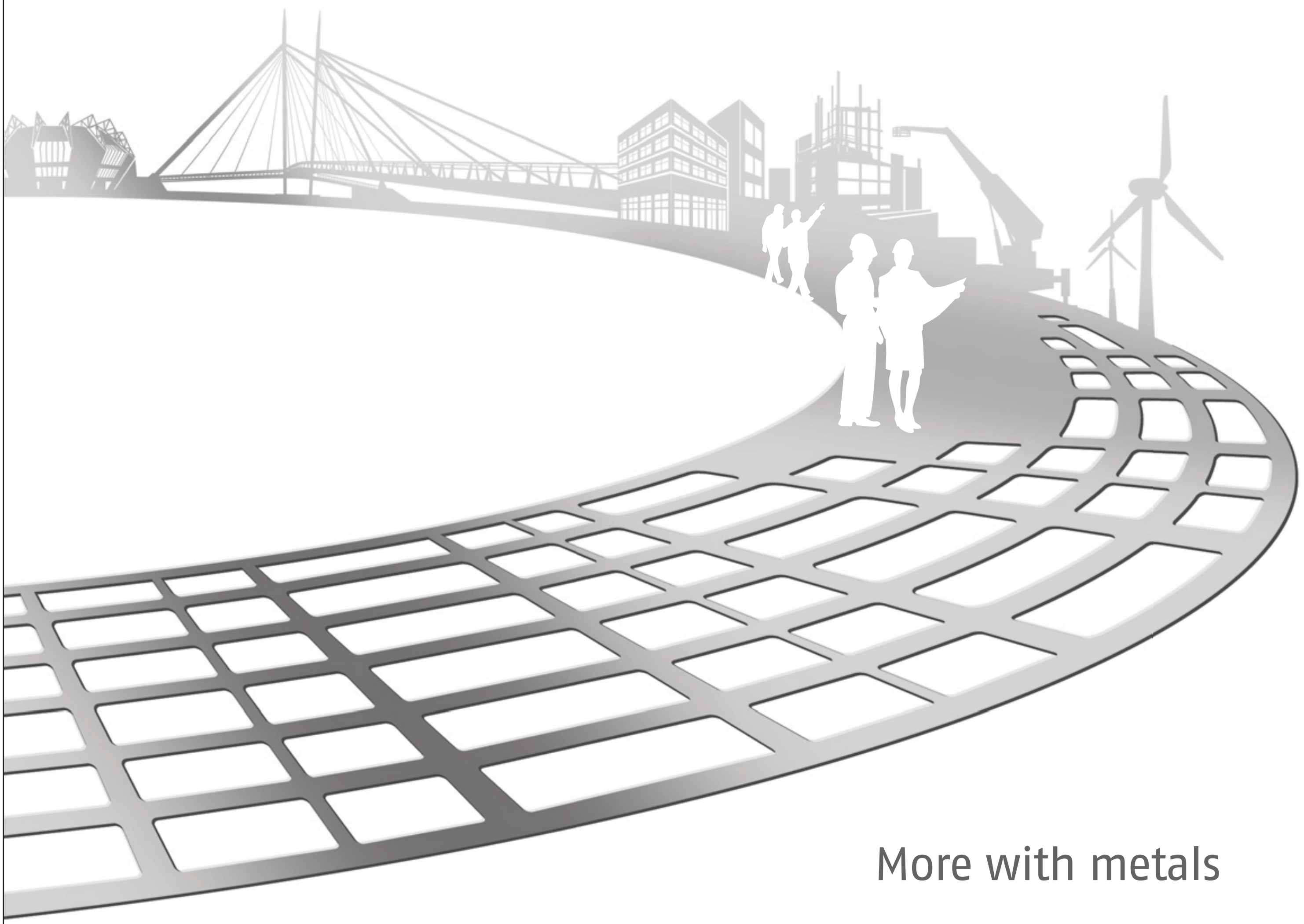
Q2

Rautaruukki Corporation

Interim Report
1 January–30 June 2010
RTRKS

16 July 2010



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Rautaruukki Corporation Interim report 16 July 2010 at 9.00 EEST

Interim report for January-June 2010: Order intake up, significant improvement in profitability

First half of 2010 in brief (reference period January-June 2009)

- Order intake during January-June worth EUR 1,103 million, up around 26 per cent year on year.
- Order intake during the second quarter was EUR 596 million, up 33 per cent year on year.
- Consolidated comparable net sales for January-June up 26 per cent at EUR 1,147 million (911).
- Comparable net sales for second quarter up 50 per cent year on year at EUR 647 million (430).
- Consolidated comparable operating profit for January-June was EUR 26 million (-215), equating to 2.2 per cent of net sales (-23.6).
- Comparable operating profit for second quarter was EUR 59 million (-106), equating to 9.2 per cent of net sales (-24.6), including EUR 25 million arising from USD hedging.
- Result before income tax for January-June was -EUR 16 million (-249), equating to -1.3 per cent of net sales (-26.4).
- Result before income tax for second quarter was EUR 28 million (-127), equating to 4.3 per cent of net sales (-29.1).
- Net sales in 2010 are estimated to grow 25-30 per cent year on year (previous estimate 15-20 per cent). Profitability is expected to improve significantly compared to the previous year and the full-year result before income tax is estimated to be positive.

KEY FIGURES

	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Reported net sales, EUR m	655	438	1 160	944	1 950
Comparable net sales, EUR m	647	430	1 147	911	1 901
Reported operating profit, EUR m	34	-117	-2	-230	-323
Comparable operating profit, EUR m	59	-106	26	-215	-288
Comparable operating profit as % of net sales	9.2	-24.6	2.2	-23.6	-15.2
Result before income tax, EUR m	28	-127	-16	-249	-359
Net cash flow before financing activities, EUR m	-38	-36	-125	-6	30
Earnings per share, EUR	0.14	-0.68	-0.09	-1.33	-1.98
Return on capital employed (rolling 12 mths), %			-4.4	1.9	-14.2
Gearing ratio, %			35.9	22.9	22.3
Personnel on average	11 632	12 870	11 733	13 165	12 664

President & CEO Sakari Tamminen:

“The global economy and industrial production continued growing during the second quarter. Private investment demand though was still modest in most of the countries in which Ruukki operates. However, our delivery volumes and selling prices showed favourable development and our comparable net sales were 50 per cent up year on year. Cost savings made and a more favourable business environment than earlier have resulted in a further improvement in our profitability, although this was mainly in the steel business. During the second quarter, USD hedging had a positive impact of EUR 25 million on profit and loss and, in addition, still relatively moderate product costs improved the profitability of the steel business.

