



Report for the third quarter of 2012

Report for the third quarter of 2012

The quarter

- Sales of SEK 8,730 (10,917) million
- Operating profit/loss of SEK -665 (511) million
- Profit/loss after financial items of SEK -789 (401) million
- Earnings per share of SEK -1.60 (1.19)
- Operating cash flow improved to SEK 843 (311) million and cash flow from current operations to SEK 697 (16) million
- Niche products accounted for 38 (37) % of steel shipments
- Earnings were negatively affected in the amount of SEK 55 million with respect to SSAB EMEA's efficiency program

Key numbers

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	8,730	10,917	30,569	33,742	41,467	44,640
Operating profit before depreciation/amortization	4	1,096	2,510	4,180	3,187	4,857
Operating profit/loss	-665	511	569	2,462	619	2,512
Profit/loss after financial items	-789	401	149	2,096	51	1,998
Profit/loss after tax	-519	386	242	1,636	166	1,560
Earnings per share (SEK)	-1.60	1.19	0.75	5.05	0.51	4.82
Operating cash flow	843	311	3,678	1,150	5,349	2,821
Return on equity after tax (%)	-	-	-	-	1	5
Net debt/equity ratio (%)	56	65	56	65	56	60
Equity ratio incl. non-controlling interests (%)	49	48	49	48	49	49

(In the report, amounts in brackets refer to the corresponding period of last year. The comparison period has been adjusted as a consequence of changed accounting principles; for details, see page 13).

Comments by the CEO

The weak demand and destocking in the marketplace affected SSAB's earnings for the third quarter as earlier communicated at mid September. In particular, within strip products in Europe, the trend was much weaker than expected. As a consequence, capacity utilization was just below 60% in the Swedish strip operations, in addition to the normal maintenance outages. The costs for the summer outage in the Swedish operations, amounting to approximately SEK 100 million, were incurred in the third quarter. As anticipated, the Americas and APAC business areas also experienced weaker development than in the preceding quarter. The rolling of plate in the US and in Sweden had a capacity utilization of 85-90%.

We are continuing with our efficiency program within EMEA with the aim of improving our competitiveness and increasing flexibility, in order to better address fluctuations in the market. The implementation of this program has been accelerated and the activities will now be implemented during the first quarter of 2013. The positive effects on earnings will be realized gradually during 2013 and the full cost savings are expected to amount to SEK 800 million on an annual basis. As part of the program, 450 employees were given notice of redundancy after the end of the third quarter. Our employees have shown great understanding for the prevailing situation. As previously announced some 160 white collar positions are removed and earnings in the third quarter were negatively affected by SEK 55 million with respect to the efficiency program.

The declining spot prices for iron ore have resulted in a renegotiation of our contract for iron ore pellets – effective for deliveries as from the fourth quarter – at a level which is 23% lower in USD than in the original contract. The impact of this on our earnings will not be felt until the first quarter of next year.

We do not anticipate any major change in demand during the fourth quarter and the pressure on prices for standard steels that we witnessed during the third quarter is expected to continue. On the other hand, the price for our quenched steels is expected to be more stable.

Despite a tough market, we are continuing to pursue an increasing number of development projects together with our customers. It is this close technical cooperation with the customers, combined with a unique range in our product offering, which distinguishes SSAB from most other steel companies. With the strategic investments now finalized, we are well-positioned to rapidly meet an increase in demand when the market recovers.

Sales per business area

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
SSAB EMEA	4,549	5,491	15,729	17,948	21,549	23,768
SSAB Americas	3,669	4,505	12,935	12,892	17,142	17,099
SSAB APAC	513	625	1,759	2,103	2,467	2,811
Tibnor	1,266	1,637	4,673	5,545	6,372	7,244
Other	-1,267	-1,341	-4,527	-4,746	-6,063	-6,282
Total	8,730	10,917	30,569	33,742	41,467	44,640

Operating profit/loss per business area

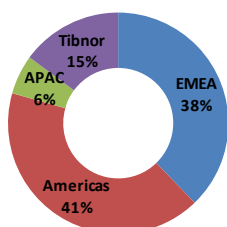
	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
SSAB EMEA	-644	-3	-385	897	-633	649
SSAB Americas	251	661	1,458	1,695	1,872	2,109
SSAB APAC	16	59	121	228	217	324
Tibnor	-26	12	146	239	161	254
Depreciation/amortization on surplus values 1)	-218	-189	-640	-561	-837	-758
Other	-44	-29	-131	-36	-161	-66
Total	-665	511	569	2,462	619	2,512

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

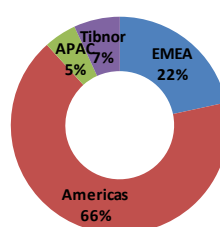
Operating margin per business area

	2012	2011	2012	2011	Oct 11-	2011
%	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
SSAB EMEA	-14.2	-0.1	-2.4	5.0	-2.9	2.7
SSAB Americas	6.8	14.7	11.3	13.1	10.9	12.3
SSAB APAC	3.1	9.4	6.9	10.8	8.8	11.5
Tibnor	-2.1	0.7	3.1	4.3	2.5	3.5
Total	-7.6	4.7	1.9	7.3	1.5	5.6

Share of external sales 2012



Share of EBITDA 2012



The market

The growth rate in global crude steel production slowed down during the summer. According to the World Steel Association (WSA), during the first nine months of the year, global crude steel production increased by 0.6% compared with the same period of last year and amounted to 1,149 (1,142) million tonnes. Asia (1.5%) and North America (3.9%) were primarily responsible for the increase, while production within the EU (-4.6%) has fallen compared with 2011.

