Results for 2003

- **Sales during the year increased by 3% and amounted to SEK 19,806 (19,271) million. Profit after tax increased to SEK 899 (577) million, equal to earnings per share of SEK 8.90 (5.70).**

- **Profit after financial items for the fourth quarter increased to SEK 462 (260) million. Profit for the full year thereby rose by SEK 527 million to SEK 1,343 (816) million.**

- **Cash flow for the fourth quarter improved and amounted to SEK 539 (293) million. Cash flow for the full year amounted to SEK 765 (1,208) million.**

- **The proposed dividend is unchanged at SEK 6.00 per share, equal to SEK 605 million.**

- **Deliveries of extra and ultra high-strength sheet and quenched steels increased during the year by 18%.**

Consolidated Profit and Loss Account

SEK millions	2002 Q 4	**2003 Q 4**	2002 Full Year	**2003 Full Year**
Sales	4,867	**5,018**	19,271	**19,806**
Cost of goods sold	-4,111	**-4,069**	-16,720	**-16,723**
Gross profit	756	**949**	2,551	**3,083**
Selling and administrative expenses	-405	**-425**	-1,505	**-1,530**
Other operating revenues and expenses	-6	**37**	2	**25**
Affiliated companies	-32	**-65**	-48	**-81**
Operating profit	313	**496**	1,000	**1,497**
Financial items	-53	**-34**	-184	**-154**
Profit after financial items	260	**462**	816	**1,343**
Tax	-67	**-157**	-231	**-436**
Minority shares	2	**1**	-8	**-8**
Profit after tax	195	**306**	577	**899**
Return on capital employed before tax (%)	-	**-**	8	**12**
Return on equity after tax (%)	-	**-**	6	**9**
Earnings per share (SEK) *)	1.90	**3.05**	5.70	**8.90**
Equity per share (SEK) *)	97.10	**99.40**	97.10	**99.40**
Equity ratio (%)	53	**54**	53	**54**
Net debt/equity ratio (%)	32	**30**	32	**30**

*) The number of shares on average and at the end of the periods amounted to 100.90 million.

The Market

Steel consumption in both Europe and the United States has been relatively stable during the year.

However, according to the International Iron and Steel Institute's autumn assessment global steel consumption increased by 6% during 2003 to a new record level of almost 900 million tonnes.

The strong growth is taking place in China, where steel consumption continued to grow at a rate of approx. 20%, while global growth excluding China amounted only to 1%. During 2003 China accounted for approx. 30% of world consumption to compare with aprrox. 10% ten years ago. China's steel imports continued to increase and reached just over 40 million tonnes, compared with almost 30 million tonnes in 2002.

Steel consumption in Sweden increased somewhat. The market for sheet and plate is estimated to have amounted to just over 2,000 thousand tonnes. The Group's market shares in Sweden were essentially unchanged.

It was possible to increase the Group's sheet prices in local currencies during the first half of the year, while plate prices were largely unchanged. The prices in local currencies were unchanged for the fourth quarter. However, as a result of a seasonally weaker product mix and a stronger Swedish krona, prices in Swedish kronor were 4% lower than during the third quarter. For the year as a whole, prices in Swedish kronor were thus 6% higher than in 2002.

Production and Deliveries

Crude steel production amounted to 1,037 (1,045) thousand tonnes for the fourth quarter and to 3,911 (3,881) thousand tonnes for the full year. Deliveries of steel slabs to other steel companies amounted to 103 (216) thousand tonnes.

Sheet and plate production during the fourth quarter amounted to 857 (880) thousand tonnes. For the full year, production increased by 1% over last year and reached 3,286 (3,257) thousand tonnes.

Deliveries from the steel operations were 2% higher than in the fourth quarter of last year and amounted to 803 (784) thousand tonnes. In total, deliveries from the steel operations were thus somewhat higher than last year and amounted to 3,130 (3,113) thousand tonnes.

Deliveries of quenched steels during the fourth quarter were 13% higher than in the same period last year and, for the full year, increased by 16%. The increased volumes have primarily consisted of sales to the crane industry in China and to customers in Canada and Italy. Deliveries of extra and ultra high-strength sheet increased during the quarter by 35% over the same period last year and, for the full year, by 19%. The increase related primarily to container customers in China and automotive-related customers in Western Europe and the United States. In total, deliveries of the niche products, high-strength sheet and quenched steels, accounted for 43 (40)% of total delivery volume in 2003.

