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EVRAZ ANNOUNCES INTERIM RESULTS FOR 1H 2009

September 1, 2009 – Evraz Group S.A. (LSE: EVR) today announces its unaudited interim results for the six months ended 30 June 2009.

1H 2009 Highlights:

Financials:

- Revenue **US$4,639 million**
- Consolidated adjusted EBITDA **US$468 million***
- Net loss **US$999 million**, negatively impacted by **US$833 million** due to change in accounting policies. Excluding this impact, it would have been **US$166 million** loss
- Operating cash flow **US$1,123 million**
- Total debt reduced by **US$1,504 million** to **US$8,482 million**

Steel:

- Crude steel production fell by 28.8% year-on-year to 6.8 million tonnes
- Total steel sales volumes decreased by 28.0% to 6.8 million tonnes
- Restart of Blast Furnace No. 3 at Zapsib at the end of June

Vanadium:

- Vanadium segment revenues decreased by 81.4% to US$138 million
- Sales volumes of vanadium products fell 52.8% year-on-year to 7,448 tonnes in vanadium equivalent

Mining:

- Iron ore self-coverage of 99%
- Coking coal self-coverage of 133%

Corporate developments:

- Sale of 49% interest in NS Group to TMK for US$508 million completed
- Renouncement of the right to purchase licence to develop the Mezhegey coal deposit
- Transfer of 26% of the ordinary equity interest in Mapochs Mine (Proprietary) Limited to local partners in South Africa as part of the Black Economic Empowerment (BEE) government programme, valued at US$59.8 million

Execution of Management Action Plan

Production optimisation:

- Shutdown of inefficient capacity
- Shift of production to semi-finished products, where demand is relatively high

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* *Excluding extraordinary charges related to bad debt write-offs (US$26 million), net realisable value adjustment of Evraz Inc NA inventories (US$11 million) and penalties (US$7 million), underlying adjusted EBITDA would have been US$512 million*

- Taking advantage of flexibility between billet and slab production depending on market situation
- Full utilisation of available capacity in Russian operations achieved from 1 July 2009 (13.5 million tonnes of crude steel per annum)

Cost savings compared to 1H08:

- Cash cost per tonne of semi-finished steel products in Russia and Ukraine decreased by 35%
- Labour costs decreased by 32%
- Cost of services and auxiliary materials decreased by 42%

Capex savings:

- Capex in 1H09 was US$203 million (a decrease of 61.5% compared with 1H08) out of US$500 million budgeted for FY2009
- Exit from Cape Lambert Project in Australia

Financial management:

- US$738 million released from working capital in 1H09 in line with our full year guidance of US$700 million release
- Total debt decreased to US$8,482 million, net debt decreased to US$7,783 million
- Convertible bond and GDR issue in July raised US$965 million
- US$912 million of current loans and borrowings repaid in July-August 2009
- Evraz is currently in compliance with all its financial covenants
- Management intends to proactively approach lenders to address potential covenant compliance issues in relation to full year results for 2009

Major Changes in Accounting Policies

In order to provide reliable and more relevant information regarding Group assets in the light of the recent currency fluctuations, Evraz's Board and management decided to make a voluntary change in the Group's accounting policies in respect of selected classes of property, plant and equipment under a revaluation model instead of a cost model with effect from 1 January 2009.

The Group selected the following classes of property, plant and equipment for inclusion in the revaluation model: land, buildings and constructions, machinery and equipment. The Group continued to apply the cost model for other classes of property, plant and equipment.

The effects of this change in accounting policies on the consolidated profit (loss) and consolidated other comprehensive income for the six-month period ended 30 June 2009 are:

Effect on consolidated other comprehensive income:
- US$6,231 million of surplus arising on revaluation of property, plant and equipment, which cannot be distributed to shareholders (net of income tax effect of $1,670 million)

Effect on consolidated profit (loss):
- US$420 million of revaluation deficit (net of income tax effect of $144 million)
- US$262 million of additional depreciation expense (net of income tax effect of $77 million)
- US$76 million of impairment loss recognised as of the date of revaluation in respect of goodwill
- US$75 million impairment loss recognised as of the date of revaluation in respect of classes of property, plant and equipment that were not subject to revaluation (net of income tax effect of $21 million)
- No impact on EBITDA or cash-flow

Six months to 30 June (US$ million unless otherwise stated)	2009	2008	Change
Revenue	**4,639**	10,723	(56.7)%
Adjusted EBITDA [1]	**468**	3,706	(87.4)%
(Loss)/profit from operations	**(1,046)***	3,056	
Net (loss)/profit	**(999)****	2,039	
(Losses)/earnings per GDR [2], (US$)	**(2.52)**	5.37	

[1] Refer to Attachment 1 for reconciliation to profit from operations
[2] One share is represented by three GDRs
** Net (loss)/profit was adversely affected by US$833 million negative effect of the revaluation of property, plant and equipment, caused by changes in accounting policy. Excluding this effect it would have been net loss of US$166 million*
*** (Loss)/profit from operations was adversely affected by US$1,075 million negative effect of the revaluation of property, plant and equipment, caused by changes in accounting policy. Excluding this effect it would have been operating profit of US$29 million.*

Alexander Frolov, Evraz Group's CEO, commented:

"The first half of 2009 proved a challenging time for Evraz and for the global steel industry in general. The ongoing economic recession negatively affected global infrastructure investments and steel consumption in our key markets.

