

Q1

INTERIM REPORT
1 Jan-31 Mar 2013
RTRKS

25 April 2013 RAUTARUUKKI CORPORATION

RUUKKI

Energy-efficient steel solutions for better **LIVING. WORKING. MOVING.**

RAUTARUUKKI CORPORATION INTERIM REPORT Q1/2013: EFFICIENCY PROGRAMMES IMPROVED PROFITABILITY

January-March 2013 (Q1/2012)

- Net cash from operating activities was EUR 22 million (54).
- Order intake was down 7% at EUR 590 million (634).
- Comparable net sales were down 16% at EUR 590 million (699). This decrease was mostly due to divestment of the Engineering business at the end of 2012.
- Comparable operating profit was EUR 5 million (-15).
- Comparable result before taxes was -EUR 3 million (-25).

Guidance for 2013 remains unchanged

Comparable net sales in 2013 are estimated to be at the same level as in 2012. Comparable operating profit is estimated to improve compared to 2012 and to be positive.

KEY FIGURES			
	Q1/13	Q1/12	2012
Comparable figures			
Comparable net sales, EUR m	590	699	2,789
Comparable operating profit, EUR m	5	-15	-65
Comparable operating profit as % of net sales	0.8	-2.2	-2.3
Comparable result before income tax, EUR m	-3	-25	-103
Reported figures			
Reported net sales, EUR m	590	702	2,796
Reported operating profit, EUR m	4	-16	-101
Reported result before income tax, EUR m	-4	-27	-139
Net cash from operating activities, EUR m	22	54	172
Net cash before financing activities, EUR m	7	32	78
Earnings per share, EUR	-0.03	-0.15	-0.85
Return on capital employed (rolling 12 months), %	-4.1	-0.7	-4.9
Return on capital employed (annualised), %	0.8	-2.9	-4.9
Gearing ratio, %	72.4	67.9	71.2
Equity ratio, %	44.3	46.3	45.6
Personnel on average	8,876	11,350	11,214

President & CEO Sakari Tamminen

Uncertainty in the eurozone continued and the area was in recession during the first quarter of 2013. Economic development continued also to show regional differences. Market sentiment was and is wait-and-see. The emerging markets and the United States are forecast to maintain global growth. As regards Ruukki's most important markets, Sweden upgraded its growth forecast, whereas forecasts in Russia were downgraded due to weakened domestic demand and fewer investments. Many forecasts do not expect the eurozone economy, underpinned by export-driven demand, to return to growth until the second half of 2013 or in early 2014.

Improved earnings performance was mainly attributable to efficiency improvement projects we initiated about a year ago across our businesses and to favourable price development of raw material costs. These efficiency projects have progressed to plan and during the first quarter this year generated cost benefits totalling around EUR 18 million in addition to around EUR 20 million in earnings improvement achieved last year. The annualised cost impact of ongoing projects was around EUR 70 million at the end of March. It is now estimated that the savings of around EUR 100 million sought will be achieved and that the improvement in earnings performance will be visible in full from the third quarter of this year onwards.

Significantly improved earnings performance in our steel business, both year on year and quarter on quarter, turned comparable consolidated operating profit back into the black. Compared to the previous quarter, improved earnings performance was also visible as positive cash flow of EUR 22 million from operating activities. Net working capital to sales was unchanged quarter on quarter at 18%. Order intake in the construction business was up 4% year on year, whereas order intake in the steel business was down 10%. Ruukki's net sales were clearly at a lower level compared to a year earlier. This was largely due to withdrawal from the engineering business at the end of last year.

Operating profit in our construction business improved year on year as a result of the efficiency programme, but was down quarter on quarter due to normal seasonality. Order intake for residential roofing products was at the same level as a year earlier, which is in line with market growth expectations. Ruukki's focus on its own distribution in roofing products was visible as higher than market growth last year and it is my view that this performance can be repeated also during the current year. Our order intake for commercial and industrial construction was up clearly compared to a year earlier. Russia and Sweden accounted for most of the growth, whereas activity in Finland was more modest. Order intake included new project orders in Sweden and in Russia order intake was up both for concept buildings and steel structure projects.

The clear improvement in profitability compared to the previous quarter in our steel business was attributable to higher delivery volumes, better product mix, lower costs and optimum use of raw materials, together with cost savings achieved. The comparable share of special steel products reported for previous years rose year on year to account for 32% (30) of net sales in our steel business.

Overcapacity in the steel industry in Europe means that price development depends not just on demand, but also greatly on the price development of main raw materials. It is estimated that steel wholesalers have now restocked and this might weaken demand during the second quarter. There are good prospects for Ruukki to grow its share of special steels because our product portfolio and quality, together with our sales and distribution network, provide a strong platform for growth.

My expectations for 2013 are mildly optimistic thanks to our actions to improve efficiency and the business choices we have made, even though we cannot expect any significant help from a pick-up in the market. Comparable net sales in 2013 are estimated to be at the same level as in 2012. Comparable operating profit is estimated to improve compared to 2012 and to be positive.

Rautaruukki Corporation's full interim report for January-March 2013 is attached to this release.

For further information, please contact

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News conference for analysts and the media

A joint news conference in English both for analysts and the media will be hosted on Thursday 25 April at 10.30am at Ruukki, Suolakivenkatu 1, 00810 Helsinki.

A live webcast of the event and the presentation by the company's President & CEO Sakari Tamminen may be followed online on the company website at www.ruukki.com/Investors starting at 10.30am EEST. This event can also be attended through a conference call by dialling the number below 5-10 minutes before the scheduled time:

+44 207 1620 177 (calls outside Finland)

+358 9 2313 9202 (calls inside Finland)

Access code: 930974

A replay of the webcast can be viewed on the company's website from no later than 4pm EEST onwards. A recording of the conference call will be available until 3 May 2013 at:

+44 20 7031 4064 (calls outside Finland)

+358 9 2314 4681 (calls inside Finland)

Access code: 930974

Rautaruukki Corporation

Taina Kyllönen

SVP, Marketing and Communications

Ruukki specialises in steel and steel construction. We provide customers with energy-efficient steel solutions for better living, working and moving. We have around 9,000 employees and an extensive distribution and dealer network across some 30 countries including the Nordic countries, Russia and elsewhere in Europe and the emerging markets, such as India, China and South America. Net sales in 2012 totalled EUR 2.8 billion. The company's share is quoted on NASDAQ OMX Helsinki (Rautaruukki Oyj: RTRKS). www.ruukki.com

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RAUTARUUKKI CORPORATION'S INTERIM REPORT FOR JANUARY-MARCH 2013

Business environment

European economic development continued to be weak and regionally uneven during the first quarter of the year. Growth expectations remained low key in most countries. Recession and the wait-and-see sentiment of the markets resulted in uncertainty in customer demand. In economies outside Europe, some signs of recovery were visible especially in the United States and China. As regards Ruukki's most important economies, growth forecasts were upgraded in Sweden, whereas forecasts in Russia were downgraded due to weakened domestic demand and fewer investments.

Construction in Europe was at a low level because of weak economic conditions and seasonality in the construction industry. In Finland, overall construction activity was modest and the number of building permits granted in the early part of the year was at a lower level also compared to a year earlier. On a positive note, in the other Nordic countries growth in commercial and industrial construction, as well as in residential construction, was somewhat more favourable. Besides Sweden and Norway, growth in commercial and industrial construction was also seen in Russia. In Poland, construction activity began to weaken in the second half of 2012 and this spilled over into the first quarter of the current year.

