



Q4 and FY2010 Financial Results Presentation

3 March 2011





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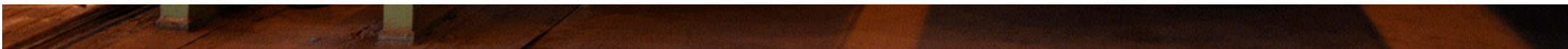
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**Q4 and FY2010
Results Overview**



FY 2010 highlights

- » Revenue up 41.5% to \$13,573 million (FY 2009:\$9,594 million)
- » Substantially improved EBITDA* and EBITDA margin following decision to focus Severstal International on Dearborn and Columbus while classifying underperforming assets as assets held for sale
- » Group EBITDA up 105.3% to \$3,263 million (FY 2009: \$1,589 million)
- » Group EBITDA margin up to 24.0% (FY 2009: 16.6%)
- » Profit from continuing activities of \$1,427 million
- » Loss attributable to shareholders of \$577 million due to discontinued operations**

*EBITDA represents profit /(loss) from operations plus depreciation and amortization of productive assets adjusted for gain/(loss) on disposals of property, plant, equipment and intangible assets.

**The net loss for Q4 2010 and FY 2010 includes a loss from the discontinued operation of the Lucchini segment and North America disposal group (Warren, Wheeling, Sparrows Point, Mountain State Carbon). The Lucchini segment was classified as held for sale as at 31 March 2010, Warren, Wheeling, Sparrows Point were classified as held for sale as at 31 December 2010.

Q4 2010 highlights

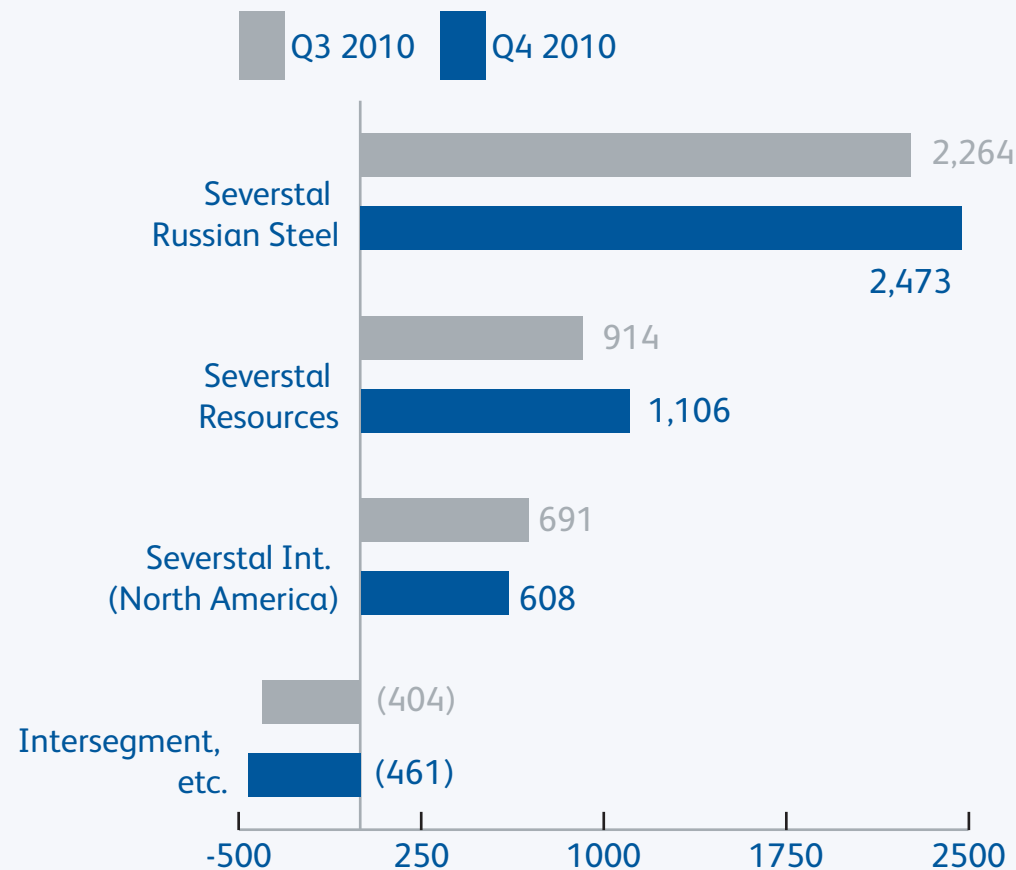
- » Solid financial performance reflecting benefits of vertical integration and global economic recovery
- » Good revenue and EBITDA growth at Russian Steel and Severstal Resources: Nordgold EBITDA up 27.4% to \$121 million
- » Decision to sell underperforming US assets and focus Severstal International on Dearborn and Columbus
- » Group revenue up 7.5% to \$3,726 million and EBITDA up 6.4% to \$899 million
- » Group EBITDA margin 24.1%
- » Profit from continuing activities of \$261 million
- » Loss attributable to shareholders of \$352 million due to discontinued operations**
- » Maintaining dividend payments with recommended dividend of 2.42 rubles per share

REVENUE Dynamics and Breakdown

Q4 2010 Revenue: \$3,726m

(Q3 2010: \$3,465m; +7.5%)

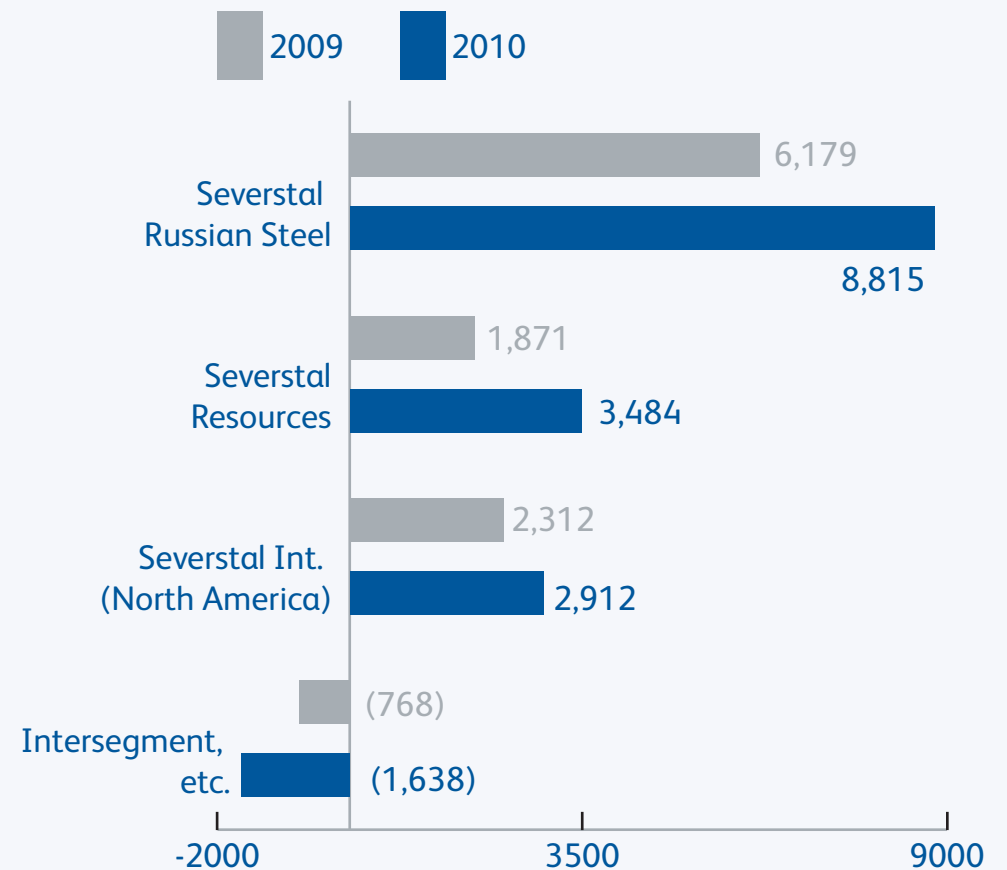
Benefits of vertical integration in Russia, seasonally weaker quarter for the US market



