

PRESS RELEASE
26 OCTOBER 2000

Sharp rise in profit

SSAB today presented its results for the first three quarters of the year. Profit after financial items amounted to SEK 1,391 (146) million. The profit includes SEK 575 million which constitutes the net effect of disbursements of surplus funds from SPP and additional energy taxes for the years 1995-1999. Excluding non-recurring items, profit thus improved by SEK 670 million to SEK 816 (146) million as a consequence of improved margins in the steel operations and increased volumes in all businesses.

-Demand has continued to be strong and we have been able to increase prices as planned at the beginning of the third quarter, says CEO Torsten Sandin in a comment to the interim report. During the third quarter, prices in Swedish kronor were on average 6% higher than during the second quarter with approximately 4 percentage points of the increase being due to higher prices in local currencies.

-The strong demand has also meant that we have been able to increase our volumes by 7% in the steel operations and by 10% in the trading operations. It is also pleasing to note the trends within our niche areas. Deliveries of high-strength sheet and quenched steels are 13% higher than last year, adds Torsten Sandin.

-The measures we have taken to slow the increase of processing costs have begun to pay off. Processing costs during the third quarter were unchanged compared with last year in spite of higher volumes.

-For the fourth quarter, we foresee a continued strong rate of delivery and largely unchanged prices. Profits, excluding the positive effects from non-recurring items, will thus be significantly better than last year, concludes Torsten Sandin.

In connection with the publishing of the interim report SSAB's President and CEO Torsten Sandin expressed his wish, for reason of health, of promptly leaving his office with SSAB.

-I have worked within the SSAB Group for more than 30 years. These years have all been very stimulating, not least the last couple of years as President and CEO of the SSAB Group. On the firm advice of my doctor I have understood that I now must slow down. That is the reason why today I have expressed my wish to resign my office. I feel sad having to leave SSAB in the middle of a period of very exciting development, but when your body and health do not want to be part of it, you have no choice, says Torsten Sandin.

- Torsten Sandin's decision came as a complete surprise, says Leif Gustafsson, Chairman of the Board of SSAB. We deeply regret that he can not continue to run the SSAB Group. We must now start the process of choosing a new President and CEO.

- The office as President and CEO of the SSAB Group will until further notice be held by Anders Ullberg, Executive Vice President and CFO. Anders Ullberg has for a long time worked very closely with both Torsten Sandin and myself, concludes Leif Gustafsson.