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Q2

Rautaruukki Corporation

Interim Report
1 Jan–30 Jun 2011
RTRKS

20 July 2011

www.ruukki.com

Rautaruukki Corporation Interim report H1/2011: Growing demand - clear improvement in operating profit

April-June 2011 (Q2/2010)
- Order intake was up 13 per cent at EUR 672 million (596).
- Comparable net sales were up 13 per cent at EUR 730 million (647).
- Comparable operating profit was EUR 71 million (45), equating to 9.7 per cent of net sales.
- Comparable result before taxes was EUR 62 million (39), equating to 8.5 per cent of net sales.

January-June 2011 (H1/2010)
- Order intake was up 22 per cent at EUR 1,346 million (1,103).
- Comparable net sales were up 22 per cent at EUR 1,405 million (1,147).
- Comparable operating profit was EUR 96 million (2), equating to 6.8 per cent of net sales.
- Comparable result before taxes was EUR 76 million (-12), equating to 5.4 per cent of net sales.

Estimate of financial performance in 2011
Rautaruukki is keeping its guidance unchanged. Consolidated net sales in 2011 are estimated to grow approximately 25 per cent year on year. Profitability is estimated to clearly improve compared to 2010.

KEY FIGURES

	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Comparable figures					
Comparable net sales, EUR m	730	647	1 405	1 147	2 403
Comparable operating profit, EUR m	71	45	96	2	38
Comparable operating profit as % of net sales	9.7	6.9	6.8	0.1	1.6
Comparable result before income tax, EUR m	62	39	76	-12	8
Reported figures					
Reported net sales, EUR m	730	655	1 405	1 160	2 415
Reported operating profit, EUR m	68	34	93	-2	-12
Reported result before income tax, EUR m	59	28	74	-16	-74
Net cash flow from operating activities, EUR m	7	14	13	-41	-64
Net cash flow before financing activities, EUR m	-34	-38	-64	-125	-226
Earnings per share, EUR	0.32	0.14	0.38	-0.09	-0.57
Return on capital employed (rolling 12 mths), %			4.1	-4.4	-0.3
Return on capital employed (annualised), %			8.9	0.0	-0.3
Gearing ratio, %			57.9	35.9	44.7
Equity ratio, %			48.7	55.2	55.3
Personnel on average	11 688	11 632	11 839	11 733	11 693

President & CEO Sakari Tamminen:

In many respects, we can be pleased with progress made during the second quarter. Market conditions continued to be favourable in almost all our businesses. Increased sales of special steel products, good profitability in the steel business and restoring our construction business to profitability were the most positive notes during April-June. The engineering business still posted a loss, but improved operating profit compared to a year earlier. Also in the construction business we still have a lot to improve.

Our order intake was up 13 per cent year on year at EUR 672 million. Strongest growth in demand during the second quarter was in Finland and the other Nordic countries, Central Eastern Europe, especially Poland, and also in Russia. Our net sales for April-June were up 13 per cent year on year at EUR 730 million. In Finland, net sales grew especially in the construction business, whereas in the other Nordic countries growth came mostly from the steel and engineering businesses. Relatively best net sales growth was in Central Eastern Europe.

In the construction business, the most positive note was growth of around 30 per cent both in residential roofing products and in commercial and industrial construction. Commercial and industrial construction deliveries grew clearly, particularly in Finland, Sweden, Poland and Romania. A good growth rate was also seen in Russia, especially for concept buildings, and net sales in Russia were up by around 25 per cent year on year.

In the engineering business, the outlook in our main customer segments strengthened further during April-June. This was mainly due to growth in the emerging markets and increased demand for mining industry machines and equipment. Net sales for April-June in our engineering business were up 25 per cent year on year. Growth was highest in delivery volumes of cabins, frames and booms for the lifting, handling and transportation equipment industry. Also deliveries to mining industry equipment manufacturers and forest machine manufacturers showed further growth.

In our steel business, sales during the second quarter were up in almost all our market areas and in all main customer segments. Net sales developed particularly well in our near market areas - Finland and the other Nordic countries. Growth was relatively strongest in Central Eastern Europe and also in Russia, where the steel business grew in the wake of construction. Sales of special steel products grew in new market areas such as China and South Africa, as well as in Western Europe, and accounted for 34 per cent of net sales in our steel business during the second quarter.

Profitability improved clearly compared to a year earlier. Increased operating profit was due to higher selling prices, improved capacity utilisation rates and good sales growth of special steel products. Our main priority during the second quarter was to generate a positive operating profit from our solutions businesses. We succeeded in doing this on the construction side, but not on the engineering side. We will continue actions to improve cost efficiency and profitability in the solutions businesses.

The outlook in our main market areas remains favourable, even though the debt crisis in Europe has created uncertainty about market development. We estimate a return of commercial and industrial construction to the growth track in many market areas already this year and we forecast that residential construction will remain at a good level. Also we estimate that market conditions in the engineering business will further improve during the second half of the year. Demand in the steel business is at a good level. We estimate that expansion of our distribution network into emerging and mining-intensive markets will impact positively on sales of special steel products.

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

Rautaruukki Corporation’s full interim report for January-June 2011 is attached to this release.

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A presentation in English for analysts and the media will be held on 20 July 2011 at 10.30am EEST at Ruukki, Suolakivenkatu 1, 00810 Helsinki.

A live webcast of the event may be followed online starting at 10.30am on the company's website at www.ruukki.com/investors. The event may also be attended through **a conference call**. To attend through the conference call, please call the number given 5-10 minutes before the scheduled start time: +44 (0)20 7162 0125, access code: 898257.

A replay of the webcast can be viewed on the company's website on 20 July 2011 from about 4pm EEST. An encore replay of the conference call can be accessed until 3 August 2011 at +44 (0)20 7031 4064, access code: 898257.

Rautaruukki Corporation
Anne Pirilä
SVP, Communications and Investor Relations

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 27 countries and employs around 11,700 people. Net sales in 2010 totalled around EUR 2.4 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

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RAUTARUUKKI CORPORATION’S INTERIM REPORT FOR JANUARY-JUNE 2011

Business environment

Favourable economic development continued in Ruukki’s main market areas during the second quarter of the year. Uncertainty in the markets was mainly caused by the situation on the financial markets in Europe and the catastrophe in Japan. In Europe, strongest growth was seen in Germany, where good economic development supported also export-driven demand in countries in Northern and Eastern Europe. Continued high oil and gas prices have supported a pick-up in investments in Russia.

