2010 in brief

• Demand back on growth track
• Order intake up 34% year on year
  – Q4/10 order intake up 43%
• Consolidated net sales grew 26%
• Profitability improved significantly compared to previous year, but was still unsatisfactory
• Board of Directors’ dividend proposal €0.60 per share
Business environment and financial performance
Demand back on growth track

General market development
• Growth in emerging markets supported recovery of industrial production also in Europe
• Growth in Europe slower than in rest of the world
  – Finland lagged behind other European countries

Development in Ruukki’s markets
• Good demand in residential and infrastructure construction
• Commercial and industrial construction still quiet
  – investments starting up in Russia
• Market conditions in engineering industry improved in most customer sectors, except equipment manufacture for the wind power industry
• In the steel industry, demand grew in main customer sectors
Order intake in 2010 up by 34%

Order intake, €m

Quarterly order intake, €m

- Construction business
- Engineering business
- Steel business
Net sales grew 26% - growth mainly from steel business

Net sales, €m *)

Change in net sales by business area 2009 vs 2010, €m *)

- Construction business
- Engineering business
- Steel business

Net sales grew 26% - growth mainly from steel business

*) Comparable
Growth in all market areas
- emerging markets account for 23% of net sales

Net sales by business area
2010 (2009 *)

100% = € 2,403m (€ 1,901m)

- Steel business: 66% (55%)
- Engineering business: 8% (14%)
- Special steel products: 26% (31%)
- Price-sensitive steel products
- Trading products

Net sales by region
2010 (2009 *)

100% = € 2,403m (€ 1,901m)

- Finland: 27% (31%)
- Central Eastern Europe: 12% (12%)
- Other Nordic countries: 31% (31%)
- Russia and Ukraine: 8% (7%)
- Other countries: 7% (6%)
- Rest of Europe: 15% (13%)

*) Comparable
Profitability improved significantly

Operating profit, €m *) **)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>505</td>
<td>626</td>
<td>566</td>
<td>-272</td>
<td>38</td>
</tr>
<tr>
<td>%</td>
<td>15.6%</td>
<td>17.3%</td>
<td>15.4%</td>
<td>-14.3%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Change in operating profit by business area 2009 vs 2010, €m *)

<table>
<thead>
<tr>
<th>Business</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>-272</td>
<td>+345</td>
</tr>
<tr>
<td>Engineering</td>
<td>-1</td>
<td>-32</td>
</tr>
<tr>
<td>Steel</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) Comparable
**) Figures for 2006-08 not restated for unrealised gains and losses relating to USD derivatives
Going in the right direction
- profitability still at unsatisfactory level

Quarterly net sales, rolling 12 months, €m *)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1/08</th>
<th>Q2/08</th>
<th>Q3/08</th>
<th>Q4/08</th>
<th>Q1/09</th>
<th>Q2/09</th>
<th>Q3/09</th>
<th>Q4/09</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,626</td>
<td>3,702</td>
<td>3,786</td>
<td>3,681</td>
<td>3,273</td>
<td>2,687</td>
<td>2,206</td>
<td>1,901</td>
<td>1,920</td>
<td>2,137</td>
<td>2,277</td>
<td>2,403</td>
</tr>
</tbody>
</table>

Quarterly operating profit, rolling 12 months, €m *)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1/08</th>
<th>Q2/08</th>
<th>Q3/08</th>
<th>Q4/08</th>
<th>Q1/09</th>
<th>Q2/09</th>
<th>Q3/09</th>
<th>Q4/09</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>602</td>
<td>591</td>
<td>611</td>
<td>565</td>
<td>326</td>
<td>70</td>
<td>-168</td>
<td>-216</td>
<td>-272</td>
<td>-79</td>
<td>11</td>
<td>38</td>
</tr>
</tbody>
</table>

*) Comparable

Going in the right direction
Company’s cost competitiveness significantly better than in previous years

Boost programme’s target by end of 2011
Annualised improvement of €150 million in operating profit

Situation at year-end 2010
Annualised impact of actions already initiated €178 million

Boost projects to continue as planned
The company will no longer report separately on the progress of Boost in 2011

Breakdown of impacts of Boost programme
100% = €178m

- Engineering business 12%
- Steel business 63%
- Construction business 25%
Net sales growth tied up working capital

