

SSAB

Results for the third quarter 2010

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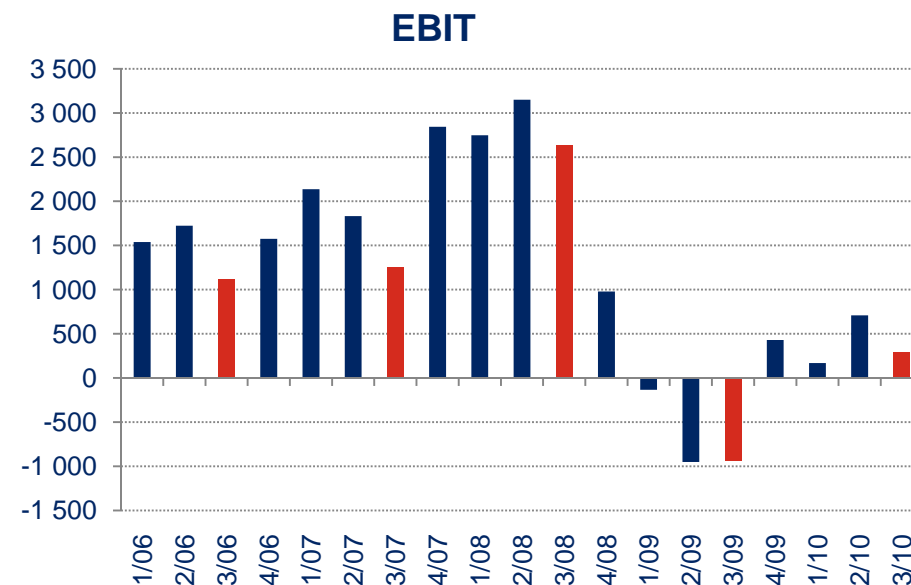
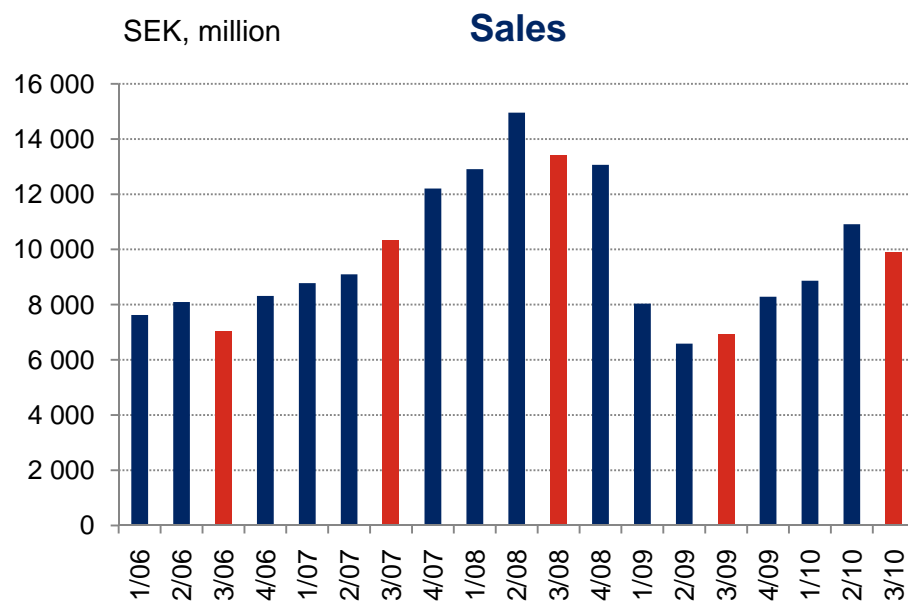
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Highlights – Q3 2010

- ▶ The recovery in steel demand continued, however at a slower pace
- ▶ Lower EBIT compared with Q2-10, mainly due to seasonal impact
- ▶ Demand for niche products was strong
- ▶ Customers of ordinary steels cautious
- ▶ Price increases did not fully compensate for higher raw materials costs



SSAB Q3 2010 – Recovery continued



MSEK (except EPS)	Q3-10	Q3-09	Chge, %
Sales	9,902	6,936	43
EBIT	289	-936	n.m.
Operating cash-flow	-686	1,026	n.m.
EPS, SEK	0.51	-2.33	n.m.

