

Severstal

Severstal Releases 9m 2008 Operational Results

October 28, 2008 – Severstal (LSE: SVST) today released its 9m 2008 operational results as follows.

PRODUCTION VOLUMES

9m 2008 overview

Production of crude steel in Q3 2008 was 6.0 million tonnes, 14% higher than in the previous quarter. Production of rolled products rose 6% to 4.3 million tonnes q-o-q. Total production of iron ore pellets in Q3 2008 was 5% higher than in Q2 2008, iron ore concentrate production was up by 1% and coal production increased by 15%.

Consolidated production of hot metal and crude steel

| Total throughput, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|---------------------------------|------------|------------|---------------------|-----------|-----------|---------------------|
| Hot metal: total throughput | 9,636,606 | 11,305,767 | 17% | 3,709,728 | 4,323,240 | 17% |
| Crude steel: total throughput | 13,046,415 | 16,074,591 | 23% | 5,270,978 | 6,008,750 | 14% |

Consolidated production (net of intercompany sales)

| Production for sale, metric tonnes unless otherwise stated | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|------------|------------|---------------------|-----------|-----------|---------------------|
| Coal: | 3,336,708 | 2,592,452 | -22% | 781,193 | 1,055,278 | 35% |
| Coking coal concentrate | 1,802,670 | 1,022,038 | -43% | 377,524 | 355,177 | -6% |
| Coking coal | 107,245 | 148,066 | 38% | 17,160 | 86,290 | 403% |
| Steam coal | 1,426,792 | 1,422,348 | 0% | 386,509 | 613,810 | 59% |
| Iron ore: | 3,060,984 | 3,709,710 | 21% | 1,037,283 | 1,138,118 | 10% |
| Iron ore pellets | 3,006,579 | 3,273,132 | 9% | 911,543 | 1,050,650 | 15% |
| Iron ore concentrate | 54,405 | 436,578 | 702% | 125,740 | 87,468 | -30% |
| Gold (kilogrammes) | 0 | 3,436 | n.a. | 1,135 | 1,401 | 23% |
| Semifinished products | 1,310,342 | 1,785,426 | 36% | 534,271 | 729,613 | 37% |
| Rolled products: | 10,016,346 | 11,843,060 | 18% | 4,021,764 | 4,273,831 | 6% |
| Hot-rolled strip and plate | 4,501,320 | 5,341,973 | 19% | 1,749,321 | 2,021,130 | 16% |
| Cold-rolled sheet | 1,406,694 | 1,883,103 | 34% | 632,050 | 732,386 | 16% |
| Galvanised and other metallic coated sheet | 1,122,339 | 1,552,764 | 38% | 546,209 | 612,278 | 12% |
| Color coated sheet | 182,795 | 189,185 | 3% | 65,163 | 65,555 | 1% |
| Long products | 2,577,705 | 2,657,896 | 3% | 953,707 | 787,556 | -17% |
| Rails | 225,493 | 218,140 | -3% | 75,314 | 54,927 | -27% |
| Downstream products: | 1,439,983 | 1,505,594 | 5% | 516,759 | 519,017 | 0% |
| Metalware products | 865,265 | 807,977 | -7% | 286,103 | 252,128 | -12% |
| Large diameter pipes | 185,883 | 321,121 | 73% | 108,648 | 134,424 | 24% |
| Other tubes and pipes, formed shapes | 351,639 | 376,496 | 7% | 122,007 | 132,466 | 9% |
| Wheels, axles, tires | 37,197 | 0 | n.a. | 0 | 0 | n.a. |

