

RESULTS FOR 2016



*Lower cost level and stronger
financial position lay
foundation for profitable
growth*

February 15, 2017

SSAB

Results for 2016

The quarter

- Sales were SEK 14,442 (12,499) million
- Operating profit before depreciation/amortization was SEK 1,066 (134) million
- Operating profit/loss was SEK 107 (-878) million
- The result after financial items was SEK -139 (-1,127) million
- Earnings per share were SEK 0.07 (-0.88)
- Operating cash flow was SEK 1,053 (1,788) million

The full year

- Sales were SEK 55,354 (56,864) million
- Operating profit before depreciation/amortization was SEK 4,951 (3,593) million
- Operating profit/loss was SEK 1,213 (-243) million
- The result after financial items was SEK 324 (-1,171) million
- Earnings per share were SEK 1.04 (-0.66)
- Operating cash flow was SEK 3,207 (3,874) million
- The Board proposes that no dividend will be paid for 2016

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	14,442	12,499	13,477	55,354	56,864
Operating profit before depreciation/amortization, EBITDA	1,066	134	1,635	4,951	3,593
Operating profit/loss	107	-878	707	1,213	-243
Profit/loss after financial items	-139	-1,127	461	324	-1,171
Profit/loss after tax	73	-672	591	943	-505
Earnings per share (SEK) 1)	0.07	-0.88	0.57	1.04	-0.66
Operating cash flow	1,053	1,788	926	3,207	3,874
Net debt/equity ratio (%)	34	52	35	34	52

1) Earnings per share have been adjusted based on the bonus issue element in the rights issue.

(In the report, the figures in parentheses refer to the corresponding period for the previous year.)

Comments by the CEO

SSAB posted a full year operating profit of SEK 1,213 million, up by SEK 1,456 million compared with full year 2015. Improved earnings were driven primarily by the cost reduction program, including synergies from the acquisition of Rautaruukki. Cost reductions were achieved faster than planned and amount to a full annual run rate of SEK 3 billion. Higher volumes and better capacity utilization also contributed to improved earnings for the full year. Our strategic growth initiatives in SSAB Special Steels and Automotive resulted in increased volumes and we continued launching new products at a high pace.

Operating profit for the fourth quarter of 2016 was SEK 107 million, down by SEK 600 million compared with the third quarter of 2016. This was largely attributable to SSAB Special Steels, where there was a scheduled maintenance outage in Oxelösund and a production breakdown occurring when restarting the rolling mill in Oxelösund after the outage. The production breakdown was related to a faulty design in the newly installed control system resulting in damaged transformers. The rolling mill is up and running since the beginning of February and discussions have been initiated with the insurance company regarding potential compensation. Lower prices and lower margins in North America also impacted negatively on the fourth quarter.

Global demand for high-strength steel remained stable during the fourth quarter. SSAB Special Steels' shipments for the full year were up by 8% at 1 million tonnes. SSAB Special Steels is growing structurally in the market as a result of customers' needs for increasingly lighter and stronger products.

For SSAB Europe, underlying demand was stable. Market prices rose during the quarter and realized prices for SSAB Europe improved. Import restrictions on Chinese steel have resulted in lower imports and better pricing in Europe.

In North America the fourth quarter was adversely affected by lower realized prices. Market prices, however, rose during the quarter, which is expected to impact positively on SSAB's realized prices and margins from the first quarter of 2017 onwards.

SSAB aims to reduce net debt by SEK 10 billion between the start of the first quarter of 2016 and the end of 2017. The rights issue during the second quarter of 2016 raised SEK 4.9 billion net and the net cash flow during the second, third and fourth quarters amounted to approximately SEK 2.2 billion. The remaining amount will be achieved through cash flow generated from operations, a structural reduction in working capital and through possible divestment of non-core assets.

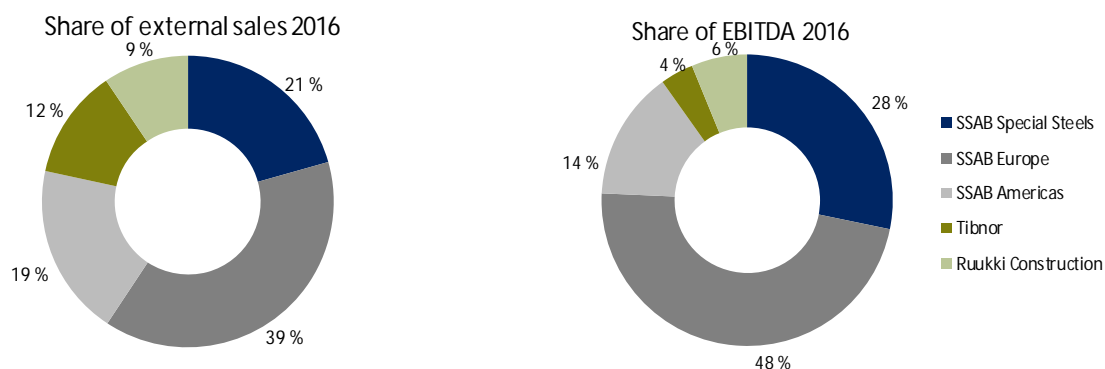
The integration between SSAB and Rautaruukki has been completed and the cost reduction program has ended, which resulted in savings of over SEK 3.0 billion and a reduction of over 2,500 employees. Together with our improved financial position, we have created a platform to continue to execute our "Taking the Lead" strategy with the goal to reach industry-leading profitability. We will do this by continuing to drive efficiency through continuous improvement in all our operations, by driving growth within chosen initiatives and by increased focus on the aftermarket. Against this background, I am convinced that we will continue to strengthen our position during 2017.

Sales per business segment

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
SSAB Special Steels	3,066	2,942	2,986	12,582	14,382
SSAB Europe	7,001	5,620	6,122	25,831	25,517
SSAB Americas	2,825	2,321	2,545	10,639	11,936
Tibnor	1,813	1,596	1,539	6,879	7,163
Ruukki Construction	1,353	1,243	1,579	5,304	5,374
Other	-1,616	-1,223	-1,294	-5,881	-7,508
Total	14,442	12,499	13,477	55,354	56,864

Operating profit/loss before depreciation/amortization (EBITDA) per business segment

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
SSAB Special Steels	111	1	587	1,453	1,213
SSAB Europe	746	71	789	2,458	1,239
SSAB Americas	136	42	83	737	1,043
Tibnor	57	85	73	191	154
Ruukki Construction	45	-29	173	322	109
Other	-29	-36	-70	-210	-165
Total	1,066	134	1,635	4,951	3,593



The market

According to the World Steel Association (WSA), global crude steel production in 2016 was 1,604 (1,592) million tonnes, up by 0.7% compared with 2015. Chinese crude steel production was up by just over 1% in 2016 and accounted for 50% of global steel production. In the EU-28, steel production was down by just over 2% (mostly driven by Great Britain), whereas production in North America was unchanged in 2016 compared with 2015.

In North America, demand was weak early on in the fourth quarter, but the decision to impose provisional import duties on heavy plate changed the situation and demand for North American steel producers rose significantly during the second half of the quarter. Demand during the fourth quarter remained stable in Europe and the usual slowdown in demand towards the end of the year was less than normal. In Europe, stock levels at distributors are considered as being in balance, whereas they are thought to be somewhat low in North America.

Taking the year as a whole, demand in the North American market was volatile, with good demand during the first half of the year, followed by very weak demand and then recovery towards the end of the year. High import volumes of heavy plate into North America continued until the decision in November to introduce provisional import duties. In Europe, demand growth was fairly stable throughout the year, with a certain amount of stock building during the first quarter, followed by a balance between underlying and actual demand.

In North America, market prices for heavy plate fell throughout the third quarter and continued falling during the first half of the fourth quarter. Since then, market prices have increased significantly and leading heavy plate producers have announced several price increases. In Europe, market prices for strip and heavy plate continued to rise during the first half of the fourth quarter, but stalled towards the end of the quarter. In China, market prices for both strip and heavy plate rose during the third quarter and continued to rise also during the fourth quarter.

Raw materials

SSAB sources its iron ore from LKAB in Sweden and from Severstal in Russia. A new price agreement for supplies of iron ore was signed with LKAB during the second quarter of 2016 and is valid from April 1, 2016 until March 31, 2017. Prices are fixed quarterly. The agreement with Severstal runs from October 1, 2015 until September 30, 2018 and prices are fixed monthly. For the fourth quarter, average prices for pellets were 32% higher in terms of USD and 37% higher in SEK compared with the fourth quarter of 2015. SSAB's supply price for pellets during the fourth quarter was 20% higher in USD and 24% higher in SEK compared with the third quarter of 2016. Pellet supply prices for the full year 2016 were up 2% in USD and 16% in SEK compared with the full year 2015.

