

Corporate governance report 2011

SSAB's organization is characterized by a decentralized work method in which responsibilities and powers are, to a large degree, delegated to the respective business areas and subsidiaries. SSAB is listed on Nasdaq OMX Stockholm and complies with its Rule Book for Issuers and applies the Swedish Code on Corporate Governance (the "Corporate Code"); for more information, see www.bolagsstyrning.se.

Organization

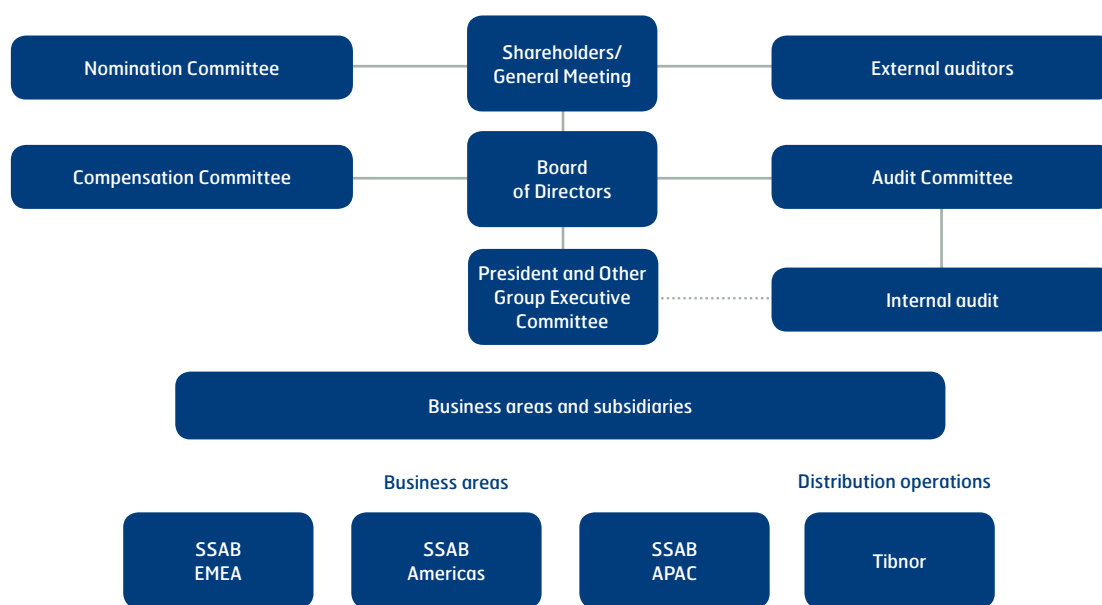
The Group's steel operations in 2011 comprised the three geographic business areas: SSAB EMEA (Europe, the Middle East and Africa), SSAB Americas (North and Latin America) and SSAB APAC (Asia, Australia and New Zealand), as well as distribution operations through the subsidiary, Tibnor. Processing operations, Plannja, is part of SSAB EMEA.

The diagram below illustrates SSAB's corporate governance model as per December 31, 2011, and how the central bodies operate.

Deviations from the Corporate Code

During 2011, the Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. According to the main rule in Rule 9.2 of the Corporate Code, the members of the Compensation Committee who are elected by the general meeting must be independent in relation to the Company and company management. Since John Tulloch is considered to be

dependent in relation to the Company, his participation in the Compensation Committee thus constitutes a derogation from the Code's rules. The Company currently conducts extensive international operations involving a large number of employees outside Sweden, not least in North America. John Tulloch possesses long experience from senior managerial positions in the North American steel industry. His knowledge of compensation principles and compensation structures in, primarily, the North American steel industry, constitutes an extremely valuable contribution to the Committee's overall ability to address international compensation issues in a purposeful and rational manner. Thus, the Company has made the assessment that the value of John Tulloch's participation in the Compensation Committee outweighs any possible disadvantages resulting from him not being deemed independent in relation to the Company. For these reasons, the Company considers the derogation from Rule 9.2 of the Corporate Code to be justified.



Important external and internal rules and policies which affect corporate governance

Significant internal rules and policies

- By-laws
- The Board's rules of procedure, incl. instructions to the President and instructions to board committees
- Accounting manual Financial Guidelines and finance policy
- Code of Business Ethics

Significant external rules

- Swedish Companies Act
- Swedish Accounts Act
- Swedish Annual Reports Act
- Rule Book for Issuers Nasdaq OMX Stockholm, www.nasdaqomx.com
- Swedish Corporate Governance Code, www.bolagsstyrning.se

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.

On December 31, 2011 there were 70,151 shareholders. In terms of votes, Industrivärden was the largest shareholder, followed by Swedbank Robur Funds, LKAB and Nordea Investment Funds. 71 percent of the shareholders held 1,000 shares or fewer, while the ten largest institutional owners together owned approximately 42 percent of the total share capital. Foreign owners accounted for 21 (23) percent of shareholdings. For further information regarding the ownership structure, see page 116.

