

SSAB

Results for the fourth quarter 2009

Olof Faxander, President & CEO

Marco Wirén, CFO

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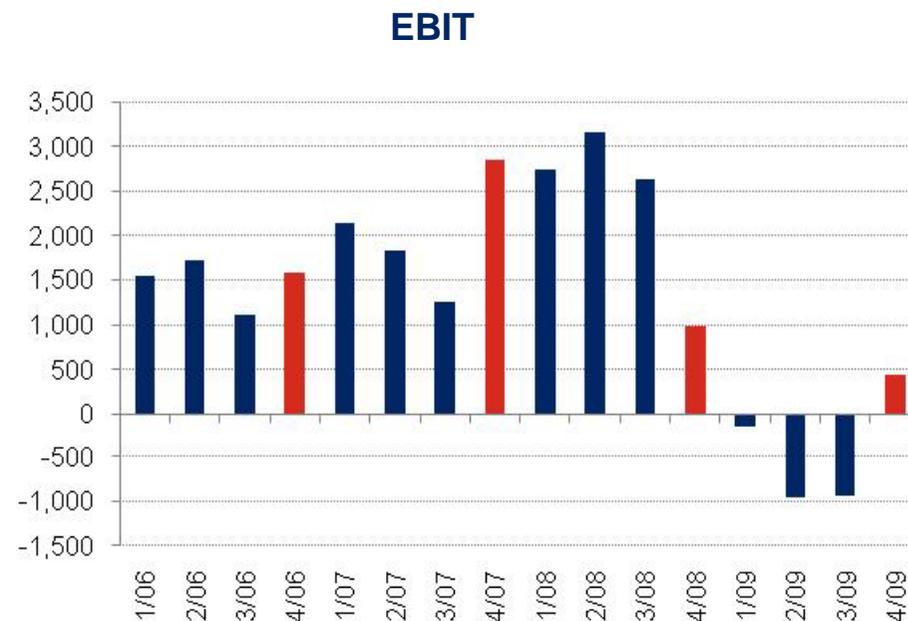
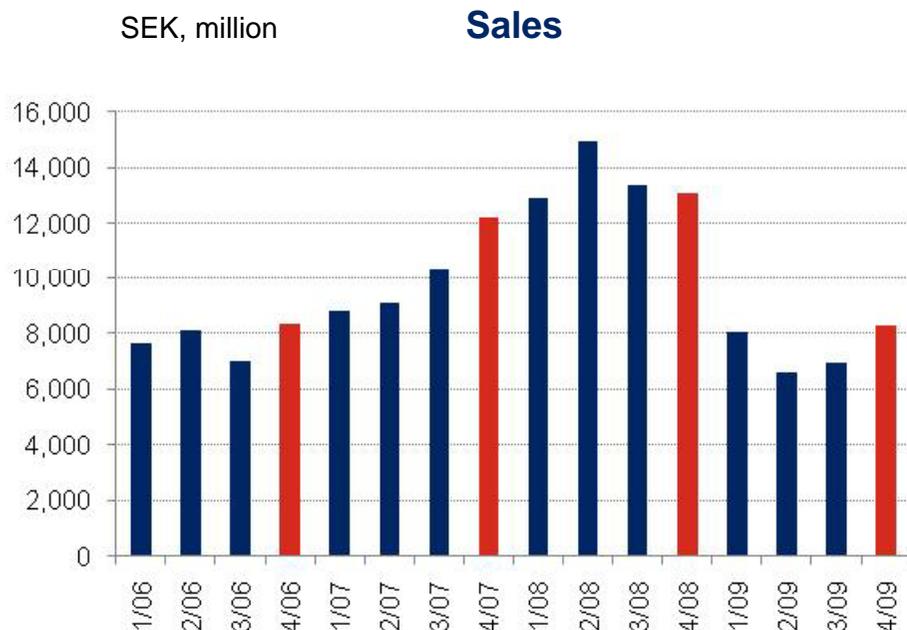
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Highlights – Q4 2009

