

With our customer
all the way



Content

With SSAB's high strength steels, our customers are able to produce products that are lighter and stronger than if they had used standard steels. With the support from SSAB's experts, the customers develop processing, design and construction of their products and in so doing, increase their profitability.

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The Annual Report is published in Swedish and English. In the event of differences between the English translation and the Swedish original, the Swedish Annual Report shall prevail.

Hardox Wearparts Center Stirling, Skotland

On the front page, SSAB's welders are shown repairing the customer's bucket on site, in order to increase productivity at the recycling center in Stirling, Scotland. SSAB has mobile work teams that are able to visit customers on short notice - with our customer all the way.

SSAB in brief

Vision

A stronger, lighter and more sustainable world

Strategy

SSAB shall be: a global leader within high strength steels, the leading supplier on our domestic markets, and the leader within value added services.

In order to achieve this, we require: flexible operations, a superior customer experience, and a high performing organization.

Offering

SSAB is a leading supplier of high strength steels, offering a uniquely broad range of products with different qualities and dimensions. SSAB's solutions also include value added services, from concept to finished delivery.

Total shipments
increased

6%

Needs on the aftermarket constitute an important driver in SSAB's development work and knowledge base. Proximity to the customers is very important as regards customer support and product development. Through the provision of advice either on site at the customer or at any of SSAB's research centers SSAB contributes knowledge regarding ways in which the qualities of high strength steels can be utilized to maximum effect. SSAB Wear Services also offers advice, repairs, and sales of spare parts to the aftermarket.

Markets and customers

The business is organized into three business areas; SSAB Americas, SSAB EMEA and SSAB APAC as well as the subsidiary Tibnor, which is the largest steel distributor in the Nordic region. The largest customer segments are Automotive, Construction machinery, Material handling and Heavy transport. In 2013, the three largest markets comprised the US, Sweden and Germany.

The steel industry

In 2013, the steel industry was characterized by excess capacity, reduced demand, and strong pressure on prices. The steel industry plays a key role in the structure of society and in our day-to-day lives. SSAB's high strength steels contribute many advantages to sustainable growth, which is predicated upon achieving the same goals by using fewer resources. At the same time, the steel production process is energy-intensive, harmful, and dependent on natural resources, and is thus governed by rigorous environmental and safety requirements.

The year in brief

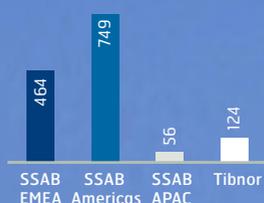
	2013	2012
Sales, SEK millions	35,022	44,640
Operating profit/loss, SEK millions	-1,131	2,512
Profit/loss after financial items, SEK millions	-1,728	1,998
Earnings per share, SEK	-3.29	4.82
Operating cash flow, SEK millions	1,956	2,200
Proposed dividend, SEK	0.00	2.00

Business areas

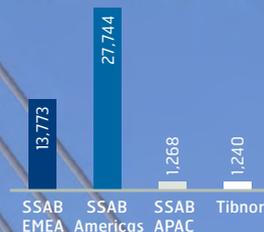
Sales, SEK m



EBITDA, SEK m



Capital employed, SEK m



Number of employees

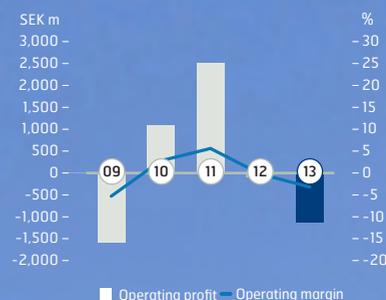


Group

Sales, SEK

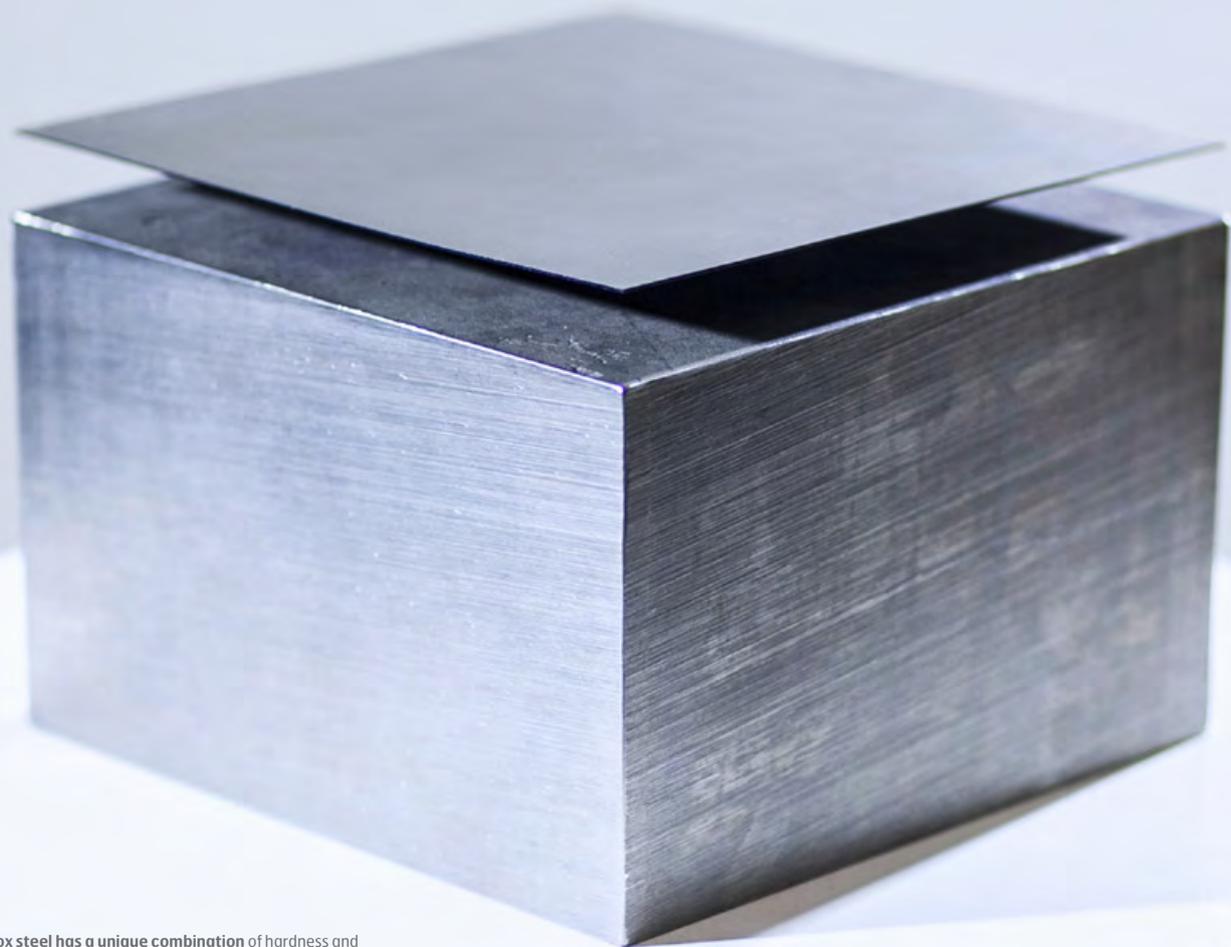


Operating profit and margin



The share's performance





Hardox steel has a unique combination of hardness and toughness. Hardox is used in constructions to reduce weight and increase durability. Hardox wear plate is available in thicknesses from 0.7 to 160 mm.

Business overview

SSAB is a leading supplier of high strength steels with a broad product portfolio comprising different qualities and dimensions within both wear steels and structural steels. SSAB's strategic objectives are based on the vision of a lighter, stronger and more sustainable world. This year, we launched new sustainability objectives that are aligned with the strategic goals. Close cooperation with the customers is one of the cornerstones of the strategy. Through product development together with our customers, SSAB's expertise in high strength steels is combined with the customers' applications know-how. The offering includes value added services, such as advanced logistics and aftermarket service.



Many steel companies were hit hard by an extremely weak steel market in 2013. For SSAB, this situation was worsened further by the strong Swedish krona. 2013 was a challenging year which ended with a negative result for SSAB.

We addressed these challenges by continuing to focus on cost control, production flexibility and the reduction of working capital. In addition, we have been working over a longer period of time to identify a suitable structural solution to take SSAB to the next level in terms of competitiveness and flexibility. During the past year this work has focused on the proposed combination with the Finnish company, Rautaruukki.

With the announcement of the Rautaruukki share offer at the beginning of 2014, we have taken a major step in terms of developing the steel industry in this part of the world. Together with Rautaruukki, we can create a significantly more competitive company. We can manage the business with even greater flexibility and cost efficiency, and we can strengthen the offering to our customers.

Modest recovery for the global steel market

The global steel market experienced a moderate recovery in 2013. Demand in Europe remained weak, which again led to significant overcapacity and low levels of capacity utilization. In Asia, the rate of growth was relatively low, while a clear recovery could be seen on the American markets towards the end of the year. The main factor affecting demand for our steel products was the weak development within the mining and construction machinery sector. This had a negative effect on our volumes in China, among other things. On the other hand, the US energy sector experienced strong growth, particularly during the second half of the year. The gradual strengthening of the passenger car market meant that all of our business areas enjoyed strong demand within the Automotive segment. Consequently, demand for our high strength strip products was somewhat stronger than demand for our high strength plate products throughout the year.

Continual endeavors to improve efficiency

Challenging market conditions have imposed major demands for cost efficiency in our operations. The SSAB EMEA efficiency program that began in 2012 was concluded during the first quarter 2013, and the full impact of this will be seen during 2014. As part of this program, an agreement was reached with the majority of our employees in Sweden to reduce working hours and salaries for a period of six months. Many of the improvements within SSAB EMEA have been carried out thanks to the increasingly systematic employment of what we call SSAB One - a common way of working with continuous improvements based on the creation of better workflows, increased flexibility and quality improvements in our operations. We have also continued our efficiency improvements in our American operations. During the year, our steel mills in the US – which historically have always been among the most cost efficient – demonstrated their ability to further strengthen their position in this respect.

Throughout the year, we have continued to enhance working capital efficiency, and have been able to show a positive cash flow and a reduced net debt.

Further development of SSAB's aftermarket offering

We haven't only focused on savings and efficiency throughout the course of the year; we have also continued to look to the future in close cooperation with our customers. Working closely with our customers is one of the cornerstones of our business strategy and differentiates SSAB from many other steel companies. Projects carried out together with our customers enable us to continuously develop new areas of use for our high strength steels. In line with our strategy, we have also expanded our service offering to the aftermarket during the year. We have further developed Wear Services to include a number of service offerings within the aftermarket for wear plate products and made a few smaller acquisitions to strengthen our position on this market. SSAB now has a strong concept to present to our customers through our own Hardox Wearparts facilities and the global network of the same name: for example, within the mining and recycling sectors. We have also developed our own unique digital tool for Wear Services: the Wear Calc application measures wear, analyzes the need for replacement parts, and calculates the benefits provided by new and improved steel grades.

High-risk work requires safety

The steel industry involves a large number of harmful environments and potentially dangerous working activities. For this reason, we have rigorous programs in place to prevent the occurrence of accidents. These programs also apply to contractors who are hired to carry out work at our plants. Nevertheless, a serious accident occurred at our plant in Luleå in autumn 2013, which resulted in two people losing their lives. This was a severe and completely unacceptable occurrence.

»Together with Rautaruukki,
we can create a significantly
more competitive company.«

Everyone who works at SSAB, whether they are employees or contractors, must be able to be safe at work. We therefore continue with our already extensive efforts to improve safety at our workplaces. These efforts are audited and certified by independent experts.

Politics distort competitiveness

During the year, two political decisions that will have important repercussions for our business were taken. The first involves the allocation of emission rights which, under the new rules, will be insufficient to cover SSAB's needs if we go up to full production. Consequently, we will be forced to pay for emission rights, which will make it expensive to increase production in the long term. As a result, our environmentally efficient plants will find it more difficult to compete with steel mills outside of Europe, which often do not have the same level of performance for reducing emissions. Hence, the overall impact for the environment will be negative.

The other decision that affects our business relates to the new regulations governing cargo shipping in the Baltic Sea, which come into force next year. These regulations mean much stricter rules regarding ship fuel, and will increase our transportation costs and seriously distort competitiveness for companies around the Baltic region.

Both of these decisions are inconsistent with the plan of action presented by the EU Commission in the summer, in which it was noted that measures were required to facilitate the recovery of the steel industry. Further, during the last few years Sweden has stood out as a country with a higher interest rate than the rest of Europe. This has resulted in a substantial increase in the value of the Swedish krona against the euro. Since a large percentage of our customers are located within the Eurozone, the strong krona has hampered our competitiveness and, as a consequence, had a significant negative impact on our earnings.

A stronger company in a bottomed-out market

During the fourth quarter, we were able to implement several price increases in our American operations. I interpret this as a sign that the trend has turned on the North American continent. In Asia, prospects also appear to be brighter. It is not quite so clear what we can expect in Europe, but probably we have the lowest point behind us. As a company, we must continue to strengthen our product development, productivity and cooperation with our customers. This is the only way we can create a solid platform for the future and be an attractive company for all stakeholders. SSAB – especially together with Rautaruukki – is well equipped for the day when the tide turns.



Martin Lindqvist
President and CEO

» A stronger, lighter and more sustainable world «

SSAB's vision

Together with our customers, we will go further than anyone to realize the full potential of stronger, lighter, and more durable steel products.

SSAB's values

Customer's business in focus

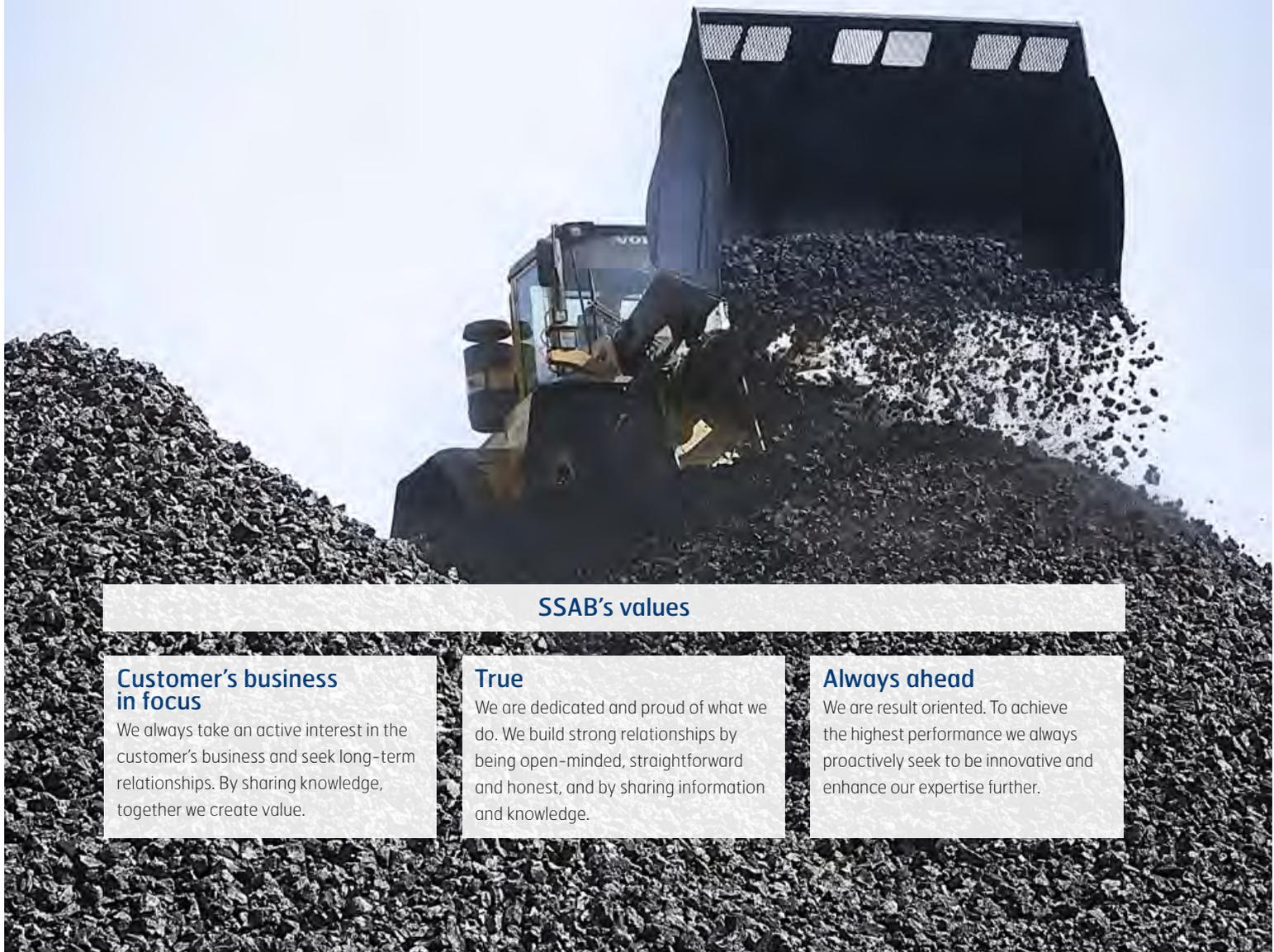
We always take an active interest in the customer's business and seek long-term relationships. By sharing knowledge, together we create value.

True

We are dedicated and proud of what we do. We build strong relationships by being open-minded, straightforward and honest, and by sharing information and knowledge.

Always ahead

We are result oriented. To achieve the highest performance we always proactively seek to be innovative and enhance our expertise further.



SSAB's strategic, financial and sustainability objectives

SSAB's strategy Taking the Lead is aimed at securing the Company's long-term development and value for shareholders and other stakeholders, while at the same time promoting long-term sustainable development. SSAB's overarching objective is to be one of the most profitable steel companies in the world.



WHAT SSAB MUST BE

THE WAY FOR SSAB TO ACHIEVE SUCCESS

STRATEGIC OBJECTIVES

SSAB's strategic objectives relate to the six parts of the strategy.

Strategy	Objective
Leader in domestic markets	Leader in terms of profitability and volumes in North America and the Nordic region
Leader within high strength steels	High strength steels shall account for 50% of shipments, of which 35% to emerging markets
Leader within value added services	50% of shipments shall include value added services
Superior customer experience	Leader in customer satisfaction surveys
High-performing organization	Attractive employer with motivated employees. One of the world's leading steel companies in terms of health and safety
Flexible operations	Profitability at 70% capacity utilization

FINANCIAL OBJECTIVES

SSAB has four financial objectives within three areas.

Area	Objective
Profitability	Taking into consideration the need to strengthen the balance sheet and dividend policy, the objective is that the return on capital employed over the business cycle shall exceed 15%
Capital structure	The Group's operations are cyclical. The objective is a long-term equity ratio of approximately 50% and a long-term net debt/equity ratio of 30%
Dividends	Dividends shall be adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It shall also be possible to use dividends to adjust the capital structure

SUSTAINABILITY OBJECTIVES

SSAB's sustainability objectives have been produced in order to supplement and support the strategic objectives. These sustainability objectives consist of environmental targets aimed at minimizing the impact of operations on the environment, and SSAB's social responsibility objectives, aimed at achieving fairness for all involved. An increased percentage of high strength steels constitutes both a strategic objective and a sustainability objective that contributes to more sustainable products and solutions.

Sustainability strategy	Objective
Environmental responsibility	By the end of 2018, individual activities shall, in a sustainable manner and when taken together on an annual basis, have: <ul style="list-style-type: none"> • Reduced by 100,000 tonnes CO₂ emissions derived from fossil fuels • Reduced by 20 GWh the use of purchased energy • Reduced by 10,000 tonnes the quantity of material deposited in landfills or sent for destruction externally
Sustainable products	<ul style="list-style-type: none"> • High strength steels shall account for 50% of shipments, of which 35% to emerging markets
Social responsibility	<ul style="list-style-type: none"> • An annual reduction by at least 5% in lost time injuries per million work hours • All employees shall have an annual performance and planning dialogue • An Employee Satisfaction Index of at least 90 • Ensuring compliance with SSAB's Code of Business Ethics and behavior in accordance with our values • All employees shall undergo courses in business ethics

Strategy – Taking the Lead

Leader in domestic markets

Being the leader in our domestic markets means, in the case of North America, securing our position as the most cost efficient steel producer, while at the same time offering our customers outstanding service and customer support. SSAB has during the year taken initiative in implementing price increases. Increased activity in the energy sector in North America means stronger demand for SSAB's steels which, among other things, has resulted in strategic investments in order to maintain our leading position.

In the Nordic region, economic growth is expected to be stronger than in the rest of Europe, a factor which has a positive impact on demand for steel. In order to maintain our position as the leading steel supplier in the Nordic region, during the course of the year SSAB implemented a new sales model with a clear focus on the market's different customer segments. Similarly, co-operation has been strengthened between SSAB steel operations and the wholly-owned steel distributor, Tibnor. With continued joint development of our long-term customer relationships, SSAB has a competitive offering even within standard steels. In order to be the leader in our domestic markets, we will work on developing our customer relations and providing short lead times and on time deliveries.

Leader within high strength steels

SSAB shall continue to be a global leader within high strength steels thanks to continuous product and process development and by developing new applications together with our customers. SSAB has a unique product range within quenched steels and an extremely competitive offering within advanced high strength steels. The objective is that these high strength steels shall account for 50 percent of shipments. The major investment program carried out primarily in Mobile, Alabama and in Borlänge has created favorable development opportunities and conditions to increase our sales in the high strength steels product segment. In Mobile, it has been possible to increase production of the Hardox 450 and Hardox 500 wear steels, as well as the Weldox 700 structural steel. In Borlänge, the investment in quenched strip steel, which initially focused primarily on wear steel applications, has now also secured a strong position in applications for heavy transport vehicles, lifting cranes, and safety components for passenger cars.

Leader within value added services

Maintenance and aftermarket services involve, among other things, the development of distribution and stock sales where appropriate. The successes achieved with stock sales of quenched steels are now being replicated regarding strip products as well. In addition to earlier warehousing centers in Italy, the Netherlands, South Africa and Poland among other places, similar centers are planned in Germany and Russia. This will make it possible to reach the most important markets within 48 hours and create closer, more direct contact with customers. In addition, a basis will be created within SSAB Shape for further developing processing, adaptation and formatting.

At the same time, SSAB's wearparts offering is expanding. This is taking place through continued expansion of the Hardox Wearparts Center, but also through acquisitions of small and medium-sized companies which manufacture wearparts. In addition, the product portfolio is being broadened to include, for example, chrome-carbide overlay products.

SSAB's strategy is based on being the leader in our domestic markets, being a global leader within high strength steels, and offering developed maintenance and aftermarket services. This strategy provides a strong basis also during downturns in the steel business cycle.



Superior customer experience

SSAB's customer offering shall exceed what is provided by most of the steel industry. To remain in the forefront we must broaden the range of product brands and work with research and development, technical support, on-time delivery, and additional services. SSAB already enjoys a strong position when it comes to supplying a high and uniform product quality level. Customers must now become more aware of the fact that the same applies also to lead times and on-time deliveries. SSAB's advanced research and development will be combined with continued development of SSAB's unique sales model, which is based on close cooperation with customers in design, production and maintenance. When the customer restructures and adapts its production to high strength steels, the process can often be rendered more efficient. SSAB's experts provide the customers with training - either at the customer's plant or at any of SSAB's research centers - on how to utilize the characteristics of high strength steel to best effect.



High-performing organization

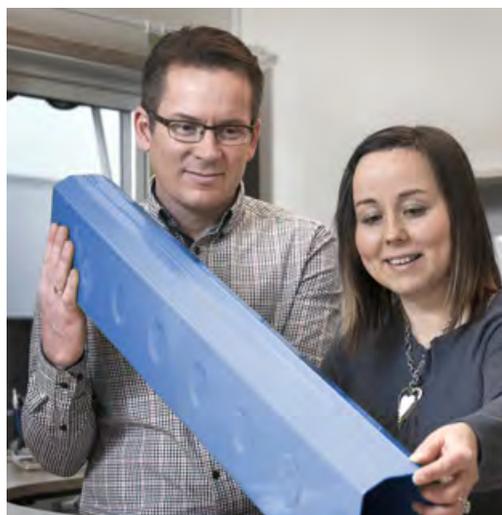
SSAB's business model requires highly skilled employees at all levels, and thus great importance is attached to recruiting and retaining committed, skilled employees. To create conditions for effective skills development of SSAB's employees is fundamental for the business as a knowledge-based company and for maintaining a High-performing organization. The SSAB One management philosophy represents an important element in the ambition of constantly improving the business operations. Good work performance requires a safe workplace. SSAB therefore places great importance on ensuring that all employees and subcontractors can perform their work securely and safely.



Flexible operations

SSAB shall have flexible, cost-efficient operations and utilize its own global production and distribution system to the best effect. During the year, an extensive cost saving program was completed within the SSAB EMEA business area, which was also aimed at increasing flexibility. Thanks to the program, a significant portion of the fixed costs have been converted into variable costs. Parts of administration, IT and purchasing has been outsourced. Work to improve efficiency is continuing, together with the objective of improving flows in all parts of the business operations. Thanks to production facilities in both Sweden and the US, SSAB can adapt production based on demand and cost structure at each plant. SSAB is thereby able to achieve maximum benefit from its global production.

Our offer – with our customer all the way



Product development



Customized steel



Advanced logistics

SSAB's business model is based on close cooperation with its customers. This means that SSAB develops new products and processes together with its customers, and that SSAB monitors, evaluates, and is prepared to find new solutions when old solutions become outdated.

Development in close cooperation with customers

Close cooperation with customers is the factor which distinguishes SSAB from most other steel companies. As early as the development stage of a new application – be it tipper, dumper or crane – SSAB's qualified applications engineers, together with the customer, develop new solutions in which the qualities of the steel are utilized to best effect. In this way, it is possible to produce end products which are stronger, lighter and more durable. In addition, through SSAB Shape's ready-made components are offered for immediate delivery based on SSAB's know-how and a worldwide network of subcontractors.

The customers' needs also serve as the basis for SSAB's research and development work. SSAB has research and development centers in Borlänge and Oxelösund (Sweden), in Montpelier (Iowa, USA), and in Kunshan

(outside Shanghai, China). Approximately one-quarter of employees within this part of SSAB's operations hold doctorates in technology, a factor which ensures cutting-edge research. In addition to product development, research and development into production processes take place at the major production centers.

SSAB's research and development is focused primarily on high strength steels. SSAB has identified a number of segments in which demands on steel are particularly exacting. Constant development is taking place within these segments, with SSAB playing a leading role. Increased environmental awareness has been an important driving force in the development work.

Within this area, SSAB's high strength steels are of great importance, as is the know-how of production processes and efficient use of resources and energy.



»Weight, hardness and durability are crucial factors for the attractiveness of many of our customers' products on the market. By switching over to high strength steels, there is great potential to increase the competitiveness of our clients products. However, conversion requires knowledge of both high strength steels and the end users product. By conducting development projects together with our customers and providing advanced customer support, together we are able to create improved solutions for the market.

In 2013, we carried out more than 800 customer projects and conveyed knowledge about the advantages of high strength steels to more than 10,000 individuals to existing and potential customers.«

Gregoire Parenty, Executive Vice President and Head of Market



Wearparts

The aftermarket – for our customers and together with our customers

The aftermarket has always constituted an important part of SSAB's business. Much of SSAB's know-how is derived from experience gained on the aftermarket. It is on the aftermarket that new ideas are born and many new products developed. 10 years ago the Hardox Wearparts Center was launched, an international network for customers manufacturing wearparts made of Hardox steels. Experience from this network is now being further developed within the scope of Wear Services and includes an offering of solutions for all customer needs which may arise on the aftermarket.

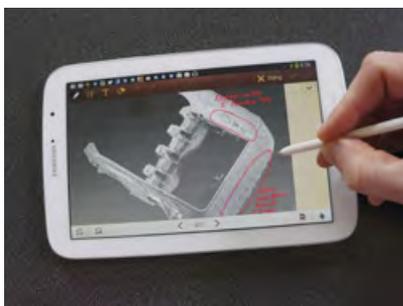
A concept which has been developed involving One-Stop-Shops focuses primarily on customers in the wear steel market who work, for example, with mining, recycling and quarrying. Consequently, the wear steel offering has been broadened to include heavy castings and chrome-carbide overlay. An important part of the offering comprises SSAB's know-how and tools for measuring and identifying abrasion on existing equipment, analyzing conditions and needs, and calculating advantages with new, improved

replacement parts. For this purpose, SSAB has developed possibilities for 3D scanning and the Wear Calc calculation tool.

Development opportunities in the aftermarket are extremely large and are based on continued close cooperation with customers. SSAB's know-how is combined with the

knowledge possessed by the approximately 130 companies included in Hardox Wearparts Center, gradually supplemented with acquisitions which make it possible for this business to grow and be developed.

One-Stop Wear Shop



Cutting edge 3D laser scanner allows Wear Services to provide precise replacement parts quickly saving downtime for the customer.

A mining company benefited from the full service offering provided by Wear Services with two better designed dragline buckets expected to significantly extend their wear life. After an on-site wear analysis, 3D laser scanning and design consultation, the repaired buckets containing multiple Hardox and Chromium Carbide Overlay products were delivered to the customer.

SSAB on the Stock Exchange

SSAB's shares are listed on the Nasdaq OMX Stockholm, Large cap list. OMX Nordic Exchange issues call and put options on the shares.

The final transaction prices in 2013 were SEK 49.30 for SSAB's class A share and SEK 41.50 for SSAB's class B share, corresponding to a total market capitalization of SEK 15.30 billion. During the year, the price of SSAB's class A share fell by 13 percent and the class B share by 14 percent. During the same period, Nasdaq OMX Stockholm increased by 28 percent. The highest transaction price during the year was listed on January 3 and was SEK 59.35 for the class A share and SEK 51.00 for the class B share. The lowest transaction price, SEK 38.76 and SEK 33.52 respectively, were listed on July 5. During the year, SSAB's shares were traded for almost SEK 36.56 billion. Trading in shares took place on all exchange days and averaged approximately SEK 146 million per day. The volume of traded A shares during the year corresponded to 290 percent of the average number of outstanding shares. The volume of traded B shares corresponded to 116 percent of the average number of outstanding shares. SSAB's shares accounted for 1.3 percent of trading on the Nasdaq OMX Stockholm Exchange.

The SSAB-share is also traded on market places such as BOAT, Burgundy, Chi-X and Turquoise. Of the total volume of traded shares, 57 percent of the class A shares were traded on Nasdaq OMX Stockholm and 78 percent of the class B shares.

Dividends

Dividends shall be adjusted to the average profit level over a business cycle and, in the long term, constitute approximately 50 percent of profit after tax. It should also be possible to use dividends to adjust the capital structure. For the 2013 financial year no dividend is proposed. For the 2012 financial year, the dividend amounted to SEK 1.00 per share.

Share capital

At the end of the year there were 323,934,775 shares, divided into 240,765,832 class A shares and 83,168,943 class B shares, which was unchanged since December 31, 2012. Each class A share carries one vote and each class B share carries one-tenth of one vote. The quotient value per share is SEK 8.80. At the end of 2013, SSAB's three largest owners were Industrivärden, LKAB and Swedbank Robur Fonder. It should be noted that the majority of holdings of foreign owners in SSAB are nominee-registered. At the end of 2013, SSAB had 65,272 shareholders, a decrease of approximately 700 during the year. The ten largest identified owners together owned approximately 37 percent of the share capital and 45 percent of the voting capital. Foreign-registered ownership in SSAB remained the same during the year and, at the end of December, represented approximately 27 percent of the share capital.

Investor relations

During 2013, a large number of meetings were held with representatives of financial institutions. Meetings were held, for example, in Stockholm, London, New York, Boston, Paris, Frankfurt, Zurich, Geneva, Edinburgh, Amsterdam and Brussels. Presentations and investor meetings are regularly arranged in connection with the publication of interim reports and annual results.

Ticker

NASDAQ OMX Stockholm AB: class A SSAB A (SSE300)
NASDAQ OMX Stockholm AB: class B SSAB B (SSE301)

Share breakdown

Shareholding	Number	% of all shareholders
1-500	32,595	49.9
501-1,000	11,912	18.2
1,001-5,000	17,836	27.3
5,001-10,000	1,579	2.4
10,001-15,000	397	0.6
15,001-20,000	257	0.4
20,001-	696	1.1
Total	65,272	100.0

Owners as of December 31, 2013

	% of votes	% of share capital
Industrivärden	23.4	18.2
LKAB	5.0	3.8
Swedbank Robur Funds	4.6	4.4
Handelsbanken Fonder	3.7	3.5
Invesco Funds	1.6	1.2
Skandia Fonder	1.5	1.2
Danske Capital Sverige	1.4	1.1
AMF - Försäkring och Fonder	1.2	0.9
Avanza Pension	1.1	1.9
Skandia Liv	1.0	1.2
Other shareholders	55.7	62.7
Total	100.0	100.0
Where of foreign-registered shareholders	28.6	27.1

Source: Euroclear

The number of shares and the share capital have changed since 1989 as follows:

Year		Change in number of shares	Number of shares	Change in share capital, SEK millions	Share capital, SEK millions
1989	Conversion	1,500,000	26,500,000	150	2,650
1994	Conversion	5,500,000	32,000,000	550	3,200
1995	4:1 split	96,000,000	128,000,000	0	3,200
1998	Redemption	-15,891,199	112,108,801	-397	2,803
2001	Reduction	-11,210,880	100,897,921	-281	2,522
2005	Redemption	-9,968,861	90,929,060	-249	2,273
2006	Redemption	-4,546,453	86,382,607	-114	2,159
2006	Bonus issue	0	86,382,607	121	2,280
2006	3:1 split	172,765,214	259,147,821	0	2,280
2007	1:4 new issue	64,786,954	323,934,775	571	2,851

Data per share

	2013	2012	2011	2010	2009
Share price, December 31, class A share, SEK	49.30	56.55	60.65	113.00	122.10
Profit, SEK	-3.29	0.05	4.82	1.72	-3.09
Cash flow before dividend and financing, SEK	3.15	10.10	2.14	-7.59	7.64
Equity, SEK	83.74	88.81	94.98	92.26	95.21
Dividend, SEK	0.00 ¹⁾	1.00	2.00	2.00	1.00
Average number of shares, million	323.9	323.9	323.9	323.9	323.9
Number of shares at year-end, million	323.9	323.9	323.9	323.9	323.9
Market capitalization, SEK million, December 31	15,321	17,624	18,993	35,452	38,671
Valuation					
Direct yield, % ²⁾	0.0	1.8	3.3	1.8	0.8
P/E ratio ²⁾	neg	n.m	65.7	neg	3.2
Price/equity, % ²⁾	59	64	122	128	63

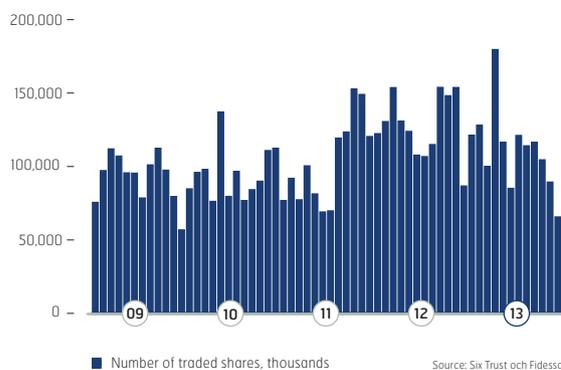
¹⁾ In accordance with the Board's proposal.

²⁾ Based on last paid price for the A share.

The share's performance



Number of traded shares, all market places



Annual General Meeting, Nomination Committee, Calendar

Annual General Meeting

The Annual General Meeting will be held in Stockholm at 1:00 pm on Wednesday, April 9, 2014. In order to be entitled to participate at the Annual General Meeting, shareholders must be included in the printout of the share register that is made by Euroclear Sweden AB on Thursday, April 3, 2014 and must give notice of their intention to participate at the meeting no later than on Thursday, April 3, 2014, preferably before 12 noon.

NOTICE

Notice in respect of participation at the Annual General Meeting may be given via the Company's website, www.ssab.com, or by telephone +46 8 45 45 760. The name, personal identification number (or company registration number), address and telephone number of the shareholder must be provided in the notice. Notices must be received by SSAB no later than on Thursday, April 3, 2014, preferably before 12 noon, at which time the notice period will expire.

NOMINEE-REGISTERED SHARES

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names in order to be entitled to participate at the Annual General Meeting. Temporary re-registration (voting registration) should be effected in due time before Thursday, April 3, 2014.

PROXIES

Powers of attorney in original and, with respect to a legal entity, certificates of registration, should be submitted in due time before the Annual General Meeting to:
SSAB AB, Årsstämman, Box 7832, 103 98 Stockholm, Sweden.

Dividends

The Board of Directors and the President propose that the Annual General Meeting resolve no payment of a dividend for 2013.

Nomination committee

- Anders Nyberg, Industrivärden, Chairman
- Åsa Nisell, Swedbank Robur Funds
- Lars-Eric Aaro, LKAB
- Frank Larsson, Handelsbanken Fonder
- Sverker Martin-Löf, Chairman of the Board

The Nomination Committee presents, among other things, proposals to the Annual General Meeting concerning the election of the Board of Directors, fees for the Board of Directors, and election of auditors.

Calendar for financial information

SSAB will provide the following information with respect to the 2014 financial year:

- Report for the first quarter, April 25, 2014
- Half-year report, July 23, 2014
- Report for the third quarter, October 24, 2014
- Results for 2014, February 10, 2015
- Annual report, March 2015

SSAB moments

Steel shapes a better future – that's the Swedish steel industry's new shared vision, which was launched in June 2013. Through the vision, there is an aspiration to increase awareness of the products that the steel industry develops and produces. With the vision, there is also a desire to disseminate knowledge about the steel industry's contribution to welfare and to a more sustainable society.