Slowdown in the recovery

Heavy Transport



- ▶ EU Heavy truck registrations decreased 9% in Jan-Aug 2010
- ▶ Q3 order intake for Volvo Trucks improving in all major markets
- ▶ Terex saw weakened demand for cranes in Q3-10 compared with Q3-09

Mining



- ▶ Continued strong demand from mining industry across all continents and minerals
- ▶ Continued growth in aftermarket business

Automotive



- ▶ EU new car registrations down 4% in Jan-Sep 2010 compared with 2009
- ▶ Slowdown in Chinese automotive growth
- ▶ BRIC countries expected to account for 30% of global light vehicle assembly in 2010 compared with 19% in 2007

Energy



- ▶ Heavy expansion of natural gas pipelines in China expected
- ▶ 15 consecutive months of increased oil/gas drilling activity in the US
- ▶ Expectations of continued growth in the US shale gas sector

Construction Equipment



- ▶ Measured in units, global market for heavy, compact and road machinery equipment increased 31% in Q3 2010 y/y
- ▶ Continued low activity in European construction
- ▶ US privately-owned housing starts in September +4.1% y/y

US Service Centers



- ▶ Jan-Sep steel shipments from service centers 20% above same period last year
- ▶ Inventories at the end of September represented a 2.5-month supply at current shipping rate
- ▶ Seasonally slower Q4 expected

SSAB EMEA

MSEK	Q3-10	Q3-09	Chge, %
Sales	5,194	3,168	64
EBITDA	181	-812	n.m.
EBIT	-109	-1,078	n.m.
EBIT-margin, %	-2	-34	

Shipments and Production

- ▶ Shipments were 33% lower vs. Q2-10, but 36% higher vs. Q3-09
- ▶ Niche products were 40% (34% in Q2-10) of shipments
- ▶ Maintenance outages were somewhat longer than normal
- ▶ Unplanned outage in Oxelösund affected production negatively

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 10% and for quenched steels 10% compared with Q2-10
- ▶ Prices for ordinary steel increased 19% compared with Q2-10
- ▶ Demand remained stable within mining and heavy transport, while automotive and lifting weakened somewhat



SSAB Americas

MSEK	Q3-10	Q3-09	Chge, %
Sales	3,794	2,909	30
EBITDA	546	433	26
EBIT	444	327	36
EBIT-margin, %	12	11	

Shipments and Production

- ▶ Shipments were 4% lower vs. Q2-10, but 14% higher vs. Q3-09
- ▶ Niche products were 23% (21 % Q2-10) of total shipments
- ▶ Work continue to expand quenching capacity in Mobile, planned to be commissioned in 2012

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 6% and prices for quenched steels 2% compared with Q2-10
- ▶ Prices for ordinary steel increased 3%
- ▶ Scrap prices have fluctuated during the year and are currently up 19% Y-t-D
- ▶ Demand remained strong within mining and energy, more fragmented in other segments



SSAB APAC

MSEK	Q3-10	Q3-09	Chge, %
Sales	531	341	56
EBITDA	110	9	n.m.
EBIT	109	8	n.m.
EBIT-margin, %	21	2	

Shipments

- ▶ Shipments were 24% lower compared with Q2-10, but 76% higher vs. Q3-09
- ▶ Of shipments, 100% was niche products
- ▶ Shipments were restricted due to the maintenance outages in Sweden
- ▶ Work on constructing the finishing line is progressing, to be commissioned in 2011

Prices and Market conditions

- ▶ Prices for advanced high strength steels increased 5% and for quenched steels 6% compared with Q2-10
- ▶ Demand remained strong, mainly in China and Australia,
- ▶ Demand for quenched steel particularly strong



Tibnor

MSEK	Q3-10	Q3-09	Chge, %
Sales	1,587	1,122	41
EBITDA	149	77	94
EBIT	136	62	119
EBIT-margin, %	9	6	

