Rautaruukki Corporation

INTERIM REPORT 1 Jan–31 Mar 2012 RTRKS

24 April 2012

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

Rautaruukki Corporation Stock exchange release 24 April 2012 at 9am EEST

Rautaruukki Corporation Interim report Q1/2012:
Order intake and cash flow continued to be good during the first quarter - the priority for 2012 is to improve profitability

January-March 2012 (Q1/2011)
- Net cash flow from operating activities was EUR 54 million (6).
- Order intake was up 2 per cent at EUR 686 million (674).
- Comparable net sales were up 4 per cent at EUR 699 million (675).
- Comparable operating profit was -EUR 15 million (25).
- Comparable result before taxes was -EUR 26 million (14).

Guidance for 2012 unchanged
Net sales in 2012 are estimated to grow about 5 per cent. Comparable operating profit is estimated to improve compared to 2011.

KEY FIGURES

	Q1/2012	Q1/2011	2011
Comparable figures			
Comparable net sales, EUR m	699	675	2 797
Comparable operating profit, EUR m	-15	25	56
Comparable operating profit as % of net sales	-2.2	3.7	2.0
Comparable result before income tax, EUR m	-25	14	22
Reported figures			
Reported net sales, EUR m	702	675	2 798
Reported operating profit, EUR m	-16	25	22
Reported result before income tax, EUR m	-26	14	-12
Net cash from operating activities, EUR m	54	6	114
Net cash before financing activities, EUR m	32	-29	-57
Earnings per share, EUR	-0.14	0.06	-0.07
Return on capital employed (rolling 12 months), %	-0.6	2.7	1.3
Return on capital employed (annualised), %	-2.7	5.0	1.3
Gearing ratio, %	68.0	50.3	60.4
Equity ratio, %	46.2	49.3	48.5
Personnel on average	11 350	11 436	11 821

President & CEO Sakari Tamminen:

The first quarter of 2012 began on a positive note, but uncertainty returned towards the end of the report period when growth forecasts for China were revised downwards and, in the eurozone, confidence in Spain and Italy's economic growth weakened again. The good note during the first weeks saw a return to a slower growth track towards the end of the quarter. However, the construction season has got off to a good start in Ruukki and with higher average selling prices in our steel business towards the end of the report period, I believe that we are well placed for the rest of the year.

Strong cash flow, both year on year and quarter on quarter, was a positive aspect at Ruukki during the first quarter. After capital expenditure, cash flow was EUR 32 million in the black. Order intake was also up slightly compared to a year earlier. Compared to the previous quarter, order intake was up 5 per cent, which was attributable to the steel business in particular picking up. Our net sales showed year-on-year growth of 4 per cent.

Our profitability was not at a satisfactory level. Operating profit rose quarter on quarter, but weakened clearly compared to a year earlier, when our steel business posted a good result. Average prices in the steel business declined further at the start of the year, although began to rise towards the end of the quarter. Also order intake prices rose steadily during the quarter. The construction business improved year on year, but due to normal seasonality still made a loss. Our engineering business improved slightly, but still showed a loss.

We are now focusing on permanently improving the cost structure and level across all our businesses, and on improving cost flexibility through efficiency projects.

A project initiated in the steel business in February is aimed at a permanent improvement of EUR 50 million in earnings performance. To date, around EUR 35 million in points for efficiency improvement have been identified in sales and marketing, financial and HR administration, other support functions as well as production, the use of raw materials and supplies, and in maintenance and other services purchased. Of those points identified, actions having an impact of around EUR 9 million are already ongoing and include, for example, improving the efficiency of product transportation in Finland and the use of raw materials in iron-making. To achieve the full target, the project will continue by reviewing points for improvement already identified and by improving, among other things, the performance of prefabrication and distribution operations. Decisions about all actions to be initiated will be made by mid-May and we expect to achieve the targeted improvement in earnings performance as a result.

We are also initiating a similar project in the construction business, where improvement in operating profit has been too slow compared to volume growth. The project aims to achieve a permanent improvement of EUR 20 million in earnings performance. This will be achieved by, for example, optimising the supply chain and material flows, as well as by improving the efficiency of sales and marketing and support operations. Some of the actions, such as withdrawal from unprofitable markets in Central Eastern Europe and defining the business model in the project business, are already under way.

We have now increased our permanent improvement in earnings performance target from EUR 50 million to a total of EUR 70 million. It is estimated that improved operational efficiency will be visible in the form of improved earnings performance starting 2012, but mainly during the first quarter of 2013 and in full from the third quarter onwards.

On top of this, we have decided to discontinue manufacturing cabins and components in Shanghai by the end of the third quarter. In future, our engineering business will focus on developing its European operations in Finland, Poland, Slovakia and Hungary. Ending cabin and component manufacturing at the Shanghai unit will not significantly affect Ruukki Engineering's net sales, but will improve profitability. The Shanghai unit posted a loss of EUR 7 million for 2011.

The presence of our steel business in China will be strengthened and a new steel service centre will be set up in Shanghai using the machine capacity and premises vacated by the engineering business. This is to speed up implementation of our special steel strategy by strengthening sales of Ruukki Raex wear-resistant steels and Ruukki Optim high-strength steels in China.

We expect demand for construction products to grow. Strongest growth is expected in residential construction products, and in both the Russian and Polish markets. In the engineering industry, we anticipate demand from mining industry machinery and equipment manufacturers and demand from heavy cargo handling and other materials handling equipment manufacturers to be at a good level. Order intake, average prices and utilisation rates in the steel industry rose in Europe during the first quarter due to improved market conditions at the end of last year. We forecast that sales by our service centres will continue to be at a good level and that direct mill deliveries will pick up somewhat. Stock levels in the steel industry are at a normal level compared to sales and we expect a moderate rise in average selling prices of steel products.

We repeat our guidance for 2012. Net sales are estimated to grow about 5 per cent. Comparable operating profit is estimated to improve compared to 2011.

Rautaruukki Corporation's full interim report for January-March 2012 is attached to this release.

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Rautaruukki will host two news conferences on Tuesday 24 April at Restaurant Palace, Merisali Cabinet, Eteläranta 10, 00130 Helsinki

A presentation for analysts in English will be held starting at 10.30am EEST.

A live webcast of the presentation may be followed online on the company's website at www.ruukki.com/Investors. The event can also be followed through a conference call by dialling the number below 5-10 minutes before the scheduled time:
+44 20 7162 0025 (calls outside Finland)
09 2313 9201 (calls inside Finland)
Access code: 914137

A replay of the webcast can be viewed on the company's website from approximately 2pm EEST. A replay of the conference call will be available until 1 May 2012 at:
+44 20 7031 4064 (calls outside Finland)
09 2314 4681 (calls inside Finland)
Access code: 914137

A press conference for the media in Finnish will be held at 12 noon EEST.

