Financial review 2012
Sakari Tamminen, President & CEO
Rautaruukki Corporation
15 February 2013
Agenda

• 2012 in brief, key figures
• Financial performance
• Business area performance
• Business environment
• Key actions in 2012, near-term outlook and guidance
2012 in brief

- Net sales and operating profit in the construction business were practically at the same level y-o-y
- The steel business posted a loss due mainly to a rise in raw material costs and lower selling prices
- Good progress made with efficiency projects and around €20 million achieved of total savings target of €100 million
- Clear improvement in cash flow and €173 million cash conversion from working capital
- Gearing was 71% at year-end
- Fortaco arrangement completed at end of year, Ruukki to focus more strongly on construction and special steels
- Board of Directors’ dividend proposal €0.20 per share
### Key figures Q4/2012

<table>
<thead>
<tr>
<th></th>
<th>Q4/2012</th>
<th>Q4/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>€m</td>
<td>651</td>
</tr>
<tr>
<td>Net sales *)</td>
<td>€m</td>
<td>676</td>
</tr>
<tr>
<td>Operating profit *)</td>
<td>€m</td>
<td>-39</td>
</tr>
<tr>
<td>as % of net sales *)</td>
<td></td>
<td>-5.8%</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>€m</td>
<td>79</td>
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</tbody>
</table>

*) Comparable

- Capacity utilisation rate in steel production averaged around 80% due to weak market conditions
Key figures 2012:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
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<tbody>
<tr>
<td><strong>Order intake</strong></td>
<td>€m</td>
<td></td>
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<tr>
<td></td>
<td>2 767</td>
<td>2 675</td>
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<tr>
<td>**Net sales **)</td>
<td>€m</td>
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<tr>
<td></td>
<td>2 789</td>
<td>2 797</td>
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<tr>
<td>**Operating profit **)</td>
<td>€m</td>
<td></td>
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<tr>
<td></td>
<td>-65</td>
<td>56</td>
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<tr>
<td>**as % of net sales **)</td>
<td>%</td>
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<td></td>
<td>-2%</td>
<td>2%</td>
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<tr>
<td><strong>Result before income tax</strong></td>
<td>€m</td>
<td></td>
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<tr>
<td></td>
<td>-137</td>
<td>-12</td>
</tr>
<tr>
<td><strong>Earnings per share, diluted,</strong></td>
<td>€</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-0.83</td>
<td>-0.07</td>
</tr>
<tr>
<td><strong>Gearing</strong></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>71.4</td>
<td>60.4</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>€m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>172</td>
<td>114</td>
</tr>
</tbody>
</table>

*) Comparable

- Cash conversion from working capital was €173 million in 2012
- Board of Directors’ dividend proposal €0.20 per share (0.50)
Financial performance
Order intake up 3% in 2012
Growth in construction and steel businesses

Quarterly order intake (€m)

Order intake 2009-2012 (€m)

Steel business  Construction business  Engineering business

2009  2010  2011  2012

1 740  2 326  2 675 +3%  2 767

Q1/09  Q2/09  Q3/09  Q4/09  Q1/10  Q2/10  Q3/10  Q4/10  Q1/11  Q2/11  Q3/11  Q4/11  Q1/12  Q2/12  Q3/12  Q4/12

426  449  414  451  507  576  647  674  672  678  651  686  675  651

15 February 2013  www.ruukki.com | Sakari Tamminen
Net sales for whole year approximately at same level as previous year

Quarterly net sales (€m) *)

Change in net sales by business area (€m) 2011 vs. 2012 *)

-6%
Strongest net sales growth in Russia and in markets outside Europe

Net sales down in Finland and the other Nordic countries

Net sales by market area

2012 (2011) *)

100% = €2789m (€2797m)

- Other countries 6% (5%)
- Rest of Europe 14% (14%)
- Russia and Ukraine 9% (8%)
- Central Eastern Europe 14% (13%)
- Other Nordic countries 32% (33%)
- Finland 25% (27%)

- Growth in Russia +18%, markets outside Europe +14%, Central Eastern Europe +4%
- Net sales down in Finland -8% and other Nordic countries -2%
- Emerging markets accounted for increased share 29% (27) of comparable consolidated net sales

*) Comparable
Operating profit was -€65m

Engineering and construction businesses improved y-o-y, steel business posted a loss

