

## CAPEX and key projects

In 2015, EVRAZ reduced its total capital expenditure to US\$428 million, compared with US\$654 million in 2014, primarily due to currency fluctuations and the completion of capital-intensive projects.

In Q4 2015, the Group launched the continuous casting machine at EVRAZ ZSMK and the plan is to reach full capacity in H2 2016. The Mezhegey coal project is in the final stage of development (launch of the mine is scheduled for 2016).

Two projects began at EVRAZ Regina in Canada with a total investment of over US\$200 million. These are at improving quality and widening the range of flat steel products and increasing the LDP production capacity. EVRAZ NTMK has started a project to build a new grinding ball mill to make sophisticated grades of that product, which are currently not manufactured in Russia.

Capital expenditure (including that recognised in financing activities) for 2015 in millions of US dollars is summarised in the table below.

### Capital expenditures in 2015, US\$ million

Construction of a large-diameter pipe (LDP) mill	51	Construction of a new mill at EVRAZ Regina has been in progress since Q2 2015 and is due to be completed in Q3 2016. Expected to add 150kt of tubular product capacity.
Coal deposit development	27	Mezhegey (phase 1). To be launched in 2016. Capacity of 1.5 mtpa.
Continuous casting machine (CCM) reconstruction	24	Reconstruction of the CCM at EVRAZ ZSMK was launched in Q4 2015. Capacity to increase to 2.2 mtpa.
Steel mill upgrade	18	Upgrade of EVRAZ Regina steel mill. In progress since Q2 2015. The aim is to improve steel quality, increase capacity for casting by 110kt and rolling by 250kt, and result in a crown yield saving from 0.75% to 1.1%.
Iron ore capacity expansion	8	The Sheregesh mine's output is due to reach 4.8 mtpa of raw ore.
Grinding ball mill construction	1	Construction of a new grinding ball mill at EVRAZ NTMK has been in progress since Q2 2015 and is due to be completed in Q2 2018. Expected to increase ball production to 300kt by 2018.
Other development projects	42	
Maintenance	257	
<b>TOTAL</b>	<b>428</b>	