



Steelmaking & Rolling

Facility

EVRAZ Pueblo (USA)



Production facilities | The Pueblo, Colorado, site comprises three rolling mills: a rail mill; a seamless pipe mill that produces OCTG products for use in oil and gas exploration; and a wire rod and coiled reinforcing bar mill. EVRAZ also operates one EAF and a billet caster that supplies round billets to the hot rolling mills. The site also owns and operates the C&W railway, a short-line route that serves the Group's mills and connects the site to both the Burlington Northern Santa Fe and the Union Pacific railway lines, which results in minimal delivery costs to these customers.

Ownership: 100%

Employees: 1,077 people

Finished products: 1,034 kt per year

Output by key products, kt

Construction products

Wire rod and rebar	238
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Railway products

Rails	514
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Tubular products

Seamless pipe	35
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EVRAZ Regina (Canada)



Production facilities | The Regina, Saskatchewan, site is the largest steelmaking operation in Western Canada, comprises two electric arc furnaces (EAFs), a ladle furnace, a continuous variable-width slab caster, and a Steckel mill capable of rolling coil and plate up to 72" wide. The Regina site produces carbon steel slabs, flat-rolled discrete plate and coil, SDP and LDP. This pipe mill operations comprise a 24" rolling ERW mill, a 2" ERW mill, and four LDP HSAW mills. The Regina tubular mills are important suppliers to the energy markets in both Canada and the US.

Ownership: 100%

Employees: 1,007 people

Finished products: 998 kt per year

Output by key products, kt

Flat-rolled products

Coil	808
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Plate	58
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Tubular products

HSAW large-diameter line pipe	218
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ERW small-diameter line pipe	144
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EVRAZ Portland (USA)



Production facilities | The Portland site comprises a Steckel rolling mill, a plate quench and tempering facility, a structural tubing mill, and two helical submerged arc-welded (HSAW) mills for large-diameter pipe (LDP). The Portland rolling mill is the only plate mill on the West Coast. Its location near the confluence of the Willamette and Columbia rivers gives deep-water access to the Pacific Ocean and access to Class I railways and trucking routes serving the whole of North America. The Portland rolling mill produces a wide range of products, including armour and heat-treated plate.

Ownership: 100%

Employees: 620 people

Capacity

Finished products: 0.8 mt per year

Output by key products, kt

Tubular products

Large-diameter line pipe	84
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Hollow structural shapes	11
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Flat products

Plate	499
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Coil	141
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Key developments →

Facility

EVRAZ Red Deer
(Canada)



Production facilities | The Red Deer, Alberta, site comprises an ERW pipe mill producing OCTG and small-diameter pipe (SDP) and threading facilities for both API and premium connections.

Ownership: 100%
Employees: 152 people

Capacity

Finished products: 0.15 mt of pipe

Output by key products, kt

Tubular products	
ERW casing	53
ERW line pipe	31

EVRAZ Calgary
(Canada)



Production facilities | The Calgary site comprises an electric resistance welding (ERW) pipe mill specialising in oil country tubular goods (OCTG), including heat-treated casing. At this site, EVRAZ also operates tubing finishing facilities comprising upsetting, testing and threading, as well as small-diameter casing testing and threading.

Ownership: 100%
Employees: 180 people

Capacity

Finished products: 0.25 mt of pipe

Output by key products, kt of pipe

Tubular products	
ERW casing and tubing	87

EVRAZ Camrose
(Canada)



Production facilities | EVRAZ operates two pipe mills in Camrose, an ERW mill and a LSAW LDP mill. The ERW mill converts coils into line pipe up to 16" in outside diameter, primarily used in transportation of oil and gas from the well head to larger transmission lines. The LSAW mill converts plate into LDP used for energy transmission.

Ownership: 100%
Employees: 319 people

Capacity

(LSAW) LDP: 0.22 mt per year

ERW small-diameter line:
1.45 mt per year

Output by key products, kt

Tubular products	
Large-diameter LSAW line pipe	60
ERW line pipe	98

KEY DEVELOPMENTS

EVRAZ Pueblo

- o Achieved the second highest annual level of rail production on record.

EVRAZ Regina

- o Commenced installation of a new LDP mill.
- o Entered into a joint venture with WASCO Coatings Limited to build and operate a new LDP coating facility at the Regina site.
- o Commenced installation of a new LDP coating facility.
- o De-bottlenecked the double jointer area and increased finishing line productivity.

EVRAZ Portland

- o Re-lined re-heat furnace.
- o Sold the structural tubing mill generating proceeds of c.US\$50 million in cash. Ramped up the LDP mill to full utilisation.

EVRAZ Red Deer

- o Extended premium and semi-premium connections product lines.