Lighter trains containing SSAB steel where shown in Jernkontoret's report on the steel vision 2050. For more information visit www.jernkontoret.se.





The picture shows a brake disc made from Toolox 44. Toolox 44 is normally used in, for example, applications involving molding and extrusion dies. The brake discs are available in thicknesses between 6-130 mm. To reduce the manufacturing costs, SSAB manufacture own brake discs that are used in slag trucks.

Business development

Global steel markets were characterized by continued uncertainty in 2013. There were, however, significant regional variations, with the strongest relative growth being recorded in North America. SSAB's production was adjusted to the weak demand. Lower prices resulted in a 10 percent reduction in sales revenues, despite higher volumes in 2013 than in 2012. The operating result was also weaker, with half of the deterioration being attributable to the strong Swedish krona. Despite this, the cash flow remained positive in 2013.

Market development and drivers

In 2013, the global steel market was characterized by continued uncertainty, with significant regional variations. In North America, the trend was fairly stable, in China the growth slowed down and in Europe the market remained challenged. Demand for steel in Europe has not yet reached the same levels as before the financial crisis of 2008.

Market trends

The rate of growth in the global economy slowed down somewhat compared with 2012. The slowdown resulted in a degree of pressure on the steel industry, which globally grew by a mere 3 percent in 2013, but with significant regional variations. The situation was particularly challenging in southern Europe, where the economy and the demand for steel were hit by austerity policies. The European economy shrank somewhat during the year. A degree of inventory restocking occurred at the beginning of the year, but demand for steel subsequently declined and, in total, steel consumption in Europe is estimated to have decreased by almost 4 percent during the year compared with 2012. In the wake of weaker demand, steel prices also came under pressure.

Despite budget deficit problems during the first part of the year, the US economy grew and steel consumption increased by almost 1 percent. Steel prices rose mainly during the second half of the year and service centers and distributors reported stronger demand from end customers. In China, the high rate of growth was maintained; however, due to structural changes in the economy, it was somewhat lower than in previous years. Steel consumption increased by 6 percent but prices came under pressure during the year as a consequence of continued excess capacity.

The construction and automotive industries experienced a challenging year in Europe, but things were brighter in the US and China. The South American and Australian mining industry demonstrated a downturn, but the outlook towards the end of the year was somewhat more positive. The energy segment in the US performed well, particularly within the shale gas and oil industry, as well as wind power.

Drivers

Emerging markets continue to consume steel

Switch to high strength steels

Excess steel production capacity

The raw materials markets

Commentary

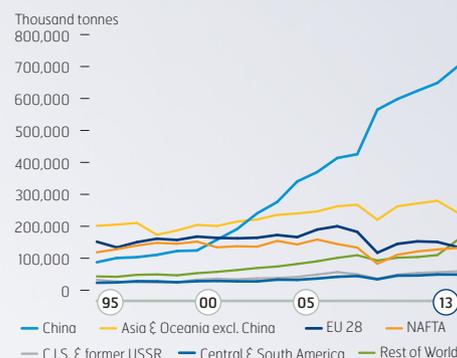
Emerging markets continue to consume steel. China continues to dominate the global steel market. Despite a slowdown in the rate of growth, China accounted for 47 percent of global steel consumption in 2013. The 6 percent increase in consumption in 2013 was far in excess of the global average. Growth is expected to be followed by renewed environmental demands, which will increase the use of, and demand for, high strength steels. Going forward, consumption is also expected to increase in other emerging economies, such as South America, the rest of Asia, Eastern Europe and Africa.

Switch to high strength steels. Growth in demand for high strength steels is normally higher than growth in demand for standard steels long term. Many customers have thus faced a challenging 2013, but steel users within, for example the construction and automotive industries are continuing to work on reducing their costs, increasing safety, and reducing the weight of their products. Within the mining industry too, endeavors are being made to increase the durability of equipment and reduce repair times. These drivers are beneficial to demand for high strength steels long term.

Excess steel production capacity. Excess steel production capacity, particularly in Europe and China, has had an adverse impact on the price structure, capacity utilization in the steel mills, and thereby steel producers' margins. The European Commission, which estimates there to be 20-25 percent excess capacity in Europe, has produced a plan of action to address the situation. However, it is still unclear how the plan of action will be implemented and what effect it will have on the European steel industry. In China, too, there is significant excess capacity and the authorities are drafting plans for consolidation and capacity downsizing among less competitive mills. The environmental problems in China in recent times have heightened the need to reduce production in older mills that lack modern purification technology.

The raw materials markets. Iron ore prices declined during the first half of the year due to overestimated demand and a large supply of iron ore. Prices recovered at the beginning of the second half of the year, particularly when inventory restocking in China increased, but since then have been relatively stable. In total, this meant a fall of 11 percent in 2013. Coal prices also followed the same trend as iron ore prices. Since the beginning of the year, market prices for coal have fallen by 17 percent. Demand and price levels for scrap metal were relatively stable during the year, but increased towards the end of the year.

Steel consumption in the world



Crude steel production by market

Mton	2013	2012
EU 28	166	169
USA	87	89
China	779	717
Other Asia	280	274
South America	46	47
Other	224	223
Global	1,582	1,518

Production and sales

Production continued to be adjusted to the weak demand, although shipments increased 6 percent compared with 2012. Sales decreased by 10 percent, of which 4 percentage points was due to currency effects.

Production

2013 was characterized by a modest recovery in demand for steel from a global perspective, but continued weak demand in Europe, including also for SSAB's products. The smaller blast furnace in Oxelösund remained out of operation due to significant excess capacity and pressure on prices. Deliveries increased somewhat compared to 2012, and in response production of both crude steel and steel products was increased in the Swedish operations. It was also possible to increase production in the US operations, not least due to strong demand towards the end of the year.

Crude steel production and steel production for 2013 increased by 6 percent and 7 percent respectively compared with 2012 and amounted to 5,567 (5,253) thousand tonnes and 4,750 (4,424) thousand tonnes respectively.

Sales

SSAB's shipments during the year were 6 percent higher than in 2012 and amounted to 4,427 (4,184) thousand tonnes. Shipments of high strength steel products increased by 2 percent compared with 2012 and amounted to 1,619 (1,585) thousand tonnes. All in all, during 2013 high strength steel products accounted for 37 (38) percent of total shipments.

Sales during the year amounted to SEK 35,022 (38,923) million, a fall of 10 percent. Compared with the full year of 2012, lower prices accounted for a negative effect of 9 percentage points, a weaker mix for 3 percentage points, and negative currency effects for 4 percentage points, while higher volumes accounted for a positive effect of 6 percentage points.

For the entire Group, sales outside Sweden accounted for 80 (80) percent of total sales, as shown in the table below.

Total shipments
increased

6%

Sales in the largest markets

SEK millions	2013	2012	Change,%
USA	11,327	12,613	-10
Sweden	6,833	7,613	-10
Germany	1,926	2,078	-7
Canada	1,704	1,981	-14
Finland	1,308	1,423	-8

External sales per business area

SEK millions	2013	2012	Change,%
SSAB EMEA	13,861	14,839	-7
SSAB Americas	14,311	15,978	-10
SSAB APAC	1,761	2,318	-24
Tibnor	5,089	5,788	-12
Total	35,022	38,923	-10

Costs

Operating costs decreased during the year, mainly due to lower raw material costs and lower manufacturing costs.

Operating costs decreased by 7 percent compared with the preceding year and amounted to SEK 36,660 (39,500) million. Of this amount, SEK 3,255 (3,728) million comprised purchases of products in the trading operations.

The remaining costs primarily comprised manufacturing, sales and administrative costs, amortization and depreciation, as well as costs for raw materials and energy.

Manufacturing, sales and administrative costs

The costs are primarily costs for own personnel as well as materials and services. The workforce diminished during the year, mainly as a consequence of the efficiency program within SSAB EMEA. Remuneration to employees amounted to SEK 5,236 (5,201) million. Maintenance expenditures, including materials and external services, were lower – mainly due to the efficiency program.

Raw materials

Raw materials are priced in the world market and the prices, which are primarily quoted in USD, are very sensitive to the steel business cycle. Iron ore and coal are the dominant raw materials within the blast furnace-based manufacturing in Sweden. Delivery agreements for iron ore are entered into on an annual basis, while prices, however, are entered into on a quarterly basis. SSAB purchases 60–70 percent of its annual coal needs from Australia, and the remainder from the US. Price agreements for Australian coal are signed monthly, while most US coal is purchased under annual agreements.

The price of iron ore for SSAB increased during 2013, but leveled off towards the end of the year. The iron ore price, in Swedish kronor, increased 13 percent from the fourth quarter 2012 to the fourth quarter of 2013.

The price of coking coal for SSAB declined during 2013 and in Swedish kronor it decreased by 28 percent between the fourth quarter of 2012 and the fourth quarter of 2013.

Scrap metal is an important raw material for the North American operations with its two scrap-based steel mills. The scrap for the production is purchased regularly. Market prices for scrap in the US fell during the summer and autumn, but increased again by the end of the year. The price at the end of the year was approximately 12 percent higher than at the beginning of 2013.

In total, raw material costs declined and amounted to SEK 15,697 (16,918) million.

The Group's cost structure is shown in the diagram on the next page.

Energy

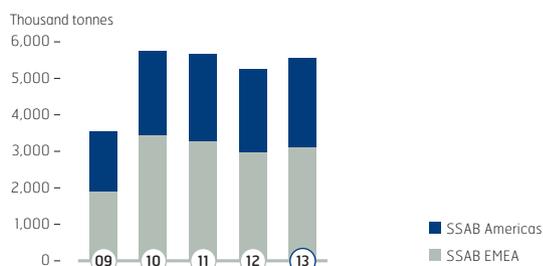
Coal is an essential reduction agent for removing oxygen from iron ore and constitutes one of the most important raw materials in iron ore-based steel production. Coal also provides approximately 85 percent of the energy for the Swedish operations.

Energy is otherwise provided through electricity, oil and LPG. In total, the steel operations consumed 1,196 (1,172) GWh of electric power and 1,380 (1,278) GWh of oil and LPG during the year. By utilizing the energy-rich gases that are formed during steel production, among other things electricity is produced at the OK3 heat and power plant in Oxelösund and in the half-owned energy company, Lulekraft. During the year, these plants produced 508 (556) GWh of electricity.

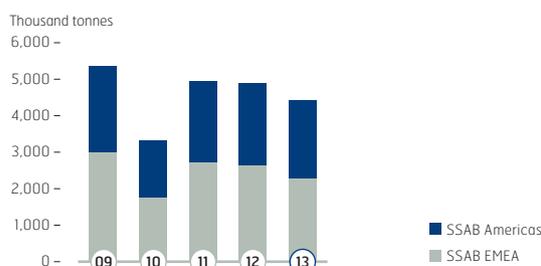
Electricity and natural gas represent significant energy costs for SSAB Americas and account for approximately 6 percent of the total steel plant production costs. SSAB Americas has a mix of long-term electricity agreements at fixed prices and short-term agreements.

In total, the Group's energy costs (excluding coal) amounted to SEK 2,291 (2,307) million.

Crude steel production



Strip and plate production



Research and development

SSAB's research and development focuses on process development, product development and customer applications. During the year, research and development investments amounted to SEK 203 (235) million, a decrease of 14 percent compared with the preceding year. The strategy of market-driven research and development, focusing on the customer's business, remains in place. The combined offering of high strength steel products together with sophisticated technical support has been developed further during the year.

SSAB is continuing to expand the range of its high strength steels, adding several dimensions (thicknesses and widths) and new grades of steel. Among other things, during the past year new high strength steels produced in the new direct quenching line in Borlänge have been introduced to selected customers, primarily within the transport sector.

SSAB offers support throughout the customer's entire development chain, from skills development to full-scale production and sales. The number of advanced customer development projects increased by 14 percent compared with 2012.

The strategic research cooperation with SwereaKimab, which began in 2010, is proceeding according to plan and some 20 projects aimed at developing the next generation of wear-resistant steels and high strength structural steels are being conducted on a continuous basis.

SSAB is also actively engaged in research and development in the environmental area. The primary goal – is by upgrading to lighter or stronger applications which exploit to the full the unique characteristics of SSAB's steels – to reduce the impact on the environment from use by end customers.

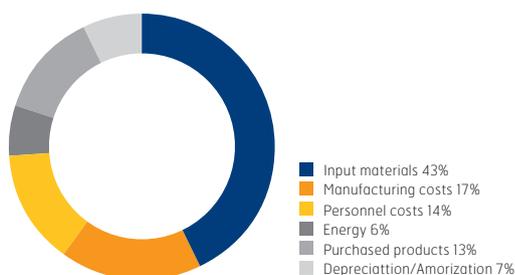
Important partners in the Group's research and development network include the Royal Institute of Technology, Luleå Technical University, Dalarna University and the Swerea institutions (Swedish research). In North America, SSAB supports research activities at a number of universities, for example the Colorado School of Mines and Carnegie Mellon University. The American Steel Association is another important cooperation partner.

SSAB moments

Prelaq GreenCoat – an environmentally-friendly coating. Prelaq GreenCoat is a new, more environmentally-friendly painted sheet plate where the topcoat is largely based on natural rape seed oil instead of solvents from fossil fuels. Largely speaking, Prelaq's entire product range is currently being converted to GreenCoat. The most recent addition to the range is a color coating with a wrinkled surface structure which is being launched primarily for exclusive roof tiles under the name Prelaq GreenCoat Mica.



The Group's cost structure



14%

more advanced customer development projects in 2013 compared to 2012

Results

Compared to 2012, operating profit declined by SEK 1,035 million, of which SEK 500 million due to negative currency effects and a strong Swedish krona.

Profit/loss

Operating profit/loss declined by SEK 1,035 million and amounted to SEK -1 131 (-96) million. The operating margin was thus -3 (0) percent. Lower prices (SEK -2,800 million) and negative currency effects (SEK -500 million) were the primary reasons for the lower earnings. However, earnings were positively affected by lower operating costs (SEK 1,700 million), higher volumes (SEK 280 million), lower fixed costs (SEK 200 million) and a higher capacity utilization (SEK 150 million).

Financial items for the full year amounted to SEK -597 (-597) million and loss after financial items was SEK -1,728 (-693) million, a decline of SEK 1,035 million.

Tax

Tax amounted to SEK +662 (+708) million. The effective tax rate was -38 (-102) percent. Tax was positively affected by 17 percentage points as a consequence of lower tax rates on positive earnings and higher tax rates on negative earnings in foreign subsidiaries.

Profit/loss and earnings per share

Profit/loss after tax was SEK -1,066 (15) million, or SEK -3.29 (0.05) per share.

Return on capital employed

The return on capital employed before tax and return on equity after tax were -2 (0) percent and -4 (0) percent respectively.

Goodwill impairment test

On November 30, the annual impairment test was conducted regarding the Group's goodwill. Goodwill at the turn of the year amounted to SEK 17,762 (17,882) million, of which in principle the entire amount

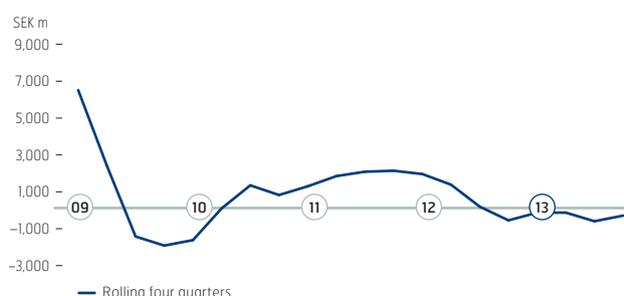
relates to SSAB Americas. The result of the impairment test indicated no need for any write-down. For further information, see note 6.

SEK millions	2013	2012
Sales	35,022	38,923
Operating profit/loss	-1,131	-96
Of which operating profit/loss per business area		
• SSAB EMEA	-761	-930
• SSAB Americas	272	1,568
• SSAB APAC	27	167
• Tibnor	73	104
• Depreciation and amortization on surplus values ¹⁾	-681	-861
• Other	-61	-144
Operating profit/loss	-1,131	-96
Financial items	-597	-597
Profit/loss after financial items	-1,728	-693
Tax	662	708
Profit/loss after tax	-1,066	15

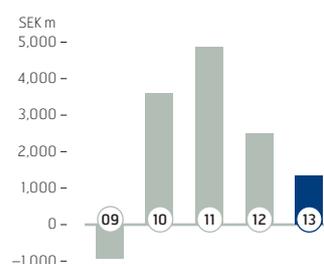
¹⁾ Depreciation and amortization on surplus values on tangible and intangible fixed assets related to the acquisition of IPSCO

Key numbers	2013	2012
Return on capital employed before tax, %	-2	0
Return on equity after tax, %	-4	0
Earnings per share, SEK	-3.29	0.05
Equity, SEK millions	27,149	28,769
Net debt, SEK millions	14,833	15,498
Net debt/equity ratio, %	55	54

Profit after financial items



EBITDA



Capital expenditures and liquidity

Capital expenditures decreased due to completed major strategic projects. Operating cash flow and net cash flow continued to be positive.

Capital expenditures

Capital expenditure payments during the year, including business acquisitions, amounted to SEK 828 (1,461) million, of which SEK 172 (686) million involved strategic capital expenditures including SEK 21 (30) million acquired shares and operations. The major strategic capital expenditure projects, comprising the direct quenching line in Borlänge, the quenching line in Mobile, and the finishing line in Kunshan, were completed during 2012, which led to the decreased investment level in 2013.

Liquidity

The operating cash flow for the full year was SEK 1,956 (4,929) million. Cash flow was positively affected by lower working capital, especially reduced inventories and increased accounts payable, while increased accounts receivable was affected negatively.

Net cash flow amounted to SEK 695 (2,622) million. Net cash flow was affected by, among other things, strategic capital expenditure payments of SEK 172 (686) million and a dividend of SEK 324 (648) million. Currency effects, including revaluation of liabilities against equity, negatively impacted on net debt to the amount of SEK 30 million during the year and net debt thereby declined by SEK 665 million and, on December 31, amounted to SEK 14,833 (15,498) million. The net debt/equity ratio was 55 (54) percent. As shown in the table below, the Group's liquidity preparedness, excluding commercial paper, was equivalent to 26 (28) percent of the Group's sales. The target is that liquidity preparedness shall at all times be equivalent to at least 10 percent of sales.

The Group's liquidity preparedness

SEK millions	2013, Dec 31	2012, Dec 31
Cash and cash equivalents	2,124	3,004
Committed long-term credit facilities, net	7,319	8,695
Liquidity preparedness	9,443	11,699
• as a percentage of annual sales (rolling 12 months)	27%	30%
Less commercial paper	-305	-866
Liquidity preparedness excluding commercial paper	9,138	10,833
• as percentage of annual sales (rolling 12 months)	26%	28%

Operating cash flow

SEK millions	2013	2012
Operating profit/loss before amortization/depreciation	1,333	2,491
Change in working capital	1,369	2,974
Maintenance expenditures	-656	-775
Other	-90	239
Operating cash flow	1,956	4,929

Operating cash flow per business area

SEK millions	2013	2012
SSAB EMEA	1,024	2,260
SSAB Americas	552	2,390
SSAB APAC	266	99
Tibnor	164	378
Other	-50	-198
Operating cash flow	1,956	4,929
Financial items	-570	-572
Taxes	-283	-432
Cash flow from current operations	1,103	3,925
Strategic capital expenditures	-151	-656
Acquisitions of shares and operations	-21	-30
Divestments of shares and operations	88	31
Cash flow before dividend and financing	1,019	3,270
Dividend to the Parent Company's shareholders	-324	-648
Net cash flow	695	2,622
Net debt at beginning of period	-15,498	-18,475
Net cash flow	695	2,622
Revaluation of liabilities against equity ¹⁾	79	610
Currency effects ²⁾	-109	-255
Net debt at end of period	-14,833	-15,498

¹⁾ Revaluation of hedging of currency risks in foreign operations.

²⁾ Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial liabilities in foreign currency.

Financial position

The net debt/equity ratio amounted to 55 (54) percent by the end of 2013. The Board proposes that no dividend should be paid due to the proposed acquisition of Rautaruukki.

Financing

During the year, a loan of SEK 875 million was extended for a further year. All in all the average remaining term to maturity on the Group's total loan portfolio on December 31 was 4.1 (4.8) years, with a fixed interest term of 0.9 (1.2) years. Of the loan portfolio of SEK 18,661 (19,382) million, SEK 2,568 (1,115) million comprised current liabilities and SEK 16,093 (18,267) million comprised long-term liabilities.

Equity

Following the deduction of loss for the period of SEK -1,066 million and other comprehensive income of SEK -253 million (primarily comprising translation differences), and after deduction of dividend amounting to SEK 324 million, the shareholders' equity in the Company amounted to SEK 27,126 (28,769) million, which was SEK 1,643 million lower than at year end 2012. Shareholders' equity amounted to SEK 83.74 (88.81) per share.

The net debt/equity ratio amounted to 55 (54) percent and the equity ratio amounted to 48 (49) percent.

SSAB moments

3D replaces welding. Bending sheet is nothing new, but three-dimensional shaping involves creating more advanced forms from a single sheet of steel, and entirely eliminates the need for welding. The Swedish company Deform has discovered that it is possible to shape steel sheet in 3D without losing the qualities of the high strength steel. The innovation arose after having worked with SSAB's products for over 20 years.



Photo: Måns Berg

The financial targets are shown in the presentation in the section Financial Objectives on page 5.

Dividend

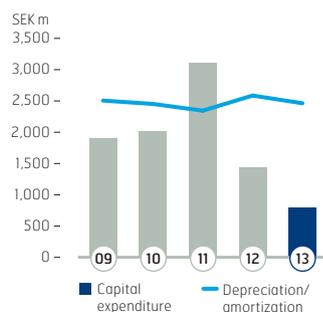
On January 22, 2014, it was announced that SSAB has issued an offer on Finnish Rautaruukki. The offer is a recommended share exchange offer to Rautaruukki's shareholders. In connection with this the Boards of the

two companies undertook to propose to the Annual General Meetings that no dividend should be paid for 2013.

With this background, the Board proposes that the Annual General Meeting issue a dividend of SEK 0.00 (1.00) per share, equal to SEK 0 (324) million.

For considerations relating to the proposed allocation of profit, see note 30.

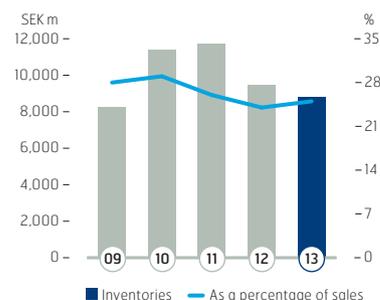
Capital expenditure and depreciation/amortization



Accounts receivable



Inventories



Business areas and subsidiaries

Tibnor

Tibnor is a leading steel distributor in the Nordic region and an important sales channel for SSAB's Swedish steel business.

In addition to direct sales from mills, Tibnor offers logistics solutions and production services which are becoming increasingly important for customers as they strive to reduce their own stock maintenance and increase production efficiency.

SSAB Americas

SSAB Americas is a leading supplier of heavy plate in North and Latin America.

Driven by sales growth, primarily in the Heavy Transport segment and energy sectors during 2013, SSAB Americas continued to strengthen its position as the leading supplier of high strength steels and heavy plate in North America. At Mobile operations, the Hardox and Weldox product range has been expanded, at the same time, Wear Services has increased its offering and capacity.

27%

The product share of high strength steel of SSAB America shipments

SSAB EMEA

SSAB EMEA is a global leader in high strength steels and offers a unique product portfolio.

Thanks to a stronger network for aftermarket services, increased focus on sales, as well as training and product development within high strength steels, SSAB EMEA strengthened its market shares within most product segments in an otherwise shrinking market.

44%

The product share of high strength steel of SSAB EMEA shipments

SSAB EMEA

SSAB Americas

SSAB APAC

	2013	2012	2013	2012	2012	2011
Sales, SEK millions	18,055	20,258	14,382	16,173	1,761	2,318
Profit before depreciation and amortization, SEK millions	464	334	749	1,967	56	181
Operating profit/loss, SEK millions ¹⁾	-761	-930	272	1,568	27	167
Operating margin, %	-4	-5	2	10	2	7
Operating cash flow, SEK millions	1,024	2,260	552	2,390	266	99
Capital expenditures, SEK millions ²⁾	542	759	249	574	10	76
Capital employed at year-end, SEK millions	13,773	15,925	27,744	28,292	1,268	1,934
Return on capital employed, % ³⁾	-5	-6	4	18	3	11
Number of employees at year-end	6,054	6,504	1,488	1,394	200	220

¹⁾ For SSAB Americas, excluding depreciation and amortization on surplus values.

²⁾ Including business acquisitions.

³⁾ Refers to return on average capital employed. For SSAB Americas excluding surplus values. Including surplus values the return for SSAB Americas was -1 (2) percent.

SSAB APAC

2013 was characterized by weak demand from most customer segments in SSAB APAC, entailing increased competition and price pressure in the region.

As a consequence of intensive work on broadening the customer portfolio, the proportion of value added services increased. The number of development projects at the R&D center accelerated, resulting in numerous newly developed applications.

97%

The product share of high strength steel of SSAB APAC shipments

- Main Production sites
- Processing centers
- Sales coverage

Tibnor

	2013	2012
Sales, SEK millions	5,245	5,961
Profit before depreciation and amortization, SEK millions	124	152
Operating profit, SEK millions	73	104
Operating margin, %	1	2
Operating cash flow, SEK millions	164	378
Capital expenditures, SEK millions ²⁾	27	55
Capital employed at year-end, SEK millions	1,240	1,442
Return on capital employed, % ³⁾	5	7
Number of employees at year-end	782	797

SSAB EMEA

2013 was characterized by continued weak demand and pressure on prices. Thanks to a stronger network for aftermarket services, increased focus on sales, as well as training and product development within high strength steels, SSAB EMEA strengthened its market shares within most product segments in an otherwise shrinking market. SSAB possesses a unique product portfolio and, as a leading producer of high strength steels and leading supplier of strip products in the Nordic region, was able to expand value added services for both new production and the aftermarket.

Europe

In 2013, demand within SSAB EMEA was at approximately the same level as in 2012. Nevertheless, despite stable volumes sales were down due to squeezed prices, a changed product mix and negative currency effects. Due to inventory restocking, the first quarter experienced slightly stronger demand than the end of 2012, but demand tapered off during the second quarter as customers reached normal inventory levels and put product development on hold. Southern Europe continued to demonstrate a weak demand throughout the year, while volumes to the Nordic region and to Germany increased somewhat, particularly during the second half of the year. German demand was largely due to the fact that major customers within Automotive and Construction Machinery have domestic production, while sales go to markets with stronger growth than the European market. Sales in the Nordic region have shown a positive trend all through the year, although demand appeared somewhat weaker compared to 2012 levels in most of the steel related segments.

The automotive industry enjoyed stable consumption throughout the year, driven by the safety and environmental benefits of

high strength steels specifically the exhaust emissions standards that will enter into force for newly produced passenger cars in 2014 (Euro 6).

The energy sector performed the best during the year, due to a strong need for renewable energy and the fact that manufacturers within the sector are more dependent on the global market than on the weaker European market.

The demand within the building industry continued downward and also affected segments such as Construction Machinery and Heavy Transport. Demand from the countries of Eastern Europe was also weaker than expected, with the largest drop in volumes occurring in building related segments.

Russia is an important market with many industries in which high strength steels can make an important contribution to the customers' competitiveness. Demand increased sharply during the year, albeit from a relatively low level, and a slight slowdown was recorded during the second half of the year, in connection with the downward trend of the mining industry. Demand was stronger within Construction Machinery and aftermarkets. SSAB EMEA plans to further strengthen its presence in the country in the coming years.



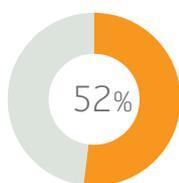
»Despite a challenging market in 2013, SSAB EMEA showed that substantial internal endeavors, combined with a unique cooperation with the customers, generate results.«

Melker Jernberg, Head of Business Area SSAB EMEA (Europe, Middle East, Africa)

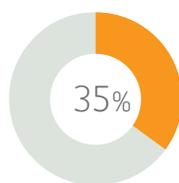
44%

The high strength steel share of business area shipments

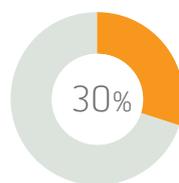
Share of the Group's



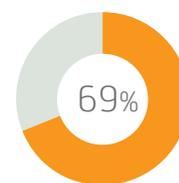
sales



EBITDA



capital employed



registered number of employees

The Middle East/Africa

Growth in the Middle East and Africa markets was stronger than in Europe, although volumes ended up at a lower level compared to expectations and were somewhat impacted by political turbulences in a few countries.

Demand for SSAB's steel in the Middle East was driven by the growth within Heavy Transport. Demand was strongest from tipper and trailer producers in Turkey. Volumes rose sharply during the first half of the year, but fell back somewhat towards the end of the year.

Sales to Africa were dominated by Hardox wear steels, which are well suited to the mining industry. The downward trend within the mining industry continued during the year, but sales remained firm thanks to strong demand from customers within Heavy Transport. Sales in Heavy Transport increased in the second half of year.

Plannja

Plannja is a wholly owned subsidiary which is operationally included in SSAB EMEA. Sales are focused on the building trade, metalworking and building projects by providing a complete range of flat and profiled building panels, steel tiles and rainwater system products.

The trend in 2013 was characterized by weakness in the building sector in Sweden.

Capital expenditures

Total capital expenditures including business acquisitions during the year amounted to SEK 542 (759) million, of which SEK 57 (99) million involved strategic capital expenditures. The strategic capital expenditures comprised among other things two business acquisitions



SSAB Shape delivers to Feber (Inter Cars Group) scrap tipper kits, which both companies' engineers upgraded to use advanced laser welded sidewalls with an integrated top beam.

within Wear Services, in the Netherlands and Scotland, in order to expand the offering of wearparts and service to the aftermarket. Regular investments were made within maintenance, the environment, health and safety.

On the revenue side, increased focus was placed on supporting customers in switching over to high strength steels, by assisting with technical expertise in the development phase of new products, the processing of steel, and production of components. During 2013, SSAB EMEA held a record number of customer training courses in the use of high strength steels. The sales organization was also strengthened with an expanded sales force and support technicians.

Production and shipments

The efficiency improvement program that was initiated within SSAB EMEA to ensure

good profitability in times of lower capacity utilization came to a conclusion at the end of the first quarter of 2013. However, the work on converting fixed costs into variable costs and improving cost efficiency continued during the remainder of the year.

The smaller blast furnace in Oxelösund was out of commission throughout 2013 and production was otherwise adapted to continued weak demand. A customary maintenance outage was carried out during the summer.

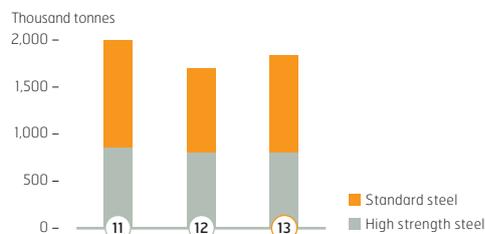
In mature markets within SSAB EMEA, sales of high strength steels developed in line with standard steels, while emerging markets such as Russia, Turkey and Africa showed greater interest in high strength steel.

A number of orders for standard steels have been supplied in order to maintain capacity utilization. The niche products accounted for 44 (47) percent of total shipments in 2013.

Competitors

Competition remains intensive within SSAB EMEA. Excess capacity, which impacted all steel products, and weak growth in demand resulted in a persisting pressure on prices throughout the year. Thanks to an expanded sales organization and even greater focus on product development together with customers, SSAB EMEA increased its market shares within a number of product segments on an otherwise shrinking market. SSAB EMEA's competitors include ArcelorMittal, Dillinger, Salzgitter, ThyssenKrupp and Voestalpine.

Shipments



Demand per customer and region 2013

Automotive	→	The Nordic region	↘
Construction machinery (incl. lifting)	→	Other Western Europe	↘
Material handling (incl. mining)	→	Russia	→
		Central/Rest of Eastern Europe	→
Heavy transport	→	Middle East	↗
Building	↘	Africa	↗
Protection & tooling	→		
Energy	↗		

SSAB Americas

Driven by sales growth, primarily in the Heavy transport segment and energy sectors, SSAB Americas continued to strengthen its position as the leading supplier of high strength steels. Coupled with successful efforts to reduce costs in the production process, SSAB also maintained its home market leadership of heavy plate in North America despite an extremely competitive market. At Mobile operations, the Hardox and Weldox product range has been expanded consistent with our product and plant commissioning schedule. At the same time, Wear Services has increased its offering and capacity at several facilities to assist customers in the mining aftermarket.

North America

Overall demand was relatively weak in the beginning of 2013 due to limited inventory restocking by customers and continued pressure from imports. Margins were squeezed due to lower selling prices and high costs for raw material, primarily scrap metal. As the year progressed, gradual improvement was reflected in the market with the biggest drivers being the Energy and Heavy transport sectors. Demand from other segments was cautious in the first half of the year, but as the North American economy recovered overall customer demand increased. Stronger demand during the second half of the year allowed for implementation of price increases. The sales volume for North America increased 5 percent in 2013 over 2012.

The North American automotive industry embraced the product qualities of high strength steels to create lighter, more energy efficient cars. Demand strengthened continuously and, on an annual basis, record volumes were achieved within the automotive segment.

Expansion in natural gas and oil extraction was the other driving force in the North American market. Wind towers were another

growth category for the energy sector. Due to the transportation needs in the energy market, demand for heat treated steel also increased in tank cars and other products within Heavy transport.

Demand from mining-related manufacturers moderated during the year due to lower commodity prices creating a slowdown in new production and liquidation of stocks of finished goods which will likely continue well into 2014. Demand within the mining industry came primarily from maintenance and services in the aftermarket. Volumes in Construction machinery and Material handling segments both declined during the year.

Demand for steel required for the building industry experienced low but stable growth. Within the building industry, sales increased primarily to commercial properties.

Due to inventory destocking by Steel Service Centers, demand was depressed in the first half of the year but rebounded in the last quarter of the year.

Latin America

Sales to Latin America were driven primarily by the mining industry and manufacturers within the Heavy transport segment. In Brazil,



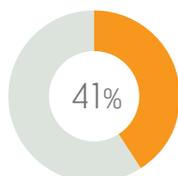
»Through joint efforts during 2013, we have defended our leading, cost-efficient production and succeeded in seizing opportunities in an otherwise tough market.«

Charles Schmitt, Head of Business Area SSAB Americas (North and Latin America)

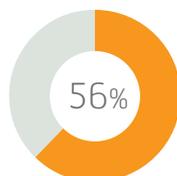
27%

The high strength steel share of business area shipments

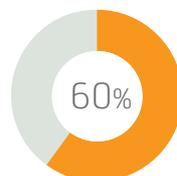
Share of the Group's



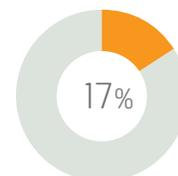
sales



EBITDA



capital employed



registered number of employees

demand was strongest from trailer manufacturers who expanded the use of high strength steels to include both Weldox and Domex, in addition to the Hardox wear steel.

Mining is the largest segment in Latin America. Despite the mining industry's weak market, particularly during the second half of the year, it was possible to maintain volumes due to continued product development and servicing the maintenance and repair after-market. Value Added Services expanded during the year at the Mining Excellence Center in Santiago, Chile. Much of the expansion was due to investments in equipment for chromium carbide overlay products and additional cutting capabilities. In addition to Chile, SSAB Americas expanded its presence and service within the mining sector in Peru and Colombia.

Steel shipments to the automotive industry in Latin America, particularly in Brazil, faced severe competition from local producers and imports. At the same time, demand from non-automotive manufacturers for high strength steels was lower than expected. Sales to the automotive industry in Mexico continued to grow, albeit from a low level.

Customers within Construction, including Lifting, are largely driven by investments in infrastructure and by the stronger demand that could be seen in Brazil due to the upcoming World Cup and Olympic sporting events. Overall volumes in the sector in 2013 were at approximately the same level as in 2012.

Due to prevailing import restrictions, a high rate of inflation and economic trends in Argentina, sales have not developed as planned.



Ray Bergeron, Owner, Cable Arm Inc., a Hardox In My Body Member, uses Hardox 400 and 450 exclusively for his clam shell buckets used for environmental dredging.

Capital expenditures

Total capital expenditures including business acquisitions during the year amounted to SEK 249 (574) million, of which SEK 108 (490) million involved strategic investments. The strategic investments were primarily intended to facilitate an expansion of the heat treated product portfolio at the plant in Mobile and to increase capacity and services within Wear Services in Northport, St. Paul, USA, as well as in Santiago, Chile. In addition, safety, maintenance and environmental investments took place on a regular basis.

The R&D Center in Montpelier provided training on the applications and benefits of high strength steel to a number of key customers and was involved in many new application development projects. Several activities were focused on the energy sector and automotive industry, including

a new application for high strength steel in drag racing cars.

Production and shipments

During 2013, the plant in Mobile expanded its Hardox and Weldox product portfolios with regard to size, thickness and grade, further enhancing SSAB Americas' capabilities. Scheduled maintenance outages were carried out during the second and third quarters in partial sequence to curtail the impact on production during quarters with higher anticipated capacity utilization.

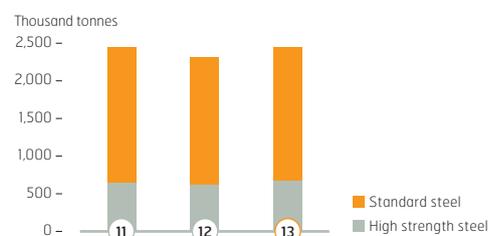
During 2013, high strength steel products accounted for 27 percent of total shipments, at approximately the same level as 2012.

Competitors

Tough competition from both domestic production and imports continued due to excess capacity within the steel industry. Nevertheless, SSAB Americas was able to strengthen its market share within quenched steels. Difficult market conditions also led to the closure of a competitor's heavy plate mill in the U.S. at the end of 2013.

