

# Severstal

## Severstal Releases Q1 2009 Operational Results

April 29, 2009 – Severstal (LSE: SVST) today released its Q1 2009 operational results as follows.

### PRODUCTION VOLUMES

#### Q1 2009 overview

Production of crude steel in Q1 2009 was 3.8 million tonnes, 21% higher than in the previous quarter. Production of rolled products rose 16% to 2.9 million tonnes q-o-q. Total production of iron ore pellets in Q1 2009 was 10% lower than in Q4 2008, iron ore concentrate production was up by 21% and coal production decreased by 13%.

In 2009, production volumes for Metalware and the Izhora Pipe Mill are being included in the Russian Steel division. Due to these changes we have restated Q1 2008 and Q4 2008 production numbers for the Russian Steel division.

#### Consolidated production of hot metal and crude steel

Total throughput, metric tonnes	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
Hot metal: total throughput	3,272,799	2,606,464	-20%	2,209,616	2,606,464	18%
Crude steel: total throughput	4,794,863	3,796,734	-21%	3,142,828	3,796,734	21%

#### Consolidated production (net of intercompany sales)

Production for sale, metric tonnes unless otherwise stated	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
<b>Coal:</b>	755,982	1,027,610	36%	1,319,592	1,027,610	-22%
Coking coal concentrate	289,337	182,104	-37%	493,651	182,104	-63%
Coking coal	44,616	6,616	-85%	25,880	6,616	-74%
Steam coal	422,028	838,890	99%	800,061	838,890	5%
<b>Iron ore:</b>	1,534,309	577,142	-62%	974,613	577,142	-41%
Iron ore pellets	1,310,939	576,989	-56%	944,180	576,989	-39%
Iron ore concentrate	223,370	153	-100%	30,433	153	-99%
<b>Gold (kilogrammes)</b>	900	3,514	290%	2,562	3,514	37%
<b>Semifinished products</b>	521,542	357,363	-31%	401,210	357,363	-11%
<b>Rolled products:</b>	3,547,465	2,909,818	-18%	2,513,328	2,909,818	16%
Hot-rolled strip and plate	1,571,523	1,435,411	-9%	987,946	1,435,411	45%
Cold-rolled sheet	518,667	535,414	3%	488,641	535,414	10%
Galvanised and other metallic coated sheet	394,277	347,691	-12%	422,459	347,691	-18%
Color coated sheet	58,467	56,758	-3%	47,730	56,758	19%
Long products	916,633	440,664	-52%	465,720	440,664	-5%
Rails	87,899	93,880	7%	100,832	93,880	-7%
<b>Downstream products:</b>	469,818	317,247	-32%	383,518	317,247	-17%
Metalware products	269,746	178,118	-34%	204,777	178,118	-13%
Large diameter pipes	78,049	52,506	-33%	116,732	52,506	-55%
Other tubes and pipes, formed shapes	122,023	86,623	-29%	62,010	86,623	40%

## Segmental information

### Mining

Production for sale, metric tonnes unless otherwise stated	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
<b>Coal:</b>	1,814,799	1,723,042	-5%	1,970,510	1,723,042	-13%
Coking coal concentrate	1,185,770	877,536	-26%	1,089,538	877,536	-19%
Coking coal	207,001	6,616	-97%	80,911	6,616	-92%
Steam coal	422,028	838,890	99%	800,061	838,890	5%
<b>Iron ore:</b>	3,778,094	2,550,271	-32%	2,485,870	2,550,271	3%
Iron ore pellets	2,627,162	1,369,833	-48%	1,513,720	1,369,833	-10%
Iron ore concentrate	1,150,932	1,180,438	3%	972,150	1,180,438	21%
<b>Gold (kilogrammes)</b>	900	3,514	290%	2,562	3,514	37%

\* In April 2008, we sold Kuzbassugol to Arcelor Mittal.