Owners as per December 31, 2011

Owners	% of votes	% of share capital	Number of shares
Industrivärden	22.6	17.6	56,860,957
Swedbank Robur Funds	6.2	7.2	23,234,047
LKAB	5.0	3.8	12,344,064
Nordea Investment Funds	4.3	3.9	12,520,631
Alecta Pensionsförsäkring	2.5	2.6	8,513,500
Folksam	1.9	1.7	5,604,125
AMF - Försäkring och Fonder	1.7	1.6	5,209,000
2nd National Pension Fund	1.3	1.2	3,842,615
Other shareholders	54.5	60.4	195,805,836
Total	100.0	100.0	323,934,775

Source: Euroclear

General meeting

The General Meeting is the Company's highest decision-making body; it is where shareholder influence in the Company is exercised. At the Annual General Meeting (Ordinary General Meeting), the shareholders decide, among other things, on the following:

- Adoption of the annual report and consolidated financial statements
- Allocation of the Company's profit
- Discharge from liability for the Board of Directors and the President
- Election of the Board, its Chairman and auditors
- Method of appointment of the Nomination Committee
- Compensation to the Board and the auditors
- Guidelines for compensation to the President and other senior executives

2011 Annual General Meeting

The 2011 Annual General Meeting adopted the annual report and consolidated financial statements for 2010 as presented by the Board and the President, decided on the allocation of the Company's profit, and granted the directors and the President discharge from liability.

In addition, the Chairman of the Nomination Committee described the work during the year and the reasons for the presented proposals. The General Meeting decided on compensation to the Board and auditors in accordance with the Nomination Committee's proposals. Anders G Carlberg, Sverker Martin-Löf (Chairman),

Anders Nyrén, Matti Sundberg, John Tulloch and Lars Westerberg were re-elected as directors. Jan Johansson, Annika Lundius and Martin Lindqvist (President and CEO) were elected as new directors.

The General Meeting decided that the number of auditors would comprise a registered firm of accountants. PricewaterhouseCoopers was re-elected for a term extending up to and including the 2012 Annual General Meeting.

The General Meeting decided that the dividend would be SEK 2.00 per share. A quorate Board and the auditor-in-charge were present at the Annual General Meeting. Minutes from the Annual General Meeting are available on www.ssab.com.

Nomination Committee

THE NOMINATION COMMITTEE'S DUTIES

The Nomination Committee's duties include presenting proposals to the Annual General Meeting regarding:

- Chairman of the Board
- Directors
- Auditors
- Chairman of the Annual General Meeting
- Fees to the Board
- Fees to the auditor

Procedure for appointment of the Nomination Committee

The 2011 Annual General Meeting adopted a procedure for appointment of the Nomination Committee. According to the procedure, the Chairman of the Board is charged with the task of requesting no fewer than three and no more than five of the largest shareholders in terms of votes to each appoint a member to constitute a 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 shall be the representative of the largest shareholder.

The composition of the Nomination Committee was announced on the Company's website, www.ssab.com on September 23, 2011.

Nomination Committee for the 2012 Annual General Meeting

Appointed by, name	Share in % of voting capital as per December 31, 2011
Industrivärden, represented by Carl-Olof By, Chairman	22.6
Swedbank Robur Funds, represented by Thomas Eriksson	6.2
LKAB, represented by Lars-Erik Aaro	5.0
Alecta Pensionsförsäkring, represented by Kaj Thorén	2.5
Sverker Martin-Löf, Chairman of the Board	-

Until December 31, 2011, shareholders have been able to submit proposals to the Nomination Committee, among other things by e-mail. The Nomination Committee's proposals are published not later than in connection with the notice to attend the Annual General Meeting. In connection with issuance of the notice to attend the Annual General Meeting, the Nomination Committee will publish a detailed statement regarding its proposal for a Board, on www.ssab.com.

The Nomination Committee's work pending the 2012 Annual General Meeting

Since being appointed in the autumn of 2011, the Nomination Committee has met three times.

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 President, as well as the result of the evaluation. In addition, the Nomination Committee was informed of the results of the evaluation of the Chairman of the Board, at a meeting at which the Chairman was not present. At one of its meetings, the Nomination Committee also met the Company's President, who informed the members about the Company's operations and strategy.

The Nomination Committee has discussed the composition of the Board and agreed on the main demands which should be imposed on the directors, including the demand for independent directors. In this context, consideration has been given to the issue of a more equal gender division. The Nomination Committee has also had access to an external consultant in the work of identifying and evaluating potential new directors. In producing proposals for fees for the Board and its committees, the Nomination Committee has, among other things, conducted a comparative study of the levels of board fees in similar companies. In producing its proposals regarding the election of auditors and fees for audit work, the Nomination Committee has been assisted by the Audit Committee.

The Board of Directors

THE BOARD'S RESPONSIBILITIES

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 of Directors shall regularly assess the Group's financial position and evaluate the operational management. The Board of Directors decides, among other things, on questions concerning the Group's strategic focus and organization, and decides on important capital expenditures (exceeding SEK 50 million). Each year, the Board shall prepare proposals for guidelines regarding determination of salary and other compensation for the President and other members of the Company's senior management, to be decided upon at the Annual General Meeting.

THE BOARD'S RULES OF PROCEDURE

Each year, the Board adopts rules of procedure including instructions to the President which, among other things, govern the allocation of work between the Board and the President.

The rules of procedure also regulate the manner in which Board work is allocated among the directors, the frequency of Board meetings, and the allocation of work among Board committees. The rules of procedure state that there shall be a compensation committee and an audit committee. Prior to each Board meeting, the directors receive a written agenda and full documentation to serve as a basis for decisions. At each Board meeting, a review is conducted regarding 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 the 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 President and for ensuring that the Board of Directors performs its duties.

COMPOSITION OF THE BOARD

According to the by-laws, the Board shall consist of no fewer than five and no more than ten directors elected by the General Meeting. The Board is quorate when more than one-half of the total number of directors are 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 expertise, experience and background of its members. New directors undergo an introduction course to rapidly acquire the knowledge which is expected in order to best promote the interests of the Company and its shareholders.

THE BOARD'S WORK IN 2011

In 2011, eight meetings were held at which minutes were taken and the Board was at all times quorate. SSAB's General Counsel, who is not a director, served as secretary to the Board.

