

REPORT FOR THE FIRST QUARTER OF
2015



Improved result and cash flow

27 April 2015

SSAB

Report for the first quarter of 2015

The quarter

- Sales were SEK 15,468 (9,521) million
- Operating profit, excluding items affecting comparability, was SEK 564 (26) million
- The profit/loss after financial items, excluding items affecting comparability, was SEK 350 (-135) million
- Earnings per share SEK 0.52 (-0.15)
- Items affecting comparability affected the profit/loss after tax by SEK -31 (-) million and earnings per share by SEK -0.06 (-)
- Operating cash flow was SEK 784 (-275) million
- The Rautaruukki transaction has been completed, through both the completion of the divestment of the assets which was a condition for the combination, and the redemption of the shares held by minority shareholders

Key numbers

SEK millions	2015 Q 1	2014 Q 1, pro forma	2014 Q 1	2014 Full year
Sales	15,468	14,598	9,521	47,752
Operating profit before depreciation/amortization, EBITDA 1)	1,501	877	582	3,695
Operating profit 1, 2)	564	34	26	894
Profit/loss after financial items 1, 2)	350	-271	-135	242
Profit/loss after tax 1, 2)	314	-185	-49	384
Earnings per share (SEK)	0.52	-	-0.15	-3.33
Operating cash flow	784	-	-275	1,737
Net debt/equity ratio (%)	55	-	56	56

1) Excluding items affecting comparability. For numbers, see page 5.

2) In the pro forma numbers for the first quarter 2014, depreciation and amortization on surplus values related to the acquisition of Rautaruukki is not included. Rautaruukki is included in the SSAB Group since July 29, 2014.

(In the report, amounts in brackets refer to the corresponding period of last year.)

Comments by the CEO

SSAB's operating profit for the first quarter of 2015 was SEK 564 million (excluding items affecting comparability), up SEK 446 million compared with the fourth quarter of 2014 and up SEK 530 million (pro forma) compared with the first quarter last year. This improvement was primarily driven by lower costs of raw materials, the synergies achieved from the acquisition of Rautaruukki and positive currency effects. SSAB Europe showed the strongest improvement in performance. Operating cash flow for the first quarter was SEK 784 million, despite the build-up of steel slabs ahead of the relining of the blast furnace in Luleå in summer this year.

In the Nordic region and the rest of western Europe, demand for standard steel normalized compared with the decrease in demand seen towards the end of 2014. Demand for our special steels remained stable, albeit at a low level and with major geographical variations. In North America, the steel market was relatively weak during the first quarter. This was driven by high inventory levels at distributors and continued high volumes of imports from Asia and Europe. Overall, this put pressure on prices in the North American market. The costs of raw materials, primarily iron ore for the Swedish and Finnish mills, continued to fall during the quarter.

Apparent use of steel is expected to increase both in Europe and in North America during 2015. Despite weak deliveries to distributors in North America during the first quarter, underlying demand remains good. However, destocking in North America has lasted longer than expected, and demand is not expected to pick up until the end of the second quarter

We are now in a period where we are implementing actions included in the plan to integrate Rautaruukki. Re-negotiated purchase agreements is one of the measures we have taken that are already reflected in the result. During the first quarter, we achieved synergies of around SEK 100 million and at the end of the quarter, annual sustainable savings amounted to approximately SEK 450 million.

During the spring, SSAB is undertaking one of its largest marketing efforts ever with the launch of the new brand Strenx, which consists of SSAB's top products within structural steel which were earlier sold under the Optim, Weldox and Domex brands. GreenCoat, a new brand for SSAB's colour-coated products, was launched in the beginning of April. These launches are two major steps toward a common product portfolio within SSAB.

Sales per division

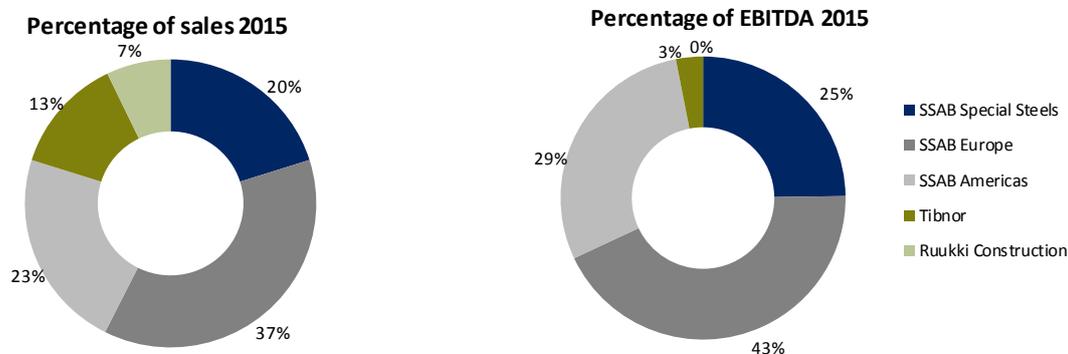
SEK millions	2015 Q 1	2014 Q 1 1)	2014 Full year 1)
SSAB Special Steels	3,620	3,348	13,226
SSAB Europe	6,835	6,649	25,857
SSAB Americas	3,508	2,831	13,207
Tibnor	2,075	2,055	8,151
Ruukki Construction	1,147	1,224	6,217
Other	-1,717	-1,509	-6,546
Total	15,468	14,598	60,112

1) Pro forma figures are presented as if SSAB had owned Rautaruukki the whole year 2014.

