

SSAB

Half-Year Report 2013

Half-Year Report 2013

The quarter

- Sales of SEK 8,894 (10,816) million
- Operating profit/loss of SEK -115 (755) million
- Profit/loss after financial items of SEK -273 (609) million
- Earnings per share of SEK -0.44 (1.48)
- Operating cash flow of SEK 796 (948) million and cash flow from current operations of SEK 624 (495) million

Key numbers

SEK millions	2013 Q 2	2012 Q 2	2013 Qs 1-2	2012 Qs 1-2	Jul 12- Jun 13	2012 Full year
Sales	8,894	10,816	17,727	21,839	34,811	38,923
Operating profit before depreciation/amortization	542	1,398	1,050	2,506	1,035	2,491
Operating profit/loss	-115	755	-251	1,234	-1,581	-96
Profit/loss after financial items	-273	609	-551	938	-2,182	-693
Profit/loss after tax	-144	480	-281	761	-1,027	15
Earnings per share (SEK)	-0.44	1.48	-0.87	2.35	-3.17	0.05
Operating cash flow	796	948	881	2,835	2,975	4,929
Return on equity after tax (%)	-	-	-	-	-4	0
Net debt/equity ratio (%)	54	56	54	56	54	54
Equity ratio (%)	49	50	49	50	49	49

(In the report, amounts in brackets refer to the corresponding period of last year.)

Comments by the CEO

As anticipated, the second quarter was characterized by a continued weak European market. In addition, the improved economic climate in the US has had no appreciable effect on demand for steel. The slow-down of the growth in China and weak development in the Australian mining industry had a clear impact on demand for steel. The stronger Swedish krona has weakened our competitiveness. The negative effect on the result compared to the first half of 2012 was approximately SEK 500 million.

Restocking by customers, which began during the first quarter, came to an end at the beginning of the second quarter and inventory levels at customers and distributors are now considered to be in balance, although at relatively low levels.

The efficiency program within SSAB EMEA has been implemented and has had a positive impact on earnings for the quarter. The full effect on an annual basis will be achieved as from 2014. In SSAB Americas, a scheduled maintenance outage resulted in lower earnings than in the preceding quarter. Thanks to continued focus on efficiency we have reduced our costs according to plan.

It appears that the weak trend in southern Europe will continue during the third quarter, while demand in northern and eastern Europe appears to be more stable. During the latter part of the second half of the year, the improved economic climate in the US is expected to impact on demand for steel, and it appears that demand in Latin America will remain stable. In Asia, demand in China is expected to stabilize during the second half of the year, while growth in the mining industry, particularly in Australia, is expected to be weak during the remainder of the year.

Customary maintenance outages will be carried out in the Swedish operations during the third quarter. Due to the anticipated market trend, the maintenance outage in Mobile (originally scheduled for the fourth quarter) will partly be brought forward to the third quarter, and this is expected to negatively impact on SSAB Americas' third quarter earnings in the amount of SEK 50 million. Even if there is still a great deal of uncertainty regarding trends on the steel market, most signs indicate stabilization in demand during the second half of 2013.

Sales per business area

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
SSAB EMEA	4,723	5,400	9,296	11,180	18,374	20,258
SSAB Americas	3,508	4,657	6,968	9,266	13,875	16,173
SSAB APAC	455	661	1,010	1,246	2,082	2,318
Tibnor	1,416	1,636	2,782	3,407	5,336	5,961
Other	-1,208	-1,538	-2,329	-3,260	-4,856	-5,787
Total	8,894	10,816	17,727	21,839	34,811	38,923

Operating profit/loss per business area

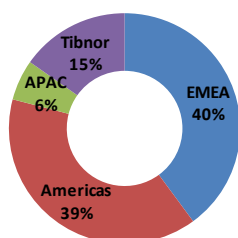
	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
SSAB EMEA	56	383	3	259	-1,186	-930
SSAB Americas	-49	537	38	1,207	399	1,568
SSAB APAC	6	40	48	105	110	167
Tibnor	57	67	72	172	4	104
Depreciation/amortization on surplus values 1)	-206	-225	-407	-422	-846	-861
Other	21	-47	-5	-87	-62	-144
Total	-115	755	-251	1,234	-1,581	-96

1) Depreciation and amortization on surplus values on intangible and fixed assets related to the acquisition of IPSCO.

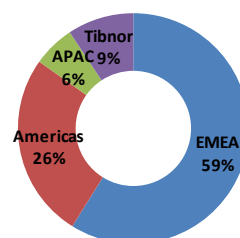
Operating margin per business area

	2013	2012	2013	2012	Jul 12-	2012
%	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
SSAB EMEA	1.2	7.1	0.0	2.3	-6.5	-4.6
SSAB Americas	-1.4	11.5	0.5	13.0	2.9	9.7
SSAB APAC	1.3	6.1	4.8	8.4	5.3	7.2
Tibnor	4.0	4.1	2.6	5.0	0.1	1.7
Total	-1.3	7.0	-1.4	5.7	-4.5	-0.2

Percentage of external sales 2013



Percentage of EBITDA 2013



The market

According to the World Steel Association, global crude steel production during the first five months of the year amounted to 790 (774) million tonnes, an increase of 2% compared with the same period last year. The Chinese crude steel production increased by 7% compared with the same period in 2012. Production fell by 5% in EU27 and by 6% in North America.

