• Ruuki in Brief
• Strategy Moving Ahead
• Business Environment
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• Dividend Proposal
• Near-term Outlook
• Summary
Ruuikki in Brief
Ruukki today

- Ruukki supplies an integrated range of metal-based products, components and systems
- Special focus on construction and mechanical engineering industries
- Net sales EUR 3.7 billion in 2005
- Crude steel production capacity 3.5 Mt; rolling capacity 3.7 Mt
- Approx. 12,000 employees in 23 countries
Ruukki’s products and services

**Metals**
- Sheets
- Coils
- Parts

**Construction**
- Frames and other load-bearing structures, roofs
- Facades and prefabricated walls
- Piling and foundations

**Engineering**
- Customized cabins for mobile machines
- Cabins, actuators and frames for forest machines
- Frames, masts, booms and cabins for material handling equipment
Strategy Moving Ahead
Our vision: solutions for specific segments based on customer needs

2003
Reliable steel producer

2008-2010
The most desired solution supplier
Strategic intent

A leading metal based CONSTRUCTION solution provider in Nordic & CEE countries

A leading solution provider for specific ENGINEERING customers in Northern Europe

Leading METAL PRODUCTS supplier in Nordic & Baltic countries
Potential in customer industries

**CONSTRUCTION**
- Increasing demand for integrated systems
- Strong growth in CEE, Russia and Ukraine
- Metal based market about EUR 7.5 bn

**ENGINEERING**
- Customers going downward in value chain and outsourcing operations
- Major opportunities in Lifting, Handling and Transportation (LHT)
- LHT target market about EUR 1.4 bn

**METALS**
- Solid market position in Scandinavia
- Expanding service centre activities
- More vertical value adding
- Share of special products (i.e. extra high strength steel) increasing
Actions taken

Ruukki Construction – Steel-Mont 1) ~25 Me

Ruukki Construction – PPTH ~100 Me

Ruukki Engineering – Weibulls ~50 Me

Ruukki Construction – Metalplast ~65 Me

Ruukki Engineering – Velsa ~50 Me

Ruukki Metals – Froh Housetech -10 Me

Ruukki Metals – restructuring of long products about -600 Me

1) acquisition awaiting for approval from competition authorities

* Lifting, Handling and Transportation
Integrated systems for construction
Focus on growing eastern European commercial construction

Annual change (% by volume) 2006e

<table>
<thead>
<tr>
<th>Category</th>
<th>Western Europe</th>
<th>Eastern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>New residential</td>
<td>-0.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td>New commercial</td>
<td>1.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>New civil engineering</td>
<td>2.9%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Residential renovation</td>
<td>1.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Commercial renovation</td>
<td>1.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Civil engineering renovation</td>
<td>1.3%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: Euroconstruc
Service centers and processing units

**Processing / Components & parts**
- DE Sundern
- SE Anderslöv
- RU StPetersburg

**Prefabrication / Flat rolled products**
- FI Järvenpää, Naantali
- SE Halmstad
- NO Fredrikstad
- PL Zyrardow
- DE Duisburg

**Prefabrication / Long products**
- FI Hyvinkää
- NO Oslo, Trondheim

**Stocking, with lim. prefabrication**
- EE Tallinn
- LT Vilnius
- HU Biatorbágy
- NO Bergen, Bryne, Fauske, Kopervik, Porsgrunn, Tromsø, Ørsta
- LV Riga
- PL Gdansk

[Map showing locations of service centers and processing units]
Process of service centers and processing

**PROCESSING UNITS**
- additional services compared to service centres
- contract manufacturing

**SERVICE CENTRES**
**Flat rolled products**
- cutting to length, slitting
- re-coiling, bending
- laser- and plasma cutting (alu, stainless)

**Long products**
- sawing, laser cutting
- shot blasting, priming

**STOCKS**
- comprehensive product sortiment
- effective logistics

**Components and complete deliveries**
- cabinets for electronic industry
- panels for household appliances
- airbag components
- parts for light engineering industry

