



Public Affairs

Ivar Ahlberg

Telephone +46 8-45 45 734

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Continued growth for niche products

SSAB today presented its accounts for the third quarter of 2002. Profit after financial items amounted to SEK 556 (868) million. Excluding non-recurring items, profit for the seasonally weak third quarter increased by SEK 75 million to SEK 79 (4) million.

- Pending 2002 we concentrated on three areas in order to counteract an anticipated weaker steel market, emphasises CEO Anders Ullberg in a comment on the report. Our focus has been to increase the volumes of niche products, to keep processing costs unchanged, and to improve cash flow significantly. Today's report demonstrates that we have made considerable headway in all of these areas.
- Deliveries of our niche products of high strength sheet and quenched steels have continued to develop positively, notes Anders Ullberg. Deliveries of extra and ultra high strength sheet increased by 24% compared with the third quarter of last year, thanks primarily to expansion on new markets. For deliveries of quenched steels, the corresponding increase was 10%.
- Notwithstanding increased volumes in the steel operations and SSAB HardTech, processing costs in absolute terms were lower than during the first three quarters of last year. This is due, among other things, to a strong increase in productivity in the steel operations. In addition, cash flow has improved by nearly SEK 800 million to SEK 915 (143) million, primarily due to our increased focus on working capital.

Anders Ullberg further notes that it has been possible to continue to increase sheet prices pending the fourth quarter. In the agreements that have been concluded thus far, the price increases for the fourth quarter amount to approx. 4% and is estimated to affect just over 50% of delivery volumes.

- Following a period of weak demand for steel which, in Europe, began in the autumn of 2000, it appears that we have now reached the bottom of the steel cycle, says Anders Ullberg, who also notes the autumn forecast issued by the International Iron and Steel Institute (IISI) in which it is anticipated that steel consumption within the EU will increase by approx. 3% next year.