Rautaruukki Corporation

Interim Report
January–March 2006

RTRKS

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This interim report has been prepared in accordance with IAS 34 in conformity with the accounting policies published in the 2005 financial statements.

Net sales and result for January-March 2006 (comparative figures for Jan-Mar 2005)

Consolidated net sales in January-March 2006 were EUR 856 million (1,014), down 16 per cent. The units that were transferred to Ovako were removed from financial reporting as from 1 May 2005. The comparable net sales in January-March 2005 were EUR 822 million, on which the growth was 4 per cent. Net sales were lifted by the good trend in sales by the solutions businesses as well as by the acquisitions that were made. The solutions businesses accounted for 31 per cent of net sales in the report period (21). Of net sales, 78 per cent (64) came from the core market: 32 per cent from Finland (25), 35 per cent from the other Nordic countries (31) and 11 per cent from central eastern Europe (8). The rest of Europe accounted for 20 per cent (33) and other countries for 2 per cent (3).

Deliveries of steel products were down about 26 per cent on the same period a year earlier, owing mainly to the Ovako arrangement. Eliminating the effect of the units transferred to Ovako, deliveries were down by about 4 per cent. Average selling prices of Rautaruukki's flat steel products in the report period were somewhat below the same period of last year, when the price level was exceptionally high as wholesalers topped up their stocks.

Operating profit in the report period was EUR 95 million (201, comparable operating profit 163). The costs of share bonus schemes, booked over the first quarter, came to about EUR 19 million, of which EUR 14 million came from the rise in the share price in the report period. The average exchange rate of the US dollar strengthened by about 8 per cent compared with the same period of 2005. The effect of the US dollar on consolidated operating profit, including hedging, was about EUR 13 million negative (+5) compared with the same period 2005. The net effect of foreign exchange rates on operating profit was a loss of EUR 5 million (+ 3). The operating profit was also reduced by the dual factors of lower selling prices of steel products and higher prices of raw materials used in steel manufacture. The share of the Group's operating profit attributable to the solutions businesses rose to 34 per cent (16). There was a seasonal slowdown in construction activity in the first quarter. Order books in the engineering industry continued to show strength, and this has been reflected in the positive trend in Rautaruukki's deliveries.

Net financial expenses amounted to EUR 6 million (9). Net interest expenses amounted to EUR 5 million (8).

The share of associates' profit was EUR 13 million (2), of which Ovako accounted for EUR 12 million.

The result before taxes was EUR 101 million (194).

The Group's taxes amounted to EUR 24 million (49), including a change in deferred taxes of EUR -2 million (-1).

Net profit for the report period was EUR 77 million (145).

Diluted earnings per share were EUR 0.56 (1.06).

The return on capital employed over the past twelve months was 29.5 per cent (33.7) and the return on equity was 30.0 per cent (42.3).

Balance sheet

The Group's total assets increased by EUR 27 million from the end of March of last year. From the end of 2005, total assets rose by EUR 124 million to EUR 2,825 million.

Cash flow and financing

Cash flow from operating activities was EUR 101 million (154) and cash flow after investing activities EUR 84 million (131).

Interest-bearing net debt at the end of March totalled EUR 276 million (631). At the end of 2005, interest-bearing net debt stood at EUR 341 million. Working capital decreased by EUR 6 million in January-March (+84).

The equity ratio was 50.2 per cent (42.2) and the gearing ratio 19.6 per cent (53.6). At the end of March the Group's liquid funds amounted to EUR 196 million and it had a total of EUR 300 million of committed unused revolving credit facilities with banks. Shareholders' equity stood at EUR 1,408 million at the end of March (1,177), or EUR 10,31 per share (8.67). The dividends declared by a resolution of the Annual General Meeting held in March, EUR 191 million in total amount, were debited from equity and credited to non-current liabilities.

Personnel

The average number of personnel employed by the Group in the January-March period was 11,903 people (12,132). At the end of March the entire payroll was 11,981 employees (12,132). The change in the number of employees was a decrease of 151 people. PPTH's staff added about 500 employees to the payroll. During 2005 the payroll was decreased by 1,900 due to Ovako arrangement and increased by 1,613 due to acquisitions.

