Financial performance
Business environment

• Continued good market situation in the core market area and main customer industries
• Continued brisk construction activity in the Nordic countries, Baltics, Central Eastern Europe and Russia
• Order books of engineering customers remained strong
  – especially within the lifting, handling and transportation industry and the energy industry
• Continued good demand for special products and plates, but product specific differences in demand for other products
Strong profitable growth

- Comparable operating profit for January-September up by almost 50%
- Strong organic growth in construction solutions in Russia
- Acquisitions bring major new customers in the lifting, handling and transportation equipment industry
- Special steels share of net sales increased and delivery capability improved
- Strong growth also visible in employee numbers (an increase of 12%)
- Early repayment of callable subordinated notes
## Financial summary

<table>
<thead>
<tr>
<th></th>
<th>Q3</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2006</td>
</tr>
<tr>
<td><strong>€m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>935</td>
<td>885</td>
</tr>
<tr>
<td>- <strong>comparable</strong></td>
<td>935</td>
<td>868</td>
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<tr>
<td><strong>EBIT</strong></td>
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</tr>
<tr>
<td></td>
<td>162</td>
<td>140</td>
</tr>
<tr>
<td>- % of net sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17.3</td>
<td>15.9</td>
</tr>
<tr>
<td>- <strong>comparable</strong></td>
<td>162</td>
<td>141</td>
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<tr>
<td>- % of net sales</td>
<td>17.3</td>
<td>16.2</td>
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<tr>
<td><strong>Pre tax profit</strong></td>
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<td></td>
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<tr>
<td><strong>EPS, €</strong></td>
<td>0.85</td>
<td>0.76</td>
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### Financial summary

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3</th>
<th>Change</th>
<th>Year</th>
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<tbody>
<tr>
<td></td>
<td>2007</td>
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<td>€m</td>
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<tr>
<td><strong>Net sales</strong></td>
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<td>2669</td>
<td>226</td>
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<td></td>
<td><strong>2895</strong></td>
<td><strong>2502</strong></td>
<td><strong>392</strong></td>
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<tr>
<td>- % of net sales</td>
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<td>362</td>
<td>156</td>
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<tr>
<td>- comparable</td>
<td>17.9</td>
<td>13.6</td>
<td>169</td>
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<tr>
<td>- % of net sales</td>
<td><strong>17.9</strong></td>
<td><strong>13.9</strong></td>
<td><strong>169</strong></td>
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<tr>
<td><strong>Pre tax profit</strong></td>
<td>512</td>
<td>378</td>
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<td><strong>EPS, €</strong></td>
<td>2.74</td>
<td>2.09</td>
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<td><strong>ROCE rolling 12 months, %</strong></td>
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<td>- excl. Ovako capital gain</td>
<td>37.8</td>
<td>26.2</td>
<td>31.5</td>
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<td></td>
<td><strong>33.0</strong></td>
<td><strong>26.2</strong></td>
<td><strong>27.4</strong></td>
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<td><strong>ROE rolling 12 months, %</strong></td>
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<tr>
<td>- excl. Ovako capital gain</td>
<td>33.6</td>
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<td>30.1</td>
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<td><strong>27.9</strong></td>
<td><strong>25.3</strong></td>
<td><strong>24.9</strong></td>
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<td><strong>Gearing, %</strong></td>
<td>10.0</td>
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</table>

- 12-month rolling net sales
- Comparable net sales (excl. Ovako & Nordic reinforcing business)

€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  Q3 07

12-month rolling EBIT  comparable EBIT (excl. Ovako & Nordic reinforcing business)
Strong growth in Eastern-Europe and Russia


- Strong market position in Finland and other Nordic countries
- Strongest growth in Central Eastern Europe and Russia
- The share of Rest of Europe in net sales has decreased mainly as a result of the divestment of underperforming businesses
Growth in Eastern Europe and Russia also visible in personnel
Progress in structural change

Share of net sales

2004 2005 2006 Rolling 12 months

Construction  Engineering  Special products  Rest of Metals  Long products
New structure, more effective business

1. Ruukki United - efficiency programme
   - Aims to achieve permanent cost savings of €150 million by year-end 2008
     - €75 million achieved to date (Q2 2007: €62 million)
   - Aims to permanently free up €150 million of capital by year-end 2008
     - €42 million freed up from current operations (Q2 2007: €81 million)

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. Divestments of under-performing businesses
Business areas
Ruukki Construction continues it’s strong profitable growth

- Net sales grew especially in Russia and the Nordic countries, operating profit almost doubled
- Strong demand within building construction in the Nordic countries, Russia and Central Eastern Europe
- Continued good demand and deliveries also within infrastructure construction
- Progress as planned with investments to increase production capacity in Central Eastern Europe, Finland and Russia
  - Production at the new plant in Romania started in October
- Sales office network expanded into Bulgaria and Croatia
Ruukki Construction:
Aiming for net sales of over €1.5bn by end of 2010 (excl. acquisitions)
Ruukki Engineering continues on growth track

- Strong market situation continued and order books of engineering customers are still very strong
  - Especially in the lifting, handling and transportation equipment industry
- Net sales up by 21%
- Lower operating profit in third quarter than in previous quarter
  - Lower delivery volumes in Norway within wind turbine projects
  - Integration of acquisitions
- Actions to improve profitability in acquired units underway
- Agreement signed with Wärtsilä on deliveries of common base frames and oil sumps
Ruukki Engineering:
Steady net sales growth

