Overview***

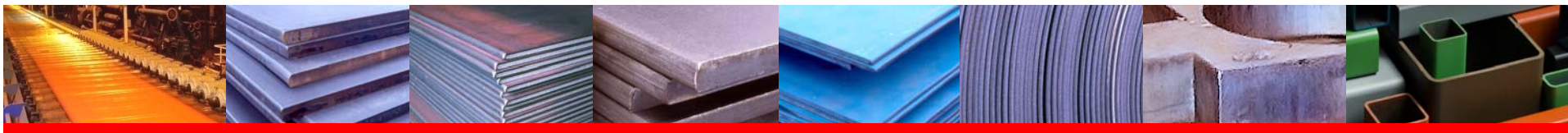
- **Over 4,000 employees in North America**
- **2008 Revenue – \$4.02 billion**
- **5 million tons of steel product capacity**

#### **9 Steel Product Lines**

- plate
- coil
- LD Line Pipe
- ERW Pipe
- HSS Structural Tube
- Rail
- Rod/Bar
- Seamless Pipe

#### **9 Locations**

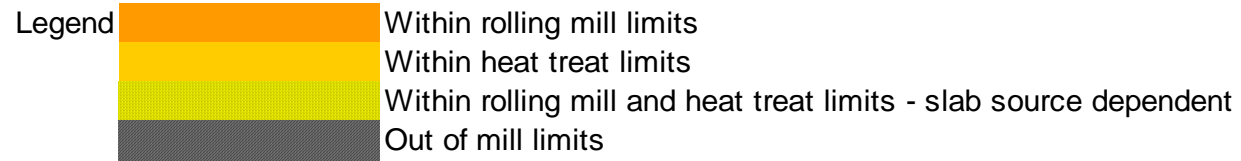
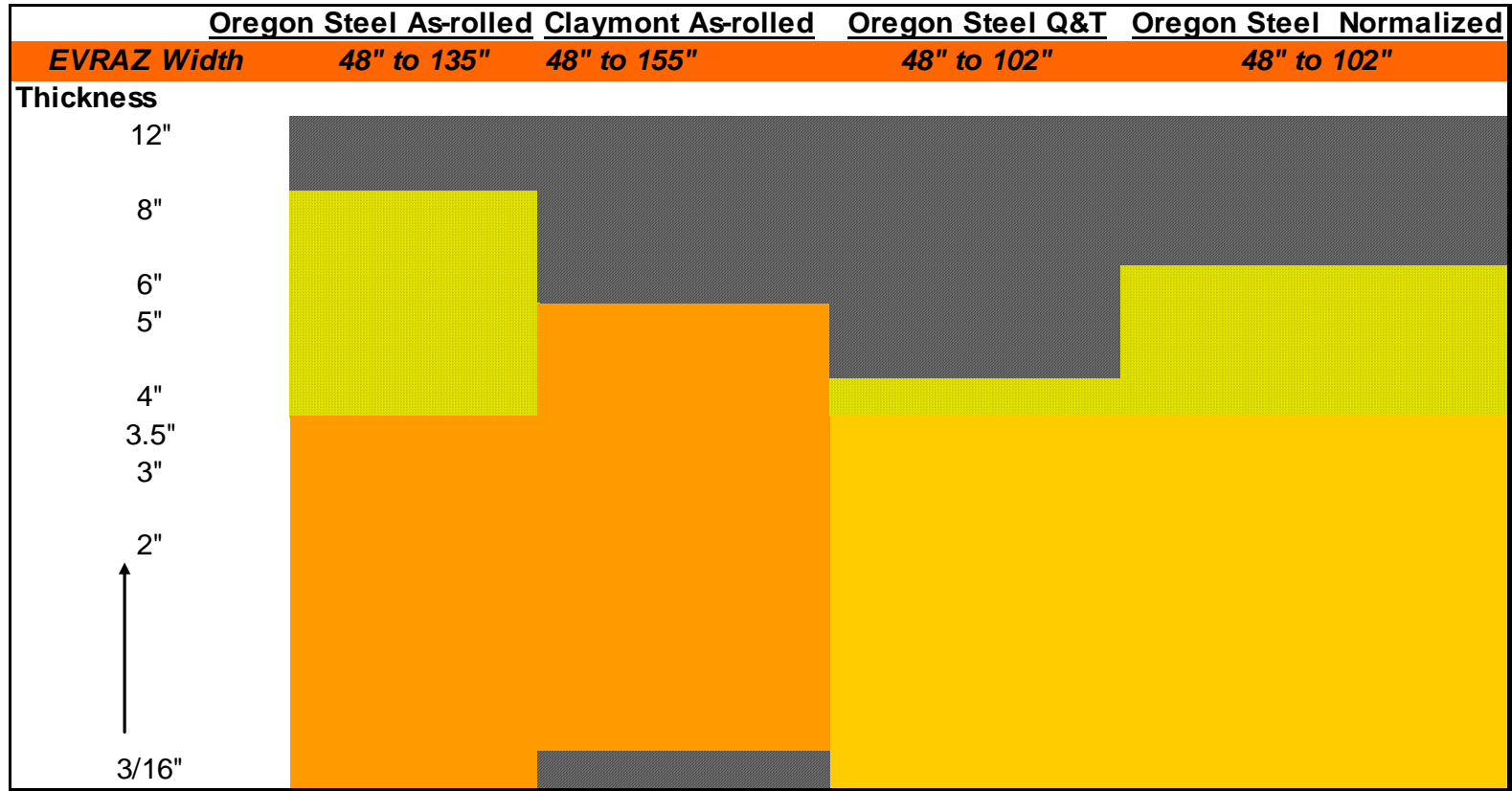
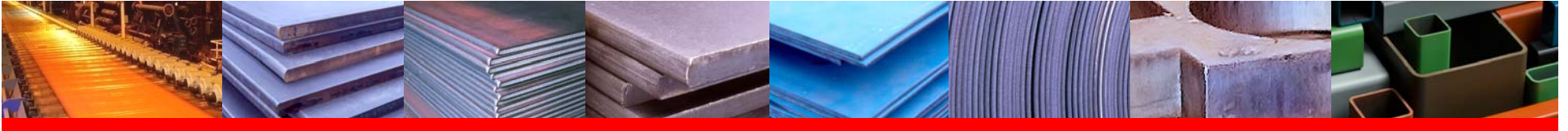
**Portland, OR**  
**Pueblo, CO**  
**Claymont, DE**  
**Regina, SK**  
**Camrose, AB**  
**Calgary, AB**  
**Red Deer, AB**  
**Surrey, BC**  
**Winnipeg, MB**