At the same time Evraz's business model proved its viability and resistance against the global downturn. Our strategy of pursuing international acquisitions and global diversification provided us with relative stability. Due to the different types of cyclicality in relation to different products in different markets, a sharp contraction of demand in one of our regions was partially offset by better performances across other business units.

Our Russian operations were among the first to be hit by the global economic crisis during the second half of 2008, whereas our operations in North America achieved a stronger performance and, at the onset of 2009, displayed greater resistance, thereby helping us to partially offset the negative impacts.

Later, as the prices and volumes in North America started to deteriorate in line with the region's overall market trend, we achieved certain improvements in our other business units, largely reflecting the end of traders' de-stocking activities. From April 2009 we witnessed the onset of improved demand, accompanied by higher pricing, for steel products from our traditional international markets, particularly South-East Asia, the Middle East and North Africa. This allowed us to restart our previously idled blast furnace in Siberia and reach full capacity utilisation across our Russian operations from 1 July 2009.

As a result, our steel segment sales to clients outside Russia accounted for 72% of our revenues in the first half of 2009, versus 58% for the same period of 2008, a development that demonstrates the increasing geographical diversification and global competitiveness of our business.

Due to the forward nature of export contracts we experience a time lag of approximately two months before the benefits of any improvement in international benchmark prices for semi-finished steel products are translated into revenues. The international spot price increases for semi-finished steel products in May-June 2009 will therefore find reflection in our third quarter revenues.

I am pleased to report that we are delivering against our management action plan and have made good progress in cost reduction, working capital decrease and capex savings.

Deleveraging remains one of our key priorities and our liquidity plan has yielded positive results. We decreased our total debt by approximately $1.5 billion in the first half of 2009. In addition, we improved our liquidity position through a successful concurrent issuance of GDRs and convertible bonds in July 2009, raising US$965 million."

Outlook

Commenting on the outlook for the remainder of 2009 and beyond **Mr Frolov** added:

"In view of the positive pricing trends in recent months in our key export markets, driven primarily by robust demand from the emerging economies of Asia, the Middle East and North Africa, and the growing volumes of our Russian steel production from July 2009, we expect better results in the second half of the current financial year than in the first half.

At the same time, the improving performance of our Russian and Ukrainian operations was overshadowed by the decreasing profitability of our international business units, particularly in North America. Although none of our business divisions are currently making losses at EBITDA level, the situation in the mature markets of North America and Europe is still uncertain and although destocking in these markets is largely over, underlying demand remains distinctly weak.

We remain committed to running the business in the best interests of our stakeholders and we are confident that consistent execution of our strategy and our management action plan in relation to cost reduction, efficiency gains and rigorous financial discipline will allow us to see through the downturn and improve global competitiveness in order to benefit from subsequent market growth."

1H 2009 Results Summary:

Evraz's **consolidated revenues** decreased by 56.7% to US$4,639 million in the first six months of 2009 compared with US$10,723 million in the first six months of 2008. Steel segment sales accounted for the majority of the decrease in revenues, largely due to the drop in average prices and sales volumes of steel products. Evraz's sales volumes of steel products decreased from 9.5 million tonnes in 1H 2008 to 6.8 million tonnes in 1H 2009.

The decrease in steel sales volumes primarily relates to a decline in demand for construction products in Russia with the overall sales in the Russian market down by 1.9 million tonnes. Sales volumes in Ukraine declined by 0.1 million tonnes, while total export sales volumes of the Russian and Ukrainian operations remained at 1H 2008 level. The European and South African operations made respective contribution of -0.3 million tonnes and -0.2 million tonnes to the total decrease. Evraz's North American operations contributed -0.3 million tonnes in spite of 0.3 million of extra tonnes from Evraz Inc. Canada (former IPSCO Canada), which was acquired in June 2008. These decreases were attributable to the general slowdown in the steel markets in the first six months of 2009.

Geographic breakdown of consolidated revenues

	Six months ended 30 June				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Russia	**1,304**	**28.1%**	4,280	39.9%	(69.5)%
Americas	**1,354**	**29.2%**	1,765	16.5%	(23.3)%
Asia	**1,075**	**23.2%**	1,911	17.8%	(43.7)%
Europe	**507**	**10.9%**	1,543	14.4%	(67.1)%
CIS	**245**	**5.3%**	783	7.3%	(68.7)%
Africa	**138**	**3.0%**	406	3.8%	(66.0)%
Rest of the world	**16**	**0.3%**	35	0.3%	(54.3)%
Total	**4,639**	**100.0%**	10,723	100.0%	(56.7)%

Revenues from sales in Russia decreased as a proportion of total revenues from 39.9% to 28.1%.

