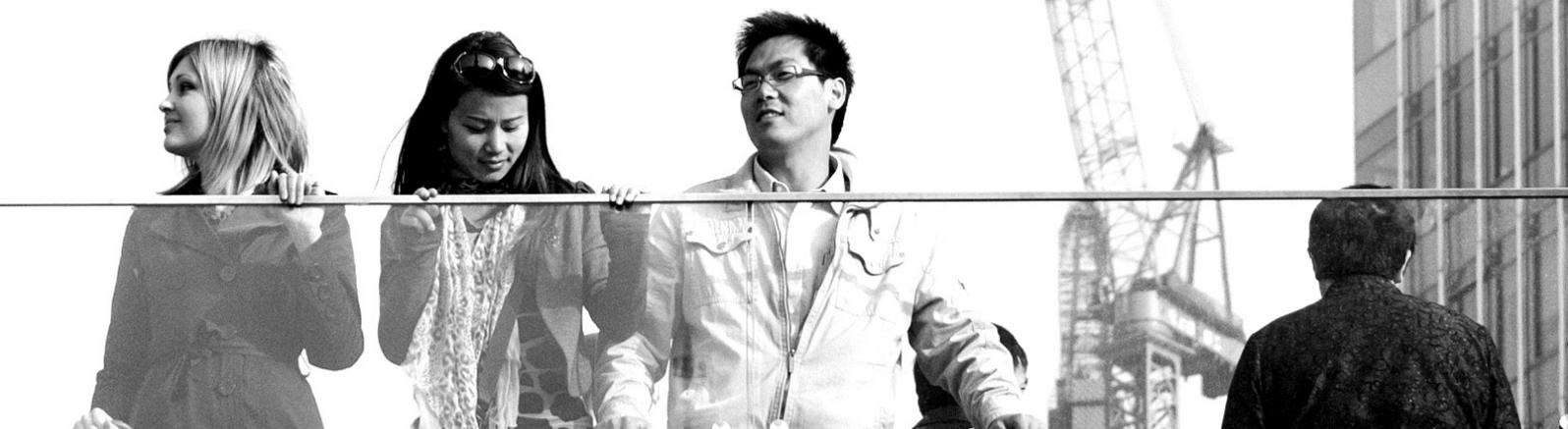


Q2

Interim report

1 Jan – 30 June 2014
RTKRS



7.8.2014 RAUTARUUKKI CORPORATION

RUUKKI
PART OF SSAB

RAUTARUUKKI CORPORATION INTERIM REPORT H1/2014:

Comparable net sales and profitability at previous year's level

April-June 2014 (Q2/2013)

- Order intake was EUR 627 million (644).
- Comparable net sales were EUR 617 million (633).
- Reported EBITDA was EUR 41 million (49).
- Comparable operating profit was EUR 14 million (17).
- Comparable result before taxes was EUR 6 million (6).
- Net cash from operating activities was EUR 45 million (54).

January-June 2014 (H1/2013)

- Order intake was EUR 1,187 million (1,235).
- Comparable net sales were EUR 1,198 million (1,222).
- Reported EBITDA was EUR 69 million (87).
- Comparable operating profit was EUR 19 million (21).
- Comparable result before taxes was -EUR 5 million (2).
- Net cash from operating activities was EUR 24 million (77).

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					
	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Comparable figures					
Comparable net sales, EUR m	617	633	1,198	1,222	2,404
Comparable operating profit, EUR m	14	17	19	21	39
Comparable operating profit as % of net sales	2.3	2.6	1.6	1.7	1.6
Comparable result before income tax, EUR m	6	6	-5	2	-1
Reported figures					
Reported net sales, EUR m	617	633	1,198	1,223	2,405
Reported EBITDA, EUR m	41	49	69	87	168
Reported EBITDA as % of net sales	6.6	7.8	5.7	7.1	7.0
Reported operating profit, EUR m	7	16	3	20	34
Reported result before income tax, EUR m	-1	5	-21	1	-6
Net cash from operating activities, EUR m	45	54	24	77	184
Net cash before financing activities, EUR m	24	31	-12	38	101
Earnings per share, EUR	-0.02	-0.01	-0.15	-0.03	-0.10
Return on capital employed (rolling 12 months), %			0.9	-3.0	1.8
Return on capital employed (annualised), %			0.3	2.1	1.8
Gearing ratio, %			72.3	74.2	68.5
Equity ratio, %			44.7	43.6	45.0
Personnel on average	9,069	9,271	8,821	9,074	8,955

PRESIDENT & CEO SAKARI TAMMINEN:

“Despite a relative strengthening of the euro and the Ukraine crisis, moderate recovery was visible in economic development in Europe. As regards Ruukki’s most important markets, economic growth in Sweden, Norway and Germany continued to be at a good level, whereas the situation in Finland has still yet to show any signs of a turn for the better.

Construction activity in our main market areas showed a seasonal pick-up compared to the previous quarter, but was roughly at the same level year on year. Ruukki Building Products’ order intake was down 1% and net sales were down 4% year on year. This was largely because of a clear decline in construction activity in Ukraine and weakened demand for building components in the Nordic countries. Demand and orders for our roofing products showed clear seasonal growth compared to the previous quarter and net sales were up 4% year on year. Ruukki Building Systems’ order book was 23% smaller than a year earlier. This was mainly due to an exceptionally large order received in Russia during the reference period. On a positive note, project orders in our main commercial and industrial construction markets in Sweden and Finland showed clear growth both year on year and quarter on quarter. Weakened economic conditions in Russia were hardly visible in the demand for building projects and orders remained at a fairly good level. During the report period, we decided to withdraw from the building component business in Ukraine and to focus on residential roofing products there.

Development in the steel markets was largely as we expected during the second quarter. Apparent demand for steel across the EU showed moderate growth. Global market prices for iron ore, one of the main raw materials in steel production, declined further during the second quarter. This had a negative impact on market prices for steel products.

Falling prices were reflected in the Ruukki Metal’s order intake value, which was down 1% year on year despite a clear increase in order volumes. Likewise, Ruukki Metals’ net sales were up by just 1%, even though delivery volumes rose in most market areas. It was particularly pleasing to note that our efforts in expanding the global sales network for special steels are already paying off in the form of clearly higher delivery volumes in many market areas. Net sales of special steels were up 11% year on year and 6% quarter on quarter. Compared to the previous year, sales of special steel products rose to account for 37% (34) of Ruukki Metals’ net sales.

Comparable operating profit for the second quarter was EUR 14 million. Ruukki Metals’ comparable operating profit was EUR 10 million. Operating profit showed a slight improvement year on year. This was due to higher delivery volumes and an increase in the share of special steel products. Operating profit was weakened particularly by poorer gross margins due to lower selling prices for standard steel products.

Ruukki Building Products comparable operating profit was EUR 9 million, which was slightly below the figure a year earlier. This was because of the start-up costs of expanding the distribution network for roofing products, weak demand for components in Finland and a clear decline in net sales in Ukraine. Despite a clear decline in Ruukki Building Systems’ net sales, thanks to efficiency measures, the business area’s operating result was at the same level as a year earlier, -EUR 2 million.

Consolidated cash flow during the first half of the year was EUR 24 million and EUR 27 million was tied up in net working capital. Net debt fell since the end of the first quarter and was EUR 715 million. The gearing ratio was 72% at the end of the report period.

We expect demand for steel in Europe to continue along the slow growth track also for the rest of 2014. However, demand growth will continue to be limited by overcapacity in the steel markets and slowing economic growth in the emerging countries. We expect demand for special steels to outpace demand for standard products, especially in market areas outside Europe. We forecast continued moderate recovery of construction growth in most of Ruukki’s main market areas also in the second half of 2014, albeit from a very low level.

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

Since the end of the report period, the combination of Ruukki and SSAB has progressed to plan. Approval from the EU competition authority was obtained on 14 July and other regulatory competition approvals were already obtained earlier. On 22 July, approval for the share exchange offer was received from Rautaruukki's shareholders who hold more than 90% of the shares. The combination formally took place on 29 July."

Rautaruukki Corporation's full interim report for H1/2014 is attached to this release.

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Rautaruukki Corporation
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Rautaruukki is now part of SSAB (publ) ("SSAB"), a steel company with global reach which has its main production plants in Sweden, Finland and the United States. The company's steel business is structured around four divisions - SSAB Special Steels, SSAB Europe, SSAB Americas and the steel distribution partner Tibnor, and one division, Ruukki Construction, which focuses on the construction business. Rautaruukki's share is quoted on NASDAQ OMX Helsinki. SSAB's shares are quoted on NASDAQ OMX Nordic Stockholm and NASDAQ OMX Helsinki. www.ssab.com. www.ruukki.com

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RAUTARUUKKI CORPORATION'S INTERIM REPORT FOR JANUARY-JUNE 2014

Business environment

Confidence in economic development in Europe rose during the second quarter of the year and the economy showed a moderate recovery despite a strong euro and the Ukraine crisis. The German economy was the growth driver supporting the development of other economies. As regards Ruukki's most important markets, the pace of economic growth in Sweden and Norway continued to outperform growth in the eurozone, whereas the business environment and growth outlook in Finland remained weak. The Ukraine crisis added to the uncertainty in Russia, where there was continued weak economic growth and contracting investments. In Poland, economic recovery continued and both exports and domestic demand increased.

Construction activity in Ruukki's main market areas picked up on a seasonal basis, but remained roughly at the same level as a year earlier. In Finland, demand in commercial and industrial construction remained weak. In Sweden, demand for commercial and industrial construction projects picked up, whereas in Norway construction growth slowed. Demand for residential roofing products rose due to seasonality, but on most markets remained at roughly the same level as a year earlier. Continued growth was seen in the construction markets in Poland and the Baltic states, with demand at a good level for building components in commercial and industrial construction and for residential roofing products. In Russia, weakened economic conditions have hardly yet been reflected in the demand for building projects. In contrast, there was a marked decrease in construction activity in Ukraine.

Apparent demand for steel across the EU continued to show moderate growth also during the second quarter. This meant demand was at reasonable level. The global market price for iron ore, one of the main raw materials in steel production, declined further during the second quarter. This had a negative impact on market prices for steel products.

