Rautaruukki Oyj

Interim Report
January – September 2007
RTRKS

RAUTARUUKKI CORPORATION INTERIM REPORT JANUARY-SEPTEMBER 2007

The good market situation in the Group's core market areas and main customer industries has been maintained throughout the report period. There was continued brisk construction activity in the Nordic countries, the Baltics, Central Eastern Europe and Russia. The order books of engineering customers, especially those in the lifting, handling and transportation industry and in the energy industry have remained strong and this has had a positive effect also on Rautaruukki's deliveries. While the good demand for special steel and plate products has continued, there are product-specific differences in the demand for other products.

Net sales and result for January-September 2007 (comparable figures for Jan-Sept 2006)

The Group's net sales in January-September 2007 increased by 16 per cent to EUR 2,895 million on the comparable figure of EUR 2,502 million for January-September 2006. The Group reported net sales of EUR 2,669 million for January-September 2006. The comparable figures exclude the Nordic Reinforcing units, which were part of the Group until 31 July 2006. Ruukki Construction's net sales grew by 34 per cent to EUR 749 million (558) and Ruukki Engineering's by 21 per cent to EUR 487 million (400). Ruukki Metals' net sales were EUR 1,658 million (1,708, comparable net sales 1,541).

The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 43 per cent (36) of net sales during the report period. Of net sales, 83 per cent (78) came from Rautaruukki's core market areas: 32 per cent (31) from Finland, 30 per cent (32) from the other Nordic countries and 21 per cent (15) from Central Eastern Europe, Russia and Ukraine. The rest of Europe accounted for 15 per cent (20) of net sales and other countries for 2 per cent (2).

Operating profit for the report period was EUR 518 million, which is 18 per cent of net sales. This represents an increase of EUR 170 million or 49 per cent on the comparable operating profit of EUR 348 million reported last year. The Group reported operating profit of EUR 362 million for January-September 2006. The solutions businesses accounted for 38 per cent (37) of the Group's operating profit. Ruukki Construction's operating profit almost doubled to EUR 117 million (62), Ruukki Engineering's operating profit rose to EUR 81 million (74) and Ruukki Metals' to EUR 340 million (253, comparable 239).

Net finance expense amounted to EUR 10 million (19). A marked decrease in net debt caused the net interest expense to decrease from EUR 16 million last year to EUR 7 million.

The share of associates' profits was EUR 3 million (35, of which Ovako accounted for EUR 32 million).

Profit before taxes was EUR 512 million (378).

Group taxes were EUR 132 million (89) and the effective tax rate was 26 per cent (27).

Profit for the period was EUR 379 million (288).

Diluted earnings per share were EUR 2.74 (2.09).

Return on capital employed over the past 12 months was 37.8 per cent (26.2) and the return on equity was 33.6 per cent (25.3). Excluding the impact of the capital gain arising from the divestment of Ovako, the return on capital employed was 33.0 per cent and the return on equity was 27.9 per cent over the past 12 months.

Balance sheet

The consolidated balance sheet total increased by EUR 129 million to EUR 2,914 million compared to 30 September 2006. Since year-end 2006, the balance sheet total has decreased by EUR 112 million.

Shareholders' equity at 30 September 2007 was EUR 1,906 million (1,619). Net interest-bearing liabilities decreased to EUR 190 million (410).

Cash flow and financing

Cash flow from operating activities was EUR 247 million (205) and cash flow after investing activities was EUR 112 million (143).

Net interest-bearing liabilities at 30 September 2007 were EUR 190 million (410), compared to EUR 22 million at year-end 2006. During the report period, the company completed early repayment of two high-interest callable subordinated notes issued in September 2002. These two notes had an aggregate capital of EUR 104 million.

Working capital increased by EUR 225 million (95) during January-September 2007. EUR 142 million of this increase was attributable to a rise in inventories and EUR 54 million to a growth in trade receivables.

