



PRESS RELEASE
May 24, 2016

SSAB announces the terms of its rights issue

SSAB AB (publ) (“SSAB” or the “Company”) announced on April 22, 2016 that the Board of Directors had resolved, subject to approval at the Extraordinary General Meeting (the “EGM”) on May 27, 2016, to launch a rights issue of approximately SEK 5 billion with preferential rights for existing shareholders. SSAB’s Board of Directors today announces the terms of the rights issue.

The rights issue in brief

- Rights issue of Class B shares of approximately SEK 5 billion with preferential rights for existing shareholders in SSAB
- Shareholders in SSAB are entitled to subscribe for 7 new B shares for 8 old A and/or B shares held
- The subscription price is SEK 10.50 per share. For subscription of shares that will be registered with Euroclear Finland and listed on Nasdaq Helsinki, the subscription price is to be paid in EUR based on the European Central Bank EUR/SEK reference rate on May 31, 2016. The subscription price in EUR will be announced by way of a press release on or about May 31, 2016
- The rights issue is subject to approval at the EGM on May 27, 2016
- The record date is May 31, 2016 and the subscription period runs from June 3, 2016 until June 17, 2016 (both dates inclusive) or until such later date as decided by the Board of Directors
- SSAB’s two largest shareholders, Industrivärden and Solidium, together representing 28.7 per cent of the capital and 29.3 per cent of the votes, have undertaken to subscribe for their pro rata shares of the rights issue. For the remaining amount, a syndicate of banks: Crédit Agricole Corporate and Investment Bank, Handelsbanken Capital Markets, Nordea Bank AB (publ) and Swedbank AB (publ) (together the “Joint Global Coordinators”), have entered into an underwriting commitment, subject to customary terms and conditions
- In addition, Swedbank Robur and LKAB have, whom together represent 4.4 per cent of the capital and 5.5 per cent of the votes in the Company, expressed their support for the rights issue and their intention to vote in favour of the rights issue at the EGM on May 27, 2016



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Background and rationale

SSAB has a strong global position in high-strength steels and value-added services, and holds leading positions in its Nordic and North American home markets. Having been focusing on integration and cost-cutting initiatives following the successful combination with Rautaruukki, SSAB now intends to continue the transformation of its business model. The transformed business model includes product mix evolution in favour of growing the share of high-strength steels and other premium products, increased focus on service and after-market activities, as well as further growth in attractive market segments from the current well-invested asset base.

SSAB is now undertaking comprehensive measures to strengthen its balance sheet to pursue its journey toward achieving industry-leading profitability. These measures will put SSAB in a competitive financial position, which, together with the transformed business model, will enable long-term profitable growth and competitiveness.

Suggested measures to strengthen the balance sheet and improve flexibility going forward include the forthcoming rights issue of approximately SEK 5 billion. The rights issue, combined with divestments of non-core assets and internal cash flow generation, is expected to strengthen the Company's balance sheet, reduce net debt by around SEK 10 billion and improve net gearing to around 30% by year-end 2017, in line with SSAB's long-term financial targets.

Further financing measures taken include an extension of debt maturities of SEK 3.2 billion, existing bank guarantee extensions of SEK 3.7 billion and a new five-year (3+1+1 years) RCF of EUR 300-500 million. The financing package provided by shareholders and banks is expected to secure the refinancing needs during the next 3-5 years. Part of the financial package is subject to that the forthcoming rights issue is completed.

Through the rights issue, SSAB will raise approximately SEK 5 billion, before the deduction of rights issue costs, which are estimated at SEK 130 million (including compensation of SEK 90 million relating to the Joint Global Coordinators' underwriting commitment). SSAB intends to use the SEK 4.9 billion proceeds from the rights issue primarily to strengthen its balance sheet and improve its financial flexibility in order to pursue its journey toward achieving industry-leading profitability, and to create financial preparedness to manage periods of low demand for steel.

Terms of the rights issue

Shareholders will receive one (1) subscription right for each Class A and B share held on the record date, May 31, 2016. Eight (8) subscription rights will carry an entitlement to subscribe for seven (7) new Class B shares. The maximum increase in the share capital is SEK 4,229,190,380.80 and the maximum number of new Class B shares that may be issued is 480,589,816.

The subscription price is SEK 10.50 per share. For subscription of shares that will be registered with Euroclear Finland and listed on Nasdaq Helsinki, the subscription price is to be paid in EUR based on the European Central Bank EUR/SEK reference rate on May 31, 2016. The subscription price in EUR will be announced by way of a press release on or about May 31, 2016.

The rights issue is expected to raise proceeds of approximately SEK 5 billion before costs related to the rights issue.

