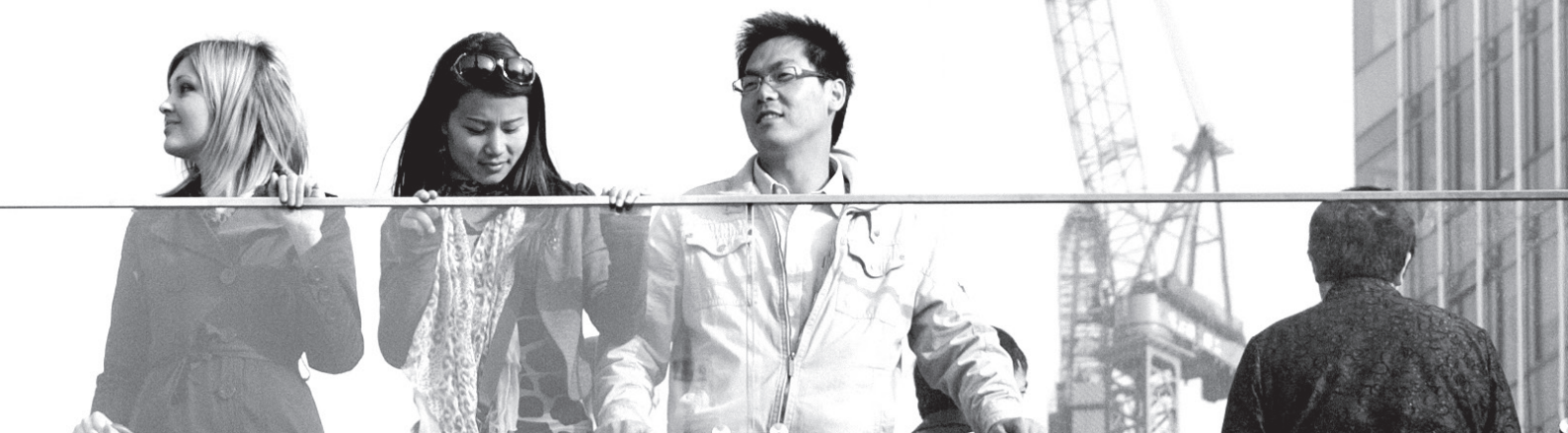


Q3

Interim report

1 Jan – 30 Sep 2014
RTKRS



27.10.2014 RAUTARUUKKI CORPORATION

RUUKKI
PART OF SSAB

RAUTARUUKKI CORPORATION INTERIM REPORT Q1-Q3/2014

Rautaruukki became part of SSAB

SSAB AB's share exchange offer to Rautaruukki's shareholders was completed during the report period and Rautaruukki became a 95.1%-owned subsidiary of SSAB on 29 July 2014. SSAB has initiated redemption proceedings in accordance with the Limited Liability Companies Act - Finland in order to acquire the remaining shares in Rautaruukki. After the report period, Rautaruukki Corporation's Board of Directors resolved to apply, on 16 October 2014, for termination of trading in Rautaruukki shares and for the delisting of the shares from the official list of NASDAQ OMX Helsinki Ltd.

Rautaruukki Corporation's Board of Directors has decided that the company's interim report for the third quarter will cover Rautaruukki Corporation, but not the former business areas (Ruukki Metals, Ruukki Building Products and Ruukki Building Systems). Rautaruukki became a subsidiary of SSAB on 29 July 2014 and the business entity formed then has, since 1 September, operated under a new organisation where business has been regrouped into five divisions both structurally and with regard to segment-specific accounting rules. Rautaruukki's former business segments are no longer monitored and they are not material as regards decision-making. Due to the company's combination with SSAB, Rautaruukki no longer publishes a near-term outlook or guidance. The near-term outlook for the entire group is given in the prospects in the parent company SSAB AB's interim report that was published today. The result presented in this report does not materially differ from the guidance stated in the interim report for the period 1 January to 30 June 2014.

January-September 2014 (Q1-Q3/2013)

- Order intake was EUR 1,752 million (1,803).
- Comparable net sales were EUR 1,779 million (1,814).
- Reported EBITDA was EUR 97 million (129).
- Comparable operating profit was EUR 27 million (31).
- Comparable result before taxes was -EUR 8 million (2).
- Net cash from operating activities was EUR 59 million (105).

July-September 2014 (Q3/2013)

- Order intake was EUR 566 million (568).
- Comparable net sales were EUR 581 million (592).
- Reported EBITDA was EUR 28 million (42).
- Comparable operating profit was EUR 8 million (10).
- Comparable result before taxes was EUR -2 million (0).
- Net cash from operating activities was EUR 35 million (28).

