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## PRESS RELEASE

### SSAB – Third quarter 2008

**The quarter** (Unless otherwise stated, this report relates to continuing operations, i.e. excluding the tubular business)

- Sales increased by 29% to SEK 13,399 (10,358) million, of which the North American Division accounted for SEK 4,244 (2,510) million
- Operating profit was SEK 2,640 (1,380) million, of which the North American Division accounted for SEK 827 (543) million. Excluding non-recurring items, the operating profit was SEK 2,640 (1,939) million
- Profit after financial items was SEK 2,734 (885) million and, excluding non-recurring items, was SEK 2,734 (1,705) million
- Profit after tax was SEK 1,943 (643) million, an increase of 202%, entailing earnings per share of SEK 5.91 (2.11)
- Cash flow from current operations for the entire operation was SEK 903 (557) million, an increase of 62%
- The net debt/equity ratio increased during the quarter from 42% to 46% due to the negative impact the foreign currency translation had on the USD-based financing

**Nine months** (Unless otherwise stated, this report relates to continuing operations, i.e. excluding the tubular business)

- Sales increased by 46% to SEK 41,266 (28,237) million, of which the North American Division accounted for SEK 12,262 (2,510) million
- Operating profit was SEK 8,537 (5,349) million, of which the North American Division accounted for SEK 2,162 (543) million. Excluding non-recurring items, the operating profit was SEK 8,423 (5,870) million
- Profit after financial items was SEK 8,112 (4,871) million and, excluding non-recurring items, was SEK 7,852 (5,653) million
- Profit after tax was SEK 5,675 (3,523) million, an increase of 61%, entailing earnings per share of SEK 17.23 (11.97)
- Cash flow from current operations for the entire operation was SEK 4,021 (2,230) million, an increase of 80%
- The return on capital employed for the most recent twelve-month period was 19 (18)% and, on equity, 25 (22)%

#### CEO's comments

Notwithstanding that the third quarter is normally a weak quarter, SSAB demonstrated a continued, very positive earnings trend. The North American operations made a very significant contribution to the positive trend and the integration is going according to plan. With the third quarter, we have fully compensated ourselves for the significant price increases on raw materials earlier this year.

The cash flow for the quarter was satisfactory, particularly taking into consideration the negative impact of payment during the quarter of retroactive price increases on raw material attributable to the first half of the year in the amount of approximately SEK 750 million.

It is our assessment that there will be a decrease in our volumes for the rest of the year. It appears that the prices of our niche products will continue to be stable while the prices of our commercial steels are expected to decrease slightly.

It is very difficult to evaluate the impact of the financial instability on the steel industry. The fact that the steel industry's co-operation organization, World Steel Association, recently declined to make a forecast regarding the performance of the steel market during 2009 underscores the difficulty in assessing how the world market for steel will develop.

Our concentration on niche products makes us less sensitive to negative economic trends. Even if growth in steel consumption as a whole declines, the motivating forces for a substitution from simpler steel to more advanced high strength steel remain.

*Olof Faxander, President and CEO*



SSAB invites to a press- and analysts briefing at 10:00 a.m CET, at World Trade Center (WTC), Kungsbron 1, Conference room Manhattan. The briefing will be live web casted on SSAB's web site at [www.ssab.com](http://www.ssab.com). Instructions how to participate in the web cast will be available on SSAB web site , including presentation material for downloading. If you want to participate in the press conference via telephone or if you want to ask questions during the press conference, please dial the following numbers: +46 (0)8 505 598 53 (Sweden), +44 (0)20 3043 2436 (UK), +1 866 458 40 87 (USA). Should you have questions regarding the web cast, please contact Heidi Wendt, phone: +46 (8) 45 45 756.

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**SSAB**, a global niche producer of high strength steel with a leading market position and productivity, develops solutions in order to increase the competitiveness of its customers.