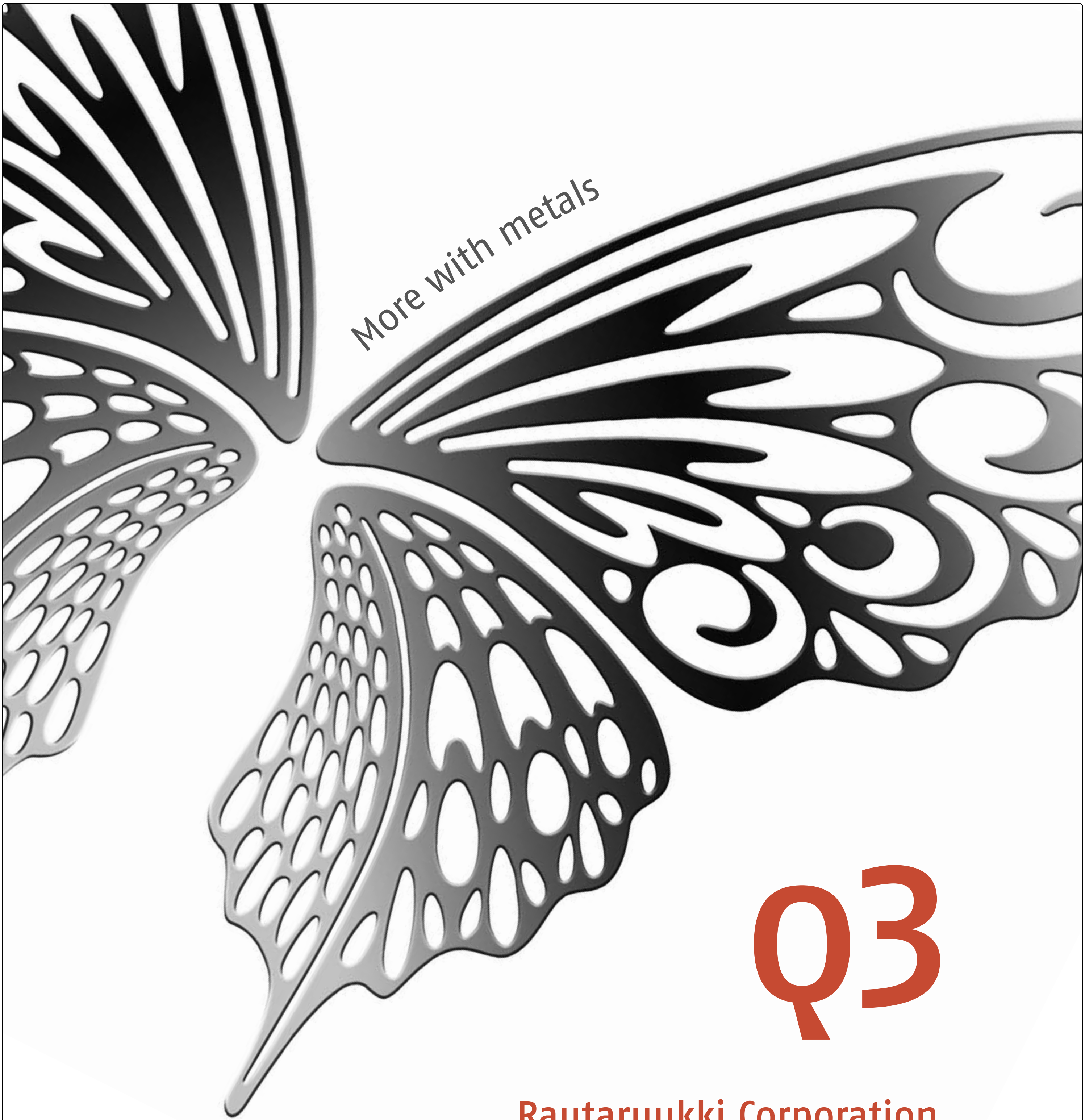

Q3

Rautaruukki Corporation

Interim Report
1 January–30 September 2009
RTRKS

22 October 2009

ruukki

Rautaruukki Corporation's interim report for January-September 2009:
Continued difficult market conditions, efficiency measures to be continued

Summary results for the first nine months of 2009 (reference period Q1-Q3/2008)

- Consolidated net sales decreased to EUR 1,429 million (EUR 3,004 million)
- Consolidated reported negative operating profit was -EUR 284 million and negative operating profit excluding non-recurring items was -EUR 279 million (505 reported and 511 comparable)
- Result before taxes was -EUR 313 million (503)
- Gearing ratio was 26.4 per cent (7.8)
- Cash flow from operating activities was EUR 69 million (284)
- Return on capital employed (rolling 12 months) was -10.0 per cent (29.6)
- Earnings per share were -EUR 1.65 (2.65)
- The company estimates there will be a marked improvement in the result before taxes for the fourth quarter, compared to the third quarter, but that the result might remain slightly negative. Earlier the company estimated that there will be a marked improvement in the result before taxes for the second half of the year compared to the first half, but might remain slightly negative.

KEY FIGURES

	Q1-Q3/09	Q1-Q3/08	Q3/09	Q3/08	2008
Net sales, EUR m	1 429	3 004	485	996	3 851
Operating profit, EUR m	-284	505	-54	197	568
Operating profit, excluding non-recurring items, EUR m	-279				584
Operating profit as % of net sales	-19.9	16.8	-11.2	19.7	14.7
Operating profit as % of net sales, excluding non-recurring items	-19.5				15.3
Result before taxes, EUR m	-313	503	-64	195	548
Earnings per share, EUR	-1.65	2.65	-0.32	1.00	2.93
Return on capital employed (rolling 12 mths), %	-10.0	29.6			25.6
Gearing ratio, %	26.4	7.8			7.9
Personnel, average	12 914	15 086	12 413	15 285	14 953

First nine months of 2009 in brief:

- By the end of the report period, the three-year operational excellence programme Boost had delivered permanent cost savings of around EUR 46 million and savings for the whole year are estimated to exceed EUR 60 million. Actions already initiated equate to cost savings of around EUR 80 million at an annual level. In addition to these actions, adjustment measures taken as a result of difficult market conditions are estimated to deliver of around EUR 30 million in 2009.

- Continued caution in construction investment decisions across the market area. Positive signs were visible in the third quarter in sales of roofing products, as well as in road and rail construction projects in the Nordic countries.

- Market conditions in the engineering business were very challenging, delivery volumes fell sharply and price development in new contracts was unfavourable. However, deliveries to equipment manufacturers in the energy industry continued at a good level.

- Delivery volumes of steel products remained exceptionally low and no recovery was evident in end-customer demand. Lower customer stocks increased orders somewhat and the fall in prices of steel products levelled off during the third quarter.

- Cash flow from operating activities was positive and a healthy balance sheet was maintained.

President & CEO Sakari Tamminen:

”The rate of decline in the global economy eased during the third quarter of the year. A reduction in stocks has resulted in a brief pick-up in demand in customer industries, but this has not yet formed a platform for any permanent improvement in end-customer demand. It still remains difficult to predict market development. It is clear that the fallout from the global economic crisis will stretch far into the future, industrial structures are changing and actors in the engineering industry among others are pursuing cost efficiency in countries with lower cost levels.

