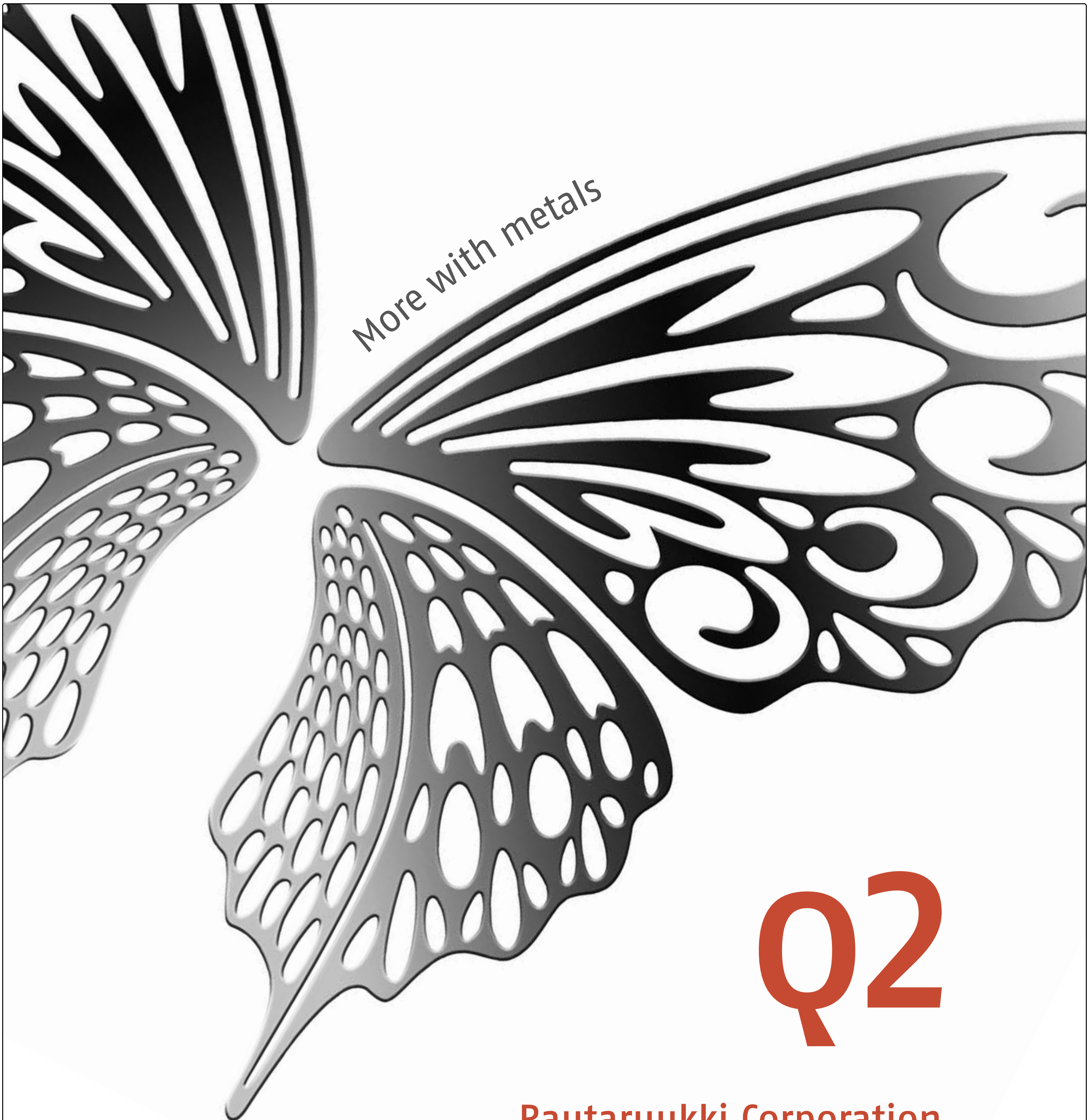

Q2

Rautaruukki Corporation

Interim Report
1 January–30 June 2009
RTRKS

17 July 2009

ruukki

Rautaruukki Corporation's Interim Report for January-June 2009: Clearly negative result in exceptionally poor market conditions, positive cash flow from operating activities

Summary of first-half results for 2009 (reference period January-June 2008)

- Consolidated net sales decreased to EUR 944 million (2,008)
- Consolidated reported negative operating profit was -EUR 230 million and operating profit excluding non-recurring items was -EUR 225 million (309 reported and 314 comparable)
- Result before taxes -EUR 249 million (308)
- Gearing ratio was 22.9 per cent (5.8)
- Cash flow from operating activities was EUR 82 million (289)
- Return on capital employed (rolling 12 months) was 1.9 per cent (28.6)
- Earnings per share were -EUR 1.33 (1.65)
- Based on efficiency improvement actions and adjustment measures under way, lower costs of raw materials used in steel production and improved cost efficiency in steel production, the company estimates there will be a marked improvement in the result before taxes for the second half of the year compared to the first half, but might remain slightly negative.

KEY FIGURES

	Q1-Q2/09	Q1-Q2/08	Q2/09	Q2/08	2008
Net sales, EUR m	944	2 008	438	1 069	3 851
Operating profit, EUR m	-230	309	-117	166	568
Operating profit, excluding non-recurring items, EUR m	-225		-112		584
Operating profit as % of net sales	-24.3	15.4	-26.7	15.5	14.7
Operating profit as % of net sales, excluding non-recurring items	-23.8		-25.6		15.3
Result before taxes, EUR m	-249	308	-127	167	548
Earnings per share, EUR	-1.33	1.65	-0.68	0.89	2.93
Return on capital employed (rolling 12 mths), %	1.9	28.6			25.6
Gearing ratio, %	22.9	5.8			7.9
Personnel, average	13 165	14 986	12 870	15 327	14 953

First half of 2009 in brief:

- Caution in investment decisions and poor functioning of the financial markets continued to be reflected in sales of construction products and solutions in particular.
- In the engineering business, delivery volumes to equipment manufacturers in the energy industry remained at a good level. However, high stock levels throughout the supply chain weakened demand especially from equipment manufacturers in the lifting, handling and transportation industry.
- Poor demand for steel products continued and prices of steel products were low. The fall in prices started to level off towards the end of the report period. The operation of steel production at a low capacity utilisation rate weakened financial performance considerably.
- The weakening of a number of sales currencies against the euro decreased consolidated net sales.
- Cash flow from operating activities was positive and the company's financial position remained strong.
- Cost savings through operational efficiency improvement actions and adjustment measures are expected to impact in full during the second half of the year.

