

Financial statements 1 January – 31 December 2011

14 February 2012

Tapani Kiiski President and CEO



Business environment:

- The upswing in demand for plywood seen early in the year leveled out during the summer and in a few market areas demand fell again at the end of the year
- Utilization rates of customer mills mainly at a good level
- Market situation continued difficult in North America
- Investment decisions on large projects under preparation deferred
 - schedule changes typical of investment projects
 - general uncertainty in economy
 - financing terms became more difficult

Raute:

- Demand at the normal level considering the market situation
- Order intake up 7%
 - Majority placed at the beginning and end of the year
 - Focus on smaller projects, modernizations and other technology services
 - Demand for spare parts and maintenance services increased
- Competitive situation is good

Market areas 2011

- Production capacity diminished in the European and North American markets
 - focus on developing the competitiveness of the remaining production capacity.
- China's plywood production growth achieved through local machinery and manual production method.
- Investment decision made in South America for doubling the capacity of a large plywood mill.
- Russia to become Raute's largest market area – focus on development projects and modernizations for existing capacity.

1-12/2011 in brief

MEUR	Q4 2011	Q4 2010
Net sales	14,9	13,4
Operating result	-1,1	-2,3
Order intake:		
• project deliveries	23	19
• technology services	8	7

MEUR	2011	2010
Net sales	74,3	62,9
Operating result	-0,7	1,3
Operating profit excl. non-recurring items		-3,1
Order intake:		
• project deliveries	50	53
• technology services	27	19
Order book	36	33

Q4

- Net sales low and operating result in the negative due to low Q2 and Q3 order intake
- Two significant new orders
- Order book increased 15 MEUR

2011

- Net sales grew 18%
 - Technology services +42%
- Operating result excluding non-recurring items improved 2,4 MEUR remained however in the negative
 - Additional costs of some projects, mainly in Q1
 - Strong fluctuations in demand

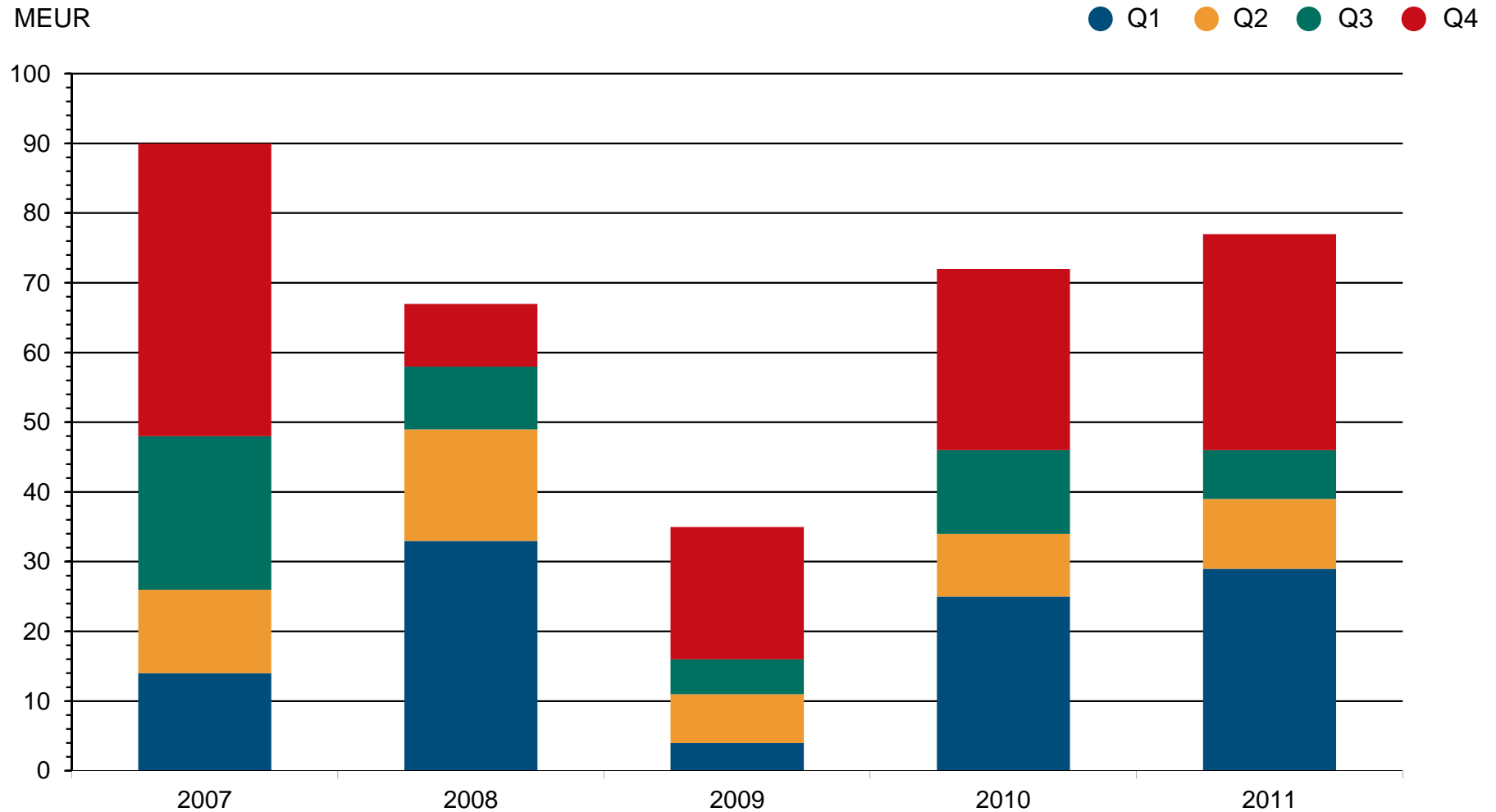
Income statement and key figures

MEUR	2011	2010
Net sales	74,3	62,9
Operating result	-0,7	1,3
Financial income and expenses	-0,4	-0,2
Profit before taxes	-1,1	1,1
Income taxes	0,0	0,0
Profit for the period	-1,1	1,2
Earnings per share, EUR	-0,27	0,29
Operating cash flow	2,5	-6,1
Return on investment (ROI), %	-0,1	5,1
Gearing, %	-47,1	-39,8
Equity ratio, %	46,9	50,7
Personnel (in books)	464	495

Balance sheet

MEUR	31.12.2011	31.12.2010
Intangible assets	1,4	1,3
Property, plant and equipment	8,2	8,9
Other non-current assets	2,9	2,3
Inventories	5,1	4,6
Accounts receivables and other receivables	9,3	11,8
Cash and cash equivalents	25,7	24,1
Total assets	52,7	53,0
Equity	22,1	24,2
Non-current liabilities	11,1	10,4
Advance payments received	5,6	5,2
Current liabilities	13,9	13,2
Total equity and liabilities	52,7	53,0