The period after the seasonally weak summer period was characterized by destocking and a wait-and-see approach from customers, especially as regards strip products in Europe and standard steels in North America. As a consequence, volume development at SSAB – especially within the strip operations – was weak as earlier communicated at mid September. The weak demand put further pressure on strip product prices in Europe, and market prices fell during the third quarter. In North America, imports of ordinary plate continued to negatively impact on the price structure. At the same time, demand from Steel Service Centers was weak due to high inventory levels. Both in Europe and North America, demand for, and prices of, quenched steels were more stable than in the case of strip steel products.

Many end producers in China have had higher than normal inventory levels, and this has negatively affected demand for steel products. Australia and Indonesia continued to show positive development, with continued good demand for our products from the mining sector. However, falling raw material prices, and the resultant reduced willingness to invest, are having a negative impact on demand.

Material Handling and parts of the energy sector in North America continued to be the strongest segments.

Raw materials

Iron ore prices during the second and third quarter were 6% lower in USD than in the first quarter of the year. The agreement contains a clause regarding price adjustment in the event of a sustained downturn in global market prices. Thus, the falling iron ore price has resulted in a 23% reduction in the price in USD compared with the price agreed upon in the second quarter. The new price has effect as from October 1. The price reduction will impact on earnings in the first quarter of 2013.

SSAB purchases approximately 60 - 70% of its annual coal needs from Australia, and the remainder from the US. Coal agreements regarding deliveries from the US take place on an annual basis. SSAB's American coal purchases for 2012 were contracted at prices which, in USD, were more than 30% below the prices in 2011. In the Swedish kronor, this entailed price reductions of approximately 25%. The lower coal prices impacted on earnings in the third quarter of 2012.

Price agreements for Australian coal are signed on a monthly basis. From the beginning of the second half of the year, an agreement has been signed whereby SSAB purchases Australian coal in pace with actual consumption, which reduced the working capital need with approximately SEK 0.5 billion. The deliveries of Australian coal which were received during the third quarter, and the price agreements signed for coal deliveries during the fourth quarter, entailed price reductions in USD of slightly more than 10% compared with prices during the second quarter of the year. The impact on earnings of the lower prices will begin to be felt during the first quarter of 2013.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices for scrap increased at the beginning of the third quarter, but subsequently fell back towards the end of the quarter and during the beginning of the fourth quarter. Spot prices in the middle of October were just over 4% lower than at the end of the second quarter and 26% lower than at the end of last year.

Prospects

Prospects regarding global steel demand have been gradually revised downwards. According to the WSA's most recent forecast, demand for steel products this year will increase by 2.1% compared with 2011. This represents a downward revision of 1.5 percentage points compared with the forecast issued in April 2012.

Demand in Europe is expected to remain weak. The downward price trend on the spot market during the third quarter is expected to lead to continued pressure on prices, especially for standard products.

In North America, the high import volumes are continuing to affect supply, at the same time as demand is expected to weaken towards the end of the year. In order to adapt inventory levels, certain end producers have announced temporary shutdowns in production during the latter part of the fourth quarter. Inventory levels at Steel Service Centers are also relatively high, and inventory adjustment can be expected in the coming months.

As a consequence of the high inventory levels in China, customers are expected to be cautious as regards restocking before they can see any further effects from the stimulus packages announced by the government.

Demand and the price trend for quenched steels are expected to be more stable than demand for standard steels.

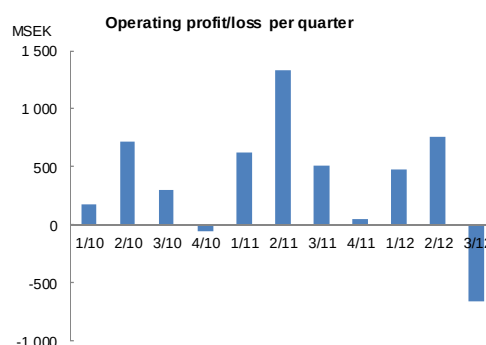
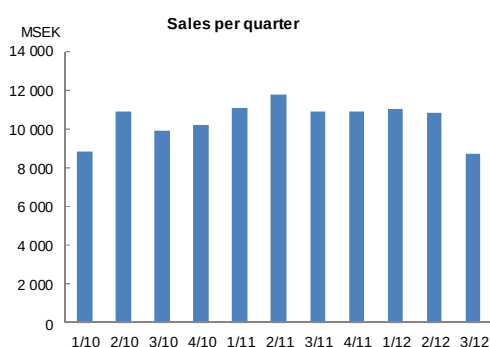
The Group

Nine-month summary

Shipments and production

During the first three quarters, SSAB's shipments declined by 9% compared with the same period of last year and amounted to 3,239 (3,575) thousand tonnes. Shipments of niche products were 6% lower than in the first three quarters of last year. In total, during the first three quarters niche products accounted for 38 (37)% of total shipments.

Both crude steel production and steel production declined by 8% compared with the first three quarters of last year.



