INTERIM REPORT
January - September 2005

26 October 2005

Rautaruukki Corporation interim report January–September 2005

**PROFIT BEFORE TAXES OF EUR 491 MILLION –
MARKET OUTLOOK CONTINUES TO BE FAVOURABLE**

- Net sales: EUR 2,764 million (2,559 million in January-September 2004)
- Operating profit: EUR 495 million (327)
- Share of associated companies' profit: EUR 20 million (1)
- Profit before taxes: EUR 491 million (292)
- Earnings per share (diluted): EUR 2.64 (1.64)
- Gearing ratio: 34.1 per cent (77.2)

Key figures	2005*	2004	2005*	2004	2004
	7-9	7-9	1-9	1-9	1-12
Net sales, EUR million	812	854	2,764	2,559	3,564
Operating profit, EUR million	114	128	495	327	493
Operating profit margin, %	14.1	14.9	17.9	12.8	13.8
Profit before taxes, EUR million	116	118	491	292	443
Earnings/share, diluted, EUR	0.61	0.60	2.64	1.64	2.40**

*Ovako has been included as an associated company in Rautaruukki's consolidated financial statements as from 1 May 2005, Metalplast has been included in Rautaruukki's consolidated financial statements as from 1 June.
**The reduction in the deferred tax liability resulting from the change in Finnish tax legislation increased EPS by EUR 0.13.

Third-quarter highlights

- Delivery volumes of standard steel products fell due to destocking among wholesalers.
- Selling prices declined somewhat compared with the previous quarter.
- Measures on profitability based sales and production control were carried on.
- The profitability of Ruukki Construction and Ruukki Engineering improved from the second quarter.
- Consolidated operating profit EUR 114 million was at a level comparable with last year (115).
- An agreement on the acquisition of Syneco Industri AB (Weibulls) was signed.
- An agreement was made on raising the Group's holding in PPTH to 100 per cent.

President and CEO Sakari Tamminen:

"Demand in our main customer industries – construction and engineering industries – has remained good throughout the current year. The destocking that got under way within standard steel products in the first half of the year translated into pressure on spot selling prices. We continued to gear the sales structure based on profitability and we adjusted output in line

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with profitable demand. In the third quarter, destocking and the holiday season caused a slight drop in selling prices. The effect of higher raw material prices was also felt to the full extent during the past quarter. The profitability was very good despite the market disturbances and Ruukki Construction and Ruukki Engineering improved their profitability from the second quarter. The stock situation has now normalised according to expectations and the outlook for the trend in selling prices of standard steel products in the latter part of the year is more positive.

We have put a strong emphasis on implementing the new strategy. In the third quarter we announced two acquisitions: Weibulls, which manufactures frames and other large steel components for the lifting, handling and transport industries, and PPTH, the leading steel constructor in the Nordic countries, will play their part in swiftly putting our strategy into action. The financial targets in the Ruukki United programme aiming at harmonising and enhancing Ruukki's ways of working have been outlined. By the end of 2008, the cost level is expected to be permanently about EUR 125 million lower than the initial level in 2004. The efficiency-boosting measures are also estimated to free up about 150 million euros of capital by the end of 2008. The non-recurring costs have been considered when setting the above-mentioned cost-saving targets. The capital expenditure needed is about EUR 30 million. The impacts on the number of personnel will be specified project by project and it is estimated that the reductions will be mainly implemented by retirement and relocations.

Full-year consolidated net sales in 2005 are estimated to exceed EUR 3.6 billion. Profitability is estimated to hold up well during the latter part of the year and fourth-quarter operating profit is expected to come in on a par with the third quarter or to exceed it. The comparable operating profit for the whole year will thus be clearly better than last year and the strengthening market situation creates a good basis for entering the year 2006. The primary factors of uncertainty relate to the trend in demand in the Asian market and its impact on the market prices of basic steel products."

FOR ADDITIONAL INFORMATION, CONTACT

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Press conference

Rautaruukki will arrange a press conference on 26 October 2005 at 10.30 a.m. at the company's head office at the address Suolakivenkatu 1, 00810 Helsinki.

Webcast and conference call

The webcast and conference call for investors and analysts can be viewed live on the company's website at the address www.ruukki.com/investors today 26 October 2005, at 2.00 p.m. Those desiring to participate in the conference call can phone the number +44 20 7162 0080, password: Rautaruukki, about 5-10 minutes before the conference starts.

