ANNUAL REPORT **2014**

TOWARDS INDUSTRY-LEADING PROFITABILITY

SSAB

SSAB in brief

60

Net sales SEK 60 billion pro forma

17,000

Number of employees: approximately 17,000

50

Employees in 50 countries

SSAB is a highly specialized, global steel company. The company is a leading producer on the global market for Advanced High Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T), strip, plate and tubular products, as well as construction solutions.

SSAB's steels help to make end products lighter and increase their strength and lifespan.

SSAB has a cost-efficient and flexible production system. SSAB's production plants in Sweden, Finland and the US have an annual steel production capacity of 8.8 million tonnes. The company also has capacity to process and finish various steel products in China and a number of other countries. In Sweden and Finland, production is integrated into a blast furnace process. In the US, it is scrap-based production in electric arc furnaces.

Main production sites
- Luleå, Sweden, SSAB Europe
- Raahe, Finland, SSAB Europe
- Hämeenlinna, Finland, SSAB Europe
- Borlänge, Sweden, SSAB Europe
- Oxelösund, Sweden, SSAB Special Steels
- Mobile, USA, SSAB Americas
- Montpelier, USA, SSAB Americas

We are unique
- A global leader in value-added high-strength steels
- The origin of the best applications development and service innovations
- Leading home market positions in the Nordics and US
- Long-term customer relationships
- Strong end-user focus
- Unique, globally recognized brands

1878
Domnarvets
Järnverk, Borlänge

1913
Oxelösunds
Järnverk AB

SSAB is listed on Nasdaq OMX Stockholm (Large cap list) and has a secondary listing on Nasdaq OMX Helsinki.
- Headquarters in Stockholm, Sweden
- President & CEO Martin Lindqvist
- SSAB employs approximately 17,000 people in 50 countries
- Net sales: SEK 60 billion pro forma (SEK 57 billion in 2013)

SSAB's divisions 5

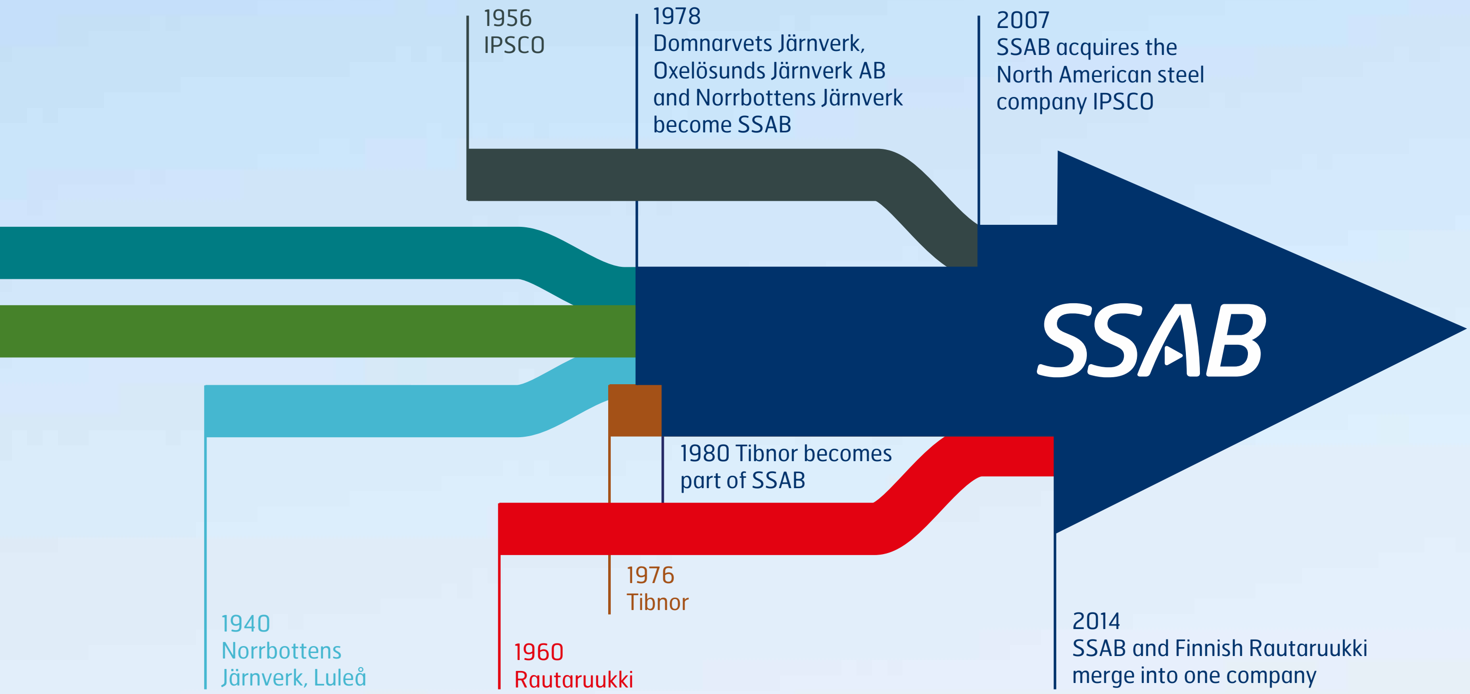
SSAB Special Steels
Global steel and service partner in value-added Advanced High Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T)

SSAB Europe
The leading Nordic-based steel producer of high-quality strip, plate and tubular products

SSAB Americas
Market-leading North American steel producer of high-quality heavy plate

Tibnor
The leading Nordic distributor of steel and non-ferrous metals

Ruukki Construction
European provider of energy-efficient building and construction solutions



Contents

Business overview

Financial reports

The Annual Report is published in Swedish, English and Finnish. In the event of any differences between the English or Finnish translations and the Swedish original, the Swedish Annual Report shall prevail.

Year 2014 in brief

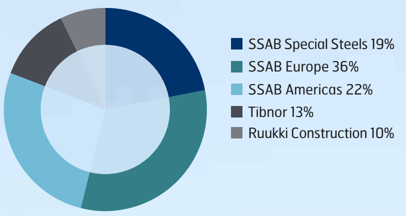
- Sales of SEK 47,752 (36,455) million, of which SEK 8,824 million came from Rautaruukki
- Excluding items affecting comparability, operating profit/loss of SEK 894 (-1,204) million
- Excluding items affecting comparability, profit/loss after financial items of SEK 242 (-1,801) million
- Earnings per share of SEK -3.33 (-3.29)
- Items affecting comparability affected profit after tax by SEK -1,778 million and earnings per share by SEK -4.24
- Operating cash flow of SEK 1,737 (1,956) million
- A dividend is proposed of SEK 0 (0) per share

Group

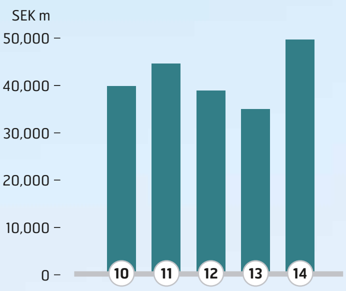
	2014	2013
Sales, SEK million	47,752	36,455
Operating profit/loss[1], SEK million	894	-1,204
Profit /loss after financial items[1], SEK million	242	-1,801
Earnings per share, SEK	-3.33	-3.29
Operating cash flow, SEK million	1,737	1,956
Proposed dividend, SEK	0	0

Divisions

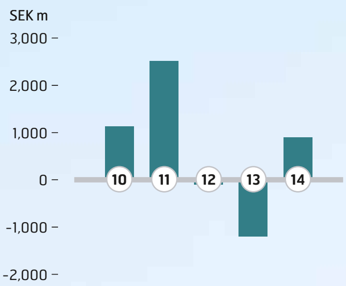
Sales[2], SEK 60,112 m



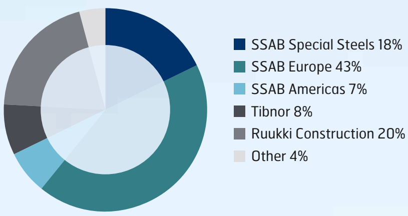
Total sales



Operating profit/loss[1]



Number of employees 16,887



1) Excluding items affecting comparability
2) Pro forma

Comments by the CEO

The event having the greatest impact on SSAB in 2014 was the acquisition of the Finnish company Rautaruukki. Together, we are now creating a more efficient and flexible steel company, whilst strengthening our leading position on the home markets in the Nordic region and globally within high-strength steels. Although the markets indeed improved somewhat during 2014, the relatively weak recovery underscores the need to continue to improve efficiency, along with further development of our customer offering. Integration with Rautaruukki has gone according to plan and we will achieve the synergy targets we set.

Greatly improved operating profit

The pro forma operating profit, excluding items of comparability, for the full year 2014 was SEK 1,005 million, compared to a loss of SEK 890 million in 2013. This improvement was attributable to lower costs in our European operations, together with higher prices and increased efficiency in our North American operations. Compared to 2013, SSAB's shipments were up 3%, which was in line with market development.

The global steel market showed mixed development during 2014: good demand in the US, stable, low demand in Europe, and still challenging in Asia. Many of SSAB's end customers that use high-strength steels, such as customers in the mining industry and construction machinery sectors, have continued to show weak development.

Combination drives efficiency, flexibility and a stronger offering

On January 22, 2014, we announced our ambition to join forces with the Finnish company Rautaruukki. Following the regulatory competition review by the European Commission, we were able to go ahead with the combination on July 29, 2014. The combination gives us better possibilities to further increase efficiency and flexibility, improve the customer offering and grow within high-strength steels. The combination has made SSAB the clear leading actor in flat steel products and tubes in the Nordic region, and given us a more comprehensive offering both locally and globally.

Work on capturing the synergies identified is progressing at speed and in January 2015, we were able to announce that the actions we are taking are expected to impact on the result faster than we had originally expected. The current target is to capture synergies from the acquisition equating to SEK 1.4 billion on an annual basis, with full run-rate from the second half of 2016 onwards. This will give SSAB considerably better leverage to return a profit also during periods of low demand.

During 2014, we also took a decision to develop SSAB's operations in America by capital expenditure projects to eliminate production bottlenecks. These projects will be completed in 2015. SSAB's steel plants in the US are highly efficient and, with limited outlay, we can increase plate production by around 60,000 tons a year. Another important capital expenditure project decided in 2014, and which will be completed during 2015, is the relining of the blast furnace in Luleå. Once this project has been completed, the new SSAB's five blast furnaces will provide the flexibility to increase or decrease production in a way which we were unable to do earlier.

> *"The combination gives us better possibilities to further increase efficiency and flexibility, improve the customer offering and grow within high-strength steels."*

Rautaruukki fits in excellently with our strategy

SSAB's strategy is based on an overriding vision to contribute to a stronger, lighter and more sustainable world. The vision relates to SSAB's ability to develop steel applications for customers to enable them to reduce end-product weight, increase payloads, simplify production and to cut fuel consumption, to mention just a few examples.

Three overriding objectives have been formulated into the strategy "Taking the lead" – to be leader on domestic markets in the Nordic region and North America, to be global leader within high-strength steels and to be leader within value-added services.

Rautaruukki gives SSAB a considerably larger base in the Nordic region within sheet and plate, and strengthens the global position within high-strength steels through new products, trademarks and markets. The product offering is being expanded within sectors such as high-strength tubes for the automotive industry and within coated products, for example. On top of this, a greater total number of service centers and production units enhance the service level.

How the objectives will be achieved has been formulated into three concepts: flexible operations, a high-performing organization and superior customer experience. Acquisition of Rautaruukki gives us an enhanced cost position in the Nordic region, together with the widest offering and highest level of service. SSAB has already previously enjoyed a leading cost position among comparable steel works in North America. A recurring theme in the combination has been to capitalize on the best competences in SSAB and Rautaruukki. Together, the new SSAB gains considerably greater competence and a broader platform on which to develop new products and offerings, and thus to further strengthen customer collaboration.

Towards industry-leading profitability

In conjunction with SSAB's Capital Markets Days in October 2014, we presented SSAB's overriding ambition to recapture its leading position as one of the most profitable steel companies globally. Historically, in terms of profitability, SSAB has outperformed peer competitors as a whole, but our performance in recent years has been unsatisfactory.

SSAB is a highly-specialized steel company, and we are well placed to strengthen profitability through the improved efficiency of strip products in the Nordic region, by capturing synergies, continuing to develop profitable operations in the US, and by continuing to grow through high-strength steels and value-added services. We will achieve the objectives we have set ourselves and achieve leading profitability (in terms of EBITDA margin), which ranks among the top three in a selected peer group.

As earlier, our objective is to pay, over a business cycle, a dividend constituting around 50% of profit after tax, taking into account the net debt/equity ratio. Likewise, we are keeping our objective as regards the capital structure, where our goal is a long-term net debt/equity ratio of around 30%. We are striving to gradually reduce the current debt/equity ratio and thus continue to strengthen our balance sheet.

Objective of zero accidents

We have long been striving to constantly increase awareness of and to reduce risks in all operations. Despite all our efforts, regrettably a fatal accident occurred at SSAB's site in Luleå. To further strengthen our focus on safety, in 2014, we created a central unit to support local work to improve safety. Much progress has been made within SSAB Americas, whose accident statistics are among the lowest in the industry. These experiences are key to our work to lower accident statistics also in our Nordic operations.

Focus on sustainability

Steel is the world's most used material and one we all come into contact with in all possible contexts. One of the clear advantages of steel is that it can be recycled indefinitely. Nevertheless, steel-making is an energy- and resource-intensive industry, which is why, as a steelmaker, we have a responsibility to minimize adverse environmental impacts. SSAB's strategy with high-strength steel has clear environmental advantages. Even if our blast furnaces are already among the world's most emissions efficient, in 2014, we continued to invest in technology to further reduce emissions and increase energy efficiency.

Environmental work is an important part of sustainability work, which also, among other things, involves questions of energy, social responsibility, business ethics and supplier monitoring. During the year, I decided to coordinate sustainability work more clearly, and to this end we set up a group sustainability function that reports directly to me. Risks and opportunities must be analyzed and targets set to take the Group's sustainability work further and to include sustainability issues more clearly in our business. During 2015, we will announce a revised sustainability strategy and new goals for this prioritized area.

Cautious optimism

There was a slight improvement in our main markets during 2014 and, despite slow recovery, we expect to see a certain growth in demand during 2015. SSAB is better placed than earlier now that the combination with Rautaruukki has given us greater flexibility and efficiency. The combination has entailed much extra work for many colleagues and I would like to take this opportunity to thank all SSAB's people for their admirable contribution in taking the company forward during 2014. In the same context, I would also like to thank our shareholders for approving the acquisition of Rautaruukki. Last, but by no means least, I would like to thank all our customers for continued valuable cooperation during 2014 and I look forward to even more partnership projects during 2015.

Martin Lindqvist,
President and CEO

OUR VISION

SSAB's vision points out the direction for the company's long-term development and the objective toward which the company strives: a stronger, lighter and more sustainable world.

Together with our customers, we will go further than anyone else in realizing the full potential of lighter, stronger and more durable steel products.

OUR VALUES

Our values are the guiding principles of our company. They shape our culture and characteristics. They serve as a compass for our actions and behavior, and describe what we stand for. Values guide us daily in making the right choices and doing the right things.

CUSTOMER'S BUSINESS IN FOCUS

- We constantly listen to and understand our customers' needs.
- We aim to always take an active, long-term interest in our customers' business.
- We want to earn our customers' trust.
- We want to be our customers' innovation partner.

TAKING RESPONSIBILITY

- We build strong, long-lasting relationships by being professional, cooperative and honest.
- We keep our promises.
- We work safely and responsibly.
- We respect people and strive for diversity.

EXCEEDING EXPECTATIONS

- We are dedicated, ambitious and proud of what we do.
- We are straightforward, result-oriented and quickly take action.
- We don't do things that don't create value for our stakeholders.
- To achieve top performance, we always challenge ourselves and further enhance our expertise.

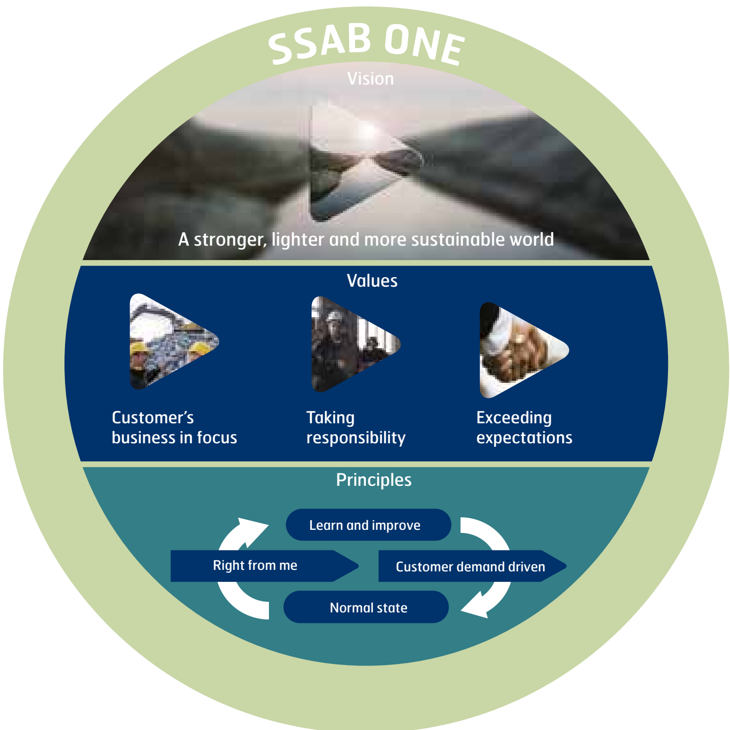
Strategy and targets

SSAB's strategic direction

SSAB's strategy "Taking the lead" is aimed at securing the company's long-term development and value for shareholders and other stakeholders, while at the same time promoting long-term sustainable development. SSAB's overarching objective is to be one of the most profitable steel companies in the world.

SSAB ONE – THE NAME OF OUR MANAGEMENT PHILOSOPHY

SSAB One is about having the customer's business as a starting point when involving all employees in improvement work, to improve the flow or the series of activities that create customer value.



FINANCIAL TARGETS

SSAB has three financial targets within three different areas.

Area	Objective
Profitability	SSAB aims for an industry-leading profitability measured as EBITDA margin among comparable peers[1)].
Capital structure	The Group's operations are cyclical. The objective is a long-term net debt/equity ratio of 30%.
Dividends	Dividends are adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It should also be possible to use dividends to adjust the capital structure.

SUSTAINABILITY TARGETS

Following the combination between SSAB and Rautaruukki, a new sustainability strategy and targets for SSAB are being developed. The new sustainability strategy, to be launched during 2015, will support the overall SSAB strategy – Taking the lead.

1) AK Steel, Dillinger, Nucor, Salzgitter, Steel Dynamics, Tata Steel Europe, Thyssenkrupp, US Steel

Strategy – Taking the lead

SSAB's strategy "Taking the lead" has been formulated to drive SSAB to become the industry-leading producer of high-strength steels globally and market leader in its home markets. The combination with Rautaruukki (Ruukki) in 2014 further enhances the company's ability to successfully execute the strategy. The goal introduced at the Capital Markets Day in October 2014 is for SSAB to regain its position as one of the most profitable steel companies.

▶ Home-market leadership

Leading home market positions form the base for SSAB's steel strategy in the Americas and the Nordic markets. In the case of North America, leadership position means securing SSAB's position as the preferred, largest, and most cost-efficient domestic heavy plate producer. Against the backdrop of a recovering market environment, SSAB has decided to gradually expand output capacity at its mills in Montpelier, Iowa and Mobile, Alabama.

In the Nordic home market, the combination with Ruukki has strengthened SSAB's leadership position. SSAB is the largest carbon steel producer with full coverage of the Nordic region and steel segments. The combination with Ruukki enables SSAB to also offer a broader product range and strengthens delivery capabilities to customers in the Nordic region. Tibnor continues to be a wholly-owned steel distributor that distributes both SSAB's material and other ferrous and non-ferrous metals.

▶ Global leadership in high-strength steels

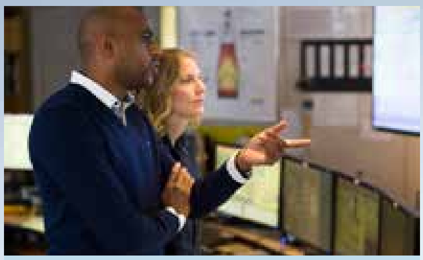
SSAB's strategy is global leadership in high-strength steels, which will be achieved by delivering superior products and by working with customers to develop new high-strength steel applications. SSAB has a unique product range within Quenched and Tempered Steels (Q&T), together with a very competitive and complete offering within Advanced High Strength Steels (AHSS). The combination with Ruukki has added further to this strategy through new products, brands and market positions in high-strength steels.

An important element in SSAB's high-strength steel strategy is to grow in new markets and customer segments. During 2014, SSAB has taken further steps to expand its sales and supply network in Asia, Latin America, Africa and the Middle East. Furthermore, the new quenched and tempered steel production line in Mobile, Alabama is now able to produce most of SSAB's Q&T products.

▶ Leader in value-added services

SSAB's strategy is to develop and deliver more than steel. Value-added offerings, whether they be services, distribution stock sales, formatting or pre-processing, will deliver additional customer value and strengthen customer relationships. Also in this respect, the SSAB-Ruukki combination creates additional benefits through many more processing centers in Europe.

During 2014, SSAB has taken steps to expand its wear service offering, with the addition of 18 new members to the Hardox Wearparts network, which among other things promotes solutions with steel from SSAB Special Steels. SSAB also acquired G&G Mining Fabrication in Australia and WearClad in South Africa, with a particular focus on serving the mining wear parts market.



Superior customer experience

Unlike many steel companies who prefer to act via distributors, SSAB works also directly with end-users through its own sales force. SSAB provides value and customer experience exceeding that delivered by most of the steel industry.

To remain at the forefront, SSAB will continue to invest in research and development, technical customer support, and joint innovation initiatives on how to get the best out of SSAB's high-strength steels. At the same time, the organization strives towards the highest standards in terms of product quality, shorter lead times and good delivery reliability – something the SSAB-Ruukki combination will improve further.

High-performing organization

As a global company serving a fragmented market of steel end-users, SSAB's business model requires local initiative and highly-skilled employees at all levels. This is why great importance is attached to recruiting and retaining committed, skilled employees. During 2014, the focus has been on building the new organization based on a best of both -principle, aligning values, management criteria and incentive systems following the SSAB-Ruukki combination.

The SSAB One management philosophy represents the foundation of the company's ambition to constantly improve business operations.

Since good work performance and quality requires a safe workplace, SSAB places great importance on ensuring that all employees and subcontractors can perform their work securely and safely.

Flexible operations

One aspect of the industrial rationale behind the SSAB-Ruukki combination is the opportunity to create a more cost-effective and flexible steel production system in the Nordic region. A program has been initiated to harvest synergies and create new ways of working based on the new production system.

A recent benchmarking has confirmed the leading cost performance of SSAB's US steel production system among other scrap-based plate steel mills. A decision to debottleneck and increase capacity in the existing mills will further add to SSAB's leading performance on this front.

"This is an historic milestone for SSAB and Ruukki, and I am very pleased and proud to be able to announce that we can now start our journey together," stated Martin Lindqvist on July 29, 2014.

New SSAB – together we are stronger

Main benefits of the combination

- Strengthened *customer offering* and close cooperation with customers
- Enhanced ability to invest in product development and R&D – *innovation leader*
- Enhanced potential for *profitable growth* in Advanced High Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T)
- Increased *flexibility* and *cost effectiveness*
- Annual *cost synergies* of up to SEK 1.4 billion, which will be realized over a two year period

On January 22, 2014, SSAB and Rautaruukki announced a plan to combine the two companies through SSAB making a recommended public share exchange offer to Rautaruukki's shareholders.

The main rationale behind the combination was to create a more competitive company, with a broader production base in the Nordic region. Increased production flexibility and cost effectiveness so as be able to better adapt to changes in market demand were further benefits.

Rautaruukki Corporation became a subsidiary of SSAB AB as of July 29, 2014, with SSAB holding 95.1% ownership on completion of SSAB's share exchange offer. On November 20, 2014, SSAB obtained ownership of the remaining shares in Rautaruukki Corporation after arbitral proceedings and Rautaruukki shares were consequently delisted from Nasdaq OMX Helsinki.

Today, SSAB has global coverage, but roots in both its home markets: the Nordics and the USA. The new SSAB has achieved an improved cost position, a stronger product portfolio, and a greater possibility to cost-efficiently adapt to periods both of weak and strong demand.

On July 14, 2014, the European Commission approved the combination – conditional on a commitment by SSAB to divest the following assets:

- Steel service center Halmstad, Sweden
- Steel service center Naantali, Finland
- Tibnor Oy in Finland
- 50% ownership in Norsk Stål AS and Norsk Stål Tynnplater AS
- Plannja Oy in Finland

Net sales generated by these entities represent less than 4% of the new SSAB's total sales.

Market development and drivers

The global steel market continued to show cautious recovery during 2014, albeit with significant regional variations. In North America, the trend was stable, driven by stronger economic recovery, whereas the trend in Europe was slightly positive and growth in China slower. Raw material prices fell sharply during the year.

Market trends

Long term, the global steel market is expected to grow 2–3% a year driven by continued growth globally, greater demand from a growing middle class in developing countries, and by new applications. Slowing economic recovery has been reflected in steel demand and production. During 2014, steel production rose by around 1%, which is lower than the expected long-term global trend.

In Europe, austerity drives in most major economies have weakened the economic climate. Growing threats of recession and further budget constraints have an adverse impact on the demand for steel. The USA continued to show positive development with good underlying economic growth of 3%, steel consumption was 2% up during the year. The Chinese economy continued to decelerate in 2014 in pace with tougher regulation of the financial system and a cooling of the real estate sector.

The automotive industry has recovered and shows good growth in both Europe and North America. The situation in the mining industry has stabilized, with lower levels of investment compared to earlier years. The energy segment continued to perform well, especially in the USA, where both traditional forms of energy such as oil and gas showed positive development. A high rate of investment was also maintained in alternative sources of energy.

Profitability within the steel industry generally showed some improvement during 2014, albeit from a very low level. This improvement is primarily linked to lower prices of feedstocks, especially iron ore.

Drivers and commentary

CHANGED GROWTH PATTERNS GLOBALLY

With 50% of the world's steel consumption, China is still the largest single market for steel. Nevertheless, 2014 saw the beginning of a slowdown in pace with the slowing growth of the Chinese economy. Similarly, the high rates of growth have also slowed somewhat in the other emerging markets in Asia, South America and Eastern Europe in 2014. In parallel with this, more mature markets have recovered more strongly, resulting in increased demand for steel. In North America in particular, new energy developments create opportunities for increased industrial activity.

SWITCH TO HIGH-STRENGTH STEELS

The growth potential for high-strength steels continues to be higher long-term than for standard steels. This is being driven not least by expected new environmental requirements, which will increase the use of and demand for high-strength steels. Also steel users within, for example, the construction and automotive industries are working to lower costs, increase safety and reduce the weight of their products. Within the mining industry, endeavors are being made to increase the durability of equipment and reduce downtimes. All this is beneficial to demand for high-strength steels long term. However, the general economic climate and uncertain outlook will continue to impact short-term demand and willingness to invest within a number of important end-customer segments.

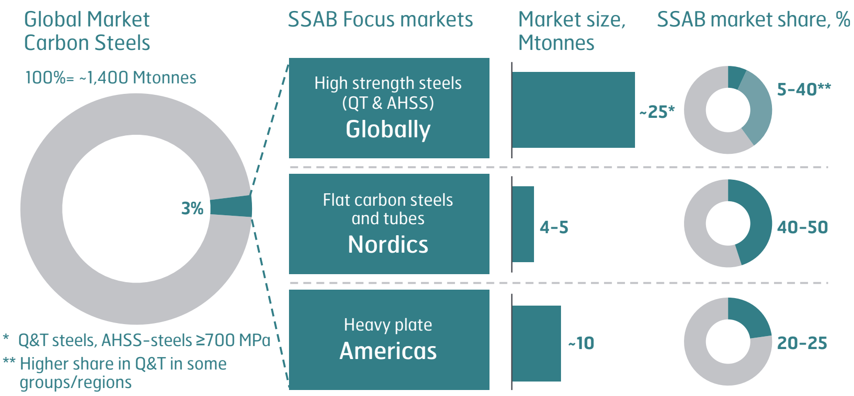
EXCESS CAPACITY AND CONSOLIDATION IN THE STEEL INDUSTRY

Excess steel production capacity, especially in Europe and China, continue to impact on the price structure of steel, and thereby the profitability of the world's steel producers. The European Commission estimates the excess capacity in Europe to be at around 20–25%. In China, too, there is significant excess capacity and the authorities are working on plans for consolidation and capacity downsizing among less competitive and environmentally sound mills.

DECLINING RAW MATERIAL PRICES

Raw material prices are important drivers in the steel industry. During 2014, iron ore prices fell sharply to reach their lowest levels since 2009. This is in a backdrop of demand not meeting expectations at the same time as both new and existing actors have added new ore capacity. During 2014, iron ore supply was around 100 million tonnes greater than demand. Coal prices also stabilized at historically low levels during the year. Towards the end of 2014, scrap metal prices in North America declined somewhat.

SSAB is market leader in defined areas of the global carbon steel market



* Q&T steels, AHSS-steels ≥700 MPa
** Higher share in Q&T in some groups/regions

SSAB offering – with our customers all the way

SSAB's business model is based on close, long-term cooperation with its customers. This means that SSAB continuously develops new products, applications, services and processes in a bid to constantly enhance its market offerings.

1,000

During 2014, more than 1,000 customer projects carried out

Development in close cooperation with customers

Close cooperation with customers is key to SSAB's way of working. As early as possible in the development stage of a new product model – be it a tipper, a dumper or a crane – SSAB's qualified applications engineers work to support the customer in developing new solutions to best utilize the qualities of each steel grade. This is how SSAB makes it possible for customers to produce stronger, lighter and more durable end products. In addition, when customers require further support, SSAB Shape can set up solutions with customized components offered for immediate delivery with the help of SSAB's know-how and worldwide network of subcontractors.

Customer needs also serve as the basis for SSAB's research and development work. SSAB has research and development centers in Borlänge and Oxelösund (Sweden), Raahe and Hämeenlinna (Finland), Montpelier (Iowa, USA), and Kunshan (outside Shanghai, China). Approximately a quarter of employees within R&D and SSAB's Knowledge Service Center hold doctorates in technology, a factor which ensures cutting-edge research. In addition to product improvements, research and development teams also focus on production and processing enhancement.

SSAB's R&D is focused primarily on advanced high-strength steels and wear steels. SSAB has identified a number of segments in which demands on the steel are particularly critical and call for extra development focus. Increased environmental awareness has been an important driving force in the development work. Within this area, SSAB's high-strength steels are of great importance

"Weight payload, as well as durability and service life, are crucial factors for the attractiveness of many of our customers' products on the market. Switching over to advanced steels creates great potential for customers to increase their competitiveness. However, conversion requires knowledge of both high-strength steels and the usage of the end-product. By conducting development projects together with our customers and providing advanced customer support, we are together able to create improved solutions for the market. During 2014, we carried out more than 1,000 customer projects and conveyed knowledge about the advantages of high-strength steels to more than 10,300 individuals."

since they enable more energy-efficient transportation and hence lower CO_2 emissions. Know-how about production processes, material recycling and efficient use of resources are also of great importance.

Aftermarket business – for and together with our customers

The aftermarket has always constituted an important part of SSAB's business. Much of SSAB's know-how comes from experience gained in the spare parts, repair and maintenance business, where new ideas are born and many new products developed.

It was in 2000, that Hardox Wearparts, an international network for customers manufacturing parts made of Hardox wear plate, was launched. Experience gained from this network is now being further developed, and includes an offering of solutions for all customer needs which may arise on the aftermarket.

A concept which has been developed involving One-Stop-Shops focuses primarily on customers in the wear steel market who work, for example, with mining, recycling and quarrying. Consequently, SSAB's wear steel portfolio has been broadened to include heavy castings and chrome-carbide overlay. An important part of the offering comprises SSAB's know-how and tools for measuring and identifying abrasion on existing equipment, analyzing utilization conditions and needs, as well as calculating advantages with new and improved tools such as 3D scanning or the Wear Calc calculation tool.

SSAB's know-how is combined with the knowledge possessed by the approximately 150 companies included in Hardox Wearparts network, gradually supplemented with acquisitions which make it possible for this business to grow and be developed all around the world.

Cooperation with our customers

SSAB takes great effort to understand customer needs. Increased competition and stricter environmental-impact laws generate demand for lighter trailers to replace the heavy, less efficient ones from past decades, despite their long lifespan.

For example, Santander Equipos, a Chilean trailer manufacturer, reduced the weight of their Cross-Linked Beverage Trailer by 32% and increased its load capacity by approximately 9% due to the joint efforts of their engineers and SSAB's Knowledge Service Center, local sales and engineers. SSAB made a structural analysis, suggested changes to better take advantage of Advanced High Strength Steels. Lower fuel consumption was an additional beneficial effect for the end-user from the use of high-strength steel, new design, a reduction in plate thickness and less welding.

SSAB's way of working with customers

SSAB Special Steels

Global steel and service partner in value-added Advanced High Strength Steels (AHSS) and Quenched & Tempered Steels (Q&T).

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. These products allow customers to design lighter, stronger and more durable products.

SSAB Special Steels is responsible for steel production in Oxelösund (Sweden), as well as for the sales of the above products produced in Mobile (USA), Raahe (Finland) and Borlänge (Sweden).

When SSAB Special Steels sells steel produced in another division, the revenues are reported in SSAB Special Steels and settlement of account takes place between the divisions at the cost of goods sold.

Customers and end-users

Core customer segments include manufacturers of machines and equipment in construction, mining, materials handling, heavy transport, lifting equipment and the SSAB's products are used wherever the goal is to design lighter, harder-wearing products.

SSAB Special Steels works close to end-users in order to best understand how products work at customers. This also ensures the understanding necessary to guide product and process development in the best possible way to be able to offer optimum products in response to constantly increasing demands.

SSAB's unique competitive edge lies in one of the widest product portfolios in the market, combined with in-depth knowledge of materials, design and production. All this creates the basis to work with customers to develop lighter and harder-wearing end-products.

Examples of end-applications for SSAB Special Steels:

- Buckets and containers
- Dumpers and tipper bodies
- Chassis for trucks and cranes
- Wear parts in all kinds of machinery
- Crane arms

Products and services

SSAB SPECIAL STEELS PRODUCTS:

Hardox is a worldwide leading brand of wear steels designed for maximum payload and longer service life – a unique combination of hardness and toughness. Hardox comes in a wide range of grades and dimensions.

Raex is a wear steel designed to withstand even the most demanding conditions. It is the safe and cost-effective choice with both good weldability and forming properties.

Domex, Weldox and Optim are structural steels designed for sustainable and light-weight solutions in yield strengths up to 1,300 MPa.

Toolox is our ready-to-use tool steel for saving time to market, supplied as Q&T plate or round bars.

Armox and Ramor are protection steels designed for the protection of life and property. They are available in a range of grades developed to meet different requirements.

A new product portfolio will be launched in 2015.

SSAB SPECIAL STEELS SERVICES:

Hardox Wearparts is a one-stop-shop concept for wear products and services – it consists of a worldwide network of 150 Hardox Wearparts Centers, of which 16 are owned by SSAB. These centers provide spare parts and advice to the local after market in, for example, the mining, infrastructure, construction and recycling sectors.

SSAB Shape offers customized solutions based on a wide range of design, processing and logistics services through its own VAS Centers (Value Added Services) and a worldwide network of pre-processing suppliers.

Head of SSAB Special Steels: Per-Olof Stark (1954), EVP

11,552

Sales in 2014[1]: SEK 11,552 million pro forma (11,138 in 2013)

19%

Proportion of the total sales of SSAB Group: 19% (20)

3,000

Number of employees: approximately 3,000

[1] External sales

Market conditions and general market drivers

Society's demand for lighter and more sustainable products is driving development towards increased use of high-strength and wear steels. SSAB's steels offer the possibility to build lighter products with a longer lifecycle in way that reduces component wear and lowers fuel consumption, increases lifting performance and enables higher payloads. Market penetration of high-strength and wear steels is increasing in all markets, although the penetration rate in emerging markets is considerably lower than on mature markets.

Market areas and market share

- Market share is 5–40% globally. The highest market share is within quenched steel
- Strong market position in important core customer segments in the mining and heavy transport industries
- Focus on customer segments and markets that have the potential to grow faster than the standard steel market
- Europe accounts for about 50% of sales, North America for almost 20%
- Latin America, Africa and Asia are important regions for future growth

Strategy and strategic choices

SSAB Special Steel aims to be the global leader in the use of wear, high-strength and protection steels.

STRATEGIC PRIORITIES:

- Strengthened by a broader product portfolio and wider customer base, to accelerate growth within Q&T and AHSS products
- To improve customer service and reduce costs by leveraging the global production system and hence exploit economics of scale
- To actively expand the offering in the downstream business model with Hardox Wearparts-concept
- To identify SEK 250 million of cost synergies (full run rate achieved during second half of 2016)

Strengths

SSAB is a cutting-edge developer and manufacturer of wear, structural, tooling and protection steels.

- World-class product offering – widest product portfolio in the world
- A global production system enables us to supply these products in a uniquely broad range of thicknesses, qualities and dimensions
- Well-known and highly-respected product brands with loyal customers
- Competitive lead-times and service on a global scale:
  - Total production capacity comprises 9 quenching lines globally
  - Steel service centers and supporting downstream production sites in almost 150 locations in more than 50 countries worldwide
- A unique combination of expertise regarding the development of SSAB's steels, design and manufacturing of applications, in close cooperation with our customers

Competitors

International steel product manufacturers such as Dillinger Hütte, NLMK Clabecq, Salzgitter, Voestalpine, ArcelorMittal, ThyssenKrupp, Tata Steel Europe and Nucor.

SSAB Europe

The leading Nordic-based steel producer of high-quality strip, plate and tubular products.

Head of SSAB Europe:
Olavi Huhtala (1962), EVP

21,586

Sales in 2014[1]: SEK 21,586 million pro forma (20,620 in 2013)

36%

Proportion of the total sales of SSAB Group: 36% (36)

7,300

Number of employees: approximately 7,300

[1] External sales

SSAB Europe is a leading producer of highest-quality strip and plate as well as tubular products. SSAB Europe's processing centers tailor products to customer needs. Production know-how of high-strength steels combined with the value-added services relating to its customers' steel products makes SSAB Europe stand out from many other producers.

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global responsibility for the automotive segment.

SSAB Europe's focus is on the home market in northern Europe and the Nordic region, and selected growth areas in Eastern Europe.

SSAB Europe's main production sites are in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden). Production is based on integrated blast furnace processes.

Other production sites include Finspång (Sweden) and Kankaanpää i(Finland). The division also has tube production in Hämeenlinna, Lappohja, Oulainen, Pulkkila and Toijala (Finland) and in Virsbo (Sweden), as well as processing sites in the Netherlands, Norway, Russia, Poland, Sweden and the UK.

Customers and end-users

SSAB Europe's broad range of products allows the division to support customers in diverse segments and in a range of applications.

SSAB sells its products both directly to end customers and to steel service centers.

SSAB EUROPE'S MAIN CUSTOMER SEGMENTS

- Heavy transport
- Automotive
- Energy
- Material handling
- Infrastructure
- Agriculture

SSAB Europe supplies different steel grades to major OEMs in the heavy and commercial vehicle sector. Just like manufacturers of passenger vehicles, these manufacturers, too, are seeking the benefits of light weighting and more efficient use of fuel. The division sells its products also to major agricultural machinery makers and to silo producers throughout the world for grain storage. Heavy plates are used extensively in the Nordic markets and within Europe in the energy sectors, whilst color-coated materials are used by manufacturers of metal roofing and rainwater systems, particularly in the Nordic and Eastern European markets.

Products and services

SSAB Europe has a broad product offering through internationally well-known product brands. Yield strength classes of hot-rolled products reach 600 MPa, steel grades exceeding this strength level in hot-rolled products come under the product offering of SSAB Special Steels. Cold-rolled and galvanized products range from 200 to 1,700 MPa and are also available for many specific needs such as weather resistance and formability. The full range of products includes:

- Hot-rolled plate products
- Hot-rolled strip products
- Cold-rolled strip products
- Metal-coated strip products
- Color-coated strip products
- Tubes and sections
- Infra products

SSAB Europe's set-up enables high availability, short delivery times, extensive logistics services and a high degree of flexibility to meet customer needs. Particularly in the Nordic region, the set-up provides customers with a leading service. Customers can also obtain steels in different formats. SSAB Europe's service offering also includes technical, development and workshop support, training, etc.

Market conditions and general market drivers

SSAB Europe continues to operate in a tough market environment. Steel demand in Europe has been at historically weak levels during the past few years, and only small changes in the underlying demand are expected in the near future.

However, there are regional differences and there is growing potential for SSAB Europe's products and services in some Eastern European countries.

There is still excess capacity in the European steel industry and also considerable imports from producers in other parts of the world. The European steel industry is characterized by tough competition, with a margin squeeze when comparing raw material prices with steel prices on the market.

Market areas and market share

- In the Nordic region, SSAB Europe is a full-range supplier of high-quality steel products from SSAB's broad product portfolio
- Leading position within selected AHSS applications for the automotive industry
- In Russia, building up a market presence in recent years
- In color-coated products, SSAB has leading brands and products
- Extensive offering of tubular products resulting from the company's own product development

Historically strong in Western Europe, SSAB Europe now sees increasing opportunities to develop sales activities in Eastern Europe.

