



EVRAZ HIGHVELD
STEEL AND VANADIUM



2010 Annual Results

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Financial information

Evraz Highveld's results are reported under International Financial Reporting Standards (IFRS)

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Highlights



Scott McDonald
Chief Executive Officer

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Overview (2010 vs. 2009)

Headline loss of R383m

- Revenue up 20.5% to R5125m
- EBITDA loss of R263m in 2010 vs. R447m profit in 2009.
- Cash at period end R492m
- NAV per share down 18.3% to 2533cps

Costs

- Cost of sales up by 18% on a R/t basis
- Energy costs up by 51%
- Service Costs up 37%
- Impairment of R230 million for the channel induction furnace

Steel Products

- Domestic steel sales volumes increased by 8%.
- Export steel sales volumes decreased by 1%
- 13% strengthening of the Rand against the Dollar

Vanadium Products

- Slag production of 64 202t
- FeV sales volumes increased by 12%
- Average LMB price for FeV improved from US\$25 in 2009 to US\$30 in 2010

Mining Rights Conversion granted on 28 January 2011

Key Result Drivers

	3Q10 vs 4Q10	2010 vs. 2009
Liquid steel production	-2.5%	17.6%
Cast steel production	-3.2%	12.5%
Rolled production	-16.5%	16.3%
Total steel sales volumes	6.4%	5.1%
Domestic steel sales volumes	-48.8%	8.4%
Export steel sales volumes	204.6%	-1.0%
Steel products average selling prices	-20.5%	-1.8%
Production cost	10.2%	-49.8%
Productivity – tons per manyear *	-18.5%	14.3%
Vanadium slag production	27.8%	37.7%
Ferrovandium sales volumes	-5.4%	12.4%
Ferrovandium average selling prices	-2.3%	1.0%
Average exchange rate (USD/ZAR)	-5.7%	-13.1%

Evraz Highveld Production

Production	4Q2010	3Q2010	2010	2009
Blooms (kt)	118	80	344	231
Slabs (kt)	88	133	429	457
Sections (kt)	47	51	210	174
Plate (kt)	53	47	212	162
Coils (kt)	19	42	132	140
Vanadium slag (tons V)	2 652	2 076	8 673	6 297
Ferrovandium (tons V)	1 229	1 210	5 392	4 927
Modified Vanadium Oxide (tons V)	380	177	557	0
Ore fines (kt)	152	137	608	490



Global Steel Markets



Scott Mc Donald
Chief Executive Officer

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Global Trends

- 2010 world steel output increased by 15% to 1 413, although H2'10 slowed by 2.7% relative to H1'10
- Production in EU expanded by 24%, North America by 35% and Japan by 25% (H2'10 vs H1'10 were: -7%, -1% and +1% respectively)
- Africa's steel production increased by 15% to 17.5mt and growth was maintained at +8% in the second half
- China's production was up 9% to 627mt accounting for 44% of global output (H2'10 contracted by 6% relative to H1'10)
- Q4 global capacity utilisation level was at 74% compared to 2010 average of 77% (2009 = 73%)

Source: IMF, World Economic Outlook

Global Economy

- World economic growth in 2010 increased to 3.9% from -2.2% in 2009 while growth of 3.3% is expected in 2011
- Emerging market economies grew by 7% in 2010 (2009 = 2.5%) while growth is expected to slow to a respectable 6% in 2011
- Chinese economy surged by 10% in 2010 compared to 9.1% in 2009, while a growth rate of 8.7% is forecast for 2011
- A Sub-Saharan African growth rate of 5.3% is expected for 2011, from 4.7% in 2010 and 3.4% from 3% for South Africa

Source: IMF, World Steel Association

Global Input Cost Trends

- International iron ore prices increased by 82% (62% Fe) from 2009, while pellet prices increased by 105%
- The domestic coal price index (API4) rose by 42%
- 2010 scrap prices increased on average by 32% relative to 2009 and has since year end increased to US\$480/t
- Base metals and alloys such as tin, zinc and ferro-manganese increased by 50%, 31% and 23% respectively during 2010
- Crude oil increased by 29% during 2010 to average US\$80/barrel and has since year end further increased by 25% adding another US\$ 20/barrel

