Report for the second quarter 2008

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

- Sales increased by 64% to SEK 14,957 (9,099) million, of which the North America Division accounted for SEK 4,661 (-) million
- Profit after financial items was SEK 3,006 (1,848) million, an increase of 63%
- Profit after tax was SEK 2,031 (1,336) million, an increase of 52%, entailing earnings per share of SEK 6.16 (4.61), an increase of 34%
- The disposal of the tubular business was completed on June 12

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

- Sales increased by 56% to SEK 27,867 (17,879) million, of which the North America Division accounted for SEK 8,018 (-) million
- Profit after financial items was SEK 5,378 (3,986) million, an increase of 35%
- Profit after tax was SEK 3,732 (2,880) million, an increase of 30%, entailing earnings per share of SEK 11.32 (9.95), an increase of 14%
- Net debt/equity ratio was 42%. At the end of 2007, the net debt/equity ratio was 150%

CEO's comments

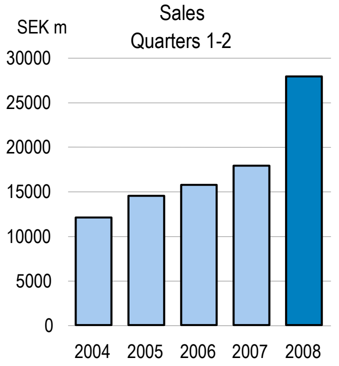
SSAB has demonstrated a continued positive earnings trend in the second quarter. Demand for SSAB's products has been strong and, through increased prices, it has largely been possible to offset the heavy increases in the costs of raw materials. This is primarily the case with respect to our North American operations, where we were able to compensate directly through the implementation of a special scrap metal surcharge. In the Swedish operations, the price compensation has not been immediate since many contracts were signed before the increases in raw materials prices became known. However, it is our ambition to be able to increase prices gradually during the second half of the year.

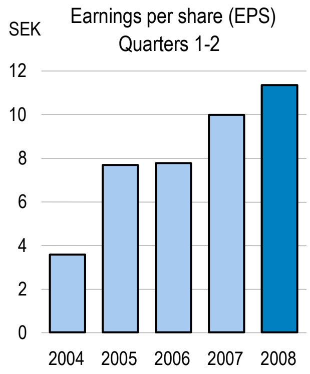
The disposal of the tubular business in our North American operations is now completed. Accordingly, we can focus on our core business, of being a leading manufacturer of high-strength steels. Through the disposal, we have further strengthened our financial position and have attained a capital structure which is in line with our long-term objectives.

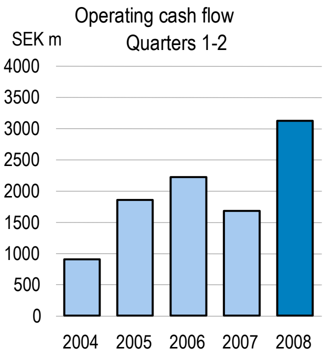
Notwithstanding the global financial turbulence, at present the global steel markets show no signs of weakening. Demand for SSAB's niche products benefits from an increased environmental awareness thanks to the products' positive impact on energy and transportation costs.

During the third quarter, SSAB will carry out the customary maintenance outages at the Swedish plants and the impact thereof on earnings is expected to be in line with last year. A scheduled maintenance outage in Montpelier at the end of September and beginning of October will have a certain impact on earnings, mainly during the third quarter.

Olof Faxander
President and CEO







) The discontinued operations have been removed from the income statements and are reported solely as Profit after tax for discontinued operations. The results for the discontinued operations have been affected by interest expenses corresponding to the net purchase price received in conjunction with the disposal.

Consolidated income statement

SEK millions	2008 Q 2	2007 Q 2	2008 Qs 1-2	2007 Qs 1-2	July 07-June 08	2007 Full year
Sales	**14,957**	9,099	**27,867**	17,879	**50,429**	40,441
Operating profit	**3,149**	1,833	**5,897**	3,969	**9,851**	7,923
Of which operating profit per business area						
- Strip Products division	**903**	879	**1,942**	1,902	**3,512**	3,472
- Plate Division	**1,033**	593	**2,024**	1,375	**3,325**	2,676
- North America Division (formerly IPSCO Steel) 1)	**841**	-	**1,335**	-	**2,718**	1,383
- Tibnor	**343**	291	**599**	558	**918**	877
- Write-off, North America Division's surplus values, inventories 2)	**-**	-	**-**	-	**-570**	-570
Other	**29**	70	**-3**	134	**-52**	85
	3,149	1,833	**5,897**	3,969	**9,851**	7,923
Financial items 3)	**-143**	15	**-519**	17	**-1,495**	-959
Profit after financial items	**3,006**	1,848	**5,378**	3,986	**8,356**	6,964
Tax	**-975**	-512	**-1,646**	-1,106	**-2,469**	-1,929
Profit after tax for continuing operations	**2,031**	1,336	**3,732**	2,880	**5,887**	5,035
Profit after tax for discontinued operations	**610**	-	**420**	-	**43**	-377
Total profit after tax	**2,641**	1,336	**4,152**	2,880	**5,930**	4,658
Key ratios						
Return on capital employed before tax (%)	**-**	-	**-**	-	**15**	18
Return on equity after tax (%)	**-**	-	**-**	-	**21**	22
Earnings per share (SEK) 4)	**8.04**	4.61	**12.62**	9.95	**18.61**	15.36
of which for continuing operations (SEK)	**6.16**	4.61	**11.32**	9.95	**18.48**	16.63
Goodwill (SEK millions)	**13,418**	0	**13,418**	0	**13,418**	27,252
Equity (SEK millions)	**31,448**	17,223	**31,448**	17,223	**31,448**	29,119
Net debt (SEK millions) 5)	**13,325**	-241	**13,325**	-241	**13,325**	43,643
Net debt/equity ratio (%)	**42**	-1	**42**	-1	**42**	150

The North America Division is included in the Group commencing July 18, 2007. During the first quarter 2008, the surplus values from the acquisition of IPSCO have been adjusted, which has also affected the result reported for 2007.

1) The North America Division's operating profit during the first half year of 2008 has been affected by SEK 310 million in amortization of allocated surplus values on intangible and tangible fixed assets. In 2007, these amortizations amounted to SEK 449 million.

2) The surplus value on the North America Division's inventories at the time of the acquisition was SEK 570 million; the entire effect thereof impacted on the result during 2007.