Rautaruukki Corporation
Taina Kyllönen
SVP, Marketing and Communications

Ruukki provides its customers with energy-efficient steel solutions for better living, working and moving. Ruukki operates in some 30 countries and employs around 11,800 people. Net sales in 2011 totalled EUR 2.8 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS).

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RAUTARUUKKI CORPORATION INTERIM REPORT FOR JANUARY-MARCH 2012

Business environment

Signs of global economic growth levelling-off were visible during the first quarter of the year. The emerging markets in particular buoyed up growth. In Europe, economic development showed regional differences and was slower than a year earlier. This was because of the contraction in demand caused by the European sovereign debt crisis. Germany served as the driver of economic growth in Europe. In the Nordic countries, economic development continued to be favourable compared to the rest of Europe. Of Ruukki's main market areas, the Russian economy grew during the early part of the year on the back of higher oil prices. The implications of the European sovereign debt crisis continued to be reflected in uncertainty in the financial markets and confidence in continuing economic growth remained weak.

Construction activity was seasonally quiet during the first quarter. The season in the previous year continued for longer than normal and this was reflected in lower activity, especially in the Nordic countries, during the first quarter of this year. Demand for residential roofing products picked up, however, towards the end of the report period. Commercial and industrial construction activity was good in Finland and the other Nordic countries. At Ruukki, this was reflected in growing demand especially for building components. In Russia, demand for commercial and industrial construction grew year on year despite the delay, due to the presidential election, in the start-up of publicly funded projects. In infrastructure construction demand was at a good level, especially for piles used in foundations.

In the engineering industry, the markets were good during the first quarter in Ruukki's important customer segments. Demand strengthened especially for mining industry machines and equipment. Likewise, demand for materials handling equipment and, in the offshore market, demand for drilling platforms and other industrial products was at a good level. In the energy industry, activity in the baseload power generation market was also at a good level. The good market conditions in customer sectors were also reflected in Ruukki's engineering business in the form of higher order intake and delivery volumes during the first quarter.

Steel demand in the EU-27 region was up somewhat quarter on quarter. Market prices for steel products rose slightly during the early part of the year mainly on the back of increased demand in Europe. Stock levels of steel wholesalers in Europe grew slightly during the report period, but continued to be at a normal level compared to sales. The market price of iron ore was at same level quarter on quarter, whereas the market price of coking coal fell during the first quarter. Both are main raw materials used in steel production. Market growth in the demand for steel was reflected in our steel business by a quarter on quarter rise of 11 per cent in order intake. Also order intake prices rose during the quarter but levelled off towards the end of the quarter. The capacity utilisation rate in our steel business averaged around 85 per cent during the first quarter compared to around 80 per cent during the previous quarter.

Order intake and order book

ORDER INTAKE BY BUSINESS AREA

EUR million	Q1/2012	Q1/2011	2011
Order intake			
Ruukki Construction	147	134	721
Ruukki Engineering	78	64	263
Ruukki Metals	462	476	1 691
Others			
Order intake, total	686	674	2 675

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

Order intake during the first quarter was EUR 686 million (674), up slightly year on year. Compared to a year earlier, order intake was up 9 per cent in the construction business and 22 per cent in the engineering business, but was down slightly in the steel business. Geographically, order intake showed best development in the Nordic countries, Baltic states and in part of Central Eastern Europe.

Order intake rose 5 per cent quarter on quarter. This was mainly due to the steel business picking up. Order intake grew also in the engineering business, but order intake in the construction business decreased quarter on quarter. This decline was due mostly to normal seasonality.

At the end of March, the order book was 9 per cent lower year on year and 3 per cent higher than at the end of December 2011.

Net sales

NET SALES BY BUSINESS AREA

EUR million	Q1/2012	Q1/2011	2011
Comparable net sales			
Ruukki Construction	153	135	757
Ruukki Engineering	69	62	257
Ruukki Metals	477	478	1 783
Others	0	0	0
Comparable net sales, total	699	675	2 797
Items affecting comparability included in reported net sales	2	0	1
Reported net sales	702	675	2 798

Comparable net sales for the first quarter were EUR 699 million (675), up 4 per cent year on year. Reported net sales for January-March were EUR 702 million (675).

Compared to a year earlier, net sales growth came from larger deliveries in the solutions businesses - Ruukki Construction and Ruukki Engineering. In the steel business, net sales were at the same level year on year. Comparable net sales were down 3 per cent quarter on quarter. This was mainly because of lower delivery volumes in the construction business during the first quarter due to seasonality.

Compared to a year earlier, strongest growth in first quarter net sales was seen in Russia, Ukraine and the Nordic countries, except Finland. In Central Eastern Europe, net sales were at roughly the same level year on year.

Compared to the previous quarter, net sales grew particularly in the Nordic countries, but were down in almost all other market areas, which are particularly construction markets.

The emerging markets accounted for 25 per cent (23) of consolidated comparable net sales during the first quarter. The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 32 per cent (29) of consolidated comparable net sales. Special steel products accounted for 30 per cent (32) of Ruukki Metals’ net sales.

NET SALES BY REGION

EUR million	Q1/2012	Q1/2011	2011
Comparable net sales			
Finland	171	182	761
Other Nordic countries	257	237	914
Central Eastern Europe	82	80	363
Russia and Ukraine	45	34	223
Rest of Europe	104	100	388
Other countries	40	42	148
Comparable net sales, total	699	675	2 797
Items affecting comparability included in reported net sales	2	0	1
Reported net sales	702	675	2 798

Operating profit

OPERATING PROFIT BY BUSINESS AREA

EUR million	Q1/2012	Q1/2011	2011
Comparable operating profit			
Ruukki Construction	-10	-13	-3
Ruukki Engineering	-1	-2	-7
Ruukki Metals	0	42	80
Others	-4	-3	-14
Comparable operating profit, total	-15	25	56
Items affecting comparability included in reported operating profit	-1	0	-34
Reported operating profit	-16	25	22

Consolidated comparable operating profit for the first quarter was -EUR 15 million (25). Operating profit decreased year on year due to the weaker profitability of the steel business. In the solutions business, operating profit showed a slight improvement year on year, but was still negative.

Compared to the previous quarter, both the steel business and engineering business improved their operating profit. Operating profit was down in the construction business due to normal seasonality.

Financial items and result

Consolidated net finance costs during January-March totalled EUR 11 million (11). Net interest costs were EUR 9 million (7).