The encouraging improvement in the business environment can be seen not only in the steel business, but also in the number of new orders in construction and, to some extent, also in the engineering business. Our order intake during the second quarter was almost EUR 600 million. Although this is up by a third compared to a year earlier, we are still far short of order volumes during our best years.

Orders in the construction business were up by more than a fifth during the second quarter compared to last year. However, commercial and industrial construction, our largest segment in construction in terms of net sales, remained modest. On the other hand, in Russia and Central Eastern Europe, especially in Poland and the Czech Republic, the order intake rate in this sector began to improve during the second quarter. Strong net sales growth in infrastructure construction continued as a result of Nordic road and railway projects and active deliveries of piles for foundation construction. On top of this, there was also continued good demand for roofing products in residential construction.

The activity of many of our customer industries in the engineering business improved, but was still at a clearly lower level than a couple of years ago. During the second quarter, order flows from customers of cabins for mobile machines and from frame and boom component customers grew somewhat. Activity in the manufacture of equipment for the energy industry was low, but picked up slightly for wind power towards the end of the report period. The capacity utilisation rate in the engineering business was still low. To improve operational efficiency, we have developed the manufacturing network of our engineering business especially in Central Eastern Europe and China.

Delivery volumes and selling prices in the steel business gave momentum to the increase in consolidated operating profit. Our strong focus on special steel products competence can be clearly seen in our steel business and sales of special steel products showed good development. Demand for special steel products was good in a number of sectors - including the manufacture of equipment for the mining industry and in the heavy vehicle industry - as well as in our new markets in China, Turkey and Brazil.

Our cost competitiveness is now much healthier than in previous years. Our actions to improve efficiency have progressed much faster than planned and we estimate the actions we have already initiated to date will result in an annualised improvement of EUR 149 million in the company's operating profit. We will continue improving our cost efficiency. During the current year we will especially focus on strengthening sales and marketing.

Based on a number of indicators, economic growth is expected to continue in our main market areas. However, there are also factors that give cause for concern as regards continued growth. As a result of higher delivery volumes and selling prices, we have raised out net sales forecast for this year. We also estimate that product costs will rise higher than previously forecast. We estimate net sales in 2010 to grow 25-30 per cent year on year (previous estimate 15-20 per cent). Profitability is expected to improve significantly compared to the previous year and the full-year result before income tax is estimated to be positive"

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A press conference, in English, for **analysts and the media** will be held on 16 July 2010 at 10.30 Ruukki, Suolakivenkatu 1, 00810 Helsinki.

A **live webcast** of the conference and presentation by the company's President & CEO Sakari Tamminen may be followed online on the company's website at www.ruukki.com/investors. The event can also be attended through a **conference call**. To attend the conference call, please call the following number 5-10 minutes before the scheduled start time: +44 (0)20 7162 0025, password: Rautaruukki Corporation

A replay of the webcast can be viewed on the company's website from approximately 16.00. An encore replay of the conference call will be available until 23 July 2010 at +44 (0) 20 7031 4064, access code: 868002

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 11,700 people. Net sales in 2009 totalled EUR 2.0 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

DISTRIBUTION:
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RAUTARUUKKI CORPORATION'S INTERIM REPORT FOR JANUARY-JUNE 2010

Business environment

Recovery of the global economy continued during the second quarter of the year mainly on the back of brisk growth in the emerging economies. Economic growth in Europe remained slower than in the rest of the world. A culmination of the Greek debt crisis in particular fuelled uncertainty on the financial markets. However, the impact of this increased uncertainty seems to have been contained for now since bailout packages from other euro-zone countries and the International Monetary Fund, together with austerity programmes announced by countries with high debts, have calmed the markets.

A number of indicators show that also in Europe economic growth picked up slightly during the second quarter. In Finland, economic development improved more slowly than in the rest of Europe even though international demand picked up and a weaker euro helped exports. Industrial production continued growing, but private investment demand was still modest in most of the countries in which Ruukki operates.

Weak investment demand kept demand for commercial and industrial construction in particular relatively quiet. There were signs of private investments picking up in Russia during the second quarter and at Ruukki this was reflected in increased tendering activity. Seasonal demand for residential roofing products rose sharply in all Ruukki's market areas during the second quarter. Road and railway construction in the Nordic countries continued at a good level during April-June.

In the engineering industry, order flows of Ruukki's main customers grew during the early part of the year, even though they were still at a low level compared to previous years. Demand continued to pick up especially in the manufacture of mining and forest machinery and materials handling equipment. In the wind power industry, funding difficulties of new wind farm projects have temporarily weakened demand, although towards the end of the second quarter investment activity increased. Market conditions remained weak in shipbuilding.

In the steel industry, demand in Europe is still at a fairly low level despite continuing recovery during the second quarter. Monthly crude steel production in the EU-27 region still grew somewhat during April-May compared to the level in the first quarter of the year. In Finland, capital goods account for a large share of overall steel consumption and consequently demand in Finland recovered much more slowly than in many other countries. Stock levels of steel wholesalers in Europe during April-May grew at the same rate as sales. In other words, stocks grew in line with real demand.

Order intake and backlog

The company's order intake during the second quarter was EUR 596 million, which is 33 per cent higher year on year and 18 per cent higher quarter on quarter. Order flow in the steel business developed particularly well compared to the previous year. Order flow in Central Eastern Europe and Russia showed highest relative growth corporate-wide. Compared to the first quarter of the year, the highest growth in order intake was in residential roofing products and infrastructure construction products and components within the construction business.

Order backlog at the end of the report period was somewhat higher compared to June 2009 and at about the same level as at the end of March 2010.

Net sales

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

Consolidated comparable net sales for the second quarter were EUR 647 million (430), up 50 per cent year on year. Higher comparable net sales were attributable especially to larger delivery volumes of steel products. Reported net sales were EUR 655 million (438). The impact of Ruukki Engineering's Mo i Rana unit in Norway has been eliminated from comparable net sales. Operations at the Mo i Rana unit were discontinued in mid-May until further notice.

Consolidated comparable net sales for January-June 2010 were EUR 1,147 million (911) and reported net sales EUR 1,160 million (944). The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 32 per cent (49) of consolidated comparable net sales.

NET SALES BY BUSINESS AREA

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Comparable net sales					
Ruukki Construction	163	145	272	278	589
Ruukki Engineering	50	67	92	167	263
Ruukki Metals	434	218	782	467	1 050
Corporate management	1	0	1	0	0
Comparable net sales, total	647	430	1 147	911	1 901
Items affecting comparability included in reported net sales	7	8	13	33	49
Reported net sales	655	438	1 160	944	1 950

Consolidated comparable net sales for the second quarter rose year on year in all market areas. Net sales in the company's new market areas showed the strongest relative net sales development and net sales from areas outside Europe accounted for 9 per cent (3) of the company's comparable net sales. Finland accounted for 26 per cent (33).

