

OAO Severstal and subsidiaries

Consolidated condensed interim financial statements
for the nine months ended September 30, 2007

OAO Severstal and subsidiaries

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Independent Auditors' Report

Board of Directors

OA Severstal

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of OAO Severstal (the "Company") and its subsidiaries (the "Group") as at 30 September 2007, and the related consolidated condensed interim statements of income for the three- and nine-month periods ended 30 September 2007 and the related consolidated condensed interim statements of changes in equity and cash flows for the nine-month period ended 30 September 2007 (the "consolidated interim financial information"). Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information as at 30 September 2007 and for the three- and nine-month periods then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

KPMG Limited

KPMG Limited

22 November 2007

OAO Severstal and subsidiaries

Consolidated condensed interim income statement

Nine months ended September 30, 2007

(Amounts expressed in thousands of US dollars, except as otherwise stated)

	Note	Nine months ended September 30,		Three months ended September 30,	
		2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
Sales					
Sales - external		10,734,429	8,606,082	3,399,675	3,044,267
Sales - to related parties	5	548,116	516,760	156,895	184,806
	3	11,282,545	9,122,842	3,556,570	3,229,073
Cost of sales		(7,954,996)	(6,619,265)	(2,580,351)	(2,281,608)
Gross profit		3,327,549	2,503,577	976,219	947,465
Selling, general and administrative expenses		(497,917)	(437,213)	(172,545)	(130,867)
Distribution expenses		(656,513)	(530,762)	(197,471)	(196,860)
Indirect taxes and contributions		(109,888)	(101,311)	(35,172)	(25,569)
Share of associates' (loss)/profit		(20,895)	5,415	(13,864)	1,883
Net income from bank lending operations		11,216	6,600	4,763	2,700
Net income from securities operations		17,474	28,502	5,686	14,705
Loss on disposal of property, plant and equipment		(45,355)	(44,277)	(19,059)	(16,633)
Net other operating income/(expenses)		3,602	(22,827)	(3,964)	(9,377)
Profit from operations		2,029,273	1,407,704	544,593	587,447
Impairment of property, plant and equipment		(20,524)	(20,195)	(8,886)	(13,026)
Negative goodwill/(goodwill impairment), net		633	(2,485)	-	-
Net other non-operating expenses		(33,514)	(41,198)	(41,313)	(13,266)
Profit before financing and taxation		1,975,868	1,343,826	494,394	561,155
Net financing expense		(81,077)	(92,153)	(23,765)	(26,905)
Profit before income tax		1,894,791	1,251,673	470,629	534,250
Income tax expense		(527,339)	(403,312)	(143,065)	(133,508)
Profit from continuing operations		1,367,452	848,361	327,564	400,742
Profit from discontinued operations		-	20,280	-	20,233
Profit for the period		1,367,452	868,641	327,564	420,975
Attributable to:					
shareholders of OAO Severstal		1,325,975	824,732	325,877	398,786
minority interest		41,477	43,909	1,687	22,189
Weighted average number of shares outstanding during the period (millions of shares)		1,007.7	923.2	1,007.7	930.8
Basic and diluted earnings per share (US dollars)		1.32	0.89	0.32	0.43

These consolidated condensed interim financial statements were approved by the Board of Directors on November 22, 2007.

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

OAO Severstal and subsidiaries

Consolidated condensed interim balance sheet

September 30, 2007

(Amounts expressed in thousands of US dollars)

