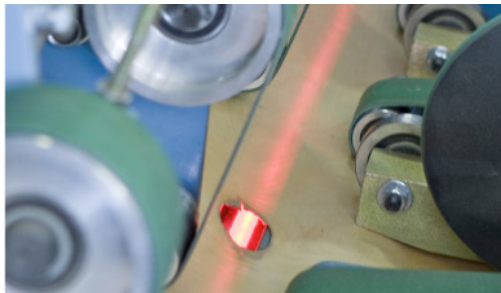


# 2012

Interim report  
January 1 - September 30, 2012



**RAUTE CORPORATION – INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2012**

- The Group's net sales, EUR 67.4 million (MEUR 59.4), increased 13 percent on the comparison period. Order intake was EUR 104 million (MEUR 46).
- Operating profit was EUR 1.9 million positive (MEUR +0.4). Result before taxes was EUR 1.8 million positive (MEUR +0.1).
- Earnings per share (undiluted) were EUR +0.26 (EUR -0.02).
- Net sales for the third quarter were EUR 29.9 million and operating profit was EUR 1.8 million positive. Order intake was EUR 28 million.
- The order book at the end of the reporting period was EUR 72 million (MEUR 21). More than a half of the order book will be recognized as net sales in 2013.
- The outlook for financial performance remains unchanged. Net sales in 2012 will increase significantly on the comparison year and the operating profit will be clearly positive.

**Tapani Kiiski, President and CEO: More than EUR 100 million in new orders**

The third quarter of the year in progress was in line with our expectations. The strong order book generated more than a third higher net sales compared to the second quarter, and profitability improved. We have already reached the same level in terms of net sales as in the previous year, and our result has clearly improved.

A good volume of new orders has maintained our strong order book. The focus of our workload has shifted from planning to production and start-up resources and to our cooperation partners. We estimate that our operations will continue to gain momentum somewhat in the fourth quarter.

Heading into the fourth quarter, we still face a rather uncertain market situation. The economic outlook for the end of the year is expected to weaken on almost all fronts.

Construction activity in the main markets of our customers is still at a low level and therefore our customers do not need to make any significant investments to increase capacity. Various projects are in the planning and preparation phase, but the uncertain money-market and demand situation makes their implementation and the timing of their start-up uncertain.

The strong order book will generate a clearly positive result for Raute this year as well as the opportunity to focus our efforts on the implementation of our strategy and on development projects. Our development projects will put us in a better position to meet the challenges of the changing markets and take advantage of the opportunities presented by the improving markets once the global economy regains its stability.

## **THIRD QUARTER OF 2012**

### **Order intake and order book**

Order intake during the third quarter was at a good level, totaling EUR 28 million (MEUR 7). Technology services accounted for EUR 7 million (MEUR 7) of the order intake.

The most significant new orders during the period were a peeling line, drying line and LVL lay-up line to Germany, an overlaying line to Latvia and a peeling line to Russia. The deliveries are scheduled for summer 2013.

The order book at the end of September, EUR 72 million (MEUR 21), was strong and at the same level as at the start of the quarter.

### **Net sales**

Third-quarter net sales amounted to EUR 29.9 million (MEUR 21.6). Net sales increased 34 percent from the second quarter.

Technology services accounted for 23 percent of total net sales (32%).

### **Result and profitability**

Operating profit was EUR 1.8 million positive (MEUR 1.0 positive) and accounted for 6 percent (5%) of net sales. The third quarter result was EUR 1.2 million positive (MEUR 0.7 positive), and earnings per share were EUR 0.31 (EUR 0.17).

## **RAUTE CORPORATION – INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2012**

## **BUSINESS ENVIRONMENT**

### **Market situation in customer industries**

Raute's customers in the veneer, plywood and LVL (Laminated Veneer Lumber) industries are engaged in the manufacture of wood products used in investment commodities and are thus highly affected by fluctuations in construction, housing-related consumption, international trade, and transportation.

Significant uncertainty still surrounds the development of the global economy and financial markets due to the hazards of growing debt among a few European countries and the threats associated with the ongoing recovery of the US economy. Reports of the slowdown of economic growth in Asia, and in particular China, also add to the uncertainty. For Raute's customer industries, the market situation has continued to be uncertain in a number of market areas.

### **Demand for wood products technology and technology services**

The plywood industry's improvement investments to ensure quality and cost competitiveness and to maintain market shares remained at a low level during the reporting period.

Several large projects encompassing single production lines and mill-scale deliveries that are in the planning and negotiation phase are pending. Customers will decide on and realize these projects only once they are more confident that demand has recovered permanently and once financing for the projects can be arranged.

## **ORDER INTAKE AND ORDER BOOK**

Raute serves the wood products industry with a full-service concept based on service that encompasses the entire life cycle of the delivered equipment. Raute's business consists of project deliveries and technology services. Project deliveries comprise complete production machinery for new mills, production lines and individual machines and equipment. Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations as well as consulting, training and reconditioned machinery.

The order intake during the reporting period was at a very high level, totaling EUR 104 million (MEUR 46). 52 percent of orders received came from South America (7%), 28 percent from Europe (26%), 12 percent from Russia (57%), 6 percent from North America (8%) and 2 percent from the Asia-Pacific area (2%). The considerable changes in the shares

of the different market areas result mainly from the effects of mill-scale deliveries.

The most significant transactions during the reporting period consisted of an order that came into effect in February, amounting to more than EUR 50 million, for machinery and equipment for a plywood mill for Paneles Arauco S.A. in Chile, and an order that came into effect in July, totaling EUR 14 million, for machinery for an LVL mill in Germany.

Technology services accounted for EUR 19 million (MEUR 19) of the order intake.

The order book stood at EUR 72 million (MEUR 21) at the end of the reporting period. More than a half of the order book will be recognized as net sales in 2013.

### **COMPETITIVE POSITION**

Raute's competitive position is good. Raute's solutions help customers to secure their ability to deliver and provide service throughout the life cycle of the product. In such investments, the supplier's overall expertise and extensive and diverse technology offering play a key role. The competitive edge provided by Raute is also a major draw when customers select their cooperation partners. Raute's strong financial position and its long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

### **NET SALES**

Net sales for the reporting period, EUR 67.4 million (MEUR 59.4), were up 13 percent on the comparison period.

South America's share of net sales rose to 48 percent (5%). Europe's share of total net sales was 22 percent (25%), Russia's 17 percent (35%), North America's 9 percent (8%) and Asia-Pacific's 4 percent (27%).