The equity ratio was 67.3 per cent (59.5) and net gearing 10.0 per cent (25.3). At 30 September, the Group had liquid assets of EUR 41 million and a total of EUR 300 million in unused revolving credit facilities with banks. At 30 September, shareholders' equity stood at EUR 1,906 million (1,619), or EUR 13.70 per share (11.85). In April, Rautaruukki paid to its shareholders EUR 207 million in dividends and an additional dividend of EUR 69 million out of the capital gain arising from the divestment of Ovako.

Personnel

During the first nine months of 2007, the Group employed an average of 14,864 people (13,063). At 30 September, the headcount was 14,727 (13,129), an increase of 1,598 persons year-on-year. The increase in headcount was mainly due to acquisitions (Scanbridge, Omeo and AGJ) and an expansion of business activities in Russia.

Capital expenditure

Cash flow from investing activities during the report period was EUR 134 million (62).

Investments in tangible and intangible assets totalled EUR 112 million (90) during January-September. The largest investments were related to expanding Ruukki Construction's capacity in Eastern Europe and strengthening the company's capability to deliver special products. During the report period, divestments of subsidiaries and property plant and equipment amounted to EUR 13 million.

In January-September, EUR 40 million was spent on M&A arrangements. Property, plant and equipment obtained through acquisitions increased by EUR 19 million and goodwill by EUR 3 million. These arrangements had no material impact on the amount of working capital.

Additionally, there was a positive cash flow of EUR 5 million during the report period. This was mainly due to divestments taking place last year.

Gross investments in tangible and intangible assets in 2007 are expected to be in the range of EUR 220 million, excluding any acquisitions or divestments. Investments to increase Ruukki Construction's production capacity account for approximately a third of this figure.

Shares and share capital

During the first nine months of 2007, Rautaruukki Oyj shares (RTRKS) were traded for a total of EUR 6,608 million (3,537) on the OMX Nordic Exchange Helsinki. The highest price quoted was EUR 52.50 in July and the lowest was EUR 27.38 in January. The volume weighted average share price was EUR 39.30. At 30 September 2007, the share closed at EUR 42.49 and the company had a market capitalisation of EUR 5,957 million (3,150).

The company's registered share capital at 30 September 2007 was EUR 238.3 million distributed across 140,194,524 shares. At the end of the report period, the company had 1,476,937 treasury shares.

Employee warrants based on the 2003 bond loan with warrants have been publicly traded on the OMX Nordic Exchange Helsinki since 24 May 2006. One warrant entitles the holder to subscribe one Rautaruukki share at a price of EUR 1.70. By 30 September 2007, warrants had been exercised to subscribe a total of 1,308,079 shares. The outstanding warrants entitle subscription to a total of 91,921 shares. The subscription period expires on 23 May 2009.

The Board of Directors is authorised to purchase a maximum of 12,000,000 of the company's shares (8.56 per cent of the total number of shares issued). This authorisation is valid for 18 months from the decision of the Annual General Meeting on 20 March 2007. The Board of Directors had not exercised this authorisation during the report period.

Likewise, the Board of Directors is authorised to dispose of a maximum of 13,785,381 treasury shares. The authorisation is valid until the close of the 2009 Annual General Meeting. On 20 March 2007, under the Board of Directors' authorisation expiring at the close of the 2007 Annual General Meeting, the company transferred 84,000 treasury shares to persons covered by the Group's share bonus scheme 2004. On 3 August 2007, under the Board of Directors' present authorisation, the company transferred a total of 225,194 treasury shares to persons covered by the final incentive period, 2004-2006, of the Group's share bonus scheme 2000. Seven hundred and fifty shares have been returned to the company. Subsequent to this, the company has 1,476,937 treasury shares, which had a market value of EUR 63.4 million at 30 September 2007.

At the end of the report period, the Board of Directors had no valid authorisation to issue convertible bonds or bonds with warrants or to increase the company's share capital.

