January-June 2007:
Strong profitable growth

- Comparable net sales up 20% to €1,960 million (1,634)
- Operating profit €356 million (208), 18% of net sales (12%)
- ROCE (12-month rolling) 36.3% (24.1%)
- Earnings per share (diluted) €1.89 (1.33)
Business environment
Business environment

• Continued good market in Ruukki’s core market areas and main customer industries

• Brisk construction activity in the Nordic countries, Baltics, Central Eastern Europe and Russia

• Order books of engineering customers are strong
  – especially within the lifting, handling and transportation industry and the energy industry

• Continued good demand for standard and special steel products in core market areas
Market for new, non-residential construction (forecast 2007)

Source: Buildecon, Euroconstruct, VTT
Strong increase in customers’ order books

Source: Compiled order book data of lifting, handling and transportation equipment industry players within Ruukki’s market
Growth continues in industrial production and investment

<table>
<thead>
<tr>
<th>Country</th>
<th>Change since 2006, %</th>
<th>Industrial production</th>
<th>Change since previous forecast</th>
<th>Investment</th>
<th>Change since previous forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>3.2</td>
<td>3.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>5.0</td>
<td>8.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sweden</td>
<td>4.8</td>
<td>8.2</td>
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<tr>
<td>Norway</td>
<td>3.4</td>
<td>6.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>USA</td>
<td>1.9</td>
<td>3.4</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Change since 2006, %</th>
<th>Industrial production</th>
<th>Change since previous forecast</th>
<th>Investment</th>
<th>Change since previous forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>11.9</td>
<td>18.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech R.</td>
<td>9.5</td>
<td>4.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>11.9</td>
<td>7.3</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Romania</td>
<td>6.5</td>
<td>13.3</td>
<td></td>
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<tr>
<td>Russia</td>
<td>5.4</td>
<td>14.6</td>
<td></td>
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</table>

Source: Consensus Economics, June 2007 forecasts
Key figures
Growth of 20% in comparable consolidated net sales

Comparative net sales (excl. Ovako & Nordic reinforcing business)

<table>
<thead>
<tr>
<th>Year</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3564</td>
</tr>
<tr>
<td>2005</td>
<td>3654</td>
</tr>
<tr>
<td>2006</td>
<td>3682</td>
</tr>
<tr>
<td>Q1-Q2 2006</td>
<td>1784</td>
</tr>
<tr>
<td>Q1-Q2 2007</td>
<td>1960</td>
</tr>
</tbody>
</table>
Strongest growth in Central Eastern Europe and Russia

Net sales by region Q1-Q2/2007 (Q1-Q2/2006)

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1-Q2/2007</th>
<th>Q1-Q2/2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of Europe</td>
<td>16% (19%)</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>31% (32%)</td>
<td></td>
</tr>
<tr>
<td>Other Nordic countries</td>
<td>32% (34%)</td>
<td></td>
</tr>
<tr>
<td>CEE countries, Russia &amp; Ukraine</td>
<td>19% (13%)</td>
<td></td>
</tr>
<tr>
<td>Other countries</td>
<td>2% (2%)</td>
<td></td>
</tr>
</tbody>
</table>
Our business in Russia is expanding
Growth in Eastern Europe and Russia also visible in personnel
Personnel by region Q2/2007 (Q2/2006)
Comparable net sales in Q2 up by 19%

Comparable net sales (excl. Ovako & Nordic reinforcing business)
Aiming for steady, strong growth in profitability

€m

Q1 04 Q2 04 Q3 04 Q4 04 Q1 05 Q2 05 Q3 05 Q4 05 Q1 06 Q2 06 Q3 06 Q4 06 Q1 07 Q2 07

12-month rolling EBIT  comparable EBIT (excl. Ovako & Nordic reinforcing business)
12-month rolling comparable net sales by division

- Ruukki Metals
  - €2239m (€2040m)
  - 58% (64%)
- Ruukki Construction
  - €986m (€639m)
  - 26% (20%)
- Ruukki Engineering
  - €614m (€511m)
  - 16% (16%)
Progress in structural change

