



## SSAB AB (publ)

(incorporated with limited liability in the Kingdom of Sweden)

€2,000,000,000

### Euro Medium Term Note Programme

Under this €2,000,000,000 Euro Medium Term Note Programme (the "Programme"), SSAB AB (publ) (the "Issuer", the "Company" or "SSAB") may from time to time issue notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. **An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".**

This Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive (as defined below). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive" or "MiFID") and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the official list of the Irish Stock Exchange (the "Official List") and to trading on its regulated market (the "Main Securities Market"). The Main Securities Market is a regulated market for the purposes of MiFID. References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Main Securities Market.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Prospectus to "Exempt Notes" are to Notes for which no prospectus is required to be published under the Prospectus Directive. The Central Bank of Ireland has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the "Final Terms") which will be filed with the Central Bank of Ireland on or before the issue of the Notes of such Tranche. Copies of Final Terms in relation to Notes to be listed on the Irish Stock Exchange will also be published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at <http://www.ise.ie>. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein together with certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "Pricing Supplement").

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer has been rated BB by Standard & Poor's Credit Market Services Europe Limited ("S&P"). The Programme has been rated BB by S&P. S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by S&P. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

THE ROYAL BANK OF SCOTLAND

Dealers

CITIGROUP  
DANSKE BANK  
HANDELSBANKEN CAPITAL MARKETS  
SEB

CRÉDIT AGRICOLE CIB  
DNB MARKETS  
NORDEA  
SWEDBANK

THE ROYAL BANK OF SCOTLAND

The date of this Prospectus is 31 March 2014.

## IMPORTANT INFORMATION

This Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “Prospectus Directive”).

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms or Pricing Supplement (as the case may be) for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In relation to Notes to be listed on the Irish Stock Exchange, the Final Terms relating to each Tranche will be filed with the Central Bank of Ireland on or before the date of issue of the Notes of such Tranche. Copies of Final Terms relating to Notes listed on the Irish Stock Exchange will be published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

### IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of

any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France and the Kingdom of Sweden) and Japan, see “*Subscription and Sale*”.

This Prospectus has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus and any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

## PRESENTATION OF INFORMATION

In this Prospectus, all references to:

- “Rautaruukki” refer to Rautaruukki Oyj and its consolidated subsidiaries, except where the context may otherwise require;
- “Combined Company” refer to SSAB together with Rautaruukki;
- “Member State” refer to a Member State of the European Economic Area;
- “U.S. dollars”, “U.S.\$ ” and “\$” refer to United States dollars;
- “SEK” refer to Swedish Kronor;
- “Sterling” and “£” refer to pounds sterling; and
- “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## PRESENTATION OF FINANCIAL INFORMATION

### Historical Financial Statements of SSAB

The historical financial information of SSAB contained in this Prospectus has been derived from the audited consolidated financial statements of SSAB as at and for the years ended 31 December 2013 and 2012. SSAB’s historical audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (the “EU”). SSAB’s auditors are subject to Swedish auditing and auditor independence standards. SSAB prepares its financial statements in Swedish kronor.

### Historical Financial Statements of Rautaruukki

The historical financial information of Rautaruukki contained in this Prospectus has been derived from the audited consolidated financial statements of Rautaruukki as at and for the years ended 31 December 2013 and 2012. Rautaruukki’s historical audited consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU. Rautaruukki’s auditors are subject to Finnish auditing and auditor independence standards. Rautaruukki prepares its financial statements in euro.

### Pro Forma Financial Information

This Prospectus includes unaudited pro forma financial information (“pro forma” or “pro forma financial information”) that is presented to illustrate the financial impact of the proposed combination (the “Combination”) of the operations of SSAB and Rautaruukki.

The unaudited pro forma income statement and statement of comprehensive income for the year ended 31 December 2013 have been compiled assuming that the Combination had been completed on 1 January 2013 and the unaudited pro forma consolidated balance sheet as at 31 December 2013 has been compiled assuming that the Combination had been completed on 31 December 2013. The unaudited pro forma financial information presented in this Prospectus is based on the financial information derived from SSAB’s audited consolidated financial statements as at and for the year ended 31 December 2013 and Rautaruukki’s audited consolidated financial statements as at and for the year ended 31 December 2013. The unaudited pro forma financial information is prepared on a basis consistent with IFRS as adopted by the EU and been prepared in a manner consistent with the accounting principles applied in SSAB’s audited consolidated financial statements as at and for the year ended 31 December 2013.

The unaudited pro forma balance sheet presents the Combination as being accounted for under the acquisition method under IFRS 3 Business Combinations with SSAB as the acquiror. Under the acquisition method, the acquired assets and liabilities of Rautaruukki are recorded at their fair values on the date of acquisition and the excess recognized as goodwill. The 0.4752 New Class A Shares and 1.2131 New Class B Shares for each Rautaruukki Share (the “Share Consideration”) to be transferred forms the basis for the purchase price of Rautaruukki and the value per share will be the SSAB share price on the date when the New Class A Shares together with the New Class B Shares (together the “New Shares”) are issued and the control over Rautaruukki

operations transfers to SSAB. The preliminary fair value of SEK 10,441 million has been used in the pro forma financial information for the New Shares issued by SSAB in the Combination using the closing prices of SEK 49.20 for an SSAB Class A share and SEK 42.65 for an SSAB Class B share as at 28 March 2014. The pro forma purchase consideration has been assumed to take place solely through a Share Consideration; therefore, no cash consideration has been included. The pro forma purchase consideration also does not take into account any Treasury Shares (as defined below).

The preliminary consideration transferred could differ materially from the final consideration transferred to effect the Combination and the final fair values of the assets acquired and liabilities assumed at the date of the acquisition may materially differ from the preliminary fair values used for pro forma purposes, which could result in a significant variation to the results of operations and financial position presented in the unaudited pro forma financial information. Further, as noted above, due to the nature of the share exchange offer (the "Share Exchange Offer") in which the SSAB offers to acquire, in accordance with the Finnish Securities Market Act (746/2012, the "Finnish Securities Market Act"), all of the issued and outstanding shares in Rautaruukki (the "Rautaruukki Shares") not owned by Rautaruukki or its subsidiaries, SSAB has not had access to Rautaruukki's accounting records or to any other Rautaruukki internal documentation and, as a result, the unaudited pro forma financial information presented in this Prospectus is solely based on publicly available information of Rautaruukki. Accordingly, the amount of goodwill to be recognized by SSAB upon the completion of the Combination may significantly differ from the amounts presented in the unaudited pro forma financial information.

The unaudited pro forma financial information has been presented in Swedish kronor, which is SSAB's presentation currency. Rautaruukki's audited consolidated financial information presented in euros has been converted into Swedish kronor using the exchange rates used by SSAB for group consolidation as at and for the year ended 31 December 2013:

- average rate of SEK/EUR 8.6494 for the income statement and statement of comprehensive income for the year ended 31 December 2013; and
- closing rate of SEK/EUR 8.905 as at 31 December 2013 for the balance sheet.

The pro forma adjustments are based upon available information and assumptions, which are described in the notes accompanying the pro forma financial information. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma financial information will prove to be correct. Further, the purchase price allocation has not been finalised and as such, the final outcome of the Combination will differ from the unaudited pro forma financial information. The pro forma adjustments do not include any synergy related savings nor the impact of any future streamlining measures and/or headcount reductions described under "*Information about the Combined Company—Most Significant Benefits of the Combination*".

This unaudited pro forma financial information is presented for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Combination had been consummated at an earlier point in time, and, therefore, does not represent the actual results of operations or financial position of the Combined Company. The unaudited pro forma financial information is not intended to project the results of operations or financial position of the Combined Company as of any future date.

The unaudited pro forma financial information does not include all of the information required for financial statements under IFRS and should be read in conjunction with the historical audited consolidated financial statements of SSAB and Rautaruukki incorporated by reference into, or included elsewhere in, as the case may be, this Prospectus. See also "*Pro Forma Financial Information*" and "*Risk Factors — Risks Relating to the Combination —The unaudited pro forma financial information for the Combined Company may not accurately reflect what the Combined Company's business, financial condition and results of operations would have been if Rautaruukki had been part of the Combined Company during the relevant period, and may not be indicative of the Combined Company's future business, financial condition and results of operations.*".

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to the Prospectus or a new Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "Prospectus Regulation").

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuer:	SSAB AB (publ)
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arranger:	The Royal Bank of Scotland plc
Dealers:	Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Danske Bank A/S DNB Markets, part of DNB Bank ASA, Sweden Branch Nordea Bank Danmark A/S Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) The Royal Bank of Scotland plc  and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of this Prospectus.

### Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale".

Issuing and Principal Paying Agent:	Citibank, N.A., London branch
Programme Size:	Up to €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, Swedish Kronor, U.S. dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <p>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</p> <p>(b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).</p> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

**Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree, as set out in the relevant Pricing Supplement.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree, as set out in the relevant Pricing Supplement.

**Partly Paid Notes:** The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree, as set out in the relevant Pricing Supplement.

**Notes redeemable in instalments:** The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree, as set out in the relevant Pricing Supplement.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or, in the case of any Notes, for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

In addition, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) may provide that Notes may be redeemable at the option of the Noteholders upon the occurrence of (i) a Change of Control in the circumstances described in Condition 6.4(b) or (ii) a Trigger Event in the circumstances described in Condition 6.4(c).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

	Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “ <i>Certain Restrictions – Notes having a maturity of less than one year</i> ” above.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated BB by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	<p>Application has been made to the Irish Stock Exchange for certain Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms (or the applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes, will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, France and the Kingdom of Sweden) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “ <i>Subscription and Sale</i> ”.
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### **RISKS RELATING TO THE COMBINATION**

***The Combined Company may not be able to realize some or any of the anticipated benefits of the Combination, or it may not be successful in integrating Rautaruukki's business operations in the manner or within the timeframe currently anticipated.***

Although SSAB's management believes that annual cost synergies of up to SEK 1.4 billion (EUR 150 million) can be achieved by combining the operations of SSAB and Rautaruukki, the Combination also presents challenges for both companies. Achieving the anticipated benefits of the Combination will depend largely on the timely and efficient integration of the business operations of SSAB and Rautaruukki. The integration process involves certain risks and uncertainties, and there can be no assurance that the Combined Company will be able to integrate the two business operations in the manner or within the timeframe currently anticipated.

Risks and challenges relating to the integration of the business operations of SSAB and Rautaruukki include, but are not limited to, the following:

- the placement of considerable demands on the Combined Company's resources to manage the integration process, including requiring significant amounts of management time, which may impair management's ability to run the Combined Company's business effectively during that process;
- the consolidation of corporate, financial, control and administrative functions, including cash management, internal and other financing, hedging of market risks, insurance, financial control and reporting, information technology, communications, compliance and other administrative functions;
- the implementation of a new business and organizational model;
- the process of coordinating of raw material and energy sourcing in order to eliminate overlapping procurement operations;
- the process of coordinating of operations, including logistics relating to raw material deliveries and transportation of finished products to customers in different geographic regions in which the Combined Company operates;
- the retention of senior management and/or key employees of the Combined Company;
- the coordination of research and development, marketing and other support functions; and
- the mitigation of contingent and assumed liabilities.

In addition, there can be no assurance that the Combined Company will achieve any of the anticipated benefits of the Combination, including more flexible and efficient production systems, more efficient supply chain, purchasing optimization and streamlined administration and other synergy benefits described elsewhere in this Prospectus within the currently estimated timeframe, or that any such benefits can be achieved at all. There can also be no

assurance that adverse developments in general economic conditions will not limit, eliminate or delay the Combined Company's ability to realize anticipated benefits, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

Furthermore, the anticipated cost reductions and other benefits expected to arise from the Combination as well as related costs to implement such measures are derived from SSAB's estimates and such estimates are inherently uncertain. The estimates included in this Prospectus are based on a number of assumptions made in reliance on the information available to SSAB and its management's judgments based on such information, including, without limitation, information relating to the business operations, financial condition and results of operations of Rautaruukki. While SSAB believes these estimated synergy benefits and related costs are reasonable, the underlying assumptions are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive factors, risks and uncertainties that could cause the actual results to differ materially from those contained in the synergy benefit and related cost estimates.

***The Combination may not be completed on the terms or in the manner as currently contemplated, which could adversely affect anticipated benefits of the Combination or the market price of the shares in SSAB and/or Rautaruukki Shares.***

As described under "*Information about the Combined Company — Summary of the Combination Agreement*", the completion of the Combination is conditional upon the satisfaction or, to the extent permitted by applicable law, a waiver by SSAB of a number of conditions, including receipt of the necessary regulatory approvals and clearances from the relevant authorities described in the combination agreement entered into on 21 January 2014 (the "Combination Agreement"). There can be no assurance that these approvals and clearances will be obtained or that any previous approvals and clearances will be maintained. In addition, the terms and conditions of any regulatory approvals or clearances related to the completion of the Combination may require, among other things, the divestment of assets anticipated to be part of the Combined Company. In such case, SSAB may not be able to execute any such divestment within the required timeframe, at the desired price, or at all, and any such divestment may adversely affect SSAB's ability to realize some or any of the anticipated benefits of the Combination. If the completion of the Share Exchange Offer and/or the Combination is delayed due to the required conditions not being satisfied, the Combination is not completed, or if SSAB becomes subject to any material conditions in order to obtain any clearances or approvals required to complete the Combination, this could have a material adverse effect on SSAB's and/or the Combined Company's business, financial condition and results of operations and adversely affect the ability of the Issuer to perform its obligations under the Notes.

***The unaudited pro forma financial information for the Combined Company may not accurately reflect what the Combined Company's business, financial condition and results of operations would have been if Rautaruukki had been part of the Combined Company during the relevant period, and may not be indicative of the Combined Company's future business, financial condition and results of operations.***

In the past, SSAB and Rautaruukki have operated their respective businesses separately. The Combined Company has no prior history as a combined entity and there are no consolidated financial statements available for it. The compilation of the unaudited pro forma financial information presented elsewhere in this Prospectus has required the aggregation of the financial information of SSAB and Rautaruukki to illustrate the hypothetical impact of the Combination, including adjustments reflecting the effects of the preliminary purchase price allocation, differences in the accounting policies applied by SSAB and Rautaruukki as well as differences in the presentation of the financial information, as discussed in more detail under "*Presentation of Financial Information—Pro Forma Financial Information*". It should be noted that due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki's accounting records or to any other Rautaruukki internal documentation and as such, the unaudited pro forma financial information is solely based on publicly available information of Rautaruukki. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma combined financial information will prove to be correct. Further, the purchase price allocation has not been finalised and as such, the final outcome of the Combination will differ from the unaudited pro forma financial information presented in this Prospectus. This unaudited pro forma financial information for the Combined Company is presented for illustrative purposes only, and it does not represent what the business, financial condition and results of operations of the Combined Company would have been had Rautaruukki actually been part of the Combined Company during the

relevant period and is not indicative of the financial condition or results of operations of the Combined Company at any future date or for any future period.

In addition, prospective investors in the Notes should be aware that the unaudited pro forma financial information contained in the offer document relating to the Share Exchange Offer (the "Share Exchange Offer Memorandum") is likely to vary slightly from the unaudited pro forma financial information set out herein. This is due to the fact that one variable used in the relevant calculation of the unaudited pro forma financial information is the market value of the SSAB Shares. The market value of the SSAB Shares for the purposes of the preparation of unaudited pro forma financial information is calculated on the date that information is prepared. Thus the market value may differ slightly on the date the unaudited pro forma financial information used in the Share Exchange Offer Memorandum is prepared from the market value on the date the unaudited pro forma financial information contained herein was prepared. While management does not expect the market value of the SSAB Shares to change dramatically during the relevant period, the market value is subject to fluctuation over time and, therefore, no assurance can be given that there will not be significant differences in the unaudited pro forma financial information contained in the Share Exchange Offer Memorandum.

### ***Risks Relating to the Combined Company and the Steel Industry***

***The steel industry is affected by global, regional and national economic conditions and the prevailing macroeconomic uncertainty continues to have a material adverse effect on demand for steel.***

The steel market is cyclical and demand for standard steel products and, to a lesser extent, high strength steel products is affected by global, regional and national economic conditions, levels of industrial investment activity and levels of industrial production. The rate of growth in the global economy slowed somewhat in 2013 compared with 2012. This slowdown had an effect also on the global steel industry, which grew by only 3 per cent. in 2013, albeit with significant regional variations. In general, the steel markets remained weak in 2013, although a moderate recovery was experienced towards the end of the year. In terms of industries, demand for steel products was particularly weak within the mining and construction machinery sector in 2013. The mining industry experienced a downturn in South America and Australia. Demand for steel fell following traditional inventory restocking at the beginning of the year, and in total steel consumption in Europe is estimated to have decreased by almost 4 per cent. during 2013. The weak demand resulted in lower levels of capacity utilization, which, in turn, adversely affected selling prices.

SSAB EMEA represented 40 per cent. of SSAB's external sales for the year ended 31 December 2013. For Rautaruukki, net sales to Finland, other Nordic countries, Central Eastern Europe and the rest of Europe represented approximately 83 per cent. of its net sales for the year ended 31 December 2013. Thus, the Combined Company faces significant exposure to the economic conditions, levels of industrial investment activity and levels of industrial production in Europe, which, as discussed above, has recently been affected by the economic slowdown in the region. The economic environment in Europe has been, and may continue to be, adversely affected by increased levels of public debt in Europe; actual or perceived risk of sovereign illiquidity or insolvency, such as the problems recently experienced by certain members of the euro area; loss of confidence in certain currencies; tight credit and tensions in the capital markets; weak consumer confidence; decline in consumption; inflationary pressure resulting from rising energy and raw material prices; rising interest rates; general factors such as political instability, terrorism or natural disasters; and fear of, or actual, contagion of any of the foregoing to previously unaffected markets. The continuation or worsening of economic instability in Europe could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

In addition, any deterioration of economic conditions in other regions in which SSAB and Rautaruukki have significant operations, such as North America where the SSAB Americas business area that represented 41 per cent. of SSAB's external sales for the year ended 31 December 2013 is active, or the spread of recessionary conditions to emerging economies that are substantial consumers of steel, such as China, could result in a recession or a prolonged period of slower growth, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

In addition to macroeconomic trends, steel demand is sensitive to the business cycles of the industries that use the Combined Company's products. For example, high strength steels are primarily used in the heavy transport, automotive, material handling including mining, construction machinery including lifting, energy and protection industries, whereas standard steels are used by the manufacturing industry in general, including construction and building material, machinery and equipment. Some of these end-user industries, such as the automotive and construction industries, are highly cyclical and as a result, the demand for the Combined Company's products may vary significantly. See also "*—Financial difficulties or bankruptcy of one or more of the Combined Company's major customers or suppliers could have a material adverse effect on the Combined Company's business, financial condition and results of operations*" below.

Weak demand may also lead to obsolescence in inventories within the steel divisions, for example due to rust issues. Demand volatility also makes it difficult for the Combined Company to optimize production capacity. During periods of lower demand, the Combined Company may decide to reduce production in an attempt to counter the corresponding decline in prices. However, such reductions in capacity utilization also increase per unit production costs and decrease profitability; therefore, there can be no assurance that such reductions would mitigate the adverse effects of lower demand. Increases in costs per unit and the resulting declines in competitiveness as a result of demand volatility have had a material adverse effect on SSAB's business, financial condition and results of operations, and may continue to have a material adverse effect on the Combined Company's business, financial condition and results of operations.

Protracted declines in steel consumption caused by uncertain economic conditions in one or more of the Combined Company's major geographic markets or end-user industries, the deterioration of the financial condition of any of SSAB's key customers or any other reason would have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Protracted low steel prices and price volatility could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

The development of steel prices directly affects the Combined Company's profitability. Unlike many commodities, steel is not completely fungible due to wide differences in shape, chemical composition, quality, specifications and application, all of which impact sales prices. Steel prices fluctuate based on macroeconomic factors, including, but not limited to, consumer confidence, employment rates, interest rates and inflation rates, in the economies in which steel producers sell their products, and are largely sensitive to the cyclical nature of the business sectors that are the principal consumers of steel, namely the automotive, construction, appliance, machinery, equipment, infrastructure and transportation industries. When steel prices increase, customers may delay purchasing decisions until they have stabilized.

Protracted low steel prices have had a material adverse effect on SSAB's revenues and profitability, and could in the future have a material adverse effect on the Combined Company's revenues and profitability, including the effect of potential inventory write-downs.

***Overcapacity in the global steel industry, and particularly in Europe and China, could lead to reduced steel prices and have a material adverse effect on the Combined Company's profitability.***

The Combined Company's competitiveness and long-term profitability are, to a significant degree, dependent upon its ability to optimize capacity utilization and maintain low-cost and efficient production relative to competitors. Due to the high fixed costs related to steel production, steel producers generally attempt to maintain high capacity utilization rates in order to maintain their profitability. During periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. During periods of economic weakness, such as is currently being experienced, overcapacity has increased due to weaker demand for steel. Global steelmaking capacity currently exceeds global consumption of steel products, which also affects high strength steels. This excess capacity often results in manufacturers exporting significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices. A lower utilization rate would also affect the Combined Company's fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in the Combined Company's utilization rate could have a material adverse effect on the Combined Company's business, financial condition and results of operations

***Volatility in the supply and prices of, or the inability to procure, raw materials could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

Steel production requires substantial amounts of certain raw materials, including iron ore, scrap metal, metallurgical coal, injection coal, coke and alloys. Raw materials are priced in the world market and the prices, which are primarily quoted in U.S. dollars, generally vary in accordance with demand for steel. The price volatility is primarily due to fluctuating customer demand, supply and speculation, which may, from time to time, be compounded by decreases in extraction and production due to natural disasters, political or financial instability or unrest.

The Combined Company's profitability is dependent in part on raw materials prices and the extent to which changes in raw material prices correlate to changes in steel prices. Complicating factors include the extent of the time lag between (i) the raw material price change and the steel selling price change and (ii) the date of the raw material purchase and the actual sale of the steel product in which the raw material was used (average cost basis). Raw material prices have a significant impact on steel producers' profitability. In 2013, iron ore prices continued to be volatile. Market prices of iron ore and coking coal, two main raw materials in steel production, fell during the early part of 2013, but rose during the summer as the Chinese steel industry replenished its inventories. However, the price development of raw materials leveled off towards the end of 2013. If the pricing terms in the Combined Company's contracts for raw materials do not reflect market steel prices, it could have a material adverse effect on the Combined Company's results of operations and financial condition.

The primary raw material for SSAB's production operations in the United States is scrap metal. Prices and other terms in conjunction with trading in scrap metal are affected by market forces that are beyond SSAB's and the Combined Company's control, including demand from American and international steel producers, freight costs and speculation. In addition, a combination of a weak U.S. dollar and exceptionally high demand for scrap metal outside of North America has reduced, and could in the future reduce the availability of scrap metal in North America and cause an increase in scrap metal prices there.

The overall market situation may affect the Combined Company's ability to receive full coverage for its overall product costs. Raw material inventories and long customer contracts could, furthermore, lead to a risk that price increases in raw materials could not be passed on to customers.

The Combined Company may also be unable to procure certain necessary raw materials on a timely basis, at acceptable prices and other terms, in sufficient amounts or at all. The iron ore and metallurgical coal industries are highly concentrated. The number of alternative suppliers is limited and their pricing power has been strong in recent years. For certain raw materials, such as iron ore and injection coal, SSAB relies, and the Combined Company is expected to rely, on a single supplier. Although there are alternative suppliers on the market for each of the Combined Company's raw materials, replacing a supplier may be time consuming and the terms available may not be as favorable as the terms in current supply agreements. The Combined Company could also experience issues with the quality of the raw materials it purchases. Further, the Combined Company may be forced to purchase products from other suppliers for various reasons, including if a supply contract is not extended, if a supplier is not able to meet its delivery obligations (including due to export, import or other restrictions for certain raw materials) or if a supplier faces financial or operational difficulties or disruptions. If the Combined Company is unable to obtain adequate and punctual deliveries of required raw materials at acceptable prices, they may be unable to manufacture sufficient quantities of products in a timely or profitable manner (especially those products that require long lead times or that involve complex manufacturing processes), which could harm the Combined Company's reputation and cause them to lose customers, incur additional costs or delay new product introductions. In addition, switching the supplier of a certain raw material may negatively affect the Combined Company's production since it might be forced to carry out necessary adjustments to its production process as dictated by differences in quality and other characteristics of the raw materials.

Any prolonged interruption in the supply of raw materials, or increases in raw materials costs that cannot be passed on to customers, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***The global steel industry is characterized by high levels of competition.***

The markets in which steel companies operate are highly competitive. The Combined Company's long-term growth and profitability are dependent on its ability to continue to develop products that are competitive in terms of quality and price as well as to build its position in higher value-added markets. The Combined Company may be adversely affected by, among other things, increases in competitors' activity; lower sales prices; and the development of new production technologies, products, services and customer offerings. If the Combined Company is unable to meet customer demands, or is unable to develop new products that help generate profitable business, it may lose market share and competitive position. The Combined Company's operations are, and will be for the foreseeable future, exposed to severe competition which has caused, and could continue to cause, significant downward price pressure, declining margins and reductions in the Combined Company's sales. If the Combined Company is unable to compete effectively or is unable to keep up with price or product trends, it could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

Further, due to the system of carbon dioxide emission rights within the EU, there is a risk of distortion of competition due to the fact that a large proportion of steel producing countries in the world are not covered by the system. For more information about carbon dioxide emission rights, see "—The Combined Company may be adversely affected by any future application of restrictions in regard to greenhouse gas emissions and face risks associated with identifying and controlling the cost of compliance with emission allowance schemes" below.

***The steel industry is characterized by large capital expenditures.***

The steel industry is capital intensive and a significant portion of the cash flow from operating activities generated from sales of steel products is often used to undertake necessary major investments. In recent years, SSAB has undertaken significant strategic investments in order to expand and upgrade its production facilities and improve its competitive position. The failure to reach target production capacities, budget overruns or lower than expected returns on these investments could have a material adverse effect on the Combined Company's business, financial condition and results of operations. In addition, ongoing maintenance of the Combined Company's production and other facilities requires significant capital expenditures and any deterioration of its production facilities may result in higher maintenance and replacement costs in the long term. Furthermore, any postponed capital expenditure may reduce the value of the Combined Company's production facilities, subject such facilities to a higher risk of accidents or have an adverse effect on the Combined Company's ability to compete effectively.

There can also be no assurance that financing for necessary maintenance of the Combined Company's facilities or for future strategic capital expenditure projects will be available on terms that are acceptable to the Combined Company, or at all. If the Combined Company cannot raise funds on acceptable terms, it may not be able to develop or upgrade its facilities, execute its business strategy, take advantage of future opportunities or respond to competitive pressures or unanticipated customer requirements. Further, changes to and maintenance of existing production facilities and construction of new production facilities require extensive regulatory permits and approvals, and there can be no assurance that such permits and approvals would be granted with the anticipated terms, within the targeted timeframe, or at all. Any of these events could have a material adverse effect on the Combined Company's ability to achieve its development goals as well as its business, financial condition and results of operations.

***Substitute materials and new technologies, or changes in the products or manufacturing processes of customers or end users of steel, could have an adverse effect on the market price of and demand for steel.***

In many applications, steel competes with other natural and synthetic materials, such as concrete, glass, aluminum, composites, plastic and wood. Pricing of competing products, development of new or improved substitutes for steel products or government regulatory initiatives mandating the use of such materials instead of steel could significantly reduce the prices of and demand for steel products.

In addition, the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use the Combined Company's steel products may change from time to time due to improved technologies or product enhancements. These changes may require the Combined Company to develop new products and enhancements for its existing products. In addition, the emergence of new

technologies could result in certain products containing steels becoming obsolete. Failure to keep pace with market changes or to produce steel products that meet customers' specifications and quality standards in a timely and cost-effective manner could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Failure to manage external growth and difficulties integrating acquired companies and subsequently implementing steel development projects could adversely affect the Combined Company's business, financial condition and results of operations.***

SSAB's past growth, partly through acquisitions, has entailed significant investment and increased operating costs, and has required greater allocation of management resources away from daily operations. For example, SSAB acquired IPSCO Inc. ("IPSCO") in 2007, which expanded its production operations to North America. Managing growth has required continued development of SSAB's financial and management information control systems, the integration of acquired assets with existing operations, attracting and retaining qualified management and personnel as well as continued training and supervision of such personnel, and the ability to manage the risks and liabilities associated with the acquired businesses. Going forward, the integration of the business operations of SSAB and Rautaruukki and the creation of the Combined Company will create similar challenges, see "*—Risk Factors Relating to the Combination—The Combined Company may not be able to realize some or any of the anticipated benefits of the Combination, or it may not be successful in integrating Rautaruukki's business operations in the manner or within the timeframe currently anticipated*" above. Failure to continue to manage such growth could have a material adverse effect on the Combined Company's business, financial condition and results of operations. In addition, the Combined Company may not successfully identify appropriate targets or consummate transactions on satisfactory terms. Furthermore, it may be unable to arrange financing for acquired businesses (including acquisition financing) on favorable terms to it and, as a result, elect to fund acquisitions with cash that could otherwise be allocated for other uses in its existing operations.

***Competitive prices for and reliable access to energy resources required for the production of steel products are subject to volatile market conditions.***

The production of steel products requires significant amounts of energy resources, particularly coal (see "*—Volatility in the supply and prices of, or the inability to procure, raw materials could have a material adverse effect on the Combined Company's business, financial condition and results of operations*" above) as well as, to a lesser extent, electricity, oil, liquid petroleum gas and natural gas. Electricity and natural gas represent significant energy costs for the SSAB Americas business area. Energy prices have historically varied and may continue to vary significantly as a result of political and economic factors beyond the Combined Company's control. For example, the European Climate and Energy Package (the "CEP") could have a significant impact on the electricity markets in Europe and could, therefore, also affect the Combined Company's business and results of operations. The implementation of EU-level and national directives within the CEP is currently ongoing and includes a number of significant uncertainties.

