

Interim Review Q1-Q3 2005

October 26, 2005

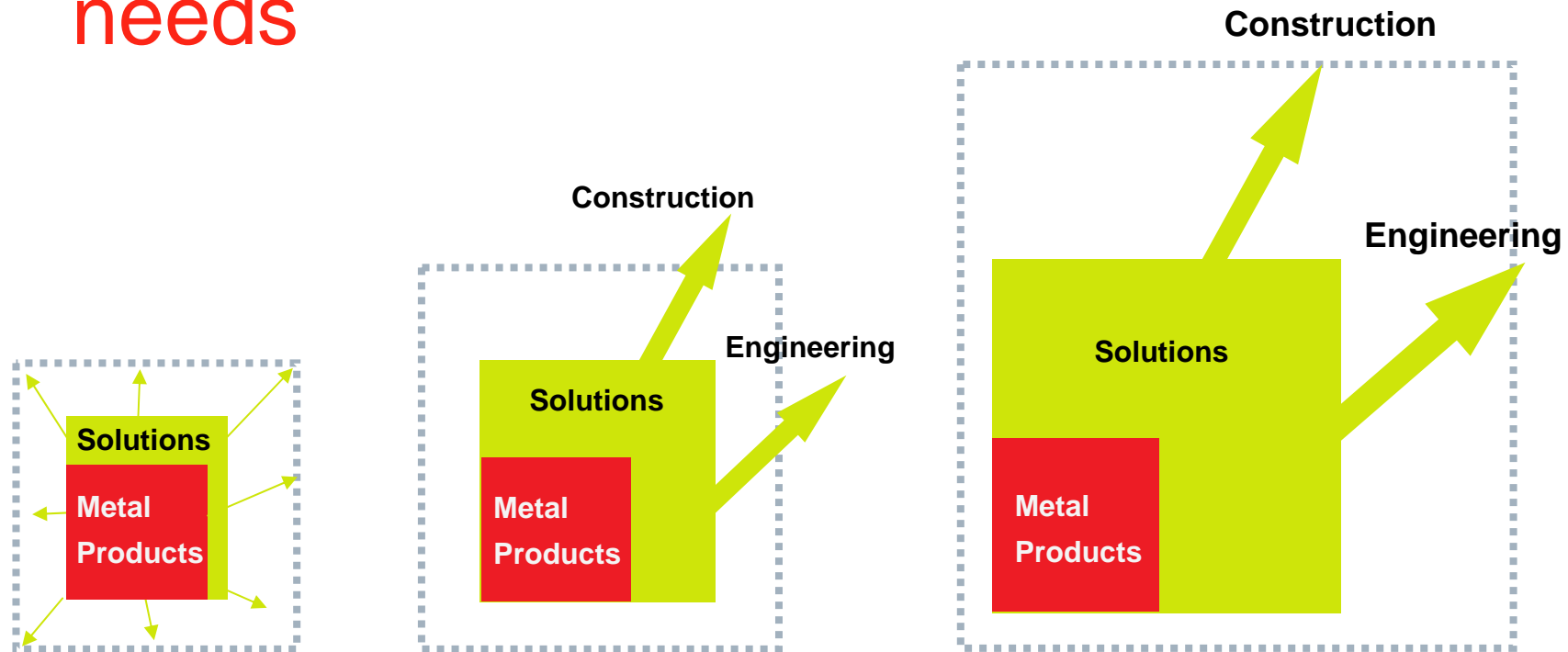
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- **Strategy Moving Ahead**
- **Ruukki United**
- **Business Environment**
- **Financials Q1-Q3 2005**
- **Near-term Outlook**
- **Summary**

Strategy Moving Ahead

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Our vision: solutions for specific segments based on customer needs