Quarterly operating profit (€m) *)

Change in operating profit by business (€m) 2011 vs. 2012 *)

Construction business
Engineering business
Steel business
Others

2011
2012

*) Comparable
Fixed costs continued to account for decreasing share of net sales
Share of raw materials costs rose

Development of consolidated SGA costs

Development of steel raw materials costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales, administrative and general costs (€m)</th>
<th>As % of comparable net sales</th>
<th>Cost of raw materials calculated by average cost of raw materials in 2011</th>
<th>As % of comparable net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>308</td>
<td>8</td>
<td>532</td>
<td>8.7</td>
</tr>
<tr>
<td>2009</td>
<td>252</td>
<td>13</td>
<td>696</td>
<td>15</td>
</tr>
<tr>
<td>2010</td>
<td>251</td>
<td>10</td>
<td>474</td>
<td>9.1</td>
</tr>
<tr>
<td>2011</td>
<td>255</td>
<td>9.1</td>
<td>619</td>
<td>8.7</td>
</tr>
<tr>
<td>2012</td>
<td>242</td>
<td>8.7</td>
<td>744</td>
<td>7.9</td>
</tr>
</tbody>
</table>

Share of raw materials costs rose.

Sales, administrative and general costs (€m)

Cost of raw materials used in steel production (€m)

As % of comparable net sales

As % of comparable net sales
Cumulative cash flow €172 million
Successful working capital management

Net cash from operating activities and net cash before financing activities (€m)

Net working capital as % of comparable 12-month rolling net sales

€173 million of working capital released in 2012 (€9 million tied up in 2011)

Net cash from operating activities
Net cash before financing activities

Net working capital as % of comparable 12-month rolling net sales

0 5 10 15 20 25 30 35

Q1/08 Q2/08 Q3/08 Q4/08 Q1/09 Q2/09 Q3/09 Q4/09 Q1/10 Q2/10 Q3/10 Q4/10 Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12

-300 -200 -100 0 100 200 300

2008 2009 2010 2011 2012

-64 -57 -226 114 30 182 169 382

-300 -200 -100 0 100 200 300

Net working capital as % of comparable 12-months rolling net sales

- Net working capital as % of comparable 12-months rolling net sales

Net cash from operating activities
Net cash before financing activities

- Net cash from operating activities
- Net cash before financing activities
Gearing ratio 71%
Net interest-bearing financial liabilities at practically same level as during the previous year
Capex clearly below depreciation

Capex in 2013 estimated to be around €90 million

- Capex in 2013 estimated to be around €90 million.
- Depreciation.

*) In tangible and intangible assets
Business area performance
Construction: order intake up for whole year

Growth in residential construction and Russia

Order intake, (€m)

Q4/2012 vs. Q4/2011

- Residential roofing products +3%, growth especially in Sweden and Russia
- Commercial and industrial construction -4%, growth in Russia, Sweden and Norway
- Infrastructure construction -18%

2012 vs. 2011

- Residential roofing products +10%, growth in Finland, Sweden and Russia
- Commercial and industrial construction +7% growth in Russia, Sweden and Estonia
- Infrastructure construction -18%
Construction: net sales

Growth in residential roofing products and Russia, net sales down in commercial & industrial and infrastructure construction

Net sales by product group, (€m) *)

*) Comparable
Construction: net sales by market area

Net sales down in most markets, however strong growth in Russia

Net sales by market area 2012 (2011) *

- Russia and Ukraine: 22% (18%)
- Central Eastern Europe: 28% (28%)
- Finland: 25% (27%)
- Other Nordic countries: 23% (25%)
- Rest of Europe: 2% (2%)

*) Comparable Q4/2012 vs. Q4/2011

- Growth in residential roofing products in Sweden, Finland and Russia
- In commercial and industrial construction, growth in project deliveries in Sweden

Overall net sales down in almost all market areas

2012 vs. 2011

- Russia and Ukraine: +20%
- Growth in residential roofing products in almost all markets
- Finland: -11%
- Other Nordic countries: -9%
Comparable operating profit in construction improved y-o-y

EBITDA and EBIT (€m) *)

Comparable operating profit €1m (-3) for 2012

- Relative growth in share of residential roofing business
- Higher capacity utilisation rate in Russian businesses
- Improved profitability of project business
- Profitability of project and component business still not at a satisfactory level
- Relative fall in share of net sales of infrastructure construction

Reported EBITDA in Q4/12 includes non-recurring items of €7 million not having an impact on cash flow

- Efficiency project: €8m of the €20m earnings improvement target was achieved during 2012 and the remainder is expected to be seen in full by the end of Q3/2013 onwards.

