

SSAB

Results for the second quarter 2010

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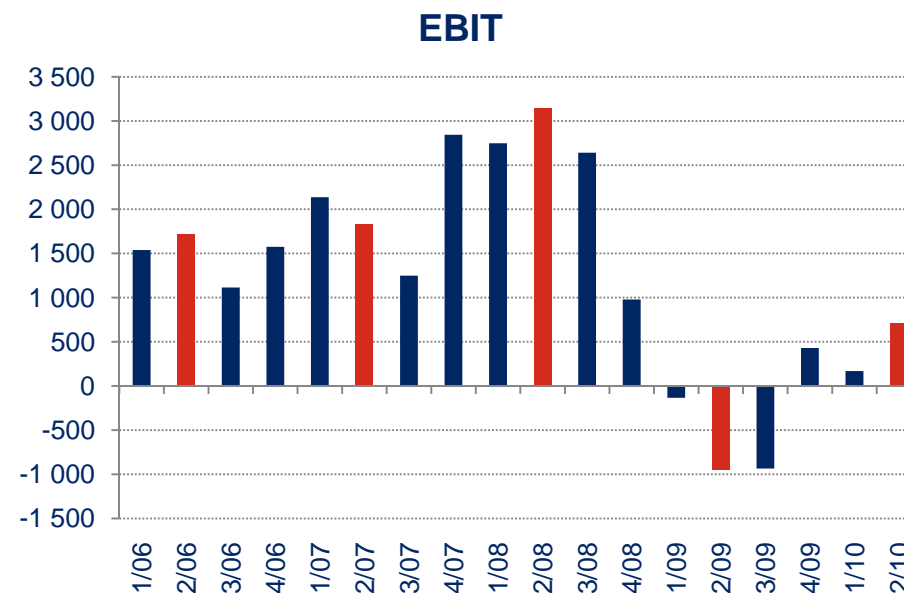
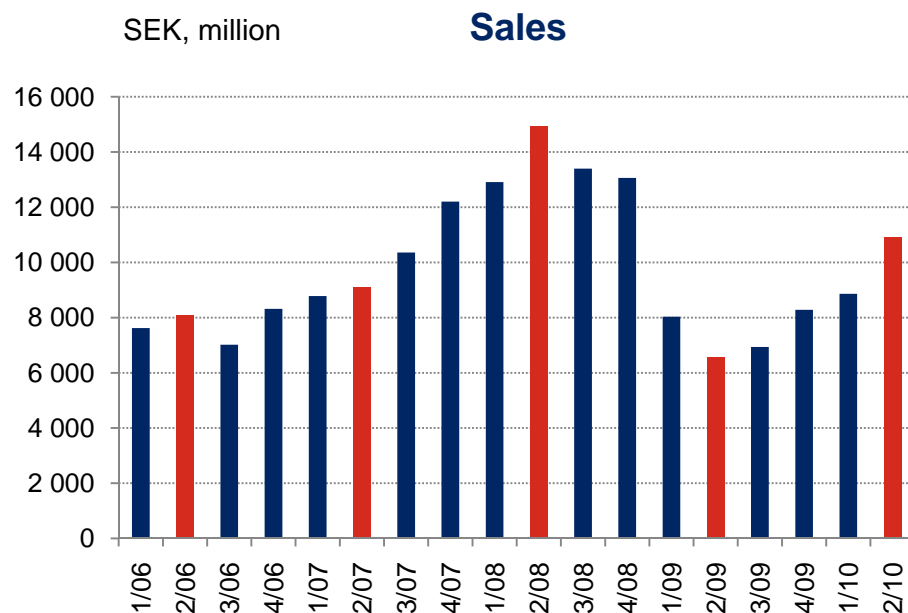
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Highlights – Q2 2010

- ▶ The recovery in steel demand continued
- ▶ Significantly improved EBIT
- ▶ Shipments increased 7% vs. Q1-10, share of niche volumes 31% (29% in Q1-10)
- ▶ Higher realized steel prices in Q2-10 vs. Q1-10
- ▶ Agreements on iron ore deliveries for 2010 settled, in line with the market
- ▶ Agreements on coal from Australia settled for Q3, limited price increases from Q2 and in line with the market
- ▶ US scrap prices have decreased since May, but are up 7% compared with the start of the year



SSAB Q2 2010 – Recovery continued



MSEK (except EPS)	Q2-10	Q2-09	Chge, %
Sales	10,911	6,583	66
EBIT	708	-952	n.m.
Operating cash-flow	341	2,119	-84
EPS, SEK	1.64	-1.95	n.m.

