Scanbridge, the supplier of steel bridge structures acquired in February 2007, enhances Ruukki's ability to serve in total deliveries of bridges in the Nordic countries.

Rautaruukki Oyj

Interim Report
January – March 2007
RTRKS

RAUTARUUKKI CORPORATION INTERIM REPORT JANUARY-MARCH 2007

The market in Rautaruukki's core market areas and principal customer industries remained healthy during the early part of the year. Brisk construction activity continued in the Nordic countries, Central Eastern Europe, Russia and Ukraine. The order books of engineering customers are still firm and this has been positively reflected in the company's deliveries. Likewise, demand for standard steel products has held up well in Northern Europe throughout the period under review.

Net sales and result for January-March 2007 (comparable figures for Q1/2006)

Consolidated net sales in January-March 2007 were up 11 per cent to EUR 950 million (856). This represents a rise of 21 per cent on comparable net sales of EUR 786 million for January-March 2006. The comparable figures exclude the Nordic Reinforcing units, which were part of the Group until 31 July 2006. Ruukki Construction's net sales were up by 60 per cent to EUR 213 million (133). Ruukki Engineering's net sales were EUR 167 million (132) and Ruukki Metals' EUR 570 million (591).

The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 40 per cent (31) of net sales during the period under review. Of net sales, 82 per cent (78) came from our core market areas: 31 per cent (32) from Finland, 34 per cent (35) from the other Nordic countries and 18 per cent (11) from Central Eastern Europe, Russia and Ukraine. The rest of Europe accounted for 16 per cent (20) of net sales and other countries for 2 per cent (2).

Operating profit for the period under review was EUR 178 million (95), which is 19 per cent (11) of net sales. This is double the comparable operating profit of EUR 89 million reported last year. The solutions businesses accounted for 36 per cent (34) of consolidated operating profit. Ruukki Construction's operating profit rose to EUR 33 million (8) and that of Ruukki Engineering to EUR 32 million (25). Likewise, Ruukki Metals operating profit rose to EUR 119 million (77).

Net finance expense totalled EUR 2 million (6). Net interest expense was down from EUR 5 million last year to EUR 0.3 million owing to a marked decrease in net indebtedness.

The share of associates' profits was EUR 1 million (13, of which Ovako accounted for EUR 12 million).

Profit before taxes was EUR 177 million (101).

Group taxes amounted to EUR 45 million (24), including a change in deferred taxes of -EUR 4 million (2). The effective tax rate was 26 per cent (27).

Profit for the period under review was EUR 131 million (77).

Diluted earnings per share were EUR 0.95 (0.56).

The return on capital employed over the past 12 months was 37.8 per cent (29.5) and the return on equity was 36.2 per cent (30.0).

Balance sheet

The consolidated balance sheet total rose by EUR 289 million compared to 31 March 2006. Since year-end 2006, the balance sheet total was up by EUR 88 million to EUR 3,114 million.

Consolidated equity at 31 March 2007 was EUR 1,663 million (1,408) and net liabilities -EUR 23 million (276).

Cash flow and financing

Cash flow from operating activities was EUR 68 million (101) and cash flow after investing activities was EUR 45 million (84).

Net interest-bearing liabilities at 31 March 2007 were -EUR 23 million (276), compared to EUR 22 million at year-end 2006. Working capital increased by EUR 100 million (decrease of 6) during the first quarter of 2007. Half of this increase was attributable to a seasonal growth in inventories.

The equity ratio was 54.5 per cent (50.2) and net gearing -1.4 per cent (19.6). At 31 March 2007, the Group had liquid assets of EUR 399 million and a total of EUR 300 million of unused revolving credit facilities with banks. At 31 March 2007, shareholders' equity stood at EUR 1,663 million (1,408), or EUR 12.00 per share (10.31). Dividends totalling EUR 276 million - EUR 1.50 and an additional dividend of EUR 0.50 per share - declared by the Annual General Meeting held in March, were debited from equity and credited to current liabilities. Dividends were paid on 4 April 2007.

Personnel

During the first quarter of 2007, the Group employed an average of 13,258 people (11,903). At 31 March 2007, the headcount was 13,348 (11,981), an increase of 1,367 persons.