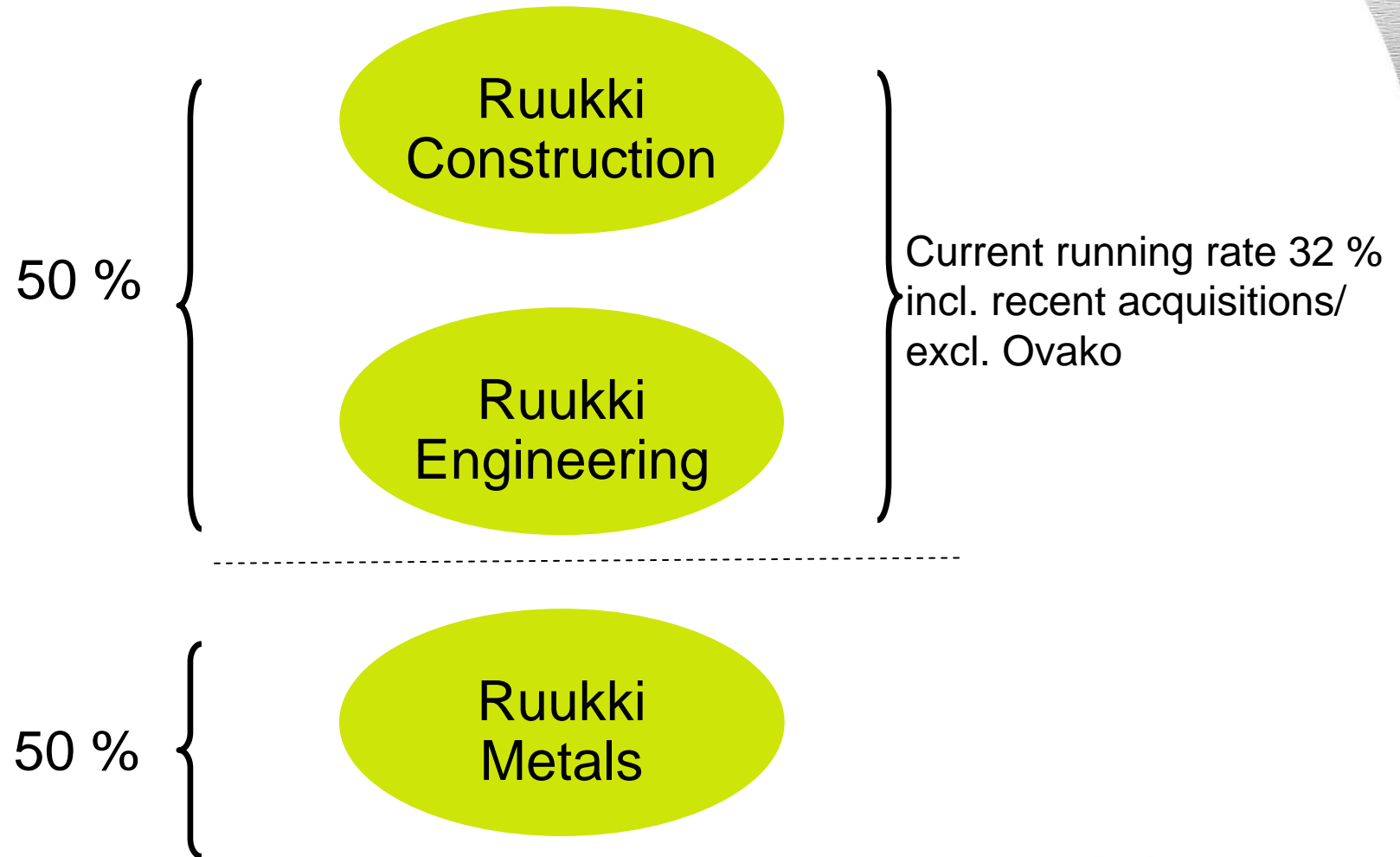


2003
Reliable steel producer

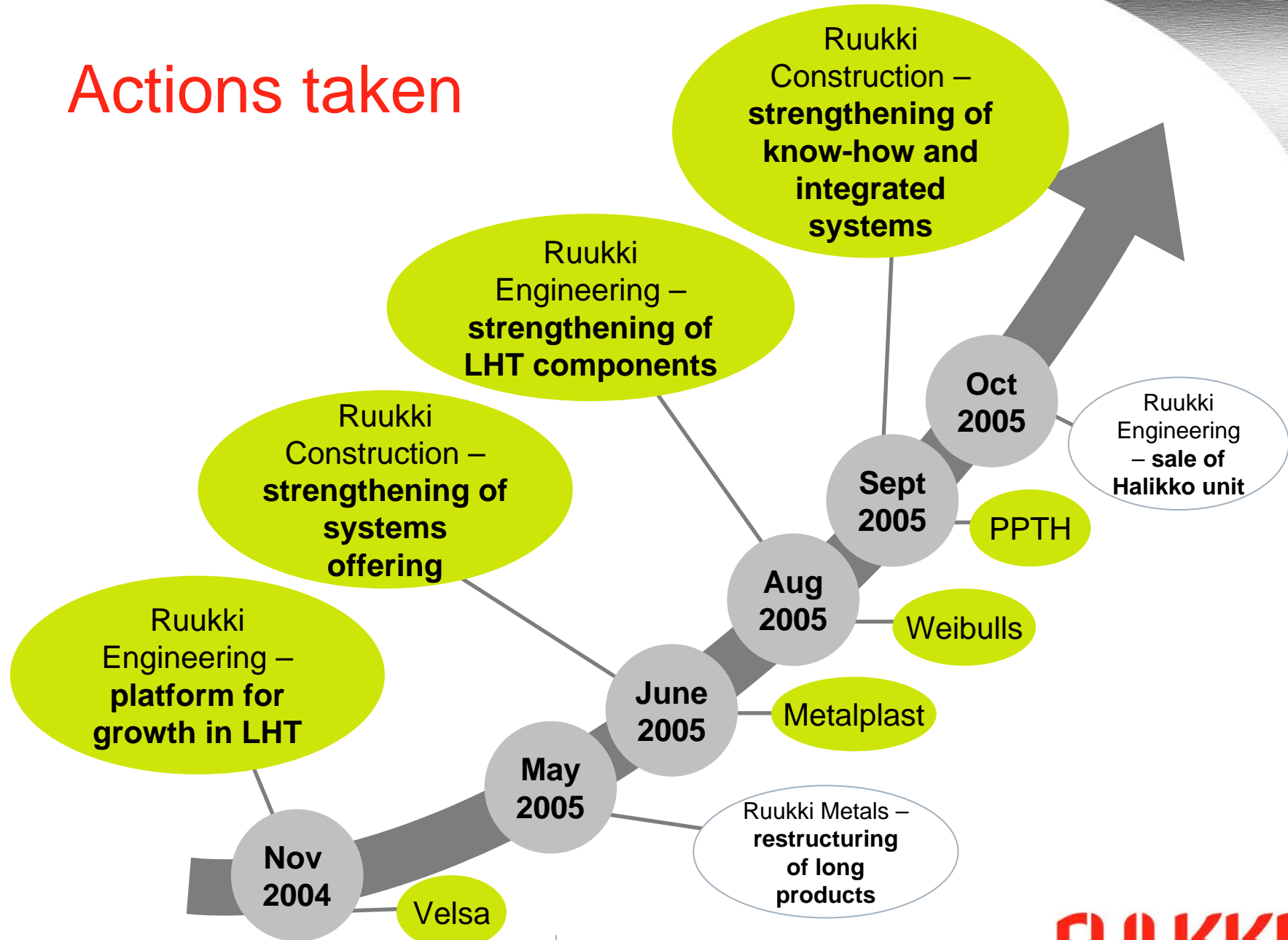


2008-2010
The most desired solution
supplier

Target structure by 2007



Actions taken



Strategy will be further supported by acquiring

- Financially sound, growing businesses
 - for components and systems
 - to strengthen market position especially in CEE
 - for low cost assembly capacity in CEE area
- Expertise in
 - construction project management, metal construction and structural design
 - engineering with focus on Lifting, Handling and Transportation
- Synergies and potential for organic growth

Ruukki United

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Ruukki United – one unified and cost-efficient company

- Strengthening profitability and cost-competitiveness also in weaker market conditions
- Full effects at hand by the end of 2008
 - up to EUR 150 million cost savings
 - order-to-cash, purchases, rationalisation about EUR 70 million
 - stepping up basic steel production efficiency about EUR 55 million
 - further identified potential about EUR 25 million
 - EUR 150 million capital release from inventory optimisation and more efficient working capital turnover
- Investments needed about EUR 30 million
- Effects on workforce will be clarified along the programme
 - handled mainly through pension arrangements and relocations

Business Environment

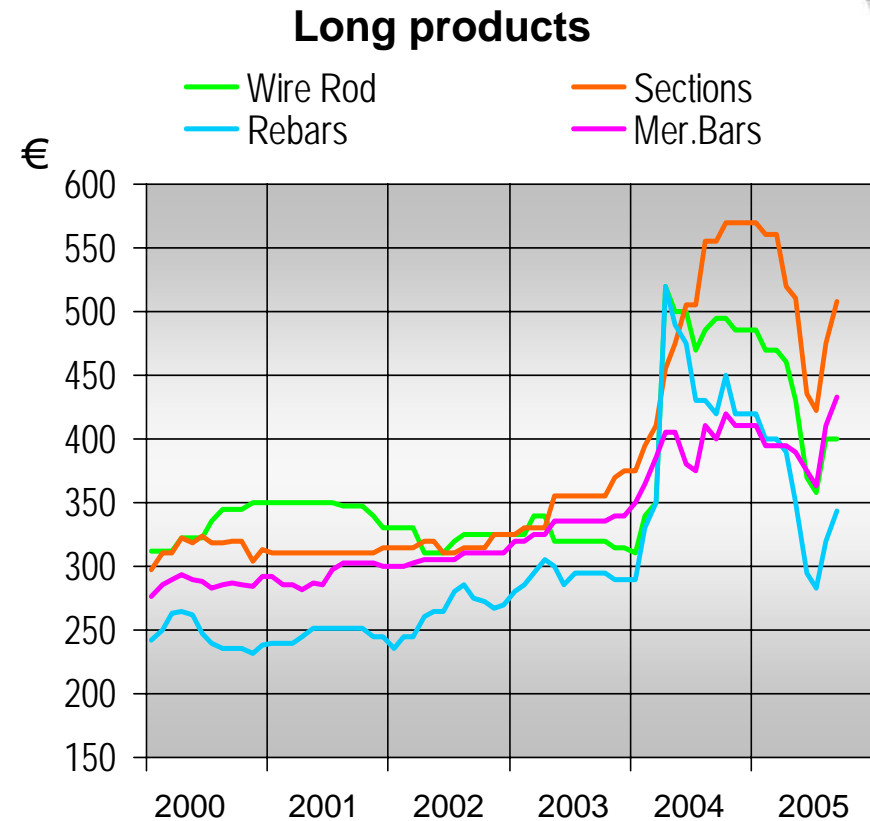
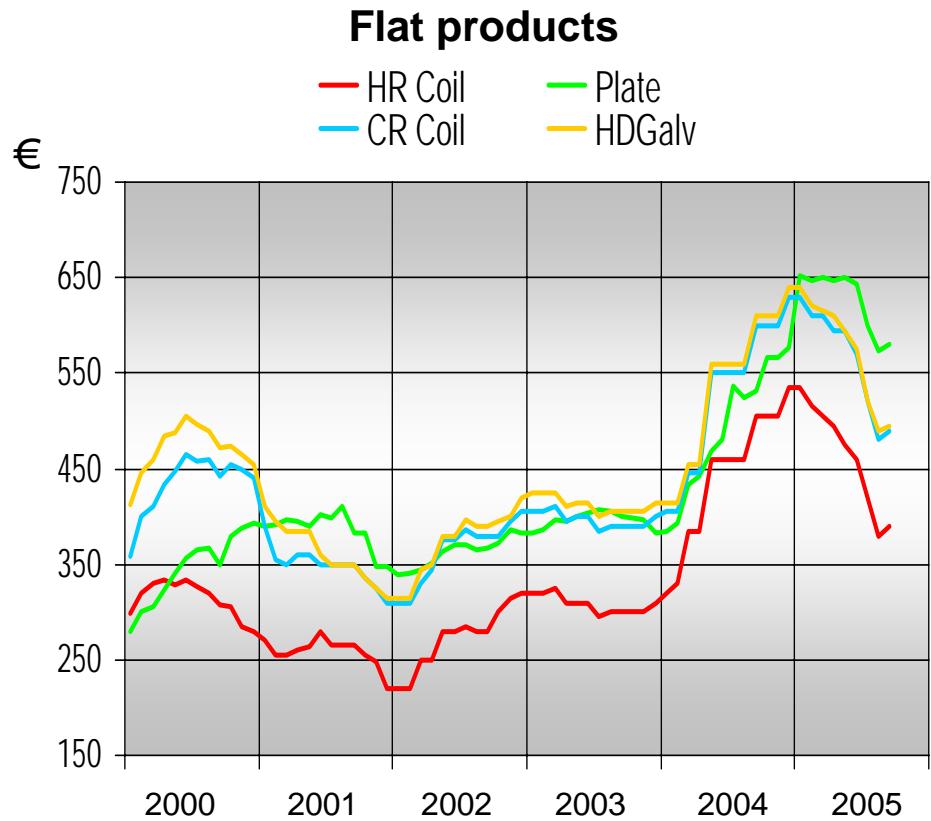
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Destocking marked the third quarter activity

- Good demand continued in the main customer industries
- Apparent demand for steel products decreased due to destocking and holidays
- Somewhat lower prices in Q3
- Steel industry continued to adjust output according to apparent demand
- Stock situation normalised towards the end of the period
- Indications of strengthening market development

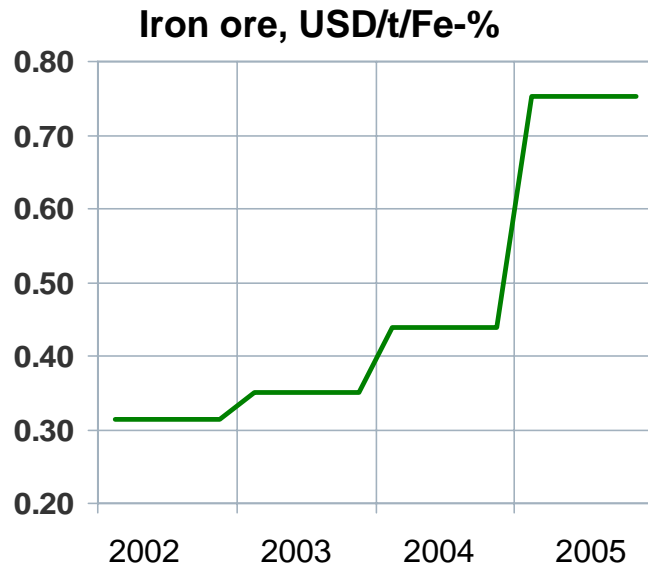
Steel products spot prices

European spot steel prices (Germany)