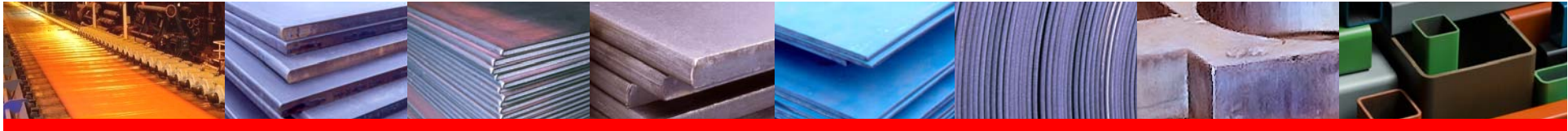


## ***North American Steel Plate Capacity***

<b><u>Producer</u></b>	<b><u>Capacity</u></b>	<b><u>Share</u></b>
Arcelor Mittal Plate USA	3,400,000 tons	24%
EVRAZ Inc. NA	2,852,000 tons	20%
Nucor	2,800,000 tons	20%
SSAB (former IPSCO USA)	2,756,000 tons	19%
Jindal	1,200,000 tons	8%
ESSAR Algoma	600,000 tons	4%
AHMSA	550,000 tons	4%
LeTourneau	100,000 tons	1%
<b>Total:</b>	<b>14,258,000 tons</b>	<b>100%</b>

\* All Tonnages Estimated

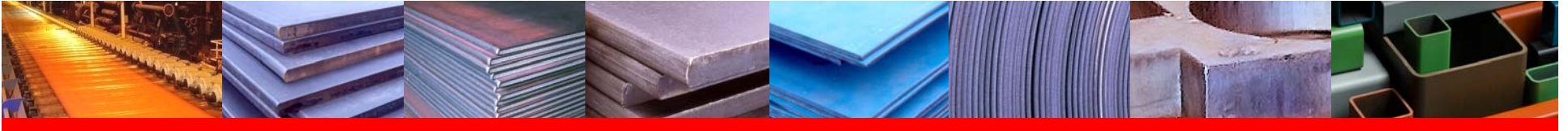




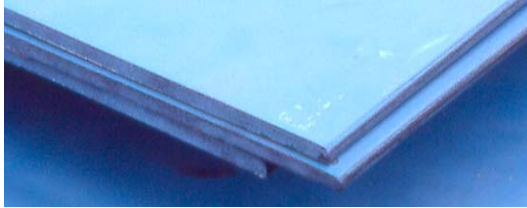
## ***Plate Applications***

- Line Pipe
- Pipe & Tubing
- Construction Equipment
- Machine Parts
- Pressure Vessels
- Wind Towers – poles & towers
- Cranes
- Rail Cars
- Ships & Barges
- Bridges & Structures
- Storage Tanks
- Armor Defense
- Wear Parts
- Service Center Inventory





## *Other Plate Processes*



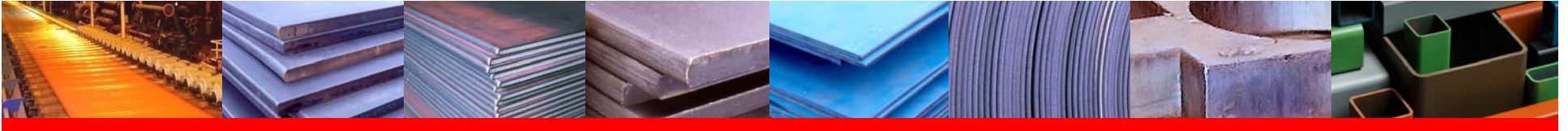
- Shot – blasted and Primed (EvrAZ Oregon Steel)  
- 123” wide. Blast / Oil / Paint – 8,000 Tons/month



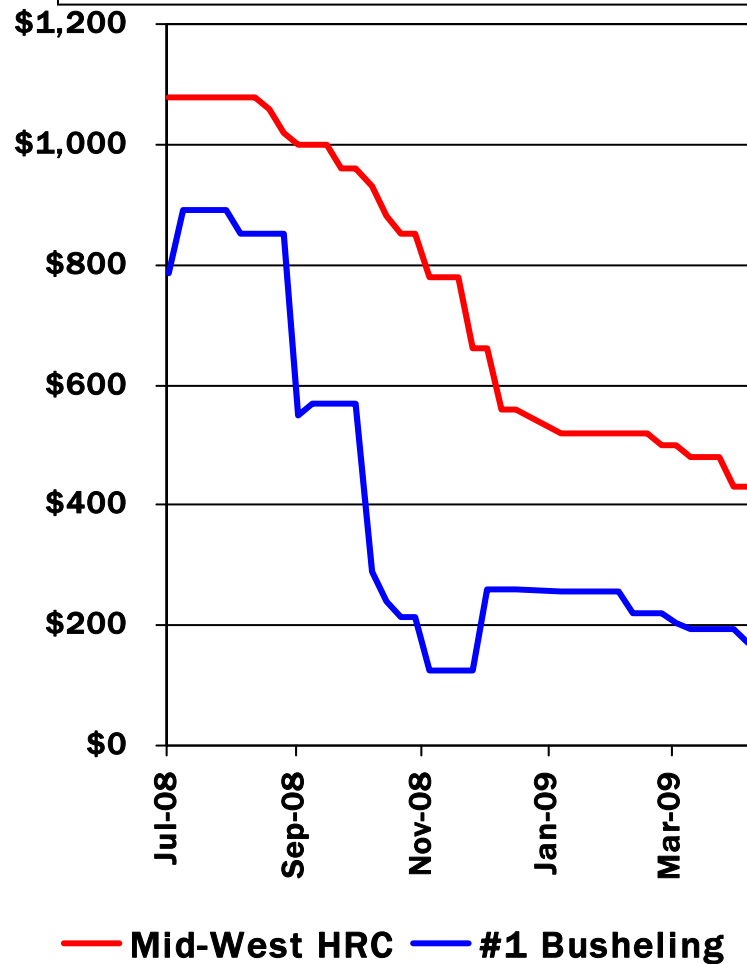
- Customer parts burning (EvrAZ Claymont Steel)



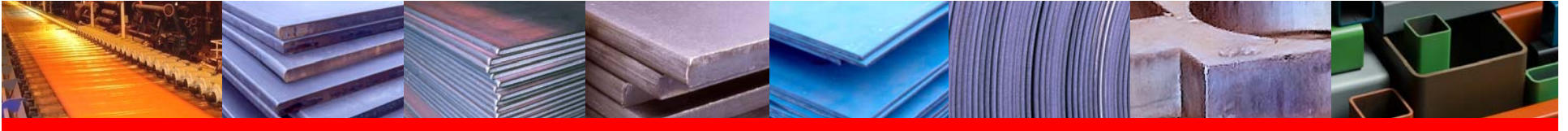
- Cut-To-Length (Surrey BC & Regina SK)  
- 16 ga through 1/2” x 96”  
- 150,000 tons/year capacity (Surrey)  
- 120,000 tons/year capacity (Regina)