Structural changes

Completed in January 2007, the acquisition of Omeo Mekaniska Verkstad AB of Sweden has strengthened the company's position as a systems supplier to customers in the lifting, handling and transportation equipment industry. The shares were acquired debt-free for around EUR 4 million. Omeo has 55 employees and is expected to report net sales of some EUR 23 million for the financial year ending in April 2007. The company has been accounted for in Rautaruukki's consolidated financial statements as of 1 February 2007.

Omeo, together with Hungarian company Aprítógépgyár (AGJ) acquired after the period under review, supports Rautaruukki's growth strategy in the lifting, handling and transportation equipment customer segment. These acquisitions add to our components and systems deliveries, especially in ready-to-install booms, and benefit us in the form of significant new customers in Central Europe.

In February 2007, Rautaruukki strengthened its position as a supplier of steel structure bridges in the Nordic countries through the acquisition of the entire share capital of Norwegian company Scanbridge AS for a debt-free purchase price of around EUR 6 million. The acquisition was completed on 2 April 2007 and adds to the company's expertise, particularly in the manufacture and installation of bridge structures. Scanbridge had net sales of some EUR 9 million in 2006 and employs 75 persons. Scanbridge will be accounted for in Rautaruukki's consolidated financial statements as of 1 April 2007.

Capital expenditure

Capital expenditure on tangible and intangible assets totalled EUR 26 million (21) during the first quarter of 2007. During the period under review, disposals of property plant and equipment amounted to EUR 3 million (1). Capital expenditure on tangible and intangible assets in 2007 is expected to exceed EUR 200 million.

EUR 4 million was spent on M&A arrangements during the period under review. Property, plant and equipment obtained through acquisitions rose by EUR 1 million, working capital by EUR 1 million and goodwill by EUR 1 million.

In February 2007, a decision was taken to expand and develop both the manufacture of steel frame structures and profiled products for the construction of commercial premises, as well as the company's service centre operations in Poland. The investments total around EUR 19 million and will add to the company's abilities to serve customers and to deliver construction systems and metal products. The investments will be made during 2007.

Also in February 2007, a decision was taken to expand the production in Finland of frame structures for bridges and buildings. A start was made on carrying out the investments, worth around EUR 6 million, during the period under review. The investments will be complete during the last quarter of the year.

March 2007 saw the start of construction work on a plant in Romania, which will manufacture frames, wall elements and profiles. The total investment is around EUR 35 million and production is expected to come on stream progressively towards the end of 2007 as originally planned. Work is also underway on a EUR 15 million project to construct a plant in Ukraine. Once these investments are up and running, the company will be able to significantly increase its deliveries of components and integrated solutions for commercial and industrial construction to customers in Ukraine, Romania and Bulgaria.

2007 Annual General Meeting

Rautaruukki Corporation's Annual General Meeting was held in Helsinki on 20 March 2007.

The Annual General Meeting approved the reappointment of Mr Jukka Viinanen as chairman of the Board of Directors and the appointment of Mr Reino Hanhinen as deputy chairman. Ms Maarit Aarni-Sirviö, Mr Christer Granskog, Ms Pirkko Juntti and Mr Kalle J. Korhonen were all reappointed as members of the Board of Directors. Mr Jukka Härmälä, President & CEO of Stora Enso Corporation, and Ms Liisa Leino, chairwoman of the Board of Leinovalu Oy,
were appointed as new members of the Board. The Board of Directors elected members of the committees from among its number. Ms Pirkko Juntti was re-elected to chair the Audit Committee and Mr Christer Granskog and Liisa Leino were elected as members. Mr Jukka Viinanen was re-elected to chair the Compensation Committee and Mr Reino Hanhinen and Mr Jukka Härmälä were elected as members.

Mr Turo Bergman and Mr Jouko Skinnari were reappointed as chairman and deputy chairman respectively of the Supervisory Board. Mr Heikki Allonen, Ms Inkeri Kerola, Ms Miapetra Kumpula-Natri, Mr Petri Neittaanmäki, Mr Markku Tynkkynen, Mr Tapani Tölli and Mr Lasse Virén were all reappointed as members of the Supervisory Board.

The Annual General Meeting reappointed public accountants Ernst & Young Oy, with Mr Pekka Luoma Authorised Public Accountant as the principal auditor.

Moreover, the Annual General Meeting passed a resolution to establish a Nomination Committee to prepare proposals for the following Annual General Meeting regarding members of the Board of Directors and directors' remuneration.