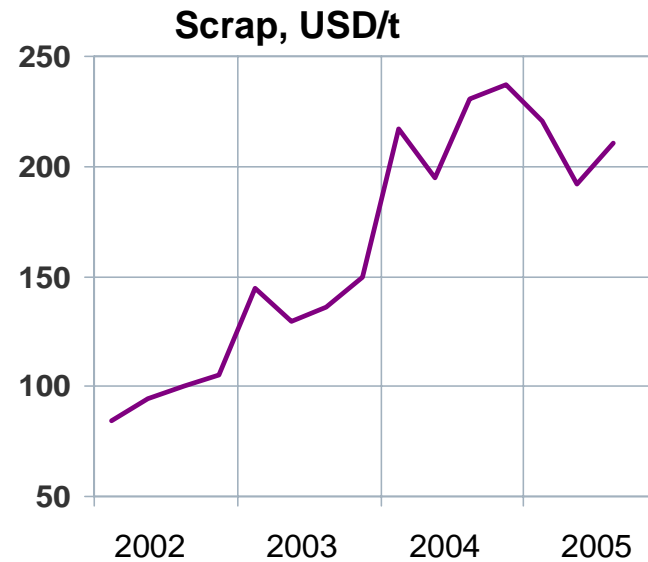


Source: CRU, Basis transaction prices, September 2005

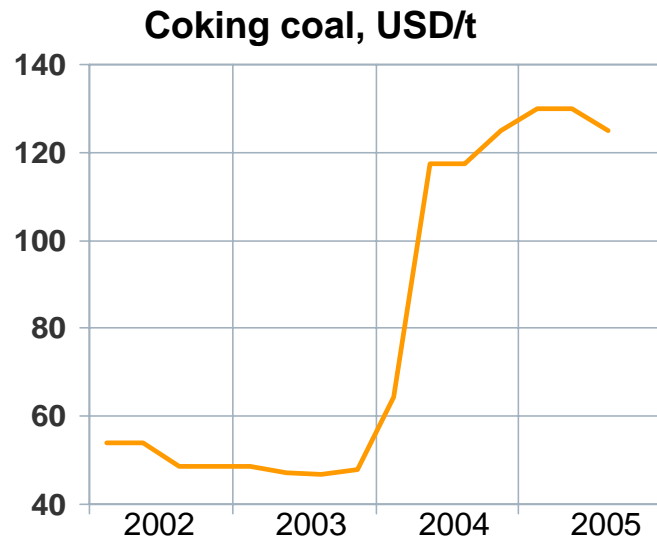
Raw material prices



Source: LKAB, Kiiruna KBF



Source: Metal Bulletin, HMS 1&2 fob Rotterdam



Source: Coal Week International, Australia Queensland

Financials Q1-Q3 2005

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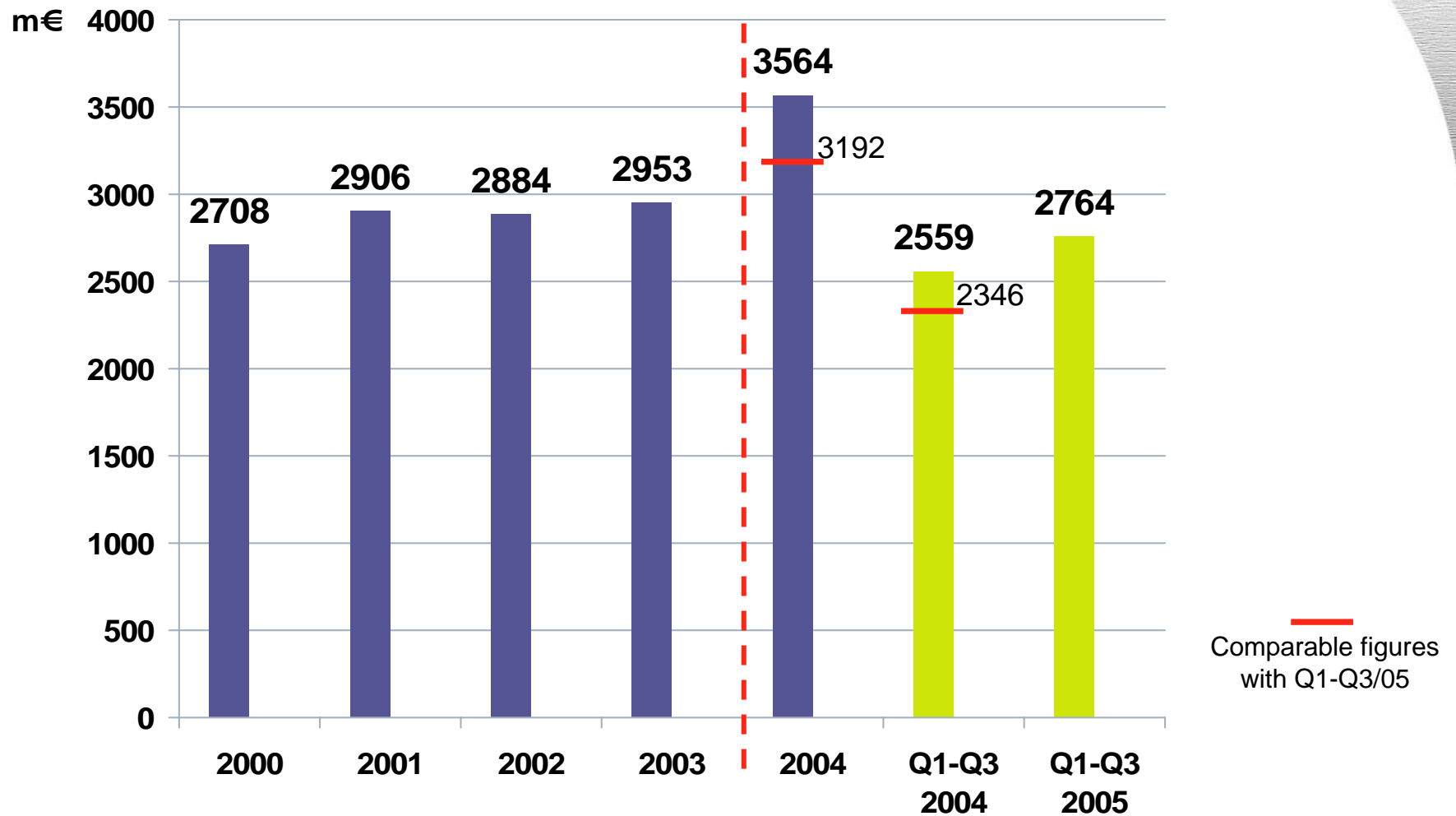
Jan-Sept 2005 profitability at a very good level

- Actions to improve cost-efficiency and sales structure were continued
- Delivery volumes decreased by 18 % y-o-y
 - half of the decrease due to Ovako arrangement
 - production was adjusted according to profitable demand
- Overall price level is at a clearly higher level than a year ago
- Fixed costs under control
- Production running smoothly

Third quarter versus second quarter: Highlights

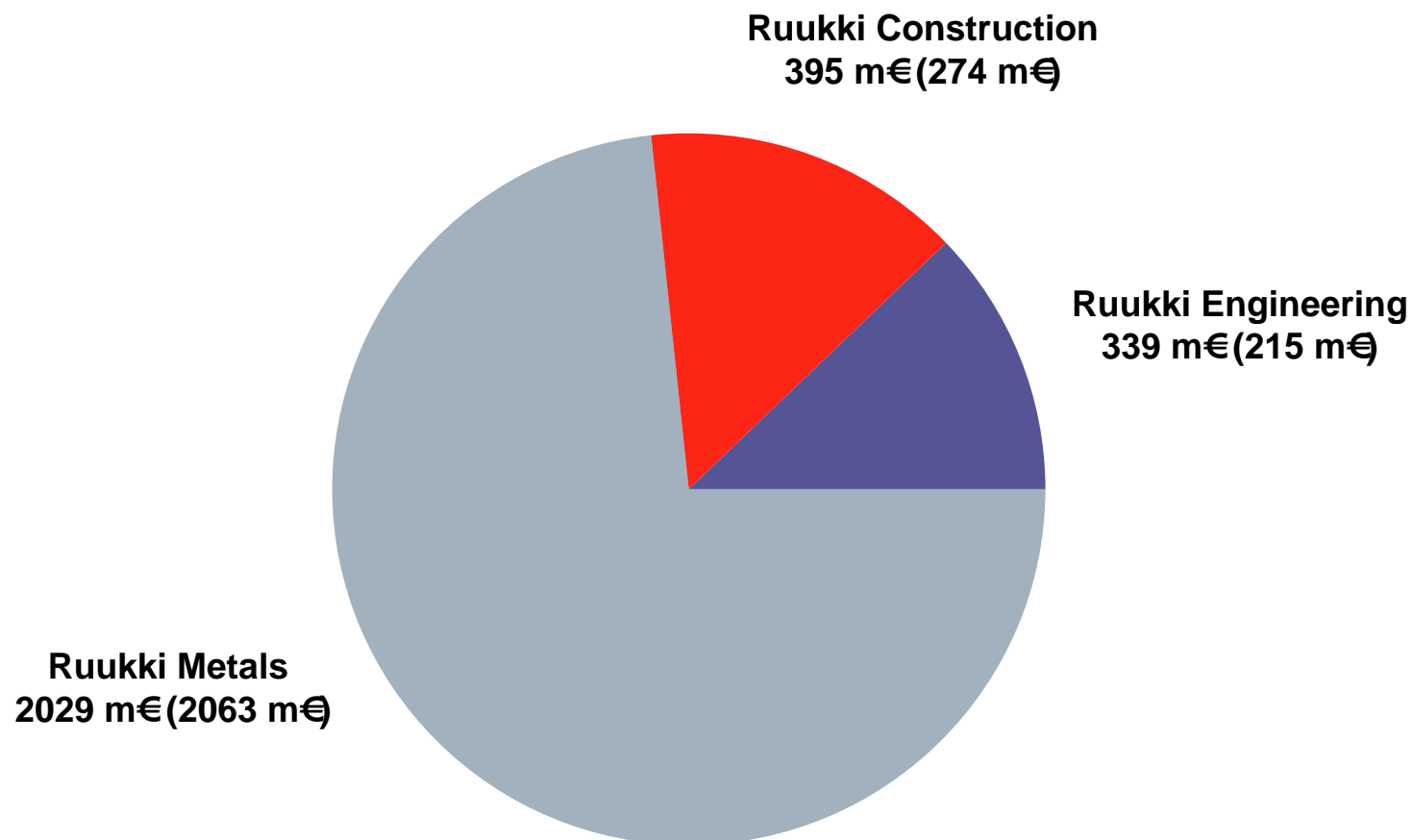
- EBIT on a par with Q3/04 on a comparable basis
- Ruukki Construction and Ruukki Engineering EBIT increased compared to Q2/05
- Apparent demand low due to holiday-season and destocking
- Sales prices decreased somewhat on Q2/05
- Strong cash flow in Q3, net working capital down by EUR 85 million
- Gearing 34.1 % down from 50.5 % at the end of June
- Agreements on Weibulls and PPTH

