SSAB

Annual Report 1997

Steel is by far the most utilised construction material in the world. Its position is only threatened by still better steels. SSAB is consolidating its position in the commercial steel sector as a manufacturer of special steel giving customers added value through its strength, formability or abrasion-resistance.

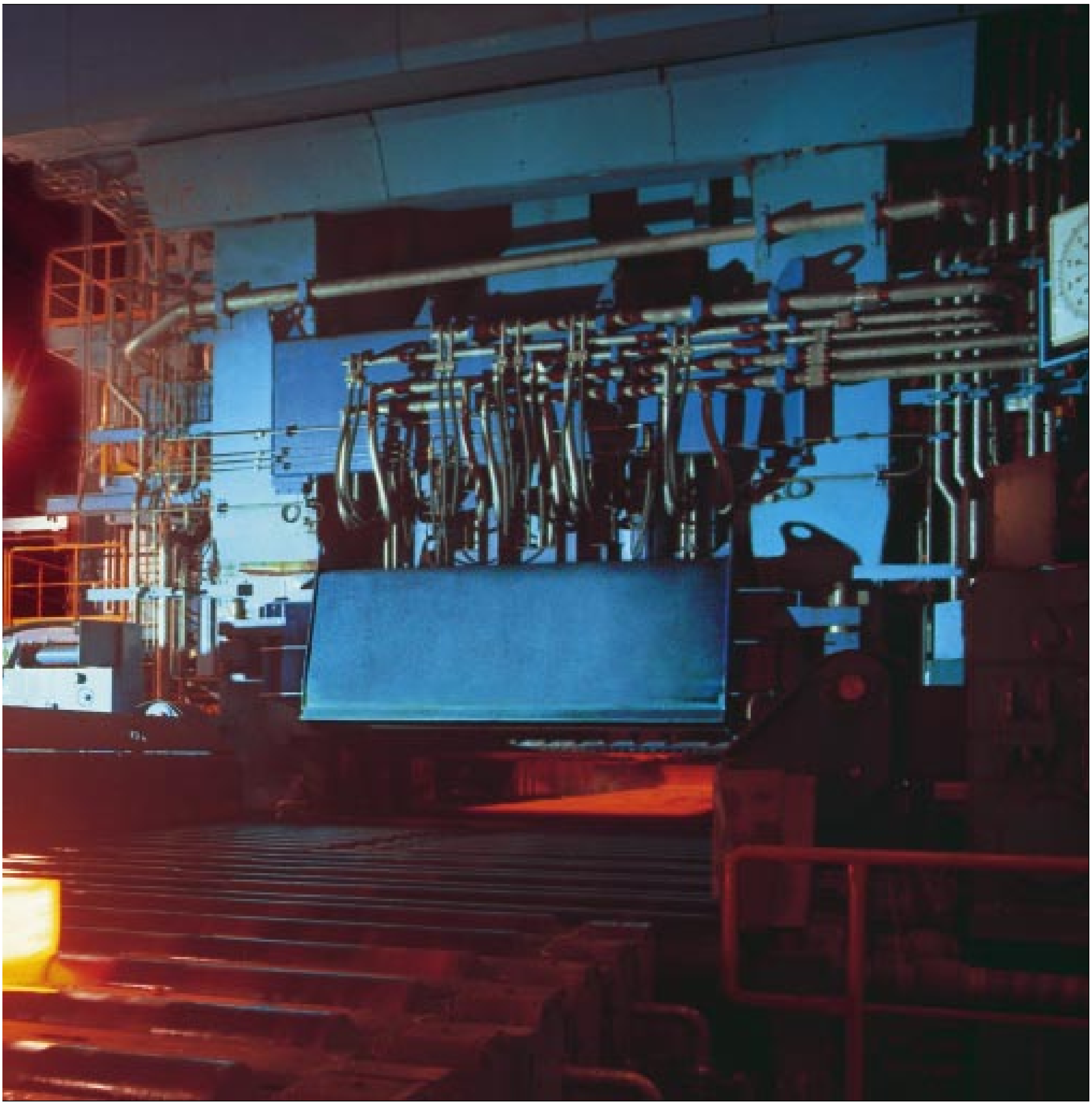


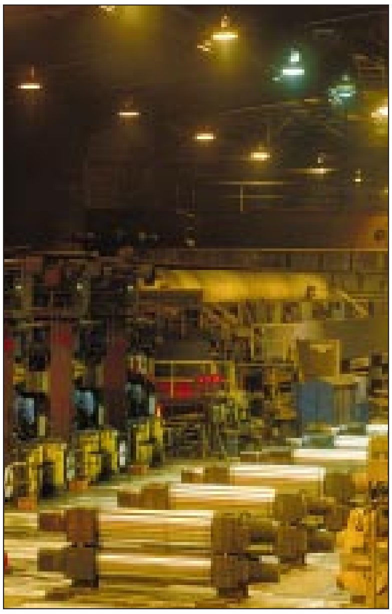
Table of contents

Report of the directors

Consolidated and
Parent Company accounts

SSAB Svenskt Stål AB (publ)
Registration number 556016-3429

Joe Brig Art AB, Göteborg.
Photos: Dag Sundberg, Joakim Bergstöm, Bo Björkdahl, Per-Olov Eriksson
Printed by: Västra Aros, Västerås 1998.



Shareholders’ meeting

The Annual General Meeting of the Shareholders will be held in Borlänge on Thursday, April 23, 1998 at 1:00 p.m.
To be entitled to participate in the Annual General Meeting of the Shareholders, shareholders must be included in the print-out of the share register that is made on April 9, 1998 and must notify SSAB of their intention to participate in the meeting not later then 12:00 noon on Monday, April 20, 1998.

Nominee registered shares

Shareholders whose shares are registered in the name of a nominee must register their shares in their own names in order to be entitled to participate in the shareholders’ meeting. In order that the shares might be re-registered in time, shareholders should request temporary owner-registration (voting registration) in sufficient time prior to April 9, 1998.

Notice

Notice in respect of participation at the shareholders’ meeting shall be made by letter, telefax, or telephone to:

SSAB
Corporate Control
Box 26208
SE - 100 40 STOCKHOLM
Telephone: +46 8 45 45 700
Telefax: +46 8 45 45 705

The name, personal identification number (company registration number), address, and telephone number of the shareholder must be provided in the notice.

Shareholders who wish to participate in the shareholders’ meeting must provide notice of such not later then Monday, April 20, 1998 at 12:00 noon, at which time the notice period expires.

Nomination committee

Rune Andersson,
Chairman of the Board of Directors

Carl-Erik Feinsilber,
member of the Board of Directors of SSAB and Industrivärden

Björn Franzon
Vice President, Fourth AP-Fund

The nomination committee presents proposals to the shareholders’ meeting concerning, inter alia, the election of members of the Board of Directors and remuneration to the Board of Directors.

Dividends

April 28, 1998 is proposed as the record date for the right to receive dividends. Payment of dividends is anticipated to be effected through VPC on May 6, 1998.

The Board of Directors and the President propose that the shareholders’ meeting resolve upon the payment of a dividend for 1997 in the amount of SEK 4.50 per share.

Financial information

SSAB will submit the following information for the operating year 1998:

Interim report for the first quarter, April 23, 1998.

Half-year report, August 14, 1998.

Interim report for the first three quarters, October 27, 1998.

Year-end report for 1998, February 1999.

Annual report, March 1999.

Operations

	1993	1994	1995	1996	**1997**
Sales (SEK millions)	12,402	15,116	18,611	17,162	**17,474**
Profit after financial items (SEK millions)	802	2,145	3,832	2,091	**1,906**
Investments in plants and facilities (SEK millions)	636	568	1,069	1,311	**2,145**
Cash flow (SEK millions)	379	1,351	1,891	1,368	**– 254**
Net interest-bearing assets (SEK millions)	– 543	1,027	2,754	3,687	**2,929**
Capital employed (SEK millions)	10,481	10,929	12,994	13,757	**14,087**
Total assets (SEK millions)	13,614	14,866	17,245	17,587	**18,211**
Return on capital employed before taxes (%)	11	22	33	16	**14**
Return on equity after taxes (%)	12	20	28	13	**11**
Equity ratio (%)	49	58	64	68	**70**
Dividend per share (SEK): 1997 proposal	1.75	2.50	4.00	4.00	**4.50**
Profit per share (SEK)	6.00	12.20	21.30	11.60	**10.40**
Average number of employees	9,716	9,517	9,778	9,705	**9,630**
Production of crude steel (thousands of tonnes)	3,080	3,296	3,256	3,405	**3,349**

Definitions are set forth in note 20. Data per share has been recalculated as a consequence of the split at 4:1 which was carried out in 1995. The accounts are adjusted to the New Annual Accounts Act, as a result of which changes have been made in the comparable figures for the preceding years.

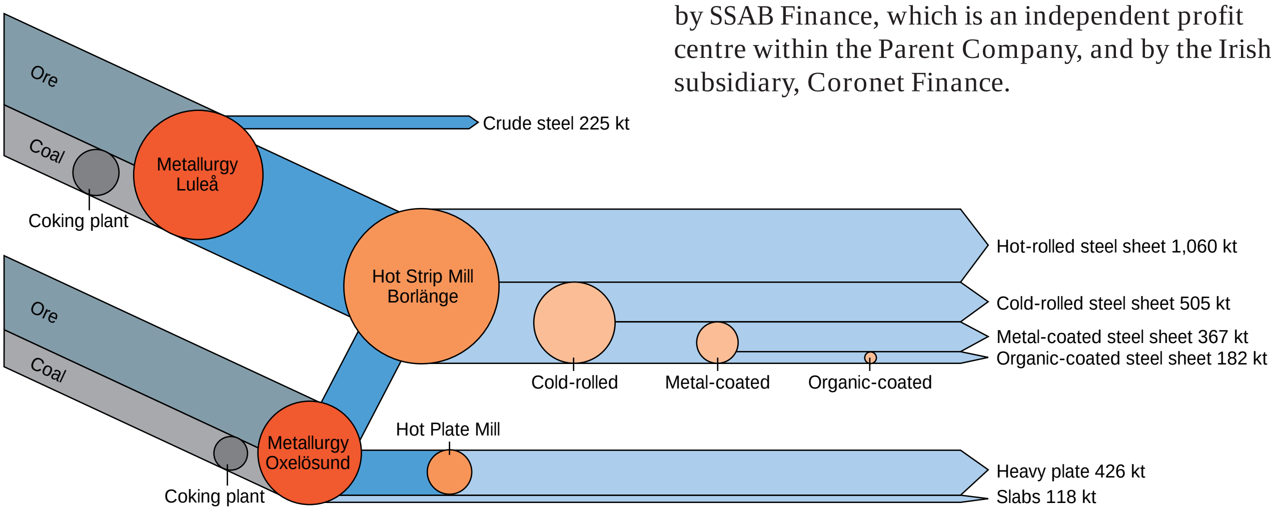
SSAB is the Nordic region's leading manufacturer of flat products in the commercial steel sector. Products within the steel operations are concentrated on sheet and plate. The sheet operations are conducted within SSAB Tunnplåt and the plate operations within SSAB Oxelösund.

Sheet products include hot- and cold-rolled sheet, as well as metal- and organic-coated sheet. Plate products include both ordinary commercial steels and high-strength and abrasion-resistant steels. The share of high-strength steels within both the sheet and plate range has gradually increased.

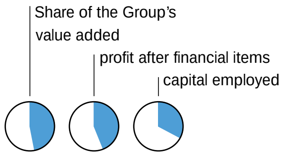
Exports sales takes place primarily through wholly-owned sales companies.

The production flow in the steel operations is illustrated by the figure on the opposite page. Approximately 380,000 tonnes were sold in 1997 through the Group's processing and trading operations.

The Group's finance operations are conducted by SSAB Finance, which is an independent profit centre within the Parent Company, and by the Irish subsidiary, Coronet Finance.

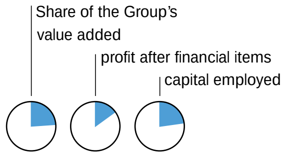


SSAB Tunnplåt



SSAB Tunnplåt manufactures hot-rolled, cold-rolled, metal- and organic-coated sheet, mainly for the engineering and construction industries. Special efforts are being made in the area of high-strength sheet.

SSAB Oxelösund



SSAB Oxelösund manufactures plate. The majority consists of quenched steels, i.e. high-strength, structural steel and abrasion-resistant steel. These are used, inter alia, in construction macinery, mining equipment, and bridges.

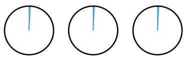
Plannja

Plannja organic-coats and profiles steel and aluminium building sheet, and manufactures systems for rainwater runoff.

SSAB HardTech

SSAB HardTech manufactures press-hardened safety components for the automotive industry.

Dickson PSC

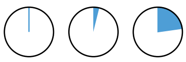


Dickson PSC pre-finishes sheet by slitting and cutting to size. Sales are conducted through Tibnor and SSAB Tunnplåt.

Tibnor

The trading company, Tibnor, conducts a large portion of the steel sales on the Swedish market.

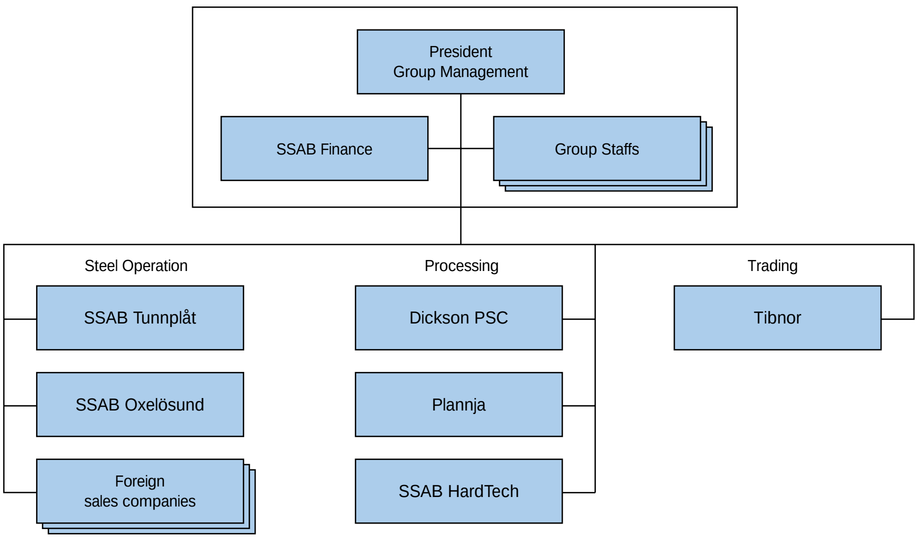
SSAB Finans



SSAB Finance manages the Group's investments of liquid funds on the Swedish money market as well as foreign exchange dealings and borrowing.

Coronet Finance

Coronet Finance manages the Group's investments of liquid funds on the international money market and attends to the capital requirements of the Group's foreign subsidiaries.



Comments by the Chief Executive Officer

Better year for steel than expected

1997 was a better year for steel than we had originally anticipated. Beginning with the second quarter, demand improved noticeably both in Sweden and in most other markets in Europe. After having decreased during 1996, steel consumption in western Europe increased by slightly more than 8% and thereby reached approximately the same level as during the record year of 1989. The downward phase which started during the second half of 1995 was thereby relatively short.

Even if the downturn was relatively brief, we were forced during this time to accept price decreases of more than 10% in local currencies. Through the price increases we were able to implement during the last three quarters of 1997, however, prices on an average were approximately the same as in 1996. At the end of the year, prices were back to the levels which we had in the beginning of 1996.

With the improvement of the economy, we were able to significantly strengthen our positions within our speciality niches – high-strength sheet and quenched steels in the plate area. Our sales of these products increased by more than 15% during the year. We thereby easily fulfilled one of our high priority goals for the year.

Healthy profitability at the bottom of the economic cycle

Having now past the bottom of the economic cycle, we can say that return on our operating capital this time did not drop below 18%. It is, of course, significantly lower than the 43% we achieved during the record year of 1995, but it is the best profitability we have ever experienced at the bottom of an economic cycle.

This relatively healthy profitability at the bottom of an economic cycle is proof that we have created a cost-efficient structure and that we have been successful in our niche orientation of the steel operations. The foundation and focus of this structure was laid in 1987 through a comprehensive restructuring at which time we, among other things, concentrated on flat products and shut down one of our steel plants.

Investments strengthen niche orientation

Through our current major investment programmes we are now taking an additional step towards making SSAB a speciality steel company in the commercial steels area. In our plate operations, our speciality products, quenched steels, i.e. steels with extremely good abrasion-resistance and high strength, accounted for 75% of sales in 1997. Within this area, we have reached a position of global leadership.

During the past ten-year period, our deliveries of quenched steels have increased by slightly more than 80%. We see good possibilities for continued growth within this area, both through work on new markets and through the gradual introduction of new products. Therefore, we are now investing SEK 1,650 million in plate operations in order to create the conditions for continued expansion in the quenched steels area.

The largest single project in the investment programme in the plate operations is a new four-high rolling mill which we are now in the process of starting up. Commencing with the second half of 1998, this will provide us with the production base we need for the continued development of the quenched steels.

Within the sheet operations, we are investing SEK 1,300 million in order to create the conditions for continued expansion within the area of high-strength sheet. Five years ago these products accounted for only 15% of our deliveries. Today, the share is almost 30%.

We see good growth possibilities here as well, primarily through a broadening of the customer base in, among other areas, the passenger car industry.

A third project to strengthen our niche orientation is investments totalling SEK 500 million in SSAB HardTech. This subsidiary has successfully developed safety components – among other things side-impact beams and bumpers for the passenger car industry – based on the press-hardening technology. The demand from the American automobile industry has been good and we are now doubling our capacity by constructing a new factory for these products near the large automobile manufacturers in the United States.

In total, these three projects totalling SEK 3,500 million will further strengthen our niche orientation in the steel operations. An important condition for this development is our ability to maintain and strengthen our position on the home market, where we must be competitive with respect to both ordinary as well as special products. In this context, our trading and processing companies – Tibnor, Dickson, and Plannja – play a very important role.

Continued improvements in efficiency are necessary

All steel companies, regardless of their strategy, must continuously improve their efficiency. The developments have been rapid. For example, today we produce 200% more steel per man hour than we did when SSAB was formed 20 years ago and 70% more steel per man hour then we did ten years ago when we designed today's structure in the steel operations. This development must continue.

SSAB is one of western Europe's medium-sized steel companies. The lack of certain large operating advantages makes it difficult for us to be the most efficient. However, we must remain one of the more efficient steel companies in western Europe.

It is from this perspective one should look upon our decision in the beginning of 1998 to invest SEK 850 million in order to concentrate the steel production in Luleå to a single renovated blast furnace. As compared with today's production in two blast furnaces, this change will result in significant savings.

Redemption of shares

When we carried out a restructuring of the Group in 1987, we had a weak balance sheet with an equity ratio of only 27%. A high priority measure was, at that time, to strengthen the balance sheet by focusing on our cash flow. During the period 1987–97, we have in total generated free cash flow of over SEK 6 billion. Expressed another way, we have been able to finance all of our investments with our cash flow while at the same time generating an additional SEK 6 billion in order to amortise debts, pay dividends to our shareholders, and strengthen our balance sheet.

Today, we have a balance sheet with interest-bearing assets which are almost SEK 3,000 million greater than interest-bearing liabilities, and the equity ratio is 70%. This balance sheet is sufficient in order to allow us to implement our current major investment programmes and to provide the financial base for the continued development of the Group. We believe that the balance sheet is sufficiently strong so as to also make possible a redemption of shares in the amount of approximately SEK 3,000 million which the Board of Directors now proposes to the shareholders' meeting.

Creation of value for the shareholders

Has our development of the Group created value for our shareholders? Prior to our restructuring, a number of institutional investors – Skandia, the Fourth AP-fund, SPP, AMF, and Skandinaviska Enskilda Banken's Pension Funds – bought a third of the shares in SSAB in 1986 at the price of SEK 13.80 per share. The quoted price on the stock exchange on 31 December 1997 was almost ten times this price, or SEK 130. This means that their investments, including dividends paid during these 11 years, have provided a return of approximately 26% per year.

Thus, historically, we have been able to create value for our shareholders. With the continued development of the Group for which, among other things, the current investment programmes are creating the basis, I am convinced that in the future we will continue to be able to create value for our shareholders!

Increased preparedness in 1998

The steel market in western Europe continues to be strong now in the beginning of 1998. The financial crisis in Asia, however, has increased uncertainty regarding continued development. We must continue to strengthen our positions on the markets for quenched steels and high-strength sheet, but we must also increase our preparedness through, among other ways, an increased focus on costs and capital committed. During 1998, however, our highest priority will be the task of completing the three major investment programmes in the sheet and plate operations and SSAB Hard-Tech. This will place great demands on the entire organisation.

At the 1998 annual general meeting of the shareholders, after 11 years, I will retire from the post as CEO of SSAB. I believe it is quite natural that my successor, Torsten Sandin, now takes over at a time when the next step in our strategic development is at hand.