FY2010 Revenue: \$13,573m

(FY2009: \$9,594m; +41.5%)

Strong growth across all segments to last year, including Severstal North America

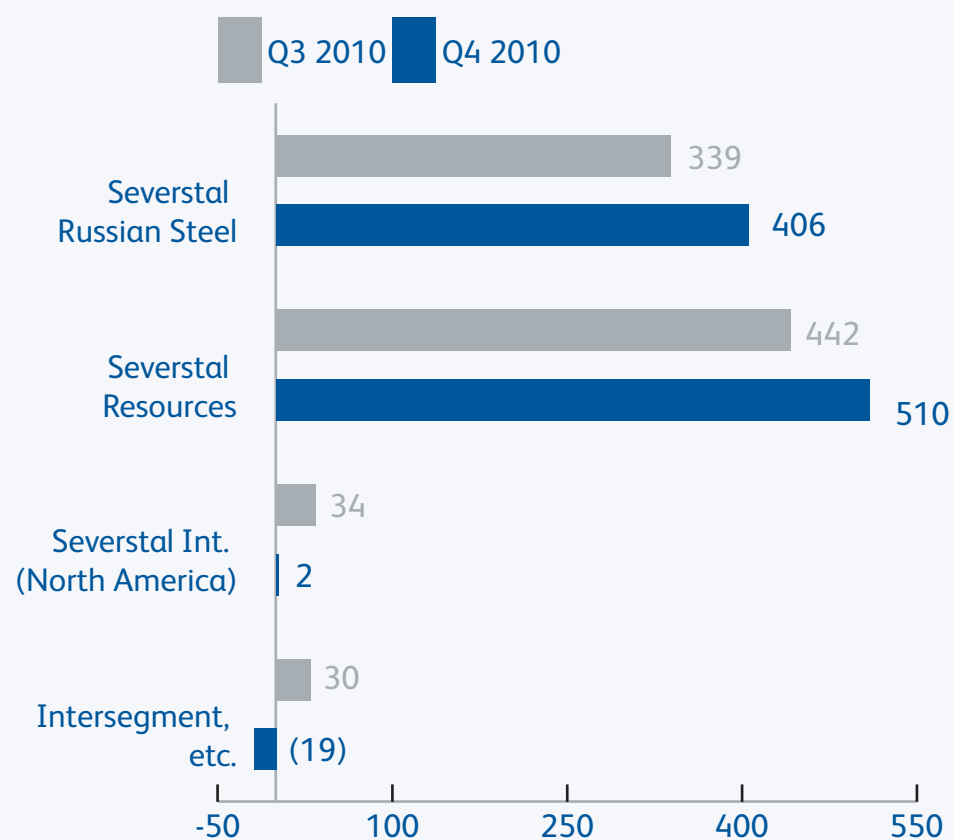


EBITDA Dynamics and Breakdown

Q4 2010 EBITDA: \$899m

(Q3 2010: \$845m; +6.4%)

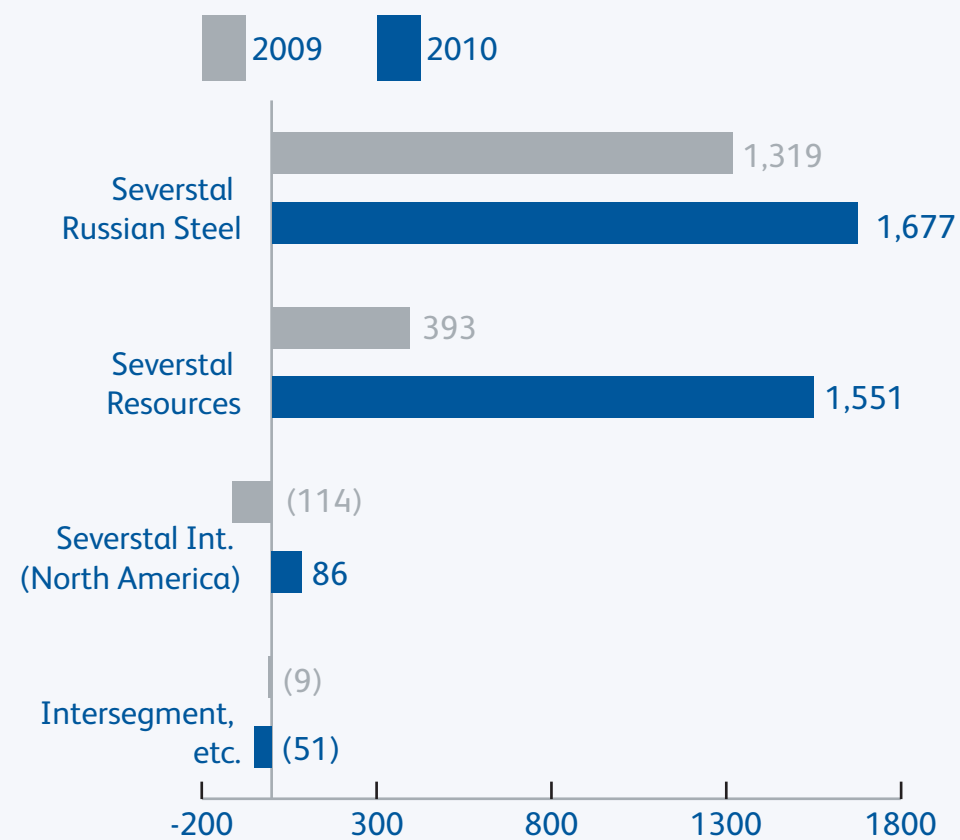
Parallel growth in Russian Steel and Severstal Resources



FY2010 EBITDA: \$ 3,263m

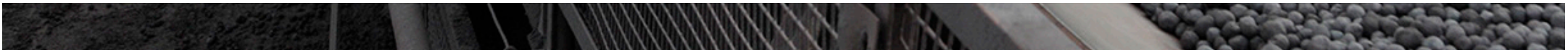
(FY2009: \$1,589m; +105.3%)

Strong performance across segments including US operations



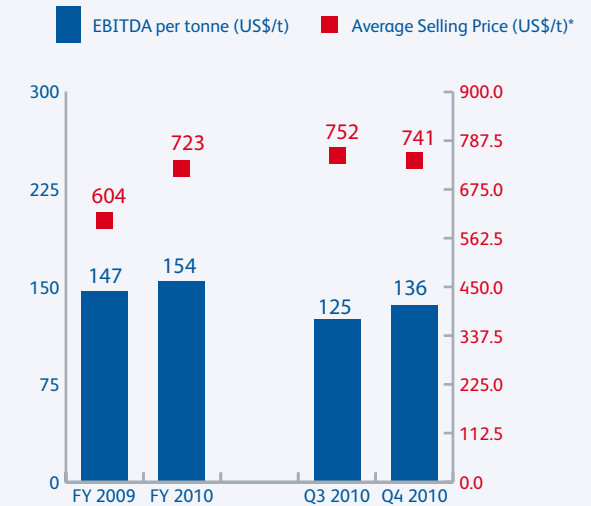


Divisional Performance and Market Outlook



- » Q4 2010 EBITDA up 19.8% from \$339 million in Q3 2010 to \$406 million and EBITDA margin up to 16.4%
- » Q4 2010 domestic sales increased by 5.8% as compared to Q3 2010 with prices slightly weaker due to seasonal factors
- » 2010 completion of Sheksna Pipe Plant and Gestamp-Serverstal-Kaluga stamping facility
- » Q1 2011 focus to increase production volumes and exposure to attractive construction and automotive sectors

