

Interim Financial Results
For the six months ended 30 June 2011

17.08.2011

Mike Garcia
Chief Executive Officer

Bernie de Beer
Financial Director

Disclaimer

Forward looking statements

This document may contain forward looking information and statements about Evraz Highveld Steel and Vanadium Corporation Limited (Evraz Highveld) and its subsidiaries. These statements may include financial projections and estimates and underlying assumptions, statements regarding plans, objectives and expectations with respect to future performance. These forward looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Evraz Highveld's management believes that the expectations reflected in such forwarded looking statements are reasonable; however, neither the Corporation nor any of its affiliates, advisors, or representatives accept any responsibility for any loss arising from the use of any opinion expressed or forecast or data herein. Evraz Highveld undertakes no obligation to publicly update its forward looking statements whether as a result of new information, future events, or otherwise.

Reliance of third party information

The views expressed here contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by Evraz Highveld.







No offer of securities

This presentation should not be construed as either an offer to sell or a solicitation of an offer to buy or sell Evraz Highveld securities.

Financial information

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

Contents

	Page
 Highlights	4
 Economic overview	8
 Steel and vanadium markets	10
 Operational results	18
 Financial results	25
 Investment program	33
 Transformation	37
 Outlook	38

□ Highlights



Michael D. Garcia
Chief Executive Officer



Snapshot (1H 2011 vs. 1H 2010)

5

Headline profit of R90m

- Revenue up 17.5% to R2 984m
- EBITDA profit of R169m in 1H2011 vs. R81m loss in 1H2010
- Cash at period end R1 090m
- NAV per share down 10% to 2 646cps

Steel Products

- Domestic steel sales volumes increased by 2%
- Export steel sales volumes increased by 51%
- 8% strengthening of the Rand against the Dollar

Costs

- Cost of sales down by 3% on a R/t basis
- Energy costs up by 12% (Eskom price increases)

Vanadium Products

- Slag production of 33 827t
- Average LMB price for FeV remained at US\$30 / kg V

Key Result Drivers

		2Q11 vs 2Q10		1H2011 vs 1H2010
Liquid steel production	↓	8.9%	↓	1.1%
Cast steel production	↓	2.5%	↑	3.2%
Rolled production	↑	4.5%	↓	2.2%
Total steel sales volumes	↑	3.2%	↑	13.2%
Domestic steel sales volumes	↑	14.0%	↑	2.2%
Export steel sales volumes	↓	29.3%	↑	50.7%
Steel products average selling prices	↑	14.8%	↑	6.2%
Production cost (R/ton)	↓	1.6%	↓	2.8%
Productivity – tons per manyear *	↓	4.1%	↑	2.6%
Vanadium slag production	↑	2.2%	↓	3.9%
Ferrovandium sales volumes	↑	5.3%	↓	5.6%
Ferrovandium average selling prices	↓	13.2%	↑	1.0%
Average exchange rate (USD/ZAR)	↓	9.9%	↓	8.4%

* Based on complement at period end divided by total rolled product

Evraz Highveld Production

7

Production	2Q2011	2Q2010	1H2011	1H2010
Blooms (kt)	86	76	164	147
Slabs (kt)	74	100	174	208
Sections (kt)	62	56	124	112
Plate (kt)	45	51	94	112
Coils (kt)	41	34	70	71
Vanadium slag (tons V)	2 265	2 046	4 485	3 946
Ferrovandium (tons V)	1 416	1 385	2 837	2 953
Modified Vanadium Oxide (tons V)	400	0	828	0
Ore fines (kt)	151	147	303	314





Economic Overview- global economy

- 00 Global GDP growth initially showed promise, but it is expected to moderate to 4.5% in 2011
- 00 Global economic risks:
 - 00 European sovereign debt crises
 - 00 Weak US employment growth & soft housing market
 - 00 Moderation of growth in BRIC countries
 - 00 Lower Chinese growth of between 8-10% for 2011 & 2012
 - 00 Rising global inflation
- 00 IMF revised its global growth projection for 2011 down to 4.3%
- 00 World stock markets remain depressed due to global economic risks

Sources: Worldsteel, BER

□ Economic Overview – SA Economy

9

- gg GDP growth moderated from 4.8% (q-o-q) in Q1 2011 to SARB's forecast of 3.7% for 2011
- gg Higher commodity and electricity prices will impact a broader range of prices of commodities
- gg Above inflation wage increases will impact prices
- gg SA policy interest rate remained unchanged at 5.5% since November 2010, with a stable prime rate of 9%
- gg R/\$ exchange rate averaged @ R7/\$ in Q1 2011, which strengthened to an average rate of R6.77/\$ in Q2 2011