*) Comparable EBIT, reported EBITDA

Note: The table and graph illustrate the changes in EBITDA and EBIT from Q1/11 to Q4/12.
Engineering business: net sales up 3%
Single project increased deliveries to equipment manufacturers in the offshore industry

Net sales, (€m) *)

Net sales by customer segment
2012 (2011) *)

*) Comparable
Engineering business: comparable operating profit improved year on year

Comparable operating profit -€3m (-7) for 2012

- Higher selling prices and delivery volumes
- Improved cost efficiency
Fortaco arrangement completed at year-end

Ruukki’s business structure more focused than earlier

- The units transferred to Fortaco accounted for €137 million of Ruukki Engineering’s net sales in 2012
- Ruukki received a 19.0% holding in Fortaco, together with equity and debt capital financing instruments from Fortaco for the units transferred
- Ruukki Engineering’s units not forming part of the new company are reported as part of Ruukki Metals division from the start of 2013
- The units excluded from the arrangement are estimated to have net sales of €75 million in 2013
Steel business: order intake up 5%

Strongest growth in Russia and North America

**Order intake (€m)**

Q4/2012 vs. Q4/2011

+ Strongest growth in Russia and North America

- Orders for special steel products down slightly year on year, strong growth, however, in Russia and North America

2012 vs. 2011

+ Strongest growth in Russia and North America

- Down in Finland, Sweden and Poland

- Orders for special steel products down slightly year on year, however, strong growth in Russia
Steel business: net sales for whole year approximately at same level as a year earlier

Net sales for the fourth quarter were down 2% year on year

Net sales by product group, (€m) *)

*) Comparable
Average prices fell, deliveries rose
During Q4, 70,000 tonnes of low-margin products were delivered outside the main market area

Tonnes delivered and average selling price (€/t)
Special steel products accounted for 31% of steel business, unchanged year on year

% of Ruukki Metals’ net sales
Net sales by market area

Growth in deliveries to Russia, Central Eastern Europe and to certain markets outside Europe

Net sales by market area
2012 (2011) *)

- Russia and Ukraine: 6% (5%)
- Central Eastern Europe: 9% (8%)
- Other Nordic countries: 34% (34%)
- Rest of Europe: 19% (19%)
- Finland: 25% (27%)
- Other countries: 8% (7%)

*) Comparable

Net sales development

Q4/2012 vs. Q4/2011
- Russia +16%
- Central Eastern Europe +19%
- Finland -12%
- Other Nordic countries -7%

2012 vs. 2011
- Russia +16%
- Other countries +13%
- Central Eastern Europe +9%
- Finland -7%
Steel business posted a loss
Comparable operating profit for the fourth quarter was also down year on year

**EBITDA and EBIT (€m) **

<table>
<thead>
<tr>
<th></th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
<th>Q4/11</th>
<th>Q1/12</th>
<th>Q2/12</th>
<th>Q3/12</th>
<th>Q4/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT*)</td>
<td>42</td>
<td>69</td>
<td>75</td>
<td>99</td>
<td>-9</td>
<td>-6</td>
<td>-2</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA*)</td>
<td>28</td>
<td>35</td>
<td>10</td>
<td>9</td>
<td>-18</td>
<td>-34</td>
<td>-10</td>
<td></td>
</tr>
</tbody>
</table>

Comparative operating profit -€42m (80) for 2012
- Operating profit was down both year on year and quarter on quarter
- Lower operating profit year on year was mainly due to higher costs of raw materials used in steel production and lower average selling prices
+ Reported EBITDA for 2012 was positive

Reported EBITDA in Q4/12 includes non-recurring items of €8 million not having an impact on cash flow
Steel business: operating profit down €16 million quarter on quarter

Operating profit (€m) Q4/12 vs. Q3/12 *

- Average end-product prices were down 11%, lower prices and changes in the product mix had a total impact of €51 million
- Delivery volumes were up by 77 thousand tonnes or 20% quarter on quarter

