SSAB

Results for 2011

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The quarter

- Sales were up 7%, to SEK 10,898 (10,205) million
- Operating profit improved to SEK 50 (-55) million
- Profit after financial items improved to SEK -98 (-150) million
- Earnings per share of SEK -0.23 (-0,37)
- Operating cash flow improved to SEK 1,671 (-105) million and cash flow from current operations amounted to SEK 1,828 (-376) million

The full year

- Sales were up 12%, to SEK 44,640 (39,883) million
- Operating profit improved to SEK 2,512 (1,132) million
- Profit after financial items improved to SEK 1,998 (730) million
- Earnings per share of SEK 4.82 (2.23)
- Operating cash flow of SEK 2,821 (-172) million and cash flow from current operations of SEK 2,200 (-731) million
- Niche products now account for 37 (32)% of steel shipments
- Proposed divided of SEK 2.00 (2.00) per share, equal to SEK 648 (648) million

(In the report, amounts in brackets refer to the corresponding period of last year. Periods have been adjusted as a consequence of changed accounting principles; see page 22 for details).

Comments by the CEO

The operating profit of SEK 50 (-55) million for the fourth quarter reflects a continued weak trend in, first and foremost, Europe. In line with the information provided in the third quarter report, during the fourth quarter we noted lower prices for our standard products in both Europe and North America, whereas our high strength steels experienced a more moderate fall in prices.

During the fourth quarter, we essentially eliminated the inventories that had been built up to address any shortages during the major capital expenditure and maintenance outages of the summer and autumn, and this contributed to an improvement in operating cash flow to SEK 1.7 (-0.1) billion.
The weak trend in Europe resulted in significant inventory reductions at our customers during the autumn. We have also noted inventory reductions on other markets, but not to the same extent.

As a consequence of the low demand in Europe, one of our blast furnaces in Oxelösund remained inoperative during the fourth quarter. Consequently, capacity utilization in our Swedish operations was approximately 70 percent. Carbon dioxide emissions from the operations fell as a consequence of the lower production, and thus during the fourth quarter we were able to sell those emission rights that we did not need to utilize. Apart from a scheduled maintenance outage in Montpelier, we have produced at normal capacity utilization in our Americas operations. The Americas business area continues to deliver good results and, in independent customer surveys, has been designated as the best supplier among steel producers on the North American market.

We expect the investment in the new quenching line in Mobile to be brought into commission during the second quarter. Together with the investment in a new cooling line in Borlänge and the investment in thick quenched plate production in Oxelösund, we enjoy a world-unique breadth in our range of quenched steels. We are strengthening the Group Executive Committee with two positions in order to further exploit the possibilities on the market and to increase endeavors in the work on developing high strength steels. One of the positions involves overall responsibility for marketing and sales issues, while the other entails a corresponding responsibility for technical and product development.

The trend going forward varies depending on market. There are clear signs that a recovery has begun in North America, and several plate producers have announced price increases as regards shipments during the first quarter. Demand in Europe remains weak, with low price levels. We have thus initiated an efficiency program within EMEA which, through structural measures, increase of flexibility and a general review of costs, will lead to a reduction of approximately SEK 800 million in the cost base. The payback time for the program will be less than a year. In Asia and Latin America, the stable trend is continuing. The trend of declining prices in large parts of the world during the fourth quarter will have a negative impact on SSAB's prices in the first quarter of 2012. Due to lower iron ore prices, our iron ore agreements for deliveries during the first quarter have been renegotiated, and this will impact positively on earnings for the second quarter.

Consolidated income statement

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Sales	**10,898**	10,205	**44,640**	39,883
Operating profit	**50**	-55	**2,512**	1,132
Of which operating profit per business area				
- SSAB EMEA 1)	**-248**	-70	**649**	373
- SSAB Americas	**414**	235	**2,109**	1,169
- SSAB APAC	**96**	17	**324**	232
- Tibnor	**15**	18	**254**	421
- Amortization on surplus values 2)	**-197**	-202	**-758**	-870
- Other	**-30**	-53	**-66**	-193
	50	-55	**2,512**	1,132
Financial items	**-148**	-95	**-514**	-402
Profit after financial items	**-98**	-150	**1,998**	730
Tax	**22**	31	**-438**	39
Profit after tax for continuing operations	**-76**	-119	**1,560**	769
Profit after tax for discontinued operations 3)	**-**	-	**-**	-164
Profit for the period after tax	**-76**	-119	**1,560**	605

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.

1) Earnings for the full year include a profit of SEK 275 (4) million on sales of emission rights, of which SEK 270 (1) million in the fourth quarter.

2) Amortization on surplus values of intangible and tangible assets related to the acquisition of IPSCO.

3) The discontinued operations relate to the tubular business in North America which was divested in 2008. The cost in 2010 relates to provisions for warranty undertakings to the buyer regarding tax.

Key numbers	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Return on capital employed before tax (%)	**-**	-	**5**	2
Return on equity after tax (%)	**-**	-	**5**	2
Earnings per share (SEK)	**-0.23**	-0.37	**4.82**	1.72
-of which for continuing operations (SEK)	**-0.23**	-0.37	**4.82**	2.23
Equity (SEK millions)	**30,768**	30,020	**30,768**	30,020
Net debt (SEK millions)	**18,475**	17,589	**18,475**	17,589
Net debt/equity ratio (%)	**60**	59	**60**	59

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.

The market

According to the World Steel Association (WSA), global crude steel production in 2011 amounted to 1,527 (1,430) million tonnes, an increase of 6.8% compared with 2010. China accounted for 46 (45)% of global crude steel production. During the fourth quarter, global crude steel production declined by 5% compared with the preceding quarter.

The fourth quarter of 2011 witnessed pronounced inventory reduction due to uncertainty over macro-economic developments. This, in turn, led to weaker demand for steel products, in Europe in particular but also in other parts of the world. Market prices for hot rolled strip products in Europe continued on a downward trend, but appear to have bottomed out during the quarter. In China, strip prices began to increase in December following a decline at the beginning of the quarter. Market prices for plate in North America and China continued to retreat somewhat during most of the quarter.

Towards the end of the quarter, the first signs of a demand in recovery could be discerned, particularly in North America, and plate prices began to increase. Several leading plate manufacturers announced price increases for non-contracted shipments during Q1 2012. These announced price increases are due in part to stronger demand on the North American market and in part to higher scrap metal prices.

The inventory reductions also affected demand for SSAB's niche products, however to a lesser extent than in the case of standard steels. The Material Handling segment and the Energy segment in North America were the strongest segments.

Our assessment is that, following the inventory reductions which took place during the second half of 2011, inventory levels are low at both customers and steel distributors.

Short-term prospects

SSAB has strengthened its positions within quenched steels through investments in new product lines which will increase quenched steel capacity by 500,000 tonnes. These capital expenditure projects will be completed during the first half of 2012. This will impact on SSAB's capital expenditure levels in 2012, which will be significantly lower than in 2011.

Signs of a recovery are discernible in the US. In Europe, though, the situation remains uncertain due to the sovereign debt crises. Following the clear inventory downsizing of the fourth quarter, it is possible that a degree of inventory restocking will take place during the first part of 2012. Demand in Asia is expected to remain stable.

Production will be regularly adjusted to prevailing demand and, at present, one of SSAB's three blast furnaces is idled. Production at the North American plants is expected to remain on a normal level.

A new agreement which has been signed regarding the price of iron ore for deliveries during the first quarter of 2012 entails a reduction of 12% in USD compared with the price in the fourth quarter of 2011. The new price will not impact on earnings until the second quarter.

Spot prices for coal fell by approximately 5% in January 2012, while spot prices for scrap metal in North America increased by approximately 12% between the middle of November to the end of January, after which they once again fell back with 6% in the beginning of February.