Technology services accounted for 30 percent of total net sales (33%).

### **RESULT AND PROFITABILITY**

Operating profit for the reporting period was EUR 1.9 million positive (MEUR 0.4 positive) and accounted for 3 percent of net sales (1%).

The result before taxes for the reporting period was EUR 1.8 million positive (MEUR 0.1 positive) and the result EUR 1.0 million positive (MEUR 0.1 negative). Earnings per share (undiluted) were EUR +0.26 (EUR -0.02).

### **CASH FLOW AND BALANCE SHEET**

The Group's financial position is good. At the end of the reporting period, gearing was -54 percent (-17%) and the equity ratio 44 percent (53%). Other fluctuations in balance sheet working capital items and the key figures based on them are due to differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

The Group's cash and cash equivalents, including financial assets recognized at fair value through profit or loss, amounted to EUR 25.6 million (MEUR 14.9) at the end of the reporting period. Operating cash flow was EUR +4.8 million (MEUR -4.5). Cash flow from investment activities was EUR -1.7 million (MEUR -1.1). Cash flow from financing activities was EUR -3.2 million (MEUR -3.3), including dividend payments of EUR 1.2 million and loan repayments of EUR 2.0 million.

Interest-bearing liabilities amounted to EUR 13.6 million (MEUR 11.0) at the end of the reporting period.

The Parent company Raute Corporation has a EUR 10 million commercial paper program, which allows the company to issue commercial papers maturing in less than one year. The company also has unused bilateral credit facilities totaling EUR 5 million with a Nordic bank.

## **EVENTS DURING THE REPORTING PERIOD**

Raute Corporation published stock exchange releases on the following events:

February 10, 2012 Raute received orders valued at over EUR 50 million from Chile.

April 16, 2012 Decisions by Raute's Annual General Meeting 2012.

July 30, 2012 Raute received an order valued at over EUR 14 million from Germany.

## **DEVELOPMENT OF OPERATIONS**

Raute Corporation has outsourced its warehouse and other internal logistics operations located at Nastola to ISS Palvelut Oy since April 1, 2012.

## **RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE**

Raute's goal is to be the leading technology supplier in its field, and to invest strongly in continuous research and development, particularly in plywood and LVL manufacturing technology and the supporting automation and instrumentation applications, especially machine vision. Research and development costs in the reporting period totaled EUR 1.6 million (MEUR 1.4), representing 2.4 percent of net sales (2.3%).

Investments totaled EUR 2.2 million (MEUR 1.2) during the reporting period. The majority of the investments were related to technology acquisitions and product development.

## **PERSONNEL**

At the end of the reporting period, the Group's personnel numbered 496 (467). Group companies outside Finland accounted for 27 percent (25%) of employees.

Converted to full-time employees ("effective headcount"), the average number of employees was 476 (459) during the reporting period.

## **SHARES**

The number of Raute Corporation's shares at the end of the reporting period totaled 4,004,758, of which 991,161 were series K shares (ordinary share, 20 votes/share) and 3,013,597 series A shares (1 vote/share). The shares have a nominal value of 2 euros. Series K and A shares confer equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms set out in Article 3 of the Articles of Association. If an ordinary share is transferred to a transferee who has not previously held series K shares, the new owner must notify the Board of Directors of this in writing and without delay. Other holders of series K shares have the right to redeem the share under the terms specified in Article 4 of the Articles of Association.

Raute Corporation's series A shares are listed on NASDAQ OMX Helsinki Ltd. The trading code is RUTAV. Raute Corporation has signed a market making agreement with Nordea Bank Finland Plc in compliance with the Liquidity Providing (LP) requirements issued by NASDAQ OMX Helsinki Ltd.

The company's market capitalization at the end of the reporting period was EUR 29.3 million (MEUR 28.8), with series K shares valued at the closing price of series A shares, EUR 7.32 (EUR 7.18), on September 30, 2012.

## **STOCK OPTION SCHEME 2010**

The Annual General Meeting held on March 31, 2010 resolved to issue a maximum of 240,000 stock options.

In compliance with the authorization granted by the Annual General Meeting, the Board of Directors issued a total of 73,000 stock options marked with the symbol 2010 C to the Group's key employees on June 21, 2012. The share subscription period for 2010 C stock options will be from March 1, 2015 to March 31, 2018 and the exercise price EUR 8.40.

Earlier, on May 5, 2010, 80,000 stock options marked 2010 A and on May 31, 2011 and September 26, 2011 altogether 80,000 stock options marked 2010 B were granted to the

Group's key employees under this stock option scheme.

## **SHAREHOLDERS**

The number of shareholders totaled 1,667 at the beginning of the year and 1,652 at the end of the reporting period. Series K shares are held by 49 private individuals (50). The management (Board of Directors, President and CEO and Presidents of the subsidiaries) held 7.2 percent (7.2%) of the company shares and 13.9 percent (13.7%) of the votes. Nominee-registered shares accounted for 3.3 percent (2.1%) of shares.

No flagging notifications were given to the company during the reporting period.

## **CORPORATE GOVERNANCE**

Raute Corporation complies with the Finnish Corporate Governance Code 2010 for listed companies issued by the Securities Market Association on June 15, 2010. Raute Corporation's Corporate Governance Statement 2011 was drawn up separately from the Board of Directors' report and is published on the company's website.

Raute deviates from the Code's recommendation 22 on appointing members to the Appointments Committee in that one member to the Committee is elected from outside the Board of Directors, as per the company's Administrative Instructions, from among the representatives of major shareholders who have significant voting rights. The Board views this exception as justified, taking into consideration the company's ownership structure and the possibility to consider the expectations of major shareholders as early as in the preparation phase of selecting members of the Board of Directors.

Raute deviates from recommendation 9 on the number, composition and competence of the directors in that the company does not have both genders represented on the Board. On April 16, 2012 the shareholders proposed and the Annual General Meeting elected as Board members a group of persons consisting only of men.

## **ANNUAL GENERAL MEETING 2012**

Raute Corporation's Annual General Meeting was held on April 16, 2012. A stock exchange release on the decisions of the Annual General Meeting was published on April 16, 2012.

## **DIVIDENDS FOR THE 2011 FINANCIAL YEAR**

The Annual General Meeting held on April 16, 2012 decided to pay a dividend of EUR 0.30 per share for the financial year 2011. The total amount of dividends is EUR 1.2 million, series A shares accounting for EUR 904,079.10 and series K shares for EUR 297,348.30. The dividend payment date was April 26, 2012.