Demand growth for special steels was stronger than demand for standard steels in many market areas, even though a general weakening of the steel market also reflected on special steels in the form of lower average selling prices compared to a year earlier. The prolonged low rate of investment in the mining industry continued to slow market growth in hot-rolled products. Demand for special steels remained at a good level in most markets in Europe, where the growing interest of equipment manufacturers in improving energy efficiency and a strengthened export outlook had a positive impact on demand in, for example, the lifting, handling and transportation industry. Also in North America, demand for special steels showed positive development. In other market areas outside Europe, demand for special steels varied and the weakening of certain foreign currencies continued to impact negatively on order flow.

Order intake and order book

ORDER INTAKE BY BUSINESS AREA					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Order intake					
Ruukki Building Products	118	120	199	198	434
Ruukki Building Systems	76	94	120	168	286
Ruukki Metals	434	431	868	868	1,657
Order intake, total	627	644	1,187	1,235	2,376

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

April-June

Order intake in April-June was down 3% year on year at EUR 627 million (644).

Ruukki Building Products' order intake was down 1% year on year. Ruukki Building Systems' order intake was down 20% year on year. Ruukki Building Systems' order intake in Russia was down 50% year on year largely because of a single order worth about EUR 30 million received during the reference period. Ruukki Building Systems' order intake, however, was up 27% year on year in the Nordic countries and up by a total of 25% in Central Eastern Europe. Ruukki Metals' order intake was up 1% year on year. The average selling prices for orders received were down slightly, whereas order volumes rose.

Compared to the previous quarter, order intake was up 12%. Ruukki Building Products' order intake was up 46%, which was partly due to seasonality. Ruukki Building Systems' order intake was up 71%. Ruukki Metals' order intake was at the same level as the previous quarter.

At the end of June 2014, the order book was 10% lower year on year and 9% higher quarter on quarter.

January-June

Order intake in January-June was down 4% year on year at EUR 1,187 million (1,235).

Order intake was at the same level year on year in Ruukki Metals and Ruukki Building Products. Order intake in Ruukki Building Systems was down 29% year on year.

Net sales

NET SALES BY BUSINESS AREA					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Comparable net sales					
Ruukki Building Products	108	112	190	190	430
Ruukki Building Systems	62	76	116	143	292
Ruukki Metals	445	439	890	882	1,679
Others	2	5	2	6	3
Comparable net sales, total	617	633	1,198	1,222	2,404
Items affecting comparability included in reported net sales		0		1	1
Reported net sales	617	633	1,198	1,223	2,405

April-June

Comparable net sales for the second quarter were down 3% year on year at EUR 617 million (633).

Ruukki Building Products' net sales were down 4%, Ruukki Building Systems' net sales were down 18% and Ruukki Metals' comparable net sales were up 1%. Average selling prices of steel products were lower than a year earlier. There was a clear increase in delivery volumes. Special steel products accounted for 37% (34) of Ruukki Metals' comparable net sales.

Compared to a year earlier, comparable net sales were down in Finland and the other Nordic countries, Russia, Ukraine and Central Eastern Europe. Net sales were up in the rest of Europe and in markets outside Europe.

Comparable net sales were up 6% quarter on quarter. Ruukki Building Products' net sales were up 33%. This was due to seasonality. Ruukki Building Systems' net sales were up 13%. Ruukki Metals' net sales for April-June were at the same level as for the first quarter of the year. Average selling prices for steel products rose slightly, but delivery volumes were down.

Compared to the previous quarter, net sales were up somewhat in Finland, but down slightly in the other Nordic countries. Net sales showed clear growth in Russia, Ukraine and in markets outside Europe. Net sales were up also in Central Eastern Europe.

January-June

Comparable net sales for the first half of the year were down 2% year on year at EUR 1,198 million (1,222).

Ruukki Building Products' net sales were almost at the same level as a year earlier. Ruukki Building Systems' net sales were down 19% due to weaker market conditions. Ruukki Metals' net sales were up 1% year on year. Delivery volumes of steel products grew in most market areas, but average selling prices were down.

Compared to a year earlier, comparable net sales for the first half of the year were down clearly in Finland and down slightly in the other Nordic countries. Net sales also showed a clear decrease in Russia and Ukraine also because of a weakening of those countries' currencies against the euro. Net sales were up clearly elsewhere in Europe and in markets outside Europe.

NET SALES BY REGION					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Comparable net sales					
Finland	145	158	281	319	598
Other Nordic countries	190	194	385	386	737
Central Eastern Europe	89	94	172	170	366
Russia and Ukraine	52	59	95	106	233
Rest of Europe	85	75	170	159	305
Other countries	56	52	95	82	165
Comparable net sales, total	617	633	1,198	1,222	2,404
Items affecting comparability included in reported net sales		0		1	1
Reported net sales	617	633	1,198	1,223	2,405

Operating profit

OPERATING PROFIT BY BUSINESSAREA					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Comparable operating profit					
Ruukki Building Products	9	10	9	10	36
Ruukki Building Systems	-2	-2	-6	-8	-10
Ruukki Metals	10	8	22	24	27
Others	-3	0	-5	-4	-14
Comparable operating profit, total	14	17	19	21	39
Items affecting comparability included in reported operating profit	-7	-1	-16	-1	-5
Reported operating profit	7	16	3	20	34

April-June

Comparable operating profit for the second quarter was EUR 14 million (17). Reported operating profit was EUR 7 million (16). Reported operating profit for the report period includes integration costs of EUR 3 million relating to the combination of SSAB AB and Rautaruukki Corporation, and restructuring costs of EUR 3 million in respect of Ruukki Building Products' unit in Ukraine. Items affecting comparability have been itemised in the table "Items affecting comparability of operating profit".

Ruukki Building Products' operating profit was EUR 9 million (10). Compared to a year earlier, operating profit was weakened by the set-up costs of expanding the distribution network for roofing products, weak demand for components in Finland and a clear decrease in net sales in Ukraine. Ruukki Building Systems' comparable operating result was -EUR 2 million (-2). Ruukki Metals' comparable operating profit was EUR 10 million (8).

Comparable operating profit was up EUR 9 million compared to the previous quarter. Ruukki Building Products' comparable operating profit was up EUR 9 million quarter on quarter. This was due mainly to seasonality. Ruukki Building Systems' comparable operating result improved by EUR 3 million quarter on quarter. This was due mostly to the impact of efficiency measures completed.

Compared to the previous quarter, Ruukki Metals' comparable operating profit was down EUR 3 million. A better product mix and slightly higher average selling prices than for the previous quarter had a positive impact on operating profit, which was weakened slightly by lower delivery volumes and higher costs of unused capacity.

Reported EBITDA was EUR 41 million (49). Ruukki Building Products' reported EBITDA was EUR 9 million (13), Ruukki Building Systems' EUR 2 million (2) and Ruukki Metals' EUR 35 million (34).

January-June

Comparable operating profit for the first half of the year was EUR 19 million (21). Reported operating profit was EUR 3 million (20). Reported operating profit for the period includes integration costs of EUR 8 million relating to the combination of SSAB AB and Rautaruukki Corporation, costs of EUR 4 million due to adjustment of the standard cost updating cycle and process and restructuring costs of EUR 3 million in respect of Ruukki Building Products' unit in Ukraine. Items affecting comparability have been itemised in the table "Items affecting comparability of operating profit".

Ruukki Building Products' comparable operating profit was EUR 9 million (10). Ruukki Building Systems' comparable operating result was -EUR 6 million (-8). Ruukki Metals' comparable operating

profit was EUR 22 million (24). Slightly higher delivery volumes and lower costs of unused capacity compared to a year earlier had positive impact on Ruukki Metals' operating profit. However, a weaker product margin on lower sales of standard products in particular weakened operating profit.

Reported EBITDA for the first half of the year was EUR 69 million (87). Ruukki Building Products' reported EBITDA was EUR 11 million (14), Ruukki Building Systems' was EUR 1 million (0) and Ruukki Metals' was EUR 69 million (76).

EBITDA BY BUSINESS AREA					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Reported EBITDA					
Ruukki Building Products	9	13	11	14	45
Ruukki Building Systems	2	2	1	0	6
Ruukki Metals	35	34	69	76	130
Others	-5	1	-12	-3	-13
Reported EBITDA, total	41	49	69	87	168

Financial items and result

Consolidated net finance costs in January-June totalled EUR 24 million (18). Net interest costs were EUR 12 million (14). The value of the Ukrainian hryvna devalued substantially against the US dollar during the first quarter of the year. This resulted in the recognition of an unrealised currency exchange loss of EUR 8 million on the valuation of a subsidiary company's loans.

Group taxes for the first half of the year were EUR 0 million (-6).

The result for the period was -EUR 21 million (-5) and earnings per share were -EUR 0.15 (-0.03).

Balance sheet, cash flow and financing

Total assets at 30 June 2014 were EUR 2,239 million (2,378). Equity at 30 June 2014 was EUR 987 million (1,021), equating to EUR 7.11 per share (7.35). Equity has decreased by EUR 23 million since the end of 2013. This is largely due to the loss posted for the report period.

The equity ratio at the end of the report period was 44.7% (43.6) and the gearing ratio was 72.3% (74.2). Net interest-bearing liabilities at the end of June were EUR 715 million (760).

Return on equity for January-June was -3.0% (-8.3) and return on capital employed was 0.9% (-3.0).

Net cash from operating activities was EUR 24 million (77) and net cash flow before financing activities -EUR 12 million (38). EUR 27 million was tied up (EUR 6 million released) in working capital during the report period.

At 30 June 2014, the group had liquid assets of EUR 34 million (65) and undrawn committed credit facilities of EUR 425 million (475), EUR 425 million of which were long term.

Capital expenditure

Net cash used in investing activities in January-June was -EUR 36 million (-38).

Investments in tangible and intangible assets totalled EUR 35 million (40), of which maintenance investments accounted for EUR 27 million (32) and development investments for EUR 8 million (8). Cash flow from other investing activities was EUR 2 million negative (EUR 2 million positive).

Depreciation and impairments amounted to EUR 66 million (67).

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

Personnel

PERSONNEL BY REGION			
	30 Jun 2014	30 Jun 2013	31 Dec 2013
Finland	5,946	6,104	5,218
Other Nordic countries	537	544	536
Central Eastern Europe	1,120	1,114	1,099
Russia and Ukraine	1,610	1,658	1,649
Rest of Europe	57	51	52
Other countries	45	38	46
Total	9,315	9,509	8,600

The group employed an average of 8,821 persons (9,074) during the first half of the year and the headcount at the end of June was 9,315 (9,509). The headcount in Finland increased since the end of 2013 mostly because of temporary summer employees, which numbered 842 (831) at the end of June. At the end of the report period, 64% (64) of Ruukki's personnel worked in Finland.

