

Severstal Releases Q3 2009 Operational Results

October 26, 2009 – Severstal (LSE: SVST) today released its Q3 2009 operational results as follows.

PRODUCTION VOLUMES

Q3 2009 overview

Production of crude steel in Q3 2009 was 4,519 thousand tonnes, 19% higher than in the previous quarter. Production of rolled products also increased by 19% to 3,426 thousand tonnes q-o-q. Total production of iron ore pellets in Q3 2009 was 13% higher than in Q2 2009, iron ore concentrate production was up by 10% and coal production increased by 16%.

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 Q3 2008 production numbers for the Russian Steel division.

Consolidated production of hot metal and crude steel

Total throughput, metric tonnes	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Hot metal: total throughput	4,323,240	3,304,890	-24%	2,795,363	3,304,890	18%
Crude steel: total throughput	6,008,750	4,518,672	-25%	3,813,117	4,518,672	19%

Consolidated production (net of intercompany sales)

Production for sale, metric tonnes unless otherwise stated	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Coal:	1,055,278	1,500,714	42%	1,051,258	1,500,714	43%
Coking coal concentrate	355,177	328,106	-8%	45,277	328,106	n.m.
PBS Coal	0	114,872	n.m.	19,516	114,872	n.m.
Coking coal	86,290	11,664	-86%	81,290	11,664	-86%
Steam coal	613,810	1,160,945	89%	924,691	1,160,945	26%
PBS Coal	0	446,958	n.m.	447,991	446,958	0%
Iron ore:	1,138,118	1,442,325	27%	1,107,170	1,442,325	30%
Iron ore pellets	1,050,650	1,329,536	27%	1,107,170	1,329,536	20%
Iron ore concentrate	87,468	112,789	29%	0	112,789	n.m.
Gold (oz tr.)	45,043	143,614	219%	111,113	143,614	29%
Semifinished products	727,851	513,583	-29%	139,619	513,583	268%
Rolled products:	4,233,193	3,425,766	-19%	2,874,195	3,425,766	19%
Hot-rolled strip and plate	1,986,769	1,734,119	-13%	1,356,389	1,734,119	28%
Cold-rolled sheet	727,573	717,026	-1%	611,317	717,026	17%
Galvanised and metallic coated sheet	610,814	489,587	-20%	424,033	489,587	15%
Color coated sheet	65,555	80,851	23%	69,759	80,851	16%
Long products	787,556	376,134	-52%	358,186	376,134	5%
Rails	54,927	28,049	-49%	54,511	28,049	-49%
Downstream products:	516,608	422,388	-18%	345,345	422,388	22%
Metalware products	249,719	229,120	-8%	199,333	229,120	15%
Large diameter pipes	134,424	80,432	-40%	34,739	80,432	132%
Other tubes and pipes, formed shapes	132,466	112,835	-15%	111,273	112,835	1%

Segmental information

Mining

Production for sale, metric tonnes unless otherwise stated	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Coal:	1,997,203	2,446,559	22%	2,109,561	2,446,559	16%
Coking coal concentrate	1,106,384	1,273,951	15%	1,103,580	1,273,951	15%
PBS Coal	0	185,148	n.m.	37,200	185,148	n.m.
Coking coal	277,009	11,664	-96%	81,290	11,664	-86%
Steam coal	613,810	1,160,945	89%	924,691	1,160,945	26%
PBS Coal	0	446,958	n.m.	447,991	446,958	0%
Iron ore:	3,919,119	3,786,182	-3%	3,387,060	3,786,182	12%
Iron ore pellets	2,640,085	2,394,946	-9%	2,118,849	2,394,946	13%
Iron ore concentrate	1,279,034	1,391,236	9%	1,268,211	1,391,236	10%
Gold (oz tr.)	45,043	143,614	219%	111,113	143,614	29%

Russian Steel

Total throughput, metric tonnes	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Hot metal: total throughput	2,294,702	2,001,667	-13%	1,626,297	2,001,667	23%
Crude steel: total throughput	3,177,342	2,703,784	-15%	2,123,501	2,703,784	27%
Production for sale, metric tonnes						
Semifinished products	256,731	303,136	18%	96,835	303,136	213%
Rolled products:	2,151,804	1,908,594	-11%	1,605,663	1,908,594	19%
Hot-rolled strip and plate	1,161,890	1,164,696	0%	962,424	1,164,696	21%
Cold-rolled sheet	375,189	370,736	-1%	348,506	370,736	6%
Galvanised and metallic coated sheet	192,695	152,352	-21%	111,642	152,352	36%
Color coated sheet	60,398	58,187	-4%	56,531	58,187	3%
Long products	361,631	162,624	-55%	126,560	162,624	28%
Downstream products:	476,358	381,629	-20%	319,302	381,629	20%
Metalware products	209,468	188,162	-10%	172,623	188,162	9%
Large diameter pipes	134,424	80,460	-40%	35,289	80,460	128%
Other tubes and pipes, formed shapes	132,466	113,006	-15%	111,390	113,006	1%