Share of net sales

- 2004
- 2005
- 2006
- Rolling 12 months

- Construction
- Engineering
- Metals
- Long products
Business areas
Ruukki Construction – strong growth

- Net sales increased, especially in Russia and Finland. Operating profit more than doubled
- Total deliveries accounting for growing share of sales
  - strong growth in demand in Russia and Central Eastern Europe
  - record high total deliveries in Nordic countries
- Geographic expansion of market area in Russia and Central Eastern Europe in progress
- Investments of over €100 million to expand capacity in Russia, Poland, Romania, Ukraine, Hungary and Estonia (excl. acquisitions)
- Personnel doubled in two years to around 5000 employees
- Good demand for harbour, road and railway construction and for building foundation solutions
Complete single- and multi-storey commercial buildings
Construction time for multi-storey office and commercial buildings shortened by a fifth

A new solutions package launched in Finland in May (7 new patent applications) comprising foundations, frame and façades that considerably shortens construction time for multi-storey office and commercial buildings

- For developers and investors: earlier occupation of quality premises
- For construction companies: more effective use of resources and lower operative, financial, quality and safety risks
- For designers: ready-made tools and technical support

According to calculations, time savings of 20% can be achieved in the construction of foundation, frame and envelope structures of a normal-size office building
New technical solutions enable innovation

• Pile and rock foundation systems
  – fast installation phase, less blasting in rock construction
  – frame installation work can begin immediately, concrete casting can be done later

• WQ composite beam and edge tray beam system
  – fast installation of hollow core slabs
  – safety rails fastened on the ground and removed after façade installation
  – edge casting and façade installation made simpler
Ruukki Engineering continues on growth track

- Order books remain strong in all customer sectors
- Ready-to-install booms complement systems deliveries within the lifting, handling and transportation equipment industry
  - acquisition of Hungarian company Aprítógépgyár Zrt. in May
- Increased component deliveries to the energy industry, e.g. to wind power plants
- Continued good demand in the shipbuilding and offshore sectors
- Operating profit grew 26 per cent compared to previous year
  - operating margin was weaker during the second quarter than in the first quarter mainly due to different sales structure
Ruukki Engineering: well-timed total deliveries to key customers
Ruukki Engineering: rationalisation of boom manufacture

Present situation

Planned situation

Benefits

- Improved delivery accuracy and shortened lead times
- Lower transportation costs and smaller stocks
  - e.g. a boom going to Sweden now travels 5000 km, in future it will travel around 1/3 of the distance
- Product manufacture can be centralised and production automated
Ruukki Metals’ profitability improved

- Change in sales structure
  - growing share of special products
  - growth in direct deliveries to end customers
  
and strengthened prices improved profitability, operating profit up 44%

- Good demand for steel products in main market areas and customer segments

- Especially good demand for heavy plates and colour-coated products

- Capability to deliver special products will be improved

- Delivery channels and the entire supply chain will be further strengthened
Steel production

- Steel production during January-June was 1,375,000 tonnes (1,402,800). Production ran normally.
- Production of colour-coated products and heavy plates operated at full capacity
- Installation of a direct quenching unit in August will expand the range and increase manufacturing volumes of high-strength steels
- Raw material costs of steel production were at the same level as a year ago
- Final emissions allowances for 2008-2012 will be known after an amendment that must be made to the Emissions Trading Act
New structure, more effective business

1. Ruukki United-efficiency programme
   • Aims to achieve permanent cost savings of €150 million by year-end 2008
     – €62 million achieved to date
   • Aims to permanently free up €150 million of capital by year-end 2008
     – €81 million achieved to date

2. Divestment of long steel products
   • Sale of Nordic reinforcing steel business for €125 million
   • Divestment of Ovako for €310 million

3. Improved sales structure

4. Disposals of poorly performing businesses
Earnings per share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>2.4</td>
<td>3.31</td>
<td>3.65</td>
<td>1.33</td>
<td>1.89</td>
</tr>
</tbody>
</table>