Disruptions in the supply of energy resources could also temporarily impair the ability of the Combined Company to manufacture products. Such disruptions may also occur as a result of the loss of energy supply contracts or the inability to enter into new energy supply contracts on commercially attractive terms. Furthermore, natural disasters or similar events could affect the electricity grid and disrupt the delivery of electricity to the Combined Company's production sites. Any such disruptions, or increases in energy costs as a result of the aforementioned factors or otherwise, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Fluctuations in foreign exchange rates could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

The Combined Company's currency exposure largely relates to the translation risk regarding net assets of foreign subsidiaries. The Combined Company also operates and sells its products globally and, as a result, generates a significant portion of its sales and incurs a significant portion of its expenses in currencies other than the Swedish krona, primarily the U.S. dollar and the euro. Generally, steel sales are priced in the currency of the local market. To the extent that the Combined Company incurs costs in one currency and generates sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies. In addition, there are

currency flows as a consequence of major capital expenditure purchases that are made in foreign currencies, primarily euro and U.S. dollars. SSAB's European sales are denominated mainly in euro and Swedish krona, and its North American sales are generally denominated in U.S. dollars. The raw material purchases for SSAB's European operations are denominated mainly in U.S. dollars while employee-related expenses and other costs are primarily denominated in Swedish kronor and euro. The costs of SSAB's North American operations, including raw material costs, are mainly denominated in U.S. dollars. Accordingly, fluctuations in exchange rates, particularly between the Swedish krona and the euro and the Swedish krona and the U.S. dollar, affect SSAB's profit margins and revenue. Generally, appreciation of the U.S. dollar or depreciation of the euro against the Swedish krona would have an adverse effect on SSAB's profit margins and revenue. Foreign exchange rates in emerging markets where the Combined Company will be active, including China, India and South America, could also fluctuate significantly and cause value changes in the Combined Company's investments and therefore give rise to the risk of write downs in balance sheet values.

SSAB hedges translation risk with the aim of minimizing the effect of foreign currency translation on its net debt to equity ratio. SSAB also borrows in a foreign currency in order to mitigate the translation exposure risk. Exceptions are made in the case of small amounts (e.g., for equity in foreign sales companies). For transaction risk, SSAB hedges larger commercial currency flows (currently, purchases of coal and iron ore in U.S. dollars and sales in euro). Major investments made in a currency other than Swedish kronor 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 are not hedged; instead, they are exchanged on the spot market. However, there can be no assurance that SSAB's or the Combined Company's hedging policy will mitigate the impact of adverse foreign exchange fluctuations, and any such failure could have a material adverse effect on the Combined Company's financial condition and results of operations.

***Costs related to pension benefit plans could increase, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

SSAB has both contribution-based and benefit-based pension plans. Generally, the plans are financed through payments to insurance companies or manager-administered funds. For 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. A large part of SSAB's pension obligations with respect to white-collar employees are benefit-based and compensation is payable to employees and former employees based on their salary at the time of retirement and number of years in service. Pension obligations in benefit-based plans are insured on a collective basis. According to the current accounting rules, insured benefit-based plans are reported and treated as contribution-based pensions. As at 31 December 2013, SSAB's unfunded defined benefit pension plan obligations amounted to SEK 120 million. The net defined benefit liability of Rautaruukki was EUR 29 million as at 31 December 2013. The Combined Company is exposed to various risks related to the benefit-based plans, which are not insured on a collective basis, including the risk that the costs for the promised payments will be higher than estimated, the risk of actual investment returns being less than assumed rates of return and the risk of results deviating from actuarial assumptions for areas such as mortality of plan participants. Any of these risks, if they materialize, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***The Combined Company is subject to stringent health and safety laws and regulations that may give rise to significant costs and liabilities.***

The Combined Company is subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates and these laws and regulations impose increasingly stringent health and safety protection standards. The costs of complying with, and the liabilities imposed pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and criminal penalties, suspension of permits, temporary or permanent closure of production facilities, or claims or lawsuits by third parties.

The Combined Company is subject to the risk of industrial accidents that could lead to production stoppages, the loss of key assets and employees (and those of sub-contractors and suppliers) or injuries to persons living near affected sites.

The occurrence of any of these events could prevent or delay production, increase production costs and result in death or injury to employees, damage to property and liability for the Combined Company, as well as substantially harm the Combined Company's reputation, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Disruptions to production processes could have a material adverse effect on the Combined Company's operations and customer service levels.***

Steel production takes place in a process chain. The processes are dependent on the continuous operation of critical production equipment, including furnaces, continuous casters, rolling mills and electrical equipment (e.g., transformers), and production downtime may occur as a result of unanticipated mechanical failures or other events. Disruptions in any part of the chain can rapidly have serious repercussions on the entire process. SSAB's production facilities have experienced, and the Combined Company's production facilities may in the future experience, plant shutdowns or periods of reduced production as a result of such equipment failures and planned maintenance. Operations may also be disrupted for a variety of other reasons including civil unrest, natural disasters (e.g., earthquakes, flood, snow, fires, typhoons or other natural disasters or other force major events), cyber or other forms of terrorist attacks, flooding, release of substances harmful to the environment or health, strikes, transportation disruptions, or other events occurring in the regions where it carries out its businesses. Furthermore, accidents may lead to production downtimes with respect to certain machinery or plants or even plant closures, including for the duration of any ongoing investigation. To the extent that lost production as a result of such disruptions could not be compensated for by the production of unaffected facilities, such disruptions could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Financial difficulties or bankruptcy of one or more of the Combined Company's major customers or suppliers, or losing major customers for any other reason, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

Some of the Combined Company's customers and suppliers have experienced financial and operational challenges throughout the difficult economic environment that has continued during the past years. The continuation or exacerbation of the difficulties experienced by these customers or suppliers could place them in additional financial and operational distress or could even result in bankruptcy. The potential inability of the Combined Company's to collect outstanding account receivables on a timely basis, or at all, could have a material adverse effect on its sales and cash flow. See "*—SSAB's insurance policies provide limited coverage, potentially leaving it uninsured against some risks*" below. Similarly, any financial difficulties experienced by the Combined Company's suppliers could result in an interruption in the supply of raw materials. In addition, the competition in the markets in which the Combined Company operates is intense and the Combined Company is subject to the risk of losing customers, including customers that may be significant to the Combined Company, to its competitors. Any of the foregoing could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***The Combined Company's operations in certain emerging economies may be adversely affected by political, economic and legal developments in these countries.***

The Combined Company's business operations are expanding in countries in which the political, economic and legal and regulatory systems are less predictable than in countries with more developed institutional structures. Political or economic upheaval, changes in laws and other factors could have a material adverse effect on the Combined Company's results of operations and/or impair the value of its investments in such countries. For example, the recent crisis in the region of Crimea and related events may have an adverse effect on the economic climate in Russia. Should the crisis in Crimea continue or new or escalated tensions between Russia and Ukraine or other countries emerge, or should new economic or other sanctions, such as limitations on trade, in response to such crises or tensions be imposed, this could have a further adverse effect on the economies in the region, including the Russian economy, and companies active in the region. The more significant risks of operating in

emerging market countries include the establishment or enforcement of foreign exchange restrictions, which could effectively prevent the Combined Company from receiving profits from, or from selling its investments in, these countries. For example, China, which is the world's largest consumer of steel, imposes foreign exchange controls on foreign companies established in those countries. Legal and regulatory systems in emerging market countries are also typically less developed and not as well enforced as in Western European countries, which creates uncertainty in the operating environment. In addition, the need for qualified employees in emerging market countries may require the Combined Company to hire foreign trained employees, which may reduce the cost competitiveness of its operations. Expansion in emerging market countries also places greater pressure on monitoring corrupt behavior, in particular in countries that have a history of governmental corruption. The reputation of the Combined Company could be severely harmed due to corrupt behavior by its employees, which could also subject the Combined Company's to fines and other sanctions. This could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Unfair trade and pricing practices or subsidies in the markets in which the Combined Company operates could adversely affect steel prices and reduce the Combined Company's profitability, while trade restrictions could limit the Combined Company's access to new export markets.***

SSAB has been, and the Combined Company will continue to be, exposed to unfair trade and pricing practices by competitors. Several countries also grant substantial subsidies to companies active in local steel industries. The pricing advantage enjoyed by these producers on their subsidized products may impair or eliminate the Combined Company's ability to compete with such producers. This and other practices may further impair the Combined Company's profitability to the extent heavily subsidized steel products are produced in or exported into the Combined Company's key markets, the EU, the United States, China and Russia. Unfair trade and pricing practices or subsidies may also lead to increased supply in certain markets, resulting in increased price competition. In addition, the Combined Company has significant exposure to the effects of trade actions and barriers due the global nature of its operations. Various countries (e.g., Australia, China, India and the United States) have implemented, or may in the future implement, trade actions and barriers, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations by limiting the Combined Company's access to steel markets. See also "*—SSAB is, and the Combined Company may in the future be, involved in governmental, litigation and other similar proceedings that could have a material adverse effect on the Combined Company's business, financial condition and results of operations*" below.

***SSAB's insurance policies provide limited coverage, potentially leaving it uninsured against certain risks.***

While SSAB maintains insurance on property, equipment and business interruption in amounts believed to be consistent with industry practices, it is not fully insured against all risks, and insurance against all types of risks may not be available. For example, SSAB does not carry trade credit insurance. SSAB's insurance policies cover physical loss of or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event. Under these policies, damages and losses caused by certain natural disasters are also covered. SSAB also maintains various other types of insurance relating to its operations, subject to limits that it believes are consistent with those in the steel industry. Notwithstanding the insurance coverage that SSAB carries, the occurrence of an accident that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles, or losses arising from events not covered by insurance policies, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Product liability claims or loss of product certifications could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

The Combined Company's products are used in a wide range of applications. For instance, certain of the Combined Company's products are used in safety-critical applications, such as in the automotive industry and in armored vehicles. There could be significant consequential damages resulting from the use of or defects in such products. Any failure by the Combined Company to meet the qualifications needed to receive the necessary third-party certifications or the loss of existing third-party certifications may lead to the loss of business opportunities, which could lead to a decline in sales.

The performance, quality and safety of the Combined Company's products are critical to the success of the Combined Company's business. These characteristics depend significantly on the effectiveness of quality control systems, which in turn depend on a number of factors, including the quality of the training programs, the design of the systems and the Combined Company's ability to ensure that its employees adhere to quality control guidelines and policies. Any significant failure or deterioration of the Combined Company's quality control systems could have a material adverse effect on its reputation and could result in product liability claims. SSAB has limited product liability insurance coverage, which may not be sufficient to cover all potential liabilities. Accordingly, a major claim or a series of smaller claims for damages related to the Combined Company's products sold, or advice given to customers in connection with products sold, may not be fully covered by insurance, or may not be covered by insurance at all, which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***SSAB is, and the Combined Company may in the future be, involved in governmental, litigation and other similar proceedings that could adversely affect the Combined Company's business, financial condition and results of operations.***

SSAB is involved in various legal proceedings in the ordinary course of business, primarily concerning insurance and warranty matters as well as complaints. During the fall of 2008, a number of class action lawsuits were brought in the United States against a number of steel producers, including SSAB, alleging that they had violated U.S. antitrust legislation by colluding to restrict steel production in the United States between 2005 and 2008 with the aim of influencing steel prices. The claimants are direct and indirect purchasers of relevant steel products and are claiming unspecified damages from the defendants. Even though SSAB believes that the allegations are without merit, in the aggregate, these matters may implicate or result in substantial adverse publicity, penalties and damages. It is possible that any ultimate liability could be material to the Combined Company's financial condition. In January 2014, the Australian Anti-Dumping Commission initiated an investigation into the alleged "dumping" of quenched and tempered steel plate exported to Australia from Finland, Japan and Sweden. The companies subject to the investigation include SSAB EMEA AB and SSAB Swedish Steel Pty Ltd, each a subsidiary of SSAB, and Ruukki Metals Oy, a subsidiary of Rautaruukki. A finding by the Australian Anti-Dumping Commission that exports of quenched and tempered steel plate at a price less than what would be considered normal value has caused material injury to the Australian quenched and tempered steel plate industry may result in interim duties being imposed on future imports of these products. Even though SSAB believes that the allegations are without merit, the investigation is in a preliminary stage and SSAB cannot predict its outcome. Any interim duties or other sanctions, if imposed, could, among other things, affect the Combined Company's ability to compete with producers not subject to such duties or sanctions.

The proceedings discussed above and any future governmental, legal or other similar proceedings can be costly, divert management attention and may result in reputational damage for the Combined Company. For more information on SSAB's ongoing legal proceedings, see "*Information about SSAB—Business—Legal Proceedings*". An unfavorable outcome in the ongoing proceedings, or any proceedings that may arise in the future, could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***The Combined Company's governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud, both at operating subsidiaries and joint ventures.***

The Combined Company will operate in a global environment and its activities straddle multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and enforcement initiatives globally in areas such as competition and anti-corruption law. The Combined Company's governance and compliance processes may not prevent breaches of law or governance standards by the Combined Company or by its subsidiaries. The Combined Company also faces the risk of fraud by its employees as well as violations at its joint ventures and other companies in which it has an interest, particularly if it only has a minority stake and does not control accounting or other rules and protocols for the conduct of business. The Combined Company's failure to comply with applicable laws and other standards could subject it to fines, loss of operating licenses and reputational harm.

Although SSAB believes that its current system is efficient and sufficient in order to meet the requirements imposed in regulations and by the market, there may be the risk that errors and delays in internal reporting are not

discovered in time. Additionally, at the operational level, individual employees may not comply with the Combined Company's policies and guidelines and as a result may cause the Combined Company to incur compliance costs and cause the Combined Company reputational damage. The Combination may also subject the Combined Company to risks related to potential issues, delays and inefficiencies in the consolidation of the governance, internal controls and compliance processes of SSAB and Rautaruukki. Following the completion of the Combination, the Combined Company will rely upon a combination of SSAB and Rautaruukki governance, internal control and compliance systems, the effective operation of which will be necessary for the Combined Company to accurately and effectively compile the Combined Company's financial results and monitor its internal control processes. Any problems with these systems could have a material adverse effect on the Combined Company's business, financial condition and results of operations. In addition, inadequate internal controls could also cause investors and other third parties to lose confidence in the Combined Company's reported financial information.

***The Combined Company faces risks associated with a nuclear power plant project in Finland.***

On 26 February 2014, Rautaruukki confirmed to Voimaosakeyhtiö SF Oy its binding commitment to participate in the Hanhikivi 1 nuclear power plant project of Fennovoima Oy ("Fennovoima"), a Finnish nuclear power company. Fennovoima has been granted a decision-in-principle by the Government of Finland to build a new nuclear power plant in Finland. In 2013, Fennovoima selected Rusatom Overseas CJSC as a power plant supplier. According to the plans, infrastructure work at the site begins in 2015 and is expected to last approximately two to three years. The construction of the plant would begin after the infrastructure work is completed and the power plant would start commercial operations in 2024. When operational, shareholders will be able to procure electricity at cost against payment of their pro rata share of operating expenses of the power plant. However, the project involves a number of potential risks, including delays, cancellation, non-completion (for external or internal reasons), technical risks (including tightening nuclear safety regulations in the future), budget overruns (including non-competitive cost of power or increased cost of production), financing risks (including cost and availability of financing), political risks (including public acceptance risks) and environmental risks. There can be no assurance that one or more of the project risks will not occur or that Rautaruukki's or the Combined Company's share of financing the project will not increase as a result of any future defaults of other shareholders in Fennovoima.

***The Combined Company's operations are subject to various environmental laws and regulations and a failure to comply with these laws and regulations could result in unexpected costs and other liabilities.***

The Combined Company is subject to various environmental laws and regulations governing, among other things, atmospheric emissions, water quality, solid and hazardous waste handling and disposal, plant and wildlife protection, reclamation and restoration of mining properties, and the remediation of contaminated properties. As these environmental laws and regulations are amended or as their application or enforcement is changed, significant costs in complying with new and more stringent regulations may be imposed on the Combined Company. Further, many of the Combined Company's operations require environmental and other regulatory permits that are subject to modification, renewal or, subject to certain conditions, revocation by the issuing authorities. In certain countries, the procedures for obtaining these permits are often long and complex and there can be no assurance that the requested permit will be granted or renewed. In addition, violations of applicable environmental laws and regulations could result in civil and criminal penalties, revocation of permits and licenses, the curtailment or cessation of operations, third-party claims or any combination thereof, any of which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

SSAB owns and operates facilities in Sweden, where certain environmental liability is not limited by the statute of limitations, North America and Asia and is subject to the laws and regulations of these jurisdictions, including environmental laws and laws governing the clean-up of hazardous materials and the management of properties. Rautaruukki has plants and processing units in a number of countries, including Finland, Lithuania, Poland, Romania and Russia. In the future, the Combined Company may operate in additional territories and be subject to additional laws and regulations. The Combined Company might in the future be required to participate in the clean-up of a property that it owns or leases, or at which the Combined Company has operated or has been alleged to have disposed of hazardous materials from one of its facilities. In certain circumstances, the Combined Company might be solely responsible for any such liability under environmental laws, and such claims could be material. 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 clean-up will take place.

Future remediation may be required if new contamination occurs, existing contamination that is currently unknown is discovered, known contamination requires more extensive remediation than originally anticipated or environmental regulations or their enforcement become more stringent, any of which could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***The Combined Company may be adversely affected by any future application of restrictions in regard to greenhouse gas emissions and face risks associated with identifying and controlling the cost of compliance with emission allowance schemes.***

Increased restrictions on carbon dioxide emissions stemming from the EU Emissions Trading Scheme (the "ETS") could place the Combined Company at a competitive disadvantage in relation to steel producers located outside the EU. SSAB's steel production operations in Sweden, which are covered by the ETS, generate significant amounts of carbon dioxide. As unused emission allowances can be sold, the ETS creates a financial incentive for companies to restrict their emissions of carbon dioxide. Conversely, if the level of a company's emissions of carbon dioxide exceeds the rights in its possession, sufficient allowances for the emissions may have to be purchased.

Until the end of 2012, a certain amount of emission rights was allocated free of charge to companies, thereby providing a no-cost cap on the carbon dioxide emissions of their production facilities. While EU companies, including SSAB, received all of their emission rights free of charge during the previous trading period (2008–2012), the ETS became more restrictive in the current trading period (2013–2020). From 2013 onwards, manufacturing companies generally have to purchase a steadily increasing amount of emission rights. Both the cap on total annual emissions in the EU and the amount of emission rights allocated at no cost are gradually reduced. SSAB applied for free emission rights for the 2013–2020 trading period for its Luleå, Oxelösund and Borlänge production facilities in Sweden. Compared with 2012, the allocation corresponds to approximately 71 per cent. in 2013 and 62 per cent. in 2020. SSAB has appealed the decision to the Land and Environment Court.

In the event the Combined Company is not allocated a sufficient amount of emission rights, including free emission rights, in the future, the Combined Company's operations, earnings and financial position may be negatively affected as its steel production costs will increase. As a result, the Combined Company may not be able to produce products that are competitive in terms of price, which would place the Combined Company at a competitive disadvantage and could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

In the United States, the U.S. Environmental Protection Agency is continuing to develop a framework for carbon dioxide emissions trading despite the fact that the U.S. Congress voted down a bill to implement such a system. If the United States were to implement a carbon dioxide emissions trading program, it could result in increased energy costs for the Combined Company's operations in North America and place the Combined Company at a competitive disadvantage with respect to competitors that would not be subject to such program, which could have a material adverse effect on Combined Company's business, financial condition and results of operations.

***The Combined Company may be adversely affected by any future application of restrictions regarding sulfur emissions.***

On 11 September 2012, the European Parliament approved the directive amending Council Directive 1999/32/EC as regards the sulfur content of marine fuel (2012/33/EU). The Member States must bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 18 June 2014. The legislation revises the Directive on the sulfur content of certain liquid fuels and incorporate new International Maritime Organization standards into EU law to ensure their proper and harmonized enforcement by all Member States. The new sulfur directive, with its stringent maritime fuel requirements regarding the Baltic Sea, North Sea and English Channel, will have a significant impact on the competitiveness of, among others, many Swedish companies. The EU's previous sulfur directive also included requirements regarding the sulfur content of shipping fuel. The new sulfur directive requires that the sulfur content in the fuel of vessels on the Baltic Sea, North Sea and English Channel be reduced to 0.1 per cent. by 2015. Outside this specially protected area, a reduction to 0.5 per cent. is required, and this will enter into force by 2020. The impact on the Combined Company could be significant and lead to extra transportation costs for products produced at its production facilities in Sweden after 2014, which

could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Failure to protect intellectual property rights could have a material adverse effect on the Combined Company's competitiveness as well as on its business, financial condition and results of operations.***

Developing new steel products and construction products and services, brands and manufacturing technologies that can be differentiated from those of its competitors, such as Hardox, Weldox and its other brands of high strength steels as well as construction products and services, is important to the Combined Company's success. The Combined Company relies on a combination of patents, trademarks and contractual rights to protect its intellectual property. In addition, the Combined Company relies on know-how, the development of new products and technological development in combination with non-disclosure agreements and certain other agreements to protect its intellectual property rights. However, there can be no assurance that the measures the Combined Company takes will effectively deter competitors from improper use of its intellectual property. Competitors may misappropriate intellectual property owned or licensed by the Combined Company, disputes as to ownership of intellectual property may arise or intellectual property may otherwise become known or independently developed by competitors. In addition, certain technologies and processes used by the Combined Company may be subject to the intellectual property rights of third parties in certain countries. Such third parties may take legal action for infringement of these intellectual property rights and any such claims could delay or prevent the delivery of the Combined Company's products. Any failure to protect the Combined Company's intellectual property or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on the Combined Company's competitiveness as well as its business, financial condition and results of operations.

***Any significant problems with information systems could have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

The Combined Company is dependent on an efficient IT infrastructure in its operations and has a number of applications and different software programs that are being used at many of its locations around the world. In the event the Combined Company's IT infrastructure becomes unusable or its function is significantly impaired for any reason during an extended period of time, the Combined Company's operations may be adversely affected since the manufacturing process as well as the ability to deliver products at the appointed time, order raw materials and handle inventory are largely dependent on the Combined Company's IT infrastructure. Difficulties in maintaining, upgrading and integrating these systems may result in damage to the Combined Company's reputation in the eyes of its customers, increased costs, and reduced profitability.

In addition, any problems with IT systems could result in leakage of sensitive information, theft of intellectual property and unavailability of production systems, which in turn could have a material adverse effect on the Combined Company's business, financial condition and results of operations. Any compromise of its IT security could result in a loss of confidence in the Combined Company's security measures and subject to litigation, civil or criminal penalties, and adverse publicity that could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

***Failure to attract qualified personnel or a loss of key personnel or labor unrest could disrupt the Combined Company's business and have a material adverse effect on the Combined Company's business, financial condition and results of operations.***

The Combined Company's ability to continue to maintain and grow its business as well as provide high quality products depend, to a large extent, on the contributions of its management team and key personnel. The loss of key individuals or other employees who have specific knowledge of, or relationships with, trade customers in the markets in which the Combined Company operate could have a material adverse effect on the Combined Company's business, financial condition and results of operations. The Combined Company's success also depends, to a great extent, on its ability to attract, retain and motivate qualified employees throughout the organization. If the Combined Company is unable to attract, retain and motivate qualified employees at all levels, it could have a material adverse effect on the Combined Company's business, financial condition and results of operations.

The Combined Company is also subject to the risk of labor disputes and adverse employee relations that could disrupt its business operations. The majority of SSAB's employees in Sweden are represented by labor unions that have signed collective bargaining agreements with SSAB. However, there can be no assurance that the collective bargaining agreements will prevent strikes or work stoppages at any of the Combined Company's facilities, or that such agreements will be renewed on substantially similar terms and conditions in the future. There can be no assurance that any work stoppage would not have a material adverse effect on the Combined Company's business, financial condition and results of operations.

#### ***Risks Relating to Financial Condition and Financing***

***If the current challenging market conditions deteriorate, the Combined Company could encounter difficulties in repaying its debt and financing or refinancing its operations.***

The Combined Company's ability to finance its operations or refinance its existing loans depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available at a commercially reasonable cost, or at all. There can be no assurance that the Combined Company will be able to incur additional debt and/or refinance its existing debt when it matures.

In addition, the adverse developments in the credit markets, as well as other future adverse developments such as the further deterioration of the overall financial markets or a worsening of general economic conditions, could have a material adverse effect on the Combined Company's ability to borrow additional funds as well as the cost and other terms of funding. The failure to obtain sufficient funding for operations or the increased costs or unfavorable terms of financing or refinancing could have a material adverse effect on the Combined Company's business, financial condition and results of operations. Furthermore, the Combined Company may encounter difficulties in financing its capital investments, which may prevent the realization of its strategic plans and could result in the Combined Company having to forgo opportunities that may arise in the future. This, in turn, could have a material adverse effect on the Combined Company's competitive position.

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

#### ***Risks applicable to all Notes***

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

#### ***Risks applicable to certain types of Exempt Notes***

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

*Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

*Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

*Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.***

#### *Withholding under the EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

#### *U.S. Foreign Account Tax Compliance Withholding*

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see *Taxation – FATCA Disclosure*). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate

investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Risks related to the market generally***

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of

the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.*** Investment in Fixed Rate Notes involves the risk that if in market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Swedish Financial Supervisory Authority and the Central Bank of Ireland shall be incorporated in, and form part of, this Prospectus:

- (a) the non-consolidated and consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2013 and the auditors' report thereon;
- (b) the non-consolidated and consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2012 and the auditors' report thereon;
- (c) the consolidated audited annual financial statements of Rautaruukki for the financial year ended 31 December 2013 and the auditors' report thereon; and
- (d) the consolidated audited annual financial statements of Rautaruukki for the financial year ended 31 December 2012 and the auditors' report thereon.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London. In addition, copies of the documents incorporated by reference in this Prospectus (i) listed in paragraphs (a) and (b) above, can be viewed at <http://www.ssab.com/en/Investor--Media> and (ii) listed in paragraphs (c) and (d) above, can be viewed at <http://www.ruukki.com/Investors>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

*Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.*

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "Temporary Global Note") or, if so specified in the applicable Final Terms, a permanent global note (a "Permanent Global Note") which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the "Common Depository") for, Euroclear and Clearstream Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "Exchange Date") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days

(other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than one year and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 31 March 2014 and executed by the Issuer.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a supplement to the Prospectus or a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS

### NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.*

[Date]

## SSAB AB (publ)

### Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the €2,000,000,000 Euro Medium Term Note Programme

#### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Prospectus”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at PO Box 70, SE-101 21 Stockholm, Sweden and from the specified office of the Agent at [ ].

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [original date] which are incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Prospectus”), including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at PO Box 70, SE-101 21 Stockholm, Sweden and from the specified office of the Agent at [ ].

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: SSAB AB (publ)
2. (a) Series Number: [ ]  
(b) Tranche Number: [ ]  
(c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
(a) Series: [ ]  
(b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]  
*(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*  
*(Note - where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*  
“€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.”)  
(b) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]  
(b) Interest Commencement Date: [*specify*]/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [*Fixed rate – specify date/*  
*Floating rate – Interest Payment Date falling in or nearest to [specify month]*]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[[ ] month [LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [14]/[15]/[16] below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there][Not Applicable]*
12. Put/Call Options: [Investor Put]  
[Change of Control Put]  
[Trigger Event Put]  
[Issuer Call]  
*[(see paragraph[s] [18]/[19]/[20-21]/[22-23] below)]*
13. (a) Status of the Notes: Senior
- (b) Date [Board] approval for issuance of Notes obtained: [ ] [and [ ]], respectively  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form.)*
- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
*(Applicable to Notes in definitive form.)*
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): [ ]

- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] / [Not Applicable]
- (f) Screen Rate Determination:
- Reference Rate: Reference Rate: [ ] month [LIBOR/EURIBOR/NIBOR/STIBOR]  
(Either LIBOR, EURIBOR, NIBOR, STIBOR)
  - Interest Determination Date(s): [ ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm business day prior to the start of each Interest Period if STIBOR)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (In the case of a LIBOR, EURIBOR, NIBOR or STIBOR based option, the first day of the Interest Period)
- (h) Margin(s): [+/-] [ ] per cent. per annum
- (i) Minimum Rate of Interest: [ ] per cent. per annum
- (j) Maximum Rate of Interest: [ ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30E/360 (ISDA)]
- (See Condition 4 for alternatives)
- 16. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]

- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

#### PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 6.2: Minimum period: [ ] days  
Maximum period: [ ] days
18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
19. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount  
(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)
- (c) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
20. Change of Control Put: [Applicable/Not Applicable]
21. Optional Change of Control Redemption Amount: [[ ] per Calculation Amount / Not Applicable]

22. Trigger Event Put: [Applicable/Not Applicable]
23. Optional Trigger Event Redemption Amount: [[ ] per Calculation Amount / Not Applicable]
24. Final Redemption Amount: [ ] per Calculation Amount
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

26. (a) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

- (b) New Global Note: [Yes][No]

27. Additional Financial Centre(s): [Not Applicable/give details]

*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraph 15(c) relates)*

28. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of SSAB AB (publ):

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Official List of the Irish Stock Exchange/the Main Securities Market of the Irish Stock Exchange/[ ]] with effect from [ ].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].
- Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

### 4. YIELD *(Fixed Rate Notes only)*

- Indication of yield: [ ]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5. HISTORIC INTEREST RATES *(Floating Rate Notes only)*

Details of historic [LIBOR/EURIBOR/NIBOR/STIBOR *specify other Reference Rate*] rates can be obtained from [Reuters].

### 6. OPERATIONAL INFORMATION

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment

- (v) Names and addresses of initial Paying Agent(s): [ ]
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (vii) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [ ]
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

## APPLICABLE PRICING SUPPLEMENT

### EXEMPT NOTES OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

### NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

**SSAB AB (publ)**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the  
€2,000,000,000 Euro Medium Term Note Programme**

#### PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Prospectus dated [date] [as supplemented by the supplement[s] dated [date[s]]] (the "Prospectus"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. The Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> [and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at PO Box 70, SE-101 21 Stockholm, Sweden and from the specified office of the Agent at [ ].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Prospectus [dated [original date] which are incorporated by reference in the Prospectus].