## **BOARD OF DIRECTORS AND BOARD COMMITTEES**

At Raute Corporation's Annual General Meeting on April 16, 2012, Mr. Erkki Pehu-Lehtonen was elected Chairman of the Board, Mr. Mika Mustakallio Vice-Chairman and Mr. Joni Bask, Mr. Risto Hautamäki, Mr. Ilpo Helander and Mr. Pekka Suominen as Board members.

Based on the evaluation of independence, Chairman Erkki Pehu-Lehtonen and members Joni Bask, Risto Hautamäki, Ilpo Helander, Mika Mustakallio, and Pekka Suominen are independent of the company. The Chairman of the Board (Mr. Erkki Pehu-Lehtonen) and two Board members (Mr. Ilpo Helander and Mr. Risto Hautamäki) are independent of major shareholders.

Raute Corporation's Board of Directors has an Appointments Committee and a Working Committee. The Appointments Committee is chaired by Mr. Erkki Pehu-Lehtonen and its members are Mr. Mika Mustakallio and Mr. Ville Korhonen, who was elected by the major shareholders from amongst their number. The Working Committee is chaired by Mr. Erkki Pehu-Lehtonen and its members are Mr. Mika Mustakallio and Mr. Risto Hautamäki. The Audit Committee's tasks are handled by the Board of Directors.

### **EVENTS AFTER THE REPORTING PERIOD**

The President of Raute's North American companies, Mr. Bruce Alexander, resigned from the Raute Group on October 24, 2012. The North American operations have been integrated with Technology Services, headed by Group Vice President Mr. Petri Lakka.

### **BUSINESS RISKS**

Risks in the near term continue to be driven by the global economic situation and the uncertainty concerning its development. During the reporting period, there were no essential changes in the business risks described in the 2011 Board of Directors' Report and Financial Statements. The most significant risks for Raute in the near term are related to the record-high load on production and start-up resources during the second half of the year, as well as the development of demand and the order book after the delivery of the present strong order book has taken place.

### **OUTLOOK FOR 2012**

Raute's business operations are characterized by the sensitivity of investment demand to cyclical fluctuations in the global economy and the financial markets.

Significant uncertainty still surrounds the development of the global economy and financial markets due to the hazards of growing debt among a few European countries and the threats associated with the recovery of the US economy. Reports of the slowdown of economic growth in Asia, and in particular China, also add to the uncertainty. The market situation for Raute's customer industries is expected to remain uncertain.

However, improvement investments in the plywood industry to ensure quality and cost competitiveness and to maintain market shares are expected to be at a reasonable level in the near future, provided that the economic uncertainty does not spiral into a new crisis.

Production line and mill-scale investment projects are being planned in several market areas. The implementation and timing of these projects will depend on prospective investors' confidence that the market for wood products will remain at a reasonable level and on the arrangement of financing for customer projects in some market areas.

Thanks to its strong financial and market position and the development measures it has carried out, Raute is well positioned to respond to growing demand once the markets recover. The implemented adaptation measures have led to a lighter cost structure and business is more profitable than before, even in a difficult market situation.

No changes have occurred in the outlook for the whole of 2012. Due to a strong order book, net sales in 2012 will increase significantly on the comparison year and the operating profit will be clearly positive.

### **TABLES SECTION OF THE INTERIM REPORT**

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1 000)</b>	<b>Note</b>	<b>1.7.-30.9. 2012</b>	<b>1.7.-30.9. 2011</b>	<b>1.1.-30.9. 2012</b>	<b>1.1.-30.9. 2011</b>	<b>1.1.-31.12. 2011</b>
<b>NET SALES</b>	3,4,5	<b>29 886</b>	<b>21 626</b>	<b>67 359</b>	<b>59 389</b>	<b>74 323</b>
<b>Change in inventories of finished goods and work in progress</b>		<b>-742</b>	<b>223</b>	<b>-52</b>	<b>1 041</b>	<b>-184</b>
<b>Other operating income</b>		<b>61</b>	<b>45</b>	<b>167</b>	<b>145</b>	<b>168</b>
Material and services		-17 475	-12 885	-36 336	-33 843	-39 404
Employee benefits expense	12	-7 083	-5 397	-20 715	-17 581	-24 019
Depreciation and amortisation		-482	-530	-1 478	-1 610	-2 128
Other operating expenses		-2 346	-2 071	-7 039	-7 158	-9 494
<b>Total operating expenses</b>		<b>-27 386</b>	<b>-20 883</b>	<b>-65 568</b>	<b>-60 192</b>	<b>-75 045</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>1 818</b>	<b>1 011</b>	<b>1 907</b>	<b>382</b>	<b>-738</b>
<b>% of net sales</b>		<b>6</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>-1</b>
Financing income		130	242	518	765	705
Financing expenses		-267	-403	-612	-1 083	-1 093
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>1 680</b>	<b>850</b>	<b>1 813</b>	<b>65</b>	<b>-1 126</b>
<b>% of net sales</b>		<b>6</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>-2</b>
Income taxes		-451	-180	-785	-140	30
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>1 229</b>	<b>670</b>	<b>1 028</b>	<b>-75</b>	<b>-1 095</b>
<b>% of net sales</b>		<b>4</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>-1</b>
<b>Other comprehensive income items:</b>						
Exchange differences on translating foreign operations		7	3	38	-34	23
Cash flow hedging		-	-	-	-	19
Income tax related to cash flow hedges		-	-	-	-	-5
<b>Comprehensive income items for the period, net of tax</b>		<b>7</b>	<b>3</b>	<b>38</b>	<b>-34</b>	<b>37</b>
<b>COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>		<b>1 236</b>	<b>673</b>	<b>1 066</b>	<b>-109</b>	<b>-1 058</b>
<b>Profit (loss) for the period attributable to Equity holders of the Parent company</b>		<b>1 229</b>	<b>670</b>	<b>1 028</b>	<b>-75</b>	<b>-1 095</b>
<b>Comprehensive profit (loss) for the period attributable to Equity holders of the Parent company</b>		<b>1 236</b>	<b>673</b>	<b>1 066</b>	<b>-109</b>	<b>-1 058</b>
<b>Earnings per share for profit (loss) attributable to Equity holders of the Parent company, EUR</b>						
Undiluted earnings per share		0,31	0,17	0,26	-0,02	-0,27
Diluted earnings per share		0,31	0,17	0,26	-0,02	-0,27
<b>Shares, 1 000 pcs</b>						
Adjusted average number of shares		4 005	4 005	4 005	4 005	4 005
Adjusted average number of shares diluted		4 007	4 009	4 007	4 009	4 005



