

Interim Review Q1 2007

25 April 2007

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Ruukki today

Net sales in 2006: €3.7 billion
13,000 employees in 23 countries

- 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

■ Production ■ Processing ● Sales and service

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Ruukki's products and services

Construction solutions:

- Components & systems for commercial and industrial construction
- Systems for infrastructure construction



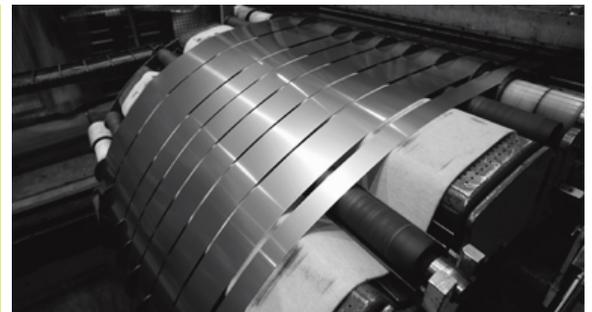
Engineering solutions:

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

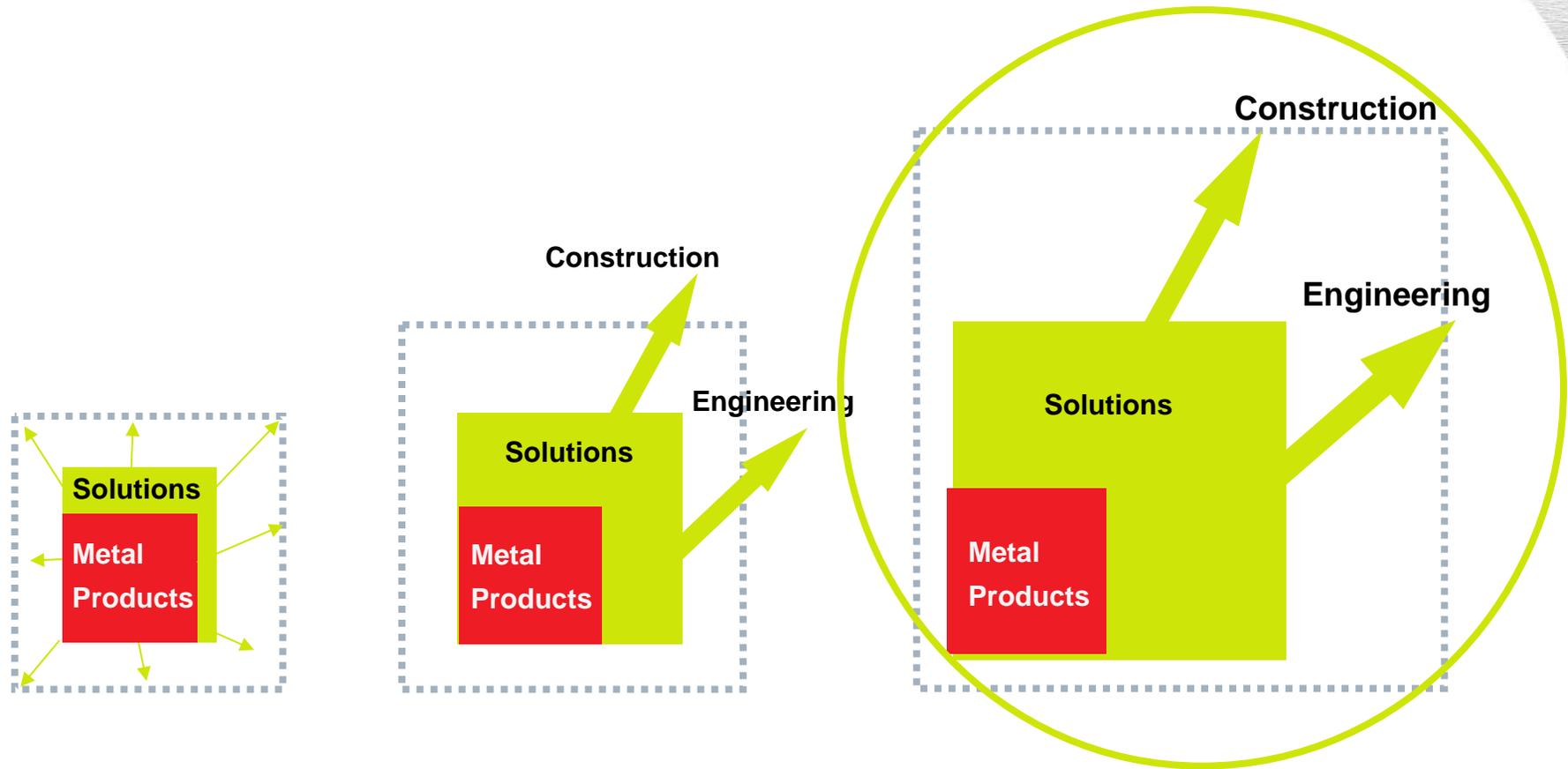


Metal products

- 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

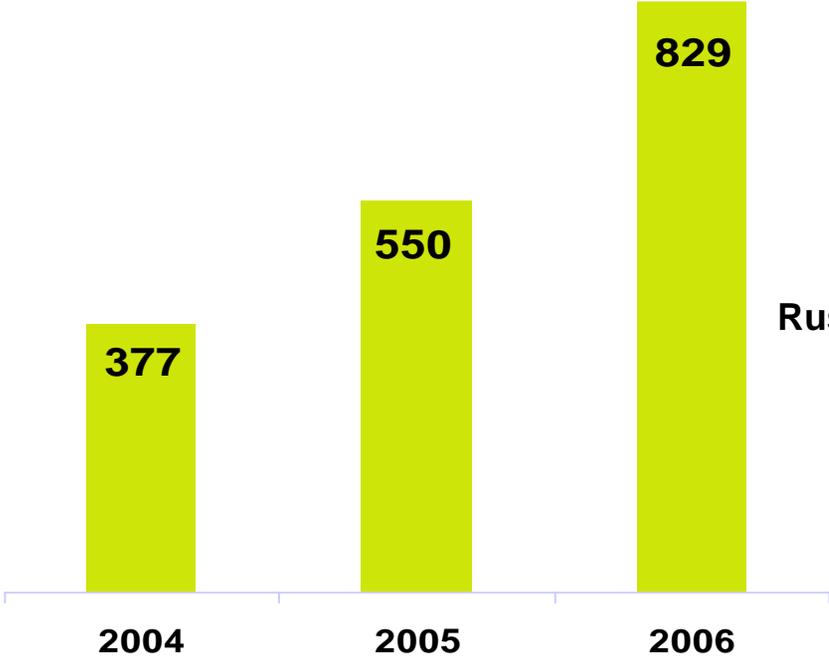
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Building Eastern Europe

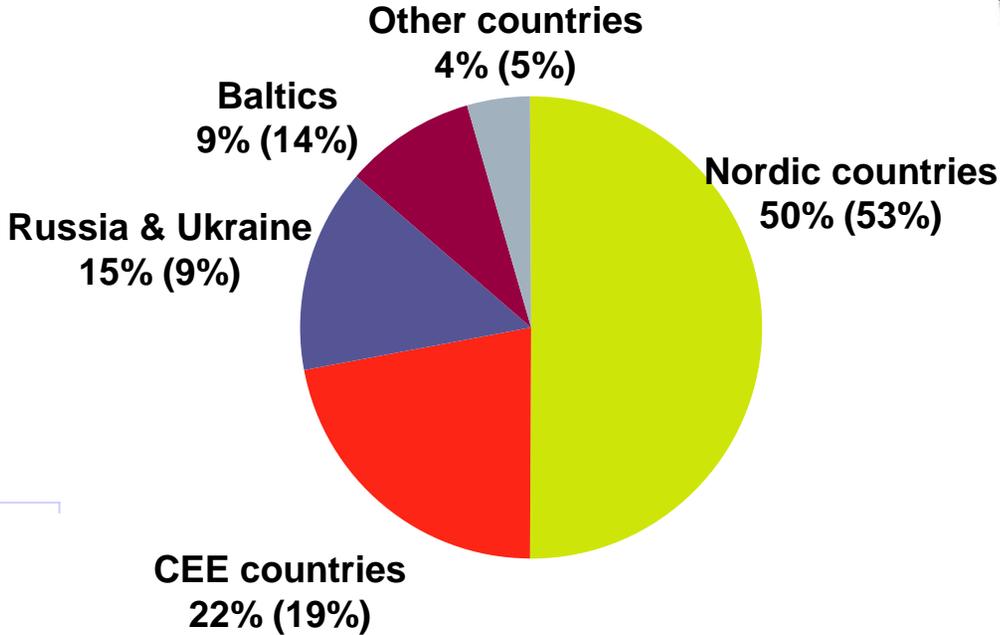
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Ruukki Construction: Ruukki's strong growth in construction

Net sales (€m)



Net sales by region 2006 (%)



Ruukki Construction: Target market is ~€11 billion

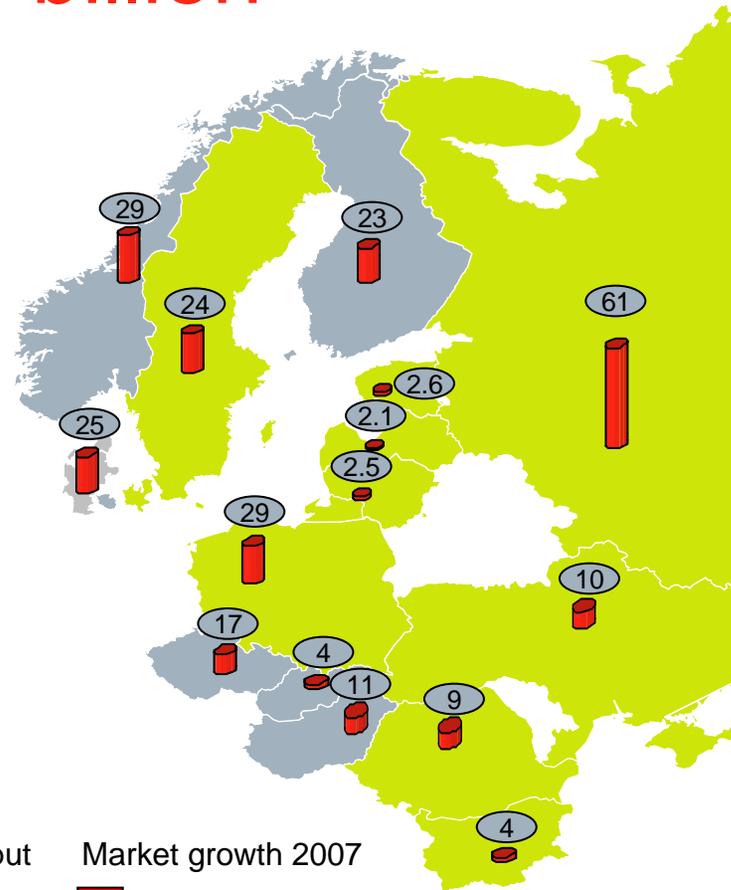
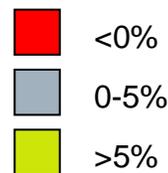
Market size and growth 2007