Net sales, Group total

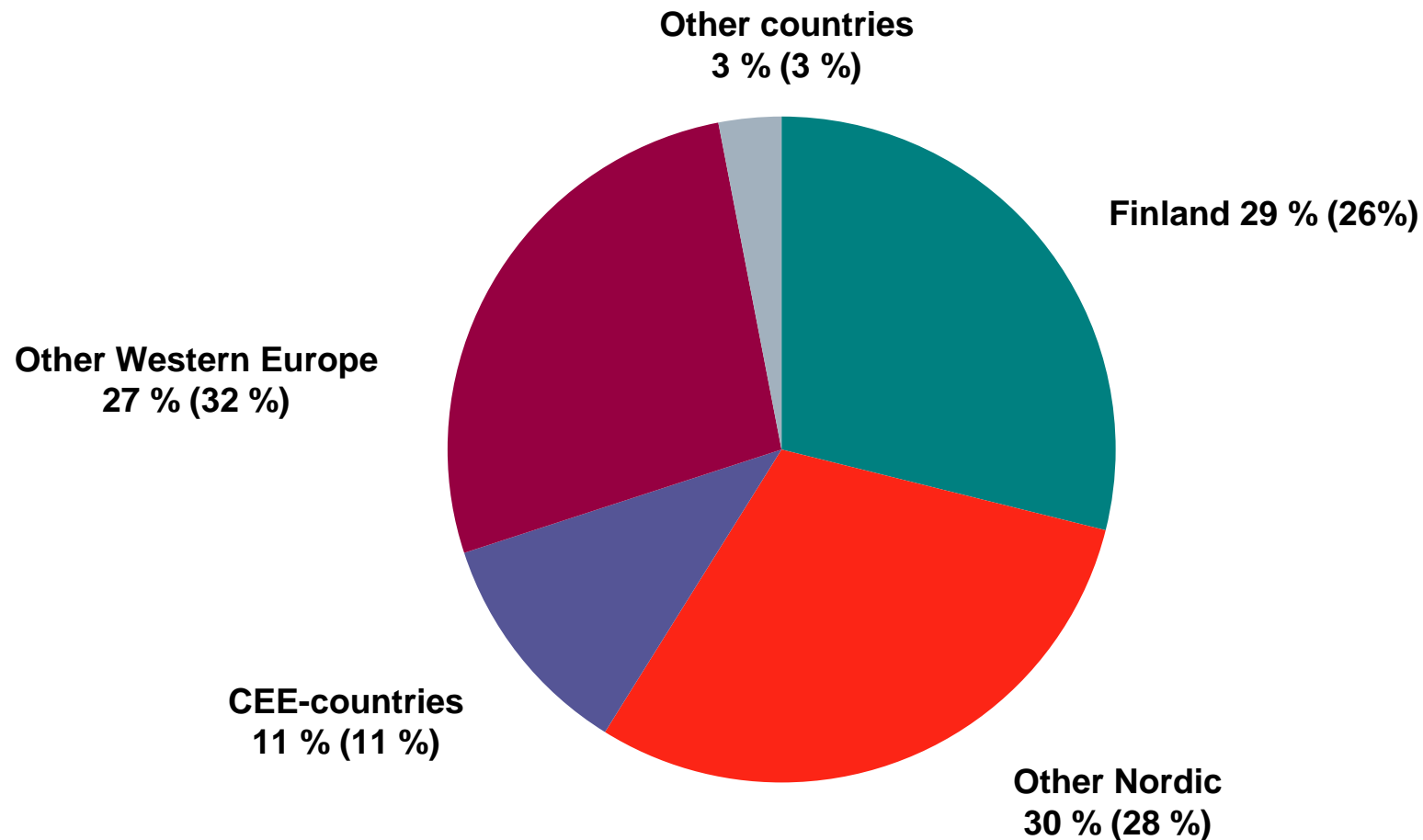


Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

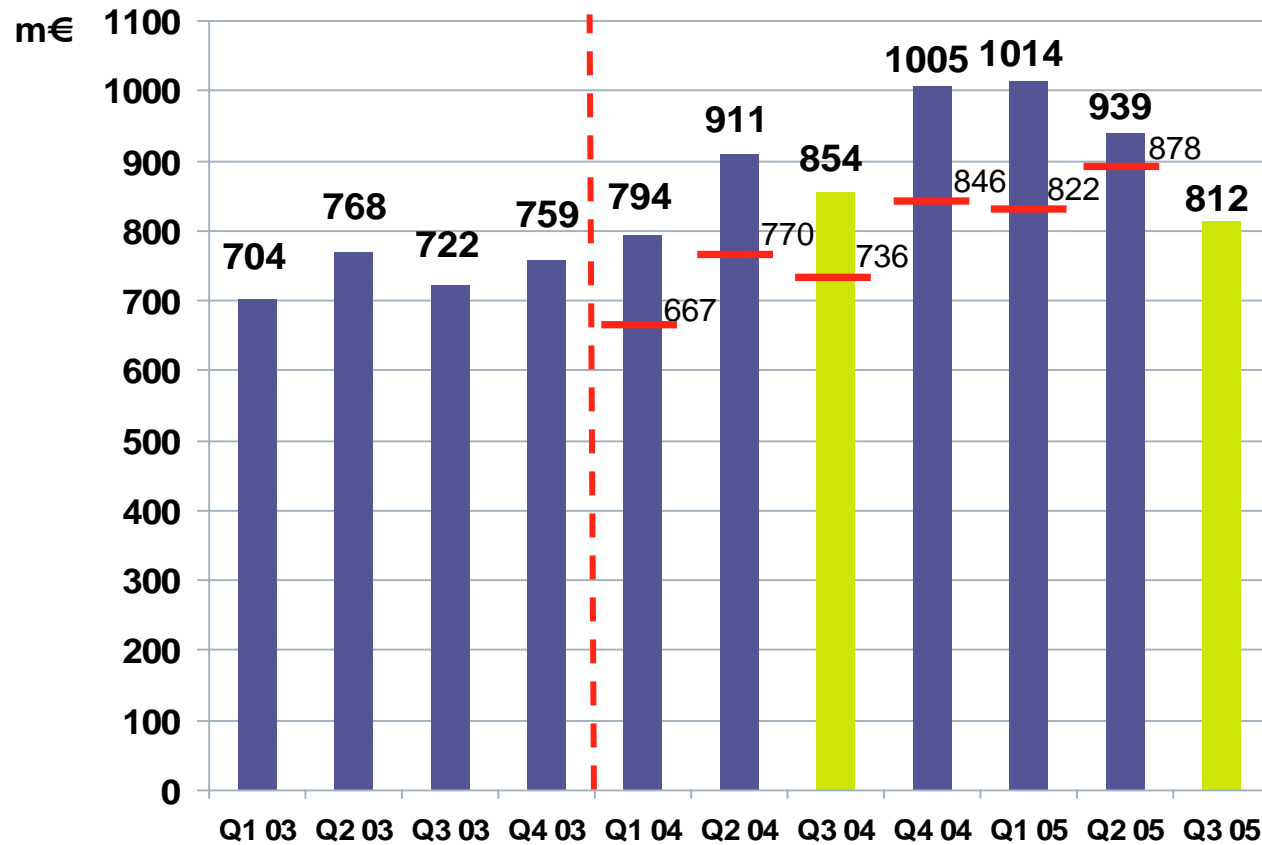
Group net sales by division Q1-Q3 2005 (Q1-Q3 2004)



Group net sales by area Q1-Q3 2005 (Q1-Q3 2004)