Segmental information

Mining

| Production for sale, metric tonnes unless otherwise stated | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|------------|------------|---------------------|-----------|-----------|---------------------|
| Coal: | 7,110,273 | 5,548,447 | -22% | 1,736,445 | 1,997,203 | 15% |
| Coking coal concentrate | 4,298,069 | 3,484,066 | -19% | 1,191,913 | 1,106,384 | -7% |
| Coking coal | 1,385,412 | 642,033 | -54% | 158,023 | 277,009 | 75% |
| Steam coal | 1,426,792 | 1,422,348 | 0% | 386,509 | 613,810 | 59% |
| Iron ore: | 10,841,130 | 11,492,813 | 6% | 3,795,600 | 3,919,119 | 3% |
| Iron ore pellets | 7,366,435 | 7,790,748 | 6% | 2,523,501 | 2,640,085 | 5% |
| Iron ore concentrate | 3,474,695 | 3,702,065 | 7% | 1,272,099 | 1,279,034 | 1% |
| Gold (kilogrammes) | 0 | 3,436 | n.a. | 1,135 | 1,401 | 23% |

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

Russian Steel

| Total throughput, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|-----------|-----------|---------------------|-----------|-----------|---------------------|
| Hot metal: total throughput | 6,507,309 | 6,835,660 | 5% | 2,229,796 | 2,294,702 | 3% |
| Crude steel: total throughput | 8,838,359 | 9,438,945 | 7% | 3,075,096 | 3,177,342 | 3% |
| Production for sale, metric tonnes | | | | | | |
| Semifinished products | 630,529 | 702,584 | 11% | 206,432 | 256,731 | 24% |
| Rolled products: | 7,033,365 | 7,314,000 | 4% | 2,517,596 | 2,402,581 | -5% |
| Hot-rolled strip and plate | 3,719,046 | 3,929,406 | 6% | 1,384,702 | 1,272,539 | -8% |
| Cold-rolled sheet | 1,065,399 | 1,110,909 | 4% | 367,920 | 375,189 | 2% |
| Galvanised and other metallic coated sheet | 555,319 | 561,786 | 1% | 187,913 | 192,695 | 3% |
| Color coated sheet | 182,795 | 179,067 | -2% | 60,201 | 60,398 | 0% |
| Long products | 1,510,806 | 1,532,832 | 1% | 516,859 | 501,759 | -3% |
| Downstream products: | 381,886 | 410,698 | 8% | 132,289 | 144,485 | 9% |
| Metalware products | 30,247 | 34,203 | 13% | 10,282 | 12,019 | 17% |
| Other tubes and pipes, formed shapes | 351,639 | 376,496 | 7% | 122,007 | 132,466 | 9% |

North America**

| Total throughput, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|-----------|-----------|---------------------|-----------|-----------|---------------------|
| Hot metal: total throughput | 1,226,790 | 2,621,005 | 114% | 859,618 | 1,429,900 | 66% |
| Crude steel: total throughput | 1,494,491 | 4,097,780 | 174% | 1,318,084 | 2,068,252 | 57% |
| Production for sale, metric tonnes | | | | | | |
| Semifinished products | 0 | 292,188 | n.a. | 99,519 | 192,669 | 94% |
| Rolled products: | 1,863,074 | 3,509,863 | 88% | 1,121,704 | 1,641,175 | 46% |
| Hot-rolled strip and plate | 954,760 | 1,736,573 | 82% | 494,316 | 859,239 | 74% |
| Cold-rolled sheet | 341,295 | 772,194 | 126% | 264,130 | 357,197 | 35% |
| Galvanised and other metallic coated sheet | 567,020 | 990,978 | 75% | 358,297 | 419,583 | 17% |
| Color coated sheet | 0 | 10,118 | n.a. | 4,962 | 5,156 | 4% |
| Downstream products: | 0 | 32,139 | n.a. | 0 | 32,139 | n.a. |
| Metalware products | 0 | 32,139 | n.a. | 0 | 32,139 | n.a. |

** Dearborn, Columbus (consolidated beginning Q1 2008), Sparrows Point (consolidated beginning Q2 2008), Warren (consolidated beginning Q3 2008), Wheeling (consolidated beginning Q3 2008)