The Interim Report for January-September 2005 can be viewed on the company's website at the address www.ruukki.com/investors.

Rautaruukki Corporation

Taina Kyllönen
Vice President, Corporate Communications

RAUTARUUKKI CORPORATION INTERIM REPORT JANUARY-SEPTEMBER 2005

Transition to International Financial Reporting Standards (IFRS)

Rautaruukki adopted International Financial Reporting Standards (IFRS) from the beginning of 2005. Additional information and a more detailed discussion of the effects of the transition on the balance sheet and profit and loss account were given in the company's stock exchange release of 26 April 2005 and they can be read on Rautaruukki's website at www.ruukki.com/investors. This Interim Report has been prepared in accordance with the recognition and measurement rules under International Financial Reporting Standards (IFRS).

Net sales and result for January-September 2005 (comparative figures for 2004)

Oy Ovako Ab, the new company jointly owned by Rautaruukki Corporation, AB SKF and Wärtsilä Oyj Abp, began operations on 10 May 2005. Rautaruukki has a 47 per cent stake in Ovako. Ovako has been included as an associated company in Rautaruukki's consolidated financial statements as from 1 May 2005. The units that transferred to Ovako are included in the reported figures up to 30 April 2005.

Metalplast-Oborniki Holding Sp. z o.o has been included in Rautaruukki's consolidated financial statements as from 1 June 2005.

Consolidated net sales in January-September 2005 were EUR 2,764 million, up 8 per cent on the net sales in January-September 2004 (2,559). Measured against comparable net sales of EUR 2,346 million in 2004, growth was 17.8 per cent. Net sales were boosted by a markedly higher price level. Delivery volumes declined by about 18 per cent compared with the same period a year earlier. The fall in delivery volumes was attributable to the non-inclusion of the units that transferred to Ovako in financial reporting as from 1 May 2005 as well as to the company's internal measures to improve the sales structure and the winding down of wholesalers' inventories that began towards the end of the first quarter. Of net sales, 29 per cent came from Finland (26) and 30 per cent from the other Nordic countries (28). Central Eastern Europe accounted for 11 per cent of net sales (11), the rest of Europe for 27 per cent (32) and other countries for 3 per cent (3).

Operating profit was EUR 495 million (327), or 17.9 (12.8) per cent of net sales. Comparable operating profit in 2004 was EUR 302 million, or 12.9 per cent of net sales. Operating profit was lifted by the rise in product prices coupled with an improvement in the sales structure and cost-effectiveness. Price agreements on raw materials used in steel manufacture were made in the first part of the year at a substantially higher level than a year ago, with a corresponding impact on earnings beginning in the second quarter. The lower exchange rate of the US dollar against euro added EUR 20 million to operating profit compared with the same period a year earlier.

Net financial expenses amounted to EUR 24 million (36). Net interest expenses totalled EUR 24 million (34) and the net effect of foreign exchange gains and losses was EUR 0 million (0).

The share of associated companies' profit was EUR 20 million (1).

The profit before taxes was EUR 491 million (292).

Taxes amounted to EUR -130 million (-66), including an increase of EUR +11 million in deferred taxes (+11).

The profit for the report period was EUR 362 million (225).

Diluted earnings per share were EUR 2.64 (1.64).

The return on capital employed over the past twelve months was 35.7 per cent (17.7) and the return on equity was 38.4 per cent (24.6).

Balance sheet

Total assets increased by EUR 63 million from the end of September of last year. From the end of 2004, total assets decreased by EUR 18 million to EUR 2,694 million.

Cash flow and financing

Cash flow from operations was EUR 461 million (270) and cash flow before financing was EUR 380 million (207).

Interest-bearing net debt at the end of September totalled EUR 477 million (791). At the end of 2004, interest-bearing net debt stood at EUR 761 million. Working capital grew by EUR 57 million in January-September (109) owing to the increase in trade debtors and stocks, but it decreased by EUR 85 million during the third quarter.

The equity ratio was 52.3 per cent (39.1) and the gearing ratio 34.1 per cent (77.2). At the end of September liquid funds amounted to EUR 83 million and it had a total of EUR 300 million of committed unused revolving credit facilities with banks. Shareholders' equity stood at EUR 1,399 million at the end of September (1,023), or EUR 10.27 per share (7.53).

Personnel

The average number of personnel employed by the Group in the January-September period was 11,800 people (12,330). At the end of September the entire payroll was 11,086 employees (12,026). The change in the number of employees was a decrease of 940 people. The acquisition of Velsa Oy increased the Group's payroll by 396 employees and the acquisition of Metalplast by 726 employees. During the report period, 1,900 employees of the Group transferred to the employ of Ovako.