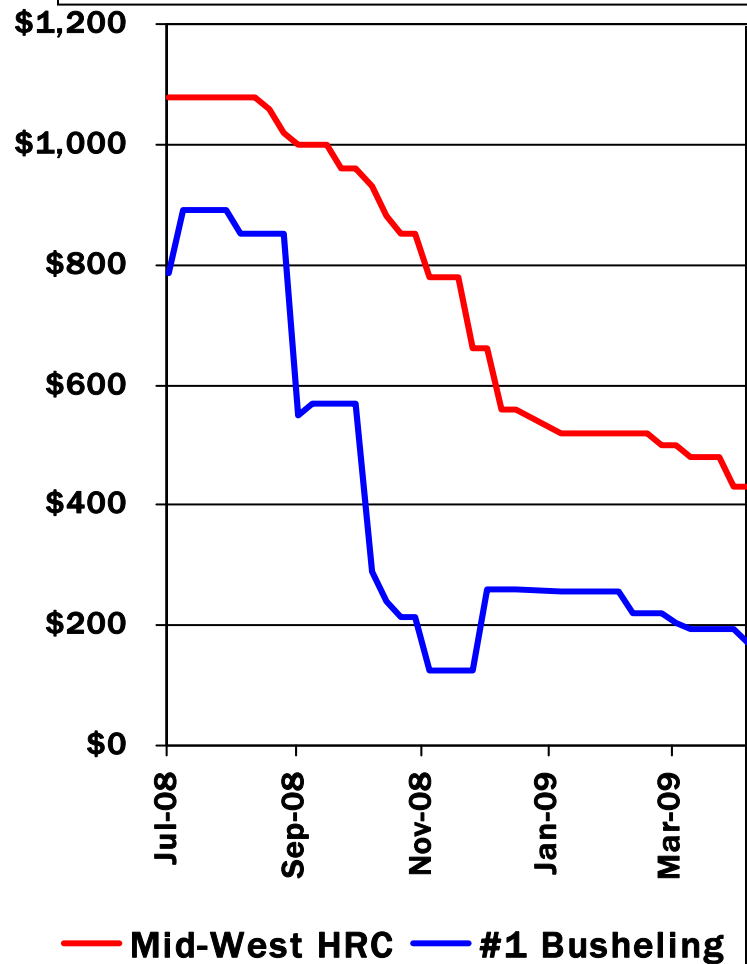
# Flat Rolled Products Market



- North American steel mill utilization
  - January / April 2008: 95%
  - January / April 2009: 41%
- Scrap & hot rolled coil prices down 60% in the last 9 months.
- Lack of orders forces constant adjusting of production schedules.

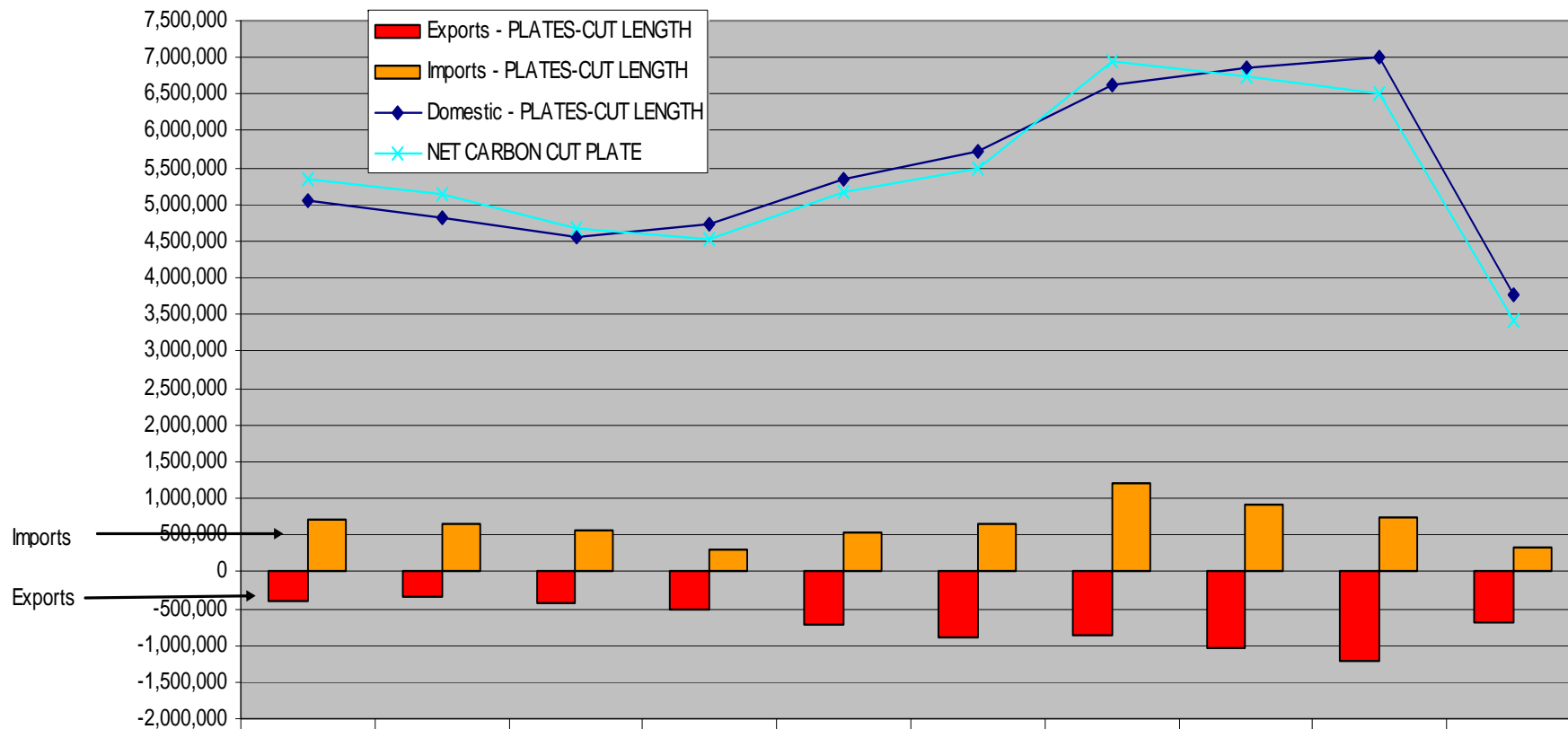
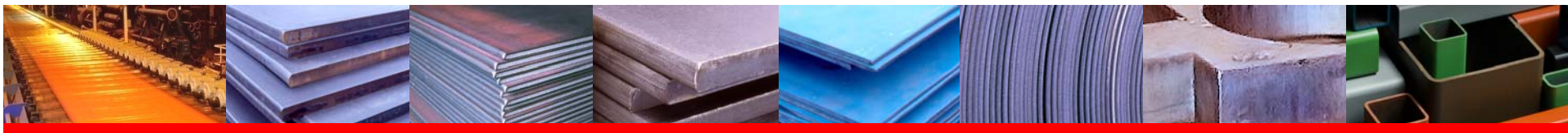