The Annual General Meeting authorised the Board of Directors to resolve to purchase a maximum of 12,000,000 of the company's shares (8.57 per cent of the total number of shares). The authorisation is valid for 18 months from the decision of the Annual General Meeting.

Additionally, the Annual General Meeting authorised the Board of Directors to resolve to dispose of a maximum of 13,785,381 treasury shares. The authorisation is valid until the close of the 2009 Annual General Meeting.

The Annual General Meeting approved the proposal by the Board of Directors to amend the Articles of Association. The article defining the company's business was expanded upon to better reflect the company's current activities. The provisions on the company's minimum and maximum share capital and the number of shares were removed. The division of the company's shares into Series K and Series A shares was discontinued and the company subsequently has only one series of share. The sections on the quorum of the Board of Directors and the Supervisory Board, the Boards' term of office and the procedure related to the minutes of their meetings were removed. The duties of the Board of Directors and of the President & CEO were specified in accordance with the provisions of the Companies Act regarding their general authority. The duties of the Supervisory Board were specified. Article 21 concerning the obligation to redeem shares was removed. Furthermore, the Articles of Association were amended due to the fact that certain provisions were also contained in the new Companies Act and to bring the wording into line with the terminology used in the new act. The new Articles of Association entered into force on 5 April 2007.

Dividend

The Annual General Meeting held on 20 March 2007 decided that a dividend of EUR 1.50 per share, and an additional dividend of EUR 0.50 per share on the capital gain arising from the sale of the shares in associated company Ovako, be paid for 2006. The dividend, to a total amount of EUR 276 million, was paid on 4 April 2007.

Shares and share capital

During the first three months of 2007, Rautaruukki Oyj shares were traded for a total of EUR 1,896 million (1,317) on the Helsinki Stock Exchange. The highest price quoted was EUR 38.10 in February and the lowest was EUR 27.38 in January. The volume weighted average share price was EUR 33.51 and the share closed at EUR 34.89 at the end of the period under review. At 31 March 2007, the company had a market capitalisation of EUR 4,887 million (4,233).

The company's registered share capital at 31 March 2007 was EUR 238.1 million distributed across 140,073,340 shares.

On 20 March 2007, under the authorisation of the Board of Directors, the company transferred 84,000 treasury shares to persons covered by the Group's share bonus scheme. Subsequent to this, the company has 1,701,381 treasury shares, which, at 31 March 2007, had a market value of EUR 59 million.

The Board of Directors has not exercised the authorisation to purchase the company's own shares during the first quarter of 2007.

Employee warrants based on the 2003 bond loan with warrants have been publicly traded on the Helsinki Stock Exchange since 24 May 2006. One warrant entitles the holder to subscribe one Rautaruukki share at a price of EUR 1.70. By 31 March 2007, warrants had been exercised to subscribe a total of 1,186,895 shares. The outstanding warrants entitle subscription to a total of 213,105 shares. The subscription period expires on 23 May 2009.

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

Environmental issues

The company's Raahe Works and the steam boilers at the Hämeenlinna Works in Finland fall within the scope of the EU's internal emissions trading scheme launched in 2005. The steel section mill in Mo i Rana, Norway, comes under a similar Norwegian emissions trading scheme. Verified carbon dioxide emissions in 2006 were 4.85 million tonnes.

In the initial allocation of emissions trading allowances, the company received a total of 18.6 million allowances for the first three-year trading period, 2005-2007. In conjunction with corporate divestments, 3.2 million allowances were transferred to Oy Ovako AB in 2005 and 0.2 million allowances to BT Norway AS in 2006 in connection with divestment of the Nordic reinforcing steel business. Verified carbon dioxide emissions, excluding Ovako, for 2005 were 4.83 million tonnes, of which the share of the operations transferred to BT Norway AS accounted for 0.05 million tonnes. Rautaruukki sold emissions allowances for EUR 3 million in 2006. The difference between actual emissions and emissions based on initial allocations will not be finally determined until the end of the three year trading period, 2005-2007. From the business aspect, the company is not expected to incur significant costs as a result of emissions trading during the current three year period.

Improvement in cost-effectiveness

Ruukki United, the company's programme to harmonise ways of working and improve efficiency, aims to achieve cost savings, compared to 2004 levels, of around EUR 150 million by year-end 2008. EUR 56 million of this target had been achieved by the end of the period under review.