Apparent steel demand in the EU-27 region during the first quarter of 2013 was at a clearly lower level year on year, but was up quarter on quarter. Steel wholesalers restocked during the early part of the year and, since the end of 2012, inventories levels in Europe had risen to a normal level compared to sales by the end of the report period. Average market prices for steel products in Europe rose during January-February, but the rise levelled off during March because of growing market uncertainty and the completion of restocking. The market prices of iron ore and coking coal, the main raw materials in steel production, continued to rise during January-February, but started to fall in March. At the end of the first quarter, prices were again at the same level as at the end of 2012. Growth in demand in Ruukki Metals was reflected in higher prices in order intake during the first quarter. There was good development in demand for special steels in most market areas. Average capacity utilisation rate in steel production was at the same level as for the previous quarter at about 80%.

Order intake and order book

ORDER INTAKE BY BUSINESS AREA			
EUR million	Q1/13	Q1/12	2012
Order intake			
Ruukki Construction	153	147	756
Ruukki Metals	437	488	1,857
Order intake, total	590	634	2,613

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

Structurally comparable order intake for the first quarter was down 7% year on year at EUR 590 million (634). The comparable figures for order intake have been restated to reflect the present corporate structure. Compared to the previous year, order intake was up 4% for the construction business and down 10% for the steel business.

Order intake for the construction business was down 10% quarter on quarter. This was mostly due to normal seasonality. Order intake for the steel business was down 4% quarter on quarter.

At the end of March, the structurally comparable order book was 9% lower than a year earlier and 4% lower than at the end of December 2012.

Net sales

NET SALES BY BUSINESS AREA			
EUR million	Q1/13	Q1/12	2012
Comparable net sales			
Ruukki Construction	145	153	740
Ruukki Engineering		69	265
Ruukki Metals	444	477	1,787
Others	1	0	-3
Comparable net sales, total	590	699	2,789
Items affecting comparability included in reported net sales	0	2	7
Reported net sales	590	702	2,796

Comparable net sales for the first quarter were down 16% year on year at EUR 590 million (699). Reported net sales for the first quarter were EUR 590 million (702).

The clearly lower level of net sales compared to a year earlier was largely because of divestment of the Engineering business at the end of 2012. Net sales were down 7% year on year in the steel business and 5% in the construction business. Compared to the previous quarter, comparable net sales were down 13%, which was largely due to seasonally lower delivery volumes in the construction business during the first quarter and to the divestment of the Engineering business at the end of 2012.

Compared to a year earlier, first quarter net sales were down in all market areas except for Russia and Ukraine.

Compared to the previous quarter, net sales were up slightly in Finland, but down in all other market areas.

The emerging markets accounted for 23% (25) of comparable consolidated net sales for the first quarter of 2013. Special steel products accounted for 30% (30) of Ruukki Metals' net sales and for 32% excluding the Engineering units transferred to Ruukki Metals.

NET SALES BY REGION			
EUR million	Q1/13	Q1/12	2012
Comparable net sales			
Finland	160	171	700
Other Nordic countries	192	257	897
Central Eastern Europe	76	82	379
Russia and Ukraine	47	45	262
Rest of Europe	84	104	383
Other countries	31	40	169
Comparable net sales, total	590	699	2,789
Items affecting comparability included in reported net sales	0	2	7
Reported net sales	590	702	2,796

Operating profit

OPERATING PROFIT BY BUSINESS AREA			
EUR million	Q1/13	Q1/12	2012
Comparable operating profit			
Ruukki Construction	-7	-10	1
Ruukki Engineering		-1	-3
Ruukki Metals	17	0	-42
Others	-4	-4	-20
Comparable operating profit, total	5	-15	-65
Items affecting comparability included in reported operating profit	-1	-1	-37
Reported operating profit	4	-16	-101

Comparable operating profit for the first quarter was EUR 5 million (-15). Net sales growth year on year was attributable to a clear improvement in the profitability of the steel business. Comparable operating profit improved year on year also in the construction business.

Comparable operating profit clearly improved also quarter on quarter on the back of significant earnings improvement in the steel business. Compared to the previous quarter, operating profit in the steel business improved because of higher delivery volumes, a better product mix, lower costs of raw materials and cost savings. Operating profit in the construction business was down quarter on quarter due to normal seasonality.

Financial items and result

Consolidated net finance costs in the first quarter totalled EUR 8 million (11). Net interest costs were EUR 7 million (9).

Group taxes were EUR 1 million (6).

The result for the period was -EUR 4 million (-20).

Earnings per share were -EUR 0.03 (-0.15).

Balance sheet, cash flow and financing

Total assets at the end of March were EUR 2,392 million (2 603). Equity at 31 March 2013 was EUR 1,047 million (1,190), equating to EUR 7.52 per share (8.55). Equity has decreased EUR 27 million since the end of 2012. This was mainly because of the resolution of the Annual General Meeting in March to make a dividend payment of EUR 28 million.

The equity ratio at the end of the report period was 44.3% (46.3) and the gearing ratio was 72.4% (67.9). Net interest-bearing liabilities at the end of March were EUR 758 million (807).

Return on equity for the past 12 months was -9.0% (-3.1) and return on capital employed was -4.1% (-0.7). The annualised return on capital employed was 0.8% (-2.9).

Net cash from operating activities in the first quarter was EUR 22 million (54) and net cash before financing activities was EUR 7 million (32). EUR 15 million was tied up in working capital (freed up EUR 51 million).

At the end of March, the group had liquid assets of EUR 46 million (46) and undrawn committed credit facilities of EUR 475 million (445), EUR 425 million of which were long-term.

Capital expenditure

Net cash used in investing activities during the first quarter was -EUR 15 million (-22).

Investments in tangible and intangible assets totalled EUR 17 million (23), of which maintenance investments accounted for EUR 12 million (15) and development investments EUR 5 million (8). Cash inflow from other investing activities was EUR 2 million (1).

Depreciation and impairments amounted to EUR 34 million (36).

Investments in tangible and intangible assets during 2013 are expected to be in the region of EUR 90 million.

Personnel

PERSONNEL BY REGION			
	31 Mar 2013	31 Mar 2012	31 Dec 2012
Finland	5,404	6,345	5,547
Other Nordic countries	576	648	580
Central Eastern Europe	1,105	2,068	1,106
Russia and Ukraine	1,646	1,886	1,686
Rest of Europe	52	69	63
Other countries	35	275	52
Total	8,818	11,291	9,034

The group employed an average of 8,876 persons (11,350) during the first quarter and at the end of March, the headcount was 8,818 (11,291). The Fortaco deal completed at the end of 2012 resulted in a decrease of 1,334 in Ruukki's personnel numbers. At the end of the report period, 61% (56) of Ruukki's personnel worked in Finland.

In 2013, Ruukki will hire more than 800 summer workers. Most of the summer jobs provided by Ruukki are intended for university and vocational college students of technology and commerce. The majority of the summer workers are hired by Ruukki's largest production sites in Raahe and Hämeenlinna.

Safety measured in terms of accidents per million working hours was 9 (7).