Major competitors within SSAB Americas include Nucor, ArcelorMittal and Evraz in the United States, Essar Steel in Canada, and Usiminas in Latin America.

Shipments



Demand per customer and region 2013

Automotive	↗	USA	→
Construction machinery (incl. lifting)	→	Canada	→
Material handling (incl. mining)	↘	Central Amerika	↗
Heavy transport	↗	South America	↗
Industrial Applications and Others	→		
Energy	→		
Service Centers	→		

SSAB APAC

2013 was characterized by weak demand from most customer segments, entailing increased competition and price pressure in the region. As a consequence of intensive work on broadening the customer portfolio, the proportion of value added services increased and the number of development projects at the R&D center accelerated, resulting in numerous newly developed applications.

Asia, Australia and New Zealand

At the beginning of 2013, there were hopes of an improvement in SSAB APAC's market, but demand fell sharply during the second quarter. The most important individual factors influencing lower volumes were a slow-down in demand in China and weak growth in the Australian mining industry. The weak demand carried over into the second half of the year and competition intensified, thereby further squeezing profitability. With the exception of the Automotive segment, shipments to all product areas were lower during the year.

As the world's largest consumer of steel, China is the driver in the region, as well as being SSAB APAC's largest individual market. In 2013, China accounted for 58 percent of the business area's sales – a somewhat higher percentage than last year – primarily thanks to shipments to the Chinese automotive industry. Lower volumes in China, compared to 2012, were primarily due to the fact that major OEM customers for the construction and mining industry, having built up stocks of finished goods, subsequently encountered demand which was weaker than had been anticipated. The Weldox brand, which among other things is used in the mobile crane industry, suffered

the largest setback, while demand remained strong for, in particular, Hardox wear steels. In response to weaker demand, particularly from a number of major Chinese customers, SSAB APAC intensified its work on broadening the customer base. Despite success in this work and the achievement of a significantly more diversified customer portfolio – also outside China – orders from the new customers were unable to offset the sharp fall in volumes. This work is, though, enhancing our future expansion potential in the region.

The country within SSAB APAC that developed the most positively during 2013 was Japan. While demand increased from all manufacturers whose products are needed for rebuilding the country following the 2011 tsunami, the largest growth in volumes was to tipper producers and companies within the recycling industry. Hardox Wearpart Centers also increased their activities during the year.

Sales to Australia were dominated by customers within the mining and mining-related industry. Demand fell sharply due to weakness in the mining industry during the year. On the other hand, SSAB APAC was successful in diversifying the customer portfolio. Particularly with new, smaller customers



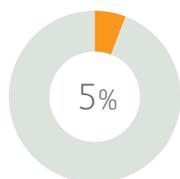
»The slowdown on the Asian markets led to increased focus on diversifying the customer portfolio. Success in meeting this challenge resulted in almost 700 new invoiced customers, about 40 percent of the portfolio of active customers at the end of 2013.«

Martin Pei, Head of Business Area
SSAB APAC (Asia, Australia, New Zealand)

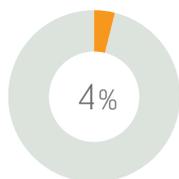
97%

The high strength steel share of
business area shipments

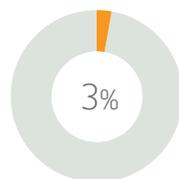
Share of the Group's



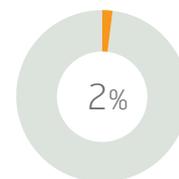
sales



EBITDA



capital employed



registered number
of employees

within the trailer and heavy vehicles segment, both in Australia and New Zealand. One of the Swedish Steel Prize finalists, Tuff Trailers Pty Ltd, is an Australian company which has developed a completely new design concept for trailers.

The Indonesian market too, is dominated by the mining industry, and as a result there was a sharp downturn in demand. Furthermore, volumes were also affected by increased competition.

In India, demand remained weak and competition intensified during the year. SSAB APAC continued to work on attracting new customers and was successful in recruiting the first steel service center in the country to join the Hardox Wearparts network.

For some time, Thailand has been attracting major subcontractors to the automotive industry and, due to the positive characteristics of high strength steels in terms of the environment and automotive safety, SSAB APAC perceives favorable opportunities in that country going forward.

In Korea, demand in 2013 was at approximately the same level as in the preceding year. The largest customers are manufacturers of heavy construction machinery for infrastructure and tipper bodies.

Capital expenditures

Total capital expenditures including business acquisitions during the year amounted to SEK 10 (77) million, of which SEK 7 (72) million involved strategic capital expenditures. The strategic capital expenditures relate



Co-operation project with Scania for the India tipper bodies market; kits are produced in Kunshan and assembled in India.

primarily to the acquisition of Blupoint in Australia, a company which has developed a patented solution for maintaining buckets for the mining industry.

As part of the work on broadening the customer base, activities were intensified at the R&D center in Kunshan, as was the work carried out by our technical experts - at the customers' plants - of training customers' personnel in the use of SSAB's high strength steels in advanced applications. Applications developed during the year cover all product areas, but predominantly involved projects within tippers, buckets and applications using Hardox within the mining and cement industries. The R&D center also provided training to customers in how the qualities of the high strength steels can be used to best effect within a wide range of customer segments.

Production and shipments

During the year, SSAB APAC continued to develop the value added services, both in Kunshan and in Singapore. Value added services increased as a percentage of total sales. Almost 80 percent of all Hardox sold in China has been processed at the finishing line in Kunshan, but the total volume is still low due to weak demand. Component manufacturing, for example, tipper kits and tow forks to OEM customers, increased in Kunshan. The Hardox brand was further strengthened due to new members of the Hardox Wearparts network in, for example, Australia, Korea and India.

SSAB APAC focuses exclusively on sales of high strength steels. In 2013, high strength steels accounted for 97 (96) percent of total shipments.

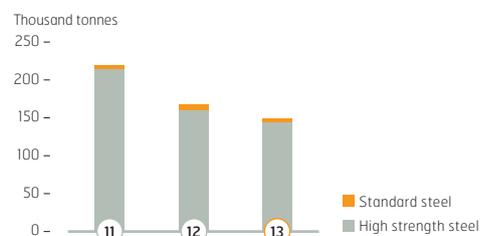
Competitors

Competition has increased within the region and comprises both European and local producers. Market shares in China, Australia, Korea and Japan are estimated to have been stable in 2013, while in other countries the market position is somewhat weaker, primarily with respect to lower grade steels and due to price pressure from Japanese steel companies.

Local steel competitors include the Japanese companies JFE and NSC/Sumitomo, the South Korean company Posco and the Chinese companies Baosteel, Hebei, Wuhan and Nanjing, as well as the Australian company Bisalloy and the Indian company Essar.

European competitors include Arcelor-Mittal, Dillinger, ThyssenKrupp, Duferco Clabecq and VoestAlpine.

Shipments



Demand per customer and region 2013

Automotive	↗	China	↘
Construction machinery (incl. lifting)	↘	Korea	↘
Material handling (incl. mining)	↘	Japan	↗
Heavy transport	↘	Indonesia	↘
Energy	↘	India	↘
Protection & tooling	↗	Australia	↘
		Singapore	↗

Tibnor

Tibnor is a leading steel distributor in the Nordic region and an important sales channel for SSAB's Swedish steel business. More than three quarters of Tibnor's shipments take place within Sweden. Apart from sales from stock of steel and non-ferrous metals, 80 percent of sales include logistics and/or production services which help the customers to reduce their own stock maintenance and increase production efficiency.

Steel and non-ferrous metal distributor

Tibnor enjoys a leading position within the steel and non-ferrous metal trade in the Nordic region, and is the leading distributor in the Swedish market, as well as operating also in Norway, Denmark and Finland. In Norway, Tibnor operates not only under its own management, but also through two affiliated companies in which it holds 50 percent stakes.

In 2013, 78 (76) percent of Tibnor's sales involved deliveries in Sweden. Approximately 45 percent of all steel delivered in Sweden is supplied through distributors. Tibnor accounts for approximately one-third of the distributors' market share in Sweden.

Tibnor has approximately 7,000 customers, with the most important customer segments comprising companies within the automotive, engineering and building industries. A significant proportion of Tibnor's customers within the automotive and engineering industries are suppliers to Swedish export industry.

At the end of the year, there were 782 (797) employees.

Stock maintenance, processing and direct sales

Tibnor's traditional core business lies within the areas of commercial steels and stainless steels, in which it provides a complete range of steel strip and plate, long products and specialty steels. In addition, the business operations include the sale of non-ferrous metals and building-related steel products.

The strip and plate products constitute the largest product segment and accounted for 41 (40) percent of Tibnor's sales in 2013. Due to the weak growth in the Swedish building industry, in percentage terms volumes of long products experienced the largest fall.

The building industry is also the primary market for reinforcement steels, but thanks to a new cooperation agreement entered into with PEAB at the end of 2012, growth was recorded within this product segment during 2013. Demand from the manufacturing industry and other sectors declined during the year, while demand within the automotive industry remained the same. Value added services in the form of logistics solutions and production services are of increasing importance for



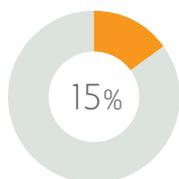
»Value added services in the form of logistics solutions and production services are of increasing importance for SSAB and Tibnor's customers.«

Mikael Nyquist, President Tibnor

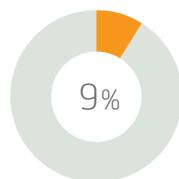
80%

of sales relate to stock sales and processing

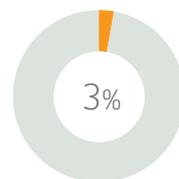
Share of the Group's



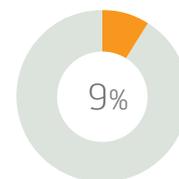
sales



EBITDA



capital employed



registered number of employees

SSAB and Tibnor's customers. Through these services, customers are able to minimize their own inventories and integrate the products directly into their production processes, without pre-treatment. For example, Tibnor can customize steel strip through cutting lengthwise, cutting to size and shearing, and also process other materials at its own production plants through blasting, organic coating, figure cutting, etc. Within other skills areas, Tibnor supplements its own production facilities with external production partners, resulting in a broader value added offering to customers.

During the year, Tibnor commenced an in-depth cooperation project with Volvo Construction Equipment regarding stock maintenance and the deliveries of ready to use steel components intended for the company's heavy wheel loaders. Apart from providing input materials with logistics tailored to the customer's production process, Tibnor also carries out the initial phases in the manufacturing by cutting, beveling, bending and blasting sheet prior to delivery.

Within the non-ferrous metals area, Tibnor focuses on trading in non-ferrous metals for industrial use. As a distributor of aluminum, copper and brass, Tibnor is one of the largest players not only in Sweden, but also in Finland and Denmark. In 2013, demand for non-ferrous metals fell and sales were approximately 23 percent lower.

During 2013, stock sales and processing increased by 1 percentage point, to 80 percent of total sales. The remaining 20 percent involve direct sales from mills.



SSAB's steel, combined with Tibnor's processing and logistics solution, has contributed to more efficient production of Volvo Construction Equipment's heavy wheel loaders.

The market

During the first half of 2013, demand was weaker than in the same period of 2012, but stronger than in the second half of 2012. After the summer however, there was a seasonal slowdown and, during the second half of 2013, the positive expectations indicated by leading indicators failed to materialize. Nevertheless, growth in the second half of 2013 outperformed 2012, primarily due to the weak demand in the final quarter of 2012. All in all, shipments during the year fell by 4 percent and sales were 12 percent lower.

The reduction in volume is primarily attributable to Finland and Denmark. The fall in sales in Sweden is in line with the market trend, and it is believed that market shares were successfully defended.

In addition to lower volumes, Tibnor was affected by a gradual decline in prices. The price level has fallen since the third quarter of 2012 and Tibnor's average price to customers throughout 2013 were 9 percent lower than in 2012.

Norsk Stål and Norsk Stål Tynnplater

Tibnor owns 50 percent of the shares in Norsk Stål and Norsk Stål Tynnplater. The remaining 50 percent stakes are owned by Tata Steel Europe.

Norsk Stål is Norway's largest steel distributor. Sales for the year decreased by 26 percent to SEK 1,659 (2,236) million and Tibnor's share of earnings was SEK -8 (8) million. There were 276 (284) employees.

Norsk Stål Tynnplater is Norway's largest Steel Service Center. Sales for the year decreased by 12 percent to SEK 509 (576) million and Tibnor's share of earnings was SEK 3 (4) million. There were 49 (50) employees.

Competitors

Competitors include BE Group among others, as well as a number of companies with a narrow product focus, which are either independent or owned by foreign producers. Other players include other Steel Service Centers.

Demand per customer and region 2013

Automotive	→	Sweden	↘
Engineering	↘	Norway	↘
Construction	↗	Denmark	↘
Other	↘	Finland	↘
(Processing industry, Retail and Consumer goods)		Other	↘

Sales by product area

SEK millions	2013	2012
Strip and plate	2,126	2,372
Long products	931	1,069
Engineering steels	800	947
Non-ferrous metals	444	576
Stainless steel	574	634
Reinforcement products	358	350
Other	12	14
Total	5,245	5,962

Short-term prospects

- The positive economic trend in North America in general and in the energy sector in particular is expected to have a positive impact on demand for steel during the first quarter of 2014. The announced price increases will gradually have an impact in the first and second quarter. However, the extreme weather conditions in North America during the beginning of 2014 has resulted in higher scrap prices.
- In Europe, the economic situation has stabilized somewhat and the general uncertainty is continuing to diminish, and thus a slight improvement in demand for steel products is expected, although from a low level.
- Even if the rate of growth in China has slowed down, demand for steel in Asia is expected to continue to grow during the first quarter of 2014.
- At the end of the first quarter and beginning of the second quarter 2014, a maintenance outage will be carried out in Mobile, USA. The maintenance outage will have a negative effect on shipment volumes from SSAB Americas in both the first and second quarter and, in total, will negatively impact earnings by approximately SEK 150 million.
- It is believed that SSAB's shipment volumes in the first quarter will be at approximately the same level as in the fourth quarter 2013.

Significant events since the end of the financial year

- On January 22, 2014, it was announced that SSAB has issued an offer to Rautaruukki. The offer is a recommended share exchange offer to Rautaruukki's shareholders.
- The proposed combination is expected to create substantial values for the shareholders in the combined company, stemming from both tangible cost synergies as well as increased flexibility.
- The proposed combination is conditional on SSAB's shareholders adopting the resolutions necessary for implementation of the combination and the share exchange offer, and SSAB receiving more than 90 percent of the shares in Rautaruukki. Also needed are necessary public authority approvals, including receipt of approvals from competition authorities within the EU and other legislations.

For more information, reference is made to the press release, which is available on www.ssab.com and in the final section of the Annual report 2013.



A cutting edge made of Hardox 500 is manufactured at one of our Hardox Wear Parts Centers. Hardox 500 is a wear steel and is available in thicknesses of 4-80 mm. The steel is especially developed for applications subject to a lot of wear. By using Hardox the need for repairs decreases and the service life time of the application increases.

Responsibility and governance

At the same time as steel production is energy-intensive and dependent on natural resources, SSAB's high strength steels create important conditions for continued societal development through more efficient use of resources. In addition to its environmental work, SSAB is continually engaged in work on being a High performing organization, which is a fundamental aspect of our strategy. The work includes prioritized safety work to prevent potential work environment risks, as well as long-term work on promoting equal opportunities and ensuring a supply of skilled employees.

Sustainability work guidelines

During the year, SSAB launched a sustainability strategy covering the most important sustainability issues and containing clear targets for follow-up. The sustainability strategy supplements and supports the strategic objectives. SSAB's Code of Business Ethics provides guidance on how employees should behave vis-à-vis stakeholders and on the market.

New sustainability strategy

SSAB's sustainability strategy covers the most important issues from an environmental, social and commercial perspective. With clearly prioritized areas and targets, it provides an overall focus for the strategic sustainability work. The strategy and the targets are described in detail on page 5 and in the Sustainability Report.

Environmental and sustainability policy

SSAB has adopted an Environmental and Sustainability Policy in order to support the organization in its day-to-day work. The Policy essentially entails the following:

- SSAB will continue to develop products and services together with its customers so as to actively contribute to an environmentally sound and profitable business
- SSAB attaches importance to efficient use of raw materials and energy, while minimizing waste generation
- SSAB shows respect for employees and provides a safe and fulfilling work environment
- Transparency and openness are sought after

Code of business ethics

SSAB's Code of Business Ethics lays down guidelines for SSAB's behavior vis-à-vis stakeholders and on the market. The provisions of the Code take precedence over all other policies in a business area or subsidiary level and, in certain cases, may be more far reaching than national laws and regulations.

SSAB's Code of Business Ethics provides guidance within:

- Employee health and safety
- Diversity and internationally recognized labor law guidelines
- Business ethics and integrity

- Human rights
- Stakeholder and community relations
- The environment
- Communication

Diversity and equal opportunities issues are addressed in a separate policy. SSAB has issued special Instructions regarding the prohibition of bribery.

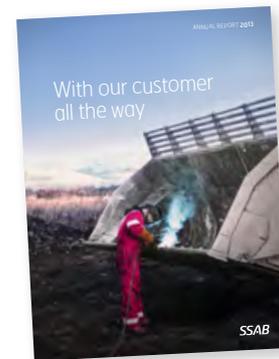
On a limited number of occasions in recent years SSAB has discovered that personnel have abused their position or acted in a disloyal or criminal fashion. SSAB has thereupon acted to investigate the events and concluded that ignorance or deliberate criminality have been involved. The consequences have been, for example, dismissal and prosecution.

Risk awareness and systematic work

Management systems and action plans ensure that the Group systematically carries out its work on critical sustainability issues. Several different management systems and tools are used to effectively control the operations in accordance with SSAB's objectives, the Environmental and Sustainability Policy, and the Code of Business Ethics. Systems developed in-house as well as third party certified systems are in place.

The environmental and climate work takes place primarily within the scope of the ISO 14001 environmental management standard and via local energy management systems. The OHSAS 18001 standard for systematic health and safety work has been implemented in all major production plants.

Environmental risks and work environment risks are covered by SSAB's internal risk controls and internal audits. Insurable risks within the scope of SSAB's property



SSAB Sustainability Report 2013

SSAB's Sustainability Report contains additional descriptions of the work carried out during the year, including activities and results, as well as systematic work on prioritized sustainability issues. SSAB applies the international reporting standard from GRI (Global Reporting Initiative), G3. The Sustainability Report in its entirety constitutes SSAB's annual reporting to the Global Compact. The report is available in print or for downloading from www.ssab.com in both Swedish and English. You are welcome to send questions or comments to info@ssab.com.

and liability insurance are analyzed annually together with the insurance companies. Sound management of risks associated with injury to individuals and damage to the environment and plants is a sine qua non for being able to take out insurance cover.

Whistle blower

A whistleblower function for the entire Group allows all employees to report serious irregularities and violations of SSAB's various policies.

Continued environmental improvements

The environmental work at SSAB involves systematic improvement work focused on energy, efficient use of resources, and climate issues. However, when production does not reach full capacity, optimizing the operational processes represents a challenge. During the year, strong focus was placed on the recycling of by-products and material, for use as raw materials in the production process. During 2013, SSAB also worked on producing and providing information about new environmental targets for the Group.

The most important environmental aspects

Steel production is energy intensive and causes carbon dioxide emissions. In Sweden, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions in the country. At the same time, SSAB's blast furnaces are among the most efficient in the world in terms of minimizing emissions from steel production, but there is still some room for further improvement. The impact on the local environment in the vicinity of SSAB's plants has decreased significantly in recent decades. Technical development and increasingly stringent external demands dictate constant improvements in the operations.

The most important environmental aspects for SSAB are:

- Reduced emissions into the air of carbon dioxide, nitrogen oxides, sulfur oxides and dust
- Reduced emissions into water of nitrogen and suspended substances
- Efficient use of raw materials and energy
- A reduction in the volume of process waste sent for landfill

New environmental targets in the environmental council

Parallel with the work on producing new environmental targets for the Group, the SSAB's Environmental Council has worked on producing environmental targets for the different parts of the business. As an example, SSAB APAC has established targets for reducing energy use and reviewing its waste flows, primarily sewage, waste and dust emissions.

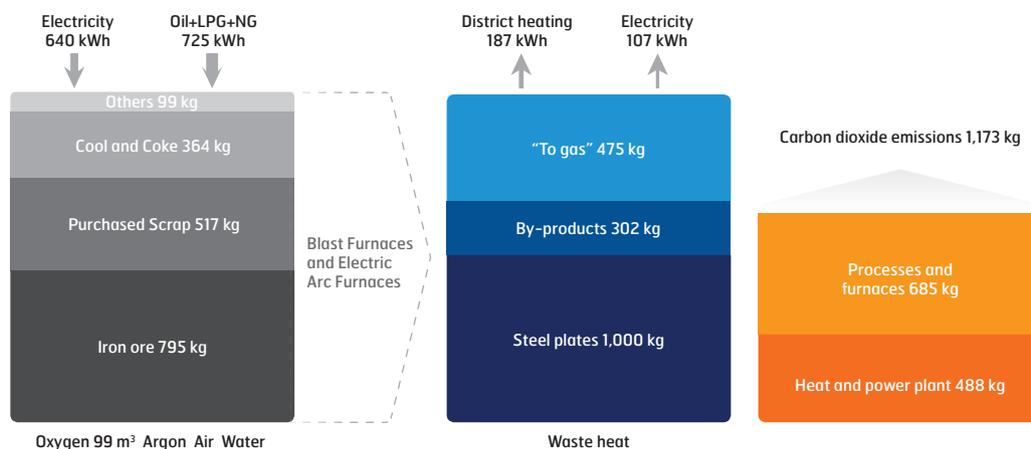
Read more about SSAB's new environmental targets and SSAB's systematic environmental work on page 35 in the Sustainability Report.

From oil to natural gas

During the year, SSAB's Board of Directors decided on an investment enabling the reheating furnace for slabs at the rolling mill in Borlänge to be converted from fuel oil to natural gas. SSAB's environmental target of reducing nitrogen oxide emissions will thereby be achieved. In addition, carbon dioxide emissions will be reduced by 40,000 tonnes per year and nearly all emissions of sulfur dioxide will be eliminated. The conversion will mainly be carried out during 2014 and is estimated to be completed at the beginning of 2015. The liquid gas must be heated in order to become flammable gas and this will take place using heat from the district heating network's return pipeline. An area of use has thus been found for this low value energy, thereby contributing to more efficient resource utilization for Borlänge Energi, a local energy company.

Revised allocation of emission rights

During the autumn, the EU Commission revised the preliminary allocation of carbon dioxide emission rights for the 2013 – 2020 trading period. Notice had earlier been received from the Swedish Environmental Protection Agency in December 2011. SSAB's allocation of free emission rights for 2013 equals 71 percent of the allocation in 2012, and will be gradually reduced to 62 percent by 2020. The low



◀ Materials and energy balance as well as carbon dioxide emissions from the production of one tonne of steel in the SSAB Group in 2013. The flows also include the heat and power plants in Luleå and Oxelösund, which primarily use residual gases from SSAB's operations.

allocation is not unique to SSAB, but rather affects the entire European steel industry. SSAB believes that the current system distorts competition from a global perspective, and with regards to SSAB's efficient blast furnaces with low carbon dioxide emissions, in addition the allocation is negative from a global environmental aspect. SSAB has appealed the decision.

Focus on recycling in Mobile

The plant in Mobile has entered into a new, long-term agreement with a purchaser of dust separated and captured from the electric arc furnace. This will result in significant cost savings of up to USD 1 million per year. In Mobile, bricks from the lining of the ladles in the steel shop account for the largest volumes of production waste. However, thanks to recycling the waste volume is reduced by 75 percent, while at the same time cost savings of up to USD 250,000 per year are achieved.

New hot stoves in Oxelösund and Luleå

In the summer of 2014, a new hot stove in Oxelösund will be operational. The investment will increase operating safety and, thanks to a higher temperature of the hot blast air, the energy (coal and coke) used in the blast furnace process will be reduced. In September 2013, it was decided to undertake a major renovation of one of the four hot stoves in Luleå which will result in additional energy savings.

Steel eco-cycle program demonstrates environmental benefit

Between 2004 and 2013, the Stålkretsloppet (Steel eco-cycle program) worked on promoting increased understanding of the value of steel in society. Results from the environmental research program show that, from a life cycle perspective, the environmental benefits of high strength steels outweigh the impact on the environment from

the steel production process. High strength steels can make their greatest contribution in the automotive industry, where lower vehicle weight reduces the impact on the environment throughout the useful life of the vehicle. The research makes a ground-breaking contribution to the debate concerning the impact on the local environment from production, on the one hand, as compared with the environmental value for society and global possibilities, on the other. The research program was a cooperation project involving Mistra (the Swedish Foundation for Strategic Environmental Research) the steel industry, the mining industry, the engineering industry and the recycling industry. The results comprise several solid instruments for calculating the environmental value of steel from a life cycle perspective, focusing on broad societal benefits.

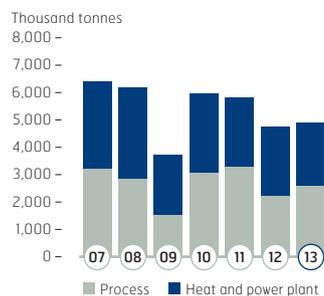
International cooperation projects

In 2013, SSAB also actively participated in two projects within the European cooperation project called ULCOS, both of which are aimed at achieving a 50 percent reduction in carbon dioxide emissions from steel production. Both projects include carbon capture and storage in order to achieve the target.

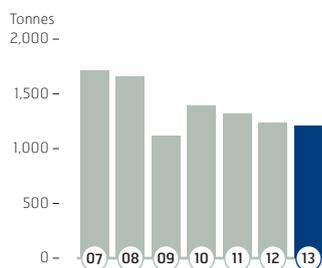
During the year, a decision was taken to put on hold a planned demonstration facility for the ULCOS blast furnace in France. Among other things, this was due to the fact that the financing is linked to the price on emission rights, which at present is low and difficult to assess, and also due to infrastructure problems and increased opposition to carbon dioxide storage in Europe. The EU Commission requirement for providing a grant from the EU, NER300, namely that the demonstration project must begin carbon dioxide storage in 2015, constituted an excessively narrow timeframe for carrying out the testing and obtaining the permits required.

The second ULCOS project, Hlsarna, involves an entirely new type of process which uses coal and iron ore in its natural state,

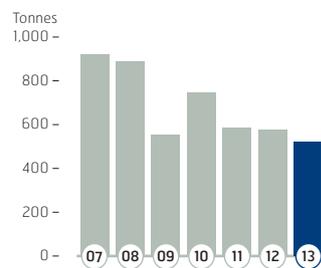
Carbon dioxide ^{1) 2)}



Nitrogen oxide ¹⁾



Dust ¹⁾



¹⁾ The report covers the Swedish operations at the plants in Oxelösund, Borlänge and Luleå. With respect to Luleå, emissions are also included from the half-owned LuleKraft, which bases its operations on SSAB's process gases. Transportation is not included. The information for 2013 is preliminary.

²⁾ With respect to the Swedish plants, the emissions correspond to those reported within the EU's trading system.

instead of the processed raw materials coke and sinter. A pilot facility has been constructed and tested at Tata Steel's plant in the Netherlands. SSAB participated in the initial trials, but has decided not to take an active part in the continued development since the technology is considered to have little strategic value for SSAB. The members of the ULCOS project have decided to produce an updated list of developments and ideas regarding new steel production technology involving low carbon dioxide emissions.

Permit matters and dialogue with government agencies

The work relating to the Dannemora mine, where SSAB conducted operations in the past, continued during the year. Sample testing was carried out, which will form the basis for proposals regarding eventual cleanup measures in places where the ground is contaminated and a report based on the sample testing and previous studies will be completed in 2014.

In connection with start-up following the maintenance outage in July, a minor explosion occurred at the coking plant in Luleå. The incident temporarily led to increased emissions of sulfur dioxide and nitrogen oxide, and also disabled the biological water purification plant. It was, however, possible to take care of the waste water until the purification process was restored. The explosion did not cause any other damage.

An independent firm has reviewed and tested the melt shop baghouse in Montpelier in order to verify that it complies with dust emission standards. The tests, which were monitored by the environmental agency in Iowa, showed satisfactory results.

In Oxelösund, two oil leakages into the sea occurred in 2013, corresponding to approximately 1 cubic meter of hydraulic oil. SSAB carried out cleanups and notified the occurrences to the County Administrative Board.

Permitted production at the Swedish plants¹⁾

Thousand tonnes	Locality	Permitted production	Production 2013
Coke	Luleå	1,100	641
	Oxelösund	530	368
Hot metal	Luleå	— ²⁾	2,025
	Oxelösund	2,000	873
Steel slabs	Luleå	3,000	1,910
	Oxelösund	1,900	884
Hot-rolled steel	Borlänge	3,200	1,948
	Oxelösund	820	471
Pickled steel	Borlänge	2,500	1,241
Cold-rolled steel	Borlänge	1,400	752
Annealed steel	Borlänge	650	463
Metal-coated steel	Borlänge	400	277
	Organic-coated products	Borlänge	140
	Köping	30	12
	Finspång ³⁾	40	18

¹⁾ In North America, the permitted production levels are determined through maximum permitted hourly production volumes.

²⁾ Not regulated.

³⁾ Unit million m².

Environmental permits and legislation

SSAB's operations are subject to environmental permits with hundreds of environmental conditions governing production levels, emissions into the air and water, noise levels, and rules regarding landfill sites. All production units comply with relevant local environmental requirements and the Group holds mandatory environmental damage as well as liability insurance covering damage to third parties.

SSAB moments

Tekniksprånget – chance to test being an engineer. Tekniksprånget (literally "technology leap") is a four-month internship program which gives school leavers from high school natural science and technology programs the opportunity to work at a technology-intensive company in order to obtain a better view of what the engineering profession can involve. During the autumn of 2013, six interns had the opportunity to experience some of the different work duties and jobs available to graduate engineers at SSAB in Borlänge, Luleå and Oxelösund.



High performing organization

A High performing organization is one of the cornerstones of SSAB's strategy. This involves long-term work on developing and strengthening the performance culture, zero vision as regards accidents, and continuing to be an attractive knowledge company. Developing employees and creating exciting career opportunities are important priorities. During 2013, SSAB participated in an equal opportunities initiative called Battle of the Numbers, which is now continuing within the Group.

Prioritized areas

Sourcing competent employees for the future represents a challenge for the steel industry and SSAB, while at the same time constituting an important prerequisite for a High performing organization. SSAB strives to be an attractive employer and to promote the availability of the right competence in the labor market. Opportunities to develop in an exciting global and safe work environment are critical factors.

In SSAB's systematic work relating to employees and organization, priority is given to the following areas:

- Leadership
- Long-term sourcing of competence
- Equal opportunities and diversity
- Safety in the work environment
- Preventive health care

Overall targets and monitoring

The following overall targets dictate the systematic work within the strategically defined area, High performing organization:

- An annual reduction by at least 5% in lost time injuries per million work hours
- All employees shall have an annual performance and planning dialogue

- An Employee Satisfaction Index (ESI) of at least 90 (as measured in the group-wide bi-annual employee climate survey, Voice)

Clarity concerning goals, anticipated performance and feedback are central to being a High performing organization. It is in the annual dialogue between employer and manager that performance is measured, feedback given, new goals set, and individual development planned.

In 2013, more than 93 percent of SSAB's employees had at least one performance dialogue. During the year, work has been carried out on ensuring the quality of performance dialogues. Action plans have been drawn up in all business areas. Examples of activities in management team seminars include establishing targets, peer review in the target-setting process, and training managers in how to conduct performance dialogues with employees.

Employee satisfaction (measured as ESI) shows a positive trend and has increased for each year in which Voice has been carried out. In 2012, the ESI was 89.

Personnel

During the year, the number of employees fell by 266, to 8,712 (8,978). Due to efficiency programs and a freeze on recruitment, SSAB EMEA's workforce declined by 450. Just over 100 employees were transferred to employment at SSAB's wholly owned technology company, which administers the Group's intellectual property rights.

Battle of the Numbers

Together with nine other companies in Sweden, SSAB participated during 2013 in an equal opportunities initiative called Battle of the Numbers, which is aimed at increasing the number of females in management positions. 10 future or current female managers from each of the participating companies act as internal consultants and are included in a network.

SSAB's working group has proposed a number of initiatives as to how SSAB can work to promote equal opportunities, and has presented the proposals to the Group Executive Committee. Six of these areas are prioritized as immediate focus areas. These focus areas include, among other things, the establishment of clearer targets and key

Average number of employees, gender breakdown

	Number of employees		Women, %	
	2013	2012	2013	2012
Parent Company				
Sweden	57	57	49	51
Subsidiaries				
Sweden	5,789	6,402	21	20
USA	1,325	1,273	12	12
Other	1,023	963	30	29
Total	8,194	8,695	21	20

Number of employees at year-end

	2013	2012	Change, %
SSAB EMEA	6,054	6,504	-7
SSAB Americas	1,488	1,394	7
SSAB APAC	200	220	-9
Tibnor	782	797	-2
Other	188	63	198
Total	8,712	8,978	-3

performance indicators regarding diversity, diversity training for managers, and clearer criteria in conjunction with succession planning and recruitment.

Business ethics via e-learning

SSAB's training in business ethics covers the entire Group and is focused on SSAB's Code of Business Ethics, instructions regarding the prohibition of bribery, and the Whistle-blower reporting routine. The training is available in three languages – Swedish, English and Chinese.

At the end of 2013, 87 percent of employees within the business areas had taken part in the training course.

Staffing and flexibility

SSAB has continued to work on reducing its costs and creating greater flexibility in order to adapt the operations to the prevailing economic climate. Previously announced cost reduction and flexibility improvement activities have been carried out.

During the period December 2012 to May 2013, a program was implemented involving reduced work hours and pay at SSAB's operations in Sweden. For a period of six months, work hours were reduced to 80 percent (plus 10 percent organized voluntary preventive health care activity), while wages and salaries were cut to 90 percent. Approximately 4,000 employees participated in Sweden. About half of the savings achieved by the Company were allocated to resolving redundancies which followed the

SSAB moments

The steel world's White Book launched on Twitter. During the year, the World Steel Association launched an entirely new white book about steel and the history of the steel industry. The aim is to bring together in one place 1,000 years of steel history and, through that history, to focus on steel manufacturing of the future. The launch took place through a Twitter debate focused on envisioning the future and attempting to identify the next invention which, similarly to Bessemer technology, can revolutionize the steel industry and change the world.



www.worldsteel.org/epub/whitebook/#/12

announcement of a curtailment of operations in the autumn of 2012.

Within SSAB EMEA, a reduction in personnel was carried out in accordance with the redundancy notice given in 2012. 450 employees, primarily within production, were affected at the plants in Oxelösund, Borlänge and Luleå.

Administrative parts in the HR, Finance and Purchasing support functions in the SSAB EMEA business area have been outsourced in order to increase flexibility.

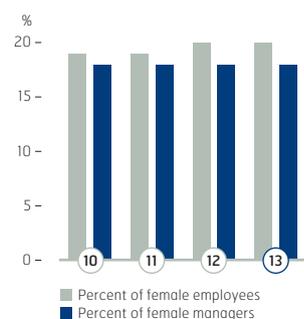
Serious accident in Luleå

During the year, two people employed by a contractor carrying out maintenance work at SSAB's plant in Luleå lost their lives in an

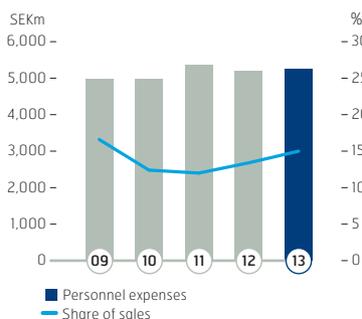
accident. The Swedish Work Environment Authority, the police and SSAB opened investigations into the cause of the accident. The investigations are expected to be completed in 2014. At the plants in Sweden, SSAB EMEA is responsible for coordinating work and safety with contractors. This responsibility involves ensuring that different activities do not expose each other to risks during the course of the work. The retained contractor is, in turn, responsible for conducting a risk assessment regarding the work.

SSAB imposes requirements for work permits in respect of all temporary work carried out in Luleå, Borlänge and Oxelösund. SSAB carries out a risk review together with

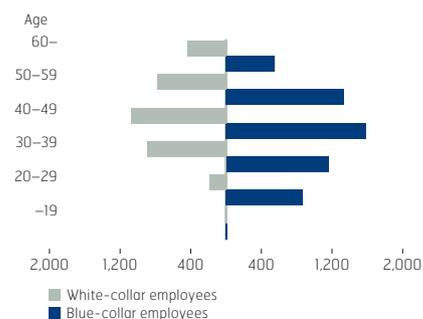
Equality



Personnel expenses



Age breakdown



the contractor in order to identify possible risk aspects. Each risk review, together with agreed measures, is documented in the written work permit.

SSAB EMEA has taken the initiative for a series of seminars to be held at the respective production plants together with management representatives from the contractor companies. The seminars will be held during the first quarter of 2014 with the aim of achieving cooperation regarding challenges and risks within the work environment area. A work environment forum for contractors was established in Luleå two years ago, with the aim of jointly creating a safe workplace. SSAB wishes to promote a culture in which both its own employees and contractors' employees are safe and are able to report any safety risks.

Innovative safety initiatives in SSAB Americas

At the operations in Mobile, SSAB works with safety ambassadors – referred to as Safety Champions. A selected group of employees has particular responsibility for serving as role models on various safety issues at the plants during a specific period of time, with rotating responsibility. The members of the group receive extra support or, if needed, training in order to act as ambassadors. This confidence position contributes to increased knowledge and awareness on the part of the

employee and is temporarily included as part of the employee's work duties.

During the year, a safety initiative focusing on lifting crane work was launched covering all operations in the Americas. The background to the initiative is that a disproportionately large number of reported incidents involve lifting cranes. SSAB aims to identify the underlying causes by studying lift crane procedures in greater detail. The initiative is focused on two aspects – the equipment (design, maintenance, operational safety) as well as attitudes and behavior (including training).

