



Severstal Releases FY 2008 Operational Results

February 11, 2009 – Severstal (LSE: SVST) today released its FY 2008 operational results as follows.

PRODUCTION VOLUMES

2008 overview

Production of crude steel in 2008 was 19.2 million tonnes, 10% higher than in 2007. Production of crude steel in Q4 2008 was 3.1 million tonnes, 48% lower than in the previous quarter. Production of rolled products dropped 41% to 2.5 million tonnes q-o-q. Total production of iron ore pellets in Q4 2008 was 43% lower than in Q3 2008, iron ore concentrate production was down by 24% and coal production decrease by 1%.

Consolidated production of hot metal and crude steel

Total throughput, metric tonnes	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Hot metal: total throughput	12,949,237	13,515,383	4%	4,323,240	2,209,616	-49%
Crude steel: total throughput	17,463,341	19,217,418	10%	6,008,750	3,142,828	-48%

Consolidated production (net of intercompany sales)

Production for sale, metric tonnes unless otherwise stated	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Coal:	4,408,155	3,912,044	-11%	1,055,278	1,319,592	25%
Coking coal concentrate	2,351,055	1,515,689	-36%	355,177	493,651	39%
Coking coal	230,428	173,946	-25%	86,290	25,880	-70%
Steam coal	1,826,672	2,222,409	22%	613,810	800,061	30%
Iron ore:	4,305,810	4,684,323	9%	1,138,118	974,613	-14%
Iron ore pellets	4,159,512	4,217,312	1%	1,050,650	944,180	-10%
Iron ore concentrate	146,298	467,011	219%	87,468	30,433	-65%
Gold (kilogrammes)	0	5,997	n.a.	1,401	2,562	83%
Semifinished products	1,820,624	2,184,874	20%	727,851	401,210	-45%
Rolled products:	13,254,438	14,315,750	8%	4,233,193	2,513,328	-41%
Hot-rolled strip and plate	5,909,881	6,295,558	7%	1,986,769	987,946	-50%
Cold-rolled sheet	1,903,037	2,366,931	24%	727,573	488,641	-33%
Galvanised and other metallic coated sheet	1,468,292	1,973,759	34%	610,814	422,459	-31%
Color coated sheet	229,518	236,914	3%	65,555	47,730	-27%
Long products	3,430,257	3,123,615	-9%	787,556	465,720	-41%
Rails	313,454	318,972	2%	54,927	100,832	84%
Downstream products:	1,941,870	1,886,703	-3%	516,608	383,518	-26%
Metalware products	1,135,828	1,010,345	-11%	249,719	204,777	-18%
Large diameter pipes	299,331	437,853	46%	134,424	116,732	-13%
Other tubes and pipes, formed shapes	469,514	438,505	-7%	132,466	62,010	-53%
Wheels, axles, tires	37,197	0	n.a.	0	0	n.a.

Segmental information

Mining*

Production for sale, metric tonnes unless otherwise stated	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/Q3 2008
Coal:	9,463,102	7,518,957	-21%	1,997,203	1,970,510	-1%
Coking coal concentrate	5,789,428	4,573,604	-21%	1,106,384	1,089,538	-2%
Coking coal	1,847,003	722,943	-61%	277,009	80,911	-71%
Steam coal	1,826,672	2,222,409	22%	613,810	800,061	30%
Iron ore:	14,695,474	13,978,683	-5%	3,919,119	2,485,870	-37%
Iron ore pellets	10,044,542	9,304,468	-7%	2,640,085	1,513,720	-43%
Iron ore concentrate	4,650,932	4,674,215	1%	1,279,034	972,150	-24%
Gold (kilogrammes)	0	5,997	n.a.	1,401	2,562	83%

*Kuzbassugol was deconsolidated in April 2008, PBS Coals was consolidated in December 2008

Russian Steel

Total throughput, metric tonnes	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/Q3 2008
Hot metal: total throughput	8,758,538	8,125,096	-7%	2,294,702	1,289,436	-44%
Crude steel: total throughput	11,898,556	11,096,916	-7%	3,177,342	1,657,971	-48%
Production for sale, metric tonnes						
Semifinished products	871,862	908,984	4%	256,731	206,399	-20%
Rolled products:	9,426,112	8,735,162	-7%	2,402,581	1,421,162	-41%
Hot-rolled strip and plate	5,003,897	4,680,052	-6%	1,272,539	750,646	-41%
Cold-rolled sheet	1,435,163	1,358,257	-5%	375,189	247,348	-34%
Galvanised and other metallic coated sheet	735,454	669,148	-9%	192,695	107,362	-44%
Color coated sheet	229,518	219,761	-4%	60,398	40,695	-33%
Long products	2,022,080	1,807,944	-11%	501,759	275,112	-45%
Downstream products:	512,770	479,666	-6%	144,485	68,968	-52%
Metalware products	43,256	41,161	-5%	12,019	6,958	-42%
Other tubes and pipes, formed shapes	469,514	438,505	-7%	132,466	62,010	-53%

North America**

Total throughput, metric tonnes	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/Q3 2008
Hot metal: total throughput	1,656,314	3,200,804	93%	1,429,900	579,799	-59%
Crude steel: total throughput	1,979,725	5,099,912	158%	2,068,252	1,002,132	-52%
Production for sale, metric tonnes						
Semifinished products	0	308,914	n.a.	190,907	18,488	-90%
Rolled products:	2,386,045	4,417,256	85%	1,600,537	948,031	-41%
Hot-rolled strip and plate	1,185,333	2,086,817	76%	824,878	384,605	-53%
Cold-rolled sheet	467,874	1,008,674	116%	352,384	241,293	-32%
Galvanised and other metallic coated sheet	732,838	1,304,611	78%	418,119	315,098	-25%
Color coated sheet	0	17,153	n.a.	5,156	7,035	36%
Downstream products:	0	62,873	n.a.	29,730	33,143	11%
Metalware products	0	62,873	n.a.	29,730	33,143	11%