- €147 million tied up in working capital (€317 million released during reference period)
Capex at previous year’s level
- maintenance investments account for over 70%

- Capex in 2011 is estimated to be around €180 million

* In tangible and intangible assets
Good financial position

- Dividend payout totalling nearly one billion euros between 2006-2010

- Good financial position
  - Dividend payout totalling nearly one billion euros
Business areas
Order intake by business area

<table>
<thead>
<tr>
<th>Construction</th>
<th>Engineering</th>
<th>Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q4/10</strong></td>
<td><strong>Q4/10</strong></td>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>+35% vs Q4/09</td>
<td>+201% vs Q4/09</td>
<td>+35% vs Q4/09</td>
</tr>
<tr>
<td>-4% vs Q3/10</td>
<td>+61% vs Q3/10</td>
<td>+13% vs Q3/10</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td><strong>2010</strong></td>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>+16% vs 2009</td>
<td>+17% vs 2009</td>
<td>+17% vs 2009</td>
</tr>
</tbody>
</table>

2010 vs 2009

- Residential roofing products
- Infrastructure construction
- Commercial and industrial construction in Russia, Poland and Czech Republic
  - orders in commercial and industrial construction still low overall
- Cabins, booms and frames
  - Manufacture of equipment for wind power and other energy industry
  - Shipbuilding
- Growth in all product groups
- Sweden
- Russia
- New markets for special steel products
Construction business:
- residential roofing products and infrastructure construction accounted for 39% of net sales

Net sales by product group, rolling 12 months, €m

Net sales by region 2010 (2009)

**Residential construction**
- Russia and Ukraine: 20% (27%)
- Central Eastern Europe: 26% (27%)
- Finland: 26% (31%)
- Other Nordic countries: 26% (22%)
- Other countries: 2% (2%)

**Commercial and industrial construction**
- Other countries: 2% (2%)
- Other Nordic countries: 26% (22%)
- Central Eastern Europe: 26% (27%)
- Finland: 26% (31%)
- Russia and Ukraine: 20% (18%)

**Other countries: 2% (2%)**
Construction business:
- net sales in 2010 up by 7%

Summary

- Sales of residential roofing products grew 9%, demand especially good in CEE and Ukraine
- Infrastructure construction net sales up by 37%
- Commercial and industrial construction net sales grew by over 20% in Russia, but overall market conditions remained weak
- Profitability weak due low delivery volumes and capacity utilisation rate as well as poor profitability of certain projects

*) Comparable. Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Engineering business:
- cabin and boom deliveries grew, clear decrease in delivery volumes for equipment manufacturers in energy industry

Net sales by customer segment, rolling 12 months, €m

### Lifting, handling and transportation equipment industry
- 2010: 193
- 2009: 180

### Energy equipment industry
- 2010: 180
- 2009: 188

### Shipbuilding
- 2010: 14
- 2009: 13

### Offshore
- 2010: 7
- 2009: 5

### Paper and wood
- 2010: 18
- 2009: 4

Net sales by customer segment 2010 (2009)
Engineering industry:
- net sales declined y-o-y, but grew during Q4

Summary

- Decline in net sales mainly due smaller delivery volumes for the equipment manufacturers in the wind power industry and other energy industries
- Clear growth y-o-y in deliveries of cabins and booms
  - sales for the machine and equipment manufacturers in mining and construction industries grew by 60% y-o-y
- Profitability weakened due lower delivery volumes and low capacity utilisation rate, as well as start-up of cabin production in Holic, Slovakia

*) Comparable. Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Steel business:
- special steel products accounted for 30% of Q4 net sales

Net sales by product group, rolling 12 months, €m *)

Net sales by region
2010 (2009)

Finland 27% (30%)
Other Nordic countries 33% (34%)
Central Eastern Europe, Russia and Ukraine 11% (9%)
Rest of Europe 20% (18%)
Other countries 9% (9%)

*) Comparable
Steel business:
- net sales in 2010 grew 51% and profitability improved significantly