SSAB sources coking coal from Australia, the USA, Canada and Russia. Price agreements for Australian, Canadian and Russian coal are entered into monthly, whereas price agreement for most USA coal is entered into quarterly. The average price during the fourth quarter was 117% higher in terms of USD and 132% higher in SEK compared with the fourth quarter of 2015. SSAB's price for coal during the fourth quarter of 2016 was 65% higher in USD and 75% higher in SEK compared with prior quarter. Average coal prices for the full year 2016 were 21% higher in USD and 27% higher in SEK compared with the full year 2015.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices for scrap metal rose sharply during the fourth quarter of 2016. Spot prices were 39% higher in terms of USD at the end of the quarter compared with prior quarter and 54% higher in USD compared with the end of the fourth quarter 2015.

Outlook

In North America, demand for heavy plate is anticipated to be good during the first quarter of 2017 and distributors are expected to increase purchases in the wake of low stock levels. In Europe, demand is similarly anticipated to be good during the first quarter; although no major changes in either end customer or distributor stock levels are expected. It is anticipated that import volumes into North America will gradually decline as a result of import duties, although in Europe no major change in import volumes is expected. It is expected that the underlying demand for high-strength steels will be relatively unchanged during the first quarter, even though the production breakdown in Oxelösund will impact shipments negatively during the quarter. It is estimated that the breakdown will have a total delivery impact of around 70,000 tonnes, most of which will be in the first quarter. Overall, SSAB's shipments are expected to be somewhat higher than during the fourth quarter of 2016. It is anticipated that prices realized by SSAB during the quarter will be higher than prices during the fourth quarter of 2016.

There were planned maintenance outages at both SSAB Europe and SSAB Special Steels during the fourth quarter of 2016. In connection with the restart after the maintenance outage, a production breakdown in Oxelösund meant that rolling could not restart in mid-December as planned but was restarted at the beginning of February 2017.

A number of regular maintenance outages will take place in the Nordic operations during 2017. In the USA, a major maintenance outage in Mobile will start during the first quarter and continue into the second quarter. The table below shows the impact of the estimated direct maintenance cost and the cost of lower capacity utilization (under absorption), but excluding lost margins.

Planned maintenance outages in 2017

	2017	2017	2017	2017	2017	2016
SEK million	Q 1	Q 2	Q 3	Q 4	Total	Total 1)
SSAB Special Steels	-	-	230	-	230	250
SSAB Europe	20	20	170	100	310	300
SSAB Americas	160	230	-	-	390	290
Total	180	250	400	100	930	840

1) The estimates for 2016 have been restated to include the effect of lower capacity utilization (under absorption) in addition to the direct maintenance cost.

Synergies and other cost savings measures

The integration with Rautaruukki has been completed and the synergy program concluded at the end of the second quarter of 2016. The annual run rate of SEK 2.0 billion in synergies achieved significantly exceeded the original target of SEK 1.0-1.35 billion and the synergies were also realized one year earlier than originally planned. The subsequently announced target to reduce the total cost level (including synergies) by SEK 2.8 billion on an annual basis compared with the cost level at time of the acquisition of Rautaruukki, was exceeded by the end of 2016. The annual run rate in cost reduction achieved is SEK 3.0 billion.

SSAB's goal to reduce the total workforce by the end of 2016 by around 2,400 employees compared with the time of the acquisition of Rautaruukki was achieved at the end of the fourth quarter. The total headcount has decreased by over 2,500.

SSAB Group

Full year summary

Shipments and production

SSAB's shipments during the full year 2016 were 6,652 (6,436) thousand tonnes, up 3% compared with the full year 2015.

Crude steel production was up 5% and rolling production was up 4% compared with the full year 2015.

Sales

Sales for the full year were SEK 55,354 (56,864) million, down 3% compared with the full year 2015. Lower prices had a negative impact of 11 percentage points and a weaker product mix had a negative impact of 1 percentage point, whereas currency effects had a positive impact of 6 percentage points and higher volumes had a positive impact of 3 percentage points.

Earnings

Operating profit for the full year was SEK 1,213 (-243) million, up SEK 1,456 million compared with the full year 2015. Improved earnings were mainly due to lower variable and fixed costs, positive currency effects, higher volumes and better capacity utilization. However, the impact of this was counteracted by lower prices.

Financial items for the full year were SEK -889 (-928) million and the result after financial items was SEK 324 (-1,171) million.

Profit/loss after tax and earnings per share

Profit/loss after tax (attributable to shareholders) for the full year was SEK 937 (-508) million, equating to SEK 0.07 (-0.66) per share. Tax for the full year was positive at SEK 619 (666) million.

Cash flow, financing and liquidity

Operating cash flow for the full year was SEK 3,207 (3,874) million. The year was positively affected primarily by cash flow from earnings before depreciation/amortization, but was negatively impacted by a build-up of working capital mostly through higher accounts receivable and higher inventories.

Net cash flow was SEK 6,875 (2,283) million. Net cash flow was affected positively, among other things, by proceeds of SEK 4,907 million from the rights issue, but negatively by payments for strategic expenditures, including acquisitions of businesses and operations, of SEK 319 (691) million (total capital expenditure amounted to SEK 1,372 (2,582) million). Net debt decreased by SEK 5,269 million during the full year and at December 31 amounted to SEK 17,887 million. The net debt/equity ratio at year end 2016 was 34% (52%).

The term to maturity of the total loan portfolio at December 31 averaged 5.1 (4.6) years, with an average fixed interest period of 0.8 (1.1) years.

Cash and cash equivalents were SEK 3,879 (2,711) million and non-utilized credit facilities were SEK 7,096 (8,308) million, which combined corresponds to 20% (19%) of 12 months' rolling sales.

Return on capital employed/equity

Return on capital employed before tax and return on equity after tax for the full year were both 2%, whereas figures for the full year 2015 were 0% and -1% respectively.

Equity

With earnings of SEK 937 million and other comprehensive income (mostly consisting of translation differences) of SEK 2,654 million, together with the proceeds of SEK 4,907 million from the rights issue completed during the second quarter, shareholders' equity in the company was SEK 52,891 (44,393) million, equating to SEK 51.36 (80.82) per share.

Goodwill

Consolidated goodwill amounts are allocated to the group's cash-generating units as shown in the table below.

Goodwill per cash-generating unit		
Mkr	2016 31 Dec	2015 31 Dec
Goodwill		
SSAB North America (in Division SSAB Americas)	24,741	22,910
SSAB Special Steels	2,636	2,529
SSAB Europe	1,985	1,905
Tibnor	487	467
Ruukki Construction	60	60
Total goodwill	29,909	27,871
Ruukki Construction (tradenname Rautaruukki)	427	410
Total assets with undeterminable useful life 1)	30,336	28,281

1) All changes in value compared with the previous year are due to currency effects.

Goodwill is tested for impairment each year towards the end of the fourth quarter. The impairment test showed no indication of a need for an impairment charge. The head room for deterioration in the estimates regarding the cash generating unit SSAB North America decreased somewhat compared with 2015 primarily because of higher long-term interest rates in the USA.

Developments during the fourth quarter

Shipments and production

SSAB's shipments during the fourth quarter were 1,633 (1,460) thousand tonnes, up 12% compared with the fourth quarter of 2015 and up 7% compared with the third quarter of 2016.

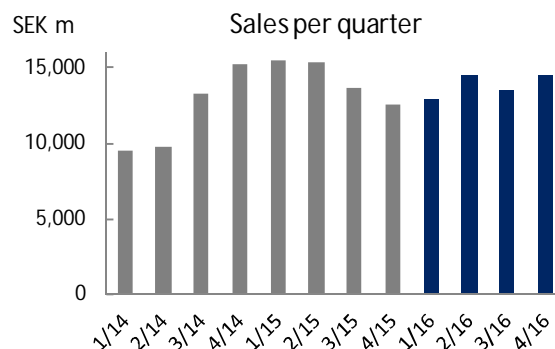
Crude steel production was up 8% compared with the fourth quarter of 2015 and at the same level as during the third quarter of 2016.

Rolling production was up 8% compared with the fourth quarter of 2015 and up 2% compared with the third quarter of 2016.