3) Financial items were positively affected by the interest compensation included in the indemnification regarding the blast furnace breakdown, by SEK 115 million in the second quarter and accumulated for the first half year by SEK 146 million. Non-recurring costs for financing the acquisition of the North America Division are included in the amount of SEK -401 million for the full year of 2007.

4) Earnings per share have been adjusted in accordance with the bonus issue element in the new issue.

5) Since the beginning of the year, net debt has been calculated in accordance with a new definition which, among other things, entails that current tax receivables and tax liabilities are no longer included in net debt. The comparison figure for 2007 has been adjusted.

The quarter

- Sales reached SEK 14,957 (9,099) million, of which the North America Division contributed SEK 4,661 (-) million
- Operating profit was SEK 3,149 (1,833) million, of which the North America Division contributed SEK 841 (-) million
- Profit after financial items was SEK 3,006 (1,848) million, an increase of 63%
- Profit after tax was SEK 2,031 (1,336) million, an increase of 52%, entailing earnings per share of SEK 6.16 (4.61), an increase of 34%
- Cash flow from current operations for the quarter for the entire operations amounted to SEK 1,379 (1,106) million, an improvement of 25%

The half year

- Sales reached SEK 27,867 (17,879) million, of which the North America Division contributed SEK 8,018 (-) million
- Operating profit was SEK 5,897 (3,969) million, of which the North America Division contributed SEK 1,335 (-) million
- Profit after financial items was SEK 5,378 (3,986) million, an increase of 35%
- Profit after tax was SEK 3,732 (2,880) million, an increase of 30%, entailing earnings per share of SEK 11.32 (9.95), an increase of 14%
- Cash flow from current operations for the entire operations amounted to SEK 3,118 (1,673) million, an improvement of 86%
- Return on capital employed for the most recent twelve-month period was 15 (18)% and return on equity was 21 (22)%
- Net debt/equity ratio was 42%. At the end of 2007, the net debt/equity ratio was 150%

The market

According to the most recent forecast issued by the International Iron and Steel Institute (IISI), which was published in April this year, global steel consumption this year is expected to increase by almost 7%.

Demand for steel products remained strong during the first half of 2008, notwithstanding the global economic turbulence. In Europe and the United States, steel companies' capacity utilization is at historically high levels and there is a shortage of steel on certain markets and segments. Growth in Asia remained high, with strong demand for steel as a consequence.

The market for SSAB's niche products has continued to be favorable during the second quarter and deliveries of quenched steels increased by 21% compared with the same period of last year. Deliveries of quenched steels continue to be restricted by available production capacity. The total deliveries of advanced high-strength steels (AHSS) in the Swedish steel operations increased by 7% compared with the second quarter of last year. The increase was mainly attributable to the heavy transports sector.

Within the Nordic region, demand for strip products continued to outstrip supply, with low inventory levels as a consequence.

In the Swedish steel operations, prices during the quarter increased on average by 8% compared with prices during the first quarter. In North America, prices during the same period increased by 20%.

The rising transportation and energy costs and an increased environmental awareness are among the factors which are driving demand for SSAB's niche products.

The Group

Sales during the first half of the year increased by SEK 9,988 million to SEK 27,867 (17,879) million. SEK 8,018 million of the increase consisted of additional sales resulting from the acquisition of the North America Division. Prices accounted for 6 percentage points of the remaining increase, while an improved product mix and increased volumes accounted for 5 percentage points.

Operating profit during the first half of the year increased by SEK 1,928 million to SEK 5,897 (3,969) million, an increase of 49%. Excluding non-recurring items, operating profit amounted to SEK 5,783 (3,931) million, of which the "old SSAB" contributed SEK 4,448 (3,931) million, while the North America Division contributed SEK 1,335 million.

Fixed costs increased as a consequence of higher maintenance costs and increased personnel costs, primarily due to the staffing of the lines which were brought into commission in 2008.

The profit analysis is shown in the table below.

Change in operating profit between the first half year of 2008 and 2007 (SEK millions)	
Steel operations	
- Increased prices	+590
- Increased share of core niche products	+280
- Higher costs of goods sold	-600
North America Division	
- Operating profit (of which amortization of surplus values –310)	+1 335
Tibnor	
- Higher volumes/change in mix and margins	+60
Fixed costs	-130
Other	+317
Change in operating profit	+1 852

Exchange rate changes during the first half of the year have hade a marginal effect on earnings.

Financial costs increased as a consequence of the financing of the acquisition of the North America Division and financial items for the first half of the year amounted to SEK -519 (+17) million. Financial items were positively affected by a non-recurring item of SEK 146 million comprising interest compensation included in the indemnification regarding the blast furnace breakdown.

Profit after financial items during the first half of the year was SEK 5,378 (3,986) million, an increase of SEK 1,392 million or 35%. Excluding non-recurring items, profit after financial items was SEK 5,118 (3,948) million.

Profit after tax and minority interests during the first half of the year amounted to SEK 3,668 (2,819) million. Profit including discontinued operations (SEK 420 million) was SEK 4,088 million, equal to SEK 12.62 (9.95) per share. For the continuing operations, earnings per share were SEK 11.32.

Financing and liquidity

The cash flow from current operations consists of cash flow after financial items and paid tax, changes in working capital as well as regular maintenance investments. During the first half of the year, the cash flow from current operations for the entire operations amounted to SEK 3,118 (1,673) million. Cash flow fro the period was positively affected by approximately SEK 900 million due to the fact that this year's retroactive price increases on raw material will not be paid until during the third quarter.

Operating cash flow

SEK millions	**2008 Q 2**	2007 Q 2	**2008 Qs 1-2**	2007 Qs 1-2	**July 07-June 08**	2007 Full year
Strip Products	**1,381**	925	**2,430**	1,573	**3,398**	2,541
Plate	**873**	834	**1,514**	1,489	**2,235**	2,210
North America	**404**	-	**1,203**	-	**3,043**	1,840
Tubular business (up to date of divestment)	**-678**	-	**-160**	-	**532**	692
Tibnor	**385**	-26	**490**	53	**947**	510
Other	**171**	-178	**-151**	-289	**26**	-112
Operational cash flow	**2,536**	1,555	**5,326**	2,826	**10,181**	7,681
Financial items 1)	**9**	70	**-517**	122	**-1,958**	-1,319
Taxes 2)	**-1,166**	-519	**-1,691**	-1,275	**-3,204**	-2,788
Cash flow from current operations	**1,379**	1,106	**3,118**	1,673	**5,019**	3,574
Acquisition of companies and operations 3)	**0**	-331	**0**	-331	**-50,270**	-50,601
Expansion investments	**-259**	-297	**-331**	-561	**-1,404**	-1,634
Divestment of businesses and operations 4)	**24,848**	70	**24,848**	96	**24,908**	156
Cash flow before dividend and financing	**25,968**	548	**27,635**	877	**-21,747**	-48,505
Dividend/redemption	**-1,620**	-1,166	**-1,620**	-1,166	**-1,620**	-1,166
New issue	**-**	-	**-**	-	**9,962**	9,962
Net debt in divested companies	**817**	0	**817**	0	**817**	0
Assumed net debt, acquired companies	**0**	0	**0**	0	**-5,336**	-5,336
Currency translation, etc.	**621**	1,177	**3,486**	-55	**4,356**	815
Change, net loan debt	**25,786**	559	**30,318**	-344	**-13,568**	-44,230

1) Financial items consist of paid interest, while revaluations of derivative instruments and exchange rate differences are reported in the financing activities.

