

Severstal reports H1 and Q2 2010 operational results

Moscow, Russia - July 26, 2010 – OAO Severstal (LSE: SVST), one of the world's leading integrated steel and mining companies, today announces its H1 and Q2 2010 operational results.

Note: As of Q2 2010, Severstal will be reporting its consolidated operational results without Lucchini sales volumes and average selling prices. On June 30, 2010 Severstal announced the sale of 50.8% of Lucchini S.p.A shares to a company controlled by Alexey Mordashov. Lucchini's operational results for H1 and Q2 2010 are provided on page 5 of this report. Severstal currently owns 49.2% of Lucchini S.p.A.

PRODUCTION OF HOT METAL AND CRUDE STEEL

| Total output* | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|----------------------------------|------------------|------------------|------------|------------------|------------------|------------|
| Hot metal: total output | 6 486 124 | 4 757 754 | 36% | 3 402 987 | 3 083 137 | 10% |
| Russian Steel | 4 229 838 | 3 187 867 | 33% | 2 132 028 | 2 097 810 | 2% |
| North America | 2 256 286 | 1 569 887 | 44% | 1 270 959 | 985 327 | 29% |
| Crude steel: total output | 8 664 871 | 6 768 520 | 28% | 4 563 855 | 4 101 015 | 11% |
| Russian Steel | 5 316 039 | 4 194 648 | 27% | 2 739 890 | 2 576 149 | 6% |
| North America | 3 348 832 | 2 573 872 | 30% | 1 823 965 | 1 524 867 | 20% |

CONSOLIDATED SALES (NET OF INTERCOMPANY SALES)

| Sales volume* | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--------------------------------------|------------------|------------------|-------------|------------------|------------------|-------------|
| Coal: | 3 660 136 | 2 260 052 | 62% | 1 992 612 | 1 667 524 | 19% |
| Coking coal | 128 196 | 87 904 | 46% | 116 843 | 11 353 | n.a. |
| Coking coal concentrate | 1 484 514 | 148 706 | n.a. | 854 748 | 629 766 | 36% |
| Steam coal | 2 047 425 | 2 023 442 | 1% | 1 021 020 | 1 026 405 | -1% |
| Iron ore pellets | 1 255 681 | 1 706 474 | -26% | 604 630 | 651 051 | -7% |
| Gold (oz tr.) | 259 993 | 224 927 | 16% | 137 356 | 122 638 | 12% |
| Semi-finished products | 408 117 | 321 819 | 27% | 338 857 | 69 260 | n.a. |
| Rolled products: | 6 951 681 | 5 245 595 | 33% | 3 724 800 | 3 226 881 | 15% |
| Hot-rolled strip and plate | 3 679 262 | 2 641 473 | 39% | 1 930 703 | 1 748 559 | 10% |
| Cold-rolled sheet | 1 569 358 | 1 126 753 | 39% | 854 052 | 715 305 | 19% |
| Galvanised and metallic coated sheet | 1 260 046 | 976 652 | 29% | 656 656 | 603 390 | 9% |
| Color coated sheet | 113 496 | 128 707 | -12% | 72 641 | 40 854 | 78% |
| Long products | 329 531 | 372 011 | -11% | 210 748 | 118 772 | 77% |
| Downstream products: | 894 824 | 756 423 | 18% | 499 589 | 395 235 | 26% |
| Metalware products | 426 771 | 390 313 | 9% | 236 114 | 190 657 | 24% |
| Large diameter pipes | 232 435 | 169 671 | 37% | 131 334 | 101 101 | 30% |
| Other tubes and pipes, formed shapes | 235 618 | 196 439 | 20% | 132 141 | 103 477 | 28% |

* - metric tonnes unless otherwise stated.

SEGMENT BREAKDOWN

Severstal Resources*

| Sales volume** | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|------------------------------------|------------------|------------------|------------|------------------|------------------|------------|
| Coal: | 5 627 428 | 4 168 952 | 35% | 2 987 406 | 2 640 022 | 13% |
| Coking coal, including | 128 196 | 87 904 | 46% | 116 843 | 11 353 | n.a. |
| Vorkutaugol | 128 196 | 87 904 | 46% | 116 843 | 11 353 | n.a. |
| Coking coal concentrate, including | 3 451 806 | 2 057 606 | 68% | 1 849 543 | 1 602 264 | 15% |
| Vorkutaugol | 2 560 447 | 1 870 078 | 37% | 1 351 709 | 1 208 739 | 12% |
| PBS Coals | 891 359 | 187 528 | n.a. | 497 834 | 393 525 | 27% |
| Steam coal, including | 2 047 425 | 2 023 442 | 1% | 1 021 020 | 1 026 405 | -1% |
| Vorkutaugol | 1 439 201 | 1 155 375 | 25% | 682 486 | 756 715 | -10% |
| PBS Coals | 608 224 | 868 067 | -30% | 338 534 | 269 690 | 26% |
| Iron ore: | 6 612 824 | 5 945 516 | 11% | 3 372 149 | 3 240 675 | 4% |
| Iron ore pellets | 4 694 461 | 3 510 997 | 34% | 2 432 813 | 2 261 648 | 8% |
| Iron ore concentrate | 1 918 364 | 2 434 519 | -21% | 939 337 | 979 027 | -4% |
| Gold (oz tr.) | 259 993 | 224 927 | 16% | 137 356 | 122 638 | 12% |