Ruukki’s poor earnings performance during the report period was mainly attributable to lower sales volumes, unfavourable sales price development and to the use of steel material produced using high-cost raw materials. Also the low steel production capacity utilisation rate during the first half of the year significantly impacted on our result.

Despite difficult market conditions, seasonal demand picked up somewhat in Ruukki’s construction businesses during the third quarter. Nevertheless, we remained well below the level witnessed in previous years and commercial and industrial construction in particular was quiet. Especially in Russia, publicly funded projects accounted for a notably increased share of our net sales in construction. In addition, activity in road and rail projects in the Nordic countries and in residential construction was even brisker than anticipated.

Delivery volumes in the engineering industry were significantly smaller than a year earlier. The profitability of our engineering business was particularly weakened by the poor performance of the Norwegian unit and we have accordingly started to reorganise the operations of the unit, which earlier primarily served the shipbuilding industry.

There was major fluctuation in demand for different products in our steel business. Whilst sales volumes of plate products in particular were low, sales of further processed colour-coated and galvanised products and strip products were much better. There was even a shortage of some products at times and the stock cycle improved towards the end of the report period. However, de-stocking was slower than anticipated.

We have built the company to be able to face challenging times from a strong platform. This year, we have lowered our cost structure through corporate-wide efficiency and saving measures, as well as progressed with our three-year operational excellence programme. We will continue to improve efficiency to further strengthen our cost competitiveness and market position. Our manufacturing network and local presence in Poland, Hungary and China, for example, provide Ruukki with a competitive edge in the engineering business in the future. There is a strong need for new and renovation construction in our important market area in Eastern Europe. However, in the short-term, we need to see a restoration of customer willingness to invest before commercial and industrial construction picks up.

Our three-year operational excellence programme has progressed faster than expected and by the end of September had delivered permanent cost savings of around EUR 46 million. Expected savings for the whole year have been revised upwards from EUR 50 million to over EUR 60 million. Efficiency measures we have initiated equate to savings of around EUR 80 million at an annual level. Adjustment measures under way, lower costs of raw materials and a decrease in the cost per unit of steel produced will also improve our cost efficiency. We estimate that there will be a marked improvement in the result before taxes for the fourth quarter, compared to the third quarter, but that the result might remain slightly negative”.

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Press conference
A press conference, in Finnish, for analysts and the media will be held on Thursday 22 October at 2.30pm at Ruukki, Suolakivenkatu 1, 00810 Helsinki.

The English webcast and conference call for investors and analysts will begin at 4pm Finnish time and can be viewed live on the company's website at www.ruukki.com/investors. A replay of the webcast can be viewed on the same site from about 8pm Finnish time.

To attend the conference call, please call the following number 5-10 minutes before the conference begins: +44 (0)20 7162 0025, password: Rautaruukki

A recording of the conference call can be heard until 27 October 2009 at the following number: +44 (0)20 7031 4064, access code: 846983

Rautaruukki Corporation
Anne Pirilä
SVP, Corporate Communications and Investor Relations

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 26 countries and employs 12,200 people. Net sales in 2008 totalled EUR 3.9 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

DISTRIBUTION:
NASDAQ OMX Helsinki
Main media
www.ruukki.com

Business environment

The pace of decline in the global economy slowed during the course of the third quarter. However, there was continued caution in investment decisions despite the strengthening of a number of confidence indicators and a noticeable decrease in stocks of finished products. Industrial orders remained well below the level a year earlier.

Seasonal growth in demand within construction was below that of previous years. However, residential construction was brisker than expected and this led to better demand for roofing products than predicted. Customer caution in decision-making particularly impacted on the demand for solutions and products within commercial and industrial construction. The availability of debt financing for construction projects was still difficult.

High stock levels in the engineering industry weakened demand during the report period, especially in the lifting, handling and transportation equipment industry. Even though customers' stocks have decreased considerably, order intake volume showed hardly any improvement. Demand from equipment manufacturers in the energy industry remained relatively good, but equipment manufacturers in the wind power industry have rescheduled or cancelled some projects because of, among other things, the difficulty in securing funding. Market conditions remained weak in shipbuilding and there were few new orders. The trend within the engineering industry to pursue further operational efficiency by switching production to lower cost countries has gathered momentum during the year.

De-stocking in the steel industry has taken longer than expected. Consequently, the delivery volumes of steel companies remained lower than end-customer demand also during the third quarter. Particularly weak demand for plate products continued also towards the end of the report period. With the exception of China and some other Asian countries, the global capacity utilisation rate in the steel industry remained low throughout the report period.

Net sales for January-September

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

Consolidated net sales for January-September 2009 were EUR 1,429 million (EUR 3,004 million reported and EUR 2,981 million comparable).

The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 49 per cent (46) of consolidated net sales during the report period. Finland accounted for 31 per cent (32) of consolidated net sales, the other Nordic countries for 31 per cent (32) and Central Eastern Europe, Russia and Ukraine for 19 per cent (19). The rest of Europe accounted for 13 per cent (13) of consolidated net sales and other countries for 5 per cent (3).

Ruukki Construction's net sales for the first nine months of 2009 were EUR 442 million (818) and Ruukki Engineering's net sales were EUR 263 million (578). Ruukki Metals' net sales were EUR 724 million (EUR 1,608 million reported and EUR 1,585 million comparable).

Ruukki Construction's net sales development was affected by weak demand throughout the report period. Business activity was particularly low in commercial and industrial construction. There was continued caution in investment decisions and noticeably fewer new construction projects were started than in previous years. Net sales of infrastructure construction declined less than those of commercial and industrial construction because of the good level of activity in road and rail construction projects in the Nordic countries. Seasonal demand for residential roofing products was reasonably good, even though market conditions were noticeably weaker than in previous years.

Ruukki Engineering's delivery volumes fell sharply. Low end-customer demand and de-stocking throughout the report period resulted in decreased order intake. Net sales during the report period contracted in all customer segments compared to a year earlier. The sharpest fall in net sales was in the lifting, handling and transportation equipment segment. Delivery volumes to shipbuilding and offshore customers were also low. On the contrary, deliveries to equipment manufacturers in the energy industry, both in wind and diesel power plants, remained at a good level compared to other customer groups.

Ruukki Metals' delivery volumes of steel products remained exceptionally low throughout the report period. De-stocking continued and end-customer demand was weak. Sales of special steel products fell more than those of other product groups during the report period because of continued low activity in the main industrial sectors, such as the heavy engineering industry, that use these products. Special steel products accounted for 19 per cent (28) of the division's net sales during the first nine months of the year. Prices of steel products fell noticeably during the first half of the year. During the third quarter, the fall in prices bottomed out in a number of product groups as uncertainty faded about the cost of raw materials used in steel production.

Third quarter net sales

Consolidated net sales for the third quarter were EUR 485 million (996).

Ruukki Construction's third quarter net sales were EUR 164 million (309). Seasonal demand for residential roofing products was reasonably good and third quarter sales were brisker than earlier in the year. Deliveries for commercial and industrial construction remained low. In Russia, deliveries for construction projects in the energy industry continued to be brisker than for those in other industrial sectors.