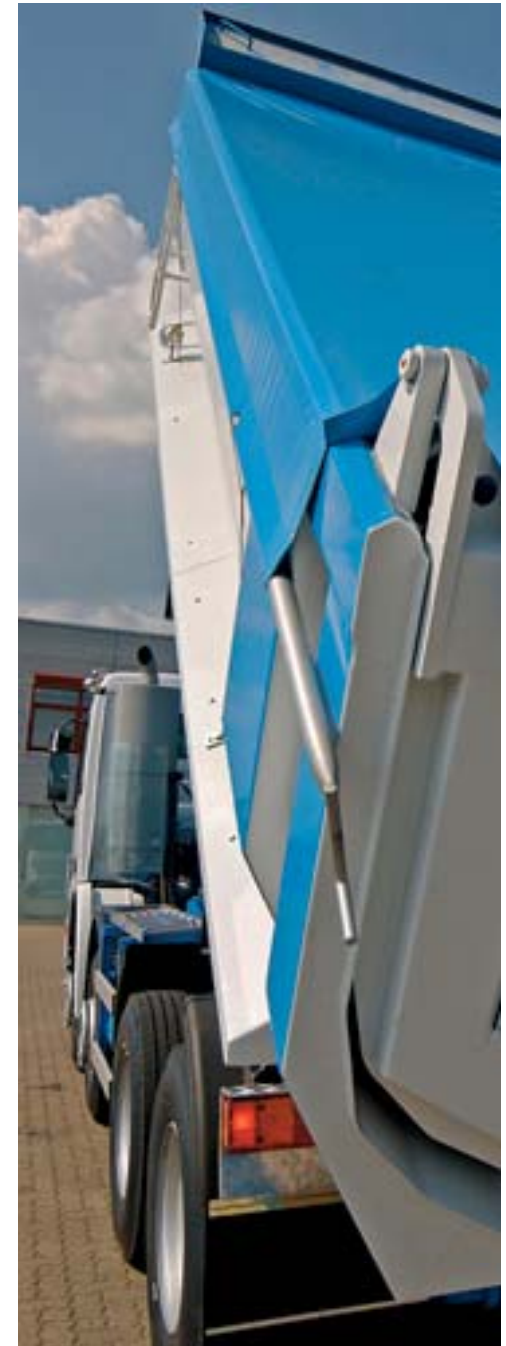


- ▶ Shipments were 23% lower in Q3-10 compared with Q2-10, and 29% higher compared with Q3-09
- ▶ Result affected positively by a MSEK 28 capital gain from divestiture of a property
- ▶ Shipments in Q3-10 compared with Q2-10 negatively affected by the normal slowdown during the summer months