The downturn in Europe in market prices for both plate and strip products which began during the first quarter continued during the second quarter, with strip prices falling more than plate prices. Plate prices have leveled out since the middle of the quarter. Plate prices in North America rose in March after several producers announced price increases, but subsequently fell back again and, at the end of the second quarter, were lower than before the price increases came into force. In China, market prices for plate fell sharply at the beginning of the second quarter, then recovered, and subsequently fell again at the end of the quarter. Strip prices in China demonstrated a downward trend during most of the quarter, but have leveled off during the past month.

The restocking by customers in Europe and North America which began during the first quarter came to an end at the beginning of the second quarter. Inventories at distributors and customers are now considered to be in balance and no re- or destocking is expected during the coming quarter. There is a general atmosphere of caution concerning inventories in all parts of the value chain. The Chinese economy slowed down during the second quarter and this has primarily affected access to credit as well as the planning and implementation of infrastructure projects. Thus, many customers have considered it necessary to reduce their inventories during the second quarter. In other parts of the world, the market has been relatively stable.

Raw materials

During the second quarter, a new agreement was signed with LKAB for deliveries of iron ore. The agreement extends from April 1, 2013 to March 31, 2014, but the price is set quarterly. For the second quarter, this meant a price increase of 17% in USD compared with the first quarter of the year. In Swedish kronor, the price increase was 6%.

SSAB purchases approximately 60-70% of its annual coal needs from Australia, and the remainder from the US. Price agreements for Australian coal are signed monthly, while US coal is purchased under annual agreements. Since last year, Australian coal is purchased in pace with actual consumption and, as from June this year, this applies also to coking coal from the US. The price for consumption of coking coal for the second quarter entailed a decrease of 4% in Swedish kronor compared with the first quarter.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices for scrap metal declined steadily during the quarter. Spot prices at the end of June were 10% lower than at the end of the first quarter of 2013, but were unchanged compared with the end of the second quarter of last year.

Prospects

Due to general uncertainty concerning global economic trends, demand remains difficult to assess. The inventory restocking that took place during the first quarter, and to a certain degree at the beginning of the second quarter, is considered to have come to an end. However, inventory levels at customers and distributors remain relatively low, and accordingly we do not expect any reduction in inventories in the same manner as happened during the second half of last year. Customary maintenance outages are carried out in the Swedish operations during the summer. The maintenance outage in Mobile, which has partly been brought forward from the fourth quarter, will negatively impact on third quarter earnings in the amount of approximately SEK 50 million. It is believed that SSAB's sales volumes in the third quarter will be at approximately the same level as in the second quarter.

The Group

The half year in summary

Shipments and production

SSAB's shipments during the first half of the year declined by 4% compared with the first half of last year and amounted to 2,185 (2,283) thousand tonnes. Shipments of niche steels fell by 3% compared with the first half of last year. All in all, during the first half of the year niche steels accounted for 39 (38)% of total shipments.

Crude steel production fell by 6% and steel production by 4% compared with the first half of last year.

Sales

Sales during the first half of the year amounted to SEK 17,727 (21,839) million. Compared with the first half of last year, lower prices accounted for a negative effect of 10 percentage points, lower volumes for 4 percentage points, and a weaker mix and currency effects for 5 percentage points.

Earnings

The operating profit/loss during the first half of the year was SEK 1,485 million weaker than in the first half of last year and amounted to SEK -251 (1,234) million.

Financial items for the first half of the year were SEK -300 (-296) million and earnings after financial items were SEK -551 (938) million.

Profit/loss after tax and earnings per share

Profit/loss after tax for the first half of the year was SEK -281 (761) million or SEK -0.87 (2.35) per share. Tax for the first half of the year was SEK 270 (-177) million.

Financing and liquidity

The operating cash flow for the first half of the year was SEK 881 (2,835) million. Cash flow was positively affected by lower working capital, primarily due to reduced inventories and increased accounts payable.

Operating cash flow

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Operating profit before amortization/depreciation	542	1,398	1,050	2,506	1,035	2,491
Change in working capital	489	-345	145	607	2,512	2,974
Maintenance expenditures	-138	-185	-249	-349	-675	-775
Other	-97	80	-65	71	103	239
Operating cash flow	796	948	881	2,835	2,975	4,929

Net cash flow amounted to SEK 164 (1,141) million. Net cash flow was affected by, among other things, strategic capital expenditure payments of SEK 90 (420) million (total capital expenditures amounted to SEK 339 (769) million) and dividend payments of SEK 324 (648) million. Currency effects had a negative impact on net debt in the amount of SEK 250 million during the first half of the year and net debt thus increased by SEK 96 million and, on June 30, amounted to SEK 15,594 million. At 54%, the net debt/equity ratio was unchanged compared with the end of 2012.