BUSINESS AREAS

RUUKKI CONSTRUCTION

- Order intake was up 4% year on year, order book up 24% year on year and 5% quarter on quarter
- Operating improved year on year mainly because of the efficiency programme initiated in 2012
- EUR 8 million of the total cost savings programme target of EUR 20 million was achieved in 2012 and EUR 5 million during the first quarter of 2013

RUUKKI CONSTRUCTION			
EUR million	Q1/13	Q1/12	2012
Order intake	153	147	756
Net sales	145	153	740
Comparable operating profit	-7	-10	1
Comparable operating profit as % of net sales	-5.1	-6.8	0.1
Items affecting comparability included in reported operating profit			-11
Reported operating profit	-7	-10	-10
Reported operating profit as % of net sales	-5.1	-6.8	-1.3
Personnel at end of period	3,196	3,548	3,266

Order intake and order book

Order intake in the first quarter was up 4% year on year at EUR 153 million (147).

Order intake for commercial and industrial construction was up 11%. Compared to a year earlier, order intake showed clear growth in Russia and Sweden. New project orders were received in Sweden and also demand for components was up year on year. Order intake grew in Russia both for concept buildings and for steel structure projects. In Finland and Poland, order intake both for projects and components was down compared to a year earlier.

Order intake for residential roofing products was at the same level as a year earlier. As regards Ruukki's main markets, order intake was up in Finland and Sweden, but down in Poland.

Order intake for infrastructure construction was down 4% year on year. Orders showed clear growth in Sweden, where orders for pile products, among others, were up. As regards Ruukki's main markets, orders were down in Finland and Norway.

Compared to the previous quarter, Ruukki Construction's order intake was down 10%. Order intake for infrastructure construction was up 28% quarter on quarter driven by project orders received from Sweden and also because of a number of major sales of piles. These also included significant orders for a new product developed by Ruukki, an RD pile wall.

Order intake for residential construction was down 44% quarter on quarter due to seasonality. Order intake for commercial and industrial construction was down 3% quarter on quarter.

The order book at the end of March was 24% higher than a year earlier and 5% higher than at the end of December 2012.

Net sales

Ruukki Construction's net sales for the first quarter of the year were down 5% year on year at EUR 145 million (153). Compared to the previous quarter, Ruukki Construction's net sales were down 19%. This was mainly attributable to seasonality.

Residential roofing products accounted for 16% (14) of Ruukki Construction's net sales for the first quarter, commercial and industrial construction for 69% (68) and infrastructure construction products for 15% (18).

RUUKKI CONSTRUCTION NET SALES BY PRODUCT GROUP				
EUR million	Q1/13	Q1/12	Q4/12	2012
Reported net sales				
Residential roofing	23	22	46	181
Commercial and industrial construction	100	104	114	457
Infrastructure construction	22	27	21	102
Reported net sales, total	145	153	180	740

Residential roofing products

Net sales of residential roofing products for the first quarter were up 4% year on year at EUR 23 million. Highest net sales growth was seen in Sweden, where the Ruukki Express distribution chain was added to through the acquisition of Plåtleverantören i Stockholm AB in the second quarter of 2012. Net sales were also up somewhat in Finland and Central Eastern Europe, but down in most other market areas compared to a year earlier. Net sales of residential roofing products were down quarter on quarter in all market areas because of seasonality.

Commercial and industrial construction

Net sales in commercial and industrial construction were down 3% year on year at EUR 100 million. Highest net sales growth was seen in Sweden. As regards Ruukki's other main markets, net sales were up somewhat in Norway and Russia, but down in Finland and Poland. Compared to the previous quarter, net sales in commercial and industrial construction were down 12% because of seasonality.

Infrastructure construction

Net sales in infrastructure construction were down 18% year on year at EUR 22 million. Net sales were down year on year in all main market areas, i.e. Finland, Sweden and Norway. Net sales were up 6% quarter on quarter, with most of this growth generated from sales of piles in Sweden and Norway.

Operating profit

Ruukki Construction's operating profit for the first quarter was negative at -EUR 7 million (-10). Negative operating profit was largely because of the seasonally low capacity utilisation rate. Operating profit improved slightly year on year mainly as a result of the efficiency programme initiated during 2012. The relative profitability of residential roofing products and infrastructure improved year on year. Building projects and infrastructure construction improved their profitability, but the costs of unused capacity means they are still not yet at a satisfactory level.

Actions to improve profitability

During the second quarter of 2012, Ruukki Construction initiated a project across the division to improve profitability and aimed at a permanent improvement of EUR 20 million in earnings performance. Within the limits of this programme, the production-distribution process and material flows were optimised, the efficiency of sales, marketing and support functions was improved and the business model in the project business was developed. Around EUR 8 million of the earnings improvement target in the construction business was achieved during 2012 and around EUR 5 million in the first quarter of 2013. Earnings improvement relating to efficiency projects is expected to be seen in full by the third quarter of the current year onwards.

Product development and major delivery contracts

Ruukki launches the world's first roof for installation on single-family homes to harness solar thermal energy

Ruukki was the first company in the world to launch a flexibly designed roof for an ordinary single-family home to harness solar thermal energy. The Ruukki Classic Solar Thermal Roof generates energy both for domestic hot water and for heating. The integrated heat collector blends in virtually invisibly with Ruukki's Classic roof without the need to mount separate thermal heat collectors.

Steel structure contract for Ruukki for Mälarenergi's combined heat and power plant
Ruukki is to deliver the steel frame and envelope structures for Mälarenergi's new combined heat and power plant to be built at Västerås in Sweden. Ruukki's customer is Metso Corporation, which is responsible for supplying the world's largest recoverable fuel fired boiler for the project. The total value of Ruukki's deliveries for the project is around EUR 12 million. Ruukki is responsible for delivery and installation of the steel frame, wall and roof structures, and hollow core slabs for the new building. Ruukki's deliveries are scheduled from the beginning of 2013 until the fourth quarter.

Large order for Ruukki's complete buildings solutions in Russia

After the report period, Ruukki announced a major order received from the agricultural sector in Russia. Ruukki is to deliver buildings totalling 60,000 square metres for Poultry Akashevskaya's new facility in the Mari El Republic in Russia. The buildings are based on Ruukki's cold-formed galvanised profiles, which are market leader in Russia. The new facility is being built from distinct, lightweight structural components that can be modified for various applications. Thanks to their simple structure, the buildings can be quickly tailored to meet specific customer needs. Highly prefabricated elements and structures enable quick installation and thus reduce building costs. Thanks to the rapid modernisation of Russian agriculture, Ruukki's complete buildings solutions are now in demand, especially in the agricultural sector. The order is included in received orders for the reporting period.

RUUKKI METALS

- Clear improvement in comparable operating profit both year on year and quarter on quarter
- Structurally comparable order intake was down 4 % quarter on quarter
- Clear growth quarter on quarter in order intake and net sales of special steel products
- EUR 10 million of total cost savings programme target of EUR 70 million achieved in 2012 and EUR 11 million in the first quarter of 2013

RUUKKI METALS			
EUR million	Q1/13	Q1/12	2012
Order intake	437	488	1,857
Net sales	444	477	1,787
Comparable operating profit	17	0	-42
Comparable operating profit as % of net sales	3.8	0.0	-2.3
Items affecting comparability included in reported operating profit			-11
Reported operating profit	17	0	-53
Reported operating profit as % of net sales	3.8	0.0	-2.9
Deliveries (1 000 tonnes)	481	507	1,809
Personnel at end of period	5,228	5,454	5,203

Order intake and order book

The value of structurally comparable order intake for the first quarter was down 10% year on year at EUR 437 million (488). The comparable figures have been restated to reflect the present corporate structure. Average prices of order intake decreased compared to a year earlier, but order volumes increased. Order intake for special steels increased slightly compared to a year earlier. Order intake for flat and strip products, tubular and profile products, stainless steel and aluminium products showed a clear decline year on year.