Sales

Sales during the first three quarters amounted to SEK 30,569 (33,742) million. Compared with the first three quarters of last year, an improved mix accounted for a positive effect of 3 percentage points and currency effects for 2 percentage points, while lower prices accounted for a negative effect of 3 percentage points and lower volumes for 11 percentage points.

Earnings

Operating profit during the first three quarters was SEK 1,893 million lower than in the first three quarters of last year and amounted to SEK 569 (2,462) million.

Financial items for the first three quarters amounted to SEK -420 (-366) million, and earnings after financial items to SEK 149 (2,096) million.

Profit after tax and earnings per share

Profit after tax for the first three quarters amounted to SEK 242 (1,636) million or SEK 0.75 (5.05) per share. Tax for the first three quarters amounted to SEK 93 (-460) million.

Financing and liquidity

The operating cash flow for the first three quarters was SEK 3,678 (1,150) million. Cash flow was positively affected by lower working capital, especially by reduced inventories.

Operating cash flow

SEK millions	2012 Q 3	2011 Q 3	2012 Qs 1-3	2011 Qs 1-3	Oct 11- Sept 12	2011 Full year
Operating profit before amortization/depreciation	4	1,096	2,510	4,180	3,187	4,857
Change in working capital	1,014	-324	1,621	-2,156	2,950	-827
Maintenance expenditures	-206	-468	-555	-934	-900	-1,279
Other	31	7	102	60	112	70
Operating cash flow	843	311	3,678	1,150	5,349	2,821

Net cash flow amounted to SEK 1,672 (-2,202) million. Net cash flow was affected by, among other things, capital expenditure payments of SEK 1,112 (2,320) million (of which SEK 557 (1,386) million involved strategic capital expenditures). During the first three quarters, the net debt fell by SEK 2,084 million and was SEK 16,391 million on September 30. The net debt/equity ratio declined by four percentage points compared with year end 2011 and amounted to 56%.

Operating cash flow per business area

SEK millions	2012 Q 3	2011 Q 3	2012 Qs 1-3	2011 Qs 1-3	Oct 11 - Sept 12	2011 Full year
SSAB EMEA	163	-375	1,782	570	2,473	1,261
SSAB Americas	551	687	1,823	741	2,378	1,296
SSAB APAC	121	26	-3	-127	148	24
Tibnor	4	-32	197	35	518	356
Other	4	5	-121	-69	-168	-116
Operating cash flow	843	311	3,678	1,150	5,349	2,821
Financial items	-119	-57	-353	-301	-533	-481
Taxes	-27	-238	-449	-477	-112	-140
Cash flow from current operations	697	16	2,876	372	4,704	2,200
Strategic capital expenditures	-137	-571	-557	-1,386	-1,003	-1,832
Acquisitions of businesses and operations	-29	-81	-30	-102	-27	-99
Divestments of businesses and operations	-	-	31	-	31	-
Cash flow before dividend and financing	531	-636	2,320	-1,116	3,705	269
Dividend to the Parent Company's shareholders	-	-	-648	-648	-648	-648
Dividend to the minority in Tibnor	-	-	-	-45	-	-45
Acquisition of the minority in Tibnor	-	-	-	-393	-	-393
Net cash flow	531	-636	1,672	-2,202	3,057	-817
Net debt at beginning of period	-17,446	-18,526	-18,475	-17,589	-19,862	-17,589
Net cash flow	531	-636	1,672	-2,202	3,057	-817
Revaluation of liabilities against equity 1)	668	-833	532	-81	458	-155
Currency effects 2)	-144	133	-120	10	-44	86
Net debt at end of period	-16,391	-19,862	-16,391	-19,862	-16,391	-18,475

1) Revaluation of hedging of currency risks in foreign operations.

2) Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial liabilities in foreign currency.

As per September 30, the term to maturity on the total loan portfolio averaged 5.0 (2.7) years, with an average fixed interest period of 1.2 (0.9) years. Of the loan portfolio of SEK 18,421 (21,383) million, SEK 946 (3,071) million comprised short-term commercial paper and SEK 17,475 (17,013) million comprised long-term financing with an average term to maturity of 5.2 (3.2) years.

The Group's liquidity preparedness

	2012	2011
SEK millions	Sept 30	Sept 30
Cash and cash equivalents	2,166	1,039
Committed long-term credit facilities	8,700	11,354
Liquidity preparedness	10,866	12,393
- as a percentage of annual sales (rolling 12 months)	26%	28%
Less commercial paper	-946	-3,071
Liquidity preparedness excluding commercial paper	9,920	9,322
- as percentage of annual sales (rolling 12 months)	24%	21%

Return on capital employed/equity

The return on capital employed before tax and return on equity after tax for the most recent twelve-month period were, respectively, 1% and 1%, while for the full year of 2011 they were 5% and 5% respectively.

Equity

Following the addition of profit for the year of SEK 242 million attributable to the Company's shareholders and other comprehensive income of SEK -1,137 million (primarily comprising translation differences), and after deduction of dividends amounting to SEK 648 million, the shareholders' equity in the Company amounted to SEK 29,225 (30,549) million, corresponding to SEK 90.22 (94.31) per share.

