

SSAB

Results for the fourth quarter 2010

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February 11, 2011

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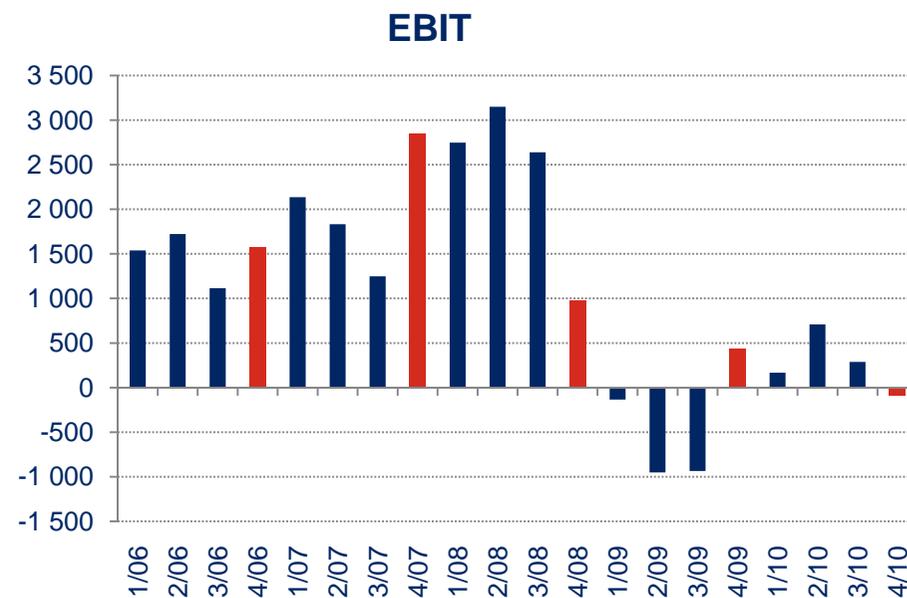
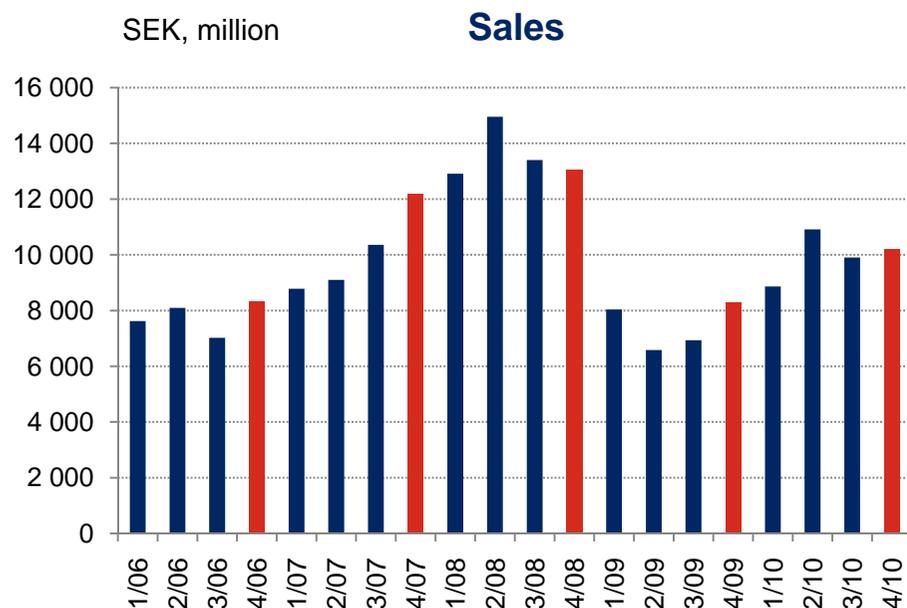
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Highlights – Q4 2010

- ▶ Demand in Q4-10 weaker than expected, particularly in Europe and North America
- ▶ Mining and heavy transport remained healthy, whereas lifting was weak
- ▶ Steel prices have been under pressure and could not compensate for increased raw material costs
- ▶ The strengthening of the Swedish krona had a negative impact
- ▶ Unplanned outage in one of the blast furnaces in Oxelösund, together with an outage in Mobile that had been brought forward, affected earnings negatively
- ▶ These factors combined led to a small operating loss for Q4-10



SSAB Q4 2010 – Slowdown in recovery



MSEK (except EPS)	Q4-10	Q4-09	Chge, %
Sales	10,205	8,284	23
EBIT	-81	430	n.m.
Operating cash-flow	-123	799	n.m.
EPS, SEK	-0.39	1.09	n.m.

