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Q4 FINANCIAL STATEMENT BULLETIN

1 Jan–31 Dec 2013

RTRKS

14 February 2014 RAUTARUUKKI CORPORATION

ruukki

Energy-efficient steel solutions for better LIVING. WORKING. MOVING.

Rautaruukki Corporation Financial statement bulletin 14 February 2014 at 9am EET

RAUTARUUKKI CORPORATION FINANCIAL STATEMENT BULLETIN FOR 2013: Clear improvement in operating profit year on year, cash from operating activities rose to EUR 184 million

October-December 2013 (Q4/2012)

- Net cash from operating activities was EUR 80 million (79).
- Order intake was EUR 574 million (624).
- Comparable net sales were EUR 590 million (634).
- Comparable operating profit was EUR 8 million (-34).
- Comparable result before taxes was -EUR 3 million (-42).

January-December 2013 (2012)

- Net cash from operating activities was EUR 184 million (172).
- Order intake was EUR 2,376 million (2,605).
- Comparable net sales were EUR 2,404 million (2,597).
- Comparable operating profit was EUR 39 million (-50).
- Comparable result before taxes was -EUR 1 million (-88).

Dividend proposal

The Board of Directors proposes that no dividend be paid for 2013 (0.20).

Guidance for 2014:

Comparable net sales in 2014 are estimated to grow compared to 2013. Comparable operating profit in 2014 is estimated to improve compared to 2013.

KEY FIGURES

	Q4/13	Q4/12	2013	2012
Comparable figures				
Comparable net sales, EUR m	590	634	2,404	2,597
Comparable operating profit, EUR m	8	-34	39	-50
Comparable operating profit as % of net sales	1.3	-5.3	1.6	-1.9
Comparable result before income tax, EUR m	-3	-42	-1	-88
Reported figures				
Reported net sales, EUR m	590	677	2,405	2,796
Reported operating profit, EUR m	4	-59	34	-101
Reported result before income tax, EUR m	-6	-67	-6	-139
Net cash from operating activities, EUR m	80	79	184	172
Net cash before financing activities, EUR m	60	56	101	78
Earnings per share, EUR	-0.07	-0.41	-0.10	-0.85
Return on capital employed, %			1.8	-4.9
Gearing ratio, %			68.5	71.2
Equity ratio, %			45.0	45.6
Personnel on average	8,638	10,468	8,955	11,214

Net sales and operating profit for 2012 have been restated for reasons of structural comparability. Part of Ruukki Engineering's business was divested at the end of 2012. The units excluded from the arrangement have been part of Ruukki Metals since the start of 2013. Ruukki Engineering units transferred to Fortaco and other Ruukki Engineering units have been eliminated from comparable figures.

PRESIDENT & CEO SAKARI TAMMINEN:

“The continuing economic downturn in Europe impacted negatively on Ruukki’s business environment. The swing to positive GDP across the eurozone during the second half of the year still failed to be reflected significantly in the form of growth in utilisation rates and investments in the manufacturing industry in Europe. Demand for steel in the EU in 2013 was down by about 2% year on year and capacity utilisation rates in the steel industry remained low. Demand for special steels outperformed demand for standard steel products in many market areas, even though the general weakening of the steel markets was reflected also in lower average selling prices of special steels. Construction activity in Europe was at a lower level than in earlier years. Construction activity in Finland was twofold. Renovation continued at the previous year’s good level, but activity in new construction was especially low. In Russia, construction activity remained at a good level, especially in agricultural and industrial construction, despite the slowing pace of economic growth.

Ruukki Metals’ delivery volumes were slightly higher than in the previous year and order volumes were down slightly. The decline of almost 10% in order intake value and comparable net sales was due to clearly lower average selling prices in the wake of weakened market conditions. Average selling prices also remained low because of declining prices of the main raw materials used in steel production. Weakened construction activity was reflected in Ruukki’s construction businesses in the form of somewhat lower orders in many market areas. Ruukki Building Products’ order intake was down 2% year on year, mostly because of decreased infrastructure construction orders. Ruukki Building Systems’ orders were down 9% and the order book for building projects was 10% smaller than a year earlier.

Comparable operating profit improved by EUR 89 million year on year and was EUR 39 million. As we anticipated a year earlier, difficult market conditions showed the necessity of efficiency projects across all our business areas. Actions taken under efficiency programmes delivered an improvement totalling around EUR 70 million in earnings performance. Ruukki Metals’ operating result since the second quarter shows that we have achieved in practice the aim of our cost savings programme – profitable operations at a capacity utilisation rate of 80%. Consolidated cash flow from operating activities improved year on year and was EUR 184 million. Improved cash flow was largely due to the better result since net working capital freed during the period had an impact of EUR 62 million (173). Net debt decreased and gearing was 68.5% at year-end.

Ruukki Building Products showed the best improvement within the Group and profitability for the whole year rose to a good level. Operating profit was up EUR 14 million year on year. This was particularly attributable to a better gross margin and the efficiency programme. A more favourable geographical spread of sales of residential roofing products, more effective steering of sales of building components and better functioning of business processes overall also contributed to operating profit growth.

Ruukki Building Systems operating result for the whole year remained negative despite significant profitability improvement. Profitability was weakened by some loss-making steel structure contracts, which had already started in 2012 and which had a negative impact totalling around EUR 8 million on the operating result for the whole year. Improving the use of the production network, scaling capacity in response to demand and cutting SGA costs were key to profitability improvement. These efficiency actions, together with selective offering activity, have paved the way for better profitability. Also the gross margin level of Ruukki Building Systems’ order book was good at the end of the year.

Good progress was made with accelerating sales growth of special steels by acquiring new customers, developing new products and applications and by expanding into new market areas. The past year saw a significant expansion of the global distribution and sales network for special steels. New recruitments strengthened the sales team. Compared to a year earlier, the results were seen in clearly growing delivery volumes in many market areas. Likewise, order intake for special steels showed clear growth year on year. The actions taken began to be visible especially during the fourth quarter and sales of special steel products rose to account for 37% of Ruukki Metals’ net sales. Special steel products accounted for 33% of Ruukki Metals’ net sales for the whole year. We aim to considerably grow volumes of special steel products and to increase sales of special steels to EUR 850 million in 2015. Special steel products are notably more profitable than standard products, the volumes of which we intend to scale down as volumes of special steels rise.

Ruukki Building Products has a good market position and is aiming for profitable growth especially through energy-efficient products and residential roofing products. Development of components and solutions to optimise a building's lifecycle energy efficiency is a key aspect. Ruukki Building Products' offering is suitable for both renovation and new construction. In Ruukki Building Systems, our main aim is still improved profitability through better project management and more cost-efficient manufacturing.

We expect demand for steel to pick up slightly in 2014. We anticipate average selling prices of steel products to remain stable during the first quarter of the year. Special steel demand growth is expected to clearly outperform demand for standard products, especially in market areas outside Europe.

We estimate comparable net sales in 2014 to grow compared to 2013 and comparable operating profit in 2014 to improve compared to 2013.

After the report period, on 22 January 2014, Swedish steel company SSAB and Rautaruukki announced a plan to combine the two companies. SSAB is to make a public share exchange offer for Rautaruukki's shareholders recommended by the Board of Directors of Rautaruukki. Solidium Oy, Rautaruukki's largest owner, has given its full support for the combination and has undertaken to accept the share exchange. I believe that the combination of Ruukki and SSAB gives an excellent opportunity to continue the rationalisation of the cost base of the companies and build a new Nordic steel producer that is able to transit the steel business towards a global special steel company. There is also a good synergy potential in the construction business which offers profitable growth potential on top of the synergy benefits."

Rautaruukki Corporation's full financial statement bulletin for 2013 is attached to this bulletin.

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News conference for analysts and the media
A joint news conference in English both for analysts and the media will be hosted on Friday 14 February at approximately 10.30am at Ruukki's head office, Suolakivenkatu 1, 00810 Helsinki.

A live webcast of the event and the presentation by the company's President & CEO Sakari Tamminen may be followed online on the company's website at www.ruukki.com/Investors starting at 10.30am EET. This event can also be attended through a conference call by dialling the number below 5-10 minutes before the scheduled time:
+44 (0)207 1620 177 (calls outside Finland)
+358 9 2313 9202 (calls inside Finland)
Access code: 940875

A replay of the webcast can be viewed on the company's website from approximately 4pm EET. A replay of the conference call will be available until 21 February 2014 at:
+44 20 7031 4064 (calls outside Finland)
+358 9 2314 4681 (calls inside Finland)
Access code: 940875

Rautaruukki Corporation
Taina Kyllönen
SVP, Marketing and Communications

Ruukki specialises in steel and steel construction. We provide customers with energy-efficient steel solutions for better living, working and moving. We have around 8,600 employees and an extensive distribution and dealer network across some 30 countries including the Nordic countries, Russia and elsewhere in Europe and the emerging markets, such as India, China and South America. Net sales in 2013 totalled EUR 2.4 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). www.ruukki.com

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RAUTARUUKKI CORPORATION’S FINANCIAL STATEMENT BULLETIN FOR 2013

Business environment

Global economic growth slowed in 2013. Recession and a lack of market confidence in Europe also impacted on demand from Ruukki’s customers. During the second half of the year, however, some signs began to be seen of a turn for the better in the European economy. The eurozone Purchasing Managers’ Index (PMI) strengthened steadily and GDP growth returned to positive across the eurozone mostly in the slipstream of German economy. In the United States, confidence in the economic outlook improved throughout the year, the purchasing manager’s index strengthened and the Fed’s decision, as expected, to taper bond buying further served to boost confidence in economic growth. As regards Ruukki’s most important markets, the pace of economic growth in Sweden and Norway considerably outperformed average growth in the eurozone, whereas the situation in Finland remained difficult. The Finnish economy shrank for the second year running and this was reflected at Ruukki by clearly weakened demand in both the construction business and the steel business. In Poland, the economy continued to recover driven by domestic consumption and export growth. Russian economic growth slowed and investment activity was weaker than in previous years. Also growth in the emerging economies was more modest than in earlier years because of the pace of growth peaking in China.

Construction activity in Europe remained throughout the report period at a lower level than in previous years. The business environment in Finland was weak and fewer building permits were granted than a year earlier. Also in Sweden, construction activity declined compared to the previous year, but in Norway development was clearly more favourable, especially as regards residential construction. Towards the end of the year, there were signs of a weakening in industrial construction in Norway. In Poland, construction activity took a turn for the better and in the second half of the year there were signs of positive development, particularly in commercial and industrial construction. In general, weakened construction activity was somewhat reflected in Ruukki’s building business areas in the form of lower order intake in many market areas, especially in the project business in the Nordic countries. Despite growth peaking, construction activity in Russia remained at a good level, particularly in agricultural and industrial construction.

Apparent steel demand across the EU was down by about 2% year on year in 2013, with weakened demand strongest in the first half of the year. The improved outlook for the global and also European economy, together with recovery measures by China resulted in a levelling off of the long downturn in the demand for steel during the second half of the year, with demand for steel showing slight growth during the fourth quarter. After restocking of seasonal inventories in the early part of the year, inventory levels of steel wholesalers in Europe declined to a lower year-end level than in earlier years.

The rise in prices of seasonal steel products during the first quarter of the year was more modest than a year earlier. Since then steel prices declined until the end of the third quarter. The anticipated price rises during the fourth quarter also failed to materialise. Market prices of iron ore and coking coal, the main raw materials in steel production, fell during the early part of the year, but rose during the summer as the Chinese steel industry replenished its inventories. However, the price development of raw materials levelled off towards the end of the year.

Customer caution and the wait-and-see sentiment of the market were reflected in Ruukki Metals’ business throughout the year. Ruukki Metals’ order intake value was down 10% year on year. This was mostly attributable to lower prices of raw materials and clearly lower average selling prices in the wake of weakened market conditions. Order volumes for steel products were down slightly. Average capacity utilisation rate in steel production during 2013 was around 80%.

Demand for special steels outstripped demand for standard steels in many market areas, even though the general weakening of the steel market was also reflected in special steels, especially in average selling prices, which were down year on year. Weakened demand in the mining industry slowed market growth in hot-dip galvanised flat products. The growing interest of sectors using steel in improving energy efficiency and the strengthened export outlook of equipment manufacturers increased optimism in the special steel markets in Europe. Among other things, this was reflected in a modest pick-up in demand in the lifting, handling and transportation industry and in the construction machinery industry towards the end of the year. Demand for special steels in market areas outside Europe varied and towards the end of the year also the weakening of certain foreign currencies impacted negatively on order flow. In China, there was clearly lower demand for special steels in the lifting, handling and transportation equipment industry compared to the previous year.

Order intake and order book

Order intake has been restated for reasons of structural comparability. Part of Ruukki Engineering's business was divested at the end of 2012. The units excluded from the arrangement have been part of Ruukki Metals since the start of 2013. Order intake of the Ruukki Engineering units transferred to Fortaco and of other Ruukki Engineering units has been eliminated from comparable order intake.

ORDER INTAKE BY BUSINESS AREA

EUR million	Q4/13	Q4/12	2013	2012
Order intake				
Ruukki Building Products	108	103	434	443
Ruukki Building Systems	55	67	286	313
Ruukki Metals	411	454	1,657	1,850
Order intake, total	574	624	2,376	2,605

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

October-December

Order intake in October-December was down 8% year on year at EUR 574 million (624). Ruukki Building Products' order intake was up 5% partly because of an unseasonably mild start to the winter. Ruukki Building Systems' order intake was down 19% and Ruukki Metals' was down 9% year on year. The decrease in Ruukki Metals' order intake value was mostly attributable to lower prices of raw materials and clearly lower average selling prices in the wake of weakened market conditions. Order volumes were down slightly.

Compared to the previous quarter, Ruukki Building Products' order intake was down 15% because of seasonality and Ruukki Building Systems' order intake was down 13%. Ruukki Metals' order intake was up 9%. Total order intake was up 1% quarter on quarter.

At year-end 2013, the order book was 10% lower year on year and 5% lower quarter on quarter.

Full year 2013

Order intake in 2013 was down 9% year on year at EUR 2,376 million (2,605).

Compared to a year earlier, order intake was down 2% in Ruukki Building Products, 9% in Ruukki Building Systems and 10% in Ruukki Metals. The decrease in Ruukki Metals' order intake value was mostly attributable to clearly lower average selling prices in weakened market conditions and which the decrease in market prices of the main raw materials also kept low. Order volumes were down slightly.

Net sales

Net sales have been restated for reasons of structural comparability. Part of Ruukki Engineering's business was divested at the end of 2012. The units excluded from the arrangement have been part of Ruukki Metals since the start of 2013. Net sales of the Ruukki Engineering units transferred to Fortaco and of other Ruukki Engineering units have been eliminated from comparable consolidated net sales.

NET SALES BY BUSINESS AREA

EUR million	Q4/13	Q4/12	2013	2012
Comparable net sales				
Ruukki Building Products	110	112	430	452
Ruukki Building Systems	73	69	292	288
Ruukki Metals	407	452	1,679	1,859
Others	0	2	3	-3
Comparable net sales, total	590	634	2,404	2,597
Items affecting comparability included in reported net sales	0	43	1	199
Reported net sales	590	677	2,405	2,796

October-December

Comparable net sales for October-December were down 7% year on year at EUR 590 million (634). Reported net sales for October-December were EUR 590 million (677). Reported net sales for the fourth quarter of the previous year include the net sales of Ruukki Engineering, which was divested at the end of December 2012.