Operating profit/loss before depreciation/amortization (EBITDA) per division, excluding items affecting comparability

SEK millions	2015 Q 1	2014 Q 1 1)	2014 Full year 1)
SSAB Special Steels	388	377	1,265
SSAB Europe	677	364	1,524
SSAB Americas	453	194	1,620
Tibnor	48	51	173
Ruukki Construction	-19	-37	185
Other	-46	-72	-348
Total	1,501	877	4,419

1) Pro forma figures are presented as if SSAB had owned Rautaruukki the whole year 2014.



The market

According to the World Steel Association (WSA), global crude steel production for the first three months of 2015 was 400 (407) million tonnes, down by almost 2% compared with the same period last year. Chinese crude steel production, which was earlier the driver of global growth, was down by 1% compared with the first three months of 2014. In the EU28, production was down somewhat, by 1%, while in North America the decrease in production was significantly higher, at just above 6%

The North American steel market was relatively weak during the first quarter. This was driven by high inventory levels at distributors and continued high volumes of imports. Overcapacity in many other parts of the world, together with a strong USD, resulted in the high import volumes seen in 2014 continuing during the first quarter of 2015. Demand from end-customers in North America was stable. The underlying demand in Europe has normalized following the weak seasonal end to 2014, and was relatively stable during the first quarter. Development in the Nordic region and the rest of western Europe has been better than in eastern Europe. Inventory levels of distributors and end-customers in Europe are considered to still be in balance. The steel market in Asia, especially in China, remains weak and there are no clear signs of recovery on the Chinese market.

In North America, market prices for heavy plate fell sharply during the first quarter. This was driven by high inventory levels at distributors and continued high imports. Market prices for strip and plate in Europe were relatively stable during the quarter, with a slight increase in strip prices and a weak decline in plate prices. In China, market prices of both plate and strip fell significantly earlier in the quarter, but subsequently leveled out.

Raw materials

SSAB sources iron ore from a couple of suppliers, with the majority of iron ore coming from LKAB. The contract with LKAB was valid from April 1, 2014 to March 31, 2015 and prices were set quarterly. Negotiations on a new contract are ongoing. For first quarter shipments this year, pellet prices were down 12% compared with the fourth quarter prior year in terms of USD, but a strong USD meant an increase of 1% in terms of Swedish kronor.

SSAB sources coking coal from Australia, the USA, Canada and Russia. Price agreements for Australian, Canadian and Russian coal are entered into monthly, whereas the price agreement for most US coal is entered into quarterly. The average price during the first quarter was down 3% compared with the fourth quarter last year in terms of USD, but up 13% in terms of Swedish kronor.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices for scrap metal fell sharply during the first quarter. Spot prices at the end of March 2015 were 24% lower than at the end of the fourth quarter 2014 and 35% lower than at the end of the first quarter 2014.

Outlook

The North American steel market is expected to continue to be negatively impacted by high inventory levels at distributors and high imports, which will also continue to put pressure on steel prices. Underlying demand from end-customers is expected to be relatively good. In Europe, demand is expected to remain stable also during the second quarter, and no major changes in inventories are expected at distributors or end-customers. In China, demand for steel is expected to remain relatively weak during the coming quarter. Overall, SSAB's shipment volumes during the second quarter are expected to be roughly at the same levels as during the first quarter.

In June, a relining of the blast furnace in Luleå will commence. This project will continue throughout July and most of August. The cost is estimated to be the range of SEK 150 - 200 million, most of which will impact on the result for the third quarter. To ensure continued steel shipments during the relining, the smaller blast furnace in Oxelösund was brought back into use during the first quarter and will continue production during the second quarter. There will continue to be a build-up of slab inventory during the second quarter.

Synergies

A number of actions in the plan to integrate Rautaruukki were implemented during the first quarter. Actions impacting on the result include the effects of re-negotiated purchase agreements, lower administration costs and higher internal supplies of steel to the distribution operations. During the first quarter the relocation of the production of galvanized and coated steel from Borlänge to Hämeenlinna, the closure of Tibnor's subsidiary EM Eriksson Steel Service Center AB in Borlänge, and workforce reductions within group functions in Finland were announced. Synergies of around SEK 100 million were achieved during the first quarter of 2015. Net after non-recurring costs, this had an impact of around SEK 85 million on operating profit. At the end of the first quarter, it is estimated that sustainable annual savings of approximately SEK 450 million had been achieved. The actions taken are following the plan to realize the overall target of synergies of SEK 1.4 billion with full annualized impact from the second half of 2016.

Assets held for sale

The assets and liabilities classified as being held for sale at the year end of 2014 were divested during the first quarter. The result, which has been reported as items affecting comparability, amounted to SEK -11 million and the impact on cash flow was SEK 166 million.

Items affecting comparability

During the first quarter of 2015, items affecting comparability had an impact of SEK -30 million on operating profit. These items primarily relate to restructuring costs at Tibnor and the proceeds from divestment of the assets required by the European Commission for approval of the combination of SSAB and Rautaruukki in 2014.

