Highlights of Q2/2011

- Growth in demand continued in all business areas
  - Order intake up 13% y-o-y
  - Geographically strongest growth in Nordic countries and CEE
- Consolidated net sales up 13% at €730 million
- Operating profit improved in all business areas
  - Good profitability in steel business (16% EBIT margin)
  - Construction business returned to profitability
  - Engineering business still made a loss, but improved compared to previous year
- Good development in achieving strategic targets
  - Special steels accounted for 34% of Metals’ net sales in Q2
Good progress made in achieving strategic targets

Targets for the current strategic 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 the steel business’ net sales
Business environment and financial performance
Business environment

General market development

• Favourable economic growth continued in all main market areas
  – In Europe, strongest growth in Germany
  – In Russia, continued high price of oil and gas supported a pick-up of investments
• Uncertainty increased on the financial markets in Europe

Development in Ruukki’s market areas

• Construction activity grew y-o-y
  – Clear pick-up in demand for residential roofing products
  – Commercial and industrial construction still relatively quiet compared to earlier years
  – Demand in Russia was briskest in agricultural construction
• Market outlook strengthened further in the engineering industry
  – Growth in the emerging markets supported demand, especially for mining industry machines and equipment
• Demand in the steel industry grew in most main customer segments
Order intake up 13% y-o-y

Quarterly order intake, €m

- Growth in all business areas
  - Relatively strongest growth in the Engineering business
- Geographically strongest growth in:
  - Finland and the other Nordic countries
  - CEE, especially Poland
  - Good order development also in Russia
Net sales up 13%

Quarterly net sales, €m *)

Change in net sales by business area
1-6/10 vs. 1-6/11, €m *)

*) Comparable
Profitability improved in all business areas

Quarterly operating profit, €m (*)(**)

Change in operating profit by business area 1-6/10 vs. 1-6/11, €m (*)

*) Comparable
**) Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Strongest growth in Nordic countries and CEE
Emerging markets 25% of net sales

Net sales by business area, rolling 12 months, €m *)

Net sales by market area 1-6/11 (1-6/10 *)

*) Comparable
Net sales growth tied up working capital …

- €127 million tied up in working capital (€47 million during the reference period)

Net cash from operating activities
Net cash before financing activities
Net cash before financing activities, incl. funds from divestment of Ovako

<table>
<thead>
<tr>
<th>Year</th>
<th>Net cash from operating activities</th>
<th>Net cash before financing activities</th>
<th>Net cash before financing activities, incl. funds from divestment of Ovako</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>396</td>
<td>295</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>536</td>
<td>417</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>382</td>
<td>271</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>169</td>
<td>182</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>30</td>
<td>64</td>
<td>-226</td>
</tr>
<tr>
<td>1-6/10</td>
<td>-41</td>
<td>-125</td>
<td>-64</td>
</tr>
<tr>
<td>1-6/11</td>
<td>13</td>
<td>13</td>
<td>-64</td>
</tr>
</tbody>
</table>
… which also raised net gearing
Capex in 2011 estimated at around €180 million
Business areas
Order intake by business area

Construction

+ Growth in almost all market areas, especially in Finland and Poland
+ Concept buildings in Russia
+ Piles used in foundations in infrastructure construction

Engineering

+ Cabins
  + Especially in manufacture of materials handling equipment
  + Also in machines and equipment in the mining industry and construction

Steel

+ Growth in almost all market areas
  + Finland + other Nordics
  + New markets for special steel products, especially China and South Africa
  – Due to restocking in Q1, order volumes decreased q-o-q
  + No significant change in pricing

Compared to previous year
Construction business:
Strongest relative growth in Central Eastern Europe

Net sales by product group and operating profit %, rolling 12m, €m *)

Net sales by market area 1-6/11 (1-6/10 *)

*) Comparable. Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Constructions business:
Positive operating profit in Q2