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

Total construction output

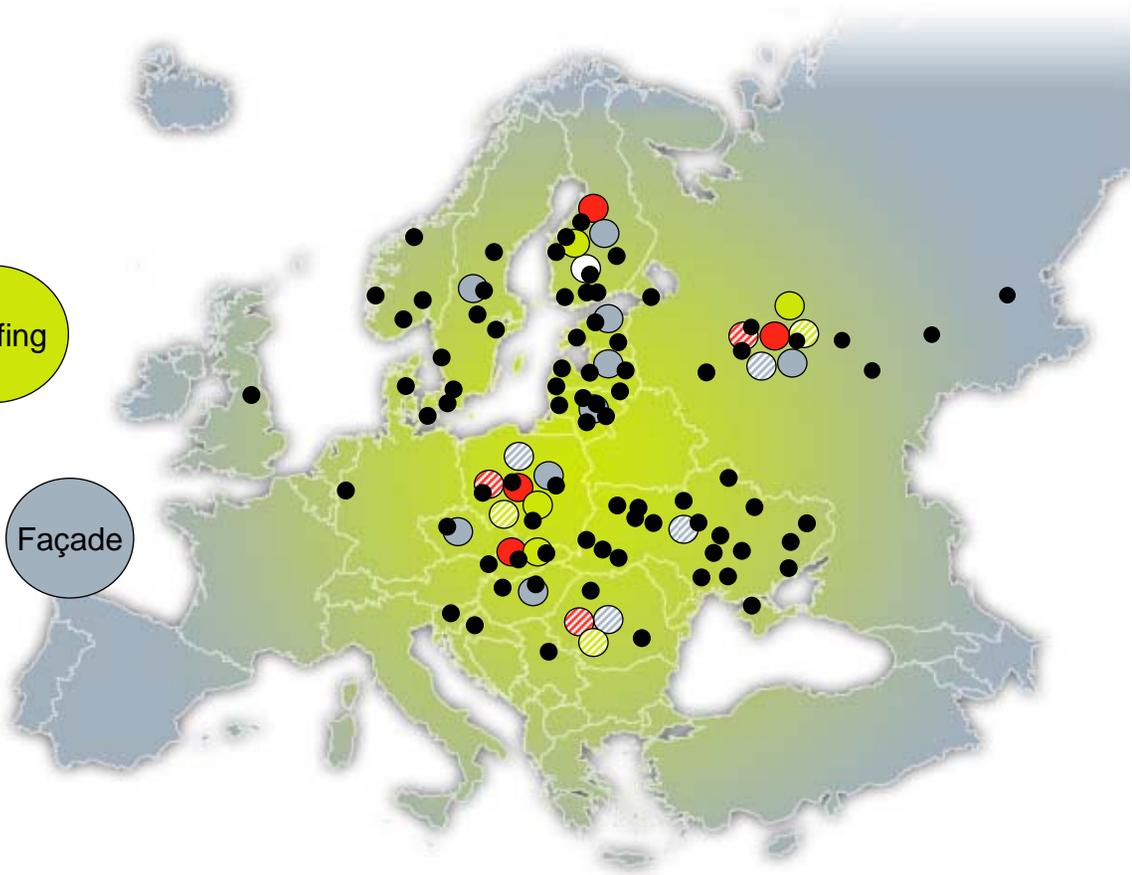


Market growth 2007



Sources: Euroconstruct, BuildEcon, VTT

Ruukki Construction: Our production and sales network have the market well covered



● New investments ● New investments ● New investments ● Sales

Ruukki Construction: Platform to expand operations and for new customers in Eastern Europe

Acquisitions 2005-2007	Products	Net sales 2006 €m	Personnel 2006	Acquisition cost €m
Metalplast	Construction panels	61	499	19
Ventall	Steel frame structures, sandwich panels	63 (6 months)	1606	127
Steel-Mont	Steel frame structures	25	156	10
AZST-Kolor	Colour-coated steel sheets		122	5
				Total 161

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

Investments	Products	Investment €m	
Increase in capacity in Estonia	Façade elements, design and production	3	
New production plant in Hungary	Profiled products	9	Acquisitions €161m Investments €111m Eastern Europe, total €272m
New production plant in Ukraine	Profiled products, sandwich panels	15	
New production plant in Romania	Steel frame structures, sandwich panels, profiled products	35	
Increase in capacity in Poland	Steel frame structures, profiled products	19	
Increase in capacity in Russia	Steel frame structures, façades	estimate 30	

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

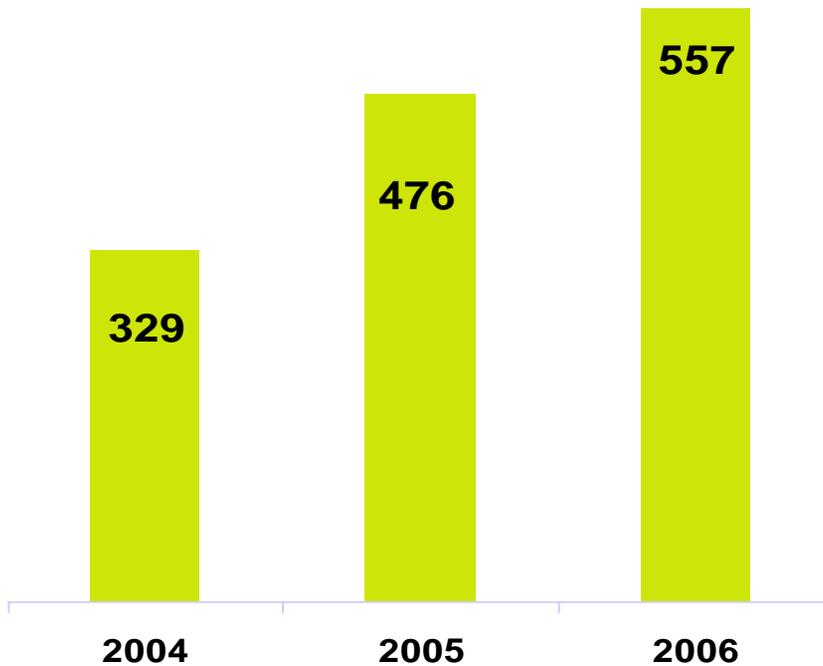


Growth in the lifting, handling and transportation equipment industry

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Ruukki Engineering: Ruukki's strong growth in engineering

Net sales (€m)