KEY FIGURES					
	Q3/14	Q3/13	Q1-Q3/14	Q1-Q3/13	2013
Comparable figures					
Comparable net sales, EUR m	581	592	1,779	1,814	2,404
Comparable operating profit, EUR m	8	10	27	31	39
Comparable operating profit as % of net sales	1.4	1.7	1.5	1.7	1.6
Comparable result before income tax, EUR m	-2	0	-8	2	-1
Reported figures					
Reported net sales, EUR m	581	592	1,779	1,815	2,405
Reported EBITDA, EUR m	28	42	97	129	168
Reported EBITDA as of % of net sales	4.8	7.2	5.4	7.1	7.0
Reported operating profit, EUR m	-3	10	0	30	34
Reported result before income tax, EUR m	-14	0	-35	1	-6
Net cash from operating activities, EUR m	35	28	59	105	184
Net cash before financing activities, EUR m	10	2	-2	40	101
Earnings per share, EUR	-0.16	0.01	-0.31	-0.03	-0.10
Return on capital employed (rolling 12 months), %			0.1	-1.5	1.8
Return on capital employed (annualised), %			-0.1	2.1	1.8
Gearing ratio, %			73.6	73.8	68.5
Equity ratio, %			43.2	44.9	45.0
Personnel on average	8,915	9,033	8,852	9,060	8,955

Rautaruukki Corporation's full interim report for January-September 2014 is attached to this release.

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Taina Kyllönen
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Rautaruukki is now part of SSAB (publ) ("SSAB"), a steel company with global reach which has its main production plants in Sweden, Finland and the United States. The company's steel business is structured around four divisions - SSAB Special Steels, SSAB Europe, SSAB Americas and the steel distribution partner Tibnor, and one division, Ruukki Construction, which focuses on the construction business. Rautaruukki's share is quoted on NASDAQ OMX Helsinki. SSAB's shares are quoted on NASDAQ OMX Nordic Stockholm and NASDAQ OMX Helsinki. www.ssab.com. www.ruukki.com

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RAUTARUUKKI CORPORATION'S INTERIM REPORT FOR JANUARY-SEPTEMBER 2014

Rautaruukki became part of SSAB

SSAB AB's share exchange offer to Rautaruukki's shareholders was completed during the report period and Rautaruukki became a 95.1%-owned subsidiary of SSAB on 29 July 2014. SSAB has initiated redemption proceedings in accordance with the Limited Liability Companies Act - Finland in order to acquire the remaining shares in Rautaruukki. After the report period, Rautaruukki Corporation's Board of Directors resolved to apply, on 16 October 2014, for termination of trading in Rautaruukki shares and for the delisting of the shares from the official list of NASDAQ OMX Helsinki Ltd.

SSAB's approval from the European Commission for the combination with Rautaruukki is conditional on a commitment by SSAB to divest the following assets within its Nordic Steel Distribution System and Finnish construction business: one steel service center in Sweden and one in Finland, Tibnor Oy in Finland (a wholly-own subsidiary of Tibnor AB), the 50% interest in each of Norsk Stål AS (NS) and Norsk Stål Tynnplater AS (NST), and Plannja Oy in Finland (a wholly-own subsidiary of Plannja AB). SSAB has started the divestiture process.

Business environment

According to the World Steel Association (WSA), global crude steel production during the first nine months of the year amounted to 1,231 (1,205) million tonnes, an increase of 2% compared with the previous year. The Chinese crude steel production increased by 2% during the same period, which is in line with the rest of Asia. Production increased by 3% in EU28 and by 2% in North America.

In its recently published analysis, the WSA expects 2% growth in steel consumption for the full year of 2014, which is a downward revision compared with earlier forecasts. In EU28, consumption is expected to increase by 4%, which is a clear improvement in growth compared with 2013. In North America — which demonstrated negative growth in 2013 — an increase of 6% is expected in 2014. The major difference compared with WSA's earlier forecast relates to China, which is expected to slow down substantially and show growth in 2014 of 1%, which is clearly lower than the increase of 6% in 2013.

Steel market in Western Europe demonstrated a normal seasonal slowdown, but otherwise demand was stable. In Eastern Europe, uncertainty has increased and demand weakened due to the complicated political situation in Russia and Ukraine. Inventory levels at distributors and end-customers in Europe are considered to be in balance. Growth on the Asian market remains weak, primarily due to a slowdown in China.

Market prices in Europe, for both strip and plate products, recovered during the third quarter after having fallen slightly towards the end of the second quarter.

Construction demand varied greatly from one market area to another. Demand was at a fairly good level in the Nordic countries, but was clearly much weaker than a year earlier in Eastern Europe and especially in Ukraine. The Ukraine crisis impacted negatively also on the availability of financing in Russia, which in turn resulted in a decrease in construction investments in that country.

Development in January-September

Order intake and order book

Order intake in January-September was down 3% year on year at EUR 1,752 million (1 803).

At the end of September 2014, the order book was 6% lower year on year.

Net sales

Comparable net sales for the first three quarters of the year were down 2% year on year at EUR 1,779 million (1,814).