The steel operation's deliveries to the Swedish market during the fourth quarter were 2% lower than last year but were 3% higher for the year as a whole. Demand for building-related products continued to be weak. Deliveries by Tibnor and Plannja were 4% lower than in the preceding year.

SSAB HardTech's deliveries were essentially unchanged from last year. Deliveries of bumper beams and car body parts increased, however, by approx. 25%, while deliveries of side impact beams declined by almost 5%. The increase in sales of car body parts and bumper beams was due to deliveries to a number of new car models, while the decrease in deliveries of side impact beams was due to delays in the introduction of several new car models and lower sales of certain car models in the United States.

Sales and Profit

Sales increased by 3% to SEK 19,806 (19,271) million. Higher prices contributed 5 percentage points while a stronger Swedish krona as well as lower volumes of, especially, steel slabs resulted in a shortfall of 1 percentage point each.

The iron ore and coal agreements for 2003 entailed price increases in dollars of 11% and 3% respectively. The iron ore agreement was not entered into until the middle of June but applied retroactively commencing 1 January. As a consequence of the weakning of the US dollar, iron ore costs in kronor decreased by 7%. With respect to coal, where the agreements did not enter into force until 1 April and the new prices did not have a full impact until the second half of the year, costs in Swedish kronor fell by 7%.

As a consequence of the measures which were begun after the summer to curtail cost increases, processing costs during the fourth quarter fell by 7% compared with last year. For the full year, the increase in costs was thus limited to 3% and processing costs amounted to SEK 6,037 (5,864) million. Productivity enhancement measures are continually beeing implemented in order to offset the effect of wage cost increases.

Operating profit during the fourth quarter was SEK 183 million higher than last year and amounted to SEK 496 (313) million. Stronger margins and lower processing costs in the steel operations contributed to an increase in profit of SEK 140 million.

Operating profit for the full year thus increased by SEK 497 million to SEK 1,497 (1,000) million. Stronger margins and an improved product mix in the steel operations contributed to an increase in profit of SEK 710 million, while higher processing costs in the steel operations had a negative effect on profit in the amount of SEK 155 million. A profit analysis is set forth in the table below.

Changes in operating profit between 2003 and 2002 (SEK millions)	
Steel operations	
- Stronger margins	+510
- Improved product mix	+200
- Higher processing costs	-155
Trading and processing operations	
- Weaker margins	-20
- Higher processing costs	-18
Lower depreciation	+40
Weaker results in affiliated companies	-33
Other	-27
Change in operating profit	+497

Changes in currency rates compared with last year have affected gross margins in the steel operations and, accordingly, have contributed to an approx. SEK 150 million increase in profit.

Financial items improved by SEK 30 million and amounted to SEK -154 (-184) million; profit after financial items thereby increased to SEK 1,343 (816) million. After tax and minority shares, profit for the full year amounted to SEK 899 (577) million. Earnings per share increased to SEK 8.91 (5.72).

Profitability and net debt/equity ratio

The return on capital employed before taxes increased to 12 (8)% and on equity after taxes to 9 (6)%. The equity ratio increased to 54 (53)% and the net debt/equity ratio declined to 30 (32)%. Return on equity and net debt/equity ratio compared to the Group's financial targets are shown in enclosed diagrams.

Capital Expenditures

During the year, a decision was taken regarding modernisation of the tandem mill in Borlänge for SEK 180 million. In addition, a decision was taken regarding the final stage in the renovation of the coking plant in Luleå for SEK 120 million and a punching line at SSAB HardTech's plant in the United States for SEK 40 million.

In total, decisions were taken regarding new investments of SEK 992 (957) million.

The renovation of the coking plant in Luleå was completed during the year, while the investment in the tandem mill will be carried out during three annual summer breaks, in 2004-2006. The punching line in the United States is estimated to be brought into operation in the summer of 2004.

Other ongoing projects include the fourth press-hardening line at SSAB HardTech's plant in the United States, which is expected to be brought into operation in the spring of 2004. During 2003, the investment was also completed in the new cutting lines in Borlänge for the cutting into size of high-strength sheet.

Capital expenditure payments were on a par with depreciation and amounted to SEK 1,041 (902) million.

Financing and Liquidity

Cash flow for the fourth quarter amounted to SEK 539 (293) million. Cash flow for the full year thus amounted to SEK 765 (1,208) million. The cash flow was larger than the dividend, and the net debt thus declined somewhat to SEK 3,032 (3,120) million. The net debt/equity ratio at the end of the year was 30 (32)%. Liquid assets at the end of the year amounted to SEK 533 (416) million, of which SEK 411 (242) million were in the parent company.