Specification of items affecting comparability

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
<u>Operating expenses</u>			
Acquisition costs and reorganization	-	-	-135
Write-down, goodwill	-	-	-291
Write-down of assets, Eastern Europe	-	-	-131
Write-down/gains & losses, assets held for sale	-11	-	-123
Write-down, Fortaco	-	-	-98
One-off depreciation on surplus values in inventory and order book	-	-	-186
Restructuring	-16	-	-
Other	-3	-	-37
Effect on operating profit/loss	-30	-	-1,001
<u>Financial costs</u>			
Write-down, shareholder loan to Fortaco	-	-	-601
Transaction tax (Finnish standard rate tax on acquisitions of shares)	-5	-	-168
Other financial expenses (primarily bridge financing)	-	-	-61
Effect on profit after financial items	-35	-	-1,831
<u>Taxes</u>			
Tax on surplus values, inventory and order book	-	-	37
Other tax effects	4	-	16
Effect on profit/loss after tax	-31	-	-1,778

SSAB Group

Development during the first quarter

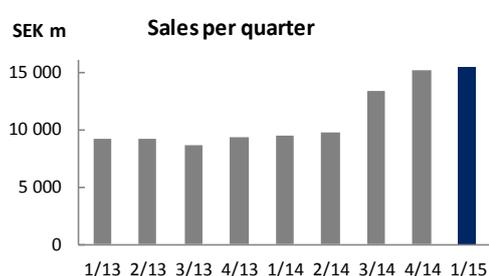
Shipments and production

SSAB's shipments during the first quarter of 2015 were 1,711 (1,178) thousand tonnes, up 5% compared with the fourth quarter 2014 and up 45% compared with the first quarter last year.

Crude steel production was up 2% compared with the fourth quarter 2014 and up 50% compared with the first quarter prior year. Steel production was up 2% compared with the fourth quarter 2014 and was up 44% compared with the first quarter prior year.

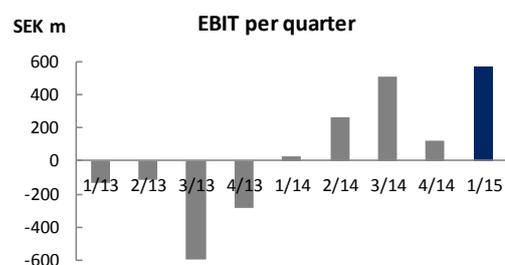
Sales

Sales for the first quarter were up 62% compared with the first quarter 2014 and amounted to SEK 15,468 (9,521) million. Of the increase, SEK 4,983 million (52 percentage points) comprised sales added through the acquisition of Rautaruukki. Of the remaining change, positive currency effects had a positive impact of 9 percentage points, an improved product mix 2 percentage points and higher volumes 1 percentage point, whereas lower prices had a negative effect of 2 percentage points. Sales were up 2% compared with the fourth quarter 2014. This was attributable to currency effects which had a positive effect of 6 percentage points, higher volume with a positive impact of 5 percentage points, whereas a weaker product mix had a negative impact of 7 percentage points and lower prices a negative impact of 2 percentage points.



Earnings

Excluding items affecting comparability, operating profit for the first quarter was SEK 564 (26) million, an improvement of SEK 538 million compared with the first quarter last year. Compared with the fourth quarter of 2014, earnings were up by SEK 446 million. This was primarily attributable to lower variable costs (SEK 275 million), higher volumes (SEK 225 million) and improved capacity utilization (SEK 150 million). However earnings were adversely affected by lower prices (SEK 175 million) and negative currency effects (SEK 70 million).



Excluding items of comparability, the financial items for the first quarter were SEK -214 (-161) million and the result after financial items was SEK 350 (-135) million.

Information about items affecting comparability can be found on page 5.

Profit/loss after tax and earnings per share

Profit/loss after tax (attributable to shareholders) for the first quarter were SEK 284 (-50) million, equating to SEK 0.52 (-0.15) per share. Tax for the first quarter was SEK -32 (86) million.

Financing and liquidity

The operating cash flow for the first quarter was SEK 784 (-275) million. Cash flow was affected positively by operating profit, but partly adversely affected by increased tied up working capital, primarily attributable to increased accounts receivable and to SSAB Special Steels' build-up of slab inventory ahead of the relining of the blast furnace in Luleå.

Net cash flow was SEK 511 (-288) million. Net cash flow was affected, among other things, by payments on strategic capital expenditures, including acquisitions of shares and operations, of SEK 199 (38) million (total capital expenditure was SEK 495 (204) million). Net debt increased by SEK 960 million during the first quarter because of currency movements, and at March 31 was SEK 25,634 million. The net debt/equity ratio was 55 (56)%.

Operational cash flow and net debt

	2015	2014	2014
SEK millions	Q 1	Q 1	Full year
Operating profit before depreciation/amortization	1,472	582	3,305
Change in working capital	-436	-732	-560
Maintenance expenditures	-296	-166	-1,341
Other	44	41	333
Operating cash flow	784	-275	1,737
Financial items	-109	-112	-1,013
Taxes	-131	137	-251
Cash flow from current operations	544	-250	473
Strategic capital expenditures in plants and machinery	-196	-38	-331
Acquisitions of shares and operations	-3	-	-48
Divestments of shares and operations	166	-	-
Cash flow before dividend and financing	511	-288	94
Dividend to the Parent Company's shareholders	-	-	-
Net cash flow	511	-288	94
Net debt at beginning of period	-24,674	-14,833	-14,833
Net cash flow	511	-288	94
Acquired net debt, including cash	-	-	-6,393
Revaluation of liabilities against equity 1)	-1,228	-38	-2,233
Other 2)	-243	15	-1,309
Net debt at end of period	-25,634	-15,144	-24,674

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 instruments in foreign currency.

At March 31, the term to maturity of the loan portfolio averaged 4.0 (4.2) years, with an average fixed interest period of 1.1 (0.9) years.

Cash and cash equivalents were SEK 1,848 (2,689) million and non-utilized credit facilities were SEK 8,605 (7,204) million.

Return on capital employed/equity

Return on capital employed before tax and return on equity after tax for the most recent 12-month period amounted to 1% and -3% respectively, whereas the figures for the full year 2014 were 0% and -4% respectively.