Net sales were down compared to a year earlier mostly because of lower sales volumes in construction and currency effects. Construction demand varied between markets. Demand was at a fairly good level in the Nordic countries, but was clearly much weaker than a year earlier in Eastern Europe and especially in Ukraine. The Ukraine crisis impacted negatively also on the availability of financing in Russia, which in turn resulted in a decrease in construction investments in that country. Net sales of steel products showed a slight rise year on year due to higher delivery volumes.

Operating profit and EBITDA

Comparable operating profit for the first three quarters of the year was EUR 27 million (31). Reported operating profit was EUR 0 million (30). Reported operating profit for the period includes integration costs of EUR 18 million relating to the combination of SSAB AB and Rautaruukki Corporation, costs of EUR 4 million due to adjustment of standard cost updating cycle and process, and restructuring costs of EUR 5 million. Items affecting comparability have been itemised in the table "Items affecting comparability of operating profit".

Comparable operating profit was down due to weaker profitability of the construction business compared to a year earlier. This was attributable to lower volumes and negative currency effects. This was somehow offset by higher delivery volumes of steel products and lower variable costs.

Reported EBITDA for the first three quarters of the year was EUR 97 million (129).

Financial items and result

Consolidated net finance costs in January-September totaled EUR 34 million (27). Net interest costs were EUR 19 million (21). As a result of SSAB's acquisition Rautaruukki's external loan portfolio was partly refinanced with internal loans during the third quarter.

Group taxes for the first three quarters of the year were -EUR 8 million (-4).

The result for the period was -EUR 43 million and earnings per share were -EUR 0.31 (-0.03).

Balance sheet, cash flow and financing

Total assets at 30 September 2014 were EUR 2,250 million (2,319). Equity at 30 September 2014 was EUR 959 million (1,024), equating to EUR 6.91 per share (7.38). Equity has decreased by EUR 51 million since year-end 2013. This is largely due to the loss posted for the report period.

The equity ratio at the end of the report period was 43.2% (44.9) and the gearing ratio was 73.6% (73.8). Net interest-bearing liabilities at the end of September were EUR 707 million (758).

Return on equity for January-September was -5.3% (-5.6) and return on capital employed was 0.1% (-1.5).

Net cash from operating activities was EUR 59 million (105) and net cash flow before financing activities was –EUR 2 million (40). EUR 23 million (EUR 3 million released) was tied up in working capital during the report period.

At the end of the report period, the group had liquid assets of EUR 62 million (31).

Capital expenditure

Net cash used in investing activities in January-September was -EUR 62 million (-64).

Investments in tangible and intangible assets totaled EUR 61 million (67), of which maintenance investments accounted for EUR 45 million (53) and development investments for EUR 15 million (15). Cash flow from other investing activities was EUR 1 million negative (EUR 3 million positive).

Depreciation and impairments amounted to EUR 97 million (100).

Personnel

PERSONNEL BY REGION			
	30 Sep 2014	30 Sep 2013	31 Dec 2013
Finland	5,295	5,314	5,218
Other Nordic countries	522	535	536
Central Eastern Europe	1,130	1,105	1,099
Russia and Ukraine	1,567	1,695	1,649
Rest of Europe	56	50	52
Other countries	42	46	46
Total	8,612	8,745	8,600

The group employed an average of 8,852 persons (9,060) during the first three quarters of the year and the headcount at the end of September was 8,612 (8,745). At the end of the report period, 61% (61) of Rautaruukki's personnel worked in Finland.

Safety measured in terms of accidents per million working hours was 6 (8).

Steel production

Steel production during January-September was 1,762 thousand tonnes (1,647).

Development during the third quarter

Order intake and order book

Order intake for July-September was at the same level year on year at EUR 566 million (568). Order intake for steel products was at the same level as a year earlier. Construction order intake was down somewhat mostly as a result of weakened demand due to the crisis in Ukraine and situation in Russia.

Net sales

Comparable net sales for the third quarter were down 2% year on year at EUR 581 million (592).

Net sales were down mostly because of lower sales volumes in construction compared to a year earlier and also because of currency effects. Construction demand varied between markets. Demand was at a fairly good level in the Nordic countries, but was clearly much weaker than a year earlier in Eastern Europe and especially in Ukraine. The Ukraine crisis impacted negatively also on the availability of financing in Russia, which in turn resulted in a decrease in construction investments in that country. Net sales of steel products showed a slight rise year on year due to higher delivery volumes.

Operating profit and EBITDA

Comparable operating profit for the third quarter of the year was EUR 8 million (10). Reported operating profit was -EUR 3 million (10). Reported operating profit for the period includes integration costs of EUR 11 million relating to the combination of SSAB AB and Rautaruukki Corporation and restructuring costs of EUR 1 million. Items affecting comparability have been itemised in the table "Items affecting comparability of operating profit".