Ruukki Engineering's third quarter net sales were EUR 63 million (184). End-customer demand remained particularly low and, together with de-stocking, decreased both order intake and the number of deliveries also during the third quarter. Selling prices were also down. A large proportion of the division's annual contracts expired during the summer and prices under the new contracts were lower than for the previous term of contract. This in turn weakened net sales during the third quarter.

Ruukki Metals' third quarter net sales were EUR 257 million (503). Lower customer stocks to some extent led to an increase in order intake during the third quarter. Sales volume development in colour-coated and galvanised strip products was noticeably better than in plate products. Sales of trading products - stainless steel and aluminium - picked up slightly during the third quarter, but were still down compared to a year earlier.

Operating profit for January-September

Consolidated reported negative operating profit for January-September was -EUR 284 and operating profit excluding non-recurring items was -EUR 279 million (EUR 505 million reported and EUR 511 million comparable). Both reported operating profit and operating profit excluding non-recurring items equated to -20 per cent (17 per cent reported and 17 per cent comparable) of net sales.

Ruukki Construction posted a negative operating profit of -EUR 26 million (115). Ruukki Engineering's reported negative operating profit was -EUR 9 million (101) and negative operating profit excluding non-recurring items was -EUR 4 million. Ruukki Metals' negative operating profit was -EUR 238 million (EUR 309 million reported and EUR 314 million comparable).

Ruukki Construction's operating profit fell as a result of lower sales volumes coupled with lower selling prices. The use of own steel produced at high raw material prices together with the use of high-cost external material in stock weakened profitability particularly during the first half of the year. Selling prices fell in all market areas during the report period. The fall in prices levelled off during the course of the third quarter.

Ruukki Engineering's operating profit in January-September was weakened by lower delivery volumes, lower selling prices - especially for plate products - as well as by the use, during the first half of the year, of steel material made at high raw material prices. Due to weak demand in the shipbuilding industry, profitability has been particularly poor in the company's unit in Mo i Rana, Norway, which reported a negative operating profit of -EUR 13 million for the first nine months of the year. A start was made in August on restructuring the unit's operations.

Ruukki Metals' negative operating profit was mainly due to the continued sluggish demand for steel products and poor price development. The low steel production capacity utilisation rate during the early part of the year increased the costs per unit of steel produced and had a negative impact of around EUR 190 million on costs for January-September.

The impact of efficiency and savings measures was evident in the company's cost structure, gaining strength towards the end of the report period.

Third quarter operating profit

Consolidated negative operating profit for July-September was -EUR 54 million (197). Operating profit equated to -11 per cent (20 per cent reported and 20 per cent comparable) of net sales.

Ruukki Construction's negative operating profit for July-September was -EUR 4 million (56) and Ruukki Engineering's negative operating profit was -EUR 7 million (34).

Ruukki Metals' negative operating profit was -EUR 39 million (112), which was a notable improvement on the first and second quarters. The cost impact of the low steel production capacity utilisation rate fell to around -EUR 30 million during the third quarter compared to the first and second quarters (Q1/2009: -EUR 90 million and Q2/2009: -EUR 70 million). The fall in the price of coal and iron ore - the main raw materials used in steel production - also lowered costs per unit of steel produced. The full impact of this fall in prices began to be reflected in the company's cost structure towards the end of the third quarter onwards.

Financial items and earnings for January-September

Net finance expense and exchange rate differences relating to finance totalled EUR 29 million (6), including an arrangement fee of around EUR 5 million, paid in June, for a new revolving credit facility. Net interest costs totalled EUR 19 million (8).

Group taxes were -EUR 84 million (134), which includes an increase of EUR 80 million (7) in deferred tax assets.

Earnings for the period were -EUR 229 million (368).

Earnings per share were -EUR 1.65 (2.65).

Balance sheet, cash flow and financing

The balance sheet total at 30 September 2009 was EUR 2,497 million (2,987). Equity was EUR 1,553 million (1 997) equating to EUR 11.18 per share (14.39). The decrease in equity during the report period was mainly attributable to the consolidated loss and to dividends paid. The equity ratio at the end of September was 62.7 per cent (68.0).

Return on equity during the last 12 months was -10.8 per cent (23.0) and return on capital employed was -10.0 per cent (29.6).

Acquisitions during January-September resulted in an increase of EUR 9 million in property, plant and equipment and an increase of EUR 4 million in goodwill to EUR 104 million.

Cash flow from operating activities was EUR 69 million (284) and cash flow before financing activities was -EUR 48 million (142). EUR 222 million was released from net working capital during the report period.

Net interest-bearing financial liabilities at 30 September 2009 were EUR 410 million (155), up by EUR 256 million since the 31 December 2008. This increase is mainly due to dividends paid during the report period. The consolidated balance sheet was healthy and the gearing ratio was 26.4 per cent (7.8).

At the end of September 2009, the Group had liquid assets of EUR 88 million and undrawn revolving credit facilities of EUR 350 million.

Actions to improve operational efficiency and adjust operations

In October 2008, Ruukki initiated its corporate-wide Boost programme, which aims at further operational efficiency and at permanently improving the company's competitive edge and profitability. Boost aims at a EUR 150 million improvement in the company's operating profit at an annual level, compared to 2008, by the end of 2011.

The company continued work on actions implemented under the Boost programme during the report period. Permanent cost savings achieved during January-September amounted to around EUR 46 million and the cost savings delivered by the programme are estimated to exceed EUR 60 million in 2009. Actions already initiated equate to cost savings of around EUR 80 million at an annual level.

In the context of the programme, Ruukki Construction has implemented a number of production arrangements between sites during the year. Efficiency has been improved by centralising production, which has resulted in the closure of production sites in, for example, Latvia, Lithuania and the Czech Republic. An efficiency programme was completed at Oborniki, Poland during the third quarter and a corresponding programme is progressing to plan at Obninsk, Russia.

Ruukki Engineering has improved operational efficiency by transferring production lines and by adjusting production. In May, plans were announced to discontinue the manufacture of components at the Hässleholm and Oskarström sites in Sweden. Through these actions, the company seeks to centralise operations and strengthen its engineering competences in future growth areas, particularly in Central Eastern Europe and China. The Swedish units above will be closed by the end of the year.

In July, it was announced that operations at the Mo i Rana plant in Norway were to be reorganised because of poor demand in the shipbuilding industry. In future, the Mo i Rana plant will focus on the production of flange profiles for windmill towers.

Ruukki Metals' efficiency measures include centralising parts processing on its service centres in Raahe and Seinäjoki, and in this context closure of the steel service centre in Tampere in Finland.

In addition to the Boost programme, adjustment measures are also under way across the company as a result of difficult market conditions. By the end of September, employer-employee negotiations relating to actions to improve efficiency and to adjust operations had resulted in a corporate-wide workforce reduction of around 1,900 employees. Around 500 of the employees affected are in Finland. At the end of September, a total of some 1,450 employees (4,800 at the end of June) were subject to temporary lay-off measures. Around 1,150 of these employees are in Finland. In addition, around 480 people in Central Eastern Europe are working a four-day week until further notice. It is estimated that adjustment measures initiated will deliver cost savings of around EUR 30 million in 2009.