Ruukki Building Products' net sales were down 2%. Ruukki Building Systems' net sales were up 6%. Ruukki Metals' comparable net sales were down 10% year on year due to lower average selling prices of steel products than a year earlier. Delivery volumes were at the same level. Special steel products accounted for 37% (27) of Ruukki Metals' comparable net sales.

Compared to a year earlier, comparable net sales for the fourth quarter were down in Finland, Russia, Ukraine and Western Europe. Net sales were roughly at the same level as a year earlier in the other Nordic countries, but grew in Central Eastern Europe and in markets outside Europe.

Compared to the previous quarter, comparable net sales for the fourth quarter were at the same level. Seasonality impacted on Ruukki Building Products' net sales, which were down 15% quarter on quarter, and Ruukki Building Systems' net sales, down 4%. Ruukki Metals' net sales were up 4% due to higher delivery volumes.

Compared to the previous quarter, net sales grew in Western Europe, the other Nordic countries and in certain market areas outside Europe. Net sales were down in Finland, Russia, Ukraine and Central Eastern Europe.

Full year 2013

Comparable net sales for 2013 were down 7% year on year at EUR 2,404 million (2,597). Reported net sales were EUR 2,405 million (2,796). Reported net sales for the previous year include the net sales of Ruukki Engineering, which was divested at the end of December 2012.

Ruukki Building Products' net sales were down 5%, Ruukki Building Systems' net sales were up 1% and Ruukki Metals' comparable net sales were down 10%. Ruukki Metals' net sales were down due to lower average selling prices of steel products compared to a year earlier. Delivery volumes were slightly higher than in the previous year. Special steel products accounted for 33% (30) of Ruukki Metals' comparable net sales.

Comparable net sales for 2013 were down year on year in all market areas except for markets outside Europe and in Central Eastern Europe. Net sales grew somewhat in markets outside Europe and were at the same level as a year earlier in Central Eastern Europe. Net sales decreased most in Finland.

NET SALES BY REGION

EUR million	Q4/13	Q4/12	2013	2012
Comparable net sales				
Finland	135	156	598	676
Other Nordic countries	180	178	737	790
Central Eastern Europe	93	90	366	366
Russia and Ukraine	59	67	233	262
Rest of Europe	82	108	305	356
Other countries	42	35	165	146
Comparable net sales, total	590	634	2,404	2,597
Items affecting comparability included in reported net sales	0	43	1	199
Reported net sales	590	677	2,405	2,796

Operating profit

Operating profit has been restated for reasons of structural comparability. Part of Ruukki Engineering's business was divested at the end of 2012. The units excluded from the arrangement have been part of Ruukki Metals since the start of 2013. Operating profit of the Ruukki Engineering units transferred to Fortaco and of other Ruukki Engineering units has been eliminated from comparable operating profit.

OPERATING PROFIT BY BUSINESS AREA				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Comparable operating profit				
Ruukki Building Products	10	6	36	22
Ruukki Building Systems	-2	-7	-10	-21
Ruukki Metals	6	-31	27	-31
Others	-6	-2	-14	-20
Comparable operating profit, total	8	-34	39	-50
Items affecting comparability included in reported operating profit	-4	-25	-5	-51
Reported operating profit	4	-59	34	-101

October-December

Comparable operating profit for October-December was EUR 8 million (-34). Reported operating profit was EUR 4 million (-59). Reported operating profit for the report period includes items of -EUR 4 million affecting comparability. Reported operating profit for the fourth quarter of 2012 includes items of -EUR 25 million affecting comparability. These items have been itemised in the table "Items affecting comparability of reported operating profit" in the notes to the financial statements.

Ruukki Building Products' comparable operating profit was EUR 10 million (6). Ruukki Building Systems' comparable operating profit was -EUR 2 million (-7). Ruukki Metals' operating profit for October-December was EUR 6 million (-31).

Comparable operating profit was EUR 2 million weaker than for the previous quarter. Ruukki Building Products' comparable operating profit was down EUR 7 million due to seasonality. Ruukki Building Systems' comparable operating result was EUR 3 million weaker due to seasonality and poorer than expected profitability from some frame structure contracts. Ruukki Metals' comparable operating profit was up EUR 9 million quarter on quarter. This was mostly due to higher delivery volumes and cost savings achieved. Operating profit was weakened by lower average selling prices.

Full year 2013

Comparable operating profit for 2013 was EUR 39 million (-50). Reported operating profit was EUR 34 million (-101), which includes items of -EUR 5 million affecting comparability. Reported operating profit for 2012 includes items of -EUR 51 million affecting comparability. These items have been itemised in the table “Items affecting comparability of reported operating profit” in the notes to the financial statements.

Ruukki Building Products’ comparable operating profit was up EUR 14 million year on year. The clear improvement in profitability was mostly due to the efficiency programme that was completed and to better gross margins. A more favourable geographical spread of sales of residential roofing products, more effective steering of sales of building components and better functioning of business processes overall also contributed to operating profit growth.

Also Ruukki Building Systems’ relative profitability improved and the comparable operating result improved by EUR 11 million year on year. The operating result improved mostly because of the efficiency programme completed. Profitability was also improved by shifting the focus of production to lower-cost countries, better project margins and more efficient use of capacity. A healthy order book in Russia has enabled considerably better profitability in 2013 through more efficient use of capacity. Profitability was weakened due to some loss-making steel structure contracts, which had a negative impact totalling around EUR 8 million on the result for the whole year.

Ruukki Metals’ comparable operating profit was up EUR 58 million year on year. Operating profit rose year on year mainly because of cost savings generated by the efficiency projects and because of lower raw material costs. A number of development projects to optimise production and to use raw materials more efficiently were completed during the year. Manufacturing costs have been successfully cut as a result of these projects. Operating profit was weakened by lower average selling prices of steel products. Operating profit for 2013 was negatively affected by disruptions to production during the second quarter, which resulted in a lower capacity utilisation rate than usual in steel production.

Efficiency programmes initiated at Ruukki in 2012 resulted in earnings improvement totalling around EUR 70 million (20) in 2013.

Financial items and result

Consolidated net finance costs in 2013 totalled EUR 36 million (40). Net interest costs were EUR 27 million (35).

Group taxes for 2013 were -EUR 8 million (22). Taxes for the period include a reversal of EUR 6 million of deferred tax assets from previous years and a charge of EUR 2 million as a result of lower corporation tax rates effective from 1 January 2014 onwards. These items have no effect on cash flow.

The result for 2013 was -EUR 14 million (-117) and earnings per share were -EUR 0.10 (-0.85).

Balance sheet, cash flow and financing

Total assets at year-end 2013 were EUR 2,278 million (2,380). Equity at 31 December 2013 was EUR 1,010 million (1,072), equating to EUR 7.27 per share (7.72). Equity has decreased EUR 62 million since the end of 2012. This was because of the loss made for the year, the dividend payment of EUR 28 million paid in April and a change in translation differences.

The equity ratio at the end of the report period was 45.0% (45.6) and the gearing ratio was 68.5% (71.2). Net interest-bearing liabilities at year-end 2013 were EUR 693 million (765).

Return on equity for 2013 was -1.3% (-10.0) and return on capital employed was 1.8 % (-4.9).

Net cash from operating activities for 2013 was EUR 184 million (172) and net cash before financing activities was EUR 101 million (78). EUR 62 million was freed up from working capital during the year (EUR 173 million freed up).

At the end of December 2013, the group had liquid assets of EUR 47 million (21) and undrawn committed credit facilities of EUR 475 million (510), EUR 425 million of which were long term.

Capital expenditure

Net cash used in investing activities in 2013 was -EUR 84 million (-94).

Investments in tangible and intangible assets totalled EUR 90 million (97), of which maintenance investments accounted for EUR 70 million (65) and development investments EUR 20 million (32). Cash inflow from other investing activities was EUR 7 million (3).

Depreciation and impairments in 2013 amounted to EUR 134 million (156).

Investments in tangible and intangible assets during 2014 are estimated to total around EUR 100 million.

Personnel

PERSONNEL BY REGION	31 Dec 2013	31 Dec 2012
Finland	5,218	5,547
Other Nordic countries	536	580
Central Eastern Europe	1,099	1,106
Russia and Ukraine	1,649	1,686
Rest of Europe	52	63
Other countries	46	52
Total	8,600	9,034

The group employed an average of 8,955 persons (11,214) in 2013 and at year-end, the headcount was 8,600 (9,034). The Fortaco deal completed at the end of 2012 resulted in a decrease of 1,334 in Ruukki's personnel numbers. At the end of the report period, 61% (61) of Ruukki's personnel worked in Finland.

Safety measured in terms of accidents per million working hours was 7 (7).

The corporate responsibility report 2013 details matters and key figures relating to the personnel and social responsibility. The report will be published during week 9 at the latest.

BUSINESS AREAS
RUUKKI BUILDING PRODUCTS

Ruukki Construction has been split into two business areas – Ruukki Building Products and Ruukki Building Systems – since the start of the second quarter 2013. All residential roofing products, commercial, office and industrial construction components, and foundation, harbour and infrastructure construction components are reported under Ruukki Building Products.

- Order intake was down 2% year on year due to lower orders in infrastructure construction.
- Net sales were down 5% year on year due to weakened demand in many markets.
- Operating profit improved clearly year on year due to better gross margin and the benefits generated by cost savings programmes in processing units.
- The total impact on earnings improvement achieved through efficiency projects in Ruukki Building Products in 2013 was around EUR 8 million (4).

RUUKKI BUILDING PRODUCTS				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Order intake	108	103	434	443
Net sales	110	112	430	452
Comparable operating profit	10	6	36	22
Comparable operating profit as % of net sales	9.0	5.4	8.4	4.9
Items affecting comparability included in reported operating profit	-1	-2	-1	-3
Reported operating profit	9	4	36	19
Reported operating profit as % of net sales	8.6	3.2	8.3	4.1
Personnel at end of period			1,175	1,179

Order intake

October-December

Order intake value in October-December was up 5% year on year at EUR 108 million (103).

Order intake for residential roofing products during the fourth quarter was up 5% year on year. Order intake grew in most market areas, with highest growth in Finland, Poland and Lithuania. Orders in Sweden showed a slight increase year on year. The mild start to the winter impacted positively on order growth. Orders decreased in Ukraine and Slovakia.

Order intake for building components was up 4% year on year. As regards the main markets, order intake was up in Poland, Sweden, Estonia and Lithuania. Order intake was down year on year in Finland, Norway, Ukraine, the Czech Republic and Slovakia.

Order intake for infrastructure construction was up 10% year on year. Orders rose in Finland and Norway, but in Sweden were slightly lower than a year earlier.

Compared to the previous quarter, Ruukki Building Products' order intake was down 15%. This was attributable to seasonality. Order intake was down 27% for residential roofing products and 7% for building components. Order intake in infrastructure construction was at the same level as in the previous quarter.

Full year 2013

Order intake value in 2013 was down 2% year on year at EUR 434 million (443).

Order intake for residential roofing products was down 1% year on year. Order intake showed clear growth in Sweden, where the Ruukki Express distribution chain was added to through the acquisition of Plåtleverantören i Stockholm AB in the second quarter of 2012. In Finland, order intake rose slightly despite weakened demand. Orders were up also in Lithuania and Latvia and in some countries in Central Eastern Europe. As regards the main roofing markets, order intake showed a clear decrease in Poland and Ukraine, where market conditions continued to be weaker than normal.

Order intake for building components was up 1% year on year. As regards the main markets, order intake was up in Sweden, Norway, the Czech Republic, Latvia and Lithuania. Order intake was down slightly in Finland and Estonia. Orders for building components in Ukraine were clearly lower than a year earlier. In Poland, orders were at the same level as a year earlier.

Order intake for infrastructure construction was down 10% year on year. Orders for piling products rose slightly in Norway, but decreased somewhat in Sweden. In Finland, orders showed a clear decline due to weakened market demand both in building and infrastructure construction.

Net sales

October-December

Ruukki Building Products' net sales for October-December were down 2% year on year at EUR 110 million (112). In the Nordic countries, net sales rose clearly in Norway and Denmark, but were down in Finland and Sweden. Net sales were also up in the Baltic states and Czech Republic. As regards other main markets, net sales were down in Ukraine and Russia. In Poland, net sales showed a slight rise during the fourth quarter compared to a year earlier.

Compared to the previous quarter, Ruukki Building Products' net sales were down 15%. This was attributable to seasonality. Net sales were down in most main market areas. Net sales rose slightly quarter on quarter in Norway and Sweden.

Full year 2013

Ruukki Building Products' net sales for 2013 were down 5% year on year at EUR 430 million (452). In the Nordic countries, net sales rose in Norway and Denmark, but were down in Finland and Sweden. Net sales were also up in the Baltic states and Czech Republic. As regards other main markets, net sales were down in Ukraine, Poland and Slovakia.

RUUKKI BUILDING PRODUCTS NET SALES BY PRODUCT GROUP				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Reported net sales				
Residential roofing products	44	44	170	174
Building components	50	49	182	189
Infrastructure construction	16	19	78	89
Others	0	0	0	
Reported net sales, total	**110**	**112**	**430**	**452**

Residential roofing products

October-December
Net sales of residential roofing products for October-December were at the same level as a year earlier at EUR 44 million (44). As regards the main market areas, net sales were down slightly in Sweden and Ukraine. In Finland and Poland, net sales were almost at the same level as a year earlier. Net sales were up slightly in Russia and the Baltic states. Compared to previous quarter net sales of roofing products were down by 27% in total on a seasonal basis in all market areas.

Full year 2013
Net sales of residential roofing products for 2013 were down 2% year on year at EUR 170 million (174). In Finland, net sales were almost at the same level as a year earlier. Sales showed clear growth in Sweden, where the Ruukki Express distribution chain was added to through the acquisition of Plåtleverantören i Stockholm AB in the second quarter of 2012. Net sales were up also up in Latvia. As regards the main markets, net sales showed a clear decline year on year in Poland and Ukraine.

Building components

October-December
Net sales of building components for October-December were up 1% year on year at EUR 50 million (49). Net sales of components in the Nordic countries grew slightly in Norway and Denmark, but were clearly down year on year in Sweden. Net sales in Finland were down slightly. Net sales also rose in the Baltic states, Poland and the Czech Republic. In Ukraine, net sales showed a clear decrease. Compared to the previous quarter, net sales were down 1% in total.

Full year 2013
Net sales of building components for 2013 were down 4% year on year at EUR 182 million (189). Net sales showed clear growth in Norway, Denmark and the Czech Republic. Net sales were up also in Latvia and Lithuania, but down slightly in Estonia. Net sales of building components in Finland, Sweden, Ukraine and Slovakia showed a clear decline year on year. In Poland, net sales were slightly up due to a pick-up in demand towards the end of the year.

Infrastructure construction

October-December
Net sales in infrastructure construction for October-December were down 13% year on year at EUR 16 million (19). Net sales showed clear growth in Norway, but were down in Finland and Sweden. Compared to the previous quarter, net sales in infrastructure construction were down 19%.

Full year 2013
Net sales in infrastructure construction for 2013 were down 12% year on year at EUR 78 million (89). Net sales showed a clear decrease in Finland and Sweden. In Norway, net sales were down slightly year on year.