Comparable operating profit was down due to weaker profitability of the construction business compared to a year earlier. This was attributable to lower volumes and negative currency effects. This was somehow offset by higher delivery volumes of steel products and lower variable costs.

Comparable operating profit was down EUR 6 million quarter on quarter. Reported EBITDA was EUR 28 million (42).

Steel production

Steel production during the third quarter of the year was 571 thousand tonnes (547).

Shares and share capital

During January-September 2014, a total of 66 million (85) Rautaruukki Oyj shares (RTRKS) were traded on NASDAQ OMX Helsinki for a total of EUR 587 million (444). The highest price quoted was EUR 11.51 on 24 July and the lowest was EUR 6.64 on 2 January. The volume-weighted average price of the share was EUR 8.89. The share closed at EUR 11.18 (5.73) at the end of the report period and the company had a market capitalisation of EUR 1,568 million (804).

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 13 million (27) Rautaruukki shares were traded on MTFs for a total of EUR 117 million (141) during January-September.

The company's registered share capital at 30 September 2014 was EUR 238.5 million (238.5) and there were 140,285,425 shares outstanding. There were no changes in share capital during January-September 2014.

Compulsory redemption proceedings in respect of the Rautaruukki shares held by minority shareholders

As a result of the share exchange offer announced by SSAB on 22 January 2014 and completed on 29 July 2014. SSAB's direct ownership increased to 95.1% of Rautaruukki's shares and votes (to 96.1%, if own shares held by the company are not taken into account in the total number of Rautaruukki shares), and thus a redemption right and obligation, as provided by Chapter 18, Section 1 of the Limited Liability Companies Act - Finland, arose for SSAB over Rautaruukki's shares held by other shareholders.

In such compulsory redemption proceedings, SSAB offers EUR 11.24 in cash for each Rautaruukki share, which corresponds to the market value in euro of SSAB's class A and class B shares offered as consideration for Rautaruukki shares in the share exchange offer on July 22, 2014, the final day of the offer period. A letter regarding this procedure was mailed to all known minority shareholders of Rautaruukki in the beginning of September.

For more information, please see our webpage: www.ruukki.com/investors

Resolutions of Rautaruukki Corporation's Extraordinary General meeting

Rautaruukki Corporation's Extraordinary General Meeting was held on 27 August 2014 in Helsinki. A total of 32 shareholders were represented at the Meeting.

It was confirmed that the number of members of the Board of Directors is four. Martin Lindqvist, President and CEO; Håkan Folin, Executive Vice President and Chief Financial Officer; Jonas Bergstrand, Executive Vice President and Head of Legal & Strategy, all from SSAB AB (publ), and Mikko Hietanen, Acting CFO of Rautaruukki Corporation, were elected to the Board. Martin Lindqvist was elected as chairman of the Board of Directors and Jonas Bergstrand was elected as deputy chairman. The Extraordinary General Meeting resolved that no remuneration be paid to the Board members.

In accordance with the Board of Directors' proposal, the Extraordinary General revoked the decision to establish a shareholders' Nomination Board. At the same time, the function of the existing Nomination Board ceased.

For more information, please see our webpage: <http://www.ruukki.com/Investors/Corporate-Governance>

Management changes

Rautaruukki's new Board of Directors appointed Olavi Huhtala, EVP and Head of SSAB Europe, as Rautaruukki's new chief executive officer with effect from 1 September 2014. He will serve as CEO in addition to his own position.

Litigation and other pending legal actions

A number of lawsuits, claims and disputes based on various grounds are pending against Rautaruukki around the world. Management believes that the outcome of these lawsuits, claims and disputes will not have a material adverse effect on Rautaruukki's financial position. Rautaruukki has itself also presented legal claims or is a plaintiff in disputes based on various grounds.

Near-term business risks

The company's business risks and risk management are detailed in the Annual Report 2013. 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.

Combination of SSAB AB and Rautaruukki Corporation

SSAB's share exchange offer was completed and Rautaruukki Corporation became a subsidiary of SSAB as of 29 July 2014. Rautaruukki Corporation's balance sheet items to be accounted for in SSAB's consolidated financial statements may, in respect of some items, differ from the values shown in this interim report. This is due, inter alia, to valuation of the fair value of assets and liabilities at the time of acquisition and to differences in Rautaruukki's and SSAB's accounting policies and in the method of presentation.

All material and stock exchange releases about the combination can be found on the company's website at <http://www.ruukki.com/Investors/SSAB-and-Rautaruukki-to-combine>.