Capital expenditures

Capital expenditure payments during the first three quarters amounted to SEK 1,112 (2,320) million, of which SEK 557 (1,386) million involved strategic capital expenditures. The direct quenching line in Borlänge, the quenching line in Mobile as well as the finishing line in Kunshan are now fully operational. Business acquisitions during the first three quarters amounted to SEK 30 (102) million.

Development during the third quarter**Shipments and production**

SSAB's shipments during the third quarter fell (in part seasonally) by 14% compared with the second quarter of 2012 and by 11% compared with the third quarter of 2011. The shipments amounted to 956 (1,076) thousand tonnes. Shipments of niche products fell (in part seasonally) by 12% compared with the second quarter of the year and by 9% compared with the third quarter of last year. In total, during the third quarter of 2012 niche products accounted for 38 (37) % of total shipments.

Due to the summer outage and a cutback in production, crude steel production declined by 26% compared with the second quarter of this year and by 11% compared with the third quarter of last year. In response to market conditions, one of the blast furnaces in Oxelösund continued to be out of operation throughout the quarter. Steel production fell by 20% compared with the second quarter of the year and by 8% compared with the third quarter of last year.

Sales

Sales during the third quarter amounted to SEK 8,730 (10,917) million. Compared with the third quarter of 2011, an improved mix accounted for a positive effect of 2 percentage points, while lower volumes accounted for a negative effect of 14 percentage points and lower prices for 8 percentage points.

Earnings

Operating profit/loss during the third quarter was SEK 1,176 million lower than in the third quarter of last year and amounted to SEK -665 (511) million.

Change in operating profit/loss between the third quarter of 2012 and 2011 (SEK millions)	
Steel operations	
-Lower prices	-900
-Lower volumes	-240
-Lower capacity utilization (under-absorption)	-110
-Lower variable production costs	300
-Sales of byproducts	-30
Tibnor	
-Lower volumes, changed mix and margins	-80
Lower fixed costs	56
The efficiency program	-55
Other	-117
Change in operating profit/loss	-1,176

Financial items for the third quarter amounted to SEK -124 (-110) million and profit/loss after financial items was SEK -789 (401) million.

Profit/loss after tax and earnings per share

Profit/loss after tax for the third quarter was SEK -519 (386) million or SEK -1.60 (1.19) per share. Tax for the third quarter amounted to SEK 270 (-15) million.

Financing and liquidity

The operating cash flow for the third quarter was 843 (311) million. The net cash flow was SEK 531 (-636) million. The net cash flow was affected by, among other things, capital expenditure payments of SEK 343 (1,039) million (of which SEK 137 (571) million involved strategic capital expenditures). Business acquisitions during the quarter amounted to SEK 29 (81) million. The net debt/equity ratio was 56 (65) %.

SSAB EMEA

	2012	2011	2012	2011	Oct 11 -	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	4,549	5,491	15,729	17,948	21,549	23,768
Operating profit/loss	-644	-3	-385	897	-633	649
Operating cash flow	163	-375	1,782	570	2,473	1,261
Number of employees at end of period	6,486	7,051	6,486	7,051	6,486	6,742

Following the seasonally weak summer period, demand during the third quarter continued to decline, with destocking and a wait-and-see approach from the customers, particularly as regards strip products. Demand for quenched steels was more stable.

Steel shipments during the third quarter were 14% lower than in the second quarter of 2012 and 10% lower than in the third quarter of 2011, and amounted to 378 (418) thousand tonnes. Shipments of niche products fell by 13% compared with the second quarter but were largely unchanged compared with the third quarter of 2011, and amounted to 186 (187) thousand tonnes. Shipments of niche products thereby accounted for 49 (45) % of total shipments.

During the third quarter, prices of standard steels in local currency were lower than in the second quarter, while prices of niche steels were unchanged. See the table below.

Crude steel production fell by 36% compared with the second quarter of the year and by 10% compared with the third quarter of last year, primarily due to weaker demand during the quarter. The smaller blast furnace in Oxelösund has been out of operation throughout the quarter.

Steel production fell by 30% compared with the second quarter of the year and by 8% compared with the third quarter of 2011.

Sales declined by 17% compared with the third quarter of 2011 and amounted to SEK 4,549 (5,491) million. An improved product mix accounted for a positive effect of 2 percentage points, while lower volumes accounted for a negative effect of 11 percentage points and currency effects for a negative effect of 8 percentage points.

The operating profit/loss for the quarter was SEK -644 (-3) million, i.e. SEK 641 million lower than in the third quarter of 2011. The decline in earnings is primarily attributable to lower capacity utilization, lower prices and lower volumes. The result is also negatively affected by revaluation of operating receivables/liabilities in foreign currency in the amount of SEK -179 (78) million and SEK 55 (-) million for costs related to the efficiency program.

The operating cash flow during the third quarter was SEK 163 (-375) million. Cash flow was positively affected by, primarily, a reduction in working capital.

Capital expenditure payments during the quarter amounted to SEK 170 (648) million, of which SEK 6 (230) involved strategic capital expenditures.

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

SSAB Americas

	2012	2011	2012	2011	Oct 11 -	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	3,669	4,505	12,935	12,892	17,142	17,099
Operating profit 1)	251	661	1,458	1,695	1,872	2,109
Operating cash flow	551	687	1,823	741	2,378	1,296
Number of employees at end of period	1,391	1,360	1,391	1,360	1,391	1,338

1) Excluding depreciation and amortization on surplus values on intangible and tangible fixed assets.