Group taxes were EUR 6 million (-6).

The result for the period was -EUR 20 million (8).

Earnings per share were -EUR 0.14 (0.06).

Balance sheet, cash flow and financing

Total assets at 31 March 2012 were EUR 2,604 million (2,674). Equity at 31 March 2012 was EUR 1,185 million (1,300), equating to EUR 8.53 per share (9.36). Equity has decreased by EUR 88 million since the end of 2011. This was mainly because of EUR 69 million dividend payment in March.

The equity ratio at 31 March 2012 was 46.2 per cent (49.3) and the gearing ratio was 68.0 per cent (50.3). Net interest-bearing liabilities at the end of March were EUR 807 million (655).

Return on equity for the past 12 months was -3.1 per cent (-2.7) and return on capital employed was -0.6 per cent (2.7). The annualised return on capital employed was -2.7 per cent (5.0).

Net cash from operating activities for January-March was EUR 54 million (6) and net cash flow before financing activities was EUR 32 million (-29). EUR 51 million was freed up from working capital during the report period (EUR 43 million tied up).

At the end of March 2012, the group had liquid funds of EUR 46 million (113) and undrawn committed credit facilities of EUR 445 million.

Capital expenditure

Net cash used in investing activities during January-March was -EUR 22 million (-36).

Investments in tangible and intangible assets during the report period totalled EUR 23 million (36), of which maintenance investments accounted for EUR 15 million (26) and development investments for EUR 8 million (10). Net cash inflow from other investing activities was EUR 1 million (1).

Depreciation and impairments for the report period were EUR 36 million (36).

Investments in tangible and intangible assets during 2012 are expected to be in the region of EUR 100 million.

Personnel

PERSONNEL BY REGION

	31 Mar 2012	31 Mar 2011	31 Dec 2011
Finland	6 345	6 307	6 369
Other Nordic countries	648	650	622
Central Eastern Europe	2 068	2 057	2 130
Russia and Ukraine	1 886	2 152	1 845
Rest of Europe	69	70	70
Other countries	275	328	346
Total	11 291	11 564	11 382

The group employed an average of 11,350 persons (11,436) during January-March and at 31 March 2012 the headcount was 11,291 (11,564). At the end of the report period, 56 per cent (55) of Ruukki's personnel worked in Finland.

In 2012, Ruukki will hire more than 800 summer workers. Most of the summer jobs provided by Ruukki are intended for university and vocational college students of technology and commerce. The majority of the summer workers are hired by Ruukki's largest production sites in Raahe and Hämeenlinna.

Safety measured in terms of accidents per million working hours was 7 (6).

BUSINESS AREAS

RUUKKI CONSTRUCTION

- Net sales and order intake grew year on year
- Profitability at an unsatisfactory level
- Ruukki Construction is to initiate a project across the division to improve profitability, aiming at a permanent improvement of EUR 20 million in earnings performance

EUR million	Q1/2012	Q1/2011	2011
Order intake	147	134	721
Net sales	153	135	757
Comparable operating profit	-10	-13	-3
Expenses related to restructuring			-3
Reported operating profit	-10	-13	-6
Comparable operating profit as % of net sales	-6.8	-9.6	-0.4
Personnel at end of period	3 548	3 878	3 538

Order intake and order book

The value of order intake during the first quarter was up 9 per cent year on year at EUR 147 million (134). Order intake in components grew in commercial and industrial construction in, for example, Sweden and the Baltic states. Order intake in building projects decreased clearly year on year due to, among other things, lower demand in Finland. In Russia, tendering activity was good, but decisions on publicly funded projects were delayed due to the presidential election. Order volumes of residential roofing products were at a good level year on year in many market areas, especially in Finland.

Compared to the previous quarter, order intake was down by about 15 per cent due to seasonality. However, order intake in infrastructure construction was up quarter on quarter on the back of good order development in Norway, Finland and Sweden of piles used in foundations.

The order book at the end of March 2012 was down 7 per cent year on year and 1 per cent lower quarter on quarter. This was mainly due to lower order intake in the project business.

Net sales

Ruukki Construction's net sales for the first quarter of 2012 were up 13 per cent year on year at EUR 153 million (135). Compared to the previous quarter, net sales were down 25 per cent due to seasonality. The quarter on quarter impact of seasonality was visible in all business areas.

Net sales in residential construction were up 6 per cent during the first quarter compared to a year earlier. Best sales development was seen in Finland. Deliveries were up also in the Baltic states, Russia and Ukraine. Compared to the previous quarter, sales of roofing products were down in almost all market areas.

Net sales in commercial and industrial construction during the first quarter were 14 per cent higher year on year. Compared to the exceptionally low level a year earlier, sales grew most in Russia, where sales of concept buildings, projects and components were at a good level. Likewise, project deliveries in Sweden and component sales in the Baltic states and Finland grew. Compared to the previous quarter, net sales in commercial and industrial construction were down by about a fifth.

In infrastructure construction, net sales for the first quarter were up 15 per cent year on year. Strongest net sales growth was seen in Norway and Sweden due especially to increased delivery volumes of piles used in foundations. Net sales in Finland were up slightly year on year. Compared to the previous quarter, net sales were down 14 per cent.

Residential roofing products accounted for 14 per cent (15) of Ruukki Construction’s net sales and infrastructure construction for 18 per cent (17) during the first quarter.

Operating profit

Ruukki Construction’s operating profit for the first quarter was negative at -EUR 10 million (-13). This was due mainly to the seasonally low capacity utilisation rate. Operating profit was slightly higher than a year earlier as a result of the efficiency measures actioned during 2011 and higher delivery volumes in all business areas. In addition, selling prices were somewhat higher year on year and at roughly the same level quarter on quarter.

Actions to improve profitability

Ruukki Construction is to initiate a project across the division to improve profitability, aiming at a permanent improvement of EUR 20 million in earnings performance. This will be achieved by, for example, optimising the production-distribution process and material flows, as well as by improving the efficiency of sales and marketing and support operations. Some of the actions, such as withdrawal from unprofitable markets in Central Eastern Europe and defining the business model in the project business, are already under way.

Employer-employee negotiations initiated by Ruukki Construction during the fourth quarter of 2011 to adjust production and costs at the Ylivieska works in Finland due to weakened market conditions were completed in January. The negotiations concerned layoffs and applied to the entire production personnel of around 100 persons. As a result of the negotiations, the entire personnel at Ylivieska can, if necessary, be laid off in various ways until further notice.

Sales activities in Central Eastern Europe and Russia were reorganised and their efficiency improved during 2011. Actions to improve operational efficiency and thus competitiveness in these market areas are continuing during the current year.