Prospects for 2004

The decline in demand for steel in Europe, which commenced in 2000, appears to have bottomed out. Thus, steel consumption in 2004 is expected to be somewhat higher than in 2003.

The steel operations' volumes of the core niche products, quenched steels and extra and ultra high-strength sheet, are expected to increase. In the trading and processing operations that are dependent on the Swedish market, it is believed that volumes will be essentially unchanged.

World market prices for raw materials, primarily coal and iron ore, will increase significantly in local currencies as a consequence of the rapid increase in consumption in China. To some extent, the price increases will be offset by a weaker dollar. However, when large increases in freight costs are also factored in, the prices for coal in the agreements which enter into force on 1 April 2004 are almost 30% higher than in last year's agreements. It has been possible to carry out certain price increases in local currencies for sheet and plate pending the first quarter. Increased raw material prices and improved demand are expected to lead to yet further increases in steel prices during the year.

Processing costs will be affected by a number of cost-cutting programmes and should, in general, be unchanged.

Sensitivity Analysis

The approximate effect for 2004 on profit after financial items, and on earnings per share, as a consequence of changes in significant factors are set forth in table below.

	Change %	Effect on Profit, SEK millions	Effect on earnings per share, SEK
Prices – steel operations	10	1,300	9.30
Volume – steel operations	5	280	2.00
Volume – trading operations	10	80	0.55
Margin – trading operations	2%-pts	110	0.80
Wage costs	2	80	0.55
Prices – coal, coke and iron ore	10	260	1.85
Krona index	10	480	3.45

Dividend

The Board of Directors has revised the dividend policy. Dividend will be adapted to the average profit level over a business cycle and constitute approx 50% of profit after tax, compared with a previous 30-50%. The dividend can also be used to adapt the capital structure.

The Board of Directors proposes to the general meeting that a dividend of SEK 6.00 (6.00) per share be paid, corresponding to SEK 605 (605) million and 67% of profit after tax for the year.

Annual General Meeting

The general meeting will be held on 21 April 2004 in Borlänge. In connection therewith, the interim report for the first quarter of 2004 will be published. It is expected that the annual report will be distributed at the end of March and will thereupon also be available on the website, www.ssab.se.

The Nomination Committee was published in the Report for the First Three Quarters and consists of Sverker Martin-Löf (chairman), Carl-Olof By Industrivärden, Tor Marthin AMF Pension and Björn Lind SEB Fonder.

Accounting Principles

This report has been prepared in accordance with RR20, Interim Reports.
Seven new recommendations from the Swedish Financial Accounting Standards Council have been applied from the beginning of the year. The new recommendations are RR2:02 Inventories, RR22

Presentation of Financial Statements, RR24 Investment Property, RR25 Segment Reporting, RR26 Events after the Balance Sheet Date, RR27 Financial Instruments, and RR28 Government Grants. The implementation of these recommendations has not, however, affected any of the information reported for earlier periods. Otherwise, the results have been prepared in accordance with the same principles as the most recent annual report.

RR 29, Remuneration to Employees, has been applied commencing 1 January 2004. The implementation of the new recommendation entails a change in accounting principles. The one-time effect of the changed principles will be reported directly against equity and entails an increase in equity of just over SEK 20 million.

Stockholm, 11 February 2004

Anders Ullberg

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Company number 556016-3429 www.ssab.se

Cash Flow

SEK millions	2002 Q 4	**2003 Q 4**	2002 Full Year	**2003 Full Year**
Cash flow from operations	571	**675**	1,832	**2,143**
Change in working capital	-64	**122**	73	**-518**
Investing activities	-271	**-287**	-840	**-992**
Cash flow excluding SPP funds	236	**510**	1,065	**633**
Net effect of surplus funds from SPP*)	57	**29**	143	**132**
Cash flow	293	**539**	1,208	**765**
Financing activities incl. dividend	-129	**-257**	-1,252	**-648**
Change in liquid assets	164	**282**	-44	**117**

*) Net effect of surplus funds from SPP relates only to the effect on cash flow. The effect on profits was included in the results for 2000.