President & CEO Sakari Tamminen:
"Exceptionally weak market conditions in countries where Ruukki operates continued into the second quarter and it is still difficult to predict market development. In many of our customer industries, de-stocking has taken longer than expected. This in turn has led to lower delivery volumes than we expected for the second quarter. Within construction, demand was especially slow in commercial and industrial construction.

Weak earnings performance was mainly attributable to lower sales volumes and the low steel production capacity utilisation rate. The low capacity utilisation rate in steel production had a negative cost impact of around EUR 160 million. Profitability was additionally burdened by lower selling prices. We started up the idle blast furnace at the Raahe Works in May, but this still did not yet significantly reduce the cost per unit of steel produced during the second quarter.

We have adjusted our operations corporate-wide because of weak market conditions. In addition, we continued with our operational excellence programme Boost, which we initiated last year to further improve operational efficiency. Cost savings from the Boost programme and adjustment measures are expected to be in the region of EUR 80 million for the current year. The impact on costs will be seen in full during the second half of the year.

Within our operations the engineering business succeeded best in adjusting to rapidly weakened market conditions. Whereas, it has proved to be very difficult to adjust our steel business to such a sharp decline.

The cost-efficient manufacturing network of our engineering business, together with our presence in Poland, Hungary and China, provides us with promising potential to deliver competitive products and services to our customers. In construction, we still see good potential within infrastructure construction. However, for commercial and industrial construction to pick up, customers' willingness to invest needs to be restored. A strong need still exists for new and renovation construction in all countries in Eastern Europe.

There are signs that the market will pick up towards the end of the year in some of our customer segments as a result of falling stock levels. Based on efficiency improvement actions and adjustment measures under way, lower costs of raw materials used in steel production and improved cost efficiency in steel production, the company estimates there will be a marked improvement in the result before taxes for the second half of the year compared to the first half, but might remain slightly negative."

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Press conference
A press conference, in Finnish, for analysts and the media will be held on Friday 17 July at 10.30am at Ruukki, Suolakivenkatu 1, 00810 Helsinki.

The English webcast and conference call for investors and analysts will begin at 2pm Finnish time and can be viewed live on the company's website at www.ruukki.com/investors. A replay of the webcast can be viewed on the same site from about 6pm Finnish time.

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

A recording of the conference call can be heard until 22 July 2009 at the following number:
+44 (0)20 7031 4064, access code: 839386

Rautaruukki Corporation
Anne Pirilä
SVP, Corporate Communications and Investor Relations

Rautaruukki supplies metal-based components, systems and integrated systems to the construction and engineering industries. The company has a wide selection of metal products and services. Rautaruukki has operations in 26 countries and employs 13,000 people. Net sales in 2008 totalled EUR 3.9 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). The Corporation uses the marketing name Ruukki.

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

RAUTARUUKKI CORPORATION'S INTERIM REPORT FOR JANUARY-JUNE 2009

Business environment

Exceptionally weak global economic development continued during the second quarter and there was a marked fall in gross domestic product in a number of countries in which Ruukki has operations. Likewise, there was a sharp decline in world trade and industrial production during the report period. However, the first signs of economic development levelling off were seen towards the end of the report period.

Growing market uncertainty and caution in investment and financing decisions still continued during the second quarter. On the one hand, an appreciable weakening against the euro of many currencies in Eastern Europe and the Nordic countries has eroded competitiveness in the eurozone but, on the other hand, has increased the interest of actors in the eurozone in local production in Central Eastern Europe and Russia.

Seasonal growth in demand within construction during the second quarter was below that of previous years. Seasonal demand for residential roofing products grew more than that for commercial and industrial construction products. Tight financial markets and caution in customer decision-making impacted on the demand for commercial and industrial construction solutions and products in particular.

In the engineering industry, deliveries to equipment manufacturers in the energy industry during the first half of the year continued at the good level experienced during the previous year. However, high stock levels throughout the supply chain weakened demand especially in the lifting, handling and transportation equipment industry.

Delivery volumes from steel companies remained much lower than end-customer demand also during the second quarter. In the steel industry, de-stocking has taken longer than expected and this in turn has had a marked impact on delivery volumes. The global capacity utilisation rate in the steel industry remained unprecedentedly low throughout the report period.

Prices of steel products fell sharply during the first half of the year. The first international agreements on the prices of the main raw materials - coal and iron ore - used in steel production were signed during the spring and early summer. These agreements to some extent levelled off the falling prices of steel products as uncertainty about raw material costs gradually faded. Lower stock levels also partly supported price development.

Net sales for January-June

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

Consolidated net sales for January-June 2009 were EUR 944 million (EUR 2,008 million reported and EUR 1,985 million comparable).

The solutions businesses - Ruukki Construction and Ruukki Engineering - accounted for 51 per cent (45) of consolidated net sales during the report period. Finland accounted for 32 per cent (32) of consolidated net sales, the other Nordic countries for 33 per cent (33) and Central Eastern Europe, Russia and Ukraine for 17 per cent (18). The rest of Europe accounted for 14 per cent (14) and other countries for 4 per cent (3) of net sales.

Ruukki Construction's net sales for the first half year were EUR 278 million (509) and Ruukki Engineering's net sales were EUR 200 million (394). Ruukki Metals' net sales were EUR 467 million (EUR 1,105 million reported and EUR 1,082 million comparable).

Ruukki Construction's net sales were particularly affected by continued weak demand in commercial and industrial construction. Customers' difficulties in arranging funding and increasing caution in decision-making delayed the start of many construction projects and, in some countries in Central Eastern Europe, Russia and Ukraine, projects were even discontinued. Net sales were down compared to the previous year also because of the weakening of a number of sales currencies against the euro. Infrastructure construction net sales declined less than those of commercial and industrial construction.

Ruukki Engineering's deliveries to equipment manufacturers in the energy industry, both in wind and diesel power plants, continued at a good level. Customers' weak order books, especially in equipment manufacture in the lifting, handling and transportation industry, reduced order intake. Lower delivery volumes decreased Ruukki Engineering's net sales. There were also few deliveries to shipbuilding and offshore customers.

Ruukki Metals continued to experience weak demand for steel products almost throughout the first half of the year. De-stocking was still ongoing in the market during the second quarter, which partly affected the number of deliveries. A low level of activity in the lifting, handling and transportation equipment industry decreased sales of special steel products in particular. Special steel products accounted for 19 per cent (27) of Ruukki Metals' net sales during the report period. Likewise, sales of stainless steel and aluminium, sold as trading products, were down year on year.

