

Severstal Profit Down 90%

By [The Moscow Times](#)

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Severstal, Russia's second-biggest steel producer, said on Monday that profit would be flat in the second quarter of 2013 as it reported a 90 percent year on year fall in first-quarter net earnings.

The company has been struggling to cope with weak prices as a growth slowdown in China and Europe's debt crisis hit demand.

Severstal, controlled by billionaire Alexei Mordashov, posted quarterly net profit of \$44 million, undershooting average analyst forecasts of \$69 million.

"The global economic environment remains uncertain and this impacts our markets. Overall we expect our [second quarter] ... 2013 results to be broadly similar to our Q1 2013 numbers," Mordashov said in a statement.

The company said earnings before interest, tax, depreciation and amortization (EBITDA) fell 25 percent year on year to \$425 million in the quarter, while revenue was down 10 percent

at \$3.32 billion.

(Reuters)

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