During the year, SSAB's Board has worked on endeavoring to counteract the negative repercussions on the Company's operations and financial position as the macroeconomic uncertainty in Europe and North America entailed. The Board has focused in particular on various measures by the Company to strengthen profitability in the business through scrupulous cost control, increased sales volumes, and reducing the use of capital employed. The Board also carefully monitors price trends as regards the Company's most important raw materials, iron ore and coal. The Company's overall strategy was also discussed in depth at a special Board meeting held in September. During the year, the Board has also focused on the Company's research and development activities and, among other things, visited the Company's American research center in Montpelier, Iowa.

Auditors

According to the by-laws, SSAB shall have one or two external auditors, or one or two registered public accounting firms. At the 2011 Annual General Meeting, it was decided that the number of auditors would comprise one registered accounting firm and PricewaterhouseCoopers was re-elected as auditor for another year.

Authorized public accountant Claes Dahlén has been the auditor-in-charge since 2005. He is also the auditor-in-charge of the listed company, Medivir. In total, PricewaterhouseCoopers is the elected auditor of 23 out of the 60 companies in the "Large Cap" segment, and 107 out of a total of 277 companies on Nasdaq OMX, Stockholm.

The external audit of the financial statements of the parent company and the Group, as well as management by the Board of Directors and President, is conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Standards in Sweden. The Company's auditor-in-charge participates at all meetings of the Audit Committee. The auditor attends at least one Board meeting per year and goes through the audit for the year and discusses the

Appointed by the Annual General Meeting

Director	Elected to the Board	Shareholding ¹⁾	Experience and current appointments
Sverker Martin-Löf, Chairman since 2003 (1943)	2003	21,563 shares	Licentiate of Technology, dr h.c. Board Chairman: Industrivärden, SCA and Skanska. Deputy Board Chairman: Ericsson. Director: Handelsbanken. Formerly President and CEO of SCA.
Anders G Carlberg (1943)	1986	6,000 shares	M.Sc. in Economics Board Chairman: Höganäs. Deputy Board Chairman: Sapa. Director: Axel Johnson Inc., Mekonomen, Beijer Alma, Sweco and Investment AB Latour. Formerly President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International and Executive Vice President of SSAB.
Jan Johansson (1954)	2011	5,000 shares	LLM President and CEO of SCA. Director: SCA and Handelsbanken. Formerly President and CEO of Boliden as well as senior positions within Vattenfall and the Shell Group.
Martin Lindqvist, President and CEO (1962)	2011	17,109 shares	B.Sc. in Economics Chairman of the Council of Jernkontoret (Swedish Steel Producers' Association). Director: Indutrade. Employed at SSAB since 1998. Formerly Head of Business Area SSAB EMEA, Head of SSAB Strip Products, CFO of SSAB, CFO of SSAB Tunnbrått and Chief Controller, NCC.
Annika Lundius (1951)	2011	2,000 shares	LLM Deputy Director-General of the Confederation of Swedish Enterprise. Formerly Legal Director and Financial Council, Swedish Ministry of Finance and CEO, Confederation of the Swedish Insurance Industry and Employers Association.
Anders Nyrén (1954)	2003	2,812 shares	M.Sc. in Economics, MBA President and CEO of Industrivärden. Chairman: Sandvik. Deputy Board Chairman: Handelsbanken. Director: Ericsson, Ernströmgruppen, Industrivärden, SCA, Volvo and the Stockholm School of Economics. Formerly Executive Vice President of Skanska.
Matti Sundberg (1942)	2004	10,000 shares	Mining Counselor, M.Sc. in Business and Economics, Ph. and Econ. dr h.c. Board Chairman: Chempolis and Finnish Ski Association. Director: Boliden, Skanska, Grängesberg Iron and FIS. Formerly President and CEO of Valmet/Metso and Ovako Steel.
John Tulloch (1947)	2009	15,000 shares	Bachelor of Agricultural Science, Master of Science. Formerly Executive Vice President, Steel & Chief Commercial Officer of IPSCO and Executive Vice President of SSAB & President Division IPSCO
Lars Westerberg (1948)	2006	10,000 shares	M.Sc. and MBA Board Chairman: Husqvarna and Stena. Director: Volvo and Sandvik. Formerly President and CEO of Autoliv and Gränges.

¹⁾ Shareholdings include shares owned by closely-related persons.

Appointed by the employees

Director	Elected to the Board	
Sture Bergvall (1956)	2005	Electrician, SSAB EMEA
Bert Johansson (1952)	1998	Electrician, SSAB EMEA
Patrick Sjöholm (1965)	2011	Automation engineer, SSAB EMEA
Alternates		
Uno Granbom (1952)	2008	Technician, SSAB EMEA
Ola Parten (1953)	2005	Engineer, SSAB EMEA
Per Scheicl (1968)	2009	Mechanic, SSAB EMEA

audit with the directors, without the President or other members of the Company's senior management being present. For information regarding fees to the auditors, see Note 2.

Compensation Committee

DUTIES

In addition to the Chairman of the Board, the Compensation Committee shall consist of one or more director elected by the General Meeting, whom shall normally be independent in relation to the Company and company management. The members of the Compensation Committee shall possess the requisite knowledge and experience on issues relating to compensation to senior executives. The President shall be present at meetings of the Committee in order to report on matters. The Compensation Committee's duties are stated in the Board's rules of procedure. The Compensation Committee presents proposals to the Board of Directors regarding the President's salary and other employment terms, establishes salaries and employment terms for other members of the Group Executive Committee and

establishes limits regarding salary and employment terms for other senior executives. The Compensation Committee's duties otherwise include preparing resolutions for adoption by the Board on issues concerning compensation principles, preparing proposals for adoption by the Board regarding guidelines for determination of salary and other compensation to the President and other members of the Group Executive Committee, as well as monitoring and evaluating the application thereof. The Compensation Committee shall also monitor and evaluate programs regarding variable compensation to members of the Group Executive Committee.