The Ruukki United programme also seeks to permanently free up some EUR 150 million of capital by year-end 2008. EUR 69 million of this target had been achieved by the end of the period under review.

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

Events taking place after the period under review

The competition authorities gave the green light for the Scanbridge acquisition in March and the transaction was closed on 2 April 2007. The shares were acquired for a debt-free purchase price of around EUR 6 million.

In April 2007, Rautaruukki signed an agreement to acquire a majority holding in Hungarian company Aprítógépgyár Zrt. (AGJ). AGJ's core business is the manufacture of components, such as booms, for use in earthmoving machinery and material handling equipment. AGJ had net sales in 2006 of around EUR 43 million and employs some 740 persons. The transaction still requires the approval of the competition authorities. The transaction is expected to be closed during May.

Near-term outlook

The market in the Group's core market areas and in key customer industries is expected to continue to hold up well. Construction activity is expected to remain brisk across the entire market area. It is anticipated the construction market in Eastern Europe will grow at a faster rate than in other areas. Demand from engineering industry customers is likely to remain strong in the lifting, handling and transportation equipment industry, as well as in the energy, shipbuilding and offshore sectors. The market for steel products in the Group's core market areas is expected to remain firm. The most significant factors of uncertainty relate to overall development of the global economy.

Comparable net sales in 2007 are expected to develop in line with growth targets set. Operating profit for 2007 is anticipated to markedly exceed the comparative figure for last year.

This interim report is unaudited.

Helsinki, 25 April 2007

Rautaruukki Corporation

Board of Directors

DIVISIONS

Ruukki Construction

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

During the first quarter of 2007, Ruukki Construction had net sales of EUR 213 million (133), up by 60 per cent on the corresponding figure a year earlier. Operating profit rose to EUR 33 million (8). The division accounted for 22 per cent (16) of consolidated net sales. Higher net sales and operating profit were driven by strong construction activity in our core market, a healthy market fostered by a mild winter, greater delivery capability through acquisitions and investments made in 2006 and more effective business processes.

Construction activity remained brisk in all core markets. Demand for components, systems and total deliveries held up extremely well and deliveries rose in all market areas. Milder weather resulted in a less marked seasonal fluctuation than we are used to. To take a case in point, foundation construction in infrastructure construction was still progressing apace even in January. In Russia, growth in sales and total deliveries was also attributable to the geographical expansion of the sales network carried out in late 2006.

In Central Eastern Europe and Russia, total deliveries in particular remained on a strong growth track. Design and delivery capacity were strengthened in Central Eastern Europe in response to vigorous demand. In the Nordic countries and Baltics, there was a broad spectrum in the demand for total deliveries ranging from shopping and logistics centres to sports complexes and industrial buildings. The transport infrastructure market is also opening up to total deliveries.

February 2007 saw the announcement of the acquisition of the Norwegian company Scanbridge AS, the leading supplier of total deliveries of steel bridge structures in the Nordic countries. The transaction was closed in April 2007 and strengthens Rautaruukki's expertise and service capability in large bridge projects and its capability in bridge installation.

The division has responded to strong demand in building construction by expanding output of frame structures and profiled products in both Finland and Poland. The investments will add to the company's capabilities to serve customers and to deliver construction systems and metal products.

March 2007 saw the start of construction work on a plant in Romania, which will manufacture frames, wall elements and profiles. Production is expected to come on stream towards the end of the year. Work is also underway on a construction project in Ukraine. Once these investments are up and running, the company will be able to significantly increase its deliveries of components and integrated solutions for commercial and industrial construction to customers in Ukraine, Romania and Bulgaria.

The capacity of the Obninsk and Balabanovo plants will be stepped up to meet growing demand in Russia. Totalling around EUR 30 million, these machinery and equipment investments will enable the plants to increase deliveries of frame and façade structures and integrated systems. At the same time, the investments will boost the share of total deliveries also in Ukraine. The investments are expected to triple the plants' delivery capability by year-end 2009.

Ruukki Engineering

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

During the first quarter of 2007, Ruukki Engineering had net sales of EUR 167 million (132), up by 27 per cent on the corresponding figure a year earlier. Higher net sales were attributable to the continued good market. The division accounted for 18 per cent (15) of consolidated net sales. Operating profit rose to EUR 32 million (25).