The key market segments display the wide range of the company's customer offering; lifting, handling and transportation, yellow goods, automotive, offshore, agriculture, construction machinery and energy.

SSAB Europe is the only steel tube manufacturer in the Nordic countries with an extensive selection of tubular products and profiles to meet the needs of the construction and manufacturing industries.

Strategy and strategic choices

The Nordic region home market is a core part of SSAB's strategy and the ambition is to develop the market including the value-added offer whilst maintaining the position as the most reliable and preferred supplier.

The combination of SSAB and Rautaruukki creates a more competitive and flexible steel production system, and broader product portfolio.

Throughout Europe, the focus is on supplying value added material to customers in all markets, pursuing a strategy of selective growth rather than commodity sales.

STRATEGIC PRIORITIES

- Secure the Nordic home market and grow in selected categories and nearby markets
- Leverage the combination with Rautaruukki to significantly improve the cost position and flexibility of the Nordic production system
- Win market share by strengthening the customer offering and value proposition
- Good opportunities for focused growth initiatives

Strengths

- Strong market position in the Nordic countries
- Close cooperation with customers leading to a superior customer experience
- Broad product portfolio with unique and strong product brands
- Strong, growing customer base in Europe
- Strong technology and materials expertise
- Flexible production capacity
- Steel products tailored to meet customer-specific needs
- Strong partner and distributions network

Competitors

SSAB Europe's main competitors include ArcelorMittal, Dillinger, Salzgitter, ThyssenKrupp, Tata Steel Europe and Voestalpine.

SSAB Americas

Market-leading North American steel producer of high-quality heavy plate.

SSAB Americas is the largest producer and supplier of heavy plate in North America. SSAB Americas is strongly positioned in North America as the most cost efficient and preferred plate producer.

Modern steel mills are located in Mobile (Alabama) and Montpelier (Iowa) and have an annual production capacity of 2.4 million tonnes. Both mills utilize a scrap-based, electric arc furnace method to produce steel. The mills are strategically located to cover the industrial heartland in North America, with access to the strategic southern port system providing logistical advantage.

SSAB Iowa has a modern, world-class R&D facility adjacent to the steel mill. It has some of the most cutting-edge testing, simulation and metallographic equipment in the world. The facility is LEED (Leadership in Energy and Environmental Design) certified, and is staffed with highly skilled research engineers and technicians.

SSAB Mobile has one of the world's most advanced quenching and tempering (Q&T) lines with a capacity to produce 300,000 tonnes of Q&T heavy plate a year. Q&T steels are sold via the SSAB Special Steels division.

In addition to steel mills, SSAB Americas operates cut-to-length facilities in Houston (Texas), St. Paul (Minnesota) and Toronto (Canada). With the flexibility to handle both SSAB's steel as well as steel from external suppliers, these locations process coils of various widths, gauges and grades to meet customer-specific requirements and rapid on-time demands.

Customers and end-users

SSAB manufactures a wide range of high-quality standard steel products and high-strength steels that are used in various industries.

CORE CUSTOMER SEGMENTS INCLUDE

- Energy: gas, oil and water pipelines, offshore structures, transmission, wind towers and petro-chemical tanks
- Heavy transport: railway transport, ships and offshore, agriculture, forestry and fishing
- Construction: lifting, yellow goods, construction machinery
- Service centers: plate and coil
- Mining: earthmoving equipment

Products

- Heavy plate
- Heavy plate coils
- Heat treated heavy plate
  - Normalized plate
  - Quenched and tempered
- Other products
  - Hot-rolled coils
  - Cold-rolled coils
  - Metal-coated products
  - Pre-painted products

Market conditions and general market drivers

Overall, in the long run the plate market in America is positive, supported by the energy sector and improving heavy transport and construction industry.

- Recovery within general construction and civil engineering segments, improving employment in the construction sector and increased equipment utilization rates
- Strong long-term demand for plate from energy-related industries and transportation – good demand for transporting products to refineries increases both railcar and line pipe demand
- Rail tank car market creates demand for normalized plate
- Redesign in specified wall thickness of rail tank cars could result in up to a 20% increase in steel usage
- Wind tower and other alternative energy equipment are excellent applications for plate products
- Transmission tower activity remains elevated as upgrading of electrical grid delivery system continues

Head of SSAB Americas:
Charles Schmitt (1959), EVP

13,120

Sales in 2014[1]: SEK 13,120 million pro forma (11,044 in 2013)

22%

Proportion of the total sales of SSAB Group: 22% (19)

1,300

Number of employees: approximately 1,300

[1] External sales

Market areas and market share

- Largest producer and supplier of heavy plate in North America
- Strong market position in energy and heavy transport customer segments

Strategy and strategic choices

SSAB's goal is to maintain its leading position on the heavy plate market and to gradually expand capacity to capture some of the expected market growth. Further investment decisions will be made based on the assessments of the long-term supply/demand situation and the ability to maintain the leading cost position.

- Provide industry-leading customer service levels
- Improve safety culture to an industry-leading level
- Strengthen the low-cost leadership position – continuous improvement process and implementation of the SSAB One philosophy

Strengths

- A strong North American production base with an industry-leading cost position and best-in-class customer service reputation
- Two modern production facilities, electric arc furnaces (EAF), which use scrap steel as a raw material
- Close cooperation with customers to create competitive advantages

Competitors

SSAB America's primary competitors are both domestic suppliers and imported products.

Tibnor

The leading Nordic distributor of steel and non-ferrous metals.

Tibnor supplies steel and non-ferrous metals to engineering, processing and construction companies in the Nordic region and Baltics. The company offers a complete range of multi-metal products and associated services developed to meet customer needs.

Tibnor has built its reputation as the leading Nordic distributor through an extensive range of products in combination with expertise in pre-processing, as well as logistics and administrative solutions.

Tibnor's production units pre-process material, which means they take care of the first stage in the customer's production to enable the material supplied to be used directly by customers in their core processes. The stock and pre-processing business account for about 80% of net sales, with direct mill supplies accounting for the remaining 20%.

Customers and end-users

Tibnor's customers are Nordic & Baltic industries using steel and non-ferrous metals in their production processes. Core business segments are the following industries:

- Engineering
- Automotive including heavy vehicles
- Construction

The first two segments often depend on export markets, whereas the construction segment is driven more by local investments in building and infrastructure.

Tibnor has approximately 10,000 customers in the Nordic region and Baltics.

Products & services

Tibnor offers a complete range of steel and non-ferrous products. The stock is closely monitored to meet the needs of the Nordic and Baltic manufacturing industry at all times. SSAB's product range represents approximately 40% of Tibnor's sales. Commercial and special steel products distributed by Tibnor from other producers include engineering steel and long products, such as beams, merchant bars and hollow sections used for construction purposes, as well as reinforcement bars to the building industry. Stainless steel and non-ferrous metals, mainly aluminum and copper, represent approximately 25% of sales.

Tibnor pre-processing activities are on a cost-effective industrial scale that saves customer time, risk and the need for resources. Tibnor can pre-process all product groups that it supplies to the market. Customers receive a product ready for use in their own production processes with no need for additional preparations.

Tibnor has a well-established distribution system that works with different logistics flows. These solutions range from 24-hour stock deliveries to individual material flows designed to meet customer needs.

Tibnor has administrative solutions that make it easy for the customer to call-off material, create their own offers, place orders or access documents. Customers can use e-services, EDI, web-shops or personal service as they choose. One of Tibnor's core competences is to make life more efficient for industrial buyers.

Market conditions and general market drivers

Close to 60% of all steel delivered in the Nordic region is supplied through distributors. Value-added services are of increasing importance for industrial customers as part of their efficiency improvement programs.

Market areas and market share

Tibnor has a strong presence in the Nordic region, with Sweden accounting for about half of the sales, followed by Finland and Norway, both at about 20%, and the Baltics as well as Denmark.

Tibnor has a share of around 20% of the Nordic distribution market.

Head of Tibnor:
Mikael Nyquist (1963),
President

7,702

Sales in 2014[1]: SEK 7,702 million pro forma (7,626 in 2013)

13%

Proportion of the total sales of SSAB Group: 13% (13)

1,300

Number of employees: approximately 1,300

[1] External sales

Strategy and strategic choices

- Grow home market leadership
  - Growth in standard and special steels
- Establish one strong Nordic set-up
- Expand distribution offering in the Nordics
  - Leading in value-added services and multi-metal offering
  - Superior customer and supplier collaboration

Tibnor works with four clearly defined areas of expertise:

- Material supply and advice
- Pre-processing
- Logistics
- Administrative solutions

Tibnor wants to be perceived by its customers as their preferred partner. Services are developed based on the needs of Nordic and Baltic industry.

Strengths

Tibnor is a multi-metal supplier and can help its customers to make the right decisions when selecting steel and non-ferrous metals. Tibnor's experience means it knows what works well in different industrial situations.

- Extensive product range and value-adding services combined with a strong distribution network
- Full geographic coverage in the Nordic region
- Good delivery accuracy and short lead-times. Tibnor's services help customers to improve their logistics and administrative flows
- Strong combined set-up of pre-processing for SSAB products; both flat carbon steel and tubes
- Strategic relations with SSAB as well as with external material suppliers enable Tibnor to support customers in a unique way regarding choice of material

Competitors

Competitors include BE Group, as well as a number of national local companies and niche players.

Ruukki Construction

European provider of energy–efficient building and construction solutions.

Ruukki Construction serves construction industry by manufacturing products and offering services that respond to the growing needs of customers, who require energy-efficient solutions and flexibility to modify buildings. Ruukki's services include design and consultancy, manufacturing and installation – to achieve the lifetime efficiency of buildings.

Ruukki Construction's product and service portfolio extends from the design to the delivery of products such as steel frames, sandwich panels for walls, as well as profiled products such as load-bearing sheets and roofing products for residential construction.

Ruukki Construction has operations in 16 countries.

Customers and end-users

Ruukki Construction has a balanced customer mix across segments and countries throughout the value chain:

- Investors and developers
- Designers and architects
- Installation companies and contractors
- Residential roofing dealers and tin smiths
- Consumers

Core business segments

- Commercial and industrial construction
- Residential construction

Products and services

- Steel roofs, rainwater systems and accessories for residential construction
- Building components such as sandwich panels (for example Ruukki energy panel and Ruukki life panels), load-bearing sheets and façade claddings for non-residential buildings both for new buildings and renovation construction
- Solutions for single- and multi-storey commercial, office and industrial construction, including steel frame, roof and wall components
- Design, installation and other services

Market conditions and general market drivers

Ruukki Construction operates both in the residential and non-residential construction segments. Energy efficiency is a growing trend in both segments.

GENERAL MARKET DRIVERS

- Increasing energy prices and customer awareness resulting in lifecycle thinking and higher demand for energy-efficient solutions
- Growing demand for buildings that can be modified to take into account changing needs for space
- Growth in renovation construction
- Construction business is becoming more service driven

Market areas and market share

- Ruukki Construction operates in the Nordics, Baltics, Central Eastern Europe (CEE) and Russia
- A strong market positions in the Nordics fortified by the Plannja integration
- Growth potential in CEE and Russia

Strategy and strategic choices

RESIDENTIAL ROOFING

Growth and role change:

- Build and roll out replicable business model
- Expand distribution and installation in selected countries to get closer to consumers

BUILDING COMPONENTS

Toward energy-efficient and functional building envelopes:

- Differentiate business focusing on energy-efficient & functional products
- Focus on fewer market segments and growth within them

Head of Ruukki Construction: Marko Somerma (1966), President

6,150

Sales in 2014[1]: SEK 6,150 million pro forma (6,561 in 2013)

10%

Proportion of the total sales of SSAB Group: 10% (12)

3,300

Number of employees: approximately 3,300

[1] External sales

BUILDING SYSTEMS

From tailored towards modular concept buildings:

- Step change in commercial & operational project management excellence
- Develop replicable modular solutions

Strengths

- No 1 brand and solid market positions
- New innovative technologies and concepts
- Products that respond to market needs delivered just in time
- Energy–efficient solutions
- High-quality products with extensive warranties and certificates
- Know-how including design, consultancy, manufacturing and installation
- Production capacity to meet requirements for big projects
- Frame and envelope delivery, including installation, from one supplier
- Strong materials know-how

Competitors

BUILDING COMPONENTS AND ROOFING

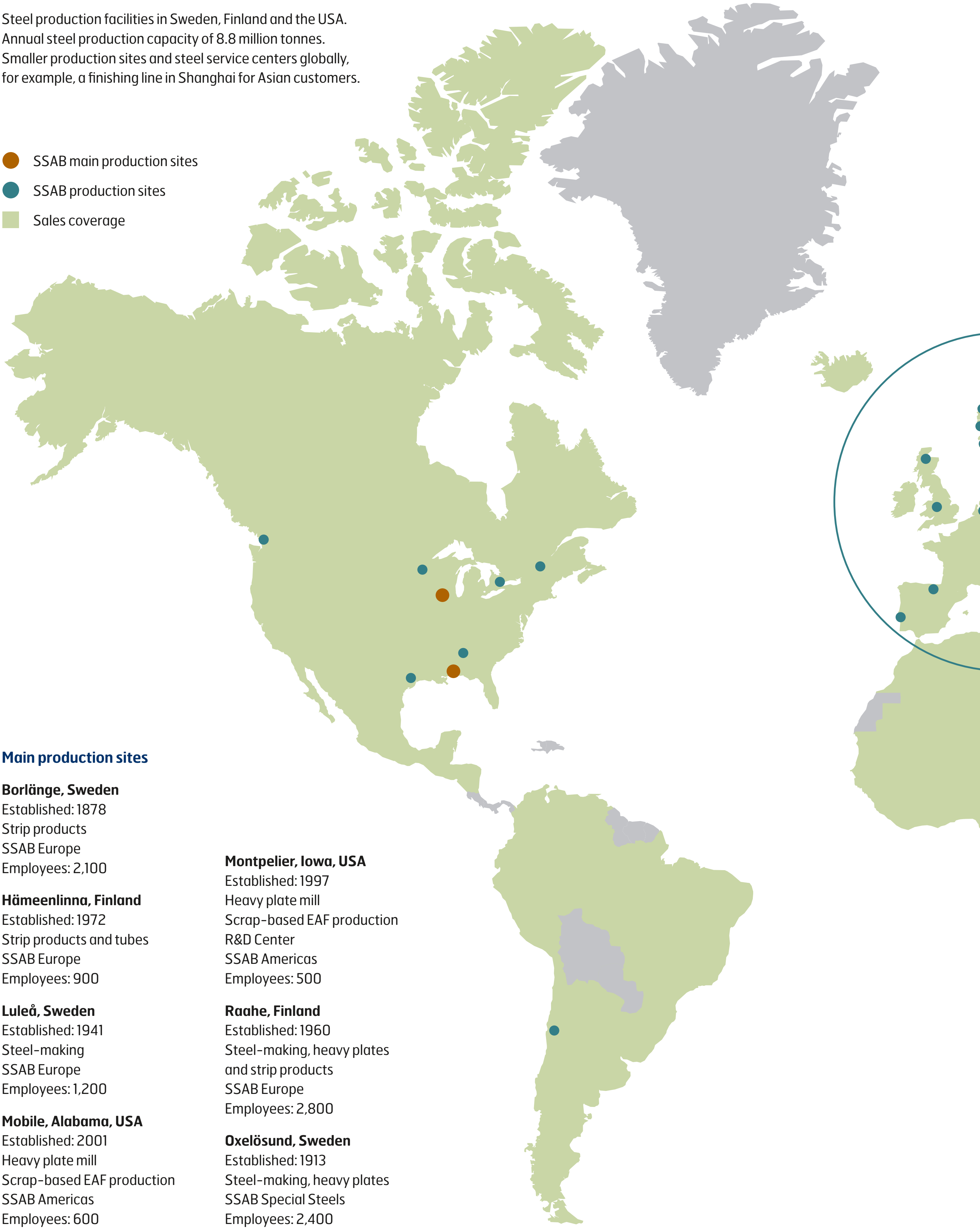
- Component suppliers such as Kingspan, Paroc, Trimo, Lindab, Weckman Steel, Metall Profil, Balex Metal and Blachy Pruszynski
- Construction business of global steel companies
- Small, local companies
- Alternative construction materials

BUILDING SYSTEMS

- Steel frame suppliers such as Normek, Contiga and Polimex Mostostal
- System suppliers such as Lindab and LLENTAB
- Small, local companies
- Alternative construction materials

Production sites

Steel production facilities in Sweden, Finland and the USA. Annual steel production capacity of 8.8 million tonnes. Smaller production sites and steel service centers globally, for example, a finishing line in Shanghai for Asian customers.



Main production sites

Borlänge, Sweden
Established: 1878
Strip products
SSAB Europe
Employees: 2,100

Hämeenlinna, Finland
Established: 1972
Strip products and tubes
SSAB Europe
Employees: 900

Luleå, Sweden
Established: 1941
Steel-making
SSAB Europe
Employees: 1,200

Mobile, Alabama, USA
Established: 2001
Heavy plate mill
Scrap-based EAF production
SSAB Americas
Employees: 600

Montpelier, Iowa, USA
Established: 1997
Heavy plate mill
Scrap-based EAF production
R&D Center
SSAB Americas
Employees: 500

Raahe, Finland
Established: 1960
Steel-making, heavy plates and strip products
SSAB Europe
Employees: 2,800

Oxelösund, Sweden
Established: 1913
Steel-making, heavy plates
SSAB Special Steels
Employees: 2,400

Brands and corporate identity

SSAB's reputation as a company and the reputation of SSAB's brands are among the company's most valuable assets. All of the company's brands have the same parent brand: SSAB. The SSAB brand identity reflects the vision, corporate values and market focus. SSAB stands for quality, innovation and inspiration, – and above all close, long-term customer relationships and cooperation.

SSAB prides itself on making products that lead our industry with regard to quality, workmanship, durability, energy efficiency and performance. SSAB has a strong end-user focus and a product brand strategy that allows customers to benefit from strong product brands like Hardox.

SSAB is constantly looking for new ways of adding value, new services and support for customers. This is why SSAB's brands are based on the position of global leadership in value-added high-strength steels. SSAB has developed specialized expertise within high-strength and quenched and tempered steels to provide customers and end-users with improved products, productivity and environmental advantages.

To be a high-performing organization, SSAB needs to maintain and further develop its position of global leadership. The employer branding focuses on both current and future employees, and aims to employ high-performing people who can be proud of working for a knowledge-intensive company, and who want to commit themselves to working according to SSAB's values.

Since the combination with Ruukki, a major rebranding project has taken place to rebrand all brand-related processes and materials from Ruukki to SSAB. Ruukki Construction will retain the Ruukki brand and logo. The product brand program is also being reformulated as part of SSAB's ongoing pursuit to provide customers with value-added, high-strength steel products to support a stronger, lighter and more sustainable world.

High-performing organization

A high-performing organization is one of the cornerstones of SSAB's strategy. This involves long-term work on developing and strengthening the performance culture, objective of zero accidents, and continuing to be an attractive knowledge company.

Building a high-performing organization

Focus during the first part of 2014 was on planning and preparing for the successful integration of SSAB and Rautaruukki, and in parallel minimizing business disruption. Since September, the focus has been on three key areas to build a high-performing organization:

- Building and manning the new SSAB's divisions and functions to ensure business agendas are realized by an effective organization as well as matching talent with opportunities
- Strengthening leadership. SSAB leaders are instrumental in managing change and thereby ensuring the organization is high-performing. A global process for management planning has been implemented in order to map the development needs as well as the talent and leader pipeline
- Establishing a reward framework that supports performance in alignment with the goals and strategy of the new SSAB

CEO and Group Executive Committee regularly arrange meetings for senior managers in order to lay the foundation for a high-performing company culture. After these meetings – in order to cascade outcomes from these meetings – there are roadshows where Group Executive Committee and Divisional management members jointly visit major sites.

In addition, employee development and creating attractive career opportunities continue to be important priorities to secure competence in the mid- to long term.

Responsible integration to secure a high-performing culture

The combination of SSAB and Rautaruukki is carried out responsibly by recognizing company culture as an enabler for a successful integration. During the planning phase, principles for the integration were defined:

- Combining the best of both companies
- A fair and transparent integration process
- Building one high-performing company

In addition, a company culture survey was conducted among the project members to explore strengths, similarities as well as improvement opportunities and prepare all for the upcoming integration.

In September 2014, a broader survey was conducted where employees were invited to respond. A random sample of around 3,000 employees was invited to take part in a cultural survey in order to give a view on perceived strengths and improvement opportunities of the new SSAB's organization and existing culture.

Among the top characteristics, currently and relevant for the future, that received the highest ranking were Customer focus, Being competitive and Team work. Speed of implementation was seen as the single most important improvement opportunity.

Overall, the respondents were motivated and management received good grades. Clarity of work and supervisor communication were seen as areas with most room for development.

Diversity and equal opportunities

SSAB has employees in over 50 countries. Leveraging on diversity, when it comes to competence, experience and background, and providing equal opportunities are fundamental in achieving results.

The steel industry is traditionally male-dominated. An important starting point for work with gender diversity is to increase the share of females in leading positions. During 2013, SSAB participated, together with other companies, in a program called "Battle of the Numbers", which resulted in an improvement plan approved by Group Executive Committee. Several of the initiatives were implemented prior to the combination with Rautaruukki, for example a gender diversity score card and diversity workshops with top management.

During 2015, SSAB will continue to focus on improving diversity. Together with other Swedish companies, SSAB will for example participate in the "Äntligen Jobb" (Job at last) program which aims to provide internship to immigrants with an academic background.

Leadership and competence

During the year, SSAB has been focusing on mapping the critical competence demands required for successfully realizing the business agenda, as well as to understand what kind of competences are available in the new SSAB. The insights found have enabled us to define and staff new leadership teams for the group, divisions and global functions, as well as matching the needs of individuals with opportunities provided by the integration.

Through the global annual Management Review process, SSAB works to ensure that internal leadership talents are identified and developed. In the process, all SSAB managers are assessed against the company's management criteria, and successor plans are established. An important function of the Management Review is to ensure SSAB has suitable internal candidates for managerial positions. The results from the Management Review will be used actively during the year for competence development, appointments and as a support in organizational development. The process will be based on the previously existing Management Review process of the former SSAB with some improvements.

Engaging SSAB people for performance towards goals

Aligning individual performance with SSAB's strategic direction is a central element in being a high-performing organization. Clarity concerning goals and performance expectations as well as feedback are key elements and enablers to effectively manage the change journey.

The annual performance dialog, between the manager and employee, is a key element in following up results, providing mutual feedback, discussion around the workplace atmosphere, planning future performance and individual development.

SSAB continuously reviews and aligns reward structures to ensure performance management processes are supported effectively.

Safety first

SSAB is determined to be one of the safest steel companies in the world and the objective is to achieve zero accidents and work-related injuries. The provision of a safe and secure work environment for employees, contractors and other partners is top priority. Safe working is a basic requirement for working at SSAB. Occupational safety is part of the integrated management system and company values.

To achieve the objective of zero accidents and injuries, SSAB will:

- Ensure that safety is taken into consideration in all activities and decisions across the company
- Cooperate to prevent accidents and work-related ill-health by identifying, evaluating and removing risks
- Systematically identify and eliminate the root causes of accidents and near misses which have occurred to prevent them from happening again
- Ensure that occupational safety is the management's and line organization's responsibility and that they are assisted by occupational safety specialists. All SSAB employees are, however, responsible for their own safety and for that of others in their own working environment. Employees must intervene and instruct colleagues and contractors when they take a risk or fail to comply with established safety rules. All work which is not performed safely must be discontinued
- Set a good example. Managers are responsible for the work environment and must set a good example and serve as good role models
- Ensure that all employees are provided with all necessary instructions, as well as the training and equipment necessary for facilitating safe working practices
- Comply with, or exceed, all statutory requirements, as well as requirements imposed by the authorities or other legal parties
- Establish clear objectives and carry out regular monitoring to ensure that these objectives are fulfilled

SSAB's lost time accident frequency resulting in an absence of more than one day was 6.6 (7.4). There were a total of 182 accidents.

SSAB Americas and Ruukki Construction were the best performing divisions in safety, serving as excellent internal benchmarks in safety for the rest of SSAB. However, good results have also been achieved in some units in Europe, showing that determined safety management and leadership bears fruit. To achieve the goal of being among the safest steel companies in the world, all divisions are running safety development programs. At Group level, the focus of safety development is on setting common safety management principles, harmonizing safety reporting, sharing information on divisional activities and results, sharing best practices and information on serious incidents between the divisions, as well as recommendations on preventive actions.

Divisional safety programs will focus on leadership, training and the involvement of all personnel in risk observation and executing corrective and preventive actions. Safety work will also be enhanced by aiming to improve incident data collection and tracking, as well as by utilizing a more systematic approach to analyzing the root causes of incidents. There will also be safety campaigns focusing on particular risk areas e.g. crane operations and lockout tag out procedures.

Special emphasis will be given to contractor safety.

SSAB employees record numerous proactive safety observations. The safety observation frequency for 2014 was 18,844 per million working hours. A total of 1.1 such observations were reported per employee. The reporting and fast implementation of corrective actions is the most important tool towards our goal of becoming an accident-free working environment.

Sustainability in brief

Most of the energy consumption and emissions of a steel end-product arise during the use phase of the product. SSAB can impact this by offering customers high-strength and energy – efficient steel products and solutions that prolong the useful life of an end-product, reduce environmental impacts and lower costs throughout its entire lifecycle.

Another key factor in reducing the lifecycle environmental impacts of end-products is to continuously improve material and energy efficiency in SSAB's production processes, because this leads to lower emissions and less use of resources. With a globally unique offering of high-strength and wear steels produced in very efficient processes, SSAB contributes to building a stronger, lighter and more sustainable world.

New sustainability management organization

Sustainability is embedded in SSAB's vision and strategy. In the new SSAB, even stronger focus is being placed on managing and coordinating sustainability and corporate responsibility issues on Group level. In September 2014, Maria Långberg was appointed President Merox AB and Vice President & Head of Group Sustainability. This function reports directly to the President and CEO of SSAB. To ensure Group-wide collaboration, a Sustainability Management Team has been formed. The members of the team create a network of expertise with the responsibility to coordinate SSAB's sustainability initiatives on Group level. Decisions related to the strategic direction of SSAB's sustainability work are taken by the Sustainability Board. In practice, sustainability is integrated into the day-to-day work at production sites and global business and support functions.

Renewed sustainability strategy will be ready during 2015

Because of the combination with Rautaruukki, there will be a review of the sustainability strategy and objectives introduced in 2013. At the end of 2014, a materiality analysis process was conducted in order to define SSAB's most important sustainability aspects in accordance with the new GRI G4 process*. As a part of this process, a stakeholder survey was carried out in the form of an online survey and interviews of a selected group of our key stakeholders – owners, investors, customers and our own employees. The outcomes of the stakeholder survey are taken into account when updating SSAB's sustainability strategy and targets, and when defining the material aspects and indicators for next year's GRI G4 report content.

The renewed sustainability objectives for SSAB will be defined during 2015. These objectives will include measurable targets related to SSAB's most important sustainability aspects. Information about the sustainability targets defined in 2013 can be found in the Sustainability Report 2014 on pages 21 and 32.

Updated policies and guidelines

SSAB has been a signatory to the UN's Global Compact for several years, thereby making clear the responsibility the company takes as regards the environment, people and communities that are affected by SSAB's operations. Since the combination with Rautaruukki, SSAB has undergone major reorganization. To ensure all Group policies and guidelines continue to meet external and internal requirements, the Group polices will be updated during the beginning of 2015 according to the new company. The Code of Business Ethics, the Environmental Policy and the Health and Safety Policy are the most important policies at Group level.

Code of Business Ethics

SSAB's Code of Business Ethics (the "Code") is the Company´s ethical compass and lays down guidelines for SSAB's behavior vis-à-vis stakeholders and the market. The Code helps SSAB to translate values into action and forms the basis for the Company's environmental and social responsibility commitments. The provisions of the Code take precedence over all other policies in a division area or at a subsidiary level and, in certain cases, may be further-reaching than national laws and regulations. The Code is corporate-wide and applies to all employees. The Code is based on international standards including the UN Declaration of Human Rights and UN Global Compact Principles.

More information about SSAB's sustainability work and approach can be found in the Sustainability Report.

* Global Reporting Initiative (GRI) is a leading sustainability reporting framework. The fourth generation of the guidelines, GRI G4, was launched in 2013. Reports published after December 31, 2015 should be prepared in accordance with the new version, if a company reports officially according to the GRI framework.

Share and shareholders

SSAB's shares are listed on the Nasdaq OMX Stockholm's Large Cap List in Sweden.

In conjunction with SSAB's completion of the combination with Rautaruukki, SSAB applied for a secondary listing on Nasdaq OMX Helsinki, Finland, where SSAB's shares have been listed since August 1, 2014.

During the year, SSAB's shares were traded on the Nasdaq OMX Stockholm Exchange for a total of SEK 44.8 billion. Shares were traded on all exchange days and averaged approximately SEK 179.8 million per day. The volume of A shares traded during the year corresponded to 221% of the average number of outstanding shares. The volume of B shares traded corresponded to 69% of the average number of outstanding shares.

Initial trading in the SSAB share on the Nasdaq OMX Helsinki Exchange has been relatively low. Trading in the share in Helsinki (A and B share) averaged 0.25 million shares per day during August 1 to December 31.

The SSAB-share is also traded on multilateral trading facilities (MTF), on market places such as BOAT, Burgundy, Chi-X and Turquoise. Of the total volume of traded shares, 78% of the class A shares and 87% of the class B shares were traded on Nasdaq OMX Nordic (Stockholm and Helsinki).

Change in number of shares and votes

On July 29, 2014 the share exchange offer to Rautaruukki's shareholders was completed. Under the offer, Rautaruukki's shareholders received newly issued shares in SSAB in exchange for their shares in Rautaruukki. Since that date, Rautaruukki has been included in the SSAB Group. The 3.9% minority of Rautaruukki's shareholders who did not accept the share exchange offer will receive cash consideration of EUR 11.24 per share in a compulsory redemption procedure that is expected to be finalized during the first half of 2015.

SSAB's share issue to Rautaruukki shareholders comprised 63,417,438 shares of SSAB class A and 161,893,297 of class B shares. As of July 31, there are a total of 549,245,510 SSAB shares, of which 304,183,270 are class A shares and 245,062,240 are class B shares, equating to 328,689,494 votes in total. Each class A share carries one vote and each class B share carries one-tenth of one vote. An accounting par value per share is SEK 8.80.

Ownership structure

In conjunction with the completion of the share exchange offer, SSAB's number of shareholders increased by more than 32,000. At the end of 2014, SSAB had 92,782 shareholders.

SSAB's three largest owners in terms of voting rights at year-end 2014 were:

- Industrivärden 17.7%
- Solidium 10.1%
- LKAB 3.8%.

The ten largest identified owners together owned approximately 53.3% of the voting capital and 44.1% of the share capital at the end of December 2014. Owners outside Sweden and Finland accounted for 19.9% of voting rights and 18.0% of the total number of shares.

Dividend policy and dividends

Dividends are adapted to the average earnings level over a business cycle and, in the long term, constitute approximately 50% of profit after tax, taking into consideration the net debt/equity ratio. It should also be possible to use dividends to adjust the capital structure.

The Board of Directors has resolved to propose to the Annual General Meeting to be held on April 8, 2015 that no dividend be paid. For the 2013 financial year, no dividend was paid.

Investor relations

During 2014, a large number of meetings were held with owners, investors and analysts, both in Sweden and outside, mostly in Europe and the United States. Presentations and investor meetings are regularly held in connection with the publication of interim reports and annual results. A Capital Markets Day was held in Stockholm on October 1, 2014 and it was attended by approximately 120 visitors in person, together with many others via the webcast.

Ticker codes

Nasdaq OMX Stockholm:
SSABA and SSABB
Nasdaq OMX Helsinki:
SSABAH and SSABBH (class A and class B shares respectively)

Share breakdown

Shareholding	Number of shareholders	% of all shareholders
1–500	46,555	50.2
501–1,000	17,335	18.7
1,001–5,000	24,517	26.4
5,001–10,000	2,419	2.6
10,001–15,000	613	0.7
15,001–20,000	381	0.4
20,001–	960	1.0
Total	**92,782**	**100.0**

Owners as at December 31, 2014

	% of votes	% of share capital
Industrivärden	17.7	10.7
Solidium	10.1	17.1
LKAB	3.8	2.2
Danske Capital	3.1	1.9
Swedbank Robur fonder	2.9	3.1
AMF	2.8	1.8
Invesco Funds	2.8	1.7
Handelsbanken fonder	2.5	2.5
Catella fonder	2.4	1.6
Handelsbanken Pensionsstiftelsen and Handelsbanken Liv	2.2	1.4
Other shareholders	49.7	55.9
Total	**100.0**	**100.0**
Where of foreign-registered shareholders[1]	19.9	18.0

[1] Includes shareholders outside SSAB's listed markets (Sweden and Finland)

Source: Euroclear

The number of shares and the share capital have changed since 1989 as follows:

Year		Change in number of shares	Number of shares	Change in share capital, SEK million	Share capital, SEK million
1989	Conversion	15,000,000	26,500,000	150	2,650
1994	Conversion	5,500,000	32,000,000	550	3,200
1995	4:1 split	96,000,000	128,000,000	0	3,200
1998	Redemption	-15,891,199	112,108,801	-397	2,803
2001	Reduction	-11,210,880	100,897,921	-281	2,522
2005	Redemption	-9,968,861	90,929,060	-249	2,273
2006	Redemption	-4,546,453	86,382,607	-114	2,159
2006	Bonus issue	0	86,382,607	121	2,280
2006	3:1 split	172,765,214	259,147,821	0	2,280
2007	1:4 new issue	64,786,954	323,934,775	571	2,851
2014	New issue	225,310,735	549,245,510	1 982	4,833

Share performance and trading

The 2014 closing prices on the Nasdaq OMX Stockholm Exchange were

SSAB class A share: SEK 45.62
SSAB class B share: SEK 40.21
Total market capitalization at year-end of SEK 23.7 billion

Share performance during 2014

SSAB class A share: -8.0%
SSAB class B share: -4.1%
Nasdaq OMX Stockholm was up by 12.4%

The highest price was:
SSAB class A share: SEK 70.80, on July 24
SSAB class B share: SEK 63.10, on July 25

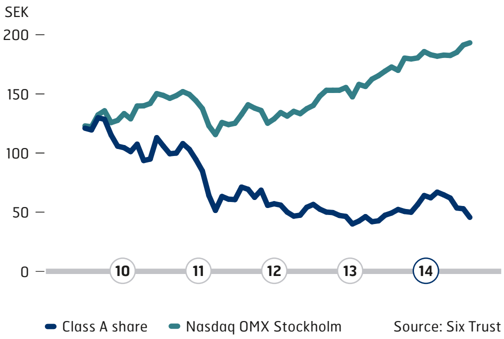
The lowest price was:
SSAB class A share: SEK 42.61, on December 16
SSAB class B share: SEK 37.36, on December 16

Share related key figures

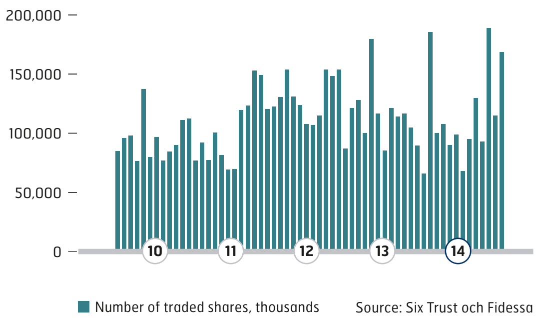
	2014	2013	2012	2011	2010
Share price, at year end, class A share, SEK	45.62	49.30	56.55	60.65	113.00
Profit per share, SEK	-3.33	-3.29	0.05	4.82	1.72
Cash flow before dividend and financing per share, SEK	0.22	3.15	10.10	2.14	-7.59
Equity per share, SEK	79.78	83.74	88.81	94.98	92.26
Dividend per share, SEK	0.0 [1]	0.00	1.00	2.00	2.00
Average number of shares, milion	419.6	323.9	323.9	323.9	323.9
Number of shares at year-end, million	549.2	323.9	323.9	323.9	323.9
Market capitalization at year end, SEK million	23,731	15,321	17,624	18,993	35,452
Valuation					
Direct yield, % [2]	0.0 [1]	0.0	1.8	3.3	1.8
P/E ratio [2]	neg	neg	n.m	12.60	65.70
Price/equity, % [2]	57	59	64	64	122

1) In accordance with the Board's proposal
2) Based on closing price for the class A share

The share's performance



Number of traded shares, all market places



SSAB Financial reports 2014
Contents

Notes

Report of the Board of Directors

SSAB AB (publ) registration number 556016-3429

- Sales of SEK 47,752 (36,455) million, of which SEK 8,824 million come from Rautaruukki
- Excluding items affecting comparability, operating profit/loss of SEK 894 (-1,204) million
- Excluding items affecting comparability, profit/loss after financial items of SEK 242 (-1,801) million
- Earnings per share of SEK -3.33 (-3.29)
- Items affecting comparability affected profit after tax by SEK -1,778 million and earnings per share by SEK -4.24
- Operating cash flow of SEK 1,737 (1,956) million
- A dividend is proposed of SEK 0 (0) per share

Key numbers

SEK millions	2014	2013
Sales	47,752	36,455
Operating profit before depreciation/ amortization, EBITDA [1]	3,695	1,260
Operating profit/loss [1]	894	-1,204
Profit/loss after financial items [1]	242	-1,801
Profit/loss after tax [1]	384	-1,123
Earnings per share (SEK)	-3.33	-3.29
Operating cash flow	1,737	1,956
Return on equity after tax (%)	-4	-4
Net debt/equity ratio (%)	56	55
Equity ratio (%)	49	49

[1] Excluding items affecting comparability; for amounts, see page 35.
Rautaruukki is included in the SSAB Group since July 29, 2014.

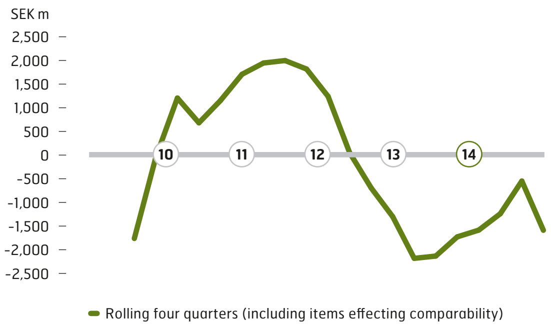
(In the report, amounts in brackets refer to the corresponding period of last year.)

The Market
According to the World Steel Association (WSA), global crude steel production in 2014 amounted to 1,637 (1,618) million tonnes, an increase of just over 1% compared with 2013. The Chinese crude steel production – which during the past ten years has demonstrated strong annual growth – only increased by just less than 1% compared with 2013. In both EU28 and in North America, production increased by 2% between the years.

For the year as a whole, demand on the North American market was good. Following a first quarter characterized by disruptions due to adverse weather conditions, demand increased during the second and third quarters, but subsequently weakened somewhat during the fourth quarter. In Europe, the market experienced weak positive growth during the year, but from low levels. Steel consumption, which had declined somewhat in 2013, displayed a small growth during 2014. In Asia, the market as a whole was negatively affected by the slowdown in demand that occurred in China.

In North America, market prices for plate increased since the fourth quarter of 2013 but experienced downward pressure during the fourth quarter of 2014, driven primarily by a continued increase in imports. Market prices for plate in Europe rose at the beginning of the year, but fell back during the fourth quarter and, at the end of the year, were somewhat lower than at the beginning of the year. Prices for strip products experienced a slight downward trend throughout the year, including the fourth quarter. In China, market prices for plate fell from the beginning of the year up to the middle of the fourth quarter, when the downturn leveled off. Prices of strip products were relatively unchanged during the first half of the year, declined during the third quarter, but were once again stable during the fourth quarter.

Profit/loss after financial items



Raw materials
During the second quarter of 2014, a new agreement was signed for deliveries of iron ore pellets from LKAB. The agreement runs from 1 April 2014 to 31 March 2015, with the price being set quarterly.

Rautaruukki has purchased approximately 80% of its iron ore from LKAB, and the remaining 20% from Russia. Going forward, SSAB will continue to purchase iron ore from several suppliers. The price for pellets, in USD, for 2014 decreased with 17% compared with 2013, and the reduction in Swedish kronor was also 17%. SSAB's price in USD for pellets during the fourth quarter was 35% lower than during the fourth quarter of 2013, while the reduction in Swedish kronor was 29%.

SSAB purchases coking coal from Australia and the US and, with the acquisition of Rautaruukki, is also now purchasing from Canada and Russia. Price agreements for Australian, Canadian and Russian coal are entered into monthly, while most of the US coal agreements are signed on an annual basis. The average price for 2014, in USD, decreased by 20% compared with 2013, while the decrease in Swedish kronor was 18%. SSAB's price in USD for coal during the fourth quarter 2014 was 19% lower than during the fourth quarter of 2013, while the reduction in Swedish kronor was 13%.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices at the end of December were 20% lower compared with the end of the fourth quarter of 2013.

The acquisition of Rautaruukki
On July 29, the share exchange offer to Rautaruukki's shareholders was completed. Under the offer, Rautaruukki's shareholders received newly issued shares in SSAB in exchange for their shares in Rautaruukki. As from that date, Rautaruukki is included in the SSAB Group.