Sales

Sales for the fourth quarter of 2016 were SEK 14,442 (12,499) million, up 16% compared with the fourth quarter 2015. Higher volumes had a positive impact of 12 percentage points, currency effects had a positive impact of 4 percentage points and a better product mix had an impact of 1 percentage point, whereas lower prices had a negative impact of 1 percentage point.

Compared with the third quarter of 2016, sales were up 7%. Higher volumes had a positive effect of 7 percentage points, currency effects had a positive impact of 3 percentage points and other sales had a positive impact of 1 percentage point, whereas lower prices had a negative impact of 3 percentage points and a weaker product mix had a negative impact of 1 percentage point.



Earnings

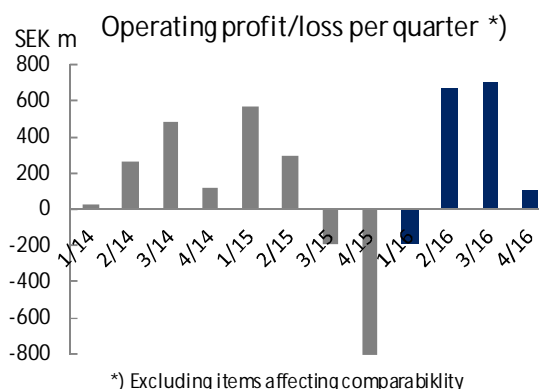
Operating profit for the fourth quarter of 2016 was SEK 107 (-878) million, up SEK 985 million compared with the fourth quarter 2015. Improved earnings were primarily due to the positive impact of higher volumes (SEK 320m), currency effects (SEK 240m), higher prices (SEK 200m), lower variable costs (SEK 150m) and better capacity utilization (SEK 90m).

Compared with the third quarter of 2016, earnings were down SEK 601 million. Lower earnings were primarily due to the negative impact of seasonally higher fixed costs (SEK 390m), lower prices (SEK 350m) and lower capacity utilization (SEK 140m), whereas lower variable costs (SEK 220m) and higher volumes (SEK 110m) had a positive impact on earnings.

Financial items for the period were SEK -246 (-249) million and the result after financial items was SEK -139 (-1,127) million.

Profit/loss after tax and earnings per share

Profit/loss after tax (attributable to shareholders) for the fourth quarter was SEK 71 (-674) million, equating to SEK 0.07 (-0.88) per share. Tax for the fourth quarter was positive at SEK 212 (455) million.



Cash flow, financing and liquidity

Operating cash flow for the fourth quarter was SEK 1,053 (1,788) million. Cash flow was positively impacted primarily by operating profit and lower working capital.

Net cash flow was SEK 937 (1,481) million. Net cash flow was affected, among other things, by payments for strategic expenditures of SEK 83 (148) million (total capital expenditure was SEK 448 (643) million). Net debt decreased by SEK 305 million during the fourth quarter and at 31 December amounted to SEK 17,887 million. The net debt/equity ratio was 34% (52%).

Operating cash flow and net debt

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operating profit before depreciation/amortization	1,066	134	4,951	3,593
Change in working capital	417	2,084	-661	1,987
Maintenance expenditures	-365	-495	-1,053	-1,891
Other	-65	65	-30	185
Operating cash flow	1,053	1,788	3,207	3,874
Financial items	-271	-203	-994	-796
Taxes	244	34	80	-276
Cash flow from current operations	1,026	1,619	2,293	2,802
Strategic capital expenditures in plants and machinery	-83	-148	-273	-655
Acquisitions of shares and operations	-	-	-46	-36
Divestments of shares and operations	-	10	-	172
Cash flow before dividend	943	1,481	1,974	2,283
Dividend to the Parent Company's shareholders	-	-	-	-
Rights issue	-	-	4,907	-
Dividend, non-controlling interest	-6	-	-6	-
Net cash flow	937	1,481	6,875	2,283
Net debt at beginning of period	-18,192	-24,814	-23,156	-24,674
Net cash flow	937	1,481	6,875	2,283
Revaluation of liabilities against equity 1)	-657	139	-1,342	-719
Other 2)	25	38	-264	-46
Net debt at end of period	-17,887	-23,156	-17,887	-23,156

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 instruments in foreign currency.

Information about the business segments

The information in the tables below excludes items affecting comparability and the depreciation/amortization on surplus values on tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki. See page 24 for more information about the business segments.

SSAB Special Steels

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	3,066	2,942	2,986	12,582	14,382
Operating profit before depreciation/amortization, EBITDA	111	1	587	1,480	1,213
Operating profit/loss 1)	-29	-134	453	929	662
Operating cash flow	346	11	-39	437	1,394
Number of employees at end of period	2,772	2,904	2,843	2,772	2,904

1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki.

The Heavy Transport segment showed continued good demand during the fourth quarter, whereas demand from the Construction Machinery segment, and in particular the crane industry, declined somewhat. For the full year 2016, demand grew in the Heavy Transport segment, whereas other segments were more or less at the same level as in 2015.

External shipments of steel during the fourth quarter were up 15% compared with the fourth quarter of 2015, but down 4% compared with the third quarter of 2016. External shipments were 233 (202) thousand tonnes. External shipments of steel for the full year 2016 were 1,008 (937) thousand tonnes, an increase of 8%.

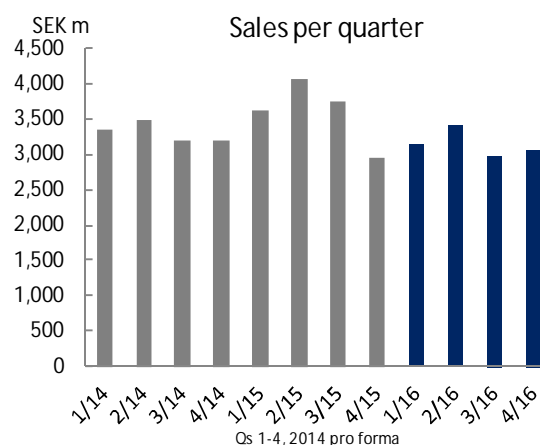
Crude steel production during the fourth quarter was down 21% compared with the fourth quarter of 2015, when the smaller blast furnace in Oxelösund was partly in operation to ensure slab supply during the relining of the blast furnace in Luleå. Crude steel production was down 39% compared with the third quarter of 2016 due to the scheduled maintenance outage during the quarter. Crude steel production for the full year was 975 (1,361) thousand tonnes, down 28% compared with the full year 2015. The decrease was due to the fact that the smaller blast furnace in Oxelösund was in operation for a major part of 2015, which was not the case in 2016.

Rolling production was down 17% compared with the fourth quarter of 2015. This was primarily due to the production breakdown that occurred towards the end of the fourth quarter of 2016. Regular maintenance outage and the production breakdown during the fourth quarter meant rolling production was down 42% compared with the third quarter of 2016. Rolling production for the full year 2016 was down 1% compared to the full year 2015.

Sales for the fourth quarter of 2016 were SEK 3,066 (2,942) million, up 4% compared with the fourth quarter 2015. Higher volumes (of end products) had a positive impact of 15 percentage units and currency effects had a positive impact of 3 percentage points, whereas lower other sales (incl. internal sales of slabs) had a negative impact of 14 percentage points.

Compared with the third quarter of 2016, sales were up 3%. Higher other sales (incl. internal sales of slabs) had a positive impact of 4 percentage points and currency effects had a positive impact of 3 percentage points, whereas lower volumes (of end products) had a negative impact of 3 percentage points and a weaker product mix had a negative impact of 1 percentage point.

Sales for the full year 2016 were SEK 12,582 (14,382) million, down 13% compared with the full year 2015. Lower other sales (incl. internal sales of slabs) had a negative impact of 18 percentage units and lower prices had a negative impact of 8 percentage points, whereas higher volumes (of end products) had a positive impact of 8 percentage points and currency effects had a positive effect of 5 percentage points.



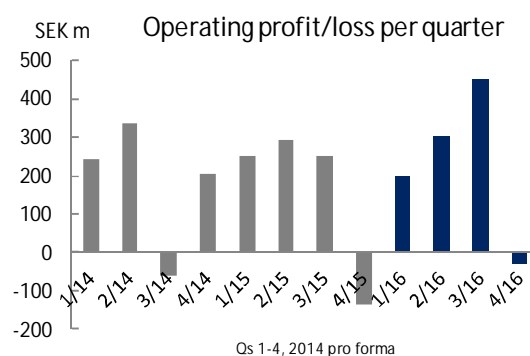
Operating loss for the fourth quarter of 2016 was SEK -29 (-134) million, an improvement of SEK 105 million compared with the fourth quarter 2015. Improved earnings were primarily due to lower variable costs and higher volumes, the impact of which was counteracted by somewhat lower prices, lower capacity utilization and costs arising from the breakdown in Oxelösund.