Completed changes in corporate structure

Oy Ovako Ab, the new company jointly owned by Rautaruukki Corporation, AB SKF and Wärtsilä Oyj Abp, began operations in May. The units that were transferred from Rautaruukki to Ovako were the long steel products companies Fundia Special Bar, Fundia Wire and Fundia Bar & Wire Processing with their subsidiaries. Rautaruukki has a 47 per cent stake in Ovako. Ovako has been included as an associated company in Rautaruukki's consolidated financial statements as from 1 May 2005. The capital invested by Rautaruukki in Ovako at 1 May 2005 amounted to about EUR 278 million. Of this amount, an EUR 80 million shareholder loan was repaid to Rautaruukki in its entirety during the report period. Additional information on the effects of the arrangement (pro forma) on Rautaruukki's balance sheet and profit and loss account were given in the company's stock exchange release of 6 June 2005, which can be accessed on Rautaruukki's website at www.ruukki.com/investors.

Rautaruukki Corporation's stake in the Polish company Metalplast-Oborniki Holding Sp. z o.o was raised in June from 16.6 per cent to 99.8 per cent. The shares were bought for a price of EUR 19 million, in addition to which Rautaruukki assumed interest-bearing liabilities of EUR 7 million. The remaining 0.2 per cent of the shares are held by individual shareholders. Metalplast has been included in Rautaruukki's consolidated financial statements as from 1 June 2005.

Agreements on acquisitions

In August, Rautaruukki Corporation announced it would buy the entire shares outstanding in Syneco Industri AB of Sweden. The shares were bought for a price of about EUR 15 million, in addition to which Rautaruukki took on about EUR 1 million of interest-bearing liabilities. The competition authorities gave their approval for the arrangement on 30 September 2005, and the acquisition was completed on 5 October 2005. Syneco Industri is included in Rautaruukki's consolidated accounts as from 1 October 2005. Syneco Industri's operating subsidiaries are Verkstäderna Weibulls AB in Sweden, Weibulls Poland sp. z o.o in Poland and Syneco Weibulls Metal Components (Shanghai) Co. Ltd in China. The companies manufacture frames and other large steel components for the lifting, handling and transport industries. In 2005 the company's net sales are estimated to be about EUR 50 million, with operating profit of EUR 2 million and an average payroll of 495 employees.

In September Rautaruukki Corporation signed an agreement whereby the company will purchase an 80 per cent stake in PPTH Steelmanagement Oy from the company's management and funds managed by CapMan, a private equity investor. Via the deal, Rautaruukki's holding in the company will rise from 20 per cent to 100 per cent. The shares were bought for a price of about EUR 7 million. As part of the transaction, Rautaruukki will assume the company's interest-bearing liabilities, which amount to EUR 24 million. Completion of the acquisition is contingent upon approval by the competition authorities. It is expected that the transaction will close in November 2005. PPTH is the leading steel constructor in the Nordic countries, and it had net sales in 2004 of EUR 101 million. In Finland, PPTH has seven production units that manufacture frame and facade structures as well as products for the engineering industry. The company had a payroll of 500 employees at the end of 2004.

In September Rautaruukki Corporation sold its vacuum cleaner tube business to FON Telescopic Systems GmbH. Rautaruukki's subsidiary Froh House Tech GmbH & Co KG has manufactured vacuum cleaner tubes in Germany. The company has net sales of about EUR 12 million and a payroll of 71 employees. Under the terms of the deal, the equipment for manufacturing vacuum cleaner tubes along with 54 employees will be transferred to FON Telescopic Systems. Froh House Tech will retain a steel tube manufacturing line and 17 employees.

Capital expenditure

Capital expenditure on tangible and intangible assets in January-September totalled EUR 69 million (82). Disposals of fixed assets during the report period totalled EUR 10 million (17). Full-year net capital expenditures in 2005 are expected to come to less than EUR 100 million.

Funds spent on acquisitions during the report period totalled EUR 26 million, with property, plant and equipment increasing by EUR 10 million, working capital by EUR 7 million and goodwill by EUR 9 million.

On the second quarter, the company took a decision on modernising the direct quench equipment at the Raahe Works. The investment is expected to be completed in 2007 at an estimated cost of about EUR 24 million. The investment will raise the proportion of high-strength steels within Rautaruukki's steel products palette and support Ruukki Engineering's business in the fast-growing lifting, handling and transport equipment sector.