### Net sales, €m *)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1/08</th>
<th>Q2/08</th>
<th>Q3/08</th>
<th>Q4/08</th>
<th>Q1/09</th>
<th>Q2/09</th>
<th>Q3/09</th>
<th>Q4/09</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>511</td>
<td>571</td>
<td>503</td>
<td>412</td>
<td>249</td>
<td>218</td>
<td>257</td>
<td>325</td>
<td>348</td>
<td>434</td>
<td>386</td>
<td>413</td>
</tr>
</tbody>
</table>

### Operating profit, €m *) **)*)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1/08</th>
<th>Q2/08</th>
<th>Q3/08</th>
<th>Q4/08</th>
<th>Q1/09</th>
<th>Q2/09</th>
<th>Q3/09</th>
<th>Q4/09</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>96</td>
<td>106</td>
<td>112</td>
<td>-97</td>
<td>-88</td>
<td>-38</td>
<td>-10</td>
<td>66</td>
<td>51</td>
<td>19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary

- Net sales growth mostly attributable to increased delivery volumes, also selling prices rose
  - sales of special steel products doubled y-o-y
- Operating profit improved significantly from previous year
  - larger delivery volumes, growth in sales of special steel products, better capacity utilisation rate, actions to improve efficiency
- Operating profit for Q4 was down from Q3
  - higher energy costs, maintenance work and somewhat lower selling prices

*) Comparable, **) Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Steel production up 18% y-o-y

- Steel production in 2010 was 2,229 thousand tonnes (1,892)
- Capacity utilisation rate since blast furnace modernisation has been around 90%

World steel production

- World steel production in 2010 was up 15% year on year at 1,414 million tonnes
  - EU-27: +24.5% (172.9 million tonnes)
  - North America: +35.7% (111.8 million tonnes)
  - Asia: +11.8% (881.2 million tonnes), of which China: +9.3% (626.7 million tonnes)

Source: worldsteel
Strategic focus
Strategic focus:
- moving on with structural change, growth from specialisation and emerging markets

2004-2008
- Long steel products
- Other steel and metal products
- Special steel products
- Engineering business
- Construction business

2009-2010

2011-
Strategic targets

Strategic targets for the next strategy period

- Emerging markets to account for 50% of consolidated net sales
- Construction and engineering businesses to account for 60% of consolidated net sales
- Special steel products to account for 60% of steel business

Aim is to achieve #1, #2 or otherwise strong market position in chosen segments
Construction business
- vast opportunities for profitable growth

Growth direction

- Commercial and industrial construction: focus on scalable building concepts
  - especially in Russia & CEE
- Residential roofing products:
  - strengthen market position, especially in CEE countries
- Infrastructure construction
  - strengthen market position in Nordic countries

Growth through selected concepts

*Industrial & commercial halls*

*Bridge structures*
Engineering business
- own design and special-steel-based components

Growth direction

• Focus on:
  – products that incorporate own design
  – demanding special-steel-based components

• Broaden customer base
  – OEMs outsourcing manufacturing
  – local customers in emerging markets

Examples of demanding special-steel-based components

Examples of products incorporating own design

Well-located manufacturing network in Finland, CEE and China
Steel business  
- growth from special steel products

Growth direction

- Developing international sales and distribution network further
  - emerging markets
  - selected mining-intensive markets e.g.
    - Australia
    - South Africa
- Strengthening market position in Nordic countries
  - continued improvement of all processes

Examples of special steel products and their applications

- Wear-resistant
- High-strength
- Metal-coated
- Colour-coated

Strong technological competence and competitive products
Near-term outlook
Industrial production and investments estimated to grow in all important market areas

Industrial production and fixed investment growth forecasts - forecast for 2011 in January 2011