Key segments continue to recover

Heavy Transport



- ▶ **EU Heavy truck registrations** decreased 22% in January – May 2010 vs. the same period 2009
- ▶ However, April and May deliveries for **Volvo Trucks** improved in all markets
- ▶ Strong **lifting** industry in Asia. US and Europe continue to be weak

Mining



- ▶ **Chinese raw materials consumption** drive global mining activity
- ▶ Atlas Copco Construction and Mining Technique reports **strong growth** - over 40% for 1H 2010
- ▶ Positive demand development in **service and spare parts** continues

Automotive



- ▶ **EU new car registrations** decreased 7% in June 2010 vs. June 2009
- ▶ **China's auto sales growth** has weakened recently– annual growth forecast to be 20%
- ▶ **Ford** passenger car sales up 27% 1H 2010 compared to 1H 2009

Energy



- ▶ Pipe producer TMK increased **steel pipe shipments** by 55% in 1H 2010 - expects the positive market trend to continue
- ▶ **China** has surpassed the US as the country with the greatest investment in **clean energy**

Construction Equipment



- ▶ **Total world market** for heavy, compact and road machinery equipment increased by 30% in Q1 2010 y/y - driven by BRIC countries
- ▶ **European construction industry** expected to contract 4% in 2010

US Service Centers



- ▶ **Steel shipments** from SSCs' rose 17% during January – May 2010 vs. the same period 2009
- ▶ However, signs of steel service centers planning to **reduce inventory** in Q3

SSAB EMEA

MSEK	Q2-10	Q2-09	Chge, %
Sales	5,678	3,551	60
EBITDA	615	-493	n.m.
EBIT	338	-757	n.m.
EBIT-margin, %	6	-21	

Shipments and Production

- ▶ Shipments were 10% higher compared with Q1-10
- ▶ Niche products were 34% (31% in Q1-10) of shipments
- ▶ Production close to normal levels, negatively affected by minor disruptions
- ▶ Maintenance outages in Q3 will affect production and shipments

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 3% and for quenched steels 1% compared with Q1-10
- ▶ Prices for ordinary steel increased 10% compared with Q1-10
- ▶ Demand increased in all markets, particularly within Mining and Lifting



SSAB Americas

MSEK	Q2-10	Q2-09	Chge, %
Sales	4,037	1,943	108
EBITDA	439	-3	n.m.
EBIT	334	-107	n.m.
EBIT-margin, %	8	-6	

Shipments and Production

- ▶ Shipments were 8% higher compared with Q1-10
- ▶ Niche products 21% (22 % Q1-10) of total shipments
- ▶ Production negatively affected by the outage in Montpelier, but still more than doubled vs. Q2-09
- ▶ Work is ongoing to expand the quenching capacity in Mobile, planned to be commissioned in 2012

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 3% and prices for quenched steels 4% compared with Q1-10
- ▶ Prices for ordinary steel increased 16%
- ▶ Demand remained strong, primarily within Mining and Energy



SSAB APAC

MSEK	Q2-10	Q2-09	Chge, %
Sales	688	492	40
EBITDA	98	63	56
EBIT	96	62	55
EBIT-margin, %	14	13	

Shipments

- ▶ Shipments of niche products increased 30% in Q2-10 vs. Q1-10, and was 98% of total shipments
- ▶ Shipments fell 17% from Q1-10 and were 58' ton
- ▶ The lower shipments reflect the one-time order for ordinary steels delivered in Q1-10
- ▶ Work on constructing a finishing line is progressing

Prices and Market conditions

- ▶ Prices for advanced high strength steels decreased 6% and prices for quenched steels increased 1% compared with Q1-10
- ▶ Demand growth remained strong, particularly in China and Australia,
- ▶ The Mining and Lifting segments are the main drivers
- ▶ The aftermarket continued to show strong demand