Ruukki Engineering's customer groups

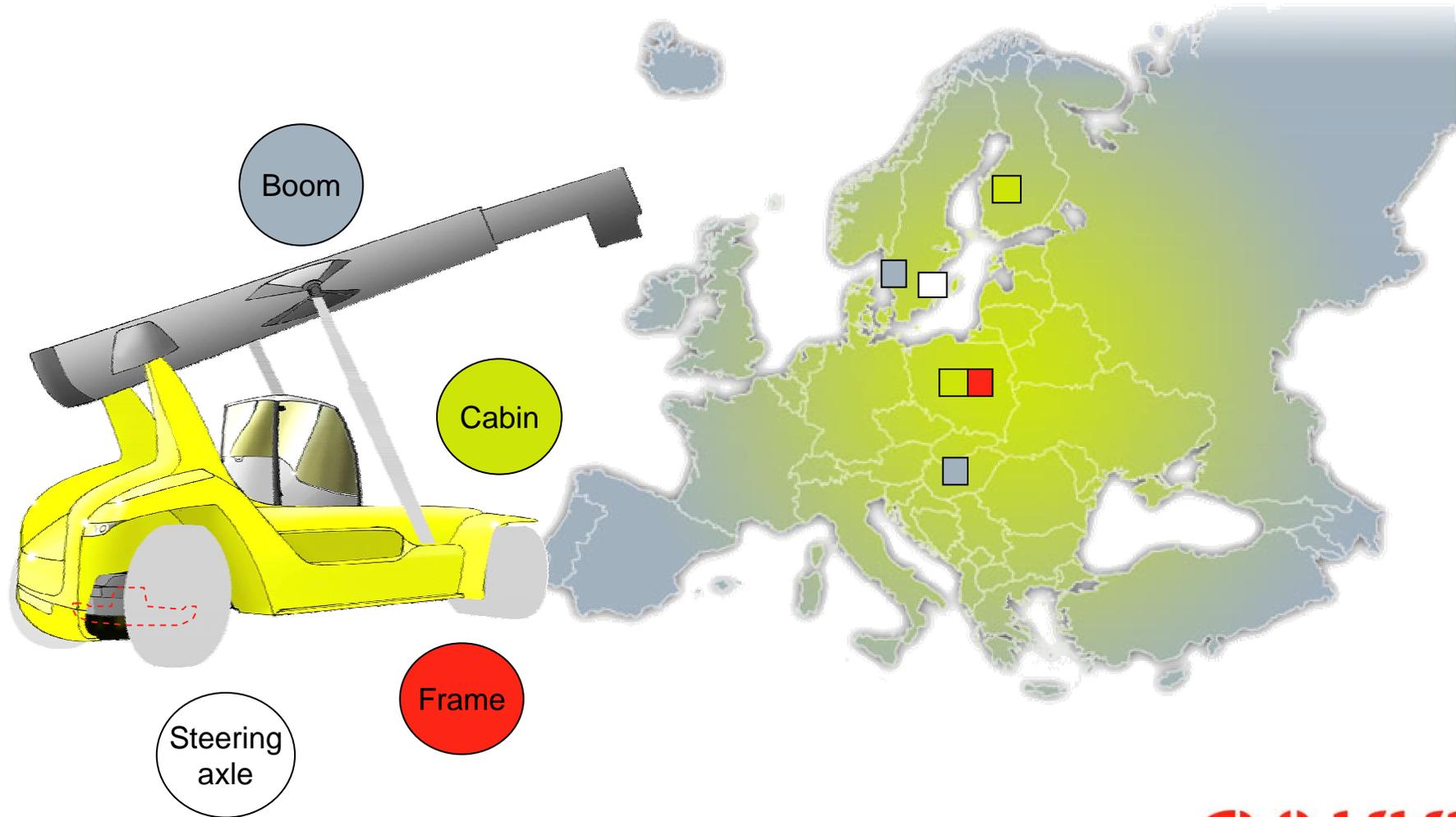
Lifting, handling & transportation

- Cranes & materials handling
- Construction & mining
- Forest machines

Paper, wood processing, energy

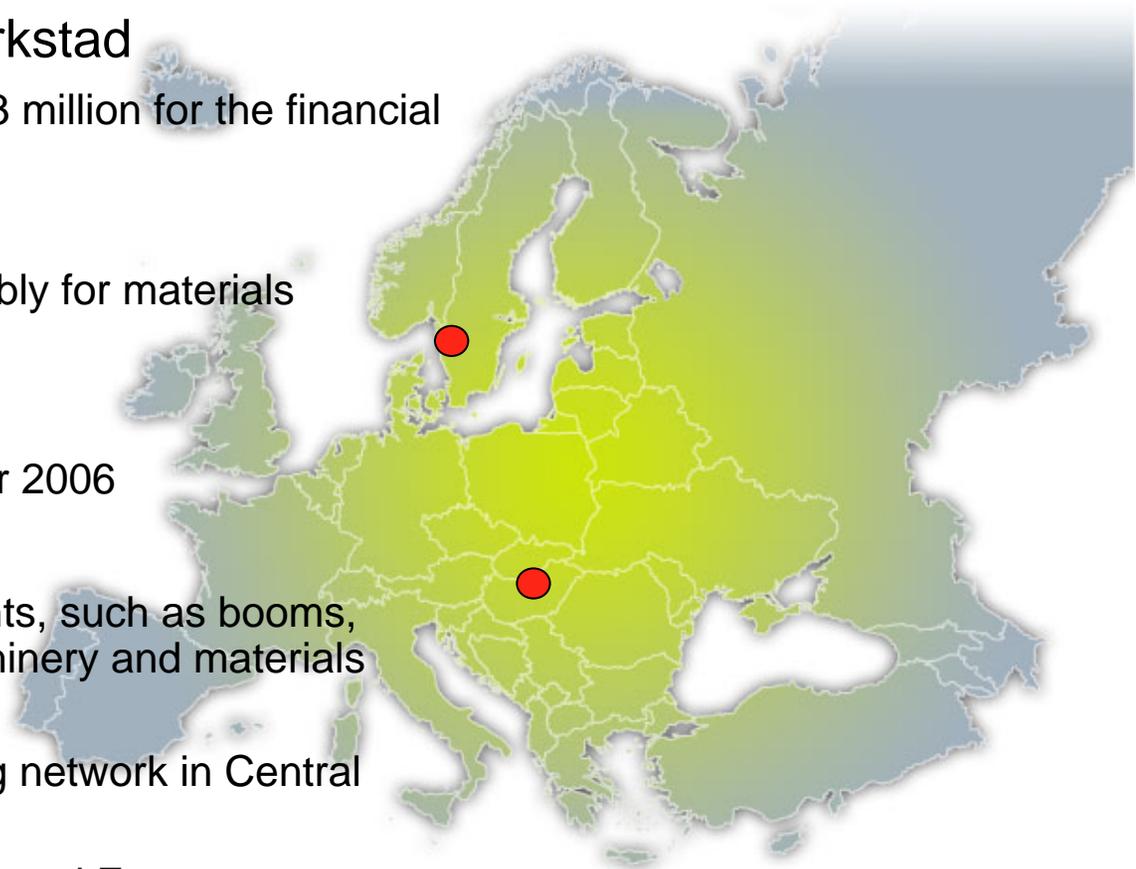
Marine & offshore

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**

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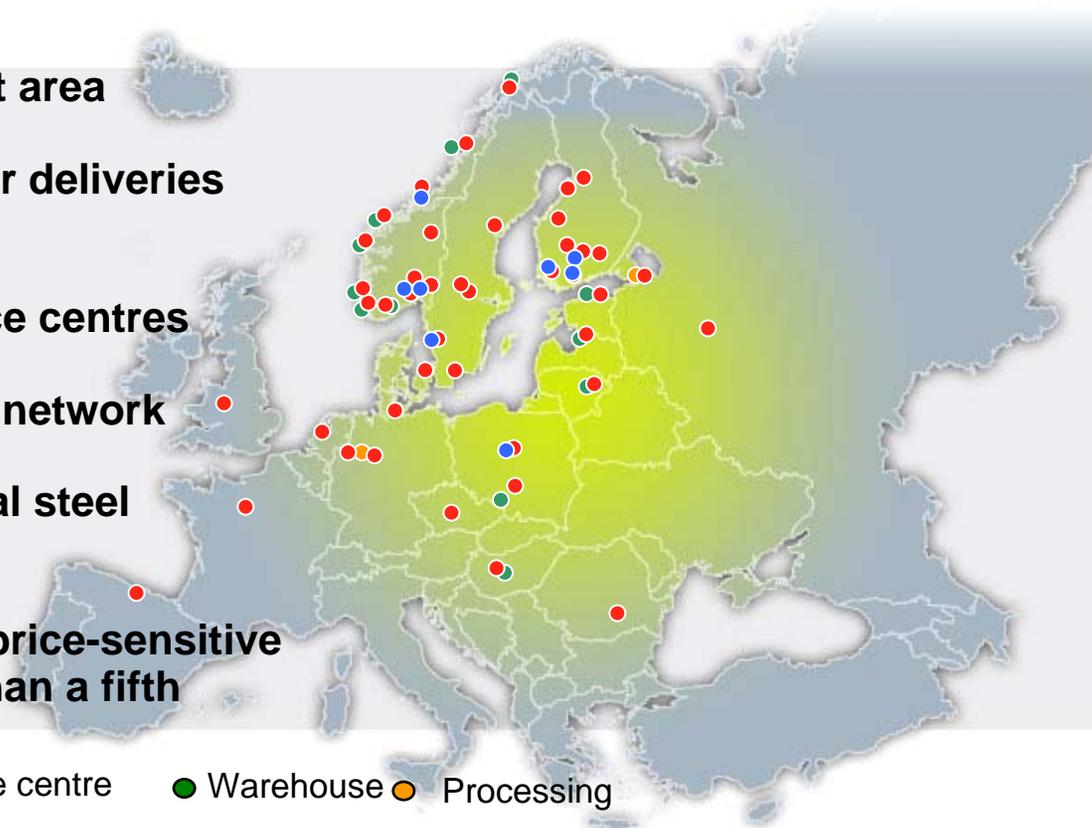
Ruukki Metals: Product and service portfolio in different markets

	Main focus	Products & services
Home markets 	Further strengthening our current strong position by excellent service and logistics	Wide selection of steel products, prefabrication of steel for customer use in service centres (delivery accuracy)
Special products customers 	Increasing share of special products combined with close relationship to end customers	High-strength steels, coated steels and other special products

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

● Sales ● Service centre ● Warehouse ● Processing



Operational efficiency and profitable growth

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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

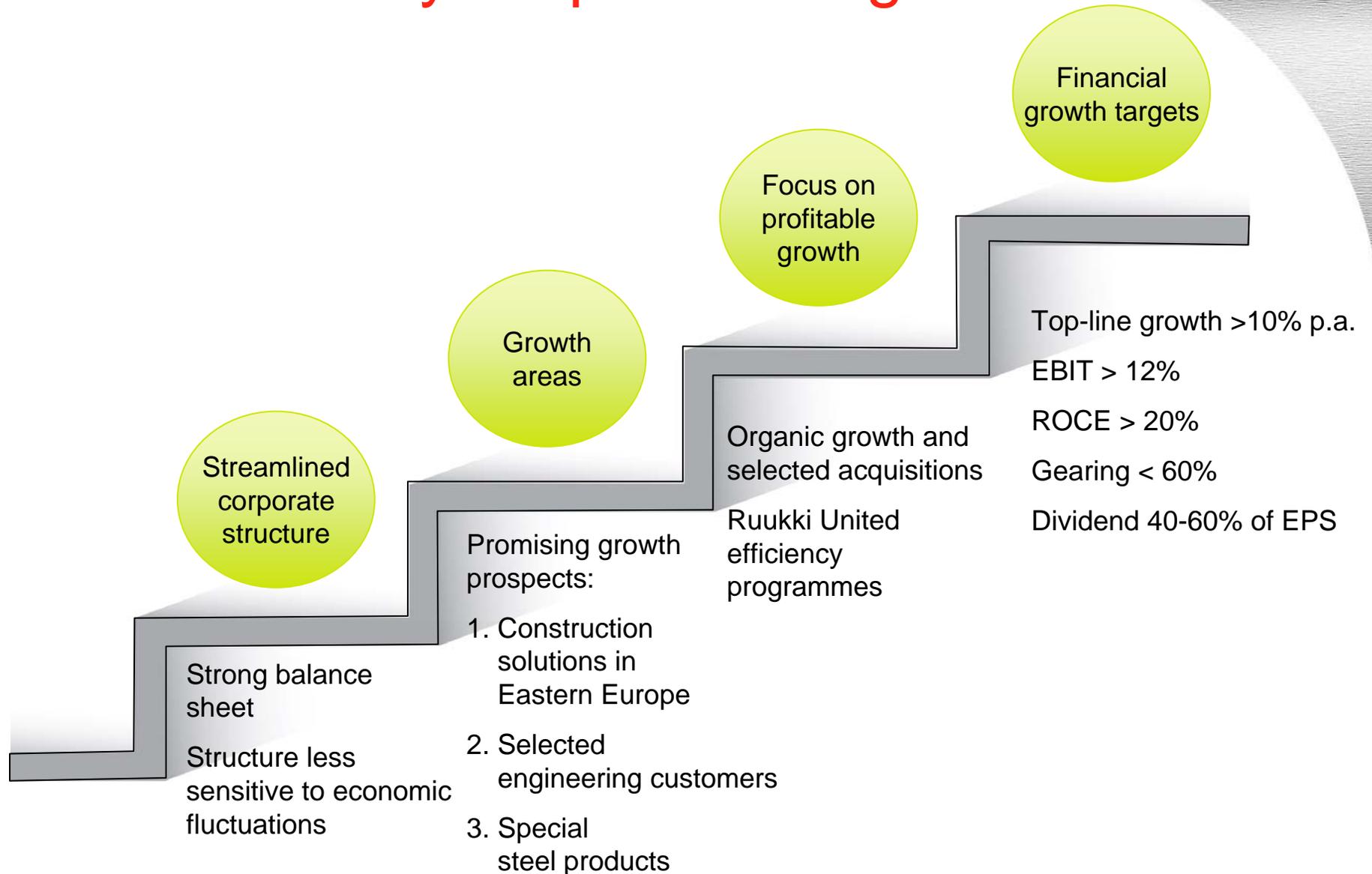
2. Divestment of long steel products

- 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



Financials Q1/2007

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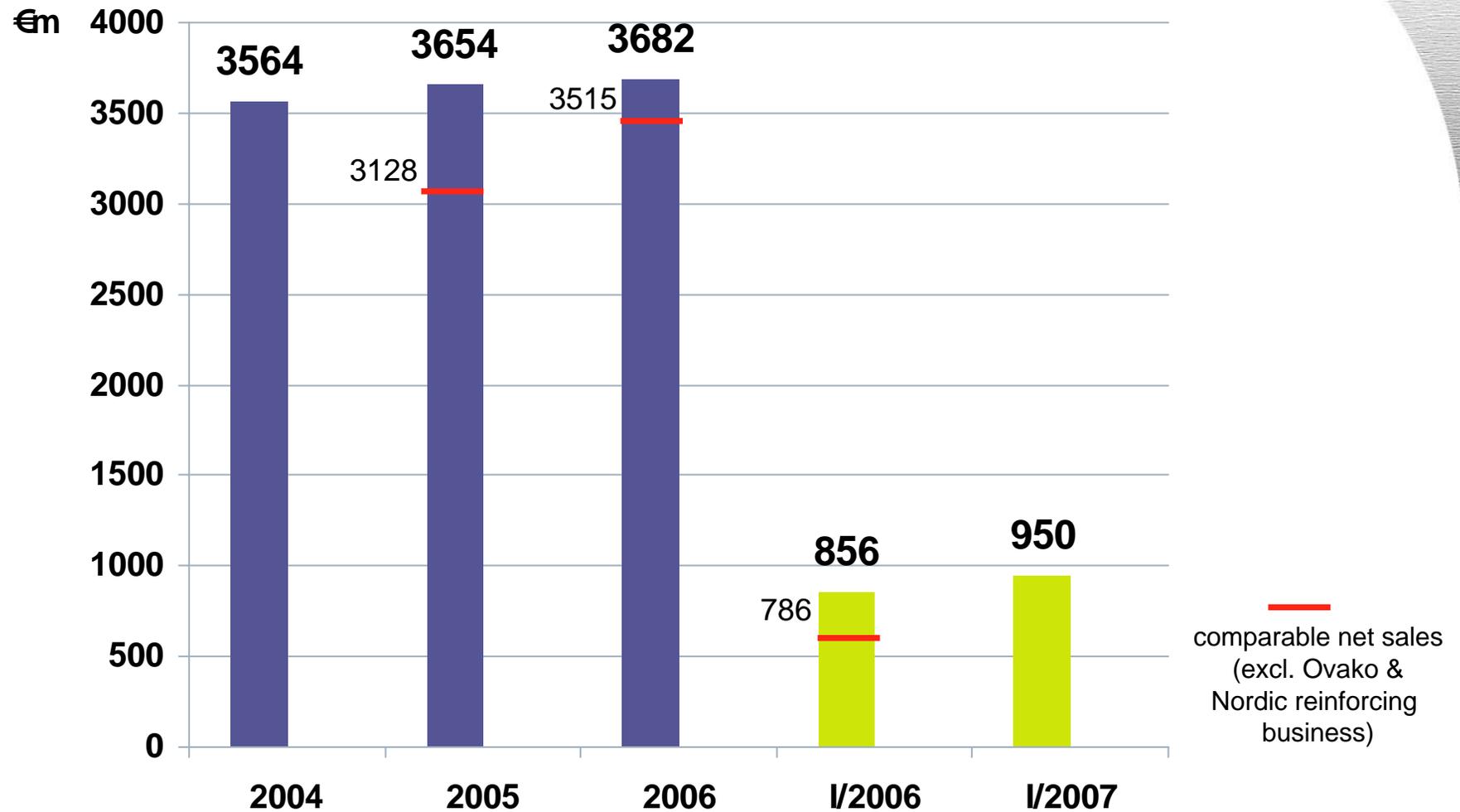
Business environment