Operating profit

October-December

Ruukki Building Products' comparable operating profit for October-December was EUR 10 million (6).

Full year 2013

Ruukki Building Products' comparable operating profit for 2013 was EUR 36 million (22).

Operating profit showed a clear improvement year on year mostly on the back of the efficiency programme carried out and a better gross margin. Also a more favourable geographical spread of sales of residential roofing products, more effective steering of sales of building components and better functioning of business processes overall contributed to operating profit growth.

Actions to improve profitability

During the second quarter of 2012, former Ruukki Construction division initiated a programme across the division to improve profitability and aimed at a permanent improvement of EUR 20 million in earnings performance. The programme has continued within Ruukki Building Products. Within the limits of this programme, the production-distribution process and material flows have been optimised and the efficiency of sales, marketing and support functions has been improved.

Around EUR 8 million of the total earnings improvement target in the construction business was achieved during 2012. The total impact on earnings improvement achieved through efficiency projects in Ruukki Building Products in 2013 was around EUR 8 million (4).

RUUKKI BUILDING SYSTEMS

Ruukki Construction has been split into two business areas - Ruukki Building Products and Ruukki Building Systems - since the start of the second quarter 2013. Ruukki Building Systems includes the design, manufacture and installation of foundation, frame and envelope structures. All project business in the Nordic countries and Central Eastern Europe, together with the entire business unit in Russia and Romania are reported under Ruukki Building Systems.

- Order book at year-end was 10% lower than a year earlier.
- Net sales were up slightly year on year.
- Despite significant improvement in the operating result, the result for the whole year was still negative. Profitability was weakened due to some loss-making steel structure contracts, which had a negative impact totalling around EUR 8 million on the result for the whole year.
- The total impact on earnings improvement achieved through efficiency projects in Ruukki Building Systems in 2013 was around EUR 8 million (4).

RUUKKI BUILDING SYSTEMS				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Order book			119	133
Order intake	55	67	286	313
Net sales	73	69	292	288
Comparable operating profit	-2	-7	-10	-21
Comparable operating profit as % of net sales	-3.0	-9.5	-3.4	-7.3
Items affecting comparability included in reported operating profit	-2	-7	-2	-7
Reported operating profit	-4	-13	-12	-28
Reported operating profit as % of net sales	-5.3	-19.1	-4.0	-9.8
Personnel at end of period			1,918	2,087

Order intake and order book

October-December

Ruukki Building Systems' order intake value in October-December was down 19% year on year at EUR 55 million (67).

Order intake in Russia was down 34% compared to a year earlier.

Order intake in the Nordic countries was down 17% year on year. Order intake rose clearly in Sweden. In Finland and Norway, order intake during the fourth quarter was clearly lower than a year earlier.

Order intake in Central Eastern Europe was up by a total of 29% year on year.

Compared to the previous quarter, Ruukki Building Systems' order intake was down 13%. Orders rose clearly in the Nordic countries.

Full year 2013

Ruukki Building Systems' order intake value in 2013 was down 9% year on year at EUR 286 million (313).

Order intake in Russia was up 25% year on year. Orders were up particularly in agricultural concept construction.

Order intake in the Nordic countries was down 36% year on year. Order intake showed a clear decrease in Finland and Sweden, whereas orders rose in Norway.

Order intake in Central Eastern Europe was down 29% compared to a year earlier.

At year-end 2013, Ruukki Building Systems' order book was 10% down year on year and 15% lower than at the end of September 2013.

Net sales

October-December

Ruukki Building Systems' net sales for October-December were up 6% year on year at EUR 73 million (69).

Ruukki Building Systems' net sales were down 4% quarter on quarter.

Full year 2013

Ruukki Building Systems' net sales for 2013 were up 1% year on year at EUR 292 million (288).

Since the second quarter of 2013, Ruukki Building Systems' net sales have been reported by market area. The market areas are Russia, the Nordic countries and Central Eastern Europe.

RUUKKI BUILDING SYSTEMS NET SALES BY AREA				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Reported net sales				
Russia	32	27	115	118
Nordic countries	26	22	106	96
Central Eastern Europe	15	19	71	73
Reported net sales, total	**73**	**69**	**292**	**288**

Russia

October-December
Ruukki Building Systems' net sales in Russia for October-December were up 19% year on year at EUR 32 million (27).

Full year 2013
Ruukki Building Systems' net sales in Russia for 2013 were down 3% year on year at EUR 115 million (118). The decrease in euro-denominated net sales was due a weakening of the rouble exchange rate. In terms of roubles, net sales in Russia were up 9% year on year.

Nordic countries

October-December
Ruukki Building Systems' net sales in the Nordic countries for October-December were up 15% year on year at EUR 26 million (22).

Full year 2013
Ruukki Building Systems' net sales in the Nordic countries for 2013 were up 10% year on year at EUR 106 million (96).

Net sales growth came mainly from shopping centre and energy plant projects in Sweden and Norway. Net sales in Finland showed a clear decrease year on year due to weak demand.

Central Eastern Europe

October-December
Ruukki Building Systems' net sales in the Central Eastern Europe for October-December were down 22% year on year at EUR 15 million (19).

Full year 2013
Ruukki Building Systems' net sales in the Central eastern Europe for 2013 were down 4% year on year at EUR 71 million (73).

Operating profit

October-December

Ruukki Building Systems' comparable operating profit for October-December was -EUR 2 million (-7).

Full year 2013

Ruukki Building Systems' comparable operating profit for 2013 was -EUR 10 million (-21).

Operating result improved year on year mainly as a result of the efficiency programme carried out. Profitability was also improved by shifting the focus of production to lower-cost countries and by better project margins and capacity utilisation rates. A healthy order book in Russia has enabled considerably better profitability in 2013 through more efficient use of capacity. Profitability was weakened due to some loss-making steel structure contracts, which had a negative impact totalling around EUR 8 million on the operating result for the whole year.

Actions to improve profitability

Ruukki Building Systems' main aim in 2013 was to improve efficiency and turn the business around to profitability by the end of the year. Many actions were taken during the year to improve profitability and these have paved the way for better profitability. Improving the use of the production network, scaling capacity in response to demand and cutting overheads were key to profitability improvement. These efficiency actions have paved the way for profitable business. The Kalajoki unit in Finland was closed and at the Peräseinäjoki unit, the decision was made to continue production on a scaled-down basis and focus on manufacturing large steel trusses for the construction industry. In addition, Ruukki withdrew from bridge projects, which had underperformed.

Ruukki Building Systems' poor result was partly attributable to individual loss-making project deliveries. During the year, the focus was particularly on improving project management and developing sales steering so as to prevent negative project deviations. Business profitability was earlier also weakened by excessive general and administration expenses, which during the year have already been successfully cut to a level of 9% (13) of net sales. This was done by aligning sales and sales support to market conditions. The improvement in earnings performance achieved through efficiency projects in 2013 was around EUR 8 million (4). Despite significant improvement in operating result, the result for the whole year was still negative due to some loss-making steel structure contracts.

Major delivery contracts

Steel structure contract for Ruukki for Mälarenergi's combined heat and power plant

Ruukki delivered the steel frame and envelope structures for Mälarenergi's new combined heat and power (CHP) plant to be built at Västerås in Sweden. Ruukki's customer is Metso Corporation, which is responsible for supplying the world's largest recoverable fuel fired boiler for the project. The total value of Ruukki's deliveries for the project is around EUR 12 million. Ruukki's deliveries from early 2013 to the fourth quarter.

Large order for Ruukki's complete building solutions in Russia

During the year, Ruukki received orders worth a total of around EUR 50 million to deliver buildings for Poultry Akashevskaya's new poultry production facilities. Poultry Akashevskaya Agroholding is one of the largest poultry companies in Russia. Ruukki's deliveries included the frames, structures, wall panels and steel roofs for the buildings. A total of almost 200 separate buildings were delivered to 11 different sites mostly during 2013.

Ruukki delivered steel frame structure for Russian company Cryogenmash's new development and production facility in Russia

Ruukki designed, manufactured and delivered the steel frame structure for Russian company OAO Cryogenmash's new 14,500 m^2:development and production facility in the city of Balashikha to the east of Moscow. The order was worth over EUR 5 million and deliveries for the new facility continued until the end of 2013.

Ruukki to deliver energy-saving wall structures for shopping centre in Bratislava

Ruukki's energy-efficient wall structures are to be used in the Bory Mall retail and entertainment centre to be built in the Slovakian capital of Bratislava. Ruukki is to deliver and install a total of 8,700 square metres of façade panels for the centre. Some of the panels are energy panels and some Liberta panels. Deliveries began in December 2013 and the centre is expected to open in autumn 2014.

RUUKKI METALS

- Comparable operating profit rose clearly year on year due to cost savings achieved through efficiency projects and because of lower raw material costs.
- Clear growth in delivery volumes of special steel products, but average selling prices down year on year.
- Ruukki Metals' comparable net sales down 10% year on year.
- Ruukki Metals' order intake down 10% year on year. Order intake value down due to lower average selling prices with order volumes more or less unchanged year on year.
- Ruukki Metals' earnings improvement through efficiency programmes totalled around EUR 48 (10) in 2013.

RUUKKI METALS				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Order intake	411	454	1,657	1,850
Comparable net sales	407	452	1,679	1,859
Items affecting comparability included in reported net sales		-18		-72
Reported net sales	407	434	1,679	1,787
Comparable operating profit	6	-31	27	-31
Comparable operating profit as % of net sales	1.4	-6.8	1.6	-1.7
Items affecting comparability included in reported operating profit		-10		-22
Reported operating profit	6	-41	27	-53
Reported operating profit as % of net sales	1.4	-9.5	1.6	-2.9
Deliveries (1 000 tonnes)	466	466	1,814	1,809
Personnel at end of period			5,201	5,203

Order intake and order book

October-December

Ruukki Metals' order intake value in October-December was down 9% year on year at EUR 411 million (454). The decrease in Ruukki Metals' order intake value was mostly attributable to clearly lower average selling prices in weakened market conditions, which also kept the decrease in market prices of the main raw materials low. Order volumes were down slightly.

Ruukki Metals' order intake in Finland showed a clear decrease compared to a year earlier. Orders were also down in Sweden and Norway, as well as in many Western European markets, Russia and Ukraine. Orders rose in some markets outside Europe and in Central Eastern Europe. Orders were also up in individual countries, including the United States, Poland and Turkey.

Order intake for special steel products was up year on year as a result of clearly higher delivery volumes. Orders rose in most main market areas except Finland, where orders for special steel products showed a slight decline compared to a year earlier. Orders were up in many Western and Southern European markets, Central Eastern Europe and Turkey. Total order intake in markets outside Europe was up year on year, but orders in China, among other countries, were lower.

Order intake for strip and flat products showed a clear decrease year on year in almost all market areas. This was attributable to a fall in the demand for steel and to weaker price levels. Also order intake for tube and profile products, as well as for aluminium and stainless steels, which are sold as trading products, were down compared to a year earlier.

Compared to the previous quarter, Ruukki Metals' order intake was up 9%. Higher order intake was due to higher order volumes. Average selling prices were slightly lower. Order intake was up in most market areas, although orders in Finland showed a slight decline compared to the previous quarter.

Order intake for special steel products showed clear growth quarter on quarter due to higher order volumes. Orders rose especially in Western and Southern European markets and in the Nordic countries. In Finland, order intake was up slightly quarter on quarter. In market areas outside Europe, order intake rose in most markets, but decreased, however, in the United States and Brazil, for example. Also orders in China showed a slight increase, but were still at a low level.

Order intake for strip and flat products were up somewhat quarter on quarter because of higher order volumes. Order intake for tube and profile products, stainless steels and aluminium products were down slightly quarter on quarter.

At the year-end 2013, Ruukki Metals' order book was 13% lower year on year and 4% higher than at the end of September 2013.

Full year 2013

Ruukki Metals' order intake value in 2013 was down 10% year on year at EUR 1,657 million (1,850). The decrease in Ruukki Metals' order intake value was mostly attributable to clearly lower average selling prices in weakened market conditions and which the decrease in market prices of the main raw materials also kept low. Order volumes were down slightly.

Compared to the previous year, Ruukki Metals' total order intake showed a clear decrease in Finland and the other Nordic countries. Also in Russia, Ukraine and most Western European markets, orders were lower than a year earlier. Overall order intake rose in market areas outside Europe and in Central Eastern Europe.

As regards product groups, order intake for special steel products showed clear growth year on year. Order intake rose in most Western and Southern European markets, where there was good development in demand from, among others, manufacturers of lifting, handling and transportation equipment and manufacturers of construction machinery. Orders were down year on year in the Nordic countries, with the exception of Denmark, where orders for special steel products rose. Orders showed clear growth also in Turkey, Russia and in most Central Eastern European markets. Demand varied in market areas outside Europe. Orders were up in South America, whereas in China were down clearly because of weakened demand in, among others, the lifting, handling and transportation equipment industry.

Order intake for strip and flat products, tube and profile products and stainless steels and aluminium products showed a clear decline year on year in almost all main market areas. This was due to falling demand for steel and weakened price levels. Orders rose in some markets outside Europe and in Central Eastern Europe. Also order intake for tube and profile products, stainless steels and aluminium products were down compared to the previous year.

Net sales

October-December

Ruukki Metals' comparable net sales for October-December were down 10% year on year at EUR 407 million (452). The decrease in net sales was attributable to lower average selling prices of steel products compared to a year earlier. Delivery volumes were at the same level. Comparable net sales for 2012 include the net sales of the Ruukki Engineering units that were not divested. Reported net sales for October-December were EUR 407 million (434).

Compared to a year earlier, Ruukki Metals' net sales for October-December were up in most markets outside Europe and in Central Eastern Europe. Net sales rose slightly also in Finland and Sweden. In most Western European markets and in Russia, Norway and Denmark, net sales were down compared to a year earlier.

Net sales of special steel products rose compared to a year earlier on the back of clearly higher delivery volumes. Net sales of strip and flat products, however, showed a clear decline. This is largely because during the fourth quarter of the reference year, Ruukki Metals delivered a large amount of low-margin steel products outside the main market areas. Also net sales of tube and profile products and stainless steels and aluminium products declined compared to a year earlier.

Compared to the previous quarter, Ruukki Metals' net sales were up 4% on the back of higher delivery volumes. Average selling prices for steel products were down slightly quarter on quarter. Net sales rose in most market areas, especially in Western Europe and in many markets outside Europe. This was mostly attributable to higher delivery volumes of special steel products. As regards the main markets, net sales were down in Russian and Norway. In Finland, net sales were only slightly down quarter on quarter.

Compared to the previous quarter, net sales of special steel products were up 13% and strip and flat products were up 2%. Net sales of tube and profile products were down 1% and stainless steels and aluminium products were down 12% compared to the third quarter.

Full year 2013

Ruukki Metals' comparable net sales for 2013 were down 10% year on year at EUR 1,679 million (1,859). Comparable net sales for 2012 include the net sales of the Ruukki Engineering units that were not divested. Reported net sales were EUR 1,679 million (1,787). The decrease in net sales was due to lower average selling prices of steel products compared to a year earlier. Delivery volumes were slightly higher than in the previous year.