In North America, SSAB's plate prices are expected to increase somewhat compared with the previous quarter, due to the announced price increases on shipments for which contracts have not yet been signed. In other parts of the world, the trend of falling prices during the fourth quarter will have a negative impact on contracted price agreements for the first quarter, compared with the fourth quarter of 2011.

The Group

The full year in summary

Raw materials

Spot prices for both iron ore and coal came under pressure during the third quarter, and this continued during the fourth quarter. SSAB's agreements regarding new prices for iron ore with respect to the second, third and fourth quarters entailed a price increase in USD of 19% compared with prices in the first quarter. In Swedish kronor, this meant a price increase of approximately 8%.

SSAB purchases approximately 60% of annual coal requirements from Australia, and the rest from the US. Price agreements regarding Australian coal are currently entered into on a monthly basis and the monthly agreements during the fourth quarter entailed a price decrease in USD of 20% compared with the price in the third quarter of 2011. In Swedish kronor, this meant a price decrease of approximately 17%. The impact of the lower price on earnings will not be felt in full until the end of the second quarter of 2012. Coal purchases from the US take place under annual agreements. SSAB's entire purchases of American coal for 2011 entailed a price increase of just over 36% in USD and 10% in SEK, compared to the 2010 annual agreement.

The American operations regularly purchase scrap metal as a raw material for their production. Market prices for scrap metal in the US declined somewhat at the beginning of the first quarter of 2011, but recovered slightly at the beginning of the second quarter. Prices were unchanged during the third and fourth quarters, with the exception of a temporary fall in prices in November.

Shipments and production

SSAB's shipments for the full year increased by 1% compared with 2010 and amounted to 4,661 (4,606) thousand tonnes. Shipments of niche products increased by 15% compared with 2010. In total, niche products accounted for 37 (32)% of total shipments for the full year.

Both crude steel and steel production declined by 1% in 2011 compared with 2010.

Sales

Sales for the full year amounted to SEK 44,640 (39,883) million, an increase of SEK 4,757 million or 12% compared with 2010. Higher prices accounted for a positive effect of 13 percentage points, improved volumes and mix for 6 percentage points, while currency effects accounted for a negative effect of 7 percentage points.

Earnings

Operating profit in 2011 was up by SEK 1,380 million compared with 2010 and amounted to SEK 2,512 (1,132) million. Exchange rate movements compared with last year (the effect of sales and purchases in 2011 taking place at different exchange rates than in 2010) made a positive contribution to operating profit of approximately SEK 500 million.

Changes in operating profit between 2011 and 2010 (SEK millions)	
Steel operations	
- Higher prices	5,550
- Higher volumes	910
- Higher variable production costs	-5,150
- Exchange rate movements compared with 2010	500
- Sold emission rights	271
Tibnor	
- Volumes, changed mix and margins	-140
Higher fixed costs	-537
Other	-24
Change in operating profit	1,380

Financial items for the full year amounted to SEK -514 (-402) million. Financial items were negatively affected primarily by higher interest rates, as well as a net debt which was higher than in 2010.

Profit after financial items was SEK 1,998 (730) million, an improvement of SEK 1,268 million.

Profit after tax and earnings per share

Profit after tax for continuing operations (attributable to the shareholders) was SEK 1,560 (721) million, or SEK 4.82 (2.23) per share. Tax for 2011 was SEK -438 (+39) million.

Financing and liquidity

The operating cash flow for the full year was SEK 2,821 (-172) million. The cash flow was positively affected by operating profit but negatively affected by increased accounts receivable. The net cash flow was SEK -817 (-2,799) million. The net cash flow was affected by, among other things, payments for capital expenditures of SEK 3,111 (2,011) million (of which SEK 1,832 (1,170) million on strategic capital expenditure projects) and business acquisitions (including the minority stake in Tibnor) of SEK 492 (0) million. The net debt was also affected by dividends totaling SEK 693 (339) million. During the full year, net debt increased by SEK 886 million and, on December 31, amounted to SEK 18,475 (17,589) million. The net debt/equity ratio decreased by five percentage points compared with the preceding quarter, to 60%.

Operating cash flow per business area

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
SSAB EMEA	**691**	-692	**1,261**	-1,736
SSAB Americas	**555**	414	**1,296**	1,461
SSAB APAC	**151**	44	**24**	162
Tibnor	**321**	172	**356**	42
Other	**-47**	-43	**-116**	-101
Operating cash flow	**1,671**	-105	**2,821**	-172
Financial items	**-180**	-104	**-481**	-392
Taxes	**337**	-167	**-140**	-167
Cash flow from business operations	**1,828**	-376	**2,200**	-731
Strategic capital expenditures	**-446**	-476	**-1,832**	-1,170
Acquisitions of businesses and operations	**3**	-	**-99**	-
Divestments of businesses and operations 1)	**-**	-503	**-**	-559
Cash flow before dividend and financing	**1,385**	-1,355	**269**	-2,460
Dividend to the Parent Company's shareholders	**-**	-	**-648**	-324
Dividend to non-controlling interests	**-**	-	**-45**	-15
Acquisition of non-controlling interest 2)	**-**	-	**-393**	-
Net cash flow	**1,385**	-1,355	**-817**	-2,799
Net debt at beginning of period	**-19,862**	-16,142	**-17,589**	-15,315
Net cash flow	**1,385**	-1,355	**-817**	-2,799
Revaluation of liabilities against equity 3)	**-74**	-144	**-155**	599
Currency effects 4)	**76**	52	**86**	-74
Net debt at end of period	**-18,475**	-17,589	**-18,475**	-17,589

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.
1) For 2010 includes payment of SEK 591 million to the purchaser of the tubular operations under warranty undertakings regarding tax.
2) The minority stake in Tibnor was acquired in May 2011.
3) Revaluation of hedging of currency risks in foreign operations.
4) Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial liabilities in foreign currency.

As per December 31, the term to maturity on the total loan portfolio averaged 5.1 (3.3) years, with an averaged fixed interest period of 1.1 (0.7) years. Of the loan portfolio of SEK 20,547 (19,763) million, SEK 1,922 (1,734) million comprised short-term commercial paper including day loans, and SEK 18,625 (18,029) million comprised long-term financing with an average term to maturity of 5.6 (3.6) years. The average term to maturity has increased during the year through refinancing of existing loans, and due to the fact that Alabama tax revenue bond has been re-classified as long term after the term has been extended on the counter-guarantee which secures the financing.

The Group's liquidity preparedness

SEK millions	**2011 Dec 31**	2010 Dec 31
Cash and cash equivalents	**1,648**	1,314
Committed credit facilities	**11,693**	12,205
Liquidity preparedness	**13,341**	13,519
-as a percentage of annual sales (rolling 12 months)	***30%***	*34%*
Less commercial paper	**-1,922**	-1,334
Liquidity preparedness excluding commercial paper	**11,419**	12,185
- as percentage of annual sales (rolling 12 months)	***26%***	*31%*

Return on capital employed/equity

The return on capital employed before tax and return on equity after tax for the full year were 5% and 5% respectively, while for the full year of 2010 they were 2% and 2% respectively.

Equity

Following the addition of profit for the year of SEK 1,560 million attributable to the Company's shareholders and other comprehensive income of SEK 274 million (primarily comprising translation differences), and after deduction of dividends of SEK 648 million and following the acquisition of the minority stake in Tibnor, the shareholders' equity in the Company amounted to SEK 30,768 (29,829) million, corresponding to SEK 94.98 (92.08) per share.

Capital expenditures

During the year, decisions were taken regarding new capital expenditures totaling SEK 1,065 (1,772) million, of which SEK 117 (753) million involved strategic capital expenditure projects. Capital expenditure payments for the full year, including business acquisitions, amounted to SEK 3,210 (2,011) million, of which SEK 1,832 (1,170) million involved strategic capital expenditure projects and SEK 99 (-) million involved business acquisitions.