During the fourth quarter, the acquisition analysis of Rautaruukki was completed. In the acquisition analysis, Rautaruukki's net assets as of 29 July 2014 were established at SEK 9,789 million. In addition to goodwill of SEK 5,178 million, surplus values on other net assets, net after elimination of acquired goodwill, have been identified at approximately SEK 800 million. For the final acquisition analysis, see Note 26.

Rautaruukki's contribution as from the date of acquisition is shown in the table below:

Contribution from Rautaruukki

SEK millions	As from the acquisition date, July 29, 2014	Contribution pro forma 2014
Sales	8,824	21,184
Operating profit before depreciation/ amortization, EBITDA 1)	635	1,359
Operating profit/loss 1)	66	177
Loss after financial items 1)	-51	-210
Loss after tax 1)	-83	-266
Effect on earnings per share (SEK)	-2.65	-2.92

1) The presentation does not include items affecting comparability.

Depreciation/amortization on surplus values is included for the first column.

The effect on earnings per share has been calculated based on the outstanding number of shares (549.2 million).

Items affecting comparability

In connection with the annual accounts, a review and valuation were conducted as regards SSAB's assets, resulting in a decision to write-down assets by approximately SEK 1.3 billion. The reason for this is that certain assets declined in value during the fourth quarter. Operating profit is affected by approximately SEK 700 million, and financial items by a further SEK 600 million relating to a shareholder loan to the partly-owned company, Fortaco. The write-down of goodwill in Ruukki Construction has been made due to the deteriorating outlook in Eastern Europe. The write-down in assets held for sale relates to the expected capital losses arising from units to be divested as a result of the European Commission's conditions for approval of the combination with Rautaruukki. See Assets held for sale below.

Specification of items affecting comparability

SEK millions	2014	2013
Operating expenses		
Acquisition costs and reorganization	-135	
Write-down, goodwill	-291	
Write-down of assets, Eastern Europe	-131	
Write-down, assets held for sale	-123	
Write-down, Fortaco	-98	
One-off depreciation on surplus values in inventory and order book	-186	
Other	-37	73
Effect on operating profit/loss	**- 1,001**	**73**
Financial costs		
Write-down, shareholder loan to Fortaco	-601	
Transaction tax (Finnish standard rate tax on acquisitions of shares)	-168	
Other financial expenses (primarily bridge financing)	-61	
Effect on profit after financial items	**-1,831**	**73**
Taxes		
Taxes on surplus values, inventory and order book	37	
Other tax effects	16	-16
Effect on profit/loss after tax	**-1,778**	**57**

The items affecting comparability were in all essential respects paid at the end of 2014, or are of such a nature that they have not affected cash flow.

Assets held for sale

According to the terms of the approval from the EU Commission, within 6 months from the date of the combination with Rautaruukki, SSAB is required to divest one steel center in Sweden and one in Finland, the wholly-owned Finnish subsidiaries Tibnor Oy and Plannja Oy, as well as SSAB's 50 percent stakes in Norsk Stål AS and Norsk Stål Tynnplater AS. During the fourth quarter 2014, agreements have been signed for the sale of all of the above operations. As communicated in the beginning of February 2015, the approval from the EU Commission regarding Plannja Oy, Norsk Stål A/S and Tibnor Oy has been obtained. Approval from the EU Commission regarding the remaining assets held for sale is expected to be obtained later in February 2015. As from July 29, 2014, these operations are reported in the balance sheet as Assets held for sale and, commencing that date, depreciation/amortization is no longer made on the assets included in the operations that are up for sale. On December 31, 2014, the net assets of Assets held for sale amounted to SEK 220 million, following a write-down of SEK 123 million. Pro forma sales for the full year of 2014 amounted to SEK 2,052 million. See Note 25.

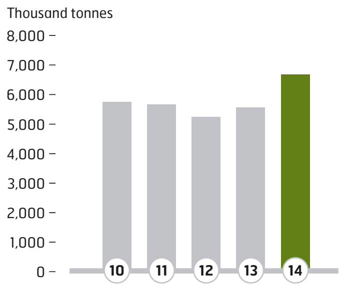
Shipments, production and sales

SHIPMENTS AND PRODUCTION

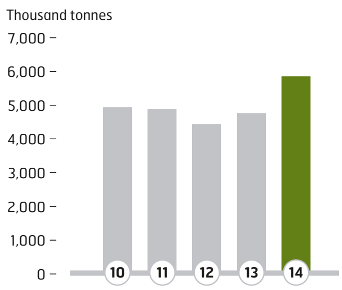
SSAB's shipments during 2014 were 23% higher than during 2013 and amounted to 5,452 (4,427) thousand tonnes. Of the increase, 868 thousand tonnes (20 percentage points) comprised deliveries added through the acquisition of Rautaruukki.

Crude steel production amounted to 6,682 (5,567) thousand tonnes, an increase by 20% compared with 2013 and steel production amounted to 5,857 (4,750) thousand tonnes, an increase by 23% compared with 2013, of which Rautaruukki accounted for 18 and 20 percentage points respectively.

Crude steel production



Strip and plate production



SALES

Sales during 2014 amounted to SEK 47,752 (36,455) million, an increase of 31%. Of the increase, SEK 8,824 million (24 percentage points) comprised sales added through the acquisition of Rautaruukki. Of the remaining change compared with 2013, higher volumes accounted for a positive effect of 4 percentage points, higher prices and currency effect accounted for a positive effect of 6 percentage points, while a weaker mix accounted for a negative effect of 3 percentage points. For the entire Group, sales outside Sweden accounted for 83 (79)%, as shown in the table on next page.

Earnings

Excluding items affecting comparability, operating profit/loss for 2014 improved by SEK 2,098 million compared with 2013 and amounted to SEK 894 (-1,204) million, of which Rautaruukki (including depreciation/amortization on surplus values) contributed SEK 66 million. The improved earnings were primarily attributable to higher prices (a positive effect of SEK 800 million), lower variable costs (SEK 800 million), as well as positive currency effects and improved capacity utilization (SEK 500 million).

Excluding items affecting comparability, profit/loss after financial items for 2014 amounted to SEK 242 (-1,801) million.

Information regarding items affecting comparability is provided on page 35.

Loss after tax and earnings per share

Loss after tax (attributable to the shareholders) for 2014 was SEK -1,399 (-1,066) million or SEK -3.33 (-3.29) per share. The write-downs during the year were almost entirely non-tax-deductible, and thus tax for the full year was SEK 195 (662) million.

Return on capital employed /equity

The return on capital employed before tax and return on equity after tax for 2014 amounted to 0% and -4% respectively, while for 2013 the figures were -2 % and -4 % respectively.

GOODWILL IMPAIRMENT TEST

Rautaruukki was acquired on July 29, 2014 and, generally speaking, it has not been considered necessary to carry out any impairment test already in 2014. Accordingly, goodwill in SSAB Special Steels, SSAB Europe and in Tibnor has not been tested for impairment. However, as a result of developments towards the end of 2014, particularly in Eastern Europe, a valuation of the Ruukki Construction division has been carried out. The valuation indicated a need to write down by SEK 269 million the goodwill attributed to Ruukki Construction.

In other respects, annual impairment tests have been carried out on goodwill relating to SSAB North America. At year-end that goodwill amounted to SEK 21,284 (17,654) million. (The increase in the goodwill amount is entirely due to exchange rate effects.) The calculations conducted demonstrated that no impairment of goodwill existed. For further information, see Note 6.

Financing and liquidity

The operating cash flow for the 2014 was SEK 1,737 (1,956) million. The positive cash flow is attributable primarily to operating profit after reversal of depreciation and write-downs which did not affect cash flow.

Net cash flow for 2014 amounted to SEK 94 (695) million. The net cash flow was affected by payments on strategic capital expenditures (including acquisition of shares and operations) of SEK 379 (172) million. During 2014 the net debt increased by SEK 9,841 million (primarily due to the assumption of Rautaruukki's net debt) and, on December 31, amounted to SEK 24,674 million. The net debt/equity ratio was 56%, an increase of one percentage point compared with the end of 2013.

Operating cash flow and net debt

SEK millions	2014	2013
Operating profit before depreciation/ amortization	3,305	1,333
Change in working capital	-560	1,369
Maintenance expenditures	-1,341	-656
Other	333	-90
Operating cash flow	**1,737**	**1,956**
Financial items	-1,013	-570
Taxes	-251	-283
Cash flow from current operations	**473**	**1,103**
Strategic capital expenditures in plants and machinery	-331	-151
Acquisitions of shares and operations	-48	-21
Divestments of shares and operations	-	88
Cash flow before dividend and financing	**94**	**1,019**
Dividend to the Parent Company's shareholders	-	-324
Net cash flow	**94**	**695**
Net debt at beginning of period	**-14,833**	**-15,498**
Net cash flow	94	695
Acquired net debt, including cash	-6,393	-
Revaluation of liabilities against equity [1)]	-2,233	79
Other [2)]	-1,309	-109
Net debt at end of period	**-24,674**	**-14,833**

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

2) Mainly consisting of effect of write-down of receivables, liability to minority for redemption of the shares in Rautaruukki, as well as cash flow effects on derivative instruments and revaluation of other financial instruments in foreign currency.

On December 31, the term to maturity on the total loan portfolio averaged 3.9 (4.1) years, with an average fixed interest period of 1.2 (0.9) years. Cash nd cash equivalents amounted to SEK 3,014 (2,124) million and non-utilized credit facilities amounted to SEK 8,714 (7,319) million.

EQUITY

Following the addition of a new issue directed at Rautaruukki's shareholders, a loss for the full year of SEK -1,399 million and other comprehensive income (primarily comprising currency translation differences) of SEK 3,711 million, the shareholders' equity in the Company amounted to SEK 43,817 (27,126) million, corresponding to SEK 79.78 (83.74) per share.

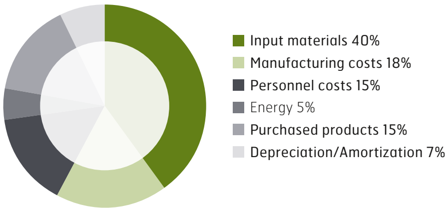
DIVIDEND

The Board of Directors proposes to the Annual General Meeting that no dividend should be paid. For considerations, see Note 32.

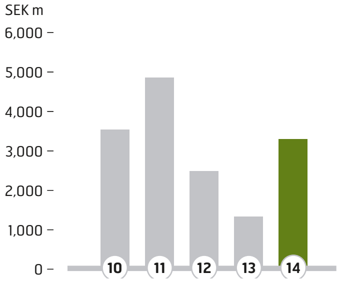
Net sales per market

SEK millions	2014	Share, %	2013	Share, %
USA	14,412	30	11,941	33
Sweden	8,184	17	7,653	21
Finland	3,345	7	1,308	3
Germany	2,648	5	1,926	5
Canada	2,175	5	1,704	5
Other	16,989	36	11,923	33
Total	**47,752**	**100**	**36,455**	**100**

The Group's cost structure



EBITDA



The divisions

As of September 1, SSAB has been organized into five divisions with profit responsibility. The new divisions are:

SSAB Special Steels has the global profit responsibility for quenched and tempered steels (Q&T) and hot-rolled high strength steels (AHSS) from 700 MPa and upwards. SSAB Special Steels is responsible for steel and sheet production in Oxelösund, Sweden and also sells the above-mentioned products which are produced in Mobile, USA, Raahe, Finland and Borlänge, Sweden. When SSAB Special Steels sells steel produced in another division, the revenues are reported in SSAB Special Steels and settlement of account takes place between the divisions at the cost of goods sold.

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

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

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

Ruukki Construction is responsible for the sale and production of energy-efficient building and construction solutions, focusing on northern and eastern Europe. Ruukki Construction also includes Plannja, which was previously a part of the business area SSAB EMEA.

All information below regarding the divisions is pro forma as if SSAB had owned Rautaruukki since December 31, 2012. In the pro forma, the surplus value from the acquisition of Rautaruukki has been attributed entirely to goodwill and thus the result has not been affected by any depreciation/amortization of surplus values. The pro forma result is shown exclusive of items affecting comparability.

Sales per division, pro forma

SEK millions	2014	2013
SSAB Special Steels	13,226	12,847
SSAB Europe	25,857	24,666
SSAB Americas	13,207	11,130
Tibnor	8,151	8,094
Ruukki Construction	6,217	6,631
Other	-6,546	-6,355
Total	**60,112**	**57,013**

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

SEK millions	2014	2013
SSAB Special Steels	1,265	1,051
SSAB Europe	1,524	712
SSAB Americas	1,620	710
Tibnor	173	125
Ruukki Construction	185	315
Other	-348	-199
Total	**4,419**	**2,714**

The operating profit/loss before depreciation/amortization (pro forma and excluding items affecting comparability) for 2014 amounted to SEK 4,419 million, an improvement by SEK 1,705 million compared with last year. Higher volumes in SSAB Europe, lower costs for raw material in both SSAB Europe and SSAB Special Steels as well as higher prices and improved efficiency in SSAB Americas were the main reasons for the improvement in earnings.

For further information about the Divisions, see Note 28.

SSAB Special Steels, pro forma

SEK millions	2014	2013
Sales	13,226	12,847
Operating profit before depreciation/amortization, EBITDA	1,265	1,051
Operating profit	726	501
Number of employees at end of period	2,976	N/A

Heavy Transport was the segment that developed the strongest during 2014 (especially in North Americas and Northern Europe). Demand from other segments was relatively unchanged during the year.

External shipments of steel amounted to 1,065 (1,055) thousand tonnes during 2014, a slight increase by one percentage point compared with 2013.

Prices during 2014, including currency changes, were on average 1% higher compared with 2013.

Crude steel production increased with 5% and steel production increased by 9% compared with 2013.

Operating profit for 2014 amounted to SEK 726 (501) million, an improvement of SEK 225 million compared with 2013. The improvement was primarily due to lower raw material cost.

SSAB Europe, pro forma

SEK millions	2014	2013
Sales	25,857	24,666
Operating profit before depreciation/amortization, EBITDA	1,524	712
Operating profit/loss	1	-822
Number of employees at end of period	7,291	N/A

Shipments to the Automotive segment increased during the year, especially in Europe, while other segments were relatively stable.

During 2014, external shipments of steel were 5% higher than during 2013 and amounted to 3,615 (3,434) thousand tonnes.

Compared with 2013, prices (including currency changes) fell on average by 1%.

Both crude steel production and steel production increased by 3% compared with 2013.

The operating profit/loss amounted to SEK 1 (-822) million, an improvement of SEK 823 million compared with 2013. The improvement was primarily due to increased shipments and lower raw material cost.

SSAB Americas, pro forma

SEK millions	2014	2013
Sales	13,207	11,130
Operating profit before depreciation/ amortization, EBITDA	1,620	710
Operating profit [1]	1,107	241
Number of employees at end of period	1,277	N/A

[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 remained good during the year, driven primarily by increased shipments of steel for railway wagons for transportation of oil and gas.

During 2014, external shipments of steel were 1% higher than during 2013 and amounted to 2,065 (2,047) thousand tonnes.

Prices were on average 10% higher than during 2013.

Both crude steel production and steel production increased by 2% compared with 2013.

The operating profit improved by SEK 866 million compared with 2013 and amounted to SEK 1,107 (241) million. The improved result was primarily attributable to higher prices and improved productivity.

Tibnor, pro forma

SEK millions	2014	2013
Sales	8,151	8,094
Operating profit before depreciation/ amortization, EBITDA	173	125
Operating profit/loss	83	36
Number of employees at end of period	1,281	N/A

Total shipments were 5% lower than during 2013. Norway was the market in which shipments fell the most, but also in other markets the shipments were lower during 2014 than during 2013.

Prices were relatively stable during 2014 compared with 2013.

The operating profit amounted to SEK 83 (36) million, an improvement by SEK 47 million compared with 2013. The improved result was primarily attributable to lower overheads and an improved gross margin.

Ruukki Construction, pro forma

SEK millions	2014	2013
Sales	6,217	6,631
Operating profit before depreciation/ amortization, EBITDA	185	315
Operating profit/loss	-14	66
Number of employees at end of period	3,303	N/A

Demand within the building sector during 2014 was weaker than during 2013. Demand in most markets was somewhat weaker, with Russia and Ukraine in particular experiencing negative growth. This, combined with an unfavorable product mix, contributed to lower prices compared with 2013.

Sales were 6% lower than during 2013 and amounted to SEK 6,217 (6,631) million. The decline in sales was primarily attributable to currency effects and reduced volumes.

The operating profit/loss for 2014 was SEK -14 (66) million, a fall of SEK 80 million compared with 2013. The weaker result was due to lower volumes and currency losses.

Capital expenditures and Research and development

Capital expenditure payments during 2014 amounted to SEK 1,720 (828) million, of which SEK 379 (172) million involved strategic capital expenditures, including acquisitions of shares and operations.

The research and development activities are focusing on areas that aim at increasing the profitability of SSAB, such as improved cost efficiency, new product development and sustainable processes, especially in terms of energy efficiency. The research and development activities, including technical support, are continuously market-driven focusing on the customer's business.

After closing the acquisition of Rautaruukki the work has focused on harmonizing the production processes and the product portfolios of the two companies.

During the year, research and development investments amounted to SEK 289 (203) million.

Environment

Steel production is energy intensive and generates carbon dioxide emissions. In Sweden and Finland, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions in each country. At the same time, SSAB's blast furnaces are among the most efficient in the world in terms of minimizing emissions from steel production, but there is still some room for further improvement. The impact on the local environment in the vicinity of SSAB's plants has decreased significantly in recent decades. Technical development and increasingly stringent external demands dictate constant improvements in the operations. The most important environmental aspects for SSAB are:

- Air emissions reductions of carbon dioxide, nitrogen oxides, sulfur oxides and particulate matter
- Water effluent reductions of nitrogen and suspended substances
- Efficient use of raw materials and energy
- Landfill waste minimization

SSAB's operations are subject to environmental permits with hundreds of environmental conditions governing production levels, emissions into the air and water, noise levels, and rules regarding landfill sites. All production units comply with relevant local environmental requirements and the Group holds mandatory environmental damage as well as liability insurance covering damage to third parties.

Permitted production at the Swedish plants [1]

Thousand tonnes	Locality	Permitted production	Production 2014
Coke	Luleå	1,100	652
	Oxelösund	530	385
Hot metal	Luleå	– [2]	2,093
	Oxelösund	2,000	914
Steel slabs	Luleå	3,000	2,030
	Oxelösund	1,900	930
Hot-rolled steel	Borlänge	3,200	2,008
	Oxelösund	1,000	519
Pickled steel	Borlänge	2,500	1,267
Cold-rolled steel	Borlänge	1,400	764
Annealed steel	Borlänge	650	468
Metal-coated steel	Borlänge	400	303
Organic-coated products	Borlänge	140	86
	Köping	30	14
	Finspång [3]	40	21

[1] In North America, the permitted production levels are determined through maximum permitted hourly production volumes and not applicable for Finnish sites.

[2] Not regulated.

[3] Unit million m^2.

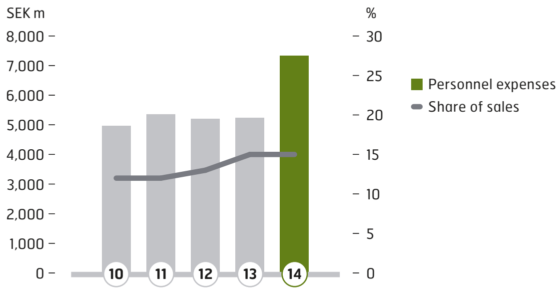
Personnel

The number of employees in SSAB almost doubled through the acquisition of Rautaruukki and amounted to 16,887 (8,712) at the end of 2014. The total compensation to employees including social security expenses and pension cost, amounted to SEK 7,337 (5,236) million. A number of notices of redundancy have been published in the beginning of 2015, and are a part of the previously announced efficiency and synergy program resulting from the combination of SSAB and Rautaruukki.

Number of employees at year-end

	2014
SSAB Special Steels	2,976
SSAB Europe	7,291
SSAB Americas	1,277
Tibnor	1,281
Ruukki Construction	3,303
Other	759
Total	**16,887**

Personnel costs



Compensation to senior executives

THE BOARD'S PROPOSAL FOR GUIDELINES FOR 2015

For 2015, the Board proposes that compensation to the President and other members in the Company's senior management shall comprise:

- fixed salary;
- possible variable compensation;
- other benefits, such as company car; and
- pension.

"Other members of the Company's senior management" mean members of the Group Executive Committee, currently eleven persons other than the President. The total compensation package shall be on market terms and conditions and competitive in the employment market in which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and shall be capped in relation to the fixed salary. The variable compensation shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensation may be included in the basis for pension computation due to legislation or practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the Company's responsibilities to its shareholders, employees and other stakeholders.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work. The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages; however, in no case earlier than the age of 60. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice in the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

SHORT-TERM VARIABLE SALARY COMPONENTS IN 2014 (INCLUDING SENIOR EXECUTIVES)

For the President and other members of the Group Executive Committee, the short-term variable salary component for 2014 is linked to:

- the Group's EBITDA margin relative to a number of comparable steel companies;
- an inventory turnover target established by the Board; and
- one or more individual targets.

In conjunction with the acquisition of Rautaruukki, the Board decided on a temporary incentive program for a number of key employees within four defined categories who are working on the integration of Rautaruukki, among them certain members of the Group Executive Committee, including the President. This temporary incentive program replaces existing variable salary components during the corresponding period of time in respect of the key employees participating in the program. The program will extend over 18 months (July 1, 2014 -December 31, 2015) and is contingent on the results that the Company achieves, with the target being related to the Group's EBITDA margin compared with a number of comparable steel companies during the measurement period. The outcome is capped in relation to each participant's fixed annual salary, and shall not exceed 5, 9 or 18 monthly salaries, depending on the participant's category affiliation. However, participants are guaranteed a result of at least 50%.

LONG-TERM VARIABLE SALARY COMPONENTS IN 2014 (INCLUDING SENIOR EXECUTIVES)

As from 2011, a long-term incentive program has been introduced covering a maximum of 100 key persons throughout the Group, including the Company's President and other senior executives.

The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 15 and 25 percent of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under the earlier North American program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the newly introduced program is SEK 22.5 million in the event of target realization, and SEK 45 million in the event of maximum target realization, of which approximately two-thirds constitutes the cost for participants in North America. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees.

For more detailed information regarding applicable compensation and benefits, see Note 2.

Risk and sensitivity analysis

All business operations involve risk. Risks that are managed correctly can create opportunities and lead to value creation, while risks that are handled incorrectly can result in damage and losses.

Risks and opportunities

The Group's earnings and financial position are affected by a large number of factors, several of which are beyond the Company's control. These include, for example, the general political and economic conditions that affect steel markets. Many of these factors can impact on the Group both positively and negatively, and thus a positive development in, or proper management of, the risk can lead to opportunities and value creation.

Overall risk management

The work of identifying and analyzing risks and deciding how they are to be addressed is a prioritized area in the Group. Responsibility for the long-term, overall management of strategic risks is dictated by the Group's delegation policy, namely from the Board to the President and from the President to heads of divisions. Consequently, most of the Group's operational risks are managed by each division, but coordinated where deemed necessary. Group Legal function includes a global risk management function which assesses the insurable risks and monitors the Group's overall risk management. Management of financial risks is essentially handled by the Group's treasury function.

For a number of years, SSAB has had an internal audit unit which, among other things, identifies risk areas and, based on a risk analysis, conducts internal controls which are followed by recommendations for improvements within these areas. The internal audit unit reports directly to the Audit Committee. For full information about the Group's internal audit, see the Corporate Governance Report, page 106.

Operational risks

Area of risk	Risk description	Response and initiatives
Business cycle	The steel industry is strongly affected by the changes in the business cycle, for example as regards products and raw materials. The high percentage of fixed costs due to the large capital expenditures that characterize the steel industry also increases sensitivity to business cycle fluctuations.	The focus on high strength steels is one way chosen by SSAB to minimize the cyclical nature of its earning capacity. By continuing to focus on developing niche products, SSAB is able to maintain and strengthen its position vis-à-vis its competitors. Another way of reducing sensitivity to the business cycle is by focusing on SSAB's home markets; North America and the Nordic region. On these markets, SSAB endeavors to be the customers' supplier of choice by offering short delivery times and a close relationship, in addition to quality. Yet another way is to offer value added services linked to SSAB's know-how as regards the qualities of the high strength steels, and thereby the ability to create new, innovative solutions. Development takes place in close cooperation with the customer or at one of SSAB's research centers. SSAB also engages in measures to reduce costs and increase flexibility in the operations in order to ameliorate the effects of downturns in the business cycle. The possibilities to accomplish cost reductions will increase through the acquisition of Rautaruukki.
Political decisions	SSAB operates in a large number of countries and is thus affected by country-specific regulations and also by international regulations relating to general tax and financial reporting rules, as well as more specific rules concerning trade barriers, the environment, and energy policy.	SSAB participates in national and international industry organizations in which monitoring of relevant events plays an important role. In the US, the Group has a separate function for this purpose, based in Washington DC. One focus area for SSAB is environmental and energy legislation, with the EU's emission rights trading system being of critical importance for SSAB's operations. In this area, SSAB acts via industry organizations and directly in explaining the importance of the emission rights regulations and their impact on SSAB. Since steel production takes place in both Europe and the US, exposure to various types of barriers to trade has been reduced.

Operational risks (cont.)

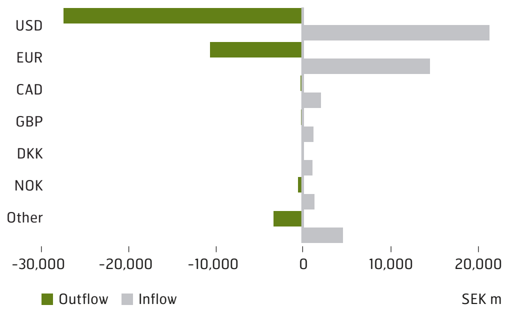
Area of risk	Risk description	Response and initiatives
Customers and suppliers	Dependence on individual major customers and/or suppliers may carry with it large risks, with attendant significant consequences in the event deliveries to or from such customers or suppliers were to cease.	SSAB has a diversified customer base and thus has little dependence on individual customers. Credit risks are managed by each business area, based on a credit policy for the entire Group. There is also large diversity as regards suppliers; however, this is not the case as regards the most important raw materials, namely coal and iron ore. Where they are concerned, the number of potential suppliers is limited. Coal is purchased from a small number of major suppliers around the world, and iron ore is currently purchased not only from LKAB in Sweden, but also from Severstal in Russia. However, the price of iron ore is set on the world market. Long supply agreements are signed with both LKAB and Severstal in order to ensure physical supplies, while proximity to the iron ore reduces the risk of long-term delivery problems.
Environmental	Steel production is energy and resource intensive and has a significant impact on the environment. In Sweden as well as in Finland, SSAB's blast furnaces are among the largest sources of carbon dioxide emissions.	In pace with technical developments and more stringent environmental requirements, constant improvements are taking place as regards SSAB's impact on the environment. SSAB's steel mills are among the most efficient in the world in terms of reductions in emissions. SSAB is participating in a number of research projects aimed at minimizing carbon dioxide emissions and achieving safe carbon capture and storage. More details are provided in the section dealing with the environment and on the Company's website.
Production	Steel production takes place in a chain involving different processes, in which disruptions in one part of the chain can rapidly have serious consequences. Operational disruptions, for example due to transportation problems and damage to assets caused by fire, explosions and other types of accidents, may be costly.	Risks relating to personal injury and damage to property and the environment (insurable risks), the work on preventing injury and damage occurring at all, and the work on minimizing the effects of injury or damage if it nevertheless occurs, are managed within the Group's Risk Management organization. SSAB's Group Risk Manager is functionally responsible for this work and co-operates with the Risk Manager in each business area. The risk management work is conducted in accordance with a Risk Management policy in which emphasis is placed on: • pro-active work to prevent injury and damage (initiate, coordinate and manage); as well as • risk and cost optimization (insurance management). Continuity plans, property insurance and business disruption insurance are in place to minimize the costs caused by this type of problem. The risk of disruptions in one part of the process having an impact on other parts of the process is minimized by maintaining stocks of crucial raw materials, products in progress and finished products.
Employee-related	SSAB needs to attract and retain skilled, motivated employees in order to be able to conduct operations with good profitability in the long term. The niche strategy presupposes continued strong process and product development, and thus skills development within these areas is of particular importance. The Group's reputation can be rapidly eroded if safety, responsibility for the environment, and ethics are called into question.	Issues relating to safety, responsibility for the environment and ethics are prioritized in the day-to-day work well as in the long-term through training and influencing attitudes. In the business areas, stringent safety rules are in place which must be complied with by SSAB's own personnel and hired personnel, as well as by external contractors. Skills development – not least management training – is a prioritized area. SSAB also carries out a regular employee survey covering the entire Group. The survey represents an important tool for managers on all levels in terms of improvement work and leadership development. Salaries and remuneration shall be on market terms and competitive on the employment market on which the employee works.

Financial risks

International operations such as those conducted by SSAB involve a number of financial risks in the form of financing, liquidity, interest rate, currency and credit risks. The management of these risks is governed by the Group's finance policy, which is adopted by the Board of Directors. Most financial transactions take place through the parent company's treasury function in Stockholm and through SSAB Finance in Belgium. For further information about the Group's financial risk management, see Note 29.

Area of risk	Risk description	Response and initiatives
Refinancing risk/ Liquidity risk	'Refinancing risk/liquidity risk' means the risk of SSAB being unable to pay its obligations due to insufficient liquidity or difficulties in raising new loans.	The borrowing strategy is focused on securing the Group's needs for loan financing with regard to long-term loans and SSAB's day-to-day payment obligations to its lenders and suppliers. Borrowing takes place primarily through the parent company, taking into consideration the Group's financial targets. In order to minimize the refinancing risk, the objective is that long-term loans will have an even maturity and an average term to maturity in excess of three years. The liquidity buffer, i.e. non-utilized, binding credit facilities, as well as cash and cash equivalents, should exceed 10 percent of the Group's sales.
Market risks	Market risks comprise the risk of the Group's earnings or financial position being affected by changes in market prices, such as interest rates and exchange rates.	**Interest rate risks:** The Group's interest rate risks relate to changes in market interest rates and their impact on the debt portfolio. The average fixed rate term in the total debt portfolio should be approximately 1 year, but is permitted to vary between 0.5 and 2.5 years. The fixed rate term on borrowing may be adjusted through the use of interest rate swaps. **Currency risks:** SSAB's currency exposure largely relates to the translation risk regarding net assets of foreign subsidiaries. This exposure is hedged through borrowing in foreign currency, so-called Equity Hedge. Exceptions are made in the case of small amounts, e.g. for equity in foreign sales companies. The objective with the Equity Hedge is to minimize the translation effect on the net debt/equity ratio. The Swedish krona is the base currency. In order to manage the transaction risk, most of the commercial currency flows which qualify for hedge accounting (at present purchases of coal and iron ore in USD and sales in EUR) are hedged. Major investments decided upon in foreign currency are hedged in their entirety. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short term in nature and thus no hedging takes place; instead, they are exchanged on the spot market. The net currency inflow in 2014 was SEK 2.3 (2.6) billion. The Group's most important currency flows are shown in the adjacent diagram.
Credit risk	'Credit risk' means the risk of losses due to the Group's customers or counterparties in financial contracts being unable to perform their payment obligations.	Financial counterparties are selected based on Standard & Poor's and Moody's current ratings for long-term borrowing and taking into account the Group's reciprocal commercial relations with the relevant counterparty. The minimum acceptable ratings for counterparts are A- from Standard & Poor's or A3 from Moody's. Credit risks associated with accounts receivable and other claims are managed in each subsidiary, taking into account a credit policy covering the entire Group.

CURRENCY FLOW 2014



Sensitivity analysis

The approximate full-year effect pro forma in 2014 on profit after financial items and earnings per share of changes in significant factors is shown in the adjacent sensitivity analysis.

Sensitivity analysis

	Change, %	Effect on profit, SEK millions	Effect on earnings per share, SEK[1]
Prices – Steel Operation	10	4,500	6.39
Volume – Steel Operation[2]	10	830	1.18
Iron ore prices	10	590	0.84
Coal prices	10	340	0.48
Scrap prices	10	700	0.99
Interest rates	1% point	170	0.24
Krona index[3]	5	340	0.48

[1] Calculated based on a tax rate of 22 percent.

[2] Excluding the effect of lower capacity utilization (under-absorption).

[3] Calculated based on SSAB's exposure without currency hedging. If the krona weakens, this entail a positive effect.

The Share

SSAB's shares are listed on the Nasdaq OMX Stockholm's Large Cap List in Sweden. In conjunction with SSAB's completion of the combination with Rautaruukki, SSAB applied for a secondary listing on Nasdaq OMX Helsinki, Finland, where SSAB's shares have been listed since August 1, 2014.

SHARE CAPITAL/ CHANGE IN NUMBER OF SHARES AND VOTES

On July 29, 2014 the share exchange offer to Rautaruukki's shareholders was completed. Under the offer, Rautaruukki's shareholders received newly issued shares in SSAB in exchange for their shares in Rautaruukki. Since that date, Rautaruukki has been included in the SSAB Group. The 3.9% minority of Rautaruukki's shareholders who did not accept the share exchange offer will receive cash consideration of EUR 11.24 per share in a compulsory redemption procedure that is expected to be finalized during the first half of 2015.

SSAB's share issue to Rautaruukki shareholders comprised 63,417,438 shares of series A and 161,893,297 of series B shares. As of July 31, there are a total of 549,245,510 SSAB shares, of which 304,183,270 are series A shares and 245,062,240 are series B shares, equating to 328,689,494 votes in total. Each class A share carries one vote and each class B share carries one-tenth of one vote. The quotient value/ an accounting par value per share is SEK 8.80.

OWNERSHIP STRUCTURE

In conjunction with the completion of the share exchange offer, SSAB's number of shareholders increased by more than 32,000. At the end of 2014, SSAB had 92,782 shareholders.

SSAB's three largest owners in terms of voting rights at year-end 2014 were:

- Industrivärden 17.7%
- Solidium 10.1%
- LKAB 3.8%

Corporate governance report

The Corporate Governance Report is not part of the Report of the Board of Directors. See pages 98–109.

Short-term prospects

In North America, the underlying market is expected to be relatively strong during the first quarter 2015. However, the volume of plate imports and the somewhat high inventory levels at distributors represent uncertainty factors. In Europe, underlying demand is expected to be relatively stable during the first quarter, and no major changes in inventories are expected at distributors or end-customers. In China, demand for steel is expected to be relatively weak during the coming quarter. All in all, it is believed that SSAB's shipment volumes in the first quarter will be slightly higher than in the fourth quarter.

During the summer, the blast furnace in Luleå will undergo relining and, in order to ensure continued steel shipments also during the period when the relining is being carried out, operations have been resumed at the smaller blast furnace in Oxelösund. During the first quarter there will be a degree of build-up of slab inventory.

Significant events since the end of the financial year

REDUNDANCY IN THE SWEDISH AND FINNISH OPERATIONS

Since the end of the financial year, notice of redundancy has been communicated in both the Swedish and Finnish operations. The largest redundancy notice affects 210 employees at the production site in Borlänge, Sweden, since the galvanizing line and color-coating line in Borlänge is planned to be closed down.

Announcements have also been made that SSAB's distribution operations in Finland have given notice of personnel reductions, of the closure of Tibnor's subsidiary EM Eriksson Steel Service Center AB in Borlänge, and of the downsizing of group functions in Finland. In total, approximately 90 employees are affected.

The above structural changes and personnel reductions are part of the previously announced efficiency and synergy program resulting from the combination of SSAB and Rautaruukki.

CHANGES IN THE GROUP EXECUTIVE COMMITTEE

The new Group organization which entered into force on September 1, 2014 comprises five divisions, of which Ruukki Construction and Tibnor are operated as independent subsidiaries through their respective Boards. Accordingly, as from February 10, 2015, Mikael Nyquist (Managing director of Tibnor) and Marko Somerma (Managing director of Ruukki Construction) will not be members of the Group Executive Committee.

Consolidated income statement

SEK millions	Note	2014	2013
Sales	1	47,752	36,455
Cost of goods sold	2	-44,428	-35,004
Gross profit		**3,324**	**1,451**
Selling expenses	2	-1,662	-1,258
Administrative expenses	2	-2,066	-1,400
Other operating income	1, 27	746	491
Other operating expenses	2	-450	-431
Shares in earnings of affiliated companies and joint ventures after tax	3	1	16
Operating profit/loss		**-107**	**-1,131**
Financial income	4	202	62
Financial expenses	4	-1,684	-659
Profit/loss after financial items		**-1,589**	**-1,728**
Taxes	5	195	662
Profit/loss for the year		**-1,394**	**-1,066**
Of which attributable to:			
• Parent Company's shareholders		-1,399	-1,066
• Non-controlling interests		5	0
Earnings per share[1]	12	**-3.33**	**-3.29**
Dividend per share – 2014 proposal	32	0.00	0.00

Consolidated statement of comprehensive income

SEK millions	Note	2014	2013
Profit/loss for the year		**-1,394**	**-1,066**
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Translation differences for the years		5,639	-251
Cash flow hedges		-79	-71
Hedging of currency risks in foreign operations[2]		-2,233	-79
Share in other comprehensive income of affiliated companies and joint ventures		-1	-16
Tax attributable to items that may be subsequently reclassified to the income statement	5	507	-2
Total items that may be subsequently reclassified to the income statement		**3,833**	**-261**
Items that will not be reclassified to the income statement:			
Remeasurements of the net defined benefit liability		-159	11
Tax attributable to items that will not be reclassified to the income statement	5	37	-3
Total items that will not be reclassified to the income statement		**-122**	**8**
Total other comprehensive income for the year, net after tax		**3,711**	**-253**
Total comprehensive income for the year		**2,317**	**-1,319**
Of which attributable to:			
• Parent Company's shareholders		2,310	-1,319
• Non-controlling interest		7	0

[1] There are no outstanding share instruments and thus no dilution is relevant.

[2] Hedging is structured such that the net debt/equity ratio is unchanged in the event of changed exchange rates.