Severstal Russian Steel*

| Sales volume** | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--------------------------------------|------------------|------------------|------------|------------------|------------------|-------------|
| Semi-finished products | 511 711 | 332 732 | 54% | 413 290 | 98 422 | n.a. |
| Rolled products: | 3 801 044 | 2 868 931 | 32% | 2 043 538 | 1 757 506 | 16% |
| Hot-rolled strip and plate | 2 357 184 | 1 668 582 | 41% | 1 161 479 | 1 195 703 | -3% |
| Cold-rolled sheet | 771 349 | 510 000 | 51% | 455 715 | 315 634 | 44% |
| Galvanised and metallic coated sheet | 250 247 | 198 861 | 26% | 153 216 | 97 030 | 58% |
| Color coated sheet | 87 248 | 109 019 | -20% | 60 810 | 26 438 | 130% |
| Long products | 335 017 | 382 445 | -12% | 212 317 | 122 700 | 73% |
| Downstream products: | 847 561 | 691 797 | 23% | 471 443 | 376 118 | 25% |
| Metalware products | 379 181 | 324 848 | 17% | 207 840 | 171 341 | 21% |
| Large diameter pipes | 232 435 | 170 221 | 37% | 131 334 | 101 101 | 30% |
| Other tubes and pipes, formed shapes | 235 945 | 196 728 | 20% | 132 270 | 103 675 | 28% |

Severstal North America*

| Sales volume** | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--|------------------|------------------|-------------|------------------|------------------|------------|
| Rolled products: | 3 158 017 | 2 387 695 | 32% | 1 684 502 | 1 473 515 | 14% |
| Hot-rolled strip and plate | 1 322 588 | 973 464 | 36% | 769 520 | 553 068 | 39% |
| Cold-rolled sheet | 799 382 | 616 753 | 30% | 399 711 | 399 671 | 0% |
| Galvanised and metallic coated sheet | 1 009 799 | 777 790 | 30% | 503 439 | 506 360 | -1% |
| Color coated sheet | 26 248 | 19 688 | 33% | 11 832 | 14 416 | -18% |
| Downstream products (Metalware) | 48 700 | 66 262 | -27% | 28 802 | 19 898 | 45% |

* - including intercompany sales. ** - metric tonnes unless otherwise stated.

AVERAGE SELLING PRICES

Consolidated sales

| Sales prices (EXW), USD/tonne | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--------------------------------------|--------------|--------------|-------------|--------------|--------------|------------|
| Coal | 82 | 63 | 31% | 91 | 73 | 25% |
| Coking coal, including | 37 | 12 | 210% | 37 | 35 | 6% |
| Vorkutaugol | 37 | 12 | 210% | 37 | 35 | 6% |
| Coking coal concentrate, including | 144 | 85 | 69% | 155 | 128 | 21% |
| Vorkutaugol | 159 | 84 | 88% | 174 | 137 | 27% |
| PBS Coals | 122 | 96 | 28% | 128 | 110 | 16% |
| Steam coal | 41 | 41 | -1% | 43 | 39 | 10% |
| Vorkutaugol | 32 | 27 | 21% | 32 | 31 | 3% |
| PBS Coals | 63 | 61 | 3% | 66 | 60 | 10% |
| Iron ore | 98 | 44 | 122% | 126 | 71 | 77% |
| Iron ore pellets | 98 | 44 | 122% | 126 | 71 | 77% |
| Gold (USD/oz tr.) | 1 148 | 932 | 23% | 1 194 | 1 096 | 9% |
| Semi-finished products | 454 | 310 | 46% | 479 | 329 | 46% |
| Rolled products | 694 | 566 | 23% | 728 | 655 | 11% |
| Hot-rolled strip and plate | 611 | 457 | 34% | 652 | 565 | 15% |
| Cold-rolled sheet | 705 | 608 | 16% | 730 | 676 | 8% |
| Galvanised and metallic coated sheet | 900 | 832 | 8% | 921 | 877 | 5% |
| Color coated sheet | 1 270 | 967 | 31% | 1 281 | 1 251 | 2% |
| Long products | 588 | 421 | 40% | 623 | 527 | 18% |
| Downstream products | 1 208 | 1 099 | 10% | 1 239 | 1 169 | 6% |
| Metalware products | 1 069 | 984 | 9% | 1 114 | 1 014 | 10% |
| Large diameter pipes | 2 009 | 2 010 | 0% | 2 010 | 2 007 | 0% |
| Other tubes and pipes, formed shapes | 671 | 542 | 24% | 698 | 637 | 10% |