Acquisition of minority stake in Tibnor

Since May, Tibnor AB is wholly owned by SSAB. This took place through SSAB acquiring Outokumpus' minority stake of 15% of the shares. The purchase price was SEK 393 million.

Development during the fourth quarter

Shipments and production

SSAB's shipments during the fourth quarter increased by only 1% compared with the seasonally weak third quarter, despite the fact that a number of orders for standard steels were accepted at lower prices in order to provide business for the steel mills in Sweden. Shipments decreased by 4% compared with the fourth quarter of 2010. Shipments of niche products decreased by 3% compared with the third quarter of 2011 and by 5% compared with the fourth quarter of last year. All in all, during the quarter niche products accounted for 36 (37)% of total shipments.

Crude steel production increased during the fourth quarter by 6% compared with the third quarter of 2011, but fell by 9% compared with the fourth quarter of last year. Steel production increased by 6% compared with the third quarter of 2011 but declined by 11% compared with the fourth quarter of 2010.

Sales

Sales during the quarter amounted to SEK 10,898 (10,205) million, an increase of SEK 693 million or 7% compared with the fourth quarter of 2010. Higher prices accounted for a positive effect of 7 percentage points and an improved product mix for a positive effect of 3 percentage points, whereas lower volumes accounted for a negative effect of 2 percentage points, and currency effects for a negative effect of 1 percentage point.

Earnings

Operating profit during the fourth quarter improved by SEK 105 million compared with the fourth quarter of 2010 and amounted to SEK 50 (-55) million. Exchange rate movements compared with the fourth quarter of 2010 (the effect of sales and purchases in 2011 taking place at different exchange rates than in 2010) negatively impacted on sales in the amount of approximately SEK 125 million, while exchange rate movements on costs and translation effects had a positive effect of approximately SEK 425 million. The positive currency effect on costs is attributable primarily to lower exchange rates in conjunction with hedging of purchases of raw materials in 2011, compared with 2010. The profit analysis is shown in the table below.

Change in operating profit between the fourth quarter of 2011 and 2010 (SEK millions)	
Steel operations	
- Higher prices	750
- Lower volumes	-70
- Higher variable production costs	-1,250
- Exchange rate movements compared with Q4, 2010	300
- Sold emission rights	269
Tibnor	
- Volumes, changed mix and margins	-15
Lower fixed costs	18
Other	103
Change in operating profit	105

Financial items for the quarter amounted to SEK -148 (-95) million.

Profit after financial items for the quarter was SEK -98 (-150) million.

Profit after tax and earnings per share

Profit after tax (attributable to the shareholders) for the quarter was SEK -76 (-120) million, or SEK -0.23 (-0.37) per share. Tax for the quarter was SEK +22 (+31) million.

Financing and liquidity

The operating cash flow for the quarter was SEK 1,671 (-105) million. The cash flow was positively affected by operating profit and a decrease in working capital, primarily due to lower inventories. Inventories decreased primarily due to production being adjusted to demand. The net cash flow of SEK 1,385 (-1,355) million was affected, among other things, by payments of SEK 446 (476) million on strategic capital expenditure projects. Net debt during the quarter declined by SEK 1,387 million, to SEK 18,475 million.

SSAB EMEA

SEK millions		2011 Q 4	2010 Q 4	2011 Full year	2010 Full year
Sales		**5,820**	5,720	**23,768**	21,428
Operating profit before depreciation 1,3)		**56**	211	**1,800**	1,493
Operating profit 1,3)		**-248**	-70	**649**	373
Operating margin (%) 1)		**-4%**	-1%	**3%**	2%
Return on capital employed (%) 1)		**-**	-	**4%**	3%
Shipments ('000 tonnes)	- Quenched steels	**73**	77	**330**	269
	- AHSS	**117**	120	**524**	464
	- Standard	**265**	289	**1,146**	1,301
Production ('000 tonnes)	Crude steel	**741**	864	**3,253**	3,418
	- Steel	**591**	713	**2,617**	2,720
Operating cash flow		**691**	-692	**1,261**	-1,736
Maintenance capital expenditures		**-277**	-138	**-1,087**	-632
Strategic capital expenditures 2)		**-142**	-235	**-750**	-694

1) The periods have been adjusted as a consequence of changed accounting principles.
2) Includes business acquisitions during the second quarter of a Polish steel distributor and a 30% stake in a Dutch Hardox Wearpart company for a total of SEK 52 million.
3) Profit includes a profit of SEK 275 (4) million on the sale of emission rights, of which SEK 270 (1) million in the fourth quarter.

The fourth quarter was characterized by a wait-and-see approach by most customers. However, demand remained firm from the mining industry in the Material Handling segment, and parts of Construction Machinery also continued to show good demand. Steel shipments increased by 9% compared with the third quarter of 2011, but fell by 6% compared with the fourth quarter of 2010, and amounted to 455 (486) thousand tonnes. Shipments of niche products were 4% lower than in the fourth quarter of 2010, and amounted to 190 (197) thousand tonnes. Shipments of niche products thereby accounted for 42 (41)% of total shipments.

The weaker demand put pressure on prices and, compared with the third quarter of 2011, prices for advanced high strength steels (AHSS) fell in local currency by 2% and, following mix and currency effects, the price changes totaled -3%. Quenched steel prices in local currency fell by 2% and, following mix effects, the price changes totaled -5%. Prices for standard steels declined by 7% compared with the third quarter and, following product mix and currency effects of -5%, the total price changes were -12%. See the table below.

Crude steel production fell by 14% compared with the fourth quarter of 2010, due to the continued curtailment of production during the quarter. One of the blast furnaces in Oxelösund was idle during the quarter, while the blast furnace in Luleå operated at reduced capacity. Steel production declined by 17% compared with the same period in 2010.

Sales increased by 2% compared with the fourth quarter of 2010 and reached SEK 5,820 (5,720) million. An improved product mix including higher prices accounted for a positive effect of 7 percentage points, while lower volumes accounted for a negative effect of 4 percentage points and currency effects for a negative effect of 1 percentage point.

Operating profit for the quarter was SEK -248 (-70) million, which was SEK 178 lower than in the fourth quarter of 2010. Exchange rate movements compared with the fourth quarter of 2010 (the effect of sales and purchases in 2011 taking place at different exchange rates than in 2010) made a positive contribution to profit of approximately SEK 280 million. Sales of emission rights made a positive contribution to profit of SEK 270 (1) million. The profit analysis is shown in the table below.

Operating cash flow during the fourth quarter was SEK 691 (-692) million. Cash flow was negatively affected by operating profit but positively affected by lower inventories and sold emission rights.

During the quarter, decisions were taken regarding new capital expenditures totaling SEK 220 (295) million. Capital expenditure payments during the quarter amounted to SEK 419 (373) million, of which SEK 142 (235) million involved strategic capital expenditures. The largest ongoing project comprises an investment to produce quenched steels at the plant in Borlänge. The line is expected to be brought into full commission during the first quarter of 2012.