Lucchini

| Total throughput, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|---|-----------|-----------|---------------------|---------|---------|---------------------|
| Hot metal and pig iron: total throughput | 1,902,507 | 1,849,102 | -3% | 620,314 | 598,638 | -3% |
| Crude steel: total throughput | 2,713,564 | 2,537,866 | -6% | 877,798 | 763,156 | -13% |
| Production for sale, metric tonnes | | | | | | |
| Semifinished products | 910,875 | 805,401 | -12% | 243,066 | 280,213 | 15% |
| Rolled products: | 1,753,472 | 1,773,497 | 1% | 657,890 | 480,852 | -27% |
| Long products | 1,527,979 | 1,555,357 | 2% | 582,576 | 425,925 | -27% |
| Rails | 225,493 | 218,140 | -3% | 75,314 | 54,927 | -27% |
| Downstream products: | 68,474 | 27,578 | -60% | 10,659 | 10,266 | -4% |
| Metalware products | 31,277 | 27,578 | -12% | 10,659 | 10,266 | -4% |
| Wheels, axles, tires | 37,197 | 0 | n.a. | 0 | 0 | n.a. |

Metalware

| Production for sale, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|------------------------------------|---------|---------|---------------------|---------|---------|---------------------|
| Downstream products: | | | | | | |
| Metalware products | 803,740 | 714,058 | -11% | 265,162 | 197,704 | -25% |

Izhora pipe mill

| Production for sale, metric tonnes | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|------------------------------------|---------|---------|---------------------|---------|---------|---------------------|
| Downstream products: | | | | | | |
| Large diameter pipes | 185,883 | 321,121 | 73% | 108,648 | 134,424 | 24% |

AVERAGE SELLING PRICES

Consolidated sales

| Sales prices (EXW), USD/tonne unless otherwise stated | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|---|---------|---------|---------------------|---------|---------|---------------------|
| Coal: | 56 | 110 | 96% | 118 | 122 | 3% |
| Coking coal concentrate | 82 | 149 | 82% | 155 | 169 | 9% |
| Coking coal | 30 | 54 | 80% | 49 | 69 | 41% |
| Steam coal | 25 | 34 | 36% | 34 | 35 | 3% |
| Iron ore: | 68 | 97 | 43% | 101 | 98 | -3% |
| Iron ore pellets | 74 | 106 | 43% | 112 | 108 | -4% |
| Iron ore concentrate | 57 | 78 | 37% | 79 | 78 | -1% |
| Gold (USD/kilogramme) | 0 | 29,531 | n.a. | 28,412 | 30,107 | 6% |
| Semifinished products | | | | | | |
| Rolled products: | 726 | 990 | 36% | 984 | 1,183 | 20% |
| Hot-rolled strip and plate | 607 | 897 | 48% | 868 | 1,119 | 29% |
| Cold-rolled sheet | 676 | 911 | 35% | 864 | 1,114 | 29% |
| Galvanised and other metallic coated sheet | 889 | 1,048 | 18% | 1,021 | 1,191 | 17% |
| Color coated sheet | 1,233 | 1,430 | 16% | 1,502 | 1,615 | 8% |
| Long products | 821 | 1,122 | 37% | 1,180 | 1,321 | 12% |
| Rails | 721 | 956 | 33% | 990 | 989 | 0% |
| Downstream products: | 1,041 | 1,521 | 46% | 1,520 | 1,874 | 23% |
| Metalware products | 965 | 1,342 | 39% | 1,342 | 1,662 | 24% |
| Large diameter pipes | 1,674 | 2,579 | 54% | 2,543 | 2,951 | 16% |
| Other tubes and pipes, formed shapes | 787 | 1,050 | 33% | 1,061 | 1,271 | 20% |
| Wheels, axles, tires | 2,683 | 0 | -100% | 0 | 0 | n.a. |

Mining

| Sales prices (EXW), USD/tonne unless otherwise stated | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|---|---------|---------|---------------------|---------|---------|---------------------|
| Coal: | 56 | 110 | 96% | 118 | 122 | 3% |
| Coking coal concentrate | 82 | 149 | 82% | 155 | 169 | 9% |
| Coking coal | 30 | 54 | 80% | 49 | 69 | 41% |
| Steam coal | 25 | 34 | 36% | 34 | 35 | 3% |
| Iron ore: | 68 | 97 | 43% | 101 | 98 | -3% |
| Iron ore pellets | 74 | 106 | 43% | 112 | 108 | -4% |
| Iron ore concentrate | 57 | 78 | 37% | 79 | 78 | -1% |
| Gold (USD/kilogramme) | 0 | 29,531 | n.a. | 28,412 | 30,107 | 6% |