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

- |    |     |  |     |   |
|----|-----|--|-----|---|
| 1. | (a) | Issuer:  | [ ] |   |
| 2. | (a) | Series Number:   | [ ] |   |
|    | (b) | Tranche Number:  | [ ] |   |
|    | (c) | Date on which the Notes will be consolidated and form a single Series: |     | The Notes will be consolidated and form a single Series with [ <i>identify earlier Tranches</i> ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 28 below, which is expected to occur on or about [date]][Not Applicable] |
| 3. |     | Specified Currency or Currencies:                                      | [ ] |   |
| 4. |     | Aggregate Nominal Amount:  |     |   |
|    | (a) | Series:  | [ ] |   |

- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: [ ]  
 (b) Calculation Amount: [ ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]  
 (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *[Fixed rate - specify date/  
 Floating rate - Interest Payment Date falling in or nearest to  
 [specify month]]*
9. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[[ ] month [ ] LIBOR/EURIBOR/NIBOR/STIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [specify other]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis][Not Applicable]*
12. Put/Call Options: [Investor Put]  
 [Change of Control Put]  
 [Trigger Event Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. (a) Status of the Notes: Senior  
 (b) Date [Board] approval for issuance of Notes obtained: [ ] [and [ ]], respectively]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of*

*this paragraph)*

- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form.)*
- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
*(Applicable to Notes in definitive form.)*
- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
- (f) [Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: Reference Rate: [ ] month [LIBOR/EURIBOR/NIBOR/STIBOR/specify other Reference Rate].  
*(Either LIBOR, EURIBOR, NIBOR or STIBOR)*

- Interest Determination Date(s): [ ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR the second Oslo business day prior to the start of each Interest Period if NIBOR and the second Stockholm business day prior to the start of each Interest Period if STIBOR)
  - Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
(In the case of a LIBOR, EURIBOR, NIBOR or STIBOR based option, the first day of the Interest Period)
- (h) Margin(s): [ +/- ] [ ] per cent. per annum
- (i) Minimum Rate of Interest: [ ] per cent. per annum
- (j) Maximum Rate of Interest: [ ] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
30E/360 (ISDA)  
Other]  
(See Condition 4 for alternatives)
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [ ] per cent. per annum
  - (b) Reference Price: [ ]

- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
17. Index Linked Interest Note [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum
- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 6.2: Minimum period: [ ] days  
Maximum period: [ ] days
20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Change of Control Put: [Applicable/Not Applicable]
23. Optional Change of Control Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix/Not Applicable]

24. Trigger Event Put: [Applicable/Not Applicable]
25. Optional Trigger Event Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix/Not Applicable]
26. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
27. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.5): [[ ] per Calculation Amount/specify other/see Appendix]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes:
- (a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves.)*
- (b) New Global Note: [Yes][No]
29. Additional Financial Centre(s): [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 15(c) and 17(g) relate)*
30. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
31. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not Applicable/give details. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]

32. Details relating to Instalment Notes: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Instalment Amount(s): [give details]
- (b) Instalment Date(s): [give details]
33. Other final terms: [Not Applicable/give details]

**RESPONSIBILITY**

The Issuer accept[s] responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of SSAB AB (publ):

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

**1. LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this should not be a regulated market] with effect from [ ].]

**2. RATINGS**

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].  
(The above disclosure is only required if the ratings of the Notes are different to those stated in the Prospectus)

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

**4. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (vi) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]  
[No. Whilst the designation is specified as "no" at the date

of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

**5. DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/*give details*]

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms or Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Final Terms” or “Applicable Pricing Supplement” for a description of the content of Final Terms or Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by SSAB AB (publ) (the “Issuer”) pursuant to the Agency Agreement (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 31 March 2014 and made between the Issuer, Citibank, N.A., London branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the “Conditions”) or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an “Exempt Note”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Copies of the Final Terms will, in the case of Notes admitted to trading on the regulated market of the Irish Stock Exchange, be published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie). If the Notes are to be admitted to trading on any other regulated market in the European Economic Area, the applicable Final Terms will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 14 of the Prospectus Directive. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder upon production of evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity.

Interest bearing definitive Notes have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have

receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the “Deed of Covenant”) dated 31 March 2014 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms or (in the case of Exempt Notes) Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms or (in the case of Exempt Notes) Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms or (in the case of Exempt Notes) Pricing Supplement, the applicable Final Terms or (in the case of Exempt Notes) Pricing Supplement will prevail.

In the Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

#### **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the “Specified Currency”) and the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon

or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

## **2. Status of the Notes**

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## **3. Negative Pledge**

So long as any of the Notes remains outstanding, the Issuer undertakes that it will not, and it will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "Security Interest") upon, or with respect to, the whole or any part of any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of these Conditions:

- (A) "Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness; and
- (B) "Subsidiary" means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

#### 4. Interest

The applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

##### 4.1 *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is Multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such

Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

#### 4.2 **Interest on Floating Rate Notes**

##### (a) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an Interest Payment Date) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, “Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "Business Day" means a day which is both:

- (a) day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET2 System") is open.

(b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), ISDA Rate for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

For the purposes of this subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) **Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, NIBOR or STIBOR, in each case for the relevant currency and/or period, all as specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Agent will calculate the amount of interest (the "Interest Amount) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D2 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 32 and D2 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2(b) by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent in connection with the exercise or nonexercise by it of its powers, duties and discretions pursuant to such provisions.

#### 4.3 **Exempt Notes**

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 4.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

#### 4.4 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

### 5. **Payments**

#### 5.1 **Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be in euro made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

## **5.2 *Presentation of definitive Notes and Coupons***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5.4) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A Long Maturity Note is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

## **5.3 *Payments in respect of Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

## **5.4 *Specific provisions in relation to payments in respect of certain types of Exempt Notes***

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable,

unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

#### **5.5 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### **5.6 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

#### **5.7 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;

- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## **6. Redemption and Purchase**

### **6.1 *Redemption at maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

### **6.2 *Redemption for tax reasons***

Subject to Condition 6.5, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **6.3 *Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified as being applicable in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms or (in the case of Exempt Notes) the

applicable Pricing Supplement to the Noteholders in accordance with Condition 13 (which notices shall be irrevocable and shall specify the date fixed for redemption) redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (“Redeemed Notes”) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

#### **6.4 Redemption at the option of the Noteholders (Investor Put)**

##### *(a) Investor Put (other than a Change of Control Put and a Trigger Event Put)*

If Investor Put is specified as being applicable in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4(a) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4(a) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

##### *(b) Change of Control Put*

If Change of Control Put is specified as being applicable in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, upon the occurrence of a Change of Control while

this Note remains outstanding, the holder of this Note will have the option (the “Change of Control Put Option”) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6.2) to require the Issuer to redeem or, at the Issuer’s option, to purchase or procure the purchase of this Note on the Optional Change of Control Redemption Date (as defined below) at the Optional Change of Control Redemption Amount specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to but excluding the Optional Change of Control Redemption Date.

A “Change of Control” shall be deemed to have occurred if any person or group of persons acting in concert gains control of the Issuer, where “control” means (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer, or (ii) the holding beneficially (directly or indirectly) of more than 50 per cent. of the issued share capital of the Issuer.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a “Change of Control Put Event Notice”) to the Noteholders in accordance with Condition 13 specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 6.4(b).

To exercise the Change of Control Put Option the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “Change of Control Put Period”) of 45 days after a Change of Control Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “Change of Control Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.4(b), accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Change of Control Put Option the holder of this Note must, within the Change of Control Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Change of Control Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4(b) shall be irrevocable except where, prior to the Optional Change of Control Redemption Date, an Event of Default has occurred and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4(b) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

The Paying Agent to which this Note and Change of Control Put Notice are delivered will issue to the holder concerned a non-transferable receipt (a “Change of Control Put Option Receipt”) in respect of this Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, notice so received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) each Note in respect of which a Change of Control Put Option Receipt has been issued on the date (the “Optional Change of Control Redemption Date”) which is the seventh Payment Day after the last day of the Change of Control Put Period. Payment in respect of any Note in respect of which the Change of Control Put Option has been validly exercised will be made, if the holder duly specified a bank account to which payment is to be made in the Change of Control Put Notice, on the Optional Change of Control Redemption Date by transfer to that bank account and in

every other case on or after the Optional Change of Control Redemption Date against presentation and surrender or (as the case may be) endorsement of such Change of Control Put Option Receipt at the specified office of any Paying Agent in accordance with Condition 5 (as though references in Condition 5 to “Notes” included references to the “Change of Control Put Option Receipt”).

(c) *Trigger Event Put*

If Trigger Event Put is specified as being applicable in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, upon the occurrence of a Trigger Event while this Note remains outstanding, the holder of this Note will have the option (the “Trigger Event Put Option”) (unless, prior to the giving of the Trigger Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 6.2) to require the Issuer to redeem or, at the Issuer’s option, to purchase or procure the purchase of this Note on the Optional Trigger Event Redemption Date (as defined below) at the Optional Trigger Event Redemption Amount specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to but excluding the Optional Trigger Event Redemption Date.

For the purposes of the Conditions, a “Trigger Event” means the public announcement by or on behalf of the Issuer of the termination of the Combination Agreement prior to completion of the Share Exchange Offer, for whatever reason, contractual, regulatory or otherwise; “Combination Agreement” means the combination agreement entered into on 21 January 2014 by, among others, the Issuer; and “Share Exchange Offer” means the share exchange offer in which the Issuer offers to acquire, in accordance with the Finnish Securities Market Act (746/2012), all of the issued and outstanding shares in Rautaruukki Oyj not owned by Rautaruukki Oyj or its subsidiaries.

Promptly upon the Issuer becoming aware that a Trigger Event has occurred, the Issuer shall give notice (a “Trigger Event Notice”) to the Noteholders in accordance with Condition 13 specifying the nature of the Trigger Event and the circumstances giving rise to it and the procedure for exercising the Trigger Event Put Option contained in this Condition 6.4(c).

To exercise the Trigger Event Put Option the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the “Trigger Event Put Period”) of 45 days after a Trigger Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “Trigger Event Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.4(c), accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Trigger Event Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Trigger Event Put Option the holder of this Note must, within the Trigger Event Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Trigger Event Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4(c) shall be irrevocable except where, prior to the Optional Trigger Event Redemption Date, an Event of Default has occurred and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4(c) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

The Paying Agent to which this Note and Trigger Event Put Notice are delivered will issue to the holder concerned a non-transferable receipt (a "Trigger Event Put Option Receipt") in respect of this Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, notice so received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) each Note in respect of which a Trigger Event Put Option Receipt has been issued on the date (the "Optional Trigger Event Redemption Date") which is the seventh Payment Day after the last day of the Trigger Event Put Period. Payment in respect of any Note in respect of which the Trigger Event Put Option has been validly exercised will be made, if the holder duly specified a bank account to which payment is to be made in the Trigger Event Put Notice, on the Optional Trigger Event Redemption Date by transfer to that bank account and in every other case on or after the Optional Trigger Event Redemption Date against presentation and surrender or (as the case may be) endorsement of such Trigger Event Put Option Receipt at the specified office of any Paying Agent in accordance with Condition 5 (as though references in Condition 5 to "Notes" included references to the "Trigger Event Put Option Receipt").

#### **6.5 Early Redemption Amounts**

For the purpose of Condition 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

Early Redemption Amount =  $(1 + AY)^y$  where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

#### **6.6 Specified redemption provisions applicable to certain types of Exempt Notes**

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

#### **6.7 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

#### **6.8 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.7 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

#### **6.9 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

### **7. Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in the Kingdom of Sweden; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.6); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

All payments in respect of the Notes will be subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of this Condition 7) any law implementing an intergovernmental approach thereto.

As used herein:

- (i) "Tax Jurisdiction" means the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## **8. Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

## **9. Events of Default**

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event described in this subparagraph 9(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least €30,000,000 (or its equivalent in any other currency); or

- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 40 days; or
- (g) if the Issuer or any of its Principal Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

- (A) "Indebtedness for Borrowed Money" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit; and
- (B) a "Principal Subsidiary" means at any time a Subsidiary of the Issuer:
  - (i) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated gross revenues of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that, in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the

acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer, as certified by two directors of the Issuer;

- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate gross revenues equal to) not less than 10 per cent. of the consolidated gross revenues of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross revenues equal to) not less than 10 per cent. of the consolidated gross revenues of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (i) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (i) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

A report by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary, shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

#### **10. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **11. Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe other than the Kingdom of Sweden.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **12. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **13. Notices**

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms or (in the case of Exempt Notes) the applicable Pricing Supplement after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### **14. Meetings of Noteholders and Modification**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

#### **15. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

#### **16. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17. Governing Law and Submission to Jurisdiction**

### **17.1 Governing law**

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons, and any non-contractual obligations arising out of, or in connection with them, are to be governed by, and construed in accordance with, English law.

### **17.2 Submission to jurisdiction**

The Issuer irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of, or in connection with them) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Notes, the Receipts and the Coupons against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **17.3 Appointment of process agent**

The Issuer appoints SSAB U.K. Limited at its registered office at De Salis Court, De Salis Drive, Hampton Lovett, Droitwich Spa, Worcestershire, WR9 0QE, England as its agent for service of process, and undertakes that, in the event of SSAB U.K. Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

### **17.4 Other documents**

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

## PRO FORMA FINANCIAL INFORMATION

### **Basis of Compilation of Unaudited Pro Forma Financial Information**

The following unaudited pro forma financial information is presented to illustrate the financial impact of the proposed Combination. This unaudited pro forma financial information is presented for illustrative purposes only. Because of its nature, the unaudited pro forma financial information illustrates what the hypothetical impact would have been if the Combination had been consummated at an earlier point in time, and, therefore, does not represent the actual results of operations or financial position of the Combined Company. The unaudited pro forma financial information is not intended to project the results of operations or financial position of the Combined Company as of any future date.

The pro forma adjustments are based upon available information and assumptions, which are described in the accompanying notes. It should be noted that due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki's accounting records or to any other Rautaruukki internal documentation and, as a result, the unaudited pro forma financial information is solely based on publicly available information of Rautaruukki. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma financial information will prove to be correct. Further, the purchase price allocation has not been finalised and, as a result, the final outcome of the Combination will differ from this unaudited pro forma financial information. The pro forma adjustments do not include any synergy related savings nor the impact of any future streamlining measures and/or headcount reductions as described under "*Information about the Combined Company — Most Significant Benefits of the Combination*".

### **Combination through a Share Exchange**

SSAB and Rautaruukki have agreed on combining their operations under the Combination Agreement entered into on 21 January 2014 and SSAB has announced the Share Exchange Offer on 22 January 2014. Pursuant to the Combination Agreement, the Combination will be carried out through a share exchange offer in which SSAB offers to acquire all of the Rautaruukki Shares not owned by Rautaruukki or its subsidiaries on the terms and conditions. In the Share Exchange Offer, the Company is offering 0.4752 New Class A Shares in the Company and 1.2131 New Class B Shares for each Rautaruukki Share. The Company is offering up to 66,050,553 New Class A Shares and 168,615,165 New Class B Shares in the Share Exchange Offer, which represent approximately 42.0 per cent. of the Company's outstanding shares and approximately 25.0 per cent. of the votes conferred by the shares after the Share Exchange (assuming that the Share Exchange Offer is fully accepted).

The completion of the Combination is subject to, among other conditions, the successful fulfilment of the conditions of the Share Exchange Offer, the receipt of all necessary regulatory approvals, permits and consents, the Board of Directors of Rautaruukki having issued its recommendation to Rautaruukki shareholders to exchange their Rautaruukki Shares for New Shares and the recommendation remaining in full force and effect and not having been modified, cancelled or changed and the general meeting of shareholders of SSAB having passed all necessary resolutions for the completion of the Combination and the Share Exchange Offer, as described in "*Information About the Combined Company — Summary of the Combination Agreement — Conditions to Completion*".

### **Pro Forma Financial Information**

The unaudited pro forma income statement and unaudited pro forma statement of comprehensive income for the year ended 31 December 2013 have been compiled assuming that the Combination had been completed on 1 January 2013 and the unaudited pro forma balance sheet as at 31 December 2013 has been compiled assuming that the Combination had been completed on 31 December 2013. The unaudited pro forma financial information below is based on the financial information derived from SSAB's audited consolidated financial statements as at and for the year ended 31 December 2013 and Rautaruukki's audited consolidated financial statements as at and for the year ended 31 December 2013. The unaudited pro forma financial information has been prepared on a basis consistent with IFRS as adopted by the EU and in a manner consistent with the accounting principles applied in SSAB's audited consolidated financial statements as at and for the year ended 31 December 2013.

### ***Accounting for the Combination***

The unaudited pro forma balance sheet presents the Combination as being accounted for under the acquisition method under IFRS 3 Business Combinations with SSAB as the acquiror. Under the acquisition method, the acquired assets and liabilities of Rautaruukki are recorded at their fair values on the date of acquisition and the excess recognised as goodwill. The Share Consideration to be transferred forms the basis for the purchase price of Rautaruukki and the value per share will be the SSAB share price on the date when the New Shares are issued and the control over Rautaruukki's operations transfers to SSAB. The preliminary fair value of SEK 10,441 million has been used in the unaudited pro forma financial information for the New Shares issued by SSAB in the Combination using the closing prices of SEK 49.20 for an SSAB Class A share and SEK 42.65 for an SSAB Class B share as at 28 March 2014. The pro forma purchase consideration has been assumed to take place solely through a Share Consideration; therefore no cash consideration has been included.

As described above, the preliminary consideration transferred could differ materially from the final consideration transferred to effect the Combination and the final fair values of the assets acquired and liabilities assumed at the date of the acquisition could differ materially from the preliminary fair values used for pro forma purposes, which could result in a significant variation in the results of operations and financial position presented in this unaudited pro forma financial information. Further, as noted above, due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki's accounting records or to any other Rautaruukki internal documentation and, as a result, the pro forma financial information is solely based on publicly available information of Rautaruukki. Accordingly, the amount of goodwill to be recognized by SSAB upon completion of the Combination may significantly differ from the amounts presented in this unaudited pro forma financial information.

The unaudited pro forma financial information has been presented in Swedish kronor, which is SSAB's presentation currency. Rautaruukki's audited consolidated financial information is presented in euro and has been converted into Swedish kronor using the exchange rates used by SSAB for group consolidation as at and for the year ended 31 December 2013:

- average rate of SEK/EUR 8.6494 for the income statement and statement of comprehensive income for the year ended 31 December 2013; and
- closing rate of SEK/EUR 8.905 as at 31 December 2013 for the balance sheet.

## Unaudited Pro Forma Income Statement

For the year ended 31 December 2013

	SSAB IFRS (audited) (SEK in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Rautaruukki IFRS (unaudited) (SEK in millions)	Differences in accounting principles <sup>(1)</sup> (unaudited) (SEK in millions)	Differences in presentation <sup>(2)</sup> (unaudited) (SEK in millions)	PPA adjustments <sup>(3)</sup> (unaudited) (SEK in millions)	Elimination of intra- group transactions <sup>(4)</sup> (unaudited) (SEK in millions)	Other pro forma adjustments <sup>(5)</sup> (unaudited) (SEK in millions)	Total pro forma adjustments (unaudited) (SEK in millions)	SSAB pro forma (unaudited) (SEK in millions)
Sales.....	35,022	2,405	20,800	-	(17)	-	(127)	-	(144)	55,677
Cost of goods sold.....	(33,290)	(2,174)	(18,800)	-	(24)	(605)	127	-	(502)	(52,592)
<b>Gross profit</b> .....	<b>1,732</b>	<b>231</b>	<b>2,000</b>	-	<b>(41)</b>	<b>(605)</b>	-	-	<b>(646)</b>	<b>3,086</b>
Selling expenses.....	(1,539)	(104)	(902)	-	-	-	-	-	-	(2,441)
Administrative expenses.....	(1,400)	(106)	(919)	9	-	-	-	(276)	(267)	(2,586)
Other operating income.....	491	13	117	-	-	-	-	-	-	608
Other operating expenses.....	(431)	0	(3)	-	41	-	-	-	41	(393)
Shares in earnings of affiliated companies and joint ventures after tax.....	16	-	-	(29)	-	-	-	-	(29)	(13)
<b>Operating profit/(loss)</b> .....	<b>(1,131)</b>	<b>34</b>	<b>293</b>	<b>(20)</b>	-	<b>(605)</b>	-	<b>(276)</b>	<b>(901)</b>	<b>(1,739)</b>
Financial income.....	62	40	342	-	-	-	-	-	-	404
Financial expenses.....	(659)	(76)	(656)	(9)	-	104	-	(45)	50	(1,265)
<b>Profit/(loss) after financial items</b> .....	<b>(1,728)</b>	<b>(2)</b>	<b>(21)</b>	<b>(29)</b>	-	<b>(502)</b>	-	<b>(321)</b>	<b>(851)</b>	<b>(2,600)</b>
Shares in earnings of affiliated companies and joint ventures after tax.....	-	(3)	(29)	29	-	-	-	-	29	-
Taxes.....	662	(8)	(66)	-	-	100	-	30	130	726
<b>Profit/(loss) for the year</b> .....	<b>(1,066)</b>	<b>(14)</b>	<b>(117)</b>	-	-	<b>(401)</b>	-	<b>(291)</b>	<b>(692)</b>	<b>(1,875)</b>
<b>Of which attributable to:</b>										
Parent company's shareholders.....	(1,066)	(14)	(118)	-	-	(401)	-	(291)	(692)	(1,876)
Non-controlling interests.....	0	0	1	-	-	-	-	-	-	1

## Unaudited Pro Forma Statement of Comprehensive Income

For the year ended 31 December 2013

	SSAB IFRS (audited) (SEK in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Rautaruukki IFRS (unaudited) (SEK in millions)	Differences in accounting principles <sup>(1)</sup> (unaudited) (SEK in millions)	Differences in presentation <sup>(2)</sup> (unaudited) (SEK in millions)	PPA adjustments <sup>(3)</sup> (unaudited) (SEK in millions)	Elimination of intra- group transactions <sup>(4)</sup> (unaudited) (SEK in millions)	Other pro forma adjustments <sup>(5)</sup> (unaudited) (SEK in millions)	Total pro forma adjustments (unaudited) (SEK in millions)	SSAB pro forma (unaudited) (SEK in millions)
<b>Profit/(loss) for the year</b> .....	<b>(1,066)</b>	<b>(14)</b>	<b>(117)</b>	-	-	<b>(401)</b>	-	<b>(291)</b>	<b>(692)</b>	<b>(1,875)</b>
<b>Other comprehensive income</b>										
Items that may be subsequently reclassified to the income statement:										
Translation differences for the year.....	(251)	(20)	(177)	-	-	-	-	-	-	(428)
Cash flow hedges.....	(71)	(6)	(52)	-	-	-	-	-	-	(123)
Hedging of currency risks in foreign operations.....	79	0	0	-	-	-	-	-	-	79
Share in other comprehensive income of affiliated companies and joint ventures.....	(16)	0	0	-	-	-	-	-	-	(16)
Tax attributable to items that may be subsequently reclassified to the income statement.....	(2)	1	5	-	-	-	-	-	-	3
Total items that may be subsequently reclassified to the income statement.....	(261)	(26)	(224)	-	-	-	-	-	-	(485)
Items that will not be reclassified to the income statement:										
Remeasurements of the net defined benefit liability.....	11	9	75	-	-	-	-	-	-	86
Tax attributable to items that will not be reclassified to the income statement.....	(3)	(3)	(28)	-	-	-	-	-	-	(31)
<b>Total items that will not be reclassified to the income statement</b> .....	<b>8</b>	<b>5</b>	<b>47</b>	-	-	-	-	-	-	<b>55</b>
<b>Total other comprehensive income for the year, net after tax</b> .....	<b>(253)</b>	<b>(20)</b>	<b>(176)</b>	-	-	-	-	-	-	<b>(429)</b>
<b>Total comprehensive income for the year</b> .....	<b>(1,319)</b>	<b>(34)</b>	<b>(293)</b>	-	-	<b>(401)</b>	-	<b>(291)</b>	<b>(692)</b>	<b>(2,304)</b>
<b>Of which attributable to:</b>										
Parent company's shareholders.....	(1,319)	(34)	(294)	-	-	(401)	-	(291)	(692)	(2,305)
Non-controlling interests.....	0	0	1	-	-	-	-	-	-	1

## Unaudited Pro Forma Balance Sheet

As at 31 December 2013

	SSAB IFRS (audited) (SEK in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Rautaruukki IFRS (unaudited) (SEK in millions)	Differences in accounting principles <sup>(1)</sup> (unaudited) (SEK in millions)	Differences in presentation <sup>(2)</sup> (unaudited) (SEK in millions)	PPA adjustments <sup>(3)</sup> (unaudited) (SEK in millions)	Elimination of intra- group transactions <sup>(4)</sup> (unaudited) (SEK in millions)	Other pro forma adjustments <sup>(5)</sup> (unaudited) (SEK in millions)	Total pro forma adjustments (unaudited) (SEK in millions)	SSAB pro forma (unaudited) (SEK in millions)
<b>ASSETS</b>										
<b>Fixed assets</b>										
Goodwill .....	17,762	65	582	-	-	911	-	-	911	19,255
Other intangible assets .....	2,149	38	336	-	-	262	-	-	262	2,746
Tangible fixed assets .....	16,467	1,079	9,604	-	-	356	-	-	356	26,427
Participations in affiliated companies .....	284	31	274	-	-	-	-	-	-	558
Available for sale financial assets .....	-	13	119	-	(119)	-	-	-	(119)	-
Other non-current receivables .....	-	76	681	-	(681)	-	-	-	(681)	-
Financial assets .....	1,599	-	-	-	800	-	-	-	800	2,399
Deferred tax receivables .....	653	42	375	-	-	(91)	-	-	(91)	937
<b>Total fixed assets .....</b>	<b>38,914</b>	<b>1,344</b>	<b>11,971</b>	<b>-</b>	<b>-</b>	<b>1,438</b>	<b>-</b>	<b>-</b>	<b>1,438</b>	<b>52,323</b>
<b>Current assets</b>										
Inventories .....	8,783	557	4,956	-	-	344	-	-	344	14,083
Accounts receivable .....	4,785	243	2,167	-	-	-	(12)	-	(12)	6,940
Prepaid expenses and accrued income .....	503	-	-	-	256	-	-	-	256	759
Current tax receivables .....	334	4	35	-	-	-	-	-	-	369
Other current interest- bearing receivables .....	195	-	-	-	45	-	-	-	45	240
Financial assets .....	-	1	6	-	(6)	-	-	-	(6)	-
Other current receivables .....	298	83	743	-	(301)	-	-	-	(301)	740
Cash and cash equivalents .....	2,124	46	411	-	6	-	-	(312)	(306)	2,228
<b>Total current assets .....</b>	<b>17,022</b>	<b>934</b>	<b>8,317</b>	<b>-</b>	<b>-</b>	<b>344</b>	<b>(12)</b>	<b>(312)</b>	<b>19</b>	<b>25,359</b>
<b>TOTAL ASSETS .....</b>	<b>55,936</b>	<b>2,278</b>	<b>20,289</b>	<b>-</b>	<b>-</b>	<b>1,782</b>	<b>(12)</b>	<b>(312)</b>	<b>1,458</b>	<b>77,682</b>
<b>EQUITY AND LIABILITIES</b>										
<b>Equity</b>										
Share capital .....	2,851	238	2,124	-	-	(59)	-	-	(59)	4,916
Other contributed funds .....	9,944	220	1,958	-	-	6,419	-	(19)	6,400	18,302
Translation differences .....	-	(45)	(401)	-	401	-	-	-	401	-
Reserves .....	(3,389)	(22)	(198)	-	(401)	599	-	-	198	(3,389)
Retained earnings .....	17,720	619	5,512	-	-	(5,512)	-	(291)	(5,803)	17,428
<b>Total equity for the shareholders in the Company .....</b>	<b>27,126</b>	<b>1,010</b>	<b>8,994</b>	<b>-</b>	<b>-</b>	<b>1,447</b>	<b>-</b>	<b>(310)</b>	<b>1,137</b>	<b>37,257</b>
<b>Non-controlling interests .....</b>	<b>23</b>	<b>3</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>
<b>TOTAL EQUITY .....</b>	<b>27,149</b>	<b>1,013</b>	<b>9,019</b>	<b>-</b>	<b>-</b>	<b>1,447</b>	<b>-</b>	<b>(310)</b>	<b>1,137</b>	<b>37,305</b>
<b>Long-term liabilities</b>										
<b>Long-term interest-bearing liabilities .....</b>										
Deferred income .....	16,093	358	3,186	-	-	71	-	-	71	19,350
Pension provisions .....	376	-	-	-	-	-	-	-	0	376
Deferred tax liabilities .....	120	7	61	-	318	-	-	-	318	438
Other long-term liabilities .....	2,969	7	61	-	-	157	-	-	157	3,187
Other long-term provisions .....	-	66	585	-	(318)	-	-	-	(318)	267
<b>Total long-term liabilities .....</b>	<b>19,692</b>	<b>432</b>	<b>3,849</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>23,769</b>
<b>Current liabilities</b>										
<b>Short-term interest-bearing liabilities .....</b>										
Accounts payable .....	2,568	387	3,449	-	-	107	-	-	107	6,124
Accrued expenses and deferred income .....	4,578	279	2,486	-	-	-	(12)	-	(12)	7,052
Current tax liabilities .....	1,599	-	-	-	887	-	-	-	887	2,486
Other current liabilities .....	118	3	29	-	-	-	-	-	0	147
Short-term provisions .....	205	158	1,409	-	(887)	-	-	-	(887)	727
<b>Total current liabilities .....</b>	<b>9,095</b>	<b>833</b>	<b>7,420</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>(12)</b>	<b>(2)</b>	<b>93</b>	<b>16,608</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>55,936</b>	<b>2,278</b>	<b>20,289</b>	<b>-</b>	<b>-</b>	<b>1,782</b>	<b>(12)</b>	<b>(312)</b>	<b>1,458</b>	<b>77,682</b>

### Notes to the Unaudited Pro Forma Financial Information

#### (1) Differences in Accounting Principles

This column reflects the impact of accounting policy alignment of historical financial information between SSAB and Rautaruukki. In this column, adjustments have been made to arrive at comparable figures.

#### Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended 31 December 2013

##### Pensions

Interests on benefit-based pension obligations and managed assets are recognised as interest expense/income by SSAB but as administrative expenses by Rautaruukki. During 2013, SEK 9 million was recognised as administrative expenses in the audited consolidated financial statements of Rautaruukki. A reclassification has been made to financial expenses in the unaudited pro forma income statement. This adjustment represents an accounting policy alignment between SSAB and Rautaruukki; therefore it will have an ongoing effect for SSAB.

##### Shares in Earnings of Affiliated Companies and Joint Ventures

Investments in affiliated companies and joint ventures are reported in accordance with the equity method. SSAB reports shares in the earnings of affiliated companies and joint ventures in the operating profit/loss when

operations in affiliated companies and joint ventures are related to SSAB's operations and considered to be of a business nature. Rautaruukki reports shares in the earnings of affiliated companies in the result before taxes. In the unaudited pro forma income statement, a reclassification of SEK 29 million reflecting an adjustment to Rautaruukki's share in earnings of affiliated companies and joint ventures has been made. This adjustment represents an accounting policy alignment between SSAB and Rautaruukki; therefore it will have an ongoing effect for SSAB.

## **(2) Differences in Presentation**

This column reflects the differences in presentation of financial statement items, therefore adjustments have been made to present Rautaruukki's figures in a manner consistent with SSAB's presentation.

### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended 31 December 2013*

#### Exchange Rate Differences Relating to Operating Receivables and Liabilities

At the end of the month, receivables and liabilities in foreign currency are translated in accordance with the closing day rate at that time. SSAB reports exchange rate differences relating to the operating activities net in other operating income/expense; however, Rautaruukki reports exchange rate differences relating to the operating activities under sales and cost of goods sold. A reclassification of net SEK 41 million has been made in the unaudited pro forma income statement. This adjustment will have an ongoing effect for SSAB.

### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at 31 December 2013*

These adjustments represent an alignment of financial statement presentation between SSAB and Rautaruukki thus they will have an ongoing effect for SSAB.

#### Available-for-sale Financial Assets

In the audited consolidated financial statements, Rautaruukki has available-for-sale financial assets amounting to SEK 119 million as a separate line item on the balance sheet. The balance consists of shares in unlisted companies in which Rautaruukki's share of the votes is under 20 per cent. or in which Rautaruukki does not have significant influence. According to the accounting principles of SSAB, available-for-sale equity investments are disclosed under financial assets. An adjustment of SEK 119 million has been made from available-for-sale financial assets to financial assets in the unaudited pro forma balance sheet to reflect the reclassification.

#### Other Non-current Receivables

In the audited consolidated financial statements, Rautaruukki has reported a balance as other non-current receivables of SEK 681 million. The balance consists of loans receivables from affiliated companies, other loan receivables, defined benefit assets and other non-current receivables. SSAB has categorized such items as financial assets. Accordingly, an adjustment in the unaudited pro forma balance sheet has been made amounting to SEK 681 million reflecting the reclassification.

#### Current Assets

In the audited consolidated financial statements, Rautaruukki has other current receivables amounting to SEK 743 million on the balance sheet. The balance includes prepaid expenses and accrued income of SEK 256 million and current loan receivables from equity accounted investees amounting to SEK 45 million. According to the accounting principles of SSAB, prepaid expenses and accrued income is disclosed as a separate line item under current assets and current loan receivables from equity accounted investees are disclosed under other current interest-bearing receivables. Reclassifications of SEK 256 million and SEK 45 million have been made to prepaid expenses and accrued income and other current interest-bearing receivables, respectively.

#### Financial Assets

In the audited consolidated financial statements, Rautaruukki has financial assets amounting to SEK 6 million on the balance sheet. The balance includes short fixed-term deposits with a duration that does not exceed three months. A reclassification of SEK 6 million in the unaudited pro forma balance sheet has been made to cash and cash equivalents.

### Translation Differences in Equity

In the audited consolidated financial statements, Rautaruukki has reported translation differences in equity, amounting to negative SEK 401 million on a separate line item. SSAB has presented translation differences as reserves and, accordingly, an adjustment amounting negative SEK 401 million reflecting the reclassification has been made in the unaudited pro forma balance sheet.

### Long-term Liabilities

In the audited consolidated financial statements, Rautaruukki presented a total defined benefit liability related to pension plans amounting to SEK 318 million under other non-current liabilities. A reclassification has been made from other non-current liabilities to pension provisions, which is where SSAB reports liabilities related to pension plans.

### Current Liabilities

In the audited consolidated financial statements, Rautaruukki has reported accrued expenses and deferred income amounting to SEK 887 million under other current liabilities. SSAB has presented similar items as accrued expenses and deferred income and, accordingly, a reclassification of SEK 887 million has been made in the unaudited pro forma balance sheet.

### **(3) Purchase Price Allocation Adjustments**

This column reflects the acquisition of Rautaruukki and the preliminary purchase price allocation (“PPA”) on the acquisition balance sheet on a pro forma basis. The Combination has not yet been completed. It should be noted that due to the nature of the Share Exchange Offer, SSAB has not had access to Rautaruukki’s accounting records or to any other Rautaruukki internal documentation and, as a result, the pro forma financial information is solely based on publicly available information of Rautaruukki. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma financial information will prove to be correct. Further, the purchase price could be allocated to other intangible assets, such as trademarks, brands and customer relationships and, as a result, the final outcome of the Combination may differ from this unaudited preliminary purchase price allocation.

The final purchase price allocation will be prepared based on the fair values of Rautaruukki’s identifiable assets, liabilities and contingent liabilities as at the acquisition date, when SSAB gains control over Rautaruukki. It is also dependent on the SSAB share prices on the acquisition date. Therefore, the final purchase price as well as the final purchase price allocation as at the acquisition date may significantly differ from the preliminary fair value allocation presented in the unaudited pro forma financial information.

#### *Purchase Price Consideration to be Transferred for Rautaruukki:*

	<b>(SEK in millions)</b>
<b>Purchase price consideration</b>	
66,050,553 Class A shares, SEK 49.20 per share <sup>(1)</sup> .....	3,250
168,615,165 Class B shares, SEK 42.65 per share <sup>(1)</sup> .....	7,191
<b>Total consideration transferred at fair value</b> .....	<b><u>10,441</u></b>

(1) Based on SSAB share prices as at 28 March 2014. SSAB’s share prices as at the date of the acquisition will affect the final amount of the purchase price consideration

	31 December 2013			
	IFRS		Fair value adjustment	Estimated fair value
	(translated) (1)			
	(EUR in millions)	(SEK in millions)	(SEK in millions)	(SEK in millions)
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>				
Tangible fixed assets .....	1,079	9,604	356	9,960
Intangible assets .....	103	918	(320)	598
Participation in affiliated companies and joint ventures .....	31	274	–	274
Financial assets .....	90	800	–	800
Deferred tax receivables .....	42	375	(91)	284
Inventories .....	557	4,956	344	5,300
Accounts receivable .....	243	2,167	–	2,167
Current tax receivables .....	4	35	–	35
Other current interest-bearing receivables .....	1	6	–	6
Other current receivables .....	83	743	–	743
Cash and cash equivalents .....	46	411	–	411
Long-term interest-bearing liabilities .....	358	3,186	71	3,257
Other long-term liabilities .....	66	585	–	585
Other provisions .....	2	17	–	17
Deferred tax liabilities .....	7	61	157	218
Short-term interest-bearing liabilities .....	387	3,449	107	3,556
Accounts payable .....	279	2,486	–	2,486
Current tax liabilities .....	3	29	–	29
Other current liabilities .....	158	1,409	–	1,409
Short-term provisions .....	5	47	–	47
Non-controlling interest .....	3	25	–	25
<b>Total identifiable net assets .....</b>	<b><u>1,010</u></b>	<b><u>8,994</u></b>	<b><u>(46)</u></b>	<b><u>8,948</u></b>
Goodwill .....	–	–	–	1,493

(1) Exchange rate as at 31 December 2013 of SEK/EUR 8.905.

#### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as of 31 December 2013*

##### Equity Elimination of Rautaruukki and New Share Issue:

The total equity for the shareholders of Rautaruukki, amounting to SEK 8,994 million as at 31 December 2013, has been eliminated in the unaudited pro forma balance sheet.

If the acquisition of all Rautaruukki Shares is completed with Share Consideration, SSAB will issue the New Shares to the shareholders of Rautaruukki in connection with the Combination. The effect of the share issue SEK 10,441 million has been recorded in share capital and other contributed funds in the unaudited pro forma balance sheet.

The following adjustments have been made to illustrate the effect of the equity for the shareholders of the Company and the issuance of the New Shares, net SEK 1,447 million:

	<b>Elimination of Rautaruukki equity (adjusted) (SEK in millions)</b>	<b>New Share issue<sup>(1)</sup> (SEK in millions)</b>	<b>Total adjustments (SEK in millions)</b>
<b>Equity</b>			
Share capital .....	(2,124)	2,065	(59)
Other contributed funds .....	(1,958)	8,376	6,419
Reserves .....	599	–	599
Retained earnings .....	<u>(5,512)</u>	–	<u>(5,512)</u>
<b>Total .....</b>	<b><u>(8,994)</u></b>	<b><u>10,441</u></b>	<b><u>1,447</u></b>

(1) For more information on transaction costs related to the issuance of the New Shares, see "(5) Other Pro Forma Adjustments" below.

### Goodwill

In the audited consolidated financial statements, Rautaruukki has a goodwill balance amounting SEK 582 million, which has been eliminated in the unaudited pro forma balance sheet. The remaining unallocated surplus value of the consideration has been presented as goodwill in the unaudited pro forma balance sheet.

The subscription price for the shares in SSAB used in the pro forma is SEK 49.20 for a Class A share and SEK 42.65 for a Class B share which correspond to the closing prices of the SSAB shares in NASDAQ OMX Stockholm AB as at 28 March 2014. The table below illustrates the effect of a 5 per cent. and a 10 per cent. change in the share prices of SEK 49.20 for a Class A share and SEK 42.65 for a Class B share on the goodwill recorded, assuming other variables remain constant. The amount of estimated goodwill would be zero if the share price of both Class A shares and Class B shares decrease by 14 per cent.

The approximate effect on the goodwill balance is shown in the sensitivity analysis below.

	<b>Change (percent)</b>	<b>Effect on goodwill (SEK in millions)</b>
SSAB share price.....	+5	522
SSAB share price.....	-5	(522)
SSAB share price	+10	1,044
SSAB share price	-10	(1,044)

### Other Intangible Assets

The preliminary fair value of the order backlog is estimated to total SEK 262 million, with a related deferred tax impact of SEK 53 million. The estimated useful life is less than one year. Sufficient information for identification of possible other intangible assets such as trademarks, brands or customer relations was not available at time of the preparation of the preliminary PPA and therefore, the final outcome of the identified intangible assets could differ significantly from the preliminary PPA presented in the unaudited pro forma financial information.

### Tangible Assets

In the preliminary purchase price allocation a fair value adjustment of real properties, amounting to SEK 356 million with a related deferred tax impact of SEK 71 million, has been estimated. The fair value adjustment is related to Rautaruukki's Nordic properties, excluding the properties in Raahe and Hämeenlinna, Finland. Sufficient information with respect to Rautaruukki's property, plant and equipment portfolio was not available at the time of the preparation of the preliminary PPA; therefore, the final fair values determined at the acquisition date may significantly differ from the preliminary PPA presented in the unaudited pro forma financial information. The estimated useful life on the fair value adjustment is 20 years.

### Inventories

In the preliminary PPA a fair value adjustment of inventories amounting to SEK 344 million with a related deferred tax impact of SEK 69 million, has been estimated. The fair value adjustment is based on an estimated gross margin of 10 per cent., based on the audited consolidated financial statements of Rautaruukki. Sufficient information in terms of inventories was not available at the time of the preparation of the preliminary PPA; therefore the final PPA may significantly differ from the preliminary PPA.

### Interest-bearing Liabilities

Interest-bearing liabilities are adjusted at their estimated fair values by recognising a step up of SEK 178 million, of which SEK 71 million relates to long-term interest-bearing liabilities and SEK 107 million relates to short-term interest-bearing liabilities in the preliminary PPA.

### Deferred Tax Assets and Liabilities

Based on preliminary review and evaluation of the tax impact after the Combination, deferred tax assets of Rautaruukki are written down by SEK 91 million in the preliminary PPA. The amount of the deferred tax assets will be evaluated after the completion of the Combination based on the estimates of the taxable income in the foreseeable future and on the intra-group financing strategies of the Combined Company.

A net deferred tax liability amounting to SEK 157 million is recorded on the difference between the estimated fair values and the book values of the acquired assets and liabilities in the preliminary PPA. The final fair value adjustment of deferred taxes could significantly change when the final PPA is prepared.

The following table sets forth a breakdown of the deferred tax effect of the preliminary PPA fair value adjustments for the unaudited pro forma balance sheet:

	<b>Deferred tax asset/liability, blended rate 20 per cent.</b>
	<b>(SEK in millions)</b>
<b>Deferred tax asset</b>	
Write down of deferred tax assets .....	(91)
<b>Total deferred tax asset arising from the preliminary PPA.....</b>	<b>(91)</b>
<b>Deferred tax liability</b>	
Fair value adjustment for order backlog .....	53
Fair value adjustment for interest-bearing liabilities.....	(36)
Fair value adjustment for Inventories .....	69
Fair value adjustment for property, plant and equipment .....	71
<b>Total deferred tax liability arising from the preliminary PPA .....</b>	<b><u>157</u></b>

These adjustments except for adjustments related to order backlog, inventories and write down of deferred tax receivables will have an ongoing effect for SSAB.

*Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended 31 December 2013*

The most significant adjustments regarding the unaudited pro forma income statement for the year ended 31 December 2013 are as follows:

Depreciation and Amortisation

The impact on depreciation and amortisation arising from the preliminary fair value adjustments to the carrying amounts of intangible assets and property, plant and equipment has been recorded in the unaudited pro forma income statement. The estimated useful life of the preliminary order backlog is considered to be less than one year and, accordingly, amortisation of SEK 254 million and a deferred tax impact of SEK 51 million have been recorded. The useful life related to the preliminary fair value adjustment of real property has been estimated to be 20 years, leading to recognition of depreciation of SEK 17 million in cost of goods sold and a deferred tax impact of SEK 3 million.

Inventories

The estimated inventory turnover is less than one year. The impact on inventory arising from the preliminary fair value adjustment has been recognised in cost of goods sold, amounting to SEK 334 million and a related deferred tax impact of SEK 67 million.

Interest-bearing Liabilities

The total preliminary step-up value of the short-term interest-bearing liabilities has been recognised as positive financial expenses in the unaudited pro forma income statement, amounting to SEK 104 million with a related deferred tax impact of SEK 21 million.

Deferred Taxes

When estimating the deferred tax impact on the preliminary fair value adjustments, a blended tax rate of 20 per cent. was used. The deferred tax impact on fair value adjustments in the preliminary purchase price allocation amounts to SEK 100 million in the unaudited pro forma income statement. A breakdown of the deferred tax effect of the preliminary PPA fair value adjustments is specified below.

	<b>Deferred tax effect, blended rate 20 per cent.</b>
	<b>(SEK in millions)</b>
Fair value adjustment for Order backlog	51
Fair value adjustment on Inventory	67
Depreciation and amortization of fair value adjustment on Property, plant and equipment	3
Amortisation of long-term liabilities	<u>(21)</u>
<b>Total Deferred tax impact arising from the preliminary PPA</b>	<b><u>100</u></b>

These adjustments, except for adjustments related order backlog and inventories, will have an ongoing effect for SSAB.

#### **(4) Elimination of Intra-Group Transactions**

This column reflects the elimination of intra-group transactions between SSAB and Rautaruukki.

##### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended 31 December 2013*

An adjustment amounting to SEK 127 million has been made to sales and cost of goods sold. This relates to Rautaruukki's intra-group transactions with SSAB comprising of sales and steel purchases between the companies. The adjustment is based on the fact that after the Combination, these kinds of transactions will be eliminated as internal sales.

##### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at 31 December 2013*

SEK 12 million of accounts receivable has been eliminated against accounts payable as such balances will be eliminated after the Combination.

#### **(5) Other Pro Forma Adjustments**

This column reflects other pro forma adjustments for the year ended 31 December 2013.

##### *Adjustments Regarding the Unaudited Pro Forma Income Statement for the Year Ended 31 December 2013*

##### Transaction Costs

Estimated transaction costs, amounting SEK 272 million, have been recognised as administrative expenses, and SEK 45 million have been recognised as financing costs. The tax effect has been calculated based on assumption of deductibility, and totals SEK 29 million in positive tax. Transaction costs are considered as one-off costs and they do not have a continuing impact on SSAB's results of operations. Therefore, the net transaction cost after tax affecting the unaudited pro forma income statement is SEK 288 million. An additional transaction cost of SEK 19 million related to the issuance of the New Shares has reduced equity directly and, therefore, does not affect the income statement.

##### Share-based Incentive Plan

In the pro forma income statement, an additional cost of SEK 4 million has been recognised as administrative expenses for the outstanding share-based incentive plan for the executives of Rautaruukki. The related tax effect is SEK 1 million. The cash settlement of Rautaruukki's share-based incentive plan is considered to be a one-off cost and does not have a continuing impact on SSAB's results of operations.

##### *Adjustments Regarding the Unaudited Pro Forma Balance Sheet as at 31 December 2013*

##### Transaction Costs

The transaction costs have been adjusted for in the unaudited pro forma balance sheet by deducting net SEK 307 million from cash and cash equivalents. Transaction costs for the issuance of the New Shares of SEK 19 million have been recognised in equity under other restricted funds and SEK 288 million has affected retained earnings.

##### Share-based Incentive Plan

In the unaudited pro forma balance sheet, the total share-based incentive plan has been assumed to be paid out in cash. The cash and cash equivalents have been reduced by SEK 5 million. A fair value adjustment amounting to

SEK 2 million for the period 2014–2016 has been recognised as short-term provisions in the unaudited pro forma balance sheet.

#### **Presentation of the Unaudited Pro Forma Financial Information in Euro**

The unaudited pro forma financial information above has been presented primarily in Swedish kronor, which is SSAB's presentation currency. For convenience, the unaudited pro forma financial information below has been converted into euro. The exchange rates used by SSAB for group consolidation as at and for the year ended 31 December 2013:

- average rate of SEK/EUR 8.6494 for the income statement and statement of comprehensive income for the year ended 31 December 2013; and
- closing rate of SEK/EUR 8.905 as at 31 December 2013 for the balance sheet.

## Unaudited Pro Forma Income Statement

	For the year ended 31 December 2013			
	SSAB IFRS (unaudited) (EUR in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Pro forma adjustments (unaudited) (EUR in millions)	SSAB Pro forma (unaudited) (EUR in millions)
Sales.....	4,049	2,405	(17)	6,437
Cost of goods sold.....	(3,849)	(2,174)	(58)	(6,080)
<b>Gross profit.....</b>	<b>200</b>	<b>231</b>	<b>(75)</b>	<b>357</b>
Selling expenses.....	(178)	(104)	–	(282)
Administrative expenses.....	(162)	(106)	(31)	(299)
Other operating income.....	57	13	–	70
Other operating expenses.....	(50)	0	5	(45)
Shares in earnings of affiliated companies and joint ventures after tax.....	2	–	(3)	(2)
<b>Operating profit/(loss).....</b>	<b>(131)</b>	<b>34</b>	<b>(104)</b>	<b>(201)</b>
Financial income.....	7	40	–	47
Financial expenses.....	(76)	(76)	6	(146)
<b>Profit/(loss) after financial items.....</b>	<b>(200)</b>	<b>(2)</b>	<b>(98)</b>	<b>(301)</b>
Shares in earnings of affiliated companies and joint ventures after tax.....		(3)	3	–
Taxes.....	77	(8)	15	84
<b>Profit/(loss) for the year.....</b>	<b>(123)</b>	<b>(14)</b>	<b>(80)</b>	<b>(217)</b>
<b>Of which attributable to:</b>				
Parent company's shareholders.....	(123)	(14)	(80)	(217)
Non-controlling interests.....	0	0	–	0

## Unaudited Pro Forma –Statement of Comprehensive Income

	For the year ended 31 December 2013			
	SSAB IFRS (unaudited) (EUR in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Pro forma adjustments (unaudited) (EUR in millions)	SSAB Pro forma (unaudited) (EUR in millions)
<b>Profit/(loss) for the year</b> .....	<b>(123)</b>	<b>(14)</b>	<b>(80)</b>	<b>(217)</b>
<i>Other comprehensive income</i>				
Items that may be subsequently reclassified to the income statement:				
Translation differences for the year .....	(29)	(20)	–	(49)
Cash flow hedges .....	(8)	(6)	–	(14)
Hedging of currency risks in foreign operations.....	9	–	–	9
Share in other comprehensive income of affiliated companies and joint ventures .....	(2)	–	–	(2)
Tax attributable to items that may be subsequently reclassified to the income statement .....	0	1	–	0
Total items that may be subsequently reclassified to the income statement.....	(30)	(26)	–	(56)
Items that will not be reclassified to the income statement: .....				
Remeasurements of the net defined benefit liability .....	1	9	–	10
Tax attributable to items that will not be reclassified to the income statement.....	<u>0</u>	<u>(3)</u>	<u>–</u>	<u>(4)</u>
Total items that will not be reclassified to the income statement .....	1	5	–	6
<b>Total other comprehensive income for the year, net after tax</b> .....	<b>(29)</b>	<b>(20)</b>	<b>0</b>	<b>(50)</b>
<b>Total comprehensive income for the year</b> .....	<b>(152)</b>	<b>(34)</b>	<b>(80)</b>	<b>(266)</b>
Of which attributable to:				
Parent company's shareholders.....	(152)	(34)	(80)	(266)
Non-controlling interests .....	0	0	–	0

Unaudited Pro Forma – Balance Sheet

	As at 31 December 2013			
	SSAB IFRS (unaudited) (EUR in millions)	Rautaruukki IFRS (audited) (EUR in millions)	Pro forma adjustments (unaudited) (EUR in millions)	SSAB Pro forma (unaudited) (EUR in millions)
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill.....	1,995	65	102	2,162
Other intangible assets.....	241	38	29	308
Tangible fixed assets.....	1,849	1,079	40	2,968
Participations in affiliated companies.....	32	31	–	63
Available for sale financial assets.....	–	13	(13)	–
Other non-current receivables.....	–	76	(76)	0
Financial assets.....	180	–	90	269
Deferred tax receivables.....	73	42	(10)	105
<b>Total fixed assets</b> .....	<b>4,370</b>	<b>1,344</b>	<b>162</b>	<b>5,876</b>
<b>Current assets</b>				
Inventories.....	986	557	39	1,581
Accounts receivable.....	537	243	(1)	779
Prepaid expenses and accrued income.....	56	–	29	85
Current tax receivables.....	38	4	–	41
Other current interest-bearing receivables.....	22	–	5	27
Financial assets.....	–	1	(1)	0
Other current receivables.....	33	83	(34)	83
Cash and cash equivalents.....	239	46	(34)	250
<b>Total current assets</b> .....	<b>1,912</b>	<b>934</b>	<b>2</b>	<b>2,848</b>
<b>TOTAL ASSETS</b> .....	<b>6,281</b>	<b>2,278</b>	<b>164</b>	<b>8,723</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital.....	320	238	(7)	552
Other contributed funds.....	1,117	220	719	2,055
Translation differences.....	–	(45)	45	–
Reserves.....	(381)	(22)	22	(381)
Retained earnings.....	1,990	619	(652)	1,957
<b>Total equity for the shareholders in the Company</b> .....	<b>3,046</b>	<b>1,010</b>	<b>128</b>	<b>4,184</b>
<b>Non-controlling interests</b> .....	<b>3</b>	<b>3</b>	<b>–</b>	<b>5</b>
<b>TOTAL EQUITY</b> .....	<b>3,049</b>	<b>1,013</b>	<b>128</b>	<b>4,189</b>
<b>Long-term liabilities</b>				
Long-term interest-bearing liabilities.....	1,807	358	8	2,173
Deferred income.....	42	–	–	42
Pension provisions.....	13	–	36	49
Deferred tax liabilities.....	333	7	18	358
Other long-term liabilities.....	–	66	(36)	30
Other long-term provisions.....	15	2	–	17
<b>Total long-term liabilities</b> .....	<b>2,211</b>	<b>432</b>	<b>26</b>	<b>2,669</b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities.....	288	387	12	688
Accounts payable.....	514	279	(1)	792
Accrued expenses and deferred income.....	180	–	100	279
Current tax liabilities.....	13	3	–	17
Other current liabilities.....	23	158	(100)	82
Short-term provisions.....	3	5	0	8
<b>Total current liabilities</b> .....	<b>1,021</b>	<b>833</b>	<b>10</b>	<b>1,865</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....	<b>6,281</b>	<b>2,278</b>	<b>164</b>	<b>8,723</b>



REPORT ON THE PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS  
To the Board of Directors of SSAB AB (publ)

We have completed our assurance engagement to report on the compilation of pro forma financial information of SSAB AB (publ). The pro forma financial information consists of the pro forma balance sheet as at 31 December 2013, the pro forma statement of income and pro forma statement of comprehensive income for the 12-month period ending 31 December 2013, and related notes set out in the section Pro Forma Financial Information on pages 76-89 of the Prospectus issued by SSAB AB (publ) dated 31 March 2014. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Annex II of the Commission Regulation (EC) No 809/2004 and described in the section *Pro Forma Financial Information* of the Prospectus.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the transaction set out in the section Pro Forma Financial Information on SSAB AB's financial position as at 31 December 2013 and financial performance for the 12-month period ended 31 December 2013 as if the transaction had taken place at 31 December 2013 for the pro forma balance sheet statement and at 1 January 2013 for the pro forma statements of income and comprehensive income. As part of this process, information about the financial position and financial performance has been extracted from SSAB AB's financial statements for the financial year ended as at 31 December 2013 on which an audit report has been given.

**The Board of Director's Responsibility for the Pro Forma Financial Information**

The Board of Directors is responsible for compiling the pro forma financial information in accordance with the Commission Regulation (EC) No 809/2004.

**Practitioner's Responsibilities**

Our responsibility is to express an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004 as to whether the pro forma financial information has been compiled, in all material aspects, by the Board of Directors on the basis stated and that basis is consistent with the accounting policies of the issuer.

We conducted our engagement in accordance with International Standards of Assurance Engagements (ISAE) 3420 Assurance engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the Commission Regulation (EC) 809/2004.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the



illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria and,
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

### **Opinion**

In our opinion,

- The pro forma financial information has been properly compiled on the basis stated in the section "Pro forma financial information" of the Prospectus dated 31 March 2014; and
- That basis is consistent with the accounting policies of SSAB AB (publ).

### **Restriction on distribution and use of the report**

The above opinion has been expressed only for the purposes of including in the Prospectus prepared pursuant to the Commission Regulation No 809/2004.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon by U.S. Investors as if it had been carried out in accordance with those standards and practices.

### **Declaration**

For the purposes of Paragraph (3)(2)(f) of Schedule 1 of the Prospectus (Directive 2003/71/EC) Regulations 2005, we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex IX to the Commission Regulation (EC) 809/2004.



Stockholm, 31 March 2014  
PricewaterhouseCoopers AB

Magnus Svensson Henryson  
Authorised Public Accountant

## INFORMATION ABOUT THE COMBINED COMPANY

### Background

#### SSAB

SSAB is a supplier of high strength steels globally, standard strip products in the European Economic Area and standard plate in North America. Although the majority of SSAB's shipments are standard steel, plate and strip products, SSAB is focused on continuing to increase the share of niche products of its shipments. Of total shipments for the years ended 31 December 2013, 2012 and 2011, 37 per cent., 38 per cent. and 37 per cent., respectively, were niche products. The niche products are primarily sold directly to end customers. Customer segments include heavy transport, automotive, material handling (including mining), construction machinery (including lifting), energy, construction, protection and tooling. In what SSAB regards as its domestic markets, the Nordic region and North America, standard steels are, to a large extent, sold to steel service centers and distributors.

SSAB's production is concentrated in facilities in Sweden and the United States and SSAB also has processing and finishing lines in China. SSAB's distribution network consists of stock facilities on six continents. SSAB also offers finishing services such as cutting, shot-blasting and other value added services in certain markets through its distribution network.

SSAB's operations and financial reporting are divided into the following four business areas:

- The SSAB EMEA business area comprises the majority of SSAB's operations in Europe, the Middle East and Africa, including SSAB's three main European production facilities that are located in Sweden. For the year ended 31 December 2013, 40 per cent. of SSAB's external sales were derived from the SSAB EMEA business area.
- The SSAB Americas business area comprises SSAB's operations in North and Latin America, including SSAB's two production facilities in the United States. For the year ended 31 December 2013, 41 per cent. of SSAB's external sales were derived from the SSAB Americas business area.
- The SSAB APAC business area comprises SSAB's operations in Asia and Australia, including SSAB's plate finishing operations in China. For the year ended 31 December 2013, 5 per cent. of SSAB's external sales were derived from the SSAB APAC business area.
- SSAB's subsidiary Tibnor AB ("Tibnor") comprises SSAB's steel distribution operations in the Nordic and Baltic regions. For the year ended 31 December 2013, 14 per cent. of SSAB's external sales were derived from Tibnor.

SSAB had sales of SEK 35,022 million and total steel shipments of approximately 4.4 million tonnes for the year ended 31 December 2013.

#### **Rautaruukki**

Rautaruukki specializes in steel and steel construction. It provides customers with energy-efficient steel solutions for better living, working and moving. Rautaruukki has extensive distribution and dealer networks covering approximately 30 countries including the Nordic countries, Russia and elsewhere in Europe and emerging markets, such as India, China and South America. The company's shares are listed on NASDAQ OMX Helsinki Ltd (the "Helsinki Stock Exchange").

The operations and financial reporting are divided into the following three business areas:

- Ruukki Building Products provides energy- and life-cycle -efficient building components such as Ruukki energy and life panels for functional envelopes to commercial, industrial and logistics buildings as well as foundation components for infrastructure construction projects. The residential roofing business provides steel roofing products and services for private households. For the year ended 31 December 2013, 18 per cent. of Rautaruukki's net sales were derived from Ruukki Building Products.