WORK IN 2011

In 2011, the Compensation Committee held five meetings at which minutes were taken. The Compensation Committee comprised Sverker Martin-Löf (Chairman), John Tulloch and Lars Westerberg. The President is co-opted to the Committee but does not participate in discussions concerning his own salary and employment terms.

Name of Director	Elected to the Board	Attendance statistics 2011			Independent in relation to the	
		Board meetings	Compensation Committee	Audit committee	Company and its management	Company's major shareholders
Elected by the Annual General Meeting						
Sverker Martin-Löf, Chairman of the Board since 2003 (1943)	2003	8	5	4	Yes	No, Chairman of Industrivärden
Anders G Carlberg (1943)	1986	8	-	4	Yes	Yes
Jan Johansson (1954)	2011	6 ¹⁾	-	-	Yes	Yes
Martin Lindqvist, President and CEO (1962)	2011	6 ¹⁾	-	-	No, President of the Company	Yes
Annika Lundius (1951)	2011	6 ¹⁾	-	-	Yes	Yes
Anders Nyrén (1954)	2003	8	-	-	Yes	No, President and CEO of Industrivärden
Matti Sundberg (1942)	2004	8	-	4	Yes	Yes
John Tulloch (1947)	2009	8	5	-	No, former President of IPSCO Division	Yes
Lars Westerberg (1948)	2006	8	5	-	Yes	Yes
Employee representatives						
Sture Bergvall (1956)	2005	8	-	-	-	-
Bert Johansson (1952)	1998	8	-	-	-	-
Patrick Sjöholm (1965)	2011	4 ²⁾	-	-	-	-
Alternates						
Uno Granbom (1952)	2008	8	-	-	-	-
Ola Parten (1953)	2005	8	-	-	-	-
Per Scheikl (1968)	2009	8	-	-	-	-

¹⁾ Newly elected at the 2011 Annual General Meeting ²⁾ Newly elected on 1 July 2011

For information regarding fees, see Note 2. Honorary Chairman: Björn Wahlström since 1991.

Audit Committee

DUTIES

According to the Board's rules of procedure, the Audit Committee shall comprise at least three directors elected by the General Meeting. The members of the Audit Committee may not be employees of the Company. Most of the members must be independent in relation to the Company and company management. At least one member who is independent in relation to the Company and company management must also be independent in relation to the Company's major shareholders and possess accounting or auditing skills. The Committee elects a chairman from among its members, who may not be the Chairman of the Board. The duties of the 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 regarding the work of the Committee and, where necessary, shall submit matters to the Board for a decision. The main task of the Audit Committee is to support the Board in the work of ensuring the quality of the 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 procure 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 in excess of 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.

There is an established risk management process in the Company which is based on processes and flows in production. 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 the financial reporting). Based on the result of the internal and external risk assessment, the Committee regularly analyses 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 the regular audit work. The Committee also analyses and elucidates significant accounting issues which affect the Group and assists the Nomination Committee in producing proposals as regards auditors and their fees.

WORK IN 2011

In 2011, the Audit Committee further developed and improved the presentation of the external financial reporting. 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 Anders G Carlberg (Chairman), Sverker Martin-Löf and Matti Sundberg. In 2011, the Audit Committee held four meetings at which minutes were taken.

Group Executive Committee

THE GROUP EXECUTIVE COMMITTEE'S WORK AND RESPONSIBILITIES

The Group Executive Committee is responsible for the formulation and implementation of the Group's overall strategies, and addresses

issues such as acquisitions and divestments. These issues, as well as major capital expenditures (in excess of SEK 50 million), are prepared by the Group Executive Committee for decision by the Board of Directors of the parent company.

The President is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines. As per December 31, 2011, the Group Executive Committee consisted, in addition to the President, of the Heads of the SSAB EMEA, SSAB Americas and SSAB APAC business areas, the Chief Financial Officer, the Head of Marketing, the General Counsel, the Head of Human Resources and the Head of Communications.

The Group Executive Committee holds monthly meetings in order to monitor the results and financial position of the Group and the business areas/subsidiaries. Other issues addressed at Group Executive Committee meetings include strategy issues and follow-up on budget and forecasts.

The head of each business area and subsidiary is responsible for the relevant income statement and balance sheet. Overall operational control of the business areas takes place through quarterly performance reviews and, in Tibnor, through its board of directors. In most cases, the President of the parent company is the Chairman of the Board of each of the directly-owned major subsidiaries and these boards also include other members from the Group Executive Committee, as well as employee representatives. The boards of the subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

Compensation Guidelines

The 2011 Annual General Meeting decided that compensation to the President and other members of the Company's senior management shall comprise fixed salary, possible variable compensation, other benefits such as company car, and pension. The total compensation package shall be on market terms 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 powers. The variable compensation shall be based on results as compared with defined and measurable targets and shall be subject to a cap in relation to the fixed salary. 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). As regards 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 on the local market. The Board shall be entitled to derogate from the guidelines where special reasons exist in an individual case. For more detailed information regarding current compensation, reference is made to Note 2.

The Company currently has no share related incentive programs.