Source: BER

□ Steel and Vanadium Markets



Michael Garcia
Chief Executive Officer

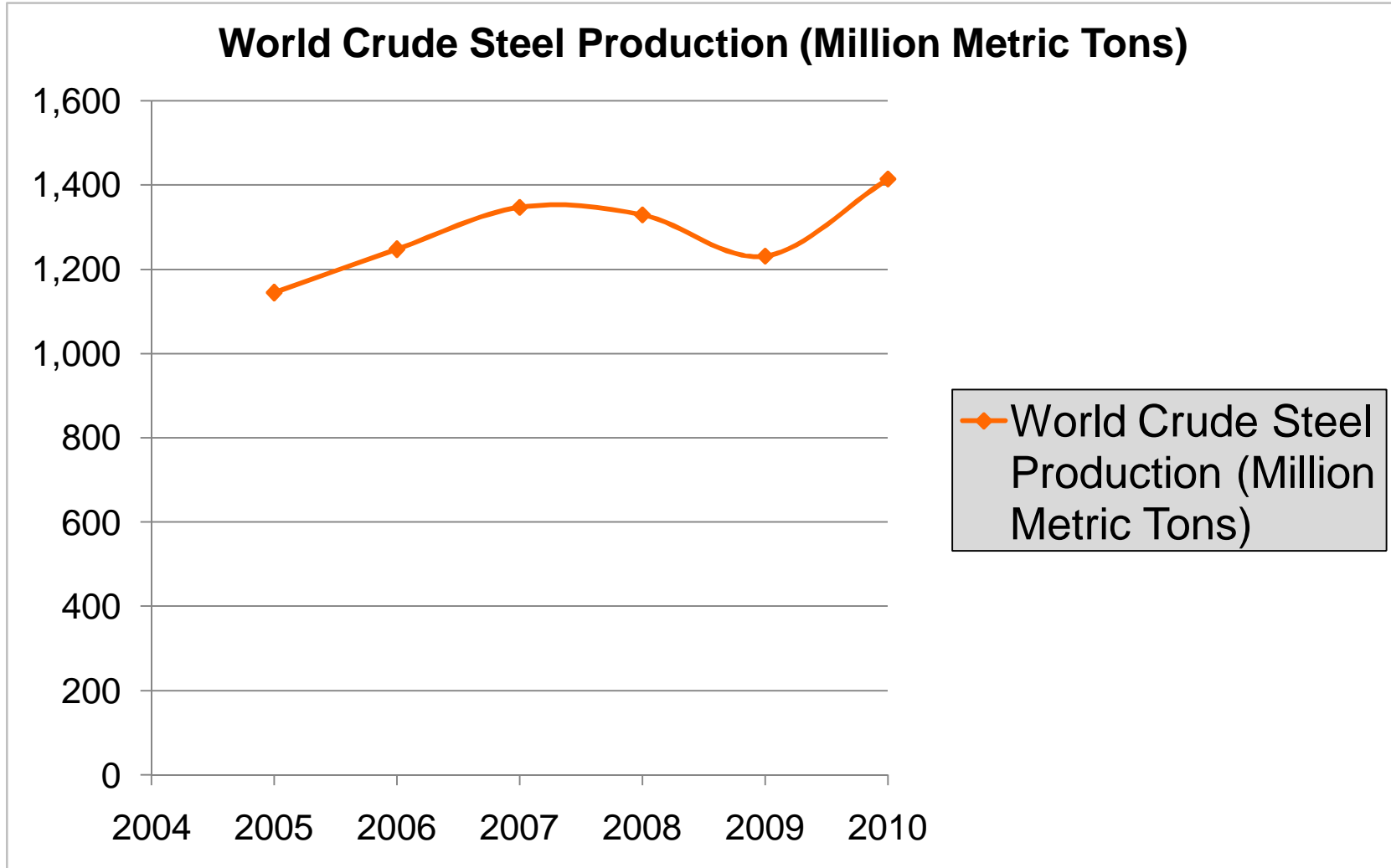
□ Global Steel Markets

11

- 09 Total global steel output increased by 7.6% to 757 771mt in H1 2011, compared to 704 053mt in H1 2010 and increased by 4.2% y-o-y in May 2011 to a record 129.7mmt
- 09 China's output increased by 9.6% in H1 2011 compared to H1 2010, and by 7.8% y-o-y in May 2011 to over 60mmt, which was the largest output of a country ever produced in a month
- 09 Iron ore and scrap prices increased in May 2011 by 4.1% and 1.8% m-o-m respectively
- 09 The global steel price index in June 2011 dropped by 1.9% m-o-m, after decreasing for 3 consecutive months
- 09 The world crude steel capacity utilization rate was 81.7% in May 2011, down by 0.7% y-o-y and down by 0.6% m-o-m.