Compared to the same period a year earlier, order intake was down in most market areas, especially in the Nordic countries. In Finland and the rest of Europe, orders showed a slight decrease. Order intake in new market areas remained almost at the same level as a year earlier and grew somewhat in Russia as regards special steel products.

Compared to the previous quarter, order intake was down 4 %. Average prices of orders rose during the quarter whereas order volumes fell. The rise in prices levelled off towards the end of the quarter.

Order intake for special steel products showed 15 % growth quarter on quarter. Also orders for stainless steel and aluminium products were up. Order intake for flat and strip products showed a clear decrease since the previous quarter and orders for tubular and profile products were slightly down. Order intake grew in Finland, Central Eastern Europe and in new market areas. Orders from Western Europe were down. The order book at the end of March was 29% lower than a year earlier and 13% lower than at the end of December 2012.

Net sales

Ruukki Metals' net sales for the first quarter were down 7% year on year at EUR 444 million (477). Net sales decreased due to a fall in delivery volumes and lower average selling prices for steel products compared with the same period a year earlier.

Net sales showed clear growth in Finland and Russia, but decreased in other important market areas such as the other Nordic countries. Net sales were down in all product groups compared to the first quarter of 2012.

Compared to the previous quarter, Ruukki Metals' net sales were up 2%, mostly driven by higher delivery volumes in Finland and also the other Nordic countries. Average selling prices of steel products were down slightly quarter on quarter. Net sales of special steel products grew 13 % and net sales of tubes and profiles 6 %. Delivery volumes of strip and flat products were down quarter on quarter.

Since the first quarter of 2013, Ruukki Metals' net sales are also reported by product group according to the product groups shown below.

RUUKKI METALS NET SALES BY PRODUCT GROUP				
EUR million	Q1/13	Q1/12	Q4/12	2012
Reported net sales				
Special steel products	133	143	118	551
Strip and flat steel products	219	227	229	854
Tubes and profiles	61	70	58	253
Stainless steel and aluminium products	30	37	29	129
Reported net sales, total	444	477	434	1,787

Special steel products

The following strip and plate products are reported in the special steel products product group: wear-resistant, high-strength, special colour coated and high-strength galvanized steels. Ruukki's trademarks are e.g. Raex, Optim, Laser, Ramor and Litec.

Net sales in the special steel products product group were EUR 133 million (143) in the first quarter. Net sales decreased mainly because of slightly lower average selling prices of products compared to a year earlier, but also because delivery volumes were slightly down. The fall in average selling prices was largely due to a change in the product mix, i.e. strip products accounted for a higher share of special steel deliveries, whereas the share of flat products fell.

Net sales of special steel products remained at almost the same level as a year earlier in Finland, the other Nordic countries and Russia. In Western Europe and new market areas, net sales were down year on year.

As regards customer segments, sales of special steels to the lifting, handling and transportation equipment industry grew year on year. Deliveries to the automotive industry showed a clear decrease because of weak demand in sector. Also deliveries to steel wholesalers were down year on year.

Compared to the previous quarter, net sales of special steels were up 13% on the back of clearly higher delivery volumes. Average selling prices of special steel products fell slightly quarter on quarter. Deliveries grew in most market areas, notably in Western Europe, Finland and the other Nordic countries.

Special steel products accounted for 30% (30) of Ruukki Metals' net sales for the first quarter of the year. Excluding the Engineering units transferred to Ruukki Metals, special steel products accounted for 32% of Ruukki Metals' net sales. Investments in expansion and development of sales and

distribution network for special steel products were reflected positively in sales of certain special steel products.

Strip and flat products

The following are reported in the strip and flat products product group: hot- and cold-rolled steels and coated standard steel products. Sales of the Engineering units remaining with Ruukki and of by-products and mineral products are also reported in this group.

Net sales in the strip and flat products product group were EUR 219 million (227) in the first quarter. Both delivery volumes and average selling prices were down slightly year on year.

Net sales of strip and flat products showed clear growth year on year in Finland, but decreased in the other Nordic countries. Net sales in Western Europe and Russia were up slightly year on year.

As regards customer segments, sales to the shipbuilding industry showed clear growth year on year.

Compared to the previous quarter, net sales of products in the strip and flat products product group were down 4% because of lower delivery volumes. Average selling prices of strip and flat products rose slightly quarter on quarter.

Tubes and profiles

The following are reported in the tubes and profiles product group: structural hollow sections, precision tubes, profiles and line pipes.

Net sales in the tubes and profiles product group were EUR 61 million (70) in the first quarter. Net sales decreased mainly because of lower delivery volumes year on year and also because of slightly lower average selling prices. Net sales were down in all market areas. Deliveries to the most important customer segment, the building products industry, were down slightly year on year.

Compared to the previous quarter, net sales of tubes and profiles were up 6% driven by higher delivery volumes. Average selling prices, on the other hand, were down slightly quarter on quarter.

Stainless steels and aluminium products

The following are reported in the stainless steels and aluminium products group: stainless steel and aluminium sold as trading products, coils, sheets, bars, profiles and tubes made of aluminium and delivered to customers in standard dimensions, prefabricated or as components.

Net sales of trading products sold in the stainless steel and aluminium products product group were EUR 30 million (37) in the first quarter. Net sales decreased mainly because of lower delivery volumes year on year and also because of lower average selling prices. Net sales were down in all market areas. As regards main customer segments, net sales were down in the manufacture of structural hollow sections, infrastructure construction and in the building product industry compared to a year earlier.

Compared to the previous quarter, net sales of stainless steels and aluminium products were up 5%. Delivery volumes rose, but average selling prices fell quarter on quarter.

Operating profit

Ruukki Metals' comparable operating profit for the first quarter was EUR 17 million (0). Operating profit showed clear improvement both year on year and quarter on quarter (Q4/2012: -EUR 34 million). The improvement in operating profit compared to a year earlier was mainly attributable to cost savings achieved and to lower costs of raw materials. Thanks to a number of development projects completed during the year to optimise production and to use raw materials more efficiently, manufacturing costs have successfully been cut.

Ruukki Metals' comparable operating profit showed clear improvement also quarter on quarter because of cost savings achieved, low costs of raw materials, growing delivery volumes and a better product mix.

Steel production

STEEL PRODUCTION			
1 000 tonnes	Q1/13	Q1/12	2012
Steel production	565	601	2,299

Steel production during the first quarter of the year was 565 thousand tonnes (601) and the utilisation rate was around 80%. Work continued to boost the recycling rate of materials in steel production and projects to increase operating efficiency.

Raw materials and energy in steel production

Market prices of iron ore and coking coal – the main raw materials in steel production – rose compared to the previous quarter in January-February, but fell during March. Towards the end of the first quarter, global market prices for iron ore were at roughly the same level as at the start of 2012 and prices of coking coal were roughly at the same level as at the end of 2012.