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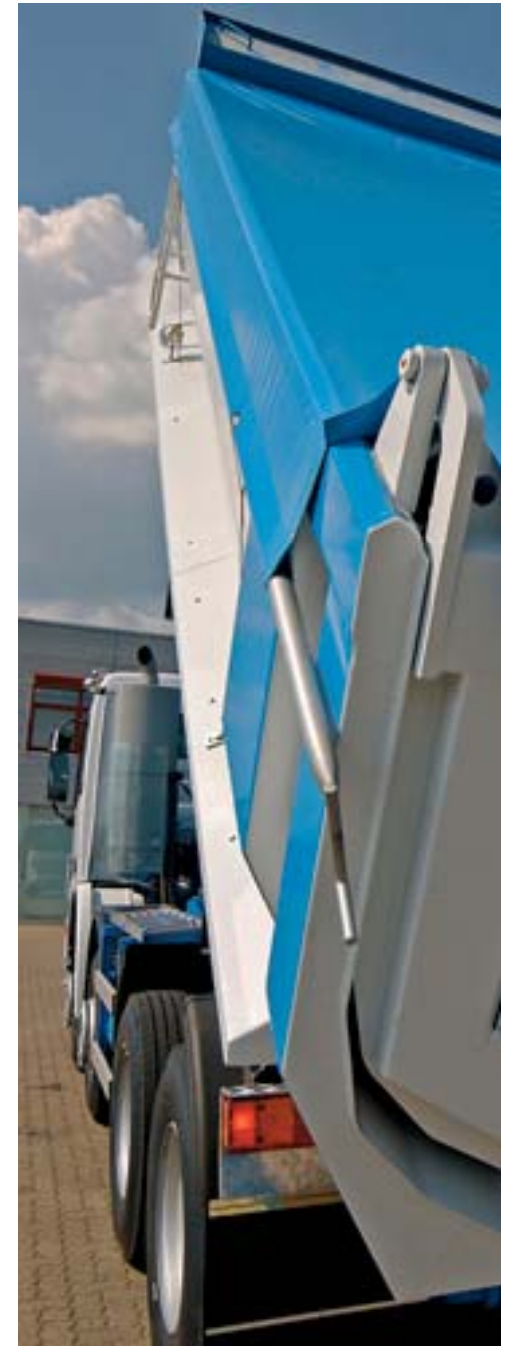
MSEK	Q2-10	Q2-09	Chge, %
Sales	1,834	1,319	39
EBITDA	201	3	n.m.
EBIT	188	-12	n.m.
EBIT-margin, %	10	-1	

- ▶ Shipments were 18% higher in Q2-10 compared with Q1-10, and 46% higher compared with Q2-09
- ▶ The increased shipments relate mainly to higher demand for strip steel
- ▶ Operating cash flow was positive, although increased accounts receivables and inventories had a negative impact