Compared to a year earlier, Ruukki Metals' comparable net sales showed a clear decrease in Finland, the other Nordic countries, Russia, Ukraine and in Western Europe. Net sales rose in Central Eastern Europe. In market areas outside Europe, net sales showed good development in, for example, the United States and in some markets in South America. Net sales in China showed a clear decrease compared to a year earlier. Overall net sales were up slightly year on year in market areas outside Europe.

RUUKKI METALS NET SALES BY PRODUCT GROUP				
EUR million	Q4/13	Q4/12	2013	2012
Reported net sales				
Special steel products	147	118	558	551
Strip and flat steel products	182	229	772	854
Tubes and profiles	52	58	228	253
Stainless steels and aluminium products	27	29	122	129
Reported net sales, total	**407**	**434**	**1,679**	**1,787**

Special steel products

The following strip and plate products are reported in the special steel products product group: wear-resistant, high-strength and specially coated steels. Ruukki's trademarks include Raex, Optim, Laser, Ramor and Litec.

October-December

Net sales in the special steel products group for October-December were up 24% year on year at EUR 147 million (118). Delivery volumes of special steel products showed clear growth year on year, but average selling prices were lower due to market conditions and a change in the product mix.

Net sales of special steel products were up in most market areas, especially in the Western and Southern European markets. Net sales were down slightly in Finland, but rose in the other Nordic countries. Also in Turkey, sales of special steels showed a clear rise. Net sales showed positive development also in many markets outside Europe including the United States, Peru, the Middle East and India. Net sales in China showed a clear decline compared to a year earlier because of weakened demand in, among others, the lifting, handling and transportation equipment industry. In Russia and Central Eastern Europe, net sales of special steels rose somewhat.

Net sales of special steel products increased to most customer segments including the lifting, handling and transportation equipment industry and the construction industry. Net sales to manufacturers of mining machines and to steel wholesalers were down year on year.

Compared to the previous quarter, net sales of special steels were up 13%. Delivery volumes of special steel products showed clear growth, but average selling prices were lower due to market conditions and a change in the product mix. Net sales rose in most market areas, especially in Western and Southern Europe. In the Nordic countries, net sales were down in Finland and Norway, but showed a clear rise in Sweden and Denmark. Net sales rose also in many market areas outside Europe including the United States, Peru, the Middle East and India. Also in China, net sales were up slightly compared to the previous quarter. In Russia and Central Eastern Europe, net sales of special steels declined.

Special steel products accounted for 37% (27) of Ruukki Metals' net sales for the fourth quarter of the year. Investments in the expansion and development of the sales and distribution network for special steel products were reflected positively in sales of certain special steel products.

Full year 2013

Net sales in the special steel products group for 2013 were up 1% year on year at EUR 558 million (551). Delivery volumes of special steel products showed a clear rise, but average selling prices were lower than a year earlier. Lower average selling prices was largely due to market conditions. Also a change in the product mix contributed to lower average selling prices of special steel products.

Net sales of special steel products were up year on year in most market areas. Net sales rose in many markets in Europe including Italy, Poland and Turkey, where good development was seen in demand from, among others, manufacturers of lifting, handling and transportation equipment and construction machinery. In Germany, net sales of special steel products for the whole year were down slightly compared to a year earlier. In the Nordic countries, net sales of special steel products were down in Finland and Sweden, but rose in Denmark and Norway. Sales were also up in Russia. As regards markets outside Europe, net sales showed positive development in certain markets in South America, as well as in the Middle East, Australia and Canada. Net sales in China showed a clear decline compared to a year earlier because of weakened demand in, among others, the lifting, handling and transportation equipment industry.

As regards customer segments, net sales of special steels to the lifting, handling and transportation equipment industry and tor the construction industry were up year on year. However, net sales to the automotive industry and manufacturers of mining machines were down year on year.

Special steel products accounted for 33% (30) of Ruukki Metals' comparable net sales for 2013.

Strip and flat products

The following are reported in the strip and flat products product group: hot- and cold-rolled steels and coated standard steel products. Sales of the Engineering units remaining with Ruukki and of by-products and mineral products are also reported in this group.

October-December

Net sales in the strip and flat products group for October-December were down 21% year on year at EUR 182 million (229). The decrease in net sales was due to clearly lower delivery volumes compared to a year earlier. During the fourth quarter of 2012, Ruukki Metals delivered 70,000 tonnes of low-margin steel products outside the main market areas to free up working capital and improve cash flow in an environment of weak demand. This impacted on the fall in net sales compared to the reference period. Compared to a year earlier, average selling prices of strip and flat products decreased slightly during October-December.

Net sales in the strip and flat products group rose in Finland, but were down year on year in the other Nordic countries, Russia and in most countries in Western Europe. Overall net sales grew in Central Eastern Europe and in markets outside Europe.

Compared to the previous quarter, net sales in the strip and flat products group were up 2%. This was due to higher delivery volumes. Average selling prices showed a slight decrease.

Full year 2013

Net sales in the strip and flat products group for 2013 were down 10% year on year at EUR 772 million (854). Both delivery volumes and average selling prices fell.

Net sales in the strip and flat products group were up year on year in Finland, but showed a clear decrease in the other Nordic countries and Russia. Net sales were down also in most Western European markets, especially in Germany. In Central Eastern Europe and in markets outside Europe, net sales showed a slight rise compared to a year earlier.

As regards customer segments, sales to the shipbuilding and offshore industries rose year on year. This was attributable to deliveries made to Finnish shipyards. Net sales showed a clear decrease to most other customer segments, such as the construction industry and steel wholesalers.

Tubes and profiles

The following are reported in the tubes and profiles product group: structural hollow sections, precision tubes, profiles and line pipes.

October-December

Net sales in the tubes and profiles product group for October-December were down 10% year on year at EUR 52 million (58). The fall in net sales was largely attributable to lower average selling prices compared to a year earlier. Also delivery volumes were down slightly.

Net sales of tube and profile products were down year on year in all main market areas, i.e. in Finland and the other Nordic countries.

Compared to the previous quarter, net sales of tube and profile products were down 1%. Delivery volumes rose slightly, but average selling prices were lower. Net sales were up slightly in Finland and the other Nordic countries.

Full year 2013

Net sales in the tubes and profiles product group for 2013 were down 10% year on year at EUR 228 million (253). The fall in net sales was attributable both to smaller delivery volumes and to lower average selling prices.

As regards the main markets, net sales of tube and profile products were down in Finland, Norway and Denmark, whereas in Sweden, net sales rose.

As regards customer segments, sales of tube and profile products to shipbuilding and infrastructure construction rose year on year. However, net sales were down to most other customer segments including the construction industry and steel wholesalers.

Stainless steels and aluminium products

The following are reported in the stainless steels and aluminium products group: stainless steel and aluminium sold as trading products, coils, sheets, bars, profiles and tubes made of aluminium and delivered to customers in standard dimensions, prefabricated or as components.

October-December

Net sales in the stainless steels and aluminium products group for October-December were down 8% year on year at EUR 27 million (29). Stainless steels and aluminium products are sold as trading products Average selling prices for the products were down compared to a year earlier, but delivery volumes were up slightly.

As regards the main market areas, net sales of stainless steels and aluminium products were down in Finland and Norway, but rose in Sweden compared to a year earlier.

Compared to the previous quarter, net sales of stainless steels and aluminium products were down 12%. This was attributable both to slightly lower delivery volumes and to lower average selling prices.

Full year 2013

Net sales in the stainless steels and aluminium products group for 2013 were down 6% year on year at EUR 122 million (129). The fall in net sales was attributable to lower average selling prices compared to a year earlier. Delivery volumes were up slightly.

Net sales were up year on year in Sweden, but down in Finland and Norway. Net sales to the shipbuilding and offshore industries and to energy storage were up, but net sales were down to, among others, the construction industry.

Operating profit

October-December

Ruukki Metals' comparable operating profit for October-December was EUR 6 million (-31). Reported operating profit was EUR 6 million (-41). Reported operating profit for the fourth quarter of 2012 includes items of -EUR 10 million affecting profitability. These items have been itemised in the table "Items affecting comparability of reported operating profit" in the notes to the financial statements.

Ruukki Metals' comparable operating profit was up EUR 9 million compared to the previous quarter. This was mainly attributable to higher delivery volumes and cost savings achieved. Net sales were weakened by lower average selling prices.

Full year 2013

Ruukki Metals' comparable operating profit for 2013 was EUR 27 million (-31). Reported operating profit was EUR 27 million (-53). Reported operating profit for 2012 includes items of -EUR 22 million affecting profitability. These items have been itemised in the table "Items affecting comparability of reported operating profit" in the notes to the financial statements.

Operating profit rose year on year largely because of cost savings generated by the efficiency projects and because of lower raw material costs. A number of development projects were completed during the year to optimise production and to use raw materials more efficiently. Manufacturing costs were successfully cut as a result of these projects. Operating profit was weakened by lower average selling prices of steel products. Operating profit for 2013 was negatively affected by disruptions to production during the second quarter, which resulted in a lower capacity utilisation rate than usual in steel production.

Ruukki Metals' profitability improvement

During the first quarter of 2012, an efficiency improvement programme was initiated with the aim of achieving a permanent annual improvement of EUR 70 million in earnings performance. Numerous development projects to improve competitiveness and achieve savings have been completed, especially at various production sites. Some of the cost savings have been generated by efficiency actions already completed in operations and workforce reductions in production, sales, marketing and business support functions. As regards Ruukki Metals, the efficiency programme delivered a total of around EUR 10 million in earnings improvement during 2012 and around EUR 48 million in 2013.

No significant turn for the better in steel demand is expected in the main market area in Europe within the next few years. This is why Ruukki Metals is starting to prepare a new efficiency programme to further improve competitiveness. The programme aims at a permanent annual improvement of around EUR 30 million in earnings performance. Ruukki Metals has defined the alternative actions to improve efficiency. These include even more efficient use of raw materials and recycling of materials, better operating and maintenance efficiency, better operating reliability of output and processes, lowering costs attributable to disruptions and cutting transfer and transportation costs. In addition, the potential to develop and improve the efficiency of business models on the sales side will be explored. A start has already been made with some of the actions to improve efficiency. The EUR 30 million earnings improvement is expected to be achieved in full during the course of 2015.

Steel production

STEEL PRODUCTION				
1000 tonnes	**Q4/13**	**Q4/12**	**2013**	**2012**
Steel production	590	566	2,237	2,299

October-December

Steel production during the fourth quarter of the year was 590 thousand tonnes (566) and the utilisation rate was around 84%.

Full year 2013

Steel production in 2013 was 2,237 thousand tonnes (2,299) and the utilisation rate was around 80%. The utilisation rate was negatively affected by disruptions to production during the second quarter. Projects were completed during the year to boost the recycling rate of materials in steel production and to increase operating efficiency.

Raw materials and energy in steel production

Global market prices of iron ore and coking coal - the main raw materials in steel production – fell during the early part of the year, but rose again during the summer as the Chinese steel industry began to replenish its raw material inventories. However, price development stabilised later in the year.

Market prices of iron ore and coking coal are not expected to rise during the early part of 2014, especially since as regards iron ore the market is gearing up for additional production capacity.

At the end of the second quarter 2013, Ruukki Metals signed a new contract to purchase iron ore pellets with the Swedish company LKAB. This new contract allows more flexibility with regard to fluctuations in market prices and was backdated to the beginning of the second quarter 2013. There is typically a delay of around one quarter before movements in the prices of raw materials are reflected in Ruukki’s production costs. This is because of contracts signed with raw materials suppliers and the normal turnaround of inventories.

Major delivery agreements

NEVS and Ruukki in partnership on the new Saab

National Electric Vehicle Sweden AB, Nevs, which has resumed the manufacture of Saab cars in Trollhättan, Sweden, has initiated a partnership with Ruukki. Among other things, Ruukki will supply formable steel, high-strength steel and ultra-high-strength Litec special steel, for the body-in-white manufacture of the Saab 9-3 model. With ultra-high-strength steel, material thickness can be reduced to make lighter, more fuel-efficient cars that retain the same safety factor. Ruukki focuses particularly on developing materials and applications to foster the manufacture of lightweight, energy-efficient vehicles.

Ruukki to deliver metal-coated, high-strength steel for thermosolar plant in Morocco

Ruukki is to deliver nine thousand tonnes of metal-coated, high-strength steel to the Spanish company CIE EGAÑA to manufacture the support arms for the parabolic reflectors in a new thermosolar plant to be built in Morocco. The new thermosolar plant will have an output of 125 megawatts making it one of the largest in the world. Ruukki's deliveries begin at the start of 2014 and consist of metal coated, high-strength steel which will both strengthen and lighten the structures whilst preventing corrosion.

STRATEGY ACHIEVEMENT AND OPERATIONAL DEVELOPMENT IN 2013

Ruukki's strategic intent is to accelerate its transformation into a company focusing on energy-efficient steel construction and special steels. The key aim is to increase annual sales of special steel products to EUR 850 million in 2015 (2013: EUR 558 million). Ruukki Building Products is pursuing profitable growth especially by specialising in energy-efficient solutions in its product portfolio and by developing distribution of roofing products. The main goal for Ruukki Building Systems is to turnaround the business back to profitability by the end of the current year.

To promote achievement of its strategic intent, Ruukki restructured in the spring and since the second quarter of the year, the company has three reporting business areas: Ruukki Building Products, Ruukki Building Systems and Ruukki Metals. The new business structure has simplified leadership and business steering. This has contributed to the improved profitability of Ruukki Building Products and Ruukki Building Systems compared to a year earlier.

The main focus area continued to be an improvement in the corporate cost structure. The annualised impact on earnings improvement of around EUR 100 million pursued by the efficiency programme initiated in 2012 achieved halfway through 2013 the target set. Since no significant turn for the better in steel demand is expected in the main market area in Europe within the next few years, Ruukki Metals is initiating a new efficiency programme aiming at a permanent annual improvement of around EUR 30 million in earnings performance. This means the earlier corporate-wide permanent earnings improvement target of EUR 100 million has risen to EUR 130 million. Efficiency programmes delivered earnings improvement of around EUR 70 million (20) during 2013.

The main aims across the company in 2013 were also to free up working capital, thereby improving cash flow. These aims were successfully achieved and EUR 62 million in working capital was freed up (2012: EUR 173 million freed up) and net cash from operating activities for the whole year was EUR 184 million (172).

Ruukki Building Products

Ruukki has a good market position in building products. Profitability and growth is being pursued mostly through energy-efficient building components and residential roofing products. Further development of components and solutions to optimise a building's lifecycle energy efficiency is a key aspect. Other important themes include further development of marketing and technology and the repeatability of business models.

In roofing products, the aim is to grow market shares, especially in Russia, Poland and the Nordic countries, by strengthening our own distribution and partnership network, expanding installation services and by launching increasingly more efficient products and services. During 2013, the Ruukki Express distribution and service network grew by 14 new outlets to bring the total number of outlets at year-end to 37. Ruukki Classic Solar thermal roof, a new roofing product to harness solar energy, was launched in spring 2013.

In components and especially in energy panels, the aim is to grow sales in the Nordic countries and to pursue new markets for these products. The focus in components is on developing energy-efficient, components and solutions that utilise renewable energy sources and improve a building's entire lifecycle efficiency. Sales of energy panels progressed well in 2013 and gained a foothold in our main market areas. Combined sales of energy panels and the Ruukki Life panel, which is made from recycled materials, accounted for a quarter of all sales of Ruukki panels in Finland. Good progress was made also with product launches also in other countries and, for example, amendments to energy performance of buildings legislation in Poland, significantly foster sales of Ruukki's energy panels.

