



Public Affairs
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SSAB reports record results for the third quarter

SSAB today presented its results for the first three quarters of 2004. Profit after financial items increased by SEK 1,765 million to SEK 2,646 (881) million and cash flow increased to SEK 1,594 (226) million.

- Profit for the third quarter increased by SEK 860 million to SEK 961 (101) million. Bearing in mind that the third quarter is seasonally weaker, this is a strong result and by far the best we have achieved during a third quarter, notes CEO Anders Ullberg in a comment on the report.

- During the third quarter, we have been able to improve our gross margins in the steel operations despite increased coal and coke costs. We also see continued strong growth in volumes in the trading and processing operations, at the same time as we continue to keep our processing costs in check, continues Anders Ullberg.

- As previously during the year, demand for our core niche products has been strong. During the first quarter, we increased deliveries of extra and ultra high-strength sheet by just over 40% and of quenched steels by 17% compared with last year. At present, we are utilising almost all of our quenched steel capacity. Growth within this product area was thus somewhat lower than during the first half of the year when we were able to achieve a higher rate of growth by reducing stocks, notes Anders Ullberg.

- Notwithstanding that the rate of growth has fallen in China, according to the forecast issued by the International Iron and Steel Institute at the beginning of October, global steel consumption this year will increase by 7.5% to a new record level of approx. 950 million tons. The rate of growth has thus increased compared with the past three years, when it was at a 6% level, and is now also more evenly distributed, emphasises Anders Ullberg.

In conclusion, Anders Ullberg notes that steel prices are continuing to increase. Based on the agreements entered into thus far, sheet and plate prices in local currencies during the fourth quarter are expected, on average, to be approx. 5% higher than during the third quarter.