- ▶ Significant improvement in results
 - higher volumes and utilization rates, together with positive one-off items
- ▶ End of inventory liquidation drove demand, marginal improvement in end-customers' markets
- ▶ Prices in Europe and the US were under pressure during the period
- ▶ Reduction of fixed costs by 19%, or SEK 1.5bn for FY2009, of which MSEK ~750 is sustainable
- ▶ By year-end, all three blast furnaces in Sweden were in close to full operation
- ▶ The US mills operated at normal capacity during the period
- ▶ Signs of gradual recovery in the steel market



SSAB Q4 - Turnaround into profit



MSEK (except per share & div.)	Q4-09	Q4-08	Chge, %
Sales	8,284	13,063	-37
EBIT	430	979	-56
Operating cash-flow	799	2,415	-67
EPS, SEK	1.09	2.66	-59
Dividend*, SEK	1.00**	4.00	-75

*Relates to FY

**Proposed

2009 Q4 – Divisional highlights



SSAB Strip Products

Production back to normal level



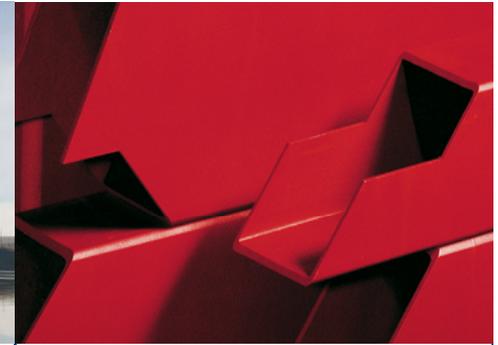
SSAB Plate

Some improvement in demand for quenched steels in the period



SSAB North America

Deliveries of niche products significantly higher vs. Q4-08



Tibnor

No significant improvement in market conditions

SSAB Strip Products

Leading supplier of advanced high strength steels

MSEK	Q4-09	Q4-08	Chge, %
Sales	2,966	3,962	-25
EBITDA	119	459	-74
EBIT	-48	302	n.m.
EBIT-margin, %	-2	8	

Incl. reversal of inventory write-down of MSEK +40 (-)

Production and Deliveries

- ▶ Deliveries increased 4% in Q4-09 vs. Q4-08 and 64% vs. Q3-09
- ▶ Niche products 28% (43) of total shipments
- ▶ The Luleå blast furnace operated at full capacity
- ▶ Crude steel production was 571 (470) kt and strip production 542 (450) kt

Market conditions

- ▶ Prices for strip steel, in local currencies, fell 1% from previous quarter
- ▶ Including mix and currency changes, prices fell 11%
- ▶ Demand has stabilized, Light Vehicles show good demand, some improvement in Heavy Transport



SSAB Plate

Global leader within quenched and tempered steels

MSEK	Q4-09	Q4-08	Chge, %
Sales	2,098	3,016	-30
EBITDA	288	642	-55
EBIT	173	540	-68
EBIT-margin, %	8	18	

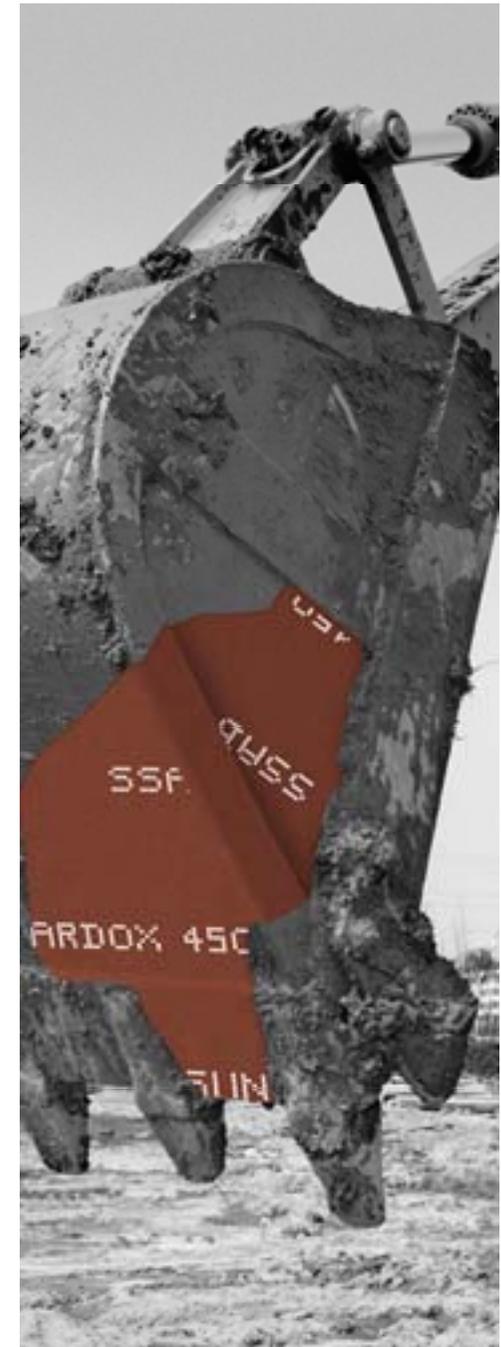
Incl. write-down of inventories of MSEK 34 (127)