In infrastructure construction, the aim is to maintain the market position in the Nordic countries by developing product-related services and by identifying new business opportunities and applications. In summer 2013, Ruukki was the first European supplier to receive CE marking rights for structural steel-based steel piles. Last year saw the launch of a new strength category of micropiles, S460, and the development of a new pile type, RRs 125/6.3 with greater load-bearing capacity, and a new type of splice for micropiles.

During the second quarter of 2012, former Ruukki Construction division initiated a programme across the division to improve profitability and aimed at a permanent improvement of EUR 20 million in earnings performance. The programme has continued within Ruukki Building Products. Within the limits of this programme, the production-distribution process and material flows were optimised and the efficiency of sales, marketing and support functions has been improved. The actions resulted in earnings performance improvement totalling EUR 8 million (4) in 2013.

Ruukki Building Systems

Ruukki Building Systems consists of the building project business, operations in Russia and the new energy-efficient and functional buildings development unit. In the project business, the strategic focus is to improve relative profitability. The aim in 2013 was to improve efficiency and turn the business around to profitability by the end of the year. In Ruukki Building Systems, profitable growth is being pursued in Russia, especially in commercial construction and in agriculture.

Ruukki Building Systems' aim in 2013 was to improve efficiency and turn the business around to profitability by the end of the year. Many actions were taken in 2013 to pave the way for better profitability. Improving the use of the production network, scaling capacity in response to demand and cutting overheads were key to profitability improvement. The Kalajoki unit in Finland was closed and at the Peräseinäjoki unit, the decision was made to continue production on a scaled-down basis and focus on manufacturing large steel trusses for the construction industry. In addition, Ruukki withdrew from bridge projects, which had underperformed.

Ruukki Building Systems' poor result was partly attributable to individual loss-making project deliveries. During the year, the focus was particularly on improving project management and developing sales steering so as to prevent negative project deviations. Business profitability was earlier also weakened by excessive general and administration expenses, which during the year have already been successfully cut to a level of 9% (13% in 2012) of net sales. This was done by aligning sales and sales support to market conditions. The improvement in earnings performance achieved through efficiency projects in 2013 was EUR 8 million (4). Despite significant improvement in the operating result, the result for the whole year was still negative. Profitability was weakened due to some loss-making steel structure contracts, which had a negative impact totalling around EUR 8 million on the operating result for the whole year.

Business in Russia showed good development and the production capacity utilisation rate in Russia was at a high level, which helped to improve Ruukki Building Systems' profitability during the past year. Work continued on developing sales management and the sales organisation in Russia and this was also reflected in dales figures.

The report year saw the opening of the new energy-efficient and functional buildings development unit. The aim is to develop a total building solution to shorten construction time, save material costs and promote sustainability through energy efficiency.

Ruukki Metals

Ruukki Metals' main aim is to grow annual sales of special steel products to EUR 850 million in 2015 (2013: EUR 558 million). In standard steel products, the main goal is to further improve operational cost efficiency and to reorganise the product portfolio by cutting back on underperforming products. It is important to further develop customer-specific services, delivery accuracy and the entire supply chain to maintain and improve cost competitiveness.

Good progress was made with accelerating sales growth of special steels by acquiring new customers, developing new products and applications and by expanding into new market areas. Compared to a year earlier, the results were seen in clearly growing delivery volumes in many market areas despite the challenging demand environment for steel products.

The past year saw a significant expansion of the global distribution and sales network for special steels. The goal is to create a sales and partner network covering all main market areas. In 2013, new sales offices were opened in Toronto (Canada), Santiago (Chile) and in Pittsburgh (USA), which translates into more flexible and even faster service close to the customer. Likewise, new partnership agreements were signed. During 2013, new sales and technical customer support experts for sales of special steels in, among others, the United States, Canada, Chile, Turkey and China. Work continues on recruiting a total more than 40 sales and technical customer support experts. It is estimated the results of efforts on this front will be reflected in sales figures mostly from the second quarter of 2014 onwards.

Several new products were developed and launched during the year. The properties of these products improve end-product energy and material efficiency, and useful life, thereby promoting sustainability. Product launches during the course of the year included tubes made of Raex 400 special steel, Optim 700 Plus MH structural tubes, Ruukki Pural farm coating, which excellent corrosion and chemical resistance, new Ramor 550 steel, intended for ballistic protection, Optim 700 QL steel in thicknesses up to 60 mm and the new Z600 metal coating for applications requiring excellent corrosion protection. In addition, the range of wear-resistant Ruukki Raex special steels was expanded to include thicknesses up to 80 mm to meet the thicker wear-resistant steel needed, for example, in the mining industry.

The efficiency improvement programme initiated in 2012 with the aim of achieving a permanent annual improvement of EUR 70 million in earnings performance progressed to target. Numerous development projects to improve competitiveness and achieve savings have been completed, especially at various production sites. Some of the cost savings have been generated by efficiency actions already completed in operations and workforce reductions in production, sales, marketing and business support functions. Earnings improvement in 2013 was around EUR 48 million (10). Ruukki Metals is initiating a new efficiency programme aiming at a permanent annual improvement of around a further EUR 30 million in earnings performance. The earnings performance sought is expected to be achieved in full during 2015.

RESEARCH AND DEVELOPMENT

A total of EUR 21 million (EUR 26 million in 2012 and EUR 29 million in 2011) was spent on research and development in 2013. This equates to 1% of the company's comparable net sales (1% in 2012 and 1% in 2011).

As in earlier years, R&D at Ruukki focused mainly on broadening the special steel portfolio and the focus in components is on developing energy-efficient components and solutions to improve a building's entire lifecycle efficiency.
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Ruukki Building Products

Work continued on developing products and solutions to improve material and energy efficiency. The report year saw Ruukki launch a third generation system of the energy panels launched in 2011. The new energy panel system features further improved airtightness and structural details. Ruukki also launched Ruukki Solar panel. Part of Ruukki's energy panel system, the panel is installed on walls and converts sunlight into electricity. Ruukki also launched a waste recycling system for panel waste. The system reduces waste management costs at construction sites and ensures a higher recycling rate of raw material.

Ruukki's energy panel system developed in 2012 was the first of its kind in Finland to be certified by VTT Technical Research Centre of Finland. Certification makes it faster and easier to design the energy efficiency of buildings and is testimony to the consistently high quality of energy panel system products and installation Considerable savings in energy consumption have been achieved by using the energy panel system compared to traditional sandwich panels. Ruukki is the only manufacturer to guarantee the airtightness of its energy panel system.

Within roofing products, spring saw the launch of Ruukki Classic solar thermal roof, which has been designed for installation on an ordinary single-family home to harness solar thermal energy to heat domestic hot water and to heat the building itself. The heat collector is integrated into Ruukki's Classic roof and the solar collector package offered to customers was added to during the year so that it also includes the features needed to connect to mechanical and electrical systems.

Within infrastructure construction, a new strength category of micropiles, S460, was launched. A new pile type, RRs 125/6.3, with greater load-bearing capacity, and a new type of splice for micropiles were developed. On the product approval front, work continued on developing CE marking procedures and preparing for changing requirements. Pile dimensioning software was completed to make design work easier.

Ruukki is actively involved in steel construction research and development. During 2014-2017, Ruukki will invest around EUR 2.5 million in steel construction research. December 2013 saw the signing of a framework agreement for a Steel Construction Excellence Center. Besides Ruukki, the other parties to the agreement are HAMK University of Applied Sciences, Tavastia Vocational College, the City of Hämeenlinna, Häme Development Centre Ltd and Tampere University of Technology. The parties will jointly contribute an estimated more than EUR 6 million to steel construction research and teaching during 2014-2017. Ruukki's aim in the project is to promote research and development and to thus strengthen competence and training in new technologies at the vocational college and university level. At the same time, the aim is to strengthen the international research network in the field.

Ruukki Building Systems

The focus of product development within Ruukki Building Systems is to develop innovative construction solutions aimed at shortening construction time, saving materials and improving energy efficiency. One important research area was also the possibility of using high-strength special steels in construction.

Research into energy efficiency focused on the total energy efficiency of buildings and on optimising costs. Use of Ruukki's products and solutions to manage a building's total lifecycle energy efficiency results in considerable cost savings to customers, especially in system hall type buildings. Development within the construction business has increasingly also focused on defining the added value to customers in a way that can be easily understood and verified. Part of development work also included overhauling sales business models and tools.

Ruukki Metals

During the year, Ruukki expanded the dimensional ranges of high-strength structural steels, wear-resistant steels and protection steels it manufactures and improved their product properties based on the direct quenching method developed by Ruukki. New high-strength steels can be used to improve the competitiveness of the heavy engineering industry, especially with regard to mobile machines and equipment. Using the improved properties of wear-resistant steels Ruukki developed new applications in collaboration with the extractive industry. Likewise, the dimensional ranges and protection classes of protection steels were expanded and new steels of even better quality were developed.

The product range of hot-rolled steels was expanded with the addition of 40-80 mm thick Raex wear-resistant special steels to meet the needs of the extractive industry, ultra-high-strength Optim 960 QL suitable for mobile vehicles and customised Optim 700 QL 1 quenched and tempered special steel for applications in cold conditions. In addition, Ruukki launched Ramor 550 protection steel, which enables lighter structures than earlier in applications requiring protection against explosions or ballistic threats.

Special products, cost efficiency and environmental awareness were the focus areas within the process and product development of cold-rolled and coated products in 2013. The dimensional ranges of special steel products were expanded especially with new press-hardened boron steels and by developing the use of hot-rolled raw materials in hot-dip galvanising. New product launches included the Z600 coating, with excellent corrosion protection, and a very high-strength multiphase steel.

Product development within colour-coated steel sheets focused mainly on removing substances containing chromium and cobalt from colour-coated products and development work resulted in the compliance of most products with the requirements of REACH. In addition, two new coatings were launched: optimised Pural farm for agricultural construction and customised Hiarc reflect for energy-efficient commercial construction. The functionality of Hiarc reflect is based on special pigmentation that reflects the thermal rays of the sun. An important focus area within the process development of colour-coated products was the equipment investments made on the colour-coating lines to switch over to chromium-free products. These investments were completed in Hämeenlinna towards the end of the year. Preparations were made for future legislation by switching over to the use of completely chromium-free passivation chemicals in hot-dip galvanising.

The focus of product development within tube products was on high-strength structural tubes in steel construction, a wear-resistant Raex 400 tube and special-coated precision tubes. Friends Arena is Stockholm, Sweden is a good example of the application of high-strength steels in steel construction and development work seeks to further improve the potential for Optim structural tubes to be used in frame structures in construction. This would result in significant savings in material and manufacturing costs, whilst cutting emissions and reducing the use of non-renewable natural resources. Development work on the Raex 400 tube focused on new applications, primarily in the mining industry, and on expanding the dimensional range. Raex 400 tube is the world's strongest cold-formed tube and provides unique properties and opportunities to improve the cost efficiency and operational reliability of mines. As regards coated precision tubes, the year saw the launch of Form Z600, a precision tube with a very thick zinc coating, which was also approved by the Finnish Transport Agency for use as road sign poles in Finland.

Within hot rolling, process development focused on improving the yield of high-strength steels. The project to improve the yield of high-strength sheet products optimised the manufacturing parameters of RAMOR, RAEX and OPTIM products. During the project, a line laser was brought into use at the strip mill to detect flatness immediately after water cooling. The line laser enables better control than earlier of the lower/upper surface ratio in cooling. A shortening of the scrapping length of hot strip significantly reduced material waste. Under the Finnish Metals and Engineering Competence Cluster's (FIMECC) Energy and life-cycle efficient metal processes (ELEMET) programme, work continued on microstructure modelling in plate rolling and on flow modelling of reheating furnaces. The microstructure model helped in the development of a rolling practice for quenched and tempered steels to give them considerably better impact toughness properties.

Within steel production, the focus area in process development was on special products and cost efficiency. The time to rinse the bottom of the converter was improved using various bottom nozzle solutions and by improving temperature control. A new consistent way of working was established to prepare charges to improve the timing of charges and casting series. Cost efficiency was improved by reducing planned manual and machine conditioning of slabs. An annealing furnace was brought into use in the slab yard to provide extra slab dehydrogenation capacity. The new hydrogen removal furnace has enabled has enabled the use of very long annealing times with the most complex special products. Three development projects were completed to improve the quality of special products: segregation control, nitrogen control and calcium processing control. These projects resulted in improved steel inclusion cleanliness and internal quality so that a start could be made on pilot deliveries of thick Raex products (>40 mm).

The main goal within development in iron-making was to improve cost efficiency, especially by developing material efficiency. Production at the briquetting plant reached the target level and the volume of briquettes used clearly exceeded the level planned. Briquette quality also significantly improved compared to a year earlier. Alternative grades of iron ore pellets were tested during the year and better pellet grades with new properties were developed with pellet suppliers. A practice was developed to utilise pellet undersize so that the finer undersize is made into briquettes and the blast furnace is charged with the coarser undersize. Several different development projects studied the use of slag and other materials that are sorted. At the coking plant, the focus of development work was on ways to improve the efficiency of the biological water treatment plant and on improving temperature control of the coke batteries. Cost efficiency was improved by starting to use new grades of coking coal.

Ruukki Metals is participating in a total of two out of eight Finnish Metals and Engineering Competence Cluster's (FIMECC) research programmes. The report year saw the launch of the MANU (Future Digital Manufacturing Technologies and Systems) programme. In addition, preparations were made for the SIMP (System Integrated Metal Processing) programme and for two materials technology research programmes Breakthrough Steels and Applications, and Hybrid Materials.

ENVIRONMENTAL MATTERS

Ruukki's focus areas on the environmental responsibility front are to strengthen product-related energy efficiency and lifecycle know-how, to develop energy efficient production, to increase recycling and material efficiency and to maintain responsible operations. We are responding to the growing interest of our customers on this front by innovating and producing energy-efficient steel solutions that cut energy costs throughout the life cycle of an end-user product or solution. In keeping with Ruukki's environmental policy, we are also committed to reducing environmental impacts arising from production.

Environmental objectives and targets support Ruukki's vision of being an innovative and acknowledged provider of energy-efficient steel solutions to build a better living environment together with our customers. In 2013, Ruukki revisited the company's environmental objectives and targets for 2013-2015 and the focus areas were defined as being: to provide customers with solutions where the energy and environmental aspect creates added value, to further improve Ruukki's energy and material efficiency and to strengthen open and continuous interaction. Achievement of these objectives is regularly tracked. Production sites operate in compliance with certified ISO 14001 environmental management and ISO 9001 quality management systems. In 2013, 100% (99) of our production sites had certified systems.

Ruukki takes thorough steps to actively track and anticipate future changes in environmental legislation. The Raahe Works in Finland submitted an application to the Regional State Administrative Authority for Northern Finland in May 2013 to review the environmental permit. A decision about the application is expected towards the end of 2014.

During 2013, Ruukki continued to address further development of energy-efficient products and production, as well as the potential of integrating renewable energy generation into steel construction. Our work on this front resulted in the launch of among other things Ruukki solar panel, an add-on product converting sunlight into electricity, and Ruukki Classic thermal solar roof, an integrated solution designed for installation on single-family homes to harness thermal energy. In addition, the range of Ruukki Raex special steel was expanded to also include the thicker wear-resistant steels needed in the mining industry. Choosing the optimum thickness of Raex wear-resistant steel in the manufacture of buckets and tipper bodies, for instance, can help to reduce the overall weight of the equipment itself and thus increase the payload, which in turn cuts fuel consumption.