Other operational development

In March, Ruukki launched a new type of online roofing service website for consumers at www.ruukkiroofs.com. The site aims to help new house builders and renovators to choose a roof and to offer them the tools to carefully plan their roof project. During March, the site was published besides Finnish in Czech, Dutch, Estonian, Latvian, Lithuanian, Norwegian, Polish, Romanian, Russian, Slovak, Swedish and Ukrainian to serve consumers locally in Ruukki's markets.

At the end of the report period, the company had a total of 41 Ruukki Express outlets across 8 different countries. During the first quarter, two new outlets were opened in Poland. Some of the Ruukki Express outlets in the Baltic states were turned into wholesalers and one outlet was closed in Hungary. Ruukki Express is a store and service concept with a range of products that includes roofs, rainwater systems, roof safety products and other locally tailored products and services.

Major orders and product development

In January, Ruukki signed a contract worth around EUR 5 million for the total delivery of a new mail terminal to be built in Hallsberg, Central Sweden. The new building will total around 30,000 square metres. Ruukki's total delivery comprises the steel frame, façades and load-bearing roof structures. Ruukki is responsible also for the design and installation of the structures. The order was placed by NCC Construction Sverige AB, the main contractor in the project.

In March, Ruukki signed a contract worth around EUR 3 million to deliver the steel frame for the new NOD centre to be built at Kista, near Stockholm. The new NOD centre will serve as a meeting place for learning, research, business and culture. The project investor is Atrium Ljungberg and Ruukki's customer is Strängbetong. Deliveries will start in August this year and installation is scheduled for completion in March 2013.

In March, Ruukki launched its new Ruukki life panel, which considerably reduces the use of non-renewable raw materials. Around 80 per cent of the raw materials in the mineral wool core of the steel sandwich panel is recycled. The lifecycle costs of the new Ruukki life panel are low, because the panel can be reused or fully recycled. Ruukki life panels are made at Ruukki's sandwich panel plant in Alajärvi, Finland. The main market area for the panel is Finland, Norway, Sweden and the rest of Northern Europe.

Ruukki has expanded its roof selection and sales of the new Finnera Plus will be launched in June. Finnera Plus is a full length tile-patterned roofing sheet that can be ordered either as roof package or ready installed Finland, The same Finnera profile is also available in modular form straight from DIY stores' stock.

RUUKKI ENGINEERING

- Order intake up 25 per cent quarter on quarter
- Net sales grew 12 per cent year on year, but profitability still needs to be clearly improved
- Ruukki Engineering is to discontinue the manufacture of cabins and components in Shanghai by the end of the third quarter 2012

EUR million	Q1/2012	Q1/2011	2011
Order intake	78	64	263
Net sales	69	62	257
Comparable operating profit	-1	-2	-7
Reported operating profit	-1	-2	-7
Comparable operating profit as % of net sales	-1.3	-2.9	-2.7
Personnel at end of period	1 788	1 817	1 914

Order intake and order book

The value of order intake in the engineering business in the first quarter was up 22 per cent year on year at EUR 78 million (64). The most encouraging development in order intake was from mining industry equipment manufacturers. Also demand in the energy industry was at a good level, with order intake up 25 per cent quarter on quarter. A single larger project in the offshore business was booked in order intake during the first quarter and also impacted on order growth.

The order book at the end of March 2012 was roughly about the same year on year and 13 per cent higher than at the end of December 2011.

Net sales

Ruukki Engineering’s net sales for the first quarter were up 12 per cent year on year at EUR 69 million (62). Net sales were down 6 per cent quarter on quarter.

Compared to a year earlier, the increase in net sales was attributable to higher delivery volumes, especially to mining industry equipment manufacturers. Also sales to materials handling equipment manufacturers were at a good level and deliveries to the offshore industry rose thanks to a single project. The decrease in net sales quarter on quarter was primarily due to lower sales to the shipbuilding industry, but deliveries also to materials handling equipment manufacturers were down compared to the previous quarter. Deliveries to mining industry equipment manufacturers rose quarter on quarter.

The business areas in the engineering business have been regrouped since the first quarter. Under the regrouping, materials handling equipment manufacturers accounted for 32 per cent (34) of net sales, energy and offshore industry equipment manufacturers for 30 per cent (24), construction and mining industry equipment manufacturers for 17 per cent (14), shipbuilding industry equipment manufacturers for 6 per cent (11) and equipment manufacturers in other sectors for 15 per cent (17) of net sales.

Operating profit

Ruukki Engineering's operating profit for the first quarter was negative at -EUR 1 million (-2). Operating profit was at almost the same level year on year but improved compared to the previous quarter, when a cost booked on a single project burdened operating profit. Increased delivery volumes and good development of the unit in Hungary impacted positively on operating profit year on year. Operating profit was weakened by the loss-making Shanghai unit, which had a negative impact of EUR 1 million on operating profit during the first quarter.

Actions to improve profitability and other operational development

A decision was taken after the report period that Ruukki Engineering would discontinue the manufacture of cabins and components in Shanghai by the end of the third quarter. Discontinuation of cabin and component manufacturing at the Shanghai unit will not significantly affect Ruukki Engineering's net sales, but will improve profitability. The Shanghai unit posted a loss of EUR 7 million for 2011. The costs of the arrangement are estimated to be around EUR 6 million and will be booked during the second quarter.

Ruukki's engineering business is focusing on fewer products than earlier in order to improve profitability of the product portfolio, expand the customer base on the basis of chosen products and to achieve economies of scale in production. The focus in product portfolio management is increasingly more on the development of own technology and design, as well as on utilisation of the company's materials expertise, especially with regard to special steels.

In line with the strategy, the engineering business is targeting sales towards new cabin and special-steel component customers. New component and cabin business customers won during the second half of the previous year were at the production stage during the first quarter.

To improve cost competitiveness, the engineering business is focusing on quality assurance, delivery accuracy and cost-efficiency. During the first quarter of the year, there was a noticeable improvement in delivery accuracy compared to a year earlier.

In 2011, Ruukki embarked on a EUR 3 million investment in a new surface treatment line mainly to serve cabin customers at the Holic unit in Slovakia. Work has progressed to plan and the line is scheduled to start up during the second quarter of 2012.

Employer-employee negotiations concerning possible layoffs and redundancies, initiated by Ruukki Engineering in December 2011 to adjust operations and production at the Kurikka unit due to weakened market conditions, were completed in January 2012. The negotiations affected all Ruukki Engineering's personnel, a total of 434 persons, in Kurikka. The negotiations resulted in a need for 35 redundancies, of which 30 are workers and 5 salaried or senior salaried employees. Most of the redundancies will take place through pension arrangements. In addition to redundancies, layoffs will be implemented subject to a separate plan.