Consolidated balance sheet

SEK millions	Note	2014	2013
ASSETS			
Fixed assets			
Goodwill	6	26,421	17,762
Other intangible assets	6	3,964	2,149
Tangible fixed assets	7	26,570	16,467
Participations in affiliated companies and joint ventures	3, 8	531	284
Financial assets	8, 13	1,272	1,599
Deferred tax receivables	14	1,441	653
Total fixed assets		**60,199**	**38,914**
Current assets			
Inventories	9	14,203	8,783
Accounts receivable	29	7,705	4,785
Prepaid expenses and accrued income	10	1,023	503
Current tax receivables		560	334
Other current interest-bearing receivables	11	1,977	195
Recognised but not invoiced sale		85	–
Other current receivables	29	572	298
Cash and cash equivalents	11	3,014	2,124
Total current assets in continuing operations		**29,139**	**17,022**
Assets held for sale	25	389	–
Total current assets		**29,528**	**17,022**
TOTAL ASSETS		89,727	**55,936**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	4,833	2,851
Other contributed funds		22,343	9,944
Reserves	12	442	–3,389
Retained earnings		16,199	17,720
Total equity for the shareholders in the Company		**43,817**	**27,126**
Non-controlling interests		**62**	**23**
TOTAL EQUITY		**43,879**	**27,149**
Long-term liabilities			
Pension provisions	13	602	120
Deferred tax liabilities	14	2,984	2,969
Otehr long-term provisions	15	178	134
Long-term interest-bearing liabilities	16	21,171	16,093
Other long-term non interest-bearing liabilities	17	586	376
Total long-term liabilities		**25,521**	**19,692**
Current liabilities			
Short-term provisions	15	70	27
Short-term interest-bearing liabilities	16	8,496	2,568
Accounts payable	29	7,000	4,578
Current tax liabilities		447	118
Other current liabilities	29	1,089	177
Invoiced but not accrued sale		319	28
Accured expenses and deffered income	18, 29	2,737	1,599
Total current liabilities in continuing operations		**20,158**	**9,095**
Liabilities held for sale	25	169	–
Total current liabilities		**20,327**	**9,095**
TOTAL EQUITY AND LIABILITIES		**89,727**	**55,936**
Pledged assets	22	2,905	2,262
Contingent liabilities	23	3,790	599

Consolidated statement of changes in equity

		Equity attributable to the Parent Company's shareholders						
SEK millions	**Note**	**Share capital**	**Other contributed funds**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Equity, January 1, 2013		2,851	9,944	-3,128	19,102	28,769	–	28,769
Translation differences				-251		-251		-251
Cash flow hedges				-71		-71		-71
Tax attributable to cash flow hedges	5			16		16		16
Hedging of currency risks in foreign operations				79		79		79
Tax on hedging of currency risks in foreign operations	5			-18		-18		-18
Remeasurements of the net defined benefit liability	13				11	11		11
Tax on remeasurements of the net definied benefit liability	5				-3	-3		-3
Share in other comprehensive income in affiliated companies and joint ventures				-16		-16		-16
Profit for the year					-1,066	-1,066		-1,066
Total comprehensive income				-261	-1,058	-1,319	–	-1,319
Non-controlling interests resulting from business acqusitions					–	–	23	23
Dividend					-324	-324		-324
Equity, December 31, 2013		2,851	9,944	-3,389	17,720	27,126	23	27,149
Equity, January 1, 2014		**2,851**	**9,944**	**-3,389**	**17,720**	**27,126**	**23**	**27,149**
Translation differences				5,637		5,637	2	5,639
Cash flow hedges				-79		-79		-79
Tax attributable to cash flow hedges	5			16		16		16
Hedging of currency risks in foreign operations				-2,233		-2,233		-2,233
Tax on hedging of currency risks in foreign operations	5			491		491		491
Remeasurements of the net definied benefit liability	13			0	-159	-159		-159
Tax on remeasurements of the net definied benefit liability	5				37	37		37
Share in other comprehensive income in affiliated companies and joint ventures				-1		-1		-1
Profit/loss for the year					-1,399	-1,399	5	-1,394
Total comprehensive income				3,831	-1,521	2,310	7	2,317
Non-controlling interests resulting from business acqusitions						-	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

Consolidated cash flow statement

SEK millions	Note	2014	2013
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-107	-1,131
Reversal of non-cash items:			
• Non distributed shares in affiliated companies' earnings		5	10
• Depreciation, amortization and write-down of fixed assets	6, 7	3,412	2,464
• Profit/loss upon sale of fixed assets		154	-2
• Profit/loss upon sale of shares and operations		65	-73
• Change in provisions		-61	-49
• Other reversals		93	0
Interest received		410	69
Interest paid		-1,423	-639
Tax paid		-251	-283
		2,297	**366**
Working capital			
Inventories (+ decrease)		-58	687
Accounts receivable (+ decrease)		361	-403
Accounts payable (+ increase)		-836	1,100
Other current receivables (+ decrease)		28	285
Other current liabilities (+ increase)		-55	-300
		-560	**1,369**
CASH FLOW FROM OPERATING ACTIVITIES		**1,737**	**1,735**
INVESTING ACTIVITIES			
Investments in plants and machinery	6, 7	-1,672	-807
Sale of plants and machinery		35	13
Acquisition of shares and operations	26	331	-21
Divested shares and operations	27	-	88
Other investing activities (+ decrease)		38	11
CASH FLOW FROM INVESTING ACTIVITIES		**-1,268**	**-716**
FINANCING ACTIVITIES			
Dividend to shareholders		-	-324
New loans		9,625	429
Repayment/amortization of loans		-8,128	-1,102
Financial investments		-1,155	-758
Other financing (+ increase)		-147	-95
CASH FLOW FROM FINANCING ACTIVITIES		**195**	**-1,850**
CASH AND CASH EQUIVALENTS			
Balance, January 1		2,124	3,004
Cash flow from operating activities		1,737	1,735
Cash flow from investing activities		-1,268	-716
Cash flow from financing activities		195	-1,850
Translation differences, cash and cash equivalents		226	-49
Cash and cash equivalents, December 31	11	**3,014**	**2,124**
Contracted, non-utilized overdraft facilities		8,714	7,319
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. non-utilized overdraft facilities)		**11,728**	**9,443**

Parent Company's income statement

SEK millions	Note	2014	2013
Gross profit		**0**	**0**
Administrative expenses	2	-386	-184
Other operating income	1	155	122
Other operating expenses	2	-1	0
Operating loss		**-232**	**-62**
Result from shares in subsidiaries and affiliated companies	4	313	404
Other interest income and similar items	4	202	3
Other interest expenses and similar items	4	-964	-595
Loss after financial items		**-681**	**-250**
Appropriations	24	1,605	346
Profit before tax		**924**	**96**
Tax	5	-218	17
Profit for the year		**706**	**113**

Parent Company's other comprehensive income

SEK millions	Note	2014	2013
Profit for the year		**706**	**113**
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Hedging of currency risks in foreign operations		-2,233	79
Cash flow hedges		28	13
Tax attributable to other comprehensive income	5	485	-19
Total items that may be subsequently reclassified to the income statement		**-1,720**	**73**
Total other comprehensive income for the year, net after tax		**-1,720**	**73**
Total comprehensive income for the year		**-1,014**	**186**

Parent Company's balance sheet

SEK millions	Note	2014	2013
ASSETS			
Fixed assets			
Tangible fixed assets	7	2	1
Financial assets	8	55,677	39,323
Long-term receivables from subsidiaries		645	0
Deferred tax receivables	14	274	7
Total fixed assets		**56,598**	**39,331**
Current assets			
Accounts receivable	29	0	0
Current receivables from subsidiaries		14,745	10,826
Prepaid expenses and accrued income	10	103	132
Current tax receivables		0	0
Other current interest-bearing receivables	11	1,910	–
Other current receivables	29	9	2
Cash and cash equivalents	11	1,104	50
Total current assets		**17,871**	**11,010**
TOTAL ASSETS		**74,469**	**50,341**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
• Share capital		4,833	2,851
• Statutory reserve		902	902
Unrestricted equity			
• Retained earnings		37,845	27,052
• Profit for the year		706	113
TOTAL EQUITY		**44,286**	**30,918**
Untaxed reserves	24	**0**	**43**
Provisions			
Pension provisions	13	3	3
Other long-term provisions	15	4	58
Total provisions		**7**	**61**
Long-term liabilities			
Liabilities to subsidiaries		0	0
Other long-term interest-bearing liabilities	16	17,214	14,274
Total long-term liabilities		**17,214**	**14,274**
Current liabilities			
Short-term provisions	15	12	14
Short-term interest-bearing liabilities	16	7,424	2,414
Accounts payable	29	8	7
Liabilities to subsidiaries		4,885	2,488
Other current liabilities	29	10	2
Accrued expenses and deferred income	18, 29	623	120
Total current liabilities		**12,962**	**5,045**
TOTAL EQUITY AND LIABILITIES		**74,469**	**50,341**
Pledged assets	22	2,846	–
Contingent liabilities	23	2,757	2,386

Parent Company's changes in equity

		Restricted equity		Unrestricted equity				
SEK millions	**Note**	**Share capital**	**Statutory reserve**	**Share premium**	**Reserve for fair value**	**Retained earnings**	**Profit for the year**	**Total**
Equity, January 1, 2013	12	**2,851**	**902**	**9,391**	**2,317**	**14,924**	**671**	**31,056**
Hedging of currency risks in foreign operations					79			79
Tax on hedging of currency risks in foreign operations					–17			–17
Cash flow hedges					13			13
Tax on cash flow hedges					–2			–2
Profit for the year							113	113
Total comprehensive income					**73**		**113**	**186**
Retained earnings from previous year						671	–671	0
Dividend						–324	0	–324
Equity, December 31, 2013		**2,851**	**902**	**9,391**	**2,390**	**15,271**	**113**	**30,918**
Equity, January 1, 2014	12	**2,851**	**902**	**9,391**	**2,390**	**15,271**	**113**	**30,918**
Hedging of currency risks in foreign operations					–2,233			–2,233
Tax on hedging of currency risks in foreign operations					491			491
Cash flow hedges					28			28
Tax on cash flow hedges					–6			–6
Profit for the year							706	706
Total comprehensive income					**–1,720**		**706**	**–1,014**
Retained earnings from previous year						113	–113	0
New issue		1,982		12,400				14,382
Equity, December 31, 2014		**4,833**	**902**	**21,791**	**670**	**15,384**	**706**	**44,286**

Parent Company's cash flow statement

SEK millions	Note	2014	2013
BUSINESS OPERATIONS			
Profit from operating activities			
Operating loss		-232	-62
Reversal of non-cash items:			
• Depreciation of tangible fixed assets	7	1	0
• Change in provisions		-56	-14
• Other reversals		0	0
Interest received		206	232
Interest paid		-902	-593
Tax paid		0	1
		-983	**-436**
Working capital			
Accounts receivable (+ decrease)		0	0
Accounts payable (+ increase)		1	-4
Other current receivables (+ decrease)		-6	2
Other current liabilities (+ increase)		15	-4
Commercial intra-group transactions		25	21
		35	**15**
CASH FLOW FROM OPERATING ACTIVITIES		**-948**	**-421**
INVESTING ACTIVITIES			
Investments in fixed assets	7	-2	0
Dividends from subsidiaries		13	87
Received/paid group contributions		214	-591
Paid shareholder contributions		-	-150
Acquisition of shares and operations	26	-17	-
Other investing activities (+ decrease)		5	0
CASH FLOW FROM INVESTING ACTIVITIES		**213**	**-654**
FINANCING ACTIVITIES			
Dividends to shareholders		-	-324
New loans		9,625	355
Repayments/amortization of loans		-3,256	-975
Financial investments		-2,937	0
Financial intra-group transactions		-1,067	1,520
Other financing (+ increase)		-576	10
CASH FLOW FROM FINANCING ACTIVITIES		**1,789**	**586**
CASH AND CASH EQUIVALENTS			
Balance, January 1		50	539
Cash flow from operating activities		-948	-421
Cash flow from investing activities		213	-654
Cash flow from financing activities		1,789	586
Cash and cash equivalents, December 31	11	**1,104**	**50**
Contracted, non-utilized overdraft facilities		8,714	8,580
DISPOSABLE CASH AND CASH EQUIVALENTS (incl. Non-utilized overdraft facilities)		**9,818**	**8,630**

5-year summary, Group

	2014[1]	2013[2]	2012	2011	2010
Sales, SEK millions	47,752	36,455	38,923	44,640	39,883
Operating profit/loss, SEK millions	-107	-1,131	-96	2,512	1,132
Profit /loss after financial items, SEK millions	-1,589	-1,728	-693	1,998	730
Profit/loss after tax for the Parent Company´s shareholders, SEK millions [3]	-1,399	-1,066	15	1,560	557
Investments in plant and operations, SEK millions	-1,720	828	1,461	3,210	2,011
Cash flow from current operations, SEK millions	473	1,103	3,925	2,200	–731
Net debt, SEK millions	-24,674	14,833	15,498	18,475	17,589
Capital employed at year-end, SEK millions	62,476	45,983	48,414	51,558	49,969
Total assets, SEK millions	89,727	55,936	58,619	63,439	61,054
Return on capital employed before tax (%)	0	-2	0	5	2
Return on equity after tax (%)	-4	-4	0	5	2
Equity ratio (%)	49	48	49	49	49
Net debt/equity ratio (%)	56	55	54	60	59
Dividend per share (SEK), 2014 – proposal	0.00	0.00	1.00	2.00	2.00
Earnings per share (SEK)	-3.33	-3.29	0.05	4.82	1.72
Average number of employees	13,639	8,194	8,695	8,830	8,477
Sales per average employee, SEK millions	3.5	4.3	4.5	5.1	4.7
Production of crude steel, thousand tonnes	6,682	5,567	5,253	5,671	5,752

[1] Rautaruukki was acquired on July 29, 2014 and the above figures include Rautaruukki's figures from that date onwards.

[2] Sales and Sales per average employee for 2013 have been restated due to the change in method 2014 concerning the inclusion of freight income in Sales. Sales for 2010-2012 have not been restated.

[3] Earnings from the discontinued tubular business in IPSCO impacted earnings for 2010 in the amount of SEK -164 million.

Accounting and valuation principles

The most important accounting principles applied in the preparation of these consolidated financial statements are set forth below. Unless otherwise stated, these principles have been applied consistently with respect to all presented years.

General information
SSAB AB is a limited liability company with its registered office in Stockholm, Sweden. The parent company is listed on Nasdaq OMX Stockholm with a secondary listing on Nasdaq OMX Helsinki.

Principles for preparation of the report
The consolidated financial statements have been prepared in accordance with the Swedish Annual Reports Act as well as International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) with interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC), as such have been adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1. Supplementary Accounting Rules for Groups, has been applied.

Accounting standards and applications introduced during the year have had no impact on the Group's earnings and financial position.

The consolidated financial statements have been prepared in accordance with the acquisition value method, other than with respect to certain financial assets and liabilities (including derivative instruments) which have been valued at fair value via the income statement.

The preparation of reports in accordance with IFRS requires the use of a number of important estimations for accounting purposes. In addition, management must make certain assessments in conjunction with the application of the Group's accounting principles. Those areas that include a high degree of assessment, which are complex, or in which assumptions and estimations are of material significance for the consolidated financial statements are stated in Note 30.

The parent company applies the same accounting principles as the Group, except where stated below in a particular section. The differences that exist between the principles applied by the parent company and the Group are due to limitations on the possibilities to apply IFRS to the parent company as a consequence of the provisions of the Swedish Annual Reports Act and the Swedish Pension Obligations (Security) Act and also, in certain cases, for tax reasons. In addition, the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, has been applied.

Relevant standards, changes and interpretations that entered into force in 2013 have not had any impact on the Group.

i. Standards, changes and interpretations that entered into force in 2014 and are relevant to the Group

- IFRS 10, "Consolidated financial statements": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group has applied this from 1 January 2014. This standard establishes principles for the preparation and presentation of consolidated financial statements. The standard defines the principle of control and establishes controls as the basis for consolidation. This standard has had no impact on the Group's financial statements, however it may come to have an impact on future acquisitions.
- IFRS 11, "Joint arrangements": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group has applied this from 1 January 2014. The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. Interests in joint ventures should be accounted for under the equity method, proportional consolidation is no longer allowed. This standard has had no immediate impact on the Group's financial statements, however it might have an impact on future joint arrangements.
- IFRS 12, "Disclosures of interests in other entities": This standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group has applied this from 1 January 2014. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and special purpose vehicles. This standard, in addition to increased disclosure requirements, has had no immediate impact on the Group's financial statements.
- IAS 28 (revised 2011), "Associates and joint ventures": This revised standard applies commencing with financial years that begin from 1 January 2013 as the IASB but January 1, 2014 according to the EU. The Group has applied this from 1 January 2014. IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted. This standard has had no impact on the Group's financial statements.

Consolidated financial statements
The consolidated financial statements cover SSAB AB (publ) and the companies in which the Group has existing rights that give it the current ability to direct the activities and is exposed, or has rights, to variable returns from its involvement with the investee. Companies in which the Group exercises a significant but not controlling influence are reported as affiliated companies; this is normally the case where shares are held equal to between 20% and 50% of the voting capital. Companies in which the Group, together with one or more co-owners, is bound by a cooperation agreement which provides that the co-owners shall jointly exercise a controlling influence, are reported as joint ventures. Accounting and valuation principles.

SUBSIDIARIES
The Group's annual accounts are prepared in accordance with the acquisition method, entailing that the equity of subsidiaries at the time of acquisition defined as the difference between the fair value of identifiable assets, liabilities and potential obligations – is eliminated in its entirety against the acquisition price. Those surpluses that comprise the difference between the acquisition value and the fair value of the Group's share of identifiable acquired assets, liabilities and potential obligations are reported as goodwill. If the acquisition price is below the fair value of the net assets of the acquired subsidiary, the difference is reported directly in the income statement. With respect to each acquisition, the Group determines whether all non-controlling interests in the acquired company shall be reported at fair value or at the proportion of the net assets of the acquired company represented by the holding.

- Goodwill is initially valued as the amount by which the total purchase price and fair value of non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. Acquired companies are included in the consolidated financial statements commencing the date on which a controlling influence is obtained, while divested companies are reported up to the date on which the controlling influence ceases.
- Intra-group transactions, dealings and unrealized profits are eliminated in the consolidated financial statements. Unrealized losses are also eliminated unless the transaction constitutes evidence of impairment of the transferred asset. Where appropriate, the accounting principles for subsidiaries have been changed in order to ensure a consistent application of the Group's principles.
- In the consolidated cash flow statement, the purchase price with respect to acquired or divested operations is reported under the headings "Acquisition of shares and operations" and "Divested shares and

operations". Thus, the assets and liabilities of the acquired/divested companies at the time of the acquisition/sale are not included in the cash flow statement.

AFFILIATED COMPANIES AND JOINT VENTURES

Affiliated companies and joint ventures are reported in accordance with the equity method and valued initially at acquisition value. The equity method entails that the Group's book value of the shares in affiliated companies and joint ventures corresponds to the Group's share in the equity of the affiliated companies and joint ventures and, where appropriate, the residual value of surplus values or under-values from a Group perspective, including goodwill. The Group's share in the earnings of affiliated companies and joint ventures which arises after the acquisition is reported in the income statement. In the consolidated income statement, "Shares in earnings of affiliated companies and joint ventures after tax" comprise the Group's share in the post-tax earnings of the affiliated company or joint venture. Shares in the earnings of affiliated companies and joint ventures are reported in the operating profit when operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Any intragroup profits are eliminated in relation to the share of equity held.

In the parent company, affiliated companies and joint ventures are reported in accordance with the acquisition value method.

Transactions in foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which the company in question primarily operates (functional currency). Swedish kronor are used in the consolidated financial statements; this is the functional currency and reporting currency of the parent company.

Transactions in foreign currency are reported at the exchange rate Prevailing on the transaction date. In certain cases, the actual rate is approximated to the average rate during a month. At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. Exchange rate differences relating to the business are reported in the operating profit, while differences attributable to financial assets and liabilities are reported as a net sum among financial items.

The income statements of foreign subsidiaries are translated into Swedish kronor at the average exchange rates for the year, while their balance sheets are translated into Swedish kronor at the closing day rates. Any translation differences that arise are transferred directly to the consolidated statement of comprehensive income and reported in the item "Translation reserve".

Loans or other financial instruments taken up in order to hedge net assets in foreign subsidiaries are reported in the consolidated financial statements at the closing day rate. Any exchange rate differences less deferred taxes are transferred directly to other comprehensive income and thereby set off against the translation differences which arise in conjunction with the translation of these subsidiaries' balance sheets into Swedish kronor.

Upon sales of foreign subsidiaries, the total translation differences that relate to the foreign subsidiary are reported as a part of capital gains/losses in the consolidated income statement.

Goodwill and adjustments of assets and liabilities to fair value in Connection with the acquisition of foreign subsidiaries are treated as assets and liabilities in the foreign operations and thus translated in accordance with the same principles as the foreign subsidiaries.

Revenue recognition

Revenues are reported at the fair value of what has been or will be received and correspond to amounts received for sold goods less value added tax, discounts and returns, including exchange rate differences from forward contracts which are entered into in order to hedge sales in foreign currency. For information regarding hedge accounting, see Note 29.

The Group reports revenue when the amount can be measured in a reliable manner, it is likely that future economic benefits will inure to the Company, and specific criteria have been fulfilled in respect of each of the Group's operations as described below.

SALES OF STEEL

Revenues from sales of steel are reported after the crucial risks and benefits associated with title are transferred to the buyer and no right of disposition or possibility of actual control over the goods remains. In most cases, this means that sales are reported upon delivery of the goods to the customer in accordance with agreed delivery terms and conditions.

REVENUE RECOGNITION OF PROJECTS WITHIN RUUKKI CONSTRUCTION

The Group applies gradual income recognition when reporting fixed price agreements for projects which extend over more than one year. When the result of the project can be calculated in a reliable manner and it is likely that the project will be profitable, revenues are reported over the term of the agreement based on the degree of completion. At the end of the period, project expenditures are reported based on the degree of completion in respect of the activities included in the work. When it is likely that the total expenditures on the project will exceed the total revenues, the anticipated loss is reported immediately as an expense. When the result of the project work cannot be calculated in a reliable manner, revenues are reported only in an amount corresponding to the accrued project expenditures which are likely to be compensated.

SALES OF SERVICES

Revenues from sales of services are reported in the period in which the services are performed.

All intra-group sales are eliminated in the consolidated financial statements.

INTEREST INCOME AND DIVIDENDS

Interest income is reported in accordance with the effective rate method. Dividends are reported when the right to receive the dividend has been established. Regarding dividends from subsidiaries, see the section entitled Dividends, the parent company.

Pricing between Group companies

Arm's length pricing is applied to deliveries of goods and services between companies in the Group.

Government assistance

Government assistance and grants are reported at fair value when there is reasonable certainty that the grant will be received and that the Group will fulfill the conditions attached to the grant.

Government assistance and grants are allocated over the same period as the expenses which the grants are intended to reimburse. Grants provided as compensation for expenses are recognized in the income statement as an expense reduction. Grants related to assets are recognized in the balance sheet through a reduction in the reported value of the assets.

Research and development expenses

Research and development expenses are booked as they are incurred. Development expenses may be capitalized under certain strict conditions. However, this requires, among other things, that future economic benefits can be demonstrated at the time the expenses are incurred. The projects that take place are short-term in nature and do not involve significant amounts, and thus development expenditures are also booked as costs.

Software development expenses
Expenses for development and acquisition of new software are capitalized and reported as an intangible asset provided they have a significant value for the Company in the future and they can be deemed to have a useful life in excess of three years. These capitalized expenses are depreciated on a straight-line basis over the assessed useful life. Expenses for training and software maintenance are, however, booked directly as costs.

Tangible non-current assets
Tangible non-current assets are reported at acquisition value less deduction for accumulated depreciation and any accumulated impairment. Depreciation is based on the acquisition value of the assets and estimated useful life. If major investments include components, an assessment must always be made as to whether the useful life of the component differs from that of the entire facility. The acquisition value includes expenditures directly attributable to the acquisition of the asset. Any borrowing costs in conjunction with the construction and design of non-current assets, a significant portion of which is required for completion for use or sale, are added as a part of the acquisition cost of the asset. Restoration expenses in connection with disposals of non-current assets are included in the acquisition value only where the criteria for making a provision for such restoration expenses may be deemed fulfilled. Additional expenditures for acquiring replacement components are added to the reported value of the non-current asset or recognized as a separate asset only where it is likely that the Group will enjoy the future economic benefits associated with the asset and the acquisition value of the asset can be measured in a reliable manner. The reported value for the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognized as expenses in the income statement during the period in which they occur.

Land is assumed to have a perpetual period of use and thus is not depreciated. Other tangible non-current assets are classified into groups for calculation of depreciation based on their estimated useful life, in accordance with the following table.

Examples of items	Estimated use, years
Vehicles, office equipment and computers	3–5
Light machinery	5–12
Heavy machinery:	
• Re-ligning of blast furnaces	12–15
• Steel furnaces, rolling mills and cranes	15–20
• Blast furnaces and coke ovens	15–20
Land improvement	20
Buildings	25–50

The useful life of the assets is reviewed annually and adjusted where required. The assets are normally depreciated to zero without any remaining residual value.

The straight line depreciation method is used for all types of tangible non- current assets with a limited useful life. Where the book value of an asset exceeds the expected recovery value, the asset is written down to such value.

Capital gains and capital losses upon the sale of tangible non-current assets are determined by comparing the revenue from the sale with the reported value; this is reported in the income statement as "Other operating revenues" or "Other operating expenses".

Intangible assets
Similarly, intangible assets are classified in two groups, with assets with a determinable useful life being amortized over a determined useful life, while assets with an undeterminable useful life are not amortized at all.

GOODWILL
The compensation transferred in conjunction with a business acquisition is valued at fair value. Goodwill comprises the amount by which the acquisition value (the compensation) exceeds the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the time of the acquisition. Goodwill upon the acquisition of a subsidiary is reported as an intangible asset. Goodwill is tested annually to identify any impairment and reported at acquisition value less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the asset may have diminished in value. Impairment of goodwill is reported as an expense and not reversed. Profits or losses upon the sale of a unit include the remaining reported value of the goodwill which relates to the sold unit.

When testing for any impairment, goodwill is allocated over cash-generating units. The allocation is made on the cash-generating units or groups of cash-generating units which are expected to benefit from the business acquisition which gave rise to the goodwill item. Goodwill is monitored on a divisional level.

CUSTOMER RELATIONS
Acquired customer relations are reported at acquisition value. Customer relations have a determinable useful life and are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for customer relations over their assessed useful life (six to twelve years).

TRADEMARKS
Acquired trademarks and licenses are reported at acquisition value. For trademarks and licenses that have a determinable useful life are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs for trademarks over their assessed useful life and licenses are amortized over the term of the agreement (five to ten years). Trademarks and licenses that doesn't have a determinable useful life is tested annually to identify any impairment and is reported at acquisition value less accumulated impairment. Testing for impairment is also carried out in those cases where there are indications that the assets may have dimished in value. Impairment of trademark and licenses is reported as an expenses and not reversed.

SOFTWARE
Acquired software licenses are capitalized on the basis of the costs incurred upon acquisition and placement into operation of the relevant software. These capitalized costs are amortized on a straight line basis over the assessed useful life (three to five years).

OTHER INTANGIBLE ASSETS
Other intangible assets are reported at acquisition value less accumulated amortization. Straight line amortization is applied to allocate the costs over their assessed useful life (five to fifteen years).

Impairment of non-financial assets
Intangible assets with an undeterminable useful life (including goodwill) are not amortized but, rather, tested annually for any impairment or otherwise where signs indicate a decline in value. Other non-financial assets with an undeterminable useful life are tested when signs indicate a decline in value. Amortized assets are tested for impairment when signs indicate a decline in value. Where the estimated recovery value is less than the reported value, the asset is written down to the recovery value. Testing of the value of an asset with an undeterminable useful life may also result in the asset beingreclassified as an asset with a determinable useful life. The asset's period of use is then calculated and amortization commences. The recovery value is the asset's fair value reduced by selling expenses, or its useful value, whichever is higher. When testing for impairment, assets are

grouped on the lowest levels for which there are separately identifiable cash flows (cash-generating units). With respect to assets other than financial assets and goodwill which have previously been impaired, an annual test is conducted as to whether a reversal should be made.

Leased assets

Expenses for non-current assets that are leased instead of owned are reported primarily as lease expenses on a straight line basis over the leasing period (operational leasing). Where leasing agreements contain terms and conditions pursuant to which the Group enjoys the economic advantages and incurs the economic risks that are associated with ownership of the property (financial leasing), they are reported in the consolidated balance sheet under 'Non-current Assets' and depreciated over the useful life (the economic life or the outstanding leasing period, whichever is the shorter). At the beginning of the leasing period, financial leasing is reported in the balance sheet at the leased object's fair value or the present value of the minimum leasing charges, whichever is lower. Each lease payment is divided into interest payment and repayment of the debt; interest is allocated over the leasing period. Corresponding payment obligations, less deductions for financial expenses, are included in the balance sheet items, "Current interest-bearing liabilities" and "Non-current interest-bearing liabilities".

In the parent company, all leasing agreements are reported as operational.

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, shares and participations, loan claims and derivative instruments. They are reported initially at an acquisition value corresponding to the fair value of the asset plus a supplement for transaction costs, with the exception of assets that are valued at fair value. Reporting thereafter takes place depending on the classification of the asset. Financial assets are removed from the balance sheet when the debt/instrument is finally paid or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

Spot purchases and sales of financial assets are reported on the Settlement day, i.e. the day on which the asset is delivered. Accounts receivable are reported in the balance sheet when an invoice has been issued. The fair value of listed financial assets corresponds to the asset's listed transaction price on the balance sheet date. The fair value of unlisted financial assets is determined through use of valuation techniques, for example, recently conducted transactions, prices of similar instruments and discounted cash flows.

Financial assets are classified in four valuation categories: "Financial assets at fair value through profit and loss", "held to maturity investments", "loans and receivables" and "available for sale financial assets".

- Financial assets at fair value through profit and loss: Assets that are acquired primarily in order to enjoy profits upon short-term price fluctuations, holdings for trading, are classified as "Financial assets at fair value through profit and loss" and reported as short-term investments if their term to maturity on the acquisition date is less than three months and as "Other interest-bearing current receivables" if the term to maturity is between three and twelve months. Derivative instruments are classified as holdings for trading except where used for hedge accounting. Assets in this category are valued regularly at fair value and changes in value are reported in the income statement. Derivative instruments taken up in respect of business-related items are reported in the operating profit, while derivative instruments of a financial nature are reported in financial items. Assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- Held to maturity investments: Assets with a fixed maturity date and which are intended to be held until maturity are classified as "held to maturity investments" and reported as financial non-current assets, except those parts that mature within twelve months; these are reported as "Other interestbearing current receivables". Assets in this category are valued at amortized cost. The amortized cost is determined based on the effective interest rate, which is calculated on the acquisition date.
- Loans and receivables: Loans and receivables are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not listed on an active market. The claims arise when cash, goods or services are provided directly to the debtor without an intention of trading in the receivables. Just as with the preceding category, assets in this category are valued at the amortized cost. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.
- Financial assets available for sale: Financial assets without a fixed term to maturity but which can be sold should liquidity needs arise or upon changes in interest rates are classified as "available for sale". Assets in this category are valued regularly at fair value with changes in value in other comprehensive income. Upon removal of the investments from the balance sheet, any accumulated profit or loss previously reported in comprehensive income is reversed to the income statement. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets. The Group held no instruments in this category during 2013 and 2014.

OTHER SHARES AND PARTICIPATIONS

Consist primarily of investments in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value.

NON-CURRENT RECEIVABLES

Non-current receivables are receivables held without any intention of Trading in the claim. Parts where the outstanding holding period is less than one year are reported among "Other current interest-bearing receivables". The receivables are classified in the category, "Loan claims and accounts receivable".

ACCOUNTS RECEIVABLE

Accounts receivable are classified in the category, "Loan claims and accounts receivable". Accounts receivable are reported initially at fair value and accounts receivable in excess of twelve months are reported at the accrued acquisition value applying the effective interest rate method, less any provisions for reduction in value. The Company has had no accounts receivable with a due date in excess of twelve months. Any impairment of accounts receivable takes place in selling expenses in the income statement.

CASH AND CASH EQUIVALENTS

'Cash and cash equivalents' include cash, immediately accessible bank Balances as well as other short-term deposits with an original term to maturity of less than three months (short-term investments). Investments with an original term to maturity of between three and twelve months are reported under "Other current interest-bearing receivables" and classified as assets valued at the fair value via the income statement. Overdraft facilities are reported in the balance sheet as borrowing among "Current interestbearing liabilities".

IMPAIRMENT OF FINANCIAL ASSETS

The Group regularly assesses whether there is any objective evidence for impairment of a financial asset or a group of financial assets. With respect to investments in equity instruments which are valued at acquisition value, a significant or prolonged decline in the fair value of a share to a level below its acquisition value is considered to be evidence of impairment. If such evidence exists, the difference between the reported value and the current fair value is reported in the income statement. Impairment of equity instruments is not reversed. Tests for impairment of accounts receivable are based on an individual assessment of bad debts. The size of the provision comprises the difference between the reported value of the asset and the present value of estimated future cash flows, discounted applying an effective interest rate. The remaining amount is reported in the income statement.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value, with the acquisition value being calculated in accordance with the FIFO method (first in, first out). When calculating the acquisition value, a weighted average value is normally used to approximate FIFO.

The net realizable value is normally calculated as the sales price less Production and selling expenses. With respect to products in the trading operations, the replacement cost with an added estimated gross margin is used as the best gauge of the net realizable value. In respect of raw materials, the replacement cost is used as the best gauge of the net realizable value. However, raw materials are not written down below the acquisition value where the end product in which they are included is expected to be sold at a price which exceeds the manufacturing cost.

Work in progress and finished inventories are valued at the manufacturing cost or the net realizable value, whichever is lower. Necessary provision is made for obsolescence.

The acquisition value of inventories includes all costs for purchasing, Production and other expenses incurred in bringing the goods to their current location and condition.

Employee benefits

PENSIONS

Within the Group there are both contribution-based and benefit-based Pension plans. Generally, the plans are financed through payments to insurance companies or manager-administered funds.

In the contribution-based plans, fixed fees are paid to a separate legal entity and there is no obligation, legal or informal, to pay any additional fees. In the contribution-based plans, payments are recognized as an expense during the period when the employees have performed the services to which the fees relate. Blue collar employees in Sweden are covered by such a contribution-based plan.

In the benefit-based plans, compensation is payable to employees and former employees based on salary at the time of retirement and number of years in service. The Group bears the risk that the costs for the promised payments will be higher than estimated.

In the consolidated balance sheet, the net of the estimated present value of the obligations and fair value of the managed assets is reported either as a long-term provision or as a long-term financial claim. In those cases where a surplus in a plan cannot be utilized in full, only that part of the surplus which can be recovered through reduced future fees or refunds is reported. Set-off of a surplus in one plan against a deficit in another plan takes place only where a right of set-off exists.

Pension expenses and pension obligations for benefit-based plans are calculated in accordance with the Projected Unit Credit Method. The method allocates pension expenses as the employees perform the services that increase their entitlement to future compensation. The obligation is calculated by independent actuaries and constitutes the present value of the anticipated future disbursements. The discount rate that is applied corresponds to the rate of interest on high-quality corporate bonds with a term to maturity which corresponds to the average term for the obligations. The most important actuarial assumptions are stated in Note 13.

Actuarial profits or losses may arise upon determination of the present value of the obligations and the fair value of the managed assets. These arise either as a consequence of the actual result differing from previously-made assumptions, or due to changes in the assumptions. Such actuarial profits and losses are recognized in their entirety in the Group's results when they arise.

White collar personnel in Sweden are covered by a collective benefit-based plan, the ITP (supplementary pensions for salaried employees) plan. The ITP plan has been financed through the purchase of pension insurance with the mutual insurance company, Alecta. However, at present no information is available which makes it possible to report this plan as a benefit-based plan. Accordingly, the plan is reported as a contributions-based plan, and thus premiums paid to Alecta during the year are reported as pension expenses.

The parent company and other legal entities within the Group report benefit-based pension plans in accordance with the local rules in each country.

PROFIT SHARES AND VARIABLE SALARY

SSAB employees are covered by a profit sharing system which entitles them to a share in the profit above a minimum level. The Group Executive Committee and a number of other senior executives have instead salaries which contain a variable element related to the profit level and individually set targets. The costs for these systems are booked as accrued expenses regularly during the year as soon as it is likely that the targets will be met. In 2011, a long-term incentive program was introduced for the Company's senior executives, including the President, which is capped at 25% of fixed salary. The program runs for rolling three-year periods, is cash-based, and is linked to the total return on the SSAB share relative to a comparison group comprised of the Company's competitors. A percentage of the costs for the program is booked each year, based on a continuous assessment of the outcome for the three-year period.

COMPENSATION UPON TERMINATION OF EMPLOYMENT

Compensation upon termination of employment is paid when employment is terminated prior to the normal retirement age or where an employee accepts voluntary retirement in exchange for such compensation. The Group reports severance compensation when the Group is demonstrably obliged either to terminate an employee in accordance with a detailed formal plan without the possibility of recall, or to provide compensation upon termination as a result of an offer made in order to encourage voluntary retirement. Benefits which fall due more than twelve months from the balance sheet date are discounted to present value.

Provisions

Provisions are reported when the Group has an obligation as a result of an event that has occurred and it is likely that payments will be demanded for fulfillment of the obligation. A further requirement is that it is possible to make a reliable estimation of the amount to be paid out.
Provisions for restructuring measures are made when a detailed, formal plan for the measures is in place and well-founded expectations have been created among the parties that will be affected by the measure, and this takes place prior to the balance sheet date.

Emission rights

SSAB participates in the EU's emission rights trading system. Provision is made if a shortfall in emission rights is identified between owned rights and those rights which will have to be delivered due to emissions having taken place. The value of any surplus emission rights is reported only when it is realized as an external sale. Emission rights are reported as intangible assets and are booked at acquisition value.

Environmental restoration expenses
Expenses for environmental measures associated with previous operations and which do not contribute to current or future revenue are booked as a cost when incurred. The environmental undertaking is calculated based on interpretations of applicable environmental legislation and regulations and reported when it is likely that payment liability will be incurred and a reasonable estimation can be made of such amount. Provisions have not been made for land clean-up to prepare the industrial areas for other use in the future, since it is not possible to make a reasonable estimation of when such cleanup will take place.

Financial liabilities
Financial liabilities include loan debts, accounts payable and derivative instruments. Reporting thereafter takes place depending on how the liabilities are classified. Financial liabilities are removed from the balance sheet when the debt/instrument is paid in full or ceases to apply or is transferred through all risks and benefits being assigned to an external party.

ACCOUNTS PAYABLE
Accounts payable are valued initially at fair value and thereafter at accrued acquisition value.

LOAN DEBTS
Loan debts are valued initially at net fair value after transaction costs, and thereafter at accrued acquisition value. The accrued acquisition value is determined based on the effective interest rate which was calculated when the loan was taken up. Accordingly, surplus values and under-values as well as direct issuance costs are allocated over the loan period. Loans which constitute the hedged object in fair value hedging are valued and booked at fair value. Non-current loan debts have an anticipated term to maturity in excess of one year, while current loan debts have a term to maturity of less than one year.

Derivate instruments and hedging
Currency derivatives in the form of forward contracts and swaps are used to hedge exchange rates on purchase orders for coal, iron ore, zinc and heavy fuel oil, to hedge the exchange rate in conjunction with major sales in foreign currency, in conjunction with major investments in non-current assets made in foreign currency, to hedge net investments in foreign subsidiaries, and to hedge Swedish kronor payment flows on foreign loans. Derivative instruments in the form of interest swaps are used to hedge exposure to interest rate risks.

- All derivative instruments are reported in the balance sheet at fair value. The method for reporting accrued profit/loss differs, however, depending on the purpose of the derivative instrument. When a derivative contract is entered into, it is characterized as hedging of the fair value of a reported asset/ liability or of a signed delivery order ("fair value hedging"), hedging of a planned transaction ("cash flow hedging"), hedging of a net investment in a foreign company, or as a derivative instrument which does not meet the requirements for hedging transactions.
- When the transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item, as well as the Group's risk management objectives and risk management strategy as regards the hedging. The Group also documents its assessment, both when hedging is entered into and on a regular basis, of whether the derivative instruments used in hedge transactions are effective in counteracting changes in fair value or cash flows that relate to the hedged items.
- Information regarding fair value of various derivative instruments used for hedging purposes is set forth in Note 29. Changes in the hedging reserve in equity are set forth in Note 12. The entire fair value of a derivative instrument which constitutes a hedge instrument is classified as a non-current asset or non-current liability when the outstanding term of the hedged item exceeds twelve months, and as a current asset or current liability when the outstanding term of the hedged item is less than twelve months.
- Fair value hedging: Changes in the fair value of derivative instruments which are categorized as, and meet the requirements for, "fair value hedging" are reported in the income statement together with changes in the fair value of the asset/liability or the delivery order to which the hedging relates. Transaction costs related to "fair value hedging" are recognized immediately in the income statement.
- Cash flow hedging: The effective part of changes in fair value of derivative instruments which are identified as, and meet the requirements for, cash flow hedging, is reported in other comprehensive income. The profit or loss attributable to the ineffective part is reported immediately in financial items in the income statement. However, the ineffective part of the profit or loss relating to cash flow hedging of sales in foreign currency is reported among other operating expenses or revenue. Accumulated amounts in equity are reversed to the income statement in those periods in which the hedged item affects earnings (e.g. when the forecast sale which is hedged takes place). The profit or loss attributable to the effective part of a forward contract which hedges sales in foreign currency is reported in the income statement item, Sales. When a hedge instrument lapses or is sold, or when the hedging no longer fulfills the criteria for hedge accounting and there are accumulated profits or losses in equity regarding the hedging, such profits or losses remain in equity and are reported as income at the same time as the forecast transaction is finally reported in the income statement. When a forecast transaction is no longer expected to occur, the accumulated profit or loss which is reported in equity is transferred immediately to the income statement. Where the transfer relates to cash flow hedging of sales in foreign currency, it is reported among other operating expenses or revenue. Where the transfer relates to cash flow hedging of financial items, it is reported in the income statement among financial items.
- Net investment hedging: Hedging of net investments in foreign companies is reported in the same manner as cash flow hedging. The effective part of changes in value of derivative instruments and liabilities, which are used as hedge instruments, is reported in other comprehensive income. The ineffective part of changes in value is reported immediately in financial items in the income statement. Accumulated profits and losses in equity are reported in the income statement when the foreign operations are divested, in whole or in part.
- Certain derivative transactions do not meet the formal criteria for hedge accounting; they are reported in the income statement among financial revenues and expenses.

Derivative instruments which are reported in hedge accounting and executed in respect of business-related items are reported in operating profit, while derivative instruments of a financial nature are reported in financial items. The fair value of currency forward contracts and currency swaps is calculated based on forward contract prices on the balance sheet date, while interest rate swaps are valued calculated on the basis of future discounted cash flows.

Taxes
The Group's reported tax expenses consist of tax on the taxable earnings of Group companies for the period as well as any adjustments with respect to tax for previous periods and changes in deferred tax.

DEFERRED TAX

Deferred tax is calculated in order to correspond to the tax effect which arises when final tax is triggered. It corresponds to the net effect of tax on all differences between the tax value of assets and liabilities and their value for accounting purposes (temporary differences), applying the future tax rates already decided upon or announced which will apply when the tax is expected to be realized.

- Temporary differences arise primarily through accelerated depreciation of non-current assets, profits from intra-group inventory transactions, untaxed reserves in the form of tax allocation reserves, non-utilized losses carried forward, as well as fair value adjustments in conjunction with business combinations. A deferred tax receivable due to losses carried forward is, however, recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses.
- In the parent company's balance sheet, the accumulated values of Accelerated depreciation and other untaxed reserves are reported in the item "Untaxed reserves" without deduction of the deferred tax. In the parent company's income statement, changes in the untaxed reserves are reported on a separate line.

DIVIDENDS

Dividends proposed by the Board of Directors do not reduce equity until the annual general meeting has adopted a resolution regarding payment of the dividend.

DIVIDENDS, THE PARENT COMPANY

An anticipated dividend is reported in those cases where the parent company is exclusively entitled to decide on the amount of the dividend and the parent company, prior to the date on which its financial statements are published, has decided on the amount of the dividend and ascertained that the dividend will not exceed the dividend capacity of the subsidiary.

Group contributions in the parent company

Group contributions received and provided, and the tax consequences thereof, are reported as a transfer to untaxed reserves, and the tax effect as a tax expense /income in the income statement.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents in the cash flow statement consist of cash and bank balances as well as short-term investments with a term to maturity of less than three months from the acquisition date, which are exposed to only an insignificant risk of change in value.