EVRAZ Calgary

- o Completed upgrading the existing heat treat line and achieved an increase of c.50 thousand tpa in capacity.

EVRAZ Camrose

- o Implemented automated barcoding of line pipe to enhance identification and traceability.

Other

- o Tony Engel succeeded Glenda Minor as CFO.
- o Sold all remaining property of EVRAZ Claymont.

NPD REVIEW

EVRAZ Pueblo

- o Commenced in-track testing of the Apex G2 next generation rail.
- o Finalised laboratory level testing of rail welding technology to minimise heat-affected zone.

EVRAZ Portland

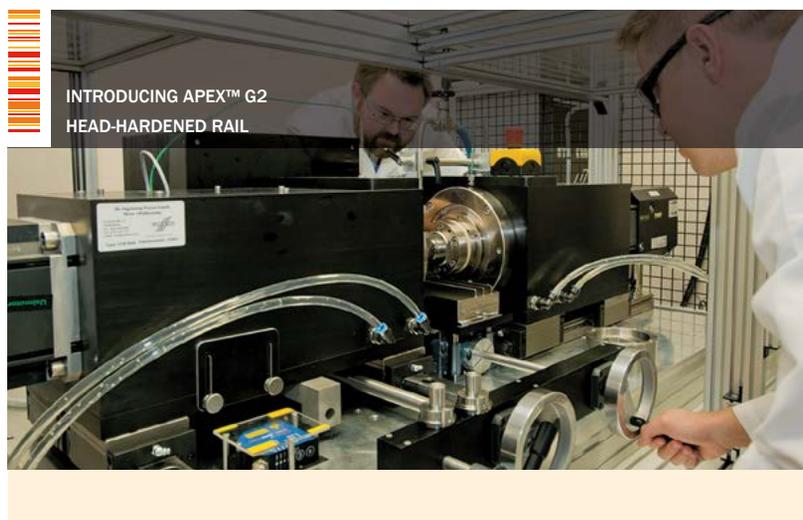
- o Completed laboratory testing of alloying, rolling, and quenching processing parameters of ASTM 533 high-nickel plate.
- o Finalised development of API plate for offshore applications.

EVRAZ Red Deer

- o Launched 9 5/8" OD premium connections for thermal applications.
- o Launched heavy-wall premium and semi-premium connections to supply shale applications.

EVRAZ Calgary

- o Qualified EVRAZ alloy casing grades to supply 'Region 1' sour service conditions.



In 2015, EVRAZ Pueblo launched a next-generation rail, Apex™ G2 head-hardened rail. Its design enhances track safety and performance, increases rail life and decreases lifecycle cost, all critical factors for class I and heavy-haul railway customers. Full production is expected in 2016.

Apex™ G2's superior performance is due to the combination of a patent-pending alloy design and heat treatment. Its increased strength and durability result in improved wear resistance. A 20% improvement in ductility (the ability to deform under stress) over conventional rail is unique and exceptional. While improved fracture toughness is usually sacrificed with greater strength, this is not the case with Apex™ G2. In addition, its weldability ensures ease of implementation and utilisation without the need for modified welding programmes.

OUTLOOK

As we enter 2016, EVRAZ outlook for the North American market remains cautiously optimistic in terms of overall demand.

EVRAZ expects end demand to remain robust for rails, LDP and plate, and continued weakness for OCTG and wire rod.

Rail

The Group expects demand to remain robust, with flat to marginally lower volumes compared with 2015, and continued improvement in premium rail penetration.

LDP

EVRAZ outlook for this market remains positive for the next few years (c.1.5 million tpa) with some downside risk due to low utilisation of competitors both in North America and offshore and the inherent uncertainties in the timing of regulatory approvals.

OCTG

The Group expects demand to remain subdued, as drilling activity is likely to remain well below that in 2014. Distributor inventory overhang could be largely eliminated by H2 2016.

Plate market

Prices are at historic lows. Non-residential construction and machinery sectors partly offset subdued agricultural equipment and orders for yellow goods. Access to imported slabs maintains attractive spreads and will likely provide a cost advantage over domestic EAF-based producers.

KEY PROJECTS

REGINA STEEL UPGRADES:

Install a vacuum degasser, upgrade rolling mill, down coiler, and cooling bed in Regina

Current state: Proceeding on-schedule

- Engineering complete
- Equipment foundations, roofing and wall cladding proceeding as scheduled
- Equipment acquired from USP has been shipped to Regina

CAPEX
US\$149 million

IRR
>35%

NEW LDP MILL IN REGINA:

Install a two-step LDP in Regina

Current state: Proceeding on-schedule

- New building's structure complete
- Equipment foundations, roofing and wall cladding proceeding as scheduled
- Equipment acquired from USP has been shipped to Regina

CAPEX
US\$73 million

IRR
30%