Equity

With earnings of SEK 284 million and other comprehensive income (mostly consisting of translation differences) of SEK 2,122 million, shareholders' equity in the company was SEK 46,223 (27,160) million, equating to SEK 84.16 (83.84) per share.

Capital expenditure

Capital expenditure payments during the first quarter were SEK 495 (204) million, of which SEK 199 (38) million were strategic investments, including acquisitions.

Information about the divisions (pro forma)

Information for the reference period 2014 is based on pro forma figures as if SSAB had owned Rautaruukki during the whole of 2014. The information in the tables below excludes items affecting comparability and the depreciation and amortization on surplus values on tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki.

SSAB Special Steels

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels (AHSS) with yield strengths from 700 MPa and above. SSAB Special Steels is responsible for steel and plate production in Oxelösund (Sweden), and for sales of the above products produced in Mobile (USA), Raahe (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steel made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

Key numbers

	2015	2014	2014
SEK millions	Q 1	Q 1	Full year
Sales	3,620	3,348	13,226
Operating profit before depreciation/amortization, EBITDA	388	377	1,265
Operating profit 1)	252	242	726
Number of employees at end of period	2,999	-	2,976

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

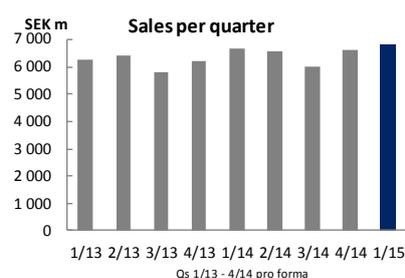
Heavy Transport continued to be the segment showing the best development during the quarter, while demand from most other segments was unchanged and at a low level, albeit with major geographical variations.

External shipments of steel during the first quarter were up 10% compared with the fourth quarter 2014, but down 11% compared with the first quarter prior year. External shipments were 259 (291) thousand tonnes.

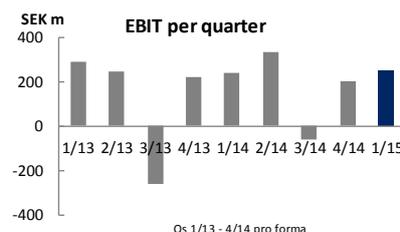
Prices during the first quarter were on average 2% higher compared with the fourth quarter 2014 and 16% higher compared with the first quarter prior year, which was mostly attributable to currency movements.

Crude steel production during the first quarter was up 27% compared with the fourth quarter 2014 and was up 44% compared with the first quarter prior year. This was attributable to the smaller blast furnace in Oxelösund being brought into use. Steel production was down 13% compared with the fourth quarter 2014 and was down 14% compared with the first quarter prior year.

Sales for the first quarter were up 8% compared with the first quarter 2014 and amounted to SEK 3,620 (3,348) million. Higher prices and positive currency effects had a positive impact of 20 percentage points, whereas lower volumes had a negative impact of 11 percentage points, and a poorer product mix had a negative impact of 1 percentage point. Sales were up 13% compared with the fourth quarter 2014. Higher volumes had a positive effect of 10 percentage points, and higher prices and currency effects had a positive impact of 3 percentage points.



Excluding items affecting comparability, operating profit for the first quarter was SEK 252 (242) million, an improvement of SEK 10 million. Improved earnings were mainly attributable to higher prices and lower costs. Compared with the fourth quarter of 2014, earnings were up by SEK 45 million. This was primarily attributable to higher volumes and lower costs.



Capital expenditure payments during the quarter were SEK 44 (39) million, of which SEK 4 (7) million were strategic investments.

SSAB Europe

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

Key numbers

	2015	2014	2014
SEK millions	Q 1	Q 1	Full year
Sales	6,835	6,649	25,857
Operating profit before depreciation/amortization, EBITDA	677	364	1,524
Operating profit/loss 1)	312	-16	1
Number of employees at end of period	7,283	-	7,291

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

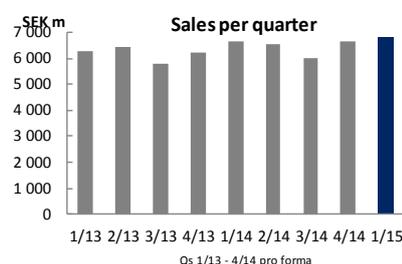
Good demand from the Automotive segment continued during the first quarter, whereas demand from Energy and Heavy Transport were stable.

External shipments of steel during the first quarter were up 7% compared with the fourth quarter 2014 and were up 2% compared with the first quarter prior year. External shipments were 976 (957) thousand tonnes.

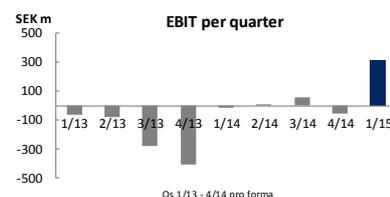
Prices, including currency movements, were on average 2% higher compared with the fourth quarter 2014 and 2% higher compared with the first quarter last year.

Crude steel production was up 2% compared with the fourth quarter 2014 and was up 3% compared with the first quarter last year. Steel production was up 10% compared with the fourth quarter 2014 and was up 5% compared with the first quarter last year.

Sales for the first quarter were up 3% compared with the first quarter 2014 and amounted to SEK 6,835 (6,649) million. Higher volumes had a positive impact of 2 percentage points and higher prices and currency movements had an impact of 1 percentage point. Sales were up 3% compared with the fourth quarter 2014, mainly due to higher volumes.