	Note	September 30, 2007 (unaudited)	December 31, 2006
Assets			
Current assets:			
Cash and cash equivalents		2,083,927	1,701,022
Short-term bank deposits		1,204,379	1,147,270
Short-term financial investments		393,805	321,842
Trade accounts receivable		1,403,491	1,324,585
Amounts receivable from related parties	4	103,132	127,703
Inventories		2,484,838	2,241,954
VAT recoverable		269,680	339,392
Income tax recoverable		79,787	35,904
Assets held for sale		159,395	-
Other current assets		320,131	259,208
Total current assets		8,502,565	7,498,880
Non-current assets:			
Long-term financial investments		236,576	199,940
Investment in associates		373,903	142,757
Investment in joint ventures		200,500	212,149
Property, plant and equipment		11,031,128	10,551,686
Intangible assets		200,942	63,736
Assets held for sale		-	113,516
Deferred tax assets		53,073	30,150
Other non-current assets		15,644	3,844
Total non-current assets		12,111,766	11,317,778
Total assets		20,614,331	18,816,658
Liabilities and shareholders' equity			
Current liabilities:			
Trade accounts payable		1,067,118	1,038,901
Bank customer accounts		71,859	31,143
Amounts payable to related parties	4	200,300	175,092
Short-term debt finance		1,115,171	957,564
Income taxes payable		80,360	44,348
Other taxes and social security payable		223,359	199,963
Dividends payable		410,379	23,243
Liabilities related to assets held for sale		54,802	-
Other current liabilities		513,824	494,835
Total current liabilities		3,737,172	2,965,089
Non-current liabilities:			
Long-term debt finance		2,023,933	2,048,035
Deferred tax liabilities		1,367,928	1,381,788
Retirement benefit liability		417,941	442,954
Liabilities related to assets held for sale		-	1,792
Other non-current liabilities		291,665	298,101
Total non-current liabilities		4,101,467	4,172,670
Equity:			
Share capital		3,311,288	3,311,288
Additional capital		1,165,530	1,165,530
Revaluation reserve		2,914,365	3,185,281
Foreign exchange differences		1,414,542	786,822
Retained earnings		3,481,597	2,602,345
Total equity attributable to shareholders of parent		12,287,322	11,051,266
Minority interest		488,370	627,633
Total equity		12,775,692	11,678,899
Total equity and liabilities		20,614,331	18,816,658

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

OAO Severstal and subsidiaries

Consolidated condensed interim statement of cash flows Nine months ended September 30, 2007 (Amounts expressed in thousands of US dollars)

	Nine months ended September 30	
	2007 (unaudited)	2006 (unaudited)
Operating activities:		
Profit before financing and taxation	1,975,868	1,343,826
Adjustments to reconcile profit to cash generated from operations:		
Depreciation and amortization	911,373	697,533
Impairment of property, plant and equipment	20,524	20,195
Provision for inventories, receivables and other provisions	6,275	12,755
Negative goodwill/(goodwill impairment), net	(633)	2,485
Loss on disposal of property, plant and equipment	45,355	44,277
Gain on disposal of subsidiaries	(47,314)	-
Gain on remeasurement and disposal of financial investments	(17,474)	(28,502)
Share of associates' results less dividends from associates	20,895	(5,415)
Changes in operating assets and liabilities:		
Trade accounts receivable	(94,107)	11,372
Amounts receivable from related parties	23,892	76,371
VAT recoverable	98,459	80,393
Inventories	(168,590)	(128,423)
Trade accounts payable	16,264	(6,844)
Bank customer accounts	31,831	(66,987)
Amounts payable to related parties	136,930	116,599
Other taxes and social security payables	(16,917)	(114,343)
Other non-current liabilities	(68,002)	(32,355)
Assets held for sale	14,708	-
Net other changes in operating assets and liabilities	(66,523)	47,484
Cash generated from operations	2,822,814	2,070,421
Interest paid (excluding banking operations)	(187,104)	(164,233)
Income tax paid	(623,498)	(501,305)
Net cash from operating activities	2,012,212	1,404,883
Investing activities:		
Additions to property, plant and equipment	(1,027,494)	(934,462)
Additions to intangible assets	(6,038)	(6,290)
Net decrease in short-term bank deposits	13,755	141,212
Additions to financial investments and associates	(970,336)	(1,016,129)
Acquisition of minority interests	(221,565)	(15,770)
Net cash outflow on acquisitions of subsidiaries	(149,568)	(280,991)
Net cash inflow on disposals of subsidiaries	156,780	-
Proceeds from disposal of property, plant and equipment	10,598	10,876
Proceeds from disposal of financial investments	618,578	741,444
Interest received (excluding banking operations)	110,601	66,886
Cash from investing activities	(1,464,689)	(1,293,224)
Financing activities:		
Proceeds from debt finance	1,545,923	814,300
Proceeds from share issue	-	162,179
Repayment of debt finance	(1,437,071)	(992,669)
Repayments under lease obligations	(1,399)	-
Dividends paid	(326,702)	(198,960)
Minority capital contributions	-	5,434
Cash from financing activities	(219,249)	(209,716)
Effect of exchange rates on cash and cash equivalents	54,631	73,613
Net increase/(decrease) in cash and cash equivalents	382,905	(24,444)
Cash and cash equivalents at beginning of the period	1,701,022	1,327,888
Cash and cash equivalents at end of the period	2,083,927	1,303,444

