

# Report for the third quarter of 2009

## The quarter

- Sales fell by 48% to SEK 6,936 (13,399) million
- Operating profit of SEK -936 (2,640) million
- Profit after financial items of SEK -1,098 (2,734) million
- Profit after tax of SEK -746 (1,943) million, entailing earnings per share of SEK -2.33 (5.91)
- Operating cash flow of SEK 1,026 (1,344) million and cash flow from current operations of SEK 990 (903) million
- Net debt/equity ratio was 52%, unchanged compared with the end of the second quarter.

## Nine months

- Sales declined by 48% and amounted to SEK 21,554 (41,266) million
- Operating profit of SEK -2,022 (8,537) million
- Profit after financial items of SEK -2,409 (8,112) million
- Profit after tax of SEK -1,229 (5,675) million, entailing earnings per share of SEK -3.78 (17.23)
- Operating cash flow of SEK 4,069 (6,670) million and cash flow from current operations of SEK 2,531 (4,021) million
- The return on capital employed for the most recent twelve-month period was negative (17)% and the return on equity was 0 (22)%.

## Comments by the CEO

The demand for steel has shown signs of some recovery during the third quarter. This is largely a result of the completion of destocking rather than an improvement in the market situation for our customers. Our deliveries have increased by 21% as compared with the second quarter, but this is nevertheless lower than the same quarter of last year. The largest increase is from SSAB North America, which once again reports positive earnings and continued positive cash flow.

Production in the Swedish plants has resumed after the extended summer outage. We have full production at our facilities in the United States and believe this will continue during most of the fourth quarter.

The cost-savings program introduced in December 2008 continues at a pace which is somewhat faster than originally planned. During the first three quarters, the program produced an effect of slightly more than SEK 500 million and will provide additional effects gradually during the rest of the year. Commencing in 2010, the program is expected to generate annual savings of SEK 1 billion.

Reduction of inventory and other working capital with more than SEK 5 billion enabled an operating cash flow for the first three quarters of SEK 4 billion.

Our investment strategy remains unchanged, however, the pace of investments is temporarily slowed down and the timing is continuously reviewed. In total, capital expenditures during 2009 are anticipated to be at a level of SEK 2 billion, primarily for further development of production of quenched steels in Borlänge and Mobile. Of the SEK 5.3 billion program adopted, there are binding undertakings of approximately SEK 1.5 billion. The timing of the remainder is under evaluation.

In the environmental area, during the third quarter, SSAB increased its goal of decreasing discharges of carbon dioxide from production. SSAB is now a "core member" of the European cooperation project, ULCOS, with the goal of eventually reducing by half the carbon dioxide discharges from steel production.

Market forecasts continue to be difficult to make. Despite a certain degree of stabilisation, there is continued uncertainty regarding the pace of recovery. End customers in some of SSAB's segments and regions still report weak demand while, for example, wind power and other energy sectors appear brighter. The transition from ordinary steel to niche products continues.

As a consequence of an increase in the utilisation of capacity in our plants and an ever-increasing effect from our cost-savings program, operating earnings in the fourth quarter will clearly be better than what was reported for the third quarter.

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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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 9,200 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.

This information is such that SSAB must disclose in accordance with the Securities Markets Act. The information was submitted for publication on October 30, 2009 at 08.00 am.