RUUKKI METALS

- Order intake was up 11 per cent quarter on quarter. Average prices of new orders rose during the quarter, but the rise levelled off towards the end of the quarter
- Comparable operating profit improved quarter on quarter. Capacity utilisation rose to around 85 per cent compared to 80 per cent in the previous quarter
- Project to improve competitiveness: improvement of EUR 50 million in earnings performance as a target. To date, around EUR 35 million in points for efficiency improvement have been identified
- Delivery volumes were up 11 per cent quarter on quarter

EUR million	Q1/2012	Q1/2011	2011
Order intake	462	476	1 691
Net sales	477	478	1 783
Comparable operating profit	0	42	80
Expense caused by modernisation of blast furnaces			-25
Cost of strike			-5
Income from sale of shares			2
Reported operating profit	0	42	52
Comparable operating profit as % of net sales	0.0	8.8	4.5
Deliveries (1 000 tonnes)	507	487	1 721
Personnel at end of period	5 454	5 407	5 450

Order intake and order book

Order intake in the first quarter was down 3 per cent year on year at EUR 462 million (476) and up 11 per cent quarter on quarter. Average order intake prices rose during the quarter, but the rise levelled off towards the end of the quarter. Signs of a slight pick-up were visible in the decision-making of direct mill delivery customers compared to the previous quarter, but due to the uncertainty and weakened economic outlook resulting from the sovereign debt crisis in Europe decision-making was still slow. Service centre orders continued to be at a good level. Compared to a year earlier, order intake was at a good level in the Baltic states and Poland, where there was brisk demand for standard products. Orders for special steel products rose in Russia. Sales of special steel products in new market areas declined year on year mainly on the back of lower demand in China.

The order book at the end of March 2012 was 14 per cent lower year on year and 2 per cent higher quarter on quarter.

Net sales

Ruukki Metals' net sales for the first quarter were EUR 477 million (478). Delivery volumes were up 4 per cent year on year. Average selling prices of steel products were lower and special steel products accounted for a smaller share of net sales. Compared to the previous quarter, net sales were up 8 per cent due to increased delivery volumes, which were up 11 per cent quarter on quarter.

Sales of steel products declined year on year in several market areas, but were up in Norway, Denmark, the Baltic states and Poland, among others. Compared to the previous year, sales of special steel products showed good development in Turkey and India, but deliveries were down in many other countries such as China and Brazil.

Compared to the previous quarter, net sales were up in many market areas, with most net sales growth seen in the Nordic countries, Poland and Turkey.

Special steel products accounted for 30 per cent (32) of Ruukki Metals net sales during the first quarter. Net sales of stainless steel and aluminium, which are sold as trading products, were slightly up year on year at EUR 37 million (36).

Operating profit

Ruukki Metals' operating profit for the first quarter was EUR 0 million (42). The decrease in operating profit year on year was mainly due to lower average selling prices and higher raw material costs.

Operating profit improved quarter on quarter mainly as a result of increase in delivery volumes and a higher capacity utilisation rate, which averaged 85 per cent during the first quarter. Average selling prices in January-March were down quarter on quarter. Ruukki Metals has a typical delivery time of 6-8 weeks. Due to weak market conditions and very low market prices for steel during October-November last year, the average prices of Ruukki Metals' deliveries continued falling at the start of the first quarter, but recovered towards the end of the quarter.

Steel production

1 000 tonnes	Q1/2012	Q1/2011	2011
Steel production	601	645	2 215

Steel production was 601 thousand tonnes (645) in the first quarter.

Modernisation of the blast furnaces at the Raahe Steel Works in Finland was completed in 2011. Total investment in the modernisation of blast furnaces 1 and 2, completed in 2010 and 2011 respectively, was around EUR 265 million, which included environmental investments of some EUR 50 million. It is estimated that about EUR 8 million will be allocated for blast furnace modernisation investments for 2012. The investment requirement in future years will be significantly lower than in 2010 and 2011.

The sinter plant at the Raahe Works was closed in December 2011. Since the start of 2012, only iron ore pellets have been used as the raw material for iron-making instead of a combination of iron ore concentrate and pellets.

Raw materials and energy used in steel production

The world market price of iron ore was at same level quarter on quarter, whereas the world market price of coking coal fell during the first quarter. Both are main raw materials used in steel production. The market price of iron ore is forecast to remain at its present level and the market price of coking coal to fall somewhat during the second quarter. The prices agreed by Ruukki Metals follow general market development.

Ruukki has three coking coal suppliers, one in the United States, one in Canada and the third in Australia. Coking coal is normally bought between April and November, when it is possible to ship it to Finland by sea.

The principles to test the effectiveness of the hedge accounting of electricity were revised during the first quarter of the year. This had a positive impact of EUR 2.8 million on the consolidated operating profit and that of Ruukki Metals compared to the previous accounting practice. The corresponding similar cumulative impact for earlier periods was EUR 1.7 million and this has been booked directly in equity.

Operational development

The presence of our steel business in China will be strengthened and a new steel service centre will be set up in Shanghai using the machine capacity and premises vacated by the engineering business. This is how we speed up implementation of our special steel strategy by strengthening sales of Ruukki Raex wear-resistant steels and Ruukki Optim high-strength structural in China.

Development of the distribution network for special steel products is one of the main focus areas in the steel business. The first quarter saw a strengthening of our own sales organisation with the setting up of a new sales unit for Ruukki Metals' special steels for marketing in the Americas, a new business area for Ruukki. In addition, Ruukki signed a dealer agreement in Sweden.

Ruukki acquired a second bevel laser cutting line for its service centre in Seinäjoki, Finland in response to increased demand for prefabrication services and to improve the potential to offer customers cost-effective solutions. The new bevel laser cutting line will enter productive service in May 2012 and can process both Ruukki's special and standard steels.

Ruukki Metals' project to improve profitability

On 1 February 2012, Ruukki Metals initiated a project aimed at achieving a permanent annual improvement of EUR 50 million in earnings performance. To date, around EUR 35 million in points for efficiency improvement have been identified in sales and marketing, financial and HR administration, other support functions, production, the use of raw materials and supplies, and in maintenance and other services purchased. Of those points identified, actions having an impact of around EUR 9 million are already ongoing and include, for example, improving the use of product transport and feedstock in iron-making. To achieve the full target, the project will continue by reviewing points for improvement already identified and by improving, among other things, the performance of prefabrication and distribution operations. Decisions about all actions to be initiated will be made by mid-May and the improvement in earnings performance sought as a result is expected to be achieved.

