

Evraz Highveld Steel and Vanadium Limited
(Incorporated in the Republic of South Africa)
Registration No: 1960/001900/06)
Share code: EHS ISIN: ZAE000146171
("Highveld" or the "Company")

Second Quarter Ending 30 June 2015 Operational Results

Following the practice of the holding company, EVRAZ plc, to release quarterly operational information, EVRAZ Highveld Steel and Vanadium Limited hereby releases its results as follows:

PRODUCTION VOLUMES

	Unit of measure	Notes	2Q 2015	1Q 2015	2Q 2015/ 1Q 2015, % change	2Q 2014	2Q 2015/ 2Q 2014, % change
Steel segment							
Hot metal	Tons	1	119 027	150 518	(21)	191 418	(38)
Continuously cast blocks	Tons	2	120 771	149 236	(19)	169 574	(29)
Sections	Tons	3	40 878	53 595	(24)	52 946	(23)
Plates	Tons		36 977	35 769	3	42 712	(13)
Coil	Tons	4	7 992	29 390	(73)	35 450	(77)
Vanadium slag	Kg V	5	1 466 225	1 788 307	(18)	1 895 959	(23)
Fines ore	Tons	6	100 647	150 671	(33)	195 495	(49)
Vanadium segment							
Ferrovandium	Kg V	5	1 269 617	1 492 438	(15)	1 142 005	11

WEIGHTED AVERAGE SELLING PRICES

	Unit of measure	Notes	2Q 2015	1Q 2015	2Q 2015/ 1Q 2015, % change	2Q 2014	2Q 2015/ 2Q 2014, % change
Steel segment							
Total Steel	R/ton	7	5 934	7 686	(23)	7 170	(17)
Vanadium slag	R/Kg V		67	62	7	84	(20)
Fines ore	R/ton	7	267	370	(28)	260	3
Vanadium segment							
Ferrovandium	R/Kg V	8	239	258	(8)	269	(11)
Average exchange rate	R/\$		12.09	11.73	3	10.54	15

Notes:

All prices quoted are delivered prices.

The below comments explain material variances between Q2 2015 and Q1 2015:

General: The domestic market remains under pressure as a result of poor demand further exacerbated by a surge of low priced imports from China.

1. Liquid iron production was reduced as a result of poor domestic demand as well as cash constraints
2. Steel production decreased proportionally to liquid iron production.
3. The sections mill was negatively impacted by rolling low volumes of different profiles which contributed to low utilization rates and lower output.
4. Flat product production volumes were lower in Q2 due to a lack of orders.
5. Vanadium Slag & FeV production reduced as a result of curtailed hot metal production.
6. Fines ore production decreased due to temporary mine stoppage after the announcement of the business rescue process.
7. Steel pricing was reduced significantly due to unprecedentedly low domestic demand and high volumes of low-priced imports.
8. Prices for Vanadium slag & Fines ore decreased due to lower demand and excess supply.

16 July 2015

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