I wish to take this opportunity to thank all of my colleagues, the shareholders, customers, and suppliers for 11 extremely stimulating years as CEO of SSAB.

Leif Gustafsson

SSAB and the environment

SSAB and the environment
Protection of the environment is an important issue facing society. It is SSAB's goal to maintain a leading position in the steel industry in the environmental compatibility of its products and processes.

Steel – a natural resource
Steel plays a significant role in the global economy and is one of the cornerstones in the development of our modern society. Steel is found all around us in our everyday lives.

In addition, steel can be reused an infinite number of times without losing any of its unique qualities. There exist highly-developed systems for the collection and recycling of scrap steel. Currently, approximately 40% of the world's steel production is based on such recycled scrap steel.

The manufacturing process
The Group's steel manufacturing is iron ore-based. This is an advantage in the manufacture of many high-strength plate and sheet products. The transition to pellets instead of the process through sinter production has, on the whole, provided a production structure which is positive for the environment.

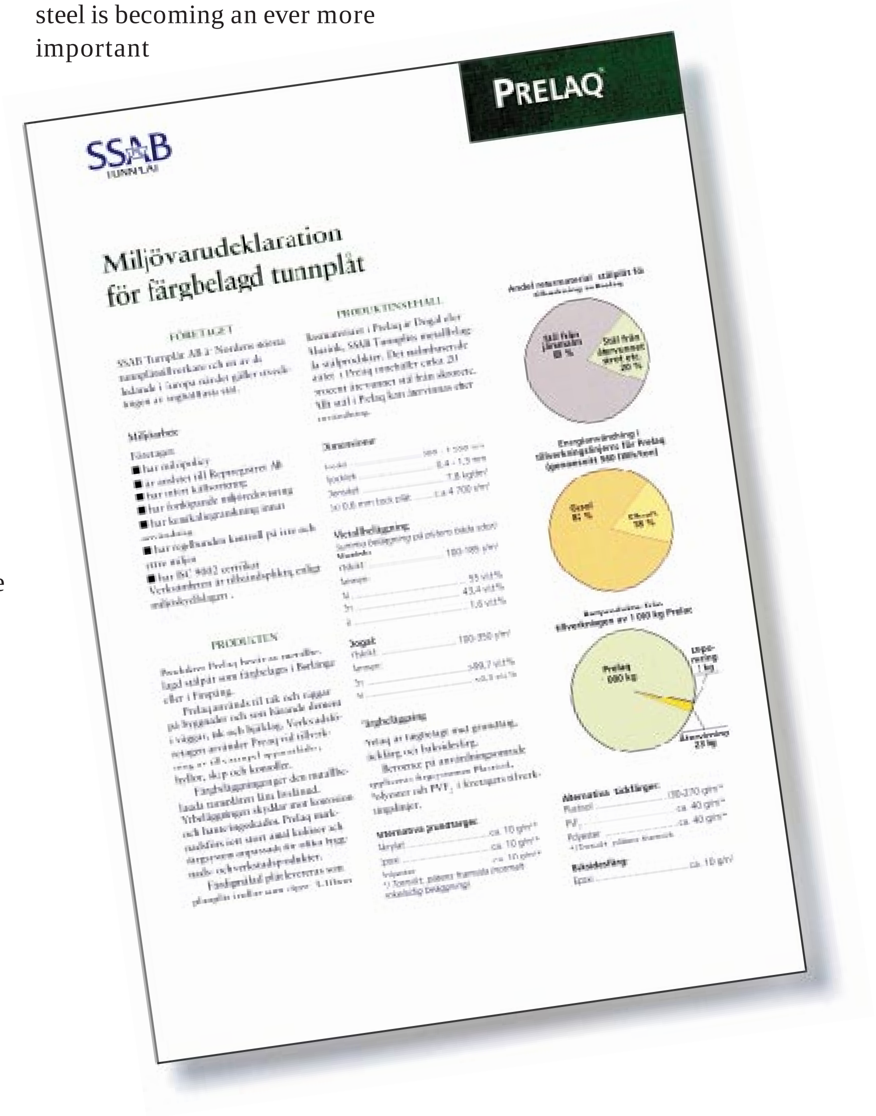
The addition of coke and coal is required for the reduction of iron ore to hot metal. Carbon dioxide is formed during the process. There are no alternative means of reduction.

The manufacture of the Group's steel products is efficient and effective. Modern steel and processing techniques and the use of advanced computer technology in the production process have shortened the processing time and provided high precision in production. Technological developments have also reduced the need for coal products, fuel, and electricity.

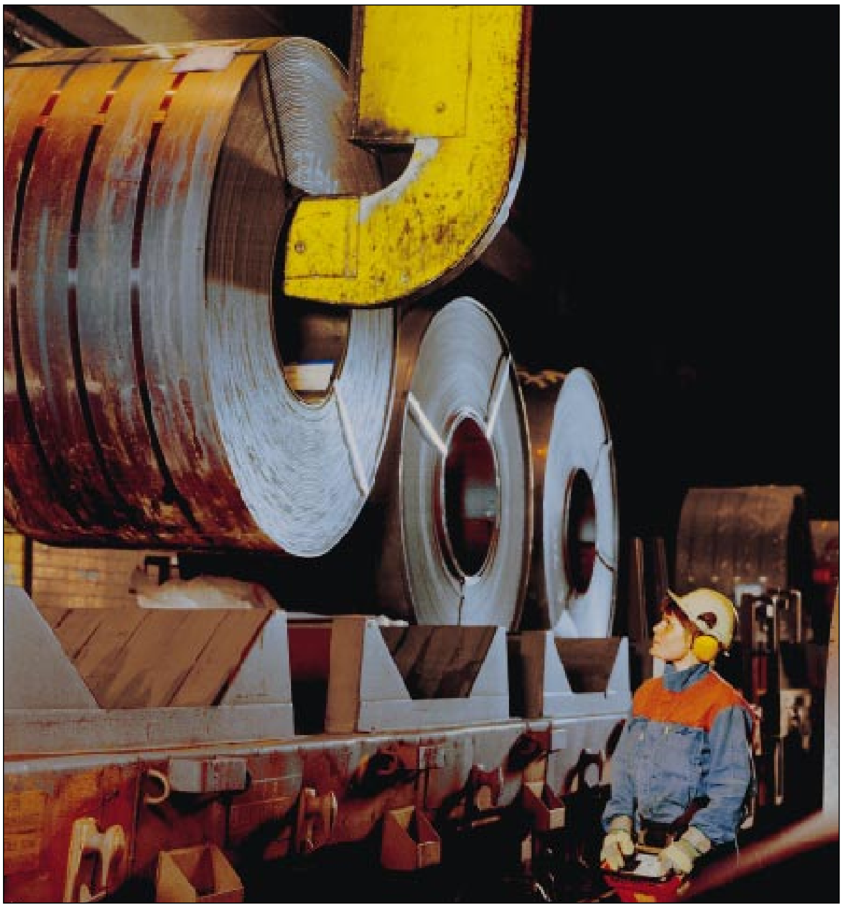
The environment and the market
Society is developing towards more resource-efficient production and use. This coincides well with the Group's strategy to develop and manufacture stronger and more resistant steels. Informing customers and other decision-makers regarding the environmental quality of the steel is becoming an ever more important part of marketing. An increasing number of steel consumers are utilising life-cycle analyses (LCA) in order to find the product or design which is least detrimental to the environment during the life of the product. The steel industry co-operates internationally in producing uniform, life-cycle information (LCI) for various types of steel products. The Group participates in this work.

During the year, work has begun within the Group to produce environmental product specifications for various products. The example below illustrates a specification for organic-coated sheet.

The transportation of raw materials and finished products affects the


PRELAQ
SSAB TUNNPLÅT
Miljövarudeklaration för färgbelagd tunnplåt

environment. It is, therefore, important that consideration be given in the transportation operations to finances and logistics, as well as the environment. Deliveries of the Group's raw material needs take place almost exclusively by rail or boat. Approximately 85% of the delivery of finished steel products is made by rail or boat. The transportation capacity by rail between Borlänge and Oxelösund is utilised in both directions.



Approximately 85% of the Group's deliveries is made by rail or boat.

Active environmental work

SSAB carries out active environmental work with the aim of developing and securing the operations in order to reduce as much as possible the impact on the surrounding environment. This work is carried out by integrating the environmental work in the other operations and by training employees and suppliers in current and important environmental issues. Within the company, various forms of studies are carried out in order to ensure that the environmental work maintains a high quality. With the significantly decreased emissions from the manufacturing processes, the environmental work is focusing more and more on rendering existing processes and environmental facilities more efficient and in improving the environmental quality of the products.

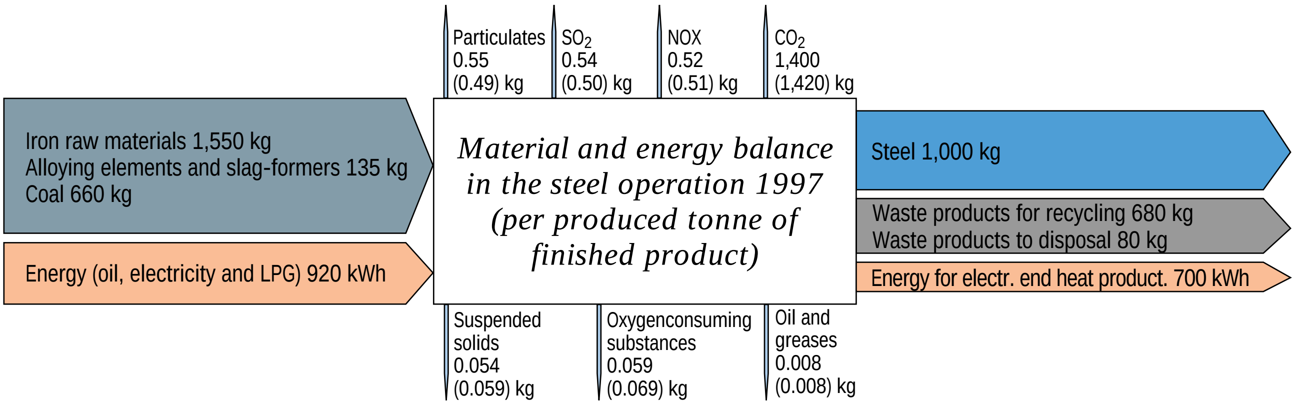
The managers of the respective subsidiaries are responsible for ensuring compliance with the Group's environmental policy. At the larger steel plants, there are environmental protection departments charged with co-ordinating and supporting the production units.

There is an environmental council for the co-ordination of such work within the Group, as well as within the steel industry in general.

The Group already applies many significant portions of the established environmental guidelines systems EMAS and ISO 14000. The current environmental guidelines system will be supplemented in order to meet the requirements for an EMAS registration in the year 2000.

The subsidiaries report to the relevant governmental authorities on a regular basis regarding the environmental situation. Co-operation with interested parties takes place, inter alia, through meetings with representatives from county councils and municipalities. The Group is represented in various air and water protection associations and also participates in the Agenda 21 work in the municipalities and carries on a regular dialogue with the Swedish National Environmental Protection Agency.

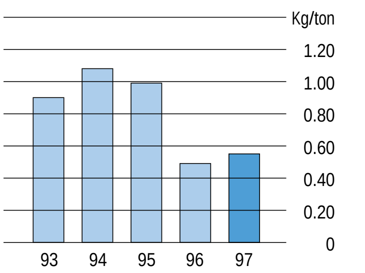
In order to study the environmental effects and changes in the areas surrounding the steel facilities, various types of studies are con-



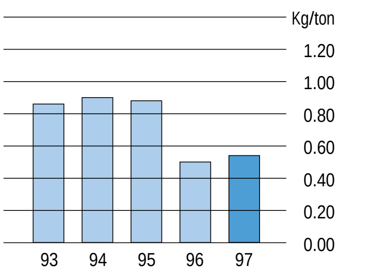
ducted regarding, inter alia, air and water quality. The studies are carried out in consultation with specialists and reported to the relevant governmental authorities. The Group works actively with analyses tied to the use of chemicals. Purchases of chemicals are registered and monitored. Substitution with chemicals with a lesser environmental impact have a high priority. Risk analysis of facilities takes place in consultation with governmental authorities. The Group also maintains a high level of preparedness against environmental accidents and co-operates, among others, with the municipal rescue service.

In the manufacture of steel, by-products arise which can be utilised depending on their qualities and economic potential. One example is blast furnace cinder which can be utilised as an additive in the manufacture of cement and also as a first

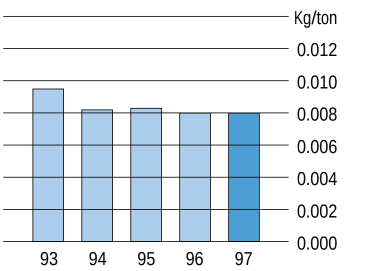
Particles



Sulphur dioxide



Oil and grease



class road construction material. The overall goal of by-product processing is to minimise the quantity of remaining by-products. This takes place through reintroduction into the metallurgical processes or by processing products which can be sold. The Group re-cycles and sells 90% of the by-products which arise. A smaller portion is discarded in an approved manner.

The Group has an effective system for sorting at source.

Energy recycling in the form of the production of district heating and electrical power from the metallurgical processes equals the use of almost 200,000 cubic meters of fuel oil annually.

The Group has a comprehensive network in order to follow research and development within the environmental area and participates actively in several projects regarding industry-specific research within the Swedish Ironmasters' Association as well as with Swedish institutes and universities. In addition, the Group has an extensive contact network with other companies in the industry, both in Sweden and abroad.

Material and energy balance

In 1997, 3.3 million tonnes of crude steel were produced which were processed to 3.0 tons of finished products. The figure on the opposite page illustrates the material and energy balance for the manufacture of 1,000 kilograms of finished products.

Environmental events during 1997

A new environmental policy was adopted during the year. The routines for environmental work have been reviewed by the auditors.

Emissions from operations remain at a low level. The figures set forth on the opposite page illustrate the emission of particles and sulphur dioxide into the air, as well as oil and greases into the water. Generally, emissions are at a lower level than for most other steel companies.

Several investments have been carried out during the year aimed at decreasing the impact on the environment. In Luleå, inter alia, a new sedimentation pool has been constructed for the blast furnaces and noise reduction measures have been carried out at the coking plant.

In Borlänge, new techniques have been developed in order to decrease the emission of nitrogen oxides from the combustion of oil in the strip mill's heating oven. Emissions are thereby estimated to decrease by approximately 15%. More efficient sorting at source of waste and by-products has resulted in lower levels of waste for disposal. The risk-filled handling of ammonia for the manufacture of protective gas in conjunction with heat treatment has been discontinued and replaced with nitrogen and hydrogen gas.

The briquette factory in Oxelösund, which was placed into operation at the end of 1996, produced 58,000 tons of briquettes for recycling of by-products. The material processing to blast furnace 2 was rebuilt with decreased particle emissions as a consequence.

The protection against the introduction of radioactive scrap in the steel manufacturing has been strengthened during the year through the implementation of new control equipment in Luleå and Oxelösund.

During 1997, the business received several new environmental permits. In Oxelösund, a permit was received for expanded disposal of by-products from the blast furnace's gas purification system and in Borlänge a permit was obtained for a temporary increase in production of metal-coated sheet. During the year, the Group sought a permit from the Environmental Protection Licensing Board for increased steel production in Luleå. The applicable conditions for steel production will thus be reviewed. A decision from the Licensing Board is expected during 1998.

The Group applies a total of more than 170 conditions for the steel operations. These are of various natures and set forth, among other things, values for guidelines, limits, and goals, or requirements for supplementary studies. No disturbances or incidents during the year have resulted in the exceeding of limit values. Nor have any environmentally related disputes arisen during the year. It is not believed that there exist any economically significant clean up requirements regarding land.

The Group possesses liability insurance which covers damage to third parties and environmental damage insurance, as required by law.

Taxes and fees

The total energy and environmental tax burden during the year amounted to just over SEK 54 million.

During the year, the CO_2-taxes for fuel doubled, which resulted in a cost increase of SEK 18 million.

Group review

International review

According to the International Iron and Steel Institute (IISI), in 1997 world steel consumption increased by approximately 6% to 694 million tonnes. This is the highest level of steel consumption ever – almost 5% higher than during the peak year of 1989.

Developments have been decidedly different on various markets. Strong growth in Japan reached a peak in 1990/91. Steel consumption thereafter decreased by approximately 10% and has, since then, remained relatively stable.

China, which has experienced very rapid growth, has increased its share of the world market since the end of the 1980s from 9% to nearly 15%.

In Asia (excluding China and Japan), where very rapid growth has likewise been experienced, growth declined markedly during the past two years.

In the former eastern block, steel consumption declined heavily at the end of the 1980s. This market's share of the world market has declined from 24% to less than 7%. Consumption during 1997 remained at a low level.

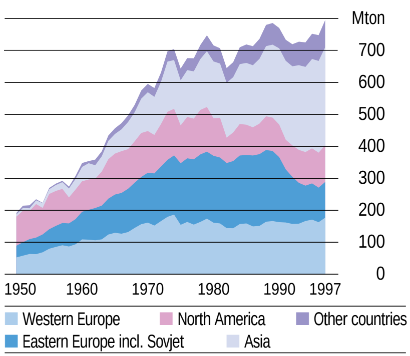
In the United States, steel consumption has increased greatly during the 1990s, and in 1997 reached a new record level.

World steel production increased by 6% and amounted to 794 million tonnes of crude steel. This is the highest level of steel production ever. Since 1990, production in the former Soviet Republics decreased by slightly more than 50%, while production in developing countries has continued to increase.

The European Market

Demand for steel in western Europe stabilised at the beginning of the year and thereafter improved gradually.

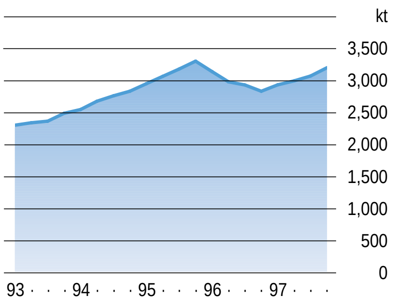
Crude steel production



Steel consumption millions of tonnes	1996	**1997**	Change in %
Western Europe	130	**141**	+8
Eastern Europe*	47	**46**	–2
North America	120	**127**	+6
Japan	81	**82**	+1
China	97	**104**	+7
Other Asia	129	**135**	+5
Other countries	52	**59**	+13
Total	656	**694**	+6

* Including the former republics of the Soviet Union. Source: IISI

Steel consumption in Sweden
Moving 12 months



This resulted in the fact that steel consumption in western Europe is estimated to have increased by slightly more than 8% as compared with 1996. This means that the downturn which started in the middle of 1995 was relatively short-lived. Demand trends were relatively similar on most Western European markets with the exception of Great Britain where demand has been relatively stable the past three years.

Production by the western European steel producers also increased. Raw steel production was 8% higher than in 1996 and utilisation of capacity in the western European steel industry was high during the second half of the year.

Increased demand made possible gradual price increases commencing with the second quarter of the year.

The Swedish market

As in western Europe, steel consumption began to increase during the spring and is estimated thereby to have been approximately 10% higher than in 1996.

It is estimated that the sheet market increased by approximately 10% to approximately 1,750,000 tonnes, while the plate market increased by 5% to approximately 200,000 tonnes.

Deliveries to the Swedish market by the Group's steel operations increased by 10%, which resulted in the fact that the market shares for sheet and plate were relatively unchanged, slightly under 50%.

Cost structure and cost trends

Costs in the operations increased somewhat to SEK 16,170 (15,745) million. Of this, approximately SEK 4,000 million related to the purchase of products which are not produced by Group companies. These are primarily sold by the Group's trading company Tibnor.

The remaining costs of approximately SEK 12,200 million consist of manufacturing costs, depreciation, and costs for raw materials and energy. Manufacturing costs consist primarily of costs for personnel and services. These costs are, to a great extent, related to wages.

Productivity in the steel operations diminished due to the breakdown of a blast furnace at the beginning of the year. The number of man-hours per tonne increased, therefore, to 3.5 (3.4). During the year, a number of projects were carried out in order to reduce costs. However, as a consequence of higher volumes in most of the businesses, manufacturing costs increased by 5%.

Depreciation increased to SEK 789 (750) million as a consequence of the current major investment programs in the steel operations and in SSAB HardTech.

In the manufacture of sheet and plate, approximately one-half of the costs are related to raw material. Agreements in respect of prices and delivery for iron ore and coal are entered into on an annual basis at the beginning of the year. Alloys, however, are mostly purchased on a quarterly basis. Raw materials are priced on the world market and the prices, which are primarily quoted in USD, are greatly dependant on the state of the steel market.

Coal and iron ore are the dominant raw materials. Calculated in US dollars, the costs of both iron ore and coal decreased. However, a weaker Swedish krona resulted in an increase in the costs of iron ore and coal by approximately 3%. Prices for alloys increased by approximately 4%.

The Group's cost structure is illustrated by the adjacent diagram.