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

OAO Severstal and subsidiaries

Consolidated condensed interim statement of changes in equity Nine months ended September 30, 2007 (Amounts expressed in thousands of US dollars)

	Attributable to the shareholders of OAO Severstal					Total	Minority interest	Total
	Share capital	Additional capital	Revaluation reserve	Foreign exchange differences	Retained earnings			
Balances at December 31, 2005	3,311,254	60,367	3,093,608	28,073	1,379,069	7,872,371	528,739	8,401,110
Profit for the period (unaudited)	-	-	-	-	824,732	824,732	43,909	868,641
Realization of revaluation reserve:								
Disposals (unaudited)	-	-	(36,667)	-	36,667	-	-	-
Depreciation (unaudited)	-	-	(324,142)	-	324,142	-	-	-
Deferred tax on realization (unaudited)	-	-	85,326	-	(85,326)	-	-	-
Foreign exchange differences (unaudited)	-	-	-	585,679	-	585,679	34,469	620,148
Total recognized income and expenses (unaudited)						1,410,411	78,378	1,488,789
Dividends (unaudited)	-	-	-	-	(208,000)	(208,000)	-	(208,000)
Share issues (unaudited)	5	162,174	-	-	-	162,179	-	162,179
Effect of acquisitions and disposals (unaudited)	-	-	-	-	3,341	3,341	(4,457)	(1,116)
Balances at September 30, 2006 (unaudited)	<u>3,311,259</u>	<u>222,541</u>	<u>2,818,125</u>	<u>613,752</u>	<u>2,274,625</u>	<u>9,240,302</u>	<u>602,660</u>	<u>9,842,962</u>
Balances at December 31, 2006	3,311,288	1,165,530	3,185,281	786,822	2,602,345	11,051,266	627,633	11,678,899
Profit for the period (unaudited)	-	-	-	-	1,325,975	1,325,975	41,477	1,367,452
Realization of revaluation reserve:								
Disposals (unaudited)	-	-	(12,854)	-	12,854	-	-	-
Depreciation (unaudited)	-	-	(344,097)	-	344,097	-	-	-
Deferred tax on realization (unaudited)	-	-	86,035	-	(86,035)	-	-	-
Foreign exchange differences (unaudited)	-	-	-	627,720	-	627,720	34,054	661,774
Total recognized income and expenses (unaudited)						1,953,695	75,531	2,029,226
Dividends (unaudited)	-	-	-	-	(698,907)	(698,907)	(11,961)	(710,868)
Acquisition of minority interests (unaudited)	-	-	-	-	(18,732)	(18,732)	(202,833)	(221,565)
Balances at September 30, 2007 (unaudited)	<u>3,311,288</u>	<u>1,165,530</u>	<u>2,914,365</u>	<u>1,414,542</u>	<u>3,481,597</u>	<u>12,287,322</u>	<u>488,370</u>	<u>12,775,692</u>

The accompanying notes form an integral part of these consolidated condensed interim financial statements.

OA O Severstal and subsidiaries

Notes to the consolidated condensed interim financial statements for the nine months ended September 30, 2007 (Amounts expressed in thousands of US dollars, except as otherwise stated)

1. Accounting policies

These consolidated condensed interim financial statements for OA O Severstal and subsidiaries ('the Group') are prepared in accordance with International Financial Reporting Standards ('IFRS'), IAS 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board.

As of January 1, 2007, the Group adopted all of the new and revised IFRS and interpretations adopted by IASB that are relevant to its operations and effective for the accounting periods beginning on January 1, 2007, summarized as follows:

- IFRS 7 Financial Instruments: Disclosures, which is effective for annual periods beginning on or after 1 January 2007. The Standard requires comprehensive disclosure in respect of the Group's financial instruments.
- Amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures, which is effective for annual periods beginning on or after 1 January 2007. The Standard requires extended disclosure in respect of the Parent Company's capital.

All of the Group's significant accounting policies will be updated to reflect the requirements of the new and revised standards and interpretations adopted by the IASB when the full set of consolidated financial statements of the Group is prepared for the year ending December 31, 2007.