Analysis of operating profit quarter 4/10 to 4/11	**SEK millions**
Currency effect in operating profit	**280**
Price	**40**
Volume	**-60**
Variable costs	**-820**
Fixed costs	**47**
Sale of emission rights	**269**
Other	**66**
Change in operating profit	**-178**

Price analysis quarter 3/11 to 4/11	Standard steels	Quenched steels	AHSS
Price change, local currency	-7%	-2%	-2%
Changed product mix	-5%	-3%	0%
Exchange rate movements	0%	0%	-1%
Net price change	-12%	-5%	-3%

SSAB Americas

SEK millions		**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Sales		**4,207**	3,608	**17,099**	14,581
Operating profit before depreciation 4)		**527**	330	**2,495**	1,572
Operating profit 1, 4)		**414**	235	**2,109**	1,169
Operating margin (%) 4)		**10%**	7%	**12%**	8%
Return on capital employed (%) 2, 4)		**-**	-	**27%**	16%
Shipments ('000 tonnes)	- Quenched steels	**50**	46	**196**	178
	- AHSS	**100**	126	**449**	384
	- Standard	**429**	426	**1,797**	1,794
Production ('000 tonnes)	- Crude steel	**556**	567	**2,418**	2,334
	- Steel	**537**	553	**2,271**	2,209
Operating cash flow 4)		**555**	414	**1,296**	1,461
Maintenance expenditures		**-54**	-17	**-158**	-158
Strategic capital expenditures 3)		**-257**	-184	**-1,048**	-418

1) Excluding depreciation and amortization on surplus values on intangible and tangible fixed assets.
2) The return is calculated excluding surplus values. Including surplus values, the returns are 4% and 1% respectively.
3) Including the acquisition during the third quarter of the wear steel manufacturer Hard Wear Inc. for SEK 78 million.
4) The periods have been adjusted as a consequence of changed accounting principles.

During the fourth quarter, demand remained good from the mining industry within the Material Handling segment, from parts of Construction Machinery, and from the Energy segment. Following a weak third quarter, Automotive once again demonstrated an increase in demand. Steel shipments were 5% lower than in the third quarter of 2011 and 3% lower than in the fourth quarter of 2010, and amounted to 579 (598) thousand tonnes. Shipments of niche products were 13% lower than in the fourth quarter of 2010 and amounted to 150 (172) thousand tonnes, thereby accounting for 26 (29)% of total shipments during the quarter.

AHSS prices in USD declined by 4% compared with the third quarter and, following mix effects and currency effects, the price changes were -5% in USD. For quenched steels, the price change was -4% and, following mix and currency effects, -5% in USD. Prices of standard steels fell by -7% and, following mix and currency effects, the price changes amounted to -8% in USD. See the table below.

Both crude steel production and steel production fell during the quarter, by 2% and 3% respectively compared with the fourth quarter of 2010. The plant in Montpelier was closed for maintenance work from the end of the third quarter until the end of October.

Sales during the fourth quarter increased by 17% compared with the fourth quarter of 2010 and amounted to SEK 4,207 (3,608) million. Higher prices accounted for a positive effect of 18 percentage points, an improved product mix for a positive effect of 2 percentage points, while volume and currency effects accounted for a negative effect of 3 percentage points.

Operating profit for the quarter was SEK 414 (235) million, an improvement of SEK 179 million. Exchange rate movements compared with the fourth quarter of 2010 (the effect of sales and purchases in 2011 taking place at different exchange rates than in 2010) made a positive contribution to earnings of SEK 25 million. Thanks to the problem-free execution of maintenance work at the plant in Montpelier, the negative impact on earnings for the quarter was limited to approximately SEK 200 million. The profit analysis is shown in the table below.

Operating cash flow during the fourth quarter was positively affected by operating profit and by a slight reduction in working capital, and amounted to SEK 555 (414) million.

During the quarter, decisions were taken regarding new capital expenditures totaling SEK 18 (20) million. Capital expenditure payments during the quarter amounted to SEK 311 (201) million, of which SEK 257 (184) million involved strategic capital expenditure projects. The largest ongoing project comprises the construction of a second quenching line in Mobile Alabama in order to increase quenched steel production capacity by approximately 200 thousand tonnes. The quenching line is expected to be brought into full commission during the second quarter of 2012.

Analysis of operating profit quarter 4/10 to 4/11	**SEK millions**
Currency effect in operating profit	**25**
Price	**650**
Volume	**-45**
Variable costs	**-420**
Fixed costs	**-44**
Other	**13**
Change in operating profit	**179**

Price analysis quarter 3/11 to 4/11	Standard steels	Quenched steels	AHSS
Price change, local currency	-7%	-4%	-4%
Changed product mix	0%	1%	1%
Exchange rate movements in USD	-1%	-2%	-2%
Net price change in USD	-8%	-5%	-5%

SSAB APAC

SEK millions		**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Sales		**708**	518	**2,811**	2,326
Operating profit before depreciation		**97**	19	**329**	238
Operating profit		**96**	17	**324**	232
Operating margin (%)		**14%**	3%	**12%**	10%
Return on capital employed (%)		**-**	-	**29%**	33%
Shipments ('000 tonnes)	- Quenched steels	**30**	23	**130**	100
	- AHSS	**22**	21	**84**	89
	- Standard	**0**	0	**5**	27
Operating cash flow		**151**	44	**24**	162
Maintenance capital expenditures		**0**	0	**-2**	-2
Strategic capital expenditures		**-44**	-57	**-164**	-58

During the fourth quarter, demand for quenched steels in particular remained good in China and Australia, not least within the Materials Handling segment and from large construction machinery within Construction Machinery. However, demand in China for Lifting within Construction Machinery continued to weaken. Shipments of niche products increased by 16% compared with the third quarter of 2011 and by 18% compared with the fourth quarter of 2010. Shipments of niche products amounted to 52 (44) thousand tonnes and comprised 100 (100)% of total shipments.

Prices in local currencies on shipments of quenched steels were unchanged compared with the third quarter. AHSS prices in local currencies increased by 5% compared with the third quarter and, following mix effects and currency effects of 3%, the total price changes amounted to 8%. See the table below.

Sales increased by 37% compared with the fourth quarter of 2010 and reached SEK 708 (518) million. Higher prices accounted for a positive effect of 10 percentage points, volume increases for a positive effect of 20 percentage points, and an improved product mix including currency effects for a positive effect of 7 percentage points.

Operating profit for the quarter was SEK 96 (17) million, an increase of SEK 79 million. Exchange rate movements compared with the fourth quarter of 2010 negatively impacted on earnings by approximately SEK 5 million. The profit analysis is shown in the table below.

The operating cash flow during the fourth quarter was positively affected by operating profit and by reduced inventories. Operating cash flow was SEK 151 (44) million.

No decisions were taken during the quarter regarding new capital expenditures. The largest ongoing project comprises the finishing line in Kunshan, China. The line will have capacity for cutting to size, blasting and organic coating and is expected to be brought into commission during the first quarter of 2012. The investment also includes a research and development center which will focus on processing and applications development of high strength steels. Capital expenditure payments during the quarter amounted to SEK 44 (57) million and involved strategic capital expenditures.

Analysis of operating profit quarter 4/10 to 4/11	**SEK millions**
Currency effect in operating profit	**-5**
Price	**60**
Volume	**35**
Variable costs	**-10**
Fixed costs	**2**
Other	**-3**
Change in operating profit	**79**

Price analysis quarter 3/11 to 4/11	Quenched steels	AHSS
Price change, local currency	0%	5%
Changed product mix	-3%	0%
Exchange rate movements	3%	3%
Net price change	0%	8%

Tibnor

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Sales	**1,699**	1,801	**7,244**	6,696
Operating profit before depreciation	**26**	29	**298**	470
Operating profit	**15**	18	**254**	421
Operating margin (%)	**1%**	1%	**4%**	6%
Return on capital employed (%)	**-**	-	**14%**	22%
Shipments ('000 tonnes)	**153**	158	**631**	613
Operating cash flow	**321**	172	**356**	42
Maintenance expenditures	**-14**	-21	**-32**	-47

Total shipments during the fourth quarter increased by 9% compared with the third quarter of 2011, but fell by 3% compared with the fourth quarter of 2010. Tibnor's shipments of strip products increased compared with the third quarter of the year but fell compared with the fourth quarter of 2010.

Sales declined by 6% compared with the fourth quarter of 2010 and amounted to SEK 1,699 (1,801) million. The reduction is due to lower prices (negative effect of 3 percentage points) and lower volumes (negative effect of 3 percentage points).

