Q3

Rautaruukki Corporation

Interim Report 1 Jan–30 Sep 2011 RTRKS

19 October 2011

www.ruukki.com

Rautaruukki Corporation Interim report Q1-Q3/2011:
Weak quarter in the steel business - improved profitability in the solutions businesses

July-September 2011 (Q3/2010)
- Order intake was up 18 per cent at EUR 678 million (576).
- Comparable net sales were up 10 per cent at EUR 674 million (615).
- Comparable operating profit was EUR 1 million (41), equating to 0.1 per cent of net sales.
- Comparable result before taxes was -EUR 4 million (31), equating to -0.6 per cent of net sales.

January-September 2011 (Q1-Q3/2010)
- Order intake was up 21 per cent at EUR 2,024 million (1,679).
- Comparable net sales were up 18 per cent at EUR 2,079 million (1,762).
- Comparable operating profit was EUR 96 million (42), equating to 4.6 per cent of net sales.
- Comparable result before taxes was EUR 72 million (20), equating to 3.5 per cent of net sales.

Estimate of financial performance in 2011
Consolidated net sales in 2011 are estimated to grow approximately 15-20 per cent year on year. Profitability is estimated to improve compared to 2010.

KEY FIGURES

	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Comparable figures					
Comparable net sales, EUR m	674	615	2 079	1 762	2 403
Comparable operating profit, EUR m	1	41	96	42	38
Comparable operating profit as % of net sales	0.1	6.6	4.6	2.4	1.6
Comparable result before income tax, EUR m	-4	31	72	20	8
Reported figures					
Reported net sales, EUR m	675	614	2 080	1 774	2 415
Reported operating profit, EUR m	-24	-6	69	-8	-12
Reported result before income tax, EUR m	-29	-48	45	-63	-74
Net cash from operating activities, EUR m	-62	-46	-49	-87	-64
Net cash before financing activities, EUR m	-119	-83	-182	-208	-226
Earnings per share, EUR	-0.15	-0.26	0.22	-0.35	-0.57
Return on capital employed (rolling 12 mths), %			3.3	-2.1	-0.3
Return on capital employed (annualised), %			4.5	-0.3	-0.3
Gearing ratio, %			68.2	42.9	44.7
Equity ratio, %			47.5	54.6	55.3
Personnel on average	12 111	11 923	11 930	11 796	11 693

President & CEO Sakari Tamminen:

Our third quarter was divided into two. Because of the general uncertainty caused by the debt crisis in Europe, mill deliveries in our steel business were well below expectations. Our steel business, and with it the operations of the entire company, posted a loss for the third quarter. On a positive note, there was continued strong order flow and improved profitability in our solutions businesses - construction and engineering.

Our order intake was up 18 per cent year on year at EUR 678 million. There was good growth in demand in Finland and Central Eastern Europe, especially Poland, and also in Russia. Orders in the construction and engineering businesses showed favourable development and the level of activity in customer industries is good. On the other hand, mill deliveries in our steel business - where demand is based on long-term needs and wholesale demand - have been weaker than expected. Mill deliveries account for over half the total deliveries in the business area. Our net sales for the third quarter were up 10 per cent year on year at EUR 674 million. Relatively best net sales growth was in Central Eastern Europe, where growth came mostly from the construction business.

The company's gearing ratio rose to around 68 per cent because of tied-up net working capital, investments and the loss made by the steel business. Delivery volumes in the steel business were too low to free up working capital at the rate we anticipated. One of the main targets is to free up working capital in our steel business to align the gearing ratio with the company's long-term target of 60 per cent.

In the construction business, positive notes were improved operating profit, as well as growth in order volumes of residential roofing products in almost all market areas. Also commercial and industrial construction deliveries grew, especially in Finland, the other Nordic countries and Ukraine. In Russia, too, there was continued good demand for commercial and industrial construction. Capacity utilisation rates have improved in the construction business.

In the engineering business, the markets in our main customer segments were good. Our engineering business moved back into the black during the third quarter and operating profit was up more than 30 per cent year on year. Growth was highest in delivery volumes of cabins, frames and booms for the lifting, handling and transportation equipment industry. Also deliveries to construction and mining equipment and forest machine manufacturers showed further growth.

Growth levelled off in the steel markets mostly because of the uncertainty in the financial markets in Europe and cautious decision-making due to the weakened economic outlook. **In our steel business**, the fall in order intake was visible especially in mill deliveries. Service centre sales, where demand is based on short-term needs, remained at a good level. Net sales developed relatively well in the Nordic countries, Central Eastern Europe and Russia. Sales of special steel products remained at a good level in Western Europe, but in many new markets such as China deliveries decreased. Special steel products accounted for 32 per cent of net sales in the steel business for the third quarter. The loss posted for the third quarter was mainly due to higher raw material costs and a lower capacity utilisation rate in steel production, which was affected by modernisation of blast furnace 2 at the Raahe Steel Works.

Production capacity in the European steel markets has been adjusted throughout the line. Utilisation rates are usually lower towards the end of the year than at the start. The capacity utilisation rate in our steel business is estimated to be around 80 per cent during the fourth quarter. This is why profitability of our steel business during the second half of the year will be weaker than during the corresponding period in 2010. In the solutions businesses, we anticipate that market conditions will remain reasonably good for the rest of the year. Based on this, we forecast the capacity utilisation rate in the construction and engineering businesses will be better in 2011 than in 2010.

Consolidated net sales in 2011 are estimated to grow approximately 15-20 per cent year on year. Profitability is estimated to improve compared to 2010.

Rautaruukki Corporation's full interim report for January-September 2011 is attached to this release.

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A presentation in English for analysts and the media will be held on 19 October 2011 at 10.30 EEST at Ruukki, Suolakivenkatu 1, 00810 Helsinki.

A live webcast of the event may be followed online starting at 10.30am on the company's website at www.ruukki.com/investors. The event may also be attended through **a conference call**. To attend through the conference call, please call the number given 5-10 minutes before the scheduled start time: +44 (0)20 7162 0125, access code: 904355.

A replay of the webcast can be viewed on the company's website on 19 October 2011 from about 2pm EEST. An encore replay of the conference call can be accessed until 26 October 2011 at +44 (0)20 7031 4064, access code: 904355.

Rautaruukki Corporation
Taina Kyllönen
SVP, Marketing and Communications

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 27 countries and employs around 11,700 people. Net sales in 2010 totalled around EUR 2.4 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

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RAUTARUUKKI CORPORATION’S INTERIM REPORT FOR JANUARY-SEPTEMBER 2011

Business environment

Economic growth continued, albeit clearly more slowly than earlier, in Ruukki’s main market areas during the third quarter of the year. The European debt crisis increased uncertainty in the financial markets and weakened overall economic confidence. German industrial output continued to drive the economy in Europe and economic development continued to be reasonably favourable also in the Nordic countries. A sluggish recovery in investment demand picked up in Russia, among other countries, and was visible in brisker construction activity.