Second quarter net sales

Consolidated net sales for the second quarter were EUR 438 million (EUR 1,069 million reported and EUR 1,060 million comparable).

Ruukki Construction's second quarter net sales were EUR 145 million (285). Consistent with normal seasonal fluctuation, sales of residential roofing products were brisker during the second quarter of the year than during the first. There was a continued low level of activity in commercial and industrial construction.

Ruukki Engineering's second quarter net sales were EUR 75 million (205). The division's net sales were affected by de-stocking throughout the supply chain. This resulted in a continued decrease in demand during April-June.

Ruukki Metals' second quarter net sales were EUR 218 million (EUR 580 million reported and EUR 571 million comparable). Weak demand continued during April-June, but picked up somewhat towards the end of the quarter. Prices of steel products continued to fall during the second quarter, but levelled off towards the end of the report period.

Operating profit for January-June

Consolidated reported negative operating profit for January-June was -EUR 230 million and operating profit excluding non-recurring items was -EUR 225 million (EUR 309 million reported and EUR 314 million comparable). Both reported operating profit and operating profit excluding non-recurring items equated to -24 per cent (15 per cent reported and 16 per cent comparable) of net sales.

Ruukki Construction posted a negative operating profit of -EUR 22 million (59). Ruukki Engineering's reported negative operating profit was -EUR 2 million (66) and operating profit excluding non-recurring items was EUR 3 million. Ruukki Metals' negative operating profit was -EUR 199 million (EUR 197 million reported and EUR 202 million comparable).

Ruukki Construction's operating profit fell particularly as a result of lower sales volumes coupled with lower selling prices. Selling prices of construction products fell during the first half of the year, especially in Central Eastern Europe. However, the fall in prices levelled off towards the end of the second quarter. Also, high costs, which were still unable to be fully aligned to lower sales, weakened profitability. In addition, the use of own steel produced at high raw material prices and the use of high-cost external material in stock continued to affect profitability also during the second quarter.

Ruukki Engineering's operating profit was weakened by lower sales volumes, lower selling prices - especially for plate products and parts - as well as by the use in these products of steel produced at high raw material prices. The division took a non-recurring charge of EUR 5 million on the planned closure of the units in Hässleholm and Oskarström in Sweden. This charge was booked in the second quarter.

Ruukki Metals' negative operating profit was mainly due to the continued sluggish demand for steel products. In addition, poor price development and the unwinding of stocks produced at high raw material prices weakened profitability.

The low steel production capacity utilisation rate considerably increased the fixed costs per unit of steel produced and had a negative impact of around EUR 160 million on costs for January-June. Restarting the idle blast furnace at the Raahe Works gradually increased steel production capacity utilisation rates since early May, although still did not yet significantly reduce the cost per unit of steel produced.

Actions to improve operating efficiency and adjust operations have only partly impacted on profitability during the first half of the year. Cost savings are expected to impact in full during the second half of the year.

Second quarter operating profit

Consolidated reported negative operating profit for April-June was -EUR 117 million and operating profit excluding non-recurring items was -EUR 112 million (EUR 166 million reported and EUR 172 million comparable). Reported operating profit equated to -27 per cent and operating profit excluding non-recurring items equated to -26 per cent (16 per cent reported and 16 per cent comparable) of net sales.

Ruukki Construction's negative operating profit for April-June was -EUR 9 million (38). Ruukki Engineering's reported negative operating profit was -EUR 7 million (35) and operating profit excluding non-recurring items -EUR 2 million.

Ruukki Metals' negative operating profit was -EUR 97 million (EUR 100 million reported and EUR 106 million comparable). During the second quarter, low steel production capacity utilisation rate had a cost impact of around -EUR

70 million (Q1/2009: -EUR 90 million). The cost of a strike and writedowns on stocks weakened second quarter earnings by around EUR 11 million.

Financial items and earnings for January-June

Net finance expense and exchange rate differences relating to finance totalled EUR 19 million (3), including the arrangement fee of around EUR 5 million for a new revolving credit facility. Net interest costs rose by around EUR 8 million and totalled around EUR 13 million (5).

Group taxes were -EUR 65 million (78), which includes a decrease of EUR 61 million (8) in deferred tax.

Earnings for the period were -EUR 184 million (229).

Earnings per share were -EUR 1.33 (1.65).

Balance sheet, cash flow and financing

The consolidated balance sheet total at 30 June 2009 was EUR 2,488 (2,903), EUR 415 million lower than at 30 June 2008 and EUR 495 million lower compared to the closing balance sheet for 2008. Equity at 30 June 2009 was EUR 1,587 million (1,874) equating to EUR 11.43 per share (13.51). The decrease in equity since year-end 2008 was mainly attributable to the loss posted for the first half of 2009 and dividends paid out during the report period. The equity ratio at the end of the report period was 64.3 per cent (66.1).

Return on equity during the past 12 months was -0.5 per cent (23.3) and return on capital employed was 1.9 per cent (28.6).

During January-June, acquisitions resulted in an increase of EUR 8 million in property, plant and equipment and an increase of EUR 3 million in goodwill to EUR 103 million.

Cash flow from operating activities was EUR 82 million (289) and cash flow before financing activities was -EUR 6 million (192). EUR 215 million was released from net working capital during the report period.

Net interest-bearing financial liabilities at 30 June 2009 were EUR 364 million (109) and the gearing ratio was 22.9 per cent (5.8).

In June, the company signed a revolving credit facility of EUR 350 million. The loan replaced a credit facility of EUR 300 million signed in April 2005. The new facility has a maturity of three years and can be used flexibly for general corporate purposes.

At the end of June 2009, the Group had liquid assets of EUR 102 million and undrawn revolving credit facilities of EUR 350 million.

Actions to improve operational efficiency and adjust operations

In October 2008, Ruukki initiated its corporate-wide Boost programme, which aims at further operational efficiency and at permanently improving the company’s competitive edge and profitability.

The company continued work on actions implemented under the Boost programme during the report period and cost savings achieved during January-June totalled around EUR 22 million.

In the context of the programme, Ruukki Construction implemented a number of production arrangements between sites during the first half of the year. Efficiency has been improved by centralising production, which has resulted in the closure of production sites in the Baltics (Latvia and Lithuania) and Central Eastern Europe (Czech Republic). A number of actions to improve efficiency are still under way at other sites, including Oborniki in Poland and Obninsk in Russia. These projects are progressing to plan.