Demand during the third quarter was lower than in the second quarter within several segments. Both the mining industry (within the Material Handling segment), and the Service Centers segment showed a slowdown in demand. The Automotive and Construction Machinery segments demonstrated a positive trend.

During the third quarter, steel shipments were 14% lower than in the second quarter of 2012 and 12% lower than in the third quarter of 2011. Steel shipments amounted to 540 (612) thousand tonnes. Shipments of niche products were 7% lower than in the second quarter and 16% lower than in the third quarter of last year. Shipments of niche products amounted to 143 (171) thousand tonnes, and thereby accounted for 26 (28) % of total shipments.

Prices in local currency for both standard steels and niche steels were lower than in the second quarter of 2012. See the table below.

Crude steel production was 11% lower than in both the second quarter of this year and the third quarter of last year. Steel production was 10% lower than in the second quarter of 2012 and 8% lower than in the third quarter of 2011.

Sales during the third quarter fell by 19% compared with the third quarter of last year and amounted to SEK 3,669 (4,505) million. An improved product mix and currency effects accounted for a positive effect of 4 percentage points, while lower volumes accounted for a negative effect of 12 percentage points and lower prices for a negative effect of 11 percentage points.

At SEK 251 (661) million, operating profit was SEK 410 million lower than in the third quarter of last year. The weaker result is primarily attributable to lower prices and lower volumes.

The operating cash flow during the third quarter was SEK 551 (687) million. Cash flow was positively affected by a reduction in working capital.

Capital expenditure payments during the quarter amounted to SEK 128 (403) million, of which SEK 101 (365) million involved strategic capital expenditures. The largest project comprises the construction of a second quenching line in Mobile, Alabama in order to increase quenched steel production by approximately 200 thousand tonnes. Following test runs, the quenching line is now fully operational.

Price analysis	Standard	Niche
quarter 2/12 to 3/12	steels	steels
Price change, local currency	-9%	-2%
Changed product mix	0%	0%
Exchange rate movements	0%	0%
Net price change	-9%	-2%

SSAB APAC

	2012	2011	2012	2011	Oct 11 -	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	513	625	1,759	2,103	2,467	2,811
Operating profit	16	59	121	228	217	324
Operating cash flow	121	26	-3	-127	148	24
Number of employees at end of period	220	154	220	154	220	171

Demand in China was affected by the slowdown in the economy, which led to lower shipments. Both the mobile crane industry within the Construction Machinery segment and parts of Heavy Transport experienced negative growth, while demand from the Automotive segment remained fair during the third quarter.

Shipments of niche products fell by 20% compared with both the second quarter of 2012 and the third quarter of last year. Shipments of niche products amounted to 36 (46) thousand tonnes and accounted for 95 (100) % of total shipments.

Prices for niche steels in local currencies increased by 3% compared with the second quarter, but the net effect was negative due to a weaker product mix and currency effects. See the table below.

Sales fell by 18% compared with the third quarter of 2011 and amounted to SEK 513 (625) million. Higher prices and currency effects accounted for a positive effect of 5 percentage points, while lower volumes and a changed product mix accounted for a negative effect of 23 percentage points.

Operating profit for the quarter was SEK 16 (59) million, i.e. SEK 43 million lower than in the third quarter of last year. The weaker result was primarily due to lower volumes.

The operating cash flow during the third quarter was SEK 121 (26) million. Cash flow was positively affected by a reduction in working capital.

Capital expenditure payments during the quarter amounted to SEK 30 (56) million, all of which involved strategic capital expenditures. The largest project comprises the finishing line in Kunshan, China. Production began during the second quarter and, following further test runs during the third quarter, the finishing line is fully operational. The investment also includes a research and development center which focus on processing and applications development of high strength steels.

Price analysis	Niche
quarter 2/12 to 3/12	steels
Price change, local currency	3%
Changed product mix	-4%
Exchange rate movements	-2%
Net price change	-3%

Tibnor

	2012	2011	2012	2011	Oct 11 -	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	1,266	1,637	4,673	5,545	6,372	7,244
Operating profit	-26	12	146	239	161	254
Operating cash flow	4	-32	197	35	518	356
Number of employees at end of period	800	840	800	840	800	798

Total shipments during the third quarter fell by 20% compared with the second quarter and were 15% lower than in the third quarter of 2011. All product groups demonstrated reduced shipments compared with the third quarter of last year.

Sales fell by 23% compared with the third quarter of 2011 and amounted to SEK 1,266 (1,637) million. The reduction is due to lower prices with a negative effect of 8 percentage points and lower volumes with a negative effect of 15 percentage points.

Operating profit/loss for the third quarter was SEK -26 (12) million, a decrease by SEK 38 million.

The operating cash flow for the third quarter was SEK 4 (-32) million. Cash flow was positively affected by a reduction in working capital.

Risks and uncertainties

For information regarding material risks and uncertainty factors, reference is made to the detailed description in the 2011 Annual Report. No material new or changed risks and uncertainty factors were identified during the first half of the year.

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.