Construction in Europe grew year on year. Demand for residential roofing products was clearly stronger, especially in Finland, as well as in Poland and other countries in Central Eastern Europe. Activity in commercial and industrial construction showed good development. The pick-up in investments in Russia was reflected in growing order volumes, especially in agricultural construction, and growth was also seen in construction in the commercial and logistics sectors. Also in Finland, demand in commercial and industrial construction was at a good level.

In the engineering industry, the market remained good in Ruukki’s main customer segments during the third quarter. Demand for mining industry machinery and equipment was particularly supported by growth in the emerging markets such as Brazil and Chile. Demand was up also for materials handling equipment. In the offshore market, demand for drilling platforms and other industrial products remained at a good level. Likewise, there was good demand in the energy industry. Order volumes in shipbuilding in Europe were low.

Steel demand during the third quarter in the EU-27 region levelled off compared to the previous year. This was mainly due to uncertainty in the financial markets in Europe and weakened economic outlook, which resulted in cautious decision-making. Market prices of steel products decreased somewhat during the third quarter. Stock levels of steel wholesalers in Europe rose quarter on quarter and were at a slightly higher than normal level in relation to sales. The market price of coking coal, one of the main raw materials used in steel production, fell during the third quarter. The market price of iron ore increased slightly in July-August, but decreased in September.

Order intake and order book

ORDER INTAKE BY BUSINESS AREA

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Order intake					
Ruukki Construction	216	178	549	459	629
Ruukki Engineering	68	54	200	145	230
Ruukki Metals	394	344	1 275	1 068	1 458
Others		0		8	8
Order intake, total	678	576	2 024	1 679	2 326

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

Group order intake in the third quarter was EUR 678 million (576), up 18 per cent year on year and more or less unchanged quarter on quarter. Compared to a year earlier, order flow grew in all business areas, with relatively highest growth in the engineering business. Demand growth was strongest in Finland and in Central Eastern Europe, especially in Poland. Order flow developed well also in Russia. Compared to the previous quarter, growth was seen in the construction business and order flow in the engineering business was more or less at the same level. In the steel business, order flow was down compared to the previous quarter.

Group order intake for the first nine months of the year was EUR 2,024 million (1,679), up 21 per cent year on year.

At the end of the report period, the group order book was 23 per cent higher than a year earlier and roughly at the same level as at the end of June.

Net sales

NET SALES BY BUSINESS AREA

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Comparable net sales					
Ruukki Construction	219	184	554	456	628
Ruukki Engineering	59	45	184	137	193
Ruukki Metals	396	386	1 341	1 168	1 581
Others	0	0	0	1	1
Comparable net sales, total	674	615	2 079	1 762	2 403
Items affecting comparability included in reported net sales	0	0	0	12	12
Reported net sales	675	614	2 080	1 774	2 415

Consolidated comparable net sales for the third quarter were EUR 674 million (615), which is 10 per cent up on a comparable basis year on year, and reported net sales were EUR 675 million (614). Net sales rose year on year because of larger delivery volumes in the solutions businesses - Ruukki Construction and Ruukki Engineering. Net sales were 8 per cent down compared to the previous quarter. This was mostly due to lower delivery volumes in the steel business.

Compared to the same period a year earlier, Finland and Central Eastern Europe accounted for the highest net sales growth during the third quarter. In Finland, net sales grew especially in the solutions businesses. In Central Eastern Europe, net sales growth came mainly from the construction business. Consolidated net sales growth was relatively highest in Central Eastern Europe, especially in Poland, where net sales growth was driven by higher delivery volumes of residential roofing products. Compared to the previous quarter, net sales were up in Central Eastern Europe and Russia on the back of good activity in the construction business. In other market areas, consolidated net sales were down quarter on quarter.

Consolidated comparable net sales for January-September were EUR 2,079 million (1,762) and reported net sales were EUR 2,080 million (1,774). The emerging markets accounted for 27 per cent (23) of consolidated comparable net sales. The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 35 per cent (34) of consolidated net sales. Special steel products accounted for 33 per cent (26) of Ruukki Metals' net sales for January-September.

NET SALES BY REGION

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Comparable net sales					
Finland	190	171	576	478	651
Other Nordic countries	204	197	687	551	756
Central Eastern Europe	104	87	275	201	290
Russia and Ukraine	67	60	158	138	188
Rest of Europe	76	71	266	274	360
Other countries	32	30	116	120	157
Comparable net sales, total	674	615	2 079	1 762	2 403
Items affecting comparability included in reported net sales	0	0	0	12	12
Reported net sales	675	614	2 080	1 774	2 415

Operating profit

OPERATING PROFIT BY BUSINESS AREA

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Comparable operating profit					
Ruukki Construction	11	1	3	-32	-45
Ruukki Engineering	1	-7	-3	-22	-28
Ruukki Metals	-9	51	108	107	126
Others	-3	-4	-11	-11	-15
Comparable operating profit, total	1	41	96	42	38
Items affecting comparability included in reported operating profit	-25	-47	-27	-50	-49
Reported operating profit	-24	-6	69	-8	-12

Consolidated comparable operating profit for the third quarter was EUR 1 million (41). The decrease in operating profit both year on year and quarter on quarter was due to the loss made in the steel business during the third quarter. The loss was largely attributable to higher raw material costs and a low capacity utilisation rate in steel production, for which the aggregate impact on comparable operating profit was -EUR 34 million compared to the previous quarter.

Reported operating profit for the third quarter was negative at -EUR 24 million (-6), which includes a cost effect of EUR 23 million from the modernisation of blast furnace 2 and costs of EUR 2 million related to reorganisation within the construction business area.

Consolidated comparable operating profit for January-September was EUR 96 million (42), equating to 4.6 per cent of net sales (2.4). Reported operating profit was EUR 69 million (-8).

Financial items and result

Consolidated net finance costs in January-September totalled EUR 26 million (57). Net interest costs were EUR 22 million (21).

Group taxes for January-September were -EUR 13 million (EUR 14 million positive).

The result for the first nine months of the year was EUR 31 million (-49).

Earnings per share were EUR 0.22 (-0.35).

Balance sheet, cash flow and financing

Total assets at the end of the report period were EUR 2,801 million (2,604). Equity at 30 September 2011 was EUR 1,314 million (1,405), equating to EUR 9.46 per share (10.12). Equity has decreased EUR 73 million since the end of 2010. This decrease is mainly because of the dividend payout in April.