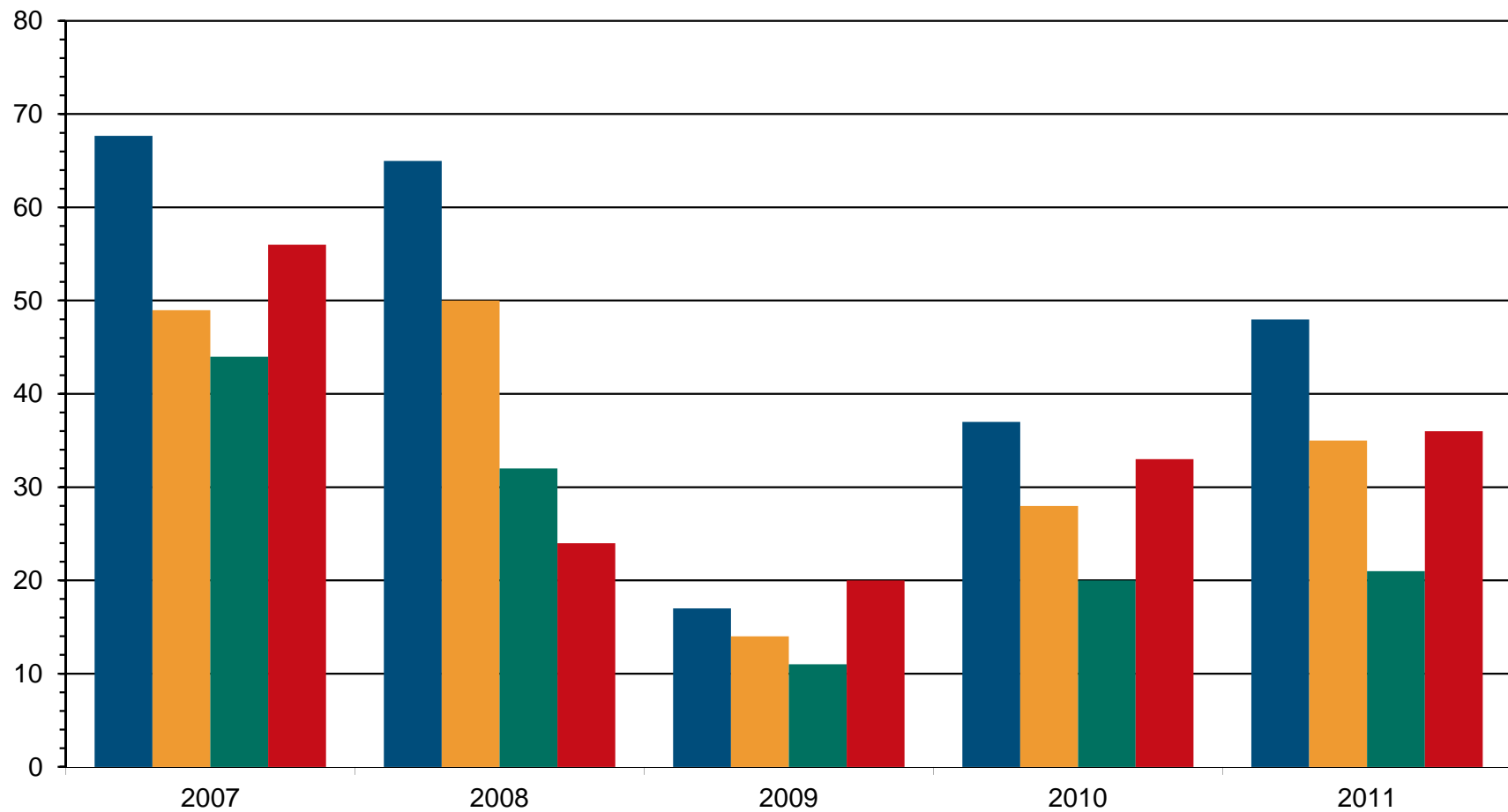
Order intake



Order book

● Q1 ● Q2 ● Q3 ● Q4

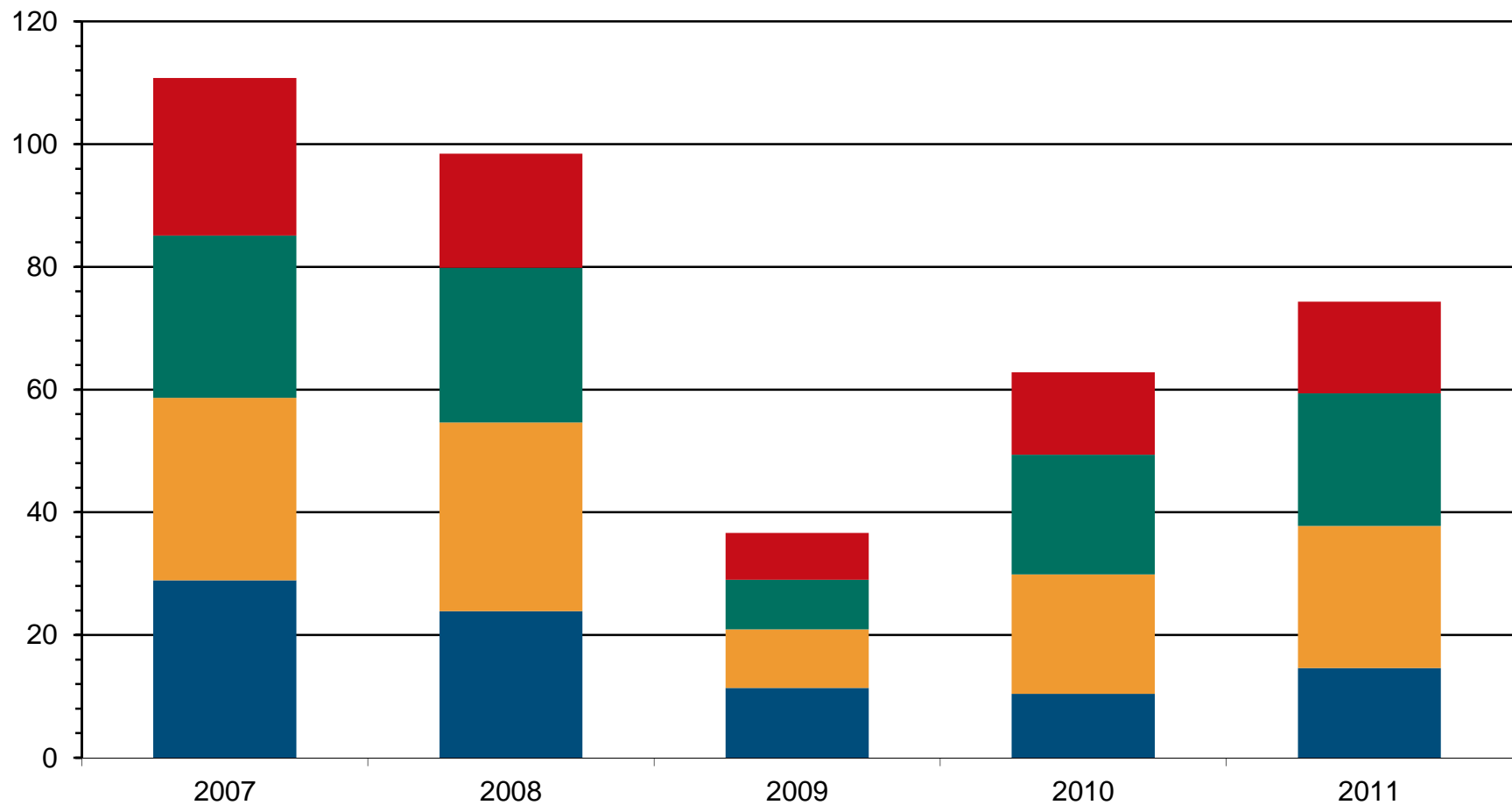
MEUR



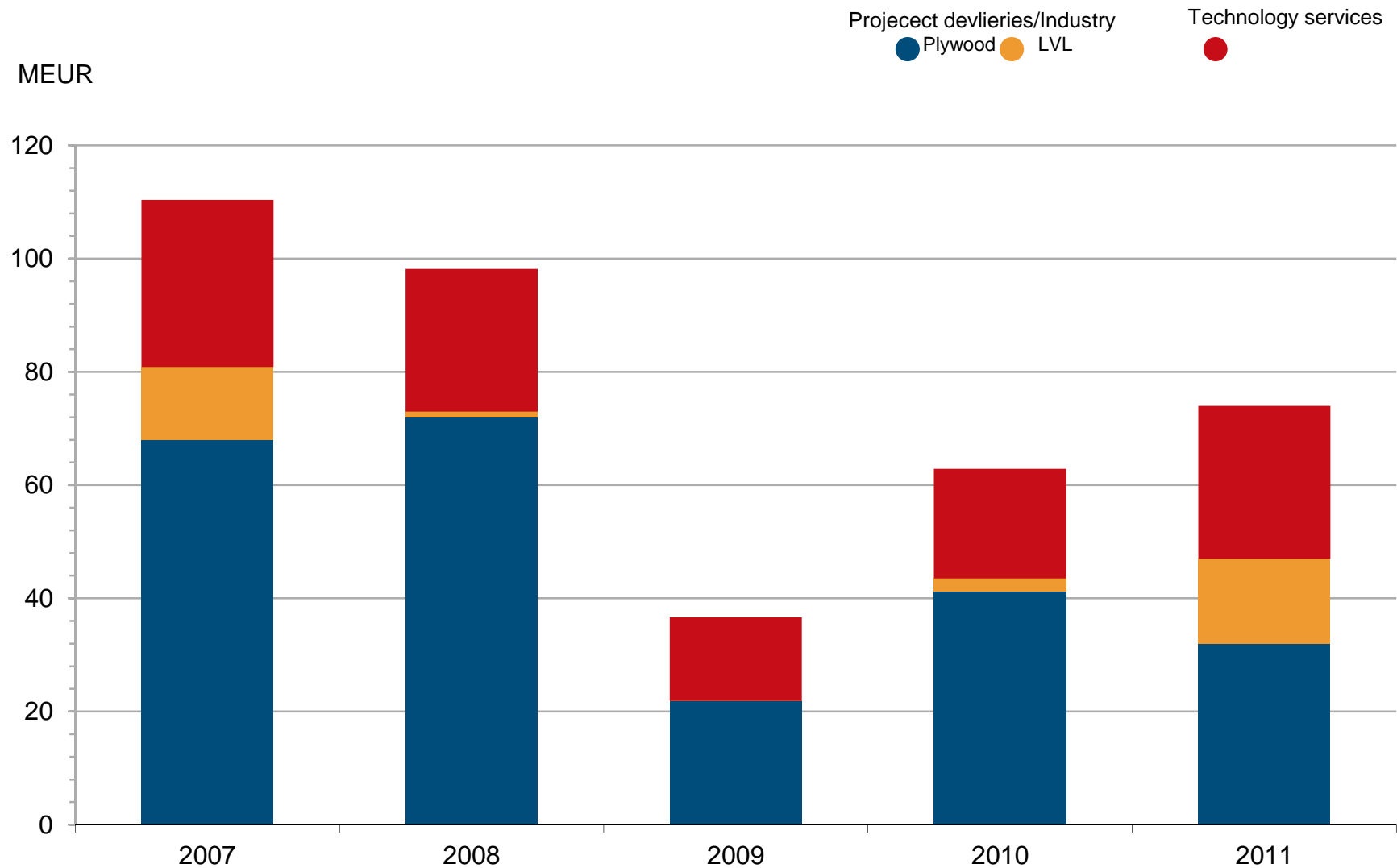
