

SSAB to initiate negotiations to reduce workforce in Finland

SSAB is to initiate employer-employee negotiations regarding a potential reduction in the workforce at SSAB Europe division's production site in Raahe and in the Ruukki Construction division. These negotiations are being initiated due to reasons related to production, financial situation and operational restructuring. The negotiations will affect around 2,900 employees in Finland and there is a need to reduce the workforce by a maximum of 295 persons. The negotiations at Ruukki Construction aim to reduce costs by a total of at least SEK 200 million on a permanent annual basis. This is in addition to SSAB's cost synergies of SEK 1.4 billion announced earlier.

The negotiations at the Raahe site affect the entire personnel, 2,455 persons: all employees in production and support functions at SSAB Europe, SSAB Special Steels and group functions. The plans will mean a reduction of a maximum of 210 jobs (140 front-line workers and 70 office employees).

For SSAB Europe, these plans are a necessary part of the efficiency and synergy program the group announced earlier as a consequence of the combination of SSAB and Rautaruukki. Integration is progressing to plan.

Ruukki Construction continues with the restructuring and has launched a new cost-savings program across its business in all countries where it operates. The program aims to achieve a permanent cost impact on an annual basis of at least SEK 200 million in processing, administration, marketing and sales costs, with full impact from 2017 onwards. These cost savings will seek to ensure business profitability and improve operational efficiency. Divisionwide, there is a need to reduce the workforce by approximately 300 persons. Ruukki Construction will consider additional structural changes to its operations during the second phase of the program if the market situation remains challenging.

The employer-employee negotiations now being initiated in Finland affect most of the employees in production, sales and support functions, a total of 434 persons at several sites including Alajärvi, Espoo, Helsinki, Hämeenlinna, Kouvola, Kuopio, Oulainen, Oulu, Pietarsaari, Pori, Seinäjoki, Tampere, Turku, Vaasa, Vimpeli and Ylivieska. There is a need to reduce the workforce by a maximum of 85 people (26 front-line employees and 59 office employees).

Employer-employee negotiations in respect of both Raahe and Ruukki Construction will last a minimum of six weeks. The plan is to carry out most of the workforce reductions during the first half of 2016. Efforts will be made to carry out some of the reductions by not renewing fixed-term contracts and through natural attrition.

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment. SSAB Europe has production facilities in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions. Ruukki Construction also includes Plannja, which was earlier part of the SSAB EMEA business area.

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SSAB is a Nordic and US-based steel company. SSAB offers value added products and services developed in close cooperation with its customers to create a stronger, lighter and more sustainable world. SSAB has employees in over 50 countries. SSAB has production facilities in Sweden, Finland and the US. SSAB is listed on the Nasdaq OMX Nordic Exchange in Stockholm and has a secondary listing on the Nasdaq OMX in Helsinki. www.ssab.com.