*) Comparable
Capacity utilisation rate in steel production around 80% during fourth quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Steel Production (1000 tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/10</td>
<td>611</td>
</tr>
<tr>
<td>Q2/10</td>
<td>609</td>
</tr>
<tr>
<td>Q3/10</td>
<td>591</td>
</tr>
<tr>
<td>Q4/10</td>
<td>645</td>
</tr>
<tr>
<td>Q1/11</td>
<td>636</td>
</tr>
<tr>
<td>Q2/11</td>
<td>392</td>
</tr>
<tr>
<td>Q3/11</td>
<td>542</td>
</tr>
<tr>
<td>Q4/11</td>
<td>601</td>
</tr>
<tr>
<td>Q1/12</td>
<td>594</td>
</tr>
<tr>
<td>Q2/12</td>
<td>540</td>
</tr>
<tr>
<td>Q3/12</td>
<td>566</td>
</tr>
</tbody>
</table>

- Steel production during Q4/2012 was up 4% year on year at 566 thousand tonnes.
- The utilisation rate in steel production averaged around 80% during Q4.
- The utilisation rate for the whole year averaged around 81%.
Business environment
Estimated growth in commercial and industrial construction in 2013

In a challenging market environment, Ruukki is supported by:
- Strong market shares
- Strong brand and product portfolio
- Energy-efficient solutions
- Good location in Russia – proximity of Moscow

*) The figures for Romania, Ukraine, Bulgaria and Russia also include renovation construction
Source: Global Insight 12/2012
Estimated growth in residential construction 2013

In a challenging market environment, Ruukki is supported by:

- Strong market shares
- Strong brand and product portfolio
- Expansion of Ruukki Express network
- Less volatile seasonality in renovation construction than in new construction

*Includes new and renovation construction

Source: Global Insight 12/2012
Stronger growth expected in 2014

Residential construction (new and renovation construction)

Commercial and industrial construction (new construction *)

*) The figures for Russia also include renovation construction

Source: Global Insight 12/2012
Apparent steel use down in Europe last year
Demand forecast to remain around the same level in 2013

Apparent steel use (ASU) in EU-27 2008-2014f

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012e</th>
<th>2013f</th>
<th>2014f</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU</td>
<td>200</td>
<td>140</td>
<td>170</td>
<td>190</td>
<td>170</td>
<td>160</td>
<td>170</td>
</tr>
</tbody>
</table>

Source: Eurofer Market Outlook, 2/2013
Steel wholesalers’ inventories in Europe slightly below normal level

Monthly inventories/deliveries (6-month rolling average, situation 12/2012)

Million tonnes

Source: EASSC (NB Viewpoint of one source that does not reflect inventory levels of all steel wholesalers in Europe)
Main raw materials in steel production

Average market price of both iron ore and coking coal rose clearly during the fourth quarter of 2012.

**Monthly average spot price of iron ore (*) USD/t**

**Monthly average spot price of coking coal (**) USD/t**

- Prices of iron ore purchases during the first quarter will remain at the level of the fourth quarter of 2012, the winter inventory risk related to coking coal will be smaller compared to previous years in 2013.

Source: CRU  (*) C&F China (63.5% Fe)  (**) FOB Australia
Key actions in 2012, near term outlook and guidance
Construction: key actions in 2012

Profitability improvement

- Restructuring the loss-making project business
  - Focus on chosen segments (incl. energy-efficient concept buildings)
  - Centralisation of capacity (Fredrikstad, Norway)
  - Withdrawal from the windpower business
- Profitability improvement programme in loss-making units in the component business (Romania, Ukraine)
- Reorganisation of production and supply chain in Russia, as well as sales efficiency programme
- Savings programme of €20m had impact of €8m on result in 2012, headcount down by 273 persons

Growth

- Expanding distribution in the roofing business, especially in the Nordic countries and Poland (Ruumikki Express)
- Strong profitable growth of roofing business in Russia
- Launch of new construction products that save energy and utilise renewables
Metals: key actions in 2012

Profitability improvement

- Successful implementation of the €70m efficiency programme
  - Improved production cost efficiency with the help of many process improvements
  - Reorganisation of administration and sales organisation, more effective production organisation
  - Savings programmes had impact of €10m on result in 2012, headcount down by 182 persons
- Efficiency actions to improve the use of materials in production
  - Recovery of coal tar as a reducing agent to replace more expensive special heavy fuel oil
  - Running-in of more cost-efficient coal mix: Russia, Poland