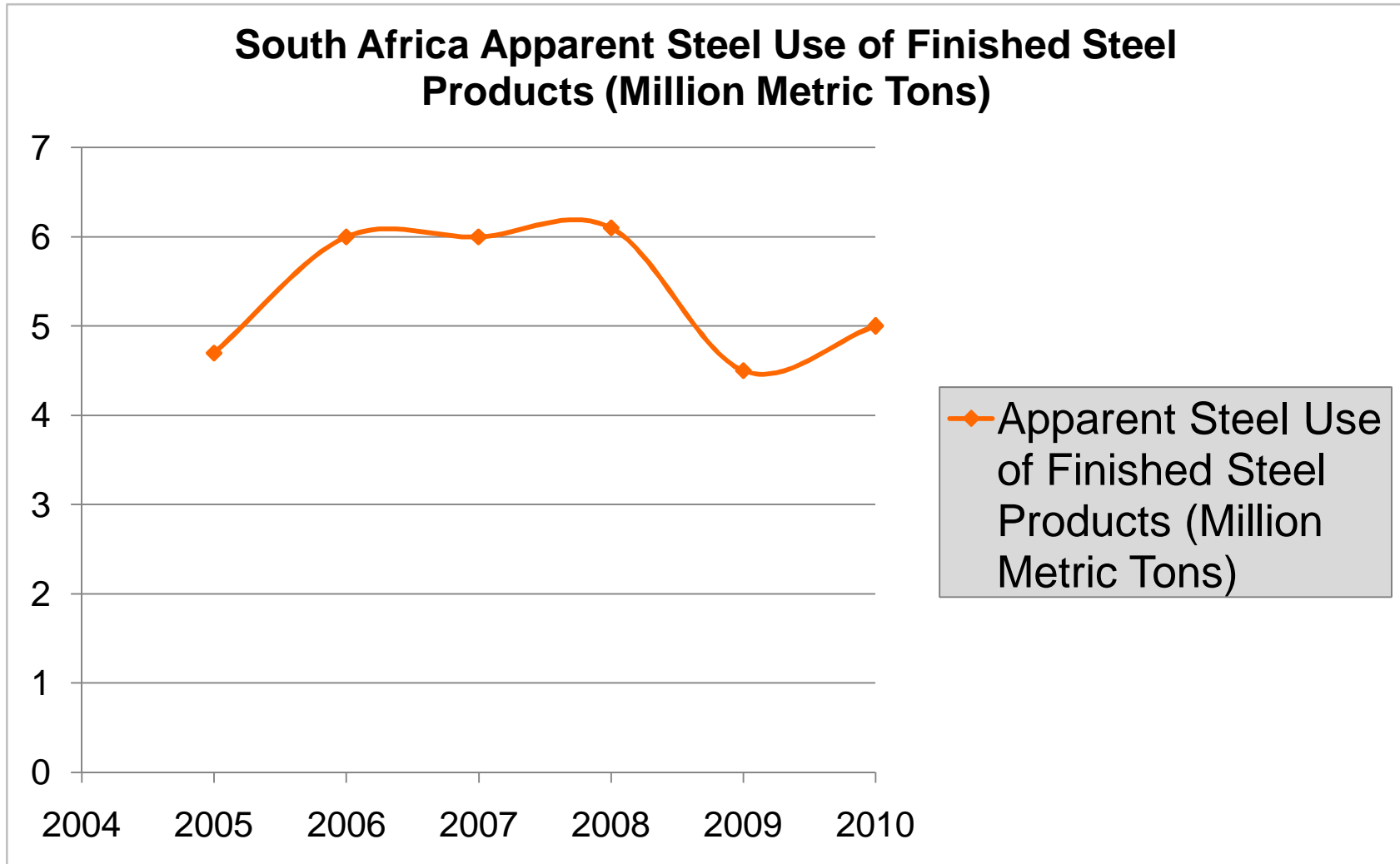
Sources: Worldsteel, Credit Suisse

World Crude Steel Production 2010



Source: Worldsteel

SA Finished Steel Products Use 2010



Source: Worldsteel

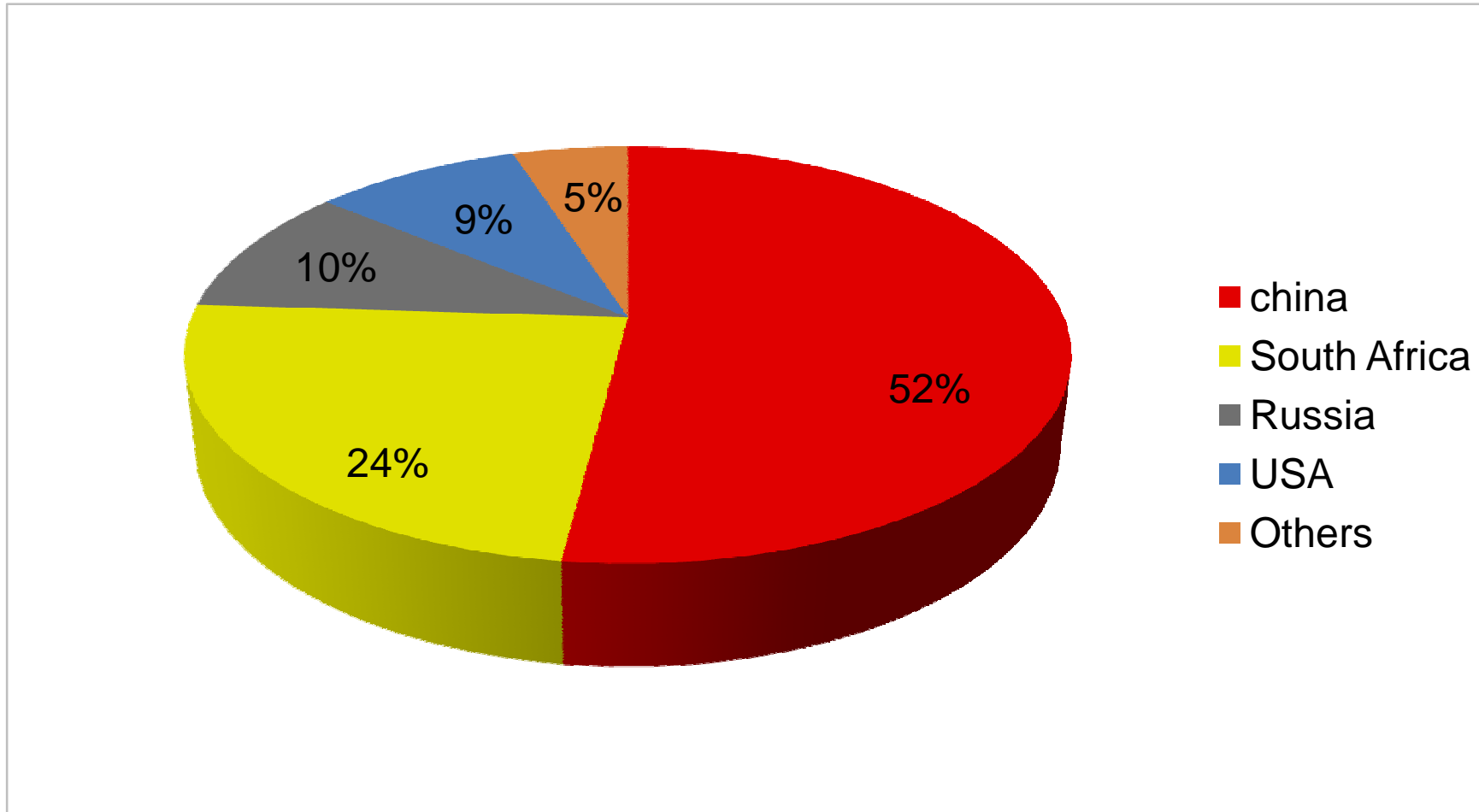
□ Global Vanadium Markets

14

- g The LMB FeV price has weakened slightly during Q2 2011 from \$30.38/kg V in April to \$29.50/kg V in June 2011 and is expected to maintain a level of \$28.50/kg V for Q 3 2011
- g Despite the marginally weaker vanadium prices, vanadium is expected to outperform steel, since vanadium usage rates in the steel production sectors of emerging markets are catching up to the levels of the industrially developed countries
- g Steelmaking is the predominant user of vanadium with 93%, with the chemical and titanium sectors using 4% and 3% respectively
- g Supply and demand are in balance with producers achieving high utilisation rates