Structural changes in the Group

In the report period, two acquisitions were carried out that improved Rautaruukki's capabilities of making integrated deliveries in the construction industry, whilst further strengthening the company's project know-how. The acquisition of PPTH Steelmanagement Oy, which was agreed in September 2005, was seen to completion in January 2006. Via the deal, Rautaruukki's holding in the company rose from 20 per cent to 100 per cent. The shares were bought for a price of about EUR 7 million. As part of the deal, Rautaruukki assumed EUR 24 million of interest-bearing liabilities. PPTH has been consolidated in the Group's figures as from 1 January 2006. The acquisition of Steel-Mont a.s. of Slovakia was completed in March for a purchase price of about EUR 10 million. Steel-Mont was consolidated within Rautaruukki's accounts after the report period as from 1 April 2006.

In March, Rautaruukki announced an agreement on purchasing the Russian steel constructer OOO Ventall. The acquisition will strengthen the company's position in the fast-growing markets in Russia. The deal still requires the approval of the competition authorities and it is expected to be completed in May 2006. The shares were bought for a price of EUR 97.5 million. The agreement includes a provision on a possible additional purchase price which is dependent on the earnings trend in 2006 and is a maximum of EUR 27.5 million. Payment of this amount is contingent on a marked improvement in Ventall's profitability from the level in 2005. Ventall had net sales in 2005 of about EUR 70 million and posted operating profit of EUR 15.5 million. Net sales in 2006 are estimated to be about 110 million euros. The company had a payroll of 1,238 employees at the end of 2005.

Capital expenditure

Investments in tangible and intangible assets in January-March totalled EUR 21 million (23). Disposals of property, plant and equipment during the report period amounted to EUR 1 million (4). Maintenance investments in production equipment in 2006 are estimated to come to about EUR 80 million and outlays on special products and expanding processing capacity will be about EUR 60 million.

In the report period, spending on M&A arrangements totalled EUR 17 million. The acquisition of PPTH increased the Group's interest-bearing net liabilities by EUR 22 million. Via the acquisitions, property, plant and equipment increased by EUR 12 million, working capital by EUR 8 million and goodwill by EUR 9 million. Steel-Mont was consolidated within Rautaruukki's accounts as from 1 April 2006

Shares and share capital

The trade volume of the Rautaruukki Corporation share on the Helsinki Stock Exchange in January-March was EUR 1,317 million (520). The share registered a high of EUR 33.31 in March and a low of EUR 20.50 in January. The volume-weighted average price was EUR 26.91. The price of the share at the end of the report period on 31 March 2006 was EUR 30.48 and the company had a market capitalisation of EUR 4,233 million (1,442).

The company's registered share capital at 31 March 2006 stood at EUR 236.1 million. The number of Series K shares issued was 138,886,445.

Rautaruukki Corporation's Annual General Meeting held on 23 March 2006 authorised the Board of Directors to decide on buying back a maximum of 11,000,000 of the company's own Series K shares (7.92 per cent of the shares outstanding). The Annual General Meeting furthermore authorised the Board of Directors to decide on transferring a maximum of 13,592,697 Series K treasury shares. Under the Board of Directors' existing authorisation, on 23 March 2006 the company transferred 291,000 of its own Series K shares (treasury shares) without consideration to persons covered by the Group's share bonus scheme. Following the transfer, the company had 2,301,697 treasury shares. The treasury shares had a market value at 31 March 2006 of EUR 70 million.

In addition to the above, the Board of Directors does not have a valid authorisation to issue convertible bonds and/or bonds with warrants or to increase the company's share capital.

Dividend

The Annual General Meeting held on 23 March 2006 approved the proposed dividend of EUR 1.40 per share. The dividend, to a total amount of EUR 191 million, was paid out on 4 April 2006.

Corporate governance and auditors

The Annual General Meeting held on 23 March 2006 re-elected Jukka Viinanen chairman of the company's Board of Directors and Georg Ehrnrooth as vice chairman. Re-elected to seats on the Board were Christer Granskog, Pirkko Juntti, Kalle J. Korhonen, Maarit Aarni and Kiuru Schalin. Reino Hanhinen, Chairman of the Board, YIT-Yhtymä Oyj, was elected as a new member.

The Annual General Meeting re-elected Turo Bergman chairman of the Supervisory Board and Jouko Skinnari vice chairman. Heikki Allonen, Inkeri Kerola, Miapetra Kumpula-Natri, Petri Neittaanmäki, Tapani Tölli and Lasse Virén were re-elected as members. Markku Tynkkynen, Executive Vice President, Resources, UPM-Kymmene Corporation, was elected as a new member of the Supervisory Board.