Construction in Europe grew year on year. There was a clear pick-up in demand for residential roofing products, especially in Finland and Poland. Increased demand was supported by good activity in renovation construction. Demand for roofing products was up also in Central Eastern Europe. Activity in commercial and industrial construction rose, but in many market areas is still relatively quiet compared to earlier years. Investments have started up in Russia and this was reflected in increased order volumes. Demand in Russia was briskest in agricultural construction and growth was visible also in industrial and commercial construction.

In the engineering industry, the market outlook strengthened further in Ruukki’s main customer segments during the second quarter. Growth in the emerging markets and higher prices than earlier of many raw materials supported demand, especially for mining industry machines and equipment. Demand was up also for forest machines and materials handling equipment. In the offshore market, demand improved for drilling platforms and other industrial products, especially in Norway. Order volumes in shipbuilding in Europe were low.

Steel demand in the EU-27 region grew moderately during the second quarter compared to the previous year. Market prices of steel products rose during April-May before dipping slightly towards the end of the quarter. This was mainly a result of the uncertainty on the financial markets in Europe and of cautious decision-making ahead of the holiday season. Stock levels of steel wholesalers in Europe remained at a normal level in relation to sales. During the second quarter, market prices of the main raw materials used in steel production were slightly down on the very high price level earlier in the year.

Order intake and order book

ORDER INTAKE BY BUSINESS AREA

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Order intake					
Ruukki Construction	199	170	333	280	629
Ruukki Engineering	68	51	132	91	230
Ruukki Metals	405	373	881	724	1 458
Others		1		8	8
Order intake, total	672	596	1 346	1 103	2 326

Unless otherwise stated, the figures in brackets refer to the same period a year earlier.

Group order intake in the second quarter was EUR 672 million (596), up by 13 per cent year on year. Order flow grew in all business areas, with highest relative growth in the engineering business. Demand growth was strongest in Finland and the other Nordic countries, as well as in Central Eastern Europe, especially Poland. Order flow improved well also in Russia.

Group order intake in the first half of the year was EUR 1,346 million (1,103), a rise of 22 per cent compared to the same period in 2010.

At the end of the report period, the group order book was 23 per cent higher than a year earlier.

Net sales

NET SALES BY BUSINESS AREA

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Comparable net sales					
Ruukki Construction	201	163	335	272	628
Ruukki Engineering	62	50	124	92	193
Ruukki Metals	467	434	946	782	1 581
Others	0	1	0	1	1
Comparable net sales, total	730	647	1 405	1 147	2 403
Items affecting comparability included in reported net sales	0	7	0	13	12
Reported net sales	730	655	1 405	1 160	2 415

Consolidated net sales for the second quarter were EUR 730 million (EUR 647m comparable, EUR 655m reported), which is 13 per cent up on a comparable basis year on year. Net sales rose in all business areas because of larger delivery volumes than earlier and higher selling prices of steel products, in particular.

Highest net sales growth was in Finland and the other Nordic countries. In Finland, net sales grew especially in the construction business area. In the other Nordic countries, net sales growth came mainly from the steel and engineering businesses. Consolidated net sales growth was relatively highest in Central Eastern Europe, especially Poland, where net sales were boosted by larger delivery volumes of steel products and residential roofing products. Net sales decreased in Southern Europe (Rest of Europe) and the United States (Other countries) due mainly to lower delivery volumes in the steel business.

Consolidated net sales for January-June were EUR 1,405 million (EUR 1,147m comparable, EUR 1,160m reported). The emerging markets accounted for 25 per cent (20) of consolidated comparable net sales. The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 33 per cent (32) of consolidated net sales. Special steel products accounted for 33 per cent (23) of Ruukki Metals' net sales for January-June.

NET SALES BY REGION

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Comparable net sales					
Finland	204	166	386	307	651
Other Nordic countries	246	198	483	354	756
Central Eastern Europe	92	70	171	114	290
Russia and Ukraine	57	50	91	78	188
Rest of Europe	90	104	190	204	360
Other countries	42	59	84	90	157
Comparable net sales, total	730	647	1 405	1 147	2 403
Items affecting comparability included in reported net sales	0	7	0	13	12
Reported net sales	730	655	1 405	1 160	2 415

Operating profit

OPERATING PROFIT BY BUSINESS AREA					
EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Comparable operating profit					
Ruukki Construction	4	-10	-9	-33	-45
Ruukki Engineering	-2	-8	-4	-15	-28
Ruukki Metals	75	66	117	56	126
Others	-6	-4	-8	-7	-15
Comparable operating profit, total	71	45	96	2	38
Items affecting comparability included in reported operating profit	-2	-11	-2	-4	-49
Reported operating profit	68	34	93	-2	-12

Consolidated comparable operating profit for the second quarter was EUR 71 million (45), equating to 9.7 per cent of net sales. Operating profit growth was mainly attributable to larger delivery volumes in all business areas, increased sales of special steel products and higher selling prices of steel products.

Reported operating profit was EUR 68 million (34), which includes a cost effect of EUR 2 million caused by the modernisation of blast furnace 2 and costs of EUR 1 million related to reorganisation within the construction business area.

Consolidated comparable operating profit for January-June was EUR 96 million (2), equating to 6.8 per cent of net sales (0.1). Reported operating profit was EUR 93 million (-2).

Financial items and result

Consolidated net finance costs in January-June totalled EUR 21 million (14). Net interest costs were EUR 15 million (14).

Group taxes for January-June were EUR 21 million (-3).

The result for the first half of the year was EUR 52 million (-13).

Earnings per share were EUR 0.38 (-0.09).

Balance sheet, cash flow and financing

Total assets at 30 June 2011 were EUR 2,794 million (2,654). Equity at the end of the second quarter was EUR 1,342 million (1,446), equating to EUR 9.66 per share (10.41). Equity has decreased EUR 45 million since the end of 2010 when it stood at EUR 1,387 million. This decrease is mainly because of the dividend payout in April.

The equity ratio at the end of June was EUR 48.7 per cent (55.2) and the gearing ratio was 57.9 per cent (35.9). Net interest-bearing liabilities were EUR 779 million (519).

Return on equity for the last 12 months was -0.9 per cent (-6.8) and the return on capital employed was 4.1 per cent (-4.4). The annualised return on capital employed for January-June was 8.9 per cent (0.0).