Environmental issues

Rautaruukki's Raahe Works and the steam boilers at the Hämeenlinna Works in Finland are included in the European Union's emissions trading scheme. In 2006, the Raahe Works accounted for 99.2 per cent of Rautaruukki's carbon dioxide emissions falling within the scope of emissions trading. The company's steel section mill in Mo i Rana, Norway, comes under a similar Norwegian emissions trading scheme.

The European Commission cut the emissions allowances in Finland's national allocation plan by two million tonnes for the 2008-2012 trading period. Consequently, this will result in an amendment to Finland's Emissions Trading Act. Under a proposal by the Finnish government, also Rautaruukki's emissions allowances will be reduced. While the exact allowances will not be known until after the Act has been amended, in the case of Raahe it would mean a reduction in emission limits of around four per cent compared to the 2005-2007 trading period.

The company expects to incur costs of around EUR 3-5 million a year to purchase the additional emissions allowances it needs during the 2008-2012 emissions trading period.

In September 2007, Rautaruukki was included in the Dow Jones STOXX Sustainability Index. The index includes leading European companies in terms of sustainable development. Companies are included in the index on the basis of annual assessment. Launched in 1999, the Dow Jones Sustainability Index (DJSI World) is the first global index to track sustainability. The STOXX Index in the Dow Jones index family that Rautaruukki has been included in was launched in 2001 to track the sustainability performance of European companies.

Improvement in cost-effectiveness

Ruukki United, the company's programme to harmonise ways of working and improve efficiency, aims to achieve cost savings, compared with 2004 levels, of around EUR 150 million by year-end 2008. EUR 75 million of this target had been achieved by the end of the report period.

The Ruukki United programme also seeks to permanently free up some EUR 150 million of capital by year-end 2008. EUR 42 million of this target had been achieved by the end of the report period. The company aims for a marked reduction in stocks by the end of the 2007 financial year.

Impacts of the programme on staffing levels are ascertained on a project-specific basis and any reductions are expected to be made mostly through retirement and relocation.

Events after the report period

Rautaruukki held its annual Capital Market Day for investors and analysts in Moscow and Obninsk, Russia on 1-2 October. At the Capital Market Day, the company's management stated that it expects Ruukki Construction division's net sales to grow organically to more than one and a half times by the end of 2010 from a current figure of around one billion euros. The share of special products of Ruukki Metals division's net sales is expected to increase from a current figure of 24 per cent to 40 per cent by the end of 2010.

In October, Rautaruukki signed a major agreement with construction company YIT for total deliveries for a logistics and industrial park project in St Petersburg, Russia. The order is worth EUR 10 million. Deliveries started in September this year and will continue until February 2008. In addition, Rautaruukki has signed a letter of option with YIT for a similar delivery for a further eight buildings to be constructed on the site. The agreement further strengthens Rautaruukki's position as a leading provider of metal-based construction solutions in its core market area.

In October, Rautaruukki announced it had established a sales office in Sofia, Bulgaria. This new sales office will enable the company to better respond to the growing demand for office and commercial construction in Bulgaria. In addition, the office will strengthen Rautaruukki's sales of construction products and services in local markets.

As Rautaruukki reported on 22 October, around 450 members of the Union of Salaried Employees (TU) began a strike on 22 October in Raahe, Finland. The strike stopped hot-rolling production and the cutting lines at the Raahe Steel Works. This has resulted in the stoppage of product manufacture at the works, deliveries to customers and products for further processing within the company. The financial effects incurred by company as a result of the dispute will depend on the length of the strike.

In October, the first profile production lines started up at the company's new plant in Romania. The plant will be fully operative in summer 2008 and will produce steel frames, sandwich panels, roofing and cladding profiles and wall and roofing cassettes. The new plant will enable Rautaruukki to serve the rapidly growing demand for commercial construction and residential roofing in Romania and Bulgaria. The investment is worth about EUR 35 million.

Near-term outlook

The good market situation in the Group's core market areas and in key customer industries is expected to continue. Construction activity is expected to remain brisk across the entire market area. It is anticipated the construction market in Eastern Europe will grow at a faster rate than in other areas. Demand from engineering industry customers is likely to remain strong in the lifting, handling and transportation industry, as well as in the energy, shipbuilding and offshore sectors.