Personnel

The Group employed an average of 12,914 (15,086) persons during January-September. At the end of September, the headcount was 12,204 (14,956), which was spread as follows: 6,173 in Finland, 1,123 in the other Nordic countries, 2,283 in Central Eastern Europe, 2,274 in Russia and other CIS countries, 77 in Western Europe and 274 in other countries.

Positive progress has been made with lost-time accident frequency, which during the first nine months of the year was 8 (12) per million hours worked.

Capital expenditure

Net cash flow from investing activities during January-September was -EUR 117 million (-142).

Capital expenditure on tangible and intangible assets during the report period totalled EUR 121 million (158), of which maintenance investments accounted for EUR 52 million (45). A total of EUR 7 million (6) was spent on acquisitions. Other shares increased by EUR 2 million (1). Cash inflows of EUR 13 million (21) from investing activities during the report period were mostly generated by divestments of property, plant and equipment.

Depreciation of fixed assets during the report period was EUR 108 million (109).

A decision was made in April to modernise the two blast furnaces at the Raahe Works during 2010 and 2011. Modernisation of blast furnace 1 is planned to begin in April 2010. The company plans to modernise blast furnace 2 during 2011. Modernisation of the blast furnaces is a necessary maintenance investment. Both blast furnaces will be shut down in turn for around two months during modernisation. It is expected to take between four and six weeks after start-up for the blast furnaces to return to normal production levels.

In connection with blast furnace modernisation, the company will switch over to using only iron pellets instead of sinter as a raw material in the iron-making process. The sinter plant currently in use will be closed down by the end of 2011.

The investments planned for 2009-2012 to modernise the blast furnaces and change the feedstock base total around EUR 220 million, in addition to which environmental investments of some EUR 60 million will be made. Some EUR 55 million of the investments are expected to be scheduled for 2009, EUR 107 million for 2010, EUR 109 million for 2011 and the remaining EUR 10 million for 2012.

Consolidated capital expenditure on tangible and intangible assets during 2009 is estimated to remain below EUR 170 million.

Shares and share capital

During the first nine months of 2009, Rautaruukki Oyj shares (RTRKS) were traded for a total of EUR 2,203 million (4,639) on NASDAQ OMX Helsinki. The highest price quoted was EUR 18.14 in September and the lowest was EUR 11.06 in January. The volume weighted average price was EUR 14.47. At the end of the report period on 30 September 2009, the share closed at EUR 16.40 and the company had a market capitalisation of EUR 2,301 million (1,952).

The company’s registered share capital at 30 September 2009 was EUR 238.5 million and there were 140,285,425 shares issued.

The Board of Directors has the authority to acquire a maximum of 12,000,000 of the company’s own shares. The authority is valid for 18 months from the date of the resolution of the Annual General Meeting held on 24 March 2009. During the report period, The Board of Directors did not exercise its authority to acquire the company’s own shares.

In addition, the Board of Directors has the authority to decide on a share issue, which includes the right to issue new shares or to transfer treasury shares held by the company. The authority applies to a maximum of 15,000,000 shares in total. The Board of Directors has the right to disapply the pre-emption rights of existing shareholders in a private placement. The authority also includes the right to decide on a bonus issue. The authority is valid until the close of the 2011 Annual General Meeting. During the report period, the Board of Directors did not exercise its authority to issue shares.

At the end of the report period, the Board of Directors had no valid authority to issue options or other special rights providing entitlement to shares.

At 30 September 2009, the company held 1,420,608 treasury shares, which had a market value of EUR 23.3 million and an accountable par value of EUR 2.4 million. Treasury shares account for 1.01 per cent of the total number of shares and votes.

Energy and the environment

In July, the World Steel Association awarded Ruukki a Climate Action certificate for 2009-2010 for fulfilling its commitment to take part in the worldsteel Climate Action recognition programme against climate change.

In September, Ruukki was chosen for inclusion in the Dow Jones Sustainability World (DJSI World) -index for the second year running and in the Dow Jones STOXX Sustainability (DJSI STOXX) index for the third year running. These indexes include the top companies in their field that are committed to sustainable development. Ruukki ranks among the world's seven best steel companies on the DJSI World list.

Events taking place after 30 September 2009

In October, an announcement was made of a contract for the manufacture and installation of steel structures and roofing elements for a new multi-purpose stadium to be built in Stockholm, Sweden. The order is worth a total of about EUR 20 million. Ruukki's deliveries will begin in June 2010 and are estimated to continue until August 2011.The new stadium is scheduled for completion in 2012.

In October, it was announced that the operational efficiency of Ruukki Metals' steel service centres in Finland is to be improved. It is estimated that the actions to improve efficiency will result in a need to reduce the workforce by a total of around 175 persons. In addition, due to weak market conditions, employer-employee negotiations are to be initiated regarding possible temporary layoffs in plate and prefabricated steel product operations in Raahe and at three service centres. A total of around 670 people are affected by the negotiations.

Risks and risk management

Risk management at Rautaruukki is guided by the operating principles and process of corporate risk management set out in the risk management policy approved by the company's Board of Directors. Risk management is an integrated part of the company's management system. The company has detailed the business risks and risk management in the Annual Report 2008 and does not consider any material changes to have taken place during the report period in the risks and factors of uncertainty presented in the Annual Report 2008.

Near-term outlook

There were no significant changes in the company's market outlook during the third quarter. It still remains difficult to forecast demand and business predictability is thus lower than usual.

Residential construction in Finland and the other Nordic countries is estimated to be comparatively brisk compared to other construction sectors, even though seasonal demand slows towards the year-end. No growth in activity in commercial and industrial construction is anticipated during the current year. Demand in this sector is not predicted to recover until customer confidence and a willingness and ability to invest are restored. If the price of oil remains at its present level or even rises, this might to some extent boost commercial and industrial construction in Russia during the fourth quarter. Thanks to public sector stimulus packages, infrastructure construction in the Nordic countries is expected to pick up somewhat from late 2009 onwards.

Customers' order intake in the engineering industry has been modest. Consequently, no noticeable improvement in deliveries, from the poor level experienced so far this year, is predicted for the rest of 2009 to equipment manufacturers in the lifting, handling and transportation sector. Demand from equipment manufacturers in the energy industry is expected to continue good compared to other customer groups, even though difficulties in securing funding might delay decisions relating to new wind farm projects. There have been very few new orders in the shipbuilding industry throughout the year.

The World Steel Association forecasts a contraction worldwide of around 9 per cent in apparent steel use in 2009 compared to 2008 and a decline of around 33 per cent in apparent steel use in the EU-27 region. Because stock levels in relation to sales are now almost normal, deliveries from steelmakers are expected to gradually pick up to correspond to steel use. Sales volume development for plate products is expected to remain much weaker than that for strip products. Sales price development has levelled off and prices in some product groups are showing a slight rise during the fourth quarter.

The fall in prices of the raw materials used in steel production will be reflected in full in the company's cost structure during the fourth quarter. The steel production capacity utilisation rate will remain unchanged on that for the third quarter. This will increase operational efficiency and, compared to the first half of the year, considerably reduce the costs per unit of steel produced.