Net cash flow from operating activities for January-June was EUR 13 million (-41) and net cash flow before financing activities was -EUR 64 million (-125). EUR 127 million (47) was tied up in net working capital during the first half of the year.

At the end of June, the group had liquid funds of EUR 74 million (141) and undrawn committed credit facilities of EUR 475 million.

Capital expenditure

Net cash used in investing activities during January-June was -EUR 77 million (-84).

Investment in tangible and intangible assets during the first half of the year totalled EUR 79 million (92), of which maintenance investments accounted for EUR 58 million (57) and development investments for EUR 21 million (35). Net cash inflow from other investing activities was EUR 2 million (8).

Depreciation and impairments in January-June were EUR 72 million (74).

Capital expenditure on tangible and intangible assets in 2011 is expected to be in the region of EUR 180 million.

Personnel

PERSONNEL BY REGION

	30 Jun 2011	30 Jun 2010	31 Dec 2010
Finland	7 249	6 841	6 150
Other Nordic countries	637	856	659
Central Eastern Europe	2 153	2 059	2 020
Russia and Ukraine	2 112	2 087	2 062
Rest of Europe	68	94	69
Other countries	320	277	326
Total	12 539	12 214	11 286

The group employed 11,839 persons on average (11,733) during the first half of the year and at 30 June, the headcount was 12,539 (12,214). At the end of the report period, 58 per cent (56) of Ruukki's personnel was based in Finland. The headcount in Finland increased since the end of 2010 mostly because of temporary summer employees, which numbered 977 (948) at the end of June.

Safety measured in terms of accidents per million working hours for January-June was 8 (8).

BUSINESS AREAS

RUUKKI CONSTRUCTION

- Order intake in April-June was up 17 per cent year on year
- Net sales grew 23 per cent during the second quarter
- Operating profit moved back into the black

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Order intake	199	170	333	280	629
Net sales	201	163	335	272	628
Comparable operating profit	4	-10	-9	-33	-45
Unrealised gains and losses on USD derivatives				2	2
Expenses related to reorganisation	-1		-1		
Reported operating profit	3	-10	-9	-31	-43
Comparable operating profit as % of net sales	2.0	-5.9	-2.7	-12.0	-7.2
Personnel at end of period			3 980	4 009	3 791

Order intake and order book

Order intake during the second quarter was up 17 per cent year on year at EUR 199 million (170). Order volumes of residential roofing products grew in almost all market areas compared to a year earlier. Order flow of roofing products developed particularly well in Finland and Poland. The value of order intake in commercial and industrial construction has shown steady growth compared to the previous year. In Russia, there was a clear increase in order volumes, especially of concept buildings used in agricultural construction, compared both to a year earlier and to the early part of the current year. In infrastructure construction, there was clear growth particularly in orders for piles used in foundations.

Ruukki Construction's order intake in January-June was EUR 333 million (280), up 19 per cent year on year.

The order book at the end of June was 9 per cent higher than a year earlier.

Net sales

Ruukki Construction's net sales for the second quarter were up 23 per cent year on year at EUR 201 million (163).

Sales of residential roofing products during April-June were 26 per cent higher than a year earlier. Delivery volumes grew in almost all market areas, with Finland and Poland showing particularly good net sales improvement. Sales of roofing products also in the other Nordic countries and Baltic states were clearly higher compared to the previous year.

Net sales in commercial and industrial construction during the second quarter grew 32 per cent year on year. Project and component deliveries in Finland showed strongest improvement. Sales also grew clearly in Sweden, Poland and Romania. Demand within commercial and industrial construction is showing good growth in Russia. Delivery volumes of concept buildings in particular were larger than a year earlier. Ruukki Construction's net sales for January-June in Russia were up by about 25 per cent year on year and almost doubled quarter on quarter.

Net sales in infrastructure construction during the second quarter were slightly down year on year. Delivery volumes of bridge projects declined in Norway, but transport infrastructure deliveries in Sweden increased.

Ruukki Construction's net sales for January-June were up 23 per cent year on year at EUR 335 million (272). The construction business accounted for 24 per cent (24) of consolidated comparable net sales. Net sales grew both in residential roofing products and in commercial and industrial construction. In infrastructure construction, net sales for the first half of the year were somewhat below those a year earlier.

Residential roofing products accounted for 19 per cent (16) of Ruukki Construction's net sales for January-June and infrastructure construction products for 18 per cent (23).

Operating profit

Ruukki Construction's operating profit for April-May moved back into the black and comparable operating profit was EUR 4 million (-10). Compared to the previous year, operating profit improved especially due to increased delivery volumes of residential roofing products, improved operational efficiency and higher selling prices. Increased delivery volumes resulted also in a higher capacity utilisation rate than during the same period a year earlier.

Reported operating profit for the second quarter was EUR 3 million (-10), which includes costs of EUR 1 million relating to the reorganisation of business operations in Central Eastern Europe.

Operating profit for January-June was negative at -EUR 9 million (-EUR 33 million comparable, -EUR 31 million reported). Operating loss was due to exceptionally low delivery volumes and a low capacity utilisation rate during the first quarter.

Actions to improve profitability and other operational development

During the early part of the year, Ruukki Construction changed its business structure from an area to a product organisation. The new structure supports sales management, product pricing and optimal use of capacity at production units, and is improving operational efficiency. Also the project business in different countries was merged into one entity. This will not only deliver cost savings, but also ensure the transfer of project expertise from one market to another.

During the second quarter, a decision was made to reorganise and improve the efficiency of Ruukki Construction's sales activities in Central Eastern Europe and to centralise project sales in this region. These actions will improve operational efficiency and competitiveness in the region.

The second quarter of the year saw Ruukki continue to expand its Ruukki Express chain. A new outlet was opened in Tampere, Finland in April and in April-June, new outlets were opened in Gothenburg in Sweden, Klaipeda in Lithuania and several new outlets in Poland and Estonia. Ruukki Express is a store and service concept with a range of products that includes roofs, rainwater systems, roof safety products and other locally tailored products and services. The company currently has 44 Ruukki Express outlets in 9 different countries.

During the report period, Ruukki opened a new sandwich panel production line near Kiev, Ukraine. This investment supports Ruukki's strategic target of increasing the share of its net sales from the emerging markets. The new production line will help Ruukki to pursue market share growth in sandwich panels on the Ukrainian and Russian markets. The local production line will enable delivery times to be shortened to as much as a third compared to earlier. The investment was worth EUR 5 million.