SSAB key segments continue to recover

Heavy Transport

- ▶ **EU Heavy truck registrations** grew 8.4% in 2010 vs. 2009
- ▶ **Volvo trucks Q4** order intake up 63% vs. Q4 2009
- ▶ Outlook for the **lifting** industries has strengthened but markets are expected to remain volatile

Mining

- ▶ Mining demand continues **to be very positive**
- ▶ **Positive development especially** reported from Asia, Africa and CIS

Automotive

- ▶ **EU new car registrations** decreased 5.5% in 2010 vs. 2009
- ▶ **China automotive production** increased 33% in 2010
- ▶ **U.S. auto sales** rose more than 11 % in 2010
- ▶ **Global automotive production** expected to grow 6% in 2011

Energy

- ▶ **TMK Group increased** tubular shipments by 6% in Q4 over Q3 – especially in Russia
- ▶ **China now has** surpassed the US in terms of total installed wind power capacity
- ▶ **Global wind power** installations increased by 22.5% in 2010 vs. 2009

Construction Equipment

- ▶ **EU construction industry** experienced seasonal dip in late Q4 but outlook for 2011 is positive
- ▶ US manufacturing of **construction equipment up** 9% in 2010 but in Q4 demand flattened and decreased somewhat in December

US Service Centers

- ▶ **December shipments** of steel products from U.S. service centers increased by 25.6 % compared to the same period 2009
- ▶ At the end of **December, inventories** at U.S. service centers were at current shipping rates, equal to a 2,6-month supply vs . 2,7 in October 2010

Source: ACEA, PWC Autofacts, SBB, Construction Europe Magazine, Metals Service, Metal Supply Center Institute, Reuters, US Census Bureau, Company reports

SSAB EMEA

MSEK	Q4-10	Q4-09	Chge, %
Sales	5,720	4,119	39
EBITDA	213	471	n.m.
EBIT	-69	185	n.m.
EBIT-margin, %	-1	4	

Shipments and Production

- ▶ Shipments were 2% lower vs. Q4-09, but 21% higher vs. Q3-10
- ▶ Niche products were 41% (40% in Q3-10) of shipments
- ▶ Shipments somewhat negatively impacted by harsh weather conditions
- ▶ Unplanned outage in Oxelösund affected production negatively

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 1% and for quenched steels 2% vs. Q3-10
- ▶ Prices for ordinary steel decreased 5% vs. Q3-10
- ▶ Negative impact from exchange rate movements
- ▶ Demand was stable within mining and heavy transport, while construction and lifting remained weak



SSAB Americas

MSEK	Q4-10	Q4-09	Chge, %
Sales	3,608	3,294	10
EBITDA	302	472	-36
EBIT	207	374	-45
EBIT-margin, %	6	11	

Shipments and Production

- ▶ Shipments were 4% higher vs. Q4-09, and 3% higher vs. Q3-10
- ▶ Niche products were 29% (23% Q3-10) of total shipments
- ▶ Brought forward a maintenance outage in Mobile which affected production in December
- ▶ Production of Hardox to commence in Q1 2011

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 2% and were unchanged for quenched steels vs. Q3-10
- ▶ Prices for ordinary steel decreased 2%
- ▶ Scrap prices increased in Q4-10 and is currently ~27% higher than at end-September
- ▶ Demand remained at a good level, though a seasonal decline impacted towards the end of the period



SSAB APAC

MSEK	Q4-10	Q4-09	Chge, %
Sales	518	323	60
EBITDA	19	-11	n.m.
EBIT	17	-13	n.m.
EBIT-margin, %	3	-4	

Shipments

- ▶ Shipments were 33% higher compared with Q4-09, and unchanged vs. Q3-10
- ▶ Niche products were 100% (100% Q3-10) of total shipments
- ▶ Work on constructing the finishing line and R&D center is progressing, to be commissioned in Q3-2011

Prices and Market conditions

- ▶ Prices for advanced high strength steels decreased 3% and for quenched steels 1% compared with Q3-10
- ▶ Negative impact from exchange rate movements
- ▶ In general, demand remained stable
- ▶ Slight decrease in growth rates within automotive and lifting in China towards end of Q4-10