Energy

Coal is a raw material and an essential reduction agent in iron ore-based steel production. Coal is also the basis for most of the energy – approximately 85% – provided for the steel operations.

Energy is otherwise provided by electricity, oil, and LPG. In total, the steel operations in 1997 consumed 1,350 Gwh of electric power as well as 1,400 Gwh oil and LPG. Through the utilisation of the energy-rich gases which arise during steel production, electricity is produced by the half-owned Lulekraft, and by the OK3 power station in Oxelösund. During the year, these facilities produced 600 (550) Gwh of electricity which was used in the steel operations.

In total, energy costs (excluding coal) increased to SEK 692 (633) million. Included in the costs are various taxes amounting to SEK 54 (51) million.

The year 2000

Work is under way to carry out changes in the Group's administrative information systems and production control systems in order to ensure the functioning of these systems at the turn of the millennium. The total cost for necessary programming is estimated to amount to approximately SEK 20 million.

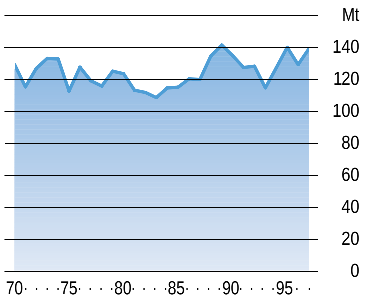
Sales and profit

SEK millions	1996	**1997**
Sales	17,162	**17,474**
Costs	–14,754	**–15,006**
Depreciation	–750	**–789**
Affiliated companies	81	**84**
Operating profit	1,739	**1,763**
Financial items	352	**143**
Profit	2,091	**1,906**

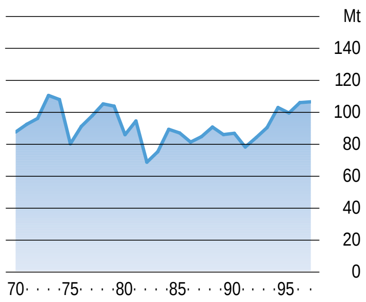
Increased demand for steel in western Europe made possible price increases in local currencies during the last three quarters of the year. In Swedish kronor, steel prices during the fourth quarter of the year were just over 10% higher than during the first quarter. Price developments in Swedish kronor are set forth in the diagram on the next page.

All in all, price trends resulted in the Group's steel prices, in Swedish kronor, being on average 2.5% higher than during 1996. This increase is mostly due to the somewhat weaker Swedish krona.

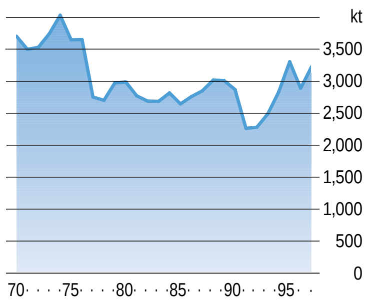
Steel consumption in Western Europe



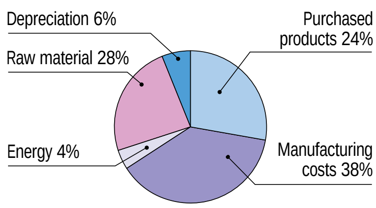
Steel consumption in the USA



Steel consumption in Sweden

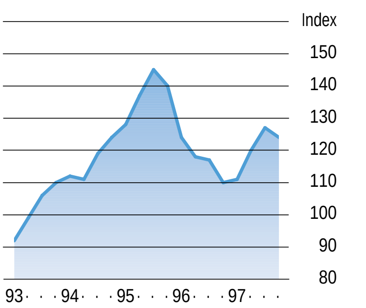


Cost structure

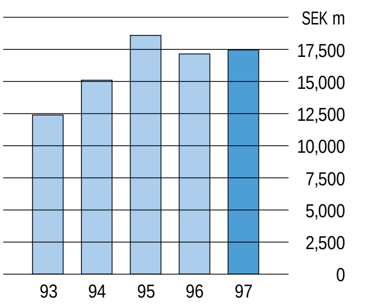


Price trend

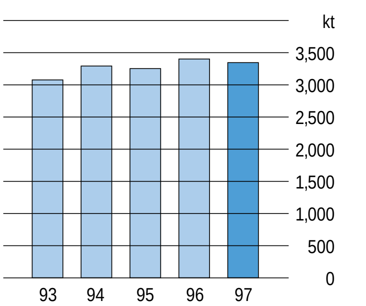
Index 100 = 1988 quarter 1



Sales



Crude steel production



For the trading operations, which are dependent on the Swedish market, demand improved during the second quarter and remained at this level for the rest of the year. This resulted in delivery volumes of steel and metals in the trading operations being 5% higher than in 1996. However, weaker prices resulted in a decline in sales for the trading operations (for comparable units) by 3%.

Sales per operating area are set forth in the table below.

SEK millions	1996	%	**1997**	**%**
Steel operations	10,817	58	**11,414**	**60**
Processing operations	1,037	6	**1,116**	**6**
Trading operations	6,623	36	**6,328**	**34**
Group adjustments	–1,315	–	**–1,384**	**–**
Total	17,162	100	**17,474**	**100**

The improved demand for steel in Sweden resulted in a decrease in the export share for the steel operations. Measured in volume, this amounted to approximately 65%. However, the export share for the Group as a whole increased to 50 (48)%, as is evident from following table showing sales per geographical region.

SEK millions	1996	%	**1997**	**%**
Sweden	8,852	52	**8,746**	**50**
Denmark	1,438	8	**1,476**	**8**
Finland	619	4	**710**	**4**
Norway	634	4	**696**	**4**
Germany	1,314	7	**1,320**	**8**
Great Britain	946	6	**1,020**	**6**
Italy	670	4	**722**	**4**
Benelux countries	546	3	**605**	**3**
Other EU countries	537	3	**705**	**4**
North America	844	5	**820**	**5**
Other countries	762	4	**654**	**4**
Total	17,162	100	**17,474**	**100**

In total, the Group's sales increased by 2% where increased volumes contributed by 3 percentage points while lower prices, primarily in the trading and processing operations, resulted in a one percentage point decrease.

Operating profit was somewhat better than in 1996 and amounted to SEK 1,763 (1,739) million. As illustrated by the table below, improved margins and volumes contributed by SEK 340 million while increased processing costs and depreciation lowered the profit by approximately SEK 260 million.

Operating profit includes non-recurring items – capital gains and costs resulting from a major blast furnace breakdown during the year – in the amount of SEK 68 (–7) million net. In addition, the operating profit includes an allocation in the amount of SEK 94 (96) million to the Group's profit sharing system.

Changes in operating profit (SEK millions)	
Steel operations	
– Improved margins	+150
– Increased volumes	+100
Trading and processing operations	
– Improved margins	+75
– Increased volumes	+15
Increased processing costs	–225
Increased depreciation	–38
Non-recurring items	+75
Miscellaneous	–128
Improved operating profit	+24

Significantly lower interest rates during the year resulted in a decrease in return on the Group's liquid funds to 4.5 (9.3) %. The lower return resulted in a deterioration of net financial items by SEK 209 million to SEK 143 (352) million.

Taken together, this resulted in profit after financial items declining by SEK 185 million to SEK 1,906 (2,091) million.

Profitability and equity ratio

The decline in profit resulted in a decrease in the return on average capital employed before taxes to 14 (16)% and on the average equity after taxes to 11 (13)%. Return on operating capital was 18 (20)%

Profit for the year resulted in an improvement in the equity ratio to 70 (68)%.

Redemption of shares

The Board of Directors will propose to the Annual General Meeting of the Shareholders in 1998 that the company carry out a redemption of shares in the amount of approximately SEK 3,000 million. The terms and conditions for this redemption will be published prior to the shareholders' meeting in the middle of April 1998.

Dividends

The Group's dividend policy provides that dividends shall be adapted to the profit level over an economic cycle and that dividends on a long-term basis shall constitute one-third of profit after taxes.

It is proposed that the dividend be increased to SEK 4.50 (4.00) per share, resulting in a total dividend of SEK 576 million.

Foreign exchange

Sales in export markets occur primarily in local currencies. Therefore, export sales create in-flows of European currencies and US dollars.

Purchases, primarily of iron ore and coal, occur in US dollars. Other currency out-flows are a result of major investments which partially occur in foreign currencies, primarily DEM.

In total, this means that the Group has a net in-flow of all currencies except USD. The net in-flow of foreign currencies decreased to SEK 3,400 (3,800) million. The Group's most significant currency flows are set forth in the adjacent diagram.

The Group's currency risks are managed by SSAB Finance, the Group's internal bank. The subsidiaries hedge their contracted currency flows with this internal bank. To the extent that these flows cannot be offset against other currency flows, SSAB Finance covers the currency risks, primarily through forward contracts. Since the order stock for the steel operations is normally only approximately seven weeks' production, this means that changes in currency rates affect the Group's profit relatively quickly. Changes in exchange rates between 1996 and 1997 resulted in a negative effect on profit of approximately SEK 50 million.

Taxes

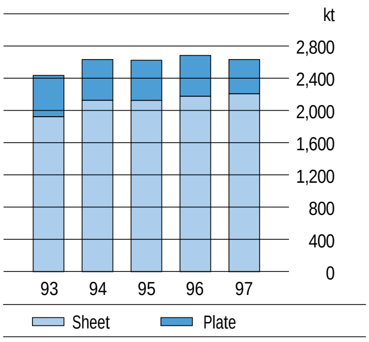
Taxes for the year in the amount of SEK 536 (576) million consist of corporate income taxes of SEK 359 (397) million, deferred taxes on transfers to untaxed reserves for the year in the amount of SEK 157 (155) million, and a share in taxes for affiliated companies in the amount of SEK 20 (24) million. The effective tax rate for the Group was 28.1 (27.5)%.

Investments

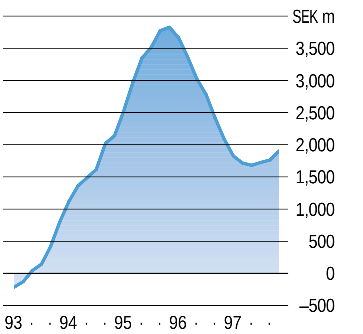
Investments within the steel operations are focused primarily on strengthening competitiveness in the area of value-added steels and on further improving quality and cost effectiveness. During 1995 and 1996, development plans were adopted for both the plate operations (General Plan OX 2000) as well as the sheet operations (Development Plan Domex 2000).

General Plan OX 2000 comprises investments totalling SEK 1,650 million including a new four-high rolling mill and a finishing line for plate in thin dimensions as the single largest projects. The investments are aimed at creating conditions for continued expansion within the area of quenched steels.

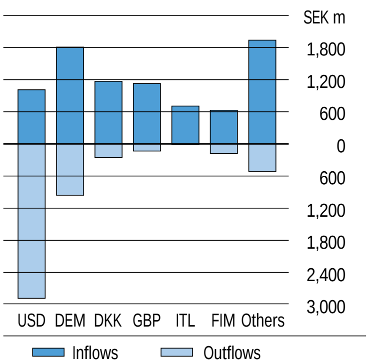
Steel production



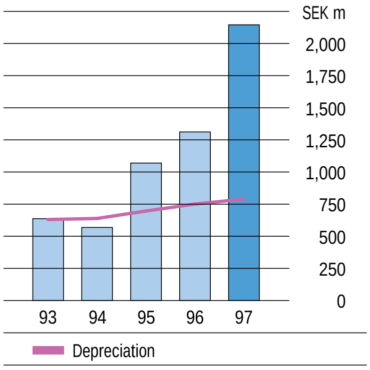
Profit/Loss after financial items
Moving 12 months



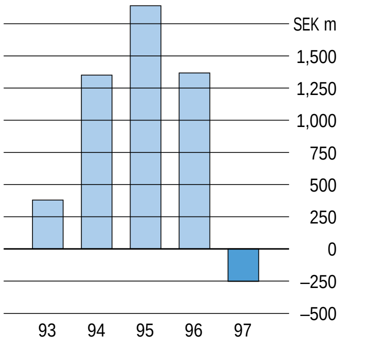
Currency flows



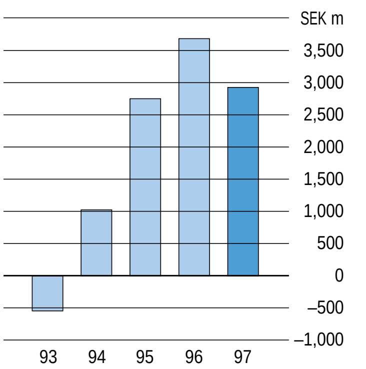
Investments in plants and depreciation



Cash flow



Interest-bearing assets, net



During the ordinary summer holiday, the mill housings for the new four-high rolling mill were put into place and final assembly was carried out during the autumn. Test rolling commenced on schedule in November. It is anticipated that the old four-high rolling mill will be taken out of production during the spring of 1998 and later disassembled during the summer. The building for the finishing line has been erected and the installation of the machinery began in November. As planned, the plant will come into full operation at the end of 1998.

Development plan Domex 2000 includes investments totalling SEK 1,280 million and is aimed at creating conditions for continued expansion within the area of high-strength hot- and cold-rolled sheet. The single largest investments relate to the installation of a new rougher at the rolling line in Borlänge and a new coal injection facility for the blast furnaces in Luleå. In Borlänge, work is underway prior to the installation of the rougher in the summer of 1998. The mill will then be placed into operation in the autumn. The new coal injection facility will be placed into operation in the beginning of 1998.

In order to meet the growing demand for safety components to the automotive industry, in 1996 a development plan was also adopted for operations within SSAB HardTech. This plan includes investments totalling SEK 500 million, where the primary investment involves the construction of a new production unit in the United States. The plant is located in Mason, Michigan close to the automotive industry in Detroit. The construction of the factory is underway and installation of machinery will be carried out during the spring and summer of 1998 prior to the planned start of operations in two stages in the autumn of 1998.

In total, decisions were taken regarding new investments totalling SEK 848 (2,860) million. Net investment payments amounted to SEK 2,021 (1,274) million, of which SEK 1,381 (486) million relate to the three projects set forth above. Total remaining payments in these three projects amount to slightly more than SEK 1.4 billion.

In February 1998, a decision was taken to modernise and expand the large blast furnace in Luleå in order to allow for increased hot-metal production to be run in a single blast furnace following the upgrade. The smaller blast furnace in Luleå can thereafter be taken out of operation which will make possible significant improvements in efficiency. Including new raw material handling, the investment is estimated to amount to SEK 850 million and to be completely carried out in conjunction with an extended holiday break in the summer of 2000.

Consolidated funds statement

SEK millions	1996	**1997**
Cash flow from operations	+2,340	**+2,204**
Change in working capital	+302	**–437**
Investing activities	–1,274	**–2,021**
Cash flow	+1,368	**–254**
Financing activities	+100	**–359**
Changes in liquid assets	+1,468	**–613**

Financing and liquidity

Accounts receivable increased as a consequence of increased sales volumes at the end of the year and, in relation to the Group's sales, amounted to 15 (13)%.

Inventory volumes were largely unchanged. Higher prices, however,

Sales, profit/loss and return on capital employed

Mkr	Sales 1996	Sales **1997**	Operating profit/loss 1996	Operating profit/loss **1997**	Profit/Loss after financial items 1996	Profit/Loss after financial items **1997**	Return on capital employed (%) 1996	Return on capital employed (%) **1997**
Subsidiaries:								
SSAB Tunnplåt	8,146	**8,559**	988	**876**	945	**832**	23	**20**
SSAB Oxelösund	3,664	**4,172**	265	**364**	202	**292**	11	**12**
Plannja	940	**1,010**	44	**71**	30	**66**	15	**25**
SSAB HardTech	338	**343**	102	**107**	94	**99**	42	**36**
Dickson PSC	97	**106**	18	**24**	20	**25**	20	**25**
Tibnor	6,623	**6,328**	309	**332**	295	**316**	22	**23**
Miscellaneous	509	**554**	– 2	**10**	59	**69**	–	**–**
Parent Company:								
SSAB Finance	–	**–**	– 5	**– 11**	166	**84**	–	**–**
Other Parent Company units*	–	**–**	– 33	**– 47**	226	**87**	–	**–**
Affiliated companies	–	**–**	29	**43**	29	**43**	–	**–**
Group adjustment	– 3,155	**– 3,598**	24	**– 6**	25	**– 7**	–	**–**
Total	17,162	**17,474**	1,739	**1,763**	2,091	**1,906**	16	**14**

*excluding dividends from subsidiaries and affiliated companies. The profit in other Parent Company units is primarily comprised of a positive figure for financial items.

resulted in an increase in the value of inventories. In relation to the Group's sales, inventories were 19 (18)%.

In total, operating capital increased by SEK 437 million. Together with investment payments of SEK 2,021 (1,274) million, the lower profit meant that cash flow declined to SEK – 254 (1,368) million. Interest-bearing assets were, at year end, SEK 2,929 (3,687) million greater than interest-bearing liabilities.

Cash flow in the various operations is set forth in the following table.

SEK millions	1996	**1997**
SSAB Tunnplåt	+ 750	**+52**
SSAB Oxelösund	– 188	**– 738**
Plannja	+ 33	**+ 37**
SSAB HardTech	+ 45	**+ 6**
Dickson PSC	+ 23	**+ 21**
Tibnor	+ 392	**+ 81**
Other subsidiaries	+ 6	**+ 52**
Parent Company*	+ 307	**+ 235**
Total	+ 1 368	**– 254**

*excluding investments in shares in subsidiaries

During the year, long-term loans were amortised in the amount of just over SEK 300 million net. Amortisation, in combination with a negative cash flow and payment of dividends, resulted in a decrease in liquid assets by slightly more than SEK 600 million to SEK 3,892 (4,505) million which, as a percentage of the Group's sales, amounts to a decrease to 22 (26)%.

The Group's liquid assets are primarily invested in the Swedish money market. Investments are made primarily in government bonds and housing bonds.

In order to satisfy any short-term borrowing needs, there is a Euro Commercial Paper Programme in the amount of USD 100 million, as well as a Swedish commercial paper programme in the amount of SEK 800 million.

As a complement to the Sweden-based finance operations, investments are also made in the international money market. These investments are conducted by Coronet Finance. At year end, such investments amounted to SEK 564 (479) million.

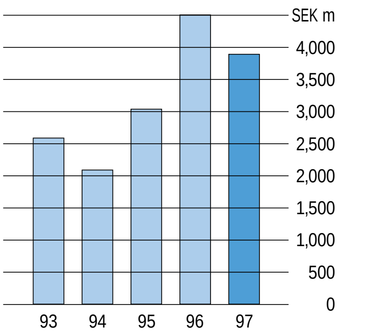
Consolidated balance sheet

SEK millions	1996	**1997**
Assets		
Fixed assets	7,130	**7,858**
Inventories	3,114	**3,260**
Accounts receivable	2,264	**2,580**
Other assets	574	**621**
Liquid assets	4,505	**3,892**
Total assets	17,587	**18,211**
Equity and liabilities		
Equity	11,963	**12,821**
Minority shares	175	**175**
Deferred tax and other provisions	1,537	**1,699**
Long-term liabilities	814	**511**
Current liabilities	3,098	**3,005**
Total equity and liabilities	17,587	**18,211**

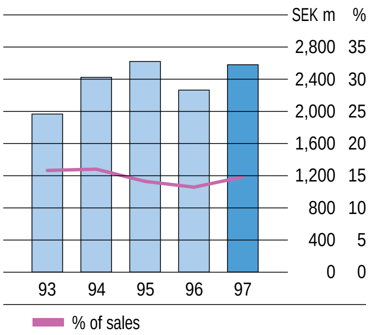
Research and development

The Group's research and development operations are based upon the needs of the market and focus on improving the competitiveness of its

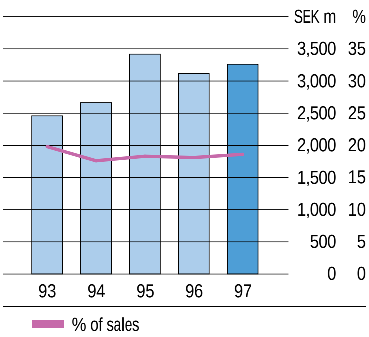
Liquid assets



Accounts receivable



Inventories



customers. Most of the resources are invested in developing new products and improving the characteristics of existing steel and offering customers qualified technical support. Within the Group, significant investments are also being made in rendering more efficient processes for the manufacture of steel. The goal, in terms of product and quality, is to be one of the leading steel companies.

Modern steel is often characterised by demonstrating high qualities concurrently in several areas such as strength, formability, high-abrasion, weldability, corrosion resistance, and narrower tolerances. Steel users are, to an ever increasing extent, automating their manufacturing processes which requires that the steel which is used possesses small variations in its quality. In this respect, the Group's steel fulfils the great demands placed on it. Through direct contacts with the end users, the steel-producing subsidiaries obtain a clear understanding of the customers' needs for different types of steel. In this close co-operation between the customer and supplier, product improvements become a natural part of the business.