Compared with the third quarter of 2016, earnings were down SEK 482 million. This was primarily due to lower capacity utilization, seasonally higher fixed costs and costs arising from the breakdown in Oxelösund.

Operating profit for the full year 2016 was SEK 929 (662) million, up SEK 267 million. This was primarily due to lower variable and fixed costs, higher volumes and positive currency effects, the impact of which was counteracted by lower prices and lower capacity utilization (due to the fact that also the smaller blast furnace in Oxelösund was in operation for a major part of 2015).

Operating cash flow during the fourth quarter was SEK 346 (11) million. Cash flow was impacted positively by lower working capital, primarily through lower accounts receivable and positive cash flow from operating profit before depreciation/amortization. Operating cash flow for the full year 2016 was SEK 437 (1,394) million. Cash flow was negatively impacted by higher working capital with higher inventories and higher accounts receivable.

Capital expenditure payments during the fourth quarter were SEK 107 (91) million, of which SEK 10 (11) million were strategic investments. Capital expenditure payments during the full year 2016 were SEK 279 (290) million, of which SEK 25 (87) million were strategic investments.



SSAB Europe

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	7,001	5,620	6,122	25,831	25,517
Operating profit before depreciation/amortization, EBITDA	746	114	789	2,507	1,286
Operating profit/loss 1)	376	-253	426	1,050	-175
Operating cash flow	278	1,178	687	2,113	363
Number of employees at end of period	6,851	7,147	6,840	6,851	7,147

1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki.

Demand during the fourth quarter was good, primarily from the Automotive and Heavy Transport segments, whereas demand from the Construction Material segment showed a seasonal decline. Highest growth in demand for the full year 2016 was seen in the Automotive segment.

External shipments of steel during the fourth quarter were up 9% compared with the fourth quarter of 2015 and up 4% compared with the third quarter of 2016. External shipments were 898 (823) thousand tonnes. External shipments of steel for the full year 2016 were 3,720 (3,612) thousand tonnes, up 3% compared to the full year 2015.

Crude steel production was up 10% compared with the fourth quarter of 2015. This was primarily because the blast furnace in Luleå was partly out of operation in 2015. Crude steel production was up 7% compared with the third quarter of 2016. Crude steel production for the full year was 4,681 (4,050) thousand tonnes, up 15%, primarily because the blast furnace in Luleå was in operation throughout 2016.

Rolling production was up 7% compared with the fourth quarter of 2015 and up 4% compared with the third quarter of 2016. Rolling production for the full year 2016 was up 4% compared with the full year 2015.

Sales for the fourth quarter of 2016 were SEK 7,001 (5,620) million, up 25% compared with the fourth quarter 2015. Higher volumes had a positive impact of 9 percentage points, other sales (incl. internal sales) a positive impact of 6 percentage units, currency effects a positive impact of 4 percentage points, a better product mix a positive impact of 4 percentage points and higher prices had a positive impact of 2 percentage points.

Compared with the third quarter of 2016, sales were up 14%. Other sales (incl. internal sales) had a positive impact of 5 percentage points, higher volumes a positive impact of 4 percentage points, currency effects a positive impact of 3 percentage points, higher prices a positive impact of 1 percentage point and a better product mix had a positive impact of 1 percentage point.

Sales for the full year 2016 were SEK 25,831 (25,517) million, up 1% compared with the full year 2015. Higher volumes had a positive impact of 3 percentage points, currency effects a positive impact of 3 percentage points, other sales a positive impact of 2 percentage points and better product mix had a positive impact of 1 percentage point, whereas lower prices had a negative impact of 8 percentage points.

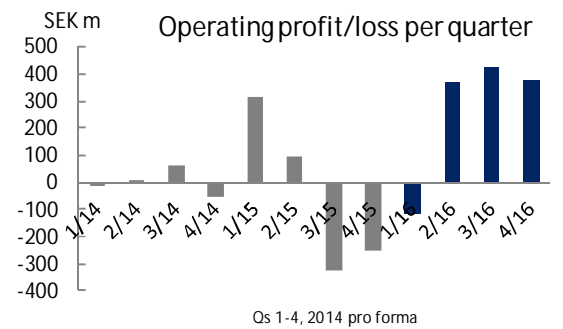
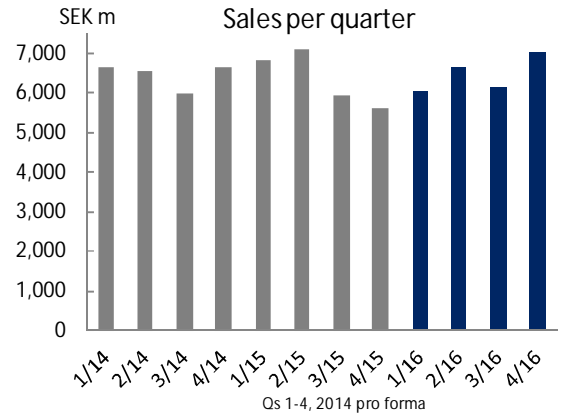
Operating profit for the fourth quarter of 2016 was SEK 376 (-253) million, up SEK 629 million compared with the fourth quarter 2015. This was primarily due to higher prices, higher volumes, positive currency effects and better capacity utilization, but the impact of this was counteracted by higher variable and fixed costs (primarily relating to the maintenance outage during the fourth quarter of 2016).

Compared with the third quarter of 2016, earnings were SEK 50 million lower. This was primarily due to higher variable costs and seasonally higher fixed costs. However, the impact of this was counteracted by better capacity utilization, higher prices and higher volumes.

Operating profit for the full year 2016 was SEK 1,050 (-175) million, up SEK 1,225 million. This was primarily due to lower variable and fixed costs, better capacity utilization and higher volumes, the impact of which was counteracted by lower prices.

Operating cash flow during the fourth quarter was SEK 278 (1,178) million. Cash flow was impacted negatively by higher working capital, primarily due to higher stocks. Operating cash flow for the full year 2016 was SEK 2 113 (363) million. Cash flow was impacted positively primarily by improved earnings before depreciation/amortization, lower maintenance expenditure and lower working capital.

Capital expenditure payments during the fourth quarter were SEK 236 (349) million, of which SEK 22 (50) million were strategic investments. Capital expenditure payments for the full year were SEK 687 (1,828) million, of which SEK 127 (468) million were strategic investments, including acquisitions of operations and businesses.



SSAB Americas

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	2,825	2,321	2,545	10,639	11,936
Operating profit before depreciation/amortization, EBITDA	136	42	83	737	1,043
Operating profit/loss 1)	-34	-100	-73	110	428
Operating cash flow	165	265	225	426	1,763
Number of employees at end of period	1,222	1,240	1,239	1,222	1,240

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

Demand during the fourth quarter of 2016 rose primarily due to restocking at Steel Service Centers and also increased somewhat from the Energy Segment. Demand from the Heavy Transport segment decreased. Demand for the full year 2016 rose primarily from Steel Service Centers and the Energy segment.

External shipments of steel during the fourth quarter of 2016 were up 15% compared with the fourth quarter 2015 and up 19% compared with the third quarter of 2016. External shipments were 502 (435) thousand tonnes. External shipments for the full year 2016 were 1,924 (1,888) thousand tonnes, up 2% compared with the full year 2015.

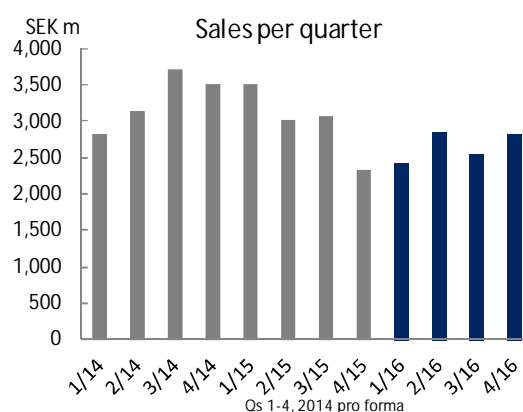
Crude steel production was up 18% compared with the fourth quarter of 2015 and up 5% compared with the third quarter of 2016. Crude steel production for the full year 2016 was up 7% compared with the full year 2015.

Rolling production was up 16% compared with the fourth quarter of 2015 and up 10% compared with the third quarter of 2016. Rolling production for the full year 2016 was up 6% compared with the full year 2015.

