

Severstal Releases Q2 2009 Operational Results

July 31, 2009 – Severstal (LSE: SVST) today released its Q2 2009 operational results as follows.

PRODUCTION VOLUMES

Q2 2009 overview

Production of crude steel in Q2 2009 was 3,813 thousand tonnes, 0.4% higher than in the previous quarter. Production of rolled products contracted 1.2% to 2,874 thousand tonnes q-o-q. Total production of iron ore pellets in Q2 2009 was 55% higher than in Q1 2009, iron ore concentrate production was up by 7% and coal production increased by 22%.

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 Q2 2008 production numbers for the Russian Steel division.

Consolidated production of hot metal and crude steel

Total throughput, metric tonnes	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Hot metal: total throughput	3,709,728	2,795,363	-25%	2,606,464	2,795,363	7%
Crude steel: total throughput	5,270,978	3,813,117	-28%	3,796,734	3,813,117	0%

Consolidated production (net of intercompany sales)

Production for sale, metric tonnes unless otherwise stated	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Coal:	781,193	1,051,258	35%	1,027,610	1,051,258	2%
Coking coal concentrate	377,524	45,277	-88%	182,104	45,277	-75%
PBS Coal	0	19,516	n/a	49,908	19,516	-61%
Coking coal	17,160	81,290	374%	6,616	81,290	n.m.
Steam coal	386,509	924,691	139%	838,890	924,691	10%
PBS Coal	0	447,991	n/a	463,579	447,991	-3%
Iron ore:	1,037,283	1,107,170	7%	576,989	1,107,170	92%
Iron ore pellets	911,543	1,107,170	21%	576,989	1,107,170	92%
Iron ore concentrate	125,740	0	n/a	0	0	n/a
Gold (kilogrammes)	1,135	3,456	205%	3,514	3,456	-2%
Semifinished products	534,271	139,619	-74%	357,363	139,619	-61%
Rolled products:	4,021,764	2,874,195	-29%	2,909,818	2,874,195	-1%
Hot-rolled strip and plate	1,749,321	1,356,389	-22%	1,435,411	1,356,389	-6%
Cold-rolled sheet	632,050	611,317	-3%	535,414	611,317	14%
Galvanised and metallic coated sheet	546,209	424,033	-22%	347,691	424,033	22%
Color coated sheet	65,163	69,759	7%	56,758	69,759	23%
Long products	953,707	358,186	-62%	440,664	358,186	-19%
Rails	75,314	54,511	-28%	93,880	54,511	-42%
Downstream products:	516,759	345,345	-33%	317,247	345,345	9%
Metalware products	286,103	199,333	-30%	178,118	199,333	12%
Large diameter pipes	108,648	34,739	-68%	52,506	34,739	-34%
Other tubes and pipes, formed shapes	122,007	111,273	-9%	86,623	111,273	28%

Segmental information

Mining

Production for sale, metric tonnes unless otherwise stated	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Coal:	1,736,445	2,109,561	21%	1,723,042	2,109,561	22%
Coking coal concentrate	1,191,913	1,103,580	-7%	877,536	1,103,580	26%
PBS Coal	0	37,200	n/a	75,466	37,200	-51%
Coking coal	158,023	81,290	-49%	6,616	81,290	n.m.
Steam coal	386,509	924,691	139%	838,890	924,691	10%
PBS Coal	0	447,991	n/a	463,579	447,991	-3%
Iron ore:	3,795,600	3,387,060	-11%	2,550,271	3,387,060	33%
Iron ore pellets	2,523,501	2,118,849	-16%	1,369,833	2,118,849	55%
Iron ore concentrate	1,272,099	1,268,211	0%	1,180,438	1,268,211	7%
Gold (kilogrammes)	1,135	3,456	205%	3,514	3,456	-2%

Russian Steel

Total throughput, metric tonnes	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Hot metal: total throughput	2,229,796	1,626,297	-27%	1,561,570	1,626,297	4%
Crude steel: total throughput	3,075,096	2,123,501	-31%	2,071,147	2,123,501	3%
Production for sale, metric tonnes						
Semifinished products	206,432	96,835	-53%	227,966	96,835	-58%
Rolled products:	2,242,171	1,605,663	-28%	1,506,278	1,605,663	7%
Hot-rolled strip and plate	1,255,005	962,424	-23%	919,753	962,424	5%
Cold-rolled sheet	367,920	348,506	-5%	237,344	348,506	47%
Galvanised and metallic coated sheet	187,913	111,642	-41%	79,938	111,642	40%
Color coated sheet	60,201	56,531	-6%	50,298	56,531	12%
Long products	371,131	126,560	-66%	218,945	126,560	-42%
Downstream products:	506,100	319,302	-37%	284,338	319,302	12%
Metalware products	275,445	172,623	-37%	145,037	172,623	19%
Large diameter pipes	108,648	35,289	-68%	52,506	35,289	-33%
Other tubes and pipes, formed shapes	122,007	111,390	-9%	86,795	111,390	28%

North America

Total throughput, metric tonnes	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Hot metal: total throughput	859,618	851,893	-1%	717,995	851,893	19%
Crude steel: total throughput	1,318,084	1,229,371	-7%	1,344,501	1,229,371	-9%
Production for sale, metric tonnes						
Semifinished products	99,519	12,912	-87%	12,137	12,912	6%
Rolled products:	1,121,704	982,648	-12%	1,088,263	982,648	-10%
Hot-rolled strip and plate	494,316	394,218	-20%	515,980	394,218	-24%
Cold-rolled sheet	264,130	262,812	0%	298,070	262,812	-12%
Galvanised and metallic coated sheet	358,297	312,391	-13%	267,753	312,391	17%
Color coated sheet	4,962	13,228	167%	6,460	13,228	105%
Downstream products:	0	15,423	n/a	24,250	15,423	-36%
Metalware products	0	15,423	n/a	24,250	15,423	-36%