The Annual General Meeting re-elected as auditors the firm of independent public accountants Ernst & Young Oy, with Pekka Luoma, Authorised Public Accountant, acting as principal auditor.

The Annual General Meeting furthermore passed a resolution to set up a Nomination Committee to prepare proposals concerning the members of the Board of Directors and their emoluments for presentation to the next Annual General Meeting.

Memberships of the Board Committees

The Board of Directors elected the members of the committees from amongst its number. Pirkko Juntti was elected chairman of the Audit Committee and Maarit Aarni, Christer Granskog and Reino Hanhinen as members. Jukka Viinanen was elected chairman of the Compensation Committee and Georg Ehrnrooth and Kiuru Schalin as members.

Environmental compliance

The EU’s internal emissions trading scheme, which was launched in 2005, includes the following Rautaruukki sites: in Finland, the Raahe Steel Works and the steam boilers of the Hämeenlinna Works. In Norway, a similar system has been developed, and it covers the Mo i Rana Steel Works and rolling mills.

In the initial allocation of free emission rights, Rautaruukki received a total of about 15.4 million tonnes for the period 2005-2007. The confirmed volume of carbon dioxide emissions for 2005 was 4.83 million tonnes. Last year the company’s steel production was adjusted in line with profitable demand, thereby also lowering carbon dioxide emissions. The difference between emission rights according to the initial allocation and actual emissions will be determined finally only after the close of the three-year period from 2005 to 2007. At this stage, however, it is not estimated that the purchase of emission rights will result in significant costs to the company’s steel production from the standpoint of overall operations.

Improvements in cost-effectiveness

Cost savings under the Ruukki United programme aiming at unifying and enhancing the company’s ways of working are expected to contribute about 150 million euros to consolidated operating profit by the end of 2008. About EUR 70 million worth of projects has been identified by the end of 2006, of which EUR 16 million had been implemented by the end of the report period.

The objective of the Ruukki United programme is to permanently free up about EUR 150 million of capital by the end of 2008. Some EUR 70 million of the programme to reduce tied-up capital had already been realised by the end of the report period.

The effects on staffing levels will be ascertained on a project-specific basis, and the reductions are expected to be made primarily by way of retirement and relocation.

Events after the reporting period

Rautaruukki signed in April an agreement to sell its Nordic reinforcing steel business to BT Norway AS. The price for the shares is EUR 123 million including a pre-closing dividend to Rautaruukki. The price equals approximately the book value of the divested companies and therefore the effect of the transaction is expected to be neutral to Rautaruukki’s consolidated financials. The price will be adjusted based on the accounts at closing. The divestiture will clarify Rautaruukki's corporate structure and will complete the arrangements started last year to exit from long steel products. The reinforcing steel business is a part Ruukki Metals division and it comprises Fundia Armeringsstål AS and Fundia Armering AS in Norway, Fundia Betoniteräkset Oy in Finland, Fundia Armering AB in Sweden and Fundia Armering A/S in Denmark. In 2005, net sales of the business were EUR 328 million and operating profit EUR 30 million. It had 689 employees at the end of last year. The transaction is subject to relevant regulatory approvals and it is expected to close by June 30, 2006.

The company agreed in April to purchase the Ukrainian company AZST-Kolor CJSC, which owns a colour coating production line in Antratsit, eastern Ukraine. The purchase price is EUR 4.5 million, plus the company's cash funds when the transaction is completed, an estimated EUR 0.45 million. The annual colour coating capacity of the company's production line is 80 000 tonnes. The purchase of AZST-Kolor serves Rautaruukki's construction customers in the growing markets of central eastern Europe, Russia and Ukraine. The transaction still requires the approval of competition authorities and the transaction is expected to be completed in May 2006.

Near-term outlook

The market situation in the Group’s core market areas and main customer industries has held up well in the early months of the year. The construction season is getting under way and customers of the engineering industry still have strong order books. Demand is expected to remain firm within construction and the engineering industry, and prices of steel products are set to strengthen further over the spring and summer. Costs of the raw materials used in steel manufacture are estimated to remain at the level seen in the second half of 2005.

The Group's full-year net sales in 2006 are expected to be higher than comparable net sales in 2005. Operating profit in the first half of 2006 is estimated to be at the good level posted in the second half of last year and to improve somewhat during the latter part of the year. The most significant factors of uncertainty relate to the way in which the steel product markets in Asia move and to the general trend in the world economy.