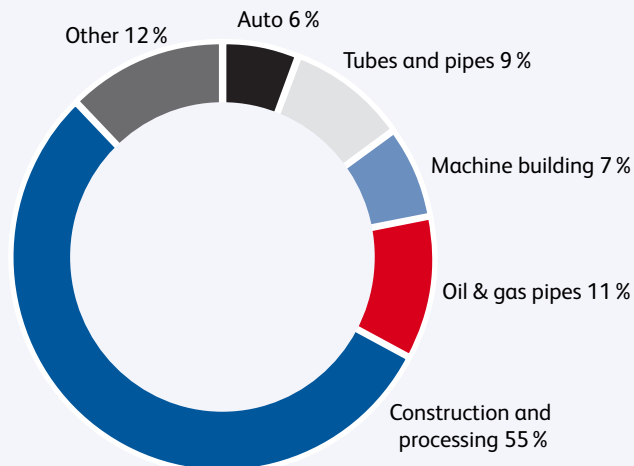
EBITDA is up \$11 per tonne QoQ



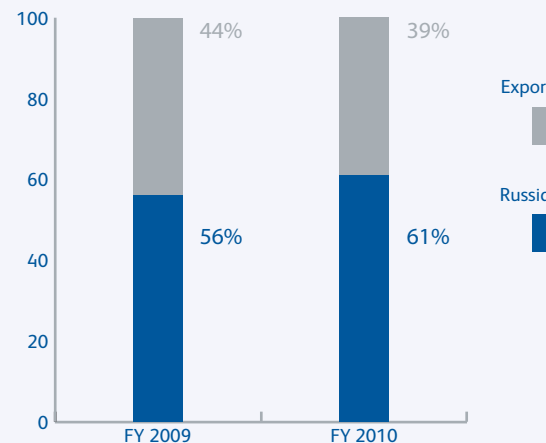
*All steel products, incl. pipes, etc.; Ex Works price terms

Diversified product portfolio

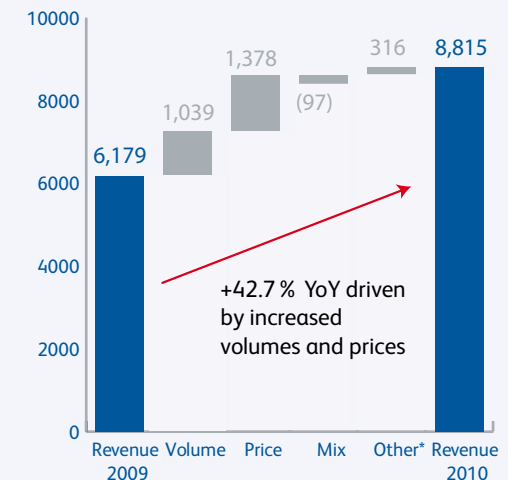
(FY2010 revenue breakdown)



Growing proportion of sales in Russia

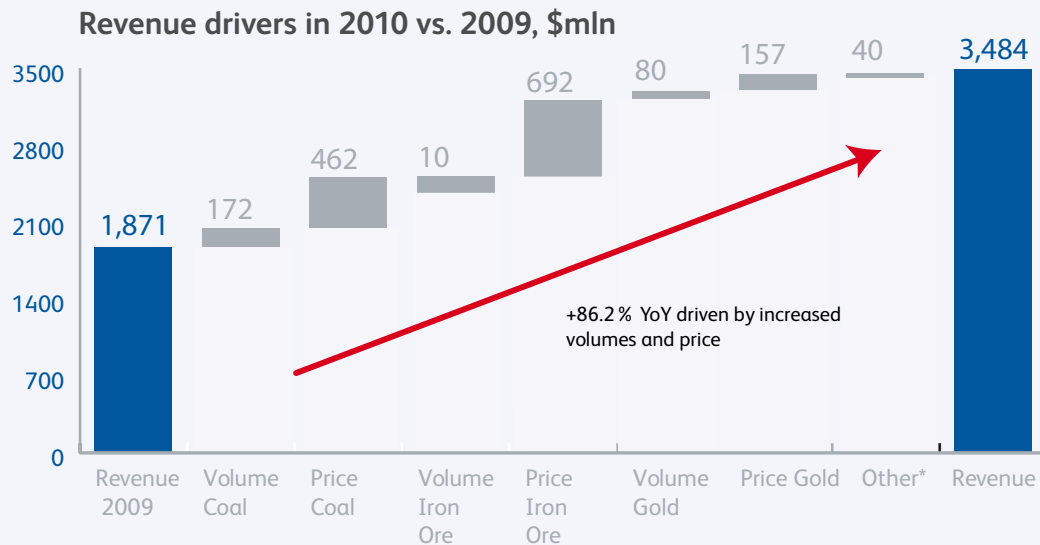


Revenue drivers in 2010 vs. 2009, \$mln



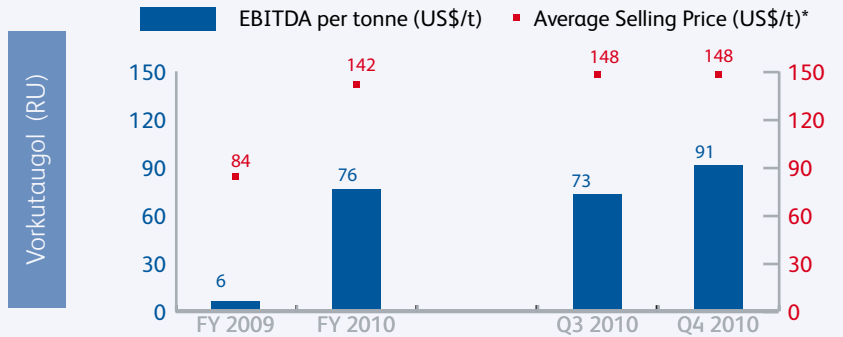
* "Other" includes revenues from non-core business, like delivery services, sale of energy, heat, coking side-products, etc

- » Q4 2010 EBITDA up 15.4% from \$442 million in Q3 2010 to \$510 million and EBITDA margin at 46.1%
- » Sales growth across main product groups:
 - » Iron ore pellets (in tonnes) +6%.
 - » Gold sales (in oz tr.) +31%.
 - » Coal (in tonnes) +5%.
- » Further development of Nordgold
- » Q1 2011 focus on increasing production volumes

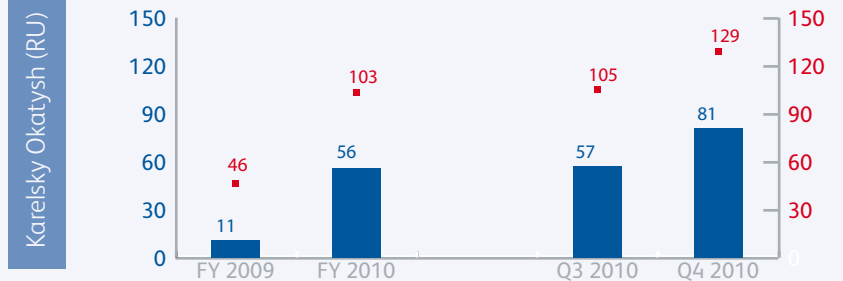


* "Other" includes revenues from non-core business, like delivery services, etc.

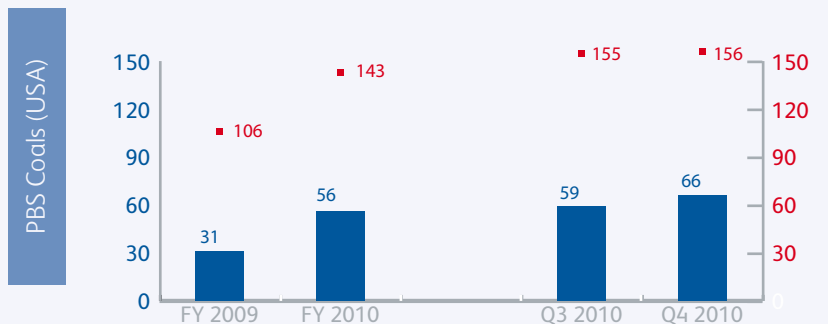
Growing EBITDA per tonne across main products



*Coking coal concentrate; Free Carrier price terms.



