

# **Speed and quality for construction:**

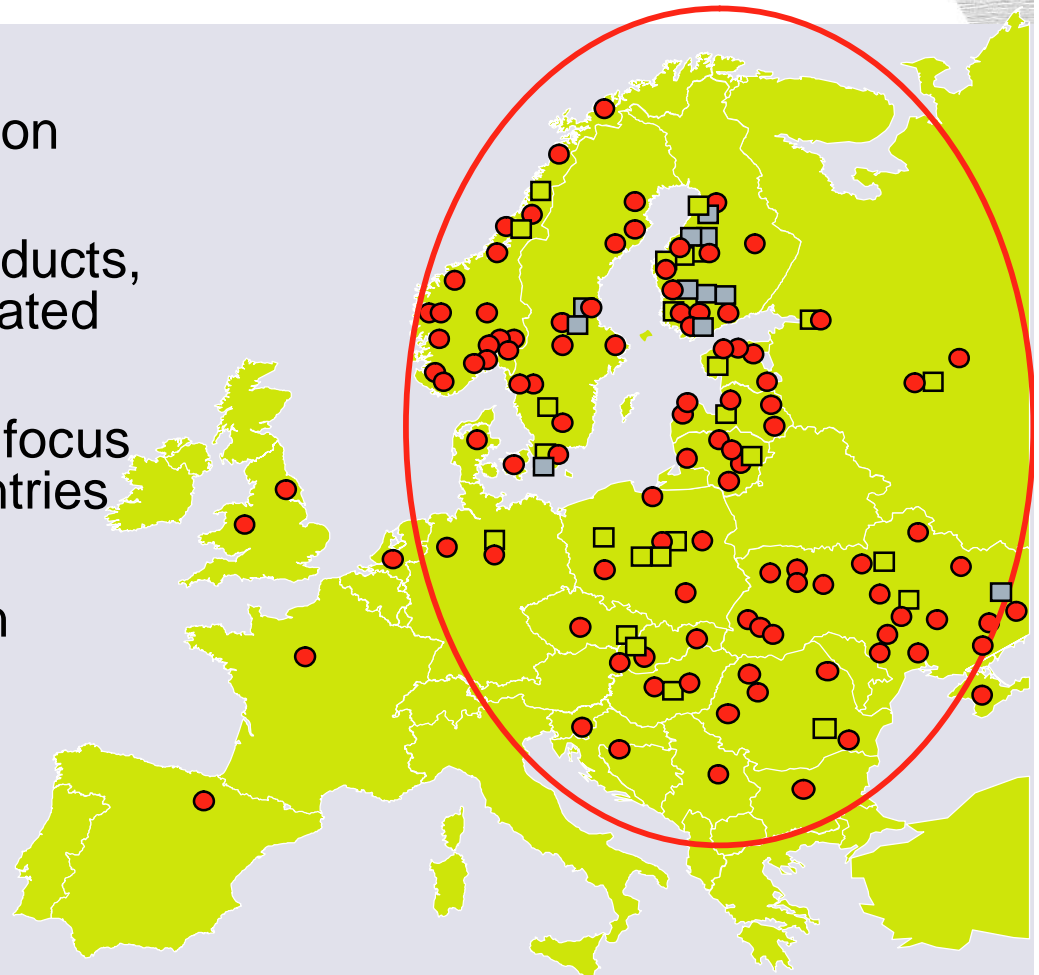
Ukraina-seminaari 25.10.2007

Ari Vouti, VP, Marketing

The Ruukki logo is rendered in a bold, red, sans-serif typeface. The letters are thick and blocky, with a distinctive design where the 'U's and 'K's have rounded, interconnected shapes. The 'I' is a simple vertical bar. The overall appearance is modern and industrial.