Net sales

MEUR

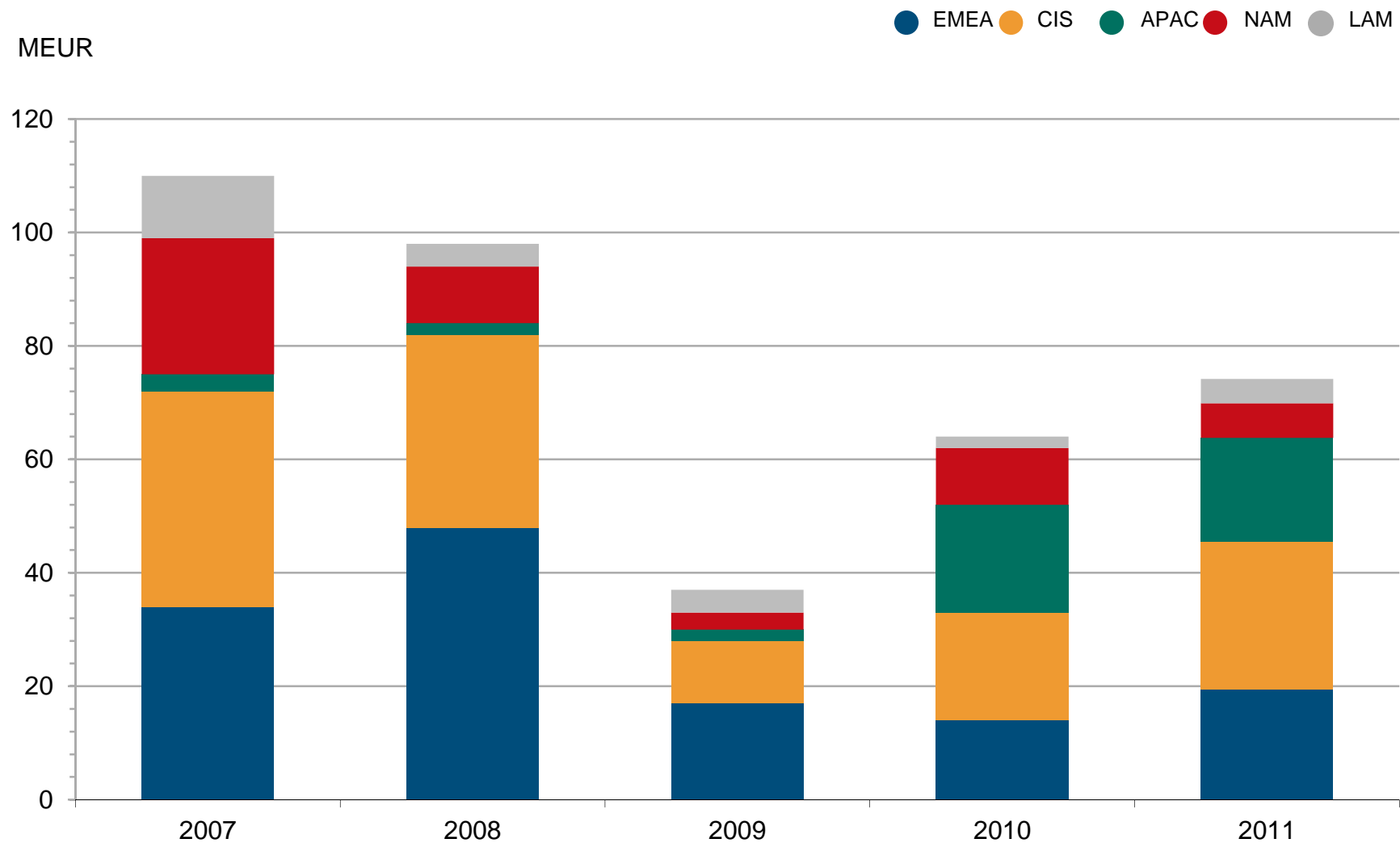
● Q1 ● Q2 ● Q3 ● Q4



Net sales development, Technology and services

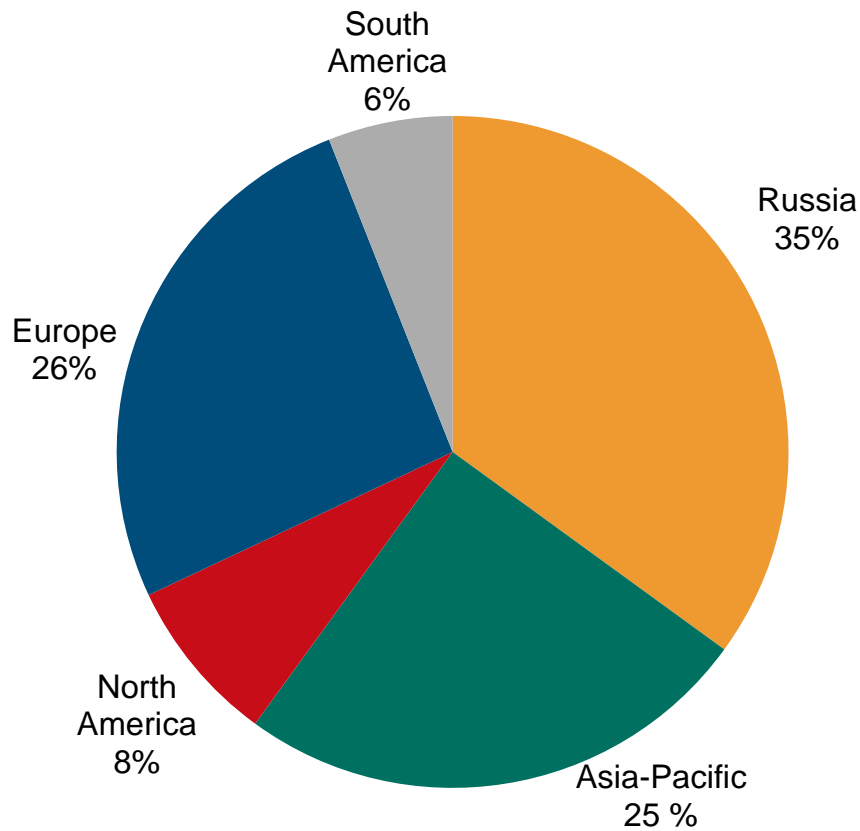


