

PRESS RELEASE
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Sharp rise in profit

SSAB today presented its results for the first half of the year. Profit after financial items amounted to SEK 1,533 (347) million. The profit includes SEK 625 million due to forthcoming disbursements from SPP. Excluding non-recurring items, profit thus improved by SEK 561 million to SEK 908 (347) million as a consequence of improved margins in the steel operations and increased volumes throughout the entire business.

-Demand has continued to be strong and we have been able to increase prices as planned in the contracts which were renegotiated pending the second quarter, says CEO Torsten Sandin in a comment on the half year report. During the second quarter, prices in Swedish kronor were on average 7% higher than during the first quarter, with approximately 5 percentage points of the increase being due to higher prices in local currencies. For the third quarter, when we renegotiate most of our contracts, we have been able to increase prices by just over an additional 5%.

-The strong demand has also meant that we have been able to increase our volumes. In both the steel operations and the trading operations which are dependent on the Swedish market volumes increased during the first half of the year by 8% compared with last year. It is pleasing to note that we have been able to continue to increase within our niche areas. Deliveries of high-strength sheet and quenched steels are almost 20% higher than during the first half of last year, adds Torsten Sandin.

-Just now, we are involved in the major blast furnace conversion in Luleå. At the beginning of June, production stopped for good in the larger of the two blast furnaces up there. Since then, the old furnace has been dismantled and we are now engaged in erecting a new, significantly larger furnace on the foundations of the old furnace. The new furnace will start up as planned at the end of August following a construction period of only 73 days.

-For the second half of the year, we foresee a continued strong steel market and thus a continued high rate of delivery. Crude steel capacity is naturally lower during the conversion of the blast furnace in the summer. Thanks to the purchases of just over 150,000 tonnes of steel slabs which we carried out during the first half of the year, our crude steel capacity will not restrict the delivery capacity of the steel operations, concludes Torsten Sandin.