In 1H 2009, **revenues from non-Russian sales** declined by 48.2% to US$3,335 million compared to US$6,443 million in 1H 2008 and increased as a percentage of total revenues to 71.9%, compared to 60.1% in 1H 2008. The higher proportion of revenues outside Russia in the six months ended 30 June 2009 compared to the six months ended 30 June 2008 was driven by the acquisition of IPSCO Canada and the re-orientation of sales from the Russian operations to export markets in view of weak demand in the Russian market.

In the first six months of 2009, the **consolidated cost of revenues** amounted to US$4,297 million increasing to 92.6% of consolidated revenues, compared with US$6,616 million, or 61.7% of consolidated revenues, in the first six months of 2008. This increase in cost of revenues as a percentage of revenues is primarily attributable to the decline in steel product margins due to both negative price and product mix effects in the six months ended 30 June 2009 compared with the same period last year. The effect of the depreciation of local currencies against the US dollar contributed to the decrease in costs.

Gross profit fell by 91.7% to US$342 million from US$4,107 million in 1H 2008.

Selling, general and administrative (SG&A) expenses as a percentage of consolidated revenues increased year-on-year from 9.0% to 12.8%.

Impairment of assets increased by US$209 million to US$211 million for 1H 2009, compared to 1H 2008. Impairment in the first six months of 2009 was mainly attributable to impairment of goodwill related to the acquisition of the operations in North America and Ukraine amounting to US$129 million.

Revaluation deficit on property, plant and equipment in the six months ended 30 June 2009 amounted to US$564 million and relates to changes in the accounting policies.

Profit from operations decreased to a loss of US$1,046 million for 1H 2009, or -22.5% of consolidated revenues, compared to a profit of US$3,056 million, or 28.5% of consolidated revenues, for 1H 2008. The decrease in profit from operations is attributable to the decline in consolidated gross profit margin, impairment of assets and the revaluation deficit on property, plant and equipment in the six months ended 30 June 2009.

Consolidated adjusted EBITDA decreased by 87.4% to US$468 million in 1H 2009 compared to US$3,706 million in 1H 2008, with EBITDA margins of 10.1% and 34.6% respectively.

The interest income decreased by 6.9% to US$27 million in the first six months of 2009 from US$29 million in the same period of 2008, largely due to a decrease in cash balances. The 1H 2009 interest expense increased by 13.9% to US$335 million from US$294 million in 1H 2008 predominantly due to the growth of the average interest rate.

Loss of US$7 million in the share of profits of associates and joint ventures in the six months ended 30 June 2009 relates to the loss attributable to Evraz's interest in the Raspadskaya coal company and the Kazankovskaya mine, an associate of Yuzhkuzbassugol. The gain on extinguishment of debts in the amount of US$104 million arose as a result of bonds buyback.

In 1H 2009, **income tax expense** decreased to a benefit of US$261 million from an expense of US$850 million, which corresponds to an effective tax rate of 20.7%, compared to 29.4% in 1H 2008.

The net profit attributable to equity holders of Evraz Group decreased from US$1,991 million in the six months ended 30 June 2008 to the loss of US$987 million in the six months ended 30 June 2009.[2]

Explanation of Extraordinary Items

Net income/(loss) line was adversely affected by one-off charges resulting predominantly from the revaluation of property, plant and equipment caused by changes in accounting policies. Reported net loss of US$999 million was negatively impacted by revaluation deficit on property, plant and equipment of US$420 million (net of income tax effect of US$144 million), impairment charges of US$194 million (net of net income tax effect of US$17 million) partially attributed to revaluation (US$151 million, net of income tax effect of US$21 million), and other one-off items: bad debt write-offs of US$24 million (net of income tax effect of $2 million), net realisable value adjustment of Evraz Inc NA inventories of US$7 million (net of income tax effect of $4 million), penalties of US$7 million, loss from disposal of subsidiary of US$12 million and effect of change in tax accounting policy for Cyprus subsidiary of US$14 million.

Extraordinary gain on extinguishment of debts (US$104 million) and foreign exchange gain (US$71 million, net of income tax effect of US$3 million) partially offset negative impact of the revaluation on net income/(loss) line. As a result of the above mentioned extraordinary items, net loss increased by US$503 million. Without these factors net loss would have been US$496 million.

Review of Operations

Steel Segment Results

Six months to 30 June (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues*	**4,291**	9,235	(53.5)%
(Loss)/profit from operations	**(882)**	2,314	(138.1)%
Adjusted EBITDA	**389**	2,700	(85.6)%
Adjusted EBITDA margin	**9.1%**	29.2%	

**Segmental revenues here and further include intersegment sales*

[2] *Please refer to Attachment 2 for reconciliation of net profit/(loss) to net profit/(loss) without the effect of extraordinary items*

Steel Segment Sales

	Six months ended 30 June				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Steel products					
Construction products [1]	**817**	**19.0%**	2,815	30.5%	(71.0)%
Railway products [2]	**579**	**13.5%**	1,137	12.3%	(49.1)%
Flat-rolled products [3]	**652**	**15.2%**	1,610	17.4%	(59.5)%
of which IPSCO	*48*	*1.1%*	*26*	*0.3%*	*84.6%*
Tubular products [4]	**675**	**15.7%**	534	5.8%	26.4%
of which IPSCO	*414*	*9.6%*	*52*	*0.6%*	*n/a*
Semi-finished products [5]	**964**	**22.5%**	1,963	21.3%	(50.9)%
Other steel products [6]	**107**	**2.5%**	298	3.2%	(64.1)%
Other products [7]	**497**	**11.6%**	878	9.5%	(43.4)%
of which IPSCO	*73*	*1.7%*	*8*	*0.1%*	*n/a*
Total	**4,291**	**100.0%**	9,235	100.0%	(53.5)%