Events after the reporting period

Rautaruukki Corporation applied for termination of public trading in its shares

On 16 October 2014, it was announced that The Board of Directors of Rautaruukki had resolved to apply for the termination of trading in Rautaruukki's shares and for the delisting of the shares from the official list of NASDAQ OMX Helsinki Ltd. SSAB AB currently holds directly approximately 95.1 per cent of all the shares and votes in Rautaruukki Corporation. SSAB has initiated redemption proceedings in accordance with Chapter 18 of the Limited Liability Companies Act – Finland in order to acquire the remaining shares in Rautaruukki. Provided that the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce on 25 September 2014 confirms that SSAB's redemption right is clear, SSAB is legally entitled to acquire title to the remaining shares in Rautaruukki by posting a security approved by the arbitral tribunal for the payment of the redemption price.

Near-term outlook and guidance

Due to the company's combination with SSAB, Rautaruukki no longer publishes a near-term outlook or guidance. The near-term outlook for the entire group is given in the prospectus in the parent company SSAB AB's interim report that was published today. The result presented in this report does not materially differ from the guidance stated in the interim report for the period 1 January to 30 June 2014.

INTERIM REPORT AND NOTES

This interim report has been prepared in accordance with IAS 34 and is in conformity with the accounting policies published in the 2013 financial statements.

Amendments to and interpretations of IFRS standards entering into force on 1 January 2014 had no impact on the interim report.

Combination of SSAB and Rautaruukki

On 22 January 2014, SSAB AB and Rautaruukki Corporation announced a plan to combine the two companies through SSAB making a recommended public share exchange offer to Rautaruukki's shareholders.

The offer period for the share exchange offer ended on 22 July 2014. According to the preliminary result of the share exchange offer, the shares tendered in the share exchange offer represent 95.1% of all the shares and votes in Rautaruukki.

All the requirements of the share exchange offer had been met and SSAB completed the share exchange offer in accordance with the terms and conditions thereof on 29 July 2014.

SSAB's approval from the European Commission for the combination with Rautaruukki is conditional on a commitment by SSAB to divest the following assets within its Nordic Steel Distribution System and Finnish construction business: one steel service center in Sweden and one in Finland, Tibnor Oy in Finland (a wholly-own subsidiary of Tibnor AB), the 50% interest in each of Norsk Stål AS (NS) and Norsk Stål Tynnplater AS (NST), and Plannja Oy in Finland (a wholly-own subsidiary of Plannja AB). SSAB has started the divestiture process. Ruukki's service centre in Halmstad, Sweden and the service centre in Naantali, Finland are included in the businesses for sale and in this interim report have been treated as being held for sale. The assets and liabilities of these centres have been recognised at book value or fair value, whichever is the lower, and presented in the statement of financial position as assets and liabilities held for sale.

After the report period, Rautaruukki Corporation's Board of Directors resolved to apply, on 16 October 2014, for termination of trading in Rautaruukki shares and for the delisting of the shares from the official list of NASDAQ OMX Helsinki Ltd. An application regarding the matter was filed with the Listing Committee of the Helsinki Stock Exchange on 16 October 2014. The application requested that public trading in Rautaruukki shares be terminated and that the share be delisted from the official list of the Helsinki Stock Exchange as soon as possible after SSAB has gained title to all the shares in Rautaruukki.

SSAB AB currently holds directly 95.1% of all the shares and votes in Rautaruukki Corporation (96.1%, if own shares held by the company are not taken into account in the total number of Rautaruukki shares). SSAB has initiated redemption proceedings in accordance with Chapter 18 of the Limited Liability Companies Act - Finland in order to acquire the remaining shares in Rautaruukki. Provided that the arbitral tribunal appointed by the Redemption Board of the Finland Chamber of Commerce on September 25, 2014 confirms that SSAB's redemption right is clear, SSAB is legally entitled to acquire title to the remaining shares in Rautaruukki by posting a security approved by the arbitral tribunal for the payment of the redemption price.

End of segment reporting

In September, the Board of Directors of Rautaruukki Corporation decided that the company's interim report for the third quarter will cover Rautaruukki Corporation, but not the former business areas (Ruukki Metals, Ruukki Building Products and Ruukki Building Systems). Rautaruukki became a 95.1%-owned subsidiary of SSAB on 29 July 2014. This being the case, the business entity formed has, since 1 September, operated under a new organisation where business has been regrouped into five divisions (SSAB Special Steels, SSAB Europe, SSAB Americas, Tibnor and Ruukki Construction)

both structurally and with regard to segment-specific accounting rules. Rautaruukki's former business segments are no longer monitored and they are not material as regards decision-making.

Use of estimates

The preparation of interim financial statements 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. The figures in this interim report are unaudited.