- 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

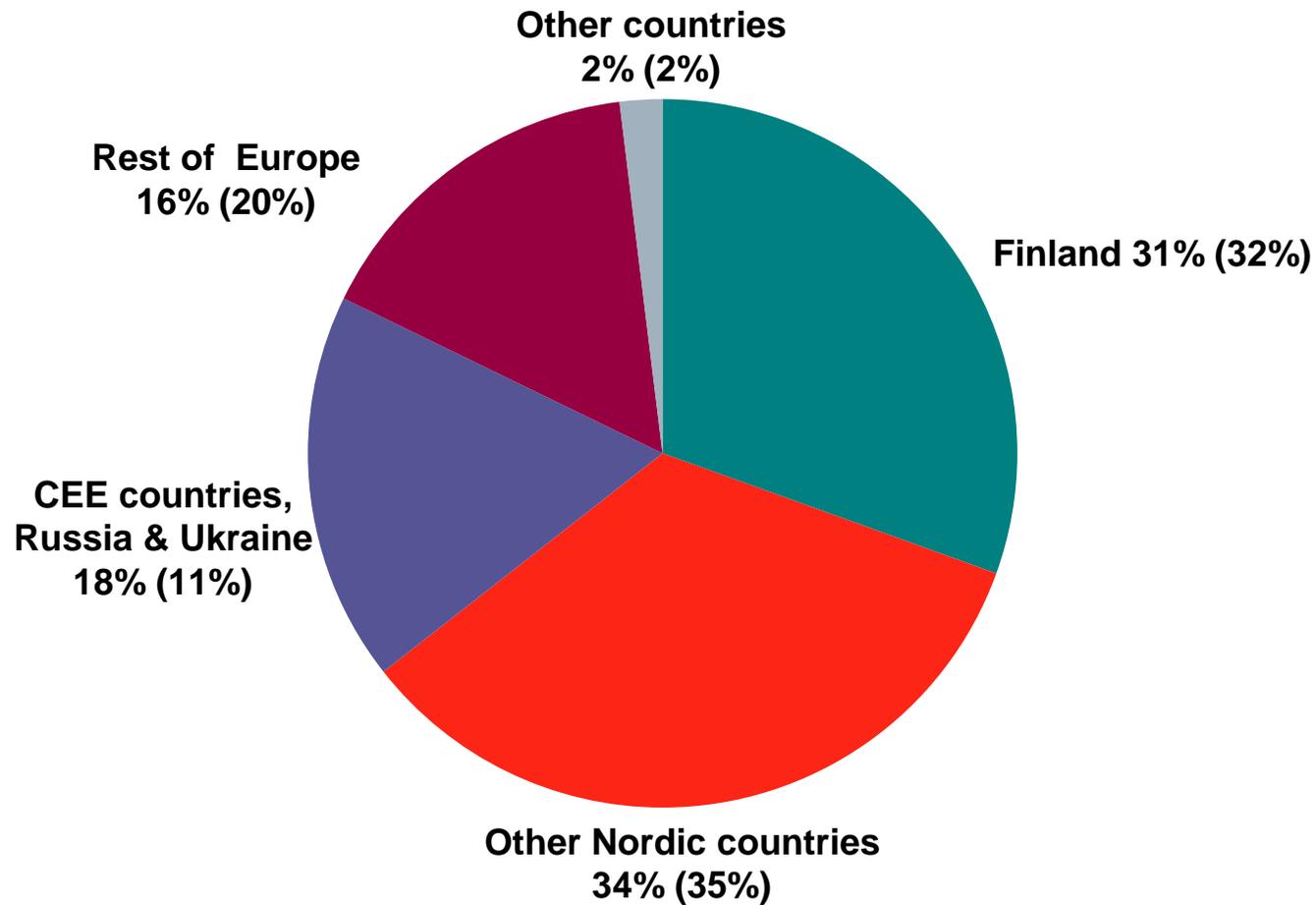
Good profitability

- 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.

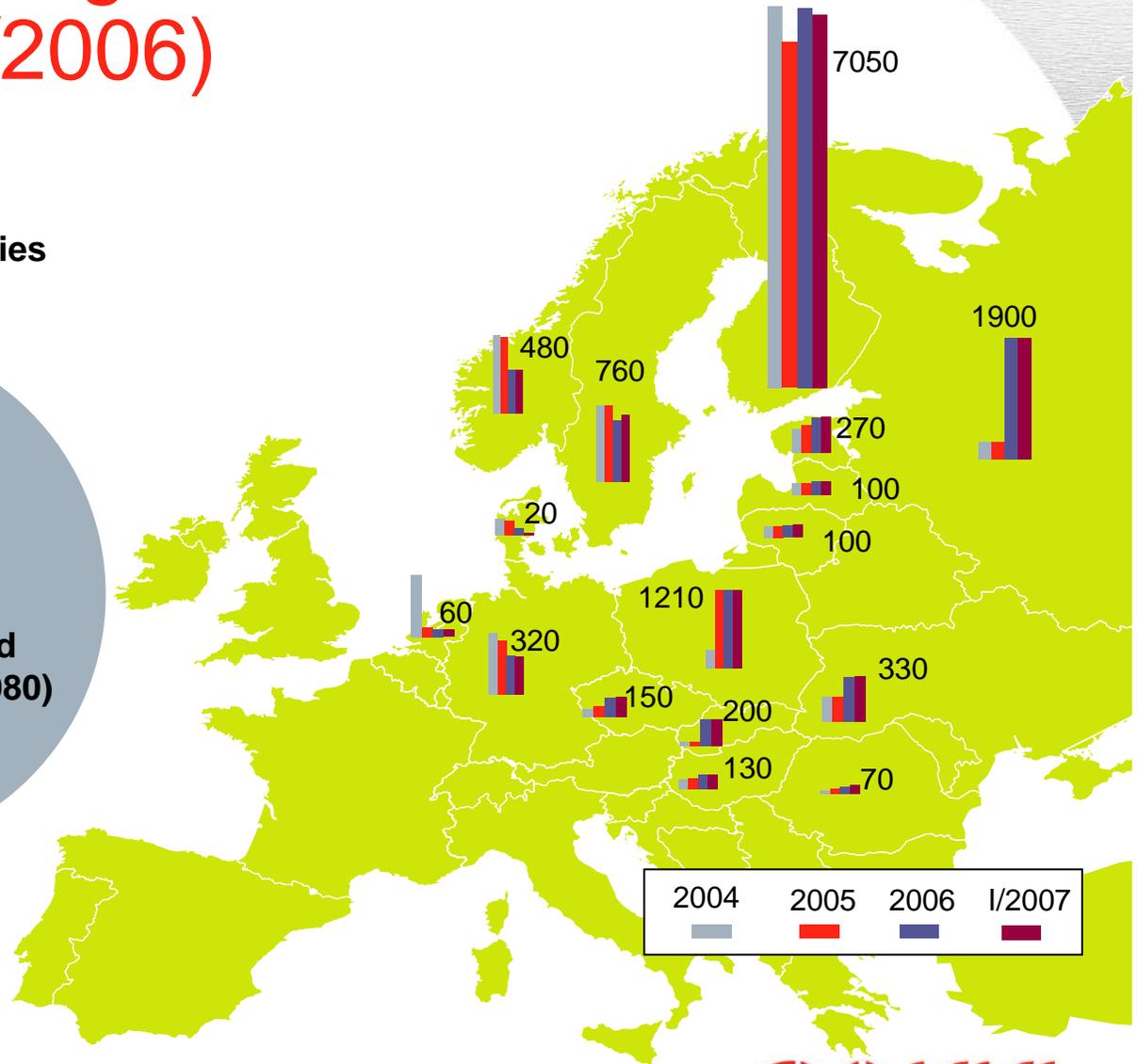
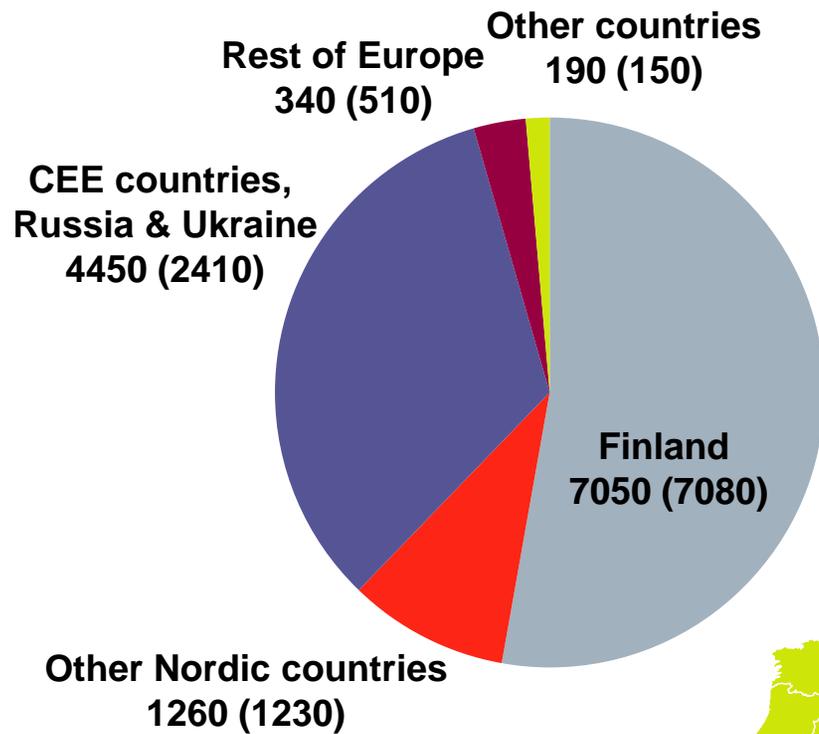
Consolidated comparable net sales growth 21%



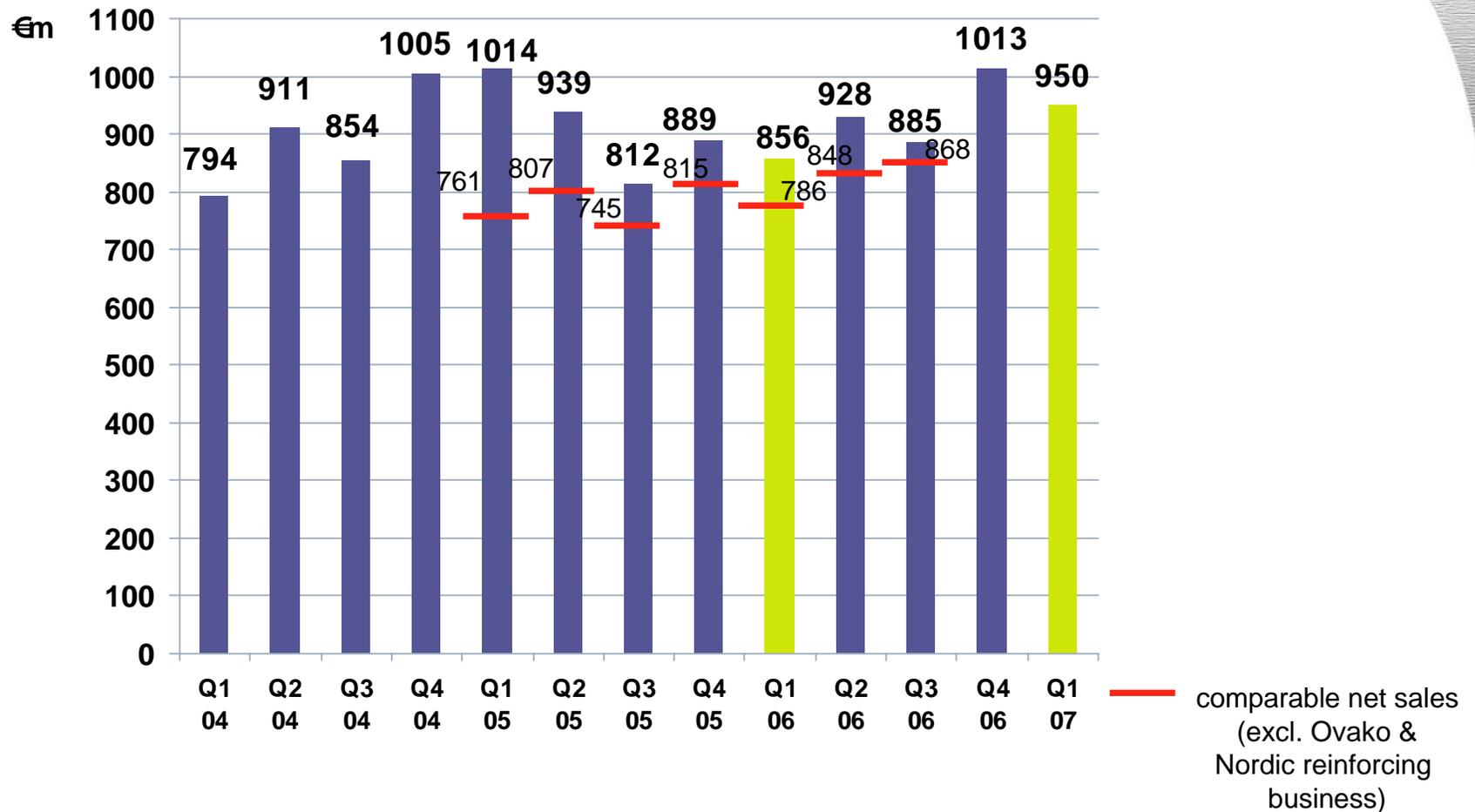
Net sales by region Q1/2007 (Q1/2006)