- Ruukki Building Systems provides steel structures including design and installation and solutions for commercial, office and industrial construction projects especially in the Nordic countries and in Russia. For the year ended 31 December 2013, 12 per cent. of Rautaruukki's net sales were derived from Ruukki Building Systems.
- Ruukki Metals provides steel products, including high strength, wear-resistant, special coated and tubular products for demanding energy-efficient applications with known product brands Raex, Laser, Optim, Ramor and Litec. Rautaruukki's steel service centers supply steel products and related prefabrication, logistics and storage services. For the year ended 31 December 2013, 70 per cent. of Rautaruukki's net sales were derived from Ruukki Metals.

Rautaruukki had net sales of EUR 2,405 million for the year ended 31 December 2013.

Rautaruukki has a steel production plant with an annual production capacity of 2.8 million tonnes in Raahe, Finland and a steel processing and coating plant in Hämeenlinna, Finland. The construction business has steel structure plants and panel and roofing processing units in a number of countries, including Finland, Lithuania, Poland, Romania and Russia.

### ***Background for the Combination***

SSAB and Rautaruukki have agreed on combining the two companies under the Combination Agreement entered into on 21 January 2014. SSAB offers to acquire all issued and outstanding Rautaruukki Shares that are not owned by Rautaruukki or its subsidiaries in accordance with the terms and conditions of the Share Exchange Offer. The contents of the Combination Agreement are described under "*—Summary of the Combination Agreement*" below.

The global steel industry has over the past few years been characterized by overcapacity. Coupled with the challenging economic conditions, particularly in Europe, this has resulted in falling steel prices and lower, but also more volatile, demand. These trends, combined with the impact of continued high raw materials prices, has resulted in declining profitability for steel companies.

SSAB believes that the Combination creates a steel company with a cost-efficient and flexible production system in the Nordic region. SSAB sees the Combination as a natural step to strengthen competitiveness in the Combined Company's European steel operations by improving the cost position and increasing the production flexibility in order to better adapt to changes in market demand.

SSAB believes that the Combined Company will have a competitive position and product offering within high strength steels, standard strip and plate products as well as tubular products. Both SSAB and Rautaruukki have close relationships with customers in their key markets and complement each other geographically. The Combined Company will have a global geographic presence and be close to its customers in all regions in which it operates.

The Combination is subject to the shareholders of SSAB passing the resolutions necessary to implement the Combination and the Share Exchange Offer. AB Industrivärden ("Industrivärden") has undertaken to support such resolutions and not to sell its shares in SSAB prior to the completion of the Combination, which undertaking will terminate in certain circumstances related to the provisions of the Combination Agreement. Industrivärden has expressed its intention to remain as a long-term main owner of the Combined Company.

### ***Support of Major Shareholders***

Industrivärden, which as at 28 February 2014 held 23.4 per cent. of the votes and 18.2 per cent. of the capital in SSAB, and Solidium Oy ("Solidium"), which held 39.7 per cent. of all Rautaruukki Shares as at the same date, have expressed their full support for the Combination. Solidium has also undertaken to accept the Share Exchange Offer, which undertaking will terminate in certain circumstances related to the provisions of the Combination Agreement. Of Rautaruukki's major shareholders, Ilmarinen Mutual Pension Insurance Company, which held 3.2 per cent. of the Rautaruukki Shares, and Varma Mutual Pension Insurance Company, which held 2.5 per cent. of the Rautaruukki Shares, in each case as at 28 February 2014, have expressed their preliminary support for the Combination.

### **Statement by the Board of Directors of Rautaruukki**

The Board of Directors of Rautaruukki unanimously recommends to Rautaruukki shareholders that they accept the Share Exchange Offer.

### **The Combined Company**

#### **Overview**

The Combined Company is expected to become a significant producer on the global market for high strength steels, standard strip and plate products as well as tubular products. SSAB and Rautaruukki, once combined, will have approximately 17,500 employees. The Combined Company will have steel production facilities in Sweden, Finland and the United States with a combined annual steel production capacity of approximately 8.8 million tonnes.

The Combined Company will be led by the President and CEO of SSAB, Martin Lindqvist. The President and CEO of Rautaruukki, Sakari Tamminen, will continue as President and CEO of Rautaruukki until the completion of the Share Exchange Offer, when he will exercise his right to retire at the age of 60.

The financing for the Combined Company has been secured through term sheets and commitment letters from certain of SSAB's key relationship banks.

#### **Strategy**

The Combined Company will maintain SSAB's and Rautaruukki's strategies of serving local and global markets with quality steel products and value added services. The Combined Company will continue to develop and accelerate new fields of applications to provide productivity, energy efficiency and environmental advantages for customers through the use of high strength steels. With a broadened sales organization, the Combined Company is expected to be able to further develop its customer collaboration abilities.

In order to best execute on both operational and strategic matters, the plan is to organize the Combined Company through a divisional model with clear profit and loss responsibilities. The organization will be centered around the following divisions:

- The Quenched & Tempered Steels division led from Sweden by Melker Jernberg;
- The European Flat Carbon Steels (mainly strip products) division led from Finland by Olavi Huhtala;
- The American Flat Carbon Steels (mainly plate products) division led from the United States by Charles Schmitt;
- The Nordic Steel Distribution division led from Sweden by Mikael Nyquist; and
- The Construction Products & Systems division led from Finland by Marko Somerma.

#### **Most Significant Benefits of the Combination**

SSAB's management believes that by combining the operations of SSAB and Rautaruukki, greater efficiencies can be achieved, and sees possibilities for increasing shareholder value in the Combined Company through improved earnings potential and in the form of cost synergies. Annual cost synergies of up to SEK 1.4 billion (EUR 150 million) are expected from the Combination are expected to be realized through a more flexible and efficient production system, more efficient supply chain, purchasing optimization and streamlined administration. The cost synergies are expected to be captured in full within three years following the Combination.

The synergy levels will, in part, depend on the prevailing market conditions and matching production scenarios. Of the estimated total annual cost synergies, approximately SEK 350 million (EUR 40 million) is expected to be achievable in periods of low market demand through improved flexibility in adapting production capacity to prevailing steel demand, while maintaining a cost-efficient level of utilization in the blast furnaces and mills.

Parts of the synergies from the Combination are expected to be derived from reduced headcount over time. As at 31 December 2013, SSAB had approximately 8,700 employees and Rautaruukki approximately 8,600 employees. The estimated reduction in headcount, mainly in Sweden and in Finland, is approximately 5 per cent. of the total

headcount in the Combined Company. This is estimated to be realized over a three-year period following the completion of the Combination. SSAB and Rautaruukki will inform, consult and negotiate with relevant employee organizations regarding the social, economic and legal consequences of the Combination in accordance with the applicable legal requirements.

In addition to cost synergies, there is a potential to avoid overlapping investments in the future and to reduce net working capital. The Combined Company is also expected to benefit from a more balanced currency exposure. One-off costs with cash flow impact resulting from the Combination are expected to amount to approximately SEK 350 million (EUR 40 million).

The construction related operations of SSAB and Rautaruukki (specifically, Plannja and Ruukki Building Products and Ruukki Building Systems) will be combined to form a separate construction business division, which the management of SSAB believes will generate additional synergies.

The realization of synergies is expected to be facilitated by the geographic and cultural proximity of the companies. See also *“Risk Factors — Risk Factors Relating to the Combination — The Combined Company may not be able to realize some or any of the anticipated benefits of the Combination, or it may not be successful in integrating Rautaruukki’s business operations in the manner or within the timeframe currently anticipated.”*.

### **Board of Directors and Management**

The Chairman of SSAB, Sverker Martin-Löf, will be the Chairman of the Board of Directors of the Combined Company. Following the completion of the Share Exchange Offer, the Combined Company’s nomination committee will continue to strive to nominate the most competent Board of Directors, also taking into consideration the new ownership structure of the Combined Company. The two largest shareholders of the Combined Company subject to completion of the Share Exchange Offer, Industrivärden and Solidium, have expressed their respective intention to support each other in SSAB’s nomination committee, based on the understanding that Industrivärden shall nominate the Chairman of the Board and two additional members of the Board, and that Solidium shall nominate two members of the Board to be elected at an extraordinary general meeting of the shareholders of SSAB, to be held as soon as reasonably practicable following the completion of the Share Exchange Offer. These expressed intentions by Industrivärden and Solidium will remain in force until the earlier of (i) 24 months having passed from the completion of the Share Exchange Offer and (ii) the number of votes held by the other shareholder having fallen below 10 per cent. of all votes in SSAB.

The Board of Directors of SSAB has undertaken to, as soon as practicable following the completion of the Share Exchange Offer, call for an extraordinary general meeting of SSAB to elect new members to the Board of Directors of SSAB proposed by its nomination committee.

The Combined Company will be led by the President and CEO of SSAB, Martin Lindqvist. The President and CEO of Rautaruukki, Sakari Tamminen, will continue as President and CEO of Rautaruukki until the completion of the Share Exchange Offer, when he will exercise his right to retire at the age of 60. The five new divisions of the Combined Company will be managed as follows: the Quenched & Tempered Steels division led from Sweden by Melker Jernberg; the European Flat Carbon Steels (mainly strip products) division led from Finland by Olavi Huhtala; the American Flat Carbon Steels (mainly plate products) division led from the United States by Charles Schmitt; the Nordic Steel Distribution division led from Sweden by Mikael Nyquist; and the Construction Products & Systems division led from Finland by Marko Somerma.

The Combined Company’s domicile and headquarters will be in Stockholm, Sweden, and its reporting languages will be English and Swedish.

### **Corporate Governance**

The Combined Company’s shares will have a primary listing on NASDAQ OMX Stockholm AB (the “Stockholm Stock Exchange”) and will, apply for a secondary listing of its shares on the Helsinki Stock Exchange. Trading on the official list of the Helsinki Stock Exchange is expected to commence on or shortly after the completion of the Share Exchange Offer. The Combined Company will follow those rules and regulations for corporate governance applicable to a company where shares are listed on the Stockholm Stock Exchange and listed secondarily on the Helsinki Stock Exchange.

### **Share Capital and Ownership**

As at 31 December 2013, SSAB had 323,934,775 shares outstanding, consisting of 240,765,832 Class A shares (74 per cent. of outstanding shares) and 83,168,943 Class B shares (26 per cent. of outstanding shares). As at the same date, Rautaruukki had 138,995,273 shares outstanding (excluding treasury shares other than 106,000 Rautaruukki Shares held by Rautaruukki, some or all of which may be transferred to key employees pursuant to Rautaruukki's share-based incentive plan during the first half of 2014). Assuming full acceptance of the Share Exchange Offer, SSAB will issue 66,050,553 new Class A shares in SSAB ("New Class A Shares") (28 per cent. of total New Shares offered) and 168,615,165 new Class B shares in SSAB ("New Class B Shares") (72 per cent. of total New Shares offered) to Rautaruukki's shareholders. For the Combined Company, the total outstanding shares will be 558,600,493, consisting of 306,816,385 Class A shares (55 per cent. of outstanding shares) and 251,784,108 Class B shares (45 per cent. of outstanding shares), assuming full acceptance of the Share Exchange Offer. Each Class A share entitles the holder to one vote and each Class B share entitles the holder to one-tenth (1/10) of one vote. There are no other differences between the SSAB share classes.

Industrivärden, which holds 17.5 per cent. of the votes and 10.5 per cent. of the capital in the Combined Company, assuming full acceptance of the Share Exchange Offer, has expressed its intention to remain as a long-term main owner of the Combined Company. Solidium, which as part of the Share Exchange Offer will receive both New Class A Shares and New Class B Shares, will hold 10.0 per cent. of the votes and 16.8 per cent. of the capital in the Combined Company. Overall, assuming full acceptance of the Share Exchange Offer, SSAB's current shareholders will hold 58 per cent. of the capital and 75 per cent. of the votes and Rautaruukki's current shareholders will hold 42 per cent. of the capital and 25 per cent. of the votes in the Combined Company.

The New Shares issued as Share Consideration under the Share Exchange Offer will entitle to a dividend for the first time on the first record date for the dividend payment occurring after the day when the New Shares are entered into SSAB's share register. The New Shares entitle the holders to all shareholder rights as of registration.

On 18 March 2014, in accordance with the proposal of the Board of Directors of Rautaruukki, the annual general meeting of shareholders of Rautaruukki decided that no dividend will be paid for the financial year ended 31 December 2013.

### **Summary of the Combination Agreement**

This summary is not an exhaustive presentation of all the terms and conditions of the Combination Agreement.

### **Objectives of the Combination Agreement**

The Combination Agreement was entered into by and between SSAB and Rautaruukki on 21 January 2014 prior to the publication of the Share Exchange Offer on 22 January 2014. Pursuant to the Combination Agreement, SSAB will acquire, through the Share Exchange Offer, and, if necessary, through subsequent compulsory redemption proceedings in accordance with the Finnish Companies Act, all Rautaruukki Shares not owned by Rautaruukki or its subsidiaries. Subject to SSAB acquiring more than 90 per cent. of the issued and outstanding shares and voting rights in Rautaruukki, SSAB has undertaken to cause the Rautaruukki Shares to be delisted from the Helsinki Stock Exchange and the New Shares given as Share Consideration to be listed on the Stockholm Stock Exchange. SSAB has also undertaken to apply for a secondary listing of its shares on the Helsinki Stock Exchange following the completion of the Share Exchange Offer.

### **Recommendation of the Board of Directors of Rautaruukki**

Under the Combination Agreement, the Board of Directors of Rautaruukki has undertaken to issue a formal recommendation to the shareholders of Rautaruukki to accept the Share Exchange Offer. The Board of Directors of Rautaruukki may nevertheless decide to modify, cancel or change its recommendation, include conditions to its recommendation or take actions contradictory to its recommendation (i) in order to comply with its fiduciary duties, (ii) if there is a competing, more favorable offer being published, or (iii) if the Share Exchange Offer no longer being in the best interest of the shareholders of Rautaruukki, among other things, due to materially changed circumstances. SSAB is entitled to withdraw the Share Exchange Offer if the Board of Directors of Rautaruukki decides to modify, cancel or change its recommendation.

Each of Rautaruukki and SSAB has undertaken not to initiate, solicit or encourage any competing offers or proposals for offers or other transactions competing with the Share Exchange Offer, nor to facilitate or promote the progress of such proposals. Rautaruukki has also agreed to inform SSAB of any competing proposals and to provide SSAB with an opportunity to negotiate with the Board of Directors of Rautaruukki in matters arising from such competing proposals.

### ***Representations, Warranties and Undertakings***

The Combination Agreement contains certain customary representations and warranties as well as undertakings, such as each party conducting its businesses in the ordinary course of business before the completion of the Share Exchange Offer, and cooperation by the parties in making necessary regulatory filings, by each of SSAB and Rautaruukki. SSAB has also, upon completion of the Share Exchange Offer, undertaken to use its reasonable best efforts to comply with and implement a governance plan and an industrial plan attached to the Combination Agreement.

### ***Conditions to Completion***

The completion of the Share Exchange Offer is subject to the fulfilment or, to the extent permitted by applicable laws and regulations, waiver by SSAB of the following requirements for the completion of the Share Exchange Offer (the "Conditions to Completion") on the date (the "Announcement Date") of SSAB's announcement of the final result of the Share Exchange Offer in accordance with Chapter 11, Section 18 of the Finnish Securities Market Act:

- (i) the valid tender of Rautaruukki Shares representing, together with any other Rautaruukki Shares otherwise held by SSAB prior to the Announcement Date, more than 90 per cent. of the issued and outstanding shares and voting rights of Rautaruukki calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act governing the right and obligation to commence compulsory redemption proceedings;
- (ii) the receipt of all necessary regulatory approvals, permits and consents, including without limitation competition clearances, and that any conditions set in such permits, consents or clearances, including, but not limited to, any requirements for the disposal of any assets of SSAB or Rautaruukki or any reorganization of the business of SSAB or Rautaruukki, are reasonably acceptable to SSAB in that they do not result in a material adverse change in the Combined Company;
- (iii) no legislation or other regulation having been issued or decision by a competent court or regulatory authority, including the Finnish Financial Supervisory Authority (the "FFSA") and the Swedish Financial Supervisory Authority ("SFSA"), having been given that would wholly or partly prevent the completion of the Share Exchange Offer or result in a material adverse change in the Combined Company;
- (iv) no information made public by Rautaruukki or disclosed by Rautaruukki to SSAB being materially inaccurate, incomplete, or misleading, and Rautaruukki not having failed to make public any information that should have been made public by it under applicable laws and regulations, provided that such disclosure or failure to disclose information constitutes a material adverse change in Rautaruukki and its subsidiaries, taken as a whole;
- (v) no fact or circumstance having arisen after the announcement of the Share Exchange Offer that constitutes a material adverse change in respect of Rautaruukki and its subsidiaries, taken as a whole;
- (vi) the Board of Directors of Rautaruukki having issued its recommendation to Rautaruukki shareholders to exchange their Rautaruukki Shares to New Shares and the recommendation remaining in full force and effect and not having been modified, cancelled or changed;
- (vii) the Combination Agreement not having been terminated and remaining in full force and effect;
- (viii) the undertaking by Solidium to accept the Share Exchange Offer remaining in full force and effect in accordance with its terms; and
- (ix) the general meeting of shareholders of SSAB having passed all necessary resolutions for the completion of the Share Exchange Offer.

SSAB can only invoke any of the Conditions to Completion so as to cause the Share Exchange Offer not to proceed, to lapse or to be withdrawn if the circumstances, that give rise to the right to invoke the relevant Condition to Completion, have material importance to SSAB in view of the Share Exchange Offer, as referred to in the regulations and guidelines (9/2013) of the FFSA on Takeover Bids and Mandatory Bids and in the Helsinki Takeover Code.

### **Termination**

Each of SSAB and Rautaruukki may terminate the Combination Agreement in case of a material breach by the other party of any of the warranties, undertakings or covenants under the Combination Agreement, or if the Share Exchange Offer has not been completed by 1 October 2014, which may be extended by either party by up to three months. In addition, each of SSAB and Rautaruukki may terminate the Combination Agreement, among other things, where information made public, or disclosed by one party to the other, is materially inaccurate, incomplete, or misleading, or where a material adverse change has occurred after the announcement of the Share Exchange Offer.

In case of any termination or expiration of the Combination Agreement in accordance with its terms and conditions, SSAB is entitled to withdraw the Share Exchange Offer in accordance with Finnish laws and regulations and the terms and conditions of the Share Exchange Offer. If the Combination Agreement is terminated by either SSAB or Rautaruukki, the other party may be entitled to compensation for out-of-pocket costs incurred in connection with the preparation of the Combination covering the period of twelve months prior to the date of the Combination Agreement, provided that:

- (i) in the case of Rautaruukki, the Share Exchange Offer is withdrawn by SSAB pursuant to the Combination Agreement having been terminated by Rautaruukki due to the fact that the regulatory approvals have not been obtained by 1 October 2014, which may be extended by either party by up to three months; and
- (ii) in the case of SSAB, the Combination Agreement has been terminated by SSAB because (a) the Board of Directors of Rautaruukki has decided not to issue, or has modified, cancelled or changed, its recommendation as a result of a competing offer or a serious competing proposal, or (b) a competing offer has been completed.

### **Governing Law**

The Combination Agreement is governed by Finnish law.

## INFORMATION ABOUT SSAB

### Business

#### Overview

SSAB is a supplier of, high strength steels globally, standard strip products in the European Economic Area and standard plate in North America. Although the majority of SSAB's shipments are standard steel, plate and strip products, SSAB is focused on continuing to increase the share of niche products of its shipments. Of total shipments for the years ended 31 December 2013, 2012 and 2011, 37 per cent., 38 per cent. and 37 per cent., respectively, were niche products. Niche products are primarily sold directly to end customers. Customer segments include heavy transport, automotive, material handling (including mining), construction machinery (including lifting), energy, construction, protection and tooling. In what SSAB regards as its domestic markets, the Nordic region and North America, standard steels are, to a large extent, sold to steel service centers and distributors.

SSAB's production is concentrated in facilities in Sweden and the United States and SSAB also has processing and finishing lines in China. SSAB's distribution network consists of stock facilities on six continents. SSAB also offers finishing services such as cutting, shot-blasting and other value added services in certain markets through its distribution network.

SSAB's operations and financial reporting are divided into the following four business areas:

- The SSAB EMEA business area comprises the majority of SSAB's operations in Europe, the Middle East and Africa, including SSAB's three main European production facilities that are located in Sweden. For the year ended 31 December 2013, 40 per cent. of SSAB's external sales were derived from the SSAB EMEA business area.
- The SSAB Americas business area comprises SSAB's operations in North and Latin America, including SSAB's two production facilities in the United States. For the year ended 31 December 2013, 41 per cent. of SSAB's external sales were derived from the SSAB Americas business area.
- The SSAB APAC business area comprises SSAB's operations in Asia and Australia, including SSAB's plate finishing operations in China. For the year ended 31 December 2013, 5 per cent. of SSAB's external sales were derived from the SSAB APAC business area.
- SSAB's subsidiary Tibnor comprises SSAB's steel distribution operations in the Nordic and Baltic regions. For the year ended 31 December 2013, 14 per cent. of SSAB's external sales were derived from Tibnor.

SSAB had sales of SEK 35,022 million and total steel shipments of approximately 4.4 million tonnes for the year ended 31 December 2013.

#### Strategy

SSAB's strategy is to be a global leader within the niche area of high strength steels, while at the same time maintaining its position within standard steels. SSAB's strategy is based on ensuring the long-term development of SSAB and thereby creating value for shareholders and other stakeholders. The key elements of SSAB's business strategy are:

##### *Maintaining Global Position within High Strength Steels*

SSAB is a global supplier of, high strength steels and offers a wide range of products with different qualities and dimensions. SSAB drives development by continuously seeking to create new, innovative solutions and developing new grades of steel. For example, the use of high strength steels is steadily increasing since they possess considerable advantages in terms of performance, weight, stability and durability as compared to standard steels. In addition to market-driven research and product development, often in cooperation with customers, SSAB also engages in fundamental research together with industry organizations and universities. SSAB markets its steels under its own product brands. SSAB believes that Hardox wear steel is one of the best-known brands in the steel world. SSAB's other brands include Domex structural steel, Docol steel for the automotive industry, and Toolox steel, which is targeted at the manufacturing industry.

### *Maintaining Customer Base in North America and the Nordic Region*

In SSAB's domestic markets, the Nordic region and North America, SSAB delivers both high strength steels and standard steels. In 2013, approximately 69 per cent. of SSAB's steel shipments were to these domestic markets. SSAB is a significant manufacturer of standard strip products in the Nordic region and supplier of standard plate in North America. In its domestic markets, SSAB aims to be the customer's first choice both in terms of volumes and profitability. In addition to quality, critical factors for customers are timely deliveries and a close relationship with the supplier. SSAB's steel mills are located centrally in Sweden and in the United States, which allows SSAB to quickly deliver to its customers and limit transportation costs. Tibnor is an important distribution channel for serving the Nordic market. In North America, SSAB has a number of supply channels, including processing centers and warehousing centers, which shorten the distances to the customers.

### *Providing Value Added Services to Customers*

By providing advice to customers at an early stage in the product development process, SSAB's technical experts contribute knowledge as to how the qualities of high strength steels can be utilized in an efficient manner to create new, innovative solutions and applications. The development takes place in close cooperation with customers, either at the customer's site or at one of SSAB's research centers. The customer's production processes can often be made more efficient by shifting to production based on high strength steels. SSAB can tailor steel shipments to the customer's needs through cutting to size, painting or figure cutting, so that they can be used directly in the customer's production process. In order to shorten lead times to Asia, SSAB has built a finishing line in Kunshan, China, where steel is customized locally and distributed to the customers. SSAB plans additional finishing lines in other locations, such as Asia, in order to further reduce lead times. SSAB offers aftermarket services, such as providing advice, repair work and spare part sales directly as required. This takes place partly through the Hardox Wearparts network in which SSAB, itself or through approved partners, repairs wear parts made of Hardox wear steel. This service offering creates added value and contributes an additional dimension to SSAB's vision of a sustainable world. SSAB believes that its know-how of the production of high strength steels and value added services relating to its customers' steel products, distinguish it from many other steel producers.

### **History**

SSAB traces its history to three Swedish steel works, Domnarvets Järnverk in Borlänge (established in 1878), Oxelösund Järnverk in Oxelösund (established in 1915) and Norrbottens Järnverk AB in Luleå (established in 1940). All three steel works were in financial crisis in 1977 and, in accordance with a decision by the Swedish Parliament, they were merged to form the Company with the Swedish State as the sole owner. The Company commenced operations on 1 January 1978.

Between 1978 and 1981, SSAB implemented an extensive restructuring plan with the goal of creating a profitable carbon steel company with a broad product range and focus on the Nordic market. In order to strengthen its position in the Swedish steel market, SSAB acquired a majority share in Tibnor, which was then a distributor of steel and non-ferrous metals in the Nordic region, in 1979. The restructuring contributed to 1982 being SSAB's first profitable year. In 1982, SSAB also inaugurated a new hot strip rolling mill in Borlänge, Sweden.

Between 1987 and 1988, SSAB streamlined its product range to cover flat products and production of scrap metal-based steel products was discontinued. SSAB reorganized its operations into two companies focusing on sheet and plate, respectively. The Company's shares were listed on the Stockholm Stock Exchange (currently NASDAQ OMX Stockholm AB) in 1989 and the Swedish State sold the remainder of its direct ownership interest in the Company in 1994.

In the 1990s, SSAB developed its steel operations to increasingly focus on niche areas within high strength steels, advanced high strength strip steels and quenched standard plate. Towards the end of the 1990s, SSAB invested in significantly increasing its production capacity of these core niche products.

In 2007, SSAB acquired the North American steel group IPSCO, a supplier of plate and tubular products with facilities in the United States and Canada. SSAB divested IPSCO's tubular business in 2008 as part of its strategy to focus on its core niche high strength steel products. IPSCO was, in terms of volume, the largest plate producer in North America. In 2011, SSAB acquired Outokumpu Stainless AB's 15 per cent. minority shareholding in Tibnor, after which Tibnor became a wholly owned subsidiary of SSAB.

## SSAB's Business Operations

### Overview

SSAB is a global supplier of, high strength steels. SSAB also produces standard strip and plate steel. Through processing centers as well as the Hardox Wearparts network, SSAB offers customized products to its customers. SSAB's production is concentrated in facilities in Sweden and the United States, and SSAB also has processing and finishing operations in China.

SSAB's niche products include the following seven product lines, each of which has its own unique characteristics and target applications:

### SSAB Product Brands

- Domex is a line of advanced, high strength steels developed to address the challenges of transport and vehicle manufacturers.
- Hardox is SSAB's line of wear resistant steels.
- Docol is a high-strength line of steels that was developed for the automotive industry to be used in car safety components.
- Weldox is a line of steels designed for the lifting industry.
- Prelaq is a line of pre-painted sheet steel for the construction industry, among others.
- Armox is a line of ballistic steel protective plating that is lightweight and meets stringent criteria.
- Toolox is a line of pre-hardened, heat treated steels for tools and machines operating at high temperatures.

SSAB also produces standard plates and strip and, in the United States, other types of steel plates, including abrasion resistant, chromium carbide overlay, laser quality and structural steel plates. For the years ended 31 December 2013, 2012 and 2011, SSAB's niche products accounted for 37 per cent., 38 per cent. and 37 per cent., respectively, of SSAB's shipments.

The following table sets forth SSAB's sales, operating profit, production and shipments for the years indicated:

	For the year ended 31 December	
	2013	2012
Sales, SEK in millions .....	35,022	38,923
Operating profit/loss, SEK in millions .....	(1,131)	(96)
Crude steel production, tonnes in thousands .....	5,567	5,253
Steel production, <sup>(1)</sup> tonnes in thousands .....	4,750	4,424
Steel shipments, tonnes in thousands:		
Niche products <sup>(2)</sup> .....	1,619	1,585
Standard products .....	<u>2,808</u>	<u>2,599</u>
<b>Total steel shipments, tonnes in thousands</b> .....	<b><u>4,427</u></b>	<b><u>4,184</u></b>

(1) Including subcontracted rolling for SSAB for the year ended 31 December 2012. The amount of subcontracted rolling was very limited in 2012.

(2) Niche products include quenched steels and advanced high strength steels.

The following table sets forth SSAB's external sales by geography for the years indicated:

	For the year ended 31 December	
	2013	2012
	(audited)	
	(SEK in millions)	
Sweden .....	6,833	7,613
EU-28 <sup>(1)</sup> (excluding Sweden) .....	9,574	10,221
Rest of Europe .....	1,816	2,038
North America .....	13,449	15,060
Asia .....	1,760	2,621
Rest of the world .....	<u>1,590</u>	<u>1,370</u>
<b>Total sales</b> .....	<b><u>35,022</u></b>	<b><u>38,923</u></b>

(1) EU-28 refers to the 28 member states of the EU ("EU-28"). Before 1 July 2013, the date on which Croatia joined the EU, the corresponding reference was to EU-27.

SSAB sells the majority of its niche products to end customers and the larger part of its standard steels to steel service centers. SSAB’s main customer segments are heavy transport, automotive, material handling including mining, construction machinery including lifting, energy, construction, protection and tooling.

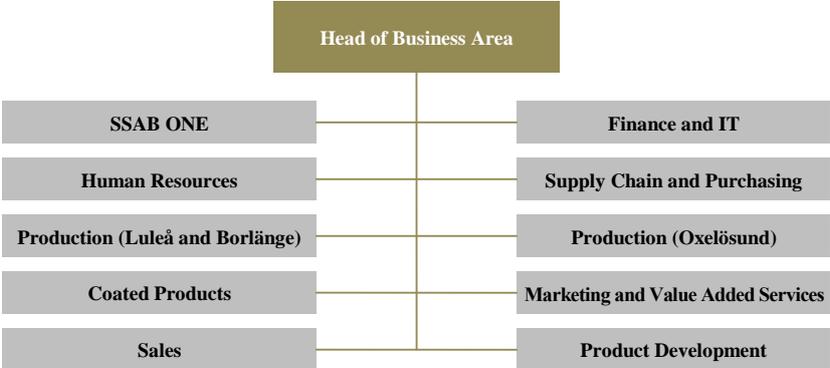
SSAB’s operations are divided into four segments, representing three geographic business areas: SSAB EMEA, SSAB Americas, and SSAB APAC, as well as distribution operations through SSAB’s subsidiary Tibnor. Each business area operates independently and has its own organizations for sales and distribution, finance, and human resources.