The new and revised IFRS and interpretations have no effect on the Group's interim financial statements.

The accounting policies and methods of computation applied by the Group in these consolidated condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2006.

2. Seasonality

There are no material seasonal effects in the business activities of the Group.

OAO Severstal and subsidiaries

**Notes to the consolidated condensed interim financial statements
for the nine months ended September 30, 2007**
(Amounts expressed in thousands of US dollars, except as otherwise stated)

3. Sales

Sales by product were as follows:

	Nine months ended September 30,		Three months ended September 30,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
Hot-rolled strip and plate	2,795,500	2,538,648	854,016	908,714
Long products	2,328,764	1,627,414	712,992	526,115
Galvanized and other metallic coated sheet	993,348	829,640	312,771	290,501
Cold-rolled sheet	932,365	1,016,635	298,402	351,139
Semifinished products	811,985	679,518	220,757	208,176
Metalware products	746,417	601,274	256,267	243,422
Rails, wheels and axles	245,014	276,002	54,020	96,281
Others tubes and pipes, formed shapes	292,296	223,730	103,520	87,911
Coal and coking coal concentrate	198,824	191,382	41,408	74,892
Pellets and iron ore	205,245	173,440	72,516	86,599
Color coated sheet	223,578	88,885	75,072	54,513
Large diameter pipes	303,088	-	152,916	-
Shipping and handling costs billed to customers	469,481	393,685	147,348	131,135
Others	736,640	482,589	254,565	169,675
	<u>11,282,545</u>	<u>9,122,842</u>	<u>3,556,570</u>	<u>3,229,073</u>

Sales by delivery destination were as follows:

	Nine months ended September 30,		Three months ended September 30,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
Russian Federation	5,047,296	3,426,223	1,781,266	1,421,349
Europe	3,930,064	3,143,658	1,171,404	1,012,463
North America	1,444,593	1,972,472	400,829	570,825
The Middle East	273,214	168,448	69,425	54,105
South-East Asia	176,224	64,547	29,359	24,537
Central & South America	126,201	124,959	21,296	76,673
China and Central Asia	252,770	161,203	82,991	48,900
Africa	32,183	61,332	-	20,221
	<u>11,282,545</u>	<u>9,122,842</u>	<u>3,556,570</u>	<u>3,229,073</u>

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**Notes to the consolidated condensed interim financial statements
for the nine months ended September 30, 2007**
(Amounts expressed in thousands of US dollars, except as otherwise stated)

4. Related party balances

	September 30, 2007 (unaudited)	December 31, 2006
Joint ventures' balances		
Trade accounts payable	21,665	12,675
Other related party balances		
Amounts receivable from other related parties:		
Trade accounts receivable	57,812	80,296
Advances paid	17,682	34,299
Other receivables	27,638	13,108
	103,132	127,703
Short-term financial investments include the following balances with other related parties:		
Loans	36,086	75,699
Loans to bank customers	27,669	29,166
Trading securities - promissory notes	6,549	5,198
	70,304	110,063
Long-term financial investments include the following balances with other related parties:		
Loans	84,243	76,528
Accounts at financial institutions	54,508	50,147
Held to maturity securities	11,456	6,089
Loans to bank customers	13,610	7,078
	163,817	139,842
Amounts payable to other related parties:		
Trade accounts payable	40,499	73,528
Advances received	739	732
Other accounts payable	8,540	13,534
Bank demand deposits and customer accounts	16,741	58,719
Bank term deposits	112,116	15,904
	178,635	162,417
Long-term other financing from related parties	11,395	2,952

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**Notes to the consolidated condensed interim financial statements
for the nine months ended September 30, 2007**
(Amounts expressed in thousands of US dollars, except as otherwise stated)

5. Related party transactions

	Nine months ended September 30,		Three months ended September 30,	
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales and income received from other related parties:				
Sales	548,116	516,760	156,895	184,806
Interest income	12,507	15,559	3,784	7,893
Banking income	1,693	1,850	741	821
	<u>562,316</u>	<u>534,169</u>	<u>161,420</u>	<u>193,520</u>
Purchases from related parties:				
Purchases from associates:				
Non-capital expenditures	1,344	1,464	390	370
Purchases from joint ventures:				
Non-capital expenditures	165,744	95,156	60,006	36,215
Purchases from other related parties:				
Non-capital expenditures	608,091	560,847	200,962	206,013
Capital expenditures	7,961	133,338	1,160	24,048
Bank expenses	2,968	-	1,761	-
	<u>786,108</u>	<u>790,805</u>	<u>264,279</u>	<u>266,646</u>

6. Contingent liabilities and commitments

As of September 30, 2007, the Group had capital commitments of US\$ 503.4 million (December 31, 2006: US\$ 291.1 million).

