

## PRO FORMA FINANCIAL INFORMATION

### Basis of Compilation of Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the financial impact of the proposed combination of the operations of SSAB AB (publ) (“**SSAB**” or the “**Company**”) and Rautaruukki Corporation (“**Rautaruukki**”) (the “**Combination**”). This unaudited pro forma financial information is presented for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Combination had been consummated at an earlier point in time, and, therefore, does not represent the actual results of operations or financial position of SSAB and Rautaruukki together (the “**Combined Company**”). The unaudited pro forma financial information is not intended to project the results of operations or financial position of the Combined Company as of any future date.

The pro forma adjustments are based upon available information and assumptions, which are described in the accompanying notes. It should be noted that, due to the nature of the share exchange offer in which SSAB offers to acquire all of the issued and outstanding shares in Rautaruukki (the “**Rautaruukki Shares**”) not owned by Rautaruukki or its subsidiaries (the “**Share Exchange Offer**”), SSAB has not had access to Rautaruukki’s accounting records or to any other Rautaruukki internal documentation and, as a result, the pro forma financial information is solely based on publicly available information of Rautaruukki. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the purchase price allocation has not been finalized and, as a result, the final outcome of the Combination will differ from this unaudited pro forma financial information. The pro forma adjustments do not include any synergy related savings nor the impact of any future streamlining measures and/or headcount reductions.

### *Combination through a Share Exchange*

SSAB and Rautaruukki have agreed on combining their operations under the combination agreement entered into on January 21, 2014 (the “**Combination Agreement**”) and SSAB has announced the Share Exchange Offer on January 22, 2014. Pursuant to the Combination Agreement, the Combination will be carried out through a share exchange offer in which SSAB offers to acquire all of the Rautaruukki Shares not owned by Rautaruukki or its subsidiaries. In the Share Exchange Offer, the Company is offering 0.4752 new Class A shares in the Company (the “**New Class A Shares**”) and 1.2131 new Class B shares in the Company (the “**New Class B Shares**”) and, together with the New Class A Shares, the “**New Shares**”) for each Rautaruukki Share (the “**Share Consideration**”). The Company is offering up to 66,050,553 New Class A Shares and 168,615,165 New Class B Shares in the Share Exchange Offer, which represent approximately 42.0 percent of the Company’s outstanding shares and approximately 25.0 percent of the votes conferred by the shares after the Share Exchange (assuming that the Share Exchange Offer is fully accepted).

The completion of the Combination is subject to, among other conditions, the successful fulfillment of the conditions of the Share Exchange Offer, the receipt of all necessary regulatory approvals, permits and consents, the Board of Directors of Rautaruukki having issued its recommendation to Rautaruukki shareholders to exchange their Rautaruukki Shares for New Shares and the recommendation remaining in full force and effect and not having been modified, cancelled or changed and the general meeting of shareholders of SSAB having passed all necessary resolutions for the completion of the Combination and the Share Exchange Offer.

### *Pro Forma Financial Information*

The unaudited pro forma income statement and unaudited pro forma statement of comprehensive income for the year ended December 31, 2013 have been compiled assuming that the Combination had been completed on January 1, 2013 and the unaudited pro forma balance sheet as at December 31, 2013 has been compiled assuming that the Combination had been completed on December 31, 2013. The unaudited pro forma financial information below is based on the financial information derived from SSAB’s audited consolidated financial statements as at and for the year ended December 31, 2013 and Rautaruukki’s audited consolidated financial statements as at and for the year ended December 31, 2013. The unaudited pro forma financial information has been prepared on a basis consistent with the International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union and in a manner consistent with the accounting principles applied in SSAB’s audited consolidated financial statements as at and for the year ended December 31, 2013.

### *Accounting for the Combination*

The unaudited pro forma balance sheet presents the Combination as being accounted for under the acquisition method under IFRS 3 Business Combinations with SSAB as the acquirer. Under the acquisition method, the acquired assets and liabilities of Rautaruukki are recorded at their fair values on the date of acquisition and the excess recognized as goodwill. The Share Consideration to be transferred forms the basis for the purchase price of Rautaruukki and the value

per share will be the SSAB share price on the date when the New Shares are issued and control over Rautaruukki's operations transfers to SSAB. The preliminary fair value of SEK 10,441 million has been used in the unaudited pro forma information for the New Shares issued by SSAB in the Combination using the closing prices of SEK 49.20 for an SSAB Class A share and SEK 42.65 for an SSAB Class B share as at March 28, 2014. The pro forma purchase consideration has been assumed to take place solely through a Share Consideration; therefore, no cash consideration has been included.

As described above, the preliminary consideration transferred could differ materially from the final consideration transferred to effect the Combination, and the final fair values of the assets acquired and liabilities assumed at the date of the acquisition could differ materially from the preliminary fair values used for pro forma purposes, which could result in a significant variation in the results of operations and financial position presented in this unaudited pro forma financial information. Further, as noted above, due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki's accounting records or to any other Rautaruukki internal documentation and, as a result, the pro forma financial information is solely based on publicly available information of Rautaruukki. Accordingly, the amount of goodwill to be recognized by SSAB upon completion of the Combination may significantly differ from the amounts presented in this unaudited pro forma financial information.

The unaudited pro forma financial information has been presented in Swedish kronor (“**SEK**”), which is SSAB's presentation currency. Rautaruukki's audited consolidated financial information is presented in euro (“**EUR**”) and has been converted into Swedish kronor using the exchange rates used by SSAB for group consolidation as at and for the year ended December 31, 2013:

- average rate of SEK/EUR 8.6494 for the income statement and statement of comprehensive income for the year ended December 31, 2013; and
- closing rate of SEK/EUR 8.905 as at December 31, 2013 for the balance sheet.