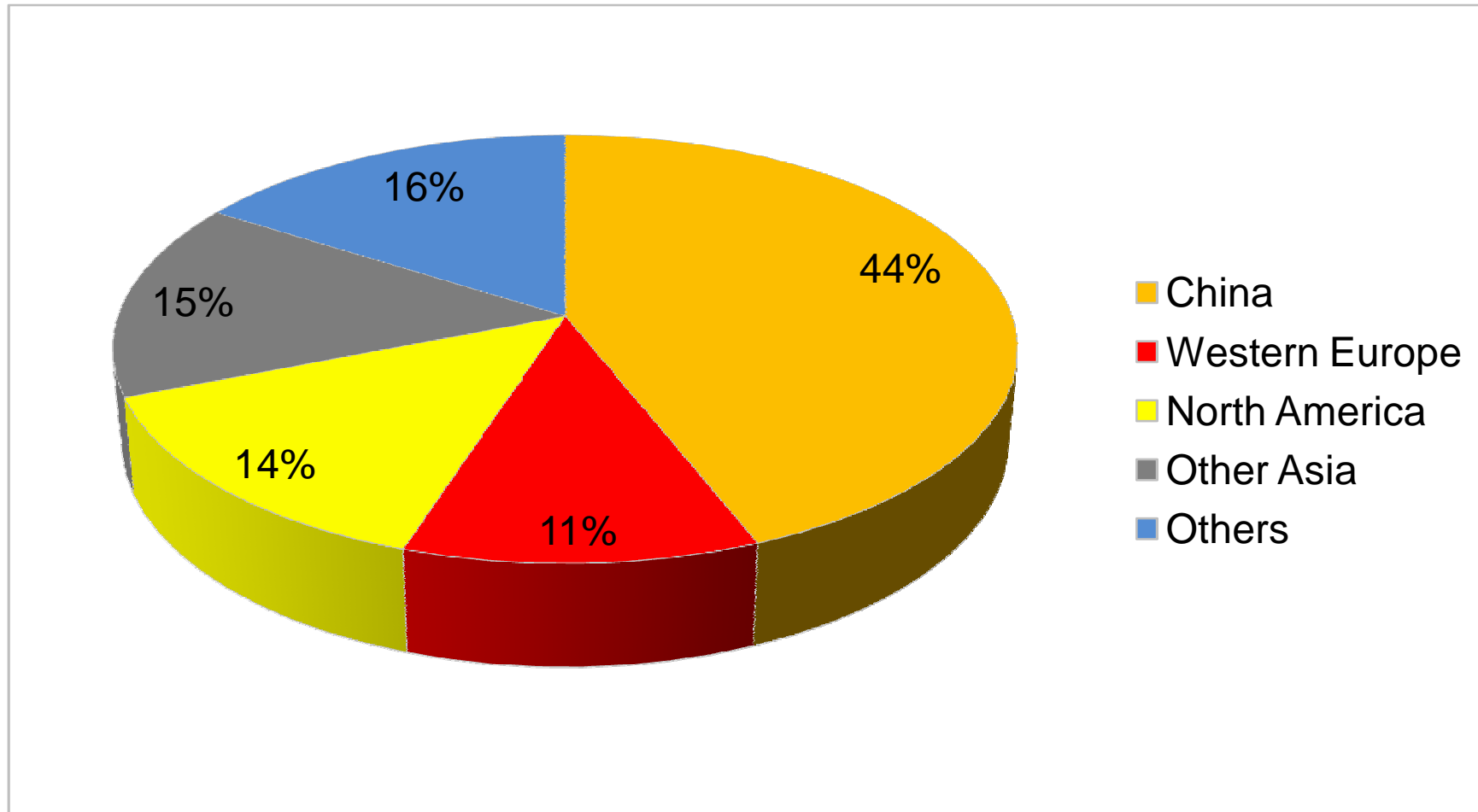
Source: Evraz & Stratcor

Vanadium production per country 2010



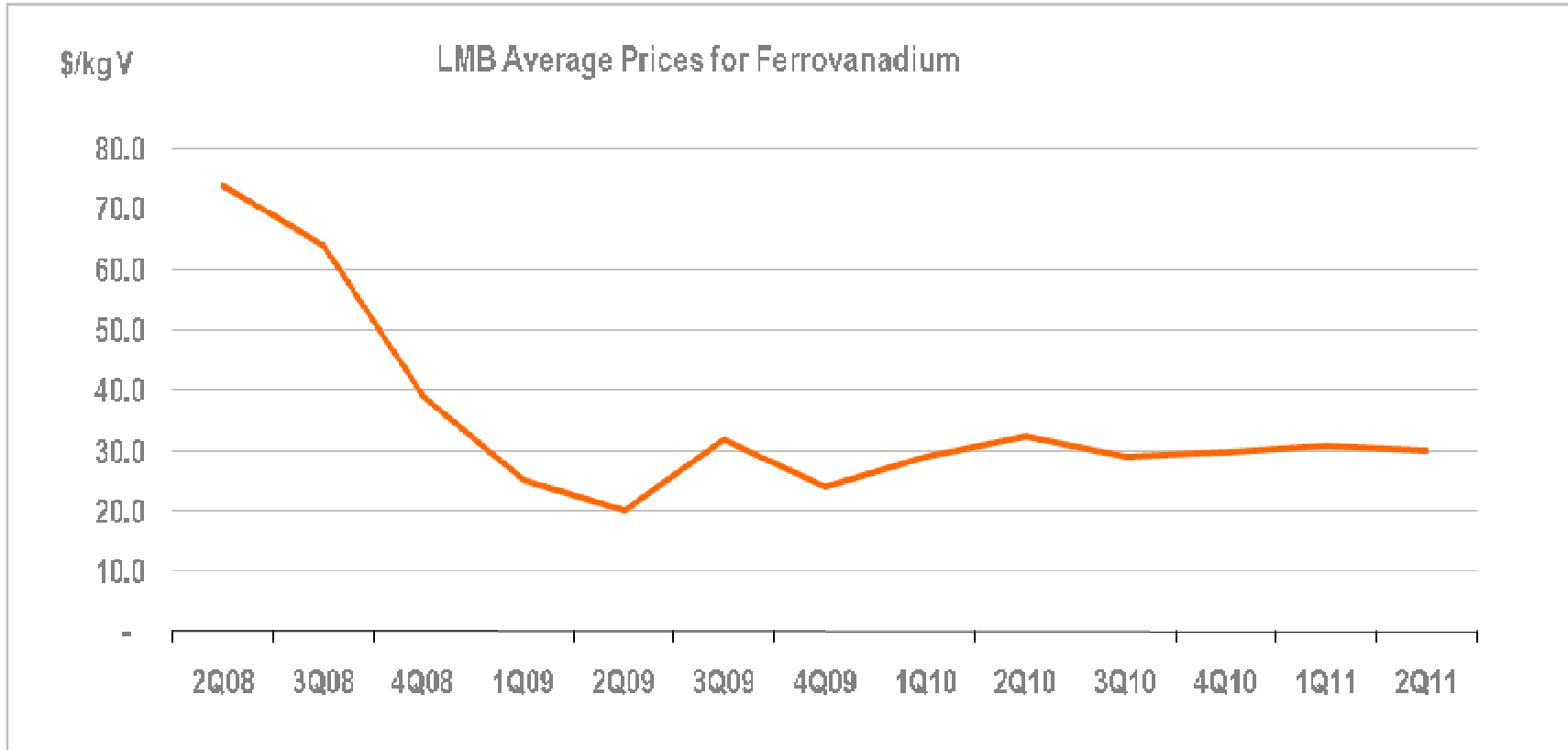
Sources: Evraz & Stratcor

Vanadium consumption per country 2010 16



Sources: Evraz & Stratcor

□ Ferrovandium Price Trends





□ Operational Results




Michael Garcia
Chief Executive officer


Safety

-  1 Fatality during Q2, 2 fatalities YTD, which are deeply regretted

-  LTIFR improved to 1.75 as at 30 June 2011 from 1.9 as at 31 March 2011. Target of LTIFR for 2011 is 1.5

-  Mapochs Mine achieved 3 million LTI free hours during Q 2 2011

-  Number of LTIs for Q2 1011 reduced by 2 from 6 for Q 2 2010, with the same total number of LTIs to date of 11

-  Safety remains the key priority of the Company

□ Environment

§ Steelworks

- § A further site visit of the Green Scorpions was conducted
Progress is being made with environmental projects to decrease the Company's impact on the environment
- § The application for licensing of the waste sites was submitted in December 2010. The EIA process has commenced

§ Mapochs Mine

- § Still awaiting the integrated water use license

§ Vanchem calcine waste disposal facility

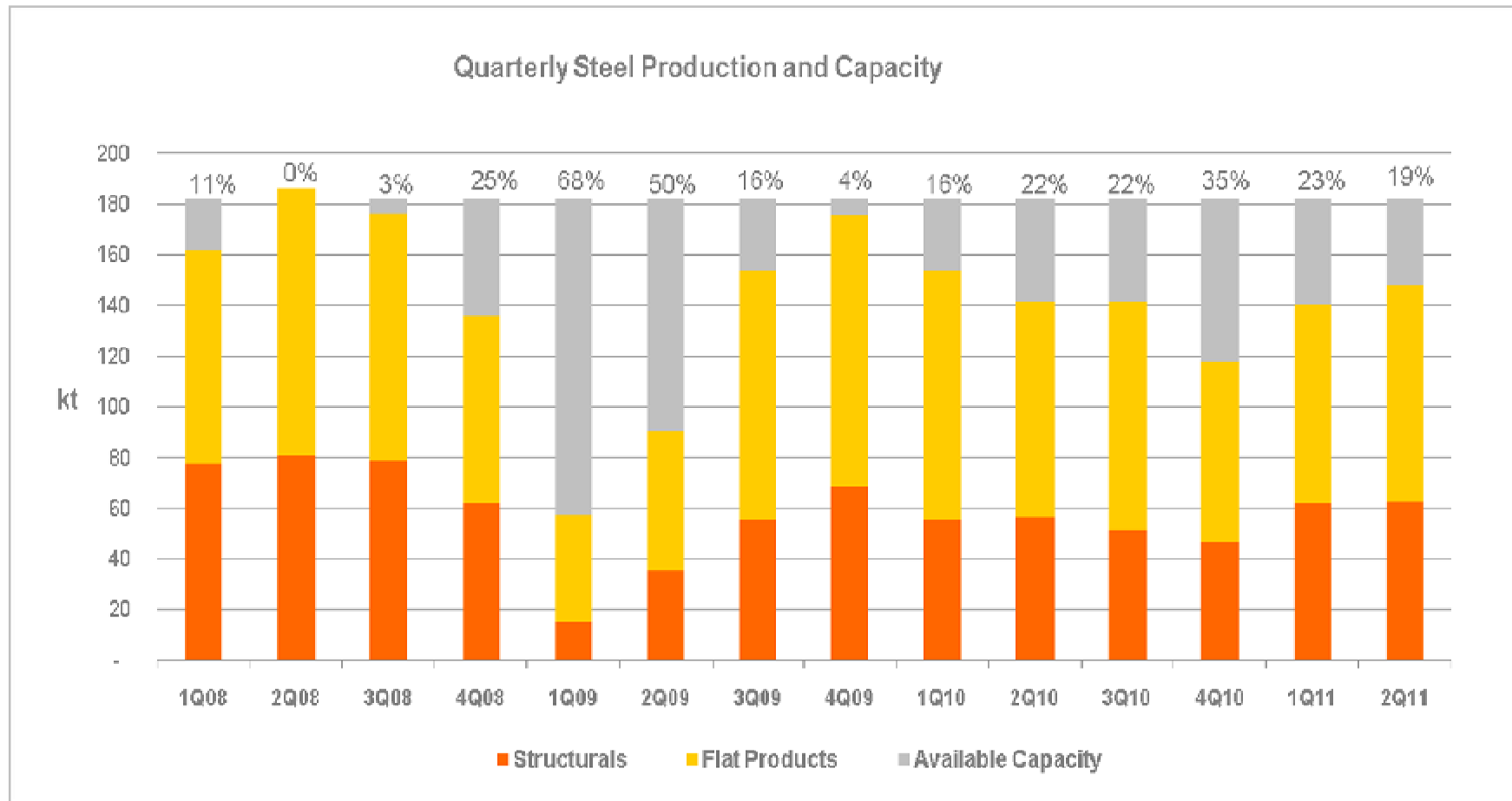
- § Negotiations with Earth Metallurgical Solutions are advanced for the reworking of the facility to comprehensively address the environmental liability