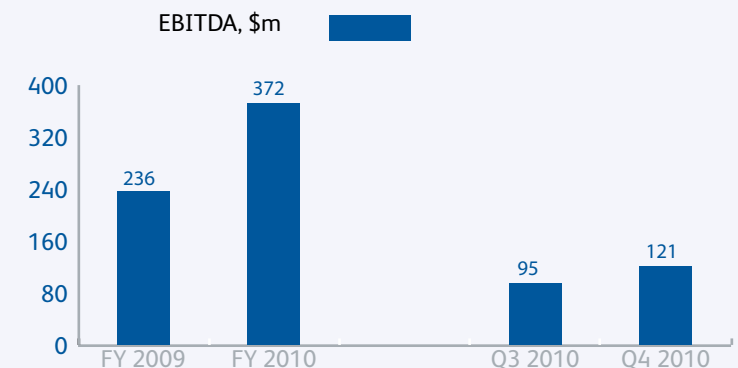
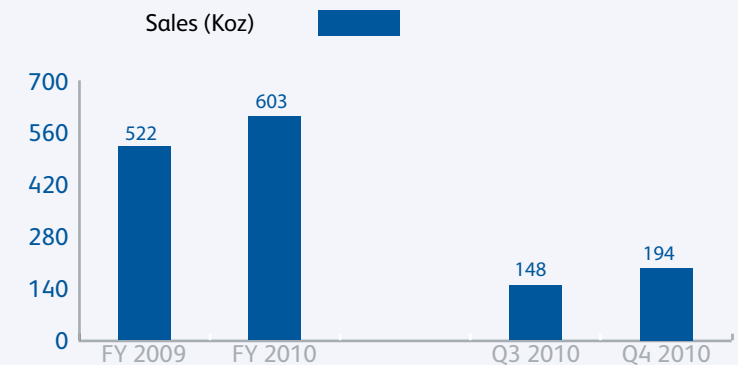
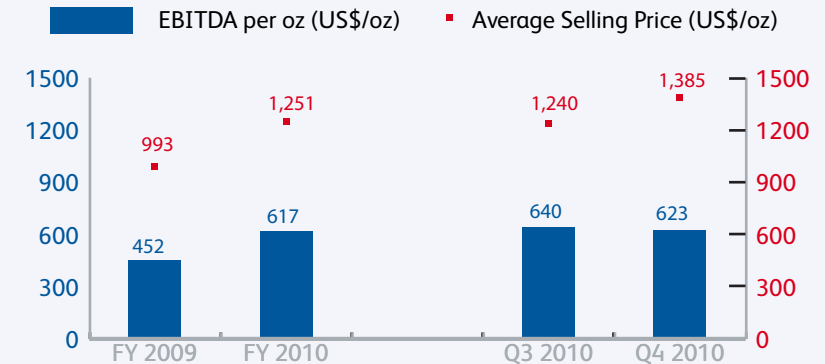
*Iron ore pellets; Free Carrier price terms.



*Coking coal; Free Carrier price terms.

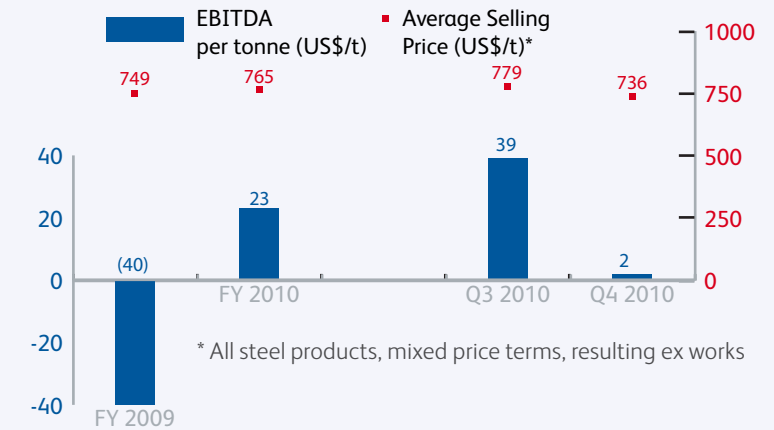
Nordgold – a leading gold producer within Severstal Resources

- » Leading gold producer focused on emerging markets
- » Q4 2010 sales volumes up 31% to 194 Koz versus Q3 2010
- » Q4 2010 EBITDA up 27.4% from \$95 million in Q3 2010 to \$121 million and EBITDA margin at 45.0%
- » Expansion, ongoing operational improvements, increased sales volumes and favorable gold prices
- » Expansion projects at Berezitovy and Suzdal mines and turnaround program at the LEFA asset
- » Q1 2011 focus on further operational improvement at current assets and greenfield exploration and drilling programs

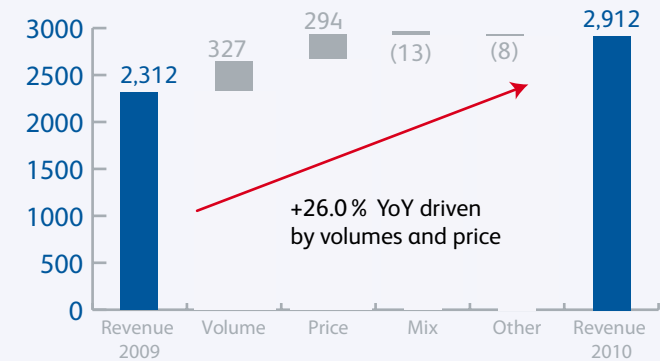


- » Q4 2010 EBITDA down 94.1% from \$34 million in Q3 2010 to \$2 million and EBITDA margin at 0.3%
- » Decision to sell underperforming assets and focus on modern and efficient Dearborn and Columbus facilities
- » Seasonally weaker steel demand and prices, increased impact from underperforming assets and raw materials price increase
- » Q1 2011 focus to increase output with focus on value-added production
- » Attractive long-term growth market

Strong growth in EBITDA per tonne



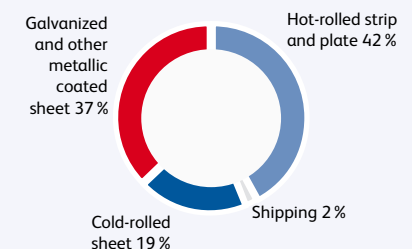
Revenue drivers in 2010 vs. 2009, \$mIn



* "Other" includes revenues from non-core business, like delivery services, sales of energy, heat, coking side products, etc

2011 Projects	Timeline	Expected Results
Dearborn (New Pickle Line and Tandem Cold Mill)	Q3 2011 Start	<ul style="list-style-type: none"> » Cold-rolling capacity will increase to 1.9 million tonnes » Development of high -end automotive products output
Dearborn (New Automotive Exposed HDG Line)	Q4 2011 Start	<ul style="list-style-type: none"> » Increase in exposed automotive steel capacity by 450,000 tonnes focusing on galvanized and galvanized products
Columbus (Phase II)	Q4 2011 Start	<ul style="list-style-type: none"> » Hot -rolled band capacity will double to 3.1 million tonnes » Galvanizing capacity will double to 1 million tonnes

Columbus and Dearborn have a solid value-added portfolio





Financial Position

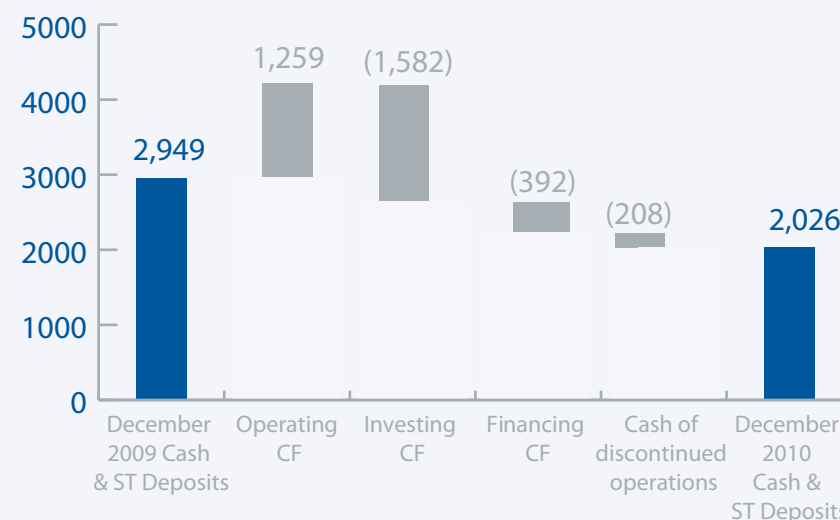


Cash Flow and Net Working Capital

Highlights:

- » Strong cash position with \$2,026 million in cash and short-term deposits.
- » Solid Q3-Q4 2010 accounted for \$1,128 million of the \$1,259 million operating cash flow for FY2010 (figure excludes discontinued operations).
- » Free cash flow of \$660 million after significant CAPEX of \$1,251 million in 2010.
- » Gold business consolidation main use of investing cash flow.