While the good demand for special steel and plate products is expected to continue, there are product-specific differences in the demand for other products.

There are currently factors of uncertainty in the global economy that might affect the demand for Rautaruukki's products. If the strike by the members of the Union of Salaried Employees continues in Finland, it will affect the company's financial performance during the fourth quarter.

Comparable net sales in 2007 are expected to develop in line with growth targets set. Operating profit for 2007 will markedly exceed the comparative figure for last year. The good market situation in the company's customer industries is expected to continue. This will form a good platform for Rautaruukki in 2008.

This interim report is unaudited.

Helsinki, 24 October 2007

Rautaruukki Corporation

Board of Directors

DIVISIONS

Ruukki Construction

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07	Q3/07
Net sales	133	181	244	271	829	213	258	278
Operating profit	8	21	33	39	101	33	40	45
as % of net sales	6	12	14	14	12	15	15	16

During January-September 2007, Ruukki Construction had net sales of EUR 749 million (558), up by 34 per cent on the corresponding figure a year earlier. Operating profit increased to EUR 117 million

(62). The division accounted for 26 per cent (21) of the Group's net sales. Acquisition of Ventall in Russia in 2006, as well as strong organic growth on the back of good demand and increased deliveries through an investment programme to strengthen delivery capability, led to higher net sales and operating profit during the report period. Net sales grew particularly in Russia and the Nordic countries.

Strong demand and deliveries within building construction continued in the Nordic countries, Russia and Central Eastern Europe. In the Baltics, there was continued good demand for deliveries of building construction projects, but demand for component deliveries has stabilised.
Office, commercial, industrial, logistics and sports complexes formed the focus of systems and integrated systems within building construction. A pilot project using an innovative concept for multi-storey construction in Ruoholahti, Helsinki progressed as planned.

There was also continued good demand and deliveries within infrastructure construction. Most deliveries focused on large transport infrastructure and harbour projects already under way in Finland such as the Vuosaari Harbour and E18 road projects. Rautaruukki is supplying steel structures for a number of major bridge projects in Norway and Sweden and for the western ring road project in St Petersburg, Russia.

Ruukki Construction's investments of around EUR 110 million to increase production capacity in Central Eastern Europe, Finland and Russia are progressing as planned and will strengthen the company's delivery capability. The profile line at the new plant in Romania came on stream in October as planned. Ruukki Construction has also expanded its sales office network into Bulgaria and Croatia.

Ruukki Engineering

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07	Q3/07
Net sales	132	142	127	157	557	167	163	157
Operating profit	25	21	28	33	106	32	27	23
as % of turnover	19	15	22	21	19	19	16	14

During January-September 2007, Ruukki Engineering had net sales of EUR 487 million (400), up by 21 per cent on the corresponding figure a year earlier. Higher net sales were attributable to the continued strong market situation, the acquisition of Omeo Mekaniska Verkstad AB, completed in January, and the acquisition of Hungarian company Aprítógépgyár Zrt. (AGJ), completed in May. The division accounted for 17 per cent (15) of the Group's net sales. Operating profit for January-September 2007 amounted to EUR 81 million (74). The operating margin was weaker compared to the previous quarter mainly as a result of lower delivery volumes in the Norwegian unit for wind turbine projects. Integration of completed acquisitions into Ruukki Engineering is underway and the performance of these units is expected to improve during the course of 2008. Compared to the third quarter, Ruukki Engineering's operating profit is expected to improve somewhat during the fourth quarter.

Order books remained strong in all Ruukki Engineering's customer sectors. Acquisition of the Hungarian company AGJ in May this year has provided major new customers in the lifting, handling and transportation equipment industry and expanded the boom product range. In addition to materials handling booms, Rautaruukki is now also able to supply booms for earthmoving machinery.