The global market price of iron ore and coking coal is forecast to remain at the level of the first quarter or even to fall during the second quarter. Ruukki Metals' contract prices follow general market development. However, there is typically a delay of around one quarter before changes in the prices of raw materials are reflected in Ruukki's production costs. This is because of contracts signed with raw materials suppliers and the normal turnaround of inventories. Ruukki has yet to agree a price for most of its pellet purchases. The existing price agreement expired at the end of the first quarter.

Product and other operational development

Ramor protection panel from Ruukki for ballistic protection needs

Ruukki has designed a new Ramor protection panel, which is an innovative new approach to create safe rooms and fixed structures with superior resistance to explosions and ballistic threats. The panel also has excellent multi-hit capability and offers a modular, dimensionally accurate solution for advanced ballistic protection needs. Typical applications include border control and security gate buildings, as well as modular citadels and other fixed structures where the potential for ballistic and blast attacks must be addressed, but where the scope for constructing heavy duty, permanent buildings is often impractical.

Ruukki studying new grades of pellet together with Severstal

Ruukki Metals has initiated cooperation with Russian PJSC Karelsky Okatysh, a fully-owned subsidiary of the Severstal Group, to develop new grades of iron pellets. Ruukki uses iron ore pellets as a feedstock in crude iron manufacture. New grades of pellets developed by Karelsky Okatysh are

to be tested in the laboratory at Ruukki's Raahe Works in Finland. Tests will also be conducted at the University of Oulu in the Laboratory of Process Metallurgy, which can simulate blast furnace conditions.

Ruukki sources most of the pellets its needs from Sweden. In spring last year, Ruukki signed a three-year contract for supplies of coking coal and iron pellets with Severstal Resources, a division of the Severstal Group. The goal is to spread purchases of raw materials and to improve the overall efficiency of the steel-making process, where development of the blast furnace charge material is an important factor.

Ruukki has developed a new product for earthworks and road construction

Ruukki has developed a new LD blast furnace (BF) sand for use in earthworks and road construction. The new product is a mixture of BF sand and steel slag and can be made in different mixture ratios. Manufacturing and selling this sand enables Ruukki to utilise the steel slag and BF sand created as by-products in the steel making process. Steel slag is also used as a raw material in Ruukki's own production process. BF sand is also sold for agricultural liming and as a raw material in the cement industry.

Significant decrease in emissions at Ruukki's Raahe Works

Ruukki has been actively working to reduce emissions at the Raahe steel mill by investing in environmental technology and by improving production processes. Process changes and replacement of dust removal devices reduced particulate emissions significantly last year in line with targets to result in an emissions reduction of up to over 80 per cent compared to 2011.

The decrease in emissions was especially attributable to the changeover to pellets as feedstock, the related closure of the sinter plant and replacement of the dust removal devices in the blast furnaces at the steel mill. In addition, the closed cooling water circulation system in blast furnace slag granulation has considerably reduced the discharge of suspended solids into the sea. Emissions of sulphur dioxide into the air were just a quarter of what they were in 2011 and carbon dioxide emissions have decreased by around a further 10%.

Ruukki's steel production already ranked better than the European average in terms of carbon dioxide efficiency. Both blast furnaces at the works have for years ranked among the most energy efficient in Europe.

Ruukki invests in new slitting line

Ruukki is developing and improving the efficiency of production operations at its steel service centre in Naantali, Finland by investing in a new slitting line. The investment is worth around EUR 2 million and is aimed at improving customer service, delivery reliability and cost efficiency by automating steel cutting operations. The new line will be operative starting in July-August 2013.

Ruukki Metals' project to improve profitability

During the first quarter of 2012, an efficiency improvement programme was initiated with the aim of achieving a permanent annual improvement of EUR 70 million in earnings performance. A number of development projects to improve competitiveness and achieve savings have been completed, especially at various production sites. Some of the cost savings have been generated by efficiency actions already completed in operations and workforce reductions in production, sales, marketing and business support functions. During 2012, the programme delivered around EUR 10 million in earnings improvement and a further EUR 11 million in the first quarter of 2013. It is estimated that earnings improvement as a result of efficiency projects will be visible in full from the third quarter of the current year onwards.

Environmental matters

Ruukki's Corporate Responsibility Report for 2012 was published in February. The report widely describes Ruukki's work to promote sustainability and environmental matters as one of the key areas in this. The Corporate Responsibility Report may be viewed on the company's website at www.ruukki.com/Corporate-responsibility. More information about environmental matters can also be found in product declarations, English summaries of the annual environmental reviews of our works in Raahe and Hämeenlinna and on the company's website at www.ruukki.com. Ruukki's share is included in many sustainability share indexes.

Resolutions of the Annual General Meeting

Rautaruukki Corporation's Annual General Meeting was held in Helsinki on 21 March 2013. A total of 483 shareholders were represented at the meeting.

The Annual General Meeting approved the payment of a dividend for 2012 of EUR 0.20 per share. The dividend payout totalled EUR 28 million and was paid on 4 April 2013. In addition, the Annual General Meeting adopted the financial statements and consolidated financial statements and discharged the members of the Board of Directors and the President & CEO from liability for 2012.

It was confirmed that the number of members of the Board of Directors is seven (7). President & CEO Kim Gran, CEO Liisa Leino, President & CEO Matti Lievonen, CFO and deputy CEO Saila Miettinen-Lähde and CEO Jaana Tuominen were re-elected to the Board. Executive Advisor Timo U. Korhonen and CEO Matti Kähkönen were elected as new members of the Board of Directors.

KHT audit firm KPMG Oy Ab was re-appointed as the company's auditor, who appointed Petri Kettunen APA as the principal auditor.

Authority to acquire and transfer the company's own shares

In accordance with the Board of Directors' proposal, the Annual General Meeting granted the Board of Directors the authority to acquire a maximum of 12,000,000 of the company's own shares. The authority is valid until the following Annual General Meeting. This authority supersedes the earlier authority granted by the 2012 Annual General Meeting to purchase 12,000,000 shares and which was valid until the 2013 Annual General Meeting.

In accordance with the Board of Directors' proposal, the Annual General Meeting granted the Board of Directors the authority to decide on a share issue, which includes the right to issue new shares and/or to transfer treasury shares held by the company. The authority applies to a maximum of 14,000,000 shares. The Board of Directors has the right to disapply the pre-emption rights of existing shareholders in a directed issue. The authority also includes the right to decide on a bonus issue. The authority is valid for a period of one year following the date of decision of the Annual General Meeting.

Board of Directors' organisation meeting

Kim Gran was re-elected as chairman of the Board of Directors and Matti Lievonen was elected as deputy chairman.

In its organisation meeting held on 21 March 2013, the Board of Directors elected committee members from among themselves. Matti Lievonen was appointed as chairman and Timo U. Korhonen, Liisa Leino and Saila Miettinen-Lähde as members of the Audit Committee. Kim Gran was appointed as chairman and Matti Kähkönen and Jaana Tuominen as members of the Remuneration and HR Committee. All members of the Board of Directors are independent of both the company and the company's largest shareholders.