Net sales

Operating profit

Compared to previous year

+ Residential roofing products +26%
+ Commercial and industrial construction +32%
  - Infrastructure construction -2%
    + Deliveries increased in Sweden

+ Increased delivery volumes
  + Improved capacity utilisation rate
+ Improved operational efficiency
+ Higher selling prices

*) Comparable
### Construction business:
Actions to improve profitability and achieve strategic targets

#### Targets and actions taken

<table>
<thead>
<tr>
<th>Improving profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving operational efficiency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increasing sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening market position</td>
</tr>
<tr>
<td>Increasing share of emerging markets</td>
</tr>
</tbody>
</table>

- Decision was made to reorganise and improve the efficiency of Ruukki Construction's sales activities in CEE
  - Among other things, local project sales in this region will be centralised

- Further expansion of Ruukki Express chain.
  - New outlets in:
    - Finland, Sweden, Lithuania and several in Poland and Estonia
    - Today, total of 44 outlets in 9 different countries

- New sandwich panel production line near Kiev, Ukraine
Construction business
New energy-efficient products

New products

Energy piles
- New steel piles utilising ground-source energy serve as
  - Building foundations
  - Energy piles collecting free energy
- Promote the use of renewable energy sources
- Improve the energy efficiency of a building

Solar panel façade
- Photovoltaic system fully integratable into a façade
- Applications in buildings of a high architectural standard with strict environmental regulations

Applications
- Office buildings
- Apartment blocks
- Single-storey buildings (commercial premises, warehouses, industry)

Applications
- Especially for office and commercial buildings
- Also for residential and industrial buildings
Engineering business:
Growth in cabin, frame and boom deliveries especially to materials handling equipment manufacturers

Net sales by customer segment and operating profit %, rolling 12m, €m *

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1-6/11</th>
<th>1-6/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>439</td>
<td>537</td>
</tr>
<tr>
<td>2007</td>
<td>617</td>
<td>564</td>
</tr>
<tr>
<td>Q1/09</td>
<td>537</td>
<td></td>
</tr>
<tr>
<td>Q2/09</td>
<td>564</td>
<td></td>
</tr>
<tr>
<td>Q3/09</td>
<td>470</td>
<td></td>
</tr>
<tr>
<td>Q4/09</td>
<td>380</td>
<td></td>
</tr>
<tr>
<td>Q1/10</td>
<td>263</td>
<td></td>
</tr>
<tr>
<td>Q2/10</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td>Q3/10</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Q4/10</td>
<td>193</td>
<td></td>
</tr>
<tr>
<td>Q1/11</td>
<td>213</td>
<td></td>
</tr>
<tr>
<td>Q2/11</td>
<td>225</td>
<td></td>
</tr>
</tbody>
</table>

Net sales by customer segment 1-6/11 (1-6/10) *

- Lifting, handling and transportation equipment industry: 64% (61%)
- Shipbuilding: 9% (12%)
- Offshore: 4% (1%)
- Paper and wood: 5% (8%)
- Energy equipment industry: 18% (18%)

*) Comparable. Figures for 2008 not restated for unrealised gains and losses relating to USD derivatives
Engineering business

Net sales

€m *)

Q1/10 | Q2/10 | Q3/10 | Q4/10 | Q1/11 | Q2/11

42 | 50 | 45 | 56 | 62 | 62

Operating profit

€m *)

Q1/10 | Q2/10 | Q3/10 | Q4/10 | Q1/11 | Q2/11

-6 | -8 | -7 | -6 | -2 | -2

Compared to previous year

- Cabins, frames and booms
  - Especially manufacture of materials handling equipment
  - Equipment manufacture for mining industry and forest machines
- Offshore industry
  - Deliveries started for North Sea wind farm project

- Larger delivery volumes
- Higher selling prices
  - Not yet fully reflected in Q2
  - Low-margin product range
- Costs of ramping up cabin production
- Delivery problems in Shanghai unit