Safety measured in terms of accidents per million working hours was 5 (8).

BUSINESS AREAS

RUUKKI BUILDING PRODUCTS

All residential roofing products, commercial, office and industrial construction components, together with foundation, harbour and transport infrastructure components are reported under Ruukki Building Products.

- Order intake was down 1% and net sales were down 4% year on year due mainly to weaker demand than a year earlier for building components in the Nordic countries and to generally more difficult market conditions in Ukraine.
- During the report period, a decision was taken to withdraw from the component business in Ukraine and to focus on residential roofing products there.
- Comparable operating profit was slightly down year on year at EUR 9 million.

RUUKKI BUILDING PRODUCTS					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Order intake	118	120	199	198	434
Net sales	108	112	190	190	430
Comparable operating profit	9	10	9	10	36
Comparable operating profit as % of net sales	8.1	9.3	4.6	5.1	8.4
Items affecting comparability included in reported operating profit	-3		-3		-1
Reported operating profit	5	10	5	10	36
Reported operating profit as % of net sales	5.0	9.3	2.8	5.1	8.3
Reported EBITDA	9	13	11	14	45
Reported EBITDA as % of net sales	8.5	11.2	5.9	7.3	10.4
Personnel at end of period			1,271	1,214	1,175

Order intake

April-June

Ruukki Building Products' order intake for April-June was down 1% year on year at EUR 118 million (120).

Order intake for residential roofing products was down 2% year on year. As regards the main markets, orders were down in Sweden and Ukraine. Orders for roofing products showed a slight increase in Finland and the Baltic states and in Poland they were roughly at the same level as a year earlier.

Order intake for building components was down 2% year on year. Order intake was down in Finland, Norway and Estonia. As regards the main markets, orders were up in Sweden, Poland, Latvia and Slovakia.

Order intake for infrastructure construction was at the same level as a year earlier. Strong growth was seen in orders in Sweden, but orders were down slightly in Finland and Norway.

Compared to the previous quarter, Ruukki Building Products' order intake was up 46%. This was due to seasonality. Order intake was up 78% for residential roofing products, 35% for building components and 21% for infrastructure construction compared to the first quarter.

January-June

Ruukki Building Products' order intake value for January-June was almost unchanged year on year at EUR 199 million (198).

Order intake for residential roofing products was up 4% year on year. Order intake grew in most market areas including Finland, Poland and the Baltic states. Order flow for roofing products in Sweden was slightly smaller than a year earlier. Orders in Ukraine showed a clear fall.

Order intake for building components was down 3% year on year. As regards the main markets, orders decreased somewhat in Finland and were slightly down in Norway. Order flow showed clear growth in the Baltic states. Order flow during the first half of the year was at the same level as a year earlier in Sweden and Poland, whereas in Ukraine, orders for building components showed a clear decrease.

Order intake for infrastructure construction was at the same level as a year earlier. Order intake was down clearly in Finland, but showed clear growth in Sweden and Norway.

Net sales

April-June

Ruukki Building Products' net sales for April-June were down 4% year on year at EUR 108 million (112).

Compared to the previous quarter, Ruukki Building Products' net sales were up 33%. This was due to seasonality.

RUUKKI BUILDING PRODUCTS NET SALES BY PRODUCT GROUP					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Reported net sales					
Residential roofing products	45	44	70	67	170
Building components	41	45	78	82	182
Infrastructure construction	22	23	42	42	78
Others	0	0	0	0	0
Reported net sales, total	108	112	190	190	430

Residential roofing products

Net sales of residential roofing products for April-June were up 2% year on year at EUR 45 million (44). As regards the main markets, net sales showed clear growth in Finland, but were down in Sweden. Compared to a year earlier, sales of roofing products were also up in the Baltic states and Poland, whereas net sales in Ukraine showed a clear decrease. Compared to the previous quarter, net sales of roofing products were up in all market areas on a seasonal basis by 82% in total.

Building components

Net sales of building components for April-June were down 10% at EUR 41 million (45). Net sales were down clearly in Finland and the other Nordic countries compared to a year earlier. Overall net sales of building components were at the same level as a year earlier in the Central Eastern

European market and were up in Latvia, the Czech Republic and Slovakia, among others. In Ukraine, net sales showed a clear decrease. Compared to the previous quarter, net sales of components were up in many market areas, by 9% in total. However, net sales in Finland and the other Nordic countries showed a slight decline quarter on quarter.

Infrastructure construction

Net sales in infrastructure construction for April-June were down 1% year on year at EUR 22 million (23). Net sales showed clear growth in Sweden, but were down in Finland and Norway. Compared to the previous quarter, net sales in infrastructure construction were up 15%.

January-June

Ruukki Building Products' net sales for January-June were EUR 190 million (190).

Residential roofing products

Net sales of residential roofing products for January-June were up 5% year on year at EUR 70 million (67). As regards the main markets, net sales showed clear growth in Finland, but were down in Sweden. Compared to a year earlier, sales of roofing products were also up in the Baltic states and Poland, whereas net sales in Ukraine showed a clear decrease.

Building components

Net sales of building components for January-June were down 5% at EUR 78 million (82). Compared to a year earlier, net sales were down clearly in Finland and Sweden and were also slightly down in Norway. Net sales were up in most Central Eastern European markets, including the Baltic states, Poland, the Czech Republic and Slovakia. In Ukraine, net sales of components showed a clear decrease.

Infrastructure construction

Net sales in infrastructure construction for January-June were EUR 42 million (42). Net sales were down clearly in Finland. In Sweden and Norway, net sales were up year on year.

Operating profit

April-June

Ruukki Building Products' comparable operating profit for April-June was EUR 9 million (10). Compared to a year earlier, operating profit was weakened by the set-up costs of expanding the distribution network for roofing products, weak demand for components in Finland and a clear decrease in net sales in Ukraine.

Reported operating profit was EUR 5 million (10). Reported operating profit for the report period includes costs of EUR 3 million arising from restructuring the Ukrainian unit. Reported EBITDA was EUR 9 million (13), which equates to 8.5% (11.2) of net sales.

January-June

Ruukki Building Products' comparable operating profit for January-June was EUR 9 million (10). Reported operating profit was EUR 5 million (10). Reported operating profit for the report period includes costs of EUR 3 million arising from restructuring the Ukrainian unit. Ruukki Building Products' reported EBITDA was EUR 11 million (14), which equates to 5.9% (7.3%) of net sales.

Product and other operational development

Ruukki to focus in future on roofing business in Ukraine

Ruukki Building Products business area will in future focus on developing the residential roofing products business in Ukraine and withdraw from the building components business. The above actions will have no material impact on Ruukki's result. The sandwich panel line in the building components business will be relocated from Ukraine for use in Ruukki's growing markets elsewhere. The political crisis in Ukraine has reduced and continues to reduce investments on which the building component business is strongly dependent. On the other hand, Ruukki enjoys a significant market share and has a well-known brand in residential roofing products in Ukraine. The Kopylov plant outside Kiev will continue manufacturing roofing products. It is estimated the decisions made will result in the need for a workforce reduction of around 90 persons.

RUUKKI BUILDING SYSTEMS

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 all the business units in Russia and Romania are reported under Ruukki Building Systems.

- The order book at the end of the report period was 23% smaller than a year earlier. This was largely due to an order worth around EUR 30 million in Russia during the reference period.
- Order intake for projects in Sweden and Finland was up clearly both year on year and quarter on quarter.
- Net sales were down 18% year on year. Net sales were down because of low order intake in main market areas earlier in the year due to customers delaying investment decisions.
- Despite the clear decrease in net sales, efficiency measures meant the operating result was at the same the same level as a year earlier, i.e. -EUR 2 million. Lower than expected project volume weakened profitability.

RUUKKI BUILDING SYSTEMS					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Order book			118	153	119
Order intake	76	94	120	168	286
Net sales	62	76	116	143	292
Comparable operating profit	-2	-2	-6	-8	-10
Comparable operating profit as % of net sales	-2.9	-2.3	-5.3	-5.9	-3.4
Items affecting comparability included in reported operating profit	0		0		-2
Reported operating profit	-2	-2	-6	-8	-12
Reported operating profit as % of net sales	-2.9	-2.3	-5.4	-5.9	-4.0
Reported EBITDA	2	2	1	0	6
Reported EBITDA as % of net sales	2.5	3.2	0.5	0.0	2.0
Personnel at end of period			1,940	2,048	1,918

Order intake and order book

April-June

Ruukki Building Systems' order intake value for April-June was down 20% year on year at EUR 76 million (94).

Order intake in Russia was down 50% compared to a year earlier. The decline in order intake was mainly due to a single order of around EUR 30 million received during the reference period.

Order intake in the Nordic countries was up 27% year on year. Order intake showed clear growth in Sweden and Finland, whereas in Norway order intake for the report period was clearly lower than a year earlier.

Order intake in Central Eastern Europe was up by a total of 25% year on year.

Compared to the previous quarter, Ruukki Building Systems' order intake was up 71%.

At 30 June 2014, Ruukki Building Systems' order book was 23% lower year on year and 1% lower than at year-end 2013.

January-June

Ruukki Building Systems' order intake value for January-June was down 29% year on year at EUR 120 million (168).

Order intake in Russia was down 49% compared to a year earlier. The decline in order intake was mainly due to a single order of around EUR 30 million received during the reference period.

Order intake in the Nordic countries was down 6% year on year. Order intake showed clear growth in Sweden and Finland, whereas in Norway order intake for the report period was clearly lower than a year earlier.

Order intake in Central Eastern Europe was up by a total of 24% year on year.

Net sales

April-June

Ruukki Building Systems' net sales for April-June were down 18% year on year at EUR 62 million (76).

Compared to the previous quarter, Ruukki Building Systems' net sales were up 13%.

Ruukki Building Systems' net sales are 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	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Reported net sales					
Russia	27	28	50	52	115
Nordic countries	21	29	42	56	106
Central Eastern Europe	13	19	24	35	71
Reported net sales, total	62	76	116	143	292

Russia

Ruukki Building Systems' net sales for April-June in Russia were down 1% year on year at EUR 27 million (28). In terms of roubles, net sales in Russia were up 3% year on year. Net sales, however, were below expectations because of delays in deliveries.