Production and Deliveries

- ▶ Deliveries of Q&T plate fell 35% in Q4-09 vs.Q4-08, but were up 38% compared with Q3-09
- ▶ Niche products 81% (97) of total shipments
- ▶ Crude steel production was back to normal level by the end of the quarter
- ▶ Crude steel production was 173 (312) kt and plate production 110 (162) kt

Market conditions

- ▶ Q&T prices, in local currencies, fell 5% from previous quarter
- ▶ Including mix and currency changes, prices decreased 4%
- ▶ Some improvement in demand for quenched steels



SSAB North America

Leading plate supplier in North America

MSEK	Q4-09	Q4-08	Chge, %
Sales	2,850	4,483	-36
EBITDA	510	1,124	-55
EBIT	204	789	-74
EBIT-margin, %	7%	18%	

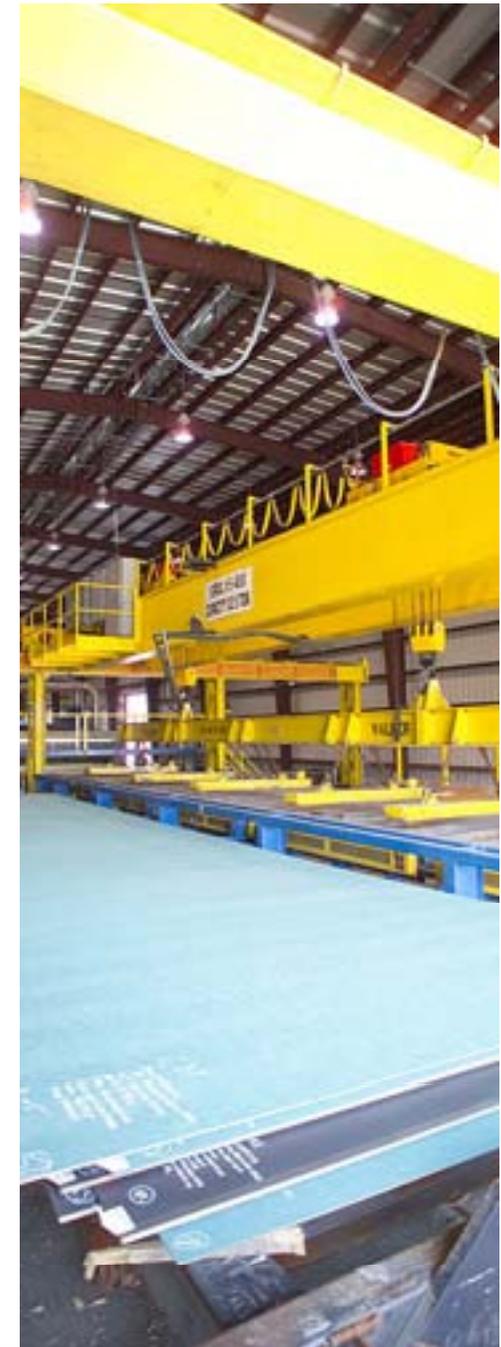
Incl. reversal of inventory write-down of MSEK +18 in Q4-09 vs. write-down of inventories of MSEK 62 in Q4-08. EBIT includes amortization on surplus values of MSEK 209 (237)