Net sales development, Market areas

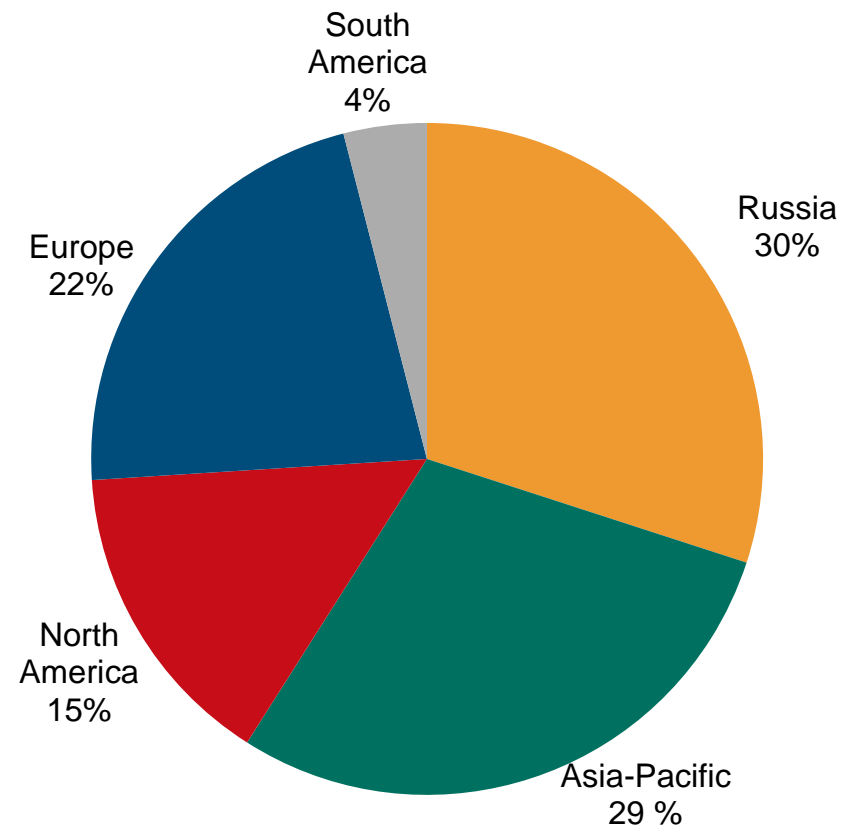


Net sales by market area, %

2011

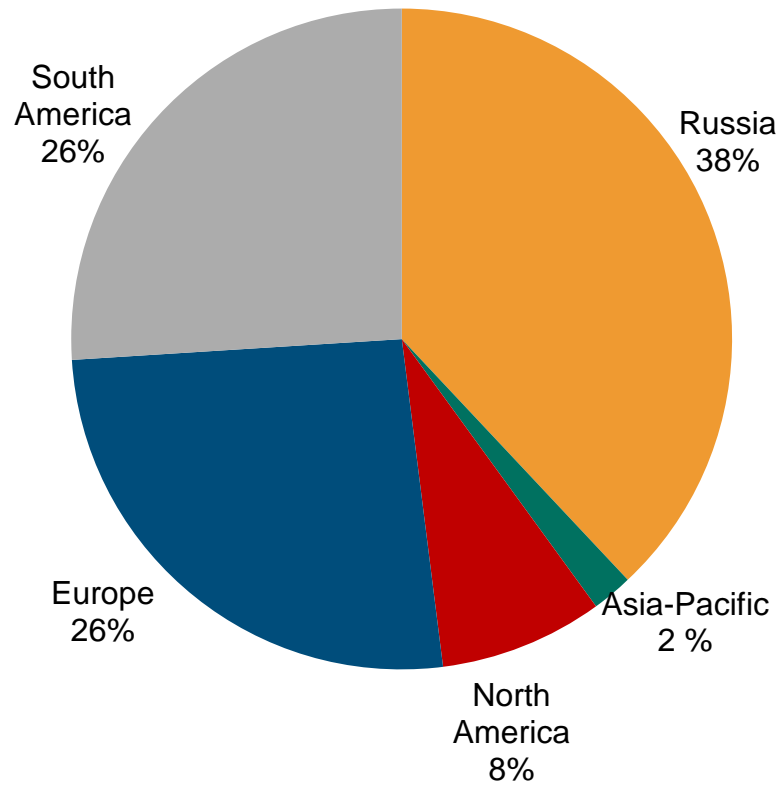


2010