[1] *Includes rebars, wire rods, wire, H-beams, channels and angles.*
[2] *Includes rail and wheels.*
[3] *Includes plates and coils.*
[4] *Includes large diameter, ERW, seamless pipes and casing.*
[5] *Includes billets, slabs, pig iron, pipe blanks and blooms.*
[6] *Includes rounds, grinding balls, mine uprights and strips.*
[7] *Includes coke and coking products, refractory products, ferroalloys and resale of coking coal.*

Steel Segment Sales Volumes*

Six months to 30 June (‘000 tonnes)	**2009**	2008	Change
Steel products			
Construction products	**1,728**	3,138	(44.9)%
Railway products	**822**	1,247	(34.1)%
Flat-rolled products	**887**	1,428	(37.9)%
Tubular products	**501**	367	36.5%
Semi-finished products	**2,704**	2,987	(9.5)%
Other steel products	**204**	340	(40.0)%
Total	**6,846**	9,507	(28.0)%

* *Including intersegment sales*

Steel segment revenues decreased by 53.5% to US$4,291 million in the first six months of 2009 from US$9,235 million in the first six months of 2008, affected by the negative price dynamics for steel products and lower sales volumes that were to a certain extent mitigated by the acquisition of IPSCO Canada in June 2008.

The proportion of both revenues and sales volumes attributable to construction products decreased, reflecting a significant decline in sales volumes of construction products from Russian operations.

Despite a decrease in volumes, the proportion of revenues attributable to sales of railway products increased slightly due to the fact that prices for railway products decreased less than average prices of other steel products.

The proportion of revenues attributable to sales of flat-rolled products (primarily plates) decreased due to an above average decrease in sales volumes compared to other steel products.

The proportion of revenues attributable to sales of tubular products significantly increased as a result of the additional sales volumes from IPSCO Canada and below average decline in average prices compared to other steel products.

The proportion of revenues attributable to sales of semi-finished products showed a slight increase primarily due to higher sales volumes of semis sold by the Russian and Ukrainian operations to the export markets.

Revenues from sales of other steel products (mainly rounds, grinding balls and mine uprights sold in Russia) decreased slightly as a proportion of steel segment revenues due to an above average decrease in sales volumes compared to other steel products.

Revenues attributable to other non-steel sales increased as a proportion of steel segment sales due to contribution of IPSCO Canada and lower impact from price decreases compared to steel sales.

For 1H 2009 and 1H 2008, steel segment sales to the mining segment amounted to US$37 million and US$84 million, respectively. The decrease is attributable to lower sale prices and volumes.

Revenues from sales outside Russia amounted to approximately 73% of steel segment revenues in the first six months of 2009, compared to 58% in the first six months of 2008. The increased share of revenues from sales outside Russia is primarily attributable to the contribution of IPSCO Canada and a higher proportion of export sales by the Russian and Ukrainian operations.

Steel segment cost of revenues totalled US$3,953 million, or 92.1% of steel segment revenues in 1H 2009 compared with US$6,172 million or 66.8% of steel segment revenues in 1H 2008. The decrease is attributable to the drop in sales volumes and in prices of raw materials.

In 1H 2009, **the steel segment profit from operations** decreased to a loss of US$882 million, from a profit of US$2,314 million in 1H 2008.

In 1H 2009, **adjusted EBITDA in the steel segment** was US$389 million, or 9.1% of steel segment revenues, vs. US$2,700 million, or 29.2% in 1H 2008.

Mining Segment Results

Six months to 30 June (US$ million unless otherwise stated)	**2009**	2008	Change
Revenues	**652**	2,012	(67.6)%
(Loss)/profit from operations	**(202)**	620	(132.6)%
Adjusted EBITDA	**94**	837	(88.8)%
Adjusted EBITDA margin	**14.4%**	41.6%	

Mining Segment Sales

	Six months ended 30 June				
	2009		2008		2009 v 2008
	US$ million	**% of total**	US$ million	% of total	% change
Iron ore products	**362**	**55.5%**	**1,225**	**60.9%**	**(70.4)%**
Iron ore concentrate	115	17.6%	308	15.3%	(62.7)%
Sinter	134	20.6%	469	23.3%	(71.4)%
Pellets	107	16.4%	342	17.0%	(68.7)%
Other	6	0.9%	106	5.3%	(94.3)%
Coal products	**255**	**39.1%**	**704**	**35.0%**	**(63.8)%**
Coking coal	67	10.3%	119	5.9%	(43.7)%
Coal concentrate	107	16.4%	414	20.6%	(74.2)%
Steam coal	68	10.4%	171	8.5%	(60.2)%
Steam concentrate	13	2.0%	-	-	n/a
Other revenues	**35**	**5.4%**	**83**	**4.1%**	**(57.8)%**
Total	**652**	**100.0%**	**2,012**	**100.0%**	**(67.6)%**

