



# Marketing, sales, services and logistics

## Customer focus strategy

**Customer focus initiatives, 2015 results** | During 2015, EVRAZ North America maintained a tight focus across three main activities:

In railway products, EVRAZ North America secured agreements to test the Apex G2 premium rail and welding technology and expanding its presence in the Brazilian rail market.

In tubular products, EVRAZ North America successfully expanded its portfolio of premium and semi-premium connections for shale and thermal applications of OCTG. Additionally, it established joint research programmes with LDP customers to optimise alloy designs, further enhance the field-weldability of pipe and offer expanded quality assurance and technical services to major customers.

In the flat division, EVRAZ North America started shifting the plate product portfolio towards higher-added-value products and succeeded in securing agreements with major end customers for trial batches of high-nickel plate (ASTM 533). It also obtained certifications from Lloyd and DNV for naval plate, and established sales channels for armour plate in Mexico, Dubai, Eastern Europe and Asia.



## CUSTOMER FOCUS TARGETS/OUTLOOK

### Continue shifting plate portfolio towards higher-added-value products

- Obtain qualification by major users for high-nickel plate for LNG tanks applications.
- Achieve full certification of API plate for offshore applications and secure initial orders.
- Leverage new armour sales channels to grow export volumes.

### Fully utilise EVRAZ Red Deer premium threading capacity and expand the portfolio of premium and semi-premium connections for OCTG

- Grow share of premium connections, semi-premium connections, and heat-treated pipe connections in Western Canada.

### Begin in-track testing of next-generation premium rails and of new welding technology and maintain full production levels in the Pueblo rail mill

- Conclude in-track testing and begin commercialisation of next-generation rail.

### Build pro-active end customer technical relationships

- Achieve qualification of internal and external coatings for pipe line.
- Expand LDP product range to include thicker wall pipe.

## KEY DEVELOPMENTS

### Long products

- Commenced in-track testing of the next generation of premium rails and of enhanced rail welding technology.
- Secured second allotment of trial rail wheels from North American Class I railways.
- Obtained qualification for supplying locomotive wheels.
- Expanded rail sales in Brazil.

### Tubular products

- Together with a major LDP customers, launched a research initiative to develop the next generation of steel alloys for energy pipelines.

### Flat products

- Established sales channels and distribution for armour products in Mexico, Dubai, and Eastern Europe and obtained approvals for use of plate in shipping applications.



## MARKETING STRATEGY

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EVRAZ North America intends to expand further in its main markets, continue enhancing its portfolio of engineered products, and continuously improve safety, quality and cost. In the short term, it aims to:

Commercialise its sixth generation of premium rails, which offer superior wear resistance and fracture toughness, along with rail welding technology that minimises the effect of the heat affected zone.

Optimise the capacity utilisation of its pipe-making assets to meet market demand, while investing in further improving quality across its steel value chain. At the Regina site, the Group has announced investments in a new large-diameter pipe (LDP) mill and new LDP coating joint venture, and upgrades to its steelmaking facility to further improve its ability to meet customers' quality and volume requirements.

Continue gaining market share in the oil country tubular goods (OCTG) segments in Western Canada by exploiting its geographical advantage and heat treatment capabilities, and boosting production of premium connectors.

Continue expanding its portfolio of engineered products across all lines and harnessing its technology centres to broaden technical relationships with customers and develop cost-effective products that meet their high requirements.