

Novolipetsk Surges in Q1, Expects Flat Sales to Follow

By [The Moscow Times](#)

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Novolipetsk Steel, the country's fourth-largest steelmaker, said Tuesday that it expected first-quarter sales to reach about \$2.4 billion, 41 percent above the year-earlier reported figure, thanks to higher prices.

The company, controlled by Russia's richest man, Vladimir Lisin, last year reported first-quarter sales of \$1.7 billion.

It also said prices are likely to remain flat in the second quarter compared with the January-March period, while volumes grow.

"In Q2 2011 we anticipate further growth in production volumes and an improvement in the sales mix toward an increased share of value-added products," it said in a statement.

"Increasing global raw material prices may help to sustain steel prices during the second quarter, which will remain flattish quarter on quarter with the possibility of growth

in selected grades."

The group's Moscow-listed shares were up 3 percent at 1:31 p.m. in Moscow, outperforming the wider market.

The company reiterated that it expects the margin on its first-quarter earnings before interest, taxation, depreciation and amortization to range between 20 percent and 25 percent.

Steelmakers in Russia, the world's third-largest producer, are benefiting from their position as leading low-cost producers, following a difficult period when the recession hit global steel demand.

Novolipetsk Steel also said first-quarter crude steel production reached 2.9 million tons, up from 2.8 million in the year-earlier period.

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