

Severstal Releases Q4 2009 Operational Results

February 02, 2010 – Severstal (LSE: SVST) today released its Q4 2009 operational results.

PRODUCTION VOLUMES

Q4 2009 overview

Production of crude steel in Q4 2009 was 4 621 thousand tonnes, 2% higher than in the previous quarter. Production of rolled products also increased by 1% to 3 467 thousand tonnes q-o-q. Total production of iron ore pellets in Q4 2009 was 11% higher than in Q3 2009, iron ore concentrate production decreased by 10% and coal production was up 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 FY 2008 production numbers for the Russian Steel division. PBS Coals was added to consolidation perimeter in December 2008. Due to this PBS Coals' data for FY 2008 wasn't included in this report.

Consolidated production of hot metal and crude steel

Total throughput, metric tonnes	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Hot metal: total throughput	3 391 848	3 304 890	3%	12 098 564	13 515 383	-10%
Crude steel: total throughput	4 620 843	4 518 672	2%	16 749 365	19 217 418	-13%

Consolidated production (net of intercompany sales)

Production for sale, metric tonnes unless otherwise stated	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Coal:	1 559 345	1 500 714	4%	5 138 927	3 912 044	31%
Coking coal concentrate	522 455	328 106	59%	1 077 942	1 515 689	-29%
PBS Coals	343 998	114 872	199%	528 293	-	-
Coking coal	80 659	11 664	592%	180 228	173 946	4%
Steam coal	956 231	1 160 945	-18%	3 880 757	2 222 408	75%
PBS Coals	116 986	446 958	-74%	1 475 515	-	-
Iron ore:	1 448 001	1 442 325	0%	4 574 486	4 684 323	-2%
Iron ore pellets	1 448 001	1 329 536	9%	4 461 696	4 217 312	6%
Iron ore concentrate	0	112 789	n.m.	112 789	467 011	-76%
Gold (oz tr.)	166 274	143 614	16%	533 967	192 822	177%
Semifinished products	433 281	551 133	-21%	1 481 396	2 199 621	-33%
Rolled products:	3 466 660	3 425 766	1%	12 676 439	15 251 238	-17%
Hot-rolled strip and plate	1 599 886	1 734 119	-8%	6 125 806	6 766 693	-9%
Cold-rolled sheet	713 775	717 026	0%	2 577 532	2 320 351	11%
Galvanised and metallic coated sheet	524 084	489 587	7%	1 785 395	1 973 759	-10%
Color coated sheet	73 889	80 851	-9%	281 257	236 914	19%
Long products	555 025	404 184	37%	1 906 449	3 953 521	-52%
Downstream products:	394 446	422 388	-7%	1 479 426	1 885 281	-22%
Metalware products	178 581	229 120	-22%	785 152	1 009 055	-22%
Large diameter pipes	99 604	80 432	24%	267 282	437 853	-39%
Other tubes and pipes, formed shapes	116 261	112 835	3%	426 992	438 373	-3%

Segmental information

Mining

Production for sale, metric tonnes unless otherwise stated	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Coal:	2 828 378	2 446 559	16%	9 107 540	7 518 957	21%
Coking coal concentrate	1 791 488	1 273 951	41%	5 046 555	4 573 604	10%
PBS Coals	606 534	185 148	228%	904 348	-	-
Coking coal	80 659	11 664	592%	180 228	722 943	-75%
Steam coal	956 231	1 160 945	-18%	3 880 757	2 222 409	75%
PBS Coals	116 986	446 958	-74%	1 475 515	-	-
Iron ore:	3 905 856	3 786 182	3%	13 629 369	13 978 683	-2%
Iron ore pellets	2 649 586	2 394 946	11%	8 533 214	9 304 468	-8%
Iron ore concentrate	1 256 270	1 391 236	-10%	5 096 155	4 674 215	9%
Gold (oz tr.)	166 274	143 614	16%	533 967	192 822	177%

Russian Steel

Total throughput, metric tonnes	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Hot metal: total throughput	2 033 846	2 001 667	2%	7 223 380	8 125 096	-11%
Crude steel: total throughput	2 649 338	2 703 784	-2%	9 547 770	11 096 916	-14%
Production for sale, metric tonnes						
Semifinished products	214 205	303 136	-29%	842 142	908 984	-7%
Rolled products:	1 870 654	1 908 594	-2%	6 891 189	7 747 005	-11%
Hot-rolled strip and plate	1 144 784	1 164 696	-2%	4 191 657	4 208 715	0%
Cold-rolled sheet	370 023	370 736	0%	1 326 609	1 358 257	-2%
Galvanised and metallic coated sheet	146 427	152 352	-4%	490 360	669 148	-27%
Color coated sheet	55 798	58 187	-4%	220 814	219 761	0%
Long products	153 621	162 624	-6%	661 750	1 291 125	-49%
Downstream products:	364 542	381 629	-4%	1 349 810	1 784 088	-24%
Metalware products	148 564	188 162	-21%	654 386	907 729	-28%
Large diameter pipes	99 604	80 460	24%	267 859	437 853	-39%
Other tubes and pipes, formed shapes	116 374	113 006	3%	427 565	438 505	-2%