# Ruukki today

- Ruukki is a metal based solution provider specialised in construction and engineering industry
- Ruukki supplies metal based products, components, systems and integrated systems
- Strong base in Nordic countries, focus on profitable growth in CEE countries and in Russia
- Net sales in 2006 EUR 3.7 billion
- Approx. 14 500 employees in 24 countries



■ Production ■ Processing ● Sales and service

# **Ruukki in construction**

**RUUKKI**

# Ruukki Construction's presence

## Main market

The Nordic and Baltic countries, Central Eastern Europe, Russia and Ukraine

## Key figures 2006 (Q2/2007)

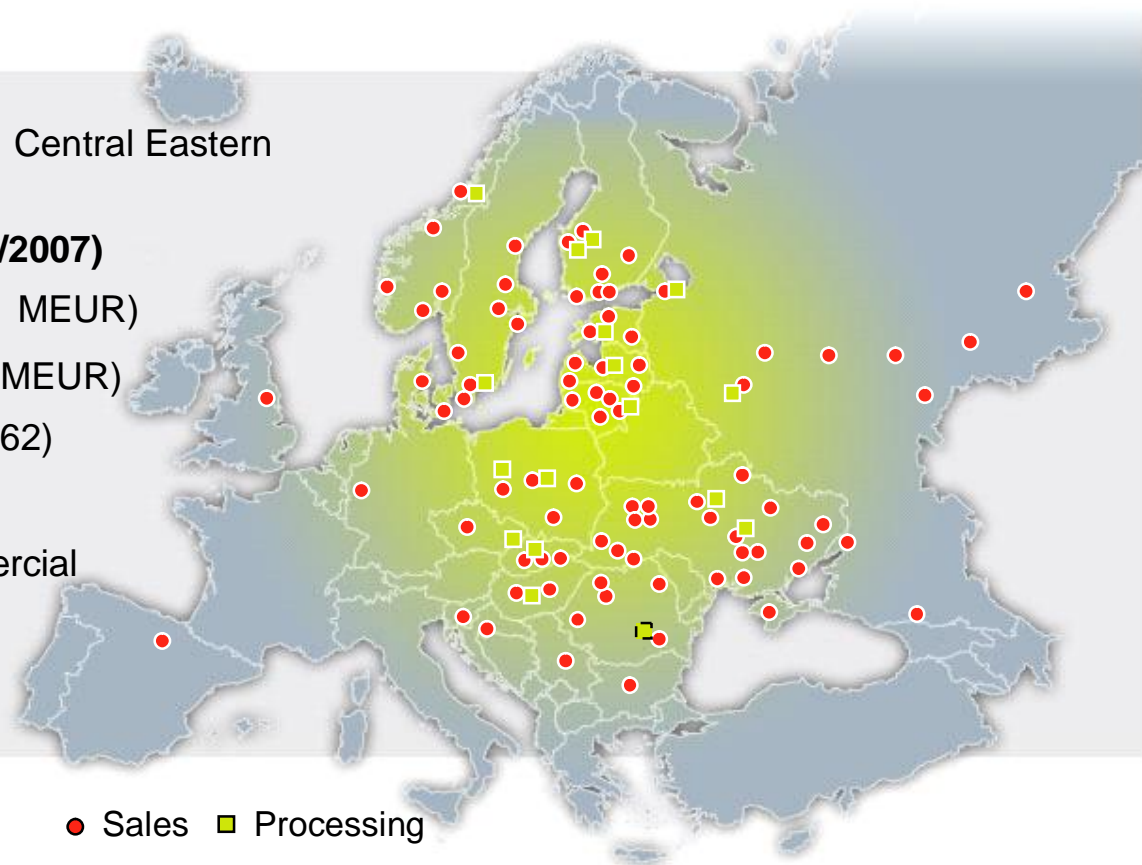
Net sales 829 MEUR (471 MEUR)

Operating profit 101 MEUR (73 MEUR)

Personnel 4 624 (4 862)

## Focus areas

- Single and multi-storey commercial and industrial buildings
- Infrastructure construction (foundations, traffic)



Extensive sales network in 20 countries with sales to over 40 countries

# Ruukki in Ukraine

**RUUKKI**

# Ruukki in Ukraine

- Sales in Ukraine since 1997, production in Kiev since 1998 and in Dnepropetrovsk since 2006
- For construction companies, investors and contractors
  - metal-based components, systems and integrated systems for commercial construction (incl. design and installation services)
- For residential construction
  - complete metallic roofing systems through more than 215 dealers
- Acquisition of colour coated plant in Antrazit in 2006
- Investment of 15 M€ to build a new factory close to Kiev 2007-2008
- Annual sales growth about 40 %
- Personnel 350
- Ruukki is a reliable international employer with clear focus on profitable growth in Ukraine