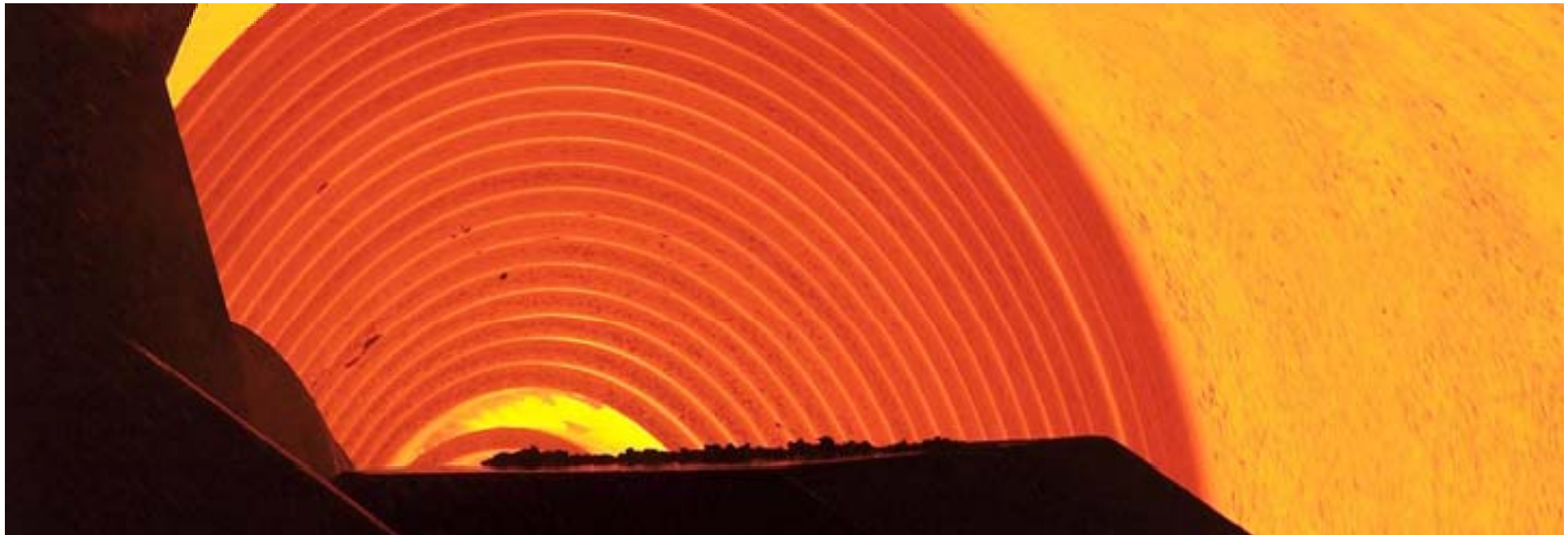
Market outlook

- ▶ Recovery of the steel market expected to continue in Q3, albeit at a somewhat slower pace
- ▶ Restocking among customers is believed to have come to an end
- ▶ Strongest growth expected in Asia and South America
- ▶ Some uncertainty regarding the development of the European economies and the euro
- ▶ Mining and Heavy transport expected to show continued growth, Automotive stable
- ▶ SBB forecasts a 15% increase in global steel production in 2010 – i.e. to exceed the 2008 production levels



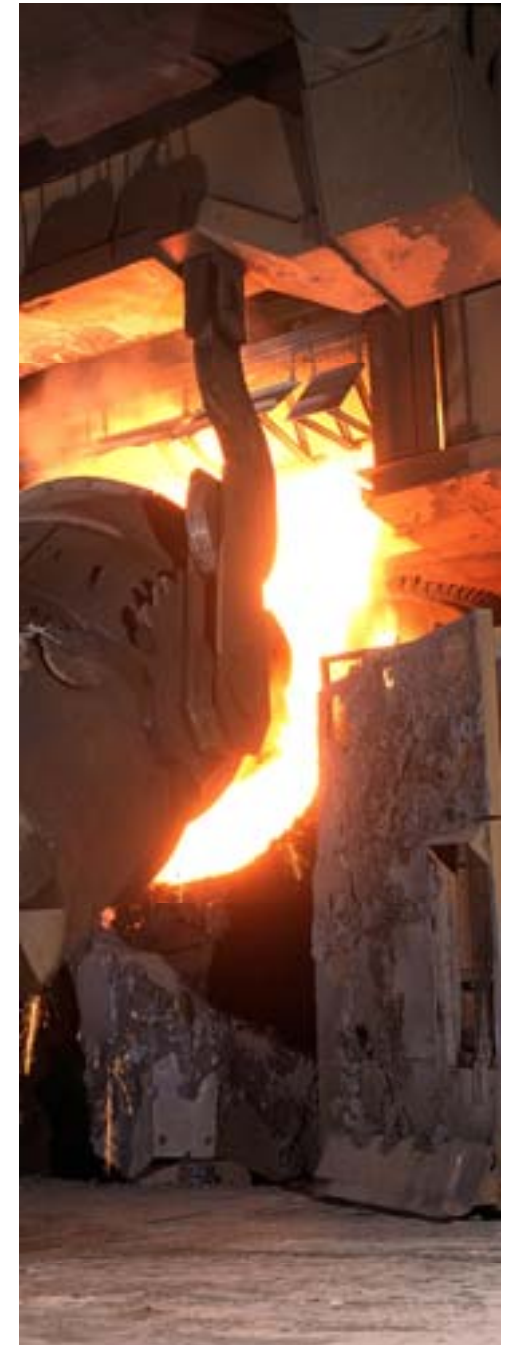
Financials

Marco Wirén, CFO



Financials

- ▶ Sales increased 66% to MSEK 10,911
- ▶ Operating profit improved to MSEK 708 (-952)
- ▶ Operating cash flow of MSEK 341 (2,119) in Q2 – retroactive payment of iron ore delayed to Q3, resulting in a MSEK 750 positive impact in H1