North America

Total throughput, metric tonnes	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Hot metal: total throughput	922 220	964 326	-4%	3 456 433	3 200 804	8%
Crude steel: total throughput	1 436 499	1 444 848	-1%	5 455 219	5 099 912	7%
Production for sale, metric tonnes						
<i>Rolled products:</i>	1 194 739	1 275 632	-6%	4 541 282	4 417 256	3%
Hot-rolled strip and plate	455 143	569 443	-20%	1 934 783	2 086 817	-7%
Cold-rolled sheet	343 848	346 290	-1%	1 251 020	1 008 674	24%
Galvanised and metallic coated sheet	377 657	337 235	12%	1 295 035	1 304 611	-1%
Color coated sheet	18 091	22 664	-20%	60 443	17 153	252%
<i>Downstream products:</i>	21 361	31 878	-33%	92 912	62 873	48%
Metalware products	21 361	31 878	-33%	92 912	62 873	48%

Lucchini

Total throughput, metric tonnes	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Hot metal: total throughput	435 782	338 897	29%	1 418 751	2 189 483	-35%
Crude steel: total throughput	535 005	370 040	45%	1 746 376	3 020 591	-42%
Production for sale, metric tonnes						
<i>Semifinished products</i>	210 495	250 618	-16%	613 454	981 723	-38%
<i>Rolled products:</i>	409 220	251 507	63%	1 272 897	2 151 315	-41%
Long products	409 220	251 507	63%	1 272 897	2 151 315	-41%
<i>Downstream products:</i>	9 211	9 463	-3%	39 590	39 743	0%
Metalware products	9 211	9 463	-3%	39 590	39 743	0%

AVERAGE SELLING PRICES

Consolidated sales

Sales prices (EXW), USD/tonne unless otherwise stated	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Coal:	76	62	23%	66	106	-38%
Coking coal concentrate	103	75	36%	88	147	-40%
PBS Coals	109	107	2%	106	110	-4%
Coking coal	26	26	0%	19	53	-64%
Steam coal	37	39	-4%	40	35	12%
PBS Coals	51	57	-10%	58	63	-8%
Iron ore:	47	39	20%	42	92	-54%
Iron ore pellets	51	44	18%	46	103	-55%
Iron ore concentrate	39	32	21%	35	72	-51%
Gold (USD/oz tr.)	1 072	959	12%	982	887	11%
Semifinished products	388	388	0%	385	727	-47%
Rolled products:	676	590	15%	622	996	-38%
Hot-rolled strip and plate	553	476	16%	488	888	-45%
Cold-rolled sheet	651	548	19%	601	920	-35%
Galvanised and metallic coated sheet	901	817	10%	844	1 059	-20%
Color coated sheet	1 266	1 051	20%	1 065	1 452	-27%
Long products	780	699	12%	758	1 141	-34%
Downstream products:	1 242	1 038	20%	1 119	1 507	-26%
Metalware products	1 051	943	11%	990	1 355	-27%
Large diameter pipes	2 096	1 840	14%	1 994	2 786	-28%
Other tubes and pipes, formed shapes	666	579	15%	585	1 035	-43%

Mining

Sales prices (EXW), USD/tonne unless otherwise stated	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Coal:	76	62	23%	66	106	-38%
Coking coal concentrate	103	75	36%	88	147	-40%
PBS Coals	109	107	2%	106	110	-4%
Coking coal	26	26	0%	19	53	-64%
Steam coal	37	39	-4%	40	35	12%
PBS Coals	51	57	-10%	58	63	-8%
Iron ore:	47	39	20%	42	92	-54%
Iron ore pellets	51	44	18%	46	103	-55%
Iron ore concentrate	39	32	21%	35	72	-51%
Gold (USD/oz tr.)	1 072	959	12%	982	887	11%

Russian Steel

Sales prices (EXW), USD/tonne	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Semifinished products	375	341	10%	339	681	-50%
Rolled products:	571	501	14%	496	939	-47%
Hot-rolled strip and plate	520	462	13%	453	908	-50%
Cold-rolled sheet	586	485	21%	504	910	-45%
Galvanised and metallic coated sheet	869	726	20%	719	1 153	-38%
Color coated sheet	1 271	1 030	23%	1 040	1 470	-29%
Long products	517	470	10%	456	866	-47%
Downstream products:	1 241	1 009	23%	1 091	1 517	-28%
Metalware products	1 010	857	18%	898	1 343	-33%
Large diameter pipes	2 096	1 840	14%	1 994	2 786	-28%
Other tubes and pipes, formed shapes	666	579	15%	585	1 049	-44%

North America

Sales prices (EXW), USD/tonne	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Rolled products:	758	664	14%	709	965	-27%
Hot-rolled strip and plate	629	506	24%	558	903	-38%
Cold-rolled sheet	715	615	16%	692	979	-29%
Galvanised and metallic coated sheet	910	849	7%	880	1 040	-15%
Color coated sheet	1 251	1 118	12%	1 157	1 709	-32%
Downstream products:	1 368	1 388	-1%	1 488	1 823	-18%
Metalware products	1 368	1 388	-1%	1 488	1 823	-18%

Lucchini

Sales prices (EXW), USD/tonne	Q4 2009	Q3 2009	Change,%	2009	2008	Change,%
Semifinished products	402	419	-4%	440	717	-39%
Rolled products:	910	891	2%	944	1 334	-29%
Long products	910	891	2%	944	1 334	-29%
Downstream products:	1 014	966	5%	1 017	1 249	-19%
Metalware products	1 014	966	5%	1 017	1 249	-19%

Note:

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