2) Taxes relate to tax paid during the period.

3) IPSCO was acquired on July 18, 2007 for SEK 50,516 million (of which SEK 246 million was already included in the second quarter of 2007), excluding assumed liabilities, while Steinwalls Plåt AB was acquired in April 2007 for SEK 85 million.

4) Divested companies and operations relate entirely to the tubular business, while for 2007 they consist of a number of property companies within Tibnor.

The cash flow presentation has been adjusted so that the cash flow from current operations is now affected by interest and taxes paid during the period. Comparison figures have been recalculated.

Following repayment of debt in connection with the disposal of the tubular business, net debt at the end of the quarter amounted to SEK 13,225 (-241) million, equal to a net debt/equity ratio of 42 (-1)%. The net debt/equity ratio at the turn of the year was 150%.

Non-recurring items (continued operations)

Since the Supreme Court denied the opposing party leave to appeal the judgment issued by the Svea Court of Appeal at the end of January 2008, final insurance indemnification has been received regarding the blast furnace breakdown which occurred at the Strip Product Division's plant in Luleå in 1997. The effect on profit was SEK 260 million, of which SEK 146 million comprised interest compensation.

During the second quarter of last year, Tibnor sold three properties which were non-essential to the business, generating a capital gain of SEK 20 million. For the first half of last year, the capital gains amounted to SEK 38 million.

Non-recurring items SEK millions	**2008** **Q 2**	2007 Q 2	**2008** **Qs 1-2**	2007 Qs 1-2	**July 07-** **June 08**	2007 Full year
Effect on profit						
Non-recurring costs, surplus inventory values	**-**	-	**-**	-	**-570**	-570
Insurance indemnification, blast furnace breakdown	**138**	-	**114**	-	**114**	-
Capital gain upon sale of property companies	**-**	20	**-**	38	**59**	97
Effect on operating profit	**138**	20	**114**	38	**-397**	-473
Interest on indemnification, blast furnace breakdown	**115**	-	**146**	-	**146**	-
Non-recurring financing costs, IPSCO	**-**	-	**-**	-	**-401**	-401
Redemption of financial lease in IPSCO	**-**	-	**-**	-	**-111**	-111
Effect on profit after financial items	**253**	20	**260**	38	**-763**	-985

Return on capital employed/equity

Including discontinued operations, return on capital employed before tax for the most recent twelve-month period amounted to 15% and return on equity after tax to 21%. For the full year of 2007, the corresponding figures were 18% and 22%.

Equity

Following the dividend to the shareholders, the addition of profit for the first half of the year (SEK 4,088 million) and following translation differences in equity of SEK -106 million, equity for the shareholders in the Company at the end of the quarter amounted to SEK 31,252 (17,032) million, equal to SEK 96.48 (65.72) per share.

Capital expenditures

During the first half of the year, decisions were taken regarding new capital expenditures totaling SEK 1,137 (1,072) million. The capital expenditure payments for the entire operations amounted to SEK 1,219 (1,264) million, of which SEK 331 (561) million related to expansion investments.

Taxes

The tax expense for the first half of the year was SEK 1,646 (1,106) million, and the effective tax rate was 31 (28)%.

Divestment of the North American tubular business

On March 14, an agreement was signed with Evraz regarding the disposal of SSAB's North American tubular business for USD 4,025 million on a debt-free basis. The tubular business was included as part of SSAB's acquisition of IPSCO in 2007 and, pro forma for the full year of 2007, had sales of USD 2.4 billion and an operating profit before depreciation of USD 0.4 billion. The transaction was completed on June 12, 2008 and then also included the disposal of a cut-to-length line in Surrey, Canada; consequently, the purchase price was USD 4,038.5 million. In addition to the purchase price, preliminary compensation was paid for the working capital in the taken-over companies in the amount of USD 116.5 million. During the third quarter, final settlement of account regarding this compensation will occur. In the income statement, the items which, for 2008, the full year of 2007 and rolling twelve months July 2007 to June 2008 related to the discontinued operations have been removed from the income statement and are reported net on a separate line, "Profit after tax for discontinued operations". Accordingly, the items in the income statement otherwise exclude the tubular business. The business was sold debt-free and the purchase price was applied to reduce SSAB's indebtedness. In order to provide a fairer view of the results from the continuing operations, an interest expense equal to the net purchase price received upon the disposal has affected the discontinued operations.

The disposal included 13 tubular mills, the steel mills in Regina and Koppel which supply the tubular business, as well as related scrap metal plants. The tubular business has approximately 3,250 employees. The IPSCO brand, which is strongly associated with the tubular business, was included in the transaction. The remaining steel operations are conducted as a separate division within SSAB, the North America Division. As a consequence of the disposal, SSAB can focus on its core business, of being a world-leading niche producer of high-strength steels. The disposal, including profit from the business up to June 12, generated a profit of SEK 420 million, of which SEK 117 million comprised capital gains. As an effect of the disposal, the capital employed decreased by approximately SEK 25 billion, of which SEK 11 billion was goodwill. For further specification of discontinued operations please refer to page 17.