Sales for the fourth quarter of 2016 were SEK 2,825 (2,321) million, up 22% compared with the fourth quarter 2015. Higher volumes had a positive impact of 15 percentage points, currency effects had a positive impact of 7 percentage units and other sales had a positive impact of 4 percentage points, whereas lower prices had a negative impact of 4 percentage points.

Compared with the third quarter of 2016, sales were 11% higher. Higher volumes had a positive impact of 19 percentage points, currency effects had a positive impact of 6 percentage points and other sales had a positive impact of 1 percentage point, whereas lower prices had a negative impact of 15 percentage points.

Sales for the full year 2016 were SEK 10,639 (11,936) million, 11% lower compared with the full year 2015. Lower prices had a negative impact of 29 percentage points and a weaker product mix had a negative impact of 1 percentage point, whereas currency effects had a positive impact of 16 percentage points, higher volumes had a positive impact of 2 percentage points and other sales had a positive effect of 1 percentage point.



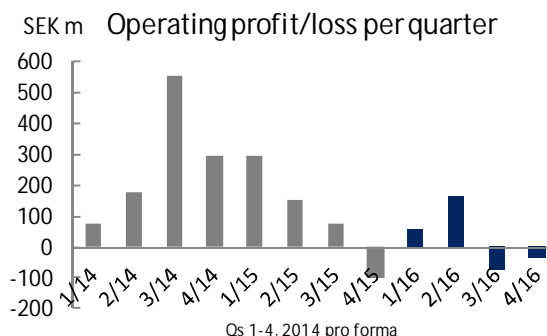
Operating loss for the fourth quarter of 2016 was SEK 34 (100) million, an improvement of SEK 66 million compared with the fourth quarter 2015. Improved earnings were primarily due to higher volumes, lower variable costs and better capacity utilization, the impact of which was counteracted by lower prices.

Compared with the third quarter of 2016, earnings were up SEK 39 million. Improved earnings were primarily due to lower variable costs (maintenance outage during the third quarter) and higher volumes, the impact of which was counteracted by lower prices.

Operating profit for the full year 2016 was SEK 110 (428) million, down SEK 318 million. Earnings were down primarily due to lower prices, the impact of which was counteracted by lower variable and fixed costs.

Operating cash flow during the fourth quarter was SEK 165 (265) million. Cash flow was impacted positively primarily by earnings before depreciation/amortization, as well as by lower working capital with primarily lower inventories. Operating cash flow for the full year 2016 was SEK 426 (1,763) million. Cash flow was impacted negatively by lower earnings and higher working capital with higher accounts receivable due to higher sales and higher inventories.

Capital expenditure payments during the fourth quarter were SEK 49 (154) million, of which SEK 18 (42) million were strategic investments. Capital expenditure payments during the full year 2016 were SEK 218 (356) million, of which SEK 55 (106) million were strategic investments.



Tibnor

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	1,813	1,596	1,539	6,879	7,163
Operating profit before depreciation/amortization, EBITDA	57	-28	73	194	65
Operating profit/loss 1)	33	-47	53	108	-10
Operating cash flow	211	255	-68	191	375
Number of employees at end of period	1,137	1,208	1,149	1,137	1,208

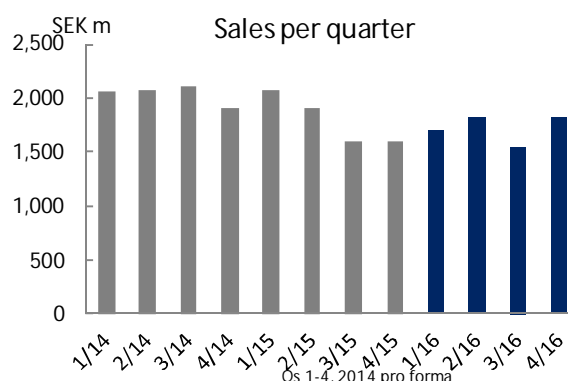
1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki.

Total shipments during the fourth quarter of 2016 were up 10% compared with the fourth quarter 2015. Shipments were up primarily in the Rebar Products, Strip Products and Heavy Plate Products segments. Compared with the third quarter of 2016, shipments were up 16%, primarily in the Strip Products, Heavy Plate Products and Rebar Products segments. Shipments for the full year 2016 were up 3% compared with the full year 2015. Shipments were up primarily in the Strip Products and Rebar Products segments.

Sales for the fourth quarter of 2016 were SEK 1,813 (1,596) million, up 14% compared with the fourth quarter 2015. Higher sales were primarily due to higher volumes, the impact of which was partly offset by lower prices.

Compared with the third quarter of 2016, sales were up 18%. This was primarily due to seasonally higher volumes.

Sales for the full year 2016 were SEK 6,879 (7,163) million, down 4% compared with the full year 2015. This was primarily due to lower prices.



Operating profit for the fourth quarter of 2016 was SEK 33 (-47) million, up SEK 80 million compared with the fourth quarter 2015. Improved earnings were primarily due to lower variable costs, higher volumes and higher prices.

Compared with the third quarter of 2016, earnings were down SEK 20 million. This was primarily due to seasonally higher fixed costs, the impact of which was counteracted by higher volumes and improved margins.

Operating profit for the full year 2016 was SEK 108 (-10) million, up SEK 118 million. This was primarily due to lower variable and fixed costs, and higher volumes, the impact of which was counteracted by lower prices.

Operating cash flow during the fourth quarter was SEK 211 (255) million. Cash flow was impacted positively by lower working capital and operating profit before depreciation/amortization. Operating cash flow for the full year was SEK 191 (375) million. Cash flow was impacted positively by operating profit before depreciation/amortization and lower working capital.

Capital expenditure payments during the fourth quarter were SEK 23 (10) million, of which SEK 22 (9) million were strategic investments. Capital expenditure payments during the full year 2016 were SEK 51 (46) million, of which SEK 26 (17) million were strategic investments, including acquisitions of operations and businesses.

Ruukki Construction

Key numbers

SEK millions	2016 Q 4	2015 Q 4	2016 Q 3	2016 Full year	2015 Full year
Sales	1,353	1,243	1,579	5,304	5,374
Operating profit before depreciation/amortization, EBITDA	45	64	173	322	208
Operating profit/loss 1)	7	3	137	171	18
Operating cash flow	66	170	141	243	168
Number of employees at end of period	2,543	2,979	2,694	2,543	2,979

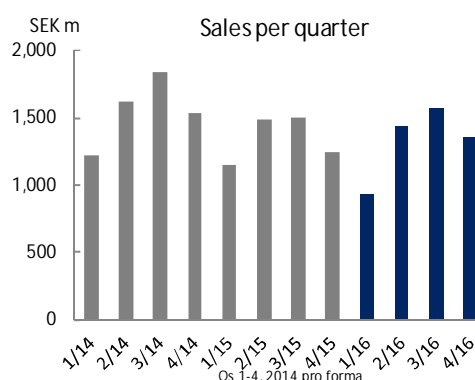
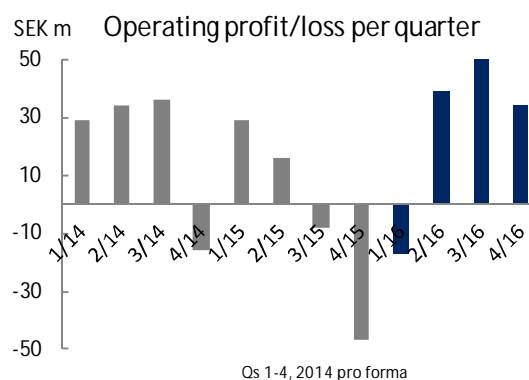
1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki.

Compared with the third quarter, demand decreased seasonally during the fourth quarter primarily in the Residential Roofing segment. In general, demand decreased in Finland, Poland and Russia. During the full year 2016, demand increased in Sweden, Poland and Finland, but decreased in Russia and Ukraine.

Sales for the fourth quarter of 2016 were SEK 1,353 (1,243) million, up 9% compared with the fourth quarter 2015. Higher sales were primarily due to higher sales in the Building Systems segment, but the impact of this was counteracted by lower sales in the Residential Roofing segment.

Compared with the third quarter of 2016, sales were down 14%. This was primarily due to seasonally lower sales in the construction industry, primarily in the Residential Roofing segment.