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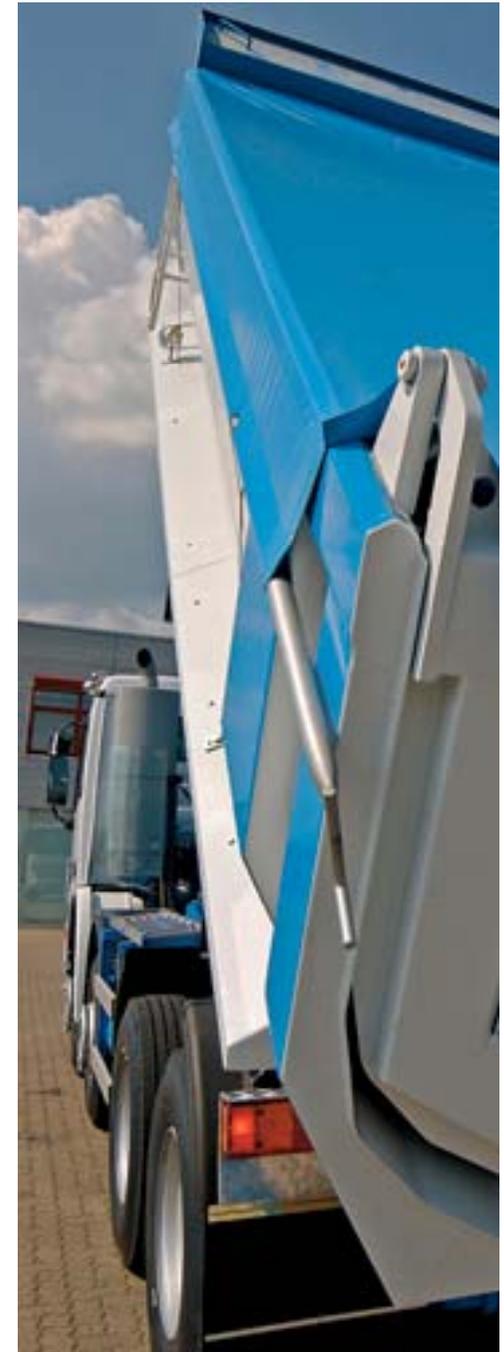
MSEK	Q4-10	Q4-09	Chge, %
Sales	1,801	1,267	42
EBITDA	29	9	n.m.
EBIT	18	-6	n.m.
EBIT-margin, %	1	0	

- ▶ Shipments were 18% higher in Q4-10 compared with Q3-10, and 33% higher compared with Q4-09
- ▶ Prices under pressure in Q4-10
- ▶ Demand in the Nordic region is improving



