

## Consolidated Income Statement

		<b>Year ended December 31, 2008*</b>
	<u>Note</u>	<u></u>
<b>Sales</b>		
Sales - external		22 138 418
Sales - to related parties	11	254 299
	4	<u>22 392 717</u>
Cost of sales		<u>(16 499 914)</u>
<b>Gross profit</b>		5 892 803
General and administrative expenses		(1 026 790)
Distribution expenses		(1 117 776)
Other taxes and contributions		(178 886)
Share of associates' profit/(loss)		(3 400)
Net (loss)/gain from securities operations	6	(96 812)
Loss on disposal of property, plant and equipment		(43 278)
Net other operating (expenses)/income	7	<u>790 580</u>
<b>(Loss)/profit from operations</b>		4 216 441
Impairment of non-current assets	8	(1 540 263)
Negative goodwill	29	292 326
Net other non-operating (expenses)/income	9	<u>238 945</u>
<b>(Loss)/profit before financing and taxation</b>		3 207 449
Interest income		155 232
Interest expense		(508 369)
Foreign exchange difference		<u>(274 920)</u>
<b>(Loss)/profit before income tax</b>		2 579 392
Income tax expense	10	<u>(517 466)</u>
<b>(Loss)/profit from continuing operations</b>		<u>2 061 926</u>
Profit from discontinued operations	28	-
<b>(Loss)/profit for the year</b>		<u><u>2 061 926</u></u>
Attributable to:		
shareholders of OAO Severstal		2 028 972
non-controlling interests		<u>32 954</u>
Weighted average number of shares outstanding during the period (millions of shares)		<u>1 007.2</u>
Basic and diluted (loss)/earnings per share (US dollars)		<u>2.01</u>

\* These amounts reflect adjustments made in connection with the completion of purchase price allocations (Note 29)