

PRESS RELEASE
12 FEBRUARY 2003

Unchanged profit, strong cash flow

SSAB today reported its results for 2002. Excluding non-recurring items, profit after financial items was largely unchanged compared with last year and amounted to SEK 816 (835) million. Including non-recurring items, profits amounted to SEK 816 (913) million. Cash flow improved significantly to SEK 1,208 (151) million.

- 2002 was a relatively weak year for the steel industry, says CEO Anders Ullberg commenting on the results. But we have probably reached the bottom of the decline which started in 2000. We still have not yet noted any general increase in demand, but have nonetheless, as planned, been able to raise prices for sheet pending the first quarter.

- It is very pleasing that both of the Group's processing companies, SSAB HardTech and Plannja, continue to report very good profitability, says Anders Ullberg.

Furthermore, the focus on continued growth for niche products, on costs and on cash flow has had positive effects:

- Deliveries of our niche products within the sheet area, extra and ultra high strength sheet, increased during the year by 17 percent, primarily due to growth in Europe and China. Deliveries of quenched steels increased by 6 percent. Our niche products have a strong position on our markets, says Anders Ullberg.

- Notwithstanding increased volumes and higher salaries, our ongoing rationalisation programmes allowed us to keep processing costs at an unchanged level. Thanks to the strong cash flow, we have strengthened the balance sheet and achieved a capital structure in line with our financial goals. This is what is behind the Board's proposal to increase the dividend from SEK 5 to SEK 6 per share.

- In 2003, somewhat higher steel consumption is expected in Europe compared with the preceding year, says Anders Ullberg who sees good conditions for growth for the Group's niche products, quenched steels and high strength sheet. He also notes that the margins in the steel operations remain dependent on continued price trends, the development of the Swedish krona – approx. 70 percent of the steel operations' deliveries are exports – and the costs primarily of ore and coal.

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The Chairman of the Board, Leif Gustafsson, retires

The Chairman of the Board announced today that he plans to retire at the General Meeting in the spring.

”My years with SSAB have been extremely stimulating”, says Leif Gustafsson. “But one has to stop sometime, and after 11 years as CEO and 5 years as Chairman of the Board, I feel it is now time to move on.”

“I have had the great privilege of working closely with Leif during all of his years with SSAB and it is therefore that it saddens me that Leif has decided to leave the company, even if I naturally respect his decision”, says CEO Anders Ullberg.