For the convenience of Rautaruukki's shareholders, the unaudited pro forma financial information has been converted into euro. This information is presented under “—Presentation of the Unaudited Pro Forma Financial Information in Euro” below.

SSAB's audited consolidated financial statements as at and for the year ended December 31, 2013 will be incorporated by reference into the share exchange offer document and prospectus (the “**Share Exchange Offer Document**”) to be published in connection with the Share Exchange Offer and Rautaruukki's audited consolidated financial statements as at and for the year ended December 31, 2013 will be included in the Share Exchange Offer Document. The unaudited pro forma financial information presented herein should be read in conjunction with the financial information described above and other information included in, or incorporated by reference into, the Share Exchange Offer Document.

## Unaudited Pro Forma Income Statement

For the year ended December 31, 2013									
SSAB IFRS	Rautaruukki IFRS	Rautaruukki IFRS	Differences in accounting principles <sup>(1)</sup>	Differences in presentation <sup>(2)</sup>	PPA adjustments <sup>(3)</sup>	Elimination of intra-group transactions <sup>(4)</sup>	Other pro forma adjustments <sup>(5)</sup>	Total pro forma adjustments	SSAB pro forma
(audited) (SEK in millions)	(audited) (EUR in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)
Sales.....	35,022	2,405	20,800	-	(17)	-	(127)	-	55,677
Cost of goods sold.....	(33,290)	(2,174)	(18,800)	-	(24)	(605)	127	-	(52,592)
<b>Gross profit.....</b>	<b>1,732</b>	<b>231</b>	<b>2,000</b>	-	<b>(41)</b>	<b>(605)</b>	-	-	<b>3,086</b>
Selling expenses.....	(1,539)	(104)	(902)	-	-	-	-	-	(2,441)
Administrative expenses.....	(1,400)	(106)	(919)	9	-	-	(276)	(267)	(2,586)
Other operating income.....	491	13	117	-	-	-	-	-	608
Other operating expenses.....	(431)	0	(3)	-	41	-	-	41	(393)
Shares in earnings of affiliated companies and joint ventures after tax.....	16	-	-	(29)	-	-	-	(29)	(13)
<b>Operating profit/(loss).....</b>	<b>(1,131)</b>	<b>34</b>	<b>293</b>	<b>(20)</b>	-	<b>(605)</b>	-	<b>(276)</b>	<b>(1,739)</b>
Financial income.....	62	40	342	-	-	-	-	-	404
Financial expenses.....	(659)	(76)	(656)	(9)	-	104	-	(45)	(1,265)
<b>Profit/(loss) after financial items.....</b>	<b>(1,728)</b>	<b>(2)</b>	<b>(21)</b>	<b>(29)</b>	-	<b>(502)</b>	-	<b>(321)</b>	<b>(2,600)</b>
Shares in earnings of affiliated companies and joint ventures after tax.....	-	(3)	(29)	29	-	-	-	29	-
Taxes.....	662	(8)	(66)	-	-	100	-	30	726
<b>Profit/(loss) for the year.....</b>	<b>(1,066)</b>	<b>(14)</b>	<b>(117)</b>	<b>=</b>	<b>=</b>	<b>(401)</b>	<b>=</b>	<b>(291)</b>	<b>(1,875)</b>
<b>Of which attributable to:</b>									
Parent company's shareholders.....	(1,066)	(14)	(118)	-	-	(401)	-	(291)	(1,876)
Non-controlling interests.....	0	0	1	-	-	-	-	-	1

## Unaudited Pro Forma Statement of Comprehensive Income

For the year ended December 31, 2013									
SSAB IFRS	Rautaruukki IFRS	Rautaruukki IFRS	Differences in accounting principles <sup>(1)</sup>	Differences in presentation <sup>(2)</sup>	PPA adjustments <sup>(3)</sup>	Elimination of intra-group transactions <sup>(4)</sup>	Other pro forma adjustments <sup>(5)</sup>	Total pro forma adjustments	SSAB pro forma
(audited) (SEK in millions)	(audited) (EUR in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)	(unaudited) (SEK in millions)
<b>Profit/(loss) for the year.....</b>	<b>(1,066)</b>	<b>(14)</b>	<b>(117)</b>	-	-	(401)	-	(291)	(1,875)
<b>Other comprehensive income</b>									
Items that may be subsequently reclassified to the income statement:									
Translation differences for the year.....	(251)	(20)	(177)	-	-	-	-	-	(428)
Cash flow hedges.....	(71)	(6)	(52)	-	-	-	-	-	(123)
Hedging of currency risks in foreign operations.....	79	0	0	-	-	-	-	-	79
Share in other comprehensive income of affiliated companies and joint ventures.....	(16)	0	0	-	-	-	-	-	(16)
Tax attributable to items that may be subsequently reclassified to the income statement.....	(2)	1	5	=	=	=	=	=	3
Total items that may be subsequently reclassified to the income statement.....	(261)	(26)	(224)	-	-	-	-	-	(485)
Items that will not be reclassified to the income statement:									
Remeasurements of the net defined benefit liability.....	11	9	75	-	-	-	-	-	86
Tax attributable to items that will not be reclassified to the income statement.....	(3)	(3)	(28)	=	=	=	=	=	(31)
Total items that will not be reclassified to the income statement.....	8	5	47	=	=	=	=	=	55
<b>Total other comprehensive income for the year, net after tax.....</b>	<b>(253)</b>	<b>(20)</b>	<b>(176)</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>(429)</b>
<b>Total comprehensive income for the year.....</b>	<b>(1,319)</b>	<b>(34)</b>	<b>(293)</b>	<b>=</b>	<b>=</b>	<b>(401)</b>	<b>=</b>	<b>(291)</b>	<b>(2,304)</b>
<b>Of which attributable to:</b>									
Parent company's shareholders.....	(1,319)	(34)	(294)	-	-	(401)	-	(291)	(2,305)
Non-controlling interests.....	0	0	1	-	-	-	-	-	1