Consolidated Balance Sheet

SEK millions	31 Dec. 2002	**31 Dec. 2003**
Assets		
Intangible fixed assets	42	**32**
Tangible fixed assets	8,808	**8,670**
Financial fixed assets	818	**575**
Inventories	4,585	**4,829**
Accounts receivable	3,082	**3,275**
Other receivables	725	**697**
Liquid assets	416	**533**
Total assets	18,476	**18,611**
Equity and Liabilities		
Equity	9,796	**10,031**
Minority shares	162	**151**
Deferred taxes and other provisions	1,978	**2,048**
Long-term liabilities	2,101	**2,180**
Current liabilities	4,439	**4,201**
Total equity and liabilities	18,476	**18,611**

Consolidated Equity

SEK millions	31 Dec. 2002	**31 Dec. 2003**
Equity, opening balance	9,753	**9,796**
Revaluation reserve	24	**-1**
Translation difference	-54	**-58**
Dividend	-504	**-605**
Profit for the period	577	**899**
Equity, closing balance	9,796	**10,031**

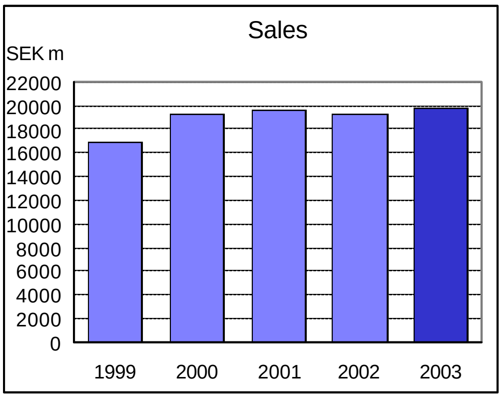
Subsidiaries' Sales, Profit/Loss and Return on Capital Employed

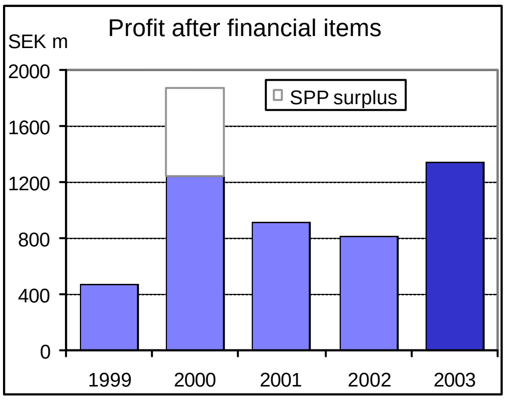
	Sales		Operating profit		Profit after financial items		Return on capital employed (%)	
SEK millions	2002 Full Year	**2003 Full Year**	2002 Full Year	**2003 Full Year**	2002 Full Year	**2003 Full Year**	2002 Full Year	**2003 Full Year**
Subsidiaries:								
SSAB Tunnplåt 1)	10,161	**10,583**	353	**842**	214	**722**	6	**13**
SSAB Oxelösund	5,225	**5,468**	325	**392**	209	**312**	7	**9**
Plannja	1,195	**1,148**	97	**60**	86	**50**	26	**17**
SSAB HardTech	835	**810**	181	**142**	156	**126**	21	**18**
Tibnor	5,424	**5,334**	87	**94**	75	**91**	7	**8**
Other subsidiaries	547	**606**	5	**17**	46	**17**	-	**-**
Parent company								
Parent company 2)	0	**0**	-60	**-68**	79	**20**	-	**-**
Affiliated companies	-	**-**	6	**-5**	6	**-5**	-	**-**
Group adjustments	-4,116	**-4,143**	6	**23**	-55	**10**	-	**-**
Total	19,271	**19,806**	1,000	**1,497**	816	**1,343**	8	**12**

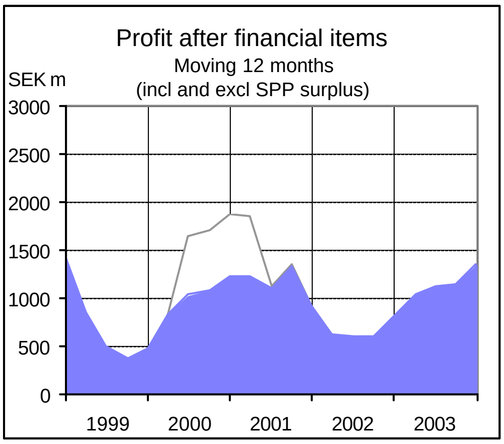
1) Commencing 1 January 2003, Dickson is a subsidiary of SSAB Tunnplåt. The figures for 2002 have been adjusted in order to achieve comparability.
2) Excl. dividends from subsidiaries and affiliated companies and, for 2003, also excluding capital gains from the internal sale of Dickson. Profits in the parent company consist primarily of administration costs and a positive figure for financial items.