During 2011, the Group changed accounting principles and, for details, reference is made to the 2011 Annual Report. The most important effects on reporting for the first three quarters of 2012 are that Operating profit is positively affected by SEK 21 million; Profit after tax is negatively affected by SEK 24 million; and Total comprehensive income is negatively affected by SEK 22 million. In the balance sheet as per September 30, 2012, Shareholders' equity was reduced by SEK 75 million, while Non-current deferred income increased by SEK 80 million.

No material changes in accounting principles have taken place since the annual report 2011.

Events since the expiration of the reporting period

SSAB EMEA's efficiency program

As part of the ongoing efficiency program, following the expiration of the reporting period, EMEA gave notice of redundancy to a further 450 employees in the Swedish operations. No provision for costs relating to this part of the program has been made during the third quarter, and they are assessed to be limited. The entire efficiency program is aimed at increasing flexibility in the operations. The program has been accelerated and is expected to be fully completed towards the end of the first quarter of 2013. The annual cost savings are expected to amount to SEK 800 million.

Effects of reduced corporate income tax

As part of the Government's budget bill for 2013, it is proposed that corporate income tax be reduced from 26.3% to 22%. If the Swedish Parliament adopts a decision to reduce the tax rate, the reduction will take effect as from 2013. However, the deferred tax receivables and tax liabilities in the Group's Swedish companies will be recalculated to the new tax rate in conjunction with the annual accounts for 2012. This will entail a positive effect on earnings for SSAB of approximately SEK 300 million based on the deferred tax items in the annual accounts on December 31, 2011.

Review report

This quarterly report has not been reviewed by the auditors.

Stockholm, October 23, 2012



Martin Lindqvist
President and CEO

Consolidated income statement

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Sales	8,730	10,917	30,569	33,742	41,467	44,640
Cost of goods sold	-8,494	-9,769	-27,911	-29,371	-38,399	-39,859
Gross profit	236	1,148	2,658	4,371	3,068	4,781
Selling and administrative costs	-676	-714	-2,140	-2,226	-2,840	-2,926
Other operating income and expenses 1)	-228	73	20	285	348	613
Affiliated companies, profit after tax	3	4	31	32	43	44
Operating profit/loss	-665	511	569	2,462	619	2,512
Financial income	22	12	55	24	66	35
Financial expenses	-146	-122	-475	-390	-634	-549
Profit/loss for the period after financial items	-789	401	149	2,096	51	1,998
Tax	270	-15	93	-460	115	-438
Profit/loss for the period after tax	-519	386	242	1,636	166	1,560
Of which attributable to:						
- the Parent Company's shareholders	-519	386	242	1,636	166	1,560
- non-controlling interests	-	-	-	-	-	-

Key numbers	2012	2011	2012	2011	Oct 11-	2011
	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Operating margin (%)	-8	5	2	7	1	6
Return on capital employed before tax (%)	-	-	-	-	1	5
Return on equity after tax (%)	-	-	-	-	1	5
Earnings per share (SEK) 2)	-1.60	1.19	0.75	5.05	0.51	4.82
Equity per share (SEK)	90.22	94.31	90.22	94.31	90.22	94.98
Equity ratio including non-controlling interests (%)	49	48	49	48	49	49
Net debt/equity ratio (%)	56	65	56	65	56	60
Average number of shares during the period (millions)	323.9	323.9	323.9	323.9	323.9	323.9
Number of shares at end of period (millions)	323.9	323.9	323.9	323.9	323.9	323.9
Number of employees at end of period	9,039	9,089	9,039	9,089	9,039	9,107

1 Results for the quarter primarily include currency effects on operating receivables/liabilities in the amount of SEK -162 (21) million as well as costs of SEK -55 (-) million related to the efficiency program in SSAB EMEA.

2) There are no outstanding share instruments, and thus no dilution is relevant.

Consolidated statement of comprehensive income

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Profit/loss for the period after tax	-519	386	242	1,636	166	1,560
<i>Other comprehensive income</i>						
Translation differences for the period	-1,939	2,361	-1,526	288	-1,332	482
Cash flow hedges	41	-185	-5	-327	220	-102
Hedging of currency risks in foreign operations	668	-833	532	-81	458	-155
Actuarial profits and losses, pensions	-	-	-	-	-2	-2
Share in other comprehensive income of affiliated companies and joint ventures	-4	-1	1	-9	-8	-18
Tax attributable to other comprehensive income	-187	268	-139	107	-177	69
Other comprehensive income for the period, net after tax	-1,421	1,610	-1,137	-22	-841	274
Total comprehensive income for the period	-1,940	1,996	-895	1,614	-675	1,834
Of which attributable to:						
- Parent Company's shareholders	-1,940	1,996	-895	1,614	-675	1,834
- non-controlling interests	-	-	-	-	-	-

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, December 31, 2010	2,851	9,944	-2,041	19,075	29,829	191	30,020
<u>Changes Jan 1 – Sept 30, 2011</u>							
Comprehensive income for the period			-23	1,637	1,614	-	1,614
Dividend to non-controlling interests					-	-45	-45
Acquisition of non-controlling interests 1)			-3	-244	-247	-146	-393
Dividend				-648	-648	-	-648
Equity, September 30, 2011	2,851	9,944	-2,067	19,820	30,548	-	30,548
<u>Changes Oct 1 - Dec 31, 2011</u>							
Comprehensive income for the period			298	-78	220	-	220
Equity, December 31, 2011	2,851	9,944	-1,769	19,742	30,768	-	30,768
<u>Changes Jan 1 - Sept 30, 2012</u>							
Comprehensive income for the period			-1,137	242	-895	-	-895
Dividend				-648	-648	-	-648
Equity, September 30, 2012	2,851	9,944	-2,906	19,336	29,225	-	29,225