Nordic countries

Ruukki Building Systems' net sales for April-June in the Nordic countries were down 26% at EUR 21 million (29). Lower net sales were a result of weakened demand and low order intake earlier in the year due to customers delaying investment decisions.

Central Eastern Europe

Ruukki Building Systems' net sales for April-June in Central Eastern Europe were down 32% year on year at EUR 13 million (19).

January-June

Ruukki Building Systems' net sales for January-June were down 19% year on year at EUR 116 million (143).

Russia

Ruukki Building Systems' net sales for January-June in Russia were down 4% year on year at EUR 50 million (52). The decrease in euro-denominated net sales was due to a weakening of the rouble exchange rate. In terms of roubles, net sales in Russia were up 4% year on year.

Nordic countries

Ruukki Building Systems' net sales for January-June in the Nordic countries were down 26% year on year at EUR 42 million (56).

Central Eastern Europe

Ruukki Building Systems' net sales for January-June in Central Eastern Europe were down 30% year on year at EUR 24 million (35).

Operating profit

April-June

Ruukki Building Systems' comparable operating profit for April-June was -EUR 2 million (-2). Despite the clear decrease in net sales, efficiency measures meant the operating result was at the same the same level as a year earlier. Lower than expected project volume weakened profitability. The operating result showed an improvement of around EUR 3 million compared to the previous quarter.

Reported EBITDA for the report period was EUR 2 million (2), which equates to 2.5% (3.2) of net sales.

January-June

Ruukki Building Systems' operating result for January-June was -EUR 6 (-8). The operating result improved year on year largely due to the efficiency programme carried out. Profitability was weakened by lower than anticipated project volume and a few loss-making steel structure contracts, which had a negative impact totalling around EUR 1 million on the result for the report period.

Reported EBITDA was EUR 1 million (0), which equates to 0.5% (0.0) of net sales.

Major delivery contracts

Significant steel frame and envelope solution deliveries in Sweden

Ruukki signed a contract worth around EUR 9 million with NCC Construction Sverige AB to deliver a steel frame and envelope solutions for a new logistics centre being built for Norway-based Varner Gruppen in western Sweden. The order for Ruukki's delivery was placed by NCC Construction Sverige AB, the lead contractor in the project.

In addition, Ruukki signed contracts with NCC Construction Sverige AB for steel frame, roof structure and façade deliveries for a central warehouse for EEL, ELON Elkedjan Logistic, a chain of electrical appliance stores and for a maintenance depot for Storstockholms Lokaltrafik's metro maintenance vehicles. The contracts are worth a total of more than EUR 6 million.

Steel frame delivery for new terminal at Oslo Airport in Norway

Ruukki is delivering and installing the steel frame for a new terminal at Oslo Airport in Norway. The delivery includes the steel frame, as well as design and structural steel fire protection. Ruukki is delivering a total of 1,900 tonnes of steel. Ruukki started installation work at the site in January and will continue until the end of the year.

RUUKKI METALS

- Ruukki Metals' order intake and net sales were up 1% year on year. Order and delivery volumes rose, but average selling prices declined.
- Net sales of special steels grew 11% year on year. Delivery volumes were clearly higher, but average selling prices were lower.
- Comparable operating profit was EUR 10 million.

RUUKKI METALS					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Order intake	434	431	868	868	1,657
Net sales	445	439	890	882	1,679
Comparable operating profit	10	8	22	24	27
Comparable operating profit as % of net sales	2.2	1.8	2.5	2.8	1.6
Items affecting comparability included in reported operating profit	0		-4		
Reported operating profit	10	8	18	24	27
Reported operating profit as % of net sales	2.2	1.8	2.0	2.8	1.6
Reported EBITDA	35	34	69	76	130
Reported EBITDA as % of net sales	7.9	7.7	7.8	8.6	7.8
Deliveries (1 000 tonnes)	497	451	1,006	932	1,814
Personnel at end of period			5,801	5,906	5,201

Order intake and order book

April-June

Ruukki Metals' order intake value for April-June was up 1% year on year at EUR 434 million (431). Average selling prices of order intake were slightly lower than a year earlier, whereas order volumes were higher.

Ruukki Metals' order intake in Finland showed a clear increase compared to a year earlier. As regards the other Nordic countries, orders were up in Sweden and Denmark, but down in Norway. Orders were also up in Western Europe and markets outside Europe, where strong growth was seen in order intake in the United States. Orders were down somewhat in Russia and Ukraine.

Order intake for special steel products rose clearly year on year as a result of higher order volumes. Orders were up in almost all main market areas, except for Russia, where orders were down compared to a year earlier. Orders for special steels rose slightly in Finland, Sweden and Denmark, but were down in Norway. As regards market areas outside Europe, orders grew in America, the Middle East and India, but decreased in South America. Total order intake in markets outside Europe was up year on year.

Also order intake for strip and flat products showed clear growth compared to a year earlier. Order intake for tube and profile products showed slight growth year on year, as did order intake for stainless steels and aluminium products, which are sold as trading products.

Ruukki Metals' order intake during the second quarter was at the same level as during the first quarter. Order volumes were up somewhat and average selling prices were at roughly the same level as for the first quarter.

Order intake for special steel products was down slightly compared to the previous quarter. This was due to smaller order volumes. Orders were down in the Nordic countries and in some Western and Southern European markets. Order intake rose in market areas outside Europe and in Russia. Order intake for other product groups also grew somewhat compared to the previous quarter.

At 30 June 2014, Ruukki Metals' order book was 1% higher year on year and 2% higher than at the end of March 2014.

January-June

Ruukki Metals' order intake value for January-June was EUR 868 million (868). Average selling prices of order intake were slightly lower than a year earlier, whereas order volumes showed a clear rise.

Ruukki Metals' order intake rose in almost all main market areas compared to a year earlier. As regards the main markets, orders were down in Norway and Russia.

Order intake for special steel products showed clear growth compared to a year earlier. Orders grew especially in the Western and Southern European markets and in the Nordic countries, with the exception of Norway. Order intake also for other product groups was higher than during the reference period.

Net sales

April-June

Ruukki Metals' net sales for April-June were up 1% year on year at EUR 445 million (439). Average selling prices for steel products were lower than a year earlier. Delivery volumes showed a clear rise.

Net sales were up year on year in Western Europe and in market areas outside Europe. Net sales showed a clear decrease in Finland. In the other Nordic countries, net sales rose in Sweden and especially in Denmark, but showed a clear decrease in Norway. In Central Eastern Europe, sales were almost at the same level as a year earlier, whereas in Russia and Ukraine net sales were down year on year.

Net sales of special steel products were up 11% year on year due to significantly higher delivery volumes. Net sales of strip and flat products, however, were down 3%, as were net sales of tube and profile products. Net sales of stainless steels and aluminium products, sold as trading products, were down 9%.

Ruukki Metals' net sales for April-June were at the same level as for the first quarter. Average selling prices of steel products rose slightly, but delivery volumes fell. Net sales rose clearly in market areas outside Europe thanks to growth in the sales of special steels. Net sales were down in Finland and the other Nordic countries. Likewise, net sales were also down somewhat in Western Europe and Central Eastern Europe. Net sales in Russia and Ukraine showed a slight rise quarter on quarter.

Compared to the previous quarter, net sales of special steels were up 6%, whereas net sales of strip and flat products were down 5%. Net sales of tubes and profiles and stainless steels and aluminium were at the same level as for the first quarter.

January-June

Ruukki Metals' net sales for January-June were up 1% year on year at EUR 890 million (882). Compared to a year earlier, delivery volumes of steel products rose in most market areas, but average selling prices were down.

In Finland, net sales showed a clear decrease because of weakened market conditions. In the other Nordic countries, net sales were up in Sweden and Denmark, but down in Norway. Net sales rose in Western Europe, Central Eastern Europe and in market areas outside Europe, where good progress has been made during the current year in accelerating sales growth of Ruukki's special steels by acquiring new customers, developing new products and applications and by expanding into new market areas.

RUUKKI METALS NET SALES BY PRODUCT GROUP					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Reported net sales					
Special steel products	164	147	319	281	558
Strip and flat steel products	188	194	386	413	772
Tubes and profiles	61	63	122	124	228
Stainless steel and aluminium products	32	35	63	65	122
Reported net sales, total	445	439	890	882	1,679

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.

April-June

Net sales for April-June in the special products group were up 11% year on year at EUR 164 million (147). 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.

Efforts in expanding the global distribution and sales network for special steels were reflected in higher delivery volumes and net sales in most market areas. Strongest growth was seen in the Western and Southern European markets, where net sales showed clear growth, among others, in Turkey and Spain. Likewise, sales of special steels were also up in the Nordic countries, where demand in Denmark in particular was at a good level. In Finland, net sales were slightly down. In market areas outside Europe, net sales were up in the United States, the Middle East and India. In China and South America, net sales were down somewhat due to weakened demand and a weakening of certain currencies.

Compared to the previous quarter, net sales of special steels were up 6%. Delivery volumes of special steel products rose and there was also a slight rise in average selling prices. Net sales grew in Western and Southern Europe and in many market areas outside Europe. Net sales in Turkey showed clear growth also quarter on quarter, whereas sales of special steel products in Finland and the other Nordic countries were down compared to the previous quarter.

Special steel products accounted for 37% (34) of Ruukki Metals' net sales in the second quarter of 2014.

January-June

Net sales for January-June in the special products group were up 13% year on year at EUR 319 million (281). Delivery volumes of special steel products showed clear growth, but average selling

prices were lower compared to a year earlier. The fall in average selling prices was largely due to market conditions. Also the 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. Sales rose especially in the Western and Southern European markets, where positive development was seen in demand from manufacturers in the lifting, handling and transportation equipment sector, the automotive industry and the construction machinery segment. In the Nordic countries, net sales showed clear growth in Denmark and Sweden, whereas net sales in Finland were slightly down. Overall net sales of special steel products were up year on year in market areas outside Europe, with the highest growth rate coming from the United States and Middle East. Net sales were down in South America, China and Australia. The weakening of certain currencies impacted negatively on net sales in the emerging markets.

Net sales of special steels were up in most customer segments, except for manufacturers of mining machines, where net sales were down year on year due to weakened investment demand in the mining industry. Customers in the automotive industry and lifting, handling and transportation sector accounted for highest net sales growth.