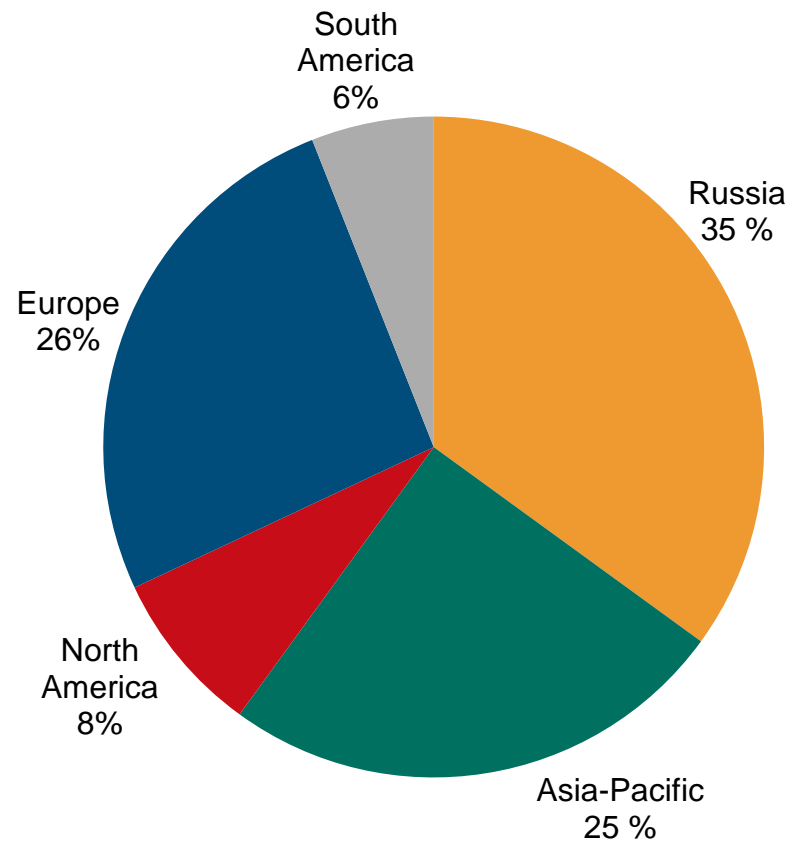


Year 2011 by market area

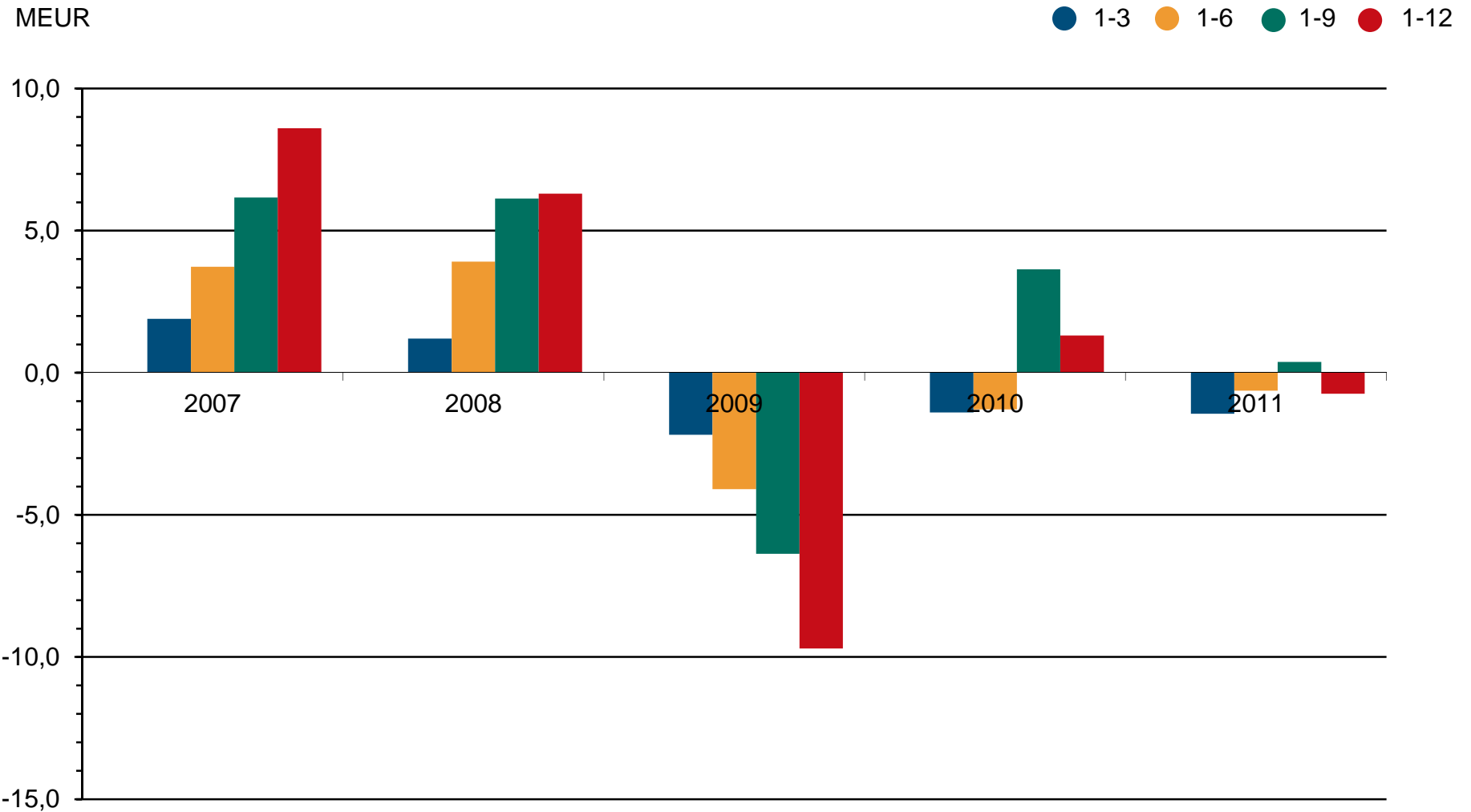
Order intake



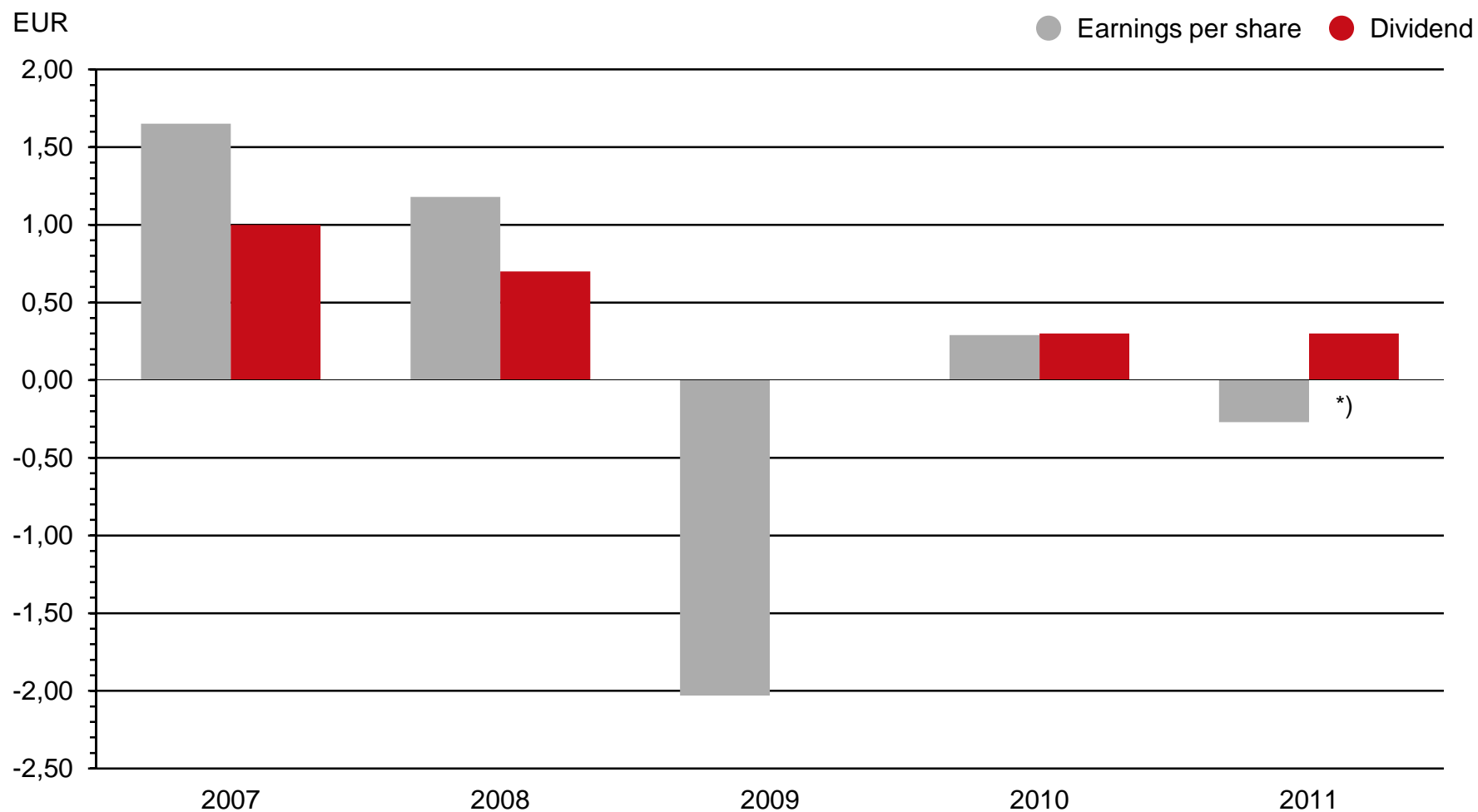
Net sales



Operating result