Ruukki made environmental investments in production in 2013 totalling EUR 23 million (15), of which 90% (94) was allocated towards reducing environmental impacts at the Raahe Works. The largest single investment at the Raahe Works in 2013 was in an improvement to recover fugitive dust emissions at the steel plant and the associated new particulate filter device. The investment means that the filter now captures more than 90% of fugitive dust and dust can be increasingly recycled as a raw material.

Environmental investments made in previous years and the change in blast furnace feed stock made in conjunction with closure of the sinter plant at the Raahe Works have significantly reduced emissions into the air and lowered energy consumption. These changes have resulted in a decrease of 10% in specific carbon dioxide emissions and a fall of more than one terawatt hour in energy consumption at the works compared to 2011. Dust emissions have decreased by as much as 85%, fugitive dust from transport and storage by 18% and sulphur dioxide emissions by almost 70%. In addition, conversion of the blast furnace slag granulation units to using a closed water system and condensation of the steam released has eliminated malodorous emissions caused by hydrogen sulphide. The processes at Ruukki's steel works in Raahe give rise to dust, sludge, scale, fine scrap and slag. These were earlier returned to production through the sintering process. Since the sinter plant was closed, these materials have been processed at the briquetting plant.

Ruukki's carbon dioxide emissions in 2013 totalled 3.8 million tonnes in (2012: 3.8), of which 99% came under the EU's Emissions Trading Scheme. The final number of free emissions allowances awarded in the initial allocation for the third emissions trading period 2013-2020 has yet to be confirmed. In 2013, trading in emissions allowances generated net income totalling EUR 0.3 million (4).

As part of managing the carbon dioxide emissions balance, Ruukki is a participant in the World Bank's Community Development Carbon Fund and GreenStream Network Oy's Climate Opportunity Fund. Ruukki also participated in GreenStream Network Oy's Fine Carbon Fund, which closed in 2013. These funds purchase certified emissions reduction units, based on the Kyoto Protocol that can be used in the EU's Emissions Trading Scheme. The balance sheet value of emissions reduction funds and funds yielding emissions reductions totalled EUR 3 million (3) at year-end 2013.

More information about environmental matters can be found in environmental product declarations, the company's annual corporate responsibility report and on the website at www.ruukki.com. The corporate responsibility report widely describes Ruukki's work to promote sustainability and environmental matters as one of the key areas in this. The corporate responsibility report has not been verified by an external party. More information about Ruukki's energy-efficient products can be viewed on the company's website at: http://www.ruukki.com/Products-and-solutions.

CORPORATE GOVERNANCE 2013

Rautaruukki Corporation's Annual General Meeting was held in Helsinki on 21 March 2013. A total of 483 shareholders were represented at the meeting.

The Annual General Meeting approved the payment of a dividend for 2012 of EUR 0.20 per share. The dividend payout totalled EUR 28 million and was paid on 4 April 2013. In addition, the Annual General Meeting adopted the financial statements and consolidated financial statements and discharged the members of the Board of Directors and the President & CEO from liability.

It was confirmed that the number of members of the Board of Directors is seven (7). President & CEO Kim Gran, CEO Liisa Leino, President & CEO Matti Lievonen, CFO and deputy CEO Saila Miettinen-Lähde and CEO Jaana Tuominen were re-elected to the Board. Executive Advisor Timo U. Korhonen and CEO Matti Kähkönen were elected as new members of the Board of Directors. Kim Gran was re-elected as chairman of the Board of Directors and Matti Lievonen was elected as deputy chairman. KHT audit firm KPMG Oy Ab was re-appointed as the company's auditor, who appointed Petri Kettunen APA as the principal auditor.

Board of Directors' organisation

In its organisation meeting held on 21 March 2013, the Board of Directors elected committee members from among themselves. Matti Lievonen was appointed as chairman and Timo U. Korhonen, Liisa Leino and Saila Miettinen-Lähde as members of the Audit Committee. Kim Gran was appointed as chairman and Matti Kähkönen and Jaana Tuominen as members of the Remuneration and HR Committee. All members of the Board of Directors are independent of both the company and of the company's largest shareholders.

SHARES AND SHARE CAPITAL

SHARES ON THE NASDAQ OMX HELSINKI STOCK EXCHANGE				
31 December 2013	**Number of shares**	**Number of votes**	**Number of shares traded 2013**	**Value of shares traded 2013, EUR million**
RTRKS	140,285,425	140,285,425	106,451,792	765
1 Jan - 31 Dec 2013	**High**	**Low**	**VWAP***	**Close**
Share price	6.81	4.35	5.42	6.74
* Trade volume-weighted average price				
			31 Dec 2013	**31 Dec 2012**
Market capitalisation, EUR million			946	836
Foreign ownership, %			12.8	14.7

During 2013, a total of 106 million (151) Rautaruukki shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 765 million (991). The highest price quoted was EUR 6.81 in October and the lowest was EUR 4.35 in June. The volume-weighted average price was EUR 5.42. The share closed at EUR 6.74 (5.96) at the end of the report period and the company had a market capitalisation of EUR 946 million (836)

Rautaruukki's share is also traded, in addition to NASDAQ OMX Helsinki, on multilateral trading facilities (MTF). According to information received by the company, a total of 36 million (45) Rautaruukki shares were traded on MTFs for a total of EUR 141 million (286) during 2013.

The company's registered share capital at year-end 2013 was EUR 238.5 million (238.5) and there were 140,285,425 shares outstanding. There were no changes in share capital in 2013. The company has one series of shares, with each share conveying one vote. Under the Articles of Association, a voting restriction applies whereby the votes of an individual shareholder are restricted to 80 per cent of the total number of votes represented by shares at a General Meeting.

At the year-end 2013, the company held a total of 1,396,152 treasury shares (1,392,470), which had a market value of EUR 9.4 million (8.3) and an accounting par value of EUR 2.4 million (2.4). Treasury shares accounted for 1% (1) of the total shares and votes.

Authority to acquire and transfer the company's own shares

The 2013 Annual General Meeting granted the Board of Directors the authority to acquire a maximum of 12,000,000 of the company's own shares. The authority is valid until the following Annual General Meeting. This authority supersedes the earlier authority granted by the 2012 Annual General Meeting to purchase 12,000,000 shares and which was valid until the 2013 Annual General Meeting.

The Annual General Meeting granted the Board of Directors the authority to decide on a share issue, which includes the right to issue new shares and/or to transfer treasury shares held by the company. The authority applies to a maximum of 14,000,000 shares. The Board of Directors has the right to disapply the pre-emption rights of existing shareholders in a directed issue. The authority also includes the right to decide on a bonus issue. The authority is valid for a period of one year following the date of decision of the Annual General Meeting.

As at 31 December 2013, the Board of Directors had not exercised its authority to issue shares or to purchase the company's own shares.

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

LITIGATION AND OTHER PENDING LEGAL ACTIONS

On 30 April 2013, Rautaruukki and Ruukki Group Plc settled their name dispute in consequence of which Ruukki Group changed its name after the report period. Ruukki Group assigned all its rights to the Ruukki trademark and Ruukki name to Rautaruukki.

A number of lawsuits, claims and disputes based on various grounds are pending against Rautaruukki around the world. Management believes that the outcome of these lawsuits, claims and disputes will not have a material adverse effect on Rautaruukki's financial position. Rautaruukki has itself also presented legal claims or is a plaintiff in disputes based on various grounds.

STRUCTURE AND MANAGEMENT CHANGES

New corporate business structure

Ruukki aims to accelerate its step change into a company specialising in steel construction and special steels. To this end, Ruukki reorganised its structure in the spring. Ruukki Construction was split into two new business areas: Ruukki Building Products and Ruukki Building Systems. Restructuring seeks to improve profitability and growth, as well as to improve manageability, the transformation pace and transparency.

From the second quarter onwards, the company has three reporting business areas:

Ruukki Building Products
Ruukki Building Systems
Ruukki Metals

Corporate Executive Board appointments in conjunction with restructuring

Olavi Huhtala remains EVP, Ruukki Metals. Marko Somerma, formerly Chief Strategy Officer, was appointed EVP, Ruukki Building Products with effect from 1 May 2013. Tommi Matomäki, formerly EVP, Ruukki Construction, was appointed EVP, Ruukki Building Systems. Toni Hemminki was appointed Chief Strategy Officer and remains SVP, Technology, Energy and Environment. The above persons all continue being members of the Corporate Executive Board.

Changes in the Corporate Executive Board

Sami Ärilä, LLM, was appointed Senior Vice President, Human Resources and a member of the Corporate Executive Board of Rautaruukki Corporation as of 1 March 2013. He reports to the President & CEO Sakari Tamminen. Sami Ärilä has been working for Ruukki for approximately five years, most recently as Vice President, Human Resources Management.

Markku Honkasalo, CFO and a member of the Corporate Executive Board, left the company to take up a position outside Ruukki. Mikko Hietanen, EVP, Business Development, is acting Chief Financial Officer.

Composition of Rautaruukki's Nomination Board

Kari Järvinen, Managing Director (Solidium Oy), served as chairman of the Nomination Board with Pekka Pajamo, CFO (Varma Mutual Pension Insurance Company) and Jorma Eräkare, Head of Finnish Equities CEFA (Nordea Investment Fund Company Finland Ltd) as members. Kim Gran, Chairman of Rautaruukki's Board of Directors, served as the Nomination Board's expert member.

Nomination Board’s proposal to the Annual General Meeting regarding the composition and fees of Rautaruukki’s Board of Directors

On 29 January 2014, after the report period, it was announced that the Nomination Board appointed by Rautaruukki's shareholders is to propose to the Annual General Meeting convening on 18 March 2014 that the number of members of the Board of Directors remains unchanged at seven. The Nomination Board proposes the re-election of Kim Gran, Timo U. Korhonen, Matti Kähkönen, Liisa Leino, Matti Lievonen, Saila Miettinen-Lähde and Jaana Tuominen. The Nomination Board proposes that Kim Gran be elected as chairman of the Board and Matti Lievonen as deputy chairman. All the candidates have consented to stand for election. It is proposed that the fees of the Board of Directors remain unchanged.

KEY RISKS AND RISK MANAGEMENT

Risk management

Risk management seeks to underpin Ruukki’s strategy and achievement of targets and to ensure business continuity. Risk management is guided by the corporate risk management processes and actions defined in the risk management policy approved by Ruukki’s Board of Directors. Risk management is organised as an integrated part of the management system and the risk aspect is incorporated into the everyday operations and decision-making of all core business areas and business support processes.

Key risks facing Ruukki

Steel market and competitive position

Declining demand, over capacity and price competition in the steel market can make Ruukki’s position difficult in the main market area. International comparison shows Ruukki’s steel production to be competitive, but small in terms of production volume. Crude steel production takes place in two blast furnaces integrated into one production unit. This means steel production has limited flexibility compared to large competitors, who have a number of production units enabling them to optimise production between units. Ruukki has prepared for this risk by improving cost efficiency and by aligning costs to business volumes. The company is securing its position on the home market and developing customer-specific service and further improving delivery accuracy, flexibility and quality.

Quick growth of the special steels business

Ruukki’s strategic intent is profitable business growth in special steel products and construction solutions. Quick, profitable growth of the special steels business encompasses the goal of becoming lead supplier to as many customers as possible. Ruukki has prepared for these risks by growing value added sales so that they account for a greater share of total sales and by training and guiding salespersons. Sales must have a deep insight into customers’ businesses. In sales, the emphasis is on the importance of focusing on suitable and profitable customer segments. Distribution channels for special steel products must be developed to ensure prompt global deliveries also at short notice. Efforts will be made to increase sales in the emerging markets.

Major change in competitive position in the steel business in the home market

Ruukki sells most of its steel products in Finland and the other Nordic countries. Any major change in the competitive position in main markets or, for example, the relocation of customers to lower-cost countries, might affect the company’s business.
Ruukki has prepared for such scenarios by, among other things, developing its international distribution network for special steel products and by securing its market share by improving distribution, delivery reliability and customer service in the Nordic countries. Ruukki is strongly focusing on products and segments where it can achieve a strong market position.

Reputation risks

A good corporate image based on facts and a positive image among stakeholders are important to Ruukki. Reputation risks faced by the company might result from various crisis situations or from unmanageable or negative media publicity. Corporate responsibility might also involve reputation risks. In consultation with the personnel, Ruukki has defined the values that form the basis for the company’s ways of working. Risks to reputation are prevented also by performing comprehensive environmental and social responsibility audits, and by improving safety at work. The company has prepared for any crisis situations by providing crisis communication guidelines and by regular training in crisis management and communication.

Availability and prices of steel feedstock and critical services

The prices, including freight charges, of iron ore, coking coal and other main raw materials used in steel production are determined on the global markets. This can cause the cost of raw materials to fluctuate greatly even at short notice. The supply of main raw materials is in the hands of a few large suppliers. A considerable share of value in the processing chain has shifted to producers of raw materials. China-driven consumption increases prices and causes volatility in the prices of raw materials. Many large steel companies have acquired or are in the process of acquiring their own raw material reserves. Ruukki's operations also depend on, for example, the availability and cost of icebreaking and logistics services.

Raw material risks have been carefully identified to manage risks. The price risk hedging policy has also been reviewed. Ruukki has sufficiently long supply contracts with several suppliers. The availability of competitively priced raw materials has been ensured especially with regard to coking coal and iron ore. Particular attention has been given to ensuring the availability of icebreaking, logistics and other competitive infrastructure services.

Costs arising from regulation

The company's competitiveness is affected by additional costs arising from increasingly stricter environmental legislation and carbon emissions trading, especially when the same rules of play do not apply equally to all players on the field. The Sulphur Directive entering into force across the European Union in 2015 will have a particular impact since it will affect freight costs. Coking coal consumption in steel production at Ruukki is almost at the minimum possible using current processing technology and the company is one of the most carbon efficient in the world. To reduce emissions, Ruukki has switched over to using iron pellets instead of iron ore in steelmaking. The company has taken thorough steps to forecast and actively track changes in environmental legislation. All the company's main production sites operate in compliance with the ISO 14001:2004 environmental management standard. Ruukki is capitalising on new business opportunities spawned by increasing regulation by developing energy-efficient solutions, such as building-integrated solar and energy panels. Energy-efficient, sustainable construction is a key element in the development of Ruukki's construction business. Higher payloads are one of the ways customers can benefit from improved energy efficiency as a result of using Ruukki's special steels.

Financial risks

Ruukki's business is exposed among other things to risks caused by currency fluctuations. Business volatility requires adequate financial reserves to be maintained. Weakened profitability increases the gearing ratio and together with business volatility could jeopardise the company's financial position and push up finance costs. Currency, credit and interest rate risks affect cash flow and capital structure. There is a refinancing risk associated with large loans and committed credit facilities in different market conditions. Currency exchange rates in emerging markets might fluctuate greatly and cause value changes in the company's investments. Exchange rate movements also give rise to the risk of a write down in balance sheet values.