Net sales of special products accounted for 36% (32) of Ruukki Metals' net sales in the first half of the year.

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.

April-June

Net sales for April-June in the strip and flat products group were down 3% year on year at EUR 188 million (194). The decrease in net sales was due to lower average selling prices. Delivery volumes were up slightly compared to a year earlier.

Net sales of strip and flat products were down in the Nordic countries in Finland, Sweden and Norway, but up in Denmark. Net sales were down year on year also in Russia and most Western and Southern European markets. As regards the main markets, sales were up somewhat in Poland and Germany. In markets outside Europe, clear net sales growth was seen in the United States.

Compared to the previous quarter, net sales in the strip and flat products group were down 5%. This was due to smaller delivery volumes. Average selling prices were roughly at the same level as during the first quarter.

January-June

Net sales for January-June in the strip and flat products group were down 6% year on year at EUR 386 million (413). Delivery volumes and average selling prices were both slightly down.

Net sales in the strip and flat products group showed a clear decrease in Finland due to weak market conditions. Compared to a year earlier, net sales were also down in Sweden and Norway, as well as in Western Europe and Russia. As regards the main markets, sales showed clear growth in, inter alia, Poland and North America.

Tubes and profiles

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

April-June

Net sales for April-June in the tubes and profiles product group were down 3% year on year at EUR 61 million (63). Delivery volumes rose slightly, but average selling prices were down compared to a year earlier. As regards the main markets, net sales were almost at the same level as a year earlier in Finland and Sweden, but down somewhat in Norway.

Compared to the previous quarter, net sales of tubes and profiles were at the same level. Average selling prices were down, whereas delivery volumes were slightly higher.

January-June

Net sales for January-June in the tubes and profiles product group were down 1% year on year at EUR 122 million (124). The decrease in net sales was due to lower average selling prices. Delivery volumes were slightly higher in all main markets.

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.

April-June

Net sales for April-June in the stainless steels and aluminium products group were down 9% year on year at EUR 32 million (35). Stainless steels and aluminium products are sold as trading products. Compared to a year earlier, average selling prices for the products were down and delivery volumes were also slightly down.

As regards the main markets, net sales of stainless and aluminium products were almost at the same level as a year earlier in Finland and Sweden, but were down clearly in Norway.

Net sales in the stainless steels and aluminium products group were at the same level as for the first quarter of the year. Average selling prices were up, whereas delivery volumes were down slightly in all markets.

January-June

Net sales for January-June in the stainless steels and aluminium products group were down 3% year on year at EUR 63 million (65). The fall in net sales was due to lower average selling prices compared to a year earlier. Delivery volumes were slightly higher. Net sales were up in Sweden and in Finland, but were down clearly in Norway compared to a year earlier.

Operating profit

April-June

Ruukki Metals' comparable operating profit for April-June was EUR 10 million (8). Reported operating profit was EUR 10 million (8). Ruukki Metals' reported EBITDA was EUR 35 million (34), which equates to 7.9% of net sales (7.7).

Operating profit showed a slight improvement year on year. This was due to higher delivery volumes and lower costs of unused capacity. Operating profit was weakened particularly by poorer gross margins due to lower selling prices for standard steel products.

Compared to the previous quarter, Ruukki Metals' comparable operating profit was down EUR 3 million. A better product mix and slightly higher average selling prices than for the previous quarter had a positive impact on operating profit, which was weakened slightly by lower delivery volumes and higher costs of unused capacity.

January-June

Ruukki Metals' comparable operating profit for January-June was EUR 22 million (24). Reported operating profit was EUR 18 million (24). Reported operating profit for the period includes costs of EUR 4 million due to adjustment of standard cost updating cycle and process. Items affecting comparability have been itemised in the table "Items affecting comparability of reported operating profit".

Compared to a year earlier, higher delivery volumes and lower costs of unused capacity impacted positively on operating profit, which was weakened particularly by poorer gross margins on products due to lower selling prices for standard steel products.

Steel production

STEEL PRODUCTION					
1 000 tonnes	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Steel production	584	535	1,191	1,100	2,237

April-June

Steel production during the second quarter of the year was 584 thousand tonnes (535) and the utilisation rate was around 83%.

January-June

Steel production during the first half of the year was 1,191 thousand tonnes (1,100) and the utilisation rate was around 85%.

Raw materials and energy in steel production

Raw materials

The global market price for iron ore, one of the main raw materials in steel production, declined further during the second quarter. Chinese steel mills have reduced their inventories in an environment of uncertain demand and at the same time excess capacity on the supply side has impacted negatively on the price of iron ore. The price development of coking coal was steadier during the second quarter.

Market prices of iron ore and coking coal are not expected to rise hardly at all during the rest of 2014, especially since there is an excess of iron ore on the market, in addition to which demand in China and other emerging markets is forecast to be weaker than earlier.

Ruukki Metals signed a new contract for iron ore pellets with the Swedish company LKAB for the period 1 April 2014 to 31 March 2015. The new contract came into force retrospectively at the start of the second quarter 2014. The price of pellets from LKAB follows the development of global market prices. Most of the contracts for coking coal are based on pricing linked to longer-term indexes.

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.

Product and other operational development

New Ruukki Laser Plus steel comes with guaranteed flatness

Ruukki launched a new member of the Laser product family, Ruukki Laser Plus, which has a unique flatness guarantee of 3 mm/m after laser cutting. Ruukki Laser Plus fulfills the most challenging requirements in an automated production environment and offers clear process and cost benefits through shorter lead times, less need for rework and highest component precision. The new steel has been developed in close cooperation between laser cutting system manufacturers, end users, distribution partners and Ruukki.

Ruukki's high-strength offering expanded to 960 QL plates

Ruukki's Optim portfolio of high-strength structural steels has been expanded with yet another new grade, 960 QL plate, to better serve the lifting equipment industry. Ruukki's offering for crane manufacturers now includes Optim QC 900 and 960 grades from strip mill in thicknesses from 3-10 mm and 960 QL plate from 8-12 mm.

New Ramor 450 protection steel provides the best vehicle blast protection on the market

Ramor 450 is Ruukki's latest protection steel for the manufacture of armoured vehicles. The steel can be used as a frame structure or on the floor of the vehicle as a separate shield against mines where it protects against blast or shock waves and shrapnel. A lighter, optimised frame structure improves also a vehicle's handling characteristics and enables higher payloads. Besides new Ramor 450, Ruukki manufactures Ramor 400, Ramor 500 and Ramor 550 protection steels.

New sales office for Ruukki in the Middle East

Ruukki expanded its sales network in the Middle East by opening, in June 2014, an office in Dubai, United Arab Emirates. Opening this new sales office is in line with Ruukki's aim to increase the share of special steel products and develop its distribution and partnership network and to provide a faster and more flexible service, together with technical support. The Dubai sales office serves the entire Middle East and Pakistan, and strengthens Ruukki's offering and service across the entire region.

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 originating in production.

Oil spill at Raahen Voima Oy's power plant at Ruukki's Raahe Steel Works

On 30 May 2014, a highly regrettable oil spill occurred at Raahen Voima Oy's power plant at Ruukki's Raahe Steel Works in Finland. A valve in the heavy fuel oil tank malfunctioned when the power plant on the works site was restarted after servicing. This resulted in 13 tonnes of oil escaping into the old piping system, from where 5 tonnes reached the harbour basin. Most of the oil that spilled into the basin was recovered, but regrettably the oil also flowed onto the shorelines of five islands in the vicinity.

The authorities were responsible for containing the oil at sea and on the shorelines of the islands affected. In addition to around 100 volunteers, dozens of Ruukki and Raahen Voima employees, together with an external workforce hired by Ruukki, were involved in the clean-up work. The first stage of the clean-up operations was completed on 9 June and the final clean-up operations on 2 July, when all the oil contaminated materials were removed from the islands and taken for the appropriate further processing. Ruukki and Raahen Voima are responsible for the costs arising from the oil leak.

All the immediate corrective actions have been taken to prevent similar spills at Raahen Voima's power plant and the old piping system has been inspected. In addition, longer-term corrective actions have been initiated for both the power plant and the steel works.

Raahen Voima and Ruukki are to set up a fund to promote the development, recreational use and protection of the archipelago in the Raahe area. The fund will support voluntary work done for the benefit of the archipelago and its natural environment.

SHARES AND SHARE CAPITAL

SHARES ON THE NASDAQ OMX HELSINKI STOCK EXCHANGE				
30 June 2014	Number of shares	Number of votes	Number of shares traded H1 2014	Value of shares traded H1 2014, EUR million
RTRKS	140,285,425	140,285,425	59,668,217	517
1 Jan - 30 June 2014	High	Low	VWAP*	Close
Share price	10.70	6.64	8.67	10.26
* Trade volume-weighted average price			30 Jun 2014	30 Jun 2013
Market capitalisation, EUR million			1,439	619

During January-June 2014, a total of 60 million (55) Rautaruukki Oyj shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 517 million (283). The highest price quoted was EUR 10.70 on 27 May and the lowest was EUR 6.64 on 2 January. The volume-weighted average price of the share was EUR 8.67. The share closed at EUR 10.26 (4.41) at the end of the report period and the company had a market capitalisation of EUR 1,439 million (619).

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 13 million (18) Rautaruukki shares were traded on MTFs for a total of EUR 108 million (92) during January-June.

The company's registered share capital at 30 June 2014 was EUR 238.5 million (238.5) and there were 140,285,425 shares outstanding. There were no changes in share capital during January-June 2014. 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% of the total number of votes represented by shares at a General Meeting.

At the end of the report period, the company held a total of 1,356,062 treasury shares (1,392,470), which had a market value of EUR 13.9 million (6.1) and an accounting par value of EUR 2.3 million (2.4). Treasury shares accounted for 1% (1) of the total shares and votes conveyed by shares.

LITIGATION AND OTHER PENDING LEGAL ACTIONS

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.

MANAGEMENT CHANGES

Tommi Matomäki, Executive Vice President, Ruukki Building Systems and a member of the Rautaruukki's Corporate Executive Board left the company on 31 July 2014 at his own request. President and CEO of Rautaruukki Corporation Sakari Tamminen, serves as the acting EVP, Ruukki Building Systems in addition to his own duties.