Shares and share capital

The trading volume of the Rautaruukki Corporation share on the Helsinki Stock Exchange in January-September was EUR 1,510 million (397). The share registered a high of EUR 18.69 in September and a low of EUR 8.02 in January. The average share price was EUR 12.04. The price of the share at the end of the report period on September 30, 2005 was EUR 18.69 and the company had a market capitalisation of EUR 2,596 million.

The company's registered share capital at 30 September 2005 stood at EUR 236.1 million. The number of Series K shares issued was 138,886,445.

Rautaruukki Corporation's Annual General Meeting held on 23 March 2005 authorised the Board of Directors to decide on buying back a maximum of 3,800,000 of the company's own Series K shares (2.74 per cent of the shares outstanding). The Annual General Meeting furthermore authorised the Board of Directors to decide on transferring a maximum of 6,872,960 Series K treasury shares. Under the Board of Directors' existing authorisation, on 29 August 2005 the company transferred 480,263 of its own Series K shares (treasury shares) without consideration to persons covered by the Group's share bonus scheme. Following the transfer, the company had 2,592,697 treasury shares. The treasury shares had a market value at 30 September 2005 of EUR 48 million.

In addition to the above, the Board of Directors does not have a valid authorisation to issue convertible bonds or bonds with warrants or to increase the company's share capital.

Environmental issues

The EU's internal emissions trading started on 1 January 2005. Of Rautaruukki's plants, Raahe and Hämeenlinna in Finland fall within the scope of the EU's emissions trading. Smedjebacken in Sweden, Alblasserdam in the Netherlands and Koverhar in Finland became a part of Oy Ovako Ab, which began operations on 10 May 2005. A similar system has been developed in Norway, and it will be linked to the EU's emissions trading. The Norwegian system will apply to the Mo i Rana Works.

In the initial allocation of emissions allowances, Rautaruukki received a total of about 18.6 million tonnes of carbon dioxide allowances, of which about 6.2 million tonnes were for 2005. Of these, the portion for the units that transferred to Ovako amounted to a total of 3.2 million tonnes, and the portion of emissions allowances allocated for 2005 is about 1.08 million tonnes.

Changes in the Management Group

Marko Somerma (Lic.Tech.) was appointed a member of Rautaruukki Corporation's Management Group as from 1 October 2005. He is responsible for Rautaruukki's corporate planning and logistics. Mr Somerma has been employed at Rautaruukki and a member of the Extended Management Group since 2004.

Terhi Heikkinen, M.Sc. (Econ.), will take up her duties as Rautaruukki Corporation's Senior Vice President, Human Resources, and become a member of the Extended Management Group on 1 November 2005.

Improving cost-competitiveness

In autumn 2004 the company launched the Ruukki United programme aiming at harmonising and enhancing the ways of working. The objective of the project is to improve the Group's cost structure so that cost competitiveness and profitability are also strengthened. The cost savings programme will be carried out stage by stage, targeting savings of about EUR 70 million at the end of 2006 and about EUR 95 million at the end of 2007. By the end of 2008, the cost level is expected to be permanently about EUR 125 million lower than the initial level in 2004. About 55 million euros of the savings are estimated to come from basic steel production. Raising the efficiency of the order-to-cash chain, eliminating overlapping functions and centralising purchasing activities are estimated to deliver further savings of about EUR 70 million. In addition to the programmes that are now under way, the Group has identified new areas where the effect of rationalisation measures is estimated to lower costs by about EUR 25 million. The aim is to implement them within the framework of the same programme. It is also estimated that the efficiency-boosting programme will free up about 150 million euros of capital by the end of 2008, especially by optimising stocks and stepping up the working capital turnover ratio. As a consequence of the projects job assignments will be reduced and the new ways of working create new job assignments. The impacts on personnel will be specified project by project and it is estimated that the reductions will be mainly implemented by retirement and relocations. The non-recurring costs connected with the projects have been considered when setting the above-mentioned cost-saving targets. The capital expenditure needed is about EUR 30 million.

Events after the close of the report period

Rautaruukki Corporation completed the acquisition of Syneco Industri AB from AB Pehrson & Lindgren of Sweden on 5 October 2005. Syneco Industri will be included in Rautaruukki's consolidated financial statements as from 1 October 2005.