# Flat Rolled Products Market

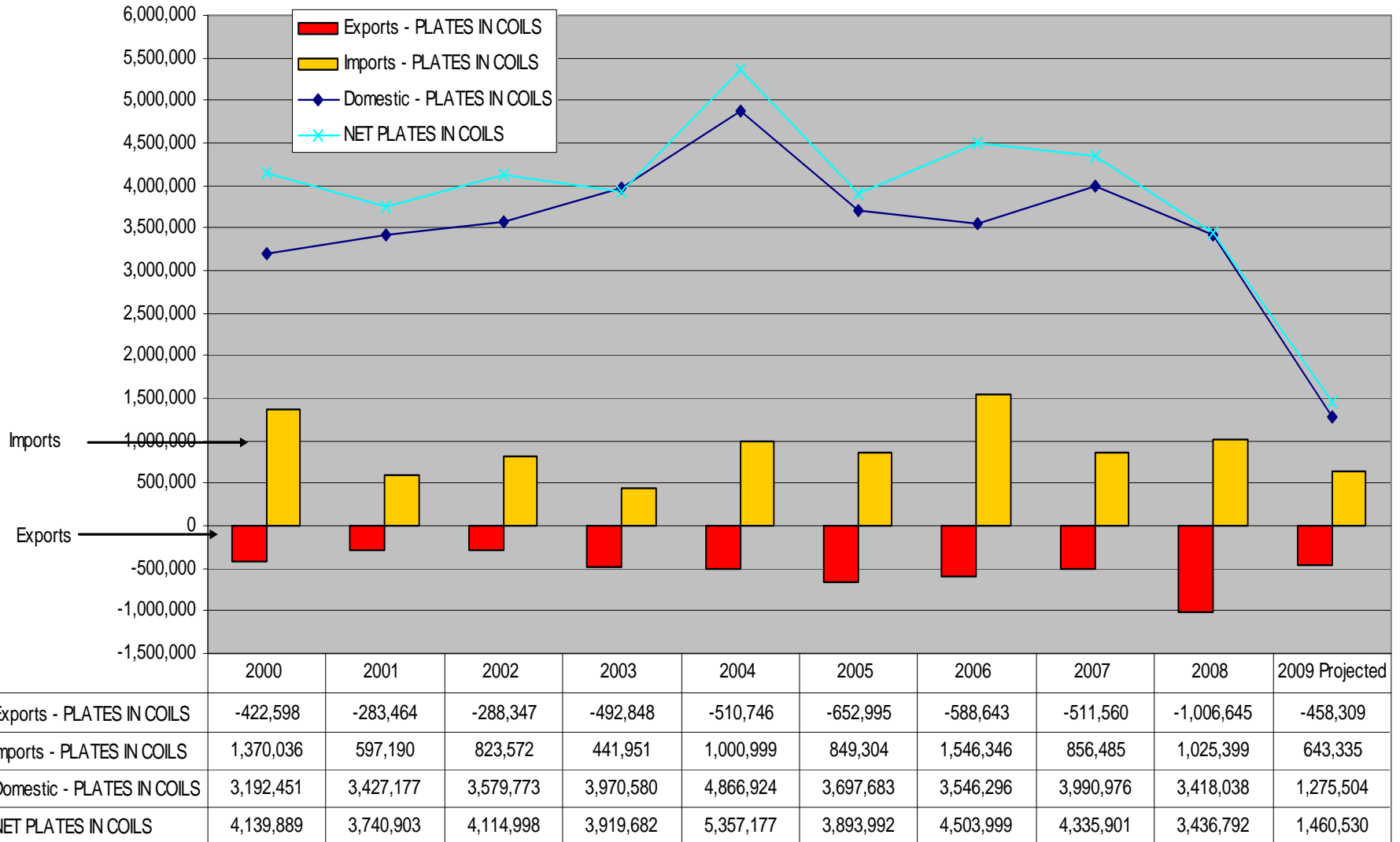
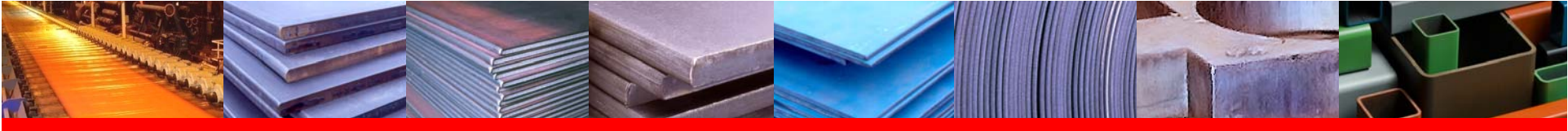


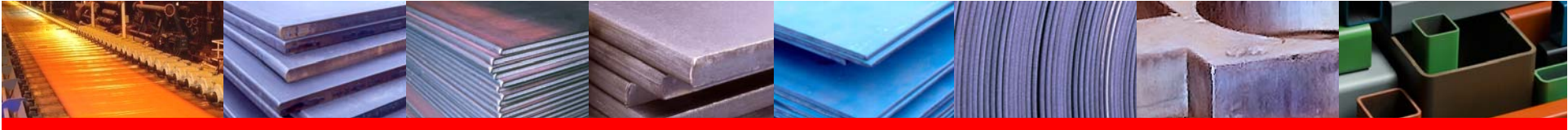
- U.S. Service Centers – August
- |                      | Shipments | Inventories |
|----------------------|-----------|-------------|
| Carbon Plate         | -44%      | -45%        |
| Total Steel Products | -35%      | -49%        |