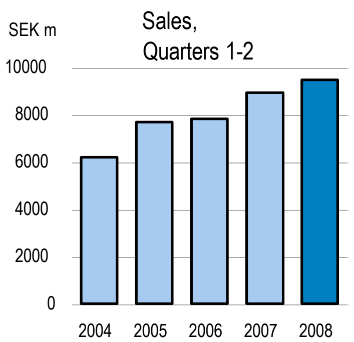
Business areas

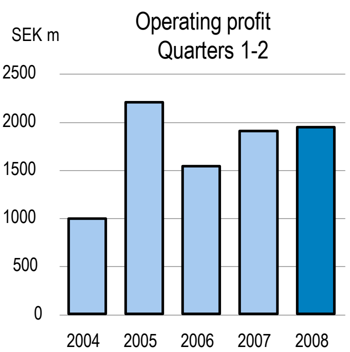
The steel operations jointly

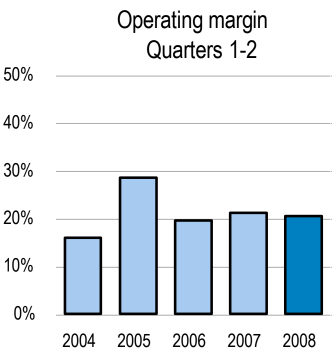
The price for iron ore was established at the beginning of April and entailed a price increase in USD of 87%. Iron ore deliveries have been hedged and a weaker USD compared with last year meant that the price in Swedish kronor increased by 60%. Iron ore agreements enter into force at the beginning of the year but, due to held stocks of raw materials, steel slabs and finished products, the full impact on earnings was not felt until towards the end of the first quarter. As regards to coal, agreements have been reached regarding the remaining approximately 70% of annual volume, with price increases in USD of approximately 200%. Altogether for the entire annual volume, this entailed a price increase in USD of approximately 100%. Including changes in freight costs and the impact of a favorable USD rate, this gave a total price increase in SEK of almost 75%. All coal agreements enter into force on April 1 but, due to existing stocks, the full impact on earnings will not be felt until the third quarter.

Scrap metal is an important raw material for the North American operations and is purchased regularly on the market. Price increases continued also during the second quarter and the cost for scrap metal per tonne of produced steel increased by 36% compared with the first quarter and by 68% compared with the fourth quarter of last year.

The Strip Products Division







Prices of strip products increased by 8% compared with the first quarter of the year. Adjusted for changes in the product mix, the price increase was 5%.

Sales increased by 7% compared with the second quarter of last year and reached SEK 4,875 (4,563) million. Total sales for the first half of the year amounted to SEK 9,489 (8,952) million.

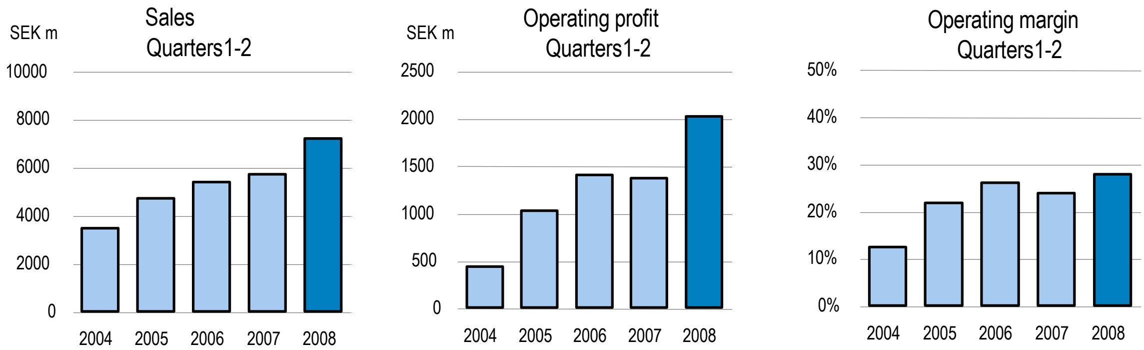
Operating profit for the quarter increased by SEK 24 million and reached SEK 903 (879) million. In total, operating profit for the first half of the year was SEK 1,942 (1,902) million. The operating profit for the first half of the year includes non-recurring items of SEK 114 (0) million. The price increases carried out during the first half of the year did not fully compensate for the increased raw materials costs.

Deliveries of strip products during the quarter amounted to 643 (656) thousand tonnes. Of this, deliveries of advanced high-strength steels (AHSS) accounted for 228 (213) thousand tonnes, which was 7% up from the second quarter of last year. In total, deliveries of strip products during the first half of the year amounted to 1,338 (1,321) thousand tonnes, of which 461 (425) thousand tonnes were AHSS. Deliveries of AHSS thus accounted for 34 (32)% of total strip product deliveries.

Crude steel production remained at a stable, high level during the quarter and amounted to 586 (581) thousand tonnes. Due to a number of minor disruptions in the hot rolling strip mill, strip production declined to 651 (686) thousand tonnes. In total, crude steel production for the first half of the year amounted to 1,193 (1,161) thousand tonnes and strip production to 1,369 (1,413) thousand tonnes.

During the first half of the year, decisions were taken regarding new capital expenditures totaling SEK 435 (619) million. The total investment expenditures during the first half of the year was SEK 377 million, of which SEK 117 million related to expansion investments.

The Plate Division



The prices of quenched steels during the quarter increased by 1% compared with prices during the first quarter. Thus far this year, prices have thereby increased by 8% compared with the first half of last year.

Demand remained strong and deliveries during the second quarter increased by 21% compared with the second quarter of last year and amounted to 166 (137) thousand tonnes. In total, deliveries of quenched steels during the first half of the year thus amounted to 322 (282) thousand tonnes and accounted for 93 (89)% of total plate deliveries.

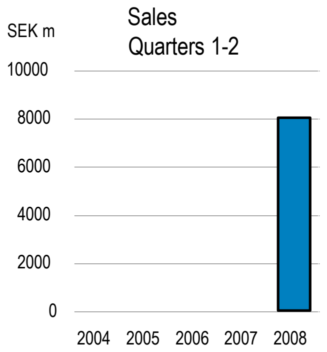
Sales increased by 29% compared with the second quarter of last year and amounted to SEK 3,732 (2,895) million. In total, sales during the first half of the year were SEK 7,226 (5,751) million.

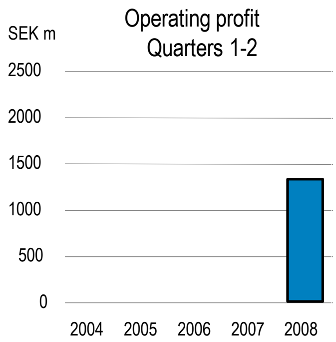
Operating profit for the quarter increased by SEK 440 million to SEK 1,033 (593) million. Increased volumes, higher prices and an improved product mix compensated for higher costs. In total, operating profit for the first half of the year amounted to SEK 2,024 (1,375) million.