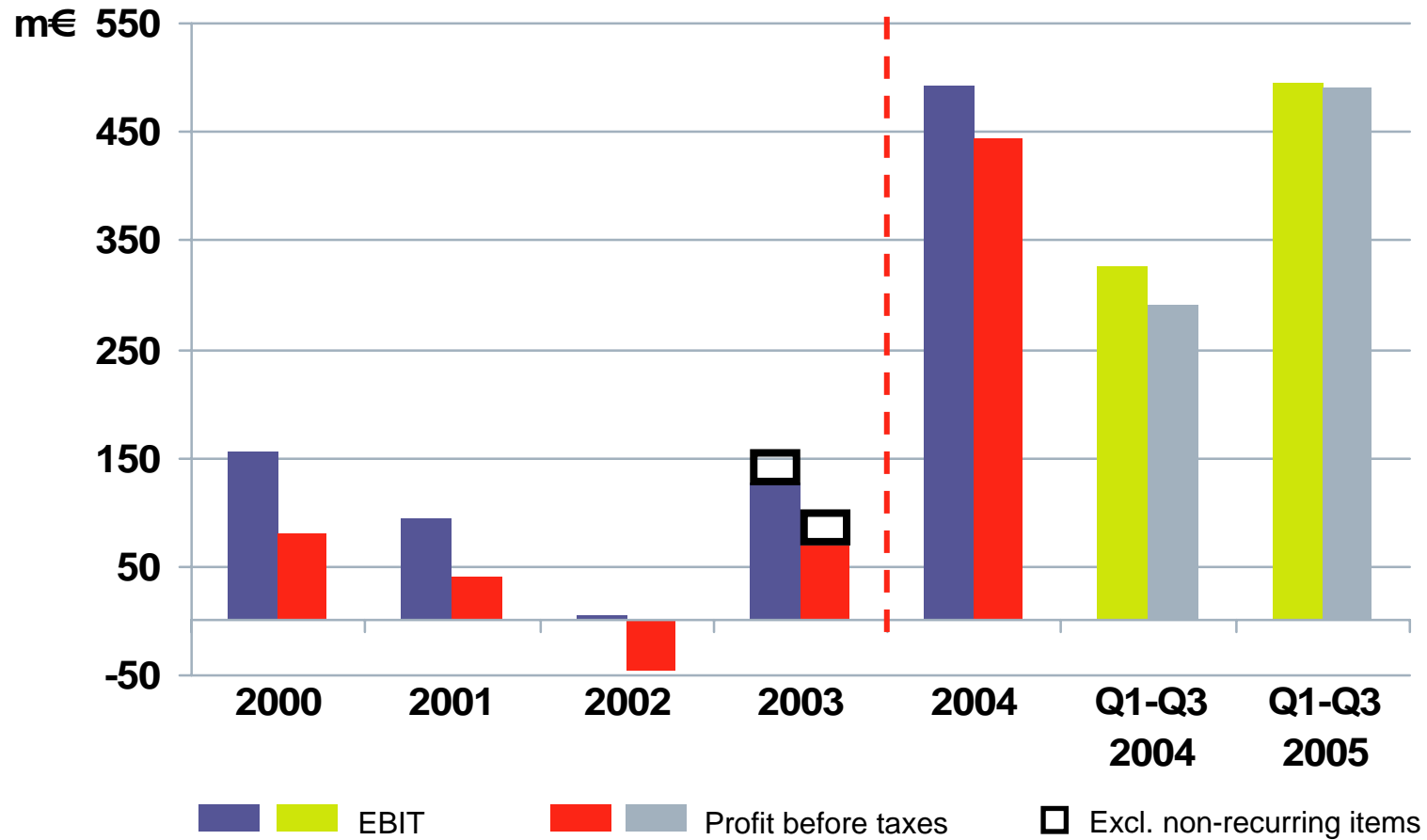
Quarterly net sales, Group total



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

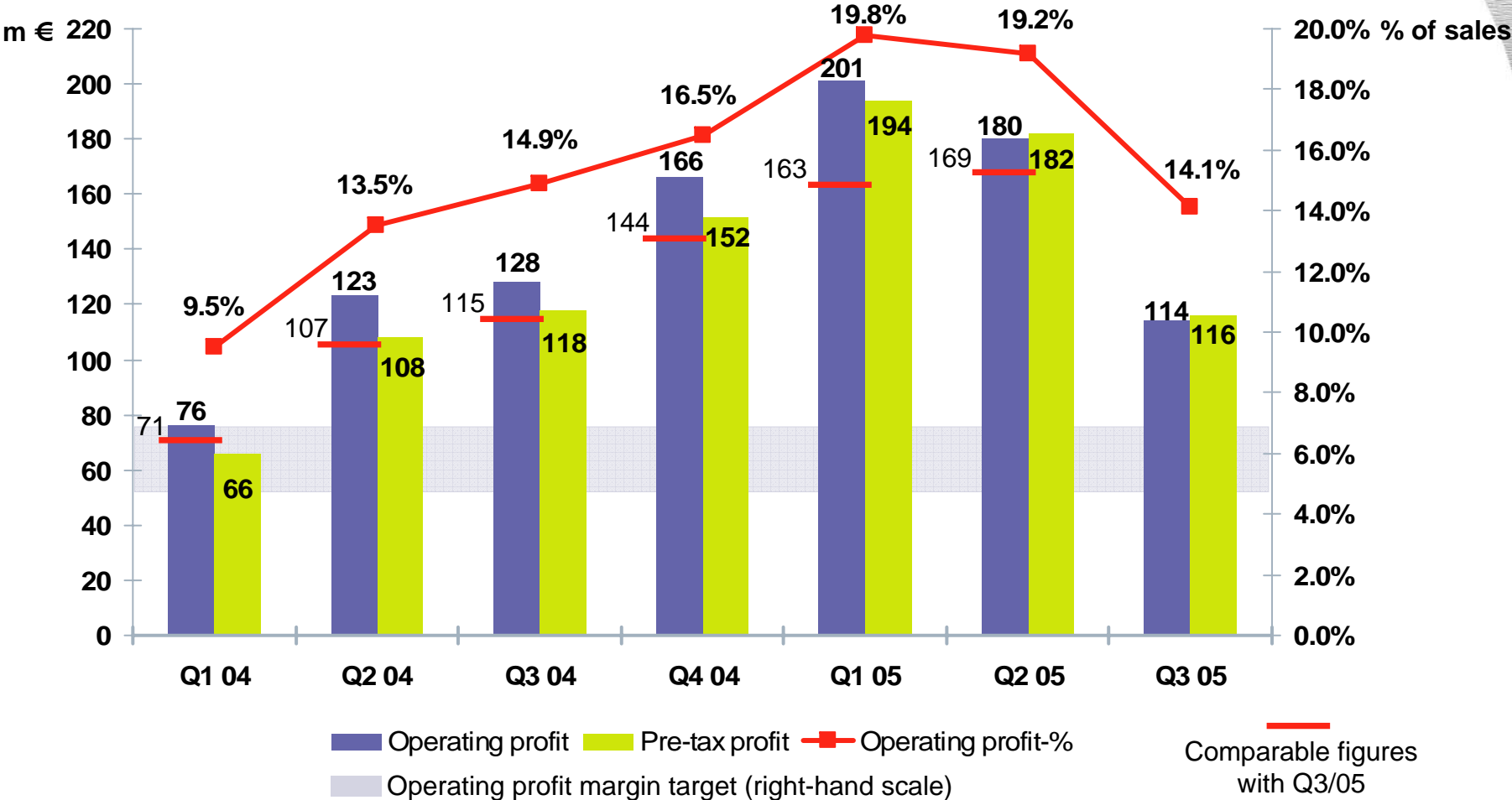
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Comparable figures
with Q3/05