<b>CONSOLIDATED BALANCE SHEET (EUR 1 000)</b>	<b>Note</b>	<b>30.9. 2012</b>	<b>30.9. 2011</b>	<b>31.12. 2011</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	8	2 493	1 245	1 433
Property, plant and equipment	8	7 976	8 163	8 226
Other financial assets		789	789	789
Non-current accounts receivables and other receivables		225	873	549
Deferred tax assets		857	1 382	1 601
<b>NON-CURRENT ASSETS</b>		<b>12 341</b>	<b>12 453</b>	<b>12 598</b>
<b>Current assets</b>				
Inventories		6 293	5 265	5 059
Accounts receivables and other receivables	5	22 339	15 329	9 298
Income tax receivable		407	285	37
Cash and bank equivalents		25 628	14 938	25 674
<b>CURRENT ASSETS</b>		<b>54 667</b>	<b>35 818</b>	<b>40 067</b>
<b>ASSETS</b>		<b>67 008</b>	<b>48 270</b>	<b>52 666</b>
<b>EQUITY</b>				
<b>Equity attributable to Equity holders of the Parent company</b>				
Share capital		8 010	8 010	8 010
Share premium account		0	6 498	6 498
Fair value reserve and other reserves		6 836	127	187
Exchange differences		61	1	23
Retained earnings		6 149	8 447	8 447
Profit (loss) for the period		1 028	-75	-1 095
<b>Share of shareholders' equity that belongs to the owners of the Parent company</b>		<b>22 084</b>	<b>23 008</b>	<b>22 069</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>22 084</b>	<b>23 008</b>	<b>22 069</b>
<b>NON-CURRENT LIABILITIES</b>				
Non-current provisions		70	79	123
Non-current interest-bearing liabilities	9	8 622	7 716	10 937
Pension obligations		92	-	-
<b>NON-CURRENT LIABILITIES</b>		<b>8 784</b>	<b>7 891</b>	<b>11 060</b>
<b>CURRENT LIABILITIES</b>				
Current provisions		1 223	679	697
Pension obligations		-	96	98
Current interest-bearing liabilities	9	4 989	3 327	4 340
Current advances received	5	17 320	5 058	5 589
Income tax liability		-	-	416
Trade payables and other liabilities		12 607	8 307	8 399
<b>CURRENT LIABILITIES</b>		<b>36 140</b>	<b>17 372</b>	<b>19 537</b>
<b>TOTAL LIABILITIES</b>		<b>44 924</b>	<b>25 262</b>	<b>30 597</b>
<b>EQUITY AND LIABILITIES</b>		<b>67 008</b>	<b>48 270</b>	<b>52 666</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1 000)</b>	<b>1.1.-30.9. 2012</b>	<b>1.1.-30.9. 2011</b>	<b>1.1.-31.12. 2011</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from customer	64 936	63 884	64 268
Other operating income	167	74	168
Cash paid to suppliers and employees	-59 144	-68 098	-62 322
<b>Cash flow before financial items and taxes</b>	<b>5 959</b>	<b>-4 140</b>	<b>2 113</b>
Interest paid from operating activities	-275	-219	-163
Dividends received from operating activities	118	108	108
Interest received from operating activities	258	81	357
Other financing items from operating activities	-431	-76	-183
Income taxes paid from operating activities	-823	-283	298
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>4 807</b>	<b>-4 529</b>	<b>2 531</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets	-1 749	-877	-1 589
Proceeds from sale of property, plant and equipment and intangible assets	22	67	133
Purchase of other investments	-	-292	-293
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-1 727</b>	<b>-1 102</b>	<b>-1 748</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Decrease of non-current and current receivables	-	1 000	1 000
Increase of current borrowings	-	-	163
Repayments of current borrowings	-	-115	-115
Increase of non-current borrowings	-	6 000	11 000
Repayments of non-current borrowings	-1 970	-9 000	-10 000
Dividends paid	-1 201	-1 201	-1 201
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>-3 172</b>	<b>-3 316</b>	<b>846</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-92</b>	<b>-8 947</b>	<b>1 629</b>
increase (+)/decrease (-)			
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>25 674</b>	<b>24 090</b>	<b>24 090</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-92</b>	<b>-8 947</b>	<b>1 629</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH</b>	<b>46</b>	<b>-205</b>	<b>-45</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*</b>	<b>25 628</b>	<b>14 938</b>	<b>25 674</b>
<b>CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD</b>			
Cash and cash equivalents	25 628	14 938	25 674
<b>TOTAL</b>	<b>25 628</b>	<b>14 938</b>	<b>25 674</b>

\*Cash and cash equivalents comprise assets at fair value through profit and loss, as well as cash and bank receivables, which will be due within the following three months' period.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(EUR 1 000)	Share capital	Share premium	Invested non-restricted equity reserve	Other reserves	Exchange rate diff.	Retained earnings
<b>EQUITY at Jan. 1, 2012</b>	<b>8 010</b>	<b>6 498</b>	<b>0</b>	<b>187</b>	<b>23</b>	<b>7 351</b>
<b>Comprehensive profit (loss) for the period</b>						
Profit (loss) for the period	-	-	-	-	-	1 028
Other comprehensive income items:						
Exchange differences on translating foreign operations	-	-	-	-	38	-
Cash flow hedging, net of tax	-	-	-	-	-	-
<b>Total comprehensive profit (loss) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>1 028</b>
<b>Transactions with owners</b>						
Equity-settled share-based transactions	-	-	-	152	-	-
Reclassification between items	-	-6 498	6 498	-	-	-
Dividend paid	-	-	-	-	-	-1 201
<b>EQUITY at Sept. 30, 2012</b>	<b>8 010</b>	<b>0</b>	<b>6 498</b>	<b>338</b>	<b>61</b>	<b>7 177</b>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continues)**