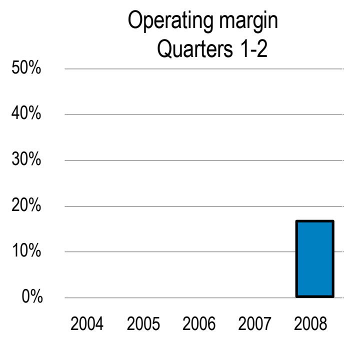
As a consequence of disruptions in the steel mill, crude steel production during the quarter was lower than during the corresponding period of last year and amounted to 382 (449) thousand tonnes. Measures are underway to improve production stability. Plate production in the four-high rolling mill during the quarter amounted to 160 (146) thousand tonnes and, together with subcontracted rolling, total plate production reached 182 (158) thousand tonnes. In total, crude steel production for the first half of the year amounted to 802 (904) thousand tonnes and plate production to 314 (295) thousand tonnes.

During the first half of the year, decisions were taken on new capital expenditures totaling SEK 548 (221) million. The largest ongoing investment involves SEK 770 million in expansion investments within quenched steels. Among other things, a new quenching line for thick plate is being constructed in Oxelösund. Implementation is taking place gradually during 2007-2009 and will increase quenched steel annual production capacity by 100 thousand tonnes to 700 thousand tonnes. Another major investment involves SEK 225 million in increased capacity for after-treatment of crude steel in Oxelösund. The plant is gradually being brought into commission and is expected to be fully operational during the second half of the year. The total capital expenditure payments during the first half of the year amounted to SEK 324 million, of which SEK 214 million related to expansion investments.

The North America Division







IPSCO is included as a division in SSAB since the acquisition on July 18, 2007. With the disposal of the tubular business, the remaining operations have changed their name to North America Division (NAD). The division comprises the two steel mills in Mobile (Alabama) and Montpelier (Iowa) as well as three cutting lines in St. Paul, Houston and Toronto. The two steel mills have a total annual capacity in excess of 2.5 million tonnes of crude steel and almost 1,000 employees.

Prices for plate during the quarter increased by 20% compared with the prices during the first quarter.

Demand for plate products from end users has remained strong. Deliveries of plate increased by 10% compared with the second quarter of last year and amounted to 655 (598) thousand tonnes. Deliveries of quenched steels and AHSS increased by 56% compared with the second quarter of last year and amounted to 23 (18) thousand tonnes and 41 (23) thousand tonnes respectively. In total, plate deliveries during the first half of the year amounted to 1,334 (1,173) thousand tonnes, of which 147 (77) thousand tonnes comprised quenched steels and AHSS.

Plate production during the quarter amounted to 649 (595) thousand tonnes. In total, plate production during the first half of the year amounted to 1,286 (1,100) thousand tonnes.

The North America Division's sales during the quarter amounted to USD 717 million and, in total for the first half of the year, to USD 1,307 million.

Operating profit for the quarter, before Group amortization of surplus values, was USD 161 million, compared with USD 107 million for the first quarter. Higher prices compensated for increased scrap metal costs and lower deliveries.

During the first half of the year, decisions were taken regarding new capital expenditures totaling SEK 80 million. In addition, expenditures on the planned heat treating line will total SEK 1-1.5 billion. The total capital expenditure payments during the first half of the year amounted to SEK 442 million, of which SEK 338 million was included in the tubular business.

Tibnor

The sales trend during the quarter remained strong in most of the geographic markets in which Tibnor operates. The rate of deliveries during the quarter remained at a high level and total deliveries for the first half of the year were 11% higher than for the corresponding period of last year.

Sales increased by 11% compared with the second quarter of last year and reached SEK 3,066 (2,769) million. In total, sales for the first half of the year amounted to SEK 5,886 (5,543) million.

Operating profit increased by 18% to SEK 343 (291) million, compared with the second quarter of last year, when a number of small property companies were sold at a profit of SEK 20 million. In total, operating profit for the first half of the year was SEK 599 (558) million.

Prospects for the remainder of the year

Global growth is weaker in 2008 but demand for steel is expected to remain strong during the remainder of the year. However, within certain sectors and markets, e.g. the construction industry and countries such as Spain and England, demand for steel is expected to be lower during the coming quarters. In the rest of Europe, there is continued strong demand for steel products. The European market is characterized by a shortage of domestic production capacity and low inventory levels. Steel consumption in China is expected to continue to increase.

In the North American market it is primarily the energy sector which is demonstrating strong demand; according to a report issued by AIIS (American Institute for International Steel), this is expected to continue during the remainder of 2008. The report notes that there is a shortage of steel in the North America market with low inventory levels as a consequence.

During the third quarter, the customary maintenance outages will take place in the Swedish steel operations, entailing approximately a two-week suspension in production at the plant in Borlänge and parts of the plant in Oxelösund. This will lead to lower production and delivery volumes, during both the actual maintenance and during start-up, in the same manner as in the third quarter of last year.

At the steel mill in Montpelier, USA, a scheduled maintenance outage will take place from the middle of September to the first week of October. The negative impact on earnings of the outage is estimated at approximately SEK 200 million, which will be borne during the second half of the year. These types of major maintenance outages normally take place every two to three years at respective plant in the United States.

Demand for the steel operations' core niche products, quenched steels and advanced high-strength steels, is expected to continue to increase during the remainder of 2008. In 2008, quenched steel capacity in Oxelösund will gradually increase. In the hot rolling strip mill in Borlänge, a new coiler has been brought into operation which further expands the product range within the most demanding ranges of AHSS products.

Steel prices are expected to increase during the third quarter based on the agreements negotiated pending the second half of the year. The full impact of the substantial increases in coal prices will be felt during the third quarter. The objective is to gradually compensate, during the year, for increased raw materials costs.

Agreements have been signed for all coal deliveries for 2008; together with freight costs, these entail increased prices in USD of 100%. As a consequence of the weakness of the USD, the cost increase in Swedish kronor is approximately 75%.

Accounting principles

This quarterly report has been prepared in accordance with IAS 34.

In conjunction with the annual accounts for 2007, the reporting of participating interests in affiliated companies was changed so that the result is reported on a line net after tax and the tax item thus no longer contains any tax expense with respect to affiliated companies. Adjustment has been made in the comparison figures for the quarter and the first half of 2007.

The accounting principles are otherwise unchanged since the annual accounts for 2007 and are based on International Financial Reporting Standards as adopted by the EU and the consequential references to Chapter 9 of the Annual Accounts Act. Reporting standards and applications introduced during the year have had no effect on the Group's results and financial position. The accounts of the parent company have been prepared in accordance with RFR 2.1 and the Annual Accounts Act.