Six months to 30 June ('000 tonnes)	**2009**	2008	Change
Iron ore products	**7,733**	11,920	(35.1)%
Iron ore concentrate	2,433	3,250	(25.1)%
Sinter	2,398	4,059	(40.9)%
Pellets	2,625	3,084	(14.9)%
Other	277	1,527	(81.9)%
Coal products	**6,128**	6,351	(3.5)%
Coking coal	2,264	1,501	50.8%
Coal concentrate	1,809	2,635	(31.3)%
Steam coal	1,864	2,215	(15.8)%
Steam concentrate	191	-	n/a

* *Including intersegment sales*

Mining segment revenues were down by 67.6% to US$652 million, compared with US$2,012 million in the 1H 2008, primarily reflecting a significant decline in the average prices and volumes of iron ore products and in average prices of coal products.

In 1H 2009 mining segment sales to the steel segment amounted to US$456 million, or 69.9% of mining segment sales, vs. US$1,265 million, or 62.9% of mining segment sales in 1H 2008.

The mining segment cost of revenues decreased by 42.7% from US$1,196 million in 1H 2008 to US$685 million in 1H 2009, mainly as a consequence of the decrease in raw materials (-81.1%), transportation (-4.5%), staff (-26.4%), energy (-17.7%) and other (-54.0%) costs.

The mining segment profit from operations decreased to a loss of US$202 million in the six months ended 30 June 2009. This compares with a profit of US$620 million in the same period of 2008.

Adjusted EBITDA in the mining segment decreased by 88.8% to US$94 million, or 14.4% of mining segment revenues in 1H 2009, from US$837 million, or 41.6% of mining segment revenues in 1H 2008.

Vanadium Segment Results

Six months to 30 June (US$ million unless otherwise stated)	2009	2008	Change
Revenues	**138**	740	(81.4)%
(Loss)/profit from operations	**(48)**	179	(126.8)%
Adjusted EBITDA	**(34)**	185	(118.4)%
Adjusted EBITDA margin	**(24.6)%**	25.0%	

Vanadium Segment Sales Volumes

Six months to 30 June ('000 tonnes)	2009	2008	Change
Vanadium products	**7.4**	15.8	(53.2)%
Vanadium in slag	**4.7**	5.9	(20.3)%
Vanadium in alloys and chemicals	**2.7**	9.9	(72.7)%

Vanadium segment revenues decreased by 81.4% to US$138 million in the first six months of 2009, compared with US$740 million in the first six months of 2008. The decrease is attributable to a significant decrease in vanadium prices and sales volumes.

The vanadium segment cost of revenues fell by 71.6% from US$559 million in 1H 2008 to US$159 million in 1H 2009.

The vanadium segment profit from operations decreased to a loss of US$48 million in 1H 2009 from a profit of US$179 million in 1H 2008.

Adjusted EBITDA in the vanadium segment was down to negative US$34 million from positive US$185 million in 1H 2008.

Other operations segment results

Six months to 30 June (US$ million unless otherwise stated)	2009	2008	Change
Revenues	**343**	582	(41.1)%
Profit from operations	**25**	67	(62.7)%
Adjusted EBITDA	**70**	94	(25.5)%
Adjusted EBITDA margin	**20.4%**	16.2%	

Evraz's revenues from other operations including logistics, port services, power and heat generation and supporting activities totalled US$343 million, a 41.1% decrease compared with 1H 2008 revenues.

Consolidated Group Financial Position

Cash flow

Cash flow from operating activities decreased from US$2,449 million in the first six months of 2008 to US$1,123 million in the first six months of 2009 due to poor market conditions, resulting in decreased profit margins and to the decline in revenue in the first six months of 2009.

Net cash from investing activities totalled US$380 million in 1H 2009 vs. net cash used in investing activities of US$3,166 million in 1H 2008.

In 1H 2009, Evraz made **capital expenditures** of approximately US$203 million, including US$131 million in its steel segment and US$68 million in its mining segment.

In 1H 2009, **net cash used in financing activities** amounted to US$1,775 million compared with US$1,304 million net cash generated from financing activities in 1H 2008.

Balance sheet

As of 30 June 2009 **total debt** amounted to US$8,482 million, down from US$9,986 million on 31 December 2008. Cash and cash equivalents together with short-term bank deposits amounted to US$699 million, down from US$955 million at 31 December 2008. **Liquidity**[3], defined as cash and cash equivalents, amounts available under unrestricted credit facilities and short-term bank deposits with original maturity of more than three months, totalled approximately US$1,262 million as of 30 June 2009 and approximately US$1,946 million as of 31 December 2008.

As of 30 June 2009, Evraz had unutilised borrowing facilities in the amount of US$1,170 million, including US$563 million of committed facilities and US$607 million of uncommitted facilities.

Net debt[4] decreased to US$7,783 million as of 30 June 2009 from US$9,031 million as of 31 December 2008.

As of 30 June 2009, **total assets** amounted to US$23,115 million vs. US$19,451 million as of 31 December 2008, primarily as a result of the revaluation surplus arising from the revaluation of certain of the Group's assets as of 1 January 2009.

