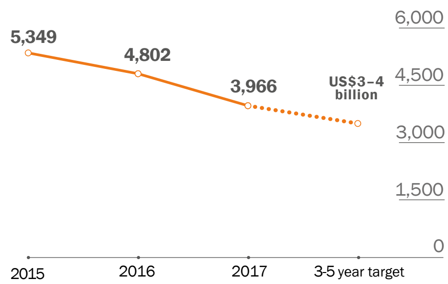
Regular dividends and proactive debt management

EVRAZ was consistent in its deleveraging strategy for the last three years and reached its target figures in 2017. Going forward the Group plans to keep a moderate net debt level and resume regular dividend payments depending on the financial results.

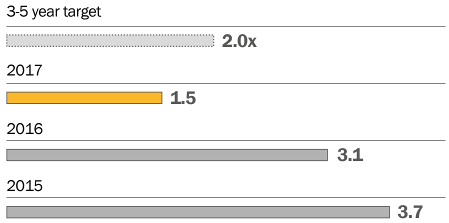
NET DEBT, US$ million



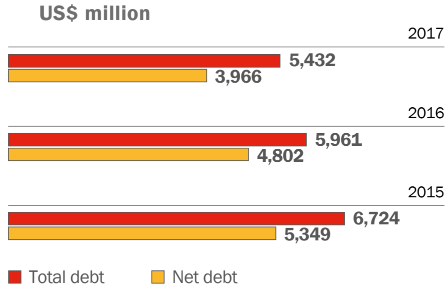
DIVIDENDS AND SHARE BUYBACKS, US$ million

	2015	2016	2017
Dividends	0	0	430
Share buybacks	336	0	0
Total	**336**	**0**	**430**

NET DEBT/EBITDA

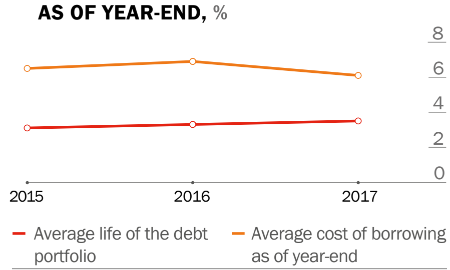


TOTAL DEBT AND NET DEBT, US$ million

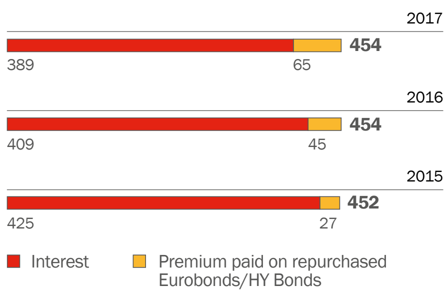


In 2017, the Group continued to focus on deleveraging and reduced its total debt by US$529 million through the repayment of maturities scheduled for current and closest years. Robust free cash flow of US$1,322 million allowed EVRAZ to significantly decrease its net debt to US$3,966 million. Together with improved EBITDA, this resulted in a net leverage ratio of 1.5 times. At the year-end, liquidity was strong with US$1,466 million in cash on hand.

AVERAGE COST OF BORROWING AS OF YEAR-END, %



INTEREST PAYMENTS (including premium), US$ million



During 2017, EVRAZ focused on reducing its debt service costs. The Group repriced and refinanced several credit facilities and issued new Eurobonds due in 2023 to fund a tender offer for notes with shorter maturities. These measures reduced the weighted average cost of the outstanding borrowings and extended the duration of the debt portfolio.

Cash spent on interest, net of interest income and interest gains from swaps, continued to decrease in the reporting period, driven by the overall reduction in debt and lower interest rates. In addition, to reduce interest expense, the Group prepaid US$953 million in Eurobonds and US$350 million in high-yield bonds, paying a premium of US$65 million over the par value of bonds in these transactions.