Environmental matters at the company

Ruukki has received many recognitions for its work on the corporate responsibility front. In February, Ruukki was assessed to Gold Class and Sector Leader distinctions for its position as the leading steel company committed to sustainable development. The award was made by SAM, Sustainability Asset Management, an independent body that, since 1999, has assessed the corporate sustainability of over 2,000 companies each year.

In February 2012, Ruukki signed a commitment to worldsteel's Sustainability Development Charter. This year 66 members have signed the Charter as a signal of the importance of sustainability to their business. Principles include, among other things, commitment to sustainable business practices, optimising the eco-efficiency of products throughout their life-cycle, fostering the wellbeing of employees and providing a safe working environment.

In April, after the report period, Ruukki was selected for inclusion for the first time in the FTSE4Good Index Series. Ruukki was immediately assessed to be among the top five companies in its sector. The index is widely recognised as a socially responsible investment index. Companies selected for inclusion in the index must meet strict social, ethical and environmental criteria. The index is published by the London-based FTSE Group, which assesses the responsibility of companies' operating policies and management systems in association with EIRIS, the Ethical Investment Research Service. The FTSE4Good Index has been published since 2001 and is reviewed semi-annually.

The company's environmental responsibility is reported extensively as part of Ruukki's Corporate Responsibility Report 2011, which was published in February on Ruukki's website. More information about environmental matters can also be found on environmental product declarations, the environmental reviews of the Raahe and Hämeenlinna works and on the company's website at www.ruukki.com.

Annual General Meeting 2012

The Annual General Meeting of Rautaruukki Corporation was held in Helsinki on 14 March 2012. A total of 520 shareholders were represented at the Meeting.

The Annual General Meeting approved the payment of a dividend for 2011 of EUR 0.50 per share. The dividend payout totalled EUR 69 million and was paid on 28 March 2012. 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 for 2011.

The Annual General Meeting confirmed that the number of members of the Board of Directors is seven (7). President & CEO Pertti Korhonen, Chairman of the Board of Directors Liisa Leino, President & CEO Matti Lievonen, Hannu Ryöppönen, BA (Bus Admin) and CEO Jaana Tuominen were re-elected to the Board. President and CEO Kim Gran and CFO Saila Miettinen-Lähde were elected as new members of the Board of Directors. Kim Gran was appointed as chairman of the Board of Directors and Hannu Ryöppönen as deputy chairman. All members of the Board of Directors are independent both of the company and of the company's major shareholders.

Firm of public auditors KPMG Oy Ab was re-appointed as the company's auditor, who appointed APA Petri Kettunen as the principal auditor.

The Annual General Meeting granted the Board of Directors the authority to purchase 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 2011 Annual General Meeting to purchase 12,000,000 shares and which was valid until the 2012 Annual General Meeting. The Annual General Meeting decided to establish a Nomination Board to prepare proposals for the following Annual General Meeting regarding the composition of the Board of Directors and directors' fees.

In its organisation meeting held on 14 March 2012, the Board of Directors elected committee members from among themselves. Hannu Ryöppönen was appointed as chairman and Saila Miettinen-Lähde and Jaana Tuominen as members of the Audit Committee. Kim Gran was appointed as chairman and Pertti Korhonen, Liisa Leino and Matti Lievonen as members of the Remuneration and HR Committee.

Shares and share capital

During the first quarter of 2012, a total of 48 (40) million Rautaruukki Oyj shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 411 million (701). The highest price quoted was EUR 9.49 in February and the lowest was 7.16 in January. The volume-weighted average price was EUR 8.57. The share closed at EUR 7.87 (16.92) at 31 March 2012 and the company had a market capitalisation value of EUR 1,104 million (2,374).

Rautaruukki's share is also traded on multilateral trading facilities (MTF). According to information received by the company, a total of 11 million (11) Rautaruukki shares were traded on MTFs for a total of EUR 98 million (185) during the first quarter of 2012.

The company's registered share capital at 31 March 2012 was EUR 238.5 million and there were 140,285,425 shares outstanding.

At the end of the report period, the company held a total of 1,423,051 treasury shares, which had a market value of EUR 11.2 million and an accounting par value of EUR 2.4 million. Treasury shares accounted for 1.01 per cent of the total shares and votes.

The valid authorities to purchase the company's own shares are detailed in Annual General Meeting 2012 above. By 31 March 2012, the Board of Directors had not exercised its authority to issue shares or to purchase the company's own shares.

The 2011 Annual General Meeting granted the Board of Directors the authority to decide on a share issue, which includes the right to issue new shares and/or to transfer treasury shares held by the company. The authority applies to a maximum of 28,000,000 shares. The Board of Directors has the right to disapply the pre-emption rights of existing shareholders in a directed issue. The authority also includes the right to decide on a bonus issue. The authority is valid for a period of two years following the date of decision of the Annual General Meeting. This authority superseded the authority granted by the 2009 Annual General Meeting which applied to a maximum of 15,000,000 shares and was valid until the close of the 2011 Annual General Meeting.

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 found on the company's website at www.ruukki.com.

Events after the report period

A decision was taken after the report period that Ruukki Engineering would discontinue the manufacture of cabins and components in Shanghai by the end of the third quarter. Discontinuation of cabin and component manufacturing at the Shanghai unit will not significantly affect Ruukki Engineering's net sales, but will improve profitability. The Shanghai unit posted a loss of EUR 7 million for 2011. The costs of the arrangement are estimated to be around EUR 6 million and will be booked during the second quarter.

Other events

The Mo i Rana unit was transferred in 2010 from Ruukki Engineering to Assets and Liabilities held for sale. The sale of the unit was completed during the report period.

Near-term business risks

The company's risks and risk management are detailed in the Annual Report 2011. The company does not consider there to have been any material changes during the report period in the risks and factors of uncertainty presented in the Annual Report.

Near-term outlook

Growth in Ruukki’s most important market areas is forecast to show favourable development, even though economic growth in the developed economies is expected to be slower than in the previous year. In most emerging economies, such as Russia, growth is likely to remain good. Brisk economic growth is also forecast in Poland. The European sovereign debt crisis continues to cause considerable uncertainty in market development and it is difficult to estimate what the direct and indirect implications of this will be.

Moderate growth is forecast in the construction market in 2012. Activity in residential construction is forecast to be at a good level in all main market areas. The weakened economic outlook causes uncertainty in the market development of commercial and industrial construction, which is dependent on investment demand, but demand in Russia and Poland is expected to be at a good level. Infrastructure construction activity in the Nordic countries is anticipated to remain steady.