Continued focus on safety in SSAB APAC

Within SSAB APAC, safety work has continued with several new initiatives during the year. Among other things, a crisis and preparedness plan has been produced, and information about it has been distributed throughout the business area.

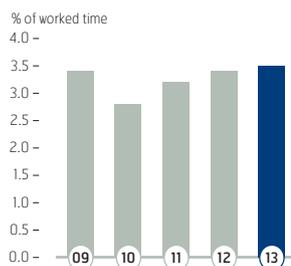
Safety inspections and government authority requirements

During the year, both of the plants in the US underwent safety inspections within the scope of SSAB's insurance cover for accidents and losses. The inspection reports pointed out a number of improvement measures to be taken, but no adverse comments were made requiring immediate

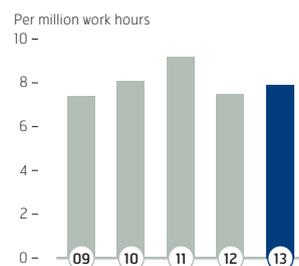
measures. SSAB regards inspections as an opportunity to verify and receive feedback regarding the preventive safety work which is aimed at protecting both employees and property.

Government authorities in North America require that SSAB employers carry out extra health checks for employees who are exposed to potentially harmful gases or substances. This may, for example, include exposure to lead. During the year SSAB conducted biological sample testing for comparison with established standards and guidelines. In this way, early signs of any side effects from exposure can be identified and necessary measures taken.

Lost time



Number of accidents



Responsible supply chain

SSAB has a large number of suppliers from different parts of the world. During the course of the year, SSAB continued to provide the organization with the means to ensure sustainable and responsible purchasing work. Focus continued to be placed on suppliers of raw materials.

Responsibility for the supply chain

With a global supply chain, it is important to be able to survey risks at the suppliers and their ability to address social and environmental issues. Sustainability issues are an integral aspect of the purchasing operations and management of the supply chain. During the year, SSAB's CSR function, together with CSR ambassadors appointed from each business area as well as Tibnor and Plannja, have worked on strategic development of the sustainability work in the supply chain.

Guidelines and governance

SSAB has a procurement policy which governs all of the Group's purchases. SSAB is a member of the UN's Global Compact and its principles are applied in the work with suppliers. SSAB's Code of Business Ethics reflects Global Compact principles and represents the most important control document as regards work with suppliers. The Code of Business Ethics places particular emphasis on the abolition of forced labor and child labor.

In its contracts with suppliers, SSAB communicates the Code of Business Ethics and encourages suppliers to comply with and respect the Code, and also SSAB's Environmental and Sustainability Policy. SSAB has Instructions regarding the prohibition of bribery. The Instructions provide employees with clear information on how SSAB defines bribery and improper benefits, and how employees are expected to act in relation to suppliers, customers and other business partners.

Identification of supplier risks

During the year, the work was concluded on a systematic identification of risks relating to the Group's suppliers. The survey places suppliers in various risk categories based on the countries in which the suppliers operate. It highlights risks relating to, for example, human rights, labor conditions and corruption. The risk survey indicates that few suppliers are in the high-risk group. SSAB endeavors to carry out more intense monitoring of suppliers located in countries considered to be high risk countries.

System and assessment

Work is taking place to develop a purchasing system for the Business Areas. With a joint purchasing system improved conditions will be created for the continued work on monitoring suppliers. During the year, implementation of the purchasing system began in SSAB EMEA and SSAB Americas.

SSAB has developed guidelines for supplier control involving a uniform risk assessment and risk survey of its suppliers. The assessment of suppliers takes place primarily through a self-assessment questionnaire applicable throughout the Group which contains questions about, for example, social conditions and environmental conditions at the suppliers. Suppliers who are placed in the medium or high risk category will be required to complete the self-assessment questionnaire. Unsatisfactory answers will be investigated. SSAB's business areas and the Tibnor and Plannja subsidiaries are responsible for carrying out their respective supplier assessments.

During the year, SSAB informed and trained SSAB EMEA's purchasing organization about the new supplier control process.

Sources of SSAB's raw materials



Compensation to senior executives

The Board's proposal for guidelines for 2014

For 2014, the Board proposes that compensation to the President and other members in the Company's senior management shall comprise:

- fixed salary
- possible variable compensation
- other benefits, such as company car
- pension

"Other members of the Company's senior management" mean members of the Group Executive Committee, currently eight persons other than the President. The total compensation package shall be on market terms and conditions and competitive in the employment market in which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and shall be capped in relation to the fixed salary. The variable compensation shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, for example the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensation may be included in the basis for pension computation due to legislation or practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the Company's responsibilities to its shareholders, employees and other stakeholders.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages; however, in no case earlier than the age of 60. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice in the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

Short-term variable salary components in 2013

For the President and other members of the Group Executive Committee, the short-term variable salary component for 2013 is linked to:

- the Group's EBITDA margin relative to a number of comparable steel companies
- an inventory turnover target established by the Board
- one or more individual targets

Long-term variable salary components in 2013

As from 2011, a long-term incentive program has been introduced covering a maximum of 100 key persons throughout the Group, including the Company's President and other senior executives.

The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 15 and 25 percent of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB America's results and return on capital employed. The total annual cost for the program is SEK 22.5 million in the event of target realization, and SEK 45 million in the event of maximum target realization, of which approximately two-thirds constitutes the cost for participants in North America. The program aims to promote the Company's ability to recruit and retain particularly important employees.

For more detailed information regarding applicable compensation and benefits, see Note 2.

Risk and sensitivity analysis

All business operations involve risk. Risks that are managed correctly can create opportunities and lead to value creation, while risks that are handled incorrectly can result in damage and losses.

Risks and opportunities

The Group's earnings and financial position are affected by a large number of factors, several of which are beyond the Company's control. These include, for example, the general political and economic conditions that affect steel markets. Many of these factors can impact on the Group both positively and negatively, and thus a positive development in, or proper management of the risk can lead to opportunities and value creation.

Overall risk management

The work of identifying and analyzing risks and deciding how they are to be addressed is a prioritized area in the Group. Responsibility for

the long-term, overall management of strategic risks is dictated by the Group's delegation policy, namely from the Board to the CEO and from the CEO to heads of business areas. Consequently, most of the Group's operational risks are managed by each business area, but coordinated where deemed necessary.

For a number of years, SSAB has had an internal audit unit which, among other things, identifies risk areas and, based on a risk analysis, conducts internal controls which are followed by recommendations for improvements within these areas. The internal audit unit reports directly to the Audit Committee. For full information about the Group's internal audit, see the Corporate Governance Report, page 46.

Operational risks

Area of risk	Risk description	Response and initiatives
Business cycle	The steel industry is strongly affected by the changes in the business cycle, for example as regards demand and prices on products and raw materials. The high percentage of fixed costs due to the large capital expenditures that characterize the steel industry also increases sensitivity to business cycle fluctuations.	<p>The focus on high strength steels is one way chosen by SSAB to minimize the cyclical nature of its earning capacity. By continuing to focus on developing high strength steel products, SSAB is able to maintain and strengthen its position vis-à-vis its competitors.</p> <p>Another way of reducing sensitivity to the business cycle is by focusing on SSAB's home markets, namely North America and the Nordic region. In these markets, SSAB endeavors to be the customers' supplier of choice by offering short delivery times and a close relationship, in addition to quality.</p> <p>Yet another way is to offer value added services linked to SSAB's know-how as regards the qualities of the high strength steels, and thereby the ability to create new, innovative solutions. Development takes place in close cooperation with the customer on site or at one of SSAB's research centers.</p> <p>SSAB also engages in measures to reduce costs and increase flexibility in the operations in order to ameliorate the effects of downturns in the business cycle.</p>
Political decisions	SSAB operates in a large number of countries and is thus affected by country-specific regulations and also by international regulations relating to general tax and financial reporting rules, as well as more specific rules concerning trade barriers, the environment, and energy policy.	<p>SSAB participates in national and international industry organizations in which monitoring of relevant events plays an important role. In the US, the Group has a separate function for this purpose, based in Washington DC.</p> <p>One focus area for SSAB is environmental and energy legislation, with the EU's emission rights trading system being of critical importance for SSAB's operations. In this area, SSAB acts via industry organizations and directly in explaining the importance of the emission rights regulations and their impact on SSAB.</p> <p>Since steel production takes place in both Europe and the US, exposure to various types of barriers to trade in these areas has been reduced.</p>

Operational risks (cont.)

Area of risk	Risk description	Response and initiatives
Customers and suppliers	Dependence on individual major customers and/or suppliers may carry with it large risks, with attendant significant consequences in the event deliveries to or from such customers or suppliers were to cease.	<p>SSAB has a diversified customer base and thus has little dependence on individual customers. Credit risks are managed by each business area, based on a credit policy for the entire Group.</p> <p>There is also large diversity as regards suppliers; however, this is not the case as regards important raw materials, namely coal and iron ore, since the number of potential suppliers is limited. Coal is purchased from a small number of major suppliers around the world, while at present iron ore is purchased exclusively from LKAB in Sweden. However, the price of iron ore is set on the world market and thus, in principle, is the same irrespective of supplier. Long supply agreements are signed with LKAB in order to ensure physical supplies, while proximity to the iron ore reduces the risk of long-term delivery problems.</p>
Environment	Steel production is energy and resource intensive and has a significant impact on the environment. In Sweden, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions.	<p>In pace with technical developments and more stringent environmental requirements, constant improvements are taking place as regards SSAB's impact on the environment. SSAB's steel mills are among the most efficient in the world in terms of reductions in emissions. SSAB is participating in a number of research projects aimed at minimizing carbon dioxide emissions and achieving safe carbon capture and storage. In addition, SSAB's high strength steels have many benefits for sustainable growth where the main objective is to achieve the same results with fewer resources. More details are provided in the section dealing with the environment, on the Company's website and in SSAB's Sustainability Report.</p>
Production	Steel production takes place in a chain involving different processes, in which disruptions in one part of the chain can rapidly have serious consequences. Operational disruptions due to transportation problems and damage to assets caused by fire, explosions and other types of accidents, may be costly.	<p>Risks relating to personal injury and damage to property and the environment (insurable risks), the work on preventing injury and damage occurring at all, and the work on minimizing the effects of injury or damage if it nevertheless occurs, are managed within the Group's Risk Management organization. SSAB's Group Risk Manager is functionally responsible for this work and co-operates with the Risk Manager in each business area. The risk management work is conducted in accordance with a Risk Management policy in which emphasis is placed on:</p> <ul style="list-style-type: none"> • pro-active work to prevent injury and damage (initiate, coordinate and manage); as well as • risk and cost optimization (insurance management). <p>Continuity plans, property insurance and business disruption insurance are in place to minimize the costs caused by this type of problem. The risk of disruptions in one part of the process having an impact on other parts of the process is minimized by maintaining stocks of crucial raw materials, products in progress and finished products.</p>
Employees	SSAB needs to attract and retain skilled, motivated employees in order to be able to conduct operations with good profitability in the long term. The focus on high strength steels presupposes continued strong process and product development, and thus skills development within these areas is of particular importance. SSAB values being regarded as an attractive workplace. Key aspects of the work continues to focus on safety, environmental responsibility and ethics.	<p>Issues relating to safety, responsibility for the environment and ethics are prioritized in the day-to-day work as well as in the long-term through training and influencing attitudes. In the business areas, stringent safety rules are in place which must be complied with by SSAB's own personnel and hired personnel, as well as by external contractors. Skills development – not least management training – is a prioritized area. SSAB also carries out a regular employee survey covering the entire Group. The survey represents an important tool for managers on all levels in terms of improvement work and leadership development. Salaries and remuneration shall be on market terms and competitive on the employment market on which the employee works.</p>

Financial risks

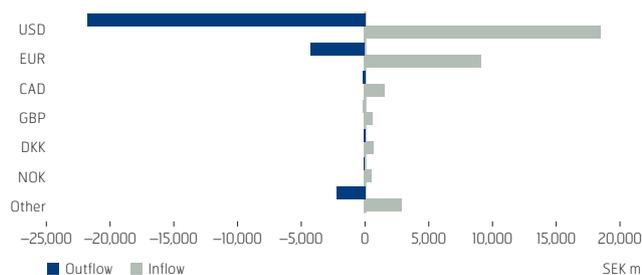
International operations such as those conducted by SSAB involve a number of financial risks in the form of financing, liquidity, interest rate, currency and credit risks. The management of these risks is governed by the Group's finance policy, which is adopted by the Board

of Directors. Most financial transactions take place through the parent company's treasury function in Stockholm and through SSAB Finance Belgium. For further information about the Group's financial risk management, see Note 27.

Area of risk	Risk description	Response and initiatives
Refinancing risk/Liquidity risk	Refinancing risk/liquidity risk means the risk of SSAB being unable to pay its obligations due to insufficient liquidity or difficulties in raising new loans.	The borrowing strategy is focused on securing the Group's needs for loan financing with regard to long-term loans and SSAB's day-to-day payment obligations to its lenders and suppliers. Borrowing takes place primarily through the parent company, taking into consideration the Group's financial targets. In order to minimize the refinancing risk, the objective is that long-term loans will have an even maturity and an average term to maturity in excess of three years. The liquidity buffer, i.e. non-utilized, binding credit facilities, as well as cash and cash equivalents, should exceed 10 percent of the Group's sales.

Market risk	Market risks comprise the risk of the Group's earnings or financial position being affected by changes in market prices, such as interest rates and exchange rates.	Interest rate risks: The Group's interest rate risks relate to changes in market interest rates and their impact on the debt portfolio. The average fixed rate term in the total debt portfolio should be approximately 1 year, but is permitted to vary between 0.5 and 2.5 years. The fixed rate term on borrowing may be adjusted through the use of interest rate swaps.
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Currency flow 2013



Currency risks: SSAB's currency exposure largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is hedged through borrowing in foreign currency, so-called Equity Hedge. Exceptions are made in the case of small amounts, e.g. for equity in foreign sales companies. The objective with the Equity Hedge is to minimize the translation effect on the net debt/equity ratio. The Swedish krona is the base currency. In order to manage the transaction risk, most of the commercial currency flows which qualify for hedge accounting (at present purchases of coal and iron ore in USD and sales in EUR) are hedged. Major investments decided upon in foreign currency are hedged in their entirety. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short term in nature and thus no hedging takes place; instead, they are exchanged on the spot market. The net currency inflow in 2013 was SEK 5.3 (2.6) billion. The Group's most important currency flows are shown in the diagram to the left.

Credit risk	Credit risk means the risk of losses due to the Group's customers or counterparties in financial contracts being unable to perform their payment obligations.	Financial counterparties are selected based on Standard & Poor's and Moody's current ratings for long-term borrowing and taking into account the Group's reciprocal commercial relations with the relevant counterparty. The minimum acceptable ratings are A- from Standard & Poor's or A3 from Moody's. Credit risks associated with accounts receivable and other claims are managed in each subsidiary, taking into account a credit policy covering the entire Group.
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Sensitivity analysis	Change, %	Effect on profit, SEK millions	Effect on earnings per share, SEK ³⁾
Steel prices – steel operations	10	2,800	6.74
Volumes – steel operations ¹⁾	10	210	0.51
Iron ore prices	10	370	0.89
Coal prices	10	280	0.67
Scrap metal prices	10	560	1.35
Interest rates	1%-point	90	0.22
Krona index ²⁾	5	210	0.51

Sensitivity analysis

The approximate full-year effect in 2013 on profit after financial items and earnings per share of changes in significant factors is shown in the adjacent sensitivity analysis.

¹⁾ Excluding the effect of lower capacity utilization (under-absorption).

²⁾ Calculated based on SSAB's exposure without currency hedging. If the krona weakens, this entail a positive effect.

³⁾ Calculated based on a tax rate of 22 percent.

Corporate governance report 2013

SSAB's organization is characterized by a decentralized work method in which responsibilities and powers are, to a large degree, delegated to the respective business areas and subsidiaries. SSAB is listed on Nasdaq OMX Stockholm and is subject to its rules and regulations, and also applies the Swedish Code on Corporate Governance (the "Corporate Code").

Organization

The Group's steel operations in 2013 comprised the three geographic business areas: SSAB EMEA (Europe, the Middle East and Africa), SSAB Americas (North and Latin America) and SSAB APAC (Asia, Australia and New Zealand), as well as distribution operations through the subsidiary, Tibnor. The processing business, Plannja, is part of SSAB EMEA.

The diagram below illustrates SSAB's corporate governance model as per December 31, 2013, and how the central bodies operate.

Deviations from the Corporate Code

During 2013, the Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. According to the main rule in Rule 9.2 of the Corporate Code, the members of the Compensation Committee who are elected by the general meeting must be independent in relation to the Company and company management. Since John Tulloch is considered to be dependent in relation to the Company, his participation in the Compensation Committee thus constitutes a derogation from the Code's rules. The Company currently conducts extensive international operations involving a large number of employees outside Sweden, not least in North America. John Tulloch possesses long experience from senior managerial positions in the North American steel industry. His knowledge of compensation

principles and compensation structures in, primarily, the North American steel industry, constitutes an extremely valuable contribution to the Committee's overall ability to address international compensation issues in a purposeful and rational manner. Thus, the Company has made the assessment that the value of John Tulloch's participation in the Compensation Committee outweighs any possible disadvantages resulting from him not being deemed independent in relation to the Company. For these reasons, the Company considers the derogation from Rule 9.2 of the Corporate Code to be justified.

Shareholders

SSAB's share capital consists of class A and class B shares, with class A shares carrying one vote and class B shares one-tenth of one vote. Both classes of shares carry the same rights to participate in the Company's assets and profits.

On December 31, 2013 there were 65,272 shareholders. In terms of votes, Industrivärden was the largest shareholder, followed by LKAB, Swedbank Robur fonder and Handelsbanken fonder. 68 percent of the shareholders held 1,000 shares or fewer, while the ten largest owners together owned just over 37 percent of the total share capital. Foreign owners accounted for 27 percent of shareholdings. For further information regarding the ownership structure, see page 10.



Important external and internal rules and policies which affect corporate governance:

Significant internal rules and policies

- By-laws
- The Board's rules of procedure, incl. instructions to the President and instructions to board committees
- Accounting manual Financial Guidelines and finance policy
- Code of Business Ethics

Significant external rules

- Swedish Companies Act
- Swedish Accounts Act
- Swedish Annual Reports Act
- Rule Book for Issuers Nasdaq OMX Stockholm, www.nasdaqomx.com
- Swedish Corporate Governance Code, www.bolagstyrning.se

Owners as of December 31, 2013

	% of votes	% of share capital
Industrivärden	23.4	18.2
LKAB	5.0	3.8
Swedbank Robur Funds	4.6	4.4
Handelsbanken Fonder	3.7	3.5
Invesco Funds	1.6	1.2
Skandia Fonder	1.5	1.2
Danske Capital Sverige	1.4	1.1
AMF - Försäkring och Fonder	1.2	0.9
Avanza Pension	1.1	1.2
Skandia Liv	1.0	1.9
Other shareholders	55.7	62.7
Total	100.0	100.0
Where of foreign- registered shareholders	28.6	27.1

Source: Euroclear

General meeting

The General Meeting is the Company's highest decision-making body; it is where shareholder influence in the Company is exercised. At the Annual General Meeting (Ordinary General Meeting), the shareholders decide, among other things, on the following:

- Adoption of the annual report and consolidated financial statements
- Allocation of the Company's profit/loss
- Discharge from liability for the Board of Directors and the President
- Election of the Board, its Chairman and auditors
- Method of appointment of the Nomination Committee
- Compensation to the Board and the auditors
- Guidelines for compensation to the President and other senior executives

2013 Annual General Meeting

The 2013 Annual General Meeting adopted the annual report and consolidated financial statements for 2012 as presented by the Board and the President, decided on the allocation of the Company's profit/loss, and granted the directors and the President discharge from liability.

In addition, the Chairman of the Nomination Committee described the Committee's work during the year and the reasons for presented proposals. The General Meeting decided on compensation to the Board and auditors in accordance with the Nomination Committee's proposals. Anders G Carlberg, Jan Johansson, Martin Lindqvist (President and CEO), Annika Lundius, Sverker Martin-Löf (Chairman), Matti Sundberg, John Tulloch and Lars Westerberg were re-elected as directors. Pär Östberg was elected as a new director. The General Meeting decided that the number of auditors would comprise a registered firm of accountants. PricewaterhouseCoopers was re-elected for a term up to and including the 2014 Annual General Meeting. The General Meeting decided that the dividend would be SEK 1.00 per share. A quorate Board and the auditor-in-charge were present at the Annual General Meeting. Minutes from the Annual General Meeting are available on www.ssab.com.

Nomination Committee

THE NOMINATION COMMITTEE'S DUTIES

The Nomination Committee's duties include proposing to the

Annual General Meeting a Chairman of the Board, directors, auditors, a Chairman of the Annual General Meeting, Board fees and auditor fees.

PROCEDURE FOR THE APPOINTMENT OF THE NOMINATION COMMITTEE

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future General Meeting. According to the procedure, the Chairman of the Board is charged with the task of requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute a Nomination Committee together with the Chairman of the Board. There may be no more than six members in total. The Chairman of the Nomination Committee shall be the representative of the largest shareholder. The composition of the Nomination Committee was announced on the Company's website, www.ssab.com, on October 8, 2013.

Nomination Committee for the 2014 Annual General Meeting

Appointed by, name	Share in percent of voting capital as per December 31, 2013
Industrivärden, Anders Nyberg, Chairman	23.4
LKAB, Lars-Eric Aaro	5.0
Swedbank Robur Fonder, Åsa Nisell	4.6
Handelsbanken Fonder, Frank Larsson	3.7
Sverker Martin-Löf, Chairman of the Board	–

Until December 31, 2013, shareholders have been able to submit proposals to the Nomination Committee, among other things by e-mail. The Nomination Committee's proposals are published not later than in connection with the notice to attend the Annual General Meeting. In connection with issuance of the notice to attend the Annual General Meeting, the Nomination Committee will publish on www.ssab.com a detailed statement regarding its proposal for a Board.

THE NOMINATION COMMITTEE'S WORK PENDING

THE 2014 ANNUAL GENERAL MEETING

Since being appointed in the autumn of 2013, the Nomination Committee has met two times.

The Chairman of the Board has described to the Nomination Committee the process applied in the Company in conjunction with the annual evaluation of the Board of Directors and the President, as well as the results of the evaluation. In addition, the Nomination Committee was informed of the results of the evaluation of the Chairman of the Board, at a meeting at which the Chairman was not present. At one of its meetings, the Nomination Committee also met the Company's President, who informed the members about the Company's operations and strategy.

The Nomination Committee has discussed the composition of the Board and agreed on the main demands which should be imposed on the directors, including the demand for independent directors. In this context, consideration has been given to the issue of a more equal gender division. The Nomination Committee engages in continuous work on identifying and evaluating potential new directors.

In producing proposals for fees to the Board and its committees, the Nomination Committee has, among other things, conducted a comparative study of the levels of board fees in similar companies.

The Board of Directors



Appointed by the Annual General Meeting

	Director	Elected to the Board	Shareholding ¹⁾	Previous appointments	Current appointments
①	Sverker Martin-Löf , Chairman since 2003 (1943) Licentiate of Technology, dr h.c.	2003	21,563 shares	Formerly President and CEO of SCA.	Board Chairman: Industrivärden and SCA. Deputy Board Chairman: Ericsson and Handelsbanken. Director: Skanska.
②	Anders G Carlberg (1943) M.Sc. in Economics.	1986	6,000 shares	Formerly President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International and Executive Vice President of SSAB.	Director: Axel Johnson Inc., Mekonomen, Beijer Alma, Sweco, Investment AB Latour and Sapa.
③	Jan Johansson (1954) LLM.	2011	5,000 shares	Formerly President and CEO of Boliden as well as senior positions within Telia, Vattenfall and the Shell Group.	President and CEO of SCA. Director: SCA and Handelsbanken.
④	Martin Lindqvist , President and CEO (1962) B.Sc. in Economics.	2011	17,109 shares	Employed at SSAB since 1998. Formerly Head of Business Area SSAB EMEA, CFO of SSAB and Chief Controller, NCC.	President and CEO of SSAB. Chairman: the Employers' organisation with focus on industry. Director: Indutrade and the Confederation of Swedish Enterprise.
⑤	Annika Lundius (1951) LLM.	2011	7,000 shares	Formerly Legal Director and Financial Council, Swedish Ministry of Finance and CEO, Confederation of the Swedish Insurance Industry and Employers Association.	Deputy Director-General of the Confederation of Swedish Enterprise. Director: AMF Pension.
⑥	Matti Sundberg (1942) Mining Counselor, M.Sc. in Business and Economics, Ph. and Econ. dr h.c.	2004	15,000 shares	Formerly President and CEO of Valmet/Metso and Ovako Steel.	Board Chairman: Chempolis. Director: Among others Skanska, Gränges- berg Iron and the University of Jyväskylä, Financial Board.
⑦	John Tulloch (1947) Bachelor of Agricul- tural Science, M.Sc.	2009	15,000 shares	Formerly Executive Vice President, Steel & Chief Commercial Officer of IPSCO and Executive Vice President of SSAB & President Division IPSCO.	Director: Russel Metals Inc.
⑧	Lars Westerberg (1948) M.Sc. and MBA.	2006	10,000 shares	Formerly President and CEO of Gränges; President, CEO and Board Chairman of Autoliv.	Board Chairman: Husqvarna. Director: Volvo, Sandvik, Stena and Meda.
⑨	Pär Östberg (1962) M.Sc. in Business Administration.	2013	0 shares	Formerly Executive Vice President of AB Volvo, President Volvo Trucks Asia, CFO of AB Volvo and Renault Trucks.	Vice President: Industrivärden Director: Skanska and Ericsson.

¹⁾ Shareholdings include shares owned by closely-related persons.

Appointed by the employees

	Director	Elected to the Board	Current appointments
⑩	Sture Bergvall (1956)	2005	Electrician, SSAB EMEA
⑪	Uno Granbom (1952)	2008	Technician, SSAB EMEA
⑫	Peter Holmér (1958)	2012	Mechanic, SSAB EMEA
Alternates			
⑬	Bert Johansson (1952)	1998	Electrician, SSAB EMEA
⑭	Ola Parten (1953)	2005	Engineer, SSAB EMEA
⑮	Patrick Sjöholm (1965)	2011	Automation engineer, SSAB EMEA

In producing its proposals regarding the election of auditors and fees for audit work, the Nomination Committee has been assisted by the Audit Committee.

THE BOARD'S RESPONSIBILITIES

The overall task of the Board of Directors is to manage the Company's affairs on behalf of the shareholders in the best possible manner. The Board of Directors shall regularly assess the Group's financial position and evaluate the operational management. The Board of Directors decides, among other things, on questions concerning the Group's strategic focus and organization, and decides on important capital expenditures (exceeding SEK 50 million). Each year, the Board shall prepare proposals for guidelines regarding determination of salary and other compensation for the President and other members of the Company's senior management, to be decided upon at the Annual General Meeting.

THE BOARD'S RULES OF PROCEDURE

Each year, the Board adopts rules of procedure including instructions to the President which, among other things, govern the allocation of work between the Board and the President.

The rules of procedure also regulate the manner in which Board work is allocated among the directors, the frequency of Board meetings, and the allocation of work among Board committees. The rules of procedure state that there shall be a compensation committee and an audit committee. Prior to each Board meeting, the directors receive a written agenda and full documentation to serve as a basis for decisions. At each Board meeting, a review is conducted regarding the current state of the business, the Group's results and financial position, and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors the health and safety work, including the Group's accident statistics.

CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors presides over the Board's work, represents the Company on ownership issues, and is responsible for the evaluation of the work of the Board. In addition, the Chairman is responsible for regular contacts with the President and for ensuring that the Board of Directors performs its duties.

COMPOSITION OF THE BOARD

According to the by-laws, the Board shall consist of no fewer than five and no more than ten directors elected by the General Meeting. The Board is quorate when more than one-half of the total number of directors are present. Taking into consideration the Company's operations, phase of development and circumstances in general, the Board must have an appropriate composition which is characterized by diversity and breadth as regards the expertise, experience and background of its members. New directors undergo an introduction course to acquire rapidly the knowledge which is expected in order to best promote the interests of the Company and its shareholders.

THE BOARD'S WORK IN 2013

In 2013, nine meetings were held at which minutes were taken and the Board was at all times quorate. SSAB's General Counsel, who is not a director, served as secretary to the Board.

As a consequence of the difficult situation in which the global steel

industry found itself in 2013, during the year SSAB's Board has focused its work on the measures which the company has taken with the aim of improving its competitiveness and securing its financial position. The Board has also addressed the most important long-term strategic issues for the Company as well as issues concerning safety in the workplace, the environment, control functions and corporate governance. The Board also monitors price trends as regards the Company's most important raw materials, namely iron ore, scrap metal and coal. The Board of Directors has also devoted a great deal of time to preparing the public share exchange offering to Rautaruukki's shareholders.

Auditors

According to the by-laws, SSAB shall have one or two external auditors, or one or two registered public accounting firms. At the 2013 Annual General Meeting, registered accounting firm PricewaterhouseCoopers was re-elected as auditor for a further year.

Authorized public accountant Magnus Svensson-Henryson has been auditor-in-charge since 2012. He also signs off on the audits of the listed companies SEB and Industrivärden. In all, PricewaterhouseCoopers are the elected auditors in 26 out of 61 companies in the Large Cap segment and 97 out of a total of 253 companies on Nasdaq OMX, Stockholm.

The external audit of the financial statements of the parent company and the Group, as well as management by the Board of Directors and President, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Standards in Sweden. The Company's auditor-in-charge participates at all meetings of the Audit Committee. The auditor attends at least one Board meeting per year and goes through the audit for the year and discusses the audit with the directors, without the President or other members of the Company's senior management being present. For information regarding fees to the auditors, see Note 2.

Compensation Committee

DUTIES

In addition to the Chairman of the Board, the Compensation Committee shall comprise one or more directors elected by the General Meeting, who shall normally be independent in relation to the Company and company management. The members of the Compensation Committee shall possess the requisite knowledge and experience on issues relating to compensation to senior executives. The President shall attend meetings of the Committee in order to report on matters. The Compensation Committee's duties are stated in the Board's rules of procedure. The Compensation Committee presents proposals to the Board of Directors regarding the President's salary and other employment terms, establishes salaries and employment terms for other members of the Group Executive Committee, and establishes limits regarding salary and employment terms for other senior executives. The Compensation Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning compensation principles, preparing the Board's proposal for guidelines for determination of salary and other compensation to the President and other members of the Company's senior management, as well as monitoring and evaluating the application thereof. The Compensation Committee shall also monitor and evaluate programs regarding variable compensation to members of the Company's senior management.

Name of director	Elected to the Board	Attendance statistics 2013			Independent in relation to	
		Board meetings	Compensation Committee	Audit Committee	The Company and its management	The Company's largest shareholders
Elected by the AGM						
Sverker Martin-Löf, Chairman	2003	9	4	5	Yes	No, Chairman of Industrivärden
Anders G Carlberg	1986	8		5	Yes	Yes
Jan Johansson	2011	9			Yes	Yes
Martin Lindqvist, President and CEO	2011	9			No, President of the Company	Yes
Annika Lundius	2011	9		5	Yes	Yes
Matti Sundberg	2004	9			Yes	Yes
John Tulloch	2009	8	4		No, former President IPSCO Division	Yes
Lars Westerberg	2006	9	4		Yes	Yes
Pär Östberg ¹⁾	2013	7			Yes	No, Vice President, Industrivärden
Employee representatives						
Sture Bergvall	2005	7			–	–
Uno Granbom	2008	8			–	–
Peter Holmér	2012	8			–	–
Alternates						
Bert Johansson	1998	9			–	–
Ola Parten	2005	9			–	–
Patrick Sjöholm	2011	8			–	–

¹⁾ Newly elected at the 2013 Annual General Meeting.

Two of the Board meetings were held per capsulam.

For information regarding fees, see Note 2. Honorary Chairman: Björn Wahlström since 1991.

WORK IN 2013

In 2013, the Compensation Committee held four meetings at which minutes were taken. The Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. The President is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms.

Audit Committee

DUTIES

According to the Board's rules of procedure, the Audit Committee shall comprise at least three directors elected by the General Meeting. The members of the Audit Committee may not be employees of the Company. Most of the members must be independent in relation to the Company and company management. At least one member who is independent in relation to the Company and company management must also be independent in relation to the Company's major shareholders and possess accounting or auditing skills. The Committee elects a chairman from among its members, who may not be the Chairman of the Board. The duties of the Committee are stated in the Board's rules of procedure. The Chairman of the Audit Committee is responsible for ensuring that the entire Board is kept regularly informed regarding the work of the Committee and, where necessary, shall submit matters to the Board for a decision. The main task of the Audit Committee is to support the Board in the work of ensuring the quality of the financial reporting. The Committee regularly meets the Company's auditors, evaluates the audit work and establishes guidelines as to which additional services the Company may procure from its external auditors. Such additional services, up to a maximum of SEK 100,000 per assignment, must be approved in advance by the Company's Chief Financial

Officer. Assignments in excess of SEK 100,000 must be approved in advance by the Chairman of the Audit Committee. All additional services must be reported to the Audit Committee each quarter.

There is an established risk management process in the Company which is based on processes and flows in production. In this process, the Audit Committee reviews and takes into account the risk areas that have been identified (both commercial risks and risks of errors in the financial reporting). Based on the results of the internal and external risk assessment, the Committee regularly analyses the focus and scope of the audit with the Company's external and internal auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the risk management process described above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of the regular audit work. The Committee also analyses and elucidates significant accounting issues which affect the Group and assists the Nomination Committee in producing proposals as regards auditors and their fees.

WORK IN 2013

In 2013, the Audit Committee further developed and improved the presentation of the external financial reporting. The Audit Committee, together with the external auditors, reviewed and analyzed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Anders G Carlberg (Chairman), Sverker Martin-Löf and Annika Lundius. In 2013, the Audit Committee held five meetings at which minutes were taken.

Group Executive Committee



	Name	Member of the Group Executive Committee	Shareholding ¹⁾	Education	Background
①	Martin Lindqvist, President and CEO (1962) ²⁾	2001	17,109 shares	B.Sc. in Economics, Uppsala University.	Employed at SSAB since 1998. Previously, Head of SSAB EMEA, Head of SSAB Strip Products, CFO at SSAB, CFO at SSAB Tunnpått, Chief Controller at NCC.
②	Jonas Bergstrand, Executive Vice President, Legal & Strategy (1965)	2006	7,300 shares	Master of Laws, Uppsala University.	Employed at SSAB since 2006. Previously, Corporate counsel at ABB, OM Gruppen and Ericsson Radio Systems.
③	Håkan Folin, Executive Vice President and Chief Financial Officer (1976) ³⁾	2013	1,723 shares	M.Sc., The Royal Institute of Technology, Stockholm.	Employed at SSAB since 2006. Previously CFO at SSAB APAC, CFO at Tibnor, Head of Business Development at SSAB
④	Monika Gutén, Executive Vice President and Head of Group Human Resources (1975)	2011	1,500 shares	M.Sc. in Business Administration, Stockholm University.	Employed at SSAB since 2007. Previously, Head of Human Resources at SSAB EMEA, Head of Business Development at SSAB.
⑤	Melker Jernberg, Executive Vice President and Head of Business Area SSAB EMEA (1968)	2011	10,000 shares	M.Sc., The Royal Institute of Technology, Stockholm	Employed at SSAB since 2011. Previously, Senior Vice President Buses and Coaches at Scania, Plant Manager at Scania.
⑥	Maria Långberg, Executive Vice President and Head of Group Communications (1970) ⁴⁾	2013	0 shares	Bachelor of Science, Uppsala University. MBA, Stockholm School of Economics	Employed at SSAB since 2013. Previously, Senior Vice President, Corporate Communications at Gambro, Senior Advisor, JKL Group
⑦	Gregoire Parenty, Executive Vice President and Head of Market (1962)	2012	0 shares	Maitrise de Sciences Economiques from the Sorbonne University, MBA, Dallas University.	Employed at SSAB since 2004. Previously, Head of Market at SSAB EMEA, several positions within ArcelorMittal.
⑧	Martin Pei, Executive Vice President and Head of Business Area SSAB APAC (1963)	2007	1,000 shares	Ph. D., The Royal Institute of Technology, Stockholm.	Employed at SSAB since 2001. Previously, Technical Director at SSAB, Manager R&D Department at SSAB, General Manager, Slab Production at SSAB Plate.
⑨	Charles Schmitt, Executive Vice President and Head of Business Area SSAB Americas (1959)	2011	0 shares	B.Sc. Business Admin/Finance, University of Texas at Arlington, two-year steel fellowship at the American Iron and Steel Institute.	Employed at IPSCO Inc. since 1990. Previously, VP of the Southern Business Unit for SSAB Americas, several positions with US Steel Corporation.

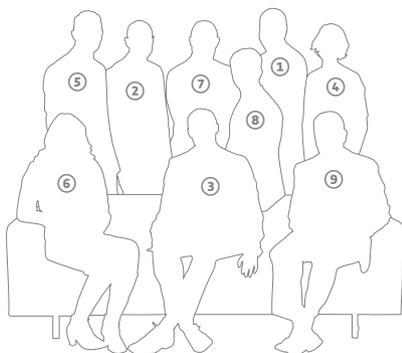
¹⁾ Shareholdings include shares owned by closely-related persons.

²⁾ Neither the President nor any related natural or legal persons have any shareholdings or part ownership in enterprises with which the company has significant business.

³⁾ Marco Wirén was Executive Vice President and CFO until April 30, 2013.

⁴⁾ Helena Stålnert was Executive Vice President and Head of Group Communications until September 30, 2013.

Karl-Gustav Ramström was Executive Vice President and Chief Technical Officer until March 31, 2013.



The Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for the formulation and implementation of the Group's overall strategies, and addresses issues such as acquisitions and divestments. These issues, as well as major capital expenditures (in excess of SEK 50 million), are prepared by the Group Executive Committee for decision by the Board of Directors of the parent company.

The President is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines. As per December 31, 2013, the Group Executive Committee consisted, in addition to the President, of the Heads of the SSAB EMEA, SSAB Americas and SSAB APAC business areas, the Chief Financial Officer, the Head of Market, the General Counsel, the Head of Group Human Resources, and the Head of Group Communications.

The Group Executive Committee holds monthly meetings in order to monitor the results and financial position of the Group and the business areas/subsidiaries. Other issues addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each business area and subsidiary is responsible for the relevant income statement and balance sheet. Overall operational control of the business areas takes place through quarterly performance reviews and, in Tibnor, through its board of directors. In most cases, the President of the parent company is the Chairman of the Board of each of the directly-owned major subsidiaries and these boards also include other members from the Group Executive Committee, as well as employee representatives. The boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

Compensation Guidelines

The 2013 Annual General Meeting decided that compensation to the President and other members of the Company's senior management shall comprise fixed salary, possible variable compensation, other

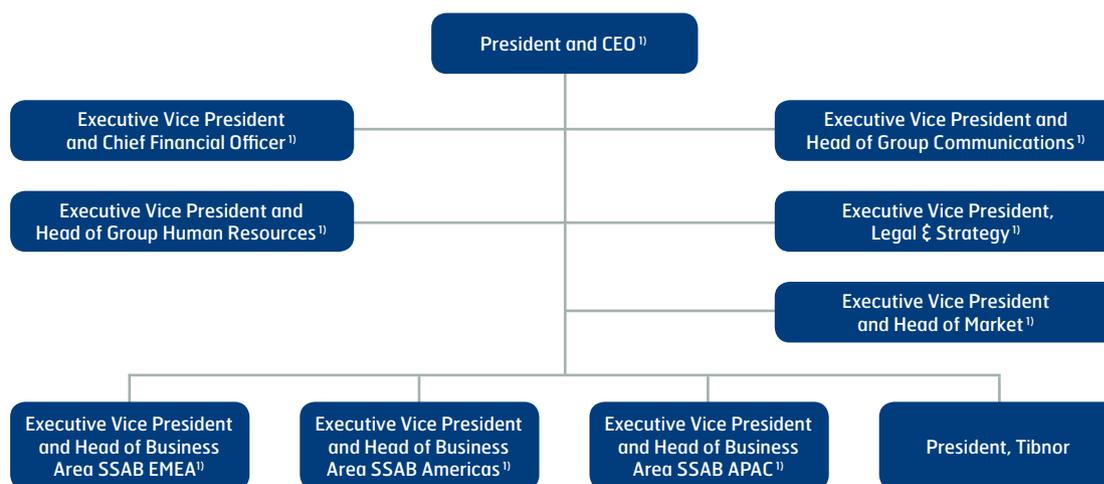
benefits such as company car, and pension. The total compensation package shall be on market terms and competitive in the employment market in which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and powers. The variable compensation shall be based on results as compared with defined and measurable targets and shall be subject to a cap in relation to the fixed salary. Variable compensation shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan (for example the Swedish ITP plan). As regards senior executives outside Sweden, all or parts of the variable compensation may be included in the basis for pension computation due to legislation or practice on the local market. The Board shall be entitled to derogate from the guidelines where special reasons exist in an individual case.

Commencing 2011, a long-term incentive program for the entire Group has been introduced covering a maximum of 100 key employees, including the President and other senior executives. The program runs for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group of the Company's competitors. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees. For more detailed information regarding current compensation, reference is made to Note 2. The Company currently has no share-related incentive programs.

Internal control and risk management

The overall objective of the internal control is to ensure, to a reasonable degree, that the Company's operational strategies and targets are monitored and that the owners' investments are protected. In addition, the internal control shall ensure with reasonable certainty that the external financial reporting is reliable and prepared in accordance with generally accepted accounting principles, and shall ensure compliance with applicable laws and regulations and the requirements imposed on listed companies.

The Group's operational management structure



¹⁾ Member of the Group Executive Committee.

The Group is charged with the task of endeavoring to ensure that risks do not materialize and, through various measures, mitigating the consequences of any events of damage or injury that do occur. The Group's Risk Management organization manages the work of preventing the occurrence of damage or injury at all, and mitigating the effects in the event such nevertheless occurs. Each business area and subsidiary is responsible for conducting rational damage/injury prevention work.

SSAB Risk Management manages risks relating to injury to the individual and damage to property and the environment (insurable risks) to which the Group is exposed and which are associated with the Company's operations. The possibility to take out insurance cover is to be regarded as one tool among several for mitigating the effects of any injury or damage which occurs.

The Group Risk Manager is functionally responsible for the Group's risk work and collaborates with a number of local risk managers on the business area and subsidiary level in order to optimize the work from a joint-Group perspective. The Group Risk Manager reports directly to the Company's General Counsel.

In order to further strengthen the internal control and risk management, a whistleblower function is in place through which serious improprieties and violations of the Group's Code of Business Ethics can be reported. This function is aimed, among other things, at guaranteeing safety in the workplace, maintaining sound business ethics and curbing economic irregularities within SSAB, to the benefit of employees, customers, suppliers and shareholders.

Internal audit

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. The activities of the internal audit are aimed at supporting value creation in the Group by identifying risk areas, carrying out internal controls, and thereafter recommending improvements within these areas. The internal auditor participates at meetings of the Audit Committee.

The internal audit is organized on an overall Group level with audit plans drawn up for each business area. The overall Group audit activities are planned by the head of internal audit.

Most of the work is performed by means of audits in accordance with an audit plan decided upon by the Audit Committee. Other work largely comprises specific audits, as well as monitoring of self-assessments in the Group as regards internal control.

The internal audit function carries out and reports on audits in accordance with an audit plan adopted by the Audit Committee. These audits are carried out in accordance with a produced and adopted audit process which is regularly developed in order to optimize the work method and delivery of reports which generate added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in the risk management and internal control. In addition, the function also performs audits on instruction from management or as required for other reasons.

For a further description of the internal audit work in 2013, see the next section entitled "The Board's description of the internal control and risk management regarding financial reporting."

The Board's description of the internal control and risk management regarding financial reporting

In accordance with the Swedish Companies Act and the Swedish Code on Corporate Governance, the Board of Directors of SSAB is responsible for the internal control. This description has been prepared in accordance with the Annual Reports Act.

FRAMEWORK FOR INTERNAL CONTROL AS REGARDS THE FINANCIAL REPORTING

SSAB complies with the internationally established framework, Internal Control Integrated Framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In accordance with COSO, SSAB's internal control process regarding the financial reporting is based on five components: control environment, risk assessment, control activities, information and communication, and monitoring. SSAB's internal control process is structured in order to ensure, to a reasonable degree, the quality and accuracy of the financial reporting and to ensure that the reporting is prepared in accordance with applicable laws and regulations, accounting standards, as well as requirements imposed on listed companies in Sweden.

Prerequisites for this being achieved are that a sound control environment is in place; that reliable risk assessments are carried out; that established control activities are carried out; and that information and communication, as well as monitoring, function satisfactorily.

CONTROL ENVIRONMENT

The control environment is characterized by the organization structure, management's work methods and philosophy, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board with respect to important accounting issues which the Group applies, and monitors the internal control with respect to financial reporting. In order to maintain an efficient control environment and sound internal control, the Board of Directors has delegated the practical responsibility to the President, who in turn has delegated responsibility to other members of the Group Executive Committee as well as to heads of business areas/subsidiaries.

The quality of the financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing policies and manuals for the entire Group; among other things, there is an accounting manual (Financial Guidelines) for the Group which is regularly updated and communicated within the Group. Apart from the Financial Guidelines, the most important overall control documents for the Group are the Finance Policy, Investment Policy, Information Policy, authorization rules and the Code of Business Ethics.

All business areas and subsidiaries have adopted guidelines with respect to business ethics issues. The work on communicating the Group's Code of Business Ethics continued during 2013 and, by the end of 2013/beginning of 2014, 87 percent of personnel had undergone an internal training course regarding business ethics.

RISK ASSESSMENT

SSAB's organization is exposed to both internal and external risks. In order reasonably to ensure a sound internal control, the risks which

may affect the financial reporting are identified, gauged and measures are taken. This constitutes an integral part of the regular reporting to Group Executive Committee and the Board and also constitutes the basis for the assessment of risks of error in the financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. The risk assessment thus takes place largely within these processes. Only general risk assessments take place on a Group level. Responsible persons in the Group identify, monitor and follow-up risks. This creates conditions for well-founded and correct commercial decisions at all levels. Financial risks such as currency, refinancing and counterparty risks, as well as interest rate and credit risks, are handled primarily by the parent company's treasury function in accordance with the Group's Finance Policy (see Note 27). For an outline of the Group's commercial risk exposure, see also the section above entitled "Internal control and risk management" as well as the Report of the Directors, page 43.

CONTROL ACTIVITIES

The primary purpose of control activities is to prevent and discover at an early stage significant errors in the financial reporting so that they can be addressed and rectified. Control activities, both manual and automated, take place on both overall and more detailed levels within the Group. Routines and activities have been designed in order to handle and rectify significant risks associated with the financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place on a Group level, subsidiary level or process level, depending on the nature and affiliation of the control activity. As with other processes, the relevant head is responsible for the completeness and accuracy of the control activities.

In recent years, an in-depth analysis has been carried out regarding the processes and control structures in group companies. This analysis has resulted in a more systematic work method for identifying financial risks and risks in the financial reporting, as well as documentation of controls as to how such risks are to be prevented and identified. The controls are adapted to each unit's work processes and systems structure and these are assessed through self-

assessment, supplemented with monitoring and review by the internal audit. This work method has been implemented in a system covering the entire Group which is used when verifying the reliability of the financial reporting. A similar system has been in use in the American operations for some time.

The Group has a joint consolidation system in which all legal entities report, which provides a sound internal control over financial reporting. Work has also taken place in the Group concerning automation of more controls and processes, and limitations on authority in IT systems in accordance with express and ostensible powers.

Control activities are carried out at all levels in the Group. For example, there are established Controller functions which analyze and follow-up deviations and forward reports in the Company. Monitoring by the Group Executive Committee takes place, among other things, through regular meetings with heads of business areas and subsidiaries with regard to the operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors regularly analyses, among other things, business reports in which the Group Executive Committee describes the period that has elapsed and comments on the Group's financial position and results. In these ways, important fluctuations and deviations are followed up, a factor which minimizes the risks of errors in the financial reporting.

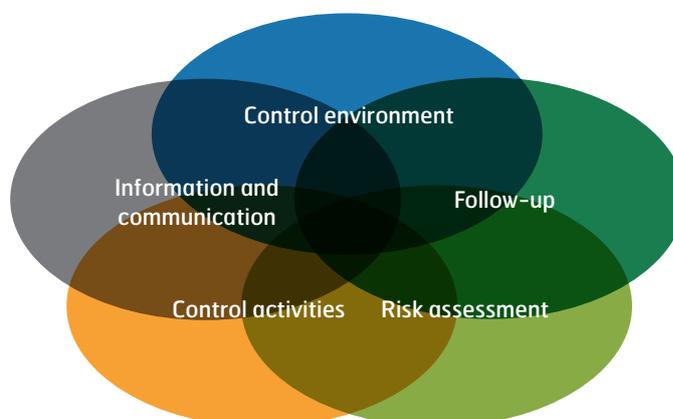
The work on the closing accounts and the annual report involves processes in which there are additional risks of error in the financial reporting. This work is less repetitive in nature and contains several elements in the nature of an assessment. Important control activities include ensuring the existence of a well-functioning reporting structure in which the business areas/subsidiaries report in accordance with standardized reporting templates, and that important income statement and balance sheet items are specified and commented on.

INFORMATION AND COMMUNICATION

Externally

SSAB's communications must be correct, open and prompt, and provided simultaneously to all stakeholders. All communications must take place in accordance with Nasdaq OMX Stockholm's Rule Book for Issuers

Internal control process



and in accordance with other regulations. The financial information must provide the capital market and stock market, as well as current and future shareholders, with a comprehensive and clear view of the Company, its operations, strategy and financial development.

The Board of Directors approves the Group's annual reports and half-yearly reports, and instructs the CEO to issue quarterly reports and results for the year in accordance with the Board's rules of procedure. All financial reports and press releases are published on the website (www.ssab.com) simultaneously with publication via Nasdaq OMX Stockholm and notification to the Swedish Financial Supervisory Authority.

Financial information regarding the Group may be provided only by the CEO and CFO, as well as by the Head of Group Communications, and the Head of Investor Relations. The business areas/subsidiaries disseminate financial information regarding their operations only after the Group has published corresponding information.

The Company applies silent periods during which it does not communicate information regarding the Company's development. Silent periods are three weeks prior to publication of results for the year, half-yearly reports and quarterly reports.

In the event of leakage of price-sensitive information or upon the occurrence of special events which may affect the valuation of the Company, Nasdaq OMX Stockholm will be notified, after which a press release containing corresponding information will be distributed. Informational activities are governed by an information policy.

Internally

Each business area and subsidiary has a chief financial officer who is responsible for maintaining a high quality and precision of delivery with respect to the financial reporting.

The local intranets constitute important communication channels in the Company on which information is published regularly. Regular joint Group accounting meetings are held with the chief financial officers of the business areas/subsidiaries. In this way, the business areas/subsidiaries are updated regarding news and changes within, among other things, the accounting area, as well as routines and internal controls with respect to the financial reporting. In addition,

Further information

Further information regarding corporate governance in SSAB is available on www.ssab.com, including the following information:

- Routines regarding the Annual General Meeting:
 - when the Annual General Meeting is to be held
 - notice to attend and registration procedure
 - important decisions which are to be taken at the Annual General Meeting
- Information from SSAB's previous Annual General Meetings (commencing 2005), including notices, minutes, addresses by the President and communiqués
- The by-laws
- Corporate governance reports from previous years
- Information regarding the Nomination Committee

the parent company regularly communicates changes in joint Group accounting principles and policies as well as other relevant issues relating to the financial reporting.

MONITORING

The Board's monitoring of the internal control with respect to financial reporting takes place primarily through the Audit Committee, among other things by monitoring the work of, and reports issued by, the internal and external auditors.

During 2013, the internal audit carried out regular independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The audit plan for 2013 was based on a risk analysis which was approved by the heads of business areas and group management and subsequently adopted by the Audit Committee. The audits were carried out in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The result has been presented regularly to heads of business areas/subsidiaries and the Audit Committee with respect to observations, measures taken and implementation status.

The external auditors monitor each year selected parts of the internal control within the scope of the statutory audit. The external auditors report the results of their review to the Audit Committee and Group Executive Committee. Important observations are also reported directly to the Board of Directors. In 2013, the external auditors monitored the internal control in selected key processes and reported thereon to the Audit Committee and Group Executive Committee.

Other mandatory disclosure pursuant to Chapter 6, section 6 of the Annual Reports Act

The following information is provided in accordance with the requirements set forth in Chapter 6, section 6 of the Annual Reports Act regarding certain specific information which must be disclosed in the corporate governance report:

- Of the Company's shareholders, Industrivärden have direct or indirect shareholdings representing at least one-tenth of the voting rights for all shares in the Company. Industrivärden's holding on December 31, 2013 represents 23.4 percent of the total number of voting rights, and 18.2 percent of the total number of shares
- There are no restrictions on the number of votes that each shareholder may cast at a General Meeting
- The by-laws prescribe that directors shall be appointed at the Annual General Meeting of the Company. The by-laws contain no provisions regarding the removal of directors or amendment of the by-laws
- The General Meeting has not granted the Board any authorization to decide that the Company shall issue new shares or acquire its own shares



Prelaq PLX is used for roofing buildings. The steel plate is pre-painted and the steel has minimal springback making it a suitable roofing material. The color contains fire protection and is resistant against corrosion.

Financial reports 2013

- Sales of SEK 35,022 million
- Operating loss of SEK -1,131 million
- Loss after financial items of SEK -1,728 million
- Earnings per share of SEK -3.29
- Operating cash flow of SEK 1,956 million

Consolidated income statement

SEK millions	Note	2013	2012
Sales	1	35,022	38,923
Cost of goods sold	2	-33,290	-36,129
Gross profit		1,732	2,794
Selling expenses	2	-1,539	-1,472
Administrative expenses	2	-1,400	-1,504
Other operating income	1, 25	491	449
Other operating expenses	2	-431	-395
Shares in earnings of affiliated companies and joint ventures after tax	3	16	32
Operating profit/loss		-1,131	-96
Financial income	4	62	61
Financial expenses	4	-659	-658
Profit/loss after financial items		-1,728	-693
Taxes	5	662	708
Profit /loss for the year		-1,066	15
Of which attributable to:			
• Parent Company's shareholders		-1,066	15
• Non-controlling interests		0	-
Earnings per share¹⁾	12	-3.29	0.05
Dividend per share – 2013 proposal	30	0.00	1.00

Consolidated statement of comprehensive income

SEK millions	Note	2013	2012
Profit for the year		-1,066	15
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Translation differences for the years		-251	-1,750
Cash flow hedges		-71	-84
Hedging of currency risks in foreign operations ²⁾		79	610
Share in other comprehensive income of affiliated companies and joint ventures		-16	3
Tax attributable to items that may be subsequently reclassified to the income statement	5	-2	-138
Total items that may be subsequently reclassified to the income statement		-261	-1,359
Items that will not be reclassified to the income statement:			
Remeasurements of the net defined benefit liability		11	-10
Tax attributable to items that will not be reclassified to the income statement	5	-3	3
Total items that will not be reclassified to the income statement		8	-7
Total other comprehensive income for the year, net after tax		-253	-1,366
Total comprehensive income for the year		-1,319	-1,351
Of which attributable to:			
• Parent Company's shareholders		-1,319	-1,351
• Non-controlling interest		0	-

¹⁾ There are no outstanding share instruments and thus no dilution is relevant. ²⁾ Hedging is structured such that the net debt/equity ratio is unchanged in the event of changed exchange rates.

Consolidated balance sheet

SEK millions	Note	2013	2012
ASSETS			
Fixed assets			
Goodwill	6	17,762	17,882
Other intangible assets	6	2,149	2,734
Tangible fixed assets	7	16,467	17,610
Participations in affiliated companies	3, 8	284	327
Financial assets	8	1,599	1,035
Deferred tax receivables	14	653	668
Total fixed assets		38,914	40,256
Current assets			
Inventories	9	8,783	9,435
Accounts receivable	27	4,785	4,383
Prepaid expenses and accrued income	10	503	754
Current tax receivables		334	426
Other current interest-bearing receivables	11	195	24
Other current receivables	27	298	337
Cash and cash equivalents	11	2,124	3,004
Total current assets		17,022	18,363
TOTAL ASSETS		55,936	58,619
EQUITY AND LIABILITIES			
Equity			
Share capital	12	2,851	2,851
Other contributed funds		9,944	9,944
Reserves	12	-3,389	-3,128
Retained earnings		17,720	19,102
Total equity for the shareholders in the Company		27,126	28,769
Non-controlling interests		23	-
TOTAL EQUITY		27,149	28,769
Long-term liabilities			
Long-term interest-bearing liabilities	16	16,093	18,267
Deferred income	17	376	456
Pension provisions	13	120	166
Deferred tax liabilities	14	2,969	3,820
Other long-term provisions	15	134	140
Total long-term liabilities		19,692	22,849
Current liabilities			
Short-term interest-bearing liabilities	16	2,568	1,115
Accounts payable	27	4,578	3,470
Accrued expenses and deferred income	17	1,599	1,998
Current tax liabilities		118	243
Other current liabilities	27	205	141
Short-term provisions	15	27	34
Total current liabilities		9,095	7,001
TOTAL EQUITY AND LIABILITIES		55,936	58,619
Pledged assets	21	2,262	242
Contingent liabilities	22	599	594

Consolidated statement of changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders				Total	Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings			
Equity, January 1, 2012	2,851	9,944	-1,769	19,742	30,768	-	30,768
Translation differences			-1,750		-1,750		-1,750
Cash flow hedges			-84		-84		-84
Tax attributable to cash flow hedges	5		22		22		22
Hedging of currency risks in foreign operations			610		610		610
Tax on hedging of currency risks in foreign operations	5		-160		-160		-160
Remeasurements of the net defined benefit liability	13			-10	-10		-10
Tax on remeasurements of the net defined benefit liability	5			3	3		3
Share in other comprehensive income in affiliated companies and joint ventures			3		3		3
Profit for the year				15	15	-	15
Total comprehensive income			-1,359	8	-1,351	-	-1,351
Dividend				-648	-648	-	-648
Equity, December 31, 2012	2,851	9,944	-3,128	19,102	28,769	-	28,769
Equity, January 1, 2013	2,851	9,944	-3,128	19,102	28,769	-	28,769
Translation differences			-251		-251		-251
Cash flow hedges			-71		-71		-71
Tax attributable to cash flow hedges	5		16		16		16
Hedging of currency risks in foreign operations			79		79		79
Tax on hedging of currency risks in foreign operations	5		-18		-18		-18
Remeasurements of the net defined benefit liability	13			11	11		11
Tax on remeasurements of the net defined benefit liability	5			-3	-3		-3
Share in other comprehensive income in affiliated companies and joint ventures			-16		-16		-16
Profit/loss for the year				-1,066	-1,066		-1,066
Total comprehensive income			-261	-1,058	-1,319	-	-1,319
Non-controlling interests resulting from business acquisitions			-	-	-	23	23
Dividend				-324	-324		-324
Equity, December 31, 2013	2,851	9,944	-3,389	17,720	27,126	23	27,149

Consolidated cash flow statement

SEK millions	Note	2013	2012
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-1,131	-96
Reversal of non-cash items:			
• Non distributed shares in affiliated companies' earnings		10	13
• Depreciation, amortization and write-down of fixed assets	6, 7	2,464	2,586
• Profit/loss upon sale of fixed assets		-2	181
• Profit/loss upon sale of shares and operations		-73	-
• Change in provisions		-49	-3
• Other reversals		0	2
Interest received		69	65
Interest paid		-639	-637
Tax paid		-283	-433
		366	1,678
Working capital			
Inventories (+ decrease)		687	2,084
Accounts receivable (+ decrease)		-403	1,248
Accounts payable (+ increase)		1,100	-748
Other current receivables (+ decrease)		285	18
Other current liabilities (+ increase)		-300	372
		1,369	2,974
CASH FLOW FROM OPERATING ACTIVITIES		1,735	4,652
INVESTING ACTIVITIES			
Investments in plants and machinery	6, 7	-807	-1,431
Sale of plants and machinery		13	28
Acquisition of shares and operations	24	-21	-30
Divested shares and operations	25	88	31
Other investing activities (+ decrease)		11	20
CASH FLOW FROM INVESTING ACTIVITIES		-716	-1,382
FINANCING ACTIVITIES			
Dividend to shareholders		-324	-648
New loans		429	3,126
Repayment/amortization of loans		-1,102	-3,719
Financial investments		-758	-575
Other financing (+ increase)		-95	4
CASH FLOW FROM FINANCING ACTIVITIES		-1,850	-1,812
CASH AND CASH EQUIVALENTS			
Balance, January 1		3,004	1,648
Cash flow from operating activities		1,735	4,652
Cash flow from investing activities		-716	-1,382
Cash flow from financing activities		-1,850	-1,812
Translation differences, cash and cash equivalents		-49	-102
Balance, December 31	11	2,124	3,004
Contracted, non-utilized overdraft facilities		7,319	8,695
DISPOSABLE CASH AND CASH EQUIVALENTS		9,443	11,699

Parent Company's income statement

SEK millions	Note	2013	2012
Gross profit		–	–
Administrative expenses	2	–184	–245
Other operating income	1	122	103
Other operating expenses	2	0	0
Operating profit/loss		–62	–142
Dividend from subsidiaries	4	177	1,083
Financial items	4	–365	–325
Profit after financial items		–250	616
Appropriations	23	346	–105
Profit before tax		96	511
Tax	5	17	160
Profit for the year		113	671

Parent Company's other comprehensive income

SEK millions	Note	2013	2012
Profit for the year		113	671
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Hedging of currency risks in foreign operations		79	610
Cash flow hedges		13	–28
Tax attributable to other comprehensive income	5	–19	–156
Total items that will not be reclassified to the income statement		73	426
Total other comprehensive income for the year, net after tax		73	426
Total comprehensive income for the year		186	1,097

Parent Company's balance sheet

SEK millions	Note	2013	2012
ASSETS			
Fixed assets			
Tangible fixed assets	7	1	1
Financial assets	8	39,323	39,173
Long-term receivables from subsidiaries		0	80
Deferred tax receivables	14	7	10
Total fixed assets		39,331	39,264
Current assets			
Accounts receivable	27	0	0
Current receivables from subsidiaries		10,826	12,670
Prepaid expenses and accrued income	10	132	135
Current tax receivables		0	1
Other current receivables	27	2	3
Cash and cash equivalents	11	50	539
Total current assets		11,010	13,348
TOTAL ASSETS		50,341	52,612
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
• Share capital		2,851	2,851
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		27,052	26,632
• Profit for the year		113	671
TOTAL EQUITY		30,918	31,056
Untaxed reserves	23	43	175
Provisions			
Pension provisions	13	3	3
Other long-term provisions	15	58	66
Total provisions		61	69
Long-term liabilities			
Liabilities to subsidiaries		0	0
Other long-term interest-bearing liabilities	16	14,274	16,386
Total long-term liabilities		14,274	16,386
Current liabilities			
Accounts payable	27	7	11
Liabilities to subsidiaries		2,488	3,769
Short-term interest-bearing liabilities	16	2,414	975
Accrued expenses and deferred income	17	120	145
Other current liabilities	27	2	5
Short-term provisions	15	14	21
Total current liabilities		5,045	4,926
TOTAL EQUITY AND LIABILITIES		50,341	52,612
Pledged assets	21	–	–
Contingent liabilities	22	2,386	2,512

Parent Company's changes in equity

SEK millions	Note	Restricted equity		Unrestricted equity		Total
		Share capital	Statutory reserve	Retained earnings	Profit for the year	
Equity, January 1, 2012	12	2,851	902	26,463	391	30,607
Hedging of currency risks in foreign operations				610		610
Tax on hedging of currency risks in foreign operations				-161		-161
Cash flow hedges				-28		-28
Tax on cash flow hedges				5		5
Profit for the year					671	671
Total comprehensive income				426	671	1,097
Retained earnings from previous year				391	-391	-
Dividend	12			-648		-648
Equity, December 31, 2012		2,851	902	26,632	671	31,056
Equity, January 1, 2013	12	2,851	902	26,632	671	31,056
Hedging of currency risks in foreign operations				79		79
Tax on hedging of currency risks in foreign operations				-17		-17
Cash flow hedges				13		13
Tax on cash flow hedges				-2		-2
Profit for the year					113	113
Total comprehensive income				73	113	186
Retained earnings from previous year				671	-671	0
Dividend	12			-324	0	-324
Equity, December 31, 2013		2,851	902	27,052	113	30,918

Retained earnings include a premium reserve of SEK 9,391 (9,391) million and a fair value reserve of SEK 2,389 (2,317) million.

Parent Company's cash flow statement

SEK millions	Note	2013	2012
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-62	-142
Reversal of non-cash items:			
• Depreciation of tangible fixed assets	7	0	1
• Change in provisions		-14	-5
• Other reversals		0	0
Interest received		232	379
Interest paid		-593	-715
Tax paid		1	0
		-436	-482
Working capital			
Accounts receivable (+ decrease)		0	0
Accounts payable (+ increase)		-4	3
Other current receivables (+ decrease)		2	2
Other current liabilities (+ increase)		-4	4
Commercial intra-group transactions		21	-20
		15	-11
CASH FLOW FROM OPERATING ACTIVITIES		-421	-493
INVESTING ACTIVITIES			
Investments in fixed assets	7	0	0
Acquisition of shares and operations	24	-	-1
Other investing activities		0	-5
CASH FLOW FROM INVESTING ACTIVITIES		0	-6
FINANCING ACTIVITIES			
Dividends to shareholders		-324	-648
Dividends from subsidiaries		87	1,084
Paid shareholder contributions		-150	-
Received/paid group contributions		-591	123
New loans		355	2,836
Repayments/amortization of loans		-975	-3,466
Financial investments		0	28
Financial intra-group transactions		1,520	113
Other financing (+ increase)		10	-31
CASH FLOW FROM FINANCING ACTIVITIES		-68	39
CASH AND CASH EQUIVALENTS			
Balance, January 1		539	999
Cash flow from operating activities		-421	-493
Cash flow from investing activities		0	-6
Cash flow from financing activities		-68	39
Balance, December 31	11	50	539
Contracted, non-utilized overdraft facilities		8,580	8,695
DISPOSABLE CASH AND CASH EQUIVALENTS		8,630	9,234

5-year summary, Group

	2013	2012	2011	2010	2009
Sales, SEK millions	35,022	38,923	44,640	39,883	29,838
Operating profit/loss, SEK millions	-1,131	-96	2,512	1,132	-1,592
Profit/loss after financial items, SEK millions	-1,728	-693	1,998	730	-2,061
Profit/loss after tax for shareholders in the Company, SEK millions ¹⁾	-1,066	15	1,560	557	-1,002
Investments in plant and operations, SEK millions	828	1,461	3,210	2,011	1,912
Cash flow from current operations, SEK millions	1,103	3,925	2,200	-731	3,387
Net debt, SEK millions	14,833	15,498	18,475	17,589	15,314
Capital employed at year-end, SEK millions	45,983	48,414	51,558	49,969	50,015
Total assets, SEK millions	55,936	58,619	63,439	61,054	60,419
Return on capital employed before tax (%)	-2	0	5	2	-3
Return on equity after tax (%)	-4	0	5	2	-3
Equity ratio (%)	48	49	49	49	51
Net debt/equity ratio (%)	55	54	60	59	49
Dividend per share (SEK), 2013 – proposal	0.00	1.00	2.00	2.00	1.00
Earnings per share (SEK)	-3.29	0.05	4.82	1.72	-3.09
Average number of employees	8,194	8,695	8,830	8,477	8,334
Sales per average employee, SEK millions	4.3	4.5	5.1	4.7	3.6
Production of crude steel, thousand tonnes	5,567	5,253	5,671	5,752	3,553

¹⁾ Earnings from the discontinued tubular business in IPSCO impacted on earnings for 2010 in the amount of SEK -164 million, 2009 in the amount of SEK -131 million.

Accounting and valuation principles

The most important accounting principles applied in the preparation of these consolidated financial statements are set forth below. Unless otherwise stated, these principles have been applied consistently with respect to all presented years.

General information

SSAB AB is a limited liability company with its registered office in Stockholm, Sweden. The parent company is listed on NASDAQ OMX Stockholm.

Principles for preparation of the report

The consolidated financial statements have been prepared in accordance with the Swedish Annual Reports Act as well as International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) with interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC), as such have been adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has been applied.

Accounting standards and applications introduced during the year have had no impact on the Group's earnings and financial position.

The consolidated financial statements have been prepared in accordance with the acquisition value method, other than with respect to certain financial assets and liabilities (including derivative instruments) which have been valued at fair value via the income statement.

The preparation of reports in accordance with IFRS requires the use of a number of important estimations for accounting purposes. In addition, management must make certain assessments in conjunction with the application of the Group's accounting principles. Those areas that include a high degree of assessment, which are complex, or in which assumptions and estimations are of material significance for the consolidated financial statements are stated in Note 28.

The parent company applies the same accounting principles as the Group, except where stated below in a particular section. The differences that exist between the principles applied by the parent company and the Group are due to limitations on the possibilities to apply IFRS to the parent company as a consequence of the provisions of the Swedish Annual Reports Act and the Swedish Pension Obligations (Security) Act and also, in certain cases, for tax reasons. In addition, the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, has been applied.

Relevant standards, changes and interpretations that entered into force in 2013 have not had any impact on the Group.

i. Standards, changes and interpretations that entered into force in 2013 and are relevant to the Group

- IFRS 7 (Amendment), "Financial instruments": Disclosures: This amendment enters into force 1 January, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The Group has applied this amendment since 1 January, 2013. The amendment has had a limited impact on the presentation of the Group's financial statements.
- IFRS 13, "Fair value measurement": This standard enters into force 1 January, 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This standard provides guidance on fair value measurements for all kind of assets and liabilities. The Group has applied this amendment since 1 January, 2013. The amendment has had a limited impact on the presentation of the Group's financial statements.
- IAS 1 (Amendment), "Financial statements presentation", regarding "Other

comprehensive income": This amendment enters into force 1 July, 2012. The most important change is the requirement that items reported in "Other comprehensive income" be presented divided into two groups. The allocation is based on whether or not the items can be reclassified to the income statement. The Group has applied this amendment since 1 January, 2013. The amendment has had a limited impact on the presentation of the Group's financial statements.

- IAS 19 (Amendment), "Employee Benefits": This change enters into force on January 1, 2013. The change entails that the corridor method is removed and that the actuarial profits and losses arising in conjunction with the determination of the present value of pension obligations and the fair value of managed assets are reported in "Other comprehensive income". The Group has applied this change since 2011.

ii. Standards, changes and interpretations relevant to the Group that have been adopted by the EU but have not yet entered into force and have not been applied by the Group prematurely

- IFRS 10, "Consolidated financial statements": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group will apply this from 1 January 2014. This standard establishes principles for the preparation and presentation of consolidated financial statements. The standard defines the principle of control and establishes controls as the basis for consolidation. This standard will have no impact on the Group's financial statements, however it may come to have an impact on future acquisitions.
- IFRS 11, "Joint arrangements": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group will apply this from 1 January 2014. The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. Interests in joint ventures should be accounted for under the equity method, proportional consolidation is no longer allowed. This standard will not have any immediate impact on the Group's financial statements, however it might have an impact on future joint arrangements.
- IFRS 12, "Disclosures of interests in other entities": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group will apply this from 1 January 2014. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and special purpose vehicles. This standard will have no immediate impact on the Group's financial statements.
- IAS 28 (revised 2011), "Associates and joint ventures": This revised standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group will apply this from 1 January 2014. IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted. This standard will have no impact on the Group's financial statements.

Consolidated financial statements

The consolidated financial statements cover SSAB AB (publ) and the companies in which the Group is entitled to formulate financial and operational strategies in a manner which is normally associated with a shareholding in excess of 50 percent of the voting capital. Companies in which the Group exercises a significant but not controlling influence are reported as affiliated companies; this is normally the case where shares are held equal to between 20 percent and 50 percent of the voting capital. Companies in which the Group, together with one or more co-owners, is bound by a cooperation agreement which provides that the co-owners shall jointly exercise a controlling influence, are reported as joint ventures.

SUBSIDIARIES

The Group's annual accounts are prepared in accordance with the acquisition method, entailing that the equity of subsidiaries at the time of acquisition – defined as the difference between the fair value of identifiable assets, liabilities and potential obligations – is eliminated in its entirety against the acquisition price. Those surpluses that comprise the difference between the acquisition value and the fair value of the Group's share of identifiable acquired assets, liabilities and potential obligations are reported as goodwill. If the acquisition price is below the fair value of the net assets of the acquired subsidiary, the difference is reported directly in the income statement. With respect to each acquisition, the Group determines whether all non-controlling interests in the acquired company shall be reported at fair value or at the proportion of the net assets of the acquired company represented by the holding.

Goodwill is initially valued as the amount by which the total purchase price and fair value of non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. Acquired companies are included in the consolidated financial statements commencing the date on which a controlling influence is obtained, while divested companies are reported up to the date on which the controlling influence ceases.

Intra-group transactions, dealings and unrealized profits are eliminated in the consolidated financial statements. Unrealized losses are also eliminated unless the transaction constitutes evidence of impairment of the transferred asset. Where appropriate, the accounting principles for subsidiaries have been changed in order to ensure a consistent application of the Group's principles.

In the consolidated cash flow statement, the purchase price with respect to acquired or divested operations is reported under the headings "Acquisition of shares and operations" and "Divested shares and operations". Thus, the assets and liabilities of the acquired/divested companies at the time of the acquisition/sale are not included in the cash flow statement

AFFILIATED COMPANIES AND JOINT VENTURES

Affiliated companies and joint ventures are reported in accordance with the equity method and valued initially at acquisition value. The equity method entails that the Group's book value of the shares in affiliated companies and joint ventures corresponds to the Group's share in the equity of the affiliated companies and joint ventures and, where appropriate, the residual value of surplus values or under-values from a Group perspective, including goodwill. The Group's share in the earnings of affiliated companies and joint ventures which arises after the acquisition is reported in the income statement. In the consolidated income statement, "Shares in earnings of affiliated companies and joint ventures after tax" comprise the Group's share in the post-tax earnings of the affiliated company or joint venture. Shares in the earnings of affiliated companies and joint ventures are reported in the operating profit when operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Any intra-group profits are eliminated in relation to the share of equity held.

In the parent company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

Transactions in foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which the company in question primarily operates (functional currency). Swedish kronor are used in the consolidated financial statements; this is the functional currency and reporting currency of the parent company.

Transactions in foreign currency are reported at the exchange rate

prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. Exchange rate differences relating to the business are reported in the operating profit, while differences attributable to financial assets and liabilities are reported as a net sum among financial items.

The income statements of foreign subsidiaries are translated into Swedish kronor at the average exchange rates for the year, while their balance sheets are translated into Swedish kronor at the closing day rates. Any translation differences that arise are transferred directly to the consolidated statement of comprehensive income and reported in the item "Translation reserve".

Loans or other financial instruments taken up in order to hedge net assets in foreign subsidiaries are reported in the consolidated financial statements at the closing day rate. Any exchange rate differences less deferred taxes are transferred directly to other comprehensive income and thereby set off against the translation differences which arise in conjunction with the translation of these subsidiaries' balance sheets into Swedish kronor.