Cash Flow for FY 2010, \$mln



* Net cash from operating, investing and financing activities includes negative \$599 million of net cash-flow from discontinued operations due to Lucchini and North America disposal groups reclass; December 2009 cash includes \$96 million of short-term deposits; December 2010 cash includes \$13 million of short-term deposits; December 2009 cash includes Lucchini and North America disposal groups.

Net Working Capital for FY2010, \$ mln

Net working capital, \$ mln*

Dec 31, 2010	Dec 31, 2009	Change, %
2,362	2,029	16.4%

Net working capital as % of sales*

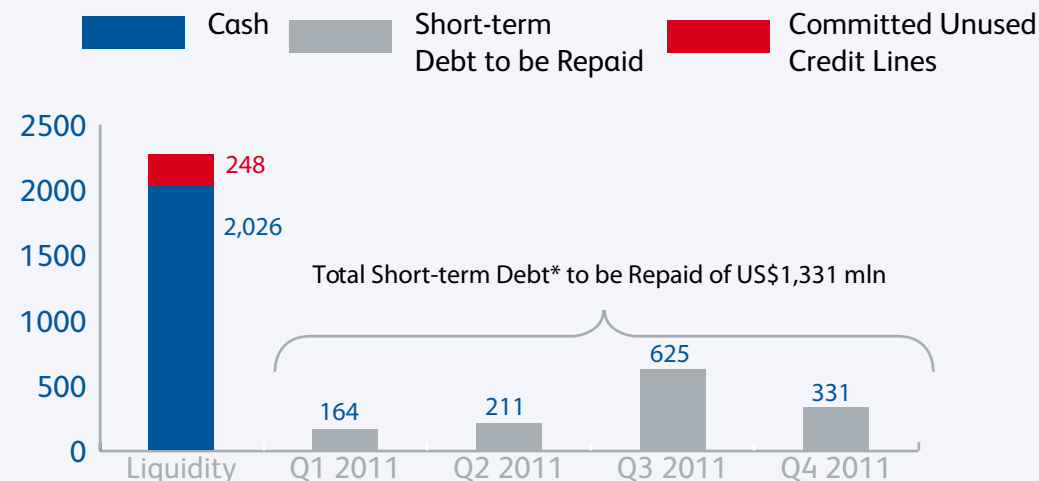
Dec 31, 2010	Dec 31, 2009
17.4%	21.2%

* Figures exclude Lucchini and North America disposal groups.

Robust Liquidity and Sustainable Leverage

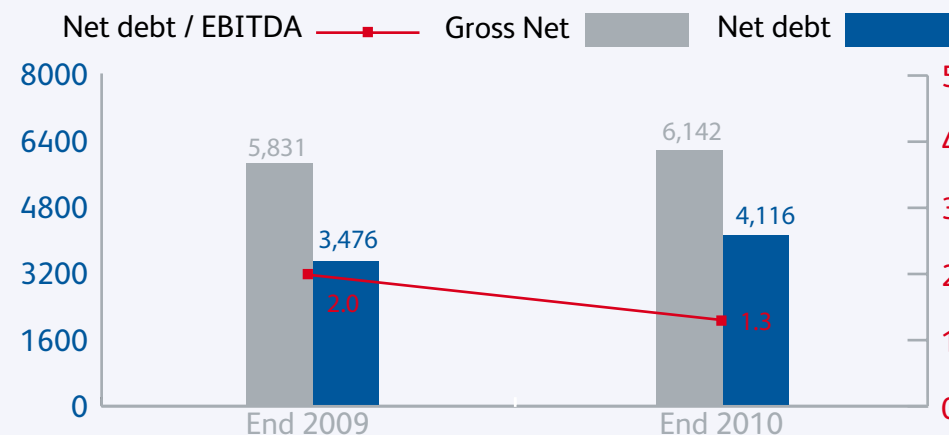
- » Consistently strong liquidity position:
 - » Cash and short-term deposits of \$2,026 million
 - » Committed unused credit lines of \$248 million
- » Upcoming debt maturities can be serviced from cash on hand:
 - » FY2011 maturities of \$1,331 million
 - » \$492 million in Q3 2011 represent RUB bond put option, maturity can be extended by additional year
- » Rapid improvement of leverage metrics: Net Debt/EBITDA of 1.3x below the target level of 1.5x

Current Liquidity Overview, \$mIn



*Excluding accrued interest and unamortised balance of transactional costs.

Gross Debt and Net Debt, \$mIn

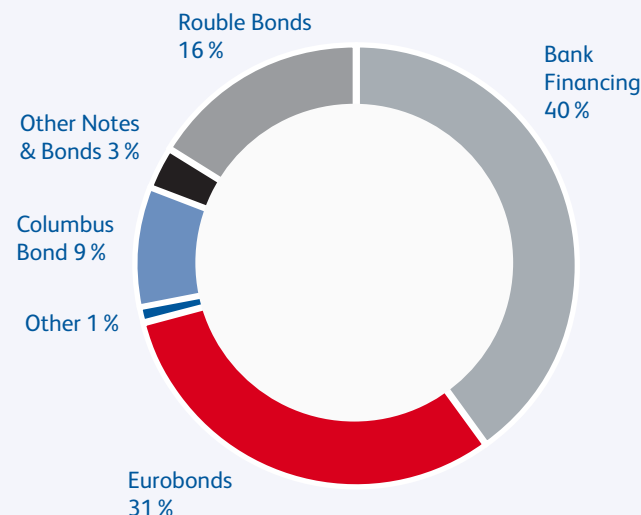


Note: Figures as of 31.12.2009 and 31.12.2010 exclude Lucchini and North America disposal groups

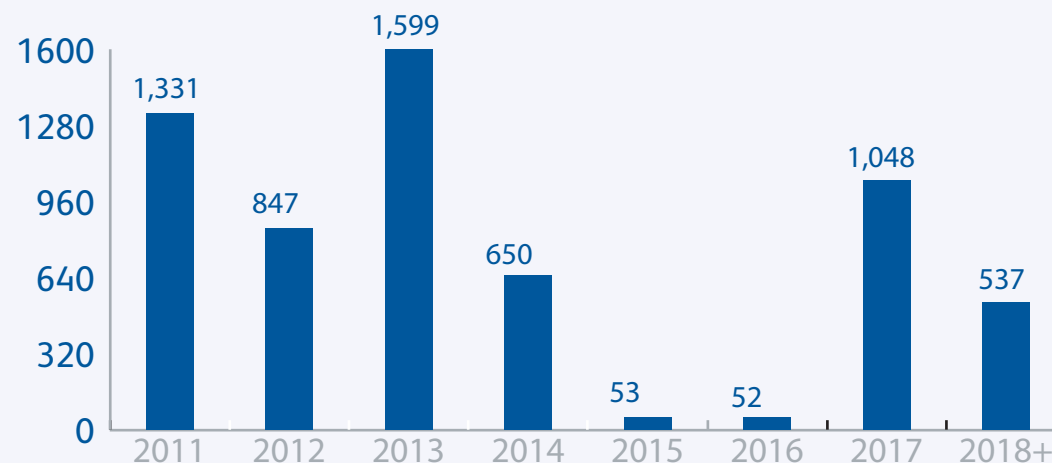
Reinforced Financing Structure

- » Well diversified debt portfolio
- » Positive banking community relationships
- » Proven access to domestic and international debt capital markets
- » Comfortable maturity profile further improved through:
 - » February 2010: replacing Severstal Columbus project finance debt with non-recourse to parent \$525million bond maturing in 2018
 - » Partial buyback of 2013 eurobond via the Modified Dutch Action reducing 2013 maturities by \$706 million...
- » ...financed through the Issuance of \$1,000 million eurobond maturing in 2017, achieving ~ \$20m annualized interest expense savings