NET SALES BY REGION

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Comparable net sales					
Finland	166	142	307	304	586
Other Nordic countries	198	139	354	305	592
Central Eastern Europe	70	54	114	104	231
Russia and Ukraine	50	32	78	58	141
Rest of Europe	104	51	204	105	241
Other countries	59	12	90	35	110
Comparable net sales, total	647	430	1 147	911	1 901
Items affecting comparability included in reported net sales	7	8	13	33	49
Reported net sales	655	438	1 160	944	1 950

Operating profit

Consolidated comparable operating profit for the second quarter was EUR 59 million (-106), equating to 9.2 per cent of net sales (-24.6). Higher comparable operating profit year on year was mainly attributable to larger delivery volumes of steel products and an improved capacity utilisation rate in steel production. A positive impact on profit and loss of EUR 25 million arising from USD hedging was booked for the second quarter.

Reported operating profit for the second quarter was EUR 34 million (-117). The items affecting comparability of reported operating profit are detailed in the table at the end of the Summary financial statement and notes section.

Consolidated comparable operating profit for January-June was EUR 26 million (-215), equating to 2.2 per cent of net sales (-23.6) and reported negative operating profit was -EUR 2 million (-230).

OPERATING PROFIT BY BUSINESS AREA

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Comparable operating profit					
Ruukki Construction	-10	-9	-31	-22	-49
Ruukki Engineering	-9	4	-14	12	2
Ruukki Metals	81	-97	77	-199	-228
Corporate management	-3	-4	-7	-7	-13
Comparable operating profit, total	59	-106	26	-215	-288
Items affecting comparability included in reported operating profit	-25	-11	-28	-14	-35
Reported operating profit	34	-117	-2	-230	-323

Financial items and result

Consolidated net finance costs during January-June totalled EUR 14 million (19). Net interest costs totalled EUR 14 million (13).

Group taxes for January-June were -EUR 3 million (-65), which includes a decrease of EUR 8 million (61) in deferred tax.

The net result for January-June was -EUR 13 million (-184).

Earnings per share were -EUR 0.09 (-1.33)

Balance sheet, cash flow and financing

Total assets at 30 June 2010 were EUR 2,654 million (2,488). Equity at 30 June 2010 was EUR 1,446 million (1,587), equating to EUR 10.41 per share (11.43). Equity has decreased by EUR 61 million since the end of 2009 mainly because of the dividend payout in April.

The equity ratio at 30 June 2010 was 55.2 per cent (64.3) and the gearing ratio was 35.9 per cent (22.9). Net interest-bearing financial liabilities at 30 June 2010 were EUR 519 million (364).

Return on equity during the past twelve months was -6.8 per cent (-0.5) and return on capital employed was -4.4 per cent (1.9).

Net cash flow from operating activities during January-June was -EUR 41 million (82) and net cash flow before financing activities was -EUR 125 million (-6). EUR 47 million was tied up (EUR 215 million released) in net working capital during the first half of the year.

During the second quarter of 2010, the company signed new long-term loan agreements. A loan of EUR 50 million was agreed with the Nordic Investment (NIB) and a loan of EUR 140 million with the European Investment Bank (EIB). These loans will be used to finance the investments to modernise the blast furnaces at the Raahe Steel Works in Finland and the environmental investments being made in the same context.

At 30 June 2010, the group had liquid assets of EUR 141 million and untapped committed credit limits and credit facilities of EUR 490 million.

Actions to improve operational efficiency

In October 2008, Ruukki initiated its corporate-wide Boost programme, which aims at permanently improving the company's competitive edge and profitability. The programme aims at an annualised improvement of EUR 150 million in the company's operating profit. The programme has progressed faster than originally planned and the annualised impact of actions initiated was estimated to be EUR 149 million at the end of the report period. Under the original plan, it was estimated the benefits sought by the programme would be achieved by the end of 2011.

The largest single benefits have been achieved from the centralisation of steel service centre operations in the Nordic countries and improved efficiency in the supply chain and construction business.

During the second quarter, Ruukki continued to improve operational efficiency by reorganising production at the Anderslöv site in Sweden. It is planned to transfer the production of profiled construction products from Anderslöv to other Ruukki units.

Operations at the Mo i Rana unit in Norway were discontinued in mid-May until further notice. At the end of June, the company announced it was to improve the efficiency of its engineering business by concentrating boom manufacturing. This will mean switching boom manufacturing at the Dortmund unit in Germany to other Ruukki units which already make booms for mobile machines. This move will result in closure of the Dortmund unit at the end of October 2010.

Even though the EUR 150 million target in the Boost operational excellence programme has almost been achieved, projects will continue as planned. The focus of the programme will gradually shift away from production, sourcing and logistics projects to especially the sales, marketing and technology fronts.

Capital expenditure

Net cash used in investing activities during January-June was -EUR 84 million (-89).

Capital expenditure on tangible and intangible assets during the first half of the year totalled EUR 90 million (88), of which maintenance investments accounted for EUR 74 million (35). EUR 1 million (7) was spent on acquisitions. Proceeds from the disposal of fixed assets amounted to EUR 8 million (9).

Depreciation during the report period was EUR 74 million (72).

Group capital expenditure on tangible and intangible assets in 2010 is expected to be in the region of EUR 180 million.

Investments to modernise the blast furnaces and change the feedstock base total around EUR 210 million and environmental investments being made in the same context will total a further EUR 60 million. Around EUR 115 million of the total investments are expected to be scheduled for 2010, around EUR 100 for 2011 and around EUR 10 million for 2012. EUR 46 million of the investments were made during 2009.

Personnel

The group employed an average of 11,733 persons (13,165) during January-June and at 30 June 2010, the headcount was 12,214 (12,855). At 30 June 2010, 56 per cent (52) of Ruukki's personnel worked in Finland. The headcount in Finland increased due to temporary summer workers, which totalled 948 (437) at the end of June.

PERSONNEL BY REGION

	30 Jun 2010	30 Jun 2009	31 Dec 2009
Finland	6 841	6 699	5 905
Other Nordic countries	856	1 152	1 023
Central Eastern Europe	2 059	2 427	2 163
Russia and Ukraine	2 087	2 223	2 214
Rest of Europe	94	81	79
Other countries	277	273	264
Total	12 214	12 855	11 648

Safety measured in terms of accidents per million hours worked weakened slightly year on year during the first six months of 2010 and was 8 (7).

Shares and share capital

During the first half of the year, 109,017 thousand (114,359) Rautaruukki Oyj shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 1,621 million (1,612). The highest price quoted was EUR 17.44 in January and the lowest was EUR 11.97 in June. The volume weighted average price was EUR 14.86. The share closed at EUR 12.02 (14.25) at 30 June 2010 and the company had a market capitalisation of EUR 1,686 million (1,999).