Demand is still growing in the wind turbine industry. Rautaruukki provides the gear box frames, base frames and crane grids for wind turbines. Demand in the paper and wood processing industry and in the shipbuilding and offshore sectors has continued strong in Europe.

In August, Ruukki Engineering signed an agreement with Wärtsilä that will double the volume of Rautaruukki's common base frame and oil sump deliveries in Finland. Deliveries to Italy and China will also increase.

Ruukki Metals

EUR million	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07	Q3/07
Net sales	591	604	514	583	2 291	570	588	500
Operating profit	77	87	89	111	364	119	117	104
as % of net sales	13	14	17	19	16	21	20	21

During January-September 2007, Ruukki Metals had net sales of EUR 1,658 million (1,708), up by 8 per cent against the comparable figure of EUR 1,541 million a year earlier. The comparable figures exclude the Nordic Reinforcing units, which were part of the business until 31 July 2006. Operating profit increased by 34 per cent to EUR 340 million (253). Comparable operating profit for the corresponding period a year earlier was EUR 239 million. Improved profitability was attributable to increased sales prices and a change in the sales structure. Special products continued to form an increasing share of sales and accounted for 24 per cent (19) of Ruukki Metals' sales during the third quarter. The division accounted for 57 per cent (64) of consolidated net sales.

Good demand continued in the division's core market areas and customer industries. Higher than normal wholesaler stocks in Europe particularly affected sales of galvanised products. The investment to increase the capacity of high-strength steels at the Raahe Works in Finland came on stream in September. A longer maintenance shutdown than last year resulted in a reduction in delivery volumes of plate products. In addition, Ruukki Metals' sales were lower during the third quarter due to seasonal fluctuations in the division's core market area.

As part of actions to enhance the business model in Finland, Ruukki Metals decided in August to focus small batch deliveries on the Hyvinkää Service Centre. In the same context, it was decided to review the role of the works and service centres as well as the product range. The related investments of around EUR 4 million are not expected to have a material impact on Ruukki Metals' result for the fourth quarter.

In Poland, the Zyrardow Service Centre was relocated to the panel and steel structure plant in Oborniki. The prefabrication capacity of the service centre is being increased and diversified. This will improve the company's ability to deliver special products already during the fourth quarter.

In November, the Hyvinkää Service Centre will begin using laser cutting technology to cut large tubes and cold-formed sections used in the engineering industry and construction. Laser technology will enable a new type of design for heavy structures and further strengthen the company's capability to deliver special products.

Ruukki Production

1000 tonnes	Q1/06	Q2/06	Q3/06	Q4/06	2006	Q1/07	Q2/07	Q3/07
Steel production	888	860	725	744	3 217	703	672	610
Steel production in Raahe	709	693	705	744	2 853	703	672	610

Production ran normally at all works. Steel output during January-September 2007 was 1,985,000 tonnes. The comparable figure for 2006, excluding the Mo i Rana reinforcing steel production divested, was 2,107,000 tonnes.

There was a longer shutdown at the Raahe plate mill than during the corresponding period a year ago to allow for the installation of a direct quenching unit, which came on stream in September. The high-strength and abrasion-resistant steels made by the unit will enable the company to meet the growing needs of the lifting, handling and transportation industry in particular. The unit will also enable the company to considerably expand the range, improve delivery capability and increase the production volumes of high-strength steels. Production of direct quenched plates has started well at the plate mill and the company can significantly increase the output of special steels during the fourth quarter.

Production of plates and hot-rolled cut lengths has remained strong. Production volumes of galvanised products were limited during the third quarter for profitability reasons. Preparations are under way to adjust steel production during the fourth quarter in line with demand and stock levels.

TABLES

This interim report has been prepared in accordance with IAS 34 and is in conformity with the accounting policies published in the annual financial statements. The financial indicators have been calculated in the same way as in the annual financial statements.

Individual figures and totals appearing in the tables have been rounded to the nearest full million of euros. This means that they will not always tally when added together or subtracted. The figures given in tables are unaudited.