Operating profit for the fourth quarter was down SEK 3 million, at SEK 15 (18) million. Profit was affected by write-down of inventories in the amount of SEK 35 (35) million. The profit analysis is shown in the table below.

Operating cash flow during the fourth quarter was SEK 321 (172) million. The operating cash flow during the fourth quarter was positively affected by operating profit and by reduced inventories and accounts receivable.

During the quarter, decisions were taken regarding new capital expenditures totaling SEK 13 (9) million. Capital expenditure payments during the fourth quarter amounted to SEK 14 (21) million.

Analysis of operating profit quarter 4/10 to 4/11	**SEK millions**
Margin/volume/mix	**-15**
Fixed costs	**13**
Other	**-1**
Change in operating profit	**-3**

Emission rights

SSAB EMEA's production plants in Sweden are included in the European carbon dioxide emission rights trading system. In December, the Swedish Environmental Protection Agency announced the preliminary allocation of emission rights for the third trading period, 2013–2020. The allocation proposal demonstrates a lower allocation than for the current period. Final allocation will be announced later in 2012.

Event since the end of the reporting period

In order to strengthen profitability in SSAB EMEA, an efficiency enhancement program is now being initiated for the business area. The most important elements include a review of the structure, including among other things divestitures of non-core assets, increased cost flexibility through a higher proportion of costs being made dependent on capacity utilization, and a general review of costs. The measures will involve a reduction of approximately 10% in the number of white collar employees in Sweden. The program is expected to be fully implemented in 2013 and, as from 2014, is estimated to result in an annual reduction of approximately SEK 800 million in the cost base, of which SEK 500 million constitutes a permanent structural cost reduction and a further SEK 300 million conversion from fixed cost to variable cost. The program will provide SSAB EMEA with a more flexible production system, and will have a payback time of less than a year.

Dividend

The Board proposes to the annual general meeting a divided of SEK 2.00 (2.00) per share, equal to SEK 648 (648) million.

Annual general meeting

The annual general meeting will be held on March 26, 2012 in Stockholm. The annual report is expected to be distributed during the week of March 19 and will be available at the Company's head office and on the website, www.ssab.com, on March 5.

Notice to attend the annual general meeting may be given commencing February 20 up to and including 12 noon on March 20, 2012. Notice may be given via SSAB's website or by phone on +46 8-45 45 760.

Risks and uncertainties

Increased risks and general uncertainty are a concomitant of the crises over state finances in Europe and the US. The main risks and uncertainty factors facing the Group are thus related to the impact on demand resulting from these crises.

For further information regarding material risks and uncertainty factors, see the detailed description in the annual report.

Accounting principles

This quarterly report has been prepared in accordance with IAS 34.

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and consequential references to Chapter 9 of the Annual Accounts Act. The accounts of the Parent Company have been prepared in accordance with RFR 2 and the Annual Accounts Act.

Changes in accounting principles

The Group has changed accounting principles regarding the reporting of actuarial profit/losses arising in conjunction with the determination of the present value of pension obligations and the fair value of assets under management. As a result of the change, operating profit and profit after tax for the comparison year 2010 have increased by SEK 8 million and SEK 5 million respectively.

The Group has also changed accounting principles regarding the reporting of tax credits related to capital expenditures which are being made in Mobile, Alabama, USA. As a result of the change in accounting principles, operating profit for the comparison year 2010 has increased by SEK 40 million and profit after tax by SEK 0 million. At the same time, a new appraisal has been made of the future tax credits and these are now booked in the balance sheet at SEK 542 (55) million.

Due to a change in RFR 2, the Parent Company has changed accounting principles as regards the reporting of group contributions. The change is applicable commencing January 1, 2011 and the comparison year 2010 has been adjusted. Received and provided group contributions are now reported as a financial income or expense in the income statement, whereas they were previously reported directly in equity. As a result of the change in accounting principle, the Parent Company's profit after tax for the comparison year 2010 has been reduced by SEK 56 million.

For details concerning the effects of the changed accounting principles, see page 22.

Review report

These results have not been reviewed by the auditors.

Stockholm, February 9, 2012

Martin Lindqvist
President and CEO

Consolidated income statement

SEK millions	2011 Q 4	2010 Q 4	2011 Full year	2010 Full year
Sales	**10,898**	10,205	**44,640**	39,883
Costs of goods sold	**-10,488**	-9,494	**-39,859**	-35,928
Gross profit	**410**	711	**4,781**	3,955
Selling and administrative costs	**-700**	-816	**-2,926**	-2,834
Other operating income and expenses 1)	**328**	41	**613**	-46
Affiliated companies, profit after tax	**12**	9	**44**	57
Operating profit/loss	**50**	-55	**2,512**	1,132
Financial income	**11**	-12	**35**	30
Financial expenses	**-159**	-83	**-549**	-432
Profit/loss for the period after financial items	**-98**	-150	**1,998**	730
Tax	**22**	31	**-438**	39
Profit/loss for the period after tax for continuing operations	**-76**	-119	**1,560**	769
Profit for the period after tax for discontinued operations 2)	**-**	-	**-**	-164
Profit/loss for the period after tax	**-76**	-119	**1,560**	605
Of which attributable to:				
- the Parent Company's shareholders	**-76**	-120	**1,560**	557
- non-controlling interests	**-**	1	**-**	48

Key numbers	2011 Q 4	2010 Q 4	2011 Full year	2010 Full year
Operating margin (%)	**0**	-1	**6**	3
Return on capital employed before tax (%)	**-**	-	**5**	2
Return on equity after tax (%)	**-**	-	**5**	2
Earnings per share (SEK) 3)	**-0.23**	-0.37	**4.82**	1.72
- of which continuing operations (SEK) 3)	**-0.23**	-0.37	**4.82**	2.23
Equity per share (SEK)	**94.98**	92.08	**94.98**	92.08
Equity ratio including non-controlling interests (%)	**49**	49	**49**	49
Net debt/equity ratio (%)	**60**	59	**60**	59
Average number of shares during the period (millions)	**323.9**	323.9	**323.9**	323.9
Number of shares at end of period (millions)	**323.9**	323.9	**323.9**	323.9
Number of employees at end of period	**9,107**	8,790	**9,107**	8,790

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.
1) The results for the quarter include primarily capital gains of SEK 270 (1) million on sales of emission rights, exchange rate losses/profits on operating receivables/liabilities of SEK 7 (30) million, and received tax credits in Alabama of SEK 10 (18) million.
2)'Discontinued operations' means the tubular business in North America divested in 2008. The cost in 2010 relates to the warranty undertakings to the buyer regarding tax.
3) There are no outstanding share instruments, and thus no dilution is relevant.

Consolidated statement of comprehensive income

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Profit/loss for the period after tax	**-76**	-119	**1,560**	605
Other comprehensive income				
Translation differences for the period	**194**	440	**482**	-1,759
Cash flow hedging	**225**	96	**-102**	181
Hedging of currency risks in foreign operations	**-74**	-144	**-155**	599
Actuarial profits and losses	**-2**	-10	**-2**	-10
Share in other comprehensive income of affiliated companies and joint ventures	**-9**	0	**-18**	0
Tax attributable to other comprehensive income	**-38**	16	**69**	-202
Other comprehensive income for the period, net after tax	**296**	398	**274**	-1,191
Total comprehensive income for the period	**220**	279	**1,834**	-586
Of which attributable to:				
- Parent Company's shareholders	**220**	277	**1,834**	-631
- non-controlling interests	**0**	2	**0**	45

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.