**Tailor made semi-finished products**
from own production and external suppliers
Supported by:
- mill deliveries
- standard materials from stock
- excellent customer service

**Standard products**
- sortiment matched to local market and specific customers
- local presence supported by mill deliveries
Special Products

• Special products are less price-sensitive than standard products
• Main line of businesses:
  – heavy engineering outside Nordi
  – Electronics and Automotive subcontractors
• Long-term customer relationships

• Examples of special products:
  – High- and ultrahigh strength tubes and flats
  – Organic coatings for roofing+facades, dirt resistant applications, anti-bacterial applications
  – Abrasion resistant steels
Overall demand in 2005 was good

- Good demand continued in construction and engineering industries
  - construction activity high in the main markets
    - commercial construction
    - infrastructure construction
  - continued strong order books in engineering
    - Lifting, Handling and Transportation
    - Offshore and Marine

- Steel product markets showed signs of strengthening towards the end of the year
  - Market disturbances decreased apparent demand for standard steel products especially during the summer months
  - Steel industry adjusted output according to apparent demand
Commercial construction* activity has been strong in CEE and Baltics

Value of commercial construction
Europe 2005, Eur billions

Growth in commercial construction
Europe 2002-2005e, percent

Baltics

CEE

Nordics

Western Europe

* Includes new construction and renovation

Source: Euroconstruct, VTT
Strong increase in LHT players’ order books

Source: Compiled order book data of some LHT players within Ruukki’s market
Apparent and Real Steel Consumption in EU, %-change quarter on quarter

Source: Eurofer, January 2006
Product price development in Germany

1985 index = 100

Source: Statistisches Bundesamt, Germany
Full year 2005

• Comparable net sales increased by 14 %
  – the share of the solution businesses increased to 28 % of net sales (21 % of 2004 comparable net sales)

• Profitability at a high level
  – active measures to improve the sales structure
  – positive price development

• Deliveries decreased by 7 % on comparable basis
  – production was adjusted according to profitable demand

• Balance sheet structure strengthened further
  – gearing 22.8 % at the year end
Fourth quarter versus third quarter: Highlights

• Group net sales and deliveries increased from third quarter
  + seasonally strong quarter in engineering and Syneco consolidated in Ruukki Engineering
  + improving market activity in steel products
    – low season in construction

• EBIT increased from third quarter
  + profitability at a good level
  + active measures to improve sales structure were continued
    – steel product prices decreased somewhat

• Share of Ovako profit was affected by one-off costs
  – total Ovako one-off costs amounted to EUR 25 million in Q4
Net sales, Group total

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

Excluding Ovako
Comparable with 2005

Ruuikki Metals
2625 m€ (2850 m€)
72 % (80 %)

Ruuikki Construction
550 m€ (377 m€)
15 % (11 %)

Ruuikki Engineering
476 m€ (329 m€)
13 % (9 %)

- Finland 29 % (26%)
- Other Nordic 30 % (28 %)
- CEE-countries 12 % (11 %)
- Other Western Europe 26 % (32 %)
- Other countries 3 % (3 %)
- Other countries 3 % (3 %)
Quarterly net sales, Group total

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

Comparable figures with Q4/05
EBIT and profit before taxes
2000 – 2005

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Quarterly EBIT and profit before taxes, Group total

Operating profit
Pre-tax profit
Operating profit-%
Operating profit margin target (right-hand scale)
Comparable figures with Q4/05
Earnings per share

€

-0.50 0.00 0.50 1.00 1.50 2.00 2.50 3.00 3.50 4.00

2000 2001 2002 2003 2004 2005

0.51 0.22 -0.26 0.39 2.40 3.31

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Quarterly earnings per share