Order books continued to show strength in all Ruukki Engineering customers' sectors. The order books of customers in the lifting, handling and transportation equipment industry have been positively reflected in Rautaruukki's deliveries. Rapid growth in the use of wind power in energy generation is also in evidence at Rautaruukki in the form of growing deliveries of welded components for wind farms. Demand in the paper and wood processing industry has remained strong. Likewise, order books in the shipbuilding and offshore sectors are extremely healthy.

Completed in January 2007, the acquisition of Omeo Mekaniska Verkstad AB of Sweden has strengthened the company's position as a systems supplier to customers in the lifting, handling and transportation equipment industry. Omeo supplies ready-to-install booms for material handling equipment. April 2007 saw Rautaruukki sign an agreement to acquire a majority holding in Aprítógépgyár Zrt. (AGJ) in Hungary. AGJ manufactures heavy machinery as well as components, including booms, for use in earthmoving machinery and materials handling equipment.

Omeo, together with AGJ, supports Rautaruukki's growth strategy in the lifting, handling and transportation equipment customer segment. These acquisitions add to our components and systems deliveries, especially in ready-to-install booms, and benefit us in the form of significant new customers in Central Europe.

In the wake of increased demand for cabins, cabin assembly began and a new paint shop came on stream at the Wroclaw unit in Poland.

Ruukki Metals

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

During the first quarter of 2007, Ruukki Metals had net sales of EUR 570 million (591), up by 10 per cent against the comparable figure of EUR 521 million a year earlier. The comparable figure excludes the Nordic Reinforcing units, which were part of the business until 31 July 2006. Operating profit was up 54 per cent to EUR 119 million (77). Comparable operating profit for the corresponding period a year earlier was EUR 71 million. Higher profitability is attributable to strengthening sales prices and a change in the sales structure. The division accounted for 60 per cent (69) of consolidated net sales.

Demand has remained firm in the division's core market areas and customer segments. Prices of steel products continued to firm up and demand was particularly good for hot-rolled, plate and colour-coated products. Strong demand means long delivery times for certain products.

In Central Europe, further progress was made with developing the sales structure and focusing on deliveries of special products.

A decision was taken in February 2007 to relocate the service centre in Zyrardów in Poland to the panel and steel structure plant in Oborniki. This will strengthen the company's ability to serve customers and to deliver construction systems and metal products. In the same context, the service centre will expand and diversify its prefabrication capacity to support the company's delivery capability in special products. The Gliwice distribution centre in Poland was also brought into full use.

Ruukki Production

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

Production ran normally at all works. Steel output during the first quarter of 2007 was 703,000 tonnes. The comparable figure for 2006, excluding the Mo i Rana reinforcing steel production divested, was 709,000 tonnes.

Prices of raw materials during the first three months of 2007 were similar to those a year earlier, but are expected to rise somewhat from the end of the second quarter onwards. Hedging agreements ensure a more modest rise in zinc and electricity prices than the rise on the world market. Long-term delivery contracts ensure the availability of raw materials.

January 2007 saw Rautaruukki and LKAB of Sweden sign a long-term contract for the supply of iron ore pellets used as a raw material in iron production at the Raahe Works. This long-term contract will ensure the availability of high-quality iron ore at the Raahe Works.

Investments currently underway to strengthen delivery capability of high-strength steels progressed as planned. A decision was made in February 2007 to invest in the plate mill in Raahe to increase delivery capability of high-strength and wear-resistant steels. These investments particularly support Ruukki Engineering’s business in the growing lifting, handling and transportation equipment industry and also enable Ruukki Metals to increase the share of sales of high-strength steels.

After modernisation, the coating line in Kankaanpää in Finland came on stream in February 2007. The product range of the coating line in Antratsyt in Ukraine was expanded in response to market needs. The coating lines in both Kankaanpää and Antratsyt especially serve construction customers.