Upon sales of foreign subsidiaries, the total translation differences that relate to the foreign subsidiary are reported as a part of capital gains/losses in the consolidated income statement.

Goodwill and adjustments of assets and liabilities to fair value in connection with the acquisition of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated in accordance with the same principles as the foreign subsidiaries.

Revenue recognition

Sales are reported after the crucial risks and benefit associated with title are transferred to the buyer and no right of disposition or possibility of actual control over the goods remains. In most cases, this means that sales are reported upon delivery of the goods to the customer in accordance with agreed delivery terms and conditions. The sale is reported less value added tax, discounts, returns and freight, including exchange rate differences from forward contracts which are entered into in order to hedge sales in foreign currency. Intra-group sales are eliminated in the consolidated financial statements.

With respect to revenue other than from sales of goods, interest income is recognized in accordance with the effective return and dividends are reported when the entitlement to the dividend is established. Regarding dividends from subsidiaries, see the section entitled "Dividends".

Pricing between Group companies

Arm's length pricing is applied to deliveries of goods and services between companies in the Group.

Government assistance

Government assistance and grants are reported at fair value when there is reasonable certainty that the grant will be received and that the Group will fulfill the conditions attached to the grant.

Government assistance and grants are allocated over the same period as the expenses which the grants are intended to reimburse. Grants provided as compensation for expenses are recognized in the income statement as an expense reduction. Grants related to assets are recognized in the balance sheet through a reduction in the reported value of the assets.

Research and development expenses

Research and development expenses are booked as they are incurred. Development expenses may be capitalized under certain strict conditions.

However, this requires, among other things, that future economic benefits can be demonstrated at the time the expenses are incurred. The projects that take place are short-term in nature and do not involve significant amounts, and thus development expenditures are also booked as costs.

Software development expenses

Expenses for development and acquisition of new software are capitalized and reported as an intangible asset provided they have a significant value for the Company in the future and they can be deemed to have a useful life in excess of three years. These capitalized expenses are depreciated on a straight-line basis over the assessed useful life. Expenses for training and software maintenance are, however, booked directly as costs.

Tangible non-current assets

Tangible non-current assets are reported at acquisition value less deduction for accumulated depreciation and any accumulated impairment. Depreciation is based on the acquisition value of the assets and estimated useful life. If major investments include components, an assessment must always be made as to whether the useful life of the component differs from that of the entire facility. The acquisition value includes expenditures directly attributable to the acquisition of the asset. Any borrowing costs in conjunction with the construction and design of non-current assets, a significant portion of which is required for completion for use or sale, are added as a part of the acquisition cost of the asset. Restoration expenses in connection with disposals of non-current assets are included in the acquisition value only where the criteria for making a provision for such restoration expenses may be deemed fulfilled. Additional expenditures for acquiring replacement components are added to the reported value of the non-current asset or recognized as a separate asset only where it is likely that the Group will enjoy the future economic benefits associated with the asset and the acquisition value of the asset can be measured in a reliable manner. The reported value for the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognized as expenses in the income statement during the period in which they occur.

Land is assumed to have a perpetual period of use and thus is not depreciated. Other tangible non-current assets are classified into groups for calculation of depreciation based on their estimated useful life, in accordance with the following table.

Examples of items	Estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery:	
• Re-lining of blast furnaces	12–15
• Steel furnaces, rolling mills and cranes	15–20
• Blast furnaces and coke ovens	15–20
Land improvement	20
Buildings	25–50

The useful life of the assets is reviewed annually and adjusted where required. The assets are normally depreciated to zero without any remaining residual value.

The straight line depreciation method is used for all types of tangible non-current assets with a limited useful life. Where the book value of an asset exceeds the expected recovery value, the asset is written down to such value.

Capital gains and capital losses upon the sale of tangible non-current assets are determined by comparing the revenue from the sale with the

reported value; this is reported in the income statement as “Other operating revenues” or “Other operating expenses”.

Intangible assets

Similarly, intangible assets are classified in two groups, with assets with a determinable useful life being amortized over a determined useful life, while assets with an undeterminable useful life are not amortized at all.

GOODWILL

The compensation transferred in conjunction with a business acquisition is valued at fair value. Goodwill comprises the amount by which the acquisition value (the compensation) exceeds the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the time of the acquisition. Goodwill upon the acquisition of a subsidiary is reported as an intangible asset. Goodwill is tested annually to identify any impairment and reported at acquisition value less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the asset may have diminished in value. Impairment of goodwill is reported as an expense and not reversed. Profits or losses upon the sale of a unit include the remaining reported value of the goodwill which relates to the sold unit.

When testing for any impairment, goodwill is allocated over cash-generating units. The allocation is made on the cash-generating units or groups of cash-generating units which are expected to benefit from the business acquisition which gave rise to the goodwill item. Goodwill is monitored on a business area level.

CUSTOMER RELATIONS

Acquired customer relations are reported at acquisition value. Customer relations have a determinable useful life and are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for customer relations over their assessed useful life (six to twelve years).

TRADEMARKS

Acquired trademarks and licenses are reported at acquisition value. Trademarks and licenses have a determinable useful life and are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for trademarks over their assessed useful life and licenses are amortized over the term of the agreement (five to ten years).

SOFTWARE

Acquired software licenses are capitalized on the basis of the costs incurred upon acquisition and placement into operation of the relevant software. These capitalized costs are amortized on a straight line basis over the assessed useful life (three to five years).

OTHER INTANGIBLE ASSETS

Other intangible assets are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs over their assessed useful life (five to fifteen years).

Impairment of non-financial assets

Intangible assets with an undeterminable useful life (including goodwill) are not amortized but, rather, tested annually for any impairment or otherwise where signs indicate a decline in value. Other non-financial assets with an undeterminable useful life are tested when signs indicate a decline in value. Amortized assets are tested for impairment when signs indicate a decline in value. Where the estimated recovery value is less than the reported value,

the asset is written down to the recovery value. Testing of the value of an asset with an undeterminable useful life may also result in the asset being reclassified as an asset with a determinable useful life. The asset's period of use is then calculated and amortization commences. The recovery value is the asset's fair value reduced by selling expenses, or its useful value, whichever is higher. When testing for impairment, assets are grouped on the lowest levels for which there are separately identifiable cash flows (cash-generating units). With respect to assets other than financial assets and goodwill which have previously been impaired, an annual test is conducted as to whether a reversal should be made.

Leased assets

Expenses for non-current assets that are leased instead of owned are reported primarily as lease expenses on a straight line basis over the leasing period (operational leasing). Where leasing agreements contain terms and conditions pursuant to which the Group enjoys the economic advantages and incurs the economic risks that are associated with ownership of the property (financial leasing), they are reported in the consolidated balance sheet under 'Non-current Assets' and depreciated over the useful life (the economic life or the outstanding leasing period, whichever is the shorter). At the beginning of the leasing period, financial leasing is reported in the balance sheet at the leased object's fair value or the present value of the minimum leasing charges, whichever is lower. Each lease payment is divided into interest payment and repayment of the debt; interest is allocated over the leasing period. Corresponding payment obligations, less deductions for financial expenses, are included in the balance sheet items, "Current interest-bearing liabilities" and "Non-current interest-bearing liabilities".

In the parent company, all leasing agreements are reported as operational.

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, shares and participations, loan claims and derivative instruments. They are reported initially at an acquisition value corresponding to the fair value of the asset plus a supplement for transaction costs, with the exception of assets that are valued at fair value. Reporting thereafter takes place depending on the classification of the asset. Financial assets are removed from the balance sheet when the debt/instrument is finally paid or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

Spot purchases and sales of financial assets are reported on the settlement day, i.e. the day on which the asset is delivered. Accounts receivable are reported in the balance sheet when an invoice has been issued.

The fair value of listed financial assets corresponds to the asset's listed transaction price on the balance sheet date. The fair value of unlisted financial assets is determined through use of valuation techniques, for example, recently conducted transactions, prices of similar instruments and discounted cash flows.

Financial assets are classified in four valuation categories: "holdings valued at fair value via the income statement", "holdings to maturity", "loan claims and accounts receivable" and "assets for sale".

- Holdings valued at fair value via the income statement: Assets that are acquired primarily in order to enjoy profits upon short-term price fluctuations, holdings for trading, are classified as "Holdings valued at fair value via the income statement" and reported as short-term investments if their term to maturity on the acquisition date is less than three months and as "Other interest-bearing current receivables" if the term to maturity is between three and twelve months. Derivative instruments are classified as

holdings for trading except where used for hedge accounting. Assets in this category are valued regularly at fair value and changes in value are reported in the income statement. Derivative instruments taken up in respect of business-related items are reported in the operating profit, while derivative instruments of a financial nature are reported in financial items. Assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.

- Holdings to maturity: Assets with a fixed maturity date and which are intended to be held until maturity are classified as "holdings to maturity" and reported as financial non-current assets, except those parts that mature within twelve months; these are reported as "Other interest-bearing current receivables". Assets in this category are valued at the accrued acquisition value. The accrued acquisition value is determined based on the effective interest rate, which is calculated on the acquisition date.
- Loan claims and accounts receivable: Loan claims and accounts receivable are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not listed on an active market. The claims arise when cash, goods or services are provided directly to the debtor without an intention of trading in the receivables. Just as with the preceding category, assets in this category are valued at the accrued acquisition value. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- Assets available for sale: Assets without a fixed term to maturity but which can be sold should liquidity needs arise or upon changes in interest rates are classified as "available for sale" and reported as financial non-current assets. Assets in this category are valued regularly at fair value with changes in value in other comprehensive income. Upon removal of the investments from the balance sheet, any accumulated profit or loss previously reported in comprehensive income is reversed to the income statement. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets. The Group held no instruments in this category during 2012 and 2013.

OTHER SHARES AND PARTICIPATIONS

Consist primarily of investments in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value.

NON-CURRENT RECEIVABLES

Non-current receivables are receivables held without any intention of trading in the claim. Parts where the outstanding holding period is less than one year are reported among "Other current interest-bearing receivables". The receivables are classified in the category, "Loan claims and accounts receivable".

ACCOUNTS RECEIVABLE

Accounts receivable are classified in the category, "Loan claims and accounts receivable". Accounts receivable are reported initially at fair value and accounts receivable in excess of twelve months are reported at the accrued acquisition value applying the effective interest rate method, less any provisions for reduction in value. The Company has had no accounts receivable with a due date in excess of twelve months. Any impairment of accounts receivable takes place in selling expenses in the income statement.

CASH AND CASH EQUIVALENTS

'Cash and cash equivalents' include cash, immediately accessible bank balances as well as other short-term deposits with an original term to maturity of less than three months (short-term investments). Investments with an original term to maturity of between three and twelve months are reported under "Other current interest-bearing receivables" and classified as assets valued at the fair value via the income statement. Overdraft facilities are reported in the balance sheet as borrowing among "Current interest-bearing liabilities".

IMPAIRMENT OF FINANCIAL ASSETS

The Group regularly assesses whether there is any objective evidence for impairment of a financial asset or a group of financial assets. With respect to investments in equity instruments which are valued at acquisition value, a significant or prolonged decline in the fair value of a share to a level below its acquisition value is considered to be evidence of impairment. If such evidence exists, the difference between the reported value and the current fair value is reported in the income statement. Impairment of equity instruments is not reversed. Tests for impairment of accounts receivable are based on an individual assessment of bad debts. The size of the provision comprises the difference between the reported value of the asset and the present value of estimated future cash flows, discounted applying an effective interest rate. The remaining amount is reported in the income statement.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value, with the acquisition value being calculated in accordance with the FIFO method (first in, first out). When calculating the acquisition value, a weighted average value is normally used to approximate FIFO.

The net realizable value is normally calculated as the sales price less production and selling expenses. With respect to products in the trading operations, the replacement cost with an added estimated gross margin is used as the best gauge of the net realizable value. In respect of raw materials, the replacement cost is used as the best gauge of the net realizable value. However, raw materials are not written down below the acquisition value where the end product in which they are included is expected to be sold at a price which exceeds the manufacturing cost.

Work in progress and finished inventories are valued at the manufacturing cost or the net realizable value, whichever is lower. Necessary provision is made for obsolescence.

The acquisition value of inventories includes all costs for purchasing, production and other expenses incurred in bringing the goods to their current location and condition.

Employee benefits

PENSIONS

Within the Group there are both contribution-based and benefit-based pension plans. Generally, the plans are financed through payments to insurance companies or manager-administered funds.

In the contribution-based plans, fixed fees are paid to a separate legal entity and there is no obligation, legal or informal, to pay any additional fees. In the contribution-based plans, payments are recognized as an expense during the period when the employees have performed the services to which the fees relate. Blue collar employees in Sweden are covered by such a contribution-based plan.

In the benefit-based plans, compensation is payable to employees and former employees based on salary at the time of retirement and number of years in service. The Group bears the risk that the costs for the promised payments will be higher than estimated.

In the consolidated balance sheet, the net of the estimated present value of the obligations and fair value of the managed assets is reported either as a long-term provision or as a long-term financial claim. In those cases where a surplus in a plan cannot be utilized in full, only that part of the surplus which can be recovered through reduced future fees or refunds is reported. Set-off of a surplus in one plan against a deficit in another plan takes place only where a right of set-off exists.

Pension expenses and pension obligations for benefit-based plans are calculated in accordance with the Projected Unit Credit Method. The method allocates pension expenses as the employees perform the services that increase their entitlement to future compensation. The obligation is calculated by independent actuaries and constitutes the present value of the anticipated future disbursements. The discount rate that is applied corresponds to the rate of interest on mortgage bonds with a term to maturity which corresponds to the average term for the obligations. The most important actuarial assumptions are stated in Note 13.

Actuarial profits or losses may arise upon determination of the present value of the obligations and the fair value of the managed assets. These arise either as a consequence of the actual result differing from previously-made assumptions, or due to changes in the assumptions. Such actuarial profits and losses are recognized in their entirety in the Group's results when they arise.

White collar personnel in Sweden are covered by a collective benefit-based plan, the ITP (supplementary pensions for salaried employees) plan. The ITP plan has been financed through the purchase of pension insurance with the mutual insurance company, Alecta. However, at present no information is available which makes it possible to report this plan as a benefit-based plan. Accordingly, the plan is reported as a contributions-based plan, and thus premiums paid to Alecta during the year are reported as pension expenses.

The parent company and other legal entities within the Group report benefit-based pension plans in accordance with the local rules in each country.

PROFIT SHARES AND VARIABLE SALARY

SSAB employees are covered by a profit sharing system which entitles them to a share in the profit above a minimum level. The Group Executive Committee and a number of other senior executives have instead salaries which contain a variable element related to the profit level and individually set targets. The costs for these systems are booked as accrued expenses regularly during the year as soon as it is likely that the targets will be met. In 2011, a long-term incentive program was introduced for the Company's senior executives, including the President, which is capped at 25 percent of fixed salary. The program runs for rolling three-year periods, is cash-based, and is linked to the total return on the SSAB share relative to a comparison group comprised of the Company's competitors. A percentage of the costs for the program is booked each year, based on a continuous assessment of the outcome for the three-year period.

COMPENSATION UPON TERMINATION OF EMPLOYMENT

Compensation upon termination of employment is paid when employment is terminated prior to the normal retirement age or where an employee accepts voluntary retirement in exchange for such compensation. The Group reports severance compensation when the Group is demonstrably obliged either to terminate an employee in accordance with a detailed formal plan without the possibility of recall, or to provide compensation upon termination as a result of an offer made in order to encourage voluntary retirement. Benefits which fall due more than twelve months from the balance sheet date are discounted to present value.

Provisions

Provisions are reported when the Group has an obligation as a result of an event that has occurred and it is likely that payments will be demanded for fulfillment of the obligation. A further requirement is that it is possible to make a reliable estimation of the amount to be paid out.

Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations have been created among the parties that will be affected by the measure, and this takes place prior to the balance sheet date.

Emission rights

SSAB participates in the EU's emission rights trading system. Provision is made if a shortfall in emission rights is identified between owned rights and those rights which will have to be delivered due to emissions having taken place. The value of any surplus emission rights is reported only when it is realized as an external sale. Emission rights are reported as intangible assets and are booked at acquisition value.

Environmental restoration expenses

Expenses for environmental measures associated with previous operations and which do not contribute to current or future revenue are booked as a cost when incurred. The environmental undertaking is calculated based on interpretations of applicable environmental legislation and regulations and reported when it is likely that payment liability will be incurred and a reasonable estimation can be made of such amount. Provisions have not been made for land clean-up to prepare the industrial areas for other use in the future, since it is not possible to make a reasonable estimation of when such clean-up will take place.

Financial liabilities

Financial liabilities include loan debts, accounts payable and derivative instruments. Reporting thereafter takes place depending on how the liabilities are classified. Financial liabilities are removed from the balance sheet when the debt/instrument is paid in full or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

ACCOUNTS PAYABLE

Accounts payable are valued initially at fair value and thereafter at accrued acquisition value.

LOAN DEBTS

Loan debts are valued initially at net fair value after transaction costs, and thereafter at accrued acquisition value. The accrued acquisition value is determined based on the effective interest rate which was calculated when the loan was taken up. Accordingly, surplus values and under-values as well as direct issuance costs are allocated over the loan period. Loans which constitute the hedged object in fair value hedging are valued and booked at fair value. Non-current loan debts have an anticipated term to maturity in excess of one year, while current loan debts have a term to maturity of less than one year.

Derivate instruments and hedging

Currency derivatives in the form of forward contracts and swaps are used to hedge exchange rates on purchase orders for coal and iron ore, to hedge the exchange rate in conjunction with major sales in foreign currency, in conjunction with major investments in non-current assets made in foreign currency, to hedge net investments in foreign subsidiaries, and to hedge Swedish kronor payment flows on foreign loans. Derivative instruments in the form of interest swaps are used to hedge exposure to interest rate risks.

All derivative instruments are reported in the balance sheet at fair value. The method for reporting accrued profit/loss differs, however, depending on the purpose of the derivative instrument. When a derivative contract is entered into, it is characterized as hedging of the fair value of a reported asset/liability or of a signed delivery order ("fair value hedging"), hedging of a planned transaction ("cash flow hedging"), hedging of a net investment in a foreign company, or as a derivative instrument which does not meet the requirements for hedging transactions.

When the transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item, as well as the Group's risk management objectives and risk management strategy as regards the hedging. The Group also documents its assessment, both when hedging is entered into and on a regular basis, of whether the derivative instruments used in hedge transactions are effective in counteracting changes in fair value or cash flows that relate to the hedged items.

Information regarding fair value of various derivative instruments used for hedging purposes is set forth in Note 27. Changes in the hedging reserve in equity are set forth in Note 12. The entire fair value of a derivative instrument which constitutes a hedge instrument is classified as a non-current asset or non-current liability when the outstanding term of the hedged item exceeds twelve months, and as a current asset or current liability when the outstanding term of the hedged item is less than twelve months.

- Fair value hedging: Changes in the fair value of derivative instruments which are categorized as, and meet the requirements for, "fair value hedging" are reported in the income statement together with changes in the fair value of the asset/liability or the delivery order to which the hedging relates. Transaction costs related to "fair value hedging" are recognized immediately in the income statement.
- Cash flow hedging: The effective part of changes in fair value of derivative instruments which are identified as, and meet the requirements for, cash flow hedging, is reported in other comprehensive income. The profit or loss attributable to the ineffective part is reported immediately in financial items in the income statement. However, the ineffective part of the profit or loss relating to cash flow hedging of sales in foreign currency is reported among other operating expenses or revenue. Accumulated amounts in equity are reversed to the income statement in those periods in which the hedged item affects earnings (e.g. when the forecast sale which is hedged takes place). The profit or loss attributable to the effective part of a forward contract which hedges sales in foreign currency is reported in the income statement item, Sales. When a hedge instrument lapses or is sold, or when the hedging no longer fulfills the criteria for hedge accounting and there are accumulated profits or losses in equity regarding the hedging, such profits or losses remain in equity and are reported as income at the same time as the forecast transaction is finally reported in the income statement. When a forecast transaction is no longer expected to occur, the accumulated profit or loss which is reported in equity is transferred immediately to the income statement. Where the transfer relates to cash flow hedging of sales in foreign currency, it is reported among other

operating expenses or revenue. Where the transfer relates to cash flow hedging of financial items, it is reported in the income statement among financial items.

- Net investment hedging: Hedging of net investments in foreign companies is reported in the same manner as cash flow hedging. The effective part of changes in value of derivative instruments and liabilities, which are used as hedge instruments, is reported in other comprehensive income. The ineffective part of changes in value is reported immediately in financial items in the income statement. Accumulated profits and losses in equity are reported in the income statement when the foreign operations are divested, in whole or in part.
- Certain derivative transactions do not meet the formal criteria for hedge accounting; they are reported in the income statement among financial revenues and expenses.

Derivative instruments which are reported in hedge accounting and executed in respect of business-related items are reported in operating profit, while derivative instruments of a financial nature are reported in financial items. The fair value of currency forward contracts and currency swaps is calculated based on forward contract prices on the balance sheet date, while interest rate swaps are valued calculated on the basis of future discounted cash flows.

Taxes

The Group's reported tax expenses consist of tax on the taxable earnings of Group companies for the period as well as any adjustments with respect to tax for previous periods and changes in deferred tax.

DEFERRED TAX

Deferred tax is calculated in order to correspond to the tax effect which arises when final tax is triggered. It corresponds to the net effect of tax on all differences between the tax value of assets and liabilities and their value for accounting purposes (temporary differences), applying the future tax rates already decided upon or announced which will apply when the tax is expected to be realized.

Temporary differences arise primarily through accelerated depreciation of non-current assets, profits from intra-group inventory transactions, untaxed reserves in the form of tax allocation reserves, non-utilized losses carried forward, as well as fair value adjustments in conjunction with business combinations. A deferred tax receivable due to losses carried forward is, however, recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses.

In the parent company's balance sheet, the accumulated values of accelerated depreciation and other untaxed reserves are reported in the item "Untaxed reserves" without deduction of the deferred tax. In the parent company's income statement, changes in the untaxed reserves are reported on a separate line.

Dividends

Dividends proposed by the Board of Directors do not reduce equity until the annual general meeting has adopted a resolution regarding payment of the dividend.

DIVIDENDS, THE PARENT COMPANY

An anticipated dividend is reported in those cases where the parent company is exclusively entitled to decide on the amount of the dividend and the parent company, prior to the date on which its financial statements are published, has decided on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

Group contributions in the parent company

Group contributions received and provided, and the tax consequences thereof, are reported as a transfer to untaxed reserves, and the tax effect as a tax expense /income in the income statement.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents in the cash flow statement consist of cash and bank balances as well as short-term investments with a term to maturity of less than three months from the acquisition date, which are exposed to only an insignificant risk of change in value.

Segment reporting

OPERATING SEGMENTS

The Group is organized in four reportable operating segments which are designated as the following business areas: SSAB EMEA, SSAB Americas, SSAB APAC, and the subsidiary Tibnor. In addition, there are other operating segments which are not reportable since they do not reach the threshold values in IFRS 8 and they are not monitored separately by the Group Executive Committee. The segment reporting takes place in such a manner that it corresponds to the internal reporting which is submitted to the Group Executive Committee. The Group Executive Committee is the highest executive decision-making body which is responsible for the allocation of resources and assessment of the results of operating segments, and takes strategic decisions. A more detailed description of the reportable segments and their operations is provided on pages 22–31 and in Note 26.

Non-current assets held for sale

Significant non-current assets (or divestments groups) are classified as Non-current assets held for sale when their reported value will primarily be recovered through a sales transaction and a sale is deemed to be very likely. They are reported at reported value or fair value less selling expenses, whichever is lower, if their book value is primarily recovered through a sales transaction and not through permanent use.

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1 Sales and other operating income

Sales per product area	Group	
	2013	2012
SEK millions		
Hot-rolled strip	6,332	6,688
Cold-rolled and metal-coated strip	3,479	3,716
Organic-coated and profiled strip	2,053	2,259
Plate	15,977	18,209
Trading operations	5,201	5,506
Slabs	493	662
By-products/scrap	1,112	1,528
Other	375	355
Total sales	35,022	38,923

Sales broken down by business area and geographic area are shown on page 16 and in Note 26.

Other operating income	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Sales of purchased energy and media	262	209	–	–
Sales of services	12	147	–	–
Profit on emission rights	57	1	57	–
Profit upon sale of shares and operations	73	0	–	–
Profit upon sale of fixed assets	1	17	–	–
Investment grant (government grant)	1	12	–	–
Other	85	63	65	103
Total other operating income	491	449	122	103

2 Operating expenses

Type of cost	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Raw materials in the steel operations, including change in raw material inventory	15,697	16,918	–	–
Purchased products in the trading operations	3,255	3,728	–	–
Purchased products in the steel operations	1,565	1,299	–	–
Energy	2,291	2,307	–	–
Change in inventory, work in progress and finished products	313	1,422	–	–
Compensation to employees	5,236	5,201	71	88
Material, services and maintenance	3,836	3,969	81	121
Depreciation/amortization	2,464	2,586	1	1
Other	2,003	2,070	31	35
Total operating expenses	36,660	39,500	184	245

2 Operating expenses cont.

Fees for audits and related services SEK millions	Group		Parent Company	
	2013	2012	2013	2012
PricewaterhouseCoopers				
Audit fees	9	11	2	2
Audit related services	1	0	0	–
Tax consulting	2	5	0	2
Other services	8	10	6	7
Total fees for audit and related services to PricewaterhouseCoopers	20	26	8	11
Other audit firms				
Audits and related services	6	7	–	–
Other services	7	5	1	–
Total fees for audit and related services to audit firms	33	38	9	11

Operating expenses have been reduced by the following government grants:

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
Freight support	0	1	–	–
Other	2	1	–	–
Total government grants	2	2	–	–

Compensation to employees SEK millions	Directors, President and Executive Vice President		Other employees	
	2013	2012	2013	2012
Parent Company ¹⁾	15	18	43	55
Subsidiaries in Sweden	10	9	2,548	2,639
Subsidiaries outside Sweden	11	14	1,070	844
Total wages and salaries²⁾	36	41	3,661	3,538
Social security expenses	16	19	1,345	1,400
(of which pension expenses)	(9)	(9)	(433)	(456)
Other expenses for employee benefits	1	1	177	202
Total compensation to employees	53	61	5,183	5,140

¹⁾ Relates only to personnel employed and working within the parent company. Personnel in some of the larger subsidiaries are formally employed by the parent company but are reported in terms of number and expense in the relevant subsidiary. In the parent company expenses for the president of SSAB EMEA are also reported.

²⁾ Total wages and salaries include variable salary components to President in the amount of SEK –3 (8) million, of which SEK –2 (2) million in the parent company. In the parent company, variable salary components to the President of SSAB EMEA are also reported.

2 Operating expenses cont.

Board fees and terms of employment for the Group's senior executives

BOARD OF DIRECTORS

Fees are paid to the Chairman of the Board and directors elected by the general meeting in accordance with a resolution adopted at the annual general meeting. The Chairman's fee was SEK 1,425 (1,425) thousand and directors (excluding the President) each received a fee of SEK 475 (475) thousand. In addition, members of Board committees received SEK 100

thousand for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead received SEK 125 thousand. In total, SEK 5,375 (5,375) thousand was paid in fees to the Board of Directors.

Directors

Elected by general meeting	Elected	Position	Fees 2013, SEK		Fees 2012, SEK	
			Board fees	Committee fees	Board fees	Committee fees
Sverker Martin-Löf	2003	Chairman	1,425,000	200,000	1,425,000	200,000
Anders G Carlberg	1986	Member	475,000	125,000	475,000	125,000
Jan Johansson	2011	Member	475,000	–	475,000	–
Martin Lindqvist	2011	Member, President	–	–	–	–
Annika Lundius	2011	Member	475,000	100,000	475,000	100,000
Matti Sundberg	2004	Member	475,000	–	475,000	–
John Tulloch	2009	Member	475,000	100,000	475,000	100,000
Lars Westerberg	2006	Member	475,000	100,000	475,000	100,000
Pär Östberg	2013	Member	475,000	–	–	–
Anders Nyrén, resigned 2013	2003	Member	–	–	475,000	–

Salaries and compensation for the President and other senior executives

RESOLUTION OF THE ANNUAL GENERAL MEETING

According to a resolution adopted by the AGM in April 2013, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable compensations, other benefits such as company car, and pension. "Other members of the Company's senior management" mean members of the Group Executive Committee other than the President. The total compensation package shall be on market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and capped in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the Company's responsibilities to its shareholders, employees and other stakeholders.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or

contribution-based or a combination thereof, with individual retirement ages; however in no case earlier than the age of 60. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

COMPENSATION COMMITTEE

Within the Board of Directors there is a Compensation Committee which issues proposals to the Board regarding the President's salary and other employment terms and conditions, and determines the salary and other employment terms and conditions for the Group Executive Committee in accordance with guidelines decided upon by the AGM. The Committee consists of Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

COMPENSATION IN 2013

Compensation to the President and other members of the Group Executive committee consisted of a fixed salary component, a short-term variable salary component, and a long-term variable salary component. There is no share-related compensation.

For the members of the Group Executive committee who are not stationed in the US, there is a short-term variable salary component which is related to the Group's EBITDA margin relative to other comparable steel companies

2 Operating expenses cont.

and to an inventory turnover target established by the Board, combined with one or more individual targets. This variable salary component is capped at 75 percent of fixed salary for the President and 50 percent for others.

As from 2011, a long-term incentive program has been introduced covering a maximum of 100 key persons throughout the Group, including the Company's President and other senior executives. The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 15 and 25 percent of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the program is SEK 22.5 million in the event of target realization, and SEK 45 million in the event of maximum target realization, of which approximately 2/3 constitutes the cost for participants in North America. The program aims to promote the Company's ability to recruit and retain particularly important employees.

The member of the Group Executive committee who is stationed in the United States receives compensation which is considered to be competitive from a North American perspective. He receives a fixed salary and, in addition, an annual variable salary component which is linked to the same targets as for the rest of the Group Executive Committee. His annual variable salary is capped relative to fixed salary. The target result is 60 percent of fixed salary but may amount to a maximum of 180 percent in the event of extremely high profitability. In addition, during his employment he is entitled to participate in the Group's long-term incentive program. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 90 percent of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150 percent. Payments under the long-term incentive program take place in cash, and solely on condition that he remains in his employment.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The total paid compensation package, excluding pension, amounted to 8.3 (8.8) million. No variable salary was payable in respect of 2012 and thus no payment took place in 2013. The compensation of SEK 8.8 million for 2012 includes payment of SEK 1.6 million in respect of variable salary for 2011.

The minimum retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 39 (39) percent of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

There is a 12-month notice period in the event of dismissal by the Company. In addition, in such situation severance compensation is payable equal to 12 months' salary. In the event of the President's resignation, the termination period is 6 months and, in such a situation, there is no entitlement to severance compensation. Variable salary components are earned during the termination period only on condition that he remains in active service.

OTHER GROUP EXECUTIVE COMMITTEE MEMBERS

Apart from the President, during the year the Group Executive Committee comprised 8 (9) persons. The Group Executive Committee is presented on page 53.

The minimum retirement age for other members of the Group Executive Committee stationed outside the US is 62. Pensions are based on contributions. These members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 6–12 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

For the member of the Group Executive committee stationed in the United States, other rules apply with respect to pension in accordance with US legislation and practice.

Total compensation and benefits are shown in the table below.

Compensation and benefits for the President and other members of the Group Executive Committee

SEK millions	President		Other Group Executive Committee	
	2013	2012	2013	2012
Fixed salary ¹⁾	8.0	7.0	24.4	21.3
Other benefits ²⁾	0.3	0.2	2.2	3.0
Short-term variable salary ³⁾	–	1.6	0.6	6.2
Long-term variable salary ³⁾	–	–	–	0.9
Total compensation	8.3	8.8	27.2	31.4
Pension expenses	3.1	2.7	7.5	8.3
Total	11.4	11.5	34.7	39.7

¹⁾ For 2013, includes payment of SEK 0.7 (0.6) million to the President in respect of accrued vacation.

²⁾ Relates primarily to car and gasoline benefits, but here also includes compensation for increased living costs for the member of the Group Executive committee stationed in Asia.

³⁾ The amounts relate to payments made in the relevant financial year, which were earned in previous years. Since the compensation is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. (The posted variable salary components for the entire Group Executive Committee was a positive SEK 4.8 million due to too much provision being made in 2012, SEK 5.8 million, and a provision for 2013 amounting to SEK 1.0 million).

3 Affiliated companies, joint venture and related party transactions

Share of earnings and sales	Share of earnings after tax		Share of sales	
	2013	2012	2013	2012
SEK millions				
Lulekraft AB	3	2	149	143
Norsk Stål A/S	-8	8	830	1,123
Norsk Stål Tynnplater A/S	3	4	254	288
Oxelösunds Hamn AB	7	6	125	135
Blastech Mobile LLC (joint venture)	11	10	52	45
Geha Beheer BV ¹⁾	-	2	-	36
Total	16	32	1,410	1,770

Share of assets and liabilities	Share of assets		Share of liabilities	
	2013	2012	2013	2012
SEK millions				
Lulekraft AB	100	108	86	96
Norsk Stål A/S	284	382	188	256
Norsk Stål Tynnplater A/S	97	108	59	65
Oxelösunds Hamn AB	167	175	65	79
Blastech Mobile LLC (joint venture)	40	34	6	9
Geha Beheer BV ¹⁾	-	26	-	2
Total	688	833	404	507

Receivables from affiliated companies and joint venture	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Included in balance sheet items:				
Accounts receivable	25	33	-	-
Prepaid expenses and accrued revenue	1	-	-	-
Total	26	33	-	-

Liabilities to affiliated companies and joint venture	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Included in balance sheet items:				
Accounts payable	37	51	-	-
Total	37	51	-	-

¹⁾ Reclassification to shares and participations in subsidiaries due to acquisition of additional shares in Geha Beheer BV during 2013.

Share of owning and equity share can be found in Note 8.

Related party transactions

The following transactions with affiliated companies and joint venture occurred during the year: SSAB Americas purchased plate shot blasting and painting services from Blastech Mobile for SEK 80 (85) million. Lulekraft purchased gas from SSAB EMEA for SEK 265 (246) million and resold electricity for SEK 155 (145) million. Norsk Stål and Norsk Stål Tynnplater purchased steel from the steel operations for SEK 265 (313) million and sold for SEK 2 (2) million. Oxelösunds Hamn sold port services to

SSAB EMEA for SEK 268 (232) million and purchased other services from SSAB EMEA for SEK 24 (24) million.

The Board Member John Tulloch has a consultancy agreement with one of the US subsidiaries of SSAB EMEA from which he received SEK 0.4 (0.4) million in fees. The transactions took place at arm's length prices.

4 Financial items

Group

SEK millions	2013	2012
Financial income		
Interest income	50	54
Dividends	2	2
Other	10	5
Total financial income	62	61
Financial expenses		
Interest expenses	-550	-524
Net exchange rate differences	-30	-33
Other	-79	-101
Total financial expenses	-659	-658
Total financial income and expenses	-597	-597

Net result attributable to derivatives is included in the Net exchange rate differences with the amount of SEK -21 (-44) million.

Parent Company

SEK millions	2013	2012
Dividends from subsidiaries	177	1,083
Dividends from affiliated companies and joint ventures	1	1
Profit from other securities and receivables which constitute fixed assets		
Other interest income	-	0
Other interest income and similar revenues		
Interest income from subsidiaries	227	356
Other interest income	3	15
Net exchange rate differences	-	-
Total financial income	408	1,455
Interest expenses and similar expenses		
Interest expenses to subsidiaries	-1	-105
Other interest expenses	-523	-508
Net exchange rate differences	-12	-8
Other	-60	-76
Total financial expenses	-596	-697
Total financial income and expenses	-188	758

5 Taxes

Taxes	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Swedish corporate income tax	15	161	17	160
Foreign corporate income tax	-245	-432	-	-
Total current tax expenses	-230	-271	17	160
Deferred taxes	892	979	0	0
Total tax in the income statement	662	708	17	160
Total tax in other comprehensive income¹⁾	-5	-135	-19	-156

Reconciliation of tax rates	Group		Parent Company	
	2013	2012	2013	2012
%				
Applicable tax rate in Sweden	-22	-26	22	26
Tax effect of:				
• non-deductible expenses	1	2	3	1
• non-taxable divestments	-1	-	-	-
• non-taxable revenue ²⁾	-1	-2	-43	-58
• changes in tax rates	0	-36	-	-
• other tax rates in foreign subsidiaries	-17	-36	-	-
• taxes relating to earlier periods	2	-4	-	-
Effective tax rate	-38	-102	-18	-31

¹⁾ For details see Consolidated statement of changes in equity on page 61 and on page 65 for the parent company.

²⁾ The parent company's other non-taxable revenue consists primarily of dividends from subsidiaries.

The tax for the year amounted to SEK 662 (708) million and the effective tax rate was -38 (-102) percent. The tax rate was positively affected by lower tax rates on positive results and higher tax rates on negative results in foreign subsidiaries by -17 percentage points.