*Business Areas*

SSAB EMEA

SSAB EMEA comprises the majority of SSAB’s operations in Europe, Middle East and Africa and is a significant manufacturer of high strength steels and a large manufacturer of steel strip products in the Nordic region. SSAB EMEA’s production is based on integrated blast furnace processes.

The following chart sets forth SSAB EMEA’s organization as at the date of this Prospectus:



SSAB EMEA’s main production facilities are located in Sweden. Crude steel is produced from iron ore and coke in the steelworks in Luleå and Oxelösund. The Oxelösund production facility also has a quarto plate mill for processing steel slabs into standard plate. SSAB EMEA’s production facility in Borlänge has hot and cold rolling mills as well as coating and finishing lines to produce strip products from steel slabs that are manufactured at the Luleå production facility. Certain other production operations, including painting, are performed at other facilities in Sweden, Italy, the United Kingdom and the Netherlands. As at 31 December 2013, SSAB EMEA had an annual production capacity of approximately 3.5 million tonnes of crude steel. For more information on SSAB EMEA’s production facilities, see “—Production Facilities” below.

SSAB EMEA’s primary end customer segments are heavy transport, engineering and mechanical engineering, mining and mining equipment, and automotive.

The following table sets forth SSAB EMEA’s external sales, operating profit, production and shipments for the years indicated:

	<b>For the year ended 31 December</b>	
	<b>2013</b>	<b>2012</b>
External sales, SEK in millions .....	13,861	14,839
Operating profit/loss, SEK in millions .....	(761)	(930)
Crude steel production, tonnes in thousands .....	3,094	2,963
Steel production, <sup>(1)</sup> tonnes in thousands .....	2,419	2,259
Steel shipments, tonnes in thousands:		
Niche products <sup>(2)</sup> .....	803	800
Standard products .....	<u>1,029</u>	<u>899</u>
<b>Total steel shipments</b> .....	<u>1,832</u>	<u>1,699</u>

(1) Including subcontract rolling for SSAB EMEA for the year ended 31 December 2012. The amount of subcontracted rolling was very limited in 2012.  
 (2) Niche products include quenched steels and advanced high strength steels.

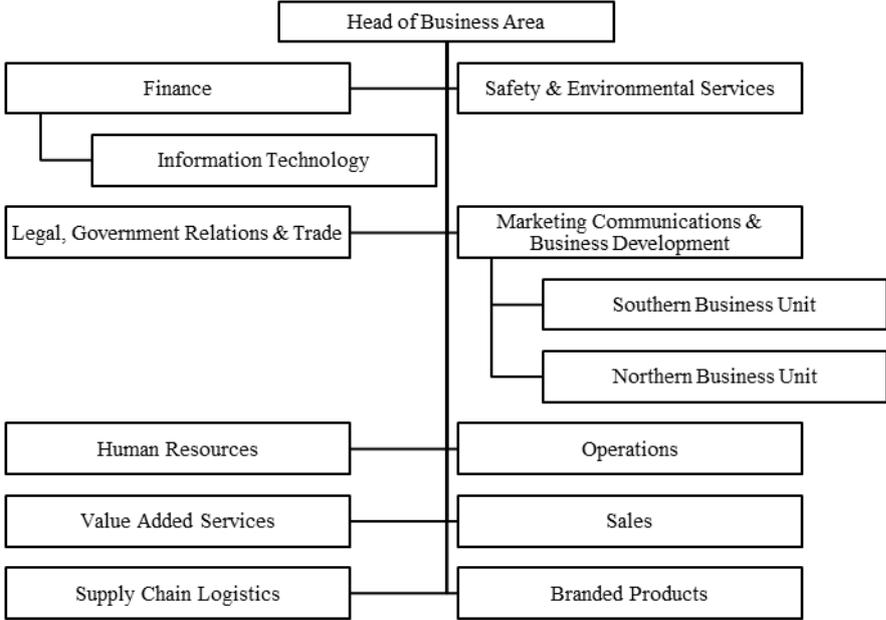
Plannja

Plannja is a wholly owned subsidiary of SSAB that is part of SSAB EMEA and has operations in Sweden, Denmark, Finland, Norway, Poland and Romania. Plannja processes strip products produced by SSAB EMEA into products for the construction industry, including flat and profiled construction steel, sheet roofing tiles and gutters. Plannja’s sales are focused on the building trade, the sheet metal trade, and construction projects. For the years ended 31 December 2013, 2012 and 2011, Plannja had external sales of SEK 993 million, SEK 1,130 million and SEK 1,311 million, respectively. The sales of Plannja are reported as part of the sales of SSAB EMEA.

SSAB Americas

SSAB Americas is a leading supplier of heavy plate in North and Latin America in terms of sales volumes and it has continued to strengthen its position within high strength steels. SSAB Americas produces standard steel plate as well as quenched plates from scrap metal. SSAB Americas has production facilities in Mobile, Alabama, and Montpelier, Iowa, United States, and processing and storage facilities in Houston, Texas, and St. Paul, Minnesota, United States, and in Toronto, Montreal, and Vancouver, Canada. SSAB Americas also operates storage facilities in Curitiba, Brazil, and Santiago, Chile. SSAB Americas sells approximately one-half of its volumes directly to end customers and the other one-half to steel service centers. SSAB Americas’ primary customer segments include heavy transport, engineering and mechanical engineering, mining and mining equipment, energy and automotive. As at 31 December 2013, SSAB Americas had an annual production capacity of approximately 2.5 million tonnes of crude steel. For more information on SSAB Americas’ production facilities, see “—Production Facilities” below.

The following chart sets forth SSAB Americas’ organization as at the date of this Prospectus:



The following table sets forth SSAB Americas’ external sales, operating profit, production and shipments for the years indicated:

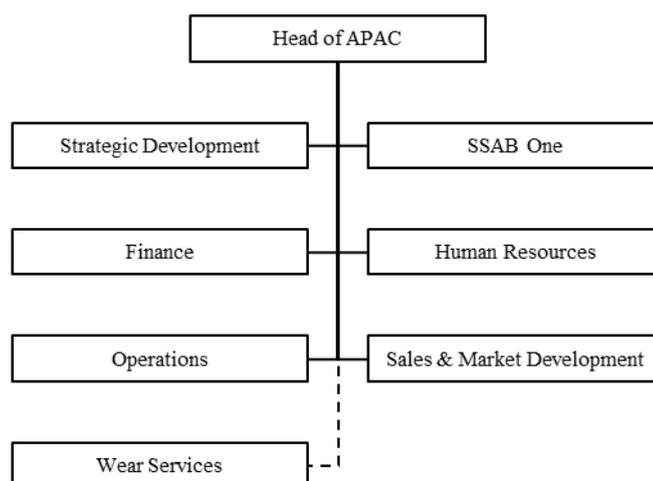
	For the year ended 31 December	
	2013	2012
	(SEK in millions, unless otherwise indicated)	
External sales.....	14,311	15,978
Operating profit/loss .....	272	1,568
Crude steel production, tonnes in thousands.....	2,473	2,290
Steel production, <sup>(1)</sup> tonnes in thousands .....	2,331	2,165
Steel shipments, tonnes in thousands:		
Niche products <sup>(2)</sup> .....	672	625
Standard products .....	<u>1,774</u>	<u>1,693</u>
<b>Total steel shipments</b> .....	<b><u>2,446</u></b>	<b><u>2,318</u></b>

- (1) Including subcontract rolling for SSAB Americas for the year ended 31 December 2012. The amount of subcontracted rolling was very limited in 2012.
- (2) Niche products include quenched steels and advanced high strength steels.

### SSAB APAC

SSAB APAC markets and sells SSAB's niche steel products in the Asian and Australian markets. SSAB APAC operates two plate finishing lines in Kunshan, China. SSAB APAC's primary customer segments include heavy machinery, automotive, mining, and construction equipment, especially mobile cranes. SSAB APAC focuses on sales to end customers. For more information on SSAB APAC's plate finishing operations in Kunshan, see "—*Production Facilities*" below.

The following chart sets forth SSAB APAC's organization as at the date of this Prospectus:



The following table sets forth SSAB APAC's external sales, operating profit and shipments for the years indicated:

	For the year ended 31 December	
	2013	2012
	(SEK in millions, unless otherwise indicated)	
External sales.....	1,761	2,318
Operating profit/loss .....	27	167
Steel shipments, tonnes in thousands:		
Niche products <sup>(1)</sup> .....	144	160
Standard products .....	<u>5</u>	<u>7</u>
<b>Total steel shipments</b> .....	<b><u>149</u></b>	<b><u>167</u></b>

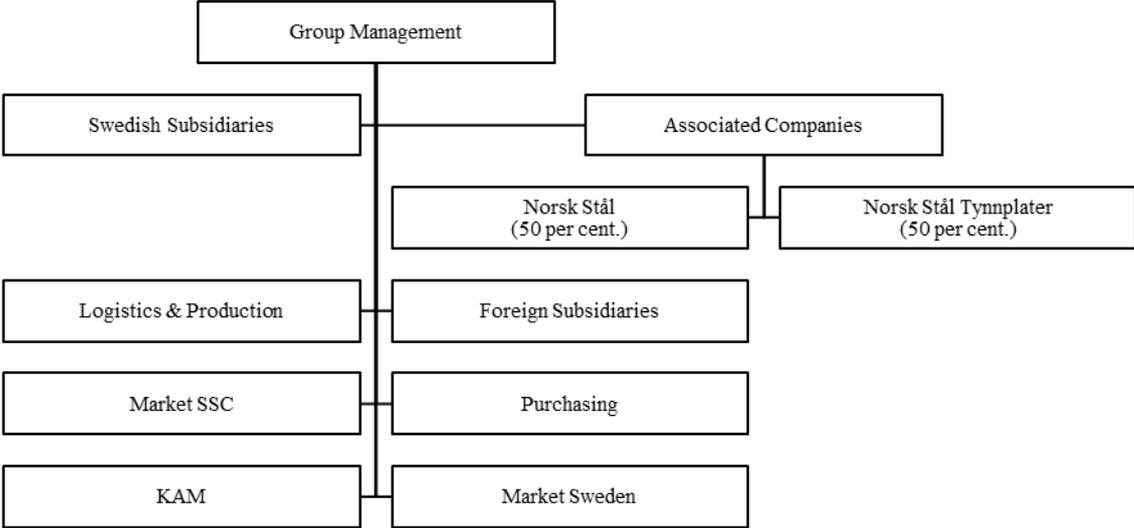
- (1) Niche products include quenched steels and advanced high strength steels.

### Tibnor

Tibnor, a wholly owned subsidiary of SSAB, is a supplier of steel and non-ferrous metals to the manufacturing industry in the Nordic and Baltic region. Tibnor operates processing and storage facilities in Sweden, Norway, Denmark, Finland and Latvia. In addition, Tibnor owns 50 per cent. of Norsk Stål AS, a Norwegian steel distributor,

and Norsk Stål Tynnplater AS, a Norwegian steel service center. Tibnor's main customer segments are engineering, automotive and construction.

The following chart sets forth Tibnor's organization as at the date of this Prospectus:



The following table sets forth Tibnor's sales and operating profit for the years indicated:

	For the year ended 31 December	
	2013	2012
	(audited)	
	(SEK in millions)	
External sales.....	5,089	5,788
Operating profit/loss .....	73	104

**Competition**

SSAB's primary competitors for quenched and tempered plates in Europe include ThyssenKrupp AG ("ThyssenKrupp"), AG der Dillinger Hüttenwerke, Rautaruukki and Salzgitter AG. SSAB's primary European competitors for strip products vary by market and include ArcelorMittal S.A. ("ArcelorMittal"), Dillinger Hütte AG, Salzgitter AG, ThyssenKrupp, Voest Alpine and Rautaruukki. SSAB's primary competitors in the United States include Nucor Corporation, ArcelorMittal and Evraz plc and SSAB primarily competes with Essar Steel Limited in Canada. In Latin America, SSAB primarily competes with local producers such as Usiminas S.A. and imported product from suppliers such as JFE Steel Corporation ("JFE"), Rautaruukki and ThyssenKrupp. SSAB's primary competitors in the Asia-Pacific region include both local and European steel producers. Local steel producers include the Japanese companies JFE and Nippon Steel & Sumimoto Metal Corporation, the South Korean company POSCO, and the Chinese companies Baosteel Group co. Ltd., Hebei Metals and Mineral Corporation Limited, Nanjing Iron & Steel United Co., Ltd and Wuhan Iron and Steel (Group) Corporation as well as the Australian company Bisalloy Steel Group Limited and the Indian company Essar. European competitors include AG der Dillinger Hüttenwerke, Rautaruukki and ThyssenKrupp. Tibnor's primary competitors include BE Group AB and Rautaruukki as well as a number of companies (independent or owned by foreign producers) with a narrow product focus and other steel service centers.

**Production Facilities**

*Overview*

The following table sets forth SSAB's main production facilities as at the date of this Prospectus:

<b>Location</b>	<b>Type of plant</b>	<b>Products</b>
Luleå, Sweden .....	Blast furnace Coke plant Steelworks	Slabs Coke
Borlänge, Sweden .....	Hot rolling Cold rolling Finishing Quenching	Hot rolled sheet Cold rolled sheet Sheet Quenched steel
Oxelösund, Sweden .....	Blast furnaces Coke plant Steelworks Rolling mill Quenching and tempering	Slabs Coke Plates Quenched steel
Mobile, Alabama, United States .....	Electric arc furnace Steckel mill Quenching	Slabs Plates Quenched steel
Montpelier, Iowa, United States .....	Electric arc furnace Steckel mill	Slabs Plates
Kunshan, China.....	Plate finishing	Plates

All of SSAB's production facilities are owned directly or indirectly by it and none of them are subject to any material encumbrances.

### ***Sales and Distribution Network***

The SSAB sales organization is mainly structured geographically. Each of the SSAB EMEA, SSAB North America and SSAB APAC business areas is responsible for its profit and loss, and has its own sales organization that is further divided into regions. Some sales representatives are more dedicated towards a specific product and/or service offering. This is locally adapted depending on customer segment mix and market demand. The organization also offers local technical sales support.

SSAB's distribution network consists of stock facilities on six continents, with Tibnor being one of the most important distributors in the Nordic region. SSAB also offers finishing services such as cutting, shot-blasting and other value added services. In addition, SSAB has Hardox Wearparts, an international network of Hardox-certified repair shops for companies producing wear parts made of Hardox wear plates. Hardox Wearparts offers customers custom finishing services for Hardox products, including bending, drilling, cutting, welding and milling.

Tibnor owns 50 per cent. of Norsk Stål AS, a Norwegian steel distributor, and Norsk Stål Tynnplater AS, a Norwegian steel service center.

### ***Raw Materials and Energy***

Iron ore and coal are the main raw materials for SSAB's steel production operations in Sweden. SSAB's raw materials are commodities that are priced in the world market and the prices, which are primarily quoted in U.S. dollars, are highly sensitive to the steel business cycle. Scrap metal is the most important raw material for SSAB's steel production operations in the United States.

Coal is an essential reduction agent for removing oxygen from iron ore and has in recent years provided approximately 85 per cent. of the energy for SSAB's steel production operations in Sweden. Electricity, propane and oil are also important sources of energy for SSAB EMEA. SSAB's operations in the United States primarily use electricity and natural gas for energy.

Each of SSAB's business areas is responsible for its own energy and supply procurement. However when possible, purchasing is coordinated globally. Examples include refractory services and materials as well as alloys. In addition, SSAB has a common purchasing system in place with global processes for purchasing.

### ***Research and Development***

SSAB's research and development operations are focused primarily on promoting the development of high strength steels. Most of the projects in SSAB's portfolio are directly related to specific customers or customer segments and are based on improving the customers' applications. Some of the projects are of a larger scope and, in such cases, result in development work of a more conceptual nature or development work that may lead to new products and processes. Goal-oriented research and development work focused on customer needs is an

important focus of SSAB. In addition to research and development operations related to the production of steel, SSAB also carries out research and development activities with regard to environmental matters.

Overall applications and product development takes place at SSAB's research centers in Oxelösund, and Borlänge, Sweden. In line with SSAB's target to conduct research as close as possible to the customers and the market, SSAB also has research and development centers in the United States and China, where practical research and applications development takes place in cooperation with customers. At SSAB's major production facilities, process development is also carried out within the various production units. SSAB also conducts long-term cooperation with selected research and development institutions. Swerea KIMAB, which is jointly owned by the Swedish government and industrial companies, is one such important cooperation partner. The projects in which Swerea KIMAB focus on next generation wear-resistant steels and high strength structural steels.

### **Group Legal Structure and Significant Subsidiaries**

SSAB AB (publ) is a limited liability company organized under the laws of the Kingdom of Sweden and is registered with the Swedish Companies Registration Office under registration number 556016-3429. Aktiebolaget Nordsvenska Malmfält was formed on 5 October 1918 and was registered with the Swedish Companies Registration Office on 18 October 1918. Aktiebolaget Nordsvenska Malmfält changed its business name to SSAB Svenskt Stål Aktiebolag on 28 December 1977 and its current business name was registered on 21 April 2009. SSAB's registered office is located at P.O. Box 70, SE-101 21, Stockholm, Sweden, and its telephone number is +46 (8) 45 45 700. SSAB AB (publ) is the parent company of the SSAB group of companies.

The following table sets forth the significant subsidiaries that SSAB AB (publ) owned, directly or indirectly, as at 31 December 2013:

	<u>Country</u>	<u>Group holding</u> (per cent.)
SSAB EMEA AB.....	Sweden	100
Tibnor AB.....	Sweden	100
SSAB US Holding Inc.....	United States	100
SSAB Alabama Inc.....	United States	100
SSAB Iowa Inc.....	United States	100
SSAB Enterprises LLC.....	United States	100
SSAB Finance Belgium SPRL.....	Belgium	100

### **Employees**

The following table sets forth the number of employees by business area as at the dates indicated:

	<u>As at 31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>(number of employees)</u>	
SSAB EMEA.....	6,054	6,504
SSAB Americas.....	1,488	1,394
SSAB APAC.....	200	220
Tibnor.....	782	797
Other.....	<u>188</u>	<u>63</u>
<b>Total</b> .....	<u><b>8,712</b></u>	<u><b>8,978</b></u>

As at 31 December 2013, SSAB had 8,712 employees.

SSAB believes that its relationships with its employees and labor unions are good. Applicable legislation in certain key countries in which SSAB operates restricts keeping records of union participation. The majority of SSAB's employees in Sweden are represented by labor unions. The current collective bargaining agreement in Sweden that covers both salaried employees and blue-collar employees expires in March 2016. Additionally, SSAB is bound by various industry specific collective bargaining agreements through its membership in the employer organization.

SSAB is committed to providing a safe working environment for its employees, subcontractors and suppliers at SSAB's production sites and other facilities. In response to a number of serious accidents in recent years, SSAB has focused on increasing employees' safety and safety awareness. The OHSAS 18001 standard for systematic health and safety management is gradually being implemented at all SSAB production facilities.

## **Insurance**

SSAB's management believes that SSAB and its subsidiaries maintain insurance coverage that reflects the requirements and the size of the parent company, business areas and subsidiaries concerned. Historically, SSAB has maintained insurance on its property in amounts and risk retention levels that SSAB's management believes to be consistent with industry practices. Insurable risks within the scope of SSAB's property and liability insurance coverage are analyzed annually together with insurance companies. SSAB's insurance policies cover physical loss or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event under these policies. SSAB holds mandatory environmental damage insurance and liability insurance covering damage to third parties. See also "*Risk Factors — Risks Relating to SSAB and the Steel Industry — SSAB's insurance policies provide limited coverage, potentially leaving it uninsured against certain risks.*".

SSAB has also maintained various other types of insurance, such as general and products liability insurance, directors and officers liability insurance, transport and marine cargo insurance, other customary policies such as commercial crime insurance, corporate business travel insurance and expatriates' insurance. In addition, SSAB maintains various local insurance policies that are mandatory at the local level, such as employer liability, workers compensation and auto liability insurance, and specific insurance policies covering compliance with local regulations.

## **Intellectual Property**

SSAB seeks to protect its innovations by obtaining appropriate intellectual property protection and maintaining and enforcing its existing key intellectual property rights. SSAB relies on trade secret, trademark and patent laws and on confidentiality agreements to protect its products, proprietary technology and know-how. SSAB's most important trademarks are for its seven brands of high strength steels, Armox, Docol, Domex, Hardox, Prelaq, Toolox and Weldox. See also "*Risk Factors — Risks Relating to SSAB and the Steel Industry — Failure to protect intellectual property rights could have a material adverse effect on SSAB's competitiveness as well as on its business, financial condition and results of operations.*".

SSAB selectively grants licenses to its trademarks and patents. For example, in order to promote Hardox steels, SSAB has granted licenses to certain producers of truck bodies, dumper bodies, containers and buckets allowing them to put the Hardox In My Body™ sign on their products and to use it in their marketing.

While intellectual property rights are important to SSAB, SSAB is not dependent on any individual patent, trademark or license.

## **Material Contracts**

Except for the Combination Agreement discussed in more detail under "*Information about the Combined Company — Summary of the Combination Agreement*", there are no contracts (other than contracts entered into in the ordinary course of business) that are, or may be, material and that have been entered into by any member of the SSAB group during the two years immediately preceding the date of this Prospectus or that contain any provision under that any member of the SSAB group has any obligation or entitlement which is material to the SSAB group as at the date of this Prospectus.

## **Legal Proceedings**

Except as set forth below, SSAB has no pending governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which SSAB is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of SSAB or its subsidiaries, as a whole.

During the fall of 2008, a number of class action lawsuits were brought in the United States against a number of steel producers, including SSAB, alleging that they had violated U.S. antitrust legislation by colluding to restrict steel production in the United States between 2005 and 2008 with the aim of influencing steel prices. The claimants are direct and indirect purchasers of relevant steel products and are claiming unspecified damages from the defendants. SSAB believes that the allegations are without merit.

In January 2014, the Australian Anti-Dumping Commission initiated an investigation into the alleged "dumping" of quenched and tempered steel plate exported to Australia from Finland, Japan and Sweden. The investigation,

which covers the period from January 1, 2013 to December 31, 2013, follows an application lodged by a local producer alleging that quenched and tempered steel plate has been exported to Australia from these countries at a price less than what would be considered normal value. The companies subject to the investigation include SSAB EMEA AB and SSAB Swedish Steel Pty Ltd, each a subsidiary of SSAB, and Ruukki Metals Oy, a subsidiary of Rautaruukki. A finding by the Australian Anti-Dumping Commission that exports of quenched and tempered steel plate at a price less than what would be considered normal value has caused material injury to the Australian quenched and tempered steel plate industry may result in interim duties being imposed on future imports of these products. SSAB believes that the allegations are without merit.

See also *“Risk Factors — Risks Relating to SSAB and the Steel Industry — SSAB is, and may in the future be, involved in governmental, litigation and other similar proceedings that could adversely affect its business, financial condition and results of operations.”*.

In addition, SSAB is involved in various legal proceedings in the ordinary course of business, primarily concerning insurance and warranty matters and complaints.

## **Board of Directors, Management and Auditors**

### ***General***

Pursuant to the provisions of the Swedish Companies Act, responsibility for the control and management of the Company is divided between the general meeting of shareholders of the Company, the Board of Directors of the Company, and the President and Chief Executive Officer (“CEO”). Shareholders participate in the control of the Company through resolutions passed at general meetings of shareholders, which are generally convened upon notice given by the Board of Directors. In addition, general meetings of shareholders are held when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the issued and outstanding shares in the Company.

The business address of the members of the Board of Directors, the President and CEO and the members of the Group Executive Committee is SSAB AB (publ), P.O. Box 70, SE-101 21, Stockholm, Sweden.

### ***Board of Directors***

The overall task of the Board of Directors is to manage the Company’s affairs on behalf of the shareholders in the best interest of the Company. The Board of Directors regularly assesses the Company’s financial position and evaluates the operational management. The Board of Directors decides, among other things, on questions concerning SSAB’s strategic focus and organization, and decides on important capital expenditures (exceeding SEK 50 million). Each year, the Board of Directors prepares proposals for guidelines regarding determination of salary and other compensation for the President and CEO and other members of the Company’s senior management to be decided upon at the annual general meeting of shareholders.

The Articles of Association of SSAB provide that the Board of Directors consists of no fewer than five and no more than ten directors elected by the general meeting of shareholders. The Board of Directors is quorate when more than one-half of the total number of directors is present. In 2013, the Board of Directors held nine meetings and the Board of Directors was at all times quorate. SSAB’s General Counsel, who is not a director, serves as secretary to the Board of Directors.

The annual general meeting of shareholders held on 12 April 2013 elected nine members to the Board of Directors. Anders G. Carlberg, Jan Johansson, Martin Lindqvist, Annika Lundius, Sverker Martin-Löf, Matti Sundberg, John Tulloch and Lars Westerberg were re-elected. Pär Östberg was elected for the first time. Sverker Martin-Löf was re-elected as Chairman of the Board of Directors.

All members of the Board of Directors except for Martin Lindqvist and John Tulloch are independent in relation to the Company. All members of the Board of Directors except for Sverker Martin-Löf and Pär Östberg are independent in relation to the Company’s significant shareholders. The provisions on independence of the members of the Board of Directors, as set out in the Swedish Code on Corporate Governance, do not apply to employee representatives.

The following table sets forth the members of the Board of Directors of SSAB as at the date of this Prospectus:

	<b>Position</b>	<b>Year born</b>	<b>Year appointed to the Board of Directors</b>
Sverker Martin-Löf.....	Chairman of the Board of Directors	1943	2003
Anders G. Carlberg .....	Member of the Board of Directors	1943	1986
Jan Johansson.....	Member of the Board of Directors	1954	2011
Martin Lindqvist.....	Member of the Board of Directors, President and CEO	1962	2011
Annika Lundius.....	Member of the Board of Directors	1951	2011
Matti Sundberg.....	Member of the Board of Directors	1942	2004
John Tulloch.....	Member of the Board of Directors	1947	2009
Lars Westerberg.....	Member of the Board of Directors	1948	2006
Pär Östberg.....	Member of the Board of Directors	1962	2013
Sture Bergvall.....	Employee representative	1956	2005
Uno Granbom.....	Employee representative	1952	2008
Peter Holmer.....	Employee representative	1958	2012
Bert Johansson .....	Employee representative (alternate member)	1952	1998
Ola Parten.....	Employee representative (alternate member)	1953	2005
Patrick Sjöholm .....	Employee representative (alternate member)	1965	2011

*Sverker Martin-Löf* has been the Chairman and a member of the Board of Directors since 2003. Mr. Martin-Löf is the Chairman of the Boards of Directors of Industrivärden and Svenska Cellulosa Aktiebolaget SCA (publ), the Deputy Chairman of the Board of Directors of Ericsson AB and Svenska Handelsbanken AB and a member of the Board of Directors of Skanska AB. Previously, Mr. Martin-Löf was the Chairman of the Board of Directors of Skanska AB and the President and CEO of Svenska Cellulosa Aktiebolaget SCA (publ). Mr. Martin-Löf holds a Licentiate degree in Technology.

*Anders G. Carlberg* has been a member of the Board of Directors since 1986. Mr. Carlberg is Chairman of the Board of Directors of Herenco AB, a member of the Boards of Directors of Axel Johnson Inc., Mekonomen Aktiebolag (expected to resign during 2014), Beijer Alma AB, Sweco AB, Investment AB Latour, Recipharm AB, AxFast AB, Erik Penser Bankaktiebolag and Gränges AB. Previously, Mr. Carlberg was the Executive Vice President of SSAB, the President and CEO of J.S. Saba AB, the President and CEO of Nobel Industrier AB and the President and CEO of Axel Johnson International AB as well as the Chairman of the Board of Directors of Höganäs AB. Mr. Carlberg holds a Master of Science degree in Economics.

*Jan Johansson* has been a member of the Board of Directors since 2011. Mr. Johansson is the President and CEO of Svenska Cellulosa Aktiebolaget SCA (publ) and a member of the Boards of Directors of Svenska Cellulosa Aktiebolaget SCA (publ) and Svenska Handelsbanken AB. Previously, Mr. Johansson was the President and CEO of Boliden AB and held several senior positions within Vattenfall Aktiebolag and the Shell group. Mr. Johansson holds a Master of Laws degree.

*Martin Lindqvist* has been a member of the Board of Directors since 2011. Mr. Lindqvist is the President and CEO and a member of the Group Executive Committee of SSAB, the Chairman of Employers' organization with focus on industry and a member of the Boards of Directors of Indutrade AB and the Confederation of Swedish Enterprise. Mr. Lindqvist has held several positions at SSAB since 1998, including the Head of the SSAB EMEA business area, the Head of SSAB Strip Products, the Chief Financial Officer of SSAB and the Chief Financial Officer of SSAB Tunnpå. In addition, Mr. Lindqvist was the Chief Controller of NCC Aktiebolag. Mr. Lindqvist holds a Bachelor of Science degree in Economics.

*Annika Lundius* has been a member of the Board of Directors since 2011. Ms. Lundius is the Deputy Director-General of the Confederation of Swedish Enterprise and a member of the Board of Directors of AMF Pensionförsäkring AB. Previously, Ms. Lundius was the Legal Director and the Financial Council of the Swedish Ministry of Finance and the CEO of the Confederation of the Swedish Insurance Industry and Employers Association. Ms. Lundius holds a Master of Laws degree.

*Matti Sundberg* has been a member of the Board of Directors since 2004. Mr. Sundberg is the Chairman of the Boards of Directors of Chempolis Oy and a member of the Boards of Directors of Skanska AB, Grängesberg Iron AB and the University of Jyväskylä, Financial Board. Previously, Mr. Sundberg was the President and CEO of

Valmet Corporation and Ovako Steel Aktiebolag. Mr. Sundberg holds a Master of Science degree in Business and Economics as well as an Honorary Doctorate in Philosophy and Economics.