Rautaruukki's share is also traded on multilateral trading facilities (MTF). According to information received by the company, a total of 22,017 thousand Rautaruukki shares were traded on multilateral trading facilities during January-June for a total of EUR 324 million.

The company's registered share capital at 30 June 2010 was EUR 238.5 million and there were 140,285,425 shares issued.

At 30 June 2010, the company held 1,421,575 treasury shares, which had a market capitalisation of EUR 17.1 million and an accountable par value of EUR 2.4 million. Treasury shares accounted for 1.01 per cent of the total number of shares and votes.

The 2009 Annual General Meeting granted the Board of Directors the authority to decide on a share issue, which includes the right to issue new shares or to transfer treasury shares held by the company. This authority applies to a maximum of 15,000,000 shares in total. The Board of Directors has the right to disapply the pre-emption right of existing shareholders. The authority also includes the right to decide on a bonus issue. The authority is valid until the close of the 2011 Annual General Meeting. The Board of Directors had not exercised this authority by the end of June 2010.

The 2010 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 close of the following Annual General Meeting. The Board of Directors had not exercised this authority by the end of the report period.

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.

Energy and the environment

The environmental reviews 2009 for the Raahe and Hämeenlinna works were published in Finnish and summaries in English at the start of June. The reviews describe Ruukki's actions to promote energy and material efficiency and to reduce environmental impacts. In addition, the reviews include information about the state of the environment in the works' surroundings. The reviews and English summaries together with more information about other environmental matters can be found on the company's website.

Litigation and other pending legal actions

On 30 June 2010, the European Commission completed its investigations into dozens of companies manufacturing prestressing steel. In accordance with the Commission decision, a total of 17 European steel producers received fines for price collusion between competitors during the years 1984-2002. The Commission ordered fines totalling EUR 518 million on the companies involved. The prestressing steel business practised during 1997-2001 by Rautaruukki's former subsidiary, Fundia, was included in the investigation. Rautaruukki sold its interest in Fundia to Ovako in 2005-2006. Rautaruukki, Fundia's owner at the time, has been, jointly and severally with the Ovako companies concerned, ordered to pay a fine of EUR 4.7 million. Rautaruukki will examine the grounds for the Commission decision and evaluate any further action warranted.

Judgment was reached on 15 January 2010 in proceedings instigated in Sweden in a case concerning safety at work as a result of a serious accident in 2008 at the Kista Galleria construction site. All the prosecutor's claims against the company's employee and Ruukki Sverige AB were dismissed. During the second quarter, the insurance company reached a claims settlement decision and agreement regarding costs was reached by the parties concerned. This had no significant impact on profit and loss.

BUSINESS AREAS

RUUKKI CONSTRUCTION

- Demand for residential roofing products picked up clearly during the second quarter
- More orders in commercial and industrial construction than earlier in Russia and Central Eastern Europe, overall demand still at a low level
- Continued strong infrastructure construction

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Net sales	163	145	272	278	589
Operating profit	-10	-9	-31	-22	-49
as % of net sales	-5.9	-6.3	-11.2	-8.0	-8.3
Personnel at end of period			4 009	4 512	4 235

Order intake and backlog

Ruukki Construction's order intake during the second quarter of the year was up by over 20 per cent year on year and by over 70 per cent quarter on quarter. Especially in residential roofing products, order flow picked up in all market areas during April-June. Overall order intake in commercial and industrial construction remained low. However, the severe winter in the early part of the year pushed back commercial and industrial construction projects in Central Eastern Europe from the first to the second quarter. Consequently the order flow in this market area grew. In Russia, the order flow in commercial and industrial construction began to show slight improvement also in the retail, logistics and light industry sectors. As in previous quarters, order intake in infrastructure construction was good.

The order backlog in the construction business at the end of June was over 20 per cent higher year on year and quarter on quarter.

Net sales

Ruukki Construction's net sales for the second quarter were up 12 per cent year on year at EUR 163 million (145).

During April-June, sales of residential roofing products picked up clearly quarter on quarter and delivery volumes were also slightly higher year on year. Demand for roofing products picked up especially in Central Eastern Europe, where a severe winter kept deliveries at an exceptionally low level during the first quarter. Sales were also up in other market areas.

Delivery volumes in commercial and industrial construction remained comparatively low during April-June. Growth in demand was slower especially in Finland and the Baltics than in other countries. In Russia, deliveries especially for the construction of agricultural buildings grew during the course of the second quarter.

In infrastructure construction, net sales for the second quarter were up 55 per cent year on year. Net sales grew on the back of continued brisk deliveries of pile structures for Nordic road and railway projects and building construction.

Selling prices in April-June were slightly higher than during the first quarter, but still at a lower level year on year.

Ruukki Construction's net sales for January-June were slightly down year on year at EUR 272 million (278). The construction business accounted for 24 per cent (30) of consolidated comparable net sales. Net sales decreased year on year particularly due to low demand in commercial and industrial construction in the first quarter of the year. Because of a weak first quarter, net sales in residential roofing products were also slightly down. In contrast, there was a clear rise in net sales in infrastructure construction.

Residential roofing products accounted for 16 per cent (17) of net sales in the construction business for January-June and infrastructure construction products accounted for 23 per cent (15).

Operating profit

Ruukki Construction posted a negative operating profit of -EUR 10 million (-9) for April-June. Although still negative because of a low capacity utilisation rate, operating profit improved significantly quarter on quarter mainly because of increased delivery volumes. Higher prices of steel and partly also of other raw materials impacted on profitability, since it was still not possible during the second quarter to fully compensate for higher costs by increasing selling prices.

Operating profit for January-June was -EUR 31 million (-22). Operating profit was down year on year because of exceptionally low delivery volumes and a low capacity utilisation rate during the first quarter, higher raw material costs during the second quarter and lower selling prices.

Operational development

During April-June, Ruukki continued improving the efficiency of its operations by reorganising production at Anderslöv in Sweden. There are plans to transfer the production of profiled construction components from Anderslöv to Vimpeli in Finland and Zyrardov in Poland. As a result of these planned efficiency measures, employer-employee negotiations regarding possible workforce reductions were initiated at the Anderslöv plant. A total of around 120 persons are affected by the negotiations and it is estimated a workforce reduction of approximately of 60 persons is required.

Major orders

In April, Ruukki agreed a steel structure contract and delivery of the foundation piles for the new Pekkala bridge to be built in Joensuu, Finland. In addition, Ruukki will supply the pipe piles for a total of ten bridges and underpasses. Deliveries of the foundation piles began in April. Fabrication of the load-bearing structures will begin in summer 2010 and installation will start in autumn 2010. The deliveries are worth about EUR 2.5 million.