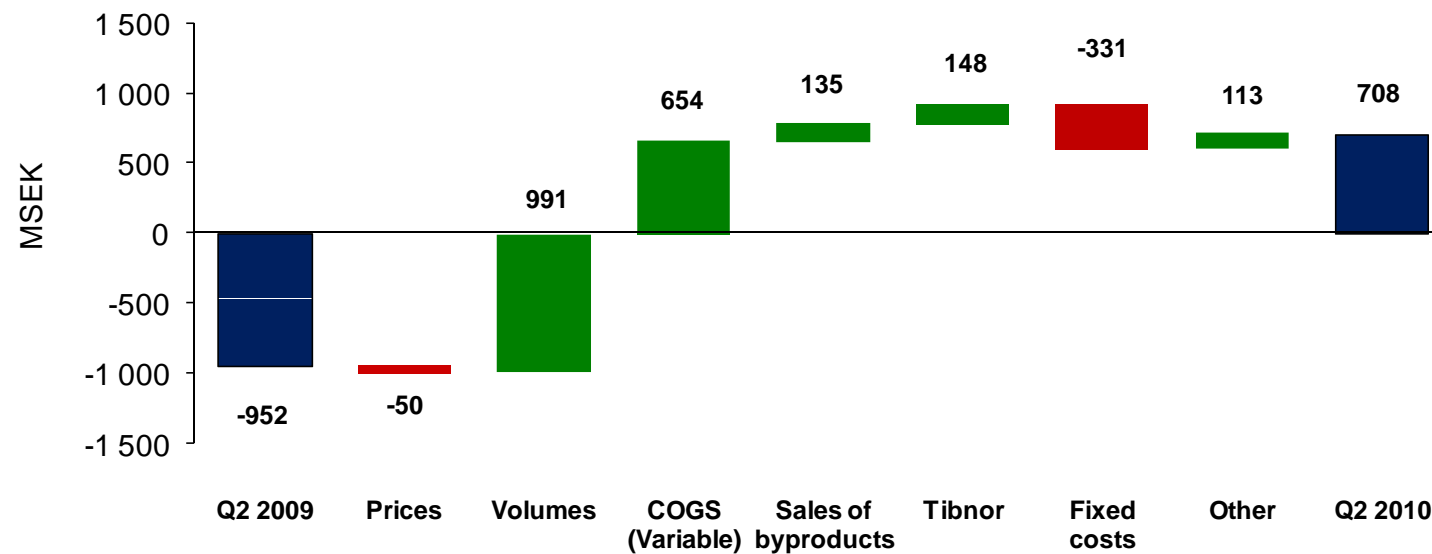


Key Figures

SEK million (except for EPS and Dividend))	Q2-10	Q2-09	Jul-09 Jun-10	FY 2009
Sales	10,911	6,583	34,996	29,838
Operating profit	708	-952	370	-1,592
Pre-tax profit	624	-1,096	-43	-2,061
Net profit	554	-636	310	-879
Earnings per share, SEK	1.64	-1.95	0.85	-2.69
Operating cash-flow	341	2,119	2,422	4,868
Debt/Equity, %	49	52	49	49
ROCE, %	-	-	1	neg
ROE, %	-	-	0	neg
Dividend, SEK	-	-	-	1.00

