Ruukki today

- Supplies metal-based components, systems and integrated systems for construction and engineering customers
- Provides a wide selection of standard and special steel products
- Strong base in nearby market in Nordic countries, focus on profitable growth in CEE, Russia and Ukraine

Net sales in 2006: €3.7 billion
13,000 employees in 23 countries
Ruukki’s products and services

**Construction solutions:**
- Components & systems for commercial and industrial construction
- Systems for infrastructure construction

**Engineering solutions:**
- Components & systems for the
  - Lifting, handling & transportation equipment industry
  - Energy industry
  - Paper & wood processing industry
  - Marine & offshore industry

**Metal products**
- Standard & special steel products
- Steel parts & prefabrication
- Service centres
Ruukki’s vision: the most desired solutions supplier

2003
Reliable steel producer

2008-2010
The most desired solutions supplier
Building Eastern Europe
Ruukki Construction:
Ruukki’s strong growth in construction

Net sales (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Nordic countries</th>
<th>CEE countries</th>
<th>Russia &amp; Ukraine</th>
<th>Baltic</th>
<th>Other countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>377</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>550</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>829</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net sales by region 2006 (%)

- Nordic countries: 50% (53%)
- CEE countries: 22% (19%)
- Russia & Ukraine: 15% (9%)
- Baltics: 9% (14%)
- Other countries: 4% (5%)
Ruukki Construction: Target market is ~€11 billion

**Market size and growth 2007**

- Market for Ruukki’s products and solutions ca. **€11 billion**
- Average **market growth is ~6%** in Ruukki’s focus areas

Sources: Euroconstruct, BuildEcon, VTT
Ruuikki Construction:
Our production and sales network have the market well covered.
Ruukki Construction: Platform to expand operations and for new customers in Eastern Europe

<table>
<thead>
<tr>
<th>Acquisitions 2005-2007</th>
<th>Products</th>
<th>Net sales 2006 €m</th>
<th>Personnel 2006</th>
<th>Acquisition cost €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metalplast</td>
<td>Construction panels</td>
<td>61</td>
<td>499</td>
<td>19</td>
</tr>
<tr>
<td>Ventall</td>
<td>Steel frame structures, sandwich panels</td>
<td>63 (6 months)</td>
<td>1606</td>
<td>127</td>
</tr>
<tr>
<td>Steel-Mont</td>
<td>Steel frame structures</td>
<td>25</td>
<td>156</td>
<td>10</td>
</tr>
<tr>
<td>AZST-Kolor</td>
<td>Colour-coated steel sheets</td>
<td>122</td>
<td>499</td>
<td>19</td>
</tr>
</tbody>
</table>

**Total** 161
Ruukki Construction: Investments to capitalise on organic growth in Eastern Europe

<table>
<thead>
<tr>
<th>Investments</th>
<th>Products</th>
<th>Investment €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in capacity in Estonia</td>
<td>Façade elements, design and production</td>
<td>3</td>
</tr>
<tr>
<td>New production plant in Hungary</td>
<td>Profiled products</td>
<td>9</td>
</tr>
<tr>
<td>New production plant in Ukraine</td>
<td>Profiled products, sandwich panels</td>
<td>15</td>
</tr>
<tr>
<td>New production plant in Romania</td>
<td>Steel frame structures, sandwich panels, profiled products</td>
<td>35</td>
</tr>
<tr>
<td>Increase in capacity in Poland</td>
<td>Steel frame structures, profiled products</td>
<td>19</td>
</tr>
<tr>
<td>Increase in capacity in Russia</td>
<td>Steel frame structures, façades</td>
<td>estimate 30</td>
</tr>
</tbody>
</table>

Acquisitions € 161m
Investments € 111m
Eastern Europe, total € 272m
Ruukki Construction: 
Increasing frame and façade structure capacity in Russia

• Tripling of capacity during 2007-2009 to meet rapidly growing demand
• Aim: ca. €200 million increase in net sales

• Enhanced capacity to deliver frame and façade structures and total systems
• Investments in machinery and equipment estimated at ca. €30 million
Growth in the lifting, handling and transportation equipment industry
Ruuikki Engineering: Ruuikki’s strong growth in engineering

Net sales (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>329</td>
<td>476</td>
<td>557</td>
</tr>
</tbody>
</table>

Ruuikki Engineering’s customer groups

**Lifting, handling & transportation**
- Cranes & materials handling
- Construction & mining
- Forest machines

**Paper, wood processing, energy**

**Marine & offshore**
Ruukki Engineering:
Focus of component production for the lifting, handling and transportation industry shifting to Eastern Europe
Ruukki Engineering: Strengthening the boom business

- **AB Omeo Mekaniska Verkstad**
  - Estimated net sales of €23 million for the financial year ending in April 2007
  - Personnel: 55
  - Boom welding and assembly for materials handling equipment

- **Aprítógépgyár Zrt. (AGJ)**
  - Net sales of €43 million for 2006
  - Personnel 740
  - Manufacture of components, such as booms, used in earthmoving machinery and materials handling equipment
  - Adds to our manufacturing network in Central Eastern Europe
  - Customers are leading Central European manufacturers of earthmoving machinery
Aiming for strong, steady profitability in the steel products business
Ruuksi Metals: Product and service portfolio in different markets