In October Rautaruukki Corporation announced it was selling the business operations of Ruukki Engineering's Halikko Works to Halikko Works Oy in an MBO transaction. The Halikko Works had net sales in 2004 of EUR 13 million and a payroll of just over 100 employees.

Near-term outlook

The market situation is expected to remain good in the company's most important customer industries. Strong economic growth, particularly in the Baltic countries and central eastern Europe, is especially reflected within construction. Customers of the engineering industry have strong order books. Wholesalers' stocks have normalised and the prices of steel products are expected to head upwards again in the fourth quarter.

Full-year consolidated net sales in 2005 are estimated to exceed EUR 3.6 billion. Profitability is estimated to hold up well during the latter part of the year and fourth-quarter operating profit is expected to come in on a par with the third quarter or to exceed it. The comparable operating profit for the whole year will thus be clearly better than last year and the strengthening market situation creates a good basis for entering the year 2006. The primary factors of uncertainty relate to the trend in demand in the Asian market and its impact on the market prices of basic steel products.

This Interim Report has not been audited.

Helsinki, 26 October 2005

Rautaruukki Corporation
Board of Directors

DIVISIONS

The Ruukki Fabrication functions were made a part of the other divisions as from 1 January 2005. The 2004 figures for the individual divisions have been adjusted accordingly in line with the new organisational structure.

The Pipelines business was transferred in August 2005 from Ruukki Construction to Ruukki Metals. The reference figures have been changed consequently.

Ruukki Construction

EUR million	I/2004	II/2004	III/2004	IV/2004	2004	I/2005	II/2005	III/2005
Net sales	61	99	114	103	377	88	137	170
Operating profit	0	16	24	16	57	9	22	39
- % of net sales	0.6	16.6	21.1	15.5	15.0	10.0	16.2	22.7

Net sales in January-September totalled EUR 395 million, up 44 per cent on the same period a year earlier (274). The division's share of consolidated net sales was 14 per cent. Net sales were boosted by the good market situation and the active efforts to expand business on selected business areas. Operating profit was EUR 70 million (41). Net sales were lifted by the good price level coupled with stepped-up production efficiency and an improved sales structure. Metalplast-Oborniki Holding Sp. z o.o. has been consolidated as part of the Ruukki Construction division as from 1 June 2005.

The operations model of Ruukki Construction's sales was renewed during the report period to improve customer orientation and operation efficiency. Within building construction, the sales are based on market areas, which are northern Europe, central eastern Europe and eastern Europe. Infrastructure construction will continue as a separate business area.

There has been continued good growth in demand in Ruukki Construction's core market areas, and especially within industrial and commercial construction. In northern Europe, complete deliveries of external wall systems have been growing strongly, and external wall systems in which cladding and windows are pre-installed in the wall-elements at the plant have been well received by customers. Development in the countries of central eastern Europe has been strong, particularly in the area of total deliveries of frames and envelopes for industrial and retail construction. Ruukki Construction's position on this market has strengthened considerably. In Ukraine too, total deliveries of frames and envelopes enjoyed robust growth during the report period. In Russia, the division has progressed in envelope deliveries within the main customer segments. In the area of infrastructure construction, the demand situation for foundation structures was good in the Nordic countries, and a number of route and harbour projects are under way. Ruukki Construction got a considerable order for noise barriers during the report period and is delivering noise barriers for the railway line project Oikorata in Finland on a turnkey basis.

In September, Rautaruukki Corporation signed an agreement whereby the company will purchase an 80 per cent stake in PPTH Steelmanagement Oy from funds managed by CapMan, a private equity investor, and the company's management. Via the deal, Rautaruukki's holding in the company will rise from 20 per cent to 100 per cent. PPTH is the leading supplier of structural steel frames in the Nordic countries, and the acquisition will also increase Ruukki Construction's know-how in construction design and project management significantly. The transaction will also support growth of the business in central eastern Europe. Completion of the acquisition is contingent upon approval by the competition authorities.

Ruukki Engineering

EUR million	I/2004	II/2004	III/2004	IV/2004	2004	I/2005	II/2005	III/2005
Net sales	63	78	74	113	329	124	114	101
Operating profit	9	15	10	19	53	22	23	23
- % of net sales	14.6	19.3	13.7	16.6	16.2	18.1	20.5	23.1

Net sales in January-September totalled EUR 339 million, up 58 per cent on the same period a year earlier (215). The increase in net sales compared with last year stemmed from the good market situation and from the integration of Velsa Oy into Ruukki Engineering from the beginning of November 2004. The units that transferred to Ovako have been removed from the division figures as from 1 May 2005. The division's share of consolidated net sales was 12 per cent. Operating profit was EUR

69 million (35). Operating profit was lifted by higher prices coupled with efficiency-boosting and an improved sales structure.