Severstal Resources

| Sales prices (EXW), USD/tonne | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|-------------------------------|--------------|------------|------------|--------------|--------------|------------|
| Coal | 97 | 63 | 55% | 109 | 85 | 28% |
| Coking coal, including | 37 | 12 | 210% | 37 | 35 | 6% |
| Vorkutaugol | 37 | 12 | 210% | 37 | 35 | 6% |
| Coking coal concentrate | 133 | 85 | 56% | 150 | 114 | 32% |
| Vorkutaugol | 135 | 84 | 60% | 154 | 113 | 36% |
| PBS Coals | 129 | 96 | 34% | 137 | 119 | 15% |
| Steam coal | 41 | 41 | -1% | 43 | 39 | 10% |
| Vorkutaugol | 32 | 27 | 21% | 32 | 31 | 3% |
| PBS Coals | 63 | 61 | 3% | 66 | 60 | 10% |
| Iron ore | 79 | 41 | 95% | 99 | 58 | 71% |
| Iron ore pellets | 88 | 44 | 99% | 111 | 64 | 73% |
| Iron ore concentrate | 57 | 35 | 62% | 71 | 43 | 65% |
| Gold (USD/oz tr.) | 1 148 | 932 | 23% | 1 194 | 1 096 | 9% |



Severstal Russian Steel

| Sales prices (EXW), USD/tonne | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--------------------------------------|--------------|--------------|------------|--------------|--------------|------------|
| Semi-finished products | 457 | 310 | 48% | 485 | 339 | 43% |
| Rolled products | 617 | 447 | 38% | 656 | 572 | 15% |
| Hot-rolled strip and plate | 570 | 402 | 42% | 605 | 536 | 13% |
| Cold-rolled sheet | 628 | 468 | 34% | 652 | 593 | 10% |
| Galvanised and metallic coated sheet | 843 | 632 | 33% | 861 | 815 | 6% |
| Color coated sheet | 1 256 | 941 | 34% | 1 261 | 1 245 | 1% |
| Long products | 588 | 421 | 40% | 623 | 528 | 18% |
| Downstream products | 1 197 | 1 052 | 14% | 1 226 | 1 160 | 6% |
| Metalware products | 1 026 | 862 | 19% | 1 066 | 977 | 9% |
| Large diameter pipes | 2 009 | 2 010 | 0% | 2 010 | 2 007 | 0% |
| Other tubes and pipes, formed shapes | 671 | 542 | 24% | 698 | 637 | 10% |

Severstal North America

| Sales prices (EXW), USD/tonne | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|--|--------------|--------------|-------------|--------------|--------------|------------|
| Rolled products: | 787 | 710 | 11% | 815 | 754 | 8% |
| Hot-rolled strip and plate | 683 | 552 | 24% | 723 | 628 | 15% |
| Cold-rolled sheet | 780 | 724 | 8% | 819 | 741 | 11% |
| Galvanised and metallic coated sheet | 914 | 883 | 3% | 939 | 888 | 6% |
| Color coated sheet | 1 317 | 1 115 | 18% | 1 384 | 1 261 | 10% |
| Downstream products (Metalware) | 1 417 | 1 582 | -10% | 1 469 | 1 341 | 10% |

LUCCHINI

| Total output* | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|---------------------------|-----------|---------|-----------|---------|---------|-----------|
| Hot metal: total output | 1 080 199 | 644 072 | 68% | 575 728 | 504 471 | 14% |
| Crude steel: total output | 1 363 147 | 841 331 | 62% | 736 925 | 626 222 | 18% |

| Sales volume, tonnes* | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|---------------------------------|---------|---------|-----------|---------|---------|-----------|
| Semi-finished products | 541 898 | 174 470 | 211% | 234 812 | 307 086 | -24% |
| Rolled long products | 934 385 | 636 571 | 47% | 485 308 | 449 077 | 8% |
| Downstream products (Metalware) | 25 710 | 23 412 | 10% | 15 752 | 9 958 | 58% |

| Sales prices (EXW), USD/tonne | H1 2010 | H1 2009 | Change, % | Q2 2010 | Q1 2010 | Change, % |
|---------------------------------|---------|---------|-----------|---------|---------|-----------|
| Semi-finished products | 479 | 519 | - 8% | 547 | 427 | 28% |
| Rolled long products | 880 | 993 | -11% | 913 | 844 | 8% |
| Downstream products (Metalware) | 949 | 1 036 | -8% | 950 | 946 | 0% |

* - including intercompany sales

Note: Semi-finished products include hot metal, pig iron, slabs, billets, ingots, steel casting and forgings.

Investor Relations

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AO Severstal is one of the world's leading integrated steel and mining companies. The company's shares are traded on the Russian Trading System (CHMF), MICEX (CHMF, RTS) and LSE (SVST). With assets in Russia, Ukraine, Kazakhstan, Italy, France, the USA and Africa, Severstal posted revenue of \$13.05 billion and EBITDA of \$844 million in 2009. The Company was also ranked 13th in Metal Bulletin's 2009 global ranking of Top Steelmakers, producing 16.8 million tonnes of crude steel. Severstal's mining assets in Russia and the USA mean that the Company is self sufficient in coking coal and iron ore in Russia and 50% self sufficient in coking coal in the USA.