



Results for the second quarter 2012

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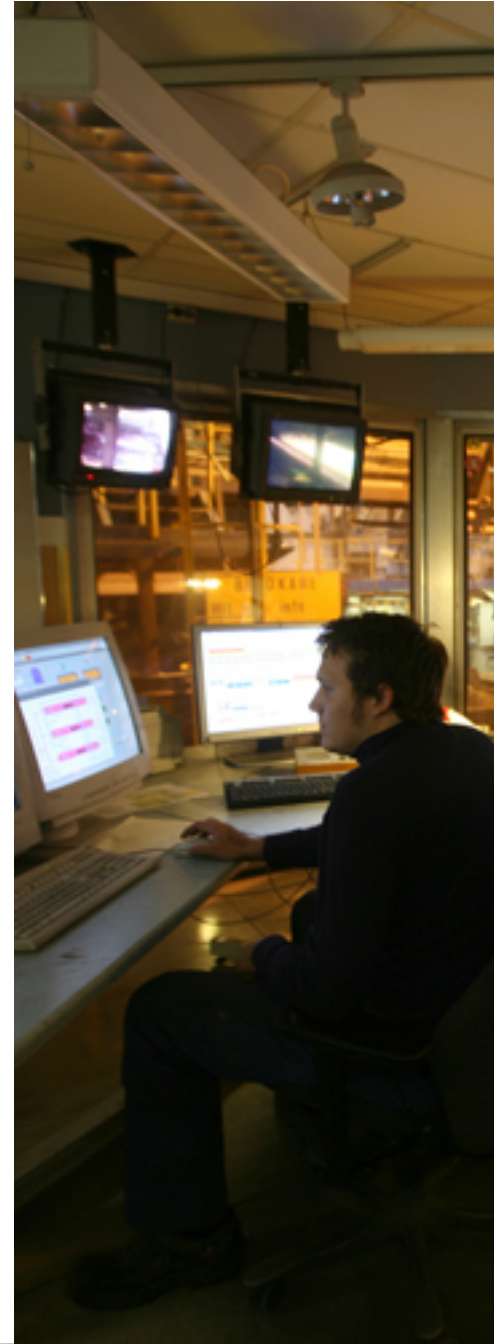
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Highlights – Q2 2012

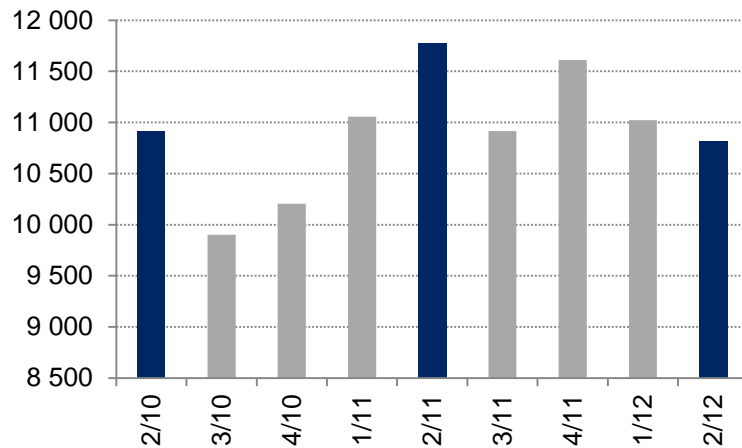
- ▶ EBIT for Q2-12 amounted to MSEK 755 (1,330)
- ▶ Cash flow remained healthy and was MSEK 948 (597)
- ▶ Higher prices in Q2-12 vs. Q1-12 had a positive impact on SSAB EMEA's EBIT
- ▶ SSAB Americas affected by a softening in demand towards the end of the quarter
- ▶ Normal capacity utilization rates in SSAB Americas, while SSAB EMEA run its mills at ~80%
- ▶ The introduction of steels from the new production lines is ongoing