The equity ratio at the end of September was 47.5 per cent (54.6) and the gearing ratio was 68.2 per cent (42.9). The gearing ratio rose because of the loss made by the steel business and continued investments. In addition delivery volumes in the steel business were too low to free up working capital at the rate anticipated. Net interest-bearing liabilities at the end of September were EUR 897 million (603).

Return on equity for the last 12 months was 0.1 per cent (-6.4) and the return on capital employed was 3.3 per cent (-2.1). The annualised return on capital employed for January-September was 4.5 per cent (-0.3).

Net cash from operating activities for January-September was -EUR 49 million (-87) and net cash before financing activities was -EUR 182 million (-208). EUR 207 million (161) was tied up in net working capital during the first nine months of the year.

At the end of September, the group had liquid funds of EUR 54 million (72) and undrawn committed credit facilities of EUR 425 million.

Capital expenditure

Net cash used in investing activities during January-September was -EUR 133 million (-121).

Investments in tangible and intangible assets during the first nine months of the year totalled EUR 138 million (130), of which maintenance investments accounted for EUR 110 million (95) and development investments for EUR 28 million (35). Net cash inflow from other investing activities was EUR 5 million (8).

Depreciation and impairments in January-September were EUR 108 million (120).

Capital expenditure on tangible and intangible assets in 2011 is expected to be in the region of EUR 180 million.

Personnel

PERSONNEL BY REGION

	30 Sep 2011	30 Sep 2010	31 Dec 2010
Finland	6 482	6 207	6 150
Other Nordic countries	617	792	659
Central Eastern Europe	2 162	2 048	2 020
Russia and Ukraine	1 994	2 154	2 062
Rest of Europe	71	88	69
Other countries	351	332	326
Total	11 677	11 621	11 286

The group employed an average of 11,930 persons (11,796) during the first nine months of the year and the headcount at the end of the report period was 11,677 (11,621). At the end of September 2011, 56 per cent (53) of Ruukki's personnel was based in Finland.

Safety measured in terms of accidents per million working hours for January-September was 8 (7).

BUSINESS AREAS

RUUKKI CONSTRUCTION

- Order intake in July-September was up 21 per cent year on year
- Net sales grew 19 per cent year on year during the third quarter
- Comparable operating profit during the third quarter was EUR 11 million (5.2 per cent of net sales), a clear improvement year on year

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Order intake	216	178	549	459	629
Net sales	219	184	554	456	628
Comparable operating profit	11	1	3	-32	-45
Unrealised gains and losses on USD derivatives				2	2
Expenses related to restructuring	-2		-2		
Reported operating profit	10	1	0	-30	-43
Comparable operating profit as % of net sales	5.2	0.4	0.5	-7.0	-7.2
Personnel at end of period			3 756	4 003	3 791

Order intake and order book

The value of order intake during the third quarter was up 21 per cent year on year at EUR 216 million (178). Order volumes of residential roofing products were clearly higher in almost all market areas - especially Finland, Poland and Ukraine - compared to a year earlier. Order intake in commercial and industrial construction showed steady growth in Finland, the other Nordic countries and Ukraine, among others. In Russia, order volumes increased in concept buildings, especially in agricultural construction, and orders grew also in the commercial and logistics sectors. In infrastructure construction, orders especially for piles used in foundations were up clearly year on year. Compared to the previous quarter, order intake was up in residential roofing products and in commercial and industrial construction, but the value of order intake declined somewhat in infrastructure construction due to seasonably lower order volumes in piles used in foundations.

Ruukki Construction’s order intake in January-September was EUR 549 million (459), up 20 per cent year on year.

The order book at the end of September was 9 per cent higher than a year earlier and roughly at the same level as at the end of June.

Net sales

Ruukki Construction’s net sales for the third quarter were EUR 219 million (184), up 19 per cent year on year and 9 per cent quarter on quarter.

Net sales of residential roofing products during July-September grew by 26 per cent compared to the same period a year earlier. Delivery volumes grew in almost all market areas, with Finland and Poland showing particularly good net sales improvement. Also in the Baltic states and other Nordic countries sales of roofing products were higher than last year. Deliveries of roofing products also showed clear growth quarter on quarter.

Net sales in commercial and industrial construction during the third quarter were up 18 per cent year on year. Project deliveries in Finland showed strongest improvement. Sales also showed clear growth in

Russia, where especially sales of concept buildings were at a good level. In addition, net sales were clearly up in Poland, Sweden and Estonia. Ruukki Construction's net sales for January-July in Russia showed a 15 per cent increase year on year and were slightly higher quarter on quarter.

Net sales in infrastructure construction during the third quarter were up 14 per cent year on year. Net sales improved well in Sweden and Finland, especially on the back of increased order volumes of piles used in foundations. Net sales were down 8 per cent quarter on quarter.

Ruukki Construction's net sales for January-September were up 21 per cent year on year at EUR 554 million (456). The construction business accounted for 27 per cent (26) of consolidated comparable net sales. Residential roofing products showed strongest growth in net sales for January-September. In addition, commercial and industrial construction and infrastructure construction also showed clear net sales growth.

Residential roofing products accounted for 21 per cent (20) of Ruukki Construction's net sales for January-September and infrastructure construction products for 17 per cent (20).

Operating profit

Ruukki Construction's comparable operating profit for July-September was EUR 11 million (1), a clear improvement year on year. Compared to the previous year, operating profit improved especially due to higher delivery volumes in residential construction and in commercial and industrial construction. Improved operational efficiency and slightly higher selling prices also impacted positively on operating profit. Increased delivery volumes resulted also in a higher capacity utilisation rate than a year earlier.

Reported operating profit for the third quarter was EUR 10 million (1), which includes costs of EUR 2 million relating to the reorganisation of business operations in Russia, Central Eastern Europe and the Nordic countries.

Comparable operating profit for January-September was EUR 3 million (-32). Exceptionally low delivery volumes during the first quarter and a low capacity utilisation rate during the first and second quarters had a negative impact on operating profit for the first nine months of the year. Reported operating profit for January-September was EUR 0 million (-30).

Actions to improve profitability and other operational development

During the early part of the year, Ruukki Construction changed its business structure from an area to a product organisation. The new structure supports sales management, product pricing and optimal use of capacity at production units, and is improving operational efficiency. Also the project business in different countries was merged into one entity. This will not only deliver cost savings, but also ensure the transfer of project expertise from one market to another.

During the report period, work continued on improving the efficiency and reorganisation of Ruukki Construction's sales activities in Russia and Central Eastern Europe, where e.g. project sales in the region are being centralised. These actions will improve the cost structure and competitiveness in the regions concerned.