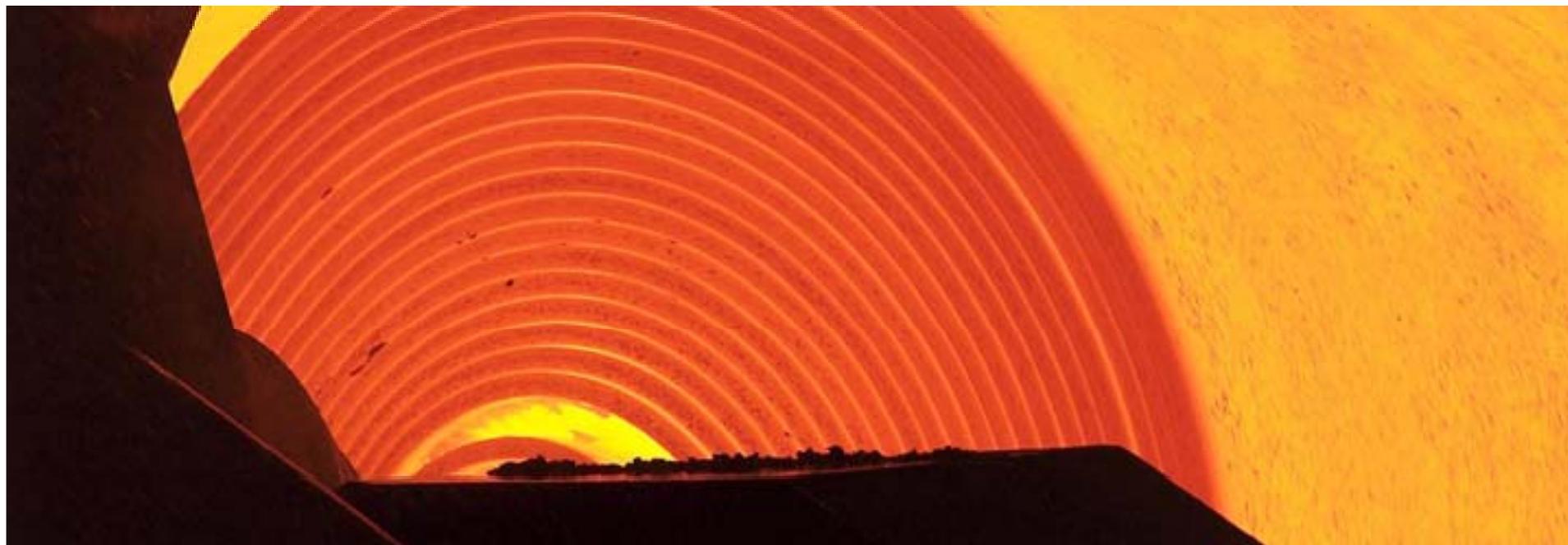
Market outlook

- ▶ Steel demand in Q1-11 expected to increase from the Q4-10 levels
- ▶ Europe expected to recover, albeit at slow rates - mining and heavy transport remain solid and lifting and construction at a continued low level
- ▶ In Americas, continued good demand from mining and energy sectors is expected. Recovery in automotive, heavy transports and wind power
- ▶ Healthy demand in general within the APAC region, however flooding in Australia may dampen local steel consumption in the short term
- ▶ Raw material prices on an upward trend



Financials

Marco Wirén, CFO



Financials

- ▶ Sales increased 23% to MSEK 10,205 (8,284) in Q4-10
- ▶ Operating profit decreased to MSEK -81 (430) in Q4-10
- ▶ Cash flow in Q4-10 negatively affected by MSEK 503, due to payment to the buyer of the tubular business
- ▶ Capex for FY 2010 amounted to SEK 2bn, of which more than half related to strategic investments



