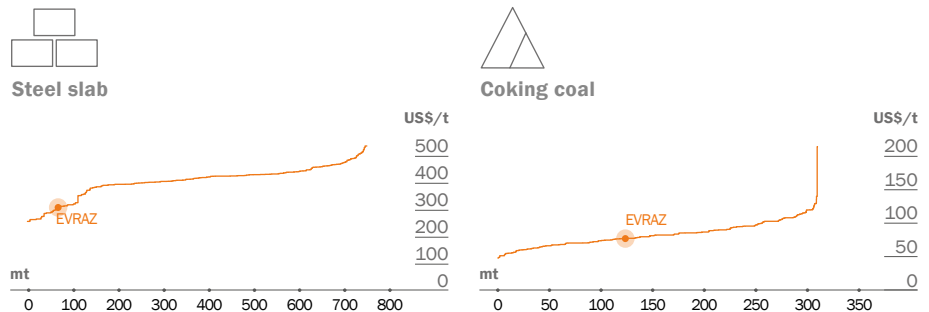


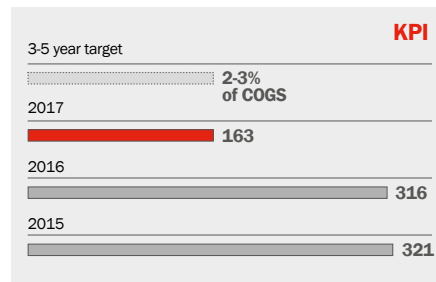
Retention of low-cost position

EVRAZ' assets are in the first quartile of global cost curves in semi-finished steel products and coking coal concentrate.

GLOBAL COST CURVE, FOB IN 2017, US\$/t

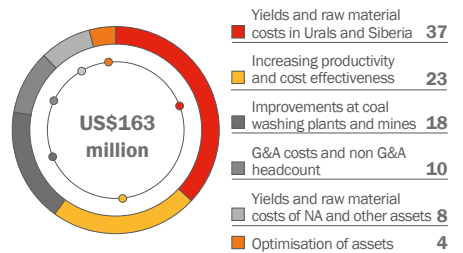


COST-CUTTING PROGRAMME¹, US\$ million



The average annual EBITDA effect from cost-cutting initiatives totalled US\$163 million. The plan is to maintain the current pace of improvement with an annual cost-cutting programme at the level of at least 2-3% of the cost base.

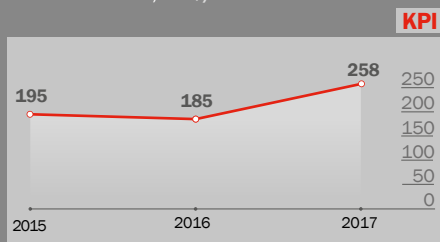
BREAKDOWN OF COST-CUTTING PROGRAMME EFFECT IN 2017, %



Cost savings in 2017 were focused on improving operations, optimising the usage of materials and services, as well as reducing headcount to improve productivity.

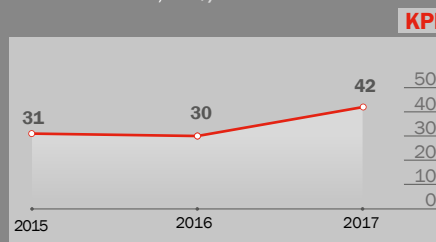
KEY DRIVERS

CASH COST OF SEMI-FINISHED PRODUCTS¹, US\$/t



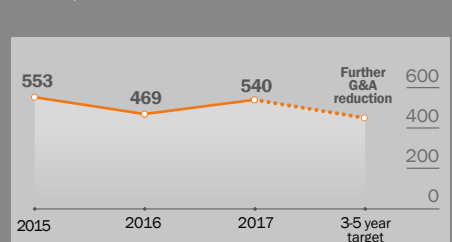
Cash costs of semi-finished products totalled US\$258 per tonne in 2017, mainly due to the surge in raw materials prices and the strengthening of the rouble.

COKING COAL CONCENTRATE CASH COST¹, US\$/t



The Coal segment's cash cost was US\$42 per tonne in 2017, mainly due to the currency factor and geological conditions.

G&A EXPENSES, US\$ million



G&A expenses were up by 15% in dollar terms in 2017. This was mainly due to the strengthening rouble's effect on costs. Reducing administrative costs remains a priority and EVRAZ was able to achieve substantial synergies in the divisions during the year. Further administrative cost reduction and simplification of the management structure are in the pipeline for the next couple years.

¹Please see page 268 for details.