Risks and uncertainty

With the divestment of the tubular business and the consequent reduction in the net debt, the Group's exposure to interest rate changes has declined.

As a consequence of the divestment of the tubular business, the Group's flows in USD and CAD have decreased.

For further information concerning material risks and uncertainty factors, reference is made to the detailed description in the Annual Report for 2007.

Affirmation

The Board of Directors and President hereby affirm that the interim report provides a fair overview of the operations, financial position and results of the Company and the Group and describes material risks and uncertainty factors to which the Company and the Group are exposed.

Stockholm, July 23, 2008

Sverker Martin-Löf Chairman	Carl Bennet Member	Sture Bergvall Member
Anders G Carlberg Member	Bo Jerräng Member	Bert Johansson Member
Marianne Nivert Member	Anders Nyrén Member	Matti Sundberg Member
Lars Westerberg Member	Olof Faxander President and CEO	

Review report

We have reviewed the interim report for the period January 1 to June 30, 2008 for SSAB Svenskt Stål AB (Publ). The board of directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, July 23, 2008

PricewaterhouseCoopers AB

Claes Dahlén
Authorized Public Accountant

Sensitivity analysis

The approximate half-year effect, for the continuing operations, on profit after financial items and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

	Change, %	Effect on profit, SEK millions	Effect on earnings per share, SEK
Steel prices – steel operations	10	2,120	4.70
Volumes – steel operations	10	620	1.90
Iron ore prices	10	270	0.60
Coal and coke prices	10	250	0.55
Scrap metal prices	10	400	0.90
Interest rates	1% point	60	0.15
Krona index	5	90	0.20

Production and deliveries

Thousand tonnes	1/06	2/06	3/06	4/06	1/07	2/07	3/07	4/07	1/08	2/08
Crude steel production										
- Strip Products	563	554	487	602	580	581	539	604	607	586
- Plate	461	437	291	341	456	449	316	432	420	382
- North America					560	647	687	689	679	699
- Total	1,024	991	778	943	1,596	1,677	1,542	1,725	1,706	1,667
Steel production										
- Strip Products	710	733	539	678	727	686	548	692	718	651
- Plate	156	158	120	152	149	146	123	159	154	160
- North America					505	595	647	638	637	649
- Total	866	891	659	830	1,381	1,427	1,318	1,489	1,509	1,460
Steel deliveries										
- Strip Products	646	679	525	624	665	656	530	600	695	643
- Plate	169	162	127	164	165	151	137	156	168	180
- North America					575	598	647	685	679	655
- Total	815	841	652	788	1,405	1,405	1,314	1,441	1,542	1,478
of which										
- AHSS , Strip Products 1)	170	195	154	180	212	213	189	203	233	228
- Quenched steels, Plate	134	133	111	132	145	137	129	146	156	166
- AHSS, North America 2)					26	23	49	62	60	41
- Quenched steels, NAD					10	18	20	20	23	23
- Total core niche products	304	328	265	312	393	391	387	431	472	458

1) Advanced high-strength steel

The report for the third quarter 2008
will be published on October 28, 2008

SSAB Svenskt Stål AB (publ)

Reg. no. 556016-3429

Consolidated income statement

SEK millions	2008 Q 2	2007 Q 2	2008 Qs 1-2	2007 Qs 1-2	July 07- June 08	2007 Full year
Sales	**14,957**	9,099	**27,867**	17,879	**50,429**	40,441
Costs of goods sold 1)	**-11,368**	-6,526	**-20,515**	-12,628	**-37,793**	-29,906
Gross profit	**3,589**	2,573	**7,352**	5,251	**12,636**	10,535
Selling and administrative costs	**-788**	-783	**-1,647**	-1,359	**-3,174**	-2,886
Other operating income and expenses	**302**	7	**128**	12	**290**	174
Affiliated companies, profit after tax 2)	**46**	36	**64**	65	**99**	100
Operating profit	**3,149**	1,833	**5,897**	3,969	**9,851**	7,923
Financial income	**215**	34	**249**	59	**439**	249
Financial expenses	**-358**	-19	**-768**	-42	**-1,934**	-1,208
Profit after financial items	**3,006**	1,848	**5,378**	3,986	**8,356**	6,964
Tax	**-975**	-512	**-1,646**	-1,106	**-2,469**	-1,929
Profit after tax for continuing operations	**2,031**	1,336	**3,732**	2,880	**5,887**	5,035
Profit after tax for discontinued operations	**610**	-	**420**	-	**43**	-377
Total profit after tax	**2,641**	1,336	**4,152**	2,880	**5,930**	4,658
Of which attributable to:						
- the parent company's shareholders	**2,605**	1,305	**4,088**	2,819	**5,829**	4,560
- minority interests	**36**	31	**64**	61	**101**	98
Key ratios						
Return on capital employed before tax (%)	**-**	-	**-**	-	**15**	18
Return on equity after tax (%)	**-**	-	**-**	-	**21**	22
Earnings per share (SEK) 3)	**8.04**	4.61	**12.62**	9.95	**18.61**	15.36
- of which continuing operations (SEK) 3)	**6.16**	4.61	**11.32**	9.95	**18.48**	16.63
Equity per share (SEK)	**96.48**	65.72	**96.48**	65.72	**96.48**	89.19
Equity ratio including minority (%)	**53**	69	**53**	69	**53**	32
Net debt/equity ratio (%)	**42**	-1	**42**	-1	**42**	150
Average number of shares during the period (millions)	**323.9**	283.2	**323.9**	283.2	**313.1**	296.9
Number of shares at end of period (millions) 4)	**323.9**	259.1	**323.9**	259.1	**323.9**	323.9
Average number of employees 5)	**-**	-	**-**	-	**9,064**	8,663

1) The item includes non-recurring costs on surplus values of inventories of SEK -570 million for the full year of 2007. These costs are reported as costs of goods sold.

2) The principles for reporting the share of profit of affiliated companies have been revised so that shares of profits are now reported after tax. The share of tax from affiliated companies was previously reported among tax expenses. Comparison figures in this report have been recalculated.

3) Earnings per share have been adjusted in accordance with the bonus issue element in the new issue which was carried out in August 2007.

4) There are no outstanding share instruments, and thus no dilution is relevant.

5) The average number of employees includes the North America Division, commencing the date of the acquisition, July 18, 2007, with 949 employees. A rolling twelve-month figure would generate an average number of employees of 990 and, for SSAB as a whole, 9,105.