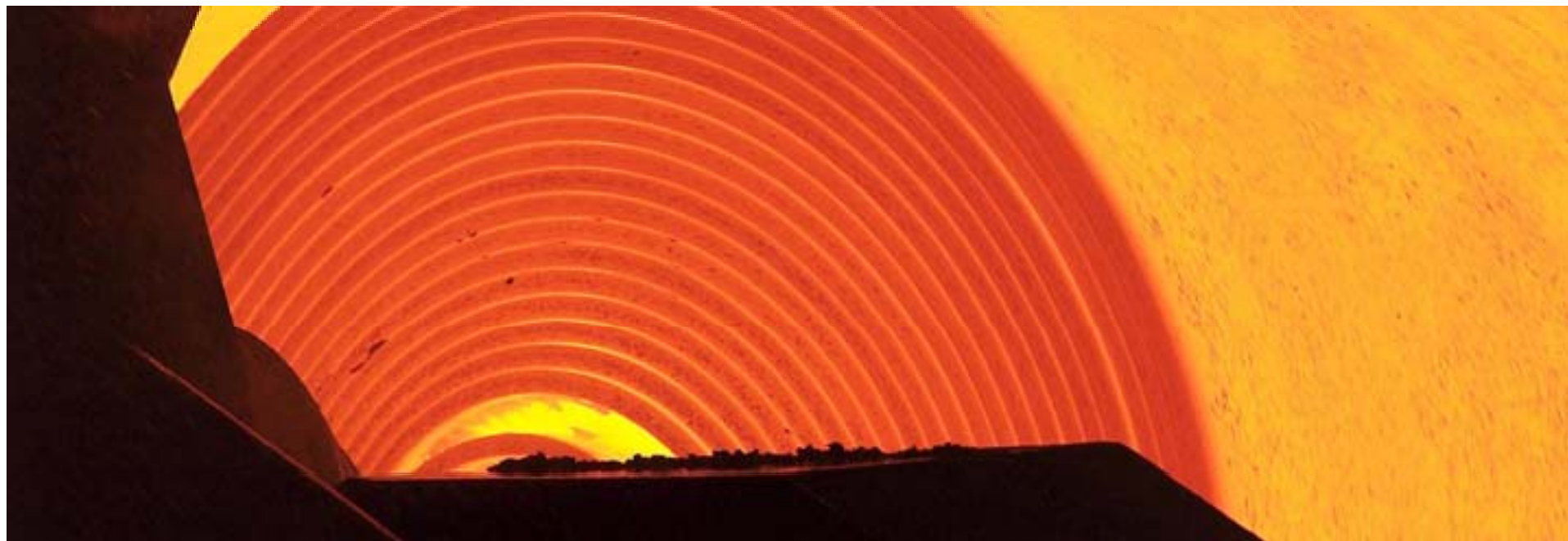
Market outlook

- ▶ Mining, heavy transport and the US energy sector expected to develop positively, driving demand for niche products
- ▶ The outlook for the lifting industry is relatively weak, slowdown in the automotive industry
- ▶ Strongest growth expected in China, South America and Australia
- ▶ US Steel Service centers are cautious, in order to avoid building excess inventory ahead of year-end
- ▶ Near-term outlook somewhat weak, however the recovery continues, which gives reason for longer term optimism



Financials

Marco Wirén, CFO



Financials

- ▶ Sales increased 43% to MSEK 9,902 (6,936)
- ▶ Operating profit improved to MSEK 289 (-936)
- ▶ Operating cash flow of MSEK -686 (1,026), negative impact of MSEK 750 related to payments of retroactive price increases for raw materials
- ▶ On track with annual cost reduction target

