

SSAB divests IPSCO Tubulars for USD 4,025 million in cash

SSAB divests its North American tubular operations ("IPSCO Tubulars") to Evraz for USD 4,025 million in cash.

- **The transaction allows SSAB to better focus on and more rapidly develop its high-strength steel niche**
- **SSAB retains the majority of IPSCO's steel production capacity and also the full synergy potential declared at the time of the acquisition of IPSCO**
- **Proceeds to be used for debt reduction. SSAB's net debt/equity ratio pro forma 31 December 2007 decreases from 148% to 62%**

SSAB today announces an agreement with Evraz Group S.A. ("Evraz") to sell SSAB's North American Tubulars operations, IPSCO Tubulars, for USD 4,025 million on a debt and cash free basis. IPSCO Tubulars was acquired as part of SSAB's acquisition of IPSCO in 2007 and had sales of USD 2,4 billion and EBITDA of USD 0,4 billion in 2007. No capital gain or loss is expected from the transaction.

The transaction is expected to close in the second quarter of 2008 and is subject to approvals from US and Canadian regulatory authorities.

The agreement between SSAB and Evraz involves the sale of 12 tubular locations, including, the Regina and Koppel steel mills, that directly supply the tubular operations, the Regina coil processing facility, and related scrap facilities. IPSCO Tubulars has approximately 3,250 employees.

SSAB will retain the majority of the steel production capacity it acquired as part of its acquisition of IPSCO, including steel mills located in Mobile (Alabama) and Montpelier (Iowa) together with four cut-to-length facilities. In aggregate, these facilities have an annual capacity of approximately 2,5 million tonnes of crude steel production. The retained units have approximately 1,050 employees.

The IPSCO brand is closely associated with the tubular business and is included in the transaction. The steel operations retained within SSAB will operate as a Division within SSAB. SSAB will retain the right to use the IPSCO brand during a transition period.

"This transaction allows us to focus on our core business – to be a global leader within our high strength steel niches. We can further grow and develop our steel operations and expand into new markets. IPSCO Tubulars will get an owner with an interest and focus in the tubular business", says Olof Faxander, President and CEO of SSAB.

About SSAB

SSAB is a leading producer of high-strength steel. The group's steel operations consist of three divisions - the Strip Products Division (main centres are Borlänge and Luleå), the Plate Division (Oxelösund) and the North American Division as well as two subsidiaries - Plannja representing



processing and Tibnor which is the group's trading company. In 2007, the group's turnover was approximately SEK 48 billion. SSAB employs approximately 13,000 employees in operations or offices in over 40 countries and a worldwide sales presence.

About Evraz

Evraz Group S.A. is one of the largest vertically-integrated steel and mining businesses. In 2007, Evraz Group produced 16.3 million tonnes of crude steel. Evraz Group's principal assets include three of the leading steel plants in Russia: Nizhny Tagil (NTMK) in the Urals region and West Siberian (Zapsib) and Novokuznetsk (NKMK) in Siberia, as well as Palini e Bertoli in Italy, Evraz Vitkovice Steel in the Czech Republic, Evraz Oregon Steel Mills and Claymont Steel headquartered in the USA. Its fast-growing mining businesses comprise Evrazruda, the Kachkanarsky (KGOK) and Vysokogorsky (VGOK) iron ore mining complexes, Yuzhkuzbassugol company and an equity interest in the Raspadskaya coal company. The mining assets enable Evraz Group to be a vertically-integrated steel producer. Evraz Group also owns and operates the Nakhodka commercial sea port, in the Far East of Russia. Evraz vanadium operations comprise Strategic Minerals Corporation, USA, and Highveld Steel and Vanadium Corporation, South Africa.

Advisers and Counsel

Deutsche Bank is acting as exclusive financial advisor to SSAB. White & Case is acting as legal counsel to SSAB.

Press and analyst conference, and webcast details

There will be a presentation for media and analysts at 10.00 am CET at World Trade Center (WTC), Kungsbron 1, Stockholm in Conference room: "Stockholm", which will be webcast live on SSAB's website at www.ssab.com. If you want to participate in the press conference via telephone or if you want to ask questions during the press conference, please dial the following numbers: +46 (0)8 505 598 53 (Sweden), +44 (0)20 3043 2436 (UK), +1 866 458 40 87 (USA). Questions regarding webcast, please contact Heidi Wendt, phone: +46 (8) 45 45 756.

