

Severstal Releases 2007 Operational Results

February 5, 2008 – Severstal (LSE: SVST) today released its 2007 operational results as follows.

PRODUCTION VOLUMES

2007 overview

Production of crude steel in 2007 was 17.5 million tons, broadly in line with 2006 numbers. The decrease in production at SNA during the period (due to the planned relining of blast furnace "C") was compensated for mainly by growth in Russian Steel. Production of rolled products was 2% up year on year.

The increase in production of iron ore and pellets in 2007 was 6% (total production for sales). Net of intercompany sales production was 16% up year on year.

Total production for sales of coal was down 3% year on year. Net of intercompany sales production was 15% down year on year.

Consolidated production (net of intercompany sales)

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Hot metal: total throughput	12 768 370	12 949 237	1%	3 029 173	3 312 632	9%
Crude steel: total throughput	17 436 366	17 463 341	0%	4 012 139	4 437 934	11%
Production for sale, metric tons						
Coal:	5 229 106	4 408 155	-16%	644 052	1 071 447	66%
Coking coal concentrate	2 602 485	2 351 055	-10%	360 710	548 385	52%
Coking coal	633 716	230 428	-64%	59 516	123 182	107%
Steam coal	1 992 905	1 826 672	-8%	223 826	399 880	79%
Iron ore:	3 712 512	4 305 810	16%	1 131 553	1 244 826	10%
Iron ore pellets	3 712 512	4 159 512	12%	1 077 148	1 152 932	7%
Iron ore concentrate	0	146 298	-	54 405	91 893	69%
Semifinished products	1 517 824	1 820 624	20%	335 942	510 281	52%
Rolled products:	13 005 039	13 254 438	2%	3 148 942	3 288 138	4%
Hot-rolled strip and plate	5 977 573	5 909 881	-1%	1 405 910	1 443 466	3%
Cold-rolled sheet	2 144 779	1 903 037	-11%	444 314	503 090	13%
Galvanised and other metallic coated sheet	1 344 736	1 468 292	9%	384 880	354 347	-8%
Color coated sheet	147 740	229 518	55%	61 355	46 723	-24%
Long products	3 079 455	3 430 257	-11%	784 755	852 552	9%
Rails	310 756	313 454	1%	67 727	87 961	30%
Downstream products:	1 706 757	1 941 870	14%	475 541	501 887	6%
Metalware products	1 200 478	1 135 828	-5%	276 556	270 564	-2%
Large diameter pipes	11 800	299 331	-	81 005	113 448	40%
Other tubes and pipes, formed shapes	427 657	469 514	10%	117 981	117 875	0%
Wheels, axles, tires	66 822	37 197	-44%	0	0	-

Segmental information
Russian Steel

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Hot metal: total throughput	8 199 480	8 758 538	7%	2 138 479	2 251 229	5%
Crude steel: total throughput	11 296 415	11 898 556	5%	2 892 148	3 060 197	6%
Production for sale, metric tons						
Semifinished products	580 554	871 862	50%	135 309	241 333	78%
Rolled products:	8 945 148	9 426 112	5%	2 338 311	2 392 747	2%
Hot-rolled strip and plate	4 628 124	5 003 897	8%	1 264 760	1 284 851	2%
Cold-rolled sheet	1 571 865	1 435 163	-9%	334 606	369 764	11%
Galvanised and other metallic coated sheet	698 622	735 454	5%	176 810	180 135	2%
Color coated sheet	147 740	229 518	55%	61 355	46 723	-24%
Long products	1 898 797	2 022 080	6%	500 780	511 274	2%
Downstream products:	480 874	512 770	7%	128 714	130 884	2%
Metalware products	53 217	43 256	-19%	10 733	13 009	21%
Other tubes and pipes, formed shapes	427 657	469 514	10%	117 981	117 875	0%

SNA

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Hot metal: total throughput	2 142 808	1 656 314	-23%	271 187	429 525	58%
Crude steel: total throughput	2 573 418	1 979 725	-23%	319 987	506 241	58%
Production for sale, metric tons						
Rolled products:	2 619 268	2 386 045	-9%	547 938	573 017	5%
Hot-rolled strip and plate	1 400 240	1 185 333	-15%	230 161	265 478	15%
Cold-rolled sheet	572 914	467 874	-18%	109 708	133 326	22%
Galvanised and other metallic coated sheet	646 114	732 838	13%	208 070	174 212	-16%