Production and Deliveries

- ▶ Plate deliveries increased 3% vs. Q4-08, and 12% vs. Q3-09
- ▶ Niche products 33% (16) of total shipments
- ▶ Plate production increased 15% compared with Q4-08 and amounted to 564 (491) kt

Market conditions

- ▶ Prices decreased 1% compared with previous quarter
- ▶ Prices, incl. mix effects, increased 5% compared with previous quarter
- ▶ Increased share of niche products sales thanks to large project order



Tibnor

Leading supplier of steel in the Nordic region

MSEK	Q4-09	Q4-08	Chge, %
Sales	1,267	2,187	-42
EBITDA	9	-203	n.m.
EBIT	-6	-219	n.m.
EBIT-margin, %	0	-10	

Incl. write-down of inventories of MSEK 9 (250)

- ▶ Deliveries were 28% lower in Q4-09 vs. Q4-08, but 14% higher compared with Q3-09
- ▶ Operating cash-flow amounted to MSEK 162 (95)
- ▶ De-stocking has been completed
- ▶ However, no significant improvement in market conditions



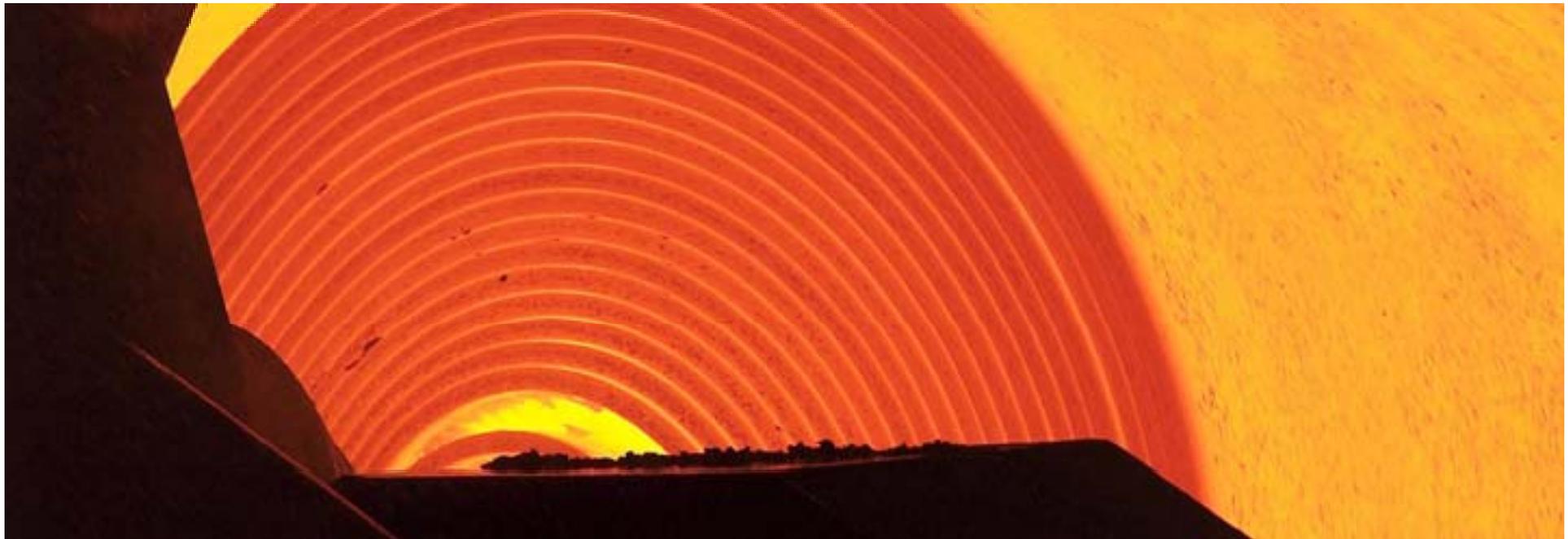
Market outlook

- ▶ Steel demand expected to strengthen somewhat in Q1-10 compared with Q4-09
- ▶ End of inventory liquidation, slight improvement in demand from end consumers
- ▶ Steel prices remain under pressure in early 2010
- ▶ Global steel production to increase due to re-start of idled capacity
- ▶ Scrap prices have increased significantly in recent months
- ▶ Expectations of higher iron ore and coking coal contract prices in 2010