The market situation in the engineering industry has held up well. Cabin deliveries to the lifting, handling and transport industry continued to grow. Customers' order books have also strengthened further. The high price of oil has increased the number of starts of offshore projects, and the demand among customers of the marine and offshore sector is good. In the pulp and paper and energy sectors there was solid demand during the report period.

In August, Rautaruukki Corporation announced it would buy the entire shares outstanding in Syneco Industri AB (Weibulls) of Sweden. The competition authorities gave their approval for the arrangement on 30 September 2005, and the acquisition was completed on 5 October 2005, after the end of the report period. Syneco Industri is consolidated as part of Ruukki Engineering as from 1 October 2005. The acquisition will speed up the implementation of Ruukki Engineering's strategy and extend the internationalisation of its operations. Via the deal, Rautaruukki will be in a better position to serve international customers in their new market areas. Weibulls' highly developed concept for frame and boom solutions will also create new potential for organic growth.

Ruukki Metals

EUR million	I/2004	II/2004	III/2004	IV/2004	2004	I/2005	II/2005	III/2005
Net sales	668	733	663	787	2850	802	686	541
Operating profit	73	108	105	138	425	180	147	69
- % of nat sales	11.0	14.8	15.8	17.6	14.9	22.4	21.4	12.8

Net sales in January-September totalled EUR 2,029 million, down 2 per cent on the same period a year earlier (2,063). The decrease in net sales was affected by the units that transferred to Ovako, which have been removed from the division figures as from 1 May 2005, as well as the lower volume due to production adjustments. On comparable net sales in 2004, EUR 1,874 million, the period's net sales increased by 8 per cent. The division's share of consolidated net sales was 73 per cent. Operating profit was EUR 396 million (287). Comparable operating profit in 2004 was EUR 235 million. Operating profit was lifted by higher prices coupled with efficiency-boosting and an improved sales structure.

In the third quarter there was a seasonal slowdown over the summer holidays, particularly within standard steel products. In addition, wholesalers continued to wind down the stocks that had built up in the first part of the year. The stock situation is now normalised. Prices of steel products fell somewhat during the third quarter. At the end of the report period, average prices were nevertheless still at a clearly higher level than at the same time a year ago. A factor that contributed to raising the average price level was the entry into effect of new annual agreements at the beginning of the year.

Development of the sales structure was continued by focusing operations on the core market areas in the Nordic countries, the Baltic Rim and central eastern Europe. In addition, the product range will be streamlined to optimise profitability. In areas outside the core markets, operations are based on a special product strategy.

Ruukki Production

1000 tonnes	I/2004	II/2004	III/2004	IV/2004	2004	I/2005	II/2005	III/2005
Steel production	1,184	1,198	985	1,184	4,549	1,176	982	765

Steel output in January-September totalled 2,923,000 (3,367,000). The units that were transferred to Ovako have been removed from the production figures as from 1 May 2005. Production ran smoothly during the report period.

Price agreements on raw materials used in steel manufacture were made in the first part of the year at a substantially higher level than a year ago. The effect of higher raw material prices will feed through into earnings to the full extent beginning in the third quarter. The use of purchased slabs this year is estimated to be about a fourth of last year's figure, and this will lower manufacturing costs.

The modernised automation system at the Raahe hot rolling mill went into production in February and a new slab heating furnace became operational at the beginning of April. The investment projects will bring a significant improvement in the production line's ability to turn out high-quality products. The decision taken in the second quarter to modernise the direct quenching equipment will raise the proportion of high-strength steels within Rautaruukki's steel products palette and support Ruukki Engineering's business in the fast-growing lifting, handling and transport equipment sector. The investment is expected to reach completion in 2007.