The third quarter saw Ruukki continue to expand its Ruukki Express chain with the opening in July-August of two new outlets in Rumia and Konin in Poland. Ruukki Express is a store and service concept with a range of products that includes roofs, rainwater systems, roof safety products and other locally tailored products and services. The company currently has 46 Ruukki Express outlets in 9 different countries.

Major orders and product development

In July, a contract worth over EUR 13 million was signed with Peab AB of Sweden to manufacture and install the steel structures for the process plant building and stockpile buildings at the Kaunisvaara iron ore mine in Pajala, Sweden. Deliveries of the steel structure began in September and are scheduled for completion during 2012.

September saw the announcement of deliveries of energy panels for the new IKEA store under construction in Kuopio and the Ikano shopping centre being built in Vantaa, Finland. The total of 15,000 square metres of panels to be installed will improve the energy efficiency of the buildings and not only enable significant savings in the annual heating costs of the buildings, but also reduce their carbon footprint. The Ikano shopping centre project also includes delivery and installation of the steel frame for the building. Deliveries and installation work are taking place during September-October this year.

In addition, delivery was agreed of the steel frame for media company Alma Media’s new head office in Helsinki. Ruukki is responsible for the design and manufacture of the steel frame. Deliveries started in September and will be completed in spring 2012. The steel structures are being made at Ruukki’s works in Peräseinäjoki, Finland.

In September, Ruukki signed a contract worth around EUR 6 million with Penevezio Statybos Trestas, one of the biggest construction companies in Lithuania, to manufacture and install the steel structures for Akmenes Cementas’ new cement factory. Installation work began in October and the new factory is scheduled for completion in summer 2012.

September also saw Ruukki announce the manufacture and installation of the steel frame for the House of Travel and Transportation office premises to be built at Helsinki-Vantaa Airport. The aim is for energy-efficient premises to be built to energy class A. Ruukki's delivery also includes installation, with grouting work, of the concrete elements. Ruukki's deliveries began in October and will be completed by the end of April 2012.

Ruukki also agreed the delivery of the steel structures for Stora Enso’s new paper mill to be built in Ostroleka, Poland. The project includes the manufacture and installation of the steel frame for the paper mill and warehouse. The contract is worth over EUR 8 million. Installation work will begin in November 2011 and the mill is scheduled for completion during the first quarter of 2013.

Towards the end of the report period, it was announced Ruukki would deliver energy panels for Itella’s new logistics centre at Pennala in Orimattila, Finland. Ruukki will deliver more than 20,000 square metres of energy panels for the logistics centre. The contract is worth more than EUR 1 million.

In August, Ruukki launched a smart roof. In Ruukki’s smart roof technology, sensors fitted to the roof notice any changes in roof loading. This improves roof safety and results in savings because it does away with needless clearing of snow from roofs. Technology developed by Ruukki can be fitted to both new and existing roofs in which load-bearing sheets have been used. Load-bearing sheets are typically used in different sizes of hall buildings, such as shopping centres, sports centres and at airports.

After the report period, a contract was signed to design, manufacture and install the frame and envelope structures for the new K-citymarket in Kauhajoki, Finland. Delivery includes the steel frame, with fire protection solution, façade panels, doors and windows, the profiles bearing the ceiling, including thermal insulation and waterproofing work, together with installation of the concrete elements. The contract is worth around EUR 2 million and installation of the structures is scheduled to be carried out before the end of 2011.

RUUKKI ENGINEERING

- Order intake in July-September was up 27 per cent year on year
- Order book at the end of September was approximately 90 per cent higher year on year
- Net sales for the third quarter were up roughly one third year on year
- During the third quarter, the business moved back into the black

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Order intake	68	54	200	145	230
Net sales	59	45	184	137	193
Comparable operating profit	1	-7	-3	-22	-28
Expenses related to closure of units				-1	-5
Expenses related to restructuring	0		0		
Unrealised gains and losses on USD derivatives				1	1
Reported operating profit	1	-7	-3	-22	-32
Comparable operating profit as % of net sales	1.5	-16.3	-1.6	-16.0	-14.5
Personnel at end of period			1 928	1 774	1 763

Order intake and order book

Order intake in the engineering business during the third quarter was up 27 per cent year on year at EUR 68 million (54). Order volumes grew steadily in all customer sectors. Best progress in order flow was from construction and mining industry equipment manufacturers. Orders from materials handling equipment manufacturers also increased. Even though the share of shipbuilding of order intake has declined compared to earlier years, order intake in this segment showed growth year on year. Demand was at a good level in both the energy and offshore industries.

Ruukki Engineering's order intake in January-September was 39 per cent higher year on year at EUR 200 million (145).

The order book at the end of September 2011 was around 90 per cent higher year on year and slightly higher quarter on quarter.

Net sales

Ruukki Engineering's net sales for the third quarter were up 31 per cent year on year at EUR 59 million (45), but down 5 per cent quarter on quarter. This was partly because of the July-August holiday season in the Nordic countries and elsewhere in Europe.

Higher net sales for July-September were particularly attributable to larger delivery volumes, particularly of cabins, frames and booms, to the lifting, handling and transportation equipment industry. Likewise, deliveries continued to grow also to construction and mining industry equipment manufacturers and to forest machine manufacturers. Deliveries to Kvaerner Verdal's wind farm project in the North Sea grew net sales in the offshore segment compared to a year earlier.

Ruukki Engineering's net sales for January-September were EUR 184 million (137) and accounted for 9 per cent (8) of consolidated comparable net sales. Compared to the previous year, the increase in net sales was attributable mainly to larger delivery volumes to almost all customer segments, especially to materials handling equipment manufacturers. Deliveries to the offshore industry showed relatively highest growth.

Equipment manufacturers in the lifting, handling and transportation industry accounted for 63 per cent (59) of net sales for January-September, with construction and mining industry equipment manufacturers accounting for around a fifth of this figure. Equipment manufacturers in the energy industry accounted for 15 per cent (19) of net sales.

Operating profit

Ruukki Engineering's operating profit for the third quarter was EUR 1 million (-7). Operating profit improved year on year mainly as a result of larger delivery volumes and a better capacity utilisation rate. In addition, sales prices were higher than a year earlier.

Operating profit for January-September was negative at -EUR 3 million (-22). Improved operating profit was mainly attributable to larger delivery volumes and higher selling prices. Operating profit was still negative because of low capacity utilisation rates, together with the impact of the costs of ramping up production at the Holic unit in Slovakia and at the Shanghai unit in China. Delivery problems at the Shanghai unit during the early part of the year have also weakened profitability of the engineering business.