Shares and share capital

SHARES LISTED ON NASDAQ OMX HELSINKI STOCK EXCHANGE				
31 March 2013	No. of shares	No. of votes	Number of shares traded Q1/2013	Value of shares traded Q1/2013, MEUR
RTRKS	140,285,425	140,285,425	27,387,004	148
1.1.-31.3.2013	Highest	Lowest	VWAP*	Closed
Share price	6.32	4.95	5.4	4.95
* Trade volume-weighted average price			31 Mar 2013	31 Mar 2012
Market capitalisation, MEUR			694	1,104
Foreign ownership, %			13.9	16.0

During the first quarter of 2013, a total of 27 million (48) Rautaruukki shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 148 million (411). The highest price quoted was EUR 6.32 in March and the lowest was EUR 4.95 in January. The volume-weighted average price was EUR 5.4. The share closed at EUR 4.95 (7.87) at the end of the report period and the company had a market capitalisation of EUR 694 million (1,104).

Rautaruukki's share is also traded, in addition to NASDAQ OMX Helsinki, on multilateral trading facilities (MTF). According to information received by the company, a total of 9 million (11) Rautaruukki shares were traded on MTFs for a total of EUR 51 million (98) during the first quarter of 2013.

The company's registered share capital at 31 March 2013 was EUR 238.5 million (238.5) and there were 140,285,425 shares outstanding.

At the end of the report period, the company held a total of 1,392,470 treasury shares (1,423,051), which had a market value of EUR 6.9 million (11.2) and an accounting par value of EUR 2.4 million (2.4). Treasury shares accounted for 0.99% (1.01) of the total shares and votes

The valid authorities to acquire and transfer the company's own shares are detailed above under Authority to acquire and transfer the company's own shares. As at 31 March 2013, the Board of Directors had not exercised its authority to issue shares or to purchase the company's own shares.

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

Structure and management changes

Sami Äirilä, LL.M., was appointed Senior Vice President, Human Resources and a member of the Corporate Executive Board of Rautaruukki Corporation as of 1 March 2013. He reports to the President & CEO Sakari Tamminen. Sami Äirilä has been working for Ruukki for approximately five years, most recently as Vice President, Human Resources Management.

Near-term business risks

The company's risks and risk management are detailed in the Annual Report for 2012. The company does not consider there to have been any material changes during the report period in the risks and factors of uncertainty presented in the Annual Report.

Near-term outlook

Many economic forecasts still expect global economic growth to be only around 3% in 2013. This rate is below the historical growth trend. The economy in Europe is generally not expected to return, underpinned by export-driven demand, to the growth track until the second half of 2013 or in early 2014. As regards Ruukki's main markets, the German, Swedish and Norwegian economies are expected to show moderate growth in 2013. Economic activity in Finland is forecast to remain at the level of 2012. As a result of the latest weakening of business trends in Russia, economic growth in Russia in 2013 is now anticipated to be at more or less the same level as global economic growth.

In construction, the growth outlook in most main market areas weakened in late 2012, since when there have been no significant changes during the seasonally quiet first quarter. Construction activity is expected either to remain at the same level as in 2012 or to decline slightly in all Ruukki's main market areas, including Poland. On the other hand, in Russia and Sweden, commercial and industrial construction is expected to grow compared to the previous year. Ruukki's focus on its own distribution channel for roofing products was reflected in these products outperforming market growth in 2012. It is thought there is good potential for this to continue also during 2013. Whereas infrastructure construction activity in Finland is expected to remain weak, the outlook for 2013 is more positive in the other Nordic countries.

Because of the overcapacity prevailing in the European steel industry, the price development of steel products for the whole year greatly depends on demand and on the price development of raw materials. The market prices of iron ore and coking coal are forecast to remain at the level of the first quarter or even to fall during the second quarter.

In Ruukki's steel business, service centre sales are expected to continue at a good level. However, the downturn in Europe gives rise to much uncertainty as regards demand from mill customers. After moderate restocking during the first quarter, inventories of steel products in Europe had returned to a normal level compared to sales at the end of the report period. There are good prospects for Ruukki to grow its share of special steels because our product portfolio and quality, together with our sales and distribution network, provide a platform for strong growth.

Efficiency projects initiated across Ruukki in 2012 delivered cost benefits of EUR 20 million last year and a further EUR 18 million during the first quarter of 2013. The annualised cost impact of ongoing projects was around EUR 70 million at the end of March. The projects have progressed to plan and it is now estimated that the savings of around EUR 100 million sought from efficiency actions will be achieved. The ensuing improvement in earnings performance is estimated to be visible in full by no later than the third quarter of 2013 onwards.

Comparable net sales in 2013 are estimated to be at the same level as in 2012. Comparable operating profit is estimated to improve compared to 2012 and to be positive.

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and, with the exception of the changes arising from amendments to IFRS standards that entered into force on 1 January 2013 and referred to below, is in conformity with the accounting policies published in the 2012 financial statements.

Starting on 1 January 2013, the operations of the remaining Ruukki Engineering units subsequent to completion of the Fortaco deal in December 2012 are reported as part of Ruukki Metals' business.

IAS 1 Presentation of Financial Statements: amendment to Presentation of Items of Other Comprehensive Income

The amendment requires items of other comprehensive income to be grouped into items that can be reclassified subsequently to profit and loss and those that will not be reclassified to profit and loss. Also deferred taxes associated with these items are similarly presented.

- Items that can be reclassified subsequently to profit and loss are translation differences (reclassified to profit and loss when disposing of a foreign unit) and gains and losses realised on available-for-sale financial assets or cash flow hedges.
- Items that will not be reclassified subsequently to profit and loss are items arising from the remeasurement of defined benefit plans (IAS 19) and revaluation fund items (IAS 16 and IAS 38).

This interim report has also restated reference periods in accordance with the amended form of presentation.

IFRS 13 Fair Value Measurement

The standard sets a single definition of fair value applicable to all IFRS standards and a single approach to measuring fair value. It does not amend regulation with regard to when a reporting entity should measure an asset or liability at fair value. The standard increases the information to be disclosed on the use of fair values and requires interim reports to also disclose information about financial assets and liabilities measured at fair value. This interim report includes a table of the hierarchy used in measuring the fair value of financial assets and liabilities. The measurement and valuation principles used are consistent with those presented in the financial statements for 2012.

Amended IAS 19 Employee benefits

Most significant amendments:

- The so-called corridor method has been eliminated so that all actuarial gains and losses are recognised as they occur in items of other comprehensive income and the full net liability or asset arising from employee benefits is entered in the statement of financial position.
- Finance costs are determined on a net funding basis and the expected yield from funds is calculated by using the same discount rate as used to calculate the current value of the obligation.

Elimination of the corridor method does not result in any changes for Ruukki because Ruukki ceased using the corridor method as long ago as in 2008. Calculation of the yield of funds and present value of the obligation increased salaries and other employee benefits by EUR 2.4 million in 2012. The comparable figures and indicators have been restated accordingly.