Excluding items affecting comparability, operating profit for the first quarter was SEK 312 (-16) million, an improvement of SEK 328 million. Improved earnings were mainly attributable to lower costs and higher volumes. Compared with the fourth quarter of 2014, earnings were up by SEK 366 million. This was primarily attributable to lower costs, higher volumes and higher prices.



Capital expenditure payments during the quarter were SEK 361 (173) million, of which SEK 160 (22) million were strategic investments, including acquisitions of shares and operations.

SSAB Americas

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier and Mobile, USA.

Key numbers

	2015	2014	2014
SEK millions	Q 1	Q 1	Full year
Sales	3,508	2,831	13,207
Operating profit before depreciation/amortization, EBITDA	453	194	1,620
Operating profit 1)	296	74	1,107
Number of employees at end of period	1,269	-	1,277

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of IPSCO.

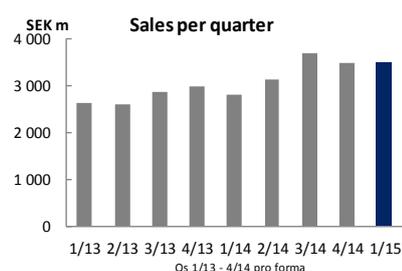
Demand from the Heavy Transport segment continued to be good during the quarter, primarily driven by strong demand for plate for tank cars. Demand from Steel Service centers was very weak.

External shipments of steel during the first quarter were down 2% compared with the fourth quarter 2014 and were down 4% compared with the first quarter last year. External shipments were 476 (496) thousand tonnes.

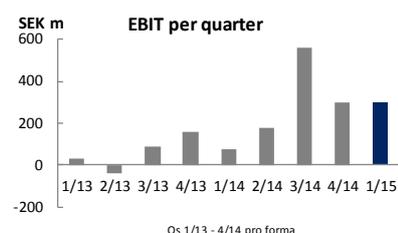
Prices in local currency during the first quarter were on average 6% lower compared with the fourth quarter 2014, but unchanged compared with the first quarter last year.

Crude steel production was down 9% compared with the fourth quarter 2014 and was down 11% compared with the first quarter last year. Steel production was down 8% compared with the fourth quarter 2014 and 11% compared with the first quarter last year.

Sales for the first quarter were up 24% compared with the first quarter 2014 and amounted to SEK 3,508 (2,831) million. Currency effects had a positive impact of 28 percentage points, whereas lower volumes had a negative impact of 4 percentage points. Sales were unchanged compared with the fourth quarter 2014 due to a better product mix offset by lower volumes.



Excluding items affecting comparability, operating profit for the first quarter was SEK 296 (74) million, an improvement of SEK 222 million. Improved earnings were mainly attributable to lower costs. Compared with the fourth quarter of 2014, earnings were down by SEK 3 million. This was primarily due to lower prices.



Capital expenditure payments during the quarter were SEK 50 (69) million, of which SEK 15 (28) million were strategic investments.

Tibnor

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordic region and Baltics. Tibnor also includes Rautaruukki's distribution operations, which were previously a part of Ruukki Metals.

Key numbers

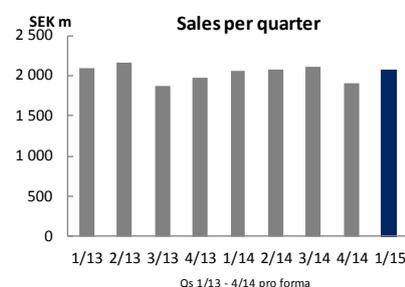
SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Sales	2,075	2,055	8,151
Operating profit before depreciation/amortization, EBITDA	48	51	173
Operating profit 1)	29	29	83
Number of employees at end of period	1,238	-	1,281

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

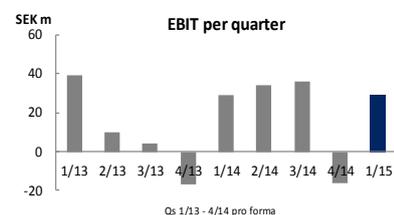
Total shipments during the first quarter were up 3% compared with the fourth quarter 2014 and were up 2% compared with the first quarter last year. Shipments increased mostly in Sweden and Denmark and within the Long Products segment.

Prices during the first quarter were stable compared with the fourth quarter of 2014.

Sales for the first quarter were up 1% compared with the first quarter 2014 and amounted to SEK 2,075 (2,055) million. Higher volumes had a positive impact on sales. Sales were up 9% compared with the fourth quarter 2014. This was also mostly attributable to higher volumes.



Excluding items affecting comparability, operating profit for the first quarter was SEK 29 (29) million, unchanged compared with the first quarter 2014. Higher volumes and lower variable costs had a positive impact on earnings, whereas lower margins had a negative impact. Compared with the fourth quarter 2014, earnings were up by SEK 45 million, mostly due to higher volumes.



Capital expenditure payments during the quarter were SEK 5 (13) million, of which SEK 2 (2) million were strategic investments.

Ruukki Construction

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions. Ruukki Construction also includes Plannja, which was earlier part of the SSAB EMEA business area.

Key numbers

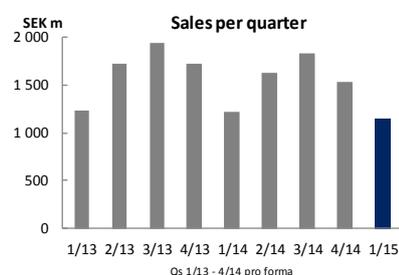
	2015	2014	2014
SEK millions	Q 1	Q 1	Full year
Sales	1,147	1,224	6,217
Operating profit/loss before depreciation/amortization, EBITDA	-19	-37	185
Operating loss 1)	-62	-92	-14
Number of employees at end of period	3,164	-	3,303

1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki.