Group - Sales EBIT EBITDA/tonne

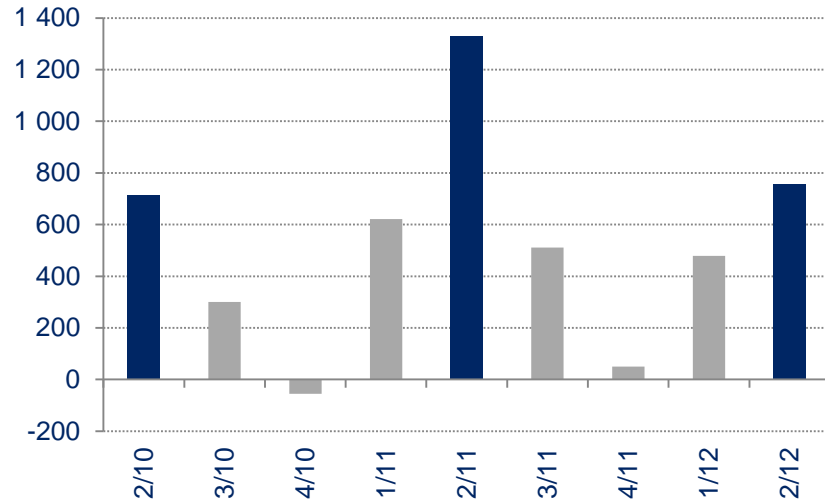
SEK, million

Sales

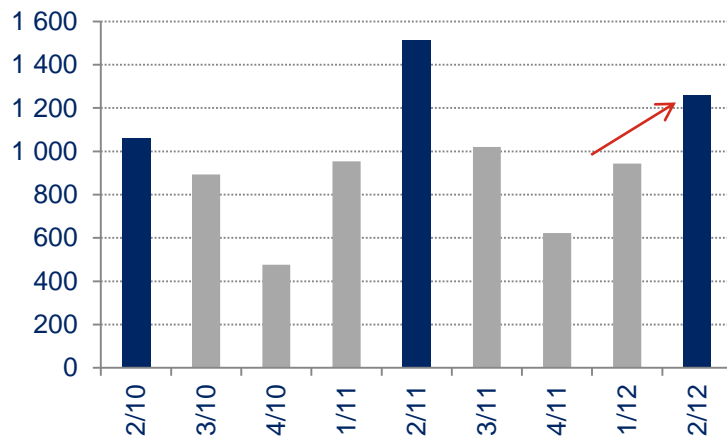


SEK, million

EBIT



SEK EBITDA / tonne delivered steel*



* Reflecting the steel operations; EMEA, Americas, APAC

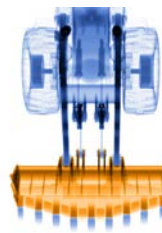
Trucks, Mining and Yellow Goods remains fairly positive in a generally volatile and uncertain market

Heavy Transport



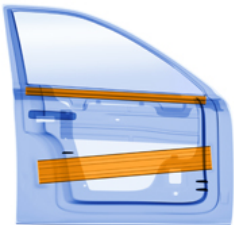
- ▶ **Truck steel demand still healthy in EMEA**, but weakening in North America
- ▶ **Railcar builders remain strong** in Americas

Mining



- ▶ **Australian Mining remains strong** – outlook good for 2012
- ▶ **Indonesia also positive**

Automotive



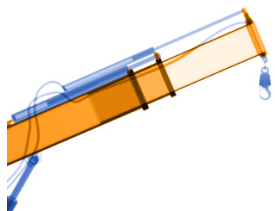
- ▶ **EU light vehicle sales down 6.8%** in H1 2012 vs. H1 2011
- ▶ **APAC also slow in H1** – however China car sales expected to grow 9% in 2012

Energy



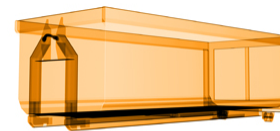
- ▶ **Line pipe inquiries have slowed** in both the US and Mexico
- ▶ **Wind tower demand slowing down** - may slow down further in 2013 as tax credits looks to expire in 2012

Construction Equipment



- ▶ **Yellow goods demand is still healthy** in EMEA and Americas
- ▶ **Chinese lifting industry** increased production in Q2
- ▶ **After market demand** in general still fairly positive

Service centers (US)

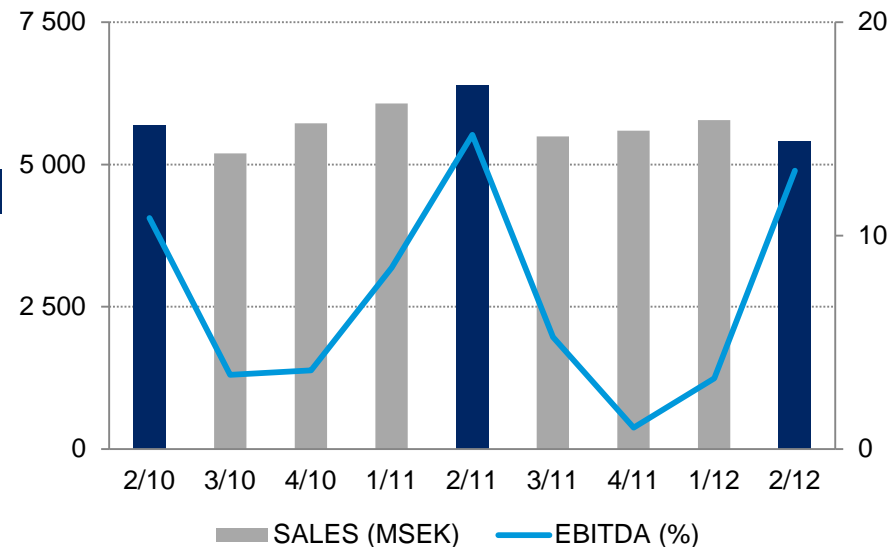


- ▶ **Order placement very cautious** – only places orders for what SSC's absolutely need
- ▶ End-June, **inventories at N.A. service centers** were equal to a 3.1 month supply