Lucchini

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Hot metal: total throughput	2 426 082	2 534 385	4%	619 507	631 878	2%
Crude steel: total throughput	3 566 533	3 585 060	1%	800 004	871 496	9%
Production for sale, metric tons						
Semifinished products	1 318 270	1 222 808	-7%	309 269	311 933	1%
Rolled products:	2 238 156	2 329 701	4%	491 232	576 229	17%
Long products	1 927 400	2 016 247	5%	423 505	488 268	15%
Rails	310 756	313 454	1%	67 727	87 961	30%
Downstream products:	109 818	72 838	-34%	9 241	4 364	-53%
Metalware products	42 996	35 641	-17%	9 241	4 364	-53%
Wheels, axles, tires	66 822	37 197	-44%	0	0	0

Metalware

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Production for sale, metric tonnes						
Downstream products:						
Metalware products	1 104 265	1 056 931	-4%	256 581	253 191	-1%

Izhora pipe mill

Total throughput, metric tons	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Production for sale, metric tonnes						
Downstream products:						
Large diameter pipes	11 800	299 331	-	81 005	113 448	40%

Mining

Total throughput, metric tonnes	2006	2007	2007/ 2006	Q3 2007	Q4 2007	Q4/Q3
Production for sale, metric tons						
Coal:	9 662 428	9 463 103	-2%	1 841 459	2 352 829	28%
Coking coal concentrate	5 635 327	5 789 428	3%	1 261 377	1 491 359	18%
Coking coal	2 034 196	1 847 003	-9%	356 255	461 590	30%
Steam coal	1 992 905	1 826 672	-8%	223 826	399 880	79%
Iron ore:	13 917 724	14 695 474	6%	3 748 119	3 854 344	3%
Iron ore pellets	9 443 996	10 044 542	6%	2 552 362	2 678 107	5%
Iron ore concentrate	4 473 728	4 650 932	4%	1 195 757	1 176 237	-2%

AVERAGE SELLING PRICES

Consolidated sales

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
Coal:	58	59	67	12%
Coking coal concentrate	84	85	90	6%
Coking coal	31	30	32	7%
Steam coal	26	22	30	35%
Iron ore:	70	67	74	10%
Iron ore pellets	75	74	77	5%
Iron ore concentrate	59	54	65	20%
Semifinished products				
Rolled products:	727	755	730	-3%
Hot-rolled strip and plate	617	651	633	-3%
Cold-rolled sheet	676	690	674	-2%
Galvanised and other metallic coated sheet	883	875	865	-1%
Color coated sheet	1 219	1 300	1 170	-10%
Long products	818	857	810	-6%
Rails	740	687	790	15%
Downstream products:	1 072	1 119	1 160	4%
Metalware products	973	1 026	999	-3%
Large diameter pipes	1 764	1 898	1 900	0%
Other tubes and pipes, formed shapes	789	823	795	-3%
Wheels, axles, tires	2 683	0	0	0

Russian Steel

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
Semifinished products	436	471	459	-2%
Rolled products:	666	699	664	-5%
Hot-rolled strip and plate	620	657	639	-3%
Cold-rolled sheet	662	678	663	-2%
Galvanised and other metallic coated sheet	900	892	875	-2%
Color coated sheet	1 219	1 300	1 170	-10%
Long products	601	658	563	-14%
Downstream products:	791	823	797	-3%
Metalware products	815	819	811	-1%
Other tubes and pipes, formed shapes	789	823	795	-3%

SNA

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
<i>Rolled products:</i>	707	726	703	-3%
Hot-rolled strip and plate	605	620	603	-3%
Cold-rolled sheet	721	730	706	-3%
Galvanised and other metallic coated sheet	865	857	855	0%

Lucchini

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
<i>Semifinished products</i>	605	517	522	1%
<i>Rolled products:</i>	996	1 042	1 016	-2%
Long products	1 036	1 102	1 054	-4%
Rails	740	687	790	15%
<i>Downstream products:</i>	2 671	2 927	2 564	-12%
Metalware products	2 662	2 927	2 564	-12%
Wheels, axles, tires	2 683	0	0	-

Metalware

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
<i>Downstream products:</i>				
Metalware products	923	968	982	2%

Izhora pipe mill

Sales prices (EXW), USD/tonne	2007	Q3 2007	Q4 2007	Q4/Q3
<i>Downstream products:</i>				
Large diameter pipes	1 764	1 898	1 900	0%

Mining

Sales prices (EXW), USD/ton	2007	Q3 2007	Q4 2007	Q4/Q3
<i>Coal:</i>	58	59	67	12%
Coking coal concentrate	84	85	90	6%
Coking coal	31	30	32	7%
Steam coal	26	22	30	35%
<i>Iron ore:</i>	70	67	74	10%
Iron ore pellets	75	74	77	5%
Iron ore concentrate	59	54	65	20%

Quarterly numbers for 2006 are unable because Severstal started to report quarterly results since 2007.

Notes:

Semifinished products include slabs, billets, ingots, steel casting and forgings.