Growth

- Growth in special steels
  - Establishment of new sales areas and offices (Americas and SEA, India, Australia, Canada and Chile)
  - New Certified Partners (5 in Europe, 2 in South America)
Focus areas in 2013

• Completion of efficiency projects
  • Full run rate of the targeted around €100 million savings will be achieved by the third quarter onwards
    • Metals €70 million
    • Construction: €20 million
    • Corporate: €10 million

• Strong focus on cash flow to bring gearing down

• Growth from residential roofing construction and Russia

• Growth by developing the special steels business
Near-term outlook
Uncertain economic outlook, no significant pick-up expected

**Construction business outlook**
- Construction activity at 2012 level or slightly down
- Commercial and industrial construction to grow slightly in Russia
- Moderate growth in residential construction

**Steel business outlook**
- Service centre sales at a good level
- Demand from mill customers remains uncertain
- Restocking by steel wholesalers in Q1/13
- Average prices to show a moderate rise in Q1/13
Guidance

• Comparable net sales in 2013 are estimated to be at the same level as in 2012.
• Comparable operating profit is estimated to improve compared to 2012 and to be positive.
Appendices
Key figures

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
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<tbody>
<tr>
<td>Net sales *)</td>
<td>€m</td>
<td></td>
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<tr>
<td>Operating profit *)</td>
<td>€m</td>
<td></td>
</tr>
<tr>
<td>as % of net sales *)</td>
<td></td>
<td></td>
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<tr>
<td>Result before taxes *)</td>
<td>€m</td>
<td></td>
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<tr>
<td>Result for the period</td>
<td>€m</td>
<td></td>
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<tr>
<td>Earnings per share, diluted, €</td>
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<tr>
<td>Return on capital employed (rolling 12 months) %</td>
<td></td>
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<tr>
<td>Gearing ratio</td>
<td>%</td>
<td></td>
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<tr>
<td>Gross capex **)</td>
<td>€m</td>
<td></td>
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<tr>
<td>Net cash from operating activities</td>
<td>€m</td>
<td></td>
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<tr>
<td>Net cash before financing activities</td>
<td>€m</td>
<td></td>
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<tr>
<td>Personnel (average)</td>
<td></td>
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</tbody>
</table>

*) Comparable
**) In tangible and intangible assets
Quarterly comparable net sales, operating profit and deliveries

<table>
<thead>
<tr>
<th>€m</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
<th>Q4/11</th>
<th>Q1/12</th>
<th>Q2/12</th>
<th>Q3/12</th>
<th>Q3/12</th>
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</thead>
<tbody>
<tr>
<td><strong>Comparable net sales</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ruukki Construction</td>
<td>135</td>
<td>201</td>
<td>219</td>
<td>203</td>
<td>153</td>
<td>199</td>
<td>208</td>
<td>180</td>
</tr>
<tr>
<td>Ruukki Engineering</td>
<td>62</td>
<td>62</td>
<td>59</td>
<td>73</td>
<td>69</td>
<td>72</td>
<td>63</td>
<td>60</td>
</tr>
<tr>
<td>Ruukki Metals</td>
<td>478</td>
<td>467</td>
<td>396</td>
<td>442</td>
<td>477</td>
<td>470</td>
<td>406</td>
<td>434</td>
</tr>
<tr>
<td>Other</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-2</td>
<td>-3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>675</td>
<td>730</td>
<td>674</td>
<td>718</td>
<td>699</td>
<td>740</td>
<td>674</td>
<td>676</td>
</tr>
</tbody>
</table>

| **Comparable operating profit** |       |       |       |       |       |       |       |       |
| Ruukki Construction       | -13   | 4     | 11    | -6    | -10   | 4     | 8     | -1    |
| Ruukki Engineering        | -2    | -2    | 1     | -4    | -1    | 0     | 0     | -3    |
| Ruukki Metals             | 42    | 75    | -9    | -28   | 0     | 10    | -18   | -34   |
| Other                     | -3    | -6    | -3    | -3    | -4    | -7    | -7    | -2    |
| **Total**                 | 25    | 71    | 1     | -40   | -15   | 7     | -18   | -39   |
| **Deliveries, Ruukki Metals** | 487  | 415   | 364   | 455   | 507   | 448   | 389   | 466   |