Current Debt Structure, %*



Debt Maturity Schedule, \$mIn*

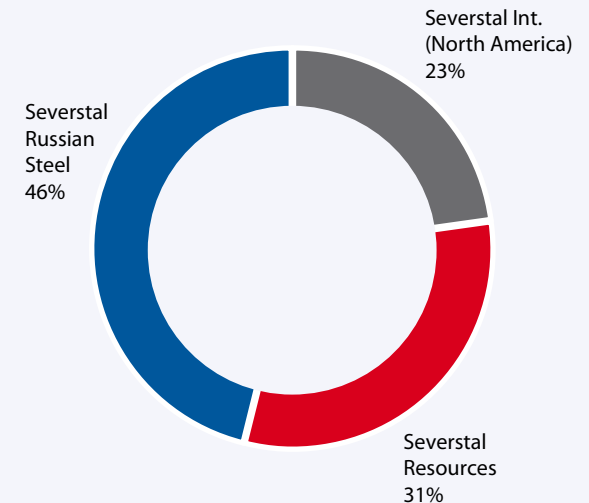


* On these charts the total debt represents \$6,117 million and excludes accrued interest and unamortised balance of transactional costs.

FY2011 CAPEX: Investment in growth segments

Segment	Site	Project*	Capacity / Effect	Launch
Severstal Russian Steel	Balakovo Mill	Scrap-based greenfield long-product mini-mill	+1 mln tonnes rolling capacity	2013
	Cherepovets Steel	Launch of the 2nd color coating line	+0.2 mln tonnes of value-added capacity	2011
	Cherepovets Steel	Full reconstruction of coking battery #7; partial reconstruction of blast furnace #5	Modernization and maintenance	2011/2013
Severstal Resources	Vorkutaugol	Launch of a power plant using mine gazes	Efficiency	2011
	Karelsky Okatysh, Olkon	Purchase of mining equipment	Modernization, expansion	2011
	Putu Range iron ore greenfield (Liberia)	Intense geological work	Feasibility study	n/a
	PBS Coals	Launch of new capacities	Volume increase	2011
	Gold assets	Exploration	Potential resource increase	n/a
Severstal International (North America)	Dearborn	Pickle line and tandem cold rolling mill	Cold-rolling capacity will increase to 1.9 million tonnes	2011
	Dearborn	Hot dip coating line	Increase in exposed automotive steel capacity by 450,000 tonnes	2011
	Columbus	Phase II	Hot -rolled band capacity will double to 3.1 million tonnes; Galvanizing capacity will double to 1 million tonnes	2011

FY2011 target CAPEX of above \$2 billion



* Selected major projects only

Global:

- » H1 steel prices to remain high due to raw material prices growth and restocking
- » Margins improvement will drive increased output
- » H2 steel and raw material prices may moderate, while production volumes remain high as average capacity utilization below 80% with demand growing
- » Gold prices may appreciate through the year due to political instability in Middle East

Russia:

- » Steel demand is expected to grow by about 8% YoY in 2011
- » Raw materials price inflation benefits vertically-integrated steelmakers
- » Infrastructures and pipeline investment with revival of residential construction

US:

- » Following sharp steel prices increase since end 2010, market remains tight and continued growth on the back of raw material prices
- » Automotive industry will continue to be the best steel-consuming segment

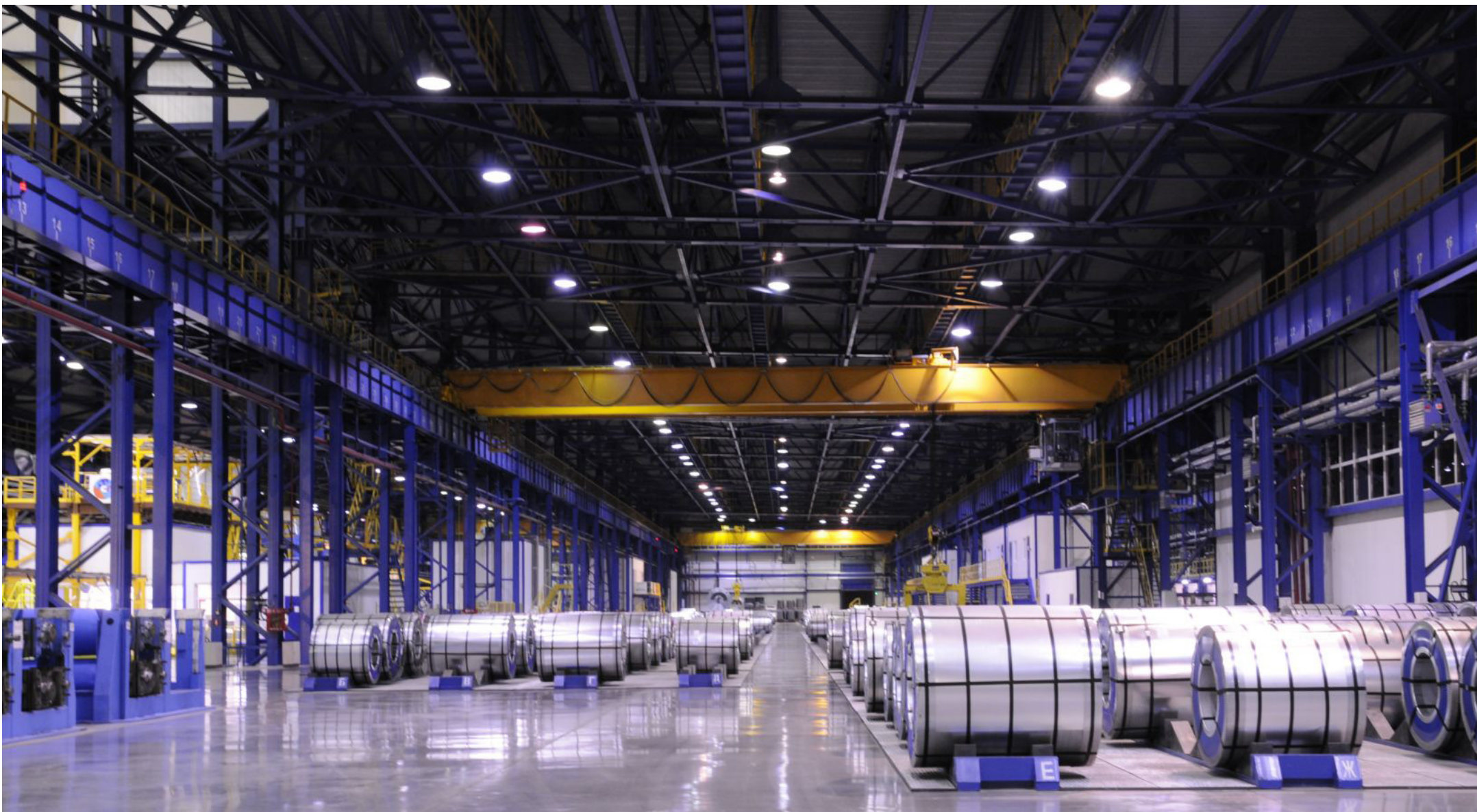
Q4 and FY2010 Conclusions

- » Solid overall financial and operational performance with positive outlook on the back of favorable market environment
- » Strong steel-related mining performance
- » Growing contribution from Nordgold
- » Decision to sell underperforming US assets and focus on modern and efficient Dearborn and Columbus facilities
- » Focus on Continuous Improvement / Customer Care programmes
- » Concentration on and investment in assets with highest potential; FY2011 CAPEX target above \$2billion



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Thank you Q&A



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Appendices

Note: Discontinued Operations

As of December 31, 2010 the Group's discontinued operations represent Lucchini segment and Severstal Sparrows Point, Severstal Warren, Severstal Wheeling and Mountain State Carbon (operating segment within the North America reporting segment) that are classified as held for sale.