## Unaudited Pro Forma Balance Sheet

	As at December 31, 2013									
	SSAB IFRS (audited) (SEK in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Rautaruukki IFRS (unaudited) (SEK in millions)	Differences in accounting principles <sup>(1)</sup> (unaudited) (SEK in millions)	Differences in presentation <sup>(2)</sup> (unaudited) (SEK in millions)	PPA adjustments <sup>(3)</sup> (unaudited) (SEK in millions)	Elimination of intra-group transactions <sup>(4)</sup> (unaudited) (SEK in millions)	Other pro forma adjustments <sup>(5)</sup> (unaudited) (SEK in millions)	Total pro forma adjustments (unaudited) (SEK in millions)	SSAB pro forma (unaudited) (SEK in millions)
<b>ASSETS</b>										
<b>Fixed assets</b>										
Goodwill .....	17,762	65	582	-	-	911	-	-	911	19,255
Other intangible assets .....	2,149	38	336	-	-	262	-	-	262	2,746
Tangible fixed assets .....	16,467	1,079	9,604	-	-	356	-	-	356	26,427
Participations in affiliated companies .....	284	31	274	-	-	-	-	-	-	558
Available for sale financial assets .....	-	13	119	-	(119)	-	-	-	(119)	-
Other non-current receivables .....	-	76	681	-	(681)	-	-	-	(681)	-
Financial assets .....	1,599	-	-	-	-	800	-	-	800	2,399
Deferred tax receivables .....	653	42	375	-	-	(91)	-	-	(91)	937
<b>Total fixed assets .....</b>	<b>38,914</b>	<b>1,344</b>	<b>11,971</b>	<b>-</b>	<b>-</b>	<b>1,438</b>	<b>-</b>	<b>-</b>	<b>1,438</b>	<b>52,323</b>
<b>Current assets</b>										
Inventories .....	8,783	557	4,956	-	-	344	-	-	344	14,083
Accounts receivable .....	4,785	243	2,167	-	-	-	(12)	-	(12)	6,940
Prepaid expenses and accrued income .....	503	-	-	-	256	-	-	-	256	759
Current tax receivables .....	334	4	35	-	-	-	-	-	-	369
Other current interest-bearing receivables .....	195	-	-	-	45	-	-	-	45	240
Financial assets .....	-	1	6	-	(6)	-	-	-	(6)	-
Other current receivables .....	298	83	743	-	(301)	-	-	-	(301)	740
Cash and cash equivalents .....	2,124	46	411	-	6	-	-	(312)	(306)	2,228
<b>Total current assets .....</b>	<b>17,022</b>	<b>934</b>	<b>8,317</b>	<b>-</b>	<b>-</b>	<b>344</b>	<b>(12)</b>	<b>(312)</b>	<b>19</b>	<b>25,359</b>
<b>TOTAL ASSETS .....</b>	<b>55,936</b>	<b>2,278</b>	<b>20,289</b>	<b>=</b>	<b>=</b>	<b>1,782</b>	<b>(12)</b>	<b>(312)</b>	<b>1,458</b>	<b>77,682</b>
<b>EQUITY AND LIABILITIES</b>										
<b>Equity</b>										
Share capital .....	2,851	238	2,124	-	-	(59)	-	-	(59)	4,916
Other contributed funds .....	9,944	220	1,958	-	-	6,419	-	(19)	6,400	18,302
Translation differences .....	-	(45)	(401)	-	401	-	-	-	401	-
Reserves .....	(3,389)	(22)	(198)	-	(401)	599	-	-	198	(3,389)
Retained earnings .....	17,720	619	5,512	-	-	(5,512)	-	(291)	(5,803)	17,428
<b>Total equity for the shareholders in the Company .....</b>	<b>27,126</b>	<b>1,010</b>	<b>8,994</b>	<b>-</b>	<b>-</b>	<b>1,447</b>	<b>-</b>	<b>(310)</b>	<b>1,137</b>	<b>37,257</b>
<b>Non-controlling interests .....</b>	<b>23</b>	<b>3</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>
<b>TOTAL EQUITY .....</b>	<b>27,149</b>	<b>1,013</b>	<b>9,019</b>	<b>-</b>	<b>-</b>	<b>1,447</b>	<b>-</b>	<b>(310)</b>	<b>1,137</b>	<b>37,305</b>
<b>Long-term liabilities</b>										
Long-term interest-bearing liabilities .....	16,093	358	3,186	-	-	71	-	-	71	19,350
Deferred income .....	376	-	-	-	-	-	-	-	0	376
Pension provisions .....	120	-	-	-	318	-	-	-	318	438
Deferred tax liabilities .....	2,969	7	61	-	-	157	-	-	157	3,187
Other long-term liabilities .....	-	66	585	-	(318)	-	-	-	(318)	267
Other long-term provisions .....	134	2	17	-	-	-	-	-	0	151
<b>Total long-term liabilities .....</b>	<b>19,692</b>	<b>432</b>	<b>3,849</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>23,769</b>
<b>Current liabilities</b>										
Short-term interest-bearing liabilities .....	2,568	387	3,449	-	-	107	-	-	107	6,124
Accounts payable .....	4,578	279	2,486	-	-	-	(12)	-	(12)	7,052
Accrued expenses and deferred income .....	1,599	-	-	-	887	-	-	-	887	2,486
Current tax liabilities .....	118	3	29	-	-	-	-	-	0	147
Other current liabilities .....	205	158	1,409	-	(887)	-	-	-	(887)	727
Short-term provisions .....	27	5	47	-	-	-	-	(2)	(2)	72
<b>Total current liabilities .....</b>	<b>9,095</b>	<b>833</b>	<b>7,420</b>	<b>=</b>	<b>=</b>	<b>107</b>	<b>(12)</b>	<b>(2)</b>	<b>93</b>	<b>16,608</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>55,936</b>	<b>2,278</b>	<b>20,289</b>	<b>=</b>	<b>=</b>	<b>1,782</b>	<b>(12)</b>	<b>(312)</b>	<b>1,458</b>	<b>77,682</b>