*) Comparable
Engineering business:
Actions to improve profitability and achieve strategic targets

**Targets and actions taken**

- Improving profitability
- Improving operational efficiency
- Increasing sales
- Strengthening market position
- Increasing share of emerging markets

- Focus on fewer products and expansion of customer base
- Shift towards clearly more global sourcing in cabin production
- Pursuit of more effective use of resources between production units
- Sales in the early part of the year targeted towards new cabin and special-steel component customers
  - Test deliveries made to potential new customers
- Own technological expertise strengthened in component product design
Steel business:
Special steel products 34% of net sales in Q2

Net sales by product group and operating profit %, rolling 12m, €m *

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel and aluminium</td>
<td>1,966</td>
<td>1,997</td>
<td>1,735</td>
<td>1,381</td>
<td>1,361</td>
<td>1,493</td>
<td>1,581</td>
<td>1,711</td>
<td>1,745</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special steel products</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Customised steel products</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Price-sensitive steel products</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price-sensitive steel products</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

Net sales by market area 1-6/11 (1-6/10) *)

<table>
<thead>
<tr>
<th>Market Area</th>
<th>1-6/11</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Other Nordic countries</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>CEE, Russia and Ukraine</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>Other countries</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*) Comparable
Steel business
Higher average selling prices improved profitability

**Net sales**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010/11</th>
<th>2011/12</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>348</td>
<td>434</td>
<td>+26%</td>
</tr>
<tr>
<td>Q2</td>
<td>386</td>
<td>413</td>
<td>+7%</td>
</tr>
<tr>
<td>Q3</td>
<td>478</td>
<td>467</td>
<td>-2%</td>
</tr>
</tbody>
</table>

**Operating profit**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010/11</th>
<th>2011/12</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-10</td>
<td>-10</td>
<td>0%</td>
</tr>
<tr>
<td>Q2</td>
<td>66</td>
<td>51</td>
<td>-25%</td>
</tr>
<tr>
<td>Q3</td>
<td>19</td>
<td>42</td>
<td>+121%</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Compared to previous year*

- Growth in nearly all market areas
  - Especially in Finland and the other Nordic countries
  - Relatively best growth in CEE, especially Poland, and in Russia
  - Continued growth in new markets for special steel products

- Higher average selling prices
- Increased share of special steel products
- Higher capacity utilisation rate

- Higher raw material costs still not fully reflected in cost structure in Q2

*) Comparable
Good capacity utilisation rate in steel production

• Steel production in Q2/2011 was 636k tonnes (418)

• Blast furnace 2 at Raahe Steel Works shut down in late June for modernisation
  – Slab inventories were increased to ensure customer deliveries
  – Modernisation work will take around 2 months and ramp-up to normal production around 4-6 weeks
  – Blast furnace 2 is expected to reach planned production level by end of September
Near-term outlook
### Growth in all main market areas

#### Industrial production and fixed investment growth forecasts
- **Forecast for 2011 in June/July 2011**

<table>
<thead>
<tr>
<th></th>
<th>Industrial production %-change since 2010</th>
<th>Change from April 2011 forecast *)</th>
<th>Fixed investment %-change since 2010</th>
<th>Change from April 2011 forecast *)</th>
<th>Industrial production %-change since 2010</th>
<th>Change from April 2011 forecast *)</th>
<th>Fixed investment %-change since 2010</th>
<th>Change from April 2011 forecast *)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finland</strong></td>
<td>3.9</td>
<td>➔ +0.4</td>
<td>6.5</td>
<td>➔ -0.2</td>
<td>7.6</td>
<td>➔ -0.4</td>
<td>7.4</td>
<td>➔ -0.3</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>8.2</td>
<td>➔ +2.1</td>
<td>12.3</td>
<td>➔ +3.2</td>
<td>7.1</td>
<td>➔ 0.0</td>
<td>3.0</td>
<td>➔ +0.2</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>2.5</td>
<td>➔ -1.2</td>
<td>8.3</td>
<td>➔ +1.7</td>
<td>8.5</td>
<td>➔ +0.6</td>
<td>4.3</td>
<td>➔ -0.6</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>10.0</td>
<td>➔ +2.8</td>
<td>8.4</td>
<td>➔ 0.0</td>
<td>6.7</td>
<td>➔ +1.4</td>
<td>4.0</td>
<td>➔ -0.3</td>
</tr>
<tr>
<td><strong>Russia</strong></td>
<td>5.2</td>
<td>➔ 0.0</td>
<td>7.9</td>
<td>➔ -0.7</td>
<td>4.2</td>
<td>➔ -0.7</td>
<td>7.6</td>
<td>➔ -1.0</td>
</tr>
</tbody>
</table>