The company estimates its operational excellence programme Boost and adjustment measures already initiated to deliver cost savings of more than EUR 90 million for the year as a whole. Efficiency actions and adjustment measures will continue corporate-wide. The company's financial position is expected to remain strong.

The company estimates there will be a marked improvement in the result before taxes for the fourth quarter, compared to the third quarter, but that the result might remain slightly negative.

This report is unaudited.

Helsinki, 22 October 2009

Rautaruukki Corporation

Board of Directors

DIVISIONS

Ruukki Construction

EUR million	Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09	Q3/09
Net sales	225	285	309	248	1 067	132	145	164
Operating profit *	21	38	56	17	132	-13	-9	-4
as % of net sales *	9	13	18	7	12	-10	-6	-3

* Excluding non-recurring items.

Net sales

Ruukki Construction's net sales for the first nine months of the year were EUR 442 million (818), down by 46 per cent year on year. The division accounted for 31 per cent (27) of consolidated net sales. Third quarter net sales were down year on year at EUR 164 million (309).

Net sales development was affected by continued weak demand throughout the report period, with particularly low business activity in commercial and industrial construction. There was continued caution in investment decisions and noticeably fewer construction projects were started than in previous years. The start of many projects has been delayed in a number of market areas and, in some countries in Central Eastern Europe, Russia and Ukraine, projects were even discontinued. In Russia, and partly also in other market areas, publicly funded projects, such as the construction of sports facilities and agricultural buildings, accounted for a considerably increased share of the division's net sales. In Russia, deliveries for construction projects in the energy industry continued to be brisker than for those in other industrial sectors and, towards the end of the third quarter, demand within private self-financed projects picked up slightly.

Infrastructure construction net sales were down for the first nine months of 2009, but the decline was less than for net sales of commercial and industrial construction. There was a good level of activity in road and rail projects in the Nordic countries, although continued low demand for piles used in building foundation construction reduced net sales. Infrastructure construction accounted for 14 per cent (11) of the division's net sales during the report period.

Seasonal demand for residential roofing products was reasonably good and third quarter sales were brisker than during the first part of the year, even though market conditions were noticeably weaker than in earlier years. Residential roofing products accounted for 19 per cent (15) of the division's net sales during the first nine months of the year.

Operating profit

Ruukki Construction's negative operating profit was -EUR 26 million (115) for the first nine months of the year and -EUR 4 million (56) for the third quarter. Operating profit fell as a result of lower sales volumes coupled with lower selling prices. Selling prices fell in all market areas as a result of lower steel material prices and tougher competition. However, the fall in prices levelled off during the course of the third quarter.

The use of own steel material produced at high raw material prices, together with the use of high-cost external material in stock, weakened profitability, particularly during the first half of the year. Lower raw material costs impacted on operating profit partly during the third quarter and the impact will be reflected in full during the fourth quarter.

Major orders

A number of major orders were announced during the third quarter. In July, Ruukki signed a partnership agreement for the delivery of structures for a new theatre and concert hall being built in Kristiansand, Norway. Ruukki is responsible for the workshop design and delivery, including installation, of the frame structures. The contract is worth around EUR 2.5 million.

August saw the announcement of a sandwich panel delivery for a new confectionery factory being built in southern Poland. Delivery includes panel manufacture and installation, as well as project management. Also in August, a delivery of structures for a customer's new production facilities in Poland was announced. Delivery includes the production and installation of steel structures for three separate buildings.

September saw the announcement of a delivery for a home furnishing store being built in Tampere, Finland. Ruukki’s delivery includes frame design, manufacture and installation, as well as panel deliveries and design of the cladding elements. The order is worth around EUR 2 million. In addition, the company announced that it had been chosen to be the steel structure contractor for production premises to be built near Bergen, Norway. Ruukki’s delivery includes frame structure design, manufacture and installation. The order is worth almost EUR 4 million.

Also in September, the company agreed an extensive delivery entity for a transport infrastructure project in Fredrikstad, Norway. Ruukki’s delivery includes steel structures, including installation, for Krakeroy bascule bridge and steel piles for the bridge foundations. The order is worth a total of almost EUR 5 million.

In October, after the report period, an announcement was made of a contract for the manufacture and installation of steel structures and roofing elements for a new multi-purpose stadium to be built in Stockholm, Sweden. The order is worth a total of about EUR 20 million. Ruukki's deliveries will begin in June 2010 and are estimated to continue until August 2011. The new stadium is scheduled for completion in 2012.

Capital expenditure

Construction of the sandwich panel line being built in Ukraine under an investment programme to increase production capacity in Russia and Eastern Europe is still incomplete. In the light of market conditions, the installation and start-up of the line have been pushed back and it is planned to complete the investment during spring 2010. The new panel plant investment under construction in Obninsk, Russia has been discontinued until further notice.

Construction of the new sandwich panel plant at Alajärvi, Finland had progressed to pilot use during the third quarter. The plant will be completed during the fourth quarter and thanks to its high degree of automation will improve the division’s cost competitiveness. The lines at the new plant will also improve Ruukki’s ability to manufacture panels that comply with tougher energy regulations entering into force at the start of 2010.

Improved operational efficiency

Under the corporate-wide operational excellence programme, Boost, the division actioned a number of production arrangements between sites during the first part of the year. Efficiency has been improved by centralising production, which has resulted in the closure of production sites in Latvia, Lithuania and the Czech Republic. An efficiency programme was completed at Oborniki, Poland during the third quarter and a corresponding programme is progressing to plan at Obninsk, Russia.

Ruukki Engineering

EUR million	Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09	Q3/09
Net sales	188	205	184	187	765	125	75	63
Operating profit *	32	35	34	27	128	5	-2	-7
as % of net sales *	17	17	19	14	17	4	-3	-12

* Excluding non-recurring items.

Net sales

Ruukki Engineering's net sales for the first nine months of the year were EUR 263 million (578), down by 55 per cent year on year. The division accounted for 18 per cent (19) of consolidated net sales. Third quarter net sales were down considerably year on year at EUR 63 million (184).

Ruukki Engineering's delivery volumes fell sharply. End-customer demand remained particularly low and, together with de-stocking, decreased order intake. Net sales during the report period contracted in all customer segments compared to a year earlier. The sharpest fall in net sales was in the lifting, handling and transportation equipment segment. Delivery volumes to shipbuilding and offshore customers were also low. On the contrary, deliveries to equipment manufacturers in the energy industry, both in wind and diesel power plants, continued at a good level compared to other customer groups.

Selling prices were also down. A large proportion of the division's annual contracts expired during the summer and prices under the new contracts were lower than for the previous term of contract. This in turn weakened net sales during the third quarter.

Manufacturers of lifting, handling and transportation equipment accounted for 36 per cent (43) of the division's net sales for the first nine months of the year and equipment manufacturers in the energy industry for 36 per cent (19).

Operating profit

Ruukki Engineering's reported operating profit contracted to -EUR 9 million (101) for the first nine months of the year and negative operating profit excluding non-recurring items was -EUR 4 million. The division posted a third quarter negative operating profit of -EUR 7 million (34).