## Notes to the Unaudited Pro Forma Financial Information

### (1) Differences in Accounting Principles

This column reflects the impact of accounting policy alignment of historical financial information between SSAB and Rautaruukki. In this column, adjustments have been made to arrive at comparable figures.

### Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended December 31, 2013

#### Pensions

Interests on benefit-based pension obligations and managed assets are recognized as interest expense/income by SSAB, but as administrative expenses by Rautaruukki. During 2013, SEK 9 million was recognized as administrative expenses in the audited consolidated financial statements of Rautaruukki. A reclassification has been made to financial expenses in the unaudited pro forma income statement. This adjustment represents an accounting policy alignment between SSAB and Rautaruukki; therefore, it will have ongoing effect for SSAB.

#### Shares in Earnings of Affiliated Companies and Joint Ventures

Investments in affiliated companies and joint ventures are reported in accordance with the equity method. SSAB reports shares in the earnings of affiliated companies and joint ventures in the operating profit/loss when operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Rautaruukki reports shares in the earnings of affiliated companies in the result before taxes. In the unaudited pro forma income statement, a reclassification of SEK 29 million reflecting an adjustment to Rautaruukki's share in earnings of affiliated companies and joint ventures has been made. This adjustment represents an accounting policy alignment between SSAB and Rautaruukki; therefore, it will have ongoing effect for SSAB.

## (2) *Differences in Presentation*

This column reflects the differences in presentation of financial statement items; therefore, adjustments have been made to present Rautaruukki's figures in a manner consistent with SSAB's presentation.

### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended December 31, 2013*

#### Exchange Rate Differences Relating to Operating Receivables and Liabilities

At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. SSAB reports exchange rate differences relating to the operating activities net in other operating income/expense; however, Rautaruukki reports exchange rate differences relating to the operating activities under sales and cost of goods sold. A reclassification of net SEK 41 million has been made in the unaudited pro forma income statement. This adjustment will have ongoing effect for SSAB.

### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at December 31, 2013*

These adjustments represent an alignment of financial statement presentation between SSAB and Rautaruukki thus they will have ongoing effect for SSAB.

#### Available-for-sale Financial Assets

In the audited consolidated financial statements, Rautaruukki has available-for-sale financial assets amounting to SEK 119 million as a separate line item on the balance sheet. The balance consists of shares in unlisted companies in which Rautaruukki's share of the votes is under 20 percent or in which Rautaruukki does not have significant influence. According to the accounting principles of SSAB, available-for-sale equity investments are disclosed under financial assets. An adjustment of SEK 119 million has been made from available-for-sale financial assets to financial assets in the unaudited pro forma balance sheet to reflect the reclassification.

#### Other Non-current Receivables

In the audited consolidated financial statements, Rautaruukki has reported a balance as other non-current receivables of SEK 681 million. The balance consists of loans receivables from affiliated companies, other loan receivables, defined benefit assets and other non-current receivables. SSAB has categorized such items as financial assets. Accordingly, an adjustment in the unaudited pro forma balance sheet has been made amounting to SEK 681 million reflecting the reclassification.

#### Current Assets

In the audited consolidated financial statements, Rautaruukki has other current receivables amounting to SEK 743 million on the balance sheet. The balance includes prepaid expenses and accrued income of SEK 256 million and current loan receivables from equity accounted investees amounting to SEK 45 million. According to the accounting principles of SSAB, prepaid expenses and accrued income is disclosed as a separate line item under current assets and current loan receivables from equity accounted investees are disclosed under other current interest-bearing receivables. Reclassifications of SEK 256 million and SEK 45 million have been made to prepaid expenses and accrued income and other current interest-bearing receivables, respectively.

#### Financial Assets

In the audited consolidated financial statements, Rautaruukki has financial assets amounting to SEK 6 million on the balance sheet. The balance includes short fixed-term deposits with a duration that does not exceed three months. A reclassification of SEK 6 million in the unaudited pro forma balance sheet has been made to cash and cash equivalents.

#### Translation Differences in Equity

In the audited consolidated financial statements, Rautaruukki has reported translation differences in equity, amounting to negative SEK 401 million on a separate line item. SSAB has presented translation differences as reserves and accordingly, an adjustment amounting negative SEK 401 million reflecting the reclassification has been made in the unaudited pro forma balance sheet.

#### Long-term Liabilities

In the audited consolidated financial statements, Rautaruukki presented a total defined benefit liability related to pension plans amounting to SEK 318 million under other non-current liabilities. A reclassification has been made from other non-current liabilities to pension provisions, which is where SSAB reports liabilities related to pension plans.

## Current Liabilities

In the audited consolidated financial statements, Rautaruukki has reported accrued expenses and deferred income amounting to SEK 887 million under other current liabilities. SSAB has presented similar items as accrued expenses and deferred income and, accordingly, a reclassification of SEK 887 million has been made in the unaudited pro forma balance sheet.

