

# Report for the second quarter of 2010

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

- Sales increased by 66% to SEK 10,911 (6,583) million
- Operating profit of SEK 708 (-952) million
- Profit after financial items of SEK 624 (-1,096) million
- Earnings per share of SEK 1.64 (-1.95)
- Operating cash flow of SEK 341 (2,119) million and cash flow from current operations of SEK 98 (1,917) million

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

- Sales increased by 35% to SEK 19,776 (14,618) million
- Operating profit of SEK 876 (-1,086) million
- Profit after financial items of SEK 707 (-1,311) million
- Earnings per share of SEK 2.09 (-1.45)
- Operating cash flow of SEK 597 (3,043) million and cash flow from current operations of SEK 545 (1,541) million
- Net debt/equity ratio was unchanged since the beginning of the year and amounted to 49%

*(In the report, amounts in brackets refer to the corresponding period of last year.)*

## Comments by the CEO

The recovery in the steel market continued during the second quarter and generally, demand was good. The regions with the strongest growth were Asia and South America, but Europe and the US also performed well. We saw continued strong demand for our niche products, primarily within the Mining sector, Heavy Transport and Automotive. A part of the increase in demand during the first half of the year was driven by inventory restocking at our customers. Inventory restocking is now believed to have come to an end.

Agreements for deliveries of iron ore have now been signed for the full year of 2010 and are in line with the rest of the market. A small part of SSAB's coal agreements are for the full year, but most of the coal is purchased on a quarterly basis. The full impact of the steep increases in coal and iron ore prices will be felt during the third quarter. In order to offset these cost increases, we have increased prices on new orders for the third quarter. We therefore expect to be able to largely compensate for the increased raw materials costs.

As usual, we are carrying out maintenance outages in the Swedish operations during the summer; this year the outages will be somewhat longer than normal due to ongoing investments.

The recovery in the steel market is expected to continue during the third quarter, but at a slower pace, which may also affect the price trend for SSAB's steel later in the year. Unease concerning the euro and development of the European economies has led to some uncertainty in the market. On the other hand, positive development is expected to continue in South America and Asia, primarily China.

Olof Faxander  
CEO and President

The briefing will be live webcasted on SSAB's website at [www.ssab.com](http://www.ssab.com). Instructions how to participate in the webcast will be available on SSAB's website, including presentation material for downloading.

If you want to participate in the briefing via telephone or if you want to ask questions during the briefing, 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 webcast, please contact Tommy Löfgren, phone: +46 (8) 45 45 755.

The webcast will be available on: [www.ssab.com/en/Investors/Webcast](http://www.ssab.com/en/Investors/Webcast)

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This information is such that SSAB must disclose in accordance with the Securities Markets Act. The information was submitted for publication on July 22, 2010 at 08.00 am.

SSAB is a global leader in value added, high strength steel. SSAB offers products developed in close cooperation with its customers to reach a stronger, lighter and more sustainable world.

SSAB employs 8 700 people in over 45 countries around the world and operates production facilities in Sweden and the US. SSAB is listed on the NASDAQ OMX Nordic Exchange, Stockholm.