Operating profit during the report period was weakened by lower delivery volumes, lower selling prices - especially for plate products - as well as by the use, during the first half of the year, of steel material made at high raw material prices. Due to weak demand in the shipbuilding industry, profitability has been particularly poor in the company's unit in Mo i Rana, Norway, which reported a negative operating profit of -EUR 13 million for the first nine months of the year. In July, the company decided to reorganise operations at Mo i Rana and in future, the plant will focus on the production of flange profiles for windmill towers.

Capital expenditure and business development

Ruukki Engineering has systematically invested in new technology to improve production efficiency, quality and delivery accuracy. The third quarter saw the completion of installation of two robot cells at the cabin assembly unit in Kurikka, Finland and of the project to automate welding operations at the Peräseinäjoki site in Finland. A machining investment at Jaszbereny in Hungary is progressing to plan.

Ruukki Engineering has received multi-site certification, which encompasses ISO 9001:2000 quality management certification, ISO 14001:2004 environmental management certification and ISO 3834-2 quality requirements for fusion welding of metallic materials. Multi-site certification covers all Ruukki Engineering's management systems and processes at both unit and divisional level.

Improved operational efficiency

In May, the company announced it was to discontinue the manufacturing of components at the Hässleholm and Oskarstöm units in Sweden. These actions are intended to centralise the company's operations and to strengthen its engineering competences in future growth areas, particularly in Central Eastern Europe and China. The plan is to close the above Swedish units by the end of the year.

In July, the company decided to reorganise operations at its plant in Mo i Rana, Norway due to weak demand in the shipbuilding industry. Adjustment to production will result in the reduction of an estimated 137 jobs, which will take place later this year.

In September, employer-employee negotiations were initiated to temporarily lay off employees at the Kalajoki plant in Finland, which manufactures components for the engineering industry. The negotiations affect a total of 108 employees at Kalajoki and a maximum of 40 workers and 5 salaried employees are expected to be laid off at any one time. It is planned to begin the layoffs later this year. The extent and duration of the layoffs will become clear as the negotiations progress.

EUR million	Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09	Q3/09
Net sales	511	571	503	412	1 997	249	218	257
Operating profit *	96	106	112	36	350	-102	-97	-39
as % of net sales *	19	19	22	9	18	-41	-44	-15

All figures are comparable and exclude Carl Froh GmbH, which was divested.

* Excluding non-recurring items.

Net sales

Ruukki Metals' net sales for the first nine months of the year were EUR 724 million (EUR 1,608 million reported and EUR 1,585 million comparable). The division accounted for 51 per cent (54) of consolidated net sales. Third quarter net sales were EUR 257 million (503).

Delivery volumes of steel products remained exceptionally low throughout the report period. De-stocking continued and end-customer demand was weak. Lower customer stocks to some extent led to an increase in order intake during the third quarter. Sales volume development in colour-coated and galvanised strip products was clearly better than in plate products.

Prices of steel products fell noticeably during the first half of the year. During the third quarter, the fall in prices in a number of product groups bottomed out as uncertainty faded about the cost of raw materials used in steel production and in some market areas selling prices were showing a slight rise towards the end of the quarter.

Sales of special steel products fell more than those of other product groups during the report period because of the continued low activity in the main industrial sectors, such as the heavy engineering industry, that use these products. Also sales of trading products - stainless steel and aluminium - were down compared to a year earlier, but picked up slightly during the third quarter. Special steel products accounted for 19 per cent (28) of the division's net sales during the first nine months of the year. Net sales of stainless steel and aluminium totalled EUR 78 million (184) during the report period.

Operating profit

Ruukki Metals' negative operating profit for the first nine months of the year was -EUR 238 million (EUR 309 million reported and EUR 314 million comparable). Third quarter negative operating profit was -EUR 39 million (112). The division's negative operating profit was mainly due to the continued sluggish demand for steel products and poor price development.

The low steel production capacity utilisation rate during the early part of the year increased the costs per unit of steel produced. There was a notable increase in the capacity utilisation rate during the third quarter since both blast furnaces were in operation and the cost impact of the low utilisation rate decreased compared to previous quarters. The cost impact was around -EUR 30 million during Q3 (Q1/2009: -EUR 90 million and Q2/2009: -EUR 70 million). The fall in the price of coal and iron ore - the main raw materials used in steel production - also lowered costs per unit of steel produced. The full impact of this fall in prices began to be reflected in the company's cost structure towards the end of the third quarter onwards.

Operating profit on stainless steel and aluminium was slightly negative during the first nine months of the year.

Steel production

1000 tonnes	Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09	Q3/09
Steel production	672	680	703	531	2 585	269	392	604

The company's steel production during the first nine months of the year was 1,265 thousand tonnes (2,054).

The steel production capacity utilisation rate during the third quarter was noticeably higher than during the first half of the year. The blast furnace which had been idle since December 2008 at the Raahe Works was restarted in early May and reached its target capacity utilisation rate in mid-June, since when it has operated at a rate of around 80-85 per cent. The idle blast furnace was restarted especially to build up reserve stocks to safeguard uninterrupted customer deliveries during disruption to production for the period of downtime in 2010 whilst maintenance work is being carried out. Both blast furnaces will be shut down in turn for around two months and it is expected to take between four and six weeks from start-up before they return to normal production levels.

In August, the Labour Court ruled that the June strike at the strip mill at the Raahe Works was unlawful and ordered the local trade union branch at the works to pay a compensatory fine for neglecting its supervisory duty and to pay legal costs.

Capital expenditure

In April, Ruukki made a decision to modernise its two blast furnaces at the Raahe Works during 2010 and 2011. In the same context, the company will also make environmental investments. It is planned to start modernisation of blast furnace 1 in April 2010. The company plans to modernise blast furnace 2 during 2011. Blast furnace modernisation is a necessary maintenance investment. In connection with blast furnace modernisation, the company will switch over to using only iron pellets instead of sinter as a raw material in the iron-making process. The sinter plant currently in use will be closed down by the end of 2011.

The investments planned for 2009-2012 to modernise the blast furnaces and change the feedstock base total around EUR 220 million, in addition to which environmental investments of some EUR 60 million will be made.

Improved operational efficiency

Ruukki Metals’ efficiency measures in Finland include centralising parts processing on its steel service centres in Raahe and Seinäjoki, and in this context closure of the steel service centre in Tampere, Finland. These actions were completed during the second quarter.

During the first nine months of the year, the division has held employer-employee negotiations to reduce the workforce and temporarily lay off workers. By the end of September, negotiations had resulted in a workforce reduction of around 520 persons. At the end of the report period around 250 persons were subject to lay-offs.

In October, after the report period, it was announced that the operational efficiency of Ruukki Metals’ steel service centres in Finland is to be improved. It is estimated that the actions to improve efficiency will result in a need to reduce the workforce by a total of around 175 persons. In addition, due to weak market conditions, employer-employee negotiations are to be initiated regarding possible temporary layoffs in plate and prefabricated steel product operations in Raahe and at three service centres. A total of around 670 people are affected by the negotiations.