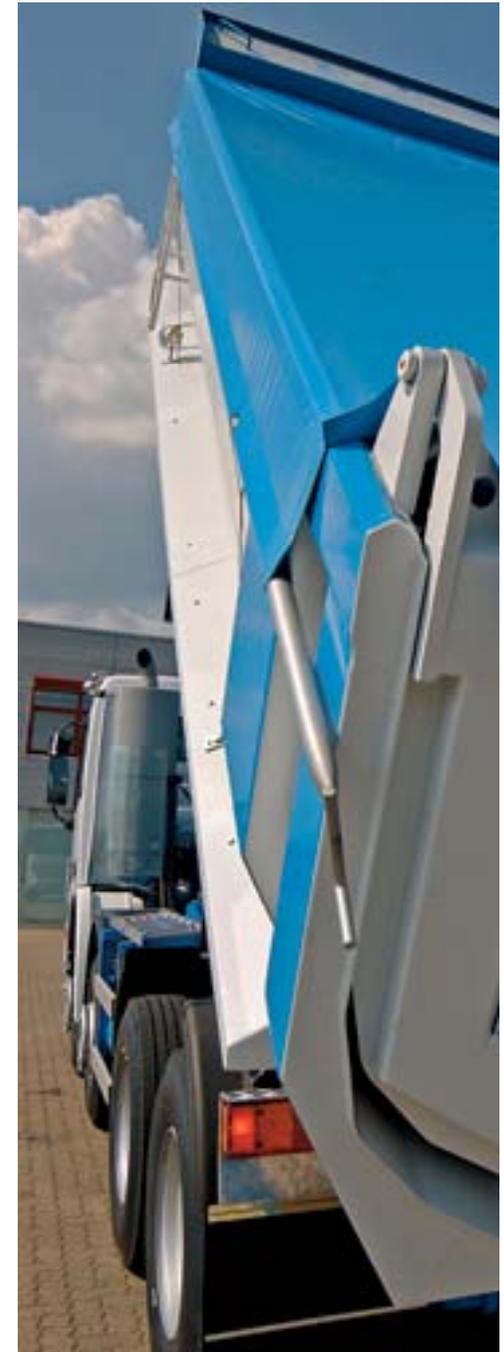
Financials

Marco Wirén, CFO



Financials

- ▶ Sales decreased 37% to MSEK 8,284
- ▶ Operating profit of MSEK 430 (979)
- ▶ Profit positively affected by MSEK ~200 from one-off items
- ▶ Operating cash flow almost MSEK 800 in Q4
- ▶ Significant re-financing activities in the quarter