Ruukki's financing, financial and credit risk management is centralised at the parent company's Financing function in accordance with the financing and credit policy approved by the Board of Directors. Derivatives are used to hedge currency risks. The company has continuous access to undrawn committed credit limits and liquid assets to manage the liquidity risk. Ruukki's financial reserves are at an adequate level and the long-term maturity structure has been spread across different banks and financiers. It can be assumed that counterparty risk will also increase as the emerging markets account for a growing share of the company's business Ruukki's customer credit risks are extensively monitored and the amount of credit losses compared to net sales has been very minor over recent years. The group's currency, interest rate, commodity price, liquidity and credit risks are detailed in the notes to the financial statements.

Labour market disruptions

Delivery accuracy is an increasingly critical competitive factor and delivery disruptions thus exert a growing economic impact. Labour market disruptions, especially illegal strikes, are a main cause of delivery disruption. These disruptions can be prevented proactively by improving supervisory work and leadership. Decision-making mechanisms are being clarified and the role and competence of work management are being strengthened. The entire personnel have been set the goal of continuously improving delivery accuracy.

Business risks in Russia

Ruukki's business risks in Russia relate to questions regarding the macro economy, such as the fact that the Russian economy is largely based on revenues from energy exports. Dependency on the energy prices can add to rapid changes in the business environment in Russia. These risks are managed through exercising caution in growing the business and by actively monitoring Ruukki's position in Russia. Alertness in choosing partners, a good relationship with the authorities and categorical compliance with Ruukki's Code of Conduct are also critical success factors.

Major breakdown in production

There is a high risk of breakdown in the company's own steel production, especially upstream in the process. This is why much attention has been given to risk management at the steel mill. Ruukki's other production facilities clearly constitute smaller, individual risks. Modern, systematic proactive maintenance and the replacement of processes and systems are a key part of risk management and can help to prevent the occurrence of disruptions in production. Risks are also mitigated by setting up standard procedures to choose suppliers and other partners, and to ensure the quality of unfinished products in own production. From the business continuity aspect, it is important to ensure adequate operational readiness of core processes in all situations, also with regard to data networks, the enterprise resource planning system and communication systems. The group has extensive property damage, business interruption and logistics insurance programmes.

Contract and product liability risks

As the degree of upgrading in Ruukki's products and services rises, the liability of product and service functionality and the content of the contracts signed with customers become more important. This must be taken into account particularly when operating in new markets and when selling larger concepts. The company reviews its own operational processes to eliminate quality and product liability risks. For larger deals, the company carries out systematic project reviews both at the start of and during deliveries. Contract risks are mapped in all business activities and contractual expertise is ensured for all significant deals. The company operates adequate quality management systems to avoid quality and product liability risks in its products and solutions and has appropriate liability insurance for its business. The company's integrated quality and environmental management system complies with ISO 9001:2000 and 14001:2004. The company has a cost-effective, comprehensive, corporate-wide liability insurance programme.

Project business risks

Ruukki's project business risks are intertwined with the cyclicality of the construction industry. Customers are major actors with sound project management expertise. Ruukki's project business typically has a number of separate major projects under way at the same time and a delay in one such project can impact on the performance of the entire business area. These risks are managed by developing project management competence, increasing contract risk management skills and by further improving project management methods.

Profitable growth of the building products business

The cyclicality of the construction industry is also viewed as a risk that threatens Ruukki Building Products' profitable growth. Weak development of the Finnish economy can have a significant impact on Ruukki Building Products' performance. This risk is managed by strengthening efforts in marketing, technological development and value added sales. Outside Finland, Ruukki Building Products is also pursuing growth in the other Nordic countries, Central Eastern Europe and Russia. The aim is for pursue modular solutions for all business models and to increase the share of renovation construction in the roofing business and in other building component businesses.

Injuries

Ruukki is pushing for a safe, accident-free working environment. This aim can be achieved by complying with common safety operating models. Safety has been integrated into the management system and everyday supervisory work. To avoid injuries, Ruukki is particularly focusing on personnel training and an extensive oversight of operations. Safety in the working environment is continuously monitored at all sites using a common reporting system and operating process. Best safety practices are pursued by comparing activities within the company and with other companies.

The company's business risks and risk management are detailed in the Annual Report 2013.

EVENTS AFTER THE REPORT PERIOD

SSAB and Rautaruukki to combine through SSAB making a recommended share exchange offer to Rautaruukki's shareholders

On 22 January 2014, the Boards of Directors of SSAB AB and Rautaruukki Oyj announced a plan to combine the two companies through SSAB making a recommended public share exchange offer to Rautaruukki's shareholders with a premium of 20% based on the last three-month volume-weighted average share prices of both SSAB and Rautaruukki. AB Industrivärden intends to continue to act as the lead active shareholder in supporting the company's future development. The combined company will be a Nordic and U.S.-based steel company with a global reach and cost-efficient and flexible production. The proposed combination is expected to create substantial value for the shareholders in the combined company through the realisation of annual cost synergies of up to SEK 1.4 billion (EUR 150 million). The combined company will continue to serve customers with a broad offering within high strength steels, standard strip and plate products as well as tubular products. SSAB's construction related operations (Plannja) will be combined with Ruukki's Building Products and Ruukki's Building Systems operations to form a separate construction business division. This is expected to generate additional synergies.

Other events

In January, after the report period, it was announced that the employer-employee negotiations initiated by Ruukki Metals Oy at the Kiiluntie steel service centre in December 2013 had been completed. The negotiations resulted in a maximum of 26 persons being temporarily laid off simultaneously in accordance with a separate plan and the order book. Initially a maximum of ten persons will be laid off at a time. Lay-offs will last for a maximum of 90 days and will take place in early 2014, starting in February. The unit's entire personnel of 54 persons are affected by the lay-off negotiations, which were held for reasons related to aligning production and costs to current market conditions.

In January, after the report period, it was also announced that the negotiations concerning possible workforce reductions and temporary lay-offs in Raahe initiated in November by Presteel Oy had been completed. The need for lay-offs will be assessed depending on the order book and any lay-offs will be effected in accordance with a separate plan. Lay-offs will continue at most until the end of 2014 and affect a maximum of the entire personnel of 51 persons. No redundancies will occur as a result of these negotiations, which were held because of a need to align Presteel's production and costs with weakened market conditions and the order book.

On 29 January 2014, after the report period, it was announced that the Nomination Board appointed by Rautaruukki's shareholders is to propose to the Annual General Meeting convening on 18 March 2014 that the number of members of the Board of Directors remains unchanged at seven. The Nomination Board proposes the re-election of Kim Gran, Timo U. Korhonen, Matti Kähkönen, Liisa Leino, Matti Lievonen, Saila Miettinen-Lähde and Jaana Tuominen. The Nomination Board proposes that Kim Gran be elected as chairman of the Board and Matti Lievonen as deputy chairman. All the candidates have consented to stand for election. It is proposed that the fees of the Board of Directors remain unchanged.

NEAR-TERM OUTLOOK

Global economic growth is forecast to continue modest during 2014. The eurozone and Finland's economy are forecast to pull out of recession and to show modest growth of around 1% on the back of strengthening exports. Economic activity is forecast to show a slight improvement in almost all Ruukki's important markets, especially in Germany and Sweden. Growth in domestic demand in Germany is expected to add momentum to economic recovery also in Central Eastern Europe and signs of this were already seen, especially in Poland, towards the end of 2013. Economic growth in Norway, which is stronger than in the eurozone, is forecast to slow to around 1% in 2014. Modest development in industrial production and investments indicate that slowing economic growth in Russia is not expected to pick up. This gives rise to uncertainty also in Ruukki's growth forecasts in Russia.

In construction, modest growth recovery is forecast in most of Ruukki's main market areas in 2014, albeit at a very low level. However, in Finland, a further decline in residential construction activity is forecast and this will weaken demand within Ruukki Building Products. In the other Nordic countries, residential construction activity is forecast to show slight growth compared to the previous year. Likewise, infrastructure construction activity is anticipated to remain at a low level in Finland, but forecast to be at a good level in the other Nordic countries. In Poland, the downturn in construction levelled off towards the end of 2013 and positive development is expected to continue in 2014. In Russia, demand in Ruukki's important segments is forecast to remain at about the same level as in 2013. Large construction volume in Russia provides good growth prospects for Ruukki's building products and solutions.

Demand for steel is forecast to grow by around 3% across the EU in 2014. This pick-up in demand is expected to impact on inventory levels of steel wholesalers in Europe which, at the end of the report period, were still at a lower level than a year earlier. Inventory restocking and a pick-up in demand are expected to raise steel prices slightly during the first quarter of 2014. Nevertheless, growth in steel demand is still hampered by overcapacity in the steel markets, slowing economic growth in emerging countries and debt problems of EU countries.

Because of prevailing overcapacity, the price development of standard steels in particular depends both on demand and greatly on the price development of raw materials. The market prices of iron ore and coking coal are not expected to rise during the early part of 2014, especially since as regards iron ore the market is gearing up for additional production capacity.

Demand for special steels is expected to clearly outperform demand for standard products, especially in market areas outside Europe. Long-continued weakened demand from the mining industry equipment manufacturers is expected to improve during the second half of 2014. The most important growth areas for special steels are the Americas, several countries in Asia and, in Europe, Turkey.

At Ruukki, good progress was made with accelerating sales growth of special steels by acquiring new customers, developing new products and applications and by expanding into new market areas. The past year saw a significant expansion of the global distribution and sales network for special steels. It is estimated the results of efforts on this front will be reflected in sales figures mostly from the second quarter of 2014 onwards. Looking ahead, there is expected to be good scope to grow sales of special steel products. The target is to achieve annual sales of special steel products of EUR 850 million in 2015 (2013: EUR 558 million).

During the report year, the efficiency programmes initiated at Ruukki in 2012 delivered an improvement totalling around EUR 70 million (20). Since no significant turn for the better in steel demand is expected in the main market area in Europe within the next few years, Ruukki Metals is initiating a new efficiency programme aiming at a permanent annual improvement of around EUR 30 million in earnings performance, which is expected to be achieved in full during the course of 2015. This means the earlier corporate-wide permanent earnings improvement target of EUR 100 million has risen to EUR 130 million. The efficiency programme within Ruukki Building Systems will continue and the aim is to further improve profitability.

Comparable net sales in 2014 are estimated to grow compared to 2013. Comparable operating profit in 2014 is estimated to improve compared to 2013.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF DISTRIBUTABLE FUNDS

The parent company's distributable equity at 31 December 2013 was EUR 434 million (444).

The Board of Directors has resolved to propose to the Annual General Meeting to be held on 18 March 2014 that no dividend be paid for the year ended 31 December 2013 (0.20 per share).

SUMMARY FINANCIAL STATEMENTS AND NOTES

These financial statements have been prepared in accordance with IAS 34 and, with the exception of the changes arising from amendments to IFRS standards that entered into force on 1 January 2013 and referred to below, is in conformity with the accounting policies published in the 2012 financial statements.

IAS 1 Presentation of Financial Statements: amendment to Presentation of Items of Other Comprehensive Income

The amendment requires items of other comprehensive income to be grouped into items that can be reclassified subsequently to profit and loss and those that will not be reclassified to profit and loss. Also deferred taxes associated with these items are similarly presented.

- Items that can be reclassified subsequently to profit and loss are translation differences (reclassified to profit and loss when disposing of a foreign unit) and gains and losses realized on available-for-sale financial assets or cash flow hedges.
- Items that will not be reclassified subsequently to profit and loss are items arising from the remeasurement of defined benefit plans (IAS 19) and revaluation fund items (IAS 16 and IAS 38).

This interim report has also restated reference periods in accordance with the amended form of presentation.

IFRS 13 Fair value measurement

The standard sets a single definition of fair value applicable to all IFRS standards and a single approach to measuring fair value. It does not amend regulation with regard to when a reporting entity should measure an asset or liability at fair value. The standard increases the information to be disclosed on the use of fair values and requires interim reports to also disclose information about financial assets and liabilities measured at fair value. This interim report includes a table of the hierarchy used in measuring the fair value of financial assets and liabilities. The measurement and valuation principles used are consistent with those presented in the financial statements for 2012. The following tables have been added to the interim report: Hierarchy used in measuring the fair value of financial assets and liabilities, Changes in level 3 fair values and Financial instruments subject to master netting agreements.

Amended IAS 19 Employee benefits

Most significant amendments:

- The so-called corridor method has been eliminated so that all actuarial gains and losses are recognised as they occur in items of other comprehensive income and the full net liability or asset arising from employee benefits is entered in the statement of financial position.
- Finance costs are determined on a net funding basis and the expected yield from funds is calculated by using the same discount rate as used to calculate the current value of the obligation.

Elimination of the corridor method does not result in any changes for Ruukki because Ruukki ceased using the corridor method as long ago as in 2008. Calculation of the yield of funds and present value of the obligation increased salaries and other employee benefits by EUR 2.4 million in 2012. The comparable figures and indicators have been restated accordingly.

Impacts of the amended standard on the consolidated statement of financial position and income statement in the reference period were as follows:

STATEMENT OF FINANCIAL POSITION		
EUR million	1 Jan 2012	31 Dec 2012
Deferred tax assets	-1.0	-0.8
Retained earnings	3.1	3.1
Total comprehensive income		-0.8
Defined benefit obligations	-4.1	-3.1

INCOME STATEMENT	
EUR million	2012
Employee benefits	-2.4
Change in deferred taxes	0.6
Result for the period	-1.8
Actuarial gains and losses	1.3
Tax on actuarial gains and losses	-0.3
Total comprehensive income for report period	-0.8

Changes in corporate structure and segment reporting

Since 1 January 2013, the operations of the Ruukki Engineering units excluded from the Fortaco arrangement completed in December 2012 have been reported as part of Ruukki Metals' business. The Ruukki Engineering units transferred to Fortaco and the other Ruukki Engineering units have been eliminated from the comparable consolidated figures. Comparable figures for the reference periods have been restated accordingly.

At the start of the second quarter of 2013, Ruukki Construction was split into two business areas with reporting responsibility: Ruukki Building Products and Ruukki Building Systems. Ruukki Building Products supplies roofing, sandwich panel, foundation and infrastructure products, including services. Ruukki Building Systems consists of the building project business, operations of among others the Russian and Romanian units, and the new energy-efficient and functional buildings development unit. Comparable figures for the reference periods have been restated accordingly.

Use of estimates

The preparation of financial statements 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.

Individual figures and totals appearing in the tables have been rounded to the nearest whole million of euros. The figures for the report period contained in this financial statement bulletin have been audited.