Source: Metal Bulletin, Tex Report

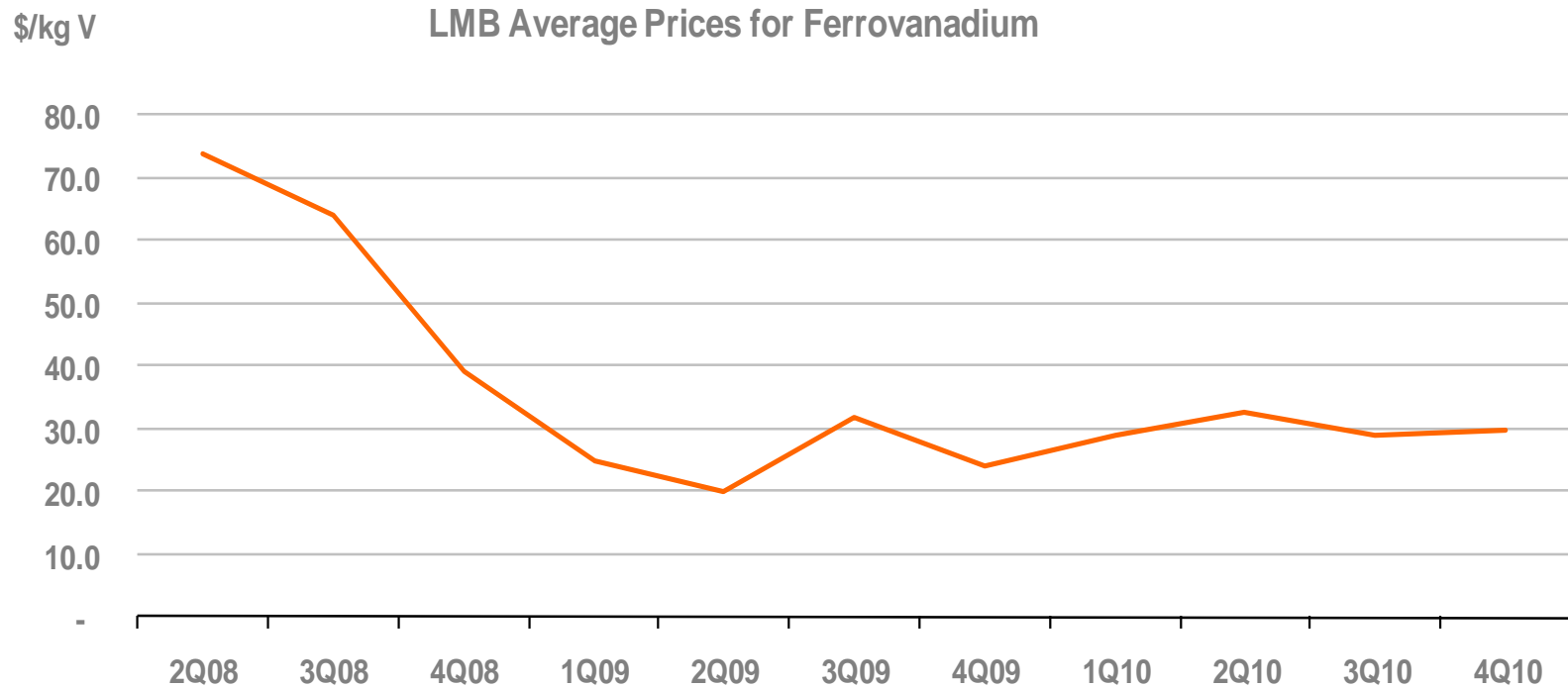
Global Steel Trends

- The overall growing trend in steel prices is driven by demand recovery and increases in input costs
- International prices for semi-finished steel declined in May-June due to seasonal and regulatory factors but stabilised in July and improved towards the end of 2010
- The outlook for the Steel market is moderately positive with improved prices
- Global steel demand in 2011 - 2012 is expected to grow by 6% p.a.
- Ongoing urbanisation and infrastructural projects in developing countries, especially in South East Asia, will be the main drivers of steel demand growth

Global Vanadium Trends

- Vanadium expected to perform better than steel as vanadium usage rates in the emerging markets' steel production sector approach the levels of industrially developed countries
- Increased use of higher strength steels in high-growth Asian markets that should result in higher consumption of ferro-vanadium
- The outlook for the vanadium market is positive with ongoing global urbanisation resulting in increasing demand and higher expected prices
- Continued interest in development of vanadium redox batteries could stimulate demand for vanadium pentoxide
- Supply and demand are in balance with the market back to the high end of the scale and production at capacity
- Prices are currently stable at \$31 kg/V with indications of improving

Ferrovanadium Price Trends



Operational



Scott McDonald
Chief Executive officer

Health and Safety

■ Safety

■ One of the priority focus areas

Injuries	2009	2010	2011
LTIFR	1.80	1.85	1.31 (YTD)
Target	1.75	1.70	1.5

■ Measures to address higher LTIFR: more focus on awareness and safety culture

in divisions, i.e. Zero tolerance of any unsafe acts

■ Health

	2009	2010
Occupational diseases	0	0

Environment

■ **Steelworks**

■ **Air:**

Green Scorpions: Comprehensive proposals on addressing the quality of emissions were submitted to the Department of Environmental Affairs after a further pre-notice was issued

■ **Water and Waste: Steelworks**

A formal application for the licensing of the waste sites in terms of the new NEM: Waste Act was submitted in December 2010.