TABLES

Individual figures and grand totals presented in the tables have been rounded off to full millions of euros from exact figures, which mean that when added together or subtracted they will not always tally.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONDENSED)

EUR million	7-9/05	7-9/04	1-9/05	1-9/04	2004
Net sales	812	854	2764	2559	3564
Other operating income	5	2	16	10	19
Operating expenses	-665	-689	-2168	-2114	-2915
Depreciation	-37	-40	-118	-129	-175
Operating profit	114	128	495	327	493
Financing income and expenses	-5	-9	-24	-36	-51
Share of results in associated companies	6	0	20	1	2
Profit before taxes	116	118	491	292	443
Taxes	-31	-35	-130	-66	-114
Profit for the period	84	83	362	226	330
Attributable to:					
Equity holders of the company	84	83	362	225	329
Minority interest	0	0	0	1	1
EPS, diluted, e	0.61	0.60	2.64	1.64	2.40
EPS, basic, e	0.62	0.61	2.66	1.66	2.42
Operating profit, % of net sales	14.1	14.9	17.9	12.8	13.8

CONSOLIDATED BALANCE SHEET (CONDENSED)

EUR million	30 Sept 2005	30 Sept 2004	31 Dec 2004
ASSETS			
Non-current assets	1501	1370	1417
Current assets			
Inventories	582	596	651
Trade and other receivables	528	580	584
Cash and cash equivalents	83	84	60
	2694	2631	2712
EQUITY AND LIABILITIES			
Equity			
Capital attributable to Company's equity holders	1399	1023	1126
Minority interest	0	1	1
Non-current liabilities			
Interest bearing	412	616	625
Other	236	215	224
Current liabilities			
Interest bearing	149	259	195
Other	498	517	541
	2694	2631	2712

CASH FLOW STATEMENT (CONDENSED)

EUR million	1-9/05	1-9/04	2004
Profit for the period	362	226	330
Adjustments	265	217	306
Cash flow before working capital changes	627	443	636
Change in working capital	-57	-109	-128
Financing items and taxes	-109	-64	-122
Cash flow from operations	461	270	386
Cash flow from investing activities	-81	-63	-118
Cash flow before financing	380	207	268
Dividends paid	-109	-27	-27
Other net cash flow from financing	-247	-157	-231
Change in cash and cash equivalents	24	23	10

KEY FIGURES	7-9/05	7-9/04
Net sales, Me	812	854
Operating profit, Me	114	128
as % of net sales	14.1	14.9
Profit before taxes, Me	116	118
as % of net sales	14.2	13.8

KEY FIGURES	1-9/05	1-9/04	2004
Net sales, Me	2,764	2,559	3,564
Operating profit, Me	495	327	493
as % of net sales	17.9	12.8	13.8
Profit before taxes, Me	491	292	443
as % of net sales	17.8	11.4	12,4
Return on capital employed*, %	35.7	17.7	26.0
Return on equity*, %	38.4	24.6	33.8
Equity ratio, %	52.3	39.1	41.7
Gearing ratio, %	34.1	77.2	68.0
Interest bearing net debt, Me	477	791	761
Equity per share, e	10.27	7.53	8.29
Personnel on average	11,800	12,330	12,273
Number of shares	138,886,445	138,886,445	138,886,445
- not counting own shares	136,293,748	135,813,485	135,813,485
- diluted	135,870,405	135,638,985	137,213,485

* based on previous 12 months

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1-9/2004
EUR million

	Attributable to equity holders of the Company						
	Share capital	Share premium account	Fair value and other reserves	Trans-lation Differ-ences	Re-tained earn-ings	Total	Minority interest
EQUITY 1.1.	236	220	1	-5	369	820	1
Change in translation difference				4		4	
Share based compensation			0			0	
Direct bookings in retained earnings							
Dividend distribution					-27	-27	
Profit for the period					225	225	
EQUITY 30.9.	236	220	1	-1	567	1,023	1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1-9/2005
EUR million

	Attributable to equity holders of the Company						
	Share capital	Share premium account	Fair value and other reserves	Trans-lation Differ-ences	Re-tained earn-ings	Total	Minority interest
EQUITY 1.1.	236	220	2	-2	671	1,126	1
Changes from IAS 39 and 32:							
Cash flow hedging			2		-2		0
ADJUSTED EQUITY 1.1.	236	220	4	-2	670	1,126	1
Cash flow hedging							
Increase (hedging reserve)			24			24	
Deferred taxes' share of period movements			-6			-6	
Change in translation difference				-2		-2	
Share based compensation			3			3	
Change in minority interest							-1
Dividend distribution					-109	-109	
Profit for the period					362	362	
EQUITY 30.9.	236	220	25	-4	923	1,399	0

The Pipelines business was transferred in August 2005 from Ruukki Construction to Ruukki Metals. The reference figures have been changed consequently.