□ Mapochs Mine Conversion Update

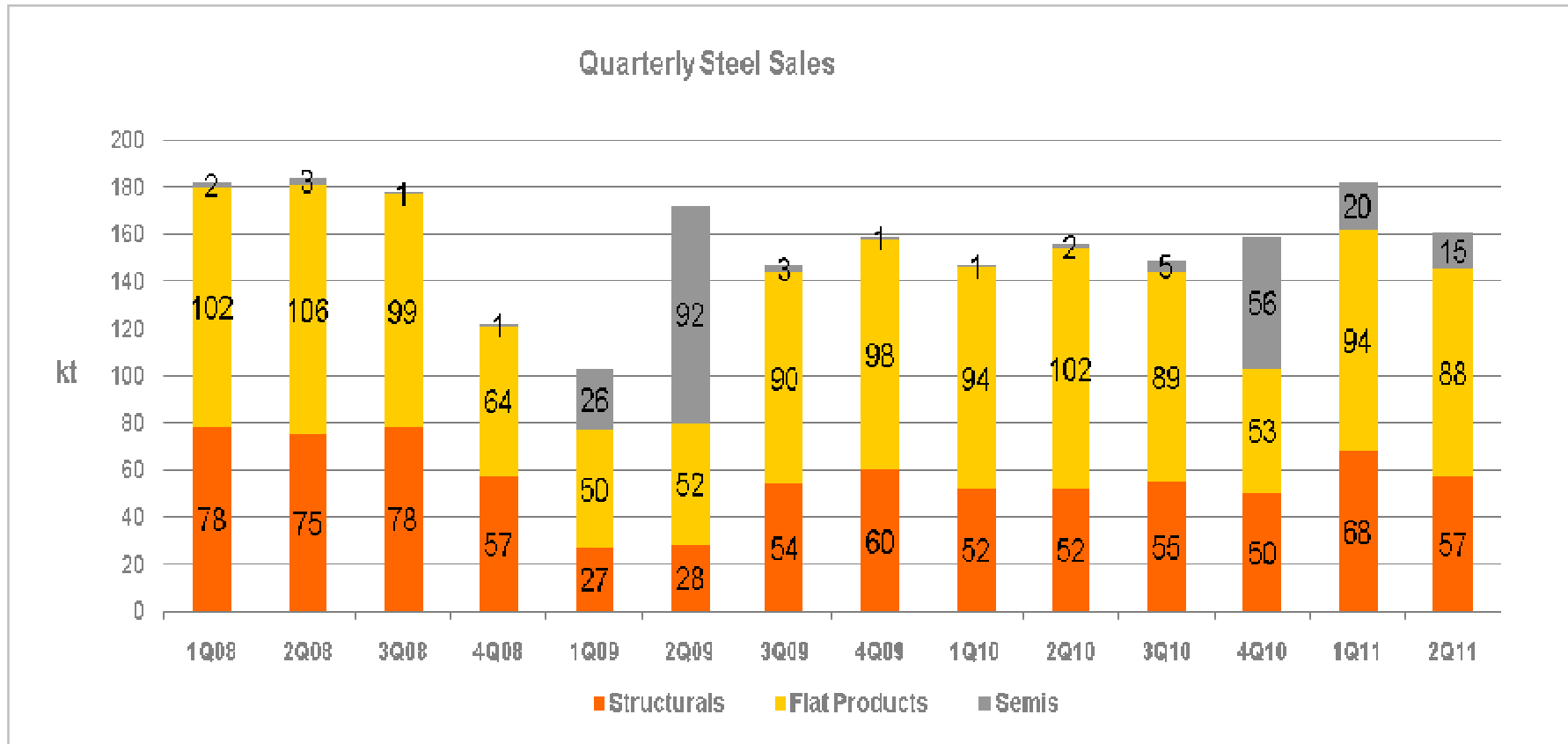
21

- g The Letter of Grant approving the conversion of the old order mining rights was received on 28 January 2011
- g Notarial execution of the right took place on 25 May 2011
- g The executed right was lodged at the Mining Titles Office and registration is awaited
- g The Section 11 transfer letter from the Minister is still awaited