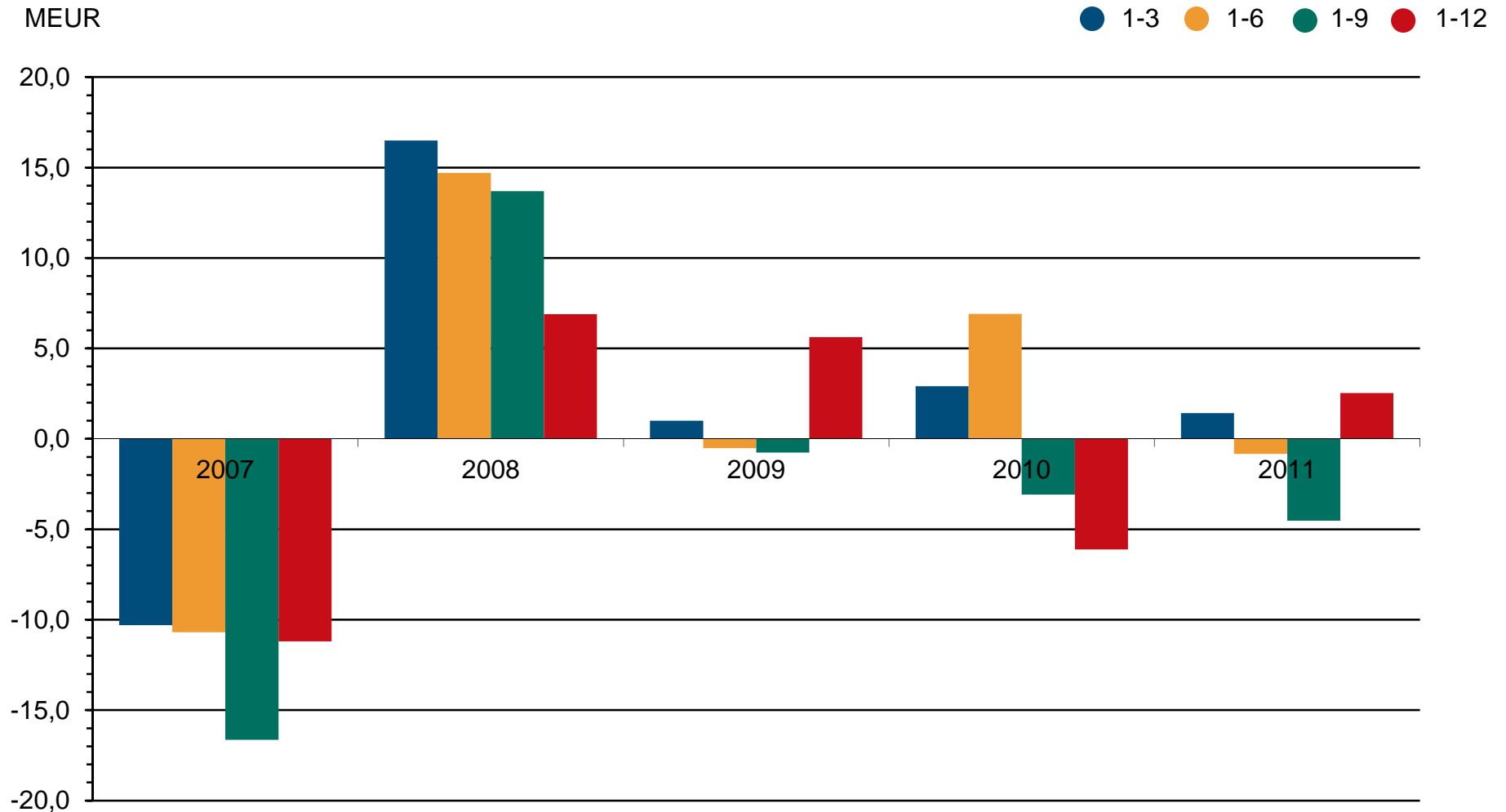


Earnings per share

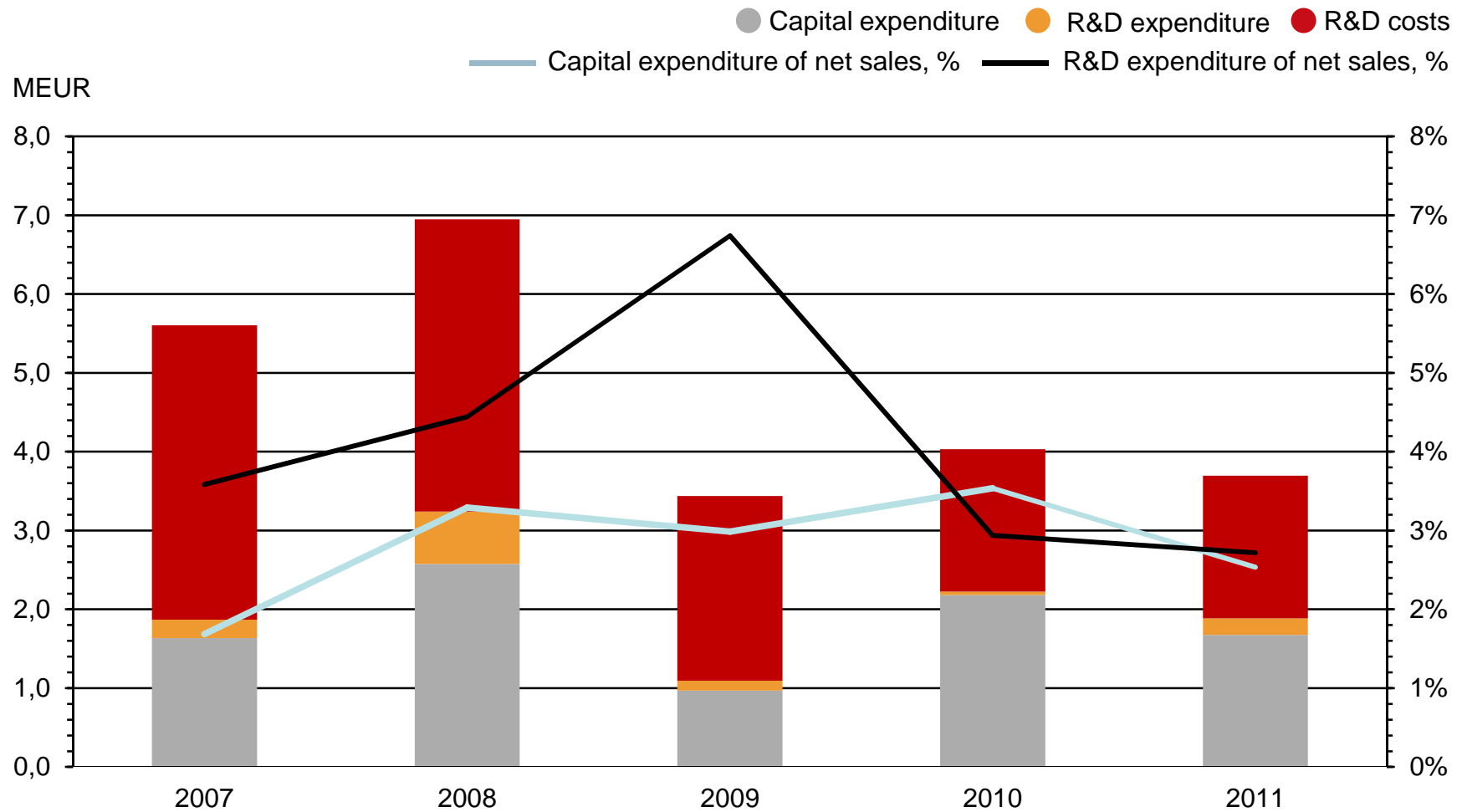


*) Board of Directors' proposal to the AGM to be held on 16 April 2012.