Russian Steel

| Sales prices (EXW), USD/tonne | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|---------|---------|---------------------|---------|---------|---------------------|
| Semifinished products | 411 | 722 | 76% | 731 | 914 | 25% |
| Rolled products: | 666 | 933 | 40% | 942 | 1,178 | 25% |
| Hot-rolled strip and plate | 616 | 916 | 49% | 909 | 1,178 | 30% |
| Cold-rolled sheet | 661 | 876 | 33% | 877 | 1,092 | 25% |
| Galvanised and other metallic coated sheet | 908 | 1,097 | 21% | 1,094 | 1,327 | 21% |
| Color coated sheet | 1,233 | 1,415 | 15% | 1,496 | 1,596 | 7% |
| Long products | 614 | 905 | 47% | 966 | 1,146 | 19% |
| Downstream products: | 789 | 1,047 | 33% | 1,052 | 1,262 | 20% |
| Metalware products | 816 | 1,017 | 25% | 966 | 1,186 | 23% |
| Other tubes and pipes, formed shapes | 787 | 1,050 | 33% | 1,061 | 1,271 | 20% |

North America**

| Sales prices (EXW), USD/tonne | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|--|---------|---------|---------------------|---------|---------|---------------------|
| Semifinished products | 0 | 961 | n.a. | 954 | 965 | 1% |
| Rolled products: | 704 | 953 | 35% | 869 | 1,112 | 28% |
| Hot-rolled strip and plate | 604 | 905 | 50% | 790 | 1,087 | 38% |
| Cold-rolled sheet | 724 | 961 | 33% | 843 | 1,135 | 35% |
| Galvanised and other metallic coated sheet | 869 | 1,021 | 17% | 979 | 1,134 | 16% |
| Color coated sheet | 0 | 1,722 | n.a. | 1,574 | 1,860 | 18% |
| Downstream products: | 0 | 1,788 | n.a. | 0 | 1,788 | n.a. |
| Metalware products | 0 | 1,788 | n.a. | 0 | 1,788 | n.a. |

** Dearborn, Columbus (consolidated beginning Q1 2008), Sparrows Point (consolidated beginning Q2 2008), Warren (consolidated beginning Q3 2008), Wheeling (consolidated beginning Q3 2008)

Lucchini

| Sales prices (EXW), USD/tonne | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|-------------------------------|---------|---------|---------------------|---------|---------|---------------------|
| Semifinished products | 546 | 714 | 31% | 728 | 848 | 16% |
| Rolled products: | 989 | 1,296 | 31% | 1,330 | 1,475 | 11% |
| Long products | 1,030 | 1,340 | 30% | 1,375 | 1,535 | 12% |
| Rails | 721 | 956 | 33% | 990 | 989 | 0% |
| Downstream products: | 2,679 | 1,242 | -54% | 1,207 | 1,363 | 13% |
| Metalware products | 2,675 | 1,242 | -54% | 1,207 | 1,363 | 13% |
| Wheels, axles, tires | 2,683 | 0 | n.a. | 0 | 0 | n.a. |

Metalware

| Sales prices (EXW), USD/tonne | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|-------------------------------|---------|---------|---------------------|---------|---------|---------------------|
| Downstream products: | | | | | | |
| Metalware products | 904 | 1,344 | 49% | 1,365 | 1,695 | 24% |

Izhora pipe mill

| Sales prices (EXW), USD/tonne | 9M 2007 | 9M 2008 | 9M 2008/ 9M 2007 | Q2 2008 | Q3 2008 | Q3 2008/ Q2 2008 |
|-------------------------------|---------|---------|---------------------|---------|---------|---------------------|
| Downstream products: | | | | | | |
| Large diameter pipes | 1,674 | 2,579 | 54% | 2,543 | 2,951 | 16% |

Note:

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