NEAR-TERM BUSINESS RISKS

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

EVENTS AFTER THE REPORT PERIOD

Combination of SSAB AB and Rautaruukki Corporation

SSAB's share exchange offer was completed and Rautaruukki Corporation became a subsidiary of SSAB as of 29 July 2014. Rautaruukki Corporation's balance sheet items to be accounted for in SSAB's consolidated financial statements may, in respect of some items, differ from the values shown in this interim report. This is due, inter alia, to valuation of the fair value of assets and liabilities at the time of acquisition and to differences in Rautaruukki's and SSAB's accounting policies and in the method of presentation.

All material and stock exchange releases about the combination can be found on the company's website at <http://www.ruukki.com/Investors/SSAB-and-Rautaruukki-to-combine>.

Releases about the combination of SSAB AB and Rautaruukki Corporation

European Commission approved the combination of SSAB and Rautaruukki

On 14 July 2014, it was announced that the European Commission had, on the same day, approved the combination of SSAB and Rautaruukki and that SSAB is to proceed with completion of the share exchange offer. The approval is conditional on a commitment by SSAB to divest the following assets within its Nordic Steel Distribution system and Finnish construction business: one steel service center in Sweden and one in Finland, Tibnor Oy in Finland (a wholly owned subsidiary of Tibnor AB), the 50 percent ownership interest in each of Norsk Stål AS (NS) and Norsk Stål Tynnplater AS (NST), and Plannja Oy in Finland (a wholly owned subsidiary to Plannja AB). SSAB will immediately start the divestiture process. These divestments will not affect the previously communicated synergy potential or the industrial logic behind the combination, since certain concessions were already expected. Regulatory competition approvals have previously been granted in Russia, Turkey and Ukraine. No further regulatory competition approvals are necessary for the completion of the share exchange offer.

SSAB announced its future Group Executive Committee and divisional structure

On 15 July 2014, SSAB announced its future Group Executive Committee and divisional structure, which will be effective from 1 September 2014, pending the closing of the share exchange offer to Rautaruukki's shareholders announced on 22 January 2014.

The members of the future Group Executive Committee are:

Martin Lindqvist (1962), President and CEO

Divisions

Olavi Huhtala (1962), EVP & Head of SSAB Europe

Mikael Nyquist (1963), President, Tibnor

Charles Schmitt (1959), EVP & Head of SSAB Americas

Marko Somerma (1966), President, Ruukki Construction

Per Olof Stark (1954), EVP & Head of SSAB Special Steels

Support functions

Jonas Bergstrand (1965), Executive Vice President and Head of Legal & Strategy

Håkan Folin (1976), Executive Vice President and Chief Financial Officer

Monika Gutén (1975), Executive Vice President and Head of Group Human Resources, Procurement and Shared Services

Taina Kyllönen (1967), Executive Vice President and Head of Group Communications

Gregoire Parenty (1962), Executive Vice President and Head of Market Development

Martin Pei (1963), Executive Vice President and Head of Technical Development

The new will be organised in a divisional model:

- SSAB Special Steels - Global steel and service partner in value added products within Advanced High Strength Steels (AHSS) and Quenched & Tempered steels (Q&T)
- SSAB Europe - Leading Nordic based steel producer of high-quality strip, heavy plate and tubes
- SSAB Americas - Leading North American based steel producer of high-quality heavy plate
- Tibnor - Leading Nordic full-service steel distribution partner
- Ruukki Construction - Leading European provider of energy efficient building and construction solutions

SSAB announced that it had supplemented the share exchange offer document and prospectus in respect of the share exchange offer to Rautaruukki's shareholders

On 16 July 2014, SSAB announced that it has supplemented the share exchange offer document and prospectus in respect of the share exchange offer to Rautaruukki's shareholders. The Finnish Financial Supervisory Authority had, on July 16, 2014, approved the Finnish language supplement to the share exchange offer document and prospectus, which relates to the regulatory competition approval from the European Commission and SSAB's future Group Executive Committee and divisional structure.

Flagging notification in accordance with Chapter 9, Section 10 of the Finnish securities Markets Act

On 22 July 2014, it was announced that Rautaruukki Corporation (Rautaruukki) had, on 22 July 2014, received from SSAB AB (SSAB) the following flagging notice in accordance with the Securities Market Act:

If the exchange offer for all the shares in Rautaruukki announced by SSAB on 22 January 2014 is completed, the ownership of SSAB in Rautaruukki would, upon the completion of the settlement trades of the shares tendered into the exchange offer by 22 July 2014 (including the acceptance of

the exchange offer by Rautaruukki's largest shareholder Solidium Oy, in accordance with the undertaking provided in advance by Solidium Oy) exceed two thirds (approximately 66.7 percent) and also 90 percent of all the shares and voting rights in Rautaruukki.

SSAB announced on 27 July that SSAB's share exchange offer to Rautaruukki's shareholders had been accepted by shareholders representing more than 90 per cent of Rautaruukki's shares

On 22 July 2014, it was announced that SSAB had notified that SSAB's share exchange offer to Rautaruukki's shareholders has been accepted by shareholders representing more than 90 percent of Rautaruukki's shares.

The offer period for the share exchange offer by SSAB AB (publ) ("SSAB") to the shareholders of Rautaruukki Corporation ("Rautaruukki") expired at 3:00pm CET on 22 July 2014. Based on the preliminary information SSAB had received from the arranger of the share exchange offer, the share exchange offer had been approved by Rautaruukki's shareholders representing approximately 94.8 percent of Rautaruukki's shares. This preliminary information remained subject to confirmation by the arranger of the share exchange offer.

This information is published by SSAB pursuant to the requirements of the Finnish Securities Market Act and the Swedish Securities Market Act.

On 23 July 2014, SSAB announced the preliminary result of SSAB's share exchange offer to Rautaruukki's shareholders

On 23 July 2014, it was announced that the offer period for the share exchange offer by SSAB AB (publ) ("SSAB") to the shareholders of Rautaruukki Corporation ("Rautaruukki") expired on 22 July 2014. According to the preliminary result of the share exchange offer, the shares tendered in the share exchange offer represent approximately 95.1 percent of all the shares and votes in Rautaruukki. The Board of Directors of SSAB has resolved to issue a total of up to 67,000,000 new class A shares and up to 169,000,000 new class B shares as consideration in the share exchange offer to the shareholders in Rautaruukki. On the same day, SSAB submitted a listing application to NASDAQ OMX Helsinki to have its class A and class B shares listed on the official list of NASDAQ OMX Helsinki on a secondary listing basis.

Notice from Solidium about change in holding of Rautaruukki Corporation's shares

On 24 July 2014, it was announced that Rautaruukki Corporation had received notice from Solidium Oy about a change in its holding in shares in the company. Solidium Oy (business ID 2245475-9) ("Solidium") has 23 July 2014 announced, that as a result of the completion of the share exchange offer its holding of Rautaruukki's shares would fall from 39.67 per cent to 0 per cent. Solidium is a limited company wholly-owned by the Finnish State.

On 28 July 2014, SSAB announced that it had supplemented the share exchange offer document and prospectus in respect of the share exchange offer to Rautaruukki's shareholders

On 28 July 2014, SSAB announced that SSAB AB (publ) ("SSAB") had supplemented the share exchange offer document and prospectus dated 10 April 2014 in respect of the share exchange offer to the shareholders of Rautaruukki Corporation ("Rautaruukki"). The Finnish Financial Supervisory Authority has on 28 July 2014 approved the Finnish language supplement to the share exchange offer document and prospectus, which relates to the publication by SSAB of its interim report for the second quarter of 2014 on 23 July 2014.

On 29 July 2014, SSAB announced the final result of SSAB's share exchange offer to Rautaruukki's shareholders

On 29 July 2014, it was announced that according to the final result of the share exchange offer by SSAB AB (publ) ("SSAB") to the shareholders of Rautaruukki Corporation ("Rautaruukki"), the shares tendered in the share exchange offer represent approximately 95.1 per cent of all the shares and votes in Rautaruukki.

Flagging notification in accordance with Chapter 9, Section 10 of the Finnish Securities Markets Act

On 29 July 2014, it was announced that Rautaruukki Corporation, pursuant to Chapter 9, Section 10 of the Finnish Securities Markets Act, had received a disclosure notification from SSAB that its holding in Rautaruukki shares and votes had, as at 29 July 2014, increased to above ninety (90) per cent. The ownership of Rautaruukki Oyj shares notified by SSAB is 133, 454,206 shares, which equate to 95.13 per cent of Rautaruukki's share capital and votes.

On 29 July 2014, SSAB announced that it was to commence a compulsory redemption proceeding in respect of the remaining Rautaruukki shares; price to be offered is EUR 11.24 per share in cash

On 29 July 2014, SSAB announced that it was to commence a compulsory redemption proceeding in respect of the remaining Rautaruukki shares; the price to be offered is EUR 11.24 per share in cash. SSAB AB (publ) ("SSAB") announced earlier today that it would complete the share exchange offer to Rautaruukki Corporation's ("Rautaruukki") shareholders.

In accordance with the terms and conditions of the share exchange offer, title to 95.1 per cent of Rautaruukki's shares and votes has now transferred to SSAB. As a result, SSAB has today informed Rautaruukki that the redemption right and obligation under the Finnish Companies Act in respect of the Rautaruukki shares held by minority shareholders has arisen.

SSAB intends to initiate arbitral proceedings as provided in the Finnish Companies Act as soon as possible to complete the compulsory redemption of the shares in Rautaruukki held by minority shareholders. In such compulsory redemption proceeding, SSAB will offer EUR 11.24 in cash for each Rautaruukki share, which corresponds to the market value in euro of SSAB's class A and class B shares offered as consideration for Rautaruukki shares in the share exchange offer on 22 July 2014, the final day of the offer period.

Notice of the Extraordinary General Meeting of Rautaruukki Corporation on 27 August 2014

On 30 July 2014, it was announced that notice is given to the shareholders of Rautaruukki Corporation that an Extraordinary General Meeting will be held on Wednesday 27 August 2014 at 2pm (EEST) in Helsinki. More information and instructions for registration can be found on Ruukki's website at <http://www.ruukki.com/Investors/Corporate-Governance/Extraordinary-General-Meeting-2014>.