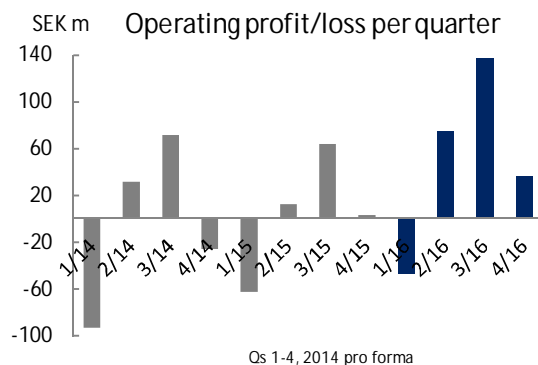
Sales for the full year 2016 were SEK 5,304 (5,374) million, down 1% compared with the full year 2015. This was primarily due to lower sales in the Residential Roofing and Russia segments. The impact of this was counteracted by increased sales in the Building Systems segment.



Operating profit for the fourth quarter was SEK 7 (3) million, up SEK 4 million compared with the fourth quarter 2015. This was primarily due to lower fixed costs as a result of the cost savings program.

Compared with the third quarter of 2016, earnings were down SEK 130 million. This was primarily due to seasonally lower volumes and higher fixed costs.

Operating profit for the full year 2016 was SEK 171 (18) million, up SEK 153 million. Improved earnings were primarily due to lower costs as a result of the cost savings program.



Operating cash flow during the fourth quarter was SEK 66 (170) million. Cash flow was impacted positively by operating profit before depreciation/amortization and by lower working capital, primarily due to lower inventories. Operating cash flow for the full year was SEK 243 (168) million. Cash flow was impacted positively by operating profit before depreciation/amortization, the impact of which was counteracted by higher working capital with higher inventories and accounts receivable.

Capital expenditure payments during the fourth quarter were SEK 24 (38) million, of which SEK 12 (37) million were strategic investments. Capital expenditure payments during the full year 2016 were SEK 114 (115) million, of which SEK 87 (78) million were strategic investments.

Sustainability

Go to www.ssab.com for more information about sustainability and sustainability targets.

Dividend

The Board proposes that no dividend will be paid for 2016.

Annual general meeting

The annual general meeting will be held in Stockholm on April 6, 2017, starting at 1 pm. The annual report is expected to be completed during week 11 and will be available at the company's head office and online at www.ssab.com.

Notice to attend the general meeting may be given commencing March 3, 2017 up to and including 12 noon on March 31, 2017. Notice may be given online via SSAB's website or by telephone on +46 8 4545 760.

Risks and uncertainty factors

For information regarding material risks and uncertainty factors, reference is made to the detailed description in the annual report. No material new or changed risks and uncertainty factors have been identified during the year. See also the sensitivity analysis on page 28.

Accounting principles

This end of year report has been prepared in accordance IAS 34.

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and ensuing references to Chapter 9 of the Swedish Annual Accounts Act. The accounts of the parent company have been prepared in compliance with RFR 2 and the Swedish Annual Accounts Act.

No material changes in accounting principles have taken place since the Annual Report for 2015.

As of January 1, 2016, the parent company, SSAB AB, has changed the principle applying to the accounting of hedges of net investments in foreign operations. The change in accounting principle was made to harmonize accounting with tax legislation. From January 2016 onwards, changes in hedges of net investments will be accounted for in the parent directly in the income statement instead of in the statement of comprehensive income as earlier. See page 27 for the impact of the change in accounting principle. This change does not apply to the consolidated accounts.

With effect from the 2016 half-year report, SSAB has applied the ESMA's (European Securities and Markets Authority) guidelines for alternative performance measures. Definitions of performance measures are provided in the Annual Report 2015 and the relevant reconciliations can be found on page 22 of this report.

Review

This end of year report has not been subject to review by the auditors.

Stockholm, February 14, 2017

Martin Lindqvist
President & CEO

Financial reports in accordance with IFRS – the Group

Consolidated income statement

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Sales	14,442	12,499	55,354	56,864
Cost of goods sold	-13,300	-12,466	-50,240	-52,552
Gross profit	1,142	33	5,114	4,312
Selling and administrative costs	-1,074	-1,168	-4,169	-4,636
Other operating income and expenses 1)	25	246	212	36
Affiliated companies, profit after tax	14	11	56	45
Operating profit/loss	107	-878	1,213	-243
Financial income	33	9	80	50
Financial expenses	-279	-258	-969	-978
Profit/loss for the period after financial items	-139	-1,127	324	-1,171
Tax	212	455	619	666
Profit/loss for the period	73	-672	943	-505
Of which attributable to:				
- Parent Company's shareholders	71	-674	937	-508
- Non-controlling interest	2	2	6	3

Key numbers

	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operating margin (%)	1	-7	2	0
Earnings per share (SEK) 2)	0.07	-0.88	1.04	-0.66
Equity per share (SEK)	51.36	80.82	51.36	80.82
Net debt/equity ratio (%)	34	52	34	52
Average number of shares during the period (millions)	1029.8	549.2	794.8	549.2
Adjusted average number of shares during the period (millions) 2)	1029.8	765.0	900.3	765.0
Number of shares at end of period (millions) 3)	1029.8	549.2	1029.8	549.2
Number of employees at end of period	14,980	16,045	14,980	16,045

1) The result for the quarter includes primarily currency effects on operating receivables/liabilities of SEK 11 (-22) million and of SEK 113 (-308) million for the full year. The fourth quarter of 2015 also includes a gain of SEK 122 million on a real estate sale.

2) Average number of shares and earnings per share has been adjusted based on the bonus issue element in the rights issue. There are no outstanding share instruments, and thus no dilution is relevant.

3) Subsequent to the rights issue completed on June 27, 2016, the number of shares is 1,029,835,326.

Consolidated statement of comprehensive income

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Profit/loss for the period after tax	73	-672	943	-505
<i>Other comprehensive income</i>				
<u>Items that may be subsequently reclassified to the income statement</u>				
Translation differences for the period	1,487	-522	3,462	1,470
Cash flow hedges	101	49	291	7
Hedging of currency risks in foreign operations 1)	-657	139	-1,342	-719
Share in other comprehensive income of affiliated companies and joint ventures	0	0	0	1
Tax attributable to items that may be subsequently reclassified to the income statement	122	-42	237	155
Total items that may be subsequently reclassified to the income statement	1,053	-376	2,648	914
<u>Items that will not be reclassified to the income statement</u>				
Remeasurements of the net defined benefit liability	115	145	12	192
Tax attributable to items that will not be reclassified to the income statement	-26	-30	-5	-39
Total items that will not be reclassified to the income statement	89	115	7	153
Total other comprehensive income for the period, net after tax	1,142	-261	2,655	1,067
Total comprehensive income for the period	1,215	-933	3,598	562
Of which attributable to:				
- Parent Company's shareholders	1,214	-932	3,591	560
- Non-controlling interest	1	-1	7	2

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

Consolidated statement for changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders						Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity			
Equity, December 31, 2014	4,833	22,343	442	16,199	43,817	62	43,879	
<u>Changes Jan 1 - Dec. 31, 2015</u>								
Total comprehensive income for the period			915	-355	560	2	562	
Acquisition non-controlling interest				16	16	-16	-	
Equity, Dec. 31, 2015	4,833	22,343	1,357	15,860	44,393	48	44,441	
<u>Changes Jan 1 - Dec. 31, 2016</u>								
Comprehensive income for the period			2,647	944	3,591	7	3,598	
Rights issue	4,229	678			4,907	-	4,907	
Dividend, non-controlling interest					-	-6	-6	
Equity, December 31, 2016	9,062	23,021	4,004	16,804	52,891	49	52,940	

There are 1,029,835,326 shares with a quotient value of SEK 8.80.

Consolidated balance sheet

SEK millions	2016 Dec. 31	2015 Dec. 31
<i>Assets</i>		
Goodwill	29,909	27,871
Other intangible assets	2,704	3,290
Tangible fixed assets	25,866	26,276
Participations in affiliated companies	628	546
Financial assets	308	506
Deferred tax receivables 2)	1,054	1,492
Total fixed assets	60,469	59,981
Inventories	15,001	12,691
Accounts receivable	7,118	6,048
Current tax receivables	474	400
Other current receivables 1)	3,972	3,327
Cash and cash equivalents	3,879	2,711
Total current assets	30,444	25,177
Total assets	90,913	85,158
<i>Equity and liabilities</i>		
Equity for shareholders in the Company	52,891	44,393
Non-controlling interest	49	48
Total equity	52,940	44,441
Deferred tax liabilities	1,321	2,334
Other long-term provisions	529	574
Long-term non-interest bearing liabilities 2)	448	555
Long-term interest-bearing liabilities	18,751	20,746
Total long-term liabilities	21,049	24,209
Short-term interest-bearing liabilities	4,497	6,365
Accounts payable	8,224	6,334
Current tax liabilities	41	93
Other current liabilities	4,162	3,716
Total current liabilities	16,924	16,508
Total equity and liabilities	90,913	85,158
Pledged assets	1,871	1,736
Contingent liabilities	2,705	2,548

1) Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 1,812 (1,676) million.