Operating cash flow per business area

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
SSAB EMEA	982	421	867	1,619	1,508	2,260
SSAB Americas	-350	573	-195	1,272	923	2,390
SSAB APAC	87	-45	132	-124	355	99
Tibnor	91	98	113	193	298	378
Other	-14	-99	-36	-125	-109	-198
Operating cash flow	796	948	881	2,835	2,975	4,929
Financial items	-125	-130	-229	-234	-567	-572
Taxes	-47	-323	-139	-422	-149	-432
Cash flow from current operations	624	495	513	2,179	2,259	3,925
Strategic capital expenditures	-37	-155	-90	-420	-326	-656
Acquisitions of businesses and operations	-4	-1	-4	-1	-33	-30
Divestments of businesses and operations 1)	69	-	69	31	69	31
Cash flow before dividend and financing	652	339	488	1,789	1,969	3,270
Dividend to the Parent Company's shareholders	-324	-648	-324	-648	-324	-648
Net cash flow	328	-309	164	1,141	1,645	2,622
Net debt at beginning of period	-15,654	-16,697	-15,498	-18,475	-17,446	-18,475
Net cash flow	328	-309	164	1,141	1,645	2,622
Revaluation of liabilities against equity 2)	-334	-593	-338	-136	408	610
Currency effects 3)	66	153	78	24	-201	-255
Net debt at end of period	-15,594	-17,446	-15,594	-17,446	-15,594	-15,498

1) During the second quarter of 2013, Tibnor sold a real estate company for SEK 69 (-) million.

2) Revaluation of hedging of currency risks in foreign operations.

3) Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial liabilities in foreign currency.

As of June 30, the term to maturity on the total loan portfolio averaged 4.5 (5.2) years, with an average fixed interest period of 1.0 (1.2) years. The average term to maturity excluding commercial paper was 4.6 (5.6) years.

The Group's liquidity preparedness

	2013	2012
SEK millions	June 30	June 30
Cash and cash equivalents	2,046	1,900
Committed credit facilities less restricted funds	7,447	8,704
Liquidity preparedness	9,493	10,604
- as a percentage of annual sales (rolling 12 months)	27%	24%
Less commercial paper	-473	-1,411
Liquidity preparedness excluding commercial paper	9,020	9,193
- as percentage of annual sales (rolling 12 months)	26%	21%

Return on capital employed/equity

The return on capital employed before tax and return on equity after tax for the most recent twelve-month period amounted to -3% and -4% respectively, while for the full year of 2012 both amounted to 0%.

Equity

With earnings for the first half of the year of SEK -281 million and other comprehensive income (primarily comprising currency translation differences) of SEK 656 million, and after deduction of dividends amounting to SEK 324 million, the shareholders' equity in the Company amounted to SEK 28,820 (31,165) million which was SEK 51 million higher than at year end 2012. The equity amounted to SEK 88.97 (96.21) per share.

Capital expenditures

Capital expenditure payments during the first half of the year amounted to SEK 339 (769) million, of which SEK 90 (420) million involved strategic capital expenditures.

Development during the second quarter

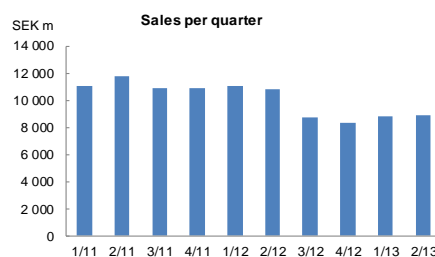
Shipments and production

SSAB's shipments during the second quarter declined by 1% compared with the first quarter of 2013 and by 2% compared with the second quarter of 2012 and amounted to 1,085 (1,109) thousand tonnes. Shipments of niche steels increased by 2% compared with the first quarter of 2013 and by 4% compared with the second quarter of 2012. All in all, during the second quarter niche steels accounted for 40 (37)% of total shipments.

Crude steel production increased by 3% compared with the first quarter of 2013 but was 6% lower than in the second quarter of last year. Steel production declined by 3% compared with the first quarter of 2013 and by 6% compared with the second quarter of last year.

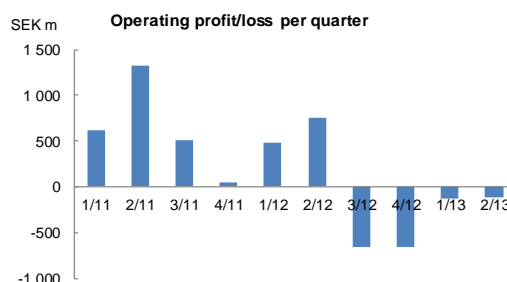
Sales

Sales during the second quarter amounted to SEK 8,894 (10,816) million, a reduction of 18% compared with the second quarter of last year. Lower prices accounted for a negative effect of 10 percentage points, lower volumes for 2 percentage points and a weaker mix and currency effects for 6 percentage points compared with the second quarter of 2012.



Earnings

At SEK -115 (755) million, the operating profit/loss for the second quarter was SEK 870 million weaker than in the second quarter of last year. Lower prices (SEK -890 million), lower volumes (SEK -70 million), currency effects (SEK -340 million) and lower capacity utilization (SEK -160 million) were the primary reasons for the weaker result. However, earnings were positively affected by lower operating expenses (SEK 570 million), lower fixed costs (SEK 120 million) and a capital gain on a real estate sale (SEK 57 million). Financial items for the second quarter were SEK -158 (-146) million and earnings after financial items amounted to SEK -273 (609) million.