For the purposes of financial reporting for Q4 and FY2010, Q3 2010 and FY2009 financial results have been restated accordingly to reflect the effect of discontinued operations in respect to the Lucchini and North America disposal groups.

For further detail, please refer to the Severstal consolidated financial statements for 2010 at www.severstal.com.

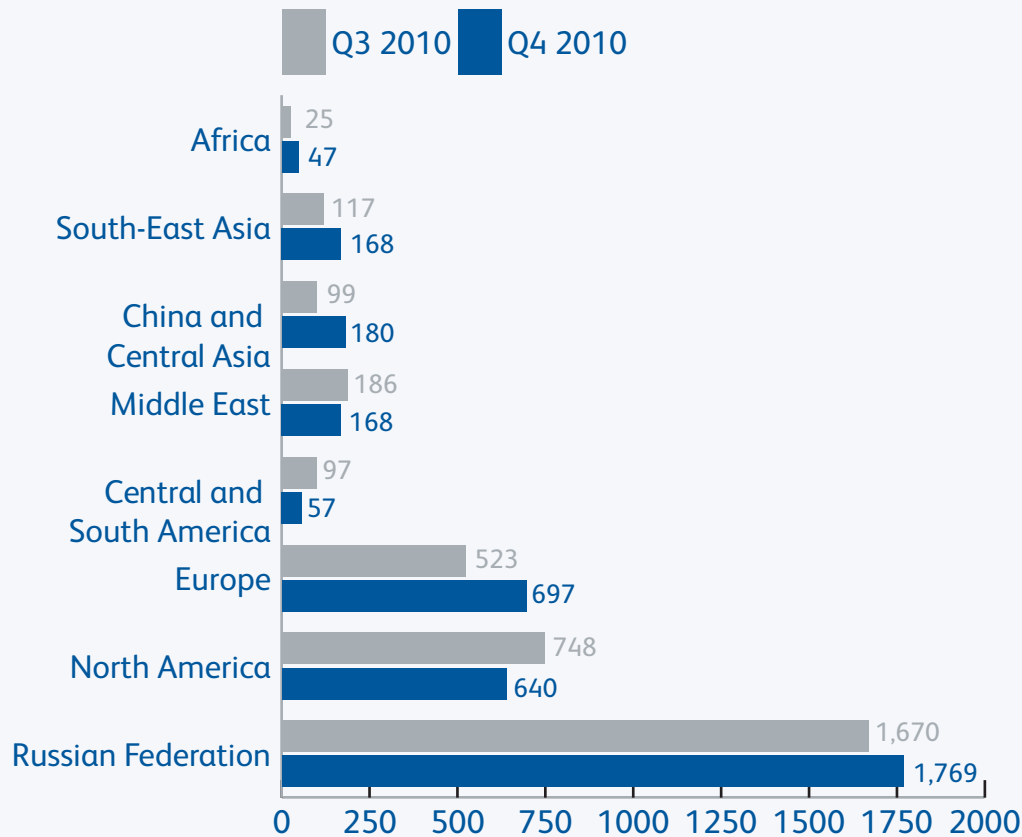
Summary Income Statement

\$ million, unless otherwise stated	Q4 2010	Q3 2010 Restated	FY 2010	FY 2009 Restated
Revenue	3,726	3,465	13,573	9,594
EBITDA*	899	845	3,263	1,589
EBITDA margin, %	24.1%	24.4%	24.0%	16.6%
Profit from operations	703	661	2,504	859
Operating margin, %	18.9%	19.1%	18.4%	9.0%
Profit from continuing activities**	261	562	1,427	14
Net (loss)/profit***	(352)	368	(577)	(1,037)
EPS, \$	(0.35)	0.37	(0.57)	(1.03)
Dividend per share, \$****	n/a	0.14	0.14	n/a

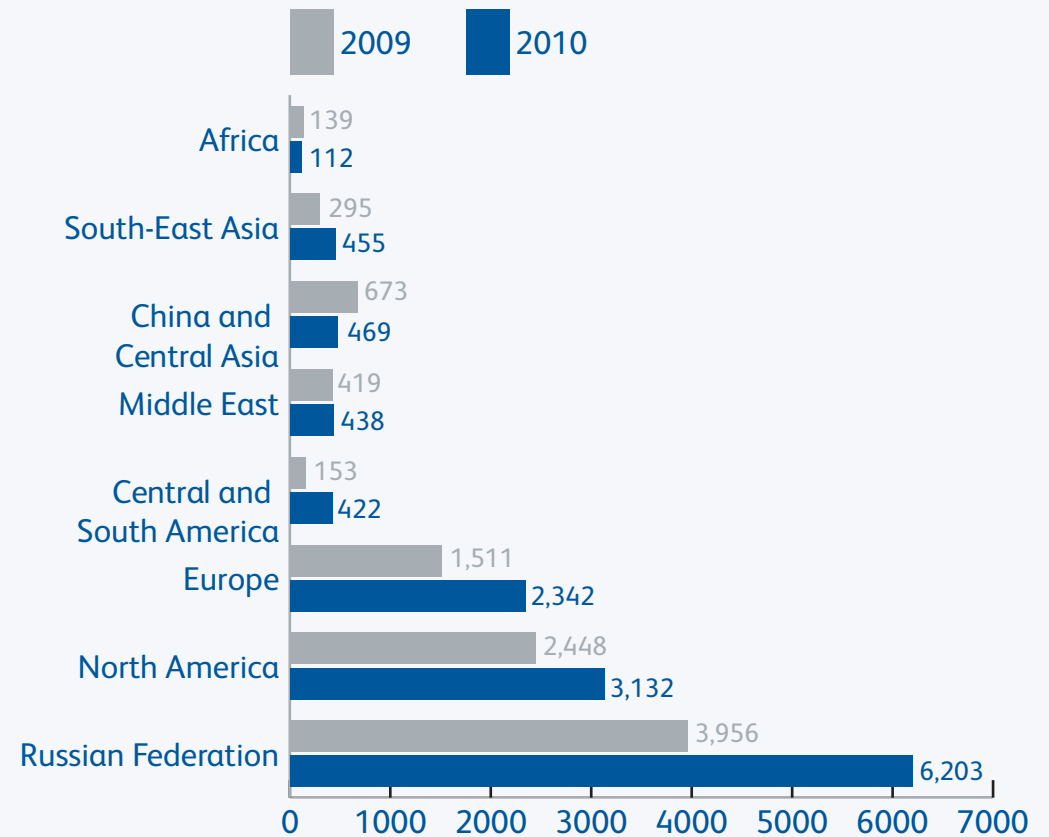
* EBITDA represents profit /(loss) from operations plus depreciation and amortization of productive assets adjusted for gain/(loss) on disposals of property, plant, equipment and intangible assets; **Excluding Lucchini and North America disposal groups; *** Attributable to shareholders of OAO Severstal. **** Dividends announced on the basis of respective period results, translated at the exchange rate as of the date of recommendation by Board of Directors

Q4 and FY2010 REVENUE Breakdown by Region

Q4 2010/Q3 2010, \$ mln



FY2010/FY2009, \$ mln



Q4 2010 Highlights:

- » Sales in Russian Federation increased by 5.9% as compared to Q3 and accounting for 47.5% of total sales.
- » Q4 sales to Europe rose by 33.3% on Q3 accounting for 18.7% of total sales.
- » Continued sales growth in Middle East, China, Central & South-East Asia, and Africa which together contributed \$563 million, accounting for 15.1% of total sales.