**CONSOLIDATED INCOME STATEMENT
(IFRS)**

EUR million	Q3/14	Q3/13	Q1-Q3/14	Q1-Q3/13	2013
Net sales	581	592	1,779	1,815	2,405
Cost of sales	-530	-539	-1,612	-1,634	-2,174
Gross profit	51	54	166	181	231
Other operating income	4	3	8	7	13
Selling and marketing expenses	-24	-24	-77	-75	-104
Administrative expenses	-32	-24	-95	-83	-106
Other operating expenses	-2	0	-2	0	0
Operating profit	-3	10	0	30	34
Finance income	7	7	17	31	40
Finance costs	-17	-16	-50	-58	-76
Net finance costs	-10	-9	-34	-27	-36
Share of profit of equity-accounted associates and joint ventures	-1	-1	-1	-2	-3
Result before income tax	-14	0	-35	1	-6
Income tax expense	-8	1	-8	-4	-8
Result for the period	-22	1	-43	-4	-14
Attributable to:					
Owners of the company	-22	1	-43	-4	-14
Non-controlling interest	0	0	0	0	0
Earnings per share, diluted, EUR	-0.16	0.01	-0.31	-0.03	-0.10
Earnings per share, basic, EUR	-0.16	0.01	-0.31	-0.03	-0.10
Operating profit as % of net sales	-0.5	1.6	0.0	1.6	1.4

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(IFRS)**

EUR million	Q3/14	Q3/13	Q1-Q3/14	Q1-Q3/13	2013
Result for the period	-22	1	-43	-4	-14
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements of the net defined benefit liability	-7		-12		9
Tax on items that will not be reclassified to profit or loss	1		2		-3
Total items that will not be reclassified to profit or loss	-5		-10		5
Items that may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges	8	5	5	2	-15
Cash flow hedges reclassified to profit and loss during the period	1	0	6	-3	9
Translation differences	-8	-2	-7	-15	-20
Tax on items that may be reclassified subsequently to profit or loss	-2	-1	-2	0	1
Total items that may be reclassified subsequently to profit or loss	-1	2	2	-16	-26
Total comprehensive income for the period	-28	3	-51	-20	-34
Attributable to:					
Owners of the company	-28	3	-51	-20	-34
Non-controlling interest	0	0	0	0	0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

EUR million	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets	1,242	1,323	1,302
Deferred tax assets	34	47	42
Current assets			
Inventories	505	550	557
Trade and other receivables	362	369	331
Cash and cash equivalents	62	31	47
Assets held for sale	44		
Total assets	2,250	2,319	2,278
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the company	959	1,024	1,010
Non-controlling interest	2	3	3
Non-current liabilities			
Loans and borrowings	282	528	358
Other non-current liabilities	76	67	68
Deferred tax liabilities	5	7	7
Current liabilities			
Loans and borrowings	488	261	387
Trade payables and other current liabilities	437	429	446
Liabilities held for sale	1		
Total equity and liabilities	2,250	2,319	2,278

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR million	Q1-Q3/14	Q1-Q3/13	2013
Result for the period	-43	-4	-14
Adjustments	145	124	166
Cash flow before change in working capital	102	121	153
Change in working capital	-23	3	62
Financing items and taxes	-20	-19	-30
Net cash from operating activities	59	105	184
Cash inflow from investing activities	19	3	7
Cash outflow from investing activities	-81	-67	-90
Net cash used in investing activities	-62	-64	-84
Net cash before financing activities	-2	40	101
Dividends paid	-1	-28	-28
Proceeds from non-current loans and borrowings	61	35	35
Repayments of non-current loans and borrowings	-152	-29	-45
Change in current loans and borrowings	115	-2	-28
Other net cash flow from financing activities	-5	-5	-6
Effect of exchangerate fluctuations	0	-2	-3
Change in cash and cash equivalents	16	10	26

KEY FIGURES (IFRS)

	Q1-Q3/14	Q1-Q3/13	2013
Net sales, EUR m	1,779	1,815	2,405
Operating profit, EUR m	0	30	34
as % of net sales	0.0	1.6	1.4
Result before income tax, EUR m	-35	1	-6
as % of net sales	-2.0	0.0	-0.2
Result for the period, EUR m	-43	-4	-14
as % of net sales	-2.4	-0.2	-0.6
Net cash from operating activities, EUR m	59	105	184
Net cash before financing activities, EUR m	-2	40	101
Return on capital employed (rolling 12 months), %	0.1	-1.5	1.8
Return on equity (rolling 12 months), %	-5.3	-5.6	-1.3
Equity ratio, %	43.2	44.9	45.0
Gearing ratio, %	73.6	73.8	68.5
Net interest-bearing liabilities, EUR m	707	758	693
Equity per share, EUR	6.91	7.38	7.27
Personnel on average	8,852	9,060	8,955
Number of shares	140,285,425	140,285,425	140,285,425
- excluding treasury shares	138,929,363	138,892,955	138,889,273
- diluted, average	138,929,363	138,944,230	138,934,055

