

## SSAB's report for the first quarter of 2011

### The quarter

- Sales increased by 25 % to SEK 11,056 (8,865) million
- Operating profit improved to SEK 616 (168) million. Currency affects earnings by SEK -300 million.
- Profit after financial items improved to SEK 504 (83) million. Currency affects earnings by SEK -300 million.
- Earnings per share of SEK 1.20 (0.44)
- Operating cash flow of SEK 237 (256) million and cash flow from current operations of SEK -89 (447) million
- The net debt/equity ratio amounted to 60 % compared with 58 % at year end
- Shipments of niche products increased by 35 % during the first quarter compared with the first quarter of last year
- Niche products now account for 37 (29) % of steel shipments

*(Amounts in the report in brackets relate to the corresponding period of last year.)*

### Comments by the CEO

Demand for steel strengthened during the first quarter and steel prices increased, partly as a consequence of improved underlying demand, and partly due to pre-buying behavior by our customers.

As far as SSAB is concerned, we had a positive development during the first quarter. We saw a clear improvement in earnings compared with the same period of last year, with an operating profit of SEK 616 million.

Order intake for SSAB's niche products remained strong, primarily from the Material Handling (which includes the mining industry), Heavy Transport, and Automotive segments. Demand from certain parts of the Construction segment, such as the crane industry, as well as ordinary steels, improved during the quarter.

North America was the region that performed most strongly during the quarter, while the recovery in southern Europe continues to proceed slowly.

We encountered certain disruptions in production at the beginning of the quarter, among other things due to the harsh winter and a chilled hearth in one of the blast furnaces in Oxelösund. Production is now once again stable and we are producing at a normal level. The planned maintenance outage in Mobile has been completed as planned.

Shipments of SSAB's products are expected to increase slightly in the second quarter. Demand is expected to continue at a good level, particularly in Asia and Latin America, but in North America as well. The recovery in southern Europe is proceeding more slowly, while northern Europe has seen a somewhat more positive trend. We anticipate continued strong demand for our niche products. Price levels in renegotiated agreements for the second quarter will be higher than in the first quarter.

There is, however, a continued risk for excess industry capacity unless underlying demand continues to strengthen. Other uncertainty factors going forward are the consequences of the natural disasters in Japan and the unrest in North Africa.

Scrap steel prices have been stable during the first quarter while spot prices for coal and iron ore have continued to increase. This means that our purchase prices will increase during the second quarter. We do not anticipate that the price increases that we are currently carrying out will fully offset the expected increased raw materials prices, but our long-term aim is to compensate in full for increasing coal and iron ore prices.

It is clear that demand for steel has strengthened. During the second half of the year, we know that higher raw materials prices will have an increased impact, while at the same time, we will be carrying out extended maintenance outages due to the investment program.

Martin Lindqvist, President and CEO

### **Presentation of the quarterly report**

SSAB invites to a presentation of the quarterly report today April 29, 2011.

Venue and time of briefing: World Trade Center (WTC) Stockholm, Kungsbron 1, Conference room Manhattan, 10:00 a.m. CET.

The press conference will be held in English and live webcasted on SSAB's website [www.ssab.com](http://www.ssab.com). Instructions on how to participate in the webcast will be available on SSAB's website, including presentation material for downloading.

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SSAB is a global leader in value added, high strength steel. SSAB offers products developed in close cooperation with its customers to create a stronger, lighter and more sustainable world. SSAB has employees in over 45 countries and operates production facilities in Sweden and the US. SSAB is listed on the NASDAQ OMX Nordic Exchange, Stockholm. [www.ssab.com](http://www.ssab.com).