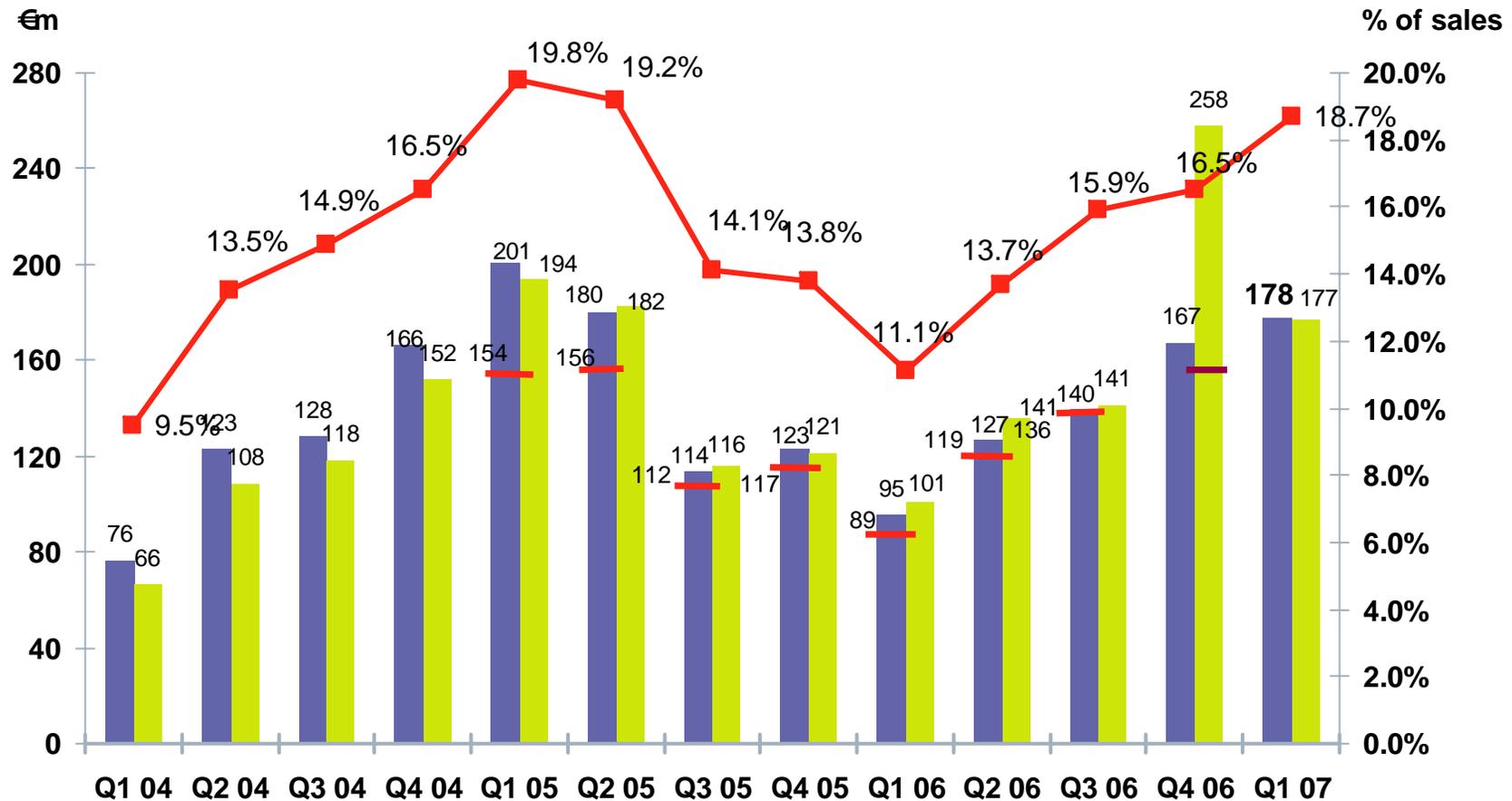
Personnel by region Q1/2007 (Q1/2006)



Quarterly net sales

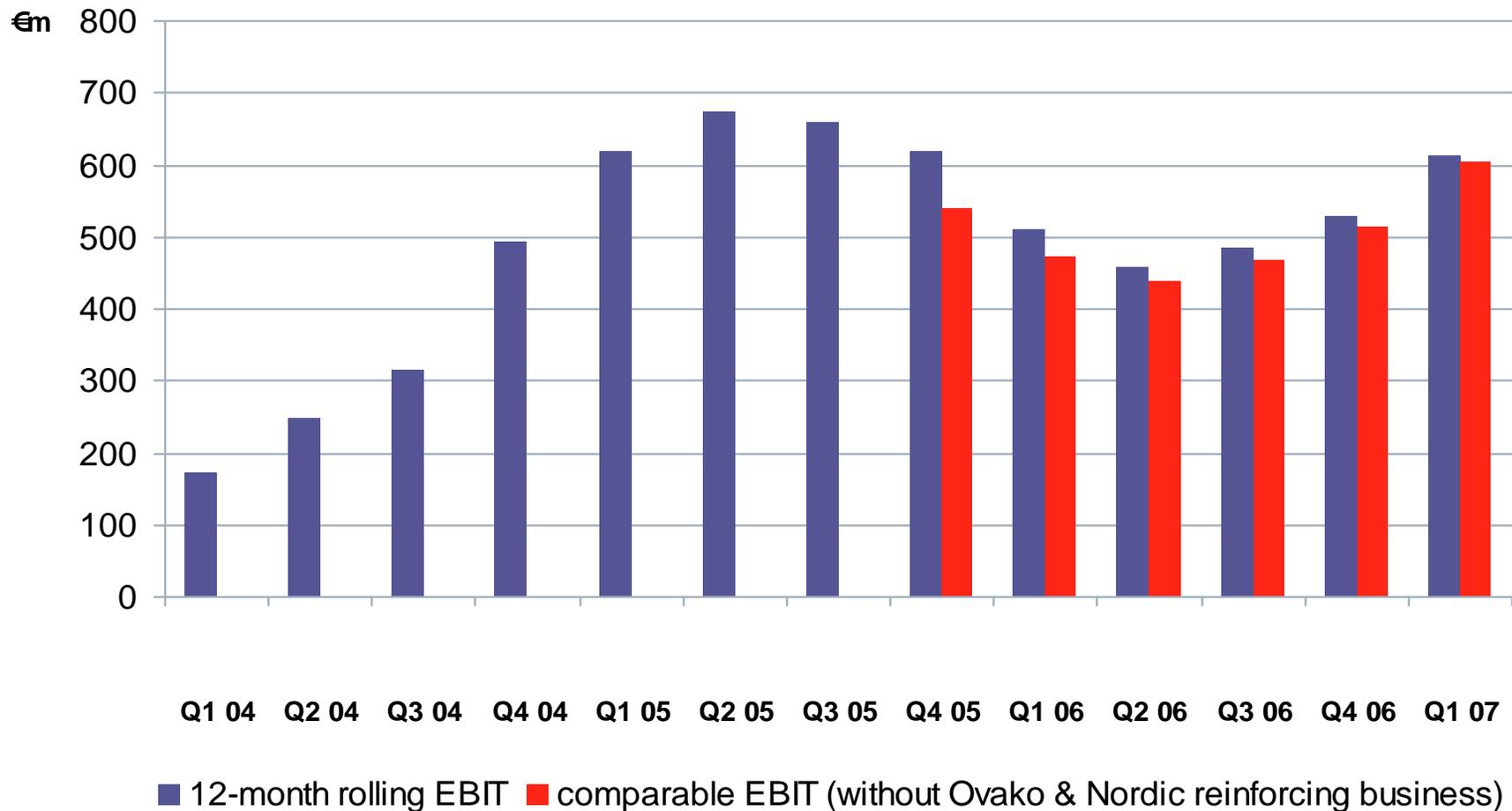


Quarterly EBIT and profit before taxes

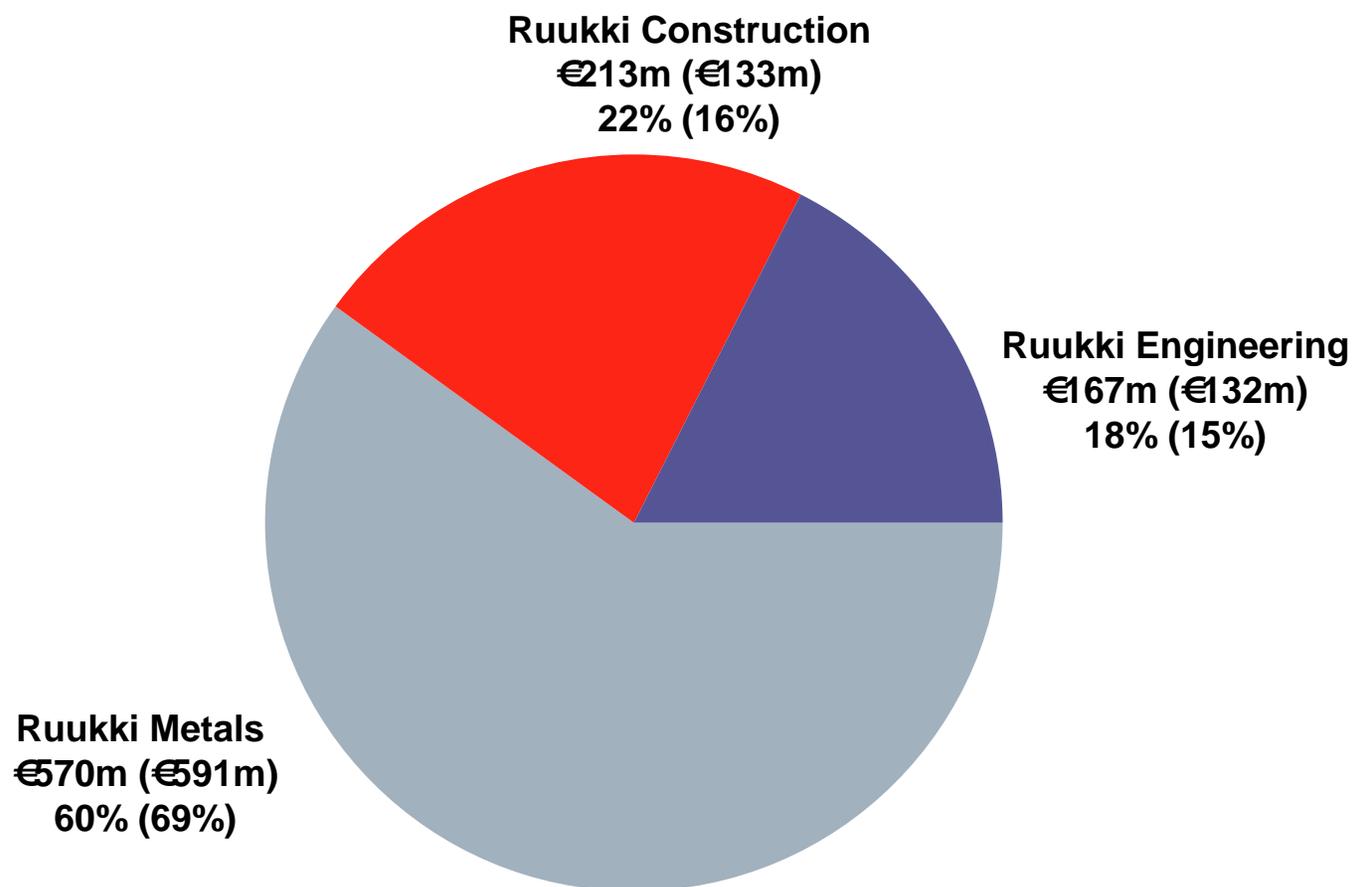


■ Operating profit
 ■ Pre-tax profit
 —■— Operating profit-%
— excl. capital gain on the divestment of Ovako
 — comparable EBIT (excl. Ovako & Nordic reinforcing business)