### Russian Steel

Total throughput, metric tonnes	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
Hot metal: total throughput	2,311,162	1,561,570	-32%	1,289,436	1,561,570	21%
Crude steel: total throughput	3,186,508	2,071,147	-35%	1,657,971	2,071,147	25%
<b>Production for sale, metric tonnes</b>						
<b>Semifinished products</b>	239,421	227,966	-5%	206,399	227,966	10%
<b>Rolled products:</b>	2,393,823	1,506,278	-37%	1,421,162	1,506,278	6%
Hot-rolled strip and plate	1,188,505	919,753	-23%	603,341	919,753	52%
Cold-rolled sheet	367,800	237,344	-35%	247,348	237,344	-4%
Galvanised and other metallic coated sheet	181,178	79,938	-56%	107,362	79,938	-26%
Color coated sheet	58,467	50,298	-14%	40,695	50,298	24%
Long products	369,776	218,945	-41%	191,568	218,945	14%
<b>Downstream products:</b>	463,165	284,338	-39%	338,210	284,338	-16%
Metalware products	263,093	145,037	-45%	159,469	145,037	-9%
Large diameter pipes	78,049	52,506	-33%	116,732	52,506	-55%
Other tubes and pipes, formed shapes	122,023	86,795	-29%	62,010	86,795	40%

### North America

Total throughput, metric tonnes	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
Hot metal: total throughput	331,487	717,995	117%	579,799	717,995	24%
Crude steel: total throughput	711,443	1,344,501	89%	1,002,132	1,344,501	34%
<b>Production for sale, metric tonnes</b>						
<b>Semifinished products</b>	0	12,137	n/a	18,488	12,137	-34%
<b>Rolled products:</b>	746,983	1,088,263	46%	948,031	1,088,263	15%
Hot-rolled strip and plate	383,018	515,980	35%	384,605	515,980	34%
Cold-rolled sheet	150,867	298,070	98%	241,293	298,070	24%
Galvanised and other metallic coated sheet	213,099	267,753	26%	315,098	267,753	-15%
Color coated sheet	0	6,460	n/a	7,035	6,460	-8%
<b>Downstream products:</b>	0	24,250	n/a	33,143	24,250	-27%
Metalware products	0	24,250	n/a	33,143	24,250	-27%

## **Lucchini**

<b>Total throughput, metric tonnes</b>	<b>Q1 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q1 2008</b>	<b>Q4 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q4 2008</b>
Hot metal: total throughput	630,150	326,899	-48%	340,381	326,899	-4%
Crude steel: total throughput	896,912	381,086	-58%	482,725	381,086	-21%
<b>Production for sale, metric tonnes</b>						
<b>Semifinished products</b>	282,121	117,260	-58%	176,322	117,260	-33%
<b>Rolled products:</b>	634,756	317,275	-50%	377,818	317,275	-16%
Long products	546,857	223,395	-59%	276,986	223,395	-19%
Rails	87,899	93,880	7%	100,832	93,880	-7%
<b>Downstream products:</b>	6,653	9,422	42%	12,165	9,422	-23%
Metalware products	6,653	9,422	42%	12,165	9,422	-23%

