

PRESS RELEASE
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Profit for the first half of the year of SEK 347 million

SSAB today reported its half-yearly profit for 1999. The profit after financial items declined by SEK 919 million to SEK 347 (1,266) million.

- The decline in profit is due to the fact that steel prices declined sharply at the end of last year and the beginning of this year, says CEO Torsten Sandin in a comment to the Half Year Report. It is now pleasing to note that steel prices have stabilised and, during the second quarter, we have had somewhat higher prices measured in Swedish kronor than during the first quarter.
- Orders improved gradually during the beginning of the year, which has meant that we have been able to increase the rate of production in our rolling mills and thereby also to increase our deliveries from the steel operations by 3% during the second quarter as compared with the first quarter. Higher volumes and improved margins resulted in an operating profit which was SEK 140 million higher in the second quarter than in the first quarter.
- We have continued to focus on our cost trends and working capital, Torsten Sandin adds. Processing costs remain at the low level we achieved during the first quarter and, despite higher volumes and wage increases, are still 1% lower than during the first half of last year. The reduction in working capital is the reason that we are able to report an improved cashflow compared with last year.
- The price structure continues to be fragmented prior to the third quarter, Torsten Sandin concludes. As during the second quarter, we will see both limited price increases and limited price reductions.