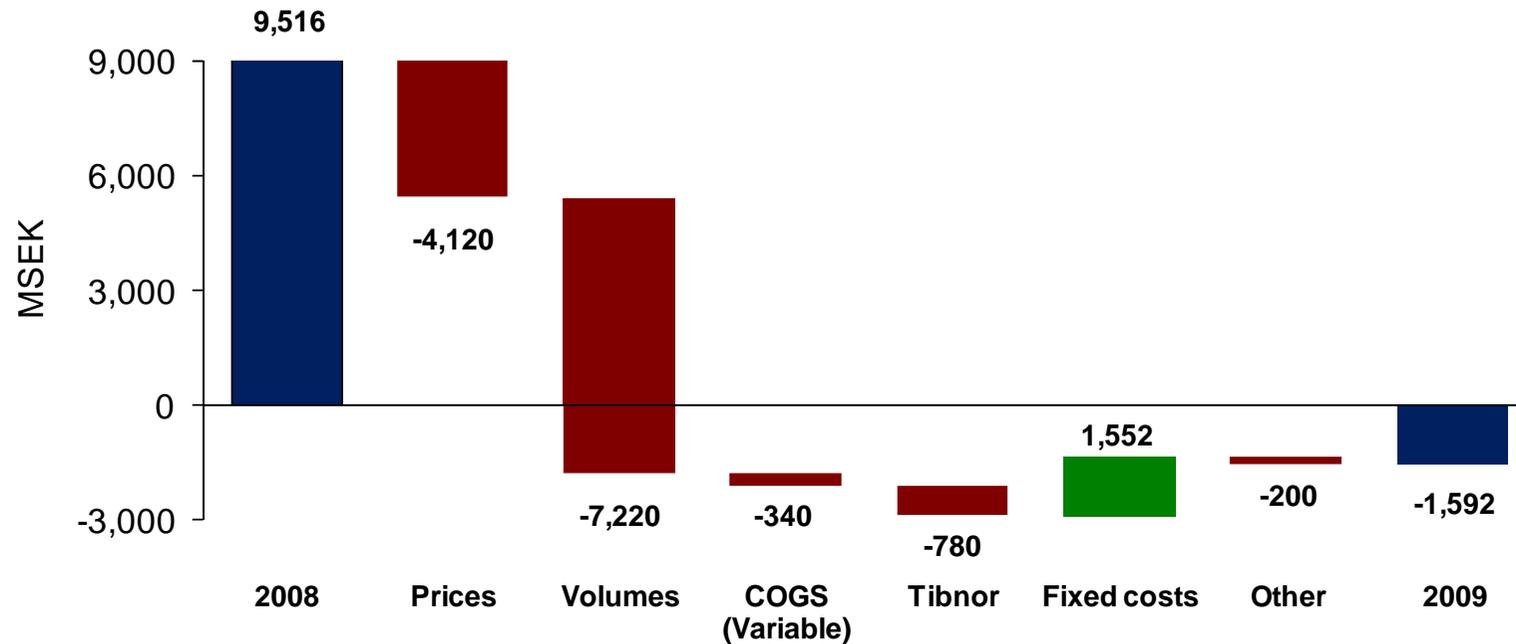
Key Figures

SEK millions (except for EPS and Dividend))	Q4-09	Q4-08	FY 2009	FY 2008
Sales	8,284	13,063	29,838	54,329
Operating profit	430	979	-1,592	9,516
Pre-tax profit	348	841	-2,061	8,953
Net profit	350	833	-879	6,508
Earnings per share, SEK	1.09	2.66	-2.69	19.90
Operating cash-flow	799	2,415	4,868	9,085
Debt/Equity, %	49	48	49	48
ROCE, % (entire op.)	-	-	neg	17
ROE, % (entire op.)	-	-	neg	22
Dividend, SEK	-	-	1.00*	4.00

* Proposed

Change in operating profit, 2009 vs. 2008

Change in operating profit, excluding non-recurring items, between 2009 and 2008 (SEK millions)



Other includes lower sale of by-products and slabs (MSEK -655), higher provisions for anticipated bad debt losses (MSEK -31), costs for under-utilized subcontractor agreements (MSEK -103), non-recurring insurance indemnification, preceding year (MSEK -114), sold emission rights (MSEK 73), reserve for cost reduction program (MSEK 574) and other items (MSEK 56)

