

PRESS RELEASE
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Torsten Sandin at SSAB's Shareholders' Meeting

In his presentation at the shareholders' meeting in Oxelösund, SSAB's CEO Torsten Sandin illustrated the importance of SSAB's niche orientation from several perspectives.

High-strength steel results in lower consumption of resources

-Until now, the environmental debate has often concentrated on the issue of emissions. I believe that it is also important to place our operations and steel as a material in a lifecycle context. As an example, Torsten Sandin mentioned HARDOX 600, a steel with extremely good abrasion resistance. If HARDOX 600 is used, only 1/10 of the raw materials are needed in order to produce steel with a given abrasion resistance, compared with the use of ordinary steel.

-When we, and all other steel companies throughout the world, manufacture steel from iron ore, we must use coal as a reduction agent. This chemical reaction is a necessity which should be borne in mind in the ongoing debate over carbon dioxide.

-The only way for us to significantly reduce the carbon dioxide which is generated in the process is by reducing production. Steel will then be manufactured somewhere else in the world, in places where equally efficient processes are probably not used. In such a case, from a global perspective the emissions of carbon dioxide would increase. This factor must be taken into consideration in ongoing and future climate studies.

SSAB is one of Europe's most profitable steel companies

Torsten Sandin noted that the profit for 1999 of SEK 467 million is significantly lower than for 1998.

- Naturally, this is nothing to be pleased with, even if we continue to be among the most profitable steel companies in Europe. In what was, from a price perspective, a relatively turbulent steel market, we have also succeeded in improving our position within our niche areas. For example, within high-strength sheet we have succeeded in increasing deliveries by not less than 16 percent.

-What then is the reason for such a significant decline in profitability in the Western European steel industry? The explanation lies far to the east and in the financial crisis which shook Asia in 1998. This resulted in a very significant change in global flows of trade in steel. Supplies of steel in Western Europe increased very rapidly and prices came under strong pressure. From the middle of 1998 until the first quarter of 1999, prices fell by 20 percent. Together with the rest of the steel industry in Western Europe, we were forced to reduce production. Thus, we started 1999 with low prices and weak volumes.

SSAB's choice of direction

Torsten Sandin noted that, in the long term, it can be difficult for a medium-sized steel company to compete on the major bulk markets, for example within the automotive and construction industries.

-It was precisely for this reason that we selected our strategy approximately 10 years ago. We decided on a very specific niche strategy in which our specialities would be high-strength sheet and quenched steels within the plate area.

-The world market for these products is approximately 7 million tonnes, i.e. they constitute approximately 1% of the total steel market. Thus, the markets are not that big. This is a prerequisite for being able to conduct a niche strategy. However, the size of these markets suits our scale of production and these markets have grown by just over 5% per year, which is higher than for the steel market in general.

-We have also gradually increased our market shares within these areas. Last year, sales of our niche products exceeded SEK 4 billion and today we are the world's largest manufacturer of quenched steels within the plate area and one of the largest manufacturers of high-strength sheet in Europe.

-We have achieved this strong market position by consistently working together with our customers and jointly endeavouring to find new design solutions - solutions which provide our customers with a significant added value.

-We then wish to be able to share this added value with our customers and in this manner create improved margins for our niche products. We are sticking to our strategy and remain firm in our conviction that it is correct. We are now energetically engaged in further defining our niche profile. We will thereby continue to be able to create value for our shareholders.

Decisions adopted at the Shareholders' Meeting

New members of the Board of Directors

Anders Lannebo and Jan Sjöqvist were elected as new members of the Board of Directors. They succeed Tony Hagström and Björn Hall. Otherwise, Anders G Carlberg, Per-Olof Eriksson, Carl-Erik Feinsilber, Leif Gustafsson, Sven-Åke Johansson and Torsten Sandin were re-elected to the Board of Directors.

Dividend

The general meeting of the shareholders declared a dividend of SEK 4.50 per share. Payment is expected to take place through VPC on 8 May 2000.

Repurchase of the company's own shares

In accordance with a proposal presented by the Board of Directors, the shareholders' meeting adopted a resolution to authorise the Board of Directors, during the period until the next annual general meeting of the shareholders, to acquire not more than 11.2 million shares, corresponding to not more than 10% of the outstanding shares. Both class A and class B shares may be acquired. Acquisitions will take place on the OM Stockholm Exchange at the prevailing stock market price at the time of the acquisition. The purpose is to effect an adjustment in the company's capital structure.

Pursuant to authorisation by the shareholders' meeting, the Board of Directors has resolved to acquire not more than 11.2 million shares during the period until the next annual general meeting of the shareholders.

A repurchase at current price levels should result, with the current profit level, in an increase in return on equity and earnings per share.