

PRESS RELEASE  
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## **SSAB Posts Record Earnings**

SSAB today presented its results for 2005. Profit after financial items for comparable units increased by SEK 1,865 million to SEK 5,671 (3,806) million.

- This is the best full-year result we have ever achieved and it provides us with a net margin of just over 20%, a return on capital employed of 34% and a return on equity after tax of 30%, notes President Anders Ullberg in a comment on the report.
- During 2005, we have witnessed continued strong growth in global steel consumption. Growth is primarily concentrated on China, but also extends to other markets in Asia. On the other hand, steel consumption declined somewhat in Europe and quite substantially in the United States.
- Through the price increases that we were able to carry out in 2004 and the beginning of 2005, we have thus far been able to compensate for the steep increase in raw materials prices. Our gross profit margin in the steel operations thereby improved by SEK 2,700 million, continues Anders Ullberg.
- But what we are most pleased about are the effects of our work of continuing to grow within our niche areas – extreme high-strength sheet products and quenched steels. Despite what was, at times, a cautious sheet market and the fact that we had reached our maximum quenched steel capacity, deliveries of these core niche products were 10% higher than in 2004, while total deliveries were 7% lower than last year, emphasises Anders Ullberg.
- Cash flow improved significantly and amounted to SEK 4,230 (1,892) million. Accordingly, at the end of the year we were largely debt-free. The Board of Directors therefore proposes that the dividend be increased to SEK 9 (7.50) per share and that the General Meeting resolve on a redemption programme of approx. SEK 2,200 million. The Board also proposes a split of 3:1. Through proposed dividend and redemption, we will transfer in total approx. SEK 3,000 million to our shareholders, says Anders Ullberg.
- Global demand for steel is expected to remain strong in 2006. Based on the agreements reached thus far, however, steel prices during the first quarter are expected to fall by approx. 3% in local currencies, concludes Anders Ullberg.

## **Proposed new composition of the Board of Directors**

At SSAB's General Meeting in Oxelösund on 21 April, the Nomination Committee will propose Lars Westerberg as a new member of SSAB's Board of Directors to replace Per Olof Eriksson, who is resigning after twenty years' service as a member

of the Board of Directors. It is proposed that Olof Faxander, who has been appointed as the new President and CEO, will replace Anders Ullberg, who goes into retirement.

The Nomination Committee also proposes the re-election of Sverker Martin-Löf as Chairman of the Board of Directors and of Board members Carl Bennet, Anders G. Carlberg, Marianne Nivert, Anders Nyrén and Matti Sundberg.

The Nomination Committee's proposals are supported by shareholders holding approx. 45% of the voting capital in SSAB.

Lars Westerberg, born 1948, possesses many years' of industrial experience and was formerly President of ESAB and Gränges. He is the CEO of Autoliv Group and sits on the Boards of Directors of, among others, Haldex and Plastal. He was recently proposed as the Chairman of the Board of Directors of Husqvarna.