This Interim Report has not been audited.

Helsinki, 26 April 2006

Rautaruukki Corporation

Board of Directors

DIVISIONS

Ruukki Construction

EUR million	I/2005	II/2005	III/2005	IV/2005	2005	I/2006
Net sales	88	137	170	155	550	133
Operating profit	9	22	39	17	86	8
- % of net sales	10	16	23	11	16	6

In January-March 2006, Ruukki Construction had net sales of EUR 133 million (88), an increase of 51 per cent on the same period of 2005. Net sales growth was driven not only by acquisitions, but also by the active efforts to expand selected business areas. The division's share of consolidated net sales was 16 per cent (9). The division posted operating profit of EUR 8 million (9).

Sales of systems and integrated systems for industrial, commercial and logistics premises have grown substantially in central eastern Europe, Russia and Ukraine compared with the same period a year earlier. The sales growth is the result of both continued strong demand and the acquisitions that have been carried out. Demand for roofing products in the entire market area as well as for infrastructure projects, particularly in Finland, has been slow during the winter period, as expected. The construction season that will get under way in the second quarter is expected to generate increased demand within building construction and infrastructure projects in the entire market area, with particularly robust demand in central eastern Europe, Russia and Ukraine.

Two acquisitions were completed at the beginning of the current year, bringing an increase in Ruukki's manufacturing know-how within steel structures and significantly strengthening design and project expertise in the construction industry. PPTH, the leading steel constructer in the Nordic countries, was made a part of Ruukki Construction as from 1 January 2006, and Slovakia's leading steel constructer, Steel-Mont, was added to the division after the close of the report period, effective from 1 April 2006.

The purchase of Ventall, Russia's leading steel constructer, was announced at the end of the report period. The transaction is still contingent on approval by the competition authorities, and it is expected to be completed in May. Ventall is a strategically important step in expanding the solutions business. The company will bring Ruukki a strong position in Russia's growing construction market as well as a local manufacturing presence within steel structures and sandwich panels. Ruukki's and Ventall's design expertise in the area of steel structures and mutually complimentary building components will bring a significant increase in Ruukki's service ability in the main customer segments in Russia and will also support growth in Ukraine.

The construction of a new factory that is under way in Hungary has progressed in line with plans. The factory will significantly increase Ruukki's ability to deliver key construction components in the strategically important markets of central eastern Europe.

Ruukki Engineering

EUR million	I/2005	II/2005	III/2005	IV/2005	2005	I/2006
Net sales	124	114	101	137	476	132
Operating profit	22	23	23	27	96	25
- % of net sales	18	21	23	20	20	19

Ruukki Engineering had net sales in January-March 2006 of EUR 132 million (124), up 6 per cent on the same period of 2005. Comparable net sales in 2005 amounted to EUR 103 million on which growth was 28 per cent. The higher net sales were attributable both to the continued good market situation and the acquisition that was made towards the end of 2005. The division accounted for 15 per cent of consolidated net sales (12, comparable 15). The division reported operating profit of EUR 25 million (22, comparable 21).

Customers in the lifting, handling and transportation equipment industry had strong order books, and this was reflected in the good demand for deliveries by Ruukki. Demand in the paper and wood processing industries has held up well and there has been strong growth in the wind power plant market. Order inflow in the marine and off-shore industries has also been at a very good level.

Ruukki's concept for producing and delivering parts, components and systems for the needs of customers in the engineering industry has awakened growing interest and, notably, sales of operator cabins have nearly doubled during the first part of the year compared with the first quarter of 2005. Capacity is presently being almost doubled to keep up with the increased demand and to boost the efficiency of operator cabin production. The building of new production facilities in Kurikka has progressed according to plans and the expanded capacity will come on stream during April.

Quenching capacity for steel plates will be raised at the production unit in order to increase deliveries of components made from high-strength steels.