<table>
<thead>
<tr>
<th>Country</th>
<th>Industrial Production %-change from 2010</th>
<th>Change from September '10 forecast *)</th>
<th>Fixed Investment %-change from 2010</th>
<th>Change from September '10 forecast *)</th>
<th>Industrial Production %-change from 2010</th>
<th>Change from September '10 forecast *)</th>
<th>Fixed Investment %-change from 2010</th>
<th>Change from September '10 forecast *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>4.5</td>
<td>+1.4</td>
<td>6.3</td>
<td>+1.4</td>
<td>7.8</td>
<td>+1.2</td>
<td>7.7</td>
<td>+1.0</td>
</tr>
<tr>
<td>Germany</td>
<td>5.2</td>
<td>+0.8</td>
<td>7.7</td>
<td>+1.7</td>
<td>5.8</td>
<td>+1.0</td>
<td>2.7</td>
<td>-0.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>6.8</td>
<td>+1.4</td>
<td>7.1</td>
<td>+1.7</td>
<td>7.6</td>
<td>+0.3</td>
<td>4.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Norway</td>
<td>4.8</td>
<td>+0.1</td>
<td>5.2</td>
<td>0.0</td>
<td>4.9</td>
<td>+0.8</td>
<td>4.7</td>
<td>+0.7</td>
</tr>
<tr>
<td>USA</td>
<td>4.2</td>
<td>0.0</td>
<td>9.6</td>
<td>+1.3</td>
<td>5.6</td>
<td>+0.2</td>
<td>8.2</td>
<td>+1.0</td>
</tr>
</tbody>
</table>

Source: Consensus Economics, January 2011 and recent key forecasts for Finland’s investments
*) Change since September 2010 forecast, direction and change in percentage units
Construction business:
- Non-residential construction forecast to return to growth track in 2011

Non-residential construction, new build *)

Source: Global Insight January 2011, in value terms
*) Figures for Romania, Ukraine, Bulgaria and Russia also include renovation construction, but in these countries new construction accounts for 90-95% of entire non-residential construction market
Construction business:

- Infrastructure construction activity forecast to continue at good level, residential construction will grow

Residential construction, new and renovation construction

Source: Global Insight January 2010, in value terms

Transport infrastructure construction

Source: Global Insight January 2010, in value terms
Engineering business:
- Clear increase in order intake compared to previous year

Order intake of main customers
Q1/04-Q3/10

Order book of main customers,
Q1/04-Q3/10

Sources: Company reports - Andritz Pulp & Paper, Atlas Copco Construction & Mining Equipment, Cargotec (Industrial & Terminal), Konecranes, Metso Mining & Construction Technology, Wärtsilä
Steel business:
- Steel production in Europe estimated to grow 3% in 2011

Crude steel production in EU-27 region
2007-2011F

Million tonnes

Source: worldsteel, MEPS outlook for 2011, January 2011
Near-term outlook  
- Factors affecting development of net sales

<table>
<thead>
<tr>
<th>Construction</th>
<th>Engineering</th>
<th>Steel</th>
</tr>
</thead>
</table>
| • It is estimated **commercial and industrial construction** will return to growth in the Nordic countries during 2011  
  - Growth in Sweden is estimated to be brisker than in the other Nordic countries  
  - Investments in Russia have already picked up clearly  
• Modest growth in **residential construction** is forecast to continue in all main market areas  
• **Infrastructure construction activity in the Nordic countries** is expected to continue to be relatively good | • In the engineering business, market conditions are estimated to improve  
• Order volumes, especially for cabins, booms and frames, are estimated to grow on the positive note of:  
  - heavy cargo and other materials handling equipment  
  - construction machines and equipment and forest and mining industry machines  
• In the manufacture of equipment for the wind power sector, demand is forecast to improve from the level in 2010  
• It is estimated shipbuilding activity in Europe will continue at a low level in 2011 | • In the steel business, it is estimated that growing demand from the heavy engineering industry and the heavy automotive industry will support sales of special steel products in particular  
  - This is also supported by an expansion of the company’s distribution network into emerging markets and mining-intensive countries  
• It is expected selling prices of steel products will rise during 2011 due to improving demand and higher raw material prices |
Near-term outlook

Factors affecting profitability

- As a result of the operational excellence programme, Boost, the company’s cost structure is better than in previous years
- Growing demand is estimated to also improve the company’s capacity utilisation rate in 2011, especially in the solutions businesses
- Increased sales of special steel products strengthen positive development of average selling prices

Assessment of expected performance

- Consolidated net sales in 2011 are estimated to grow 20-25 per cent year on year
- Profitability is estimated to clearly improve compared to 2010
Dividend proposal
Dividend proposal €0.60 per share*)

![Bar chart showing dividend proposal and earnings per share for the years 2006 to 2010.]