*John Tulloch* has been a member of the Board of Directors since 2009. Mr. Tulloch is a member of the Board of Directors of Russel Metals Inc. Previously, Mr. Tulloch was the Executive Vice President of SSAB and the President of the IPSCO Division and the Executive Vice President, Steel, and Chief Commercial Officer of IPSCO. Mr. Tulloch holds a Bachelor's degree in Agricultural Science and a Master of Science degree in Agricultural Economics.

*Lars Westerberg* has been a member of the Board of Directors since 2006. Mr. Westerberg is the Chairman of the Board of Directors of Husqvarna AB as well as a member of the Boards of Directors of Stena AB, AB Volvo, Meda AB and Sandvik Aktiebolag. Previously, Mr. Westerberg was the President and CEO of Autoliv AB as well as the Chairman of the Boards of Directors AB, the President and CEO of Gränges AB, the CEO of ESAB Aktiebolag and the Sales Director of ASEA Aktiebolag, ASEA Robotics. Mr. Westerberg holds both a Master of Science degree in Engineering and Business Administration.

*Pär Östberg* has been a member of the Board of Directors since 2013. Mr. Östberg is the Vice President of Industrivärden and a member of the Boards of Directors of Skanska AB and Telefonaktiebolaget L M Ericsson. Previously, Mr. Östberg was the Executive Vice President of AB Volvo, the President of Volvo Trucks Asia, and the Chief Financial Officer of AB Volvo. Mr. Östberg holds a Master of Science degree in Business Administration.

*Sture Bergvall* has been an employee representative in the Board of Directors since 2005. Mr. Bergvall is an electrician in the SSAB EMEA business area.

*Uno Granbom* has been an employee representative in the Board of Directors since 2008. Mr. Granbom is a technician in the SSAB EMEA business area.

*Peter Holmer* has been an employee representative in the Board of Directors since 2012. Mr. Holmer is a mechanic in the SSAB EMEA business area.

*Bert Johansson* has been an employee representative in the Board of Directors since 1998 and currently holds the position of alternate member. Mr. Johansson is an electrician in the SSAB EMEA business area.

*Ola Parten* has been an employee representative in the Board of Directors since 2005 and currently holds the position of alternate member. Mr. Parten is an engineer in the SSAB EMEA business area.

*Patrick Sjöholm* has been an employee representative in the Board of Directors since 2011 and currently holds the position of alternate member. Mr. Sjöholm is an automation engineer in the SSAB EMEA business area.

Following completion of the Share Exchange Offer, Sverker Martin-Löf will continue as the Chairman of the Board of Directors of SSAB and SSAB's nomination committee will continue to strive to nominate the most competent Board of Directors, also taking into consideration the new ownership structure of the combination. The two largest shareholders following the completion of the Share Exchange Offer, Industrivärden and Solidium, have expressed their respective intention to support each other in SSAB's nomination committee, based on the understanding that Industrivärden will nominate the Chairman of the Board and two additional members of the Board, and that Solidium will nominate two members of the Board to be elected at an Extraordinary General Meeting of the shareholders of SSAB, to be held as soon as reasonably practicable following the completion of the Share Exchange Offer. These expressed intentions by Industrivärden and Solidium will remain in force until the earlier of (i) 24 months having passed from the completion of the Share Exchange Offer and (ii) the number of votes held by the other shareholder having fallen below 10 per cent. of all votes in SSAB.

The Board of Directors of SSAB has undertaken to, as soon as practicable following the completion of the Share Exchange Offer, call for an extraordinary general meeting of shareholders to elect new members to the Board of Directors of SSAB to be proposed by its nomination committee.

#### **Group Executive Committee**

The Group Executive Committee is responsible for the formulation and implementation of SSAB'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. The President and CEO is responsible for the day-to-day management of the Company in accordance with the Board of Directors' instructions and guidelines.

The Group Executive Committee holds monthly meetings in order to monitor the results and financial position of the Company and SSAB's 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 their Boards of Directors. In most cases, the President and CEO of the Company is the Chairman of the Board of Directors of each of the directly owned major subsidiaries and these Boards of Directors also include other members from the Group Executive Committee as well as employee representatives. The Boards of Directors of the Company's subsidiaries monitor the ongoing operations and adopt their respective strategies and budgets.

The following table sets forth the members of the Group Executive Committee as at the date of this Prospectus:

	<b>Position</b>	<b>Year born</b>
Martin Lindqvist.....	President and CEO	1962
Jonas Bergstrand.....	Executive Vice President, Legal & Strategy	1965
Håkan Folin .....	Executive Vice President, Chief Financial Officer	1976
Monika Gutén .....	Executive Vice President and Head of Group Human Resources	1975
Melker Jernberg.....	Executive Vice President and Head of Business Area SSAB EMEA	1968
Maria Långberg.....	Executive Vice President and Head of Group Communications	1970
Gregoire Parenty .....	Executive Vice President and Head of Market	1962
Martin Pei .....	Executive Vice President and Head of Business Area SSAB APAC	1963
Charles Schmitt .....	Executive Vice President and Head of Business Area SSAB Americas	1959

*Martin Lindqvist.* See “—Board of Directors” above.

*Jonas Bergstrand* has been the Executive Vice President, Legal & Strategy (General Counsel) of the Company since 2013 and a member of the Group Executive Committee since 2006. Previously, Mr. Bergstrand was a Corporate Counsel at the ABB Group, OM Gruppen AB and Ericsson Radio Systems. Mr. Bergstrand holds a Master of Laws degree.

*Håkan Folin* has been the Executive Vice President and Chief Financial Officer of the Company and a member of the Group Executive Committee since 2013. Mr. Folin has held various positions at SSAB, including the Chief Financial officer at SSAB APAC, the Chief Financial Officer at Tibnor and the Head of Business Development. Mr. Folin holds a Master of Science degree in Industrial Management and Organization.

*Monika Gutén* has been the Executive Vice President and Head of Group Human Resources of the Company and a member of the Group Executive Committee since 2011. Ms. Gutén has held several positions at SSAB since 2007, including the Vice President of Human Resources for the SSAB EMEA business area and the Head of Business Development. Ms. Gutén has also held a position within Business Development at Sandvik Hard Materials, held the position of Integration Project Manager at Sandvik AB, Valenite LLC and a position within Performance Management at Ericsson AB. Ms. Gutén holds a Master of Science degree in Business Administration.

*Melker Jernberg* has been the Executive Vice President and Head of Business Area SSAB EMEA and a member of the Group Executive Committee since 2011. Previously, Mr. Jernberg was the Senior Vice President of Buses and Coaches within Scania CV Aktiebolag and the Plant Manager at Scania CV Aktiebolag. Mr. Jernberg holds a Master of Science degree in Engineering.

*Maria Långberg* has been the Executive Vice President and Head of Group Communications of the Company and a member of the Group Executive Committee since 2013. Previously, Ms. Långberg was the Senior Advisor of JKL Group and the Senior Vice President of Corporate Communications of Gambro AB. Ms. Långberg holds a Bachelor of Science degree in Business Administration and an MBA degree.

*Gregoire Parenty* has been the Executive Vice President and Head of Market and a member of the Group Executive Committee since 2012. Mr. Parenty has held several positions at SSAB since 2004, including the Head of Market of the SSAB EMEA business area, the Head of Sales for the Heavy Transports segment in southern Europe and Latin America and the Head of Sales in France. Previously, Mr. Parenty held several executive positions within ArcelorMittal. Mr. Parenty holds a Master of Economic Sciences degree and an MBA degree.

*Martin Pei* has been the Executive Vice President and Head of Business Area SSAB APAC since 2010 and a member of the Group Executive Committee since 2007. Mr. Pei has held several positions at SSAB since 2001, including Executive Vice President Technical Officer at SSAB, General Manager of Slab Production at SSAB Plate and Manager of Research & Development Department of Primary Products at SSAB. Mr. Pei holds a Doctor of Philosophy degree in Technology.

*Charles Schmitt* has been the Executive Vice President and Head of Business Area SSAB Americas and a member of the Group Executive Committee since 2011. Mr. Schmitt has been employed at IPSCO Inc. since 1990. Previously, Mr. Schmitt was the Vice President of the Southern Business Unit for the SSAB Americas. Mr. Schmitt holds a Bachelor of Science degree in Business Administration and Finance.

### **Corporate Governance**

The Company applies the Swedish Code on Corporate Governance except for Rule 9.2 of the Swedish Code on Corporate Governance pursuant to which the members of the Compensation Committee who are elected by the general meeting of shareholders must be independent in relation to the Company and the Company's management. The Compensation Committee comprises Sverker Martin-Löf, John Tulloch and Lars Westerberg. Since John Tulloch is not considered to be independent in relation to the Company, his participation in the Compensation Committee constitutes a derogation from the rules of the Swedish Code on Corporate Governance. The Company currently conducts extensive international operations involving a large number of employees outside Sweden, including 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, primarily in the North American steel industry, constitutes an extremely valuable contribution to the Compensation Committee's overall ability to address international compensation issues in a purposeful and rational manner. Therefore, 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 Swedish Code on Corporate Governance justified.

### **Conflict of Interest**

Except for their legal and/or beneficial interest in shares, there are no (i) potential conflicts of interest between any duties to SSAB of any member of the Board of Directors or Group Executive Committee and their private interests and/or other duties; (ii) arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any member of the Board of Directors or Group Executive Committee was selected; or (iii) restrictions agreed by any member of the Board of Directors or the Group Executive Committee on the disposal of their holdings in SSAB's securities within a certain time.

### **Auditors**

The annual general meeting of shareholders of the Company, held on 12 April 2013, elected as its auditor PricewaterhouseCoopers AB with Authorized Public Accountant Magnus Svensson Henryson as a responsible auditor. SSAB's consolidated financial statements as at and for the years ended 31 December 2013 and 2012 have been audited by PricewaterhouseCoopers AB with Authorized Public Accountant Magnus Svensson Henryson as a responsible auditor. SSAB's consolidated financial statements as at and for the year ended 31 December 2011 have been audited by PricewaterhouseCoopers AB with Authorized Public Accountant Claes Dahlén as a responsible auditor. The authorized public accountants signing the auditor's reports are subject to Swedish auditing and auditor independence standards. The authorized public accountants signing the consolidated financial statements of SSAB are members of FAR SRS (the Swedish Institute of Authorised Public Accountants).

## Description of Shares and Share Capital

### General

SSAB AB (publ) is a limited liability company organized under the laws of the Kingdom of Sweden and is registered with the Swedish Companies Registration Office under registration number 556016-3429. Aktiebolaget Nordsvenska Malmfält was formed on 5 October 1918 and was registered with the Swedish Companies Registration Office on 18 October 1918. Aktiebolaget Nordsvenska Malmfält changed its business name to SSAB Svenskt Stål Aktiebolag on 28 December 1977 and its current business name was registered on 21 April 2009. SSAB is domiciled in Stockholm, Sweden, its registered office is located at P.O. Box 70, SE-101 21 Stockholm, Sweden, and its telephone number is +46 (8) 45 45 700.

According to Article 3 of the Articles of Association of SSAB, the objectives of the Company are, directly or indirectly, to own and administer real estate and chattels, to develop, produce, refine and sell, and otherwise engage in trade and conduct business in, products of iron, steel and other metals, and to conduct any other business compatible therewith.

### Shares and Share Capital

As at the date of this Prospectus, the Company's fully paid-up share capital amounts to SEK 2,850,626,020. Pursuant to the Articles of Association of SSAB, the share capital must be not less than SEK 1,500,000,000 and not more than SEK 6,000,000,000. As at the date of this Prospectus, the total number of shares in the Company is 323,934,775, of which 240,765,832 are Class A shares and 83,168,943 are Class B shares. The number of shares in the Company at the beginning and at the end of the year 2013 was 323,934,775. No shares of the Company are held in treasury by the Company or its subsidiaries. Pursuant to the Articles of Association of SSAB, the total number of shares must be not less than 100,000,000 and not more than 400,000,000. In addition, not more than 400,000,000 Class A shares may be issued and not more than 125,000,000 Class B shares may be issued. Both share classes, Class A shares and Class B shares, carry the same rights, except that each Class A share carries the right to one vote at the general meetings of shareholders of the Company while each Class B share carries the right to one-tenth (1/10) of one vote at the general meetings of shareholders of the Company. SSAB shares have no nominal value. SSAB shares were entered in the book-entry securities system maintained by Euroclear Sweden AB on 11 April 1989.

### Ownership Structure

The following table sets forth the largest shareholders of SSAB that appear in the shareholder register maintained by Euroclear Sweden as at 28 February 2014:

	As at February 28, 2014			
	Number of Class A shares	Number of Class B shares	Percent of total shares	Percent of votes
Industrivärden .....	58,105,972	754,985	18.2	23.4
LKAB.....	12,344,064	0	3.8	5.0
Handelsbanken Funds .....	10,561,238	4,530,000	4.7	4.4
Swedbank Robur Funds .....	8,949,030	7,116,166	5.0	3.9
Invesco Funds.....	6,425,017	0	2.0	2.6
AMF-Insurance and Funds .....	5,720,699	200,000	1.8	2.3
Danske Capital Sweden .....	4,382,767	0	1.4	1.8
Catella Fund Management .....	3,299,535	0	1.0	1.3
Skandia Funds .....	2,578,183	0	0.8	1.0
Avanza Pension .....	1,949,538	3,422,540	1.7	0.9
Other shareholders.....	<u>126,449,789</u>	<u>67,145,252</u>	<u>59.8</u>	<u>53.5</u>
Total.....	240,765,832	83,168,943	100.0	100.0

### Related Party Transactions

SSAB has entered into certain transactions with its joint venture, subsidiaries and affiliated persons:

- For the year ended 31 December 2013, SSAB Americas purchased plate shot blasting and painting services from Blastech Mobile LLC, of which SSAB owns 50 per cent., for SEK 80 million, as compared to EUR 85 million for the year ended 31 December 2012.

- For the year ended December 31, 2013, Lulekraft, of which SSAB owns 50 per cent., purchased gas from SSAB EMEA for SEK 265 million, as compared to EUR 246 million for the year ended 31 December 2012 and resold energy for SEK 155 million, as compared to SEK 145 million for the year ended 31 December 2012.
- For the year ended 31 December 2013, Norsk Stål AS and Norsk Stål Tynnplater AS, both of which Tibnor owns 50 per cent., purchased steel from the steel operations for SEK 265 million, as compared to SEK 313 million for the year ended 31 December 2012, and sold steel for SEK 2 million, as compared to SEK 2 million for the year ended 31 December 2012.
- For the year ended 31 December 2013, Oxelösunds Hamn AB ("Oxelösunds Hamn"), of which SSAB owns 50 per cent., sold port services to SSAB EMEA for SEK 268 million, as compared to SEK 232 for the year ended 31 December 2012.
- For the year ended 31 December 2013, Oxelösunds Hamn purchased other services from SSAB EMEA for SEK 24 million, as compared to SEK 24 million for the year ended 31 December 2012.
- For the year ended 31 December 2012, Geha Beheer B.V., of which SSAB owned 30 per cent. in 2012 and 2011, purchased steel from SSAB EMEA for SEK 49 million. Since Geha Beheer B.V. was reclassified to shares and participations due to acquisition of additional shares during 2013, transactions with Geha Beheer B.V. were not reported as related party transactions in 2013.
- John Tulloch, a member of the Board of Directors, has a consultancy agreement with one of SSAB's subsidiaries in the United States from which he received a consultancy fee of SEK 0.4 million for each of the years ended 31 December 2013 and 2012.

The above transactions took place at arm's length prices.

#### ***Recent Developments***

SSAB issued five year bonds in the Swedish domestic capital markets under its Swedish MTN programme listed on NASDAQ OMX Stockholm with a total aggregate principal amount of SEK 1,500 million. The issuance was carried out in two tranches: a fixed rate bond with a total aggregate principal amount of SEK 500 million and an interest rate of 4.625 per cent. per annum, and a floating rate bond with a total aggregate principal amount of SEK 1,000 million and an interest rate of 3-month STIBOR + 2.8 per cent. The proceeds of the bonds were used for general corporate purposes.

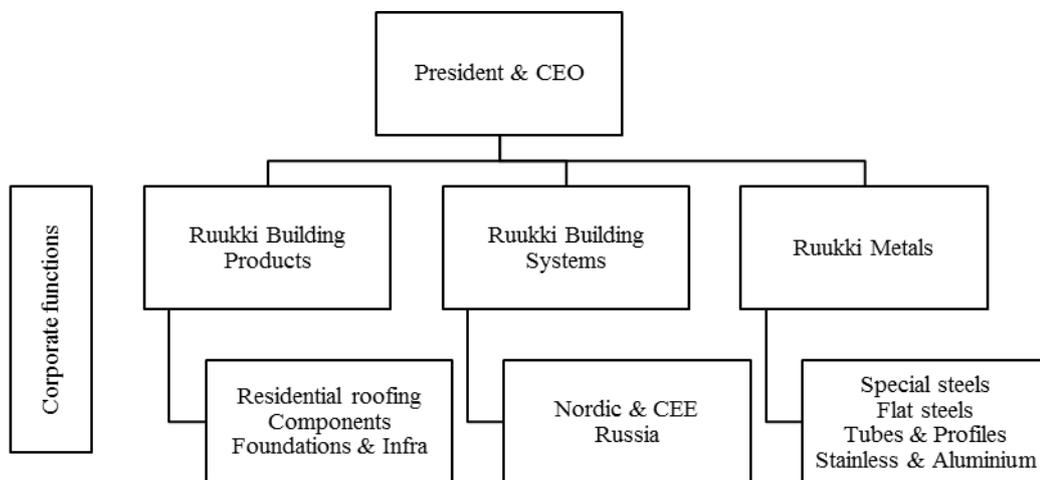
## INFORMATION ABOUT RAUTARUUKKI

All the financial and other information presented in this Prospectus concerning Rautaruukki has been derived from, and has been provided exclusively based upon, the annual reports for the years ended 31 December 2013 and 2012, including audited consolidated financial statements, published by Rautaruukki as at and for the year ended 31 December 2013 and 2012, other stock exchange releases published by Rautaruukki, entries in the Finnish Trade Register, and other information publicly available. Consequently, SSAB does not accept responsibility for such information, except the correct reproduction of such information herein.

### Business

#### Overview

Rautaruukki specializes in steel and steel construction. It provides customers with energy-efficient steel solutions for better living, working and moving. The following chart sets forth Rautaruukki's organizational structure:



The operations and financial reporting of Rautaruukki are structured into three business areas: Ruukki Building Products, Ruukki Building Systems and Ruukki Metals. Rautaruukki has dealer networks covering approximately 30 countries including the Nordic countries, Russia and elsewhere in Europe and emerging markets, such as India, China and South America. The company's shares are listed on the Helsinki Stock Exchange.

#### Business Strategy

Rautaruukki's vision is to be an innovative and acknowledged provider of energy-efficient steel solutions to build better living environment together with its customers. Rautaruukki's operations are divided into three segments. Rautaruukki's strategic focus is on construction and developing the special steels business. It is pursuing growth in specialization and in emerging markets. Rautaruukki's focus areas include global focus on its steel business on special steel products; growth in the construction business, especially in Russia and roofing products; growth in emerging markets; product repeatability and balanced business structure; energy-efficient products; and innovations and cost efficiency.

#### History

Rautaruukki Oy was established in 1960 by the Finnish Government and by selected companies active in the Finnish metalworking industry. The aim of the new enterprise was to build an iron processing plant and a plate rolling mill working with domestic raw material on such a scale that the output of the works would primarily meet the demand for heavy plates among the expanding engineering and shipbuilding industries, and would also offer respective export prospects. The steel works were set up in Raahe, Finland, which at that time, was close to the iron mines of northern Finland. The first blast furnace plant was completed and put into operation in the fall of 1964. In 1975, the second blast furnace at Raahe steel works was built.

Rautaruukki issued the first shares to the public and company employees, and Rautaruukki's shares were listed on the Helsinki Stock Exchange, in 1989. The Finnish State's shareholding in Rautaruukki (currently through Solidium) has gradually decreased to its current level of 39.7 per cent. and the holdings of private shareholders has risen accordingly. On 31 December 2013, the foreign shareholding in the Company was 12.8 per cent. Rautaruukki uses the marketing name Ruukki. In 2011, Rautaruukki divided its Finnish operations into four different companies. Rautaruukki's construction business, engineering business, steel business and stainless steel and aluminum trading business have acted as separate companies from 1 May 2011. Rautaruukki Corporation is the parent company of the new Finnish companies.

The arrangement was an administrative one under which the Rautaruukki group reorganized its corporate structure to correspond to its existing businesses. The entire business of all the Finnish units mentioned above were transferred to the new companies. The arrangements did not apply to the Rautaruukki Group's units outside Finland.

Rautaruukki and funds managed by CapMan agreed in October 2012 to combine units of Komax Oy and units of the Ruukki Engineering business area to form a new company, Fortaco Group Oy ("Fortaco"). The transaction was finalized on 27 December 2012. Since 1 January 2013, the operations of the Ruukki Engineering units excluded from the Fortaco arrangement have been reported as part of Rautaruukki's Metals' business.

At the start of the second quarter of 2013, the Ruukki Construction business area was split into two separate business areas with reporting responsibility: Ruukki Building Products and Ruukki Building Systems. Ruukki Building Products supplies roofing, sandwich panel, foundation and infrastructure products, including services. Ruukki Building Systems consists of the building project business, operations in Russia and the new energy-efficient and functional buildings development unit.

## **Business Operations**

### *Overview*

Rautaruukki specializes in steel and steel construction. Rautaruukki provides customers with energy-efficient steel solutions for better living, working and moving. The operations and financial reporting are structured into the following three business areas:

- Ruukki Building Products provides energy- and life-cycle -efficient building components such as Ruukki energy and life panels for functional envelopes for commercial, industrial and logistics buildings and foundation components for infrastructure construction projects. The residential roofing business provides steel roofing products and services for private households. For the year ended 31 December 2013, 18 per cent. of Rautaruukki's net sales were derived from Ruukki Building Products.
- Ruukki Building Systems provides steel structures including design and installation and solutions for commercial, office and industrial construction projects especially in the Nordic countries and in Russia. For the year ended 31 December 2013, 12 per cent. of Rautaruukki's net sales were derived from Ruukki Building Systems.
- Ruukki Metals provides steel products, including high strength, wear-resistant, special coated and tubular products for demanding energy-efficient applications with known product brands Raex, Laser, Optim, Ramor and Litec. Rautaruukki's steel service centers supply steel products and related prefabrication, logistics and storage services. For the year ended 31 December 2013, 70 per cent. of Rautaruukki's net sales were derived from Ruukki Metals.

Each of the three business areas has a management board chaired by the Executive Vice President of the respective business area. They report to the President and CEO of the group. Rautaruukki Corporation, the parent company of the group, is responsible for corporate functions such as treasury and finance, marketing and communication, technology, energy and environment, human resources, information technology, investor relations, legal and business development. Rautaruukki Corporation provides, among other things, services related to these functions to the divisions.

Fortaco, a system component manufacturer for the mechanical engineering industry, is partly owned by Rautaruukki.

Rautaruukki's operations are divided into three segments: Ruukki Building Products, Ruukki Building Systems and Ruukki Metals. Until the end of March 2013, Rautaruukki's operations were divided into three segments that were Ruukki Construction, Ruukki Engineering (which, after the completion of the Fortaco arrangement described under "Presentation of Financial Information - Historical Financial Statements of Rautaruukki" ceased to be reported as a separate segment) and Ruukki Metals. The comparable consolidated segment figures for the year ended 31 December 2012 included in the audited consolidated financial statements of Rautaruukki as at and for the year ended and as at 31 December 2013 have been restated to reflect the new segmentation.

The following table sets forth Rautaruukki's net sales and operating profit, including comparable net sales and operating profit, of the current segments for the years indicated:

	For the year ended 31 December	
	2013 (audited) (EUR in millions)	2012 <sup>(1)(2)</sup> (unaudited) (EUR in millions)
<b>Comparable net sales</b>		
Ruukki Building Products .....	430	452
Ruukki Building Systems .....	292	288
Ruukki Metals .....	1,679	1,859
Others .....	<u>3</u>	<u>(3)</u>
<b>Comparable net sales, total</b> .....	2,404	2,597
Items affecting comparability included in reported net sales .....	<u>1</u>	<u>199</u>
<b>Reported net sales</b> .....	<u>2,405</u>	<u>2,796</u>
<b>Comparable operating profit</b>		
Ruukki Building Products .....	36	22
Ruukki Building Systems .....	(10)	(21)
Ruukki Metals .....	27	(31)
Others .....	<u>(14)</u>	<u>(20)</u>
<b>Comparable operating profit, total</b> .....	39	(50)
Items affecting comparability included in reported operating profit .....	<u>(5)</u>	<u>(51)</u>
<b>Reported operating profit</b> .....	<u>34</u>	<u>(101)</u>

(1) The figures for the year ended 31 December 2012, other than "comparable net sales" and "comparable operating profit," include the results of the Ruukki Engineering units transferred to Fortaco.

(2) Rautaruukki implemented the amended IAS 19 "Employee Benefits" as of 1 January 2013. The reported consolidated figures for the year ended 31 December 2012 have been restated to reflect this change. Elimination of the corridor method did not result in any changes for Rautaruukki because Rautaruukki ceased using the corridor method in 2008. The calculation of the yield of funds and present value of the obligation by using the same discount rate resulted in positive actuarial gains of EUR 1.3 million and related deferred tax expense amounted to EUR 0.3 million. For more information on the impact of the amended IAS 19 "Employee Benefits" on the consolidated income statement of Rautaruukki, see "Presentation of Financial Information—Historical Financial Statements of Rautaruukki" and Note 1 to Rautaruukki's audited consolidated financial statements as at and for the year ended 31 December 2013.

## *Business Areas*

### Ruukki Building Products

Rautaruukki focuses on energy-efficient construction solutions that meet customer needs and combine own design and standardized cost-efficient production. In residential roofing products, growth is being pursued by developing an own distribution and service network. In infrastructure construction, Rautaruukki seeks to primarily maintain its market position in its existing markets. New business opportunities are being pursued in new geographical market areas and by developing and identifying new fields of application.

Rautaruukki expects growth especially in residential roofing products and energy-efficient building components. Demand for Rautaruukki's residential roofing products is consumer driven, with renovation construction accounting for a significant share. Demand for renovation construction is significantly less dependent on economic business cycles than new construction is. Rautaruukki's plan is to further develop distribution and service concepts.

## Ruukki Building Systems

Ruukki Building Systems is pursuing growth in Russia. Its aims on this front are supported by good location in the immediate proximity of the Moscow expansion area, sound know-how in concept building, strong design expertise and one of the largest steel structure production facilities in Russia. In other market areas, Rautaruukki's focus is on commercial and industrial construction. Ruukki Building Systems provides complete frame and envelope deliveries, including design and installation, in all market areas. Development of its own project business and cost efficiency are pivotal in turning around a loss-making business to profitability.

## Ruukki Metals

Ruukki Metals' main focus area is to grow its steels business. In special steel products, Rautaruukki benefits from its technological know-how and modern, flexible manufacturing capacity. The target is to grow net sales of special steels products to EUR 850 million during 2015. Sales of steel products such as high-strength, wear-resistant and special coated steels are increasingly being more strongly directed towards the growing markets such as China, India, Brazil and Turkey, where the market outlook for special steels is promising.

Strengthening its own international distribution and service network and its network of certified partners as well as growing its portfolio of steels are key for Ruukki Metals. Demand growth for special steels is outpacing that for standard steels both in the emerging and developed markets. Rautaruukki is strengthening its sales network covering all main market areas. In the Nordic countries, Rautaruukki is further improving customer service, delivery accuracy and the quality of products and services throughout the supply chain. The steel business will also continue to give priority to cost efficiency. Steel service centers and prompt service also have a key role.

### **Competition**

Rautaruukki faces both local and international competition within its three business areas. Rautaruukki's primary competitors within Ruukki Building Products include component suppliers such as Kingspan Group Plc, Trimo d.d., Lindab International AB, Weckman Steel Oy, Metall Profil Group, Balex Metal SP. Z O.O and Blachy Pruszyński Ltd. and global steel companies within the construction business. The primary competitors within Ruukki Building Systems include steel frame suppliers such as Normek Oy, Contiga Group and Polimex Mostostal S.A. and system suppliers such as Lindab International AB and LLENTAB AB. The primary competitors within Ruukki Metals include manufacturers of special steel products such as Dillinger Hütten AG and Salzgitter AG, Nordic steel suppliers such as BE Group Oy Ab, Tibnor AB, Oy Kontino AB and Norsk Stål AS and SSAB and international steelmakers such as ArcelorMittal S.A., ThyssenKrupp AG and Tata Steel Europe. Rautaruukki also faces local competition from various smaller companies as well as competition from alternative construction material companies.

### **Group Legal Structure and Significant Subsidiaries**

Rautaruukki Corporation is a public limited liability company organized under the laws of Finland and is registered with the Finnish Patent and Registration Office under registration number 0113276-9. Rautaruukki Oy was formed on 18 March 1960 and its current business name was registered on 16 March 1998. Rautaruukki's registered office is located at Suolakivenkatu 1, FI-00810, Helsinki, Finland, and its telephone number is +358 (0) 20 59 11.

Rautaruukki Corporation is the parent company of the Rautaruukki group of companies. For information on the subsidiaries of Rautaruukki Corporation as at 31 December 2013, see Note 29 to Rautaruukki's audited consolidated financial statements as at and for the year ended 31 December 2013.

### **Research and Development**

Rautaruukki's research and development aims to solve customers' future challenges with innovative new products and solutions. Rautaruukki focuses on construction efficiency and quality by developing sustainable new technologies and designing solutions to improve the efficiency of the construction process, to shorten construction time and to reduce the amount of work done on site. In addition, Rautaruukki develops new steel grades for end-products with lighter structures, higher performance and prolonged life and develop durable, formable and functional coatings. Rautaruukki strives to speed up the innovation process and to achieve world-class competence in the development of products and solutions. Special emphasis in the development is on energy efficiency. Rautaruukki also carries out long-term research that tests ideas to create new applications, prototypes

and patents. Rautaruukki uses the latest technology and works closely with an extensive network of outside experts, for example universities and research institutions. In 2013, Rautaruukki spent a total of EUR 21 million on research and development, as compared to EUR 26 million in 2012.