Steel Production and Capacity



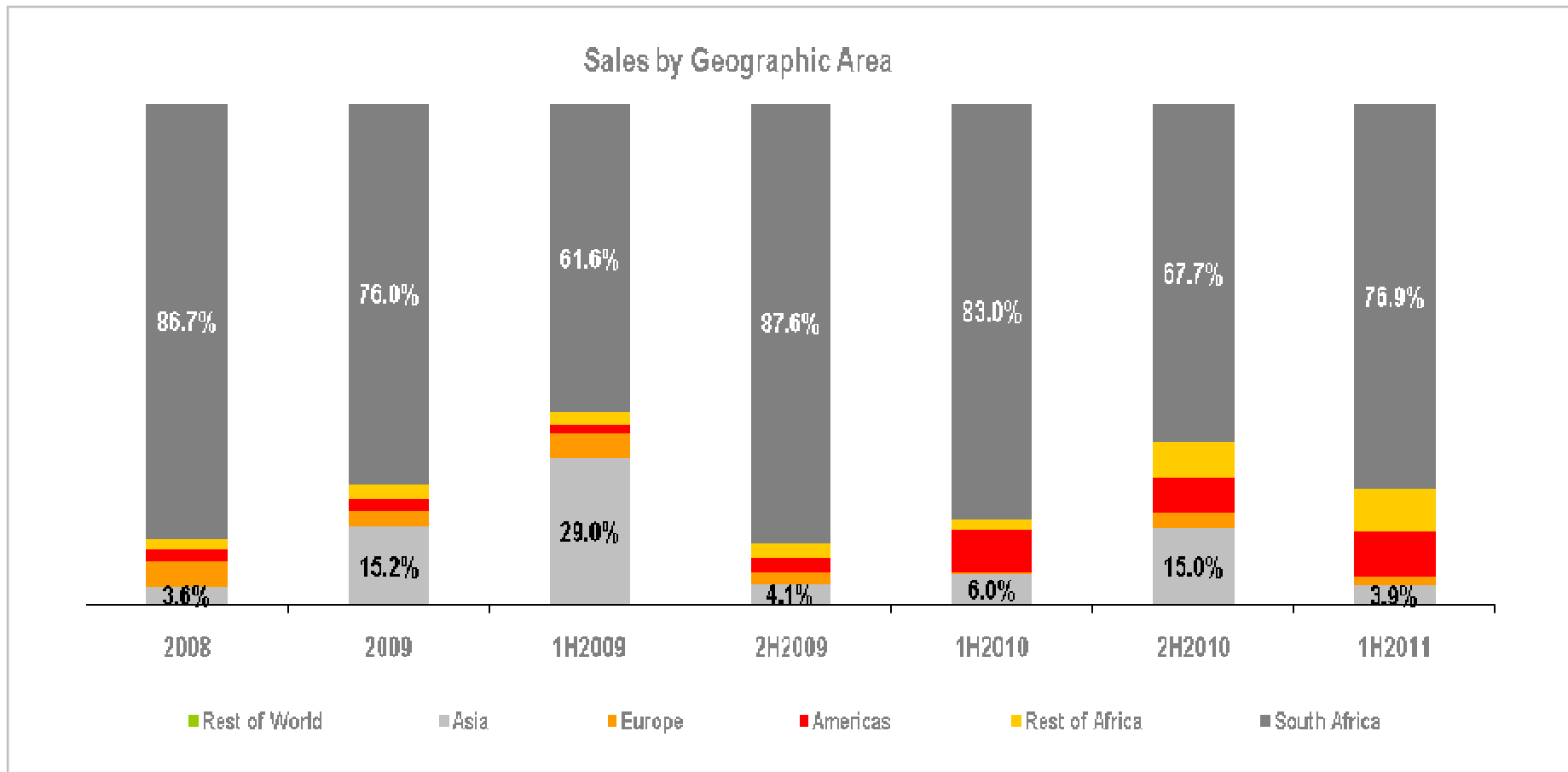
□ Sales Trend



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



□ Financial Results



Bernie de Beer
Financial Director

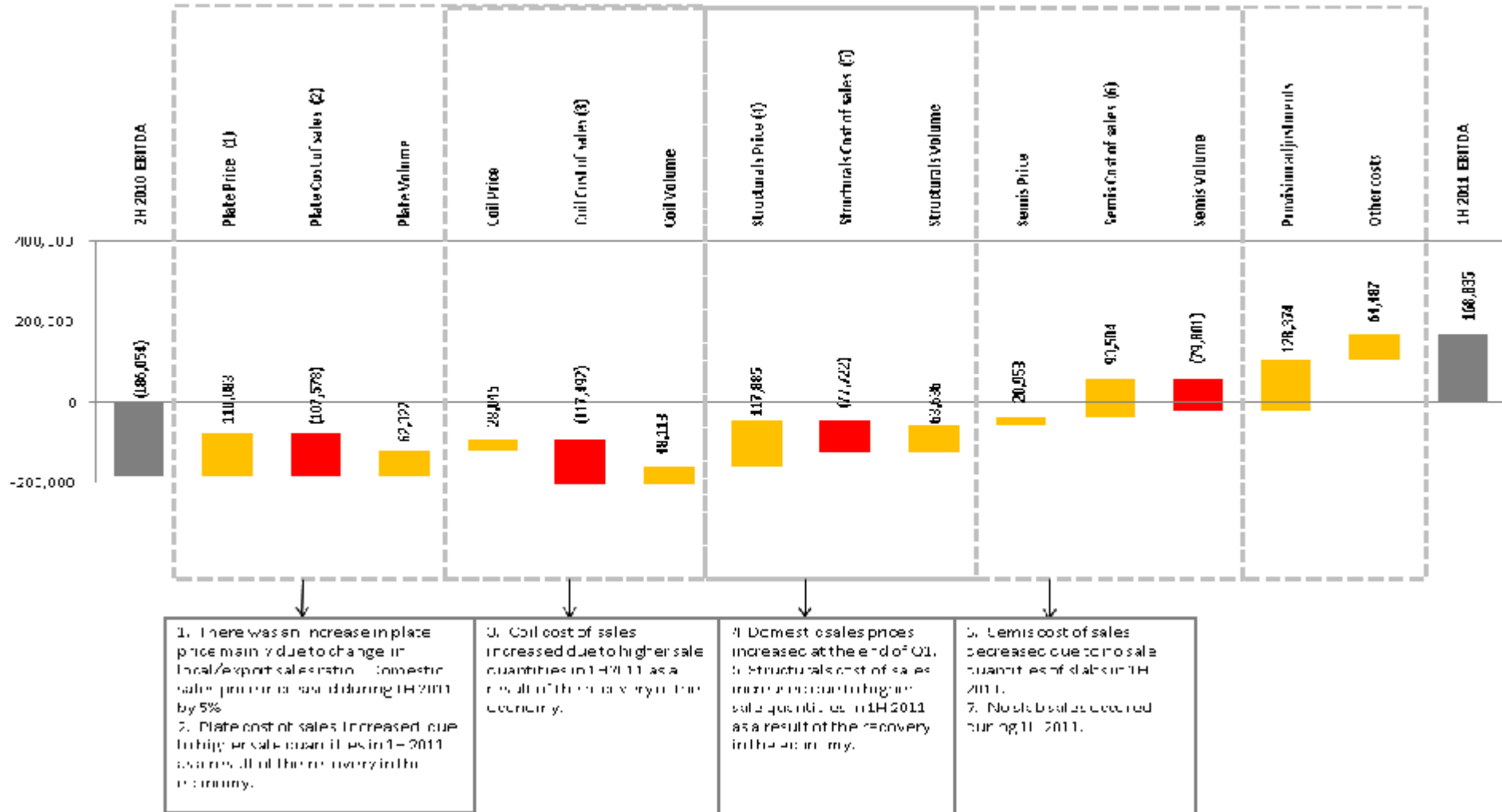
□ Group Financial Summary

Group Financial Summary

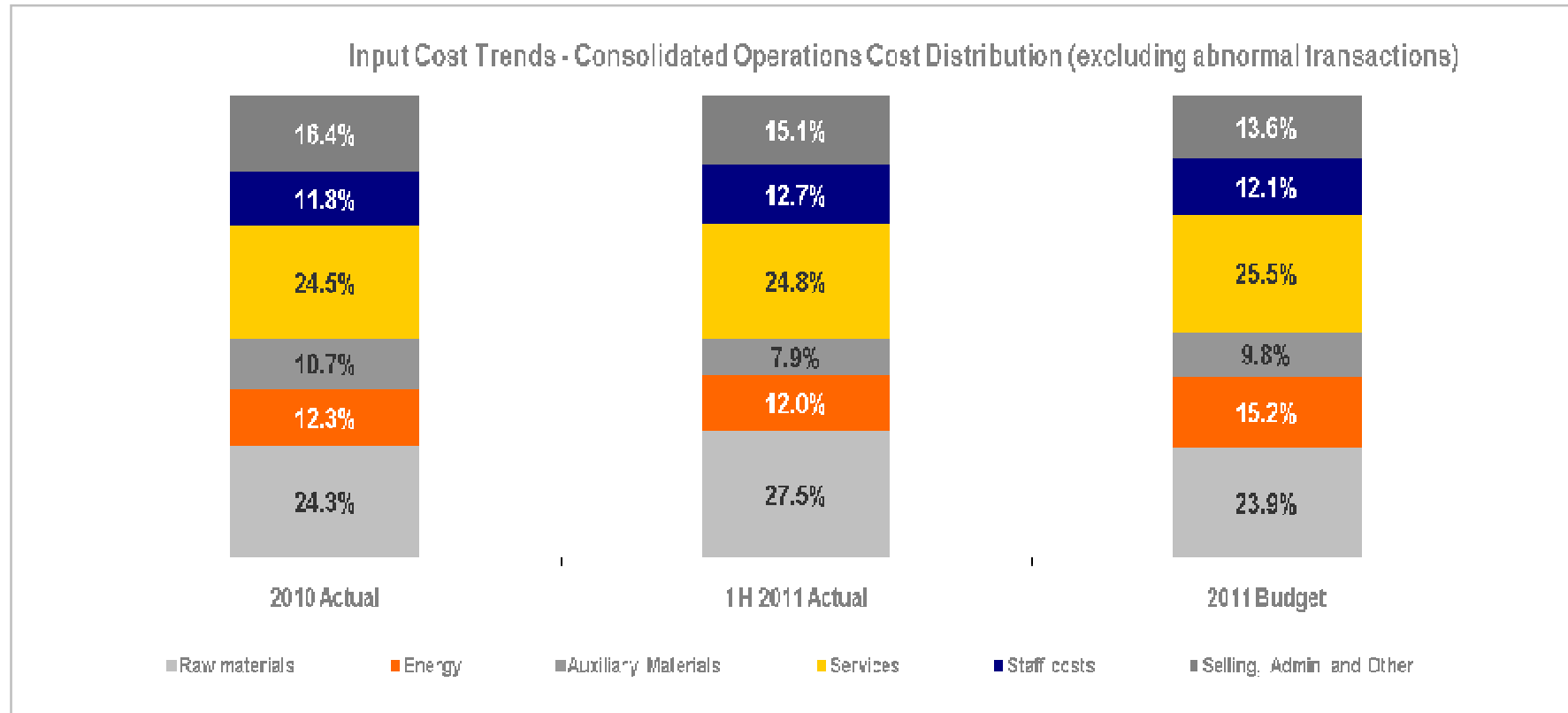
Rm	Q2'2011 Actual	Q2'2010 Actual	Var. Q2'11 / Q2'10	1 H 2011 Actual	1 H 2010 Actual	Var. 1H2011 / 1H2010
Revenue	1,483	1,316	12.7%	2,984	2,539	17.5%
EBITDA	116	(147)	263	169	(80)	249
EBITDA margin	7.8%	(11.2%)	n/a	5.7%	(3.0%)	n/a
Cash and cash equivalents	1,090	638	70.8%	1,090	638	70.8%
Net cash to shareholders equity	41.5%	21.8%	n/a	41.5%	21.8%	n/a