** 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	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Hot metal: total throughput	2,534,385	2,189,483	-14%	598,638	340,381	-43%
Crude steel: total throughput	3,585,060	3,020,591	-16%	763,156	482,725	-37%
Production for sale, metric tonnes						
Semifinished products	1,222,808	981,723	-20%	280,213	176,322	-37%
Rolled products:	2,329,701	2,151,315	-8%	480,852	377,818	-21%
Long products	2,016,247	1,832,343	-9%	425,925	276,986	-35%
Rails	313,454	318,972	2%	54,927	100,832	84%
Downstream products:	72,838	39,743	-45%	10,266	12,165	18%
Metalware products	35,641	39,743	12%	10,266	12,165	18%
Wheels, axles, tires	37,197	0	n.a.	0	0	n.a.

Metalware

Production for sale, metric tonnes	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Downstream products:						
Metalware products	1,056,931	866,568	-18%	197,704	152,511	-23%

Izhora pipe mill

Production for sale, metric tonnes	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Downstream products:						
Large diameter pipes	299,331	437,853	46%	134,424	116,732	-13%

AVERAGE SELLING PRICES

Consolidated sales

Sales prices (EXW), USD/tonne unless otherwise stated	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Coal:	58	105	81%	122	90	-26%
Coking coal concentrate	84	144	71%	169	129	-24%
Coking coal	31	52	68%	69	36	-48%
Steam coal	26	36	38%	35	39	11%
Iron ore:	70	92	31%	98	68	-31%
Iron ore pellets	75	103	37%	108	82	-24%
Iron ore concentrate	59	72	22%	78	50	-36%
Gold (USD/kilogramme)	0	28,522	n.a.	29,527	27,289	-8%
Semifinished products						
Rolled products:	727	985	35%	1,184	958	-19%
Hot-rolled strip and plate	617	888	44%	1,117	849	-24%
Cold-rolled sheet	676	921	36%	1,113	956	-14%
Galvanised and other metallic coated sheet	883	1,059	20%	1,193	1,076	-10%
Color coated sheet	1,219	1,449	19%	1,642	1,423	-13%
Long products	818	1,092	33%	1,319	932	-29%
Rails	740	936	26%	989	887	-10%
Downstream products:	1,072	1,507	41%	1,864	1,477	-21%
Metalware products	973	1,354	39%	1,655	1,415	-15%
Large diameter pipes	1,764	2,786	58%	2,950	2,560	-13%
Other tubes and pipes, formed shapes	789	1,036	31%	1,271	945	-26%
Wheels, axles, tires	2,683	0	n.a.	0	0	n.a.

Mining

Sales prices (EXW), USD/tonne unless otherwise stated	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Coal:	58	105	81%	122	90	-26%
Coking coal concentrate	84	144	71%	169	129	-24%
Coking coal	31	52	68%	69	36	-48%
Steam coal	26	36	38%	35	39	11%
Iron ore:	70	92	31%	98	68	-31%
Iron ore pellets	75	103	37%	108	82	-24%
Iron ore concentrate	59	72	22%	78	50	-36%
Gold (USD/kilogramme)	0	28,522	n.a.	29,527	27,289	-8%

Russian Steel

Sales prices (EXW), USD/tonne	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Semifinished products	436	675	55%	914	524	-43%
Rolled products:	666	924	39%	1,181	848	-28%
Hot-rolled strip and plate	620	915	48%	1,176	934	-21%
Cold-rolled sheet	662	874	32%	1,089	864	-21%
Galvanised and other metallic coated sheet	900	1,100	22%	1,339	1,010	-25%
Color coated sheet	1,219	1,431	17%	1,626	1,375	-15%
Long products	601	854	42%	1,146	542	-53%
Downstream products:	791	1,044	32%	1,272	958	-25%
Metalware products	815	1,100	35%	1,276	1,055	-17%
Other tubes and pipes, formed shapes	789	1,036	31%	1,271	945	-26%

North America

Sales prices (EXW), USD/tonne	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Semifinished products	0	923	n.a.	983	640	-35%
Rolled products:	707	965	36%	1,110	1,006	-9%
Hot-rolled strip and plate	605	903	49%	1,084	904	-17%
Cold-rolled sheet	721	980	36%	1,135	1,030	-9%
Galvanised and other metallic coated sheet	865	1,040	20%	1,132	1,090	-4%
Color coated sheet	0	1,709	n.a.	1,860	1,692	-9%
Downstream products:	0	1,823	n.a.	1,788	1,852	4%
Metalware products	0	1,823	n.a.	1,788	1,852	4%

Lucchini

Sales prices (EXW), USD/tonne	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
Semifinished products	605	701	16%	848	696	-18%
Rolled products:	996	1,287	29%	1,475	1,244	-16%
Long products	1,036	1,343	30%	1,535	1,357	-12%
Rails	740	936	26%	989	887	-10%
Downstream products:	2,671	1,249	-53%	1,363	1,264	-7%
Metalware products	2,662	1,249	-53%	1,363	1,264	-7%
Wheels, axles, tires	2,683	0	n.a.	0	0	n.a.

Metalware

Sales prices (EXW), USD/tonne	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
<i>Downstream products:</i>						
Metalware products	923	1,343	46%	1,695	1,339	-21%

Izhora pipe mill

Sales prices (EXW), USD/tonne	2007	2008	2008/2007	Q3 2008	Q4 2008	Q4 2008/ Q3 2008
<i>Downstream products:</i>						
Large diameter pipes	1,764	2,786	58%	2,951	2,580	-13%

Note:

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