Consolidated statement of changes in equity

	Equity attributable to the Parent Company's shareholders						
SEK millions	Share capital	Other contributed funds	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity, January 1, 2010	2,851	9,944	-916	18,962	30,841	161	31,002
Adjustment, opening balance, translation difference			53	-53	-		-
Adjustment, opening balance, change in accounting principles			3	-60	-57		-57
Adjusted equity, January 1, 2010	2,851	9,944	-860	18,849	30,784	161	30,945
Changes Jan 1 - Dec 31, 2010							
Comprehensive income for the period			-1,181	550	-631	45	-586
Dividend				-324	-324	-15	-339
Equity, December 31, 2010	2,851	9,944	-2,041	19,075	29,829	191	30,020
Changes Jan 1 - Dec 31, 2011							
Comprehensive income for the period			275	1,559	1,834		1,834
Dividend to non-controlling interests					-	-45	-45
Acquisition of non-controlling interests 1)			-3	-244	-247	-146	-393
Dividend				-648	-648	-	-648
Equity, December 31, 2011	**2,851**	**9,944**	**-1,769**	**19,742**	**30,768**	**-**	**30,768**

There are 323,934,775 shares with a quotient value of SEK 8.80.
1) The minority stake in Tibnor was acquired in May 2011.

Consolidated balance sheet

SEK millions	**Dec 31, 2011**	Dec 31, 2010	Jan 1, 2010
Assets			
Goodwill	**18,911**	18,643	19,701
Other intangible assets	**3,638**	4,309	5,374
Tangible fixed assets	**18,693**	17,063	17,137
Participations in affiliated companies	**349**	395	348
Financial assets	**106**	77	55
Deferred tax receivables	**702**	160	164
Total fixed assets	**42,399**	40,647	42,779
Inventories	**11,687**	11,389	8,221
Accounts receivable	**5,734**	5,057	4,435
Current tax receivables	**381**	742	667
Other current receivables	**1,590**	1,905	665
Cash and cash equivalents	**1,648**	1,314	3,652
Total current assets	**21,040**	20,407	17,640
Total assets	**63,439**	61,054	60,419
Equity and liabilities			
Equity for shareholders in the company	**30,768**	29,829	30,784
Non-controlling interests	**0**	191	161
Total equity	**30,768**	30,020	30,945
Deferred tax liabilities	**4,919**	4,952	5,283
Other non-current provisions	**298**	256	551
Deferred income 1)	**543**	55	56
Non-current interest-bearing liabilities	**16,940**	16,786	14,878
Total non-current liabilities	**22,700**	22,049	20,768
Current interest-bearing liabilities	**3,607**	2,977	3,998
Current tax liabilities	**188**	200	96
Accounts payable	**4,296**	4,048	3,063
Other current liabilities	**1,880**	1,760	1,549
Total current liabilities	**9,971**	8,985	8,706
Total equity and liabilities	**63,439**	61,054	60,419

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.
1) Of the deferred tax receivable, SEK 542 (55) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits cannot yet be booked as income, a corresponding liability has been booked as a Non-current deferred income.

Cash flow

SEK millions	2011 Q 4	2010 Q 4	2011 Full year	2010 Full year
Operating profit/loss	**50**	-55	**2,512**	1,132
Adjustments for depreciation and write-downs fixed assets	**627**	592	**2,345**	2,451
Adjustment for other non-cash items	**40**	14	**99**	-120
Received and paid interest	**-179**	-104	**-481**	-392
Tax paid	**337**	-167	**-140**	-167
Change in working capital	**1,329**	-500	**-827**	-2,852
Cash flow from operations	**2,204**	-220	**3,508**	52
Capital expenditure payments	**-791**	-652	**-3,111**	-2,011
Acquisitions, businesses and operations	**3**	-	**-99**	-
Divested businesses and operations 1)	**-**	-503	**-**	-559
Other investing activities	**-31**	19	**-29**	57
Cash flow from investing activities	**-819**	-1,136	**-3,239**	-2,513
Dividend	**-**	-	**-648**	-324
Change in loans	**-890**	3,273	**518**	1,428
Change in financial investments	**52**	-1,029	**511**	-1,029
Acquisition of non-controlling interests 2)	**-**	-	**-393**	-
Other financing activities	**44**	-356	**80**	48
Cash flow from financing activities	**-794**	1,888	**68**	123
Cash flow for the period	**591**	532	**337**	-2,338
Cash and cash equivalents at beginning of period	**1,039**	790	**1,314**	3,652
Exchange rate difference in cash and cash equivalents	**18**	-8	**-3**	0
Cash and cash equivalents at end of period	**1,648**	1,314	**1,648**	1,314

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.
1) In 2010, warranty undertakings regarding tax were paid to the purchaser of the tubular business.
2) The minority stake in Tibnor was acquired in May 2011.

The business areas' sales, earnings and return on capital employed

	Sales				Sales, external		Operating profit/loss 4)		Return on capital employed (%) 3,4)	
	2011	2010	Change		**2011**	2010	**2011**	2010	**2011**	2010
SEK millions	**Full year**	Full year	in %	in % 2)	**Full year**	Full year	**Full year**	Full year	**Full year**	Full year
SSAB EMEA	**23,768**	21,428	11%	14%	**17,849**	16,536	**649**	373	**4**	3
SSAB Americas	**17,099**	14,581	17%	29%	**16,933**	14,498	**2,109**	1,169	**27**	16
SSAB APAC	**2,811**	2,326	21%	29%	**2,811**	2,326	**324**	232	**29**	33
Tibnor	**7,244**	6,696	8%	10%	**7,047**	6,523	**254**	421	**14**	22
Amortization on surplus values 1)							**-758**	-870		
Other	**-6,282**	-5,148					**-66**	-193	**-**	-
Total	**44,640**	39,883	12%	19%	**44,640**	39,883	**2,512**	1,132	**5**	2

1) Depreciation and amortization on surplus values on intangible and tangible assets related to the acquisition of IPSCO.
2) Adjusted for changes in exchange rates.
3) SSAB America's return is calculated excluding surplus values. Inclusive of surplus values, the returns are 4% and 1% respectively.
4) The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.

The Group's results per quarter

SEK millions	1/09	2/09	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11
Sales	8,035	6,583	6,936	8,284	8,865	10,911	9,902	10,205	11,056	11,769	10,917	10,898
Operating expenses	-7,499	-6,911	-7,269	-7,252	-8,089	-9,594	-8,997	-9,677	-9,868	-9,900	-9,826	-10,233
Depreciation	-652	-633	-611	-610	-611	-630	-618	-592	-572	-561	-585	-627
Affiliated companies	-18	9	8	8	7	29	12	9	5	23	4	12
Financial items	-81	-144	-162	-82	-85	-84	-138	-95	-112	-144	-110	-148
Profit/loss after financial items	**-215**	**-1,096**	**-1,098**	**348**	**87**	**632**	**161**	**-150**	**509**	**1,187**	**400**	**-98**

The periods 2010 and 2011 have been adjusted as a consequence of changed accounting principles.

Sales per quarter and business area

SEK millions	1/09	2/09	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11
SSAB EMEA	4,414	3,551	3,168	4,119	4,836	5,678	5,194	5,720	6,071	6,386	5,491	5,820
SSAB Americas	2,566	1,943	2,909	3,295	3,142	4,037	3,794	3,608	3,984	4,403	4,505	4,207
SSAB APAC	427	492	341	323	589	688	531	518	690	788	625	708
Tibnor	1,578	1,319	1,122	1,267	1,474	1,834	1,587	1,801	1,951	1,957	1,637	1,699
Other	-950	-722	-604	-720	-1,176	-1,326	-1,204	-1,442	-1,640	-1,765	-1,341	-1,536
Sales	**8,035**	**6,583**	**6,936**	**8,284**	**8,865**	**10,911**	**9,902**	**10,205**	**11,056**	**11,769**	**10,917**	**10,898**

Operating profit/loss per quarter and business area

SEK millions	1/09	2/09	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11
SSAB EMEA	-43	-757	-1,078	185	214	338	-109	-70	236	664	-3	-248
SSAB Americas	1	-107	327	374	137	342	455	235	383	651	661	414
SSAB APAC	13	62	8	-13	10	96	109	17	102	67	59	96
Tibnor	-82	-12	62	-6	79	188	136	18	128	99	12	15
Amortization on surplus values 1)	-263	-248	-222	-209	-223	-233	-212	-202	-189	-183	-189	-197
Other	240	110	-33	99	-46	-15	-79	-53	-39	32	-29	-30
Operating profit/loss	**-134**	**-952**	**-936**	**430**	**171**	**716**	**300**	**-55**	**621**	**1,330**	**511**	**50**

The periods 2010 and 2011 have been adjusted as a consequence of changed accounting principles.