In May, Ruukki was chosen as the steel structure contractor for an extensive production facility in Sweden. Ruukki is to deliver the frame and envelope structures, including on-site installation, for the 12,000 square metre, 300-metre long production facility. The contract also includes the design, including fabrication drawings, of the roof trusses and envelope structures. The work is scheduled for May-October 2010.

In June, Ruukki agreed a number of steel pipe pile deliveries for harbour projects in the Netherlands, France and the UK. One of the largest projects is an enlargement of the Port of Rotterdam, for which Ruukki will deliver the primary piles as ready-to-install components. Deliveries for all these harbour projects will take place mainly during the summer and autumn this year. The contracts are worth a total of almost EUR 8 million.

RUUKKI ENGINEERING

- Order flow from cabin customers improved in all customer segments during second quarter
- Capacity utilisation rate still low
- Business acquisition strengthened capability to deliver parts and components to equipment manufacturers for the wind power industry

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Comparable net sales	50	67	92	167	263
Net sales of Mo i Rana unit	7	8	13	33	49
Reported net sales	57	75	105	200	312
Comparable operating profit	-9	4	-14	12	2
Operating profit of Mo i Rana unit	-2	-6	-4	-9	-30
Expenses related to closure of Hässleholm, Oskarström and Dortmund units	-1	-5	-1	-5	-5
Reported operating profit	-12	-7	-20	-2	-33
Comparable operating profit as % of net sales	-17.7	5.7	-15.3	7.4	0.7
Personnel at end of period			1 858	2 020	1 770

Order intake and backlog

Order flow in the engineering business during the second quarter of the year was up almost 15 per cent year on year and almost 20 per cent quarter on quarter. New orders were secured from cabin customers mostly in equipment manufacture for the mining and forest machine industries, but also from manufacturers of materials handling equipment. Because of a few larger single orders from customers in the shipbuilding industry, order intake was clearly higher quarter on quarter.

The order backlog in the engineering industry was somewhat smaller year on year and also slightly smaller quarter on quarter.

Net sales

Ruukki Engineering's comparable net sales for the second quarter of the year were up 17 per cent quarter on quarter, but down year on year at EUR 50 million (67). Reported net sales were EUR 57 million (75). Operations at the Mo i Rana unit in Norway were discontinued in mid-May until further notice. However, during the second quarter, the unit still had deliveries worth EUR 7 million (8).

During April-June, cabin deliveries, especially to equipment manufacturers for the mining and forest machine industries, were up both year on year and quarter on quarter. Likewise, deliveries to manufacturers of materials handling equipment increased. The year-on-year decrease in second quarter net sales was mostly attributable to lower delivery volumes to equipment manufacturers for the wind power industry. Likewise, deliveries decreased to manufacturers of other equipment for the energy industry. Nevertheless, deliveries to these customer sectors were higher quarter on quarter. Deliveries of plates for shipbuilding were higher quarter on quarter, but decreased clearly year on year.

Ruukki Engineering's comparable net sales for the first half of 2010 were EUR 92 million (167) and accounted for 8 per cent (18) of consolidated comparable net sales. Reported net sales were EUR 105 million (200). Net sales were down year on year mainly as a result of a decrease in delivery volumes to equipment manufacturers for the wind power and other energy industry, shipbuilding and the manufacture of materials handling equipment.

Selling prices during the first half of the year were noticeably lower year on year, but rose to some extent towards the end of the second quarter on the back of higher steel prices.

Manufacturers of lifting, handling and transportation equipment accounted for 61 per cent (43) of comparable net sales of the engineering business during January-June and equipment manufacturers for the energy industry accounted for 17 per cent (34).

Operating profit

Ruukki Engineering posted a comparable negative operating profit of -EUR 9 million (4) for the second quarter of the year. Operating profit for the second quarter was burdened by low capacity utilisation rates at a number of units and by the start-up of cabin production at Holic, Slovakia. Also a few long-term contracts in shipbuilding were loss-making during the second quarter because of higher raw material costs. However most of these contracts expired at the end of June. Reported negative operating profit was -EUR 12 million (-7), which includes a -EUR 2 million negative operating profit made by the Mo i Rana unit, which has been discontinued until further notice, and a provision of EUR 1 million made for costs related to closure of the Dortmund unit in Germany.

Comparable negative operating profit for January-June was -EUR 14 million (12) and reported negative operating profit was -EUR 20 million (-2). The comparable operating loss was mainly due to low capacity utilisation rate and small delivery volumes. Lower selling prices year on year also weakened operating profit. Reported operating profit was weakened also by the poor performance of the Mo i Rana unit.

Operational development

In April, Ruukki strengthened its position in the wind power industry through acquisition of the lattice wind turbine tower design, erection and maintenance operations of the German company SeeBA Technik GmbH. The transaction will strengthen Ruukki's position as a supplier of high wind turbine towers.

In April, Ruukki announced it is to strengthen its global cabin manufacturing network in Central Eastern Europe and China. During the second quarter, cabin production started up at Holic in Slovakia. Cabins manufactured in Holic are mainly destined for the Central and Eastern European markets. Cabin deliveries from Holic will begin during the third quarter of 2010. Cabin product development is focused on the R&D centre of excellence in Kurikka, Finland.

At the end of June, Ruukki announced it is to improve the efficiency of its manufacturing network by further concentrating boom manufacturing. This will mean switching boom manufacturing at the Dortmund unit in Germany to other Ruukki units which already make booms for mobile machines. This move will result in closure of the Dortmund unit at the end of October 2010. The unit currently has 26 employees.

Major orders

In May, Ruukki and Cargotec strengthened cabin cooperation and signed a contract to start manufacturing and supplying cabins from Ruukki's units in Central Eastern Europe and China.

In May, Ruukki signed an agreement with Aker Solutions of Norway to supply 24 suction anchors and offshore steel plates. Deliveries will start in September 2010.

In June, Ruukki signed a letter of intent with the Norwegian company Aker Verdal AS to deliver steel structures for the Nordsee Ost wind farm project to be built offshore from Germany in the North Sea. Offshore wind turbine towers are anchored to the sea bed by huge piles and massive welded structures are used to fasten the wind turbine towers to their jacket foundations. Ruukki's delivery includes a total of 240 of these individual structures to anchor the towers and join the structures together. Manufacture of the steel structures will begin in the fourth quarter of this year and deliveries will last for about a year. The letter of intent has not been booked in order intake or the order backlog.