### **Employees**

As at 31 December 2013, Rautaruukki had 8,600 employees. The following table sets forth the number of employees by region as at the dates indicated:

	<b>As at 31 December</b>	
	<b>2013</b>	<b>2012</b>
Finland .....	5,218	5,547
Other Nordic countries .....	536	580
Central Eastern Europe .....	1,099	1,106
Russia and Ukraine .....	1,649	1,686
Rest of Europe .....	52	63
Other countries .....	46	52
Total .....	<u>8,600</u>	<u>9,034</u>

### **Environmental Matters**

Rautaruukki's production sites operate in compliance with certified ISO 14001 environmental management and ISO 9001 quality management systems. In 2013, these systems covered 100 per cent. of Rautaruukki's production sites. In 2013, Rautaruukki revisited its environmental objectives and targets for 2013-2015 and the focus areas were defined as being (i) to provide customers with solutions where the energy and environmental aspects create added value, (ii) to further improve Rautaruukki's energy and material efficiency and (iii) to strengthen open and continuous interaction. Achievement of these objectives is regularly tracked. Rautaruukki also takes steps to actively track and anticipate future changes in environmental legislation.

As at 31 December 2013, of Rautaruukki's 36 production sites, 17 had operations that required an environmental permit. Operations subject to permit are regularly and continuously tracked. In 2013, there were violations of permit limits at one site. These incidents were occasional and caused no significant impacts to health or the environment and the company did not receive any significant environmental fines. In 2013, environmental investments at Rautaruukki EUR 23 million, of which 90 per cent. was allocated towards reducing environmental impacts at the Raahe Works in Finland. The largest single investment at the Raahe Works in 2013 was in an improvement to recover fugitive dust emissions at the steel plant and the associated new particulate filter device. As a result of the investment means that the filter now captures more than 90 per cent. of fugitive dust and dust can be increasingly recycled as a raw material. In 2013, Rautaruukki's carbon dioxide emissions were 3.8 million tonnes, of which 99 per cent. came under the EU's emissions trading scheme. In 2013, trading in emissions allowances generated net income totaling EUR 0.3 million. In 2011, Rautaruukki's Raahe and Hämeenlinna works applied for emissions allowances for the emissions trading period 2013–2020. The final number of free emissions allowances awarded in the initial allocation for the third emissions trading period 2013-2020 had not been confirmed as at 31 December 2013. The new sulfur directive entering into force across the EU in 2015 will have a particular impact on Rautaruukki since it will affect freight costs. The allocation of allowances is based on European benchmarks of steel industry efficiency. As part of managing the carbon dioxide emissions balance sheet, Rautaruukki is a participant in the World Bank's Community Development Carbon Fund and GreenStream Network Oy's Fine Carbon and Climate Opportunity Funds. These funds purchase certified carbon emission reductions, based on the Kyoto Protocol, that can be used for compliance in the EU's emissions trading scheme. The balance sheet value of emissions reduction funds and funds yielding emissions reductions totalled EUR 3 million at the end of 2013.

### **Legal Proceedings**

A number of lawsuits, claims and disputes based on various grounds are pending against Rautaruukki around the world. In Note 36 to the consolidated financial statements of Rautaruukki as at and for the year ended 31 December 2013, Rautaruukki's management stated its belief that the outcome of these lawsuits, claims and disputes will not have a material adverse effect on Rautaruukki's financial position.

On 30 April 2013, Rautaruukki Corporation and Ruukki Group Plc settled their name dispute. Consequently, Ruukki Group Plc. is to change its name. Ruukki Group Plc. assigned all its rights to the Ruukki name and Ruukki trademark to Rautaruukki and the parties abandoned legal actions initiated against each other. Rautaruukki will

pay Ruukki Group Plc. compensation for the rights. This compensation is not significant. Rautaruukki has been using the Ruukki name since the 1970s in many products and product groups. In addition, the names of Rautaruukki Corporation's subsidiaries in different countries have been registered as beginning with the name Ruukki.

## **Board of Directors, Management and Auditors**

### **General**

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of Rautaruukki, responsibility for the administration and operations of the Rautaruukki group is vested in the executive bodies of the parent company, Rautaruukki Corporation. Ultimate decision-making authority is exercised by the general meeting of shareholders. The Board of Directors and the President and CEO are responsible for managing the company. The Board of Directors' committees assist the Board in its duties. The Board seeks to ensure Rautaruukki complies with good corporate governance principles. General meetings of shareholders are convened upon notice given by the Board of Directors, when requested in writing by an auditor of Rautaruukki or by shareholders representing at least one-tenth of all outstanding shares.

The business address of the members of the Board of Directors, the President and CEO and the members of the Corporate Executive Board is Rautaruukki Corporation, Suolakivenkatu 1, FI-00810 Helsinki, Finland.

### **Board of Directors**

The Board of Directors is responsible for ensuring the administration of Rautaruukki and the appropriate organization of its operations, as well as for ensuring proper arrangements for supervision of Rautaruukki's accounting and financial management. It oversees Rautaruukki's operations and management and decides on significant matters relating to the company's strategy, investments, organization and finance. The Board of Directors is responsible for convening the general meeting of shareholders. Pursuant to the Articles of Association of Rautaruukki, its Board of Directors must consist of two to six members in addition to the Chairman and the Deputy Chairman. A person who is sixty-eight (68) years or older is not eligible as a member or a deputy member of the Board of Directors.

The term of the members of the Board of Directors ends at the closing of the next annual general meeting of shareholders following their election. Rautaruukki's President and CEO and Chief Financial Officer attend the meetings of Board of Directors. At its meetings, the Board of Directors receives a regularly updated review of market conditions and corporate operations and finances. The Board of Directors annually evaluates its own effectiveness, working practices and performance through self-assessment.

On 18 March 2014 the annual general meeting of shareholders of Rautaruukki elected seven members to the Board of Directors. Kim Gran, Matti Lievonen, Timo U. Korhonen, Matti Kähkönen, Liisa Leino, Salla Miettinen-Lähde and Jaana Tuominen were re-elected as members of the Board of Directors. All members are independent of Rautaruukki and its significant shareholders.

The following table sets forth the members of the Board of Directors of Rautaruukki as at the date of this Prospectus:

	<b>Position</b>	<b>Year born</b>	<b>Year appointed to the Board of Directors</b>
Kim Gran .....	Chairman of the Board of Directors	1954	2012
Matti Lievonen .....	Deputy Chairman of the Board of Directors	1958	2010
Timo U. Korhonen.....	Member of the Board of Directors	1952	2013
Matti Kähkönen.....	Member of the Board of Directors	1956	2013
Liisa Leino .....	Member of the Board of Directors	1960	2007
Salla Miettinen-Lähde.....	Member of the Board of Directors	1962	2012
Jaana Tuominen .....	Member of the Board of Directors	1960	2010

*Kim Gran* has been the Chairman of the Board of Directors and Chairman of the Remuneration and HR Committee since 2012. Mr. Gran is President and CEO of Nokia Tyres Plc, a member of the Board of Directors of Ilmarinen Mutual Pension Insurance Company, a member of the Board of Directors of YIT Corporation and the Vice Chairman of the Board of Directors of the Chemical Industry Federation of Finland. He is also a member of the

Board of Directors of the Registered Association Finnish-Russian Chamber of Commerce, a member of the Board of Directors of Nokia Tyres Plc and the Chairman of the Board of Directors of the Rubber Manufacturers' Association. Mr. Gran also was a member of the supervisory board of Ilmarinen Mutual Pension Insurance Company, a member of the Board of Directors of Konecranes Plc as well as the Chairman of the audit committee of M-Real Plc. Mr. Gran holds a Bachelor of Science degree in Economics.

*Matti Lievonen* has been a member of the Board of Directors since 2010 and the Deputy Chairman of the Board of Directors since 2013 as well as the Chairman of the Audit Committee since 2013. Mr. Lievonen is the President and CEO of Neste Oil Corporation, a member of the Board of Directors of the Confederation of Finnish Industries (EK) and Nynäs AB. He is also a member of the supervisory board of the Finnish Fair Cooperative, the Chairman of the Chemical Industry Federation of Finland and the Chairman of the supervisory board of Ilmarinen Mutual Pension Insurance Company and a member of the advisory board of National Emergency Supply Agency. Mr. Lievonen was the President of Fine and Specialty Papers Division of UPM-Kymmene Corporation as well as the Executive Vice President of Business and Technology Optimization and a member of the executive team in addition to other senior positions at UPM-Kymmene Corporation. He also was a member of the board of European Petroleum Industry Association (EUROPIA), the Chairman of the advisory board of Laatu keskus Excellence Finland, a member of the board as well as the Deputy Chairman of the Board of Directors of the Chemical Industry Federation of Finland, a member of the supervisory board of Ilmarinen Mutual Pension Insurance Company, a member of the board of Finnish Oil and Gas Federation, the Deputy Chairman of the board of the Confederation of European Paper Industries, and a deputy member of the board of Oy Keskuslaboratorio – Centrallaboratorium Ab. Mr. Lievonen holds a Bachelor of Science degree in Engineering and an Executive MBA degree.

*Timo U. Korhonen* has been a member of the Board of Directors and a member of the Audit Committee since 2013. Mr. Korhonen is an executive adviser of NCC AB, a member of the trust board of Federation of Industries and Employers and a member of the administrative council of Tapiola Mutual Insurance Company. He is also a member of the Real Estate and Construction Industry Advisory Board and a member of the council of the Helsinki Region Chamber of Commerce. Mr. Korhonen was the President of NCC Finland Ltd / NCC Construction Ltd and the President of NCC International Oy. He was also a member of the executive team of NCC AB, a member of the Board of Directors of Etera Mutual Pension Insurance Company, a member of the Board of Directors of the Confederation of Finnish Industries (EK), and member of the Board of Directors of the Confederation of Finnish Construction Industries (RT), serving as the Deputy Chairman of the Board of Directors and the Chairman of the Board of Directors. Mr. Korhonen holds a Master of Science degree in Civil Engineering.

*Matti Kähkönen* has been a member of the Board of Directors and a member of the Remuneration and HR Committee since 2013. Mr. Kähkönen is the President and CEO of Metso Corporation and the Chairman of the Executive Teams of Metso Corporation, Metso Minerals and Metso Automation. Mr. Kähkönen is also a member of the supervisory board of Ilmarinen Mutual Pension Insurance Company, a member of the Council of Representatives of the Confederation of Finnish Industries (EK), a member of the advisory board of Laatu keskus Excellence Finland, a member of the supervisory board of the Finnish Fair Cooperative and a member of the Board of Directors of the Federation of Finnish Technology Industries. Mr. Kähkönen was the Chairman of the Executive Team of Metso Paper, the Executive Vice President, the Deputy to the CEO and the Vice Chairman of the Executive Team of Metso Corporation, the President of Mining and Construction Technology of Metso Corporation, the President of Metso Minerals, the President of Metso Automation and the President of the Field Systems Division of Metso Automation. Mr. Kähkönen holds a Master of Science degree in Engineering.

*Liisa Leino* has been a member of the Board of Directors since 2007 and a member of the Audit Committee since 2013. Ms. Leino is the CEO of Leinovalu Ltd, a member of the Boards of Directors of Elomatic Ltd and Partiovaruste Oy, a deputy member of the Board of Directors of Varma Mutual Pension Insurance Company, a member of the Board of Directors of the Federation of Finnish Technology Industries, a member of the supervisory board of the Finnish Business and Policy Forum EVA, a member of the Board of Directors of Metsä Board Corporation and the Chairman of the Board of Directors of Leinovalu Ltd. Ms. Leino was the Managing Director of Nurmi Group & Perkko Oy, the Business Director of Sitra and the Business Director of Gillette Central East Europe. Ms. Leino holds a Master of Science degree in Nutrition.

*Saila Miettinen-Lähde* has been a member of the Board of Directors and a member of the Audit Committee since 2012. Ms. Miettinen-Lähde is the Chief Financial Officer and Deputy CEO of Talvivaara Mining Company Plc. Ms.

Miettinen-Lähde is a member of the Board of Directors of Talvivaara Management Oy and Valuecode Oy. Ms. Miettinen-Lähde was a member of the Board of Directors of Biohit Oyj and Jyrso Oy. Ms. Miettinen-Lähde was a founding partner at SIDOS Partners Oy, Director of Carnegie Investment Bank and the Vice President in charge of Business Development of Orion Pharma. Ms. Miettinen-Lähde holds a Master of Science degree in Engineering.

*Jaana Tuominen* has been a member of the Board of Directors since 2010 and a member of the Remuneration and HR Committee since 2013. Ms. Tuominen is the CEO of Paulig Group. Ms. Tuominen is a member of the Board of Directors of the Finnish Fair Cooperative and a member of the Board of Directors of Finnish Food and Beverage Industries' Federation and the Chairman of the Boards of Directors of several Paulig Group companies. Ms. Tuominen was a supervisory board member of the Finnish Fair Corporation, the General Manager of GE Healthcare Finland Oy, Monitoring Solutions and Managing Director of GEHC Finland Oy, the Managing Director of NAF Oy and NAF Industries Oy and the Director, Sales and Marketing, of NAF AB. Ms. Tuominen holds a Master of Science degree in Chemical Engineering.

### **Corporate Executive Board**

Rautaruukki's Board of Directors appoints the members of the Corporate Executive Board at the proposal of the President and CEO. Rautaruukki's Corporate Executive Board is composed of the President and CEO, the Chief Financial Officer, the Executive Vice President, Ruukki Building Products, the Executive Vice President, Ruukki Building Systems as well as the Executive Vice President, Ruukki Metals. Other members of the Corporate Executive Board are the Senior Vice President, Human Resources; Chief Strategy Officer; the Senior Vice President, Marketing and Communications, and Senior Vice President, IT, SCM, Opex and Real Estate.

The Corporate Executive Board is mainly tasked with assisting the President and CEO in corporate operative management and business planning. The Corporate Executive Board considers and oversees corporate and business area strategy, investments, finances, divestments, acquisitions, corporate collaboration, organizational structure and control processes.

The following table sets forth the member of the Corporate Executive Board as at the date of this Prospectus:

	<b>Position</b>	<b>Year born</b>
Sakari Tamminen.....	President and CEO	1953
Mikko Hietanen.....	Executive Vice President, Business Development; acting Chief Financial Officer	1953
Tommi Matomäki.....	Executive Vice President, Ruukki Building Systems	1967
Olavi Huhtala.....	Executive Vice President, Ruukki Metals	1962
Marko Somerma.....	Executive Vice President, Ruukki Building Products	1966
Toni Hemminki.....	Chief Strategy Officer, including Technology, Energy and Environment issues	1975
Taina Kyllönen.....	Senior Vice President, Marketing and Communications	1967
Ismo Platan.....	Senior Vice President, IT, SCM, Opex and Real Estate	1953
Sami Ärilä.....	Senior Vice President, Human Resources	1974

*Sakari Tamminen* has been the Chairman of the Corporate Executive Board and the President and CEO of Rautaruukki since 2003. Mr. Tamminen is a member of the Board of Directors and the Vice President of the European Steel Association (EUROFER), the Chairman of the Board of Directors of the Association of Finnish Metal and Steel Producers and the Vice Chairman of the Board of Directors of Sanoma Corporation. He is also a member of the supervisory board of Finnish Fair Cooperative and a member of the Boards of Directors of Federation of Finnish Technology Industries, World Steel Association and the Finnish Foundation for Share Promotion. Prior to becoming the President and CEO of Rautaruukki, Mr. Tamminen was the Executive Vice President, Chief Financial Officer and the Deputy to the President and CEO of Metso Corporation. Mr. Tamminen also was a member of the Board of Directors of the Registered Association Finnish-Russian Chamber of Commerce and the Chairman of the Board of Directors of TT Foundation. He also was a member of the Board of Directors of the Finnish Business and Policy Forum EVA and the Research Institute of the Finnish Economy ETLA, a member of the supervisory board and the Chairman of the Board of Directors of Varma Mutual Pension Insurance Company, a member of the board of Technology Industries of Finland Centennial Foundation, a member of the board of Technology Academy Finland, a member of the board and the Chairman of the board of

Confederation of Finnish Industries (EK) and a member of the board of Lemminkäinen Corporation. Mr. Tamminen holds a Master of Science degree in Economics.

*Mikko Hietanen* has been a Member of the Corporate Executive Board since 2013 as well as between 2004 and 2011. Mr. Hietanen is the Executive Vice President of Rautaruukki in charge of Business Development and acting Chief Financial Officer. Mr. Hietanen is a member of the Board of Directors of Fortaco Group Oy and has been a member of the Board of Directors of VTT Technical Research Centre of Finland and a member of the Board of Directors of Lohjan Puhelin Oy. Prior to becoming the Executive Vice President of Rautaruukki in charge of Business Development and acting Chief Financial Officer, Mr. Hietanen was the Chief Financial Officer and Executive Vice President in charge of Business Development of Rautaruukki Corporation, Stonesoft Corporation and Metsä-Tissue Corporation. Mr. Hietanen holds a Master of Science degree in Economics.

*Tommi Matomäki* has been a Member of the Corporate Executive Board since 2008 and the Executive Vice President of the Ruukki Building Systems reporting segment since 2013. Mr. Matomäki is a member of the Board of Directors of Leinovalu Oy. Prior to becoming the Executive Vice President of the Ruukki Building Systems reporting segment, he was the Executive Vice President of Rautaruukki in charge of Ruukki Construction, the President of Ruukki Engineering, the Managing Director of Technip Offshore Finland Oy and held various positions at Metso Works Oy. Mr. Matomäki holds a Master of Science degree in Technology.

*Olavi Huhtala* has been a Member of the Corporate Executive Board since 2003 and the Executive Vice President of the Ruukki Metals reporting segment since 2004. Prior to this, Mr. Huhtala was the President of Rautaruukki Fabrication and held various marketing and executive positions at Rautaruukki Metform. Mr. Huhtala holds a Bachelor of Science degree in Engineering.

*Marko Somerma* has been a Member of the Corporate Executive Board since 2005 and the Executive Vice President of the Ruukki Building Products reporting segment since 2013. Mr. Somerma is member of the Board of Directors of Fortaco Group Oy. Prior to becoming the Executive Vice President of the Ruukki Building Products reporting segment, he was the Chief Strategy Officer of Rautaruukki, the Executive Vice President of Ruukki Engineering, the Chief Strategy Officer of Rautaruukki, the Chief Process and Information Technology Officer of Instrumentarium Ltd and the Business Development Director of Gustav Paulig Ltd. Mr. Somerma holds a Licentiate of Science degree in Technology.

*Toni Hemminki* has been a Member of the Corporate Executive Board since 2011 and the Chief Strategy Officer of Rautaruukki since 2013. Mr. Hemminki is a member of the Boards of Directors of Manga LNG Oy, Fennovoima Oy, FIMECC Ltd, Voimaosakeyhtiö SF Oy, Suomen EIFi Oy and Rajakiiri Oy. Prior to becoming the Chief Strategy Officer of Rautaruukki, Mr. Hemminki was the Senior Vice President of Rautaruukki Technology, Energy and Environment, Vice President of Rautaruukki in charge of Energy and Environment and had specialist and management responsibilities relating to energy and environment at Rautaruukki. He also was a member of the Board of Directors of Finnish Business & Society Ry. Mr. Hemminki holds a Master of Science degree in Technology.

*Taina Kyllönen* has been a Member of the Corporate Executive Board and the Senior Vice President of Rautaruukki in charge of Marketing and Communications since 2011. Prior to this, Ms. Kyllönen was the Senior Vice President of Rautaruukki in charge of Marketing, the Vice President of Rautaruukki in charge of Corporate Communications and the Vice President Metso Corporation and Rauma Corporation in charge of investor relations. Ms. Kyllönen holds a Master of Science degree in Economics.

*Ismo Platan* has been a Member of the Corporate Executive Board and the Senior Vice President of Rautaruukki in charge of IT, SCM, Opex and Real Estate since 2011. Prior to this, Mr. Platan was the Chief Information Officer of Rautaruukki and the Chief Information Officer of Metso Corporation. Mr. Platan holds a Bachelor of Science degree in Information Technology.

*Sami Ärilä* has been a Member of the Corporate Executive Board and the Senior Vice President of Rautaruukki in charge of Human Resources since 2013. Prior to this, Mr. Ärilä was the Vice President of Rautaruukki in charge of Human Resource Management, Vice President of CPS Color Group in charge of Global Human Resources, the Director of Human Resource Management of Rautaruukki and held various Vice President level human resources

positions at TietoEnator Corporation. In addition, Mr. Ärilä has held various positions in consultant, tax and legal services at PricewaterhouseCoopers. Mr. Ärilä holds a Master of Laws degree.

### ***President and CEO***

The Board of Directors nominates the President and CEO, who is responsible for managing Rautaruukki's business in accordance with the Finnish Companies Act, the Articles of Association of Rautaruukki and instructions and orders provided by the Board of Directors. In addition, the President and CEO is responsible for ensuring that Rautaruukki's accounting and financial management is in compliance with the law and has been reliably organized. The President and CEO reports to the Board of Directors and provides the Board of Directors with information about Rautaruukki's financial position, business environment and other important matters. The President and CEO prepares items to be considered by the Board of Directors and its committees and executes the decision of the Board of Directors. Sakari Tamminen has served as President and CEO of Rautaruukki since 2003.

### ***Corporate Governance***

The corporate governance and decision-making at Rautaruukki are in compliance with the Finnish Companies Act, the Articles of Association of Rautaruukki, other corporate legislation, other rules applying to publicly listed companies and rules and regulations applying to listed companies issued by the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority. In addition, Rautaruukki complies with the Finnish Corporate Governance Code 2010 published by the Finnish Securities Market Association.

### ***Auditors***

The financial statements of Rautaruukki as at and for the years ended 31 December 2013 and 2012 have been audited by KPMG Oy Ab, with Petri Kettunen, Authorized Public Accountant, as the current responsible auditor. The authorized public accountants signing the financial statements are members of the Finnish Institute of Authorized Public Accountants.

### **Description of Shares and Share Capital**

#### ***General***

Rautaruukki Corporation was incorporated on 18 March 1960 and it is a public limited liability company organized under the laws of Finland. Rautaruukki is registered with the Finnish Trade Register under business identity code 0113276-9. Rautaruukki is domiciled in Helsinki, Finland, its registered office is located at Suolakivenkatu 1, FI-00810 Helsinki, Finland, and its telephone number is +358 (0) 20 59 11.

According to Article 2 of the Articles of Association of Rautaruukki, the company's line of business is the metals industry and other activities related thereto, the manufacturing of metal-based components, systems and integrated systems especially for the construction and mechanical engineering industries, the manufacturing and trading of metal products, metals and value-added metals and the selling of replacement and complementary metal products. In addition, the company may engage in forwarding, loading, clearance and shipping operations related to the aforementioned activities. The company may own and possess estate and can engage in trading securities. The company may engage in these activities either directly or through subsidiary or associated companies and joint ventures.

#### ***Shares and Share Capital***

As at the date of this Prospectus, Rautaruukki's fully paid-up share capital amounts to EUR 238,485,222.50. Rautaruukki's Articles of Association contain no provisions on the minimum or maximum amounts of share capital. As at the date of this Prospectus, the total number of Rautaruukki Shares was 140,285,425. The number of shares in Rautaruukki beginning at the end of the year 2013 was 140,285,425. Rautaruukki has one series of shares, with each share carrying equal rights to dividends and entitling the holder to one vote at shareholder meetings. Rautaruukki shares have no nominal value and they have been entered in the book-entry securities system maintained by Euroclear Finland Oy.

## Ownership Structure

The following table sets forth the largest shareholders in Rautaruukki that appear in the shareholder register maintained by Euroclear Finland Oy as at 28 February 2014:

	<i>As at 28 February 2014</i>		
	<u>Number of shares</u>	<u>Per cent. of shares</u>	<u>Per cent. of votes</u>
Solidium <sup>(1)</sup> .....	55,656,599	39.7	39.7
Ilmarinen Mutual Pension Insurance Company .....	4,445,489	3.2	3.2
Varma Mutual Pension Insurance Company .....	3,514,322	2.5	2.5
OP Focus Fund .....	2,149,026	1.5	1.5
The State Pension Fund .....	1,855,000	1.3	1.3
OP Delta Mutual Fund .....	1,531,473	1.1	1.1
Rautaruukki Corporation .....	1,396,152	1.0	1.0
E & K Rannila Oy .....	910,000	0.7	0.7
Rumtec Holding Oy .....	910,000	0.7	0.7
OP Finland Value Fund .....	736,284	0.5	0.5
Other shareholders.....	<u>42,420,594</u>	<u>30.2</u>	<u>30.2</u>
Total registered holders .....	115,524,939	82.3	82.3
Nominee-registered shares .....	<u>24,760,486</u>	<u>17.7</u>	<u>17.7</u>
Total.....	<u>140,285,425</u>	<u>100.0</u>	<u>100.0</u>

(1) Solidium is wholly owned by the Finnish State.

## Related Party Transactions

For information on Rautaruukki's transactions with its related parties in 2013 and 2012, see Note 29 to Rautaruukki's audited consolidated financial statements as at and for the year ended 31 December 2013 and to Rautaruukki's audited consolidated financial statements as at and for the year ended 31 December 2012.

## TAXATION

***The following is a general summary and guide and should be treated with appropriate caution. Investors should consult their professional tax advisors regarding the tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances***

### **Kingdom of Sweden Taxation**

*The following summary outlines certain Swedish income tax consequences of the acquisition, ownership and disposition of Notes and is based on the Swedish tax laws in force as of the date of this Prospectus. The summary does not address all potential aspects of Swedish taxation that may be applicable to a potential investor in the Notes and the summary is neither intended to be, nor should be construed as, legal or tax advice. A potential investor in the Notes should therefore consult with its own tax advisor as to the Swedish or foreign tax consequences of the acquisition, ownership and disposition of Notes. Certain categories of investors may also be exempt from income tax and/or subject to other specific tax regimes.*

#### *Holders not resident in Sweden*

As used herein, a “Non-resident Holder” means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Under Swedish tax law, payments of principal or interest to a Non-resident Holder of Notes will not be subject to Swedish income tax unless such Non-resident Holder of Notes carries on a trade or business through a permanent establishment in Sweden to which the payment of principal or interest is attributable. Swedish tax law does not impose withholding tax on payments of principal or interest to a Non-resident Holder of Notes.

Under Swedish tax law, a capital gain on a sale of Notes by a Non-resident Holder will not be subject to Swedish income tax unless the Non-resident Holder of Notes carries on a trade or business in Sweden through a permanent establishment to which the capital gain is attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

#### *Holders resident in Sweden*

As used herein, a “Resident Holder” means a holder of Notes who is (a) an individual who is a resident of Sweden for tax purposes, or (b) an entity organised under the laws of Sweden.

In general, payment of any amount that is considered to be interest for Swedish tax purposes to a Resident Holder of Notes will be subject to Swedish income tax. A Resident Holder of Notes will also be subject to Swedish income tax on any capital gain on the sale of Notes. Redemption of Notes is treated as a sale of Notes.

Amortisation of principal is not otherwise subject to Swedish income tax. Swedish tax law does not impose withholding tax on payments of principal or interest to a Resident Holder of Notes. However, preliminary income tax is withheld on payments of interest to individuals and estates of deceased individuals.

## **FATCA DISCLOSURE**

### ***Foreign Account Tax Compliance Act***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). The Issuer does not expect to be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depository / Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant

holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

#### **The proposed Financial Transactions Tax ("FTT")**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

#### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the "ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "Programme Agreement") dated 31 March 2014, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### EEA Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and
- the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

#### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Kingdom of Sweden**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Iag (1991:980) om handel med finansiella instrument*) and otherwise in compliance with the laws of Sweden.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5,

Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **France**

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

### **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment and 2014 update of the Programme have been duly authorised pursuant to the Board's internal working procedures and instructions (*Sw: Koncernstyrelsens arbetsordning och instruktioner*).

### Listing of Notes

This Prospectus has been approved by the Central Bank of Ireland as a base prospectus. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The Main Securities Market is a regulated market for the purposes of MiFID.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading by the regulated market of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

### Documents Available

For the period of 12 months following the date of this Prospectus, physical copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the certificate of registration (with an English translation thereof) and articles of association of the Issuer;
- (b) the non-consolidated and consolidated audited annual financial statements of the Issuer for the financial years ended 31 December 2012 and 31 December 2013. The Issuer currently prepares audited non-consolidated and consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated interim accounts on a quarterly basis;
- (d) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Prospectus;
- (f) any future Prospectuses, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the Irish Stock Exchange's regulated market subscribed pursuant to a subscription agreement (or equivalent document).

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

#### **Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

#### **Significant or Material Change**

Subject as disclosed in the section "*Information about the Combined Company*" on pages 93 to 99, there has been no significant change in the financial or trading position of the Group since 31 December 2013 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2013.

#### **Litigation**

Other than as described in this Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or any of its subsidiaries.

#### **Auditors**

The auditors of the Issuer are PricewaterhouseCoopers AB, members of FAR SRS, the professional institute for authorised public accountants in Sweden, who have audited and issued unqualified audit opinions on the Issuer's accounts, prepared in accordance with IFRS as adopted by the EU for each of the two financial years ended on 31 December 2013 and 31 December 2012.

#### **Consent**

PricewaterhouseCoopers AB, Registered Public Accounting Firm, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report on the pro forma balance sheet, the pro forma statement of income and pro forma statement of comprehensive income set out in the section entitled "*Pro Forma Financial Information*" of this Prospectus and the inclusion in this Prospectus of the references to its name in the form and context in which they appear.

#### **Post-issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

#### **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

#### **Irish Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

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**ISSUING AND PRINCIPAL PAYING AGENT**

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Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to Swedish law*

**White & Case Advokat AB**  
Biblioteksgatan 12  
Box 5573  
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