Source: Consensus Economics, June 2011 (CEE) & July 2011 (W. Europe and USA) and recent key forecasts for Finland’s investments
*) Change since April 2011 forecast, direction and change in percentage units
Construction business:
Commercial and industrial construction forecast to grow in 2011

Commercial, office and industrial construction, new construction *)

Index

2005 2006 2007 2008 2009 2010 2011 2012

Source: Global Insight June 2011, at constant prices
*) Figures for Romania, Ukraine, Bulgaria and Russia also include renovation construction, but in these countries new construction accounts for 85-95% of the commercial, office and industrial construction market
Construction business:
Residential construction growing, transport infrastructure continues at good level

Residential construction, new and renovation construction

Transport infrastructure construction

Index 160
140
120
100
80

Nordic countries  Russia  Central Eastern Europe
(Poland, Czech R, Slovakia, Hungary, Romania, Bulgaria and Ukraine)

Source: Global Insight  June 2011, at constant prices
Engineering business:
Clear growth in customers’ order intake and order book compared to previous year

Order intake of main customers, Q1/04-Q1/11

Order book of main customers, Q1/04-Q1/11

Sources: Company reports - Andritz Pulp & Paper, Atlas Copco Construction & Mining Equipment, Cargotec (Industrial & Terminal), Konecranes, Metso Mining & Construction Technology, Wärtsilä
Apparent steel use in Europe forecast to grow by around 8% in 2011

Apparent steel use in EU-27 region
2008-2012F

Source: EUROFER, July 2011
Near-term outlook
Factors affecting net sales development

<table>
<thead>
<tr>
<th>Construction</th>
<th>Engineering</th>
<th>Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Commercial and industrial construction is estimated to return to the growth track in number of areas during 2011</td>
<td>• Further improvement in order volumes especially for cabins, booms and frames is anticipated because:</td>
<td>• Demand in the steel business at a good level</td>
</tr>
<tr>
<td>– Growth in Sweden is estimated to be brisker than in the other Nordic countries</td>
<td>– Demand from manufacturers of heavy cargo and other materials handling equipment is estimated to be at a good level</td>
<td>• Sales of special steel products supported by:</td>
</tr>
<tr>
<td>– In Russia, investments are already clearly growing</td>
<td>– As is, demand for construction, forest and mining industry machines and equipment</td>
<td>– Good demand from the heavy engineering and heavy vehicle industries</td>
</tr>
<tr>
<td>• Residential construction is forecast to remain at a good level in all main market areas</td>
<td>• In the manufacture of equipment for the energy industry, demand is forecast to improve somewhat during H2/11</td>
<td>– Expansion of the company’s distribution network into emerging markets and mining-intensive countries</td>
</tr>
<tr>
<td>• Infrastructure construction activity in the Nordic countries is expected to continue to be relatively good, especially in Sweden</td>
<td>• Development of average selling prices during H2/11 supported by:</td>
<td>• Development of average selling prices during H2/11 supported by:</td>
</tr>
<tr>
<td></td>
<td>– Good demand</td>
<td>– Good demand</td>
</tr>
<tr>
<td></td>
<td>– Higher raw material costs</td>
<td>– Higher raw material costs</td>
</tr>
<tr>
<td></td>
<td>– Increased sales of special steel products</td>
<td>– Increased sales of special steel products</td>
</tr>
</tbody>
</table>
Near-term outlook
Guidance unchanged