Subscription for new shares without subscription rights may also be made. Allotment of new shares subscribed for without the exercise of subscription rights will be allotted firstly to those who have subscribed for new shares by the exercise of subscription rights, irrespective of whether or not they were shareholders on the record date or not, pro rata in relation to the number of subscription rights exercised for the subscription of shares, secondly be allotted to other parties who have applied for the subscription of new shares without the exercise of subscription rights, pro rata in relation to such declared interest, and thirdly to the Joint Global Coordinators in proportion to their respective underwriting commitments.



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The record date for determining which holders of shares who are entitled to receive subscription rights is May 31, 2016. The shares are traded including the right to participate in the rights issue up to and including May 27, 2016. Subscription will take place during the subscription period from June 3, 2016 until June 17, 2016 (both dates inclusive) or until such later date as decided by the Board of Directors. Trading in subscription rights is expected to take place from June 3, 2016 until June 15, 2016 (both dates inclusive) for shares traded on Nasdaq Stockholm and from June 3, 2016 until June 13, 2016 (both dates inclusive) for shares traded on Nasdaq Helsinki.

The subscription rights and paid subscribed shares (BTA) will be traded on Nasdaq Stockholm and Nasdaq Helsinki. Subscription rights and BTA will not be transferable between Euroclear Sweden and Euroclear Finland.

The transferability of shares between Euroclear Sweden and Euroclear Finland will, for technical purposes, be restricted from May 30, 2016 until May 31, 2016 (both dates inclusive).

Holders of shares who choose not to participate in the rights issue will have their participation in the Company's share capital diluted by approximately 47 per cent, but are able to financially compensate for this dilution by selling their subscription rights.

The rights issue is subject to approval by the EGM to be held on May 27, 2016 starting at 10.00 am at the World Trade Center Stockholm (room "New York"), Klarabergsviadukten 70 in Stockholm. The notice to the EGM is available on SSAB's website.

Shareholder support and underwriting commitments

The Company's two largest shareholders, Industrivärden and Solidium, together representing 28.7 per cent of the capital and 29.3 per cent of the votes, have committed to subscribe for their pro rata shares in the rights issue. The above-mentioned shareholders have also committed to vote in favour of the rights issue at the EGM.

The Joint Global Coordinators have agreed to underwrite the remaining shares offered in the rights issue, subject to customary terms and conditions.

In addition, Swedbank Robur and LKAB have, whom together represent 4.4 per cent of the capital and 5.5 per cent of the votes in the Company, expressed their support for the rights issue and their intention to vote in favour of the rights issue at the EGM.

Indicative timetable for the rights issue

May 27, 2016	EGM to approve the rights issue resolved by the Board of Directors
May 27, 2016	Last day of trading in shares including right to participate in the rights issue
May 30, 2016	First day of trading in shares excluding right to participate in the rights issue
May 31, 2016	Estimated date for publication of the prospectus
May 31, 2016	The subscription price in EUR will be announced



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May 31, 2016	Record date for participation in the rights issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the rights issue
June 3 - June 15, 2016	Trading in subscription rights on Nasdaq Stockholm
June 3 - June 13, 2016	Trading in subscription rights on Nasdaq Helsinki
June 3 - June 17, 2016	Subscription period
On or around June 22, 2016	Announcement of preliminary results of the rights issue
On or around June 27, 2016	Announcement of final results of the rights issue

Syndicate of banks and legal advisers

Crédit Agricole Corporate and Investment Bank, Handelsbanken Capital Markets, Nordea Bank AB (publ) and Swedbank AB (publ) are acting as the Joint Global Coordinators and Mannheimer Swartling Advokatbyrå as legal adviser to SSAB in connection with the rights issue.

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SSAB AB (publ) discloses the information in this press release according to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was provided for public release on May 24, 2016 at 8.45 am CEST.

SSAB is a Nordic and US-based steel company. SSAB offers value added products and services developed in close cooperation with its customers to create a stronger, lighter and more sustainable world. SSAB has employees in over 50 countries. SSAB has production facilities in Sweden, Finland and the US. SSAB is listed on the Nasdaq OMX Nordic Exchange in Stockholm and has a secondary listing on the Nasdaq OMX in Helsinki. www.ssab.com.



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The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in SSAB. Any invitation to the persons concerned to subscribe for shares in SSAB will only be made through the prospectus that SSAB estimates to publish on or around May 31, 2016.

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No subscription rights, paid subscribed shares or shares in SSAB have been or will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no subscription rights, paid subscribed shares or shares may be offered, subscribed for, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. This press release contains certain forward-looking information that reflects SSAB's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.