In March, the company decided to integrate production at its plants in Kalajoki, Finland, where it has plants serving construction and the engineering industry. In future, both plants will manufacture components for the engineering industry.

During the first quarter, Ruukki Engineering improved operational efficiency by transferring production lines and by adjusting production. In May, the division announced plans to discontinue the manufacture of welded components at the Hässleholm and Oskarström units in Sweden. By implementing these actions, the company aims at consolidating operations and strengthening its engineering competences in future growth areas, particularly in Central Eastern Europe and China. The plan is to close the above units in Sweden by the end of this year.

In January, a decision was taken to centralise parts processing in Ruukki Metals on the steel service centres in Raahe and Seinäjoki, Finland. In this context, the closure of Ruukki Metals’ steel service centre in Tampere, Finland was completed during the second quarter.

Adjustment measures are also under way across the company as a result of difficult market conditions. By the end of June, employer-employee negotiations relating to actions to improve operational efficiency and adjust operations had resulted in a workforce reduction of around 1,800 employees corporate-wide. Around 500 of these employees are in Finland. Almost 300 of the people affected by workforce reductions in Finland are covered by pension arrangements. At the end of June, a total of some 4,800 employees, of which around 4,400 in Finland, are subject to temporary lay-off measures. The duration and time of lay-offs varies according to site. In addition, around 800 people in various countries in Central Eastern Europe have gone over to working a four-day week until further notice.

It is estimated that cost savings delivered by the Boost programme and other adjustment measures under way will be around EUR 80 million during 2009.

Personnel

The Group employed an average of 13,165 (14,986) persons during January-June. At the end of June, the headcount was 12,855 (15,655), which was allotted as follows: 6,699 in Finland, 1,152 in the other Nordic countries, 2,427 in Central Eastern Europe, 2,223 in Russia and other CIS countries, 81 in Western Europe and 273 in China.

Capital expenditure

Net cash flow from investing activities during January-June was -EUR 89 million (-97).

Capital expenditure on tangible and intangible assets totalled EUR 88 million (103), of which maintenance investments were EUR 35 million (25). A total of EUR 7 million (6) was spent on acquisitions. Other shares increased by EUR 2 million (0).

Cash inflows of EUR 9 million (11) from investing activities during the report period were mostly generated by divestments of property, plant and equipment.

A decision was made in April to modernise the two blast furnaces at the Raahe Works during 2010 and 2011. It is planned to bring modernisation of blast furnace 1 forward by three months so that work begins in April 2010. The company plans to modernise blast furnace 2 during 2011. Blast furnace modernisations are essential maintenance investments. Both blast furnaces will be shut down in turn for around two months during the modernisation project. Start-up of the blast furnaces after modernisation is expected to last between four and six weeks.

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

The investments in modernising the blast furnaces and changing the feedstock base total around EUR 220 million, in addition to which environmental investments of some EUR 60 million will be made.

Capital expenditure on tangible and intangible assets for 2009 is estimated to remain below EUR 170 million.

Shares and share capital

During the first half of 2009, Rautaruukki Oyj shares (RTRKS) were traded for a total of EUR 1,612 million (3,382) on NASDAQ OMX Helsinki. The highest price quoted was EUR 17.45 in May and the lowest was EUR 11.06 in January. The volume weighted average price was EUR 14.10. The share closed at EUR 14.25 and the company had a market capitalisation of EUR 1,999 million (4,075) at the end of the report period on 30 June 2009.

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

A total of 20,480 Rautaruukki Oyj shares were subscribed through warrants exercised between 15 April and 23 May 2009 under the personnel 2003 bond with warrants. The share capital was increased by EUR 34,816 accordingly. The increase in share capital was entered in the Trade Register on 18 June 2009. The subscription period through warrants under the 2003 bond with warrants expired on 23 May 2009 and the increase in share capital entered in the Trade Register in June was the last under this bond. Warrants were exercised to subscribe a total of 1,398,980 shares (99.9 per cent).

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

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

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

At 30 June 2009, the company held 1,420,608 treasury shares, which had a market value of EUR 20.2 million and an accountable par value of EUR 6.1 million. Treasury shares account for a relative percentage of 1.01 per cent of the total number of shares and votes.

Energy and the environment

In April, the company invested EUR 10 million in GreenStream Network Plc's Climate Opportunity Fund, a vehicle purchasing carbon emissions reductions. The emissions reductions generated can be used in emissions trading in 2013-2020.

In April, Ruukki made a decision to modernise its two blast furnaces at the Raahe Works during 2010 and 2011. In the same context, the company will also make environmental investments of around EUR 60 million. Closure of the sinter plant and the environmental investments to be actioned will significantly reduce dust, sulphur dioxide and carbon dioxide emissions, and reduce energy consumption at the works.

In June, the company published the environmental reviews for 2008 for the Raahe and Hämeenlinna works. Published electronically, the reviews supplement the printed environmental reports for 2007 and can be viewed on the company's website.

Events taking place after 30 June 2009

Owing to weak demand in the shipbuilding industry, the company announced in July that it was to reorganise operations at the Mo i Rana plant in Norway. Adjustment to production will result in the reduction of 137 jobs at the plant during autumn this year. In future, the Mo i Rana plant will focus on the production of flange profiles for windmill towers. Reorganisation of operations is expected to result in non-recurring costs of around EUR 1.2 million, which will be booked in the third quarter of 2009.

Risks and risk management

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

Business environment development

Of the countries where Ruukki has construction operations, it is anticipated that the national economies of Poland and Russia will recover faster than those, for example, of the Baltic states, Hungary or Ukraine when the global economy returns to the growth track. However, there is still a strong need for new and renovation construction in all Eastern European countries. Other construction needs created by major infrastructure projects partly support demand for commercial and industrial construction in these countries.

Due to difficult market conditions, many engineering companies in different customer industries are reviewing their manufacturing strategies. Consequently, some companies will increase insourcing, whereas others will increase outsourcing. This trend is expected to increase demand for local assembly and manufacturing in the company's units in Poland and Hungary and, in future, possibly also in Russia. A weakening of the currencies of countries in these regions is partly contributing to this change. On the other hand, however, this trend poses challenges for the near-term growth of Ruukki's engineering business, especially in Finland and the other Nordic countries.

The first international price agreements for 2009 on coal and iron ore, the main raw materials used in steel production, were signed during the spring and early summer. However, selling prices of steel products fell sharply already during the first part of the year partly in anticipation of a fall in the prices of raw materials. These raw material price agreements are expected to support the price development of steel products during the second half of the year as the uncertainty concerning raw material costs fades. Lower stock levels are also expected to contribute to price development.