Actions to improve profitability and other operational development

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

In line with the strategy, the engineering business targeted sales towards new cabin and special steel component customers during the early part of the year. The third quarter saw the component business win new customers from the construction and mining industry segments. Likewise, the cabin business gained new customers from the lifting, handling and transportation equipment industry. New customers are still at the ramping up stage of production in late 2011.

To improve cost competitiveness, the engineering business is focusing on quality assurance, delivery accuracy and cost-efficiency. Ruukki Engineering cut its overheads during the early part of the year and the full impact of this will be visible in 2012. In addition, sourcing in cabin production is clearly shifting towards a more global operational model and a more effective internal division of roles is being pursued between production units.

In March, Ruukki announced a EUR 3 million investment in a new surface treatment line mainly to serve cabin customers at the Holic unit in Slovakia. Work has progressed to plan and the line is scheduled to start up in spring 2012.

Major orders

In July, Ruukki announced the first deliveries of steel structures for offshore wind tower foundations to the Norwegian company Kvaerner Verdal AS. Deliveries from Kalajoki in Finland for the Nordsee Ost wind farm project in the North Sea will continue until summer 2012. Ruukki will deliver a total of 240 individual structures to anchor the towers and join the structures together.

RUUKKI METALS

- Increased uncertainty on the financial markets in Europe and weakened economic outlook were reflected in decreased mill deliveries
- Higher raw material costs and a low capacity utilisation rate in steel production weakened profitability
- Special steels accounted for 32 per cent of net sales for the third quarter
- Order intake in July-September was up 15 per cent year on year

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Order intake	394	344	1 275	1 068	1 458
Net sales	396	386	1 341	1 168	1 581
Comparable operating profit	-9	51	108	107	126
Expense caused by modernisation of blast furnaces	-23		-25	-18	-18
Unrealised gains and losses on USD derivatives		-40		-19	-13
Cost of production test runs					-2
Reported operating profit	-32	11	83	71	93
Comparable operating profit as % of net sales	-2.3	13.3	8.0	9.2	8.0
Personnel at end of period			5 523	5 335	5 291

Order intake and order book

Order intake during the third quarter was up 15 per cent year on year at EUR 394 million (344), but down 3 per cent quarter on quarter. Several indicators of economic development weakened during the report period in Europe in the wake of the European debt crisis. This was reflected especially in clearly slower decision-making by mill delivery customers. Service centre sales were unaffected by cautious decision-making and remained at a good level during the third quarter. Demand was good from the engineering industry and heavy vehicle industry. Order flow developed relatively strongest in Central Eastern Europe, where orders were up year on year especially from the lifting, handling and transportation equipment industry. Good development was seen in orders for special steels in new market areas such as South Africa and Turkey, but regulatory actions by the state weakened demand from special steel customers in China. Order flow also declined quarter on quarter partly because of the July-August holiday season.

Ruukki Metals' order intake in January-September was up 19 per cent year on year at EUR 1,275 million (1,068).

The order book at the end of September 2011 was 20 per cent higher than a year earlier and slightly lower than at the end of the previous quarter.

Net sales

Ruukki Metals' net sales for the third quarter were up 3 per cent year on year at EUR 396 million (386). Net sales growth was mainly attributable to higher selling prices of steel products. Special steel products accounted for 32 per cent of net sales in the steel business. Net sales were down 15 per cent quarter on quarter.

Compared to a year earlier, deliveries to the lifting, handling and transportation equipment industry - especially to the heavy vehicle industry and to materials handling equipment manufacturers - were at a good level. Sales to subcontractors in the automotive industry were also up. Deliveries to the energy industry and to white goods manufacturers declined. Compared to the second quarter of the year, deliveries to the construction and the electronics industries remained roughly at the same level. Sales to other industrial sectors were down.

Sales of steel products grew in many market areas compared to a year earlier. Net sales showed relatively good development in the Nordic countries and Central Eastern Europe, especially Poland, the Czech Republic and Hungary. Net sales were up also in Russia. Sales of special steel products showed clear growth in South Africa and were at a good level in Western Europe, where especially sales in Germany showed good development. Deliveries decreased in many special steel markets such as China and North America. Compared to the previous quarter, net sales fell in most market areas, except for Russia, where net sales were up almost a fifth quarter on quarter.

Ruukki Metals' net sales for January-September were EUR 1,341 million (1,168) and accounted for 65 per cent (66) of consolidated comparable net sales. Compared to a year earlier, increased net sales for the first nine months of 2011 were attributable to higher selling prices and larger delivery volumes than earlier in Finland and the other Nordic countries, Central Eastern Europe and Russia. The increased share of special steel products of deliveries also contributed to higher net sales.

Special steel products accounted for 33 per cent (26) of net sales for the first nine months of the year. Net sales of stainless steel and aluminium, sold as trading products, were up 14 per cent year on year at EUR 108 million (95).

Operating profit

Ruukki Metals' comparable operating profit for the third quarter was negative at -EUR 9 million (51). The decrease in operating profit both year on year and quarter on quarter was mainly due to the loss made in the steel business during the third quarter. The loss was largely attributable to higher raw material costs and a low capacity utilisation rate in steel production, for which the aggregate impact on comparable operating profit was -EUR 34 million compared to the previous quarter. The production capacity ran at a lower rate because of normal seasonality and a fall in order intake. The share of special steel products was smaller during the third quarter and average selling prices of steel fell compared to the previous quarter.

Reported operating profit for the third quarter was negative at -EUR 32 million (11). Reported operating profit includes a cost item of EUR 23 million due to the low utilisation rate in steel production as a result of modernisation of blast furnace 2 at the Raahe Steel Works.

Comparable operating profit for January-September was at the same level as a year earlier at EUR 108 million (107). Reported operating profit was EUR 83 million (71).

Steel production

1 000 tonnes	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Steel production	392	609	1 672	1 638	2 229

Steel production in the third quarter was 392 thousand tonnes (609). The utilisation rate was lower both year on year and quarter on quarter. This was mainly due to the modernisation of blast furnace 2 and weakened order activity. Steel production in January-September was 1,672 thousand tonnes (1,638).

Blast furnace 2 at the Raahe Steel Works in Finland was modernised during the third quarter. The furnace was idled for about two months from the end of June and restarted in early September. Ramp up to normal production by the end of September progressed to plan.

Around EUR 115 million of the total blast furnace modernisation investment is estimated to fall in 2011 and around EUR 8 million in 2012. Total investment in the modernisation of blast furnace 1, which was completed in 2010, and blast furnace 2, which was recently completed, is around EUR 265 million, of which environmental investments account for around EUR 50 million

The blast furnace modernisation projects at the Raahe Steel Works have now been completed. The investment requirement in future years will be significantly lower than in 2010 and 2011.