EBIT and profit before taxes 2000 – Q3/2005

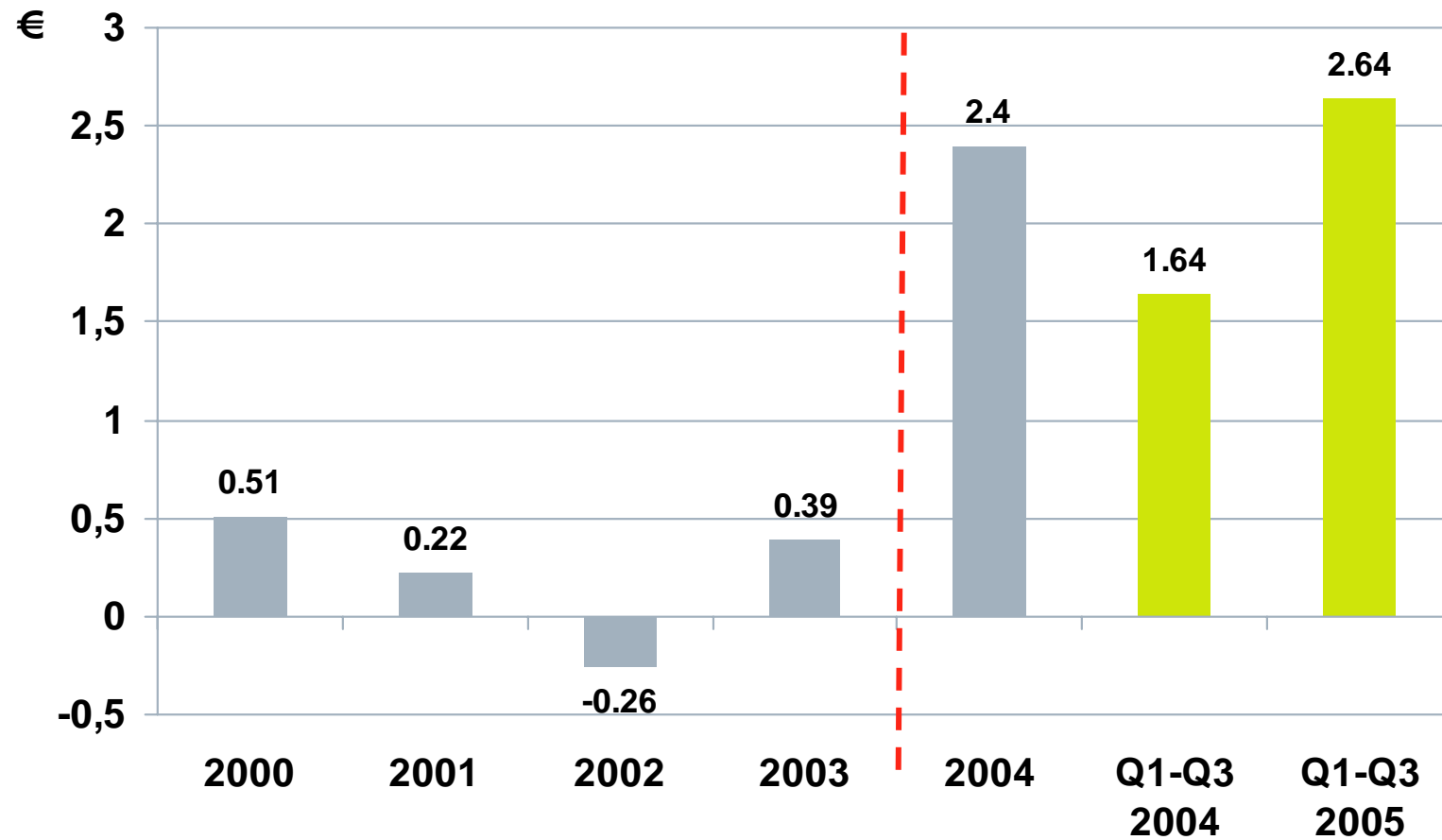


Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

Quarterly EBIT and profit before taxes, Group total

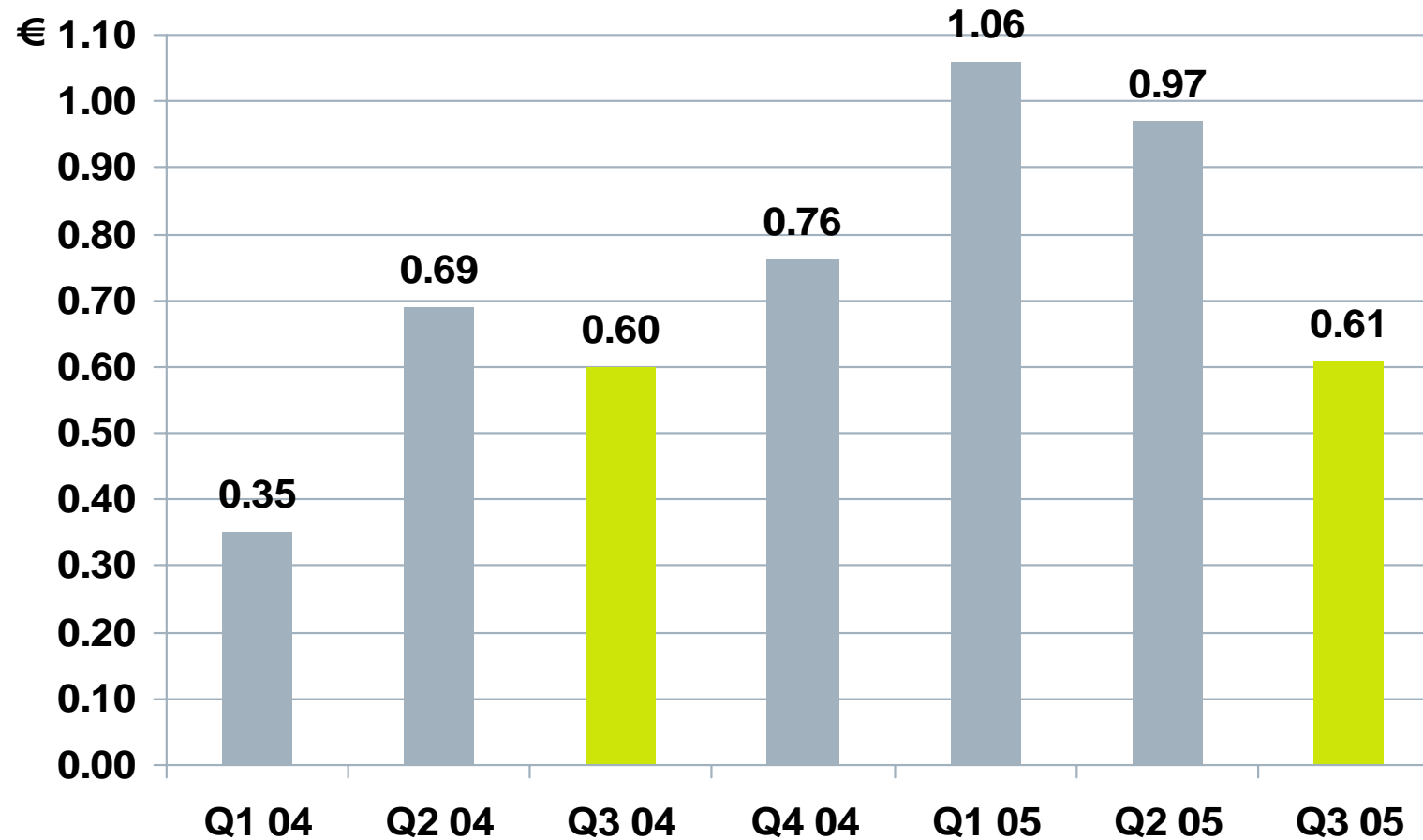


Earnings per share

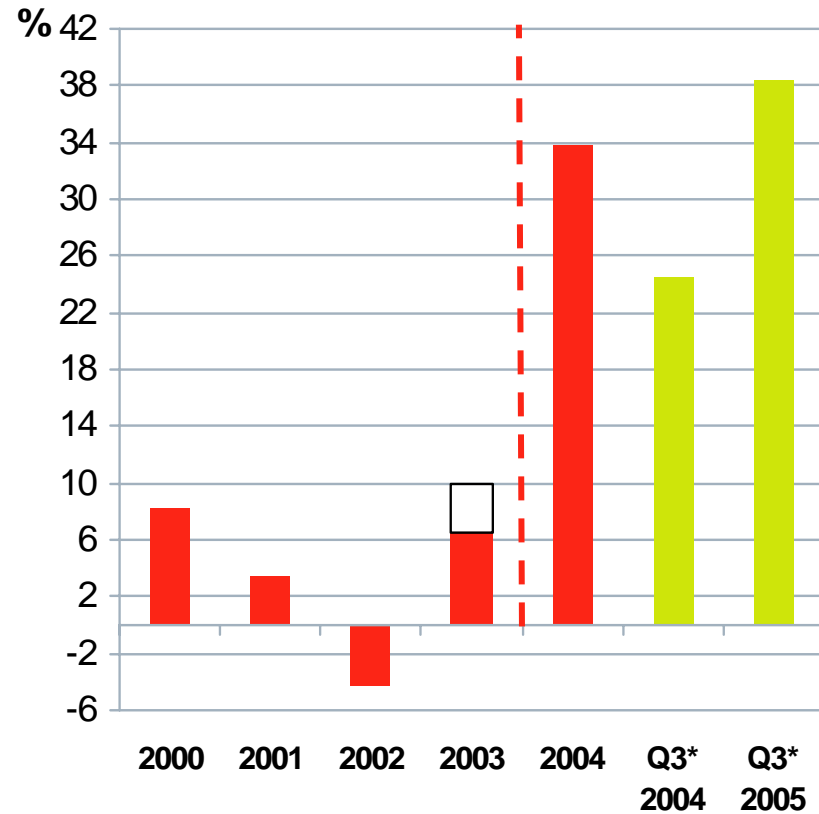


Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

Quarterly earnings per share