SSAB EMEA

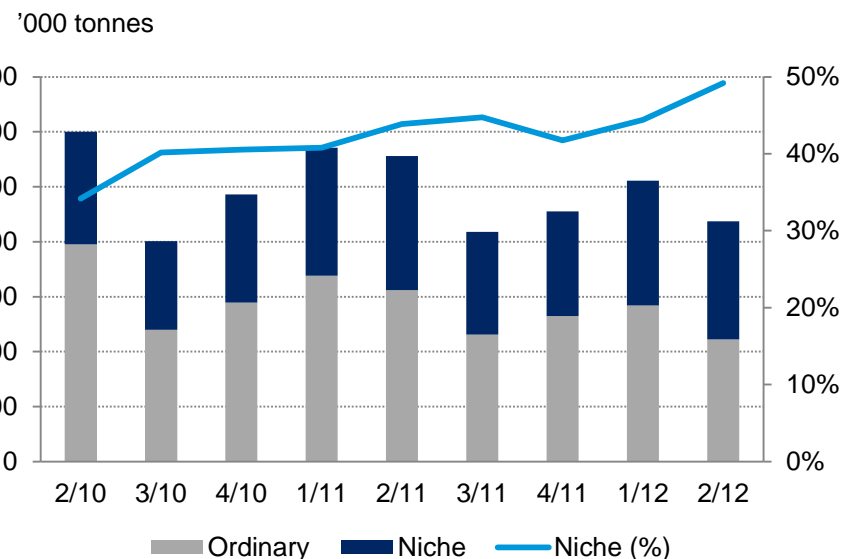
MSEK	Q2-12	Q2-11	Chge, %
Sales	5,400	6,386	-15
EBITDA	704	940	-25
EBIT	383	664	-42
EBIT-margin, %	7.1	10.4	

Sales & EBITDA-margin



- ▶ Shipments were 21% lower vs. Q2-11, and 14% lower vs. Q1-12
- ▶ Niche products were 49% (44% in Q2-11) of shipments
- ▶ Local prices for standard steels increased by 12% and for niche steels by 3% vs. Q1-12
- ▶ The smaller blast furnace in Oxelösund was idled in early May
- ▶ The gas pipe damage in Oxelösund caused a production shortfall of 10 ktonne of QT plate
- ▶ New steels from the quenching line in Borlänge broadens the product offering

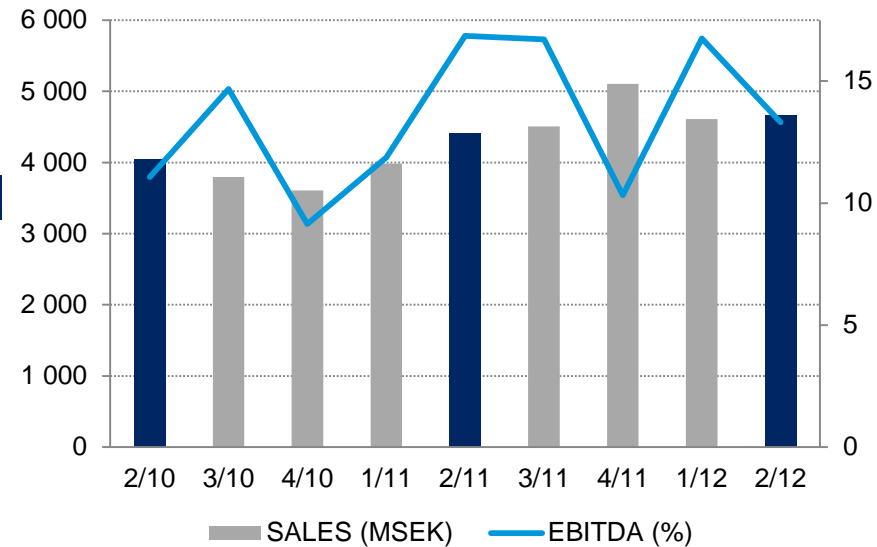
Shipments



SSAB Americas

MSEK	Q2-12	Q2-11	Chge, %
Sales	4,657	4,403	6
EBITDA	621	742	-16
EBIT	537	651	-18
EBIT-margin, %	11.5	14.8	

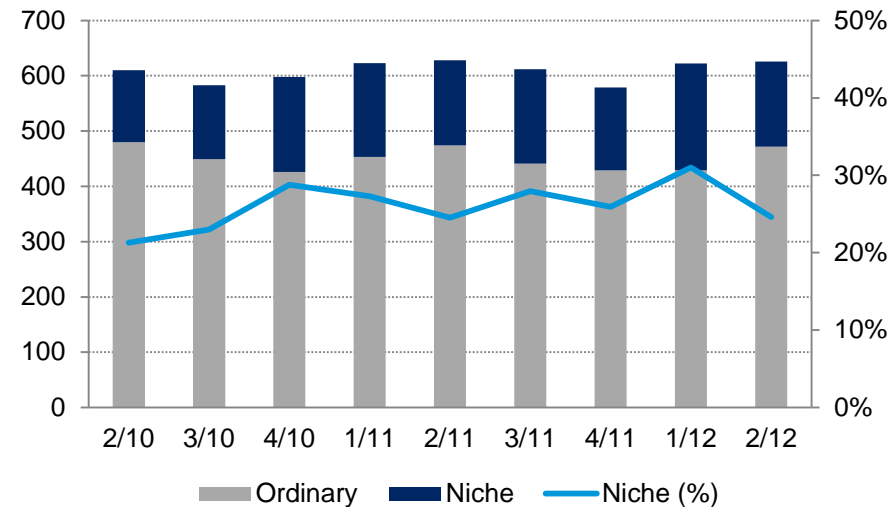
Sales & EBITDA-margin



Shipments

- ▶ Shipments of 626 ktonnes - the same level as in Q2-11 and in Q1-12
- ▶ Niche products were 25% (25% in Q2-11) of shipments
- ▶ Local prices for niche steels decreased by 1% and for standard steels by 2% vs. Q1-12
- ▶ The new 200 ktonne quenching line in Mobile was commissioned during Q2-12, certain test runs still take place