Profit/loss after tax and earnings per share

Profit/loss after tax for the second quarter was SEK -144 (480) million or SEK -0.44 (1.48) per share. Tax for the second quarter was SEK 129 (-129) million.

Financing and liquidity

The operating cash flow for the second quarter was SEK 796 (948) million. Cash flow was positively affected by a reduction in working capital, to a large extent by increased accounts payable through improved credit terms.

Net cash flow amounted to SEK 328 (-309) million. The net cash flow was positively affected by, among other things, strategic capital expenditure payments of SEK 37 (155) million (total capital expenditures amounted to SEK 175 (340) million). Net debt decreased by SEK 60 million during the second quarter and, on June 30, amounted to SEK 15,594 million. The net debt/equity ratio was 54 (56)%.

SSAB EMEA

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Sales	4,723	5,400	9,296	11,180	18,374	20,258
Operating profit/loss	56	383	3	259	-1,186	-930
Operating cash flow	982	421	867	1,619	1,508	2,260
Number of employees at end of period	6,265	6,554	6,265	6,554	6,265	6,504

The slightly increase in demand in the first quarter was leveled off in the second quarter as restocking by customers came to a halt. The Material Handling segment was the segment which demonstrated an improved demand.

External steel shipments during the second quarter increased by 1% compared with the first quarter of 2013 and by 8% compared with the second quarter of 2012, and amounted to 474 (437) thousand tonnes. Shipments of niche steels increased by 12% compared with the first quarter of 2013, were up 4% compared with the second quarter of 2012, and amounted to 223 (215) thousand tonnes. Shipments of niche steels thereby accounted for 47 (49)% of total shipments.

In local currency, prices of niche steels during the second quarter were unchanged compared with the first quarter 2013, while prices of standard steels were 3% higher.

Crude steel production increased by 8% compared with the first quarter of 2013 but was 7% lower than in the second quarter of last year. Steel production was unchanged compared with the first quarter of 2013 but fell by 6% compared with the second quarter of last year.

Sales declined by 13% compared with the second quarter of 2012 and amounted to SEK 4,723 (5,400) million. Lower prices accounted for a negative effect of 10 percentage points, a weaker mix for 5 percentage points and currency effects for 6 percentage points, while higher volumes accounted for a positive effect of 8 percentage points.

The operating profit for the quarter was SEK 56 (383) million, which was SEK 327 million lower than in the second quarter of last year. Lower prices and negative currency effects were the primary reasons for the weaker result.

Operating cash flow during the second quarter was SEK 982 (421) million. Cash flow was positively affected by, primarily, lower working capital.

Capital expenditure payments during the quarter amounted to SEK 116 (183) million, of which SEK 14 (24) million involved strategic capital expenditures.

SSAB AMERICAS

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Sales	3,508	4,657	6,968	9,266	13,875	16,173
Operating profit/loss 1)	-49	537	38	1,207	399	1,568
Operating cash flow	-350	573	-195	1,272	923	2,390
Number of employees at end of period	1,465	1,384	1,465	1,384	1,465	1,394

1) Excluding depreciation and amortization on surplus values on intangible and tangible fixed assets.

Demand from the Automotive segment remained good during the quarter, while demand from other segments was hesitant.

During the second quarter, external shipments of steel were 2% lower than in the first quarter of 2013 and 8% lower than in the second quarter of 2012. Steel shipments amounted to 574 (626) thousand tonnes. Shipments of niche steels were 5% lower than in the first quarter of 2013 but 10% higher

compared with the second quarter of last year. Shipments of niche steels amounted to 170 (154) thousand tonnes and thereby accounted for 30 (25)% of total shipments.

In local currency, prices of niche steels were unchanged compared with the first quarter 2013, while prices of standard steels were 2% higher.

Crude steel production was 4% lower than in both the first quarter of 2013 and the second quarter of 2012. Steel production was 6% lower than in the first quarter of 2013 and 5% lower than in the second quarter of 2012. Production was affected by a scheduled maintenance outage at the site in Montpelier at the beginning of the second quarter.

Sales during the second quarter declined by 25% compared with the second quarter of 2012, and amounted to SEK 3,508 (4,657) million. Lower prices accounted for a negative effect of 13 percentage points, lower volumes for a negative effect of 8 percentage points, and a weaker product mix and currency effects for a negative effect of 4 percentage points.

The operating profit/loss for the quarter was SEK -49 (537) million, a decline of SEK 586 million compared with the second quarter of 2012. Lower prices and lower volumes were the primary reasons for the weaker earnings. The maintenance outage at the steel works in Montpelier negatively impacted on earnings in the amount of approximately SEK 150 million.

The operating cash flow during the second quarter was SEK -350 (573) million. Cash flow was negatively affected by, primarily, increased working capital.

Capital expenditure payments during the quarter amounted to SEK 47 (141) million, of which SEK 21 (121) million involved strategic capital expenditures.

SSAB APAC

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Sales	455	661	1,010	1,246	2,082	2,318
Operating profit	6	40	48	105	110	167
Operating cash flow	87	-45	132	-124	355	99
Number of employees at end of period	210	206	210	206	210	220

Demand within APAC continued to weaken during the second quarter. Demand increased somewhat within Automotive but decreased in other segments.