Change in operating profit, Q2 2010 vs. Q2 2009

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



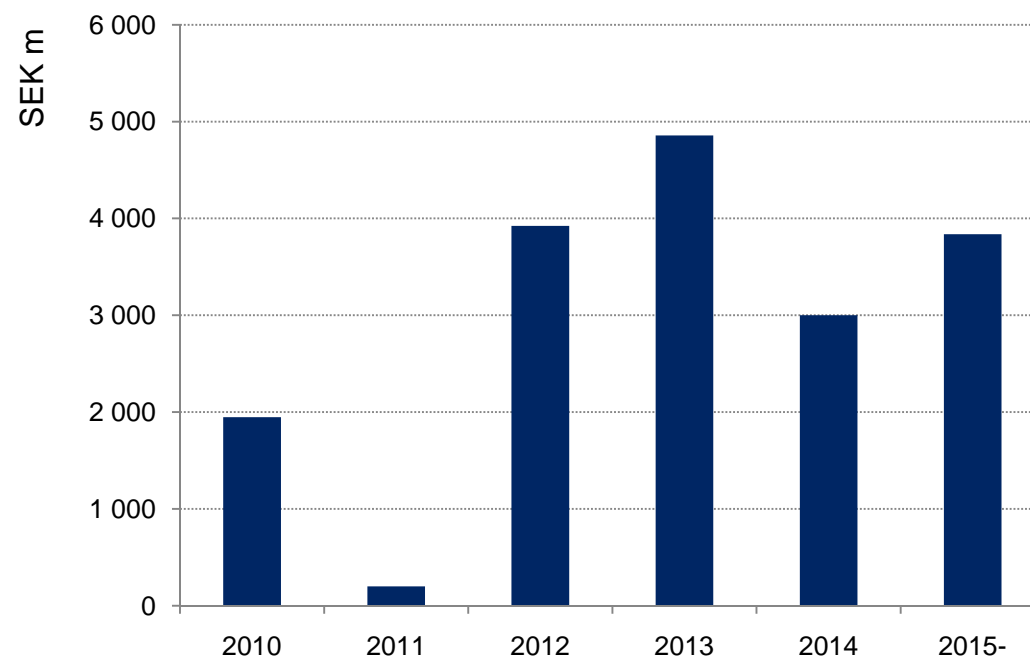
Operating cash flow

SEK million	Q2-10	Q2-09	Jul-09 Jun-10	FY 2009
SSAB EMEA	448	979	1,414	2,113
SSAB Americas	-52	383	965	1,158
SSAB APAC	15	83	-89	141
Tibnor	20	328	251	725
Other	-90	346	-119	731
Operating cash flow	341	2,119	2,422	4,868
Financial items	-118	-126	-354	-538
Taxes	-125	-76	323	-943
Cash flow from current operations	98	1,917	2,391	3,387
Strategic investments	-241	-295	-773	-944
Divestment of businesses and operations	-86	-1	-84	31
Cash flow before dividend and financing	-229	1,621	1,534	2,474
Dividend	-324	-1,296	-324	-1,296
Currency translation and other	-729	926	-151	500
Change in net debt	-1,282	1,251	1,059	1,678

Financing & Liquidity

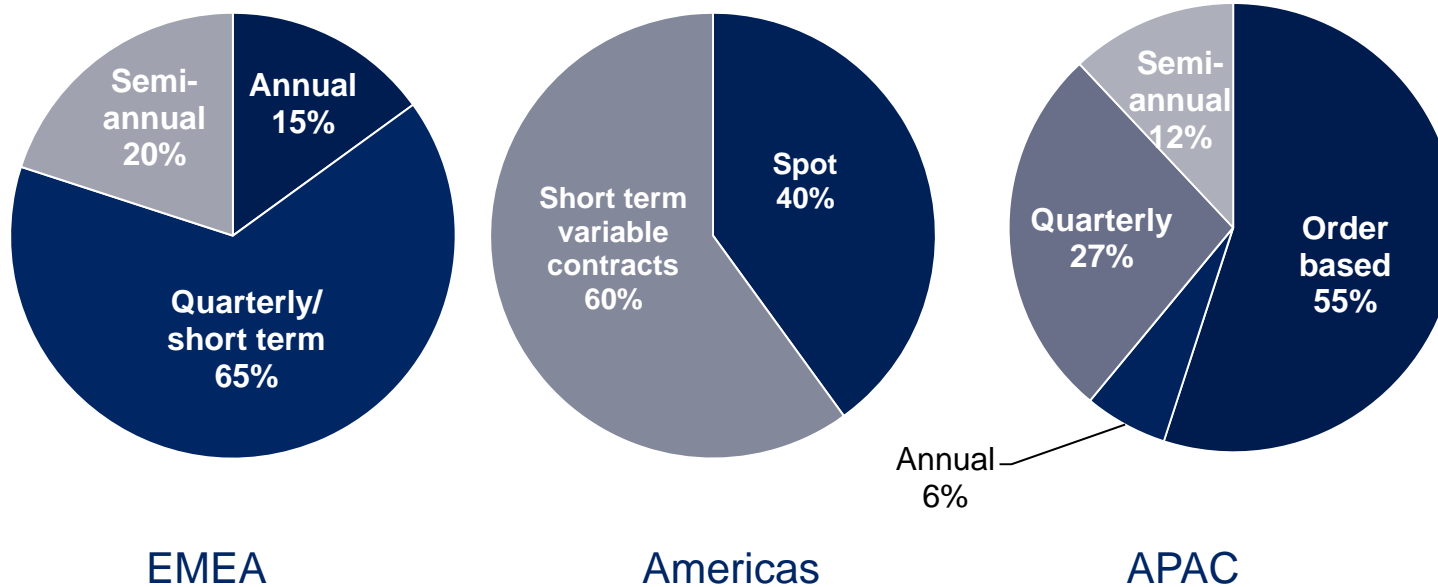
- ▶ Net debt increased from the previous quarter and was SEK 16.3 bn, and the net gearing was unchanged at 49%
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 mths) was 43% (incl. commercial paper)
- ▶ The average term on the loan portfolio at 3.4 years with an interest term of 1.0 year (June 30)
- ▶ Commercial paper amounted to SEK 1.6 bn