Factors affecting profitability

- Company’s cost structure is lighter than in previous years because of efficiency actions already completed and those ongoing
- Capacity utilisation rate is projected to be better in 2011 than in 2010, especially in the solutions businesses
- Increase in raw material costs will only be fully reflected in the cost structure from H2/11

Assessment of future performance

- Consolidated net sales in 2011 are estimated to grow approximately 25 per cent year on year
- Profitability is expected to clearly improve compared to 2010
Summary

• Growth in demand in all businesses
  – Order intake in Q2 up 13% y-o-y

• Profitability improved and the company’s cost structure was clearly better than in previous years

• Good demand is estimated to continue in most customer segments
  – Investments and industrial production showing good growth in important nearby markets

• Improving the profitability of the solutions businesses is high on the agenda during H2/11

• Actions to strengthen cash flow and lower gearing will continue

• Consolidated net sales in 2011 are estimated to grow approximately 25 per cent year on year

• Profitability is expected to clearly improve compared to 2010
Q&A?
Appendices
Key figures

<table>
<thead>
<tr>
<th>€m</th>
<th>1-6/11</th>
<th>1-6/10</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales *)</td>
<td>1 405</td>
<td>1 147</td>
<td>2 403</td>
</tr>
<tr>
<td>Operating profit *)</td>
<td>96</td>
<td>2</td>
<td>38</td>
</tr>
<tr>
<td>as % of net sales *)</td>
<td>6.8</td>
<td>0.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Result before income tax *)</td>
<td>76</td>
<td>-12</td>
<td>8</td>
</tr>
<tr>
<td>Result for the period</td>
<td>52</td>
<td>-13</td>
<td>-79</td>
</tr>
<tr>
<td>Earnings per share, diluted, €</td>
<td>0.38</td>
<td>-0.09</td>
<td>-0.57</td>
</tr>
<tr>
<td>Return on capital employed (rolling 12 mths), %</td>
<td>4.1</td>
<td>-4.4</td>
<td>-0.3</td>
</tr>
<tr>
<td>Return on capital employed (annualised), %</td>
<td>8.9</td>
<td>0.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>Gearing ratio, %</td>
<td>57.9</td>
<td>35.9</td>
<td>44.7</td>
</tr>
<tr>
<td>Gross capex **)</td>
<td>79</td>
<td>92</td>
<td>173</td>
</tr>
<tr>
<td>Net cash before financing activities</td>
<td>-64</td>
<td>-125</td>
<td>-226</td>
</tr>
<tr>
<td>Personnel (average)</td>
<td>11 839</td>
<td>11 733</td>
<td>11 693</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>€m</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparable net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ruukki Construction</td>
<td>163</td>
<td>184</td>
<td>172</td>
<td>135</td>
<td>201</td>
</tr>
<tr>
<td>Ruukki Engineering</td>
<td>50</td>
<td>45</td>
<td>56</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Ruukki Metals</td>
<td>434</td>
<td>386</td>
<td>413</td>
<td>478</td>
<td>467</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Comparable net sales, total</strong></td>
<td>647</td>
<td>615</td>
<td>641</td>
<td>675</td>
<td>730</td>
</tr>
</tbody>
</table>

| **Comparable operating profit** |       |       |       |       |       |
| Ruukki Construction | -10   | 1     | -13   | -13   | 4     |
| Ruukki Engineering  | -8    | -7    | -6    | -2    | -2    |
| Ruukki Metals       | 66    | 51    | 19    | 42    | 75    |
| Others              | -4    | -4    | -4    | -3    | -6    |
| **Comparable operating profit, total** | 45    | 41    | -5    | 25    | 71    |