RUUKKI METALS

- Order intake in second quarter clearly up year on year
- Higher delivery volumes and selling prices during second quarter
- Sales of special steel products developed better than other product groups - good demand in new markets
- Modernisation of blast furnace 1 completed to schedule and blast furnace reached its target capacity utilisation rate in June

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Net sales	434	218	782	467	1 050
Comparable operating profit	81	-97	77	-199	-228
Expense caused by low utilisation rate related to blast furnace modernisation	-18		-18		
Reported operating profit	64	-97	60	-199	-228
Comparable operating profit as % of net sales	18.7	-44.4	9.9	-42.6	-21.7
Personnel at end of period			5 901	5 902	5 226

Order intake and backlog

Order intake during the second quarter of the year was up more than 40 per cent year on year and slightly higher quarter on quarter. Order flow of special steel products from new markets - China, Turkey and Brazil - showed good development. Order volumes of special steel products also from other market areas grew.

Order flows grew also in all other product groups year on year. Orders secured from Sweden and Russia showed highest relative growth. Compared to the first quarter of the year, orders for colour-coated and galvanised products from the construction industry developed especially well.

The order backlog in the steel business at the end of the report period was at the same level year on year, but slightly lower than at the end of March this year.

Net sales

Ruukki Metals’ net sales for April-June were EUR 434 million (218) or about double the figure year on year and 25 per cent higher quarter on quarter.

Demand improved during the second quarter and delivery volumes of steel products rose also compared to the early part of the year. Deliveries to the heavy engineering industry grew and deliveries to subcontractors in the automotive industry remained at a good level. Seasonal growth in demand in residential construction increased deliveries to the construction industry. Demand for steel products in Sweden has recovered much faster than in the other Nordic countries, whereas demand in Finland has been slower.

During April-June, sales of special steel products developed better than other product groups. Growth in demand continued in a number of sectors - such as the manufacture of equipment for the mining industry and in the heavy vehicle industry - that use special steel products. The first quarter of this year saw an expansion and strengthening of the distribution network in new market areas such as Brazil and China. This has resulted in clear sales growth in these market areas. Sales of special steel products have also begun to pick up in Western Europe.

Selling prices for steel products were clearly much higher during the second quarter than during the first, but were still slightly lower year on year. Selling prices rose steadily throughout the second quarter.

Ruukki Metals’ net sales for January-June were EUR 782 million (467) and accounted for 68 per cent (51) of consolidated comparable net sales. Higher delivery volumes, particularly in Sweden and Western Europe, and an increased share of special steel products of deliveries improved net sales year on year.

Special steel products accounted for 23 per cent (19) of Ruukki Metals' net sales for the first half of the year. Net sales of stainless steel and aluminium, which are sold as trading products, were up 19 per cent year on year at EUR 64 million (54) for January-June.

Operating profit

Ruukki Metals' comparable operating profit for the second quarter was EUR 81 million (-97), which shows a significant improvement both year on year and quarter on quarter. Compared to the first quarter, higher average selling prices and a growth in the share of special steel products of delivery volumes improved operating profit. Steel product costs were still at a relatively low level during the second quarter.

The main raw materials used in steel production are priced in US dollars (USD). Derivatives hedging is employed to protect against the ensuing currency risk. A positive impact on profit and loss of EUR 25 million arising from USD hedging was booked for the second quarter.

Reported operating profit for April-June was EUR 64 million (-97). The low steel production capacity utilisation rate due to modernisation of blast furnace 1 had a cost impact of -EUR 18 million. This item has been eliminated from the comparable operating profit.

Comparable operating profit for January-June was EUR 77 million (-199) and the reported operating profit was EUR 60 million (-199). Good development of operating profit was mainly attributable to increased delivery volumes of steel products, improved utilisation rates in production and cost savings carried out. Operating profit for the first half of the year from stainless steel and aluminium sold as trading products was up year on year at EUR 5 million (-5).

Steel production

1 000 tonnes	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Steel production	418	392	1 029	661	1 892

The company's steel production was 418 thousand tonnes (392) during the second quarter and 1,029 thousand tonnes (661) during the first half of 2010.

Modernisation of blast furnace 1 at the Raahe Steel Works in Finland was completed to schedule during the course of the second quarter. Because the blast furnace was shut down for modernisation, the capacity utilisation rate in steel slab production during April-June was around 60 per cent. Modernisation was completed to schedule during the second quarter and the blast furnace was re-started towards the end of May. The target utilisation rate was reached in June. The utilisation rate in the manufacture of steel products was at a good level during the second quarter by using the slab stockpile built up during the first part of the year.

It is planned to likewise shut down blast furnace 2 in June 2011 for modernisation, which will take about two months. Before the blast furnace is shut down, slab stockpiles will be increased to safeguard customer deliveries during the modernisation shut-down.

Contracts for raw materials in steel production

A new price contract for iron ores was reached during the second quarter of the year. Prices for iron ore concentrate and pellets were agreed with the Swedish company LKAB by an annual contract.

Ruukki sources coking coal from a number of suppliers. During the second quarter, price contracts were agreed with some suppliers and some negotiations are still ongoing. Some of the contracts already agreed are annual and others are quarterly.

During the second half of the year, the cost of the raw materials used in steel production will rise both because of the rise in dollar-denominated purchase prices and a strengthened dollar.

Operational development

Expansion of the distribution network for special steel products is one of the main focus areas in the steel business during the current year. During the first part of the year, the company strengthened its distribution network by signing agreements on distribution cooperation in Brazil. Likewise, the sales network in China and Turkey was further expanded in the early part of the year through new agreements on distribution cooperation. Work continued on strengthening the distribution network in all these countries during the second quarter.

In April, Ruukki launched Optim 700 MC Plus, a new high-strength structural with very good cold-forming properties. These properties can be utilised in, for example, the manufacture of cranes, bodies for trucks and other mobile machines, goods handling equipment, earthmoving, mining and waste handling equipment.

Near-term business risks

The company has detailed business risks and risk management in the Annual Report 2009. The company does not consider any material changes to have taken place during the report period in the risks and factors of uncertainty presented in the Annual Report 2009.

Near-term outlook

A number of indicators suggest a continuation of economic recovery in Ruukki's main market areas. Growing uncertainty in the financial markets and the impact on economic activity of austerity programmes in a number of European countries might, however, slow economic growth and the start-up of investments during the second half of the year.

Residential construction is expected to grow in the Nordic countries and Russia. Likewise, infrastructure construction activity is expected to continue good in the Nordic countries. Difficult market conditions persist in commercial and industrial construction, especially in Finland and the Baltics. In Russia and Central Eastern Europe, especially in Poland, private investments in commercial and industrial construction are picking up.