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

The Parent Company's income statement

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Gross profit	**0**	0	**0**	0
Administrative expenses	**-71**	-51	**-219**	-202
Other operating income/expenses 1)	**288**	23	**374**	1,925
Operating profit/loss	**217**	-28	**155**	1,723
Dividend from subsidiaries	**8**	8	**266**	98
Financial items	**79**	-99	**-23**	-308
Profit/loss after financial items	**304**	-119	**398**	1,513
Appropriations	**33**	-42	**33**	-42
Tax	**-87**	38	**-40**	118
Profit/loss after tax	**250**	-123	**391**	1,589

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.
1) Earnings for 2010 include a capital gain of SEK 2,010 million upon the sale of SSAB Tunnplåt to SSAB Oxelösund, which was a first stage in the merger of the two subsidiaries which took place in January 2011. Other operating income comprises a profit of SEK 269 (-) million from the sale of emission rights. Sold emission rights are reported in the operational results of SSAB EMEA.

The Parent Company's statement of comprehensive income

SEK millions	**2011 Q 4**	2010 Q 4	**2011 Full year**	2010 Full year
Profit after tax	**250**	-123	**391**	1,589
Other comprehensive income				
Hedging of currency risks in foreign operations	**-74**	-144	**-155**	599
Cash flow hedging	**-9**	0	**-13**	0
Tax attributable to other comprehensive income	**22**	38	**44**	-157
Other comprehensive income, net after tax	**-61**	-106	**-124**	442
Total comprehensive income for the year	**189**	-229	**267**	2,031

The periods have been adjusted as a consequence of changed accounting principles; see page 22 for details.

The Parent Company's balance sheet

SEK millions	**Dec 31, 2011**	Dec 31, 2010
Assets		
Fixed assets 1)	**39,282**	38,818
Other current assets	**14,463**	12,647
Cash and cash equivalents	**999**	843
Total assets	**54,744**	52,308
Equity and liabilities		
Restricted equity	**3,753**	3,753
Unrestricted equity	**26,853**	27,234
Total equity	**30,606**	30,987
Untaxed reserves	**661**	694
Non-current liabilities and provisions	**15,138**	16,456
Current liabilities and provisions	**8,339**	4,171
Total equity and liabilities	**54,744**	52,308

1) In May 2011, the minority stake in Tibnor was acquired for SEK 393 million.

Production and shipments

Thousand tonnes	1/09	2/09	3/09	4/09	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11
Crude steel production												
- SSAB EMEA	492	418	233	744	874	941	739	864	943	957	612	741
- SSAB Americas	280	278	514	594	585	599	583	567	631	624	607	556
-Total	772	696	747	1,338	1,459	1,540	1,322	1,431	1,574	1,581	1,219	1,297
Steel production 1)												
- SSAB EMEA	372	441	285	652	738	764	505	713	765	755	506	591
- SSAB Americas	260	262	477	564	558	553	545	553	592	579	563	537
-Total	632	703	762	1,216	1,296	1,317	1,050	1,266	1,357	1,334	1,069	1,128
Steel shipments												
- SSAB EMEA	344	341	295	495	547	600	401	486	571	556	418	455
- SSAB Americas	308	319	510	577	565	610	583	598	623	628	612	579
- SSAB APAC	26	25	25	33	70	58	44	44	57	64	46	52
-Total	678	685	830	1,105	1,182	1,268	1,028	1,128	1,251	1,248	1,076	1,086
of which												
- AHSS, SSAB EMEA 2)	64	71	59	88	111	130	103	120	140	158	109	117
-Quenched steels, SSAB EMEA	63	29	29	46	59	75	58	77	93	86	78	73
- AHSS, SSAB Americas 2)	45	40	99	192	86	79	93	126	117	103	129	100
- Quenched steels, SSAB Americas	25	23	29	31	40	51	41	46	53	51	42	50
- AHSS, SSAB APAC 2)	11	10	11	14	19	26	23	21	24	22	16	22
- Quenched steels, SSAB APAC	15	15	13	19	25	31	21	23	32	39	29	30
-Total niche products	223	188	240	390	340	392	339	413	459	459	403	392

1) Including subcontract rolling.
2) AHSS= Advanced High Strength Steels.

Sensitivity analysis

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

	Change,%	Effect on profit, SEK millions	Effect on earnings per share, SEK 2)
Steel prices –steel operations	10	3,800	8.65
Volumes – steel operations	10	430	1.00
Iron ore prices	10	500	1.15
Coal prices	10	330	0.75
Scrap metal prices	10	690	1.55
Interest rates	1 percentage point	130	0.30
Krona index 1)	5	370	0.85

1) Calculated based on SSAB's exposure without currency hedging. If the krona weakens, this entails a positive effect.
2) Calculated based on a tax rate of 26.3%.

Effects of changes in accounting principles - the Group

The Group has changed accounting principles regarding the reporting of actuarial profits/losses arising in conjunction with the determination of the present value of pension obligations and fair value of assets under management. The change in accounting principles has taken place since the assessment is made that the new principle provides a truer and fairer view, and as a stage in the adaptation of the accounting principles to impending changes in IAS 19. Actuarial profit/losses were previously reported directly in the income statement, but as from the 2011 financial year, are reported in Other comprehensive income. As a result of the change, operating profit and profit after tax for the comparison year 2010 have increased by SEK 8 million and SEK 5 million respectively.

The Group has also changed accounting principles as regards the reporting of tax credits relating to investments being made in Mobile, Alabama, USA. Previously, these credits were reported as Deferred tax receivables. Changes in value have been reported in the income statement as Tax. Commencing 2011, the Group reports this, in agreement with IAS 20, as a government grant among Other operating income. The credits are disbursed provided certain conditions are fulfilled (relating to a minimum number of employees and a requirement of a certain wage level) and regulated through a deduction taking place in the State income tax which would otherwise be payable; however, the credit *per se* is intended to reward investments and employment in the State, and thus the assessment is made that the new principle provides a truer and fairer view. The estimated future credits are reported as Deferred income, at the same time as a Deferred tax receivable is booked regarding the estimated future tax reduction. Changes in value are reported on these accounts in the balance sheet, without any effect in the income statement. when the conditions for the credits are fulfilled, they are booked as Other operating income in the income statement. The change in accounting principle does not affect the net result for the comparison year 2010, but improves the operating profit by SEK 40 million at the same time as the tax cost increases with the same amount.