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

EUR million	Equity attributable to owners of the company							Non-controlling interest	Total equity
	Share capital	Share premium	Fair value and other reserves	Translation differences	Treasury shares	Retained earnings	Total		
EQUITY 1 Jan 2013	238	220	-11	-25	-6	655	3	1,074	
Result for the period						-4	0	-4	
Other comprehensive income			-1	-15		0		-16	
Total comprehensive income for the period			-1	-15		-3	0	-20	
Dividend distribution						-28		-28	
Share-based payments			0		0			0	
Other change			0					0	
EQUITY 30 Sep 2013	238	220	-11	-40	-6	623	3	1,027	
EQUITY 1 Jan 2014	238	220	-16	-45	-6	619	3	1,013	
Result for the period						-43	0	-43	
Other comprehensive income			9	-7		-10		-8	
Total comprehensive income for the period			9	-7		-53	0	-51	
Dividend distribution							-1	-1	
Share-based payments			0		0			0	
Other change		0	0			1		1	
EQUITY 30 Sep 2014	238	220	-8	-52	-6	566	2	961	

NET SALES BY REGION (IFRS)

As % of net sales	Q1-Q3/14	Q1-Q3/13	2013
Finland	24	26	25
Other Nordic countries	31	31	31
Central Eastern Europe	15	15	15
Russia and Ukraine	8	10	10
Rest of Europe	14	12	13
Other countries	7	7	7

CONTINGENT LIABILITIES (IFRS)

EUR million	30 Sep 2014	30 Sep 2013	31 Dec 2013
Mortgaged real estate	12	59	59
Other guarantees given	29	25	23
Commitments given on behalf of others	4		
Rental liabilities	58	66	64
Other commitments	8	9	9

DERIVATIVE CONTRACTS (IFRS)

EUR million	30 Sep 2014 Nominal amount	30 Sep 2014 Fair value	30 Sep 2013 Nominal amount	30 Sep 2013 Fair value
CASH FLOW HEDGES QUALIFYING FOR HEDGE ACCOUNTING				
Zinc derivatives				
Forward contracts, tonnes	11,000	2	13,000	0
Heavy fuel oil derivatives				
Forward contracts, tonnes	34,000	-1	52,000	0
Electricity derivatives				
Forward contracts, GWh	1,890	-14	1,965	-11
Foreign currency derivatives				
Forward contracts	101	7	178	-3
Options				
Bought	69	3	143	1
Sold	67	-1	138	-2
Interest rate derivatives				
			30	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING				
Foreign currency derivatives				
Forward contracts	361	-2	315	1
Options				
Bought			131	2
Sold			262	-2

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

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

EUR million	Level 1	Level 2	Level 3	Total 30 Sep 2014
Assets measured at fair value				
Foreign currency derivatives		1		1
Foreign currency derivatives (cash flow hedges)		10		10
Commodity derivatives (cash flow hedges)				
Electricity	0			0
Heavy fuel oil		0		0
Zinc		2		2
Investments recognised at fair value through profit and loss				
Available-for-sale financial assets			14	14
Assets total	0	13	14	28
Liabilities measured at fair value				
Foreign currency derivatives		-3		-3
Foreign currency derivatives (cash flow hedges)		-1		-1
Interest rate derivatives (cash flow hedges)				
Commodity derivatives (cash flow hedges)				
Electricity	-14			-14
Heavy fuel oil		-1		-1
Zinc		0		0
Liabilities total	-14	-5		-19

EUR million	Level 1	Level 2	Level 3	Total 31 Dec 2013
Assets measured at fair value				
Foreign currency derivatives		3		3
Foreign currency derivatives (cash flow hedges)		1		1
Commodity derivatives (cash flow hedges)				
Electricity				
Heavy fuel oil		0		0
Zinc		1		1
Investments recognised at fair value through profit and loss				
Available-for-sale financial assets			13	13
Assets total		5	13	18
Liabilities measured at fair value				
Foreign currency derivatives		-3		-3
Foreign currency derivatives (cash flow hedges)		-5		-5
Interest rate derivatives (cash flow hedges)		0		0
Commodity derivatives (cash flow hedges)				
Electricity	-19			-19
Heavy fuel oil		0		0
Zinc		0		0
Liabilities total	-19	-8		-28

The fair values in level 1 are based fully on the prices of similar asset or debt items on established markets.

The fair values in level 2 are determined using generally accepted valuation models whose input data is largely based on verifiable market prices.

The fair value of financial instruments in level 3 is not based on verifiable market prices, but to a significant extent on management's estimates and their use in generally accepted valuation models.

There were no transfers between levels in 2014.