TABLES

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

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

SUMMARY CONSOLIDATED INCOME STATEMENT			
EUR million	**Q1/07**	**Q1/06**	**2006**
Net sales	950	856	3 682
Other operating income	4	5	32
Operating expenses	-739	-729	-3 037
Depreciation, amortisation and impairment losses	-38	-37	-148
Operating profit	178	95	529
Financial income and expense	-2	-6	-22
Share of results of associated companies	1	13	129
Profit before taxes	177	101	635
Taxes	-45	-24	-134
Profit for the period	131	77	501
Attributable to:			
Equity shareholders of the parent	131	77	501
Diluted earnings per share, EUR	0,95	0,56	3,65
Basic earnings per share, EUR	0,95	0,57	3,66
Operating profit as % of net sales	18,7	11,1	14,4

SUMMARY CONSOLIDATED BALANCE SHEET	31 Mar	31 Mar	31 Dec
EUR million	**2007**	**2006**	**2006**
ASSETS			
Non-current assets	1 449	1 439	1 454
Current assets			
Inventories	644	473	586
Trade and other receivables	622	559	624
Cash and cash equivalents	399	179	361
Non-current assets available for sale*	0	174	0
	3 114	2 825	3 026
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent	1 663	1 408	1 832
Minority interests	1	1	1
Non-current liabilities			
Interest-bearing	212	360	218
Other	209	221	226
Current liabilities			
Interest-bearing	163	108	164
Trade payables and other liabilities	865	672	584
Liabilities related to non-current assets available for sale*	0	56	0
	3 114	2 825	3 026

* In the comparable information, the Group has classified the Nordic reinforcing steel business as non-current assets available for sale. In April 2006, Rautaruukki signed an agreement to sell this business.

SUMMARY CASH FLOW STATEMENT			
EUR million	**Q1/07**	**Q1/06**	**2006**
Profit for the period	131	77	501
Adjustments	84	54	168
Cash flow before change in working capital	215	131	669
Change in working capital	-100	6	-76
Financing items and taxes	-47	-36	-197
Cash flow from operating activities	68	101	396
Cash flow from investing activities	-23	-17	140
Cash flow before financing activities	45	84	536
Dividends paid	0	0	-191
Other net cash flow from financing activities	-7	-51	-147
Change in cash and cash equivalents	38	33	198

KEY FIGURES	Q1/07	Q1/06	2006
Net sales, EUR m	950	856	3 682
Operating profit, EUR m	178	95	529
as % of net sales	18.7	11.1	14.4
Profit before taxes, EUR m	177	101	635
as % of net sales	18.6	11.8	17.3
Profit for the period, EUR m	131	77	501
as % of net sales	13.8	9.0	13.6
Return on capital employed*, %	37.8	29.5	31.5
Return on equity*, %	36.2	30.0	30.1
Equity ratio, %	54.5	50.2	61.6
Gearing ratio, %	-1.4	19.6	1.2
Net interest-bearing liabilities, EUR m	-23	276	22
Equity per share, EUR	12.00	10.31	13.26

Personnel on average	13 258	11 903	13 121
Number of shares	140 073 340	138 886 445	139 957 418
- excluding treasury shares	138 371 959	136 584 748	138 172 037
- diluted, average	138 426 183	137 719 905	137 144 515
* Based on previous 12 months			

CHANGES IN EQUITY Q1/2007
EUR million

	Attributable to equity shareholders of the parent						
	Share capital	Share prem. act.	Fair value and other reserves	Translation diff.	Retained earnings	Total	Minority int.
EQUITY AT 1 JAN	238	220	44	-3	1 333	1 832	1
Cash flow hedging							
Transferred to equity			-29			-29	
Deferred taxes			8			8	
Change in translation difference				-4		-4	
Cost of share-based payments							
Disposal of treasury shares			-2		2		
Dividend distribution					-276	-276	
Profit for the period					131	131	
EQUITY AT 31 MAR	238	220	21	-7	1 191	1 663	1

CHANGE IN EQUITY Q1/2006
EUR million

	Attributable to equity shareholders of the parent						
	Share capital	Share prem.act.	Fair value and other reserves	Translation diff.	Retained earnings	Total	Minority int.
EQUITY AT 1 JAN	236	220	31	-5	1 016	1 497	1
Cash flow hedging							
Transferred to equity			32			32	
Deferred taxes			-8			-8	
Cost of share-based payments			1			1	
Disposal of treasury shares			-3		2	0	
Change in translation difference				0		0	
Dividend distribution					-191	-191	
Profit for the period					77	77	
EQUITY AT 31 MAR	236	220	54	-5	904	1 408	1

NET SALES BY DIVISION			
EUR million	**Q1/07**	**Q1/06**	**2006**
Ruukki Construction	213	133	829
Ruukki Engineering	167	132	557
Ruukki Metals	570	591	2 291
Group management and other units	0	0	4
Consolidated net sales	950	856	3 682