Consolidated income statement - adjusted 2010

		Effects				Effects		
SEK millions	With previous principles, Q 4 2010	Pensions	Tax credits	**With new principles, Q 4 2010**	With previous principles, Full year 2010	Pensions	Tax credits	**With new principles, Full Year 2010**
Sales	10,205			**10,205**	39,883			**39,883**
Cost of goods sold	-9,504	10		**-9,494**	-35,938	10		**-35,928**
Gross profit	701	10		**711**	3,945	10		**3,955**
Selling and administrative expenses	-814	-2		**-816**	-2,832	-2		**-2,834**
Other operating income and expenses	23		18	**41**	-86		40	**-46**
Affiliated companies, profit after tax	9			**9**	57			**57**
Operating profit/loss	-81	8	18	**-55**	1,084	8	40	**1,132**
Financial income	-12			**-12**	30			**30**
Financial expenses	-83			**-83**	-432			**-432**
Profit/loss for the period after financial items	-176	8	18	**-150**	682	8	40	**730**
Tax	52	-3	-18	**31**	82	-3	-40	**39**
Profit/loss for the period after tax for continuing operations	-124	5		**-119**	764	5		**769**
Profit/loss for the period after tax for discontinued operations	-			**-**	-164			**-164**
Profit/loss for the period after tax	-124	5		**-119**	600	5		**605**
Of which attributable to:								
-the Parent Company's shareholders	-125	5		**-120**	552	5		**557**
- non-controlling interests	1			**1**	48			**48**

Key numbers - adjusted 2010	With previous principles, Q 4 2010	**With new principles, Q 4 2010**	With previous principles, Full Year 2010	**With new principles, Full Year 2010**
Operating margin (%)	-1	**-1**	3	**3**
Return on capital employed before tax (%)	-	**-**	2	**2**
Return on equity after tax (%)	-	**-**	2	**2**
Earnings per share (SEK) 3)	-0.39	**-0.37**	1.70	**1.72**
- of which continuing operations (SEK) 3)	-0.39	**-0.37**	2.21	**2.23**
Equity per share (SEK)	92.26	**92.08**	92.26	**92.08**
Equity ratio including non-controlling interests (%)	49	**49**	49	**49**
Net debt/equity ratio (%)	58	**59**	58	**59**

The consolidated statement of comprehensive income - adjusted 2010

		Effects				Effects		
SEK millions	With previous principles, Q4 2010	Pensions	Tax credits	**With new principles, Q 4 2010**	With previous principles, Full Year 2010	Pensions	Tax credits	**With new principles, Full Year 2010**
Profit/loss for the period after tax	-124	5		**-119**	600	5		**605**
Other comprehensive income								
Translation differences for the period	441		-1	**440**	-1,762		3	**-1,759**
Cash flow hedging	96			**96**	181			**181**
Hedging of currency risks in foreign operations	-144			**-144**	599			**599**
Actuarial profits and losses	0	-10		**-10**		-10		**-10**
Share in other comprehensive income of affiliated companies and joint ventures	0							**0**
Tax attributable to other comprehensive income	13	3		**16**	-205	3		**-202**
Other comprehensive income for the period, net after tax	406	-7	-1	**398**	-1,187	-7	3	**-1,191**
								0
Total comprehensive income for the period	282	-2	-1	**279**	-587	-2	3	**-586**
Of which attributable to:								
- Parent Company's shareholders	280	-2	-1	**277**	-632	-2	3	**-631**
- non-controlling interests	2			**2**	45			**45**

Consolidated balance sheet - adjusted 2010

SEK millions	With previous principles, Jan 1, 2010	Effects: Pensions	Effects: Tax credits	With new principles, Jan 1, 2010	**With previous principles, Dec 31, 2010**	Effects: Pensions	Effects: Tax credits	**With new principles, Dec 31, 2010**
Assets								
Goodwill	19,701			**19,701**	18,643			**18,643**
Other intangible assets	5,374			**5,374**	4,309			**4,309**
Tangible fixed assets	17,137			**17,137**	17,063			**17,063**
Participations in affiliated companies	348			**348**	395			**395**
Financial assets	55			**55**	77			**77**
Deferred tax receivables	164	0		**164**	159	1		**160**
Total fixed assets	42,779	0		**42,779**	40,646	1		**40,647**
Total current assets	17,640			**17,640**	20,407			**20,407**
Total assets	60,419	0		**60,419**	61,053	1		**61,054**
Equity and liabilities								
Equity for shareholders in the Company	30,841	-1	-56	**30,784**	29,885	-1	-55	**29,829**
Non-controlling interests	161			**161**	191			**191**
Total equity	31,002	-1	-56	**30,945**	30,076	-1	-55	**30,020**
Deferred tax liabilities	5,283			**5,283**	4,952			**4,952**
Other non-current provisions	550	1		**551**	254	2		**256**
Non-current interest-bearing liabilities	14,878			**14,878**	16,786			**16,786**
Deferred income	-		56	**56**	-		55	**55**
Total non-current liabilities	20,711	1	56	**20,768**	21,992	2	55	**22,049**
Total current liabilities	8,706			**8,706**	8,985			**8,985**
Total equity and liabilities	60,419	0		**60,419**	61,053	1		**61,054**

Consolidated cash flow - adjusted 2010

SEK millions	With previous principles, Q4 2010	Effects: Pensions	Effects: Tax credits	**With new principles, Q 4 2010**	With previous principles, Full Year 2010	Effects: Pensions	Effects: Tax credits	**With new principles, Full Year 2010**
Operating profit/loss	-81	8	18	**-55**	1,084	8	40	**1,132**
Adjustment for depreciation and write-downs fixed assets	592			**592**	2,451			**2,451**
Adjustment for other non-cash items	22	-8		**14**	-112	-8		**-120**
Received and paid interest	-104			**-104**	-392			**-392**
Paid tax	-149		-18	**-167**	-127		-40	**-167**
Change in working capital	-500			**-500**	-2,852			**-2,852**
Cash flow from operations	-220	-	-	**-220**	52	-	-	**52**
Cash flow from investing activities	-1,136			**-1,136**	-2,513			**-2,513**
Cash flow from financing activities	1,888			**1,888**	123			**123**
Cash flow for the period	532			**532**	-2,338			**-2,338**
Cash and cash equivalents at beginning of period	790			**790**	3,652			**3,652**
Exchange rate difference in cash and cash equivalents	-8			**-8**	0			**0**
Cash and cash equivalents at end of period	1,314	-	-	**1,314**	1,314	-	-	**1,314**

Parent Company's income statement - adjusted 2010

SEK millions	With previous principles, Q4 2010	Effect Group contributions	**With new principles, Q 4 2010**	With previous principles, Full year 2010	Effect Group contributions	**With new principles, Full year 2010**
Gross profit	0		**0**	0		**0**
Administrative expenses	-51		**-51**	-202		**-202**
Other operating income/expenses	23		**23**	1,925		**1,925**
Operating profit/loss	-28		**-28**	1,723		**1,723**
Dividends from subsidiaries	8		**8**	98		**98**
Financial items	-24	-75	**-99**	-233	-75	**-308**
Profit/loss after financial items	-44	-75	**-119**	1,588	-75	**1,513**
Appropriations	-42		**-42**	-42		**-42**
Tax	19	19	**38**	99	19	**118**
Profit/loss after tax	-67	-56	**-123**	1,645	-56	**1,589**

Parent Company's statement of comprehensive income – adjusted 2010

SEK millions	With previous principles, Q4 2010	Effect group contributions	**With new principles, Q 4 2010**	With previous principles, Full year 2010	Effect group contributions	**With new principles, Full year 2010**
Profit for the period after tax	-67	-56	**-123**	1,645	-56	**1,589**
Other comprehensive income						
Hedging of currency risks in foreign operations	-144		**-144**	599		**599**
Tax attributable to hedging of currency risks in foreign operations	38		**38**	-157		**-157**
Other comprehensive income, net after tax	-106		**-106**	442		**442**
Total comprehensive income for the year	-173	-56	**-229**	2,087	-56	**2,031**

The change in principle has not, however, resulted in any change in the Parent Company's equity, since in accordance with the previous principle group contributions were reported as deductions directly in equity.

For further information:

Helena Stålnert, Executive VP Communications Tel.+46 8 - 45 45 734
Catarina Ihre, Director, Investor Relations, Tel. +46 8 - 45 45 729

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SSAB AB (publ)
Box 70, SE-101 21 Stockholm, Sweden
Telephone +46 8-45 45 700. Fax +46 8-45 45 725
Visiting address: Klarabergsviadukten 70 D6, Stockholm
E-mail: info@ssab.com
www.ssab.com