Evraz Group S.A. shareholders' equity, including reserves and accumulated profits increased to US$9,575 million as of 30 June 2009 from US$4,672 million as of 31 December 2008, primarily as a result of the revaluation surplus arising from the revaluation of certain of the Group's assets as of 1 January 2009.

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Note:

Percentage changes may not be exact due to rounding.

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[3] *Please refer to Attachment 3 for calculation of liquidity*

[4] *Please refer to Attachment 4 for calculation of net debt*

EVRAZ making the world stronger

Attachment 1

Adjusted EBITDA

Adjusted EBITDA represents profit from operations adjusted for depreciation, depletion and amortisation, impairment of assets and loss (gain) on disposal of property, plant and equipment, foreign exchange gains/(losses). Evraz presents an Adjusted EBITDA because it considers Adjusted EBITDA to be an important supplemental measure of its operating performance and believes Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the same industry. Adjusted EBITDA is not a measure of financial performance under IFRS and it should not be considered as an alternative to net profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Evraz's calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. Adjusted EBITDA has limitations as an analytical tool, and potential investors should not consider it in isolation, or as a substitute for an analysis of our operating results as reported under IFRS. Some of these limitations include:

Adjusted EBITDA does not reflect the impact of financing or financing costs on Evraz's operating performance, which can be significant and could further increase if Evraz were to incur more debt.

Adjusted EBITDA does not reflect the impact of income taxes on Evraz's operating performance.

Adjusted EBITDA does not reflect the impact of depreciation and amortisation on Evraz's operating performance. The assets of Evraz's businesses which are being depreciated and/or amortised will have to be replaced in the future and such depreciation and amortisation expense may approximate the cost to replace these assets in the future. By excluding this expense from Adjusted EBITDA, Adjusted EBITDA does not reflect Evraz's future cash requirements for these replacements.

Reconciliation of Adjusted EBITDA to profit from operations is as follows (unaudited):

	Six months ended 30 June	
	2009	2008
	(US$ million)	
Consolidated Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(1,046)	3,056
Add:		
Depreciation	782	607
Impairment of assets	211	2
Loss (gain) on disposal of property, plant & equipment	25	(5)
Foreign exchange loss (gain)	(68)	46
Revaluation deficit	564	-
Consolidated Adjusted EBITDA	**468**	3,706
Steel segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(882)	2,314
Add:		
Depreciation	571	380
Impairment of assets	221	1
Loss (gain) on disposal of property, plant & equipment	15	(5)
Foreign exchange loss (gain)	40	10
Revaluation deficit	424	
Steel segment Adjusted EBITDA	**389**	2,700
Vanadium segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(48)	179
Add:		
Depreciation	8	6

	Six months ended 30 June	
	2009	2008
	(US$ million)	
Impairment of assets	-	-
Loss (gain) on disposal of property, plant & equipment	-	-
Foreign exchange loss (gain)	2	-
Revaluation deficit	4	-
Vanadium segment Adjusted EBITDA	**(34)**	185
Mining segment Adjusted EBITDA reconciliation		
(Loss)/profit from operations	(202)	620
Add:		
Depreciation	187	196
Impairment of assets	(11)	-
Loss (gain) on disposal of property, plant & equipment	7	-
Foreign exchange loss (gain)	1	21
Revaluation deficit	112	-
Mining segment Adjusted EBITDA	**94**	837
Other operations Adjusted EBITDA reconciliation		
Profit from operations	25	67
Add:		
Depreciation	15	24
Impairment of assets	1	2
Loss (gain) on disposal of property, plant & equipment	3	-
Foreign exchange loss (gain)	2	1
Revaluation deficit	24	-
Other operations Adjusted EBITDA	**70**	94

Attachment 2

Reconciliation of net profit/(loss) to net profit/(loss) without the impact of one-offs and write-offs (unaudited):

	Six months ended 30 June	
	2009	2008
	(US$ million)	
Net profit/(loss)	(999)	2,039
Add:		
Revaluation deficit on property, plant and equipment	420	-
Impairment (including $151 million recognised on revaluation)	194	2
Foreign exchange gain	(71)	35
Gain on bonds repurchase	(104)	-
Write-off of receivables	24	-
Fines and penalties	7	-
Additional NRV allowance	7	-
Loss from disposal of subsidiary	12	9
Cumulative effect of change in tax accounting policy for Cyprus subsidiary	14	-
Net profit/(loss) without one-offs	**(496)**	2,085

Attachment 3

Liquidity

	30 June 2009	31 December 2008
	(US$ million)	
Liquidity Calculation		
Cash and cash equivalents	678	930
Amounts available under unrestricted credit facilities	563	991
Short-term bank deposits with original maturity more than 3 months	21	25
Total liquidity	1,262	1,946

Attachment 4

Net Debt

Net Debt represents long-term loans, net of current portion, plus short-term loans and current portion of long-term loans less cash and cash equivalents (excluding restricted deposits). Net Debt is not a balance sheet measure under IFRS, and it should not be considered as an alternative to other measures of financial position. Evraz's calculation of Net Debt may be different from the calculation used by other companies and therefore comparability may be limited.