Near-term outlook

There were no significant changes in the company's near-term outlook during the second quarter. It still remains difficult to predict market development and business visibility is noticeably shorter than usual.

Even though construction activity is typically briskest during the third quarter, lower than normal growth in seasonal demand is expected for the current year. There are signs that residential construction will pick up in Finland and the other Nordic countries towards the end of the year. However, no growth in the level of activity in commercial and industrial construction is anticipated during the current year. Demand is not expected to recover until the situation in the financial markets improves and customer confidence, as well as a willingness and ability to invest, is restored. Infrastructure construction is expected to pick up somewhat and it is anticipated that public sector stimulus packages will foster demand in the Nordic countries starting from towards the end of 2009.

There are some signs of a decline in stock levels in the supply chain within the engineering industry. This is expected to support demand within the company's engineering business towards the end of the year. However, no real improvement is expected over the next few months in the poor level in demand witnessed during the second quarter in the manufacture of equipment in the lifting, handling and transportation industry. Good demand from equipment manufacturers in the energy industry is expected to continue even though uncertainty in the financial markets might also affect new wind farm projects. Market conditions in plate products and components in the shipbuilding industry are weak and there are few new orders.

Demand for steel products varies according to customer. Even though there are signs that de-stocking has ended in some customer segments, no marked improvement in the overall picture of demand is expected during the summer. Once de-stocking is completed, direct ex-works deliveries of steel products are expected to increase to correspond to the level of end-customer demand. The fall in the prices of raw materials used in steel production will be reflected in full in the company's cost structure during the second half of the year.

Restarting the idle blast furnace at the Raahe Works will increase the steel production capacity utilisation rate and clearly improve cost efficiency. This will be evidenced in the company's cost structure during the second half of the current year.

The company expects cost savings through operational efficiency improvement actions and adjustment measures to impact in full during the second half of the year. Cost savings from the Boost programme and other adjustment measures already under way are expected to be in the region of EUR 80 million for the whole year. Operational efficiency improvement actions and adjustment measures will continue corporate-wide. The company's financial position is expected to remain strong.

Based on efficiency improvement actions and adjustment measures under way, lower costs of raw materials used in steel production and improved cost efficiency in steel production, the company estimates there will be a marked improvement in the result before taxes for the second half of the year compared to the first half, but might remain slightly negative.

This report is unaudited.

Helsinki, 17 July 2009

Rautaruukki Corporation

Board of Directors

DIVISIONS

Ruukki Construction

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

* Excluding non-recurring items.

Net sales

Ruukki Construction’s net sales for the first half of the year were EUR 278 million (509), down by 45 per cent year on year. The division accounted for 29 per cent (25) of consolidated net sales. Second quarter net sales were down year on year at EUR 145 million (285).

Net sales development was affected by continued weak demand throughout the report period, with a particularly low level of activity witnessed in commercial and industrial construction. Customers’ difficulties in arranging funding and increasing caution in decision-making delayed the start of many construction projects in a number of market areas and, in some countries in Central Eastern Europe, Russia and Ukraine, projects were even discontinued. Publicly funded projects, such as the construction of sports centres and agricultural buildings, in Russia, and partly also in other market areas, accounted for a much greater share of the division’s net sales. Construction in the energy industry, too, remained brisker than in other industrial sectors. Compared to the first half of 2008, net sales also decreased due to the weakening of a number of sales currencies against the euro.

Infrastructure construction net sales for the first half of 2009 fell less than net sales of commercial and industrial construction. Low demand for piles used in building foundation construction particularly contributed to weaker net sales performance. Infrastructure construction accounted for 15 per cent (12) of the division’s net sales during the first half of the year.

Consistent with normal seasonal fluctuation, sales of residential roofing products were brisker during the second quarter of the year than during the first. Nevertheless, considerably weaker market conditions than in earlier years meant that sales volumes of roofing products during the first half of 2009 were down year on year. Residential construction accounted for 15 per cent (11) of the division’s net sales during the first half of the year.

Operating profit

Ruukki Construction’s negative operating profit was -EUR 22 million (59) for the first half of the year and -EUR 9 million (38) for the second quarter. Operating profit decreased especially as a result of lower sales volumes and selling prices. Selling prices of construction products fell during the first half of the year, especially in Central Eastern Europe. However, the fall in prices levelled off towards the end of the second quarter. Also, high costs, which were still unable to be fully aligned to lower sales, weakened profitability.

Also, the use of own steel produced at high material prices and the use of high-cost external material in stock continued to impact on profitability during the second quarter, too.

Actions to improve operational efficiency and adjust operations have only partly impacted on the cost structure during the first half of the year. Cost savings are expected to impact mainly during the second half of the year.

Major orders

In April, the company announced the delivery and installation of the steel frame and envelope structures for a new combined heat and power (CHP) plant in Pärnu, Estonia. The delivery is a step forward in the company’s progress towards increasingly wider total deliveries in the Baltics. Likewise in April, the company announced the delivery of steel structures to extend the quay of the deep water harbour in the Suursatama project in Kokkkola, Finland. The structures delivered for the harbour project are worth EUR 1.4 million.

During the second quarter, the company designed, delivered and installed the steel structures for three new ceramic tile production facilities in Orel, Russia. The contract was worth around EUR 2 million.

Capital expenditure

Ruukki Construction has been implementing an investment programme to increase production capacity in Russia and Eastern Europe since 2007. The programme was largely completed by year-end 2008. However, the sandwich panel line to be built in Ukraine is still incomplete and in the light of market conditions, the installation and start-up of the line is under review. Also the new panel plant investment under construction at Obninsk in Russia has been discontinued until further notice. The plant was originally planned to come on stream towards the end of this year.

Construction of the new sandwich panel plant at Alajärvi, Finland is progressing to plan and will be completed during the last quarter of the year.

Improved operational efficiency

Under the corporate-wide operational excellence programme, Boost, the division actioned a number of production arrangements between sites during the first half of the year. Efficiency has been improved by centralising production, which has resulted in the closure of production sites in the Baltics (Latvia and Lithuania) and Central Eastern Europe (Czech Republic). A number of actions to improve efficiency are still under way at other sites, including Oborniki in Poland and Obninsk in Russia. These projects are progressing to plan.

In March, the company decided to integrate production at its plants in Kalajoki, Finland, where it has plants serving construction and the engineering industry. In future, both plants will manufacture components for the engineering industry. Employer-employee negotiations in this context were completed in May. The negotiations resulted in the transfer of 35 employees to Ruukki Engineering division and 12 redundancies.

