

Steelmaker Severstal Slumps to Fourth-Quarter Loss

By [The Moscow Times](#)

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Severstal, Russia's second-biggest steel producer, tumbled to a fourth-quarter net loss after taking a \$349 million asset impairment charge because of falling coking coal prices and foreign exchange losses of \$83 million.

The pricing environment for steel-related commodities was challenging in 2013, Severstal said, pointing to the 20 percent drop in realized prices for coking coal.

"We forecast continuing supply growth for both iron ore and coking coal, which may result in slightly lower year-on-year bulk prices in 2014," it added.

However, global steel demand will continue to grow in 2014, driven by an expected bottoming-out of European demand and further improvements in the economy of the U.S., the company said.

Severstal, controlled by billionaire Alexei Mordashov, posted a net loss of \$74 million for the fourth quarter of 2013, against a \$157 million profit in the third quarter. Revenue rose 6 percent quarter-on-quarter to \$3.4 billion.

The company's earnings before interest, tax, depreciation and amortization, or EBITDA, were up 12.5 percent quarter-on-quarter, at \$611 million, beating a consensus forecast of \$578 million in a Reuters poll of analysts.

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