Net Debt has been calculated as follows (unaudited):

	30 June 2009	31 December 2008
	(US$ million)	
Net Debt Calculation		
Add:		
Long-term loans, net of current portion	4,545	6,064
Short-term loans and current portion of long-term loans	3,937	3,922
Less:		
Short-term bank deposits	(21)	(25)
Cash and cash equivalents	(678)	(930)
Net Debt	7,783	9,031

Evraz Group S.A.
Unaudited Interim Condensed Consolidated Statement of Operations
(In millions of US dollars, except for per share information)

	Six-month period ended 30 June	
	2009	2008*
Revenue		
Sale of goods	**4,485**	10,512
Rendering of services	**154**	211
	4,639	10,723
Cost of revenue	**(4,297)**	(6,616)
Gross profit	**342**	4,107
Selling and distribution costs	**(284)**	(499)
General and administrative expenses	**(311)**	(461)
Social and social infrastructure maintenance expenses	**(17)**	(49)
Gain/(loss) on disposal of property, plant and equipment	**(25)**	5
Impairment of assets	**(211)**	(2)
Revaluation deficit on property, plant and equipment	**(564)**	-
Foreign exchange gains/(losses), net	**68**	(46)
Other operating income	**13**	24
Other operating expenses	**(57)**	(23)
Profit/(loss) from operations	**(1,046)**	3,056
Interest income	**27**	29
Interest expense	**(335)**	(294)
Share of profits/(losses) of joint ventures and associates	**(7)**	96
Gain/(loss) on financial assets and liabilities	**110**	2
Loss on disposal groups classified as held for sale	**(3)**	(9)
Other non-operating gains/(losses), net	**(6)**	9
Profit/(loss) before tax	**(1,260)**	2,889
Income tax benefit/(expense)	**261**	(850)
Net profit/(loss)	**(999)**	2,039
Attributable to:		
Equity holders of the parent entity	**(987)**	1,991
Minority interests	**(12)**	48
	(999)	2,039
Earnings/(losses) per share:		
basic, for profit attributable to equity holders of the parent entity, US dollars	**(7.55)**	16.12
diluted, for profit attributable to equity holders of the parent entity, US dollars	**(7.55)**	16.03

* The amounts shown here do not correspond to the financial statements for the six-month period ended 30 June 2008 and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Unaudited Interim Condensed Consolidated Financial Statements

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Evraz Group S.A.
Unaudited Interim Condensed Consolidated Statement of Comprehensive Income
(In millions of US dollars, except for per share information)

	Six-month period ended 30 June	
	2009	**2008***
Net profit/(loss)	**(999)**	2,039
Other comprehensive income		
Effect of translation to presentation currency	**(465)**	366
Net gains/(losses) on available-for-sale financial assets	**20**	(22)
Income tax effect	**(2)**	-
	18	(22)
Surplus on revaluation of property, plant and equipment of the Group's subsidiaries	**7,901**	-
Deficit on revaluation of property, plant and equipment recognised in other comprehensive income	**(38)**	
Decrease in revaluation surplus in connection with the impairment of property, plant and equipment	**(45)**	-
Income tax effect	**(1,656)**	-
	6,162	-
Surplus on revaluation of property, plant and equipment of the Group's joint ventures and associates	**66**	-
Effect of translation to presentation currency	**(37)**	28
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	**29**	28
Total other comprehensive income	**5,744**	372
Total other comprehensive income, net of tax	**4,745**	2,411
Attributable to:		
Equity holders of the parent entity	**4,680**	2,382
Minority interests	**65**	29
	4,745	2,411

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Evraz Group S.A.
Unaudited Interim Condensed Consolidated Statement of Financial Position
(In millions of US dollars)

	30 June 2009	31 December 2008*
ASSETS		
Non-current assets		
Property, plant and equipment	**14,989**	9,012
Intangible assets other than goodwill	**1,097**	1,108
Goodwill	**2,077**	2,167
Investments in joint ventures and associates	**586**	551
Deferred income tax assets	**26**	44
Other non-current assets	**281**	278
	19,056	13,160
Current assets		
Inventories	**1,641**	2,416
Trade and other receivables	**925**	1,369
Prepayments	**86**	76
Loans receivable	**58**	108
Receivables from related parties	**98**	137
Income tax receivable	**147**	262
Other taxes recoverable	**263**	397
Short-term investments	**89**	589
Restricted deposits at banks	**47**	-
Cash and cash equivalents	**678**	930
	4,032	6,284
Assets of disposal groups classified as held for sale	**27**	7
	4,059	6,291
Total assets	**23,115**	19,451
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the parent entity		
Issued capital	**357**	332
Treasury shares	**-**	(9)
Additional paid-in capital	**1,249**	1,054
Revaluation surplus	**6,379**	218
Legal reserve	**32**	30
Unrealised gains and losses	**18**	-
Accumulated profits	**3,394**	4,377
Translation difference	**(1,854)**	(1,330)
	9,575	4,672
Minority interests	**309**	245
	9,884	4,917
Non-current liabilities		
Long-term loans	**4,545**	6,064
Deferred income tax liabilities	**2,611**	1,389
Finance lease liabilities	**42**	40
Employee benefits	**296**	292
Provisions	**156**	153
Other long-term liabilities	**59**	58
	7,709	7,996
Current liabilities		
Trade and other payables	**1,058**	1,479
Advances from customers	**60**	107
Short-term loans and current portion of long-term loans	**3,937**	3,922
Payables to related parties	**230**	322