(EUR 1 000)	To the owners of the Parent Company	TOTAL
<b>EQUITY at Jan. 1, 2012</b>	<b>22 069</b>	<b>22 069</b>
<b>Comprehensive profit (loss) for the period</b>		
Profit (loss) for the period	1 028	1 028
Other comprehensive income items:		
Exchange differences on translating foreign operations	38	38
Cash flow hedging, net of tax	-	-
<b>Total comprehensive profit (loss) for the period</b>	<b>1 066</b>	<b>1 066</b>
<b>Transactions with owners</b>		
Equity-settled share-based transactions	152	152
Reclassification between items	-	-
Dividend paid	-1 201	-1 201
<b>EQUITY at Sept. 30, 2012</b>	<b>22 084</b>	<b>22 084</b>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(EUR 1 000)	Share capital	Share premium	Other reserves	Exchange rate diff.	Retained earnings	TOTAL
<b>EQUITY at Jan. 1, 2011</b>	<b>8 010</b>	<b>6 498</b>	<b>36</b>	<b>35</b>	<b>9 648</b>	<b>24 227</b>
<b>Comprehensive profit (loss) for the period</b>						
Profit (loss) for the period	-	-	-	-	-75	-75
Other comprehensive income items:						
Exchange differences on translating foreign operations	-	-	-	-34	-	-34
Cash flow hedging, net of tax	-	-	-	-	-	0
<b>Total comprehensive profit (loss) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-34</b>	<b>-75</b>	<b>-109</b>
<b>Transactions with owners</b>						
Equity-settled share-based transactions	-	-	91	-	-	91
Reclassification between items	-	-	-	-	-	-
Dividend paid	-	-	-	-	-1 201	-1 201
<b>EQUITY at Sept. 30, 2011</b>	<b>8 010</b>	<b>6 498</b>	<b>127</b>	<b>1</b>	<b>8 372</b>	<b>23 008</b>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. General information**

Raute Group is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood and LVL (Laminated Veneer Lumber). Raute's technology offering covers machinery and equipment for the entire production process. Raute's full-service concept is based on product life-cycle management. In addition to a broad range of machines and equipment, our solutions cover technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in Nastola, Finland. Its other production plants are in the Vancouver area in Canada, in the Shanghai area in China, and in Kajaani, Finland. The company's sales network has a global reach.

Raute Group's Parent company is a Finnish public limited liability company, Raute Corporation, established in accordance with Finnish law (Business ID FI01490726). Its series A shares are quoted on NASDAQ OMX Helsinki Ltd., under Industrials. Raute Corporation is domiciled in Lahti, Finland. The address of its registered office is Rautetie 2, FI-15550 Nastola, Finland, and its postal address is P.O. Box 69, FI-15551 Nastola, Finland.

The Consolidated financial statements are available online at [www.raute.com](http://www.raute.com) and at the head office of the Parent company, Rautetie 2, FI-15550 Nastola, Finland.

Raute Corporation's Board of Directors has on October 30, 2012 reviewed the Interim financial report for January 1 - September 30, 2012, and approved it to be published in compliance with this release.

### **2. Accounting principles**

Raute Corporation's Interim financial report for January 1 – September 30, 2012 has been prepared in accordance with standard IAS 34 Interim Financial Reporting. The Interim financial report does not contain full notes and other information presented in the financial statements, and therefore the Interim financial report should be read in conjunction with the Financial statements published for 2011.

Raute Corporation's Interim financial report for January 1 – September 30, 2012 has been prepared in accordance with international financial statement standards (International Financial Reporting Standards, IFRS) as adopted by the European Union, and preparations have complied with the IAS and IFRS standards, as well as SIC and IFRIC interpretations, effective on September 30, 2012. The notes to the Interim financial statements also comply with Finnish accounting legislation. The presented Interim financial report figures have not been audited.

The Interim financial report has been prepared according to the same accounting principles as those applied in the Annual financial statements for 2011 except for the certain new or revised standards, interpretations and amendments which the Group has applied as of January 1, 2012. The impact of the new and revised standards has been presented in the Annual financial statements for 2011. The adoption of these standards has not had an impact on the Interim financial report.

All the monetary figures presented in the Interim financial report are in thousand euros, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

The preparation of Interim financial report according to IFRS standards requires management to use estimates and assumptions in the process of applying the accounting principles. Because estimates and assumptions are based on management's best knowledge at the reporting date, they comprise risks and uncertainties. The actual results may therefore differ from these estimates.

### 3. Segment information

#### Operational segment

Continuing operations of Raute Group belong to the wood products technology segment.

Due to Raute's business model, operational nature and administrative structure, the operational segment to be reported as wood products technology segment is comprised of the whole Group and the information on the segment is consistent with that of the Group. Segment reporting follows the principles of presentation of the consolidated financial statements.

<b>Wood products technology</b>	<b>30.9.</b> <b>2012</b>		<b>30.9.</b> <b>2011</b>		<b>31.12.</b> <b>2011</b>	
Net sales	67 359		59 389		74 323	
Operating profit (loss)	1 907		382		-738	
Assets	67 008		48 270		52 666	
Liabilities	44 924		25 262		30 597	
Capital expenditure	2 240		1 162		1 885	
<b>Assets of the wood products technology segment by geographical location</b>	<b>30.9.</b> <b>2012</b>	<b>%</b>	<b>30.9.</b> <b>2011</b>	<b>%</b>	<b>31.12.</b> <b>2011</b>	<b>%</b>
Finland	58 796	88	41 887	87	46 196	88
North America	3 627	5	3 526	7	3 305	6
China	2 874	4	1 410	3	1 550	3
Russia	1 349	2	1 107	2	1 302	2
South America	207	0	179	0	170	0
Others	155	0	161	0	143	0
<b>TOTAL</b>	<b>67 008</b>	<b>100</b>	<b>48 270</b>	<b>100</b>	<b>52 666</b>	<b>100</b>
<b>Capital expenditure of the wood products technology segment by geographical location</b>	<b>30.9.</b> <b>2012</b>	<b>%</b>	<b>30.9.</b> <b>2011</b>	<b>%</b>	<b>31.12.</b> <b>2011</b>	<b>%</b>
Finland	2 194	98	1 143	98	1 824	97
North America	6	0	3	0	22	1
China	36	2	14	1	36	2
Russia	1	0	-	-	-	-
South America	1	0	1	0	2	0
Others	2	0	1	0	1	0
<b>TOTAL</b>	<b>2 240</b>	<b>100</b>	<b>1 162</b>	<b>100</b>	<b>1 885</b>	<b>100</b>

#### 4. Net sales

The main part of the net sales is comprised of project deliveries related to wood products technology and modernizations in technology services, which are treated as long-term projects. The rest of the net sales is comprised of technology services provided to the wood products industry such as spare parts and maintenance services as well as services provided to the development of customers' business.

Project deliveries and modernizations related to technology services include both product and service sales, making it impossible to give a reliable presentation of the breakdown of the Group's net sales into purely product and service sales.