In the engineering business, market conditions are expected to remain good in 2012. Demand from mining industry machinery and equipment manufacturers is estimated to be at a good level, as is demand from heavy cargo handling and other materials handling equipment manufacturers. Demand in the energy industry in the baseload power generation market is forecast to remain good.

In the steel business, service centre sales are expected to continue at a good level and demand from direct mill delivery customers is estimated to slightly pick up. Based on the market outlook above, average selling prices of steel products are expected to rise moderately. However, the European sovereign debt crisis and its direct and indirect implications are continuing to cause uncertainty in the market development of the steel business.

The company’s priorities for 2012 include improving cost competitiveness and cash flow. Capital expenditure is estimated to be clearly lower than during the previous year, at about EUR 100 million.

Through the efficiency projects initiated, the goal is to further improve the company’s cost structure, which is clearly lighter than in previous years because of actions - including the 2008-2010 Boost programme - already completed. The permanent improvement in earnings performance target has now been increased from EUR 50 million to a total of EUR 70 million. It is estimated that improved operational efficiency will be visible in the form of improved earnings performance mainly during the first quarter of 2013 and in full from the third quarter onwards.

The guidance for 2012 remains unchanged. Net sales in 2012 are estimated to grow about 5 per cent. Comparable operating profit is estimated to improve compared to 2011.

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and, with the exception of the review of performance testing of the hedge accounting of electricity referred to below, is in conformity with the accounting policies published in the 2011 financial statements.

Amendments to and interpretations of IFRS standards entering into force on 1 January 2012 had no impact on the interim report.

The principles to test the effectiveness of the hedge accounting of electricity were revised during the first quarter of the year. This had a positive impact of EUR 2.8 million on the consolidated result and that of Ruukki Metals compared to the previous accounting practice. The corresponding similar cumulative impact for earlier periods was EUR 1.7 million and this has been booked directly in equity.

The Mo i Rana unit was transferred in 2010 from Ruukki Engineering to Assets and Liabilities held for sale. The sale of the unit was completed during the report period.

A decision was taken after the report period that Ruukki would discontinue the manufacture of cabins and components in Shanghai by the end of the third quarter. Discontinuation of cabin and component manufacturing at the Shanghai unit will not significantly affect Ruukki Engineering's net sales, but will improve profitability. The Shanghai unit posted a loss of EUR 7 million for 2011. The costs of the arrangement are estimated to be around EUR 6 million and will be booked during the second quarter.

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 in this interim report period are unaudited.

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Q1/2012	Q1/2011	2011
Net sales	702	675	2 798
Cost of sales	-660	-588	-2 533
Gross profit	42	87	265
Other operating income	3	4	19
Selling and marketing expenses	-27	-29	-118
Administrative expenses	-33	-37	-144
Other operating expenses	0	0	0
Operating profit	-16	25	22
Finance income	12	9	55
Finance costs	-23	-20	-91
Net finance costs	-11	-11	-37
Share of profit of equity-accounted investees	1	1	3
Result before income tax	-26	14	-12
Income tax expense	6	-6	1
Result for the period	-20	8	-10
Attributable to:			
Owners of the company	-20	8	-10
Non-controlling interest	0	0	0
Earnings per share, diluted, EUR	-0.14	0.06	-0.07
Earnings per share, basic, EUR	-0.14	0.06	-0.07
Operating profit as % of net sales	-2.2	3.7	0.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR million	Q1/2012	Q1/2011	2011
Result for the period	-20	8	-10
Other comprehensive income:			
Effective portion of changes in fair value of cash flow hedges	-11	-16	-11
Cash flow hedges reclassified to profit and loss during the period	-4	0	0
Translation differences	11	-1	-6
Defined benefit plan actuarial gains and losses			-7
Tax on other comprehensive income	4	4	5
Other comprehensive income for the period, net of tax	0	-13	-19
Total comprehensive income for the period	-20	-4	-29
Attributable to:			
Owners of the company	-20	-4	-29
Non-controlling interest	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	31 Mar 2012	31 Mar 2011	31 Dec 2011
ASSETS			
Non-current assets	1 412	1 387	1 413
Deferred tax assets	42	25	27
Current assets			
Inventories	688	657	720
Trade and other receivables	415	479	405
Cash and cash equivalents	46	113	78
Assets held for sale		13	14
Total assets	2 604	2 674	2 657
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	1 185	1 300	1 273
Non-controlling interest	2	2	2
Non-current liabilities			
Loans and borrowings	539	432	551
Non-interest bearing liabilities	56	48	57
Deferred tax liabilities	15	32	25
Current liabilities			
Loans and borrowings	315	336	297
Trade payables and other non-interest bearing liabilities	492	520	447
Liabilities held for sale		6	5
Total equity and liabilities	2 604	2 674	2 657

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1/2012	Q1/2011	2011
Result for the period	-20	8	-10
Adjustments	37	54	177
Cash flow before change in working capital	18	63	167
Change in working capital	51	-43	-9
Financing items and taxes	-15	-13	-44
Net cash from operating activities	54	6	114
Cash inflow from investing activities	1	2	9
Cash outflow from investing activities	-23	-38	-180
Net cash used in investing activities	-22	-36	-171
Net cash before financing activities	32	-29	-57
Dividends paid	-69		-83
Proceeds from loans and borrowings	0	0	130
Repayments of loans and borrowings	-10	-10	-57
Change in current liabilities	23	105	99
Other net cash flow from financing activities	-8	-7	-8
Translation differences	1	0	1
Change in cash and cash equivalents	-31	59	24

KEY FIGURES (IFRS)

	Q1/2012	Q1/2011	2011
Net sales, EUR m	702	675	2 798
Operating profit, EUR m	-16	25	22
as % of net sales	-2.2	3.7	0.8
Result before income tax, EUR m	-26	14	-12
as % of net sales	-3.7	2.1	-0.4
Result for the period, EUR m	-20	8	-10
as % of net sales	-2.8	1.2	-0.4
Net cash from operating activities, EUR m	54	6	114
Net cash before financing activities, EUR m	32	-29	-57
Return on capital employed (rolling 12 months), %	-0.6	2.7	1.3
Return on equity, %	-3.1	-2.7	-0.8
Equity ratio, %	46.2	49.3	48.5
Gearing ratio, %	68.0	50.3	60.4
Net interest-bearing liabilities, EUR m	807	655	770
Equity per share, EUR	8.53	9.36	9.17
Personnel on average	11 350	11 436	11 821
Number of shares	140 285 425	140 285 425	140 285 425
- excluding treasury shares	138 862 374	138 862 374	138 862 374
- diluted, average	138 862 374	138 862 374	138 862 374