■ **Old Vanchem Calcine Waste Disposal Facility:**

Reworking of the facility is being investigated

■ **Mapochs Mine:**

Awaiting Integrated Water use licence

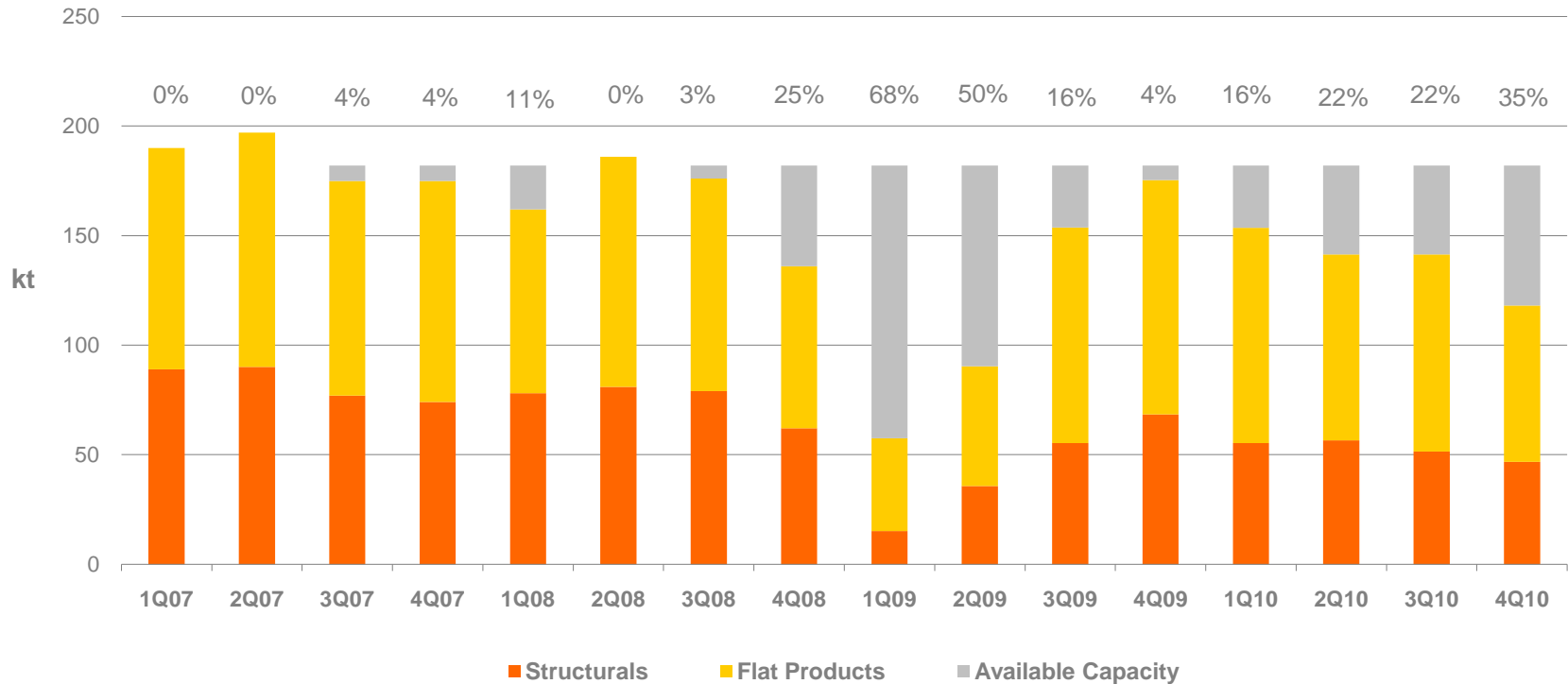
A waste management assessment was conducted and a system is being implemented

Mapochs Mine Conversion Update

- The letter of grant approving the conversion of the old order mining rights was received on 28 January 2011
- All documents for the notarial execution and registration have been submitted to the DMR
- Final date of notarial execution expected and it is anticipated that the complete process would be finalised by 30 June 2011