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2004</th>
<th>2005</th>
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<tr>
<td>Q1</td>
<td>0.35</td>
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<tr>
<td>Q2</td>
<td>0.69</td>
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<tr>
<td>Q3</td>
<td>0.60</td>
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<td>Q4</td>
<td>0.76</td>
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<td>Q1</td>
<td>1.06</td>
<td></td>
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<tr>
<td>Q2</td>
<td>0.97</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>0.61</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>0.68</td>
<td></td>
</tr>
</tbody>
</table>
Return on equity

ROCE

Year 2000 – 2003 according to FAS and from 2004 according to IFRS.
Net debt, equity, gearing

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Cash flow

Year 2000 – 2003 according to FAS and from 2004 according to IFRS.
Capex vs. depreciation

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

*) Excl. value reductions 33 m€
Acquisitions

$\text{m}\€$

2000 2001 2002 2003 2004 2005

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Acquisitions

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Ovako
Ovako’s first period of operation successful, 1 May – 31 Dec, 2005

• Net sales: EUR 869 million
• Operating profit (EBIT): EUR 58 million
  – Q4 operating profit includes one-off costs of EUR 25
• Pre-tax profit: EUR 39 million
• Strong cash flow
• Gearing ratio: 23 %
• The demand for long steel products was very good during the first half of 2005. Prices decreased somewhat during the latter half of the year due to weaker demand and lower prices of scrap. Demand is expected to improve somewhat during 2006.
Dividend Proposal
Dividend proposal

• The Board proposal for 2005 dividend:
  – EUR 1.40 per share (2004: EUR 0.80)
• Total dividend payment: EUR 191 million
• Dividend yield: 5.4 % (at 7 Feb share price EUR 26.11)
• Record date: 28 March 2006
• Dividend payment issued: 4 April 2006
Earnings and dividend per share
1999 - 2005

* Board proposal
Near-term Outlook
Apparent and Real Steel Consumption in EU, %-change quarter on quarter

Source: Eurofer, January 2006
Industrial activity in EU

y-y change, %

Source: Eurofer
Near-term outlook

• Strong demand expected to continue in the main customer industries in the core markets

• Demand for steel products expected to grow more than in previous year and prices are expected to strengthen

• Full year 2006 net sales estimated to exceed 2005 comparable net sales

• First half 2006 EBIT estimated to be at the same good level as second half 2005 EBIT

• The biggest uncertainty lies in the market development of steel products in Asia and general development in the world economy
Summary
Summary

• Strategic platform in place to strengthen the solution businesses through organic growth
• Balance sheet structure enables the strategy implementation
• Strong demand expected to continue in the main customer industries
• First half 2006 EBIT estimated to be at the same good level as second half 2005 EBIT
ruukki
more with metals
Components and Systems for engineering

Fact box (Velsa):

• leading Nordic manufacturer of mobile cabins
• system deliveries with a network of subcontractors to leading mechanical engineering companies
• in-depth expertise also in other sub-units for mobile machines such as frames
• draws Ruukki closer to the customer in the value chain
• creating a strong platform for developing and expanding LHT business
Systems for construction

Fact box (Metalplast):

• sandwich panels for walls, roofs, cold storage and noise barriers

• no. 1 supplier in Poland, main export markets Russia and the Baltic States

• complements and strengthens Ruukki’s position in construction panels supply
Engineering components

Fact box (Weibulls):

- frames, masts, steel cabins and rollover protective structures for mobile machine OEMs (commercial vehicle, material handling, construction equipment)

- strengthens Ruukki’s relationship with core LHT customers and enables Ruukki to expand offering into e.g. assembly
Integration of systems for construction

foundations – frames - envelopes

Fact box (PPTH):

- the leading Nordic constructor with steel
- creates a solid knowledge-based platform for Ruukki’s growth in construction solution business in Nordic, CEE, Russia and Ukraine
Steel structure manufacturing for construction

Fact box (Steel-Mont*):

- a leading Slovakian steel construction company focusing on construction of commercial property

- steel constructions are mainly offered together with services of general construction on a project management basis

* acquisition awaiting for approval from competition authorities