* ) Board of Directors’ proposal for 2010
Summary

• Industrial production and investments estimated to grow in all main market areas
• Order intake in Q4/10 increased 43% year on year
  – Growth in all business areas
• Profitability improved significantly, but was still unsatisfactory
  – Cost structure clearly better than in previous years
• Main objectives for 2011 are to strengthen cash flow and to return solutions businesses to profitability
• Strategic focus:
  – Growth from emerging markets → 50% of consolidated net sales
  – Growth from construction and engineering businesses → 60% of consolidated net sales
  – Growth from special steel products → 60% share of net sales of steel business

Consolidated net sales in 2011 are estimated to grow 20-25 per cent year on year. Profitability is estimated to clearly improve compared to 2010.
Q&A
Appendix
### Key figures

<table>
<thead>
<tr>
<th>€m</th>
<th>Q4/10</th>
<th>Q3/09</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales *)</td>
<td>641</td>
<td>515</td>
<td>2,403</td>
<td>1,901</td>
</tr>
<tr>
<td>Operating profit *)</td>
<td>-5</td>
<td>-32</td>
<td>38</td>
<td>-272</td>
</tr>
<tr>
<td>as % of net sales *)</td>
<td>-0.7</td>
<td>-6.2</td>
<td>1.6</td>
<td>-14.3</td>
</tr>
<tr>
<td>Result before income tax *)</td>
<td>-12</td>
<td>-39</td>
<td>8</td>
<td>-303</td>
</tr>
<tr>
<td>Result for the period</td>
<td>-30</td>
<td>-46</td>
<td>-79</td>
<td>-275</td>
</tr>
<tr>
<td>Earnings per share, diluted, €</td>
<td>-0.21</td>
<td>-0.33</td>
<td>-0.57</td>
<td>-1.98</td>
</tr>
<tr>
<td>Return on capital employed, %</td>
<td></td>
<td></td>
<td>-0.3</td>
<td>-14.2</td>
</tr>
<tr>
<td>Gearing ratio, %</td>
<td></td>
<td>44.7</td>
<td>22.3</td>
<td></td>
</tr>
<tr>
<td>Gross capex **)</td>
<td>173</td>
<td>161</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash before financing activities</td>
<td>-226</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel (average)</td>
<td>11,384</td>
<td>11,913</td>
<td>11,693</td>
<td>12,664</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>€m</th>
<th>Q1/09</th>
<th>Q2/09</th>
<th>Q3/09</th>
<th>Q4/09</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparable net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ruukki Construction</td>
<td>132</td>
<td>145</td>
<td>164</td>
<td>147</td>
<td>109</td>
<td>163</td>
<td>184</td>
<td>172</td>
</tr>
<tr>
<td>Ruukki Engineering</td>
<td>100</td>
<td>67</td>
<td>53</td>
<td>42</td>
<td>42</td>
<td>50</td>
<td>45</td>
<td>56</td>
</tr>
<tr>
<td>Ruukki Metals</td>
<td>249</td>
<td>218</td>
<td>257</td>
<td>325</td>
<td>348</td>
<td>434</td>
<td>386</td>
<td>413</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Comparable net sales, total</strong></td>
<td>481</td>
<td>430</td>
<td>475</td>
<td>515</td>
<td>500</td>
<td>647</td>
<td>615</td>
<td>641</td>
</tr>
</tbody>
</table>

| **Comparable operating profit** |       |       |       |       |       |       |       |       |
| Ruukki Construction          | -11   | -6    | -4    | -24   | -23   | -10   | 1     | -13   |
| Ruukki Engineering           | 10    | 6     | -3    | -8    | -6    | -8    | -7    | -6    |
| Ruukki Metals                | -97   | -88   | -38   | 3     | -10   | 66    | 51    | 19    |
| Other                        | -3    | -4    | -3    | -3    | -4    | -4    | -4    | -4    |
| **Comparable operating profit, total** | -100  | -92   | -49   | -32   | -43   | 45    | 41    | -5    |
Personnel by region *)

Personnel 2010: 11,286
(2009: 11,648)

- Finland: 6,150 (5,905)
- Russia and Ukraine: 2,062 (2,214)
- CEE: 2,020 (2,163)
- Other Nordic countries: 659 (1,023)
- Rest of Europe: 69 (79)
- Other countries: 326 (264)

*) Personnel at end of year