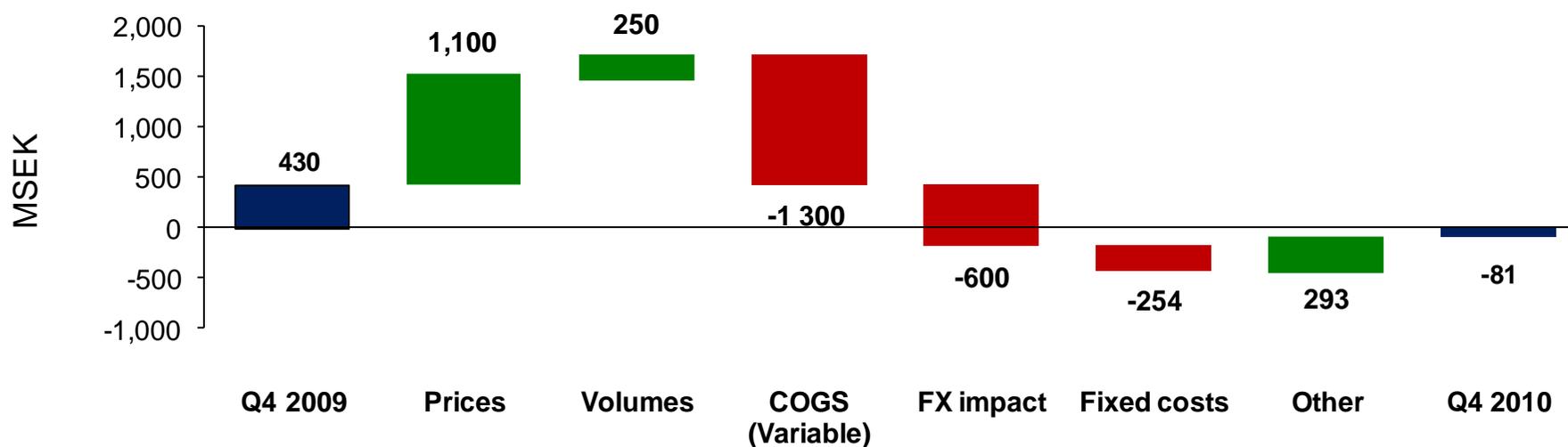
Key Figures

SEK million (except for EPS and Dividend)	Q4-10	Q4-09	2010 Full year	2009 Full year
Sales	10,205	8,284	39,883	29,838
Operating profit	-81	430	1,084	-1,592
Pre-tax profit	-176	348	682	-2,061
Net profit	-124	350	764	-879
Earnings per share, SEK	-0.39	1.09	2.21	-2.69
Operating cash-flow	-123	799	-212	4,868
Debt/Equity, %	58	49	58	49
ROCE, %	-	-	2	neg
ROE, %	-	-	2	neg
Dividend, SEK*	-	-	2.00	1.00

* 2010 proposed by the board

Change in operating profit, Q4 2010 vs. Q4 2009

Change in operating profit, excluding non-recurring items, between the fourth quarters of 2010 and 2009 (SEK millions)



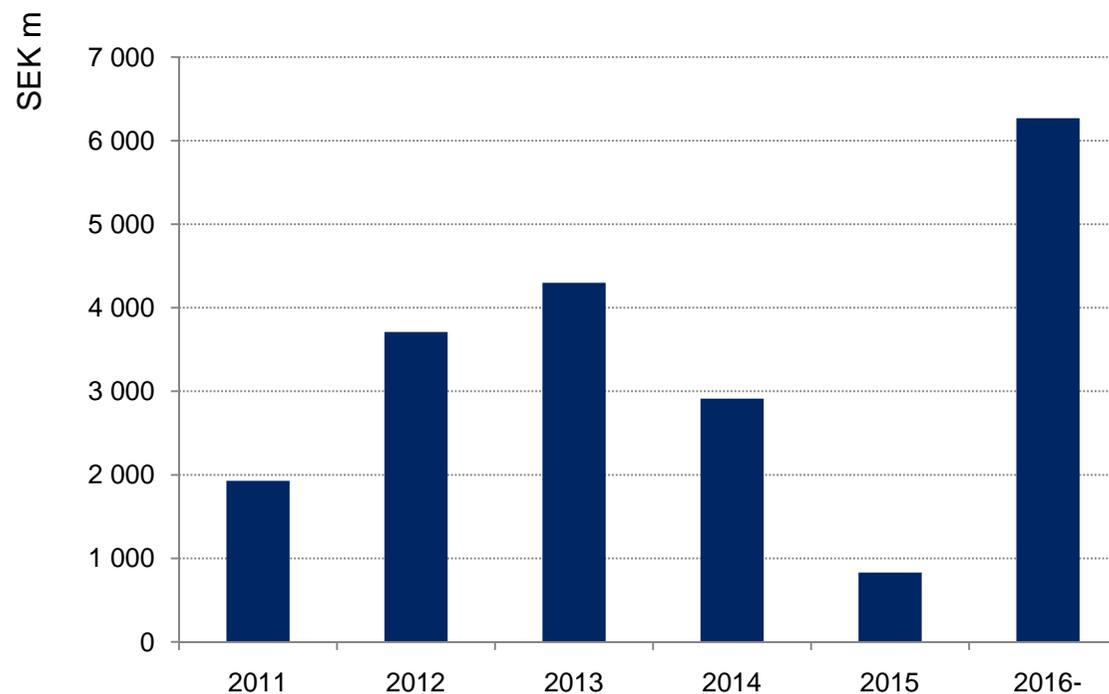
Operating cash flow

SEK millions	Q4-10	Q4-09	2010 Full year	2009 Full year
SSAB EMEA	-692	609	-1,736	2,113
SSAB Americas	396	172	1,421	1,464
SSAB APAC	44	-82	162	141
Tibnor	172	162	42	725
Other	-43	-62	-101	425
Operating cash flow	-123	799	-212	4,868
Financial items	-104	-96	-392	-538
Taxes	-149	153	-127	-943
Cash flow from current operations	-376	856	-731	3,387
Strategic investments	-476	-210	-1,170	-944
Divestment of businesses and operations	-503	0	-559	31
Cash flow before dividend and financing	-1,355	646	-2,460	2,474
Dividend	0	0	-324	-1,296
Revaluation of debts against equity (hedge)	-144	-301	599	475
Other	53	3	-88	25
Change in net debt	-1,446	348	-2,273	1,678