**Main focus**

- Further strengthening our current strong position by excellent service and logistics
- Increasing share of special products combined with close relationship to end customers

**Products & services**

- Wide selection of steel products, prefabrication of steel for customer use in service centres (delivery accuracy)
- High-strength steels, coated steels and other special products

<table>
<thead>
<tr>
<th>Home markets</th>
<th>Main focus</th>
<th>Products &amp; services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Further strengthening our current strong position by excellent service and logistics</td>
<td>Wide selection of steel products, prefabrication of steel for customer use in service centres (delivery accuracy)</td>
</tr>
<tr>
<td>Special products customers</td>
<td>Increasing share of special products combined with close relationship to end customers</td>
<td>High-strength steels, coated steels and other special products</td>
</tr>
</tbody>
</table>
Ruukki Metals:
Strong supplier of metals in Nordic countries

- Focused on core market area
- Share of direct customer deliveries increased
  - from own works
  - through own service centres
- Stronger service centre network
- Growing share of special steel deliveries

→ Volumes of the most price-sensitive products down to less than a fifth
Operational efficiency and profitable growth
New structure, more effective business

1. Ruukki United-efficiency programme
   • Aims to achieve permanent cost savings of €150 million by year-end 2008
     – €56 million achieved to date
   • Aims to permanently free up €150 million of capital by year-end 2008
     – €69 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
Ruukki is ready for profitable growth

Streamlined corporate structure

Growth areas

Focus on profitable growth

Promising growth prospects:
1. Construction solutions in Eastern Europe
2. Selected engineering customers
3. Special steel products

Strong balance sheet
Structure less sensitive to economic fluctuations

Organic growth and selected acquisitions
Ruukki United efficiency programmes

Financial growth targets

Top-line growth >10% p.a.
EBIT > 12%
ROCE > 20%
Gearing < 60%
Dividend 40-60% of EPS
Business environment

• Market in the Group’s core market areas and key customer industries has continued at a good level
• Continued brisk construction activity in Nordic countries, Central Eastern Europe, Russia and Ukraine
• Order books of engineering customers remain firm
  – lifting, handling and transportation industry, energy, marine & offshore
• Demand for standard steel products has been good in Northern Europe throughout the review period
Good profitability

- Comparable net sales up 21% to €950 million
- Operating profit for the review period €178 million, 19% of net sales
- 12-month rolling ROCE 37.8% (29.5)
- Gearing ratio -1.4%
- Earnings per share (diluted) €0.95
- Steel production 703,000 tonnes (comparable 709,000). Production ran well.
Consolidated comparable net sales growth 21%
Net sales by region
Q1/2007 (Q1/2006)

- Finland: 31% (32%)
- Other Nordic countries: 34% (35%)
- CEE countries, Russia & Ukraine: 18% (11%)
- Rest of Europe: 16% (20%)
- Other countries: 2% (2%)
Personnel by region
Q1/2007 (Q1/2006)

- Finland: 7050 (7080)
- Other Nordic countries: 4450 (2410)
- Rest of Europe: 340 (510)
- Other countries: 190 (150)
- CEE countries, Russia & Ukraine: 1260 (1230)

Map with detailed personnel numbers for each region.
Quarterly net sales

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>794</td>
<td>854</td>
<td>1005</td>
<td>1014</td>
</tr>
<tr>
<td>Q2</td>
<td>911</td>
<td>854</td>
<td>1005</td>
<td>1014</td>
</tr>
<tr>
<td>Q3</td>
<td>854</td>
<td>1005</td>
<td>1014</td>
<td>1014</td>
</tr>
<tr>
<td>Q4</td>
<td>854</td>
<td>1005</td>
<td>1014</td>
<td>1014</td>
</tr>
</tbody>
</table>
Quarterly EBIT and profit before taxes

Operating profit:
- Q1 04: €76
- Q2 04: €66
- Q3 04: €118
- Q4 04: €128
- Q1 05: €152
- Q2 05: €154
- Q3 05: €180
- Q4 05: €194
- Q1 06: €182
- Q2 06: €112
- Q3 06: €114
- Q4 06: €116
- Q1 07: €123

Pre-tax profit:
- Q1 04: €108
- Q2 04: €116
- Q3 04: €166
- Q4 04: €162
- Q1 05: €154
- Q2 05: €180
- Q3 05: €156
- Q4 05: €194
- Q1 06: €117
- Q2 06: €89
- Q3 06: €95
- Q4 06: €101
- Q1 07: €119

Operating profit-%:
- Q1 04: 9.5%
- Q2 04: 13.5%
- Q3 04: 14.9%
- Q4 04: 16.5%
- Q1 05: 20.1%
- Q2 05: 19.8%
- Q3 05: 19.2%
- Q4 05: 14.1%
- Q1 06: 13.8%
- Q2 06: 14.9%
- Q3 06: 16.5%
- Q4 06: 15.9%
- Q1 07: 16.5%


