

Strategic priorities

Development of product portfolio and customer base



➤ Securing the position as a major coking coal supplier in Russia

Key developments in 2017

- Consistent product quality helped to retain Russian market leadership;
- Production volumes rose;
- Investments to expand and overhaul production facilities helped to boost output of saleable products;
- Open-pit mining was launched at the Rapsadskaya-Koksovaya mine site;
- Coal mining was resumed at the Rapsadskaya mine's production seam no. 6;
- Investments into the new flotation equipment at the third section of Rapsadskaya's beneficiation plant helped to improve product quality.

Outlook for 2018

- Maintain leading positions on the Russian market by keeping product quality consistent;
- Improve reliability of deliveries;
- Increase premium low vol. HCC production volumes;
- Boost saleable products volume to c. 18 million tonnes by increasing mining volumes at the Rapsadsky open-pit with additional equipment, as well as increasing mining efficiency at other assets;
- Launch flotation at Rapsadskaya's first and second sections (full +1.5% yield effect from 2019).

➤ Increase sales to Ukrainian market

Key developments in 2017

- Maintained sales volumes to Ukraine.

Medium-term outlook

- To increase annual sales to Ukraine.

➤ Expansion of the export portfolio

Key developments in 2017

EVRAZ achieved its targets for 2017 export sales by:

- Maintaining a flexible sales geography:
 - Export priorities: Ukraine, Japan, South Korea, and Vietnam;
 - Entering new markets, like Indonesia, and expanding geographical diversity within Europe;
 - Sending some volumes to China via spot contracts;
- Conducting site visits for new clients and regular audits at the request of key customers.

Coking coal export volumes to countries in South-East Asia exceeded 4.3 million tonnes (up 25% year-on-year). Additionally, exports to Turkey and other European countries increased by 1 million tonnes (a six-fold increase).

Outlook for 2018

- Ensure a diverse sale geography by seeking new supply routes from Baltic Sea ports;
- Increase export sales to South-East Asia and European countries.