CONSOLIDATED INCOME STATEMENT (IFRS)				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Net sales	590	677	2,405	2,796
Cost of sales	-539	-670	-2,174	-2,656
Gross profit	51	7	231	140
Other operating income	6	3	13	13
Selling and marketing expenses	-29	-31	-104	-115
Administrative expenses	-23	-37	-106	-138
Other operating expenses	0	0	0	0
Operating profit	4	-59	34	-101
Finance income	8	4	40	45
Finance costs	-18	-13	-76	-85
Net finance costs	-9	-9	-36	-40
Share of profit of equity-accounted investees	-1	0	-3	2
Result before income tax	-6	-67	-6	-139
Income tax expense	-4	11	-8	22
Result for the period	-10	-57	-14	-117
Attributable to:				
Owners of the company	-10	-57	-14	-118
Non-controlling interest	0	0	0	0
Earnings per share, diluted, EUR	-0.07	-0.41	-0.10	-0.85
Earnings per share, basic, EUR	-0.07	-0.41	-0.10	-0.85
Operating profit as % of net sales	0.7	-8.7	1.4	-3.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)				
EUR million	**Q4/13**	**Q4/12**	**2013**	**2012**
Result for the period	-10	-57	-14	-117
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurements of the net defined benefit liability	9	-11	9	-11
Tax on items that will not be reclassified to profit or loss	-3	2	-3	2
Total items that will not be reclassified to profit or loss	5	-9	5	-9
Items that may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges	-9	-2	-15	-11
Cash flow hedges reclassified to profit and loss during the period	4	0	9	-8
Translation differences	-5	-2	-20	9
Translation differences reclassified to profit and loss during the period		-5		-5
Tax on items that may be reclassified subsequently to profit or loss	0	0	1	5
Total items that may be reclassified subsequently to profit or loss	-10	-8	-26	-10
Total comprehensive income for the period	-14	-74	-34	-136
Attributable to:				
Owners of the company	-14	-74	-34	-137
Non-controlling interest	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets	1,302	1,371
Deferred tax assets	42	46
Current assets		
Inventories	557	590
Trade and other receivables	331	353
Cash and cash equivalents	47	21
Total assets	2,278	2,380
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the company	1,010	1,072
Non-controlling interest	3	3
Non-current liabilities		
Loans and borrowings	358	533
Other non-current liabilities	68	70
Deferred tax liabilities	7	1
Current liabilities		
Loans and borrowings	387	253
Trade payables and other current liabilities	446	449
Total equity and liabilities	2,278	2,380

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	2013	2012
Result for the period	-14	-117
Adjustments	166	170
Cash flow before change in working capital	153	52
Change in working capital	62	173
Financing items and taxes	-30	-54
Net cash from operating activities	184	172
Cash inflow from investing activities	7	10
Sale of subsidiaries less cash		-5
Cash outflow from investing activities	-90	-99
Net cash used in investing activities	-84	-94
Net cash before financing activities	101	78
Dividends paid	-28	-69
Proceeds from non-current loans and borrowings	35	30
Repayments of non-current loans and borrowings	-45	-27
Change in current loans and borrowings	-28	-63
Other net cash flow from financing activities	-6	-7
Effect of exchangerate fluctuations	-3	1
Change in cash and cash equivalents	26	-57

KEY FIGURES (IFRS)	2013	2012
Net sales, EUR m	2,405	2,796
Operating profit, EUR m	34	-101
as % of net sales	1.4	-3.6
Result before income tax, EUR m	-6	-139
as % of net sales	-0.2	-5.0
Result for the period, EUR m	-14	-117
as % of net sales	-0.6	-4.2
Net cash from operating activities, EUR m	184	172
Net cash before financing activities, EUR m	101	78
Return on capital employed, %	1.8	-4.9
Return on equity, %	-1.3	-10.0
Equity ratio, %	45.0	45.6
Gearing ratio, %	68.5	71.2
Net interest-bearing liabilities, EUR m	693	765
Equity per share, EUR	7.27	7.72
Personnel on average	8,955	11,214
Number of shares	140,285,425	140,285,425
- excluding treasury shares	138,889,273	138,892,955
- diluted, average	138,934,055	138,930,365

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 2012	238	220	3	-29	-6	849	2	1,278
Result for the period						-118	0	-117
Other comprehensive income			-14	4		-9		-19
Total comprehensive income for the period			-14	4		-127	0	-136
Dividend distribution						-69		-69
Share-based payments			0		0			0
Other change			0			2		2
EQUITY 31 Dec 2012	**238**	**220**	**-11**	**-25**	**-6**	**655**	**3**	**1,074**
EQUITY 1 Jan 2013	238	220	-11	-25	-6	655	3	1,074
Result for the period						-14	0	-14
Other comprehensive income			-6	-20		6		-20
Total comprehensive income for the period			-6	-20		-8	0	-34
Dividend distribution						-28		-28
Share-based payments			0		0			0
Other change			0					0
EQUITY 31 Dec 2013	**238**	**220**	**-16**	**-45**	**-6**	**619**	**3**	**1,013**

NET SALES BY REGION (IFRS)

As % of net sales	2013	2012
Finland	25	25
Other Nordic countries	31	32
Central Eastern Europe	15	14
Russia and Ukraine	10	9
Rest of Europe	13	14
Other countries	7	6

CONTINGENT LIABILITIES (IFRS)

EUR million	31 Dec 2013	31 Dec 2012
Mortgaged real estate	59	59
Other guarantees given	23	27
Rental liabilities	64	73
Other commitments	9	4

DERIVATIVE CONTRACTS (IFRS)

EUR million	31 Dec 2013 Nominal amount	31 Dec 2013 Fair value	31 Dec 2012 Nominal amount	31 Dec 2012 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	13,000	1	10,500	1
Heavy fuel oil derivatives				
Forward contracts, tonnes	39,000	0	35,000	0
Electricity derivatives				
Forward contracts, GWh	1,958	-19	1,858	-13
Foreign currency derivatives				
Forward contracts	137	-3	141	-4
Options				
Bought	122	1	96	0
Sold	117	-2	90	-3
Interest rate derivatives	30	0	30	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	280	0	427	-2
Options				
Bought	137	2	90	0
Sold	274	-1	99	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.

HIERARCHY USED IN MEASURING THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

EUR million	Level 1	Level 2	Level 3	Total 31 Dec 2013
Assets measured at fair value				
Foreign currency derivatives		3		3
Foreign currency derivatives (cash flow hedges)		1		1
Commodity derivatives (cash flow hedges)				
Electricity				
Heavy fuel oil		0		0
Zinc		1		1
Investments recognised at fair value through profit and loss				
Available-for-sale financial assets			13	13
Assets total		5	13	18
Liabilities measured at fair value				
Foreign currency derivatives		-3		-3
Foreign currency derivatives (cash flow hedges)		-5		-5
Interest rate derivatives (cash flow hedges)		0		0
Commodity derivatives (cash flow hedges)				
Electricity	-19			-19
Heavy fuel oil		0		0
Zinc		0		0
Liabilities total	-19	-8		-28

EUR million	Level 1	Level 2	Level 3	Total 31 Dec 2012
Assets measured at fair value				
Foreign currency derivatives		4		4
Foreign currency derivatives (cash flow hedges)		0		0
Commodity derivatives (cash flow hedges)				
Electricity	0			0
Heavy fuel oil		0		0
Zinc		1		1
Investments recognised at fair value through profit and loss				
Available-for-sale financial assets			14	14
Loan receivables from equity-accounted investees *)			72	72
Assets total	0	5	86	91
Liabilities measured at fair value				
Foreign currency derivatives		-6		-6
Foreign currency derivatives (cash flow hedges)		-7		-7
Interest rate derivatives (cash flow hedges)		0		0
Commodity derivatives (cash flow hedges)				
Electricity	-13			-13
Heavy fuel oil		0		0
Zinc		0		0
Liabilities total	-13	-13		-26

*) Measured at amortised cost as stated in 2012 financial statements.

The fair values in level 1 are based fully on the prices of similar asset or debt items on established markets.

The fair values in level 2 are determined using generally accepted valuation models whose input data is largely based on verifiable market prices.

The fair value of financial instruments in level 3 is not based on verifiable market prices, but to a significant extent on management's estimates and their use in generally accepted valuation models.

There were no transfers between levels in 2013.

CHANGES IN LEVEL 3 FAIR VALUES

EUR million	Loan receivables from equity-accounted investees	Available-for-sale financial assets	Total
Carrying amount at 1 Jan 2012		13	13
Additions	72	1	73
Disposals		0	0
Fair value changes		0	0
Translation differences		0	0
Carrying amount at 31 Dec 2012	72	14	86
Carrying amount at 1 Jan 2013	72	14	86
Additions		1	1
Disposals		-2	-2
Adjustment for items not measured at fair value	-72		-72
Translation differences		0	0
Carrying amount at 31 Dec 2013	0	13	13

FINANCIAL INSTRUMENTS SUBJECT TO MASTER NETTING AGREEMENTS

EUR million	Gross amounts of financial instruments in the statement of financial position	Related financial instruments that are not offset	Net amount
31 December 2013			
Financial assets			
Foreign currency derivatives	4	-4	0
Commodity derivatives	1	-1	0
	5	-5	0
Financial liabilities			
Foreign currency derivatives (cash flow hedges)	-8	5	-3
Interest rate derivatives (cash flow hedges)	0		0
Commodity derivatives (cash flow hedges)	-19	0	-19
	-28	5	-23
31 December 2012			
Financial assets			
Foreign currency derivatives	4	-3	0
Commodity derivatives	1	-1	0
	5	-5	0
Financial liabilities			
Foreign currency derivatives (cash flow hedges)	-13	4	-9
Interest rate derivatives (cash flow hedges)	0		0
Commodity derivatives (cash flow hedges)	-14	1	-13
	-27	5	-23

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	**2013**	**2012**
Carrying amount at the beginning of period	1,122	1,214
Additions	88	92
Additions through acquisitions		0
Disposals	-3	-8
Disposals through divestments		-50
Depreciation	-116	-125
Impairment	-2	-8
Translation differences	-10	7
Carrying amount at the end of period	1,079	1,122

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	2013	2012
Sales to equity-accounted investees	34	21
Purchases from equity-accounted investees	7	7
Loan receivables from equity-accounted investees	71	72
Transactions with Rautaruukki Pension Foundation	0	0
	31 Dec 2013	**31 Dec 2012**
Trade and other receivables from related parties	4	4
Trade and other payables to related parties	1	0

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 31 Dec 2013	After 31 Dec 2012
Maintenance investments	80	61
Development investments and investments in special steel products	6	13
Total	86	74

SEGMENT INFORMATION

EUR million	Q4/13	Q4/12	2013	2012
Order intake				
Ruukki Building Products	108	103	434	443
Ruukki Building Systems	55	67	286	313
Ruukki Metals	411	454	1,657	1,850
Order intake, total	574	624	2,376	2,605
Comparable net sales				
Ruukki Building Products	110	112	430	452
Ruukki Building Systems	73	69	292	288
Ruukki Metals	407	452	1,679	1,859
Others	0	2	3	-3
Comparable net sales, total	590	634	2,404	2,597
Items affecting comparability included in reported net sales	0	43	1	199
Reported net sales	590	677	2,405	2,796
Comparable operating profit				
Ruukki Building Products	10	6	36	22
Ruukki Building Systems	-2	-7	-10	-21
Ruukki Metals	6	-31	27	-31
Others	-6	-2	-14	-20
Comparable operating profit, total	8	-34	39	-50
Items affecting comparability included in reported operating profit	-4	-25	-5	-51
Reported operating profit	4	-59	34	-101
Net finance costs	-9	-9	-36	-40
Share of profit of equity-accounted investees	-1	0	-3	2
Result before income tax	-6	-67	-6	-139
Income tax expense	-4	11	-8	22
Result for the period	-10	-57	-14	-117

EUR million	31 Dec 2013	31 Dec 2012
Operative capital employed		
Ruukki Building Products	138	145
Ruukki Building Systems	198	241
Ruukki Engineering		36
Ruukki Metals	1,338	1,409
Others	26	22
Operative capital employed, total	1,699	1,853

QUARTERLY SEGMENT INFORMATION								
EUR million	**Q1/12**	**Q2/12**	**Q3/12**	**Q4/12**	**Q1/13**	**Q2/13**	**Q3/13**	**Q4/13**
Order intake								
Ruukki Building Products	89	121	129	103	79	120	127	108
Ruukki Building Systems	58	125	63	67	75	94	63	55
Ruukki Metals	486	465	446	454	437	431	378	411
Order intake, total	633	711	638	624	590	644	568	574
Comparable net sales								
Ruukki Building Products	83	125	133	112	78	112	130	110
Ruukki Building Systems	70	74	75	69	68	76	76	73
Ruukki Metals	498	490	419	452	443	439	389	407
Others	0	-2	-3	2	1	5	-3	0
Comparable net sales, total	651	688	624	634	589	633	592	590
Items affecting comparability included in reported net sales	51	54	51	43	1	0	0	0
Reported net sales	702	742	675	677	590	633	592	590
Comparable operating profit								
Ruukki Building Products	-4	8	12	6	-1	10	16	10
Ruukki Building Systems	-7	-4	-4	-7	-7	-2	1	-2
Ruukki Metals	3	13	-16	-31	16	8	-3	6
Others	-4	-7	-7	-2	-4	0	-4	-6
Comparable operating profit, total	-11	10	-15	-34	4	17	10	8
Items affecting comparability included in reported operating profit	-5	-16	-5	-25	-1	-1	0	-4
Reported operating profit	-16	-6	-21	-59	4	16	10	4
Net finance costs	-11	-9	-11	-9	-8	-10	-9	-9
Share of profit of equity-accounted investees	1	1	0	0	-1	-1	-1	-1
Result before income tax	-27	-14	-32	-67	-4	5	0	-6
Income tax expense	6	3	2	11	1	-6	1	-4
Result for the period	-20	-11	-30	-57	-4	-1	1	-10

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES								
EUR million	**Q1/12**	**Q2/12**	**Q3/12**	**Q4/12**	**Q1/13**	**Q2/13**	**Q3/13**	**Q4/13**
Ruukki Engineering								
Net sales of units transferred to Ruukki Metals	21	20	13	18				
Net sales of other units	48	52	49	42				
Ruukki Metals								
Net sales of units transferred from Ruukki Engineering	-21	-20	-13	-18				
Others								
Net sales of Mo i Rana unit	2	2	1	1	0	0	0	0
Net sales of Kalajoki unit					1	0	0	0
Items affecting comparability of reported net sales, total	51	54	51	43	1	0	0	0

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT								
EUR million	**Q1/12**	**Q2/12**	**Q3/12**	**Q4/12**	**Q1/13**	**Q2/13**	**Q3/13**	**Q4/13**
Ruukki Building Products								
Expenses related to restructuring			-1	-2				-1
Ruukki Building Systems								
Expenses related to restructuring			-1	-6				-2
Effect of change in discount rate on long service benefit costs				0				
Ruukki Engineering								
Operating profit of units transferred to Ruukki Metals	3	3	2	3				
Operating profit of other units	-4	-9	-3	-8				
Impact of Fortaco deal				0				
Ruukki Metals								
Operating profit of units transferred from Ruukki Engineering	-3	-3	-2	-3				
Cost of fire at Raahe steel works		-3						
Expenses related to restructuring				-6				
Effect of change in discount rate on long service benefit costs				-2				
Others								
Operating profit of Mo i Rana unit	0	-3	0	0	0	0	0	0
Operating profit of Kalajoki unit					0	0	0	-1
Impact of Fortaco deal				2	-1	0	0	
Expenses related to restructuring				-2				
Restatement due to change of IAS19	-1	-1	-1	-1				
Effect of change in discount rate on long service benefit costs				0				
Items affecting comparability of reported operating profit, total	-5	-16	-5	-25	-1	-1	0	-4

DELIVERIES, RUUKKI METALS

1 000 tonnes	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13
Deliveries	507	448	389	466	481	451	415	466

Formulas for the calculation of key figures

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

Helsinki, 14 February 2014
Rautaruukki Corporation
Board of Directors

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Ruukki provides its customers with energy-efficient steel solutions for better living, working and moving.

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