In the engineering business, market conditions are improving. Order intake volumes especially for cabins for mining and forest machines have begun to grow. Also demand for heavy cargo handling equipment is improving. Demand in equipment for the energy industry especially in wind power is expected to recover from its present level towards the end of the year. Shipbuilding activity in Europe is at a low level.

In the steel business, demand is expected to further improve in the heavy engineering industry and heavy vehicle industry and to remain stable in the car industry. Supported by good demand in these industries, delivery volumes of special steel products are expected to show further growth. An expansion of the company's distribution network in China and Turkey and into Brazil, for example, also supports sales of special steel products. Eurofer forecasts growth of around 17 per cent in apparent steel use in the EU-27 region in 2010 compared to 2009.

As a result of higher delivery volumes and higher average selling prices, net sales are expected to grow more this year than the company previously estimated. It is also estimated that product costs will rise higher than previously forecast due to a rise in US dollar-denominated purchase prices of raw materials, as well as to a strengthened dollar.

Net sales in 2010 are estimated to grow 25-30 per cent year on year (previous estimate 15-20 per cent). Profitability is expected to improve significantly compared to the previous year and the full-year result before income tax is estimated to be positive.

This interim report is unaudited.

Helsinki, 16 July 2010

Rautaruukki Corporation

Board of Directors

SUMMARY FINANCIAL STATEMENT AND NOTES

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and is in conformity with the accounting policies published in the 2009 financial statements.

The consolidated financial statements are affected by the following IFRS standards and interpretations thereof entering into force on 1 January 2010:

- Revised IFRS 3 *Business Combinations*
- Amended IAS 27 *Consolidated and Separate Financial Statements*

The revised and amended standards referred to above 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.

Operative capital employed of business segments
This interim report has switched over from reporting segment assets to reporting segment operative capital employed because this is the indicator that is reported to management and which management monitors. Operative capital employed is defined as follows:

+ Tangible and intangible assets
+ Available for sale financial assets
+ Inventories
+ Trade receivables
- Trade payables
- Advances received

Figures for the reference periods are similarly stated.

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

The figures are unaudited.

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Net sales	655	438	1 160	944	1 950
Cost of sales	555	492	1 039	1 046	2 027
Gross profit	100	-54	121	-101	-77
Other operating income	4	3	8	10	20
Selling and marketing expenses	28	29	53	58	113
Administrative expenses	41	38	78	79	151
Other operating expenses	1	-1	1	1	2
Operating profit	34	-117	-2	-230	-323
Finance income	18	10	40	55	81
Finance costs	25	20	54	74	117
Net finance costs	-6	-10	-14	-19	-36
Share of profit of equity-accounted investees	1	0	1	0	0
Result before income tax	28	-127	-16	-249	-359
Income tax expense	-9	33	3	65	84
Result for the period	20	-94	-13	-184	-275
Attributable to:					
Owners of the company	20	-94	-13	-184	-275
Non-controlling interest	0	0	0	0	0
Earnings per share, diluted, EUR	0.14	-0.68	-0.09	-1.33	-1.98
Earnings per share, basic, EUR	0.14	-0.68	-0.09	-1.33	-1.98
Operating profit as % of net sales	5.2	-26.7	-0.2	-24.3	-16.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR million	Q2/10	Q2/09	Q1-Q2/10	Q1-Q2/09	2009
Result for the period	20	-94	-13	-184	-275
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges	-4	20	-11	21	51
Translation differences	8	17	24	-4	-5
Defined benefit plan actuarial gains and losses	0	0	-2	0	-15
Tax on other comprehensive income	1	-6	3	-5	-9
Other comprehensive income for the period, net of tax	5	32	15	11	22
Total comprehensive income for the period	24	-62	2	-174	-253
Attributable to:					
Owners of the company	24	-62	2	-174	-253
Non-controlling interest	0	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	30 Jun 2010	30 Jun 2009	31 Dec 2009
ASSETS			
Non-current assets	1 431	1 432	1 404
Deferred tax assets	45	38	39
Current assets			
Inventories	556	567	492
Trade and other receivables	481	349	335
Cash and cash equivalents	141	102	261
Total assets	2 654	2 488	2 532
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	1 446	1 587	1 507
Non-controlling interest	2	2	2
Non-current liabilities			
Loans and borrowings	426	322	387
Non-interest bearing liabilities	55	50	61
Deferred tax liabilities	34	52	37
Current liabilities			
Loans and borrowings	234	144	209
Trade payables and other non-interest bearing liabilities	458	332	328
Total equity and liabilities	2 654	2 488	2 532

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1-Q2/10	Q1-Q2/09	2009
Result for the period	-13	-184	-275
Adjustments	37	70	178
Cash flow before change in working capital	24	-114	-97
Change in working capital	-47	215	317
Financing items and taxes	-18	-18	-38
Net cash flow from operating activities	-41	82	182
Cash inflow from investing activities	8	9	17
Cash outflow from investing activities	-92	-97	-170
Net cash used in investing activities	-84	-89	-153
Net cash flow before financing activities	-125	-6	30
Dividends paid	-62	-188	-188
Proceeds from loans and borrowings	54	283	434
Repayments of loans and borrowings	-12	-239	-330
Change in current liabilities	26	10	76
Other net cash flow from financing activities	-5	-11	-18
Translation differences	3	-2	1
Change in cash and cash equivalents	-120	-153	7

KEY FIGURES (IFRS)

	Q1-Q2/10	Q1-Q2/09	2009
Net sales, EUR m	1 160	944	1 950
Operating profit, EUR m	-2	-230	-323
as % of net sales	-0.2	-24.3	-16.6
Result before income tax, EUR m	-16	-249	-359
as % of net sales	-1.3	-26.4	-18.4
Result for the period, EUR m	-13	-184	-275
as % of net sales	-1.1	-19.5	-14.1
Net cash flow from operating activities, EUR m	-41	82	182
Net cash flow before financing activities, EUR m	-125	-6	30
Return on capital employed (rolling 12 mths), %	-4.4	1.9	-14.2
Return on equity (rolling 12 mths), %	-6.8	-0.5	-15.9
Equity ratio, %	55.2	64.3	59.9
Gearing ratio, %	35.9	22.9	22.3
Net interest-bearing liabilities, EUR m	519	364	336
Equity per share, EUR	10.41	11.43	10.85
Personnel on average	11 733	13 165	12 664
Number of shares	140 285 425	140 285 425	140 285 425
- excluding treasury shares	138 863 850	138 864 817	138 863 850
- diluted, average	138 863 850	138 826 947	138 846 063

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 2009	238	220	-37	-36	-6	1 568	2	1 950
Result for the period						-184	0	-184
Other comprehensive income			15	-4				11
Total comprehensive income for the period			15	-4		-184	0	-174
Share issue	0							0
Dividend distribution						-188		-188
Share-based payments			0		0			0
EQUITY 30 Jun 2009	238	220	-21	-40	-6	1 197	2	1 589
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