Other events

In August, the Ministry for Economic Development and Trade of the Russian Federation issued its draft resolution concerning the anti-dumping of colour-coated products. According to the Ministry’s draft resolution, no legal requirements exist to impose import duties. The final resolution will be made by the Government of the Russian Federation, who will possibly consider the matter towards the end of the year. If introduced, import duties would apply to exports of colour-coated products to Russia. The company exports around EUR 30 million of these products to Russia each year.

TABLES

This interim report has been prepared in accordance with IAS 34 and, with the exception of the following new and amended standards effective from 1 January 2009, is in conformity with the accounting policies published in the 2008 financial statements.

IAS 1 Presentation of Financial Statements. The revised standard aims to improve users' ability to analyse and compare the information presented in the financial statements by separating changes in equity of an entity arising from transactions with owners from other changes in equity.

IFRS 8 Operating Segments. This new standard requires the company to apply the "management approach" to reporting the financial performance of its operating segments. This means that the information disclosed must be based on the information management uses internally to evaluate segment performance. IFRS-standards are applied in the Group's management reporting and assessment of performance and decisions about resource allocation to segments is based on their respective operating profits. Adoption of the standard has not impacted on the Group's segment structure.

IAS 23 Borrowing Costs. The amended standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately recognising such borrowing costs as an expense has been removed. The Group applies capitalisation rate to calculate the interest to be capitalised. The amended standard has had no material impact on the Group.

IFRS 2 Share-based payments amendments to the standard - Vesting Conditions and Cancellations. The amendments clarify the accounting treatment of vesting conditions and provide that cancellations by the company or other parties receive similar accounting treatment.

Additionally, the Group has changed the presentation of the income statement from the "nature of expense" method to the "function of expense" method. The comparable figures have been restated accordingly.

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

SUMMARY CONSOLIDATED INCOME STATEMENT

EUR million	Q1-Q3/09	Q1-Q3/08	Q3/09	Q3/08	2008
Net sales	1 429	3 004	485	996	3 851
Cost of sales	1 531	2 265	485	732	2 980
Gross profit	-102	740	-1	264	872
Sales and marketing costs	82	108	24	32	148
Administrative expenses	113	135	34	41	177
Other operating income	14	18	4	5	31
Other operating expenses	1	10	0	0	10
Operating profit	-284	505	-54	197	568
Finance income and expense	-29	-6	-10	-2	-23
Share of results of associates	0	3	0	1	3
Result before taxes	-313	503	-64	195	548
Taxes	84	-134	19	-56	-142
Result for the period	-229	368	-45	139	406
Attributable to:					
Equity shareholders of the parent	-229	368	-45	139	406
Minority interest	0	0	0	0	-1
Diluted earnings per share, EUR	-1.65	2.65	-0.32	1.00	2.93
Basic earnings per share, EUR	-1.65	2.65	-0.32	1.00	2.93
Operating profit as % of net sales	-19.9	16.8	-11.2	19.7	14.7

STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1-Q3/09	Q1-Q3/08	Q3/09	Q3/08	2008
Result for the period	-229	368	-45	139	406
Other comprehensive income:					
Cash flow hedges	29	-22	8	-18	-62
Translation differences	1	-2	5	-3	-54
Actuarial gains and losses	0	-47	0	0	-62
Taxes on other comprehensive income	-8	18	-2	5	32
Other comprehensive income after taxes	22	-53	11	-16	-145
Total comprehensive income	-208	315	-34	123	261
Attributable to:					
Equity shareholders of the parent	-208	315	-34	123	261
Minority interest	0	0	0	0	-1

SUMMARY CONSOLIDATED BALANCE SHEET

EUR million	30 Sep 2009	30 Sep 2008	31 Dec 2008
ASSETS			
Non-current assets	1 479	1 444	1 442
Current assets			
Inventories	544	747	750
Trade and other receivables	385	745	536
Cash and cash equivalents	88	50	254
Total assets	2 497	2 987	2 983
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders of the parent	1 553	1 997	1 948
Minority interest	2	2	2
Non-current liabilities			
Interest-bearing liabilities	312	132	276
Non-interest-bearing liabilities	88	177	158
Current liabilities			
Interest-bearing liabilities	187	74	133
Trade payables and other liabilities	355	605	466
Total equity and liabilities	2 497	2 987	2 983

SUMMARY CASH FLOW STATEMENT

EUR million	Q1-Q3/09	Q1-Q3/08	2008
Result for the period	-229	368	406
Adjustments	106	214	250
Cash flow before change in working capital	-123	583	656
Change in working capital	222	-179	-110
Financing items and taxes	-30	-120	-164
Cash flow from operating activities	69	284	382
Cash inflow from investing activities	13	21	25
Cash outflow from investing activities	-131	-164	-238
Total cash flow from investing activities	-117	-142	-213
Cash flow before financing activities	-48	142	169
Dividends paid	-188	-277	-277
Change in interest-bearing liabilities	89	-13	193
Other net cash flow from financing activities	-21	4	-4
Translation differences	1	0	-11
Change in cash and cash equivalents	-166	145	70

KEY FIGURES

	Q1-Q3/09	Q1-Q3/08	2008
Net sales, EUR m	1 429	3 004	3 851
Operating profit, EUR m	-284	505	568
as % of net sales	-19.9	16.8	14.7
Result before taxes, EUR m	-313	503	548
as % on net sales	-21.9	16.7	14.2
Result for the period, EUR m	-229	368	406
as % of net sales	-16.0	12.3	10.5
Return on capital employed (rolling 12 mths), %	-10.0	29.6	25.6
Return on equity, %	-10.8	23.0	20.7
Equity ratio, %	62.7	68.0	65.9
Gearing ratio, %	26.4	7.8	7.9
Net interest-bearing liabilities, EUR m	410	155	155
Equity per share, EUR	11.18	14.39	14.04
Personnel, average	12 914	15 086	14 953
Number of shares	140 285 425	140 215 328	140 255 479
- excluding treasury shares	138 864 817	138 748 391	138 788 542
- diluted, average	138 839 756	138 788 490	138 773 118

STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to shareholders of parent Share capital	Share premium	Fair value and other re-serves	Trans-lation diff-erences	Trea-sury shares	Re-tained earn-ings	Min-ority inter-ests	Total equity
EQUITY 1 Jan 2008	238	220	0	-6	-6	1 513	3	1 963
Share issue	0							0
Dividend distribution						-277		-277
Share-based payments			0		0	0		0
Total comprehensive income			0	-2	0	317	0	315
EQUITY 30 Sep 2008	238	220	0	-8	-6	1 553	2	1 999
EQUITY 1 Jan 2009	238	220	0	-36	-6	1 532	2	1 950
Share issue	0							0
Dividend distribution						-188		-188
Share-based payments			0		0	0		0
Total comprehensive income				1		-208	0	-208
EQUITY 30 Sep 2009	238	220	1	-36	-6	1 136	2	1 554

NET SALES BY REGION

As % of net sales	Q1-Q3/09	Q1-Q3/08	2008
Finland	31	32	31
Other Nordic countries	31	32	31
Central Eastern Europe, Russia and Ukraine	19	19	20
Rest of Europe	13	13	15
Other countries	5	3	3

CONTINGENT LIABILITIES

EUR million	Q1-Q3/09	Q1-Q3/08	2008
Mortgaged real estate	73	24	24
Pledged assets	0	6	5
Other guarantees given	40	38	45
Collateral given on behalf of others	2	6	2
Rental liabilities	110	142	132