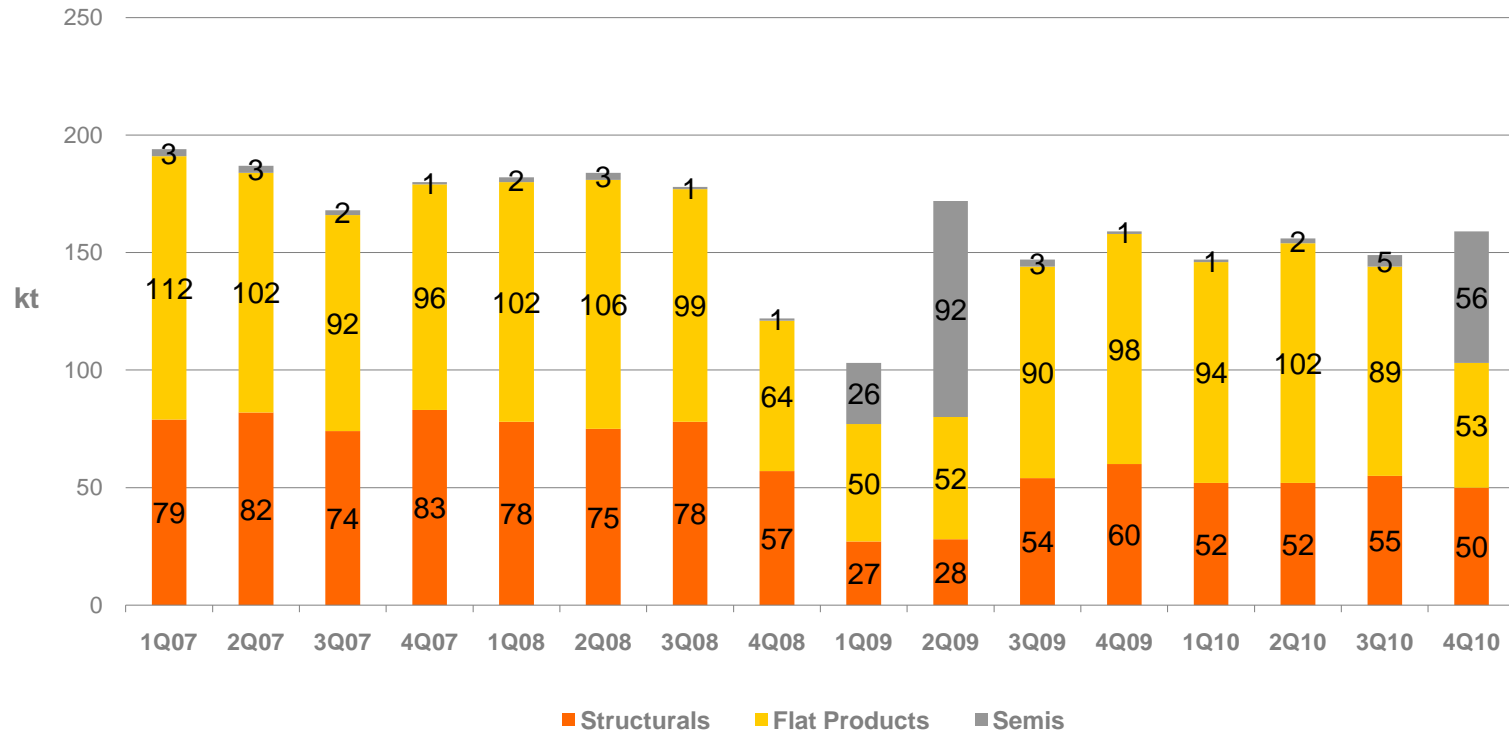
Steel Production and Capacity

Quarterly Steel Production and Capacity



Sales Trend

Quarterly Steel Sales

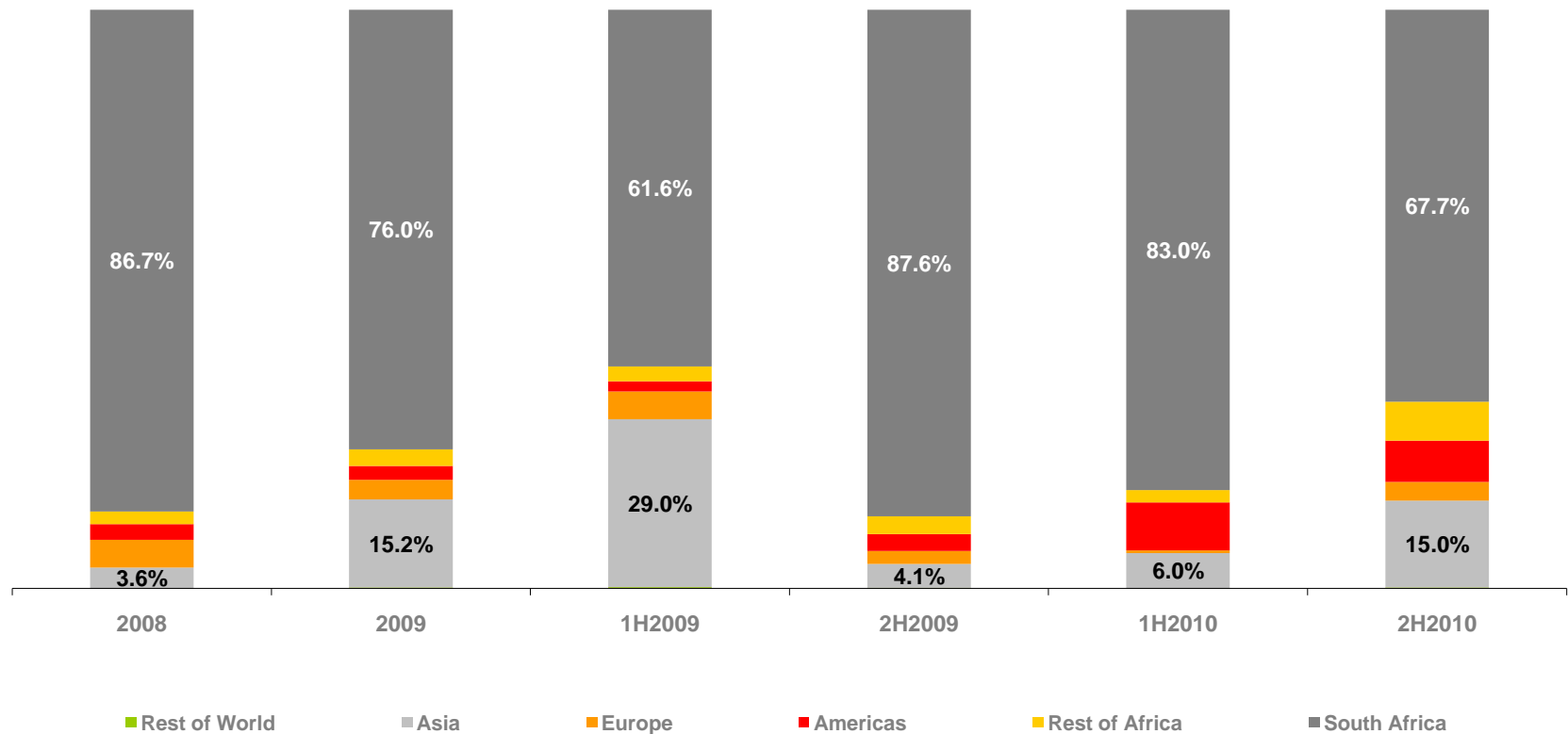


Flat products made up of coil and plate, Semis made up of billets, slabs, blooms and blocks