Major orders and product development

In April, Ruukki announced deliveries of energy piles to be used in the foundations of the new Technopolis Innova 2 office building under construction in Jyväskylä, Finland. Ruukki's unique steel piles utilise ground-source heat and serve both as the building's foundations and as energy piles to collect free energy. In addition to energy piles, Ruukki is also delivering the steel frame and prefabricated wall elements, including installation, for the office building. The building will have 10,000 square metres of floor space and is scheduled for completion in spring 2012.

In addition, Ruukki is the first manufacturer to launch a photovoltaic system that has been fully integrated into a façade. The solar panel façade has been designed for application in buildings of a high architectural standard that comply with increasingly stricter environmental regulations. Developed and patented by Ruukki, the system is the most cost-effective way on the market to make a fully-glazed façade that produces energy from the sun. The system is particularly suited for office and commercial construction, but also for residential and industrial construction.

During the report period, Ruukki also signed major contracts to design, manufacture and install the steel frame and façade structures for the Tervaskangas shopping centre in Kouvola, Finland. The contracts are worth a total of around EUR 6 million. The project is one of the largest retail investments under way in Finland and is scheduled for completion in 2012.

After the report period, in July, Ruukki announced a contract worth over EUR 13 million for the Kaunisvaara iron ore mine in Pajala, Sweden. Ruukki's delivery consists of the process plant building and auxiliary buildings, two iron ore stockpile buildings and the frame structures for the truck workshop. Ruukki will be responsible for the manufacture and installation of the structures. Deliveries for the project will begin in September this year and installation work is scheduled for completion during 2012.

RUUKKI ENGINEERING

- Order intake in April-June was up 33 per cent year on year
- Order book at end of June was more than double compared to a year earlier
- Net sales for the second quarter were up 25 per cent
- Operating profit improved year on year, but was still negative

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Order intake	68	51	132	91	230
Net sales	62	50	124	92	193
Comparable operating profit	-2	-8	-4	-15	-28
Expenses related to closure of units		-1		-1	-5
Unrealised gains and losses on USD derivatives				1	1
Reported operating profit	-2	-10	-4	-15	-32
Comparable operating profit as % of net sales	-3.2	-16.9	-3.0	-15.8	-14.5
Personnel at end of period			1 916	1 740	1 763

Order intake and order book

Order intake in the engineering business during the second quarter was 33 per cent higher year on year at EUR 68 million (51). Order volumes rose noticeably in the lifting, handling and transportation equipment industry, especially in the manufacture of materials handling equipment, as well as in mining industry and construction machines and equipment. Order flow, particularly for cabins, developed well. Even though the share of shipbuilding of order intake has decreased compared to earlier years, order intake in this segment showed growth compared to the previous year. Demand was at a good level in the offshore industry.

Ruukki Engineering's order intake in January-June was 46 per cent higher year on year at EUR 132 million (91).

The order book at the end of June 2011 was 120 per cent higher than a year earlier.

Net sales

Ruukki Engineering's net sales for the second quarter were up 25 per cent year on year at EUR 62 million (50).

Higher net sales for April-June were attributable to larger delivery volumes, particularly of cabins, frames and booms, to the lifting, handling and transportation equipment industry, especially to manufacturers of materials handling equipment. Relatively strongest growth was in boom deliveries. Deliveries continued to grow also to mining industry equipment manufacturers and to forest machine manufacturers. The report period saw Ruukki begin deliveries to Kvaerner Verdal's wind farm project in the North Sea. These deliveries increased net sales in the offshore segment compared to a year earlier. Deliveries to the shipbuilding industry were down year on year.

Ruukki Engineering's net sales for January-June were EUR 124 million (92) and accounted for 9 per cent (8) of consolidated comparable net sales. Compared to the previous year, the increase in net sales was attributable mainly to larger delivery volumes to almost all customer segments, especially to manufacturers of materials handling equipment. Deliveries to the offshore industry showed relatively highest growth.

Equipment manufacturers in the lifting, handling and transportation industry accounted for 64 per cent (61) of net sales of the engineering business for the first half of 2011, with mining industry and construction machines and equipment accounting for around a fifth of this figure. Equipment manufacturers in the energy industry accounted for 18 per cent (18) of net sales.

Operating profit

Ruukki Engineering’s operating profit for the second quarter was negative at -EUR 2 million (-EUR 8 million comparable, -EUR 10 million reported). Operating profit improved year on year mainly as a result of larger delivery volumes. Sales prices were also higher than a year earlier, but the product range was geared towards low-margin products. Price increases introduced had yet to impact in full during the second quarter.

Operating profit for January-June was negative at -EUR 4 million (-15). Operating profit improved mainly because of larger delivery volumes, better capacity utilisation rate and higher selling prices. Operating profit was still negative due to the costs of ramping up cabin production at the Holic unit in Slovakia and at the Shanghai unit in China, as well as a low capacity utilisation rate. Delivery problems at the Shanghai unit during the first half of the year also had a negative impact on the profitability of the engineering business.

Actions to improve profitability and other operational development

Ruukki’s engineering business is focusing on fewer products than earlier and the thrust in portfolio management will be increasingly more on the development of own technology and design, as well as on utilisation of the company’s materials expertise, especially as regards special steels. Products are being cut back to improve profitability of the product portfolio and to expand the customer base on the basis of chosen products.

In line with the strategy, the engineering business has targeted sales during the early part of the year, towards new cabin and special steel component customers. Ruukki Engineering has progressed to test deliveries with some potential customers. Own technological expertise was strengthened in component product design. Merging product design competence with the company’s materials expertise can clearly improve end-product efficiency and create added value for customers.

To improve cost competitiveness, sourcing in cabin production is clearly shifting towards a more global operational model and a more effective internal division of roles is being pursued between production units.

In March, Ruukki announced a EUR 3 million investment in a new surface treatment line to serve cabin customers at the Holic unit in Slovakia. Work has progressed to plan and the line is scheduled to start up in spring 2012.