### (3) Purchase Price Allocation Adjustments

This column reflects the acquisition of Rautaruukki and the preliminary purchase price allocation (“PPA”) on the acquisition balance sheet on a pro forma basis. The Combination has not yet been completed. It should be noted that, due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki’s accounting records or to any other Rautaruukki internal documentation and, as a result, the pro forma financial information is solely based on publicly available information of Rautaruukki. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma financial information will prove to be correct. Further, the purchase price could be allocated to other intangible assets, such as trademarks, brands and customer relationships, and, as a result, the final outcome of the Combination may differ from this unaudited preliminary purchase price allocation.

The final purchase price allocation will be prepared based on the fair values of Rautaruukki’s identifiable assets, liabilities and contingent liabilities as at the acquisition date, when SSAB gains control over Rautaruukki. It is also dependent on the SSAB share prices on the acquisition date. Therefore, the final purchase price as well as the final purchase price allocation as at the acquisition date may significantly differ from the preliminary fair value allocation presented in the unaudited pro forma financial information.

#### Purchase Price Consideration to be Transferred for Rautaruukki:

	(SEK in millions)
<b>Purchase price consideration</b>	
66,050,553 Class A shares, SEK 49.20 per share <sup>(1)</sup> .....	3,250
168,615,165 Class B shares, SEK 42.65 per share <sup>(1)</sup> .....	<u>7,191</u>
<b>Total consideration transferred at fair value</b> .....	<b><u>10,441</u></b>

(1) Based on SSAB share prices as at March 28, 2014. SSAB’s share prices as at the date of the acquisition will affect the final amount of the purchase price consideration.

	December 31, 2013			Estimated fair value (SEK in millions)
	IFRS	Fair value adjustment	(SEK in millions)	
	(EUR in millions)	(translated) <sup>(1)</sup> (SEK in millions)		
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>				
Tangible fixed assets .....	1,079	9,604	356	9,960
Intangible assets .....	103	918	(320)	598
Participation in affiliated companies and joint ventures .....	31	274	-	274
Financial assets .....	90	800	-	800
Deferred tax receivables .....	42	375	(91)	284
Inventories .....	557	4,956	344	5,300
Accounts receivable .....	243	2,167	-	2,167
Current tax receivables .....	4	35	-	35
Other current interest-bearing receivables .....	1	6	-	6
Other current receivables .....	83	743	-	743
Cash and cash equivalents .....	46	411	-	411
Long-term interest-bearing liabilities .....	358	3,186	71	3,257
Other long-term liabilities .....	66	585	-	585
Other provisions .....	2	17	-	17
Deferred tax liabilities .....	7	61	157	218
Short-term interest-bearing liabilities .....	387	3,449	107	3,556
Accounts payable .....	279	2,486	-	2,486
Current tax liabilities .....	3	29	-	29
Other current liabilities .....	158	1,409	-	1,409
Short-term provisions .....	5	47	-	47
Non-controlling interest .....	3	25	-	25
<b>Total identifiable net assets</b> .....	<b><u>1,010</u></b>	<b><u>8,994</u></b>	<b><u>(46)</u></b>	<b><u>8,948</u></b>
Goodwill .....	-	-	-	1,493

(1) Exchange rate as at December 31, 2013 of SEK/EUR 8.905.

*Adjustments Regarding the Unaudited Pro Forma Balance Sheet as of December 31, 2013*

Equity Elimination of Rautaruukki and New Share Issue

The total equity for the shareholders of Rautaruukki, amounting to SEK 8,994 million as at December 31, 2013, has been eliminated in the unaudited pro forma balance sheet.

If the acquisition of all Rautaruukki Shares is completed with Share Consideration, SSAB will issue the New Shares to the shareholders of Rautaruukki in connection with the Combination. The effect of the share issue, SEK 10,441 million, has been recorded in share capital and other contributed funds in the unaudited pro forma balance sheet.

The following adjustments have been made to illustrate the effect of the equity for the shareholders of the Company and the issuance of the New Shares, net SEK 1,447 million:

	<b>Elimination of Rautaruukki equity (adjusted) (SEK in millions)</b>	<b>New Share issue<sup>(1)</sup> (SEK in millions)</b>	<b>Total adjustments (SEK in millions)</b>
<b>Equity</b>			
Share capital.....	(2,124)	2,065	(59)
Other contributed funds.....	(1,958)	8,376	6,419
Reserves.....	599	-	599
Retained earnings.....	(5,512)	-	(5,512)
<b>Total</b> .....	<b>(8,994)</b>	<b>10,441</b>	<b>1,447</b>

(1) For more information on transaction costs related to the issuance of the New Shares, see "(5) Other Pro Forma Adjustments" below.

Goodwill

In the audited consolidated financial statements, Rautaruukki has a goodwill balance amounting SEK 582 million, which has been eliminated in the unaudited pro forma balance sheet. The remaining unallocated surplus value of the consideration has been presented as goodwill in the unaudited pro forma balance sheet.

The subscription price for the shares in SSAB used in the pro forma is SEK 49.20 for a Class A share and SEK 42.65 for a Class B share, which correspond to the closing prices of the SSAB shares in NASDAQ OMX Stockholm AB as at March 28, 2014. The table below illustrates the effect of a 5 percent change and a 10 percent change in the share prices of SEK 49.20 for a Class A share and SEK 42.65 for a Class B share on the goodwill recorded, assuming other variables remain constant. The amount of estimated goodwill would be zero if the share price of both Class A shares and Class B shares decrease by 14 percent.

The approximate effect on the goodwill balance is shown in the sensitivity analysis below.