Return on equity

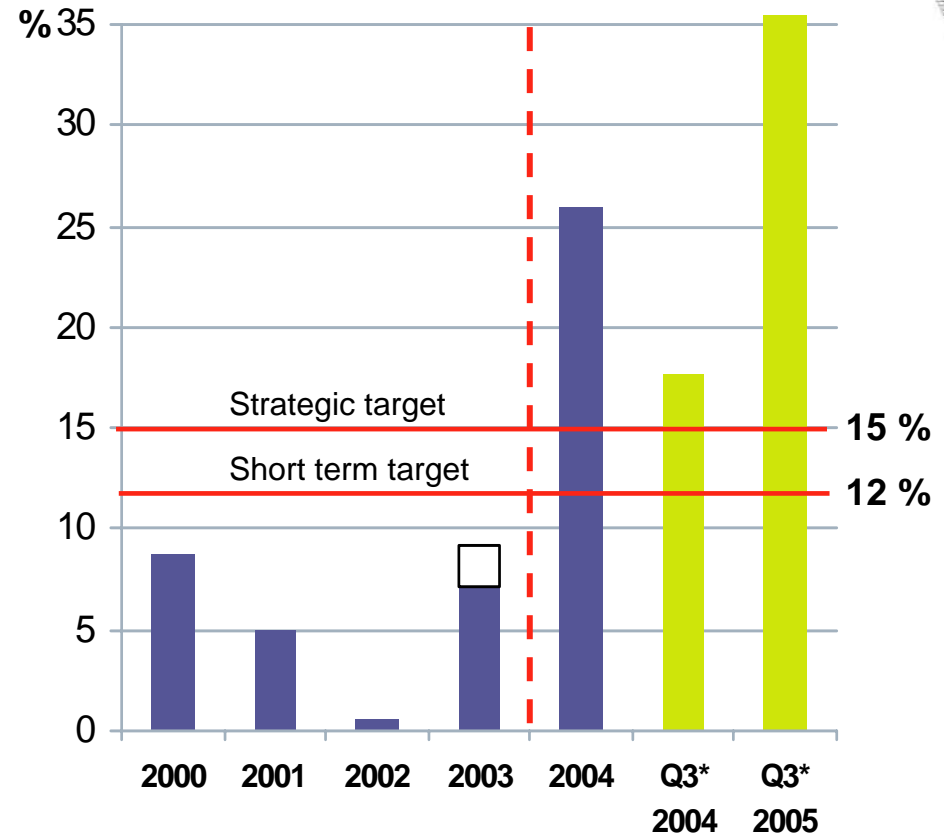


* Rolling 12 months

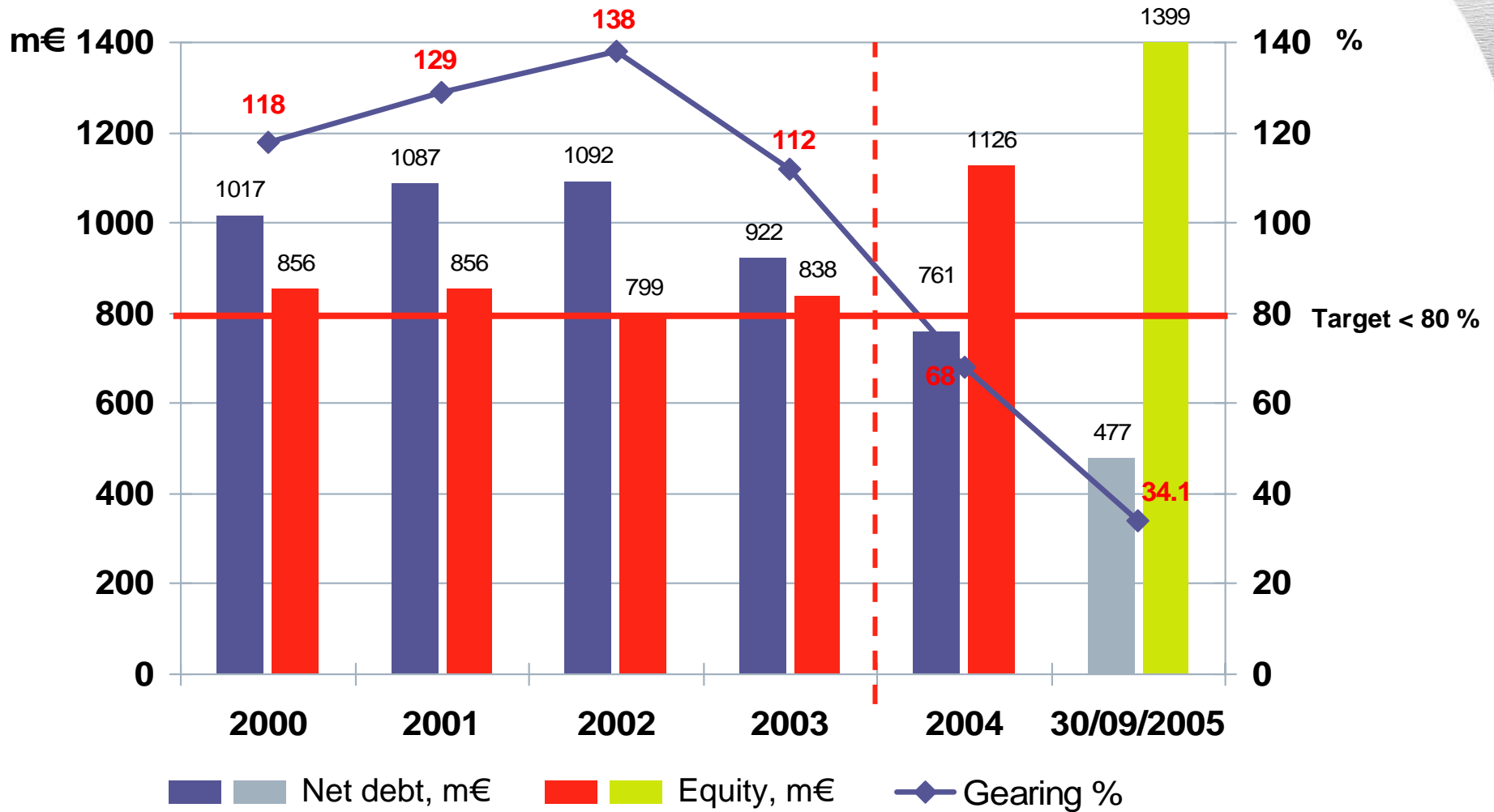
□ Excl. non-recurring

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

ROCE

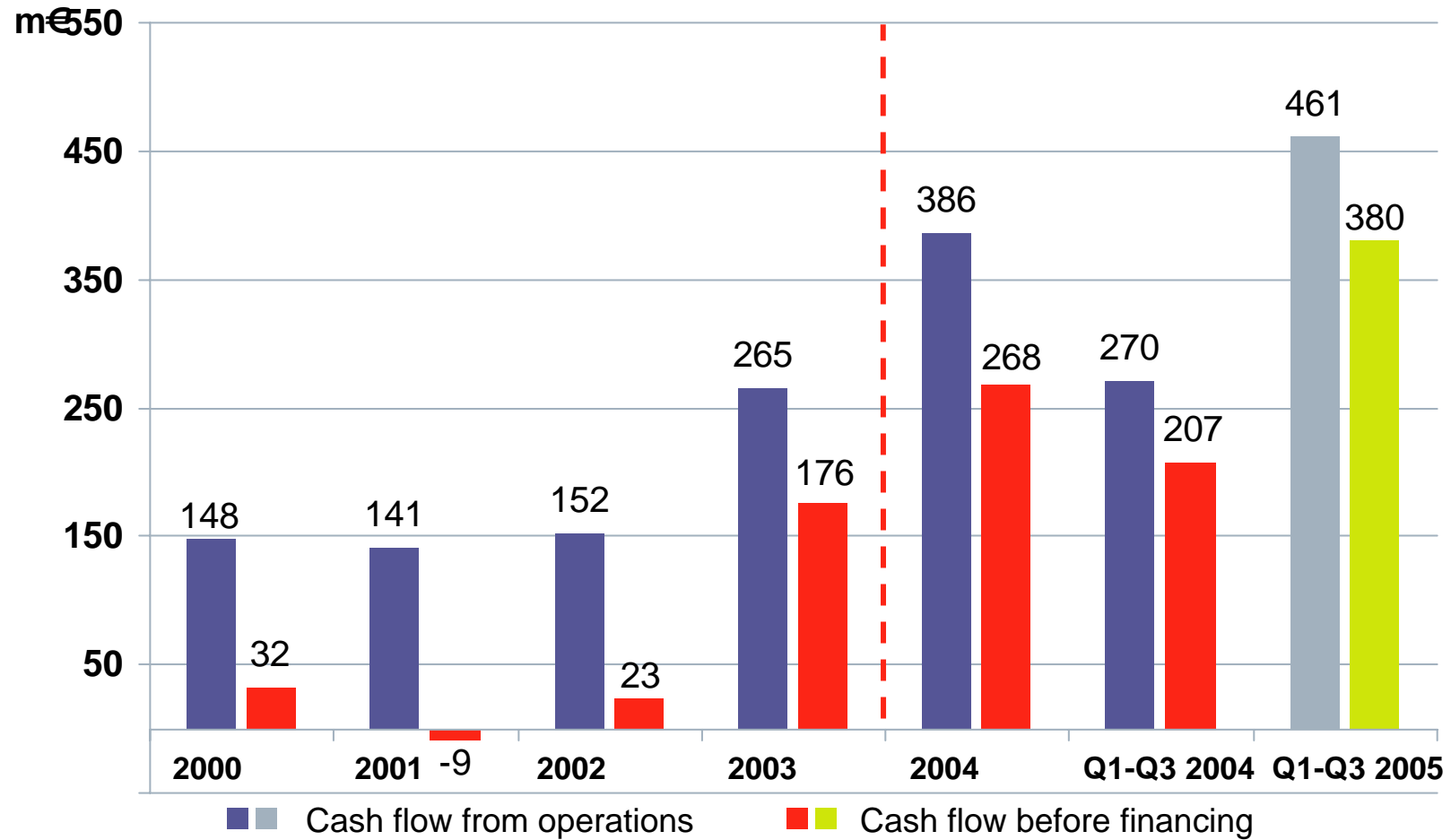


Net debt, equity, gearing



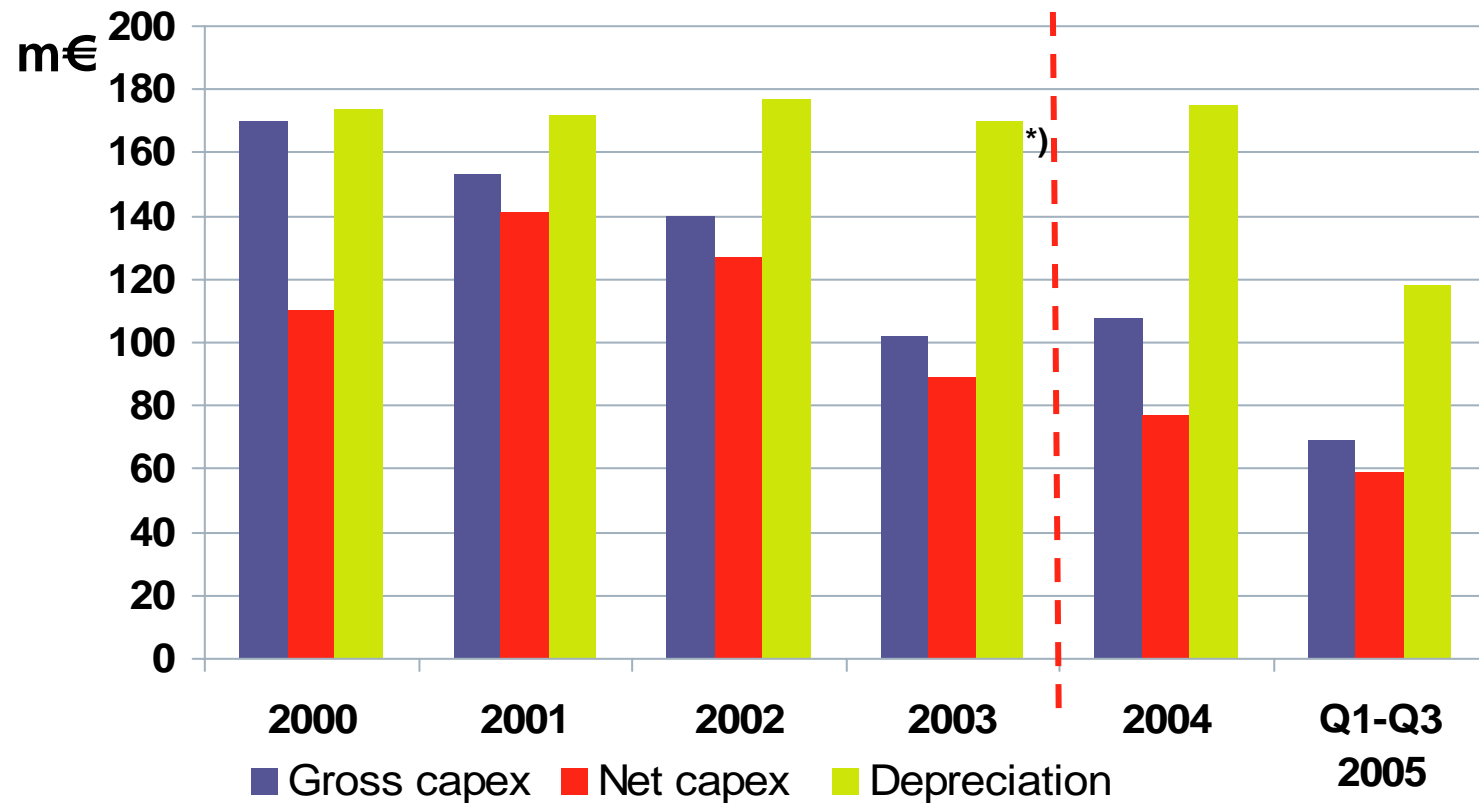
Years 2000 – 2003 according to FAS and from 2004 according to IFRS.