Impacts of the amended standard on the consolidated statement of financial position and income statement in the reference period were as follows:

STATEMENT OF FINANCIAL POSITION

EUR million	1 Jan 2012	31 Dec 2012
Deferred tax assets	-1,0	-0,8
Retained earnings	3,1	3,1
Total comprehensive income		-0,8
Pension loans	-4,1	-3,1

INCOME STATEMENT

EUR million	2012
Employee benefits	-2,4
Change in deferred taxes	0,6
Result for the period	-1,8
Actuarial gains and losses	1,3
Tax on actuarial gains and losses	-0,3
Total comprehensive income	-0,8

Use of estimates

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

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

CONSOLIDATED INCOME STATEMENT (IFRS)			
EUR million	Q1/13	Q1/12	2012
Net sales	590	702	2,796
Cost of sales	-533	-660	-2,656
Gross profit	57	42	140
Other operating income	3	3	13
Selling and marketing expenses	-25	-27	-115
Administrative expenses	-30	-34	-138
Other operating expenses	-1	0	0
Operating profit	4	-16	-101
Finance income	14	12	45
Finance costs	-22	-23	-85
Net finance costs	-8	-11	-40
Share of profit of equity-accounted investees	-1	1	2
Result before income tax	-4	-27	-139
Income tax expense	1	6	22
Result for the period	-4	-20	-117
Attributable to:			
Owners of the company	-4	-20	-118
Non-controlling interest	0	0	0
Earnings per share, diluted, EUR	-0.03	-0.15	-0.85
Earnings per share, basic, EUR	-0.03	-0.15	-0.85
Operating profit as % of net sales	0.7	-2.3	-3.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)			
EUR million	Q1/13	Q1/12	2012
Result for the period	-4	-20	-117
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains and losses			-11
Tax on items that will not be reclassified to profit or loss			2
Total items that will not be reclassified to profit or loss			-9
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges	7	-11	-11
Cash flow hedges reclassified to profit and loss during the period	0	-4	-8
Translation differences	-3	11	9
Translation differences reclassified to profit and loss during the period			-5
Tax on items that may be reclassified subsequently to profit or loss	-2	4	5
Total items that may be reclassified subsequently to profit or loss	3	0	-10
Total comprehensive income for the period	-1	-21	-136
Attributable to:			
Owners of the company	-1	-21	-137
Non-controlling interest	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	31 Mar 2013	31 Mar 2012	31 Dec 2012
ASSETS			
Non-current assets	1,354	1,412	1,371
Deferred tax assets	48	41	46
Current assets			
Inventories	583	688	590
Trade and other receivables	361	415	353
Cash and cash equivalents	46	46	21
Total assets	2,392	2,603	2,380
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	1,044	1,187	1,072
Non-controlling interest	3	2	3
Non-current liabilities			
Loans and borrowings	556	539	533
Other non-current liabilities	67	53	70
Deferred tax liabilities	4	15	1
Current liabilities			
Loans and borrowings	248	315	253
Trade payables and other current liabilities	470	492	449
Total equity and liabilities	2,392	2,603	2,380

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1/13	Q1/12	2012
Result for the period	-4	-20	-117
Adjustments	43	38	170
Cash flow before change in working capital	40	18	52
Change in working capital	-15	51	173
Financing items and taxes	-3	-15	-54
Net cash from operating activities	22	54	172
Cash inflow from investing activities	2	1	10
Sale of subsidiaries less cash			-5
Cash outflow from investing activities	-17	-23	-99
Net cash used in investing activities	-15	-22	-94
Net cash before financing activities	7	32	78
Dividends paid		-69	-69
Proceeds from non-current loans and borrowings	35	0	30
Repayments of non-current loans and borrowings	-10	-10	-27
Change in current loans and borrowings	-5	23	-63
Other net cash flow from financing activities	-2	-8	-7
Effect of exchange rate fluctuations	-1	1	1
Change in cash and cash equivalents	25	-31	-57

KEY FIGURES (IFRS)

	Q1/2013	Q1/2012	2012
Net sales, EUR m	590	702	2,796
Operating profit, EUR m	4	-16	-101
as % of net sales	0.7	-2.3	-3.6
Result before income tax, EUR m	-4	-27	-139
as % of net sales	-0.7	-3.8	-5.0
Result for the period, EUR m	-4	-20	-117
as % of net sales	-0.6	-2.9	-4.2
Net cash from operating activities, EUR m	22	54	172
Net cash before financing activities, EUR m	7	32	78
Return on capital employed (rolling 12 months), %	-4.1	-0.7	-4.9
Return on equity (rolling 12 months), %	-9.0	-3.1	-10.0
Equity ratio, %	44.3	46.3	45.6
Gearing ratio, %	72.4	67.9	71.2
Net interest-bearing liabilities, EUR m	758	807	765
Equity per share, EUR	7.52	8.55	7.72
Personnel on average	8,876	11,350	11,214
Number of shares	140,285,425	140,285,425	140,285,425
- excluding treasury shares	138,892,955	138,862,374	138,892,955
- diluted, average	138,915,892	138,923,185	138,930,365

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

EUR million	Equity attributable to owners of the company							Total equity
	Share capital	Share premium	Fair value and other reserves	Trans-lation differences	Trea-sury shares	Re-tained earnings	Non-cont-rolling inter-est	
EQUITY 1 Jan 2012	238	220	3	-29	-6	849	2	1,278
Result for the period						-20	0	-20
Other comprehensive income			-12	11				0
Total comprehensive income for the period			-12	11		-20	0	-21
Dividend distribution						-69		-69
Share-based payments			0					0
Other change			0			2		2
EQUITY 31 Mar 2012	238	220	-9	-17	-6	761	2	1,190
EQUITY 1 Jan 2013	238	220	-11	-25	-6	655	3	1,074
Result for the period						-4	0	-4
Other comprehensive income			6	-2		0		4
Total comprehensive income for the period			6	-2		-4	0	1
Dividend distribution						-28		-28
Share-based payments			0					0
Other change			0					0
EQUITY 31 Mar 2013	238	220	-5	-26	-6	623	3	1,047

NET SALES BY REGION (IFRS)

As % of net sales	Q1/13	Q1/12	2012
Finland	27	24	25
Other Nordic countries	33	37	32
Central Eastern Europe	13	12	14
Russia and Ukraine	8	6	9
Rest of Europe	14	15	14
Other countries	5	6	6

CONTINGENT LIABILITIES (IFRS)

EUR million	31 Mar 2013	31 Mar 2012	31 Dec 2012
Mortgaged real estate	59	59	59
Other guarantees given	23	17	27
Rental liabilities	70	79	73
Other commitments	10	6	4

DERIVATIVE CONTRACTS (IFRS)

EUR million	31 Mar 2013 Nominal amount	31 Mar 2013 Fair value	31 Mar 2012 Nominal amount	31 Mar 2012 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	14,500	-1	12,000	-1
Heavy fuel oil derivatives				
Forward contracts, tonnes	40,000	0	28,000	0
Electricity derivatives				
Forward contracts, GWh	1,890	-11	1,692	-14
Foreign currency derivatives				
Forward contracts	146	3	256	-1
Options				
Bought	158	3	8	0
Sold	151	-1	7	0
Interest rate derivatives	30	0		
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	280	-3	448	-3
Options				
Bought	125	1	52	0
Sold	190	-1	104	0

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

HIERARCHY USED IN MEASURING THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

EUR million	Level 1	Level 2	Level 3	Total 31 Mar 2013
Assets measured at fair value				
Foreign currency derivatives			2	2
Foreign currency derivatives (cash flow hedges)			7	7
Commodity derivatives (cash flow hedges)				
Electricity			1	1
Heavy fuel oil derivatives			0	0
Zinc			0	0
Investments recognised at fair value through profit and loss				
Loan receivables from equity-accounted investees			73	73
Available-for-sale financial assets			14	14
Assets total			9	87
Liabilities measured at fair value				
Foreign currency derivatives			-5	-5
Foreign currency derivatives (cash flow hedges)			-1	-1
Interest rate derivatives (cash flow hedges)			0	0
Commodity derivatives (cash flow hedges)				
Electricity			-12	-12
Heavy fuel oil derivatives			0	0
Zinc			-1	-1
Liabilities total			-20	-20