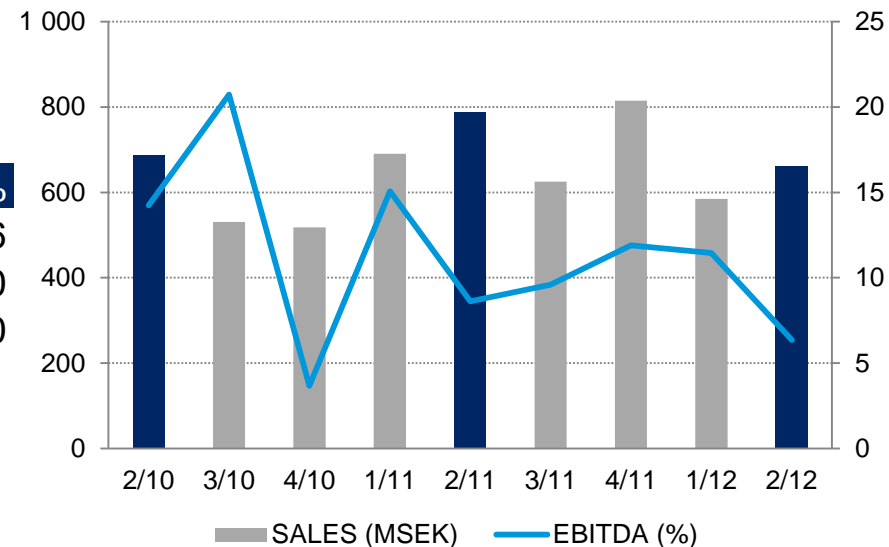
'000 tonnes



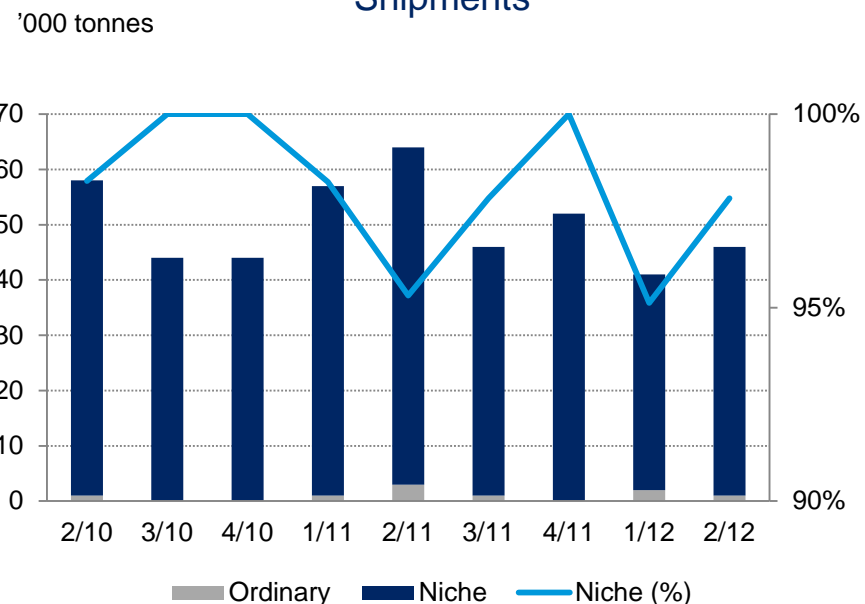
SSAB APAC

MSEK	Q2-12	Q2-11	Chge, %
Sales	661	788	-16
EBITDA	41	68	-40
EBIT	40	67	-40
EBIT-margin, %	6.1	8.5	