External shipments of niche steels were 12% lower than in the first quarter of 2013 and 18% lower compared with the second quarter of last year. Shipments of niche steels amounted to 37 (45) thousand tonnes and accounted for 100 (98)% of total shipments.

Prices of niche steels in local currencies were 1% lower than in the first quarter of 2013.

Sales declined by 31% compared with the second quarter of 2012 and amounted to SEK 455 (661) million. Lower volumes accounted for a negative effect of 19 percentage points, while lower prices accounted for a negative effect of 4 percentage points and a weaker product mix and currency effects for a negative effect of 8 percentage points.

The operating profit for the quarter was SEK 6 (40) million, which was SEK 34 million lower than in the second quarter of 2012. Lower volumes and lower prices were the primary reasons for the weaker earnings.

Operating cash flow during the second quarter amounted to SEK 87 (-45) million. Cash flow was positively affected by lower working capital.

Capital expenditure payments during the quarter amounted to SEK 5 (10) million, of which SEK 3 (10) million involved strategic capital investments.

Tibnor

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Sales	1,416	1,636	2,782	3,407	5,336	5,961
Operating profit	57	67	72	172	4	104
Operating cash flow	91	98	113	193	298	378
Number of employees at end of period	786	770	786	770	786	797

Total shipments increased by 5% during the second quarter compared with the first quarter of 2013 but fell by 3% compared with the second quarter of last year. Several product groups reported increased shipments compared with the second quarter of 2012, while the strip products group declined.

Sales fell by 13% compared with the second quarter of 2012 and amounted to SEK 1,416 (1,636) million. The decrease is attributable to lower volumes with a negative effect of 3 percentage points and lower prices with a negative effect of 10 percentage points.

The operating profit for the second quarter was SEK 57 (67) million, which was SEK 10 million lower than in the second quarter of 2012. A real estate sale by Tibnor during the second quarter contributed SEK 57 million to operating profit, while lower prices and lower volumes had a negative impact on earnings compared with the second quarter of 2012.

The operating cash flow for the second quarter amounted to SEK 91 (98) million. Cash flow was positively affected by a reduction in working capital, primarily due to reduced inventories.

Risks and uncertainties

For information regarding material risks and uncertainty factors, reference is made to the detailed description in the 2012 Annual Report. No material new or changed risks and uncertainty factors were identified during the quarter.

Accounting principles

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

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and consequential references to Chapter 9 of the Annual Accounts Act. The accounts of the Parent Company have been prepared in accordance with RFR 2 and the Annual Accounts Act.

The application of the new IFRS 13, "Fair Value" and amendment to IFRS 7, "Financial Instruments: Disclosures" has entailed the disclosure of additional information regarding financial instruments; see page 14. Otherwise no material changes in accounting principles have taken place since the annual report for 2012.

Affirmation

The Board of Directors and the President affirm that the interim report provides a fair and true overview of the operations, financial position and earnings of the Company and the Group, and describes significant risks and uncertainty factors facing the Company and the Group.

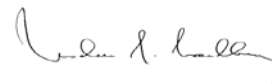
Stockholm, July 18, 2013



Sverker Martin-Löf
Chairman of the Board



Sture Bergvall
Director



Anders G Carlberg
Director



Uno Granbom
Director



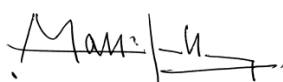
Peter Holmer
Director



Jan Johansson
Director



Annika Lundius
Director



Matti Sundberg
Director



John Tulloch
Director



Lars Westerberg
Director



Pär Östberg
Director



Martin Lindqvist
President and CEO

Review report

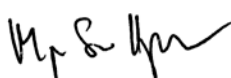
We have reviewed the interim report for SSAB AB (publ) for the period January 1 - June 30, 2013. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, "Review of Interim Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA Standards on other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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

Stockholm, July 18, 2013

PricewaterhouseCoopers AB



Magnus Svensson Henryson
Authorized public accountant

Consolidated income statement

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Sales	8,894	10,816	17,727	21,839	34,811	38,923
Cost of goods sold	-8,370	-9,565	-16,619	-19,417	-33,331	-36,129
Gross profit	524	1,251	1,108	2,422	1,480	2,794
Selling and administrative costs	-772	-778	-1,459	-1,464	-2,971	-2,976
Other operating income and expenses 1)	120	261	88	248	-106	54
Affiliated companies, profit after tax	13	21	12	28	16	32
Operating profit/loss	-115	755	-251	1,234	-1,581	-96
Financial income	11	23	27	33	55	61
Financial expenses	-169	-169	-327	-329	-656	-658
Profit/loss for the period after financial items	-273	609	-551	938	-2,182	-693
Tax	129	-129	270	-177	1,155	708
Profit/loss for the period after tax	-144	480	-281	761	-1,027	15
Of which attributable to:						
- the Parent Company's shareholders	-144	480	-281	761	-1,027	15