Ruukki Metals

EUR million	I/2005	II/2005	III/2005	IV/2005	2005	I/2006
Net sales	802	686	541	596	2625	591
Operating profit	180	147	69	91	486	77
- % of net sales	22	21	13	15	19	13

Ruukki Metals' net sales in January-March 2006 totalled EUR 591 million (802), a decrease of 26 per cent, due largely to the non-inclusion in the division's figures, as from 1 May 2005, of the units that were transferred to Ovako. Comparable net sales in 2005 were EUR 632 million. Compared with this figure, first-quarter net sales in 2006 were down 6 per cent, owing to lower deliveries compared with the first quarter of 2005, when deliveries were at a record-high level as demand was exceptionally high and wholesalers built up their stocks. The division accounted for 69 per cent of consolidated net sales (79, comparable 77). Operating profit was EUR 77 million (180, comparable 143). The drop in profitability was attributable to the marked rise in raw material costs as well as to the somewhat lower price level of flat steel products in relation to the comparison period.

Demand has held up well in the most important customer industries in all the core markets. The slowdown in activity within construction and the light engineering industry in the first quarter was most pronounced in the Baltic and Russian markets. In central eastern Europe, the market situation was very good. In western central Europe, stock levels have normalised and the market situation has strengthened. Improvement of the sales structure is continuing in the West European market, with a greater emphasis on deliveries of special products.

Capital expenditures aiming at increasing the ability to deliver ultra-high-strength steels are moving ahead as planned.

Ruukki Production

1000 tonnes	I/2005	II/2005	III/2005	IV/2005	2005	I/2006
Steel production	1176	982	765	888	3813	888
- excluding Ovako	883	897	765	888	3434	888

Steel output in January–March was 888,000 tonnes. The comparative figure for 2005, excluding the units transferred to Ovako, was 883,000 tonnes.

Prices of raw materials used in steel manufacture rose significantly in 2005. The impact of higher prices began to be felt to the full extent towards the end of the second quarter. In January-March of the current year, raw material costs were at the level of the latter half of last year. The price of zinc, which is used in galvanising steel, has risen by 50 per cent from the previous quarter. About 40,000 tonnes of zinc is used annually. The hedging agreements that have been taken out will dampen the effect on costs of fluctuations in the market price.

The ongoing investments at the production unit with the aim of strengthening the company's ability to deliver ultra-high-strength steels are moving ahead according to plans. The capital expenditures will give a special boost to Ruukki Engineering's business in the fast-growing lifting, handling and transportation equipment industry, and they will also make it possible to increase the proportion of ultra-high-strength steels in Ruukki Metals' sales. The new coiler for the hot strip mill will go into operation in August of this year, and the quenching equipment for heavy plate production will be in use in summer 2007.

TABLES

Individual figures and grand totals presented in the tables have been rounded off to full millions of euros from exact figures, which mean that when added together or subtracted they will not always tally. The comparable figures 1-3/05 have been adjusted to correspond to the Group's present treatment of emission rights. The figures in the tables are unaudited.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONDENSED)

EUR million	1-3/06	1-3/05	1-12/05
Net sales	856	1014	3654
Other operating income	5	15	28
Operating expenses	-729	-786	-2908
Depreciation	-37	-42	-156
Operating profit	95	201	618
Financing income and expenses	-6	-9	-30
Share of results in associated companies	13	2	23
Profit before taxes	101	194	612
Taxes	-24	-49	-157
Net profit	77	145	455
Attributable to:			
Equity holders of the company	77	145	455
Minority interest	0	0	0
Diluted earnings per share, e	0.56	1.06	3.31
Basic earnings per share, e	0.57	1.07	3.35
Operating profit, % of net sales	11.1	19.8	16.9

CONSOLIDATED BALANCE SHEET (CONDENSED) EUR million	31.3. 2006	31.3. 2005	31.12. 2005
ASSETS			
Non-current assets	1 439	1 398	1 476
Current assets			
Inventories	473	675	534
Trade and other receivables	559	657	528
Cash and cash equivalents	179	68	163
Non-current assets held for sale*	174		
	2 825	2 798	2 701
EQUITY AND LIABILITIES			
Equity			
Capital attributable to the Company's equity holders	1 408	1 176	1 497
Minority interest	1	1	1
Non-current liabilities			
Interest bearing	360	598	372
Other	221	247	194
Current liabilities			
Interest bearing	108	101	132
Trade creditors and other liabilities	672	675	505
Liabilities related to non-current assets held for sale*	56		
	2 825	2 798	2 701

* As non-current assets held for sale, the Group has classified the Nordic reinforcing steel business, of which Rautaruukki in April has signed an agreement to sell.