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Details of the transaction

Transaction rationale

Focus on core business – global leader in our niches: SSAB is a leading supplier of Quenched & Tempered heavy plate and Advanced High Strength Steel. Prior to the acquisition of IPSCO, SSAB did not operate within the tubular sector and has since the acquisition evaluated the best way in which this area is to be developed in order to maximise value for SSAB's shareholders. The offer from Evraz represents an attractive price for the tubular business and the disposal will allow SSAB to better focus on its core business and more rapidly develop the steel operations within our niches.

All synergies identified at IPSCO acquisition retained within the steel operations and will be captured: In connection with the IPSCO acquisition SEK 1 billion in pre tax annual synergies were identified. A significant part of these were to be achieved in the first two years with full effect in 2012. This is still valid.

Improved financial flexibility to further develop the steel operations: Following the acquisition of IPSCO, SSAB has had a net debt/equity ratio that has affected the company's financial flexibility. Through the divestiture, SSAB improves the financial flexibility for future growth.

Basic facts about IPSCO and retained business

| Pro forma 2007 | IPSCO Consolidated | Steel (SSAB retained) |
|------------------------------------|-----------------------|--------------------------|
| Financials (USD millions) | | |
| Sales | 4,200 | 2,200 |
| EBITDA | 990 | 570 |
| EBIT | 640 | 410 |
| Other data | | |
| Delivered volume (thousand tonnes) | 4,100 | 2,600 |
| Employees | 4,300 | 1,050 |

Note: Both IPSCO Consolidated and Steel 2007 numbers are presented for a full pro forma year 2007 and on a stand alone basis for IPSCO steel. EBITDA and EBIT figures have been adjusted for acquisition expenses and other one-off items.

SSAB excluding IPSCO Tubulars

Financials for SSAB excluding IPSCO Tubulars

| Pro forma 2007, SEK billions | SSAB excl IPSCO Tubulars |
|------------------------------|-----------------------------|
| Sales | 49 |
| EBITDA | 12 |
| EBIT | 10 |
| EBT | 9 |
| Margins (%) | |
| EBITDA | 24 |
| EBIT | 20 |
| EPS (SEK/share) | 19 |

Preliminary balance sheet effects

| SEK billions | As reported 2007-12-31 | As if transaction closed 2007-12-31 |
|-------------------------------------|---------------------------|--|
| Goodwill and intangibles | 41 | 22 |
| Other fixed assets | 24 | 17 |
| Inventories | 14 | 10 |
| Other current assets | 12 | 9 |
| Total assets | 91 | 58 |
| Equity | 29 | 29 |
| Interest bearing debt | 45 | 20 |
| Other | 17 | 9 |
| Total equity and liabilities | 91 | 58 |

| Sales distribution | % in 2007 | Geographic distribution | % in 2007 |
|--------------------|------------|-------------------------|------------|
| Steel operations | 74 | Europe | 62 |
| Tibnor | 21 | North America | 33 |
| Other | 5 | Asia | 3 |
| | | Other | 2 |
| Total | 100 | Total | 100 |

Core niche products (AHSS/Q&T) approximately 28% of tonnes sold.



Note: Sales distribution and income calculated as if IPSCO had been part of SSAB as from 1 January 2007, but excluding IPSCO Tubulars and have been adjusted for one-off items, i.e., acquisition costs and inventory step-up values. The SSAB new issue of SEK 10 billion has been reflected as if done 1 January 2007. Assumed interest rate of 6.2% on the financing of the acquisition of IPSCO. Balance sheet effects are calculated as if transaction closed as of 31 December 2007 and are preliminary since figures are based on a preliminary purchase price allocation from SSAB's acquisition of IPSCO. The interest bearing debts are reduced with the cash received from the sale.

About IPSCO Tubulars

IPSCO Tubulars is a leading North American vertically integrated tubular steel manufacturer. IPSCO Tubulars manufactures welded and seamless energy tubulars focused on oil country tubular goods ("OCTG"), large diameter pipe and non-energy pipe connection. In 2007, IPSCO Tubulars shipped approximately 2 million tonnes of tubular products establishing the business as one of the global leaders in production of tube and pipe products. The Regina and Koppel steel mills, which are included in IPSCO Tubulars, directly supply the tubular operations with input material for tubular production. IPSCO Tubulars has approximately 3,250 employees.