Interim Review Q1 2006

April 26, 2006

ruukki
• Strategy Moving Ahead
• Recent Structural Changes
• Business Environment
• Financials 1-3/2006
• Near-term Outlook
• Summary
Strategy Moving Ahead
Ruukki today

• Ruukki supplies metal-based products, components, systems and integrated systems
• Customer industries in focus:
  – construction
  – mechanical engineering
• Net sales in 2005 EUR 3.7 billion
• Approx. 12,000 employees in 23 countries

![Map of Ruukki's global operations](image)
Ruukki delivers a comprehensive range of solutions to customers’ needs

Metal based products, parts and components

Manufactured parts, components, systems and integrated systems which are used in
Construction

Mechanical engineering
Our vision: solutions for specific segments based on customer needs

2003
Reliable steel producer

2008-2010
The most desired solution supplier
Recent Structural Changes
Acquisition and Divestments

Acquired companies net sales

- Metalplast ~65 Me construction
- Velsa ~50 Me engineering
- Weibulls ~50 Me engineering
- PPTH ~100 Me construction and engineering

Divested companies net sales

- Ruukki Engineering – sale of Halikko unit about -10 Me
- Ruukki Metals – Froh Housetech -10 Me
- Divestment* of reinforcing steel ~330 Me
- Ventall* ~110(e) Me construction
- Restructuring of long products (Ovako) about -600 Me
- Reorganization of long products (Ovako) about -600 Me
- *) agreements awaiting for regulatory approvals
Acquisition of OOO Ventall*, Russia

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Ventall* – the leading steel constructor in Russia

- Key figures in 2005
  - net sales EUR 70 million
  - EBIT EUR 15.5 million
  - employees 1,238
- Estimated net sales in 2006 EUR 110 million
- Designs, manufactures and supplies steel frame structures and sandwich elements
- Most of the EUR 30 million expansion program completed
  - triples production capacity and enables significant growth

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Ventall* strengthens our delivery capabilities in Russia and Ukraine

• Ruukki’s existing focus on construction markets in Nordic, Baltic and CEE countries

• Ventall
  – brings strong market presence and manufacturing in Russia
  – designs and supplies steel frame structures and sandwich elements

• Combined design expertise and product range
  ➢ significant increase in our delivery capabilities in Russia and Ukraine

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Acquisition strengthens our delivery capabilities in Russia and Ukraine

- prefabricated wall elements
- load-bearing profiles
- roofing products
- steel frames

Nordic, Baltic and CEE countries

Ventall in Russia

- facades
- steel frames
- sandwich panels
- sandwich panels

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Commercial construction growing considerably in Russia

- Russian steel construction market estimated at about EUR 700 million
  - Ventall’s* market share about 7 per cent
  - in sandwich elements Ventall’s* market share about 15 per cent
- Ventall* more than doubles Ruukki’s net sales in Russia (EUR 70 million in 2005)

Source: Euroconstruct, VTT, Buildcon

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Ruukki’s construction operations have been strengthened by acquisitions

- **Metalplast, Poland**
  - net sales EUR ~65 million
  - complementing sandwich panels deliveries
- **PPTH, Finland**
  - net sales EUR ~100 million
  - steel structures and project management
- **Steel-Mont, Slovakia**
  - net sales EUR ~25 million
  - steel structures
- **Ventall*, Russia**
  - net sales EUR ~110 million (2006e)
  - steel frame structures and sandwich elements

* The transaction still requires the approval of competition authorities and is expected to be finalised in May 2006
Divestment* of Nordic Reinforcing Business

*)The transaction is subject to relevant regulatory approvals and it is expected to close by June 30, 2006
Streamlining the corporate structure

- Net sales in 2005 EUR 328 million
- Employees 689
- Significant Nordic player in reinforcing steel
- Currently part of Ruukki Metals (*

*) Fundia Armeringsstål AS, Fundia Betoniteräkset Oy, Fundia Armering AB, Fundia Armering AS ja Fundia Armering A/S
Divestment* of non-strategic operation

• The majority of the long steel products were spun off into Oy Ovako Ab already in 2005

• Current restructuring
  – completes the arrangements to exit from long steel business
  – further gears the company operations towards solutions business

• Reinforcing has no operational synergies with the solution businesses

• Transaction value corresponds to the book value of EUR 123 million at the end of March, 2006

*)The transaction is subject to relevant regulatory approvals and it is expected to close by June 30, 2006
Business Environment
Overall demand continued good

- Underlying demand in **construction** developing well
  - normal low season in construction activity during the first quarter
  - business expected to pick up during the second quarter
- Continued strong order books in **engineering industry**
  - demand in Lifting, Handling and Transportation very strong
  - strong order books in Marine and Offshore
- **Steel product markets strengthening**
  - demand and prices improving
  - inventory levels low/normal
Financials 1-3/2006
Profitability was at a good level but decreased compared with year before

• Rolling 12-month’s ROCE 29.5 % (33.7)
• Gearing 19.6 %
• Comparable net sales increased by 4 %
• Share of the solution businesses increased to 31 % (21) of net sales
• Profitability decreased from 1-3/2005
  – average sales prices decreased
  – steel making raw material costs increased
  – first quarter 2005 exceptionally strong
  – US-dollar EUR -13 million
• Other items
  – share bonus schemes EUR -19 million (of which EUR -14 million due to share price increase during the first quarter)
Net sales, Group total

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

- Excluding Ovako
- Comparable with 2005
Group net sales by division
Q1/2006 (Q1/2005)

- **Ruukki Metals**
  - Sales: 591 m€ (802 m€)
  - %: 69% (79%)

- **Ruukki Construction**
  - Sales: 133 m€ (88 m€)
  - %: 16% (9%)

- **Ruukki Engineering**
  - Sales: 132 m€ (124 m€)
  - %: 15% (12%)
Group net sales by area
Q1/2006 (Q1/2005)

- Finland 32 % (25%)
- Other Western Europe 20 % (33 %)
- CEE-countries 11 % (8 %)
- Other Nordic 35 % (31 %)
- Other countries 2 % (3 %)
- Other countries 2 % (3 %)
Quarterly net sales, Group total

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

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

Operating profit margin target (right-hand scale)
12-Month rolling EBIT 2000-2006

12-month rolling EBIT excl. Ovako

m€
Earnings per share

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

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

Years 2000 – 2003 according to FAS and from 2004 according to IFRS.
Near-term Outlook
Near-term outlook

• Demand is expected to remain firm within construction and engineering industry
• Prices of steel products are set to strengthen further over the spring and summer
• Raw material costs estimated to remain at the level seen in the second half of 2005
• Full-year net sales in 2006 are expected to be higher than comparable net sales in 2005
• The first half EBIT estimated to be at the good level posted in the second half of last year and to improve somewhat during the latter part of the year
Summary
Summary

• First major step to utilise growth opportunities in Russia
• Contract of reinforcing steel divestment
• Strong demand expected to continue in the main customer industries and steel prices strengthening
• The first half EBIT estimated to be at the good level posted in the second half of last year and to improve somewhat during the latter part of the year