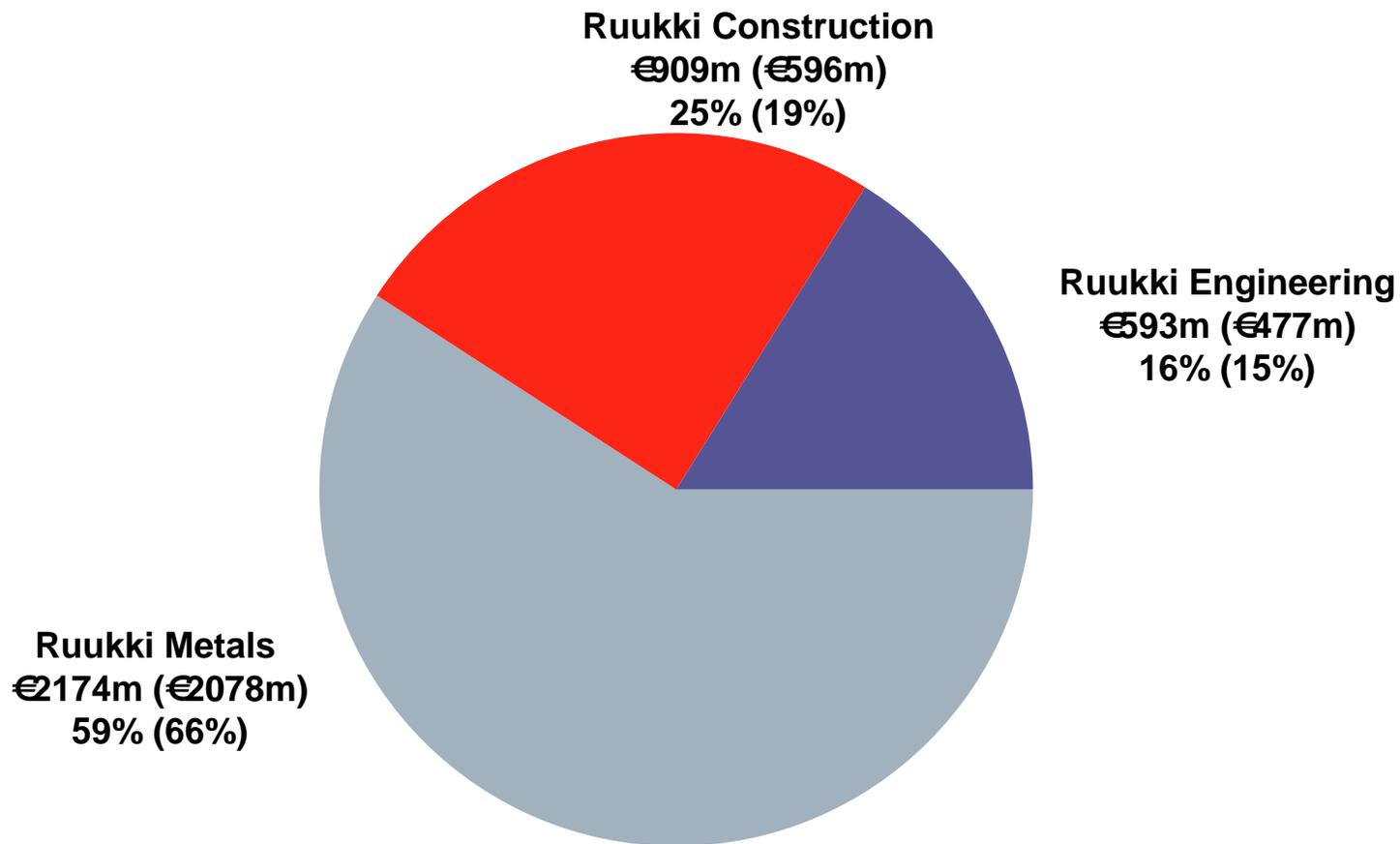
12-month rolling EBIT 2004-Q1/2007



Net sales by division Q1/2007 (Q1/2006)

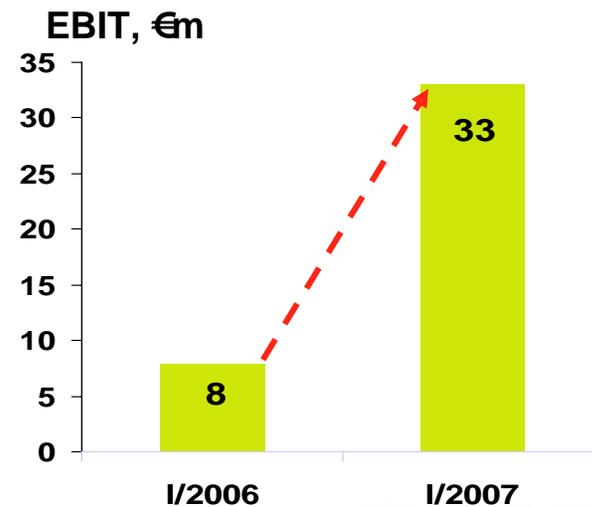
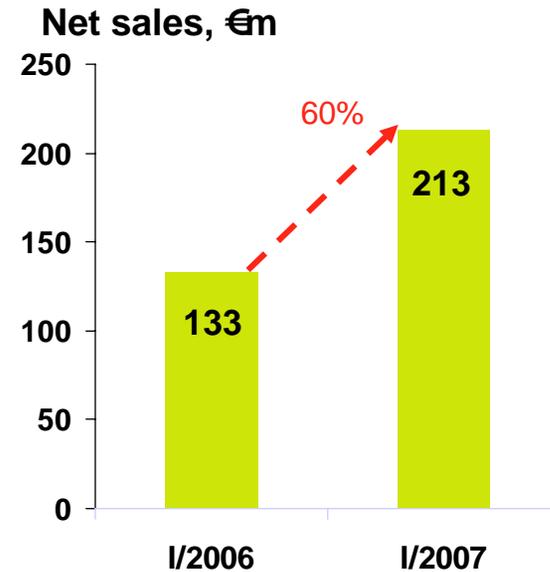


12-month rolling comparable net sales by division



Ruukki Construction - strong profitable growth

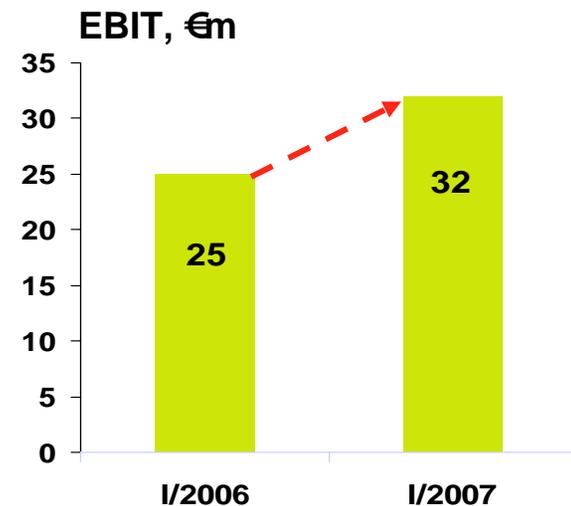
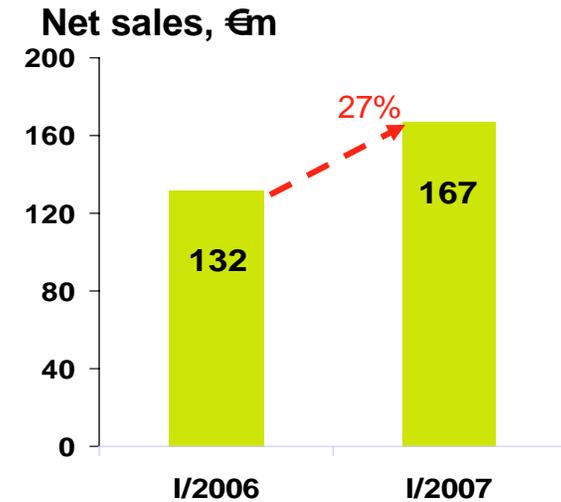
- Construction activity remained brisk in core markets
 - exceptional for the time of year
- Deliveries grew in all market areas
- Strong growth in challenging total deliveries in Eastern Europe. Also growing demand for extensive delivery concepts in the Nordic countries and Baltics
 - shopping and logistics 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



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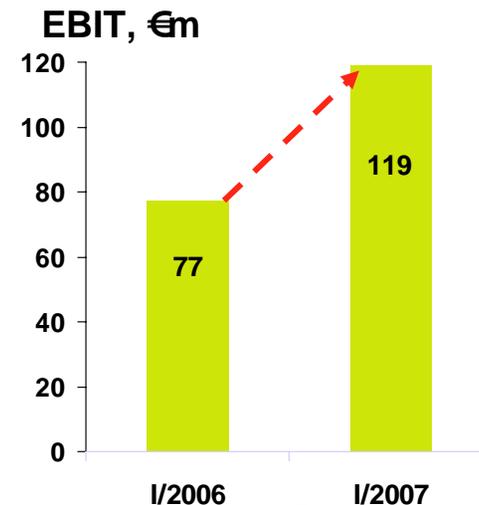
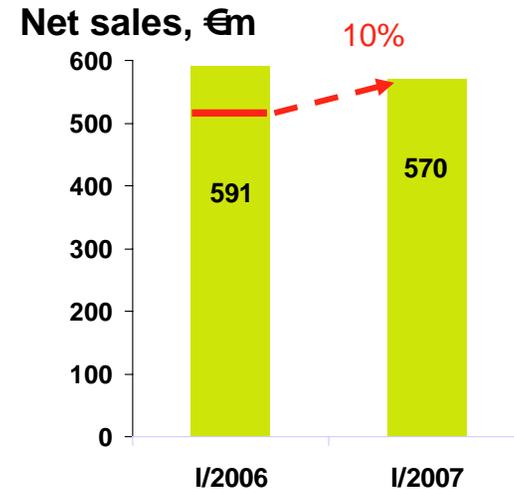
Ruukki Engineering on good growth track