Local: Delivered; Export: FOB and CFR

Steel Sales by Geographic Region

Sales by Geographic Area



Financial Results



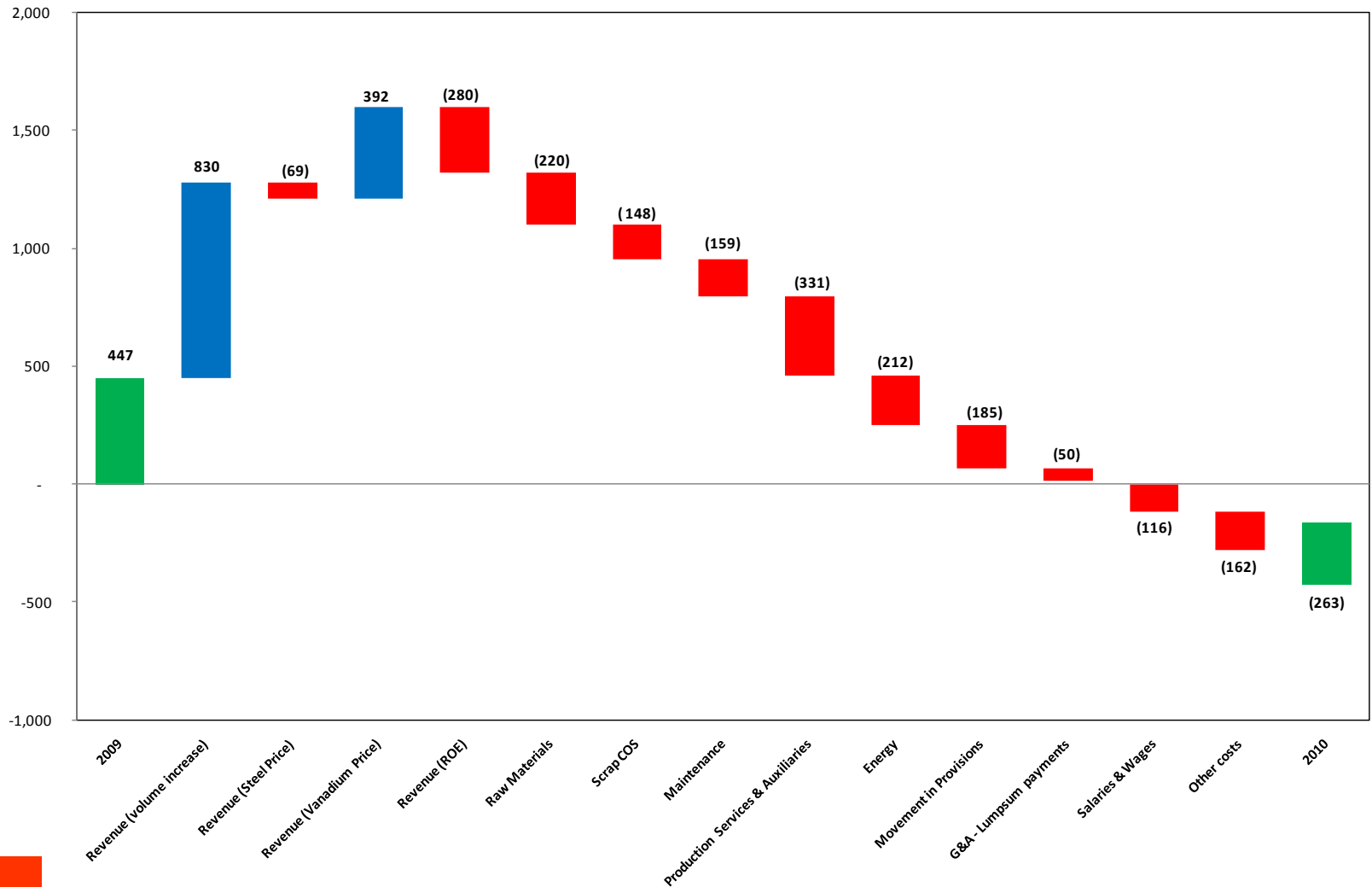
Bernie de Beer
Financial Director

Group Financial Summary

Rm	Q4'2010 Actual	Q3'2010 Actual	Var. Q4'10 / Q3'10	2010 Actual	2009 Actual	Var. 2010 / 2009
Revenue	1,214	1,372	(11.5%)	5,125	4,252	20.5%
EBITDA	(189)	3	(192)	(263)	447	(158.8%)
EBITDA margin	(15.6%)	0.2%	n/a	(5.1%)	10.5%	n/a
Cash and cash equivalents	492	575	(14.4%)	492	1,072	(54.1%)
Net cash to shareholders equity	19.6%	19.8%	n/a	19.6%	34.9%	n/a
