
Severstal statement regarding US supreme court decision

Thursday, 04 Dec, 2008

Severstal North America a subsidiary of OAO Severstal responded to the US Supreme Court's decision to deny any further consideration of appeals by Massey Energy Company and Central West Virginia Energy Company of a previous jury verdict in favor of Wheeling Pittsburgh Steel Corporation and Mountain State Carbon LLC.

The release said that "The decision effectively puts to an end a contract dispute between Massey Energy Company and its subsidiary, Central West Virginia Energy Company, and Mountain State Carbon and Wheeling Pittsburgh Steel, now collectively known as Severstal Wheeling Inc. In so doing, the Court has rendered as final the judgment that supports the compensatory and punitive damages, including interest, totalling approximately USD 267 million, originally awarded to Wheeling Pittsburgh Steel and Mountain State Carbon in July 2007 by a West Virginia Circuit Court jury."

Mr Marty Szymanski VP and General Counsel of Severstal North America said "We are pleased to have closure in this matter. It has been a long process as the case has made its way through the trial and appellate courts. The decision by the US Supreme Court to end the appeals process, and allow the original jury award to stand, clearly validates the merits of the case and the substantial efforts of employees and advisors in fighting for a just result."

Severstal acquired Wheeling Pittsburgh Steel and the remaining 50% ownership of the joint venture Mountain State Carbon as part of its acquisition of Esmark, Inc completed in August 2008. As such, the award payment will be made to the applicable business units of OAO Severstal.

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