2) Of the Deferred tax receivable, SEK 219 (268) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits have not yet been booked as income, a corresponding liability has been booked as Long-term non-interest bearing liabilities.

Valuation of assets and liabilities

Financial assets and liabilities in the balance sheet are valued based on their classification at acquisition value or fair value. Both interest rate derivatives and currency derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 423 (285) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 572 (623) million. In the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 62 (130) million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. In the case of valuation at fair value, the loans at fixed interest reported in the balance sheet item "Long-term interest-bearing liabilities" (including short-term part) would exceed the reported amount by SEK 115 (-312) million. However, since the loans will be held until maturity, this does not affect the reported value.

Assessment of fair value of financial instruments

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

The fair value valuation of the financial assets in SSAB is based on data in accordance with level 2 (with the exception of electricity derivatives, where the fair value is based on listed market prices, and which are therefore classified on level 1).

Consolidated cash flow statement

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operating profit/loss	107	-878	1,213	-243
Adjustment for depreciation and impairment	959	1,012	3,738	3,836
Adjustment for other non-cash items	-64	-115	-79	-64
Received and paid interest	-271	-203	-994	-796
Tax paid	244	34	80	-276
Change in working capital	417	2,084	-661	1,987
Cash flow from operating activities	1,392	1,934	3,297	4,444
Capital expenditure payments in plants and machinery	-448	-644	-1,326	-2,546
Acquisitions, shares and operations	-	-	-46	-36
Divested shares and operations	-	10	-	172
Other investing activities	-1	181	49	249
Cash flow from investing activities	-449	-453	-1,323	-2,161
Dividend, non-controlling interest	-6	-	-6	-
Rights issue	-	-	4,907	-
Change in loans	-328	-684	-5,270	-3,451
Change in financial investments	-537	493	-141	957
Other financing activities	5	39	-422	-66
Cash flow from financing activities	-866	-152	-932	-2,560
Cash flow for the period	77	1,329	1,042	-277
Cash and cash equivalents at beginning of period	3,801	1,420	2,711	3,014
Exchange rate difference in cash and cash equivalents	1	-38	126	-26
Cash and cash equivalents at end of period	3,879	2,711	3,879	2,711

Relevant reconciliations of non-IFRS-based performance measures

Besides the definitions below, definitions of the non-IFRS-based performance measures below can be found in the Annual Report.

Operating profit/loss before depreciation/amortization, EBITDA

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operating profit/loss	107	-878	1,213	-243
Depreciation & impairment	959	1,012	3,738	3,836
Operating profit before depreciation/amortization, EBITDA	1,066	134	4,951	3,593

Operating profit before depreciation/amortization, EBITDA, excluding items affecting comparability

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operating profit before depreciation/amortization, EBITDA	1,066	134	4,951	3,593
Items affecting comparability 1)	-	23	79	62
Operating profit before depreciation/amortization, EBITDA, excluding items affecting comparability	1,066	157	5,030	3,655

Specification items affecting comparability

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
<u>Operating expenses</u>				
Write-down of assets, eastern Europé	-	-15	-	-15
Write-down/gains & losses, assets held for sale	-	-	-	-16
Restructuring related to synergies	-	-115	-79	-135
Costs related to Ruukki Construction savings program	-	-47	-	-47
Gain, sale of real estate	-	122	-	122
Other	-	-20	-	-23
Effect on operating profit/loss	-	-75	-79	-114
<u>Financial costs</u>				
Transaction tax (Finnish standard rate tax on acquisitions of shares)	-	-	-	-5
Effect on profit after financial items	-	-75	-79	-119
<u>Taxes</u>				
Tax effects	-	10	17	15
Effect on profit/loss after tax	-	-65	-62	-104

Items in the income statement where the result of transactions of a non-recurring nature in the company's operations makes comparison difficult with the result of other periods are treated as items affecting comparability.

Items affecting comparability incl. in operating profit/loss, per quarter and business segment

SEK millions	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
SSAB Special Steels	-	-	-	-	-	-	-	-	-	-27	-	-
SSAB Europe	-	1	-20	-61	-2	-2	-	-95	-	-49	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-	-
Tibnor	-	-	-	-432	-20	-4	-	112	-3	-	-	-
Ruukki Construction	-	-31	-25	-273	-2	-4	-	-93	-	-	-	-
Other	-44	-37	-143	149	-6	1	-	-	-	-	-	-
Total	-44	-67	-188	-617	-30	-9	-	-76	-3	-76	-	-

Return on capital employed before tax, rolling 12 months

SEK millions	2016 Full year	2015 Full year
Operating profit/loss	1,213	-243
Financial income	80	50
Total	1,293	-193
Average capital employed	74,564	75,346
Return on capital employed before tax, %	2%	0%

Return on equity after tax, rolling 12 months

SEK millions	2016 Full year	2015 Full year
Profit/loss for the period, after tax	943	-505
Average equity	48,822	45,568
Return on equity after tax, %	2%	-1%

Operating cash flow

SEK millions	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Cash flow from operating activities	1,392	1,934	3,297	4,444
Reversal received and paid interests	271	203	994	796
Reversal tax paid	-244	-34	-80	276
Maintenance expenditures 1)	-365	-495	-1,053	-1,891
Other investing activities 2)	-1	180	49	249
Operating cash flow	1,053	1,788	3,207	3,874

1) See the definition of Maintenance capital expenditures in the Annual Report.

2) Other investing activities primarily refer to cash flow from long-term receivables and investments.

Net debt

SEK millions	2016 31 Dec.	2015 31 Dec.
Interest-bearing assets 1)	6,312	4,947
Interest-bearing liabilities 2)	24,199	28,103
Net debt	17,887	23,156

1) Interest-bearing assets primarily refer to long-term and current interest-bearing receivables and investments, together with derivatives and cash and cash equivalents.

2) Interest-bearing liabilities primarily consist of long-term and current interest-bearing debt, pension liability and derivatives.

Information about business segments

SSAB is organized into five business segments; the three steel divisions SSAB Special Steels, SSAB Europe and SSAB Americas as well as Tibnor and Ruukki Construction.

SSAB Special Steels

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels with yield strengths of 700 MPa and above. SSAB Special Steels is responsible for steel and rolling production in Oxelösund (Sweden), and for sales of the above products produced in Mobile (USA), Raahe (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steels made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

SSAB Europe

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

SSAB Americas

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier and Mobile, USA.

Tibnor

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordic region and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.

Ruukki Construction

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions, with a focus on northern and eastern Europe. Ruukki Construction includes Plannja.

Financial information per quarter

The financial information for 2014 is pro forma as if SSAB had owned Rautaruukki since January 1, 2013. The information in the tables below is reported excluding items affecting comparability. See the table on page 22 for items affecting comparability.

The Group's result per quarter, excluding items affecting comparability

SEK millions	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
Sales	14,598	15,208	15,039	15,267	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442
Operating expenses	-13,728	-13,979	-13,794	-14,188	-13,979	-14,077	-12,845	-12,352	-12,234	-12,904	-11,852	-13,390
Depreciation 1)	-843	-841	-837	-892	-938	-944	-942	-960	-934	-917	-928	-959
Affiliated companies	7	1	1	-14	13	19	2	11	14	18	10	14
Financial items	-305	-259	-148	-210	-214	-213	-247	-249	-154	-243	-246	-246
Result before tax	-271	130	261	-37	350	88	-438	-1,051	-344	425	461	-139

1) For pro forma periods, excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki. For depreciation and amortization, see table Operating profit/loss per quarter and business segment, excluding items affecting comparability below.