Total liabilities to shareholders equity	61.9%	56.9%	n/a	61.9%	59.2%	n/a
Return on Capital Employed (ROCE%)	(16.7%)	(1.7%)	n/a	(27.0%)	5.1%	n/a
Net Asset Value (NAV) cents per share	2,533	2,928	(13.5%)	2,533	3,101	(18.3%)

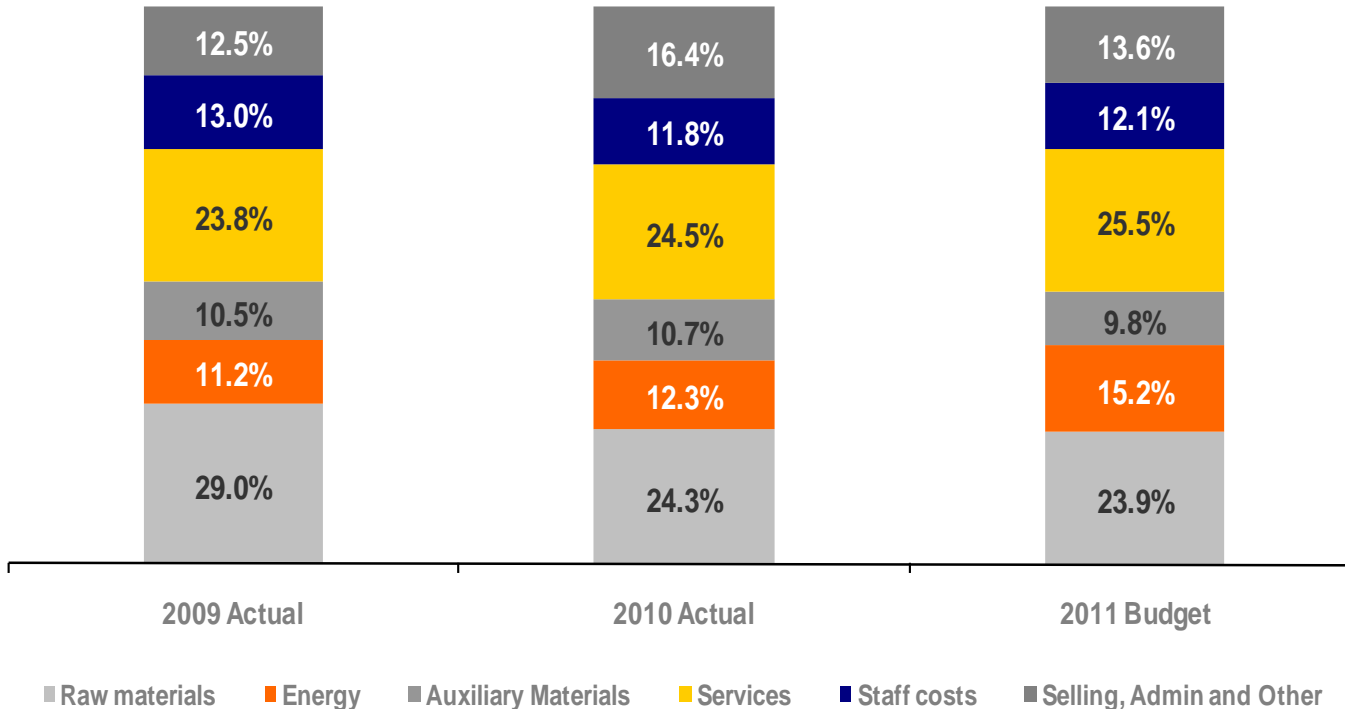
EBITDA 2009 vs. 2010

Group EBITDA : 2009 vs. 2010 (R'mil)



Input Cost Trends - % of Total Operating Cost

Input Cost Trends - Consolidated Operations Cost Distribution



Raw Materials costs were high in 2009 due to the fact the 3rd party ore was purchased and scrap was consumed at production cost.
From 2010 going forwards scrap is valued at market price.