The Group works with well-tested processes for the manufacturing of steel products. In addition to further improvements in the performance of the processes, the development work is primarily focused on manufacturing the Group's speciality products with a high degree of efficiency and quality. The aim is to be able to produce speciality products with the same efficiency as ordinary steels.

To an ever greater extent, research and development takes place primarily in co-operation with steel users. In addition, the Group utilises resources at universities and research institutes. With regard to strengthening the position of steel as opposed to competing materials, the Group also co-operates with other steel companies. This is currently taking place in many research projects within the framework of the European Coal and Steel Union. Another example of this type of co-operation in which the Group is participating, is ULSAB where over 30 sheet manufacturers from all over the world are working on demonstrating the possibilities for steel in lighter automobile chassis.

Development efforts have resulted in the fact that high-strength steel products constitute slightly more than 30% of the Group's total production, as compared with 15 to 20% for the leading competitors in western Europe.

The goal-oriented development work has resulted in products with positive growth potential. Within the area of high-strength steel, hot-rolled cold-forming steels, as well as quenched, abrasion-resistant steels and structural steels are well established, but these steels are continually being developed for new areas of application, with improved qualities. Cold-rolled steel and metal-coated sheet are also now being developed with higher strength levels for new applications.

Within the Group's processing companies, products are being developed for the construction and automotive industries. Methodical development work within the construction area has resulted in a leading position for the Group in roof, walls, and water drainage products. For vehicle components, the press-hardening technology has been developed in order to render possible additional weight reduction for both existing and new applications. The market's need for products with decreased weight and increased safety has resulted in a growing interest in press-hardened components.

Personnel

The number of employees at the end of the year was 9,542 (9,627). The changes were primarily due to the savings programs, but there are also examples of increased use of shift-work which increased the need for personnel.

Registered no. of employees on 31 Dec.	1996	**1997**	Change in %
SSAB Tunnplåt	4,487	**4,500**	0
SSAB Oxelösund	2,550	**2,497**	– 2
Plannja	395	**392**	– 1
SSAB HardTech	209	**221**	+ 6
Dickson PSC	131	**138**	+ 5
Tibnor	1,742	**1,669**	– 4
Miscellaneous	113	**125**	+ 11
Total	9,627	**9,542**	– 1

The annual average number of employees was 9,360 (9,705) persons, of whom 589 (570) were employed outside of Sweden.

During the past 10-year period, the number of employees has decreased by just over 30%. The large personnel reductions have taken place both in the form of natural departures, as well as through termination of employment.

During the past few years, recruitment has been modest. However, a number of younger, well-educated persons have been brought into the Group each year. This has been done in order to acquire skills and to counteract an overly unbalanced age distribution. The latter reason applies not least to administrative personnel. The age structure for white-collar and blue-collar employees is set forth in the adjacent diagram.

Most of the new employees with a recent university education have completed an in-house student engineering program or have, in some other manner, received an expanded introduction to the company.

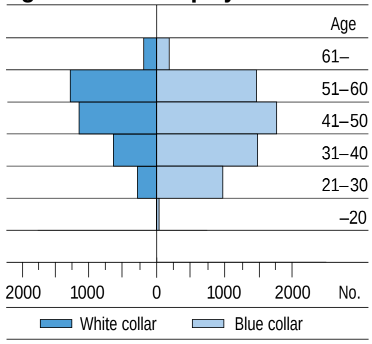
The large number of employees due for retirement in coming years means that valuable skills must be replaced. In order to meet future recruitment needs for well-educated employees, co-operation with university and high schools is continuously being developed.

The market's demands for improved quality, delivery security, and customer adaptation are increasing steadily. Therefore, it is of the utmost importance to find organisational solutions in which employees' commitment and sense of responsibility can be utilised. During the year, work in developing personnel and organisation has continued. In many areas in the Group, various types of work forms are being tried out in which employees receive greater responsibility and increased authority. The organisation should be simple and one-dimensional and the operations should be characterised by a goal-orientated working method.

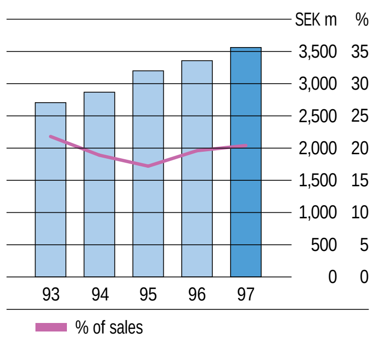
Innovation work creates new roles for both managers and co-workers and has generated a comprehensive need for skills development. The development of leaders and leadership groups is an area which has been prioritised. As a consequence of a decreased number of first-line managers and increased delegation of responsibility and authority to work teams, education regarding group development and problem-solving in groups has been significant.

The work designed to bring about change has also created needs for new aids to support quick decisions far out on the line. For example, mention can be made of a new computer-based planning system which was implemented at several units in Borlänge which makes it possible for the operators to set

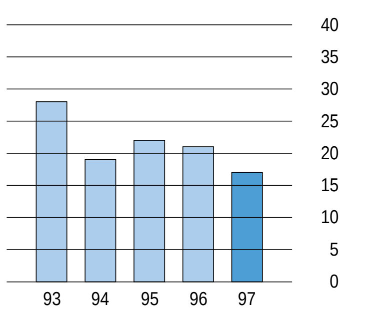
Age structure employees



Personnel expenses



Number of accidents
per million working hours



priorities themselves and to enter rolling programs which result in the greatest advantages for customers.

In order to ensure that the views of employees are incorporated in the work designed to bring about change, seminars, workplace meetings, etc., are conducted. In addition, several subsidiaries have carried out opinion surveys with the aim of obtaining relevant information in order to continue the work.

The Group continually invests in safer production equipment. In conjunction with new and replacement investments, the working environment is further improved. In combination with education, information, and a continuous commitment to working environment issues, this has resulted in the fact that the number of accidents during recent years has remained at a low level, which is illustrated by the diagram on the preceding page.

All employees of the Group participate in a profit-sharing system. The system was commenced in 1994 and applies through the end of 1998. In 1997, this system provided an employee who worked full time with a profit share of approximately SEK 9,700.

The share of female white-collar employees was 24 (24)% and blue-collar female employees was 11 (11)%.

Turnover in personnel continued to be low and amounted to 4 (4)%. Absenteeism as a consequence of illness amounted to 2 (2)% for white-collar employees and 6 (6)% for blue-collar employees.

In the heavy processing segments within the steel operations (coking plants, blast furnaces, steel mills, and rolling mills) continuous operations are necessary in order to maintain high utilisation of capacity. Work at these facilities is conducted in shifts. Approximately 40% of the employees in the steel operations work in some form of shift, primarily so-called 5-shifts.

Shift work is not as common within the processing and trading operations (approximately 10% work in shifts).

The total cost for salaries and payroll taxes and levies amounted to SEK 3,562 (3,357) million, which corresponds to 20 (20)% of sales.

Forecast for 1998

Demand for steel in Western Europe continues to be strong and steel consumption is anticipated to increase somewhat during 1998. In Sweden, demand for steel is anticipated to remain at the level which was established during the spring of 1997, which should lead to somewhat higher volumes in the processing and trading operations. The production capacity in the steel operations will, during the first half of the year, be limited as a consequence of the start-up of the new four-high rolling mill.

The financial crisis in south-east Asia will probably affect the world trading flows in steel. Exports by Western European steel mills to Asia are, therefore, expected to decrease during the year.

It was possible to increase steel prices on most Western European markets prior to the first quarter of 1998 by 3–4% in local currencies. Price is the factor which will have the greatest effect on the Group's profit in 1998.

Sensitivity analysis

The Group's profit is significantly affected by the development of prices and volumes within the steel operations, volumes, and margins within the processing and trading operations, and cost trends for salaries and raw materials, as well as by changes in currency rates.

Changes in these quantities are often very large. During 1995, for example, steel prices increased by nearly 20%, while during 1996 they decreased by 15%. The approximate effect of changes in the above-stated factors on profit before tax and on earnings per share is set forth in the table above.

Sensitivity analysis	Change in %	Profit effect, SEK millions	Effect on earnings per share, SEK
Prices, Steel operations	10	1,000	5.60
Volume, Steel operations	5	200	1.10
Volume, Trading operations	10	125	0.70
Margins, Trading operations	2%-pts	125	0.70
Wage and salary costs	2	70	0.40
Prices, raw materials	10	450	2.50
SEK index	10	350	2.00

The SSAB share

Share capital

The share capital amounts to SEK 3,200 million divided into 128 million shares with a nominal value of SEK 25 each. 93.5 million shares were class A shares and 34.5 million shares were class B shares. All shares are non-restricted. Each class A share entitles the holder to one vote and each class B share to one-tenth of one vote.

The Board of Directors will propose to the Annual General Meeting that the company redeem shares during the spring of 1998 for approx SEK 3,000 million.

SSAB on the stock exchange

Since 1989, SSAB shares have been listed on the A-list of the Stockholm Stock Exchange. Since 1994, SSAB has been listed among the most actively traded stocks. A trading unit consists of 200 shares. Since the spring of 1994, Options Mäklarna has issued put and call options on SSAB shares.

During 1997, shares were traded at a value of approx SEK 7,400 million. Trading in SSAB shares took place on all exchange days at an average value of approx SEK 30 million per exchange day. Approx 40% of the outstanding shares were traded, which was just under 1% of the total turnover on the Stockholm Stock Exchange A-list.

The lowest trading price for the share during the year was SEK 111 and the highest price was SEK 174.

At the end of the year, the SSAB's exchange value amounted to slightly more than SEK 16,600 million.

Shareholding structure

At year end, Industrivärden and Robur were the largest shareholders.

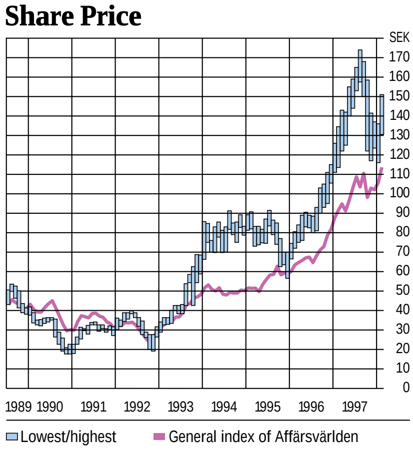
Foreign owners, as a group, own just over 21% of the outstanding shares and thereby remained at approx the same level as at the beginning of the year.

The number of shareholders increased somewhat during the year and, at year end, was approx 38,700. Of these, approx 36,000 shareholders own 1,000 shares or less. The ten largest institutional owners own just over 35% of the shares.

Changes in the number of shares and share capital since 1989

Year	Change in no. of shares	Number of shares	Change in share capital (SEK millions)	Share capital (SEK millions)
1989 Conversion	+1,500,000	26,500,000	+150	2,650
1994 Conversion	+5,500,000	32,000,000	+550	3,200
1995 Split 4:1	+96,000,000	128,000,000	0	3,200

Share Price



Distribution of shares

Shareholding	Number	% of all shareholders	% of share capital
1–500	31,902	82.5	7.5
501–1000	4,192	10.8	2.7
1001–5000	2,010	5.2	3.3
5001–10000	198	0.5	1.2
10001–50000	234	0.6	4.2
50001–100000	47	0.1	2.7
100001–	117	0.3	78.4
Total	38,700	100.0	100.0

The tables illustrating the largest shareholders and the distribution of shares are based upon information obtained from VPC on December 31, 1997.

Largest shareholders

Share in % of	capital	voting
Industrivärden	8.8	11.2
Robur	8.8	7.6
Fourth AP Fund	7.2	7.5
SPP	5.1	4.0
LKAB	4.3	5.7
Handelsbanken funds	3.8	3.6
AMF Pension	3.6	2.8
Skandia	3.3	3.3
AMF Sjukförsäkringar	2.8	2.6
WASA	2.0	2.1
Foreign owners	21.4	16.2
Others	28.9	33.4
Total	100.0	100.0

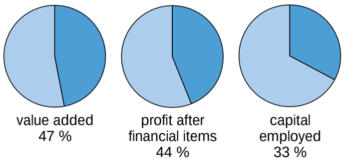
Data per share

		1993	1994	1995	1996	**1997**
Trading price, Dec. 31	SEK	67.00	81.25	68.00	113.50	**130.00**
Profit	SEK	6.00	12.20	21.30	11.60	**10.40**
P/E ratio		11.2	6.7	3.2	9.8	**12.5**
Equity	SEK	56.75	67.25	85.75	93.50	**100.00**
Dividend *	SEK	1.75	2.50	4.00	4.00	**4.50**
Yield	%	2.6	3.1	5.9	3.5	**3.5**

Data per share has been recalculated as a consequence of the split at 4:1 which was carried out in 1995.
** Pursuant to the proposal by the Board of Directors for the 1997 operating year.*

SSAB Tunnplåt

Share of the Group's

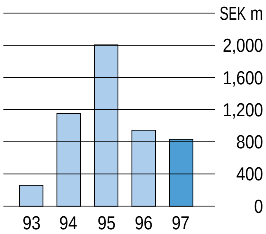


Key ratios

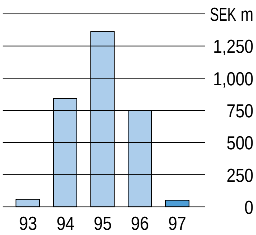
SEK millions	1995	1996	**1997**
Sales	8,977	8,146	**8,559**
Profit	2,006	945	**832**
Capital expenditures	445	517	**673**
Capital employed	4,316	4,053	**4,681**
Return on cap. empl. (%)	50	23	**20**
Number of employees	4,683	4,623	**4,621**

See note 20 for definitions

Profit after financial items



Cash flow



SSAB Tunnplåt is the largest manufacturer of steel sheet in the Nordic region with an annual production capacity of just over 2 million tonnes.

The coking plant, blast furnaces, and steel plant with continuous casting lines for the manufacture of slabs are located in Luleå. In the coking plant, coal is converted into blast furnace coke which, along with iron ore, comprise the raw materials for the manufacture of steel. The metallurgy unit is completely based on iron ore in the form of pellets from LKAB. The ore possesses low impurity quantities which is an important prerequisite for end products of high and uniform quality.

All steel for sheet manufacturing is cast into slabs which are then shipped by rail to Borlänge. Just over 10% of the steel is delivered in fluid form to Inexa Profil in Luleå, which contributes to the high-capacity utilisation of the blast furnaces and steel mill.

The slab production capacity in Luleå is not sufficient to supply all sheet manufacturing needs. The remaining slab required (slightly more than 30%) is therefore purchased from the affiliate SSAB Oxelösund.

The slab is hot-rolled to sheet in Borlänge. Approximately half of the sheet is further processed by cold-rolling and about 50% is subsequently coated with a layer of zinc or an aluminium-zinc alloy. Approximately 180 thousand tonnes of the metal-coated sheet is organic-coated in Borlänge or Finspång.

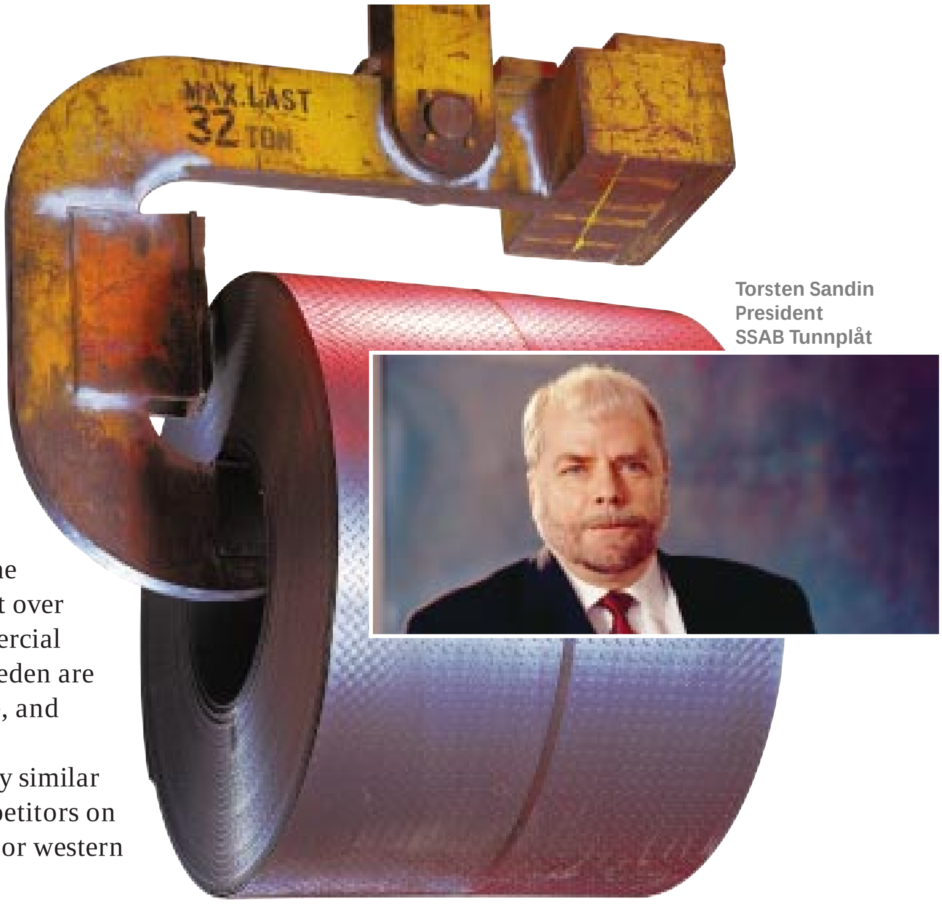
The product range includes sheet in the thickness range 0.10–16 mm with a maximum width of 1,600 mm. The products are marketed under the trade names Domex, Docol, Dogal, Dobel, Aluzink, and Prelaq.

SSAB Tunnplåt's strategy is primarily focused on increasing the share of high-strength hot- and cold-rolled steels. SSAB Tunnplåt has strengthened its market position in recent years, particularly within the high-strength, hot-rolled sheet product segment.

The subsidiaries, SSAB Dobel Coated Steel in England, SSAB Prelaq in Holland, SSAB Sino Staal in Denmark, and SSAB Teräs-Taive in Finland, have processing lines for organic-coated and metal-coated sheet. The subsidiary SSAB Swedish Steel in Italy mainly manufactures high-strength, hot-rolled sheet.

The affiliated company, European Electrical Steels

(EES), is one of the largest producers of electro-plate in Europe with production units in Newport in South Wales and in Surahammar.



Torsten Sandin
President
SSAB Tunnplåt

The market

Sheet is the largest product group within the commercial steel sector and constitutes just over half of the Scandinavian market for commercial steel. The largest consumers of sheet in Sweden are found within the construction, automotive, and engineering industries.

The price situation for sheet is relatively similar on the larger markets in Europe. The competitors on the home market are virtually all of the major western European steel companies.

Demand in Sweden for sheet increased starting with the end of the first quarter and since April has remained at a level higher than during 1996. Consumption of sheet is estimated to have increased by approximately 10% to approximately 1,750,000 tonnes.

During the last three quarters of the year, it has been possible to raise prices on all markets and for all products. On average, prices (measured in Swedish kronor) were 2% higher than in 1996.

Deliveries were slightly more than 2% higher than in 1996. The share of exports decreased somewhat to 62 (65)%. The largest export markets, Germany, Denmark, Italy, Great Britain, the United States, and Norway accounted for an unchanged 70% of exports.

SSAB Tunnplåt's leading products, high-strength hot- and cold-rolled steels, continued to develop positively and accounted for approximately 27 (24)% of deliveries during the year.

Hot-rolled sheet is the dominant product. One-half of this tonnage is further processed in one or more stages to cold-rolled, metal- or organic-coated sheet. By combining various qualities with respect to, e.g. high-strength and cold-forming qualities, in this entire product range, a greatly expanded range of use is achieved for sheet, from lamp shades and white goods to heavy vehicles and cranes. Sheet is manufactured in thicknesses from 0.10 mm to 16 mm in widths up to 1,600 mm.

Kt	1995	1996	**1997**	Change in % 1996/97
Coke	713	715	**717**	0%
Crude steel	1,780	2,013	**1,849**	–8%
Hot-rolled	990	1,043	**1,060**	+2%
Cold-rolled	497	525	**505**	–4%
Metal-coated	359	363	**367**	+1%
Organic-coated	179	171	**182**	+6%

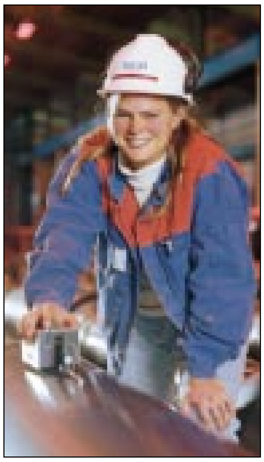
Production

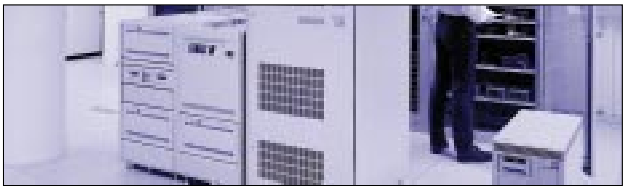
The metallurgy production in Luleå was affected by a breakdown in February in one of the blast furnaces. The breakdown caused a stop in operations for 7 weeks and a drop in crude steel production by 8%, to 1,849,000 tonnes. Deliveries of crude steel to Inexa Profil increased somewhat and amounted to 225,000 (220,000) tonnes.