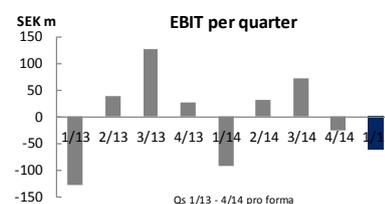
Demand within the building sector was seasonally weak. Excluding seasonal variations, demand in parts of the Nordic market was stable, whereas the markets in Russia and Ukraine remained weak.

Price development was stable on all markets both compared with the fourth quarter 2014 and compared with the first quarter last year, albeit with negative currency effects in Russia and Ukraine.

Sales for the first quarter were down 6% compared with the first quarter 2014 and amounted to SEK 1,147 (1,224) million. This was primarily attributable to negative currency effects. Sales were down 25% compared with the fourth quarter 2014, due to seasonal variations and negative currency effects.



Excluding items affecting comparability, operating loss for the first quarter was SEK -62 (-92) million, an improvement of SEK 30 million. This improvement was mainly attributable to lower fixed costs and a better product mix. The operating result during the first quarter was SEK 36 million lower compared with the fourth quarter 2014, primarily due to seasonal variations.



Capital expenditure payments during the quarter were SEK 34 (18) million, of which SEK 18 (6) million were strategic investments.

Annual Report and Sustainability Report

SSAB published its Annual Report and Sustainability Report for 2014 in March. The Annual Report is published in Swedish, Finnish and English, and the Sustainability Report is published in English. The reports may be read on SSAB's website at <http://www.ssab.com>.

Risks and uncertainties

For information about material risks and uncertainty factors, reference is made to the details provided in the Annual Report. No material new or changed risks and uncertainty factors have otherwise been identified during the quarter.

Accounting principles

This interim report has been prepared in compliance with IAS 34.

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

No material changes in accounting principles have taken place since the Annual Report for 2014.

Subsequent events since the end of the report period

Bengt Kjell was elected as the new chairman of the Board of Directors by the Annual General Meeting in Stockholm on April 8, 2015. The Annual General Meeting resolved not to pay a dividend for the 2014 financial year.

As part of the synergies being pursued, a number of efficiency programs were initiated in April in Luleå, Raahе and Hämeenlinna. The goal is to improve cost efficiency and productivity. Among others, one goal is to permanently reduce the personnel costs with the equivalent of approximately 300 full-time positions by mid-2016.

Review

This interim report has not been subject to review by the auditors.

Stockholm, April 24, 2015

Martin Lindqvist
President and CEO

Financial reports in accordance with IFRS

Rautaruukki has been consolidated in the SSAB Group since July 29, 2014.

Consolidated income statement

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Sales 1)	15,468	9,521	47,752
Cost of goods sold 1)	-13,687	-8,853	-44,428
Gross profit 1)	1,781	668	3,324
Selling and administrative costs 1)	-1,255	-694	-3,728
Other operating income and expenses	-5	46	296
Affiliated companies, profit after tax	13	6	1
Operating profit/loss	534	26	-107
Financial income	21	14	202
Financial expenses	-240	-175	-1,684
Profit/loss for the period after financial items	315	-135	-1,589
Tax	-32	86	195
Profit/loss for the period after tax	283	-49	-1,394
Of which attributable to:			
- Parent Company's shareholders	284	-50	-1,399
- Non-controlling interest	-1	1	5

Key numbers

	2015 Q 1	2014 Q 1	2014 Full year
Operating margin (%)	3	0	0
Earnings per share (SEK) 2)	0.52	-0.15	-3.33
Equity per share (SEK)	84.16	83.84	79.78
Net debt/equity ratio (%)	55	56	56
Average number of shares during the period (millions)	549.2	323.9	419.6
Number of shares at end of period (millions)	549.2	323.9	549.2
Number of employees at end of period	16,566	8,700	16,887

1) In 2014, the method of reporting freights was changed. The numbers for the first quarter of 2014 have been restated.

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

Consolidated statement of comprehensive income

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Profit/loss for the period after tax	283	-49	-1 394
<i>Other comprehensive income</i>			
<u>Items that may be subsequently reclassified to the income statement</u>			
Translation differences for the period	2 993	100	5 639
Cash flow hedges	109	18	-79
Hedging of currency risks in foreign operations 1)	-1 228	-38	-2 233
Share in other comprehensive income of affiliated companies and joint ventures	1	3	-1
Tax attributable to items that may be subsequently reclassified to the income statement	246	4	507
Total items that may be subsequently reclassified to the income statement	2 121	87	3 833
<u>Items that will not be reclassified to the income statement</u>			
Remeasurements of the net defined benefit liability	-	-4	-159
Tax attributable to items that will not be reclassified to the income statement	-	-	37
Total items that will not be reclassified to the income statement	-	-4	-122
Total other comprehensive income for the period, net after tax	2 121	83	3 711
Total comprehensive income for the period	2 404	34	2 317
Of which attributable to:			
- Parent Company's shareholders	2 406	34	2 310
- Non-controlling interest	-2	0	7

1) The hedging is structured such that the net debt/equity ratio is unchanged in the event of changed exchange rates.