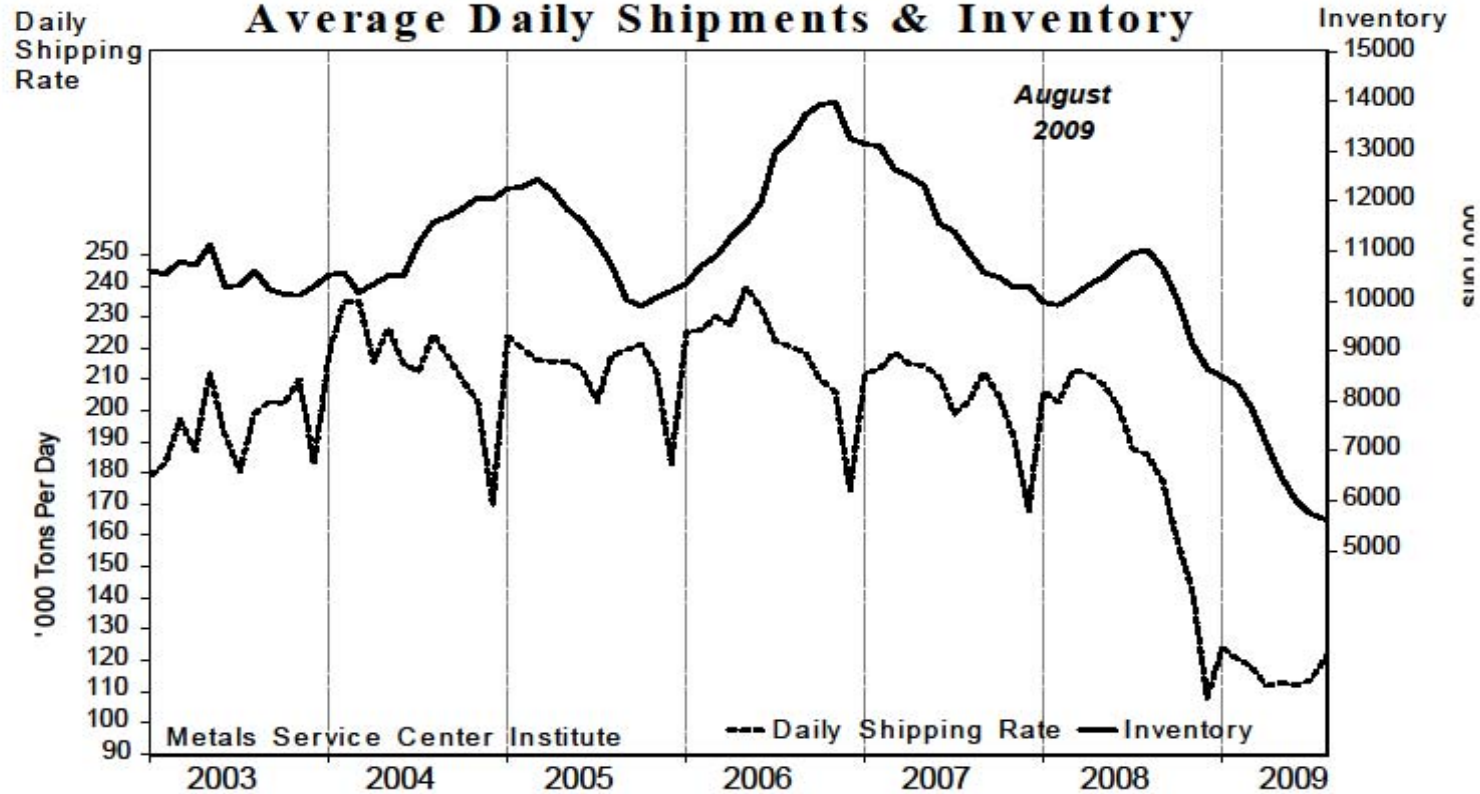


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Projected
Exports - PLATES-CUT LENGTH	-391,444	-336,593	-437,769	-522,800	-711,145	-898,511	-872,613	-1,024,069	-1,212,427	-695,043
Imports - PLATES-CUT LENGTH	700,643	640,200	551,245	313,607	536,784	664,325	1,196,081	915,864	728,421	344,787
Domestic - PLATES-CUT LENGTH	5,040,300	4,827,708	4,565,052	4,745,507	5,349,386	5,726,107	6,635,838	6,858,505	7,006,459	3,764,779
NET CARBON CUT PLATE	5,349,498	5,131,315	4,678,528	4,536,314	5,175,025	5,491,921	6,959,306	6,750,300	6,522,453	3,414,523

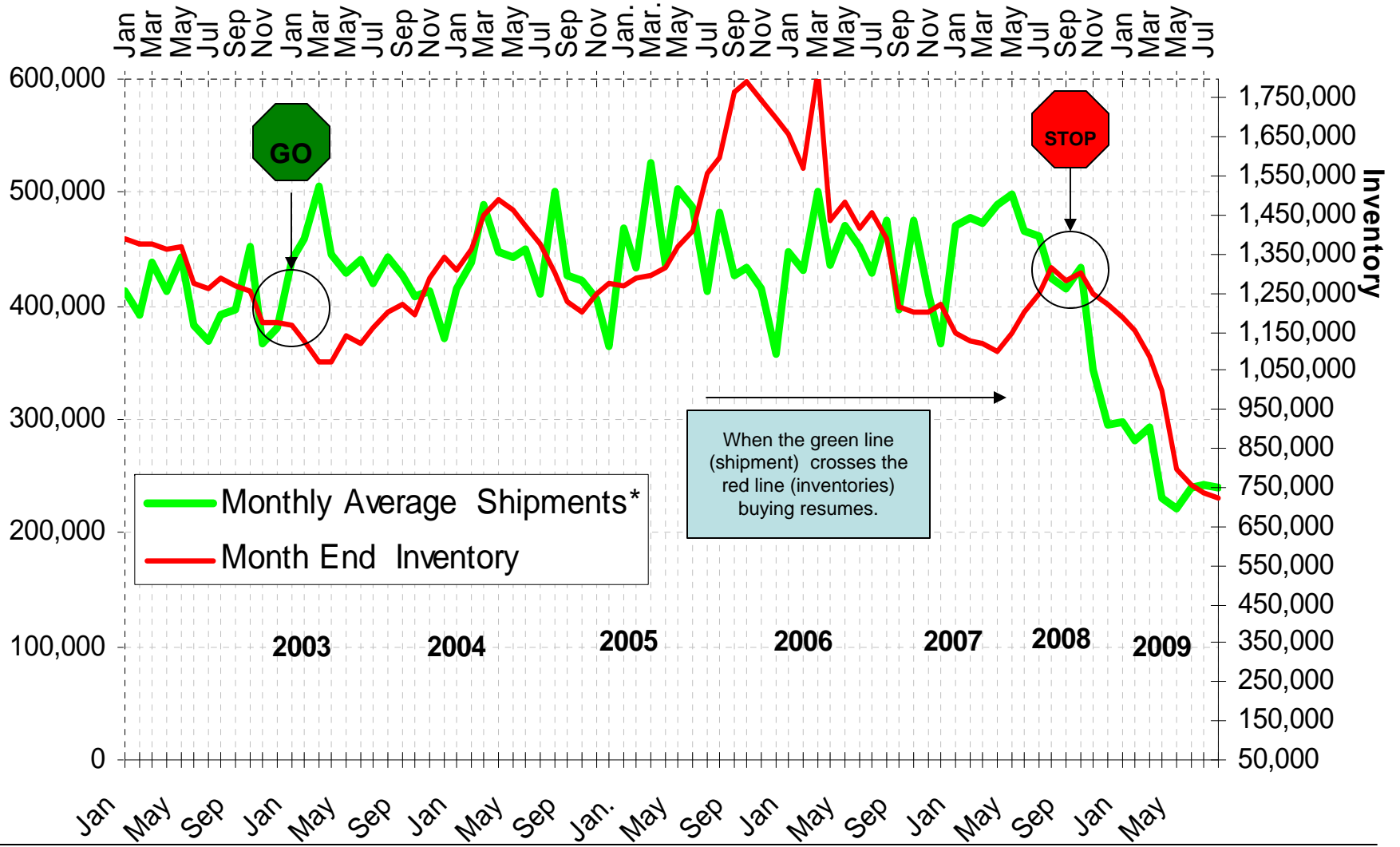
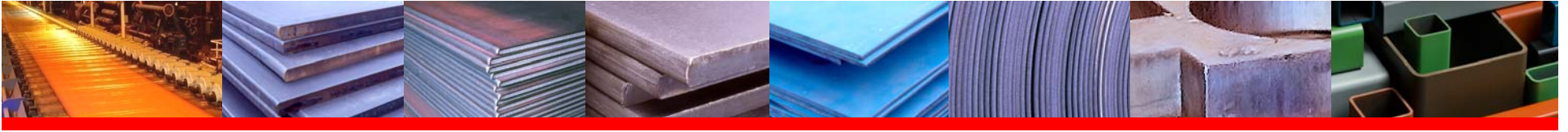