Other events

During the second quarter, the company received two major steel construction awards. The Swedish Institute of Steel Construction chose Swedbank Stadium in Malmö, Sweden as the Swedish steel construction of the year. Ruukki was responsible for the design, manufacture and installation of the steel structures for the stadium. The stadium was completed in November 2008. In May, the Norwegian Steel Association and the Norwegian Structural Steel Association voted the Ypsilon pedestrian bridge delivered by Ruukki as the 2009 steel structure of the year in Norway. The company delivered the steel structures for the bridge in Drammen, Norway and was also responsible for the prefabrication and installation of the bridge pylons and deck. The bridge was completed in March 2007 and has previously received a Certificate of Nomination in the ECCS Awards for Steel Bridges.

During the first half of the year, the division launched a new RD drilled pile system for use in infrastructure construction. Advanced jointing technology in particular now makes piling work considerably more efficient. The new system has been launched in Finland, Norway and Sweden and demand for piles has increased, with deliveries to several projects already.

Decorrey, a new steel roof, was first launched on the Estonian market in April and sales have got off to an excellent start. During the second quarter, Decorrey was also launched in Poland, the Czech Republic and Slovakia.

Ruukki Engineering

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

* Excluding non-recurring items.

Net sales

Ruukki Engineering's net sales for the first half of the year were EUR 200 million (394), down by 49 per cent year on year. The division accounted for 21 per cent (20) of consolidated net sales. Second quarter net sales were down sharply year on year at EUR 75 million (205).

Deliveries to equipment manufacturers in the energy industry, both in wind and diesel power plants, continued at a good level. However, weak demand from customers, especially in equipment manufacture in the lifting, handling and transportation industry, reduced order intake. Lower delivery volumes decreased Ruukki Engineering's net sales. Net sales fell in all product groups in this segment, except for telescopic booms for mobile cranes, sales of which during the report period remained unchanged year on year.

Similarly, de-stocking throughout the supply chain decreased demand for Ruukki Engineering's products and services. There were few deliveries also to shipbuilding and offshore customers.

The division's business in China continued to make positive progress and grew year on year.

Equipment manufacturers in the lifting, handling and transportation industry accounted for 36 per cent (45) and equipment manufacturers in the energy industry for 35 per cent (19) of the division's net sales during the first half of the year.

Operating profit

Ruukki Engineering's reported operating profit slipped to -EUR 2 million (66) for the first half of the year and operating profit excluding non-recurring items to EUR 3 million. The division reported a negative operating profit of -EUR 7 million (35) for the second quarter and an operating profit of -EUR 2 million excluding non-recurring items.

Ruukki Engineering's operating profit was weakened by lower sales volumes, lower sales prices, especially for plate products and parts, as well as the use in these products of steel produced at high raw material prices. The division took a non-recurring charge of EUR 5 million on the planned closure of the units in Hässleholm and Oskarström in Sweden. This charge was booked in the second quarter.

Capital expenditure and business development

Ruukki Engineering has systematically invested in new manufacturing technology to improve operational efficiency, quality and delivery accuracy. This technology enables streamlined, automated production lines for the manufacture of components for delivery to equipment manufacturers in the energy industry and lifting, handling and transportation industry.

Work continued during the report period on the installation and testing of two robot cells at the cabin assembly unit in Kurikka, Finland. Automation of welding operations at the Peräseinäjoki site in Finland also continued to plan and will be completed during the course of 2009.

A project to improve machining operations at the Sepänkylä unit in Finland was completed and the new equipment came on stream during the second quarter. Progress was made to plan with the machining project in Jaszbereny, Hungary.

The first quarter saw the start of process development work at the Mo i Rana unit in Norway, which is focusing on energy-saving process automation. Work is at the planning stage and the aim is to complete the project during 2009.

In Shanghai, China, operations expanded into new premises during the first quarter of 2009. The new production lines serve the company's customers in the lifting, handling and transportation equipment industry and in the energy industry. The first cabins to roll off the new production lines were delivered during the second quarter. Also during the second quarter, the company reserved the opportunity to further expand its business in China and reached an agreement on an option to lease a plot adjacent to the plant completed during the first half of the year.

Improved operational efficiency

The division improved operational efficiency during the first quarter by relocating production lines and by adjusting production. In March, the company announced it was to further improve operational efficiency by integrating production at its two plants in Kalajoki, Finland. One of the Kalajoki plants earlier served the company's construction customers, but in future both plants will produce components for the engineering industry. Operations will be centralised so that one of the plants focuses on the light and the other on the heavy engineering industry.

In May, the company announced it was to discontinue the manufacturing of welded components at the Hässleholm and Oskarstöm units in Sweden. These actions are intended to consolidate the company's operations and to strengthen its engineering competences in future growth areas, particularly in Central Eastern Europe and China. The plan is to close the above Swedish units by the end of the year. Closure is expected to result in the loss of 106 jobs at Hässleholm and 36 jobs at Oskarström.

In July, after the report period, the company announced it was to reorganise operations at its plant in Mo i Rana, Norway due to weak demand in the shipping industry. Adjustment to production will result in the reduction of 137 jobs at the plant. These reductions will take place during the autumn. In future, the Mo i Rana plant will focus on the production of flange profiles for windmill towers.

Ruukki Metals

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

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

* Excluding non-recurring items.

Net sales

Ruukki Metals' net sales for the first half of the year were EUR 467 million (EUR 1,105 million reported and EUR 1,082 million comparable). The division accounted for 49 per cent (55) of consolidated net sales. Second quarter net sales were EUR 218 million (EUR 580 million reported and EUR 571 million comparable).

Weak demand for steel products continued almost throughout the first half of the year, although picked up somewhat towards the end of the second quarter. Stock levels were still being unwound in the market during the second quarter, which partly affected the number of deliveries. A low level of activity in the lifting, handling and transportation equipment industry decreased sales of special steel products in particular. Likewise sales of stainless steel and aluminium, sold as trading products, were down year on year.

Special steel products accounted for 19 per cent (27) of Ruukki Metals' net sales during the report period. Net sales of stainless steel and aluminium totalled EUR 54 million (133).

Prices of steel products continued to fall during the second quarter. However, the first international price agreements signed during the spring and early summer on the prices of the main raw materials - coal and iron ore - used in steel production to some extent levelled off the falling prices of steel products as uncertainty about raw material costs gradually faded. Lower stocks also partly supported price development.