Lucchini

Total throughput, metric tonnes	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Hot metal: total throughput	620,314	317,173	-49%	326,899	317,173	-3%
Crude steel: total throughput	877,798	460,245	-48%	381,086	460,245	21%
Production for sale, metric tonnes						
Semifinished products	243,066	35,082	-86%	117,260	35,082	-70%
Rolled products:	657,890	294,895	-55%	317,275	294,895	-7%
Long products	582,576	240,384	-59%	223,395	240,384	8%
Rails	75,314	54,511	-28%	93,880	54,511	-42%
Downstream products:	10,659	11,495	8%	9,422	11,495	22%
Metalware products	10,659	11,495	8%	9,422	11,495	22%

AVERAGE SELLING PRICES

Consolidated sales

Sales prices (EXW), USD/tonne unless otherwise stated	Q2 2008	Q2 2009	Change, %	Q1 2009	Q2 2009	Change, %
Coal:	118	64	-46%	61	64	5%
Coking coal concentrate	155	81	-48%	91	81	-11%
PBS Coal	0	95	n/a	87	95	9%
Coking coal	49	25	-49%	10	25	n.m.
Steam coal	34	41	19%	42	41	-3%
PBS Coal	0	59	n/a	63	59	-6%
Iron ore:	101	40	-60%	41	40	-2%
Iron ore pellets	112	43	-61%	45	43	-5%
Iron ore concentrate	79	35	-56%	35	35	-1%
Gold (USD/kilogramme)	27,164	30,017	11%	29,939	30,017	0%
Semifinished products	747	358	-52%	396	358	-9%
Rolled products:	988	582	-41%	645	582	-10%
Hot-rolled strip and plate	870	423	-51%	494	423	-14%
Cold-rolled sheet	866	565	-35%	660	565	-14%
Galvanised and metallic coated sheet	1,028	789	-23%	893	789	-12%
Color coated sheet	1,505	979	-35%	951	979	3%
Long products	1,177	738	-37%	749	738	-1%
Rails	990	944	-5%	1,002	944	-6%
Downstream products:	1,506	1,133	-25%	1,053	1,133	8%
Metalware products	1,338	973	-27%	1,003	973	-3%
Large diameter pipes	2,543	2,120	-17%	1,850	2,120	15%
Other tubes and pipes, formed shapes	1,059	546	-48%	538	546	2%

Mining

Sales prices (EXW), USD/tonne unless otherwise stated	Q2 2008	Q2 2009	Change, %	Q1 2009	Q2 2009	Change, %
Coal:	118	64	-46%	61	64	5%
Coking coal concentrate	155	81	-48%	91	81	-11%
PBS Coal	0	95	n/a	87	95	9%
Coking coal	49	25	-49%	10	25	n.m.
Steam coal	34	41	19%	42	41	-3%
PBS Coal	0	59	n/a	63	59	-6%
Iron ore:	101	40	-60%	41	40	-2%
Iron ore pellets	112	43	-61%	45	43	-5%
Iron ore concentrate	79	35	-56%	35	35	-1%
Gold (USD/kilogramme)	27,164	30,017	11%	29,939	30,017	0%

Russian Steel

Sales prices (EXW), USD/tonne	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Semifinished products	731	289	-60%	320	289	-10%
Rolled products:	950	442	-53%	452	442	-2%
Hot-rolled strip and plate	910	386	-58%	420	386	-8%
Cold-rolled sheet	880	459	-48%	480	459	-4%
Galvanised and metallic coated sheet	1,108	609	-45%	664	609	-8%
Color coated sheet	1,500	961	-36%	913	961	5%
Long products	973	443	-55%	408	443	9%
Downstream products:	1,512	1,102	-27%	992	1,102	11%
Metalware products	1,343	858	-36%	867	858	-1%
Large diameter pipes	2,543	2,120	-17%	1,850	2,120	15%
Other tubes and pipes, formed shapes	1,059	546	-48%	538	546	2%

North America

Sales prices (EXW), USD/tonne	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Rolled products:	869	667	-23%	757	667	-12%
Hot-rolled strip and plate	790	495	-37%	605	495	-18%
Cold-rolled sheet	843	661	-22%	793	661	-17%
Galvanised and metallic coated sheet	979	835	-15%	951	835	-12%
Color coated sheet	1,574	1,067	-32%	1,214	1,067	-12%
Downstream products:	0	1,526	n/a	1,643	1,526	-7%
Metalware products	0	1,526	n/a	1,643	1,526	-7%

Lucchini

Sales prices (EXW), USD/tonne	Q2 2008	Q2 2009	Change,%	Q1 2009	Q2 2009	Change,%
Semifinished products	690	474	-31%	554	474	-15%
Rolled products:	1,330	914	-31%	1,062	914	-14%
Long products	1,375	908	-34%	1,085	908	-16%
Rails	990	944	-5%	1,002	944	-6%
Downstream products:	1,207	1,011	-16%	1,071	1,011	-6%
Metalware products	1,207	1,011	-16%	1,071	1,011	-6%

Note:

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