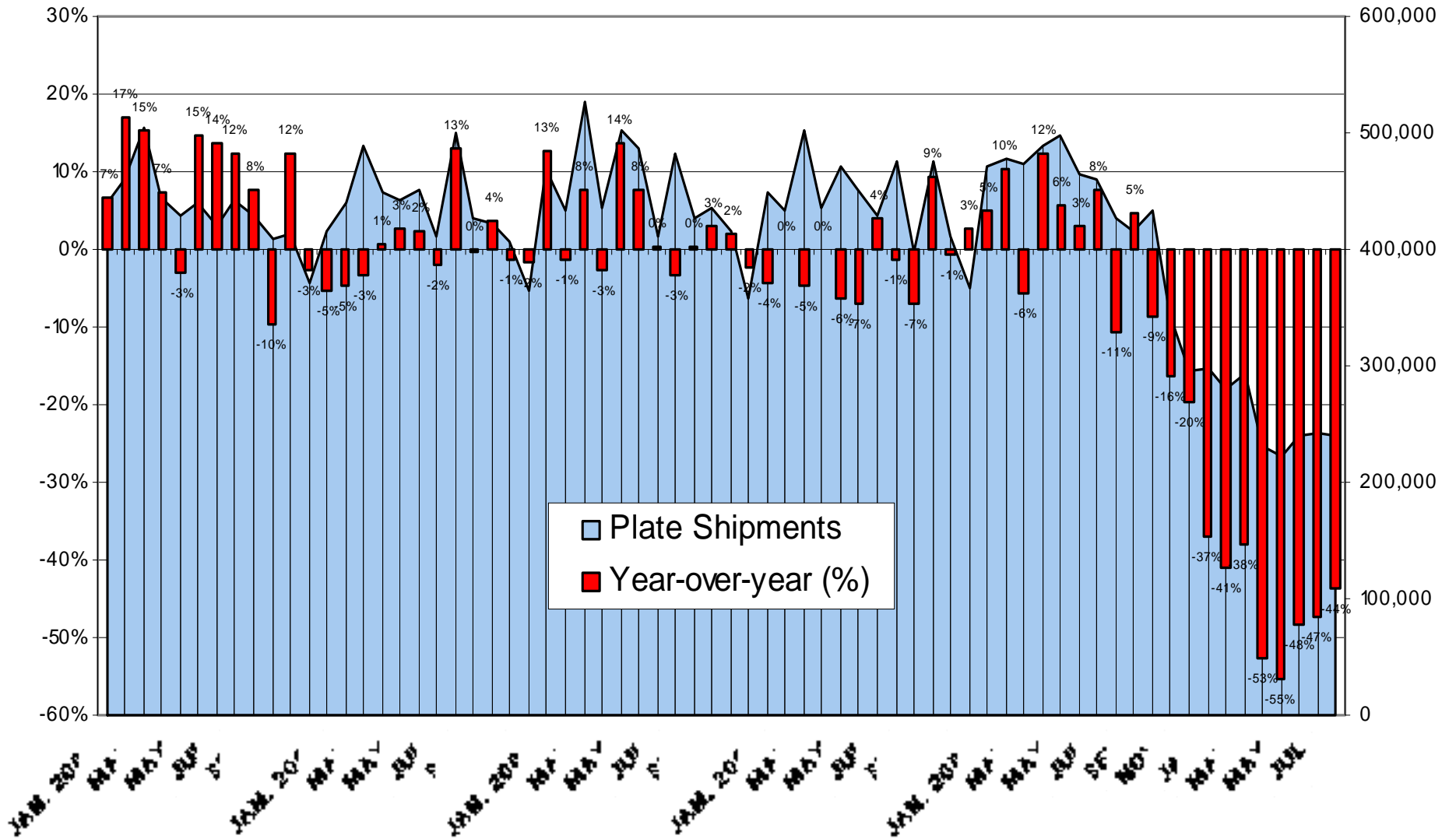
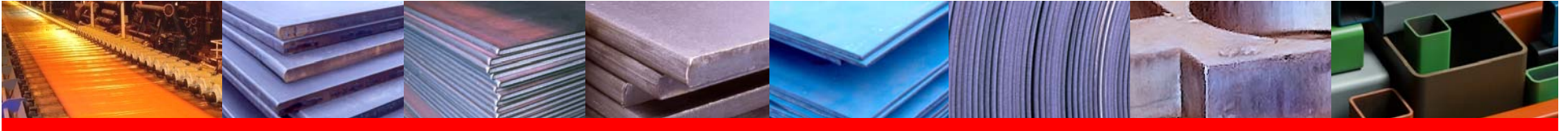