	<b>Change (percent)</b>	<b>Effect on goodwill (SEK in millions)</b>
SSAB share price .....	+5	522
SSAB share price .....	-5	(522)
SSAB share price .....	+10	1,044
SSAB share price .....	-10	(1,044)

Other Intangible Assets

The preliminary fair value of the order backlog is estimated to total SEK 262 million, with a related deferred tax impact of SEK 53 million. The estimated useful life is less than one year. Sufficient information for identification of possible other intangible assets, such as trademarks, brands or customer relations, was not available at time of the preparation of the preliminary PPA and, therefore, the final outcome of the identified intangible assets could differ significantly from the preliminary PPA presented in the unaudited pro forma financial information.

Tangible Assets

In the preliminary purchase price allocation, a fair value adjustment of real properties, amounting to SEK 356 million with a related deferred tax impact of SEK 71 million, has been estimated. The fair value adjustment is related to Rautaruukki's Nordic properties, excluding the properties in Raahe and Hämeenlinna, Finland. Sufficient information with respect to Rautaruukki's property, plant and equipment portfolio was not available at time of the preparation of the preliminary PPA; therefore, the final fair values determined at the acquisition date may significantly differ from the preliminary PPA presented in the unaudited pro forma financial information. The estimated useful life on the fair value adjustment is 20 years.

## Inventories

In the preliminary PPA, a fair value adjustment of inventories, amounting to SEK 344 million with a related deferred tax impact of SEK 69 million, has been estimated. The fair value adjustment is based on an estimated gross margin of 10 percent, based on the audited consolidated financial statements of Rautaruukki. Sufficient information in terms of inventories was not available at the time of the preparation of the preliminary PPA; therefore, the final PPA may significantly differ from the preliminary PPA.

## Interest-bearing Liabilities

Interest-bearing liabilities are adjusted at their estimated fair values by recognizing a step up of SEK 178 million, of which SEK 71 million relates to long-term interest-bearing liabilities and SEK 107 million relates to short-term interest-bearing liabilities in the preliminary PPA.

## Deferred Tax Assets and Liabilities

Based on preliminary review and evaluation of the tax impact after the Combination, deferred tax assets of Rautaruukki are written down by SEK 91 million in the preliminary PPA. The amount of the deferred tax assets will be evaluated after the completion of the Combination based on the estimates of the taxable income in the foreseeable future and on the intra-group financing strategies of the Combined Company.

A net deferred tax liability amounting to SEK 157 million is recorded on the difference between the estimated fair values and the book values of the acquired assets and liabilities in the preliminary PPA. The final fair value adjustment of deferred taxes could significantly change when the final PPA is prepared.

The following table sets forth a breakdown of the deferred tax effect of the preliminary PPA fair value adjustments for the unaudited pro forma balance sheet:

	<b>Deferred tax asset/liability, blended rate 20 percent</b>
	<b>(SEK in millions)</b>
<b>Deferred tax asset</b>	
Write down of deferred tax assets .....	(91)
<b>Total deferred tax asset arising from the preliminary PPA .....</b>	<b>(91)</b>
<b>Deferred tax liability</b>	
Fair value adjustment for order backlog .....	53
Fair value adjustment for interest-bearing liabilities .....	(36)
Fair value adjustment for Inventories .....	69
Fair value adjustment for property, plant and equipment .....	<u>71</u>
<b>Total deferred tax liability arising from the preliminary PPA .....</b>	<b><u>157</u></b>

These adjustments, except for adjustments related to order backlog, inventories and write down of deferred tax receivables will have ongoing effect for SSAB.

## *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended December 31, 2013*

The most significant adjustments regarding the unaudited pro forma income statement for the year ended December 31, 2013 are as follows:

### Depreciation and Amortization

The impact on depreciation and amortization arising from the preliminary fair value adjustments to the carrying amounts of intangible assets and property, plant and equipment has been recorded in the unaudited pro forma income statement. The estimated useful life of the preliminary order backlog is considered to be less than one year and, accordingly, amortization of SEK 254 million and a deferred tax impact of SEK 51 million have been recorded. The useful life related to the preliminary fair value adjustment of real property has been estimated to be 20 years, leading to recognition of depreciation of SEK 17 million in cost of goods sold and a deferred tax impact of SEK 3 million.

### Inventories

The estimated inventory turnover is less than one year. The impact on inventory arising from the preliminary fair value adjustment has been recognized in cost of goods sold, amounting to SEK 334 million and a related deferred tax impact of SEK 67 million.

### Interest-bearing Liabilities

The total preliminary step-up value of the short-term interest-bearing liabilities has been recognized as positive financial expenses in the unaudited pro forma income statement, amounting to SEK 104 million with a related deferred tax impact of SEK 21 million.

### Deferred Taxes

When estimating the deferred tax impact on the preliminary fair value adjustments, a blended tax rate of 20 percent was used. The deferred tax impact on fair value adjustments in the preliminary purchase price allocation amounts to SEK 100 million in the unaudited pro forma income statement. A breakdown of the deferred tax effect of the preliminary PPA fair value adjustments is specified below.

	<b>Deferred tax effect, blended rate 20 percent</b>
	<b>(SEK in millions)</b>
Fair value adjustment for Order backlog .....	51
Fair value adjustment on Inventory .....	67
Depreciation and amortization of fair value adjustment on Property, plant and equipment.....	3
Amortization of long-term liabilities .....	<u>(21)</u>
<b>Total Deferred tax impact arising from the preliminary PPA .....</b>	<b><u>100</u></b>

These adjustments, except for adjustments related order backlog and inventories, will have ongoing effect for SSAB.