## **AVERAGE SELLING PRICES**

### **Consolidated sales**

<b>Sales prices (EXW), USD/tonne unless otherwise stated</b>	<b>Q1 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q1 2008</b>	<b>Q4 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q4 2008</b>
<b>Coal:</b>	91	61	-33%	90	61	-33%
Coking coal concentrate	123	91	-26%	129	91	-29%
Coking coal	47	10	-78%	36	10	-72%
Steam coal	32	42	30%	39	42	7%
<b>Iron ore:</b>	91	41	-55%	68	41	-39%
Iron ore pellets	97	45	-53%	82	45	-45%
Iron ore concentrate	77	35	-54%	50	35	-30%
<b>Gold (USD/kilogramme)</b>	30,744	29,939	-3%	27,289	29,939	10%
<b>Semifinished products</b>						
<b>Rolled products:</b>	769	645	-16%	958	645	-33%
Hot-rolled strip and plate	640	494	-23%	849	494	-42%
Cold-rolled sheet	686	660	-4%	956	660	-31%
Galvanised and other metallic coated sheet	872	893	2%	1,076	893	-17%
Color coated sheet	1,165	951	-18%	1,440	951	-34%
Long products	900	750	-17%	932	750	-20%
Rails	901	1,002	11%	887	1,002	13%
<b>Downstream products:</b>	1,146	1,053	-8%	1,478	1,053	-29%
Metalware products	1,044	1,003	-4%	1,417	1,003	-29%
Large diameter pipes	2,051	1,850	-10%	2,560	1,850	-28%
Other tubes and pipes, formed shapes	814	538	-34%	944	538	-43%

### **Mining**

<b>Sales prices (EXW), USD/tonne unless otherwise stated</b>	<b>Q1 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q1 2008</b>	<b>Q4 2008</b>	<b>Q1 2009</b>	<b>Q1 2009/ Q4 2008</b>
<b>Coal:</b>	91	61	-33%	90	61	-33%
Coking coal concentrate	123	91	-26%	129	91	-29%
Coking coal	47	10	-78%	36	10	-72%
Steam coal	32	42	30%	39	42	7%
<b>Iron ore:</b>	91	41	-55%	68	41	-39%
Iron ore pellets	97	45	-53%	82	45	-45%
Iron ore concentrate	77	35	-54%	50	35	-30%
<b>Gold (USD/kilogramme)</b>	30,744	29,939	-3%	27,289	29,939	10%

## **Russian Steel**

Sales prices (EXW), USD/tonne	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
<b>Semifinished products</b>	502	320	-36%	524	320	-39%
<b>Rolled products:</b>	689	452	-34%	847	452	-47%
Hot-rolled strip and plate	663	419	-37%	935	419	-55%
Cold-rolled sheet	680	479	-30%	865	479	-45%
Galvanised and other metallic coated sheet	884	664	-25%	1,013	664	-34%
Color coated sheet	1,165	913	-22%	1,392	913	-34%
Long products	627	408	-35%	542	408	-25%
<b>Downstream products:</b>	1,146	992	-13%	1,423	992	-30%
Metalware products	1,042	867	-17%	1,323	867	-34%
Large diameter pipes	2,051	1,850	-10%	2,560	1,850	-28%
Other tubes and pipes, formed shapes	814	538	-34%	944	538	-43%

## **North America**

Sales prices (EXW), USD/tonne	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
<b>Semifinished products</b>	0	462	n/a	640	462	-28%
<b>Rolled products:</b>	710	757	6%	1,006	757	-25%
Hot-rolled strip and plate	622	605	-3%	904	605	-33%
Cold-rolled sheet	702	793	13%	1,029	793	-23%
Galvanised and other metallic coated sheet	863	951	10%	1,090	951	-13%
Color coated sheet	0	1,214	n/a	1,692	1,214	-28%
<b>Downstream products:</b>	0	1,643	n/a	1,852	1,643	-11%
Metalware products	0	1,643	n/a	1,852	1,643	-11%

## **Lucchini**

Sales prices (EXW), USD/tonne	Q1 2008	Q1 2009	Q1 2009/ Q1 2008	Q4 2008	Q1 2009	Q1 2009/ Q4 2008
<b>Semifinished products</b>	592	554	-6%	696	554	-20%
<b>Rolled products:</b>	1,132	1,071	-5%	1,244	1,071	-14%
Long products	1,163	1,102	-5%	1,357	1,102	-19%
Rails	901	1,002	11%	887	1,002	13%
<b>Downstream products:</b>	1,121	1,071	-4%	1,264	1,071	-15%
Metalware products	1,121	1,071	-4%	1,264	1,071	-15%

### **Note:**

Semifinished products include hot metal, pig iron, slabs, billets, ingots, steel casting and forgings.