CHANGES IN LEVEL 3 FAIR VALUES

EUR million	Loan receivables from equity- accounted investees	Available-for- sale financial assets	Total
Carrying amount at 1 Jan 2013	72	14	86
Additions		1	1
Disposals		-2	-2
Adjustment for items not measured at fair value	-72		-72
Translation differences		0	0
Carrying amount at 31 Dec 2013		13	13
Carrying amount at 1 Jan 2014		13	13
Additions		1	1
Carrying amount at 30 Sep 2014		14	14

FINANCIAL INSTRUMENTS SUBJECT TO MASTER NETTING AGREEMENTS

EUR million	Gross amounts of financial instruments in the statement of financial position	Related financial instruments that are not offset	Net amount
30 Sep 2014			
Financial assets			
Foreign currency derivatives	10	-2	8
Commodity derivatives	2	-1	1
	13	-3	9
Financial liabilities			
Foreign currency derivatives (cash flow hedges)	-3	2	0
Commodity derivatives (cash flow hedges)	-15	1	-14
	-18	3	-15
31 December 2013			
Financial assets			
Foreign currency derivatives	4	-4	0
Commodity derivatives	1	-1	0
	5	-5	0
Financial liabilities			
Foreign currency derivatives (cash flow hedges)	-8	5	-3
Interest rate derivatives (cash flow hedges)	0		0
Commodity derivatives (cash flow hedges)	-19	0	-19
	-28	5	-23

CHANGES IN PROPERTY, PLANT AND EQUIPMENT (IFRS)

EUR million	Q1-Q3/14	Q1-Q3/13	2013
Carrying amount at the beginning of period	1,079	1,122	1,122
Additions	60	67	88
Disposals	-18	-1	-3
Depreciation	-86	-88	-116
Impairment	-1	0	-2
Translation differences	-10	-8	-10
Assets available-for-sale	-12		
Carrying amount at the end of period	1,012	1,092	1,079

TRANSACTIONS WITH RELATED PARTIES (IFRS)			
EUR million	Q1-Q3/14	Q1-Q3/13	2013
Sales to equity-accounted investees	30	24	34
Purchases from equity-accounted investees	11	5	7
Loan receivables from equity-accounted investees	66	71	71
Transactions with Rautaruukki Pension Foundation	0	0	0
	30 Sep 2014	30 Sep 2013	31 Dec 2013
Trade and other receivables from related parties	6	6	4
Trade and other payables to related parties	1	1	1

INVESTMENT COMMITMENTS (IFRS)			
EUR million	After 30 Sep 2014	After 30 Sep 2013	After 31 Dec 2013
Maintenance investments	58	79	80
Development investments and investments in special steel products	65	13	6
Total	123	92	86

In addition Rautaruukki has confirmed to Voimaosakeyhtiö SF its binding commitment to participate in Fennovoima's Hanhikivi 1 nuclear power plant project. Over the following 10 years, Rautaruukki will invest around EUR 60 million in the project. Most of the investment will be back loaded.

ITEMS AFFECTING COMPARABILITY

In addition to consolidated figures, consolidated and segment comparable net sales and operating profit have been stated to ensure a better understanding and comparability of Ruukki's operating activities and result. Items affecting comparability have been eliminated from the comparable figures.

These items are:

Items related to changes in the business structure, for example

- Changes in group structure (acquisitions and disposals)
- Items related to discontinued and available-for-sale operations, for example
 - Write-down of inventories and impairment of assets
 - Restructuring costs
 - Fair value adjustments booked in business combinations

Items related to continued business activities, for example

- Costs attributable to efficiency and restructuring measures
- Impact of adjustments of accounting principles

ITEMS AFFECTING COMPARABILITY OF REPORTED NET SALES

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Net sales of Mo i Rana unit	0	0	0	0			
Net sales of Kalajoki unit	1	0	0	0			
Items affecting comparability of reported net sales, total	1	0	0	0			

ITEMS AFFECTING COMPARABILITY OF REPORTED OPERATING PROFIT

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Integration costs					-5	-3	-10
Expenses related to restructuring				-2		-3	-1
Impact of adjustment of standard cost updating cycle and process					-4		
Environmental restoration costs					0	0	0
Operating profit of Mo i Rana unit	0	0	0	0			
Operating profit of Kalajoki unit	0	0	0	-1			
Impact of Fortaco deal	-1	0	0				
Items affecting comparability of reported operating profit, total	-1	-1	0	-4	-9	-7	-11

DELIVERIES, RUUKKI METALS

1 000 tonnes	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14
Deliveries	481	451	415	466	509	497	441

Formulas for the calculation of key figures

Return on capital employed (rolling 12 months), %	=	$\frac{\text{result before income tax + finance costs (rolling 12 months)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}}$	x100
Return on capital employed (annualised), %	=	$\frac{\text{result before income tax + finance costs (annualised)}}{\text{total equity + loans and borrowings (average at beginning and end of period)}}$	x100
Return on equity (rolling 12 months), %	=	$\frac{\text{result before income tax - income tax expense (rolling 12 months)}}{\text{total equity (average at beginning and end of period)}}$	x100
Equity ratio, %	=	$\frac{\text{total equity}}{\text{total assets - advances received}}$	x100
Gearing ratio, %	=	$\frac{\text{net interest-bearing financial liabilities}}{\text{total equity}}$	x100
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	
EBITDA	=	Operating profit + depreciation and impairments	

Helsinki, 27 October 2014
Rautaruukki Corporation
Board of Directors

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



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