EUR million	Level 1	Level 2	Level 3	Total 31 Dec 2012
Assets measured at fair value				
Foreign currency derivatives			4	4
Foreign currency derivatives (cash flow hedges)			0	0
Commodity derivatives (cash flow hedges)				
Electricity			0	0
Heavy fuel oil derivatives			0	0
Zinc			1	1
Investments recognised at fair value through profit and loss				
Loan receivables from equity-accounted investees			72	72
Available-for-sale financial assets			14	14
Assets total			5	86
Liabilities measured at fair value				
Foreign currency derivatives			-6	-6
Foreign currency derivatives (cash flow hedges)			-7	-7
Commodity derivatives (cash flow hedges)				
Electricity			-13	-13
Heavy fuel oil derivatives			0	0
Zinc			0	0
Liabilities total			-26	-26

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1/13	Q1/12	2012
Carrying amount at the beginning of period	1,122	1,214	1,214
Additions	15	20	92
Additions through acquisitions			0
Disposals	-1	0	-8
Disposals through divestments			-50
Depreciation	-30	-30	-125
Impairment	0	-1	-8
Translation differences	1	8	7
Carrying amount at the end of period	1,107	1,211	1,122

TRANSACTIONS WITH RELATED PARTIES (IFRS)

EUR million	Q1/13	Q1/12	2012
Sales to equity-accounted investees	6	6	21
Purchases from equity-accounted investees	2	2	7
Loan receivables from equity-accounted investees	73		72
Transactions with Rautaruukki Pension Foundation	0	0	0
	31 Mar 2013	31 Mar 2012	31 Dec 2012
Trade and other receivables from related parties	7	5	4
Trade and other payables to related parties	0	1	0

INVESTMENT COMMITMENTS (IFRS)

EUR million	After 31 Mar 2013	After 31 Mar 2012	After 31 Dec 2012
Maintenance investments	78	80	61
Development investments and investments in special steel products	14	16	13
Total	92	96	74

SEGMENT INFORMATION

EUR million	Q1/13	Q1/12	2012
Order intake			
Ruukki Construction	153	147	756
Ruukki Metals	437	488	1,857
Order intake, total	590	634	2,613
Comparable net sales			
Ruukki Construction	145	153	740
Ruukki Engineering		69	265
Ruukki Metals	444	477	1,787
Others	1	0	-3
Comparable net sales, total	590	699	2,789
Items affecting comparability included in reported net sales	0	2	7
Reported net sales	590	702	2,796
Comparable operating profit			
Ruukki Construction	-7	-10	1
Ruukki Engineering		-1	-3
Ruukki Metals	17	0	-42
Others	-4	-4	-20
Comparable operating profit, total	5	-15	-65
Items affecting comparability included in reported operating profit	-1	-1	-37
Reported operating profit	4	-16	-101
Net finance costs	-8	-11	-40
Share of profit of equity-accounted investees	-1	1	2
Result before income tax	-4	-27	-139
Income tax expense	1	6	22
Result for the period	-4	-20	-117
	31 Mar 2013	31 Mar 2012	31 Dec 2012
EUR million			
Operative capital employed			
Ruukki Construction	385	437	386
Ruukki Engineering		154	36
Ruukki Metals	1,421	1,513	1,409
Others	25	31	22
Operative capital employed, total	1,831	2,136	1,853

QUARTERLY SEGMENT INFORMATION					
EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13
Order intake					
Ruukki Construction	147	246	193	170	153
Ruukki Metals	488	468	448	454	437
Order intake, total	634	714	640	624	590
Comparable net sales					
Ruukki Construction	153	199	208	180	145
Ruukki Engineering	69	72	63	60	
Ruukki Metals	477	470	406	434	444
Others	0	-2	-3	2	1
Comparable net sales, total	699	740	674	676	590
Items affecting comparability included in reported net sales	2	2	1	1	0
Reported net sales	702	742	675	677	590
Comparable operating profit					
Ruukki Construction	-10	4	8	-1	-7
Ruukki Engineering	-1	1	0	-3	
Ruukki Metals	0	10	-18	-34	17
Others	-4	-7	-7	-2	-4
Comparable operating profit, total	-15	8	-18	-39	5
Items affecting comparability included in reported net sales	-1	-13	-3	-20	-1
Reported operating profit	-16	-6	-21	-59	4
Net finance costs	-11	-9	-11	-9	-8
Share of profit of equity-accounted investees	1	1	0	0	-1
Result before income tax	-27	-14	-32	-67	-4
Income tax expense	6	3	2	11	1
Result for the period	-20	-11	-30	-57	-4

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13
Others					
Net sales of Mo i Rana unit	2	2	1	1	0

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13
Ruukki Construction					
Expenses related to restructuring			-2	-9	
Effect of change in discount rate on long service benefit costs				0	
Ruukki Engineering					
Expenses related to restructuring	0	-6		-2	
Impact from Fortaco deal				0	
Effect of change in discount rate on long service benefit costs				0	
Ruukki Metals					
Cost of fire at Raahe steel works		-3			
Expenses related to restructuring				-6	
Effect of change in discount rate on long service benefit costs				-2	
Others					
Operating profit of Mo i Rana unit	0	-3	0	0	0
Impact from Fortaco deal				2	-1
Expenses related to restructuring				-2	
Restatement due to change of IAS19	-1	-1	-1	-1	
Effect of change in discount rate on long service benefit costs				0	
Items affecting comparability of reported operating profit, total	-1	-13	-3	-20	-1

DELIVERIES, RUUKKI METALS

1 000 tonnes	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13
Deliveries	507	448	389	466	481

Formulas for the calculation of key figures

Return on capital employed (rolling 12 months), %	=	$\frac{\text{result before income tax + finance costs (rolling 12 months)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}} \times 100$
Return on capital employed (annualised), %	=	$\frac{\text{result before income tax + finance costs (annualised)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}} \times 100$
Return on equity (rolling 12 months), %	=	$\frac{\text{result before income tax - income tax expense (rolling 12 months)}}{\text{total equity (average at beginning and end of period)}} \times 100$
Equity ratio, %	=	$\frac{\text{total equity}}{\text{total assets - advances received}} \times 100$
Gearing ratio, %	=	$\frac{\text{net interest-bearing financial liabilities}}{\text{total equity}} \times 100$
Net interest-bearing financial liabilities	=	loans and borrowings - current financial assets and cash and cash equivalents
Earnings per share (EPS)	=	$\frac{\text{result for the period attributable to owners of the company}}{\text{weighted average number of shares outstanding during the period}}$
Earnings per share (EPS), diluted	=	$\frac{\text{result for the period attributable to owners of the company}}{\text{weighted average diluted number of shares outstanding during the period}}$
Equity per share	=	$\frac{\text{equity attributable to owners of the company}}{\text{basic number of shares outstanding at the end of period}}$
Volume weighted average price	=	$\frac{\text{total EUR trading of shares}}{\text{total number of shares traded}}$
Market capitalisation	=	basic number of shares at the end of period x closing price at the end of period
Personnel on average	=	total number of personnel at the end of each month divided by the number of months

Helsinki, 24 April 2013
Rautaruukki Corporation
Board of Directors

**Ruukki provides its customers
with energy-efficient steel
solutions for better living,
working and moving.**

The interim report for the period January–June 2013 will be published on 8 August 2013.



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