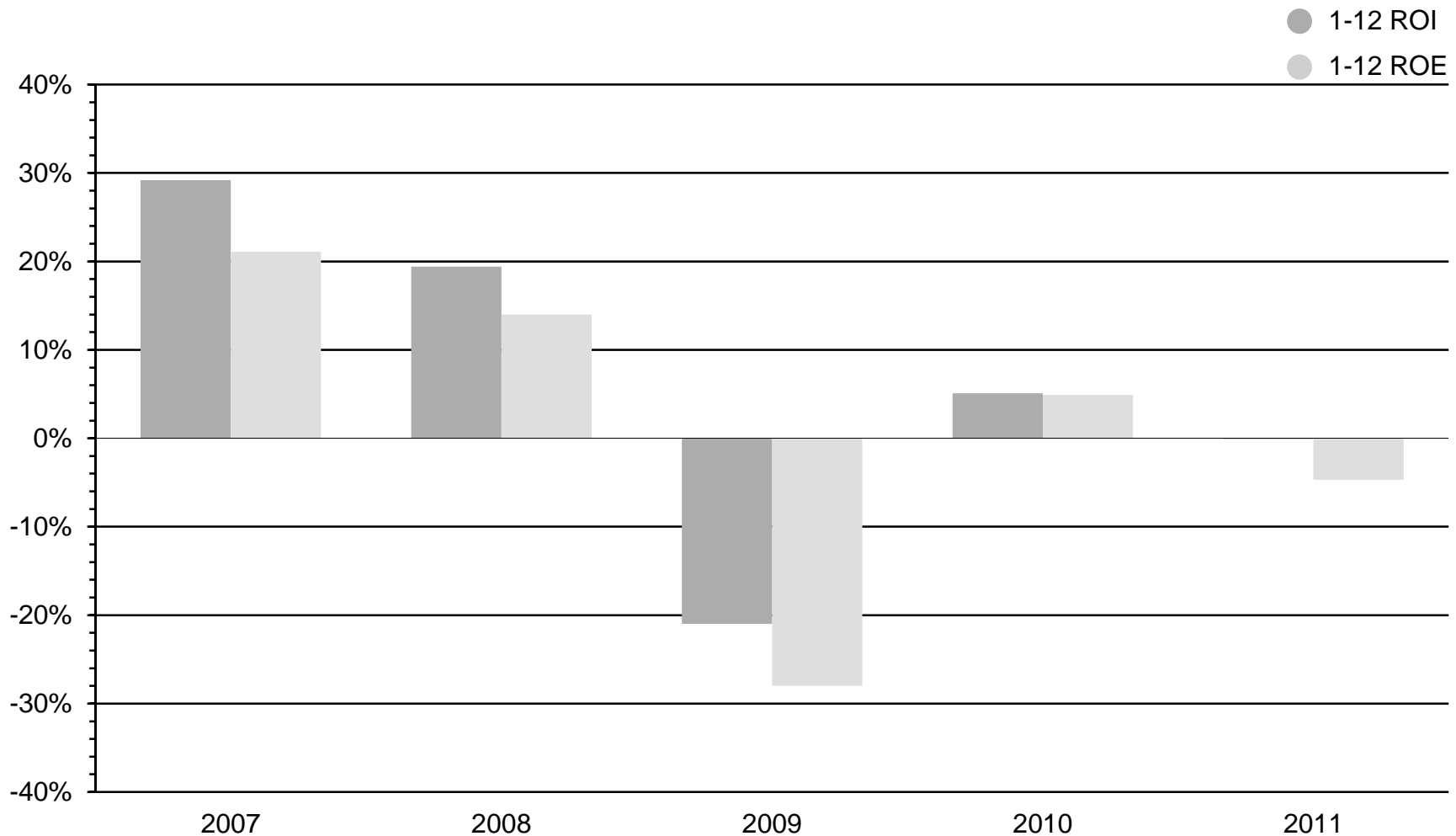
Operating cash flow



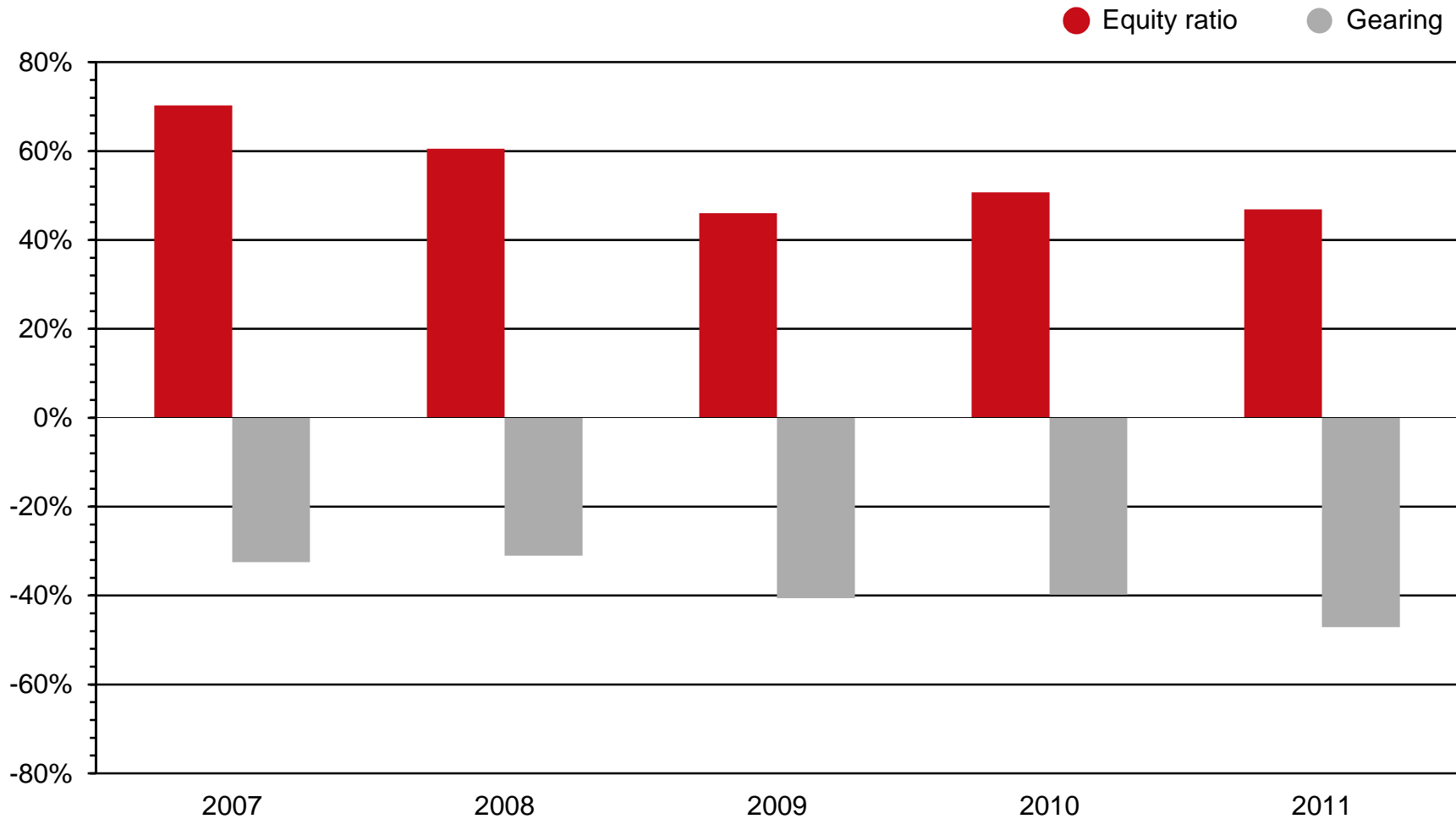
Investing in the future



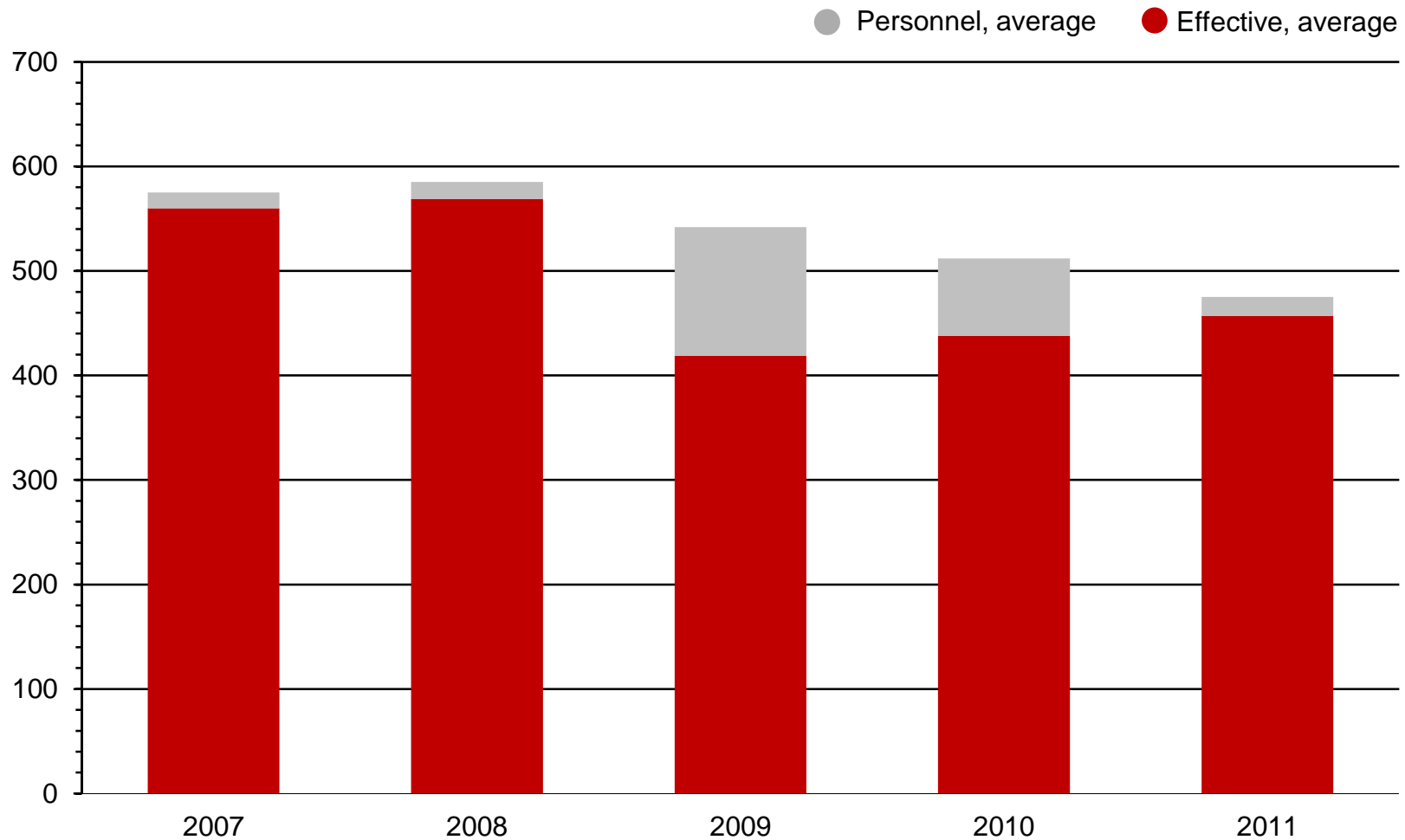
Return on investment (ROI) Return on equity (ROE)