Consolidated statement for changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders						Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity			
Equity, December 31, 2013	2,851	9,944	-3,389	17,720	27,126	23	27,149	
<u>Changes Jan 1 - Mar 31, 2014</u>								
Comprehensive income for the period			88	-54	34	0	34	
Equity March 31, 2014	2,851	9,944	-3,301	17,666	27,160	23	27,183	
<u>Changes Apr 1 - Dec 31, 2014</u>								
Comprehensive income for the period			3,743	-1,467	2,276	7	2,283	
Non-controlling interest resulting from business acquisitions					-	32	32	
New issue	1,982	12,399			14,381	-	14,381	
Equity December 31, 2014	4,833	22,343	442	16,199	43,817	62	43,879	
<u>Changes Jan 1 - Mar 31, 2015</u>								
Comprehensive income for the period			2,122	284	2,406	-2	2,404	
Equity, March 31, 2015	4,833	22,343	2,564	16,483	46,223	60	46,283	

There are 549,245,511 shares with a quotient value of SEK 8.80.

Consolidated balance sheet

SEK millions	Mar 31 2015	Mar 31 2014	Dec 31 2014
Assets			
Goodwill	28,682	17,827	26,421
Other intangible assets	3,967	2,055	3,964
Tangible fixed assets	27,109	16,191	26,570
Participations in affiliated companies	543	291	531
Financial assets 1)	468	832	1,272
Deferred tax receivables 2)	1,715	741	1,441
Total fixed assets	62,484	37,937	60,199
Inventories	14,356	8,598	14,203
Accounts receivable	8,287	5,602	7,705
Current tax receivables	745	206	560
Other current receivables 1)	4,344	2,401	3,657
Cash and cash equivalents	1,848	2,689	3,014
Total current assets in continuing operations	29,580	19,496	29,139
Assets held for sale	-	-	389
Total current assets	29,580	19,496	29,528
Total assets	92,064	57,433	89,727
Equity and liabilities			
Equity for shareholders in the Company	46,223	27,160	43,817
Non-controlling interest	60	23	62
Total equity	46,283	27,183	43,879
Deferred tax liabilities	3,063	2,904	2,984
Other long-term provisions	787	269	780
Long-term non-interest bearing liabilities 2)	609	374	586
Long-term interest-bearing liabilities	21,188	17,192	21,171
Total long-term liabilities	25,647	20,739	25,521
Short-term interest-bearing liabilities	8,024	3,119	8,496
Accounts payable	6,932	4,244	7,000
Current tax liabilities	617	196	447
Other current liabilities	4,561	1,952	4,215
Total current liabilities in continuing operations	20,134	9,511	20,158
Liabilities held for sale	-	-	169
Total current liabilities	20,134	9,511	20,327
Total equity and liabilities	92,064	57,433	89,727
Pledged assets	2,829	2,400	2,905
Contingent liabilities	2,106	736	3,790

1) Financial assets include long-term bank deposits (escrow agreement) in the amount of SEK - (779) million. Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 2.771(974) million.

2) Of the Deferred tax receivable, SEK 322 (374) 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 Long-term non-interest bearing liabilities.

Valuation of financial assets and liabilities

Financial assets and liabilities in the balance sheet are valued based on their classification at acquisition value or fair value. Both interest rate derivatives and currency derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 396 (96) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 932 (132) million. In the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 101 (-) million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. In the case of valuation at fair value, the loans at fixed interest reported in the balance sheet item "Long-term interest-bearing liabilities" would exceed the reported amount by SEK 387 (375) million; however, since the loans will be held until maturity, this does not affect the reported value.

Assessment of fair value of financial instruments

The classification shall take place hierarchically on three different levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities other than listed prices are used, e.g. interest rates and return curves. On level 3, the fair value is determined based on a valuation technique which is based on assumptions which are not based on prices or observable data.

The fair value valuation of the financial assets in SSAB is based on data in accordance with level 2 (with the exception of electricity derivatives, where the fair value is based on listed market prices, and which are therefore classified on level 1). Own credit risk is not taken into account since the impact is marginal.

Cashflow

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Operating profit/loss	534	26	-107
Adjustment for depreciation and impairment	938	556	3,412
Adjustment for other non-cash items	35	10	256
Received and paid interest	-109	-112	-1,013
Tax paid	-131	137	-251
Change i working capital	-436	-732	-560
Cash flow from operating activities	831	-115	1,737
Capital expenditure payments in plants and machinery	-494	-204	-1,672
Acquisitions, shares and operations	-3	-	331
Divested shares and operations	166	-	-
Other investing activities	12	31	73
Cash flow from investing activities	-319	-173	-1,268
Change in loans	-2,023	1,620	1,497
Change in financial investments	12	-701	-1,155
Other financing activities	244	-67	-147
Cash flow from financing activities	-1,767	852	195
Cash flow for the period	-1,255	564	664
Cash and cash equivalents at beginning of period	3,014	2,124	2,124
Exchange rate difference in cash and cash equivalents	89	1	226
Cash and cash equivalents at end of period	1,848	2,689	3,014

The Parent Company's income statement

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Gross profit	0	0	0
Administrative expenses	-69	-61	-386
Other operating income/expenses	18	18	154
Operating loss	-51	-43	-232
Financial items	742	-100	-449
Profit/loss after financial items	691	-143	-681
Appropriations	-	-	1,605
Tax	34	31	-218
Profit/loss after tax	725	-112	706

The Parent Company's statement of comprehensive income

SEK millions	2015 Q 1	2014 Q 1	2014 Full year
Profit/loss after tax	725	-112	706
<i>Other comprehensive income</i>			
<u>Items that may be classified to the income statement</u>			
Hedging of currency risks in foreign operations	-1,228	-38	-2,233
Cash flow hedges	0	-2	28
Tax attributable to other comprehensive income	270	9	485
Total items that may be reclassified to the income statement	-958	-31	-1,720
Other comprehensive income, net after tax	-958	-31	-1,720
Total comprehensive income for the period	-233	-143	-1,014