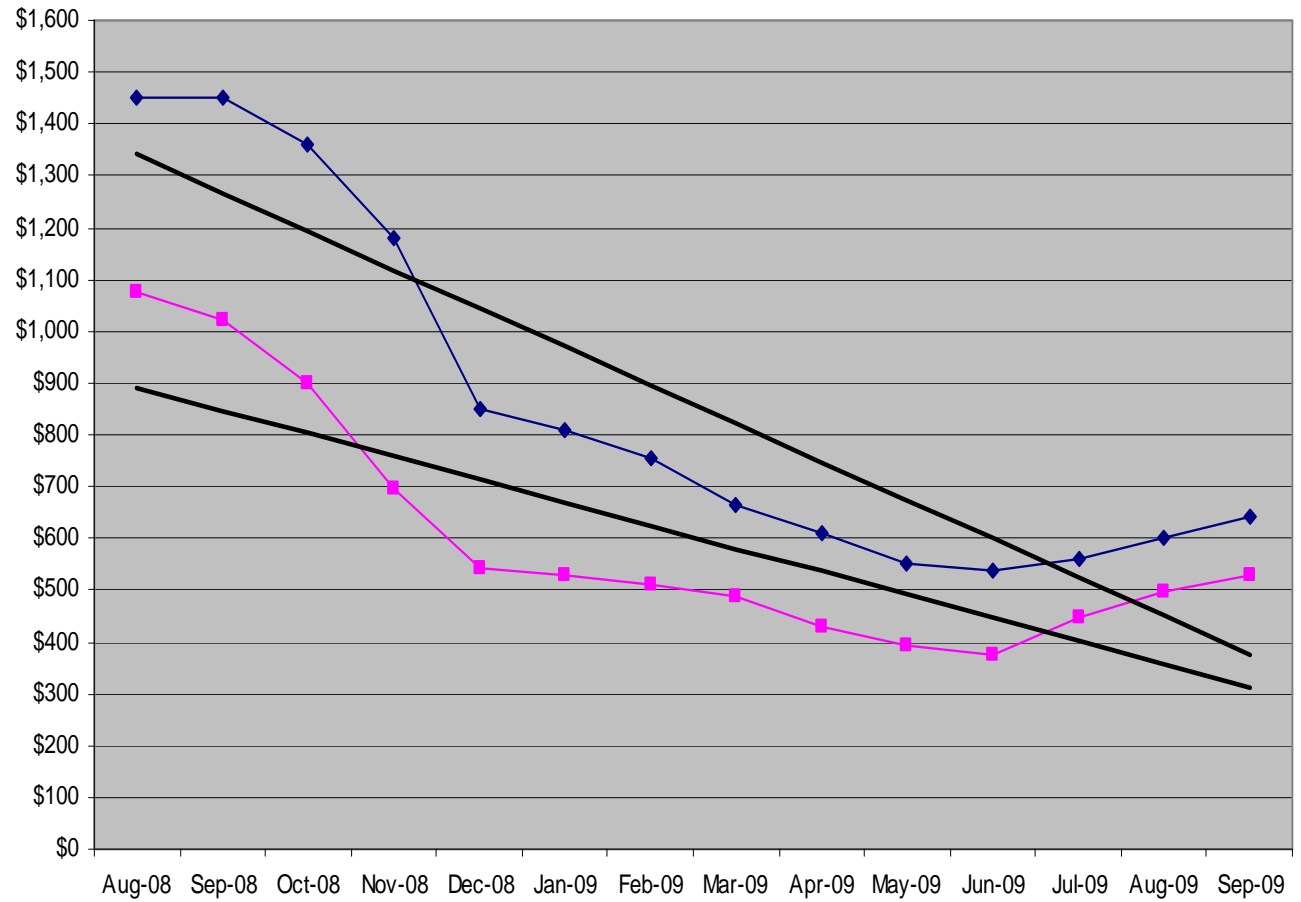
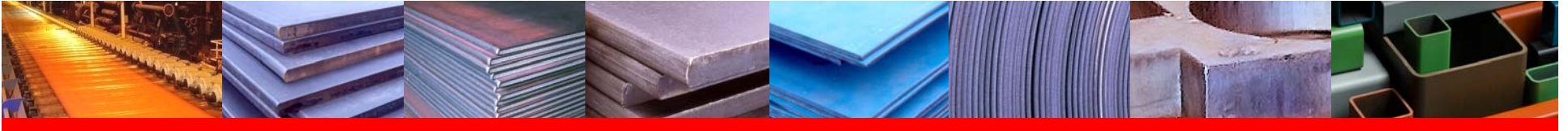
## US Metals Service Center Average Daily Shipments & Inventory



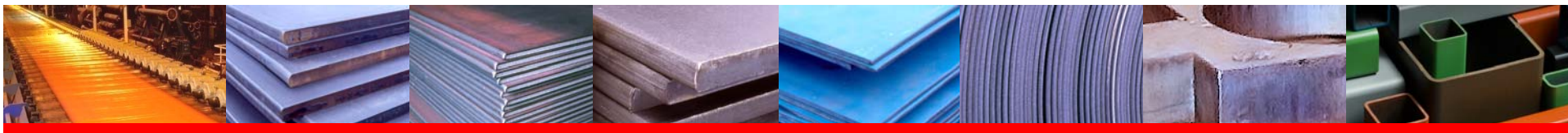
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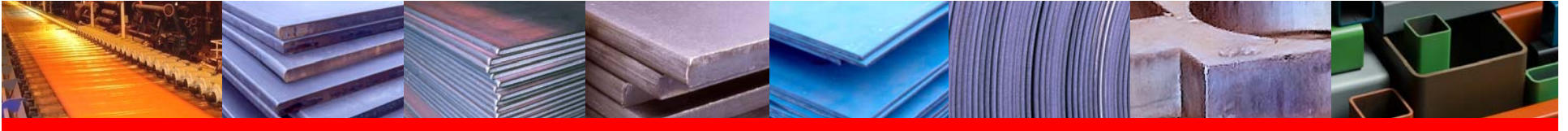


	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
◆ Spot price Plate USA Domestic FOB Midw est US\$/s.ton	\$1,450	\$1,450	\$1,360	\$1,180	\$850	\$810	\$755	\$665	\$610	\$550	\$540	\$560	\$600	\$640
■ Spot price HRC USA Domestic FOB Midw est US\$/s.ton	\$1,075	\$1,020	\$901	\$698	\$543	\$529	\$510	\$487	\$429	\$395	\$373	\$446	\$497	\$531