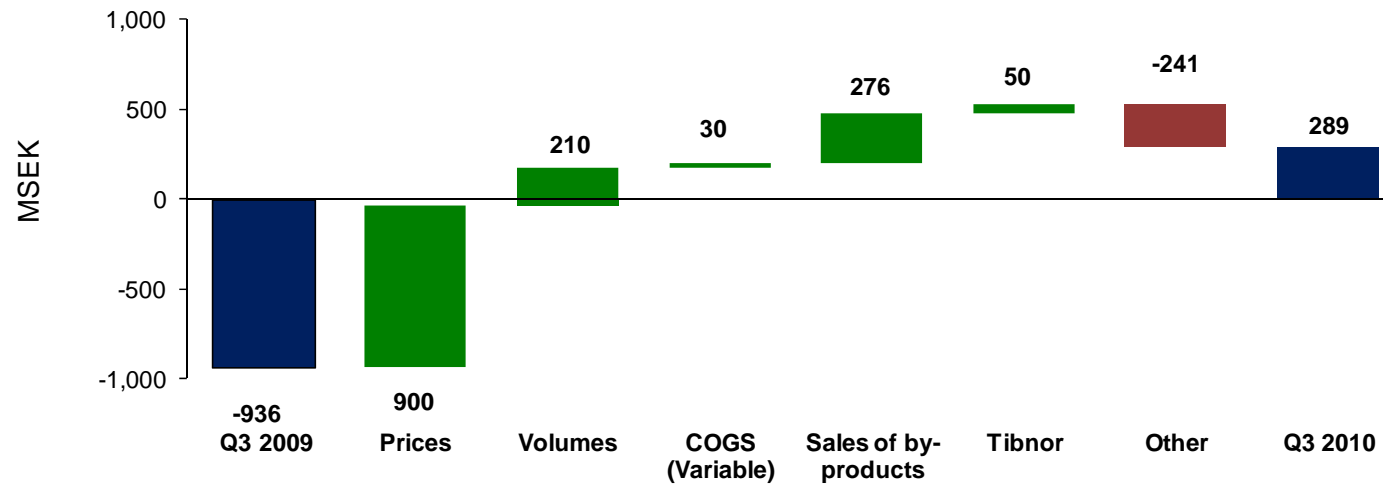


Key Figures

SEK million (except for EPS and Dividend))	Q3-10	Q3-09	Oct-09 Sep-10	FY 2009
Sales	9,902	6,936	37,962	29,838
Operating profit	289	-936	1,595	-1,592
Pre-tax profit	151	-1,098	1,206	-2,061
Net profit	182	-746	1,238	-879
Earnings per share, SEK	0.51	-2.33	3.69	-2.69
Operating cash-flow	-686	1,026	710	4,868
Debt/Equity, %	54	52	54	49
ROCE, %	-	-	3	neg
ROE, %	-	-	3	neg
Dividend, SEK	-	-	-	1

Change in operating profit, Q3 2010 vs. Q3 2009

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



Other includes lower write-down of inventories (MSEK +136), lower provisions for anticipated debt losses (MSEK +83), higher fixed costs (MSEK -364) and other items (MSEK -96)

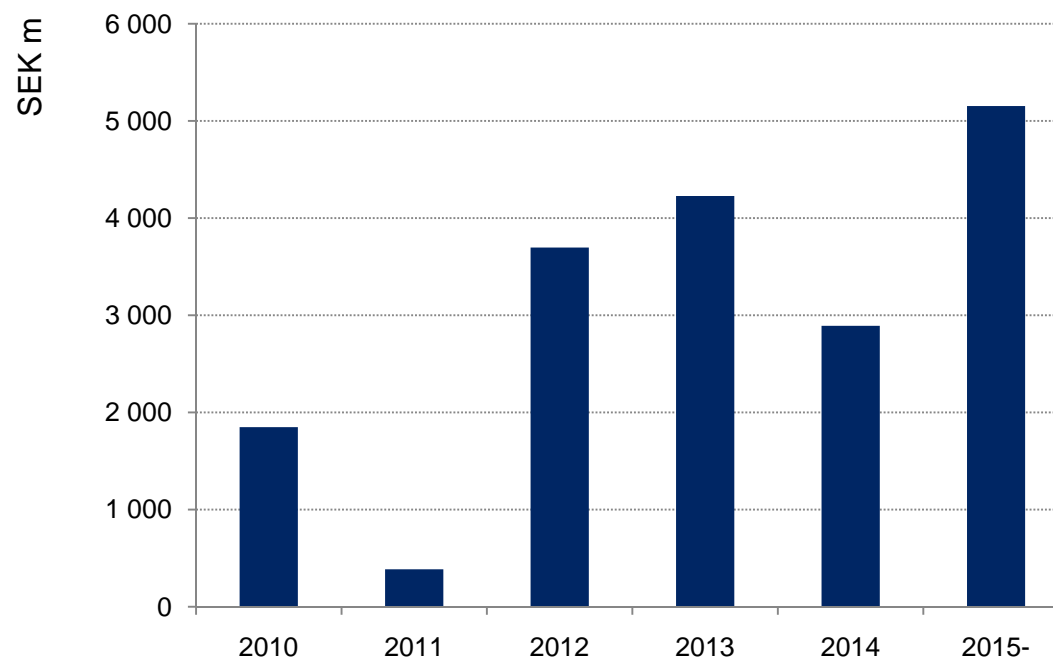
Operating cash flow

SEK million	Q3-10	Q3-09	Oct-09 Sep-10	FY 2009
SSAB EMEA	-1,372	477	-435	2,113
SSAB Americas	567	335	1,197	1,158
SSAB APAC	197	72	36	141
Tibnor	-94	125	32	725
Other	16	17	-120	731
Operating cash flow	-686	1,026	710	4,868
Financial items	-96	-66	-384	-538
Taxes	-118	30	175	-943
Cash flow from current operations	-900	990	501	3,387
Strategic investments	-304	-173	-904	-944
Divestment of businesses and operations	29	1	-56	31
Cash flow before dividend and financing	-1,175	818	-459	2,474
Dividend	0	0	-324	-1,296
Currency translation and other	1,355	900	304	500
Change in net debt	180	1,718	-479	1,678