Net sales and EBIT (€m)
Rolling 12 months

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Net sales</td>
<td>391</td>
<td>426</td>
<td>453</td>
<td>476</td>
<td>484</td>
<td>511</td>
<td>537</td>
<td>557</td>
<td>593</td>
<td>614</td>
<td>644</td>
</tr>
</tbody>
</table>

Net sales by customer segments
Rolling 12 months

- Lifting, Handling and Transportation: 39% (37%)
- Shipbuilding: 30% (33%)
- Energy: 18% (16%)
- Offshore: 8% (9%)
- Paper and Wood: 5% (5%)
Ruukki Metals’ profitability improved clearly

- Comparable operating profit up by 42% and accounted for 20.5% of net sales (15.5%)
- Demand continued strong in core market areas
- Increased sales prices and change in sales structure improved profitability
  - Average sales prices of flat products increased 2% compared to the previous quarter
  - Special products accounted for 24% of net sales (19%) during third quarter
- Higher than normal wholesale stocks in Europe
  - Particularly affects sales of galvanised products
- Longer than normal maintenance shutdown resulted in reduced delivery volumes of plate products compared to last year
- Progress made with enhancing business model in Finland
  - Small batch deliveries focused on Hyvinkää Service Centre in August

![Net sales, €m](chart1)

![EBIT, €m](chart2)

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Comparable net sales (excl. Nordic reinforcing business)
Ruukki Metals:
Home market accounts for more than two thirds of net sales

Comparable net sales and EBIT (€m)
Rolling 12 months

2128     2078     2040     2063     2124     2174     2239     2241

Net sales by region
Rolling 12 months

- Reinforcing: 4% (16%)
- Finland: 31% (27%)
- Western Europe: 21% (22%)
- Eastern Europe: 10% (8%)
- Scandinavia: 34% (27%)
Steel production

- Steel production during January-September was 1,985,000 tonnes (2,107,000).
- Deployment in September of a direct quenching unit at Raahe enables increased capacity of high-strength and abrasion-resistant steels.
- Production volumes of galvanised products limited during third quarter for profitability reasons.
- Plate and hot-rolled cut-to-length capacity in full use.
- Company expects to incur additional costs of €3-5 million a year to purchase emissions allowances during 2008-2012 emissions trading period.
  - Exact emissions allowances will not be known until Finland’s Emissions Trading Act has been amended.
Events after the report period
Effect of strike by members of Union of Salaried Employees

- Around 450 members of the Union of Salaried Employees (TU) started a strike at the Raahe units on 22 October
- The company is striving to ensure the continuity of customer deliveries
  - Deliveries to be managed from service centres
  - Utilising of stocks
  - Increased steel sourcing from outside Finland
- The strike stopped hot-rolling production and the cutting lines at the Raahe Steel Works
  - Raahe delivers around seven thousand tonnes of rolled and partly processed products a day
  - Around a third of these are direct product deliveries
- Financial effects depend on how long the strike lasts
- Minor impact on international units
  - Around 70% of net sales are derived from outside Finland
Near-term outlook
Near-term outlook

• Market environment:
  – Construction activity is expected to remain brisk across entire market area
  – Demand from engineering industry customers is expected to remain strong
  – Demand for special steel and plate products is expected to remain strong, but there are product-specific differences in demand for other products

• Factors of uncertainty:
  – The most significant factors of uncertainty relate to general development of the global economy
  – If continued, the Union of Salaried Employees’ strike will affect the company’s financial performance

• Near-term outlook:
  – Comparable net sales in 2007 are expected to develop in line with growth targets set
  – Operating profit for 2007 will markedly exceed the comparative figure for last year
  – Good market situation in the company’s customer industries is expected to continue. This will form a good platform for Rautaruukki in 2008.
Comparable net sales in Q3 grew by 8%
Aiming for steady, strong growth in profitability
Quarterly earnings per share

€ 1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00

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 Q3 07
0.35 0.69 0.60 0.76 1.06 0.97 0.61 0.68 0.56 0.77 0.76 0.82 1.55 0.95 0.93 0.85

excl. capital gain on the divestment of Ovako
Earnings per share

€ 4.00

2.92

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
Strong balance sheet enables growth financing

- Net debt, €m
- Equity, €m
- Gearing %

€m

2004 2005 2006 30 September 2007

2004 2005 2006 30 September 2007

Strong balance sheet enables growth financing
Cash flow

€m

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow from operations</th>
<th>Cash flow before financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>386</td>
<td>268</td>
</tr>
<tr>
<td>2005</td>
<td>652</td>
<td>519</td>
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<td>2006</td>
<td>396</td>
<td>536</td>
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<td>Q1-Q3/2006</td>
<td>205</td>
<td>143</td>
</tr>
<tr>
<td>Q1-Q3/2007</td>
<td>247</td>
<td>112</td>
</tr>
</tbody>
</table>

- Blue bars represent cash flow from operations.
- Red bars represent cash flow before financing.
Gross investments are expected to be in range of €220 million in 2007.