Sales & EBITDA-margin



Shipments

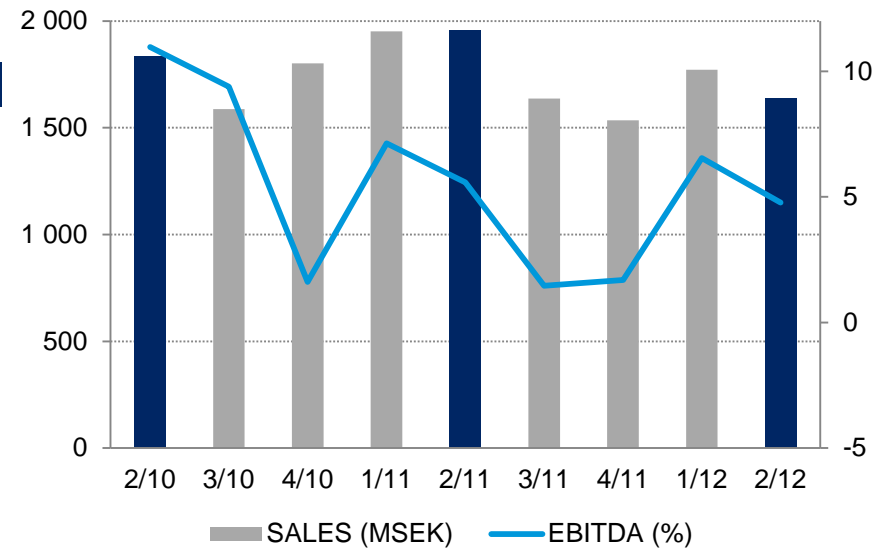


- ▶ Shipments of niche products were 26% lower vs. Q2-11, but increased by 15% vs. Q1-12
- ▶ Demand was somewhat affected by destocking in segments such as Automotive and Heavy Transport
- ▶ Local prices for niche steels decreased by 3% vs. Q1-12
- ▶ The new finishing line in Kunshan was commissioned during Q2-12, certain test runs still take place

Tibnor

MSEK	Q2-12	Q2-11	Chge, %
Sales	1,636	1,957	-16
EBITDA	79	109	-28
EBIT	67	99	-32
EBIT-margin, %	4.1	5.1	

Sales & EBITDA-margin



- ▶ Shipments were 9% lower vs. Q2-11, and 11% lower vs. Q1-12
- ▶ Lower shipments of strip steel is the main reason for the decrease
- ▶ Operating cash flow was MSEK 98 (-12)

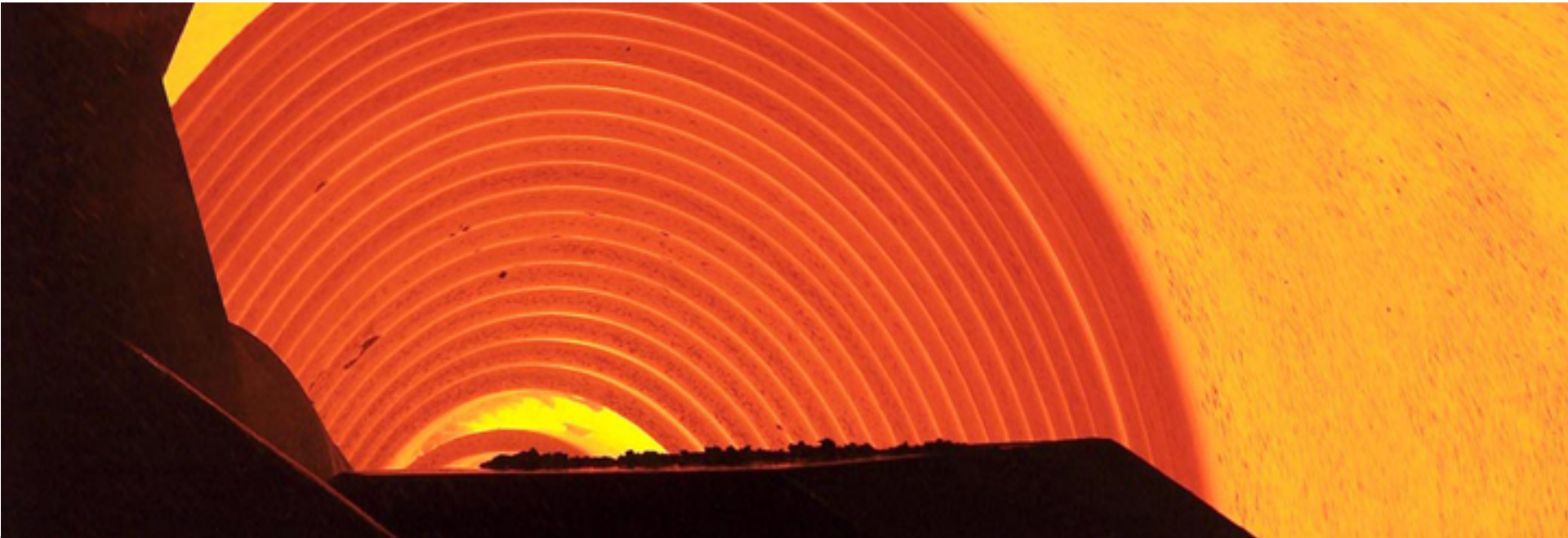
Market environment and outlook

- ▶ Global steel production increased by ~1% to 767 mt in Jan-June, US steel production was up 8%
- ▶ The macro-economic outlook in Europe remains uncertain
- ▶ European demand for strip steel weak, demand for quenched steels stable
- ▶ The recovery in the US weakened towards the end of Q2-12
- ▶ The strongest segments remain Material Handling, large Construction Equipment and the U.S. Energy sector
- ▶ Spot prices for standard steels weakened during Q2-12



Financials

Marco Wirén, CFO



Financials Q2-12

- ▶ Sales was MSEK 10,816 (11,769)
- ▶ Operating profit amounted to MSEK 755 (1,330)
- ▶ Operating cash flow of MSEK 948 (597)
- ▶ Reduction of net gearing to 56% from 60% by end of 2011