€m

0 100 200 300 400 500 600 700 800

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

- 12-month rolling EBIT
- comparable EBIT (without Ovako & Nordic reinforcing business)
Net sales by division
Q1/2007 (Q1/2006)

- Ruukki Metals
  - €570m (€591m)
  - 60% (69%)

- Ruukki Construction
  - €213m (€133m)
  - 22% (16%)

- Ruukki Engineering
  - €167m (€132m)
  - 18% (15%)
12-month rolling comparable net sales by division

- **Ruukki Metals**: €2174m (€2078m)  
  59% (66%)

- **Ruukki Construction**: €909m (€596m)  
  25% (19%)

- **Ruukki Engineering**: €593m (€477m)  
  16% (15%)
Ruukki Construction - strong profitable growth

- Construction activity remained brisk in core markets
  - exceptional for the time of year
- Deliveries grew in all market areas
- Strong growth in challenging total deliveries in Eastern Europe. Also growing demand for extensive delivery concepts in the Nordic countries and Baltics
  - shopping and logistics centres, office buildings and sports halls
- Expertise in the production and installation of bridge structures strengthened eg through acquisition of Scanbridge
- Acquisitions and investments during the previous year have enhanced delivery capability
Ruukki Engineering on good growth track

- Good demand in all customer industries
- Extremely strong component demand in lifting, handling and transportation industry
- Increasing deliveries of welded components for energy sector
- Further strengthening of order books in shipbuilding and offshore industry
- Cabin assembly started also in Poland
- Acquisitions strengthen delivery capability of boom components and expand customer base in central Europe
Ruukki Metals profitability improved: operating profit 21% of net sales

- Good demand for steel products in key market areas
- Especially good demand for hot-rolled plate and colour-coated products
- Firmer prices and change in sales structure improved profitability
- Investment in service centres in St Petersburg and Poland (with Ruukki Construction)
- Efficiency measures underway in logistics and poorly performing units

<table>
<thead>
<tr>
<th>I/2006</th>
<th>I/2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, €m</td>
<td>591</td>
</tr>
<tr>
<td>EBIT, €m</td>
<td>77</td>
</tr>
</tbody>
</table>

(comparable net sales excl. Ovako & Nordic reinforcing business)
Earnings per share

€ 4.00

0.00 0.50 1.00 1.50 2.00 2.50 3.00 3.50 4.00


2.4 3.31 3.65 2.92 0.56 0.95

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

€

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

0.35 | 0.69 | 0.60 | 0.76 | 1.06 | 0.97 | 0.61 | 0.68 | 0.56 | 0.77 | 0.76 | 1.55 | 0.95

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

Return on capital employed

Target >20%
Strong, debt-free balance sheet

m€ 2000

-500 0 500 1000 1500 2000

2004 2005 2006 31.3.2007

Net debt, €m  Equity, €m  Gearing %
Increase in working capital strained cash flow

<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>
</tr>
<tr>
<td>2006</td>
<td>396</td>
<td>536</td>
</tr>
<tr>
<td>I/2006</td>
<td>101</td>
<td>84</td>
</tr>
<tr>
<td>I/2007</td>
<td>68</td>
<td>45</td>
</tr>
</tbody>
</table>

Note: The graph shows the trend from 2004 to 2007, with a significant increase in working capital strain from 2005 to 2006.
Capex vs. depreciation

![Bar chart showing the comparison of gross capex, net capex, and depreciation from 2004 to I/2007. The chart illustrates the financial trends for each year and the first quarter of 2007.](image)

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

• Construction activity is expected to remain brisk throughout the entire market area, with much faster growth in Eastern Europe than in other areas.

• Demand for components in the engineering industry is expected to remain strong in the lifting, handling and transportation equipment, energy, shipbuilding and offshore industries.

• The market for steel products in Ruukki’s core market areas are expected to continue at a good level.

• The most significant factors of uncertainty relate to general 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
Summary

- **Platform for growth**
  - presence in the growing Eastern European construction market
  - investments to expand construction capacity
  - new customers in Central Europe in lifting, handling and transportation equipment industry

- **Aiming for strong, steady profitability in the steel business**

- **Market in the Group’s core market areas and in key customer industries is expected to continue at a good level.**

- **Good outlook for 2007**
more with metals
Appendix
## Financial summary

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Year</th>
</tr>
</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>Net sales</td>
<td>950</td>
<td>856</td>
</tr>
<tr>
<td>- pro forma</td>
<td>950</td>
<td>786</td>
</tr>
<tr>
<td>EBIT</td>
<td>178</td>
<td>95</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>18.7</td>
<td>11.1</td>
</tr>
<tr>
<td>- pro forma</td>
<td>178</td>
<td>89</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>18.7</td>
<td>11.3</td>
</tr>
<tr>
<td>Pre tax profit</td>
<td>177</td>
<td>101</td>
</tr>
<tr>
<td>EPS, €</td>
<td>0.95</td>
<td>0.56</td>
</tr>
<tr>
<td>ROCE rolling 12 months, %</td>
<td>37.8</td>
<td>29.5</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>-1.4</td>
<td>19.6</td>
</tr>
</tbody>
</table>