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 2011	238	220	11	-23	-6	946	2	1 389
Result for the period						8	0	8
Other comprehensive income			-12	-1				-13
Total comprehensive income for the period			-12	-1		8	0	-4
Dividend distribution						-83		-83
Share-based payments					0			0
EQUITY 31 Mar 2011	238	220	-1	-24	-6	872	2	1 302
EQUITY 1 Jan 2012	238	220	3	-29	-6	846	2	1 275
Result for the period						-20	0	-20
Other comprehensive income			-12	11				0
Total comprehensive income for the period			-12	11		-20	0	-20
Dividend distribution						-69		-69
Share-based payments			0					0
Other changes			0			2		2
EQUITY 31 Mar 2012	238	220	-9	-17	-6	758	2	1 187

NET SALES BY REGION (IFRS)

As % of net sales	Q1/2012	Q1/2011	2011
Finland	24	27	27
Other Nordic countries	37	35	33
Central Eastern Europe	12	12	13
Russia and Ukraine	6	5	8
Rest of Europe	15	15	14
Other countries	6	6	5

CONTINGENT LIABILITIES (IFRS)

EUR million	31 Mar 2012	31 Mar 2011	31 Dec 2011
Mortgaged real estate	59	64	59
Other guarantees given	17	27	32
Collateral given on behalf of others		2	
Rental liabilities	79	69	85
Other commitments	6		6

DERIVATIVE CONTRACTS (IFRS)

EUR million	31 Mar 2012 Nominal amount	31 Mar 2012 Fair value	31 Mar 2011 Nominal amount	31 Mar 2011 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	12 000	-1	16 500	4
Heavy fuel oil derivatives				
Forward contracts, tonnes	28 000	0		
Electricity derivatives				
Forward contracts, GWh	1 692	-14	1 613	2
Foreign currency derivatives				
Forward contracts	256	-1	152	-13
Options				
Bought	8	0	45	0
Sold	7	0	44	-2
FAIR VALUE HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Interest rate derivatives			75	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	448	-3	411	-3
Options				
Bought	52	0	45	0
Sold	104	0	75	-1

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

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1/2012	Q1/2011	2011
Carrying amount at the beginning of period	1 214	1 180	1 180
Additions	20	32	173
Additions through acquisitions			
Disposals	0	-1	-2
Disposals through divestments			
Depreciation and impairment	-30	-31	-128
Translation differences	8	0	-9
Carrying amount at the end of period	1 211	1 180	1 214

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1/2012	Q1/2011	2011
Sales to equity-accounted investees	6	9	25
Purchases from equity-accounted investees	2	2	6
Transactions with Rautaruukki Pension Foundation	0	0	0

	31 Mar 2012	31 Mar 2011	31 Dec 2011
Trade and other receivables from related parties	5	7	3
Trade and other payables to related parties	1	1	0

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 31 Mar 2012	After 31 Mar 2011	After 31 Dec 2011
Maintenance investments	80	134	51
Development investments and investments in special steel products	16	46	60
Total	96	180	111

SEGMENT INFORMATION

EUR million	Q1/2012	Q1/2011	2011
Order intake			
Ruukki Construction	147	134	721
Ruukki Engineering	78	64	263
Ruukki Metals	462	476	1 691
Others			
Order intake, total	686	674	2 675
Comparable net sales			
Ruukki Construction	153	135	757
Ruukki Engineering	69	62	257
Ruukki Metals	477	478	1 783
Others	0	0	0
Comparable net sales, total	699	675	2 797
Items affecting comparability included in reported net sales	2	0	1
Reported net sales	702	675	2 798
Comparable operating profit			
Ruukki Construction	-10	-13	-3
Ruukki Engineering	-1	-2	-7
Ruukki Metals	0	42	80
Others	-4	-3	-14
Comparable operating profit, total	-15	25	56
Items affecting comparability included in reported operating profit	-1	0	-34
Reported operating profit	-16	25	22
Net finance costs	-11	-11	-37
Share of profit of equity-accounted investees	1	1	3
Result before income tax	-26	14	-12
Income tax expense	6	-6	1
Result for the period	-20	8	-10

EUR million	31 Mar 2012	31 Mar 2011	31 Dec 2011
Operative capital employed			
Ruukki Construction	437	443	425
Ruukki Engineering	154	153	163
Ruukki Metals	1 513	1 579	1 568
Others	31	23	20
Operative capital employed, total	2 136	2 199	2 175

QUARTERLY SEGMENT INFORMATION

EUR million	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12
Order intake					
Ruukki Construction	134	199	216	172	147
Ruukki Engineering	64	68	68	62	78
Ruukki Metals	476	405	394	416	462
Others					
Order intake, total	674	672	678	651	686
Comparable net sales					
Ruukki Construction	135	201	219	203	153
Ruukki Engineering	62	62	59	73	69
Ruukki Metals	478	467	396	442	477
Others	0	0	0	0	0
Comparable net sales, total	675	730	674	718	699
Items affecting comparability included in reported net sales		0	0	0	2
Reported net sales	675	730	675	718	702
Comparable operating profit					
Ruukki Construction	-13	4	11	-6	-10
Ruukki Engineering	-2	-2	1	-4	-1
Ruukki Metals	42	75	-9	-28	0
Others	-3	-6	-3	-3	-4
Comparable operating profit, total	25	71	1	-40	-15
Items affecting comparability included in reported operating profit	0	-2	-25	-6	-1
Reported operating profit	25	68	-24	-47	-16
Net finance costs	-11	-10	-5	-10	-11
Share of profit of equity-accounted investees	1	1	1	1	1
Result before income tax	14	59	-29	-56	-26
Income tax expense	-6	-15	8	15	6
Result for the period	8	44	-21	-41	-20

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12
Others					
Net sales of Mo i Rana unit		0	0	0	2

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12
Ruukki Construction					
Expenses related to restructuring		-1	-2	-1	
Ruukki Engineering					
Expenses related restructuring			0	0	0
Cost of strike				0	
Ruukki Metals					
Expense caused by modernisation of blast furnaces		-2	-23		
Cost of strike				-5	
Income from sale of shares				2	
Others					
Operating profit of Mo i Rana unit	0	0	0	-2	0
Items affecting comparability of reported operating profit, total	0	-2	-25	-6	-1

DELIVERIES, RUUKKI METALS

1 000 tonnes	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12
Deliveries	487	415	364	455	507

Formulas for the calculation of key figures:

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

Helsinki, 24 April 2012
Rautaruukki Corporation
Board of Directors

Energy-efficient steel
solutions for better living,
working and moving.

The interim report for the period January–June 2012 will be published on 19 July 2012.

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