Q4 and FY2010 Division Results

Severstal Russia Steel

	Q4 2010	Q3 2010	Change, %	FY 2010	FY 2009	Change, %
Revenue (\$m)	2,473	2,264	9.2%	8,815	6,179	42.7%
Cost of sales (\$m)	(1,783)	(1,590)	12.1%	(6,003)	(4,081)	47.1%
G&A (\$m)	(127)	(108)	17.6%	(424)	(341)	24.3%
G&A as % of Revenue	5.1%	4.8%		4.8%	5.5%	
EBITDA (\$m)	406	339	19.8%	1,677	1,319	27.1%
Operating Profit (\$m)	328	264	24.2%	1,371	1,036	32.3%
EBITDA Margin, %	16.4%	15.0%		19.0%	21.3%	
EBITDA per tonne (\$/t)	136	125	8.8%	154	147	4.8%
Average Selling Price (US\$/t)	741	752	(1.5%)	723	604	19.7%

Severstal International (North America)

	Q4 2010	Q3 2010	Change, %	FY 2010	FY 2009	Change, %
Revenue (\$m)	608	691	(12.0%)	2,912	2,312	26.0%
Cost of sales (\$m)	(664)	(666)	(0.3%)	(2,912)	(2,492)	16.9%
G&A (\$m)	(16)	(15)	6.7%	(78)	(72)	8.3%
G&A as % of Revenue	2.6%	2.2%		2.7%	3.1%	
EBITDA (\$m)	2	34	(94.1%)	86	(114)	n/a
EBITDA Margin, %	0.3%	4.9%		3.0%	(4.9%)	
EBITDA per tonne (\$/t)	2	39	n/a	23	(40)	n/a
Operating Loss (\$m)	(35)	(3)	n/a	(61)	(258)	(76.4%)
Average Selling Price (US\$/t)	736	779	(5.5%)	765	749	2.1%

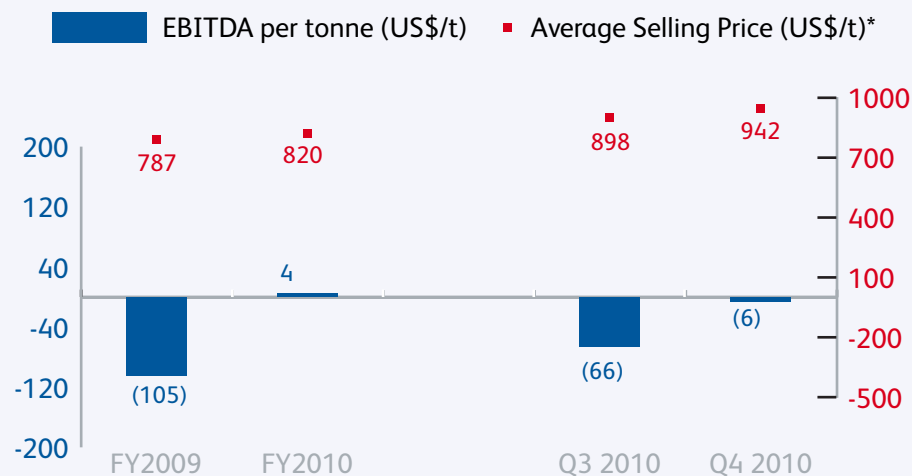
Q4 and FY2010 Division Results (Continued)

Severstal Resources

	Q4 2010	Q3 2010	Change, %	FY 2010	FY 2009	Change, %
Revenue (\$m)	1,106	914	21.0%	3,484	1,871	86.2%
Cost of sale (\$m)	(511)	(456)	12.1%	(1,781)	(1,406)	26.7%
G&A (\$m)	(41)	(43)	(4.7%)	(138)	(108)	27.8%
G&A as % of Revenue	3.7%	4.7%		4.0%	5.8%	
EBITDA (\$m)	510	442	15.4%	1,551	393	n/a
Operating Profit (\$m)	430	371	15.9%	1,247	91	n/a
EBITDA Margin, %	46.1%	48.4%		44.5%	21.0%	

Nordgold (a part of Severstal Resources)

	Q4 2010	Q3 2010	Change, %	FY 2010	FY 2009	Change, %
Sales (Troy ounces)	194,256	148,412	30.9%	602,662	521,599	15.5%
Revenue (\$m)	269	184	46.2%	754	518	45.6%
EBITDA (\$m)	121	95	27.4%	372	236	57.6%
EBITDA Margin, %	45.0%	51.6%		49.3%	45.6%	



Q4 2010 Results:

- » Financial performance and activity at Piombino up against maintenance period affected Q3. EBITDA still negative as selling price recovery did not balance raw material costs increase
- » Sales volumes at Ascometal seasonally decreased in December. General prices and results comparable with Q3

*All steel products; Ex Works price terms.

	Q4 2010	Q3 2010	Change, %	FY 2010	FY 2009	Change, %
Revenue (\$m)	706	545	29.5%	2,491	1,757	41.8%
Cost of sale (\$m)	(681)	(573)	18.8%	(2,428)	(1,948)	24.6%
G&A (\$m)	(27)	(21)	28.6%	(94)	(128)	(26.6%)
G&A as % of Revenue	3.8%	3.9%		3.8%	7.3%	
EBITDA (\$m)	(4)	(36)	88.9%	12	(203)	n/a
Operating Loss (\$m)	(47)	(71)	33.8%	(135)	(362)	(62.7%)
EBITDA Margin, %	(0.6%)	(6.6%)		0.5%	(11.6%)	
EBITA per tonne (\$/t)	(6)	(66)	90.9%	4	(105)	n/a
Average Selling Price (US\$/t)	942	898	4.9%	820	787	4.2%

Summary Balance Sheet

\$ million	As at 31 December 2010	As at 31 December 2009
Cash and Cash Equivalents	2,013	2,853
Total Assets:	19,329	19,644
Current Assets	9,567	8,185
Non-current Assets	9,762	11,459
Total Liabilities:	12,009	11,268
Current Liabilities	6,355	3,877
Non-current Liabilities	5,654	7,391
Total Equity	7,320	8,376
Total Equity and Liabilities	19,329	19,644

Summary Cash Flow Statement

\$ million	Q4 2010	Q3 2010	FY 2010	FY 2009
Profit before Financing and Taxation	665	654	2,379	739
Cash Generated from Operations	883	931	2,701	1,931
Interest Paid	(163)	(181)	(570)	(490)
Income Tax Paid	(133)	(25)	(326)	(37)
Net cash from operating activities - continuing operations	588	725	1,806	1,404
Net cash (used in)/from operating activities - discontinued operations	(156)	(29)	(547)	208
Net cash from Operating Activities	432	696	1,259	1,612
Cash used in investing activities - continuing operations	(313)	(327)	(1,349)	(37)
Cash used in investing activities - discontinued operations	(28)	(40)	(150)	(194)
Cash used in Investing Activities	(341)	(367)	(1,499)	(231)
Additions to PP&E and IA	(409)	(359)	(1,251)	(808)
Cash used in financing activities - continuing operations	(162)	(234)	(386)	(761)
Cash from/(used in) financing activities - discontinued operations	32	24	98	(421)
Cash used in Financing Activities	(130)	(210)	(288)	(1,182)
Effect of Exchange Rate on Cash and Cash Equivalents	(52)	91	(104)	1
Net (decrease)/increase in Cash and Cash Equivalents	(91)	210	(632)	200
Net increase/(decrease) in Cash and Cash Equivalents of discontinued operations and assets held for sale	49	5	(208)	0
Cash and Cash Equivalents at Beginning of the Period	2,055	1,840	2,853	2,653
Cash and Cash Equivalents at End of the Period	2,013	2,055	2,013	2,853