Now that blast furnace modernisation has been completed, the Raahe Works will prepare for a change in the feedstock base and closure of the sinter plant. After the turn of the year, only iron ore pellets will be used as the raw material for iron-making instead of a combination of iron ore concentrate and pellets as at present.

Raw materials in steel production

A new price contract for iron ore was made in July. The prices of concentrates and pellets were agreed in an annual contract with the Swedish company LKAB.

Prices for both iron ore and coking coal are forecast to remain higher than last year. The prices agreed are in line with general market development. Higher costs of raw materials will be offset by further increasing cost efficiency and by seeking to pass them on in full to selling prices.

Operational development

Expansion of the distribution network for special steel products is one of the main focus areas in the steel business in 2011. During the report period, Ruukki continued to expand its own distribution network by, among other things, opening a sales office in Beijing, China. The new Beijing sales office will enable Ruukki to provide better service to its special steel customers in China. In addition, Ruukki strengthened its own sales organisation in Australia during the report period.

Environmental matters at the company

Ruukki has received many recognitions for its work on the corporate responsibility front. In September, Ruukki achieved, for the first time, industry leader position in two Dow Jones Sustainability indexes: DJSI World and DJSI Europe. The indexes include the top companies that are committed to sustainable development. Ruukki is included in the DJSI World Index for the fourth time running and in the European index for the fifth year.

Modernisation of blast furnace 2 at Ruukki's Raahe Steel Works started at the end of June and was completed during the report period. Blast furnace 1 was modernised in 2010. Environmental investments of around EUR 50 million have been made in conjunction with blast furnace modernisation. These investments will considerably reduce dust and sulphur emissions at the Raahe Works.

Information about environmental matters at the company can be found in environmental product declarations and the environmental reports of the Raahe and Hämeenlinna works published in June. English summaries of these reports together with other information about environmental matters can be found on the company's website at www.ruukki.com.

Shares and share capital

During January-September 2011, a total of 115 million (145) Rautaruukki Oyj shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 1,674 million (2,142). The highest price quoted was EUR 18.77 in January and the lowest was EUR 7.25 in September. The volume-weighted average price was EUR 14.42. The share closed at EUR 7.58 (15.16) at the end of September and the company had a market capitalisation of EUR 1,063 million (2,127).

Rautaruukki's share is also traded on multilateral trading facilities (MTF). According to information received by the company, a total of 35 million shares (33) were traded on MTFs for a total of EUR 493 million (484) during the first nine months of the year.

The company's registered share capital at 30 September 2011 was EUR 238.5 million and there were 140,285,425 shares outstanding.

At the end of September 2011, the company held a total of 1,423,051 treasury shares, which had a market value of EUR 10.8 million and an accounting par value of EUR 2.4 million. Treasury shares accounted for 1.01 per cent of the total shares and votes.

The 2011 Annual General Meeting granted the Board of Directors the authority to acquire a maximum of 12,000,000 of the company's own shares. The authority is valid until the following Annual General Meeting.

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

By the end of September 2011, the Board of Directors had not exercised its authority to issue shares or to acquire the company's own 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.

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

Changes in corporate structure and management

Rautaruukki Corporation divided its Finnish operations into four different companies. Ruukki's construction business, engineering business, steel business and stainless steel and aluminium trading business each act as separate business entities from 1 May 2011. Rautaruukki Corporation is the parent company of the new companies.

The arrangement is an administrative one under which the corporation has clarified its corporate structure to correspond to its existing businesses. The arrangements do not apply to the group's units outside Finland. Demerger of the Finnish operations has no impact on Rautaruukki Corporation's financial reporting.

Rautaruukki enlarged its Corporate Executive Board, which as of 1 October 2011 consists of:

- Sakari Tamminen, President & CEO and Chairman of the Executive Board
- Markku Honkasalo, CFO
- Tommi Matomäki, EVP, Ruukki Construction
- Marko Somerma, EVP, Ruukki Engineering and CSO
- Olavi Huhtala, EVP, Ruukki Metals
- Eija Hakakari, SVP, Human Resources
- Toni Hemminki, SVP, Technology, Energy and Environment
- Taina Kyllönen, SVP, Marketing and Communications
- Ismo Platan, SVP, Supply Chain Management, IT and OPEX

Events after the report period

After the report period, Ruukki Metals started adjusting production and costs at its tube mills in Finland due to weakened market conditions. In conjunction with this, employer-employee negotiations began concerning possible layoffs at the Hämeenlinna, Lappohja, Pulkkila and Oulainen tube mills and Toijala Works, which makes cold roll-formed steel sections. The negotiations affect all personnel groups and around 400 people.

Near-term business risks

The company’s risks and risk management are detailed in the Annual Report 2010. The company does not consider there to have been any material changes during the report period in the risks and factors of uncertainty presented in the Annual Report.

Near-term outlook

Economic growth is expected to continue in Ruukki’s main market areas, albeit at a clearly more moderate rate than earlier. Nevertheless, growth is likely to remain strong in most emerging economies and, in the developed economies, it is anticipated that Ruukki’s most important market areas will develop more favourably than other countries. However, the problems experienced by the financial markets in Europe are creating considerable uncertainty in market development and it is difficult to estimate what the direct and indirect implications of this will be.

Commercial and industrial construction activity is estimated to remain relatively good in most market areas for the rest of the year. Demand for concept buildings, especially in Russia, is expected to remain brisk. Residential construction is forecast to remain at a good level in all main market areas. Infrastructure construction activity in the Nordic countries is expected to continue to be steady. Construction activity, especially in residential construction, will slow down towards the end of the year due to seasonality.

In the engineering business, market conditions are expected to remain reasonably good for the rest of the year. Demand from mining industry machines and equipment manufacturers is estimated to remain at a good level, as is demand from heavy cargo handling and materials handling equipment manufacturers. Supported by good activity in these industrial sectors, it is anticipated that order volumes, especially for cabins, booms and frames, will continue growing. Equipment manufacture for the energy industry is forecast to show a slight improvement in demand during the rest of the year.

In the steel business, demand from mill delivery customers is expected to remain low for the rest of the year as a result of the general uncertainty and weakened economic outlook caused by the European debt crisis. Service centre sales are expected to continue at a good level. The capacity utilisation rate in the steel business is estimated to be around 80 per cent during the fourth quarter. This is why profitability of the steel business during the second half of the year will be weaker than during the corresponding period a year earlier.

The company’s priorities for the rest of the year include improving operational efficiency and cash flow. Because of efficiency actions already completed and those ongoing, the company’s cost structure is clearly lighter than in previous years. The level of net working capital in the steel business at the end of the third quarter was higher than predicted. The management of net working capital will be improved to boost cash flow. Based on the estimated development in demand, the capacity utilisation rate in the solutions businesses is projected to be better in 2011 than in 2010.