Total liabilities to shareholders equity	69.9%	58.1%	n/a	69.9%	58.1%	n/a
Return on Capital Employed (ROCE%)	1.4%	(6.5%)	n/a	2.0%	(7.2%)	n/a
Net Asset Value (NAV) cents per share	2,646	2,955	(10.5%)	2,646	2,955	(10.5%)

EBITDA 1H 2011 vs 2H 2010

Group EBITDA : 1H 2011 vs. 2H 2010 (R'000s)



Input Cost Trends: Total Operating Cost % ²⁸



□ Cash Flow

29

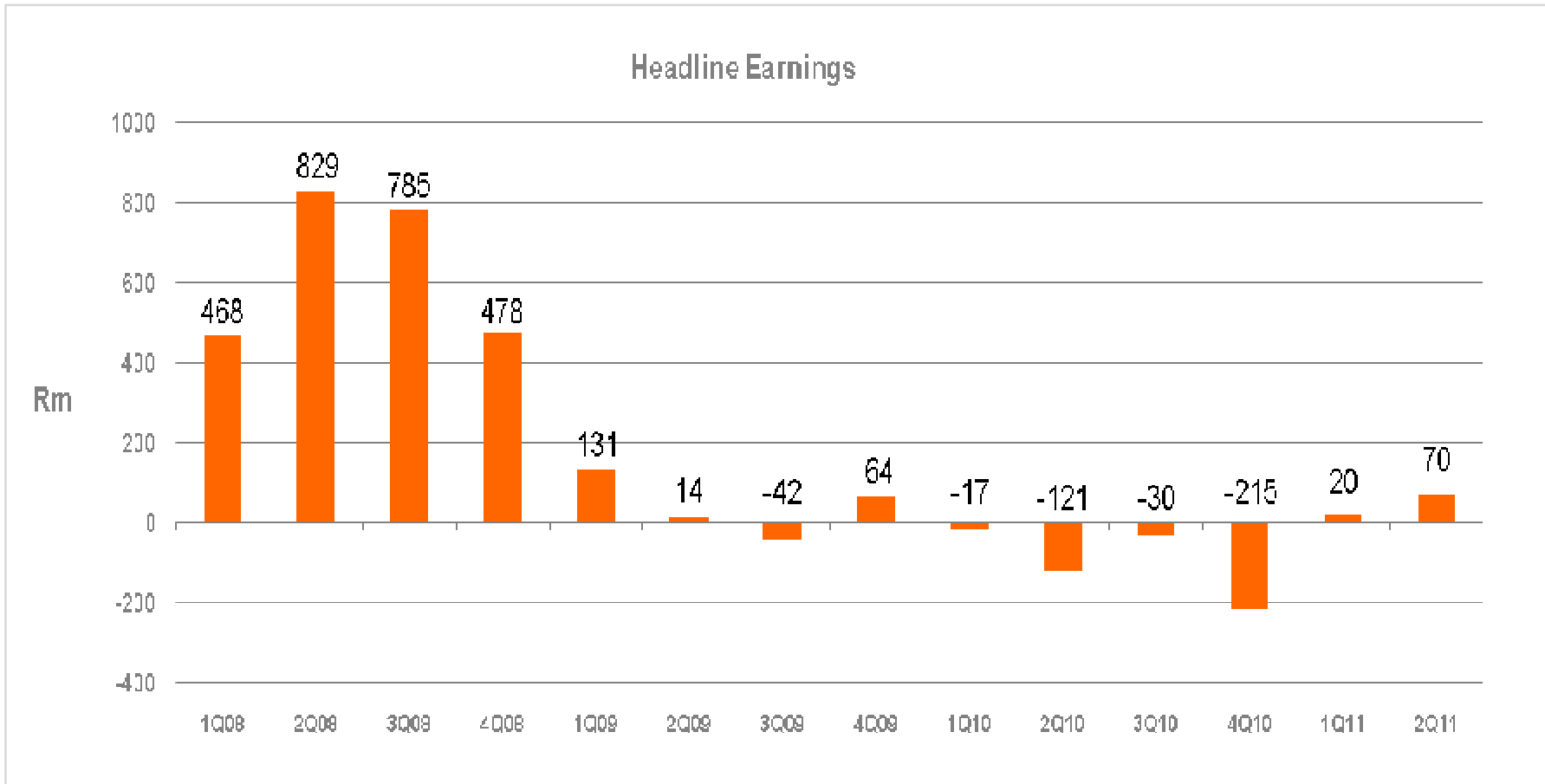
Rm	1H2011	2010
Cash generated from operations	744	(215)
Net interest and investment income	14	36
Taxation paid	(4)	(109)
CAPEX	(170)	(250)
Net increase/(decrease) in cash and cash equivalents	584	(538)
Effect of foreign exchange rate changes on cash	14	(42)
Net cash flow	598	(580)
Cash and Cash equivalents	1 090	492

