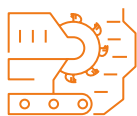


# Operational model

## INPUT



**Proved and probable reserves**

**10.0**  
bln t of iron ore

**1.9**  
bln t of coking coal



**Self-coverage**

**81%**  
in iron ore

**184%**  
in coking coal



**Number of employees**

(as of 31.12.2017)

**49,123**  
in Steel segment

**13,402**  
in Coal segment

**3,578**  
in Steel, NA segment

## OPERATIONS

### STEEL SEGMENT

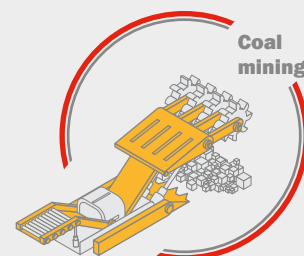


Iron ore products consumption	<b>19,047 kt</b>
Internal consumption	13,198 kt
3rd parties' iron ore products purchases	5,849 kt
3rd parties scrap purchases	<b>1,668 kt</b>
Coking coal products consumption	<b>9,668 kt</b>
Coal segment coal products	5,778 kt
3rd parties raw coal	1,622 kt
3rd parties concentrate	2,268 kt

Pig iron production	<b>11,320 kt</b>
Crude steel production	<b>12,285 kt</b>
Vanadium slag production	<b>18,636 mtV</b>

### COAL SEGMENT

EVRAZ' unique combination of reserves, operations, product quality and clients make its Coal segment a crucial pillar of the business model. The synergy between the steelmaking and coal operations, combined with a broad export client base, provides the opportunity for further development of the coal business.



Total raw coking coal mined	<b>23,306 kt</b>
Sales to Steel segment	<b>1,160 kt</b>

### STEEL, NORTH AMERICA SEGMENT



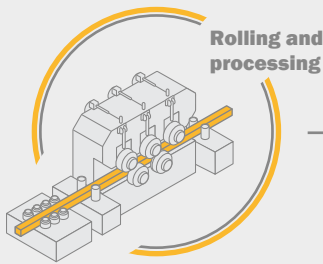
3rd parties scrap purchases	<b>1,151 kt</b>
Slab purchases <sup>1</sup>	<b>543 kt</b>

Crude steel production	<b>1,748 kt</b>
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<sup>1</sup>Including 539 kt from Steel segment and 4 kt from 3rd parties.

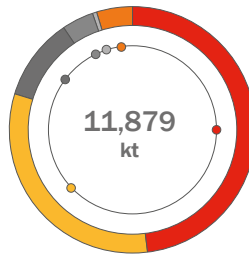
SALES TO 3RD PARTIES

EBITDA



Steel products production	11,263 kt
Vanadium in final products (production)	11,359 mtv

STEEL PRODUCTS, kt



Semi-finished products	5,735
Construction products	3,750
Railway products	1,281
Flat-rolled products	511
Tubular products	51
Other steel products	551

The Steel segment's EBITDA improved, reflecting higher steel and vanadium prices and the effects of cost-cutting initiatives implemented in 2017. This was partially offset by an increase in expenses in US dollar terms as a result of the rouble's strengthening impact on costs, as well as by rising prices for raw materials such as coal, iron ore and scrap.

+ 47.7% yoy

US\$ 1,483 million

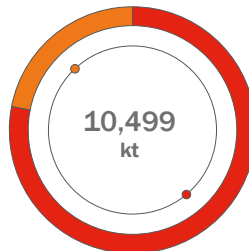
IRON ORE PRODUCTS 2,932 kt

VANADIUM PRODUCTS (SALEABLE) 15,672 mtv



Total coking coal concentrate production	13,060 kt
Sales to Steel segment	4,618 kt

COKING COAL PRODUCTS, kt

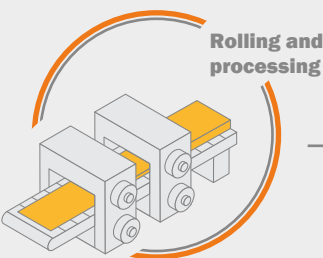


Coking coal concentrate	8,197
Raw coal	2,302

The Coal segment's EBITDA increased year-on-year largely driven by higher sales prices in line with global benchmarks.

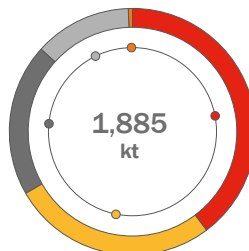
+ 90.4% yoy

US\$ 1,226 million



Steel products production	1,851 kt
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STEEL PRODUCTS, kt



Tubular products	749
Flat-rolled products	512
Railway products	376
Construction products	241
Semi-finished products	7

The Steel, North America segment's EBITDA increased year-on-year, supported by greater revenues from sales of tubular, railway and flat-rolled products as well as higher expenses in prior year connected with suspension of production. This was partly offset by higher prices for scrap and purchased semi-finished products.

+ 107.1% yoy

US\$ 58 million