Key numbers	2013	2012	2013	2012	Jul 12-	2012
	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Operating margin (%)	-1	7	-1	6	-5	0
Return on capital employed before tax (%)	-	-	-	-	-3	0
Return on equity after tax (%)	-	-	-	-	-4	0
Earnings per share (SEK) 2)	-0.44	1.48	-0.87	2.35	-3.17	0.05
Equity per share (SEK)	88.97	96.21	88.97	96.21	88.97	88.81
Equity ratio (%)	49	50	49	50	49	49
Net debt/equity ratio (%)	54	56	54	56	54	54
Average number of shares during the period (millions)	323.9	323.9	323.9	323.9	323.9	323.9
Number of shares at end of period (millions)	323.9	323.9	323.9	323.9	323.9	323.9
Number of employees at end of period	8,882	9,055	8,882	9,055	8,882	8,978

1) The results for the quarter include primarily currency effects on operating receivables/liabilities of SEK 2 (195) million, a capital gain of SEK 57 (-) million upon the sale of a real estate as well as profit on swap of emission rights of SEK 57 (-) million

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

Consolidated statement of comprehensive income

SEK millions	2013 Q 2	2012 Q 2	2013 Qs 1-2	2012 Qs 1-2	Jul 12- Jun 13	2012 Full year
Profit/loss for the period after tax	-144	480	-281	761	-1,027	15
<i>Other comprehensive income</i>						
<u>Items which will be reclassified to the income statement:</u>						
Translation differences for the period	973	1,740	957	413	-1,206	-1,750
Cash flow hedges	-40	-83	-38	-46	-76	-84
Hedging of currency risks in foreign operations 1)	-334	-593	-338	-136	408	610
Share in other comprehensive income of affiliated companies and joint ventures	1	3	-7	5	-9	3
Tax attributable to items which will be reclassified to the income statement	81	178	82	48	-104	-138
Total items which will be reclassified to the income statement	681	1,245	656	284	-987	-1,359
<u>Items which will not be reclassified to the income statement:</u>						
Actuarial profits and losses, pensions	-	-	-	-	-10	-10
Tax attributable to items which will not be reclassified to the income statement	-	-	-	-	3	3
Total items which will not be reclassified to the income statement	-	-	-	-	-7	-7
Total other comprehensive income for the period, net after tax	681	1,245	656	284	-994	-1,366
Total comprehensive income for the period	537	1,725	375	1,045	-2,021	-1,351
Of which attributable to:						
- Parent Company's shareholders	537	1,725	375	1,045	-2,021	-1,351

1) Hedging is structured such that the net debt/equity ratio is unchanged in the event of changed exchange rates

Consolidated statement of changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders				
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity
Equity, December 31, 2011	2,851	9,944	-1,769	19,742	30,768
<u>Changes Jan 1 - Jun 30, 2012</u>					
Comprehensive income for the period			284	761	1,045
Dividend				-648	-648
Equity, June 30, 2012	2,851	9,944	-1,485	19,855	31,165
<u>Changes 1 Jul - 31 Dec, 2012</u>					
Comprehensive income for the period			-1,643	-753	-2,396
Equity, December 31, 2012	2,851	9,944	-3,128	19,102	28,769
<u>Changes 1 Jan - 30 Jun, 2013</u>					
Comprehensive income for the period			656	-281	375
Dividend				-324	-324
Equity, June 30, 2013	2,851	9,944	-2,472	18,497	28,820

There are 323,934,775 shares with a quotient value of SEK 8.80.

Consolidated balance sheet

SEK millions	30 Jun 2013	30 Jun 2012	31 Dec 2012
Assets			
Goodwill	18,467	19,146	17,882
Other intangible assets	2,451	3,298	2,734
Tangible fixed assets	17,226	18,583	17,610
Participations in affiliated companies	316	337	327
Financial assets 1)	1,874	82	1,035
Deferred tax receivables 2)	832	859	668
Total fixed assets	41,166	42,305	40,256
Inventories	9,018	11,278	9,435
Accounts receivable	5,545	5,604	4,383
Current tax receivables	376	320	426
Other current receivables	725	1,030	1,115
Cash and cash equivalents	2,046	1,900	3,004
Total current assets	17,710	20,132	18,363
Total assets	58,876	62,437	58,619
Equity and liabilities			
Equity for shareholders in the Company	28,820	31,165	28,769
Total equity	28,820	31,165	28,769
Deferred tax liabilities	3,558	4,740	3,820
Other long-term provisions	275	317	306
Deferred income 2)	468	536	456
Long-term interest-bearing liabilities	18,037	17,822	18,267
Total long-term liabilities	22,338	23,415	22,849
Short-term interest-bearing liabilities	1,287	1,645	1,115
Current tax liabilities	170	206	243
Accounts payable	4,118	3,946	3,470
Other current liabilities	2,143	2,060	2,173
Total current liabilities	7,718	7,857	7,001
Total equity and liabilities	58,876	62,437	58,619
Pledged assets 3)	2,226	39	242
Contingent liabilities	621	305	594

1) Financial assets include long-term bank deposits (escrow agreement) in the amount of USD 270 (-) million.

2) Of the deferred tax receivable, SEK 467 (536) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits have not yet been booked as income, a corresponding liability has been booked as a Long-term deferred income.

3) The increase in pledged assets primarily comprises surplus liquidity in the Belgian finance company which is pledged to the benefit of other Group companies.