SUMMARY CONSOLIDATED INCOME STATEMENT					
EUR million	Q3/07	Q3/06	Q1-Q3/07	Q1-Q3/06	2006
Net sales	935	885	2 895	2 669	3 682
Other operating income	6	13	16	24	32
Operating expenses	-741	-719	-2 279	-2 218	-3 037
Depreciation, amortisation and impairment losses	-39	-38	-114	-113	-148
Operating profit	162	140	518	362	529
Finance income and expense	-4	-6	-10	-19	-22
Share of results of associated companies	1	7	3	35	129
Profit before taxes	159	141	512	378	635
Taxes	-41	-36	-132	-89	-134
Profit for the period	118	105	380	288	501
Attributable to:					
Equity shareholders of the parent	117	105	379	288	501
Minority interests	0	0	1	0	0
Diluted earnings per share, EUR	0.85	0.76	2.74	2.09	3.65
Basic earnings per share, EUR	0.85	0.76	2.74	2.11	3.66
Operating profit as % of net sales	17.3	15.9	17.9	13.6	14.4

SUMMARY CONSOLIDATED BALANCE SHEET	30 Sept	30 Sept	31 Dec
EUR million	2007	2006	2006
ASSETS			
Non-current assets	1 475	1 562	1 454
Current assets			
Inventories	738	556	586
Trade and other receivables	660	629	624
Cash and cash equivalents	41	38	361
	2 914	2 785	3 026
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	1 906	1 619	1 832
Minority interests	3	1	1
Non-current liabilities			
Interest-bearing	201	220	218
Other	201	217	226
Current liabilities			
Interest-bearing	31	228	164
Trade payables and other liabilities	573	501	584
	2 914	2 785	3 026

SUMMARY CASH FLOW STATEMENT			
EUR million	Q1-Q3/07	Q1-Q3/06	2006
Profit for the period	379	288	501
Adjustments	251	179	168
Cash flow before change in working capital	629	467	669
Change in working capital	-225	-95	-76
Financing items and taxes	-158	-167	-197

Cash flow from operating activities	247	205	396
Cash flow from investing activities	-134	-62	140
Cash flow before financing activities	112	143	536
Dividends paid*	-276	-191	-191
Change in liabilities	-156	-76	-147
Change in cash and cash equivalents	-320	-124	198

*) Dividends paid in 2007 include an extra dividend totalling EUR 69 million out of the capital gain arising from the divestment of Ovako.

KEY FIGURES	Q1-Q3/07	Q1-Q3/06	2006
Net sales, EUR m	2 895	2 669	3 682
Operating profit, EUR m	518	362	529
as % of net sales	17.9	13.6	14.4
Profit before taxes, EUR m	512	378	635
as % of net sales	17.7	14.2	17.3
Profit for the period, EUR m	379	288	501
as % of net sales	13.1	10.8	13.6
Return on capital employed*, %	37.8	26.2	31.5
Return on equity*, %	33.6	25.3	30.1
Equity ratio, %	67.3	59.5	61.6
Gearing ratio, %	10.0	25.3	1.2
Net interest-bearing liabilities, EUR m	190	410	22
Equity per share, EUR	13.7	11.85	13.26
Personnel on average	14 864	13 063	13 121
Number of shares	140 194 524	139 070 495	139 957 418
- excluding treasury shares	138 717 587	136 768 798	138 172 037
- diluted, average	138 495 687	137 749 903	137 144 515
Percentage of treasury shares of total shares issued, %	1.05	1.66	1.28
* Based on previous 12 months			

CHANGES IN EQUITY Q1-Q3/2007							
EUR million							
	Attributable to equity shareholders of the parent						
	Share capital	Share prem. act.	Fair value and other reserves	Translation diff.	Retained earnings	Total	Minority int.
EQUITY AT 1 JAN	238	220	44	-3	1 333	1 832	1
Cash flow hedging							
Transferred to equity			-33			-33	
Deferred taxes			9			9	
Disposal of treasury shares			-3		3	0	
Change in translation difference				-3	-3	-6	
Dividend distribution					-276	-276	
Profit for the period					379	379	1
Acquisition of subsidiaries							1
EQUITY AT 30 SEP	238	220	17	-6	1 436	1 906	3