Based on the estimates given above, consolidated net sales in 2011 are estimated to grow approximately 15-20 per cent year on year. Profitability is estimated to improve compared to 2010.

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and is in conformity with the accounting policies applied in the 2010 financial statements.

The amendments to and interpretations of IFRS standards that entered into force on 1 January 2011 had no impact on this interim report.

Use of estimates

The preparation of interim reports in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reporting of contingent assets and liabilities and the reported amounts of income and expense. Even though these estimates are based on management's best judgment at the time, actual results may ultimately differ from these estimates.

Purchases of raw materials denominated in USD qualify for hedge accounting under IAS 39 from 1 January 2011

Unrealised movements in the fair value of USD-denominated future cash flow hedges which did not qualify for hedge accounting under IAS 39 were added to items affecting the comparability of operating profit in 2010. The figures for reference periods since the beginning of 2009 were restated accordingly. From the beginning of 2011, cash flow hedges of raw materials denominated in USD are subject to hedge accounting under IAS 39. This means the unrealised movements in the fair values of these cash flow hedges are recognised under items in other comprehensive income instead of under operating profit as earlier.

Individual figures and totals appearing in the tables have been rounded to the nearest whole million of euros. This interim report is unaudited.

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Net sales	675	614	2 080	1 774	2 415
Cost of sales	-645	-565	-1 829	-1 604	-2 185
Gross profit	30	49	251	170	229
Other operating income	4	3	11	11	15
Selling and marketing expenses	-26	-24	-86	-77	-103
Administrative expenses	-32	-34	-107	-112	-152
Other operating expenses	0	0	0	-1	-1
Operating profit	-24	-6	69	-8	-12
Finance income	24	12	42	52	65
Finance costs	-29	-55	-68	-109	-131
Net finance costs	-5	-42	-26	-57	-66
Share of profit of equity-accounted investees	1	1	2	2	3
Result before income tax	-29	-48	45	-63	-74
Income tax expense	8	12	-13	14	-4
Result for the period	-21	-36	31	-49	-79
Attributable to:					
Owners of the company	-21	-36	31	-49	-79
Non-controlling interest	0	0	0	0	0
Earnings per share, diluted, EUR	-0.15	-0.26	0.22	-0.35	-0.57
Earnings per share, basic, EUR	-0.15	-0.26	0.22	-0.35	-0.57
Operating profit as % of net sales	-3.6	-1.0	3.3	-0.5	-0.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR million	Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	2010
Result for the period	-21	-36	31	-49	-79
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges	7	9	-10	-2	14
Translation differences	-12	-10	-15	14	18
Defined benefit plan actuarial gains and losses		0		-2	-9
Tax on other comprehensive income	-2	-2	3	1	-1
Other comprehensive income for the period, net of tax	-7	-4	-22	11	22
Total comprehensive income for the period	-28	-40	9	-38	-57
Attributable to:					
Owners of the company	-28	-40	9	-38	-57
Non-controlling interest	0	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	30 Sep 2011	30 Sep 2010	31 Dec 2010
ASSETS			
Non-current assets	1 408	1 382	1 388
Deferred tax assets	29	50	26
Current assets			
Inventories	798	643	640
Trade and other receivables	500	454	417
Cash and cash equivalents	54	72	53
Assets held for sale	12	3	15
Total assets	2 801	2 604	2 539
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	1 314	1 405	1 387
Non-controlling interest	2	2	2
Non-current liabilities			
Loans and borrowings	606	415	477
Non-interest bearing liabilities	48	52	50
Deferred tax liabilities	42	24	39
Current liabilities			
Loans and borrowings	346	260	198
Trade payables and other non-interest bearing liabilities	441	439	379
Liabilities held for sale	4	8	7
Total equity and liabilities	2 801	2 604	2 539

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1-Q3/11	Q1-Q3/10	2010
Result for the period	31	-49	-79
Adjustments	154	145	191
Cash flow before change in working capital	186	96	113
Change in working capital	-207	-161	-147
Financing items and taxes	-28	-21	-30
Net cash from operating activities	-49	-87	-64
Cash inflow from investing activities	6	9	10
Cash outflow from investing activities	-139	-130	-173
Net cash used in investing activities	-133	-121	-162
Net cash before financing activities	-182	-208	-226
Dividends paid	-83	-62	-62
Proceeds from loans and borrowings	179	55	126
Repayments of loans and borrowings	-52	-22	-103
Change in current liabilities	147	51	63
Other net cash flow from financing activities	-7	-7	-9
Translation differences	-1	3	4
Change in cash and cash equivalents	1	-189	-207

KEY FIGURES (IFRS)

	Q1-Q3/11	Q1-Q3/10	2010
Net sales, EUR m	2 080	1 774	2 415
Operating profit, EUR m	69	-8	-12
as % of net sales	3.3	-0.5	-0.5
Result before income tax, EUR m	45	-63	-74
as % of net sales	2.2	-3.6	-3.1
Result for the period, EUR m	31	-49	-79
as % of net sales	1.5	-2.8	-3.3
Net cash from operating activities, EUR m	-49	-87	-64
Net cash before financing activities, EUR m	-182	-208	-226
Return on capital employed (rolling 12 mths), %	3.3	-2.1	-0.3
Return on equity (rolling 12 mths), %	0.1	-6.4	-5.4
Equity ratio, %	47.5	54.6	55.3
Gearing ratio, %	68.2	42.9	44.7
Net interest-bearing liabilities, EUR m	897	603	621
Equity per share, EUR	9.46	10.12	9.99
Personnel on average	11 930	11 796	11 693
Number of shares	140 285 425	140 285 425	140 285 425
- excluding treasury shares	138 862 374	138 863 850	138 862 374
- diluted, average	138 862 374	138 863 850	138 863 722

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Equity attributable to owners of the company							
EUR million	Share capital	Share premium	Fair value and other re-serves	Trans-lation diff-erences	Trea-sury shares	Re-tained earn-ings	Non-cont-rolling inter-est	Total equity
EQUITY 1 Jan 2010	238	220	2	-41	-6	1 095	2	1 509
Result for the period						-49	0	-49
Other comprehensive income			-1	14		-1		11
Total comprehensive income for the period			-1	14		-50	0	-38
Dividend distribution						-62		-62
Share-based payments			0		0			0
EQUITY 30 Sep 2010	238	220	1	-28	-6	982	2	1 407
EQUITY 1 Jan 2011	238	220	11	-23	-6	946	2	1 389
Result for the period						31	0	31
Other comprehensive income			-7	-15				-22
Total comprehensive income for the period			-7	-15		31	0	9
Dividend distribution						-83		-83
Share-based payments			0		0			0
EQUITY 30 Sep 2011	238	220	4	-38	-6	895	2	1 316