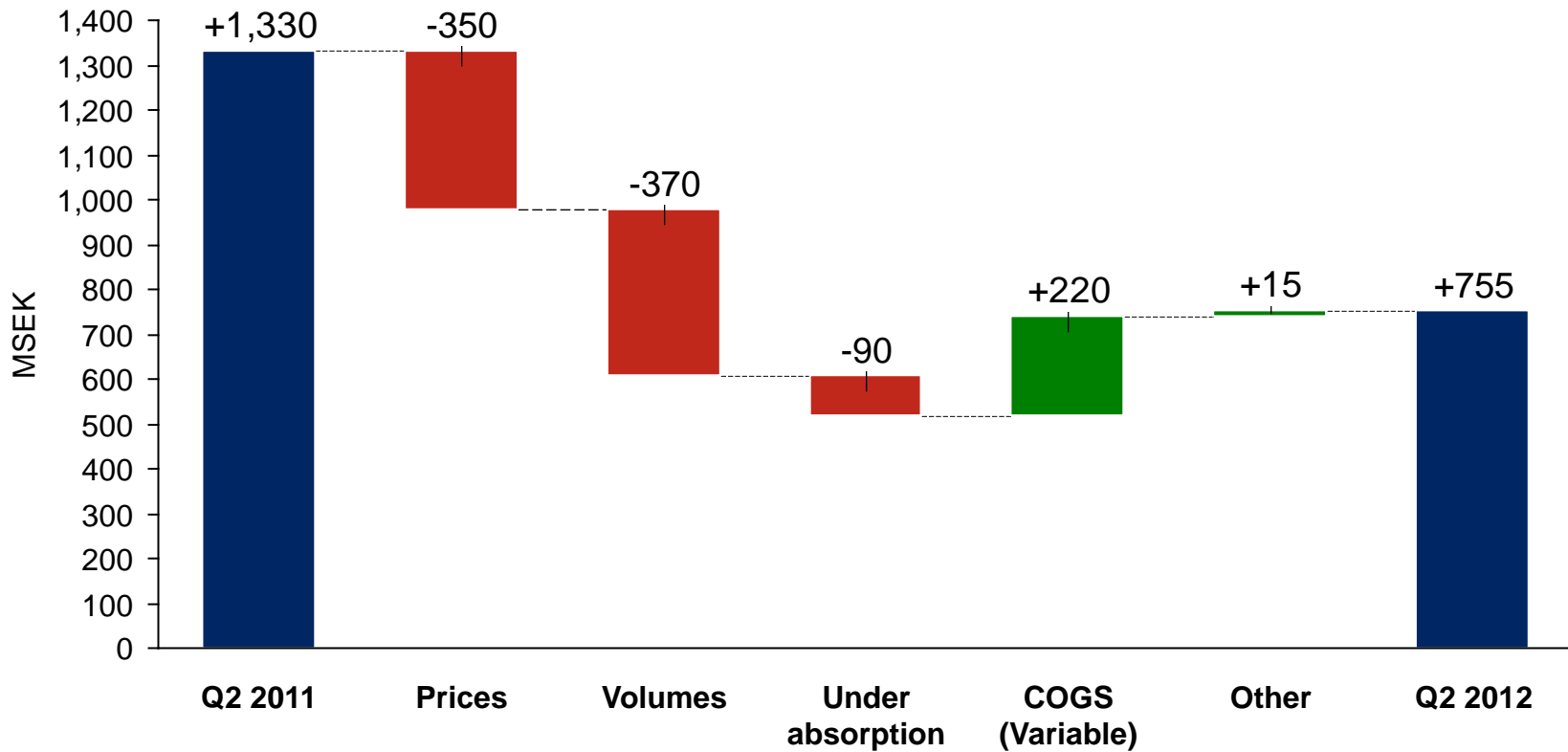


Key Figures

SEK million (except for EPS and Dividend)	Q2-12	Q2-11	July - 11 June -12	2011 Full year
Sales	10,816	11,769	43,654	44,640
Operating profit	755	1,330	1,795	2,512
Pre-tax profit	609	1,186	1,241	1,998
Net profit	480	859	1,071	1,560
Earnings per share, SEK	1.48	2.70	3.30	4.82
Operating cash-flow	948	597	4,817	2,821
Debt/Equity, %	56	65	56	60
ROCE, %	-	-	4	5
ROE, %	-	-	4	5
Dividend, SEK	-	-	-	2.00

Change in operating profit, Q2 2012 vs. Q2 2011

Change in operating profit, excluding non-recurring items, between the second quarters of 2012 and 2011 (SEK millions)