North America

Total throughput, metric tonnes	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Hot metal: total throughput	1,429,900	964,326	-33%	851,893	964,326	13%
Crude steel: total throughput	2,068,252	1,444,848	-30%	1,229,371	1,444,848	18%
Production for sale, metric tonnes						
<i>Rolled products:</i>	1,600,537	1,275,632	-20%	982,648	1,275,632	30%
Hot-rolled strip and plate	824,878	569,443	-31%	394,218	569,443	44%
Cold-rolled sheet	352,384	346,290	-2%	262,812	346,290	32%
Galvanised and metallic coated sheet	418,119	337,235	-19%	312,391	337,235	8%
Color coated sheet	5,156	22,664	n.m.	13,228	22,664	71%
<i>Downstream products:</i>	29,730	31,878	7%	15,423	31,878	107%
Metalware products	29,730	31,878	7%	15,423	31,878	107%

Lucchini

Total throughput, metric tonnes	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Hot metal: total throughput	598,638	338,897	-43%	317,173	338,897	7%
Crude steel: total throughput	763,156	370,040	-52%	460,245	370,040	-20%
Production for sale, metric tonnes						
<i>Semifinished products</i>	280,213	250,618	-11%	35,082	250,618	n.m.
<i>Rolled products:</i>	480,852	251,507	-48%	294,895	251,507	-15%
Long products	425,925	223,458	-48%	240,384	223,458	-7%
Rails	54,927	28,049	-49%	54,511	28,049	-49%
<i>Downstream products:</i>	10,266	9,463	-8%	11,495	9,463	-18%
Metalware products	10,266	9,463	-8%	11,495	9,463	-18%

AVERAGE SELLING PRICES

Consolidated sales

Sales prices (EXW), USD/tonne unless otherwise stated	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Coal:	122	62	-49%	64	62	-3%
Coking coal concentrate	169	75	-55%	81	75	-7%
PBS Coal	0	107	n.m.	95	107	13%
Coking coal	69	26	-62%	25	26	5%
Steam coal	35	39	11%	41	39	-5%
PBS Coal	0	57	n.m.	59	57	-4%
Iron ore:	98	39	-60%	40	39	-2%
Iron ore pellets	108	44	-60%	43	44	1%
Iron ore concentrate	78	32	-59%	35	32	-8%
Gold (USD/oz tr.)	918	959	4%	934	959	3%
Semifinished products	907	384	-58%	358	384	7%
Rolled products:	1,184	594	-50%	582	594	2%
Hot-rolled strip and plate	1,117	476	-57%	423	476	13%
Cold-rolled sheet	1,113	563	-49%	565	563	0%
Galvanised and metallic coated sheet	1,193	817	-32%	789	817	4%
Color coated sheet	1,642	1,051	-36%	979	1,051	7%
Long products	1,319	674	-49%	738	674	-9%
Rails	989	1,034	4%	944	1,034	10%
Downstream products:	1,864	1,038	-44%	1,133	1,038	-8%
Metalware products	1,655	943	-43%	973	943	-3%
Large diameter pipes	2,950	1,840	-38%	2,120	1,840	-13%
Other tubes and pipes, formed shapes	1,271	579	-54%	546	579	6%

Mining

Sales prices (EXW), USD/tonne unless otherwise stated	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Coal:	122	62	-49%	64	62	-3%
Coking coal concentrate	169	75	-55%	81	75	-7%
PBS Coal	0	107	n.m.	95	107	13%
Coking coal	69	26	-62%	25	26	5%
Steam coal	35	39	11%	41	39	-5%
PBS Coal	0	57	n.m.	59	57	-4%
Iron ore:	98	39	-60%	40	39	-2%
Iron ore pellets	108	44	-60%	43	44	1%
Iron ore concentrate	78	32	-59%	35	32	-8%
Gold (USD/oz tr.)	918	959	4%	934	959	3%

Russian Steel

Sales prices (EXW), USD/tonne	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Semifinished products	914	341	-63%	289	341	18%
Rolled products:	1,181	501	-58%	442	501	13%
Hot-rolled strip and plate	1,176	462	-61%	386	462	20%
Cold-rolled sheet	1,089	485	-55%	459	485	6%
Galvanised and metallic coated sheet	1,339	726	-46%	609	726	19%
Color coated sheet	1,626	1,030	-37%	961	1,030	7%
Long products	1,146	470	-59%	443	470	6%
Downstream products:	1,881	1,009	-46%	1,102	1,009	-8%
Metalware products	1,649	857	-48%	858	857	0%
Large diameter pipes	2,950	1,840	-38%	2,120	1,840	-13%
Other tubes and pipes, formed shapes	1,271	579	-54%	546	579	6%

North America

Sales prices (EXW), USD/tonne	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Rolled products:	1,110	674	-39%	667	674	1%
Hot-rolled strip and plate	1,084	506	-53%	495	506	2%
Cold-rolled sheet	1,135	653	-42%	661	653	-1%
Galvanised and metallic coated sheet	1,132	849	-25%	835	849	2%
Color coated sheet	1,860	1,118	-40%	1,067	1,118	5%
Downstream products:	1,788	1,388	-22%	1,526	1,388	-9%
Metalware products	1,788	1,388	-22%	1,526	1,388	-9%

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Sales prices (EXW), USD/tonne	Q3 2008	Q3 2009	Change,%	Q2 2009	Q3 2009	Change,%
Semifinished products	848	419	-51%	474	419	-12%
Rolled products:	1,475	891	-40%	914	891	-2%
Long products	1,535	873	-43%	908	873	-4%
Rails	989	1,033	4%	944	1,033	9%
Downstream products:	1,363	966	-29%	1,011	966	-4%
Metalware products	1,363	966	-29%	1,011	966	-4%

Note:

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