NET SALES BY REGION (IFRS)

As % of net sales	Q1-Q3/11	Q1-Q3/10	2010
Finland	28	27	27
Other Nordic countries	33	30	31
Central Eastern Europe	13	11	12
Russia and Ukraine	8	8	8
Rest of Europe	13	16	15
Other countries	6	7	7

CONTINGENT LIABILITIES (IFRS)

EUR million	30 Sep 2011	30 Sep 2010	31 Dec 2010
Mortgaged real estate	59	64	64
Other guarantees given	39	33	26
Collateral given on behalf of others		2	2
Rental liabilities	61	85	71

DERIVATIVE CONTRACTS (IFRS)

EUR million	30 Sep 2011 Nominal amount	30 Sep 2011 Fair value	30 Sep 2010 Nominal amount	30 Sep 2010 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	12 000	-2	22 500	5
Electricity derivatives				
Forward contracts, GWh	1 465	-6	1 730	-6
Foreign currency derivatives				
Forward contracts	265	10		
Options				
Bought	88	4		
Sold	84	0		
FAIR VALUE HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Interest rate derivatives	75	1	75	1
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	306	14	542	-9
Options				
Bought	75	2	175	-3
Sold	150	-1	175	-2

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

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1-Q3/11	Q1-Q3/10	2010
Carrying amount at the beginning of period	1 180	1 159	1 159
Additions	137	117	157
Additions through acquisitions		0	
Disposals	-2	-3	-4
Disposals through divestments	0	-3	-3
Depreciation and impairment	-93	-104	-138
Translation differences	-12	7	9
Carrying amount at the end of period	1 210	1 174	1 180

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1-Q3/11	Q1-Q3/10	2010
Sales to equity-accounted investees	16	24	31
Purchases from equity-accounted investees	5	5	7
Transactions with Rautaruukki Pension Foundation	0	0	1
	30 Sep 2011	30 Sep 2010	31 Dec 2010
Trade and other receivables from related parties	6	6	5
Trade and other payables to related parties	0	0	0

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 30 Sep 2011	After 30 Sep 2010	After 31 Dec 2010
Maintenance investments	34	171	137
Development investments and investments in special steel products	31	38	52
Total	65	208	189

SEGMENT INFORMATION

EUR million	Q1-Q3/11	Q1-Q3/10	2010
Order intake			
Ruukki Construction	549	459	629
Ruukki Engineering	200	145	230
Ruukki Metals	1 275	1 068	1 458
Others		8	8
Order intake, total	2 024	1 679	2 326
Comparable net sales			
Ruukki Construction	554	456	628
Ruukki Engineering	184	137	193
Ruukki Metals	1 341	1 168	1 581
Others	0	1	1
Comparable net sales, total	2 079	1 762	2 403
Items affecting comparability included in reported net sales	0	12	12
Reported net sales	2 080	1 774	2 415
Comparable operating profit			
Ruukki Construction	3	-32	-45
Ruukki Engineering	-3	-22	-28
Ruukki Metals	108	107	126
Others	-11	-11	-15
Comparable operating profit, total	96	42	38
Items affecting comparability included in reported operating profit	-27	-50	-49
Reported operating profit	69	-8	-12
Net finance costs	-26	-57	-66
Share of profit of equity-accounted investees	2	2	3
Result before income tax	45	-63	-74
Income tax expense	-13	14	-4
Result for the period	31	-49	-79

EUR million	30 Sep 2011	30 Sep 2010	31 Dec 2010
Operative capital employed			
Ruukki Construction	451	467	429
Ruukki Engineering	167	154	144
Ruukki Metals	1 689	1 494	1 547
Others	22	33	30
Operative capital employed, total	2 330	2 148	2 150

QUARTERLY SEGMENT INFORMATION

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Order intake							
Ruukki Construction	110	170	178	171	134	199	216
Ruukki Engineering	39	51	54	85	64	68	68
Ruukki Metals	351	373	344	391	476	405	394
Others	7	1	0	0			
Order intake, total	507	596	576	647	674	672	678
Comparable net sales							
Ruukki Construction	109	163	184	172	135	201	219
Ruukki Engineering	42	50	45	56	62	62	59
Ruukki Metals	348	434	386	413	478	467	396
Others	0	1	0	0	0	0	0
Comparable net sales, total	500	647	615	641	675	730	674
Items affecting comparability included in reported net sales	5	7	0	0		0	0
Reported net sales	505	655	614	641	675	730	675
Comparable operating profit							
Ruukki Construction	-23	-10	1	-13	-13	4	11
Ruukki Engineering	-6	-8	-7	-6	-2	-2	1
Ruukki Metals	-10	66	51	19	42	75	-9
Others	-4	-4	-4	-4	-3	-6	-3
Comparable operating profit, total	-43	45	41	-5	25	71	1
Items affecting comparability included in reported operating profit	7	-11	-47	1	0	-2	-25
Reported operating profit	-36	34	-6	-3	25	68	-24
Net finance costs	-8	-6	-42	-9	-11	-10	-5
Share of profit of equity-accounted investees	0	1	1	1	1	1	1
Result before income tax	-44	28	-48	-11	14	59	-29
Income tax expense	11	-9	12	-19	-6	-15	8
Result for the period	-33	20	-36	-30	8	44	-21

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Others							
Net sales of Mo i Rana unit	5	7	0	0		0	0

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Ruukki Construction							
Unrealised gains and losses on USD derivatives	2						
Expenses related to restructuring						-1	-2
Ruukki Engineering							
Expenses related to closure of units		-1		-3			
Expenses related to restructuring							0
Unrealised gains and losses on USD derivatives	1						
Ruukki Metals							
Expense caused by modernisation of blast furnaces		-18				-2	-23
Unrealised gains and losses on USD derivatives	6	15	-40	6			
Cost of production test runs				-2			
Others							
Operating profit of Mo i Rana unit	-2	-2	-7	0	0	0	0
Fine regarding price collusion in divested (in 2006) prestressing steel business		-5	0				
Items affecting comparability of reported operating profit, total	7	-11	-47	1	0	-2	-25

OTHER ITEMS AFFECTING COMPARABILITY OF REPORTED RESULT

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Write-down of vendor note from Ovako (financial item)			-33				
Other items affecting comparability of reported result, total			-33				

Formulas for the calculation of key figures:

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

Helsinki, 19 October 2011
Rautaruukki Corporation
Board of Directors

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