OPERATING PROFIT BY DIVISION			
EUR million	**Q1/07**	**Q1/06**	**2006**
Ruukki Construction	33	8	101
Ruukki Engineering	32	25	106
Ruukki Metals	119	77	364
Group management and other units	-6	-15	-42
Consolidated operating profit	178	95	529

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

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

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

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

NET SALES BY REGION			
as % of net sales	**Q1/07**	**Q1/06**	**2006**
Finland	31	32	31
Other Nordic countries	34	35	31
Central Eastern Europe, Russia and Ukraine	18	11	17
Rest of Europe	16	20	19
Other countries	2	2	2

CONTINGENT LIABILITIES			
EUR million	**Mar 07**	**Mar 06**	**Dec 06**
Mortgaged real estates	26	29	26
Pledges given	3	18	5
Collateral			
Given on behalf of associates	0	0	0
Given on behalf of others	5	3	5
Leasing and rental responsibilities	107	131	100
Other financial liabilities	7	4	11

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

VALUES OF DERIVATIVE CONTRACTS AT 31 MARCH 2007, EUR million		
CASH FLOW HEDGES INCLUDED IN HEDGE ACCOUNTING		
	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	25	0.1
Zinc derivatives		
Forward contracts *	39 000	24.0
Electricity derivatives		
Forward contracts **	1 487	2.0
* tonnes		
** GWh		

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

DERIVATIVES NOT INCLUDED IN HEDGE ACCOUNTING		
	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	75	0.5
Foreign currency derivatives		
Forward contracts	987	-0.8
Options		
Bought	85	-0.9
Sold	85	0.2
	170	-0.7

CHANGES IN PLANT, PROPERTY AND EQUIPMENT			
EUR million	Q1/07	Q1/06	2006
Carrying value at start of period	1 043	1 033	1 033
Increase	23	18	130
Increase through acquisitions	1	11	71
Decrease	-1	0	-19
Decrease through divestments	0	0	-42
Depreciation and value adjustments	-30	-34	-130

Exchange rate differences	-1	1	-1
Carrying value at end of period	1 035	1 029	1 043

TRANSACTIONS WITH RELATED PARTIES (ASSOCIATED COMPANIES)			
EUR million	**Q1/07**	**Q1/06**	**2006**
Sales to associated companies	6	8	29
Purchases from associated companies	2	5	27
Non-current receivables at 31 March	0	38	0
Trade and other receivables at 31 March	9	10	10
Trade and other creditors at 31 March	1	8	2

INVESTMENT COMMITMENTS*	
Me	**after 31 March 2007**
Maintenance investments	40
Development investments and investments in special products	160
Total	200
*Investment commitments include the estimated costs of projects that have received permission to go ahead.	

INFORMATION ABOUT ACQUISITIONS		
EUR million	Fair value	Acquired company's carrying amount
Acquisition cost	4	
- including conditional purchase price		
Assets and liabilities of acquired companies (carrying value)		
Non-current assets	1	1
Current assets		
Inventories	2	2
Trade and other receivables	4	4
Cash and cash equivalents	1	1
Total assets	9	9
Non-current liabilities		
Interest-bearing	0	0
Other	1	1
Current liabilities		
Interest-bearing	0	0
Other	5	5
Total liabilities	6	6
Net assets	2	2
Acquisition cost	4	
Goodwill	1	
Acquisition cost paid in cash	4	
Cash and cash equivalents of the acquired subsidiary	1	
Impact on cash flow	2	
Includes information about the acquisition of AB Omeo Mekaniska Verkstad. The acquisition has been recognised on a preliminary basis in the manner permitted by IFRS 3. Determination of the fair value of the company's assets and liabilities was still incomplete at the time the interim report was published.		

FURTHER INFORMATION IS AVAILABLE FROM

Sakari Tamminen, President & CEO, tel. +358 20 592 9075
Mikko Hietanen, CFO, tel. +358 20 592 9030

Rautaruukki Corporation

Taina Kyllönen
VP, Corporate Communications

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and mechanical engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 23 countries and employs 13,000 people. Net sales in 2006 totalled EUR 3.7 billion. The company's share is quoted on the Helsinki Exchanges (Rautaruukki Oyj: RTRKS). The Corporation has used the marketing name Ruukki since 2004.

www.ruukki.com

DISTRIBUTION
Helsinki Exchanges
Main media
www.ruukki.com