NET SALES BY DIVISION

EUR million	1-9/05	1-9/04	Change %	2004
Ruukki Construction	395	274	44	377
Ruukki Engineering	339	215	58	329
Ruukki Metals	2,029	2,063	-2	2,850
Other units	2	6		8
Consolidated net sales	2,764	2,559	8	3,564

OPERATING PROFIT BY DIVISION

EUR million	1-9/05	1-9/04	2004
Ruukki Construction	70	41	57
Ruukki Engineering	69	35	53
Ruukki Metals	396	287	425
Group management and other units	-39	-35	-42
Consolidated operating profit	495	327	493

NET SALES BY QUARTER

EUR million	I/04	II/04	III/04	IV/04	I/05	II/05	III/05
Ruukki Construction	61	99	114	103	88	137	170
Ruukki Engineering	63	78	74	113	124	114	101
Ruukki Metals	668	733	663	787	802	686	541
Other units	1	1	3	2	0	2	0
Consolidated net sales	794	911	854	1,005	1,014	939	812

OPERATING PROFIT BY QUARTER

EUR million	I/04	II/04	III/04	IV/04	I/05	II/05	III/05
Ruukki Construction	0	16	24	16	9	22	39
Ruukki Engineering	9	15	10	19	22	23	23
Ruukki Metals	73	108	105	138	180	147	69
Group management and other units	-7	-17	-12	-7	-10	-12	-17
Consolidated operating profit	76	123	128	166	201	180	114

NET SALES BY QUARTER (PRO FORMA) EXCLUDING UNITS TRANSFERRED TO OVAKO

Me	I/04	II/04	III/04	IV/04	I/05	II/05	III/05
Ruukki Construction *)	61	99	114	103	88	137	170
Ruukki Engineering	48	62	61	95	103	107	101
Ruukki Metals *)	556	608	558	647	632	633	541
Group management and other units	1	1	3	2	0	2	0
Consolidated net sales	667	770	736	846	822	878	812

*) Pipelines business transferred from Ruukki Construction to Ruukki Metals in August 2005.

OPERATING PROFIT BY QUARTER (PRO FORMA) EXCLUDING UNITS TRANSFERRED TO OVAKO

Me	I/04	II/04	III/04	IV/04	I/05	II/05	III/05
Ruukki Construction *)	0	16	24	16	9	22	39
Ruukki Engineering	8	13	8	16	21	24	23
Ruukki Metals *)	71	94	95	119	143	135	69
Group management and other units	-7	-17	-12	-7	-10	-12	-17
Consolidated operating profit	71	107	115	144	163	169	114

*) Pipelines business transferred from Ruukki Construction to Ruukki Metals in August 2005.

NET SALES BY AREA

% of net sales	1-9/05	1-9/04	2004
Finland	29	26	26
Other Nordic countries	30	28	28
Central eastern Europe	11	11	11
Other western Europe	27	32	32
Other countries	3	3	3

CONTINGENT LIABILITIES	Group		Rautaruukki Oyj	
EUR million	9/05	12/04	9/05	12/04
Mortgaged real estates	27	30	27	27
Collateral given on behalf of				
Group companies			88	124
associated companies	16	2	16	2
others	6	2	0	0
Leasing and rental liabilities	146	166	127	149
Other financial liabilities	1	2	0	1

VALUES OF DERIVATIVE CONTRACTS

30 September 2005, EUR million

CASH FLOW HEDGES INCLUDED IN HEDGE ACCOUNTING	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	95	-1.0
Zinc derivatives		
Forward contracts	36,600*	9.0
Electricity derivatives		
Forward contracts	2,336**	17.8

DERIVATIVES NOT INCLUDED IN HEDGE ACCOUNTING	Nominal value	Fair value
Interest rate derivatives		
Interest rate swaps	374	-3.5
Foreign currency derivatives		
Forward contracts	654	4.8
Options		
Bought	70	1.8
Sold	70	1.2
	140	3.0

*tonnes
**GWh

The unrealised profit/loss of the cash flow hedges are booked to equity, if the hedge is effective. Other fair value changes are booked to profit and loss.

Rautaruukki Corporation

Taina Kyllönen
VP, Corporate Communications

Ruukki supplies metal-based components, systems and turnkey deliveries to the construction and mechanical engineering industries. The company has a wide selection of metal products and services. Ruukki has operations in 23 countries and employs 12,000 people. Net sales in 2004 totalled EUR 3.6 billion. The company's share is quoted on the Helsinki Exchanges (Rautaruukki Corporation: RTRKS).

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