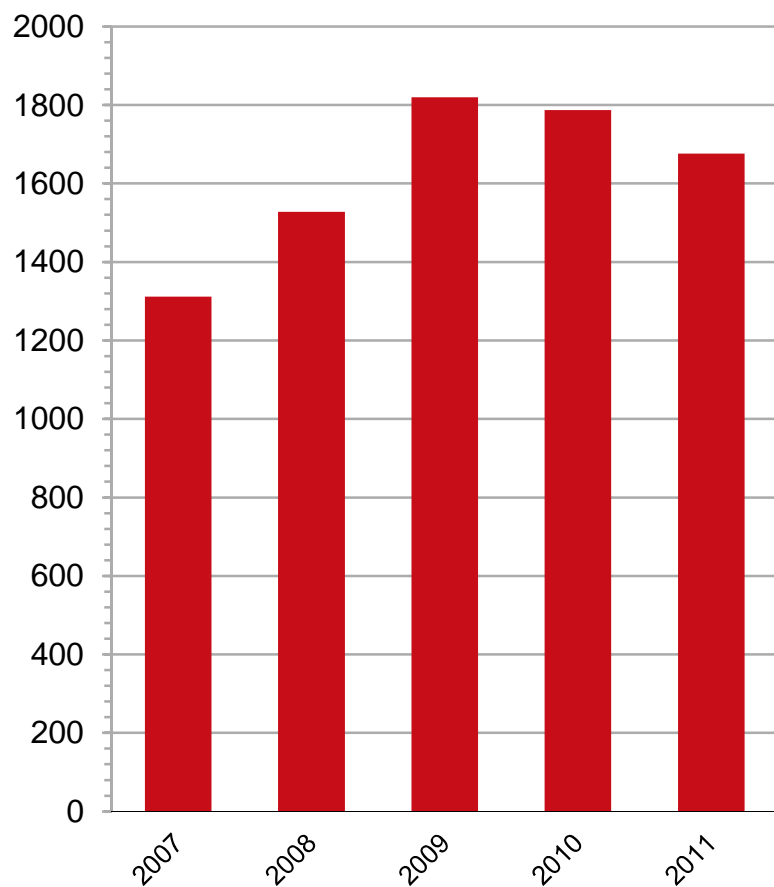
Equity ratio and gearing



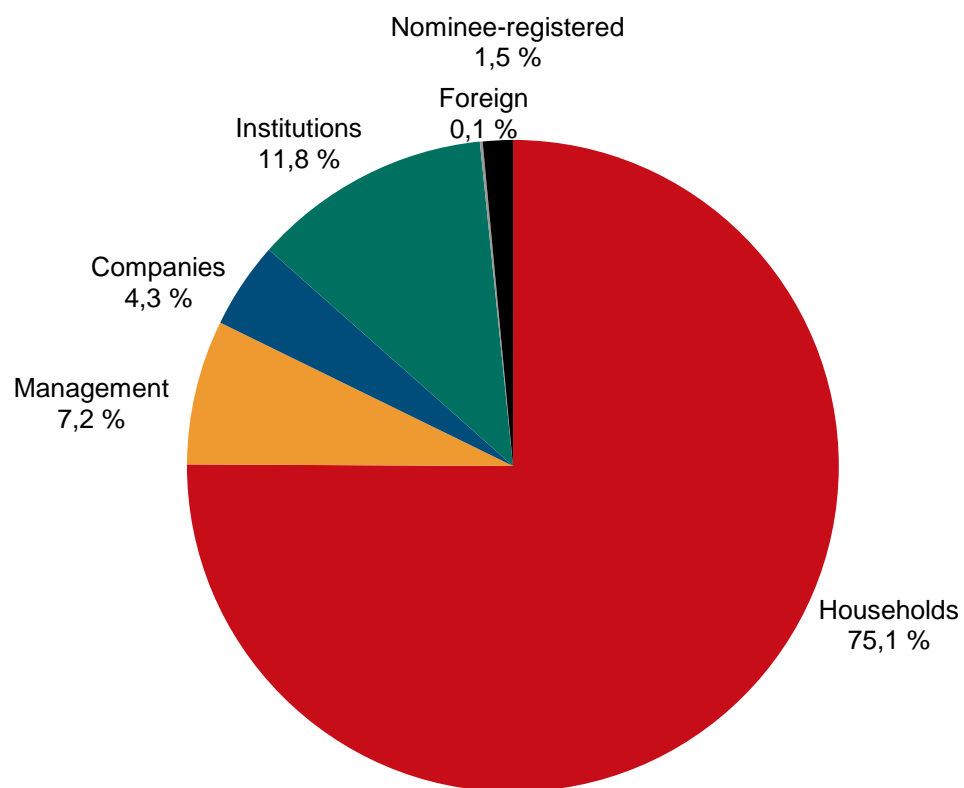
Number of personnel



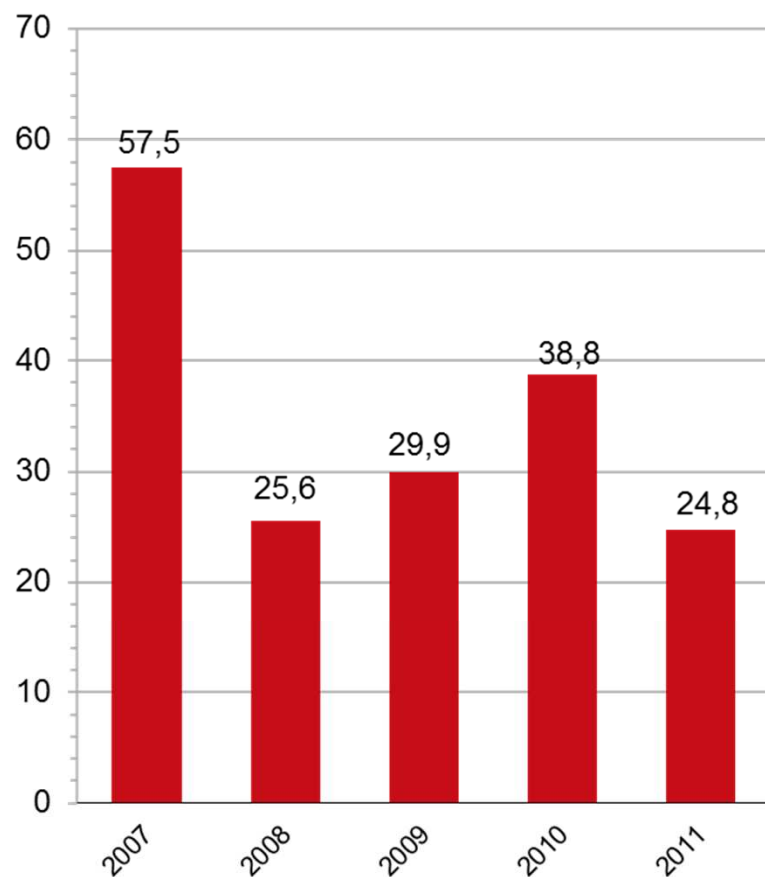
Number of shareholders



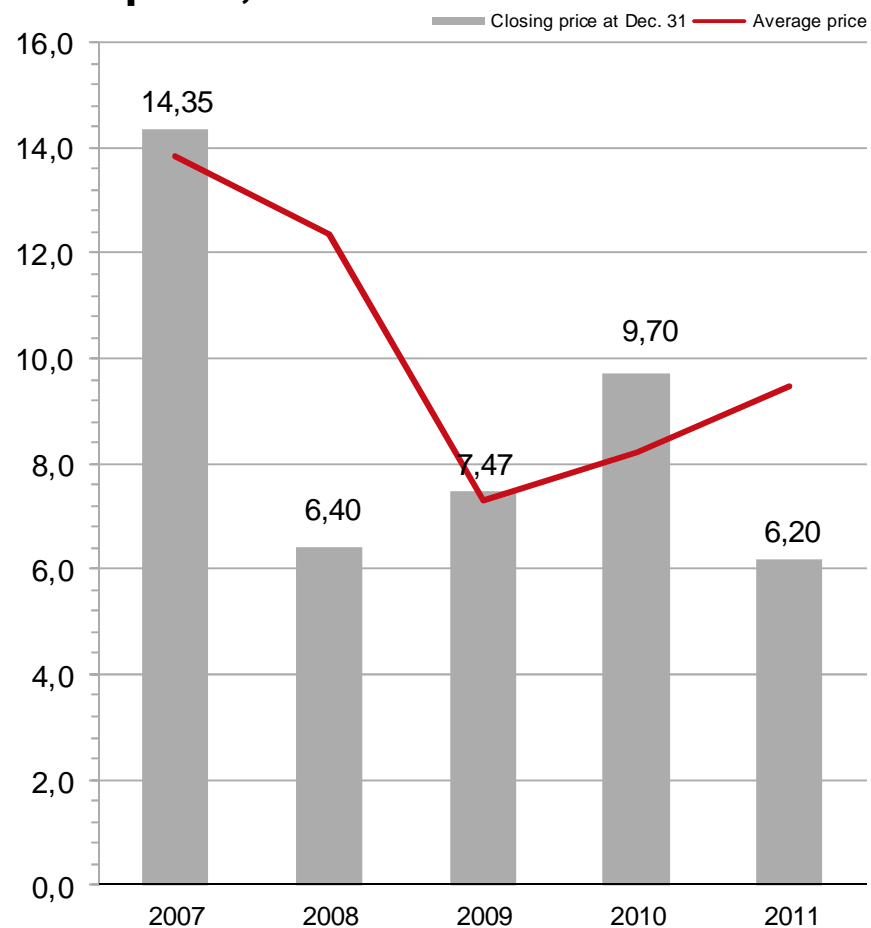
Ownership at Dec. 31, 2010



Market value, MEUR



Share price, EUR



Series K shares valued at the value of series A shares.

Strategy implementation

- Customer focus
 - Account-based operating model was developed and extended through training
- Technology services
 - New modernization products were developed
 - Local service ability was strengthened in Russia, Chile and Australia
- Emerging markets
 - Products aimed at the emerging markets to the RautePro product family and the Chinese market
- Cost efficiency
 - Productivity improvement – thoroughly modernized key production machine and automatization of work stages
 - Efficiency and internal communication through renewed IT systems
- Hunger for success
 - Remuneration and competence development

Business environment:

- Uncertainty related to the development of world economy and financing markets
- Demand for investments and services of the wood products industry is not expected to recover in the near future
 - Improvement investments to maintain quality and keep market shares will remain at a reasonable level
 - Production line and mill scale investment projects under planning, implementation and schedule uncertain

Raute:

- Satisfactory order book at the beginning of the year
- Uncertainty related to implementation and schedule of projects under negotiation
 - Changes typical of project business
 - Uncertainty related to market trend
 - Availability of financing
- An order of more than 50 million euros to Chile improves outlook significantly
- Profit outlook for 2012
 - Net sales will increase significantly
 - Operating result will be clearly positive

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