On July 26, 2007 Lucchini SpA received notice by the Tuscan regional fiscal authorities for storing waste from the steel making process in the Piombino steel making facilities. In the notice the authorities specified the potential amount of penalties of € 52.5 million (US\$ 74.4 million at September 30, 2007 exchange rate). Management of Lucchini is extensively working on evaluating and mitigating the exposure and is of the belief that the final outcome of the case might be substantially lower. Due to significant uncertainties in the determination of that amount management is unable to reliably estimate the potential obligation which may arise as a result of final decision by the relevant authority. Consequently, these financial statements do not contain any provisions in respect of this proceeding.

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**Notes to the consolidated condensed interim financial statements
for the nine months ended September 30, 2007**
(Amounts expressed in thousands of US dollars, except as otherwise stated)

7. Acquisitions and disposals

Acquisitions of subsidiaries

In January 2007, the Group completed the acquisition of 84.8% of the share capital of ZAO Vtorchermet and its wholly-owned subsidiaries and certain related companies for a total consideration of US\$ 45.4 million. ZAO Vtorchermet is a scrap processing and wholesale company, and the majority of its operations is located in Saint Petersburg. The acquisition was conducted to secure a reliable source of scrap for the Russian steel mill in case of future changes in the Russian scrap market. Management has not yet completed the estimation of fair values of the acquired assets and liabilities and, accordingly, does not currently possess all necessary information to disclose the effect of this acquisition on the Group's financial position or results of operations. Final purchase price allocation is expected to be completed before December 31, 2007.

In March 2007, the Group purchased 100% of the share capital of Siderco SpA from the Lucchini family for € 1.35 million. Management determined that the fair value of the net identifiable assets and liabilities acquired was substantially the same as the book value.

In May 2007, the Group completed the acquisition of 100% of a stevedore company, ZAO Neva-Metal, for US\$ 98.7 million and 100% of the shipping agency ZAO Neva-Metal-Trans for US\$ 1.3 million. The majority of their operations are located in Saint Petersburg. The acquisition was conducted to secure a self-supporting export logistic chain. Management has not yet completed the estimation of fair values of the acquired assets and liabilities and, accordingly, does not currently possess all necessary information to disclose the effect of the acquisition on the Group's financial position or results of operations. Final purchase price allocation is expected to be completed before December 31, 2007.

In July 2007, the Group acquired a 100% stake in each of the companies OOO Georesurs, OOO Petrovtormet, OOO Severstal-Vtormet, OOO Severstalskrap-Komi, and OOO SPB-Giproshakht for a total consideration of US\$ 2.1 million, US\$ 0.02 million, US\$ 24.9 million, US\$ 0.2 million, and US\$ 6.3 million, respectively, and a 75.01% and a 75.1% stake in OAO Arhangelskii Vtormet and in OAO Murmanskvtormet, for a total consideration of US\$ 2.2 million and US\$ 2.9 million, respectively. OAO Arhangelskii Vtormet, OAO Murmanskvtormet, OOO Petrovtormet and OOO Severstalskrap-Komi were acquired from the controlling shareholder and comparatives were restated in accordance with the Group's accounting policy.

The acquirees' profit since the acquisition dates included in the Group's profit for the period, as well as the revenue and profit of the acquired entities from the beginning of the period to the dates of acquisition, individually and in the aggregate, are insignificant to the Group's revenue and profit for the period.

Disposals of subsidiaries

In June 2007, the Group sold its 100% participation in Lucchini Sidermeccanica SpA and its wholly owned subsidiaries (Lucchini UK Ltd, Lucchini Sweden AB and Lucchini Poland Spzoo) to members of the founding Lucchini family for a total consideration of € 127.8 million (US\$ 172.5 million at the transaction date exchange rate). To support this transaction an independent fairness opinion of the transaction was obtained from a properly qualified Italian bank.

