

Severstal Q1 Rises on Strong Ruble

By [The Moscow Times](#)

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Severstal's first-quarter net profit was down almost \$100 million from the same period last year, but higher than projections. Above, a Severstal factory. **Denis Grishkin**

Severstal, the country's second-largest steel producer, said Thursday that its first-quarter net profit reached \$427 million, thanks to the stronger ruble.

Analysts polled by Reuters had expected the company to post a first-quarter net profit of \$318 million, down from \$519 million in the year-earlier period.

The company, controlled by Alexei Mordashov, also said results at its core Russian steel unit will improve in the second quarter, although the export market remains volatile.

"The outlook for the global steel industry remains challenging, however we see improving fundamentals for Russian steel in Q2 due to more stable steel prices and firm domestic demand," the company said in a statement.

The company said its first-quarter EBITDA reached \$562 million, below the \$630 million

forecast and also less than the \$798 million year-earlier result.

It also said revenues were \$3.68 billion, matching the \$3.68 billion poll forecast and above the \$3.48 billion 2011 first-quarter result.

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