Large delivery projects can temporarily increase the shares of various customers of the Group's net sales to more than ten percent. At the end of the period, the Group had two customers (2), whose share of the Group's net sales temporarily exceeded ten percent.

<b>Net sales by market area</b>	<b>1.1.-30.9.</b> <b>2012</b>	<b>%</b>	<b>1.1.-30.9.</b> <b>2011</b>	<b>%</b>	<b>1.1.-31.12.</b> <b>2011</b>	<b>%</b>
South America	32 629	48	2 966	5	4 301	6
Russia	11 212	17	20 870	35	26 026	35
Rest of Europe	10 204	15	7 156	12	10 593	14
North America	5 946	9	4 780	8	6 090	8
Finland	4 795	7	7 679	13	8 891	12
Asia-Pacific	2 392	4	15 825	27	18 299	25
Others	180	0	112	0	124	0
<b>TOTAL</b>	<b>67 359</b>	<b>100</b>	<b>59 389</b>	<b>100</b>	<b>74 323</b>	<b>100</b>

<b>5. Long-term projects</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
<b>Net sales</b>			
Net sales by percentage of completion	56 258	48 214	58 760
Other net sales	11 101	11 175	15 563
<b>TOTAL</b>	<b>67 359</b>	<b>59 389</b>	<b>74 323</b>
Project revenues entered as income from currently undelivered long-term projects recognized by percentage of completion	66 414	63 781	45 250
Amount of long-term project revenues not yet entered as income (order book)	70 515	19 393	35 034
Projects for which the value by percentage of completion exceeds advance payments invoiced			
- aggregate amount of costs incurred and recognized profits less recognized losses	46 494	38 310	16 805
- advance payments received	31 422	28 863	13 431
Gross amount due from customers	15 072	9 447	3 374
Projects for which advance payments invoiced exceed the value by percentage of completion			
- aggregate amount of costs incurred and recognized profits less recognized losses	19 994	31 195	28 445
- advance payments received	37 107	35 622	33 704
Gross amount due to customers	17 113	4 428	5 259
Specification of combined asset and liability items			
Advance payments paid	624	277	101
Advance payments received included in inventories in the balance sheet	624	277	101
Advance payments in the balance sheet	17 320	5 058	5 589
<b>6. Number of personnel, persons</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Effective, on average	476	459	457
In books, on average	484	478	475
In books, at the end of period	496	467	464
- of which personnel working abroad	129	115	117
<b>7. Research and development costs</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Research and development costs for the period	1 606	1 353	2 020
Amortization of previously capitalized development costs	99	216	262
Development costs recognized as an asset in the balance sheet	-534	-178	-209
Research and development costs entered as expenses for the period	1 171	1 391	2 072

<b>8. Changes in Intangible assets and in Property, plant and equipment</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
<b>Intangible assets</b>			
Carrying amount at the beginning of the period	12 448	11 759	11 759
Exchange rate differences	9	1	16
Additions	1 399	294	609
Reclassifications between items	-678	82	63
<b>Carrying amount at the end of the period</b>	<b>13 179</b>	<b>12 135</b>	<b>12 447</b>
Accumulated depreciation and amortization at the beginning of the period	-11 015	-10 418	-10 420
Exchange rate differences	-7	-1	-8
Reclassifications between items	679	-	18
Depreciation and amortization for the period	-343	-471	-604
<b>Accumulated depreciation and amortization at the end of the period</b>	<b>-10 686</b>	<b>-10 889</b>	<b>-11 013</b>
<b>Book value of Intangible assets, at the beginning of the period</b>	<b>1 433</b>	<b>1 341</b>	<b>1 341</b>
<b>Book value of Intangible assets, at the end of the period</b>	<b>2 493</b>	<b>1 245</b>	<b>1 433</b>
<b>Property, plant and equipment</b>			
Carrying amount at the beginning of the period	44 463	43 714	43 714
Exchange rate differences	503	-632	117
Additions	841	576	983
Disposals	-7	-33	-67
Reclassifications between items	-3 814	-82	-285
<b>Carrying amount at the end of the period</b>	<b>41 986</b>	<b>43 543</b>	<b>44 463</b>
Accumulated depreciation and amortization at the beginning of the period	-36 236	-34 800	-34 801
Exchange rate differences	-450	561	-96
Reclassifications between items	3 812	-	202
Depreciation and amortization for the period	-1 135	-1 140	-1 541
<b>Accumulated depreciation and amortization at the end of the period</b>	<b>-34 010</b>	<b>-35 380</b>	<b>-36 236</b>
<b>Book value of Property, plant and equipment, at the beginning of the period</b>	<b>8 227</b>	<b>8 913</b>	<b>8 913</b>
<b>Book value of Property, plant and equipment, at the end of the period</b>	<b>7 976</b>	<b>8 163</b>	<b>8 226</b>
<b>9. Interest-bearing liabilities</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Non-current interest-bearing liabilities recognized at amortized cost	8 622	7 716	10 937
Current interest-bearing liabilities	4 989	3 327	4 340
<b>TOTAL</b>	<b>13 611</b>	<b>11 043</b>	<b>15 277</b>
<b>Maturities of the interest-bearing financial liabilities</b>			
Financial liability	Current	Non-current	Total
Pension loans (TyEL)	2 000	1 000	3 000
Loans from financial institutions	2 889	7 623	10 512
Other loans	100	-	100
<b>Total</b>	<b>4 989</b>	<b>8 622</b>	<b>13 611</b>

<b>10. Pledged assets and contingent liabilities</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
<b>Pledged assets on behalf of the Parent company</b>			
Loans from financial institutions	10 512	5 715	11 177
Business mortgages	6 700	3 500	6 700
Pension loans (TyEL)	3 000	5 000	4 000
Business mortgages	900	1 500	1 200
Credit insurance agreements	2 100	3 500	2 800
Other loans	100	100	100
Real estate mortgages	101	101	101
Mortgage agreements on behalf of subsidiaries			
Loans from financial institutions	246	227	240
Business mortgages	200	200	240
Commercial bank guarantees on behalf of the Parent company and subsidiaries	37 975	15 187	18 472
<b>Other own obligations</b>			
Rental liabilities maturing within one year	861	553	546
Rental liabilities maturing in one to five years	2 653	995	1 358
Rental liabilities maturing more than five years	670	565	523
<b>Total</b>	<b>4 184</b>	<b>2 113</b>	<b>2 426</b>

**Loans and guarantees on behalf of the related party**

No loans are granted to the company's management. On September 30, 2012, the Parent Company Raute Corporation had loan receivables from its subsidiary Raute Service LLC EUR 355 thousand (EUR 355 thousand) and from Raute Canada Ltd. EUR 1 774 thousand (EUR 922 thousand). Raute Corporation had a EUR 100 thousand (EUR 100 thousand) liability to Raute Sickness Fund.