Production in the hot strip mill amounted to 2,209,000 tonnes, an increase of 1% despite the fact that production had to be limited due to a shortage of slabs in conjunction with the breakdown of the blast furnace.

Profit

Profit declined by SEK 113 million to SEK 832 million. The decline in profit was primarily due to lower margins since price increases which were carried out could not compensate for cost increases. The profit includes non-recurring items totalling SEK –36 (0) million.



Capital expenditures

In 1996, a decision was taken to invest SEK 1,280 million in, inter alia, a new rougher in the hot rolling strip mill in Borlänge and a coal injection facility at the metallurgy unit in Luleå. Through these investments, the opportunity is provided for continued expansion within the area of high-strength sheet. During the year, preparatory work has been carried out for the installation of the new rougher. Test-rolling is anticipated to start, as planned, during the autumn of 1998. The coal injection facility is planned to commence operations at the beginning of 1998 concurrently with the new oxygen plant AGA has constructed at the metallurgy unit in Luleå.

In total, these investments (Development Plan Domex 2000) will result in a significant improvement in the conditions for the production of high-strength steel while at the same time total production capacity will increase.

During the summer holidays, a partial renovation of the smaller blast furnace in Luleå was carried out.

During the year, AGA put into operation a new oxygen plant in Borlänge which provides hydrogen and nitrogen pursuant to a long-term agreement. The limestone facilities in Luleå were sold to Nordkalk with which a long-term agreement for the supply of limestone has been executed.

Product and process development

SSAB Tunnplåt is participating, together with some thirty steel companies throughout the world, in a joint research project which is designed to construct better and lighter automobiles with the aid of high-strength steels and modern jointing technology. The project – ULSAB (Ultra Light Steel Auto Body) – has received great attention. The project has demonstrated that it is entirely possible, in this manner, to maintain safety and significantly reduce the weight of the car body. During the year, demonstration bodies were produced and these will be shown at automotive trade fairs in 1998.

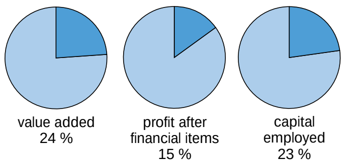
Work within the steel manufacturing area has been concentrated on the creation of an even and stable production process in order to facilitate further improvements in quality. Steel is manufactured in batches and in several consecutive steps. Effective time control of production is, therefore, of primary importance and production development is aimed at improving time control.

Development of sheet products is aimed primarily at achieving new high-strength sheet qualities and new applications for high-strength sheet.

With improvements in the strength of the sheet, the user is able to replace an existing steel grade with an even better one, i.e. a steel grade which is lighter but which performs equally well. Customers are found, inter alia, in the automotive industry and amongst crane manufacturers.

SSAB Oxelösund

Share of the Group's

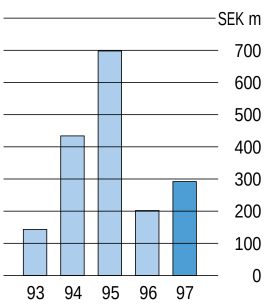


Key ratios

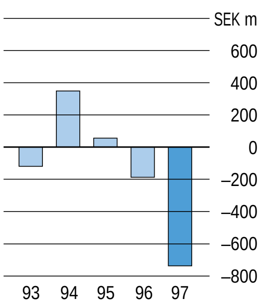
SEK millions	1995	1996	**1997**
Sales	4,250	3,664	**4,172**
Profit	698	202	**292**
Capital expenditures	448	636	**1072**
Capital employed	2,309	2,530	**3,228**
Return on cap. empl. (%)	38	11	**12**
Number of employees	2,604	2,487	**2,422**

See note 20 for definitions.

Profit after financial items



Cash flow



SSAB Oxelösund develops, manufactures, and markets plate. Manufacturing in Oxelösund is carried out in an integrated process from iron ore to finished plate. The plants include a coking plant, blast furnaces, a steel mill and continuous casting lines for the manufacture of slabs, as well as a rolling mill for the production of plate in the thicknesses 5–155 mm. The metallurgy is iron ore-based and the ore supply consists entirely of pellets from LKAB.

Slab production capacity is approximately 1.5 million tonnes. Slightly less than one-half of the slabs are further processed into plate. The remainder is delivered primarily to SSAB Tunnplåt.

During the 1980s and 1990s, a specialisation has gradually been carried out towards so-called quenched steels. Quenched steels refers to abrasion-resistant and structural steels with extra-high strength and good weldability in combination with high abrasion-resistance and good formability. SSAB Oxelösund is the world leader within this niche of the plate market.

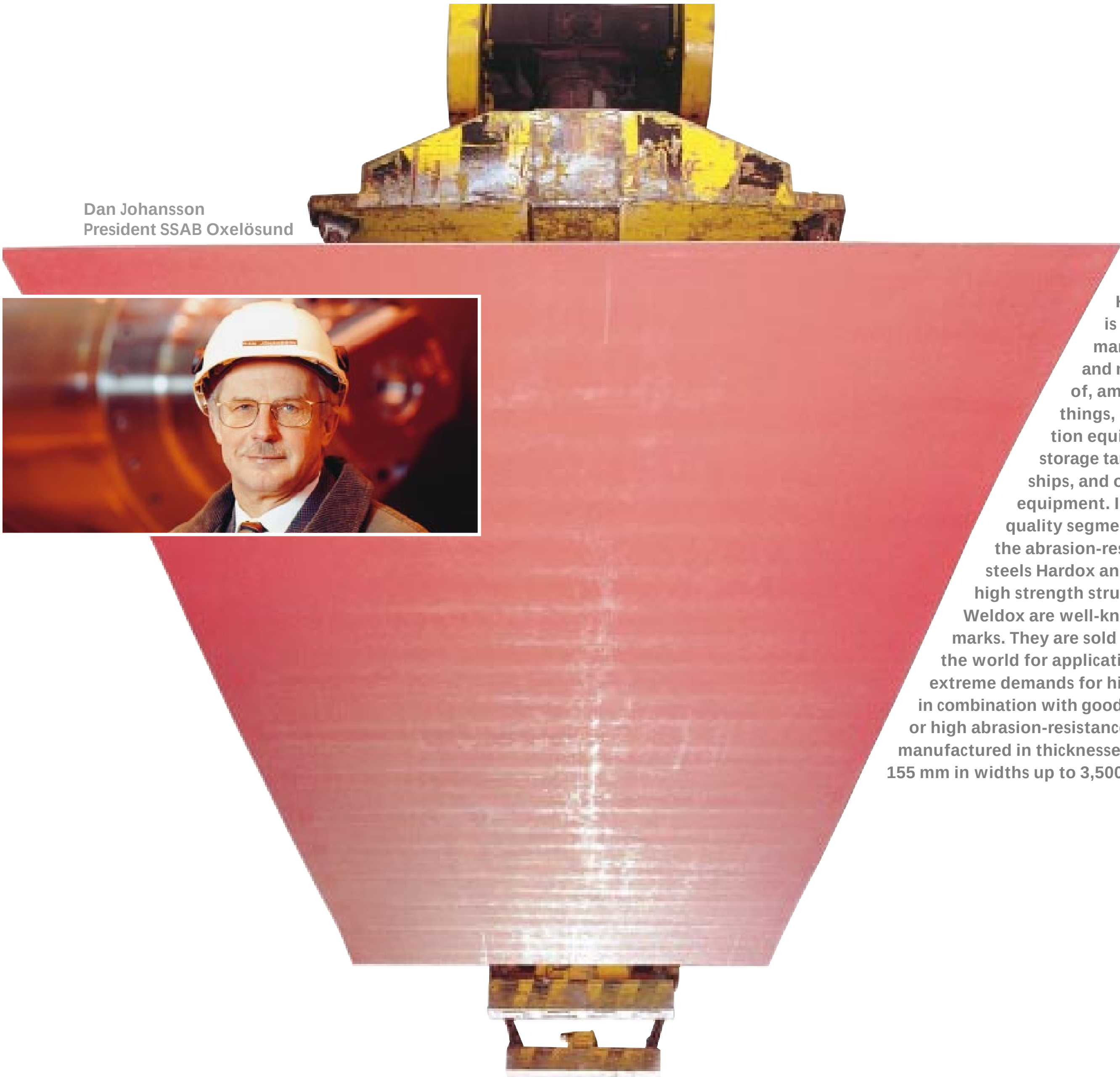
The quenched steels are used in applications where abrasion-resistance, toughness, and high-strength in combination with low weight provides advantages as compared with ordinary steels. Construction machinery, mining equipment, and large construction projects such as bridges are examples of such applications. Competitors within the quenched steels sector are primarily a few steel companies in Europe and North America.

The ordinary steels are traditionally used in the ship-building industry and in the general engineering industry. Competitors within this sector are most large western European steel companies.

More than 90% of the by-products of steel manufacturing are recycled for use by SSAB or sold through the subsidiary SSAB Merox. Sales of by-products span a broad area and cover, among other areas, road construction materials, raw materials for the electronics industry, and paint pigments.

The market

SSAB Oxelösund's sales of plate amounted to approximately 470,000 tonnes last year. Of the total deliveries, approximately 20% go to the Swedish market and the remaining 80% are exported, primarily within the European Union and to North America. In order to increase sales of quenched steels, during the past three years, sales companies were established in 16 coun-



Dan Johansson
President SSAB Oxelösund

Heavy plate is used in the manufacture and maintenance of, among other things, construction equipment, storage tanks, bridges, ships, and off-shore equipment. In the upper-quality segment for plate, the abrasion-resistent steels Hardox and the extra high strength structural steels Weldox are well-known trade marks. They are sold throughout the world for applications with extreme demands for high-strength in combination with good weldability or high abrasion-resistance. Plate is manufactured in thicknesses from 5 to 155 mm in widths up to 3,500 mm.

tries, primarily in eastern Europe and Asia.

During the first quarter demand for plate increased, and it has thereafter been possible to increase prices gradually. Prices in Swedish kronor were, on an average, 5% higher than in 1996.

It has been possible to increase the volume of quenched steel by 20% as compared with 1996, and the quenched steels accounted for just over 75% of plate sales.

Production

During the year, the smaller of the two blast furnaces was partially relined. Despite problems in conjunction with the start-up of the large blast furnace after the summer shut-down for maintenance, it was possible to increase production of slabs by 8% to 1,395,000 tonnes.

The capacity of the four-high rolling mill has been lower than in previous years as a consequence of the high portion of quenched steels and the pending project to construct a new four-high rolling mill in the existing production line. Therefore, plate production decreased by just over 15% to 426,000 tonnes.

Kt	1995	1996	**1997**	Change in % 1996/97
Coke	436	438	**430**	– 2%
Steel slabs	1,372	1,286	**1,395**	+ 8%
Plate	499	508	**426**	– 16%

Profit

Improved margins and higher volumes of slabs caused profit to improve by SEK 90 million to SEK 292 million, despite lower production in the four-high rolling mill. The profit includes non-recurring items totalling SEK 40 (–7) million.

Capital expenditures

In 1995, the decision was taken to invest SEK 1,650 million in order to increase capacity for quenched steels – General Plan OX 2000. The execution of this plan has been proceeding intensively. A new four-high rolling mill was installed during the summer holidays and final assembly was carried out in the autumn, as planned. Test-rolling in the new mill started in November. The building for the new finishing line for thinner dimensions of plate was ready during the autumn, after which the installation of machinery for the line was commenced. It is estimated that all facilities will be placed into full operation, as planned, during the autumn of 1998.

All in all, General Plan OX 2000 means that the conditions for the production of quenched steels are considerably improved.

During the year, the limestone mill was sold to Svenska Mineral and a long-term supply agreement was entered into with the purchaser.

Development

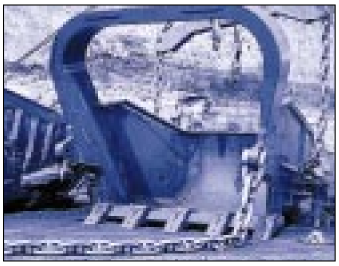
Product development resources are concentrated on quenched steels, of which the principal products are abrasion-resistant steels, HARDOX, and high-strength structural steels, WELDOX.

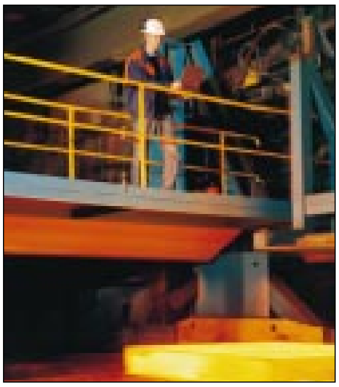
The use of quenched steels provides a number of advantages for the user, including lighter weight structures and reduced downtimes for replacement of worn parts.

The HARDOX steels combine abrasion-resistance with toughness and are easy to weld and cut. The steels are, therefore, used both as pure abrasion-resistant steels, for example, in the mining and cement industries, and as combined abrasion-resistant and structural steels. Great resources are being committed to further developing the user-friendliness and abrasion-resistance of the HARDOX steels.

The directly quenched WELDOX steels combine high strength with excellent weldability. The steels are making inroads on the market and are being used in, among other things, major steel construction projects.

The quenched and tempered WELDOX steels are used for demanding applications where the need for low weight is often decisive, for example, in cranes and vehicles. Development is being focused on a gradual improvement of strength and toughness. The





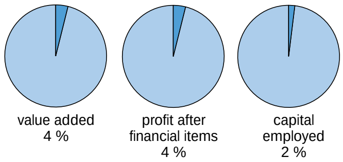
work led, inter alia, to the introduction of a new steel, WELDOX 1100, in the spring.

In order to satisfy increasing demands for light weight steel structures, e.g. for manufacturers of mobile cranes and concrete transport vehicles, improved methods for rolling and hardening of thinner dimensions of plate are being developed. The development and production possibilities within these areas will be further improved by the new four-high rolling mill.

Efforts are increasingly being devoted to applications engineering and technical customer service. In a training centre in Oxelösund, customers are given an opportunity to test and become acquainted with the properties and potentials of quenched steels.

Plannja

Share of the Group's

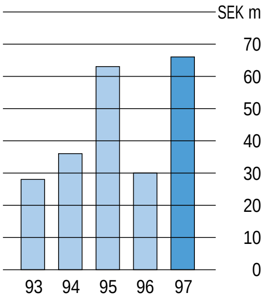


Key ratios

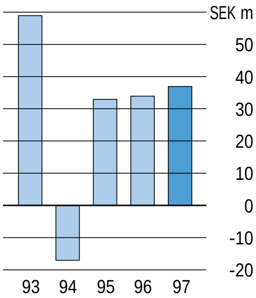
SEK millions	1995	1996	**1997**
Sales	1,031	940	**1,010**
Profit	63	30	**66**
Capital expenditures	25	33	**29**
Capital employed	349	321	**307**
Return on cap. empl. (%)	24	15	**25**
Number of employees	406	398	**391**

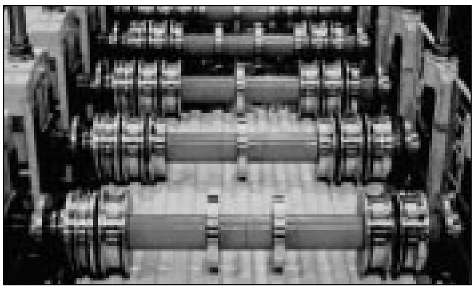
See note 20 for definitions.

Profit after financial items



Cash flow





Processing is of great strategic importance for the Group's expansion within the sheet sector. After many years of considered efforts in product and market development accompanied by strategic acquisitions, Plannja has become one of the leading European producers of processed steel and aluminium building sheet.

Plannja's operations are conducted within the business areas Building Products and International, with production in Luleå and in the subsidiaries SIBA-Verken in Järnforsen and Plannja Scanwall in Aalborg, Denmark. The feed stock for these operations is principally metalised sheet which is painted and profiled.

Plannja's annual consumption of sheet amounts to approximately 70,000 tonnes. Most of the material is supplied by SSAB Tunnplåt.

Plannja Building Products' marketing and sales are aimed at both the contractor and consumer markets in Sweden and Norway. In addition, painted sheet is marketed to the sheet metal working industry.

The product range consists of flat and profiled building sheet, sheet roofing tiles, and wall panels. The products are used as supporting structures and as roofing and cladding for both residential and industrial premises.

Plannja's market share in the contractor and consumer market in Sweden is slightly higher than 30%. Competitors include Haironville, Gasell, and Lindab Profile.

Plannja International is responsible for sales outside of the home market. Sales in Germany and the UK take place through sales subsidiaries and, in other markets, through retailers.

SIBA-Verken manufactures and markets a complete system for rainwater runoff made of organic-coated, galvanised sheet. Plannja Scanwall manufactures and markets a complete range of building sheet for the Danish and northern German markets.

Mikael Nyquist
President Plannja

The market

Demand for construction plate products from the consumer market in Sweden developed positively while industrial construction decreased. Delivery volumes in Sweden thereby remained at the same level as during 1996. A strong demand from export markets resulted in an increase in total delivery volumes by approximately 7%.

Plannja's export share increased to 50 (48) %.

Profit

Profit improved by SEK 36 million to SEK 66 million, primarily as a result of increased volumes.

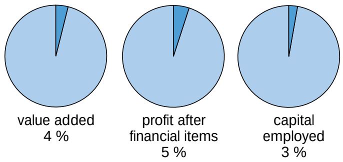
Capital expenditures

The production line for wall panels in Luleå was rendered more effective during the year and supplemented with automated mineral wool processing and larger coilers. Within the SIBA-Verken, equipment for the production of water drainage products has been supplemented with hydraulic presses, robots, and belt feeders.

Construction materials in metal- or organic-coated profiled sheet are used both as supporting structures as well as roofing and facing products for residential and industrial premises as well as offices and schools, etc. The facing product, Plannja Prewall, the beam system, Plannja Combideck and SIBA-Verken's water run-off products are examples of Plannja's focus on complete and fully-planned systems solutions for both large and small construction projects.

SSAB HardTech

Share of the Group's

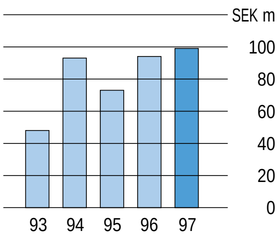


Key ratios

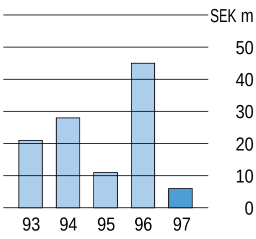
SEK millions	1995	1996	**1997**
Sales	237	338	**343**
Profit	73	94	**99**
Capital expenditures	103	51	**160**
Capital employed	200	288	**379**
Return on cap. empl. (%)	45	42	**36**
Number of employees	139	192	**225**

See note 20 for definitions

Profit after financial items



Cash flow



SSAB Hard Tech develops, manufactures, and markets safety components for the automotive industry. The operations are based on the technology of hardening boron steel in combination with form pressing. The boron steel is delivered by SSAB Tunnplåt. The press-hardening technology makes possible narrower tolerances, dimension stability, and weight reduction and can, therefore, provide safer, lighter, and more cost-efficient solutions as compared with existing alternative methods.

The operations are conducted in a production facility with four production lines in Luleå. An additional facility with two production lines is presently being constructed in the United States. The facility in Luleå will be utilised as the production facility for the European and Asian markets. In addition, processing and tool technology are being developed in Luleå.

The focus on the automotive industry started during the second half of the 1980s with deliveries of side impact beams. Deliveries for Ford Mondeo, the first real world car, started in 1993 and meant deliveries to both Europe and the United States. This order was the commercial breakthrough for press-hardening technology.

The product range has thereafter been gradually expanded to also include bumpers and components for the car's safety cage, among others so-called A and B posts and cross-members.

The market

The demand for low-fuel consumption has meant that most automobile manufacturers have been investing in ways to reduce the weight of the car. This, in combination with high safety requirements and new crash regulations, provides competitive advantages for SSAB HardTech's press-hardened products.

The delivery of safety components increased by 5% and the export share was unchanged at slightly more than 90%.

Market efforts have increased in the United States prior to establishment there. The response from customers has been positive and agreements regarding future deliveries have been entered into with, among others, General Motors.

Profit

Profit improved by SEK 5 million to SEK 99 million. The improvement in profit was primarily a consequence of increased volumes.

Capital expenditures

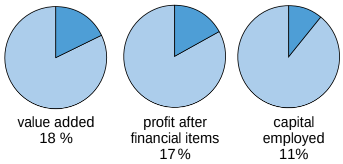
During the autumn of 1996, a decision was taken regarding the establishment of a production unit in the United States. The work in constructing the new production line is under way in Mason, Michigan, in close proximity to the large automobile manufacturers in Detroit. Production in the new facilities will begin gradually during the autumn of 1998.