VALUES OF DERIVATIVE CONTRACTS

CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING

EUR million	30 Sep 2009 Nominal amount	30 Sep 2009 Fair value	30 Sep 2008 Nominal amount	30 Sep 2008 Fair value
Zinc derivatives				
Forward contracts, tonnes	29 500	-2	40 500	-23
Electricity derivatives				
Forward contracts, GWh	1 909	-20	1 348	12

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

DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING

EUR million	30 Sep 2009 Nominal amount	30 Sep 2009 Fair value	30 Sep 2008 Nominal amount	30 Sep 2008 Fair value
Zinc derivatives				
Forward contracts, tonnes	500	0		
Foreign currency derivatives				
Forward contracts	368	-13	757	13
Options				
Bought	100	-2	230	8
Sold	100	-1	230	3

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	Q1-Q3/09	Q1-Q3/08	2008
Carrying value at start of period	1 124	1 076	1 076
Additions	120	151	215
Additions through acquisitions	5	4	8
Disposals	-10	-3	-8
Disposals through divestments	0	-23	-22
Depreciation and impairment	-92	-90	-119
Translation differences	-3	1	-26
Carrying value at the end of period	1 144	1 116	1 124

TRANSACTIONS WITH RELATED PARTIES

EUR million	Q1-Q3/09	Q1-Q3/08	2008
Sales to associates	17	16	30
Purchases from associates	5	6	6
Transactions with Pension Foundation	4	4	6

	30 Sep 2009	30 Sep 2008	31 Dec 2008
Trade and other receivables from associates	3	7	5
Trade and other payables to associates	0	1	0

INVESTMENT COMMITMENTS *

EUR million	After 30 Sep 2009	After 30 Sep 2008	After 31 Dec 2008
Maintenance investments	224	133	102
Development investments and investments in special products	108	165	113
Total	332	297	215

* Investment commitments include the estimated costs of projects that have been given the go ahead.

INFORMATION ON BUSINESS COMBINATIONS

EUR million	Fair values	Carrying values of acquired companies
Assets and liabilities of acquired companies		
Non-current assets	9	3
Current assets		
Inventories	1	1
Trade and other receivables	1	1
Cash and cash equivalents	4	4
Total assets	15	9
Non-current liabilities		
Interest-bearing	0	0
Other	2	0
Current liabilities		
Interest-bearing	0	0
Other	3	3
Total liabilities	5	4
Net assets	9	5
Acquisition cost	13	
- including conditional purchase price	0	
Goodwill	4	
Acquisition cost paid in cash	11	
Cash and cash equivalents of acquired company	4	
Impact on cash flow	7	

The figures above include information about the acquisition of the Norwegian companies Skalles Eiendomsselskap AS and Pluss Stål AS. Rautaruukki acquired the entire share capital of Skalles Eiendomsselskap AS in February 2009. The acquisition strengthens Rautaruukki’s market position in the Nordic countries and particularly in Norwegian steel construction. Skalles' customer base and products complement Rautaruukki’s own. Skalles’ total deliveries include the design, manufacture and installation of steel structures. The company has some 50 employees and its net sales for 2008 were approximately EUR 16 million. Skalles is located in Fredrikstad, Norway. The acquisition calculation is provisional in accordance with IFRS 3. Pluss Stål AS was earlier an associated company (50%) of Rautaruukki, which acquired the remaining 50 per cent of the company’s shares from its other owner in June 2009. Pluss Stål AS has been consolidated as a subsidiary since 1 July 2009.

SEGMENT INFORMATION

EUR million	Q1-Q3/09	Q1-Q3/08	2008
External net sales			
Ruukki Construction	442	818	1 067
Ruukki Engineering	263	578	765
Ruukki Metals	724	1 608	2 019
Corporate management	0	0	0
Consolidated net sales	1 429	3 004	3 851
Operating profit			
Ruukki Construction	-26	115	128
Ruukki Engineering	-9	101	126
Ruukki Metals	-238	309	338
Corporate management	-10	-19	-25
Consolidated operating profit	-284	505	568
Finance income and expense	-29	-6	-23
Share of results of associates	0	3	3
Result before taxes	-313	503	548
Taxes	84	-134	-142
Result for the period	-229	368	406

EUR million	30 Sep 2009	30 Sep 2008	31 Dec 2008
Segment assets			
Ruukki Construction	776	904	761
Ruukki Engineering	312	412	411
Ruukki Metals	1 060	1 302	1 247
Corporate management	39	36	36
Undistributed assets	310	332	527
Total assets	2 497	2 987	2 983

QUARTERLY SEGMENT INFORMATION, COMPARABLE, EXCLUDING NON-RECURRING ITEMS

EUR million	Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09	Q3/09
External net sales								
Ruukki Construction	225	285	309	248	1 067	132	145	164
Ruukki Engineering	188	205	184	187	765	125	75	63
Ruukki Metals	511	571	503	412	1 997	249	218	257
Corporate management	1	-1	0	0	0	0	0	0
Consolidated net sales	925	1 060	996	847	3 829	506	438	485
Operating profit								
Ruukki Construction	21	38	56	17	132	-13	-9	-4
Ruukki Engineering	32	35	34	27	128	5	-2	-7
Ruukki Metals	96	106	112	36	350	-102	-97	-39
Corporate management	-7	-7	-5	-6	-25	-3	-4	-3
Consolidated operating profit	141	172	197	74	584	-113	-112	-54
Finance income and expense	-4	1	-2	-18	-23	-9	-10	-10
Share of results of associates	1	1	1	0	3	0	0	0
Result before taxes	139	174	195	56	564	-122	-123	-64
Taxes	-34	-45	-56	-7	-142	32	33	19
Result for the period	105	129	139	49	422	-90	-89	-45

Formulas for the calculation of key indicators:

Return on capital employed, %	=	result before taxes + finance expense (rolling 12 months) --------------------------------------- total equity + interest-bearing financial liabilities (average at beginning and end of period)	x100
Return on equity, %	=	result before taxes - taxes (rolling 12 months) --------------------------------------- total equity (average at beginning and end of period)	x100
Equity ratio, %	=	total equity --------------------------------------- balance sheet total - advances received	x100
Gearing ratio, %	=	net interest-bearing financial liabilities --------------------------------------- total equity	x100
Net interest-bearing financial liabilities	=	interest-bearing financial liabilities - interest-bearing financial assets and other cash and cash equivalents	
Earnings per share (EPS)	=	profit or loss attributable to equity holders of the parent company --------------------------------------- weighted average number of shares outstanding during the period	
Earnings per share (EPS), diluted	=	profit or loss attributable to equity holders of the parent --------------------------------------- weighted average diluted number of shares outstanding during the period	
Equity per share	=	equity attributable to equity holders of the parent company --------------------------------------- basic number of shares at the balance sheet date	
Volume weighted average price	=	total EUR trading of shares --------------------------------------- total number of shares traded	
Market capitalisation	=	basic number of shares at the end of the period x closing price at the end of the period	
Personnel, average	=	average number of personnel at the end of each month during the period	