Operating profit

Ruukki Metals' negative operating profit was -EUR 199 million (EUR 197 million reported and EUR 202 million comparable) for the first half of the year and -EUR 97 million (EUR 100 million reported and EUR 106 million comparable) for the second quarter. The division's negative operating profit was mainly due to the continued sluggish demand for steel products. In addition, poor price development and the unwinding of stocks produced at high raw material prices weakened profitability.

The low steel production capacity utilisation rate increased the fixed costs per unit of steel produced. Restarting the idle blast furnace at the Raahe Works gradually increased steel production capacity utilisation rates since the first half of May, although this still did not yet significantly reduce the cost per unit of steel produced. Low production capacity utilisation had an impact of around -EUR 70 million on costs during the second quarter (Q1/2009: -EUR 90 million).

Operating profit on stainless steel and aluminium was slightly negative during the first half of the year. The costs of the strike in June at the strip mill at the Raahe Works in Finland and stock writedowns weakened profitability by around EUR 11 million.

Steel production

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

The company's steel production during the first half of the year was 661 thousand tonnes (1,352).

The steel production capacity utilisation rate remained low almost throughout the report period. The blast furnace which had been idle since December 2008 at the Raahe Works was restarted during early May and reached its target capacity utilisation rate of around 80 per cent in mid-June. Start-up of the blast furnace went according to plan. The blast furnace was restarted to build up reserve stocks to safeguard uninterrupted customer deliveries during disruption to production for the period of downtime in 2010 whilst modernisation is being carried out.

In June, there was a strike lasting at number of days at the strip mill at the Raahe Works. The strike is being heard by the Labour Court.

Capital expenditure

In April, Ruukki made a decision to modernise its two blast furnaces at the Raahe Works during 2010 and 2011. In the same context, the company will also make environmental investments. It is planned to start modernisation of blast furnace 1 in April 2010. The company plans to modernise blast furnace 2 during 2011. Blast furnace modernisation is an essential maintenance investment.

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

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

Improved operational efficiency

In January, a decision was made to centralise parts processing on Ruukki Metals' steel service centres in Raahe and Seinäjoki, Finland. In the same context, the steel service centre in Tampere was closed during the second quarter.

The division has held employer-employee negotiations concerning temporary lay-offs and workforce reductions. By the end of June, negotiations had resulted in a workforce reduction of around 500 persons and lay-offs affecting a total of around 3,500 employees. The duration and time of lay-offs varies according to site.

Other events

Lost time accident frequency during the first half of the year was 10 (14) per million hours worked.

In April, the company expanded its offering of high-strength steels with the launch of Optim 1500 QC, the world's strongest hot-rolled structural steel. This ultra high-strength steel is an ideal structural material for earthmoving machinery, for example. Optim 1500 QC steel is produced using the company's own direct quenching process.

In April, the Ministry for Economic Development and Trade of the Russian Federation extended the investigation time into the anti-dumping of colour-coated products to 21 July 2009. If introduced, import duties would apply to exports of colour-coated products to Russia from the date the decision enters into force. Ruukki manufactures and exports around EUR 30 million of these products from Finland to Russia each year.

TABLES

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

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

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

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

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

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

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

SUMMARY CONSOLIDATED INCOME STATEMENT

EUR million	Q1-Q2/09	Q1-Q2/08	Q2/09	Q2/08	2008
Net sales	944	2 008	438	1 069	3 851
Cost of sales	1 046	1 533	492	814	2 980
Gross profit	-101	475	-54	255	872
Sales and marketing costs	58	76	29	39	148
Administrative expenses	79	94	38	49	177
Other operating income	10	13	3	8	31
Other operating expenses	1	10	-1	10	10
Operating profit	-230	309	-117	166	568
Finance income and expense	-19	-3	-10	1	-23
Share of results of associates	0	2	0	1	3
Result before taxes	-249	308	-127	167	548
Taxes	65	-78	33	-45	-142
Result for the period	-184	229	-94	123	406
Attributable to:					
Equity shareholders of the parent	-184	229	-94	123	406
Minority interest	0	0	0	0	-1
Diluted earnings per share, EUR	-1.33	1.65	-0.68	0.89	2.93
Basic earnings per share, EUR	-1.33	1.65	-0.68	0.89	2.93
Operating profit as % of net sales	-24.3	15.4	-26.7	15.5	14.7

STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1-Q2/09	Q1-Q2/08	Q2/09	Q2/08	2008
Result for the period	-184	229	-94	123	406
Other comprehensive income:					
Cash flow hedges	21	-4	20	8	-62
Translation differences	-4	1	17	4	-54
Actuarial gains and losses	0	-47	0	0	-62
Taxes on other comprehensive income	-5	13	-6	-2	32
Other comprehensive income after taxes	11	-36	32	10	-145
Total comprehensive income	-174	193	-62	133	261
Attributable to:					
Equity shareholders of the parent	-174	193	-62	133	261
Minority interest	0	0	0	0	-1

SUMMARY CONSOLIDATED BALANCE SHEET

EUR million	30 Jun 2009	30 Jun 2008	31 Dec 2008
ASSETS			
Non-current assets	1 470	1 427	1 442
Current assets			
Inventories	567	669	750
Trade and other receivables	349	705	536
Cash and cash equivalents	102	103	254
Total assets	2 488	2 903	2 983
EQUITY AND LIABILITIES			
Equity			
Attributable to shareholders of the parent	1 587	1 874	1 948
Minority interest	2	3	2
Non-current liabilities			
Interest-bearing liabilities	322	134	276
Non-interest-bearing liabilities	102	175	158
Current liabilities			
Interest-bearing liabilities	144	77	133
Trade payables and other liabilities	332	640	466
Total equity and liabilities	2 488	2 903	2 983

SUMMARY CASH FLOW STATEMENT

EUR million	Q1-Q2/09	Q1-Q2/08	2008
Result for the period	-184	229	406
Adjustments	70	149	250
Cash flow before change in working capital	-114	378	656
Change in working capital	215	-14	-110
Financing items and taxes	-18	-75	-164
Cash flow from operating activities	82	289	382
Cash inflow from investing activities	9	11	25
Cash outflow from investing activities	-97	-109	-238
Total cash flow from investing activities	-89	-97	-213
Cash flow before financing activities	-6	192	169
Dividends paid	-188	-277	-277
Change in interest-bearing liabilities	54	-8	193
Other net cash flow from financing activities	-11	1	-4
Translation differences	-2	0	-11
Change in cash and cash equivalents	-153	-93	70