Valuation of financial assets and liabilities

Financial assets and liabilities in the balance sheet are valued based on their category at acquisition value or fair value. Both interest rate derivatives and currency derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 105 million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 100 million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. In the case of valuation at fair value, the loans at fixed interest reported in the balance sheet item "Long-term interest-bearing liabilities" would exceed the reported amount by SEK 457 million; however, since the loans will be held until maturity, this does not affect the reported value.

Assessment of fair value of financial instruments

The classification shall take place hierarchically on three different levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities other than listed prices are used, e.g. interest rates and return curves. On level 3, the fair value is determined based on a valuation technique which is based on assumptions which are not based on prices or observable data.

The fair value valuation of the financial assets in SSAB is based on data in accordance with level 2.

Cash flow

	2013	2012	2013	2012	Jul 12-	2012
SEK millions	Q 2	Q 2	Qs 1-2	Qs 1-2	Jun 13	Full year
Operating profit/loss	-115	755	-251	1,234	-1,581	-96
Adjustments for depreciation and impairment	657	643	1,301	1,272	2,615	2,586
Adjustment for other non-cash items	-95	84	-68	79	46	193
Received and paid interest	-125	-130	-229	-234	-567	-572
Tax paid	-47	-323	-139	-422	-150	-433
Change in working capital	489	-345	145	607	2,512	2,974
Cash flow from operating activities	764	684	759	2,536	2,875	4,652
Capital expenditure payments	-175	-340	-339	-769	-1,001	-1,431
Acquisitions, businesses and operations	-4	-1	-4	-1	-33	-30
Divested businesses and operations 1)	69	-	69	31	69	31
Other investing activities	-1	-4	4	-8	60	48
Cash flow from investing activities	-111	-345	-270	-747	-905	-1,382
Dividend	-324	-648	-324	-648	-324	-648
Change in loans	-496	502	-426	-1,195	168	-601
Change in financial investments	-5	119	-755	306	-1,636	-575
Other financing activities	36	-89	18	2	28	12
Cash flow from financing activities	-789	-116	-1,487	-1,535	-1,764	-1,812
Cash flow for the period	-136	223	-998	254	206	1,458
Cash and cash equivalents at beginning of period	2,119	1,670	3,004	1,648	1,900	1,648
Exchange rate difference in cash and cash equivalents	63	7	40	-2	-60	-102
Cash and equivalents at end of period	2,046	1,900	2,046	1,900	2,046	3,004

1) During the second quarter of 2013, Tibnor sold a real estate company for SEK 69 (-) million.

The business areas' sales, earnings and return on capital employed

	Sales			Sales, external		Operating profit/loss		Return on capital employed (%) 3)		
	2013 Qs 1-2	2012 Qs 1-2	Change in % in % 2)	2013 Qs 1-2	2012 Qs1-2	2013 Qs 1-2	2012 Q 1-2	Jul 12- Jun 13	2012 Full year	
SEK millions										
SSAB EMEA	9,296	11,180	-17%	-14%	7,075	8,164	3	259	-8	-6
SSAB Americas	6,968	9,266	-25%	-20%	6,941	9,114	38	1,207	5	18
SSAB APAC	1,010	1,246	-19%	-14%	1,010	1,246	48	105	7	11
Tibnor	2,782	3,407	-18%	-17%	2,701	3,315	72	172	1	7
Amortization on surplus values 1)						-407	-422			
Other	-2,329	-3,260				-5	-87	-	-	-
Total	17,727	21,839	-19%	-15%	17,727	21,839	-251	1,234	-3	0

1) Depreciation and amortization on surplus values on intangible and tangible assets related to the acquisition of IPSCO.

2) Adjusted for changes in exchange rates.

3) SSAB Americas' return is calculated excluding surplus values. Inclusive of surplus values, the returns are -1% and 2% respectively.

The Group's results per quarter

SEK millions	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12	1/13	2/13
Sales	11,056	11,769	10,917	10,898	11,023	10,816	8,730	8,354	8,833	8,894
Operating expenses	-9,868	-9,901	-9,825	-10,233	-9,922	-9,439	-8,730	-8,374	-8,324	-8,365
Depreciation	-572	-561	-585	-627	-629	-643	-668	-646	-644	-657
Affiliated companies	5	23	4	12	7	21	3	1	-1	13
Financial items	-112	-144	-110	-148	-150	-146	-124	-177	-142	-158
Profit/loss after financial items	509	1,186	401	-98	329	609	-789	-842	-278	-273

Sales per quarter and business area

SEK millions	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12	1/13	2/13
SSAB EMEA	6,071	6,386	5,491	5,820	5,780	5,400	4,549	4,529	4,573	4,723
SSAB Americas	3,984	4,403	4,505	4,207	4,609	4,657	3,669	3,238	3,460	3,508
SSAB APAC	690	788	625	708	585	661	513	559	555	455
Tibnor	1,951	1,957	1,637	1,699	1,771	1,636	1,266	1,288	1,366	1,416
Other	-1,640	-1,765	-1,341	-1,536	-1,722	-1,538	-1,267	-1,260	-1,121	-1,208
Sales	11,056	11,769	10,917	10,898	11,023	10,816	8,730	8,354	8,833	8,894