Debt Maturity (June 30)



Commercial paper amounted to MSEK 1,569 (June 30)

Contract structures

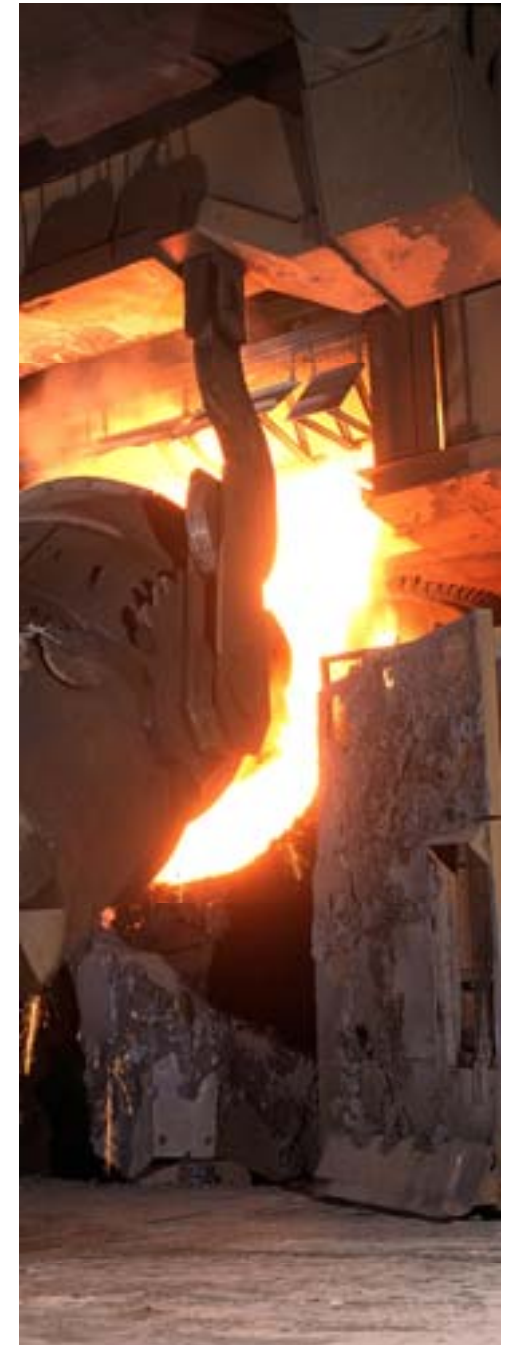


Olof Faxander, President & CEO



Actions and Outlook

- ▶ The recovery expected to continue in Q3, at a somewhat slower pace
- ▶ Maintenance outages in the Swedish operations during the summer - longer than normal due to investments
- ▶ Shipments will be affected by the seasonal slowdown in Q3
- ▶ Demand for quenched steels expected to show continued growth
- ▶ Full impact from higher costs for raw materials during Q3
- ▶ Higher steel prices will largely compensate for increased costs for raw materials



Summary

- ▶ Significantly improved EBIT
- ▶ The recovery in global steel markets continued
- ▶ All plants produced at close to normal levels (planned outage in Montpelier)
- ▶ The investment programs in Borlänge, Mobile and Kunshan progress
- ▶ Higher steel prices will largely compensate for increased costs for raw materials
- ▶ Q3 will be affected by the normal, seasonal slow-down



New steel makes trailers more efficient

The new trailers from BS Logistics take as much punishment as the old ones, but they weigh a ton less



Questions

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