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	30 Sept 2012	30 Sept 2011	31 Dec 2011
Assets			
Goodwill	18,017	18,825	18,911
Other intangible assets	2,951	3,779	3,638
Tangible fixed assets	17,889	18,306	18,693
Participations in affiliated companies	332	352	349
Financial assets	78	69	106
Deferred tax receivables 1)	1,038	289	702
Total fixed assets	40,305	41,620	42,399
Inventories	10,140	13,027	11,687
Accounts receivable	4,979	6,169	5,734
Current tax receivables	321	574	381
Other current receivables	1,388	1,701	1,590
Cash and cash equivalents	2,166	1,039	1,648
Total current assets	18,994	22,510	21,040
Total assets	59,299	64,130	63,439
Equity and liabilities			
Equity for shareholders in the company	29,225	30,549	30,768
Total equity	29,225	30,549	30,768
Deferred tax liabilities	4,655	4,675	4,919
Other long-term provisions	283	267	298
Deferred income 1)	516	80	543
Long-term interest-bearing liabilities	17,203	17,014	16,940
Total long-term liabilities	22,657	22,036	22,700
Current interest-bearing liabilities	1,218	4,369	3,607
Current tax liabilities	238	315	188
Accounts payable	3,542	4,078	4,296
Other current liabilities	2,419	2,783	1,880
Total current liabilities	7,417	11,545	9,971
Total equity and liabilities	59,299	64,130	63,439

1) Of the deferred tax receivable, SEK 516 (80) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits have not yet been booked as income, a corresponding liability has been booked as a Long-term deferred income.

Cash flow

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Operating profit/loss	-665	511	569	2,462	619	2,512
Depreciation/amortization and write downs	668	585	1,940	1,718	2,567	2,345
Adjustment for other non-cash items	9	5	88	58	129	99
Received and paid interest	-119	-58	-353	-302	-532	-481
Tax paid	-27	-237	-449	-476	-113	-140
Change in working capital	1,014	-324	1,621	-2,156	2,950	-827
Cash flow from operating activities	880	482	3,416	1,304	5,620	3,508
Capital expenditure payments	-343	-1,039	-1,112	-2,320	-1,903	-3,111
Acquisitions, businesses and operations	-29	-81	-30	-102	-27	-99
Divested businesses and operations 1)	-	-	31	-	31	-
Other investing activities	23	2	15	2	-16	-29
Cash flow from investing activities	-349	-1,118	-1,096	-2,420	-1,915	-3,239
Dividend	-	-	-648	-648	-648	-648
Change in loans	-516	655	-1,711	1,408	-2,601	518
Change in financial investments	24	148	330	459	382	511
Acquisition of non-controlling interests 2)	-	-	-	-393	-	-393
Other financing activities	253	178	255	36	299	80
Cash flow from financing activities	-239	981	-1,774	862	-2,568	68
Cash flow for the period	292	345	546	-254	1,137	337
Cash and cash equivalents at beginning of period	1,900	705	1,648	1,314	1,039	1,314
Translation difference in cash and cash equivalents	-26	-11	-28	-21	-10	-3
Cash and cash equivalents at end of period	2,166	1,039	2,166	1,039	2,166	1,648

1) In 2012, Plannja's panel manufacturing unit was divested.

2) The minority stake in Tibnor was acquired in May 2011.

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

The business areas' sales, earnings and return on capital employed										
	Sales				Sales, external		Operating profit/loss		Return on capital employed (%) 3)	
	2012	2011	Change		2012	2011	2012	2011	Oct 11-	2011
SEK millions	Qs 1-3	Qs 1-3	in %	in % 2)	Qs 1-3	Qs 1-3	Qs 1-3	Qs 1-3	Sept 12	Full year
SSAB EMEA	15,729	17,948	-12%	-11%	11,559	13,520	-385	897	-3	4
SSAB Americas	12,935	12,892	0%	-5%	12,708	12,728	1,458	1,695	22	27
SSAB APAC	1,759	2,103	-16%	-21%	1,759	2,103	121	228	15	29
Tibnor	4,673	5,545	-16%	-16%	4,543	5,391	146	239	10	14
Amortization on surplus values 1)							-640	-561		
Other	-4,527	-4,746					-131	-36	-	-
Total	30,569	33,742	-9%	-11%	30,569	33,742	569	2,462	1	5

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 Americas' return is calculated excluding surplus values. Inclusive of surplus values, the returns are 4% and 5% respectively.