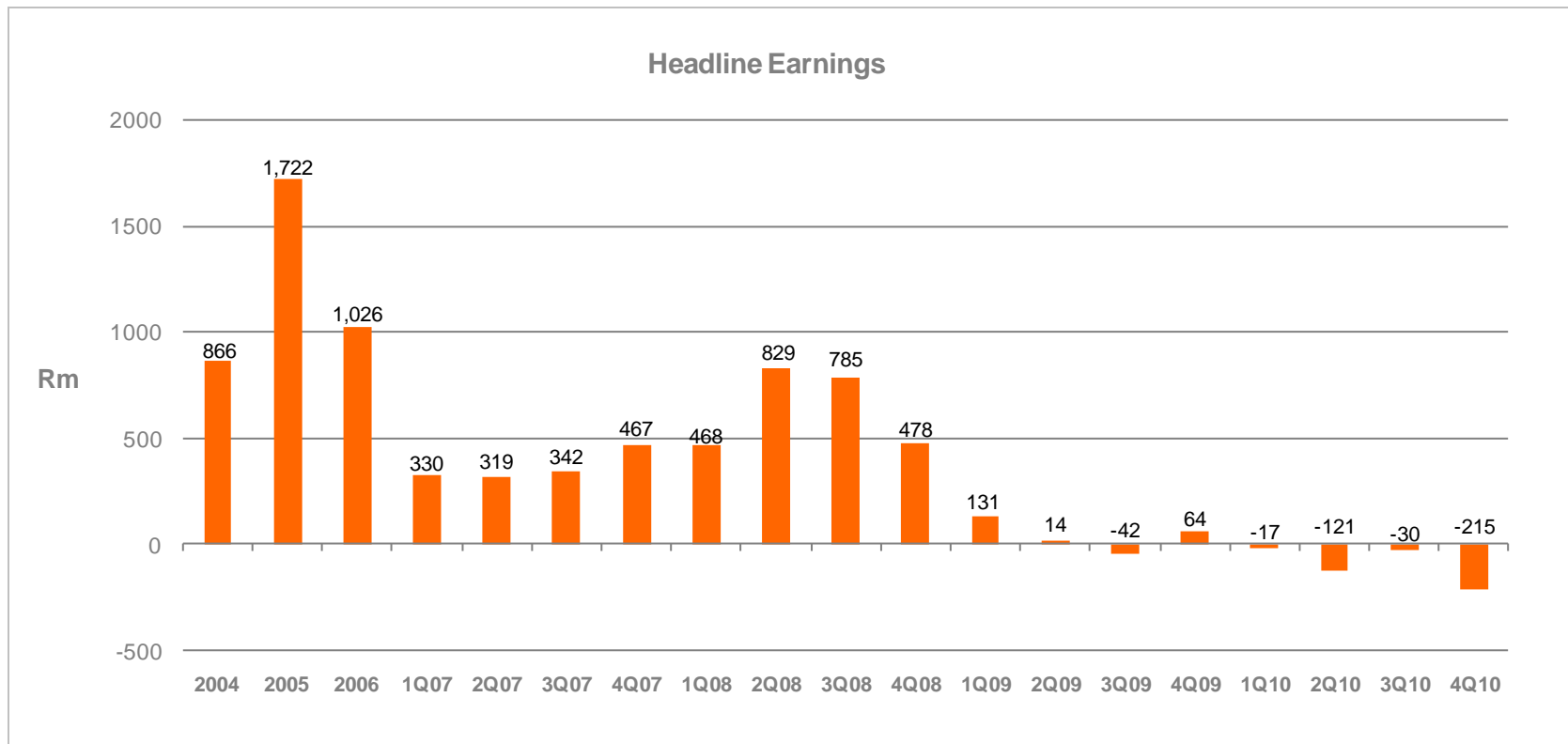
Cash Flow

Rm	2010	2009
Cash generated from operations	(215)	35
Net interest and investment income	36	69
Taxation paid	(109)	(565)
CAPEX	(250)	(196)
Proceeds from sale of discontinued operations	-	164
Sub-total	(538)	(493)
Effect of foreign exchange rate changes on cash	(42)	(36)
Net cash flow	(580)	(529)
Cash and Cash equivalents	492	1 072