6 Intangible assets

Group

SEK millions	Customer relations	Trade-marks	Patents, licenses, technology and other rights	Goodwill	Total intangible assets
Acquisition value, January 1, 2012	6,660	5	652	18,919	26,236
Acquisitions	–	–	1	–	1
Increase through acquisition of businesses/operations	–	–	–	22	22
Reclassifications	–	–	17	–	17
Translation differences	–370	–	–33	–1,051	–1,454
Acquisition value, December 31, 2012	6,290	5	637	17,890	24,822
Acquisition value, January 1, 2013	6,290	5	637	17,890	24,822
Acquisitions	–	0	4	–	4
Increase through acquisition of businesses/operations	0	1	13	16	30
Sales and disposals	–	–	–1	–	–1
Decrease through disposal of businesses/operations	–	–	–	–	0
Reclassifications	–	–	–	–	0
Translation differences	–48	0	–1	–136	–185
Acquisition value, December 31, 2013	6,242	6	652	17,770	24,670
Accumulated amortization, January 1, 2012	3,228	5	446	–	3,679
Amortization for the year	707	0	40	–	747
Translation differences	–206	–	–22	–	–228
Accumulated amortization, December 31, 2012	3,729	5	464	–	4,198
Accumulated amortization, January 1, 2013	3,729	5	464	–	4,198
Sales and disposals	–	–	0	–	0
Amortization for the year	547	0	42	–	589
Decrease through disposal of businesses/operations	–	–	–	–	0
Reclassifications	–	–	–	–	0
Translation differences	–33	0	–3	–	–36
Accumulated amortization, December 31, 2013	4,243	5	503	0	4,751
Accumulated write-down, January 1, 2012	–	–	–	8	8
Write-down for the year	–	–	–	–	–
Translation differences	–	–	–	–	–
Accumulated write-down, December 31, 2012	–	–	–	8	8
Accumulated write-down, January 1, 2013	–	–	–	8	8
Write-down for the year	–	–	–	–	–
Translation differences	–	–	–	–	–
Accumulated write-down, December 31, 2013	–	–	–	8	8
Residual value, December 31, 2012	2,561	–	173	17,882	20,616
Residual value, December 31, 2013	1,999	1	149	17,762	19,911

Amortization for the year is included in the income statement in the amount of SEK 587 (746) million in cost of goods sold; SEK 2 (1) million in administrative expenses and SEK 0 (0) million in other operating expenses. There are no internally generated intangible assets.

6 Intangible assets cont.

Test of impairment of goodwill

A test of impairment of goodwill takes place annually on November 30. The Group's most significant goodwill balance is allocated to the Group's cash-generating unit below:

SSAB North America

SEK millions	2013	2012
Goodwill	17,654	17,790

A recoverable amount for a cash-generating unit is based on calculations of value in use. These calculations are based on financial budgets and forecasts produced on a regular basis by management. Cash flows beyond a five year period have been extrapolated using assessed growth in accordance with the information below. The rate of growth does not exceed the long-term rate of growth for the market on which the cash-generating unit operates. SSAB North America is part of the segment SSAB Americas. For more information about SSAB Americas, see pages 26–27 and Note 26.

Significant assumptions used in calculations of use value are shown in the table below:

SSAB North America

%	2013	2012
Assessed long-term rate of growth	2	2
Weighted average discount rate, before tax	11.2	11.0

The assumptions have been used to analyze the cash-generating unit.

The management has established the budgeted and forecast margin based on historical results and expectations regarding market trends and the cash generating unit. The rate of growth used corresponds to the forecasts available in industry and analyst reports. The discount rate used is stated before tax and reflects specific risks applicable to the cash-generating unit.

Calculations conducted using the above assumptions have demonstrated that no impairment of goodwill exists. For a sensitivity analysis, see Note 28.

Emission rights

The estimated consumption of emission rights in 2013 amounted to 4.9 (4.8) million tonnes. No emission rights have been sold in 2013 or 2012. During the fourth quarter, the Swedish Environmental Protection Agency decided on the allocation of emission rights for the 2013–2020 trading period. The allocation was lower than in the preceding trading period and decreases from year to year. Preliminary number of emission rights to include 2014 amounts to approximately 2.9 million tonnes. The emission rights are reported as intangible assets booked at an acquisition value of 0 SEK.

7 Tangible fixed assets

Group

SEK millions	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Construction in progress and advances to suppliers	Total tangible fixed assets
Acquisition value, January 1, 2012	612	4,041	30,128	540	2,922	38,243
Acquisitions	2	5	44	23	1,356	1,430
Increase through acquisition of businesses/operations	–	–	20	2	–	22
Sales and disposals	–5	–10	–934	–43	–18	–1,010
Reclassifications	6	390	2,639	83	–3,135	–17
Translation differences	–7	–72	–448	–6	–41	–574
Acquisition value, December 31, 2012	608	4,354	31,449	599	1,084	38,094
Acquisition value, January 1, 2013	608	4,354	31,449	599	1,084	38,094
Acquisitions	1	8	40	22	732	803
Increase through acquisition of businesses/operations	–	1	9	4	–	14
Sales and disposals	0	–86	–246	–55	–1	–388
Decrease through disposal of businesses/operations	–10	–37	–	0	0	–47
Reclassifications	25	45	620	10	–700	0
Translation differences	0	–2	–71	0	–3	–76
Acquisition value, December 31, 2013	624	4,283	31,801	580	1,112	38,400
Accumulated depreciation, January 1, 2012	111	2,059	17,121	242	–	19,533
Sales and disposals	–4	–10	–720	–35	–	–769
Depreciation for the year	20	109	1,673	37	–	1,839
Reclassifications	0	–	–	–	–	0
Translation differences	0	–13	–129	7	–	–135
Acc. depreciation, December 31, 2012	127	2,145	17,945	251	–	20,468
Accumulated depreciation, January 1, 2013	127	2,145	17,945	251	–	20,468
Sales and disposals	0	–85	–242	–54	–	–381
Depreciation for the year	21	123	1,648	82	–	1,874
Decrease through disposal of businesses/operations	0	–19	–	0	–	–19
Reclassifications	–1	0	–1	2	–	0
Translation differences	0	0	–25	1	–	–24
Acc. depreciation, December 31, 2013	147	2,164	19,325	282	–	21,918
Accumulated write-down, January 1, 2012	1	–	16	–	–	17
Write-down for the year	–	–	0	–	–	0
Translation differences	–	–	–1	–	–	–1
Acc. write-down, December 31, 2012	1	–	15	–	–	16
Accumulated write-down, January 1, 2013	1	–	15	0	–	16
Write-down for the year	–	–	–	–	–	–
Translation differences	–	–	–1	–	–	–1
Acc. write-down, December 31, 2013	1	–	14	0	–	15
Residual value, December 31, 2012	480	2,209	13,489	348	1,084	17,610
Residual value, December 31, 2013	476	2,119	12,462	298	1,112	16,467

7 Tangible fixed assets cont.

Depreciation for the year is included in the income statement in the amount of SEK 1,813 (1,775) million in costs of goods sold; SEK 30 (31) million in selling expenses; SEK 25 (27) million in administrative expenses; and SEK 6 (6) million in other expenses.

Commencing October 1, 2008, the Company applies IAS 23 regarding capitalization of interest during the construction period. During the period, SEK 1 (12) million was capitalized and the rate of interest applied was 3.0 (2.5) percent.

The item "Machinery" includes financial leasing agreements in the amount of SEK 88 (88) million in acquisition value and SEK 23 (26) million in residual value.

As per the balance sheet date, there were contracted investments in fixed assets valued at SEK 162 (218) million which were not reported in the financial statements.

Parent Company

SEK millions	Equipment, tools, fixtures and fittings	Total tangible fixed assets
Acquisition value, January 1, 2012	10	10
Acquisitions	0	0
Sales and disposals	–	–
Acquisition value, December 31, 2012	10	10
Acquisition value, January 1, 2013	10	10
Acquisitions	0	0
Sales and disposals	–	–
Acquisition value, December 31, 2013	10	10
Accumulated depreciation, January 1, 2012	8	8
Sales and disposals	–	–
Depreciation for the year	1	1
Accumulated depreciation, December 31, 2012	9	9
Accumulated depreciation, January 1, 2013	9	9
Sales and disposals	–	–
Depreciation for the year	0	0
Accumulated depreciation, December 31, 2013	9	9
Residual value, December 31, 2012	1	1
Residual value, December 31, 2013	1	1

8 Financial assets, shares and participations in affiliated companies and joint venture

Group

SEK millions	Other shares and participations	Other long-term receivables	Total financial assets	Participations in affiliated companies and JV
Book value at January 1, 2012	7	99	106	349
Investments	5	1,019	1,024	1
Sales and amortization	0	-56	-56	-
Shares in profit after tax	-	-	-	32
Reclassification	0	1	1	-
Dividend	-	-	-	-56
Translation differences	0	-40	-40	1
Book value at December 31, 2012	12	1,023	1,035	327
Book value at January 1, 2013	12	1,023	1,035	327
Investments	-	605	605	-
Sales and amortization	0	-26	-26	-
Reduction through divestment	-	-	0	-
Shares in profit after tax	-	-	0	16
Reclassification ¹⁾	-	-5	-5	-33
Dividend	-	-	0	-26
Translation differences	-	-10	-10	-
Book value at December 31, 2013	12	1,587	1,599	284

¹⁾ Reclassification to shares and participations in subsidiaries due to acquisition of additional shares in Geha Beheer BV during 2013.

Other shares and participations consist primarily of unlisted holdings in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value.

Other long-term receivables are receivables that are classified in the category "Loans and receivables". They are valued at amortized cost.

Parent Company

SEK millions	Shares in subsidiaries	Shares in affiliated companies	Other shares and participations	Other long-term receivables	Total financial assets
Acquisition value, January 1, 2012	39,149	10	3	34	39,196
Investments	-	1	5	-	6
Sales and amortization	-	-	-	-29	-29
Residual value according to plan, December 31, 2012	39,149	11	8	5	39,173
Acquisition value, January 1, 2013	39,149	11	8	5	39,173
Investments	150	-	-	-	150
Residual value according to plan, December 31, 2013	39,299	11	8	5	39,323

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Parent Company's shares and participations in subsidiaries

	Reg. no	Office	Number	% ¹⁾	Book value, SEK millions
Swedish operating subsidiaries:					
Plannja AB	556121-1417	Luleå	80,000	100	16
SSAB EMEA AB	556313-7933	Oxelösund	1,000	100	3,961
Tibnor AB	556004-4447	Stockholm	1,000,000	100	676
SSAB Technology AB	556207-4905	Stockholm	1,000	100	0
SSAB Americas Holding AB	556858-6654	Stockholm	50,000	100	0
SSAB APAC Holding AB	556858-6647	Stockholm	50,000	100	150
Foreign operating subsidiaries:					
SSAB Central Inc.		Canada	1,000	100	272
SSAB US Holding Inc.		USA	100	100	4,149
Western Steel Limited		Canada	682	100	182
SSAB Finance Belgium		Belgium	49,999,999	100	29,787
Other ²⁾					105
Dormant companies					1
Total					39,299

Other shares and participations

Tenant-owner rights					8
Total, Parent Company's other shares and participations					8
Subsidiaries' other shares and participations ²⁾					4
Total, Group's other shares and participations					12

Parent Company's shares in affiliated companies

	Reg. no	Office	Number	% ¹⁾	Book value, SEK millions
Lulekraft AB	556195-0576	Luleå	100,000	50	10
Industrikraft i Sverige AB	556761-5371	Stockholm	20,000	20	1
Total, Parent Company's shares in affiliated companies					11

Subsidiaries' shares and participations in affiliated companies and joint venture

	Reg. no	Office	Number	% ¹⁾	Participation, SEK millions
Oxelösunds Hamn AB	556207-4913	Oxelösund	5,000	50	102
Blastech Mobile LLC		Alabama, USA		50	34
Norsk Stål A/S		Norway	31,750	50	96
Norsk Stål Tynnplater A/S		Norway	13,250	50	38
					270
Equity shares in affiliated companies and joint venture's equity in excess of the book value in the Parent Company					3
Total, Group participations in affiliated companies and joint venture					284

¹⁾ The percentages indicate the equity share which, in all cases, also corresponds to the share of the voting capital.

²⁾ A complete specification of other shares and participations is available from SSAB's Group headquarters in Stockholm.

9 Inventories

SEK millions	Group		Parent Company	
	2013	2012	2013	2011
Raw materials, consumables and semi-finished goods	2,840	3,725	–	–
Slabs	694	654	–	–
Work in progress	418	515	–	–
Stocks of finished goods	4,831	4,541	–	–
Total inventories	8,783	9,435	–	–

SEK 1,079 (657) million of the inventory value is valued at net realizable value. The share of inventories which is booked as an expense amounts to SEK 33,290 (36,129) million during the period, where of SEK 81 (93) million was reported as an expense relating to impairment of inventories.

10 Prepaid expenses and accrued income

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
Delivered, non-invoiced goods and services	57	111	–	–
Bonuses, discounts, licenses and similar	22	18	–	–
Prepaid rents	33	31	3	3
Prepaid insurance premiums	12	16	–	–
Advances raw material	125	140	–	–
Accrued interest income	8	9	7	9
Derivatives reported in hedge accounting	86	194	86	73
Derivatives not reported in hedge accounting	45	53	8	18
Revaluation, hedged orders	5	113	–	–
Energy taxes	3	–	–	–
Unsettled insurance indemnification	9	–	–	–
Other prepaid expenses	98	69	28	32
Total prepaid expenses and accrued income	503	754	132	135

11 Other current interest-bearing receivables/Cash and cash equivalents

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
Other current interest-bearing receivables				
Restricted funds	195	24	–	–
Other current interest-bearing receivables	–	–	–	–
Total current interest-bearing receivables	195	24	–	–
Cash and cash equivalents				
Cash and bank balances	2,124	1,177	50	149
Short-term investments (term to maturity of less than three months)	–	1,827	–	390
Total cash and cash equivalents	2,124	3,004	50	539

All short-term investments and current interest-bearing receivables are valued at amortized cost. Short-term investments with terms to maturity of less than three months consist of overnight deposits at banks as well as short-term investments.

12 Equity

The share capital is SEK 2,851 (2,851) million, divided into 323.9 (323.9) million shares, with a par value of SEK 8.80 (8.80) per share. 240.7 (240.7) million of the shares are Class A shares while 83.2 (83.2) million are Class B shares. Each Class A share entitles the holder to one vote, while each Class B share entitles the holder to one-tenth of one vote. No shares are held in treasury by the Company or its subsidiaries.

Number of shares/share capital	Group	
	2013	2012
Numbers of shares in million	323.9	323.9
Share capital in SEK million	2,851	2,851

The average number of shares was 323.9 (323.9) million. Other contributed funds amount to SEK 9,944 (9,944) million and consist of funds paid in by the shareholders in connection with new issues, in excess of the par value of the shares.

SEK millions	Group			
	Reserve for hedge of foreign operations	Reserve for cashflow hedges	Translation reserve	Total reserves
Reserves, January 1, 2012	-1,850	57	24	-1,769
Translation differences during the period			-1,747	-1,747
Fair value changes during the period	610	-186		424
Tax related to fair value changes during the period	-160	49		-111
Transferred to the income statement		102		102
Tax related to transferred to the income statement		-27		-27
Reserves, December 31, 2012	-1,400	-5	-1,723	-3,128
Reserves, January 1, 2013	-1,400	-5	-1,723	-3,128
Translation differences during the period			-267	-267
Fair value changes during the period	79	-155		-76
Tax related to fair value changes during the period	-18	25		7
Transferred to the income statement		84		84
Tax related to transferred to the income statement		-9		-9
Reserves, December 31, 2013	-1,339	-60	-1,990	-3,389

Exchange rate differences which arise upon the translation into Swedish kronor of the net investment in foreign subsidiaries are transferred to the translation reserve. The accumulated translation differences amounted to SEK -1,990 (-1,723) million. The exchange rate differences in conjunction with the translation of loans or other financial instruments taken up in order to hedge the exchange rate of net assets in foreign subsidiaries are transferred to the reserve for hedge of foreign operations. The accumulated translation differences amounted to SEK -1,339 (-1,400) million. Exchange rate differences in conjunction with cash flow hedge of significant sales in foreign currency as well as hedge of interest rates from variable to fixed rate are transferred to the reserve for cash flow hedge. The accumulated translation differences amounted to SEK -60 (-5) million.

The proposed but as yet not resolved upon dividend for 2013 amounts to SEK 0 (324) million, equal to SEK 0.00 (1.00) per share. The amount has not been reported as a liability.

13 Pensions

Within the Group there are both contribution-based and benefit-based pensions. In respect of contribution-based pensions and the pension plan for white collar staff in Sweden which is taken out with Alecta, the premiums relating to the period that has elapsed are reported as expenses for the year. Actuarial gains/losses are disclosed in the other comprehensive income.

The total pension expenses are broken down as follows:	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Fees for contribution-based plans	271	280	14	15
Fees for pension insurance policies with Alecta ¹⁾	76	81	5	5
Pension expenses, benefit-based plans	14	18	1	-1
Special employer's contributions	70	75	4	4
Other	9	11	0	0
Total pension expenses	440	465	24	23

¹⁾ Alecta's surplus can be allocated to the policyholders and/or the insurers. At the end of September 30 2013, Alecta's surplus in the form of the collective funding level amounted to 149 percent compared with 129 percent as per the end of 2012. The collective funding level consist of the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not concur with IAS 19.

The following provisions for pension obligations have been made in the balance sheet:	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Funded pension obligations	47	33	-	-
Fair value of managed assets	-38	-33	-	-
Pension obligations less managed assets	9	0	-	-
Unfunded pension obligations	111	166	3	3
Pension provisions¹⁾	120	166	3	3

¹⁾ The benefit-based pension provisions are in Sweden (SEK 60 million), Canada (SEK 28 million), the US (SEK 21 million) and Other countries (SEK 11 million).

Changes in benefit-based obligations during the year:	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Pension obligations, opening balance	199	193	3	3
Benefits earned during the year	6	24	1	0
Actuarial gains/losses	-7	12	0	0
Interest expenses	5	5	0	0
Paid benefits	-45	-29	-1	0
Translation differences	0	-6	-	-
Pension obligations, closing balance	158	199	3	3

Changes in the value of the managed assets during the year:	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Managed assets, opening balance	33	31	-	-
Actuarial gains/losses	4	2	-	-
Return during the year	3	1	-	-
Fees from employer	15	2	-	-
Paid benefits	-17	-1	-	-
Translation differences	0	-2	-	-
Managed assets, closing balance	38	33	-	-

13 Pensions cont.

SEK millions	2013	2012
Experience based adjustments		
• benefit-based obligations (- = profit)	-7	12
• managed assets (+ = profit)	4	2

Actuarial calculation assumptions

The actuarial calculation of pension obligations and pension expenses is based on the following assumptions.

%	2013	2012
Discount rate (mortgage bonds) ¹⁾	2,5	2,5
Inflation	2	2
Anticipated increase in salaries	3	3
Personnel turnover	1	1
Increase in income-base amount	3	3

¹⁾ In SSAB Americas, however, the discount rate has been 5.2 (5.2) percent and the salary increase 3.5 (3.5) percent.

14 Deferred tax liabilities and tax receivables

Deferred tax on retained earnings in subsidiaries and affiliated companies is not taken into consideration. To the extent profits are transferred to the parent company, such a transfer is normally exempt from taxation. To the extent such a transfer is not exempt from taxation, the parent company determines the date of such transfer and such transfer will not take place within the foreseeable future.

Changes in deferred tax (receivables +/-liabilities -)

SEK millions	Group						Total
	Accelerated depreciation of fixed assets	Tax allocation reserves	Pension provisions	Long-term deferred income	Deferred tax on surplus values	Other	
Opening balance January 1, 2012	-2,507	-558	71	542	-1,920	155	-4,217
Changes against earnings	255	263	-18	-12	334	144	966
Changes against other comprehensive income	0	0	1			24	25
Changes against investment grant	0	0		-52			-52
Translation difference	67	0	-14	-23	94	2	126
Closing balance December 31, 2012	-2,185	-295	40	455	-1,492	325	-3,152
Opening balance January 1, 2013	-2,185	-295	40	455	-1,492	325	-3,152
Changes against earnings	2	0	12	0	0	-14	0
Changes against other comprehensive income	74	224	-1		245	351	893
Changes against equity			0			13	13
Changes against investment grant			0	-76			-76
Increase due to acquisition					-4		-4
Changes due to disposal					0		0
Translation difference	9	0	-1	-4	9	-3	10
Closing balance December 31, 2013	-2,100	-71	50	375	-1,242	672	-2,316

14 Deferred tax liabilities and tax receivables cont.

Deferred tax receivables and liabilities are distributed as follows:

	Group	
	2013	2012
Deferred tax receivables		
• due within 12 months	14	34
• due after more than 12 months	639	634
	653	668
Deferred tax liabilities		
• due within 12 months	0	-329
• due after more than 12 months	-2,969	-3,491
	-2,969	-3,820
Deferred tax, net	-2,316	-3,152

Changes in deferred tax (receivables +/liabilities -)	Parent company		
	Pension provisions	Other	Total
SEK millions			
Opening balance January 1, 2012	1	3	4
Changes against other comprehensive income	0	6	6
Changes through acquisition of businesses	0	0	0
Closing balance December 31, 2012	1	9	10
Opening balance January 1, 2013	1	9	10
Changes against other comprehensive income	0	-	-
Changes through acquisition of businesses	-	-3	-3
Closing balance December 31, 2013	1	6	7

A deferred tax receivable due to losses carried forward is recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses. The Group did not recognize deferred tax receivables on losses carried forward in the amount of SEK 337 (158) million. SEK 19 (12) Million of these will expire within one year.

15 Other provisions

Group

SEK millions	Efficiency program	Warranties, divestment of operations ¹⁾	Other provisions ²⁾	Total
Opening balance, January 1, 2012	–	82	95	177
Additional provisions	41	–	21	62
Utilized during the year	–38	–4	–21	–63
Translation difference	–	–	–2	–2
Closing balance, December 31, 2012	3	78	93	174
Opening balance, January 1, 2013	3	78	93	174
Additional provisions	47	–	16	63
Utilized during the year	–47	–6	–22	–75
Reclassification	–	–	–1	–1
Closing balance, December 31, 2013	3	72	86	161

of which reported as:

	2013	2012
• Other long-term provisions	134	140
• Short-term provisions	27	34

Parent Company

SEK millions	Warranties, divestment of operations ¹⁾	Other provisions ²⁾	Total
Opening balance, January 1, 2012	82	10	92
Additional provisions	–	9	9
Utilized during the year	–4	–10	–14
Closing balance, December 31, 2012	78	9	87
Opening balance, January 1, 2013	78	9	87
Utilized during the year	–6	–9	–15
Closing balance, December 31, 2013	72	0	72

of which reported as:

	2013	2012
• Other long-term provisions	58	66
• Short-term provisions	14	21

¹⁾ The tubular business in North America was sold on June 12, 2008 and there are warranty undertakings to the purchaser regarding taxes for the period prior to the sale. In conjunction with the sale, provision was made in respect of this warranty. In 2010, an agreement was reached regarding a tax dispute, which in all essential respects constitutes the currently known warranty undertakings, which resulted in an adjustment of the provision entailing an additional cost of SEK 164 million. Most of the amount was paid during 2010.

²⁾ "Other provisions" consist primarily of personnel-related provisions.

16 Interest-bearing liabilities

Long-term interest-bearing liabilities	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Capital market debt ¹⁾	7,874	7,888	7,874	7,888
Financial leasing agreements	21	18	–	–
Bank loans ²⁾	8,350	8,402	8,350	8,402
Export financing ³⁾	272	356	–	–
Alabama tax revenue bond ⁴⁾	1,405	1,416	–	–
Other	337	346	109	149
Total	18,259	18,426	16,333	16,439
Less amortization 2014 and 2013	–2,166	–159	–2,059	–53
Total	16,093	18,267	14,274	16,386

^{1)–4)} For description of footnot 1–4 see table below.

Issued/matures	Interest rate (nominal), %	Group		Parent Company	
		Outstanding, SEK millions			
SEK millions		2013	2012	2013	2012
¹⁾ Specification of capital market debt					
Fixed interest					
2007–2017	4.875 – 5.875	3,399	3,409	3,399	3,409
Variable interest					
2009–2017	stibor +1.70 – +3.40	3,925	3,450	3,925	3,450
2010–2018	libor +1.75	550	554	550	554
Total capital market debt		7,874	7,888	7,874	7,888
²⁾ Specification of bank loans					
Variable interest					
2007–2017	libor +1.10 – +2.00	6,725	6,777	6,725	6,777
2007–2015	stibor +1.50 – +1.75	1,625	1,625	1,625	1,625
Total bank loans		8,350	8,402	8,350	8,402
³⁾ Specification of export financing					
Variable interest					
2009–2016	euribor +1.50	272	356	–	–
Total export financing		272	356	–	–
⁴⁾ Specification of Alabama tax revenue bond					
Variable interest					
2011–2031	libor +0.95	373	376	–	–
2011–2041	libor +0.95	1,032	1,040	–	–
Total Alabama tax revenue bond		1,405	1,416	–	–

Repayment of long-term interest-bearing liabilities

SEK millions	2014	2015	2016	2017	2018	Later
As per December 31, 2013						
Group	2,166	4,480	3,049	6,597	550	1,417
Parent Company	2,059	4,359	2,775	6,591	549	0

Repayment of long-term interest-bearing liabilities

SEK millions	2013	2014	2015	2016	2017	Later
As per December 31, 2012						
Group	159	2,364	5,254	2,058	6,622	1,969
Parent Company	53	2,065	5,146	2,000	6,622	553

16 Interest-bearing liabilities cont.

Short-term interest-bearing liabilities	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Current part of long-term liabilities	2,166	159	2,059	53
Commercial paper	305	866	305	866
Overdraft facilities	31	76	–	56
Other short-term interest bearing liabilities	66	14	50	–
Total short-term interest-bearing liabilities	2,568	1,115	2,414	975

Loan debts are valued at the amortized cost.

Most of the loans in foreign currency is used as hedging for the net investment in SSAB Americas and thus has not been hedged.

On the balance sheet date, the Group's exposure on the Long-term interest-bearing liabilities to changes in interest rates and the contractually agreed dates for interest renegotiation with respect to borrowing was as follows:

Amount falling due for interest rate renegotiation

SEK millions	2014	2015	2016	2017	2018	Later
As per December 31, 2013						
Group	14,140	13	2,209	1,887	1	9
Parent Company	12,450	–	2,000	1,883	–	–

Amount falling due for interest rate renegotiation

SEK millions	2013	2014	2015	2016	2017	Later
As per December 31, 2012						
Group	12,272	2,251	6	2,005	1,892	–
Parent Company	10,493	2,054	–	2,000	1,892	–

Reported amounts, per currency, for the Group's borrowing are set forth in Note 27.

17 Accrued expenses and deferred income

Accrued expenses and short term deferred income	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Accrued personnel expenses	837	941	17	22
Non-invoiced goods and services received	480	564	–	–
Accrued interest expenses	65	76	65	74
Accrued discounts, bonuses and complaints	17	16	–	–
Derivatives reported in hedge accounting	82	192	29	42
Derivatives not reported in hedge accounting	43	114	–	–
Energy taxes	4	14	–	–
Other items	71	81	9	7
Total accrued expenses and short term deferred income	1,599	1,998	120	145

Long-term deferred income	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Investment grant (Alabama tax credit)	376	456	–	–
Total long-term deferred income	376	456	–	–

18 Net debt

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
Cash and bank balances	2,124	1,177	50	149
Short-term investments	–	1,827	–	390
Receivables from subsidiaries	–	–	10,187	12,102
Other receivables	1,877	1,143	99	96
Interest-bearing assets	4,001	4,147	10,336	12,737
Short-term interest-bearing liabilities	2,568	1,115	2,414	975
Long-term interest-bearing liabilities	16,093	18,267	14,274	16,386
Pension provisions	120	166	3	3
Liabilities to subsidiaries	–	–	2,223	2,617
Other liabilities	53	97	29	42
Interest-bearing liabilities	18,834	19,645	18,943	20,023
Net debt	14,833	15,498	8,607	7,286

For definition see Note 29.

19 Average number of employees and gender breakdown

	Number of employees		Women, %	
	2013	2012	2013	2012
Parent Company				
Sweden	57	57	49	51
Total, Parent Company	57	57	49	51
Subsidiaries				
Sweden	5,789	6,402	21	20
Denmark	45	55	44	42
Finland	111	120	25	29
France	21	22	48	45
Italy	52	56	25	27
Canada	96	87	13	11
China	135	147	22	21
Netherlands	24	24	33	25
Norway	27	29	19	21
Poland	108	111	29	28
Great Britain	55	42	22	26
South Africa	85	92	13	13
Germany	31	33	35	36
USA	1,325	1,273	12	12
Other < 20 employees	233	145	32	34
Total, subsidiaries	8,137	8,638	21	20
Total, Group	8,194	8,695	21	20

The calculation is based on a normal number of working hours per year in different production areas. The percentage of women relates to the numbers employed on December 31. Women accounted for 8 (6) percent of the members of all boards of directors in the Group, while the figure for the Board of Directors of the parent company was 8 (8) percent. The percentage of women in the management groups (including Presidents) in the Group was 19 (16) percent. The Group Executive Committee comprises seven men and two women.

20 Leasing

Operational leasing	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Leasing charges during the year	141	136	10	10

The agreed minimum leasing charges relating to operational leasing agreements that cannot be terminated amount to SEK 112 million for 2014; a total of SEK 375 million for 2015–2018; and to SEK 164 million for the years after 2018. Operational leasing includes office equipment, leases for property, premises and rolling stock for transportation in the steel operations.

Financial leasing	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Leasing charges during the year	9	9	–	–

Agreed minimum leasing charges for 2014 amount to SEK 8 million and to a total of SEK 26 million for 2015–2018. The present value of financial leasing liabilities is SEK 26 (12) million. Financial leasing includes a switchgear, rolling stock for transportation in the steel operations, as well as a number of fork lift trucks.

21 Pledged assets

	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Real property mortgages	31	39	–	–
Restricted funds ¹⁾	2,231	203	–	–
Floating charges	0	0	–	–
Total pledged assets	2,262	242	–	–

¹⁾ The increase in restricted funds primarily comprises surplus liquidity in the Belgian finance company which is pledged to the benefit of other Group companies.

22 Contingent liabilities

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
Contingent liabilities regarding subsidiaries' obligations ¹⁾	531	534	2,336	2,469
Other contingent liabilities	68	60	50	43
Total contingent liabilities	599	594	2,386	2,512

¹⁾ Of the contingent liabilities of the parent company, SEK 1,701 (1,790) million relates to guarantees for subsidiaries' loans.

Conditions not reported as contingent liabilities

During the autumn of 2008, a number of class actions were brought in USA against a number of steel producers, including SSAB, alleging that they had violated US anti-trust legislation by colluding to restrict steel production in the United States during 2005–2008 with the aim of influencing steel prices. The opposing party consists of direct and indirect purchasers of relevant steel products who are claiming an unspecified amount in damages from the sued steel producers. SSAB denies the allegations.

The Group is otherwise involved in a very limited number of legal disputes concerning insurance and warranty matters, as well as complaints. The anticipated outcome of these cases has been taken into consideration in the accounting.

23 Untaxed reserves and appropriations

Untaxed reserves	Parent Company	
SEK millions	2013	2012
Tax allocation reserve 2008	–	133
Tax allocation reserve 2010	43	42
Total untaxed reserves in the balance sheet	43	175

Appropriations	Parent Company	
SEK millions	2013	2012
Group contribution, received	473	559
Group contribution, given	–260	–1,150
Change in tax allocation reserve	133	486
Total appropriations in the income statement	346	–105

24 Acquisition shares and operations

During the third quarter of 2013, an additional 19 percent stake was acquired in Geha Beheer BV, bringing the total holding to 51 percent. The purchase price was SEK 9 million, and the impact on the Group's cash and equivalents was SEK –6 million. During the third quarter, the Group also acquired 100 percent of the shares in JL Steel Services Ltd, a company specialising in the manufacture and installation of wearparts. The purchase price was SEK 15 million and the impact on the Group's cash and equivalents was SEK –11 million. Additional small acquisitions have been made which affected the Group's cash and equivalents by SEK –4 million.

EM Eriksson Steel Service Center Aktiebolag was acquired in 2012. The purchase price was SEK 29 million and the acquired net assets amounted to SEK 7 million.

The impact on the Group's cash and equivalents was SEK –29 million. The parent company acquired 20 percent of the shares in Industrikraft i Sverige AB for SEK 1 million.

Expenditures associated with the acquisition have been reported as expenses.

25 Divested shares and operations

During 2013, Tibnor divested a number of real estates, which generated a positive cash flow of SEK 88 million and affected earnings with SEK 73 million. In 2012, Plannja's panel production business was divested, thereby generating a positive cash flow effect of SEK 31 million and a profit of SEK +0 million.

Value of assets and liabilities divested during 2013

SEK millions	
Tangible fixed assets (Note 7)	28
Other current receivables	0
Deferred tax liabilities and provisions	–1
Other current liabilities	–12
Divested net assets	15
Capital gain	73
Received purchase price after transaction costs and tax	88
Cash and cash equivalents in divested companies	0
Net received payment and effect on the Group's cash and cash equivalents	88

26 Segments

The Group Executive Committee has determined segments based on the information that is used for taking strategic decisions. The key features of SSAB's strategic plan of action are based on increasing growth within niche products, increasing profitability at current plants, and strengthening the organization. The business operations are reorganized into three geographic business areas, SSAB EMEA, SSAB Americas and SSAB APAC.

The Tibnor distribution operations remain as a separate business segment. SSAB EMEA consist of Europe, the Middle East and Africa; SSAB Americas of North and Latin America; SSAB APAC of Asia, Australia and New Zealand and Tibnor of steel and metal distribution in northern Europe. The segment information is presented in the tables below:

Sales and results per business area	Total sales		of which internal sales		Operating profit		Return on capital employed, %	
	2013	2012	2013	2012	2013	2012	2013	2012
SEK millions								
Business area:								
SSAB EMEA	18,055	20,258	4,194	5,419	-761	-930	-5	-6
SSAB Americas ¹⁾	14,382	16,173	71	195	272	1,568	4	18
SSAB APAC	1,761	2,318	-	0	27	167	3	11
Tibnor	5,245	5,961	50	58	73	104	5	7
Amortization of surplus values ²⁾					-681	-861		
Other incl. Group adjustments	-4,421	-5,787	-4,315	-5,672	-61	-144	-	-
Total	35,022	38,923	-	-	-1,131	-96	-2	0

¹⁾ Operating profit and returns exclude surplus values on intangible and tangible assets. The return includes surplus values. Excluding surplus values the returns are -1 (2) percent.

²⁾ Depreciation and amortization on surplus values on intangible and tangible fixed assets related to the acquisition of IPSCO.

Balance and cash flow information per business area	Capital employed		Depreciation and amortization ¹⁾		Maintenance expenditures		Strategic expenditures ²⁾		Operational cash flow	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
SEK millions										
Business area:										
SSAB EMEA	13,773	15,925	1,225	1,264	485	660	57	99	1,024	2,260
SSAB Americas	27,744	28,292	1,158	1,259	141	84	108	490	552	2,390
SSAB APAC	1,268	1,934	29	14	3	5	7	71	266	99
Tibnor	1,240	1,442	51	48	27	25	-	30	164	378
Other incl. Group adjustments	1,958	821	1	1	0	1	-	-4	-50	-198
Total	45,983	48,414	2,464	2,586	656	775	172	686	1,956	4,929

¹⁾ SSAB America including depreciation and amortization on surplus values of SEK 681 (861) million.

²⁾ Strategic capital expenditures in fixed assets including acquisitions of shares and operations.

26 Segments cont.

Geographical areas

The Group's export sales from Sweden are focused primarily on Europe. However, as a consequence of growth in the Group's niche products, sales in more distant markets are increasing.

The manufacture of the Group's steel products take place almost exclusively in Sweden and the United States. Thus, investments other than in those countries have been small.

The table below shows the breakdown of the Group's sales per country/region, irrespective of where the products are manufactured.

Sales and results per business area

SEK millions	2013	%	2012	%
Sweden	6,833	20	7,613	20
EU-28 (excl. Sweden)	9,574	27	10,221	26
Rest of Europe	1,816	5	2,038	5
North America	13,449	38	15,060	39
Asia	1,760	5	2,621	7
Rest of the world	1,590	5	1,370	3
Total	35,022	100	38,923	100

The table below shows the reported value of tangible and intangible assets and capital expenditures broken down by geographic areas according to the location of the assets.

Tangible/Intangible assets and capital expenditures per business area

SEK millions	Tangible/Intangible assets				Capital expenditures in plants and machinery			
	2013	%	2012	%	2013	%	2012	%
Sweden	9,283	26	10,009	26	530	66	756	53
EU-28 (excl. Sweden)	233	1	187	1	15	2	19	1
Rest of Europe	4	0	16	0	2	0	5	0
North America	26,489	72	27,633	72	239	30	556	39
Asia	339	1	357	1	8	1	77	6
Rest of the world	30	0	24	0	10	1	18	1
Total	36,378	100	38,226	100	804	100	1,431	100

27 Financial risk management

Financial risk management is governed by the Group's finance policy. Most financial transactions take place through the parent company's finance function in Stockholm and through SSAB Finance Belgium. For a detailed description of the Group's financial risks, see page 43.

Refinancing risks (liquidity risks)

At year-end, long-term borrowing amounted to SEK 16,093 (18,267). Borrowing takes place primarily through the bank market and through existing note and commercial paper programs. For borrowing for terms of up to ten years, a European Medium Term Note program (EMTN) or a Swedish MTN program is used, while a Swedish commercial paper program is used for borrowing for shorter terms. The program limit of the EMTN program is EUR 2,000 million; the MTN program has a limit of SEK 7,000 million, while the commercial paper program has a limit of SEK 5,000 million. The Swedish note program is rated by Standard & Poor's at BB. At year-end, long-term borrowing

within the EMTN program amounted to SEK 1,358 (1,368) million, borrowing within the MTN program amounted to SEK 4,500 (4,500) million, and borrowing within the commercial paper program amounted to SEK 305 (866) million.

At year-end, the Group's liquidity preparedness, consisting of cash and cash equivalents, short-term investments and non-utilized binding credit facilities, and net of restricted cash, amounted to SEK 9,443 (11,699) million, equal to 27 (30) percent of sales.

To the extent surplus liquidity arises, it is used first and foremost to repay loans. If that is not possible, the funds are invested in government securities or deposited with approved banks.

The total loan debt at year-end was SEK 18,661 (19,382) million, with an average term to maturity of 4.1 (4.8) years.

The maturity structure during the coming years is presented in Note 16.