Cash flow



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

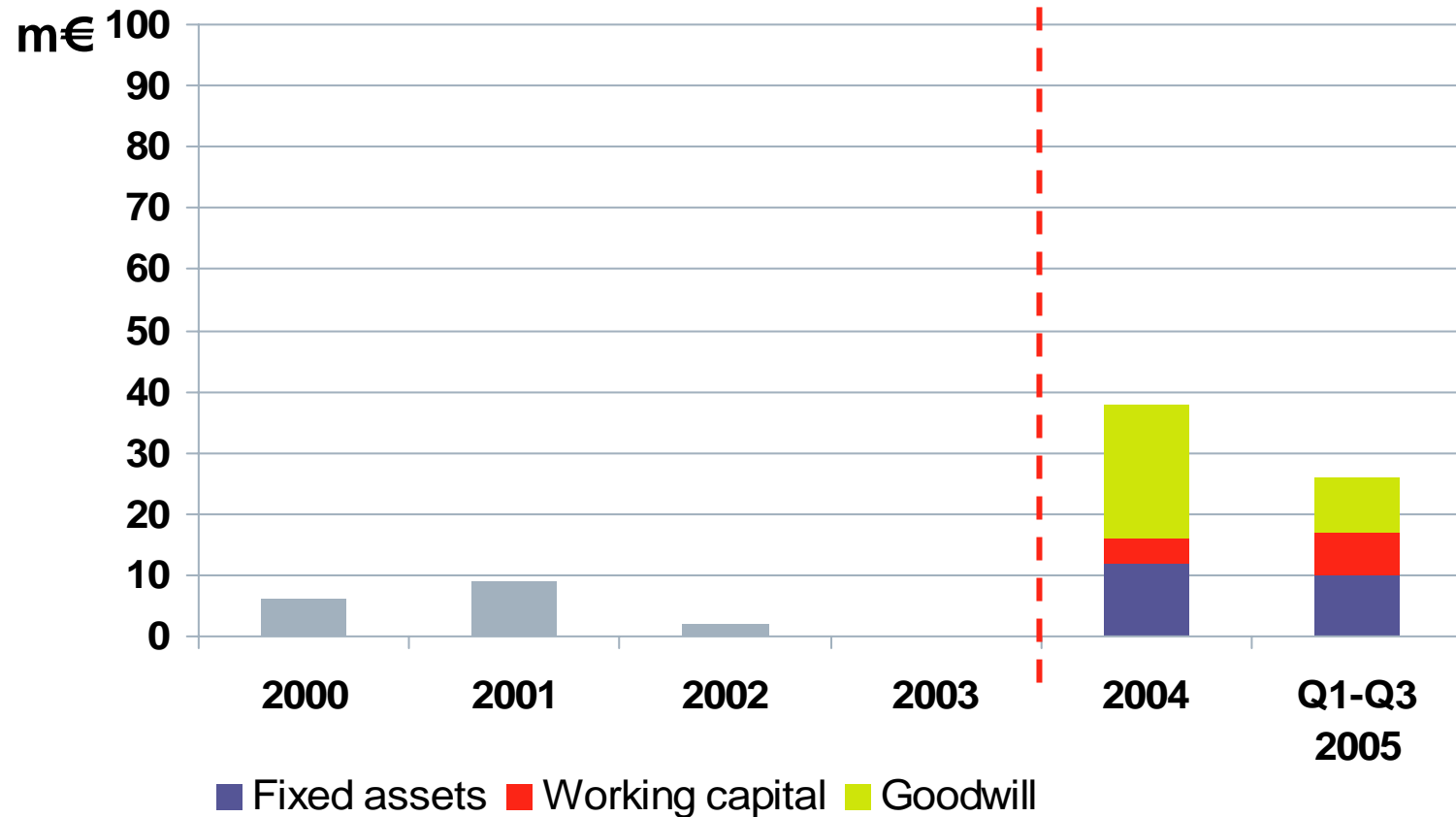
Capex vs. depreciation



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

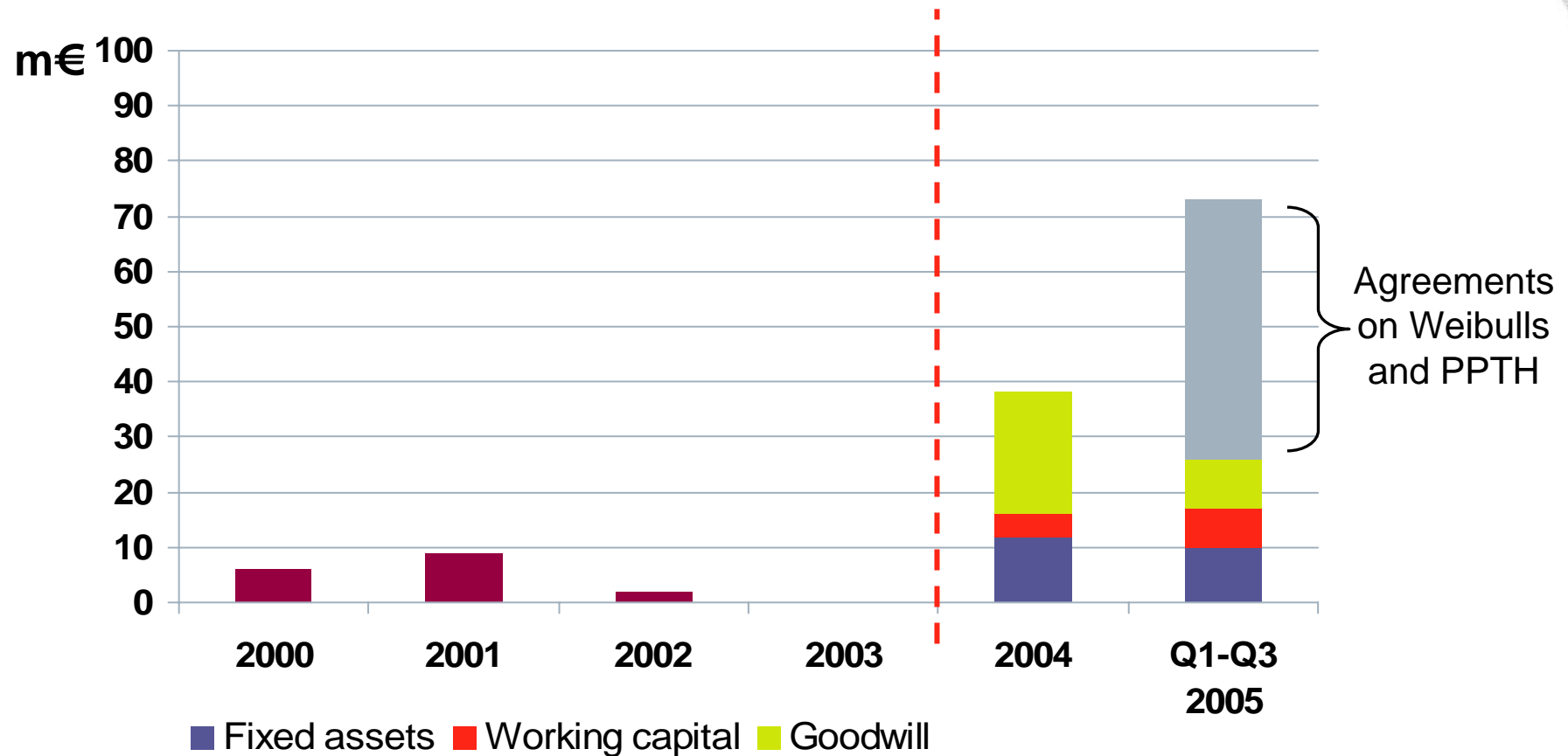
*) Excl. value reductions 33 m€

Acquisitions



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

Acquisitions



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

Near-term Outlook

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Near-term outlook

- Good activity expected to continue in the main customer industries
- Inventory situation is normalised and standard steel product prices are expected to increase
- Full year 2005 net sales expected to exceed EUR 3.6 billion
- Q4 EBIT expected to be on a par with or exceed Q3
- Full year 2005 comparable EBIT exceeding clearly last year's level
- Prospects good for entering 2006
- The biggest uncertainty lies in the demand on Asian markets and its effects on market prices of basic steel products

Summary

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Summary

- Strategy implementation continues
 - Weibulls and PPTH
- Despite seasonal slowdown and destocking Q3 EBIT was at a very good level
- Standard steel product prices are expected to increase towards the end of the year
- Full year 2005 EBIT exceeding clearly the last year's level
- Strong underlying demand expected to continue in the main customer industries
- Prospects good for entering 2006

Q & A

NUUKIKI

more with metals