RUUKKI METALS

- Special steel products accounted for 34 per cent of net sales for the second quarter
- Order intake in April-June was up 9 per cent year on year
- Higher selling prices improved profitability
- Iron ore prices were agreed in an annual contract after the report period: higher raw material prices than earlier will be reflected in full in the cost structure during the second half of the year

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Order intake	405	373	881	724	1 458
Net sales	467	434	946	782	1 581
Comparable operating profit	75	66	117	56	126
Expense caused by modernisation of blast furnaces	-2	-18	-2	-18	-18
Unrealised gains and losses on USD derivatives		15		21	-13
Cost of production test runs					-2
Reported operating profit	73	64	115	60	93
Comparable operating profit as % of net sales	16.0	15.3	12.4	7.2	8.0
Personnel at end of period			6 157	5 901	5 291

Order intake and order book

Order intake during the second quarter was up 9 per cent year on year at EUR 405 million (373). Orders grew in almost all market areas, with Finland and the other Nordic countries showing highest growth. Order flow developed relatively strongest in Russia, where a good start to the construction season increased demand, especially for colour-coated steel. Good development was seen in orders for special steel products in new market areas such as China and South Africa. Orders for special steel products continued to be at a good level also in Western Europe, especially in Germany. Good demand continued from mining industry and construction machine and equipment manufacturers.

Ruukki Metals’ order intake in January-June was up 22 per cent year on year at EUR 881 million (724).

The order book at the end of June 2011 was 17 per cent higher than a year earlier.

Net sales

Ruukki Metals’ net sales for the second quarter were up 8 per cent year on year at EUR 467 million (434). Net sales growth was mainly attributable to higher selling prices of steel products and larger delivery volumes of special steel products.

Compared to the previous year, deliveries increased to the heavy engineering industry - especially to equipment manufacturers of mining machines - and to subcontractors in the heavy vehicle industry and automotive industry. Sales also to the construction industry were higher than a year earlier. Deliveries to manufacturers of white goods and to manufacturers of equipment for the energy industry declined.

Sales of steel products grew in almost all market areas, except for Southern Europe and the United States. Net sales improved particularly well in Finland and the other Nordic countries. Relatively strongest net sales growth was seen in Central Eastern Europe, especially in Poland, and in Russia. Net sales continued growing also in new markets for special steel products, such as China, South Africa and Turkey. The pace of growth in Brazil levelled off after a very strong first quarter. Sales of special steel products in Western Europe were at a good level.

Ruukki Metals' net sales for January-June were EUR 946 million (782) and accounted for 67 per cent (68) of consolidated comparable net sales. Compared to a year earlier, increased net sales for the first half of 2011 were attributable to higher selling prices and larger delivery volumes than earlier, especially in Finland and the other Nordic countries. The increased share of special steel products of deliveries also contributed to higher net sales for January-June.

Special steel products accounted for 33 per cent (23) of net sales during the first half of the year. Net sales of stainless steel and aluminium, sold as trading products, were up 16 per cent year on year at EUR 74 million (64).

Operating profit

Ruukki Metals' comparable operating profit for the second quarter was EUR 75 million (66). Operating profit improved especially due to higher average selling prices, which was supported by the increased share of special steel products. Also the capacity utilisation rate in steel production was higher than a year ago. Higher raw material costs than earlier were not yet fully reflected in the cost structure during the second quarter.

Reported operating profit for the second quarter was EUR 73 million (64), which includes a cost of EUR 2 million which arose because of the low utilisation rate in steel production attributable to modernisation of blast furnace 2 at the Raahe Steel Works in Finland.

Comparable operating profit for January-June was EUR 117 million (56) and reported operating profit was EUR 115 million (60). Operating profit improved year on year largely on the back of a rise in the selling prices of steel products, an improvement in the capacity utilisation rate in production and costs savings achieved.

Steel production

Steel production

1 000 tonnes	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Steel production	636	418	1 281	1 029	2 229

Steel production in the second quarter was 636 thousand tonnes (418) and the utilisation rate was over 90 per cent. Steel production in the first half of 2011 was 1,281 thousand tonnes (1,029).

Blast furnace 2 at the Raahe Steel Works in Finland was shut down towards the end of June for modernisation. Before the blast furnace was idled, slab stockpiles were built up to ensure customer deliveries. The blast furnace will remain idle for around two months and after re-starting is expected to take between four and six weeks to reach normal production. The idled blast furnace is expected to reach the planned production level by the end of September.

Around EUR 115 million of the total blast furnace modernisation investment is estimated to fall in 2011 and around EUR 8 million in 2012. Total investment in the modernisation of blast furnace 1, which was completed in 2010, and blast furnace 2, work on which is currently under way, is around EUR 265 million, of which environmental investments account for around EUR 50 million.

Once modernisation has been completed, the Raahe Works will prepare for a change in the feedstock base and closure of the sinter plant. After the turn of the year, only iron ore pellets will be used as the raw material for iron-making instead of a combination of iron ore concentrate and pellets as at present.

Raw materials in steel production

A new price contract for iron ore was made in July, after the report period. The prices of concentrates and pellets were agreed in an annual contract with the Swedish company LKAB. Ruukki has a number of coking coal suppliers with which new prices were agreed during the first half of the year. Some of the price contracts concluded are annual contracts and some are quarterly.

Prices for both iron ore and coking coal rose compared to the previous year. The prices agreed are in line with general market development. Higher costs of raw materials are being offset by increasing selling prices and by further improvement in cost efficiency. Price increases were scheduled mainly for the second quarter of the year and their size and timing varied according to product and market area.

Operational development and major delivery contracts

Expansion of the distribution network for special steel products is one of the main focus areas in the steel business in 2011. During the second quarter, Ruukki continued to strengthen its distribution network by expanding its own sales organisation, among other countries, in India.

At the end of June, Ruukki signed a contract with Caterpillar to deliver wear-resistant special steel Raex to Caterpillar’s main production facilities in Europe in 2011. Raex is used in the main body structure of ADT trucks, which is one of the most demanding applications for wear-resistant special steel due to the continual impact and wear experienced.

Environmental matters at the company

Modernisation of blast furnace 2 at Ruukki's Raahe Steel Works in Finland began towards the end of June. Blast furnace 1 was modernised in summer 2010. Environmental investments of around EUR 50 million will be made in conjunction with blast furnace modernisation. These investments will considerably reduce dust and sulphur emissions at the Raahe Works.

June saw Ruukki publish the 2010 environmental reports of the works in Raahe and Hämeenlinna. The reports describe Ruukki's actions to promote energy and materials efficiency and to reduce environmental impacts. In addition, the reports contain information about the state of the immediate environment at the works. English summaries of the reports can be found together with more information about environmental matters on the company's website at www.ruukki.com.