- 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



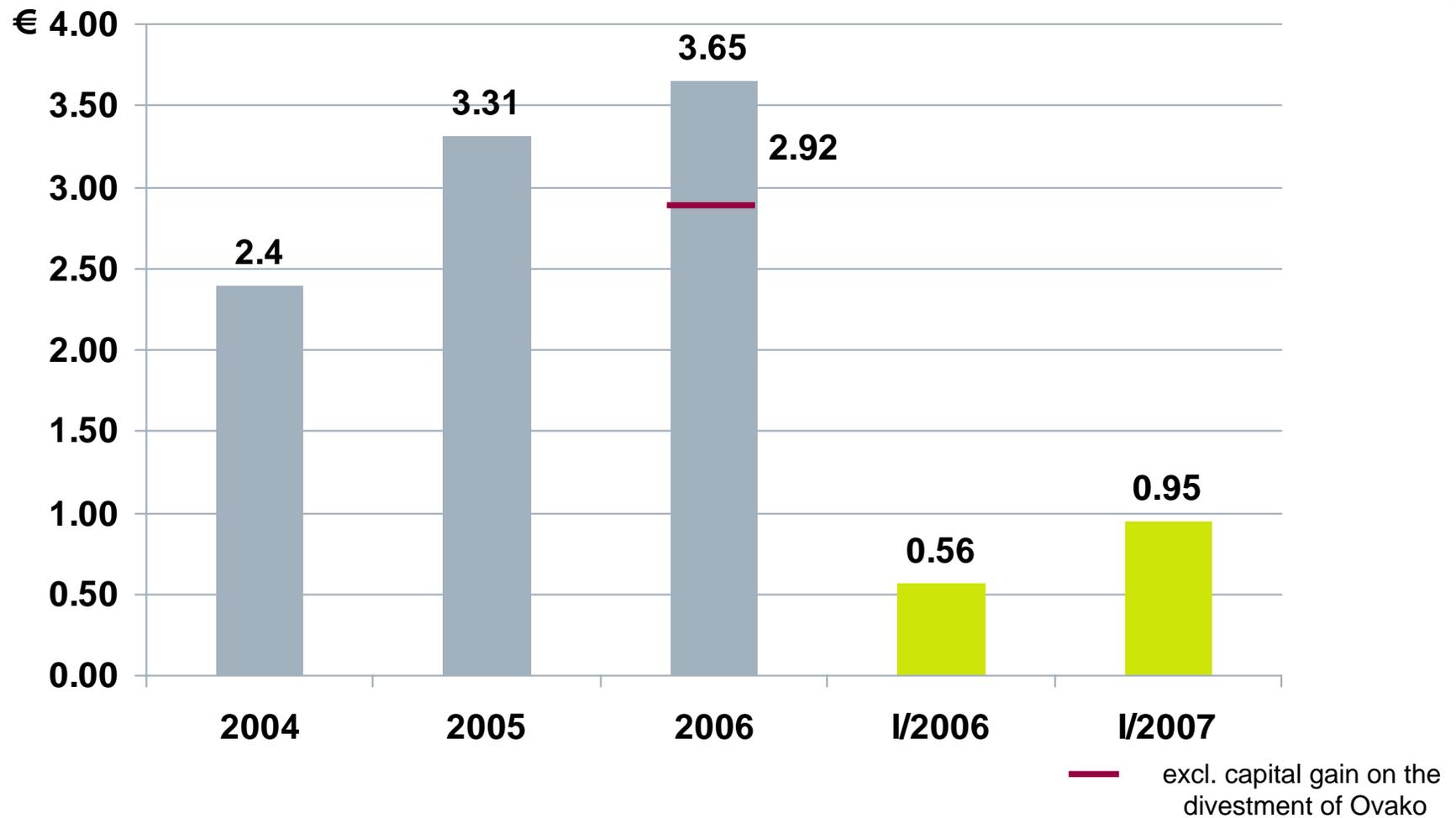
Ruukki Metals profitability improved: operating profit 21% of net sales

- 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

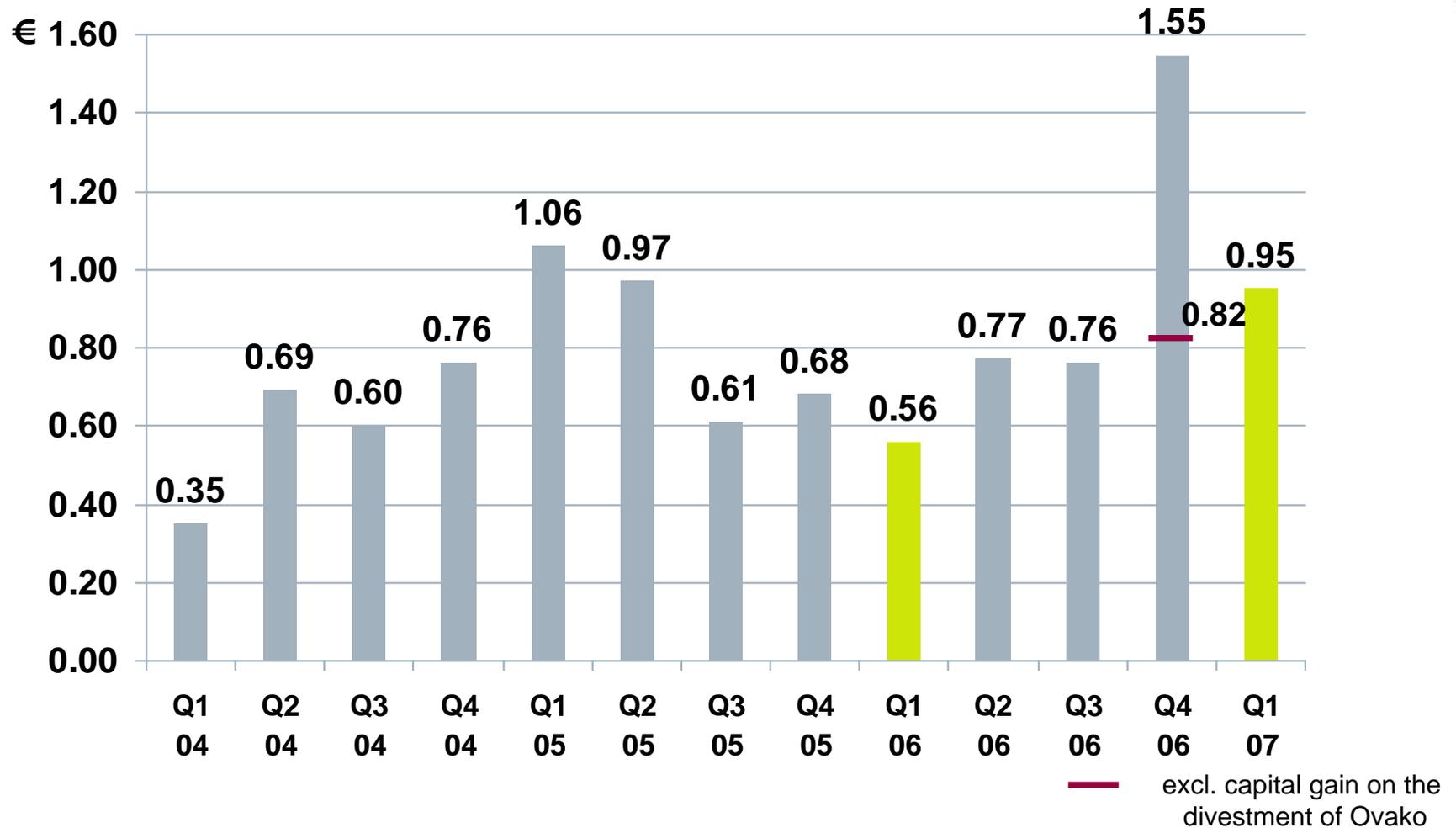


— comparable net sales
(excl. Ovako & Nordic reinforcing
business)