Consolidated balance sheet

SEK millions	**30 June 2008**	30 June 2007	31 Dec 2007
Assets			
Goodwill	**13,418**	79	27,252
Other intangible assets	**5,529**	10	15,856
Tangible fixed assets	**15,219**	8,340	21,358
Participations in affiliated companies	**351**	363	353
Financial assets	**712**	14	273
Deferred tax receivables	**180**	65	1,025
Total fixed assets	**35,409**	8,871	66,117
Inventories	**10,919**	7,271	14,072
Accounts receivable	**8,455**	6,162	8,268
Current tax receivables	**69**	41	246
Other current receivables	**4,530**	855	1,296
Cash and cash equivalents	**383**	1,613	1,707
Total current assets	**24,356**	15,942	25,589
Total assets	**59,765**	24,813	91,706
Equity and liabilities			
Equity for shareholders in the company	**31,252**	17,032	28,890
Minority shares	**196**	191	229
Total equity	**31,448**	17,223	29,119
Deferred tax liabilities	**5,278**	1,312	9,540
Other long-term provisions	**254**	171	473
Long-term interest-bearing liabilities	**10,261**	446	39,825
Total long-term liabilities	**15,793**	1,929	49,838
Current interest-bearing liabilities	**4,018**	779	4,998
Current tax liabilities	**819**	266	40
Accounts payable	**5,122**	2,540	4,740
Other current liabilities	**2,565**	2,076	2,971
Total current liabilities	**12,524**	5,661	12,749
Total equity and liabilities	**59,765**	24,813	91,706

The Group's changes in equity

SEK millions	Share capital	Other contributed funds	Translation reserve	Retained earnings	Total	Minority	Total equity
Equity, December 31, 2006	2,280	553	-49	12,551	15,335	216	15 551
Changes Jan 1 – June 30, 2007							
Translation difference			44		44	1	45
Profit for the period				2,819	2,819	61	2,880
New issue					0		0
Dividend				-1,166	-1,166	-87	-1,253
Equity, June 30, 2007	2,280	553	-5	14,204	17,032	191	17,223
Changes July 1 – December 31, 2007							
Translation difference			155		155	1	156
Profit for the period				1,741	1,741	37	1,778
New issue 1)	571	9,391			9,962		9,962
Dividend					0	0	0
Equity, Dec 31, 2007	2,851	9,944	150	15,945	28,890	229	29,119
Changes Jan 1 – June 30, 2008							
Translation difference			-106		-106	0	-106
Profit for the period				4,088	4,088	64	4,152
Dividend				-1,620	-1,620	-97	-1,717
Equity June 30, 2008	**2,851**	**9,944**	**44**	**18,413**	**31,252**	**196**	**31,448**

1) The new issue in August 2007 resulted in 64.8 million new shares and increased the share capital by SEK 571 million. The share premium in the issue increased other contributed funds by SEK 9,391 million, after deduction of issue costs of SEK 80 million. After the new issue, there are thus 323,934,755 shares with a quotient value of SEK 8.80.

Cash flow (entire operations)

SEK millions	**2008 Q 2**	2007 Q 2	**2008 Qs 1-2**	2007 Qs 1-2	**July 07-June 08**	2007 Full year
Profit from operations	**3,083**	1,642	**5,814**	3,211	**7,999**	5,396
Change in working capital	**-1,186**	-343	**-1,727**	-1,166	**-1,276**	-715
Cash flow from operations	**1,897**	1,299	**4,087**	2,045	**6,723**	4,681
Investing activities	**-779**	-846	**-1,300**	-1,264	**-57,552**	-57,516
Divested companies and operations 1)	**24,848**	70	**24,848**	96	**24,908**	156
Cash flow from investing activities	**24,069**	-776	**23,548**	-1,168	**-32,644**	-57,360
Dividend/redemption to shareholders	**-1,620**	-1,166	**-1,620**	-1,166	**-1,620**	-1,166
New issue	**-**	-	**-**	-	**9,962**	9,962
Other financing activities	**-25,129**	563	**-27,339**	529	**16,349**	44,217
Cash flow from financing activities	**-26,749**	-603	**-28,959**	-637	**24,691**	53,013
Change in cash and cash equivalents	**-783**	-80	**-1,324**	240	**-1,230**	334

1) Divested companies in 2007 relate to a number of small property companies within Tibnor. For 2008, this item comprises the divested tubular business.

The Divisions'/subsidiaries' sales, profits and return on capital employed

	Sales		Operating profit		Return on capital employed (%) 3)	
	2008	2007	**2008**	2007	**July 07-**	2007 Full
SEK millions	**Q 2**	Q 2	**Qs 1-2**	Qs 1-2	**June 08**	year
Strip Products	**9,489**	8,952	**1,942**	1 902	**42**	44
Plate	**7,226**	5,751	**2,024**	1 375	**46**	41
North America 1)	**8,018**	-	**1,335**	-	**9 (24)**	8 (20)
Tibnor	**5,886**	5,543	**599**	558	**47**	46
Other subsidiaries	**1,068**	1,358	**27**	84	**-**	-
Parent company 2)	**-**	-	**1,671**	-27	**-**	-
Parent company's affiliated companies	**-**	-	**53**	60	**-**	-
Other Group adjustments	**-3,820**	-3,725	**-1,754**	17	**-**	-
Total continuing operations	**27,867**	17,879	**5,897**	3 969	**15**	18

1) The North America Division's sales and operating profit relate to the continuing operations.
2) The parent company's profit includes the net effect of the sale of subsidiaries amounting to SEK 1,816 million.
3) Return on capital employed for entire IPSCO has been calculated by converting the results for the holding period, 11.5 months, to an annual figure and comparing this with the average capital employed July 07 – June 08. Return on capital employed for entire IPSCO but without surplus values from the acquisition is reported in brackets

Results per quarter

SEK millions	1/06	2/06	3/06	4/06	1/07	2/07	3/07	4/07	1/08	2/08
Sales	7,622	8,096	7,020	8,316	8,780	9,099	13,686	16,086	12,910	14,957
Operating expenses	-5,895	-6,169	-5,697	-6,515	-6,420	-7,043	-11,766	-12,415	-9,656	-11,384
Depreciation	-232	-235	-239	-257	-253	-259	-691	-843	-524	-470
Affiliated companies	44	30	31	31	29	36	19	16	18	46
Financial items	1	-5	-8	10	2	15	-758	-921	-376	-143
Profit after financial items	1,540	1,717	1,107	1,585	2,138	1,848	490	1,923	2,372	3,006

The first and second quarters of 2008 are reported excluding the business under discontinuation, while the third and fourth quarters of 2007 have not been adjusted.

