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## PRESS RELEASE

### **SSAB invests SEK 5.3 billion to substantially increase the volume of quenched and tempered steels**

**To meet increasingly strong global demand for quenched and tempered (Q&T) steels, SSAB today announced a SEK 5.3 billion investment program to further develop the company's production base in Sweden and the United States. The investments will result in a major increase of the volume of Q&T steels.**

"This shows that we have a firm belief in the future. The investment program is part of SSAB's strategic focus to strengthen the product portfolio towards more value added steel products, and to further meet customers' growing demand for quenched and tempered steels. This enables us to continue to develop our strong production base and to further strengthen our position as a leading global supplier of Q&T steels. More value added steel products are expected to lead to higher earnings stability and generate economic returns well above the group's long term targets", says Olof Faxander, CEO of SSAB.

Global demand for Q&T steels has demonstrated strong growth in recent years. Q&T plate and strip are used throughout the manufacturing and construction sectors in applications where properties such as strength, hardness and toughness are required beyond those available within commercial grades. SSAB's product offering provides significant economic and environmental advantages compared to less advanced steels.

The program consists of investments in the United States and at the Swedish sites Borlänge and Oxelösund and includes the following projects:

- Establishing a new fully integrated heat treating line for Q&T steel plate in the United States (see press release April 23, 2008). Location of the new line, at one of SSAB's two plate mills in Montpelier, Iowa or Mobile, Alabama has yet to be determined and will be based on consideration of site-specific issues, including regulatory approvals. The capacity of the new line will be 300,000 tonnes. In addition to the new quenching line there will be upgrades in the US facilities to capture certain synergies announced at the time of the acquisition of IPSCO.
- Establishing quenching capacity for production of Q&T strip steels, including a new cut to length facility in Borlänge. The aim is to fully utilize the competitive strengths of the hot strip mill and, in parallel, to leverage SSAB's high end-user application know-how. Through this investment, Borlänge will have the ability to produce quenched strip products. The initial target is to supply the market with a volume of 300,000 tonnes, with possibilities for further development.
- Downstream and de-bottlenecking investments at the Oxelösund site to further develop the highly specialized production system at Oxelösund which will further strengthen SSAB's leading position within Q&T plate. The Q&T steel volume in Oxelösund will increase by 80,000 tonnes once the investment program is completed.

The expansion program will be commissioned in phases and be completed in 2012. The investments are expected to be financed through internally generated cash flow.

**SSAB, a global niche producer of high strength steels with a leading market position and productivity, develops solutions in order to increase the competitiveness of its customers.**

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