Shares and share capital

During January-June 2011, a total of 69 million (109) Rautaruukki Oy shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 1,178 million (1 621). The highest price quoted was EUR 18.77 in January and the lowest was EUR 14.14 in June. The volume weighted average price was EUR 17.06. The share closed at EUR 15.58 (12.02) at the end of June and the company had a market capitalisation of EUR 2,186 million (1 686).

Rautaruukki's share is also traded on multilateral trading facilities (MTF). According to information received by the company, a total of 19 million shares (22) were traded on MTFs for a total of EUR 330 million (324) during the first half of the year.

The company's registered share capital at 30 June 2011 was EUR 238.5 million and there were 140,285,425 shares outstanding.

At the end of June 2011, the company held a total of 1,423,051 treasury shares, which had a market value of EUR 22.2 million and an accounting par value of EUR 2.4 million. Treasury shares accounted for 1.01 per cent of the total shares and votes.

The 2011 Annual General Meeting granted the Board of Directors the authority to acquire a maximum of 12,000,000 of the company's own shares. The authority is valid until the following Annual General Meeting.

The Annual General Meeting granted the Board of Directors the authority to decide on a share issue, which includes the right to issue new shares and/or to transfer treasury shares held by the company. The authority applies to a maximum of 28,000,000 shares. The Board of Directors has the right to disapply the pre-emption rights of existing shareholders in a directed issue. The authority also includes the right to decide on a bonus issue. The authority is valid for a period of two years following the date of decision of the Annual General Meeting.

By the end of June 2011, the Board of Directors had not exercised its authority to issue shares or to acquire the company's own shares. At the end of the report period, the Board of Directors had no valid authority to issue options or other special rights providing entitlement to shares.

Information about the company's shareholder structure by sector and size of holding, the biggest shareholders and Board of Director and Corporate Executive Board interests can be found on the company's website at www.ruukki.com.

Changes in corporate structure

Rautaruukki Corporation divided its Finnish operations into four different companies. Ruukki's construction business, engineering business, steel business and stainless steel and aluminium trading business each act as separate business entities from 1 May 2011. Rautaruukki Corporation is the parent company of the new companies.

The arrangement is an administrative one under which the corporation has clarified its corporate structure to correspond to its existing businesses. The arrangements do not apply to the group's units outside Finland. Demerger of the Finnish operations has no impact on Rautaruukki Corporation's financial reporting.

Near-term business risks

The company's risks and risk management are detailed in the Annual Report 2010. The company does not consider there to have been any material changes during the report period in the risks and factors of uncertainty presented in the Annual Report.

Near-term outlook

The economic outlook in Ruukki's main market areas remains positive and economic growth is expected to continue. Many of Ruukki's most important market areas - such as Sweden, Finland, Russia and Poland - are expected to show faster economic growth during the current year than many other countries in Europe. The recent culmination of sovereign debt problems of certain countries in Europe is, however, creating uncertainty in market development and it is still difficult to estimate what the direct and indirect implications will be.

Commercial and industrial construction is estimated to return to the growth track in a number of market areas during 2011. Growth in Sweden is estimated to be brisker than in the other Nordic countries. Investments in commercial and industrial construction in Russia are already clearly growing. Residential construction is forecast to remain at a good level in all main market areas. Activity in infrastructure construction in the Nordic countries is expected to continue to be relatively good, especially in Sweden.

In the engineering business, market conditions are expected to further improve during the second half of the year. Demand from manufacturers of heavy cargo and other materials handling equipment is estimated to be at a good level, as is demand for construction, forest and mining industry machines and equipment. Supported by good activity in these industrial sectors, it is anticipated that order volumes, especially for cabins, booms and frames, will further improve. In the manufacture of equipment for the energy industry, demand is forecast to improve somewhat during the second half of 2011.

In the steel business, demand is at a good level. It is estimated that good demand from the heavy engineering and heavy vehicle industries will support sales of special steel products in particular. It is also estimated that expansion of the company's distribution network into emerging markets and mining-intensive countries will impact positively on sales of special steel products. Good demand, higher raw material costs than earlier in steel production and increased sales of special steel products are expected to support the development of average selling prices during the second half of the year. However, the increase in raw material costs will only be fully reflected in the cost structure from the second half of the year.

Because of efficiency actions already completed and those ongoing, the company's cost structure is lighter than in previous years. Based on the estimated development in demand, the capacity utilisation rate in 2011 is projected to be better than in 2010, especially in the solutions businesses. Improving the profitability of the solutions businesses is high on the company's agenda during the second half of the year.

Based on the estimates given above, consolidated net sales in 2011 are estimated to grow approximately 25 per cent year on year. Profitability is estimated to clearly improve compared to 2010.

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and is in conformity with the accounting policies applied in the 2010 financial statements.

The amendments to and interpretations of IFRS standards that entered into force on 1 January 2011 had no impact on this interim report.

Use of estimates
The preparation of interim reports in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reporting of contingent assets and liabilities and the reported amounts of income and expense. Even though these estimates are based on management's best judgment at the time, actual results may ultimately differ from these estimates.

Purchases of raw materials denominated in USD qualify for hedge accounting under IAS 39 from 1 January 2011
Unrealised movements in the fair value of USD-denominated future cash flow hedges which did not qualify for hedge accounting under IAS 39 were added to items affecting the comparability of operating profit in 2010. The figures for reference periods since the beginning of 2009 were restated accordingly. From the beginning of 2011, cash flow hedges of raw materials denominated in USD are subject to hedge accounting under IAS 39. This means the unrealised movements in the fair values of these cash flow hedges are recognised under items in other comprehensive income instead of under operating profit as earlier.

Individual figures and totals appearing in the tables have been rounded to the nearest whole million of euros.

This interim report is unaudited.