The Group's results per quarter

SEK millions	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12
Sales	8,865	10,911	9,902	10,205	11,056	11,769	10,917	10,898	11,023	10,816	8,730
Operating expenses	-8,089	-9,594	-8,997	-9,677	-9,868	-9,901	-9,825	-10,233	-9,922	-9,439	-8,730
Depreciation	-611	-630	-618	-592	-572	-561	-585	-627	-629	-643	-668
Affiliated companies	7	29	12	9	5	23	4	12	7	21	3
Financial items	-85	-84	-138	-95	-112	-144	-110	-148	-150	-146	-124
Profit/loss after financial items	87	632	161	-150	509	1,186	401	-98	329	609	-789

Sales per quarter and business area

SEK millions	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12
SSAB EMEA	4,836	5,678	5,194	5,720	6,071	6,386	5,491	5,820	5,780	5,400	4,549
SSAB Americas	3,142	4,037	3,794	3,608	3,984	4,403	4,505	4,207	4,609	4,657	3,669
SSAB APAC	589	688	531	518	690	788	625	708	585	661	513
Tibnor	1,474	1,834	1,587	1,801	1,951	1,957	1,637	1,699	1,771	1,636	1,266
Other	-1,176	-1,326	-1,204	-1,442	-1,640	-1,765	-1,341	-1,536	-1,722	-1,538	-1,267
Sales	8,865	10,911	9,902	10,205	11,056	11,769	10,917	10,898	11,023	10,816	8,730

Operating profit/loss per quarter and business area

SEK millions	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12
SSAB EMEA	214	338	-109	-70	236	664	-3	-248	-124	383	-644
SSAB Americas	137	342	455	235	383	651	661	414	670	537	251
SSAB APAC	10	96	109	17	102	67	59	96	65	40	16
Tibnor	79	188	136	18	128	99	12	15	105	67	-26
Amortization on surplus values 1)	-223	-233	-212	-202	-189	-183	-189	-197	-197	-225	-218
Other	-46	-15	-79	-53	-39	32	-29	-30	-40	-47	-44
Operating profit/loss	171	716	300	-55	621	1,330	511	50	479	755	-665

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

The Parent Company's income statement

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Gross profit	0	0	0	0	0	0
Administrative expenses	-59	-50	-193	-148	-264	-219
Other operating income/expenses	30	21	74	86	362	374
Operating profit/loss	-29	-29	-119	-62	98	155
Dividend from subsidiaries	7	3	1,076	258	1,084	266
Financial items	-81	-26	-240	-102	-161	-23
Profit/loss after financial items	-103	-52	717	94	1,021	398
Appropriations	0	0	0	0	33	33
Tax	28	13	92	47	5	-40
Profit/loss after tax	-75	-39	809	141	1,059	391

The Parent Company's statement of comprehensive income

	2012	2011	2012	2011	Oct 11-	2011
SEK millions	Q 3	Q 3	Qs 1-3	Qs 1-3	Sept 12	Full year
Profit/loss after tax	-75	-39	809	141	1,059	391
<i>Other comprehensive income</i>						
Hedging of currency risks in foreign operations	668	-833	532	-81	458	-155
Cash flow hedges	-8	-4	-16	-4	-25	-13
Tax attributable to other comprehensive income	-174	220	-136	22	-114	44
Other comprehensive income, net after tax	486	-617	380	-63	319	-124
Total comprehensive income for the year	411	-656	1,189	78	1,378	267

The Parent Company's balance sheet

	Sept 30	Sept 30	Dec 31
SEK millions	2012	2011	2011
Assets			
Fixed assets	39,355	39,278	39,282
Other current assets	12,503	14,010	14,463
Cash and cash equivalents	1,563	648	999
Total assets	53,421	53,936	54,744
Equity and liabilities			
Restricted equity	3,753	3,753	3,753
Unrestricted equity	27,395	26,665	26,853
Total equity	31,148	30,418	30,606
Untaxed reserves	661	694	661
Long-term liabilities and provisions	15,673	16,656	15,138
Current liabilities and provisions	5,939	6,168	8,339
Total equity and liabilities	53,421	53,936	54,744

Production and shipments

Thousand tonnes	1/10	2/10	3/10	4/10	1/11	2/11	3/11	4/11	1/12	2/12	3/12
Crude steel production											
- SSAB EMEA	874	941	739	864	943	957	612	741	832	867	551
- SSAB Americas	585	599	583	567	631	624	607	556	624	609	540
-Total	1,459	1,540	1,322	1,431	1,574	1,581	1,219	1,297	1,456	1,476	1,091
Steel production 1)											
- SSAB EMEA	738	764	505	713	765	755	506	591	638	664	466
- SSAB Americas	558	553	545	553	592	579	563	537	591	571	516
-Total	1,296	1,317	1,050	1,266	1,357	1,334	1,069	1,128	1,229	1,235	982
Steel shipments											
- SSAB EMEA	547	600	401	486	571	556	418	455	511	437	378
- SSAB Americas	565	610	583	598	623	628	612	579	622	626	540
- SSAB APAC	70	58	44	44	57	64	46	52	41	46	38
-Total	1,182	1,268	1,028	1,128	1,251	1,248	1,076	1,086	1,174	1,109	956
of which niche products											
- SSAB EMEA	170	205	161	197	233	244	187	190	227	215	186
- SSAB Americas	126	130	134	172	170	154	171	150	193	154	143
- SSAB APAC	44	57	44	44	56	61	45	52	39	45	36
-Total niche products	340	392	339	413	459	459	403	392	459	414	365

1) Including subcontract rolling.

Note:

This report has been published in Swedish and English. In the event of differences between the English translation and the Swedish original, the Swedish Report shall prevail.

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Results for 2012:

Results for 2012 will be published on February 8, 2013.



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