Segment reporting

OPERATING SEGMENTS

As of September 1, 2014, the Group is organized in five reportable operating segments which are designated as divisions with clear profit responsibility; SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction. In addition, there are other operating segments which are not reportable since they do not reach the threshold values in IFRS 8 and they are not monitored separately by the Group Executive Committee. The segment reporting takes place in such a manner that it corresponds to the internal reporting which is submitted to the Group Executive Committee. The Group Executive Committee is the highest Executive decision-making body which is responsible for the allocation of resources and assessment of the results of operating segments, and takes strategic decisions. A more detailed description of the reportable segments and their operations is provided on pages 12–20 and in Note 28.

Non-current assets held for sale

Significant non-current assets (or divestments groups) are classified as Non-current assets held for sale when their reported value will primarily be recovered through a sales transaction and a sale is deemed to be very likely. They are reported at reported value or fair value less selling expenses, whichever is lower, if their book value is primarily recovered through a sales transaction and not through permanent use.

1 Sales and other operating income

Sales per product area	Group	
SEK millions	**2014**	**2013**
Hot-rolled strip	8,788	6,332
Cold-rolled and metal-coated strip	4,074	3,479
Organic-coated and profiled strip	1,855	1,060
Plate	19,024	15,977
Trading operations	4,965	5,201
Slabs	477	493
Building components and services	3,212	993
Tubes	881	–
By-products/scrap	1,376	1,112
Freight[1)]	1,561	1,433
Other	1,539	375
Total sales	**47,752**	**36,455**

1) During the year, SSAB has changed the method of reporting freights income. Net freights were previously included in selling expenses. The sales for 2013 has been restated due to the change in method of reporting freights.

Sales broken down by divisions and geographic area is shown in Note 28.

Other operating income	Group		Parent Company	
SEK millions	**2014**	**2013**	**2014**	**2013**
Sales of purchased energy and media	121	262	-	–
Sales of services	22	12	-	–
Net exchange rate differences	102	–	-	–
Profit on emission rights	38	57	38	57
Profit upon sale of shares and operations	0	73	-	–
Profit upon sale of fixed assets	37	1	-	–
Investment grant (government grant)	26	1	-	–
Other	400	85	117	65
Total other operating income	**746**	**491**	**155**	**122**

2 Operating expenses

Type of cost	Group		Parent Company	
SEK millions	**2014**	**2013**	**2014**	**2013**
Raw materials in the steel operations, including change in raw material inventory	17,949	15,697	-	–
Supplies and inputs	1,280	830	-	–
Purchased products in the trading operations	3,663	3,255	-	–
Purchased products in the steel operations	3,532	1,565	-	–
Energy	2,671	2,291	-	–
Change in inventory, work in progress and finished products	862	313	-	–
Compensation to employees	7,337	5,236	108	71
Material, services and maintenance	4,211	3,836	241	81
Depreciation/amortization	3,412	2,464	0	1
Other	3,689	2,606	38	31
Total operating expenses	**48,606**	**38,093**	**387**	**184**

2 Operating expenses cont.

Audit fees and related services	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
PricewaterhouseCoopers				
Audit fees	10	9	1	2
Audit related services	4	1	4	0
Tax consulting	2	2	0	0
Other services	18	8	10	6
Total audit fees and related services to PricewaterhouseCoopers	**34**	**20**	**15**	**8**
Other audit firms				
Audits and related services	6	6	-	-
Other services	13	7	3	1
Total audit fees and services to audit firms	**53**	**33**	**18**	**9**

Operating expenses have been reduced by the following government and other grants:	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Investment grant	26	0	-	-
Other	14	2	-	-
Total grants	**40**	**2**	**-**	**-**

Compensation to employees	Board, President and Executive Vice President		Other employees	
SEK millions	**2014**	2013	**2014**	2013
Parent Company[1)]	17	15	74	43
Subsidiaries in Sweden	9	10	2,689	2,548
Subsidiaries outside Sweden	29	11	2,528	1,070
Total wages and salaries[2)]	**55**	**36**	**5,291**	**3,661**
Social security expenses	20	16	1,677	1,345
(of which pension expenses)	(-10)	(-9)	(-616)	(-433)
Other expenses for employee benefits	3	1	291	177
Total compensation to employees	**78**	**53**	**7,259**	**5,183**

1) Relates only to personnel employed and working within the parent company. Personnel in some of the larger subsidiaries are formally employed by the parent company but are reported in terms of number and expense in the relevant subsidiary. In the parent company expenses for the president of SSAB EMEA AB are also reported.
2) Total wages and salaries include variable salary components to President in the amount of SEK 6 (-3) million, of which SEK 3 (-2) million in the parent company.

2 Operating expenses cont.

Board fees and terms of employment for the Group's senior executives

BOARD OF DIRECTORS

In accordance with a resolution adopted at the annual general meeting, fees were payable in the amount of SEK 1,425 thousand to the Chairman of the Board and SEK 475 thousand to each of the directors elected by the general meeting (excluding the President). In addition, members of Board committees received SEK 100 thousand for each committee on which the member served, with the exception of the Chairman of the Audit Committee, who instead received SEK 125 thousand. At the extra general meeting held in September 2014, Petra Einarsson, Kim Gran and Matti Lievonen were elected as new directors.

Anders G Carlberg, Matti Sundberg and Pär Östberg had announced that they were leaving the Board of Directors in conjunction with the extra general meeting. At the extra general meeting, a resolution was adopted to increase board fees for the final six months prior to the next annual general meeting. The Chairman's fee on an annual basis would thus amount to SEK 1,650 (1,425) thousand, and directors' fees (excluding the President) to SEK 550 (475) thousand each. Fees for committee work remain unchanged. Thus, in total SEK 5,750 (5,375) thousand was paid in fees to the Board of Directors.

Board members

			Fee 2014, SEK		Fee 2013, SEK	
Elected by general meeting	Elected	Position	Board fee	Committee fee	Board fee	Committee fee
Sverker Martin-Löf	2003	Chairman	1,537,500	200,000	1,425,000	200,000
Petra Einarsson	2014	Member	275,000	-	-	-
Kim Gran	2014	Member	275,000	50,000	-	-
Jan Johansson	2011	Member	512,500	-	475,000	-
Matti Lievonen	2014	Member	275,000	-	-	-
Martin Lindqvist	2011	Member, President	-	-	-	-
Annika Lundius	2011	Member	512,500	100,000	475,000	100,000
John Tulloch	2009	Member	512,500	100,000	475,000	100,000
Lars Westerberg	2006	Member	512,500	112,500	475,000	100,000
Ander G Carlberg, resigned 2014	1986	Member	237,500	62,500	475,000	125,000
Matti Sundberg, resigned 2014	2004	Member	237,500	-	475,000	-
Pär Östberg, resigned 2014	2013	Member	235,700	-	475,000	-

Salaries and compensation for the President and other senior executives

RESOLUTION OF THE ANNUAL GENERAL MEETING

According to a resolution adopted by the AGM in April 2014, the President and other persons in the Company's senior management shall receive compensation comprising fixed salary, possible variable compensations, other benefits such as company car, and pension. "Other members of the Company's senior management" mean members of the Group Executive Committee other than the President. The total compensation package shall be on market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensation shall be related to the executive's responsibilities and authority. The variable compensation shall be based on results as compared with defined and measurable targets and capped in relation to the fixed salary. The variable compensations shall not be included in the basis for computation of pension, except in those cases where so provided in the rules of a general pension plan, e.g. the Swedish ITP plan. For senior executives outside Sweden, all or parts of the variable compensations may be included in the basis for pension computation due to legislation or competitive practice in the local market.

The variable compensation programs should be structured such that the Board of Directors has the possibility, should exceptional circumstances prevail, to restrict the payment of variable compensation, or to decline to make such payment, where such a measure is deemed reasonable and compatible with the Company's responsibilities to its shareholders, employees and other stakeholders.

Consultant fees on market terms may be payable insofar as any director performs work on behalf of the Company, in addition to the Board work.

The period of notice of termination of employment for senior executives in Sweden shall be six months in the event of termination by the executive. In the event of termination by the Company, the total of the period of notice of termination and the period during which severance compensation is payable shall not exceed 24 months. Pension benefits shall be either benefit-based or contribution-based or a combination thereof, with individual retirement ages; however in no case earlier than the age of 60. Benefit-based pension benefits are conditional on the benefits being earned during a pre-determined period of employment. In the event the employment terminates prior to the retirement age, the executive shall receive a paid-up policy for earned pension. For senior executives outside Sweden, the termination period and severance compensation may vary due to legislation or practice on the local market.

The Board of Directors shall be entitled to deviate from the guidelines where special reasons exist in an individual case.

COMPENSATION COMMITTEE

Within the Board of Directors there is a Compensation Committee which issues proposals to the Board regarding the President's salary and other employment terms and conditions, and determines the salary and other employment terms and conditions for the Group Executive Committee in accordance with guidelines decided upon by the AGM. The Committee consists of Sverker Martin-Löf (Chairman), Kim Gran and John Tulloch. The President is a co-opted member of the Committee but does not participate in discussions concerning his own salary and employment terms and conditions.

COMPENSATION IN 2014

Compensation to the President and other members of the Group Executive committee consisted of a fixed salary component, a short-term variable salary component, and a long-term variable salary component. There is no share-related compensation.

For the members of the Group Executive committee who are not stationed in the US, there is a short-term variable salary component which is related to the Group's EBITDA margin relative to other comparable steel companies and to an inventory turnover target established by the Board, combined with one or more individual targets. This variable salary component is capped at 75% of fixed salary for the President and 50% for others.

In conjunction with the acquisition of Rautaruukki, the Board decided on a temporary incentive program for a number of key employees within four defined categories who are working on the integration of Rautaruukki, among them certain members of the Group Executive Committee, including the President. This temporary incentive program replaces existing variable salary components during the corresponding period of time in respect of the key employees participating in the program. The program will extend over 18 months (July 1, 2014 -December 31, 2015) and is contingent on the results that the Company achieves, with the target being related to the Group's EBITDA margin compared with a number of comparable steel companies during the measurement period. The outcome is capped in relation to each participant's fixed annual salary and shall not exceed 5, 9 or 18 monthly salaries, depending on the participant's category affiliation. However, participants are guaranteed a result of at least 50%.

As from 2011, a long-term incentive program has been introduced covering a maximum of 100 key persons throughout the Group, including the Company's President and other senior executives. The program applies for rolling three-year periods, is cash-based, and linked to the total return on the SSAB share compared with a comparison group comprising the Company's competitors. For participants in the program outside North America, the result is capped at between 15 and 25% of fixed salary. The maximum outcome for participants in North America is in line with the restrictions which applied under their earlier program; for these participants, the program is also linked to SSAB Americas' results and return on capital employed. The total annual cost for the program is SEK 22.5 million in the event of target realization, and SEK 45 million in the event of maximum target realization, of which approximately 2/3 constitutes the cost for participants in North America. The program has been introduced with the aim of promoting the Company's ability to recruit and retain particularly important employees.

The member of the Group Executive committee who is stationed in the United States receives compensation which is considered to be competitive from a North American perspective. He receives a fixed salary and, in addition, an annual variable salary component which is linked to the same targets as for the rest of the Group Executive Committee. His annual variable salary is capped relative to fixed salary. The target result is 60% of fixed salary but may amount to a maximum of 180% in the event of extremely high profitability. In addition, during his employment he is entitled to participate in the Group's long-term incentive program. The outcome is capped relative to fixed salary. Fully developed, the plan has a target outcome of 90% of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150%. Payments under the long-term incentive program take place in cash, and solely on condition that he remains in his employment.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The total paid compensation package, excluding pension, amounted to SEK 8.0 (8.3) million. No variable salary was payable in respect of 2013 and thus no payment took place in 2014.

The minimum retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 42 (39) percent of fixed salary. Earned pension is inviolable but premium payments cease upon termination of employment.

There is a 12-month notice period in the event of dismissal by the Company. In addition, in such situation severance compensation is payable equal to 12 months' salary.

In the event of the President's resignation, the termination period is 6 months and, in such a situation, there is no entitlement to severance compensation. Variable salary components are earned during the termination period only on condition that he remains in active service.

OTHER GROUP EXECUTIVE COMMITTEE MEMBERS

Apart from the President, at the beginning of the year the Group Executive Committee comprised 8 (8) persons. During the year, Rautaruukki was acquired and the Group reorganized, with the Group Executive Committee being expanded to include an additional three members as of September 1. Melker Jernberg and Maria Långberg left the Group Executive Committee, which was joined by Olavi Huhtala, Mikael Nyqvist, Taina Kyllönen, Marko Somerma and Per Olof Stark. The Group Executive Committee is presented on page 105.

The minimum retirement age for other members of the Group Executive Committee stationed outside the US is 62. Pensions are based on contributions, apart from in the case of Olavi Huhtala; he continues to be covered by the benefit-based pension scheme (via Ruukki A-Pension Foundation), of which he has long been covered through his employment at Rautaruukki. The other members of the Group Executive Committee are entitled to 12 months' notice in the event of dismissal by the Company. In addition, in such a situation severance compensation is payable equivalent to 6–12 months' salary. Members of the Group Executive committee must give 6 months' notice of resignation, whereupon there is no entitlement to severance compensation.

For the member of the Group Executive committee stationed in the United States, other rules apply with respect to pension in accordance with US legislation and practice.

Total compensation and benefits are shown in the table below.

Compensation and benefits for the President and other members of the Group Executive Commitee

	President		Other Group Executive Committee	
SEK millions	**2014**	2013	**2014**	2013
Fixed salary[1]	7.7	8.0	29.0	24.4
Other benefits[2]	0.3	0.3	2.3	2.2
Short-term variable salary[3]	-	–	1.0	0.6
Long-term variable salary[3]	-	–	0.4	–
Total compensation	**8.0**	**8.3**	**32.7**	**27.2**
Pension expenses	3.2	3.1	6.8	7.5
Total	**11.2**	**11.4**	**39.5**	**34.7**

[1] For 2014, includes payment of SEK (0.1) 0.7 million to the President in respect of accrued, non-utilized vacation, and vacation compensation, as well as cost compensation in respect of company residence in the amount of SEK 0.2 (0,2) million.

[2] Relates primarily to car, housing and gasoline benefits, but here also includes compensation for increased living costs for the member of the Group Executive committee stationed in Asia.

[3] The amounts relate to payments made in the relevant financial year, which were earned in previous years. Since the compensation is not known at the end of the accounting year due to the fact that comparisons are made with competitors who have not yet reported their figures, and also the fact that the Board can decide to reduce the compensation if special reasons exist, compensation in this table is reported only in the year in which payment has taken place. Booked variable salary components for the entire Group Executive Committee amounted to SEK 10.3 (-4.8) million.

3 Affiliated companies, joint ventures and related party transactions

Share of earnings and sales	Share of earnings after tax		Share of sales	
SEK millions	**2014**	2013	**2014**	2013
Lulekraft AB	1	3	150	149
Norsk Stål A/S	-7	-8	740	830
Norsk Stål Tynnplater A/S	5	3	258	254
Oxelösunds Hamn AB	12	7	146	125
Blastech Mobile LLC (joint venture)	12	11	49	52
Bet-Ker Oy	4	–	18	–
Fortaco Oy	-27	–	128	–
Helens Rör AB	1	–	63	–
Manga LNG Oy	-	–	-	–
Raahen Voima Oy	-	–	82	–
Total	**1**	**16**	**1,634**	**1,410**

Share of assets and liabilites	Share of assets		Share of liabilities	
SEK millions	**2014**	2013	**2014**	2013
Lulekraft AB	118	100	103	86
Norsk Stål A/S	284	284	284	188
Norsk Stål Tynnplater A/S	98	97	98	59
Oxelösunds Hamn AB	165	167	53	65
Blastech Mobile LLC (joint venture)	44	40	0	6
Bet-Ker Oy	39	–	10	–
Fortaco Oy	236	–	236	–
Helens Rör AB	142	–	35	–
Manga LNG Oy	345	–	0	–
Raahen Voima Oy	31	–	153	–
Total	**1,502**	**688**	**972**	**404**

Receivables from affiliated companies and joint venture	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Included in balance sheet items:				
Accounts receivable	58	25	-	–
Prepaid expenses and accrued revenue	18	1	-	–
Total	**76**	**26**	**-**	**–**

Liabilities to affiliated companies and joint venture	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Included in balance sheet items:				
Accounts payable	25	37	-	–
Total	**25**	**37**	**-**	**–**

Share of owning and equity share can be found in Note 8.

Related party transactions

The following transactions with affiliated companies and joint venture occurred during the year: SSAB Americas purchased plate shot blasting and painting services from Blastech Mobile for SEK 83 (80) million. Lulekraft purchased gas from SSAB Europe for SEK 229 (265) million and resold electricity for SEK 153 (155) million. Norsk Stål and Norsk Stål Tynnplater purchased steel from the steel operations for SEK 302 (265) million and sold for SEK 0 (2) million.

Raahen Voima purchased gas and fuel from SSAB Europe for SEK 60 million and sold back energy for SEK 65 million. Oxelösunds Hamn sold port services to SSAB Europe for SEK 216 (268) million and purchased other services for SEK 27 (24) million. Fortaco bought steel from the steel operations for SEK 38 million and Helens Rör for SEK 71 million. SSAB Europe purchased refractory materials from Bet-Ker for SEK 32 million. The Board Member John Tulloch has a consultancy agreement with one of the US subsidiaries of SSAB from which he received SEK 0.4 (0.4) million in fees. The transactions took place at arm's length prices.

4 Financial items

Group

SEK millions	2014	2013
Financial income		
Interest income	62	50
Net exchange rate differences	137	–
Dividends	1	2
Other	2	10
Total financial income	**202**	**62**
Financial expenses		
Interest expenses	-769	-550
Net exchange rate differences	-	-30
Write-down loan receivable from associated company	-602	–
Other	-313	-79
Total financial expenses	**-1,684**	**-659**
Net financial income and expenses	**-1,482**	**-597**

Net result attributable to derivatives is included in the Net exchange rate differences with the amount of SEK 97 (–21) million.

Parent Company

SEK millions	2014	2013
Dividends from subsidiaries[1)]	30,545	177
Dividends from affiliated companies	1	1
Write-down of subsidiary shares[1)]	-30,417	–
Interest income from subsidiaries	187	227
Interst expenses to subsidiaries	-3	-1
Total result from subsidiaries and affiliated companies	**313**	**404**
Other interest income	32	3
Net exchange rate differences	170	–
Total other interest income and similar items	**202**	**3**
Other interest expenses	-671	-523
Net exchange rate differences	-	-12
Other	-293	-60
Total other interest expenses and similar items	**-964**	**-595**
Total financial net	**-449**	**-188**

1) During 2014, SSAB Finance Belgium distributed its two subsidiaries (SSAB Finance Brussels and SSAB Finance UK) to the parent company. After that, the shares in SSAB Finance Belgium were written down to zero.

5 Taxes

Taxes	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Swedish corporate income tax	6	15	0	17
Foreign corporate income tax	-402	-245	-	-
Total current tax expenses	**-396**	**-230**	**0**	**17**
Deferred taxes	591	892	-218	0
Total tax in the income statement	**195**	**662**	**-218**	**17**
Total tax in other comprehensive income[1)]	**545**	**-5**	**485**	**-19**

Reconciliation of tax rates	Group		Parent Company	
%	**2014**	2013	**2014**	2013
Applicable tax rate in Sweden[2)]	-22	-22	22	22
Tax effect of:				
• non-deductible expenses	25	1	22	3
• non-taxable divestments	-	-1	-	-
• non-taxable revenue[3)]	-3	-1	-19	-43
• changes in tax rates	0	0	-	-
• other tax rates in foreign subsidiaries	-15	-17	-	-
• taxes relating to earlier periods	-1	2	-1	-
• unbooked deficit credit	3	-	-	-
• other	1	-	-	-
Effective tax rate	**-12**	**-38**	**24**	**-18**

1) For details see Consolidated statement of changes in equity on page 46 and on page 50 for the parent company.

2) The Group has negative earnings and therefore the starting point when reconciling the effective tax rate is -22% while the parent company has positive earnings and the starting point is 22%.

3) The parent company's non-deductible expenses are for the most part related to write-down of shares and acquisition costs of Rautaruukki whereas non-taxable revenue consists primarily of dividends from subsidiaries.

The tax for the year amounted to SEK 195 (662) million and the effective tax rate was -12 (-38) percent. The tax rate was negatively affected by non-deductible write-downs of assets by +25 percentage points and positively affected by lower tax rates on positive results and higher tax rates on negative results in foreign subsidiaries by -15 percentage points.

6 Intangible assets

Group

SEK millions	Customer relations	Trademarks	Other intangible assets	Goodwill	Total intangible assets
Acquisition value, January 1, 2013	6,290	5	637	17,890	24,822
Acquisitions	–	0	4	–	4
Increase through acquisition of shares/operations	–	1	13	16	30
Sales and disposals	–	–	–1	–	–1
Reclassifications	–	–	–	–	–
Translation differences	–48	0	–1	–136	–185
Acquisition value, December 31, 2013	**6,242**	**6**	**652**	**17,770**	**24,670**
Acquisition value, January 1, 2014	6,242	6	652	17,770	24,670
Acquisitions	-	-	28	-	28
Increase through acquisition of shares/operations	189	413	1,483	5,193	7,278
Sales and disposals	-	-	-3	-	-3
Decrease through disposal of shares/operations	-	-	-	-	0
Reclassifications	-	-	-7	3	-4
Translation differences	1,271	11	102	3,766	5,150
Acquisition value, December 31, 2014	**7,702**	**430**	**2,255**	**26,732**	**37,119**
Accumulated amortization, January 1, 2013	3,729	5	464	–	4,198
Amortization for the year	547	0	42	–	589
Translation differences	–33	0	–3	–	–36
Accumulated amortization, December 31, 2013	**4,243**	**5**	**503**	**–**	**4,751**
Accumulated amortization, January 1, 2014	4,243	5	503	-	4,751
Sales and disposals	-	-	-3	-	-3
Amortization for the year	396	-	295	-	691
Decrease through disposal of shares/operations	-	-	-	-	-
Reclassifications	-	-	-3	-	-3
Translation differences	920	-	60	-	980
Accumulated amortization, December 31, 2014	**5,559**	**5**	**852**	**-**	**6,416**
Accumulated write-down, January 1, 2013	–	–	–	8	8
Write-down for the year	–	–	–	–	–
Translation differences	–	–	–	–	–
Accumulated write-down, December 31, 2013	**–**	**–**	**–**	**8**	**8**
Accumulated write-down, January 1, 2014	-	-	-	8	8
Write-down for the year	6	-	1	292	299
Translation differences	-	-	-	11	11
Accumulated write-down, December 31, 2014	**6**	**-**	**1**	**311**	**318**
Residual value, December 31, 2013	**1,999**	**1**	**149**	**17,762**	**19,911**
Residual value, December 31, 2014	**2,137**	**425**	**1,402**	**26,421**	**30,385**

Amortization for the year is included in the income statement in the amount of SEK 670 (586) million in cost of goods sold; SEK 1 (0) million in selling expenses and SEK 20 (2) million in other administrative expenses.

6 Intangible assets cont.

Test of impairment of goodwill
A test of impairment of goodwill takes place annually on November 30. The Group's most significant goodwill balance is allocated to the Group's cash-generating units below:

Goodwill

SEK million	2014	2013
SSAB North America (in Division SSAB Americas)	21,284	17,654
SSAB Special Steels	2,625	26
SSAB Europe	1,969	–
Tibnor	483	22
Other (Steinwall)	60	60
Total goodwill	**26,421**	**17,762**

The Finnish steel group Rautaruukki was acquired on July 29, 2014 and, generally speaking, it has not been considered necessary to carry out any impairment test already in 2014. Accordingly, goodwill in SSAB Special Steels, SSAB Europe and in Tibnor has not been tested for impairment. However, as a result of developments towards the end of 2014, particularly in Eastern Europe, a valuation of the Ruukki Construction division has been carried out. The valuation indicated a need to write down by SEK 269 million the goodwill attributed to Ruukki Construction. In other respects, annual impairment tests have been carried out on goodwill relating to SSAB North America.

SSAB North America is included in the SSAB Americas division. For more information about SSAB Americas, see Note 28. Recoverable amounts for cash-generating units are based on use value calculations. The calculations are based on the company's budget and forecasts regularly produced by the management team. Cash flows beyond a five-year period have been extrapolated applying an assessed rate of growth in accordance with the information below. The rate of growth does not exceed the long-term rate of growth for the market on which these cash-generating units operate.

Significant assumptions used in calculations of use value are shown in the table below:

SSAB North America

%	2014	2013
Assessed long-term rate of growth	2	2
Weighted average discount rate, before tax	10.5	11.2

The assumptions above have been used to analyze the cash-generating unit.

The management has established the budgeted and forecast gross margin based on historical results and expectations regarding market trends and the cash generating unit. The rate of growth used corresponds to the forecasts available in industry and analyst reports. The discount rate used is stated before tax and reflects specific risks applicable to the cash-generating unit. The reduced dscount rate is primarily due to lower market rates.

Calculations conducted using the above assumptions have demonstrated that no impairment of goodwill exists at December 31. For a sensitivity analysis, see Note 30.

Emission rights
The estimated consumption of emission rights in 2014 was 6.7 (4.9) million tonnes (of which emissions from Rautaruukki are included from the acquisition date in the amount of 1.6 million tonnes).

No emission rights were sold in 2013 or 2014. The allocation of emission rights for the 2013-2020 trading period was announced in the autumn of 2013 as regards SSAB's Swedish operations, and at the beginning of 2014 as regards the Finnish operations. The annual allocation was lower than for the preceding trading period and diminishes year by year. However, the allocated rights were sufficient for consumption in 2014. The emission rights are reported as an intangible asset, with granted emission rights being booked at an acquisition value of zero kronor. SSAB is participating in various programs whereby it is possible to purchase emission rights and, through such programs, at year-end SSAB owned emission rights valued at SEK 24 (-) million, which are reported as an intangible asset. In connection with the acquisition analysis of Rautaruukki, a value was also identified for the emission rights which Rautaruukki will be granted during the current trading period. These rights were valued at SEK 1,031 million and, at year-end, the value was SEK 968 million, which is also included among intangible assets.

7 Tangible fixed assets

Group

SEK millions	Land and land improvements	Buildings	Machinery	Equipment, tools, fixtures and fittings	Construction in progress and advances to suppliers	Total tangible fixed assets
Acquisition value, January 1, 2013	608	4,354	31,449	599	1,084	38,094
Acquisitions	1	8	40	22	732	803
Increase through acquisition of shares/operations	–	1	9	4	–	14
Sales and disposals	0	-86	-245	-55	-1	-388
Decrease through disposal of shares/operations	-10	-37	–	0	–	-47
Reclassifications	25	45	620	10	-700	0
Translation differences	0	-2	-71	0	-3	-76
Acquisition value, December 31, 2013	**624**	**4,283**	**31,801**	**580**	**1,112**	**38,400**
Acquisition value, January 1, 2014	624	4,283	31,801	580	1,112	38,400
Acquisitions	1	85	204	32	1,347	1,670
Increase through acquisition of shares/operations	164	2,826	6,305	5	394	9,694
Sales and disposals	-2	-5	-447	-21	-5	-480
Reclassifications	207	-11	492	27	-1,143	-428
Translation differences	27	180	1,323	22	78	1,630
Acquisition value, December 31, 2014	**1,021**	**7,359**	**39,678**	**645**	**1,783**	**50,486**
Accumulated depreciation, January 1, 2013	127	2,145	17,945	251	–	20,468
Sales and disposals	0	-85	-242	-54	–	-381
Depreciation for the year	21	123	1,648	82	–	1,874
Decrease through disposal of shares/operations	0	-19	–	0	–	-19
Reclassifications	-1	0	-1	2	–	0
Translation differences	0	0	-25	1	–	-24
Acc. depreciation, December 31, 2013	**147**	**2,164**	**19,325**	**282**	**–**	**21,918**
Accumulated depreciation, January 1, 2014	147	2,164	19,325	282	-	21,918
Sales and disposals	-	-4	-225	-20	-	-249
Depreciation for the year	23	130	1,949	90	-	2,192
Reclassifications	-	-11	-333	1	-	-343
Translation differences	5	-33	192	-14	-	150
Acc. depreciation, December 31, 2014	**175**	**2,246**	**20,908**	**339**	**-**	**23,668**
Accumulated write-down, January 1, 2013	1	–	15	0	–	16
Translation differences	–	–	-1	–	–	-1
Acc. write-down, December 31, 2013	**1**	**–**	**14**	**0**	**–**	**15**
Accumulated write-down, January 1, 2014	1	-	14	0	-	15
Sales and disposals	-1	-	-	-	-	-1
Write-down for the year	16	128	107	0	-	251
Translation differences	0	1	-18	0	-	-17
Acc. write-down, December 31, 2014	**16**	**129**	**103**	**0**	**-**	**248**
Residual value, December 31, 2013	**476**	**2,119**	**12,462**	**298**	**1,112**	**16,467**
Residual value, December 31, 2014	**830**	**4,984**	**18,667**	**306**	**1,783**	**26,570**

7 Tangible fixed assets cont.

Depreciation for the year is included in the income statement in the amount of SEK 2,122 (1,813) million in costs of goods sold, SEK 33 (30) million in selling expenses, SEK 31 (25) million in administrative expenses, and SEK 6 (6) million in other expenses.

During the period, SEK 1 (1) million interest expenses was capitalized and the rate of interest applied was 3.1 (3.0) percent.

Tangible fixed assets include financial leasing agreements in the amount of SEK 369 (88) million in acquisition value and SEK 319 (23) million in residual value. As a result of the acquisition of Rautaruukki financial leasing assets increased by SEK 305 million. These include for example production and office premises in Finland as well as three oxygen units and a lime burning kiln in Raahe.

As per the balance sheet date, there were contracted investments in fixed assets valued at SEK 133 (162) million which were not reported in the financial statements.

Parent Company

SEK millions	Equipment, tools, fixtures and fittings	Total tangible fixed assets
Acquisition value, January 1, 2013	10	10
Acquisitions	0	0
Sales and disposals	–	–
Acquisition value, December 31, 2013	**10**	**10**
Acquisition value, January 1, 2014	10	10
Acquisitions	2	2
Sales and disposals	-	-
Acquisition value, December 31, 2014	**12**	**12**
Accumulated depreciation, January 1, 2013	8	8
Sales and disposals	–	–
Depreciation for the year	1	1
Accumulated depreciation, December 31, 2013	**9**	**9**
Accumulated depreciation, January 1, 2014	9	9
Sales and disposals	-	-
Depreciation for the year	1	1
Accumulated depreciation, December 31, 2014	**10**	**10**
Residual value, December 31, 2013	**1**	**1**
Residual value, December 31, 2014	**2**	**2**

8 Financial assets, shares and participations in affiliated companies and joint venture

Group

SEK millions	Other shares and participations	Other long-term receivables	Total financial assets	Participations in affiliated companies and JV
Book value at January 1, 2013	12	1,023	1,035	327
Investments	-	605	605	-
Sales and amortization	0	-26	-26	-
Decrease through disposal of shares/operations	-	-	-	-
Shares in profit after tax	-	-	-	16
Reclassification[1]	-	-5	-5	-33
Dividend	-	-	-	-26
Translation differences	-	-10	-10	-
Book value at December 31, 2013	**12**	**1,587**	**1,599**	**284**
Book value at January 1, 2014	12	1,587	1,599	284
Investments	135	682	817	443
Increase through acquisition of shares/operations	14	1,048	1,062	30
Sales and amortization	-1	-1,704	-1,705	-
Impairments	-	-601	-601	-98
Shares in profit after tax	-	-	-	1
Reclassification[1]	-2	9	7	-129
Dividend	-	-	-	-15
Translation differences	4	89	93	15
Book value at December 31, 2014	**162**	**1,110**	**1,272**	**531**

[1] In 2014 the participations in affiliated companies Norsk Stål A/S and Norsk Stål Tunnplater A/S have been transferred to Assets held for sale. As a result of acqusition of additional shares in Geha Beheer BV it was reclassified to shares and participations in subsidiaries in 2013.

Other shares and participations consist primarily of unlisted holdings in equity instruments which do not have a listed market price and the fair value of which cannot be calculated in a reliable manner. They are valued at acquisition value. Other long-term receivables are receivables that are classified in the category "Loans and receivables". They are valued at amortized cost.

Parent Company

SEK millions	Shares in subsidiaries	Shares in affiliated companies	Other shares and participations	Other long-term receivables	Total financial assets
Acquisition value, January 1, 2013	39,149	11	8	5	39,173
Investments	150	-	-	–	150
Residual value according to plan, December 31, 2013	**39,299**	**11**	**8**	**5**	**39,323**
Acquisition value, January 1, 2014	39,299	11	8	5	39,323
Investments	45,749	-	-	1,027	46,776
Impairments	-30,417	-	-	-	-30,417
Sales and amortization	-	-	-	-5	-5
Residual value according to plan, December 31, 2014	**54,631**	**11**	**8**	**1,027**	**55,677**

In 2014 SSAB Finance Belgium distributed as dividend its two subsidiaries (SSAB Finance Brussels and SSAB Finance UK) to the parent company. Participation in SSAB Finance Belgium was written down to zero. SSAB Finance Belgium is under liquidation. During 2014 the Parent company also acquired the shares in Rautaruukki Oyj.

8 Financial assets, shares and participations in affiliated companies and joint venture cont.

Parent Company's shares and participations in subsidiaries

	Reg. no	Office	Number	%[1]	Book value, SEK millions
Swedish operating subsidiares:					
Plannja AB	556121–1417	Luleå	80,000	100	16
SSAB EMEA AB	556313–7933	Oxelösund	1,000	100	3,961
Tibnor AB	556004–4447	Stockholm	1,000,000	100	425
SSAB Technology AB	556207–4905	Stockholm	1,000	100	0
SSAB Americas Holding AB	556858–6654	Stockholm	50,000	100	0
SSAB APAC Holding AB	556858–6647	Stockholm	50,000	100	20
Foreign operating subsidiaries:					
SSAB Central Inc.		Canada	1,000	100	272
SSAB US Holding Inc.		USA	1 00	100	4,149
Western Steel Limited		Canada	682	100	182
Rautaruukki Oyj		Finland	138,929,363	100	14,967
SSAB Finance UK		UK	2,214,610,542	100	24,851
SSAB Finance Brussels		Belgium	626,515,513	100	5,681
SSAB Finance Belgium		Belgium	49,999,999	100	0
Other[2]					107
Dormant companies					0
Total					**54,631**

Other shares and participations

Tenant-owner rights	8
Total, Parent Company's other shares and participations	**8**
Subsidiaries' other shares and participations[2]	154
Total, Group's other shares and participations	**162**

Parent Company's shares in affiliated companies

	Reg. no	Office	Number	%[1]	Book value, SEK millions
Lulekraft AB	556195–0576	Luleå	100,000	50	10
Industrikraft i Sverige AB	556761–5371	Stockholm	20,000	20	1
Total, Parent Company's shares in affiliated companies					**11**

Subsidiaries' shares and participations in affiliated companies and joint venture

	Reg. no	Office	Number	%[1]	Participation, SEK millions
Oxelösunds Hamn AB	556207–4913	Oxelösund	5,000	50	112
Blastech Mobile LLC		Alabama, USA	0	50	44
Norsk Stål A/S		Norway	31,750	50	0
Norsk Stål Tynnplater A/S		Norway	13,250	50	0
Bet-Ker Oy	1003246-0	Finland	120	44	30
Fortaco Group Oy	2083946-0	Finland	402,496	19	0
Manga LNG Oy	2592122-8	Finland	3,151,042	25	31
Raahen Voima Oy	2604933-9	Finland	1,875	75	192
Helens Rör AB	556086-9785	Halmstad	4,500	25	107
					516
Equity shares in affiliated companies and joint venture's equity in excess of the book value in the Parent Company					**4**
Total, Group participations in affiliated companies and joint venture					**531**

[1] The percentages indicate the equity share which, in all cases, also corresponds to the share of the voting capital. However,the voting share in Raahen Voima is, through a shareholder agreement limited to 50%.

[2] A complete specification of other shares and participations is available from SSAB's Group headquarters in Stockholm.

9 Inventories

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Raw materials, consumables and semi-finished goods	4,336	2,840	-	-
Slabs	1,250	694	-	-
Work in progress	1,094	418	-	-
Stocks of finished goods	7,523	4,831	-	-
Total inventories	**14,203**	**8,783**	**-**	**-**

SEK 330 (1,079) million of the inventory value is valued at net realizable value. The share of inventories which is booked as an expense amounts to SEK 44,428 (33,290) million during the period, where of SEK 122 (81) million was reported as an expense relating to impairment of inventories.

10 Prepaid expenses and accrued income

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Delivered, non-invoiced goods and services	64	57	-	-
Bonuses, discounts, licenses and similar	29	22	-	-
Prepaid rents	42	33	3	3
Prepaid insurance premiums	115	12	1	-
Advances raw material	83	125	-	-
Accrued interest income	2	8	1	7
Derivatives reported in hedge accounting	148	86	0	86
Derivatives not reported in hedge accounting	222	45	50	8
Revaluation, hedged orders	-	5	-	-
Energy taxes	54	3	-	-
Other prepaid expenses	264	107	48	28
Total prepaid expenses and accrued income	**1,023**	**503**	**103**	**132**

11 Other current interest-bearing receivables/Cash and cash equivalents

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Other current interest-bearing receivables				
Restricted funds	1,910	195	1,910	-
Other current interest-bearing receivables	67	-	-	-
Total current interest-bearing receivables	**1,977**	**195**	**1,910**	**-**
Cash and cash equivalents				
Cash and bank balances	3,012	2,124	1,104	50
Short-term investments (term to maturity of less than three months)	2	-	-	-
Total cash and cash equivalents	**3,014**	**2,124**	**1,104**	**50**

All short-term investments and current interest-bearing receivables are valued at amortized cost. Short-term investments with terms to maturity of less than three months consist of overnight deposits at banks.

12 Equity

Through a share exchange offer to the shareholders of Rautaruukki Oyj during 2014, a new issue increased the number of Class A shares with 63.4 million and Class B shares with 161.9 million. The share capital after this is SEK 4,833 (2,851) million, divided into 549.2 (323.9) million shares, with a par value of SEK 8.80 (8.80) per share. 304.2 (240.7) million of the shares are Class A shares while 245.1 (83.2) million are Class B shares. Each Class A share entitles the holder to one vote, while each Class B share entitles the holder to one-tenth of one vote. No shares are held in treasury by the Company or its subsidiaries.

Number of shares/share capital	Group	
	2014	2013
Numbers of shares in million	549.2	323.9
Share capital in SEK million	4,833	2,851

The average number of shares was 419.6 (323.9) million. Other contributed funds amount to SEK 22,343 (9,944) million and consist of funds paid in by the shareholders in connection with new issues, in excess of the par value of the shares.

Group

SEK millions	Reserve for hedge of foreign operations	Reserve for cashflow hedges	Translation reserve	Total reserves
Reserves, January 1, 2013	**-1,400**	**-5**	**-1,723**	**-3,128**
Translation differences during the period			-267	-267
Fair value changes during the period	79	-155		-76
Tax related to fair value changes during the period	-18	25		7
Transferred to the income statement		84		84
Tax related to transferred to the income statement		-9		-9
Reserves, December 31, 2013	**-1,339**	**-60**	**-1,990**	**-3,389**
Reserves, January 1, 2014	**-1,339**	**-60**	**-1,990**	**-3,389**
Translation differences during the period			5,636	5,636
Fair value changes during the period	-2,233	-150		-2,383
Tax related to fair value changes during the period	491	32		523
Transferred to the income statement		71		71
Tax related to transferred to the income statement		-16		-16
Reserves, December 31, 2014	**-3,081**	**-123**	**3,646**	**442**

Exchange rate differences which arise upon the translation into Swedish kronor of the net investment in foreign subsidiaries are transferred to the translation reserve. The accumulated translation differences amounted to SEK 3,646 (–1,990) million. The exchange rate differences in conjunction with the translation of loans or other financial instruments taken up in order to hedge the exchange rate of net assets in foreign subsidiaries are transferred to the reserve for hedge of foreign operations. The accumulated translation differences amounted to SEK –3,081 (–1,339) million. Exchange rate differences in conjunction with cash flow hedge of significant sales in foreign currency as well as hedge of interest rates from variable to fixed rate are transferred to the reserve for cash flow hedge. The accumulated translation differences amounted to SEK –123 (–60) million.

The proposed dividend for 2014 amounts to SEK 0.00 (0.00) per share.

13 Pensions

Within the Group there are both contribution-based and benefit-based pensions. In respect of contribution-based pensions and the pension plan for white collar staff in Sweden which is taken out with Alecta, the premiums relating to the period that has elapsed are reported as expenses for the year.

As a result of the acquisition of Rautaruukki, the amount of pension plans increased markedly. Rautaruukki has defined benefit plans in Finland, Norway and Germany. The most significant defined benefit plans are the Finnish pension fund (A-säätiö), the Finnish Pension promise plan and the Norwegian pension fund (CCB Pensionskasse).

Actuarial gains/losses are disclosed in the Other comprehensive income. Actuarial losses on pension obligations increased markedly during 2014 mainly due to decrease in discount rates.

The total pension expenses are broken down as follows:	**Group**		**Parent Company**	
SEK millions	**2014**	2013	**2014**	2013
Fees for contribution-based plans	455	271	14	14
Fees for pension insurance policies with Alecta[1)]	79	76	5	5
Pension expenses, benefit-based plans	11	14	0	1
Special employer's contributions	69	70	4	4
Other	11	9	0	0
Total pension expenses	**625**	**440**	**23**	**24**

1) Alecta's surplus can be allocated to the policyholders and/or the insurers. At the end of December 2014, Alecta's preliminary surplus in the form of the collective funding level amounted to 144 percent compered with 148 percent as per the end of 2013. The collective funding level consist of the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not concur with IAS 19.