#### **(4) Elimination of Intra-Group Transactions**

This column reflects the elimination of intra-group transactions between SSAB and Rautaruukki.

#### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended December 31, 2013*

An adjustment amounting to SEK 127 million has been made to sales and cost of goods sold. This relates to Rautaruukki's intra-group transactions with SSAB comprising of sales and steel purchases between the companies. The adjustment is based on the fact that after the Combination, these kinds of transactions will be eliminated as internal sales.

#### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at December 31, 2013*

SEK 12 million of accounts receivable has been eliminated against accounts payable as such balances will be eliminated after the Combination.

#### **(5) Other Pro Forma Adjustments**

This column reflects other pro forma adjustments for the year ended December 31, 2013.

#### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended December 31, 2013*

### Transaction Costs

Estimated transaction costs, amounting to SEK 272 million, have been recognized as administrative expenses, and SEK 45 million have been recognized as financing costs. The tax effect has been calculated based on assumption of deductibility, and totals SEK 29 million in positive tax. Transaction costs are considered as one-off costs and they do not have a continuing impact on SSAB's results of operations. Therefore, the net transaction cost after tax affecting the unaudited pro forma income statement is SEK 288 million. An additional transaction cost of SEK 19 million related to the issuance of the New Shares reduces equity directly and, therefore, does not affect the income statement.

### Share-based Incentive Plan

In the pro forma income statement, an additional cost of SEK 4 million has been recognized as administrative expenses for the outstanding share-based incentive plan for the executives of Rautaruukki. The related tax effect is SEK 1 million. The cash settlement of Rautaruukki's share-based incentive plan is considered to be a one-off cost and does not have a continuing impact on SSAB's results of operations.

*Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at December 31, 2013*

Transaction Costs

The transaction costs have been adjusted for in the unaudited pro forma balance sheet by deducting net SEK 307 million from cash and cash equivalents. Transaction costs for the issuance of the New Shares of SEK 19 million have been recognized in equity under other restricted funds and SEK 288 million has affected retained earnings.

Share-based Incentive Plan

In the unaudited pro forma balance sheet, the total share-based incentive plan has been assumed to be paid out in cash. The cash and cash equivalents have been reduced by SEK 5 million. A fair value adjustment amounting to SEK 2 million for the period 2014–2016 has been recognized as short-term provisions in the unaudited pro forma balance sheet.

**Presentation of the Unaudited Pro Forma Financial Information in Euro**

The unaudited pro forma financial information above has been presented primarily in Swedish kronor, which is SSAB's presentation currency. For the convenience of Rautaruukki's shareholders, the unaudited pro forma financial information has been converted into euro. The exchange rates used are the exchange rates used by SSAB for group consolidation as at and for the year ended December 31, 2013:

- average rate of SEK/EUR 8.6494 for the income statement and statement of comprehensive income for the year ended December 31, 2013; and
- closing rate of SEK/EUR 8.905 as at December 31, 2013 for the balance sheet.

***Unaudited Pro Forma Income Statement***

	<b>For the year ended December 31, 2013</b>			
	<b>SSAB IFRS</b>	<b>Rautaruukki</b>	<b>Pro forma</b>	<b>SSAB</b>
	<b>(unaudited)</b>	<b>IFRS</b>	<b>adjustments</b>	<b>Pro forma</b>
	<b>(EUR in</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>millions)</b>	<b>(EUR in</b>	<b>(EUR in</b>	<b>(EUR in</b>
	<b>millions)</b>	<b>millions)</b>	<b>millions)</b>	<b>millions)</b>
Sales.....	4,049	2,405	(17)	6,437
Cost of goods sold.....	<u>(3,849)</u>	<u>(2,174)</u>	<u>(58)</u>	<u>(6,080)</u>
<b>Gross profit</b> .....	<b>200</b>	<b>231</b>	<b>(75)</b>	<b>357</b>
Selling expenses.....	(178)	(104)	–	(282)
Administrative expenses.....	(162)	(106)	(31)	(299)
Other operating income.....	57	13	–	70
Other operating expenses.....	(50)	0	5	(45)
Shares in earnings of affiliated companies and joint ventures after tax.....	<u>2</u>	<u>–</u>	<u>(3)</u>	<u>(2)</u>
<b>Operating profit/(loss)</b> .....	<b>(131)</b>	<b>34</b>	<b>(104)</b>	<b>(201)</b>
Financial income.....	7	40	–	47
Financial expenses.....	<u>(76)</u>	<u>(76)</u>	<u>6</u>	<u>(146)</u>
<b>Profit/(loss) after financial items</b> .....	<b>(200)</b>	<b>(2)</b>	<b>(98)</b>	<b>(301)</b>
Shares in earnings of affiliated companies and joint ventures after tax.....		(3)	3	–
Taxes.....	<u>77</u>	<u>(8)</u>	<u>15</u>	<u>84</u>
<b>Profit/(loss) for the year</b> .....	<b><u>(123)</u></b>	<b><u>(14)</u></b>	<b><u>(80)</u></b>	<b><u>(217)</u></b>
<b>Of which attributable to:</b>				
Parent company's shareholders.....	(123)	(14)	(80)	(217)
Non-controlling interests.....	0	0	–	0