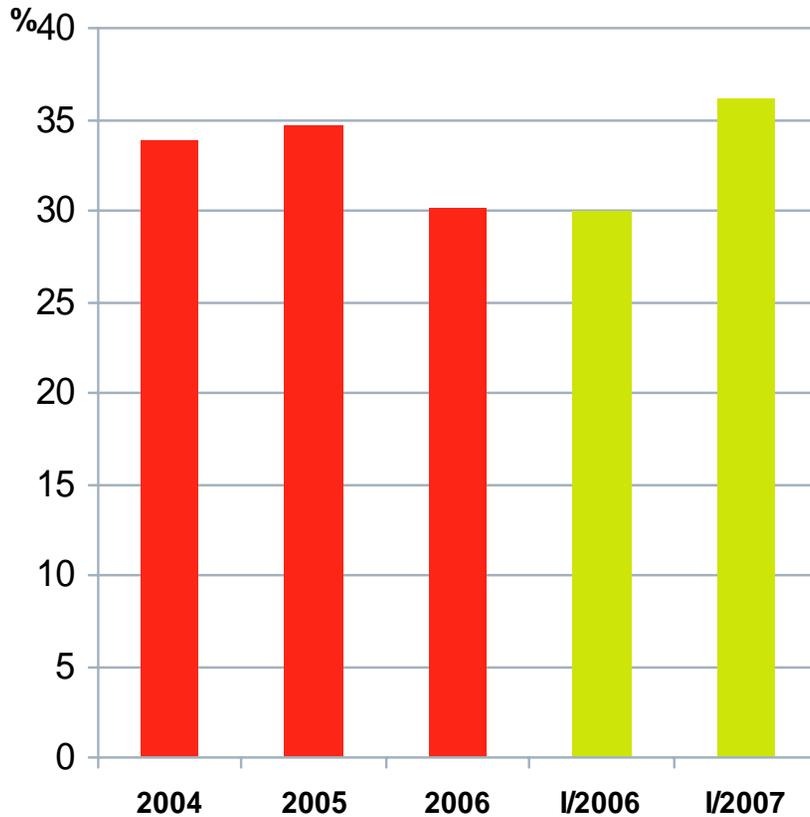
Earnings per share



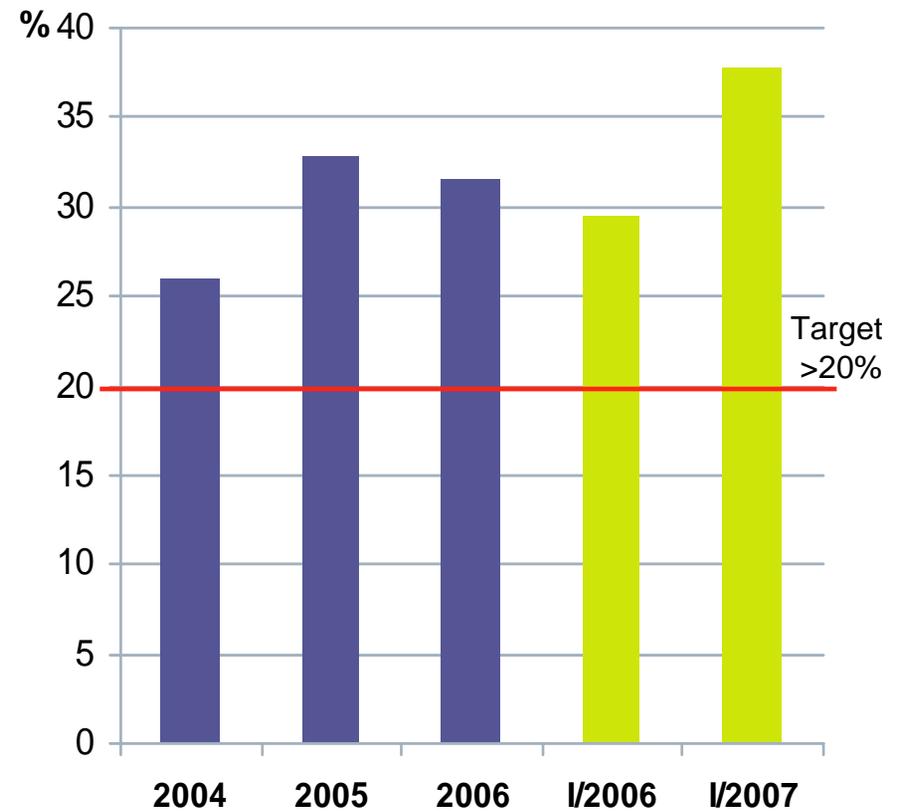
Quarterly earnings per share



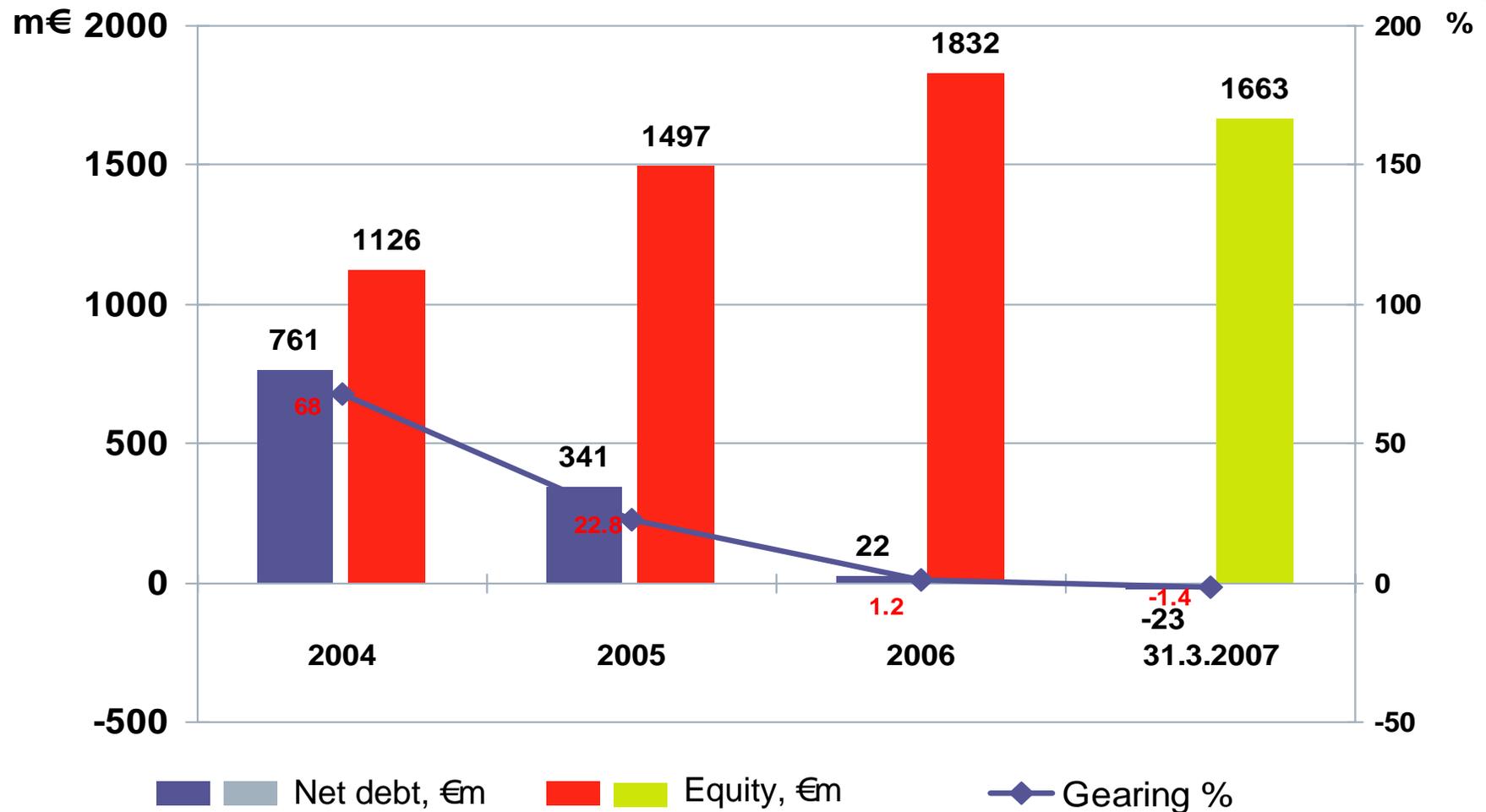
Return on equity



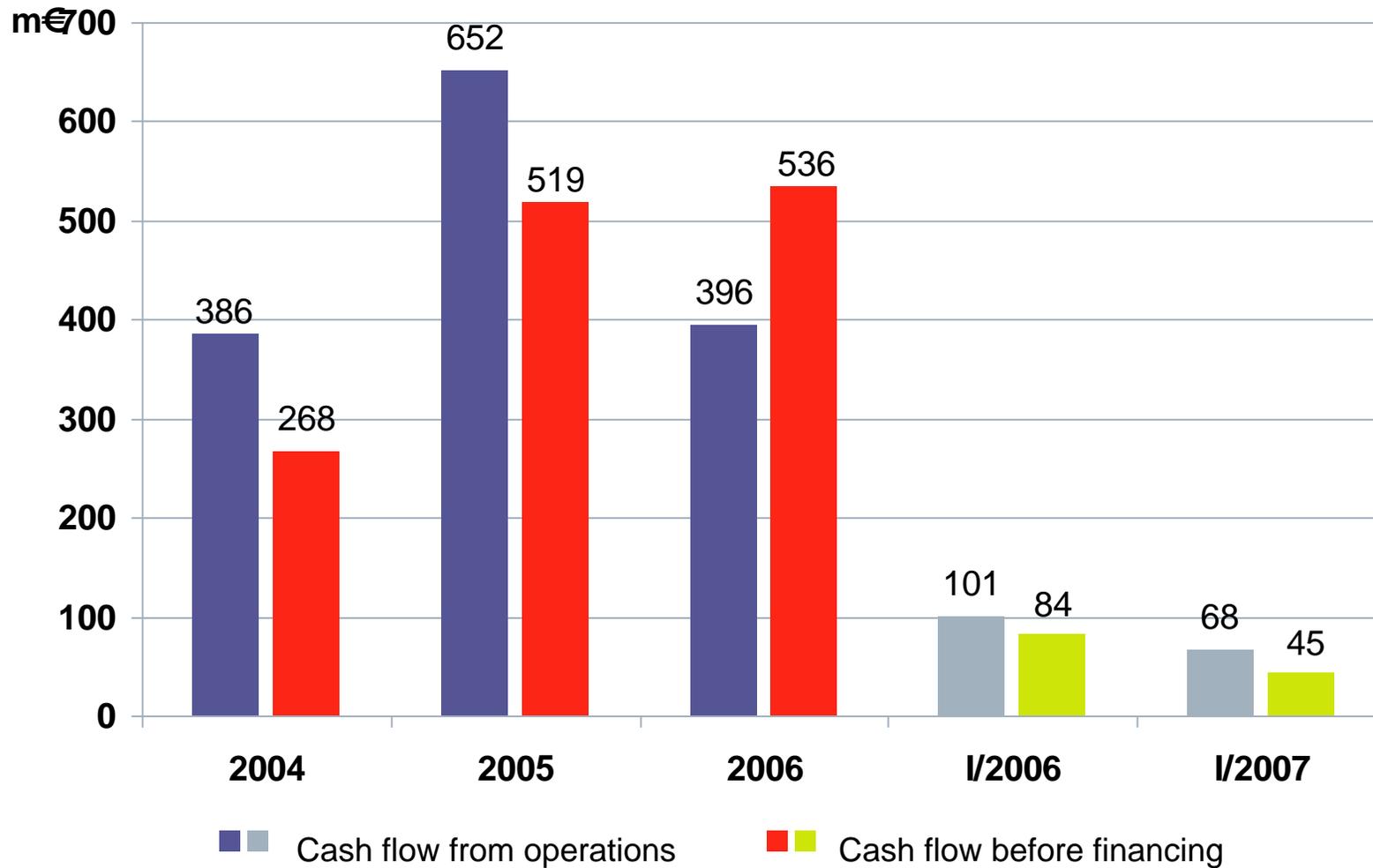
Return on capital employed



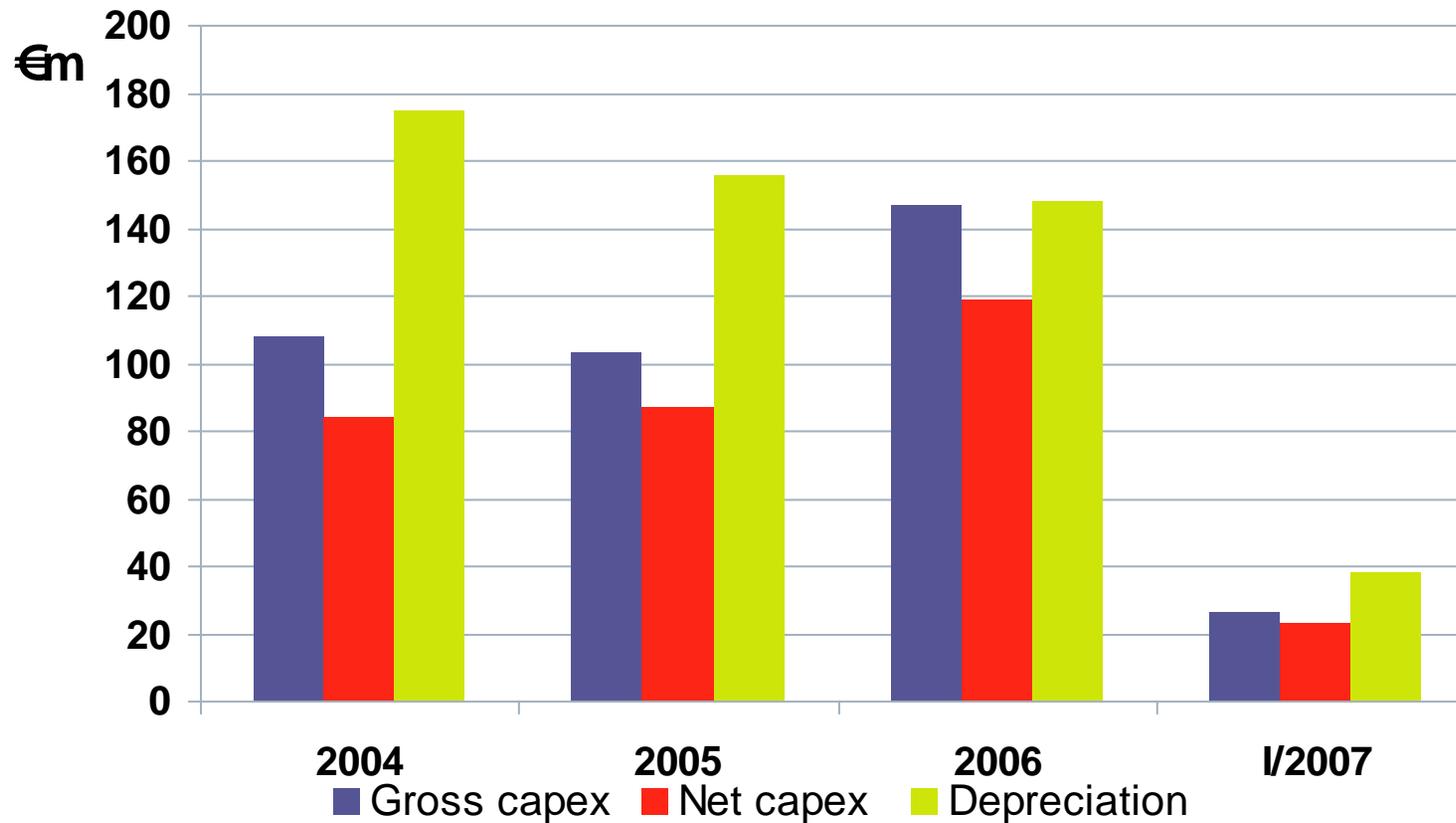
Strong, debt-free balance sheet



Increase in working capital strained cash flow



Capex vs. depreciation



Near-term outlook

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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

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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



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more with metals

Appendix

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Financial summary

	Q1		Year
€m	2007	2006	2006
Net sales	950	856	3682
- pro forma	950	786	3515
EBIT	178	95	529
- % of net sales	18.7	11.1	14.4
- pro forma	178	89	515
- % of net sales	18.7	11.3	14.7
Pre tax profit	177	101	635
EPS, €	0.95	0.56	3.65
ROCE rolling 12 months, %	37.8	29.5	31.5
Gearing, %	-1.4	19.6	1.2