Following provisions for pension obligations have been made in the balance sheet:	**Group**		**Parent Company**	
SEK millions	**2014**	2013	**2014**	2013
Funded pension obligations	1,631	47	-	–
Fair value of managed assets	-1,387	-38	-	–
Pension obligations less managed assets	**244**	**9**	**-**	**–**
Unfunded pension obligations	341	111	3	3
Pension obligations, net	**585**	**120**	**3**	**3**

Changes in benefit-based obligations during the year:	**Group**		**Parent Company**	
SEK millions	**2014**	2013	**2014**	2013
Pension obligations, January 1, 2014	158	199	3	3
Increase through acquisition of shares/operations	1,643	–	-	–
Benefits earned during the year	36	6	1	1
Actuarial gains/losses	166	-7	-	–
Interest expenses	22	5	0	0
Paid benefits	-82	-45	-1	-1
Curtailments and settlements	-43	–	-	–
Translation differences	67	–	-	–
Pension obligations, December 31, 2014	**1,967**	**158**	**3**	**3**

Changes in the value of the managed assets during the year:	**Group**		**Parent Company**	
SEK millions	**2014**	2013	**2014**	2013
Managed assets, January 1, 2014	38	33	-	–
Increase through acquisition of shares/operations	1,334	–	-	–
Actuarial gains/losses	6	4	-	–
Return during the year	25	3	-	–
Fees from employer	18	15	-	–
Paid benefits	-42	-17	-	–
Curtailments and settlements	-37	–	-	–
Translation differences	40	0	-	–
Managed assets, December 31, 2014	**1,382**	**38**	**-**	**–**
Pension obligations, net	**585**	**120**	**3**	**3**

13 Pensions cont.

Net pension provisions in balance sheet	Group		Parent company	
SEK milllion	**2014**	2013	**2014**	2013
Pensions provisions	602	120	3	3
Long-term receivables	17	–	-	–
Pension obligations, net	**585**	**120**	**3**	**3**

Pensions provisions by country, December 31, 2014

SEK million	Finland	USA	Norway	Sweden	Other	Total
Funded pension obligations	1,314	58	254	3	2	1,631
Fair value of managed assets	1,081	40	263	3	0	1,387
Pension obligations less managed assets	**233**	**18**	**-9**	**0**	**2**	**244**
Unfunded pension obligations	168	69	17	53	34	341
Pension obligations, net	**401**	**87**	**8**	**53**	**36**	**585**

Exposure to the most significant risks in the benefit plans:

Asset volatility
The plan holds a significant part of its assets as equities which provide volatility and risk in the short-term but are expected to perform better than corporate bonds in the long-term.

Discount rate
The plan obligations are calculated using a discount rate set with a reference to corporate bond yields. A decrease in bond yields increases plan obligations even though this will be partially offset by increase in plan assets.

Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Inflation risk
The plans' benefit obligations are linked to inflation and increase in inflation increases liabilities.

Actuarial assumptions used

2014	Sweden	USA	Finland	Norway
Discount rate, %	2	5	1.7	2.6
Inflation, %	2		2	
Future salary growth, %	3	4	3	3.1
Personnel turnover, %	1	1		
Increase in income-base amount, %	3			3.1
2013				
Discount rate, %	2.5	5.2		
Inflation, %	2			
Future salary growth, %	3	3.5		
Personnel turnover, %	1			
Increase in base income, %	3			

A 0.5% decrease of discount rate would increase net pension obligation for Finnish plans by SEK 95 million, for Norwegian plans by SEK 15 million and for the US plans by SEK 10 million.

A 0.5% increase of discount rate would decrease net pension obligation for Finnish plans by SEK 87 million, for Norwegian plans by SEK 15 million and for the US plans by SEK 8 million.

14 Deferred tax liabilities and tax receivables

Deferred tax on retained earnings in subsidiaries and affiliated companies is not taken into consideration. To the extent profits are transferred to the parent company, such a transfer is normally exempt from taxation. To the extent such a transfer is not exempt from taxation, the parent company determines the date of such transfer and such transfer will not take place within the foreseeable future.

Changes in deferred tax (receivables +/liabilities –)

	Group						
SEK millions	**Accelerated depreciation of fixed assets**	**Unused tax losses**	**Pension provisions**	**Long-term deferred income**	**Deferred tax on surplus values**	**Other**	**Total**
Opening balance, January 1, 2013	-2,185	109	40	455	-1,492	-79	-3,152
Changes against earnings	2	-2	12	0	0	-12	0
Changes against other comprehensive income	74	-38	-1		245	613	893
Changes against equity						13	13
Changes against investment grant			0	-76			-76
Increase due to aqusition of shares/operations			0		-4		-4
Translation difference	9	-2	-1	-4	9	-1	10
Closing balance, December 31, 2013	**-2,100**	**67**	**50**	**375**	**-1,242**	**534**	**-2,316**
Opening balance, January 1, 2014	-2,100	67	50	375	-1,242	534	-2,316
Changes against earnings	362	-466	-6	0	299	402	591
Changes against other comprehensive income	3	491	30			21	545
Changes against equity			0				0
Changes against investment grant			0	-134			-134
Increase due to aqusition of shares/operations	**-509**	**694**	**91**		**-394**	**112**	**-6**
Translation difference	-205	22	-2	59	-227	130	-223
Closing balance, December 31, 2014	**-2,449**	**808**	**163**	**300**	**-1,564**	**1,199**	**-1,543**

Deferred tax receivables and liabilities are distributed as follows:

	Group	
Deferred tax receivables	**2014**	**2013**
• due within 12 months	276	14
• due after more than 12 months	1,165	639
	1,441	**653**
Deferred tax liabilities		
• due within 12 months	0	0
• due after more than 12 months	-2,984	-2,969
	-2,984	**-2,969**
Deferred tax, net	**-1,543**	**-2,316**

Changes in deferred tax (receivables +/liabilities –)

	Parent company			
SEK millions	**Unused tax losses**	**Pension provisions**	**Other**	**Total**
Opening balance, January 1, 2013	0	1	9	10
Changes against other comprehensive income		0	-3	-3
Closing balance, December 31, 2013	**0**	**1**	**6**	**7**
Opening balance, January 1, 2014	0	1	6	7
Changes against earnings	-316	0	98	-218
Changes against other comprehensive income	491	-	-6	485
Closing balance, December 31, 2014	**175**	**1**	**98**	**274**

A deferred tax receivable due to losses carried forward is recognized as an asset only to the extent that it is likely that the deduction can be set off against future surpluses. The Group did not recognize deferred tax receivables on losses carried forward in the amount of SEK 1,735 (337) million. SEK 137 (19) Million of these will expire within 12 months.

15 Other provisions

Group

SEK millions	Restructuring provision	Warranties, divestment of operations[1]	Environmental provision	Other provisions[2]	Total
Opening balance, January 1, 2013	3	78	0	93	174
Additional provisions	47	–	0	16	63
Utilized during the year	-47	-6	0	-22	-75
Translation difference	–	–	0	-1	-1
Closing balance, December 31, 2013	**3**	**72**	**0**	**86**	**161**
Opening balance, January 1, 2014	3	72	0	86	161
Increase through acquisitions of shares/operations	15	8	12	25	60
Additional provisions	7	1	53	42	103
Utilized during the year	-9	-72	-	-4	-85
Reclassification	-2	-	-	3	1
Translation difference	-	-	-	8	8
Closing balance, December 31, 2014	**14**	**9**	**65**	**160**	**248**

of which reported as:

	2014	2013
• Other long-term provisions	178	134
• Short-term provisions	70	27

Parent Company

SEK millions	Warranties, divestment of operations[1]	Other provisions[2]	Total
Opening balance, January 1, 2013	78	9	87
Utilized during the year	-6	-9	-15
Closing balance, December 31, 2013	**72**	**0**	**72**
Opening balance, January 1, 2014	72	0	72
Additional provisions	-	16	16
Utilized during the year	-72	0	-72
Closing balance, December 31, 2014	**0**	**16**	**16**

of which reported as:

	2014	2013
• Other long-term provisions	4	58
• Short-term provisions	12	14

[1] The tubular business in North America was sold on June 12, 2008 and there are warranty undertakings to the purchaser regarding taxes for the period prior to the sale. The warranty undertakings were finaly settled during the year.

[2] "Other provisions" consist primarily of personnel-related provisions.

16 Interest-bearing liabilities

Long-term interest-bearing liabilities	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Capital market debt[1]	14,189	7,874	12,415	7,874
Financial leasing agreements	360	21	-	-
Bank loans[2]	9,024	8,350	8,797	8,350
Export financing[3]	177	272	-	-
Alabama tax revenue bond[4]	1,694	1,405	-	-
Other	274	337	-34	109
Total	**25,718**	**18,259**	**21,178**	**16,333**
Less amortization 2015 and 2014	-4,547	-2,166	-3,964	-2,059
Total	**21,171**	**16,093**	**17,214**	**14,274**

[1)–4)] For description of footnot 1–4 see table below.

Issued/matures	Interest rate (nominal), %	Group		Parent Company	
		Outstanding, SEK millions			
SEK millions		**2014**	2013	**2014**	2013
[1] Specification of capital market debt					
Fixed interest					
2009-2023	2.90 - 5.35	1,443	-	-	-
2014-2019	3.875 - 4.625	3,817	-	3,817	-
2007-2019	3.875 - 5.875	2,162	3,399	2,162	3,399
Total capital market debt (fixed interest)		**7,422**	3,399	**5,979**	3,399
Variable interest					
2009-2019	Stibor + 1.70 - 3.40	4,425	3,925	4,425	3,925
2010-2034	Libor + 1.35 - 1.75	1,441	550	1,441	550
2013-2020	Euribor +2.53 - 2.60	901	-	569	-
Total capital market debt (variable interest)		**6,767**	**4,475**	**6,435**	**4,475**
[2] Specification of bank loans					
Variable interest					
2013-2018	Euribor + 1.10 - 1.75	227	-	-	-
2008-2017	Libor +1.10 - 2.00	7,172	6,725	7,172	6,725
2010-2015	Stibor +1.50 - 1.75	1,625	1,625	1,625	1,625
Total bank loans		**9,024**	**8,350**	**8,797**	**8,350**
[3] Specification of export financing					
Variable interest					
2010-2016	Euribor + 1.50	177	272	-	-
Total export financing		**177**	**272**	**-**	**-**
[4] Specification of Alabama tax revenue bond					
Variable interest					
2011-2031	Libor + 1.35%	449	373	-	-
2011-2041	Libor + 1.00%	1,245	1,032	-	-
Total Alabama tax revenue bond		**1,694**	**1,405**	**-**	**-**

Repayment of long-term interest-bearing liabilities

SEK millions	2015	2016	2017	2018	2019	Later
As per December 31, 2014						
Group	**4,547**	**3,591**	**7,829**	**1,578**	**5,066**	**3,107**
Parent Company	**3,964**	**2,935**	**7,474**	**1,230**	**4,798**	**777**

Repayment of long-term interest-bearing liabilities

SEK millions	2014	2015	2016	2017	2018	Later
As per December 31, 2013						
Group	2,166	4,480	3,049	6,597	550	1,417
Parent Company	2,059	4,359	2,775	6,591	549	0

16 Interest-bearing liabilities cont.

Short-term interest-bearing liabilities	Group		Parent Company	
SEK millions	2014	2013	2014	2013
Current part of long-term liabilities	4,547	2,166	3,964	2,059
Commercial paper	3,026	305	2,875	305
Overdraft facilities	21	31	-	–
Other short-term interest-bearing liabilities	902	66	585	50
Total short-term interest-bearing liabilities	**8,496**	**2,568**	**7,424**	**2,414**

Loan debts are valued at the amortized cost. Most of the loans in foreign currency is used as hedging for the net investment in SSAB Americas and Rautaruukki and thus has not been hedged.

On the balance sheet date, the Group's exposure on the Long-term interest-bearing liabilities to changes in interest rates and the contractually agreed dates for interest renegotiation with respect to borrowing was as follows:

Amount falling due for interest rate renegotiation						
SEK millions	2015	2016	2017	2018	2019	Later
As per December 31, 2014						
Group	**19,640**	**2,193**	**2,175**	**29**	**390**	**1,291**
Parent Company	**17,016**	**2,000**	**2,162**	**-**	**-**	**-**

Amount falling due for interest rate renegotiation						
SEK millions	2014	2015	2016	2017	2018	Later
As per December 31, 2013						
Group	14,140	13	2,209	1,887	1	9
Parent Company	12,450	–	2,000	1,883	–	–

Reported amounts, per currency, for the Group's borrowing are set forth in Note 29.

17 Other long-term non interest-bearing liabilities

Other long-term non interest-bearing liabilities	Group		Parent Company	
SEK millions	2014	2013	2014	2013
Investment grant (Alabama tax credit)	300	–	–	–
Other long-term employee benefits	147	–	–	–
Long-term hedge accounted derivatives	98	–	–	–
Other items	41	376	-	–
Total other long-term non interest-bearing liabilities	**586**	**376**	**-**	**–**

18 Accrued expenses and deferred income

Accrued expenses and deferred income	Group		Parent Company	
SEK millions	2014	2013	2014	2013
Accrued personnel expenses	1,040	837	25	17
Non-invoiced goods and services received	547	480	-	–
Accrued interest expenses	173	65	158	65
Accrued discounts, bonuses and complaints	46	17	-	–
Derivatives reported in hedge accounting	543	82	313	29
Derivatives not reported in hedge accounting	277	43	117	–
Revaluation, hedged orders	26	–	-	–
Energy taxes	12	4	-	–
Other items	73	71	10	9
Total accrued expenses and deferred income	**2,737**	**1,599**	**623**	**120**

19 Net debt

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Cash and cash equivalents	3,012	2,124	1,104	50
Short-term investments	2	-	-	-
Receivables from subsidiaries	-	-	13,771	10,187
Other receivables	3,269	1,877	2,987	99
Interest-bearing assets	**6,283**	**4,001**	**17,862**	**10,336**
Short-term interest-bearing liabilities	8,496	2,568	7,424	2,414
Long-term interest-bearing liabilities	21,171	16,093	17,214	14,274
Pension provisions	602	120	3	3
Liabilities to subsidiaries	-	-	4,901	2,223
Other liabilities	688	53	430	29
Interest-bearing liabilities	**30,957**	**18,834**	**29,972**	**18,943**
Net debt	**24,674**	**14,833**	**12,110**	**8,607**

For defintion see Note 31.

20 Average number of employees and gender breakdown

	Number of employees		Women, %	
	2014	2013	**2014**	2013
Parent Company				
Sweden	71	57	42	49
Total, Parent Company	**71**	**57**	**42**	**49**
Subsidiaries				
Sweden	6,931	5,789	20	21
Finland	2,821	111	16	25
USA	1,366	1,325	11	12
Russia	699	15	25	53
Poland	423	108	24	29
China	156	135	27	22
Canada	129	96	15	13
Norway	128	27	19	19
South Africa	88	85	16	13
Ukraine	63	1	24	0
Italy	52	52	31	25
Denmark	51	45	35	44
Great Britain	42	55	27	22
Germany	42	31	37	35
Netherlands	33	24	30	33
France	25	21	38	48
Other < 20 employees	519	217	25	32
Total, subsidiaries	**13,568**	**8,137**	**19**	**21**
Total, Group	**13,639**	**8,194**	**19**	**21**

Average number of employees is calculated as an average of the total number of employees at the end of each quarter during the year. The percentage of women relates to the numbers employed on December 31. Women accounted for 19 (8) percent of the members of all boards of directors in the Group, while the figure for the Board of Directors of the parent company was 13 (8) percent. The percentage of women in the management groups (including Presidents) in the Group was 19 (19) percent. The Group Executive Committee comprises 10 men and 2 women.

21 Leasing

Operational leasing	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Leasing charges during the year	**222**	141	**10**	10

The agreed minimum leasing charges relating to operational leasing agreements that cannot be terminated amount to SEK 280 million for 2015, a total of SEK 658 million for 2016–2019, and to SEK 344 million for the years after 2019. Operational leasing includes office equipment, leases for property, premises and railway wagons for transportation in the steel operations. The operational leases increased through the acquisition of Rautaruukki, mainly an oxygen plant unit and a deep-water harbour in Raahe.

Financial leasing	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Leasing charges during the year	**37**	9	**–**	–

Agreed minimum leasing charges for 2015 amount to SEK 71 million and to a total of SEK 257 million for 2016–2019. The present value of financial leasing liabilities is SEK 361 (26) million. Financial leasing includes a switchgear, rolling stock for transportation in the steel operations, as well as a number of fork lift trucks. The financial leases increased through the acquisition of Rautaruukki. These include among other production- and officefacilities in Finland as well as three oxygen plant units and a lime burning kiln in Raahe.

22 Pledged assets

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Real property mortgages	59	31	–	–
Restricted funds	2,846	2,231	2,846	–
Total pledged assets	**2,905**	2,262	**2,846**	–

23 Contingent liabilities

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
Contingent liabilities regarding subsidiaries obligations[1)]	2,670	531	2,699	2,336
Other contingent liabilities	1,120	68	58	50
Total contingent liabilities	**3,790**	**599**	**2,757**	**2,386**

1) Of the contingent liabilities of the parent company, SEK 1,971 (1,701) million relates to guarantees for subsidiaries' loans.

Conditions not reported as contingent liabilities

During the autumn of 2008, a number of class actions were brought in USA against a number of steel producers, including SSAB, alleging that they had violated US anti-trust legislation by colluding to restrict steel production in the United States during 2005–2008 with the aim of influencing steel prices. The opposing party consists of direct and indirect purchasers of relevant steel products who are claiming an unspecified amount in damages from the sued steel producers. SSAB denies the allegations.

The Group is otherwise involved in a very limited number of legal disputes concerning insurance and warranty matters, as well as complaints. The anticipated outcome of these cases has been taken into consideration in the accounting.

24 Untaxed reserves and appropriations

Untaxed reserves	Parent Company	
SEK millions	**2014**	2013
Tax allocation reserve	-	43
Total untaxed reserves in the balance sheet	**-**	**43**

Appropriations	Parent Company	
SEK millions	**2014**	2013
Group contribution, received	1,562	473
Group contribution, given	-	-260
Change in tax allocation reserve	43	133
Total appropriations in the income statement	**1,605**	**346**

25 Assets and liabilities held for sale

According to the terms of the approval from the EU Commission, within 6 months from the date of the combination with Rautaruukki, SSAB is required to divest one steel service center in Sweden and one in Finland, the wholly-owned Finnish subsidiaries Tibnor Oy and Plannja Oy, as well as SSAB's 50 percent stakes in Norsk Stål AS and Norsk Stål Tynnplater AS. During the fourth quarter 2014, agreements have been signed for the sale of all of the above operations. As communicated in the beginning of February, 2015, the approval from the EU Commission regarding Plannja Oy, Norsk Stål A/S and Tibnor Oy has been obtained. Approval from the EU Commission regarding the remaining assets held for sale is expected to be obtained later in February. As from July 29, 2014, these operations are reported in the balance sheet as Assets and liabilities held for sale and, commencing that date, depreciation/amortization is no longer made on the assets included in the operations that are up for sale. On December 31, 2014, the net assets of assets held for sale amounted to SEK 220 million, following a write-down of SEK 123 million. Pro forma sales for the full year of 2014 amounted to SEK 2,052 million.

Group

SEK millions	2014	2013
Assets held for sale		
Intangible assets	0	–
Tangible fixed assets	87	–
Financial assets	101	–
Inventory	119	–
Other current assets	82	–
Total assets held for sale	**389**	–
Liabilities held for sale		
Accounts payable	65	–
Other current liabilities	104	–
Total liabilities held for sale	**169**	–
Total assets and liabilities held for sale	**220**	–

In accordance to IFRS 5, assets and liabilities held for sale has been written down to net realizable value.

26 Acquisition shares and operations

A number of acquisitions have taken place during the year, of which the largest was the acquisition of the shares in Rautaruukki Oyj on July 29 2014. In addition to the acquisition of Rautaruukki, the Group also acquired 51% of the shares in G&G Mining Fabrication Pty Ltd, Australia for SEK 17 million, 80% of the shares in WearClad (Pty) Ltd, South Africa for SEK 1 million, as well as 25% of the shares in Manga LNG Oy, Finland for SEK 30 million.

Expenses associated with acquisitions have been reported as costs.

The acquisition of Rautaruukki Oyj

On January 22, 2014, it was announced that SSAB and Rautaruukki intended to combine by SSAB making a recommended share exchange offer to the shareholders of Rautaruukki. In the share exchange offer, SSAB offered 0.4752 new Class A shares and 1.2131 new Class B shares in SSAB for each Rautaruukki share. The proposed combination was conditional on SSAB's shareholders adopting the resolutions necessary for the combination and the share exchange offer (which took place at SSAB's annual general meeting on April 9, 2014), and on SSAB achieving acceptances covering more than 90% of the shares in Rautaruukki. Public authority approvals were also required, including competition assessment approvals within the EU and other jurisdictions. The share exchange offer to Rautaruukki's shareholders was completed on July 29, whereupon Rautaruukki's shareholders received newly issued SSAB shares in exchange for their shares in Rautaruukki. As from that date, Rautaruukki is included in the SSAB Group.

The minority (3.9 percent) of Rautaruukki shareholders who did not accept the share exchange offer will be subject to a squeeze-out procedure and the acquisition analysis is based on a determind cash purchase price of EUR 11.24 per share.

On the date of the combination, Rautaruukki had booked net assets of SEK 8,981 million. The acquisition analysis was completed during the year and is shown in the table below. The calculated goodwill refers to future cost synergies.

Contribution from Rautaruukki, both actuals and pro forma 2014 is shown on page 35.

Acquisiton analysis, net assets and goodwill

Purchase price	SEK millions
66,050,553 class A shares, SEK 49.20 per share	4,385
168,615,165 class B shares, SEK 42.65 per share	10,013
Provision regarding outstanding shares	569
Total purchase price	**14,967**
Fair value of acquired net assets	9,789
Goodwill	5,178

Assets and liabilities on date of acquisition	Acquired book value, July 29, 2014	Fair value
SEK millions		
Goodwill	586	-
Other intangible assets	311	2,085
Tangible fixed assets	9,490	9,691
Other financial assets	1,263	1,263
Deferred tax receivables	415	316
Inventory	4,994	5,054
Accounts receivable	2,607	2,607
Other current assets	280	280
Cash and cash equivalents	396	396
Deferred tax liabilities	53	323
Other long-term liabilities and provisions	3,665	3,853
Accounts payable	2,634	2,634
Other current liabilities	4,992	5,076
	8,998	**9,806**
Non-controlling interest	17	17
Total acquired net assets	8,981	9,789

26 Acquisition shares and operations cont.

In the acquisition analysis, the following surplus values, excluding deferred tax, have been identified;

Asset/liability	Depreciation/ amortization, years	Surplus value, SEK millions
Emission rights	5	1,031
Trademarks	-	413
Customer relations	10	139
Orderbook	1	129
Other intangible assets	10	61
Buildings	15	40
Machinery	5-7	161
Inventory	1	60
Deferred tax, net		369
Interest-bearing liabilities	5	188
Other liabilities	1-3	83
Total surplus values		**1,394**

Change in cash and cash equivalents due to acquisition of shares and operations

SEK millions	
Acquired cash and cash equivalents, Rautaruukki	396
Share issue costs, acquisition Rautaruukki	-17
Purchase price, acquistion of other shares and operations	-48
Total	**331**

Acqusition of shares and operations 2013
During the third quarter of 2013, an additional 19 percent stake was acquired in Geha Beheer BV, bringing the total holding to 51 percent. The purchase price was SEK 9 million, and the impact on the Group's cash and cash equivalents was SEK –6 million. During the third quarter, the Group also acquired 100 percent of the shares in JL Steel Services Ltd, a company specialising in the manufacturing and installation of wearparts. The purchase price was SEK 15 million and the impact on the Group's cash and cash equivalents was SEK –11 million. Additional small acquisitions have been made which affected the Group's cash and cash equivalents by SEK –4 million.

Parent company
During 2014, the parent company acquired 100% of the shares in Rautaruukki Oyj. The purchase price amounted to SEK 14,967 million of which SEK 569 million is not paid yet. In connection with the acquisition, there was a new issue of 14,398 million, which was reduced by issue costs of SEK 17 million. It is only the SEK 17 million that has affected cash flow. See cash flow statement on page 51. No acquisition of shares and operations took place in 2013.

27 Divested shares and operations

No divestments were made during 2014.

Durign 2013, Tibnor divested a number of real estates, which generated a positive cash flow of SEK 88 million and affected earnings with SEK 73 million.

Value of assets and liabilities divested during 2013

SEK millions	
Tangbile fixed assets (Note 7)	28
Other current receivables	0
Deferred tax liabilities and provisions	-1
Other current liabilities	-12
Divested net assets	**15**
Capital gain	73
Received purchase price after transaction costs and tax	**88**
Cash and cash equivalents in divested companies	0
Net received payment and effect on the Group's cash and cash equivalents	**88**

28 Segments

The Group Executive Committee has established the business segments based on the information used for taking strategic decisions. SSAB's overriding strategy is that SSAB shall be a global leader within high strength steels, the leading supplier on its domestic markets, and the leader within added value services. The key features of SSAB's strategic plan of action are based on creating a flexible business, a superior customer experience, and a high performance organisation. Since September 1, 2014, the Group is organised into five reportable business segments designated as divisions, wiuth a clear profit responsibility. The five divisions are SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries by their respective Boards and act as arm's length in relation to SSAB. For more information about each segment, see pages 14-20. In addition, there are other business segments that are not reportable since they do not reach the threshold values set forth in IFRS 8 and they are not monitored separately by the Group Executive Committee; they are included in "Other".

The segment reporting takes place in a manner which corresponds to the internal reporting provided to the Group Executive Committee. The Group Executive Committee is the highest executive decision-maker responsible for the allocation of resources, assessment of the business segments' results, and taking strategic decisions.

SSAB has restated historical numbers to reflect the organizational change, from business areas to divisions, and thereafter, a pro forma for Rautaruukki has been prepared and been included, as if the acquisition had taken place on December 31, 2012. These amounts have been calculated applying the Group's accounting principles. In the pro forma information, Rautaruukki has been included as if they have been included in SSAB during 2013 and 2014. No depreciation/amortization on surplus values have been made since the entire surplus value in the pro forma has been considered as goodwill, however adjustments for items affecting comparability have been made . For actuals 2014 ("2014, IFRS"), Rautaruukki has been included from the acquisition date, July 29, 2014.

Sales and results per segment	**Total sales**			**of which internal sales**			**Operating profit**		
SEK millions	**2014 IFRS**	**2014 pro forma**	2013 pro forma	**2014 IFRS**	**2014 pro forma**	2013 pro forma	**2014 IFRS**	**2014 pro forma**	2013 pro forma
Division:									
SSAB Special Steels	11,871	13,226	12,847	1,439	1,673	1,710	518	726	501
SSAB Europe	17,661	25,857	24,666	2,363	4,271	4,046	145	1	-822
SSAB Americas	13,207	13,207	11,130	87	87	86	1,107	1,107	241
Tibnor	5,872	8,151	8,094	184	450	468	60	83	36
Ruukki Construction	3,252	6,217	6,631	39	67	70	225	-14	66
Other	1	2	27	0	0	2	-317	-377	-231
Depreciation/amortization on surplus values[1]	-	-	-	-	-	-	-844	-521	-681
Items affecting comparability							-1,001	-916	31
Group adjustments	-4,112	-6,548	-6,382	-4,112	-6,548	-6,382	-	-	-
Total	**47,752**	**60,112**	**57,013**	**-**	**-**	**-**	**-107**	**89**	**-859**

[1] Depreciation and amortization on surplus values for 2014, IFRS is related to SSAB Special Steels with SEK 2 million, in SSAB Europe with SEK 184 million, in SSAB Americas with SEK 521 million, in Tibnor with SEK 29 million, in Ruukki Construction with SEK 189 million and in Other with SEK -81 million. In the pro forma 2014 and 2013, only depreciation and amortization of intangible and tangible fixed assets related to the acquisition of _IPSCO is included, SEK 521 (681) million. Depreciation and amortization on surplus values related to the acquisition of Rautaruukki has not been included since all surplus values has been considered as goodwill.

Balance and cash flow information per segment	**Depreciation and amortization**			**Maintenance expenditures**			**Strategic expenditures**		
SEK millions	**2014 IFRS**	**2014 pro forma**	2013 pro forma	**2014 IFRS**	**2014 pro forma**	2013 pro forma	**2014 IFRS**	**2014 pro forma**	2013 pro forma
Division:									
SSAB Special Steels	535	539	550	213	214	261	64	64	17
SSAB Europe	1,083	1,577	1,534	854	1,154	860	142	198	103
SSAB Americas	513	513	469	201	201	110	102	102	108
Tibnor	82	112	89	26	29	27	11	19	22
Ruukki Construction	343	484	254	43	58	57	12	34	25
Other	12	29	38	4	12	12	-	-	-
Depreciation/amortization on surplus values[1]	844	521	681	-	-	-	-	-	-
Total	**3,412**	**3,775**	**3,615**	**1,341**	**1,668**	**1,327**	**331**	**417**	**275**

[1] Depreciation and amortization on surplus values for 2014, IFRS is related to SSAB Special Steels with SEK 2 million, in SSAB Europe with SEK 184 million, in SSAB Americas with SEK 521 million, in Tibnor with SEK 29 million, in Ruukki Construction with SEK 189 million and in Other with SEK -81 million. In the pro forma 2014 and 2013, only depreciation and amortization of intangible and tangible fixed assets related to the acquisition of _IPSCO is included, SEK 521 (681) million. Depreciation and amortization on surplus values related to the acquisition of Rautaruukki has not been included since all surplus values has been considered as goodwill.

28 Segment cont.

Geographical areas

The Group's export sales from Sweden and Finland are focused primarily on Europe. However, as a consequence of growth in the Group's niche products, sales in more distant markets are increasing.
The manufacture of the Group's steel products take place almost exclusively in Sweden, Finland and the United States. Thus, investments other than in those countries have been small. The geographical information below is actual numbers, with Rautaruukki included since the acquisition date, July 29, 2014. The sales for 2013 have been restated due to the change in method of reporting freights.

Sales per geographic area

SEK million	2014	%	2013	%
Sweden	8,184	17	7,653	21
Finland	3,345	7	1,308	4
Germany	2,648	6	1,926	5
Poland	1,338	3	743	2
Great Britain	1,254	2	713	2
Rest of EU-28	7,121	15	4,884	13
Norway	1,621	3	648	2
Russia	767	2	207	0
Rest of Europe	980	2	961	3
USA	14,412	30	11,941	33
Canada	2,175	5	1,704	5
Rest of the world	3,907	8	3,767	10
Total	**47,752**	**100**	**36,455**	**100**

The table below shows the reported value of tangible and intangible fixed assets and capital expenditures broken down by geographic areas according to the location of the assets. Rautaruukki has been included since the acquisition date, July 29, 2014.

Fixed assets and capital expenditures per country/region	Intangible/tangible fixed assets				Capital expenditures in plants and machinery			
SEK million	**2014**	**%**	**2013**	**%**	**2014**	**%**	**2013**	**%**
Sweden	8,856	16	9,283	25	874	53	530	66
Finland	15,622	27	33	0	432	26	5	1
Rest of EU-28	654	1	201	1	37	2	10	1
Russia	225	0	1	0	6	0	1	0
Rest of Europe	56	0	3	0	2	0	1	0
USA	31,000	55	26,395	73	305	18	217	27
Canada	102	0	93	0	4	0	22	3
Rest of the world	440	1	369	1	12	1	18	2
Total	**56,955**	**100**	**36,378**	**100**	**1,672**	**100**	**804**	**100**

29 Financial risk management

Financial risk management is governed by the Group's finance policy. Most financial transactions take place through the parent company's finance function in Stockholm and through SSAB Finance in Belgium. For a detailed description of the Group's financial risks, see page 42.

Refinancing risks (liquidity risks)

At year-end, long-term borrowing amounted to SEK 21,171 (16,093) million. Borrowing takes place primarily through the bank market and through existing note and commercial paper programs. For borrowing for terms of up to ten years, a European Medium Term Note program (EMTN) or a Swedish MTN program is used, while Swedish and Finnish commercial paper programs are used for borrowing for shorter terms. The program limit of the EMTN program is EUR 2,000 million; the MTN program has a limit of SEK 7,000 million, while the Swedish commercial paper program has a limit of SEK 5,000 million and the Finnish commercial paper program has a limit of EUR 500 million. The Swedish note program is rated by Standard & Poor's at BB-.

At year-end, long-term borrowing within the EMTN program amounted to SEK 4,954 (1,358) million, borrowing within the MTN program amounted to SEK 5,450 (4,500) million, borrowing within the Swedish commercial paper program amounted to SEK 872 (305) million and borrowing within the Finnish commercial paper program amounted to SEK 2,155 million of which SEK 151 million in the name of Rautaruukki Oyj.

At year-end, the Group's liquidity preparedness, consisting of cash and cash equivalents, short-term investments and non-utilized binding credit facilities, amounted to SEK 11,728 (9,443) million, equal to 20 (27) percent of pro forma sales.

To the extent surplus liquidity arises, it is used first and foremost to repay loans. If that is not possible, the funds are invested in government securities or deposited with approved banks.

The total loan debt at year-end was SEK 29,667 (18,661) million, with an average term to maturity of 3.9 (4.1) years.

The maturity structure during the coming years is presented in Note 16.

The contractual payments on the outstanding loan debt, including interest payments and derivative instruments, are shown in the following table:

December 31, 2014

SEK millions	Book value	Contractual cash flow	2015	2016	2017	2018	2019	Later
Capital market loans	14,189	16,200	773	2,729	4,235	1,713	5,242	1,508
Bank loans	9,024	9,362	4,168	1,094	4,043	57	-	-
Export financing	177	180	90	90	-	-	-	-
Alabama tax revenue bond	1,694	2,138	19	19	19	19	19	2,043
Commercial papers	3,026	3,040	3,040	-	-	-	-	-
Other loans	1,557	1,517	1,082	108	68	65	63	131
Total loans	**29,667**	**32,437**	**9,172**	**4,040**	**8,365**	**1,854**	**5,324**	**3,682**
Derivatives, outflow	919	919	752	68	67	25	7	-
Derivatives, inflow	-370	-370	-356	-14	-	-	-	-
Total including derivatives	**30,216**	**32,986**	**9,568**	**4,094**	**8,432**	**1,879**	**5,331**	**3,682**

In addition to the above loan debts and derivative instruments, there are accounts payable and other current liabilities which are due and payable within one year. Interest flows are calculated based on interest rates and exchange rates at year-end.

Market risks

Market risks are the risk of changes in market prices, such as interest rates and exchange rates, which can affect the Group's earnings or financial position.

INTEREST RATE RISKS

At year-end, the total loan debt amounted to SEK 29,667 (18,661) million, of which SEK 8,066 (5,899) million is carried or swapped to fixed interest. Including the interest rate swaps, the average fixed interest term was 1.2 (0.9) years. Given the same loan debt, short-term investments, cash and cash equivalents, and the same fixed term rates as at the end of the year, a change in market interest rates of 100 points (1 percentage point), including interest hedging, would change earnings after tax by approximately SEK 130 (70) million. Loans which are subject to rate negotiation in the coming years are shown in Note 16.

At year-end, the value of interest rate swaps converting floating to fixed interest (entered into to secure cash flow in conjunction with interest payments) was SEK 0 (-29) million, which is reported in 'Other comprehensive income'. No inefficiency was identified during the year.

The Group's interest-bearing assets amounted to SEK 6,283 (4,001) million and consisted almost exclusively of cash and cash equivalents and funds in escrow at variable rates of interest.

CURRENCY RISKS

Most of the commercial currency flows which qualify for hedge accounting (at present, purchases in USD of iron ore, coal, zinc and fuel oil as well as sales in EUR) are hedged.

Major currency flows relating to Ruukki Construction project business are hedged. Major investments decided upon in foreign currency are hedged in their entirety. Other commercial currency flows that arise in connection with purchases and sales in foreign currency are short term in nature and thus no hedging takes place; instead, they are exchanged on the spot market.

The Group had a total net inflow of foreign currency. The net foreign currency inflow in 2014 was SEK 2.3 (5.3) billion. The Group's most important currency flows are shown in the diagram on page 42.

Based on pro forma revenues and expenses in foreign currency in 2014, a five percentage point devaluation of the Swedish krona against all currencies, including hedging, would have an annual positive effect on earnings after tax of SEK 200 (160) million. In addition to this equity would be positively affected by the translation effect of foreign subsidiaries, net of equity hedges, with about SEK 1,800 million.

A five percentage point devaluation of the Swedish krona against the Group's two most important, currencies, USD, and EUR, would have a negative impact on earnings after tax of approximately SEK 350 (250) million with respect to USD and a positive impact of just over SEK 250 (350) million with respect to EUR. The negative effect vis-à-vis USD consists of an increased cost for the Group's purchases of raw materials (coal, iron ore and scrap metal) in the amount of approximately SEK 630 (480) million, a positive effect on the business' net flows of USD in other respects of approximately SEK 290 (240) million, and a negative impact as regards increased interest payments of approximately SEK 10 (10) million. The positive impact vis-á-vis EUR consists of a positive effect on the business' net flows. The negative impact as regards to increased interest payments in EUR is approximately SEK 7 (0) million.

In 2014, net exchange rate differences were reported in the amount of SEK 102 (-59) million in operating profit and SEK 136 (-30) million in financial items.

As per December 31, the breakdown per currency of account receivables, other current receivables and derivative instruments was as follows:

Breakdown per currency, expressed in SEK millions

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
SEK	1,609	1,123	9	2
USD	2,056	1,477	-	93
EUR	3,162	1,594	50	-
Other currencies	1,820	1,020	-	-
Total	**8,647**	**5,214**	**59**	**95**
Of which:				
Accounts receivable	7,705	4,785	0	0
Other current receivables	572	298	9	2
Derivative instruments[1]	370	131	50	93
Total	**8,647**	**5,214**	**59**	**95**

[1] Derivative instruments are included in the balance sheet item 'Prepaid expenses and accrued income' in the amount of SEK 370 (131) million and, for the parent company, SEK 50 (93) million.

29 Financial risk management cont.

As per December 31, the breakdown per currency of accounts payable, other current liabilities and derivative instruments was as follows:

Breakdown per currency expressed in SEK millions	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
SEK	1,202	1,398	18	38
USD	3,470	2,254	385	-
EUR	3,073	707	45	-
Other currencies	1,163	549	-	-
Total	**8,908**	**4,908**	**448**	**38**
Of which:				
Accounts payable	7,000	4,578	8	7
Other current liabilities	1,088	205	10	2
Derivative instruments[1)]	820	125	430	29
Total	**8,908**	**4,908**	**448**	**38**

1) Derivative instruments are included in the balance sheet item 'Accrued expenses and deferred income' in the amount of SEK 820 (125) million and, for the parent company, SEK 430(29) million.

Borrowing broken down per currency is shown below:

	Group		Parent Company	
SEK millions	**2014**	2013	**2014**	2013
SEK	9,940	7,989	9,916	7,969
USD	11,952	10,124	10,252	8,719
EUR	7,459	325	4,471	-
Other currencies	316	219	-	-
Total	**29,667**	**18,657**	**24,639**	**16,688**

Borrowing in EUR and USD has not been hedged separately since the borrowing in itself is a hedge of the net investment in Rautaruukki and SSAB Americas.

The objective is to obtain an even balance in which the currency effect on the net investment in Rautaruukki and SSAB Americas has as little impact as possible on the Group's net debt/equity ratio.

At year-end, this net investment amounted to EUR 1,620 million and USD 4,314 (4,314) million. In total, loans and currency derivatives subject to hedge accounting amounted to EUR 605 (-) million and USD 1,575 (1,585) million. At year-end, the accumulated fair value change in the hedge reserve on the loans and derivative instruments identified as hedge instruments amounted to SEK -4,137 (-1,904) million. During the year, an inefficiency of SEK 0 (0) million was identified; this has been reported in its entirety in the result.

Credit risk

The limits for individual counterparties are evaluated continuously and, during the year, were capped at SEK 2,000 (1,500) million. At year-end, the total counterparty risk was SEK 4,407 (3,061) million, of which derivative instruments accounted for SEK 71 (73) million and investments in cash and cash equivalents amounted to SEK 4,336 (2,988) million.

In addition to the above, there are credit risks associated with accounts receivable and other receivables, which are managed in each subsidiary. Prior to write down in respect of bad debts, these receivables had a gross value of SEK 8,530 (5,217) million. The risk is allocated over a large number of customers. In addition, individual credit rating tests are conducted and limits imposed for each customer.

29 Financial risk management cont.

Age analysis regarding Accounts Receivable and Other receivables	Group		Parent Company	
SEK millions	2014	2013	2014	2013
Not due	6,565	3,711	9	2
1-30 days	1,049	865	-	-
31-120 days	483	389	-	-
121-365 days	187	141	-	-
> 365 days	246	111	-	-
Total	**8,530**	**5,217**	**9**	**2**

Bad debts, change	Group		Parent Company	
SEK millions	2014	2013	2014	2013
Opening balance	-133	-97	-	-
Increase through acquisition of business	-106	-	-	-
Anticipated bad debt losses	-52	-52	-	-
Realized bad debt losses	44	18	-	-
Reversed non-utilized amount	4	-1	-	-
Translation differences	-10	-1	-	-
Closing balance	**-253**	**-133**	**-**	**-**

No other financial assets have been written down.