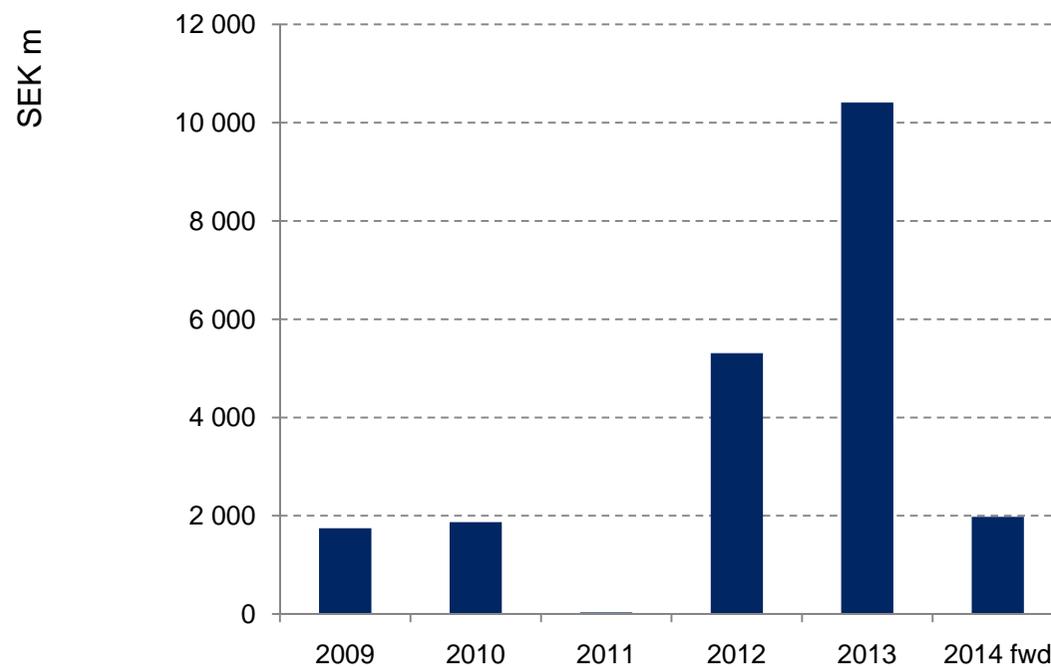
Operating cash flow by division

SEK million	2009 Q4	2008 Q4	2009 FY	2008 FY
SSAB Strip Products	32	372	1,006	2,692
SSAB Plate	358	251	1,312	1,818
SSAB North America	242	1,470	1,376	4,139
Tubular (until divestment)	0	0	0	-160
Tibnor	162	95	725	677
Other	5	227	449	-81
Operating cash flow	799	2,415	4,868	9,085
Financial items	-96	-340	-538	-1,132
Taxes	153	-709	-943	-2,566
Cash flow from operations	856	1,366	3,387	5,387
Acquisitions & Strategic investments	-210	-332	-944	-780
Divestments	0	70	31	24,918
Dividends, Financing & other	0	0	-1,296	-803
Currency translation effects	-298	-2,422	500	-2,071
Change in net debt	348	-1,318	1,678	26,651

Financing & Liquidity

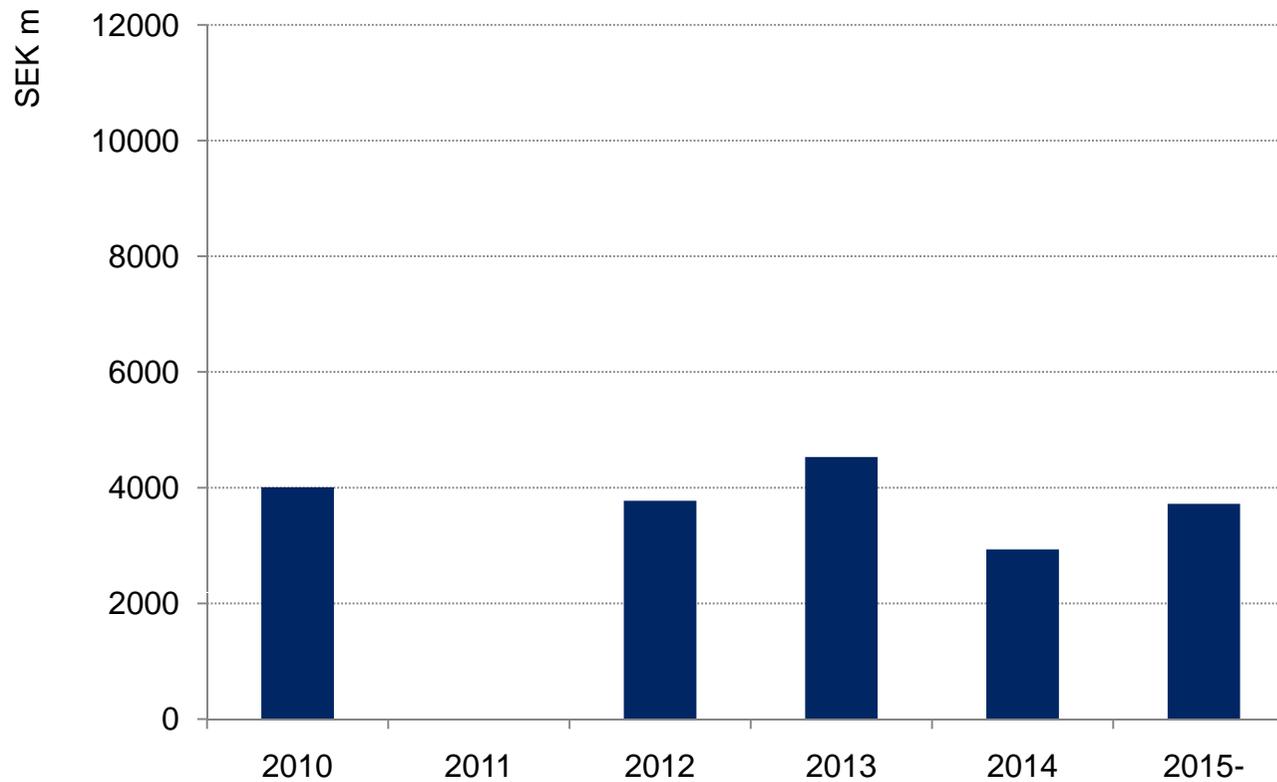
- ▶ Net debt decreased from previous quarter and was SEK 15.3bn, and the net gearing decreased to 49% (52)
- ▶ Working capital reduced by more than SEK 5bn in FY 2009
- ▶ The average term on the loan portfolio at 3.5 years with an interest term of 0.9 years
- ▶ Commercial papers amounted to SEK 2.6bn (December 31)
- ▶ Re-financing of the debt portfolio, increase in capital market debt