# Why Ukraine

**RUUKKI**

# Ukraine – country with big potential

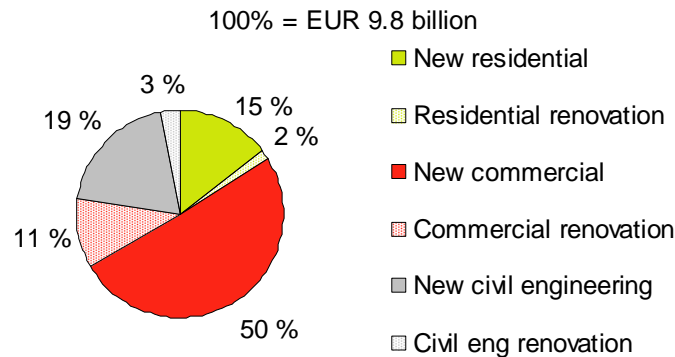
- Population 46.7 million
- Country with steady economic growth and rich natural resources
  - Forecasted GDP annual growth is 6-8% during next 5 years
  - Big increase of internal consumption
- Enormous potential for construction market
  - Construction market is forecasted to grow over 10% annually
- Favorable geographical position near countries with strong economic growth
- Increase in foreign investment, but far from levels of Central Europe
- Low production costs, business-friendly attitude, highly educated and skilled labor market
- WTO entry likely in late 2007 or early 2008
- EU oriented mentality
- Highly probable 2015 EU membership

Source: Finpro et al.

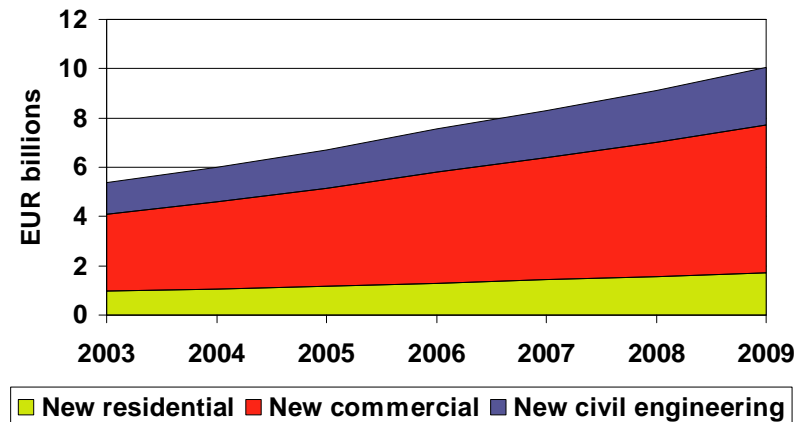


# Ukraine – Construction market overview

## Construction market size by segment in 2007



## New residential, commercial and civil engineering construction



- Construction accounts for 4% of GDP
- Total construction market size is almost 10 billion € in 2007 (without grey market) – which is less than half of Finnish and 35% of Polish construction market size
- Growth has developed with 10% rate since a couple of years back, after short recession in the turn of the millennium
- Construction market is forecasted to grow further over 10% annually
- Ukraine is one of the fastest growing markets in Europe together with Russia

Source: Buidecon, Finpro

# How in Ukraine

**ГУКІ**

# Ruukki will serve Ukrainian construction markets locally



- **Close to customers** – local knowledge of market and building regulations
- **Competitive localized solutions** – components, systems, total deliveries
- **Modern production** – latest technologies and efficient processes
- **Recruiting and keeping right people** – enables efficient business development & empowerment
- **Good relationship with authorities** – faster decision making
- **Good and known brand and image** – customers, employees, authorities

# **Ruukki's reference cases in Ukraine**

**RUUKKI**

# Some Ruukki's reference cases in Ukraine



- Logistic centre for Eastgate, Borispol (2006)
- Supermarkets “Velyka Kyshenya”, Kyrovograd, Borispol (2006)
- Furniture plant Uventa, Slavuta (2006)
- Kronospan plant, Novovolynsk (2006)
- Production premises for Erlan, Dnepropetrovsk (2006)
- Production workshop for Merefyan glass-works, Kharkov region (2006)





**NUUKIKI**

more with metals