Financing & Liquidity

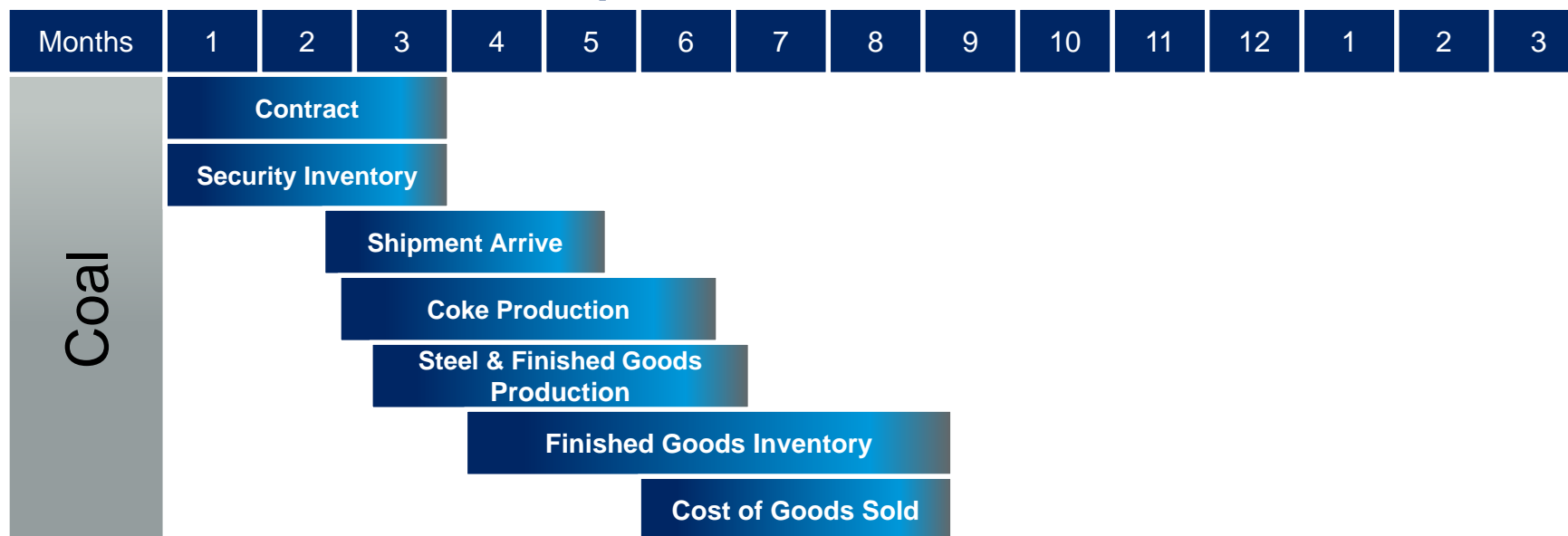
- ▶ Net debt decreased slightly to SEK 16.1 bn from the previous quarter and the net gearing was 54%
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 mths) was 34% (incl. commercial paper)
- ▶ The average term on the loan portfolio at 3.5 years with an interest term of 0.9 years (September 30)
- ▶ Commercial paper amounted to SEK 1.9 bn

Debt Maturity (September 30)