Financing & Liquidity

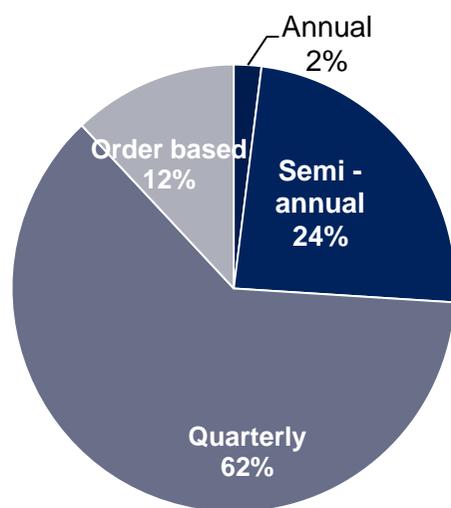
- ▶ Net debt increased SEK 1.5 bn to SEK 17.6 bn from the previous quarter and the net gearing was 58%
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 mths) was 34% (incl. commercial paper)
- ▶ The average term on the loan portfolio at 3.3 years with an interest term of 0.7 years (December 30)
- ▶ Commercial paper amounted to SEK 1.3 bn

Debt Maturity (December 30)

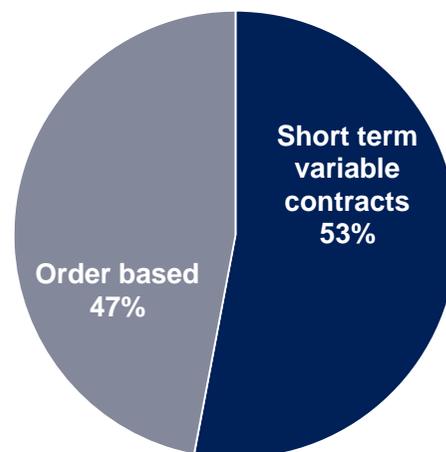


Commercial paper amounted to SEK 1,334m (December 30)

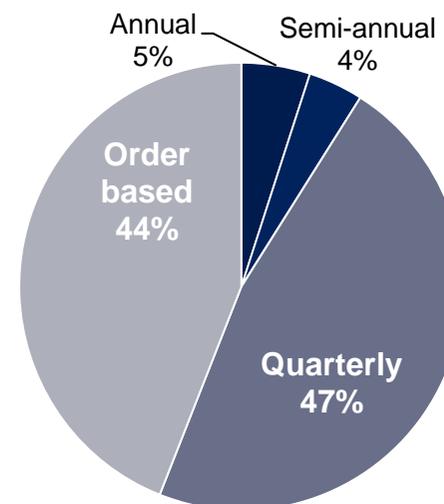
Contract structures



EMEA



Americas



APAC

Martin Lindqvist, President & CEO



Actions and Outlook

- ▶ Demand expected to be healthy in Asia and Americas, the European recovery is somewhat slower
- ▶ Fully booked in SSAB Americas in Q1-11
- ▶ The decrease in European steel prices in Q4-10 will have a negative impact on Q1-11 contract pricing
- ▶ Steel prices in the US expected to increase, will not fully compensate for higher scrap prices in Q1-11
- ▶ Iron ore contract prices unchanged in Q1-11 vs. Q4-10, coal prices 8% higher
- ▶ Harsh weather conditions and production disruptions in Sweden will affect Q1-11
- ▶ Planned outage in Mobile in March/April



Summary

- ▶ The recovery continued during 2010
- ▶ Asia and Latin America showed strongest growth
- ▶ Steep increases in raw materials costs could not be fully offset by higher steel prices in 2010
- ▶ Niche products expected to show higher growth than ordinary steels
- ▶ Strategic investment programs are underway to further strengthen SSAB's position within high strength steels
- ▶ Aim at raising prices gradually as demand increases
- ▶ We are in a period of continued recovery



Winner of Swedish Steel Prize 2010 - Van Reenen Steel

- ▶ Developed a truck body with more torsional stiffness and impact resistance, in a new structure made of steel with high wear resistance and strength
- ▶ A new bottom profile and rounded corners provide more even wear and faster tipping
- ▶ The result is longer durability, lower weight, improved environmental performance, and greater productivity



Questions

- ▶ Please state your name and the company that you represent