Sales per quarter and business segment

SEK millions	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
SSAB Special Steels	3,348	3,477	3,203	3,198	3,620	4,077	3,743	2,942	3,132	3,398	2,986	3,066
SSAB Europe	6,649	6,568	6,006	6,634	6,835	7,097	5,965	5,620	6,040	6,668	6,122	7,001
SSAB Americas	2,831	3,152	3,716	3,508	3,508	3,027	3,080	2,321	2,428	2,841	2,545	2,825
Tibnor	2,055	2,077	2,109	1,910	2,075	1,899	1,593	1,596	1,707	1,820	1,539	1,813
Ruukki Construction	1,224	1,625	1,836	1,532	1,147	1,488	1,496	1,243	928	1,444	1,579	1,353
Other	-1,509	-1,691	-1,831	-1,515	-1,717	-2,285	-2,283	-1,223	-1,271	-1,700	-1,294	-1,616
Total	14,598	15,208	15,039	15,267	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442

Operating profit before depreciation/amortization, EBITDA, per quarter and business segment, excluding items affecting comparability

SEK millions	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
SSAB Special Steels	377	471	72	345	388	433	391	1	345	437	587	111
SSAB Europe	364	383	408	369	677	459	36	114	244	728	789	746
SSAB Americas	194	299	689	438	453	313	235	42	209	309	83	136
Tibnor	51	57	59	6	48	36	9	-28	4	60	73	57
Ruukki Construction	-37	88	138	-4	-19	57	106	64	-10	114	173	45
Other	-72	-68	-119	-89	-46	-52	-26	-36	-48	-63	-70	-29
Total	877	1,230	1,247	1,065	1,501	1,246	751	157	744	1,585	1,635	1,066

Operating profit/loss per quarter and business segment, excluding items affecting comparability

SEK millions	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
SSAB Special Steels	242	338	-61	207	252	293	251	-134	202	303	453	-29
SSAB Europe	-16	10	61	-54	312	94	-328	-253	-118	366	426	376
SSAB Americas	74	176	558	299	296	154	78	-100	55	162	-73	-34
Tibnor	29	34	36	-16	29	16	-8	-47	-17	39	53	33
Ruukki Construction	-92	32	72	-26	-62	13	64	3	-48	75	137	7
Depreciation on surplus values, IPSCO	-124	-125	-132	-140	-158	-159	-161	-179	-160	-157	-160	-159
Depreciation on surplus values, Rautaruukki	-	-	-	-	-51	-50	-52	-52	-51	-50	-53	-54
Other	-79	-76	-125	-97	-54	-60	-35	-40	-53	-70	-76	-33
Total	34	389	409	173	564	301	-191	-802	-190	668	707	107

Financial reports in accordance with IFRS – the Parent Company

The Parent Company's income statement

SEK millions	2016 Q 4	2015 Q 3 1)	2016 Full year	2015 Full year 1)
Gross profit	0	0	0	0
Administrative expenses	-56	-71	-261	-280
Other operating income/expenses	28	18	103	83
Operating profit/loss	-28	-53	-158	-197
Financial items 2)	8,525	244	8,410	641
Profit/loss after financial items	8,497	191	8,252	444
Appropriations	1,100	1,111	1,100	1,111
Tax	-82	-224	211	89
Profit/loss after tax	9,515	1,078	9,563	1,644

1) The figures for 2015 have been adjusted due to the change in accounting principles applying to the accounting of hedges of net investments in foreign operations.

2) During 2016, SSAB Finance UK distributed SEK 35 billion to the Parent Company, subsequent to which the shares in SSAB Finance UK were written down.

The Parent Company's statement of comprehensive income

SEK millions	2016 Q 4	2015 Q 3 1)	2016 Full year	2015 Full year 1)
Profit/loss after tax	9,515	1,078	9,563	1,644
<i>Other comprehensive income</i>				
<u>Items that may be classified to the income statement</u>				
Cash flow hedges	19	-6	3	-6
Tax attributable to other comprehensive income	-4	1	-1	1
Total items that will be reclassified to the income statement	15	-5	2	-5
Other comprehensive income, net after tax	15	-5	2	-5
Total comprehensive income for the period	9,530	1,073	9,565	1,639

1) The figures for 2015 have been adjusted due to the change in accounting principles applying to the accounting of hedges of net investments in foreign operations.

The Parent Company's balance sheet

SEK millions	2016 Dec. 31	2015 Dec. 31
<i>Assets</i>		
Fixed assets	34,512	57,245
Other current assets	49,810	15,922
Cash and cash equivalents	2,238	591
Total assets	86,560	73,758
<i>Equity and liabilities</i>		
Restricted equity	9,964	5,735
Unrestricted equity	50,436	40,192
Total equity	60,400	45,927
Untaxed reserves	-	-
Long-term liabilities and provisions	15,019	17,109
Current liabilities and provisions	11,141	10,722
Total equity and liabilities	86,560	73,758

1) Share capital increased by SEK 4,229 million following completion of the rights issue on June 27, 2016.

Change in accounting principle in SSAB AB

As of January 1, 2016, the parent company SSAB AB has changed the principle applying to the accounting of hedges of net investments in foreign operations. The change in accounting principle was made to harmonize accounting with tax legislation. The table below shows the impacts of this change.

The Parent Company's income statement, effects change in accounting principle

SEK millions	2015 Q 4	Adjustment changed accounting principle	Adjusted 2015, Q 4	2015 Full year	Adjustment changed accounting principle	Adjusted 2015, Full year
Gross profit	0	0	0	0	0	0
Administrative expenses	-71	-	-71	-280	-	-280
Other operating income/expenses	18	-	18	83	-	83
Operating profit/loss	-53	-	-53	-197	-	-197
Financial items	103	141	244	1,358	-717	641
Profit/loss after financial items	50	141	191	1,161	-717	444
Appropriations	1,111	-	1,111	1,111	-	1,111
Tax	-193	-30	-223	-69	158	89
Profit/loss after tax	968	111	1,079	2,203	-559	1,644

The Parent Company's income statement, effects change in accounting principle

SEK millions	2015 Q 4	Adjustment changed accounting principle	Adjusted 2015, Q 4	2015 Full year	Adjustment changed accounting principle	Adjusted 2015, Full year
Profit/loss after tax	968	111	1,079	2,203	-559	1,644
<i>Other comprehensive income</i>						
<u>Items that may be classified to the income statement</u>						
Hedging of currency risks in foreign operations	141	-141	-	-717	717	-
Cash flow hedges	-6	-	-6	-6	-0	-6
Tax attributable to other comprehensive income	-30	30	-	159	-158	1
Total items that will be reclassified to the income statement	105	-111	-6	-564	559	-5
Other comprehensive income, net after tax	105	-111	-6	-564	559	-5
Total comprehensive income for the period	1,073	-	1,073	1,639	-	1,639

Production and shipments

Thousand tonnes	Pro forma								1/16	2/16	3/16	4/16
	1/14	2/14	3/14	4/14	1/15	2/15	3/15	4/15				
Crude steel production												
- SSAB Special Steels	245	288	170	278	354	380	401	226	218	288	291	178
- SSAB Europe	1,149	1,139	1,119	1,163	1,186	1,038	716	1,110	1,166	1,146	1,143	1,226
- SSAB Americas	625	595	687	613	555	546	607	474	617	623	533	558
- Total	2,019	2,022	1,976	2,054	2,095	1,964	1,724	1,810	2,001	2,058	1,967	1,962
Rolling production												
- SSAB Special Steels	138	134	105	136	119	141	142	103	130	137	146	85
- SSAB Europe	1,103	1,127	967	1,049	1,154	1,135	952	1,040	1,101	1,183	1,068	1,109
- SSAB Americas	583	572	648	563	518	521	559	469	576	584	493	544
- Total	1,824	1,833	1,720	1,748	1,791	1,798	1,653	1,612	1,807	1,904	1,707	1,738
Steel shipments												
- SSAB Special Steels	291	295	244	235	259	260	216	202	256	277	242	233
- SSAB Europe	957	916	829	913	976	991	823	823	946	1,013	863	898
- SSAB Americas	496	522	559	488	476	471	505	435	475	526	421	502
- Total	1,744	1,732	1,632	1,636	1,711	1,722	1,544	1,460	1,677	1,816	1,526	1,633

Sensitivity analysis

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

	Change, %	Effect on earnings, SEK millions	Effect on earnings per share, SEK 2)
Steel price - steel operations	10	4,230	3.2
Volume - steel operations 1)	10	870	0.66
Iron ore prices	10	490	0.37
Coal prices	10	330	0.25
Scrap metal prices	10	520	0.39
Interest rate	1 % point	100	0.08
Krona index 3)	5	460	0.35

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

2) Calculated based on a 22% tax rate.

3) Calculated on SSAB's exposure without currency hedging. Any weakening of the Swedish krona entails a positive effect.

Note:

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

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