No pledges have been given or other commitments made on behalf of the company's management and shareholders.

<b>11. Currency derivatives and hedging instruments</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Currency derivatives are used for hedging purposes.			
<b>Nominal values of forward contracts in foreign currency</b>			
Economic hedging			
- Related to financing	1 802	1 016	1 211
- Related to hedging of net sales	4 844	147	637
<b>Fair values of forward contracts in foreign currency</b>			
Economic hedging			
- Related to financing	-21	11	-32
- Related to hedging of net sales	0	-	4
<b>Interest rate and currency swap agreements</b>			
- Nominal value	5 298	5 715	5 937
- Fair value	28	-529	-285



### 12. Share-based payments

The fair value of the options granted according to the 2010 stock option plan is recognized as an expense in the income statement during the earning period of the options. An expense of EUR 152 thousand (EUR 91 thousand) was recognized for the options in the income statement during the period. On June 21, 2012, Raute Corporation's Board of Directors issued, in compliance with the authorization by the Annual General Meeting, a total of 73 000 option rights marked with the symbol 2010 C to the Group's key personnel.

Key terms and conditions of the granted option arrangements are:

Nature of arrangement	stock options
Grant date	21.6.2012
Number of stock options granted	73 000
Price, EUR	8,40
Share market value at grant date, EUR	7,55
Term, years	3
Subscription period	1.3.2015-31.3.2018
Realization	in shares

### 13. Dividend distribution

Raute Corporations' Annual General Meeting decided to distribute a dividend of EUR 0,30 per share to be paid for series A and K shares. A total amount of dividends to be paid was EUR 1,201,427.40. The dividend payment date was April 26, 2012.

### 14. Exchange rates used

	<b>1.1.-30.9.</b>	<b>1.1.-30.9.</b>	<b>1.1.-31.12.</b>
<b>Income statement, euros</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
USD (US dollar)	<b>1,2817</b>	1,4063	1,3917
CAD (Canadian dollar)	<b>1,2845</b>	1,3746	1,3756
SGD (Singapore dollar)	<b>1,6129</b>	1,7539	1,7491
CLP (Chilean peso)	<b>626,5112</b>	666,4074	672,0723
RUB (Russian rouble)	<b>39,7964</b>	40,4803	40,8797
CNY (Chinese yuan)	<b>8,1103</b>	9,1392	8,9958
	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
<b>Balance sheet, euros</b>			
USD (US dollar)	<b>1,2930</b>	1,3503	1,2939
CAD (Canadian dollar)	<b>1,2684</b>	1,4105	1,3215
SGD (Singapore dollar)	<b>1,5848</b>	1,7589	1,6819
CLP (Chilean peso)	<b>608,9378</b>	668,5192	680,1710
RUB (Russian rouble)	<b>40,1400</b>	43,3500	41,7650
CNY (Chinese yuan)	<b>8,1272</b>	8,7994	8,3499

### 15. Events after the reporting period

The President of Raute's North American companies, Mr. Bruce Alexander, resigned from the Raute Group on October 24, 2012. The North American operations have been integrated with Technology Services, headed by Group Vice President Mr. Petri Lakka.

<b>FINANCIAL DEVELOPMENT</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Change in net sales, %	13,4	20,0	18,2
Exported portion of net sales, %	92,9	87,1	88,0
Return on investment (ROI), %	8,8	4,2	-0,1
Return on equity (ROE), %	6,2	-0,4	-4,7
Interest-bearing net liabilities, EUR million	-12,0	-3,9	-10,4
Gearing, %	-54,4	-16,9	-47,1
Equity ratio, %	44,4	53,2	46,9
Gross capital expenditure, EUR million	2,2	1,2	1,9
% of net sales	3,3	2,0	2,5
Research and development costs, EUR million	1,6	1,4	2,0
% of net sales	2,4	2,3	2,7
Order book, EUR million	72	21	36
Order intake, EUR million	104	46	77

<b>SHARE-RELATED DATA</b>	<b>30.9.</b>	<b>30.9.</b>	<b>31.12.</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
Earnings per share, (EPS), undiluted, EUR	0,26	-0,02	-0,27
Earnings per share, (EPS), diluted, EUR	0,26	-0,02	-0,27
Equity to share, EUR	5,51	5,75	5,51
Dividend per share, EUR	-	-	0,30
Dividend per profit, %	-	-	-109,7
Effective dividend return, %	-	-	4,8
<b>Development in share price (series A shares)</b>			
Lowest share price for the period, EUR	6,18	6,95	6,05
Highest share price for the period, EUR	9,24	11,55	11,55
Average share price for the period, EUR	8,28	9,47	8,57
Share price at the end of the period, EUR	7,32	7,18	6,20
<b>Market value of capital stock</b>			
- Series K shares, EUR million*	7,3	7,1	6,1
- Series A shares, EUR million	22,1	21,6	18,7
Total, EUR million	29,3	28,8	24,8
*Series K shares valued at the value of series A shares.			
<b>Trading of the company's shares (series A shares)</b>			
Trading of shares, pcs	232 047	303 381	522 287
Trading of shares, EUR million	1,9	2,9	4,3
<b>Number of shares</b>			
- Series K shares, ordinary shares (20 votes/share)	991 161	991 161	991 161
- Series A shares (1 vote/share)	3 013 597	3 013 597	3 013 597
Total	4 004 758	4 004 758	4 004 758
Number of shares, weighted average, 1 000 pcs	4 005	4 005	4 005
Number of shares diluted, 1 000 pcs	4 006	4 009	4 005
<b>The number of shareholders</b>	1 652	1 763	1667