KEY FIGURES

	Q1-Q2/09	Q1-Q2/08	2008
Net sales, EUR m	944	2 008	3 851
Operating profit, EUR m	-230	309	568
as % of net sales	-24.3	15.4	14.7
Result before taxes, EUR m	-249	308	548
as % on net sales	-26.4	15.3	14.2
Result for the period, EUR m	-184	229	406
as % of net sales	-19.5	11.4	10.5
Return on capital employed (rolling 12 mths), %	1.9	28.6	25.6
Return on equity, %	-0.5	23.3	20.7
Equity ratio, %	64.3	66.1	65.9
Gearing ratio, %	22.9	5.8	7.9
Net interest-bearing liabilities, EUR m	364	109	155
Equity per share, EUR	11.43	13.51	14.04
Personnel, average	13 165	14 986	14 953
Number of shares	140 285 425	140 215 328	140 255 479
- excluding treasury shares	138 864 817	138 748 391	138 788 542
- diluted, average	138 826 947	138 795 862	138 773 118

STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to shareholders of parent						Minority interests	Total equity
	Share capital	Share premium	Fair value and other reserves	Translation differences	Treasury shares	Retained earnings		
EQUITY 1 Jan 2008	238	220	9	-6	-6	1 504	3	1 963
Share issue	0							0
Dividend distribution						-277		-277
Share based payments			0		0	0		0
Total comprehensive income			-3	2	0	193	0	191
EQUITY 30 June 2008	238	220	6	-4	-6	1 419	3	1 877
EQUITY 1 Jan 2009	238	220	0	-36	-6	1 532	2	1 950
Share issue	0							0
Dividend distribution						-188		-188
Share based payments			0		0	0		0
Total comprehensive income				-4		-170	0	-174
EQUITY 30 June 2009	238	220	1	-40	-6	1 175	2	1 589

NET SALES BY REGION

As % of net sales	Q1-Q2/09	Q1-Q2/08	2008
Finland	32	32	31
Other Nordic countries	33	33	31
Central Eastern Europe, Russia and Ukraine	17	18	20
Rest of Europe	14	14	15
Other countries	4	3	4

CONTINGENT LIABILITIES

EUR million	Q1-Q2/09	Q1-Q2/08	2008
Mortgaged real estate	73	24	24
Pledged assets	0	6	5
Other guarantees given	37	46	45
Collateral given on behalf of others	3	6	2
Rental liabilities	116	143	132

VALUES OF DERIVATIVE CONTRACTS

CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING

EUR million	30 Jun 2009 Nominal amount	30 Jun 2009 Fair value	30 Jun 2008 Nominal amount	30 Jun 2008 Fair value
Zinc derivatives				
Forward contracts, tonnes	32 500	-14	42 000	-16
Electricity derivatives				
Forward contracts, GWh	1 844	-15	1 054	24

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

DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING

EUR million	30 Jun 2009 Nominal amount	30 Jun 2009 Fair value	30 Jun 2008 Nominal amount	30 Jun 2008 Fair value
Zinc derivatives				
Forward contracts, tonnes	500	0		
Foreign currency derivatives				
Forward contracts	487	-10	584	-7
Options				
Bought	90	-1	265	-3
Sold	90	0	265	-8

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	Q1-Q2/09	Q1-Q2/08	2008
Carrying value at start of period	1 124	1 076	1 076
Additions	90	98	215
Additions through acquisitions	4	4	8
Disposals	-6	-2	-8
Disposals through divestments	0	-22	-22
Depreciation and impairment	-61	-61	-119
Translation differences	-7	4	-26
Carrying value at the end of period	1 144	1 098	1 124

TRANSACTIONS WITH RELATED PARTIES

EUR million	Q1-Q2/09	Q1-Q2/08	2008
Sales to associates	11	11	30
Purchases from associates	2	4	6
Transactions with Pension Foundation	3	3	6

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

INVESTMENT COMMITMENTS *

EUR million	After 30 Jun 2009	After 30 Jun 2008	After 31 Dec 2008
Maintenance investments	238	141	102
Development investment and investments in special products	111	183	113
Total	349	325	215

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

INFORMATION ON BUSINESS COMBINATIONS

EUR million	Fair values	Carrying values of acquired companies
Assets and liabilities of acquired companies		
Non-current assets	8	2
Current assets		
Inventories	1	1
Trade and other receivables	1	1
Cash and cash equivalents	4	4
Total assets	14	8
Non-current liabilities		
Interest-bearing	0	0
Other	2	0
Current liabilities		
Interest-bearing	0	0
Other	3	3
Total liabilities	5	3
Net assets	9	5
Acquisition cost	12	
- including conditional purchase price	0	
Goodwill	3	
Acquisition cost paid in cash	10	
Cash and cash equivalents of acquired company	4	
Impact on cash flow	7	

The figures above include information about the acquisition of Skalles Eiendomsselskap AS. Rautaruukki acquired the entire share capital of the Norwegian steel frame company Skalles Eiendomsselskap AS from its private owners in February 2009. The acquisition strengthens the Group’s market position in the Nordic countries and particularly in Norwegian steel construction. Skalles' business complements the Group’s customer base and product offering. Skalles’ total deliveries include the design, manufacture and installation of steel structures. The company has some 50 employees and its net sales for 2008 were approximately EUR 16 million. Skalles is located in Fredrikstad, Norway. The acquisition calculation is provisional in accordance with IFRS 3.

SEGMENT INFORMATION

EUR million	Q1-Q2/09	Q1-Q2/08	2008
External net sales			
Ruukki Construction	278	509	1 067
Ruukki Engineering	200	394	765
Ruukki Metals	467	1 105	2 019
Corporate management	0	0	0
Consolidated net sales	944	2 008	3 851
Operating profit			
Ruukki Construction	-22	59	128
Ruukki Engineering	-2	66	126
Ruukki Metals	-199	197	338
Corporate management	-7	-14	-25
Consolidated operating profit	-230	309	568
Finance income and expense	-19	-3	-23
Share of results of associates	0	2	3
Result before taxes	-249	308	548
Taxes	65	-78	-142
Result for the period	-184	229	406

EUR million	30 Jun 2009	30 Jun 2008	31 Dec 2008
Segment assets			
Ruukki Construction	769	835	761
Ruukki Engineering	353	408	411
Ruukki Metals	1 008	1 265	1 247
Corporate management	40	36	36
Undistributed assets	318	359	527
Total assets	2 488	2 903	2 983

QUARTERLY SEGMENT INFORMATION, COMPARABLE, EXCLUDING NON-RECURRING ITEMS

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

Formulas for the calculation of key indicators:

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