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Net sales	730	655	1 405	1 160	2 415
Cost of sales	-596	-555	-1 184	-1 039	-2 185
Gross profit	134	100	221	121	229
Other operating income	4	4	8	8	15
Selling and marketing expenses	-31	-28	-60	-53	-103
Administrative expenses	-38	-41	-75	-78	-152
Other operating expenses	0	-1	0	-1	-1
Operating profit	68	34	93	-2	-12
Finance income	9	18	18	40	65
Finance costs	-19	-25	-39	-54	-131
Net finance costs	-10	-6	-21	-14	-66
Share of profit of equity-accounted investees	1	1	1	1	3
Result before income tax	59	28	74	-16	-74
Income tax expense	-15	-9	-21	3	-4
Result for the period	44	20	52	-13	-79
Attributable to:					
Owners of the company	44	20	52	-13	-79
Non-controlling interest	0	0	0	0	0
Earnings per share, diluted, EUR	0.32	0.14	0.38	-0.09	-0.57
Earnings per share, basic, EUR	0.32	0.14	0.38	-0.09	-0.57
Operating profit as % of net sales	9.4	5.2	6.6	-0.2	-0.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR million	Q2/11	Q2/10	Q1-Q2/11	Q1-Q2/10	2010
Result for the period	44	20	52	-13	-79
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges	-1	-4	-16	-11	14
Translation differences	-2	8	-3	24	18
Defined benefit plan actuarial gains and losses		0		-2	-9
Tax on other comprehensive income	0	1	4	3	-1
Other comprehensive income for the period, net of tax	-2	5	-15	15	22
Total comprehensive income for the period	42	24	38	2	-57
Attributable to:					
Owners of the company	42	24	38	2	-57
Non-controlling interest	0	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	30 Jun 2011	30 Jun 2010	31 Dec 2010
ASSETS			
Non-current assets	1 402	1 431	1 388
Deferred tax assets	26	45	26
Current assets			
Inventories	781	556	640
Trade and other receivables	499	481	417
Cash and cash equivalents	74	141	53
Assets held for sale	12		15
Total assets	2 794	2 654	2 539
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	1 342	1 446	1 387
Non-controlling interest	2	2	2
Non-current liabilities			
Loans and borrowings	567	426	477
Non-interest bearing liabilities	47	55	50
Deferred tax liabilities	31	34	39
Current liabilities			
Loans and borrowings	285	234	198
Trade payables and other non-interest bearing liabilities	515	458	379
Liabilities held for sale	5		7
Total equity and liabilities	2 794	2 654	2 539

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1-Q2/11	Q1-Q2/10	2010
Result for the period	52	-13	-79
Adjustments	106	37	191
Cash flow before change in working capital	158	24	113
Change in working capital	-127	-47	-147
Financing items and taxes	-18	-18	-30
Net cash flow from operating activities	13	-41	-64
Cash inflow from investing activities	3	8	10
Cash outflow from investing activities	-80	-92	-173
Net cash used in investing activities	-77	-84	-162
Net cash flow before financing activities	-64	-125	-226
Dividends paid	-83	-62	-62
Proceeds from loans and borrowings	129	54	126
Repayments of loans and borrowings	-42	-12	-103
Change in current liabilities	86	26	63
Other net cash flow from financing activities	-5	-5	-9
Translation differences	-1	3	4
Change in cash and cash equivalents	20	-120	-207

KEY FIGURES (IFRS)

	Q1-Q2/11	Q1-Q2/10	2010
Net sales, EUR m	1 405	1 160	2 415
Operating profit, EUR m	93	-2	-12
as % of net sales	6.6	-0.2	-0.5
Result before income tax, EUR m	74	-16	-74
as % of net sales	5.2	-1.3	-3.1
Result for the period, EUR m	52	-13	-79
as % of net sales	3.7	-1.1	-3.3
Net cash flow from operating activities, EUR m	13	-41	-64
Net cash flow before financing activities, EUR m	-64	-125	-226
Return on capital employed (rolling 12 mths), %	4.1	-4.4	-0.3
Return on equity (rolling 12 mths), %	-0.9	-6.8	-5.4
Equity ratio, %	48.7	55.2	55.3
Gearing ratio, %	57.9	35.9	44.7
Net interest-bearing liabilities, EUR m	779	519	621
Equity per share, EUR	9.66	10.41	9.99
Personnel on average	11 839	11 733	11 693
Number of shares	140 285 425	140 285 425	140 285 425
- excluding treasury shares	138 862 374	138 863 850	138 862 374
- diluted, average	138 862 374	138 863 850	138 863 722

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Equity attributable to owners of the company							
EUR million	Share capital	Share premium	Fair value and other re-serves	Trans-lation diff-erences	Trea-sury shares	Re-tained earn-ings	Non-cont-rolling inter-est	Total equity
EQUITY 1 Jan 2010	238	220	2	-41	-6	1 095	2	1 509
Result for the period						-13	0	-13
Other comprehensive income			-8	24		-1		15
Total comprehensive income for the period			-8	24		-14	0	2
Dividend distribution						-62		-62
Share-based payments			0		0			0
EQUITY 30 Jun 2010	238	220	-6	-17	-6	1 018	2	1 447
EQUITY 1 Jan 2011	238	220	11	-23	-6	946	2	1 389
Result for the period						52	0	52
Other comprehensive income			-12	-3				-15
Total comprehensive income for the period			-12	-3		52	0	38
Dividend distribution						-83		-83
Share-based payments			0		0			0
EQUITY 30 Jun 2011	238	220	-1	-26	-6	916	2	1 344

NET SALES BY REGION (IFRS)

As % of net sales	Q1-Q2/11	Q1-Q2/10	2010
Finland	27	26	27
Other Nordic countries	34	32	31
Central Eastern Europe	12	10	12
Russia and Ukraine	6	7	8
Rest of Europe	13	18	15
Other countries	6	8	7

CONTINGENT LIABILITIES (IFRS)

EUR million	30 Jun 2011	30 Jun 2010	31 Dec 2010
Mortgaged real estate	59	64	64
Other guarantees given	38	39	26
Collateral given on behalf of others	2	2	2
Rental liabilities	64	93	71

DERIVATIVE CONTRACTS (IFRS)

EUR million	30 Jun 2011 Nominal amount	30 Jun 2011 Fair value	30 Jun 2010 Nominal amount	30 Jun 2010 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	13 500	2	27 000	-3
Electricity derivatives				
Forward contracts, GWh	1 571	-2	1 698	-6
Foreign currency derivatives				
Forward contracts	153	-5		
Options				
Bought	150	1		
Sold	150	-2		
FAIR VALUE HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Interest rate derivatives	75	1	75	1
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	438	0	532	20
Options				
Bought	55	1	163	6
Sold	110	-1	166	1