Internal control and risk management

The overall objective of the 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, the internal control shall ensure with reasonable certainty that the external financial reporting is reliable and prepared in accordance with generally accepted accounting principles, and shall

ensure compliance with applicable laws and regulations and the requirements imposed on listed companies.

The Group Risk Manager has the task of developing and implementing a uniform risk management model regarding the Group's risks, primarily relating to injury to individuals and damage to machinery and the environment. The Group Risk Manager has the task of identifying, evaluating and reporting these risks as well as compiling and updating

SSAB's risk profile and risk model. The work also involves assessing which preventive measures should be taken in the internal control in order to reduce and prevent such risks. In addition, the Group Risk Manager shall ensure that the Group is sufficiently insured and shall prepare information as a basis for decisions by the Group Executive Committee, the business areas and subsidiaries. The Group Risk Manager is functionally responsible for the Group's risk work and collabo-

Name	Member of the Group Executive Committee	Shareholding ¹⁾	Education and experience
Martin Lindqvist, President and CEO (1962)	2001	17,109 shares	B.Sc. in Economics Employed at SSAB since 1998 Formerly Head of Business Area SSAB EMEA; Head of Division SSAB Strip Products; CFO of SSAB; CFO of SSAB Tunnpått and Chief Controller, NCC
Jonas Bergstrand, General Counsel and Executive Vice President, Legal (1965)	2006	7,300 shares	Master of Law Employed at SSAB since 2006. Formerly Corporate counsel at ABB; OM Gruppen; Ericsson Radio Systems
Monika Gutén, Executive Vice President and Head of Group Human Resources (1975) ²⁾	2011	1,000 shares	M.Sc. in Business Administration Employed at SSAB since 2007 Formerly Head of Human Resources, Business Area SSAB EMEA; Head of Business Development, SSAB
Melker Jernberg, Executive Vice President and Head of Business Area SSAB EMEA (1968) ³⁾	2011	4,000 shares	M.Sc. in Engineering Employed at SSAB since 2011 Formerly Senior Vice President Buses and Coaches, Scania; Plant Manager, Scania.
Martin Pei, Executive Vice President and Head of Business Area SSAB APAC (1963)	2007	1,000 shares	Ph.D. Technology Employed at SSAB since 2001. Formerly Executive Vice President and Technical Director, Head of Research and Development; General Manager, Slab Production, SSAB Plate.
Karl-Gustav Ramström, Executive Vice President and Head of Group Marketing and Market Development (1954)	2007	10,000 shares	M.Sc. in Engineering, MBA. Employed at SSAB since 2007. Formerly Head of SSAB Plate, Head of division, Process Automation, ABB Sweden.
Charles Schmitt, Executive Vice President and Head of Business Area SSAB Americas (1959)	2011	0 shares	B.Sc. in Business Administration, The University of Texas at Arlington. Employed at IPSCO Inc since 1990. Formerly positions with US Steel Corporation; VP of the Southern Business Unit for SSAB Americas.
Helena Stålnert, Executive Vice President and Head of Group Communications (1951)	2007	1,000 shares	Master program in Journalism. Employed at SSAB since 2007. Formerly Senior Vice President, Communications, Saab; Editor-in-Chief Aktuell Swedish Television.
Marco Wirén, Executive Vice President and Chief Financial Officer (1966)	2008	10,000 shares	M. Econ. Employed at SSAB since 2007. Formerly Group Controller, SSAB; CFO, Eltel Networks and Vice President Strategic Planning and Group Controller, NCC.

¹⁾ Shareholdings include shares owned by closely-related persons.

²⁾ Anna Vikström Persson was Executive Vice President, Human Resources until February 9, 2011

³⁾ Thom Mathisen was acting Head of Business Area SSAB EMEA until October 31, 2011.

rates with a number of local risk managers on the business area and subsidiary level. All risk managers are members of the Company's Risk Council, which is convened each quarter by the Group Risk Manager. The Group Risk Manager reports directly to the Company's General Counsel. Financial risks are managed by the Group's treasury function and are thus outside the mandate of the Group Risk Manager.

In order to further strengthen the internal control and risk management, in 2010 SSAB decided to establish a whistleblower function through which serious improprieties and violations of the Company's Code of Business Ethics can be reported. This function is aimed, among other things, at guaranteeing safety in the workplace, maintaining sound business ethics and curbing economic irregularities within SSAB, to the benefit of employees, customers, suppliers and shareholders.

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 the internal audit are aimed at supporting value creation in the Group by evaluating the risk management, carrying out internal controls, and thereafter recommending improvements within these areas.

Similarly to the business organization, the internal audit is organized on a geographic basis and has units which plan and audit each business area. The overall Group audit activities are planned by the internal audit manager and carried out by each unit.

The internal audit function carries out and reports on audits in accordance with an audit plan adopted by the Audit Committee. These audits are carried out in accordance with a produced and adopted audit process which is regularly 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 the 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 the internal audit work in 2011, see the section entitled "The Board's description of the internal control and risk management regarding financial reporting".