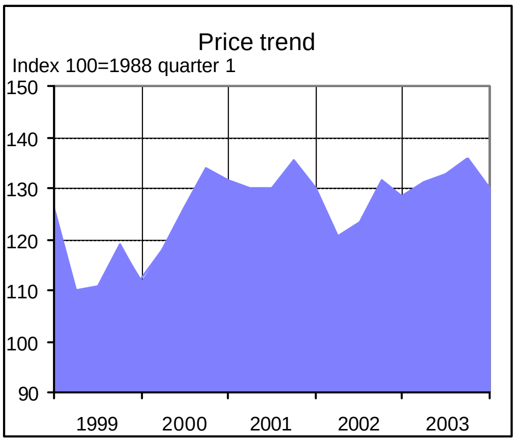
Profit per Quarter

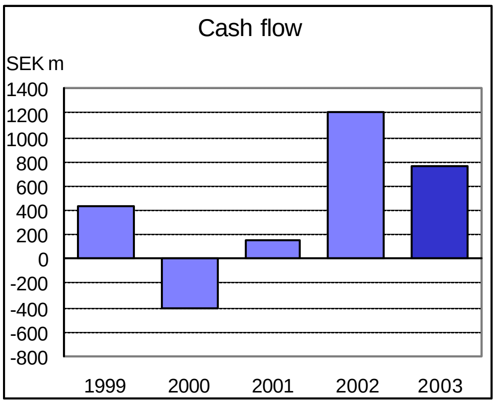
SEK millions	1/01	2/01	3/01	4/01	1/02	2/02	3/02	4/02	1/03	2/03	3/03	4/03
Sales	5,281	5,295	4,535	4,571	4,934	5,139	4,331	4,867	5,206	5,172	4,410	5,018
Operating expenses	-4,513	-4,646	-4,114	-4,203	-4,430	-4,533	-3,915	-4,234	-4,473	-4,511	-3,989	-4,184
Depreciation	-287	-289	-287	-278	-274	-274	-275	-288	-266	-265	-267	-273
Affiliated companies	10	4	-5	-6	0	7	-23	-32	-8	6	-14	-65
Financial items	-26	-43	-47	-39	-48	-44	-39	-53	-45	-36	-39	-34
Profit after financial items	465	321	82	45	182	295	79	260	414	366	101	462

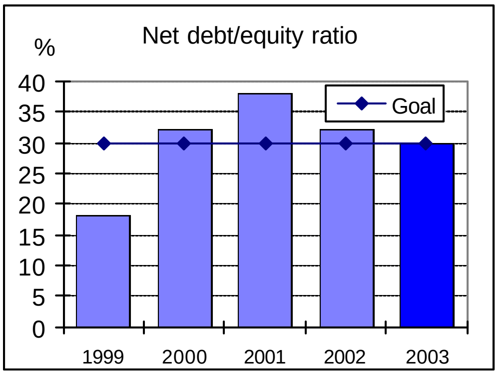

Sales
SEK m
22000
20000
18000
16000
14000
12000
10000
8000
6000
4000
2000
0
1999
2000
2001
2002
2003

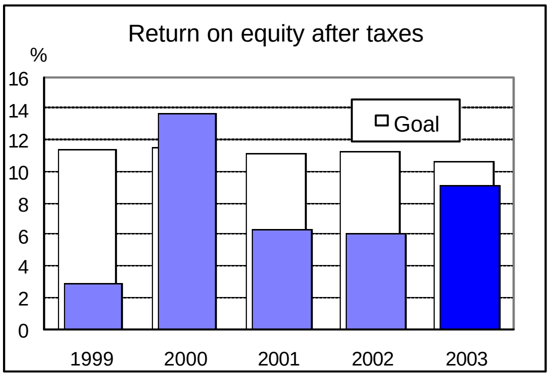

Profit after financial items
SEK m
SPP surplus
2000
1600
1200
800
400
0
1999
2000
2001
2002
2003


Profit after financial items
Moving 12 months
(incl and excl SPP surplus)
SEK m
3000
2500
2000
1500
1000
500
0
1999
2000
2001
2002
2003


Price trend
Index 100=1988 quarter 1
150
140
130
120
110
100
90
1999
2000
2001
2002
2003


Cash flow
SEK m
1400
1200
1000
800
600
400
200
0
-200
-400
-600
-800
1999
2000
2001
2002
2003


Net debt/equity ratio
%
Goal
40
35
30
25
20
15
10
5
0
1999
2000
2001
2002
2003


Return on equity after taxes
%
Goal
16
14
12
10
8
6
4
2
0
1999
2000
2001
2002
2003