*Unaudited Pro Forma Statement of Comprehensive Income*

	<b>For the year ended December 31, 2013</b>			
	<b>SSAB IFRS</b>	<b>Rautaruukki</b>	<b>Pro forma</b>	<b>SSAB</b>
	<b>(unaudited)</b>	<b>IFRS</b>	<b>adjustments</b>	<b>Pro forma</b>
	<b>(EUR in</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>millions)</b>	<b>(EUR in</b>	<b>(EUR in</b>	<b>(EUR in</b>
	<b>millions)</b>	<b>millions)</b>	<b>millions)</b>	<b>millions)</b>
<b>Profit/(loss) for the year</b> .....	<b>(123)</b>	<b>(14)</b>	<b>(80)</b>	<b>(217)</b>
<i>Other comprehensive income</i>				
Items that may be subsequently reclassified to the income statement:				
Translation differences for the year .....	(29)	(20)	–	(49)
Cash flow hedges .....	(8)	(6)	–	(14)
Hedging of currency risks in foreign operations .....	9	–	–	9
Share in other comprehensive income of affiliated companies and joint ventures .....	(2)	–	–	(2)
Tax attributable to items that may be subsequently reclassified to the income statement .....	<u>0</u>	<u>1</u>	<u>–</u>	<u>0</u>
Total items that may be subsequently reclassified to the income statement .....	(30)	(26)	–	(56)
Items that will not be reclassified to the income statement:				
Remeasurements of the net defined benefit liability .....	1	9	–	10
Tax attributable to items that will not be reclassified to the income statement ....	<u>0</u>	<u>(3)</u>	<u>–</u>	<u>(4)</u>
Total items that will not be reclassified to the income statement .....	<u>1</u>	<u>5</u>	<u>–</u>	<u>6</u>
<b>Total other comprehensive income for the year, net after tax</b> .....	<b><u>(29)</u></b>	<b><u>(20)</u></b>	<b><u>0</u></b>	<b><u>(50)</u></b>
<b>Total comprehensive income for the year</b> .....	<b><u>(152)</u></b>	<b><u>(34)</u></b>	<b><u>(80)</u></b>	<b><u>(266)</u></b>
Of which attributable to:				
Parent company's shareholders .....	(152)	(34)	(80)	(266)
Non-controlling interests .....	0	0	–	0

*Unaudited Pro Forma Balance Sheet*

	As at December 31, 2013			
	<u>SSAB IFRS</u>	<u>Rautaruukki</u>	<u>Pro forma</u>	<u>SSAB</u>
	<u>(unaudited)</u>	<u>IFRS</u>	<u>adjustments</u>	<u>Pro forma</u>
	<u>(EUR in</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
	<u>millions)</u>	<u>(EUR in</u>	<u>(EUR in</u>	<u>(EUR in</u>
	<u>millions)</u>	<u>millions)</u>	<u>millions)</u>	<u>millions)</u>
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill .....	1,995	65	102	2,162
Other intangible assets .....	241	38	29	308
Tangible fixed assets .....	1,849	1,079	40	2,968
Participations in affiliated companies .....	32	31	-	63
Available for sale financial assets .....	-	13	(13)	-
Other non-current receivables .....	-	76	(76)	-
Financial assets .....	180	-	90	269
Deferred tax receivables .....	73	42	(10)	105
<b>Total fixed assets .....</b>	<b><u>4,370</u></b>	<b><u>1,344</u></b>	<b><u>162</u></b>	<b><u>5,876</u></b>
<b>Current assets</b>				
Inventories .....	986	557	39	1,581
Accounts receivable .....	537	243	(1)	779
Prepaid expenses and accrued income .....	56	-	29	85
Current tax receivables .....	38	4	-	41
Other current interest-bearing receivables .....	22	-	5	27
Financial assets .....	-	1	(1)	-
Other current receivables .....	33	83	(34)	83
Cash and cash equivalents .....	239	46	(34)	250
<b>Total current assets .....</b>	<b><u>1,912</u></b>	<b><u>934</u></b>	<b><u>2</u></b>	<b><u>2,848</u></b>
<b>TOTAL ASSETS .....</b>	<b><u>6,281</u></b>	<b><u>2,278</u></b>	<b><u>164</u></b>	<b><u>8,723</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital .....	320	238	(7)	552
Other contributed funds .....	1,117	220	719	2,055
Translation differences .....	-	(45)	45	-
Reserves .....	(381)	(22)	22	(381)
Retained earnings .....	1,990	619	(652)	1,957
<b>Total equity for the shareholders in the Company .....</b>	<b><u>3,046</u></b>	<b><u>1,010</u></b>	<b><u>128</u></b>	<b><u>4,184</u></b>
<b>Non-controlling interests .....</b>	<b><u>3</u></b>	<b><u>3</u></b>	<b><u>-</u></b>	<b><u>5</u></b>
<b>TOTAL EQUITY .....</b>	<b><u>3,049</u></b>	<b><u>1,013</u></b>	<b><u>128</u></b>	<b><u>4,189</u></b>
<b>Long-term liabilities</b>				
Long-term interest-bearing liabilities .....	1,807	358	8	2,173
Deferred income .....	42	-	-	42
Pension provisions .....	13	-	36	49
Deferred tax liabilities .....	333	7	18	358
Other long-term liabilities .....	-	66	(36)	30
Other long-term provisions .....	15	2	-	17
<b>Total long-term liabilities .....</b>	<b><u>2,211</u></b>	<b><u>432</u></b>	<b><u>26</u></b>	<b><u>2,669</u></b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities .....	288	387	12	688
Accounts payable .....	514	279	(1)	792
Accrued expenses and deferred income .....	180	-	100	279
Current tax liabilities .....	13	3	-	17
Other current liabilities .....	23	158	(100)	82
Short-term provisions .....	3	5	0	8
<b>Total current liabilities .....</b>	<b><u>1,021</u></b>	<b><u>833</u></b>	<b><u>10</u></b>	<b><u>1,865</u></b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b><u>6,281</u></b>	<b><u>2,278</u></b>	<b><u>164</u></b>	<b><u>8,723</u></b>