Thord Jonsson
President SSAB HardTech

Low weight for lower fuel consumption and greater demands for safety are key concepts in the modern automobile industry. Through its press-hardening technology, SSAB HardTech has participated in the development of safe, light, and extremely cost-efficient designs. Press-hardening provides advantages in the form of narrow tolerances, stabile dimensions, and low weight. SSAB HardTech's product programme today includes side-impact beams, bumper rails, and components for the automobile's safety cage.

Tibnor

Share of the Group's

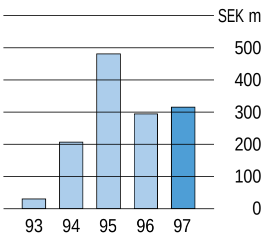


Key ratios

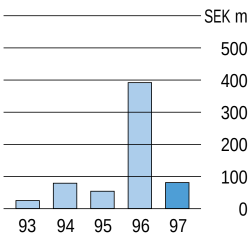
SEK millions	1995	1996	**1997**
Sales	7,115	6,623	**6,328**
Profit	482	295	**316**
Capital expenditures	191	65	**196**
Capital employed	1,591	1,477	**1,487**
Return on cap. empl. (%)	36	22	**23**
Number of employees	1,601	1,768	**1,714**

See note 20 for definitions.

Profit after financial items



Cash flow



Tibnor is the leading trading company in the Swedish steel market and constitutes an important sales channel for the steel operations' product range. 85% of the company is owned by SSAB and 15% by Avesta Sheffield.

In addition to supply through steel trading companies, the supply of steel to the Swedish market takes place through Swedish and foreign steel mills. Other participants in the market include various steel service centres with cutting and slitting lines together with companies specialised within certain product markets.

Tibnor is one of the largest trading companies in the Nordic region focused on customers within the engineering, construction, and processing industries. Competitors in Sweden include Trelleborg-owned Bröderna Edstrand, and a number of smaller and often specialised companies which primarily conduct operations in local markets. Tibnor's nationwide sales, warehouse, and distribution functions make it an important partner in the supply of material and supplies to industry. By offering a wide range of products and services Tibnor, with its business system, is increasingly becoming an integral part of the customers' production flows.

Approximately 65% of Tibnor's total sales are steel-based and cover a range of commercial steels, special steels, tube and pipe, and stainless steel. The remaining portion consists of non-ferrous metals, building products and tools, machinery, and other industrial and building supplies. The steel and metal products are increasingly delivered in a pre-finished and adapted form in order to be placed directly into the customer's production.

Tibnor's traditional core business lies within the areas of steel and stainless steel, in which a complete range of products is offered to industry. The most important customer groups are found within the engineering, construction, and processing industries. A significant portion of the customer companies are suppliers to Swedish export industries. Within the area of special steels, Tibnor has established itself in the other Nordic countries with its own subsidiaries.

In the business area Metals, a specialisation has taken place in trading in metals for industrial use. In addition to Sweden, Tibnor has significant operations in this area in Denmark and Finland, and is the

Sven Bergman
President Tibnor

Nordic region's largest distributor of raw materials and semi-finished goods of aluminium, copper, brass, bronze, and zinc.

Tibnor offers the construction industry a range of steel-based construction products, concentrated on site preparation, foundation, and structure. Tibnor is Sweden's leading supplier of re-inforcement steels and possesses four facilities for the manufacturing of insertion-ready re-bar products.

Tibnor's Industrial Supplies group is focused on the sale of tools, industrial, and building supplies, as well as machinery. From three regional warehouses and through the industrial supply group's shops, local manufacturing and construction companies are offered a product range spanning approximately 30,000 products. The industrial supplies group often enjoys a prominent position in its local markets.

With the market's broadest selection of commercial steels, special steels, tubing and stainless steel and with a nation-wide logistics system, Tibnor has become a natural link in its customers' production chains. The steel is delivered blasted, pre-painted, cut, sheared or slitted in order to be capable of being placed directly in the customer's production process. Metals, construction materials, tools, machinery and other industrial and construction supplies are included in the product range.

The market

The demand by the engineering industry increased while demand by the processing and construction sectors continued to be weak. However, delivery volumes for steels and metals increased on the whole by 5%.

It has been possible to increase prices during the autumn for most products within the steel and metals product range, while the price of stainless steel materials continued to come under pressure.

On average, however, prices were lower than in 1996, which led to a decrease in Tibnor's revenues by 4% to SEK 6,328 million.

SEK millions	1995	1996	**1997**	Change % 1996/97
Steel	1,785	1,389	**1,381**	–1%
Sheet	1,760	1,585	**1,534**	–3%
Component steel	542	604	**646**	+7%
Stainless steel	768	624	**475**	–24%
Metals	676	909	**884**	–3%
Building	354	326	**293**	–10%
Industrial supplies	1,230	1,186	**1,115**	–6%
Total	7,115	6,623	**6,328**	–4%

Profit

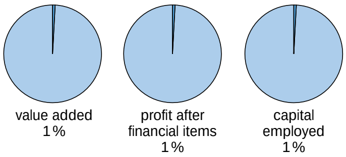
Profit improved by SEK 21 million to SEK 316 million. However, profit includes items of a non-recurring nature totalling SEK 55 (0) million.

Capital expenditures

Within Tibnor, intensive work is underway with the implementation of a new information system. The new system is totally integrated and replaces several older systems. The implementation will take place gradually during 1998 and make possible more efficient and improved customer service.

Dickson PSC

Share of the Group's

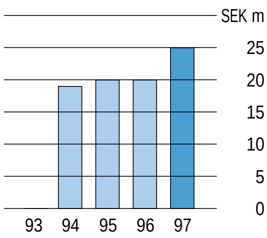


Key ratios

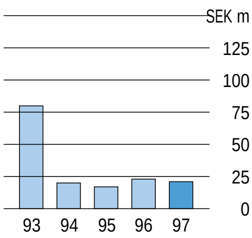
SEK millions	1995	1996	**1997**
Sales	181	97	**106**
Profit	20	20	**25**
Capital expenditures	7	3	**5**
Capital employed	103	100	**100**
Return on capital employed (%)	21	20	**25**
Number of employees	233	123	**133**

See note 20 for definitions

Profit after financial items



Cash flow



Björn Ringborg
President Dickson PSC

Dickson Plåt Service Centre pre-finishes sheet and supplies the Swedish engineering industry with slit strips and sized blanks which can be directly used in the customer's production. Deliveries of pre-finished sheet with short lead times also decrease customers' needs for warehouse facilities.

Approximately 25% of the Swedish sheet market consists of pre-finished sheet. Dickson PSC is the largest producer in Sweden within this area, with a market share of slightly more than 50%. Dickson PSC, therefore, is highly significant to the Group's development of the sheet business in Sweden.

Production facilities comprising cutting and slitting equipment are located in Borlänge and Gothenburg. Dickson's role is to be an efficient contract manufacturer of pre-finished sheet, while Tibnor and SSAB Tunnplåt handle the marketing, sales, and material supplied to production.

The market

Demand for pre-finished sheet continued to improve during 1997. In total, deliveries increased by 19%, to just under 230,000 tonnes.

Profit

Profit improved by SEK 5 million to SEK 25 million. However, profit includes non-recurring items totalling SEK 9 (0) million.

SSAB Finance

SSAB Finance is an independent profit centre within the Parent Company with responsibility for investment of the Group's liquid funds on the Swedish money market as well as for the management of currency flows and borrowing. The objective is to achieve the highest possible return on the Group's liquid assets within the defined guidelines for interest and credit risks. In addition, the Group's currency flows are offset to the greatest extent possible and remaining currency risks are dealt with in accordance with adopted guidelines.

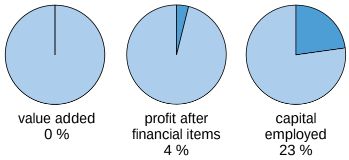
SSAB Finance borrows, on market terms and conditions, the Parent Company's liquid assets. SSAB Finance acts as an internal bank for the Group vis-á-vis the subsidiaries. Borrowing and hedging of currency transactions by the subsidiaries are dealt with by SSAB Finance, on market terms and conditions. The Group's currency risks arise mainly in the commercial money flows. The subsidiaries hedge these risks with SSAB Finance which, in turn, covers the currency risks mainly by means of forward exchange contracts. SSAB Finance also has the possibility of taking currency positions within specified risk guidelines.

Investments are made in the Swedish money market, mainly in government securities and in housing bonds. The rate of return on financial investments depends both on interest rates and the risk level chosen. Changes in the risk profile in order to protect the value of the portfolio in the event of interest rate movements are effected, inter alia, through the use of interest futures.

Interest rates in Sweden were low during the year and followed international trends. Limited interest rate movements during the year have reduced the opportunities for profits. Return on the investment portfolio amounted to 4.2 (9.3)%, which was 1.4 percentage points better than the index for treasury bills and 0.8 percentage points better than investments on the call loan market.

In order to satisfy any short-term borrowing requirements which might arise, SSAB has a SEK 800 million Swedish commercial paper programme and a USD 100 million Euro commercial paper programme. The Swedish programme has a rating of K-1 from Standard & Poor's. At year end, there was no commercial paper outstanding under these programmes.

Share of the Group's

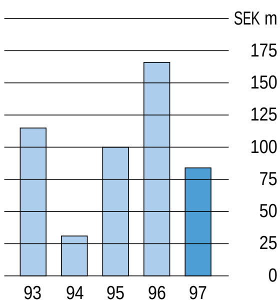


Key ratios

SEK millions	1995	1996	**1997**
Profit	100	166	**84**
Number of employees	9	9	**9**

See note 20 for definitions

Profit after financial items



Göran Fritzell
General Manager SSAB Finance

Profit decreased as a consequence of a lower return on the investment portfolio. To a certain extent, this could be compensated by increased profit from positions on the currency markets. However, in total profit decreased by SEK 82 million to SEK 84 million.

Other companies

Profit/ownership share

SEK millions	1995	1996	**1997**	Holding %
Coronet Finance	57	59	**56**	100
European Electrical Steels	183	187	**151**	25
Norsk Stål	88	44	**69**	50
Norsk Stål Tynnplater	17	15	**16**	50
Lulekraft	0	0	**0**	50
Oxelösunds Hamn	9	9	**7**	50

Coronet Finance

Part of the Group's liquid assets is invested in the international capital market. These investments are made by the Irish subsidiary Coronet Finance which conducts active portfolio management. This company also accommodates capital requirements of foreign subsidiaries.

The average investment and lending volume amounted to approximately SEK 1,100 (1,000) million. Profit deteriorated somewhat to SEK 56 (59) million.

European Electrical Steels

European Electrical Steels (EES) was formed in 1990 by a merger of SSAB's and British Steel's operations within the electrical steel sector. The company is one of the largest producers of electrical steels in Europe. EES is owned by British Steel (75%) and SSAB Tunnplåt (25%). Production facilities are located in Newport in south Wales and in Surahammar. Some further processing takes place in the United States and Canada. There are 936 employees.

Improved demand led to higher volumes. Accordingly, sales increased to SEK 2,229 (1,994) million but, notwithstanding this, profit decreased to SEK 151 (187) million primarily due to smaller margins.

Norsk Stål

Norsk Stål is Norway's largest steel wholesaler with a market share of just over 35%. There are 310 employees.

Norsk Stål is 50% owned by SSAB and 50% by British Steel.

Demand for steel in Norway improved during the year. Sales increased to SEK 1,434 (1,279) million and profit improved to SEK 69 (44) million.

Norsk Stål Tynnplater

Norsk Stål Tynnplater is Norway's largest sheet service centre with a market share of approximately 70%. There are 72 employees.

Norsk Stål Tynnplater is 50% owned by SSAB and 50% by British Steel.

Demand for processed sheet on the Norwegian market increased during the year. Sales amounted to SEK 415 (405) million and profits improved to SEK 16 (15) million.

Lulekraft

Lulekraft operates a combined heat and power plant in Luleå and is 50% owned by SSAB and 50% by the municipality of Luleå. The combined heat and power plant extracts heat from energy-rich off-gases from SSAB Tunnplåt's slab manufacturing operation and, during 1997, produced approximately 666 GWh of district heat and 469 GWh of electricity. The district heat is sold to Luleå Energi, which distributes it to approximately 18,000 households in the municipality of Luleå. The electricity is sold to SSAB Tunnplåt. There are 34 employees.

Sales increased somewhat and amounted to SEK 241 (229) million. Profit amounted to SEK 0 (0) million.

Oxelösunds Hamn

The port operations in Oxelösund are some of the largest in Sweden. The harbour has excellent draught conditions and plays an important role in the Group's extensive exports and imports of steel and raw materials.

Oxelösunds Hamn is 50% owned by SSAB Oxelösund and 50% by the municipality of Oxelösund. There are 219 employees.

Sales decreased somewhat to SEK 171 (174) million. Profit amounted to SEK 7 (9) million.

Consolidated profit and loss account

SEK millions	1996	**1997**
Sales (Note 1)	17,162	**17,474**
Cost of goods sold (Note 2)	–13,925	**–14,264**
Gross profit	3,237	**3,210**
Selling expenses (Note 2)	–1,401	**–1,489**
Administrative expenses (Note 2)	–160	**–174**
Other operating revenues	241	**376**
Other operating expenses (Note 2)	–259	**–244**
Shares in earnings of affiliated companies (Note 3)	81	**84**
Operating profit	1,739	**1,763**
Financial items (Note 4)	352	**143**
Profit after financial items	2,091	**1,906**
Tax (Note 5)	–576	**–536**
Minority shares in earnings	–34	**–34**
Net profit for the year	1,481	**1,336**
Return on capital employed before tax (Note 20)	16%	**14%**
Return on equity after tax (Note 20)	13%	**11%**
Equity ratio (Note 20)	68%	**70%**

Consolidated balance sheet

SEK millions	1996	**1997**
ASSETS		
Fixed assets		
Intangible assets (Note 6)	94	**96**
Tangible assets (Note 7)	6,006	**7,312**
Financial assets (Note 8)	1,030	**450**
Total fixed assets	7,130	**7,858**
Current assets (Note 3)		
Inventories, etc. (Note 9)	3,114	**3,260**
Accounts receivable	2,264	**2,580**
Prepaid expenses and accrued revenues (Note 10)	399	**410**
Other short-term receivables	175	**211**
Short-term investments	4,116	**3,436**
Cash and bank accounts	389	**456**
Total current assets	10,457	**10,353**
Total assets	17,587	**18,211**
EQUITY AND LIABILITIES		
Equity (Note 11)		
Restricted equity		
Share capital	3,200	**3,200**
Restricted reserves	2,061	**2,487**
Unrestricted equity		
Unrestricted reserves	5,221	**5,798**
Net profit for the year	1,481	**1,336**
Total equity	11,963	**12,821**
Minority shares	175	**175**
Provisions		
Provisions for pensions	141	**140**
Deferred taxes	1,381	**1,545**
Other provisions	15	**14**
Total provisions	1,537	**1,699**
Long-term liabilities (Note 13)	814	**511**
Current liabilities (Note 3)		
Liabilities to credit institutions	366	**153**
Accounts payable	1,488	**1,516**
Accrued expenses and prepaid revenues (Note 14)	725	**829**
Other current liabilities	519	**507**
Total current liabilities	3,098	**3,005**
Total equity and liabilities	17,587	**18,211**
Pledged assets (Note 18)	260	**255**
Contingent liabilities (Note 19)	66	**88**

Consolidated funds statement

SEK millions	1996	**1997**
BUSINESS OPERATIONS		
Profit		
Sales	17,162	**17,474**
Other operating revenues	241	**376**
Operating expenses (excl. depreciation)	–14,995	**–15,381**
Financial items	+352	**+143**
Tax	–397	**–359**
Other items	–23	**–49**
	+2,340	**+2,204**
Working capital		
Inventories (+ decrease)	+290	**–147**
Accounts receivable (+ decrease)	+343	**–323**
Accounts payable (+ increase)	–67	**+28**
Other current receivables (+ decrease)	–61	**–86**
Other current liabilities (+ increase)	–203	**+91**
	+302	**–437**
INVESTMENT OPERATIONS		
Investments in plants and facilities	–1,311	**–2,145**
Acquisition of new operations	–1	**–3**
Sale of companies	+3	**+7**
Sale of plants	+35	**+120**
	–1,274	**–2,021**
CASH FLOW	+1,368	**–254**
FINANCING OPERATIONS		
Dividends to shareholders	–512	**–512**
Changes in long-term loans (+ increase)	–229	**–336**
Changes in short-term loans (+ increase)	–28	**–208**
Tax liabilities (+increase)	–262	**+31**
Financial investments (+decrease)	+904	**+613**
Other long term receivables (+decrease)	+138	**+13**
Other financing (+increase)	+89	**+40**
	+100	**–359**
CHANGE IN LIQUID ASSETS	+1,468	**–613**
LIQUID ASSETS		
Balance on 1 January	+3,037	**+4,505**
Change in liquid assets	+1,468	**–613**
Balance on 31 December	+4,505	**+3,892**
Non-utilised bank credit	+875	**+1,001**
Disposable liquid assets	+5,380	**+4,893**

Parent Company's profit and loss account

SEK millions	1996	**1997**
Gross profit	0	**0**
Administrative expenses (Note 2)	– 61	**– 65**
Other operating revenues	22	**7**
Operating profit	– 39	**– 58**
Dividends from subsidiaries (Note 4)	1,237	**676**
Financial items (Note 4)	435	**249**
Profit after financial items	1,633	**867**
Periodization reserve	– 97	**– 37**
Capital based tax equalization reserve	6	**16**
Profit before tax	1,542	**846**
Tax (Note 5)	– 81	**– 42**
Net profit for the year	1,461	**804**

Parent Company's balance sheet

SEK millions	1996	**1997**
ASSETS		
Fixed assets		
Tangible assets (Note 7)	5	**4**
Financial assets (Note 8)	4,029	**3,942**
Total fixed assets	4,034	**3,946**
Current assets (Note 3)		
Receivables from subsidiaries	1,548	**2,164**
Prepaid expenses and accrued revenues (Note 10)	155	**106**
Other receivables	1	**15**
Short-term investments	3,534	**2,871**
Cash and bank accounts	167	**218**
Total current assets	5,405	**5,374**
Total assets	9,439	**9,320**
EQUITY AND LIABILITIES		
Equity (Note 11)		
Restricted equity		
Share capital, 128 million shares, nominal value SEK 25	3,200	**3,200**
Legal reserve	640	**640**
Unrestricted equity		
Profit brought forward	2,143	**3,092**
Net profit for the year	1,461	**804**
Total equity	7,444	**7,736**
Untaxed reserves (Note 12)	358	**380**
Provisions		
Provisions for pensions	8	**8**
Total provisions	8	**8**
Long-term liabilities		
Liabilities to subsidiaries	50	**50**
Other long-term liabilities (Note 13)	676	**378**
Total long-term liabilities	726	**428**
Current liabilities (Note 3)		
Liabilities to subsidiaries	309	**410**
Liabilities to credit institutions	287	**102**
Accrued expenses and prepaid revenues (Note 14)	16	**11**
Other current liabilities	291	**245**
Total current liabilities	903	**768**
Total equity and liabilities	9,439	**9,320**
Pledged assets (Note 18)	90	**56**
Contingent liabilities (Note 19)	167	**170**

Parent Company's funds statement

SEK millions	1996	**1997**
BUSINESS OPERATIONS		
Profit		
Other operating revenues	+ 22	**+ 7**
Operating expenses (excl. depreciation)	– 60	**– 65**
Financial items (excl. dividends from subsidiaries)	+ 435	**+ 249**
Tax	– 81	**– 42**
	+ 316	**+ 149**
Working capital		
Current receivables (+ decrease)	– 1	**– 1**
Current liabilities (+ increase)	– 8	**– 5**
Commercial intra-Group transactions	–	**+ 92**
	– 9	**86**
INVESTMENT OPERATIONS		
Investments in shares in subsidiaries	– 42	**– 260**
	– 42	**– 260**
CASH FLOW	+ 265	**– 25**
FINANCING OPERATIONS		
Dividends to shareholders	– 512	**– 512**
Dividends from subsidiaries	1,237	**+ 676**
Changes in long-term loans (+increase)	– 251	**– 346**
Changes in short-term loans (+increase)	– 25	**– 171**
Financial investments (+decrease)	+ 887	**+ 613**
Other long-term receivables (+decrease)	+ 140	**0**
Financial intra-Group transactions	– 349	**– 874**
Other financing (+increase)	– 14	**+ 27**
	+ 1,113	**– 587**
CHANGE IN LIQUID ASSETS	+ 1,378	**– 612**
LIQUID ASSETS		
Balance on 1 January	+ 2,323	**+ 3,701**
Change in liquid assets	+ 1,378	**– 612**
Balance on 31 December	+ 3,701	**+ 3,089**
Non-utilised bank credit	+ 704	**+ 891**
Disposable liquid assets	+ 4,405	**+ 3,980**

Accounting and Valuation Principles

The accounting and valuation principles are in accordance with the recommendations of the Swedish Financial Accounting Standards Council. Commencing in 1997, the new Swedish Annual Accounts Act has been applied. Comparison figures for previous years have been changed in accordance therewith. The accounting and valuation principles are unchanged as compared with the preceding year.

