

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

GROUP UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Chairman and CEO's Review

- Headline earnings loss of R28 million (September YTD 2010: loss of R168 million)
- Net loss of R31 million (September YTD 2010: loss of R172 million)
- Successful completion of most major maintenance works

1. Safety

The Lost Time Injury Frequency Rate ("LTIFR") as at 30 September 2011 was 1.45 which is an improvement from the 1.75 LTIFR recorded on 30 June 2011 and below the target rate of 1.50.

2. Key Financials

The operating loss for the period was R140 million, compared to a loss of R313 million for September YTD 2010. The main reasons for the improvement are higher sales volumes and prices. The EBITDA for the period was R41 million profit, compared to a R64 million loss for the same period last year. Sales revenue increased to R4 234 million from R3 911 million for the same period during 2010 as a result of higher sales volumes and prices.

3. Operations

Steel

The cast steel output for the 9 months ended 30 September 2011 decreased by 14% to 485 680 tons compared to the same period 2010, hot liquid metal output reduced by 18% for the period compared to the same period in 2010, mainly due to the conversion of Furnace 7 to open slag bath technology and the SEIFSA contractor strike.

Production of long products remained constant. The production of flat products decreased by 20%, due to the planned maintenance mill shut down, which commenced in June.

The maintenance projects of the idle primary equipment in the Iron and Steel plants are mostly complete. The projects were focused towards the improvement of equipment availability, the

upgrade of hot metal rail infrastructure and the installation of five of a possible 13 raw gas stack caps on the Ironmaking kilns.

The conversion of Furnace 7 was successfully completed with the first tapping executed during the third week of October. Vast improvements in output, vanadium recovery and the reduced dependency on metallurgical coal will be evident from the fourth quarter of 2011.

Extensive maintenance work was completed in the Steel plant. Basic Oxygen Furnace ("BOF") 1 has been successfully completed and the last work on BOF 3 will be completed by the end of November 2011.

The upgrade of the mills were ultimately finalised after some initial challenges encountered as a result of the SEIFSA contractor strike. The operational improvement of both mills is already evident and the targets for improved yield and quality should be met during the last quarter of 2011.

Vanadium

A total of 46 623 tons of vanadium slag was produced with 6 087 tons of V in V₂O₅ for the period, compared to 44 668 tons, with 6 023 tons of V in V₂O₅ produced for the same period last year.

4. Markets

Global and local markets

Annualised global steel output remains at 1.5 billion tons. Year-to-date global crude steel production increased by 8.7% year-on-year, with ex-China up by 6.2% and China up by 11.7%. Year-to-date local production decreased by 17.6% year-on-year.

Evraz Highveld Sales

Domestic steel sales volumes for the 9 months ended 30 September 2011, decreased by 1%, compared to 2010. Export steel sales volumes increased by 22%, with overall steel sales volumes increasing by 4%. A key driver for the increase in steel sales volumes was that, during the first nine months of 2010, a total of 2 781 tons of billets were exported, whereas during the 2011 period a total of 41 442 tons of billets were sold in the export market.

Domestic steel sales volumes of the third quarter 2011 decreased by 20%, compared to the second quarter of 2011. Export steel sales volumes decreased by 28% for the third quarter of 2011 compared to the second quarter, with a decrease of 21% for overall sales, which was mainly due to reduced production as a result of the maintenance shutdown of the mills and the SEIFSA contractor strike.

Export vanadium slag sales decreased by 11% for the 9 months ended 30 September 2011 compared to the same period in 2010. Domestic vanadium slag sales decreased by 74%, as a result of the tolling of slag into Modified Vanadium Oxide ("MVO") and Nitrovan at Evraz Vametco Alloys. A total of 1 099 tons V MVO and Nitrovan were sold during the period.

5. Change in directorate

Colin Brayshaw, an independent non-executive director, tendered his resignation effective 31 October 2011, after serving on the board and as Chairman of the Audit and Risk Committee since 1996. We thank Colin for the invaluable contribution he made during this period of time.

We are pleased to announce that Jan Valenta has been appointed the new Finance Director effective 31 October, after the resignation of Mrs Bernie de Beer. Jan joined the Company from Evraz Vitkovice Steel, situated in the Czech Republic where he was the Deputy Chief Financial Officer and Head of Controlling. We look forward to the positive contribution that Jan will bring to the business.

6. Outlook

Local demand for structural products is relatively strong for the year end. However, demand for flat products is weak, which will further be affected by the holiday closures over the festive season. Global markets are generally overstocked and international prices are expected to weaken due to sluggish demand.

With the successful completion of nearly all of the Company's extensive capital maintenance and improvement projects, significant operational and quality improvements will become more evident as from the last quarter of 2011.

As expected, the labour strikes and the maintenance programmes negatively impacted on the third quarter's results, which we believe will be neutralised by the end of the year, with prospects of further improvements during 2012.

B J T Shongwe
(Chairman)

M D Garcia
(Chief Executive Officer)

15 November 2011

Directors: B J T Shongwe (Chairman), G C Baizini (Italian), M Bhabha, A V Frolov (Russian), M D Garcia (Chief Executive Officer) (American), Mrs B Ngonyama, D Scuka (Czech), P M Surgey, P S Tatyannin (Russian), J Valenta (Czech) and T I Yanbukhtin (Russian)

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