CHANGE IN EQUITY Q1-Q3/2006							
EUR million							
	Attributable to equity shareholders of the parent						
	Share capital	Share prem.act.	Fair value and other reserves	Translation diff.	Retained earnings	Total	Minority int.
EQUITY AT 1 JAN	236	220	31	-5	1 016	1 497	1
Cash flow hedging							
Transferred to equity			27			27	
Deferred taxes			-7			-7	
Equity-settled share-based payment transactions			2			2	
Disposal of treasury shares			-4		6	2	
Change in translation difference				1		1	
Dividend distribution					-191	-191	
Profit for the period					288	288	
EQUITY AT 30 SEP	236	220	49	-4	1 119	1 619	1

NET SALES BY DIVISION					
EUR million	Q1-Q3/07	Q1-Q3/06	2006	Q1-Q3/06 pro forma	2006 pro forma
Ruukki Construction	749	558	829	558	829
Ruukki Engineering	487	400	557	400	557
Ruukki Metals	1 658	1 708	2 291	1 541	2 124
Group management and other units	0	2	4	2	4
Consolidated net sales	2 895	2 669	3 682	2 502	3 515
Pro Forma=excluding the Nordic Reinforcing units					

OPERATING PROFIT BY DIVISION					
EUR million	Q1-Q3/07	Q1-Q3/06	2006	Q1-Q3/06 pro forma	2006 pro forma
Ruukki Construction	117	62	101	62	101
Ruukki Engineering	81	74	106	74	106
Ruukki Metals	340	253	364	239	350
Group management and other units	-20	-26	-42	-26	-42
Consolidated operating profit	518	362	529	348	515
Pro Forma=excluding the Nordic Reinforcing units					

QUARTERLY NET SALES							
EUR million	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07
Ruukki Construction	133	181	244	271	213	258	278
Ruukki Engineering	132	142	127	157	167	163	157
Ruukki Metals	591	604	514	583	570	588	500
Group management and other units	0	1	0	2	0	0	0
Consolidated net sales	856	928	885	1 013	950	1 009	935

QUARTERLY OPERATING PROFIT							
EUR million	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07
Ruukki Construction	8	21	33	39	33	40	45
Ruukki Engineering	25	21	28	33	32	27	23
Ruukki Metals	77	87	89	111	119	117	104
Group management and other units	-15	-2	-9	-16	-6	-5	-10
Consolidated operating profit	95	127	140	167	178	178	162

QUARTERLY NET SALES (PRO FORMA) EXCLUDING NORDIC REINFORCING UNITS							
EUR million	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07
Ruukki Construction	133	181	244	271	213	258	278
Ruukki Engineering	132	142	127	157	167	163	157
Ruukki Metals	521	523	497	583	570	588	500
Group management and other units	0	1	0	2	0	0	0
Consolidated net sales	786	848	868	1 013	950	1 009	935

QUARTERLY OPERATING PROFIT (PRO FORMA) EXCLUDING NORDIC REINFORCING UNITS							
EUR million	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07
Ruukki Construction	8	21	33	39	33	40	45
Ruukki Engineering	25	21	28	33	32	27	23
Ruukki Metals	71	79	90	111	119	117	104
Group management and other units	-15	-2	-9	-16	-6	-5	-10
Consolidated operating profit	89	119	141	167	178	178	162

NET SALES BY REGION			
as % of net sales	Q1-Q3/07	Q1-Q3/06	2006
Finland	32	31	31
Other Nordic countries	30	32	31
Central Eastern Europe, Russia and Ukraine	21	15	17
Rest of Europe	15	20	19
Other countries	2	2	2