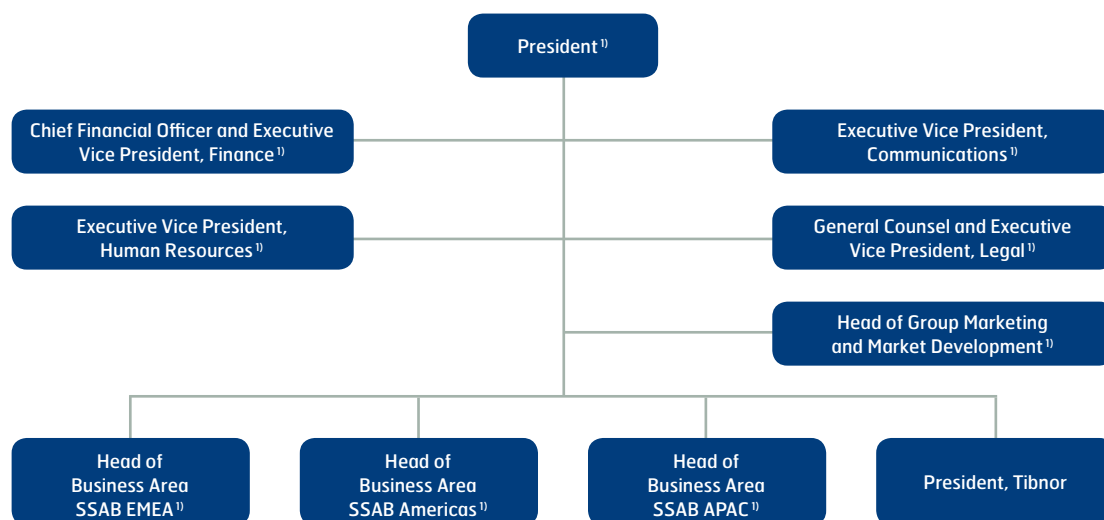
The Board's description of the internal control and risk management regarding financial reporting

In accordance with the Swedish Companies Act and the Swedish Code on Corporate Governance, the Board of Directors of SSAB is responsible for the internal control. This description has been prepared in accordance with the Annual Reports Act.

FRAMEWORK FOR INTERNAL CONTROL

SSAB complies with the internationally established framework, Internal Control - Integrated Framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In accordance with COSO, SSAB's internal control process is based on five components: control environment, risk assessment, control activities, information and communication, and monitoring. SSAB's internal control process is structured in order to ensure, to a reasonable degree, the quality and accuracy of the financial reporting and to ensure that the reporting is prepared in accordance with applicable laws and regulations, accounting standards, as well as requirements imposed on listed companies in Sweden. Prerequisites for this being achieved are that a sound control environment is in place; that reliable risk assessments are carried out; that established control activities are carried out; and that information and communication, as well as monitoring, function satisfactorily.

The Group's operational management structure



¹⁾ Member of the Group Executive Committee

CONTROL ENVIRONMENT

The control environment is characterized by the organization structure, management's work methods and philosophy, as well as other roles and responsibilities within the organization. The Audit Committee assists the Board with respect to important accounting issues which the Group applies, and monitors the internal control with respect to financial reporting. In order to maintain an efficient control environment and sound internal control, the Board of Directors has delegated the practical responsibility to the President, who in turn has delegated responsibility to other members of the Group Executive Committee as well as to Heads of Business Areas/subsidiaries.

In order to ensure the quality of the financial reporting, work takes place regularly on further developing policies and manuals for the entire Group; among other things, there is an accounting manual (Financial Guidelines) for the Group which is regularly updated and communicated within the Group. Apart from the Financial Guidelines, the most important overall control documents for the Group are the Finance policy, Investment policy, Information policy and the Code of Business Ethics. All business areas and subsidiaries have adopted guidelines with respect to business ethics issues. The work on clarifying the Group's Code of Business Ethics continued during 2011.

RISK ASSESSMENT

SSAB is an organization which is exposed to both internal and external risks. In order to appropriately ensure a sound internal control, the risks which may affect the financial reporting are identified, gauged and measures are taken. This constitutes an integral part of the regular reporting to Group Executive Committee and the Board and also constitutes the basis for the assessment of risks of error in the financial reporting. SSAB's operations are characterized by processes involving well-established routines and systems. The risk assessment thus takes place largely within these processes. Only general risk assessments take place on a Group level. Responsible persons in the Group identify, monitor and follow-up risks. This creates conditions for well-founded and correct commercial decisions at all levels. Financial risks such as currency, refinancing and counterparty risks, as well as interest rate and credit risks, are handled primarily by the parent company's treasury function in accordance with the Group's finance policy (see Note 27). For an outline of the

Group's commercial risk exposure, see also the section entitled "Internal control and risk management" as well as the Report of the Directors, page 42.

CONTROL ACTIVITIES

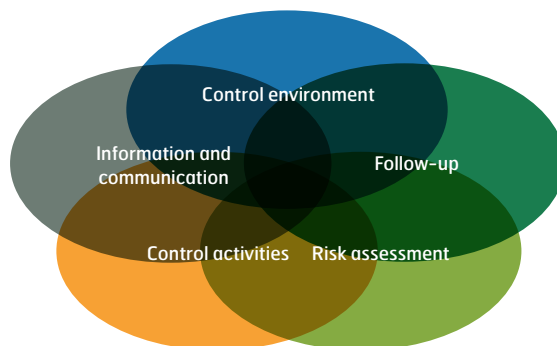
The primary purpose of control activities is to prevent and discover at an early stage significant errors in the financial reporting so that they can be addressed and rectified. Control activities, both manual and automated, take place on both overall and more detailed levels within the Group. Routines and activities have been designed in order to handle and rectify significant risks associated with the financial reporting as identified in the risk analysis. Corrective measures, implementation, documentation and quality assurance take place on a Group level, subsidiary level 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 the control activities.

As a consequence of the Group's reorganization in 2010, an in-depth analysis was conducted concerning the processes and control structures in group companies. The analysis has resulted in a more systematic work method for identifying financial risks and risks in financial reporting, and the manner in which controls are to be documented. Work is underway on implementing this work method.

The Group has a joint consolidation system in which all legal entities report, which provides a sound internal control over financial reporting. Work has also taken place in the Group concerning automation of more controls and processes, and limitations on authority in IT systems in accordance with express and ostensible powers.