NET SALES BY REGION (IFRS)

As % of net sales	Q1-Q2/10	Q1-Q2/09	2009
Finland	26	32	30
Other Nordic countries	32	33	31
Central Eastern Europe	10	11	12
Russia and Ukraine	7	6	7
Rest of Europe	18	14	14
Other countries	8	4	6

CONTINGENT LIABILITIES (IFRS)

EUR million	30 Jun 2010	30 Jun 2009	31 Dec 2009
Mortgaged real estate	64	73	64
Pledged assets		0	
Other guarantees given	39	37	43
Collateral given on behalf of others	2	3	
Rental liabilities	93	116	114

DERIVATIVE CONTRACTS (IFRS)

EUR million	30 Jun 2010 Nominal amount	30 Jun 2010 Fair value	30 Jun 2009 Nominal amount	30 Jun 2009 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	27 000	-3	32 500	-14
Electricity derivatives				
Forward contracts, GWh	1 698	-6	1 844	-15
FAIR VALUE HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Interest rate derivatives	75	1		
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes			500	0
Foreign currency derivatives				
Forward contracts	532	20	487	-10
Options				
Bought	163	6	90	-1
Sold	166	1	90	0

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-Q2/10	Q1-Q2/09	2009
Carrying amount at the beginning of period	1 159	1 124	1 124
Additions	82	90	167
Additions through acquisitions	0	4	5
Disposals	-2	-6	-11
Disposals through divestments	-3	0	
Depreciation and impairment	-64	-61	-125
Translation differences	12	-7	-1
Carrying amount at the end of period	1 184	1 144	1 159

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1-Q2/10	Q1-Q2/09	2009
Sales to equity-accounted investees	21	11	24
Purchases from equity-accounted investees	3	2	6
Transactions with Rautaruukki Pension Foundation	0	3	6

	30 Jun 2010	30 Jun 2009	31 Dec 2009
Trade and other receivables from related parties	6	3	3
Trade and other payables to related parties	1	0	1

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 30 Jun 2010	After 30 Jun 2009	After 31 Dec 2009
Maintenance investments	187	238	100
Development investments and investments in special steel products	55	111	77
Total	242	349	177

SEGMENT INFORMATION

EUR million	Q1-Q2/10	Q1-Q2/09	2009
Comparable net sales			
Ruukki Construction	272	278	589
Ruukki Engineering	92	167	263
Ruukki Metals	782	467	1 050
Corporate management	1	0	0
Comparable net sales, total	1 147	911	1 901
Items affecting comparability included in reported net sales	13	33	49
Reported net sales	1 160	944	1 950
Comparable operating profit			
Ruukki Construction	-31	-22	-49
Ruukki Engineering	-14	12	2
Ruukki Metals	77	-199	-228
Corporate management	-7	-7	-13
Comparable operating profit, total	26	-215	-288
Items affecting comparability included in reported operating profit	-28	-14	-35
Reported operating profit	-2	-230	-323
Net finance costs	-14	-19	-36
Share of profit of equity-accounted investees	1	0	0
Result before income tax	-16	-249	-359
Income tax expense	3	65	84
Result for the period	-13	-184	-275

EUR million	30 Jun 2010	30 Jun 2009	31 Dec 2009
Operative capital employed			
Ruukki Construction	465	440	431
Ruukki Engineering	165	167	150
Ruukki Metals	1 417	1 420	1 321
Corporate management	32	42	33
Operative capital employed, total	2 079	2 069	1 934

QUARTERLY SEGMENT INFORMATION

EUR million	Q1/09	Q2/09	Q3/09	Q4/09	2009	Q1/10	Q2/10
Comparable net sales							
Ruukki Construction	132	145	164	147	589	109	163
Ruukki Engineering	100	67	53	42	263	42	50
Ruukki Metals	249	218	257	325	1 050	348	434
Corporate management	0	0	0	0	0	0	1
Comparable net sales, total	481	430	475	515	1 901	500	647
Items affecting comparability included in reported net sales	25	8	10	6	49	5	7
Reported net sales	506	438	485	521	1 950	505	655
Comparable operating profit							
Ruukki Construction	-13	-9	-4	-22	-49	-21	-10
Ruukki Engineering	9	4	-3	-8	2	-5	-9
Ruukki Metals	-102	-97	-39	10	-228	-4	81
Corporate management	-3	-4	-3	-3	-13	-4	-3
Comparable operating profit, total	-109	-106	-50	-24	-288	-34	59
Items affecting comparability included in reported operating profit	-3	-11	-4	-16	-35	-2	-25
Reported operating profit	-113	-117	-54	-39	-323	-36	34
Net finance costs	-9	-10	-10	-7	-36	-8	-6
Share of profit of equity-accounted investees	0	0	0	0	0	0	1
Result before income tax	-122	-127	-64	-46	-359	-44	28
Income tax expense	32	33	19	0	84	11	-9
Result for the period	-90	-94	-45	-46	-275	-33	20

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/09	Q2/09	Q3/09	Q4/09	2009	Q1/10	Q2/10
Ruukki Engineering							
Net sales of Mo i Rana unit	25	8	10	6	49	5	7

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/09	Q2/09	Q3/09	Q4/09	2009	Q1/10	Q2/10
Ruukki Engineering							
Operating profit of Mo i Rana unit	-3	-6	-4	-16	-30	-2	-2
Expenses related to closure of Hässleholm, Oskarström and Dortmund units		-5			-5		-1
Ruukki Metals							
Expense caused by low utilisation rate related to blast furnace modernisation							-18
Corporate management							
Provision for fine regarding price collusion in divested prestressing steel business							-5
Items affecting comparability of reported operating profit, total	-3	-11	-4	-16	-35	-2	-25

OTHER ITEMS AFFECTING COMPARABILITY OF REPORTED RESULT

EUR million	Q1/09	Q2/09	Q3/09	Q4/09	2009	Q1/10	Q2/10
Arrangement fee for revolving credit facility (financial item)		-5			-5		

Formulas for the calculation of key figures:

Return on capital employed, %	=	result before income tax + finance costs - exchange rate gains (rolling 12 months) -------------------------------------- total equity + loans and borrowings (average at beginning and end of period)
Return on equity, %	=	result before income tax - income tax expense (rolling 12 months) -------------------------------------- total equity (average at beginning and end of period)
Equity ratio, %	=	total equity -------------------------------------- total assets - advances received
Gearing ratio, %	=	net interest-bearing financial liabilities -------------------------------------- total equity
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

The interim report for the period January-September 2010
will be published on 22 October 2010.

ruukki

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