Working Capital Movements

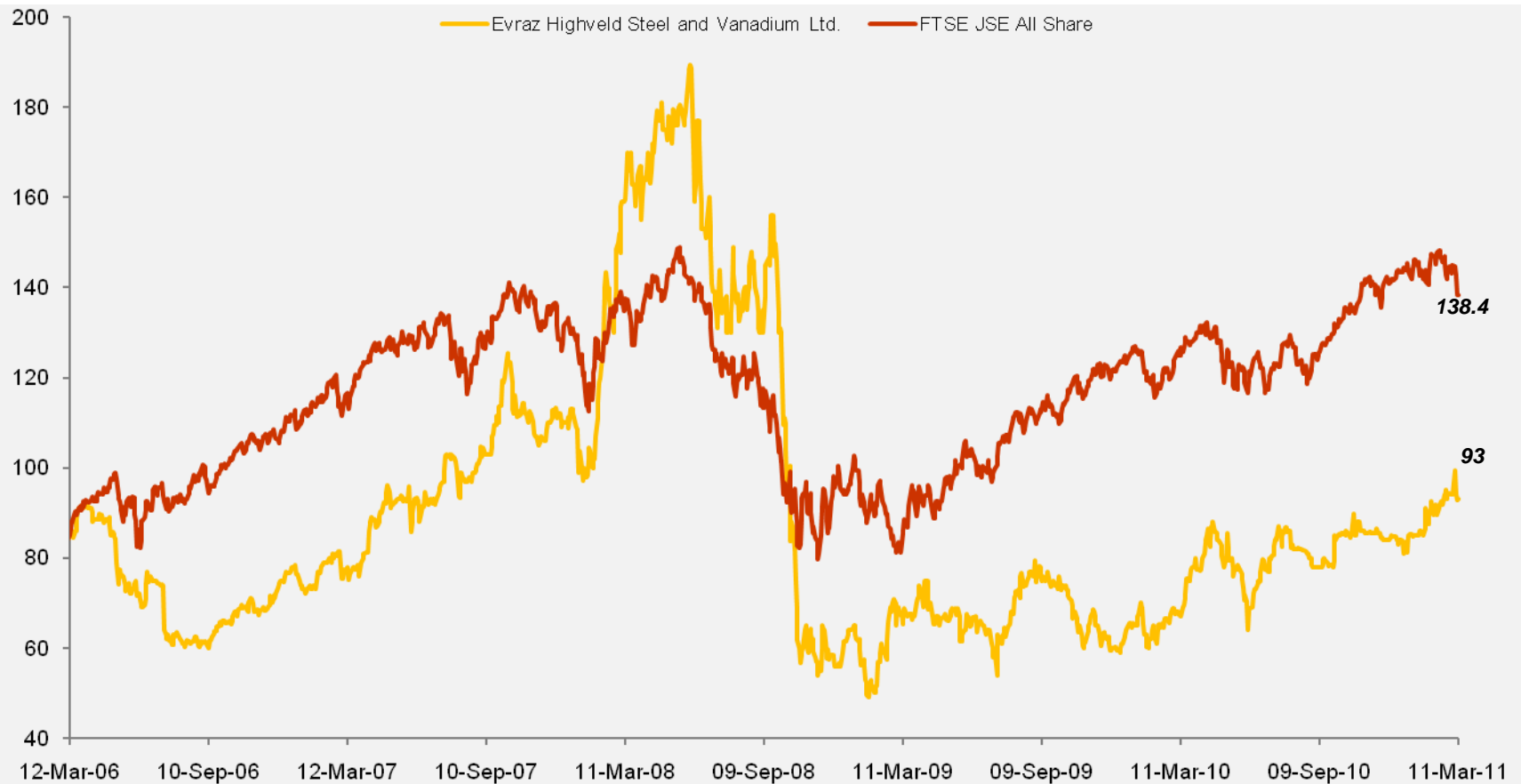
	2010	2009
Inventories	-144	397
Finished products	-52	-71
Work-in-progress	15	401
Raw materials	-130	41
Plant spares & stores	23	26
Trade and other receivables	115	-238
Trade and other payables	-26	-33
Working capital movement	-55	126

Headline Earnings Trends



Share Performance

Five year share price performance (ZAR)



Source: Fact set as of 11 March 2011
Index rebased to Evraz share price

Dividends

■ Dividend policy

The declaration of dividends is discussed on a quarterly basis as part of the going concern exercise by the Board. Factors such as operational requirements and capital expenditure are considered

■ Dividends

No dividends are declared

Investment Program



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Chief Executive Officer

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Capital Expenditure

- Total budget for 2011: R507 million

- Priority Projects:
 - Ironmaking – Furnace 7 upgrade R175 million
 - Environmental Projects R20 million
 - Mapochs process improvements R24 million

Co-Generation Project

- A mandate was given to Biotherm in 2010 to proceed with a first phase pre-feasibility study to investigate the feasibility of a co-generation plant, which has been completed
- The pre-feasibility report has been received
- The reduction technology of the Ironmaking is a pre-requisite for the design of the Co-generation plant
- Once the reduction technology has been agreed on, the second phase, namely the detailing of the project will commence

Corporate Social Responsibility

■	Total budget for 2010:	R1.63 million
■	Priority Projects:	
■	White Rose Hospice	R600 000
■	Maths Centre	R516 000
■	Charitable Donations	R514 000

Transformation

- Evraz Highveld transformation and social responsibility policies are intrinsically linked and broad based
- 2010 Evraz Highveld was verified as a Level 8 Contributor for BEE
- Evraz Highveld is optimistic to reach Level 5 Contributor status in 2011
- External projects target the economic empowerment of communities, on both social and business levels, through education, health, housing and supply chain initiatives

Prospects



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Future Prospects

- Global steel demand is forecasted at 6%
- Restocking taking place
- Prices improving
- Construction section remains weak

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THANK YOU!

The background of the slide is a complex, abstract geometric pattern. It consists of numerous overlapping wireframe structures, resembling architectural or industrial designs. The lines are primarily in shades of orange and red, creating a sense of depth and movement. The structures are composed of rectangular and triangular shapes, some of which are filled with a dense grid of lines, while others are just outlines. The overall effect is a dynamic and modern aesthetic.