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	30 June 2009	31 December 2008*
Income tax payable	**52**	156
Other taxes payable	**122**	154
Current portion of finance lease liabilities	**16**	15
Provisions	**33**	63
Dividends payable by the parent entity to its shareholders	**-**	309
Dividends payable by the Group's subsidiaries to minority shareholders	**12**	11
	5,520	6,538
Liabilities directly associated with disposal groups classified as held for sale	**2**	-
	5,522	6,538
Total equity and liabilities	**23,115**	19,451

* The amounts shown here do not correspond to the financial statements for the six-month period ended 30 June 2008 and reflect adjustments made in connection with the completion of initial accounting as detailed in Note 4 to the Unaudited Interim Condensed Consolidated Financial Statements

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Evraz Group S.A.
Unaudited Interim Condensed Consolidated Statement of Cash Flows
(In millions of US dollars)

	Six-month period ended 30 June	
	2009	**2008***
Cash flows from operating activities		
Net profit/(loss)	**(999)**	2,039
Adjustments to reconcile net profit to net cash flows from operating activities:		
Depreciation, depletion and amortisation	**782**	607
Deferred income tax benefit	**(354)**	(144)
(Gain)/loss on disposal of property, plant and equipment	**25**	(5)
Impairment of assets	**211**	2
Revaluation deficit on property, plant and equipment	**564**	-
Foreign exchange (gains)/losses, net	**(68)**	46
Share of (profits)/losses of joint ventures and associates	**7**	(96)
(Gain)/loss on financial assets and liabilities	**(110)**	(2)
Loss on disposal groups classified as held for sale	**3**	9
Other non-operating (gains)/losses, net	**6**	(9)
Interest income	**(27)**	(29)
Interest expense	**335**	294
Bad debt expense	**26**	2
Share-based payments	**9**	4
Changes in provisions, employee benefits and other long-term assets and liabilities	**(25)**	(7)
	385	2,711
Changes in working capital:		
Inventories	**778**	(332)
Trade and other receivables	**411**	(62)
Prepayments	**(12)**	12
Receivables from/payables to related parties	**(99)**	73
Taxes recoverable	**214**	(47)
Other assets	**(48)**	(10)
Trade and other payables	**(338)**	9
Advances from customers	**(40)**	(213)
Taxes payable	**(126)**	311
Other liabilities	**(2)**	(3)
Net cash flows from operating activities	**1,123**	2,449
Cash flows from investing activities		
Issuance of loans receivable	**(28)**	(59)
Proceeds from repayment of loans receivable, including interest	**71**	4
Proceeds from the transaction with a 49% ownership interest in NS Group	**508**	-
Purchases of subsidiaries, net of cash acquired	**-**	(1,997)
Purchases of minority interests	**-**	(48)
Purchases of other investments	**(3)**	(683)
Sale of other investments	**2**	-
Short-term deposits at banks, including interest	**11**	17
Purchases of property, plant and equipment	**(203)**	(528)
Proceeds from disposal of property, plant and equipment	**5**	23

	Six-month period ended 30 June 2009	2008*
Proceeds from sale of disposal groups classified as held for sale, net of transaction costs	**17**	55
Dividends and advances in respect of future dividends received	**-**	50
Net cash flows from/(used in) investing activities	**380**	(3,166)
Cash flows from financing activities		
Repurchase of vested share options	**-**	(70)
Purchase of treasury shares	**(3)**	(74)
Sale of treasury shares	**5**	11
Distribution to a shareholder	**-**	(68)
Net proceeds from /(repayment of) bank overdrafts and credit lines, including interest	**(727)**	101
Proceeds from loans and promissory notes	**763**	3,018
Repayment of loans and promissory notes, including interest	**(1,721)**	(978)
Repayment of loans and promissory notes, including interest, to related parties	**-**	(20)
Restricted deposits at banks in respect of financing activities	**1**	-
Dividends paid by the parent entity to its shareholders	**(90)**	(443)
Dividends paid by the Group's subsidiaries to minority shareholders	**(1)**	(52)
Payments under finance leases, including interest	**(12)**	(11)
Payments of restructured liabilities, including interest	**-**	(110)
Proceeds from sale-leaseback	**10**	-
Net cash flows from/(used in) financing activities	**(1,775)**	1,304
Effect of foreign exchange rate changes on cash and cash equivalents	**20**	(26)
Net increase/(decrease) in cash and cash equivalents	**(252)**	561
Cash and cash equivalents at beginning of period	**930**	327
Cash and cash equivalents at end of period	**678**	888
Supplementary cash flow information:		
Cash flows during the period:		
Interest paid	**(317)**	(217)
Interest received	**15**	22
Income taxes paid	**(60)**	(691)

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