Consolidation principles
The consolidated accounts include SSAB Svenskt Stål AB and the companies in which the Parent Company directly or indirectly owns more than 50% of the voting capital or where the Parent Company otherwise exercises a controlling influence. Affiliated companies of which SSAB owns between 20 and 50% of the voting capital are reported in accordance with the equity method.

The consolidated accounts have been prepared in accordance with the purchase method. This means that the Parent Company's book values of shares in subsidiaries are eliminated against the acquisition values of the subsidiaries, in other words the equity (including shares of untaxed reserves) of the subsidiaries at the time of the acquisitions. This means that the Group's equity only includes that portion of the equity of the subsidiaries which has arisen since the acquisitions.

Assets and liabilities in acquired companies are consolidated at their market values. If a difference arises between the net of the market values of acquired assets and liabilities, on the one hand, and the acquired subsidiary's equity, including the equity share of untaxed reserves, on the other hand, this difference is reported as goodwill.

Excess value in fixed assets is amortized in accordance with the principles stated below under 'Fixed Assets'.

The profit and loss accounts of foreign subsidiaries are translated into Swedish kronor at the average exchange rates for the year. Balance sheets are translated into Swedish kronor at the year-end exchange rates. The differences are reported directly as equity.

Intra-Group profits in subsidiaries' inventories are eliminated in the consolidated accounts.

In the Consolidated Funds Statement, the purchase price of acquired and sold operations is reported under the heading "acquisitions/sales of operations/shares". The assets and liabilities held in the acquired/sold companies at the time of the acquisition/sale are, therefore, not included in the change in working capital reported in the funds statement.

Receivables and liabilities in foreign currencies
Receivables and liabilities in foreign currencies are valued at the year-end rates. In cases where exchange rates have been hedged through forward contracts, the forward rate is applied in the valuation.

Loans which were incurred in order to hedge net assets in foreign subsidiaries are reported by the Parent Company at acquisition cost. In the consolidated accounts, these loans are reported at the rate applicable as per the balance sheet date. Any exchange differences are set off against the translation differences which arise in conjunction with recalculation of these subsidiaries' balance sheets to Swedish kronor.

Inventories
Inventories are valued in accordance with the lower of cost and market value principle. Raw materials are thereby valued at the lower of the acquisition and replacement costs, while manufactured goods are valued at the lower of the manufacturing cost and the sales value after deduction of sales and administrative expenses. The necessary provisions are made for obsolescence.

Fixed assets
Fixed assets are reported after deductions for accumulated depreciation according to plan. Depreciation according to plan is based on the acquisition cost and estimated economic life of the assets.

Tangible fixed assets are classified for depreciation purposes into six groups on the basis of economic life according to the following table.

Intangible fixed assets are classified in the same manner in two groups where goodwill is calculated to have an economic life of 5 years and other intangible fixed assets, 3–5 years.

Through new technology, the economic life of blast furnaces has increased, resulting in a depreciation of the blast furnaces commencing in 1995 over 10–12 years as opposed to the previous term of 7 years.

Group	Examples of items	Economic life, years
1	Vehicles, computers, and relinings of blast furnaces up to and including 1994	3–7
2	Office equipment, light machinery and relinings of blast furnaces commencing in 1995	8–12
3	Steel furnaces and manufacturing equipment	13–17
4	Rolling mills, cranes, and heavy machinery	18–22
5	Blast furnaces, coking ovens, and turbines	23–25
6	Buildings and land improvements	20–50

Leased fixed assets
The cost for fixed assets which are leased instead of owned is primarily reported as lease costs (operational leases). Where the leasing agreements contain terms and conditions pursuant to which SSAB benefits from the economic advantages and incurs the economic risks which are associated with ownership of the property (financial leases), they are reported under ‘fixed assets’ in the balance sheet. This does not apply, however, to the leasing of passenger cars and office machinery of a lesser value.

Sales
Sales are reported after deduction of value-added taxes, rebates, returns, and freight.

Pricing between Group companies
The prices of goods and services delivered between companies in the Group are set at market levels. Deliveries of slabs from SSAB Oxelösund to SSAB Tunnplåt, however, are set at the estimated cost price.

Short-term investments
Short-term investments include bonds and other interest-bearing instruments (portfolio management).

Short-term investments are valued at their year-end market value. Unrealised gains and losses are reported as a net amount under financial items.

Interest arbitrage
Interest arbitrage transactions are carried out for the purpose of improving net financial income. Such transactions entail taking a short-term loan, normally in a foreign currency, and hedging it, after which the money is invested at a higher rate of interest in certificates of deposit, treasury bills, or other similar debt instruments.

Liabilities arising in the balance sheet are set-off against corresponding investments only if they are included in a package solution and if they add up to the same amount and have the same maturity date, and provided any foreign loans have been hedged.

Appropriations and deferred taxes
Tax legislation in Sweden and in certain other countries permits consolidation by allocation to untaxed reserves. In this way, individual companies can, to some extent, dispose of reported profits without being subject to immediate taxation.

In the Parent Company, changes in untaxed reserves that have been made during the year are reported as appropriations in the Profit and Loss Account. The cumulative value of such allocations is reported in the Parent Company’s Balance Sheet under the item ‘Untaxed Reserves’.

In the consolidated accounts, however, appropriations and untaxed reserves are not reported. Instead, these are broken down into shareholders’ equity and deferred taxes with the application of the tax rate relevant in each country. The changes for the year of the calculated deferred tax in the appropriations are reported in the consolidated profit and loss account as deferred tax costs. The deferred taxes in untaxed reserves are reported in the consolidated balance sheet as an appropriation.

1

Sales

Sales per product area

SEK millions	Group 1996	Group **1997**
Hot-rolled sheet	3,109	**3,170**
Cold-rolled and metal-coated sheet	3,283	**3,288**
Organic-coated and profiled sheet	2,189	**2,409**
Heavy plate	2,544	**2,762**
Trading operations	4,852	**4,610**
By-products	329	**292**
Crude steel and slabs	433	**555**
Vehicle components	338	**343**
Other	85	**45**
Total	17,162	**17,474**

Sales broken down per geographic market and operating area are set forth in the Group review on page 12 and 15.

2

Operating expenses

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Input materials	4,368	**4,523**	–	**–**
Purchased products in the trading operation	4,242	**3,996**	–	**–**
Energy	633	**692**	–	**–**
Personnel	3,357	**3,562**	24	**25**
Services	1,395	**1,457**	6	**11**
Depreciation/Write-down	750	**789**	1	**1**
Other	1,000	**1,151**	30	**28**
Total	15,745	**16,170**	61	**65**

Operating expenses have been reduced by the following state subsidies:

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Employment-stimulating subsidies	3	**1**	–	**–**
Freight subsidies	14	**16**	–	**–**
Total	17	**17**	–	**–**

Continuation of Note 2 on next page.

2

Operating expenses, continuation

Wages, other compensation and social security costs

SEK millions	Directors, Presidents and Executive Vice Presidents 1996	**1997**	Other employees 1996	**1997**
Parent Company*	8	**8**	9	**9**
Subsidiaries in Sweden	16	**16**	2,109	**2,207**
Subsidiaries outside Sweden				
Denmark	5	**6**	58	**58**
Finland	3	**2**	20	**21**
France	1	**1**	4	**4**
Italy	1	**2**	7	**17**
Japan	2	**2**	5	**2**
Netherlands	0	**0**	5	**5**
Norway	2	**2**	11	**12**
UK	3	**3**	18	**23**
Germany	2	**2**	11	**15**
USA	1	**2**	9	**15**
Other countries	1	**1**	5	**11**
Total wages and salaries	45	**47**	2,271	**2,399**
(of which, profit-based salaries)	(5)	**(2)**		
Social security costs	17	**19**	928	**1,003**
(of which, pension expenses)	(6)	**(8)**	(115)	**(138)**
Profit shares	1	**1**	95	**93**
Total	63	**67**	3,294	**3,495**

* Applies only to personnel employed and active within the Parent Company. Personnel in certain major subsidiaries are formally employed in the Parent Company, but are listed in terms of number (Note 16) and expense in the subsidiaries.

Terms of employment for senior Group management

Chairman of the Board
Director's fee SEK 0.3 (0.2) million.

President and Chief Executive Officer
Total compensation from Group companies amounted to SEK 3.6 (3.6) million.

The president will retire with a pension in April 1998. The company is responsible for supplementing the pension during the first three years so that it is equivalent to full salary, less any salary from new employment during this three-year period.

Other Group Management
Retirement ages vary between 60 and 62 years.

On dismissal by the company, the period of notice is 12 months. A severance payment equivalent to 24 months' salary is payable in addition to this.

Pension obligations and similar benefits
The Group participates in the SPP System which means that no pension liability arises in the Group. In all material respects, obligations as set forth above are covered by separate insurance policies, which results in no pension liability arising.

3

Affiliated companies

Share in earnings and equity

SEK millions	Share in earnings 1996	Share in earnings **1997**	Share of equity 1996	Share of equity **1997**
European Electrical Steels Ltd	47	**38**	217	**248**
Lulekraft AB	0	**0**	10	**10**
Norsk Stål A/S	22	**35**	85	**93**
Norsk Stål Tynnplater A/S	8	**8**	26	**29**
Oxelösunds Hamn AB	4	**3**	42	**45**
Total	81	**84**	380	**425**

Receivables

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Receivables from affiliated companies are included in:				
Accounts receivable	19	**96**	–	**–**
Prepaid expenses and accrued revenues	82	**82**	–	**–**
Total	101	**178**	–	**–**

Liabilities

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Liabilities to affiliated companies are included in:				
Accounts payable	12	**47**	–	**–**
Other current liabilities	–	**13**	–	**13**
Total	12	**60**	–	**13**

4

Financial items

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Dividends from subsidiaries	–	**–**	1,237	**676**
Dividends from affiliated companies	–	**–**	5	**20**
Profit from other securities and claims which are fixed assets				
Dividends	1	**0**	0	**0**
Interest income from subsidiaries	–	**–**	67	**52**
Other interest income	137	**4**	136	**4**
Capital gains on sales	14	**5**	–	**–**
Exchange rate differences	1	**1**	–	**–**
Other interest income and similar income				
Interest income from subsidiaries	–	**–**	66	**76**
Other interest income	279	**187**	229	**157**
Capital gains on sales	6	**0**	–	**–**
Recovered depreciated investments	4	**7**	3	**7**
Exchange rate differences	35	**20**	37	**17**
Total financial income	477	**224**	1,780	**1,009**
Interest expenses and similar expenses				
Interest expenses to subsidiaries	–	**–**	– 20	**– 13**
Other interest expenses	– 100	**– 70**	– 78	**– 55**
Estimated financial expenses on pension liabilities	– 9	**– 5**	– 1	**– 0**
Other	– 16	**– 6**	– 9	**– 16**
Total financial expenses	– 125	**– 81**	– 108	**– 84**
Financial items	352	**143**	1,672	**925**

5

Taxes

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Swedish corporate income taxes	376	**322**	81	**42**
Foreign corporate income taxes	21	**37**	–	**–**
Deferred taxes	155	**157**	–	**–**
Share in taxes of affiliated companies	24	**20**	–	**–**
Total	576	**536**	81	**42**

6

Intangible assets

SEK millions	Patents, licences and similar rights	Tenancy rights and similar rights	Goodwill	Total intangible assets
Group				
Acquisition value, 1 January	41	18	155	214
Acquisitions	13	–	5	18
Sales and disposals	– 4	–	–	– 4
Re-classifications	20	– 1	1	20
Translation differences	0	0	0	0
Acquisition value, 31 December	70	17	161	248
Accumulated depreciation, 1 January	28	15	77	120
Sales and disposals	– 4	–	–	– 4
Re-classifications	8	– 1	1	8
Depreciation for the year	9	1	18	28
Translation differences	0	0	0	0
Accumulated depreciation, 31 December	41	15	96	152
Residual value according to plan	29	2	65	96

7

Tangible assets

SEK millions	Buildings and real property	Machinery	Fixtures, fittings, tools, and equipment	Assets under construction, advances to suppliers	Total tangible assets
Group					
Acquisition value, 1 January	2,228	8,442	703	941	12,314
Acquisitions	60	495	106	1,382	2,043
Increase through acquisition of companies	92	0	9	–	101
Sales and disposals	– 71	– 66	– 63	– 1	– 201
Re-classifications	0	10	– 2	– 22	– 14
Translation differences	3	– 2	3	0	4
Acquisition value, 31 December	2,312	8,879	756	2,300	14,247
Acc. depreciation, 1 January	892	4,990	426	–	6,308
Acc. depreciation through acquisition of companies	16	0	0	–	16
Sales and disposals	– 31	– 63	– 52	–	– 146
Re-classifications	6	– 9	–	–	– 3
Depreciation for the year	86	600	75	–	761
Translation differences	1	– 4	2	–	– 1
Acc. depreciation, 31 December	970	5,514	451	–	6,935
Residual value according to plan	1,342	3,365	305	2,300	7,312

The item ‘machinery’ includes financial leasing agreements with SEK 6 (0) million in acquisition value and SEK 6 (0) million in residual value according to plan.
The tax assessed value of real property in Sweden was SEK 2,915 (2,932) million, while the corresponding property’s residual value was 1,185 (1,336) million.

7

Tangible assets, continued

SEK millions	Buildings and real property	Machinery	Fixtures, fittings, tools, and equipment	Total tangible assets
Parent Company				
Acquisition value, 1 January	4	1	5	10
Acquisitions	–	0	0	0
Sales and disposals	– 1	–	–	– 1
Acquisition value, 31 December	3	1	5	9
Accumulated depreciation, 1 January	0	1	4	5
Sales and disposals	0	–	–	0
Depreciation for the year	0	0	0	0
Accumulated depreciation, 31 December	0	1	4	5
Residual value according to plan	3	0	1	4

The tax assessed value of real property in Sweden was SEK 3 (4) million while the residual value of corresponding property was SEK 3 (4) million.

8

Financial assets

SEK millions	Equity shares in affiliated companies	Other shares and participations	Long-term investments	Other long-term receivables	Total financial assets
Group					
Acquisition value, 1 January	158	8	613	29	808
Acquisitions/new issues	–	1	–	4	5
Sales/redemption	–	– 3	– 613	– 14	– 630
Acquisition value, 31 December	158	6	–	19	183
Equity shares after acquisitions	267	–	–	–	267
Residual value according to plan	425	6	–	19	450

SEK millions	Shares in sub-sidiaries	Shares in affiliated com-panies	Other shares and parti-cipations	Long-term invest-ments	Receiv-ables from sub-sidiaries	Other long-term re-ceivables	Total financial assets
Parent Company							
Acquisition value, 1 January	3,201	51	3	613	160	1	4,029
Acquisitions/new issues	260	–	–	–	267	–	527
Sales/redemption	–	–	–	– 613	–	– 1	– 614
Acquisition value, 31 December	3,461	51	3	0	427	0	3,942
Residual value according to plan	3,461	51	3	0	427	0	3,942

In January 1997, the Parent Company acquired SSAB HardTech AB from its subsidiary Plannja AB.

8

Financial assets, continued
Shares and participations

	Company reg. number	Registered office	Holdings, number	%**	Book value, SEK millions
Parent Company shares and participations in subsidiaries					
Swedish operating subsidiaries:					
Dickson Plåt Service Center AB	556122-2141	Borlänge	480,000	100	51
Plannja AB	556121-1417	Luleå	80,000	100	16
SSAB HardTech AB	556387-7330	Luleå	1,000	100	122
SSAB Oxelösund AB	556313-7933	Oxelösund	1,000	100	450
SSAB Tunnplåt AB	556313-7941	Borlänge	1,000	100	1,500
Tibnor AB	556004-4447	Stockholm	850,000	85	283
Foreign operating subsidiaries:					
Coronet Finance		Ireland	909,000,002	100	1,033
Others*					5
Dormant subsidiaries					1
Total					3,461
Parent Company's shares in affiliated companies					
Lulekraft AB		Luleå	100,000	50	10
Norsk Stål A/S		Norway	31,750	50	29
Norsk Stål Tynnplater A/S		Norway	13,250	50	12
Total					51
Subsidiaries' shares and participations in affiliated companies					
European Electrical Steels Ltd		Great Britain	42,666,800	25	248
Oxelösunds Hamn AB		Oxelösund	50,000	50	45
Total					293
Equity shares in affiliated companies' shareholders' equity in excess of the book value in the Parent Company					81
Total Group shares in affiliated companies					425
Parent Company's other shares and participations					
Tenant-owned apartments					3
Total					3
Subsidiary's other shares and participations*					3
Total of Group's other shares and participations					6

* A complete specification of other shares and participations is available from SSAB's Group Headquarters in Stockholm.
** The percentage figures indicate the equity share which, in all cases, corresponds to the share of the voting capital.

9

Inventories, etc.

SEK millions	Group 1996	Group 1997	Parent Company 1996	Parent Company 1997
Raw materials, consumables and semi-finished goods	1,119	**1,287**	–	**–**
Work in progress	85	**97**	–	**–**
Stocks of finished goods	1,909	**1,871**	–	**–**
Work in progress on behalf of third parties	0	**2**	–	**–**
Advances to suppliers	1	**3**	–	**–**
Total	3,114	**3,260**	–	**–**

10

Prepaid expenses and accrued revenues

SEK millions	Group 1996	Group 1997	Parent Company 1996	Parent Company 1997
Accrued interest revenues	156	**107**	151	**102**
Prepaid rents	20	**17**	2	**2**
Bonuses, discounts, licences and suchlike	36	**38**	–	**–**
Other items	187	**248**	2	**2**
Total	399	**410**	155	**106**

11

Equity

SEK millions	Group 1996	Group 1997	Parent Company 1996	Parent Company 1997
Restricted equity				
At beginning of year	6,640	**5,261**	3,740	**3,840**
Increase in legal reserve	100	**0**	100	**–**
Translation difference	9	**25**	–	**–**
Net profit transferred from unrestricted equity	– 1,488	**401**	–	**–**
At year-end	5,261	**5,687**	3,840	**3,840**
Unrestricted equity				
At beginning of year	4,339	**6,702**	2,755	**3,604**
Allocated to legal reserve	– 100	**0**	– 100	**–**
Dividends	– 512	**– 512**	– 512	**– 512**
Translation difference	6	**9**	–	**–**
Net profit for the year	1,481	**1,336**	1,461	**804**
Net profit transferred to restricted equity	1,488	**– 401**	–	**–**
At year-end	6,702	**7,134**	3,604	**3,896**

The Group's restricted equity includes an equity share fund of SEK 266 (222) million.

12

Untaxed reserves

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Acc. depreciation in excess of plan	2,691	**3,052**	–	**–**
Periodization reserve	1,938	**2,196**	293	**331**
Capital-based tax equalization reserve	117	**86**	65	**49**
Others	46	**37**	–	**–**
Total	4,792	**5,371**	358	**380**

Untaxed reserves are divided in the Group between equity and deferred taxes.

13

Long-term liabilities

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Structure loans; 5%, maturity 2004–2006	405	**268**	405	**268**
Mortgage loans	83	**107**	–	**–**
Foreign loans due 1998–99	539	**355**	544	**335**
Financial leasing agreements	–	**5**	–	**–**
Other	68	**23**	–	**–**
Total	1,095	**758**	949	**603**
Less amortisation, 1997 and 1998	– 281	**– 247**	– 273	**– 225**
Total	814	**511**	676	**378**

Repayment of long-term liabilities during coming years

	1998	1999	2000	2001	2002	Later
Group	247	213	44	43	44	167
Parent Company	225	185	37	38	38	80

14

Accrued expenses and prepaid revenues

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Accrued salaries and social security expenses	488	**619**	1	**4**
Non-invoiced goods and services received	109	**96**	0	**0**
Accrued discounts and bonuses	13	**14**	–	**–**
Accrued interest expenses	15	**6**	13	**5**
Other items	100	**94**	2	**2**
Total	725	**829**	16	**11**

15

Net interest-bearing assets

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Cash and bank accounts	389	**456**	167	**305**
Short-term investments	4,116	**3,436**	3,534	**2,871**
Long-term investments	613	**0**	613	**0**
Receivables from subsidiaries	–	**–**	1,708	**2,504**
Other receivables	189	**128**	153	**116**
Interest-bearing assets	5,307	**4,020**	6,175	**5,796**
Short-term liabilities to credit institutions	366	**153**	287	**102**
Long-term liabilities, including next year's amortisation	1,095	**758**	949	**603**
Provisions for pensions	141	**140**	8	**8**
Liabilities to subsidiaries	–	**–**	359	**460**
Other liabilities	18	**40**	15	**14**
Interest-bearing liabilities	1,620	**1,091**	1,618	**1,187**
Net interest-bearing assets	3,687	**2,929**	4,557	**4,609**

16

Average number of employees

	No. of employees 1996	No. of employees **1997**	Women, % 1996	Women, % **1997**
Parent Company				
Sweden	27	**27**	41	**41**
Total Parent Company	27	**27**	41	**41**
Subsidiaries				
Sweden	9,108	**9,014**	15	**16**
Denmark	181	**175**	23	**23**
Finland	106	**99**	22	**21**
Italy	32	**41**	24	**28**
Norway	36	**38**	24	**25**
UK	85	**89**	24	**27**
Germany	35	**34**	26	**29**
USA	36	**42**	10	**12**
Other countries < 20 employees	59	**71**	34	**31**
Total subsidiaries	9,678	**9,603**	15	**16**
Total Group	9,705	**9,630**	16	**16**

The figures are based on a normal number of working hours per year in different production areas, with allowance for different shift forms. The breakdown by gender refers to the number of employees on 31 December.