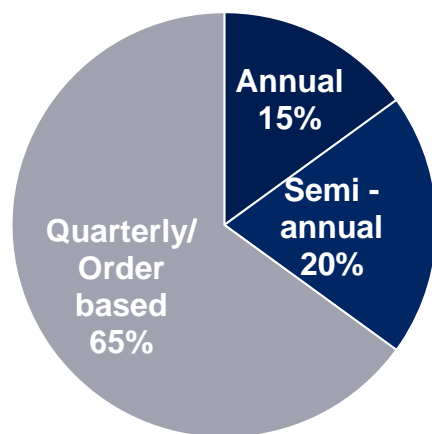
Commercial paper amounted to SEK 1.9bn (September 30)

Coal and Iron ore process schedule

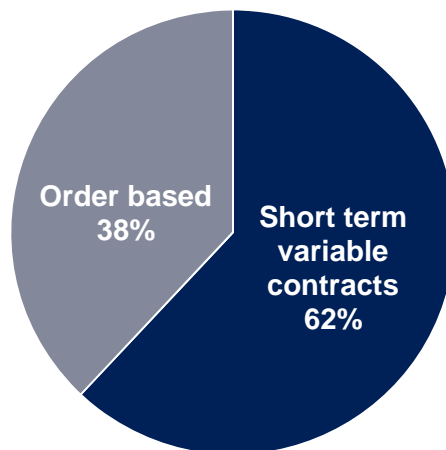


▶ Currency is hedged when contracts are signed

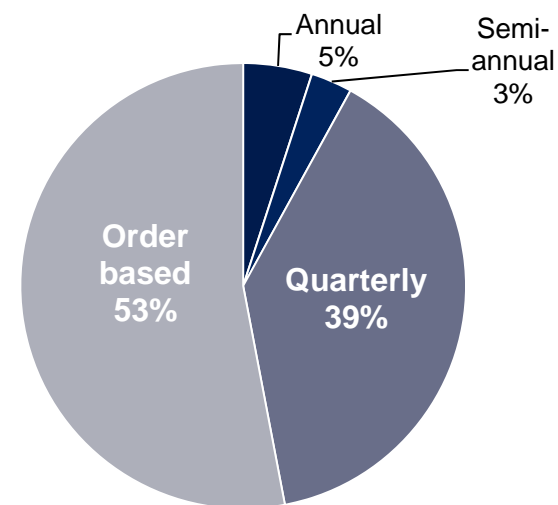
Contract structures



EMEA



Americas



APAC

Olof Faxander, President & CEO



Actions and Outlook

- ▶ Demand for quenched steels expected to remain strong, somewhat weaker outlook for ordinary plate and strip
- ▶ Prices for quenched steels expected to be stable, prices on strip steel and ordinary plate weaker
- ▶ Lower prices for coking coal in Q4-10 will not impact the period, due to in-house inventories
- ▶ The weakened US\$ will not have any impact in Q4-10 due to currency hedging
- ▶ During Q4, the plants will take some planned outages to adjust production to the order situation, putting pressure on margins
- ▶ Continued focus on cost savings and optimized cash flow



Summary

- ▶ The recovery in steel demand continued, however at a slower pace
- ▶ Significantly improved EBIT compared with Q3-09
- ▶ Production and deliveries affected by outages in the Swedish operations
- ▶ Mining, heavy transport and the US energy sector expected to develop positively, driving demand for niche products
- ▶ The recovery in the economy is expected to continue; in the somewhat longer term SSAB remains optimistic as regards the growth of the steel market



SSAB opens new R&D facility, Iowa

- ▶ SSAB recently opened the new R&D facility, announced in Q4-08, adjacent to the Montpelier plate mill
- ▶ The facility is staffed with research engineers and technicians and houses advanced testing, simulation and metallographic equipment
- ▶ It will improve SSAB's ability to service the customers further, and supports production and product development
- ▶ Total investment was US\$ 11m



SSAB establishes a R&D facility in Kunshan

- ▶ Construction started on a R&D facility in Kunshan
- ▶ The investment is part of the ongoing program which includes construction of a finishing line
- ▶ The total investment program amounts to MSEK 320
- ▶ The facility will focus on workshop expertise and application development
- ▶ The facility is expected to be commissioned in Q3 2011



Questions

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