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Notes to the consolidated condensed interim financial statements for the nine months ended September 30, 2007

(Amounts expressed in thousands of US dollars, except as otherwise stated)

In July 2007, the Group sold 100% of Nitruvid SAS to an independent third party for € 6.5 million (US\$ 8.9 million at the transaction date exchange rate).

Acquisitions of minority interest

In March 2007, the Group acquired a 2.01%, a 0.04%, and a 0.05% stake in OAO Karelsky Okatysh, OAO Olkon, and in OAO Vorkutaugol for a total consideration of US\$ 35.4 million, US\$ 0.1 million, and US\$ 0.4 million, respectively.

In May 2007, the Group acquired an additional 9% stake in Lucchini SpA from a Lucchini family company for a total consideration of € 85.2 million (US\$ 114.8 million at the transaction date exchange rate). After the acquisition, the Group's share in the capital of Lucchini SpA is 79.8%.

In May 2007, the Group acquired a 25.01% stake in ZAO Severgal for a total consideration of US\$ 20 million. Management estimates the fair values of the acquired share of assets and liabilities at US\$ 23 million. After the acquisition, the Group's share in the capital of ZAO Severgal is 100%.

In June 2007, the Group acquired a 1.94%, a 0.62%, a 3.56%, a 1.23%, and a 1.02% stake in OAO Karelsky Okatysh, OAO Olkon, OAO Vorkutaugol, OAO Shakhta Vorgashorskaya, and in OAO Shakhta Berezovskaya for a total consideration of US\$ 23.5 million, US\$ 1.9 million, US\$ 29.3 million, US\$ 0.6 million, and US\$ 0.7 million, respectively.

Other acquisitions

During August and September, 2007 the Group acquired a 29.7% stake in Celtic Resources Holdings Plc. from Aton International Ltd. for a total consideration of US\$ 76.5 million.

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**Notes to the consolidated condensed interim financial statements
for the nine months ended September 30, 2007**
(Amounts expressed in thousands of US dollars, except as otherwise stated)

8. Segmental information – Income statement

	Nine months ended September 30,		Three months ended September 30,	
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales				
Steel segment - Russia	5,958,011	4,594,969	1,968,178	1,764,982
Steel segment - USA	1,281,882	1,477,469	377,408	414,860
Steel segment - Lucchini	2,787,732	2,438,573	791,605	764,656
ITZ	312,250	-	153,586	-
Mining segment	1,582,599	1,092,867	533,674	397,819
Metalware segment	754,386	604,090	257,301	244,761
Intersegmental transactions	(1,394,315)	(1,085,126)	(525,182)	(358,005)
Total	<u>11,282,545</u>	<u>9,122,842</u>	<u>3,556,570</u>	<u>3,229,073</u>
Profit before financing and taxation :				
Steel segment - Russia	1,497,643	908,333	453,840	404,714
Steel segment - USA	33,981	104,233	(17,810)	42,227
Steel segment - Lucchini	228,903	150,216	(2,057)	25,882
ITZ	72,093	(2,549)	44,042	(679)
Mining segment	130,120	142,548	12,280	62,513
Metalware segment	11,542	25,163	(4,531)	15,770
Financing segment	7,663	6,339	4,388	2,461
Intersegmental transactions	(6,077)	9,543	4,242	8,267
Total	<u>1,975,868</u>	<u>1,343,826</u>	<u>494,394</u>	<u>561,155</u>

9. Subsequent events

In October 2007, the Group acquired a 100% stake in OOO Nerungri Metallik and a 100% stake in ZAO Mine Aprelkovo for a total consideration of US\$ 105 million and US\$ 153 million, respectively. OOO Neryungri Metallic mines gold from the Tabornoye deposit in the Sakha-Yakutiya Republic, ZAO Mine Aprelkovo mines from the Pogromnoye gold deposit in the Chita Region. Both deposits are operated as open-pit mines with gold extracted utilizing heap leaching technology. Management has not yet completed the estimation of fair values of the acquired assets and liabilities and, accordingly, does not currently possess all necessary information to disclose the effect of this acquisition on the Group's financial position or results of operations. Final purchase price allocation is expected to be completed within one year starting from the date of acquisition.