The contractual payments on the outstanding loan debt, including interest payments and derivative instruments, are shown in the following table:

SEK millions	Book value	Contractual cash flow	2014	2015	2016	2017	2018	Later
Bond loans	7,874	8,811	2,332	218	2,223	3,478	561	0
Bank loans	8,350	8,826	162	4,500	859	3,306	0	0
Export financing	272	291	108	108	75	0	0	0
Alabama tax revenue bond	1,405	1,676	17	17	17	17	17	1,588
Commercial paper	305	306	306	–	–	–	–	–
Credit facilities	50	56	56	–	–	–	–	–
Other	405	428	100	25	219	74	1	9
Total loans	18,661	20,394	3,081	4,868	3,393	6,875	579	1,597
Derivatives, outflow, net	6,253	6,253	5,864	332	57	–	–	–
Derivatives, inflow, net	–6,181	–6,181	–5,795	–329	–57	–	–	–
Total including derivatives	18,733	20,466	3,150	4,871	3,393	6,875	579	1,597

In addition to the above loan debts and derivative instruments, there are accounts payable and other current liabilities which are due and payable within one year. Interest flows are calculated based on interest rates and exchange rates at year-end.

27 Financial risk management cont.

Market risks

Market risks are the risk of changes in market prices, such as interest rates and exchange rates, which can affect the Group's earnings or financial position.

INTEREST RATE RISKS

At year-end, the total loan debt amounted to SEK 18,661 (19,382) million, of which SEK 5,899 (5,909) million is carried or swapped to fixed interest. Including the interest rate swaps, the average fixed interest term was 0.9 (1.2) years. Given the same loan debt, short-term investments, cash and cash equivalents, and the same fixed term rates as at the end of the year, a change in market interest rates of 100 points (1 percentage point), including interest hedging, would change earnings after tax by approximately SEK 70 (80) million. Loans which are subject to rate negotiation in the coming years are shown in Note 16.

At year-end, the value of interest rate swaps converting floating to fixed interest (entered into to secure cash flow in conjunction with interest payments) was SEK -29 (-42) million, which is reported in 'Other comprehensive income'. No inefficiency was identified during the year.

The Group's interest-bearing assets amounted to SEK 4,001 (4,147) million and consisted almost exclusively of cash and equivalents and funds in escrow at variable rates of interest.

CURRENCY RISKS

Most of the commercial currency flows which qualify for hedge accounting (at present, purchases in USD of iron ore and coal with longer contract terms, and sales in EUR) are hedged. Major investments decided upon in foreign currency are hedged in

their entirety. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short term in nature and thus no hedging takes place; instead, they are exchanged on the spot market.

The Group had a total net inflow of foreign currency. The net foreign currency inflow in 2013 was SEK 5.3 (2.6) billion. The Group's most important currency flows are shown in the diagram on page 45.

Based on revenues and expenses in foreign currency in 2013, a five percentage point devaluation of the Swedish krona against other currencies, including hedging, would have an annual positive effect on earnings after tax of SEK 160 (240) million.

A five percentage point devaluation of the Swedish krona against the Group's two most important, currencies, USD, and EUR, would have a negative impact on earnings after tax of approximately SEK 250 (230) million with respect to USD and a positive impact of just over SEK 350 (380) million with respect to EUR. The negative effect vis-à-vis USD consists of an increased cost for the Group's purchases of raw materials (coal, iron ore and scrap metal) in the amount of approximately SEK 480 (520) million, a positive effect on the operational net flows of USD in other respects of approximately SEK 240 (300) million, and a negative impact as regards increased interest payments of approximately SEK 10 (10) million. The positive effect vis-à-vis EUR derives from the operational net flows.

In 2013, net exchange rate differences were reported in the amount of SEK -59 (+111) million in operating profit and SEK -30 (-26) million in financial items.

As per December 31, the breakdown per currency of account receivables, other current receivables and derivative instruments was as follows:

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
SEK	1,123	1,079	2	3
USD	1,477	1,565	93	91
EUR	1,594	1,399	-	-
Other currencies	1,020	924	-	-
Total	5,214	4,967	95	94
of which:				
Accounts receivable	4,785	4,383	0	0
Other current receivables	298	337	2	3
Derivative instruments ¹⁾	131	247	93	91
Total	5,214	4,967	95	94

¹⁾ Derivative instruments are included in the balance sheet item 'Prepaid expenses and accrued income' in the amount of SEK 131 (247) million and, for the parent company, SEK 93 (91) million.

27 Financial risk management cont.

As per December 31, the breakdown per currency of accounts payable, other current liabilities and derivative instruments was as follows:

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
SEK	1,398	1,102	38	16
USD	2,254	1,822	–	42
EUR	707	531	–	–
Other currencies	549	463	–	–
Total	4,908	3,918	38	58
of which:				
Accounts payable	4,578	3,470	7	11
Other current liabilities	205	141	2	5
Derivative instruments ¹⁾	125	307	29	42
Total	4,908	3,918	38	58

¹⁾ Derivative instruments are included in the balance sheet item 'Accrued expenses and deferred income' in the amount of SEK 125 (307) million and, for the parent company, SEK 29 (42) million.

Borrowing broken down per currency is shown below:

SEK millions	Group		Parent Company	
	2013	2012	2013	2012
SEK	7,989	11,869	7,969	11,846
USD	10,124	7,128	8,719	5,515
EUR	325	361	–	–
Other currencies	219	24	–	–
Total	18,657	19,382	16,688	17,361

Borrowing in USD has not been hedged separately since the borrowing in itself is a hedge of the net investment in SSAB Americas and SSAB Finance Belgium.

The objective is to obtain an even balance in which the currency effect on the net investment in SSAB Americas and SSAB Finance Belgium has as little impact as possible on the Group's net debt/equity ratio.

At year-end, this net investment amounted to USD 4,314 (4,314) million. In total, loans and currency derivatives subject to hedge accounting amounted to USD 1,585 (1,585) million. At year-end, the accumulated fair value change in the hedge reserve on the loans and derivative instruments identified as hedge instruments amounted to SEK –1,904 (–1,983) million. During the year, an inefficiency of SEK 0 (0) million was identified; this has been reported in its entirety in the result.

Credit risk

The limits for individual counterparties are evaluated continuously and, during the year, were capped at SEK 1,500 (1,500) million. At year-end, the total counterparty risk was SEK 3,061 (2,761) million, of which derivative instruments accounted for SEK 73 (–42) million and investments in cash and cash equivalents amounted to SEK 2,988 (2,803) million.

In addition to the above, there are credit risks associated with accounts receivable and other receivables, which are managed in each subsidiary. Prior to write down in respect of bad debts, these receivables had a gross value of SEK 5,217 (4,820) million. The risk is allocated over a large number of customers. In addition, individual credit rating tests are conducted and limits imposed for each customer.

27 Financial risk management cont.

Age analysis regarding Accounts receivable and Other receivables	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Not due	3,711	3,668	2	3
1–30 days	865	817	–	–
31–120 days	389	187	–	–
121–365 days	141	66	–	–
> 365 days	111	82	–	–
Total	5,217	4,820	2	3

Bad debts, change	Group		Parent Company	
	2013	2012	2013	2012
SEK millions				
Opening balance	–97	–93	–	–
Anticipated bad debt losses	–52	–44	–	–
Realized bad debt losses	18	37	–	–
Reversed non-utilized amount	–1	1	–	–
Translation differences	–1	2	–	–
Closing balance	–133	–97	–	–

No other financial assets have been written-down.

Valuation of financial instruments

CURRENCY DERIVATIVES AND INTEREST RATE SWAPS

According to the finance policy, currency hedging takes place mainly to minimize the translation risk associated with the impact of changes in exchange rates on the net debt/equity ratio. The translation exposure is hedged primarily through loans in the same currency, in the absence of which currency derivatives may be used instead. At year-end, the investment in SSAB Americas was hedged with loans amounting to USD 1,335 (1,335) million and derivative instruments amounting to USD 250 (250) million.

Currency hedging takes place also with respect to purchases of iron ore and coal with longer contract terms, as well as regards major investments in foreign currency. Only currency derivatives are used to hedge such currency risks and all currency derivatives are valued at fair value in the balance sheet. As regards the currency hedging which meets the requirements for hedge accounting pursuant to IAS 39 and comprises fair value hedging, changes in value of the currency derivatives do not impact on earnings; rather, they are set off in the income statement against corresponding changes in the value of the hedged order. In connection with the delivery of such purchases, the hedged part of the acquired asset is reported at the hedged rate. At year-end, purchase orders for which currency futures had been contracted had a total value of SEK 1.3 (2.1) billion. At year-end, derivative instruments for 'fair value hedging' had a reported net fair value of SEK –5 (–113) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were reported at

SEK +5 (+113) million, entailing that there was no inefficiency at the end of the accounting year.

Currency hedging also takes place on forecast sales in EUR. For currency hedging which meets the requirements for hedge accounting, changes in value of a currency derivative do not impact on earnings; rather, they are reported in 'Other comprehensive income'. In connection with sales, accumulated amounts are reversed from the hedge reserve in equity to the income statement in the periods in which the hedged item affects earnings. At year-end, the total value of forecast sales in respect of which currency futures had been contracted was SEK 3.5 (3.8) billion. At year-end, derivative instruments which relate to forecast sales and which meet the requirements for hedge accounting amounted to net SEK –48 (84) million, of which SEK –48 (84) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Cash flow hedging also takes place in respect of certain bond loans carrying floating interest rates where a variable to fixed interest rate swap is used. For interest-rate derivatives which meet the requirements for hedge accounting pursuant to IAS 39, changes in the value of the interest rate derivative do not impact on earnings; rather, they are reported in 'Other comprehensive income'. At year-end, such interest-rate derivatives had a booked fair value of SEK –29 (–42) million, of which SEK –29 (–42) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

27 Financial risk management cont.

Derivative instruments which are not reported in hedge accounting are valued at fair value in the income statement. At year-end, these non-realized derivative instruments amounted to net SEK 2 (–61) million, of which SEK 18 (–59) million was

reported in 'Other operating income' and SEK –16 (–2) million was reported in 'Financial items'.

The Group's total outstanding derivatives at year-end had an average remaining term of 4 (5) months.

Valuation of financial assets and liabilities

The table below shows the reported value compared with the assessed fair value per type of financial asset and liability:

Group	Reported value		Fair value	
	2013	2012	2013	2012
SEK millions				
Financial assets				
2. Financial fixed assets	1,599	1,035	1,599	1,035
1. Currency derivatives not subject to hedge accounting ¹⁾	45	53	45	53
4. Currency derivatives for 'fair value hedging' of flows ¹⁾	–	37	–	37
4. Currency derivatives for hedging of net investments ¹⁾	86	73	86	73
4. Currency derivatives for hedging of sales ¹⁾	–	84	–	84
2. Accounts receivable	4,785	4,383	4,785	4,383
2. Other current interest-bearing receivables	194	24	194	24
2. Cash and cash equivalents	2,124	3,004	2,124	3,004
Financial liabilities				
3. Long-term interest-bearing liabilities	16,093	18,267	16,521	18,781
3. Current interest-bearing liabilities	2,568	1,115	2,568	1,115
1. Currency derivatives not subject to hedge accounting ¹⁾	43	114	43	114
4. Currency derivatives for 'fair value hedging' of flows ¹⁾	5	150	5	150
4. Currency derivatives for hedging of sales ¹⁾	48	–	48	–
4. Currency derivatives for hedging of net investments ¹⁾	–	–	–	–
4. Interest rate derivatives for hedging of interest flows ¹⁾	29	42	29	42
3. Accounts payable	4,578	3,470	4,578	3,470

Balance sheet item classification: 1. Holdings valued at fair value in the income statement; 2. Loan receivables and accounts receivable valued at acquisition value; 3. Financial liabilities valued at amortized cost; 4. Derivatives for hedging valued at fair value.

¹⁾ Derivative instruments are included in the balance sheet items 'Accrued income and prepaid expenses' or 'Accrued expenses and deferred income'.

Assessment of fair value of financial instruments

The classification takes place hierarchically on three 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, is used, e.g. interest rates and return curves. On level 3, the fair value is determined using an assessment technique which is based on assumptions that are not based on prices or data that are directly observable. The fair value assessment of the financial instruments in SSAB is based on data in accordance with level 2. The credit risk of SSAB is not included since the impact is considered marginal.

Financial assets consist largely of other non-current receivables and are valued at the amount which is expected to be received following an assessment of bad debts.

Derivative instruments are valued at fair value, calculated with established valuation models based on observable market data. At year-end, the derivatives were valued at SEK +131 million as financial assets and SEK –125 million as financial liabilities. If full netting had been applied the derivatives had been booked at SEK +73 million as financial assets and SEK –68 million as financial liabilities.

Accounts receivable are reported in the amount which is expected to be received following an individual assessment of bad debts. There is no concentration of credit risks since the Group has a large number of customers spread throughout the world.

Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months. Fair value is estimated at the acquisition value.

Cash and cash equivalents consist of bank balances and bank deposits with short terms to maturity, and the fair value is estimated at acquisition value. Non-current interest-bearing liabilities consist primarily of loans that are not subject to hedge accounting and are valued at accrued acquisition value. Loans subject to hedge accounting are valued and reported at fair value. Fair value has been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year.

Current interest-bearing liabilities are valued at accrued amortized cost. Fair value has been calculated based on the rate of interest for outstanding terms to maturity as applicable at the end of the year.

Accounts payable are reported in the amount which is expected to be paid and are valued at acquisition value.

Management of capital

The Company's capital management is aimed at ensuring that the operations can continue to be conducted and generate good return for the shareholders. Since the Group's operations are dependent on the business cycle, the target is to maintain a long-term net debt/equity ratio of around 30 percent.

In order to maintain or adapt the capital structure, dividends may be adjusted, share buybacks or redemption may take place, or new issues or divestments of assets may take place in order to reduce liabilities.

The net debt/equity ratio increased somewhat during the year. At year-end, the net debt/equity ratio was 55 (54) percent.

28 Critical estimations and assessments

Important assessments upon application of the accounting principles

In the steel operations' industrial areas, there is a need for future land clean up. In accordance with applicable rules, such clean up will become relevant only when SSAB ceases to conduct operations in the area. At present, it is not possible to assess if and when operations will cease and, accordingly, no provision has been made for such land clean up.

Important sources of uncertainty in estimations

TEST OF IMPAIRMENT OF GOODWILL

On November 30, the annual impairment test was carried out of the goodwill which arose in conjunction with the acquisition of IPSCO. The test showed no impairment. The valuation was carried out at a time when the global economy is still characterized by great uncertainty and, under such circumstances, it is of course extraordinary difficult to make an assessment as regards future earning capacity and thereby an assessment of the fair value of goodwill. The assessment is, however, that there is reasonable room for deterioration in key assumptions without need for any impairment, see Note 6.

Not until the estimated discount rate before tax which was applied to the discounted cash flows would be 0.9 percentage points higher than the assessment made in the calculation or not until the long term forecasted gross margin would be 1.7 percentage points lower than the assessment made in the calculation, should any need to start writing down goodwill arise.

ALABAMA TAX CREDIT

SSAB's subsidiary in Alabama, USA has carried out a number of investments which are covered by a program for investment grant. The program provides an entitlement to tax deductions on the calculated state tax for each year, in respect of the profit which can be allocated to each specific investment. The program extends over 20 years and, in order to obtain the grant in any specific year, state tax must be payable and certain criteria must be fulfilled as regards number of employees and paid minimum wages. A calculation of the future state tax has been made based on results in previous years, budget, and assumptions regarding future profitability. The assessment led to

a recording of a deferred tax asset of USD 58 million. However, since it is unclear to what extent the company will satisfy the criteria for receiving this grant, a reservation in respect of the estimated future investment grant has been made in the balance sheet as long-term deferred income of the same amount. Dissolution of this reserve will take place in pace with the company's assessment of the likelihood that it will obtain the grant. In the event the company fails to satisfy the criteria as regards workforce size and minimum wages, no grant will be received at all.

PENSION BENEFITS

A large part of the Group's pension obligations with respect to white collar staff are benefit based and insured on a collective basis with Alecta. Since it is not possible at present to obtain information from Alecta regarding the Group's share of the obligations and managed assets, the pension plan taken out with Alecta is reported as a contribution based plan. The funding level reported by Alecta at the end of the year does not indicate the existence of a deficit; however, it is not possible to obtain any detailed information from Alecta regarding the amount of the pension liabilities.

ACCOUNTS RECEIVABLE

Provision for bad debts is based on assessments of the customers' payment ability and are by nature difficult to estimate. The item has been the subject of special assessment and, compared with the preceding year, the provision for bad debts was increased by SEK 36 million to SEK 133 (97) million, thereby representing 2.8 (2.2) percent of outstanding accounts receivable.

OTHER PROVISIONS

Assessments take place regularly regarding possible additional claims from the purchaser of the tubular business with respect to warranty undertakings relating to the period prior to the sale. During the past year, nothing has come to light to indicate that the provision made in respect of the warranty is insufficient. See other provisions, Note 15.

29 Definitions

Capital employed

Total assets less non-interest-bearing current and long-term liabilities.

Cash and cash equivalents

Cash and bank balances, as well as short-term investments with a term to maturity of less than three months on the date of acquisition.

Cash flow from current operations

Operational cash flow less financial items and paid tax.

Earnings per share

Profit for the year attributable to the parent company's shareholders divided by the average number of shares.

EBITDA margin

Result before depreciation and amortization as a percentage of total sales.

Equity

Total equity according to the consolidated balance sheet.

Equity per share

Equity, excluding minority interests, divided by number of shares at year-end.

Equity ratio

Equity as a percentage of total assets.

Maintenance capital expenditures

Investments involving maintenance, rationalization, replacements or which relate to the environment and are made in order to maintain competitiveness.

Net debt

Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio

Net debt as a percentage of equity.

Operating cash flow

Funds generated from operations including change in working capital as well as cash flow for regular maintenance investments, but before financial items and paid tax.

Operating margin

Operating result as a percentage of total sales.

P/E ratio

Share price at year-end divided by earnings per share.

Return on equity after tax

Profit for the year after tax as a percentage of average equity per month during the year.

Return on capital employed before tax

Operating profit increased by financial revenue as a percentage of average capital employed per month during the year.

Sales

Sales less deduction for value added tax, discounts, returns, and freight.

Strategic capital expenditures

Investments that increase the cash flow through acquisitions of shares and operations, investments in plant expansion or new competitiveness-enhancing technology.

Yield

Dividend as a percentage of the share price at year-end.

30 Considerations relating to proposed allocation of profit

At the 2014 Annual General Meeting, the shareholders shall, among other things, vote on the dividend proposed by the Board of Directors.

At the end of the year, the net debt was SEK 14,833 (15,498) million, entailing a net debt/equity ratio of 55 (54) percent. The Group's long-term target over a business cycle is 30 percent. The average term to maturity on the loan portfolio at the end of the year was 4.1 (4.8) years, and no major loans will mature during the coming year. The Group's retained earnings amounted to SEK 17,720 (19,102) million and the parent company's unrestricted funds to SEK 27,165 (27,303) million. Equity included unrealized profits resulting from financial instruments being reported at market value in the amount of SEK 50 (48) million. Since the end of the year, nothing material has occurred which has had a negative impact on the Group's financial position.

On January 22, 2014, was announced that SSAB and Finnish Rautaruukki plan to combine through SSAB making a recommended share exchange offer to Rautaruukki's shareholders. In connection with this the Boards of the two companies undertook to propose to the Annual General Meeting that no dividend should be paid for 2013.

Against this background, the Board proposes that the Annual General Meeting issue a dividend of SEK 0.00 (1.00) per share, equal to SEK 0 (324) million.

Proposed allocation of profit

The amount at the disposal of the Annual General Meeting of SSAB AB (publ), reg.no. 556016-3429 is as follows

Retained earnings	27,052
Profit for the year	113
SEK millions	27,165

Of this, a share premium reserve comprises SEK 9,391 million and a fair value reserve comprises SEK 2,389 million.

The Board of Directors and President recommend that the profit be allocated as follows:

Dividend to the shareholders SEK 0.00 per share	0
Carried forward to next year	27,165
SEK millions	27,165

According to the consolidated balance sheet, the Group's retained earnings amounted to SEK 17,720 (19,102) million.

The Board of Directors and the President hereby affirm that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU and provide a true and fair view of the Group's financial position and earnings. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the parent company's financial position and earnings. The report of the directors for the Group and the parent company provides a true and fair overview of the development of the operations, financial position and earnings of the Group and parent company and describes material risks and uncertainty factors facing the parent company and the companies included in the Group.

Stockholm, February 6, 2014



Sverker Martin-Löf
Chairman



Sture Bergvall
Director



Anders G Carlberg
Director



Uno Granbom
Director



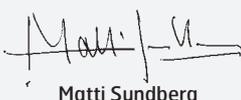
Peter Holmer
Director



Jan Johansson
Director



Annika Lundius
Director



Matti Sundberg
Director



John Tulloch
Director



Lars Westerberg
Director



Pär Östberg
Director



Martin Lindqvist
President and CEO

Our auditor's report was submitted on February 13, 2014
PricewaterhouseCoopers AB



Magnus Svensson Henryson
Authorized public accountant

Auditor's report

To the annual meeting of the shareholders of SSAB AB, corporate identity number 556016-3429

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SSAB AB for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 13-111.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are app-

ropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SSAB AB for the year 2013.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the

Managing Director are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, February 13, 2014
PricewaterhouseCoopers AB



Magnus Svensson Henryson
Authorized Public Accountant

Steel Talk ABC – a glossary

- A Advanced high strength steels** – Multi-phase steels which contain martensite, bainite and/or retained austenite to achieve an improved balance of strength and formability as compared to conventional high strength steels
- After-treatment** – Heat treatment, cooling, etc., in order to endow the steel with certain qualities; also galvanizing, organic coating, and cutting to size
- Alloy** – A substance composed of two or more metals
- Alloy Steel** – An iron-based mixture is considered to be an alloy when minimum quantities of alloying elements are present, e.g. silicon, manganese, chromium, nickel and molybdenum.
- Alloying material** – Material that is added to the molten metal during the steelmaking process and which combines with iron or other metals and changes the metal's qualities
- Annealing** – A thermal cycle involving heating to, and holding at a suitable temperature and then cooling at a suitable rate, for such purposes as reducing hardness, improving machinability, facilitating cold working, producing a desired microstructure, or obtaining desired mechanical or other properties
- Application** – Area of use; of a product which uses a certain grade of steel
- Applications engineer** – Trained specialists in the qualities of the material and its areas of use; problem solvers and developers
- B Blast Furnace** – Continuously operating shaft furnace for the reduction of iron ore. The end product in the blast furnace is called pig iron or hot metal
- Blast air** – Heated air which is blown into the blast furnace under high pressure
- C Carbon dioxide** – CO₂, colorless gas, soluble in water to form carbonic acid; included in carbonated drinks and comprises 0.04% of the atmosphere and is identified as a greenhouse gas
- Carbon monoxide** – CO, colorless and odorless energy-rich gas which burns with a blue flame; noxious. Upon combustion, carbon dioxide is formed
- Carbon steel** – Unalloyed steel
- Charging** – The act of loading material into a vessel. For example, iron ore, coke, and limestone are charged into a blast furnace; a basic oxygen furnace is charged with scrap and hot metal, and an electric arc furnace is charged with steel scrap and fluxes
- Coilbox** – Rolling machinery; box for coiled steel employed to promote temperature uniformity during the hot rolling process
- Coiler** – Mechanical part which captures plate, sheet or strip from the rolling mill and coils it
- Coke** – Dry distilled coal, the basic fuel consumed in blast furnaces in the smelting of iron ore
- Cold rolling** – Metalworking process in which the thickness of a sheet, strip or plate is reduced by rolling at ambient temperature
- Continuous casting** – A process by which molten metal is solidified into a semi-finished billet, bloom, or slab for subsequent rolling
- Construction steel** – See structural steel
- Corrosion protection** – The minimization of corrosion by coating with a protective metal
- Coppper stoves** – Heating apparatus; ceramic towers used for pre-heating blast air, also called hot stoves
- Crude steel** – Steel in its solidified state directly after casting. This is then further processed by rolling or other treatments, which can change its properties
- Cutting station** – Place for cutting the steel strand into slabs
- D Dry distillation process** – Combustion without entry of oxygen
- Dual-phase steel (DP)** – High-strength steel that has a one soft (ferrite) and one hard (martensite) microstructure which allows for desired combination of good formability with high strength
- E Electric arc furnace (EAF)** – Steel-making furnace where scrap is generally 100 percent of the charge. Heat is supplied from electricity that arcs from the graphite electrodes to the metal bath
- F Fatigue** – The progressive and localized structural damage that occurs when a material is subjected to cyclic loading at stresses considerably below the ultimate tensile strength
- Formating** – Marking, wrapping or cutting the steel into desired dimensions
- Four-high rolling mill** – Mechanical equipment; comprises four cylindrical rollers with extremely high pressure which press slabs into plate by repeatedly rolling backwards and forwards
- G Galvanization** – The process of applying a protective zinc coating to steel or iron, in order to prevent rusting or corrosion
- H Hardening** – Process that increases the hardness of steel, i.e. the degree to which steel will resist cutting, abrasion, penetration, bending, and stretching
- Hearth** – Lower part of the blast furnace; area for collection of molten hot metal
- Heat treatment** – Heating and cooling a steel product in such a manner as to obtain desired conditions or properties
- Hematite** – Fe₂O₃, non-magnetic iron ore or blood ore
- High strength steels** – Strong steel with high resistance to tensile stress before fatigue and breaking may occur
- Hot dip galvanization** – Method for adding a rust protection surface layer. For example, adding zinc and aluminum in hot molten form on the steel. The opposite to zinc-plating, an electrochemical method of applying a coat of molten zinc to the surface of steel for the purpose of enhancing corrosion resistance
- Hot metal** – The name for the molten iron produced in a blast furnace. It proceeds to the basic oxygen furnace in molten form or is cast as pig iron
- Hot strip rolling mill** – A mill for rolling heated slabs through a series of rolling stands to produce sheet steel in coil form
- Hot rolling** – A metalworking process in which slabs are heated to high temperatures and then deformed between rollers to form thinner cross-sections
- I Injection coal** – Coal powder which is injected into the blast furnace under high pressure without being converted to coke
- Iron ore pellets** – Iron ore particles rolled into small balls and compacted by heating
- L Ladle** – A "bucket" lined with refractory (heat resistant) bricks, used to transport molten steel from process to process in a steel plant
- Ladle change** – Switch from an empty to a full container of steel
- Ladle Metallurgy Furnace (LMF)** – An intermediate steel processing unit that further refines the chemistry and temperature of molten steel while it is still in the ladle. The ladle metallurgy step comes after the steel is melted and refined in the electric arc or basic oxygen furnace, but before the steel is sent to the continuous caster
- Ladle treatment method** – Different methods for ladle metallurgy
- LD converter (Lina Donawitz)** – Oxygen steelmaking process employing a converter (vessel) and top blowing oxygen lance to refine the blast furnace hot metal into crude steel
- Low alloyed steel grades** – A steel, other than a carbon steel, that requires the minimum content for each specified alloying element to be lower than the applicable limit for the definition for alloy steel
- M Magnetite** – Fe₃O₄, magnetic iron ore, black iron oxide
- Martensitic steel** – Steel with a very hard form of steel crystalline structure called martensite that is formed by displacive transformation. The martensite is formed by rapid cooling (quenching) of austenite which traps carbon atoms that do not have time to diffuse out of the crystal structure
- Material design** – Control of the steel chemical composition and processing to achieve a microstructure that offers a combination of properties desirable for an intended product or application
- Metallurgy** – The science and technology of metals
- Microalloying** – In the case of advanced fine grain steels with particularly stringent yield strength and tensile strength requirements, small quantities of alloying elements such as niobium, vanadium, or titanium are added
- Mold** – Casting mold
- N Niche products** – In SSAB's case advanced high strength steels and quenched steels
- O Ore car** – Railer for transportation of lump ore, iron ore concentrate or pellets
- Oxide scale** – An oxide of iron which forms on the surface of hot rolled steel
- Oxygen lance** – Pipe-shaped lance for treatment using oxygen
- P Pair of rollers** – A pair of cylindrical rollers for rolling steel to thinner dimensions under high pressure
- Particulates filter** – Purification plant for gas or air in which particulates are separated and condensed for recycling
- Phases** – Steel has different crystal structures at various temperatures and the phase(s) present depend on heat treatment, alloy quantity, hardening, quenching, etc. Best known are the martensite (quick hardening) phase, ferrite phase (pure iron) austenite (non-magnetic) phase and bainite phase
- Pickling line** – A processing line which chemically removes oxide or scale from the steel surface to obtain a clean surface for subsequent processing
- Plate** – Flat rolled steel product which is typically classified as over 1,200 mm (48") in width and 4.5 mm (0.180") in thickness
- Process gas** – Gas from metallurgical processes; often energy rich
- Process methods** – Methods for extracting raw materials and manufacturing products in a continuous cycle without disruption
- Process water** – Water from cooling or treatment in the processes. Always undergoes purification and can often be re-circulated
- Profiled** – Profiled (or corrugated) steel which is pressed in order to corrugate the steel
- Protection steel** – Structural steel with ballistic qualities
- Q Quenched steels** – Hardened or toughened steel. SSAB's quenched steels are also high strength
- R Recycling** – Return of used products or by-products to enter a new cycle of production and use
- Reduction agents** – Carbon or hydrogen used to remove oxygen from iron ore to produce iron
- Rolling mill** – Any of the mills in which metal undergoes a rolling process. For plate, sheet and strip, these include the slabbing mill, hot rolling mills, cold rolling mills, and temper mills. Any operating unit that reduces gauge by application of loads through revolving cylindrical rolls; operation can be hot or cold. The elevated temperature rolling mill is the Hot Mill and is capable of reducing the gauge of a slab 92–99 percent
- Roll pass** – Number of times a billet or slab passes through a pair of rollers
- Rougher** – Two rough cylindrical rollers which press the steel to thinner dimensions prior to hot rolling
- Runner** – Ceramic-lined spout for controlling molten, hot metal
- S Scrap** – Ferrous (iron-containing) material that generally is re-melted and re-cast into new steel
- SEN** – Submerged entry nozzle, a ceramic pipe which protects the steel from exposure to air, in conjunction with casting
- Sheet pile** – Long structural sections with a vertical interlocking system that creates a continuous wall. The walls are most often used to retain either soil or water
- Shot blasting** – Cleaning and descaling metal by means of a stream of abrasive powder or shot. The shot can be sand, small steel balls of various diameters, granules of silicon carbide, etc
- Sintering** – A process that combines iron-bearing particles, once recovered from environmental control filters, into small pellets.
- Skirt** – Pipe around the blast furnace for the supply and allocation of hot blast air, also known as a bustle pipe
- Slab furnace** – Furnace for heating steel slabs to rolling temperatures
- Slabs** – The most common type of semi-finished steel, used for production of flat steel products
- Slag** – Solution of mainly liquid oxides. Flux such as limestone may be added to foster the congregation of undesired elements into a slag. Because slag is lighter than iron, it will float on top of the pool, where it can be skimmed
- Slitting** – A metalworking process involving shearing which is typically employed to cut a wider steel coil into one or more narrower coils
- Smelting reduction process** – Reduction of iron ore which takes place in a smelting phase
- Special steel** – Alloyed steel
- Standard steels** – Steels with lower strength (yield strength 235–275 N/mm²). Used within more conventional applications within the engineering industry and building sector
- Steckel mill** – A four-high reversing rolling mill, the Steckel mill allows the rolling of a large slab by providing heated coil furnaces or boxes on both sides of the mill to store the increased length produced during rolling
- Steel** – Alloy of iron and carbon with a carbon content of less than 1.7 percent
- Steel bath** – The hot, molten steel in a container
- Steel shuttle** – Train system for transportation of steel slabs between Luleå, Borlänge and Oxelösund production facilities
- Strand** – The continuous cast slab within the continuous casting machine prior to cutting into individual slabs
- Strength** – Properties related to the ability of steel to oppose applied forces. Forms of strength include withstanding imposed loads without a permanent change in shape or structure and resistance to stretching
- Structure** – The steel's molecular form following different treatment methods; crystalline structure. May also refer to the size, shape, and arrangement of phases within the steel
- Structural steel** – Steel intended for, e.g. load-bearing structures, e.g. crane girders. Important qualities include strength, weldability, bendability and toughness
- Strip** – Thin, flat steel that resembles hot-rolled sheet, but it is normally narrower (up to 300 mm, or 12" wide) and produced to more closely controlled thicknesses
- Sulfur purification** – In oxygen-blown steelmaking processes, the reduction of the hot metal's carbon content during refining by the use of gaseous oxygen
- Sulfur purification** – Method for removing sulfur from the hot metal or the steel, e.g. through the addition of caustic lime
- Surface treatment** – Cleaning, polishing or coating of surfaces; for example, through galvanization or organic coating
- T Temper Mill** – A type of cold-rolling mill, usually a four-high, single stand mill, used to provide a relatively light cold rolling reduction to hot rolled, cold rolled, or coated flat steel products to improve flatness, minimize surface disturbances such as coil breaks, and to alter mechanical properties
- Tempering** – Heating to 200–500°C degrees in order to make steel tougher and less brittle
- Tensile strength** – Ability to withstand tensile stress. (See Strength)
- Thermo-mechanical treatment** – Heat treatment/quenching of the steel in order to achieve special material qualities
- Torpedo** – Cylinder-shaped brick-lined railway car used for transporting hot, molten metal
- Tundish** – An intermediate container in the casting process to facilitate ladle change without disruption in the process
- V Vacuum Degassing** – An advanced steel refining facility that removes oxygen, hydrogen and nitrogen under low pressures (in a vacuum) to produce high quality steel for demanding applications
- W Wear resistance** – Ability to resist the erosion of material from the surface as a result of mechanical action, e.g. abrasion and friction
- Wear steel** – Steel with qualities adapted to withstand wear, e.g. abrasion

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SSAB's and Rautaruukki's proposed combination

SSAB's and Rautaruukki's proposed combination

- Flexible and cost effective production system to better adapt to changes in market demand
- Value creation through tangible synergies
- Accelerated growth in high strength steels, heavy plate, standard strip, and tubular products – continue the shared strategic direction of both companies
- Enhanced ability to invest in product development and R&D – innovation leader

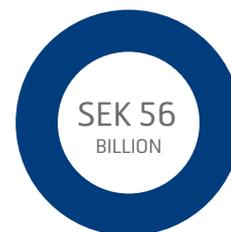
About the combined company

The combined company will be a Nordic and U.S.-based steel company with cost-efficient and flexible production. The proposed combination is expected to create substantial value for the shareholders in the combined company through the realization of annual cost synergies of up to SEK 1.4 billion (EUR 150 million). The combined company will continue to serve customers with a broad offering within high strength steels, standard strip and plate products as well as tubular products.

Strategy

The combined company will maintain SSAB's and Rautaruukki's strategy of serving local and global markets with quality steel products and value added services. The combined company will continue to develop and accelerate new fields of applications to provide productivity, energy efficiency and environmental advantages for customers through the use of high strength steels. With a broadened sales organization, the combined company will be able to further develop its customer collaboration abilities.

Pro forma sales 2013 (preliminary)

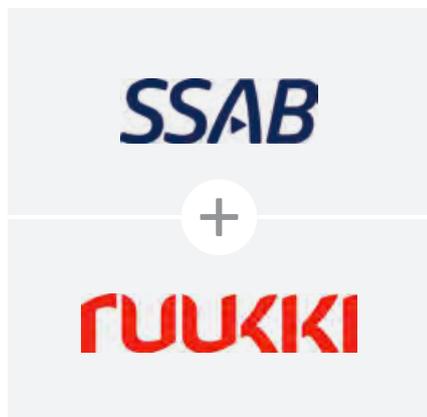


■ SSAB + Rautaruukki

Pro forma employees, 31 Dec 2013



■ SSAB + Rautaruukki



Nordic production sites



A more competitive Nordic production system

Flexibility

Larger asset base to better adapt to varying market demands

- 5 Blast furnaces
- 2 Hot Strip mills
- 2 Cold Rolling mills
- 2 Plate mills

Distribution system to serve both large and small customers

Synergies

PRODUCTION SYNERGIES

- Line specialization
- Reduce underabsorption costs
- Energy and fuel rate optimization

NON-PRODUCTION SYNERGIES

- Distribution synergies
- Purchasing
- Administration and overhead

HEADCOUNT REDUCTION

CAPEX AVOIDANCE

REDUCED WORKING CAPITAL

Brief information on Rautaruukki

Rautaruukki specializes in steel and steel construction. Rautaruukki provides customers with energy-efficient steel solutions for better living, working and moving. Rautaruukki has approximately 8,600 employees and an extensive distribution and dealer network across some 30 countries in the Nordics, Europe, Russia and emerging markets, including India, China and South America. Rautaruukki's net sales in 2013 totalled EUR 2.4 billion (SEK 20.8 billion).

Rautaruukki's vision is to be an innovative and acknowledged provider of energy-efficient steel solutions to build a better living environment together with its customers.

Three Business Areas

Ruukki Metals which provides special steel products, including high strength, wear-resistant, special coated and tubular products for demanding energyefficient applications with known product brands Raex, Laser, Optim, Ramor and Litec. **Approximately 5,200 employees**

Ruukki Building Products which provides energy- and life-cycle-efficient building components such as Ruukki energy and life panels for functional envelopes to commercial, industrial and logistics buildings as well as foundation components for infrastructure constructions. Residential roofing business provides steel roofing products and services for private households. **Approximately 1,200 employees**

Ruukki Building Systems which provides steel structures including design and installation and solutions for commercial, office and industrial construction projects especially in the Nordic countries and in Russia. **Approximately 1,900 employees**

SSAB is a global leader in value added, high strength steel. SSAB offers products developed in close cooperation with its customers to create a stronger, lighter and more sustainable world.

SSAB has employees in over 45 countries and operates production facilities in Sweden and the US. SSAB is listed on the NASDAQ OMX Nordic Exchange, Stockholm. www.ssab.com



Read about the proposed combination of SSAB and Rautaruukki

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