CASH FLOW STATEMENT (CONDENSED)

EUR million	1-3/06	1-3/05	1-12/05
Net profit	77	145	455
Adjustments	54	113	333
Cash flow before working capital changes	131	258	788
Change in working capital	6	-84	0
Financing items and taxes	-36	-20	-137
Cash flow from operations	101	154	652
Cash flow from investing activities	-17	-23	-133
Cash flow before financing	84	131	519
Dividends paid	0	0	-109
Other net cash flow from financing	-51	-123	-307
Change in cash and cash equivalents	33	9	103

KEY FIGURES	1-3/06	1-3/05	1-12/05
Net sales, Me	856	1014	3654
Operating profit, Me	95	201	618
- % of net sales	11.1	19.8	16.9
Profit before taxes, Me	101	194	612
- % of net sales	11.8	19.1	16.7
Net profit, Me	77	145	455
- % of net sales	9.0	14.3	12.5
Return on capital employed*, %	29.5	33.7	32.8
Return on equity*, %	30.0	42.3	34.7
Equity ratio, %	50.2	42.2	56.0
Gearing ratio, %	19.6	53.6	22.8
Interest-bearing net debt, Me	276	631	341
Equity per share, e	10.31	8.67	10.98
Personnel on average	11,903	12,132	11 684
Number of shares	138,886,445	138,886,445	138,886,445
- not counting own shares	136,584,748	135,813,485	136,293,748
- diluted, average	137,719,905	137,213,485	137,377,120

* Based on previous 12 months

STATEMENT OF CHANGES IN EQUITY 1-3/2006
EUR million

	Attributable to equity holders of the Company						
	Share capital	Share premium account	Fair value and other reserves	Translation differences	Retained earnings	Total	Minority interest
EQUITY 1.1.	236	220	31	-5	1 016	1 497	1
Cash flow hedging							
Increase (hedging reserve)			32			32	
Deferred taxes			-8			-8	
Share-based compensation			1			1	
Treasury shares granted			-3		2	0	
Change in translation difference				0		0	
Dividend distribution					-191	-191	
Net profit					77	77	
EQUITY 31.3.	236	220	54	-5	904	1 408	1

STATEMENT OF CHANGES IN EQUITY 1-3/2005
EUR million

	Attributable to equity holders of the Company						
	Share capital	Share premium account	Fair value and other reserves	Translation differences	Retained earnings	Total	Minority interest
EQUITY 1.1.	236	220	4	-2	670	1 126	1
Cash flow hedging							
Increase (hedging reserve)			16			16	
Deferred taxes			-4			-4	
Change in translation difference				1		1	
Share-based compensation			1			1	
Dividend distribution					-109	-109	
Net profit					145	145	
EQUITY 31.3.	236	220	16	-1	705	1 176	1

NET SALES BY DIVISION

Me	1-3/06	1-3/05	Change %	2005
Ruukki Construction	133	88	+51	550
Ruukki Engineering	132	124	+6	476
Ruukki Metals	591	802	-26	2 625
Other units	0	0		3
Consolidated net sales	856	1 014	-16	3 654

OPERATING PROFIT BY DIVISION

Me	1-3/06	1-3/05	2005
Ruukki Construction	8	9	86
Ruukki Engineering	25	22	96
Ruukki Metals	77	180	486
Group management and other units	-15	-10	-50
Consolidated operating profit	95	201	618

NET SALES BY QUARTER

Me	I/05	II/05	III/05	IV/05	I/06
Ruukki Construction	88	137	170	155	133
Ruukki Engineering	124	114	101	137	132
Ruukki Metals	802	686	541	596	591
Other units	0	2	0	1	0
Consolidated net sales	1 014	939	812	889	856

OPERATING PROFIT BY QUARTER

Me	I/05	II/05	III/05	IV/05	I/06
Ruukki Construction	9	22	39	17	8
Ruukki Engineering	22	23	23	27	25
Ruukki Metals	180	147	69	91	77
Group management and other units	-10	-12	-17	-11	-15
Consolidated operating profit	201	180	114	123	95

NET SALES BY QUARTER (PRO FORMA) EXCLUDING UNITS TRANSFERRED TO OVAKO

Me	I/05	II/05	III/05	IV/05	I/06
Ruukki Construction	88	137	170	155	133
Ruukki Engineering	103	107	101	137	132
Ruukki Metals	632	633	541	596	591
Other units	0	2	0	1	0
Consolidated net sales	822	878	812	889	856