Operating cash flow

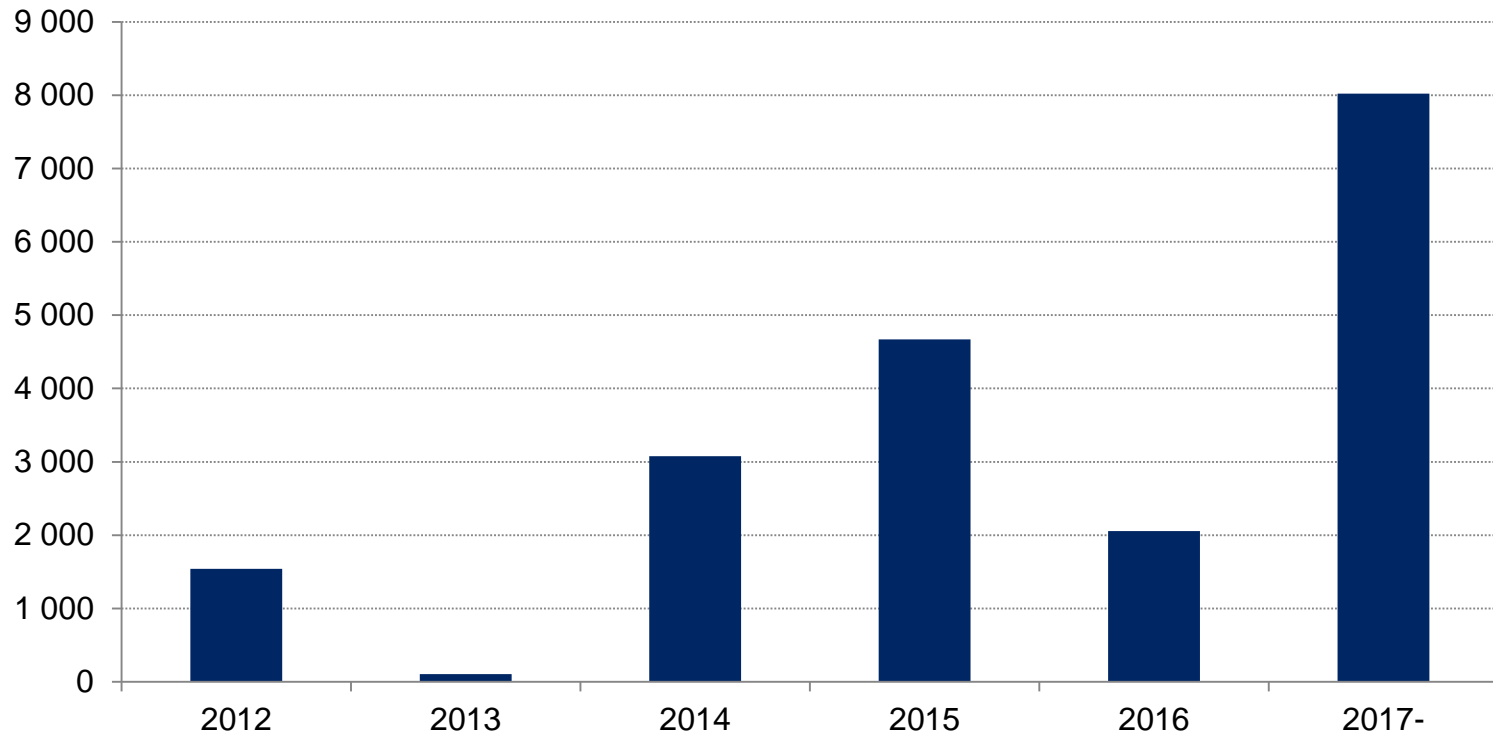
SEK millions	Q2-12	Q2-11	July - 11 June - 12	2011 Full year
SSAB EMEA	421	735	1,935	1,261
SSAB Americas	573	-11	2,514	1,296
SSAB APAC	-45	-60	53	24
Tibnor	98	-12	482	356
Other	-99	-55	-167	-116
Operating cash flow	948	597	4,817	2,821
Financial items	-130	-138	-471	-481
Taxes	-323	-14	-323	-140
Cash flow from current operations	495	445	4,023	2,200
Strategic investments & acquisitions	-156	-486	-1,516	-1,931
Divestment of businesses and operations	0	0	31	0
Cash flow before dividend and financing	339	-41	2,538	269
Dividend to shareholders, holdings without controlling interest	-648	-648	-648	-693
Acquisition of non-controlling interests	-	-393	0	-393
Net cash flow	-309	-1,082	1,890	-817