€

excl. capital gain on the divestment of Ovako
Quarterly earnings per share

<table>
<thead>
<tr>
<th>Quarter</th>
<th>04</th>
<th>04</th>
<th>04</th>
<th>05</th>
<th>05</th>
<th>05</th>
<th>06</th>
<th>06</th>
<th>06</th>
<th>07</th>
<th>07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.35</td>
<td>0.69</td>
<td>0.60</td>
<td>0.76</td>
<td>1.06</td>
<td>0.97</td>
<td>0.61</td>
<td>0.68</td>
<td>0.56</td>
<td>0.77</td>
<td>0.76</td>
</tr>
<tr>
<td>Q2</td>
<td>0.82</td>
<td>0.95</td>
<td>0.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

excl. capital gain on the divestment of Ovako
Return on equity*

Return on capital employed*

* rolling 12 months

excl. capital gain on the divestment of Ovako

Target >20%
Strong balance sheet enables growth financing

€m

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt, €m</th>
<th>Equity, €m</th>
<th>Gearing %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>761</td>
<td>1126</td>
<td>22.8</td>
</tr>
<tr>
<td>2005</td>
<td>341</td>
<td>1497</td>
<td>1.2</td>
</tr>
<tr>
<td>2006</td>
<td>22</td>
<td>1832</td>
<td>12.9</td>
</tr>
<tr>
<td>30 June 2007</td>
<td>233</td>
<td>1801</td>
<td></td>
</tr>
</tbody>
</table>
Cash flow

- 2004: Cash flow from operations = €386m, Cash flow before financing = €268m
- 2005: Cash flow from operations = €652m, Cash flow before financing = €519m
- 2006: Cash flow from operations = €396m, Cash flow before financing = €536m
- Q1-Q2/2006: Cash flow from operations = €139m, Cash flow before financing = €18m
- Q1-Q2/2007: Cash flow from operations = €163m, Cash flow before financing = €69m
Capex vs. depreciation

€m


Gross capex  Net capex  Depreciation
Near-term outlook
Near-term outlook

- Construction activity is expected to remain brisk across the entire market area and to grow at a faster rate in Eastern Europe than in other areas.
- Demand from engineering industry customers is expected to remain strong in the lifting, handling and transportation equipment industry and in the energy, shipbuilding and offshore sectors.
- Market for steel products in core market areas is expected to remain firm.
- The most significant factors of uncertainty relate to overall development of the global economy.
- Comparable net sales in 2007 are expected to develop in line with growth targets set. Operating profit for 2007 is anticipated to markedly exceed the comparative figure for last year.
Summary
Strong profitable growth

- Investments in increasing capacity and developing competences especially in Eastern Europe
- Good progress with geographical expansion in Russia
- New construction innovations speed up the construction of office and commercial buildings
- Ongoing integration of acquisitions create further potential to improve deliveries and profitability
- Enhanced capacity to deliver special products
Appendix
## Financial summary

<table>
<thead>
<tr>
<th></th>
<th>Q2</th>
<th>Q1-Q2</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€m</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>1009</td>
<td>928</td>
<td>1960</td>
</tr>
<tr>
<td>- pro forma</td>
<td>1009</td>
<td>848</td>
<td>1960</td>
</tr>
<tr>
<td>EBIT</td>
<td>178</td>
<td>127</td>
<td>356</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>17.7</td>
<td>13.7</td>
<td>18.2</td>
</tr>
<tr>
<td>- pro forma</td>
<td>178</td>
<td>119</td>
<td>356</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>17.7</td>
<td>14.0</td>
<td>18.2</td>
</tr>
<tr>
<td>Pre tax profit</td>
<td>176</td>
<td>136</td>
<td>353</td>
</tr>
<tr>
<td>EPS, €</td>
<td>0.93</td>
<td>0.77</td>
<td>1.89</td>
</tr>
<tr>
<td>ROCE rolling 12 months, %</td>
<td>36.3</td>
<td>24.1</td>
<td>36.3</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>12.9</td>
<td>35.4</td>
<td>12.9</td>
</tr>
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</table>
ruukki
more with metals