Change in number of shares and votes in SSAB

On 31 July 2014, it was announced that SSAB AB (publ) ("SSAB") has, in accordance with information previously announced, conducted a new issue of shares as consideration in the share exchange offer to the shareholders of Rautaruukki Corporation. The issue of shares has resulted in changes in the number of shares and votes in SSAB as follows: Prior to the issuance of new shares, there were in total 323,934,775 shares in SSAB, of which 240,765,832 shares of series A and 83,168,943 shares of series B, corresponding to 249,082,726.3 votes in total. The number of shares has through the issuance of new shares increased by 225,310,735, of which 63,417,438 shares of series A and 161,893,297 shares of series B. The number of votes increased by 79,606,767.7. As of July 31, 2014, there are in total 549,245,510 shares in SSAB, of which 304,183,270 shares of series A and 245,062,240 shares of series B, corresponding to 328,689,494 votes in total.

Trading in SSAB shares commenced on Nasdaq OMX Helsinki

On 1 August 2014, it was announced that trading in SSAB shares commenced on Nasdaq OMX Helsinki on 4 August 2014 under the ticker names SSABAH and SSABBH (class A and class B shares respectively). The shares will be quoted in euro.

NEAR-TERM OUTLOOK

Global economic growth is projected to continue to strengthen moderately during the rest of 2014, despite economic development being affected by many factors of uncertainty. The eurozone economy is forecast to grow by around 1%, mostly on the back of strengthening exports. Economic activity is forecast to grow in most of Ruukki's important markets, especially in Germany, Sweden and Norway. No improvement is expected in the business environment in the home market in Finland and economic recovery seems unlikely this year. Growth in domestic demand in Germany is expected to add momentum to recovery also of the economies in Central Eastern Europe, which was reflected in the growth forecasts of several economies in the region being revised upwards also during the second quarter. Economic growth forecasts in Russia have further deteriorated as a result of the Ukraine crisis and a weakening of the rouble, and investments are even expected to shrink during the current year. This causes uncertainty also with regard to Ruukki's growth potential in Russia.

In construction, continued modest growth recovery is forecast in most of Ruukki's main market areas also for the rest of 2014, albeit at a very low level. In Finland, construction activity is forecast to be more or less at the same level as in the previous year and to show slight growth year on year in the other Nordic countries. Residential construction is forecast to grow also in many markets in Central Eastern Europe, especially in Poland, the Baltic states and the Czech Republic. Demand within commercial and industrial construction is expected to remain weak in Finland, but to be at a good level in the other Nordic countries. Demand within infrastructure construction is expected to pick up slightly in all main market areas in the second half of the year. In Poland, good demand within construction is expected to continue also for the rest of the year. In Russia, weakened economic conditions have resulted in construction growth forecasts being revised downwards as regards the rest of the year. It is thought this will somewhat weaken the demand also in Ruukki's important construction segments during the rest of the year.

Apparent demand for steel in Europe is expected to continue along the slow growth track also for the rest of the year. Demand is forecast to grow across the EU-28 region by 1.4% during the third quarter and by 3.7% for the whole year compared to the previous (Eurofer). However, global economic development continues to cause uncertainty with regard to market development of the steel business. Market prices of iron ore and coking coal are not expected to rise hardly at all during the rest of 2014, especially since there is an excess of iron ore on the market, in addition to which demand in China and other emerging markets is forecast to be weaker than earlier.

Demand for special steels is expected to clearly outperform demand for standard products, especially in market areas outside Europe. The most important growth areas for special steels are the Americas and several countries in Asia. In Europe, demand for special steels is expected to remain at the current level.

Good progress has been made during the current year in accelerating sales growth of Ruukki's special steels by acquiring new customers, developing new products and applications and by expanding into new market areas. Efforts in expanding the global distribution and sales network for special steels were reflected in sales results, especially during the second quarter, both in Europe and in market areas outside Europe.

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

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and is in conformity with the accounting policies published in the 2013 financial statements.

Amendments to and interpretations of IFRS standards entering into force on January 1, 2014 had no impact on the interim report.

Combination of SSAB and Rautaruukki

SSAB's share exchange offer was completed and Rautaruukki Corporation became a subsidiary of SSAB as of 29 July 2014. Rautaruukki Corporation's balance sheet items to be accounted for in SSAB's consolidated financial statements may, in respect of some items, differ from the values shown in this interim report. This is due, inter alia, to valuation of the fair value of assets and liabilities at the time of acquisition and to differences in Rautaruukki's and SSAB's accounting policies and in the method of presentation.

Joint venture Raahen Voima Oy

Rautaruukki (Ruukki) and EPV Energy Ltd (EPV) have established a joint venture company Raahen Voima Oy, which bought Ruukki's existing power plant business on April 1, 2014 and will invest around EUR 121 million in modernising the plant. Ruukki owns 75% of the new company and EPV 25%. The joint venture will finance the power plant investment largely through debt. Taking into account the selling price of the existing power plant, Ruukki's net investment will be some EUR 10 million. Investment in Raahen Voima Oy is accounted for in the consolidated financial statements using the equity method.

Use of estimates

The preparation of interim 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 are unaudited.

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Net sales	617	633	1,198	1,223	2,405
Cost of sales	-554	-563	-1,082	-1,096	-2,174
Gross profit	62	70	116	127	231
Other operating income	2	2	3	4	13
Selling and marketing expenses	-27	-26	-53	-51	-104
Administrative expenses	-30	-29	-63	-59	-106
Other operating expenses	0	0	0	-1	0
Operating profit	7	16	3	20	34
Finance income	4	10	10	25	40
Finance costs	-12	-20	-34	-42	-76
Net finance costs	-8	-10	-24	-18	-36
Share of profit of equity-accounted associates and joint ventures	-1	-1	-1	-1	-3
Result before income tax	-1	5	-21	1	-6
Income tax expense	-1	-6	0	-6	-8
Result for the period	-2	-1	-21	-5	-14
Attributable to:					
Owners of the company	-2	-1	-21	-5	-14
Non-controlling interest	0	0	0	0	0
Earnings per share, diluted, EUR	-0.02	-0.01	-0.15	-0.03	-0.10
Earnings per share, basic, EUR	-0.02	-0.01	-0.15	-0.03	-0.10
Operating profit as % of net sales	1.2	2.5	0.2	1.6	1.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Result for the period	-2	-1	-21	-5	-14
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements of the net defined benefit liability	-4		-5		9
Tax on items that will not be reclassified to profit or loss	1		1		-3
Total items that will not be reclassified to profit or loss	-3		-5		5
Items that may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges	3	-12	-3	-8	-15
Cash flow hedges reclassified to profit and loss during the period	3	-1	6	2	9
Translation differences	4	-11	1	-14	-20
Tax on items that may be reclassified subsequently to profit or loss	-1	3	-1	1	1
Total items that may be reclassified subsequently to profit or loss	9	-21	3	-18	-26
Total comprehensive income for the period	3	-22	-23	-22	-34
Attributable to:					
Owners of the company	3	-22	-23	-23	-34
Non-controlling interest	0	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS			
Non-current assets	1,267	1,333	1,302
Deferred tax assets	42	49	42
Current assets			
Inventories	529	559	557
Trade and other receivables	367	372	331
Cash and cash equivalents	34	65	47
Total assets	2,239	2,378	2,278
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	987	1,021	1,010
Non-controlling interest	2	3	3
Non-current liabilities			
Loans and borrowings	324	539	358
Other non-current liabilities	71	71	68
Deferred tax liabilities	6	10	7
Current liabilities			
Loans and borrowings	426	285	387
Trade payables and other current liabilities	423	448	446
Total equity and liabilities	2,239	2,378	2,278

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1-Q2/14	Q1-Q2/13	2013
Result for the period	-21	-5	-14
Adjustments	86	83	166
Cash flow before change in working capital	64	78	153
Change in working capital	-27	6	62
Financing items and taxes	-12	-7	-30
Net cash from operating activities	24	77	184
Cash inflow from investing activities	18	2	7
Cash outflow from investing activities	-55	-40	-90
Net cash used in investing activities	-36	-38	-84
Net cash before financing activities	-12	38	101
Dividends paid	-1	-28	-28
Proceeds from non-current loans and borrowings	0	35	35
Repayments of non-current loans and borrowings	-29	-19	-45
Change in current loans and borrowings	33	22	-28
Other net cash flow from financing activities	-3	-3	-6
Effect of exchangerate fluctuations	0	-2	-3
Change in cash and cash equivalents	-13	44	26

KEY FIGURES (IFRS)

	Q1-Q2/14	Q1-Q2/13	2013
Net sales, EUR m	1,198	1,223	2,405
Operating profit, EUR m	3	20	34
as % of net sales	0.2	1.6	1.4
Result before income tax, EUR m	-21	1	-6
as % of net sales	-1.8	0.1	-0.2
Result for the period, EUR m	-21	-5	-14
as % of net sales	-1.8	-0.4	-0.6
Net cash from operating activities, EUR m	24	77	184
Net cash before financing activities, EUR m	-12	38	101
Return on capital employed (rolling 12 months), %	0.9	-3.0	1.8
Return on equity (rolling 12 months), %	-3.0	-8.3	-1.3
Equity ratio, %	44.7	43.6	45.0
Gearing ratio, %	72.3	74.2	68.5
Net interest-bearing liabilities, EUR m	715	760	693
Equity per share, EUR	7.11	7.35	7.27
Personnel on average	8,821	9,074	8,955
Number of shares	140,285,425	140,285,425	140,285,425
- excluding treasury shares	138,929,363	138,892,955	138,889,273
- diluted, average	138,929,363	139,043,263	138,934,055

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

EUR million	Equity attributable to owners of the company							Non-controlling interest	Total equity
	Share capital	Share premium	Fair value and other reserves	Translation differences	Treasury shares	Retained earnings	Total		
EQUITY 1 Jan 2013	238	220	-11	-25	-6	655	3	1,074	
Result for the period						-5	0	-5	
Other comprehensive income			-5	-14		0		-18	
Total comprehensive income for the period			-5	-14		-4	0	-22	
Dividend distribution						-28		-28	
Share-based payments			0					0	
Other change			0					0	
EQUITY 30 Jun 2013	238	220	-15	-38	-6	622	3	1,024	
EQUITY 1 Jan 2014	238	220	-16	-45	-6	619	3	1,013	
Result for the period						-21	0	-21	
Other comprehensive income			2	1		-5		-1	
Total comprehensive income for the period			2	1		-26	0	-23	
Dividend distribution							-1	-1	
Share-based payments			0		0			0	
Other change			0					0	
EQUITY 30 Jun 2014	238	220	-14	-44	-6	593	2	989	

NET SALES BY REGION (IFRS)