The unrealised movements in the fair value of cash flow hedges are recognised in other comprehensive income items to the extent the hedge is effective. Other movements in fair value are recorded through profit and loss.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1-Q2/11	Q1-Q2/10	2010
Carrying amount at the beginning of period	1 180	1 159	1 159
Additions	82	82	157
Disposals	-1	-2	-4
Disposals through divestments		-3	-3
Depreciation and impairment	-62	-64	-138
Translation differences	-2	12	9
Carrying amount at the end of period	1 197	1 184	1 180

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1-Q2/11	Q1-Q2/10	2010
Sales to equity-accounted investees	15	21	31
Purchases from equity-accounted investees	3	3	7
Transactions with Rautaruukki Pension Foundation	0	0	1

	30 Jun 2011	30 Jun 2010	31 Dec 2010
Trade and other receivables from related parties	7	6	5
Trade and other payables to related parties	0	1	0

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 30 Jun 2011	After 30 Jun 2010	After 31 Dec 2010
Maintenance investments	105	187	137
Development investments and investments in special steel products	37	55	52
Total	142	242	189

SEGMENT INFORMATION

EUR million	Q1-Q2/11	Q1-Q2/10	2010
Order intake			
Ruukki Construction	333	280	629
Ruukki Engineering	132	91	230
Ruukki Metals	881	724	1 458
Others		8	8
Order intake, total	1 346	1 103	2 326
Comparable net sales			
Ruukki Construction	335	272	628
Ruukki Engineering	124	92	193
Ruukki Metals	946	782	1 581
Others	0	1	1
Comparable net sales, total	1 405	1 147	2 403
Items affecting comparability included in reported net sales	0	13	12
Reported net sales	1 405	1 160	2 415
Comparable operating profit			
Ruukki Construction	-9	-33	-45
Ruukki Engineering	-4	-15	-28
Ruukki Metals	117	56	126
Others	-8	-7	-15
Comparable operating profit, total	96	2	38
Items affecting comparability included in reported operating profit	-2	-4	-49
Reported operating profit	93	-2	-12
Net finance costs	-21	-14	-66
Share of profit of equity-accounted investees	1	1	3
Result before income tax	74	-16	-74
Income tax expense	-21	3	-4
Result for the period	52	-13	-79

EUR million	30 Jun 2011	30 Jun 2010	31 Dec 2010
Operative capital employed			
Ruukki Construction	460	465	429
Ruukki Engineering	156	150	144
Ruukki Metals	1 658	1 417	1 547
Others	22	48	30
Operative capital employed, total	2 296	2 079	2 150

QUARTERLY SEGMENT INFORMATION

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Order intake						
Ruukki Construction	110	170	178	171	134	199
Ruukki Engineering	39	51	54	85	64	68
Ruukki Metals	351	373	344	391	476	405
Others	7	1	0	0		
Order intake, total	507	596	576	647	674	672
Comparable net sales						
Ruukki Construction	109	163	184	172	135	201
Ruukki Engineering	42	50	45	56	62	62
Ruukki Metals	348	434	386	413	478	467
Others	0	1	0	0	0	0
Comparable net sales, total	500	647	615	641	675	730
Items affecting comparability included in reported net sales	5	7	0	0		0
Reported net sales	505	655	614	641	675	730
Comparable operating profit						
Ruukki Construction	-23	-10	1	-13	-13	4
Ruukki Engineering	-6	-8	-7	-6	-2	-2
Ruukki Metals	-10	66	51	19	42	75
Others	-4	-4	-4	-4	-3	-6
Comparable operating profit, total	-43	45	41	-5	25	71
Items affecting comparability included in reported operating profit	7	-11	-47	1	0	-2
Reported operating profit	-36	34	-6	-3	25	68
Net finance costs	-8	-6	-42	-9	-11	-10
Share of profit of equity-accounted investees	0	1	1	1	1	1
Result before income tax	-44	28	-48	-11	14	59
Income tax expense	11	-9	12	-19	-6	-15
Result for the period	-33	20	-36	-30	8	44

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Others						
Net sales of Mo i Rana unit	5	7	0	0		0

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Ruukki Construction						
Unrealised gains and losses on USD derivatives	2					
Expenses related to reorganisation						-1
Ruukki Engineering						
Expenses related to closure of units		-1		-3		
Unrealised gains and losses on USD derivatives	1					
Ruukki Metals						
Expense caused by modernisation of blast furnaces		-18				-2
Unrealised gains and losses on USD derivatives	6	15	-40	6		
Cost of production test runs				-2		
Others						
Operating profit of Mo i Rana unit	-2	-2	-7	0	0	0
Fine regarding price collusion in divested (in 2006) prestressing steel business		-5	0			
Items affecting comparability of reported operating profit, total	7	-11	-47	1	0	-2

OTHER ITEMS AFFECTING COMPARABILITY OF REPORTED RESULT

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Write-down of vendor note from Ovako (financial item)			-33			
Other items affecting comparability of reported result, total			-33			

Formulas for the calculation of key figures:

Return on capital employed (rolling 12 months), %	=	result before income tax + finance costs - exchange rate gains (rolling 12 months) -------------------------------------- total equity + loans and borrowings (average at beginning and end of period)	x100
Return on capital employed (annualised), %	=	result before income tax + finance costs - exchange rate gains (annualised) -------------------------------------- total equity + loans and borrowings (average at beginning and end of period)	x100
Return on equity, %	=	result before income tax - income tax expense (rolling 12 months) -------------------------------------- total equity (average at beginning and end of period)	x100
Equity ratio, %	=	total equity -------------------------------------- total assets - advances received	x100
Gearing ratio, %	=	net interest-bearing financial liabilities -------------------------------------- total equity	x100
Net interest-bearing financial liabilities	=	loans and borrowings - current financial assets and cash and cash equivalents	
Earnings per share (EPS)	=	result for the period attributable to owners of the company -------------------------------------- weighted average number of shares outstanding during the period	
Earnings per share (EPS), diluted	=	result for the period attributable to owners of the company -------------------------------------- weighted average diluted number of shares outstanding during the period	
Equity per share	=	equity attributable to owners of the company -------------------------------------- basic number of shares outstanding at the end of period	
Volume weighted average price	=	total EUR trading of shares -------------------------------------- total number of shares traded	
Market capitalisation	=	basic number of shares at the end of period x closing price at the end of period	
Personnel on average	=	total number of personnel at the end of each month divided by the number of months	

Helsinki, 20 July 2011
Rautaruukki Corporation
Board of Directors

The interim report for the period January–September 2011 will be published on 19 October 2011.

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