Operating profit per quarter and Division/subsidiary

SEK millions	1/06	2/06	3/06	4/06	1/07	2/07	3/07	4/07	1/08	2/08
Strip Products Division	650	832	551	766	1 023	879	682	888	1,039	903
Plate Division	752	656	302	521	782	593	499	802	991	1,033
North America Division							880	1 090	494	841
Tibnor	141	186	202	247	267	291	159	160	256	343
Write-down, surplus value, inventories							-1 010	-9		
Other, incl. parent company	-4	49	59	41	64	70	38	-87	-32	29
Operating profit	1,539	1,723	1,114	1,575	2,136	1,833	1,248	2,844	2,748	3,149

The first and second quarters of 2008 are reported excluding the business under discontinuation, while the third and fourth quarters of 2007 have not been adjusted.

Specification of discontinued operations

Income statement

SEK millions	2008 Q 2	2007 Q 2	2008 Qs 1-2	2007 Qs 1-2	2007 July 18 – Dec 31
Sales	**3,854**	-	**7,918**	-	7,210
Operating expenses	**-3,167**	-	**-6,969**	-	-7,356
Operating profit	**687**	-	**949**	-	-146
Financial items 1)	**-43**	-	**-320**	-	-703
Profit after financial items	**644**	-	**629**	-	-849
Tax 2)	**-204**	-	**-209**	-	472
Profit after tax	**440**	-	**420**	-	-377
Effect of valuation to fair value	**0**	-	**0**	-	-
Tax effect of valuation to fair value 3)	**53**	-	**-117**	-	-
Total profit from the operations	**493**	-	**303**	-	-377
Profit upon sale of discontinued operations	**655**	-	**655**	-	-
Tax on sale of discontinued operations	**-165**	-	**-165**	-	-
Transaction costs	**-222**	-	**-222**	-	-
Result from hedging and translation differences	**-151**	-	**-151**	-	-
Total profit from discontinued operations	**610**	-	**420**	-	-377

1) The financial items include an estimated interest expense on the loans repaid in connection with the divestment.

2) Tax 2007 is positively affected by a reduced tax rate in Canada, entailing a revaluation of deferred tax liability by SEK +147 million.

3) In conjunction with the divestment of the tubular business, it will no longer be possible to utilize loss carried-forwards, which entails a tax burden in connection with the divestment.

Cash flow

SEK millions	2008 Q 2	2007 Q 2	2008 Qs 1-2	2007 Qs 1-2	2007 July 18 – Dec 31
Cash flow from operations	**-386**	-	**54**	-	1 400
Cash flow from investing activities	**-162**	-	**-338**	-	-710

Value of divested assets and liabilities

SEK millions	June 12, 2008
Goodwill	**10,921**
Other intangible assets	**9,171**
Tangible assets	**5,764**
Financial assets	**177**
Inventories	**4,411**
Accounts receivable	**1,540**
Other current financial receivables	**0**
Other current receivables	**651**
Cash and cash equivalents	**0**
Deferred tax liabilities and provisions	**-3,467**
Long-term interest-bearing liabilities	**-400**
Current interest-bearing liabilities	**-594**
Accounts payable	**-1,238**
Other current liabilities	**-2,659**
Net assets	**24,277**
Capital gains (of which profit from the operations 303)	**420**
Reversal of hedging and translation differences whit no cash affect	**151**
Proceeds of sale after transaction costs and taxes	**24,848**
Cash and cash equivalents in divested operations	**0**
Net proceeds received	**24,848**

The parent company's income statement

SEK millions	**2008 Q 2**	2007 Q 2	**2008 Qs 1-2**	2007 Qs 1-2	**July 07- June 08**	2007 Full year
Gross profit	**0**	0	**0**	0	**0**	0
Administrative expenses	**-86**	-33	**-145**	-65	**-247**	-167
Other operating income	**1,816**	0	**1,816**	38	**1,817**	39
Operating profit	**1,730**	-33	**1,671**	-27	**1,570**	-128
Dividend from subsidiaries	**148**	2	**853**	496	**4,972**	4,615
Financial items	**34**	64	**-53**	99	**-98**	54
Profit after financial items	**1,912**	33	**2,471**	568	**6,444**	4,541
Appropriations	**0**	0	**0**	0	**-13**	-13
Tax	**-71**	-20	**-30**	-20	**33**	43
Profit after tax	**1,841**	13	**2,441**	548	**6,464**	4,571

The parent company's balance sheet

SEK millions	**June 30, 2008**	June 30, 2007	Dec 31, 2007
Assets			
Tangible assets	**7**	1	8
Financial assets	**7,012**	2,308	12,488
Long-term receivables from subsidiaries	**22,097**	50	31,710
Deferred tax receivables	**1**	1	1
Total fixed assets	**29,117**	2,360	44,207
Current receivables from subsidiaries	**9,133**	8,278	13,238
Other current interest-bearing receivables	**-**	-	-
Other current receivables	**856**	324	179
Cash and cash equivalents	**137**	1,273	1,470
Total current assets	**10,126**	9,875	14,887
Total assets	**39,243**	12,235	59,094
Equity and liabilities			
Share capital	**2,851**	2,280	2,851
Statutory reserves	**902**	902	902
Retained earnings	**18,901**	6,004	15,767
Profit for the year	**2,441**	548	4,571
Total equity	**25,095**	9,734	24,091
Untaxed reserves	**13**	0	13
Total untaxed reserves	**13**	0	13
Pension provisions	**6**	6	6
Long-term liabilities to subsidiaries	**1**	1	1
Long-term interest-bearing liabilities	**10,171**	400	28,285
Total long-term liabilities and provisions	**10,178**	407	28,292
Current liabilities to subsidiaries	**318**	1,193	1,321
Current interest-bearing liabilities	**3,351**	745	4,870
Current tax liabilities	**30**	21	10
Current liabilities	**12**	9	25
Other current liabilities	**246**	126	472
Total current liabilities	**3,957**	2,094	6,698
Total equity and liabilities	**39,243**	12,235	59,094

The parent company reports a profit after tax for the second quarter of SEK 1,841 million, of which SEK 1,816 million consists of profit on the disposal of the tubular business.
In April, a dividend of SEK 1,620 million (SEK 5.00/share) was distributed.

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