Valuation of financial instruments

CURRENCY AND COMMODITY DERIVATIVES AND INTEREST RATE SWAPS

According to the finance policy, currency hedging takes place mainly to minimize the translation risk associated with the impact of changes in exchange rates on the net debt/equity ratio. The translation exposure is hedged primarily through loans in the same currency, in the absence of which currency derivatives may be used instead. At year-end, the net investment in SSAB Americas was hedged with loans amounting to USD 1,315 (1,335) million and derivative instruments amounting to USD 260 (250) million. Net investment in Rautaruukki at year was hedged with loans amounting to EUR 350 (-) million and derivative instruments amounting to EUR 255 (-) million.

Currency hedging takes place also with respect to purchases of iron ore, coal, zinc and fuel oil, as well as regards major investments in foreign currency. Currency derivatives are valued at fair value in the balance sheet. As regards the currency hedging which meets the requirements for hedge accounting pursuant to IAS 39 and comprises fair value hedging, changes in value of the currency derivatives do not impact on earnings; rather, they are set off in the income statement against corresponding changes in the value of the hedged order. In connection with the delivery of such purchases, the hedged part of the acquired asset is reported at the hedged rate. At year-end, purchase orders for which currency forwards had been contracted had a total value of SEK 2.1 (1,3) billion. At year-end, derivative instruments for 'fair value hedging' had a reported net fair value of SEK 31 (-5) million, while purchase orders subject to hedge accounting and accounts payable related to hedged purchase orders were reported at SEK -31 (5) million, entailing that there was no inefficiency at the end of the accounting year.

Part of the currency hedges relating to USD denominated raw material purchases qualify the requirements of cash flow hedge accounting pursuant to IAS 39. The effective part of movements in the fair value of the derivatives that are designated as and qualify for cash flow hedging is recognised in other comprehensive income under equity. The result of USD-denominated derivatives is transferred from equity to adjust the cost of goods sold in the period when the hedged item affects the result. The ineffective part of movements in the fair value of the derivatives is booked direct to other operating expenses. There were no ineffective hedges and no ineffectiveness at the end of the year. At year-end, the total value of forecast purchases in respect of which currency forwards had been contracted was SEK 0.9 (-) billion At year end, derivatives for 'cash flow hedging' had reported net fair value of SEK 13 (-) million of which SEK 5 (-) million was reported in Other comprehensive income.

Currency hedging also takes place on forecast sales in EUR. For currency hedging which meets the requirements for hedge accounting, changes in value of a currency derivative do not impact on earnings; rather, they are reported in 'Other comprehensive income'. In connection with sales, accumulated amounts are reversed from the hedge reserve in equity to the income statement in the periods in which the hedged item affects earnings. At year-end, the total value of forecast sales in respect of which currency forwards had been contracted was SEK 3.1 (3,5) billion. At year-end, derivative instruments which relate to forecast sales and which meet the requirements for hedge accounting amounted to net SEK -79 (-48) million, of which SEK -79 (-48) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Cash flow hedging is applied when hedging price risk in zinc, fuel oil and electricity. The zinc, electricity and fuel oil derivatives employed by the group have been defined as cash flow hedges. The relationship between the hedging instrument and the hedged item is documented when the hedging contract is made. Hedge effectiveness is measured both at the start of the hedging relationship and quarterly throughout the validity of the relationship. The effective part of movements in the fair value of the derivatives that are designated as and qualify for cash flow hedging is recognised in Other comprehensive income. The ineffective part of movements in the fair value of the derivatives is booked directly to other operating expenses. The realised income of the effective part of hedges is recognised as an adjustment to the cost of sales in the period during which the hedged items affects the result.

Zinc is used for producing galvanized steel products. At year-end, the amount of forecast purchases in respect of which zinc derivatives had been contracted was 10,500 tonnes. At year-end, derivative instruments which relate to forecast zinc purchases and which meet the requirements for hedge accounting amounted to net SEK 1 (-) million, of which SEK 0 (-) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Special heavy fuel oil is used as a raw material in steel production. Fuel oil derivatives are used to hedge cash flows in the acquisition of special heavy fuel oil. At year-end, the amount of forecast purchases in respect of which fuel oil derivatives had been contracted was 34,000 tonnes. At year-end, derivative instruments which relate to forecast fuel oil purchases and which meet the requirements for hedge accounting amounted to net SEK -51 (-) million, of which SEK -42 (-) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Electricity price risk relating to forecasted electricity consumption in Raahe and Hämeelinna works is hedged primarily through standard derivative products listed on the market. At year-end, the amount of forecast purchases in respect of which electricity derivatives had been contracted was 1,873 GWh. At year-end, derivative instruments which relate to forecast electricity purchases and which meet the requirements for hedge accounting amounted to net SEK -157 (-) million, of which SEK -157 (-) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Cash flow hedging also takes place in respect of certain bond loans carrying floating interest rates where a variable to fixed interest rate swap is used. For interest-rate derivatives which meet the require-ments for hedge accounting pursuant to IAS 39, changes in the value of the interest rate derivative do not impact on earnings; rather, they are reported in 'Other comprehensive income'. At year-end, such interest-rate derivatives had a booked fair value of SEK 0 (-29) million, of which SEK 0 (-29) million was reported in 'Other comprehensive income'. There was no inefficiency at the end of the accounting year.

Derivative instruments which are not reported in hedge accounting are valued at fair value in the income statement. At year-end, these non-realized derivative instruments amounted to net SEK -63 (2) million, of which SEK 71 (18) million was reported in 'Other operating income' and SEK -134 (-16) million was reported in 'Financial items'.

The Group's total outstanding FX derivatives had an average maturity of 2 months, commodity derivatives 18 months and interest rate derivatives 34 months at year-end.

Valuation of financial assets and liabilities

The table below shows the reported value compared with the assessed fair value per type of financial asset and liability:

Group	Reported value		Fair value	
SEK millions	**2014**	2013	**2014**	2013
Financial assets				
2. Financial fixed assets	1,272	1,599	1,272	1,599
1. Currency derivatives not subject to hedge accounting[1]	214	45	214	45
4. Currency derivatives for 'fair value hedging' of flows[1]	53	–	53	–
4. Currency derivatives for hedging of sales[1]	12	–	12	–
4. Currency derivatives for hedging of purchases[1]	83	–	83	–
4. Currency derivatives for hedging of commodities[1]	8	–	8	–
4. Currency derivatives for hedging of net investments[1]	-	86	-	86
2. Accounts receivable	7,705	4,785	7,705	4,785
2. Other current interest-bearing receivables	1,977	194	1,977	194
2. Cash and cash equivalents	3,014	2,124	3,014	2,124
Financial liabilities				
3. Long-term interest-bearing liabilities	21,171	16,093	21,612	16,521
3. Current interest-bearing liabilities	8,496	2,568	8,547	2,568
1. Currency derivatives not subject to hedge accounting[1]	277	43	277	43
4. Currency derivatives for 'fair value hedging' of flows[1]	23	5	23	5
4. Currency derivatives for hedging of sales[1]	91	48	91	48
4. Currency derivatives for hedging of commodities[1]	117	–	117	–
4. Currency derivatives for hedging of commodities (long term)[2]	98	–	98	–
4. Currency derivatives for hedging of net investments[1]	312	–	312	–
4. Interest rate derivatives for hedging of interest flows[1]	0	29	0	29
3. Accounts payable	7,000	4,578	7,000	4,578

Balance sheet item classification: 1. Holdings valued at fair value in the income statement; 2. Loan receivables and accounts receivable valued at acquisition value; 3. Financial liabilities valued at amortized cost; 4. Derivatives for hedging valued at fair value.

1) Derivative instruments are included in the balance sheet items 'Accrued income and prepaid expenses' or 'Accrued expenses and deferred income".

2) Derivative instruments are included in the balance sheet item 'Other long-term non-interest bearing liabilities'

Assessment of fair value of financial instruments

The classification takes place hierarchically on three 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, is used, e.g. interest rates and return curves. On level 3, the fair value is determined based on an assessment technique which is based on assumptions that are not based on prices or data that are directly observable. The fair value assessment of the financial instruments in SSAB is based on data in accordance with level 2 except electricity derivatives, which fair values are based on listed market values and thus classified on level 1.

Financial assets consist largely of other non-current receivables and are valued at the amount which is expected to be received following an assessment of bad debts.

Derivative instruments are valued at fair value, calculated with established valuation models based on observable market data. At year-end, the derivatives were valued at SEK 370 (131) million as financial assets and SEK -918 (-125) million as financial liabilities. If full netting had been applied the derivatives had been booked at SEK 71 (73) million as financial assets and SEK -619 (-68) million as financial liabilities.

Accounts receivable are reported in the amount which is expected to be received following an individual assessment of bad debts. There is no concentration of credit risks since the Group has a large number of customers spread throughout the world.

Other current interest-bearing receivables consist of restricted cash with a term to maturity of less than 12 months. Fair value is estimated at the acquisition value.

Cash and cash equivalents consist of bank balances and bank deposits with short terms to maturity, and the fair value is estimated at acquisition value.

Non-current interest-bearing liabilities consist primarily of loans that are not subject to hedge accounting and are valued at amortized cost. Loans subject to hedge accounting are valued and reported at fair value. Fair value has been calculated based on the interest rate for outstanding terms to maturity as applicable at the end of the year.

Current interest-bearing liabilities are valued at amortized cost. Fair value has been calculated based on the rate of interest for outstanding terms to maturity as applicable at the end of the year.

Accounts payable are reported in the amount which is expected to be paid and are valued at acquisition value.

Management of capital

The Company's capital management is aimed at ensuring that the operations can continue to be conducted and generate good return for the shareholders. Since the Group's operations are dependent on the business cycle, the target is to maintain a long-term net debt/equity ratio of around 30 percent.

In order to maintain or adapt the capital structure, dividends may be adjusted, share buybacks or redemption may take place, or new issues or divestments of assets may take place in order to reduce liabilities.

The net debt/equity ratio increased somewhat during the year. At year-end, the net debt/equity ratio was 56 (55) percent.

30 Critical estimations and assessments

Important assessments upon application of the accounting principles

In the steel operations' industrial areas, there is a need for future land cleanup. In accordance with applicable rules, such cleanup will become relevant only when SSAB ceases to conduct operations in the area. At present, it is not possible to assess if and when operations will cease and, accordingly, no provision has been made for such land cleanup.

Important sources of uncertainty in estimations

TEST OF IMPAIRMENT OF GOODWILL FROM THE ACQUISITION OF IPSCO

On November 30, the annual impairment test was carried out of the goodwill which arose in conjunction with the acquisition of IPSCO. The test showed no impairment. The valuation was carried out at a time when the global economy remains characterized by a degree of uncertainty, albeit that the North American operations showed a significant improvement in earnings during the year. Under these circumstances, it is of course extraordinary difficult to make an assessment as regards future earning capacity and thereby an assessment of the fair value of goodwill. The assessment is, however, that there is reasonable room to accommodate deterioration in the estimations without this leading to the need for any write-down. For further information, see Note 6.

A need to start writing down goodwill should arise only if the estimated discount rate before tax which was applied to the discounted cash flows were to be more than 3.4 percentage points higher than the assessment made in the calculation or if the long-term forecasted gross margins were to be 5.1 percentage points lower than the assessment made in the forecast.

TEST OF IMPAIRMENT OF GOODWILL FROM THE ACQUISITION OF RAUTARUUKKI

Rautaruukki was acquired on July 29, 2014 and, generally speaking, it has not been considered necessary to carry out any impairment test already in 2014. However, as a consequence of developments towards the end of the year in, primarily, Eastern Europe, a valuation was made of the Ruuki Construction Division. The valuation showed a need for write down of the goodwill that was attributable to Ruukki Construction, which amounted to SEK 269 million. Additional write-downs of fixed assets in Eastern Europe were carried out at the end of the year.

ALABAMA TAX CREDIT

SSAB's subsidiary in Alabama, USA has carried out a number of investments which are covered by an investment grant program. The program provides an entitlement to tax deductions on the calculated state tax for each year in respect of the profit which can be allocated to each specific investment. The program extends over 20 years and, in order to obtain the grant in any specific year, state tax must be payable and certain criteria must be fulfilled as regards number of employees and paid minimum wages. A calculation of the future state tax has been made based on results in previous years, budget, and assumptions regarding future profitability. The assessment led to a recording of a deferred tax asset of just over SEK 300 million.

However, since it is unclear to what extent the company will satisfy the criteria for receiving this grant, a reservation in respect of the estimated future investment grant has been made in the balance sheet as long-term deferred income of the same amount. Dissolution of this reserve will take place in pace with the company's assessment of the likelihood that it will obtain the grant.

The received grant will increase or decrease if the taxable result in Alabama is higher or lower than estimated. In the event the company fails to satisfy the criteria as regards workforce size and minimum wages, no grant will be received at all.

PENSION BENEFITS

A large part of the Group's pension obligations with respect to white collar staff are benefit-based and insured on a collective basis with Alecta. Since it is not possible at present to obtain information from Alecta regarding the Group's share of the obligations and managed assets, the pension plan taken out with Alecta is reported as a contribution-based plan. The funding level reported by Alecta at the end of the year does not indicate the existence of a deficit; however, it is not possible to obtain any detailed information from Alecta regarding the amount of the pension liabilities.

Through the acquisition of Rautaruukki, the Group's benefit-based plans have also increased considerably. At the end of the year, the Group has benefit-based obligations amounting to SEK 1,967 million, representing an increase of just over SEK 1.8 billion from the previous year. The obligation is sensitive to, among other things, interest rate changes, inflation, and lifespan assumptions. Sensitivity in the most critical parameters is described in Note 13.

INVENTORY

Inventories are affected by assumptions and estimates regarding product costing, application of the Lower of Cost or Market method and estimates of obsolescence. SSAB's inventories at year end amounted to SEK 14,203 million, where of SEK 330 million were valued at net realizable value.

ACCOUNTS RECEIVABLE

Provision for bad debts is based on assessments of the customers' payment ability and, by their nature, are difficult to estimate. The item has been the subject of special assessment and, compared with the preceding year, the provision for bad debts was increased by SEK 120 million to SEK 253 (133) million (of which SEK 106 million was added due to the acquisition of Rautaruukki), thereby representing 3.3 (2.8) percent of outstanding accounts receivable.

OTHER PROVISIONS

During the year, a final settlement was carried out regarding any additional claims from the purchaser of the tubular business with respect to warranty undertakings relating to the period prior to the sale. The final settlement entails that the company was able to book as revenue the previously made provision of SEK 37 million.

31 Definitions

Capital employed
Total assets less non-interest-bearing current and long-term liabilities.

Cash and cash equivalents
Cash and bank balances, as well as short-term investments with a term to maturity of less than three months on the date of acquisition.

Cash flow from current operations
Operational cash flow less financial items and paid tax.

Earnings per share
Profit for the year attributable to the parent company's shareholders divided by the average number of shares.

EBITDA margin
Result before depreciation and amortization as a percentage of total sales.

Equity
Total equity according to the consolidated balance sheet.

Equity per share
Equity, excluding minority interests, divided by number of shares at year-end.

Equity ratio
Equity as a percentage of total assets.

Maintenance capital expenditures
Investments involving maintenance, rationalization, replacements or which relate to the environment and are made in order to maintain competitiveness.

Net debt
Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio
Net debt as a percentage of equity.

Operating cash flow
Funds generated from operations including change in working capital as well as cash flow for regular maintenance investments, but before financial items and paid tax.

Operating margin
Operating result as a percentage of total sales.

P/E ratio
Share price at year-end divided by earnings per share.

Return on equity after tax
Profit for the year after tax as a percentage of average equity per month during the year.

Return on capital employed before tax
Operating profit increased by financial revenue as a percentage of average capital employed per month during the year.

Sales
Sales less deduction for value added tax, discounts and returns.

Strategic capital expenditures
Investments that increase the cash flow through acquisitions of shares and operations, investments in plant expansion or new competitiveness-enhancing technology.

Yield
Dividend as a percentage of the share price at year-end.

32 Considerations relating to proposed allocation of profit

At the 2015 Annual General Meeting, the shareholders shall, among other things, vote on the dividend proposed by the Board of Directors.

At the end of the year, the net debt was SEK 16,199 (17,720) million and the parent company's unrestricted funds was SEK 38,551 (27,165) million. The Equity included unrealized profits resulting from financial instruments being reported at market value in the amount of SEK 0 (50) million.

The net debt was SEK 24,674 (14,833) million resulting in the net debt/equity ratio increasing with 1 percent to 56 (55) percent. The Group's long-term target over a business cycle is 30 percent. The Group had a negtive result after tax of SEK -1,394 million.

Given that 2015 is a year of major restructuring, the Board proposes to the Annual General Meeting that no dividend be paid.

Proposed allocation of profit

The amount at the disposal of the Annual General Meeting of SSAB AB (publ), reg. no. 556016-3429 is as follows:

Retained earnings	37,845
Profit for the year	706
SEK millions	**38,551**

Of this, a share premium reserve comprises SEK 21,791 million and a fair value reserve comprises SEK 670 million.

The Board of Directors and the President recommend that the profit be allocated as follows:

Dividend to the shareholders SEK 0.00 per share	0
Carried forward to next year	38,551
SEK millions	**38,551**

According to the consolidated balance sheet, the Group's retained earnings amounted to SEK 16,199 (17,720) million.

The Board of Directors and the President hereby affirm that the consolidated financial statements have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU and provide a true and fair view of the Group's financial position and earnings. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the parent company's financial position and earnings. The report of the directors for the Group and the parent company provides a true and fair overview of the development of the operations, financial position and earnings of the Group and parent company and describes material risks and uncertainty factors facing the parent company and the companies included in the Group.

Stockholm, February 9, 2015

Sverker Martin-Löf
Chairman

Sture Bergvall
Director

Petra Einarsson
Director

Kim Gran
Director

Bert Johansson
Director

Jan Johansson
Director

Matti Lievonen
Director

Annika Lundius
Director

Patrick Sjöholm
Director

John Tulloch
Director

Lars Westerberg
Director

Martin Lindqvist
President and CEO

Our auditor's report was submitted on February 18, 2015
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized public accountant

Auditor's report

To the annual meeting of the shareholders of SSAB AB, corporate identity number 556016-3429

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SSAB AB for the year 2014 The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 34–96.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SSAB AB for the year 2014.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OPINIONS

We recommend to the annual meeting of shareholders that the profit dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 18 February 2015

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

Corporate Governance Report 2014

SSAB's organization is characterized by a decentralized way of working in which responsibilities and powers are largely delegated to the respective divisions. SSAB is listed on Nasdaq OMX Stockholm, and is subject to its rules and regulations, and also applies the Swedish Corporate Governance Code (Corporate Code). SSAB has a secondary listing on Nasdaq OMX Helsinki.

Organization

Rautaruukki has been part of SSAB since July 29, 2014. The new SSAB is structured across five divisions: SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction.

The diagram below illustrates SSAB's corporate governance model as at December 31, 2014 and how the central bodies operate.

Derogations from the Corporate Code

During 2014, the Remuneration Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Kim Gran (who during the year replaced Lars Westerberg). According to the main rule in Rule 9.2 of the Corporate Code, the members of the Remuneration Committee who are elected by the general meeting must be independent of the Company and of the Company's management. Since John Tulloch is considered to be dependent in relation to the Company, his participation in the Remuneration Committee thus constitutes derogation from the rules of the Corporate Code. The Company currently conducts extensive international operations involving a large number of its employees outside Sweden, not least in North America. John Tulloch possesses long experience derived from senior managerial positions in the North American steel industry. His knowledge of remuneration principles and remuneration structures in, primarily, the North American steel industry constitutes an extremely valuable contribution to the Committee's general ability to address international remuneration issues in a purposeful and rational manner. The Company has therefore concluded that the benefit of John Tulloch's participation in the Remuneration Committee outweighs any disadvantages resulting from him not being independent of the Company. For these reasons, the Company considers the derogation from Rule 9.2 of the Corporate Code to be justified.

Shareholders

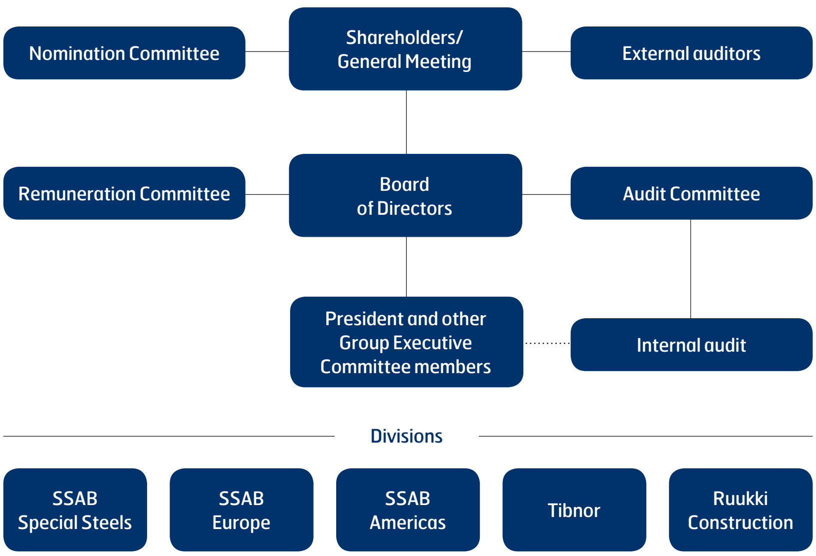
SSAB's share capital consists of class A and class B shares, with class A shares carrying one vote and class B shares one-tenth of one vote. Both classes of shares carry the same rights to participate in the Company's assets and profits.

As at December 31, 2014, there were 92,782 shareholders. Industrivärden was the largest shareholder in terms of voting rights, followed by Solidium Oy, LKAB Loussavaara-Kiirunavaara and Danske Capital Sverige AB. Of the shareholders, 69% held 1,000 shares or fewer, whereas the ten largest shareholders owned an aggregate of around 44% of all the shares in issue. Owners outside Sweden and Finland accounted for 20% of voting rights and 18% of the total number of shares. More information about the ownership structure can be found on page 31.

Owners as at December 31, 2014

	% of votes	% of share capital
Industrivärden	17.7	10.7
Solidium	10.1	17.1
LKAB	3.8	2.2
Danske Capital	3.1	1.9
Swedbank Robur fonder	2.9	3.1
AMF	2.8	1.8
Invesco Funds	2.8	1.7
Handelsbanken fonder	2.5	2.5
Catella fonder	2.4	1.6
Handelsbanken Pensionsstiftelsen and Handelsbanken Liv	2.2	1.4
Other shareholders	49.7	55.9
Total	**100.0**	**100.0**
Whereof foreign-registered shareholders	19.9	18.0

Source: Euroclear



Important external and internal rules and policies which affect corporate governance:

Significant internal rules and policies
- Articles of Association
- The Board's rules of procedure incl. instructions to the CEO and instructions to Board committees
- Accounting manual (Financial Guidelines) and finance policy
- Code of Business Ethics

Significant external rules
- Swedish Companies Act
- Swedish Accounting Act
- Swedish Annual Reports Act
- Rules of Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, www.nasdaqomx.com
- Swedish Corporate Governance Code, www.corporategovernanceboard.se

This Corporate Governance Report was prepared in accordance with the Swedish Annual Reports Act and the Corporate Code, and is not part of the Report of the Board of Directors.

General meeting

The general meeting is the Company's highest decision-making body, where shareholders exercise their influence in the Company. At the Annual General Meeting (Ordinary General Meeting), the shareholders resolve, among other things, the following:

- adoption of the annual report and consolidated financial statements
- allocation of the Company's profit/loss
- discharge from liability for the Board of Directors and the CEO
- election of the Board, its Chairman and auditors
- method of appointment of the Nomination Committee
- remuneration of the Board and the auditors
- guidelines for the remuneration of the CEO and other senior executives

2014 Annual General Meeting

The 2014 Annual General Meeting adopted the annual report and consolidated financial statements for 2013 as presented by the Board and CEO, decided on the allocation of the Company's profit/loss and granted the directors and CEO discharge from liability.

In addition, the Chairman of the Nomination Committee described the Committee's work during the year and the reasons for the proposals presented. The General Meeting decided on the remuneration of the Board and auditors in accordance with the Nomination Committee's proposals. Anders G. Carlberg, Jan Johansson, Martin Lindqvist (President & CEO), Annika Lundius, Sverker Martin-Löf (Chairman), Matti Sundberg, John Tulloch, Lars Westerberg and Pär Östberg were re-elected as directors. The General Meeting decided that the number of auditors would comprise a registered firm of accountants. PricewaterhouseCoopers was re-elected for a term of office up to and including the 2015 Annual General Meeting. The General Meeting resolved that no dividend would be paid for the financial year 2013.

The Annual General Meeting resolved to amend the provisions in §4 and §5 of the Articles of Association regarding the minimum and maximum share capital and number of shares, as well as the maximum number of class A and class B shares that may be issued, conditional upon the completion of the combination with Rautaruukki, and to authorize the Board until the next Annual General Meeting to resolve, on one or more occasions, to issue a maximum of 67,000,000 class A shares and a maximum of 169,000,000 class B shares as consideration to the shareholders of Rautaruukki in the share exchange offer.

A quorate Board and the principal auditor were present at the Annual General Meeting. The minutes of the Annual General Meeting are available at www.ssab.com.

2014 Extraordinary General Meeting

SSAB's Extraordinary General Meeting held on September 11 resolved that the Board of Directors comprises nine directors. It was resolved to elect Petra Einarsson, Kim Gran and Matti Lievonen as new directors. Anders G. Carlberg, Matti Sundberg and Pär Östberg stood down from the Board in connection with the Extraordinary General Meeting.

The Extraordinary General Meeting also resolved that Board fees payable on an annual basis are SEK 1,650,000 to the Chairman of the Board and SEK 550,000 to each director who is not employed in the Group, to apply for the last six months prior to the next Annual General Meeting. For the period up until then, Board fees are payable on an annual basis according to the same levels as resolved at the 2014 Annual General Meeting, i.e. SEK 1,425,000 to the Chairman of the Board and SEK 475,000 to each director who is not employed in the Group. Directors' remuneration in respect of committee work is payable on an annual basis according to the same levels as resolved at the 2014 Annual General Meeting, i.e. SEK 100,000 each, with the exception of the position of Chairman of the Audit Committee, who is to receive payment of SEK 125,000.

Nomination Committee

DUTIES OF THE NOMINATION COMMITTEE

The Nomination Committee's duties include proposing to the Annual General Meeting a chairman of the Board, directors, auditors, a chairman of the Annual General Meeting, Board fees and auditor fees.

PROCEDURE FOR THE APPOINTMENT OF THE NOMINATION COMMITTEE

The 2012 Annual General Meeting adopted a procedure regarding the appointment of the Nomination Committee. The procedure applies until amended through a resolution adopted at a future Annual General Meeting. According to the procedure, the Chairman of the Board is tasked with requesting that no fewer than three and no more than five of the largest shareholders in terms of votes each appoint a member to constitute the Nomination Committee, together with the Chairman of the Board. There may be no more than six members in total. The Chairman of the Nomination Committee is the representative of the largest shareholder. The composition of the Nomination Committee was announced on the Company's website at www.ssab.com, on October 8, 2014.

Until December 31, 2014, shareholders were able to submit proposals to the Nomination Committee by, among other ways, email. The Nomination Committee's proposals will be published no later than in conjunction with the notice of the Annual General Meeting.

In connection with the issuance of the notice of the Annual General Meeting, the Nomination Committee will publish a reasoned statement regarding its proposal for a Board on the Company's website at www.ssab.com.

Nomination Committee ahead of the 2015 Annual General Meeting

Appointed by, name	Share in % of voting capital as at December 31, 2014
Industrivärden, Anders Nyberg, Chairman	17.7
Solidium Oy, Kari Järvinen,	10.1
Swedbank Robur funds, Åsa Nisell	3.8
LKAB, Lars-Eric Aaro	2.9
Handelsbanken funds, Frank Larsson	2.5
Sverker Martin-Löf, Chairman of the Board	-

WORK OF THE NOMINATION COMMITTEE AHEAD OF THE 2014 EXTRAORDINARY GENERAL MEETING

Ahead of the Extraordinary General Meeting of September 11, 2014, the incumbent Nomination Committee met to form an opinion of the composition and fees of the Board of Directors in the light of the new circumstances arising from the completion of SSAB's acquisition of just over 96% of the shares of Rautaruukki at the end of July 2014. The incumbent Nomination Committee resolved to expand the Committee's composition with Kari Järvinen, a representative of Solidium Oy, the investment holding company of the Finnish State. The Nomination Committee met twice and its proposal was based, among other things, on the change in the ownership structure and the significant expansion of the Company's operations. The discussions concerning the composition of the Board of Directors also considered partly the evaluation of the Board's work carried out ahead of the 2014 Annual General Meeting and partly the requirements which the Company's strategic development, international operations, governance and control impose in terms of the Board's competence and composition. Based on the above, the Nomination Committee agreed on the main demands to be imposed on the directors, including the requirement of independent directors. Attention was also paid to the question of a more equal gender structure, as well as the Board's need for diversity and breadth in terms of competence, experience and background, and the need for regular renewal of the Board. Ahead of the proposal for the composition of the Board, the members of the Nomination Committee met the proposed director candidates. Ahead of the proposal to increase Board fees, the Nomination Committee conducted a study of fees in peer companies. The Committee also met the Company's CEO, who informed the members about the combined company's operations and strategy.

WORK OF THE NOMINATION COMMITTEE AHEAD OF THE 2015 ANNUAL GENERAL MEETING

Shortly after the Extraordinary General Meeting in September 2014, a new Nomination Committee of the same composition as ahead of the Extraordinary General Meeting was re-appointed ahead of the 2015 Annual General Meeting. Since appointment, the Nomination Committee has met twice.

Board of Directors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Appointed by the Annual General Meeting and Extraordinary General Meeting

	Member of the Board	Elected to the Board	Shareholding[1]	Previous appointments	Current appointments
1	Sverker Martin-Löf, Chairman since 2003 (1943) Licentiate of Technology, Dr h.c.	2003	21,563 shares	Previously President & CEO of SCA.	Chairman of the Board: Industrivärden and SCA. Deputy Chairman of the Board: Ericsson. Vice Chairman of the Board: Handelsbanken. Director: Skanska.
2	Petra Einarsson (1967) BSc in Business Administration and Economics	2014	0 shares	Previously Financial Manager at Sandvik Materials Technology and President of Sandvik Strip and Sandvik Tube product areas.	President of the Sandvik Materials Technology business area. Director: Swedish Association of Industrial Employers and the Council of the Swedish Steel Producers' Association.
3	Kim Gran (1954) BSc (Econ) Honorary Finnish title of Vuorineuvos	2014	22,260 shares	Previously President and CEO of Nokian Tyres plc, Managing Director of Pechiney Cebal, Corby UK and Marketing Director at Cebal-Printal, Devizes UK. Chairman of the Board of Rautaruukki Corporation and Director of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company.	Chairman of the Board: the Rubber Manufacturers' Association of Finland (RMAF). Vice Chairman of the Board: Chemical Industry Federation of Finland and YIT plc. Member of the Board: Nokian Tyres plc, East Office of Finnish Industries Oy and the Finnish-Russian Chamber of Commerce.
4	Jan Johansson (1954) LLM	2011	5,000 shares	Previously President and CEO of Boliden, as well as senior positions at Telia, Vattenfall and the Shell Group.	President and CEO of SCA. Director: SCA and Handelsbanken.
5	Matti Lievonen (1958) BSc (Eng), eMBA Honorary Finnish title of Vuorineuvos	2014	15,333 shares	Previously held several senior positions at UPM-Kymmene, Deputy Chairman of the Board of the Confederation of European Paper Industries, Director of the Finnish Oil and Gas Federation, Confederation of Finnish Industries and Europia.	President and CEO of Neste Oil Corporation. Chairman of the Board: Nynäs AB. Vice Chairman of the Board: Chemical Industry Federation of Finland. Chairman of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company.
6	Martin Lindqvist, President and CEO (1962) BSc (Econ)	2011	17,109 shares	Employed at SSAB since 1998. Previously Head of SSAB EMEA, CFO at SSAB and Chief controller at NCC.	President and CEO of SSAB. Chairman: the Swedish Association of Industrial Employers. Director: Indutrade and Svenskt Näringsliv.
7	Annika Lundius (1951) LLM	2011	7,000 shares	Previously Legal Director and Financial Counselor at the Swedish Ministry of Finance and CEO of the Swedish Insurance Industry and Employers' Association.	Deputy Director-General of the Confederation of Swedish Enterprise. Director: Industrivärden and AMF Pension.
8	John Tulloch (1947) BA (AgrSc), MSc	2009	15,000 shares	Previously Executive Vice President, Steel & Chief Commercial Officer of IPSCO and Executive Vice President of SSAB & President of IPSCO Division.	Director: Russel Metals Inc.
9	Lars Westerberg (1948) MSc and MBA	2006	10,000 shares	Previously President and CEO of Gränges and President, CEO and Chairman of Autoliv.	Chairman of the Board: Husqvarna. Director: Volvo, Sandvik, Stena and Meda.

Anders G. Carlberg, Matti Sundberg and Pär Östberg were on the Board of Directors until September 11, 2014 when they were replaced by Petra Einarsson, Kim Gran and Matti Lievonen.

1) Shareholdings include shares owned by closely-related persons.

Appointed by the employees

	Member of the Board	Elected to the Board	Current appointment
10	Sture Bergvall (1956)	2005	Electrician, SSAB Europe
11	Bert Johansson (1952)	1998	Electrician, SSAB Europe
12	Patrick Sjöholm (1965)	2011	Automation engineer, SSAB Special Steels
	Alternates		
13	Uno Granbom (1952)	2008	Technician, SSAB Europe
14	Peter Holmér (1958)	2012	Mechanic, SSAB Special Steels
15	Tomas Jansson (1966)	2014	Sales Coordinator, SSAB Europe

The Chairman of the Board has described to the Nomination Committee the process applied in the Company in conjunction with the annual evaluation of the Board of Directors and the CEO, as well as the results of the evaluation. Furthermore, at a meeting at which the Chairman of the Board was not present, the Nomination Committee was informed of the results of the evaluation of the Chairman.

The Nomination Committee has discussed the composition of the Board and agreed on the main requirements which should be imposed on the directors, including the requirement for independent directors. In its assessment of the Board's evaluation, the Nomination Committee particularly took into account the need for Board diversity and breadth and the requirements to strive for gender balance on the Board. The Nomination Committee engages in continuous work in identifying and evaluating potential new directors.

In submitting proposals for fees to the Board and its committees, the Nomination Committee, among other things, conducted an overview of levels of board fees in similar companies. The Nomination Committee was assisted by the Audit Committee in submitting its proposals regarding the election of auditors and fees for audit work.

RESPONSIBILITIES OF THE BOARD

The overall task of the Board of Directors is to manage the Company's affairs on behalf of the shareholders in the best possible manner. The Board must regularly assess the Group's financial position and evaluate the operational management. The Board decides, among other things, matters concerning the Group's strategic focus and organization, and decides on important capital expenditure (exceeding SEK 50 million).

Each year, the Board must prepare proposals for guidelines regarding the determination of salary and other remuneration to the CEO and other members of the Company's senior management to be decided upon at the Annual General Meeting.

RULES OF PROCEDURE OF THE BOARD

Each year, the Board of Directors adopts rules of procedure, including instructions to the CEO, which, among other things, govern the allocation of work between the Board and the CEO.

The rules of procedure further regulate the way in which Board work is allocated among the directors, the frequency of Board meetings, and the allocation of work among the Board committees. The rules of procedure state that there must be a remuneration committee and an audit committee. Ahead of each Board meeting, the directors receive a written agenda and full documentation to serve as a basis for decisions. Each Board meeting conducts a review of the current state of the business, the Group's results and financial position, and prospects. Other issues addressed include competition and the market situation. The Board also regularly monitors health and safety work, including the Group's accident statistics.

CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors presides over the Board's work, represents the Company on ownership issues, and is responsible for the evaluation of the work of the Board. In addition, the Chairman is responsible for regular contacts with the CEO and for ensuring that the Board of Directors performs its duties.

COMPOSITION OF THE BOARD

Under the Articles of Association, the Board of Directors consists of a minimum of five and a maximum of ten directors elected by the general meeting. The Board is quorate when more than one half of the total number of directors is present. Taking into consideration the Company's operations, phase of development and circumstances in general, the Board must have an appropriate composition which is characterized by diversity and breadth as regards the competence, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge expected in order to best promote the interests of the Company and its shareholders.

WORK OF THE BOARD IN 2014

In 2014, the Board of Directors held 12 meetings at which minutes were taken and at which the Board was quorate at all times. SSAB's General Counsel, who is not a director, served as secretary to the Board.

The extensive work done by the Board during 2014 mostly concerned SSAB's acquisition of Rautaruukki. The continuing difficulties in the global steel industry resulted in SSAB's Board devoting considerable time to addressing the measures the Company has taken to improve its competitiveness and secure its financial position. The Board also particularly addressed matters concerning safety in the workplace, as well as issues concerning the environment, control functions, corporate governance and strategy. The Board also monitors price trends as regards the Company's most important raw materials: iron ore, scrap metal and coal.

Auditors

Under its Articles of Association, SSAB has one or two external auditors, or one or two registered public accounting firms. The 2014 Annual General Meeting re-elected registered accounting firm PricewaterhouseCoopers as auditor for a further year.

Authorized public accountant Magnus Svensson Henryson has been principal auditor since 2012 and also signs off on the audits of the listed companies SEB and Industrivärden. In all, PricewaterhouseCoopers are the elected auditors in 21 out of 50 companies in the Large Cap segment and in 81 out of a total of 223 companies listed on Nasdaq OMX, Stockholm.

The external audit of the financial statements of the parent company and the Group, as well as the management by the Board of Directors and CEO, is performed in accordance with the International Standards on Auditing and Generally Accepted Auditing Practices in Sweden. The Company's principal auditor attends all meetings of the Audit Committee. The auditor attends at least one Board meeting a year and goes through the audit for the year, and discusses the audit with the directors without the CEO and other members of the Company's senior management being present. See Note 2 for information regarding the auditor's fees.

Remuneration Committee

DUTIES

In addition to the Chairman of the Board of Directors, the Remuneration Committee comprises one or more directors, who must normally be independent both of the Company and of the Company management, elected by the General Meeting. Members of the Remuneration Committee must possess the required knowledge and experience of remuneration matters relating to senior executives. The CEO attends Committee meetings to report on matters. The duties of the Remuneration Committee are stated in the Board's rules of procedure. The Remuneration Committee submits proposals to the Board of Directors regarding the CEO's salary and other employment terms and conditions, sets salaries and employment terms and conditions for other members of the Group Executive Committee, and sets limits regarding the salary and employment terms and conditions for other senior executives. The Remuneration Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning remuneration principles, preparing the Board's proposal for guidelines for determining the salary and other remuneration of the CEO and other members of the Company's senior management, as well as monitoring and evaluating the application thereof. The Remuneration Committee also monitors and evaluates programs regarding variable remuneration of members of the Company's senior management.

WORK IN 2014

During 2014, the Remuneration Committee held four meetings at which minutes were taken. The Remuneration Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Kim Gran, who replaced Lars Westerberg following the Extraordinary General Meeting of September 11. The CEO is co-opted to the Committee, but does not participate in discussions concerning his own salary and employment terms and conditions.

Member of the Board	Elected to the Board	Attendance statistics 2014: Board meetings	Remuneration Committee	Audit Committee	Independent of: the company and its management	the company's largest shareholders
Elected by the AGM						
Sverker Martin-Löf, Chairman since 2003	2003	12	4	6	Yes	No, Chairman of Industrivärden
Petra Einarsson [1]	2014	5			Yes	Yes
Kim Gran [1]	2014	5	2		Yes	Yes
Jan Johansson	2011	12			Yes	Yes
Matti Lievonen [1]	2014	3			Yes	Yes
Martin Lindqvist, President and CEO	2011	12			No, CEO at the company	Yes
Annika Lundius	2011	12		6	Yes	No, member of Industrivärden
John Tulloch	2009	11	4		No, former President of IPSCO Division	Yes
Lars Westerberg	2006	12	2	2	Yes	Yes
Employee representatives						
Sture Bergvall	2005	12			–	–
Bert Johansson	1998	12			–	–
Patrick Sjöholm	2011	12			–	–
Alternates						
Uno Granbom	2008	12			–	–
Peter Holmér	2012	12			–	–
Tomas Jansson [2]	2014	9			–	–

[1] Newly elected at the Extraordinary General Meeting held on September 11, 2014.

[2] Took up the position on April 9, 2014 and replaced Ola Parten.

Three of the Board meetings were held per capsulam.
For information about fees, see Note 2. Honorary Chairman: Björn Wahlström since 1991.

Audit Committee

DUTIES

Under the Board of Directors' rules of procedure, the Audit Committee comprises at least three directors elected by the General Meeting. Members of the Audit Committee may not be employees of the Company. Most of the members must be independent both of the Company and of the Company management. At least one of the members who is independent both of the Company and of the Company's management must also be independent of the Company's major shareholders and possess accounting or auditing expertise. The Committee elects a chairman from among its members who may not be the Chairman of the Board. The duties of the Audit Committee are stated in the Board's rules of procedure. The Chairman of the Audit Committee is responsible for ensuring that the entire Board is kept regularly informed about the Committee's work and, where necessary, must submit matters to the Board for a decision. The main task of the Audit Committee is to support the Board in its work to ensure the quality of financial reporting. The Committee regularly meets the Company's auditors, evaluates the audit work and establishes guidelines as to which additional services the Company may source from its external auditors. Such additional services, up to a maximum of SEK 100,000 per assignment, must be approved in advance by the Company's Chief Financial Officer. Assignments exceeding SEK 100,000 must be approved in advance by the Chairman of the Audit Committee. All additional services must be reported to the Audit Committee each quarter.