17

Operational leases

Operational leases with remaining terms of more than one year occur only to a very limited extent within the Group. Consequently, obligations in respect of the payment of leasing fees are in insignificant amounts.

18

Pledged assets

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
For own long-term liabilities				
Real property mortgages	63	**40**	–	**–**
Floating charges	107	**129**	–	**–**
Total for own long-term liabilities	170	**169**	–	**–**
Other pledged assets				
Real property mortgages	–	**30**	–	**–**
Pledged custodian accounts	90	**56**	90	**56**
Total other pledged assets	90	**86**	90	**56**
Total pledged assets	260	**255**	90	**56**

19

Contingent liabilities

SEK millions	Group 1996	Group **1997**	Parent Company 1996	Parent Company **1997**
Guarantees	18	**28**	0	**0**
Contingent liabilities on behalf of subsidiaries	–	**–**	120	**112**
Other contingent liabilities	48	**60**	47	**58**
Total contingent liabilities	66	**88**	167	**170**

20

Definitions

Sales
Sales less deduction for value added tax, discounts, returns, and freight.

Equity
Reported equity according to the Consolidated Balance Sheet.

Capital employed
Total assets less non-interest-bearing operating liabilities and deferred taxes.

Liquid assets
Cash and funds in bank, as well as short-term investments.

Net interest-bearing assets
Interest-bearing assets less interest-bearing liabilities.

Return on capital employed before tax
Operating profit before shares in affiliated companies plus financial income as a percentage of average capital employed during the year.

Return on equity after tax
Profit after taxes as a percentage of average equity during the year.

Equity ratio
Equity as a percentage of total assets.

Cash flow
Internally generated funds including change in working capital less investments.

Valued added
Sales and other operating revenues less cost of purchased goods and services.

Earnings per share
Profit after taxes divided by number of shares.

P/E ratio
Share price at year-end divided by earnings per share.

Equity per share
Equity as defined above divided by number of shares.

Direct yield
Dividend divided by share price at year-end.

Definitions for subsidiary tables:

Profit
Profit after financial income and expenses.

Capital expenditures
Capital expenditures activated during the year.

Return on capital employed
Return on average capital employed.

Number of employees
Average number of employees.

Recommended Disposition of Profit

The amount at the disposal of the Annual General Meeting is as follows:

profit brought forward	3,092
net profit for the year	804
SEK millions	3,896

The Board of Directors and the President recommend that the earnings be disposed of in the following manner:

dividend to the shareholders	
SEK 4.50 per share	576
to be carried forward	3,320
SEK millions	3,896

As reported in the Consolidated Balance Sheet, the Group's disposable earnings amounted to SEK 7,134 (6,702) million.

Stockholm, 13 February 1998

Rune Andersson *Anders G Carlberg*

Per-Olof Eriksson *Carl-Erik Feinsilber*

Tony Hagström *Björn Hall*

Sören Hedman *Owe Jansson*

Sven-Åke Johansson *Kennet Morin*

Leif Gustafsson
President

Our Auditors' Report was submitted on 13 February 1998

Åke Danielsson *Göran Tidström*
Authorized Public Accountants

Auditor’s Report

To the general meeting of the shareholders of SSAB Svenskt Stål Aktiebolag (publ)
Registered Number 556016-3429.

We have audited the Parent Company and the consolidated financial statements, the accounts and the administration of the Board of Directors and the President of SSAB Svenskt Stål Aktiebolag (publ) for 1997. These accounts and the administration of the Company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the financial statements and the administration based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards in Sweden. Those Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President as well as evaluating the overall presentation of information in the financial statements. We examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the possible liability to the Company of any Board member or the President or whether they have in some other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

In our opinion, the Parent Company and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and consequently we recommend

that the income statements and the balance sheets of the Parent Company and the Group be adopted, and

that the profit of the Parent Company be dealt with in accordance with the proposal in the Report of the Directors.

In our opinion, the Board members and the President have not committed any act or been guilty of any omission, which could give rise to any liability to the Company. We therefore recommend

that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, 13 February 1998

Åke Danielsson *Göran Tidström*

Authorised Public Accountants

Group Management

Anders Ullberg, Dan Johansson, Leif Gustafsson, Torsten Sandin and Åke Sander.

Leif Gustafsson Leif Gustafsson (1940), President and CEO. Employed since 1987. Shareholding: 2,400 shares.

Dan Johansson (1938), President SSAB Oxelösund. Employed since 1992. Shareholding: 1,200 shares.

Åke Sander (1938), Executive Vice President, Technology. Employed since 1965. Shareholding: 5,400 shares.

Torsten Sandin (1943), President SSAB Tunnplåt. Employed since 1969. Shareholding: 2,400 shares.

Anders Ullberg (1946), Executive Vice President, Chief Financial Officer. Employed since 1984. Shareholding: 10,000 shares.

Holdings include shares owned by closely-associated persons.

Torsten Sandin will become the new President and CEO at the Annual General Meeting of the Shareholders in 1998.

Group staff

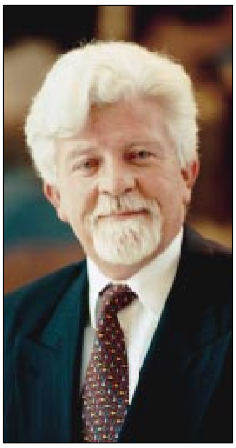
Finance	Anders Ullberg
Legal Affairs	Bo Legelius
Public Affairs	Ivar Ahlberg

Auditors

Auditors	Alternate Auditors
Åke Danielsson Authorized Public Accountant Öhrlings Coopers & Lybrand AB	**Ulla-Britt Larsson** Authorized Public Accountant Öhrlings Coopers & Lybrand AB
Göran Tidström Authorized Public Accountant Öhrlings Coopers & Lybrand AB	**Ingvar Pramhäll** Authorized Public Accountant Öhrlings Coopers & Lybrand AB

Board of Directors

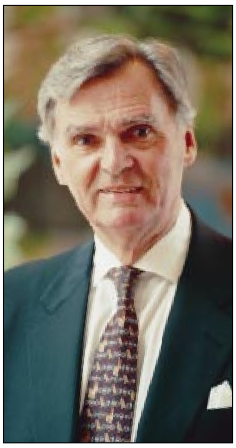
APPOINTED BY THE ANNUAL GENERAL MEETING



Rune Andersson
(1944)
Chairman of the Board since 1991.
Chairman of the Boards of Directors of Svedala Industri, Trelleborg, and Akila. Shareholding: 1,600 shares.

Anders G. Carlberg
(1943)
President of Axel Johnson International.
Elected to the Board of Directors in 1986.
Chairman of the Board of Directors of Munksjö.
Member of the Boards of Directors of, inter alia, Axel Johnson, Elkem, BPA, and Enator.
Shareholding: 1,600 shares.

Per-Olof Eriksson
(1938)
Elected to the Board of Directors in 1986.
Chairman of the Board of Directors of Svenska Kraftnät. Member of the Boards of Directors of Sandvik, Svenska Handelsbanken, SKF, Volvo, ASSA ABLOY, Skanska, Custos, PREEM Petroleum, Kungl. Tekniska Högskolan, Koninklijke Sphinx Gustavsberg, and Sveriges Industriförbund. Shareholding: 1,200 shares.

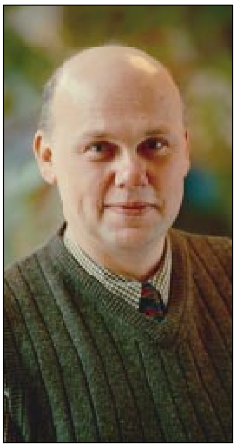


Carl-Erik Feinsilber
(1931)
Deputy Chairman of the Board. Elected to the Board of Directors in 1994.
Chairman of the Board of Directors of Inductus. Member of the Boards of Directors of the Bonnier companies and Industrivärden.
Shareholding: 1,000 shares.

ELECTED BY THE EMPLOYEES

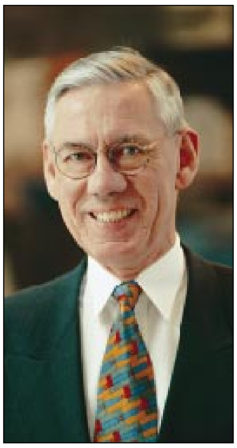
Sören Hedman
(1937)
Steelworker,
SSAB Tunnplåt
Employee representative since 1978.

Owe Jansson
(1945)
Steelworker,
SSAB Oxelösund.
Employee representative since 1990.



Kennet Morin
(1954)
Engineer,
SSAB Tunnplåt
Employee representative since 1996.

HONORARY CHAIRMAN



Leif Gustafsson
(1940)
President and CEO of SSAB Svenskt Stål since 1987. Elected to the Board of Directors in 1990.
Chairman of the executive council of the Swedish Ironmasters' Association and member of the Boards of Directors of Sveriges Industriförbund, Elektrokoppar Svenska, Custos, and Gränges. Shareholding: 2,400 shares.

Tony Hagström
(1936)
Elected to the Board of Directors in 1986. Chairman of the Boards of Directors of Dataföreningen i Sverige and IT-Forum. Member of the Boards of Directors of Astra, SAS, SAS Sverige and AlphaNet Ltd. Shareholding: 400 shares.

Björn Hall
(1942)
Elected to the Board of Directors in 1990. Chairman of the Boards of Directors of Nordic Capital. Member of the Boards of Directors of Skandia Investment and Ekman & Co. Shareholding: 800 shares.

Sven-Åke Johansson
(1939)
Executive Vice President of MeritaNordbanken and member of group management. Elected to the Board of Directors in 1986. Chairman of the Board of Directors of Nordisk Renting and Deputy Chairman of the Board of Directors of Kjessler & Mannerstråle. Chairman of the Boards of Directors of MeritaNordbanken's subsidiaries, Merita Fastigheter, Nordbanken Fastigheter and Stämjärnet. Shareholding: 2,400 shares.

Björn Wahlström has served as honorary chairman of the company since 1991.

Alternates

Tommy Andersson
(1955)
Steelworker,
SSAB Tunnplåt.
Employee representative since 1991.

Dan Eriksson
(1939)
Engineer,
SSAB Tunnplåt.
Employee representative since 1997.

Kerstin Kjellin-Lage
(1949)
Inventory optimizer,
Tibnor.
Employee representative since 1993.

There is a compensation committee within the Board of Directors which determines salaries and the terms and conditions of employment for the President and which issues guidelines for the salaries and the terms and conditions of employment for the Group Management. Rune Andersson, Anders G. Carlberg, and Leif Gustafsson have served on the committee.

Holdings include shares owned by closely-associated persons.

Adresses

Group Headquarters

SSAB
Box 26208
S-100 40 STOCKHOLM
Phone: Int. +46 8 45 45 700
Fax: Int. +46 8 45 45 725
Visiting address:
Birger Jarlsgatan 58

Swedish Companies

Dickson PSC
Box 753
S-781 27 BORLÄNGE
Phone: Int. +46 243 763 00
Fax: Int. +46 243 126 52

Plannja
S-971 88 LULEÅ
Phone: Int. +46 920 929 00
Fax: Int. +46 920 929 12

SSAB HardTech
S-971 88 LULEÅ
Phone: Int. +46 920 928 00
Fax: Int. +46 920 547 76

SIBA-Verken
Box 143
S-570 81 JÄRNFORSEN
Phone: Int. +46 495 175 00
Fax: Int. +46 495 505 25

SSAB Merox
S-613 80 OXELÖSUND
Phone: Int. +46 155 254 400
Fax: Int. +46 155 255 221

SSAB Oxelösund
S-613 80 OXELÖSUND
Phone: Int. +46 155 254 000
Fax: Int. + 46 155 254 073

SSAB Tunnplåt
Head Office:
S-781 84 BORLÄNGE
Phone: Int.+46 243 700 00
Fax: Int. +46 243 720 00
Metallurgy:
S-971 88 LULEÅ
Phone: Int. +46 920 920 00
Fax: Int. +46 920 927 14

Tibnor
Box 4260
S-102 66 STOCKHOLM
Phone: Int. +46 8 702 40 00
Fax: Int. +46 8 702 23 55

Foreign Subsidiaries

Australia

SSAB Swedish Steel
35, Ford Street
Clayfield,
BRISBANE QLD 4011
Phone: Int. +61 7 3256 0755
Fax: Int. +61 7 3256 0755

Austria

SSAB Swedish Steel
Linke Bahnzeile 24
AT-2483 EBREICHSDORF
Phone: Int. +43 2254 752 17
Fax. Int. +43 2254 752 174

Belgium

SSAB Swedish Steel
Place de l'Université 16
BE-1348 LOUVAIN-LA-NEUVE
Phone: Int. +32 10 45 12 56
Fax: Int. +32 10 45 12 61

Canada

SSAB Swedish Steel
6205 Airport Road Suite 100
MISSISSAUGA ON L4V 1E3
Phone: Int. +1 905 673 15 43
Fax Int: +1 905 673 15 44

Czech Republic

SSAB Swedish Steel
Delnická 291
CZ-708 00 OSTRAVA 4
Phone: Int. +42 69 692 2730
Fax Int: +42 69 692 2730

Denmark

Plannja Scanwall
Mineralvej 6-8
Postboks 727
DK-9100 AALBORG
Phone: Int. +45 98 10 11 11
Fax: Int. +45 98 10 10 01

SSAB Sino Staal
Postboks 242
DK-2605 BRÖNDBY
Phone: Int. +45 43 96 30 00
Fax: Int. +45 43 96 32 82

SSAB Svensk Stål
Mitchellsgade 9
DK-1568 KÖPENHAMN V
Phone: Int +45 33 13 20 01
Fax: Int. +45 33 13 38 78

Estonia

SSAB Swedish Steel Eesti
Lai 49
EE-0001 TALLINN
Phone: Int +372 6 31 37 28
Fax: Int. +372 6 31 37 29

Finland

SSAB Svenskt Stål
Fredriksgatan 63 A 11
FI-00 100 HELSINGFORS 10
Phone: Int. +358 9 686 60 30
Fax. Int. +358 9 693 21 20

SSAB Teräs-Taive
Terästie 8
FI-54 100 JOUTSENO
Phone: Int. +358 5 610 55 00
Fax: Int. +358 5 610 56 00

France

SSAB Swedish Steel
114, Avenue Charles de Gaulle
FR-92522 NEUILLY SUR SEINE CEDEX
Phone: Int. +33 1 5561 91 00
Fax: Int. +33 1 5561 91 09

Germany

Plannja
Hohenzollernstrasse 27/29
DE-40211 DÜSSELDORF
Phone: Int. +49 211 35 20 12
Fax: Int. +49 211 35 69 77

Scanwall BauProfile
Lübecker Strasse 28
DE-23843 BAD OLDESLOE
Phone: Int. +49 4531 1719 0
Fax: Int. +49 4531 1719 20

SSAB Swedish Steel
Heinrichstrasse 169
DE-40239 DÜSSELDORF
Phone: Int. +49 211 9125 120
Fax: Int. +49 211 9125 129

Hong Kong

SSAB Swedish Steel
Room 208, Stanhope House
734-738 Kings Road
HONG KONG
Phone: Int. +852 2564 07 82
Fax: Int. +852 2563 21 02

Hungary

SSAB Swedish Steel Trading
Erdö U. 32
HU-9422 HARKA
Phone: Int. +36 99 510 510
Fax: Int. +36 99 510 511

Italy

SSAB HARDOX Lamiere
Interporto de Parma
IT-43010 LOC.BIANCONESE-FONTEVIVO (PR)
Phone: Int. +39 521 618 823/24
Fax: Int. +39 521 618 816

SSAB Swedish Steel
Via G. Di Vittorio No 6
IT-250 16 GHEDI
Phone: Int. +39 30 905 88 11
Fax: Int. +39 30 905 89 30

Sales office:
Via Marcantonio Colonna 46
IT-201 49 MILANO
Phone: Int. +39 2 327 03 46
Fax: Int. +39 2 327 03 40

Japan

SSAB Swedish Steel
Daiichiyamashitacho Building 705
74-1 Yamashita-cho
JP-NAKA-KU, YOKOHAMA 231
Phone: Int. +81 45 661 35 28
Fax: Int. +81 45 661 35 29

The Netherlands

SSAB Prelaq
P.O. Box 2
NL-6640 AA BEUNINGEN
Phone: Int. +31 24 679 07 00
Fax: Int. +31 24 679 07 07

SSAB Swedish Steel
P.O. Box 131
NL-6640 AC BEUNINGEN
Phone: Int. +31 24 679 05 50
Fax: Int. +31 24 679 05 55

Norway

Plannja
Östensjöveien 9
NO-0661 OSLO
Phone: Int. +47 22 65 02 00
Fax: Int. +47 22 65 98 80

SSAB Svensk Stål
Postboks 1516 Vika
NO-0117 OSLO
Phone: Int. +47 22 83 56 00
Fax: Int. +47 22 83 55 90

Poland

SSAB Swedish Steel
Ul. Bernardynska 17/44
PL-02904 WARSAW
Phone: Int. +48 22 643 59 28
Fax: Int. +48 22 643 59 28

Portugal

SSAB Portugal-Comércio de Aco
Sitio das Pratas
Apartado 201
PT-2071 CARTAXO CODEX
Phone: Int. +351 43 704 272/ 273
Fax: Int. +351 43 704 262

Republic of Korea

SSAB Swedish Steel Ltd
Rm 506, Shinhan B/D, 5F
45-11 Yoido-Dong, Youngdeungpo-Gu
SEOUL
Phone: Int. +82 2 761 61 72
Fax: Int. +82 2 761 61 73

Singapore

SSAB Swedish Steel Pte.
11 Joo Koon Crescent
SINGAPORE 629022
Phone: Int. +65 863 16 22
Fax: Int.+65 863 06 22

Slovenia

SSAB HARDOX Steel Trading
Blejska Dobrava 17A
SI-BLEJSKA DOBRAVA
Phone: Int. +386 6487 42 72
Fax: Int.+ 386 6487 42 72

Spain

SSAB Swedish Steel
C/Manuel Uribe 13-15
ES-28033 MADRID
Phone: Int. +34 1 300 54 22
Fax: Int.+ 34 1 388 96 97

Turkey

SSAB Swedish Steel
Perdemsac Plaza, Bayar Caddesi
Gülbahar Sokak
No:17 Kat:4/42
Kozyatayi
TR-ISTANBUL
Phone: Int. +90 216 445 59 54
Fax: Int. +90 216 445 59 56

UK

Plannja
69 High Street
MAIDENHEAD, Berkshire SL6 1JX
Phone: Int. +44 1 628 637 313
Fax: Int. +44 1 628 674 940

SSAB Dobel Coated Steel
Unit 17
Narrowboat Way, Hurst Business Park
BRIERLEY HILL, West Midlands DY5 1UF
Phone: Int. +44 1 384 746 60
Fax: Int +44 1 384 775 75

SSAB Swedish Steel
De Salis Court, De Salis Drive
Hampton Lovett
DROITWICH, Worcestershire WR9 OQE
Phone: Int. +44 1 905 79 57 94
Fax: Int. +44 1 905 79 47 36

South Africa

SSAB Swedish Steel
ZA-31368 BRAAMFONTEIN 2017
Phone: Int. +27 11 480 4814
Fax: Int. +27 11 480 4815

USA

SSAB HARDOX
4700 Grand Avenue
PITTSBURGH, PA 15225
Phone: Int. +1 412 269 32 31
Fax: Int. +1 412 269 32 51

SSAB Swedish Steel
4700 Grand Avenue
PITTSBURGH, PA 15225
Phone: Int. +1 412 269 21 20
Fax: Int. +1 412 269 21 24

SSAB

SSAB Swedish Steel AB
Box 26208, SE-100 40 Stockholm, Sweden
Telephone int. +46 8 45 45 700. Telefax int. +46 8 45 45 725
Visiting address: Birger Jarlsgatan 58, Stockholm
www.ssab.se

The new four-high rolling mill is part of an investment totalling SEK 1,650 million in the plate operations in Oxelösund.