The Parent Company's balance sheet

SEK millions	Mar 31 2015	Mar 31 2014	Dec 31 2014
Assets			
Fixed assets	56,082	39,427	56,598
Other current assets	15,059	11,720	16,767
Cash and cash equivalents	336	540	1,104
Total assets	71,477	51,687	74,469
Equity and liabilities			
Restricted equity	5,735	3,753	5,735
Unrestricted equity	38,318	27,022	38,551
Total equity	44,053	30,775	44,286
Untaxed reserves	-	43	0
Long-term liabilities and provisions	16,980	15,432	17,222
Current liabilities and provisions	10,444	5,437	12,961
Total equity and liabilities	71,477	51,687	74,469

Financial information, per quarter

The financial information for 2013 and 2014 are pro forma as if SSAB has owned Rautaruukki since January 1, 2013. The information in the tables below is reported excluding items affecting comparability.

The Group's result per quarter, excluding items affecting comparability

SEK millions	Pro forma								1/15
	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14	
Sales	14,114	14,557	13,800	14,542	14,598	15,208	15,039	15,267	15,468
Operating expenses	-13,276	-13,663	-13,434	-13,912	-13,728	-13,979	-13,794	-14,188	-13,979
Depreciation/amortization	-933	-935	-878	-858	-843	-841	-837	-892	-938
Affiliated companies	-6	7	-9	-6	7	1	1	-14	13
Financial items	-208	-247	-227	-238	-305	-259	-148	-210	-214
Total	-309	-281	-748	-472	-271	130	261	-37	350

1) Pro forma, excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki. In the first quarter of 2015, depreciation/amortization on surplus values related to the acquisition of Rautaruukki is included with SEK 51 million.

Sales per quarter and division

SEK millions	Pro forma								1/15
	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14	
SSAB Special Steels	3,430	3,355	2,819	3,243	3,348	3,477	3,203	3,198	3,620
SSAB Europe	6,262	6,409	5,796	6,199	6,649	6,568	6,006	6,634	6,835
SSAB Americas	2,647	2,606	2,873	3,004	2,831	3,152	3,716	3,508	3,508
Tibnor	2,098	2,157	1,871	1,968	2,055	2,077	2,109	1,910	2,075
Ruukki Construction	1,229	1,731	1,941	1,730	1,224	1,625	1,836	1,532	1,147
Other	-1,552	-1,701	-1,500	-1,602	-1,509	-1,691	-1,831	-1,515	-1,717
Total	14,114	14,557	13,800	14,542	14,598	15,208	15,039	15,267	15,468

Operating profit before depreciation/amortization, EBITDA, per quarter and division, excluding items affecting comparability

SEK millions	Pro forma								1/15
	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14	
SSAB Special Steels	429	383	-125	364	377	471	72	345	388
SSAB Europe	318	311	104	-21	364	383	408	369	677
SSAB Americas	149	76	209	276	194	299	689	438	453
Tibnor	62	32	26	5	51	57	59	6	48
Ruukki Construction	-64	96	187	96	-37	88	138	-4	-19
Other	-62	3	-44	-96	-72	-68	-119	-89	-46
Total	832	901	357	624	877	1,230	1,247	1,065	1,501

Operating profit/loss per quarter and division, excluding items affecting comparability

SEK millions	Pro forma								1/15
	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14	
SSAB Special Steels	292	246	-262	225	242	338	-61	207	252
SSAB Europe	-62	-78	-280	-402	-16	10	61	-54	312
SSAB Americas	33	-40	90	158	74	176	558	299	296
Tibnor	39	10	4	-17	29	34	36	-16	29
Ruukki Construction	-128	39	128	27	-92	32	72	-26	-62
Depreciation on surplus values, IPSCO	-201	-206	-151	-123	-124	-125	-132	-140	-158
Depreciation on surplus values, Rautaruukki	-	-	-	-	-	-	-	-	-51
Other	-74	-5	-50	-102	-79	-76	-125	-97	-54
Total	-101	-34	-521	-234	34	389	409	173	564

Production and shipments

Thousand tonnes	Pro forma								
	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14	1/15
Crude steel production									
- SSAB Special Steels	243	259	168	284	245	288	170	278	354
- SSAB Europe	1,072	1,088	1,115	1,124	1,149	1,139	1,119	1,163	1,186
- SSAB Americas	610	583	632	647	625	595	687	613	555
- Total	1,925	1,930	1,914	2,055	2,019	2,022	1,976	2,054	2,095
Steel production									
- SSAB Special Steels	120	123	100	128	138	134	105	136	119
- SSAB Europe	1,050	1,060	937	1,093	1,103	1,127	967	1,049	1,154
- SSAB Americas	574	541	590	626	583	572	648	563	518
- Total	1,744	1,724	1,627	1,847	1,824	1,833	1,720	1,748	1,791
Steel shipments									
- SSAB Special Steels	274	285	239	257	291	295	244	235	259
- SSAB Europe	865	881	787	902	957	916	829	913	976
- SSAB Americas	494	466	530	558	496	522	559	488	476
- Total	1,633	1,632	1,555	1,717	1,744	1,732	1,632	1,636	1,711

Note:

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

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Report for the second quarter of 2015

The report for the second quarter of 2015 will be published on July 22, 2015.



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