Financing & Liquidity – June 30

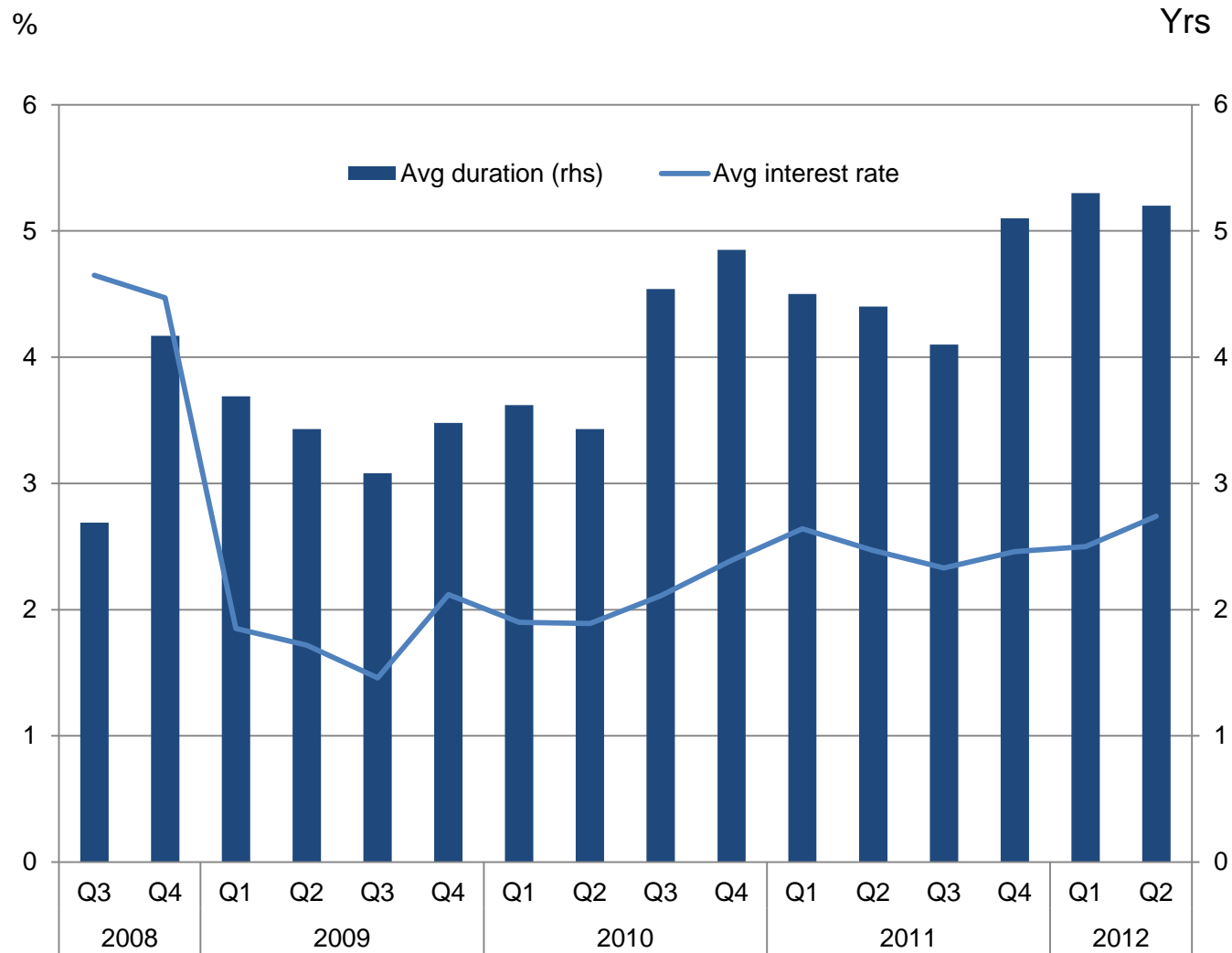
- ▶ The net gearing continued to decrease and was 56% (57% Q1-12) by end of Q2-12
- ▶ Net debt increased by MSEK 700 to SEK 17.4bn from the previous quarter
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 mths) was 24% (incl. commercial paper)
- ▶ The average term on the loan portfolio at 5.2 years (5.3 end of Q1-12) with an interest term of 1.2 years
- ▶ Commercial paper amounted to SEK 1.4bn

Debt Maturity, June 30

SEK m



Debt Cost and Duration



Trends in raw material prices

- ▶ New iron ore agreement settled with LKAB
- ▶ The agreement is valid from April 1, 2012 to March 31, 2013, and entails 2% higher SEK prices compared with the level in Q1-12
- ▶ Coal procurement - Australia (monthly agreements); Prices for deliveries in Q2-12 were 30% lower than prices for deliveries that took place during the fall of 2011
- ▶ Coal procurement - the U.S. (yearly agreements); SSAB's purchases for 2012 have been signed at prices more than 30% below the levels in 2011
- ▶ Impact from new ore and coal agreements will start to show through in the P/L-account in Q3-12
- ▶ U.S. scrap prices fell in the quarter, and was 24% lower by end of Q2-12 compared with the start of the year



Martin Lindqvist, President & CEO



Actions and Outlook

- ▶ The uncertain situation in Europe remains, and has also started to affect other parts of the world
- ▶ Customers have short-term planning ahead, which reduces the visibility
- ▶ New, annual, iron ore agreement settled with 2% higher SEK prices vs. Q1-12
- ▶ Volumes in Q3-12 will be affected by the summer outages in Sweden and by weaker demand for standard steels
- ▶ The MSEK 800 efficiency program within SSAB EMEA proceeds according to plan



Summary

- ▶ Healthy cash generation of almost SEK 1bn, despite a difficult environment, with a continued decrease of the net gearing
- ▶ Work to increase operational flexibility continues
- ▶ Global steel demand expected to increase in 2012, however growth rates have been revised downwards
- ▶ Steel producers, in general, are cutting back production to improve the market balance
- ▶ New quenching capacity in Mobile and Borlänge is gradually introduced to existing and new customers



Questions

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