## U.S. Carbon Plate shipments by Market Classification 2007-2008

<u>MARKET</u>	<u>AISI</u>	EVRAZ ESTIMATE
Steel Service Centers	31%	45%
Construction	12%	15%
Transportation (rail & ship)	7%	10%
Industrial Equipment	4%	5%
Energy – PVQ Storage Tanks	2%	5-10%
Other	44%	20%



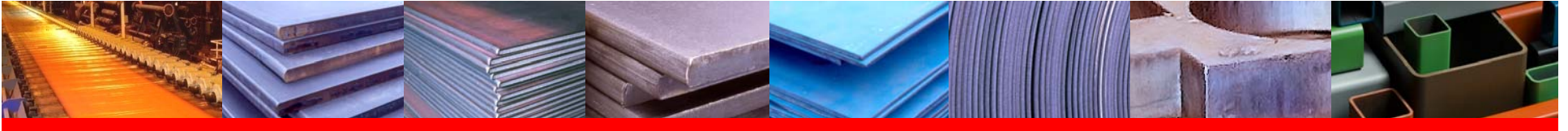
## ***Outlook – 3 Kinds of Lies***

1. Lies
2. Damned Lies
3. and Statistics

19<sup>th</sup> Century

Benjamin Disraeli, British Prime Minister  
and Mark Twain

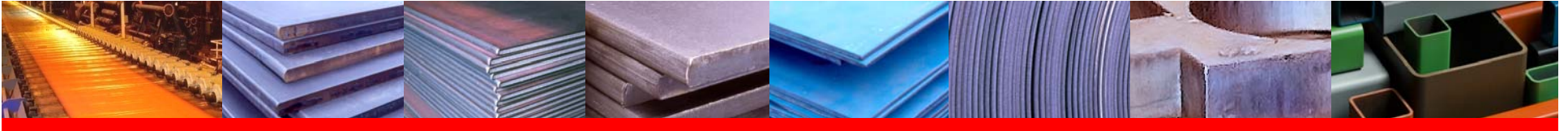




## Outlook

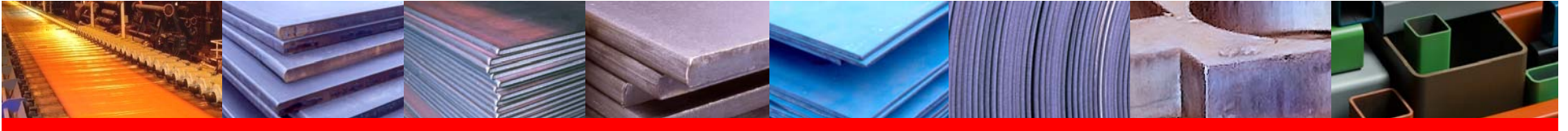
- “Slow, plodding recovery”

	<u>2009</u>	<u>2010</u>	<u>2011</u>
• GDP	-2.8%	2.1%	2.5%
• Unemployment	9.3%	10.2%	10.4%
• Stimulus Package			
• Oil & Gas Prices			



## **Carbon Plate Outlook**

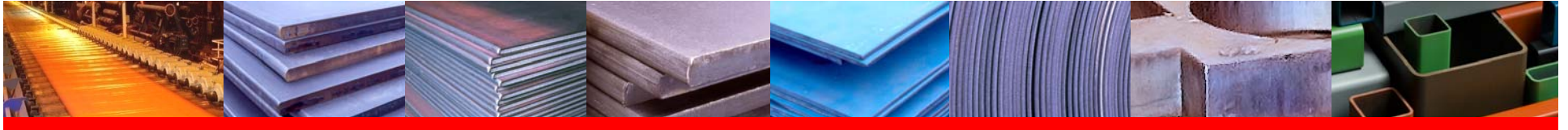
- Supply = No worries\*
  - \* Very low service center inventories
  - \* Mills up and down production schedules
- Demand = Worries\*
  - \* Low Capital spending & lack of finance
  - \* Stimulus package (un-stimulus?)
  - \* Consumer spending



# What We Cannot Control . .

- Market demand.
- Market price.
- The price of oil & natural gas.
- Dollar value in U.S. & Canada.
- Unfair trade without Government help.
- Fixed costs – we can not change the cost of operating; but we can control how well we work.





# ***Forecast 2009***

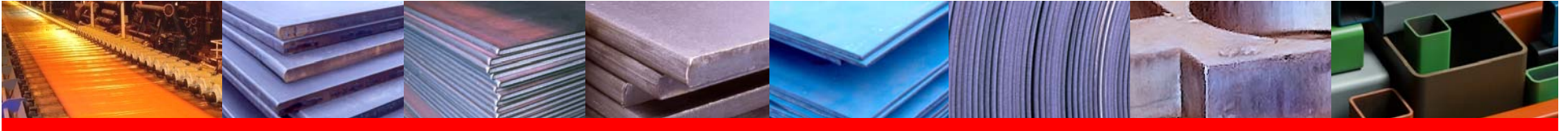
American Metal Market

Wednesday, **June 25, 2008**

Steel Success Strategies XXIII Conference

The global steel industry has entered a period of sustainable growth but must remember the lessons of the past and ensure new capacity is added in a sensible manner, according to the head of the world's largest steelmaker. "I can say with considerable certainty that the volatile years of boom and bust are now relegated to the past," "We have succeeded in transforming ourselves into a profitable and sustainable industry."

Lakshmi N. Mittal

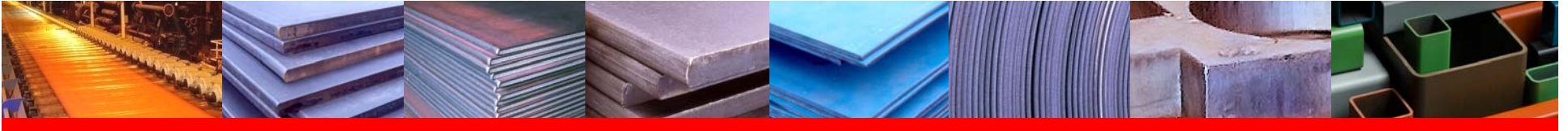


# ***Forecast 2009***

March 17, 2009

"The unprecedented speed and magnitude of the global economy's decline to depressed levels not seen in our lifetime have presented severe challenges in 2009," DiMicco

The economy has fallen off a cliff -- and there is no visibility as to the timing of the recovery," - DiMicco



# ***Forecast 2009***

September 8, 2009

“The recession is technically over.” – Bernanke