The Company has an established risk management process which is based on production processes and flows. In this process, the Audit Committee reviews and takes into account the risk areas that have been identified (both commercial risks and risks of errors in financial reporting). Based on the results of internal and external risk assessment, the Committee regularly analyzes the focus and scope of the audit with the Company's external and internal auditors.

Each year, the Audit Committee adopts an internal audit plan which, among other things, is based on the risks that have arisen in the risk management process described above. The audit plan is discussed with the external auditors in order to enhance the efficiency and quality of regular audit work. The Committee also analyses and elucidates significant accounting issues affecting the Group, and assists the Nomination Committee in submitting proposals as regards the auditors and their fees.

WORK IN 2014

In 2014, the Audit Committee further developed the presentation of external financial reporting to take into account the inclusion of Rautaruukki. In addition, the Committee discussed and approved the final acquisition analysis of Rautaruukki. The Audit Committee, together with the external auditors, reviewed and analyzed the risk analysis and audit plan prepared by the auditors as a basis for the statutory audit.

The Audit Committee's members were Lars Westerberg, who replaced Anders G. Carlberg as Chairman after the Extraordinary General Meeting held on September 11, Sverker Martin-Löf and Annika Lundius. In 2014, the Audit Committee held six meetings at which minutes were taken.

Group Executive Committee's work and responsibilities

The Group Executive Committee is responsible for formulating and implementing the Group's overall strategies, and addresses matters such as acquisitions and divestments. These matters, as well as major capital expenditures (in excess of SEK 50 million) are prepared by the Group

Group Executive Committee


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	Name	Member of the Group Executive Committee	Shareholding[1]	Education	Background
1	Martin Lindqvist, President and CEO (1962)[2]	2001	17,109 shares	BSc (Econ), Uppsala University	Employed at SSAB since 1998. Previously Head of SSAB EMEA, Head of SSAB Strip Products, CFO at SSAB, CFO at SSAB Tunnplåt, Chief Controller at NCC.
2	Jonas Bergstrand, Executive Vice President, Legal & Strategy (1965)	2006	7,300 shares	LLM, Uppsala University	Employed at SSAB since 2006. Previously Corporate Counsel at ABB, OM Gruppen and Ericsson Radio Systems.
3	Håkan Folin, Executive Vice President and CFO (1976)	2013	2,823 shares	MSc, The Royal Institute of Technology, Stockholm	Employed at SSAB since 2006. Previously CFO at SSAB APAC, CFO at Tibnor, Head of Business development at SSAB.
4	Monika Gutén, Executive Vice President and Head of Group Human Resources, Procurement and Shared Services (1975)	2011	2,500 shares	MSc (Business Administration), Stockholm University	Employed at SSAB since 2007. Previously Head of Human Resources at SSAB EMEA, Head of Business Development at SSAB.
5	Olavi Huhtala, Executive Vice President and Head of SSAB Europe (1962)*	2014	62,451 shares	BSc (Eng)	Employed at Rautaruukki/SSAB since 1987. Previously EVP Ruukki Metals; President Ruukki Fabrication; marketing and executive roles in Rautaruukki Metform.
6	Taina Kyllönen, Executive Vice President and Head of Group Communications (1967)[3]*	2014	21,986 shares	MSc (Economics), School of Business, Aalto University, Helsinki	Employed at Rautaruukki/SSAB since 2004. Previously SVP, Marketing & Communications; SVP, Marketing; VP, Communications & Branding, Rautaruukki Corporation; VP, Investor Relations, Metso and Rauma.
7	Mikael Nyquist, President of Tibnor (1963)*	2014	0 shares	MSc, The Royal Institute of Technology, Stockholm	Employed at SSAB since 1995. Previously President of Plannja; Head of Marketing and Sales SSAB Prelaq; President of the Swedish Institute of Steel Construction; Engineer NCC.
8	Gregoire Parenty, Executive Vice President and Head of Market Development (1962)	2012	0 shares	Maitrise de Sciences Economiques from Sorbonne University. MBA, Dallas University	Employed at SSAB since 2004. Previously Head of Market at SSAB EMEA, several positions within ArcelorMittal.
9	Martin Pei, Executive Vice President and Head of Technical Development (1963)[4]	2007	1,000 shares	PhD, The Royal Institute of Technology, Stockholm	Employed at SSAB since 2001. Previously Head of Business Area SSAB APAC, CTO at SSAB, General Manager, Slab Production at SSAB Plate, manager of R&D Department at SSAB, several positions with Danieli Centro Met.
10	Charles Schmitt, Executive Vice President and Head of SSAB Americas (1959)[5]	2011	0 shares	BSc (Business Admin/Finance), University of Texas, two-year steel fellowship at the American Iron and Steel Institute	Employed at IPSCO/SSAB since 1990. Previously Head of Business Area SSAB Americas, VP of the Southern Business Unit for SSAB Americas, several positions with US Steel Corporation.
11	Marko Somerma, President of Ruukki Construction (1966)*	2014	7,093 shares	LSc (Tech.)	Employed at Rautaruukki/SSAB since 2004. Previously EVP Ruukki Building Products; CSO Rautaruukki Corporation; EVP Ruukki Engineering; CSO Rautaruukki Corporation; Chief Process & Information Technology Officer Instrumentarium Ltd; Business Development Director Gustav Paulig Ltd.
12	Per Olof Stark, Executive Vice President and Head of SSAB Special Steels (1954)*	2014	0 shares	MSc, The Royal Institute of Technology, Stockholm	Employed at SSAB since 1983. Previously Head of SSAB Wear Services; President of the wholly-owned subsidiary Plannja; Head of Marketing at SSAB's former Plate Division; Head of business area Europe and the US; Head of Global Marketing; Head of Sales and Product Development at SSAB Plate.

[1] Shareholdings include shares owned by closely-related persons.
[2] Neither the CEO nor any related natural or legal persons have any shareholdings or part ownership in enterprises in which the company has significant business.
[3] Maria Långberg was Executive Vice President and Head of Group Communications until September 1, 2014.
[4] Martin Pei was Head of Business Area SSAB APAC until September 1, 2014.
[5] Charles Schmitt was Head of Business Area SSAB Americas until September 1, 2014.
* Joined the Group Executive Committee on September 1, 2014.
Melker Jernberg was Executive Vice President and Head of Business Area SSAB EMEA until September 1, 2014.

Executive Committee for decision by the Board of Directors of the parent company.

The CEO is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines. As at December 31, 2014, the Group Executive Committee consisted, in addition to the CEO, of the heads of SSAB Europe, SSAB Americas, SSAB Special Steels, Tibnor and Ruukki Construction, the Chief Financial Officer, the Head of Market Development, Head of Legal & Strategy, Head of Group Human Resources, Procurement and Shared Services, Head of Technical Development and the Head of Group Communications.

The Group Executive Committee holds monthly meetings to monitor the results and financial position of the Group and the divisions. Other matters addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each division is responsible for the relevant income statement and balance sheet. Overall operational control of the divisions takes place through quarterly performance reviews. In most cases, the CEO of the parent company is the Chairman of the Board of each of the directly-owned major subsidiaries such as SSAB EMEA, Tibnor and Ruukki Construction, and these boards also include other members from the Group Executive Committee, as well as employee representatives. Parallel with the quarterly performance reviews, the boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

Remuneration guidelines

The 2014 Annual General Meeting resolved that the remuneration of the CEO and other members of the Company's senior management comprises fixed salary, possible variable remuneration, other benefits such as a company car, and pension. The total remuneration package must be on market terms and competitive in the employment market in which the executive works. Fixed salary and variable remuneration must be commensurate with the executive's responsibilities and powers. The variable remuneration must be based on results as compared with defined and measurable targets, and must be capped in relation to fixed salary. Variable remuneration is not included in the basis for computation of pension, except where so provided in the rules of a general pension plan (for example, the Swedish ITP plan). As regards senior executives outside Sweden, all or parts of the variable remuneration may be included in the basis for pension computation due to legislation or local market practice. Programs for variable remuneration should be formulated so that the Board of Directors may, where exceptional circumstances prevail, limit or omit payment of variable remuneration where this is considered reasonable and consistent with the Company's responsibility to its shareholders, employees and other stakeholders. To the extent a director performs work for the Company alongside his or her Board work, a consultation fee at market rates may be paid. The Board is entitled to derogate from the guidelines where there are special reasons to do so in an individual case.

Incentive program for senior executives

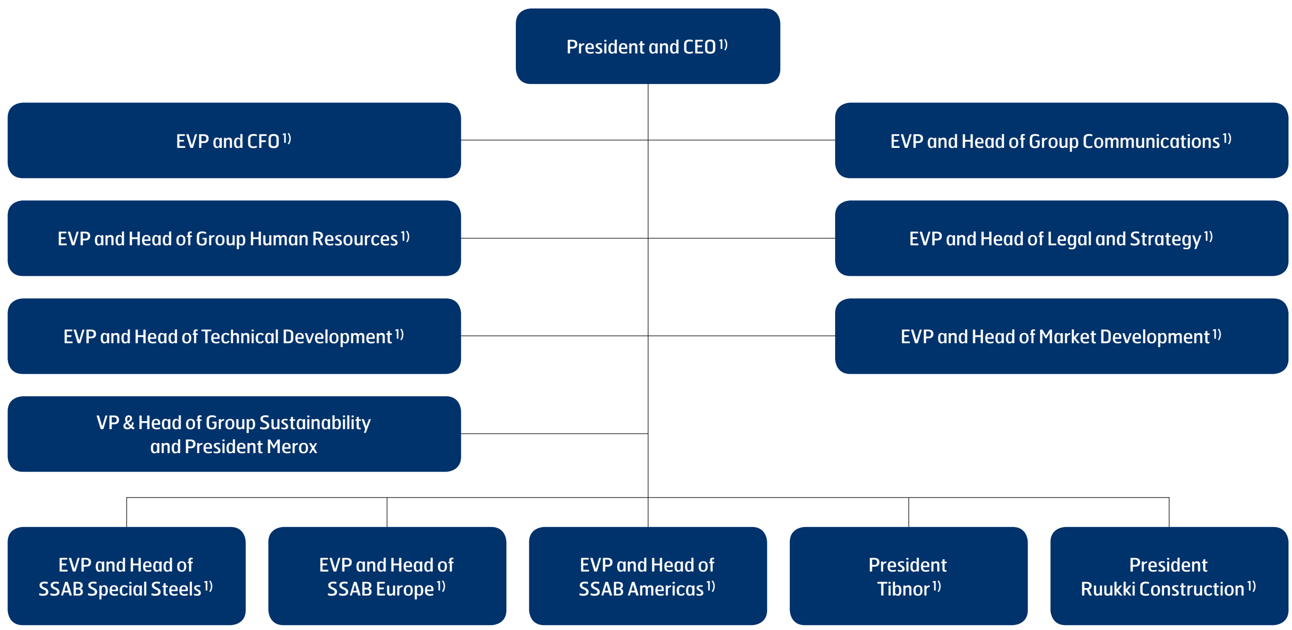
A long-term incentive program for the entire Group and covering a maximum of 100 key employees, including the CEO and other senior executives, was introduced in 2011. This program runs for rolling three-year periods, is cash based, and linked to the total return on SSAB's share compared to a benchmark group of the Company's competitors. The program was introduced to promote the Company's ability to recruit and retain key employees. Reference is made to Note 2 for more information about current compensation. The Company has no share-related incentive programs.

Internal control and risk management

The overall objective of internal control is to ensure, to a reasonable degree, that the Company's operational strategies and targets are monitored and that the owners' investments are protected. In addition, internal control ensures with reasonable certainty that external financial reporting is reliable and prepared in accordance with generally accepted auditing principles, and that it complies with applicable laws and regulations and the requirements imposed on listed companies.

The Group is tasked with seeking to ensure that risks do not materialize and, through various measures, with mitigating the fallout of any loss that occurs. The Group's Risk Management organization manages the work of preventing the occurrence of loss at all, and of mitigating the effects of such loss should it nevertheless occur. Each division and subsidiary is responsible for working proactively to prevent loss.

Group operational management structure



1) Member of Group Executive Committee.

SSAB Risk Management manages risks relating to injury, and damage to property and the environment (insurable risks) to which the Group is exposed and which are associated with the Company's operations. The possibility to take out insurance cover is to be regarded as one of several tools to mitigate the effects of any injury or damage which occurs.

The Group Risk Manager is functionally responsible for the Group's risk work and collaborates with a number of local risk managers at the divisional level to optimize the work from a joint-Group perspective.

Sustainability risks

Recent decades have seen increased pressure on companies to take responsibility not only for how they run their own operations and for employee working conditions, but also how their operations impact society at large. It's about assuming responsibility for how all links in the Company's value chain are managed, from supplier to future use of the Company's products. It's also about companies minimizing their environmental footprint by improving the efficiency of their production process and working practices, as well as developing products that contribute to reduced emissions and lower environmental impacts.

In order to make clear the link to business benefits and to strengthen sustainability issues at the strategic level, in 2014, the Company appointed a VP & Head of Group Sustainability, who reports directly to the CEO. The Head of Group Sustainability's role is to coordinate sustainability issues, develop the Company's strategic sustainability approach and to more clearly include sustainability issues and determine the focus areas for the Group's work on the sustainability front. At the Group level, the Head of Group Sustainability heads a management team for sustainability issues where members form a network of expertise within, for example, HR, environment, health and safety, and business ethics. Risks and opportunities must be analyzed and targets set to drive the Group's sustainability work forward.

Internal audit

SSAB's internal audit function reports directly to the Audit Committee and is functionally subordinate to the Chief Financial Officer. The activities of internal audit are aimed at supporting value creation in the Group by identifying risk areas, carrying out internal controls, and thereafter recommending improvements within these areas. The internal auditor participates at Audit Committee meetings.

The internal audit is organized at an overall Group level, with audit plans drawn up for each division. The head of internal audit plans the Group's audit activities.

Most of the work is performed by means of audits in accordance with an audit plan decided upon by the Audit Committee. Other work largely consists of specific audits, as well as monitoring of self-assessments in the Group as regards internal control.

The internal audit function carries out and reports on audits in accordance with an audit plan adopted by the Audit Committee. These audits are performed in accordance with a submitted and adopted audit process, which is constantly developed in order to optimize the work method and delivery of reports which generate added value. These reports describe observations, recommendations and improvement areas, with the aim of strengthening and enhancing efficiency in risk management and internal control. In addition, the function also performs audits on instruction from management or as required for other reasons. For a further description of audit work in 2014, see the next section, "The Board's description of internal control and risk management regarding financial reporting".

During the year, internal audit developed a manual to audit the risks of fraud and corruption, and performed a number of audits of subsidiaries according to this manual. Whilst the audits have shown no concrete irregularities, opportunities have been identified to reduce risks from this perspective. These improvement opportunities will be solved in accordance with action plans drawn up.

In order to further strengthen internal control and risk management, a whistleblower function is in place to enable the reporting of serious improprieties and violations of the Group's Code of Business Ethics. This function is aimed, among other things, at guaranteeing safety in the workplace, upholding sound business ethics and curbing economic irregularities within SSAB to the benefit of employees, customers, suppliers and shareholders.

The Board's description of internal control and risk management regarding financial reporting

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors of SSAB is responsible for internal control. This description has been prepared in accordance with the Annual Reports Act.

FRAMEWORK FOR INTERNAL CONTROL AS REGARDS FINANCIAL REPORTING

SSAB'S model for financial reporting is based on the internationally established framework, Internal Control Integrated Framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

SSAB's internal control process regarding financial reporting is based on five components: control environment, risk assessment, control activities, information and communication, and monitoring. SSAB's internal control process is structured to reasonably ensure the quality and accuracy of financial reporting, and to ensure that the reporting is prepared in compliance with applicable laws and regulations, accounting standards, as well as with requirements imposed on listed companies in Sweden.

For this to be achieved, there must be a sound control environment, reliable risk assessments, established control activities, as well as the satisfactorily functioning of information and communication, and monitoring.

CONTROL ENVIRONMENT

The control environment is characterized by the organizational structure, management's work methods and values, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board with important accounting matters that the Group applies, and monitors internal control with respect to financial reporting. To maintain an efficient control environment and sound internal control, the Board of Directors has delegated practical responsibility to the CEO, who in turn has delegated responsibility to other members of the Group Executive Committee as well as to the heads of divisions.

The quality of financial reporting is ensured through a number of different measures and routines. Work takes place regularly on further developing manuals and policies for the entire Group. Among other things, there is a Group accounting manual (Financial Guidelines), which is regularly updated and communicated across the Group. Apart from the Financial Guidelines, the Group's most important overall control documents are the Finance Policy, Investment Policy, Information Policy, authorization rules and the Code of Business Ethics.

All divisions have adopted guidelines on business ethics. Work on communicating the Group's Code of Business Ethics continued during 2014 and by year-end 2014, 95% of personnel in the former SSAB had undergone an internal business ethics training course.

RISK ASSESSMENT

SSAB's organization is exposed to both internal and external risks. To reasonably ensure sound internal control, the risks which may affect financial reporting are identified and weighed up, and measures are taken. This constitutes an integrated part of the regular reporting to the Group Executive Committee and the Board, and also constitutes the basis for assessing the risk of error in financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. Risk assessment therefore takes place largely within these processes. Only general risk assessments take place at the Group level. The persons responsible in the Group identify, monitor and follow up risks. This creates the conditions for well-founded, correct business decisions at all levels. Financial risks such as currency, re-financing, counterparty, interest rate and credit risks are dealt with primarily by the parent company's treasury function in accordance with the Group's Finance Policy (See Note 29). For an overview of the Group's commercial risk exposure, see also the section "Internal control and risk management" above and page 40 of the Report of the Directors.

CONTROL ACTIVITIES

The primary purpose of control activities is to prevent and identify at an early stage significant financial reporting errors so that they can be addressed and rectified. Control activities, both manual and automated, take place at both general and more detailed levels within the Group. Routines and activities have been designed to manage and rectify significant risks associated with financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place at a Group, subsidiary or process level depending on the nature and affiliation of the control activity. As with other processes, the relevant head is responsible for the completeness and accuracy of control activities.

Recent years have seen an in-depth analysis carried out of the processes and control structures in Group companies. This has resulted in a more systematic approach to identifying financial risks and financial reporting risks, as well as documentation of controls as to how such risks are to be prevented and identified. The controls are adapted to each unit's work processes and systems structure and these are evaluated through self-assessment, supplemented with monitoring and review by internal audit. This way of working has been implemented in a system covering the entire Group which is used when verifying the reliability of financial reporting. Work on implementing this way of working and system in the acquired Rautaruukki group will take place during 2015. A similar system has been in use in the American operations for some time.

The Group has a joint consolidation system in which all legal entities report. This provides sound internal control of financial reporting. Work has also taken place within the Group to automate more controls and processes, and to limit authority in IT systems in accordance with powers and competences.

Control activities are carried out at all levels within the Group. For example, there are established Controller functions which analyze and follow up deviations and forward reports in the Company. Monitoring by the Group Executive Committee takes place, among other things, through regular meetings with heads of divisions and subsidiaries with regard to operations, their financial position and results, as well as financial and operational key performance indicators. The Board of Directors analyzes on an ongoing basis, among other things, business reports in which the Group Executive Committee describes the most recent period and comments on the Group's financial position and results. This is how major fluctuations and deviations are followed up to minimize the risk of errors in financial reporting.

Work on closing the accounts and on the annual report involves processes in which additional risks of error in financial reporting arise. This work is less repetitive by nature and contains several elements of an assessment nature. Important control activities include ensuring the existence of a well-functioning reporting structure where the divisions report in accordance with standardized reporting templates, and where important income statement and balance sheet items are specified and commented on.

INFORMATION AND COMMUNICATION

Externally

SSAB's communications must be correct, open and prompt, and available simultaneously to all stakeholders. All communications must take place in accordance with the rules of Nasdaq OMX Stockholm and Nasdaq OMX Helsinki, and in accordance with other regulations. Financial information must provide the capital and stock markets, as well as existing and potential shareholders, with a comprehensive and clear view of the Company, its operations, strategy and financial performance.

The Board of Directors approves the Group's annual and half-yearly reports, and instructs the CEO, in accordance with the Board's rules of procedure, to issue quarterly reports and year-end results. All financial reports and press releases are published on the Company's website at www.ssab.com simultaneously with disclosure via Nasdaq OMX Stockholm and Nasdaq OMX Helsinki and notification to Finansinspektionen, Sweden's financial supervisory authority.

Financial information about the Group may be provided only by the CEO, CFO, Head of Group Communications and Head of Investor Relations. The divisions disseminate financial information about their operations only after the Group has published corresponding information.

Internal control process

The Company applies silent periods during which it does not communicate information about the Company's performance. Silent periods are three weeks prior to publication of the results for the year-end, half-yearly and quarterly reports.

In the event of a leakage of price-sensitive information or upon the occurrence of special events that may affect the valuation of the Company, Nasdaq OMX Stockholm and Nasdaq OMX Helsinki will be notified, after which a press release containing corresponding information will be sent out. Informational activities are governed by the Company's information policy.

Internally

Each division has a chief financial officer responsible for maintaining the high quality and delivery accuracy of financial reporting.

The local intranets, where information is constantly published, constitute important communications channels within the Company. Regular joint Group accounting meetings are held with the divisional chief financial officers. This is how the divisions are updated about the news and changes within, among other things, accounting, routines and controls with respect to financial reporting. In addition, the parent company regularly communicates changes in joint Group accounting principles and policies, as well as other matters relevant to financial reporting.

MONITORING

The Board of Director's monitoring of internal control with respect to financial reporting takes place primarily through the Audit Committee, by, among other things, monitoring the work of and reports issued by the internal and external auditors.

During 2014, internal audit carried out regular independent and objective audits of the Group's corporate governance, internal control and risk management in accordance with the adopted audit plan. The audit plan for 2014 was based on a risk analysis approved by divisional heads and group management, and subsequently adopted by the Audit Committee. The reviews were performed in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The result has been regularly submitted to divisional heads and the Audit Committee as regards observations, measures taken and implementation status.

Each year, the external auditors monitor selected parts of internal control within the scope of the statutory audit.

The external auditors report the results of their review to the Audit Committee and Group Executive Committee. Major observations are also reported directly to the Board of Directors. During 2014, the external auditors assisted in the acquisition of Rautaruukki by, among other things, auditing the prospectus to Rautaruukki's shareholders.

Further information

Further information about corporate governance at SSAB is available at www.ssab.com and includes the following information:

- Routines regarding the Annual General Meeting:
  - when the Annual General Meeting is to be held
  - notice of the meeting and how to register
  - the resolutions to be proposed to the Annual General Meeting
- Information from SSAB's previous Annual General Meetings (since 2005), including notices, minutes, addresses by the CEO and releases
- the Articles of Association
- Corporate Governance Reports from previous years
- Information about the Nomination Committee

Other mandatory disclosures pursuant to Chapter 6, Section 6 of the Annual Reports Act

The following information is provided pursuant to the provisions of Chapter 6, Section 6 of the Annual Reports Act regarding certain specific information that must be disclosed in the corporate governance report:

- Of the Company's shareholders, AB Industrivärden and Solidium Oy have direct or indirect shareholdings representing at least one-tenth of the voting rights carried by all shares in the Company. As at December 31, 2014, Industrivärden's holding accounted for 17.7% of the total voting rights and 10.7% of the total number of shares. As at December 31, 2014, Solidium's holding accounted for 10.1% of the total voting rights and 17.1% of the total number of shares.
- There are no restrictions on the number of votes that each shareholder may cast at a General Meeting.
- Under the Articles of Association, the directors are appointed at the Annual General Meeting of the Company. The Articles of Association contain no provisions regarding the removal of directors or the amendment of the Articles of Association.
- The General Meeting has not granted the Board of Directors any authority to decide that the Company may purchase its own shares.
- The General Meeting granted the Board of Directors authority to decide that the Company may issue new shares (see page 99) and during the year a new issue was made as consideration to Rautaruukki's shareholders in the share exchange offer.

Auditor's report on the Corporate Governance Statement

To the annual meeting of the shareholders of SSAB AB (publ), corporate identity number 556016-3429

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2014 on pages 98–109 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, February 18, 2015

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

Annual General Meeting, Nomination Committee, Calendar

Annual General Meeting

The Annual General Meeting will be held in Stockholm at 1pm on Wednesday, April 8, 2015. In order to be entitled to participate at the Annual General Meeting, shareholders must be included in the printout of the share register that is made by Euroclear Sweden AB on Tuesday, March 31, 2015 and must give notice of their intention to participate at the meeting no later than on Tuesday, March 31, 2015, preferably before 12 noon.

NOTICE

Notice in respect of participation at the Annual General Meeting may be given via the Company's website, www.ssab.com, or by telephone +46 8 45 45 760. The name, personal identification number (or company registration number), address and telephone number of the shareholder must be provided in the notice.

NOMINEE-REGISTERED SHARES

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names in order to be entitled to participate at the Annual General Meeting. Temporary re-registration (voting registration) should be effected in due time before Tuesday, March 31, 2015.

PROXIES

Powers of attorney in original and, with respect to a legal entity, certificates of registration, should be submitted in due time before the Annual General Meeting to:
SSAB AB, Årsstämman, Box 7832, 103 98 Stockholm, Sweden.

Dividends

The Board of Directors and the President propose that the Annual General Meeting resolve no payment of a dividend for 2014.

Nomination committee

- Anders Nyberg, Industrivärden, Chairman
- Kari Järvinen, Solidium
- Åsa Nisell, Swedbank Robur funds
- Lars-Eric Aaro, LKAB
- Frank Larsson, Handelsbanken funds
- Sverker Martin-Löf, Chairman of the Board

The Nomination Committee presents, among other things, proposals to the Annual General Meeting concerning the election of the Board of Directors, fees for the Board of Directors, and election of auditors.

Calendar for financial information

Calendar for financial information SSAB will provide the following information with respect to the 2015 financial year:

• Report for the first quarter	April 27, 2015
• Half-year report	July 22, 2015
• Report for the third quarter	October 22, 2015
• Results for 2015	February 12, 2016
• Annual report 2015	March 2016

ABC of steel – glossary

A

Adjusting ring – A ring-shaped structure which carries the LD-converter shell and allows it to move and tilt

Advanced high-strength steels – Multi-phase steels which contain martensite, bainite and/or retained austenite to achieve an improved balance of strength and formability as compared to conventional high-strength steels

After-treatment – Heat treatment, cooling, etc., in order to endow the steel with certain qualities; also galvanizing, organic coating, and cutting to size

Alloy – A substance composed of two or more metals or a metal and a non-metal

Alloy steel – An iron-based mixture is considered to be an alloy when minimum quantities of alloying elements are present, e.g. silicon, manganese, chromium, nickel and molybdenum

Alloying material – Material that is added to the molten metal during the steelmaking process and which combines with iron or other metals and changes the metal's qualities

Annealing – A thermal cycle involving heating to, and holding at a suitable temperature, and then cooling at a suitable rate for such purposes as reducing hardness, improving machinability, facilitating cold working, producing a desired microstructure, or obtaining desired mechanical or other properties

Application – Area of use; a product which uses a certain grade of steel

Applications engineer – Trained specialists in the qualities of the material and its applications; problem solvers and developers

B

Blast furnace – Continuously operating shaft furnace for the reduction of iron ore. The end product in the blast furnace is called pig iron or hot metal

Blast air – Heated air which is blown into the blast furnace under high pressure

C

Carbon dioxide – CO_2, a colorless gas, soluble in water to form carbonic acid; included in carbonated drinks and comprises 0.04 percent of the atmosphere and is identified as a greenhouse gas

Carbon monoxide – CO, a colorless and odorless energy-rich gas which burns with a blue flame; noxious. Upon combustion, carbon dioxide is formed

Carbon steel – Unalloyed steel

Charging – The act of loading material into a vessel. For example, iron ore, coke, and limestone are charged into a blast furnace; a basic oxygen furnace is charged with scrap and hot metal, and an electric arc furnace is charged with steel scrap and fluxes

Cladding – A covering of a building's façade that can include solar panels, glass, color coated steel, aluminum, etc. used for new building and renovation construction

Coilbox – Rolling machinery; box for coiled steel employed to promote temperature uniformity during the hot-rolling process

Coiler – Mechanical part which captures strip from the rolling mill and coils it

Coke – Dry distilled coal, the basic fuel consumed in blast furnaces in the reduction of iron ore

Cold-formed steel section – An open steel profile. A steel strip is gradually and continuously cold formed with several rolls into various shapes of cross section. Cold formed steel sections are commonly used in steel frames and structures

Cold rolling – Metalworking process in which the thickness of a sheet, strip or plate is reduced by rolling at ambient temperature

Color coating/Coil Coating – A process where usually cold-rolled and metal-coated strip is additionally coated with an organic paint to improve corrosion protection and achieve a decorative, pleasing appearance

Continuous casting – A process by which molten metal is solidified into a semi-finished billet, bloom, or slab for subsequent rolling

Construction steel – See structural steel

Corrosion protection – The minimization of corrosion by coating with a protective metal

Cowper stoves – Heating apparatus; ceramic towers used for pre-heating blast air, also called hot stoves

Crude steel – Steel in its solidified state directly after casting. This is then further processed by rolling or other treatments, which can change its properties

Cutting station – Place for cutting the steel strand into slabs

D

Dry distillation process – Evaporation of volatile gases from the solid coal by heating the coal in the coking furnaces – two major products are solid coke and coke oven gas

Dual-phase steel (DP) – High-strength steel that has a one soft (ferrite) and one hard (martensite) microstructure which allows for the desired combination of good formability with high strength

E

Electric arc furnace (EAF) – Steelmaking furnace where scrap is generally 100 percent of the charge. Heat is supplied from electricity that arcs from the graphite electrodes to the metal bath

F

Fatigue – The progressive and localized structural damage that occurs when a material is subjected to cyclic loading at stresses considerably below the ultimate tensile strength

Formatting – The cutting of steel plates or sheets into the required customer dimensions

Four-high rolling mill – Mechanical equipment; comprises four cylindrical rollers with extremely high pressure which press slabs into plate by repeatedly rolling backwards and forwards

Frames – Prefabricated steel frame structures make it possible to create spacious and adaptable interiors. Steel is the perfect choice for strong, light and slender frame structures that are quick and safe to install. Steel frames can be tailored and easily optimized in terms of clear height and column spacing

G

Galvanization – The process of applying a protective zinc coating to steel or iron to prevent rusting or corrosion

H

Hardening – Process that increases the hardness of steel, i.e. the degree to which steel will resist cutting, abrasion, penetration, bending and stretching

Hearth – Lower part of the blast furnace; area for the collection of molten hot metal

Heated slab – A slab heated to a temperature suitable for hot deformation by, for example, rolling or forging

Heat treatment – Heating and cooling a steel product so as to obtain desired conditions or properties

Hematite – Fe_2O_3, a non-magnetic iron ore or red iron ore

High-strength steels – Steels that can bear high static or dynamic loads without breaking

Hollow section – A circular, square or rectangular tube that can be generally used in welded steel frames. In manufacturing hollow sections, a welded tube goes through a series of shaping stands, which form the round tube into the final square or rectangular shape

Hot-dip galvanization – Method for adding a rust protection surface layer. For example, adding zinc and aluminum in hot, molten form on the steel. The opposite to zinc-plating, an electro-chemical method of applying a coat of molten zinc to the surface of steel for the purpose of enhancing corrosion resistance

Hot metal – The name for the molten iron produced in a blast furnace. It proceeds to the basic oxygen furnace in molten form or is cast as pig iron

Hot strip rolling mill – A mill for rolling heated slabs through a series of rolling stands to produce sheet steel in coil form

Hot rolling – A metalworking process in which slabs are heated to high temperatures and then deformed between rollers to form thinner cross-sections

I

Injection coal – Coal powder which is injected into the blast furnace under high pressure without being converted to coke

Iron ore pellets – Iron ore particles rolled into small balls and thermally processed into hard spheres

L

Ladle – A "bucket" lined with refractory (heat resistant) bricks, used to transport molten steel from process to process in a steel mill

Ladle change – Switch from an empty to a full container of steel

Ladle metallurgy furnace (LMF) – An intermediate steel processing unit that further refines the chemistry and temperature of molten steel while it is still in the ladle. The ladle metallurgy step comes after the steel is melted and refined in the electric arc or basic oxygen furnace, but before the steel is sent to the continuous caster

Ladle treatment method – Different methods for ladle metallurgy

LD converter (Linz Donawitz) – Oxygen steelmaking process employing a converter (vessel) and top blowing oxygen lance to refine the blast furnace hot metal into crude steel. The name comes from the Austrian cities of Linz and Donawitz

Load-bearing sheets – Load-bearing profiled sheets are made of high-quality raw materials for the roof construction of commercial and industrial buildings. They are a cost-effective roof solution for achieving long spans, which eliminates secondary steelwork. They may also be designed as a stressed skin to distribute horizontal loads to the frame/foundations

Low alloyed steel grades – steel, other than carbon steel that requires the minimum content for each specified alloying element to be lower than the applicable limit for the definition for alloy steel

M

Magnetite – Fe_3O_4, magnetic iron ore, black iron oxide

Martensitic steel – Steel with a very hard form of steel crystalline structure called martensite that is formed by displacive transition. The martensite is formed by rapid cooling (quenching) of austenite which traps carbon atoms that do not have time to diffuse out of the crystal structure

Material design – Control of the steel chemical composition and processing to achieve a microstructure that offers a combination of properties desirable for an intended product or application

Metal coating – see Hot-dip galvanization

Metallurgy – The science and technology of metals

Microalloying – In the case of advanced fine grain steels with particularly stringent yield strength and tensile strength requirements, small quantities of alloying elements such as niobium, vanadium or titanium are added

Mold – Casting mold

N

Niche products – In SSAB's case, advanced high-strength steels and quenched steels

O

Ore car – Railcar for the transportation of lump ore, iron ore concentrate or pellets

Oxide scale – An oxide of iron which forms on the surface of hot-rolled steel

Oxygen lance – Pipe-shaped lance for treatment using oxygen

P

Pair of rollers – A pair of cylindrical rollers for rolling steel to thinner dimensions under high pressure

Particulates filter – Purification plant for gas or air in which particulates are separated and condensed for recycling

Phases – Steel has different crystal structures at various temperatures and the phase(s) present depend on heat treatment, alloy quantity, hardening, quenching, etc. Best known are the martensite (quick hardening) phase, ferrite phase (pure iron) austenite (nonmagnetic) phase and bainite phase

Pickling line – A processing line which chemically removes oxide or scale from the steel surface to obtain a clean surface for subsequent processing

Plate – Flat-rolled steel product typically classified as over 1,200 mm (48") in width and 4.5 mm (0.180") in thickness

Process gas – Gas from metallurgical processes; often energy rich

Process water – Water from cooling or treatment in the processes. Always undergoes purification and can often be re-circulated

Profiled – Profiled (or corrugated) steel which is pressed in order to corrugate the steel

Protection steel – Structural steel with ballistic properties

Purlin – Purlins are cold-formed open profiles used in construction as a load-bearing element of roofing and cladding

Q

Quenched steels – Hardened and/or tempered steel. SSAB's quenched steels are also high strength

R

Rain water systems (RWS) –The rainwater systems of a steel roof consist of guttering, downpipes, water tunnels, and other elements to channel rainwater efficiently into the sewer system

Recycling – Return of used products or by-products to enter a new cycle of production and use

Reduction agents – Carbon or hydrogen used to remove oxygen from iron ore to produce iron

Refining – In oxygen-blown steelmaking processes, the reduction of the hot metal's carbon content during refining by the use of gaseous oxygen

Roll stand – Load-bearing structure in which the rolls are mounted

Rolling mill – Any of the mills in which metal undergoes a rolling process. For plate, sheet and strip, these include the slabbing mill, hot-rolling mills, cold-rolling mills, and temper mills. Any operating unit that reduces gauge by application of loads through revolving cylindrical rolls; operation can be hot or cold. The elevated temperature rolling mill is the Hot Mill and is capable of reducing the gauge of a slab 92–99 percent

Roll pass – Number of times a billet or slab passes through a pair of rollers

Roofing – A steel roof made of roofing sheets. Usually also includes understructures, rainwater systems, roof safety products, flashings and other elements and accessories

Rougher/Roughing mill – Two rough cylindrical rollers which press the steel to thinner dimensions prior to hot rolling

Runner – Ceramic-lined spout for controlling molten, hot metal

S

Sandwich panel –Sandwich panels are prefabricated elements that consist of an inner insulation core between two color-coated steel sheet layers. The insulating core can be mineral wool, polyurethane or polystyrene. Sandwich panels are used in façades, partition walls and ceilings. The most typical applications include industrial, office and commercial buildings, sports halls, warehouses and power plants. The panels are also suitable for food industry construction and demanding clean room applications

Scrap – Ferrous (iron-containing) material that generally is re-melted and re-cast into new steel

SEN – Submerged entry nozzle, a ceramic pipe which protects the steel from exposure to air, in conjunction with casting

Sheet pile wall – Long structural sections with a vertical interlocking system that creates a continuous wall. The walls are most often used to retain either soil or water

Shot blasting – Cleaning and descaling metal by means of a stream of abrasive powder or shot. The shot can be sand, small steel balls of various diameters, granules of silicon carbide, etc.

Sintering – A process that combines iron-bearing particles into small pellets

Skirt – Pipe around the blast furnace for the supply and allocation of hot blast air, also known as a bustle pipe

Slab furnace – Furnace for heating steel slabs to rolling temperatures

Slab – The most common type of semi-finished steel, used for production of flat steel products

Slag – Solution of mainly liquid oxides. Flux such as limestone may be added to foster the congregation of undesired elements into a slag. Because slag is lighter than iron, it will float on top of the pool, where it can be skimmed

Slitting – A metalworking process involving shearing which is typically employed to cut a wider steel coil into one or more narrower coils

Smelting reduction process – Reduction of iron ore which takes place in a smelting phase

Special steel – Alloyed steel

Standard steels – Steels with lower strength (yield strength often 235–355 N/mm^2). Used within more conventional applications within the engineering industry and construction sector

Steckel mill – A four-high reversing rolling mill, a Steckel mill allows the rolling of a large slab by providing heated coil furnaces or boxes on both sides of the mill to store the increased length produced during rolling

Steel – Alloy of iron and carbon with a carbon content of less than 1.7 percent

Steel bath – The hot, molten steel in a container

Steel shuttle – Train system for transportation of steel slabs between Luleå, Borlänge and Oxelösund production facilities

Strand – The continuous cast slab within the continuous casting machine prior to cutting into individual slabs

Strength – Properties related to the ability of steel to oppose applied forces. Forms of strength include withstanding imposed loads without a permanent change in shape or structure and resistance to stretching

Strip – Thin, flat steel that resembles hot-rolled sheet, but it is normally narrower and produced to more closely controlled thicknesses

Structure – The steel's molecular form following different treatment methods; crystalline structure. May also refer to the size, shape, and arrangement of phases within the steel

Structural steel – Steel intended for, e.g. load-bearing structures, e.g. crane girders. Important qualities include strength, weldability, bendability and toughness

Sulfur purification – Method for removing sulfur from the hot metal or the steel, e.g. through the addition of caustic lime

Surface treatment – Cleaning, polishing or coating of surfaces; for example, through galvanization or organic coating

T

Temper mill – A type of cold rolling mill, usually a four-high, single stand mill, used to provide a relatively light, cold-rolling reduction to hot-rolled, cold-rolled, or coated flat steel products to improve flatness, minimize surface imperfections/flaws such as coil breaks, and to alter mechanical properties

Tempering – Heating to 200–700°C degrees to make steel tougher and less brittle

Tensile strength – Ability to withstand tensile stress. (See Strength)

Thermo-mechanical treatment – A manufacturing method that gives steel the desired strength etc. properties by a careful combination of mechanical work (rolling) and temperature control

Thin plate – A thin plate/sheet 2–15 mm or coil normally produced as a coil in a hot-strip rolling mill and/or further rolled down in a cold-rolling mill

Torpedo – Cylinder-shaped brick-lined railway car used for transporting hot, molten metal

Tube – Round or square tube is made in the same way as pipe. During the manufacturing process, a flat steel strip is gradually forced into shape to become round, and the edges are presented ready to weld. The edges are then welded together to form the tube. In making a square or rectangular cross-section, a welded tube goes through a series of shaping stands, which form the round tube into the final shape

Tundish – An intermediate container in the casting process to facilitate ladle change without disruption in the process

V

Vacuum degassing –An advanced steel refining facility that removes oxygen, hydrogen and nitrogen under low pressures (in a vacuum) to produce high-quality steel for demanding applications

W

Wear resistance – Ability to resist the erosion of material from the surface as a result of mechanical action, e.g. abrasion and friction

Wear steel – Steel with qualities adapted to withstand wear, e.g. abrasion

Addresses

Head office

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SSAB has employees in over 50 countries. SSAB has production facilities in Sweden, Finland and the US. SSAB is listed on the Nasdaq OMX Nordic Exchange in Stockholm and has a secondary listing on the Nasdaq OMX in Helsinki. **www.ssab.com**

Production: Hallvarsson & Halvarsson. Photo: Magnus Fond among others. Printing: Göteborgstryckeriet, March 2015.

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