As % of net sales	Q1-Q2/14	Q1-Q2/13	2013
Finland	23	26	25
Other Nordic countries	32	32	31
Central Eastern Europe	14	14	15
Russia and Ukraine	8	9	10
Rest of Europe	14	13	13
Other countries	8	7	7

CONTINGENT LIABILITIES (IFRS)

EUR million	30 Jun 2014	30 Jun 2013	31 Dec 2013
Mortgaged real estate	37	59	59
Other guarantees given	29	24	23
Rental liabilities	61	68	64
Other commitments	8	9	9

DERIVATIVE CONTRACTS (IFRS)

EUR million	30 Jun 2014 Nominal amount	30 Jun 2014 Fair value	30 Jun 2013 Nominal amount	30 Jun 2013 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	11,000	2	13,000	-1
Heavy fuel oil derivatives				
Forward contracts, tonnes	38,000	0	42,000	-1
Electricity derivatives				
Forward contracts, GWh	1,922	-18	1,976	-18
Foreign currency derivatives				
Forward contracts	104	0	133	0
Options				
Bought	103	0	194	1
Sold	99	0	187	-2
Interest rate derivatives	60	-1	30	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	295	2	338	4
Options				
Bought	67	1	266	-2
Sold	134	0	148	3

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 30 Jun 2014
Assets measured at fair value				
Foreign currency derivatives		5		5
Foreign currency derivatives (cash flow hedges)		1		1
Commodity derivatives (cash flow hedges)				
Electricity	0			0
Heavy fuel oil		0		0
Zinc		2		2
Investments recognised at fair value through profit and loss				
Available-for-sale financial assets			14	14
Assets total	0	7	14	22
Liabilities measured at fair value				
Foreign currency derivatives		-2		-2
Foreign currency derivatives (cash flow hedges)		-1		-1
Interest rate derivatives (cash flow hedges)		-1		-1
Commodity derivatives (cash flow hedges)				
Electricity	-18			-18
Heavy fuel oil		0		0
Liabilities total	-18	-4		-22

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

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 2014.

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 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		13	13
Carrying amount at 1 Jan 2014		13	13
Additions		1	1
Carrying amount at 30 Jun 2014		14	14

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
30 Jun 2014			
Financial assets			
Foreign currency derivatives	5	-3	3
Commodity derivatives	2	0	2
	7	-3	5
Financial liabilities			
Foreign currency derivatives (cash flow hedges)	-3	2	-1
Interest rate derivatives (cash flow hedges)	-1	1	
Commodity derivatives (cash flow hedges)	-18	0	-18
	-22	3	-19
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

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1-Q2/14	Q1-Q2/13	2013
Carrying amount at the beginning of period	1,079	1,122	1,122
Additions	34	41	88
Disposals	-18	-1	-3
Depreciation	-58	-59	-116
Impairment	-2	0	-2
Translation differences	-5	-7	-10
Carrying amount at the end of period	1,030	1,097	1,079

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1-Q2/14	Q1-Q2/13	2013
Sales to equity-accounted investees	21	17	34
Purchases from equity-accounted investees	6	3	7
Loan receivables from equity-accounted investees	66	71	71
Transactions with Rautaruukki Pension Foundation	0	0	0
	30 Jun 2014	30 Jun 2013	31 Dec 2013
Trade and other receivables from related parties	6	5	4
Trade and other payables to related parties	1	1	1

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 30 Jun 2014	After 30 Jun 2013	After 31 Dec 2013
Maintenance investments	91	78	80
Development investments and investments in special steel products	69	16	6
Total	160	93	86

In addition Rautaruukki has confirmed to Voimaosakeyhtiö SF its binding commitment to participate in Fennovoima's Hanhikivi 1 nuclear power plant project. Over the following 10 years, Rautaruukki will invest around EUR 60 million in the project. Most of the investment will be back loaded.

SEGMENT INFORMATION					
EUR million	Q2/14	Q2/13	Q1-Q2/14	Q1-Q2/13	2013
Order intake					
Ruukki Building Products	118	120	199	198	434
Ruukki Building Systems	76	94	120	168	286
Ruukki Metals	434	431	868	868	1,657
Order intake, total	627	644	1,187	1,235	2,376
Comparable net sales					
Ruukki Building Products	108	112	190	190	430
Ruukki Building Systems	62	76	116	143	292
Ruukki Metals	445	439	890	882	1,679
Others	2	5	2	6	3
Comparable net sales, total	617	633	1,198	1,222	2,404
Items affecting comparability included in reported net sales		0		1	1
Reported net sales	617	633	1,198	1,223	2,405
Comparable operating profit					
Ruukki Building Products	9	10	9	10	36
Ruukki Building Systems	-2	-2	-6	-8	-10
Ruukki Metals	10	8	22	24	27
Others	-3	0	-5	-4	-14
Comparable operating profit, total	14	17	19	21	39
Items affecting comparability included in reported operating profit	-7	-1	-16	-1	-5
Reported operating profit	7	16	3	20	34
Net finance costs	-8	-10	-24	-18	-36
Share of profit of equity-accounted associates and joint ventures	-1	-1	-1	-1	-3
Result before income tax	-1	5	-21	1	-6
Income tax expense	-1	-6	0	-6	-8
Result for the period	-2	-1	-21	-5	-14
			30 Jun 2014	30 Jun 2013	31 Dec 2013
EUR million					
Operative capital employed					
Ruukki Building Products			157	166	138
Ruukki Building Systems			183	223	198
Ruukki Metals			1,329	1,382	1,338
Others			28	19	26
Operative capital employed, total			1,696	1,790	1,699

QUARTERLY SEGMENT INFORMATION

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Order intake						
Ruukki Building Products	79	120	127	108	81	118
Ruukki Building Systems	75	94	63	55	44	76
Ruukki Metals	437	431	378	411	435	434
Order intake, total	590	644	568	574	560	627
Comparable net sales						
Ruukki Building Products	78	112	130	110	82	108
Ruukki Building Systems	68	76	76	73	55	62
Ruukki Metals	443	439	389	407	445	445
Others	1	5	-3	0	0	2
Comparable net sales, total	589	633	592	590	581	617
Items affecting comparability included in reported net sales	1	0	0	0		
Reported net sales	590	633	592	590	581	617
EBITDA						
Ruukki Building Products	1	13	19	12	2	9
Ruukki Building Systems	-2	2	5	1	-1	2
Ruukki Metals	42	34	23	32	34	35
Others	-4	1	-4	-6	-7	-5
EBITDA, total	37	49	42	39	28	41
Comparable operating profit						
Ruukki Building Products	-1	10	16	10	0	9
Ruukki Building Systems	-7	-2	1	-2	-4	-2
Ruukki Metals	16	8	-3	6	12	10
Others	-4	0	-4	-6	-3	-3
Comparable operating profit, total	4	17	10	8	5	14
Items affecting comparability included in reported operating profit	-1	-1	0	-4	-9	-7
Reported operating profit	4	16	10	4	-4	7
Net finance costs	-8	-10	-9	-9	-16	-8
Share of profit of equity-accounted associates and joint ventures	-1	-1	-1	-1	0	-1
Result before income tax	-4	5	0	-6	-20	-1
Income tax expense	1	-6	1	-4	1	-1
Result for the period	-4	-1	1	-10	-19	-2

ITEMS AFFECTING COMPARABILITY

In addition to consolidated figures, consolidated and segment comparable net sales and operating profit have been stated to ensure a better understanding and comparability of Ruukki's operating activities and result. Items affecting comparability have been eliminated from the comparable figures. These items are:

Items related to changes in the business structure, for example

- Changes in group structure (acquisitions and disposals)
- Items related to discontinued and held for sale operations, for example
 - Write-down of inventories and impairment of assets
 - Restructuring costs
 - Fair value adjustments booked in business combinations

combinations

Items related to continued business activities, for example

- Costs attributable to efficiency and restructuring measures
- Impact of adjustments of accounting principles

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Others						
Net sales of Mo i Rana unit	0	0	0	0		
Net sales of Kalajoki unit	1	0	0	0		
Items affecting comparability of reported net sales, total	1	0	0	0		

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Ruukki Building Products						
Integration costs						0
Expenses related to restructuring				-1		-3
Ruukki Building Systems						
Integration costs						0
Expenses related to restructuring				-2		
Ruukki Metals						
Integration costs						0
Impact of adjustment of standard cost updating cycle and process					-4	
Others						
Integration costs					-5	-3
Environmental restoration costs					0	0
Operating profit of Mo i Rana unit	0	0	0	0		
Operating profit of Kalajoki unit	0	0	0	-1		
Impact of Fortaco deal	-1	0	0			
Items affecting comparability of reported operating profit, total	-1	-1	0	-4	-9	-7

DELIVERIES, RUUKKI METALS

1 000 tonnes	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Deliveries	481	451	415	466	509	497

Formulas for the calculation of key figures

Return on capital employed (rolling 12 months), %	=	$\frac{\text{result before income tax + finance costs (rolling 12 months)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}} \times 100$
Return on capital employed (annualised), %	=	$\frac{\text{result before income tax + finance costs (annualised)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}} \times 100$
Return on equity (rolling 12 months), %	=	$\frac{\text{result before income tax - income tax expense (rolling 12 months)}}{\text{total equity (average at beginning and end of period)}} \times 100$
Equity ratio, %	=	$\frac{\text{total equity}}{\text{total assets - advances received}} \times 100$
Gearing ratio, %	=	$\frac{\text{net interest-bearing financial liabilities}}{\text{total equity}} \times 100$
Net interest-bearing financial liabilities	=	loans and borrowings - current financial assets and cash and cash equivalents
Earnings per share (EPS)	=	$\frac{\text{result for the period attributable to owners of the company}}{\text{weighted average number of shares outstanding during the period}}$
Earnings per share (EPS), diluted	=	$\frac{\text{result for the period attributable to owners of the company}}{\text{weighted average diluted number of shares outstanding during the period}}$
Equity per share	=	$\frac{\text{equity attributable to owners of the company}}{\text{basic number of shares outstanding at the end of period}}$
Volume weighted average price	=	$\frac{\text{total EUR trading of shares}}{\text{total number of shares traded}}$
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
EBITDA	=	Operating profit + depreciation and impairments

Helsinki, 7 August 2014
Rautaruukki Corporation
Board of Directors

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

The interim report for the period January–September 2014 will be published on 30 October 2014.



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