□ Working Capital Movements

30

	1 H 2011	2010
Inventories	(260)	(144)
Finished products	(21)	(52)
Work-in-progress	(88)	15
Raw materials	(148)	(130)
Plant spares & stores	(3)	23
Trade and other receivables	36	115
Trade and other payables	271	(26)
Working capital movement	48	(155)

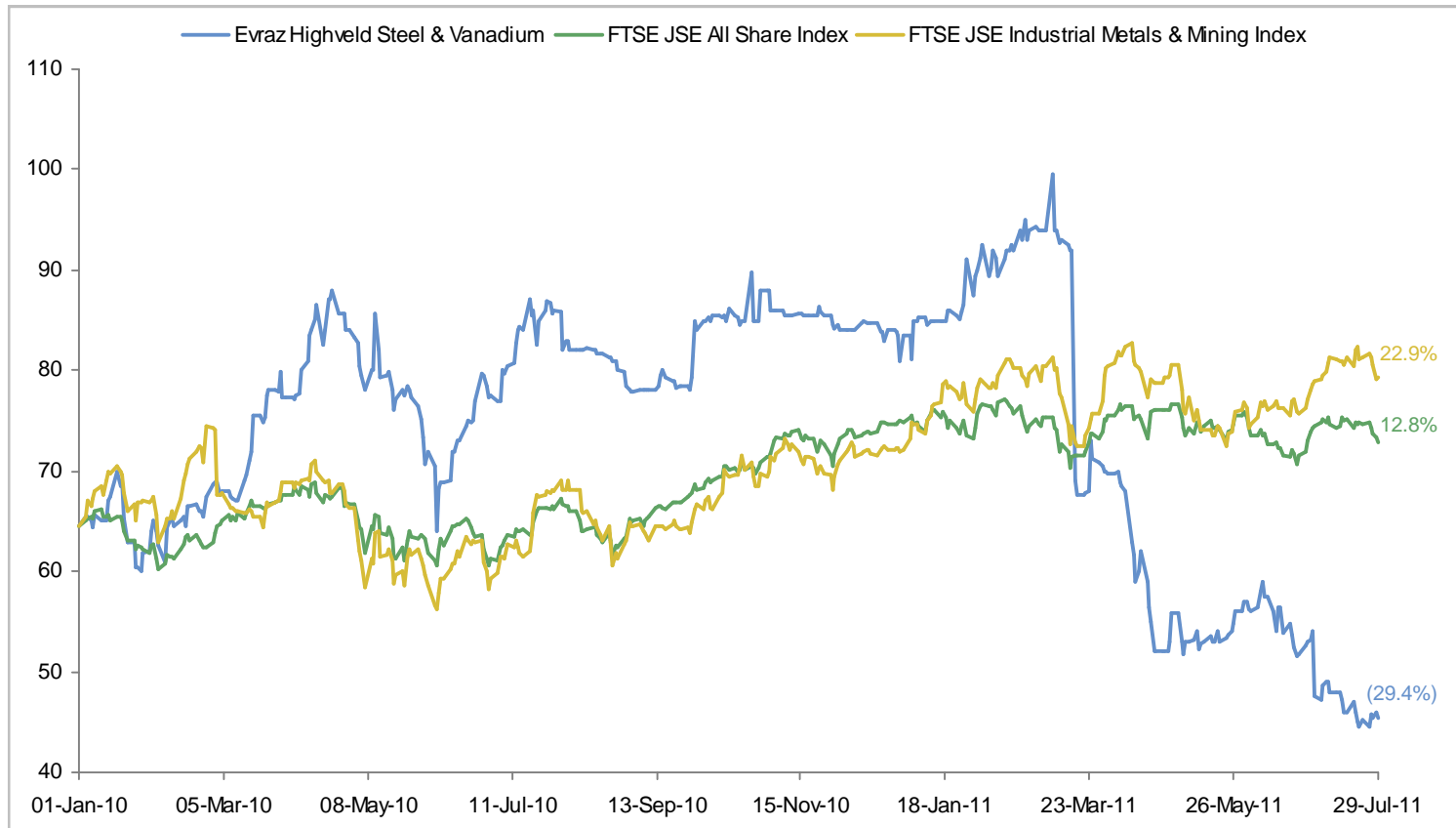
Headline Earnings Trends



Evraz Highveld share price performance

18 MONTH SHARE PRICE PERFORMANCE

18 month share price performance (rebased to Evraz Highveld)



Source: FactSet as of 15 August 2011

□ Investment Program



Michael Garcia
Chief Executive Officer

□ Capital Expenditure

00 Total budget for 2011: R507 million

00 Total committed funds to date: R440 million




00 Major Projects:

00	Furnace 7 conversion	R175 million
00	Environmental Projects	R20 million
00	Mapochs process improvements	R24 million
00	Major Maintenance projects	R145 million






Major Projects

- g The **Furnace 7 conversion project** should be completed within budget, but was delayed by 3 weeks due to the SEIFSA strike of the contractors
- g Substantial improvements in output and vanadium recovery and reduced dependency on metallurgical coal are expected
- g **Flat products mill shutdown** was successfully completed during the second week of July 2011 and the Mill is back to full production. Expecting improved mill performance.
- g **Structural mill** was shutdown during mid July and was brought back on line during the second week of August 2011.
- g It was a substantial shutdown with 2 main mill motor DC drives replaced, and the revamping of the pusher furnace and the RSM.
- g **Iron and steel plants** significant maintenance projects are nearly completed. Only the BOF 1 & 3 major rebuilds are to be completed by the end of August 2011

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 co-generation project needs to be co-ordinated with the Company's strategy for future technology improvements, especially in the Ironmaking division, which is currently being evaluated

Transformation

-  The Company achieved Level 5 BEE Contributor status in 2011
-  The HIV & Me initiative was launched at its Mapochs Mine in Roossenekal. A total of 30 primary schools will benefit from the initiative
-  Developing key partnerships with existing local contractors and suppliers for their economic development
-  Initiated its agricultural hydroponics project and in-house nursery at Mapochs Mine
-  Sponsorships to Steelworks and Mapochs Mine local communities

□ Outlook



Michael Garcia
Chief Executive Officer

□ Future Prospects

gg Operational environment

- gg Reduced production during Q3 2011 due to strikes of contractors and maintenance shutdowns
- gg Overall improvement of operational performance expected once maintenance shutdowns have been completed

gg Earnings

- gg Cash outflow in Q3 2011 expected as a result of the maintenance and capital projects
- gg Weaker global steel prices
- gg Lower earnings expected for Q3 2011 compared to Q2 2011

E-mail: ir@evrazhighveld.co.za

www.evrazhighveld.co.za

THANK YOU!