Control activities are carried out at all levels in 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 business areas and subsidiaries with regard to the operations, their financial position and results, as well as financial and operational key ratios. The Board of Directors analyses, among other things, business reports in which the Group Executive Committee describes the period that has elapsed and comments on the Group's financial position and results. In these ways, important fluctuations and deviations are followed up, a factor

Internal control process



which minimizes the risks of errors in the financial reporting.

The work on the closing accounts and the annual report involves processes in which there are additional risks of error in the financial reporting. This work is less repetitive in nature and contains several elements in the nature of an assessment. Important control activities include ensuring the existence of a well-functioning reporting structure in which the business areas/subsidiaries report in accordance with standardized reporting templates, and that 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 provided simultaneously to all stakeholders. All communications must take place in accordance with Nasdaq OMX Stockholm's Rule Book for Issuers and in accordance with other regulations. The financial information must provide the capital market and stock market, as well as current and future shareholders, with a comprehensive and clear view of the Company, its operations, strategy and financial development.

The Board of Directors approves the Group's annual reports and half-yearly reports, and instructs the CEO to issue quarterly reports and results for the year in accordance with the Board's rules of procedure. All financial reports and press releases are published on the website (www.ssab.com) simultaneously with publication via Nasdaq OMX Stockholm and notification to the Swedish Financial Supervisory Authority.

Financial information regarding the Group may be provided only by the CEO and CFO, as well as by the Executive Vice President, Communications, and the Head of Investor Relations. The business areas/subsidiaries disseminate financial information regarding their operations only after the Group has published corresponding information.

The Company applies silent periods during which it does not communicate information regarding the Company's development. Silent periods are three weeks prior to publication of results for the year, half-yearly reports and quarterly reports.

In the event of a leakage of price-sensitive information or upon the occurrence of special events which may affect the valuation of the Company, Nasdaq OMX Stockholm will be notified, after which a press release containing the same information will be distributed. Informational activities are governed by an information policy.

Internally

Each business area and subsidiary has a chief financial officer who is responsible for maintaining a high quality and precision of delivery with respect to the financial reporting.

The local intranets constitute important communication channels in the Company on which information is published regularly. Regular joint Group accounting meetings are held with the chief financial officers of the business areas/subsidiaries. In this way, the business areas/

subsidiaries are updated regarding news and changes within, among other things, the accounting area as well as routines and internal controls with respect to the financial reporting. In addition, the parent company regularly communicates changes in joint Group accounting principles and policies as well as other relevant issues relating to the financial reporting.

MONITORING

The Board's monitoring of the internal control with respect to financial reporting takes place primarily through the Audit Committee, among other things by monitoring the work of, and reports issued by, the internal and external auditors.

During 2011, the 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 2011 was based on a risk analysis which was supported by the heads of business areas and group management and subsequently adopted by the Audit Committee. The audits were carried out in accordance with an adopted audit process and formally concluded with a report and planned follow-up. The report has been presented regularly to heads of business areas and the Audit Committee with respect to observations, measures taken and implementation status. During 2011, an internal audit unit was also established in China, with responsibility for auditing within the SSAB APAC business area.

The external auditors follow-up each year selected parts of the 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. Important observations are also reported directly to the Board of Directors. In 2011, the external auditors monitored the internal control in selected key processes and reported thereon to the Audit Committee and Group Executive Committee.

Further information regarding corporate governance in SSAB is available on www.ssab.com, including the following information:

- [Routines regarding the Annual General Meeting \(when the Annual General Meeting is to be held, notice to attend and registration procedure, as well as important decisions which are to be taken at the Annual General Meeting\)](#)
 - [Information from SSAB's previous Annual General Meetings \(commencing 2005\), including notices, minutes, addresses by the President and communiqués](#)
 - [The by-laws](#)
 - [Corporate governance reports from previous years](#)
 - [Information regarding the Nomination Committee](#)
-

2 Operating expenses

Type of cost SEK millions	Group		Parent Company	
	2011	2010	2011	2010
Raw materials in the steel operations, including change in raw material inventory	19,898	18,262	-	-
Purchased products in the trading operations	4,224	3,920	-	-
Purchased products in the steel operations	1,636	1,871	-	-
Energy	2,449	2,553	-	-
Change in inventory, work in progress and finished products	881	-277	-	-
Compensation to employees ¹⁾	5,349	4,962	71	103
Material, services and maintenance	4,533	3,962	114	80
Depreciation/amortization	2,330	2,452	2	2
Other	1,814	1,592	32	181
Total operating expenses	43,114	39,297	219	366

¹⁾ Adjustments have been done as a consequence of changed accounting principles. See Note 28.

Fees for audits and related services SEK millions	Group		Parent Company	
	2011	2010	2011	2010
PricewaterhouseCoopers				
Audit fees	11	10	3	2
Audit related services	1	1	-	-
Tax consulting	4	4	-	-
Other services	1	3	1	1
Total fees for audit and related services to PricewaterhouseCoopers	17	18	4	3
Other audit firms				
Audits and related services	5	6	-	-
Other services	5	4	1	-
Total fees for audit and related services to other audit firms	27	28	5	3

For 2009, other compensation to PricewaterhouseCoopers, including tax consulting and other services, amounted to SEK 7 million.