Debt Maturity (September 30)



Commercial papers amounted to MSEK 2,147 (September 30)

Debt Maturity (December 31)



Commercial papers amounted to MSEK 2,601 (December 31)

New organization

- ▶ New organization to achieve strategic goals and to optimize the offering to the customer
- ▶ Three business areas have been established as of January 1, 2010, to replace the divisions (SSAB Strip Products, SSAB Plate, SSAB North America)
- ▶ The new business areas are;
 - SSAB EMEA (Europe, Middle East, Africa)
 - SSAB Americas
 - SSAB APAC (Asia, Pacific)
- ▶ The financial reporting will be according to the new business areas

New Organization - Pro Forma 2009

	External sales	Deliveries ('000 tonnes) from steel operations		
	SEK, bn	Quenched steels	AHSS	Standard steels
SSAB EMEA	12.4	167	282	1,026
SSAB Americas	10.7	108	376	1,230
SSAB APAC	1.6	62	46	1
Tibnor	5.1	-	-	-
Total	29.8	337	704	2,257

Olof Faxander, President & CEO



Actions and Outlook

- ▶ Volumes expected to increase compared with Q4-09
- ▶ Prices expected to be lower in Q1-10 vs. Q4-09
- ▶ Decision taken to re-start parts of the strategic investment program which has been on hold
- ▶ The investment in quenching capacity in Borlänge continues, and the Mobile investment resumed
- ▶ Capex in 2010 SEK ~3bn, whereof SEK 1.8bn relates to strategic investments
- ▶ Planned outage in Montpelier will affect earnings by approx. MSEK 250, whereof just over half in Q1-10
- ▶ The cost savings program developed well and will generate sustainable annual savings of SEK 1bn



Summary

- ▶ Recovery towards end 2009 led to an operating profit for Q4
- ▶ Deliveries increased 33% compared with previous quarter
- ▶ All plants currently producing at close to normal levels
- ▶ The cost savings program will generate sustainable annual savings of SEK 1bn
- ▶ Work on parts of the strategic investment program to be resumed
- ▶ New organization from January 1, 2010



New investment in Kunshan

- ▶ As part of the strategy to grow in Asia, SSAB will invest in a finishing line in Kunshan, China
- ▶ The line will have capacity for formatting, shot blasting and painting
- ▶ Total investment of slightly more than MSEK 300
- ▶ Expected to be commissioned by mid-2011



Questions

- ▶ Please state your name and the company that you represent