CONTINGENT LIABILITIES			
EUR million	Sept 07	Sept 06	Dec 06
Mortgaged real estates	23	26	26
Pledges given	6	5	5
Collateral			
Given on behalf of others	5	4	5
Leasing and rental responsibilities	114	127	100
Other financial liabilities	0	9	11

Subsequent to the divestment of the operating companies of Oy Ovako Ab, both Oy Ovako Ab and its subsidiary Ovako Svenska AB were put into voluntary liquidation and most of Oy Ovako Ab's assets were distributed to shareholders as a disbursement. The shareholders (Rautaruukki Corporation, AB SKF and Wärtsilä Corporation) have, as required under the Finnish Companies Act, submitted to the liquidator a directly enforceable guarantee as surety against payment of the disbursements.

VALUES OF DERIVATIVE CONTRACTS AT 30 SEPTEMBER 2007, EUR million		
CASH FLOW HEDGES INCLUDED IN HEDGE ACCOUNTING		
	Nominal value	Fair value
Zinc derivatives		
Forward contracts *	30,000	14.1
Electricity derivatives		
Forward contracts **	1 247	9.0
* tonnes		
** GWh		
DERIVATIVES NOT INCLUDED IN HEDGE ACCOUNTING		
	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	25	0.2
Foreign currency derivatives		
Forward contracts	755	-14.5
Options		
Bought	75	-1.1
Sold	75	-1.7
		-2.8

The unrealised result of cash flow hedges is recognised in equity to the extent the hedge is effective. Other changes in fair value are recorded through profit and loss.

CHANGES IN PLANT, PROPERTY AND EQUIPMENT			
EUR million	Q1-Q3/07	Q1-Q3/06	2006
Carrying value at start of period	1 043	1 033	1 033
Increase	106	79	130
Increase through acquisitions	13	51	71
Decrease	-5	-8	-19
Decrease through divestments	0	-42	-42
Depreciation and value adjustments	-96	-101	-130
Exchange rate differences	1	-1	-1
Carrying value at end of period	1 061	1 011	1 043

TRANSACTIONS WITH RELATED PARTIES (ASSOCIATED COMPANIES)			
EUR million	Q1-Q3/07	Q1-Q3/06	2006
Sales to associated companies	18	21	29
Purchases from associated companies	5	23	27
Trade and other receivables at 30 September	5	6	10
Trade and other creditors at 30 September	1	7	2

INVESTMENT COMMITMENTS*	
EUR million	after 30 Sept 2007
Maintenance investments	46
Development investments and investments in special products	163
Total	209
*Investment commitments include the estimated costs of projects that have received permission to go ahead.	

INFORMATION ABOUT ACQUISITIONS*		
EUR million	Fair value	Acquired company's carrying amount
Acquisition cost		
- including conditional purchase price	19	
Assets and liabilities of acquired companies (carrying value)		
Non-current assets	19	13
Current assets		
Inventories	9	9
Trade and other receivables	12	11
Cash and cash equivalents	2	2
Total assets	42	35
Non-current liabilities		
Interest-bearing	3	4
Other	2	2
Current liabilities		
Interest-bearing	3	3
Other	16	15
Total liabilities	24	24
Net assets	16	12
Acquisition cost	19	
Goodwill	3	
Acquisition cost paid in cash	19	
Cash and cash equivalents of the acquired subsidiary	2	
Impact on cash flow	17	
*)Includes information about the following acquisitions: AB Omeo Mekaniska Verkstad, Scanbridge AS, Aprítógépgyár Zrt. and redemption of the shares of Teräsportti Oy.		

FURTHER INFORMATION IS AVAILABLE FROM

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Rautaruukki Corporation

Anne Pirilä
SVP, Corporate Communications and Investor Relations

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and mechanical engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 24 countries and employs 14,500 people. Net sales in 2006 totalled EUR 3.7 billion. The company's share is quoted on the OMX Nordic Exchange Helsinki (Rautaruukki Oyj: RTRKS). The Corporation has used the marketing name Ruukki since 2004.

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