<b>DEVELOPMENT OF QUARTERLY RESULTS (EUR 1 000)</b>	<b>Q 4 2011</b>	<b>Q 1 2012</b>	<b>Q 2 2012</b>	<b>Q 3 2012</b>	<b>Rolling 1.10.2011 – 30.9.2012</b>	<b>Rolling 1.10.2010 – 30.9.2011</b>
<b>NET SALES</b>	<b>14 934</b>	<b>15 109</b>	<b>22 365</b>	<b>29 886</b>	<b>82 293</b>	<b>72 785</b>
<b>Change in inventories of finished goods and work in progress</b>	<b>-1 225</b>	<b>464</b>	<b>226</b>	<b>-742</b>	<b>-1 277</b>	<b>1 856</b>
<b>Other operating income</b>	<b>23</b>	<b>46</b>	<b>60</b>	<b>61</b>	<b>190</b>	<b>155</b>
Material and services	-5 561	-6 806	-12 055	-17 475	-41 897	-41 238
Employee benefits expense	-6 437	-6 635	-6 997	-7 083	-27 152	-23 999
Depreciation and amortisation	-518	-501	-495	-482	-1 996	-2 184
Other operating expenses	-2 336	-2 227	-2 467	-2 346	-9 376	-9 324
<b>Total operating expenses</b>	<b>-14 853</b>	<b>-16 168</b>	<b>-22 014</b>	<b>-27 386</b>	<b>-80 421</b>	<b>-76 745</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>-1 121</b>	<b>-549</b>	<b>637</b>	<b>1 818</b>	<b>786</b>	<b>-1 950</b>
<b>% of net sales</b>	<b>-8</b>	<b>-4</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>-3</b>
Financing income	-60	208	181	130	458	1 031
Financing expenses	-10	-195	-150	-267	-622	-1 421
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-1 190</b>	<b>-536</b>	<b>669</b>	<b>1 680</b>	<b>622</b>	<b>-2 339</b>
<b>% of net sales</b>	<b>-8</b>	<b>-4</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>-3</b>
Income taxes	170	72	-406	-451	-615	398
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1 020</b>	<b>-464</b>	<b>263</b>	<b>1 229</b>	<b>8</b>	<b>-1 941</b>
<b>% of net sales</b>	<b>-7</b>	<b>-3</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>-3</b>
<b>Attributable to</b>						
Equity holders of the Parent company	-1 020	-464	263	1 229	8	-1 941
<b>Earnings per share for profit (loss) attributable to Equity holders of the Parent company, EUR</b>						
Undiluted earnings per share	-0,25	-0,12	0,07	0,31	0,00	-0,48
Diluted earnings per share	-0,25	-0,12	0,07	0,31	0,00	-0,48
<b>Shares, 1 000 pcs</b>						
Adjusted average number of shares	4 005	4 005	4 005	4 005	4 005	4 005
Adjusted average number of shares diluted	4 005	4 005	4 005	4 007	4 007	4 009

<b>LARGEST SHAREHOLDERS AT September 30, 2012</b>	<b>Number of series K shares (20 votes per share)</b>	<b>Number of series A shares (1 vote per share)</b>	<b>Total number of shares</b>
1. Sundholm Göran	-	624 398	624 398
2. Mandatum Henkivakuutusosakeyhtiö	-	181 900	181 900
3. Sijoitusrahasto Alfred Berg Small Cap Finland	-	118 339	118 339
4. Mustakallio Kari Pauli	60 480	56 900	117 380
5. Suominen Pekka	48 000	62 429	110 429
6. Suominen Tiina Sini-Maria	48 000	62 316	110 316
7. Siivonen Osku Pekka	50 640	53 539	104 179
8. Kirmo Kaisa Marketta	50 280	41 826	92 106
9. Mustakallio Mika Tapani	56 180	29 670	85 850
10. Keskiäho Kaija Leena	33 600	51 116	84 716
11. Särkijärvi Anna Riitta	60 480	22 009	82 489
12. Mustakallio Ulla Sinikka	47 240	28 431	75 671
13. Laakkosen Arvopaperi Oy	-	71 849	71 849
14. Relander Harald	-	70 900	70 900
15. Mustakallio Marja Helena	43 240	16 047	59 287
16. Sijoitusrahasto Nordea Suomi Small Cap	-	57 349	57 349
17. Särkijärvi Timo	12 000	43 256	55 256
18. Särkijärvi-Martinez Anu Riitta	12 000	43 256	55 256
19. Kirmo Lasse	30 000	24 110	54 110
20. Suominen Jukka Matias	24 960	27 964	52 924
<b>TOTAL</b>	<b>577 100</b>	<b>1 687 604</b>	<b>2 264 704</b>
Share of total amount of shares, %	58,2	56,0	56,6
Share of total voting rights, %	58,2	56,0	57,9
Nominee-registered		133 312	133 312
Other shareholders	414 061	1 192 681	1 606 742
<b>TOTAL</b>	<b>991 161</b>	<b>3 013 597</b>	<b>4 004 758</b>
<b>MANAGEMENT'S SHAREHOLDING</b>	<b>151 470</b>	<b>136 049</b>	<b>287 519</b>
Share of total amount of shares, %	15,3	4,5	7,2
Share of total voting rights, %	15,3	4,5	13,9

RAUTE CORPORATION  
Board of Directors

**BRIEFING ON OCTOBER 30, 2012 AT 2 P.M.:**

A briefing will be organized for analysts, investors and the media on Tuesday, October 30, 2012 at 2 p.m. at Scandic Simonkenttä Hotel, Roba cabinet, Simonkatu 9, Helsinki. The interim report will be presented by Mr. Tapani Kiiski, President and CEO, and Ms. Arja Hakala, CFO.

**FINANCIAL RELEASES IN 2013:**

Raute Corporation will publish its financial statements for 2012 on Tuesday, February 12, 2013.

Raute's interim reports will be published as follows:

- January–March on Friday, April 26, 2013
- January–June on Tuesday, July 30, 2013
- January–September on Wednesday, October 30, 2013

Raute Corporation's Annual General Meeting is scheduled to be held in Lahti on Monday, April 8, 2013.

**FURTHER INFORMATION:**

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Ms. Arja Hakala, CFO, Raute Corporation, tel. +358 3 829 3293, mobile +358 400 710 387

**DISTRIBUTION:**

NASDAQ OMX Helsinki Ltd, main media, [www.raute.com](http://www.raute.com)

**RAUTE IN BRIEF:**

Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood and LVL (Laminated Veneer Lumber). The technology offering covers machinery and equipment for the entire production process. As a supplier of mill-scale projects Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in Nastola, Finland. Its other production plants are in the Vancouver area in Canada, in the Shanghai area in China, and in Kajaani, Finland. Raute's net sales in 2011 were EUR 74.3 million. The number of personnel at the end of 2011 was 464.

More information about the company can be found at [www.raute.com](http://www.raute.com).