OPERATING PROFIT BY QUARTER (PRO FORMA) EXCLUDING UNITS TRANSFERRED TO OVAKO

Me	I/05	II/05	III/05	IV/05	I/06
Ruukki Construction	9	22	39	17	8
Ruukki Engineering	21	24	23	27	25
Ruukki Metals	143	135	69	91	77
Group management and other units	-10	-12	-17	-11	-15
Consolidated operating profit	163	169	114	123	95

NET SALES BY AREA

% OF NET SALES	1-3/06	1-3/05	2005
Finland	32	25	29
Other Nordic countries	35	31	30
Central eastern Europe	11	8	12
Other western Europe	20	33	26
Other countries	2	3	3

CONTINGENT LIABILITIES

Me	3/06	3/05	12/05
Mortgaged real estates	29	27	29
Given as pledges	18	0	19
Collateral given on behalf of			
associated companies	2	2	3
others	1	0	2
Leasing and rental liabilities	131	163	141
Other financial liabilities	4	1	4

VALUES OF DERIVATIVE CONTRACTS 31.3.2006, Me

CASH FLOW HEDGES INCLUDED IN HEDGE ACCOUNTING	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	70	-0.2
Zinc derivatives		
Forward contracts	35,925*	30.7
Electricity derivatives		
Forward contracts	2,173**	36.3

*tonnes
** GWh

The unrealised profit/loss of the cash flow hedges are booked to equity, if the hedge is effective. Other fair value changes are booked to profit and loss.

CASH FLOW HEDGES NOT INCLUDED IN HEDGE ACCOUNTING	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	290	-0.2
Foreign currency derivatives		
Forward contracts	587	3.1
Options		
Boughts	45	-0.2
Sold	45	0.7
	90	0.5

CHANGES IN PROPERTY, PLANT AND EQUIPMENT, Me

	1-3/06	1-3/05	1-12/05
Book value at the beginning of the period	1 033	1 192	1 192
Increases	18	20	84
Increases through acquisitions	11	0	19
Decreases	0	-1	-15
Decreases through divestments	0	0	-105
Depreciation	-34	-39	-144
Exchange differences	1	-4	4
Book value at the end of the period	1 029	1 168	1 033

TRANSACTIONS WITH RELATED PARTIES (ASSOCIATED COMPANIES), Me

	1-3/06	1-3/05	1-12/05
Sales to associated companies	8	14	59
Purchases from associated companies	14	16	56
Non-current receivables at the end of the period	38	3	39
Trade receivables and other receivables at the end of the period	10	11	13
Trade creditors and other liabilities at the end of the period	8	5	6

INVESTMENT COMMITMENTS* Me	after 31 March 2006
Maintenance investments	70
Development investments and outlays on special products	62
Total	132

*Investment commitments include the estimated costs of projects that have received a go-ahead permit.

INFORMATION ON ACQUISITIONS

Acquisition of PPTH Steelmanagement Oy, Me	
Acquisition cost	7
Acquired entities' assets and liabilities (book value)	
Non-current assets	12
Current assets	
Inventories	2
Trade receivables and other receivables	21
Cash and cash equivalents	2
Total assets	38
Non-current liabilities	
Interest-bearing	18
Other	2
Current liabilities	
Interest-bearing	6
Other	13
Total liabilities	39
Goodwill from acquisition	9

The acquisition has been recorded on a preliminary basis in the manner permitted under IFRS 3. The determination of the fair value of assets and liabilities is still incomplete when the interim report is published.

Steel-Mont has been consolidated in the Group's financial statements from 1 April 2006. The determination of the fair value of assets and liabilities is still incomplete when the interim report is published.

ADDITIONAL INFORMATION

President and CEO Sakari Tamminen, tel. +358 20 592 9075
CFO Mikko Hietanen, tel. +358 20 592 9030

Rautaruukki Corporation

Taina Kyllönen
VP, Corporate Communications

Ruukki supplies metal-based components, systems and integrated systems to the construction and mechanical engineering industries. The company has a wide selection of metal products and services. Ruukki has operations in 23 countries and employs 12,000 people. Net sales in 2005 totalled EUR 3.7 billion. The company's share is quoted on the Helsinki Exchanges (Rautaruukki Corporation: RTRKS). The Corporation has used the marketing name Ruukki since 2004.

www.ruukki.com