

London Stock Exchange Derivatives

MARKET NOTICE 2014/072

OA0 Severstal dividend announcement – potential impact on OA0 Severstal derivatives

As per the announcement of agenda for Extraordinary General Meeting published on 10 October 2014 (link [here](#)), *“The Board of Directors of OA0 Severstal (...) confirms the approval of a dividend payment of 54.46 roubles per share (approximately \$1.37) for the nine months ended 30 September 2014. (...) In the case that the dividend payments for the first nine months of the financial year to 30 September 2014 are approved at the EGM, the record date will be 25 November 2014.”*

Based on the current available information, London Stock Exchange Derivatives Market considers that the above mentioned dividend amount will include both an ordinary and an extraordinary dividend component, following the estimated \$1 billion disposals of Severstal Dearborn LLC, Severstal Columbus LLC, PBS Coals Ltd¹. In particular, the total dividend amount to be paid can be estimated equal to \$1.37 x 837,718,660 shares outstanding²³, for an estimated total value of \$1,148 millions. By deducting the announced level of proceeds of the asset sales (\$1 billion), it can be estimated that the ordinary dividend component per DR will be approximately \$0.18 while the extraordinary dividend component per DR will be approximately \$1.19.

On the basis of the aforementioned information currently available, the London Stock Exchange Derivatives Market notifies that, subject to the EGM approval of the dividend payment as per details of the related Announcement, all outstanding positions on Severstal option and future contracts will be adjusted to account for the payment of the extraordinary dividend component estimated equal to \$1.19, applying the ratio method as described in part 2.6 of the Corporate Action Policy (link [here](#)).

The London Stock Exchange Derivatives Market will continue to monitor the situation and will update if any new information becomes available.

If you have any questions, please call the London Stock Exchange Derivatives Market on +44 (0) 207 797 3660.

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¹ Severstal Q2 2014 Financial results presentation
(http://www.severstal.com/eng/ir/conferences_presentations/financial/index.phtml)

² http://www.severstal.com/eng/ir/share_capital/index.phtml

³ DR Ratio: 1 share per Depositary Receipt (DR).