Operating profit/loss per quarter and business area

SEK millions	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12	1/13	2/13
SSAB EMEA	236	664	-3	-248	-124	383	-644	-545	-53	56
SSAB Americas	383	651	661	414	670	537	251	110	87	-49
SSAB APAC	102	67	59	96	65	40	16	46	42	6
Tibnor	128	99	12	15	105	67	-26	-42	15	57
Amortization on surplus values 1)	-189	-183	-189	-197	-197	-225	-218	-221	-201	-206
Other	-39	32	-29	-30	-40	-47	-44	-13	-26	21
Operating profit/loss	621	1,330	511	50	479	755	-665	-665	-136	-115

1) Depreciation and amortization on surplus values on intangible and tangible assets related to the acquisition of IPSCO.

The Parent Company's income statement

SEK millions	2013 Q 2	2012 Q 2	2013 Qs 1-2	2012 Qs 1-2	Jul 12- Jun 13	2012 Full year
Gross profit	0	0	0	0	0	0
Administrative expenses	-50	-77	-103	-134	-214	-245
Other operating income/expenses	69	22	92	44	151	103
Operating profit/loss	19	-55	-11	-90	-63	-142
Dividend from subsidiaries	0	889	70	1,069	84	1,083
Financial items	-97	-83	-184	-159	-350	-325
Profit/loss after financial items	-78	751	-125	820	-329	616
Appropriations	-	-	-	-	-105	-105
Tax	18	36	43	64	139	160
Profit/loss after tax	-60	787	-82	884	-295	671

The Parent Company's statement of comprehensive income

SEK millions	2013 Q 2	2012 Q 2	2013 Qs 1-2	2012 Qs 1-2	Jul 12- Jun 13	2012 Full year
Profit/loss after tax	-60	787	-82	884	-295	671
<i>Other comprehensive income</i>						
<u>Items which will be reclassified to the income statement</u>						
Hedging of currency risks in foreign operations	-334	-593	-338	-136	408	610
Cash flow hedges	-3	-25	3	-8	-17	-28
Tax attributable to other comprehensive income	73	163	73	38	-121	-156
Total items which will be reclassified to the income statement	-264	-455	-262	-106	270	426
Other comprehensive income, net after tax	-264	-455	-262	-106	270	426
Total comprehensive income for the year	-324	332	-344	778	-25	1,097

The Parent Company's balance sheet

SEK millions	30 Jun 2013	30 Jun 2012	31 Dec 2012
Assets			
Fixed assets	39,380	39,355	39,264
Other current assets	10,232	13,534	12,809
Cash and cash equivalents	103	1,308	539
Total assets	49,715	54,197	52,612
Equity and liabilities			
Restricted equity	3,753	3,753	3,753
Unrestricted equity	26,635	26,983	27,303
Total equity	30,388	30,736	31,056
Untaxed reserves	175	661	175
Long-term liabilities and provisions	16,196	16,042	16,455
Current liabilities and provisions	2,956	6,758	4,926
Total equity and liabilities	49,715	54,197	52,612

Production and shipments

Thousand tonnes	1/11	2/11	3/11	4/11	1/12	2/12	3/12	4/12	1/13	2/13
Crude steel production										
- SSAB EMEA	943	957	612	741	832	867	551	713	744	805
- SSAB Americas	631	624	607	556	624	609	540	517	610	584
-Total	1,574	1,581	1,219	1,297	1,456	1,476	1,091	1,230	1,354	1,389
Steel production 1)										
- SSAB EMEA	765	755	506	591	638	664	466	491	624	625
- SSAB Americas	592	579	563	537	591	571	516	487	574	541
-Total	1,357	1,334	1,069	1,128	1,229	1,235	982	978	1,198	1,166
Steel shipments										
- SSAB EMEA	571	556	418	455	511	437	378	373	469	474
- SSAB Americas	623	628	612	579	622	626	540	530	587	574
- SSAB APAC	57	64	46	52	41	46	38	42	44	37
-Total	1,251	1,248	1,076	1,086	1,174	1,109	956	945	1,100	1,085
of which niche steels										
- SSAB EMEA	233	244	187	190	227	215	186	172	200	223
- SSAB Americas	170	154	171	150	193	154	143	135	179	170
- SSAB APAC	56	61	45	52	39	45	36	40	42	37
-Total niche steels	459	459	403	392	459	414	365	347	421	430

1) Including subcontract rolling.

Note:

This report has been published in Swedish and English. In the event of differences between the English translation and the Swedish original, the Swedish Report shall prevail.

For further information:

*Helena Stålnert, Executive VP Communications Tel.+46 8 - 45 45 734
Catarina Ihre, Director, Investor Relations, Tel. +46 8 - 45 45 729*

Report for the third quarter of 2013:

The report for the third quarter of 2013 will be published on October 25, 2013.

SSAB

SSAB AB (publ)

Box 70, SE-101 21 Stockholm, Sweden

Telephone +46 8-45 45 700. Fax +46 8-45 45 725

Visiting address: Klarabergsviadukten 70 D6, Stockholm

E-mail: info@ssab.com

www.ssab.com