Operating expenses have been reduced by the following government grants:

SEK millions	Group		Parent Company	
	2011	2010	2011	2010
Freight support	2	3	-	-
Other	3	2	-	-
Total government grants	5	5	-	-

Compensation to employees SEK millions	Directors, President and Executive Vice President		Other employees	
	2011	2010	2011	2010
Parent Company ¹⁾	13	19	46	47
Subsidiaries in Sweden	10	8	2,704	2,490
Subsidiaries outside Sweden	15	27	1,047	1,019
Total wages and salaries²⁾	38	54	3,797	3,556
Social security expenses	18	23	1,304	1,205
(of which pension expenses)	(7)	(12)	(391)	(336)
Other expenses for employee benefits	3	3	189	121
Total compensation to employees	59	80	5,290	4,882

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 are also reported.

²⁾ Total wages and salaries include variable salary components to President in the amount of SEK 5 (6) million, of which SEK 2 (3) million in the parent company. In the parent company, variable salary components to the President of SSAB EMEA are also reported.

Adjustments have been done as a consequence of changed accounting principles. See Note 28.

2 Operating expenses cont.

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

BOARD OF DIRECTORS

The general meeting decides upon fees payable to the Chairman of the Board and the directors elected by the general meeting. The Chairman's fee

was SEK 1,350 (1,200) thousand and directors (excluding the President) each received a fee of SEK 450 (400) thousand. 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. In total, SEK 5,125 (4,475) thousand was paid in fees to the Board of Directors.

Directors	Elected	Position	Fees 2011, SEK		Fees 2010, SEK	
			Board fees	Committee fees	Board fees	Committee fees
Elected by the AGM						
Sverker Martin-Löf	2003	Chairman	1,350,000	200,000	1,200,000	150,000
Anders G Carlberg	1986	Board member	450,000	125,000	400,000	100,000
Jan Johansson	2011	Board member	450,000	-	-	-
Martin Lindqvist	2011	Board member, President	-	-	-	-
Annika Lundius	2011	Board member	450,000	-	-	-
Anders Nyström	2003	Board member	450,000	-	400,000	-
Matti Sundberg	2004	Board member	450,000	100,000	400,000	75,000
John Tulloch	2009	Board member	450,000	100,000	400,000	75,000
Lars Westerberg	2006	Board member	450,000	100,000	400,000	75,000
Carl Bennet, resigned 2011	2004	Board member	-	-	400,000	-
Olof Faxander, resigned 2011	2006	Board member, President	-	-	-	-
Marianne Nivert, resigned 2011	2002	Board member	-	-	400,000	-

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 2011, 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" means members of the Group Executive Committee other than the President. The total compensation package shall be at market terms and conditions and competitive on the employment market on which the executive works. Fixed salary and variable compensations shall be related to the executive's responsibilities and authority. The variable compensations shall be based on results as compared with defined and measurable targets and shall be subject to a ceiling 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 compensations, 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 in line with prevailing market conditions 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 competitive 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), John Tulloch and Lars Westerberg. 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 2011

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,

2 Operating expenses cont.

combined with one or more individual targets. This variable salary component is capped at 50 percent of fixed salary

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. This group includes approximately 50 employees in North America who hitherto were covered by the long-term incentive program which was in place when SSAB acquired IPSCO in 2007. The new 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 percent 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 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 percent of fixed salary but may amount to a maximum of 180 percent 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 percent of fixed annual salary, but in the event of extremely good results may amount to a maximum of 150 percent. 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

Martin Lindqvist assumed the position of President and CEO on January 1, 2011. The information in brackets relates to Olof Faxander's compensation package in 2010.

The total paid compensation package, excluding pension, amounted to SEK 7.9 (10.7) million. The compensation of SEK 7.9 million includes a payment of SEK 1.6 million to the former President regarding variable salary for 2010. The compensation for 2010, SEK 10.7 million, includes a payment of SEK 3.0 million with respect to the temporary incentive program for the period July 2008 up to and including June 2009, which was paid out in 2010.

The minimum retirement age is 62. The pension is based on contributions and is covered by insurance. The cost amounted to 41 (30) 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 resignation by the President, 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

During the year, the Group Executive Committee comprised 8 (8) persons, in addition to the President. The Group Executive Committee is presented on page 114. (During a brief period in 2010, an additional person was included in the Group Executive Committee.)

The minimum retirement age for other members of the Group Executive Committee stationed outside the US is 62. Pensions are based on contributions. These 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 Committee

SEK millions	President		Other Group Executive Committee	
	2011	2010	2011	2010
Fixed salary	6.2	7.6	18.0	19.8
Other benefits ¹⁾	0.1	0.1	2.5	2.2
Short-term variable salary ²⁾	1.6	-	3.7	1.6
Long-term variable salary ²⁾	-	-	-	1.6
Temporary incentive program	-	3.0	-	8.1
Total compensation	7.9	10.7	24.2	33.3
Pension expenses	2.5	2.3	4.0	10.3
Total	10.4	13.0	28.2	43.6

¹⁾ Relates primarily to car and gasoline benefits, but here also includes compensation for increased living costs for the member of the Group Executive committee who is stationed in Asia.

²⁾ 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. The expense for the year for variable salary components for the entire Group Executive Committee was SEK 1.0 million, of which provision for 2011 amounted to SEK 6.2 million, and dissolution of an excessively high provision made in the preceding year amounted to SEK -5.2 million.

Auditor's report

To the annual meeting of the shareholders of SSAB AB (publ), 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 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 11–109.

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 and 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 consoli-

dated 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 opinion.

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 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and 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 2011 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and the corporate governance report are 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 examined 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 2011.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the compa-

ny'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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess 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.

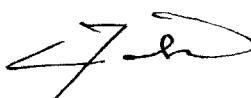
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated 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 17 February 2012

PricewaterhouseCoopers AB



Claes Dahlén

Authorized Public Accountant